



TBC BANK
Group PLC



TBC BANK GROUP PLC

3Q AND 9M 2023 FINANCIAL RESULTS

www.tbcbankgroup.com

TBC BANK GROUP PLC (“TBC Bank”) 3Q AND 9M 2023 UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Forward-Looking Statements

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

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3Q and 9M 2023 Consolidated Financial Results Conference Call Details

TBC Bank Group PLC ("TBC PLC") published its unaudited consolidated financial results for the third quarter and nine months of 2023 on Thursday, 9 November 2023 at 7.00 am GMT. The management team will host a conference call on the day at 2.00 pm GMT to discuss the results.

Please click the link below to join the webinar:

<https://tbc.zoom.us/j/94193458741?pwd=VVVnTXgreTJ5KzdsR0o4MEFIdGtUT09>

Webinar ID: **941 9345 8741**

Passcode: **083467**

Other international numbers are available at: <https://tbc.zoom.us/j/94193458741?pwd=VVVnTXgreTJ5KzdsR0o4MEFIdGtUT09>

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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3Q and 9M 2023 Unaudited Consolidated Financial Results

**3Q 2023 net profit of GEL 300 million, down by 6% YoY, with ROE at 27.6%.
9M 2023 net profit of GEL 849 million, up by 9% YoY, with ROE at 27.0%.**

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

Financial Highlights

Income statement

<i>in thousands of GEL</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ	9M'23	9M'22	Change YoY
Net interest income	427,934	399,338	340,415	25.7%	7.2%	1,194,063	932,606	28.0%
Net fee and commission income	104,152	105,636	85,872	21.3%	-1.4%	302,226	227,334	32.9%
Other operating non-interest income	83,133	81,792	163,344	-49.1%	1.6%	237,935	306,592	-22.4%
Operating profit	615,219	586,766	589,631	4.3%	4.8%	1,734,224	1,466,532	18.3%
Total credit loss allowance	(46,159)	(33,934)	(48,256)	-4.3%	36.0%	(133,261)	(99,846)	33.5%
Operating expenses	(218,087)	(203,560)	(176,240)	23.7%	7.1%	(604,427)	(490,825)	23.1%
Profit before tax	350,973	349,272	365,135	-3.9%	0.5%	996,536	875,861	13.8%
Income tax expense	(50,485)	(56,186)	(44,115)	14.4%	-10.1%	(148,002)	(96,296)	53.7%
Profit for the period	300,488	293,086	321,020	-6.4%	2.5%	848,534	779,565	8.8%

Balance sheet

<i>in thousands of GEL</i>	Sep'23	Jun'23	Sep'22	Change YoY	Change QoQ
Total Assets	29,956,393	28,878,826	27,631,688	8.4%	3.7%
Gross Loans	20,365,135	19,360,689	17,365,894	17.3%	5.2%
Customer Deposits	18,722,415	18,992,492	17,115,022	9.4%	-1.4%
Total Equity	4,473,400	4,331,529	3,879,676	15.3%	3.3%
CET 1 Capital (Basel III) per IFRS	3,966,901	3,920,004	n/a	n/a	1.2%
Tier 1 Capital (Basel III) per IFRS	4,502,561	4,443,544	n/a	n/a	1.3%
Total Capital (Basel III) per IFRS	5,058,696	4,947,830	n/a	n/a	2.2%
Risk Weighted Assets (Basel III) per IFRS	22,668,335	21,452,808	n/a	n/a	5.7%
Number of shares	55,140,216	55,140,216	55,479,420	-0.6%	0.0%

Key Ratios

	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ	9M'23	9M'22	Change YoY
ROE	27.6%	28.1%	33.6%	-6.0 pp	-0.5 pp	27.0%	28.6%	-1.6 pp
ROE – Georgia FS	26.4%	27.8%	32.5%	-6.1 pp	-1.4 pp	25.9%	27.9%	-2.0 pp
ROA	4.1%	4.2%	4.8%	-0.7 pp	-0.1 pp	4.0%	4.1%	-0.1 pp
ROA – Georgia FS	4.2%	4.5%	5.0%	-0.8 pp	-0.3 pp	4.1%	4.3%	-0.2 pp
NIM	6.9%	6.8%	6.3%	0.6 pp	0.1 pp	6.7%	5.9%	0.8 pp
Cost to income	35.4%	34.7%	29.9%	5.5 pp	0.7 pp	34.9%	33.5%	1.4 pp
Cost to income – Georgia FS	31.5%	30.2%	25.7%	5.8 pp	1.3 pp	30.7%	28.6%	2.1 pp
Cost of risk	0.9%	0.6%	1.0%	-0.1 pp	0.3 pp	0.9%	0.7%	0.2 pp
NPL to gross loans	2.0%	2.1%	2.3%	-0.3 pp	-0.1 pp	2.0%	2.3%	-0.3 pp
NPL provision coverage ratio	87.6%	89.3%	99.6%	-12.0 pp	-1.7 pp	87.6%	99.6%	-12.0 pp
Total NPL coverage ratio	151.6%	153.7%	164.2%	-12.6 pp	-2.1 pp	151.6%	164.2%	-12.6 pp
CET 1 CAR (Basel III) per IFRS	17.5%	18.3%	n/a	n/a	-0.8 pp	17.5%	n/a	n/a
Tier 1 CAR (Basel III) per IFRS	19.9%	20.7%	n/a	n/a	-0.8 pp	19.9%	n/a	n/a
Total CAR (Basel III) per IFRS	22.3%	23.1%	n/a	n/a	-0.8 pp	22.3%	n/a	n/a
Leverage (Times)	6.7x	6.7x	7.1x	-0.4x	0x	6.7x	7.1x	-0.4x
EPS (GEL)	5.54	5.33	5.82	-4.8%	3.9%	15.44	14.19	8.8%
Diluted EPS (GEL)	5.45	5.25	5.74	-5.1%	3.8%	15.22	14.00	8.7%
BVPS (GEL)	80.81	78.21	69.18	16.8%	3.3%	80.81	69.18	16.8%

Georgia FS refers to Georgian financial services.
For the ratio definitions please refer to appendix 12.

Operational Highlights

Customer base

<i>In millions</i>	Sep'23	Jun'23	Sep'22	Change YoY	Change QoQ
Total number of registered users	17.3	16.1	12.4	40%	7%
Georgia	3.2	3.2	3.0	7%	0%
Uzbekistan	14.1	12.9	9.4	50%	9%
Total MAU	5.3	5.1	3.9	36%	4%
Georgia	1.6	1.6	1.4	14%	0%
Uzbekistan	3.7	3.5	2.5	48%	6%

Digital customers

<i>In thousands</i>	Sep'23	Jun'23	Sep'22	Change YoY	Change QoQ
Digital DAU Georgia	384	381	319	20%	1%
Digital MAU Georgia	874	849	735	19%	3%
Digital DAU/MAU Georgia	44%	45%	43%	1 pp	-1 pp
Digital DAU Group	1,436	1,434	1,073	34%	0%
Digital MAU Group	4,519	4,295	3,172	42%	5%
Digital DAU/MAU Group	32%	33%	34%	-2 pp	-1 pp

Uzbekistan – key highlights

<i>In thousands of GEL</i>	Sep'23	Jun'23	Sep'22	Change YoY	Change QoQ
Gross loans	632,013	526,843	268,976	NMF	20.0%
Customer accounts	515,586	457,340	296,563	73.9%	12.7%

	3Q'23	2Q'23	Change QoQ	9M'23
Net profit (GEL, thousands)	13,684	12,505	9.4%	38,896
ROE	23.4%	22.1%	1.3 pp	24.6%

Georgian and Uzbek payments businesses

<i>In millions of GEL</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ	9M'23	9M'22	Change YoY
Net revenue – Georgia	69.5	71.0	59.5	16.8%	-2.1%	201.6	153.5	31.3%
Net revenue – Uzbekistan (Payme)	16.9	16.8	12.0	40.8%	0.6%	50.2	33.5	49.9%

TNET – digital lifestyle platform in Georgia

<i>In millions</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ	9M'23	9M'22	Change YoY
Gross merchandise value (GMV, GEL)	44.8	52.8	28.5	57.2%	-15.2%	128.0	71.4	79.3%
Number of transactions	3.7	4.2	2.9	27.6%	-11.9%	11.3	8.8	28.4%

Letter from the Chief Executive Officer¹

I am pleased to announce that 3Q 2023 has been another very strong and consistent quarter for TBC, helping us deliver an excellent result for our shareholders for the first nine months of the year. Our net profit for the third quarter amounted to GEL 300 million, up by 3% quarter-on-quarter, while our return on equity stood at a very impressive 27.6%. For 9M 2023, our net profit totaled GEL 849 million, a 9% year-on-year increase, while return on equity came in at 27.0%.

I am glad to share that it was another positive quarter of dynamic growth and continuing profitability for our fintech businesses in Uzbekistan, bringing 9M 2023 net profit to GEL 39 million, accounting for 5% of the Group's earnings, and with the loan book now contributing an 8% share of total group retail loans.

I also want to mention the appointment of Oliver Hughes, former CEO of Tinkoff Group, in September as head of international operations. We are delighted to welcome such a high calibre addition to the executive management team and we think Oliver, Nika and the team in Tashkent can take our Uzbekistan operations to a new level in the coming years.

The economic backdrop remains supportive

The Georgian economy continues to post very strong growth, with GDP expanding by 5.4% in the third quarter of 2023 and 6.8% in 9M 2023. Importantly, large central bank and fiscal buffers continue to be accumulated. Uzbekistan's economic performance also remains impressive, with 6.1% GDP growth in 3Q 2023 and 5.8% in the first nine months of 2023. While inflation in Georgia is already below target, we are also seeing deceleration in Uzbekistan, suggesting that both countries are in easing cycles, which should be supportive for the economic outlook.

Our strong financial and operating performance continued in 3Q 2023

We continue to see very strong core revenue dynamics. In 3Q 2023, our operating income reached GEL 615 million, showing a 4% year-on-year increase (from an unusually high base in 3Q 2022), driven by both interest and non-interest income. Net interest income rose 26% year-on-year, buoyed by a highly resilient net interest margin, which rose 60 bps year-on-year to 6.9% in 3Q 2023. Over the same period, net fee and commission income increased by 21% year-on-year. Notably, despite continuing to invest in digitalization and scaling up our Uzbek operations, our favorable operating income dynamics enable us to maintain a group cost/income ratio of around 35%.

