



TBC BANK

Deepening our Footprint, Reinforcing our Leadership

Management report and financial statements

TBC Bank

2025

A leading financial services group in Georgia

**TBC Bank refers to JSC TBC Bank (the Bank)
and its subsidiaries (together Group)**

Contents

Management report, 6 — 135 pages

Overview	Who we are	9
	Our proven track record of growth and profitability	10
Reflections from the top	Chairman's statement	12
	CEO letter	14
Our strategic approach	Our operating environment	16
	Adapting to evolving market trends	18
	Our business model	20
	Our strategic priorities	22
	Our key performance indicators	24
Business review	Business review	28
Financial review	Financial review	50
Risk review	Risk management	54
	Material existing and emerging risks	58
Non-financial and sustainability information	Our approach to customers	80
	Our approach to employees	84
	Our approach to community	92
	ESG Strategy	96
	Climate-related financial disclosures 2025	104

Governance, 136 — 157 pages

Our Executive Management Committee	138
Our Supervisory Board	140
Corporate Governance	146

Financial statements, 158 — 287 pages

Independent Auditor's Report	160
Consolidated statement of financial position	166
Consolidated statement of profit or loss and other comprehensive income	167
Consolidated statement of changes in equity	168
Consolidated statement of cash flows	169
Separate statement of financial position	170
Separate statement of profit or loss and other comprehensive income	171
Separate statement of changes in equity	172
Separate statement of cash flows	173
Notes to the consolidated and separate financial statements	174

Additional information, 288 — 297 pages

Glossary	290
Alternative performance measures	292
Abbreviations	297

1

Chapter

Management report



Who we are

TBC operates a market-leading universal banking business in Georgia.

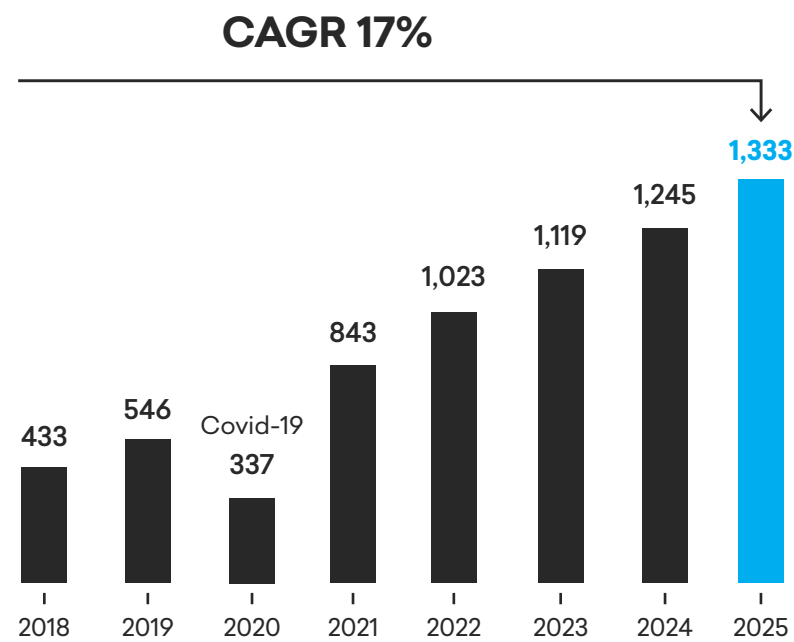
TBC's strong fundamentals deliver compelling outcomes, enabling a combination of sustainable growth, profitability and capital returns to shareholders.

Total operating income	Net profit	ROE
GEL 2.6 bln +11% YoY	GEL 1.3 bln +7% YoY	23.9% -1.2pp YoY
Gross loan portfolio ¹	Deposit portfolio	Digital MAU
GEL 27.6 bln +10% YoY ²	GEL 24.4 bln +12% YoY ²	1.3 mln +24% YoY
Digital DAU/MAU	NPS ³	ENPS ⁴
47% +0pp YoY	68% +5pp YoY	56% +5pp YoY

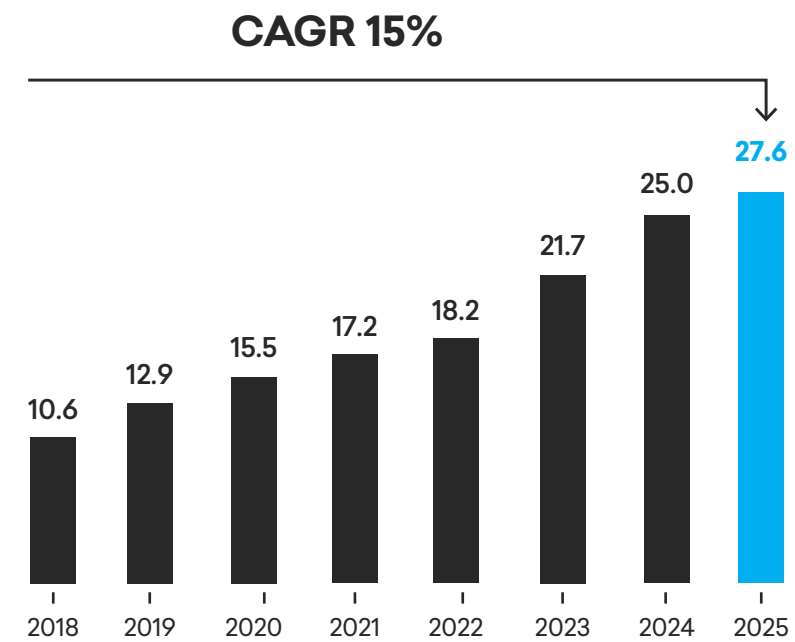
1 Includes finance lease receivables.
 2 Growth in constant currency.
 3 The Net Promoter Score (NPS) was measured based on a survey conducted by the independent research company Sonar in December 2025 for retail customers.
 4 The Employee Net Promoter Score (ENPS) was measured in the last quarter of 2025 for the Bank's employees, based on ACT Research.

Our proven track record of growth and profitability

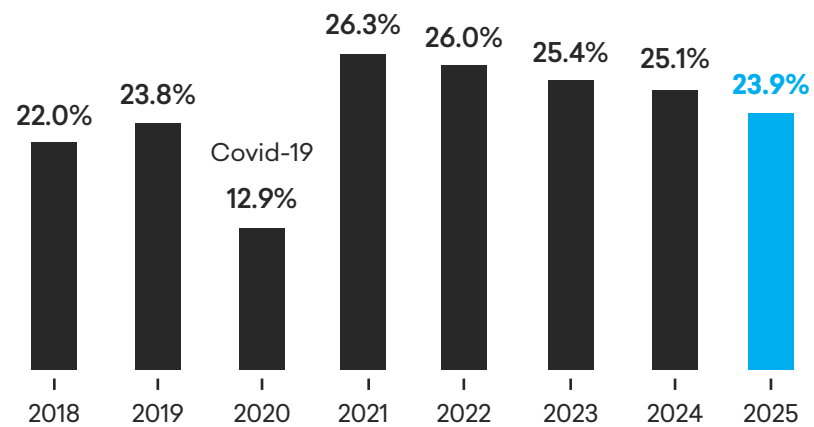
Net profit (GEL mln)



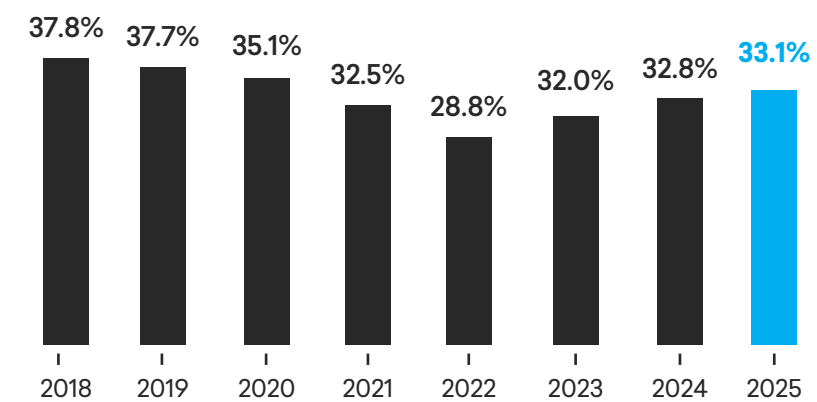
Gross loan portfolio (GEL bln)



Return on equity (ROE)



Cost to income





Chairman's statement

DEAR SHAREHOLDERS,

2025 was a year that once again demonstrated the strength, resilience, and adaptability of our Group. Against a backdrop of continued regional uncertainty, we delivered a robust financial performance, driven by disciplined execution and strategic focus.

We remain committed to delivering long-term shareholder value through sustainable growth and disciplined capital allocation. In 2025, the Group delivered a record net profit of GEL 1.3 billion, representing growth of 7% year-on-year. This reflects the strength of our business model, the resilience of our organisation, and the continued investment in capabilities across the market.

STRATEGY IN ACTION: STRENGTHENING THE CORE AND SCALING FOR THE FUTURE

The unique strengths of the TBC continue to underpin our consistent long-term value creation. We are a proven leader across the financial services market, operating a highly digitalised business that enables us to generate consistently high returns. We continue to solidify our #1 positions across corporate and investment banking (CIB), MSME, and affluent retail segments.

Our CIB business remains a core driver of growth and profitability, accounting for a significant share of earnings. As the leading financial partner to the country's corporate sector, we work with 93 of the top 100 companies in Georgia, reflecting the depth and strength of our franchise and our central role in supporting the real economy. This position is underpinned by strong client relationships, disciplined risk management and consistent execution. In parallel, we continue to advance our leading MSME business, substantially grow our affluent segment, deepen engagement across our broad customer base, and expand our product offering, including the development of the largest and most sophisticated mobile investment platform in Georgia, all underpinned by our deep commitment to delivering a seamless customer experience.

As outlined at our recent Strategy Day, we see a clear opportunity to strengthen our position further in selected segments of the Georgian market. In particular, mass retail and payments are key strategic focus areas where we aim to achieve market leadership and further expand our franchise.

Our investments over the past couple of years in bringing our digital banking infrastructure in-house are now bearing fruit, as can be seen in our award-winning mobile banking app and the strong progress we have made in digital customer acquisition, engagement (including tools such as our new AI in-app chatbot), and product sales. We realise much more needs to be done, both in further scaling up our mass retail banking platform and, as the financial sophistication and needs of our customers grow, expanding our wealth management businesses.

ADVANCING GOVERNANCE TO SUPPORT SUSTAINABLE GROWTH

In 2025, the Supervisory Board continued to strengthen the Group's corporate governance framework, ensuring alignment with leading international standards and best practices. The Supervisory Board remains committed to maintaining a robust and forward-looking governance structure capable of supporting the Company's growing scale and operational complexity.

In order to enable the Group CEO, Vakhtang Butskhrikidze, to focus on the Group's strategic priorities in Georgia, Uzbekistan and internationally, George Tkhelidze has been appointed CEO of the Group's Georgian subsidiary, JSC TBC Bank, with effect from 12 March 2026. Mr. Tkhelidze brings strong leadership experience and a proven track record, having built our CIB franchise into the dominant player in the market over the past decade.

Alongside this, the Supervisory Board maintained close oversight of the TBC's risk management, internal control and compliance frameworks, further strengthening resilience. Looking ahead to 2026, we will ensure these continue to evolve in line with the Group's strategic ambitions, supporting disciplined and sustainable growth. The Supervisory Board also focused on strengthening leadership capability, developing well-structured succession planning and talent management, and enhancing management depth through a combination of internal development and targeted recruitment. In parallel, we maintained close oversight of the Group's technology strategy and will continue to prioritise technological advancement, cybersecurity resilience, advanced analytics and the responsible use of artificial intelligence.

Alongside our governance priorities, we continued to advance our ESG agenda. Our sustainable financing portfolio grew by 32% year-on-year to GEL 2.3 billion, exceeding our 2025 target. We also strengthened diversity and inclusion across the organisation and further progressed our climate commitments, aligning our approach with the Paris Agreement pathway.

STRATEGIC PRIORITIES FOR THE YEARS AHEAD

We operate in an attractive market with strong economic outlook and benefit from a business model that combines growth, profitability and capital generation. With strong governance, disciplined risk management, advanced technology capabilities and deep management experience, we are well positioned to build further on this foundation. As outlined in our Strategy Day, our priorities for the coming year include further reinforcing our leadership in Georgia and strengthening our position in areas such as mass retail banking and payments, and investing further in digital capabilities across the Group to enhance customer experience, operational efficiency and long-term competitiveness.

On behalf of the Supervisory Board, I would like to thank our management team and colleagues for their dedication, professionalism and entrepreneurial spirit. I would also like to thank our customers for their

continued loyalty and trust, and extend my sincere gratitude to our shareholders for their ongoing support and long-term partnership. I would also like to extend my special thanks to Vakhtang Butskhrikidze for his longstanding leadership of the Bank and his continued leadership as TBC Group PLC CEO. His deep experience, strategic vision and understanding of our markets will remain critical as we execute our next phase of growth.

We remain fully committed to building a stronger, smarter, and more sustainable TBC for the future.

Arne Berggren
Chairman

7 April 2026



CEO letter

2025 was another strong year for TBC, as the Group delivered record earnings and further strengthened its high-performing franchise across retail, MSME, and corporate & investment banking (CIB). We continued to generate robust results while navigating a changing operating environment with resilience, discipline, and focus.

I am proud of the scale of transformation we have achieved, the financial milestones we have delivered, and the strong foundations we have laid for our next phase of growth and development. While 2025 also brought its challenges, our resilient business model and deep market expertise leave us well positioned to capture opportunities and continue creating value in the years ahead.

As we prepare for the Group's next phase of growth, we have also taken important steps to further strengthen our leadership structure. Effective from 12 March 2026, George Tkhelidze became CEO of JSC TBC Bank. This transition enables me to devote greater focus to the TBC Bank Group PLC's overall strategic priorities across Georgia and Uzbekistan, as well as exploring international opportunities, while ensuring that our Georgian franchise continues to benefit from experienced leadership, deep institutional knowledge, and consistent execution.

DEEPENING OUR LEADERSHIP

We continue to deliver strong, profitable growth across all business and customer segments in Georgia. We are further solidifying our position in areas where we are the clear leader, such as CIB, affluent retail and MSME, while continuing to gain market share in segments where we see further room to strengthen our position, particularly in mass retail and payments.

Delivering a seamless and intuitive digital customer experience remains central to our strategy and continues to attract increasing numbers of customers to our best-in-class mobile banking platform. In 2025, our digital MAU increased by 24% as we added over 250 thousand users, bringing the total to over 1.3 million. Our digital engagement remains very high with a DAU/MAU ratio of 47%. Meanwhile, the share of consumer loans and deposits issued end-to-end digitally continued to increase, reaching 83% and 85%, respectively. I am delighted to say that these technological achievements were recognised with the Best Use of Tech in Consumer Lending award at the 2025 Banking Tech Awards.

Our CIB franchise further strengthened its position as the leading financial partner for Georgian companies, playing a central role in supporting the country's real economy, with deep and long standing relationships across Georgia's largest corporates. In 2025, the loan book increased by 14% year-on-year on a constant currency basis, alongside continued digital and AI-driven innovation. Wealth management AUM grew by 9% year-on year to GEL 4.8 billion, driven by strong new client acquisition,

enhanced advisory capabilities, expanded international reach, and a broader investment offering. In parallel, our MSME segment advanced meaningfully along its digital transformation journey, automating lending and onboarding, and deploying advanced AI solutions to enhance both customer experience and operational efficiency. Our retail loan book increased by 12% year-on-year on a constant-currency basis, driven primarily by fast consumer loans, supported by dynamic credit limits and a renewed end-to-end digital lending journey.

Daily banking continues to play a central role in our strategy towards becoming the most demanded payments solution. During the year, nearly 1 million TBC Cards were issued, activating new and dormant customers. In 2025, the number of affluent clients also grew by a strong 49% and reached c.191 thousand. Alongside everyday banking, we continue to expand our investment and wealth offerings to meet our customers' increasingly sophisticated financial needs. Our in app investment platform now serves more than 100 thousand customers, providing seamless access to investment products through the largest and most sophisticated mobile investment platform in Georgia.

Beyond financial services, we remain deeply committed to supporting Georgia's broader economic development. Through continued investment in entrepreneurship, education, and the development of the business ecosystem, we are strengthening our role as a long-term partner to the country's economy.

FOUNDATIONS OF OUR GROWTH

Our continued progress is underpinned by three core pillars: our people, our technology and data capabilities, and our disciplined approach to risk management.

Our people remain at the heart of our success. As TBC continues to grow across the market and business lines, we have renewed our cultural framework to reflect our values of teamwork, courage, accountability and customer focus, alongside a strong commitment to creating a supportive and inclusive environment where our employees can grow and succeed. Employee engagement remains strong, with an ENPS of 56%.

At the same time, we continue to strengthen our in-house digital platforms and cloud-based data architecture, embedding artificial intelligence across both customer journeys and internal processes to improve efficiency and decision-making. Our technology capabilities have been benchmarked as high or elite and was recognised by Google Cloud's DORA Award for achievements in technology and team performance, which highlights our ability to operate independent, high-performing teams that deploy and improve systems efficiently.

This progress is underpinned by a robust enterprise-wide risk management framework that ensures disciplined growth, strong governance and the long-term resilience of our business model.

FINANCIAL HIGHLIGHTS

2025 was another year of strong financial performance. Operating profit reached GEL 2,636 million up by 11% year-on year, underpinned by robust growth in both net interest income of 14% and fee and commission income of 14%. Over the same period, our operating expenses increased by 12%, resulting in a cost-to-income ratio of 33.1%, while our cost of risk stood at 0.7%. Overall, net profit amounted to GEL 1,333 million up by 7% year-on-year, and a record outcome delivering a return on equity of 23.9%.

OUTLOOK

Over the next few years, our ambition is to become the leading and most trusted bank in Georgia across all customer segments. In areas where we already hold leadership positions, particularly Corporate and Affluent banking, we will continue to strengthen our dominance. At the same time, we aim to become the bank of choice for mass retail banking and payments.

Our franchise remains well-positioned to deliver strong and sustainable results. We target maintaining return on equity above 23%, while achieving annual loan and profit growth of 10-15%.

I have every confidence that our excellent team will deliver on these, enabling TBC to continue creating value for our shareholders.

Vakhtang Butskhrikidze
CEO during 2025

7 April 2026

Our operating environment



Georgia

Population	Average age	Nominal GDP
3.9 mln	35-39	USD 38 bln
GDP per capita	GDP per capita, PPP	Gross international reserves
USD 10,169	USD 33,400	USD 6.2 bln
Monetary policy rate	Inflation	Credit ratings
8.0%	4.0%	FitchRatings BB stable

Note: GDP and GDP per capita refer to FY 2025; all other data points are as of December 2025.

Adapting to evolving market trends

Economy

From the economic perspective, 2025 was a year of relative alignment with long-term trends following a politically active 2024. Heightened tensions during the spring protests and following the October 2024 parliamentary elections reduced confidence in the GEL and raised uncertainty both domestically and internationally. Consequently, weaker sentiment and a tense backdrop weighed moderately on tourism and spending on durable goods in late 2024 and early 2025, creating pressure on the GEL that was largely offset by the central bank's active FX interventions.

While the political environment remained polarised throughout 2025, there was an evident recovery in spending dynamics from March onwards, with economic growth moderating from 9.7% in 2024 to 7.5%¹. In addition to solid real credit and wage growth, the robust economic print was also supported by stronger inflows from tourism, remittances, and an improved trade balance, which was driven by subdued import growth compared to relatively stronger exports – driving the current account deficit to stand at a historically low level. At the same time, increased net currency inflows, combined with a globally weakened USD and improved deposit liberalisation, allowed the NBG to replenish its international reserves to an historically high level of USD 6.2 billion. In 2025, it purchased more than USD 2.4 billion on the FX market, while the GEL strengthened by around 4.1% against the USD.

TBC Bank maintains a comprehensive stress-testing framework to assess and respond to the impact of increased volatility. In addition, the Group developed a range of post-election scenarios in 2024 and re-evaluated potential risks in 2025, allowing it to proactively manage its liquidity position and effectively mitigate capital and portfolio quality risks.

Regulatory changes

In 2025, the National Bank of Georgia (NBG) introduced regulatory amendments aimed at strengthening financial stability, promoting liberalisation, and enhancing consumer protection. Effective from 1 August 2025, loans and bank credits up to GEL 750,000 must be issued exclusively in the national currency, replacing the previous GEL 500,000 threshold. The requirement applies to lending organisations and covers credit facilities, scheduled payment obligations arising from guarantees, and letters of credit, and both individual and corporate borrowers. The GEL-only requirement does not apply where, following disbursement, the borrower's total exposure toward the same lender exceeds GEL 750,000, or where lending is extended to non-Georgian citizens or entities not registered in Georgia. Additional exemptions apply to fully cash-collateralised exposures in the same currency, refinancing or restructuring in the same currency without increasing the borrower's total obligations, and cases where the borrower generates sufficient income in the same currency that is not sensitive to exchange-rate fluctuations.

Further consumer-protection enhancements took effect on 1 May 2025, introducing clearer limits on commissions and penalties applied in cases of early repayment and refinancing by another financial institution. In such refinancing cases, financial institutions may now charge up to 0.5 percent of the prepaid principal for natural persons and for other clients whose total obligations with the same institution do not exceed GEL 2 million. For documentary operations (including guarantees, letters of credit, acceptances and other trade-finance instruments), the 0.5 percent cap also applies to such clients, while for non-natural persons with exposures exceeding GEL 2 million, the maximum fee is limited to 2 percent of the contractual documentary amount. In all cases, early repayment charges may not exceed the interest or commission that would have accrued over the remaining contractual term.

TBC Bank ensured timely compliance with these regulatory developments by updating its lending policies, eligibility criteria, systems, and client documentation to align currency denomination with borrowers' income structures and to reflect the revised limits on early repayment and refinancing fees. While the GEL-denomination requirement may moderately reduce the share of new foreign-currency lending, and the updated prepayment rules may limit fee flexibility in certain cases, no material financial impact is expected. This reflects TBC's strong capital and liquidity position, high level of liberalisation, prudent foreign-currency risk management, and historically conservative fee practices and client-transparency standards.

Competitive landscape

Georgia's banking industry remains duopolistic and highly concentrated in structure, dominated by TBC Bank and Bank of Georgia, which jointly account for around 76%² of total system assets.

In 2025, TBC Bank strengthened its Corporate Banking leadership, sustaining the highest market share across major product categories, including loans at 43.6%².

Within the affluent segment, TBC Concept continued to lead the market, delivering a 14% year-on-year expansion of its loan portfolio on a constant-currency basis, resulting in an affluent loan market share of 52.8%³. Within mass retail, TBC outpaced the sector in the fast consumer loan segment, growing its Fast Consumer Loan (FCL) book by 36% annually and securing a market share of 31.5%². These results highlight the Bank's strategic emphasis on scaling unsecured lending and further broadening its overall portfolio mix.

Technology

Technological advancements and artificial intelligence continue to reshape the financial services sector. In recent years, we have developed robust in-house digital platforms, significantly advancing the digitalisation of our products and processes. The Bank's modern, cloud-based data platform continues to provide a trusted, secure, and unified foundation for analytics, governance, and innovation across the organisation.

In 2025, TBC Bank advanced to the next stage of its data and AI transformation, transitioning from experimentation to large-scale impact through several key initiatives.

GenAI-powered chatbots, launched in the third quarter of 2025, now handle over 100,000 interactions per month with a 50% offloading rate. Internally, more than 70 workflows, from document processing to reporting, are already automated or AI-assisted. In addition, we deployed eight RAG-based (Retrieval-Augmented Generation) knowledge bases, which offer instant access to verified institutional knowledge across key functions, including risk, legal, operations, and HR.

Together, these advancements demonstrate how data and AI capabilities are now deeply embedded in TBC Bank's operating model, delivering tangible impact across customer experience, efficiency, and decision making.

In addition, TBC further strengthened its cybersecurity capabilities to support resilient digital growth and expansion. Development teams were empowered through secure coding trainings, promoting a culture of secure-by-design engineering. The group-level Security Operations Centre capabilities were enhanced with advanced threat intelligence, enabling faster detection and response to emerging threats.

¹ Preliminary estimate of Geostat.

² Based on data published by the National Bank of Georgia, as of 31 December 2025.

³ Based on internal estimates as of December 2025.

Our business model

Our business model is underpinned by our commitment to providing exceptional financial services to customers, which in turn supports strong customer acquisition and growth. We are building and sustaining market leading businesses, whilst leveraging the synergies between them to the overall benefit of the Group.

Over the past 30 years and more, we have created the country’s leading financial services business, spanning corporate, affluent and mass retail, MSME, as well as a number of additional services in payments and leasing.

What we deliver

<p>Universal financial services provider in Georgia coupled with a digital lifestyle ecosystem</p> <ul style="list-style-type: none"> • Retail, MSME, CIB & WM banking • Payments, Leasing 	<p>Group-level synergies</p> <p>Our business units are interrelated and mutually reinforcing, creating a cohesive ecosystem that drives efficiency, enhances customer value, and fosters innovation. By leveraging shared expertise, digital capabilities, and centralised centres of excellence in governance, we deliver seamless experiences across geographies</p>
---	---

How we deliver

<p>Digital-first strategy</p> <p>Continuous digital innovation throughout our business, based on cutting-edge technology</p>	<p>Prudent risk management</p> <p>Apply a risk-adjusted profitability approach in decision-making, ensuring the Group maintains a high degree of resilience</p>
<p>Data-driven approach</p> <p>Utilise our advanced data analytics capabilities and AI solutions to offer convenient and frictionless services for our customers and to optimise business processes</p>	<p>Outstanding team</p> <p>Attract, develop and retain the best talent while cultivating a strong culture</p>

How we create value for

<p>Colleagues</p> <p>Support our colleagues in their professional development and provide rewarding career opportunities</p>	<p>Customers</p> <p>Provide tailored solutions and the best possible customer experience for our clients</p>
<p>Community</p> <p>Support business development and foster job creation, as well as take an active part in CSR and ESG activities</p>	<p>Investors</p> <p>Continue to create value by generating sustainable returns for our shareholders and maintaining effective, long-term relationships with our debt holders</p>

Our strategic priorities

Our strategy aims to deliver our mission to make people's lives easier

We achieve this through providing best-in-class financial services to individuals and businesses. Each of our priorities has been carefully chosen and analysed to ensure that it contributes towards maintaining the Group's high profitability, strong growth profile, and customer trust.

<p>Increase digital engagement</p> <ul style="list-style-type: none">• Drive productivity and efficiency through digital, automatised processes• Increase the number of digital active users and their daily engagement• Focus on increasing digital sales and offloading physical channels	<p>Continue enhancing our customer experience</p> <ul style="list-style-type: none">• Be a reliable partner for our individuals and business customers• Design customer-tailored financial services and products seamlessly delivered across all channels• Accelerate the development of innovative digital solutions enabling AI-based personalised customer experience
<p>Build on our market leading position</p> <ul style="list-style-type: none">• Maintain our commanding position in corporate, MSME and affluent retail• Strengthen our position in the mass retail segment by expanding unsecured lending and deposit portfolio• Enhance focus on daily banking and customer engagement• Attract, develop and retain the best talent while cultivating a strong culture	



Our key performance indicators

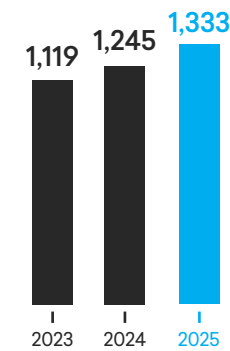
We use a broad range of financial and non-financial measures in order to monitor our performance and provide a balanced view that takes into account the interests of all our stakeholders. The Supervisory Board regularly reviews the key performance indicators (KPIs) in order to ensure that they lead the group in the desired direction and secure the long-term sustainable growth of the Group.

Due consideration is also given to the selection of the most relevant KPIs for the executive management’s remuneration in order to better align their interests with those of our stakeholders.

Group-wide financial KPIs

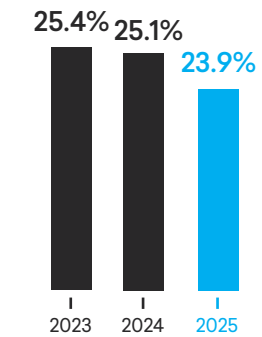
Strong growth and profitability

Net profit (GEL mln)



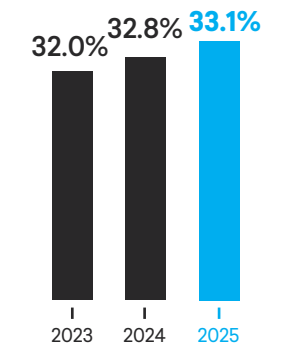
Our net profit increased by 7% year-on-year, driven by strong and consistent performance.

Return on equity (ROE)¹



Strong revenue generation was reflected in a high ROE of 23.9%.

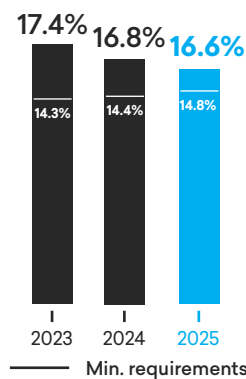
Cost to income ratio¹



Our cost-to-income ratio increased by 0.3pp year-on-year in 2025, due to continued investment in technology. We remain committed to optimising operational efficiency while strategically investing in growth.

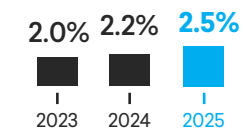
Solid balance sheet

CET 1 capital ratio¹



Our CET1 ratio remained well above the minimum regulatory requirements by 1.8pp. We remain committed to maintaining strong capital buffers to ensure financial stability and resilience.

Non-performing loans (NPLs)^{1,2}



The NPL ratio rose by 0.3pp year-on-year, mainly driven by CIB. Overall asset quality remains robust and well within our risk appetite.

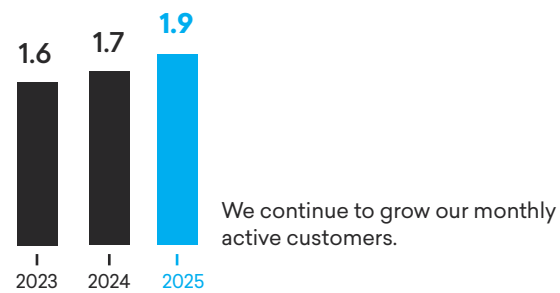
¹ Definitions and detailed calculations of the APMs are provided in the section “Additional Information”, under “Alternative Performance Measures”.
² Includes finance lease receivables.

Specific KPIs

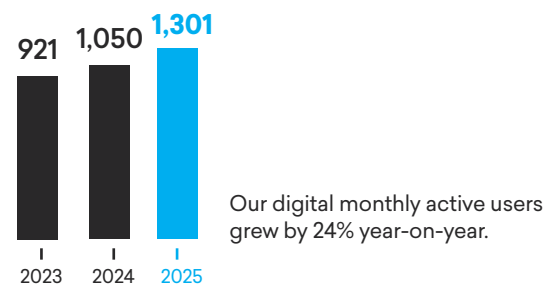
Our key performance indicators

Growing customer base and digital footprint

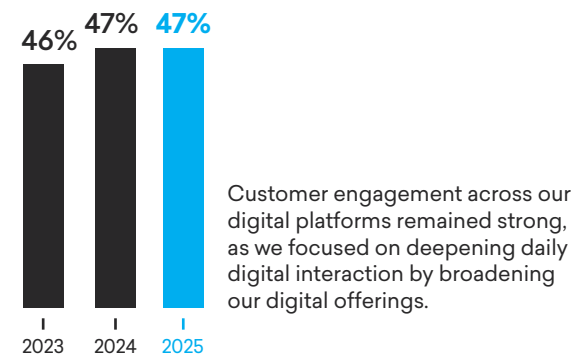
Monthly active customers¹ (mln)



Digital monthly active users¹ ('000)

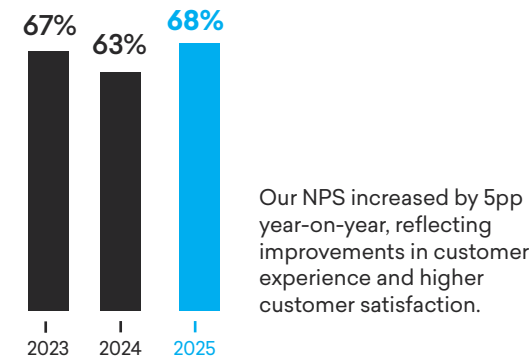


Digital daily active users / monthly active users¹ (DAU/MAU)

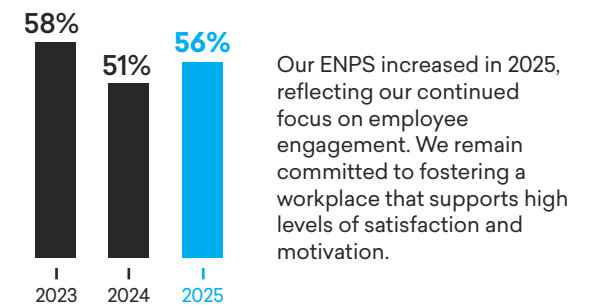


High employee and customer satisfaction levels

Customer net promoter score (NPS)²

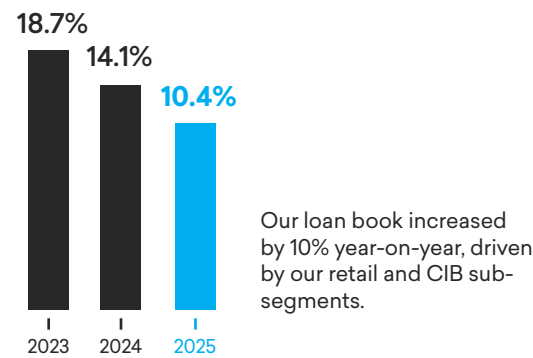


Employee net promoter score (ENPS)³

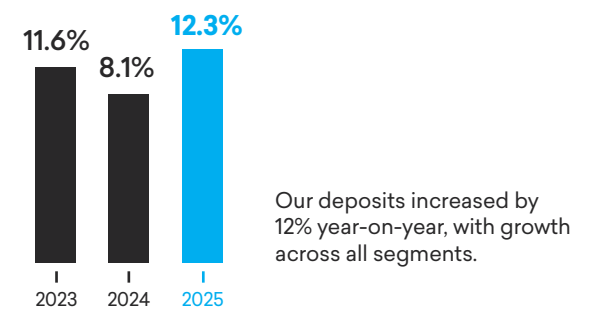


Continued growth

Loan growth at constant currency⁴



Deposit growth at constant currency



¹ Terms are defined in the section "Additional Information", under "Glossary".

² The Net Promoter Score (NPS) was measured based on a survey conducted by the independent research company Sonar in December 2025 for retail customers.

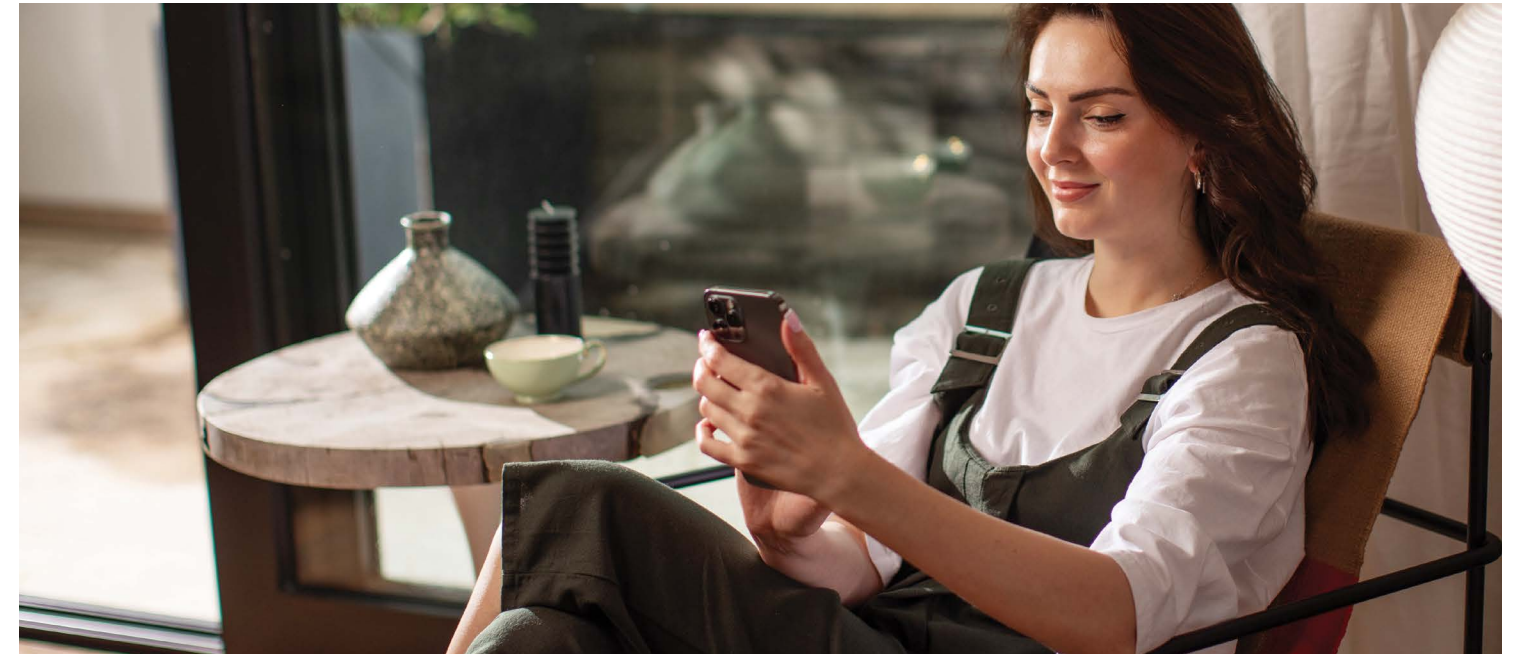
³ The Employee Net Promoter Score (ENPS) was measured in the last quarter of 2025 for the Bank's employees, based on ACT Research.

⁴ Includes finance lease receivables.

Business review

TBC Bank is a leading financial services group in Georgia, operating across retail, corporate and MSME segments, with around 40% market share in all key metrics.

Our core banking services are complemented by fee-generating activities, including payments and leasing.



Our value proposition

Retail banking	Micro, small and medium enterprises (MSME) banking
Corporate and investment (CIB) banking	TBC Leasing

Key highlights 2025

Gross loan portfolio ¹ GEL 27.6 bln +11% YoY ²	Deposit portfolio GEL 24.4 bln +12% YoY ²	Net profit GEL 1,333 mln +7% YoY
ROE 23.9% -1.2pp YoY	Digital monthly active users (MAU) 1,301 k +24% YoY	DAU/MAU 47% +0pp YoY

¹ Includes finance lease receivables.
² Growth in constant currency.

Retail banking

TBC strengthened its retail banking leadership in 2025, delivering strong momentum in fast consumer lending, deepening digital engagement, and enhancing its affluent segment offering with the successful launch of Georgia’s first travel card.

Key highlights 2025

Retail loans	Retail deposits	Monthly active customers	Digital monthly active users (MAU)
GEL 9.8 bln (2024: GEL 8.7 bln)	GEL 9.7 bln (2024: GEL 8.5 bln)	1,867 K (2024: 1,701 K)	1,301 K (2024: 1,050 K)

Mass retail

- A leading position across the mass retail segment
- A full suite of financial products and services
- Acclaimed digital channels
- Efficient, convenient and accommodating next-gen branches

Affluent retail

- Number one choice for affluent customers
- Innovative, flexible subscription model offering tailored products and services
- Strong positioning in lifestyle offerings

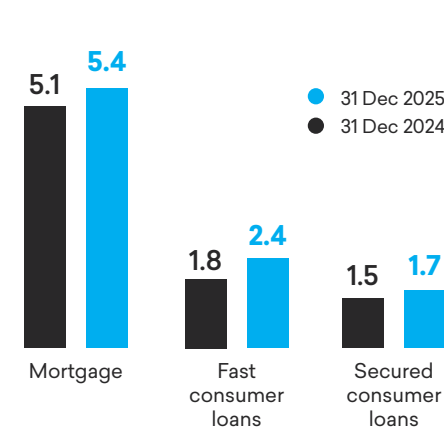
YEAR IN REVIEW

TBC continued to play a leading role in serving retail customers, combining strong digital capabilities and a full product suite with next-generation branches, as well as differentiated lifestyle and subscription propositions for affluent customers.

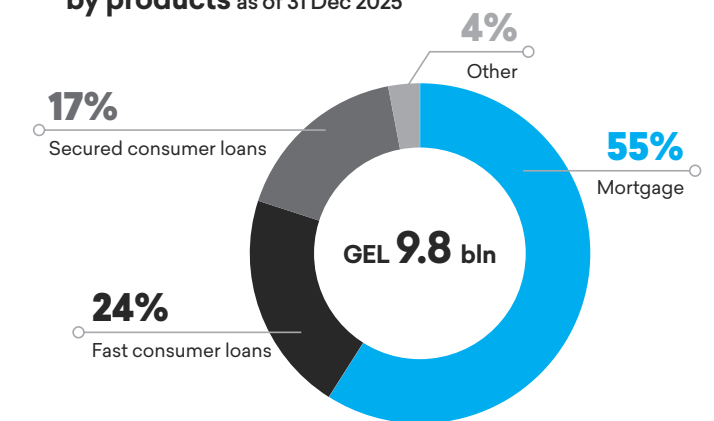
In 2025, our retail loan book grew by 12% year-on-year on a constant-currency basis. Growth was primarily driven by fast consumer loans (FCL), which increased by 33%. Over the same period, retail deposits increased by 16% year-on-year on a constant-currency basis, supported by the redesigned digital deposit-opening flow, new micro-saving features, enhanced automated marketing and data-driven tools.

In December 2024, we launched TBC Card, our flagship daily banking product, issuing almost 1 million cards by the end of 2025. Of these, close to 500,000 cards were acquired by new, dormant, and first-time debit card clients. TBC Card comes with a fully revamped loyalty programme that enables real-time cashback on all payments in Georgia. Customers can also choose one of three priority spending categories: grocery, fuel, or pharmacy, to benefit from double or triple cashback. This proposition has significantly strengthened customer engagement and served as a key contributor to transferring qualifying mass market customers to our affluent banking segment. We also streamlined the card issuing process, reducing the onboarding process to less than 25 seconds and nearly doubling the digitalisation rate to 75%, in line with our strategy to scale end-to-end digital acquisition.

Retail gross loans (GEL bln)



Retail gross loans breakdown by products as of 31 Dec 2025



DIGITAL CHANNELS AT THE CORE OF CUSTOMER ENGAGEMENT

Our digital banking app is the primary channel through which customers manage their daily financial lives. We deliver a seamless, mobile-first experience that covers everyday banking, cards, deposits, credit, and payments. The app extends far beyond traditional banking through personalised dashboards, a powerful loyalty ecosystem, and Georgia’s leading digital investing platform. Lifestyle services, including travel benefits, automotive services, and real-time financial insights, further enhance convenience, making the app an integral part of customers’ day-to-day routines.

During the year, we have made the following upgrades to our mobile app:

- Design and experience update: the app’s design, colours, and typography were refreshed, creating a consistent and intuitive experience. Key journeys, including product activation, deposits, loans, credit cards, BNPL, transfers, and payments, were simplified and redesigned for faster daily banking.
- Personalisation: users can now customise a modular dashboard with intelligent widgets that deliver tailored insights and actions.
- Youth space: a dedicated youth space was created, which enables parents to register their child for mobile banking entirely digitally.
- Personal financial manager (PFM): the PFM was redesigned and now includes a weekly expense summary for better money management.
- Shared expenses: a new shared expense feature was added, which allows users to easily track and settle balances with friends.
- Exclusive travel benefits: affluent customers can now generate airport lounge QR codes and Visa Fast Track vouchers directly in-app, and all users can access new roaming benefits, including eSIM activation for Turkish Airlines cardholders.
- Digital investing ecosystem: the streamlined onboarding and purchase experience, which fell from 26 to 9 screens, led to a 4x higher activation rate and caused the number of monthly active users to more than double to c.113,000, up from c.55,000 a year ago.

Mobile app that makes users' everyday lives easier

User-centric platform

- Smooth onboarding process in 30 seconds
- Easy login and credentials management
- Personalised dashboard and widgets
- Seamless digital journeys from activation to care

Daily banking

- TBC Card with special benefits
- Quick transfers and payments
- Instant P2P transfers, GEL/Currency
- Scheduled payments & transfers
- Personal Financial Manager & analytics
- Shared expenses - transactions splitting
- Remittances

Savings

- Demand & Term deposits
- Group saving
- Goal set up
- Piggy bank
- "MySafe"
- Fully digital deposits

Lifestyle & loyalty

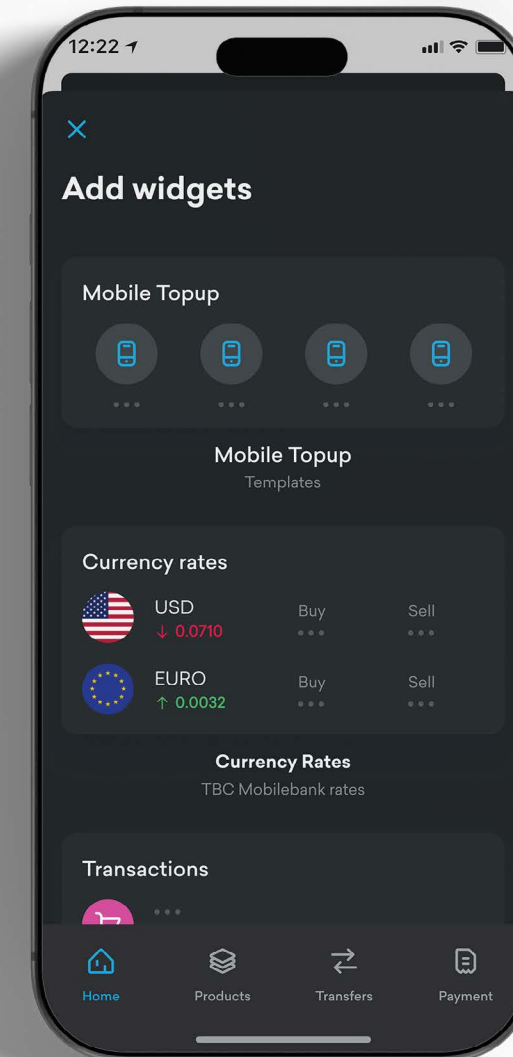
- Offers from partner merchants
- Favourite category for extra rewarding
- Loyalty points redemptions
- Special offers for the affluent segment
- Lifestyle benefits for affluent segment: Airports services, Concept events
- Invite friends - Get gifts - Referral programme

Lending products

- End-to-end online consumer lending
- Pre-approved credit limits
- Buy now, pay later (BNPL)
- Credit card
- Mortgage loans
- Auto loans
- Loan prepayment
- Loan refinancing

Investments

- US market online trading
- Quick onboarding & buy stocks from the bank account
- Investment portfolio management
- Autopilot - recurring investment
- Smart robo portfolio
- Analyst recommendation
- Marketplace for discovery
- Market orders; Limits; Stop loss



App Store: 4.9 ★

Play Store: 4.9 ★

STRENGTHENING DIGITAL CONSUMER LENDING

To accelerate the growth of unsecured consumer lending, we renewed the end-to-end digital journey across all unsecured products, reducing time-to-cash from 5 minutes to less than 2 minutes and cutting drop-off rates from 7% to 4%. In addition, for FCLs, we introduced dynamic credit limits, which automatically update customers' available limits based on their latest profiles, which resulted in generating on average GEL 13 million in incremental disbursements per month. We also implemented an NPV-based loan pricing model, ensuring more disciplined pricing decisions and optimised risk-adjusted returns.

As a result, the share of FCLs, our major product in this category, issued digitally increased by 2pp and reached 70% by the end of the year. We also fully digitalised our credit card offering in 4Q 2025, which had previously been available exclusively through physical channels. Consequently, the digitalisation rate of credit cards reached 42% by the end of the year. At the same time, the digitalisation rate for buy now, pay later (BNPL) and Installments products stood at 95%. The demand for BNPL/Installments increased by 96% year-on-year, accounting for almost 50% of all digital loan applications on the market, becoming a powerful customer acquisition tool. Overall, our unsecured-lending customer base grew by 9% in 2025, amounting to c.465,000 customers with 83% of all loans issued digitally.

We also implemented several initiatives to support secured lending growth, including:

- 1-click consent-based flow: we introduced a new 1-click lending flow in the mobile bank, enabling customers to instantly calculate mortgage or other secured loan limits by granting access to credit bureau and revenue service data. If interested, customers can seamlessly submit a lead to a banker directly within the app, ensuring a smooth transition from digital engagement to a more personalised service.
- Pre-approved loan (PAL) expansion: we expanded PAL coverage for mortgages and other secured loans and integrated it into the mobile bank. This enhancement enabled real-time limit updates, improved transparency, and simplified the overall loan journey. Similar to the 1-click flow, customers can instantly submit a lead for follow-up, creating an integrated digital-to-human experience.
- Speed & automation: we optimised loan origination and decision-making processes for secured consumer loans, reducing average approval time threefold and enhancing the in-branch experience. These improvements accelerated processing and contributed to higher customer satisfaction across channels.

ADVISORY-LED BRANCH MODEL DRIVING HIGHER PRODUCTIVITY AND PROFITABILITY

Last year, we launched a branch transformation project aimed at converting traditional transactional branches into advisory hubs, with the objective of delivering the best customer experience, enhancing sales excellence, and improving profitability. The project was rolled out in 2025 and is already generating strong results. Average monthly transactions per front-office employee decreased by 40% year-on-year, while average product sales per sales employee increased by 24% and average direct ROE of the branches increased by 1.2pp over the same period. Looking ahead, we will continue focusing on offline-channel profitability by further optimising branch formats and reallocating capacity toward high-value advisory activities, supporting deeper customer engagement and more efficient use of frontline resources.

LAUNCHING GEORGIA'S FIRST TRAVEL CARD: ELEVATING THE TBC CONCEPT EXPERIENCE

Our affluent segment, TBC Concept, is the leading franchise for affluent customers in Georgia and represents a significant share of our retail business. In 2025, the number of affluent clients grew by 49% and reached c.191,000.

Over the same period, the TBC Concept loan book and deposit portfolio grew by 14% and 26% year-on-year, respectively, on a constant-currency basis. The segment makes up 61% of retail loans and 58% of retail deposits.

In 2025, TBC Concept introduced Georgia's first co-branded travel card, developed in partnership with Visa and Turkish Airlines, marking a major step in strengthening its premium, lifestyle-banking proposition. The card integrates Visa's global payment network with Miles&Smiles loyalty benefits, enabling customers to accrue miles at every stage of their international journey and redeem them for flights, upgrades, baggage, and shopping. In addition, the cardholders receive airport privilege services and exceptional travel benefits, as well as cashback on purchases made in Georgia. Since its launch in August 2025, we have issued c.4,000 cards.

TBC Bank wins “Best Use of Tech in Consumer Lending” at the 2025 Banking Tech Awards



Recognising its continued innovation in fast consumer loans and a technology transformation enabling fully digital unsecured lending in under five minutes.

The Banking Tech Awards by Fintech Futures are a leading industry benchmark, celebrating innovation across the financial services sector and shaping the agenda for the ongoing digital transformation of our industry.

Micro, small and medium enterprises (MSME) banking

In 2025, we focused our efforts on accelerating the digitalisation and automation of MSME lending & onboarding, as well as developing AI solutions to strengthen customer experience and operational efficiency.

Key highlights 2025

MSME loans	MSME deposits	Digital penetration ¹
GEL 6.0 bln (2024: GEL 5.9 bln)	GEL 2.2 bln (2024: GEL 2.0 bln)	90% (2024: 86%)

Micro and SME

- A comprehensive suite of financial products tailored to each stage of business development
- An advanced and highly automated lending process
- Flexible subscription-based banking model
- Extensive non-financial support, including training programmes and international exposure opportunities

YEAR IN REVIEW

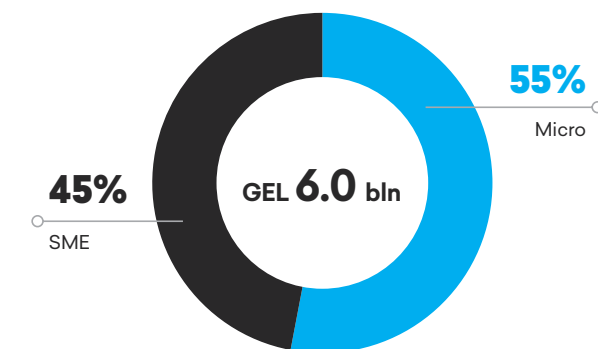
TBC is the leading financial partner for MSMEs in Georgia. Through an enhanced mix of financial and non-financial services, we continue to empower businesses of all sizes, from start-ups to established enterprises.

In 2025, our MSME loan book remained broadly stable. Over the same period, MSME deposits increased by 9% year-on-year on a constant currency basis.

MSME gross loan portfolio (GEL bln)



MSME gross loans breakdown by sub-segments as of 31 Dec 2025



In 2025, we continued advancing TBC's digital transformation agenda by launching several key innovations across lending, onboarding and the business app. These initiatives strengthened operational efficiency, enhanced customer experience, and expanded access to fully digital financial solutions.

DEVELOPING AI-DRIVEN IMAGE ANALYSIS CAPABILITIES

In the micro segment, a significant advancement toward innovation has been the integration of AI into the lending process. The solution enables data-driven risk assessment, reduces human error, and supports continuous process improvement. It is embedded within the credit application workflow and can automatically identify business activity based on uploaded images. Additionally, by comparing current and historical images, it assesses changes in a business' operational condition.

The system also strengthens fraud prevention by detecting duplicate or similar images across different customer applications.

While these capabilities are fully built and integrated at the system level, the next phase is to embed them into the credit decision-making workflow - enhancing operational efficiency and improving the quality and consistency of credit decisions.

IMPLEMENTATION OF END-TO-END DIGITAL LENDING FOR MICRO BORROWERS

In 2025, we fully implemented an automated credit limit approval and utilisation process for the Micro business segment.

Under this model, when a micro business loan is approved, the customer is assigned a maximum credit limit, within which they can draw funds as needed, without additional documentation, over a 12-month period. Previously, the process required a branch visit, financial analysis, and around 120 clicks in the credit system. The new fully digital process enables customers to receive the desired amount in just 2 minutes and 14 clicks. Initially, the service was available only in branches with the involvement of a credit expert. Today, it is fully automated and accessible through both business mobile banking and internet banking.

¹ Calculated for MSME legal entities only.

DIGITAL ONBOARDING

In March 2025, TBC launched a fully automated digital onboarding process for resident legal entities. Newly-registered resident legal entities in the Public Registry can now become TBC clients, open GEL accounts, and access banking products entirely online, without visiting a branch.

The journey is fully automated end-to-end, requiring no manual intervention, which significantly improves convenience and saves time for both customers and employees. Once a business registration extract is issued, clients receive an SMS with a secure link that guides them through a quick and intuitive onboarding flow.

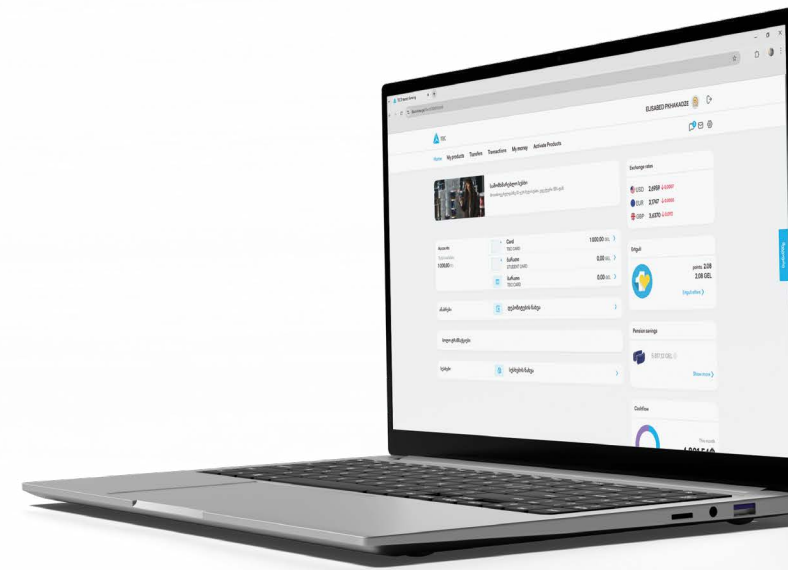
Since the launch, almost 3,000 companies have already onboarded through this digital channel, marking a major step toward greater digitalisation and operational efficiency. We are now working on expanding this onboarding experience to non-resident business clients to further enhance accessibility and inclusiveness across our business ecosystem.

ONE-STOP HUB FOR BUSINESS

During the year, we completed a full upgrade of our business app, aligning its capabilities with those of our internet banking and enabling customers to manage their finances on the go. We also introduced several innovative features across both channels, including:

- Entrepreneur customers can log in to the TBC business app using their existing retail TBC mobile biometric or passcode login. This removes the need to remember a username or password and delivers a smooth first experience, with a first-login success rate of over 99%;
- An integrated FX module that allows businesses to execute foreign exchange transactions instantly and manage currency exposure end-to-end digitally, without human involvement. Real-time market rates ensure full transparency and control for importers, exporters, and cross-border traders;
- Multi-transfer functionality, enabling companies to send payments to multiple employees or vendors simultaneously;
- Bulk salary or supplier payments can now be executed with a single confirmation, saving valuable time and reducing manual errors.

Through these innovations, TBC has simplified daily financial management for thousands of businesses, helping them save time, access capital faster, and operate more efficiently.



One-stop hub for business banking and beyond

Onboarding & access management

- Seamless digital onboarding
- Onboarding for non-residents
- Easy login with Face ID and Passcode
- Entrepreneurs login with TBC Retail Face ID / Passcode
- Multi-company account switching
- Role-based permissions and spending controls

Daily banking & cash management

- Foreign exchange deals
- Full transaction management
- Subscription banking plans
- Historical balance tracking by date
- Local, international & bulk transfers
- Scalable payment infrastructure
- Financial reporting & statements
- Customisable dashboard with widgets
- QR account requisites & quick actions

Business financing solutions

- Instant pre-approved credit disbursement
- On-demand credit limit requests & guarantees
- Digital tender guarantees (E-tender)

Growth & operational tools

- Invoice creation & management
- KYC compliance module
- Integrated payroll solution
- Business Financial Manager (BFM) – income & expense analytics
- Open banking connectivity
- In-app feature updates & announcements
- In-app business messaging
- Scheduled payments & transfers

EXTENSIVE NON-FINANCIAL SUPPORT PROGRAMMES FOR BUSINESSES

ANNUAL BUSINESS AWARD

TBC is a proud organiser of the TBC Business Awards, the largest and most prestigious awards platform for small and medium-sized businesses in Georgia. The initiative aims to foster a culture of entrepreneurship, inspire business development, and promote success stories across the country. Over the past nine years, more than 4,500 businesses have participated, sharing their journeys and contributing to a vibrant and growing business community. Every year, the best businesses are awarded in 5 different categories: Best Product, Best Innovative Startup, Outstanding Social Responsibility, Outstanding Regional Development, and Outstanding Freelancer.

This year, we introduced several exciting enhancements to expand the impact and inclusivity of the platform:

- We added a brand-new category, "Best Freelancer", recognising outstanding contributions from self-employed professionals and acknowledging their growing role in the business ecosystem.
- Each award category now features three winners instead of one, ensuring broader recognition and fostering a stronger sense of community. All winners receive media visibility and exclusive prizes to support their business productivity.
- For the first time, the ceremony included a knowledge-sharing component, featuring inspiring keynote speeches and panel discussions with leading voices from Georgia's business landscape.

In collaboration with our strategic partner the Global Climate Partnership Fund (GCPF), we also proudly introduced two special honours that reflect our values of sustainability and inclusion "Gender Equality" and "Green Initiatives".

This year, the awards brought together up to 445 registered businesses from across Georgia, culminating in the selection of 17 remarkable winners.

THE LARGEST BUSINESS EDUCATION PROGRAMME IN GEORGIA

Access to knowledge is just as important as access to finance. That is why we have built the most comprehensive business education programme in Georgia, designed to support entrepreneurs across the country with the tools and skills they need to grow.

For over a decade, the TBC Business Education Programme has been implemented in collaboration with leading international development partners, including the Asian Development Bank (ADB) and European Fund for Southeast Europe (EFSE). The programme offers a wide variety of learning opportunities, including training, workshops, courses, and one-on-one consultations, delivered both online and in person. This initiative is open to all entrepreneurs and, over the past year we organised around 50 business education activities benefiting c.3,500 participants.

STRENGTHENING OUR BUSINESS ECOSYSTEM

This year, we also continued to invest in initiatives that strengthen the business ecosystem across Georgia and support our customers through knowledge-sharing, visibility, and cross-border opportunities.

