TBC BANK GROUP PLC

3Q AND 9M 2021 FINANCIAL RESULTS

TBC BANK
Group PLC

www.tbcbankgroup.com

TBC BANK GROUP PLC (“TBC Bank”)
3Q AND 9M 2021 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.

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Third Quarter and Nine months of 2021 Unaudited Consolidated Financial Results Conference Call

TBC Bank Group PLC ("TBC PLC") publishes its unaudited consolidated financial results for the third quarter and the first nine months of 2021 on Thursday, 18 November 2021 at 7.00 am GMT (11.00 am GET), while 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:

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

Webinar Instructions:
For those participants who will be joining through the webinar, in order to ask questions, please use the “hand icon” that you will see 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.

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3Q and 9M 2021 Results Announcement

TBC Bank's Unaudited 3Q and 9M 2021 Consolidated Financial Results

Continued to deliver 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

Economic recovery continued in 3Q - After a record-high rebound of 29.9% in 2Q 2021, which was driven by pent-up demand and re-opening of the economy, GDP posted solid, 9.0% YoY real growth in 3Q 2021. Importantly, the growth has been broad-based, supported by strong external inflows and increased domestic demand. In the first nine months of 2021, the economy grew by 11.3% YoY in real terms, surpassing the 2019 level by 4.8%. For the FY 2021 and 2022, our GDP growth outlook is 10.5% and 6.0%, respectively.

The group maintained robust profitability… - Our net profit amounted to GEL 207.1 million (up by 35.8% YoY) and GEL 610.5 million (almost tripled YoY), respectively, in 3Q and 9M 2021. The growth was driven by increased operating income spread across all revenue categories, further supported by recoveries in loan provision charges. As a result, our ROE for 3Q and 9M stood at 24.1% and 25.3%, respectively.

.... backed by solid capital levels, allowing the resumption of dividend payments- CET1, Tier 1 and Total Capital ratios stood at 13.4%, 15.4% and 19.3%, respectively, comfortably above the prudent respective minimum regulatory requirements of 11.3%, 13.5% and 17.9%. The strong capital generation over the quarter fully offset the interim dividend payment of GEL 81.8 million in September 2021.

Our Georgian banking franchise maintained steady growth across all business segment… - Our loan book increased by 12.6% year-on-year in constant currency terms, mainly driven by the CIB and MSME segments, which translated into a 38.4% market share as of 30 September 2021. Over the same period, our deposits increased by 20.0% in constant currency terms. As a result, our market share in total deposits amounted to 40.1% as of 30 September 2021. We hold the #1 position in the market in terms of both loan and deposit market shares.

…while our Uzbek bank continued to expand its operations having secured strong IFI support - In September, we entered into a partnership with IFC and the EBRD. Under the terms of the agreement, by the end of 2021, IFC and the EBRD will, subject to certain conditions, each invest USD 9.4 million into TBC UZ in exchange for up to a 20% equity interest each. TBC PLC will retain 60% ownership of TBC UZ.

As of 31 October 2021, the number of registered and active users of TBC UZ's digital banking app reached around 785,000 and 170,000, respectively. We already cover 25 regions of the country through our 33 customer acquisition points and 8 showrooms. At the end of October 2021, the bank's deposit portfolio amounted to GEL115.0 million, while the loan book stood at GEL 59.8 million.

Further progress towards digitalization - In 3Q, we launched a fully end-to-end digital consumer loan disbursement process in our mobile banking, which is expected to accelerate our sales through remote channels. We have also launched 'open banking' in our mobile banking for our retail and business customers.

In 3Q, the number of transactions conducted in remote channels amounted to 37.2 million, up by 24.8% and 6.0% on a YoY and QoQ basis, respectively. Over the same period, the number of active digital users increased by 10.7% YoY or 2.3% QoQ and amounted to 704 thousands. Our sales offloading in consumer loans[1] and deposits[2] stood at 52% and 74%, respectively.

JSC TBC Bank successfully issued $75 million Additional Tier 1 Capital Perpetual Subordinated Notes on 4 November 2021 - The new issue attracted solid demand from investors across the EU, the UK and the US, evidencing strong investor appetite for TBC Bank's credit story. The AT1 issue will allow TBC Bank to maintain an efficient capital structure and strong capital base to fund mid-term growth opportunities.

TBC Bank Group PLC was re-included in the FTSE 250 index from 27 October 2021 on the back of the strong recovery in our share price.

[1] Consumer loans offloading ratios equals the number of consumer loans issued via remote channels divided by total number of such loans issued;
[2] Deposit offloading ratio equals the number of time and savings deposits opened via remote channels divided by total number of such deposits opened.

Letter from the Chief Executive Officer

I am delighted to present another strong set of financial results for the third quarter 2021, supported by the continued revival of business activities on the back of a sustained macroeconomic recovery. The quarter was also marked by a significant achievement for our Uzbek banking subsidiary, TBC UZ. After extensive negotiations, we have entered into a partnership with the International Finance Corporation ("IFC") and the European Bank for Reconstruction and Development ("EBRD"), whereby IFC and the EBRD will invest equity into TBC UZ to support its continued growth. Furthermore, I am pleased that our subsidiary, JSC TBC Bank, successfully issued additional Tier 1 Capital Perpetual Subordinated Notes in the amount of USD 75 million. This AT1 issuance will allow us to maintain solid growth while retaining a prudent and optimal capital structure well above regulatory requirements.

I am also delighted that our efforts have been reflected in a strong recovery of our share price, which resulted in our re-inclusion into the FTSE 250 index from 27 October 2021.

Economic recovery continued into the third quarter

The Georgian economy has continued a firm recovery in the third quarter of 2021. According to the preliminary estimates of Geostat[3], after a record-high rebound of 29.9% in the second quarter, the economy posted solid, 9.0% year-on-year real growth. In the first nine months of 2021, real GDP expanded by 11.3% year-on-year, surpassing the 2019 level by 4.8%. Importantly, this growth was broad-based, supported by strong external inflows and increased domestic demand. The exceptional performance in exports, the continued strong flow of remittances, and a gradual recovery in tourism, together with record-low interest rates on US$ deposits, stimulated consumer spending and real estate investments. Banking sector credit displayed a solid rebound in the third quarter with 15.8% year-on-year growth in FX adjusted terms, which is also strongly supportive of economic growth. While COVID-19 related uncertainties pose downside risks to the outlook, real GDP growth for the year is expected to be above 10.0%.

The Bank continued to deliver strong financial results in the third quarter

In the third quarter of 2021, our consolidated net profit amounted to GEL 207.1 million, up by 35.8% year-on-year, while our return on equity and return on assets stood at 24.1% and 3.6%, respectively.

The main driver of our profitability was the strong growth in our net interest income, which resulted in a net interest margin of 5.3%, up by 0.7 pp year-on-year. Our operating income was further supported by an increase in net fee and commission income, which grew by 44.5% year-on-year. This growth was driven by increased business activities combined with various initiatives on the payments side and strong results generated by our retail affluent sub-segment.

In the third quarter, we recorded a strong performance on the asset quality side across all segments. As a result, our cost of risk stood at -0.1% and had a positive contribution to our net profits. Over the same period, our operating expenses increased by 16.8% year-on-year, driven by the expansion of our Uzbek bank and increased business activities. The cost to income for the period stood at 35.4%, down by 3.1 pp year-on-year.

Our loan book increased by 12.6% year-on-year in constant currency terms, mainly driven by the CIB and MSME segments, which translated into a 38.4% market share. Over the same period, our deposits increased by 20.0% in constant currency terms across the board. As a result, our market share in total deposits amounted to 40.1% as of 30 September 2021.

As of 30 September 2021, our CET1, Tier 1 and Total Capital ratios stood at 13.4%, 15.4% and 19.3%, respectively, comfortably above the respective minimum regulatory requirements of 11.3%, 13.5% and 17.9%. The strong capital generation over the quarter fully offset the interim dividends payments, in the amount of GEL 81.8 million, in September 2021. We continue to maintain a robust liquidity position, with net stable funding (NSFR) and liquidity coverage ratios (LCR) standing at 127% and 116%, respectively, as of 30 September 2021.

Further progress towards digitalization

I would like to highlight several important business developments during the quarter. On the retail side, we have launched a digital consumer loan disbursement process in our mobile banking, which is expected to accelerate our sales through remote channels. We have also launched open banking in our mobile banking for our retail and business customers. Open

[3] National Statistics Office of Georgia

banking brings together all clients' accounts from various Georgian banks and allows them to check their accounts at one place, thus saving a lot of time and effort. I am pleased that our consistent efforts towards innovation and digitalization have been recognized internationally with multiple digital regional awards from Global Finance magazine.

In terms of operating metrics, the number of retail remote transactions during the third quarter of 2021 increased by 24.8% year-on-year and by 6.0% quarter-on-quarter. Retail digital users also demonstrated a growing trend and increased by 10.7% year-on-year and 2.3% quarter-on-quarter, while mobile and internet banking penetration ratio amounted to 56%. Over the same period, the number of digital sales also remained strong. The consumer loan sales offloading ratio[4] amounted to 52%, while the deposit sales offloading ratio[5] continued to remain high at 74%.

Securing strong IFI support for our growing Uzbek bank

In September, we entered into a partnership with IFC and the EBRD, marking another important milestone in our Uzbek expansion. Under the terms of the agreement, by the end of 2021, IFC and EBRD will, subject to certain conditions, each invest USD 9.4 million into TBC UZ in exchange for up to a 20% equity interest each. TBC PLC will retain 60% ownership of TBC UZ. In addition, IFC and the EBRD have agreed, subject to certain conditions, to make additional capital injections of, in aggregate, up to USD 34.3 million in the period up to 2024. This partnership will allow us to accelerate our growth in the country and offer a wide range of innovative and affordable products to the Uzbek population.

This was another successful quarter for our Uzbek bank, which continued its rapid growth across the board. The number of registered and active users of our digital banking app reached 785,000 and 170,000, respectively, as of 31 October 2021. We already cover 25 regions of the country through our 33 customer acquisition points, while we also operate several showrooms for customer relationship purposes. As of end of October, our deposit portfolio growth significantly outpaced the loan book growth and reached GEL 115.0 million, while the loan book stood at GEL 59.8 million.

Over the same period, our Uzbek payments business Payme continued its strong growth, as its number of registered users reached 4 million, while the number and volume of transactions increased by an impressive 47.6% and 58.8% respectively year-on-year. As a result, its revenue for the third quarter amounted to GEL 6.7 million, increasing by 54.6% over the same period.

Outlook

Going forward, we will continue to leverage our strong Georgian franchise to maintain high profitability levels backed by the solid capital levels, while harnessing our Uzbek businesses to accelerate our growth.

To conclude, I would 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 10-15%.

[4] Is calculated as the number consumer loans issued via remote channels divided by total number of such loans issued.
[5] Is calculated as the number of time and savings deposits opened through remote channels divided by total number of such deposits opened.

Economic Overview

Economic growth

A remarkable 29.9% surge in the second quarter of 2021 confirmed that, instead of recovery, the economy is experiencing a restart. Furthermore, despite the hindered tourism rebound in August-September and slower than expected vaccination rates, according to Geostat's initial estimates the second quarter was followed by 9.9% year-on-year expansion in July, 10.3% in August, and 6.9% in September, amounting to average year-on-year growth of 9.0% in 3Q 2021. It is expected that the Georgian economy will expand by 10.5% year-on-year, surpassing the 2019 level by 3.6% in 2021.

External sectors

The external sector continued its strong performance in 3Q 2021 with exports growing by 21.9% year-on-year and 15.8% compared with 3Q 2019. Notably, domestic exports lead the recovery with the share of domestic exports in total exports increasing significantly, from 59.4% in 3Q 2019 to 71.9% in 3Q 2021. Despite the still ongoing recovery in tourism related imports and re-exports, imports of goods also went up by 23.8% YoY in 3Q 2021 and by 9.9% when compared with the same period of 2019. Importantly, the rebound in the trade in goods was broad based, reflecting the increased overall external as well as domestic demand.

Remittance inflows have stabilized after a 53.5% YoY surge in the second quarter, amounting to 10.2% YoY in 3Q 2021 or 28.2% compared to 3Q 2019. Although part of the rebound compared with 2019 can be attributed to border closures and more cash remittances being transferred 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 the NBG's estimates.