Our focus on providing high quality and convenient digital financial services continues to bear fruit, with digital MAU reaching 4.5 million at the Group level, up by a very impressive 1.3 million customers in the past 12 months, led by our fully digital Uzbek operations. This resulted in a group DAU/MAU ratio of 32% as of September 2023, while the DAU/MAU ratio for the Georgian business stood at 44%.

On the balance sheet side, our credit dynamics remain positive. Our gross loan book increased by 17% year-on-year as of 30 September 2023, or by 19% in constant currency terms. Our asset quality remained very sound in 3Q 2023, translating into a 0.9% cost of risk, with the share of NPLs continuing to decline, to 2.0%. On the funding side, customer deposits increased by 9% year-on-year, or by 12% in constant currency terms.

Our liquidity and capital positions remain strong. As of 30 September 2023, our CET1, Tier 1 and Total Capital ratios² stood at 17.5%, 19.9% and 22.3%, respectively, and remained comfortably above the minimum regulatory requirements by 3.1 pp, 3.1 pp and 2.4 pp, correspondingly. At the same time, we continued to operate with a high liquidity buffer, with our net stable funding (NSFR)² and liquidity coverage (LCR)² ratios standing at 124% and 114%, respectively.

Rock solid business in Georgia combined with dynamic growth in Uzbekistan

Our recently revised financial disclosures highlight the respective strengths of our core financial services operations in Georgia and Uzbekistan. Georgia continues to deliver excellent profitability, with 26.4% ROE in 3Q 2023 and 25.9% for 9M 2023, while on the balance sheet side, gross loans increased by 17% year-on-year on a constant currency basis.

Our Uzbek fintech businesses (TBC UZ and Payme) continued to generate positive returns in the third quarter of 2023, with their combined net profit amounting to GEL 14 million, while ROE stood at 23.4%, and 24.6% for 9M 2023.

As of 9M 2023, TBC UZ retail loans amounted to GEL 632 million, up by 20% quarter-on-quarter, giving us an unsecured consumer / micro loan market share³ of 12.5%. At the same time, retail deposits reached GEL 516 million, up by 13% quarter-on-quarter, accounting for 3.0% retail deposit market share³. Meanwhile, in 3Q 2023, Payme's payment volumes rose by 41% year-on-year, reaching GEL 16.9 billion.

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

² Reported per IFRS.

³ Based on data published by the Central Bank of Uzbekistan.

TNET retains strong growth momentum

In the third quarter of 2023, our digital lifestyle ecosystem, TNET, continued to deliver robust growth, with GEL 45 million gross merchandise value (GMV), up by 57% year-on-year. This was driven by strong progress in the lifestyle and e-commerce verticals.

Planning for a strong end of year

Finally, I would like to thank all our shareholders for their continued support as we look to deliver on our strategic targets over the next few years. We are pleased with what we have achieved so far this year and will strive to deliver a strong end to the year during the final quarter.

Economic Overview

Georgia

Economic growth remains robust

Georgia's economy continued to perform strongly in 3Q 2023, with real GDP growth of 5.4%, according to Geostat's estimates. This follows 7.7% growth in 1Q YoY and 7.5% in 2Q, implying 6.8% in 9M 3Q23.

External sector – positive tourism and FDI, but slowing export and import growth

As we saw in 2Q 2023, the sustained negative impact of lower international commodity prices on both exports and imports noticeably affected external sector activity in 3Q 2023. Specifically, export and import growth fell to 1.6% and 7.9% YoY, respectively. Importantly, these commodity price dynamics particularly affected domestic commodity exports, while re-exports continued to perform strongly. At the same time, the notable increase of the share of IT services in Georgian exports continued, with a major driver being the arrival of migrants over the past year. At the same time, investment goods constituted a considerable share of imports, indicating positive investment sentiment.

Given last year's high base effect, which was caused by the high level of immigration in 2022, the annual growth of tourism inflows fell further to 5.3% in 3Q 2023 as migrants are gradually being counted as residents by the NBG and hence being excluded from the tourism sector, while the figure for the first nine months was 29.2%. At the same time, the share of conventional tourism in total inflows has increased lately. TBC Capital estimates that the YoY growth of tourism inflows in January-September 2023, including the spending of migrants counted as residents by the NBG, was 42.3% while excluding migrants it reached 30.1%. Remittances also maintained a positive momentum after adjustment for Russia, increasing by 13.8%⁴ YoY in 3Q and by 47.5% in the first nine months of 2023. After a slowdown in 1Q, FDI increased by 29.9% YoY in 2Q 2023.

Fiscal consolidation underway

It is important to highlight that the strong recent economic growth is not a result of fiscal stimulus. In fact, fiscal consolidation is underway. After reaching 9.3% of GDP in 2020 and a lower, but still large, level of 6.1% in 2021, the budget deficit stood at 3.1% in 2022. According to the Ministry of Finance, further fiscal consolidation is expected with deficit-to-GDP ratios of 2.8% and 2.5% in 2023 and 2024, respectively.

Credit growth still strong

As of September 2023, bank credit increased by 14.8% YoY, against 13.5% growth at the end of 2Q 2023, at constant exchange rates⁵. At the same time, as inflation remained stably low, the YoY growth in real credit increased from 12.9% in June to 14.1% in September 2023.

Low inflation enables monetary policy easing

The combination of low inflation and NBG rate cuts affecting exchange rate expectations and normalizing inflows has driven a minor depreciation in the US\$/GEL exchange rate from 2.62 at the end of June to 2.68 at the end of September.

As a result of a broadly stable GEL and sustained disinflationary pass-through from international markets, CPI inflation stabilized well below the NBG target of 3%, standing at 0.7% YoY in September. At the same time, relatively rigid service inflation and higher pressures on imports due to volatile oil prices, contributed to marginally elevated MoM figures. The NBG has remained cautious and delivered this year's third rate cut of only 25 basis points in September, reducing the MPR to 10.0%. The central bank has continued accumulating substantial amounts of reserves with a net purchase of US\$ 1,390 million on the FX market in January-September 2023, however, it started selling those in response to exchange rate volatility from September. Total gross international reserves still increased to US\$ 5.3 billion as of September 2023, with net reserves of US\$ 2.8 billion having doubled over the past 18 months.

Uzbekistan

Uzbekistan also demonstrated solid economic activity with 6.1%⁶ growth in the third quarter and 5.8% in the first nine months of 2023. External trade was strong as exports of goods increased by 37.7% and imports by 32.5% YoY in the 3Q and by 24.2% and 23.6%⁶ in the first nine months of 2023, respectively. The retail loan portfolio grew by 53.8% YoY at the end of September, with mortgage credit expanding by 26.5% and non-mortgages by 79.1%⁷. Annual inflation increased marginally from 9.0% in June to 9.2% in September, while the central bank kept its monetary policy rate unchanged at 14.0% throughout the quarter. The US\$/UZS continued its slight depreciation trend, standing at 12,175 at the end of September 2023⁷, while the REER remained broadly unchanged.

⁴ Remittances from Russia are adjusted for double counting with tourism inflows and other similar effects, based on TBC Capital estimates.

⁵ Based on data published by NBG and FX-adjusted by TBC, based on Dec-2022 end of period exchange rate.

⁶ Based on data published by Uzstat.

⁷ Based on data published by Central Bank of Uzbekistan.

Going forward

After two, successive years of double-digit growth in Georgia, recent trends indicate that economic activity should moderate somewhat but remain strong in 2023 at 6.6% and in 2024 at 4.8%, according to TBC Capital projections, while the baseline for Uzbekistan stands at 6.1% and 5.4%, respectively.

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

Unaudited Consolidated Financial Results Overview for 3Q 2023

This statement provides a summary of the business and financial trends for 3Q 2023 for TBC Bank Group plc and its subsidiaries. The financial information and trends are unaudited.

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

Total equity and total liabilities were restated for 30-Sep-2022 due to a change in the accounting of option contracts. As a result, ROE and leverage ratios were restated for 9M 2022. In addition, total assets and total liabilities for 30-Sep-2022 were restated due to replacement of IFRS 4 with IFRS 17. For more details, please refer to appendix 8 and 9.

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

Net Interest Income

In 3Q 2023, net interest income amounted to GEL 427.9 million, up by 25.7% and 7.2% on a YoY and QoQ basis, respectively.

The YoY rise in interest income of GEL 148.3 million, or 24.5%, was mostly attributable to an increase in interest income from loans related to a rise in the respective yield by 0.7 pp, as well as an increase in the loan portfolio of GEL 2,999.2 million, or 17.3%.

The QoQ increase in interest income of GEL 41.8 million, or 5.9%, was mainly related to an increase in interest income from loans on the back of growth in the loan portfolio of GEL 1,004.4 million, or 5.2%.

Interest expense increased by GEL 60.7 million, or 22.9%, on a YoY basis, mainly related to an increase in the deposit portfolio of GEL 1,607.4 million, or 9.4%, and a 1.0 pp growth in deposit costs.

On a QoQ basis, interest expense increased by GEL 13.2 million, or 4.2%, primarily driven by an increased average balance of our deposit portfolio, while deposit costs remained stable.

In 3Q 2023, our NIM stood at 6.9%, up by 0.6 pp and 0.1 pp on a YoY and QoQ basis, respectively.

<i>In thousands of GEL</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ
Interest income	753,658	711,820	605,395	24.5%	5.9%
Interest expense*	(325,724)	(312,482)	(264,980)	22.9%	4.2%
Net interest income	427,934	399,338	340,415	25.7%	7.2%
NIM	6.9%	6.8%	6.3%	0.6 pp	0.1 pp

* Interest expense includes net interest gains from currency swaps

Non-Interest Income

In 3Q 2023, our net fee and commission income increased by 21.3% YoY and remained broadly stable on a QoQ basis. The YoY increase was mainly related to increased payments transactions. In 3Q 2023, our Uzbek business contributed more than 17% to the Group's net fee & commission income.

In 3Q 2023, net gains from currency operations were down by 54.0% on a YoY basis, due to abnormally high FX revenues in 3Q 2022.