- Thursday meetings: held 5 large-scale meetings across Tbilisi, Kutaisi, Batumi, Telavi and Akhaltsikhe, bringing together around 500 entrepreneurs and professionals. Each session focused on sector-specific topics, featuring open discussions with industry experts and offering valuable networking and practical insights for business growth.
- Media support: provided customers with enhanced visibility through business blog features and national TV appearances. Our content reached 40+ leading media platforms, with more than 25 businesses benefiting from wider exposure, stronger recognition, and access to new audiences.
- Uzbekistan business expo: supported the Georgia-Uzbekistan business expo, which gathered over 50 Georgian companies to explore opportunities in one of Central Asia's fastest-growing markets. The initiative helped businesses build partnerships, understand market dynamics, and expand their reach beyond Georgia.

Theatre Workshop 42: A TBC-Backed Success Story



In 2023, TBC recognised the potential of Theatre Workshop 42 and fully financed the creation of a new, independent performing arts space in Tbilisi. The initiative aimed to establish a modern platform that fosters innovation, collaboration, and education within Georgia's theatre community.

Today, Theatre Workshop 42 is a standout example of how private-sector partnership can accelerate cultural development. The theatre now hosts sold-out performances, attracts international collaborations, and offers educational programmes that contribute to the growth of Georgia's creative economy. In 2025, the project's achievements were also recognised at the TBC Business Awards, underscoring its lasting cultural and economic impact.

* Photo by Elene Zibzivadze.

Corporate and investment banking (CIB) & wealth management (WM)

In 2025, we strengthened our CIB and WM businesses through strong growth, the deployment of AI-enabled tools, and continued enhancements to our digital channels.

Key highlights 2025

CIB loans GEL 11.2 bln (2024: GEL 9.9 bln)	CIB deposits GEL 12.3 bln (2024: GEL 11.3 bln)	WM AUM GEL 4.8 bln (2024: GEL 4.4 bln)
---	---	---

Corporate banking

The largest and most trusted partner for corporates with a leading position in both loans and deposits

Wealth management

An fast-growing wealth management business with growing financial advisory and brokerage franchises

Investment banking

TBC Capital – the leading investment bank in corporate debt capital market (DCM) transactions and research, supported by advanced brokerage solutions

YEAR IN REVIEW

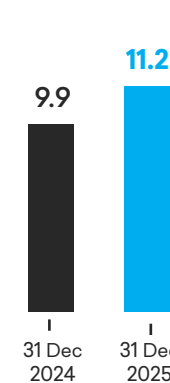
CORPORATE BANKING

MAINTAINING OUR STANDING AS THE NUMBER ONE CHOICE FOR CORPORATE CUSTOMERS

Our corporate banking business plays a pivotal role in supporting Georgia's real economy by serving leading corporates across key sectors. Leveraging deep sector expertise and a relationship-led model, we strive to be the financial partner of choice, delivering tailored solutions, advisory capabilities, and seamless execution to enable our clients' growth. Our focus on service excellence is reflected in an outstanding NPS¹ of 82% for the CIB, demonstrating the strong trust and satisfaction of our corporate clients.

In 2025, CIB's gross loans increased by 14% on a constant-currency basis and remained well-diversified across all major sectors of the Georgian economy, with particularly strong expansion in construction, production and trade of consumer goods, and tourism. As a result, our corporate loan market share reached 43.6%² at year-end. Portfolio concentration remained prudent, with the top 10 borrowers accounting for 5% of the total loan book, a decrease of 0.8pp year-on-year. Over the same period, CIB's deposit portfolio increased by 10% on a constant-currency basis.

CIB gross loan portfolio (GEL bln)



CIB deposit portfolio (GEL bln)



LEVERAGING ADVANCED TECHNOLOGY TO DELIVER STRONG AND SUSTAINABLE BUSINESS VALUE

Having successfully optimised our end-to-end lending journey through digitalisation and credit process redesign in recent years, we are now progressing to the next stage of transformation by embedding advanced AI and data-driven capabilities into our corporate banking operating model. A key milestone in 2025 was the introduction of our AI Analyst Copilot, which is being rolled out to progressively automate credit paper generation and free up analyst capacity for higher-value strategic work. This initiative further improved our time-to-cash by 11% year-on-year, bringing it down to 15 days.

To further strengthen our commercial effectiveness, we also enhanced our in-house CRM module with data-driven lead generation for both lending and non-lending products, resulting in c.3,300 leads and a successful conversion rate of 70%. Building on this foundation, we are evolving the platform toward a "bionic advisory" model that blends AI-derived insights with banker expertise to enable faster, more targeted client engagement.

Throughout 2025, we also focused on elevating our customer experience across digital channels, with particular emphasis on improving the money transfer journey. We delivered a seamless end-to-end transfer flow, integrated ERP workflows, and optimised batch transfer processes, including expatriate salary payments, supported by enhancements to our reconciliation module.

Collectively, these initiatives mark a significant step forward in TBC's evolution towards a more intelligent, efficient, and customer-centric corporate banking franchise that leverages digital capabilities, advanced analytics, and AI to deliver superior service, strengthen commercial outcomes, and reinforce our leadership position in Georgia's corporate banking market.

¹ Net Promoter Score (NPS) for the CIB was measured internally in December 2025.

² Based on National Bank of Georgia's published data as of 31 December 2025.

Transportation & Logistics



Georgia's strategic location along the Middle Corridor makes transportation and logistics a critical pillar of the economy, supporting the country's role as a regional transit and logistics hub. The sector accounts for 6.3% of GDP and is expected to grow at an average annual rate of c.9% over 2025–2028. Reflecting these dynamics, TBC Bank has maintained a focused approach to supporting transportation and logistics projects, financing 10 warehouse developments with a total area of c.115,800 sq.m. in 2025.

GIANTI Logistics, founded in 2009, is one of Georgia's largest integrated logistics providers, operating its own heavy equipment and transport fleet, with an increasing strategic focus on warehousing and end-to-end logistics solutions. The company currently operates 20,000 sq.m. of Class A warehouse space and is expanding capacity, with an additional 25,000 sq.m. under construction.

In 2025, TBC Bank financed the construction of a 13,000 sq.m. warehouse, now leased to one of Georgia's largest retail companies. Total financing to GIANTI Logistics in 2025 amounted to USD 20 million, supporting warehouse expansion and strategically significant transport projects, including logistics for 36 wind power plants in Ruisi, Georgia, and cross-border energy infrastructure deliveries linking Turkmenistan and India.

WEALTH MANAGEMENT

EXPANDING OUR REACH AND ENHANCING OUR WEALTH MANAGEMENT SOLUTIONS

Our wealth management franchise delivers a highly differentiated proposition that combines deep local expertise, local and international investment access, and a personalised advisory model. We serve affluent, high-net-worth (HNW) and ultra-high-net-worth (UHNW) clients who choose us for our bespoke banking and investment solutions, enhanced by exclusive lifestyle offerings and access to premium events across Georgia and beyond.

In 2025, our wealth management business further strengthened its client capabilities while enhancing the breadth and depth of service quality, positioning us as the partner of choice for sophisticated private clients and institutional-grade investors and resulting in a 9% year-on-year increase in assets under management to GEL 4.8 billion.

Alternative investment solutions played an important role in our differentiation and growth. We significantly broadened client access to unique high-yield opportunities, such as exposure to the high-growth Uzbek market, enabling unique geographic diversification of our clients' portfolios beyond traditional regional allocations. In addition, as part of our strategic capability enhancement, we became the first financial institution in Georgia to establish a dedicated service offering for international external asset management companies.

Business performance was further strengthened through the continued expansion of our international client base. The non-resident client segment maintained strong momentum, with clients now residing in more than 70 countries.

INVESTMENT BANKING

TBC Capital is a leading provider of investment banking solutions, offering DCM/ECM, brokerage, corporate advisory, and research services across Georgia and the wider Caucasus region. We support HNW individuals, retail investors, corporations, and financial institutions with tailored investment advisory, execution, market insights, and strategic advisory expertise.

LEADING DEBT CAPITAL MARKETS IN GEORGIA AND EXPANDING ADVISORY CAPABILITIES

In 2025, Georgia's debt capital market experienced significant growth, driven by increasing interest from local corporate issuers. Throughout the year, TBC Capital reaffirmed its leading position, capturing approximately 54%¹ market share and further strengthening its dominance in the domestic debt capital sector. Overall, TBC Capital has participated in the issuance of 20 private and public transactions, locally and on international markets, with a total volume of more than USD 1.0 billion.

In 2025, we served as joint lead manager for Silk Road Group's USD 400 million international bond offering, Georgia's largest-ever private corporate issuance. TBC Capital also acted as joint lead manager for the GEL 350 million ESG bond issued by Georgia Healthcare Group (GHG), the largest GEL denominated corporate bond transaction to date. Additionally, we had several exclusive mandates, including TBC Leasing's USD 45 million issuance, marking the largest USD-denominated retail bond in the local capital market.

At the same time, TBC Capital continued to strengthen its role as a regional player. Following its inaugural participation in a local-market bond issuance in Uzbekistan in 2024 as issuer advisor, TBC Capital successfully participated in two additional Uzbek bond transactions in 2025 in the same capacity, further expanding its footprint and deepening cross-border capital markets integration.

This momentum has been reinforced by TBC Capital's authorisation to operate as a licensed investment intermediary in Uzbekistan and its admission as an official member of the Tashkent Republican Stock Exchange. With this milestone, TBC Capital became the first foreign financial intermediary to operate as an exchange participant within Uzbekistan's capital markets Regulatory Sandbox framework.

In 2025, our M&A and corporate advisory team successfully executed numerous M&A and consulting mandates, strengthening its market position, including a landmark transaction in the hospitality sector between leading strategic players.

¹ Market share calculations include both public and private corporate bond placements in the local market, excluding back-to-back transactions involving International Financial Institutions (IFIs) and Eurobond transactions, during 2025.

AWARD-WINNING RESEARCH AND MARKET INSIGHTS

Our research division supports investor decision-making through timely macroeconomic and sector analysis focused on Georgia and the wider region, delivered via weekly, monthly, and quarterly reports to inform investment strategy and risk assessment.

Moreover, TBC Capital's research team also specialises in global market research. The global market research division provides in-depth coverage across Global Macro, Equity, Fixed Income, and Commodities. These analyses are transformed into practical, actionable insights and customised portfolios, enabling clients to make confident and well-informed investment decisions.

In 2025, TBC Capital hosted 12 conferences, bringing together more than 2,500 representatives from the local and international corporate communities. Our research provided insight into both innovative and highly anticipated themes, such as Georgia's solar energy potential, logistics, and Georgia's evolving role as a regional transit hub. In 2025, TBC Capital delivered up to 200 publications, establishing research as a critical pillar of client engagement and investment decision-making. All publications are available at www.tbccapital.ge.

Beyond traditional publications, we broadened our outreach through webinars and launched a new video series. In 2025, we also introduced "Q&A with TBC Capital", an interactive platform that enables subscribers to share questions and receive data-driven, research-based responses – strengthening two-way engagement and expanding the reach, relevance, and immediacy of our research content.

Awards

Global Finance	Euromoney	ADB
Best Supply Chain Finance Provider in Central & Eastern Europe 2025	Best Bank for Research 2025	Leading Partner in Trade Finance in Georgia 2025
Best Private Bank in Georgia 2025	Best Private Bank in Georgia 2025	
Best Investment Bank in Georgia 2025	Best FX Bank in Georgia 2025	
Best Trade Finance Bank in Georgia 2025		

A market-leading, comprehensive solution designed to democratise investments



Driven by a commitment to democratise investment opportunities for retail clients, TBC Capital continued to enhance the investment functionality within TBC mobile bank, creating a seamless, intuitive gateway specifically designed to welcome first-time and mass-market investors.

During the year, we redesigned the onboarding and first-time purchase experience, reducing onboarding time by 67% to a mere 68 seconds. Also, a series of new features further strengthened engagement across the investing journey, including smart portfolios, the first robo-advisory product in the region, as well as enhanced analytical tools such as investment news with analyst recommendations and price targets from globally reputable institutions.

As a result, the monthly active user base more than doubled and reached over 113,000 clients, while assets under management of mobile bank platform users surpassed USD 100 million.

TBC Leasing

In 2025, we continued to focus on strengthening our position in the Retail and MSME segments. As a result, our total leasing portfolio increased by 38% year-on-year, reaching GEL 613 million.

Key highlights 2025

Market share ¹	Total leasing portfolio	Green leasing portfolio	Net profit
84.4% (2024: 86.3%)	GEL 613 mln (2024: GEL 444 mln)	GEL 46 mln (2024: GEL 40 mln)	GEL 30 mln (2024: GEL 20.3 mln)

AT A GLANCE

A wholly owned subsidiary of TBC Bank, TBC Leasing is Georgia’s leading non-bank, asset-based financier. We serve over 3,000 clients across Georgia through flexible, digitally enabled asset financing solutions that support sustainable business growth and financial inclusion.

Our customer base spans micro, small, and medium-sized businesses as well as retail customers, with MSME clients accounting for 84% of the leasing portfolio and retail customers representing 16%. We primarily provide tailored financial and operational leasing solutions for machinery and equipment. Our portfolio is well diversified by industry, including Construction, Development, Services, Road Construction, Medicine, Agriculture, Trade, HoReCa, Renewable Energy, and Automotive. We also actively participate in subsidy programmes implemented by Enterprise Georgia and the Rural Development Agency, helping co-finance agricultural projects for farmers and businesses.

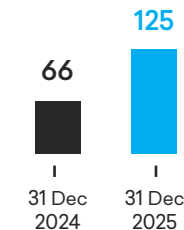
YEAR IN REVIEW

In 2025, TBC Leasing achieved robust growth across its key financial metrics. The total leasing portfolio expanded by 38% year-on-year, reaching GEL 613 million, driven by strong demand across both MSME and retail segments. At the same time, net profit rose by 48% to GEL 30 million in 2025, supported by improved operational efficiency, a high-quality asset base, and disciplined risk management.

MSME leasing portfolio (GEL mln)



Retail leasing portfolio (GEL mln)



In 2025, we maintained strong momentum in capital raising, securing over GEL 268 million in green, MSME and women-focused funding from leading international financial institutions to support MSME growth, financial inclusion, and Georgia’s green transition. We also successfully placed USD 45 million in unsecured public bonds in the local market, marking the largest USD-denominated retail bond issuance on the Georgian capital market further demonstrating our established track record as a Fitch-rated (BB, Stable Outlook) issuer. These transactions diversified our funding base and strengthened our long-term liquidity, while directly expanding our capacity to finance energy-efficient and low-emission assets. As a result, our green leasing portfolio reached GEL 46 million by year-end, up by 15% year-on-year and reinforcing our position as a key contributor to the adoption of sustainable and green finance in Georgia.

Our progress in sustainable finance was further recognised during the year, as we received the Corporate Sustainability Award in the category Partnership for Sustainable Development (SDG 17) for our collaboration with the Green for Growth Fund (GGF) under the “Deep Greening – Scaling Initiative” to promote solar PV systems in Georgia. We also joined the United Nations Global Compact Network, reinforcing our commitment to aligning our operations with the world’s largest corporate sustainability initiative.

Alongside advances in sustainable finance, we continued to embed digital efficiency across our value chain from risk scoring to CRM-linked origination tools, shortening lease approval cycles and improving conversion rates. These enhancements support customer acquisition and improve asset quality across both our MSME and retail portfolios.

In addition, we improved our front-end digital presence by adding an interactive leasing calculator to our website, available in GEL, USD, and EUR. This enables our potential clients to estimate monthly payments and submit preliminary applications. This tool increases transparency, improves engagement, and enhances accessibility for self-service users. We also finalised the development of a client portal for leasing customers and are currently working on integrating it into our website. The portal will enable clients to access their lease information in real time, track schedules and payments, submit service requests, and make payments through a single digital channel.

To further support market awareness and broaden the understanding of leasing as an alternative financing tool, we collaborated with Cassa Depositi e Prestiti (CDP) under the InclusiFI Programme to produce a series of engaging and educational video clips. These clips generated high engagement, accumulating more than 500,000 views across our social platforms and helping to drive broader adoption and business growth.

LOOKING AHEAD

The Georgian leasing market has grown at a 18% 5-year CAGR, yet leasing volumes still represent only about 1% of Georgia’s GDP, significantly below the 4-5%² level typical of peer economies. With strong institutional backing, a scalable digital model, and a comprehensive, inclusive product suite, TBC Leasing is uniquely positioned to capitalise on this structural growth opportunity.

¹ Based on internal estimates.
² Based on UK Good Governance Fund, Leasing Market Research.

Highlights

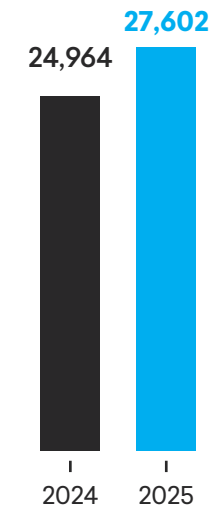
Total operating income
(GEL mln)



Net profit
(GEL mln)



Loan portfolio
(GEL mln)



ROE	NIM	CoR
23.9% -1.2pp YoY	5.8% +0.0pp YoY	0.7% +0.2pp YoY

Consolidated income statement and other comprehensive income

<i>In thousands of GEL</i>	2025	2024	Change YoY
Interest income	3,619,183	3,135,908	15.4%
Interest expense	(1,807,459)	(1,544,916)	17.0%
Net interest income	1,811,724	1,590,992	13.9%
Fee and commission income	800,191	677,004	18.2%
Fee and commission expense	(347,241)	(278,914)	24.5%
Net fee and commission income	452,950	398,090	13.8%
Net gains from currency derivatives, foreign currency operations and translation	347,390	367,783	-5.5%
Other operating income	23,468	16,515	42.1%
Share of profit of associates	572	574	-0.3%
Other operating non-interest income	371,430	384,872	-3.5%
Credit loss allowance for loans to customers	(177,407)	(109,510)	62.0%
Credit loss allowance for other financial items and net impairment for non-financial assets	(30,491)	(22,462)	35.7%
Operating income after expected credit and non-financial asset impairment losses	2,428,206	2,241,982	8.3%
Staff costs	(475,952)	(439,830)	8.2%
Depreciation and amortisation	(127,216)	(118,283)	7.6%
Administrative and other operating expenses	(269,096)	(221,371)	21.6%
Operating expenses	(872,264)	(779,484)	11.9%
Net profit before tax	1,555,942	1,462,498	6.4%
Income tax expense	(222,488)	(217,782)	2.2%
Net profit	1,333,454	1,244,716	7.1%
Net profit attributable to:			
- Shareholders of the Bank	1,333,380	1,244,661	7.1%
- Non-controlling interest	74	55	34.5%
Other comprehensive (expense)/income, net of tax:			
Other comprehensive (expense)/income for the period	(50,488)	26,179	NMF
Total comprehensive income for the period	1,282,966	1,270,895	0.9%

Financial review continued

Consolidated balance sheet

<i>In thousands of GEL</i>	31-Dec-2025	31-Dec-2024	Change YoY
ASSETS			
Cash and cash equivalents	2,133,341	2,818,110	-24.3%
Reverse sale and repurchase receivables*	184,979	-	NMF
Due from other banks	54,905	20,153	NMF
Mandatory cash balances with the NBG	2,357,950	2,576,731	-8.5%
Loans and advances to customers	27,215,275	24,620,005	10.5%
Investment securities	5,764,224	5,369,290	7.4%
Repurchase receivables	101,648	140,058	-27.4%
Investment properties	11,403	9,752	16.9%
Current income tax prepayment	28,974	50,892	-43.1%
Deferred income tax asset	-	485	NMF
Other financial assets	403,544	426,005	-5.3%
Other assets	1,418,784	1,199,043	18.3%
Intangible assets	470,496	396,569	18.6%
Goodwill	28,197	28,197	0.0%
TOTAL ASSETS	40,173,720	37,655,290	6.7%
LIABILITIES			
Due to credit institutions	6,891,552	7,316,632	-5.8%
Customer accounts	24,396,707	21,941,222	11.2%
Other financial liabilities	519,581	373,905	39.0%
Current income tax liability	63	62	1.6%
Deferred income tax liability	50,715	50,220	1.0%
Debt Securities in issue**	1,293,619	1,172,101	10.4%
Other liabilities	192,416	197,945	-2.8%
Subordinated debt	910,299	1,148,374	-20.7%
TOTAL LIABILITIES	34,254,952	32,200,461	6.4%
EQUITY			
Share capital	21,014	21,014	0.0%
Share premium	521,190	521,190	0.0%
Retained earnings	5,505,658	4,979,871	10.6%
Other reserves	(129,429)	(67,498)	91.8%
Equity attributable to owners of the parent	5,918,433	5,454,577	8.5%
Non-controlling interest	335	252	32.9%
TOTAL EQUITY	5,918,768	5,454,829	8.5%
TOTAL LIABILITIES AND EQUITY	40,173,720	37,655,290	6.7%

*Before December 2025, reverse sale and repurchase receivables were included in cash and cash equivalents line
 ** Debt securities in issue include Additional Tier 1 capital subordinated notes

Key ratios

<i>Ratios (based on monthly averages, where applicable)</i>	2025	2024	Change YoY
Profitability ratios:			
ROE	23.9%	25.1%	-1.2 pp
ROA	3.5%	3.7%	-0.2 pp
Cost to income	33.1%	32.8%	0.3 pp
NIM	5.8%	5.8%	0.0 pp
Loan yields	11.9%	11.5%	0.4 pp
Deposit rates	4.7%	4.7%	0.0 pp
Cost of funding	5.6%	5.4%	0.2 pp
Asset quality & portfolio concentration:			
Cost of risk	0.7%	0.5%	0.2 pp
PAR 90 to gross loans	1.6%	1.4%	0.2 pp
NPLs to gross loans	2.5%	2.2%	0.3 pp
NPL provision coverage	56.9%	61.7%	-4.8 pp
Total NPL coverage	126.7%	138.5%	-11.8 pp
Credit loss level to gross loans	1.4%	1.4%	0.0 pp
Related party loans to gross loans	0.0%	0.1%	-0.1 pp
Top 10 borrowers to total portfolio	5.5%	6.3%	-0.8 pp
Top 20 borrowers to total portfolio	8.5%	9.1%	-0.6 pp
Capital & liquidity positions:			
Net loans to deposits plus IFI funding	99.2%	99.9%	-0.7 pp
Leverage (x)	6.8x	6.9x	-0.1x
Net Stable Funding Ratio	123.7%	123.9%	-0.2 pp
Liquidity Coverage Ratio	127.7%	125.5%	2.2 pp
CET 1 CAR (Basel III)	16.6%	16.8%	-0.2 pp
Tier 1 CAR (Basel III)	19.8%	20.4%	-0.6 pp
Total 1 CAR (Basel III)	22.5%	23.8%	-1.3 pp

Risk management

OVERVIEW

The Group operates a strong, independent, business-minded risk management framework. Its main objective is to safeguard the long-term earnings capacity of the balance sheet on the basis of risk-adjusted returns. This objective is achieved through the implementation of an effective risk management framework. The Group has adopted four primary risk management principles to better accomplish its major objectives:

- Govern risks transparently to ensure clear understanding of the risk landscape, cross-functional alignment in risk management practices, and stakeholder trust. Transparency and consistency in risk-related processes and policies form the foundation for effective risk management and reinforcement of stakeholder trust. Communicating risk goals and strategic priorities to governing bodies and providing a comprehensive follow-up in an accountable manner are key priorities for the staff responsible for risk management.
- Manage risks prudently to promote long-term earnings growth and resilience. Risk management balances strategic risk-taking for earnings growth with robust safeguards against market disruptions, enabling the Group to pursue opportunities while withstanding stress events.
- Ensure that risk management underpins the implementation of strategy. The risk management function is embedded throughout the organisation to support the achievement of strategic objectives. It promotes identification and management of risks at all levels. The risk management function provides a framework under which stakeholders are empowered to make risk-based decisions by identifying, quantifying, and adequately pricing risks. It also creates the conditions for formulating risk mitigation actions, thus supporting the long-term generation of desired returns and the achievement of planned targets.
- Use risk management to gain a competitive advantage. Providing tools for faster decision-making and supporting business operations, ensuring the long-term earnings growth and resilience of the business model, establishes risk management as a core component of the Group's competitive strategy.

THE RISK MANAGEMENT FRAMEWORK

The Group employs a comprehensive, enterprise-wide Risk Management Framework, placing a strong emphasis on cultivating a robust risk culture throughout the organisation. The framework ensures that effective governance capabilities and methodologies are in place, facilitating sound risk management and informed decision-making.

Aligned with the Group's overarching strategic objectives, the Risk Management Framework establishes standards and objectives while delineating roles and responsibilities. The Group's principal risks, as detailed in this section, are systematically controlled and managed within the framework, promoting consistency across the organisation and its subsidiaries.

Led by the Chief Risk Officer and developed by the Group's independent Risk function, the framework undergoes an annual review and approval process by the Supervisory Board. It encompasses risk governance through the Group's "three lines of defence" operating model.

The Group's risk appetite, supported by a robust set of principles, policies, and practices, defines the acceptable levels of tolerance for various risks. This structured approach guides risk-taking within established boundaries, ensuring a proactive and disciplined risk management stance.

The Group operates under the principle that all teams share responsibility for managing risk, with a particular emphasis on those facing the client. However, the Risk function assumes a crucial role in overseeing and monitoring risk management activities. This includes development of the framework and ensuring adherence to supporting policies, standards, and operational procedures. The Chief Risk Officer regularly reports to the Supervisory Board Risk Committee on the Group's risk profile, performance, and the effectiveness of the Group's internal control system.

Moreover, the Group has instituted a rigorous process seeking to identify and manage material and emerging threats. These threats, which are deemed to potentially adversely affect the Group's ability to meet its strategic objectives, are regularly reported to the Supervisory Board. The Group's applied, comprehensive approach considers the interdependence of material and emerging threats, enhancing the overall risk intelligence provided to stakeholders.

GOVERNANCE

The Group's risk governance structure is developed to ensure robust oversight and strategic decision-making within risk management. At its core, risk-focused committees and risk functions assume pivotal roles in orchestrating effective risk management practices within the Group as a whole and its individual subsidiaries.

At the Supervisory Board level, while the boards are responsible for overseeing risk management, in some instances activities within risk management and control are delegated to risk-focused committees. These committees' responsibilities encompass aligning risk practices with strategic goals, setting the risk appetite, discussing and approving risk policies, fostering a culture of responsible risk-taking, and monitoring risk identification and assessment processes. The committees are tasked with overseeing regular assessments of emerging and principal risks that could impact the business model, performance, solvency, and liquidity. Their leadership is critical for effective risk management and the long-term viability of the Group.

At the Management Board level, committees assume a crucial role in steering effective risk management within TBC's subsidiaries. Whether through a single risk committee or multiple committees with more granular scopes (e.g. financial risks, reputational risk, or information security), their responsibilities include closely overseeing risk exposures and making key decisions on risk mitigation and control. While specific duties may differ, the overall mission remains consistent: aligning risk management practices with regulatory requirements and risk tolerance. In cases where smaller-scale Group companies do not have their own risk committees, the Management Board itself assumes these responsibilities.

Risk culture and the three lines of defence

At the core of the Group's Risk Management Framework and practices is a robust risk culture that underscores the institution's commitment to prudent and strategic risk-taking. The Group expects its leaders to demonstrate strong risk management behaviour, providing clarity on the desired level of risk taking, developing their respective capabilities and frameworks, and motivating employees to ensure risk-minded decision making.

The key principles governing risk culture across all the Group's subsidiaries include: Board leadership (the Board sets the tone and establishes a foundation for a risk-aware culture throughout the organisation); employee understanding and accountability (the Group ensures that employees at every level understand the institution's approach to risk, with a clear understanding that individuals are accountable for their actions concerning risk-taking behaviours aligned with the Group's standards); communication (open, transparent, and effective communication is fundamental to the Group's risk culture); and remuneration incentives (the Group reinforces its risk culture by aligning remuneration incentives with sound risk management practices).

This holistic approach to risk culture ensures that the Group and its subsidiaries are equipped with a resilient and proactive mindset, where risk management is ingrained in the organisational DNA.

To comprehensively manage risks, the Group ensures adherence to the three lines of defence model:

- **First Line of Defence:** Business lines, as frontline defenders, engage in risk-taking activities with awareness of their impact on risks that may contribute to or hinder the achievement of the Group's objectives. A well-established risk culture is fundamental to risk-taking decisions.
- **Second Line of Defence:** Risk management functions ensure effective risk management and controls by consolidating expertise, identifying, measuring, and monitoring risks, and assisting the first line. They act independently from the business lines and provide frameworks and tools for effective risk management.
- **Third Line of Defence:** The internal audit function provides assurance to the Supervisory Board that the risk management and control efforts of both the first and second lines of defence meet the expectations set by the Supervisory Board.

Risk appetite

Risk appetite is defined as the set of acceptable limits that shape the combined level of risk that the Group or its key subsidiaries are prepared to accept in pursuit of return and value creation consistent with the approved strategy. The Group's Risk Appetite Framework, which governs enterprise risk management, establishes the extent and process of permissible risk-taking to guide the Group's business outcomes.

Considering the ever-changing risk profile of the Group, the Risk Appetite Frameworks of the Group and its key subsidiaries are regularly reviewed, updated, and approved by the Supervisory Board to make sure that they remain aligned with the Group's desired level of risk-taking.

Risk identification

The identification of risks serves as the foundational step in the Group's risk management process. This process systematically recognises and documents any potential direct or indirect risks that could impact the achievement of organisational objectives. To ensure comprehensive, anticipatory identification of these risks, this process leverages input both from the Group's lines of defence within the organisation and from external stakeholders.

The risk identification process within the Group is governed by the Risk Registry Framework. Regular reviews and adjustments of the Risk Registry are undertaken to ensure its consistent relevance and effectiveness.

Risk review - risk management *continued*

Risk measurement

The Group places significant emphasis on a comprehensive approach to risk measurement, aligning with its commitment to proactive risk management practices. Each identified risk direction is accompanied by tools for quantitative and qualitative measurement. The process is dynamic, continuously adapting to changes in the financial landscape and regulatory environment. Regular reviews and assessments ensure the effectiveness of the risk measurement tools and methodologies.

Risk mitigation

Risk mitigation is a proactive approach aimed at minimising the potential negative consequences of risks. To proactively approach every material risk, the Group develops and implements harmonised risk policies and frameworks, which play a key role by:

- Setting standards and guidelines – risk policies outline the standards and guidelines for how risks should be managed within the organisation and provide a structured approach to addressing risks, ensuring consistency and compliance with regulatory and internal requirements.
- Defining roles and responsibilities – risk policies clarify the roles and responsibilities of different individuals and departments in the risk mitigation process.
- Establishing procedures – risk policies provide a guiding framework for developing procedures for risk mitigation activities.

All policies are subject to regular reviews and updates to adapt to new challenges and refine its risk management strategies over time.

Risk monitoring and reporting

Risk reporting is a cornerstone of the Group's robust Risk Management Framework. The Group and its subsidiaries are mandated to establish robust risk reporting processes. These processes are designed to regularly communicate material risk exposures and the overall risk profile to the Supervisory and Management Boards and to senior management.

Regular monitoring is essential to ensure compliance with the established risk appetite and regulatory limits. It serves as a proactive measure to observe the evolution of the prevailing risk environment. The Group emphasises a structured approach to risk reporting, including monitoring, to effectively capture, assess, and communicate risks. This ensures the provision of clear and timely information, fostering accountability among stakeholders in managing and addressing risks.

In addition to routine reporting, ad-hoc reporting can be triggered by key vulnerabilities, significant risk identification, or deviations from the targeted risk profile. This agile approach ensures that the risk reporting mechanism remains responsive to emerging risks and evolving circumstances.

Internal control

TBC Group has established an integrated Internal Control Framework, seamlessly aligning its risk, control, compliance, and internal audit functions for integrity, efficiency, and regulatory compliance. This comprehensive framework ensures meticulous adherence to policies and procedures, catering to the diverse needs of our products and services. It also enables an integrated, unified repository of audit findings and risk-related insights generated from our first, second, and third lines of defence and our regulatory and legal functions, reflecting our commitment to transparency and accountability.

The Internal Control Framework extends to the evaluation, testing, and follow-up of high and critical-risk processes, while simultaneously focusing on enhancing risk awareness and refining internal controls. Continuous monitoring and improvement initiatives are integral components of the framework, enhancing operational effectiveness. This approach fosters a culture of internal control, showcasing our dedication to excellence in managing internal controls and risks.

Stress testing and contingency planning

It is essential for the Group to examine its financial performance under conditions that diverge from baseline expectations. For that reason, the Group subjects itself to various stress scenarios in order to identify vulnerabilities, quantify potential losses, and assess the sufficiency of its risk mitigation measures. Currently, JSC TBC Bank has established its own comprehensive stress testing framework, which encompasses a range of scenarios to assess its resilience. This includes scenarios related to capital, liquidity, credit, cyber, and other risk factors relevant to the prevailing risk environment. Stress testing is crucial to evaluate the ability to withstand adverse conditions, such as economic downturns, market volatility, and unforeseen events. Regular reviews and adjustments are essential to ensure the consistent relevance and effectiveness of the stress testing frameworks.

The Bank regularly performs stress test exercises. Stress tests are conducted within predefined frameworks such as Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP), and Recovery Planning, and/or on an ad-hoc basis to assess the impact of certain system-wide or idiosyncratic events on the Bank's capital, liquidity, and financial positions. Although the overall stress testing approach is consistent, the severity of the stress scenarios differs according to the relevant framework.

In addition to stress testing analysis, the Recovery Plan serves as a strategic blueprint for both the Supervisory Board and the management to ensure its readiness for specific stress conditions. The Recovery Plan provides clear recovery options with specific steps to be undertaken, including transparent and timely communication to internal and external stakeholders. The framework is subject to regular reviews and adjustments to ensure its consistent relevance and effectiveness.

The Bank also has a Business Continuity Plan in place. This plan seeks to ensure that the organisation is prepared to respond effectively to disruptions. By outlining strategies to maintain revenue streams and minimise financial losses during disruptions, these practices help to safeguard the organisation's financial stability and long-term viability.

Material existing and emerging risks

Risk management is a critical pillar of the Group's strategy. It is essential to identify emerging risks and uncertainties that could adversely impact the Group's performance, financial condition, and prospects. This section analyses the material principal and emerging risks and uncertainties that the Group faces. However, we cannot exclude the possibility of the Group's performance being affected by risks and uncertainties other than those listed below.

The Supervisory Board has undertaken a robust assessment of both the principal and emerging risks facing the Group and the long-term viability of the Group's operations, in order to determine whether to adopt the going concern basis of accounting.

PRINCIPAL RISKS AND UNCERTAINTIES

SPECIFIC FOCUS IN 2025

1. The Group is exposed to the potential adverse effects of internal political tensions and uncertainty in its countries of operation.

Risk description

The Group's performance is highly vulnerable to geopolitical developments in its operational market - Georgia.

In 2025, the tense political environment continued to be a major source of risk for the Georgian market. The political climate in Georgia grew strained following the parliamentary elections on October 26th 2024, as opposition parties opposed the results, with tensions increasing after November 28th, when the Government announced a temporary suspension of EU integration talks until the end of 2028.

This announcement sparked mass protests throughout the country, which continued on a moderated scale in 2025, with most of the opposition parties boycotting parliament, detentions of protest participants, and the jailing of some opposition leaders contributing to the high level of polarisation. Georgia's political environment also continued to be influenced by evolving international dynamics, including shifting relations with key global and regional partners. While the US and European countries have not introduced any direct measures affecting the broader economy or institutions to date, increased scrutiny and changes in international engagement following allegations of democratic backsliding contribute to an atmosphere of uncertainty, which remains a potential risk factor.

From an economic perspective, 2025 was a year of relative alignment with long-term trends. Heightened political tensions throughout 2024 reduced confidence in the GEL and raised uncertainty both domestically and internationally. Consequently, worsened expectations and a tense environment had a negative, albeit rather moderate, effect on tourism and consumer spending on durable goods at the end of 2024 and in the first months of 2025, resulting in elevated pressures on the GEL, intensified by large-scale deposit conversions from the national to foreign currency in the banking system. The National Bank of Georgia (NBG) was able to largely offset these pressures on the GEL through active FX interventions, although they significantly drained the country's reserves, falling below the level that the IMF deems sufficient. However, while the political environment remained polarised throughout 2025, spending dynamics began to recover from March. In particular, the environment grew more supportive of the GEL, caused by improved net currency inflows and recovering deposit polarisation. This allowed the NBG to replenish its international reserves to an historically high level of USD 6.2 billion (surpassing 100% adequacy level of the IMF's ARA metric) by purchasing more than USD 2.4 billion from the FX market throughout the year, while the GEL also strengthened against the USD by around 4.1%.

Risk mitigation

The Group implemented appropriate measures to minimise the potential negative impact on the Bank's performance and the availability of its services to customers. The Bank utilizes a comprehensive stress testing framework and a range of risk measurement and monitoring tools. The effect of severe stress assumptions is assessed as part of the annual Recovery Plan process. In addition, the Group had specifically developed several theoretical scenarios analysing the possible outcomes of the parliamentary elections in 2024 and designed stress tests to calibrate the potential effects on the Bank's performance, accordingly reevaluating potential risks in 2025 as well. At the beginning of 2025, the internal tensions scenario was also assessed under the Internal ICAAP and ILAAP as one of the plausible scenarios the Bank could encounter within a market-wide stress test.

2. The Group's performance may be compromised by adverse developments in the region, particularly the war in Ukraine, the possible spread of the geopolitical crisis and/or the potential outflow of migrants from Georgia, and military escalation in the Middle East, which could have a material impact on the operating environment in Georgia.

Risk description

The Group's performance is dependent on geopolitical developments in Georgia.

Although inflows to the Georgian economy are quite diversified, the country is still vulnerable to geopolitical and economic developments in the region. Risks that are still tangible stemming from the Russian invasion of Ukraine and the consequent sanctions imposed on Russia, with the resulting elevated uncertainties, remain a major external potential threat to the Georgian economy. The country is also exposed to the risk of renewed military conflicts in its breakaway regions occupied by Russia, while the military escalation in the Middle East, might affect the Georgian economy through a stronger USD, higher oil prices, migration flows, etc.

While the migration effect has evidently moderated in recent years, it continues to make an important contribution in Georgia; therefore, any sizeable outflow could lead to a deterioration in the business environment. At the same time, the rapid conflict resolution scenario, especially in the case of lifted sanctions, could lead to at least partial realignment of current trade flows through Georgia, from which the country's economy has benefited in recent years. However, that would also likely create positive spillover effects, such as a strong rebound of economic growth in Russia and Ukraine.

The materialisation of these risks could severely hamper economic activity in Georgia and negatively impact the business environment and the client and customer base of the Group.

Risk mitigation

The Group actively employs stress testing and other risk measurement and monitoring tools to ensure that early triggers are identified and translated into specific action plans to minimise any negative impact on the Bank's capital adequacy, liquidity, and portfolio quality. In extreme stress cases, where regulatory requirements may be breached, the Bank has a Recovery Plan in place, which helps to guide the Supervisory Board and the management through the process of recovery of the capital and/or liquidity positions within a prescribed timeframe.

3. The Group's operating region introduces financial crime risk.

Risk description

Financial crime risk encompasses money laundering, terrorist financing, bribery and corruption, and sanctions-related risks. Since sanctions risk has continued to escalate in recent years, the Group maintained a strong focus on managing and enhancing its sanctions risk control framework in 2025.

Georgia has historically maintained close business and financial ties with both Russia and Ukraine. However, the Russian Federation's full-scale invasion of Ukraine on 24 February 2022 triggered a robust international response, including the imposition of extensive economic sanctions by the US, EU, UK, and other global partners. These sanctions targeted a broad range of Russian and Belarusian government officials, oligarchs, businesses, financial institutions, and state-owned enterprises, along with sectoral restrictions and export/import bans across critical industries.

Since late 2023, leading sanctioning authorities have continued to tighten and expand restrictions, targeting Russia's military, these measures, alongside escalating political tensions in Georgia, have intensified scrutiny from international financial institutions and correspondent banks. These institutions have adopted a more cautious stance, implementing stricter requirements for transaction monitoring and customer due diligence.

The relocation of a significant number of Russian nationals to Georgia has further elevated sanctions risk. Given the Group's interactions with Russian individuals, there is an increased risk of exposure to sanctions circumvention attempts.

In December 2023, the US Office of Foreign Assets Control (OFAC) issued an executive order requiring Georgian financial institutions to apply enhanced scrutiny to transactions involving Russian entities operating within the Russian economy, particularly those linked to military-industrial activities. Since then, additional sanctions packages from the EU, UK, and US have introduced further restrictions aimed at disrupting sanctions evasion networks and undermining support for Russia's war effort.

Domestically, the adoption of new regulatory measures by the Georgian authorities - designed to control the re-export of restricted goods of EU/UK/US origin to Russia and Belarus - has prompted the Group to further enhance its sanctions controls. This includes implementing AI-driven monitoring tools and bolstering trade surveillance systems to prevent the illicit flow of sanctioned goods to or from restricted jurisdictions.

Risk review - material existing and emerging risks *continued*

Political and geopolitical developments in Georgia in late 2024 and early 2025 contributed to a more complex risk environment. In response to concerns related to governance and institutional resilience, the US and UK introduced targeted sanctions against certain Georgian individuals holding public or influential positions. In April 2025, additional measures were extended to individuals within the judicial system. In September, sanctions were also imposed on Georgian nationals in connection with alleged links to Russia and activities involving the dissemination of pro-Russian propaganda. Further designations may be introduced in the future, subject to ongoing developments.

More recently, sanctions targeting major Russian oil companies, including Lukoil and Rosneft, also had implications for Georgia's oil sector. Except for the Lukoil subsidiary, which is permitted to conduct only limited operations under the applicable licenses until their expiration, the wider sector has remained largely unaffected, owing to the early diversification of its supply chains.

While the Red Sea crisis has eased, emerging trade corridors such as the Middle Corridor have gained prominence. Previously, Georgia faced risks related to Iran-linked transshipments in its Asia-bound trade, particularly in routes affected by US sanctions. However, these risks have diminished as trade flows shift toward alternative pathways.

Non-compliance with the US, EU, or UK sanctions regimes could result in significant regulatory penalties and enforcement actions by both the National Bank of Georgia and international authorities. Beyond regulatory consequences, the Group remains exposed to reputational risks, particularly with correspondent banks and other critical financial partners.

Risk mitigation

The Group maintains a zero-tolerance policy towards any breach or facilitation of breaches of UN, UK, US, and EU sanctions. We are committed to restricting any dealings with sanctioned parties or goods and services, whether directly or indirectly.

In line with our commitment, the Group has implemented a comprehensive Anti-Financial Crime Policy that addresses key risk areas, including money laundering, terrorist financing, bribery, corruption, and sanctions. To ensure adherence, employees receive regular training on financial crime risk management and are made aware of the Group's approach and the potential consequences of non-compliance.

Our objective is to protect our customers, shareholders, and society from financial crime and associated threats. The Group is fully committed to complying with applicable international and domestic laws and regulations related to financial crime. We strive to meet industry best practice standards consistently.

To prevent any association with unlawful activities such as money laundering, terrorist financing, bribery, corruption, sanctions violations, or tax evasion, the Group has implemented internal policies, procedures, and detailed instructions. Our Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) compliance programme includes:

- Policies and procedures to ensure compliance with AML laws and regulations
- Know Your Customer (KYC) and customer due diligence procedures
- A customer acceptance policy
- Screening against global sanctions lists of all relevant authorities
- Regular staff training and awareness-raising
- Compliance reviews and independent testing
- Procedures for monitoring and reporting suspicious activities

The Group has allocated specific resources to sanctions risk management, including:

- Acquisition of software and databases to assist in sanctions risk mitigation
- Engagement of external advisers to provide recommendations for improvements
- Conducting external audits to assess internal policies and procedures
- Empowering dedicated staff with the relevant knowledge
- Establishing new arrangements within the Compliance Division, including the addition of new human resources

As part of the second line of defence, the Group Compliance manages risk in accordance with the risk appetite defined by the Group and promotes a strong risk culture throughout the organisation. The Group has implemented a sophisticated, artificial intelligence-based AML solution to enable AML Officers to monitor client transactions and identify suspicious behaviour.

This system utilizes data analytics and machine learning to detect anomalies, identify organized money laundering activities, and create automated systems for pattern recognition. The tool compiles incidents into dashboards for AML officers to take further action. The Group continuously works to enhance the efficiency of AI- and technology-based tools by addressing a broader spectrum of constraints.

The Group conducts an annual Enterprise-Wide Risk Assessment (EWRA) in line with the approved methodology, separately evaluating the inherent risks and control environments for AML/CTF and Sanctions risks. Overall residual AML/CTF risk of the Bank for the previous year was assessed as Medium, while Sanctions risk – as Medium Tending High.

The Group remains committed to robust financial crime compliance and continues to reinforce the role and capacity of its AML and Sanctions Controls functions.

FINANCIAL RISKS

1. The majority of the Group's earnings capacity is generated via credit risk bearing asset side elements.

Risk description

Credit risk is the greatest material risk faced by the Group, given that the Group is principally engaged in traditional lending activities. Credit risk is the risk of losses due to the failure of a customer or counterparty to meet their obligations to settle outstanding amounts in accordance with agreed terms. The Group's customers include legal entities as well as individual borrowers. Due to the high level of dollarisation in Georgia's financial sector, currency-induced credit risk is a component of credit risk, which relates to risks arising from foreign currency-denominated loans to unhedged borrowers in the Group's portfolio. Credit risk also includes concentration risk, which is the risk related to credit portfolio quality deterioration as a result of large exposures to single borrowers or groups of connected borrowers, or loan concentration in certain economic industries. Losses incurred due to credit risk may be further aggravated by unfavourable macroeconomic conditions.

Currency-induced credit risk (CICR) - The banking business in Georgia has a significant credit portfolio in foreign currencies. A potential material GEL depreciation is one of the most significant risks that could negatively impact credit portfolio quality. As of 31 December 2025, 46.1% of the Group's total gross loans and advances to customers (before provision for loan impairment) was denominated in foreign currencies. The income of many customers is directly linked to foreign currencies via remittances, tourism, or exports. Nevertheless, customers may not be protected against significant fluctuations in the GEL exchange rate against the currency of the loan. The GEL remains in free float and is exposed to a range of internal and external factors that, in some circumstances, could lead to its depreciation. In 2025, the average USD/GEL currency exchange rate depreciated by 0.8% year-on-year.

Concentration risk - Although the Group is exposed to single-name and sectoral concentration risks, the Group's portfolio is well diversified both across sectors and single-name borrowers, resulting in only a moderate vulnerability to concentration risks. However, should exposure to common risk drivers increase, the risks are expected to amplify accordingly. At a consolidated level, the Group's maximum exposure to the single largest industry (real estate) stood at 12% of the loan portfolio as of 31 December 2025. At the same time, exposure to the 20 largest borrowers stood at 8.5% of the loan portfolio.

In addition, credit risk also includes counterparty credit risk, as the Group engages in various financial transactions with both banking and non-banking financial institutions. Through performing banking services such as lending in the interbank money market, settling a transaction in the interbank foreign exchange market, entering into interbank transactions related to trade finance, or investing in securities, the Group is exposed to the risk of losses due to the failure of a counterparty bank to meet its obligations.

Risk mitigation

A comprehensive Credit Risk Assessment Framework is in place with a clear division of duties among the parties involved in the credit analysis and approval process. The credit assessment and monitoring processes differ by segment and product type to reflect the diverse nature of these asset classes. The Group's credit portfolio is highly diversified across customer types, product types, and industry segments, which minimises credit risk at the Group level. As of 31 December 2025, the retail segment represented 35.5% of the total portfolio, which was comprised of 54.9% mortgage and 45.1% non-mortgage exposures.

Credit approval

The Group focuses on robust credit-granting through establishing clear lending criteria and efficient credit risk assessment processes, including CICR and concentration risk.

Credit assessments vary by segment and product, reflecting the characteristics of the different asset classes. Decisions are either automated or manually assessed, following segment-specific guidelines. Automated decisions use internal credit risk scorecards, aiming for increased automation to enhance decision speed and competitive advantage. For loans requiring manual review or unsuited to automation, credit committees make decisions based on the client's indebtedness and risk profile, in full compliance with legal requirements. These committees, structured in multiple tiers, review and approve loans, differing by size and risk of the credit product.

Risk review - material existing and emerging risks *continued*

To address the CICR, the client's ability to withstand a certain amount of exchange rate depreciation is incorporated into the credit underwriting framework, which also includes significant currency depreciation buffers for unhedged borrowers.

The NBG issued an order mandating that all loans and bank credits up to GEL 750,000 be issued exclusively in the national currency, effective 1 August 2025. This measure, which replaces the previous GEL 500,000 threshold that had been in force since 1 January 2025, is intended to further reduce dollarisation risks and enhance the resilience of the Georgian financial system. Since the beginning of 2024, this is the third increase in the ceiling on unhedged foreign loan amounts. Previously, the limit was increased from 300,000 GEL to 400,000 GEL on May 1st 2024.

Throughout 2025, the reserve requirement on foreign currency liabilities remains unchanged at 25%. Previously, in November 2024, the National Bank of Georgia increased the reserve requirement by 5pp to 25%, to further support the larisation of the banking system.

Credit monitoring

The Group emphasises proactive risk management, with credit risk monitoring as a core element. We use a robust system to quickly respond to macro and micro changes, identifying vulnerabilities in our credit portfolio to make informed decisions. Our risk resilience involves regular monitoring of concentration risk, CICR, and other credit risk factors. We employ a portfolio supervision system to detect weaknesses in credit exposures, analyse risk trends, and recommend actions against emerging risks. Particular attention is paid to CICR due to the high share of loans denominated in foreign currencies in the bank's portfolio. Vulnerability to exchange rate depreciation is monitored in order to promptly implement an action plan, as and when needed. Given the experience and knowledge built through recent currency volatility, the banks are in a good position to promptly mitigate exchange rate depreciation risks.

Tailoring monitoring to segment specifics, we focus on individual credit exposures, portfolio performance, and external trends affecting risk profiles. Our vigilant stance includes early-warning systems to identify financial deterioration or fraud in clients' positions. These systems track signs like overdue days, refinancing, LTV changes, or tax liens. Large overdue exposures receive individual monitoring to assess clients' loan servicing capabilities.

In fraud prevention, we monitor first payment defaults across credit experts, bank branches, or companies employing our clients. Our institutions have credit monitoring and reporting processes for their Supervisory and Management Boards or risk committees, ensuring transparency and informed decision-making.

In addition to our underwriting and monitoring efforts, relevant buffers are built into our capital adequacy requirements to ensure that our banks are sufficiently capitalised to cover CICR, concentration risk, and credit risk in general. We utilise stress testing and sensitivity analysis to assess our credit portfolio's resilience, preparing for different economic conditions and evolving client needs.

Credit risk appetite

The credit risk appetite of the Group is defined by the Risk Appetite Frameworks of the Group and its financial institution subsidiaries, guiding credit risk-taking. These frameworks offer qualitative guidance and quantitative limits to set acceptable credit risk levels. Key quantitative metrics include NPL proportion and cost of risk. Risk Appetite Frameworks also set strict limits and ensure close monitoring of Currency-Induced Credit Risk and Concentration Risk, covering sectoral and single-name concentrations.

Credit ratings are essential in determining credit risk tolerance. They provide a thorough assessment of a borrower's creditworthiness, which is crucial for understanding their ability to fulfil their financial commitments. These ratings are fundamental in establishing guidelines for acceptable risk levels and are integrated into our Risk Management Framework. They enhance our ability to define and manage credit risk, allowing for a detailed understanding of borrower creditworthiness, leading to informed decision-making and appropriate risk threshold setting.

We approach credit risk by combining comprehensive Risk Appetite Frameworks with the strategic use of credit ratings. This integrated approach enables the Group to effectively navigate the changing credit risk landscape with resilience and agility.

Collateral management

In TBC Bank, collateral is a key factor in mitigating credit risk, forming a large part of loan portfolio. The Bank accepts diverse collaterals like real estate, cash deposits, vehicles, equipment, inventory, precious metals, securities, and third-party guarantees, according to credit product type and the borrower's credit risk. Real estate is a major collateral component, while a centralised unit oversees collateral management, ensuring its adequacy in credit risk mitigation.

The Collateral Management Framework includes policy-making, independent valuation, a haircut system during underwriting, monitoring (revaluations, statistical analysis), and portfolio analysis. The Bank's Collateral Management and Appraisal Department defines collateral management policy for the Group (approved by the Supervisory Board of the PLC) and procedures on collateral management & valuation for TBC Bank (approved by the Supervisory Board).

The department aligns appraisal services with International Valuation Standards, acting regulations of the National Bank of Georgia, and internal rules, authorises appraisal reports, and manages the collateral monitoring process. High-value assets are re-evaluated annually, while low-value collaterals undergo statistical monitoring.

The Collateral Management and Appraisal Department's quality checks systems for valuations involve internal staff reviews and external company assessments. Collateral management activities are largely automated through a web application that is integrated with other banking systems.

Collections and recoveries

In managing credit risk, the Group activates collection and recovery procedures when clients miss payments or their financial standing deteriorates, threatening exposure coverage. This process begins after failed attempts at restructuring non-performing exposures. Specialised teams in each segment handle overdue exposures, creating loan recovery plans tailored to clients' specific situations and adhering to our ethical code.

Our collections processes involve supporting clients struggling to meet their obligations. The strategies depend on exposure size and type, with customised plans for different customer subgroups based on their risk levels. The goal is to negotiate with clients to secure cash recoveries through revised payment schedules as the primary repayment source.

If acceptable terms are not reached, recovery may involve selling assets or repossessing collateral. Foreclosure may be initiated through legal processes if negotiation fails. Additional recovery strategies include the sale of the unsecured portfolio to third parties (debt collection agencies).

These measures reflect our commitment to responsible credit risk management, safeguarding financial stability, and maintaining ethical standards within the Group.

Counterparty risk

The Group's counterparty risk is managed in accordance with the Board-approved Group Counterparty Credit Risk Management Policy. To mitigate counterparty risk, the Group sets limits on an individual basis for each counterparty and, at the counterparty group level, restricts the expected loss from treasury, trade finance, and other business exposures. As of 31 December 2025, the Bank's interbank exposure was concentrated with counterparties that been assigned high A-grade credit ratings by external agencies, such as Fitch, Moody's, and Standard and Poor's.

2. The Bank underwrites the responsibility to adhere at all times to minimum regulatory requirements on capital, which may compromise growth and strategic targets. Additionally, adverse changes in FX rates may impact capital adequacy ratios.

Risk description

Capital risk is a significant focus area for the Group. Capital risk is the risk that a bank may not have a sufficient level of capital to maintain its normal business activities and to meet its regulatory capital requirements under normal or stressed operating conditions. The management's objectives in terms of capital management are to maintain appropriate levels of capital to support the business strategy, meet regulatory and stress testing-related requirements, and safeguard the Group's ability to continue as a going concern.

The Group's ability to comply with regulatory requirements can be affected by both internal and external factors. Some key concerns include the deterioration of asset quality leading to losses, reductions in income, rising expenses, and potential difficulties in raising capital.

Local currency volatility has been and remains a significant risk for the JSC TBC Bank's capital adequacy. A 10% GEL depreciation would translate into a 0.8pp, 0.7pp, and 0.6pp drop in JSC TBC Bank's excess CET 1, Tier 1, and Total regulatory capital, respectively.

Risk mitigation

The Group's entities undertake stress testing and sensitivity analysis to quantify extra capital consumption under different scenarios. Such analyses indicate that the Bank holds sufficient capital to meet the current minimum regulatory requirements. Capital forecasts, as well as the results of stress testing and what-if scenarios, are actively monitored with the involvement of the Bank's Executive Management and the Risk Committee of the Supervisory Board to help ensure prudent management and timely action, when needed. These analyses are used to set appropriate risk appetite buffers internally, on top of the regulatory requirements.

The Bank regularly performs stress tests serving multiple purposes. They are performed routinely, either under the frameworks listed or on an ad-hoc basis, to assess the magnitude of certain stressful environments. Stress tests are performed for the Internal Capital Adequacy Assessment Process (ICAAP), regulatory stress tests, and the Recovery Plan, among other purposes.

Risk review - material existing and emerging risks *continued*

The key objective of the regulatory stress test is to define the net stress test buffer under the capital adequacy minimum requirement framework. Since 2018, regulatory stress tests have been performed and submitted to the regulator upon their request.

The purpose of the ICAAP is to identify all the material risks faced by the Bank and to have an internal view of the capital needed to cover those risks. The objective of the ICAAP is to contribute to the Bank's continuity from a capital perspective by ensuring that it has sufficient capital to bear its risks, absorb losses, and follow a sustainable strategy, even during a stress period.

Stress testing under the Recovery Plan assumes more severe stress scenarios, specifically aimed at breaching regulatory requirements and assessing the Bank's ability to recover the capital position with the help of viable recovery options within a reasonable timeframe.

Under the risk appetite and the capital planning process, the Bank sets aside capital as a buffer to withstand a certain amount of local currency fluctuation.

3. The Group is inherently exposed to funding and market liquidity risks.

Liquidity risk is the risk that the Group either may not have sufficient financial resources available to meet all its obligations and commitments as they fall due or may only be able to access those resources at a high cost.

Liquidity risk is categorised into two risk types: funding liquidity risk and market liquidity risk.

- a. Funding liquidity risk is the risk that the Group will not be able to efficiently meet both expected and unexpected current and future cash flows without affecting either its daily operations or its financial condition under both normal conditions and during a crisis.
- b. Market liquidity risk is the risk that the Group cannot easily offset or eliminate a position at the then-current market price because of inadequate market depth or market disruption.

While the Group currently has sufficient financial resources available to meet its obligations as they fall due, liquidity risk is inherent in banking operations and can be heightened by numerous factors. These include an over-reliance on, or an inability to access, a particular source of funding, as well as changes in credit ratings or market-wide phenomena. Access to credit for companies in emerging markets is significantly influenced by the level of investor confidence and, as such, any factors affecting investor confidence (e.g. a downgrade in credit ratings, central bank or state interventions, or debt restructurings in a relevant industry) could influence the price or the ability to access the funding necessary to make payments in respect of the Group's future indebtedness.

Both funding and market liquidity risks can emerge from a number of factors that are beyond the Group's control. There is adequate liquidity to withstand significant withdrawals of customer deposits, but the unexpected and rapid withdrawal of a substantial number of deposits could have a material adverse impact on the Group's business, financial condition, results of operations and/or prospects.

Risk mitigation

The Group's liquidity risk is managed through the Supervisory Board's Group Liquidity Risk Management Policy. The Assets and Liabilities Management Committee (ALCO) is the core asset-liability management body ensuring that the principal objectives of the Group's Liquidity Risk Management Policy are met on a daily basis. The approved Liquidity Risk Management Framework is designed to ensure the Group meets its payment obligations under both normal and stress situations.

To mitigate liquidity risk, the Group holds a solid liquidity position by maintaining comfortable buffers over the regulatory minimum requirements. All regulatory ratios are monitored regularly, with an early-warning system in place to detect potential adverse liquidity events. This is facilitated by the Risk Appetite Frameworks of the Group's relevant financial institutions, which set buffers over the regulatory limits, ensuring early detection of potential liquidity vulnerabilities. The liquidity risk position and compliance with internal limits are closely monitored by the ALCOs of JSC TBC Bank.

Group's liquidity risk is managed by the Asset-Liability Management division and Treasury department and is monitored by the Management Board and the ALCO, within their pre-defined functions. The Financial and Capital Risk Management (FCRM) division is responsible for developing procedures and policy documents and setting risk appetites on funding and market liquidity risk management. In addition, the FCRM performs liquidity risk assessments and communicates the results to the Management Board and the Risk Committee of the Supervisory Board on a regular basis.

The Bank maintains a diversified funding structure to manage the respective liquidity risks. The Bank's principal sources of liquidity include customer deposits and accounts, borrowings from local and international banks and financial institutions, subordinated loans from international financial institution investors, local interbank short-duration term deposits and loans, proceeds from the sale of investment securities, principal repayments on loans,

interest income, and fee and commission income. The Bank relies on relatively stable deposits from Georgia as its main source of funding. The Bank also monitors the deposit concentration for large deposits and sets limits for deposits by non-Georgian residents in its deposit portfolio.

To maintain and further enhance its liability structure, the Bank sets targets for deposits and funds received from international financial institution investors in its risk appetite via the respective ratios. The loan to deposit and IFI funding ratio (defined as the total value of net loans divided by the sum of the total value of deposits and funds received from international financial institutions) stood at 99.2%, 99.9%, and 96.2%, as at 31 December 2025, 2024, and 2023, respectively.

The management believes that, despite a substantial portion of customers' accounts being on demand, the diversification of these deposits by the number and type of depositors, coupled with the Bank's past experience, indicates that these customer accounts provide a long-term and stable source of funding for the Bank. Moreover, the Bank's liquidity risk management includes the estimation of maturities for its current deposits. The estimate is based on statistical methods applied to historic information about the fluctuations of customer account balances.