The recovery in tourism inflows has continued its strong performance, with 1230.6% year-on-year growth in 3Q 2021 on the back of the low base in 3Q 2020 due to the COVID-19 pandemic, equaling a 50.2% recovery compared to the same period of 2019. Notably, the growth is primarily lead by the recovery of high spending countries. While compared to the previous quarter's inflows standing at 28.0% of 2Q 2019, the 3Q 2021 numbers are impressive, the recovery in August-September has somewhat stalled on the back of another wave of COVID-19 pandemic. Overall, even taking into account increased risks due to a higher number of infection cases, TBC Capital's latest projection of tourism inflows to recover by around 37.5% in 2021 compared to 2019 still looks reasonable[6].

Fiscal stimulus

The fiscal deficit is expected to remain sizable in 2021 at an estimated 6.7% of GDP following a deficit of 9.3% of GDP in 2020. According to the Ministry of Finance, further fiscal consolidation is expected in the coming years with deficit-to-GDP ratios of 4.4%, 3.0% and 2.7% in 2022, 2023 and 2024, respectively. Importantly, the major source of deficit financing in 2020-2021 was an external one, largely compensating for the pandemic related drop in net inflows.

Credit growth

By the end of 3Q 2021, bank credit growth increased to 15.8% year-on-year, compared to a 12.6% year-on-year growth by the end of 2Q 2021. In terms of segments, MSME lending growth has increased by 0.4 pp from 1Q 2021 to 2Q 2021 and amounted to 20.1% year-on-year. Corporate lending also increased from 7.4% at the end of 2Q 2021 to 15.4%. Growth in the retail sector increased by 0.6 pp to 13.2% year-on-year on the back of stronger non-mortgage credit. As for housing finance, the year-on-year increase declined from 14.1% to 12.0%, however, on the back of the higher base effect.

Inflation, monetary policy and the exchange rate

After the appreciation of the GEL in the second quarter, the currency has remained broadly stable, even with the depreciating TRY, gaining 1.2% value in the third quarter against the greenback. In contrast to the GEL, inflationary pressures have continued throughout the third quarter, mainly caused by increasing commodity and food prices on the international markets, reaching 12.3% year-on-year in September 2021, up from 9.9% in June 2021. However, monthly seasonally adjusted inflation in September was already below the 3% target. As expected, despite higher commodity prices and the rebound of the economy, the GEL has curbed the price increase, although with some time lag. To curb the aforementioned inflationary pressures the NBG increased its main refinancing rate by 50 bps to 10.0% in August, coupled with 93.7 million USD in FX interventions, 60 million of which was sold in September.

[6] Macro-Sectoral Overview, September 23, 2021, TBC Capital

Going forward

As the growth in the third quarter has solidified our projection of restart rather than recovery, TBC Capital holds an unchanged forecast for real GDP growth in 2021 of 10.5%, followed by a slightly downward, revised 6.0% growth forecast in 2022[2]. The IMF projects that the Georgian economy will grow by 7.7% in 2021 and by 5.8% in 2022[7], while the World Bank's October release forecasts 8.0% and 5.5% growth rates in 2021 and 2022, respectively[8].

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

[7] World Economic Outlook, October 2021, International Monetary Fund

[8] Europe and Central Asia Economic Update, October 2021, World Bank

Unaudited Consolidated Financial Results Overview for 3Q 2021

This statement provides a summary of the unaudited business and financial trends for 3Q 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

in thousands of GEL	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
Net interest income	259,390	242,767	211,784	*22.5%*	*6.8%*
Net fee and commission income	68,631	63,008	47,499	*44.5%*	*8.9%*
Other operating non-interest income[9]	43,952	74,512	33,913	*29.6%*	*-41.0%*
Total credit loss allowance	(5,106)	45,291	(14,146)	*-63.9%*	*NMF*
Operating profit after expected credit losses	**366,867**	**425,578**	**279,050**	***31.5%***	***-13.8%***
Losses from modifications of financial instrument	(104)	(104)	(1,763)	*-94.1%*	*0.0%*
Operating expenses	(131,695)	(134,688)	(112,793)	*16.8%*	*-2.2%*
Profit before tax	**235,068**	**290,786**	**164,494**	***42.9%***	***-19.2%***
Income tax expense	(27,921)	(40,394)	(11,906)	*NMF*	*-30.9%*
Profit for the period	**207,147**	**250,392**	**152,588**	***35.8%***	***-17.3%***

Balance Sheet and Capital Highlights

in thousands of GEL	Sep-21	Jun-21	Sep-20	*Change YoY*	*Change QoQ*
Total Assets	23,701,241	22,091,541	21,866,972	*8.4%*	*7.3%*
Gross Loans	15,963,520	15,274,926	14,590,777	*9.4%*	*4.5%*
Customer Deposits	14,338,537	12,870,418	12,343,414	*16.2%*	*11.4%*
Total Equity	3,448,193	3,336,825	2,826,387	*22.0%*	*3.3%*
CET 1 Capital (Basel III)	2,565,560	2,382,595	1,738,739	*47.6%*	*7.7%*
Tier 1 Capital (Basel III)	2,955,910	2,837,805	2,211,178	*33.7%*	*4.2%*
Total Capital (Basel III)	3,693,637	3,573,282	2,984,109	*23.8%*	*3.4%*
Risk Weighted Assets (Basel III)	19,143,450	18,275,845	17,478,610	*9.5%*	*4.7%*

Key Ratios	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
ROE	24.1%	31.0%	22.0%	*2.1 pp*	*-6.9 pp*
Bank's standalone ROE[10]	30.9%	34.7%	23.3%	*7.6 pp*	*-3.8 pp*
ROA	3.6%	4.4%	2.9%	*0.7 pp*	*-0.8 pp*
Bank's standalone ROA[10]	4.5%	4.7%	2.9%	*1.6 pp*	*-0.2 pp*
NIM	5.3%	5.0%	4.6%	*0.7 pp*	*0.3 pp*
Cost to income	35.4%	35.4%	38.5%	*-3.1 pp*	*0.0 pp*
Bank's standalone cost to income[10]	25.8%	28.6%	33.2%	*-7.4 pp*	*-2.8 pp*
Cost of risk	-0.1%	-1.3%	0.2%	*-0.3 pp*	*1.2 pp*
NPL to gross loans	3.1%	3.4%	3.5%	*-0.4 pp*	*-0.3 pp*
NPL provision coverage ratio	94.3%	91.3%	104.6%	*-10.3 pp*	*3.0 pp*
Total NPL coverage ratio	169.3%	169.6%	180.0%	*-10.7 pp*	*-0.3 pp*
CET 1 CAR (Basel III)	13.4%	13.0%	9.9%	*3.5 pp*	*0.4 pp*
Tier 1 CAR (Basel III)	15.4%	15.5%	12.7%	*2.7 pp*	*-0.1 pp*
Total CAR (Basel III)	19.3%	19.6%	17.1%	*2.2 pp*	*-0.3 pp*
Leverage (Times)	6.9x	6.6x	7.7x	*-0.8x*	*0.3x*

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

Net Interest Income

In 3Q 2021, net interest income amounted to GEL 259.4 million, up by 22.5% YoY and 6.8% on a QoQ basis.

The YoY rise in interest income by GEL 50.4 million, or 11.8%, was mostly attributable to an increase in interest income from loans related to a growth in the respective portfolio of GEL 1,372.7 million, or 9.4%, together with an increase in the respective yield by 0.5 pp due to a rise in the refinance rate. In addition, the shift of the portfolio composition towards GEL loans had a positive effect on loan yields.

In 3Q 2021, interest expense increased only by GEL 9.4 million, or 4.3%, mainly driven by an increase in interest expense from deposits. This increase was related to a growth in the respective portfolio of GEL 1,995.1 million, or 16.2% YoY, which was partially offset by the decrease in the cost of deposits by 0.2 pp. Over the same period, interest expense from other borrowed funds decreased by GEL 6.6 million, or 9.8%, on the back of a decline in the respective portfolio by GEL 777.4 million, or 19.9%, which more than offset the increase in the respective yield by 0.7 pp that was driven by the higher refinance rate. In addition, the change in liability structure towards deposits had a positive effect on our cost of funding, which dropped by 0.2 pp on a YoY basis.

The increase in interest income on a QoQ basis of GEL 18.1 million, or 3.9%, was mainly driven by an increase in interest income from loans to customers on the back of an increase in the loan portfolio by GEL 688.6 million, or 4.5%, and a 0.3 pp increase in loan effective rates. This increase was mainly attributable to GEL loan yields, on the back of an increase in the refinance rate, as well as a shift of the portfolio composition towards high-yield GEL loans.

The increase in interest expense of GEL 3.5 million, or 1.6% on a QoQ basis, was mainly driven by an increase in customer account by GEL 1,468.1 million or 11.4%, as well as a 0.1 pp increase in the cost of deposits.

In 3Q 2021, our NIM stood at 5.3%, up by 0.7 pp YoY and 0.3 pp on a QoQ basis.

In thousands of GEL	**3Q'21**	**2Q'21**	**3Q'20**	***Change YoY***	***Change QoQ***
Interest income	476,636	458,572	426,232	*11.8%*	*3.9%*
Interest expense	(226,991)	(223,456)	(217,639)	*4.3%*	*1.6%*
Net gains from currency swaps	9,745	7,651	3,191	*NMF*	*27.4%*
Net interest income	**259,390**	**242,767**	**211,784**	***22.5%***	***6.8%***
NIM	**5.3%**	**5.0%**	**4.6%**	***0.7 pp***	***0.3 pp***

Net fee and commission income

In 3Q 2021, net fee and commission income totaled GEL 68.6 million, up by 44.5% YoY and 8.9% QoQ.

The YoY increase was spread across all categories and was mainly driven by increased business activities combined with our various initiatives including: a review of the pricing model of our merchants together with the acquisition of several large merchants, the popularization of our subscription model for mass retail customers, and the fine-tuning of our offerings for affluent customers. This growth was further supported by our fast growing Uzbek subsidiary, Payme.

The increase on a QoQ basis was mainly driven by an increase in structuring fees for loans and guarantees in the corporate segment, as well as fine-tuning our offerings for affluent customers.

In thousands of GEL	**3Q'21**	**2Q'21**	**3Q'20**	***Change YoY***	***Change QoQ***
Net fee and commission income					
Card operations	21,275	22,627	11,318	*88.0%*	*-6.0%*
Settlement transactions	31,386	28,435	22,535	*39.3%*	*10.4%*
Guarantees issued and letters of credit	10,188	9,561	9,624	*5.9%*	*6.6%*
Other	5,782	2,385	4,022	*43.8%*	*NMF*
Total net fee and commission income	**68,631**	**63,008**	**47,499**	***44.5%***	***8.9%***

Other Non-Interest Income

Total other non-interest income increased by 29.6% YoY and decreased by 41.0% QoQ and amounted to GEL 44.0 million in 3Q 2021.

The increase on a YoY basis was mainly attributable to business revival, further supported by net income from foreign currency operations due to an increase in the scale of FX transactions.

The decrease on a QoQ basis was mainly driven by other operating income due to an exceptionally high base in the previous quarter related to the gain from the disposal of one of our investment properties, in the amount of GEL 26.3 million.

In thousands of GEL	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
Other non-interest income					
Net income from foreign currency operations	29,114	31,372	22,131	*31.6%*	*-7.2%*
Net insurance premium earned after claims and acquisition costs[11]	6,019	5,470	5,941	*1.3%*	*10.0%*
Other operating income	8,819	37,670	5,841	*51.0%*	*-76.6%*
Total other non-interest income	**43,952**	**74,512**	**33,913**	***29.6%***	***-41.0%***

Credit Loss Allowance

In 3Q cost of risk amounted to -0.1%, attributable to strong performance across all segments.

In thousands of GEL	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
Recovery of/(charges to) credit loss allowance for loan to customers	4,389	50,112	(5,884)	*-174.6%*	*-91.2%*
Credit loss allowance for other transactions	(9,495)	(4,821)	(8,262)	*14.9%*	*97.0%*
Total credit loss allowance	**(5,106)**	**45,291**	**(14,146)**	***-63.9%***	***NMF***
Operating profit after expected credit losses	**366,867**	**425,578**	**279,050**	***31.5%***	***-13.8%***
Cost of risk	**-0.1%**	**-1.3%**	**0.2%**	***-0.3 pp***	***1.2 pp***

Operating Expenses

In 3Q 2021, our operating expenses expanded by 16.8% YoY and slightly decreased on a QoQ basis.

The YoY increase was mainly attributable to an expansion of our Uzbek business, which resulted in an increase in the number of employees, as well as higher marketing expenses.

Overall, our cost to income ratio improved both on a YoY basis and amounted to 35.4%.