<i>In thousands of GEL</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ
Non-interest income					
Net fee and commission income	104,152	105,636	85,872	21.3%	-1.4%
Net gains from currency derivatives, foreign currency operations and translation	66,968	61,127	145,712	-54.0%	9.6%
Insurance profit	9,798	6,184	10,020	-2.2%	58.4%
Other operating income	6,367	14,481	7,612	-16.4%	-56.0%
Total non-interest income	187,285	187,428	249,216	-24.9%	-0.1%

Credit Loss Allowance

Credit loss allowance for loans in 3Q 2023 amounted to GEL 42.6 million, while cost of risk stood at 0.9%.

<i>In thousands of GEL</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ
Credit loss allowance for loans to customers	(42,595)	(29,384)	(41,419)	2.8%	45.0%
Credit loss allowance for other transactions	(3,564)	(4,550)	(6,837)	-47.9%	-21.7%
Total credit loss allowance	(46,159)	(33,934)	(48,256)	-4.3%	36.0%
Operating profit after expected credit losses and non-financial asset impairment losses	569,060	552,832	541,375	5.1%	2.9%
Cost of risk	0.9%	0.6%	1.0%	-0.1 pp	0.3 pp

Operating Expenses

In 3Q 2023, our operating expenses expanded by 23.7% and 7.1% on a YoY and QoQ basis, respectively. Both increases were mainly driven by an overall expansion of business in 3Q 2023.

<i>In thousands of GEL</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ
Operating expenses					
Staff costs	(121,056)	(108,724)	(94,561)	28.0%	11.3%
(Allowance)/recovery of provision for liabilities and charges	(34)	(50)	(2,000)	-98.3%	-32.0%
Depreciation and amortisation	(29,286)	(29,587)	(26,684)	9.8%	-1.0%
Administrative and other operating expenses	(67,711)	(65,199)	(52,995)	27.8%	3.9%
Total operating expenses	(218,087)	(203,560)	(176,240)	23.7%	7.1%
Cost to income	35.4%	34.7%	29.9%	5.5 pp	0.7 pp
Georgian financial services' cost to income	31.5%	30.2%	25.7%	5.8 pp	1.3 pp

Net Profit

Our net profit decreased by 6.4% and increased by 2.5% on a YoY and QoQ basis, respectively and amounted to GEL 300.5 million. The YoY decline was driven by abnormally high FX revenues in 3Q 2022.

As a result, in 3Q 2023 our ROE stood at 27.6%, while our ROA reached 4.1%.

<i>In thousands of GEL</i>	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ
Profit before tax	350,973	349,272	365,135	-3.9%	0.5%
Income tax expense	(50,485)	(56,186)	(44,115)	14.4%	-10.1%
Profit for the period	300,488	293,086	321,020	-6.4%	2.5%
<i>Effective tax rate</i>	<i>14%</i>	<i>16%</i>	<i>12%</i>	<i>2 pp</i>	<i>-2 pp</i>
ROE	27.6%	28.1%	33.6%	-6.0 pp	-0.5 pp
Georgian financial services' ROE	26.4%	27.8%	32.5%	-6.1 pp	-1.4 pp
ROA	4.1%	4.2%	4.8%	-0.7 pp	-0.1 pp
Georgian financial services' ROA	4.2%	4.5%	5.0%	-0.8 pp	-0.3 pp

Funding and Liquidity

As of 30 September 2023, the total liquidity coverage ratio (LCR), as defined by the NBG, was 114.1%, above the 100% limit, while the LCR in GEL and FC stood at 105.7% and 121.0%, accordingly, above the respective limits of 75% and 100%.

Over the same period, the net stable funding ratio (NSFR), as defined by the NBG, stood at 124.1%, compared to the regulatory limit of 100%.

	Sep'23	Jun'23	Change QoQ
<i>Minimum net stable funding ratio, as defined by the NBG</i>	100.0%	100.0%	0.0 pp
Net stable funding ratio as defined by the NBG*	124.1%	129.8%	-5.7 pp
Net loans to deposits + IFI funding	96.9%	90.6%	6.3 pp
Leverage (Times)	6.7x	6.7x	0x
<i>Minimum total liquidity coverage ratio, as defined by the NBG</i>	100.0%	100.0%	0.0 pp
<i>Minimum LCR in GEL, as defined by the NBG</i>	75%	75.0%	0.0 pp
<i>Minimum LCR in FC, as defined by the NBG</i>	100.0%	100.0%	0.0 pp
Total liquidity coverage ratio, as defined by the NBG*	114.1%	124.5%	-10.4 pp
LCR in GEL, as defined by the NBG*	105.7%	130.4%	-24.7 pp
LCR in FC, as defined by the NBG*	121.0%	119.2%	1.8 pp

* Ratios are calculated per IFRS

Regulatory Capital for Georgian Bank

As of 30 September 2023, our capital ratios remained at a prudent level and as a result, per IFRS, our CET1, Tier 1 and Total Capital ratios stood at 17.5%, 19.9% and 22.3%, respectively, above the minimum regulatory requirements by 3.1 pp, 3.1 pp and 2.4 pp, accordingly.

The QoQ decreases in all CET1, Tier 1 and Total capital adequacy ratios were largely driven by the interim dividend payment.

<i>In thousands of GEL</i>	Sep'23	Jun'23	Change QoQ
CET 1 Capital	3,966,901	3,920,004	1.2%
Tier 1 Capital	4,502,561	4,443,544	1.3%
Total Capital	5,058,696	4,947,830	2.2%
Total Risk-weighted Assets	22,668,335	21,452,808	5.7%
<i>Minimum CET 1 ratio</i>	14.4%	14.4%	0.0 pp
CET 1 Capital adequacy ratio	17.5%	18.3%	-0.8 pp
<i>Minimum Tier 1 ratio</i>	16.8%	16.8%	0.0 pp
Tier 1 Capital adequacy ratio	19.9%	20.7%	-0.8 pp
<i>Minimum total capital adequacy ratio</i>	19.9%	19.9%	0.0 pp
Total Capital adequacy ratio	22.3%	23.1%	-0.8 pp

Ratios and numbers are calculated per IFRS

Loan Portfolio

As of 30 September 2023, the gross loan portfolio reached GEL 20,365.1 million, up by 5.2% QoQ, or by 4.7% on a constant currency basis.

By the end of September 2023, our Georgian financial services loan portfolio increased by 4.8% on a QoQ basis and reached GEL 19,715.8 million, with 4.2% growth on a constant currency basis. Over the same period, our Uzbek portfolio increased by 20.0% and stood at GEL 632.0 million, which translated into growth of 24.1% on a constant currency basis.

<i>In thousands of GEL</i>	Sep'23	Jun'23	Change QoQ
Gross loans and advances to customers			
Georgian financial services (Georgia FS)	19,715,795	18,816,052	4.8%
Retail Georgia	7,131,727	6,945,911	2.7%
GEL	4,716,516	4,549,932	3.7%
FC	2,415,211	2,395,979	0.8%
CIB Georgia	7,380,388	6,920,263	6.6%
GEL	2,593,611	2,321,704	11.7%
FC	4,786,777	4,598,559	4.1%
MSME Georgia	5,203,680	4,949,878	5.1%
GEL	2,747,953	2,675,925	2.7%
FC	2,455,727	2,273,953	8.0%
Uzbekistan	632,013	526,843	20.0%
UZS	632,013	526,843	20.0%
Total gross loans and advances to customers*	20,365,135	19,360,689	5.2%

* Total gross loans and advances to customers include Azerbaijan loan portfolio

	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ
Loan yields	12.6%	12.8%	11.9%	0.7 pp	-0.2 pp
GEL	14.8%	15.4%	15.6%	-0.8 pp	-0.6 pp
FC	8.6%	8.4%	7.3%	1.3 pp	0.2 pp
UZS	41.9%	43.0%	44.2%	-2.3 pp	-1.1 pp
Georgia FS	11.7%	12.0%	11.5%	0.2 pp	-0.3 pp
GEL	14.8%	15.4%	15.6%	-0.8 pp	-0.6 pp
FC	8.5%	8.4%	7.3%	1.2 pp	0.1 pp
Uzbekistan	41.9%	43.0%	44.2%	-2.3 pp	-1.1 pp
UZS	41.9%	43.0%	44.2%	-2.3 pp	-1.1 pp
Total loan yields*	12.6%	12.8%	11.9%	0.7 pp	-0.2 pp

* Total loans yields include Azerbaijan

Loan Portfolio Quality

As of 30 September 2023, our PAR 90 and NPL to gross loans ratios remained broadly stable for both the Georgian and Uzbek businesses on a QoQ basis.

PAR 90	Sep'23	Jun'23	Change QoQ
Georgia FS	1.2%	1.1%	0.1 pp
Retail Georgia	0.9%	0.9%	0.0 pp
CIB Georgia	0.5%	0.6%	-0.1 pp
MSME Georgia	2.5%	2.3%	0.2 pp
Uzbekistan	2.1%	2.2%	-0.1 pp
Total PAR 90*	1.2%	1.2%	0.0 pp

* Total PAR 90 includes Azerbaijan

In thousands of GEL

Non-performing Loans (NPL)	Sep'23	Jun'23	Change QoQ
Georgia FS	399,230	387,626	3.0%
Retail Georgia	129,162	127,833	1.0%
CIB Georgia	94,940	98,374	-3.5%
MSME Georgia	175,128	161,419	8.5%
Uzbekistan	13,584	11,646	16.6%
Total non-performing loans*	413,520	400,989	3.1%

* Total non-performing loans include Azerbaijan NPLs

NPL to gross loans	Sep'23	Jun'23	Change QoQ
Georgia FS	2.0%	2.1%	-0.1 pp
Retail Georgia	1.8%	1.8%	0.0 pp
CIB Georgia	1.3%	1.4%	-0.1 pp
MSME Georgia	3.4%	3.3%	0.1 pp
Uzbekistan	2.1%	2.2%	-0.1 pp
Total NPL to gross loans*	2.0%	2.1%	-0.1 pp

* Total NPL to gross loans include Azerbaijan NPLs

NPL Coverage	Sep'23		Jun'23	
	Provision Coverage	Total Coverage**	Provision Coverage	Total Coverage**
Georgia FS	82.5%	148.6%	85.3%	150.9%
Retail Georgia	136.0%	189.2%	141.8%	192.4%
CIB Georgia	52.0%	111.4%	49.4%	110.5%
MSME Georgia	59.5%	138.8%	62.6%	142.7%
Uzbekistan	199.9%	199.9%	180.0%	180.0%
Total NPL coverage*	87.6%	151.6%	89.3%	153.7%

* Total NPL coverage include Azerbaijan loans coverage

** Total NPL coverage ratio includes provision and collateral coverage

Cost of Risk

Given strong asset quality trends in 3Q 2023, our cost of risk (CoR) remained within the expected range and stood at 0.9%.

