TBC BANK GROUP PLC

1Q 2022 FINANCIAL RESULTS

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TBC BANK Group PLC

TBC BANK GROUP PLC ("TBC Bank")
1Q 2022 UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Forward-Looking Statements

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

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

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

First Quarter Consolidated Financial Results Conference Call

TBC Bank Group PLC ("TBC PLC") published its unaudited consolidated financial results for the first quarter 2022 on Wednesday, 18 May 2022 at 7 am BST. The management team will host a conference call on the day at 2 pm BST to discuss the results.

Please click the link below to join the webinar:

https://tbc.zoom.us/j/91595837278?pwd=RUtoQmw1UjhQK21CWnVseFpzYk5xQT09
Webinar ID: **915 9583 7278**
Passcode: **419677**

Or use the following dial-ins:

- **US:** 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free) or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free)
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Webinar ID **915 9583 7278#**, please dial the ID number slowly.

Other international numbers available at: https://tbc.zoom.us/u/abh47NCnRV

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

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

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

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1Q Results Announcement

TBC Bank announces unaudited 1Q Consolidated Financial Results

The Market leader in Georgia with robust profitability and steady growth, supported by solid capital
Continued strong progress in exploiting our international growth potential

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

Key Highlights

The economic recovery continued in 1Q 2022 despite the adverse impact from the war in Ukraine

The Georgian economy rebounded sharply in 2021, achieving an annual growth rate of 10.4% after a -6.8% decline in 2020. Despite the adverse impact of war in Ukraine, this growth momentum continued in the beginning of the 2022, only partially driven by the low base effect a year ago. According to preliminary estimates of the National Statistics Office of Georgia, the Georgian economy expanded by 14.4% year-on-year in the first quarter, with a solid increase of 10.6% year-on-year in March 2022.

Solid start of the year… – In the first quarter of 2022, our net profit amounted to GEL 224 million, up by 46% year-on-year. This growth was driven by strong income generation across the board. As a result, our ROE for the first quarter of 2022 year stood at 24.3%, up by 4.0 pp year-on-year.

…backed by strong capital and liquidity levels – As of 31 March 2022, CET1, Tier 1, and Total Capital ratios stood at 14.6%, 17.6% and 21.0%, respectively, and remained comfortably above the minimum regulatory requirements by 2.4%, 3.0% and 1.7%, accordingly. As of 31 March 2022, our net stable funding (NSFR) and liquidity coverage (LCR) ratios stood at 127% and 116%, respectively, comfortably above the regulatory minimum of 100%.

Our Georgian banking franchise continued to strengthen its leadership position… - We continue to be market leaders in total loans and deposits. In 1Q 2022, our loan book increased by 21% year-on-year in constant currency terms, in line with the overall growth of the banking sector, which translated into a 38.9% market share, up by 0.4 pp over the year. Over the same period, our deposit base increased by 13% in constant currency terms and our market share in total deposits amounted to 40.3% as of 31 March 2022, up by 0.5 pp year-on-year.

…while our Uzbek business kept on growing – Our Uzbek business continues to expand in line with our expectations. By the end of April, the number of registered and monthly active users of our digital banking app reached 1.6 million and 300,000, respectively. Over the same period, our retail loan and deposit books amounted to GEL 160 million and GEL 193 million, respectively.

In parallel, we continued to expand our Uzbek payments business, Payme. As a result, the number of registered users reached 6.0 million, up by 78% year-on-year, while the number of monthly active digital users amounted to 1.8 million, up by 64% year-on-year, by the end of March 2022. During 1Q 2022, net profit was GEL 5.8 million, up by 93% year-on-year.

Increasing our digital footprint across the Group- In the first quarter of 2022, our monthly active retail digital users stood at 2.8 million, up by 64% year-on-year, while daily active retail digital users almost reached 1.0 million, up by 71% over the same period.

Strong progress in our payment business - Our payment business recorded strong results on both the issuing and acquiring side in the first quarter of 2022. The volume of transactions conducted by TBC cards increased by 31% year-on-year, while the volume of transactions at TBC Bank terminals grew by 57% over the same period.

Letter from the Chief Executive Officer

After a strong recovery in 2021, we entered 2022 from a position of strength and continued to deliver robust financial results in the first quarter of 2022, despite instability in the region caused by the war in Ukraine. As a result, our net income amounted to GEL 224 million, up by 46% year-on-year, while our return on equity stood at 24.3%, compared to 20.3% a year ago. Our strong capital generation enables the Board to recommend a final dividend for 2021 of GEL 2.16 per share at the upcoming 2022 AGM, which together with the interim dividend paid in September 2021, will equal a total dividend of GEL 3.66 per share. The total dividend pay-out ratio for 2021 will be 25% in line with our mid-term guidance of 25-35%.

I am also delighted to report that on Group level, our monthly active digital users stood at 2.8 million in March 2022, up by 64% year-on-year, while daily active digital users almost reached 1 million up by 71% over the same period.

Maintaining strong economic growth despite the adverse impact of the war in Ukraine

While the ongoing war in Ukraine poses challenges to the Georgian economy, the negative spillover appears to be more limited than initially envisaged. In particular, exports cooled but remained solid, mainly on the back of higher prices. Furthermore, the tourism recovery strengthened, while remittances, although slowing, maintained a positive growth rate. Despite some initial volatility, the GEL also remained stable, on the back of relatively strong inflows, broadly stable regional currencies and tight monetary policy. While uncertainties remain high, we expect strong GDP growth in 2022 at around 5.5%, once again demonstrating the resilience of the Georgian economy. Moreover, the dynamics in Uzbekistan are quite promising, with GDP growth expected to reach around 5.0% in 2022 according to our estimates.

A strong set of financial results for the first quarter 2022

In the first quarter of 2022, our operating income amounted to GEL 413 million, up by 33% year-on-year. Such high growth was to some extent attributable to the low base last year, due to the partial lock-down in January and mid-February 2021.

The growth in net interest income was driven by an improved net interest margin, which increased by 0.9 pp year-on-year and reached 5.6% in the first quarter 2022, as well as by an increase in our loan book of 13%. Over the same period, net fee and commission income grew by 46%, while other operating income[1] increased by 49%, mainly driven by FX operations. Our asset quality also performed strongly, which translated into a cost of risk of 0.3% in the first quarter 2022. Based on our assessment, the impact of Ukraine war will not have material effect on our asset quality. At the same time, our cost to income ratio improved by 2.7 pp year-on-year, amounting to 36.6% on the back of positive operating jaws. As a result, our return on equity stood at 24.3%, up by 4.0 pp year-on-year, while our return on assets amounted to 3.7%, up by 1.0 pp year-on-year.

Our liquidity and capital positions remain strong. Our CET1, Tier 1 and Total Capital ratios stood at 14.6%, 17.6% and 21.0%, respectively, and remained comfortably above the minimum regulatory requirements by 2.4%, 3.0% and 1.7%, accordingly. At the same time, we continued to operate at high liquidity with the net stable funding (NSFR) and liquidity coverage (LCR) ratios standing at 127% and 116%, respectively, as of 31 March 2022.

Continued growth of our Georgian banking franchise

Our Georgian banking franchise continued its steady growth in the first quarter of 2022, slightly outperforming total banking sector growth both in terms of total loans and total deposits, with respective market shares reaching 38.9% and 40.3% as of 31 March 2022.