In thousands of GEL	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
Operating expenses					
Staff costs	(74,643)	(77,757)	(62,255)	*19.9%*	*-4.0%*
Provisions for liabilities and charges	(54)	(54)	(2,059)	*-97.4%*	*0.0%*
Depreciation and amortization	(19,988)	(19,337)	(17,339)	*15.3%*	*3.4%*
Administrative & other operating expenses	(37,010)	(37,540)	(31,140)	*18.9%*	*-1.4%*
Total operating expenses	**(131,695)**	**(134,688)**	**(112,793)**	*16.8%*	*-2.2%*
Cost to income	**35.4%**	**35.4%**	**38.5%**	***-3.1 pp***	***0.0 pp***
Bank's standalone cost to income*	**25.8%**	**28.6%**	**33.2%**	***-7.4 pp***	***-2.8 pp***

** For the ratio calculation all relevant group recurring costs are allocated to the bank*

[11] 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.

Net Income

In 3Q, we continued to deliver strong profitability and generated GEL 207.1 million in net profit. The growth on a YoY basis was mainly due to increased operating income, spread across all revenue categories, further supported by recoveries in loan credit loss allowance expenses. The decline on a QoQ basis was mostly attributable to an exceptionally high base in the previous quarter (mainly due to gain from the disposal of one of our investment properties and recoveries in credit loss allowances).

As a result, our ROE and ROA for the third quarter reached 24.1% and 3.6%, accordingly.

In thousands of GEL	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
Losses from modifications of financial instruments	(104)	(104)	(1,763)	*-94.1%*	*0.0%*
Profit before tax	**235,068**	**290,786**	**164,494**	***42.9%***	***-19.2%***
Income tax expense	(27,921)	(40,394)	(11,906)	*NMF*	*-30.9%*
Profit for the period	**207,147**	**250,392**	**152,588**	***35.8%***	***-17.3%***
ROE	**24.1%**	**31.0%**	**22.0%**	***2.1 pp***	***-6.9 pp***
Bank's standalone ROE[12]	**30.9%**	**34.7%**	**23.3%**	***7.6 pp***	***-3.8 pp***
ROE before expected credit loss allowances	**24.6%**	**26.0%**	**23.8%**	***0.8 pp***	***-1.4 pp***
ROA	**3.6%**	**4.4%**	**2.9%**	***0.7 pp***	***-0.8 pp***
Bank's standalone ROA[12]	**4.5%**	**4.7%**	**2.9%**	***1.6 pp***	***-0.2 pp***

Funding and Liquidity

As of 30 September 2021, the total liquidity coverage ratio (LCR), as defined by the NBG, was 116.5%, above the 100% limit, while the LCR in GEL and FC stood at 98.0% and 125.5% respectively, above the respective limits of 75% and 100%. Over the same period, NSFR stood at 127.1%, compared to the regulatory limit of 100%.

	30-Sep-21	30-Jun-21	*Change QoQ*
Minimum net stable funding ratio, as defined by the NBG	100.0%	100.0%	*0.0 pp*
Net stable funding ratio as defined by the NBG	127.1%	130.6%	*-3.5 pp*
Net loans to deposits + IFI funding	97.5%	102.8%	*-5.3 pp*
Leverage (Times)	6.9x	6.6x	*0.3x*
Minimum total liquidity coverage ratio, as defined by the NBG	*100.0%*	*100.0%*	*0.0 pp*
Minimum LCR in GEL, as defined by the NBG	*75%*	*75%*	*0.0 pp*
Minimum LCR in FC, as defined by the NBG	*100.0%*	*100.0%*	*0.0 pp*
Total liquidity coverage ratio, as defined by the NBG	116.5%	127.1%	*-10.6 pp*
LCR in GEL, as defined by the NBG	98.0%	122.9%	*-24.9 pp*
LCR in FC, as defined by the NBG	125.5%	129.2%	*-3.7 pp*

Regulatory Capital

As of 30 September 2021, our capital adequacy ratios were comfortably above the minimum regulatory requirements.

The strong capital generation over the quarter fully offset the interim dividend payments in the amount of GEL 81.8 million in September.

On November 4, our subsidiary JSC TBC Bank successfully issued additional Tier 1 Capital Perpetual Subordinated Notes, in the amount of US$ 75 million, with a coupon of 8.9%. This AT1 issuance will allow us to maintain solid growth while keeping a prudent capital structure well above regulatory requirements.

[12] For the ratio calculation, all relevant group recurring costs are allocated to the bank.

In thousands of GEL	30-Sep-21	30-Jun-21	*Change QoQ*
CET 1 Capital	2,565,560	2,382,595	*7.7%*
Tier 1 Capital	2,955,910	2,837,805	*4.2%*
Total Capital	3,693,637	3,573,282	*3.4%*
Total Risk-weighted Exposures	19,143,450	18,275,845	*4.7%*
Minimum CET 1 ratio	*11.3%*	*11.2%**	*0.1 pp*
CET 1 Capital adequacy ratio	13.4%	13.0%	*0.4 pp*
Minimum Tier 1 ratio	*13.5%*	*13.5%**	*0.0 pp*
Tier 1 Capital adequacy ratio	15.4%	15.5%	*-0.1 pp*
Minimum total capital adequacy ratio	*17.9%*	*17.8%**	*0.1 pp*
Total Capital adequacy ratio	19.3%	19.6%	*-0.3 pp*

** Minimum requirements with restored buffers*

Loan Portfolio

As of 30 September 2021, the gross loan portfolio reached GEL 15,963.5 million, up by 4.5% QoQ, or up by 5.7% on a constant currency basis.

The proportion of gross loans denominated in foreign currency decreased by 1.4pp QoQ and accounted for 54.9% of total loans, while on a constant currency basis the proportion of gross loans denominated in foreign currency decreased by 0.8pp QoQ and stood at 55.5%.

As of 30 September 2021, our market share in total loans stood at 38.4%, up by 0.3pp QoQ. Our loan market share in legal entities was 38.6%, up by 0.6pp QoQ, and our loan market share in individuals stood at 38.2%, down by 0.1pp QoQ.

In thousands of GEL	30-Sep-21	30-Jun-21	*Change QoQ*
Loans and advances to customers			
Retail	**5,950,915**	**5,719,393**	***4.0%***
Retail loans GEL	*3,313,791*	*3,131,032*	*5.8%*
Retail loans FC	*2,637,124*	*2,588,361*	*1.9%*
CIB	**6,136,232**	**5,851,634**	***4.9%***
CIB loans GEL	*1,941,958*	*1,746,149*	*11.2%*
CIB loans FC	*4,194,274*	*4,105,485*	*2.2%*
MSME	**3,876,373**	**3,703,899**	***4.7%***
MSME loans GEL	*1,936,230*	*1,797,390*	*7.7%*
MSME loans FC	*1,940,143*	*1,906,509*	*1.8%*
Total loans and advances to customers	**15,963,520**	**15,274,926**	***4.5%***

	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
Loan yields	**10.5%**	**10.2%**	**10.0%**	***0.5 pp***	***0.3 pp***
Loan yields GEL	*15.4%*	*15.1%*	*15.3%*	*0.1 pp*	*0.3 pp*
Loan yields FC	*6.6%*	*6.7%*	*6.6%*	*0.0 pp*	*-0.1 pp*
Retail Loan Yields	**12.0%**	**11.4%**	**11.5%**	***0.5 pp***	***0.6 pp***
Retail loan yields GEL	*16.3%*	15.9%	16.6%	*-0.3 pp*	*0.4 pp*
Retail loan yields FC	*6.6%*	6.4%	6.5%	*0.1 pp*	*0.2 pp*
CIB Loan Yields	**9.1%**	**9.0%**	**8.5%**	***0.6 pp***	***0.1 pp***
CIB loan yields GEL	14.1%	13.8%	13.3%	*0.8 pp*	*0.3 pp*
CIB loan yields FC	6.8%	7.1%	7.0%	*-0.2 pp*	*-0.3 pp*
MSME Loan Yields	**10.5%**	**10.2%**	**9.9%**	***0.6 pp***	***0.3 pp***
MSME loan yields GEL	15.0%	15.0%	14.6%	*0.4 pp*	*0.0 pp*
MSME loan yields FC	6.0%	6.1%	6.1%	*-0.1 pp*	*-0.1 pp*

Loan Portfolio Quality

Total PAR 30 ratio stood at 2.3% and remained broadly stable on a QoQ basis. The decrease in the retail segment on the back of mortgage loans was offset by the MSME and CIB segments. The slight worsening in the CIB segment was due to several borrowers with overdue payments, which are expected to be repaid during the following month, while the increase in the MSME segment was driven by the SME sub-segment.

In 3Q, NPLs improved across all segments, mainly driven by resumed repayments from restructured retail and MSME.

Our NPLs had a 94% provision coverage as of 30 September 2021 and an additional 75% collateral coverage. Only 15% of NPLs were unsecured loans with strong provision coverage of 281%.

Par 30	**30-Sep-21**	**30-Jun-21**	***Change QoQ***
Retail	2.7%	3.0%	*-0.3 pp*
CIB	0.5%	0.3%	*0.2 pp*
MSME	4.6%	3.9%	*0.7 pp*
Total Loans	**2.3%**	**2.2%**	***0.1 pp***

Non-performing Loans	**30-Sep-21**	**30-Jun-21**	***Change QoQ***
Retail	3.6%	4.0%	*-0.4 pp*
CIB	1.5%	1.6%	*-0.1 pp*
MSME	4.7%	5.4%	*-0.7 pp*
Total Loans	**3.1%**	**3.4%**	***-0.3 pp***

NPL Coverage[13]	**30-Sep-21**		**30-Jun-21**	
	Provision Coverage	Total Coverage	Provision Coverage	Total Coverage
Retail	120.7%	189.3%	118.9%	190.3%
CIB	82.5%	151.2%	82.9%	157.0%
MSME	68.7%	154.5%	63.3%	151.8%
Total	**94.3%**	**169.3%**	**91.3%**	**169.6%**

Cost of risk

The recoveries in credit loss allowances were due to a strong performance across all segments and translated into a – 0.1% cost of risk for 3Q 2021. In the retail segment, the main driver was mortgage loans, as well as recoveries in the written-off unsecured portfolio, while the improvement in the MSME cost of risk was driven by both the Micro and SME sub-segments. The recoveries in CIB were due to a strong loan book performance.

Cost of risk	**3Q'21**	**2Q'21**	**3Q'20**	***Change YoY***	***Change QoQ***
Retail	-0.2%	-0.2%	0.2%	*-0.4 pp*	*0.0 pp*
CIB	-0.2%	-2.0%	0.0%	*-0.2 pp*	*1.8 pp*
MSME	0.1%	-1.8%	0.4%	*-0.3 pp*	*1.9 pp*
Total	**-0.1%**	**-1.3%**	**0.0%**	***-0.1 pp***	***1.2 pp***

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

Deposit Portfolio

The total deposits portfolio increased by 11.4% QoQ, or 12.5% on a constant currency basis, and amounted to GEL 14,338.5 million.

This QoQ growth was mainly driven by the CIB segment, which was focused on attracting GEL deposits in line with our liquidity needs. The proportion of deposits denominated in a foreign currency increased by 2.0 pp QoQ and accounted for 63.7% of total deposits, while on a constant currency basis the proportion of deposits denominated in foreign currency decreased by 1.6 pp QoQ and stood at 64.1%.

As of 30 September 2021, our market share in deposits amounted to 40.1%, up by 2.3 pp QoQ, while our market share in deposits to legal entities stood at 40.0%, up by 4.3 pp QoQ. Our market share in deposits to individuals stood at 40.2%, up by 0.6 pp QoQ.