The CoR for our Georgia FS decreased slightly YoY due to strong asset quality dynamics and stood at 0.7%. Over the same period, CoR for our Uzbek business amounted to 7.3%, also down slightly on a YoY basis. The QoQ increase in Uzbekistan was mainly driven by the fast growth of the portfolio.

Cost of risk (CoR)	3Q'23	2Q'23	3Q'22	Change YoY	Change QoQ
Georgia FS	0.7%	0.5%	0.9%	-0.2 pp	0.2 pp
Retail Georgia	1.1%	0.5%	2.0%	-0.9 pp	0.6 pp
CIB Georgia	0.0%	0.2%	0.0%	0.0 pp	-0.2 pp
MSME Georgia	0.9%	0.9%	0.5%	0.4 pp	0.0 pp
Uzbekistan	7.3%	6.6%	7.5%	-0.2 pp	0.7 pp
Total cost of risk*	0.9%	0.6%	1.0%	-0.1 pp	0.3 pp

* Total cost of risk includes Azerbaijan CoR

Deposit Portfolio

By the end of September 2023, the total deposit portfolio amounted to GEL 18,722.4 million, down by 1.4% QoQ or by 2.2% on a constant currency basis.

As of 30 September 2023, the Georgian financial services portfolio decreased by 1.8% on a QoQ basis and reached GEL 18,300.5 million, down by 2.7% on a constant currency basis. Over the same period, our Uzbek portfolio increased by 12.7% and stood at GEL 515.6 million, which translated into growth of 16.6% on a constant currency basis.

In thousands of GEL

Customer accounts	Sep'23	Jun'23	Change QoQ
Georgia FS	18,300,484	18,639,911	-1.8%
Retail Georgia	7,097,710	6,985,211	1.6%
GEL	2,224,730	2,242,193	-0.8%
FC	4,872,980	4,743,018	2.7%
CIB Georgia	8,861,056	9,048,955	-2.1%
GEL	4,911,419	5,169,170	-5.0%
FC	3,949,637	3,879,785	1.8%
MSME Georgia	1,730,701	1,638,612	5.6%
GEL	940,724	889,834	5.7%
FC	789,977	748,778	5.5%
MOF	611,017	967,133	-36.8%
GEL	611,017	967,133	-36.8%
Uzbekistan	515,586	457,340	12.7%
FC	1,640	1,322	24.1%
UZS	513,946	456,018	12.7%
Total customer accounts*	18,722,415	18,992,492	-1.4%

* Total customer accounts are adjusted for eliminations

	3Q'23	2Q'23	3Q'22	<i>Change YoY</i>	<i>Change QoQ</i>
Deposit rates	4.9%	4.9%	3.9%	1.0 pp	0.0 pp
GEL	8.2%	8.3%	7.4%	0.8 pp	-0.1 pp
FC	0.9%	0.8%	0.9%	0.0 pp	0.1 pp
UZS	24.4%	25.0%	23.6%	0.8 pp	-0.6 pp
Georgian financial services	4.4%	4.5%	3.6%	0.8 pp	-0.1 pp
GEL	8.2%	8.4%	7.5%	0.7 pp	-0.2 pp
FC	0.9%	0.8%	0.9%	0.0 pp	0.1 pp
Uzbek business	24.4%	24.9%	23.6%	0.8 pp	-0.5 pp
FC	4.1%	4.7%	0.0%	4.1 pp	-0.6 pp
UZS	24.4%	25.0%	23.6%	0.8 pp	-0.6 pp
Total deposit rates*	4.9%	4.9%	3.9%	1.0 pp	0.0 pp

* Total deposits rates include MOF deposits

Unaudited Consolidated Financial Results Overview for 9M 2023

This statement provides a summary of the business and financial trends for 9M 2023 for TBC Bank Group plc and its subsidiaries. The financial information and trends are unaudited.

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

Total equity and total liabilities were restated for 30-Sep-2022 due to a change in the accounting of option contracts. As a result, ROE and leverage ratios were restated for 9M 2022. In addition, total assets and total liabilities for 30-Sep-2022 were restated due to replacement of IFRS 4 with IFRS 17. For more details, please refer to appendix 8 and 9.

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

Net Interest Income

In 9M 2023, net interest income amounted to GEL 1,194.1 million, up by 28.0% on a YoY basis.

The YoY rise in interest income by GEL 451.8 million, or 26.8%, was mostly attributable to an increase in interest income from loans related to a GEL 2,999.2 million, or 17.3%, increase in the respective portfolio, as well as a 1.2 pp rise in the respective yield.

YoY interest expense increased by GEL 190.3 million, or 25.3%, mainly related to an increase in the deposit portfolio of GEL 1,607.4 million, or 9.4%, and a 1.1 pp growth in deposit cost.

In 9M 2023, our NIM stood at 6.7%, up by 0.8 pp on a YoY basis.

<i>In thousands of GEL</i>	9M'23	9M'22	Change YoY
Interest income	2,137,628	1,685,857	26.8%
Interest expense*	(943,565)	(753,251)	25.3%
Net interest income	1,194,063	932,606	28.0%
NIM	6.7%	5.9%	0.8 pp

* Interest expense includes net interest gains from currency swaps

Non-Interest Income

Total non-interest income amounted to GEL 540.2 million in 9M 2023, increasing by 1.2% on a YoY basis.

Net fee and commission income increased by 32.9% on a YoY basis, related to increased payments transactions both in Georgia and Uzbekistan. Over the same period, given a high base in 2022, revenues from FX operations normalised and decreased by 27.4%. Our Uzbek business contributed 18% of the Group's net fee and commission income.

<i>In thousands of GEL</i>	9M'23	9M'22	Change YoY
Non-interest income			
Net fee and commission income	302,226	227,334	32.9%
Net gains from currency derivatives, foreign currency operations and translation	188,696	260,089	-27.4%
Insurance profit	22,200	20,985	5.8%
Other operating income	27,039	25,518	6.0%
Total non-interest income	540,161	533,926	1.2%

Credit Loss Allowance

Credit loss allowance for loans in 9M 2023 amounted to GEL 122.0 million, which translated into a 0.9% cost of risk.

<i>In thousands of GEL</i>	9M'23	9M'22	Change YoY
Credit loss (allowance)/recovery for loans to customers	(122,019)	(91,941)	32.7%
Credit loss allowance for other transactions	(11,242)	(7,905)	42.2%
Total credit loss (allowance)/recovery	(133,261)	(99,846)	33.5%
Operating income after expected credit and non-financial asset impairment losses	1,600,963	1,366,686	17.1%
Cost of risk	0.9%	0.7%	0.2 pp

Operating Expenses

In 9M 2023, our operating expenses expanded by 23.1% on a YoY basis.

In the first nine months of 2023, the annual increase in operating expenses was mainly driven by overall business expansion, both locally and internationally.

In thousands of GEL

Operating expenses	9M'23	9M'22	Change YoY
Staff costs	(333,206)	(271,052)	22.9%
Allowance of provision for liabilities and charges	(155)	(2,060)	-92.5%
Depreciation and amortisation	(87,234)	(74,016)	17.9%
Administrative and other operating expenses	(183,832)	(143,697)	27.9%
Total operating expenses	(604,427)	(490,825)	23.1%
Cost to income	34.9%	33.5%	1.4 pp
Georgian financial services' cost to income	30.7%	28.6%	2.1 pp

Net Profit

In 9M 2023, we delivered robust profitability and generated GEL 848.5 million in net profit, up by 8.8% YoY, driven by strong income generation, as well as strong asset quality.

The growth in the effective tax rate YoY is related to changes in tax legislation effective from 1 January 2023, which increased the corporate income tax rate for banks from 15% to 20% and abolished the potential shift to the Estonian Tax Model.

As a result, our ROE and ROA for 9M 2023 were 27.0% and 4.0%, respectively.

<i>In thousands of GEL</i>	9M'23	9M'22	Change YoY
Profit before tax	996,536	875,861	13.8%
Income tax expense	(148,002)	(96,296)	53.7%
Profit for the period	848,534	779,565	8.8%
<i>Effective tax rate</i>	<i>15%</i>	<i>11%</i>	<i>4 pp</i>
ROE	27.0%	28.6%	-1.6 pp
Georgian financial services' ROE	25.9%	27.9%	-2.0 pp
ROA	4.0%	4.1%	-0.1 pp
Georgian financial services' ROA	4.1%	4.3%	-0.2 pp

Loan Portfolio

As of 30 September 2023, the gross loan portfolio reached GEL 20,365.1 million, up by 17.3% YoY or 19.1% on a constant currency basis.

By the end of September 2023, the Georgian financial services' portfolio increased by 15.4% on a YoY basis and reached GEL 19,715.8 million, with 16.7% growth on a constant currency basis. Over the same period, our Uzbek portfolio more than doubled, reaching GEL 632.0 million.

<i>In thousands of GEL</i>	Sep'23	Sep'22	Change YoY
Gross loans and advances to customers			
Georgian financial services (Georgia FS)	19,715,795	17,077,558	15.4%
Retail Georgia	7,131,727	6,588,985	8.2%
GEL	4,716,516	4,230,472	11.5%
FC	2,415,211	2,358,513	2.4%
CIB Georgia	7,380,388	5,918,394	24.7%
GEL	2,593,611	2,096,791	23.7%
FC	4,786,777	3,821,603	25.3%
MSME Georgia	5,203,680	4,570,179	13.9%
GEL	2,747,953	2,544,976	8.0%
FC	2,455,727	2,025,203	21.3%
Uzbekistan	632,013	268,976	NMF
UZS	632,013	268,976	NMF
Total gross loans and advances to customers*	20,365,135	17,365,894	17.3%

* Total gross loans and advances to customers include Azerbaijan loan portfolio

	9M'23	9M'22	Change YoY
Loan yields	12.6%	11.4%	1.2 pp
GEL	15.0%	15.6%	-0.6 pp
FC	8.4%	6.8%	1.6 pp
UZS	42.6%	42.7%	-0.1 pp
Georgia FS	11.8%	11.0%	0.8 pp
GEL	15.0%	15.6%	-0.6 pp
FC	8.4%	6.8%	1.6 pp
Uzbekistan	42.6%	42.7%	-0.1 pp
UZS	42.6%	42.7%	-0.1 pp
Total loan yields*	12.6%	11.4%	1.2 pp

* Total loans yields include Azerbaijan

Loan Portfolio Quality

As of 30 September 2023, our asset quality metrics remained strong with NPL to gross loan at 2.0%, down 30bps YoY.