Stress testing is a major tool for managing liquidity risk. Stress testing exercises are performed within the ILAAP and Recovery Plan Frameworks as well as on an ad hoc basis, when there is a significant change in the prevailing risk environment. The former assesses the adequacy of the liquidity position and relevant buffers and whether they can sustain plausible severe shocks, while the latter provides a set of possible actions that could be taken in the unlikely event of regulatory requirement breaches to support a fast recovery in the liquidity position.

The recovery plan encompasses a Liquidity Contingency Funding Plan which, along with the risk indicators and mitigation actions, outlines the roles and responsibilities of those involved in executing the plan. Both the ILAAP and the Recovery Plan are performed by the Bank on an annual basis.

4. Market risk arises from optimising capital allocation and asset liability management operations.

Risk description

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices.

Foreign exchange (FX) risk arises from the potential change in foreign currency exchange rates, which can affect the value of a financial instrument. This risk stems from the open currency positions created due to mismatches in foreign currency assets and liabilities. The Group identifies, assesses, monitors, and communicates the risk arising from exchange rate movements and the factors that influence this risk.

Interest rate risk arises from potential changes in market interest rates that can adversely affect the value of the Group's financial assets and liabilities. This risk can arise from maturity mismatches between assets and liabilities, as well as from the re-pricing characteristics of such assets and liabilities.

The biggest share of the Bank's deposits and part of the loans are at fixed interest rates, while more than half of the Bank's borrowings are at floating interest rates. In addition, the Bank actively uses floating and combined interest rate structures in its loan portfolio. Since the assets and liabilities have different repricing characteristics, their corresponding interest margins may increase or decrease as a result of market interest rate changes, potentially entailing a negative effect on net interest income.

Risk Mitigation

The Group's market risk is governed through the Supervisory Board's Group FX Risk Management and Group Interest Rate Risk Management policies. In addition, in 2025 JSC TBC Bank established the Trading Book of Securities Policy to ensure comprehensive coverage of all market-risk sources associated with the fixed-income portfolio.

FX risk: To mitigate FX Risk, the Group sets risk appetite and operational limits on the level of exposure by currency as well as on aggregate exposure positions that are more conservative than those set by the regulators. Compliance with the limits is closely monitored by the ALCO of the Group. Compliance with these limits is also reported periodically to the Management Board and to the Supervisory Board and its Risk Committee.

In addition, the Treasury department and the Financial and Capital Risk Management division separately monitor the Group's compliance with the set limits daily. In order to safeguard against the inherent volatility in the foreign exchange market, the Group employs a risk management process aimed at mitigating FX risk. This involves the strategic use of spot, forward, and swap transactions.

To assess currency risk, the Group performs a VAR sensitivity analysis on a regular basis. This analysis calculates the effect on the Group's income determined by the worst possible movements of currency rates against the Georgian Lari, with all other variables held constant. During the years ended 31 December 2025 and 2024, this sensitivity analysis did not reveal any significant potential effect on the Group's equity: as of 31 December 2025, the maximum loss with a 99% confidence interval was equal to GEL 12.8 million, compared to a maximum loss of GEL 11.4 million as of 31 December 2024.

Risk review - material existing and emerging risks *continued*

Interest Rate Risk: To mitigate interest rate risk, the Group considers numerous stress scenarios, including different yield curve shifts and behavioural adjustments to cash flows (such as deposit withdrawals or loan prepayments), to calculate the impact on one year profitability and the enterprise value of equity. In addition, appropriate limits on both net interest income (NII) and economic value of equity (EVE) sensitivities are set within the Risk Appetite Framework approved by the Supervisory Board.

Interest rate risk in the Group is managed by the Asset-Liability Management division and the Treasury department and is monitored by the ALCO. The ALCO decides on actions that are necessary for effective interest rate risk management and follows up on their implementation. The Financial and Capital Risk Management division is responsible for developing guidelines and policy documents and setting the risk appetite for interest rate risk.

The major aspects of interest rate risk management development and the respective reporting is periodically provided to the Management Board, the Supervisory Board, and the Risk Committee.

To minimize interest rate risk, the Bank regularly monitors interest rate (re-pricing) gaps by currencies and, in case of need, decides to enter into interest rate derivatives contracts.

Furthermore, many of the Bank's loans to customers contain a clause allowing it to adjust the interest rate on the loan in case of adverse interest rate movements, thereby limiting exposure to interest rate risk. The management also believes that the Group's interest rate margins provide a reasonable buffer to mitigate the effect of a possible adverse interest rate movement.

5. Any decline in the Group's net interest income or net interest margin (NIM) could lead to a reduction in profitability, impacting the accumulation of organic capital.

Risk description

Net interest income accounts for most of the Group's total income. Potential new regulations, along with a high level of competition in Georgia, may negatively impact the Group's net interest margin. At the same time, the cost of funding is largely exogenous to the Group and is derived from both local and international markets.

In 2025, NIM was maintained at the 2024 level of 5.8%, as the increase in cost of funds was fully offset by an improved loan book composition and higher yields.

Risk mitigation

The Group continues to focus on the growth of fee and commission income, driven by increased efforts towards customer experience-related initiatives and innovative products in the Georgian market. This safeguards the Group from potential margin compressions on lending and deposit products in the future.

To meet its asset-liability objectives and manage the interest rate risk, the Group uses a high-quality investment securities portfolio, long-term funding, and derivative contracts.

6. The Group's performance may be compromised by adverse developments in the economic environment.

Risk description

A potential slowdown in economic growth in Georgia will likely have an adverse impact on the repayment capacity of borrowers, restraining their future investment and expansion plans. Negative macroeconomic developments could compromise the Group's performance in various ways, such as exchange rate depreciation, a sizable decline in gold prices, a spike in interest rates, rising unemployment, a decrease in household disposable income, falling property prices, worsening loan collateralisation, or falling debt service capabilities of companies because of decreasing sales. Potential political and economic instability in Georgia's neighbouring countries and main trading/economic partners could negatively affect their economic outlook through worsening current and financial accounts in the balance of payments (e.g. decreased exports, tourism inflows, remittances, and foreign direct investments). In 2025, despite the still somewhat tense political environment in Georgia and global geopolitical shifts, no significant materialisation of the abovementioned macroeconomic risks was observed in the countries of the Group's operations.

The Georgian economy expanded by double digits in 2021-2022, by 7.8% in 2023, and, despite internal political turbulence, by 9.7% in 2024. This strong growth momentum continued in 2025, with only a gradual moderation of the long term-trend as real GDP grew by 7.5% on average. Robust real credit and wage growth, an improved external trade balance, and strong currency inflows from tourism and remittances contributed the most to GDP growth, while FDIs and migrant spending remained broadly flat. Consequently, while Georgia's headline current account deficit stood at historically low levels, seasonally adjusted underlying current account (excluding reinvestments) consecutively recorded surpluses in the second and third quarters of 2025, expected to finish the year with a positive balance for the first time ever. The noticeable improvement in the trade balance was driven by subdued growth of imports, while stronger exports were largely driven by re-exports. Strengthened net currency inflows, deposit conversions gradually switching back from the foreign currencies to the GEL, and a globally weaker USD allowed the National Bank of Georgia to focus on replenishing its international reserves in 2025.

The NBG purchased more than USD 2.4 billion from the FX market, increasing its gross reserves to an historical high of USD 6.2 billion, while the GEL exchange rate appreciated by around 4.1% against the USD.

At the same time, consumer price inflation relatively accelerated in the country, although in line with expectations, standing at 4.0% in December, slightly above the NBG's 3% target. Taking strong growth and elevating inflation into consideration, the NBG maintained its monetary policy rate unchanged at 8.0%.

Risk mitigation

To decrease its vulnerability to economic cycles, the Group identifies cyclical industries and proactively manages its underwriting approach and clients within its Risk Appetite Framework. The Group has in place a macroeconomic monitoring process that relies on close, recurrent observation of the economic developments in Georgia and neighbouring countries to identify early warning signals indicating imminent economic risks. This system allows the Group to promptly assess significant economic and political events and analyse their implications for the Group's performance. These implications are duly translated into specific action plans with regards to reviewing underwriting standards, risk appetite metrics, and limits, including the limits for each of the most vulnerable industries. Additionally, the stress testing and scenario analysis conducted during the credit review and portfolio-monitoring processes enable the Group to evaluate the impact of macroeconomic shocks on its business in advance. Resilience towards a changing macroeconomic environment is incorporated into the Group's credit underwriting standards. As such, borrowers are expected to withstand certain adverse economic developments through prudent financials, debt-servicing capabilities, and conservative collateral coverage.

Taking into account the regional crisis, the Group adjusted its Risk Management Framework, leveraging its pre-existing stress testing practices. This included more thorough and frequent monitoring of the portfolio as well as stress testing, to ensure close control of changes in capital, liquidity, and portfolio quality in times of increased uncertainty.

NON-FINANCIAL RISKS

1. The Group is exposed to regulatory and enforcement action risk.

Risk description

The Group operates within a complex and evolving regulatory environment, which exposes it to regulatory, supervisory, and enforcement action risk. The National Bank of Georgia (NBG) establishes prudential and conduct requirements, including capital adequacy standards, liquidity and investment ratios, lending limits, reporting obligations, and governance expectations. Compliance with tax legislation and other applicable laws and regulations is also required.

The Group offers a range of regulated financial services beyond traditional banking, including leasing, insurance, brokerage, and investment services. Each activity is subject to sector-specific regulatory frameworks, increasing the overall compliance and supervisory complexity.

The Group is also subject to financial covenants under its funding and debt agreements, the breach of which could result in contractual consequences. Further details are provided in the Group's Audited Financial Statements.

Risk mitigation

The Group has implemented a comprehensive Compliance, Risk Management, and Governance framework designed to ensure adherence to applicable regulatory requirements across all jurisdictions and mitigate the risk of regulatory breaches, sanctions, or enforcement actions.

This framework is underpinned by a robust three lines of defence model, clearly defining responsibilities for risk ownership, oversight, and independent assurance. Compliance and regulatory risk management practices are embedded across the Group and aligned with the Group's Risk Appetite Framework.

Regulatory requirements are addressed through policies, procedures, and control frameworks tailored to the Bank's operating environment. Regulatory developments issued by the National Bank of Georgia and other relevant authorities are actively monitored to ensure timely implementation, effective internal communication, and appropriate escalation where required.

Governance and Oversight

The Supervisory Board and its Committees provide strategic oversight of regulatory compliance and internal control effectiveness across the Group. The Audit Committee regularly reviews compliance risks, regulatory developments, supervisory feedback, and the adequacy of mitigation measures.

Risk review - material existing and emerging risks *continued*

The Chief Compliance Officer (CCO) reports quarterly to the Audit Committee and maintains a managerial reporting line to the Chief Risk Officer (CRO), ensuring independence, transparency and effective escalation. Governance arrangements are applied consistently across the Group's operations in Georgia, with local management and control functions integrated into the Group's overall oversight and reporting framework.

The effectiveness of the compliance and governance framework is assessed through internal audits, independent reviews, and ongoing Board-level oversight. Key risk indicators are monitored against the Risk Appetite Framework, and any breaches are promptly escalated and addressed.

Compliance Framework and Activities

The Group's compliance programme is designed to address regulatory, conduct, and financial crime risks across its operating jurisdictions. The programme includes the development and maintenance of internal policies and procedures, regular staff training, risk-based compliance monitoring, and ongoing engagement with supervisory authorities.

As the second line of defence, the Compliance function manages regulatory and compliance risks through:

- Continuous monitoring of regulatory developments in the jurisdictions where the Group operates and coordination of timely implementation by relevant process owners.
- Participation in new product, service, and business approval processes to ensure alignment with applicable regulatory requirements.
- Analysis of customer complaints, operational risk events, internal audit findings, and litigation matters to identify and remediate control weaknesses.
- Annual compliance risk assessments and targeted thematic reviews, including jurisdiction-specific assessments where required.
- Ongoing engagement with regulators and industry bodies to remain informed of emerging risks and supervisory expectations.
- Risk-based compliance monitoring and thematic reviews in higher-risk areas.
- Maintenance of a whistleblowing framework to promote transparency, accountability, and ethical conduct.

The outcomes of compliance activities are monitored using key risk indicators aligned with the Group's Risk Appetite Framework. Material issues or breaches are escalated promptly to senior management and the relevant Supervisory Board committees for review and remediation.

The first line of defence is responsible for the day-to-day identification, management, and mitigation of compliance risks within their respective business areas, including the effective implementation of controls and adherence to applicable regulatory requirements.

Data Protection and Privacy

The Group is committed to safeguarding personal data and maintaining confidentiality in accordance with applicable data protection and banking secrecy laws. A Data Protection Officer (DPO) has been appointed to oversee data protection governance, supported by internal policies, controls, and monitoring processes. Data protection frameworks are applied consistently across the Group, in accordance with applicable legal and regulatory requirements in Georgia.

Insider Trading and Market Conduct Risk Management

The Group is committed to maintaining high standards of integrity, transparency, and market conduct across its operations. In accordance with applicable laws and regulatory requirements, the Group has established a comprehensive framework to prevent insider trading and manage market conduct risks.

A formal Share Dealing Policy, reviewed annually and approved by the Supervisory Board, governs trading in the TBC Bank Group PLC's securities by employees, senior management, and other insiders. The policy defines closed periods, disclosure obligations, and pre-clearance requirements and is aligned with applicable legal and regulatory standards.

The Compliance Department plays a central role in enforcing the Share Dealing Policy. It is responsible for administering clearance procedures for all relevant transactions, ensuring that no dealing takes place without prior approval. The function maintains and regularly updates the Insider List in accordance with applicable regulatory requirements, ensuring accurate records of individuals, including persons discharging managerial responsibilities (PDMRs), designated employees, and other project-based insiders with access to material non-public information. Compliance also monitors adherence to regulatory requirements and internal standards, supported by regular training and awareness programmes for staff.

2. The Group is exposed to legal risk.

Risk description

Legal risk refers to the potential for loss, whether financial or reputational, resulting from penalties, damages, fines, or other forms of financial detriment, which impacts or could impact one or more entities of the Group and/or its employees, business lines, operations, products and/or its services, and results from the failure of the Group to meet its legal obligations, including regulatory, contractual, or non-contractual requirements.

Risk mitigation

The legal function as a second line of defence is an independent function hierarchically integrated with all the Group's legal teams. The Group's businesses and lines have responsibility for identifying and escalating legal risk in their area to the legal function.

The legal function is entrusted with the responsibility of (a) managing (including prevention) legal risks; and (b) interpreting the laws and regulations applicable to the Group's activities and providing legal advice and guidance to the Group.

Management of the legal risks includes defining the relevant legal risk policies, developing a Group-wide risk appetite for legal risk, and oversight of the implementation of controls to manage and escalate legal risk. The advisory responsibility of the legal function is to provide legal advice to Executive Officers and the Board of Directors in a manner that meets the highest standards.

The senior management of the legal function oversees, challenges, and monitors the legal risk profile and the effectiveness of the legal risk control environment across the Group. The legal risk profile and control environment are reviewed by management through business risk committees and control committees. The Group Risk Committee is the most senior executive body responsible for reviewing and monitoring the effectiveness of legal risk management across the Group.

3. The Group's operational complexity generates operational risk that could in turn adversely impact profitability and reputation.

Risk description

One of the main risks that the Group faces is operational risk, which is the risk of loss resulting from internal and external fraud events, inadequate processes or products, business disruptions, systems failures, human error or damages to assets. Operational risk also implies losses driven by legal, compliance, or cybersecurity risks.

The Group is exposed to many types of operational risk, including: fraudulent and other internal and external criminal activities; breakdowns in processes, controls, or procedures; and system failures or cyber-attacks from an external party with the intention of making the Group's services or supporting infrastructure unavailable to its intended users, which in turn may jeopardise sensitive information and the financial transactions of the Group, its clients, counterparties, or customers.

Moreover, the Group is subject to risks that cause disruption to systems performing critical functions or business disruption arising from events wholly or partially beyond its control, such as natural disasters, transport or utility failures, etc., which may result in losses or reductions in service to customers and/or economic losses to the Group.

The operational risks discussed above are also applicable where the Group relies on outsourcing services from third parties. Considering the dynamic environment and the sophistication of both banking services and possible fraudsters, the importance of constantly improving processes, controls, procedures, and systems is heightened to ensure risk prevention and reduce the risk of loss to the Group.

The increased complexity and diversification of operations, coupled with the digitalisation of the banking sector, mean that fraud risks are evolving. External fraud events may arise from the actions of third parties against the Group, most frequently involving events related to banking cards, loans, and client phishing. Internal fraud events arise from actions committed by the Group's employees, although such events happen less frequently. During the reporting period, the Group faced several instances of fraud, none of which had a material impact on the Group's profit and loss statement. The rapid growth in digital crime has exacerbated the threat of fraud, with fraudsters adopting new techniques and approaches to obtain funds illegally. Therefore, unless properly monitored and managed, the potential impact could become substantial.

Risk mitigation

To oversee and mitigate operational risk, the Group maintains an Operational Risk Management Framework, which is an overarching document that outlines the general principles for effective operational risk management and defines the roles and responsibilities of the various parties involved in the process. Policies and procedures enabling the effective management of operational risks complement the framework. The Management Board ensures a strong

Risk review - material existing and emerging risks *continued*

internal control culture within the Group, where control activities are an integral part of operations. The Board sets the operational risk appetite, while compliance with the established risk appetite limits is monitored regularly by the Supervisory Board's Risk Committee.

The Group utilises the three lines of defence principle, where the Operational and Investment Risk Management Department serves as a second line of defence, responsible for implementing the framework and appropriate policies and methodologies to enable the Group to manage operational risks.

The Group actively monitors, detects, and prevents risks arising from operational risk events and has permanent monitoring processes in place to detect unusual activities or process weaknesses in a timely manner. The Risk and Control Self-Assessment exercise (RCSA) focuses on identifying residual risks in key processes, subject to the respective corrective actions. Through our continuous efforts to monitor and mitigate operational risks, coupled with the high level of sophistication of our internal processes, the Group ensures the timely identification and control of operational risk-related activities. Various policies, processes, and procedures are in place to control and mitigate operational risks, including, but not limited to:

- The Group's Risk Assessment Policy, which enables thorough risk evaluation prior to the adoption of new products, services, or procedures.
- The Group's Outsourcing Risk Management Policy, which enables the Group to control outsourcing (vendor) risk arising from adverse events and risk concentrations due to failures in vendor selection, insufficient controls and oversight over a vendor and/or services provided by a vendor, and other impacts on the vendor.
- The Risk and Control Self-Assessment (RCSA) Policy, which enables the Group to continuously evaluate existing and potential risks, establish risk mitigation strategies, and systematically monitor the progress of risk mitigation plans. The completion of these plans is also part of the respective managers' key performance indicators.
- The Group's Operational Risk Event Identification Policy, which enables the Group to promptly report on operational risk events, perform systematic root-cause analysis of such events, and take corrective measures to prevent the recurrence of significant losses. A unified operational loss database enhances further quantitative and qualitative analysis. The Operational Risk Event Identification Policy also oversees the occurrence of IT incidents and the respective activities targeted at solving the identified problems.
- The Group's Operational Risk Awareness Programme, which provides regular trainings to the Group's employees and strengthens the Group's internal risk culture.
- The Group also utilises risk transfer strategies, including obtaining various insurance policies to transfer the risks of critical operational losses.

The Operational Risk Management Framework and its complementary policies were updated in 2025 to ensure effective execution of the operational risk management programme.

4. The Group's digitally oriented operational footprint faces a growing and evolving threat of cyber-attacks.

Risk description

The Group's rising dependency on digital systems increases its exposure to potential cyber-attacks. Given their increasing sophistication, potential cyber-attacks may lead to significant security breaches. Such risks change rapidly and require continued focus and investment. Due to the dynamics and complexity of the current environment, the Group is continuously monitoring the security threat landscape.

Over the past three years, the Group has not experienced any material cybersecurity breaches, and no significant third-party cybersecurity incidents were recorded in 2025.

Risk mitigation

The Group has in place a comprehensive information and cyber security management systems to mitigate the risk of cyber-attacks, as described below.

Threat landscape

In order to adequately address the challenges posed by cyberattacks, we are continuously analysing the Group's cyber threat landscape and assessing all relevant threat scenarios and actors, considering their intentions and capabilities, as well as the tactics, techniques, and procedures they are using or may use during their campaigns. Our focus is to be prepared against Advanced Persistent Threats. Among the many different threat vectors we are covering and monitoring, the top six are below:

- Attacks against internet facing applications and infrastructure
- Software supply chain attacks
- Phishing and other social engineering attacks against our customers
- Phishing and other social engineering attacks against our employees
- Insider threats
- Ransomware and extortion-based cyber threats

Our vision and strategic objectives

Information and cyber security are an integral part of the Group's governance practices and strategic development. The Group's cyber security vision and strategy are fully aligned with its business vision and strategy and address all the challenges identified during the threat landscape analysis.

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

- To enhance our defence in depth approach by strengthening the team and implementing cutting-edge technologies, in order to maintain resilience against Advanced Persistent Threats, which may come from state-sponsored actors or organised cybercriminals.
- To maintain compliance with industry leading information and cyber security standards, sustain a continuous improvement cycle for our information and business continuity management systems, and be one step ahead of regulatory requirements.
- To optimise and automate security processes and provide security services seamlessly to the Group's business (where possible).
- To foster a security-first culture by embedding cybersecurity awareness across the organisation, ensuring employees and stakeholders are actively engaged in reducing risk.

Our security in depth approach and cyber-resilience programme

In order to follow our vision and achieve our strategic objectives, we run effective information and cyber security programmes, functions, and systems, as follows:

- Layered preventive controls are in place, covering all relevant logical and physical segments and layers of the organisation and infrastructure in order to minimise the likelihood of successful initial access, as follows:
 - Data security controls
 - Identity and access controls
 - Endpoint security controls
 - Infrastructure security controls
 - Cloud security controls
 - Application security controls
 - Internal and perimeter network security controls
 - Physical security controls
- A professional team is in charge of effectively implementing, assuring the effectiveness of, maintaining, and fine-tuning the preventive controls mentioned above. The team consists of a significant number of experts who hold industry leading certificates and work daily to strengthen and extend their professional skill sets.
- Layers of preventive controls in conjunction with a comprehensive awareness programme provide the best combination to minimise the likelihood of successful attacks. Our robust awareness programme helps employees and customers to improve their cyber hygiene, understand the risks associated with their actions, identify any cyberattacks they might face during day-to-day operations, and improve the overall risk culture. Our awareness programme provides relevant materials to all key roles, from the Management Board to IT engineers and developers. It covers annual trainings and attestations for all employees, newcomer trainings and attestations, social engineering simulations, security tips and notifications for all employees, security awareness raising campaigns for customers, and more. In addition, the Supervisory Board participated in an awareness session conducted by an external consultancy firm, focused on its responsibilities in relation to cyber security governance, aligned with the Cyber Governance Code of Practice.
- Since we believe that 100% prevention is not achievable, the Group has threat hunting capabilities and a security operations centre in place to monitor in near real-time all possible anomalies identified across the organisation's network in order to detect potential incidents and respond in a timely and effective manner to minimise their negative impact. To remain up-to-date and track the techniques and tactics of our adversaries, we are elaborating cyber threat intelligence procedures in line with industry best practices under the MITRE ATTACK framework.
- Information security governance and effective risk management processes, which also cover third-party and supply chain risks, ensure that the Group has the correct guidance, makes risk-informed decisions in compliance with its risk appetite, complies with regulatory requirements, and achieves a continuous improvement cycle. The Information Security Committee, which is chaired by the CEO, has the ultimate responsibility to assure that an appropriate level of security is maintained and a continuous improvement cycle of management processes is achieved. The Bank is in compliance with the NIST Cyber Security Management Framework, and its Information Security Management System is ISO/IEC 27001:2022 certified.
- In addition, the Group further strengthens its cyber resilience through an effective Business Continuity Management System and Cyber Insurance Policy, in order to manage contingencies and recover from serious disruptions with minimum possible impact.

How we measure and assure an acceptable level of security

To assess and assure an acceptable level of information and cyber security, we rely on external/internal audit reports, red teaming exercise reports, and the results of continuous penetration tests, which are conducted by our highly professional internal team and reputable external third-party partners.

On an annual basis we conduct:

- An external audit of the SWIFT Customer Protection Framework
- An external audit of the NBG's Cyber Security Framework, which is based on the NIST Cyber Security Management Framework
- An independent internal IT audit team is assessing effectiveness of critical components of information security management system
- External surveillance audits of ISO 27001
- Penetration tests against internet facing applications and critical infrastructure with the help of our highly reputable partners
- Our internal team is in charge of continuous penetration tests of internal and external applications and infrastructure
- We conduct regular red and purple teaming exercises and assess our security capabilities against real world advanced threat actors

These external audits did not identify any material findings. If such findings do arise, they are addressed as part of the continuous improvement process.

5. The Group identifies risk in its growing dependence on data.

Risk description

Within the domain of data management and governance, the Group recognizes that maintaining high data quality remains an important area of continuous focus. Reliable and consistent data underpins effective decision-making, regulatory compliance, and operational efficiency. As data volumes and sources continue to grow, ensuring strong quality controls and clear standards across all data domains remains essential for sustaining the integrity and usability of the Group's information assets.

Risk mitigation

To manage this risk, the Group continues to enhance its Data Governance Framework and strengthen quality assurance practices. Ongoing investments in advanced data management tools, automated validation processes, and analytics help detect and address potential discrepancies early. In parallel, the Group fosters a data-driven culture that promotes clear ownership and accountability, ensuring that data is maintained as a trusted and valuable organisational asset.

6. The Group is exposed to Model Risk.

Risk description

The Group increasingly relies on statistical, machine-learning, and artificial-intelligence models, supported by diverse data sources and big-data technologies, to enhance key decision-making processes. As the use of models continues to expand, particularly with the rapid adoption of GenAI, the need for a robust Model Risk Management Framework becomes even more critical. Such a framework is essential to prevent adverse outcomes stemming from deficiencies in model development, implementation, or use.

Model risk is defined as a risk of potential financial losses, poor business decisions, and reputational damage that may arise from such model-related deficiencies.

Risk mitigation

The Group manages model risk through its Model Risk Management (MRM) function, which operates as the second line of defence and is responsible for identifying, measuring, and monitoring model risk across the Group. MRM is built on two core pillars: governance and validation.

- The governance pillar establishes and maintains the Model Risk Management Framework, including policies, standards, and risk appetite limits. It defines key stakeholder roles throughout the model lifecycle, maintains the model inventory, and oversees adherence to risk appetite.
- The validation pillar provides independent assessments of models through conceptual and technical reviews, evaluating model design, methodology, and performance against approved standards, ensuring consistent oversight across both traditional and advanced AI models.

MRM applies a model-tiering approach to support risk-based validation. Tiering drives the frequency and depth of initial and ongoing validations and informs mitigation actions, which may include enhanced testing, increased monitoring, model recalibration or redevelopment. These measures ensure that model risk remains within the Group's risk appetite, with higher-tier models subject to greater scrutiny.

7. The Group remains exposed to reputational risk.

Risk description

There are reputational risks to which the Group may be exposed, such as country and compliance risks, related to the challenging geopolitical environment in the region, international sanctions, and domestic turbulence. Banks are easy targets for anti-banking narratives in mainstream and social media platforms. There are also risks related to phishing and other cybercrimes that come with the increased digitalisation of products and services provided by the Group. Since the Group provides the best digital services and products to customers, cyber risks could negatively impact the Group's reputation. It should be noted that most of these risks are not unique to the Group but apply to the entire banking sector.

Risk mitigation

To prevent or mitigate reputational risks, the Group works continuously to maintain strong brand recognition among its stakeholders and engages with them on a constant basis, particularly with customers, employees, media, regulators, business associations, IFIs, and the diplomatic community, among others.

The Group has put a Task Force in place at the senior management level comprised of the CEO, the CRO, the marketing and brand lead, the strategic communications lead, and the general counsellor to address and manage reputational risks. Additionally, and in close cooperation with international consultants, the Task Force has developed an overall strategy including communications plans, contingencies, and tools to mitigate, prevent, and respond to any risks.

The Group complies with all relevant external and internal policies and protocol mechanisms to prevent or minimize the impact of direct and indirect reputational risks. Dedicated internal and external marketing teams monitor the brand value through public opinion polls and studies and by receiving feedback from stakeholders on an ongoing basis. Communications teams actively monitor mainstream media and social media on a daily basis, identifying early warning signs of potential reputational or brand damage to mitigate and, whenever necessary, elevate potential risks to the attention of the Task Force or the Supervisory Board before they escalate.

Communications and cyber security teams conduct extensive awareness-raising campaigns on cyber security and financial literacy. The teams also brief the media so that it is aware of potential risks impacting the sector. TBC also has an in-house financial education platform, Edufin, which is aimed at raising awareness about financial literacy, cyber threats, and phishing.

8. The Group faces the risk that its strategic initiatives do not translate into long-term sustainable value for its stakeholders.

Risk description

The Group may face the risk of falling short in developing and executing a business strategy that ensures sustained value creation while adapting to evolving customer needs, increasing competition, and changing regulatory requirements. Additionally, uncertainties from economic and social disruptions in the region may hinder the Group's timely execution of its strategy, potentially compromising its capacity for long-term value creation.

Risk mitigation

To mitigate the combined risks from a local and international perspective, the Group employs a multifaceted approach. The formation of our strategic portfolio is primarily driven by the Group's strategy to broaden and diversify our business revenue streams. Thorough curation is conducted in the execution of strategy involving the Supervisory Board, the executive management, and middle management.

These sessions serve as crucial checkpoints to ensure alignment with the Group's strategic long-term objectives and guiding principles.

Moreover, monitoring the performance of strategic projects extends to quarterly analyses and tracking of metrics used to measure strategy execution. In case of significant deviations, corrective or mitigation actions are promptly implemented.

9. The Group is exposed to risks related to its ability to attract and retain highly qualified employees.

Risk description

As the Group becomes increasingly digitally focused, it requires more IT professionals in its various departments. This shift accentuates the risk of potentially losing key personnel. In the highly competitive tech job market, this challenge extends not only to retaining these valuable employees but also to attracting, developing, and keeping new skilled workers. Ensuring these employees align with the Group's objectives is vital. The situation calls for strategic planning in human resources to effectively manage this risk while supporting the Group's digital evolution.

Risk mitigation

The aim of the Group is to adapt to the rapidly changing business environment, increase leadership capabilities, achieve a high level of engagement among employees, and equip them with the necessary skills. Our proactive approach encompasses rigorous monitoring of labour market dynamics in Georgia and beyond. To realise this ambition, we are dedicated to cultivating a world-class talent acquisition and development ecosystem.

We create a robust international talent pipeline by regularly engaging with potential candidates, including passive job seekers with diverse profiles. We work on building an attractive international hiring brand. The Group treats all employees equally and fairly, supporting and coaching them to succeed.

We equip our people with the tools and frameworks for continuous learning, supported by a constant feedback loop. We give our staff an opportunity to grow and expand internationally. We have developed a Succession Planning Framework for senior positions in order to ensure a smooth transition and to offer promotion opportunities to employees. In addition, we have launched a Talent Management Framework, ensuring the constant identification of talented staff and monitoring their development within the Group.

We monitor human capital risks and measure efficiency using the following metrics: Employee turnover and retention, Quality of hire, Mobility rate, Employee Net Promoter Score (ENPS), Employee Pulse surveys, Key employee metrics, Performance management and Individual Development Plans (IDPs), and Customer Net Promoter Score (NPS). In terms of compensation, we conduct multiple salary market studies to ensure we provide competitive conditions for our employees.

The Group reviews and updates its organisational policies to ensure they are inclusive and equitable. This includes flexible work arrangements, accommodations for diverse needs, and inclusive benefits packages.

Our internal IT Academy has been a hub for tech education, offering courses in Front-end and Back-end Development, DevOps, and more. These courses are accessible at no cost to both our employees and potential candidates. Under the guidance of experienced staff and industry professionals, the Academy has successfully trained over 2,400 individuals from outside the organisation and 2,700 within it. TBC IT Academy carried out one of its largest admission cycles to date, launching five programmes in Front-end Development, Back-end Development (.NET), Android Development, iOS Development, and DevOps. The call attracted over 5,000 applicants, reflecting the growing demand for high-quality tech education. Following a multi-stage selection process - including technical and logical assessments, motivational interviews, and practical tasks - around 150 top-performing candidates were admitted. Each programme welcomed 30 students, who officially began their studies in September.

10. The Group is exposed to conduct risk.

Risk description

Conduct risk is defined as the risk of failing to deliver fair outcomes for customers and other stakeholders. The Group recognises that effective management of conduct risk is essential to maintaining customer trust, protecting its reputation, and delivering long-term value.

The Bank's Code of Ethics serves as a guiding framework for all employees, setting high standards of integrity, professionalism, and accountability. Every employee is expected to act with honesty and prudence, ensuring that customer interests are protected and confidence in the Bank's operations is maintained. The Supervisory Board and senior management reinforce these principles by establishing a strong "tone from the top", embedding ethical conduct into the culture and decision-making processes. The Bank also acknowledges its responsibility to a diverse group of domestic and international investors and strives to uphold mechanisms that safeguard customer interests and maintain market confidence.

Risk mitigation

In managing conduct risk, the Bank takes a coordinated approach, assigning clear responsibilities to various divisions and departments to identify, mitigate, and eliminate conduct-related risks across all client and stakeholder interactions.

The Conduct Risk Management Framework, jointly maintained by Compliance, Human Capital, and Operational Risk functions, supports business lines through the following key processes:

Policy and Procedure Development:

Establishing and regularly updating policies and procedures to ensure that all employees comply with relevant regulatory requirements, industry best practices, and the Bank's Code of Conduct and Code of Ethics.

Department Oversight and Complaint Management:

Maintaining a close working relationship with the Compliance Division to administer conduct-related policies and investigating complaints regarding the conduct of the staff.

Client Communication Standards:

Ensuring that front-line staff provide clear, accurate, and complete product information—both orally and in writing—regardless of a client's financial knowledge or experience, thereby promoting fair treatment and transparency.

Recordkeeping and Monitoring:

Maintaining comprehensive records of client interactions and communications, particularly those involving sensitive topics or complex product offerings, to support transparency and accountability.

Employee Training:

Delivering regular, targeted training to all employees on conduct expectations and evolving compliance standards, with a strong focus on onboarding new hires and maintaining awareness of ethical standards across the Bank.

Culture and Incentives:

Promoting a culture of openness and accountability where employees feel empowered to raise concerns without fear of retaliation. The Bank actively prevents conflicts of interest and supports this with values-based incentive and disciplinary policies, moral incentive programmes, and risk-adjusted bonus schemes.

EMERGING RISKS

1. The Group recognises its exposure to risks arising from climate change.

Risk description

The risks associated with climate change have both a physical impact, arising from more frequent and severe weather changes, and a transitional impact that may entail extensive policy, legal, and technological changes to reduce the ecological footprint of households and businesses. For the Group, both risks could materialise through impaired asset values and the deteriorating creditworthiness of our customers, which could result in a reduction of the Group's profitability.

The Group may also become exposed to reputational risks because of its lending to, or other business operations with, customers deemed to be contributing to climate change.

Risk mitigation

The Group has in place an Environmental and Climate Change Policy. The policy governs its Environmental Management System ("EMS") and ensures that the Group's operations adhere to the applicable environmental, health, safety, and labour regulations and practices. We take all reasonable steps to support our customers in fulfilling their environmental and social responsibilities. The management of environmental and social risks is embedded in the Group's lending process through the application of the EMS. The Group has developed risk management procedures to identify, assess, manage, and monitor environmental and social risks. These procedures are fully integrated in the Group's credit risk management process. To identify, assess, and manage risks associated with climate change, the Group introduced an overall climate risk assessment and conducted a general analysis to understand the maturity level of the climate-related framework. This general analysis covered assessment of existing policies and procedures, identification of areas for further development, and gap analysis. Following this analysis, the main focus areas were identified and reflected in the climate action strategy, in line with the Group's business strategy. Furthermore, our Environmental and Climate Change Policy is fully compliant with local environmental legislation and follows international best practices (the full policy is available at www.tbcbankgroup.com).

In order to increase our understanding of climate-related risks to the Bank's loan portfolio, the Bank performed a high-level sectoral risk assessment, since different sectors might be vulnerable to different climate-related risks over different time horizons. In 2024, we further developed our TCFD framework and measured the Group's indirect performance against the Paris Agreement targets for the reduction of GHG emissions. In 2025, the results were reflected in the Group's long-term transition plan. Furthermore, we conducted a gap analysis against the IFRS S1 and IFRS S2 standards. The results of this analysis will serve as a foundation for the implementation plan in 2026. For more details, please find the section "Climate-related Financial Disclosures 2025."

Risk review - material existing and emerging risks *continued*

The Bank aims to increase its understanding of climate-related risks and their longer-term impacts over the coming years, which will enable it to further develop its approach to mitigation. Furthermore, the Group's portfolio has strong collateral coverage, with around 74% of the loan book collateralised with cash, real estate, or gold. Since the collateral evaluation procedure includes monitoring, any need to change collateral values arises from our regular collateral monitoring process.

In June 2025, the Group released its full-scale sustainability report for the year 2024 in accordance with the Global Reporting Initiative (GRI) standards. The Global Reporting Initiative (GRI) helps the private sector to understand and realise its role and influence on sustainable development issues such as climate change, human rights, and governance.

The report is designed for all interested parties and groups in Georgia and abroad and aims to give them clear, fact-based information about the social, economic, and environmental impact of our activities in 2025. It presents our endeavours to create value for our employees, clients, suppliers, partners, and society as a whole. The Sustainability Report 2024 is available at www.tbcbank.ge.

At the executive level, responsibility for ESG and climate-related matters is assigned to the ESG Steering Committee, which was established by the Management Board in March 2021 and is responsible for implementing the ESG and climate action strategy and approving detailed annual and other action plans for key projects. The ESG Committee meets on a quarterly basis.

In January 2022, the Group established an Environmental, Social and Governance (ESG) and Ethics Committee at the Board level, as well as at the Supervisory Board level in line with the Company's "mirror boards" structure. This reflects the importance of sustainability in TBC's corporate governance and allows Board members to dedicate more time and focus to ESG topics. The Committee provides strategic guidance on climate-related matters and reports to the Board, which has overall oversight. For more details about the management of ESG matters, please find the section "ESG Strategy".

2. Artificial intelligence risk

Risk description

Advances in Artificial Intelligence (AI) continue to shape financial services. AI models, like traditional Machine Learning (ML) models, have long been used across the Group's operations, particularly in areas such as credit risk assessment, fraud detection, and customer analytics. More recently, the integration of advanced AI capabilities, like Generative AI (Gen AI), has further expanded their role, supporting improvements in customer experience, efficiency optimisation, etc.

At the same time, the use of Gen AI gives rise to specific considerations for model risk, cybersecurity, operational resilience and ethical use of AI tools. Supervisory expectations related to Gen AI model governance, data protection, and ethical usage are developing globally and are increasingly reflected in the regulatory approaches. These developments are becoming progressively relevant for the Group's operations in Georgia, and evolving regulations may introduce additional requirements or constraints over time.

Risk mitigation

Model risk arising from Gen AI models, whether internally developed or developed by third parties, is subject to dedicated oversight by the Model Risk Management (MRM) unit. The MRM unit governs this risk through a structured, risk-based model governance framework, encompassing both initial validation prior to model deployment and periodic ongoing validation throughout the model lifecycle. Validation activities are calibrated to the complexity, materiality, and intended use of each model, ensuring that higher-risk Gen AI applications receive appropriately enhanced scrutiny. This governance structure ensures that the Group's use of Gen AI remains sound, responsible, and aligned with evolving regulatory expectations.

The adoption of Gen AI technologies also increase the potential cyber-attack surface. Key risks associated with Gen AI technologies may include, among others, prompt injection attacks, unintended data leakage or exfiltration, misuse of third-party AI models, and the potential use of AI by malicious actors to automate or scale cyber-attacks. The Group addresses these risks through its comprehensive Information and Cyber Security Management System and a dedicated Secure and Ethical Use of AI Policy, which governs the development, procurement, and use of Gen AI technologies. This framework establishes controls to manage security, privacy, and misuse risks associated with Gen AI. The Group applies a layered defense-in-depth approach across data, identity, endpoints, applications, cloud, network, and physical security. These controls are implemented and continuously enhanced by specialised cybersecurity teams and supported by organisation-wide security awareness programs.

In addition, TBC manages Gen AI operational risks through centralised governance and controlled deployment of AI systems. Key AI solutions are developed and operated on the Group's enterprise data and AI platform built on Databricks, which provides standardised development environments, access controls, and monitoring capabilities.

Gen AI use cases follow defined approval and review processes before production deployment, including technical validation, business oversight, and operational risk assessment. Human oversight is maintained for critical decisions to ensure appropriate interpretation of Gen AI outputs. Operational resilience is supported through monitoring, logging, and auditability of Gen AI system activity, while third-party Gen AI technologies are subject to vendor risk management procedures.

SELECTED REGULATIONS ON FINANCIAL RISKS

CAPITAL ADEQUACY

The Group's objectives in terms of capital management are to maintain appropriate levels of capital to support the business strategy, meet regulatory and stress testing-related requirements, and safeguard the Group's ability to continue as a going concern.

The Group complied with all its internally and externally imposed capital requirements throughout 2025.

In December 2017, the NBG adopted amendments to the regulations relating to capital adequacy requirements. These changes include amendments to the regulation on capital adequacy requirements for commercial banks, and the introduction of new requirements (i) on additional capital buffer requirements for commercial banks within Pillar 2; (ii) on the determination of the countercyclical buffer rate; and (iii) on the identification of systematically important banks and the determination of systemic buffer requirements. The purpose of these amendments is to improve the quality of banks' regulatory capital and achieve better compliance with the Basel III framework.

The NBG developed the requirements for the transition process to International Financial Reporting Standards (IFRS) in 2020 - 2022. In January 2023, the NBG adopted amendments to the regulations relating to capital adequacy requirements, compelling commercial banks to comply with supervisory regulations that use IFRS-based numbers and approaches. Under the IFRS transition process, the NBG introduced a credit risk adjustment (CRA) buffer. The CRA buffer was implemented as a Pillar 2 requirement and was fully set on CET 1 capital.

In March 2023, the Financial Stability Committee of the NBG decided to set the neutral (base) rate of the countercyclical buffer at 1%. Banks are required to accumulate a countercyclical capital buffer according to a predetermined schedule: 0.25% by March 2024, 0.50% by March 2025, 0.75% by March 2026, and fully phased-in 1% by March 2027. The countercyclical buffer could be increased at times of strong credit activity and suspended during periods of stress.

In May 2023, the NBG introduced a new requirement on Minimum Requirements for Own Funds and Eligible Liabilities (MREL) under the Bank Recovery and Resolution Framework. According to the new requirements, commercial banks must hold specific amounts of equity, subordinated debt, and of qualifying non-deposit senior debt that could be subject to bail-in in the event of bank failure. However, this should not affect risks for existing senior creditors as the bank resolution legislation in Georgia already provides a credible mechanism for the bail-in of senior obligations. MREL implementation is being phased in gradually, starting from 10% of Total Liabilities and Own Funds (TLOF) on 1 January 2024, which increased to 15% at end-2025, and will reach 20% at end-2027. MREL-eligible instruments include regulatory capital and senior, unsecured non-deposit obligations with maturities of at least one year, subject to the NBG's approval.

In November 2023, the NBG introduced the concept of a foreseeable dividend, which should be deducted from retained earnings. According to the regulation, a foreseeable dividend is considered to be the amount of a dividend approved or submitted for approval by the relevant entity defined by the charter of the commercial bank (Supervisory Board).

As another pillar of the NBG's de-dollarisation-oriented policy, in November 2024, the Monetary Policy Committee of the NBG increased the reserve requirement on foreign currency liabilities by 5pps from 20% to 25% and kept it unchanged throughout 2025.

In December 2024, the NBG also made amendments to the systemic risk buffer calculation methodology. According to the new methodology, the current systemic risk buffer for JSC TBC Bank can be increased by 0.5% if the bank's share of non-bank deposits in the total non-bank deposits of commercial banks and microbanks equals or exceeds 40%, based on the average of the previous three consecutive months. Additionally, for every further 2-percentage-point increase (in multiples of two), the buffer will be raised by an additional 0.5%. The Bank must comply with the increased requirement in a 12-month period. If the bank's share of non-bank deposits over the past 12 consecutive months decreases by any multiple of 2% or falls below 40%, the buffer will be reduced by 0.5% for each such decrease. The upper limit for the systemic buffer is set at 5%.

Risk review - material existing and emerging risks *continued*

In January 2025, the NBG introduced a new counterparty credit risk assessment methodology aligned with Basel III standards. The new standardised framework incorporates a broader set of risk-sensitive parameters, including various forms of collateral (such as variation and initial margins), fair values of derivative positions, hedge structures, and other relevant exposure characteristics. This enhancement ensures a more comprehensive and risk-aligned measurement of counterparty exposures across the banking sector.

The following table presents the capital adequacy ratios and minimum requirements:

<i>In thousands of GEL</i>	31-Dec-2025	31-Dec-2024	31-Dec-2023
CET 1 capital	5,222,768	4,843,167	4,235,033
Tier 1 capital	6,233,431	5,895,717	4,772,913
Tier 2 capital	839,454	966,246	601,388
Total regulatory capital	7,072,885	6,861,963	5,374,301
Risk-weighted exposures:			
Credit Risk-weighted exposures	26,971,743	24,948,193	21,018,445
Risk-weighted exposures for Market Risk	252,216	96,836	69,880
Risk-weighted exposures for Operational Risk	4,181,738	3,797,799	3,248,365
Total Risk-weighted exposures	31,405,697	28,842,828	24,336,690
Minimum CET 1 ratio	14.8%	14.4%	14.3%
CET 1 capital adequacy ratio	16.6%	16.8%	17.4%
Minimum Tier 1 ratio	17.0%	16.7%	16.6%
Tier 1 capital adequacy ratio	19.8%	20.4%	19.6%
Minimum total capital adequacy ratio	20.0%	19.7%	19.8%
Total capital adequacy ratio	22.5%	23.8%	22.1%

GEL volatility has been and remains a significant risk to the Bank's capital adequacy. A 10% GEL depreciation would translate into a 0.8 pp, 0.7 pp, and 0.6 pp drop in the Bank's excess CET 1, Tier 1, and Total regulatory capital, respectively.

LIQUIDITY

The Group's objectives in terms of liquidity management are to maintain appropriate levels of liquidity to support the business strategy, meet regulatory and stress testing-related requirements, and safeguard the Group's ability to continue as a going concern.

The Group complied with all its internally and externally imposed liquidity requirements in 2025.

The Bank assesses LCR and NSFR per NBG guidelines, whereby the ratios implemented by the NBG have more conservative approaches than those set by Basel III standards. The LCR enhances short-term resilience. In addition to the total LCR limit set at 100%, the NBG defines limits per currency for the GEL and foreign currencies (FC). To promote localisation in Georgia, the NBG set a lower limit to GEL LCR than to FC LCR. FC Mandatory Reserves are wholly considered in HQLA (High Qualified Liquid Assets) for LCR purposes.

The NSFR is used for long-term liquidity risk management to promote resilience over a longer time horizon by creating additional incentives for JSC TBC Bank to rely on more stable sources of funding on a continuing basis. The regulatory limit is set at 100%.

As of 31 December 2025, the ratios were well above the prudential limits set by the NBG, as follows:

Funding & Liquidity	31-Dec-2025	31-Dec-2024	31-Dec-2023
Minimum net stable funding ratio, as defined by the NBG	100.0%	100.0%	100.0%
Net stable funding ratio as defined by the NBG	123.7%	123.9%	119.9%
Minimum total liquidity coverage ratio, as defined by the NBG	100.0%	100.0%	100.0%
Minimum LCR in GEL, as defined by the NBG	75%	75.0%	75%
Minimum LCR in FC, as defined by the NBG	100.0%	100.0%	100.0%
Total liquidity coverage ratio, as defined by the NBG	127.7%	125.5%	115.3%
LCR in GEL, as defined by the NBG	146.6%	127.7%	109.8%
LCR in FC, as defined by the NBG	115.5%	124.7%	120.1%

MARKET RISK

The Group's objectives in terms of market risk management are to support the business strategy, meet regulatory and stress testing-related requirements, and safeguard the Group's ability to continue as a going concern.

The Group complied with all its internally and externally imposed market risk requirements in 2025.

FX risk

JSC TBC Bank required to maintain Open Currency Positions (OCPs) in line with the limits.

- The NBG requires the Bank to monitor both balance sheet and total aggregate (including off-balance sheet) OCPs and to maintain the latter within 20% of the Bank's regulatory capital.

Interest rate risk

JSC TBC Bank assesses interest rate risk from both the Net Interest Income (NII) and Economic Value of Equity (EVE) perspectives. As per the regulatory requirements, the Bank assesses the impact of interest rate shock scenarios on EVE and NII. According to NBG guidelines, NII sensitivity under parallel shifts of interest rate scenarios is maintained for monitoring purposes, while EVE sensitivity is calculated under six predefined stress scenarios of interest rate changes, with the limit applied to the result of the worst-case scenario. As of 31 December 2025, TBC Bank's EVE ratio stood at 7.66%, comfortably below the regulatory limit (15%).

Our approach to customers

We remain steadfast in our commitment to enhancing the financial services experience of our customers. Through innovative digital solutions and personalised services, we strive to create seamless experiences for individuals and businesses.

Key highlights 2025

Retail NPS ¹	Concept NPS ²	CIB NPS ³
68% (2024: 63%)	62% (2024: 69%)	82% (2024: 82%)

Delivering an exceptional customer experience (CX) remains central to our strategy, and we continuously adapt our products and services to meet the evolving needs of all customer segments. We promote financial inclusion by ensuring accessibility across both physical and digital channels. Our comprehensive network of branches, ATMs, and self-service terminals covers the entire country, including remote regions. In parallel, we continue to strengthen our digital channels, delivering strong growth in digital adoption, with monthly active digital users increasing by 24% in 2025 to 1.3 million.

MANAGING CUSTOMER EXPERIENCE AND SATISFACTION

Our customer experience competence (CX) centre serves as the cornerstone of our customer-centric approach, which is responsible for developing and refining strategies to enhance customer satisfaction, loyalty, and engagement across the Bank. The CX centre brings together the competence centre head, service culture lead, customer experience system lead and domain leads, who monitor and analyse customer feedback to guide the development of new products and improve existing processes, as well as focus on improving the company's service culture and CX management systems. By consolidating all CX capabilities within a single centre, we ensure a unified and consistent approach to customer experience.

To further enhance our service culture, over the past year, the CX competence centre has implemented several key initiatives:

Service quality, accessibility & continuous improvement

- Continued to utilise micro-bug reporting system, allowing employees to quickly address issues with any product or service, ensuring timely resolutions;
- Rolled out VOIX, a voice-audio monitoring system across the branch network. The solution ensures full transparency of end-to-end customer interactions and converts audio data into actionable insights for service quality enhancement. By the end of the year, we plan to integrate an AI-powered assessment model into VOIX to significantly scale the quality monitoring process;
- Developed the first AI Service Quality Assessment Model (MVP) in the call centre, based on TBC service principles. By 2026, we aim to scale AI-driven evaluations to reach c.100 assessed call recordings per operator, creating a strong foundation for measurable service-level improvement;
- Launched accessibility initiatives to ensure that both branches and digital channels accommodate the needs of individuals with disabilities.

Service culture, training & leadership development

- Introduced TBC Service Values, which underpin an onboarding and ongoing training curriculum for all customer-facing roles;
- Created the TBC Service Philosophy guidebook, translating TBC service principles into practical guidelines for daily service delivery;
- Launched the Service Leadership Laboratory, a new capability-building programme designed specifically for branch service management teams;
- Hosted the TBCX Awards, recognising employees who demonstrate outstanding commitment to customer satisfaction and service excellence.

To support transparency and accountability, we maintain a robust Complaints Management Framework that ensures each customer concern is handled efficiently and effectively. Customers can submit complaints via branches or online channels, and each case is evaluated in line with legal requirements and resolved in a timely manner. In 2025, we handled up to 7,100 complaints, achieving an 70% resolution rate. Over the same period, the customer support department identified and addressed more than 180 pain points to proactively prevent future issues.

Regular customer feedback is integral to our improvement efforts. Each year, we engage with more than half a million participants through internal and external surveys to monitor our Customer Satisfaction Index (CSI). In addition, we use Medallia, a leading global CX management platform, to capture real-time feedback from digital banking users after each transaction, enabling prompt action to address concerns and enhance the user experience.

DATA PROTECTION AND INFORMATION SECURITY

In 2025, we continued to strengthen our commitment to protecting personal data of customers, employees, and partners. Our Data Protection Policy ensures full compliance with General Data Protection Regulation (GDPR) and local regulations, supported by regular risk assessments and periodic Compliance Risk and Controls Self-Assessment (RCSA) checks to verify alignment with data protection laws. The Bank's Data Protection Officer oversees adherence to privacy standards and promotes a strong culture of data protection across all departments. We also actively collaborate with Bird & Bird GDPR Representative Services SRL to manage EU-related obligations and liaise with regulatory authorities.

TBC also has a comprehensive Information Security Policy that outlines the company's approach to safeguarding information. Our ISO 27001-certified Information Security Management System (ISMS) covers policies for IT operations, cloud security, cyber security incident management, business continuity, and information security risk management.

No significant data breaches were reported in 2025. To reinforce our risk culture, we delivered advanced data privacy and security training to over 6,700 employees, ensuring awareness and compliance at every level.

¹ The Net Promoter Score (NPS) was measured based on survey conducted by the independent research company Sonar in December 2025.

² The Net Promoter Score (NPS) was measured based on survey conducted by the independent research company Anova in December 2025.

³ Based on internal estimates, for Georgian corporate businesses as of December 2025.

TBC Becomes First Georgian Financial Institution Named ICXA 2025 Finalist



TBC became the first financial institution from Georgia to be named a finalist at the International CX Awards (ICXA 2025) in the category “Best Use of Customer Insight and Feedback – Financial Services”, standing out among 400 organisations from 40 countries.

ICXA is widely regarded as the world’s most reputable customer-experience awards organisation. In 2024, ICXA entered the Georgian market in partnership with CX Hub, the country’s first CX consulting agency and ICXA’s exclusive partner in the Caucasus.

Our approach to employees

As one of the leading employers in Georgia, we take pride in fostering an environment where top talent can grow, innovate, and make an impact.

Key highlights 2025

<p>Employee Net Promoter Score (ENPS)¹</p> <p>56% (2024: 51%)</p>	<p>Women in middle managerial positions²</p> <p>39% (2024: 37%)</p>	<p>Engagement index³</p> <p>82% (2024: 85%)</p>
---	---	---

OUR PEOPLE AND CULTURE

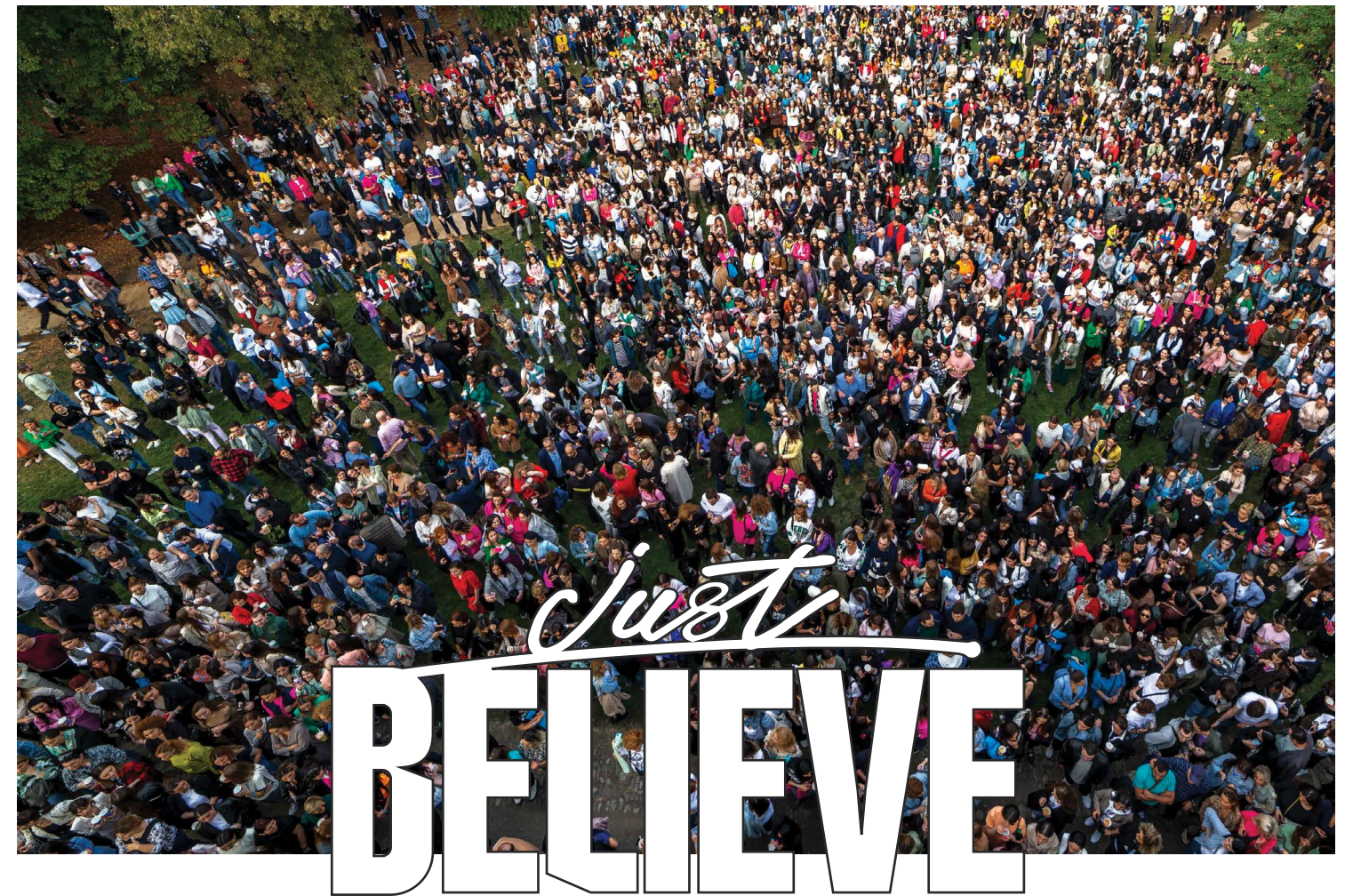
As TBC Group celebrated its 33rd anniversary and continued to expand across diverse business lines, we recognised the need to evolve our culture to reflect who we are today. To guide this process, we placed our people at the heart of this transformation. Through the Organisational Culture Assessment Instrument (OCAI) survey, we gathered insights from across our c.9,500 employees to understand both our current and desired culture.

Based on these findings, we defined a renewed set of values that embody TBC’s spirit and belief that “impossible is possible – we just need to believe.” Our values – being a team player, courageous, driven, goal-oriented, and customer-centric - now serve as the foundation of everything we do.

To bring this culture to life, we launched dedicated communication campaigns, appointed culture ambassadors, and introduced initiatives such as “One Day in a New Role” and the “Personality Quiz.” We also developed a Behavioural Culture Framework that defines the principles guiding how we collaborate and grow together, and we embedded these values across our HR practices.

This cultural renewal is aimed at strengthening engagement, unity, and pride across TBC Group, aligning us all around our shared mission of making people’s lives easier.

TBC Culture



At TBC Group, we believe that **“impossible is possible - we just need to believe”**

¹ The Employee Net Promoter Score (ENPS) was measured in December 2025 for the Bank’s employees, based on ACT Research.
² Branch managers, division and department heads, as well as mid-senior level positions at the Group’s subsidiaries.
³ Engagement Index was measured in December 2025 by an independent consultant for the Bank’s employee’s and measures how much employees feel involved and committed to TBC Bank.

OUR MAIN STRATEGIC PRIORITIES

TALENT ACQUISITION AND DEVELOPMENT

We are committed to developing a world-class ecosystem for talent acquisition and professional development. Our proactive approach encompasses rigorous monitoring of labour market trends in Georgia and other international markets. This broad outlook allows us to attract top-tier professionals globally, particularly in key areas such as business operations, finance, risk management, and information technology.

We have established meaningful partnerships with universities and colleges throughout Georgia, recognising that sustained engagement with academic institutions is essential for attracting top-tier talent. Our presence at job fairs, campus recruitment visits, and participation in various marketing initiatives has strengthened our employer brand among students and recent graduates.

Our commitment to developing emerging talent remains steadfast through our comprehensive internship programme, which focuses on entry-level positions within our back-office operations. This carefully designed initiative serves as a vital pipeline for identifying and attracting high-potential students from Georgia's leading universities and academic institutions. The programme spans one year, during which interns gain hands-on experience and receive structured mentorship. Those who demonstrate exceptional performance and alignment with our organisational values receive full-time employment offers across diverse departments, including finance, risk management, corporate affairs, marketing, information technology, and data analytics. This approach not only ensures a smooth transition from academia to professional practice but also builds long-term loyalty and institutional knowledge.