In thousands of GEL	30-Sep-21	30-Jun-21	*Change QoQ*
Customer Accounts			
Retail	**5,593,535**	**5,301,114**	***5.5%***
Retail deposits GEL	*1,353,608*	*1,282,793*	*5.5%*
Retail deposits FC	*4,239,927*	*4,018,321*	*5.5%*
CIB	**6,834,386**	**5,939,188**	***15.1%***
CIB deposits GEL	*2,681,148*	*2,218,972*	*20.8%*
CIB deposits FC	*4,153,238*	*3,720,216*	*11.6%*
MSME	**1,433,603**	**1,384,189**	***3.6%***
MSME deposits GEL	*688,598*	*662,605*	*3.9%*
MSME deposits FC	*745,005*	*721,584*	*3.2%*
Total Customer Accounts*	**14,338,537**	**12,870,418**	***11.4%***

** Total deposit portfolio includes Ministry of Finacne deposits in the amount of, GEL 246 million and GEL 477 million as of 30 June 2021 and 30 September 2021, respectively.*

	3Q'21	2Q'21	3Q'20	*Change YoY*	*Change QoQ*
Deposit rates	**3.5%**	**3.4%**	**3.7%**	***-0.2 pp***	***0.1 pp***
Deposit rates GEL	*6.9%*	*6.6%*	*6.7%*	*0.2 pp*	*0.3 pp*
Deposit rates FC	*1.6%*	*1.7%*	*2.0%*	*-0.4 pp*	*-0.1 pp*
Retail Deposit Yields	**2.3%**	**2.2%**	**2.7%**	***-0.4 pp***	***0.1 pp***
Retail deposit rates GEL	*4.8%*	*4.7%*	*5.5%*	*-0.7 pp*	*0.1 pp*
Retail deposit rates FC	*1.5%*	*1.5%*	*1.8%*	*-0.3 pp*	*0.0 pp*
CIB Deposit Yields	**4.5%**	**4.0%**	**4.4%**	***0.1 pp***	***0.5 pp***
CIB deposit rates GEL	*8.5%*	*8.3%*	*7.8%*	*0.7 pp*	*0.2 pp*
CIB deposit rates FC	*1.9%*	*2.1%*	*2.5%*	*-0.6 pp*	*-0.2 pp*
MSME Deposit Yields	**0.9%**	**0.8%**	**1.0%**	***-0.1 pp***	***0.1 pp***
MSME deposit rates GEL	*1.6%*	*1.4%*	*1.6%*	*0.0 pp*	*0.2 pp*
MSME deposit rates FC	*0.2%*	*0.3%*	*0.4%*	*-0.2 pp*	*-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 on 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

3Q'21	Retail	MSME	CIB	Corp. Centre	Total
Interest income	176,551	100,263	140,501	59,321	476,636
Interest expense	(32,230)	(3,244)	(72,311)	(119,206)	(226,991)
Net gains from currency swaps	-	-	-	9,745	9,745
Net transfer pricing	(44,594)	(41,080)	22,192	63,482	-
Net interest income	**99,727**	**55,939**	**90,382**	**13,342**	**259,390**
Fee and commission income	68,712	14,615	31,588	7,775	122,690
Fee and commission expense	(18,529)	(9,542)	(22,971)	(3,017)	(54,059)
Net fee and commission income	**50,183**	**5,073**	**8,617**	**4,758**	**68,631**
Net insurance premium earned after claims and acquisition costs	-	-	-	6,019	6,019
Net gains/(losses) from currency derivatives, foreign currency operations and translation	10,643	6,867	15,604	(4,012)	29,102
Gains less Losses from Disposal of Investment Securities Measured at Fair Value through Other Comprehensive Income	-	-	9	3,854	3,863
Other operating income	1,845	264	485	2,204	4,798
Share of profit of associates	-	-	-	170	170
Other operating non-interest income and insurance profit	**12,488**	**7,131**	**16,098**	**8,235**	**43,952**
Recovery of/(charges to) credit loss allowance for loans to customers	2,297	(852)	2,944	-	4,389
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	33	196	(6,926)	-	(6,697)
Recovery of/(charges to) credit loss allowance for net investments in leases	-	-	-	142	142
Credit loss allowance for other financial assets	17	-	533	(3,587)	(3,037)
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	-	-	192	232	424
Net impairment of non-financial assets	125	47	15	(514)	(327)
Profit/(loss) before G&A expenses and income taxes	**164,870**	**67,534**	**111,855**	**22,608**	**366,867**
Losses from modifications of financial instruments	**(46)**	**-**	**(58)**	**-**	**(104)**
Staff costs	(33,089)	(14,090)	(11,570)	(15,894)	(74,643)
Depreciation and amortization	(12,895)	(2,921)	(1,344)	(2,828)	(19,988)
Provision for liabilities and charges	-	-	-	(54)	(54)
Administrative and other operating expenses	(18,049)	(4,924)	(4,092)	(9,945)	(37,010)
Operating expenses	**(64,033)**	**(21,935)**	**(17,006)**	**(28,721)**	**(131,695)**
Profit before tax	**100,791**	**45,599**	**94,791**	**(6,113)**	**235,068**
Income tax expense	(8,158)	(3,713)	(7,941)	(8,109)	(27,921)
Profit	**92,633**	**41,886**	**86,850**	**(14,222)**	**207,147**

Consolidated Financial Statements of TBC Bank Group PLC

Consolidated Balance sheet

In thousands of GEL	**Sep-21**	**Jun-21**
Cash and cash equivalents	1,960,441	1,414,414
Due from other banks	64,894	59,314
Mandatory cash balances with National Bank of Georgia	2,095,848	2,117,157
Loans and advances to customers	15,504,311	14,796,968
Investment securities measured at fair value through other comprehensive income	2,253,510	2,022,385
Bonds carried at amortized cost	1,118	10,069
Net investments in leases	237,557	245,261
Investment properties	32,444	33,407
Current income tax prepayment	4,856	14,966
Deferred income tax asset	9,216	6,747
Other financial assets[14]	383,890	287,761
Other assets	352,191	311,218
Premises and equipment	378,514	371,909
Right of use assets	52,944	51,160
Intangible assets	305,088	284,555
Goodwill	59,964	59,964
Investments in associates	4,455	4,286
TOTAL ASSETS	**23,701,241**	**22,091,541**
LIABILITIES		
Due to credit institutions	3,361,515	3,482,830
Customer accounts	14,338,537	12,870,418
Lease liabilities	53,627	53,755
Other financial liabilities[14]	165,710	124,308
Current income tax liability	16,559	653
Debt Securities in issue	1,507,969	1,445,614
Deferred income tax liability	7,684	18,457
Provisions for liabilities and charges	28,275	21,435
Other liabilities	137,086	101,265
Subordinated debt	636,086	635,981
TOTAL LIABILITIES	**20,253,048**	**18,754,716**
EQUITY		
Share capital	1,682	1,682
Shares held by trust	(25,489)	(25,489)
Share premium	848,459	848,459
Retained earnings	2,790,447	2,680,951
Group re-organisation reserve	(162,167)	(162,167)
Share based payment reserve	(8,811)	(15,348)
Fair value reserve	(1,207)	170
Cumulative currency translation reserve	(7,065)	(5,199)
Net assets attributable to owners	**3,435,849**	**3,323,059**
Non-controlling interest	12,344	13,766
TOTAL EQUITY	**3,448,193**	**3,336,825**
TOTAL LIABILITIES AND EQUITY	**23,701,241**	**22,091,541**

[14] 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

In thousands of GEL	3Q'21	2Q'21	3Q'20
Interest income	476,636	458,572	426,232
Interest expense	(226,991)	(223,456)	(217,639)
Net gains from currency swaps	9,745	7,651	3,191
Net interest income	**259,390**	**242,767**	**211,784**
Fee and commission income	122,690	105,045	87,677
Fee and commission expense	(54,059)	(42,037)	(40,178)
Net fee and commission income	**68,631**	**63,008**	**47,499**
Net insurance premiums earned	16,818	16,146	14,199
Net insurance claims incurred and agents' commissions	(10,799)	(10,676)	(8,258)
Net insurance premium earned after claims and acquisition costs	**6,019**	**5,470**	**5,941**
Net gains/(losses) from currency derivatives, foreign currency operations and translation	29,102	31,688	22,174
Gains less losses from disposal of investment securities measured at fair value through other comprehensive income	3,863	4,653	-
Other operating income	4,798	32,491	5,645
Share of profit of associates	170	210	153
Other operating non-interest income	**37,933**	**69,042**	**27,972**
Recovery of/(charges to) credit loss allowance for loans to customers	4,389	50,112	(5,884)
Recovery of/(charges to) credit loss allowance for net investments in leases	142	(1,204)	(2,661)
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	(6,697)	1,284	1,968
Credit loss allowance for other financial assets	(3,037)	(5,689)	(6,481)
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	424	1,248	(368)
Net impairment of non-financial assets	(327)	(460)	(720)
Operating profit after expected credit losses	**366,867**	**425,578**	**279,050**
Losses from modifications of financial instruments	**(104)**	**(104)**	**(1,763)**
Staff costs	(74,643)	(77,757)	(62,255)
Depreciation and amortization	(19,988)	(19,337)	(17,339)
(Provision for)/ recovery of liabilities and charges	(54)	(54)	(2,059)
Administrative and other operating expenses	(37,010)	(37,540)	(31,140)
Operating expenses	**(131,695)**	**(134,688)**	**(112,793)**
Profit before tax	**235,068**	**290,786**	**164,494**
Income tax expense	(27,921)	(40,394)	(11,906)
Profit	**207,147**	**250,392**	**152,588**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in fair value reserve	(1,375)	(36,758)	9,486
Exchange differences on translation to presentation currency	(1,866)	(5,976)	4,753
Other comprehensive income for the period	**(3,241)**	**(42,734)**	**14,239**
Total comprehensive income for the period	**203,906**	**207,658**	**166,827**
Profit attributable to:			
- Shareholders of TBCG	204,892	247,945	150,756
- Non-controlling interest	2,255	2,447	1,832
Profit	**207,147**	**250,392**	**152,588**
Total comprehensive income is attributable to:			
- Shareholders of TBCG	201,662	205,195	165,002
- Non-controlling interest	2,244	2,463	1,825
Total comprehensive income for the period	**203,906**	**207,658**	**166,827**

Consolidated Statement of Cash Flows

In thousands of GEL	**30-Sep-2021**	**30-Jun-2021**
Cash flows from (used in) operating activities		
Interest received	1,393,345	906,444
Interest received on currency swaps	22,894	13,149
Interest paid	(658,355)	(452,751)
Fees and commissions received	284,273	170,658
Fees and commissions paid	(133,149)	(78,793)
Insurance and reinsurance received	68,437	43,358
Insurance claims paid	(26,354)	(16,239)
Income received from trading in foreign currencies	58,592	32,659
Other operating income received	53,477	28,880
Staff costs paid	(227,775)	(134,594)
Administrative and other operating expenses paid	(114,125)	(79,430)
Income tax paid	(11,893)	(4,446)
Cash flows from operating activities before changes in operating assets and liabilities	***709,367***	***428,895***
Net change in operating assets		
Due from other banks and mandatory cash balances with the National Bank of Georgia	57,244	23,326
Loans and advances to customers	(1,650,871)	(711,980)
Net investments in lease	28,358	24,158
Other financial assets	(159,404)	(38,835)
Other assets	5,740	14,151
Net change in operating liabilities		
Due to credit institutions	91,328	11,940
Customer accounts	2,287,018	667,190
Other financial liabilities	(115,735)	(137,291)
Other liabilities and provision for liabilities and charges	23,992	16,659
Net cash flows (used in)/from operating activities	***1,277,037***	***298,213***
Cash flows from (used in) investing activities		
Acquisition of investment securities measured at fair value through other comprehensive income	(598,141)	(196,871)
Proceeds from redemption at maturity/disposal of investment securities measured at fair value through other comprehensive income	929,431	757,583
Proceeds from redemption of bonds carried at amortised cost	28,351	19,633
Acquisition of premises, equipment and intangible assets	(111,148)	(91,993)
Proceeds from disposal of premises, equipment and intangible assets	13,833	6,334
Proceeds from disposal of investment property	44,464	20,210
Net cash used in investing activities	***306,790***	***514,896***
Cash flows from (used in) financing activities		
Proceeds from other borrowed funds	1,755,171	1,757,879
Redemption of other borrowed funds	(2,914,700)	(2,736,476)
Repayment of principal of lease liabilities	(8,417)	(5,591)
Redemption of subordinated debt	(12,562)	(12,562)
Proceeds from debt securities in issue	49,346	-
Dividends paid	(84,159)	(1,741)
Net cash flows from financing activities	***(1,215,321)***	***(998,491)***
Effect of exchange rate changes on cash and cash equivalents	***(43,470)***	***(35,609)***
Net (decrease)/ increase in cash and cash equivalents	***325,036***	***(220,991)***
Cash and cash equivalents at the beginning of the year	***1,635,404***	***1,635,405***
Cash and cash equivalents at the end of the year	***1,960,440***	***1,414,414***