Par 90	Sep'23	Sep'22	Change YoY
Georgia FS	1.2%	1.3%	-0.1 pp
Retail Georgia	0.9%	1.3%	-0.4 pp
CIB Georgia	0.5%	0.5%	0.0 pp
MSME Georgia	2.5%	2.4%	0.1 pp
Uzbekistan	2.1%	2.9%	-0.8 pp
Total PAR 90*	1.2%	1.3%	-0.1 pp

* Total PAR 90 includes Azerbaijan

In thousands of GEL

Non-performing Loans (NPL)	Sep'23	Sep'22	Change YoY
Georgia FS	399,230	394,205	1.3%
Retail Georgia	129,162	152,241	-15.2%
CIB Georgia	94,940	80,084	18.6%
MSME Georgia	175,128	161,880	8.2%
Uzbekistan	13,584	7,712	76.1%
Total non-performing loans*	413,520	404,966	2.1%

* Total non-performing loans include Azerbaijan NPLs

NPL to gross loans	Sep'23	Sep'22	Change YoY
Georgia FS	2.0%	2.3%	-0.3 pp
Retail Georgia	1.8%	2.3%	-0.5 pp
CIB Georgia	1.3%	1.4%	-0.1 pp
MSME Georgia	3.4%	3.5%	-0.1 pp
Uzbekistan	2.1%	2.9%	-0.8 pp
Total NPL to gross loans*	2.0%	2.3%	-0.3 pp

* Total NPL to gross loans include Azerbaijan NPLs

NPL Coverage	Sep'23		Sep'22	
	Provision Coverage	Total Coverage**	Provision Coverage	Total Coverage**
Georgia FS	82.5%	148.6%	98.2%	163.1%
Retail Georgia	136.0%	189.2%	163.8%	209.7%
CIB Georgia	52.0%	111.4%	56.6%	121.8%
MSME Georgia	59.5%	138.8%	57.1%	139.7%
Uzbekistan	199.9%	199.9%	123.0%	123.0%
Total NPL coverage*	87.6%	151.6%	99.6%	164.2%

* Total NPL coverage include Azerbaijan loans coverage

** Total NPL coverage ratio includes provision and collateral coverage

Cost of Risk

In 9M 2023, our cost of risk (CoR) amounted to 0.9%.

The CoR for our Georgia FS remained stable YoY and stood at 0.7%, while CoR for our Uzbek business amounted to 6.6%, up by 0.3 pp on a YoY basis.

Cost of risk (CoR)	9M'23	9M'22	Change YoY
Georgia FS	0.7%	0.7%	0.0 pp
Retail Georgia	1.0%	1.7%	-0.7 pp
CIB Georgia	0.0%	-0.1%	0.1 pp
MSME Georgia	1.3%	0.3%	1.0 pp
Uzbekistan	6.6%	6.3%	0.3 pp
Total cost of risk*	0.9%	0.7%	0.2 pp

* Total cost of risk includes Azerbaijan CoR

Deposit Portfolio

The total deposit portfolio amounted to GEL 18,722.4 million, increasing by 9.4% YoY or 12.2% on a constant currency basis.

As of 30 September 2023, the Georgian financial services' portfolio increased by 8.7% on a YoY basis to GEL 18,300.5 million, with 11.0% growth on a constant currency basis. Over the same period, our Uzbek portfolio almost doubled and stood at GEL 515.6 million.

In thousands of GEL

Customer accounts	Sep'23	Sep'22	Change YoY
Georgia FS	18,300,484	16,837,237	8.7%
Retail Georgia	7,097,710	6,049,335	17.3%
GEL	2,224,730	1,661,392	33.9%
FC	4,872,980	4,387,943	11.1%
CIB Georgia	8,861,056	7,830,648	13.2%
GEL	4,911,419	3,684,493	33.3%
FC	3,949,637	4,146,155	-4.7%
MSME Georgia	1,730,701	1,645,985	5.1%
GEL	940,724	775,704	21.3%
FC	789,977	870,281	-9.2%
MOF	611,017	1,311,269	-53.4%
GEL	611,017	1,311,269	-53.4%
Uzbekistan	515,586	296,563	73.9%
FC	1,640	10	NMF
UZS	513,946	296,553	73.3%
Total customer accounts*	18,722,415	17,115,022	9.4%

** Total customer accounts are adjusted for eliminations*

	9M'23	9M'22	Change YoY
Deposit rates	4.9%	3.8%	1.1 pp
GEL	8.4%	7.5%	0.9 pp
FC	0.8%	0.9%	-0.1 pp
UZS	24.9%	22.7%	2.2 pp
Georgian financial services	4.5%	3.5%	1.0 pp
GEL	8.5%	7.5%	1.0 pp
FC	0.8%	0.9%	-0.1 pp
Uzbek business	24.8%	22.7%	2.1 pp
FC	4.4%	0.0%	4.4 pp
UZS	24.9%	22.7%	2.2 pp
Total deposit rates*	4.9%	3.8%	1.1 pp

** Total deposit rates include MOF deposits*

Additional Disclosures

1) TBC Bank – Background

TBC Bank Group PLC ("TBC PLC") is a public limited company registered in England and Wales. TBC PLC is the parent company of JSC TBC Bank ("TBC Bank") and a group of companies that principally operate in Georgia in the financial sector. TBC PLC also offers non-financial services via TNET, the largest digital ecosystem in Georgia. Since 2019, TBC PLC has expanded its operations into Uzbekistan by operating fast growing retail digital financial services in the country. TBC PLC is listed on the London Stock Exchange under the symbol TBCG and is a constituent of the FTSE 250 Index. It is also a member of the FTSE4Good Index Series and the MSCI United Kingdom Small Cap Index.

TBC Bank, together with its subsidiaries, is a leading universal banking group in Georgia, with a total market share of 39.1% of customer loans and 37.5% of customer deposits as of 30 September 2023, according to data published by the National Bank of Georgia on the analytical tool Tableau.

2) Consolidated Financial Statements and Key Ratios 3Q 2023

Consolidated Statement of Financial Position

<i>In thousands of GEL</i>	Sep'23	Jun'23
ASSETS		
Cash and cash equivalents	2,648,469	2,940,359
Due from other banks	38,954	52,550
Mandatory cash balances with National Bank of Georgia and the Central Bank of Uzbekistan	1,904,010	1,706,981
Loans and advances to customers	20,003,021	19,002,657
Investment securities measured at fair value through other comprehensive income	3,071,046	2,942,679
Bonds carried at amortised cost	65,289	87,213
Finance lease receivables	364,077	338,203
Investment properties	20,629	20,741
Current income tax prepayment	16,062	3,005
Deferred income tax asset	10,721	12,573
Other financial assets	259,771	266,969
Other assets	449,322	441,756
Premises and equipment	481,867	463,407
Right of use assets	116,262	117,634
Intangible assets	442,989	418,468
Goodwill	59,964	59,964
Investments in associates	3,940	3,667
TOTAL ASSETS	29,956,393	28,878,826
LIABILITIES		
Due to credit institutions	3,330,925	2,448,662
Customer accounts	18,722,415	18,992,492
Lease liabilities	88,893	87,324
Other financial liabilities	515,000	387,595
Current income tax liability	17,958	27,559
Debt Securities in issue	1,432,393	1,392,872
Deferred income tax liability	109,854	112,095
Provision for liabilities and charges	20,384	20,767
Other liabilities	93,184	91,839
Redemption liability	363,871	347,044
Subordinated debt	788,116	639,048
TOTAL LIABILITIES	25,482,993	24,547,297
EQUITY		
Share capital	1,682	1,682
Shares held by trust	(75,470)	(75,470)
Share premium	272,930	272,930
Retained earnings	4,145,795	3,984,493
Merger reserve	402,862	402,862
Share based payment reserve	12,672	5,181
Fair value reserve for investment securities measured at fair value through other comprehensive income	10,855	16,461
Cumulative currency translation reserve	(42,759)	(36,804)
Other reserve	(363,869)	(347,044)
Equity attributable to owners of the parent	4,364,698	4,224,291
Non-controlling interest	108,702	107,238
TOTAL EQUITY	4,473,400	4,331,529
TOTAL LIABILITIES AND EQUITY	29,956,393	28,878,826