Additionally, we have extended our internship outreach to Georgian students pursuing their education at international universities. Through consistent communication and timely sharing of job openings and internship opportunities, we aim to attract this promising cohort back to Georgia upon completion of their studies.

Recognising the competitive talent landscape and specific skill shortages within the Georgian market, we have strategically expanded our recruitment efforts to include Georgian expatriates residing abroad. Throughout 2025, we proactively engaged with this talented community through regular introductory meetings and structured interviews. This targeted approach has yielded tangible results, with several successful placements at senior levels within the organisation. These professionals bring valuable international experience while maintaining cultural alignment and deep understanding of the Georgian business context.

We provide our employees with comprehensive and competitive remuneration packages that include a base salary, performance-based bonuses, and a robust benefits package. This package features health insurance, critical illness and life insurance coverage, paid sick leave, and six months of fully paid maternity and paternity leave. Additional benefits include a social assistance package in case of marriage, childbirth, and family member support, paid days off for all employees and extra paid days off for employees with more than two children, as well as special social payments for employees with more than four children. In 2025, we also introduced emergency leave, allowing employees to take up to 5 working days per year.

LEARNING AND DEVELOPMENT

TBC provides a comprehensive range of learning and development resources to its employees via TBC Academy, tailored leadership development programmes, IT education and international qualifications.

- TBC Academy continued to offer various courses this year, such as Business, Agile, Law, and BrandX, with participation from over 760 employees;
- TBC Leadership Academy delivered a training programme for middle managers in collaboration with highly rated local and international organisations, including IE Madrid University and DEVELOR International. We also introduced a New Leaders Programme for leaders with 2 years of experience. A total of 104 leaders participated in these courses, which covered critical topics such as Strategic Mindset, Collaboration, Assertive Communication, Resilience and Growth Mindset;
- We launched a Coaching Programme for middle management aimed at developing emotional intelligence and resilience, enhancing delegation and influence skills, aligning personal leadership styles with business objectives, and addressing real-time leadership challenges;
- Since 2019, our internal IT Academy in Tbilisi has been a hub for tech education, offering courses in front-end and back-end development, DevOps, and more. These courses are available free of charge to both our employees and potential candidates. Led by experienced staff and industry professionals, the Academy has trained over 2,400 individuals from outside the organisation and 2,700 within, bringing in more than 500 skilled professionals to TBC Group;

- In March, TBC IT Academy, in collaboration with Amazon Web Services (AWS), hosted Georgia's largest AWS GameDay, bringing together TBC Group's DevOps engineers and IT Academy students for a hands-on AWS infrastructure challenge. Participants engaged in a high-intensity gamified environment solving real-world cloud challenges with mentorship from AWS engineers and TBC's DevOps leads. Beyond competition, the event fostered learning, collaboration, and networking, helping participants refine their cloud optimisation and problem-solving skills;
- To strengthen DevOps capabilities across TBC's tech teams, the Academy launched the "DevOps for Non-DevOps" internal training programme. It began with 50 employees from the Digital Tribe and by the end of the year expanded significantly, engaging over 200 employees across seven different tribes. The programme played a key role in reinforcing DevOps practices throughout the organisation.
- We provide financial support to our employees to attend various external courses and gain international certifications such as MBA, CFA, FRM, ACCA and others. More than 880 employees took part in these programmes in 2025.

In 2025, TBC successfully continued an Employee Well-Being programme that included over 450 employees across the Group. This initiative focused on enhancing awareness of mental and physical health through activities such as art therapy, motivational workshops, and seminars. All these initiatives were developed and implemented based on direct feedback from our employees.

PERFORMANCE MANAGEMENT

Our performance management system is designed to boost productivity, foster open communication, and provide constructive feedback. Aligned with the Group's strategic goals, it emphasises clarity, fairness, and transparency. By connecting individual goals with TBC's priorities, we create an environment where both employees and the organisation can grow. This approach supports personal development while driving organisational success toward our shared vision.

Key Performance Indicators (KPIs) form the foundation of our performance management system, cascading from the Group's overarching strategic goals down to specific, measurable outcomes for each employee. These KPIs are directly aligned with TBC's core objectives, such as financial performance, customer satisfaction, market expansion, and operational efficiency. Leaders play an integral role in this process by translating high-level strategic goals into actionable, measurable plans.

Using the SMART framework—Specific, Measurable, Attainable, Relevant, and Time-bound—KPIs provide clarity in expectations and accountability for results. This approach offers employees a clear roadmap to success while ensuring progress can be effectively tracked and measured. Depending on the business line, KPIs and targets may be set on a monthly, quarterly, or annual basis, allowing for flexibility in meeting the distinct demands of each department.

To promote employee growth and development while supporting the achievement of KPIs, we leverage both the Individual Development Plan (IDP) and the 360-degree feedback process. These tools are designed to ensure tailored development opportunities and comprehensive performance insights for each team member.

- In collaboration with their managers, employees create IDPs that align personal development goals with the needs of the organisation. These plans serve as personalised roadmaps for skills enhancement and career progression. Managers are actively involved in reviewing and refining these plans, ensuring they are practical, achievable, and tailored to the employee's aspirations. By providing the necessary resources and support, managers enable employees to achieve their developmental milestones and grow within the organisation;
- The 360-degree feedback process is a comprehensive evaluation system that gathers insights from peers, subordinates, and managers, providing a holistic view of performance and competencies. Leaders are expected to not only provide feedback but also facilitate a culture of continuous improvement. By incorporating multiple perspectives, the process encourages transparency, celebrates individual strengths, and identifies areas for development, creating a culture that nurtures both professional growth and team cohesion.

DIVERSITY, EQUALITY AND INCLUSION

We remain committed to building a diverse workforce that drives innovation, enhances decision-making, and fosters a dynamic work environment. By bringing together varied experiences and perspectives, we are better equipped to understand diverse customer needs, adapt to evolving market demands, and develop inclusive solutions. We place a strong emphasis on empowering women and supporting their professional growth. Also, we have elaborated a long-term approach for women to excel in middle management roles and break barriers in traditionally male-dominated fields such as ICT and finance. To ensure progress, our ESG strategy outlines clear targets and action plans aligned with these goals. Key initiatives include implementing a gender-disaggregated reporting system to monitor trends, providing onboarding training for middle managers and HR specialists on gender-sensitive practices, ensuring gender-balanced applicant pools, and incorporating gender-inclusive language in job descriptions.

Non-financial and sustainability information - employees *continued*

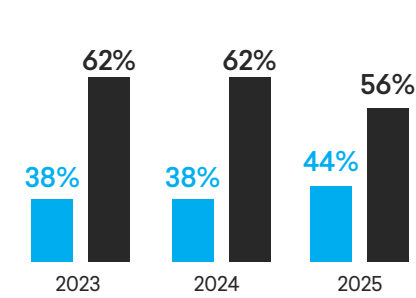
We are guided by our Diversity, Equality, and Inclusion (DEI) Policy, which provides a clear framework for integrating these principles across all areas of the Group's activities. This includes fostering inclusivity within our company, promoting diversity in the marketplace, and making a positive impact on the broader community. In 2025, as part of the annual update to the DEI Policy, additional requirements were introduced: all managers are now accountable for achieving progress and will be evaluated accordingly through the performance review process. To support capacity-building, a tailored training course on diversity and inclusion will be established for middle managers. Furthermore, DEI-related competencies are incorporated into leaders' performance evaluations to assess the effectiveness of awareness-raising efforts. The policy is available at: www.tcbankgroup.com.

Affirming our commitment as proud endorsers of the Women's Empowerment Principles (WEPs), we pledge to actively champion gender equality and amplify our dedication through public forums. Each year, we participate in the annual assessment of WEPs signatory companies, conducted by UN Women Georgia, to report our data, progress, and thematic activities or projects implemented in alignment with each principle. This year, marking the 10th anniversary of the UN Women's Empowerment Principles (WEPs), TBC's contribution was recognised with a special distinction.

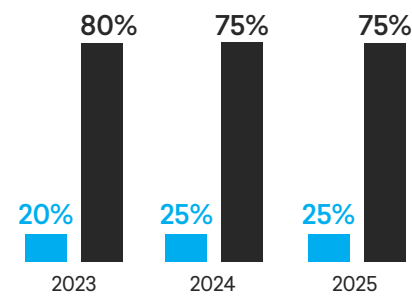
As part of our steadfast commitment to diversity, equality, and inclusion, we place a strong emphasis on training initiatives that foster awareness and understanding among our employees. At TBC, all employees undergo mandatory training on topics such as gender equality, diversity, sexual harassment, stereotypes and discrimination, and various forms of violence. Additionally, we organise interactive face-to-face sessions designed to promote a healthy and inclusive work environment. These sessions blend theoretical knowledge with practical exercises, encouraging active participation and meaningful discussions to drive positive change across the organisation.

The tables below show the data at the Group level.

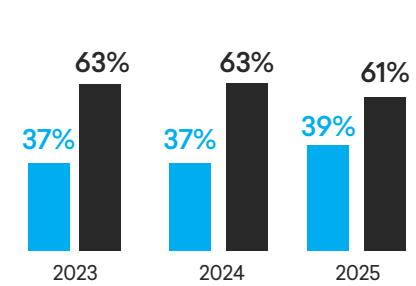
Supervisory board



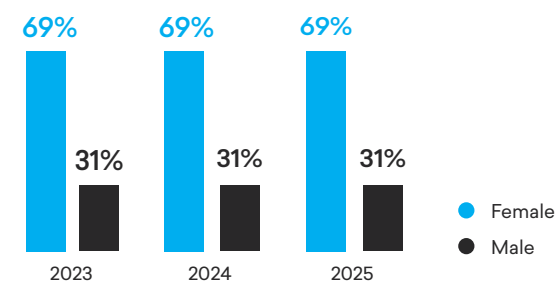
Executive committee



Middle managerial positions*



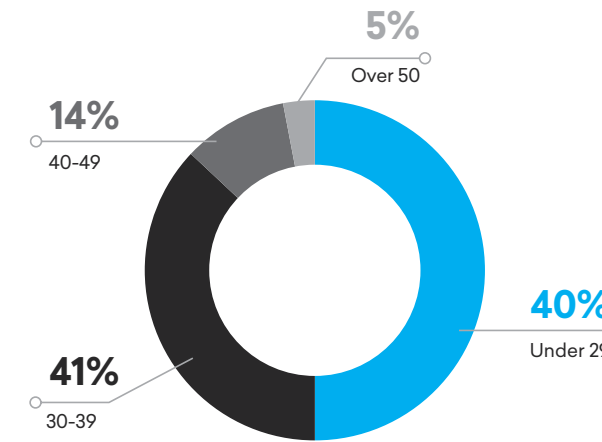
All employees



*Branch managers, division and department heads, as well as mid-senior level positions at the Group's subsidiaries.

We have a diverse team consisting of experienced professionals and young, talented individuals fresh from top universities in Georgia and abroad. We strongly believe that this mix of ages fosters a dynamic, high-performing team, resulting in better outcomes.

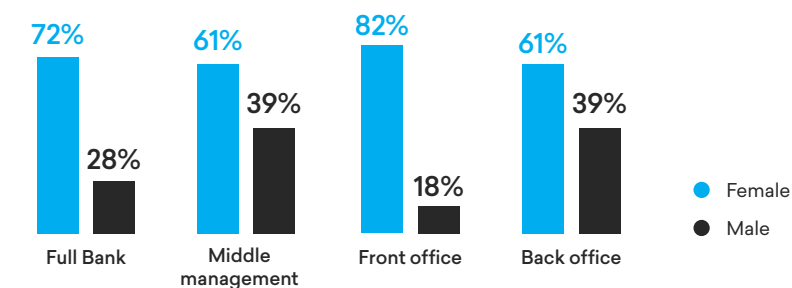
Age diversity statistics as of December 2025



GENDER PAY GAP¹

We regularly review our pay levels and make sure that men and women are paid equally for doing the same type of job. In 2025, our mean gender pay gap for the Bank's employees was 48%, slightly increased compared to 2024 (46%), which means that, on average, men received higher remuneration than women (mean gender pay gap in hourly pay). This is mainly due to the higher number of women being employed in junior roles, including front-office customer service positions. For middle management, the mean gender pay gap was 1.7% (favouring men) in 2025 and -3% in 2024. We remain committed to achieving a better gender balance and increasing the proportion of women working in senior and middle-level roles.

Gender distribution across different positions*



*The data in the given table is presented for the Bank only

¹ The gender pay gap is calculated as of April 2025.

COMMITMENT TO ETHICS, DIVERSITY, INTEGRITY, AND RESPONSIBILITY

TBC Group is committed to conducting business with the highest ethical standards, respecting human rights, addressing environmental and community concerns, and fostering a culture where employees act with integrity, responsibility, and mutual respect toward each other and all stakeholders.

To support this commitment, we have established a comprehensive set of Group-level policies, which are closely monitored for adherence. These policies are regularly reviewed and updated to ensure they remain effective and relevant.

These policies can be found on our website at www.tcbankgroup.com and are comprised of:

- Code of Conduct and Ethics;
- Diversity, Equality and Inclusion Policy;
- Human Rights Policy;
- Anti-Financial Crime Policy;
- Incident Response Policy (Whistleblowing Policy);
- Global Data Protection Policy;
- Environmental and Climate Change Policy.

We also have an Employee Protection Policy Against Discrimination, Violence, and Harassment at the Bank level, which can be accessed at www.tcbank.ge.

In 2025, we conducted mandatory training sessions tailored to various employee groups based on their specific job responsibilities in the following areas: a healthy work environment, environmental issues, code of conduct, data and information security, fraud and operational risks, anti-corruption, anti-bribery, ethical issues and anti-money laundering and sanctions. By the end of the year, more than 8,100 employees had successfully completed these training programmes.

TBC Empowers Its Workforce Through AI Literacy and Innovation



This year, we launched the TBC AI Literacy project to equip our employees with essential AI skills through innovative learning. Our flagship TBC AI Essentials course, the first Georgian-language AI literacy programme, has already enrolled over 1,000 employees. The initiative also featured an interactive webinar showcasing how AI tools such as Microsoft Copilot, Gamma, and Databricks Genie can support everyday tasks.

In addition, TBC hosted RedHack, Georgia's first AI Red Team hackathon, where 100 participants tested TBC's generative AI systems to strengthen the chatbot's resilience and foster a culture of responsible AI development.

Our approach to community

We continued to invest in people, culture, innovation, and sustainability to empower communities, expand opportunity, and preserve our shared heritage for the future.

OUR CSR ACTIVITIES

In 2025, our CSR agenda focused on education, culture, art and sports: areas where sustained support builds skills, strengthens communities, and contributes to the country's long-term development.

SHAPING THE NEXT GENERATION THROUGH EDUCATION

Through our educational projects, TBC has given thousands of young people the opportunity to turn their interests into something meaningful. Each project opens new horizons, with every initiative pushing the boundaries of innovation even further. We focus on programmes that align with our expertise and long-term vision. As a tech-driven company, TBC Tech School and IT Academy deliver cutting-edge education in technology, equipping individuals with the skills required to thrive in the digital era. Meanwhile, through TBC Campus, we share our business expertise by offering specialised programmes that foster practical knowledge and entrepreneurial thinking.

TBC Tech School, run in partnership with GeoLab, offers fully funded online technology courses for students in grades 9–12 across Georgia. The three-month programmes cover seven fields: Front-End Web Development, Python Back-End Programming, Web App Development, Graphic Design, Social Media Marketing, AI Fundamentals, and UI/UX Design. By the end of 2025, over 4,000 students had participated in these courses nationwide, all of which have integrated AI components to keep the curriculum current and engaging.

TBC IT Academy provides fully funded, intensive courses in high-demand IT fields for young professionals aged 18 and above. The academy has successfully graduated up to 3,000 students from all over Georgia.

TBC Campus offers free professional courses for young people aged 18–24 across Georgia. Launched in October 2024, the programme helps students build skills in high-demand fields such as UI/UX Design, Graphic Design, Advertising Content Creation, Digital Marketing, SEO, Business & Entrepreneurship, IT Project Management, and Data Analysis, with over 300 participants to date.

TBC Education Space aims to establish multifunctional learning environments in schools across Georgia, offering students opportunities for extracurricular and creative development. The first space opened in 2024 at Andria Razmadze Public School No. 41 in Kutaisi, a leading physics and mathematics school, with the next set to open in Poti in 2025. Designed with modular, adaptable layouts, the spaces host diverse activities from workshops and clubs to presentations and multimedia lessons and provide access to both physical and digital libraries through “Saba.”

Our other notable educational projects include:

- TBC partnered with the Georgian AI Association (GAIA) to establish itself as Georgia's central hub for AI knowledge. The collaboration includes nationwide educational programmes and initiatives, including opportunities for students to represent Georgia at the International Olympiad of AI (IOAI). In 2025, two Georgian teams participated in the IOAI in China and proudly earned a bronze medal in their debut year;
- TBC, in partnership with American Chamber of Commerce in Georgia and the McLain Association for Children, Georgia, continues to sponsor a scholarship programme supporting students from socially vulnerable families across Georgia. In its second year, 65 students received funding for higher education at Georgian universities.
- TBC sponsored the top 5 rated students of one of the most prestigious universities in Georgia, Caucasus University, by covering the costs of students' spring semester studies;
- TBC introduced two new projects focused on career guidance and critical thinking. A multi-format content series, which include videos, podcasts, and events, will feature industry experts offering practical career insights. The second project addresses misinformation through engaging video essays led by a popular Gen Z host, promoting media literacy and helping young audiences identify fake news and verify sources;
- With the support of TBC, the Georgian Book Association organised the Tbilisi Book Fair from April 10th – 13th 2025, bringing together, book lovers, major and independent publishers, and popular bookstores. Visitors attended the presentation of new titles prepared especially for the fair, along with engaging meetings with beloved authors and actors, making their journey into the world of books deeper and more inspiring.

SUPPORTING CULTURE AND ART

One of our key focus areas is supporting culture and the arts. This encompasses organising, promoting, and facilitating cultural initiatives that enrich communities. By supporting art and culture, we help to shape society, inspiring new ideas and creating opportunities for meaningful and memorable experiences.

Cultural Projects and Exhibitions 2025:

SABA - Since 2002, TBC has been the main sponsor of the SABA Literary Award, the preeminent literary event in Georgia. This year, the judges reviewed up to 500 books and chose 11 winners in 9 different categories, with a prize fund of GEL 74,000. TBC and SABA also collaborate on www.saba.com.ge, the largest online platform for Georgian electronic and audio books. The platform was established in 2012 and provides access to more than 7,500 audio and electronic books for approximately 400,000 users.

Kolga Tbilisi Photo 2025 - with TBC's support, the 24th edition of Kolga Tbilisi Photo took place in May 2025, hosting both local and international exhibitions. Founded in 2002, Kolga Tbilisi Photo is a leading photography institution that presents exhibitions, workshops, and lectures by renowned photographers from around the world every year. The festival promotes contemporary photography and supports the development of emerging artists. As youth education and empowerment are among TBC's main priorities, the company has been a devoted supporter of Kolga Tbilisi Photo for more than two decades.

The Eliso Award, honouring excellence in Georgian cinema, is the first initiative of the Nato Vachnadze Foundation, established in 2024 with TBC's support, which is held annually on June 14, Nato Vachnadze's birthday, at her house-museum in Gurjaani. This award also contributes to strengthening the cultural and social vitality of the region.

Exhibition renewal at the Lado Asatiani House-Museum - TBC is the main supporter of the renewal of the exhibition at the House-Museum of the famous Georgian poet Lado Asatiani in the village of Bardnala. The museum, located in the Lechkhumi region (Tsageri Municipality), has existed for over half a century and is one of the area's key cultural and historical landmarks. The project will renew the museum concept and provide an exhibition curated by Aka Morchiladze, offering visitors a new perspective on the poet, his legacy, and his creative world.

Monographic Book on Architect Lado Alexi-Meskhishvili - with the support of TBC, a monographic publication dedicated to the prominent Georgian architect Lado Alexi-Meskhishvili has been released. The book marks the final stage of a three-year project that also included exhibitions dedicated to the architect, held at TBC galleries in Tbilisi and Kutaisi in 2022–2023.

Exhibition at TBC Concept Gallery: Rusudan Khizanishvili's Personal Iconography

Rusudan Khizanishvili is known for her vivid, detail-rich canvases. For the first time, her black-and-white pencil drawings were presented as a separate exhibition.

UBANI - Tbilisi Landscape Modelling Seminar - supported by TBC Concept, a Tbilisi Landscape Modelling seminar and workshop took place in September 2025, led by Italian architect and theorist Renato Rizzi. The initiative aims to promote innovative methodologies in landscape modelling within the framework of the Ubani research programme, focusing on Tbilisi's unique topography and its influence on the city's morphology and structure. The project will culminate with an exhibition at the TBC Concept Gallery in March 2026. Ubani is a non-profit organisation dedicated to the study of Tbilisi's architecture and urban landscape.

PROMOTING RUGBY DEVELOPMENT

TBC continues to support the Georgian Rugby Federation, fostering collaboration across all levels of national teams, including both male and female teams. Our partnership extends to the club level, featuring support for Georgia's first rugby franchise team, “Black Lion”. Established in 2021 to advance professional rugby in the country, Black Lion competes in prestigious tournaments, proudly showcasing Georgian rugby's skill and potential on the international stage.

TBC is also supporting the Georgian national youth rugby team, which plays a pivotal role in the sport's development within the country. The Under-20 team consistently excels in international competitions, regularly participating in the World Rugby Under-20 Championship and the Under-20 Trophy, where they secure top rankings.

TBC Drives Georgia's AI Talent Development Through Its Support of the National AI Olympiad



In 2025, TBC became the main supporter of Georgia's first National Artificial Intelligence Olympiad, organised by the Georgian Association for Artificial Intelligence (GAIA). The initiative aimed to equip high school students with essential AI skills through a nine-month learning programme led by experts, including TBC's data science team.

Georgia's debut at the International Olympiad on Artificial Intelligence in Beijing was remarkable, earning a bronze medal and an honorable mention among 60+ countries. The programme's success sparked nationwide enthusiasm: registrations tripled and female participation rose significantly, highlighting TBC's role in advancing innovation, youth development, and Georgia's integration into the global tech ecosystem.

ESG Strategy

Highlights

Sustainable portfolio GEL 2.3 bln (2024: GEL 1.7 bln)	Sustainable funds GEL 1.9 bln (2024: GEL 1.3 bln)	Renewable energy financing GEL 638 mln (2024: GEL 604 mln)
Social portfolio GEL 992 mln (2024: GEL 782 mln)	Green portfolio GEL 1.3 bln (2024: GEL 952 mln)	Renewable energy usage 45% (2024: 7%)
ESG Academy c. 930 Participants (2024: 330)	IT Academy 37% Share of women (2024: 37%)	Woman in ICT areas 45% (2024: 46%)

Our role reflects our responsibility to contribute to a better future through innovation and technology, to increase the accessibility of financial and non-financial services, to make a positive impact on the communities, to reduce our ecological footprint and support the transition to a greener, more climate resilient economy.

Our ESG Strategy underscores our dedication to making a lasting, sustainable impact. We are committed to being the foremost advocate of Environmental, Social, and Governance (ESG) principles, not only within our country but also across the broader region. By integrating ESG considerations into our operations, we aim to drive a positive change, support sustainable development, and lead by example. A key component of our strategy is the transition to a low-carbon economy. We are actively working to reduce our carbon footprint and promote renewable energy sources. Moreover, we focus on lending to customers who invest in green technologies, supporting low-carbon projects, and encouraging sustainable practices across all sectors. Our ESG strategy reflects our responsibility to foster economic growth, social well-being, and environmental stewardship, ensuring that our contributions benefit both present and future generations.

Raising awareness of ESG principles is also central to our strategy. We engage with stakeholders through educational initiatives, transparent reporting, and collaborative efforts to promote a deeper understanding of sustainability issues. On annual basis, we conduct dedicated ESG surveys among our employees, investors, and customers. To ensure our ESG initiatives align with stakeholder expectations and support our strategic sustainability goals, we identified key ESG topics of interest and importance to employees, investors, and customers. Using this feedback, we refine our ESG initiatives to ensure they address stakeholder expectations and support our strategic sustainability goals.

Through the TBC ESG Academy, we significantly scaled our flagship Green Mind-Set and Green Financing programme, extending its reach to both employees and clients while deepening engagement on climate risks, green technologies, and sustainable business models. We also strengthened our climate ambition by assessing our greenhouse gas emissions and establishing reduction pathways aligned with the Paris Agreement's 1.5°C scenario.

We prioritise diversity and inclusion within our organisation and in the communities we serve. We believe that diverse perspectives drive innovation and strengthen our ability to address complex challenges. We are committed to creating an inclusive environment where all individuals feel valued and respected. In 2025, TBC Bank was recognised as Disability Inclusion Champion at ADB's 11th Annual Trade and Supply Chain Award. The award reflects the bank's commitment to advancing diversity and disability inclusion through a one-year project¹ implemented in 2024, supported by ADB to work on a comprehensive diversity concept covering three main activity streams: physical and digital accessibility of products and services, inclusive employment, and accessibility of marketing events.

The ESG Strategy is reviewed and approved by the Supervisory Board annually, while implementation is overseen by ESG-related committees at the Supervisory Board and executive management levels.

As the largest subsidiary of the Group, holding 97% of the Group's total assets, TBC Bank plays a pivotal role in driving the sustainable development of Georgia and positioning itself as a leading supporter of ESG principles.

To strengthen this commitment, TBC's ESG Strategy defines several key areas and targets with different time horizons:

Enhanced governance of ESG and climate-related risks and opportunities	Sustainable portfolio growth	Access to green and sustainable financing sources	Customer awareness, investor confidence, and employee diversity	Impact measurement and reporting
--	------------------------------	---	---	----------------------------------

¹ As part of the Asian Development Bank Trade and Supply Chain Finance Programme's (TSCFP) Disability Inclusion Project for Financial Institutions, ADB is funding the provision of timeboxed consultancy support for banks across Asia and the Pacific. ADB has contracted GDI to provide consultancy services for banks under this programme, and TBC Bank is receiving this consultancy offer free of charge, as funded by ADB. As agreed with TBC Bank, the scope of consultancy support provided by GDI Hub includes technical, training, and advisory services.

Key achievements in 2025:

- The total volume of TBC Bank's sustainable portfolio reached GEL 2.29 billion, increasing by 32% since the end of 2024, when it stood at GEL 1.73 billion;
- We further advanced TBC Bank's internal capacity for assessing green assets and increasing green financing by introducing a new role of energy-efficiency and green technologies specialist, and developing specific standardised methodologies for different sectors and technologies. As a result, volume of green projects assessed with internal resource totaled GEL 645 million;
- We measured the Bank's performance against the Paris Agreement targets for the reduction of GHG emissions;
- We started incorporating the standards of the Science-Based Targets Initiative into our performance measurement methodology;
- The share of renewable energy in TBC Bank's total electricity consumption grew up to 45%, covering 80% of electricity consumption in regions and 27% in Tbilisi;
- Through its pioneering educational platform, the TBC ESG Academy, TBC Bank delivered 41 training sessions, engaging 728 employees and 204 clients with its flagship course Green Mindset and Green Financing;
- The share of women in ICT, Risk and Finance remained steady at 45%;
- The number of participants in our educational programmes in ICT areas reached 677, achieving 37% representation for women and 39% for participants from the regions.

The ESG Strategy follows a strategic road map, which reflects the milestones of our sustainability journey for the coming years. In 2025, we developed the ESG Strategy for the following three years and actively continued to implement our initiatives to fulfil our targets, which are divided into four pillars: direct environmental impact, indirect environmental impact, social impact, and governance.

Pillars 1 and 2: Direct and indirect environmental impact

The Group is dedicated to managing environmental aspects and impacts of its business activities by implementing diverse initiatives, setting clear targets and establishing robust processes. All of these efforts are embedded within the ESG Strategy, which follows a three-year cycle and is reviewed annually to reflect progress and evolving priorities.

The direct and indirect environmental pillars of the ESG Strategy cover measures to minimise the negative impact on the environment, establishing methodologies to advance climate action and integrate respective approaches into the management processes, ensuring our compliance with regulations, raising awareness among stakeholders, and promoting sustainable finance among our customers. The detailed initiatives under direct and indirect environmental pillars of the ESG Strategy are given in the table below. The table shows initiatives/targets set in the ESG Strategy which is updated for the following three-year cycle annually, the status of the initiative in 2025 and planned action in 2026 to further enhance the progress.

2025 ESG strategy target/initiative	2025 status	2026 outlook/target
Sustainable portfolio ¹ volume - GEL 2 billion	Target volume of GEL 2 billion was exceeded with GEL 286 million	GEL 3.2 billion
ESG Academy training courses	The ESG Academy delivered 41 training sessions for 728 employees and 204 clients across Tbilisi and regional locations	Two new courses for TBC staff and customers Courses for suppliers
Development of tailored green products	Internal assessment of opportunities to offer tailored green products, including two consultancy projects supporting development of tailored green products	Tailored green products for different economic activities and customer segments
Establishment of the green asset assessment process	GEL 645 million assessed	GEL 600 million
Development and implementation of the transition plan	Calculation of the Paris Alignment for direct and indirect emissions at TBC Bank and TBC Group levels have been conducted. Targets for reducing financed emissions and scope 1 and scope 2 emissions have been set	Implementation of transitional plan at TBC Bank and TBC Group levels. Targets to be submitted to SBTi.
Implementation of new NBS Pillar 3 ESG disclosure requirements ² into TBC Bank's practices	NBS has updated ESG disclosure template substantially	TBC Bank's disclosure practices and reporting system to be aligned with updated NBS ESG reporting requirements
Calculating additional Scope 3 categories	New methodologies for Scope 3 categories - Category 5: Waste generated and Category 7: Employee Commuting have been developed	Additional scope 3 categories to be integrated
Enhancing internal capacity to assess sectoral climate risks through guidelines and trainings	Two TA projects have been launched, offering consultation support for the creation of sectoral guidelines.	Sectoral guidelines to be developed and respective training courses to be conducted

Pillar 3: Social impact

In order to expand our focus on diversity, gender, and inclusion issues, we maintain a Diversity, Equality and Inclusion Policy (available at our website, www.tbcbankgroup.com), which sets targets and establishes a methodology to advance diversity, equality, and inclusion, integrating its approach into the company's operations and management processes and focusing on diverse areas including gender, multicultural, multigenerational, and disability backgrounds. We remain committed to having a gender-balanced workforce and a culture that supports and empowers women. At the Bank level, we defined targets for women participation in different positions. The main target for women in middle manager and agile leaders is set at 41% for 2026. In 2026, to accelerate progress towards this target and further strengthen diversity, we plan to include diversity components in the evaluation process of middle and senior managers and conduct a Human-Centered Leadership training session for middle management. In the coming year, we are committed to advancing the inclusion of employees with disabilities through a series of targeted initiatives such as introducing a target for employees with disabilities and developing inclusion guidance documents.

¹ Renewable energy and energy-efficiency loans, women and youth financing, NBS green and social taxonomy, green bonds and social guarantees. More details are given on page 132.

² www.nbs.gov.ge

Non-financial and sustainability information - ESG strategy continued

2025 ESG strategy target/initiative	2025 status	2026 outlook/target
Enhancing diversity within TBC Bank through different initiatives	Diversity Action Plan has been prepared and monthly meetings to monitor diversity trends and progress against targets are in place	Including diversity components in evaluation process of middle managers Develop and conduct training on Human-Centered Leadership for Middle Management to foster diversity
Enhancing Inclusion of people with disabilities through different initiatives	Action Plan to enhance the inclusion of people with disabilities has been set	Flagship TBC branch concept tailored to people with disabilities Setting target for hiring people with disabilities Development of an Inclusivity Guidance for digital products, services and marketing events Inclusivity Employment Guidance Standard
Diversity targets	40%	41%

Pillar 4: Governance

The ESG Strategy is reviewed and approved by the Supervisory Board annually, while implementation is overseen by two ESG-related committees at the Supervisory Board and executive management levels. During the year, the Committee steered and supported the implementation of strategy, policies, and programmes in relation to ESG matters for the Group and its subsidiaries, ensuring that the TBC Group's ESG Strategy is implemented effectively, meeting its objectives across all business areas.

In 2025, we continued implementation of individual ESG strategies in significant subsidiaries of TBC Bank. Several workshops were conducted with staff from the subsidiaries and working groups were established.

In 2026, we aim to ensure that TBC's management practices and systems are fully aligned with the IFRS S1 and S2 standards and to advance automation within reporting. We conducted a gap analysis to assess existing strengths, identified areas where gaps remain, and provided directional insights to further enhance TBC Bank's climate-related disclosures in line with IFRS S2. Several training courses have been delivered under the technical assistance (TA) programmes from EIB to strengthen TBC Bank staff's expertise and skills about IFRS S2, green finance and associated risks and green eligibility of the loans. In 2025, two new, long-term TAs from TBC Bank's partner IFI's DEG (Deutsche Entwicklungsgesellschaft) and ADB (Asian Development Bank) have been launched. The upcoming two programmes cover topics related to IFRS S1 and S2, as well.

2025 ESG strategy target/initiative	2025 status	2026 outlook/target
Implementation of IFRS S1 and S2	Gap analysis of processes and practices with IFRS S2 has been conducted and IFRS S2 implementation plan has been prepared	Implementation of IFRS S1 and S2
Membership to PCAF ¹	The PCAF membership has been initiated.	PCAF membership
Automation of regular reporting	Sustainable portfolio has been automated	Introducing AI tools in screening and assessment of loans

In 2026, we will continue to follow our strategic plan, focusing on the following topics:

Sustainable portfolio

In 2026, we will continue to focus on the growth of our sustainable portfolio. The ESG strategy sets an ambitious target of GEL 3.2 billion for the sustainable portfolio which consists of renewable energy loans, energy efficiency loans, and financing with social components such as women and youth financing, supporting start-ups and rural enterprises.

ESG Academy

The awareness raising and knowledge building remains one of the key priorities of the ESG Strategy. The TBC ESG Academy addresses ESG topics, including green and social financing, regulatory requirements, diversity and affirmative approaches, sustainable business models and practices among the Bank's customers as well as TBC employees. The first training programme, "The Green Mind-Set and Green Financing", was launched in March 2024,

with support from two partner international financial institutions, the Green for Growth Fund (GGF) and the European Fund for Southeast Europe (EFSE). In 2025, the flagship training programme reached more than 728 TBC employees and 204 clients through 41 training sessions held in-person. Furthermore, we added webinars in online format to increase the accessibility for participants from different regions.

In the coming year, we plan to develop three new ESG Academy courses for employees, customers and suppliers.

Implementation of the IFRS S1 and S2 Standards

In June 2023, the International Sustainability Standards Board (ISSB) issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. In 2025, we conducted a gap analysis of TBC Bank's processes and practices with IFRS S2 and prepared the IFRS S2 Implementation Plan. In 2026, we will focus on implementation of these requirements. Since we have published our disclosures in line with the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD), we will build on the existing disclosure and reporting framework.

Women financing

We plan to develop a targeted skill-building programme, supported by technical assistance from the European Investment Bank (EIB), to strengthen the business, financial, and leadership capabilities of women entrepreneurs and to support their growth and access to finance. The initiative will be complemented by tailored financial products, special benefits such as partial credit guarantees, and non-financial support including mentoring, advisory services, and practical educational programmes. Together, these measures will help create better opportunities for women-led businesses and foster their long-term resilience.

Development of tailored green products and sectoral climate risk guidelines

To support green portfolio growth, we plan to develop tailored green products with respective green criteria and risk assessment process for solar power plants (SPPs), energy-efficient (EE) mortgages and climate-smart technologies. We also plan to develop eight sectoral guidelines for integrating into risk management framework to mitigate relevant climate risks related to these sectors.

Enhancing inclusion of people with disabilities through different initiatives

In 2026, we plan to dedicate greater effort to enhancing the inclusion of people with disabilities within TBC Bank, building on the foundations established in previous years. In 2024, through the ADB-supported TSCFP Disability Inclusion Project, we developed a comprehensive diversity concept focused on three key areas: physical and digital accessibility of products and services, inclusive employment, and accessibility of marketing events. This work enabled us to create a strong basis for our Diversity Action Plan and to develop key guidance documents, including the Inclusivity Guidance for digital products, services and marketing events, as well as the Inclusive Employment Guidance Standard.

¹ www.carbonaccountingfinancials.com

UN Global Compact Awards



UN Global Compact Awards in Georgia

In 2025, TBC became the first company to be honored with three Corporate Sustainability Awards at the same time during the UN Global Compact's annual ceremony, receiving recognition in "Quality Education" for the IT Academy, "Achieving Climate Resilience" for its environmental and climate initiatives, and "Partnership for Sustainable Development" for the ESG Academy.

Climate-related financial disclosures 2025

INTRODUCTION

We set out below our climate-related financial disclosures, which are consistent with the TCFD recommendations and recommended disclosures. The TCFD Recommendations are structured around four content pillars: (i) Governance; (ii) Strategy; (iii) Risk Management; and (iv) Metrics & Targets. Under each pillar there are eleven recommendations to support effective disclosure. We consider ourselves fully consistent with the TCFD requirements. The data and information presented in the climate-related financial disclosures cover the period January 1, 2025, to December 31, 2025.

In 2025, we enhanced further our climate-related approach. We updated the environmental, climate-related and social risk assessment procedure of lending operations and incorporated climate-related transitional and physical risks on a sectoral level based on the ESG Risk Radar¹ considerations of the National Bank of Georgia (NBG). We measured our direct and indirect performance against the Paris Agreement targets for the reduction of GHG emissions and identified pathways for emissions reduction in line with the 1.5°C scenario. The assessment results enabled us to set Paris Agreement-aligned GHG emissions reduction targets for Scope 1 and Scope 2 to reach net-zero in direct emissions by 2030, as well as setting targets within our transition plan to reach net-zero as soon as practicable thereafter.

We have expanded the scope of our Scope 3 emissions reporting and developed methodologies for the calculation of Category 5 (waste generated in operations) and Category 7 (employee commuting). As a result, our Scope 3 emissions cover four categories in total, including the two recently integrated categories, along with financed emissions and emissions from business flights. We understand that the transition to a lower-carbon and sustainable economy requires both internal knowledge building and awareness raising among customers, businesses, and the public. We focus on internal capacity building, involving in-house and external experts. In 2025, several trainings were delivered under the European Investment Bank's TA Programme to strengthen TBC staff's knowledge on IFRS S2 standard requirements and gaps; EIB's Green Eligibility Checker; and green financing and risk management.

As the sustainability landscape evolves with new information and greater standardisation, TBC will continue to refine and expand its disclosures to provide meaningful information to stakeholders. We expect the availability and reliability of the required data to improve over time, and we intend to integrate improved data into our reporting as it becomes available.

It should be noted that the data we have used provide the best available approach to reporting the progress made, notwithstanding the challenges that exist given the incompleteness and novelty of the data sets and the methodologies required for the Georgian environment, in which most of our activities occur. In 2025, we made meaningful progress in improving the accuracy of methodology for calculating our financed emissions. With the involvement of the external consultancy supported by the technical assistance programme of Deutsche Entwicklungsgesellschaft (DEG), we updated financed emissions calculation tool and integrated more accurate data of sectoral emissions and energy mix from the latest National GHG inventory report (2022)².

Below is the disclosure prepared by the Group concerning the implementation of the TCFD recommendations:

Recommended disclosure	Short summary	Where to find
Governance		
a) Describe the organisation's governance around climate-related risks and opportunities		
Process, frequency, and training	<ul style="list-style-type: none"> The Supervisory Board approves and oversees the ESG Strategy in order to address specifically the Group's targets and initiatives that relate to climate change, its direct and indirect environmental impact, and sustainable development across the Group The ESG and Ethics Committee have been established at the Supervisory Board level In parallel with regular working meetings with the executive functions of the Bank, the ESG and Ethics Committee met four times during 2024 The Supervisory Board has established a diverse and comprehensive training agenda, which is reviewed annually 	Page 108
Committee accountability	<ul style="list-style-type: none"> The Supervisory Board retains primary responsibility for overseeing the implementation of the strategy, as part of its commitment to having direct oversight over the Group's climate-related issues 	Page 108
	<ul style="list-style-type: none"> The role of the ESG and Ethics Committee has been formalised to support and advise the Supervisory Board in its oversight of the implementation of: (i) the strategy; (ii) policies; and (iii) programmes of the Company and its subsidiaries in relation to ESG matters, ensuring that the ESG strategy is implemented across all of the Group's relevant businesses 	Page 108
Examples of the Board and relevant Board committees taking climate into account	<ul style="list-style-type: none"> Key topics covered in 2025 by the ESG and Ethics Committee are as follows: the direct GHG emissions; a review of the Environmental and Climate Change Policy; a review of the Exclusion List and ESG risk appetite; and a review of the climate action strategy, including progress reports on TCFD implementation 	Page 108
b) Describe executive management's role in assessing and managing climate-related risks and opportunities		
Who is responsible for climate-related risks and opportunities	<ul style="list-style-type: none"> Since March 2021, responsibility for climate change-related risks and opportunities has been assigned to the executive level ESG Committee 	Page 109
How management reports to the Board	<ul style="list-style-type: none"> The ESG Committee's responsibilities also include the review and monitoring of climate-related risks and opportunities as well as the establishment of an effective mitigation and control system to manage identified (material) climate-related risks. The ESG Committee meets on a quarterly basis 	Page 109
Processes used to inform management	<ul style="list-style-type: none"> The implementation of the ESG strategy is supported by the various organisational functions responsible for ESG matters: the Environmental and Social Risk Management Team, the ESG Department, and the ESG competences centre – a working group initiated in order to support the enhancement of the TCFD framework Furthermore, the Environmental Committee oversees the implementation and operation of the Environmental Management System. The ESG Department and Environmental and Social Risk Management Team regularly report to the Environmental Committee, which reports to the Chief Risk Officer 	Page 109

¹ www.nbg.gov.ge

² www.undp.org

Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term		
Short-, medium-, and long-term time horizons	– The time horizons considered in the assessment are short (0-3 years), medium (4-8 years), and long (over eight years). The levels of possible impact are classified as low, medium, or high	Page 110
Climate-related risks	– As a summary of the potential impact of the various transition risks and physical risks identified, the transitional risks in Georgia and on TBC Bank's activities are low – The overall assessment of the potential impact of acute and chronic physical risks on Georgia and on TBC Bank's activities is medium in a long-term perspective. Currently, no material impact on TBC Bank's activities is observable	Page 114
Climate-related opportunities	– The main opportunity directions are energy-efficiency and renewable energy financing. However, we offer a wide range of other green and climate-related financing to our customers.	Page 116
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning		
Impact on strategy, business, and financial planning	– In 2025, we continued to incorporate climate and broader ESG considerations into our financial planning processes. The Bank aligned loan portfolio growth planning with risks and opportunities in different business segments: retail, MSME, and corporate. Climate-related opportunities were also addressed by economic sector	Page 118
Impact on products and services	– The main opportunity directions are energy-efficiency and renewable energy financing. However, we offer a wide range of other green and climate-related financing to our customers	Page 119
Transition plan	– We made meaningful progress in calculating our financed emissions and identifying a pathway aligned with the Paris Agreement targets. The results provided a foundation to develop a transition plan to reach net-zero as soon as practicable thereafter	Page 104
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		
Scenarios used	– The Delayed Transition with Medium Chronic Physical Risks scenario was chosen from the Disorderly category. This scenario was selected because it represents one of the highest transition risk scenarios, reflecting the substantial challenges that may arise if global climate action is delayed and then implemented abruptly	Page 120
Conclusions	– The results by segments show that the potential impacts on non-performing loans (NPLs) in the retail, micro, SME, and corporate segments are immaterial. A few sectors show negative trends, such as agriculture, construction, industry, and non-renewable energy. However, considering that these are front-loaded effects, the results become negligible	Page 122
Risk Management		
a) Describe the organisation's processes for identifying and assessing climate-related risks		
Process	– TBC Bank has reviewed all of its operational activities, procured items, and outsourced services that it can control (present and planned), and has identified all environmental aspects relevant to the business	Page 122
Integration into policies and procedures	– TBC has a comprehensive Environmental and Climate Change Policy in place, which governs our Environmental Management System (EMS) and climate-related framework within the Group	Page 122

b) Describe the organisation's processes for managing climate-related risks		
Process	– TBC Bank has developed E&S risk management procedures to identify, assess, manage, and monitor environmental and social risks which are fully compliant with Georgian environmental legislation and follow international best practices. In 2024, the National Bank of Georgia (NBG) developed its ESG Guidelines through a Double Materiality Perspective. Following the guidelines, TBC Bank integrated climate risk components into its existing E&S risk assessment procedure, defined exposure limits, and developed appropriate templates. TBC developed tailored approaches for different business segments and economic activities	Page 124
Decision-making	– Projects that are to be financed are classified according to E&S categories (low, medium, high and A category), based on analysis; where necessary, deep-dive analysis and due diligence are performed. When categorising the transaction in line with the E&S risk categories, priority is given to the higher risk	Page 125
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management		
Integration process	– TBC Bank has developed E&S risk management procedures, which are fully integrated into the credit risk management process and are routinely applied to SMEs and corporate customers – In 2024, the National Bank of Georgia (NBG) developed its ESG Guidelines through a Double Materiality Perspective. Following the guidelines, TBC Bank integrated climate risk components into its existing E&S risk assessment procedure, defined exposure limits, and developed appropriate templates. TBC developed tailored approaches for different business segments and economic activities. Furthermore, the ESG Profile Methodology, which was piloted in 2023, has been integrated in the overall risk management process	Page 124 Page 124
Metrics and Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process		
Metrics used to assess the direct environmental performance	– GHG emissions, consumption of energy, water, and paper	Page 128, 129
Metrics used to assess the indirect impact	– Financed emissions – Other Scope 3 emissions – Sustainable portfolio	Page 130 Page 131 Page 132
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks		
Our own operations	– The summary of Scope 1, Scope 2, 2025 targets versus actual results, as well as targets for 2026 are disclosed	Page 128
Financed emissions	– Financed emissions - The Partnership for Carbon Accounting Financials (PCAF) has developed methods for different asset classes that can be used to calculate the financed emissions – Other Scope 3 emissions - Category 5: Waste Generated; Category 6: International Flights; Category 7: Employee Commuting	Page 130 Page 131
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		
Targets set and progress	– GHG emissions (Scope 1 and Scope 2), water and paper – The total sustainable portfolio volume exceeded the 2025 target volume GEL 2 billion by GEL 286 million. The target for 2026 is set at GEL 3.2 billion	Page 128, 129 Page 132

DEFINING MATERIAL TOPICS FOR CLIMATE-RELATED FINANCIAL DISCLOSURES

The materiality of topics covered in the climate-related financial disclosures is informed by different factors: a) climate-related topics which are included in TBC's ESG Strategy; b) stakeholder engagement results, which provide information about the issues that are most important and relevant to our stakeholders; and c) regulatory disclosure rules and the expectations of international financial institutions and external ESG rating agencies. For certain topics, as specified below, we also defined numeric materiality thresholds such as share in total assets (3%) or share in GHG emissions (40%), which are referenced in the respective parts of the disclosure. The ESG and Ethics Committee at the Board level, the ESG Committee at the executive level, and the responsible organisational bodies – the ESG Department, the Environmental and Social Risk Management Team, the Enterprise Risk Management Department, the Investors Relations Department and the International Financial Markets Department - regularly discuss emerging and existing topics that matter to our stakeholders and consider them in our ESG and climate action strategy.

1. GOVERNANCE

1.1. The Supervisory Board's oversight of climate-related risks and opportunities

The Supervisory Board approves and oversees the ESG Strategy in order to address the Group's and Bank's targets and initiatives that relate to climate change, its direct and indirect environmental impact, and sustainable development across the Group. The ESG Strategy also covers customers, employees, suppliers, wider society, financial inclusion, employee relations, talent management, workplace diversity, and inclusion. The Supervisory Board retains the primary responsibility for overseeing the implementation of the strategy as part of its commitment to having direct oversight over the climate-related issues.

In January 2022, TBC Group established an Environmental, Social and Governance (ESG) and Ethics Committee at the Supervisory Board level. This reflects the importance of sustainability in TBC's corporate governance and allows the Supervisory Board members to dedicate more time and attention to ESG topics.

The role of the Committee is to provide strategic guidance and oversight on sustainability issues, aligning ESG efforts with the Group's core business strategies to create long-term value, mitigate risks, and meet stakeholder expectations and advise the Supervisory Board in its oversight of the implementation of (i) strategy (ii) policies and (iii) programmes of the Company and its subsidiaries (the "Group") in relation to Environmental, Social and Governance ("ESG") matters. Furthermore, the ESG and Ethics Committee supports the Supervisory Board in promoting its collective vision of values, conduct, and culture and overseeing the efforts of the executive management (the Executive Management of Joint Stock Company TBC Bank) to foster: (i) a culture of ethics; (ii) appropriate conduct; and (iii) employee ethical engagement within the Group.

In carrying out its role, the Committee: a) periodically assesses the potential impact the Group can have on critical ESG, including climate-related matters within its operational markets, considering both risks and opportunities; b) regularly reviews ESG-driven business opportunities identified by the Group's business units, evaluates the execution of related initiatives, and assesses their contribution to strategic goals and financial performance; c) oversees climate and sustainability practices related to products and services for clients, specific industry sectors, and the Group's internal operations. d) oversees the Group's ESG disclosures, including reviewing and recommending key reports such as the Sustainability Report, ensuring accuracy, transparency, and alignment with global standards; e) stays informed on evolving ESG trends, investor expectations, and regulatory requirements, and ensure that the Group's response to these trends meets stakeholder demands.

The ESG and Ethics Committee met four times during 2025 and covered the following topics: a) a regular review of and status update on the ESG strategy for 2025–2027, including its climate action strategy, and implementation progress; b) ESG-driven business opportunities identified by TBC Bank's Corporate and MSME business directions; c) the role of risk functions in management of ESG and climate-related risks; and d) oversight and recommendations to the Supervisory Board for approval of the Group's disclosures on ESG matters, including reporting in line with the TCFD principles, in the Annual Report and Accounts. The key topics covered in 2025 by the ESG and Ethics Committee were as follows: tracking progress against the ESG Strategy's targets, such as the volume of the sustainable portfolio; the direct GHG emissions; deep-dive assessments into climate and sustainability practices, including Scope 1, 2, and 3 emissions and the net-zero action plan; evolving ESG trends, investor expectations, and regulatory requirements; green financing opportunities, sustainable investment products, and other ESG-related initiatives reviewed by the Corporate and MSME business directions; the role of risk functions in management of environmental, climate-related and social risks of lending, as well as enhancing internal green loan assessment capabilities; annual review of the Environmental and Climate Change Policy, the Human Rights Policy and the Diversity, Equality and Inclusion Policy; review of the Exclusion List and ESG risk appetite definitions; review of the climate action plan, including the progress reports on the TCFD implementation; review of TCFD reporting for the Annual Report 2024 and the Sustainability Report 2024; and the ESG and climate-related training agenda for TBC staff.

Furthermore, the ESG and Ethics Committee reviews and recommends to the Supervisory Board Audit Committee any ESG-related disclosures to be incorporated in the annual financial reporting including the Task Force on Climate-Related Financial Disclosures (TCFD) report, sustainability reports, ensuring accuracy, transparency, and alignment with global standards.

The Supervisory Board is supported by the Risk Committee. Progress against the reporting metrics, such as the volume of the sustainable portfolio, is reported to the Risk Committee, which also receives updates four times a year through the Chief Risk Officers' (CRO) report. As part of the Risk Appetite Framework (RAF), the ESG Risk Appetite metrics are reviewed annually and the ESG Risk Appetite results are also reported to the Risk Committee on a quarterly basis. Furthermore, the responsibilities of the Audit Committee include the review of annual reports, including TCFD reporting, as well as following up on compliance through policies, procedures, and regulations.

The Human Resources and Remuneration Committee covered strategies and policies related to the social aspects of ESG and performance metrics for evaluating executive contributions to ESG objectives. Please see more details on page 228 of TBC Bank Group's Annual Report.

The Supervisory Board has established a diverse and comprehensive training agenda, which is reviewed annually. The Group's Company Secretarial team creates a general training catalogue at the beginning of each year, which covers all relevant areas of Risk, Audit, Remuneration and Governance. The catalogue includes an effective mix of publicly available and client-tailored webinars, analytical materials, and opportunities for live discussion with industry participants. The providers of these training opportunities include the Big Four accounting firms, external legal advisors, chartered institutes (such as the Institute of Directors and the Governance Institute), and, where relevant, senior professionals with specific subject matter expertise. Directors use the training catalogue in order to create their bespoke training calendars and exchange knowledge during Supervisory Board meetings or via the Group's dedicated Supervisory Board platform. In 2025, the Supervisory Board member and Chair of the ESG and Ethics Committee, Eran Klein, enhanced his competencies in sustainability and climate change by completing two professional development programmes: the Championing Sustainability from the Boardroom course offered by the Stanford Doerr School of Sustainability, and the Oliver Wyman Transition Planning Masterclass Series.

1.2. Executive management's role

At the executive level, responsibility for climate change-related risks and opportunities is assigned to the ESG Committee, which was established by the executive management in March 2021. The ESG Committee is responsible for implementing the ESG strategy and approving annual action plans and separate, detailed action plans for key projects. The committee meets every quarter to monitor the progress and implementation status of these action plans. In 2025, it covered the following climate-related topics in its four meetings: TCFD reporting; the TCFD implementation action plan; the ESG risk appetite; progress against ESG Strategy targets such as the volume of the sustainable portfolio; the Environmental and Climate Change Policy; direct GHG emissions and financed emissions; Paris Alignment Calculation at the Group Level; the National Bank of Georgia's updated ESG Reporting and Disclosure Requirements; the new procedure for the assessment of non-standard Green Assets; the ESG and climate-related training agenda for the TBC staff; and the involvement of external international and local experts in the development of climate-related approaches and methodologies. The ESG Committee's responsibilities also include the review and monitoring of climate-related risks and opportunities as well as the establishment of an effective mitigation and control system to manage identified (material) climate-related risks.

Furthermore, the Environmental Committee meets three times in a year and oversees the implementation and operation of the Environmental Management System, which includes addressing resource consumption and other environmental impacts of TBC Bank's daily operations.

Functions responsible for climate-related matters

The implementation of the ESG strategy is supported by a number of organisational functions responsible for ESG matters: the ESG Department, the Environmental and Social Risk Management Team, and the ESG competences centre, which is a working group designed to support the enhancement of the TCFD framework.

The ESG Department supports the Bank's executive management in implementing the Environmental and Climate Change Policy, the Environmental Management System, and the Group-level ESG Strategy. While overall direction, governance, and strategic oversight are provided by top management, the ESG Department facilitates and coordinates the execution of these strategic priorities across the organisation. The ESG Department plays an active role in developing and expanding the Bank's sustainable portfolio by conducting monthly analyses of portfolio performance and working closely with the corporate, SME, and retail segments to monitor progress against set targets. It also coordinates climate-action processes among involved functions, identifies areas for enhancement, and provides expert guidance to support informed decision-making. Each year, the ESG Department conducts a sectoral climate risk assessment to identify, evaluate, and help manage climate-related risks in alignment with the Bank's governance framework. Since 2023, the Department has also been responsible for preparing the TCFD report, advancing the Bank's application of the TCFD framework and strengthening climate-related disclosures and actions.

Non-financial and sustainability information - climate-related financial disclosures 2025 *continued*

The ESG Department is actively integrating different ESG-related regulatory requirements and international standards into TBC's internal processes and ensuring that its non-financial disclosures are fully aligned with these standards. Additionally, the ESG Department oversees the calculation of the Bank's GHG emissions, monitors performance against Paris Agreement-aligned reduction pathways, and supports the implementation of the Group's transition plan—reporting progress to executive management as part of the Bank's broader climate governance structure.

Within the ESG Department, five dedicated functions are responsible for implementing climate-related initiatives:

- ESG Coordinator is responsible to oversee the implementation of the Bank's ESG and climate policies, leads climate-related initiatives including TCFD reporting and climate risk assessments, ensures effective coordination across all relevant functions and continuous improvement of climate and sustainability performance.
- Governance and Reporting Specialist is responsible to manage ESG-related governance processes and ensure high-quality, timely reporting across the Group including coordinating ESG data collection, preparing internal and external reports including TCFD-related content.
- Environmental Sustainability Specialist coordinates the implementation of TBC Bank's Environmental Management System, managing and regularly monitoring the sustainable portfolio and measuring the Bank's and Group's direct and indirect emissions.
- Energy Efficiency and Green Technology Specialist is responsible for supporting sustainable portfolio growth by evaluating loans against green criteria of different green taxonomies and classifying eligible loans, for reviewing global best practices in energy efficiency and green technologies and integrating them into TBC's operations.
- ESG Specialist for Subsidiaries Support is assisting TBC Group's subsidiary companies in implementing Group-wide ESG policies, ensuring compliance with Group standards, and contributing to climate-related initiatives, including GHG emissions reduction targets and the transition plan.

The Environmental and Social Risk Management (ESRM) Group within the SME and Corporate Business Credit Risk Department is responsible for implementing the ESRM procedures to identify, assess, manage, and monitor environmental, social, and climate-related risks in lending. These procedures are fully integrated into the Group's credit risk management framework and apply to all commercial transactions. In addition, the assessment of loans using standard green criteria is carried out by the Environmental and Social Risk Management Group. The ESRM team has three members – Environmental and Social Risk Managers implementing ESRM procedures and assessing loans with standard green criteria. Starting from January 2026, the ESRM team will be integrated into the ESG Department as of January 2026.

The ESG Competence Centre is a cross-functional working group established to strengthen the Bank's TCFD framework. It consists of members of the ESG Department together with portfolio credit risk managers from the Corporate, MSME, and Retail segments. The group is responsible for continuously improving TBC's climate risk assessment methodology and conducting an annual climate stress test across the Bank's entire portfolio.

2. Strategy

The Group's objective is to act responsibly and manage the environmental, climate and social impacts associated with its operations. To achieve this, the Group has clearly defined processes in place to identify and assess environmental and climate risks related to our business activities. This approach enables the Group to reduce our ecological footprint by using resources efficiently and promoting environmentally friendly measures in our operations. In addition, assessing and managing sustainability and climate-related risks within our financing activities is a central pillar of our ESG Strategy. We regularly measure the GHG emissions of our loan portfolio to identify carbon-intensive sectors and inform our pathway toward portfolio decarbonisation. To further strengthen our risk management framework, we plan to introduce climate-sectoral guidelines for eight priority sectors, ensuring that climate risks are systematically integrated into lending decisions and associated environmental and social risks are adequately assessed and mitigated.

The Group recognises that climate-related opportunities can drive innovation, efficiency, and long-term value creation. By proactively identifying and leveraging these opportunities, we aim to enhance business resilience and support the transition to a low-carbon economy. Our approach includes investing in sustainable technologies, improving energy efficiency, and developing tailored green financial products that reflect sector-specific risks and characteristics. Access to sustainable funding from partner IFIs enables us to offer clients more favorable loan terms, cashbacks, guarantees, and technical expertise to accelerate green investments, while prioritising green financing strengthens the sustainability and resilience of our portfolio.

TBC Bank has reviewed all the operational activities, procured items, and outsourced services that it can control (present and planned), and has identified all the environmental aspects relevant to the business. The direct environmental impact of our business activity arises from energy, water, fuel, and other resource usage, waste, and emissions. The Bank has established a comprehensive internal environmental system to manage its GHG emissions and is committed to reducing them by closely monitoring its consumption of resources. In order to evaluate the significance of the impact for each of the categories, we have developed a comprehensive evaluation methodology

and applied it to the Group. Based on this, annual goals are defined and specific initiatives and programmes are developed to attain them.

Since 2020, TBC has the ISO 14001:2015 certificate for its Environmental Management System. The renewal of the certificate for 2023 was conducted in December 2023 and the following re-certification in 2024 and 2025 was also completed successfully. More information about the Environmental Management System can be found in the Risk Management section of this chapter on pages 122-126.