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

Ratios (based on monthly averages, where applicable)	3Q'21	2Q'21	3Q'20
Profitability ratios:			
ROE[1]	24.1%	31.0%	22.0%
ROA[2]	3.6%	4.4%	2.9%
ROE before expected credit loss allowances[3]	24.6%	26.0%	23.8%
Cost to income[4]	35.4%	35.4%	38.5%
NIM[5]	5.3%	5.0%	4.6%
Loan yields[6]	10.5%	10.2%	10.0%
Deposit rates[7]	3.5%	3.4%	3.7%
Yields on interest earning assets[8]	9.9%	9.5%	9.4%
Cost of funding[9]	4.7%	4.6%	4.9%
Spread[10]	5.2%	4.9%	4.5%
Asset quality & portfolio concentration:			
Cost of risk[11]	-0.1%	-1.3%	0.2%
PAR 90 to Gross Loans[12]	1.3%	1.2%	1.3%
NPLs to Gross Loans[13]	3.1%	3.4%	3.5%
NPL provision coverage[14]	94.3%	91.3%	104.6%
Total NPL coverage[15]	169.3%	169.6%	180.0%
Credit loss level to Gross Loans[16]	2.9%	3.1%	3.7%
Related Party Loans to Gross Loans[17]	0.0%	0.1%	0.1%
Top 10 Borrowers to Total Portfolio[18]	7.7%	7.8%	7.9%
Top 20 Borrowers to Total Portfolio[19]	11.4%	11.9%	12.0%
Capital & liquidity positions:			
Net Loans to Deposits plus IFI* Funding[20]	97.5%	102.8%	97.5%
Net Stable Funding Ratio[21]	127.1%	130.6%	127.0%
Liquidity Coverage Ratio[22]	116.5%	127.1%	123.6%
Leverage[23]	6.9x	6.6x	7.7x
CET 1 CAR (Basel III)[24]	13.4%	13.0%	9.9%
Tier 1 CAR (Basel III)[25]	15.4%	15.5%	12.7%
Total 1 CAR (Basel III)[26]	19.3%	19.6%	17.1%

** 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. Return on average total equity (ROE) before expected credit loss allowances equals net income attributable to owners excluding all credit loss allowance with respective tax effects, but after net modification losses divided by the monthly average of total shareholders' equity attributable to the PLC's equity holders for the same period.
4. 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).
5. Net interest margin (NIM) is net interest income divided by monthly average interest-earning assets; annualised where applicable. Interest-earning assets include investment securities (excluding CIB shares), net investment in finance lease, net loans, and amounts due from credit institutions.
6. Loan yields equal interest income on loans and advances to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
7. Deposit rates equal interest expense on customer accounts divided by monthly average total customer deposits; annualised where applicable.
8. Yields on interest earning assets equal total interest income divided by monthly average interest earning assets; annualised where applicable.
9. Cost of funding equals total interest expense divided by monthly average interest bearing liabilities; annualised where applicable.
10. Spread equals difference between yields on interest earning assets (including but not limited to yields on loans, securities and due from banks) and cost of funding (including but not limited to cost of deposits, cost on borrowings and due to banks).
11. Cost of risk equals credit loss allowance for loans to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
12. 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.
13. 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.
14. NPL provision coverage equals total credit loss allowance for loans to customers divided by the NPL loans.
15. 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.
16. Credit loss level to gross loans equals credit loss allowance for loans to customers divided by the gross loan portfolio for the same period.
17. Related party loans to total loans equals related party loans divided by the gross loan portfolio.
18. Top 10 borrowers to total portfolio equals the total loan amount of the top 10 borrowers divided by the gross loan portfolio.
19. Top 20 borrowers to total portfolio equals the total loan amount of the top 20 borrowers divided by the gross loan portfolio.
20. Net loans to deposits plus IFI funding ratio equals net loans divided by total deposits plus borrowings received from international financial institutions.
21. 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.
22. 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.
23. Leverage equals total assets to total equity.
24. 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.
25. 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.
26. 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 3.1603 as of 30 June 2021. As of 30 September 2021 the USD/GEL exchange rate equaled 3.1228. For P&L items growth calculations without currency effect, we used the average USD/GEL exchange rate for the following periods: 3Q 2021 of 3.1204, 2Q 2021 of 3.3271, 3Q 2020 of 3.1021.

Unaudited Consolidated Financial Results Overview for 9M 2021

This statement provides a summary of the unaudited business and financial trends for 9M 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

in thousands of GEL	**9M'21**	**9M'20**	***Change YoY***
Net interest income	727,288	604,108	*20.4%*
Net fee and commission income	176,932	130,568	*35.5%*
Other operating non-interest income[15]	159,129	98,818	*61.0%*
Total credit loss allowance	22,941	(273,822)	*NMF*
Operating profit after expected credit losses	**1,086,290**	**559,672**	***94.1%***
Losses from modifications of financial instrument	(1,695)	(35,933)	*NMF*
Operating expenses	(388,623)	(314,328)	*23.6%*
Profit before tax	**695,972**	**209,411**	***NMF***
Income tax expense/(credit)	(85,446)	12,377	*NMF*
Profit for the period	**610,526**	**221,788**	***NMF***

Balance Sheet and Capital Highlights

in thousands of GEL	**Sep-21**	**Sep-20**	***Change YoY***
Total Assets	23,701,241	21,866,972	*8.4%*
Gross Loans	15,963,520	14,590,777	*9.4%*
Customer Deposits	14,338,537	12,343,414	*16.2%*
Total Equity	3,448,193	2,826,387	*22.0%*
CET 1 Capital (Basel III)	2,565,560	1,738,739	*47.6%*
Tier 1 Capital (Basel III)	2,955,910	2,211,178	*33.7%*
Total Capital (Basel III)	3,693,637	2,984,109	*23.8%*
Risk Weighted Assets (Basel III)	19,143,450	17,478,610	*9.5%*

Key Ratios	**9M'21**	**9M'20**	***Change YoY***
ROE	25.3%	11.0%	*14.3 pp*
Bank's standalone ROE[16]	32.2%	21.50%	*10.7 pp*
ROA	3.5%	1.5%	*2.0 pp*
Bank's standalone ROA[16]	4.6%	2.7%	*1.9 pp*
NIM	5.0%	4.7%	*0.3 pp*
Cost to income	36.5%	37.7%	*-1.2 pp*
Bank's standalone cost to income[16]	28.8%	32.4%	*-3.7 pp*
Cost of risk	-0.3%	2.0%	*-2.3 pp*
NPL to gross loans	3.1%	3.5%	*-0.5 pp*
NPL provision coverage ratio	94.3%	104.6%	*-10.4 pp*
Total NPL coverage ratio	169.3%	180.0%	*-10.7 pp*
CET 1 CAR (Basel III)	13.4%	9.9%	*3.5 pp*
Tier 1 CAR (Basel III)	15.4%	12.7%	*2.7 pp*
Total CAR (Basel III)	19.3%	17.1%	*2.2 pp*
Leverage (Times)	6.9x	7.7x	*-0.8x*

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

Net Interest Income

In 9M 2021, net interest income amounted to GEL 727.3 million, up by 20.4% YoY, whereby interest income and interest expense increased by 13.3% and 7.3%, respectively.

The YoY increase in interest income was primarily related to an increase in interest income from loans, which was driven by an increase in the gross loan portfolio of GEL 1,372.7 million, or 9.4% and an increase in loan yield of 0.2pp due to a higher refinance rate, as well as s shift of the portfolio composition towards GEL loans.

The increase in interest expense was primarily related to an increase in interest expense from deposits due to an increase in the respective portfolio of GEL 1,995.1 million, or 16.2%. Over the same period, the cost of deposits declined by 0.1 pp. In addition, the change in the liability structure towards deposits had a positive effect on the cost of funding. As a result, the cost of funding decreased by 0.4 pp YoY and stood at 4.6% in 9M 2021.

In 9M 2021, our NIM stood at 5.0%, up by 0.3 pp YoY.

In thousands of GEL	**9M'21**	**9M'20**	***Change YoY***
Interest income	1,375,821	1,214,125	*13.3%*
Interest expense	(671,427)	(625,730)	*7.3%*
Net gains from currency swaps	22,894	15,713	*45.7%*
Net interest income	**727,288**	**604,108**	***20.4%***
NIM	**5.0%**	**4.7%**	***0.3 pp***

Net fee and commission income

In 9M 2021, net fee and commission income totalled GEL 176.9 million, up by 35.5% YoY. The increase was spread across all major sub-categories and was mainly driven by increased business activities combined with our various initiatives including: a review of the pricing model of our merchants together with the acquisition of several large merchants, the popularization of our subscription model for mass retail customers, as well as the fine-tuning of our offerings for affluent customers. This growth was further supported by our fast growing Uzbek subsidiary, Payme.

In thousands of GEL	**9M'21**	**9M'20**	***Change YoY***
Net fee and commission income			
Card operations	54,226	34,820	*55.7%*
Settlement transactions	84,388	60,547	*39.4%*
Guarantees issued and letters of credit	29,151	27,543	*5.8%*
Other	9,167	7,658	*19.7%*
Total net fee and commission income	**176,932**	**130,568**	***35.5%***

Other Non-Interest Income

Total other non-interest income increased by 61.0% YoY and amounted to GEL 159.1 million in 9M 2021. The YoY increase was driven by growth in net income from foreign currency operations and growth in other operating income. The former increase was driven by an increase in the scale of FX transactions, while the later increase was driven by a gain from the disposal of one of our investment properties, in the amount of GEL 26.3 million.

In thousands of GEL	**9M'21**	**9M'20**	***Change YoY***
Other non-interest income			
Net income from foreign currency operations	88,994	69,910	*27.3%*
Net insurance premium earned after claims and acquisition costs[17]	15,892	16,222	*-2.0%*
Other operating income	54,243	12,686	*NMF*
Total other non-interest income	**159,129**	**98,818**	***61.0%***

[17] 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

Total credit loss allowance in 9M 2021 amounted to GEL 22.9 million. This significant decrease on a year-on-year basis was driven by recoveries in 2Q and 3Q 2021 across all segments and by a high base in 9M 2020 due to the creation of COVID-19 related provisions.

In thousands of GEL	**9M'21**	**9M'20**	***Change YoY***
Recovery of/(charges to) credit loss allowance for loans to customers	36,952	(255,100)	*NMF*
Credit loss allowance for other transactions	(14,011)	(18,722)	*-25.2%*
Total credit loss allowance	**22,941**	**(273,822)**	***NMF***
Operating income after credit loss allowance	**1,086,290**	**559,672**	***94.1%***
Cost of risk	**-0.3%**	**2.0%**	***-2.3 pp***

NMF – no meaningful figures

Operating Expenses

In 9M 2021, our total operating expenses expanded by 23.6% YoY.

The YoY growth in staff costs was mainly attributable to the low base of share-based payments in 9M 2020, as a result of the reversal of management's bonuses and an increase in staff bonuses related to revival of business activities in 9M 2021. Another driver was the expansion of our Uzbek business, which resulted in an increase in the number of employees.

The increase in administrative and other operating expenses was mainly related to our Uzbek business, as well as the revival of business activities in Georgia.

The cost to income ratio stood at 36.5%, down by 1.2 pp YoY, while the Bank's standalone cost to income was 28.8%, down by 3.7 pp over the same period.

In thousands of GEL	**9M'21**	**9M'20**	***Change YoY***
Operating expenses			
Staff costs	(222,714)	(176,261)	*26.4%*
Provisions for liabilities and charges	(63)	(1,982)	*-96.8%*
Depreciation and amortization	(56,689)	(49,554)	*14.4%*
Administrative & other operating expenses	(109,157)	(86,531)	*26.1%*
Total operating expenses	**(388,623)**	**(314,328)**	***23.6%***
Cost to income	**36.5%**	**37.7%**	***-1.2 pp***
Bank's standalone cost to income*	**28.8%**	**32.4%**	***-3.7 pp***

** For the ratio calculation all relevant group recurring costs are allocated to the bank*
NMF – no meaningful figures

Net Income

In 9M 2021, our solid profitability was related to a strong performance in operating profit across all categories, as well as recoveries in credit loss allowances across all segments.

As a result, our ROE stood at 25.3%, ROE before expected credit loss allowances stood at 24.4% and ROA stood at 3.5%.

In thousands of GEL	**9M'21**	**9M'20**	***Change YoY***
Losses from modifications of financial instruments	(1,695)	(35,933)	*-95.3%*
Profit before tax	**695,972**	**209,411**	***NMF***
Income tax expense/(credit)	(85,446)	12,377	*NMF*
Profit for the period	**610,526**	**221,788**	***NMF***
ROE	**25.3%**	**11.0%**	***14.3 pp***
Bank's standalone ROE[18]	**32.2%**	**21.5%**	***10.7 pp***
ROE before expected credit loss allowances	**24.4%**	**23.6%**	***0.8 pp***
ROA	**3.5%**	**1.5%**	***2.0 pp***
Bank's standalone ROA[18]	**4.6%**	**2.7%**	***1.9 pp***

[18] For the ratio calculation, all relevant group recurring costs are allocated to the bank.