As of 31 March 2022, our loan book increased by 21% year-on-year in constant currency terms and was broad based across the segments. Over the same period, customer deposits increased by 13% in constant currency terms.

Strengthening our position on the Uzbek market

Our Uzbek business continues to expand in line with our expectations. By the end of April 2022, the number of registered and monthly active digital users of our digital banking app reached 1.6 million and 300,000, respectively. Over the same period, our retail loan and deposit books amounted to GEL 160 million and GEL 193 million, respectively.

In parallel, we continued to expand our Uzbek payments business, Payme. As a result, the number of registered users reached 6.0 million, up by 78% year-on-year, while the number of monthly active digital users amounted to 1.3 million, up by 68% year-on-year, by the end of March 2022. Over the same period, the number and volume of transactions increased

[1] Total non-interest income less net fee and commission income.

year-on-year by 46% and 44%, respectively. In terms of financial results, revenues increased by 83% year-on-year and amounted to GEL 9.5 million, while net profit was GEL 5.8 million, up by 93% year-on-year.

Governance

I am delighted to report that TBC holds #8 position among FTSE 250 companies in terms of women on boards and in leadership and #1 within the banking sector, based on the FTSE Women Leaders Report 2021. I would also like to highlight that our board structure is fully in line with the diversity and inclusion targets set by the Hampton-Alexander Review and the Parker Review.

Outlook

Given the proven resilience of our business model and our solid financial results, coupled with the promising macroeconomic outlook, we retain our medium-term guidance despite regional challenges. Therefore, I would like to re-iterate our medium-term targets for the key financial measures: ROE of above 20%, a cost to income ratio below 35%, a dividend pay-out ratio of 25-35% and annual loan growth of around 10-15%.

TBC BANK Group PLC

Economic Overview

Economic growth

The Georgian economy rebounded sharply in 2021, achieving an annual growth rate of 10.4% after a -6.8% decline in 2020. The recovery started in the second quarter of 2021, reaching 28.9% growth in real GDP, and gradually slowing down to 8.8% in the fourth quarter of 2021. Despite the adverse impact of the war in Ukraine, this growth momentum continued in the beginning of the 2022, only partially driven by the low base effect a year ago. According to preliminary estimates of the National Statistics Office of Georgia, the Georgian economy expanded by 14.4% year-on-year in the first quarter, with a solid increase of 10.6% in March.

External sector

The external sector continued its strong performance in 1Q 2022, with exports and imports growing by 43.3% and 35.7% year-on-year, respectively. Despite the adverse impact of Russia's invasion of Ukraine, the goods trade data looked promising in March. Even with the decrease of exports to Ukraine (-93.1% year-on-year) and Russia (-55.8% year-on-year), total growth remained solid at 26.3% on the back of higher prices and increased contributions from other countries. As anticipated, the exports of destination sensitive products were most affected by the decrease in foreign demand because they were difficult to redirect in a short period of time, while products non-sensitive to destination such as commodities remained resilient.

The recovery in tourism even strengthened, supported by the impact of migration, reaching 68.1% of 2019 levels in the first quarter of 2022.

Inflows of remittances increased by 9.2% year-on-year in the first quarter of 2022. Double-digit growth rates of 12.7% and 13.7% year-on-year in January and February, respectively, fell to a 2.6% year-on-year increase in March, mainly due to the decline from Russia.

Fiscal stimulus

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

Credit growth

By the end of 1Q 2022, bank credit increased by 18% year-on-year, compared to 18.2% by the end of 4Q 2021. In terms of segments, retail lending growth accelerated the most, increasing from 18% at the end of 4Q 2021 to 19.7% at the end of 1Q 2022. MSME lending also grew from 22.3% at the end of 4Q 2021 to 22.5%, while in the same period corporate lending slowed by 2.8 pp, amounting to 12.8%.

Inflation, monetary policy and the exchange rate

As a result of rapidly worsening expectations in the end of the February and the beginning of the March, the USD/GEL overshoot reached 3.44, before appreciating back to an average of 3.07 by the end of the month.

Even though annual inflation slowed in March, it still remained elevated at 11.8%. Considering increased commodity prices on international markets and existing uncertainties regarding supply chains due to the sanctions imposed on Russia, the NBG decided to increase its policy rate by 0.5 percentage points from 10.5% to 11.0%.

Going forward

Despite the downside factors arising from Ukraine-Russia conflict, TBC Capital projections indicate a relatively high growth rate of 5.5% in 2022, on the back of very strong pre-conflict growth momentum and the overall relatively moderate negative spillover. At the same time, according to the IMF's latest projections[2], the Georgian economy should grow by 3.2% and 5.8% in 2022 and 2023, respectively.

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

2 IMF, World Economic Outlook, April 2022

Unaudited Consolidated Financial Results Overview for 1Q 2022

This statement provides a summary of the unaudited business and financial trends for 1Q 2022 for TBC Bank Group plc and its subsidiaries. The quarterly financial information and trends are unaudited.

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

Financial Highlights

Income Statement Highlights

in thousands of GEL	1Q'22	4Q'21	1Q'21	*Change YoY*	*Change QoQ*
Net interest income	288,619	275,445	225,131	*28.2%*	*4.8%*
Net fee and commission income	65,890	71,068	45,293	*45.5%*	*-7.3%*
Other operating non-interest income[3]	58,283	42,159	40,665	*43.3%*	*38.2%*
Total credit loss allowance	(13,736)	(6,040)	(17,244)	*-20.3%*	*NMF*
Operating profit after expected credit losses	**399,056**	**382,632**	**293,845**	***35.8%***	***4.3%***
Losses from modifications of financial instrument	-	(31)	(1,487)	*-100.0%*	*-100.0%*
Operating expenses	(150,950)	(157,213)	(122,240)	*23.5%*	*-4.0%*
Profit before tax	**248,106**	**225,388**	**170,118**	***45.8%***	***10.1%***
Income tax expense	(24,125)	(26,915)	(17,131)	*40.8%*	*-10.4%*
Profit for the period	**223,981**	**198,473**	**152,987**	***46.4%***	***12.9%***

Balance Sheet and Capital Highlights

in thousands of GEL	Mar-22	Dec-21	Mar-21	*Change YoY*	*Change QoQ*
Total Assets	25,056,340	24,508,561	23,617,046	*6.1%*	*2.2%*
Gross Loans	17,320,213	17,047,391	15,332,209	*13.0%*	*1.6%*
Customer Deposits	15,081,429	15,038,172	14,239,837	*5.9%*	*0.3%*
Total Equity	3,896,760	3,692,229	3,125,735	*24.7%*	*5.5%*
CET 1 Capital (Basel III)	2,964,648	2,759,894	2,059,599	*43.9%*	*7.4%*
Tier 1 Capital (Basel III)	3,584,908	3,379,414	2,550,144	*40.6%*	*6.1%*
Total Capital (Basel III)	4,279,803	4,102,927	3,327,134	*28.6%*	*4.3%*
Risk Weighted Assets (Basel III)	20,358,187	20,217,629	18,921,231	*7.6%*	*0.7%*