The table below summarises the environmental and climate-related initiatives of the ESG Strategy in 2025 and 2026:

2025 ESG Strategy target/initiative	2025 status	2026 target
Sustainable portfolio development		
Sustainable portfolio volume – GEL 2 billion	The portfolio volume reached GEL 2.29 billion and surpassed the target GEL 2 billion	GEL 3.2 billion
Establishment of the green asset assessment process	Green asset assessment process established; several green assessment criteria and methodologies developed	Additional methodologies will be developed
Development of tailored green products	Internal assessment of opportunities to offer tailored green products conducted; two consultancy projects supporting development of tailored green products initiated	Development of tailored green products for different economic activities and customer segments
ESG Academy		
Green mindset and green financing for employees and customers	The ESG Academy delivered 41 training sessions for 728 employees and 204 across Tbilisi and regional locations	Developing a new course for EE and green technology for TBC staff
Courses for suppliers	Supplier monitoring results analysed to identify relevant topics	Developing a training course for suppliers about environmental, social and climate-related topics.
Alignment with international standards and regulations		
Alignment with IFRS S1/S2 standard	Gap analysis of TBC Bank's practices with IFRS S2 requirements has been conducted and Implementation Plan has been prepared	IFRS S1 and S2 to be implemented
Implementation of new NBG Pillar 3 ESG disclosure requirements ¹	NBG has updated ESG disclosure template substantially	Implementation of NBG's updated ESG Disclosure requirements
Development and initiation of the transition plan in line with the UK standard	Paris aligned GHG reduction targets for direct and indirect emissions have been calculated and the transitional plan has been established	Implementation of the transitional plan

¹ www.nbg.gov.ge

Methodologies and data

Development of sectoral guidelines	Two technical assistance (TA) programmes with ADB and DEG have been launched under which external consultants will support us in preparing sector-specific climate-risk guidelines	Development of 8 sectoral guidelines for relevant climate risks and delivery of climate risk trainings to relevant TBC staff
Portfolio distribution by geographical location		Development of a system to analyse portfolio distribution by geographic location and identify associated climate-related physical risks
Automation of the environmental, social and climate risk assessment process		Simplification and partial automation of the Environmental, Social and Climate Risk Assessment process and enhancing the evaluations through the integration of AI and improved reporting tools

TBC Group's ambition is to be the leading supporter of ESG principles in Georgia and the wider region. We aspire to make our environmental impact net-zero. By developing our measurement methodologies and improving our data, we have been able to define our net-zero pathway for direct environmental impact (Scope 1 and Scope 2 GHG emissions) more accurately. We aim to achieve a net-zero direct environmental impact by 2030.

In 2025, we measured TBC Group's and TBC Bank's direct and indirect performance against the Paris Agreement targets for the reduction of GHG emissions and identified pathways for emissions reduction in line with the Paris Agreement 1.5°C scenario targets. The GHG emissions pathways have been constructed based on the Science Based Initiatives targets¹. Considering the current state and accuracy level of data, we consider ourselves to be on the path towards a net-zero target in 2050. Moreover, we seek to achieve net-zero for our environmental performance earlier and are implementing a long-term transition plan to reduce GHG emissions.

In 2025, TBC received technical assistance from the European Investment Bank (EIB). Under the technical assistance, the external consultants conducted a gap analysis to assess the existing strengths, identified areas where gaps remain, and provided directional insights to further enhance TBC Bank's climate-related disclosures in line with IFRS S2. The findings of the analysis make a foundation for the IFRS S2 full implementation. The EIB's TA also included a capacity building component under which training sessions have been held for strengthening TBC staff's expertise, skills, and knowledge about the topics such as: the IFRS S2 standard and results of the gap analysis; green financing opportunities and approaches to managing associated risks; EIB's Green Eligibility Checker tool designed to support green loan assessment process.

TBC ESG Academy



The ESG Academy is Georgia's first dedicated ESG education platform, designed for TBC employees, customers, and the wider public. Launched in 2024, its flagship programme – Green Mindset and Green Financing – has since delivered more than 40 training sessions, training around 730 TBC employees and 200 clients in Tbilisi and the regions about climate risks, green technologies, and sustainable business models.

¹ [The Science-Based Targets Initiative \(SBTi\)](https://www.sciencebasedtargets.org/) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis (www.sciencebasedtargets.org).

2.1. Climate-related risks and opportunities

Climate-related risks

The assessment of climate-related risks and opportunities presented below is based on the potential transitional and physical risks identified by the Group for the Georgian environment.

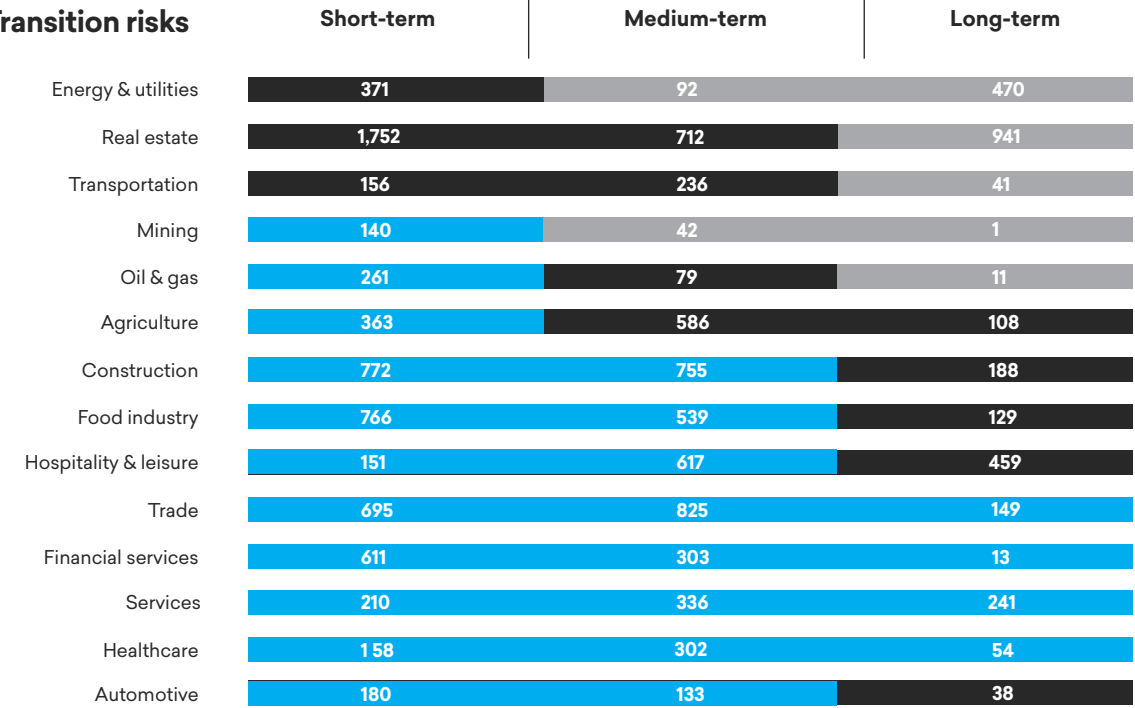
The time horizons considered in the assessment are short (0-3 years), medium (4-8 years), and long (above eight years). The levels of possible impact are classified as low, medium, or high. The categories of low, medium, and high risk were applied to compare the relative risk of sectors and risk categories. They do not indicate the materiality of the respective risk. The same is true of the judgements of the riskiness of sub-categories of transitional or physical risk compared to other sub-categories. Since these judgements are relative rather than absolute, they cannot be compared to other countries or regions.

Risk sources	Transition risks				Physical risks	
	Policy and legal	Technology	Market	Reputation	Acute	Chronic
Types of risks	<ul style="list-style-type: none"> Enhanced regulatory environmental and mandated requirements: may introduce minimum standard or expectations on green credentials of product outputs or business operations, and/or enhanced emissions-reporting obligations 	<ul style="list-style-type: none"> Substitution of existing products and services with lower emissions options, including requirements to replace manufacturing technology with cleaner alternatives Investment in technology to reduce emissions or improve the energy efficiency of operations and households 	<ul style="list-style-type: none"> Changing customer behaviour, including a deliberate move to lower carbon footprint products Increased cost of raw materials, increased volatility and costs, sourcing restrictions for carbon heavy raw materials 	<ul style="list-style-type: none"> Shifts in consumer preferences to green products Stigmatisation of the sector, resulting in reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) Increased stakeholder concern or negative stakeholder feedback 	<ul style="list-style-type: none"> Increased severity of extreme weather events such as floods 	<ul style="list-style-type: none"> Changes in precipitation patterns and extreme variability in weather patterns affecting food production and living environment Rising mean temperatures affecting working conditions, living conditions, and local infrastructure Rising sea levels affecting local ecosystems, increasing subsidence, and flood risks
Time horizon	Medium	Long	Medium	Long	Medium	Long
Level of potential impacts affecting customers and TBC	Low	Low	Low	Low	Medium	Medium

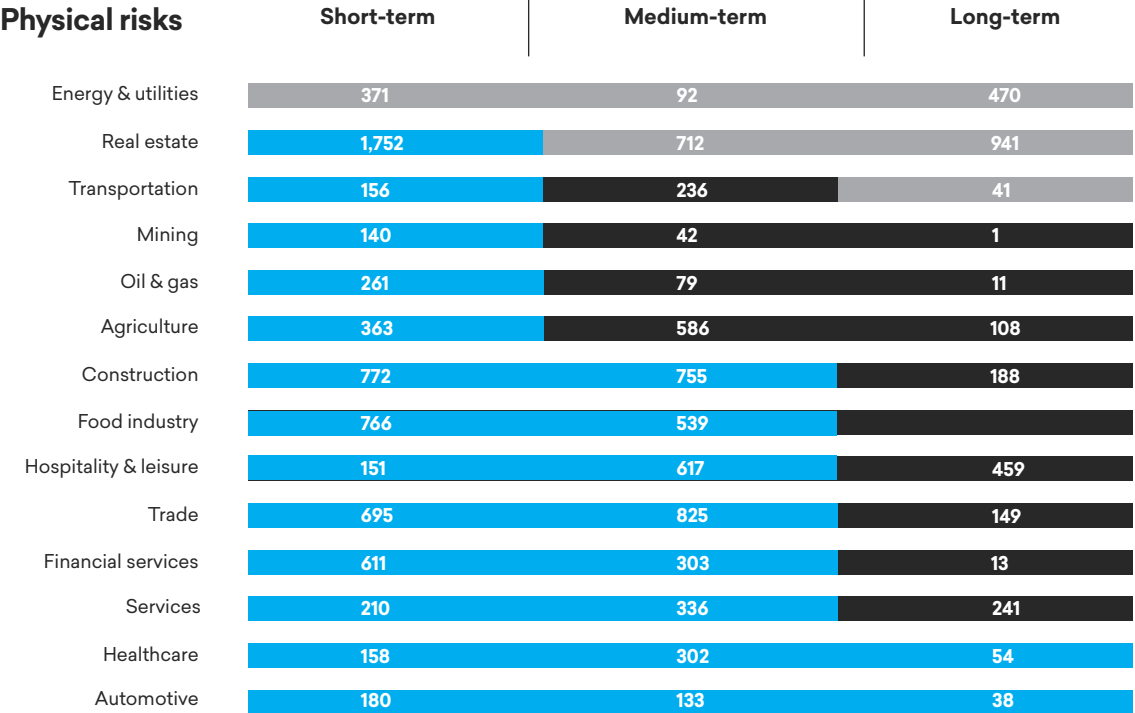
The overall and sectoral assessments of transitional and physical risks are given below. Each sector that has a share of 1% or greater in the Bank's gross loan portfolio is assessed separately. Furthermore, carbon-related sectors such as metals and mining, oil and gas, are assessed separately, despite of having a share under 1%. The time horizon indicates when the respective risk will start to materialise, while the level of potential impacts gives the level of the risk. It is assumed that the level of risks remains the same in the following periods.

GEL in mln

Transition risks



Physical risks



● Low risk ● Medium risk ● High risk

Since 2024, we established enhanced climate-related approaches. We reviewed our assessments of climate-related transitional and physical risks on a sectoral level and incorporated the ESG Risk Radar¹ considerations of the National Bank of Georgia (NBG), especially for the short-term perspective. The scoring system of the ESG Risk Radar has been applied for all sectors in Georgia classified as main sectors by the NACE sector codes (Eurostat 2008). Currently, the highest score is 9, indicating that no critical sectors have yet been identified in Georgia. However, some sectors with scores of 7, 8, and 9 need to be considered as potentially high risk, while others (scores 5 and 6) render the portfolio vulnerable to climate risks². The ESG Risk Radar provides a foundation for the assessment of climate-related risks on a sectoral and customer level. We consider the ESG Risk Radar scores when addressing the risks and opportunities of climate-related activities. We developed our internal ESG profiles methodology based on the ESG Risk Radar. More details are given in the section on the overall risk management process on pages 122-125. Furthermore, the opportunities related to climate-exposed sectors are given below in the section on climate-related opportunities on page 119.

THE OVERALL ASSESSMENT OF THE IMPACT OF TRANSITIONAL POLICY AND LEGAL MEASURES

TBC Bank has assessed the potential impact of the policy measures laid out in Georgia's 2030 Climate Change³ Strategy and Climate Strategy Action Plan⁴ on the different economic sectors that it finances. As a summary of the potential impact of the various transition risks identified, the transitional risks in Georgia and on the TBC Bank's activities are low. Given that trade and services dominate the Georgian economy, the policy measures outlined in Georgia's 2030 Climate Change Strategy will have a low overall impact on those economic sectors, especially in the short and medium term.

Taking into consideration Georgia's status as a transitional, growing economy, Georgia's 2030 Climate Change Strategy aims not to impede GDP growth with policy measures but rather to support a smooth transition where necessary. It is worth noting that the economic sectors most affected by transitional risks worldwide, such as mining, crude petroleum, natural gas and metal ores, manufacturing coke and refined petroleum products⁵, are only present to a very limited extent in Georgia, resulting in the transitional measures having a low overall impact on economic growth, if any.

Technology risk

Technology risk is a subcategory of transition risk. The technology risk related to climate change, unnecessary investments in technological development, or missing investments in technological improvements are assessed to be low in Georgia. Georgian companies invest very little in the development of new green technologies; rather, they benefit from technologies developed in other, technologically advanced countries and deploy technologies which are already tested and established. Therefore, failed investments are unlikely to occur.

Market and reputational risk

Market risk is low, as consumer behaviour in Georgia shows a very slow trend towards lower carbon footprint products. For reputational risk, no material impact is expected, as TBC Bank has developed Environmental and Social Risk Management Procedures to identify, assess, manage, and monitor environmental and social risks. These procedures are fully compliant with Georgian environmental legislation and follow international best practices. Please see more information about the environmental management system on pages 122-126.

THE OVERALL ASSESSMENT OF THE IMPACT OF THE ACUTE AND CHRONIC PHYSICAL RISKS

Georgia's geographical location and natural conditions, as a small country with a mountainous landscape, a Black Sea coastal zone, and semi-arid areas in the Southeast, contribute to the country's vulnerability to the physical risks of climate change. The sectors that are thought to be most vulnerable to climate change in Georgia include agriculture, forestry, tourism, and healthcare⁶.

The impact of acute and chronic physical risks on economic sectors which are financed by TBC Bank will materialise over time. For the Group, risks can materialise through the impairment of asset values and deterioration in the creditworthiness of customers operating in Georgia. Certain geographic areas and economic sectors, such as winter resorts and agricultural land, are already partially affected and might deteriorate further in the medium term. The overall assessment of the potential impact of acute and chronic physical risks on Georgia and on TBC Bank's activities is medium in a long-term perspective. Currently, no material impact on TBC Bank's activities is observable. It is understood that climate change risks are largely associated with longer-term impacts; however, those longer-term impacts are unclear, especially considering the shorter-term maturity structure of the Bank's loan portfolio.

Climate-related opportunities

Climate-related opportunities are directly linked with climate risks and economic sectors that have significant negative environmental impact and/or might be potentially affected by climate risks. The financing of mitigation

measures that reduce GHG emissions covers sectors such as transportation, building, energy generation and transmission, agriculture, and manufacturing. Adaptation to climate change covers sectors of agriculture, infrastructure, tourism, and water resources.

TBC's approach corresponds with the Climate Action Plan of Georgia for the implementation of the Nationally Determined Contribution targets that are given below:

- To mitigate projected greenhouse gas emissions in the transport sector by 15% by 2030;
- To support the low carbon development of the building sector through encouraging energy efficient technologies and services;
- To mitigate projected greenhouse gas emissions in the energy generation and transmission sector by 15% by 2030;
- To support the low carbon development of agriculture sector through encouraging climate smart agricultural technologies and services;
- To support the low carbon development of industry sector through encouraging innovative, climate-friendly technologies and services, in order to mitigate projected emissions by 5%;
- To support the low carbon development of the waste sector through encouraging the innovative, climate-friendly technologies and services.

We acknowledge the importance of sustainable lending and are actively implementing a standardised approach to sustainable finance, including energy efficiency, renewable energy, and resource efficiency financing for our retail and business clients. The largest part of our sustainable portfolio consists of energy efficiency, renewable energy, and resource efficiency financing and equals GEL 1.3 billion out of GEL 2.3 billion. The remaining part of the sustainable portfolio consists of women and youth financing, affordable housing, and start-up loans. The growth targets of the sustainable portfolio are set in the ESG Strategy annually; the targets are defined after considering customer needs for green financing and discussions with respective business departments of TBC Bank. For 2026, the target volume of GEL 3.2 billion was approved by the Board of Directors.

Considering the existing potential of renewable energy production, TBC became the leading partner in Georgia in local renewable energy financing, including hydropower stations.

We actively cooperate with international partners to attract financing for sustainable lending:

- TBC is actively mobilising green funds from partner international financial institutions to promote sustainable economic growth, primarily by financing energy efficiency, resource efficiency, and renewable energy projects. Those facilities will help local businesses and households to become more competitive by investing in high-performance technologies and adopting energy-efficient practices. In addition, financing is coupled with technical assistance programmes, providing know-how and technical expertise to borrowers and ensuring that their green investments are successfully implemented. Several green facilities have grant incentives in place as well. As of year-end 2025, TBC had various green facilities in place, totaling up to GEL 1.4 billion, from which around GEL 250 million has been attracted within 2025 from long-standing international partners, such as FMO, Proparco, EBRD, and DEG;
- In addition, in 2022, after receiving accreditation from the Green Climate Fund (GCF) in 2021, TBC signed an Accreditation Master Agreement (AMA), which is the central instrument setting out the basic terms and conditions to work with the Green Climate Fund (GCF). This authorises TBC Bank to access and mobilise financial resources from the GCF and formalises TBC's accountability in carrying out GCF-approved projects appropriately;
- The Bank acknowledges the importance of addressing gender equality and the empowerment of women and has in place several facilities that promote women's entrepreneurship by supporting increased access to finance, providing non-financial services as well as knowledge-sharing opportunities. In addition, the Bank has dedicated funds supporting young borrowers and entrepreneurs, providing loans for education, mortgage loans, and loans to start businesses;
- TBC Bank has in place several guarantee facilities with a special focus on start-ups, women, and regional entrepreneurs. These risk-sharing instruments serve as a partial substitute for collateral and enable the Bank to increase access to financing for underserved target groups, granting them better growth and development opportunities.

1 www.nbg.gov.ge
 2 Score 7 - A Agriculture, Forestry and Fishing, Growing of non-perennial Crops, Forestry and Logging, Manufacture of Food Products, Manufacture of Chemicals and Chemical Products, Electricity, Gas, Steam and Air Conditioning Supply, Water Supply, Sewerage, Waste Management and Remediation Activities. Score 6 - Growing of perennial Crops, Animal Production, Fishing and Aquaculture, Manufacturing, Manufacture of Tobacco Products, Manufacture of Coke and refined Petroleum Products, Manufacture of Motor Vehicles, Trailers and Semi-Trailers, Construction, Transportation and Storage (www.nbg.gov.ge).
 3 www.mepa.gov.ge
 4 www.mepa.gov.ge
 5 Key elements of the 2021 Biennial Exploratory Scenario: Financial risks from climate change | Bank of England.
 6 www.unfccc.int

2.2. Climate-related risks and opportunities on the businesses, strategy, and financial planning

In 2024-2025, we have been focusing on the development of detailed transitional plans, which are based on the results of measuring the Group's performance against the Paris Agreement targets for the reduction of GHG emissions. To support this process, we contracted an international consultancy company and local and international experts and developed a detailed scope of work covering the following: calculation of financed emissions, carbon reporting, Paris Agreement alignment, development of a decarbonisation action plan and carbon impact assessment methodology, carbon footprint assessments of selected customers, and building institutional capacity.

To support our transition plan, we have already implemented several different measures:

- In 2025, we installed an additional solar power plant at the data centre, bringing the total number of solar plants operating at our own locations to two, with a combined capacity of 272 kw. Total investments amounted to approximately GEL 386,394. In addition, we contracted new renewable energy suppliers, increasing the share of renewable energy in our total electricity consumption to 45%, while the share in regional operations reached 80%;
- We are gradually increasing the amount of electric and hybrid cars in our car fleet. The fleet now includes 90 electric and hybrid vehicles, accounting for 58% of all company cars;
- Starting in 2022, we installed energy-efficient heating/cooling systems in all newly renovated branches; total investment, including construction works, amounts to GEL 2.3 million;
- During 2025, we continued renewing IT infrastructure with energy-efficient servers. As a result, the computational resources of the servers increased by 20-30%, without leading to any additional electricity consumption, hence these changes led to saving 20-30% in potential energy expenditure; furthermore, a solar power station in a total capacity of 142 kw provides an average of 30% of the data centre's overall energy demand;
- Furthermore, we have been installing 38 electric charger stations at our head office and other premises; this planned investment amounts to GEL 206,688.

In order to support the greening of our portfolio and reduce our financed emissions (Scope 3), we are enhancing our green financing efforts:

- We are increasing our volume of green financing every year;
- In 2025, we exceeded our strategic target of GEL 2 billion for the sustainable portfolio volume by 14.3 % and reached GEL 2.3 billion;
- Acquired green funding from various international financial institutions is increasing every year. As of 2025, it stands at GEL 1.4 billion.

The main opportunities lie in energy-efficiency and renewable energy financing. However, we offer a wide range of other green and climate-related financing to our customers. The table below provides a summary of climate-related opportunities by sector:

Sector	Bank's loan book	GHG contribution ¹	Climate score ²	Product catalogue
Agriculture	3.9%	4	6	Energy-efficiency loans Climate-smart technologies New irrigation systems
Automotive	1.3%	1	2	Hybrid and electric cars Euro 5, Euro 6 and Euro 7 cars Energy-efficiency loans Industry autos
Construction	6.4%	3.5	6	Energy-efficiency loans for construction projects Production of energy-efficient building materials Energy-efficiency loans for machinery/appliances Charging stations for electric cars
Energy & utilities	3.5%	4	7	Renewable energy financing Charging stations for electric cars
Food industry	5.3%	2	4	Energy-efficiency loans (warehouses, storage, appliances, cars)
Individuals	36.8%	N/A	N/A	Energy-efficiency mortgages Hybrid and electric car loans
Manufacturing	0.7%	2	4	Energy-efficiency loans (machinery, appliances, buildings) Carbon filtering
Metals and mining	0.7%	2.5	4	Energy-efficiency loans (machinery, appliances, buildings)
Oil and gas	1.3%	4	7	Energy-efficiency loans for building charging stations for electric cars
Real estate	12.6%	1.5	3	Energy-efficiency loans Renewable energy financing (solar panels)
Transportation	1.6%	4	6	Hybrid and electric cars, Euro 5, Euro 6 and Euro 7 cars, buses, trucks

In 2025, we continued to incorporate climate and broader ESG considerations into our financial planning processes. We introduced a Green (Lending) Coordinator role in branches and conducted training sessions to strengthen the green lending capacity in front office. Additional qualitative considerations related to climate and ESG matters were incorporated in the 2025 financial planning cycle. In 2025, the Group also continued aligning loan portfolio growth planning with the risks and opportunities in different business segments and economic sectors: retail, MSME and corporate.

As of the end of 2025, the sustainable portfolio of TBC Bank, which equals to GEL 2.3 billion, includes exposures with different purposes, such as: energy-efficiency loans, electric car loans, renewable energy financing for solar panels, wind and hydro power plants.

¹ The Climate Risk Radar assigns a GHG-emissions contribution score according to the National Greenhouse Gas Inventory Report of Georgia 1990-2017.
² The Climate Risk Radar defines 4 risk categories: 0-3 neglectable, 4-5 vulnerable, 6-7 high risk, 8-10 critical. There are no sectors with a critical risk profile.

Non-financial and sustainability information - climate-related financial disclosures 2025 *continued*

Sector	% in standalone Bank's loan book	Share in the sustainable portfolio	Focus areas for financing in 2025
Retail segment	37%	1.7%	Energy-efficiency Electric and hybrid cars Mortgages Solar panels
MSME segment	22%	4.5%	Energy-efficiency Renewable energy Climate-smart technologies Hybrid and electric cars Industry autos
Corporate segment	41%	93.8%	Energy-efficiency Renewable energy Climate-smart technologies New irrigation systems Industry autos

In 2026, we will focus on integrating tailored sectoral transitions plans and Paris Agreement alignment considerations into the financial planning process, elaborating the respective methodologies and tools and increasing our internal expertise and capacity.

2.3. Climate-related scenarios

TBC Bank is taking significant steps to develop its scenario analysis capabilities to better understand and act on the implications of climate-related risks and opportunities for our business and customers. The development of climate related scenario analysis is a challenge, as the availability, accessibility, and suitability of climate data and subsector information for financial risk analysis, as well as climate-related risk modelling capabilities, are very limited in Georgia and still evolving. Despite these limitations, the scenario analysis allows us to test a range of possible future climate pathways and understand the nature and magnitude of the risks they present. The purpose of scenario analysis is not to forecast the future but to understand and prepare to manage the risks that could arise.

In 2024, the National Bank of Georgia (NBG) has developed a comprehensive Climate Stress Testing Framework¹ that integrates multiple analytical modules and specialised tools to assess both acute physical risks and transition risks. By covering both physical and transition risks, the framework provides a holistic view of the challenges posed by climate change. It also uses NGFS scenarios as reference scenarios to align the stress tests with globally recognised standards. The framework is comprehensive, covering both retail (Household sector) and non-retail portfolios (Corporate sector), ensuring that all significant exposures within Georgia's financial sector are evaluated for potential climate-related vulnerabilities.

The Climate Stress Testing Framework

The Climate Stress Testing Framework includes:

- Acute Physical Climate Risk Module² which focuses on assessing the immediate impacts of extreme weather events on the Georgian economy and financial system. This module utilises historical data, scenario construction, and advanced modelling techniques to project the economic damage associated with specific hazards such as heatwaves, extreme precipitation, and wind events. These projections are then used to evaluate the broader economic impacts, including potential changes in GDP and sectoral outputs;
- Transition Risk and Chronic Physical Risk Module³, which addresses the longer-term risks associated with gradual climate change and the transition to a low-carbon economy. By analysing scenarios such as delayed transition pathways, this module examines how abrupt policy changes, technological shifts, and market dynamics can affect the financial sector;
- Stress Test Module for Corporate Sector is designed to assess the exposure of corporate loans to climate-related risks, focusing on the potential impacts on non-performing loans (NPLs), loan loss provisions within each sector and banks' capital adequacy. It integrates outputs from both the acute physical and transition risk modules to project sector-specific NPL ratios under various climate scenarios. This approach allows for a detailed analysis of how different industries within the corporate sector might be affected by climate-related risks, particularly those industries that are more carbon-intensive or less able to pass on costs associated with climate policies. The module uses NBG's Top-Down Stress Test Model to simulate the financial impacts on bank capital and overall sector stability;

- Stress Test Module for Household Sector evaluates the impact of climate-related risks on household loans, focusing on NPL ratios, loan loss provisions and their effect on banks' capital adequacy. It utilises projections of key variables, such as real estate prices and loan-to-value ratios, under different climate scenarios. By assessing the household sector's vulnerability to both acute physical and transition risks, this module provides insights into the broader impacts on financial stability, enabling a comprehensive evaluation of potential stress factors on household loan portfolios.

A key aspect of this modelling approach is the deviation from traditional Input-Output (IO) models. Typically, in IO models, gross output is determined endogenously from the exogenous final demand. However, in the context of extreme weather events, this assumption does not hold. Such events impose significant supply-side constraints on affected industries, limiting their ability to meet future demand for their goods. As a result, for these industries, final demand can no longer be considered exogenous because it must now account for the supply limitations imposed by the climate shock.

To address this complexity, a Mixed Endogenous/Exogenous Model (MEEM) is employed. This approach accommodates the simultaneous supply and demand constraints that arise when industries face disruptions due to acute physical risks. The MEEM, as described by Miller and Blair (1985), allows for a more accurate representation of the economic dynamics in scenarios where industries cannot fulfil the exogenously set demands due to physical constraints⁴.

Extreme weather events are treated as one-time shocks, with effects projected for the year following their occurrence, i.e., a one-year projection. However, the impacts of these hazards on subsequent years are also incorporated through frontloading. Frontloading ensures that the cumulative effects of each hazard on GDP and sectoral Gross Value Added (GVA) are captured, providing a more comprehensive picture of the long-term economic impacts.

In addition to GDP projections, additional macroeconomic variables are required as inputs to the NBG's top-down stress test model. ARDL models⁵ are particularly well-suited for studying the relationships between macroeconomic indicators (such as GDP, inflation, and interest rates) over time. They help to examine how changes in one variable affect another across different time horizons and to forecast future values of variables based on their historical patterns and relationships.

Scenario Selection

The NGFS has designed seven scenarios as part of its Phase IV, all of which share similar socio-economic assumptions and account for the recent energy market implications, such as those arising from the war in Ukraine. These scenarios are categorised into four groups: Orderly Scenarios (three scenarios), Disorderly Scenarios, Hot House World Scenarios (two scenarios), Too Little, Too Late Scenarios. The Delayed Transition with Medium Chronic Physical Risks scenario was chosen from the Disorderly category. This scenario was selected because it represents one of the highest transition risk scenarios, reflecting the substantial challenges that may arise if global climate action is delayed and then implemented abruptly. Delayed Transition assumes global emissions do not decrease until 2030, requiring strong policies thereafter to limit warming to below 2°C. This scenario involves higher transition risks due to delayed and uneven policy implementation across countries. Additional expert judgment was applied to the results to make them more relevant and appropriate to the Georgian context.

¹ www.nbg.gov.ge

² The NGFS does not provide acute climate risk assessments and scenarios specific to Georgia; therefore, alternative sources were needed. The GIZ Study, "Supporting Climate Resilient Economic Development in Georgia," offers essential information on historical and projected climate hazards and their economic effects for Georgia. In particular, it analyses past extreme climate events and the resulting monetary damages. These findings are then utilised to synthesise the anticipated differential effects of heatwaves, extreme precipitation, and extreme wind events on various sectors of the Georgian economy. (GIZ. 2022. Supporting Climate Resilient Economic Development in Georgia: www.giz.de).

³ For Georgia, these projections are generated using three Integrated Assessment Models (IAMs): REMIND-MAGPIE, MESSAGEix-GLOBIOM, and GCAM. Each of these models produces different projections of key climate-related and socio-economic variables, which are categorised into several scenarios. The REMIND-MAGPIE model was selected as the preferred tool for analysing long-term climate change scenarios relevant to Georgia due to several reasons: a) the REMIND-MAGPIE model groups Georgia into a region that is more aligned with its primary trading partners and economies with similar structures; b) the REMIND-MAGPIE model was found to be closer in its CO2 emissions projections, particularly in the energy sector; c) REMIND-MAGPIE was observed to provide more realistic projections, especially under the Net Zero 2050 scenario, and predicted lower and more plausible carbon prices and government carbon-tax revenues compared to MESSAGEix-GLOBIOM; d) the REMIND-MAGPIE model displayed more logical and consistent relationships between GDP growth and energy consumption, particularly in the industrial sector.

⁴ www.nbg.gov.ge

⁵ The Auto Regressive Distributed Lag (ARDL) model is a key tool for analysing economic time series data, especially when variables may be interrelated over time. The key features of ARDL models include their flexibility in capturing dynamic relationships between variables, their ability to account for both short-term and long-term effects, and their usefulness in analysing complex economic relationships. In the case of a climate stress test exercise, ARDL models are utilised to assess the long-run relationship between various macroeconomic variables—such as the nominal effective exchange rates, real estate prices—and real GDP growth. The results of these assessments are the Long-Run Multipliers (LRMs) for each macroeconomic variable, which are then used to generate projections for each variable. (www.nbg.gov.ge).

Conclusions

Acute Physical Climate Risk Scenario: The results by segments show that the potential impacts on non-performing loans (NPLs) in the retail, micro, SME, and corporate segments are immaterial. A few sectors show negative trends, such as agriculture, construction, industry, and non-renewable energy. However, considering that these are front-loaded effects, the results become negligible.

Transition Risk and Chronic Physical Risk Scenario: The results by segments show that the potential impacts on non-performing loans (NPLs) in the retail, micro, SME, and corporate segments are negligible.

Even if the climate stress tests are not forecasting tools, they indicate the level of resilience towards climate shocks, especially in the short and medium term. Longer-term effects cannot be observed sufficiently, as the local regulator limits the maximum maturity of a loan is limited to 15 years, with a few exceptions; hence the average maturity of the TBC's loan portfolio is shorter than the 30-year time-horizon of climate stress testing. Furthermore, the climate stress tests show that the most vulnerable sectors are non-renewable energy, oil and gas, and construction, if the transition risks materialise. However, as mentioned above, transition risk is rather low in Georgia.

3. Risk management

Processes for identifying and assessing climate-related risks

TBC has a comprehensive Environmental and Climate Change Policy in place, which governs our Environmental Management System ("EMS") and climate-related framework within the Group. Our Environmental and Climate Change Policy ensures that we:

- establish methodologies to advance climate action and integrate the respective approaches into the operations and management processes of the Group;
- comply with applicable environmental, health and safety, and labour regulations;
- use sound environmental, health and safety, and labour practices; and
- take reasonable steps to ensure that our customers also fulfil their environmental and social responsibilities.

Our Environmental and Climate Change Policy is fully compliant with Georgian environmental legislation and follows international best practices. The full policy is available at www.tbcbankgroup.com.

Our EMS is based on four pillars:

- Internal environmental activities;
- Environmental and social risk management in lending;
- Sustainable finance; and
- External communications.

INTERNAL ENVIRONMENTAL ACTIVITIES

Calculation of Greenhouse gas ("GHG") emissions

The implementation of an internal EMS addresses the Group's consumption of resources. TBC Bank has reviewed all its operational activities, procured items, and outsourced services that it can control (present and planned), and has identified all of the environmental aspects relevant to the business. These are sub-categorised into indirect and direct environmental aspects, analysed through a comprehensive scorecard, and managed accordingly.

TBC Bank has established a comprehensive internal environmental system to manage and report on the Group's GHG emissions and is committed to reducing its GHG emissions by closely monitoring its consumption of energy, water, and paper. The guidelines for documenting environmental data have been developed and responsible staff in subsidiary companies have been assigned to collect and provide the required data. More details on the Group's GHG emissions and targets are given in the section on metrics and targets on pages 127-131.

Lending operations

The risks associated with climate change have both a physical impact arising from more frequent and severe weather changes, and a transitional impact that may entail extensive policy, legal, and technological changes to reduce the ecological footprint of households and businesses. For the Group, both risks can materialise through the impairment of asset values and a deterioration in the creditworthiness of customers, which could result in a reduction in the Group's profitability. The Group may also become exposed to reputational risks because of lending to, or other business operations with, customers deemed to be contributing to climate change.

As mentioned above, climate risks can materialise through the impairment of asset values and the deteriorating creditworthiness of customers. In order to increase its understanding of climate-related risks on its loan portfolio, the Bank performs annual sectoral risk assessments, as different sectors might be vulnerable to different climate-related

risks over different time horizons. The risk assessment process and content are based on TCFD recommendations, climate-related documents published by the Bank of England, the climate change assessments of Georgia performed as part of the IPCC reports, the ESG Risk Radar of the NBG, and the targets and strategy 2030 defined by the Georgian Government to achieve the National Determined Contribution of Georgia¹. The assessment of levels and impacts might change in the future, based on further reviews of the methodology, deep-dive analyses, and increased understanding of the impact of climate change risks.

The sectoral assessment was performed with the involvement of the business and credit risk specialists responsible for the respective economic sectors in the Bank.

The sectoral distribution of the loan portfolio as of 31 December 2025 is given in the table below:

Gross loans by sectors for standalone Bank		Total exposure (GEL mln)	% of gross portfolio
Individual		9,935	36.8%
Real estate		3,405	12.6%
Construction		1,715	6.4%
Trade		1,668	6.2%
Food industry		1,434	5.3%
Other		1,423	5.3%
Hospitality & leisure		1,227	4.5%
Financial services		927	3.4%
Agriculture		1,057	3.9%
Energy & utilities		933	3.5%
Services		786	2.9%
Healthcare		515	1.9%
Transportation		433	1.6%
Automotive		351	1.3%
Oil and gas		351	1.3%
Pawn shops		321	1.2%
Manufacturing		197	0.7%
Metals and mining		183	0.7%
Media & publishing		105	0.4%
Communication		27	0.1%
NGOs and public sector		1	0.0%
Government sector		0	0.0%
Total loans to customers		26,994	100%

¹ A nationally-determined contribution (NDC) is a national plan highlighting climate change mitigation, including climate-related targets for greenhouse gas emission reductions, policies and measures governments aim to implement in response to climate change and as a contribution to achieve the global targets set out in the Paris Agreement.

Non-financial and sustainability information - climate-related financial disclosures 2025 *continued*

The maturity of assets is essential when defining the different time horizons for analysis and when assessing the materiality of climate-related risks for the different sectors. The maturity structure of the loan portfolio shows that the majority of assets are distributed in much shorter time horizons than the timeframe in which the impacts of climate change, especially of physical risks, may arise in Georgia.

The maturity distribution of the loan portfolio as of 31 December 2025 is given in the table below for standalone Bank:

Sector	Total exposure (GEL mln)	% of gross portfolio	Volume of loans (GEL mln) <8y	% of loans <8y	Volume of loans (GEL mln) <15y	% of loans <15y
Individual	9,935	36.8%	5,684	57%	9,254	93%
Real estate	3,405	12.6%	2,464	72%	3,374	99%
Construction	1,715	6.4%	1,527	89%	1,715	100%
Trade	1,668	6.2%	1,519	91%	1,667	100%
Food industry	1,434	5.3%	1,305	91%	1,434	100%
Other	1,423	5.3%	1,181	83%	1,423	100%
Hospitality & leisure	1,227	4.5%	769	63%	1,227	100%
Financial services	927	3.4%	914	99%	927	100%
Agriculture	1,057	3.9%	949	90%	1,057	100%
Energy & utilities	933	3.5%	463	50%	873	94%
Services	786	2.9%	546	69%	786	100%
Healthcare	515	1.9%	460	89%	515	100%
Transportation	433	1.6%	392	91%	433	100%
Automotive	351	1.3%	314	89%	351	100%
Oil and gas	351	1.3%	340	97%	351	100%
Pawn shops	321	1.2%	321	100%	321	100%
Manufacturing	197	0.7%	157	80%	197	100%
Metals and mining	183	0.7%	182	99%	183	100%
Media & publishing	105	0.4%	96	91%	105	100%
Communication	27	0.1%	27	100%	27	100%
NGOs and public sector	1	0.0%	1	100%	1	100%
Government sector	0	0.0%	0	100%	0	100%
Total loans to customers (Gross)	26,994	100%	19,611	73%	26,221	97%

Processes for managing climate-related and environmental risks in lending

Since 2012, TBC Bank has had a process in place to consider environmental and social risk that aims to mitigate climate change, which was established in line with industry guidelines. TBC Bank has developed E&S risk management procedures to identify, assess, manage, and monitor environmental and social risks that are fully compliant with Georgian environmental legislation, follow international best practices, and incorporate appropriate consideration of IFC Performance Standards, EBRD Performance Requirements (PRs), and ADB's Safeguard Requirements (SRs). These procedures are fully integrated into the credit risk management process and are routinely applied to SMEs and corporate customers. In collaboration with partner IFIs, TBC Bank has developed a clear E&S risk categorisation matrix. Projects that are to be financed are analysed and classified according to E&S risk categories (low, medium, high and A category); where necessary, deep-dive analysis and due diligence are performed.

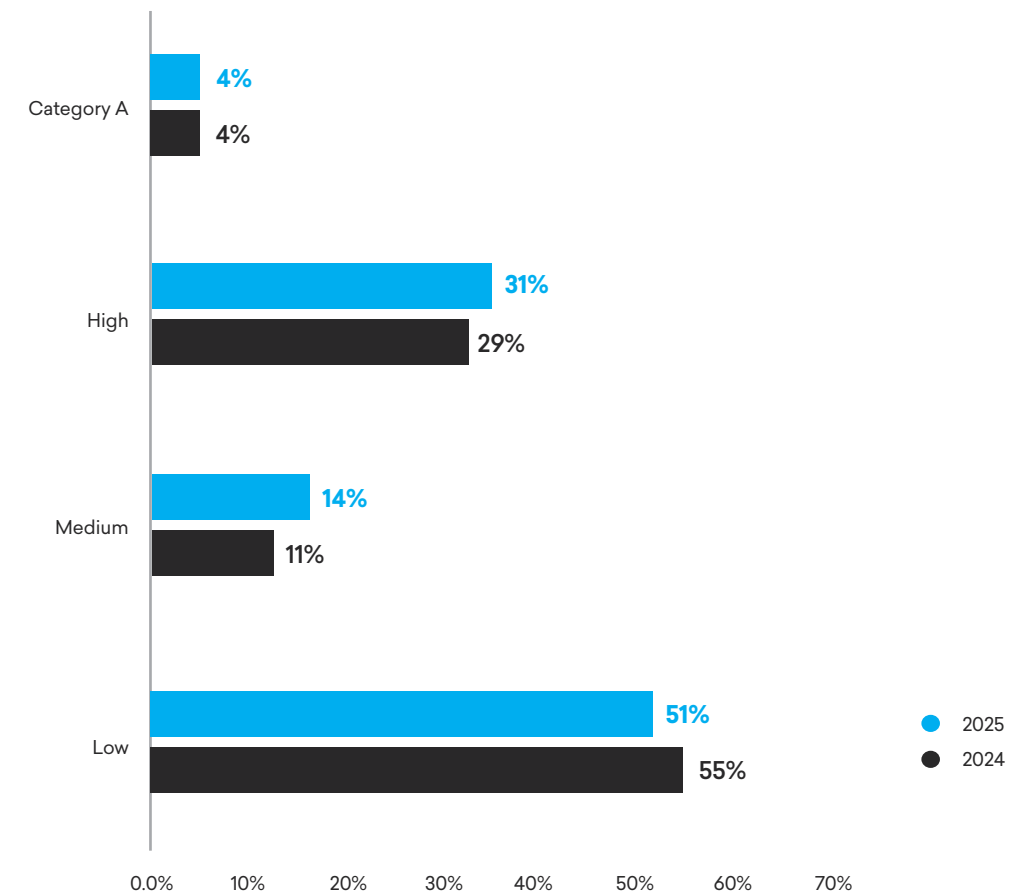
Starting from 2025, our risk assessment approach includes three components: environmental risk, social risk and climate risk. The risk categories of each component may differ for different business activities. When finalising each transaction's E&S risk category, priority is given to the most important risk component. Additionally, specialised external companies are involved in the detailed E&S risk assessment of Category A projects, such as hydroelectric plants. In 2024, the ESG Profile Methodology for corporate customers was refined further. ESG factors such as climate adaptation, transition to low-carbon activities, implementation of green technologies, diversity and inclusion, and good corporate governance are considered during the assessment, and respective scores are assigned based on expert judgment. The ESG profile consists of four main components:

- Climate change – covering physical and transitional risks;
- Environmental – covering environmental and social risks;
- Social – covering diversity, employee benefits and equal/fair pay;
- Governance – covering ESG governance, the Company's disclosures, and diversity at Board and executive management levels.

The results of the assessment will be useful for the development of decarbonisation and transition plans. The ESG Profile Methodology is considered to be at an initial stage and will evolve in the future as TBC's knowledge and expertise and the local regulatory framework for climate-related topics develop.

The table depicts the business loan portfolio broken down by E&S categories, by loan volumes.

Business gross loan portfolio breakdown by E&S categories (by shares)



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

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

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

Category A – transactions with potentially significant adverse social, environmental, and/or climate impacts that may be diverse, irreversible, or unprecedented, the assessment of which usually requires inputs from independent external experts and may require the involvement of IFI E&S specialists in the due diligence assessment process.

In addition, we strive to make a positive contribution to the development of private companies and assist them in the proper management of environmental and social risks related to their business activities. In cases where we identify any non-compliance with local legislative requirements and/or TBC's standards, we develop Environmental and Social

Non-financial and sustainability information - climate-related financial disclosures 2025 continued

Action Plans (ESAP) for our clients to assist them in enhancing their environmental performance and we closely monitor their implementation.

Other risk categories

Climate risk might impact other, more traditional risk categories for banking such as market risk, operational risk, liquidity risk, and reputational risk. A summary of the assessment is given on the table below. Certain risk factors, which were identified for operational and reputational risks, are already covered under the existing risk management framework.

Banking risk types	Impact from physical risk	Impact from transition risk
Market risk	No material impact expected	No material impact expected
Liquidity risk	No material impact expected	No material impact expected
Operational risk	Extreme events that would cause damage to the Group's own sites could affect its ability to provide services to its clients (e.g., lack of electricity supply, inability for employees to work in premises)	No material impact expected
Reputational risk	No material impact expected	Financing to high-emitting borrowers could affect brand image, as perceived by stakeholders.
		No material impact expected

Supply chain monitoring

As one of the largest purchasers in the country, we acknowledge and understand the social, economic, and environmental impact of our procurement decisions and operations. To decrease environmental and social risks in the supply chain, we require all suppliers' consent for personal data protection, anti-corruption, environmental, and tax avoidance clauses, which constitute an indispensable part of the contract and are mandatory for implementation.

Since 2019, we employ an Environmental and Social Risk Management Questionnaire to screen suppliers. The supplier assessment is made on the basis of the responses submitted in the Environmental and Social Risk Management Questionnaire. Following the assessment, each company is given a score of either low, medium, or high. The above-mentioned evaluation of suppliers is carried out by the ESG Coordination Department. In case we identify any medium or high-level non-compliance with our E&S standards, the ESG team develops an Environmental and Social Action Plans (ESAPs) for each company and monitors their implementation.

Raising environmental awareness among our employees

We believe that raising environmental awareness among our employees is vital for the effective implementation of EMS and to encourage new eco-friendly ideas and initiatives within the organisation.

For this purpose, we actively run various environmental and climate-related training programmes for different teams including branch employees, risk, credit and business staff. Our annual mandatory trainings include:

- Training in environmental and climate change topics for new employees – 2,031 new employees participated in online trainings in 2025 covering 96% of the target;
- Self-paced Environmental, Social and Climate Risk Management training for credit staff - 570 MSME and Corporate experts, analysts, and risk managers attended trainings in 2025, covering 100% of the target;
- ESRM and Green Lending online training - 404 credit risk staff participated in 11 online training sessions;
- An annual mandatory, self-paced online EMS and climate course for all staff, followed by a self-evaluation test – 8,198 employees including senior management participated in 2025, covering 96% of the target;
- TBC ESG Academy's Green Mindset and Green Financing course for front and back-office staff - 405 employees completed the two-day programme in 2025, and a total of 728 employees have participated since its launch in 2024;
- Training for Green Coordinators - Green coordinators within the MSME segment are appointed and the training was held to improve their capacity to identify green financing opportunities across various sectors and approaches to managing associated risks. 22 business analysts and risk managers attended a one-day session.

In 2025, several trainings were also delivered under the European Investment Bank's TA Programme to strengthen TBC staff's knowledge on a variety of topics:

- IFRS S2 standard requirements, TBC Bank's current level of alignment with the IFRS S2 standard, and the gaps that need further improvement - 13 employees attended training including Operational Risk Management, Enterprise Risk Management, Environmental and Social Risk Management, Financial Operations Management, Macro-Financial Analysis, ESG, and Investor Relations;
- EIB's Green Eligibility Checker: a tool designed to support green loan assessment process - 10 employees participated in the training;
- Green financing opportunities and approaches to managing associated risks - 22 employees from different divisions and business segments including business analysts and risk managers attended a two-day session.

Furthermore, members of the ESG Department successfully completed the following courses:

- Renewables Academy (RENAC) course, earning the GGF Green Finance Expert 2025-26 certification;
- Fundamentals of Sustainability Accounting of IFRS S1 and S2, which enhanced their ability to integrate sustainability considerations into financial analysis and lead on disclosure practices;
- theoretical and practical training course financed within Proparco's Technical Assistance on the French Development Agency's Taxonomy for climate mitigation and adaptation finance; and
- International Financial Institutions' guidelines for a harmonised approach to GHG accounting.

The ESRM Team also completed the following professional development activities:

- Two-day workshop of ESG Academy – Green Mindset and Green Financing;
- The Environmental Management course offered by the Caucasus Green Academy;
- The World Bank self-paced online course Identifying Environmental & Social Risks and Impacts;
- The World Bank self-paced online course Elements of an Environmental and Social Management System (ESMS);
- The self-paced course Overview of IFC Performance Standard 1; and
- The World Bank self-paced online course Sustainable MSME Finance for Financial Institutions.

EXTERNAL COMMUNICATION

TBC pays significant attention to external communication of E&S matters with existing and potential customers and other stakeholders. The feedback and recommendations received from our stakeholders and other interested parties enable us to continuously improve our E&S performance.

Our grievance mechanism enables any interested party to register complaints with regards to E&S issues via our website www.tbcbank.ge. All complaints are thoroughly analysed and addressed in a timely manner.

TBC Bank successfully passed the third-year surveillance audit of the Environmental Management System, ISO 14001:2015. This means that TBC's Environmental System is managed in accordance with international standards and requirements. The 2025 certification process was completed successfully.

TBC Bank annually discloses its Environmental and Social Performance Annual Report to all its partner International Financial Institutions. The report includes detailed information about Environmental and Social Risk Management in Lending, the distribution of the Bank's business portfolio in terms of environmental and social risk, a breakdown of its sustainable portfolio, respective procedure updates etc.

Since 2019, TBC Bank releases its annual full-scale Sustainability Report, which is prepared in accordance with Global Reporting Initiative (GRI) standards. The Sustainability Report helps the Company to understand its role and influence on sustainable development issues such as climate change, human rights, and social welfare. The report is available at www.tbcbankgroup.com.

4. METRICS AND TARGETS

The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The metrics related to the Group's own operations

TBC Bank has established a comprehensive internal environmental system to manage and report on the Group's GHG emissions and is committed to reducing its GHG emissions by closely monitoring its consumption of energy, water, and paper. The guidelines for documenting environmental data have been developed and responsible staff in subsidiary companies have been assigned to collect and provide the required data. TBC Bank also commissioned Bureau Veritas Georgia LLC, an independent consultant and certification company, to verify the measurements of its GHG emissions. The company provided a reasonable assurance covering historical data and information.

Non-financial and sustainability information - climate-related financial disclosures 2025 continued

Below is a summary of TBC Group's results in terms of Scope 1 and Scope 2 GHG emissions, water and paper consumption, performance against 2025 targets, and targets for 2026.

Total GHG emissions	2023 (tCO2)	2024 (tCO2)	2025 (tCO2eq)	2025 target	2025 result	2026 target
Scope 1* - fuel combustion (heating, vehicles, generators)	3,042	3,076	3,073	4%	-0.1%	-2%
Scope 2 - electricity consumption	1,470	1,494	1,316	-3%	-11.9%	-12%
Total Scope 1 and Scope 2 emissions (tCO2eq)	4,512	4,570	4,389	2%	-3.4%	-5%
Total emissions per full time employee (tCO2eq/pp)	0.52	0.50	0.47	N/A	-6%	-5%

- * **Scope 1:** a. 1,195 tCOeq emissions in tonnes (from combustion of fuel (NG) from owned operation and facilities of TBC) in 2025. b. 1,707 CO2eq emissions in tonnes (from owned vehicles of TBC) in 2025. c. 171 CO2eq emissions in tonnes (from owned generators of TBC) in 2025.

According to the GHG Protocol, companies using renewable electricity must report both location based and market based Scope 2 emissions to show the impact of their procurement choices while also reflecting the emissions intensity of the national grid, to which they remain physically connected. In 2025, TBC's market based Scope 2 emissions amounted to 1,316 tCO2eq (excluding renewable electricity emissions), whereas its location based Scope 2 emissions totaled 1,665 tCO2eq (treating renewable electricity as having the same emission factor as grid electricity).

Operational Intensity Ratio	2024	2025
Employee (tCO2eq/per employee)	0.505	0.467
Revenue (tCO2eq/USD)	0.000005	0.000005
EBTDA (tCO2eq/USD)	0.000008	0.000007
Net profit (tCO2eq/USD)	0.000010	0.000009

Operational Intensity Ratio – in accordance with the Streamlined Energy and Carbon Reporting (SECR) framework, we assess operational emissions intensity by calculating Scope 1 and Scope 2 emissions per employee and per unit of revenue and profit.

Energy consumption in kWh	2023	2024	2025
The annual quantity of energy consumed from activities for which the Group is responsible, including:			
The combustion of fuel	551,150	663,658	697,735
The operation of any facility	6,564,658	6,534,528	5,893,051
The annual quantity of energy consumed resulting from the purchase of electricity, heat, steam or cooling by the Company for its own use	15,580,265	16,002,103*	15,708,650*

* The annual electricity consumption reported for 2024 and 2025 includes renewable electricity, which is deducted from GHG emissions due to the application of zero emission factors. Renewable energy use amounted to 1,029,351 kWh in 2024 and 3,294,264 kWh in 2025.

Scope 1 - In 2025, Scope 1 emissions remained at the same level compared to 2024 and below the estimated annual increase of 4%. Fuel for transport is accounting for 56% and natural gas combustion for 39% of total Scope 1 emissions.

Scope 2 – In 2025, Scope 2 (market-based) emissions from electricity consumption decreased by 11.9%, driven by a higher share of renewable energy consumption.

Operational Emission Intensity - As the business continues to grow, using intensity metrics provides a more accurate way to assess operational emissions performance in the context of expanding activities. Emissions per employee as well as emissions per unit of net profit have decreased - indicating improved efficiency and demonstrating that operational intensity continues to decline even as the business scales.

2026 Targets – In 2026, we set Scope 1 and Scope 2 emissions targets aligned with the 1.5°C Paris Agreement pathway, using the Science Based Targets initiative (SBTi) methodology for energy consumption in buildings and fuel use in vehicles.

Resource Consumption

Efficient and sustainable resource use is a priority for TBC Group and is outlined in the Environmental and Climate Change Policy, which applies across the entire Group. The main resources consumed within TBC Bank and its subsidiaries are water and paper, and we regularly implement various initiatives to enhance resource efficiency and reduce overall consumption.

In 2025, total water consumption reached 65,474 m³. Water consumption per employee decreased by 3.7% compared to the previous year, meeting our 2025 target to keep the growth in water use below 13%.

Based on the specifications of the company's activity, a significant share of the materials used is represented by paper usage. TBC strives to decrease its impact through various projects and digitalisation initiatives. Compared to the previous year, paper consumption per person in reams decreased by 17.3%, significantly surpassing the annual target of a 9% reduction.

Below is a summary of TBC Group's resource consumption per employee:

Resource consumption per employee	Actual 2023	Actual 2024	Actual 2025	2025 target	2025 result	2026 target
Water consumption per employee (m3/pp)	8.62	7.23	6.96	+13%	-3.7%	-2%
Printing paper per person in reams	12.24	11.03	9.12	-9%	-17.3%	-5%

Calculation methodology

To calculate the GHG inventory, we took the following steps: we set organisational boundaries, established the operational scope, and developed a structured approach for data collection and the calculation of carbon dioxide (CO₂) equivalent. This report describes all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 (Scope 1 and 2). In preparing emissions data, the UK Government's Greenhouse Gas Conversion Factors for Company Reporting 2024 and National IPCC emission factors for electricity (tCO₂*/MWh) were used. The required data were collected and a report was generated for TBC Group's main activities, as follows:

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

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

The boundary covers TBC Bank JSC in Georgia and its key subsidiaries, including TBC Capital LLC, TBC Pay, UFC, TBC Asset Management, and TBC Leasing.

TBC Group reports Scope 2 emissions in accordance with the GHG Protocol, presenting both location-based and market-based figures. The location-based method applies the average national grid emission factors for Georgia: 0.106 tCO₂eq/MWh; The market-based method reflects contractual instruments and renewable energy arrangements used by TBC. It incorporates: On site solar generation owned by TBC, treated as zero emission electricity; and solar generation from leased solar stations

Scope 3 Emissions

The metrics related to the Group's indirect impact

Materiality Assessment

We have a direct or indirect impact on the environment through our activities. However, in the case of financial institutions, the main source of Greenhouse Gas (GHG) emissions is not the emissions produced within our business processes or their own energy consumption, but GHG emissions produced by other sectors that are financed by us. Based on the materiality threshold of 40%, financed emissions constitute more than 40% of the total GHG emissions (indirect impact) and accordingly, Category 15: Financed Emissions is the only Scope 3 category classified as material within TBC Group's emissions inventory.

Furthermore, we continue to measure other Scope 3 categories that, while not material, remain relevant to our operational footprint, particularly Category 6: Business Travel (business flights), Category 5: Waste Generated in Operations, and Category 7: Employee Commuting. These categories remain relevant to our day-to-day activities and provide a more complete understanding of our overall environmental impact. Seven categories are considered not relevant, as TBC Group does not cover these activities. The remaining four categories are considered relevant but not material and are not yet incorporated into our Scope 3 emissions inventory.

Non-financial and sustainability information - climate-related financial disclosures 2025 continued

The table above depicts which of the 15 categories of Scope 3 emissions have been included and which are considered to be immaterial or irrelevant to the business.

Financed emissions (Scope 3)

#	Scope 3 category	GHG calculation approach
1	Purchased goods and services	Not material
2	Capital goods	Not relevant
3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	Not relevant
4	Upstream transportation and distribution	Not relevant
5	Waste generated in operations	Not material/included
6	Business travel	Not material/included (flights)
7	Employee commuting	Not material/included
8	Upstream leased assets	Not material
9	Downstream transportation and distribution	Not material
10	Processing of sold products	Not relevant
11	Use of sold products	Not material
12	End-of-life treatment of sold products	Not relevant
13	Downstream leased assets	Not relevant
14	Franchises	Not relevant
15	Investments	Included - financed emissions: debt investments (with known use of proceeds) and project finance

In 2025, we updated the tool for calculating TBC Bank's financed emissions based on the new National Greenhouse Gas Inventory Report of Georgia from 2022 and automated the tool to easily apply updates in the future.

TBC applies GHG emissions calculation methods for different asset classes, which have been developed by the Partnership for Carbon Accounting Financials (PCAF). In total, seven asset classes are considered. The financed emissions by asset class as of December 2025 are presented below:

	Financed GHG Emissions GgCO ₂ eq/y	2023	2024	2025	Difference
Total Financed GHG Emissions GgCO₂eq/y		3,165.9	3,442.6	1790.5	-48%
1	Listed equity and corporate bonds	61	66	8	-87.9%
2	Business loans and unlisted equity	2,857	2,921	1,390	-52.4%
3	Project finance	-15	-16	-10	----
4	Commercial real estate	2	8	7	-12.5%
5	Mortgages	30	36	34	-5.6%
6	Motor vehicle loans	0.9	0.6	0.5	-16.7%
7	Sovereign debt	230	427	361	-15.5%

Calculation methodology

- Business loans¹
- Project finance
- Retail mortgages
- Commercial real estate
- Corporate bonds
- Sovereign debts²

It should be noted that the data we have used for the calculation of financed emissions is the best available at the current stage, notwithstanding the challenges that exist given the incompleteness and novelty of the data sets and the methodologies required for the Georgian environment, which most of our activities occur. Most of the data are of Score 4 and Score 5 quality. Score 2 or Score 3 quality data are applied to project financing, we use quality. We expect the availability and reliability of the required data to improve over time, and we intend to integrate improved data into our calculations as it becomes available and reliable.

Based on sector-level emissions of the loan portfolio, we defined six sectors that either generate the highest emissions in our portfolio and/or have a high GHG emissions contribution score according to the NBS Risk Radar. We then assessed our capacity to reduce emissions within these sectors, directly linking this analysis to our green portfolio growth plan. Reducing emissions from financed activities depends on shifting investments toward less carbon-intensive, more energy-efficient projects and activities, thereby supporting a lower-carbon and more sustainable portfolio over time. Table below depicts those sectors with emission reduction targets in 2026.

Sector	GgCO ₂ eq/y	Share in total emissions	Carbon contribution Score	2026 Target for GHG Emissions Reduction
Agriculture	488	27%	4	-4%
Manufacturing	407	23%	2	-4%
Transportation and storage	112	6%	4	-4%
Accommodation and food Service activities	108	6%	1.5	-2%
Construction	47	3%	3.5	-10%
Energy & utilities	30	2%	4	-10%

Other Scope 3 emissions

Category 5: Waste generated

In 2025, we developed methodologies for the calculation of Scope 3 category 5: emissions from waste. The information provided is based on the best data available at the time of reporting and part of the data used are based on estimates. The calculation methodology and underlying assumptions follow the GHG Protocol³. Based on employees' work-regime patterns, we calculated the number of days staff are physically present in the office during the year. This allows us to estimate waste generation at the office per year by all employees. Our waste estimation assumes that a single employee generates at least four times less waste in an office setting compared to standard household municipal averages.