Consolidated Income Statement and Other Comprehensive Income

<i>In thousands of GEL</i>	3Q'23	2Q'23	3Q'22
Interest income	753,658	711,820	605,395
Interest expense	(325,724)	(312,482)	(264,980)
Net interest income	427,934	399,338	340,415
Fee and commission income	170,479	161,729	136,674
Fee and commission expense	(66,327)	(56,093)	(50,802)
Net fee and commission income	104,152	105,636	85,872
Insurance contract revenue	35,056	31,552	30,376
Reinsurance service result	(3,245)	(1,517)	(1,958)
Insurance service claims and expenses incurred	(22,013)	(23,851)	(18,398)
Insurance profit	9,798	6,184	10,020
Net gains from currency derivatives, foreign currency operations and translation	66,968	61,127	145,712
Net gains from disposal of investment securities measured at fair value through other comprehensive income	1,553	2,307	2,660
Other operating income	4,443	11,906	4,868
Share of profit of associates	371	268	84
Other operating non-interest income	73,335	75,608	153,324
Credit loss allowance for loans to customers	(42,595)	(29,384)	(41,419)
Credit loss (allowance)/recovery for finance lease receivable	(3,035)	(1,059)	(716)
Credit loss (allowance)/recovery for performance guarantees and credit related commitments	644	(1,273)	(434)
Credit loss (allowance)/recovery for other financial assets	(963)	(2,136)	(5,041)
Credit loss recovery/(allowance) for financial assets measured at fair value through other comprehensive income	(497)	134	115
Net impairment of non-financial assets	287	(216)	(761)
Operating income after expected credit and non-financial asset impairment losses	569,060	552,832	541,375
Staff costs	(121,056)	(108,724)	(94,561)
Depreciation and amortisation	(29,286)	(29,587)	(26,684)
(Allowance)/recovery of provision for liabilities and charges	(34)	(50)	(2,000)
Administrative and other operating expenses	(67,711)	(65,199)	(52,995)
Operating expenses	(218,087)	(203,560)	(176,240)
Profit before tax	350,973	349,272	365,135
Income tax expense	(50,485)	(56,186)	(44,115)
Profit for the period	300,488	293,086	321,020
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in fair value reserve	(5,607)	2,958	18,929
Exchange differences on translation to presentation currency	(5,955)	4,220	137
Other comprehensive income for the period	(11,562)	7,178	19,066
Total comprehensive income for the period	288,926	300,264	340,086
Profit attributable to:			
- Shareholders of TBCG	299,022	288,791	318,985
- Non-controlling interest	1,466	4,295	2,035
Profit for the period	300,488	293,086	321,020
Total comprehensive income is attributable to:			
- Shareholders of TBCG	287,460	295,969	338,051
- Non-controlling interest	1,466	4,295	2,035
Total comprehensive income for the period	288,926	300,264	340,086

* Interest expense includes net interest gains from currency swaps

Key Ratios 3Q'23

Total equity and total liabilities were restated for 30-Sep-2022 due to a change in the accounting of option contracts. As a result, ROE and leverage ratios were restated for 3Q 2022.

Average Balances

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

<i>Ratios (based on monthly averages, where applicable)</i>	3Q'23	2Q'23	3Q'22
Profitability ratios:			
ROE ¹	27.6%	28.1%	33.6%
ROA ²	4.1%	4.2%	4.8%
Cost to income ³	35.4%	34.7%	29.9%
NIM ⁴	6.9%	6.8%	6.3%
Loan yields ⁵	12.6%	12.8%	11.9%
Deposit rates ⁶	4.9%	4.9%	3.9%
Cost of funding ⁷	5.4%	5.6%	4.8%
Asset quality & portfolio concentration:			
Cost of risk ⁹	0.9%	0.6%	1.0%
PAR 90 to Gross Loans ⁹	1.2%	1.2%	1.3%
NPLs to Gross Loans ¹⁰	2.0%	2.1%	2.3%
NPL provision coverage ¹¹	87.6%	89.3%	99.6%
Total NPL coverage ¹²	151.6%	153.7%	164.2%
Credit loss level to Gross Loans ¹³	1.8%	1.8%	2.3%
Related Party Loans to Gross Loans ¹⁴	0.1%	0.1%	0.1%
Top 10 Borrowers to Total Portfolio ¹⁵	6.0%	5.8%	6.0%
Top 20 Borrowers to Total Portfolio ¹⁶	8.9%	8.7%	9.0%
Capital & liquidity positions:			
Net Loans to Deposits plus IFI Funding ¹⁷	96.9%	90.6%	89.1%
Net Stable Funding Ratio** ¹⁸	124.1%	129.8%	n/a
Liquidity Coverage Ratio** ¹⁹	114.1%	124.5%	n/a
Leverage ²⁰	6.7x	6.7x	7.1x
CET 1 CAR* (Basel III) ²¹	17.5%	18.3%	n/a
Tier 1 CAR* (Basel III) ²²	19.9%	20.7%	n/a
Total 1 CAR* (Basel III) ²³	22.3%	23.1%	n/a

* Ratios are calculated per IFRS

For the ratio definitions and exchange rates, please refer to appendix 12.

3) Consolidated Financial Statements and Key Ratios 9M 2023

Consolidated Statement of Financial Position

<i>In thousands of GEL</i>	Sep'23	Sep'22
ASSETS		
Cash and cash equivalents	2,648,469	3,764,435
Due from other banks	38,954	48,623
Mandatory cash balances with National Bank of Georgia and the Central Bank of Uzbekistan	1,904,010	2,219,506
Loans and advances to customers	20,003,021	16,962,397
Investment securities measured at fair value through other comprehensive income	3,071,046	2,213,608
Bonds carried at amortised cost	65,289	64,030
Repurchase receivables	-	278,971
Finance lease receivables	364,077	261,217
Investment properties	20,629	22,930
Current income tax prepayment	16,062	1,505
Deferred income tax asset	10,721	14,439
Other financial assets	259,771	395,571
Other assets	449,322	436,067
Premises and equipment	481,867	426,129
Right of use assets	116,262	95,625
Intangible assets	442,989	363,096
Goodwill	59,964	59,963
Investments in associates	3,940	3,576
TOTAL ASSETS	29,956,393	27,631,688
LIABILITIES		
Due to credit institutions	3,330,925	3,619,566
Customer accounts	18,722,415	17,115,022
Lease liabilities	88,893	76,890
Other financial liabilities	515,000	367,545
Current income tax liability	17,958	14,294
Debt Securities in issue	1,432,393	1,466,022
Deferred income tax liability	109,854	2,157
Provision for liabilities and charges	20,384	18,894
Other liabilities	93,184	76,139
Redemption liability	363,871	373,605
Subordinated debt	788,116	621,878
TOTAL LIABILITIES	25,482,993	23,752,012
EQUITY		
Share capital	1,682	1,693
Shares held by trust	(75,470)	(7,900)
Treasury shares	-	(20,389)
Share premium	272,930	297,923
Retained earnings	4,145,795	3,527,482
Merger reserve	402,862	402,862
Share based payment reserve	12,672	(3,523)
Fair value reserve for investment securities measured at fair value through other comprehensive income	10,855	(6,674)
Cumulative currency translation reserve	(42,759)	(19,648)
Other reserve	(363,869)	(373,605)
Equity attributable to owners of the parent	4,364,698	3,798,221
Non-controlling interest	108,702	81,455
TOTAL EQUITY	4,473,400	3,879,676
TOTAL LIABILITIES AND EQUITY	29,956,393	27,631,688

Consolidated Income Statement and Other Comprehensive Income

<i>In thousands of GEL</i>	9M'23	9M'22
Interest income	2,137,628	1,685,857
Interest expense*	(943,565)	(753,251)
Net interest income	1,194,063	932,606
Fee and commission income	484,009	377,057
Fee and commission expense	(181,783)	(149,723)
Net fee and commission income	302,226	227,334
Insurance contract revenue	96,133	81,746
Reinsurance service result	(7,632)	(5,219)
Insurance service claims and expenses incurred	(66,301)	(55,542)
Insurance profit	22,200	20,985
Net gains from currency derivatives, foreign currency operations and translation	188,696	260,089
Net gains from disposal of investment securities measured at fair value through other comprehensive income	5,872	4,885
Other operating income	20,254	20,426
Share of profit of associates	913	207
Other operating non-interest income	215,735	285,607
Credit loss allowance for loans to customers	(122,019)	(91,941)
Credit loss allowance for finance lease receivable	(5,167)	(1,278)
Credit loss allowance for performance guarantees and credit related commitments	(292)	(1,504)
Credit loss allowance for other financial assets	(5,053)	(5,739)
Credit loss (allowance)/recovery for financial assets measured at fair value through other comprehensive income	(659)	1,383
Net impairment of non-financial assets	(71)	(767)
Operating income after expected credit and non-financial asset impairment losses	1,600,963	1,366,686
Staff costs	(333,206)	(271,052)
Depreciation and amortisation	(87,234)	(74,016)
Allowance of provision for liabilities and charges	(155)	(2,060)
Administrative and other operating expenses	(183,832)	(143,697)
Operating expenses	(604,427)	(490,825)
Profit before tax	996,536	875,861
Income tax expense	(148,002)	(96,296)
Profit for the period	848,534	779,565
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Movement in fair value reserve	5,387	4,182
Exchange differences on translation to presentation currency	(6,901)	(8,436)
Other comprehensive income for the period	(1,514)	(4,254)
Total comprehensive income for the period	847,020	775,311
Profit attributable to:		
- Shareholders of TBCG	836,481	777,450
- Non-controlling interest	12,053	2,115
Profit for the period	848,534	779,565
Total comprehensive income is attributable to:		
- Shareholders of TBCG	834,967	773,196
- Non-controlling interest	12,053	2,115
Total comprehensive income for the period	847,020	775,311

* Interest expense includes net interest gains from currency swaps

Key Ratios 9M'23

Total equity and total liabilities were restated for 30-Sep-2022 due to a change in the accounting of option contracts. As a result, ROE and leverage ratios were restated for 9M 2022.

Average Balances

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

<i>Ratios (based on monthly averages, where applicable)</i>	9M'23	9M'22
Profitability ratios:		
ROE ¹	27.0%	28.6%
ROA ²	4.0%	4.1%
Cost to income ³	34.9%	33.5%
NIM ⁴	6.7%	5.9%
Loan yields ⁵	12.6%	11.4%
Deposit rates ⁶	4.9%	3.8%
Cost of funding ⁷	5.5%	4.8%
Asset quality & portfolio concentration:		
Cost of risk ⁹	0.9%	0.7%
PAR 90 to Gross Loans ⁹	1.2%	1.3%
NPLs to Gross Loans ¹⁰	2.0%	2.3%
NPL provision coverage ¹¹	87.6%	99.6%
Total NPL coverage ¹²	151.6%	164.2%
Credit loss level to Gross Loans ¹³	1.8%	2.3%
Related Party Loans to Gross Loans ¹⁴	0.1%	0.1%
Top 10 Borrowers to Total Portfolio ¹⁵	6.0%	6.0%
Top 20 Borrowers to Total Portfolio ¹⁶	8.9%	9.0%
Capital & liquidity positions:		
Net Loans to Deposits plus IFI Funding ¹⁷	96.9%	89.1%
Net Stable Funding Ratio** ¹⁸	124.1%	n/a
Liquidity Coverage Ratio** ¹⁹	114.1%	n/a
Leverage ²⁰	6.7x	7.1x
CET 1 CAR* (Basel III) ²¹	17.5%	n/a
Tier 1 CAR* (Basel III) ²²	19.9%	n/a
Total 1 CAR* (Basel III) ²³	22.3%	n/a

* Ratios are calculated per IFRS

For the ratio definitions and exchange rates, please refer to appendix 12.