Key Ratios	1Q'22	4Q'21	1Q'21	*Change YoY*	*Change QoQ*
ROE	24.3%	22.1%	20.3%	*4.0 pp*	*2.2 pp*
Bank's standalone ROE[4]	25.6%	23.2%	21.5%	*4.1 pp*	*2.4 pp*
ROA	3.7%	3.3%	2.7%	*1.0 pp*	*0.4 pp*
Bank's standalone ROA[4]	3.9%	3.4%	2.7%	*1.2 pp*	*0.5 pp*
NIM	5.6%	5.4%	4.7%	*0.9 pp*	*0.2 pp*
Cost to income	36.6%	40.4%	39.3%	*-2.7 pp*	*-3.8 pp*
Bank's standalone cost to income[4]	28.7%	32.2%	33.1%	*-4.4 pp*	*-3.5 pp*
Cost of risk	0.3%	-0.1%	0.5%	*-0.2 pp*	*0.4 pp*
NPL to gross loans	2.4%	2.4%	4.8%	*-2.4 pp*	*0.0 pp*
NPL provision coverage ratio	96.0%	99.9%	81.0%	*15.0 pp*	*-3.9 pp*
Total NPL coverage ratio	167.9%	175.3%	154.4%	*13.5 pp*	*-7.4 pp*
CET 1 CAR (Basel III)	14.6%	13.7%	10.9%	*3.7 pp*	*0.9 pp*
Tier 1 CAR (Basel III)	17.6%	16.7%	13.5%	*4.1 pp*	*0.9 pp*
Total CAR (Basel III)	21.0%	20.3%	17.6%	*3.4 pp*	*0.7 pp*
Leverage (Times)	6.4x	6.7x	7.6x	*-1.2x*	*-0.3x*

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

Net Interest Income

In 1Q 2022, net interest income amounted to GEL 288.6 million, up by 28.2% YoY and by 4.8% on a QoQ basis.

The YoY rise in interest income by GEL 87.1 million, or 19.8%, was mostly attributable to an increase in interest income from loans related to the GEL 1,988.0 million, or 13.0%, increase in the respective portfolio, as well as a 1.0 pp rise in the respective yield, which was related to a hike in the refinance rate and a shift in portfolio composition towards GEL loans.

The increase in interest income on a QoQ basis of GEL 17.7 million, or 3.5%, was mainly driven by an increase in interest income from loans to customers, related both to an increase in the loan portfolio by GEL 272.8 million, or 1.6%, and to a 0.1 pp rise in loan effective rates.

Interest expense remained broadly stable on a QoQ basis. YoY interest expense increased by 7.7%, mainly related to an increase in the deposit portfolio of GEL 841.6 million, or 5.9%, and a 0.2 pp growth in deposit cost. Over the same period, the share of the deposits portfolio in total liabilities went up to 71%, compared to 69% a year ago.

Net gains from currency swaps amounted to GEL -1.2 million in 1Q 2022, mainly related to the increased volume of USD/GEL swaps. The losses in currency swaps were offset by the lower interest expense of borrowed funds.

In 1Q 2022, our NIM stood at 5.6%, up by 0.9 pp on YoY and 0.2 pp on a QoQ basis.

In thousands of GEL	1Q'22	4Q'21	1Q'21	*Change YoY*	*Change QoQ*
Interest income	527,743	510,035	440,613	*19.8%*	*3.5%*
Interest expense	(237,914)	(239,839)	(220,980)	*7.7%*	*-0.8%*
Net gains from currency swaps	(1,210)	5,249	5,498	NMF	NMF
Net interest income	**288,619**	**275,445**	**225,131**	***28.2%***	***4.8%***
NIM	**5.6%**	**5.4%**	**4.7%**	***0.9 pp***	***0.2 pp***

Non-Interest Income

Total non-interest income amounted to GEL 124.2 million in 1Q 2022, increasing by 44.5% YoY and 9.7% on a QoQ basis.

Total non-interest income increased YoY, driven by strong growth of net fee and commission income related to the revival of business activities after the partial lockdown in 1Q 2021, as well as our business initiatives, while the quarterly decrease was related to the seasonally low activity in 1Q 2022.

Net gains from FX operations demonstrated exceptional results in 1Q 2022, mainly related to increased margins and volume due to the high volatility of the exchange rate over the quarter.

The net insurance premium decreased on a QoQ basis, due to the high base in the previous quarter, related to a non-recurring reinsurance adjustment in the amount of 2.7 million GEL in 4Q 2021. This slight annual decrease was mainly driven by increased losses on motor insurance, which was caused by unusual weather conditions.

In thousands of GEL	1Q'22	4Q'21	1Q'21	*Change YoY*	*Change QoQ*
Non-interest income					
Net fee and commission income	65,890	71,068	45,293	*45.5%*	*-7.3%*
Net gains/(losses) from currency derivatives, foreign currency operations and translation	47,857	27,984	28,496	*67.9%*	*71.0%*
Net insurance premium earned after claims and acquisition costs[5]	4,267	7,654	4,403	*-3.1%*	*-44.3%*
Other operating income	6,159	6,521	7,766	*-20.7%*	*-5.6%*
Total non-interest income	**124,173**	**113,227**	**85,958**	***44.5%***	***9.7%***

Credit Loss Allowance

Credit loss allowance for loans in 1Q 2022 amounted to GEL 13.7 million, which translated into a 0.3% cost of risk, in line with the strong performance of the loan book across all segments. These provision charges were attributable to the retail and MSME segments, which were partially offset by the recovery of provision charges in the CIB segment.

[5] 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.

In thousands of GEL	1Q'22	4Q'21	1Q'21	Change YoY	Change QoQ
Recovery of/(charges to) credit loss allowance for loan to customers	(11,497)	3,171	(17,549)	-34.5%	NMF
Credit loss allowance for other transactions	(2,239)	(9,211)	305	NMF	-75.7%
Total credit loss allowance	**(13,736)**	**(6,040)**	**(17,244)**	**-20.3%**	**NMF**
Operating profit after expected credit losses	**399,056**	**382,632**	**293,845**	**35.8%**	**4.3%**
Cost of risk	**0.3%**	**-0.1%**	**0.5%**	***-0.2 pp***	***0.4 pp***

Operating Expenses

In 1Q 2022, our operating expenses expanded by 23.5% YoY and decreased by 4.0% on a QoQ basis.

In 1Q 2022, the YoY increase in our operating expenses was mainly driven by staff costs, due to the expansion of business, both locally and internationally. Also, there was an increase in administrative and other operating expenses, which was mainly attributable to the growth of our Uzbek business. The decrease on a QoQ basis was due to seasonally low activity in 1Q 2022.

Our cost to income ratio amounted to 36.6%, while the Bank's standalone cost to income stood at 28.7%.

In thousands of GEL	1Q'22	4Q'21	1Q'21	Change YoY	Change QoQ
Operating expenses					
Staff costs	(86,159)	(86,589)	(70,314)	*22.5%*	*-0.5%*
(Provision for)/ recovery of liabilities and charges	(64)	90	45	*NMF*	*NMF*
Depreciation and amortization	(23,011)	(23,203)	(17,364)	*32.5%*	*-0.8%*
Administrative & other operating expenses	(41,716)	(47,511)	(34,607)	*20.5%*	*-12.2%*
Total operating expenses	**(150,950)**	**(157,213)**	**(122,240)**	***23.5%***	***-4.0%***
Cost to income	**36.6%**	**40.4%**	**39.3%**	***-2.7 pp***	***-3.8 pp***
Bank's standalone cost to income[6]	**28.7%**	**32.2%**	**33.1%**	***-4.4 pp***	***-3.5 pp***

Net Income

In 1Q 2022, we delivered robust profitability and generated GEL 224.0 million in net profit, driven by strong income generation across the board. Despite the low seasonality in first quarter, we managed to increase out net profit by a solid 12.9% on a quarterly basis.