Category 6: International flights

In order to calculate the GHG emissions deriving from business trip flights, the detailed route of each trip (including transfers between international flights, where available), the type of flight class (business, and/or economy), and the number of persons on each business trip were taken into account. Source of the emission factors and the global warming potential (GWP) rates were used, with reference to the GWP source - www.atmosfair.de

Category 7: Employee commuting

We also developed methodology for the calculation of Scope 3 Category 7: Employee Commuting. The calculation methodology and underlying assumptions follow the GHG Protocol. Using employees' work-regime patterns, we estimated the average number of days staff are physically present in the office. Commuting distances were then assessed by grouping employees based in Tbilisi and in the regions and calculating the average daily distance traveled per employee in each group. We also incorporated the different modes of transport used—walking, bus, metro, and car—by determining their proportional usage (according to Tbilisi and Batumi Transport Policy Documents) and applying transport-specific emission factors. This combined approach enabled a more accurate estimation of employee-commuting CO₂ eq emissions.

- ¹ www.nbg.gov.ge - The calculation methodology for business loans was developed by the National Bank of Georgia within the project "Promotion of Rural Finance for Sustainable MSE Development in the South Caucasus and Ukraine", implemented by DSIK and funded by the German Ministry for Economic Cooperation and Development (BMZ).
- ² The calculation methodologies for the other five asset classes were developed by TBC in cooperation with the consultant company RINA, supported by the Global Climate Partnership Fund. The calculation methodologies consider the PCAF approach.
- ³ www.ghgprotocol.org

Non-financial and sustainability information - climate-related financial disclosures 2025 continued

#	Scope 3 category	GHG Emissions tCO2eq/y
5	Waste generated	578
6	Business travel	856
7	Employee commuting	1,225

The table below presents a change log with all updates that have been made in GHG emissions calculation methodology in the reporting year.

Topics	Previous approach	2025 update	Reason/impact
Scope 1/ Scope 2	CO2 reported	Added CH ₄ and N ₂ O → reporting full CO ₂ eq	Full alignment with ISO 14064 Standard requirements
Scope 2	2013 national emissions factors (EF) for Georgia & Uzbekistan	Updated to newest EF values	Reflects most recent grid mix
Scope 2	Market-based emissions reported	Added location-based emissions (alongside with market-based)	Full alignment with GHG Protocol Scope 2 Guidance ¹
Scope 3	Category 6: Flights and Category 15: Financed Emissions reported	Added category 5: Waste generated and category 7: Employee commuting	Broader emissions accounting
Scope 3 financed emissions	Data on national asset and loan volume from 2023	Updated asset and loan volume on national level from 2025	Up-to-date emissions accounting at portfolio level
Scope 3 financed emissions	Sectoral data and EF taken from National GHG Inventory 2017	Updated data and EF Values from the latest National GHG inventory 2022 ²	Up-to-date emissions accounting

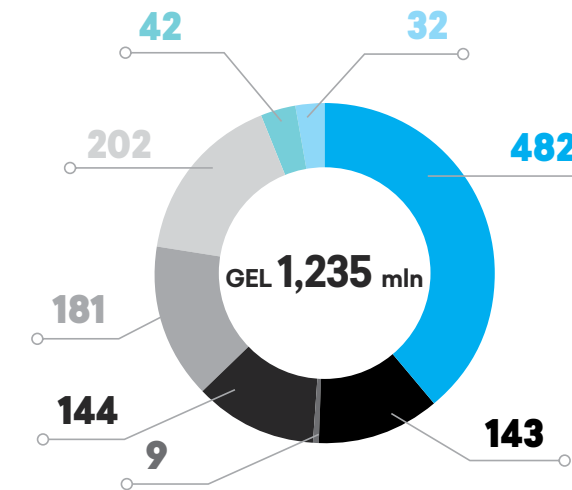
Sustainable portfolio

The climate action initiatives are part of TBC's overall ESG strategy, which is reviewed and approved by the Supervisory Board annually. The ESG Strategy 2026-2028 reflects the Paris Agreement alignment considerations that were developed in 2024. We evaluated the existing portfolio to understand its carbon footprint and identify areas for improvement. This process enabled us to understand our Paris Agreement alignment and define our way forward, based on the Science Based Initiative's standards. We developed a transition plan which includes divesting from high-carbon assets, investing in green technologies, and engaging with our customers to improve their sustainability practices.

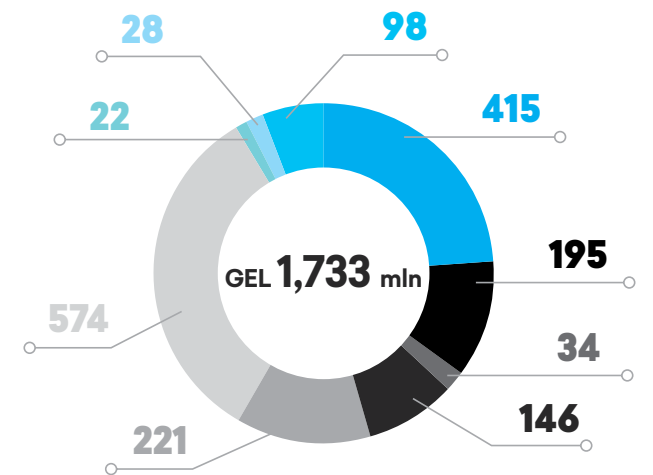
We continuously monitor the portfolio's performance against the set goals and regularly report the progress to our stakeholders.

The ESG strategy sets sustainable portfolio volume targets, which consists of renewable energy loans, energy efficiency loans, and financing with social components, etc. As of 31 December 2025, the total sustainable portfolio³ stood at GEL 2.3 billion. Within this amount, green loans classified under the NBG Green Taxonomy totalled GEL 449 million, while social loans aligned with the NBG Social Taxonomy amounted to GEL 656 million. The target for Sustainable Portfolio in 2026 is set at GEL 3.2 billion. The charts below depict the sustainable portfolio development as of 31 December 2025.

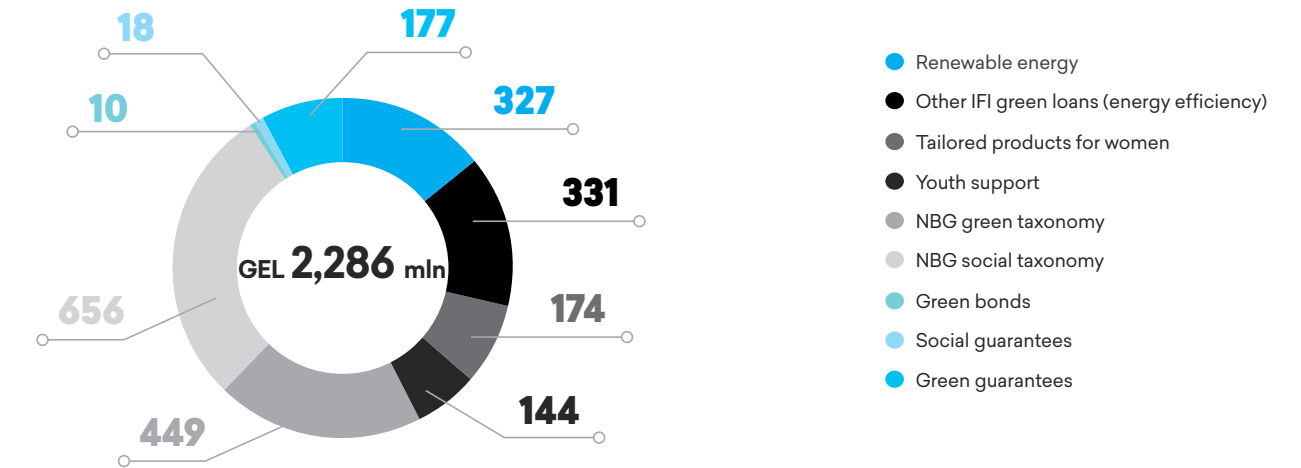
Sustainable portfolio 2023



Sustainable portfolio 2024



Sustainable portfolio 2025



¹ www.ghgprotocol.org

² www.undp.org

³ Our sustainable portfolio includes: a) energy efficiency, youth support, and women in business loans financed by special purpose funds received from IFIs; b) loans financing renewable energy, which include all hydro power plants financed by the Bank; c) financing of startup companies and affordable housing which are categorised based on the Social Taxonomy of the National Bank of Georgia (NBG); d) green loans, which are assessed based on criteria defined by the Green Taxonomy of the NBG; e) social guarantees supporting affordable housing projects, which are categorised based on the Social Taxonomy of the NBG (www.nbg.gov.ge); and f) green and sustainability-linked bonds aligned with the ICMA (International Capital Markets Association) Green Bond Principles and Sustainability-linked Bond Principles.

In 2025, the sustainable portfolio increased by GEL 553 million (32%), exceeding the 2025 target of GEL 2 billion by 14.3%. The Sustainable portfolio represents 8.4% of the total portfolio. This Growth was driven primarily by financing for energy-efficient buildings (classified under NBG Green and Other IFI Green Loans), green guarantees supporting renewable energy projects, and social loans issued through various IFI programmes (Tailored Products for Women), as well as loans under state initiatives such as “Produce in Georgia” and the “Preferential Agrocredit” programmes (classified under NBG Social Financing).

In 2025, our renewable energy portfolio impact (avoided GHG emissions) amounted to 588 GgCO₂eq/y, measured based on the PCAF methodology.

Since 2022, ESG-related KPIs have been included in the executive management remuneration. Executive management KPIs are linked to the target volumes of the sustainable portfolio and other sustainable assets. For more details, please see the Human Resources and Remuneration Committee Report, page 153.

Specific efforts for indirect mitigation and adaptation through client engagement

Client engagement is a cornerstone of TBC’s approach to expanding green finance, advancing its transition plan, and supporting the country’s sustainable economic development. Through various initiatives, we aim to raise awareness, build client capacity, and promote climate action. A flagship effort is the ESG Academy - Georgia’s first dedicated ESG education platform—through which 204 clients were trained under the “Green Mindset and Green Business” programme as of December 2025, helping businesses integrate sustainability, better manage climate risks, and access green financing more easily.

In the coming years, with support from DEG and ADB through technical assistance programmes, we will further expand engagement channels by offering structured trainings, advisory sessions, and follow-up consultations on energy efficiency (EE), renewable energy (RE), and climate-smart technologies. One of the priority focus will be the agricultural sector, which is highly exposed to climate risks; trainings will promote climate-smart solutions, risk-mitigation practices, and practical applications for farmers and agribusinesses.

We also plan to improve data quality and climate-related reporting by developing tools to help clients estimate basic CO₂ emissions and strengthen TBC’s verification and reporting capabilities. As in-house expertise grows, TBC will increasingly provide direct advisory on climate-risk exposure, GHG calculation, and transition-planning support, complemented by sector-specific guidelines and enhanced staff capacity.

Ruisi Wind Power Plant







TBC financed the Ruisi Wind Power Plant project with USD 101 million. As the largest wind energy initiative in Georgia, the plant has an installed capacity of 206 megawatts and is expected to generate clean electricity sufficient to meet the annual energy needs of 350,000 households – equivalent to around 10% of Georgia’s population.





2

Chapter

Governance

Our Executive Management Committee


 <p>Vakhtang Butskhrikidze CEO</p>	 <p>Giorgi Megrelishvili Deputy CEO, Chief Financial Officer</p>
 <p>Nino Masurashvili Deputy CEO, Chief Risk Officer</p>	 <p>George Tkhelidze¹ Deputy CEO, Corporate & Investment Banking, Wealth Management</p>

 <p>Tornike Gogichaishvili² Deputy CEO, MSME and Affluent Banking</p>	 <p>Nikoloz Gvaberidze Retail Lending and Operations Director</p>
 <p>Bidzina Matsaberidze Chief Information Officer</p>	 <p>Gvantsa Murghvliani Head of Human Capital Management</p>

¹ Appointed as CEO of JSC TBC Bank with effect from 12 March 2026.

² Tornike Gogichaishvili, Deputy CEO and head of MSME and Affluent Banking, stepped down with effect from 1 March 2026.

Our Supervisory Board

	
	Arne Berggren
Position	Chair
Committee	Chair of CGN, Member of HR&RemCo
Appointed	Supervisory Board: 18 July 2019, Chair: 1 March 2021
Nationality	Swedish
Career	Arne has worked in the financial services industry for more than 30 years. He has held several senior leadership and advisory positions at prominent financial institutions, including the IMF, World Bank, Swedbank, Carnegie Investment Bank AB and the Swedish Ministry of Finance and Bank Support Authority. Arne played a leading role in the handling of the Swedish banking crisis in 1991-93 and assisted the FRA in Thailand and FSC/KAMCO in South Korea during the Asian crisis. Arne has also served as an independent Non-Executive Director in asset management companies in Turkey and Slovenia, and in Greece at Piraeus Bank.
Skills & experience	<p>Experience in international financial institutions and advising governments;</p> <p>Board membership and committee chairing experience in other UK listed banks;</p> <p>Experience in investment banking activities and in leading bank restructurings;</p> <p>Deep understanding of strategic planning and implementation.</p>
Contribution to the company	With more than 25 years of international banking experience, coupled with his background and broad experience, Arne provides a valuable perspective as Chair to the Supervisory Board. Arne plays a pivotal role in supporting the Company's relationship with its major shareholders, and, through his extensive experience in navigating economic uncertainty, is invaluable in meeting the challenges facing the Company and the wider sector. As Chair of the Corporate Governance and Nominations Committee, Arne has secured a number of high calibre appointments in recent years. This has been instrumental in ensuring the composition of the Supervisory Board matches the culture, strategy and leadership needs of the Company.
External appointments	Chairman of Hoting Innovations AB

	
	Tsira Kemularia
	Senior Independent Supervisory Board Member
	Member of AC and CGN
	Supervisory Board: 10 September 2018, Senior Independent Director: 15 September 2021
	British
	<p>Tsira is an experienced finance executive with over 25 years of experience in a broad range of roles. Currently, Tsira is a Vice President for FTSE100 energy major, Shell's, Corporate segment and the UK Country Controller. She is also a member of Shell's UK Management Board and is a Trustee of a BG Pensions Scheme.</p> <p>Over the years, Tsira's management roles have covered a number of finance disciplines such as; Head of Internal Audit for Shell's Commodity business globally, Head of Shell's Group Pension Group Strategy and Standards, CFO of Shell's commodity trading business in the Caribbean, M&A, Commercial Finance Management role for Russia & CIS and Commodity Market Risk Management for crude oil trading in Europe.</p>
	<p>More than 25 years of in-depth experience across the energy sector including regulated commodity trading and financial services;</p> <p>Chartered Director and Fellow with the Institute of Directors in London, UK;</p> <p>Former member of the British-Georgian Society and former Chair of the Georgian Community in the UK;</p> <p>Relevant experience and expertise in information security risk management</p>
	<p>Tsira's specialist knowledge in the areas of financial services, risk management and internal audit enables her to contribute to, and constructively challenge on, a wide range of Supervisory Board matters. As a Chartered Director, Tsira's leadership qualities ensure she can act as a sound advisor to the Chair and represent the interests of the other Directors. Tsira brings significant regulatory, strategic and international financial services expertise and knowledge of financial markets to the Supervisory Board.</p>
	<p>Shell International Ltd - VP Corporate and UK Controller, and director of various Shell Group entities</p> <p>Company Nominated Trustee Director of the British Gas Trustee Solutions Ltd, a closed pension fund (post British Gas acquisition by Shell)</p>

	
	Per Anders Fasth
	Independent Supervisory Board Member
	Chair of AC, Member of RC and CGN
	1 July 2021
	Swedish
	<p>Over the past 25 years, Per Anders has served as CEO at SBAB Bank, Hoist Finance and European Resolution Capital as well as CFO and other senior executive positions at the leading North-European bank SEB. He has also gained extensive strategic consulting experience having spent 10 years at top-tier consultancies McKinsey & Company and QVARTZ (now Bain & Company).</p> <p>Per Anders has been a non-executive director of more than 15 financial institutions in Europe. In addition, he has extensive professional experience from having worked in more than 20 European countries as a non-executive director and advisor to corporations and governments.</p>
	<p>Extensive CEO and senior executive experience, having spent more than 20 years at leading banks and other financial institutions;</p> <p>Over 40 years of accumulated experience as an independent non-executive director;</p> <p>Strong listed corporate governance, leadership and strategic advisory skills;</p> <p>Significant financial reporting, investor relations and internal controls experience;</p> <p>Relevant experience from the financial information technologies (fintech) and credit management industries across Europe.</p>
	<p>Per Anders is regarded as a financial expert in the context of audit and risk committee work. He has extensive experience of operating in regulatory environments and is widely regarded in both the corporate and financial world. Per Anders's broad leadership and global executive experience brings a wide perspective to his role as Chair of the Audit Committee and in Supervisory Board discussions and decision-making.</p>
	<p>Chairman of Lyra Financial Wealth AB</p> <p>Board member of Atle Investment Management/Services AB</p> <p>Board member and audit committee chair of JSB Ukrgasbank</p> <p>Board member and chair of risk and audit committee of Brocc Finance AB</p>

	
	Janet Heckman
	Independent Supervisory Board Member
	Chair of HR&RemCo, Member of CGN and ESGE
	26 June 2023
	American
	<p>Janet was the Managing Director for the Southern and Eastern Mediterranean (SEMED) Region at the European Bank for Reconstruction and Development (EBRD) from February 2017 until December 2019. Based in Cairo, she was also the Country Head for Egypt.</p> <p>She currently serves as a non-executive director on the boards of Astana International Exchange, Air Astana, Kazakhstan and Citi Kazakhstan. During her long career at Citi, she spent time as EMEA Corporate and Investment Managing Director and held a number of field roles across EMEA, and was responsible for Global Relationship Banking across CEEMEA.</p>
	<p>Over 30 years' experience in corporate, investment and development banking.</p> <p>Extensive expertise in global relationship banking. 15 years' experience in operations management;</p> <p>Relevant experience of developing and delivering business plans and strategic change in a wide range of jurisdictions, including across Central and Eastern Europe, North Africa, the Middle East and Central Asia. This included the establishment of key partnerships with national governments.</p>
	<p>Janet brings her extensive knowledge of financial services and corporate banking to the Supervisory Board, with her past experiences in the formulation and delivery of strategy for regional operations at the EBRD, she is well suited to help guide the Company as it seeks to harness the large growth potential of the Uzbek market.</p>
	<p>Board member and audit committee chair of Astana International Exchange</p> <p>Board member of Air Astana, Kazakhstan</p> <p>Board member of Citibank Kazakhstan</p>

Our supervisory board continued



	Monica Kalia
Position	Independent Supervisory Board Member
Committee	Member of AC, ESGE and TDAC
Appointed	5 November 2025
Nationality	British
Career	<p>Monica is a financial services executive with over 30 years of experience in the finance and fintech industries. She was the Founder and Managing Director of Neyber, a multi-award winning fintech firm focused on financial wellbeing and also served as a Non-Executive Director on the Board of the Money and Pensions Service.</p> <p>Monica is a consumer champion and has served as a Trustee for the debt charity, StepChange, and as a panel member for the UK Government's independent review into Access to Cash. She has also been recognised by Forbes as one of the top female leaders in fintech and by the Financial Times as one of the Top 100 most influential BAME leaders in UK tech.</p> <p>Earlier in her career, Monica was Co-Head of the European Banks research team at Goldman Sachs.</p>
Skills & experience	<p>Demonstrable commitment to championing the cause of the advancement of women and minorities in business;</p> <p>Over 25 years' experience in the financial services sector; Extensive experience in improving financial capability in areas such as affordable credit, savings and debt advice.</p>
Contribution to the company	Monica brings a strong blend of financial, technological, strategic, and governance expertise, developed through senior executive and non-executive positions at leading institutions including Goldman Sachs, Credit Suisse, the Money and Pensions Service, and LifeSight Ltd. She has extensive hands-on leadership experience in fintech innovation, digital transformation, and data-driven business models, complemented by deep knowledge of regulatory compliance and risk management.
External appointments	No current additional listed board appointments.



	Eran Klein
	Independent Supervisory Board Member
	Chair of ESGE, Member of TDAC and RC
	1 July 2021
	British
	<p>Eran is a board member at Chapter Zero Uzbekistan and Chapter Zero Ukraine & Caucasus. Until recently, he served as a non-executive director at PrivatBank, the largest bank in Ukraine, where he chaired the Risk Committee during the war.</p> <p>Eran is an experienced international banker. Over a career spanning more than two decades, he held senior roles at leading financial institutions such as Citibank, Deutsche Bank, ING, and Commerzbank. Covering both developed and emerging markets, he has focused on a range of functions within banking, including risk, banking strategy, ESG, technology, corporate governance, geopolitical environment, credit, and financial services regulation. He is particularly enthusiastic about the intersection of ESG, technology (including cyber, AI, and digital), and risk.</p>
	<p>Extensive experience in banking, credit, capital markets and financial regulations;</p> <p>Extensive experience in ESG;</p> <p>Expertise in risk, corporate governance, strategy and structuring;</p> <p>Extensive Emerging Markets banking and stakeholder management experience;</p> <p>Relevant experience and expertise in information security risk management.</p>
	Eran brings to the Supervisory Board extensive and varied risk, ESG, technology, governance, financial regulation and strategy experience that he has gained at large financial institutions and consulting fields in both developed and developing markets, making him an ideal fit to spearhead the ESG and Ethics Committee agenda, on behalf of the Group.
	Supervisory board member of Chapter Zero Ukraine and Caucasus Advisory board member of Chapter Zero Uzbekistan



	Thymios P. Kyriakopoulos
	Independent Supervisory Board Member
	Chair of RC, Member of AC and TDAC
	1 July 2021
	Greek
	<p>Thymios is a senior banking executive with considerable international experience. He specialises in investment management, operational transformation, balance sheet optimisation, risk management, and financial engineering. He served on the board of the Hellenic Corporation of Assets and Participations, the Greek sovereign wealth fund, as Chairman of its Investment and Risk Committee. He also served as Chairman of the Risk Committee of Attica Bank SA and is a member of the Board of Directors of Agreed Payments SA. Thymios was executive general manager and chief risk officer of Piraeus Bank S.A, a leading listed Greek Bank, Managing Director at Goldman Sachs Inc. in the fixed income currencies and commodities trading division, and has held board and executive roles in insurtech, fintech, financial services and advisory sectors.</p>
	<p>Extensive experience in global capital markets, corporate and retail credit, regional banking operations, and financial engineering;</p> <p>Expert risk manager, investment manager, and balance sheet optimiser; operational transformation leadership and crisis management spanning systemic banks and fintech;</p> <p>Strong governance, risk and asset management oversight skills for both listed and quasi-governmental entities.</p>
	Thymios brings extensive governance, financial and operational experience. His deep knowledge allows him to support and contribute to the strategic direction of the Company while controlling the path used in its implementation. Having led investment and risk functions in internationally listed banks and acted as chair of the investment committee of a national wealth fund, and chair of the risk committee of a listed Greek bank, Thymios's broad multijurisdictional risk expertise enables him to bring innovative and positive insights to his role as Chair of the Risk Committee.
	Board Member of Agreed Payments SA



	Rajeev Sawhney
	Independent Supervisory Board Member
	Chair of TDAC, Member of RC and HR&RemCo
	29 November 2021
	Indian
	<p>Rajeev has 40 years' experience as a senior corporate growth executive. He specialises in digital technologies and has served in financial services and various other industry sectors in Europe, North America and Asia. Rajeev previously held the positions of Executive Chairman and non-executive director of OXSIGHT Ltd, a medical technology innovation company, and an Oxford University spin off. He was formerly a senior advisor to the CEO at global IT services firm Zensar Ltd in the UK and a member of the advisory board at Garble Cloud Inc., a cybersecurity company in Silicon Valley, USA. Prior to that, Rajeev gained strong operational experience as President of HCL Technologies and at the financial services firm, Mphasis, a Hewlett Packard company. Rajeev has been on the World Economic Forum expert Task Force on Low-Carbon Economic Prosperity, and contributed at the World Economic Forum Summer Davos on climate change deliberations.</p>
	<p>Strong global corporate leadership experience of more than 40 years;</p> <p>Significant advisory and executive experience with technology and cybersecurity companies in financial services and other industry sectors;</p> <p>Extensive expertise in Human Resource management;</p> <p>Relevant experience and expertise in information security risk management.</p>
	Rajeev brings the extensive international leadership and general management perspective that he has gained from the technology and fintech sectors to the Board. He provides valuable insights into the Company's increasingly important technological evolution. In line with this, he has been appointed Chair of the Technology and Data Committee, where he provides key support and leadership in these areas.
	No current additional board appointments

Our supervisory board continued



	Nino Suknidze
Position	Independent Supervisory Board Member
Committee	Member of HR&RemCo and ESGE
Appointed	29 November 2021
Nationality	Georgian
Career	Nino is a business lawyer with over 20 years' experience in the Georgian market. She has a deep understanding of, and expertise in, various areas of practice including banking, finance, corporate, regulation, competition and capital markets. Previously, Nino served as general counsel at JSC Bank of Georgia. Before joining TBC Bank Group PLC, she held various positions at the Georgian offices of international law firms Dentons and DLA Piper over a period of more than 11 years. Currently Nino is the managing partner of the law firm Suknidze & Partners LLC.
Skills & experience	Strong financial services background; Extensive experience as a leading legal counsel in major financial services sector transactions and listings; Considerable governance, regulatory and risk management experience, including at an LSE-listed company; Experience in advising companies across a range of sectors, including telecommunications, pharmaceuticals, energy and commerce.
Contribution to the company	Nino is an experienced domestic and international lawyer with particular expertise in regulated sectors, where she has counselled on a wide range of legal, regulatory and business issues. Nino's valuable experience brings a considered perspective to the Supervisory Board, and enriches discussion and strategic thought.
External appointments	Board member at Care Caucasus, a charity organisation in Georgia Member of the Board of Directors of the American Chamber of Commerce in Georgia (AMCHAM) Managing Partner at Suknidze & Partners

AC	Audit Committee
RC	Risk Committee
CGN	Corporate Governance and Nomination Committee
HR&RemCo	Human Resources and Remuneration Committee
TDAC	Technology, Data, AI and Cybersecurity Committee
ESGE	ESG and Ethics Committee



Corporate Governance



GOVERNANCE HIGHLIGHTS FOR 2025:

- Approved comprehensive Group and business unit strategies, designed to accelerate sustainable growth, optimise profitability, deliver consistent shareholder value, and strengthen enterprise resilience.
- Approved quarterly dividend distributions to enhance shareholder value through more regular returns.
- Continued to advance risk management capabilities and control mechanisms across all lines of defence, and monitored the implementation of an integrated Internal Controls framework throughout the Group to ensure comprehensive oversight and regulatory compliance.
- Appointed Monica Kalia as a Supervisory Board member, further strengthening the Supervisory Board's overall expertise and capabilities to assist it in advancing the Group's long-term ambitions.
- Appointed George Tkheldze as CEO of JSC TBC Bank, to enable the TBC Bank Group PLC CEO, Vakhtang Butskhrikidze to focus on strategy in Georgia, Uzbekistan and internationally.
- Devoted significant attention to leadership capabilities and succession planning, strengthening management depth through internal talent development and with targeted recruitment.
- Transitioned from AI experimentation to large-scale implementation, with GenAI-powered chatbots handling over 1 million monthly interactions in Georgia. The Bank completed formation of its core AI stack across both markets, automating over 70 internal workflows and launching AI assistants that significantly improved customer experience and operational efficiency.

OVERVIEW

Joint Stock Company TBC Bank (the "Bank") is the main subsidiary of TBC Bank Group PLC, a company incorporated in England and Wales and listed on the premium segment of the London Stock Exchange. The Bank's Corporate Governance is in compliance with the requirements of the National Bank of Georgia's Code on Corporate Governance for Commercial Banks, dated 26 September 2018, as amended from time to time (the "Code"). At the same time, the Bank also complies with the highest standards of corporate governance as prescribed by the UK Corporate Governance Code.

The main shareholder of the Bank is TBC Bank Group PLC, which holds 99.9% of the Bank's share capital. The rights of the shareholders are governed by the Law of Georgia on Entrepreneurs and the Law on the Activities of Commercial Banks and also set out in the Charter of the Bank publicly available at www.tbcbank.ge.

General meeting of shareholders (the "General Meeting") is the supreme governing body of the Bank. The shareholders of the Bank, among other things, are entitled to attend the General Meetings and participate in voting, receive the dividends and demand explanations from the members of the Management Board of the Bank and the Supervisory Board on the issues included in the agenda of the meeting. The General Meeting by a simple majority of votes presented or represented, decides on the different matters, including (but not limited to) election and dismissal of the members of the Supervisory Board, approval of the reports of the Management Board and Supervisory Board, approval of annual financial statement, setting the compensation of the members of the Supervisory Board, approval or rejection of the profit (dividend) distribution proposal. In addition, subject to requirements of the laws of Georgia, the General Meeting may make a decision with a majority of more than 75% of the votes presented or represented on amending the charter of the Bank, approval of reduction of share capital of the Bank, taking action for liquidation, commencement of a general assignment to creditors or voluntary winding up under applicable bankruptcy, insolvency or similar laws and on approving a merger division or other reorganisation.

The affairs of the Bank are supervised by the Bank's Supervisory Board ("Supervisory Board"). The Company operates a "mirror board" policy approach towards its main subsidiary, the Bank. Composition of PLC Board and the Supervisory Board including respective committees mirror at both levels in terms of non-executive membership. There is also equivalent committee structure of the Supervisory Board to that of the PLC Board's committees. The work of the PLC Board, the Supervisory Board and their respective committees is carefully balanced, dividing functions according to whether they are supervising the matters that affect the Group or those concerning solely the Bank. As a result, the Group's governance structure ensures adequate oversight and accountability, as well as clear segregation of duties.

The Supervisory Board ensures that the Bank's governance structure enables adequate oversight and accountability, as well as a clear segregation of duties. The involvement of all governance levels in risk management, the clear segregation of authority, and effective communications between different entities facilitate clarity regarding the strategic and risk objectives, adherence to the established risk appetite, risk budget and sound risk management. The centralised Enterprise Risk Management (ERM) function ensures effective development, communication and implementation of risk strategy and risk appetite across the Bank and its subsidiaries.

The Supervisory Board has established six Committees:

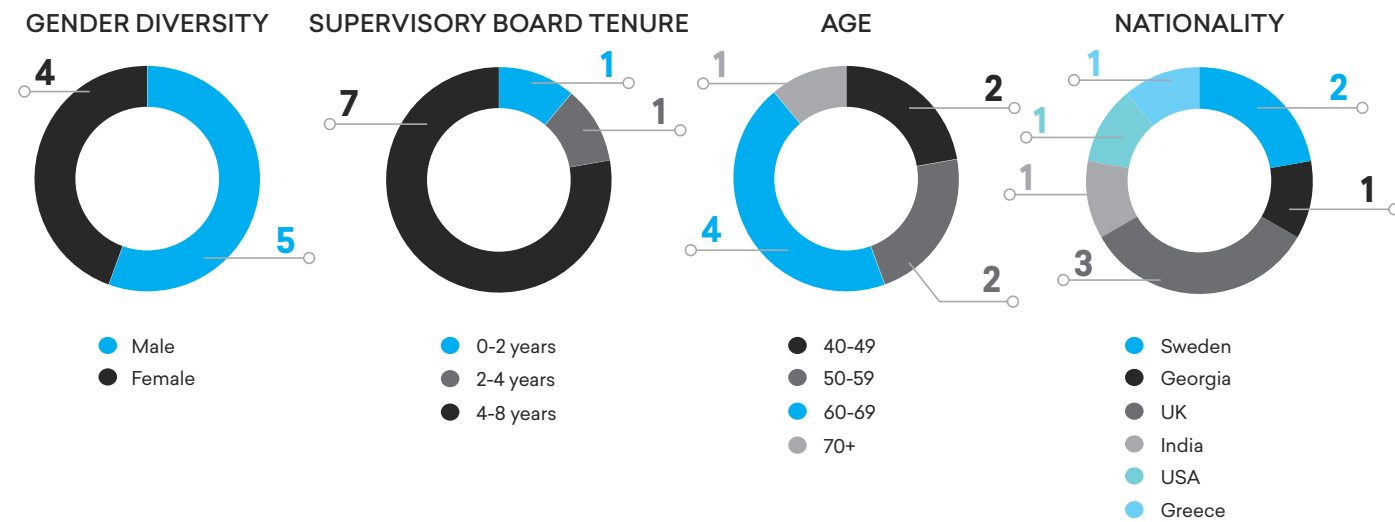
- The Corporate Governance and Nomination Committee;
- The Audit Committee;
- The Risk Committee;
- The Human Resources and Remuneration Committee;
- The Technology, Data, AI and Cybersecurity Committee; and
- The ESG and Ethics Committee.

The Bank recognises the importance of ensuring diversity and sees significant benefit to our business in having the Supervisory Board and management team that is drawn from a diverse range of backgrounds, since this brings the required expertise, cultural diversity and different perspectives to the Supervisory Board discussions and helps to improve the quality of decision making. The Bank will continue to ensure that consideration of all future appointments to the Supervisory Board and Management Board supports the diversity aims.

At the date of this report, in line with the "independence" criteria set by the Code, the Supervisory Board comprises nine independent, non-executive members: Arne Berggren (Chairman), Tsira Kemularia (Senior Independent member), Per Anders Fasth, Thymios P. Kyriakopoulos, Eran Klein, Nino Suknidze, Rajeev Sawhney, Janet Heckman, and Monica Kalia.

In addition, the Bank has in place an effective internal control system in order to ensure accurate and reliable financial reporting. The Bank has a well-defined framework of accountability and delegation of authority, as well as policies and procedures that include financial planning and reporting; preparation of monthly management accounts; project governance; information security; and review of the disclosures within the annual report and accounts from the respective leads, to appropriately disclose all relevant developments in the year and to meet the requirements of a true and fair presentation.

Supervisory Board composition



DIVISION OF RESPONSIBILITIES

Supervisory Board roles

The roles of Chairman and Chief Executive Officer are separately held, and their responsibilities are well defined. The role and remits of each of the Supervisory Board Committees, alongside details of how each Committee has fulfilled that role and remit over 2025 are given below:

<p>Chairman</p> <p>The Chairman’s principal responsibility is leadership and the effective running of the Supervisory Board</p>	<p>CEO</p> <p>The CEO’s principal responsibility is running the Bank’s businesses. He is responsible for all executive management matters affecting the Bank</p>
<p>Senior Independent Member of the Supervisory Board (SID)</p> <p>Provides a sounding Supervisory Board to the Chairman, and serves as an intermediary for other Supervisory Board members, as well as being available to shareholders where necessary</p>	<p>Supervisory Board members</p> <p>Provide constructive challenge to the executive, as well as being a sounding Supervisory Board to the Chairman where necessary. Additionally, being collectively responsible, with the whole Supervisory Board, for the long-term success of the Bank and delivery of sustainable value to shareholders</p>

If there is a need for independent advice in exercising any part of its remit, the Supervisory Board or any of its members may seek this directly at the Company’s expense. An established procedure for Directors, in relevant circumstances, allows them to seek independent professional advice at the Company’s expense. No such requests were made in 2025. Directors’ and Officers’ Liability Insurance is maintained for all Directors.

Company Secretary

Giorgi Giguashvili was appointed as the Company Secretary in August 2022. The appointment and removal of the Company Secretary are at the discretion of the Supervisory Board.

Supervisory Board attendance 2025

The Supervisory Board and Committee attendance at meetings is set out below. During 2025, the Supervisory Board has continued to meet using an effective mix of in-person meetings, as well as meetings organised via videoconference.

Attendance at the Supervisory Board and respective committee meetings in 2025 have been as follows:

Supervisory Board member	Supervisory Board	Corporate Governance & Nomination Committee	Audit Committee	Risk Committee	Human Resources & Remuneration Committee	Technology Data, AI and Cybersecurity Committee	ESG & Ethics Committee
Arne Berggren	14/14	6/6	-	-	5/5	-	-
Tsira Kemularia*	14/14	6/6	6/7	-	4/4	-	-
Per Anders Fasth*	14/14	4/4	7/7	11/11	1/1	-	-
Janet Heckman*	13/14	1/1	-	8/8	5/5	-	4/4
Monica Kalia*	2/2	-	2/2	-	-	1/1	-
Eran Klein	14/14	-	-	11/11	-	4/4	4/4
Thymios P. Kyriakopoulos	14/14	-	7/7	11/11	-	4/4	-
Nino Suknidze*	13/14	5/5	5/5	-	1/1	-	3/3
Rejeev Sawhney	14/14	2/2	-	3/3	4/4	4/4	4/4

* Janet Heckman stepped down from the Risk Committee on 1 November 2025 and was appointed to the Corporate Governance and Nomination Committee on 1 November 2025. Janet Heckman was unable to attend one Board meeting, due to a prior commitment, however provided full comments on the materials discussed.

* Per Anders Fasth stepped down from the Human Resources and Remuneration Committee on 12 February 2025 and was appointed to the Corporate Governance and Nomination Committee on 12 February 2025.

* Monica Kalia joined the Supervisory Board on 5 November 2025.

* Tsira Kemularia stepped down from the HR and Remuneration Committee on 1 November 2025. Tsira Kemularia was unable to attend one Audit Committee meeting, due to a prior commitment, however provided full comments on the materials discussed.

* Rajeev Sawhney stepped down from the Corporate Governance and Nomination Committee on 12 February 2025 and the ESG and Ethics Committee on 1 November 2025. He was appointed to the Human Resources and Remuneration Committee on 12 February 2025 and to the Risk Committee on 1 November 2025.

* Nino Suknidze was appointed to the ESG and Ethics Committee on 12 February 2025 and the HR and Remuneration Committee on 1 November 2025. She stepped down from the Corporate Governance and Nomination Committee and Audit Committee on 1 November 2025. Nino Suknidze was unable to attend one Board meeting, due to a prior commitment, however provided full comments on the materials discussed.

Corporate Governance and Nomination Committee Report



<p>CHAIRMAN AND COMMITTEE BACKGROUND</p> <p>Arne Berggren has chaired the Committee since September 2021. He has extensive experience of board and committee chairing at prominent financial institutions.</p> <p>The Supervisory Board is satisfied that the Committee as a whole has the competence relevant to the sector, and its members have an appropriate level of experience.</p>
<p>MEMBERS OF THE COMMITTEE</p> <ul style="list-style-type: none"> • Arne Berggren* (Chairman of the Committee) • Janet Heckman* (joined 1 November 2025) • Tsira Kemularia* • Per Anders Fasth* (joined 12 February 2025) • Rajeev Sawhney* (stepped down 12 February 2025) • Nino Suknidze* (stepped down 1 November 2025) <p>Meeting attendance shown on page 149</p> <p>*Independent Supervisory Board Member</p>
<p>KEY AREAS OF RESPONSIBILITY</p> <ul style="list-style-type: none"> • Corporate Governance • Supervisory Board Composition, Evaluation and Succession Planning • Supervisory Board Induction and Training • Supervisory Board Effectiveness • Management Appointments and Succession Planning • Group-wide Talent Management
<p>More information on the Corporate Governance and Nomination Committee's roles and responsibilities can be found in its Terms of Reference, reviewed in December 2025, which have been adopted by the Supervisory Board and are available on the Company's website: www.tbcbank.ge</p>

<p>COMMITTEE PURPOSE</p> <p>The Corporate Governance and Nomination Committee oversees the Group's governance framework, policies and practices to ensure alignment with regulatory requirements and best practice. It supports the Supervisory Board by overseeing its composition and succession planning, ensuring the Board's size, structure, diversity and collective skills remain appropriate for the Group's strategy and risk profile. This includes Supervisory Board induction, ongoing training and effectiveness, Supervisory Board and Committee evaluations, and appointments. The Committee also supports effective succession for executive management and other critical roles, underpinned by Group-wide talent management processes, and reports to the Supervisory Board at least quarterly.</p>

<p>DURING THE YEAR THE COMMITTEE FOCUSED ON:</p> <ul style="list-style-type: none"> • The implementation of a unified corporate governance framework to guide subsidiary governance across the Group, building on governance mechanisms introduced in previous years. • Ensuring ongoing alignment with diversity and inclusion best practice and regulatory compliance requirements, including the UK Corporate Governance Code 2024 and National Bank of Georgia requirements around director appointments. • Succession planning and strategic appointments to reflect the Group's digital transformation priorities. • Committee rotation strategy, to maintain expertise whilst introducing fresh perspectives.

Audit Committee Report




<p>CHAIRMAN AND COMMITTEE BACKGROUND</p> <p>Per Anders Fasth has chaired the Committee since July 2021. He has extensive experience in leading financial institutions and is considered by the Supervisory Board to have recent and relevant financial experience. All members of the Committee are independent Non-Executive Directors. The Chairman of the Committee, and the Committee as a whole, is supported by a senior management team with extensive financial management experience, and he reports back to the Supervisory Board on matters considered by the Committee. The Supervisory Board is satisfied that the Committee as a whole has the competence relevant to the sector and its members have an appropriate level of experience of corporate financial matters.</p>
<p>MEMBERS OF THE COMMITTEE</p> <ul style="list-style-type: none"> • Per Anders Fasth* (Chairman of the Committee) • Monica Kalia* (joined 5 November 2025) • Tsira Kemularia* • Thymios Kyriakopoulos* • Nino Suknidze* (stepped down 1 November 2025) <p>Meeting attendance shown on page 149</p> <p>*Independent Supervisory Board Member</p>
<p>KEY AREAS OF RESPONSIBILITY</p> <ul style="list-style-type: none"> • Accounting and Financial Statement • External Financial Reporting and Investor Relations • Internal Controls • Internal Audit • Regulatory Compliance, AML and Anti-Financial Crime Risk Oversight • External Audit • Non-Audit Services
<p>More information on the Committee can be found in its Terms of Reference, revised in February 2026, which have been adopted by the Supervisory Board and are available on the Company's website: www.tbcbank.ge</p>

<p>COMMITTEE PURPOSE</p> <p>The Audit Committee assists the Supervisory Board in fulfilling supervisory oversight responsibilities in relation to integrity of accounting, external financial reporting and investor relations, internal controls, compliance with regulatory and legal requirements, the effectiveness of the risk management framework and system of internal audit, external audit, and non-audit services of the Group and its subsidiaries.</p>

<p>SUMMARY OF KEY ACTIVITIES IN 2025</p> <ul style="list-style-type: none"> • Advanced Control Environment with an emphasis on reinforcing and integrating internal controls, including the implementation of consolidated control registers and frameworks across subsidiaries; enhanced fraud detection and prevention measures; and the strengthening of governance frameworks within rapid-growth markets to ensure robust control assurances and a culture of accountability across the organisation. • During the year, the Committee ensured appropriate focus on subsidiary operations and attention to regulatory compliance and complexity challenges across the Group's operational jurisdictions, the need for enhanced financial reporting, and further strengthening the control framework to ensure it remained suitable for the operational environment. • Oversight and reviewed the work of the Compliance Department, and maintained an ongoing focus on ensuring robust sanctions frameworks, with adjustments for evolving UK and EU guidance and NBG regulations. Investment in technology, training, and specialist expertise supported ongoing compliance efforts, with particular attention to international sanctions developments. • Ensured the effectiveness and objectivity of the Group's external auditor. • Reviewed the Company's financial performance and the integrity of the annual and interim financial statements: This included a thorough review of the Company's principal and emerging risks and uncertainties. The Committee also took steps to ensure that, when taken as a whole, the Annual Report is fair, balanced and understandable. • Regularly coordinated with the Risk Committee through shared committee members and joint oversight of risk transformation programmes, framework reviews, and comprehensive action plans addressing both immediate incidents and long-term risk culture enhancement.
--

Risk Committee Report



<p>CHAIRMAN AND COMMITTEE BACKGROUND</p> <p>Thymios P. Kyriakopoulos has chaired the Committee since July 2021. He has extensive experience in global capital markets, balance sheet management, regional banking of supervised entities and is an expert investment and risk manager. He is considered by the Supervisory Board to have recent and relevant risk management experience. All members of the Committee are independent Non-Executive Directors. The Committee acts independently of executive management to fulfil its duties to shareholders and to ensure that their interests are properly protected.</p>
<p>MEMBERS OF THE COMMITTEE</p> <ul style="list-style-type: none"> • Thymios P. Kyriakopoulos* (Chairman of the Committee) • Per Anders Fasth* • Janet Heckman* (stepped down 1 November 2025) • Rajeev Sawhney* (joined 1 November 2025) • Eran Klein* <p><i>Meeting attendance shown on page 149</i></p> <p><i>*Independent Supervisory Board Member</i></p>
<p>KEY AREAS OF RESPONSIBILITY</p> <ul style="list-style-type: none"> • Risk Appetite and Risk Framework • Financial Risk Management • Operational Resilience • Compliance, Regulatory and Legal Risk <p>The Risk Committee also reviews the statement concerning internal risk management included in this annual report on page 54.</p>
<p>More information on the Risk Committee can be found in its Terms of Reference, revised in December 2025, which have been adopted by the Supervisory Board and are available on the Company's website: www.tbcbank.ge</p>

<p>COMMITTEE PURPOSE</p> <p>The Risk Committee assists and advises the Supervisory Board in overseeing the enterprise-wide risk management framework and establishing a universal Group risk appetite structure. It ensures that this framework aligns with the Group's growth strategy while fostering a robust culture of prudent risk decision-making. The Committee systematically reviews risk analyses to uphold the highest governance standards and to provide a solid foundation for the Supervisory Board's strategic decisions. Its sweeping oversight responsibilities encompass assessing principal and emerging risks that impact the business model, earnings capacity, capital adequacy and liquidity</p>	<p>SUMMARY OF KEY ACTIVITIES IN 2025</p> <ul style="list-style-type: none"> • Taking a systematic approach to subsidiary governance evolution, transitioning from direct Group involvement to local management with Group oversight, enhancing controls and managing regulatory uncertainties and complexity. • Oversaw updates to the Risk Registry Framework and Risk Management Policy, with a particular focus on subsidiary integration. • Oversaw the introduction of a Trading Securities Portfolio Policy. • Focused on digital transformation risks, in particular AI/ML integration and cybersecurity governance, ensuring systematic improvements across subsidiaries with a focus on vulnerability management, and recognising the increasing importance of technology oversight in digital-first banking. • Ensured transparent discussions on failures and challenges, to ensure the ongoing strengthening of risk culture. • Monitoring Concentration Risk in line with macroeconomic uncertainties and market dynamics.
--	--

Human Resources and Remuneration Committee report



<p>CHAIRMAN AND COMMITTEE BACKGROUND</p> <p>Ms. Heckman has chaired the committee since July 2023. She brings over 30 years of senior experience in corporate, investment and development banking, with extensive exposure to strategic leadership and governance across multiple jurisdictions. Her background provides the Committee with strong insight into remuneration governance, risk alignment and sustainable value creation in regulated financial services environments.</p>
<p>MEMBERS OF THE COMMITTEE</p> <ul style="list-style-type: none"> • Janet Heckman* (Chair of the Committee) • Arne Berggren* • Per Anders Fasth* (stepped down on 12 February 2025) • Tsira Kemularia* (stepped down on 1 November 2025) • Rajeev Sawhney* (joined 12 February 2025) • Nino Suknidze* (joined 1 November 2025) <p><i>Meeting attendance shown on page 149</i></p> <p><i>*Independent Supervisory Board Member</i></p> <p><i>Only Committee members have the right to attend meetings, but the Chairman of the Committee may invite other attendees to attend all or part of any meeting if appropriate or necessary.</i></p>
<p>KEY AREAS OF RESPONSIBILITY</p> <ul style="list-style-type: none"> • Human resources strategy and related policies • Remuneration Policy, including share-based and variable remuneration • Oversight of wider workforce remuneration <p>The Committee ensures that the Bank's remuneration framework complies with applicable regulations, supports long-term sustainable performance and promotes fair, transparent and responsible reward outcomes aligned with corporate and individual performance.</p>
<p>More information on the Committee can be found in its Terms of Reference, revised in December 2025, which have been adopted by the Supervisory Board and are available on the Company's website: www.tbcbank.ge</p>

<p>COMMITTEE PURPOSE</p> <p>The role of the Committee is to ensure, that:</p> <ol style="list-style-type: none"> The strategies, policies and practices of the Company and its subsidiaries regarding human resources and remuneration support the Group's strategic objectives; The remuneration policy and practices of the Group are, in accordance with statutory and regulatory requirements, designed to support and promote the long-term success of the Group and to reward colleagues fairly and responsibly with a clear link to corporate and individual performance; Executive remuneration is linked to the Group's values, execution of its long-term strategy and aligned to the wider Group stakeholders' expectations; The remuneration policy and practices are fairly and consistently applied across the Group. 	<p>SUMMARY OF KEY ACTIVITIES IN 2025</p> <p>During 2025, the Committee focused on overseeing the Bank's remuneration framework to ensure continued alignment with performance, risk and the Bank's long-term strategy. The Committee also considered pay competitiveness with reference to relevant market benchmarks.</p> <p>The Committee remains satisfied that the remuneration approach in place supports the Bank's long-term people strategy and promotes a sustainable and performance-oriented reward culture.</p>
--	--

Technology, Data, AI and Cybersecurity Committee Report



CHAIRMAN AND COMMITTEE BACKGROUND

Rajeev Sawhney has chaired the Committee since January 2022. He has extensive experience in digital technologies and has served in Information Technology, focussing on Financial Services and various other industry sectors in several geographies across the world.

The Committee as a whole and the Chairman of the Committee are supported by a senior management team with extensive technology, data management experience and cybersecurity experience and the Chairman of the Committee reports back to the Supervisory Board on matters considered by the Committee.

MEMBERS OF THE COMMITTEE

- Rajeev Sawhney* (Chairman of the Committee)
- Eran Klein*
- Thymios Kyriakopoulos*
- Monica Kalia* (joined 5 November 2025)

Meeting attendance shown on page 149

*Independent Supervisory Board Member

KEY AREAS OF RESPONSIBILITY

- Technology Transformation including Data and AI
- Opportunities and Risks
- Resilience and Continuity
- Investment in Technology

More information on the Committee can be found in its Terms of Reference, revised in December 2025, which have been adopted by the Supervisory Board and are available on the Company's website: www.tcbank.ge

COMMITTEE PURPOSE

The Technology, Data, AI & Cybersecurity Committee assists the Supervisory Board in fulfilling its oversight of the Group's technology and data strategy by providing strategic leadership and direction. It works to ensure the Supervisory Board's focus on key strategic matters in relation to technology, digital systems and platforms, data, analytics, automation, cyber security and Artificial Intelligence, as well as re-imagining digitalisation, as it addresses both the opportunities and risks inherent in the Group's technology-driven business model while preparing for the security challenges of an increasingly AI-powered threat environment. It maintains a strong focus on leveraging information technology, information security, AI and data capabilities to support business growth and international expansion as well as solidifying a dominant market position for the Bank in Georgia.

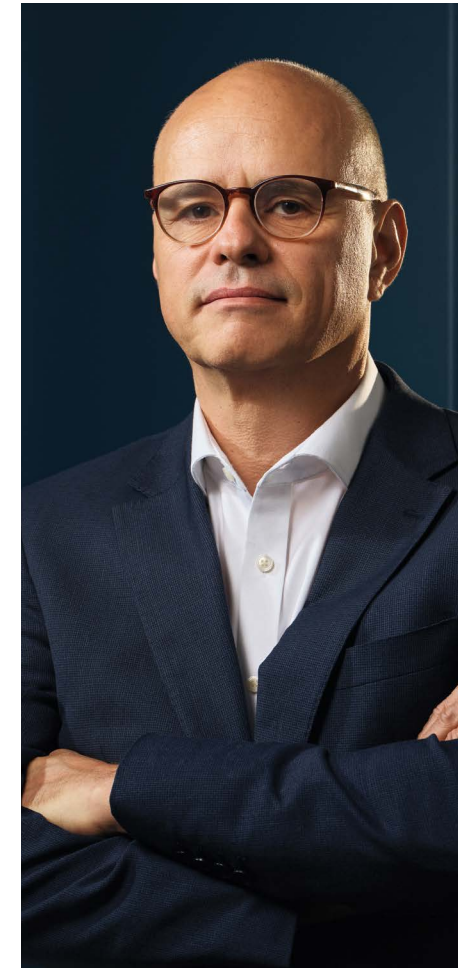
SUMMARY OF KEY ACTIVITIES IN 2025

During 2025, the Committee has taken significant steps in supporting the organisation's digital transformation, from foundational technology work to AI-powered operational excellence, and in leveraging technology and enhancing cybersecurity. It has driven proactive threat management in an evolving landscape of AI-powered attacks, to ensure ongoing operational resilience and customer security.

The Committee provided support to the Group's wider strategic goals, through measures such as ensuring technology architecture fit for Bank's long-term ambitions.

To reflect the comprehensive and expanding scope of work and responsibility, the Committee updated its name from the Technology and Data Committee to the Technology, Data, AI and Cybersecurity Committee.

ESG & Ethics Committee Report



CHAIRMAN AND COMMITTEE BACKGROUND

Eran Klein has chaired the Committee since January 2022. Eran is an experienced international banker and lawyer. Over a period spanning more than two decades, he has held senior roles in leading financial institutions across developed and emerging markets. Eran is certified in Championing Sustainability from the Boardroom by Stanford University's Doerr School of Sustainability and currently serves on two regional Chapter Zero boards. The Supervisory Board considers him to have the necessary experience to support the Group's ESG strategy, as well as all other matters considered by the Supervisory Board, including risk management, technology and banking strategy.

The Chairman of the Committee is supported by a senior management team with extensive ESG experience, and reports to the Supervisory Board on the various ESG strategies and implementations considered by the Committee.

The Supervisory Board is satisfied that the Committee as a whole has the competence relevant to the sector, and its members possess an appropriate level of experience in ESG matters.

MEMBERS OF THE COMMITTEE

- Eran Klein* (Chairman of the Committee)
- Janet Heckman*
- Monica Kalia* (joined 5 November 2025)
- Rajeev Sawhney* (stepped down 1 November 2025)
- Nino Suknidze*

Meeting attendance shown on page 149

*Independent Supervisory Board Member

KEY AREAS OF RESPONSIBILITY

- ESG & Ethics Oversight
- ESG Targets and Strategic Recommendations

More information on the Committee can be found in its Terms of Reference, revised in December 2025, which have been adopted by the Supervisory Board and are available on the Company's website: www.tcbank.ge

COMMITTEE PURPOSE

The ESG and Ethics Committee supports the Supervisory Board in its development, approval and oversight of the implementation of various strategies, policies and programmes in relation to Environmental, Social and Governance ("ESG") matters for the Group and its subsidiaries, and seeks to promote the collective vision of values, conduct and culture within the Group. The Committee works to translate the evolving ESG agenda into practical, actionable transition plans that are measurable, benchmarked and aligned to clear milestones, including direct and indirect environmental impact, to ensure that there is understanding and support for the ESG strategy across the business.

The Group supports its ESG framework through the development and delivery of an ESG strategy. The ESG strategy reaffirms the Group's commitment to make a long-term, sustainable contribution not only in the countries of its operations but also across the broader region, and defines several key areas for the coming years, more information on which can be found on pages 96 to 101 of this Annual Report. The Committee is also responsible for providing strategic guidance and reviewing the Group's climate strategy and climate related matters, including disclosures and ensuring that these align with the Company's strategic priorities. More information on these disclosures can be found on pages 104 to 134 of this Annual Report.

SUMMARY OF KEY ACTIVITIES IN 2025

The Committee reviewed its terms of reference, to ensure the right focus on high-impact areas, including sustainable finance, stakeholder engagement, and material ESG priorities, leading to more targeted and commercially relevant discussions.

Under the ESG-driven business opportunities agenda, the Committee engaged with the Corporate and MSME segments of TBC Bank Georgia to assess the commercial potential of green financing and sustainable investment products, such as renewable energy and energy-efficiency lending, placing ESG as a driver of value creation and differentiation.

The Chief Risk Officer provided updates on how environmental, climate, and social risks were embedded in lending processes, more information on which can be found later in this report. In addition, briefings from the Investor Relations team on global ESG trends, regulatory developments, and investor expectations informed the Committee's materiality focus and strategic priorities.

These activities allowed the Committee to prioritise ESG issues with the greatest strategic and commercial impact, supporting stronger risk resilience and long-term value creation.

Responsibility statement

The Management Report and Financial Statements have been prepared in accordance with applicable laws and regulations.

We confirm that to the best of our knowledge that:

- The Group's and the Bank's Financial Statements, which have been prepared in accordance with IFRS standards, give a true and fair view of the financial position and profit or loss of the Bank and the undertakings included in the consolidation taken as a whole;
- The Management Report includes a fair review of the development and performance of the business and of the position of the Bank and the Group, together with a description of the principal risks and uncertainties they face; and
- The Management Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for the shareholders to assess the Bank's and Group's position, performance, business and strategy.

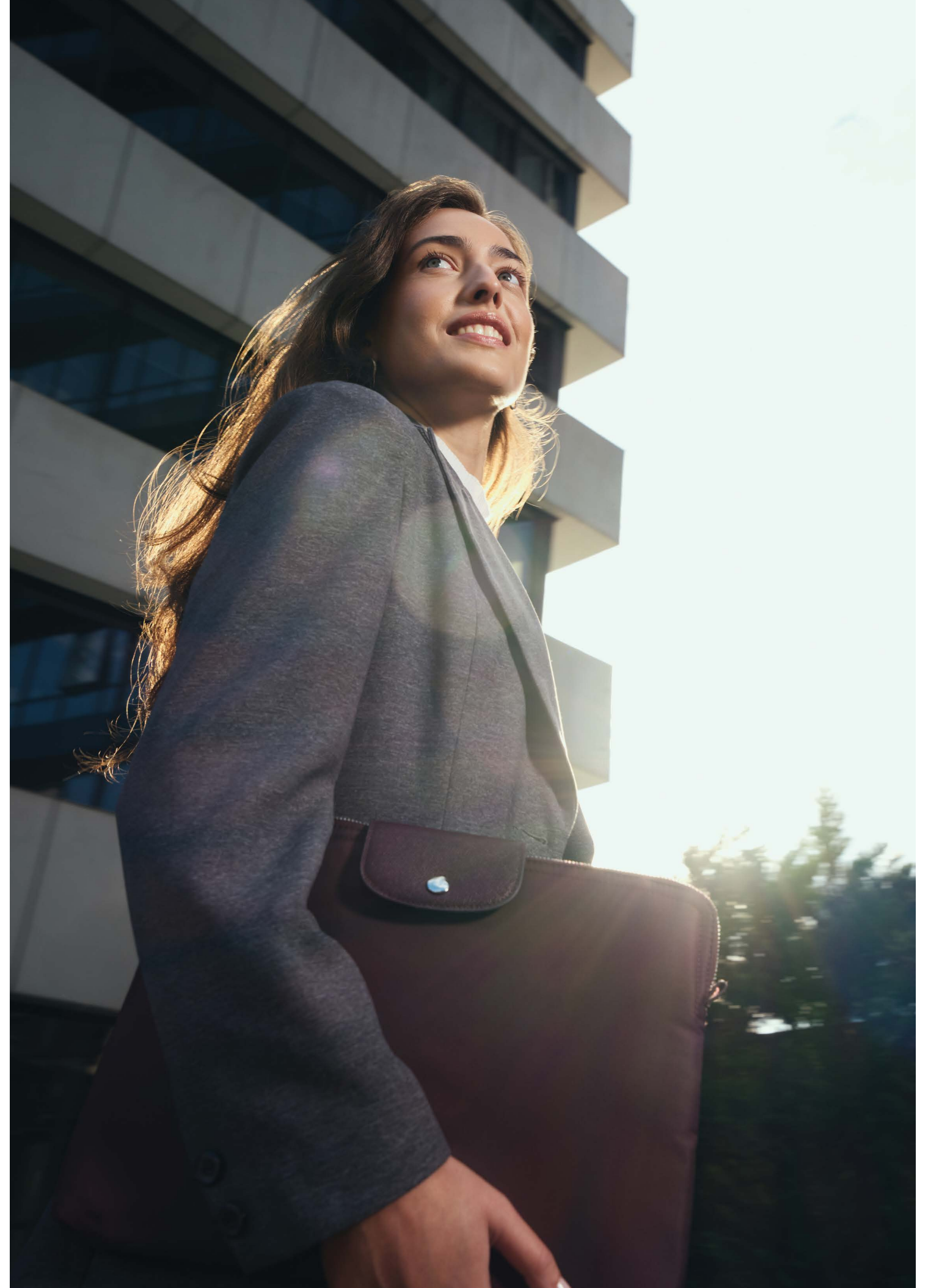
This responsibility statement was approved by the Supervisory Board and Management Board:



George Tkhelidze
CEO since 12 March 2026
7 April 2026



Arne Berggren
Chairman
7 April 2026



3

Chapter

Financial statements

Independent Auditor's Report

To the Shareholders and the Supervisory Board of JSC TBC Bank

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of JSC TBC Bank (the "Bank") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's and the Bank's consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, with the disclosure requirements of the order N284/04 of the President of the National Bank of Georgia, and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing.