Funding and Liquidity

As of 30 September 2021, the total liquidity coverage ratio, as defined by the NBG, was 116.5%, above the 100% limit, while the LCR in GEL and FC stood at 98.0% and 125.5% respectively, above the respective limits of 75% and 100%.

As of 30 September 2021, NSFR stood at 127.1%, compared to the regulatory limit of 100%.

	30-Sep-21	30-Sep-20	Change YoY
Minimum net stable funding ratio, as defined by the NBG	*100%*	*100%*	0.0 pp
Net stable funding ratio as defined by the NBG	127.1%	127.5%	3.1 pp
Net loans to deposits + IFI funding	97.5%	105.3%	*-7.8 pp*
Leverage (Times)	6.9x	7.7x	*-0.8x*
Minimum total liquidity coverage ratio, as defined by the NBG	*100.0%*	*100.0%*	0.0 pp
Minimum LCR in GEL, as defined by the NBG	*75%**	*n/a*	NMF
Minimum LCR in FC, as defined by the NBG	*100.0%*	*100.0%*	0.0 pp
Total liquidity coverage ratio, as defined by the NBG	116.5%	124.8%	*-8.3 pp*
LCR in GEL, as defined by the NBG	98.0%	141.0%	*-43.0 pp*
LCR in FC, as defined by the NBG	125.5%	117.3%	*8.2 pp*

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

Regulatory Capital

On a YoY basis, the Bank's CET1, Tier 1 and Total capital adequacy ratios increased by 3.5 pp, 2.7 pp and 2.2 pp, respectively. The increase was mainly driven by strong net income generation and local currency appreciation, which was partially offset by an increase in the loan book, and other changes in capital and RWA.

In thousands of GEL	30-Sep-21	30-Sep-20	Change YoY
CET 1 Capital	2,565,560	1,738,739	*47.6%*
Tier 1 Capital	2,955,910	2,211,178	*33.7%*
Total Capital	3,693,637	2,984,109	*23.8%*
Total Risk-weighted Exposures	19,143,450	17,478,610	*9.5%*
Minimum CET 1 ratio	*11.3%*	*6.9%*	*4.4 pp*
CET 1 Capital adequacy ratio	13.4%	9.9%	*3.5 pp*
Minimum Tier 1 ratio	*13.5%*	*8.7%*	*4.8 pp*
Tier 1 Capital adequacy ratio	15.4%	12.7%	*2.7 pp*
Minimum total capital adequacy ratio	*17.9%*	*13.2%*	*4.7 pp*
Total Capital adequacy ratio	19.3%	17.1%	*2.2 pp*

Loan Portfolio

As of 30 September 2021, the gross loan portfolio reached GEL 15,963.5 million, up by 9.4% YoY or up by 12.6% on a constant currency basis, with CIB and MSME segments showing the highest growth rates of 16.5% and 15.8% respectively, followed by retail with 7.0%, on a constant currency basis. The proportion of gross loans denominated in foreign currency decreased by 6.5 pp YoY and accounted for 54.9% of total loans, while on a constant currency basis the proportion of gross loans denominated in foreign currency was down by 5.2 pp YoY and stood at 56.2%.

As of 30 September 2021, our market share in total loans stood at 38.4%, down by 0.9 pp YoY, while our loan market share in legal entities was 38.6%, down by 0.2 pp over the same period, and our loan market share in individuals stood at 38.2%, down by 1.6 pp QoQ.

In thousands of GEL	**30-Sep-21**	**30-Sep-20**	***Change YoY***
Loans and advances to customers			
Retail	**5,950,915**	**5,696,529**	***4.5%***
Retail loans GEL	*3,313,791*	*2,811,912*	*17.8%*
Retail loans FC	*2,637,124*	*2,884,617*	*-8.6%*
CIB	**6,136,232**	**5,457,119**	***12.4%***
CIB loans GEL	*1,941,958*	*1,308,998*	*48.4%*
CIB loans FC	*4,194,274*	*4,148,121*	*1.1%*
MSME	**3,876,373**	**3,437,129**	***12.8%***
MSME loans GEL	*1,936,230*	*1,506,741*	*28.5%*
MSME loans FC	*1,940,143*	*1,930,388*	*0.5%*
Total loans and advances to customers	**15,963,520**	**14,590,777**	***9.4%***

	9M'21	**9M'20**	***Change YoY***
Loan yields	**10.2%**	**10.0%**	***0.2 pp***
Loan yields GEL	*15.0%*	*15.2%*	*-0.2 pp*
Loan yields FC	*6.6%*	*6.7%*	*-0.1 pp*
Retail Loan Yields	**11.5%**	**11.3%**	***0.2 pp***
Retail loan yields GEL	*16.0%*	*16.4%*	*-0.4 pp*
Retail loan yields FC	*6.4%*	*6.4%*	*0.0 pp*
CIB Loan Yields	**8.9%**	**8.7%**	***0.2 pp***
CIB loan yields GEL	13.6%	13.3%	*0.3 pp*
CIB loan yields FC	7.0%	7.0%	*0.0 pp*
MSME Loan Yields	**10.1%**	**10.2%**	***-0.1 pp***
MSME loan yields GEL	14.8%	15.0%	*-0.2 pp*
MSME loan yields FC	6.0%	6.2%	*-0.2 pp*

Loan Portfolio Quality

On a YoY basis, total par 30 increased by 0.6 pp. The increase was mainly driven by the low base in September 2020, which in turn was caused by the payment holidays offered to Retail and MSME borrowers affected by the COVID-19 pandemic.

Our NPL ratio improved by 0.4 pp YoY and amounted to 3.1%. The main driver was the CIB segment on the back of the recoveries of several borrowers during the previous 12 months due to the improved portfolio quality.

Par 30	**30-Sep-21**	**30-Sep-20**	***Change YoY***
Retail	2.7%	1.6%	*1.1 pp*
CIB	0.5%	1.2%	*-0.7 pp*
MSME	4.6%	2.9%	*1.7 pp*
Total Loans	**2.3%**	**1.7%**	***0.6 pp***

Non-performing Loans	**30-Sep-21**	**30-Sep-20**	***Change YoY***
Retail	3.6%	3.4%	*0.2 pp*
CIB	1.5%	2.6%	*-1.1 pp*
MSME	4.7%	5.2%	*-0.5 pp*
Total Loans	**3.1%**	**3.5%**	***-0.4 pp***

NPL Coverage	**30-Sep-21**		**30-Sep-20**	
	Provision Coverage	Total Coverage	Provision Coverage	Total Coverage
Retail	120.7%	189.3%	158.9%	227.9%
CIB	82.5%	151.2%	114.4%	191.8%
MSME	68.7%	154.5%	68.6%	154.5%
Total	**94.3%**	**169.3%**	**104.6%**	**215.8%**

Cost of risk

The total cost of risk for 9M 2021 stood at -0.3%, down by 2.8 pp YoY. The recoveries in credit loss allowances were related to the improved macro outlook on the back of the better than expected economic performance, as well as repayment from a single large CIB borrower.

Cost of Risk	**9M'21**	**9M'20**	***Change YoY***
Retail	0.2%	4.3%	*-4.1 pp*
CIB	-0.8%	0.7%	*-1.5 pp*
MSME	-0.3%	2.6%	*-2.9 pp*
Total	**-0.3%**	**2.5%**	***-2.8 pp***

Deposit Portfolio

The total deposits portfolio increased by 16.2% YoY across all segments and amounted to GEL 14,338.5 million, while on a constant currency basis the total deposit portfolio increased by 20.0% over the same period. The proportion of deposits denominated in foreign currency was up by 0.1 pp YoY and accounted for 63.7% of total deposits, while on a constant currency basis the proportion of deposits denominated in foreign currency increased by 1.3 pp YoY and stood at 64.9%.

As of 30 September 2021, our market share in deposits amounted to 40.1%, up by 1.8 pp YoY, and our market share in deposits to legal entities stood at 40.0%, up by 1.7 pp over the same period. Our market share in deposits to individuals stood at 40.2%, up by 1.9 pp QoQ.

In thousands of GEL	**30-Sep-21**	**30-Sep-20**	***Change YoY***
Customer Accounts			
Retail	**5,593,535**	**4,705,769**	***18.9%***
Retail deposits GEL	*1,353,608*	*1,158,361*	*16.9%*
Retail deposits FC	*4,239,927*	*3,547,408*	*19.5%*
CIB	**6,834,386**	**5,494,408**	***24.4%***
CIB deposits GEL	*2,681,148*	*1,876,576*	*42.9%*
CIB deposits FC	*4,153,238*	*3,617,832*	*14.8%*
MSME	**1,433,603**	**1,304,952**	***9.9%***
MSME deposits GEL	*688,598*	*604,798*	*13.9%*
MSME deposits FC	*745,005*	*700,154*	*6.4%*
Total Customer Accounts*	**14,338,537**	**12,343,414**	***16.2%***

** Total deposit portfolio includes Ministry of Finance deposits in the amount of GEL 856 million and GEL 477 million as of 30 September 2020 and 30 September 2021, respectively.*

	9M'21	**9M'20**	***Change YoY***
Deposit rates	**3.4%**	**3.5%**	***-0.1 pp***
Deposit rates GEL	*6.6%*	*6.4%*	*0.2 pp*
Deposit rates FC	*1.7%*	*1.9%*	*-0.2 pp*
Retail Deposit Yields	**2.3%**	**2.6%**	***-0.3 pp***
Retail deposit rates GEL	4.8%	5.4%	*-0.6 pp*
Retail deposit rates FC	1.5%	1.7%	*-0.2 pp*
CIB Deposit Yields	**4.2%**	**4.5%**	***-0.3 pp***
CIB deposit rates GEL	8.2%	8.1%	*0.1 pp*
CIB deposit rates FC	2.1%	2.5%	*-0.4 pp*
MSME Deposit Yields	**0.8%**	**0.9%**	***-0.1 pp***
MSME deposit rates GEL	1.5%	1.6%	*-0.1 pp*
MSME deposit rates FC	0.3%	0.3%	*0.0 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 on 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

9M'21	**Retail**	**MSME**	**CIB**	**Corp. Centre**	**Total**
Interest income	501,802	277,497	411,903	184,619	1,375,821
Interest expense	(95,617)	(8,849)	(193,512)	(373,449)	(671,427)
Net gains from currency swaps				22,894	22,894
Net transfer pricing	(118,403)	(108,731)	47,057	180,077	-
Net interest income	**287,782**	**159,917**	**265,448**	**14,141**	**727,288**
Fee and commission income	171,665	36,836	78,449	21,893	308,843
Fee and commission expense	(42,956)	(24,177)	(57,725)	(7,053)	(131,911)
Net fee and commission income	**128,709**	**12,659**	**20,724**	**14,840**	**176,932**
Net insurance premium earned after claims and acquisition costs	-	-	-	15,892	15,892
Net gains/(losses) from currency derivatives, foreign currency operations and translation	24,844	18,597	38,180	7,665	89,286
Gains less Losses from Disposal of Investment Securities Measured at Fair Value through Other Comprehensive Income	-	-	524	10,380	10,904
Other operating income	5,639	707	2,127	33,808	42,281
Share of profit of associates	-	-	-	766	766
Other operating non-interest income and insurance profit	**30,483**	**19,304**	**40,831**	**68,511**	**159,129**
Recovery of/(charges to) credit loss allowance for loans to customers	(7,860)	8,648	36,164	-	36,952
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	438	122	(5,327)	-	(4,767)
Credit loss allowance for net investments in leases	-	-	-	(2,373)	(2,373)
Credit loss allowance for other financial assets	(3,292)	-	(92)	(4,979)	(8,363)
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	-	-	930	1,336	2,266
Net impairment of non-financial assets	235	68	22	(1,099)	(774)
Profit/(loss) before G&A expenses and income taxes	**436,495**	**200,718**	**358,700**	**90,377**	**1,086,290**
Losses from modifications of financial instruments	**(688)**	**(93)**	**(914)**	**-**	**(1,695)**
Staff costs	(100,644)	(40,369)	(33,710)	(47,991)	(222,714)
Depreciation and amortization	(36,954)	(8,330)	(3,798)	(7,607)	(56,689)
Provision for liabilities and charges	-	-	-	(63)	(63)
Administrative and other operating expenses	(56,064)	(15,073)	(11,710)	(26,310)	(109,157)
Operating expenses	**(193,662)**	**(63,772)**	**(49,218)**	**(81,971)**	**(388,623)**
Profit before tax	**242,145**	**136,853**	**308,568**	**8,406**	**695,972**
Income tax expense	(23,506)	(15,096)	(32,787)	(14,057)	(85,446)
Profit	**218,639**	**121,757**	**275,781**	**(5,651)**	**610,526**