As a result, our ROE and ROA for 1Q 2022 reached 24.3% and 3.7%, accordingly.

In thousands of GEL	1Q'22	4Q'21	1Q'21	Change YoY	Change QoQ
Losses from modifications of financial instruments	-	**(31)**	**(1,487)**	***-100.0%***	***-100.0%***
Profit before tax	**248,106**	**225,388**	**170,118**	***45.8%***	***10.1%***
Income tax expense	(24,125)	(26,915)	(17,131)	*40.8%*	*-10.4%*
Profit for the period	**223,981**	**198,473**	**152,987**	***46.4%***	***12.9%***
ROE	**24.3%**	**22.1%**	**20.3%**	***4.0 pp***	***2.2 pp***
Bank's standalone ROE[6]	**25.6%**	**23.2%**	**21.5%**	***4.1 pp***	***2.4 pp***
ROA	**3.7%**	**3.3%**	**2.7%**	***1.0 pp***	***0.4 pp***
Bank's standalone ROA[6]	**3.9%**	**3.4%**	**2.7%**	***1.2 pp***	***0.5 pp***

Funding and Liquidity

As of 31 March 2022, the total liquidity coverage ratio (LCR), as defined by the NBG, was 116.1%, above the 100% limit, while the LCR in GEL and FC stood at 110.0% and 119.2%, respectively, above the respective limits of 75% and 100%. Over the same period, NSFR stood at 126.9%, compared to the regulatory limit of 100%. The YoY decrease in the liquidity ratios was related to the utilization of excess liquidity in March 2021.

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

	Mar-22	Dec-21	Change QoQ	Mar-21	Change YoY
Minimum net stable funding ratio, as defined by the NBG	100.0%	100.0%	*0.0 pp*	100.0%	*0.0 pp*
Net stable funding ratio as defined by the NBG	126.9%	127.3%	*-0.4 pp*	131.4%	*-4.5 pp*
Net loans to deposits + IFI funding	101.4%	100.9%	*0.5 pp*	92.2%	*9.2 pp*
Leverage (Times)	6.4x	6.7x	*-0.3x*	7.6x	*-1.2x*
Minimum total liquidity coverage ratio, as defined by the NBG	*100.0%*	*100.0%*	*0.0 pp*	*100.0%*	*0.0 pp*
Minimum LCR in GEL, as defined by the NBG	*75%*	*75.0%*	*0.0 pp*	*n/a*	*n/a!*
Minimum LCR in FC, as defined by the NBG	*100.0%*	*100.0%*	*0.0 pp*	*100.0%*	*0.0 pp*
Total liquidity coverage ratio, as defined by the NBG	116.1%	115.8%	*0.3 pp*	136.7%	*-20.6 pp*
LCR in GEL, as defined by the NBG	110.0%	107.7%	*2.3 pp*	140.8%	*-30.8 pp*
LCR in FC, as defined by the NBG	119.2%	120.8%	*-1.6 pp*	135.5%	*-16.3 pp*

We continuously review different funding alternatives, including possible new local and hard-currency bond financings on the international debt capital markets and will continue considering opportunities to manage our debt portfolio in line with the principles of our debt management strategy, subject to market conditions.

Regulatory Capital

As of March 2022, our CET1, Tier 1 and Total Capital ratios stood at 14.6%, 17.6% and 21.0%, respectively, and remained comfortably above the minimum regulatory requirements by 2.4%, 3.0% and 2.7%, accordingly.

The YoY increase in the CET 1 capital adequacy ratio was mainly driven by net income generation and GEL appreciation, which was partially offset by growth in the loan book, while the higher Tier 1 and total capital adequacy ratios were further supported by the issuance of an AT1 Bond in the amount of USD 75 million in November 2021.

The QoQ increase in CET 1 capital adequacy ratio was mainly driven by net income generation, partially offset by growth in the loan book.

In Q1 2022, CET1 and Tier 1 capital requirements increased by 0.5 pp and 0.6 pp QoQ, respectively, driven by the further introduction of concentration risk and net GRAPE buffers by the NBG, in line with the updated phase in the schedule. The final increase in the requirements in line with the phase-in schedule is planned for 1Q 2023.

In thousands of GEL	Mar-22	Dec-21	Change QoQ	Mar-21	Change YoY
CET 1 Capital	2,964,648	2,759,894	*7.4%*	2,059,599	*43.9%*
Tier 1 Capital	3,584,908	3,379,414	*6.1%*	2,550,144	*40.6%*
Total Capital	4,279,803	4,102,927	*4.3%*	3,327,134	*28.6%*
Total Risk-weighted Exposures	20,358,187	20,217,629	*0.7%*	18,921,231	*7.6%*
Minimum CET 1 ratio	*12.2%*	*11.7%*	*0.5 pp*	*7.8%*	*4.4 pp*
CET 1 Capital adequacy ratio	14.6%	13.7%	*0.9 pp*	10.9%	*3.7 pp*
Minimum Tier 1 ratio	*14.6%*	*14.0%*	*0.6 pp*	*9.7%*	*4.9 pp*
Tier 1 Capital adequacy ratio	17.6%	16.7%	*0.9 pp*	13.5%	*4.1 pp*
Minimum total capital adequacy ratio	*18.3%*	*18.4%*	*-0.1 pp*	*13.7%*	*4.6 pp*
Total Capital adequacy ratio	21.0%	20.3%	*0.7 pp*	17.6%	*3.4 pp*

Loan Portfolio

As of 31 March 2022, the gross loan portfolio reached GEL 17,320.2 million, up by 13.0% YoY and 1.6% QoQ, or up by 20.6% YoY and 1.9% QoQ on a constant currency basis.

The proportion of gross loans denominated in foreign currency decreased by 5.4 pp YoY and 0.1 pp on a QoQ basis, and accounted for 53.8% of total loans. On a constant currency basis, the proportion of gross loans denominated in foreign currency decreased by 2.4 pp YoY and stood at 56.8%.

As of 31 March 2022, our market share in total loans stood at 38.9%, up by 0.4 pp YoY and 0.1 pp on a QoQ basis. Our loan market share in legal entities was 39.3%, up by 1.3 pp YoY and 0.2 pp on a QoQ basis. Our loan market share in individuals stood at 38.6%, down by 0.4 pp YoY while remaining stable on a QoQ basis.