What we have audited

The Group's and the Bank's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

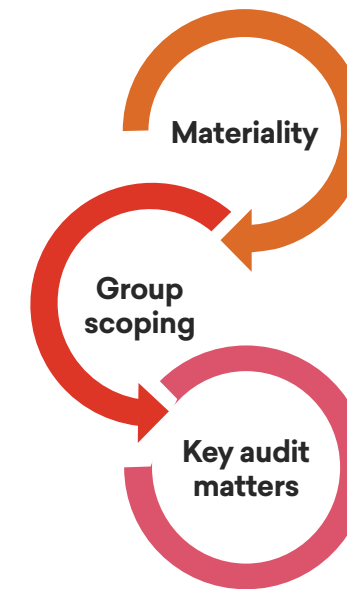
Independence

We are independent of the Group and the Bank in accordance with the ethical requirements of the National Bank of Georgia that are relevant to our audit of the consolidated and separate financial statements of banks in Georgia, the ethical requirements of Law of Georgia on Accounting, Reporting and Auditing that are relevant to audits of financial statements of public interest entities in Georgia and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the National Bank of Georgia, the ethical requirements of Law of Georgia on Accounting, Reporting and Auditing and the IESBA Code.

PricewaterhouseCoopers Georgia LLC, I/C 405220611
King David Business Centre, 7th floor,
#12 M. Aleksidze Street, Tbilisi 0160, Georgia
+995 (32) 250 80 50, www.pwc.com/ge

Our audit approach

Overview



- Overall Group materiality: GEL 77.7 million, which represents 5% of the Group's profit before tax.
- Overall Bank materiality: GEL 74.7 million, which represents 5% of the Bank's profit before tax.
- Our scoping was determined based on legal entities' contribution to profit before tax and other key line items in the financial statements.
- Expected credit loss allowance on loans and advances to customers

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall the Group and the Bank materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated and separate financial statements as a whole.

Overall Group and Bank materiality	Group: GEL 77.7 million Bank: GEL 74.7 million
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as it is a primary measure used by the shareholders in assessing the performance of the Group and the Bank and is a generally accepted benchmark for determining audit materiality. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Expected credit loss allowance on loans and advances to customers (Group and Bank)

Refer to Note 2 - Material Accounting Policy Information, Note 3 - Sources of Estimation Uncertainty and Judgements in Applying Accounting Policies, Note 10 - Loans and Advances to Customers and Note 36 - Financial and Other Risk Management in the separate and consolidated financial statements.

We focused on this area as management's estimates regarding the expected credit loss ('ECL') allowance for loans and advances to customers (applicable to JSC TBC Bank) are complex, require a significant degree of judgement and are subject to high degree of estimation uncertainty.

Under IFRS 9, Financial Instruments, management is required to determine the credit loss allowance expected to occur over either a 12-month period or the remaining life of an asset, depending on the stage allocation of the individual asset. This staging is determined by assessing whether or not there has been a significant increase in credit risk ('SICR') or default of the borrower since loan origination.

Management has designed and developed several models to achieve compliance with the requirements of IFRS 9 and implemented an IT system for ECL estimation. Among others, management exercises judgement when applying the models in situations where past experience is not considered to be reflective of future outcomes due to limited or incomplete data.

Areas of the most significance relate to the judgements and assumptions used in the determination of the modelled ECL allowance. These include:

- Judgemental criteria applied for identification of SICR, involving qualitative assessment of borrowers' creditworthiness (relevant to Corporate and SME portfolios);
- Critical assumptions applied in the estimation of loss given default ('LGD') and probability of default ('PD').

How our audit addressed the key audit matter

How our audit addressed the key audit matter

We gained an understanding and evaluated the design and implementation of the key controls over the determination of ECL allowance and tested their operating effectiveness. These controls included among others:

- Controls over model performance monitoring, including periodic reviews of the policy and models, testing model estimates against actual outcomes and approval of model methodology changes;
- Control over governance of independent validation unit;
- Review and approval of the key assumptions used for estimation of LGDs and PDs;
- Controls over the accuracy of key parameters (such as PD, LGD) used by the calculation engine;
- Controls over regular monitoring of the financial standing of the borrowers;
- Controls over the automated ECL calculation by the relevant IT system; and
- The Allowance Committee's assessment and approval of ECL modelled outputs.

We assessed whether the ECL model methodologies developed by management comply with IFRS 9.

We assessed the reasonableness of the critical assumptions applied in estimation of LGDs and PDs. We reperformed the calculation of ECL for selected portfolios and assessed whether management's ECL calculations were consistent with the approved model methodologies.

We critically evaluated key aspects of model monitoring and validation ("backtesting" of projected ECL) performed by management relating to model performance and stability. We have critically assessed the monitoring results and challenged explanations for deviations from the expectation. We evaluated whether model methodologies were updated to address the results of backtesting, where relevant.

We involved our credit risk modelling specialists in performing the above procedures.

We evaluated and reviewed the application of the judgmental criteria set by management for determining whether there had been a SICR (applicable to Corporate and SME portfolios).

We verified adequacy and completeness of disclosures in the separate and consolidated financial statements in accordance with applicable accounting standards.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated and separate financial statements as a whole, taking into account the structure of the Group and the Bank, the accounting processes and controls, and the industry in which the Group and the Bank operate.

The Group's banking activities are primarily carried out in Georgia, with small subsidiary operations in one other country. The Group's business activities comprise of four segments for which it manages and reports its operating results and financial position, namely Retail, Corporate, Micro Small and Medium Enterprises ('MSME') and Corporate Centre, other and sub-segment eliminations.

The Bank is the largest component of the Group. Its main operations are Retail and Commercial banking, with all significant operations based in Georgia. The business of the Bank is primarily based in Georgia, and represents 97.3% of the Group's total assets and 98.1% of profit before tax.

Our audit approach and composition of our team were tailored to the structure of the Group. We performed a full scope audit of the only significant component of the Group - the Bank. We also performed an audit of the material financial statement line items of one insignificant component of the Group. Based on the procedures we performed

over the reporting units, our audit scoping covered 98.3% of revenue (comprising interest income and fee and commission income) and 99% of total assets of the Group. We also performed other audit procedures including testing information technology general controls and other relevant controls related to financial reporting, to mitigate the risk of material misstatement.

Other information

Management is responsible for the other information. The other information comprises the consolidated and separate Management Report (but does not include the consolidated and separate financial statements and our auditor's report thereon).

Our opinion on the consolidated and separate financial statements does not cover the consolidated and separate Management Report.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the consolidated and separate Management Report and, in doing so, consider whether the consolidated and separate Management Report is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report we also performed the procedures required by the Law of Georgia on Accounting, Reporting and Auditing. Those procedures include considering whether the consolidated and separate Management Report includes the information required by the Law of Georgia on Accounting, Reporting and Auditing. In addition, we are required to conclude whether certain parts of the consolidated and separate Management Report comply with respective regulatory normative acts.

Based on the work undertaken in the course of our audit, in our conclusion:

- the information given in the consolidated and separate Management Report for the financial year for which the consolidated and separate financial statements are prepared is consistent with the consolidated and separate financial statements;
- the information given in the consolidated and separate Management Report complies with the requirements of paragraphs 6 and 7 (c), (g) of article 7 of the Law of Georgia on Accounting, Reporting and Auditing;
- the information given in the consolidated and separate Management Report includes the information required by paragraph 7 (a), (b), (d) - (f) and paragraph 8 of article 7 of the Law of Georgia on Accounting, Reporting and Auditing.

In addition, in light of the knowledge and understanding of the Group and the Bank and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated and separate Management Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, with the disclosure requirements of the order N284/04 of the President of the National Bank of Georgia, and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Independent auditors' report continued

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

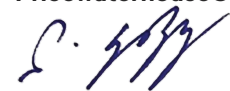
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Levan Kankava.

PricewaterhouseCoopers Georgia LLC

PricewaterhouseCoopers Georgia LLC (Reg.# SARAS-F-775813)



Levan Kankava (Reg.# SARAS-A-592839)

Tbilisi, Georgia
7 April 2026

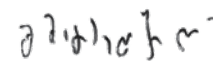
Consolidated statement of financial position

<i>In thousands of GEL</i>	Note	31 December 2025	31 December 2024
ASSETS			
Cash and cash equivalents	6	2,133,341	2,818,110
Reverse repurchase receivables	7	184,979	-
Due from other banks	8	54,905	20,153
Mandatory cash balances with NBG	9	2,357,950	2,576,731
Loans and advances to customers	10	26,618,040	24,187,344
Investment securities	11	5,759,358	5,364,624
Repurchase receivables	13	101,648	140,058
Finance lease receivables	14	597,235	432,661
Investment properties		11,403	9,752
Current income tax prepayment		28,974	50,892
Deferred income tax asset	34	-	485
Other financial assets	12	403,544	426,005
Other assets	15	668,098	541,289
Premises and equipment	16	662,534	559,760
Right of use assets	17	93,018	102,660
Intangible assets	16	470,496	396,569
Goodwill	18	28,197	28,197
TOTAL ASSETS		40,173,720	37,655,290
LIABILITIES			
Due to credit institutions	19	6,891,552	7,316,632
Customer accounts	20	24,396,707	21,941,222
Other financial liabilities	22	519,581	373,905
Current income tax liability	34	63	62
Deferred income tax liability	34	50,715	50,220
Debt securities in issue	21	270,291	109,141
Other liabilities	23	119,248	117,534
Lease liabilities	35	73,168	80,411
Subordinated debt	24	910,299	1,148,374
Additional Tier 1 capital subordinated notes	25	1,023,328	1,062,960
TOTAL LIABILITIES		34,254,952	32,200,461
EQUITY			
Share capital	26	21,014	21,014
Share premium		521,190	521,190
Share based payment reserve	27	(110,380)	(98,937)
Other reserves		(19,049)	31,439
Retained earnings		5,505,658	4,979,871
Equity attributable to owners of the Bank		5,918,433	5,454,577
Non-controlling interest	38	335	252
TOTAL EQUITY		5,918,768	5,454,829
TOTAL LIABILITIES AND EQUITY		40,173,720	37,655,290

The consolidated and the separate financial statements on pages 166 to 287 were approved for issue by the Supervisory Board on 7 April 2026 and signed on its behalf by:



George Tkheldze
Chief Executive Officer



Giorgi Megrelishvili
Chief Financial Officer

The notes set out on pages 174 to 287 form an integral part of these consolidated and separate financial statements.

Consolidated statement of profit or loss and other comprehensive income

<i>In thousands of GEL</i>	Note	2025	2024
Interest income	29	3,619,183	3,135,908
Interest income calculated using effective interest rate method	29	3,504,108	3,045,945
Other interest income	29	115,075	89,963
Interest expense	29	(1,819,021)	(1,626,914)
Net interest on currency swaps	29	11,562	81,998
Net interest income		1,811,724	1,590,992
Fee and commission income	30	800,191	677,004
Fee and commission expense	30	(347,241)	(278,914)
Net fee and commission income		452,950	398,090
Net gains from derivatives, foreign currency operations and translation	31	347,390	367,783
Other operating income		23,468	16,515
Share of profit of associates		572	574
Other operating non-interest income		371,430	384,872
Credit loss allowance for loans to customers	10	(177,407)	(109,510)
Credit loss allowance for finance lease receivables	14	(3,395)	(4,754)
Credit loss allowance for other financial assets and other assets		(12,199)	(5,762)
Net impairment of non-financial assets		(14,897)	(2,146)
Impairment loss due to write-down of the asset held for sale		-	(9,800)
Operating income after expected credit and non-financial asset impairment losses		2,428,206	2,241,982
Staff costs	32	(475,952)	(439,830)
Depreciation and amortization	16,17	(127,216)	(118,283)
Administrative and other operating expenses	33	(269,096)	(221,371)
Operating expenses		(872,264)	(779,484)
Profit before tax		1,555,942	1,462,498
Income tax expense	34	(222,488)	(217,782)
Profit for the year		1,333,454	1,244,716
Other comprehensive income/(expense) for the year, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains reclassified to profit or loss upon disposal of investment securities	11	(11,660)	(1,512)
Movement in fair value reserve for investment securities measured at fair value through other comprehensive income	11	(45,268)	26,971
Exchange differences on translation to presentation currency		6,152	720
Net other movements		288	-
Other comprehensive (expense) / income for the year, net of tax		(50,488)	26,179
Total comprehensive income for the year		1,282,966	1,270,895
Profit is attributable to:			
- Shareholders of the Bank		1,333,380	1,244,661
- Non-controlling interest		74	55
Profit for the year		1,333,454	1,244,716
Total comprehensive income is attributable to:			
- Shareholders of the Bank		1,282,892	1,270,840
- Non-controlling interest		74	55
Total comprehensive income for the year		1,282,966	1,270,895

Consolidated statement of changes in equity

<i>In thousands of GEL</i>	Note	Share Capital	Share premium	Share based payments reserve	Other Reserves	Retained earnings	Total equity excluding non-controlling interest	Non-controlling interest	Total Equity
Balance as of 1 January 2024		21,014	521,190	(85,614)	5,260	4,285,662	4,747,512	197	4,747,709
Profit for the year		-	-	-	-	1,244,661	1,244,661	55	1,244,716
Other comprehensive income for 2024		-	-	-	26,179	-	26,179	-	26,179
Total comprehensive income for 2024		-	-	-	26,179	1,244,661	1,270,840	55	1,270,895
Share based payment expense	27	-	-	25,166	-	-	25,166	-	25,166
Dividends declared		-	-	-	-	(550,470)	(550,470)	-	(550,470)
Tax effect for delivery of SBP shares to employees		-	-	(11,590)	-	-	(11,590)	-	(11,590)
Share based payment recharge by parent company		-	-	(26,899)	-	-	(26,899)	-	(26,899)
Other movements		-	-	-	-	18	18	-	18
Balance as of 31 December 2024		21,014	521,190	(98,937)	31,439	4,979,871	5,454,577	252	5,454,829
Profit for the year		-	-	-	-	1,333,380	1,333,380	74	1,333,454
Other comprehensive expense for 2025		-	-	-	(50,488)	-	(50,488)	-	(50,488)
Total comprehensive income for 2025		-	-	-	(50,488)	1,333,380	1,282,892	74	1,282,966
Share based payment expense	27	-	-	34,573	-	-	34,573	-	34,573
Dividends declared		-	-	-	-	(807,601)	(807,601)	-	(807,601)
Capital injection from NCI shareholders		-	-	-	-	-	-	9	9
Tax effect for delivery of SBP shares to employees		-	-	(6,946)	-	-	(6,946)	-	(6,946)
Share based payment recharge by parent company		-	-	(39,070)	-	-	(39,070)	-	(39,070)
Other movements		-	-	-	-	8	8	-	8
Balance as of 31 December 2025		21,014	521,190	(110,380)	(19,049)	5,505,658	5,918,433	335	5,918,768

Consolidated statement of cash flows

<i>In thousands of GEL</i>	Note	2025	2024
Cash flows from operating activities			
Interest received		3,587,076	3,072,330
Interest received on currency swaps	29	11,562	81,998
Interest paid		(1,797,644)	(1,596,943)
Fees and commissions received		800,191	677,004
Fees and commissions paid		(362,067)	(325,322)
Cash received from trading in foreign currencies		399,197	259,555
Other operating income received		23,241	16,179
Staff costs paid		(459,916)	(415,809)
Administrative and other operating expenses paid		(291,557)	(229,144)
Income tax paid		(199,873)	(335,502)
Cash flows from operating activities before changes in operating assets and liabilities		1,710,210	1,204,346
Net change in operating assets			
Due from other banks and mandatory cash balances with the NBG		135,201	(959,660)
Reverse repurchase receivables		(184,979)	-
Loans and advances to customers		(2,769,832)	(3,216,509)
Finance lease receivables		(146,501)	(46,438)
Other financial assets		(50,405)	13,352
Other assets		74,868	(26,044)
Net change in operating liabilities			
Due to other banks		55,061	81,262
Customer accounts		2,594,403	1,619,025
Other financial liabilities		(98,461)	165,927
Other liabilities		(26,372)	(6,247)
Net cash flows from/(used in) operating activities		1,293,193	(1,170,986)
Cash flows used in investing activities			
Acquisition of investment securities	11	(5,095,332)	(7,349,079)
Proceeds from disposal of investment securities	11	2,256,912	715,242
Proceeds from redemption at maturity of investment securities	11	2,447,869	4,699,257
Acquisition of premises and equipment		(121,876)	(106,964)
Proceeds from disposal of premises and equipment		16,185	896
Acquisition of intangible assets		(135,972)	(96,950)
Proceeds from disposal of investment properties		2,757	10,953
Proceeds from disposal of subsidiary, net of disposed cash*		2,870	-
Cash received from recharge agreement		8,563	9,477
Dividend received		1,080	680
Net cash flows used in investing activities		(616,944)	(2,116,488)
Cash flows (used in)/from financing activities			
Proceeds from other borrowed funds	35	3,720,200	4,523,016
Redemption of other borrowed funds	35	(4,215,074)	(1,652,889)
Repayment of principal of lease liabilities	35	(19,692)	(17,685)
Proceeds from subordinated debt	35	-	236,586
Redemption of subordinated debt	35	(229,843)	(3,040)
Share based payment recharge paid		(39,070)	(26,899)
Proceeds from debt securities in issue	35	161,973	11,633
Redemption of debt securities in issue	35	-	(641,686)
Proceeds from additional Tier 1 capital subordinated notes	35	-	805,050
Redemption of additional Tier 1 capital subordinated notes	35	-	(340,759)
Dividends paid		(710,521)	(550,470)
Net cash flows (used in)/from financing activities		(1,332,027)	2,342,857
Effect of exchange rate changes on cash and cash equivalents		(28,991)	71,495
Net decrease in cash and cash equivalents		(684,769)	(873,122)
Cash and cash equivalents at the beginning of the year	6	2,818,110	3,691,232
Cash and cash equivalents at the end of the year	6	2,133,341	2,818,110

* The total consideration received amounted to GEL 12,305 thousand and was settled fully in cash. The cash and cash equivalents balance of the subsidiary at the date control was lost amounted to GEL 9,435 thousand.

The notes set out on pages 174 to 287 form an integral part of these consolidated and separate financial statements.

Separate statement of financial position

<i>In thousands of GEL</i>	Note	31 December 2025	31 December 2024
ASSETS			
Cash and cash equivalents	6	2,050,270	2,765,181
Reverse repurchase receivables	7	184,979	-
Due from other banks	8	17,318	20,129
Mandatory cash balances with NBG	9	2,357,950	2,576,731
Loans and advances to customers	10	26,618,040	24,188,589
Investment securities	11	5,664,930	5,389,337
Repurchase receivables	13	101,648	140,058
Investment properties		11,403	9,752
Investments in subsidiaries and associates	43	24,125	35,101
Current income tax prepayment		27,897	49,699
Other financial assets	12	392,512	431,635
Other assets	15	544,496	400,404
Premises and equipment	16	637,374	534,054
Right of use assets	17	90,751	101,956
Intangible assets	16	413,813	352,883
Goodwill	18	27,502	27,502
TOTAL ASSETS		39,165,008	37,023,011
LIABILITIES			
Due to credit institutions	19	6,339,694	6,971,630
Customer accounts	20	24,557,129	22,140,849
Other financial liabilities	22	424,497	221,687
Deferred income tax liability	34	48,605	50,220
Debt securities in issue	21	58,403	19,380
Other liabilities	23	108,519	108,789
Lease liabilities	35	70,744	79,570
Subordinated debt	24	862,311	1,098,698
Additional Tier 1 capital subordinated notes	25	1,023,022	1,062,119
TOTAL LIABILITIES		33,492,924	31,752,942
EQUITY			
Share capital	26	21,014	21,014
Share premium		521,190	521,190
Share based payment reserve	27	(110,569)	(99,146)
Other Reserves		(18,797)	37,758
Retained earnings		5,259,246	4,789,253
TOTAL EQUITY		5,672,084	5,270,069
TOTAL LIABILITIES AND EQUITY		39,165,008	37,023,011

The consolidated and the separate financial statements on pages 166 to 287 were approved for issue by the Supervisory Board on 7 April 2026 and signed on its behalf by:

George Tkheldze
Chief Executive Officer

Giorgi Megrelishvili
Chief Financial Officer

Separate statement of profit or loss and other comprehensive income

<i>In thousands of GEL</i>	Note	2025	2024
Interest income	29	3,497,649	3,041,622
Interest expense	29	(1,783,221)	(1,600,718)
Net interest on currency swaps	29	11,562	81,998
Net interest income		1,725,990	1,522,902
Fee and commission income	30	747,753	635,767
Fee and commission expense	30	(403,844)	(328,720)
Net fee and commission income		343,909	307,047
Net gains from derivatives, foreign currency operations and translation	31	347,902	368,720
Other operating income		45,605	29,581
Share of profit of associates		551	847
Other operating non-interest income		394,058	399,148
Credit loss allowance for loans to customers	10	(177,347)	(114,225)
Credit loss allowance for other financial assets and other assets		(5,984)	(3,442)
Net impairment of non-financial assets		(11,944)	(1,641)
Operating income after expected credit and non-financial asset impairment losses		2,268,682	2,109,789
Staff costs	32	(427,203)	(396,344)
Depreciation and amortization		(116,543)	(107,664)
Administrative and other operating expenses	33	(230,548)	(183,804)
Operating expenses		(774,294)	(687,812)
Profit before tax		1,494,388	1,421,977
Income tax expense	34	(216,804)	(215,589)
Profit for the year		1,277,584	1,206,388
Other comprehensive income/(expense) for the year, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains reclassified to profit or loss upon disposal of investment securities		(11,660)	(1,512)
Movement in fair value reserve for investment securities measured at fair value through other comprehensive income, net of tax		(45,181)	26,910
Net other movements		286	-
Other comprehensive (expense) / income for the year, net of tax		(56,555)	25,398
Total comprehensive income for the year		1,221,029	1,231,786

The notes set out on pages 174 to 287 form an integral part of these consolidated and separate financial statements.

Separate statement of changes in equity

<i>In thousands of GEL</i>	Note	Share Capital	Share premium	Share based payment reserve	Other reserve	Retained earnings	Total
Balance as of 1 January 2024		21,014	521,190	(86,143)	12,360	4,133,317	4,601,738
Profit for the year		-	-	-	-	1,206,388	1,206,388
Other comprehensive income for 2024		-	-	-	25,398	-	25,398
Total comprehensive income for 2024		-	-	-	25,398	1,206,388	1,231,786
Share based payment expense	27	-	-	25,355	-	-	25,355
Dividends declared		-	-	-	-	(550,470)	(550,470)
Share based payment recharge by parent company		-	-	(26,899)	-	-	(26,899)
Tax effect for delivery of SBP shares to employees		-	-	(11,459)	-	-	(11,459)
Other movement		-	-	-	-	18	18
Balance as of 31 December 2024		21,014	521,190	(99,146)	37,758	4,789,253	5,270,069
Profit for the year		-	-	-	-	1,277,584	1,277,584
Other comprehensive expense for 2025		-	-	-	(56,555)	-	(56,555)
Total comprehensive income for 2025		-	-	-	(56,555)	1,277,584	1,221,029
Share based payment expense	27	-	-	34,478	-	-	34,478
Dividends declared		-	-	-	-	(807,601)	(807,601)
Share based payment recharge by parent company		-	-	(39,069)	-	-	(39,069)
Tax effect for delivery of SBP shares to employees		-	-	(6,832)	-	-	(6,832)
Other movement		-	-	-	-	10	10
Balance as of 31 December 2025		21,014	521,190	(110,569)	(18,797)	5,259,246	5,672,084

Separate statement of cash flows

<i>In thousands of GEL</i>	Note	2025	2024
Cash flows from operating activities			
Interest received		3,470,198	2,989,348
Interest received on currency swaps	29	11,562	81,998
Interest paid		(1,763,585)	(1,570,608)
Fees and commissions received		747,753	635,760
Fees and commissions paid		(418,670)	(375,128)
Cash received from trading in foreign currencies		303,037	357,203
Other operating income received		20,423	12,454
Staff costs paid		(412,642)	(373,615)
Administrative and other operating expenses paid		(241,574)	(195,070)
Income tax paid		(196,172)	(332,942)
Cash flows from operating activities before changes in operating assets and liabilities		1,520,330	1,229,400
Net change in operating assets			
Due from other banks and mandatory cash balances with the NBG		172,764	(969,665)
Reverse repurchase receivables		(184,979)	-
Loans and advances to customers		(2,765,946)	(3,220,471)
Other financial assets		(35,238)	84,484
Other assets		47,334	76,616
Net change in operating liabilities			
Due to other banks		55,061	81,664
Customer accounts		2,556,439	1,655,961
Other financial liabilities		56,926	(17,220)
Other liabilities		(13,238)	(9,620)
Net cash flows from/(used in) operating activities		1,409,453	(1,088,851)
Cash flows used in investing activities			
Acquisition of investment securities	11	(4,975,851)	(7,349,079)
Proceeds from disposal of investment securities	11	2,256,621	713,750
Proceeds from redemption at maturity of investment securities	11	2,447,869	4,699,257
Dividend received		25,374	17,812
Proceeds from disposal of subsidiary		12,306	-
Acquisition of premises and equipment		(113,833)	(102,296)
Proceeds from disposal of premises and equipment		8,511	989
Acquisition of intangible assets		(118,935)	(84,175)
Proceeds from disposal of investment properties		2,757	10,701
Cash received from recharge agreement		8,767	9,775
Capital injection in subsidiaries		(1,607)	-
Net cash flows used in investing activities		(448,021)	(2,083,266)
Cash flows (used in)/from financing activities			
Proceeds from other borrowed funds		3,387,167	4,319,722
Redemption of other borrowed funds		(4,074,048)	(1,545,934)
Repayment of principal of lease liabilities		(18,983)	(17,244)
Proceeds from subordinated debt		-	231,038
Redemption of subordinated debt		(229,843)	(3,040)
Proceeds from debt securities in issue		40,522	-
Redemption of debt securities in issue		-	(638,913)
Proceeds from additional Tier 1 capital subordinated notes		-	805,050
Redemption of additional Tier 1 capital subordinated notes		-	(340,331)
Dividends paid		(710,521)	(550,470)
Share based payment recharge paid		(39,066)	(26,897)
Net cash flows (used in)/from financing activities		(1,644,772)	2,232,981
Effect of exchange rate changes on cash and cash equivalents		(31,571)	71,003
Net decrease in cash and cash equivalents		(714,911)	(868,133)
Cash and cash equivalents at the beginning of the year	6	2,765,181	3,633,314
Cash and cash equivalents at the end of the year	6	2,050,270	2,765,181

The notes set out on pages 174 to 287 form an integral part of these consolidated and separate financial statements.

Notes to the consolidated and separate financial statements

1. Introduction

Principal activity. JSC TBC Bank (hereafter the “Bank”) was incorporated on 17 December 1992 and is domiciled in Georgia. The Bank is a joint stock company limited by shares and was set up in accordance with Georgian regulations. The Bank’s principal business activity is universal banking operations that include corporate, small and medium enterprises (“SME”), retail and micro-operations within Georgia. The Bank is a parent of a group of companies (hereafter the “Group”) incorporated in Georgia. Their primary business activities include providing banking, leasing, brokerage and card processing services to corporate and individual customers. The Bank has been operating since 20 January 1993 under a general banking license issued by the National Bank of Georgia (“NBG”). The Bank’s registered address and place of business is 7 Marjanishvili Street, 0102 Tbilisi, Georgia. The Bank was registered by District Court of Vake, and the registration number is 204854595.

The Bank has 122 (2024: 125) branches within Georgia (Excluding pawnshop units).

TBC Bank Group PLC (“TBCG”) is a public limited by shares company, incorporated in the United Kingdom. TBCG held 99.88% of the share capital of JSC TBC Bank as at 31 December 2025 (2024: 99.88%) thus representing the Bank’s ultimate and direct parent company. TBC Bank Group PLC’s registered legal address is 100 Bishopsgate, C/O Law Debenture, London, England, EC2N 4AG. Registered number of TBC Bank Group PLC is 10029943.

As of 31 December 2025, and 2024 the Bank’s shareholder structure was as follows:

Shareholders	% of ownership interest held as of 31 December	
	2025	2024
TBC Bank Group PLC	99.88%	99.88%
Other	0.12%	0.12%
Total	100.00%	100.00%

As of 31 December 2025, and 31 December 2024, the shareholder structure of TBC Bank Group PLC by beneficiary ownership interest was as follows:

Shareholders	% of ownership interest held as of 31 December	
	2025	2024
BlackRock	6.74%	4.60%
Dunross & Co.	5.57%	6.84%
Fidelity International	4.60%	2.47%
Vanguard Group	4.51%	4.24%
GTN Asia Financial Services	3.29%	N/A
Allan Gray Investment Management	3.28%	4.62%
Mamuka Khazaradze and Badri Japaridze	15.33%	15.40%
Other*	56.68%	61.83%
Total	100.00%	100.00%

*Other include individual as well as corporate shareholders.

1. Introduction continued

Subsidiaries and associates. The consolidated financial statements include the following principal subsidiaries:

Subsidiary name	Proportion of voting rights and ordinary share capital held as 31 December		Principal place of business or incorporation	Year of incorporation	Functional Currency	Principal activities
	2025	2024				
United Financial Corporation JSC	99.53%	99.53%	Tbilisi, Georgia	2001	GEL	Card processing
TBC Capital LLC	100%	100%	Tbilisi, Georgia	1999	GEL	Brokerage
TBC Leasing JSC	100%	100%	Tbilisi, Georgia	2003	GEL	Leasing
TBC Kredit LLC ¹	N/A	100%	Baku, Azerbaijan	1999	AZN	Non-banking credit institution
TBC Pay LLC	100%	100%	Tbilisi, Georgia	2008	GEL	Payment processing
TBC Invest-Georgia LLC	100%	100%	Ramat Gan, Israel	2011	ILS	Financial services
TBC Asset Management LLC	100%	100%	Tbilisi, Georgia	2021	GEL	Asset management

The Group has investments in the following associates:

Associate name	Proportion of voting rights and ordinary share capital held as 31 December		Principal place of business or incorporation	Year of incorporation	Principal activities
	2025	2024			
CreditInfo Georgia JSC	21.08%	21.08%	Tbilisi, Georgia	2005	Financial intermediation
Tbilisi Stock Exchange JSC	28.79%	28.87%	Tbilisi, Georgia	2015	Finance, Service
Georgian Central Securities Depository JSC	22.87%	22.87%	Tbilisi, Georgia	1999	Finance, Service
Georgian Stock Exchange JSC ²	17.33%	17.33%	Tbilisi, Georgia	1999	Finance, Service
Kavkasreestri JSC ²	10.03%	10.03%	Tbilisi, Georgia	1998	Finance, Service

The country of incorporation is also the principal area of operation of each of the above subsidiaries and associates.

The Group’s corporate structure consists of a number of related undertakings, comprising subsidiaries and associates, which are not consolidated or equity accounted due to immateriality. List of these undertakings, the country of incorporation and the ownership of each share class is set out below. For the complete list of related undertakings and their addresses, see the Appendix A below.

Company name	Proportion of voting rights and ordinary share capital held as 31 December		Principal place of business or incorporation	Year of incorporation	Principal activities
	2025	2024			
TBC Invest International LLC*	100%	100%	Tbilisi, Georgia	2016	Investment Vehicle
University Development Fund*	33.33%	33.33%	Tbilisi, Georgia	2007	Education
Natural Products of Georgia LLC*	25.00%	25.00%	Tbilisi, Georgia	2001	Trade, Service
TBC Trade LLC*	100%	100%	Tbilisi, Georgia	2008	Trade, Service

*Dormant

¹ In 2025 TBC Kredit was disposed.

² The Group has a significant influence on Georgian Stock Exchange JSC (with representatives in management board) and Kavkasreestri JSC.

2. Material Accounting Policy Information

Basis of preparation. These consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards under the historical cost convention as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of financial instruments categorised at fair value through profit or loss (“FVTPL”) and at fair value through other comprehensive income (“FVOCI”), with the disclosure requirements of the order N284/04 of the President of the National Bank of Georgia dated 26 December 2018, and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing. The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Presentation currency. These consolidated financial statements are presented in thousands of Georgian Lari (“GEL thousands”), except per-share amounts and unless otherwise indicated.

Consolidated financial statements. Subsidiaries are those investees that the Group controls. The Group may have power over an investee even when it holds less than the majority of voting power in it. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date on which control ceases.

Separate financial statements. Investments in subsidiaries - The Bank accounts investments at the original cost of the investment until the investment is de-recognised or impaired for its separate financial statements. The carrying amounts of the investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets’ recoverable amounts are estimated. Value in use is determined by the present value of expected future cash flows discounted to present value. An impairment loss is recognised when the carrying amount of the investments exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Business combinations and goodwill accounting. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the fair value of consideration, including contingent consideration, given at the acquisition date. Acquisition-related costs are recognised as an expense in the profit or loss in the period in which they are incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures the non-controlling interest, that represents the current ownership’s interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction-by-transaction basis, either at: (a) fair value, or (b) the non-controlling interest’s proportionate share of net assets of the acquired entity. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the acquiree’s net assets from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date.

The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or group of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment. Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation. This is generally measured based on the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

2. Material Accounting Policy Information *continued*

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services.

Transaction costs incurred for issuing equity instruments are deducted from the equity; transaction costs incurred for issuing debt are deducted from the carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group’s policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests that are not owned, directly or indirectly, by the Company. Non-controlling interest forms a separate component of the Group’s equity.

Purchases and sales of non-controlling interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest (“NCI”). Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and the carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

Initial recognition of financial instruments. Financial instruments measured at fair value through profit or loss (“FVTPL”) are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs.

Financial assets – classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVTPL, fair value through other comprehensive income (“FVTOCI”) and amortised cost (“AC”). The classification and subsequent measurement of debt financial assets depend on: (i) the Group’s business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets impairment – expected credit loss (ECL) allowance. The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVTOCI and for the exposures arising from loan commitments and financial guarantee contracts. The Group measures expected credit loss (“ECL”) and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

2. Material Accounting Policy Information *continued*

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. The Group's definition of defaulted assets and definition of default is based on the occurrence of one or more loss events, described further in Note 36:

Stage 1: A financial instrument that is not defaulted on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL").

Stage 2: If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis ("Lifetime ECL"). If a SICR is no longer observed, the instrument will move back to Stage 1. In case of loans previously having default flag, they are moved back from stage 2 to stage 1 with 6-month cure period, while restructured loans remain in stage 2 until the restructured status is removed. To remove restructured status, the borrower should make at least 12 consecutive payments, unless financial monitoring is performed. Refer to Note 36 for a description of how the Group determines, on a forward-looking basis, when a SICR has occurred.

Stage 3: Defaulted assets are transferred to Stage 3 and allowance for Lifetime ECL is recognised.

Change in ECL is recognised in the statement of profit or loss with a corresponding allowance reported as a decrease in carrying value of the financial asset on the statement of financial position. For financial guarantees and credit commitments, provision for ECL is reported as a liability in Provisions for Liabilities and Charges.

Finance lease receivables – expected credit loss (ECL) Allowance. The ECL is determined in the same way as for loans and advances measured at AC and recognised through an allowance account to write down the receivables' net carrying amount to the present value of expected cash flows discounted at the interest rates implicit in the lease investments. There is a 'three stage' approach which is based on the change in credit quality of financial lease receivable from initial recognition. Immediate loss that is equal to the 12-month ECL, is recorded on initial recognition of financial leases that have not defaulted. In case of a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The estimated future cash flow reflects the cash flow that may result from obtaining and selling the assets subject to the lease.

The Group normally structures its finance lease contracts so that the lessee makes a minimum prepayment of 20% of the equipment purchase price at the inception of the lease term. The Group holds title to the leased assets during the lease term. The title to the assets under the finance lease contract is transferred to the lessee at the end of the contract term, including full repayment of lease payments. Generally, the lease terms are up to five years.

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. The main types of collateral obtained are:

- Leased assets.
- Real estate properties.
- Third party guarantees.

The financial effect of collateral is presented by disclosing the collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed the assets' carrying value ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the assets' carrying value ("under-collateralised assets").

2. Material Accounting Policy Information *continued*

The Group classifies its portfolio into three stages.

For stage 1 exposures the Group creates 12 months expected credit losses, whereas for stage 2 and stage 3 lifetime expected credit losses are created.

For the Stage 2 classification purposes the Group applies both quantitative and the qualitative criteria including, but not limited to:

- 30 days past due (DPD) overdue.
- Downgrade of the risk category of the borrower since initial recognition.

Default definition includes criteria such as: (i) 90 DPD overdue (ii) distressed restructuring and (iii) other criteria indicating the borrower's unlikeliness to repay the liabilities.

The Group incorporates forward looking information (FLI) for both individual and collective assessment. For FLI purposes the Group defines three scenarios, which are:

- Baseline (most likely).
- Upside (better than most likely).
- Downside (worse than most likely).

The Group derives the baseline macro scenario and considers projections from various external sources – the National Bank of Georgia, Ministry of Finance of Georgia, International Monetary Fund ("IMF") as well as other International Financial Institutions ("IFI") - to ensure the alignment to the market expectations. Refer to Note 36 for the description of how the Group incorporates FLI in ECL calculations. Upside and downside scenarios are defined based on the framework developed by the Bank's macroeconomic unit.

The Group calculates expected impairment losses for each scenario. To come up with the final expected credit loss figures the bank applies probability weighted average approach where probabilities of each scenario are used as weights.

Write-offs. The loans are collectively assessed for write off based on overdue days criteria or are individually evaluated, depending on the loan segment and product type. Loans are written off when recovery is deemed highly unlikely. Retail and micro loans are written off after 1,080 days for collateralised loans and 180 days for non-collateralised loans. Corporate and MSME exposures are written off after a maximum of 1,460 days past due, subject to individual assessment.

Financial assets- derecognition and modification. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale. The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets.

2. Material Accounting Policy Information *continued*

The Group assesses whether the modification of contractual cash flows is substantial, in which it considers certain qualitative and quantitative factors combined. Based on below shown internally developed methodology there are certain qualitative triggers which lead to asset derecognition with no further quantitative testing required. These qualitative criteria are included in the list below:

- Change in contract currency.
- Consolidation of two or more loans into one new loan.
- Change in counterparty.
- Loan with no predetermined payment schedule is changed with loan with schedule or vice versa.
- Change in contractual interest rate due to market environment changes.

The Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. It should be assessed whether change in contractual cash flow is significant (significance defined as 10% change). If the test result is above 10% threshold, loan should be derecognised.

The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate and recognises a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities – measurement categories. Financial liabilities are classified and subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g., short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Reverse repurchase receivables. Reverse repurchase receivables are accounted for as collateralized lending transactions with maturity more than three months. Under these arrangements, the Group provides funds to a counterparty and receives securities as collateral, which is not recognised on the balance sheet unless the risks and rewards of ownership are transferred. These types of receivables are classified as financial assets and measured at amortized cost.

Due from other banks. Amounts due from other banks are recognised when the Group advances money to counterparty banks. Amounts due from other banks are carried at AC when: (i) they are held for the purposes of collecting contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at fair value through profit or loss. Otherwise, they are carried at fair value (FV).

Mandatory cash balances with the National Bank of Georgia. Mandatory cash balances with National Bank of Georgia are carried at AC and represent mandatory reserve deposits that are not available to finance the group's day to day operations. Hence, they are not considered as part of cash and cash equivalents for the purposes of the consolidated statement of cash flows.

Investments in debt securities. Based on the business model and the cash flow characteristics, the Group classifies investments in debt securities as carried at AC, FVTOCI or FVTPL. Debt securities are carried at AC if they are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest ("SPPI"), and if they are not voluntarily designated at FVTPL to significantly reduce an accounting mismatch.

Debt securities are carried at FVTOCI if they are held for collection of contractual cash flows and for selling, where those cash flows represent SPPI, and if they are not designated at FVTPL. Interest income from these assets is calculated using the effective interest method and recognised in profit or loss. An impairment allowance estimated using the expected credit loss model is recognised in profit or loss for the year. All other changes in the carrying value are recognised in OCI. When the debt security is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to profit or loss.

2. Material Accounting Policy Information *continued*

Debt securities in issue. Debt securities in issue include promissory notes, bonds, certificates of deposit and debentures issued by the Group. Debt securities are measured at AC. If the Group purchases its own debt securities in issue, they are removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains arising from retirement of debt.

Additional tier 1 capital subordinated notes. The Group classifies Additional tier 1 (AT1) capital subordinated notes as financial liabilities measured at amortised cost using the effective interest rate method. Such instruments with perpetual maturity and discretionary coupon payments, may be written down, converted into equity, or otherwise modified under the resolution regime implemented by the National Bank of Georgia.

Investments in equity securities. Financial assets that meet the definition of equity from the issuer's perspective - instruments that do not contain a contractual obligation to pay cash and that represent a residual interest in the issuer's net assets - are considered investments in equity securities by the Group.

Investments in equity securities are measured at FVTPL, except where the Group elects at initial recognition to irrevocably designate an equity investment at FVTOCI. The Group's policy is to designate equity investments as FVTOCI when those investments are held for strategic purposes other than solely to generate investment returns.

For FVTPL investments, fair value changes are recognised in profit or loss. For FVTOCI investments, fair value changes are recognised in other comprehensive income (OCI), with no reclassification to profit or loss upon disposal.

Loans and advances to customers. Loans and advances to customers are recorded when the Group advances money to purchase or originate a loan due from a customer.

Impairment allowances are determined based on the forward-looking ECL models. Note 36 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

Reposessed collateral. Reposessed collateral represents non-financial assets acquired by the Group to settle overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, investment property or reposessed collateral within other assets depending on their nature and the Group's intention in respect of recovery of these assets and are subsequently re-measured and accounted for in accordance with the accounting policies for these categories of assets. Reposessed assets are recorded at the lower of cost or net realisable value.

Finance lease receivables. Where the Group is a lessor in a lease that substantially transfers all risks and rewards incidental to ownership to the lessee, the assets leased out are presented as finance lease receivable and carried at the present value of the future lease payments. Finance lease receivables are initially recognised at commencement (when the lease term begins) using a discount rate determined at inception (the early date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease).

The difference between the gross receivable and the present value represents unearned finance income. This income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. The interest income on stage 3 exposures is recognised on a carrying amount after deducting ECL. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the finance lease receivables and reduce the amount of income recognised over the lease term. Finance income from leases is recorded within interest income in the profit or loss.

Customer accounts. Customer accounts are non-derivative financial liabilities to individuals, state or corporate customers and are carried at AC.

2. Material Accounting Policy Information continued

Subordinated debt. Subordinated debt can only be paid in the event of a liquidation after the claims of other higher priority creditors have been met and is included in the Bank's "Tier 2" capital. Subordinated debt is measured at AC.

Derivative financial instruments. Derivative financial instruments, including foreign exchange contracts, interest rate futures, forward rate agreements, currency and interest rate swaps, currency and interest rate options are recognised at their fair value. The Group also enters offsetting deposits with its counterparty banks to exchange currencies. Such deposits, while legally separate, are aggregated and accounted for as a single derivative financial instrument (currency swap) on a net basis where (i) the deposits are entered into at the same time and in contemplation of one another, (ii) they have the same counterparty, (iii) they relate to the same risk and (iv) there is no apparent business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

When derivative instruments are entered into with a view to decreasing cost of funding, respective interest effects are presented as a separate line of statement of comprehensive income, within net interest income.

Hedge accounting. The Group applies fair value hedge accounting, whereby the gains and losses on hedging instruments are recognised in the income statement to offset the fair value adjustment recognised on the hedged item, while the cost of hedging arising from basis spread is recognised in other comprehensive income (OCI).

If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued and the cumulative adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortised to the income statement on a recalculated effective interest rate, unless the hedged item has been derecognised, in which case it is recognised in the income statement immediately. Please refer to Note 31 for further explanation.

Premises and equipment. Premises and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required. Cost of premises and equipment of acquired subsidiaries is the estimated fair value at the date of acquisition.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment. If any such indication exists, management estimates the recoverable amount to determine whether an impairment loss should be recognised.

Intangible assets. Intangible assets, other than goodwill, have definite useful lives and primarily comprise capitalised computer software, accounted for using the cost model. Acquired software licences are capitalised based on acquisition and implementation costs, while directly attributable development costs are capitalised if future economic benefits are probable. Capitalised costs include staff and direct overheads, whereas maintenance costs are expensed as incurred.

2. Material Accounting Policy Information continued

Depreciation and amortisation. Land and construction in progress are not depreciated. Depreciation on other items of premises and equipment and right-of-use assets and amortisation of intangible assets are calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Asset	Useful life
Premises	40 – 110 years;
Furniture and fixtures	5 – 8 years;
Computers and office equipment	3 – 8 years;
Motor vehicles	4 – 5 years;
Other equipment	2 – 10 years;
Right-of-use assets	Term of the underlying lease;
Intangible assets	1 – 20 years;

The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Investment property. Investment property is stated at cost less accumulated depreciation and provision for impairment, where required. It is amortised on a straight-line basis over an expected useful life of 30 to 50 years. Land included in investment property is not depreciated. Residual values of investment properties are estimated to be nil. In case of any indication that the investment properties may be impaired, the Group estimates the recoverable amount as the higher of value in use and fair value less costs to sell.

Earned rental income is recorded in profit or loss for the year within other operating income.

Accounting for leases by the Group as a lessee. The Group leases office, branches and service centre premises. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is recognised at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate.
- amounts expected to be payable by the lessee under residual value guarantees.
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2. Material Accounting Policy Information continued

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

As an exception to the above, the Group accounts for short-term leases and leases of low value assets by recognising the lease payments as an operating expense on a straight-line basis.

In determining the lease term, management of the Group considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Income taxes. Income taxes are provided in the consolidated financial statements in accordance with the legislation enacted or substantively enacted by the end of reporting period in the respective territories that the Bank and its subsidiaries operate. The income tax charge/credit comprises of current tax and deferred tax and is recognised in profit or loss except if it is recognised directly in other comprehensive income because it relates to transactions that are also recognised, in the same or a different period, directly in other comprehensive income.

Current tax is the amount expected-to-be-paid to or recovered from the tax authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if consolidated financial statements are authorised prior to filing relevant tax returns. Taxes, other than on income, are recorded within administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of reporting period that are expected to apply to the extent of time when the temporary differences will reverse, or the tax loss carry forwards will be utilised.

Deferred income tax is provided on post-acquisition retained earnings of subsidiaries, except where the Group controls the subsidiary's dividend policy and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

Share capital. Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

Dividends. Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the consolidated financial statements are authorised for issue, are disclosed in the subsequent events note.

Income and expense recognition. Interest income and expense are recorded for all debt instruments, other than those at FVTPL, using the effective interest method. As part of interest income or expense this method defers all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. The group does not have Interest income on debt instruments at FVTPL.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and processing transaction documents. Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at FVTPL.

2. Material Accounting Policy Information continued

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become defaulted (Stage 3), for which interest income is calculated by applying the effective interest rate to their AC, net of the ECL provision, and (ii) financial assets that are purchased or originated defaulted, for which the original credit-adjusted effective interest rate is applied to the AC.

All other fees, commissions, and other income and expense items are generally recorded when earned, either at a point in time upon completion of the transaction or over time based on the proportion of services provided relative to total services under the contract.

For cross currency basis swaps interest component calculation, notional amount is multiplied by contractual interest rate for respective period. While making allocation of an interest income/(expense) from foreign exchange (FX) Swaps transactions, annualized spread earned interest income/(expense) is calculated and distributed linearly throughout the lifetime of the contract.

Fee and commission income. Fee and commission income is recognised over time on a straight-line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Such income includes recurring fees for account maintenance, account servicing fees, account subscription fees, annual plastic card fees etc. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur.

Other fee and commission income are recognised at a point in time when the Group satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received, or receivable represents the transaction price for the services identified as distinct performance obligations. Such income includes fees for arranging a sale or purchase of foreign currencies on behalf of a customer, fees for processing payment transactions, plastic card transactions, merchant fees, fees for cash settlements, collection or cash disbursements, etc.

Foreign currency translation. The Group's presentation currency is the Georgian Lari. TBCG's and the Bank's presentation currency is the Georgian Lari. The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction.

The results and financial position of each group entity (the functional currency of none of which is a currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period.
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- (iii) Components of equity are translated at the historic rate; and
- (iv) All resulting exchange differences are recognised in other comprehensive income.

2. Material Accounting Policy Information continued

After losing control over a foreign operation, the exchange differences previously recognised in other comprehensive income are reclassified to profit or loss for the year as part of the gain or loss on disposal. On partial disposal of a subsidiary without loss of control, the related portion of accumulated currency translation differences is reclassified to non-controlling interest within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The closing rates of exchange used for translating foreign currency balances for the years 2025 and 2024 were as follows:

	31 December 2025	31 December 2024
GBP/GEL	3.6446	3.5349
USD/GEL	2.6951	2.8068
EUR/GEL	3.1737	2.9306

Staff costs and related contributions. Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits as well as the cash settled part of the share-based payment schemes are accrued in the year in which the associated services are rendered by the Group's employees.

Segment reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

Share based payments. A share-based payment arrangement is an agreement between the entity and another party (including an employee) that entitles the other party to receive cash or other assets of the entity for amounts that are based on the price (or value) of equity instruments (including shares) of the entity or another group entity, or equity instruments (including shares or share options) of the entity or another group entity, provided the specified vesting conditions, if any, are met. Under the share-based compensation plan, the Group receives management services in exchange for equity instruments of TBC Bank Group PLC. As JSC TBC Bank Group has no obligation to settle the share-based payments, the plan is treated as equity-settled. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by the reference to the fair value of the equity instruments granted, excluding the impact of any non-market service and performance vesting conditions. Non-market vesting conditions are included in the assumptions about the number of equity instruments that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Increase in equity on accrued shares resulting from the equity settled scheme is accounted for under share-based payment reserve. When portions of a single grant vest on two or more dates the entity applies graded vesting for accounting of share-based payment arrangement. Vesting period of each tranche of the grant ends when the employee owns the shares with no further service restrictions. Under graded vesting scheme the expense for earlier years is higher than for later years. Each tranche is expensed over its own service period with a credit entry being equity.

The Group also pays recharge amount to the TBC Bank Group PLC, and the share-based reserve is debited correspondingly. This takes place when treasury shares are purchased by employee benefit trust (EBT) on TBC Bank Group PLC level.

3. Sources of Estimation Uncertainty and Judgements in Applying Accounting Policies**Critical Judgements and Estimates**

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on the management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements and estimates that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities are the following:

Judgements and estimates related to ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, development of models and preparation of data inputs. Expert management judgement is also an essential part of estimating expected credit losses.

Management considers management judgements and estimates in calculating ECL as follows:

Judgements used to define criteria used in definition of default. The Bank defines default using both quantitative and qualitative criteria. Borrower is classified as defaulted if:

- any amounts of contractual repayments are past due more than 90 days; or
- factors indicating the borrower's unlikelihood-to-pay.

Unlikelihood to repay is assessed using qualitative and quantitative criteria based on clients monitoring/financial stability. In addition, default exit criteria are defined using judgement as well as whether default should be applied on a borrower or exposure level. For more details on the methodology please see Note 36.

Judgements used to define criteria for assessing if there has been a significant increase in credit risk (SICR) which is defined using both quantitative and qualitative criteria.

Qualitative factors usually include judgements around delinquency period of more than 30 days on contractual repayments; exposure is restructured but is not defaulted; borrower is classified as "watch".

The Bank evaluates the change in the probability of default parameter for each specific exposure on a quantitative basis, comparing it to a predefined threshold since its initial recognition. When the absolute relative change in the probability of default surpasses the specified threshold, it is considered a Significant Increase in Credit Risk (SICR), leading to the transfer of the exposure to Stage 2. Apart from statistical thresholds, the Bank incorporates an additional condition to the existing PD-based SICR criterion, referred to as the PD Backstop. The PD Backstop represents the highest Risk Group (Rating) up to which there is strong and undisputed evidence that the level of default risk is not materially different.

The quantitative indicator for SICR is utilised in retail and micro segments, provided there is a substantial number of observations for accurate assessment. Refer to Note 36 for more details of SICR thresholds.

Estimations used for calculation of credit risk parameters namely probability of default (PD) and loss given default (LGD). The judgements include and are not limited by:

- definition of the segmentation for risk parameters estimation purposes,
- decision whether simplified or more complex models can be used,
- time since default date after which no material recoveries are expected,
- collateral haircuts from market value as well as the average workout period for collateral discounting.

The table below describes sensitivity on 10% increase of PD and LGD estimates. For sensitivity calculation purposes, the staging has been unchanged:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
10% increase (decrease) in PD estimates	Increase (decrease) credit loss allowance on loans and advances by GEL 16,163 (GEL 16,164).	Increase (decrease) credit loss allowance on loans and advances by GEL 16,425 (GEL 15,218).
10% increase (decrease) in LGD estimates	Increase (decrease) credit loss allowance on loans and advances by GEL 28,013 (GEL 30,580).	Increase (decrease) credit loss allowance on loans and advances by GEL 25,351 (GEL 26,679).

4. Adoption of New or Revised Standards and Interpretations

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025). In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

The Group had no impact from the amendments on its financial statements.

5. New Accounting Pronouncements

The Group has not early adopted any of the amendments effectively after 31 December 2025. The Group expects the amendments will have an insignificant effect when adopted or is in the process of assessment of the scale of any potential impact on the consolidated financial statements of the Group and the separate financial statements of the Bank.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVTOCI).

The amendment will have no material impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026). IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has continuing involvement, including whether fair value measurements included 'significant unobservable inputs. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

The amendment will have no material impact on the Group's financial statements.

5. New Accounting Pronouncements *continued*

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss.
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Group is in the process of assessing the scale of any potential impact on the consolidated financial statements of the Group and the separate financial statements of the Bank.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.

Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that may be disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

IFRS 19 will not have impact as the Group is not eligible to apply it.

Amendments to IFRS 19 Subsidiaries without public accountability: Disclosures (Issued on 21 August 2025 and effective from 1 January 2027). In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable.

The amendment will not have impact as the Group is not eligible to apply IFRS 19.

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026). The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.

The amendment will have no material impact on the Group's financial statements.

5. New Accounting Pronouncements *continued*

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025 and effective from 1 January 2027). The International Accounting Standards Board (IASB) has issued amendments that clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. These narrow-scope amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency. The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates are effective for annual periods beginning on or after 1 January 2027. Companies can choose to apply them earlier.

The Group is currently assessing the impact of the amendments on its financial statements.

6. Cash and Cash Equivalents

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Cash on hand	897,938	848,814
Cash balances with NBG (other than mandatory reserve deposits)	243,677	289,382
Correspondent accounts and overnight placements with other banks	490,456	646,382
Placements with and receivables from other banks with original maturities of less than three months	501,524	1,033,679
Total gross amount of cash and cash equivalents	2,133,595	2,818,257
Less: ECL (Stage 1)	(254)	(147)
Total cash and cash equivalents	2,133,341	2,818,110

As of 31 December 2025, 89% of the correspondent accounts and overnight placements with other banks was placed with OECD (Organization for Economic Co-operation and Development) banking institutions (31 December 2024: 87%).

As of 31 December 2025, GEL 447,879 thousand was placed on interbank term deposits with three OECD banks and none with non-OECD (as at 31 December 2024 GEL 960,638 thousand was placed on interbank term deposits with four OECD bank and none with non-OECD bank).

The Bank earned up to 7.97% annual interest in GEL on cash balances with NBG during the year 2025 (2024: 8.19%).

Interest rate analysis of cash and cash equivalents is disclosed in Note 36.

The credit ratings of correspondent accounts and overnight placements with other banks are as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
AA	15,508	25,051
AA-	2,373	8,202
A+	333,511	446,356
A	6,811	28,544
A-	83,808	65,979
BBB+	75	-
BBB	-	1,833
BBB-	6,321	30,904
BB+	252	1,663
BB	8,788	4,380
BB-	31,428	10,601
B+	885	13,107
B	645	9,720
B-	51	42
Total correspondent accounts and overnight placements with other banks	490,456	646,382

6. Cash and Cash Equivalents *continued*

The credit rating of placements with and receivables from other banks with original maturities of less than three months stands as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
AAA	-	205,904
A	447,879	233,102
A-	-	-
BBB+	-	43,959
BBB	-	477,673
BB	-	70,000
BB-	694	-
B+	31,519	-
B	21,432	3,041
Total placements with and receivables from other banks with original maturities of less than three months	501,524	1,033,679

The table illustrates the ratings by international agencies Standard & Poor's and Fitch Ratings. When different credit ratings are designated by the agencies, the highest designated rating for this asset is used, for those financial institutions which are not assigned credit ratings, country ratings are used.

Cash and cash equivalents of the Bank are as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Cash on hand	870,821	825,384
Cash balances with NBG (other than mandatory reserve deposits)	243,677	289,382
Correspondent accounts and overnight placements with other banks	455,862	616,883
Placements with and receivables from other banks with original maturities of less than three months	480,164	1,033,679
Total gross amount of cash and cash equivalents	2,050,524	2,765,328
Less: ECL (Stage 1)	(254)	(147)
Total cash and cash equivalents	2,050,270	2,765,181

7. Reverse repurchase receivables

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Reverse repurchase receivables	184,979	-
Total reverse repurchase receivables	184,979	-

As at 31 December 2025 there were GEL 197,099 thousand investment securities held as collateral against reverse repurchase receivables (2024: nil). 100% of these amounts are placed with AAA rated financial institutions.

8. Due from Other Banks

Amounts due from other banks include placements with original maturities of more than three months, that are not collateralised and do not represent past due amounts as at 31 December 2025 and 31 December 2024.

Credit ratings of placements with and receivables from other banks with original maturities of more than three months and restricted cash were as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
A	11,814	10,910
BB	7,000	-
BB-	4,844	-
B+	15,188	9,243
B	16,059	-
Total placements with and receivables from other banks with original maturities of more than three months and restricted cash	54,905	20,153

As at 31 December 2025 the Group had one placement, with original maturity of more than three months and with aggregated amount above GEL 5,000 thousand (2024: 2).

The total aggregated amounts of placements with and receivables from other banks with original maturities of more than three months was GEL 54,219 thousand (2024: GEL 19,481 thousand) or 98.7% of the total amount due from other banks (2024: 96.7%).

As at 31 December 2025 GEL 692 thousand (2024: GEL 693 thousand) were kept on deposits as restricted cash under an arrangement with a credit card company or credit card related services with other banks.

For the estimated fair values of due from other bank balances please refer to Note 41.

For the purpose of ECL measurement due from other banks balances are included in Stage 1. The ECL for these balances as at 31 December 2025 is GEL 6 thousand (2024: GEL 22 thousand).

9. Mandatory Cash Balances With NBG

Mandatory cash balances with the National Bank of Georgia ("NBG") represent amounts deposited with the NBG. Resident financial institutions are required to maintain an interest-earning obligatory reserve with the NBG, the amount of which depends on the level of funds attracted by the financial institutions. The Bank earned up to 0.62% and 0.28% annual interest in USD and EUR, respectively, on mandatory reserve with NBG during the year 2025 (2024: 0% and 0% in USD and EUR, respectively).

In November 2025, Fitch Ratings has affirmed Georgia's Long-Term Foreign and Local Currency Issuer Default Rating (IDRs) at 'BB' and has revised the Outlook from Negative to Stable. The country ceiling is affirmed at 'BBB-', while short-term foreign and local-currency IDRs are kept at 'B'.

10. Loans and Advances to Customers

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Corporate loans	11,219,110	9,848,706
Loans to micro, small and medium enterprises	5,990,887	5,948,420
Consumer loans	4,410,983	3,595,510
Mortgage loans	5,373,055	5,126,953
Total gross loans and advances to customers	26,994,035	24,519,589
Less: credit loss allowance	(375,995)	(332,245)
Stage 1	(93,679)	(99,412)
Stage 2	(76,873)	(68,733)
Stage 3	(205,443)	(164,100)
Total loans and advances to customers	26,618,040	24,187,344

As at 31 December 2025 loans and advances to customers carried at GEL 1,645,745 thousand have been pledged for the borrowings from the National Bank of Georgia (2024: GEL 1,118,011 thousand). The loans and advances to customers are pledged under the monetary policy framework for the borrowings from the National Bank of Georgia.

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances to customers carried at amortised cost between the beginning and the end of the reporting period. Below main movements in the table are described:

- Transfers occur between Stage 1, 2 and 3, due to significant increases (or decreases) of credit risk or exposures becoming defaulted in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL. It should be noted, that:
 - For loans, which existed at the beginning of the period, opening exposures are disclosed as transfer amounts.
 - For newly issued loans, exposures upon issuance are disclosed as transfer amounts.
- New originated or purchased gives us information regarding gross loans issued and corresponding credit loss allowance created during the period (however, exposures which were issued and repaid during the period and issued to refinance existing loans are excluded)
- Derecognised during the period refers to the balance of loans and credit loss allowance at the beginning of the period, which were fully repaid during the period. Exposures which were issued and not fully repaid during the period, written off or refinanced by other loans, are excluded.
- Net repayments refer to the net changes in gross carrying amounts, which is loan disbursements less repayments, excluding loans that were fully repaid.
- Write-offs refer to write off loans during the period.
- Foreign exchange movements refer to the translation of assets denominated in foreign currencies and effect to translation in presentational currency for foreign subsidiary.
- Net re-measurement due to stage transfers and risk parameters changes refers to the movements in ECL as a result of transfer of exposure between stages or changes in risk parameters and forward-looking expectations.
- Modification refers to changes in terms that do not result in derecognition.
- Re-segmentation refers to the transfer of loans from one reporting segment to another. For presentation purposes, amounts are rounded to the nearest thousands of GEL, which in certain cases is disclosed as nil.
- For details of expected credit loss (ECL) methodology refer to note 36.