4) Business Line Definition

According to the updated segment definition starting from 1 January 2023, the operating segments are defined as follows:

Georgian financial services include JSC TBC Bank with its Georgian subsidiaries and JSC TBC Insurance, with its subsidiaries. The Georgia financial service segment consist of three major business sub-segments, while the treasury, leasing and insurance businesses are combined into the corporate and other sub-segments:

- Corporate and investment banking (CIB) – a legal entity/group of affiliated entities with an annual revenue exceeding GEL 20.0 million or which has been granted facilities of more than GEL 7.5 million. Some other business customers may also be assigned to the CIB sub-segment or transferred to the MSME sub-segment on a discretionary basis. In addition, CIB includes Wealth Management (WM) private banking services to high-net-worth individuals with a threshold of US\$ 250,000 in assets under management (AUM), as well as on a discretionary basis;
- Retail – non-business individual customers;
- Micro, small and medium enterprises (MSME) – business customers who are not included in the CIB sub-segment;

Uzbekistan – TBC Bank Uzbekistan with respective subsidiaries and Payme (Inspired LLC);

Other – includes non-material or non-financial subsidiaries of the group and intra-group eliminations.

5) Financial Disclosures by Business Lines

Consolidated Statement of Financial Position Sep'23

<i>In thousands of GEL</i>	Georgia FS	Uzbekistan*	<i>Payme</i>	<i>TBC UZ</i>	Other**	Group
ASSETS						
Cash and cash equivalents	2,594,629	47,811	752	47,151	6,029	2,648,469
Due from other banks	38,923	-	4,417	-	31	38,954
Mandatory cash balances with National Bank of Georgia and Central Bank of Uzbekistan	1,899,949	4,061	-	4,061	-	1,904,010
Loans and advances to customers	19,386,577	604,856	-	604,856	11,588	20,003,021
Investment securities measured at fair value through other comprehensive income	3,071,046	-	-	-	-	3,071,046
Bonds carried at amortised cost	11,199	54,090	-	54,090	-	65,289
Finance lease receivables	328,757	27,950	-	27,950	7,370	364,077
Investment properties	20,629	-	-	-	-	20,629
Current income tax prepayment	15,506	-	-	-	556	16,062
Deferred income tax asset	123	10,200	-	10,200	398	10,721
Other financial assets	271,833	4,995	5,430	-	(17,057)	259,771
Other assets	427,873	19,777	3,968	15,809	-	449,322
Premises and equipment	462,594	14,731	4,613	10,118	4,542	481,867
Right of use assets	108,331	6,218	1,462	4,756	1,713	116,262
Intangible assets	343,711	27,642	3,420	24,222	71,636	442,989
Goodwill	28,198	1,912	-	1,912	29,854	59,964
Investments in associates	18,555	-	-	-	(14,615)	3,940
TOTAL ASSETS	29,028,433	824,243	24,062	805,125	103,717	29,956,393
LIABILITIES						
Due to credit institutions	3,278,155	46,504	-	46,504	6,266	3,330,925
Customer accounts	18,300,485	515,586	-	520,096	(93,656)	18,722,415
Lease liabilities	80,502	7,015	1,565	5,450	1,376	88,893
Other financial liabilities	587,417	2,298	1,257	1,041	(74,715)	515,000
Current income tax liability	17,939	-	-	-	19	17,958
Debt Securities in issue	1,264,218	-	-	-	168,175	1,432,393
Deferred income tax liability	109,854	-	-	-	-	109,854
Provisions for liabilities and charges	20,384	-	-	-	-	20,384
Other liabilities	68,111	18,888	2,973	16,349	6,185	93,184
Redemption liability	-	-	-	-	363,871	363,871
Subordinated debt	788,116	-	-	-	-	788,116
TOTAL LIABILITIES	24,515,181	590,291	5,795	589,440	377,521	25,482,993
EQUITY						
Share capital	28,498	277,948	1,254	276,694	(304,764)	1,682
Shares held by trust	-	-	-	-	(75,470)	(75,470)
Share premium	521,190	27,860	-	27,860	(276,120)	272,930
Retained earnings	4,037,519	(38,836)	21,798	(60,634)	147,112	4,145,795
Merger reserve	-	67	67	-	402,795	402,862
Share based payment reserve	(85,001)	-	-	-	97,673	12,672
Fair value reserve for investment securities measured at fair value through other comprehensive income	10,849	211	211	-	(205)	10,855
Cumulative currency translation reserve	-	(33,298)	(5,063)	(28,235)	(9,461)	(42,759)
Other reserve	-	-	-	-	(363,869)	(363,869)
Net assets attributable to owners	4,513,055	233,952	18,267	215,685	(382,309)	4,364,698
Non-controlling interest	197	-	-	-	108,505	108,702
TOTAL EQUITY	4,513,252	233,952	18,267	215,685	(273,804)	4,473,400
TOTAL LIABILITIES AND EQUITY	29,028,433	824,243	24,062	805,125	103,717	29,956,393

* Includes intra-group eliminations

** Includes Azerbaijan, TNET, other subsidiaries and intra-group eliminations

Consolidated Income Statement and Other Comprehensive Income 3Q'23

<i>In thousands of GEL</i>	Georgia FS	Uzbekistan **	<i>Payme</i>	<i>TBC UZ</i>	Other ***	Group
Interest income	683,275	68,549	88	68,549	1,834	753,658
Interest expense*	(292,486)	(32,379)	(77)	(32,391)	(859)	(325,724)
Net interest income	390,789	36,170	11	36,158	975	427,934
Fee and commission income	144,172	24,632	18,619	16,807	1,675	170,479
Fee and commission expense	(59,771)	(6,540)	(1,705)	(15,610)	(16)	(66,327)
Net fee and commission income	84,401	18,092	16,914	1,197	1,659	104,152
Insurance profit	9,939	-	-	-	(141)	9,798
Net gains from currency derivatives, foreign currency operations and translation	68,938	56	6	50	(2,026)	66,968
Net gains from disposal of investment securities measured at fair value through other comprehensive income	1,553	-	-	-	-	1,553
Other operating income	2,492	36	-	36	1,915	4,443
Share of profit of associates	371	-	-	-	-	371
Other operating non-interest income	83,293	92	6	86	(252)	83,133
Credit loss allowance for loans to customers	(32,173)	(10,694)	-	(10,694)	272	(42,595)
Credit loss allowance for finance lease receivable	(2,459)	(575)	-	(575)	(1)	(3,035)
Credit loss recovery for performance guarantees and credit related commitments	644	-	-	-	-	644
Credit loss allowance for other financial assets	(986)	23	(3)	26	-	(963)
Credit loss allowance for financial assets measured at fair value through other comprehensive income	(497)	-	-	-	-	(497)
Net recovery of non-financial assets	29	-	-	-	258	287
Operating income after expected credit and non-financial asset impairment losses	523,041	43,108	16,928	26,198	2,911	569,060
Staff costs	(101,647)	(10,047)	(2,289)	(7,758)	(9,362)	(121,056)
Depreciation and amortisation	(25,077)	(2,255)	(297)	(1,958)	(1,954)	(29,286)
Allowance of provision for liabilities and charges	(34)	-	-	-	-	(34)
Administrative and other operating expenses	(49,056)	(15,929)	(3,415)	(12,532)	(2,726)	(67,711)
Operating expenses	(175,814)	(28,231)	(6,001)	(22,248)	(14,042)	(218,087)
Profit before tax	347,227	14,877	10,927	3,950	(11,131)	350,973
Income tax expense	(49,175)	(1,193)	(13)	(1,180)	(117)	(50,485)
Profit for the period	298,052	13,684	10,914	2,770	(11,248)	300,488
Profit attributable to:	-	-	-	-	-	-
- Shareholders of TBCG	298,041	13,684	10,914	2,770	(12,703)	299,022
- Non-controlling interest	11	-	-	-	1,455	1,466
Profit for the period	298,052	13,684	10,914	2,770	(11,248)	300,488

* Interest expense includes net interest gains from currency swaps

** Includes intra-group eliminations

*** Includes Azerbaijan, TNET, other subsidiaries and intra-group eliminations

Consolidated Income Statement and Other Comprehensive Income 9M'23

<i>In thousands of GEL</i>	Georgia FS	Uzbekistan **	<i>Payme</i>	<i>TBC UZ</i>	Other ***	Group
Interest income	1,960,800	171,804	88	171,804	5,024	2,137,628
Interest expense*	(857,732)	(82,745)	(250)	(82,584)	(3,088)	(943,565)
Net interest income	1,103,068	89,059	(162)	89,220	1,936	1,194,063
Fee and commission income	410,393	70,473	55,331	39,320	3,143	484,009
Fee and commission expense	(164,591)	(17,012)	(4,907)	(36,264)	(180)	(181,783)
Net fee and commission income	245,802	53,461	50,424	3,056	2,963	302,226
Insurance profit	22,699	-	-	-	(499)	22,200
Net gains from currency derivatives, foreign currency operations and translation	202,257	139	9	130	(13,700)	188,696
Net gains from disposal of investment securities measured at fair value through other comprehensive income	5,872	-	-	-	-	5,872
Other operating income	14,406	68	1	67	5,780	20,254
Share of profit of associates	913	-	-	-	-	913
Other operating non-interest income	246,147	207	10	197	(8,419)	237,935
Credit loss allowance for loans to customers	(99,425)	(23,576)	-	(23,576)	982	(122,019)
Credit loss allowance for finance lease receivable	(3,718)	(1,496)	-	(1,496)	47	(5,167)
Credit loss allowance for performance guarantees and credit related commitments	(292)	-	-	-	-	(292)
Credit loss allowance for other financial assets	(4,696)	(357)	(266)	(91)	-	(5,053)
Credit loss recovery for financial assets measured at fair value through other comprehensive income	(659)	-	-	-	-	(659)
Net impairment of non-financial assets	220	-	-	-	(291)	(71)
Operating income after expected credit and non-financial asset impairment losses	1,486,447	117,298	50,006	67,310	(2,782)	1,600,963
Staff costs	(279,116)	(28,347)	(7,273)	(21,074)	(25,743)	(333,206)
Depreciation and amortisation	(75,370)	(6,485)	(782)	(5,703)	(5,379)	(87,234)
Allowance of provision for liabilities and charges	(155)	-	-	-	-	(155)
Administrative and other operating expenses	(135,347)	(40,754)	(9,121)	(31,651)	(7,731)	(183,832)
Operating expenses	(489,988)	(75,586)	(17,176)	(58,428)	(38,853)	(604,427)
Profit before tax	996,459	41,712	32,830	8,882	(41,635)	996,536
Income tax (expense)/credit	(145,133)	(2,816)	(13)	(2,803)	(53)	(148,002)
Profit for the period	851,326	38,896	32,817	6,079	(41,688)	848,534
Profit attributable to:						
- Shareholders of TBCG	851,294	38,896	32,817	6,079	(53,709)	836,481
- Non-controlling interest	32	-	-	-	12,021	12,053
Profit for the period	851,326	38,896	32,817	6,079	(41,688)	848,534