In thousands of GEL	Mar-22	Dec-21	*Change QoQ*	Mar-21	*Change YoY*
Loans and advances to customers					
Retail	**6,582,652**	**6,358,345**	**3.5%**	**5,793,385**	**13.6%**
Retail loans GEL	*3,763,609*	*3,580,468*	*5.1%*	*3,012,532*	*24.9%*
Retail loans FC	*2,819,043*	*2,777,877*	*1.5%*	*2,780,853*	*1.4%*
CIB	**6,461,554**	**6,547,741**	**-1.3%**	**5,939,056**	**8.8%**
CIB loans GEL	*2,040,940*	*2,188,776*	*-6.8%*	*1,629,821*	*25.2%*
CIB loans FC	*4,420,614*	*4,358,965*	*1.4%*	*4,309,235*	*2.6%*
MSME	**4,276,007**	**4,141,305**	**3.3%**	**3,599,768**	**18.8%**
MSME loans GEL	*2,191,308*	*2,082,204*	*5.2%*	*1,615,949*	*35.6%*
MSME loans FC	*2,084,699*	*2,059,101*	*1.2%*	*1,983,819*	*5.1%*
Total loans and advances to customers	**17,320,213**	**17,047,391**	**1.6%**	**15,332,209**	**13.0%**

The comparative figures for 1Q 2021 do not correspond with the figures disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

	1Q'22	4Q'21	1Q'21	*Change YoY*	*Change QoQ*
Loan yields	**10.8%**	**10.7%**	**9.8%**	***1.0 pp***	***0.1 pp***
Loan yields GEL	*15.5%*	*15.4%*	*14.6%*	*0.9 pp*	*0.1 pp*
Loan yields FC	*6.9%*	*6.7%*	*6.6%*	*0.3 pp*	*0.2 pp*
Retail Loan Yields	**12.6%**	**12.2%**	**11.1%**	***1.5 pp***	***0.4 pp***
Retail loan yields GEL	*16.5%*	*16.4%*	*15.8%*	*0.7 pp*	*0.1 pp*
Retail loan yields FC	*7.6%*	*6.9%*	*6.2%*	*1.4 pp*	*0.7 pp*
CIB Loan Yields	**9.2%**	**9.2%**	**8.7%**	***0.5 pp***	***0.0 pp***
CIB loan yields GEL	*14.1%*	*14.2%*	*12.8%*	*1.3 pp*	*-0.1 pp*
CIB loan yields FC	*6.9%*	*6.8%*	*7.1%*	*-0.2 pp*	*0.1 pp*
MSME Loan Yields	**10.6%**	**10.6%**	**9.6%**	***1.0 pp***	***0.0 pp***
MSME loan yields GEL	*15.1%*	*15.1%*	*14.3%*	*0.8 pp*	*0.0 pp*
MSME loan yields FC	*6.0%*	*6.0%*	*5.9%*	*0.1 pp*	*0.0 pp*

The comparative rates for 1Q 2021 do not correspond with the rates disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

Loan Portfolio Quality

Par 30 improved YoY and increased by 0.3 pp on a QoQ basis. The YoY improvement was mainly related to the retail segment. The QoQ increase was mainly attributable to two CIB borrowers and is expected to settle in 2Q 2022.

NPLs improved across all segments on a YoY basis. This improvement was mainly driven by resumed repayments on restructured loans in the Retail and MSME segments. On a QoQ basis, total NPLs remained stable, while CIB NPLs increased by 0.2 pp QoQ, mainly attributable to one stage III CIB borrower.

Par 30	Mar-22	Dec-21	*Change QoQ*	Mar-21	*Change YoY*
Retail	2.3%	2.2%	*0.1 pp*	3.1%	*-0.8 pp*
CIB	1.1%	0.6%	*0.5 pp*	1.2%	*-0.1 pp*
MSME	3.9%	4.0%	*-0.1 pp*	3.8%	*0.1 pp*
Total Loans	**2.3%**	**2.0%**	***0.3 pp***	**2.5%**	***-0.2 pp***

The comparative ratios for 1Q 2021 do not correspond with the ratios disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

Non-performing Loans	Mar-22	Dec-21	Change QoQ	Mar-21	Change YoY
Retail	2.2%	2.4%	*-0.2 pp*	6.0%	*-3.8 pp*
CIB	1.6%	1.4%	*0.2 pp*	2.2%	*-0.6 pp*
MSME	4.1%	4.0%	*0.1 pp*	6.9%	*-2.8 pp*
Total Loans	**2.4%**	**2.4%**	***0.0 pp***	**4.8%**	***-2.4 pp***

The comparative ratios for 1Q 2021 do not correspond with the ratios disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

NPL Coverage	Mar-22		Dec-21		Mar-21	
	Provision Coverage	Total Coverage	Provision Coverage	Total Coverage	Provision Coverage	Total Coverage
Retail	169.3%	230.1%	158.8%	224.6%	95.0%	161.7%
CIB	47.5%	115.0%	56.8%	126.4%	81.9%	150.5%
MSME	64.3%	147.7%	68.0%	155.5%	61.1%	146.4%
Total	**96.0%**	**167.9%**	**99.9%**	**175.3%**	**81.0%**	**154.4%**

The comparative ratios for 1Q 2021 do not correspond with the ratios disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

Cost of risk

In 1Q 2022, the cost of risk amounted to 0.3%, in line with the strong performance of the loan book across all segments.

Cost of risk	1Q'22	4Q'21	1Q'21	Change YoY	Change QoQ
Retail	0.6%	1.2%	0.9%	*-0.3 pp*	*-0.6 pp*
CIB	-0.1%	-1.5%	-0.2%	*0.1 pp*	*1.4 pp*
MSME	0.3%	0.1%	0.9%	*-0.6 pp*	*0.2 pp*
Total	**0.3%**	**-0.1%**	**0.5%**	***-0.2 pp***	***0.4 pp***

The comparative ratios for 1Q 2021 do not correspond with the ratios disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

Deposit Portfolio

The total deposits portfolio amounted to GEL 15,081.4 million, increasing by 5.9% YoY and 0.3% QoQ, or 13.5% YoY and 0.4% QoQ on a constant currency basis.

The proportion of deposits denominated in a foreign currency decreased by 3.8 pp and increased by 0.9 pp on a YoY and QoQ basis, respectively, and stood at 64.4% of total deposits. On a constant currency basis, the proportion of deposits decreased by 1.4 pp YoY and accounted for 66.8% of total deposits.

As of 31 March 2022, our market share in deposits amounted to 40.3%, up by 0.5 pp YoY and down by 0.1 pp on a QoQ basis, while our market share in deposits to legal entities stood at 41.0%, up by 1.2 pp YoY and 0.5 pp QoQ. Our market share in deposits to individuals stood at 39.6%, down by 0.2 pp YoY and 0.7 pp QoQ.

In thousands of GEL	Mar-22	Dec-21	Change QoQ	Mar-21	Change YoY
Customer Accounts					
Retail	**5,618,872**	**5,837,333**	***-3.7%***	**5,381,805**	***4.4%***
Retail deposits GEL	*1,461,142*	1,492,325	*-2.1%*	1,278,497	*14.3%*
Retail deposits FC	*4,157,730*	4,345,008	*-4.3%*	4,103,308	*1.3%*
CIB	**7,567,725**	**7,330,543**	***3.2%***	**6,728,126**	***12.5%***
CIB deposits GEL	*2,844,528*	2,934,167	*-3.1%*	1,803,883	*57.7%*
CIB deposits FC	*4,723,197*	4,396,376	*7.4%*	4,924,243	*-4.1%*
MSME	**1,487,665**	**1,558,676**	***-4.6%***	**1,287,528**	***15.5%***
MSME deposits GEL	*657,057*	756,135	*-13.1%*	607,763	*8.1%*
MSME deposits FC	*830,608*	802,541	*3.5%*	679,765	*22.2%*
Total Customer Accounts*	**15,081,429**	**15,038,172**	***0.3%***	**14,239,837**	***5.9%***

The comparative figures for 1Q 2021 do not correspond with the figures disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