Consolidated Financial Statements of TBC Bank Group PLC

Consolidated Balance sheet

In thousands of GEL	Sep-21	Sep-20
Cash and cash equivalents	1,960,441	1,454,973
Due from other banks	64,894	39,941
Mandatory cash balances with National Bank of Georgia	2,095,848	2,024,080
Loans and advances to customers	15,504,311	14,055,807
Investment securities measured at fair value through other comprehensive income	2,253,510	1,346,770
Bonds carried at amortized cost*	1,118	1,322,203
Net investments in leases	237,557	268,430
Investment properties	32,444	83,458
Current income tax prepayment	4,856	58,721
Deferred income tax asset	9,216	602
Other financial assets[19]	383,890	263,979
Other assets	352,191	259,736
Premises and equipment	378,514	359,001
Right of use assets	52,944	59,040
Intangible assets	305,088	207,670
Goodwill	59,964	60,296
Investments in associates	4,455	2,265
TOTAL ASSETS	**23,701,241**	**21,866,972**
LIABILITIES		
Due to credit institutions	3,361,515	4,127,175
Customer accounts	14,338,537	12,343,414
Lease liabilities	53,627	67,131
Other financial liabilities[14]	165,710	183,376
Current income tax liability	16,559	565
Debt Securities in issue	1,507,969	1,527,318
Deferred income tax liability	7,684	4,370
Provisions for liabilities and charges	28,275	25,417
Other liabilities	137,086	79,171
Subordinated debt	636,086	682,648
TOTAL LIABILITIES	**20,253,048**	**19,040,585**
EQUITY		
Share capital	1,682	1,682
Shares held by trust	(25,489)	(34,451)
Share premium	848,459	848,459
Retained earnings	2,790,447	2,180,291
Group re-organisation reserve	(162,167)	(162,167)
Share based payment reserve	(8,811)	(25,222)
Fair value reserve	(1,207)	7,994
Cumulative currency translation reserve	(7,065)	(931)
Net assets attributable to owners	**3,435,849**	**2,815,655**
Non-controlling interest	12,344	10,732
TOTAL EQUITY	**3,448,193**	**2,826,387**
TOTAL LIABILITIES AND EQUITY	**23,701,241**	**21,866,972**

** In 2020, the Group changed its business model in relation to certain portfolio of bonds carried at amortized cost (Ministry of Finance Treasury Bills). The respective reclassifications have been applied prospectively from 1 January 2021, as required by IFRS. As a result of reclassification, Bonds carried at amortized cost in the amount of GEL 1,059,946 thousand has been transferred to Investment securities measured at fair value through other comprehensive income with the fair value of GEL 1,086,008 thousand. The difference has been recognized in other comprehensive income as required by IFRS*

[19] 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

In thousands of GEL	9M'21	9M'20
Interest income	1,375,821	1,214,125
Interest expense	(671,427)	(625,730)
Net gains from currency swaps	22,894	15,713
Net interest income	**727,288**	**604,108**
Fee and commission income	308,843	226,429
Fee and commission expense	(131,911)	(95,861)
Net fee and commission income	**176,932**	**130,568**
Net insurance premiums earned	47,107	40,817
Net insurance claims incurred and agents' commissions	(31,215)	(24,595)
Net insurance premium earned after claims and acquisition costs	**15,892**	**16,222**
Net gains/(losses) from currency derivatives, foreign currency operations and translation	89,286	69,933
Gains less losses from disposal of investment securities measured at fair value through other comprehensive income	10,904	(1,202)
Other operating income	42,281	13,622
Share of profit of associates	766	243
Other operating non-interest income	**143,237**	**82,596**
Recovery of/(charges to) credit loss allowance for loans to customers	36,952	(255,100)
Credit loss allowance for net investments in leases	(2,373)	(6,939)
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	(4,767)	1,171
Credit loss allowance for other financial assets	(8,363)	(10,703)
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	2,266	(906)
Net impairment of non-financial assets	(774)	(1,345)
Operating profit after expected credit losses	**1,086,290**	**559,672**
Losses from modifications of financial instruments	**(1,695)**	**(35,933)**
Staff costs	(222,714)	(176,261)
Depreciation and amortization	(56,689)	(49,554)
(Provision for)/ recovery of liabilities and charges	(63)	(1,982)
Administrative and other operating expenses	(109,157)	(86,531)
Operating expenses	**(388,623)**	**(314,328)**
Profit before tax	**695,972**	**209,411**
Income tax expense/credit	(85,446)	12,377
Profit	**610,526**	**221,788**
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Movement in fair value reserve	(12,361)	14,470
Exchange differences on translation to presentation currency	(4,940)	5,918
Other comprehensive income for the period	**(17,301)**	**20,388**
Total comprehensive income for the period	**593,225**	**242,176**
Profit attributable to:		
- Shareholders of TBCG	604,061	218,381
- Non-controlling interest	6,465	3,407
Profit	**610,526**	**221,788**
Total comprehensive income is attributable to:		
- Shareholders of TBCG	586,780	238,795
- Non-controlling interest	6,445	3,381
Total comprehensive income for the period	**593,225**	**242,176**

Consolidated Statements of Cash Flows

In thousands of GEL	30-Sep-21	30-Sep-20
Cash flows from/(used in) operating activities		
Interest received	1,393,345	969,382
Interest received on currency swaps	22,894	15,713
Interest paid	(658,355)	(584,266)
Fees and commissions received	284,273	215,013
Fees and commissions paid	(133,149)	(96,408)
Insurance and reinsurance received	68,437	63,044
Insurance claims paid	(26,354)	(19,761)
Income received from trading in foreign currencies	58,592	(90,487)
Other operating income received	53,477	13,709
Staff costs paid	(227,775)	(179,576)
Administrative and other operating expenses paid	(114,125)	(96,610)
Income tax paid	(11,893)	(34,797)
Cash flows from operating activities before changes in operating assets and liabilities	***709,367***	***174,956***
Net change in operating assets		
Due from other banks and mandatory cash balances with the National Bank of Georgia	57,244	(1,162,590)
Loans and advances to customers	(1,650,871)	(512,478)
Net investments in lease	28,358	10,159
Other financial assets	(159,404)	(149,733)
Other assets	5,740	12,146
Net change in operating liabilities		
Due to credit institutions	91,328	102,451
Customer accounts	2,287,018	1,248,989
Other financial liabilities	(115,735)	49,203
Other liabilities and provision for liabilities and charges	23,992	3,726
Net cash flows from operating activities	***1,277,037***	***(223,171)***
Cash flows from/(used in) investing activities		
Acquisition of investment securities measured at fair value through other comprehensive income	(598,141)	(535,542)
Proceeds from redemption at maturity/disposal of investment securities measured at fair value through other comprehensive income	929,431	223,059
Acquisition of bonds carried at amortised cost	-	(630,009)
Proceeds from redemption of bonds carried at amortised cost	28,351	333,486
Acquisition of premises, equipment and intangible assets	(111,148)	(136,184)
Proceeds from disposal of premises, equipment and intangible assets	13,833	36,860
Proceeds from disposal of investment property	44,464	3,162
Acquisition of subsidiaries and associates	-	695
Net cash used in investing activities	***306,790***	***(704,473)***
Cash flows from/(used in) financing activities		
Proceeds from other borrowed funds	1,755,171	1,972,144
Redemption of other borrowed funds	(2,914,700)	(1,703,260)
Repayment of principal of lease liabilities	(8,417)	(3,773)
Redemption of subordinated debt	(12,562)	-
Proceeds from debt securities in issue	49,346	114,030
Redemption of debt securities in issue		(2)
Dividends paid	(84,159)	(1,992)
Net cash flows from financing activities	***(1,215,321)***	***377,147***
Effect of exchange rate changes on cash and cash equivalents	***(43,470)***	***1,001,885***
Net increase in cash and cash equivalents	***325,036***	***451,388***
Cash and cash equivalents at the beginning of the period	***1,635,404***	***1,003,585***
Cash and cash equivalents at the end of the period	***1,960,440***	***1,454,973***

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

Ratios (based on monthly averages, where applicable)	**9M'21**	**9M'20**
Profitability ratios:		
ROE[1]	25.3%	11.0%
ROA[2]	3.5%	1.5%
ROE before expected credit loss allowances[3]	24.4%	23.6%
Cost to income[4]	36.5%	37.7%
NIM[5]	5.0%	4.7%
Loan yields[6]	10.2%	10.0%
Deposit rates[7]	3.4%	3.5%
Yields on interest earning assets[8]	9.5%	9.5%
Cost of funding[9]	4.6%	5.0%
Spread[10]	4.9%	4.5%
Asset quality & portfolio concentration:		
Cost of risk[11]	-0.3%	2.0%
PAR 90 to Gross Loans[12]	1.3%	1.3%
NPLs to Gross Loans[13]	3.1%	3.5%
NPL provision coverage[14]	94.3%	104.6%
Total NPL coverage[15]	169.3%	180.0%
Credit loss level to Gross Loans[16]	2.9%	3.7%
Related Party Loans to Gross Loans[17]	0.0%	0.1%
Top 10 Borrowers to Total Portfolio[18]	7.7%	7.9%
Top 20 Borrowers to Total Portfolio[19]	11.4%	12.0%
Capital & liquidity positions:		
Net Loans to Deposits plus IFI* Funding[20]	97.5%	97.5%
Net Stable Funding Ratio[21]	127.1%	127.0%
Liquidity Coverage Ratio[22]	116.5%	123.6%
Leverage[23]	6.9x	7.7x
CET 1 CAR (Basel III)[24]	13.4%	9.9%
Tier 1 CAR (Basel III)[25]	15.4%	12.7%
Total 1 CAR (Basel III)[26]	19.3%	17.1%

* *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. Return on average total equity (ROE) before expected credit loss allowances equals net income attributable to owners excluding all credit loss allowance with respective tax effects, but after net modification losses divided by the monthly average of total shareholders' equity attributable to the PLC's equity holders for the same period.
4. 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).
5. Net interest margin (NIM) is net interest income divided by monthly average interest-earning assets; annualised where applicable. Interest-earning assets include investment securities (excluding CIB shares), net investment in finance lease, net loans, and amounts due from credit institutions.
6. Loan yields equal interest income on loans and advances to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
7. Deposit rates equal interest expense on customer accounts divided by monthly average total customer deposits; annualised where applicable.
8. Yields on interest earning assets equal total interest income divided by monthly average interest earning assets; annualised where applicable.
9. Cost of funding equals total interest expense divided by monthly average interest bearing liabilities; annualised where applicable.
10. Spread equals difference between yields on interest earning assets (including but not limited to yields on loans, securities and due from banks) and cost of funding (including but not limited to cost of deposits, cost on borrowings and due to banks).
11. Cost of risk equals credit loss allowance for loans to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
12. 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.
13. 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.
14. NPL provision coverage equals total credit loss allowance for loans to customers divided by the NPL loans.
15. 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.
16. Credit loss level to gross loans equals credit loss allowance for loans to customers divided by the gross loan portfolio for the same period.
17. Related party loans to total loans equals related party loans divided by the gross loan portfolio.
18. Top 10 borrowers to total portfolio equals the total loan amount of the top 10 borrowers divided by the gross loan portfolio.
19. Top 20 borrowers to total portfolio equals the total loan amount of the top 20 borrowers divided by the gross loan portfolio.
20. Net loans to deposits plus IFI funding ratio equals net loans divided by total deposits plus borrowings received from international financial institutions.
21. 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.
22. Liquidity coverage ratio equals high-quality liquid assets divided by the total net cash outflow amount as defined by the NBG.
23. Leverage equals total assets to total equity.
24. CET 1 CAR equals CET 1 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.
25. 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.
26. 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 YoY growth of the Balance Sheet items without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.2878 as of 30 September 2020. As of 30 September 2021 the USD/GEL exchange rate equaled 3.1228. For P&L items growth calculations without currency effect, we used the average USD/GEL exchange rate for the following periods: 9M 2021 of 3.2532, 9M 2020 of 3.0557.