* Interest expense includes net interest gains from currency swaps

** Includes intra-group eliminations

*** Includes Azerbaijan, TNET, other subsidiaries and intra-group eliminations

Consolidated Key Ratios by Business Lines

	3Q'23	Georgia FS	Uzbekistan	Group
Profitability ratios:				
ROE ¹		26.4%	23.4%	27.6%
ROA ²		4.2%	6.8%	4.1%
Cost to income ³		31.5%	51.9%	35.4%
NIM ⁴		6.5%	20.9%	6.9%
Loan yields ⁵		11.7%	41.9%	12.6%
Deposit rates ⁶		4.4%	24.4%	4.9%
Cost of funding ⁷		5.0%	24.0%	5.4%

Asset quality & portfolio concentration:				
Cost of risk ⁸		0.7%	7.3%	0.9%
PAR 90 to Gross Loans ⁹		1.2%	2.1%	1.2%
NPLs to Gross Loans ¹⁰		2.0%	2.1%	2.0%
NPL provision coverage ¹¹		82.5%	199.9%	87.6%
Total NPL coverage ¹²		148.6%	199.9%	151.6%

	9M'23	Georgia FS	Uzbekistan	Group
Profitability ratios:				
ROE ¹		25.9%	24.6%	27.00%
ROA ²		4.1%	7.5%	4.0%
Cost to income ³		30.7%	53.0%	34.9%
NIM ⁴		6.4%	20.4%	6.7%
Loan yields ⁵		11.8%	42.6%	12.6%
Deposit rates ⁶		4.5%	24.8%	4.9%
Cost of funding ⁷		5.1%	24.4%	5.5%

Asset quality & portfolio concentration:				
Cost of risk ⁸		0.7%	6.6%	0.9%
PAR 90 to Gross Loans ⁹		1.2%	2.1%	1.2%
NPLs to Gross Loans ¹⁰		2.0%	2.1%	2.0%
NPL provision coverage ¹¹		82.5%	199.9%	87.6%
Total NPL coverage ¹²		148.6%	199.9%	151.6%

For the ratio definitions and exchange rates, please refer to appendix 12.

6) Market shares⁸ in Georgia

Market shares	Sep'23	Jun'23	Sep'22	Change YoY	Change QoQ
Total loans	39.1%	38.8%	38.8%	0.3 pp	0.3 pp
Individual loans	38.0%	38.2%	38.4%	-0.4 pp	-0.2 pp
Legal entities loans	40.5%	39.6%	39.3%	1.2 pp	0.9 pp
Total deposits	37.5%	39.9%	40.0%	-2.5 pp	-2.4 pp
Individual deposits	36.6%	37.9%	38.7%	-2.1 pp	-1.3 pp
Legal entities deposits	38.5%	42.2%	41.5%	-3.0 pp	-3.7 pp

⁸ Based on data published by National Bank of Georgia on the analytical tool Tableau.

7) Subsidiaries of TBC Bank Group PLC⁹

Subsidiary	Ownership / voting			
	% as of 30-Sep 2023	Country	Year of incorporation	Industry
JSC TBC Bank	99.9%	Georgia	1992	Banking
United Financial Corporation JSC	99.5%	Georgia	2001	Card processing
TBC Capital LLC	100.0%	Georgia	1999	Brokerage
TBC Leasing JSC	100.0%	Georgia	2003	Leasing
TBC Kredit LLC	100.0%	Azerbaijan	1999	Non-banking credit institution
TBC Pay LLC	100.0%	Georgia	2008	Processing
Index LLC	100.0%	Georgia	2009	Real estate management
TBC Invest LLC	100.0%	Israel	2011	Financial services
TBC Asset management LLC	100.0%	Georgia	2021	Asset Management
JSC TBC Insurance	100.0%	Georgia	2014	Insurance
Redmed LLC	100.0%	Georgia	2019	Healthcare E-commerce
T NET LLC	100.0%	Georgia	2019	Asset Management
TKT UZ	100.0%	Uzbekistan	2019	Retail Trade
Artarea.ge LLC	100.0%	Georgia	2012	PR and marketing
Marjanishvili 7 LLC	100.0%	Georgia	2020	Food and Beverage
Space JSC	100.0%	Georgia	2021	Software Services
Space International JSC	100.0%	Georgia	2021	Software Services
TBC Group Support LLC	100.0%	Georgia	2020	Risk Monitoring
Inspired LLC (Payme)	51.0%	Uzbekistan	2011	Processing
TBC Bank JSC UZ	60.2%	Uzbekistan	2020	Banking
TBC Fin Service LLC	100.0%	Uzbekistan	2019	Retail Leasing

8) Impact of Changed Accounting Treatment for Option Contracts

TBC Bank Group entered into put/call arrangements in April 2019 for the remaining 49% of Payme ([RNS #7827V](#)) and in September 2021 for the EBRD/IFCs 40% stake in TBC UZ Bank ([RNS #5753N](#)). The exercise prices are dependent on a set of commercial and financial parameters.

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

The Group has therefore re-stated 3Q 2022 balances by recognising a redemption liability for put options and the equal and opposite effect on other reserves in equity.

In May 2023 TBC Bank Group PLC finalized the acquisition process of the remaining 49% interest of Inspired LLC. The acquisition price paid to minority shareholders amounted to GEL 141,234 thousand. Accordingly, respective redemption liability has been derecognized as it is fully settled at the acquisition date.

Should the Group consequently purchase the shares of the NCI shareholders the additional impact on equity should be limited to any potential subsequent remeasurement of the redemption liability, as far as other reserves in equity have already been recognised. Moreover, the recognition of the redemption liability has no direct effect on the profit and loss statement or regulatory capital ratios of TBC Bank.

In 3Q 2022, the Group recognised GEL 374 million as a redemption liability and the equal and opposite effect on other reserves in equity.

⁹ TBC Bank Group PLC became the parent company of JSC TBC Bank on 10 August 2016.

3Q'22	Reported	Restated
ROE	31.1%	33.6%
ROE (cumulative)	26.6%	28.6%
Leverage (times)	6.5x	7.1x

9) Replacement of IFRS 4 with IFRS 17

The adoption of IFRS 17 will affect the financial reporting processes and procedures of the Group, as applications of the core principles outlined above will require additional information to be gathered and processed, as well as additional judgements to be made by the management. To ensure smooth and timely adoption of IFRS 17, the Group launched a separate implementation project. After the transition to IFRS 17 the Group will use premium allocation approach for its insurance subsidiary for following insurance contracts: motor insurance, border MTPL, property insurance, agro (crop) insurance, health-related insurance and liability and other insurance with product classification of insurance contract and measurement model of premium allocation approach.

The Group has applied the full retrospective approach for all of its portfolios of insurance contracts.

10) Loan Book Breakdown by Stages According IFRS 9

In millions of GEL

Total loans*	Sep'23		Jun'23		Sep'22	
Stage	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions
1	18,674	98	17,687	99	15,456	110
2	1,305	102	1,279	100	1,487	113
3	386	162	395	159	423	180
Total	20,365	362	19,361	358	17,366	403

Georgia FS Retail	Sep'23		Jun'23		Sep'22	
Stage	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions
1	6,438	46	6,249	48	5,796	63
2	584	61	584	64	638	90
3	110	68	113	71	155	96
Total	7,132	175	6,946	183	6,589	249

Georgia FS CIB	Sep'23		Jun'23		Sep'22	
Stage	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions
1	6,955	18	6,474	18	5,313	19
2	330	1	346	0	525	1
3	95	31	100	30	80	25
Total	7,380	50	6,920	48	5,918	45

Georgia FS MSME	Sep'23		Jun'23		Sep'22	
Stage	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions
1	4,680	23	4,463	24	4,079	23
2	358	31	320	28	315	21
3	166	51	167	48	177	48
Total	5,204	105	4,950	100	4,571	92

Uzbekistan	Sep'23		Jun'23		Sep'22	
Stage	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions	Gross loans	Loan loss provisions
1	593	10	492	8	255	3
2	25	6	22	4	6	1
3	14	11	13	9	8	6
Total	632	27	527	21	269	10

* Total loans include Azerbaijan loan portfolio

11) Glossary

Terminology	Definition
BVPS	Book value per share.
Digital daily active users (Digital DAU)	The number of retail digital users, who logged into our digital channels at least once per day.
Digital monthly active users (Digital MAU)	The number of retail digital users, who logged into our digital channels at least once a month.
EPS	Earnings per share.
Gross merchandise value (GMV)	GMV equals the total value of sales over the given period, including auctions through housing and auto platforms, as well as listing fees.
NBG	National Bank of Georgia.

12) Ratio Definitions and Exchange Rates

Ratio definitions

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

Exchange Rates

To calculate the QoQ growth of the Balance Sheet items without the currency exchange rate effect, we used the US\$/GEL exchange rate of 2.6177 as of 30 June 2023. To calculate the YoY growth without the currency exchange rate effect, we used the US\$/GEL exchange rate of 2.8352 as of 30 September 2022. As of 30 June 2023, the US\$/GEL exchange rate equalled 2.6783. For P&L items growth calculations without the currency effect, we used the average US\$/GEL exchange rate for the following periods: 3Q 2023 of 2.6215, 2Q 2023 of 2.5586, 3Q 2022 of 2.8235, 9M 2023 of 2.6056, 9M 2022 of 2.9769.