** Total deposit portfolio includes Ministry of Finance deposits in the amount of, GEL 407 million, GEL 312 million and 842 GEL million as of 31 Mar 2022, 31 Dec 2021 and 31 Mar 2021, respectively.*

	1Q'22	4Q'21	1Q'21	*Change YoY*	*Change QoQ*
Deposit rates	**3.7%**	**3.4%**	**3.5%**	***0.2 pp***	***0.3 pp***
Deposit rates GEL	*7.5%*	*6.8%*	*6.6%*	*0.9 pp*	*0.7 pp*
Deposit rates FC	*1.5%*	*1.5%*	*1.9%*	*-0.4 pp*	*0.0 pp*
Retail Deposit Yields	***2.7%***	***2.4%***	***2.5%***	***0.2 pp***	***0.3 pp***
Retail deposit rates GEL	*5.3%*	*4.9%*	*5.0%*	*0.3 pp*	*0.4 pp*
Retail deposit rates FC	*1.8%*	*1.6%*	*1.7%*	*0.1 pp*	*0.2 pp*
CIB Deposit Yields	***4.5%***	***4.8%***	***3.9%***	***0.6 pp***	***-0.3 pp***
CIB deposit rates GEL	*9.4%*	*8.9%*	*7.9%*	*1.5 pp*	*0.5 pp*
CIB deposit rates FC	*1.4%*	*1.6%*	*2.2%*	*-0.8 pp*	*-0.2 pp*
MSME Deposit Yields	***0.7%***	***0.6%***	***0.8%***	***-0.1 pp***	***0.1 pp***
MSME deposit rates GEL	*1.1%*	*1.1%*	*1.4%*	*-0.3 pp*	*0.0 pp*
MSME deposit rates FC	*0.2%*	*0.2%*	*0.2%*	*0.0 pp*	*0.0 pp*

The comparative rates for 1Q 2021 do not correspond with the rates disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

Segment definitions and PL

Business Segments

The segment definitions are as follows:

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

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

Income Statement by Segments

1Q'22	Retail	MSME	CIB	Corp. Centre	Total
Interest income	200,881	109,089	151,172	66,601	**527,743**
Interest expense	(38,835)	(2,498)	(81,194)	(116,597)	**(239,124)**
Net transfer pricing	(59,485)	(49,410)	24,498	84,397	-
Net interest income	**102,561**	**57,181**	**94,476**	**34,401**	**288,619**
Fee and commission income	74,494	7,225	19,380	11,794	**112,893**
Fee and commission expense	(38,581)	(2,695)	(2,066)	(3,661)	**(47,003)**
Net fee and commission income	**35,913**	**4,530**	**17,314**	**8,133**	**65,890**
Net insurance premium earned after claims and acquisition costs	-	-	-	4,267	**4,267**
Net gains/(losses) from currency derivatives, foreign currency operations and translation	15,026	11,303	28,394	(6,866)	**47,857**
Gains less Losses from Disposal of Investment Securities Measured at Fair Value through Other Comprehensive Income	-	-	910	1,207	**2,117**
Other operating income	787	105	537	2,668	**4,097**
Share of profit of associates	-	-	(126)	71	**(55)**
Other operating non-interest income and insurance profit	**15,813**	**11,408**	**29,715**	**1,347**	**58,283**
Recovery of/(charges to) credit loss allowance for loans to customers	(9,250)	(3,537)	1,290	-	**(11,497)**
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	110	32	447	-	**589**
Recovery of/(charges to) credit loss allowance for net investments in leases	-	-	-	(1,445)	**(1,445)**
Credit loss allowance for other financial assets	(10)	-	(562)	(1,118)	**(1,690)**
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	-	-	(12)	97	**85**
Net impairment of non-financial assets	72	(245)	340	55	**222**
Profit/(loss) before G&A expenses and income taxes	**145,209**	**69,369**	**143,008**	**41,470**	**399,056**
Staff costs	(38,848)	(14,715)	(12,565)	(20,031)	**(86,159)**
Depreciation and amortization	(14,154)	(3,307)	(1,553)	(3,997)	**(23,011)**
Provision for liabilities and charges	-	-	-	(64)	**(64)**
Administrative and other operating expenses	(19,916)	(5,193)	(4,396)	(12,211)	**(41,716)**
Operating expenses	**(72,918)**	**(23,215)**	**(18,514)**	**(36,303)**	**(150,950)**
Profit before tax	**72,291**	**46,154**	**124,494**	**5,167**	**248,106**
Income tax expense	(8,124)	(4,678)	(11,636)	313	**(24,125)**
Profit	**64,167**	**41,476**	**112,858**	**5,480**	**223,981**

In 1Q 2022, the management reclassified net fee and commission income from acquiring and issuing business, utility payments income as well as fee expense on self-service and POS terminal transactions to retail segment from other segments.

Consolidated Financial Statements of TBC Bank Group PLC

Consolidated Balance sheet

In thousands of GEL	Mar-22	Dec-21	Mar-21
Cash and cash equivalents	1,962,460	1,722,137	2,425,584
Due from other banks	58,348	79,142	54,189
Mandatory cash balances with National Bank of Georgia	2,243,280	2,087,141	2,364,760
Loans and advances to customers	16,917,292	16,637,145	14,742,344
Investment securities measured at fair value through other comprehensive income	1,898,005	1,938,196	2,284,697
Bonds carried at amortized cost	48,565	49,582	17,748
Net investments in leases	254,087	262,046	272,090
Investment properties	20,396	22,892	65,605
Current income tax prepayment	817	194	62,022
Deferred income tax asset	14,368	12,357	1,453
Other financial assets	330,750	453,115	292,410
Other assets	429,996	397,079	265,299
Premises and equipment	406,855	392,506	377,273
Right of use assets	76,251	70,513	54,535
Intangible assets	331,618	319,963	272,597
Goodwill	59,964	59,964	59,964
Investments in associates	3,288	4,589	4,476
TOTAL ASSETS	**25,056,340**	**24,508,561**	**23,617,046**
LIABILITIES			
Due to credit institutions	3,353,903	2,984,176	3,612,067
Customer accounts	15,081,429	15,038,172	14,239,837
Lease liabilities	71,891	66,167	60,934
Other financial liabilities	136,479	139,811	153,606
Current income tax liability	4,563	86,762	697
Debt Securities in issue	1,737,192	1,710,288	1,583,929
Deferred income tax liability	9,424	10,979	21,865
Provisions for liabilities and charges	26,019	25,358	22,526
Other liabilities	106,836	130,972	87,888
Subordinated debt	631,844	623,647	707,962
TOTAL LIABILITIES	**21,159,580**	**20,816,332**	**20,491,311**
EQUITY			
Share capital	1,682	1,682	1,682
Shares held by trust	(7,900)	(25,489)	(25,494)
Share premium	283,430	283,430	283,430
Retained earnings	3,230,348	3,007,132	2,434,185
Group re-organisation reserve	402,862	402,862	402,862
Share based payment reserve	(18,362)	(5,135)	(19,288)
Fair value reserve	(24,006)	(10,862)	36,929
Cumulative currency translation reserve	(15,276)	(9,450)	759
Net assets attributable to owners	**3,852,778**	**3,644,170**	**3,115,065**
Non-controlling interest	43,982	48,059	10,670
TOTAL EQUITY	**3,896,760**	**3,692,229**	**3,125,735**
TOTAL LIABILITIES AND EQUITY	**25,056,340**	**24,508,561**	**23,617,046**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