TBC BANK Group PLC

Additional Disclosures

1) TBC Bank – Background

TBC Bank is the largest banking group in Georgia, where 99.5% of its business is concentrated, with a 39.2% 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 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).

2) Subsidiaries of TBC Bank Group PLC[20]

Subsidiary	Ownership / voting % as of 30 September 2021	Country	Year of incorporation	Industry	Total Assets (after elimination)	
					Amount GEL'000	% in TBC Group
JSC TBC Bank	**97.0%**	**Georgia**	**1992**	**Banking**	**23,033,409**	**97.00%**
United Financial Corporation JSC	99.5%	Georgia	1997	Card processing	18,308	0.08%
TBC Capital LLC	100.0%	Georgia	1999	Brokerage	4,134	0.02%
TBC Leasing JSC	100.0%	Georgia	2003	Leasing	324,831	1.37%
TBC Kredit LLC	100.0%	Azerbaijan	1999	Non-banking credit institution	17,593	0.07%
TBC Pay LLC	100.0%	Georgia	2009	Processing	42,359	0.18%
Index LLC	100.0%	Georgia	2011	Real estate management	1,513	0.01%
TBC Invest LLC	100.0%	Israel	2011	PR and marketing	419	0.00%
JSC TBC Insurance	**100.0%**	**Georgia**	**2014**	**Insurance**	**76,129**	**0.33%**
Redmed LLC	100.0%	Georgia	2019	E-commerce	1,373	0.00%
TBC Ecosystem Companies	**100.0%**	**Georgia**	**2019**	**Asset Management**	**37,435**	**0.16%**
Swoop JSC	100.0%	Georgia	2010	Retail Trade	733	0.00%
LLC Online Tickets	55.0%	Georgia	2015	Software Services	3,079	0.01%
TKT UZ	75.00%	**Uzbekistan**	2019	Retail Trade	111	0.00%
My.ge LLC	100.0%	Georgia	2008	E-commerce, Housing and Auto	24,123	0.10%
LLC Vendoo (Geo)	100.0%	Georgia	2019	Retail Leasing	3,401	0.01%
LLC Mypost	100.0%	Georgia	2019	Postal Service	108	0.00%
LLC Billing Solutions	51.00%	**Georgia**	2019	Software Services	423	0.00%
All property.ge LLC	90.0%	Georgia	2013	Real estate management	4,521	0.02%
LLC F Solutions	100.0%	Georgia	2019	Software Services	11	0.00%
TBC Connect LLC	100.0%	Georgia	2020	Software Services	3	0.00%
JSC Space	**100.0%**	**Georgia**	**2021**	**Software Services**	**29,603**	**0.12%**
TBC Concept	**100.0%**	**Georgia**	**2020**	**Food Industry**	**867**	**0.00%**
Artarea.ge LLC	**100.0%**	**Georgia**	**2021**	**PR and marketing**	**62**	**0.00%**
Saba	85.0%	Georgia	2012	Education	62	0.00%
Art Gallery	100.0%	Georgia	2012	PR and marketing	0	0.00%
Space International JSC	**100.0%**	**Georgia**	**2021**	**Software Services**	**32,998**	**0.14%**
TBC Group Support LLC	**100.0%**	**Georgia**	**2020**	**Risk Management**	**1**	**0.00%**
Inspired LLC	**51.0%**	**Uzbekistan**	**2011**	**Processing**	**29,761**	**0.13%**
TBC Bank UZ JSCB	**100.0%**	**Uzbekistan**	**2020**	**Banking**	**65,836**	**0.28%**
LLC Vendoo (UZ Leasing)	**100.00%**	**Uzbekistan**	**2019**	**Consumer financing**	**2,638**	**0.01%**

[20] 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 25.6% and 39.6% market shares[21] without border motor third party liability (MTPL) insurance, respectively, in 3Q 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 have accumulated sufficient market knowledge and claims statistics, we expanded our value proposition to the mid-premium segment.

In 3Q 2021, net profit including the health insurance business amounted to GEL 3,598 thousand. The QoQ 26.4% increase in net profit, including the health insurance business, was mainly driven by strong business growth. On a YoY basis, the net profit increased moderately and was affected by a high base in 3Q 2020, due to reduced level of claims related to COVID-19.

Information excluding health insurance	**3Q'21**	**2Q'21**	**3Q'20**	**9M'21**	**9M'20**
In thousands of GEL					
Gross written premium	26,125	22,831	19,186	70,220	56,329
Net earned premium[22]	19,238	18,595	15,821	54,486	47,359
Net profit	3,951	3,512	3,868	10,358	8,960
Net combined ratio	80.2%	81.6%	77.0%	81.7%	80.9%

Information including health insurance	**3Q'21**	**2Q'21**	**3Q'20**	**9M'21**	**9M'20**
In thousands of GEL					
Gross written premium	28,851	26,414	21,557	80,780	63,292
Net earned premium	22,268	21,539	18,015	62,938	52,662
Net profit	3,598	2,846	3,378	8,638	7,742
Net combined ratio	85.0%	88.0%	83.0%	87.6%	85.6%

Note: IFRS standalone data

[21] Market shares are based on internal estimates. Source is Insurance State Supervision Service of Georgia. Total non-health and retail market share in 3Q 2021 including MTPL stood at 24.5% and 35.4% respectively.
[22] Net earned premium equals earned premium minus the reinsurer's share of earned premium.

4) Fast growing digital bank in Uzbekistan

in thousands	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21
# of total registered users	28	68	98	157	230	302	403	547	667	**785**
# of downloads	29	71	103	189	284	391	555	747	897	**1,040**
Loan portfolio* (GEL)	153	413	953	6,144	14,997	25,239	31,797	45,771	52,493	**59,805**
Deposit portfolio** (GEL)	1,108	2,227	2,839	6,543	11,567	15,543	49,585	81,055	91,979	**114,969**
# of total cards issued (cumulative figures)	8	18	31	42	54	66	78	96	117	**139**
# of other cards attached (cumulative figures)	4	15	29	49	81	126	187	264	328	**443**
Total monthly number of transactions	27	87	203	323	407	563	626	817	906	**1,098**

** Unsecured consumer loan with the average ticket size of GEL 2,100*
*** Current and savings accounts*

5) Reclassification of certain balance sheet profit and loss items and changes in methodology

In 1Q 2021, we reclassified certain BS and PL items for all quarters of 2020 and 1Q 2021, as outlined below.

Wealth Management and Space business reclassification

Following structural changes in the Management Board, starting from January 2021, Deputy CEO George Tkhelidze, head of Corporate and Investment Banking, assumed responsibility for the Wealth Management business. As a result, we reclassified all relevant BS and PL items of the Wealth Management business from Retail Banking to Corporate and Investment Banking.

Following the demerger of the Space segment into a separate entity, the management has re-considered the classification of Space from the MSME to the retail segment. The underlying rationale was the composition of product base, offered by Space to its customers. The majority of such products are consumer, fast consumer and installment loans, which by their nature represent the retail segment. As a result, the management believes that analyzing Space as a part of the retail segment would be more meaningful for users of the financial statements.

The amounts of the Wealth Management and Space loan and deposit portfolios are given in a table below:

	Wealth Management		**Space**	
	Loan book (million GEL)	**Deposit portfolio (million GEL)**	**Loan book (million GEL)**	**Deposit portfolio (million GEL)**
September 2021	151.1	2,451.1	31.3	13.7
June 2021	142.8	2,193.7	30.9	13.3
September 2020	133.1	2,002.3	33.8	8.2

Reclassification of other non-financial assets impairment

In 2021, the Group reclassified the impairment/recovery of non-financial assets from "Administrative and other operating expenses" to "Impairment of other non-financial assets". A significant part of any impairment/recoveries recorded is related to repossessed assets and investment properties. The management believes that those type of assets are not actively used in daily operations, but are primarily targeted for sale in the future. Considering the nature of those expenses/recovery, such a presentation is more appropriate and would increase the understandability and clarity of the Group's financial statements. The presentation of comparative figures has been adjusted to conform to the presentation of the current period amounts:

	As originally presented at 30 September 2020	**Reclassification**	**As reclassified at 30 September 2020**
Impairment of other non-financial assets	-	(720)	720
Administrative and other operating expenses	(31,860)	720	(31,140)

Changes in methodology - NPL collaterals coverage

In 1Q 2021, in order to further increase the focus on collateral coverage, the Bank reviewed its methodology and applied a more conservative approach: namely, under the updated methodology, the collateral amount is capped at the respective loan amount. The NPL coverages for all four quarters of 2020 have been recalculated as per the updated methodology.

The table below outlines the NPL coverage ratios as of 30 September 2020, calculated as per the previous and the updated methodologies.

	Collateral coverage		**Total NPL coverage (provisions plus collateral)**	
	Per previous methodology	Per updated methodology	Per previous methodology	Per updated methodology
Retail	156%	121%	237%	189%
CIB	75%	83%	225%	151%
MSME	72%	69%	186%	155%
Total	**105%**	**94%**	**216%**	**169%**

6) Loan book breakdown by stages according IFRS 9

Total (in million GEL)

	30-Sep-21		**30-Jun-21**		**30-Sep-20**	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	13,557	0.9%	12,709	0.9%	11,814	1.5%
2	1,737	5.7%	1,803	5.6%	2,303	8.2%
3	670	34.9%	763	34.4%	474	34.7%
Total	**15,964**	**2.9%**	**15,275**	**3.1%**	**14,591**	**3.7%**

CIB (in million GEL)

	30-Sep-21		**30-Jun-21**		**30-Sep-20**	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	5,285	0.9%	4,899	0.9%	4,430	1.1%
2	728	0.5%	826	1.0%	866	1.1%
3	124	20.1%	127	18.8%	161	30.6%
Total	**6,137**	**1.2%**	**5,852**	**1.3%**	**5,457**	**1.9%**

MSME (in million GEL)

	30-Sep-21		**30-Jun-21**		**30-Sep-20**	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	3,206	0.7%	2,997	0.6%	2,808	1.2%
2	445	6.6%	458	6.3%	479	9.1%
3	225	32.3%	249	31.5%	150	30.6%
Total	**3,876**	**3.2%**	**3,704**	**3.4%**	**3,437**	**3.6%**

Retail (in million GEL)

	30-Sep-21		**30-Jun-21**		**30-Sep-20**	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	5,066	1.1%	4,813	1.0%	4,576	2.2%
2	564	11.8%	519	12.3%	958	14.2%
3	321	42.5%	387	41.4%	163	42.5%
Total	**5,951**	**4.4%**	**5,719**	**4.8%**	**5,697**	**5.4%**

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

7) Reconciliation of Return on Equity (ROE) with ROE before expected credit loss allowances

Income Statement Highlights

#	*in thousands of GEL*	3Q'21	2Q'21	3Q'20	9M'21	9M'20
1.	Net interest income	259,390	242,767	211,784	727,288	604,108
2.	Net fee and commission income	68,631	63,008	47,499	176,932	130,568
3.	Other operating non-interest income	43,952	74,512	33,913	159,129	98,818
4.	Credit loss allowance	-5,106	45,291	-14,146	22,941	-273,822
5.	**Operating profit after expected credit losses**	**366,867**	**425,578**	**279,050**	**1,086,290**	**559,672**
6.	Losses from modifications of financial instrument	-104	-104	-1,763	-1,695	-35,933
7.	Operating expenses	-131,695	-134,688	-112,793	-388,623	-314,328
8.	**Profit before tax**	**235,068**	**290,786**	**164,494**	**695,972**	**209,411**
9.	Income tax expense	-27,921	-40,394	-11,906	-85,446	12,377
10.	**Profit for the period**	**207,147**	**250,392**	**152,588**	**610,526**	**221,788**
12.	**Profit for the period less Non-controlling interest**	**204,892**	**247,946**	**150,755**	**604,062**	**218,381**
13.	*Income tax expense of credit loss allowance*	*-562*	*4,684*	-1,255	*2,525*	*-24,286*
14.	**Profit before Credit loss allowances less Non-controlling interest and respective tax effect (12 - 4 + 13)**	**209,436**	**207,339**	**163,646**	**583,646**	**467,917**

#	*in thousands of GEL*	3Q'21	2Q'21	3Q'20	9M'21	9M'20
15.	Average equity attributable to the PLC's equity holders	3,377,931	3,203,351	2,731,868	3,195,731	2,653,246
16.	Return on equity (ROE) (12÷15)*	24.1%	31.0%	22.0%	25.3%	11.0%
17.	Return on equity (ROE) before expected credit loss allowances (14÷15)*	24.6%	26.0%	23.8%	24.4%	23.6%

**annualised where applicable*