In thousands of GEL	1Q'22	4Q'21	1Q'21
Interest income	527,743	510,035	440,613
Interest expense	(237,914)	(239,839)	(220,980)
Net gains from currency swaps	(1,210)	5,249	5,498
Net interest income	**288,619**	**275,445**	**225,131**
Fee and commission income	112,893	123,893	81,108
Fee and commission expense	(47,003)	(52,825)	(35,815)
Net fee and commission income	**65,890**	**71,068**	**45,293**
Net insurance premiums earned	20,215	18,883	14,143
Net insurance claims incurred and agents' commissions	(15,948)	(11,229)	(9,740)
Net insurance premium earned after claims and acquisition costs	**4,267**	**7,654**	**4,403**
Net gains/(losses) from currency derivatives, foreign currency operations and translation	47,857	27,984	28,496
Gains less losses from disposal of investment securities measured at fair value through other comprehensive income	2,117	252	2,388
Other operating income	4,097	6,198	4,992
Share of profit of associates	(55)	71	386
Other operating non-interest income	**54,016**	**34,505**	**36,262**
Recovery of/(charges to) credit loss allowance for loans to customers	(11,497)	3,171	(17,549)
Recovery of/(charges to) credit loss allowance for net investments in leases	(1,445)	2,052	(1,311)
Recovery of/(charges to) credit loss allowance for performance guarantees and credit related commitments	589	5,971	646
Credit loss allowance for other financial assets	(1,690)	(6,363)	363
Recovery of/(charges to) credit loss allowance for financial assets measured at fair value through other comprehensive income	85	337	594
Net impairment of non-financial assets	222	(11,208)	13
Operating profit after expected credit losses	**399,056**	**382,632**	**293,845**
Losses from modifications of financial instruments	-	**(31)**	**(1,487)**
Staff costs	(86,159)	(86,589)	(70,314)
Depreciation and amortization	(23,011)	(23,203)	(17,364)
(Provision for)/ recovery of liabilities and charges	(64)	90	45
Administrative and other operating expenses	(41,716)	(47,511)	(34,607)
Operating expenses	**(150,950)**	**(157,213)**	**(122,240)**
Profit before tax	**248,106**	**225,388**	**170,118**
Income tax expense	(24,125)	(26,915)	(17,131)
Profit	**223,981**	**198,473**	**152,987**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in fair value reserve	(13,150)	(9,657)	25,772
Exchange differences on translation to presentation currency	130	(2,385)	2,903
Other comprehensive income for the period	**(13,020)**	**(12,042)**	**28,675**
Total comprehensive income for the period	**210,961**	**186,431**	**181,662**
Profit attributable to:			
- Shareholders of TBCG	224,666	196,721	151,224
- Non-controlling interest	(685)	1,752	1,763
Profit	**223,981**	**198,473**	**152,987**
Total comprehensive income is attributable to:			
- Shareholders of TBCG	211,646	184,659	179,923
- Non-controlling interest	(685)	1,772	1,739
Total comprehensive income for the period	**210,961**	**186,431**	**181,662**

TBC BANK Group PLC

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)	1Q'22	4Q'21	1Q'21
Profitability ratios:			
ROE[1]	24.3%	22.1%	20.3%
ROA[2]	3.7%	3.3%	2.7%
Cost to income[3]	36.6%	40.4%	39.3%
NIM[4]	5.6%	5.4%	4.7%
Loan yields[5]	10.8%	10.7%	9.2%
Deposit rates[6]	3.7%	3.4%	3.5%
Cost of funding[7]	4.8%	4.6%	4.4%
Asset quality & portfolio concentration:			
Cost of risk[9]	0.3%	-0.1%	0.5%
PAR 90 to Gross Loans[9]	1.3%	1.1%	1.6%
NPLs to Gross Loans[10]	2.4%	2.4%	4.8%
NPL provision coverage[11]	96.0%	99.9%	81.0%
Total NPL coverage[12]	167.9%	175.3%	154.4%
Credit loss level to Gross Loans[13]	2.3%	2.4%	3.8%
Related Party Loans to Gross Loans[14]	0.1%	0.1%	0.1%
Top 10 Borrowers to Total Portfolio[15]	6.7%	6.8%	8.2%
Top 20 Borrowers to Total Portfolio[16]	10.2%	10.5%	12.4%
Capital & liquidity positions:			
Net Loans to Deposits plus IFI* Funding[17]	101.4%	100.9%	92.2%
Net Stable Funding Ratio[18]	126.9%	127.3%	131.4%
Liquidity Coverage Ratio[19]	116.1%	115.8%	136.7%
Leverage[20]	6.4x	6.7x	7.6x
CET 1 CAR (Basel III)[21]	14.6%	13.7%	10.9%
Tier 1 CAR (Basel III)[22]	17.6%	16.7%	13.5%
Total 1 CAR (Basel III)[23]	21.0%	20.3%	17.6%

** International Financial Institutions*

Ratio definitions

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

Exchange Rates

To calculate the QoQ growth of the Balance Sheet items without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.0976 as of 31 December 2021. For the calculations of the YoY growth without the currency exchange rate effect, we used the USD/GEL exchange rate of 3.4118 as of 31 March 2021. As of 31 March 2022, the USD/GEL exchange rate equaled 3.1013. For P&L items growth calculations without currency effect, we used the average USD/GEL exchange rate for the following periods: 1Q 2022 of 3.1091,4Q 2021 of 3.1253, 1Q 2021 of 3.3142.

Additional Disclosures

1) TBC Bank – Background

TBC Bank is the largest banking group in Georgia, where 98.6% of its business is concentrated, with a 38.6% market share by total assets. It offers retail, CIB, and MSME banking nationwide.

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

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 and, for the group, in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

2) Subsidiaries of TBC Bank Group PLC[7]

Subsidiary	Ownership / voting % as of 31 March 2022	Country	Year of incorporation	Industry	Total Assets (after elimination) Amount GEL'000	% in TBC Group
JSC TBC Bank	**99.9%**	**Georgia**	**1992**	**Banking**	**24,193,693**	**96.56%**
United Financial Corporation JSC	99.5%	Georgia	1997	Card processing	21,187	0.08%
TBC Capital LLC	100.0%	Georgia	1999	Brokerage	4,626	0.02%
TBC Leasing JSC	100.0%	Georgia	2003	Leasing	315,534	1.26%
TBC Kredit LLC	100.0%	Azerbaijan	1999	Non-banking credit institution	23,207	0.09%
TBC Pay LLC	100.0%	Georgia	2009	Processing	46,664	0.19%
Index LLC	100.0%	Georgia	2011	Real estate management	393	0.00%
TBC Invest LLC	100.0%	Israel	2011	PR and marketing	316	0.00%
TBC Asset management LLC	100.0%	Georgia	2021	Asset Management	0	0.00%
JSC TBC Insurance	**100.0%**	**Georgia**	**2014**	**Insurance**	**86,783**	**0.35%**
Redmed LLC	100.0%	Georgia	2019	E-commerce	1,604	0.01%
TBC NET LLC*	**100.0%**	**Georgia**	**2019**	**Asset Management**	**30,315**	**0.12%**
Online Tickets LLC	55.0%	Georgia	2015	Software Services	2,711	0.01%
TKT UZ	75.0%	**Uzbekistan**	2019	Retail Trade	75	0.00%
Vendoo LLC (Geo)	100.0%	Georgia	2019	Retail Leasing	1,625	0.01%
Mypost LLC	100.0%	Georgia	2019	Postal Service	108	0.00%
Billing Solutions LLC	51.0%	**Georgia**	2019	Software Services	412	0.00%
F Solutions LLC	100.0%	Georgia	2019	Software Services	11	0.00%
Artarea.ge LLC	100.0%	Georgia	2021	PR and marketing	62	0.00%
Marjanishvili 7 LLC	**100.0%**	**Georgia**	**2020**	**Food and Beverage**	**846**	**0.00%**
Space JSC	**100.0%**	**Georgia**	**2021**	**Software Services**	**0**	**0.00%**
Space International JSC	100.0%	Georgia	2021	Software Services	35,059	0.14%
TBC Group Support LLC	**100.0%**	**Georgia**	**2020**	**Risk Monitoring**	**7**	**0.00%**
Inspired LLC	**51.0%**	**Uzbekistan**	**2011**	**Processing**	**26,354**	**0.11%**
TBC Bank JSC UZ	**100.0%**	**Uzbekistan**	**2020**	**Banking**	**245,350**	**0.98%**
LLC Vendoo (UZ Leasing)	**100.0%**	**Uzbekistan**	**2019**	**Retail Leasing**	**19,395**	**0.08%**

** At the end of 2021, we merged most of our ecosystem companies into a single entity, TBC Net JSC*

[7] TBC Bank Group PLC became the parent company of JSC TBC Bank on 10 August 2016.

3) TBC Insurance

TBC Insurance is a wholly-owned subsidiary of TBC Bank, which was acquired by the Group in October 2016 and is the main bancassurance partner for the Bank, with a share of around 29% in its total gross written premium (GWP) as of 31 March 2022.

TBC Insurance serves its customers with a highly digitalized approach, which includes a website and a mobile app for health insurance. The company is represented in both the non-health and health insurance segments. In 2021, TBC Insurance was well regarded by its customers with an NPS[8] of 65% - the best score among its peers.

In 1Q 2022, net profit including health insurance amounted GEL 2.6 million, up by 16.7% YoY but down by 50.0% QoQ. The quarterly decrease was related to the high base of the previous quarter, related to non-recurring reinsurance adjustment in 4Q 2021. The annual increase was solid, despite the deterioration in the net combined ratio, mainly due to higher losses from motor insurance, as a result of unusual weather conditions.

Total insurance business	**1Q'22**	**4Q'21**	***Change QoQ***	**1Q'21**	***Change YoY***
In thousands of GEL					
Gross written premium	34,138	33,039	*3.3%*	25,515	*33.8%*
Net earned premium	25,856	24,497	*5.5%*	19,131	*35.2%*
Net profit	2,560	5,122	*-50.0%*	2,193	*16.7%*
Net combined ratio	96.5%	80.2%	*16.3 pp*	90.1%	*6.4 pp*

Note: IFRS standalone data

Market shares[9]	**Mar-22**	**Dec-21**	**Mar-21**
Retail segment	25.1%	26.7%	22.0%
Total market share	40.4%	40.0%	39.3%

4) Fast growing digital bank in Uzbekistan

in thousands	**Mar'21**	**Jun'21**	**Sep'21**	**Dec'21**	**Mar'22**	**Apr'22**
# of total registered users	98	302	667	1,140	1,499	1,599
# of downloads	103	391	897	1,548	2,011	2,144
Retail gross loan portfolio* (GEL)	953	25,239	52,493	92,825	143,640	159,756
Retail deposit portfolio** (GEL)	2,839	15,543	91,979	207,510	168,669	193,063
# of total cards issued (cumulative figures)	31	66	117	224	312	341
# of other cards attached (cumulative figures)	29	126	328	386	550	611
Total monthly number of transactions	203	563	906	1,739	2,036	2,568

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

5) Loan book breakdown by stages according IFRS 9

Total (in million GEL)

	31-Mar-22		**31-Dec-21**		**31-Mar-21**	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	14,977	0.70%	14,602	0.70%	12,101	1.10%
2	1,848	6.10%	1,935	6.20%	2,296	5.40%
3	495	37.10%	510	36.40%	935	36.10%
Total	**17,320**	**2.30%**	**17,047**	**2.40%**	**15,332**	**3.80%**

The comparative figures and rates for 1Q 2021 do not correspond with the figures and rates disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

[8] The Net Promoter Score (NPS) was measured in January 2022 by an independent research company, Anova
[9] Market shares are based on internal estimates, excluding border motor third party liability (MTPL) insurance. Source is Insurance State Supervision Service of Georgia.

CIB (in million GEL)

	31-Mar-22		31-Dec-21		31-Mar-21	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	5,664	0.40%	5,743	0.40%	4,760	1.10%
2	695	0.20%	713	0.20%	991	0.90%
3	103	23.90%	92	27.30%	188	24.50%
Total	**6,462**	**0.80%**	**6,548**	**0.80%**	**5,939**	**1.80%**

The comparative figures and rates for 1Q 2021 do not correspond with the figures and rates disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

MSME (in million GEL)

	31-Mar-22		31-Dec-21		31-Mar-21	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	3,714	0.60%	3,520	0.60%	2,736	0.80%
2	353	7.20%	413	7.80%	582	6.90%
3	209	30.40%	208	29.00%	282	31.80%
Total	**4,276**	**2.60%**	**4,141**	**2.70%**	**3,600**	**4.20%**

The comparative figures and rates for 1Q 2021 do not correspond with the figures and rates disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

Retail (in million GEL)

	31-Mar-22		31-Dec-21		31-Mar-21	
Stage	**Gross**	**LLP rate***	**Gross**	**LLP rate***	**Gross**	**LLP rate***
1	5,599	1.10%	5,339	1.10%	4,605	1.10%
2	800	10.60%	809	10.80%	723	10.40%
3	183	52.00%	210	47.70%	465	43.50%
Total	**6,582**	**3.70%**	**6,358**	**3.90%**	**5,793**	**5.70%**

The comparative figures and rates for 1Q 2021 do not correspond with the figures and rates disclosed in 1Q 2021 financial report, since they include re-segmentation effect as described in appendix 6.

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

6) Re-segmentation of certain balance sheet items

In 3Q 2021, 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 the product base offered by Space to its customers. The majority of these 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 part of the retail segment would be more meaningful for users of the financial statements.

Changes for the portfolios are given in the table below:

from MSME to retail (Changes related to Space re-segmentation)	**Loan book (million GEL)**	**Deposit book (million GEL)**
1Q 2021	31.9	12.0

The above-mentioned changes also had immaterial impact on loan yields, deposit rates, Par 30, NPLs, NPL coverages, LLP rates and cost of risks.

7) Glossary

Terminology	**Definition**
Active retail digital users	The number retail digital users, who logged into our digital channels at least once for the past 3 months.
Daily active users (DAU)	The number of retail digital users, who logged into our digital channels at least once per day.
DAU/MAU	Average daily active users divided by monthly active users. TBC Group figure includes TBC's digital channels in Georgia, as well as those at TBC UZ and Payme.
Monthly active users (MAU)	The number of retail digital users, who logged into our digital channels at least once a month.