10. Loans and Advances to Customers continued

Total loans <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2025	22,561,502	1,418,441	539,646	24,519,589	99,412	68,733	164,100	332,245
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(2,566,711)	2,601,317	(34,606)	-	(76,442)	90,463	(14,021)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(53,900)	(469,767)	523,667	-	(6,859)	(74,500)	81,359	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	1,438,093	(1,435,917)	(2,176)	-	100,856	(99,795)	(1,061)	-
New originated or purchased	13,936,547	-	-	13,936,547	155,670	-	-	155,670
Derecognised or fully repaid during the period	(7,339,657)	(207,602)	(123,793)	(7,671,052)	(75,000)	(13,070)	(37,654)	(125,724)
Net repayments	(3,468,596)	(166,045)	(76,777)	(3,711,418)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments*	-	-	-	-	(103,787)	105,055	195,676	196,944
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	(184,406)	(184,406)	-	-	(184,406)	(184,406)
Changes in accrued interest	35,190	9,049	7,434	51,673	-	-	-	-
Modification	753	(163)	180	770	(41)	-	78	37
Foreign exchange movements	33,860	13,384	5,088	52,332	(130)	(13)	1,372	1,229
At 31 December 2025	24,577,081	1,762,697	654,257	26,994,035	93,679	76,873	205,443	375,995

10. Loans and Advances to Customers continued

Total loans <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	19,582,557	1,294,317	399,875	21,276,749	87,734	82,019	148,464	318,217
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(2,443,317)	2,508,188	(64,871)	-	(59,627)	77,007	(17,380)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(38,921)	(468,396)	507,317	-	(9,380)	(68,458)	77,838	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	1,609,204	(1,607,413)	(1,791)	-	97,781	(96,437)	(1,344)	-
New originated or purchased	12,678,621	-	-	12,678,621	174,483	-	-	174,483
Derecognised or fully repaid during the period	(6,772,106)	(179,478)	(91,771)	(7,043,355)	(70,953)	(13,963)	(29,343)	(114,259)
Net repayments	(2,291,843)	(140,961)	(67,421)	(2,500,225)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments*	-	-	-	-	(121,171)	88,285	138,978	106,092
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	(154,175)	(154,175)	-	-	(154,175)	(154,175)
Changes in accrued interest	12,068	1,457	8,406	21,931	-	-	-	-
Modification	1,816	241	(69)	1,988	5	2	43	50
Foreign exchange movements	223,423	10,486	4,146	238,055	540	278	1,019	1,837
At 31 December 2024	22,561,502	1,418,441	539,646	24,519,589	99,412	68,733	164,100	332,245

* Movements with impact on credit loss allowance charge for the period differs from statement of profit or loss with amount of recoveries and unwinding of discount of GEL 49,483 thousand in 2025 (2024: GEL 56,806 thousand). The amount of recoveries include recoveries from sale of written off portfolio in the amount of GEL 13,290 thousand sold in 2025 (2024: GEL 7,047 thousand).

10. Loans and Advances to Customers continued

Corporate loans <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2025	9,054,002	638,105	156,599	9,848,706	15,524	1,528	36,862	53,914
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(608,560)	613,211	(4,651)	-	(1,146)	1,146	-	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(18,719)	(92,848)	111,567	-	(806)	(41)	847	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	102,446	(101,488)	(958)	-	1,249	(486)	(763)	-
New originated or purchased	6,274,689	-	-	6,274,689	40,451	-	-	40,451
Derecognised or fully repaid during the period	(4,377,089)	(36,115)	(11,203)	(4,424,407)	(49,783)	(39)	(1,854)	(51,676)
Net repayments	(631,123)	(45,259)	(11,186)	(687,568)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	9,265	(80)	23,496	32,681
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	181,504	35	391	181,930	825	14	201	1,040
Write-offs	-	-	(3,310)	(3,310)	-	-	(3,310)	(3,310)
Changes in accrued interest	16,958	1,482	6,560	25,000	-	-	-	-
Modification	289	(61)	(24)	204	-	-	(11)	(11)
Foreign exchange movements	(10,635)	10,657	3,844	3,866	3	7	922	932
At 31 December 2025	9,983,762	987,719	247,629	11,219,110	15,582	2,049	56,390	74,021

10. Loans and Advances to Customers continued

Corporate loans <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	7,739,101	410,366	114,138	8,263,605	18,454	2,445	32,606	53,505
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(384,704)	411,661	(26,957)	-	(1,759)	3,960	(2,201)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(19,209)	(85,929)	105,138	-	(5,533)	(1,645)	7,178	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	54,757	(54,757)	-	-	211	(209)	(2)	-
New originated or purchased	5,206,364	-	-	5,206,364	34,834	-	-	34,834
Derecognised or fully repaid during the period	(3,969,700)	(37,114)	(14,537)	(4,021,351)	(44,166)	(100)	(2,030)	(46,296)
Net repayments	130,101	(12,213)	(7,269)	110,619	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	12,257	(2,968)	18,012	27,301
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	161,798	3,972	(3,170)	162,600	981	14	-	995
Write-offs	-	-	(16,827)	(16,827)	-	-	(16,827)	(16,827)
Changes in accrued interest	(3,106)	(3,193)	5,565	(734)	-	-	-	-
Modification	947	354	9	1,310	3	-	4	7
Foreign exchange movements	137,653	4,958	509	143,120	242	31	122	395
At 31 December 2024	9,054,002	638,105	156,599	9,848,706	15,524	1,528	36,862	53,914

10. Loans and Advances to Customers continued

MSME <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2025	5,423,532	256,764	268,124	5,948,420	28,936	23,893	60,422	113,251
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(728,790)	736,658	(7,868)	-	(12,951)	16,281	(3,330)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(17,575)	(167,725)	185,300	-	(1,893)	(19,736)	21,629	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	367,006	(366,991)	(15)	-	24,971	(24,960)	(11)	-
New originated or purchased	2,543,811	-	-	2,543,811	42,355	-	-	42,355
Derecognised or fully repaid during the period	(946,216)	(77,393)	(70,797)	(1,094,406)	(7,913)	(5,483)	(13,821)	(27,217)
Net repayments	(1,136,502)	(59,433)	(59,020)	(1,254,955)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	(48,356)	30,035	43,679	25,358
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	(143,920)	89	(379)	(144,210)	(735)	(11)	(201)	(947)
Write-offs	-	-	(40,123)	(40,123)	-	-	(40,123)	(40,123)
Changes in accrued interest	8,085	1,308	(1,946)	7,447	-	-	-	-
Modification	165	23	188	376	2	9	78	89
Foreign exchange movements	23,567	773	187	24,527	43	5	(41)	7
At 31 December 2025	5,393,163	324,073	273,651	5,990,887	24,459	20,033	68,281	112,773

10. Loans and Advances to Customers continued

MSME <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	4,982,978	325,283	178,527	5,486,788	24,158	32,785	51,797	108,740
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(695,446)	714,111	(18,665)	-	(16,250)	22,040	(5,790)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(5,548)	(234,570)	240,118	-	(1,087)	(30,809)	31,896	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	435,001	(434,154)	(847)	-	28,604	(27,425)	(1,179)	-
New originated or purchased	2,910,982	-	-	2,910,982	65,295	-	-	65,295
Derecognised or fully repaid during the period	(1,108,843)	(51,950)	(48,626)	(1,209,419)	(7,448)	(5,220)	(13,287)	(25,955)
Net repayments	(1,000,832)	(63,067)	(48,267)	(1,112,166)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	(63,725)	32,429	37,783	6,487
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	(145,839)	(4,140)	3,139	(146,840)	(878)	(36)	-	(914)
Write-offs	-	-	(41,377)	(41,377)	-	-	(41,377)	(41,377)
Changes in accrued interest	7,779	2,625	1,185	11,589	-	-	-	-
Modification	205	(105)	(110)	(10)	-	5	13	18
Foreign exchange movements	43,095	2,731	3,047	48,873	267	124	566	957
At 31 December 2024	5,423,532	256,764	268,124	5,948,420	28,936	23,893	60,422	113,251

10. Loans and Advances to Customers continued

Consumer loans <i>In thousands of GEL</i>	Gross carrying amount			Total	Credit loss allowance			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
At 1 January 2025	3,340,702	192,173	62,635	3,595,510	53,368	37,013	46,722	137,103
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(697,441)	705,776	(8,335)	-	(61,033)	66,518	(5,485)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(10,968)	(181,779)	192,747	-	(3,361)	(53,443)	56,804	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	383,337	(382,853)	(484)	-	68,566	(68,279)	(287)	-
New originated or purchased	3,735,573	-	-	3,735,573	71,641	-	-	71,641
Derecognised or fully repaid during the period	(1,620,171)	(37,566)	(25,307)	(1,683,044)	(17,109)	(6,234)	(17,146)	(40,489)
Net repayments	(1,081,506)	(36,031)	(198)	(1,117,735)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	(59,847)	74,672	117,102	131,927
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	(4,493)	215	54	(4,224)	(117)	4	9	(104)
Write-offs	-	-	(136,993)	(136,993)	-	-	(136,993)	(136,993)
Changes in accrued interest	10,541	6,657	3,505	20,703	-	-	-	-
Modification	16	(7)	11	20	(43)	(7)	7	(43)
Foreign exchange movements	1,158	(161)	176	1,173	(176)	(19)	153	(42)
At 31 December 2025	4,056,748	266,424	87,811	4,410,983	51,889	50,225	60,886	163,000

10. Loans and Advances to Customers continued

Consumer loans <i>In thousands of GEL</i>	Gross carrying amount			Total	Credit loss allowance			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
At 1 January 2024	2,541,789	192,212	62,621	2,796,622	43,249	39,243	46,223	128,715
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(566,302)	573,074	(6,772)	-	(40,009)	44,296	(4,287)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(7,147)	(113,441)	120,588	-	(1,912)	(34,815)	36,727	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	388,230	(387,991)	(239)	-	61,619	(61,489)	(130)	-
New originated or purchased	3,146,128	-	-	3,146,128	72,987	-	-	72,987
Derecognised or fully repaid during the period	(1,300,916)	(40,353)	(17,447)	(1,358,716)	(19,159)	(7,405)	(10,415)	(36,979)
Net repayments	(876,847)	(34,978)	(6,494)	(918,319)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	(63,355)	57,073	70,340	64,058
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	1,840	744	-	2,584	(75)	60	(25)	(40)
Write-offs	-	-	(91,837)	(91,837)	-	-	(91,837)	(91,837)
Changes in accrued interest	7,743	2,610	2,109	12,462	-	-	-	-
Modification	189	(36)	13	166	2	(4)	8	6
Foreign exchange movements	5,995	332	93	6,420	21	54	118	193
At 31 December 2024	3,340,702	192,173	62,635	3,595,510	53,368	37,013	46,722	137,103

10. Loans and Advances to Customers continued

Mortgage loans <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2025	4,743,266	331,399	52,288	5,126,953	1,584	6,299	20,094	27,977
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(531,920)	545,672	(13,752)	-	(1,312)	6,518	(5,206)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(6,638)	(27,415)	34,053	-	(799)	(1,280)	2,079	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	585,304	(584,585)	(719)	-	6,070	(6,070)	-	-
New originated or purchased	1,382,474	-	-	1,382,474	1,223	-	-	1,223
Derecognised or fully repaid during the period	(396,181)	(56,528)	(16,486)	(469,195)	(195)	(1,314)	(4,833)	(6,342)
Net repayments	(619,465)	(25,322)	(6,373)	(651,160)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	(4,849)	428	11,399	6,978
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	(33,091)	(339)	(66)	(33,496)	27	(7)	(9)	11
Write-offs	-	-	(3,980)	(3,980)	-	-	(3,980)	(3,980)
Changes in accrued interest	(394)	(398)	(685)	(1,477)	-	-	-	-
Modification	283	(118)	5	170	-	(2)	4	2
Foreign exchange movements	19,770	2,115	881	22,766	-	(6)	338	332
At 31 December 2025	5,143,408	184,481	45,166	5,373,055	1,749	4,566	19,886	26,201

10. Loans and Advances to Customers continued

Mortgage loans <i>In thousands of GEL</i>	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	4,318,689	366,456	44,589	4,729,734	1,873	7,546	17,838	27,257
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(796,865)	809,342	(12,477)	-	(1,609)	6,711	(5,102)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(7,017)	(34,456)	41,473	-	(848)	(1,189)	2,037	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	731,216	(730,511)	(705)	-	7,347	(7,314)	(33)	-
New originated or purchased	1,415,147	-	-	1,415,147	1,367	-	-	1,367
Derecognised or fully repaid during the period	(392,647)	(50,061)	(11,161)	(453,869)	(180)	(1,238)	(3,611)	(5,029)
Net repayments	(544,265)	(30,703)	(5,391)	(580,359)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	(6,348)	1,751	12,843	8,246
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Re-segmentation	(17,799)	(576)	31	(18,344)	(28)	(38)	25	(41)
Write-offs	-	-	(4,134)	(4,134)	-	-	(4,134)	(4,134)
Changes in accrued interest	(348)	(585)	(453)	(1,386)	-	-	-	-
Modification	475	28	19	522	-	1	18	19
Foreign exchange movements	36,680	2,465	497	39,642	10	69	213	292
At 31 December 2024	4,743,266	331,399	52,288	5,126,953	1,584	6,299	20,094	27,977

No post model overlays have been processed as of 31 December 2025 (2024: nil).

10. Loans and Advances to Customers continued

The credit quality of loans to customers carried at amortised cost at 31 December 2025 is as follows:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3	Total
Corporate loans risk category				
- Very low	9,780,012	604	-	9,780,616
- Low	203,689	962,721	-	1,166,410
- Moderate	61	24,394	-	24,455
- Default	-	-	247,629	247,629
Gross carrying amount	9,983,762	987,719	247,629	11,219,110
Credit loss allowance	(15,582)	(2,049)	(56,390)	(74,021)
Carrying amount	9,968,180	985,670	191,239	11,145,089
Loans to MSME risk category				
- Very low	4,369,277	6,374	-	4,375,651
- Low	984,161	59,412	-	1,043,573
- Moderate	38,584	223,981	-	262,565
- High	1,141	34,306	-	35,447
- Default	-	-	273,651	273,651
Gross carrying amount	5,393,163	324,073	273,651	5,990,887
Credit loss allowance	(24,459)	(20,033)	(68,281)	(112,773)
Carrying amount	5,368,704	304,040	205,370	5,878,114
Consumer loans risk category				
- Very low	2,020,069	5,141	-	2,025,210
- Low	1,688,251	32,953	-	1,721,204
- Moderate	348,428	171,483	-	519,911
- High	-	56,847	-	56,847
- Default	-	-	87,811	87,811
Gross carrying amount	4,056,748	266,424	87,811	4,410,983
Credit loss allowance	(51,889)	(50,225)	(60,886)	(163,000)
Carrying amount	4,004,859	216,199	26,925	4,247,983
Mortgage loans risk category				
- Very low	3,828,763	9,918	-	3,838,681
- Low	1,191,356	16,782	-	1,208,138
- Moderate	123,289	136,161	-	259,450
- High	-	21,620	-	21,620
- Default	-	-	45,166	45,166
Gross carrying amount	5,143,408	184,481	45,166	5,373,055
Credit loss allowance	(1,749)	(4,566)	(19,886)	(26,201)
Carrying amount	5,141,659	179,915	25,280	5,346,854

10. Loans and Advances to Customers continued

The credit quality of loans to customers carried at amortised cost at 31 December 2024 is as follows:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3	Total
Corporate loans risk category				
- Very low	8,870,847	-	-	8,870,847
- Low	182,630	469,886	-	652,516
- Moderate	525	168,219	-	168,744
- Default	-	-	156,599	156,599
Gross carrying amount	9,054,002	638,105	156,599	9,848,706
Credit loss allowance	(15,524)	(1,528)	(36,862)	(53,914)
Carrying amount	9,038,478	636,577	119,737	9,794,792
Loans to MSME risk category				
- Very low	4,371,686	10,659	-	4,382,345
- Low	997,903	78,450	-	1,076,353
- Moderate	52,714	129,810	-	182,524
- High	1,229	37,845	-	39,074
- Default	-	-	268,124	268,124
Gross carrying amount	5,423,532	256,764	268,124	5,948,420
Credit loss allowance	(28,936)	(23,893)	(60,422)	(113,251)
Carrying amount	5,394,596	232,871	207,702	5,835,169
Consumer loans risk category				
- Very low	1,708,666	4,135	-	1,712,801
- Low	1,320,107	21,076	-	1,341,183
- Moderate	311,929	128,030	-	439,959
- High	-	38,932	-	38,932
- Default	-	-	62,635	62,635
Gross carrying amount	3,340,702	192,173	62,635	3,595,510
Credit loss allowance	(53,368)	(37,013)	(46,722)	(137,103)
Carrying amount	3,287,334	155,160	15,913	3,458,407
Mortgage loans risk category				
- Very low	3,567,829	10,691	-	3,578,520
- Low	1,117,222	107,742	-	1,224,964
- Moderate	58,215	190,032	-	248,247
- High	-	22,934	-	22,934
- Default	-	-	52,288	52,288
Gross carrying amount	4,743,266	331,399	52,288	5,126,953
Credit loss allowance	(1,584)	(6,299)	(20,094)	(27,977)
Carrying amount	4,741,682	325,100	32,194	5,098,976

Please refer to note 36 for the definitions of the credit quality grades.

10. Loans and Advances to Customers continued

The contractual amounts outstanding on loans to customers that have been written off during the period partially or fully but are still subject to enforcement activity was principal amount GEL 67,111 thousand (31 December 2024: GEL 58,220 thousand) and accrued interest GEL 7,824 thousand (31 December 2024: GEL 7,784 thousand).

Economic sector risk concentrations within the customer loan portfolio are as follows:

<i>In thousands of GEL</i>	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Individuals	9,935,265	37%	9,138,702	37%
Real estate	3,404,763	13%	2,816,094	11%
Construction	1,714,990	6%	1,578,826	6%
Trade	1,667,971	6%	1,686,918	7%
Food industry	1,434,190	5%	1,353,283	6%
Hospitality, restaurants & leisure	1,227,208	5%	1,323,642	5%
Agriculture	1,056,809	4%	1,044,920	4%
Energy & utilities	933,201	3%	895,637	4%
Financial services	927,233	3%	456,224	2%
Services	786,594	3%	590,700	2%
Healthcare	514,707	2%	580,472	2%
Transportation	433,423	2%	380,751	2%
Automotive	351,097	1%	217,673	1%
Pawn shops	320,833	1%	245,453	1%
Metals and mining	183,017	1%	191,429	1%
Communication	26,562	<1%	34,004	<1%
Other	2,076,172	8%	1,984,861	8%
Total gross loans and advances to customers	26,994,035	100%	24,519,589	100%

As of 31 December 2025, the Group had 12 borrowers (2024: 9 borrowers) with aggregated gross loan amounts above GEL 100,000 thousand. The total aggregated amount of these loans was GEL 1,719,948 thousand (2024: GEL 1,472,144 thousand) or 6.4% of the gross loan portfolio (2024: 5.6%).

The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. There are three key types of collateral:

- Real estate.
- Movable property including fixed assets, inventory and precious metals.
- Financial assets including deposits, shares, and third-party guarantees.

The financial effect of collateral is presented by disclosing the collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed the assets' carrying value ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the assets' carrying value ("under-collateralised assets").

10. Loans and Advances to Customers continued

The effect of collateral as at 31 December 2025:

<i>In thousands of GEL</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Corporate loans	6,574,952	21,770,338	4,644,158	1,409,481
Consumer loans	1,517,878	3,799,758	2,893,105	35,388
Mortgage loans	5,109,364	11,107,103	263,691	128,615
Loans to micro, small and medium enterprises	4,750,762	11,556,376	1,240,125	425,696
Total	17,952,956	48,233,575	9,041,079	1,999,180

The effect of collateral as at 31 December 2024:

<i>In thousands of GEL</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Corporate loans	5,809,411	18,351,209	4,039,295	1,276,205
Consumer loans	1,372,297	3,533,669	2,223,213	28,355
Mortgage loans	4,887,712	10,672,774	239,241	98,636
Loans to micro, small and medium enterprises	4,767,331	11,395,454	1,181,089	398,545
Total	16,836,751	43,953,106	7,682,838	1,801,741

As at 31 December 2025 loans and advances to customers which were 1. over-collateralised and 2. credit loss allowance was nil, amounted to GEL 2,150,726 thousand (2024: GEL 2,228,380 thousand).

10. Loans and Advances to Customers continued

The effect of collateral by types as at 31 December 2025:

<i>In thousands of GEL</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Cash cover	469,977	494,098	128,236	110,911
Gold	297,813	402,683	19,855	19,648
Inventory	616,029	8,331,320	316,591	159,895
Real estate	16,569,137	39,005,474	2,967,218	1,708,726
Unsecured and secured solely by third party guarantees	-	-	5,609,179	-
Total	17,952,956	48,233,575	9,041,079	1,999,180

The effect of collateral by types as at 31 December 2024:

<i>In thousands of GEL</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Cash cover	495,484	533,785	66,434	58,543
Gold	230,831	310,572	10,487	10,339
Inventory	860,198	6,280,516	326,944	161,456
Real estate	15,248,883	36,824,105	2,490,223	1,571,304
Other	1,355	4,128	47	99
Unsecured and secured solely by third party guarantees	-	-	4,788,703	-
Total	16,836,751	43,953,106	7,682,838	1,801,741

The financial effect of collateral is determined by comparing the fair value of collateral to outstanding gross loans and advances on the reporting date.

10. Loans and Advances to Customers continued

Stage 3 loans presented by segments and collateral classes as at 31 December 2025 are the following:

<i>In thousands of GEL</i>	Loans				Total fair value of collaterals
	Corporate	MSME	Consumer	Mortgage	
Cash cover	61	1,591	27	-	151
Gold	-	-	1,375	-	1,729
Inventory	7,894	6,475	-	-	68,301
Real estate	227,677	249,934	17,899	43,892	872,382
Unsecured and secured solely by third party guarantees	11,997	15,651	68,510	1,274	-
Total	247,629	273,651	87,811	45,166	942,563

Stage 3 loans presented by segments and collateral classes as at 31 December 2024 are the following:

<i>In thousands of GEL</i>	Loans				Total fair value of collaterals
	Corporate	MSME	Consumer	Mortgage	
Cash cover	727	1,485	1	-	1,072
Gold	-	37	1,096	-	1,303
Inventory and other	5,577	4,892	55	-	69,131
Real estate	141,076	245,640	15,521	51,598	769,206
Unsecured and secured solely by third party guarantees	9,219	16,070	45,962	690	-
Total	156,599	268,124	62,635	52,288	840,712

The potential ECL balances, without consideration of collateral for Stage 3 loans that are individually assessed, amounted GEL 45,293 thousand (31 December 2024: GEL 31,640 thousand). The ECL amounts after taking collateral into account, as well as the gross carrying amounts of the related loans, totalled GEL 18,684 thousand and GEL 87,263 thousand respectively (31 December 2024: GEL 11,396 thousand and GEL 49,452 thousand).

10. Loans and Advances to Customers continued

The gross carrying amount of Stage 2 loans that have been modified since initial recognition at a time when the loss allowance was measured at an amount equal to lifetime expected credit losses and for which the loss allowance has changed during the reporting period to an amount equal to 12-month expected credit losses loans are the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Stage 1	43,992	265,864
Stage 2	111	49,586
Stage 3	-	1,417
Total	44,103	316,867

At the central level a specific unit manages collateral to ensure that they serve as an adequate mitigation for credit risk management purposes. In line with the Group's internal policies, collateral provided to loans are evaluated by the Internal Appraisal Group (external reviewers are used in case of loans to related parties or specific cases when complex objects are appraised). The Internal Appraisal Group is part of the collateral management unit and, in order to ensure adequate and objective appraisal procedures, it is independent from the loan granting process. Real estate collateral of significant value is re-evaluated annually by internal appraisers. Statistical methods are used to monitor the value of real estate collateral that are of non-significant value and other types of collateral such as movable assets and precious metals.

In some instances, where the discounted recovery from the liquidation of collateral (adjusted for the liquidity haircut and discounted for the period of expected workout time) is larger than the estimated exposure at default, no credit loss allowance is recognised. Collateral values include the contractual price of third-party guarantees, which, due to their nature, are capped at the loan's carrying value. The values of third-party guarantees in the tables above amounted to GEL 73,728 thousand and GEL 79,080 thousand as of 31 December 2025 and 2024, respectively.

Refer to Note 41 for the estimated fair value of each class of loans and advances to customers. Interest rate analysis of loans and advances to customers is disclosed in Note 36. Information on related party balances is disclosed in Note 43.

For the year ended 31 December 2025 amortised cost of loans with lifetime ECL immediately before contractual modification that was not a derecognition event was GEL 415,355 thousand (31 December 2024: GEL 1,358,144 thousand). During 2025, gains less losses recognised in profit or loss on modifications of loans with lifetime ECL that did not lead to derecognition was GEL 5 thousand (2024: nil).

For the year ended 31 December 2025 gross carrying amount of loans that were contractually modified (without derecognition) in the past when measured at lifetime ECL and which were reclassified to Stage 1 (12 months ECL) during the current year was GEL 52,235 thousand (31 December 2024: GEL 354,202 thousand).

11. Investment Securities

Investment securities comprise the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Investment securities measured at FVTOCI	5,735,499	5,364,624
Investment securities measured at FVTPL	23,859	-
Total Investment Securities	5,759,358	5,364,624

Investment securities measured at fair value through other comprehensive income comprise the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Corporate bonds		
Gross carrying amount	1,891,646	1,317,070
ECL (Stage 1)	(576)	(444)
Fair value adjustment	1,043	(992)
Corporate bonds measured at FVTOCI	1,892,113	1,315,634
Ministry of Finance of Georgia treasury bills		
Gross carrying amount	2,749,904	2,617,815
ECL (Stage 1)	(2,499)	(4,848)
Fair value adjustment	(16,873)	39,133
Ministry of Finance of Georgia treasury bills at FVTOCI	2,730,532	2,652,100
Certificates of Deposit of the NBG		
Gross carrying amount	9,890	-
ECL (Stage 1)	(2)	-
Fair value adjustment	5	-
Certificates of Deposit of the NBG at FVTOCI	9,893	-
Foreign government treasury bills		
Gross carrying amount	1,106,154	1,395,463
ECL (Stage 1)	(107)	(7)
Fair value adjustment	(4,243)	182
Foreign government treasury bills at FVTOCI	1,101,804	1,395,638
Total investment securities excluding corporate shares	5,734,342	5,363,372
Corporate shares – unquoted	1,157	1,252
Total investment securities	5,735,499	5,364,624

Notes to the consolidated and separate financial statements continued

11. Investment Securities continued

All debt securities in 2025 and 2024 except for corporate bonds and foreign government treasury bills are issued by the Government of Georgia and National Bank of Georgia. The country rating for Georgia stands at 'BB' with stable outlook (as assigned by Fitch rating agency in November 2025). 82.7% of corporate bonds are issued by AAA rated international financial institutions, 7.2% of corporate bonds are issued by BBB rating, 10.1% by BB rating. Information includes credit ratings assigned by the international rating agencies (Standard & Poor's, Fitch), for those financial institutions which are not assigned credit ratings, country ratings are used. The foreign government treasury bills include treasury bills issued by the Governments of the United States of America (76.4% of the total foreign government treasury bills in 2025 and 99.9% in 2024), Swiss Confederation (8.1% of the total foreign government treasury bills in 2025 and nil in 2024), Romania (6.9% of the total foreign government treasury bills in 2025 and nil in 2024). The country ratings for the United States of America, Swiss Confederation, Romania and Uzbekistan, stand at 'AA+', 'AAA', 'BBB-' and 'BB' respectively as assigned by Fitch rating agency in 2025.

The Group designated investments in corporate shares disclosed in the above table as equity securities at FVTOCI. The FVTOCI designation was made because the investments are expected to be held primarily for medium-term investment purposes instead of short-term profit making from subsequent sales.

As at 31 December 2025 investment securities measured at fair value through other comprehensive income carried at GEL 1,218,669 thousand have been pledged for the borrowings from the National Bank of Georgia (2024: GEL 2,538,803 thousand).

The pledged instruments are the treasury bills issued by the government of Georgia (GEL 1,218,669 thousand in 2025 and GEL 1,972,203 thousand in 2024) and corporate bonds (nil in 2025 and GEL 566,600 thousand in 2024).

The movements in investment securities measured at fair value through other comprehensive income are as follows:

<i>In thousands of GEL</i>	2025	2024
Carrying amount as of 1 January	5,364,624	3,475,461
Purchases	5,071,473	7,349,079
Disposals	(2,256,912)	(715,242)
Redemption at maturity	(2,447,869)	(4,699,257)
Revaluation	(56,928)	25,459
Interest income accrued	417,663	329,008
Interest income received	(394,147)	(289,436)
Effect of translation to presentation currency	(2,932)	30,764
Transfer from/(to) repurchase receivables	38,410	(140,058)
Changes in credit loss allowance	2,117	(1,154)
Carrying amount as of 31 December	5,735,499	5,364,624

12. Other Financial Assets

Other financial assets of the Group comprise the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Receivables from plastic card service providers	87,825	72,999
Receivables on credit card services and money transfers	85,348	67,519
Derivative financial assets	79,372	166,144
Receivable on terminated leases	77,664	56,670
Derivatives margin	31,506	13,501
Receivables on guarantees and letters of credit	23,261	23,990
Advances paid to promotional service provider	17,677	20,091
Receivable from insurance service provides	6,352	7,101
Trade receivables	3,872	3,570
Government subsidy related receivables	3,271	4,283
Receivables from leasing suppliers	1,302	1,309
Other	34,592	28,894
Total gross amount of other financial assets	452,042	466,071
Less: credit loss allowance	(48,498)	(40,066)
Total other financial assets	403,544	426,005

Other financial assets of the Bank comprise the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Receivables from plastic card service providers	87,825	72,999
Receivables on credit card services and money transfers	84,231	66,727
Derivative financial assets	78,836	167,578
Derivatives margin	31,506	13,501
Receivables on guarantees and letters of credit	23,261	23,990
Advances paid to promotional service provider	17,677	20,091
Receivable from insurance service provides	6,352	7,101
Government subsidy related receivables	3,271	4,283
Trade receivables	206	138
Other	68,981	62,650
Less: credit loss allowance	(9,634)	(7,423)
Total other financial assets	392,512	431,635

Derivatives margin is held as collateral for derivative financial instruments.

Refer to Note 41 for disclosure of the fair value of other financial assets.

Refer to Note 40 for derivative financial assets.

12. Other Financial Assets continued

Credit quality of other financial assets subject to ECL is analysed below:

<i>In thousands of GEL</i>	Credit loss allowance ranges			
	0-10%	10%-30%	30%-80%	80%-100%
31 December 2025				
Gross amount	287,779	27,436	22,512	34,944
Credit loss allowance	(840)	(5,141)	(9,764)	(32,754)
Net carrying amount	286,939	22,295	12,748	2,190
31 December 2024				
Gross amount	242,308	18,331	7,336	31,952
Credit loss allowance	(1,529)	(4,120)	(3,835)	(30,582)
Net carrying amount	240,779	14,211	3,501	1,370

Credit quality of other financial assets subject to ECL for the Bank is analysed below:

<i>In thousands of GEL</i>	Credit loss allowance ranges			
	0-10%	10%-30%	30%-80%	80%-100%
31 December 2025				
Gross amount	306,780	1,743	11,044	3,743
Credit loss allowance	(746)	(485)	(4,832)	(3,571)
Net carrying amount	306,034	1,258	6,212	172
31 December 2024				
Gross amount	256,247	10,001	2,380	2,853
Credit loss allowance	(1,227)	(2,375)	(1,248)	(2,574)
Net carrying amount	255,020	7,626	1,132	279

13. Repurchase Receivables

Repurchase receivables represent securities sold under sale and repurchase agreements which the counterparty has the right, by contract or custom, to sell or repledge.

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Investment securities measured at FVTOCI sold under sale and repurchase agreements	101,648	140,058
Total repurchase receivables	101,648	140,058

As at 31 December 2025 credit loss allowance for Investment securities measured at FVTOCI sold under sale and repurchase agreements was GEL 96 thousand (2024: nil). Meanwhile credit risk category of total portfolio is classified as very low.

All securities sold under sale and repurchase agreements as of 31 December 2025 and 2024 are issued by the Government of Georgia.

In 2024 the Group entered a non-deliverable cross-currency basis asset swap, effective 27 December 2024. The Group transferred title of GEL 143.5 million securities in exchange for USD 49.45 million in US Treasury bonds. The transaction was governed by the ISDA Master Agreement. The arrangement matured on 27 June 2025.

14. Finance Lease Receivables

As at 31 December 2025 finance lease receivables comprised of GEL 597,235 thousand (2024: GEL 432,661 thousand).

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. The main types of collateral obtained are:

- Leased assets.
- Real estate properties.

The financial effect of collateral is presented by disclosing the collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed the assets' carrying value ("over-collateralized assets") and (ii) those assets where collateral and other credit enhancements are less than the assets' carrying value ("undercollateralized assets").

Finance lease payments receivable and their present values as of 31 December 2025 are as follows:

<i>In thousands of GEL</i>	Due in 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due in 5 years or more	Total
	Lease payments receivable	296,115	205,403	102,419	70,139	47,541	
Unearned finance income	(88,091)	(47,734)	(29,534)	(19,388)	(12,519)	(23,827)	(221,093)
Credit loss allowance	(3,755)	(2,711)	(1,310)	(869)	(600)	(1,431)	(10,676)
Present value of lease payments receivable	204,269	154,958	71,575	49,882	34,422	82,129	597,235

Finance lease payments receivable and their present values as of 31 December 2024 are as follows:

<i>In thousands of GEL</i>	Due in 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due in 5 years or more	Total
	Lease payments receivable	210,102	126,546	83,832	58,387	39,223	
Unearned finance income	(48,595)	(40,394)	(24,157)	(16,293)	(10,579)	(22,222)	(162,240)
Credit loss allowance	(4,629)	(2,488)	(1,340)	(962)	(601)	(1,385)	(11,405)
Present value of lease payments receivable	156,878	83,664	58,335	41,132	28,043	64,609	432,661

For fair values refer to Note 41.

Notes to the consolidated and separate financial statements *continued*

14. Finance Lease Receivables *continued*

The following table discloses the changes in the credit loss allowance and gross carrying amount for finance lease receivables between the beginning and the end of the reporting period:

In thousands of GEL	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2025	358,383	65,065	20,618	444,066	4,766	4,241	2,398	11,405
Transfers								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(205,215)	216,634	(11,419)	-	(10,147)	10,577	(430)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(743)	(84,837)	85,580	-	(66)	(8,416)	8,482	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	122,923	(119,005)	(3,918)	-	1,575	(1,575)	-	-
New originated or purchased	432,410	-	-	432,410	2,934	-	-	2,934
Derecognised or fully repaid during the period	(104,764)	(3,923)	(9,348)	(118,035)	(1,279)	(676)	(739)	(2,694)
Net repayments	(88,942)	(14,763)	(10,467)	(114,172)	-	-	-	-
Foreign exchange movements	4,499	1,539	97	6,135	19	41	(13)	47
Other movements	-	-	(42,493)	(42,493)	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	5,651	(2,278)	(4,389)	(1,016)
At 31 December 2025	518,551	60,710	28,650	607,911	3,453	1,914	5,309	10,676

14. Finance Lease Receivables *continued*

In thousands of GEL	Gross carrying amount				Credit loss allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	299,243	58,605	21,651	379,499	2,828	3,033	2,843	8,704
Transfers								
- to lifetime (from Stage 1 and Stage 3 to Stage 2)	(51,214)	53,935	(2,721)	-	(522)	1,106	(584)	-
- to defaulted (from Stage 1 and Stage 2 to Stage 3)	(2,483)	(12,216)	14,699	-	(237)	(411)	648	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	7,524	(7,362)	(162)	-	763	(705)	(58)	-
New originated or purchased	223,725	-	-	223,725	4,274	-	-	4,274
Derecognised or fully repaid during the period	(80,949)	(25,631)	(12,450)	(119,030)	(732)	(1,615)	(1,762)	(4,109)
Net repayments	(38,913)	(2,594)	(4,342)	(45,849)	-	-	-	-
Foreign exchange movements	1,482	297	351	2,130	(19)	9	(23)	(33)
Other movements	(32)	31	3,592	3,591	-	-	-	-
Net re-measurement due to stage transfers, changes in risk parameters and repayments	-	-	-	-	(1,589)	2,824	1,334	2,569
At 31 December 2024	358,383	65,065	20,618	444,066	4,766	4,241	2,398	11,405

Management report

Governance

Financial statements

Additional information

Notes to the consolidated and separate financial statements continued

14. Finance Lease Receivables continued

As at 31 December 2025, credit quality of finance lease receivables is analysed below:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3	Total
Finance lease receivables risk category				
- Very low	476,445	-	-	476,445
- Low	42,057	16,713	-	58,770
- Moderate	49	26,897	-	26,946
- High	-	17,100	-	17,100
- Default	-	-	28,650	28,650
Gross carrying amount	518,551	60,710	28,650	607,911
Credit loss allowance	(3,453)	(1,914)	(5,309)	(10,676)
Carrying amount	515,098	58,796	23,341	597,235

As at 31 December 2024, credit quality of finance lease receivables is analysed below:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3	Total
Finance lease receivables risk category				
- Very low	336,451	-	-	336,451
- Low	21,932	10,440	-	32,372
- Moderate	-	48,220	-	48,220
- High	-	6,405	-	6,405
- Default	-	-	20,618	20,618
Gross carrying amount	358,383	65,065	20,618	444,066
Credit loss allowance	(4,766)	(4,241)	(2,398)	(11,405)
Carrying amount	353,617	60,824	18,220	432,661

Please refer to note 36 for the definitions of the credit quality grades.

14. Finance Lease Receivables continued

The effect of collateral as at 31 December 2025:

<i>In thousands of GEL</i>	Over-collateralised Assets		Under-collateralised Assets	
	Gross carrying value of the assets	Fair value of collateral	Gross carrying value of the assets	Fair value of collateral
Finance lease receivables	458,760	748,439	149,151	105,571
Total	458,760	748,439	149,151	105,571

The effect of collateral as at 31 December 2024:

<i>In thousands of GEL</i>	Over-collateralised Assets		Under-collateralised Assets	
	Gross carrying value of the assets	Fair value of collateral	Gross carrying value of the assets	Fair value of collateral
Finance lease receivables	334,337	535,210	109,729	78,257
Total	334,337	535,210	109,729	78,257

The following table presents the potential ECL balances for Stage 3 finance lease receivables without consideration of collateral:

<i>In thousands of GEL</i>	31 December 2025		31 December 2024	
	Gross carrying amount	Credit loss allowance without collaterals	Gross carrying amount	Credit loss allowance without collaterals
Stage 3	28,650	(5,631)	20,618	(2,914)
Total	28,650	(5,631)	20,618	(2,914)

15. Other Assets

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Current other assets		
Repossessed collateral	422,062	318,033
Prepayments for purchase of leasing assets	91,351	118,641
Prepayments for other assets	42,198	41,532
Assets repossessed from terminated leases	9,543	-
Prepaid taxes other than income tax	67	2,372
Other inventories	20,494	6,748
Total current other assets	585,715	487,326
Non-current other assets		
Prepayments for construction in progress	53,853	30,370
Assets purchased for leasing purposes	6,635	7,428
Investments in associates	4,866	4,666
Assets repossessed from terminated leases	-	4,483
Prepaid insurance of leasing assets	4,689	4,050
Other	12,340	2,966
Total non-current other assets	82,383	53,963
Total other assets	668,098	541,289

Repossessed collateral represents tangible assets acquired by the Group in settlement of overdue loans which is expected to be disposed in the foreseeable future. The assets do not meet the definition of non-current assets held for sale and are classified as inventories in accordance with IAS 2 "Inventories". The assets were initially recognised at the lower of cost and net realisable value when acquired. In 2025, collaterals repossessed for settlement of impaired loans amounted to GEL 214,254 thousand (2024: GEL 127,281 thousand).

For certain repossessed collateral, the Group has granted previous owners a right to repurchase the repossessed collateral at prices equal to or higher than the carrying value of the loan at the date of repossession. This right is usually effective for a period of 6 to 24 months from the repossession date, during this time the repossessed collateral may not be disposed to third parties. In some cases, prolongation of repurchase right is offered to the owners of the property. As at 31 December 2025, the carrying value of the repossessed collaterals subjected to the repurchase agreement was GEL 200,540 thousand (2024: GEL 138,269 thousand).

Other assets of the Bank are as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Current other assets		
Repossessed collateral	422,062	317,548
Prepayments for other assets	39,586	39,478
Other inventories	17,225	12,440
Total current other assets	478,873	369,466
Non-current other assets		
Prepayments for construction in progress	53,853	30,320
Other	11,770	618
Total non-current other assets	65,623	30,938
Total other assets	544,496	400,404

16. Premises, Equipment and Intangible Assets

<i>In thousands of GEL</i>	Land, premises and leasehold improvements	Office and other equipment*	Construction in progress**	Total premises and equipment	Intangible assets***
At cost					
1 January 2024	201,229	360,226	174,698	736,153	567,265
Additions	6,483	64,519	35,263	106,265	103,281
Transfers within premises and equipment	(111)	2	109	-	-
Transfers to investment property	(7,311)	-	-	(7,311)	-
Disposals	(16,943)	(6,587)	(26)	(23,556)	(17)
Impairment reversal/(charge)	-	(125)	-	(125)	(63)
Effect of translation to presentation currency	(2)	21	-	19	26
31 December 2024	183,345	418,056	210,044	811,445	670,492
Additions	2,646	55,780	80,711	139,137	139,546
Transfers within premises and equipment	-	-	-	-	-
Transfers to investment property	(899)	-	-	(899)	-
Disposals	(1,435)	(13,300)	(160)	(14,895)	(1,197)
Impairment reversal/(charge)	-	57	-	57	-
Effect of translation to presentation currency	(23)	(22)	-	(45)	(10)
31 December 2025	183,634	460,571	290,595	934,800	808,831
Accumulated depreciation / amortisation					
1 January 2024	(45,222)	(199,607)	-	(244,829)	(214,543)
Depreciation / amortisation charge	(2,538)	(28,278)	-	(30,816)	(61,091)
Disposals effect on depreciation due to transfer to investment property	1,562	-	-	1,562	-
Disposals effect on depreciation	16,104	6,308	-	22,412	1,727
Effect of translation to presentation currency	(34)	20	-	(14)	(16)
31 December 2024	(30,128)	(221,557)	-	(251,685)	(273,923)
Depreciation / amortisation charge	(2,548)	(31,122)	-	(33,670)	(65,225)
Disposals effect on depreciation due to transfer to investment property	123	-	-	123	-
Disposals effect on depreciation	801	12,121	-	12,922	802
Effect of translation to presentation currency	22	22	-	44	11
31 December 2025	(31,730)	(240,536)	-	(272,266)	(338,335)
Carrying amount					
31 December 2024	153,217	196,499	210,044	559,760	396,569
31 December 2025	151,904	220,035	290,595	662,534	470,496

*Office and other equipment include furniture and fixtures, computer and office equipment, motor vehicles as well as other equipment.

**Construction in progress consists of construction and refurbishment of branch premises and the Bank's new headquarters, that will be transferred to premises upon completion.

***Included within intangible assets is internally generated software. As of 31 December 2025, gross carrying amount of internally generated intangible assets was GEL 222,452 thousand (31 December 2024: GEL 164,660 thousand), with depreciation amount of GEL 56,889 thousand (31 December 2024: GEL 42,070 thousand) and net carrying value of GEL 165,563 thousand (31 December 2024: GEL 122,590 thousand). Additions amounted to GEL 41,132 thousand in 2025 and GEL 29,589 thousand in 2024.

As of 31 December 2025, GEL 637,374 thousand of premises and equipment and GEL 413,813 thousand of intangible assets were attributable to the Bank (2024: GEL 534,054 thousand and GEL 352,883 thousand). Construction in progress consists of construction and refurbishment of branch premises and the Bank's new headquarters, that will be transferred to premises upon completion.

At 31 December 2025, the gross carrying value of premises and equipment, which has been fully depreciated and still in use, was approximately GEL 170,251 thousand (2024: GEL 155,779 thousand).

17. Right of Use Assets

The Group leases offices, branches and service centres. Rental contracts are typically made for fixed periods of 1 to 14 years.

Leases are recognised as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for use by the Group.

The movements in right of use of assets are as follows:

<i>In thousands of GEL</i>	2025	2024
Carrying amount at 1 January	102,660	111,991
Additions of new contracts	11,634	12,790
Decreases in value from substantial changes in contractual terms	(2,338)	(753)
Disposals	(3,988)	(5,888)
Depreciation charge	(28,019)	(26,083)
Disposals effect on depreciation	13,069	10,603
Carrying amount at 31 December	93,018	102,660

The lease agreements do not impose any covenants, other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as collateral for borrowings.

Expenses relating to short-term leases amounted GEL 1,626 thousand during 2025 (2024: GEL 1,181 thousand) and expenses relating to leases of low-value assets amounted GEL 9,243 thousand during 2025 (2024: GEL 8,531 thousand). These expenses are included in administrative and other operating expenses.

18. Goodwill

As at 31 December 2025 the carrying amount of Goodwill represented GEL 28,197 thousand (2024: GEL 28,197 thousand).

Goodwill Impairment Test. Goodwill is allocated to cash-generating units (CGUs, which represent the lowest level within the Group at which the goodwill is monitored by Management and which are not larger than a segment) as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Bank Republic JSC	24,166	24,166
<i>Bank Republic Retail</i>	11,088	11,088
<i>Bank Republic Corporate</i>	7,491	7,491
<i>Bank Republic MSME</i>	4,791	4,791
<i>Bank Republic Other</i>	796	796
Other	4,031	4,031
Total carrying amount of goodwill	28,197	28,197

18. Goodwill continued

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below, which is relevant for the market, where CGU is operating.

Key assumptions used for value-in-use calculations are following:

	31 December 2025	31 December 2024
Bank Republic JSC*		
Growth rate applied to free cash flow to equity beyond three years	5.0% p.a.	5.0% p.a.
Pre-tax discount rate	17.7% p.a.	14.2% p.a.

*Assumptions related to Bank Republic JSC are similar for all related CGU's.

Pre-tax discount rate used for value-in-use calculations is the assumption to which the recoverable amount is most sensitive. The management determined the budgeted gross margin based on past performance and its market expectations. The weighted average long term growth rates used are consistent with the forecasts included in the industry reports. The discount rates reflect specific risks related to the relevant CGUs.

If pre-tax discount rate applied to the discounted cash flows of CGUs have been 10% higher than the management's estimates or growth rate beyond three years of free cash flow to equity had been 10% lower, the Group would not need to reduce the carrying value of goodwill or carrying value of net assets of the CGU. The following table shows the summary analysis of CGUs' recoverable amounts and discount rates:

	31 December 2025		31 December 2024	
	Difference between recoverable Amount and carrying amount	Discount rate at which carrying amount equals value in use	Difference between recoverable Amount and carrying amount	Discount rate at which carrying amount equals value in use
Bank Republic Retail	2,181,350	33.09% p.a.	4,785,755	39.4% p.a.
Bank Republic Corporate	3,098,816	32.48% p.a.	4,966,633	32.99% p.a.
Bank Republic MSME	1,239,961	31.21% p.a.	2,044,636	29.66% p.a.

19. Due to Credit Institutions

Due to credit institutions of the Group are as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Due to other banks		
Correspondent accounts and overnight placements	228,935	366,412
Deposits from banks	666,647	610,036
Sale and repurchase agreements with other banks	100,013	-
Total due to other banks	995,595	976,448
Other borrowed funds		
Borrowings from foreign banks and international financial institutions	3,361,722	2,954,861
Borrowings from other local banks and financial institutions	64,235	81,404
Borrowings from National Bank of Georgia	2,470,000	3,303,919
Total other borrowed funds	5,895,957	6,340,184
Total amounts due to credit institutions	6,891,552	7,316,632

Refer to Note 36 for the disclosure of the maturity analysis of due to credit institutions.

Refer to Note 13 for Investment securities measured at FVOCI sold under sale and repurchase agreements.

Due to credit institutions of the Bank are as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Due to other banks		
Correspondent accounts and overnight placements	228,935	366,412
Deposits from banks	666,647	610,036
Sale and repurchase agreements with other banks	100,013	-
Total due to other banks	995,595	976,448
Other borrowed funds		
Borrowings from foreign banks and international financial institutions	2,874,099	2,691,263
Borrowings from National Bank of Georgia	2,470,000	3,303,919
Total other borrowed funds	5,344,099	5,995,182
Total amounts due to credit institutions	6,339,694	6,971,630

20. Customer Accounts

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
State and public organisations		
Current/settlement accounts	869,520	1,085,073
Term deposits	589,032	336,037
Other legal entities		
Current/settlement accounts	6,996,619	6,103,037
Term deposits	3,349,132	3,031,608
Individuals		
Current/settlement accounts	6,210,639	5,737,140
Term deposits	6,381,765	5,648,327
Total customer accounts	24,396,707	21,941,222

State and public organisations include government owned profit orientated businesses.

Economic sector concentrations within customer accounts are as follows:

<i>In thousands of GEL</i>	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Individuals	12,589,796	52%	11,382,337	52%
Financial services	3,059,200	13%	2,549,415	12%
Trade	1,975,282	8%	1,701,311	8%
Services	1,110,054	5%	885,085	4%
Energy & utilities	1,079,632	4%	1,139,221	5%
Transportation	950,159	4%	816,464	4%
Construction	768,563	3%	838,761	4%
Government sector	725,961	3%	529,445	2%
Real estate	628,090	3%	575,421	3%
Healthcare	205,707	1%	155,719	1%
Hospitality & leisure	162,793	1%	128,893	1%
Agriculture	97,305	<1%	68,783	<1%
Metals and mining	24,930	<1%	23,619	<1%
Other	1,019,235	4%	1,146,748	5%
Total customer accounts	24,396,707	100%	21,941,222	100%

As of 31 December 2025, the Group had 188 customers (2024: 170 customers) with balances above GEL 10,000 thousand. Their aggregate balance was GEL 8,906,381 thousand (2024: GEL 8,410,955 thousand) or 36.5% of total customer accounts (2024: 38.3%).

As of 31 December 2025, included in customer accounts are deposits of GEL 83,084 thousand and GEL 195,021 thousand (2024: GEL 80,281 thousand and GEL 206,934 thousand) held as collateral for irrevocable commitments under letters of credit and guarantees issued, respectively. The latter is discussed in Note 37. As of 31 December 2025, deposits held as collateral for loans to customers amounted to GEL 605,009 thousand (2024: GEL 592,328 thousand).

Refer to Note 41 for the disclosure of the fair value of each class of customer accounts. Information on related party balances is disclosed in Note 43.

20. Customer Accounts continued

Customer accounts of the Bank are as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
State and public organisations		
Current/settlement accounts	869,520	1,085,073
Term deposits	589,032	336,037
Other legal entities		
Current/settlement accounts	7,129,832	6,263,037
Term deposits	3,376,341	3,071,235
Individuals		
Current/settlement accounts	6,210,639	5,737,140
Term deposits	6,381,765	5,648,327
Total customer accounts	24,557,129	22,140,849

21. Debt Securities in Issue

As of 31 December 2025, debt securities in issue comprised of:

<i>In thousands of GEL</i>				
Currency	Maturity Date	Coupon rate	Weighted average Effective interest rate	Carrying amount
USD	12/12/2028-12/23/2030	5.80%-8.00%	7.57%	179,295
GEL	3/20/2026-6/27/2026	3M TIBR + 2.75%	11.96%	90,996
Total debt securities in issue				270,291

As of 31 December, 2024, debt securities in issue comprised of:

<i>In thousands of GEL</i>				
Currency	Maturity Date	Coupon rate	Weighted average Effective interest rate	Carrying amount
USD	4/29/2030	8.00%	8.54%	19,083
GEL	3/20/2026-6/27/2026	3M TIBR + 2.75%	12.99%	90,058
Total debt securities in issue				109,141

On 23 December 2025, JSC TBC Bank issued the USD 15,000,000, 5.80% senior Eurobond due on 23 December 2030, that will be redeemed at their principal amount. Interest on the Notes is payable semi-annually. The issue price is 100% of nominal value.

21. Debt Securities in Issue continued

On 15 December 2025, TBC Leasing issued the USD 15,000,000, 7.25% bond due on 15 December 2028, that will be redeemed at their principal amount. Interest on the Notes is payable quarterly. The issue price is 100% of nominal value.

On 12 December 2025, TBC Leasing issued the USD 30,000,000, 7.25% bond due on 12 December 2028, that will be redeemed at their principal amount. Interest on the Notes is payable quarterly. The issue price is 100% of nominal value.

22. Other Financial Liabilities

Other financial liabilities of the Group comprise the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Derivative financial liabilities	138,250	93,176
Trade payables	101,615	135,711
Dividends payable	97,827	747
Liabilities for leasing activities	46,100	53,914
Payables to plastic card service providers	35,154	20,963
Payable under letters of credit	27,529	8,433
Transfers in transit	24,050	19,321
Liability related to loyalty programme	20,909	15,689
Payable to deposit insurance agency	2,373	2,026
Prepayments related to guarantees	526	368
Security deposits for finance lease receivables	435	591
Other accrued liabilities	24,813	22,966
Total other financial liabilities	519,581	373,905

Other financial liabilities of the Bank comprise the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Derivative financial liabilities	138,326	93,099
Dividends payable	97,827	747
Trade payables	49,865	36,888
Payables to plastic card service providers	38,288	22,484
Payable under letters of credit	27,529	8,433
Transfers in transit	24,050	19,321
Liability related to loyalty programme	20,909	15,689
Payable to deposit insurance agency	2,373	2,026
Prepayments related to guarantees	526	368
Other accrued liabilities	24,804	22,632
Total other financial liabilities	424,497	221,687

Refer to Note 41 for disclosure of the fair value of other financial liabilities.

Refer to Note 40 for disclosure of derivative financial liabilities.

23. Other Liabilities

Other liabilities comprise the following:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Accrued employee benefit costs	73,529	77,426
Advances received	22,028	18,092
Provisions for liabilities and charges	11,808	17,261
Taxes payable other than on income	10,768	3,891
Other	1,115	864
Total other liabilities	119,248	117,534

The accrued employee benefit costs mainly consist of bonuses to employees.

All the above liabilities are expected to be settled within twelve months after the year-end.

24. Subordinated Debt

As of 31 December 2025, subordinated debt comprises of:

<i>In thousands of GEL</i>	Issue date	Maturity Date	Currency	Agreement interest rate	Outstanding amount in GEL
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. FMO	2/1/2024	1/16/2034	EUR	7.87%	195,043
DEG	9/26/2023	9/26/2033	EUR	7.70%	97,177
EBRD London	11/20/2023	11/21/2033	USD	9.84%	82,459
Global Climate Partnership Fund	11/20/2018	11/21/2033	USD	9.34%	67,358
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. FMO	4/17/2024	1/16/2034	EUR	7.87%	65,004
European Fund for Southeast Europe	12/18/2015	12/16/2030	USD	9.76%	20,752
BlueOrchard Microfinance Fund	6/9/2023	6/9/2033	USD	9.87%	53,778
BlueOrchard Microfinance Fund	12/14/2018	7/21/2031	USD	10.31%	42,024
Green for Growth Fund	12/18/2015	12/16/2030	USD	9.76%	41,505
European Fund for Southeast Europe	3/15/2016	3/17/2031	USD	9.76%	20,747
ResponsAbility SICAV (Lux) Micro and SME Finance Fund	11/30/2018	11/30/2033	USD	9.80%	15,951
ResponsAbility SICAV (Lux) Micro and SME Finance Fund	4/7/2022	4/7/2032	USD	9.71%	13,957
ResponsAbility SICAV (Lux) Micro and SME Finance Leaders	4/7/2022	4/7/2032	USD	9.71%	11,221
ResponsAbility SICAV (Lux) - Financial Inclusion Fund	4/7/2022	4/7/2032	USD	9.71%	10,673
ResponsAbility SICAV (Lux) - Financial Inclusion Fund	11/30/2018	11/30/2033	USD	9.80%	8,378
ResponsAbility SICAV (Lux) Micro and SME Finance Leaders	4/7/2022	4/7/2032	USD	9.71%	5,200
ResponsAbility SICAV (Lux) - Microfinance Leaders	11/30/2018	11/30/2033	USD	9.80%	2,701
Triple Jump Innovation Fund	3/14/2023	4/15/2028	USD	9.00%	8,362
Triple Jump Innovation Fund	12/27/2024	1/15/2030	USD	9.25%	5,574
Private lenders	6/8/2017-8/8/2023	3/31/2028-8/8/2031	USD	8.25%-9.50%	142,435
Total subordinated debt					910,299

24. Subordinated Debt Continued

As of 31 December 2024, subordinated debt comprised of:

<i>In thousands of GEL</i>	Issue date	Maturity Date	Currency	Agreement interest rate	Outstanding amount in GEL
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. FMO	2/1/2024	1/16/2034	EUR	9.48%	181,244
Asian Development Bank	10/18/2016	12/31/2026	USD	8.22%	142,314
DEG	9/26/2023	9/26/2033	EUR	9.04%	90,117
EBRD London	11/20/2023	11/21/2033	USD	10.83%	86,038
Global Climate Partnership Fund	11/20/2018	11/21/2033	USD	10.36%	70,123
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. FMO	4/17/2024	1/16/2034	EUR	9.48%	60,404
European Fund for Southeast Europe	12/21/2018	12/21/2028	USD	8.84%	56,343
BlueOrchard Microfinance Fund	6/9/2023	6/9/2033	USD	10.53%	55,986
BlueOrchard Microfinance Fund	12/14/2018	7/21/2031	USD	11.23%	43,929
Green for Growth Fund	12/18/2015	12/16/2030	USD	10.90%	43,280
BlueOrchard Microfinance Fund	12/14/2018	12/14/2028	USD	9.28%	42,083
European Fund for Southeast Europe	12/18/2015	12/16/2030	USD	10.90%	21,639
European Fund for Southeast Europe	3/15/2016	3/17/2031	USD	10.90%	21,634
ResponsAbility SICAV (Lux) Micro and SME Finance Fund	11/30/2018	11/30/2033	USD	10.38%	16,479
ResponsAbility SICAV (Lux) Micro and SME Finance Fund	4/7/2022	4/7/2032	USD	10.19%	14,538
ResponsAbility SICAV (Lux) Micro and SME Finance Leaders	4/7/2022	4/7/2032	USD	10.19%	11,688
ResponsAbility SICAV (Lux) - Financial Inclusion Fund	4/7/2022	4/7/2032	USD	10.19%	11,117
ResponsAbility SICAV (Lux) - Financial Inclusion Fund	11/30/2018	11/30/2033	USD	10.38%	8,657
ResponsAbility SICAV (Lux) Micro and SME Finance Leaders	4/7/2022	4/7/2032	USD	10.19%	5,416
ResponsAbility SICAV (Lux) - Microfinance Leaders	11/30/2018	11/30/2033	USD	10.38%	2,793
Triple Jump Innovation Fund	3/14/2023	4/15/2028	USD	9.00%	8,704
Triple Jump Innovation Fund	12/27/2024	1/15/2030	USD	9.25%	5,563
Private lenders	6/8/2017-8/8/2023	3/31/2028-8/8/2031	USD	8.25-9.5%	148,285
Total subordinated debt					1,148,374

The debt ranks after all other creditors in case of liquidation, except AT1 Notes listed in note 25.

In 2025, the Group made early repayments of subordinated debt amounting to USD 85,000 thousand in total.

As of 31 December 2025, GEL 47,988 thousand of the total subordinated debt is attributed to TBC Leasing JSC (31 December 2024: GEL 49,676 thousand).

Refer to Note 41 for the disclosure of the fair value of subordinated debt. Information on related party balances is disclosed in Note 43.

25. Additional Tier 1 Capital Subordinated Notes

As at 31 December 2025, additional Tier 1 capital subordinated notes, comprised of:

In thousands of GEL

Currency	Weighted average Effective interest rate	Coupon rate	Carrying amount
USD	10.63%	8.9%-10.3%	1,023,328
Total additional Tier 1 capital subordinated notes			1,023,328

As at 31 December 2024, additional Tier 1 capital subordinated notes, comprised of:

In thousands of GEL

Currency	Weighted average Effective interest rate	Coupon rate	Carrying amount
USD	10.63%	8.9%-10.3%	1,062,960
Total additional Tier 1 capital subordinated notes			1,062,960

On 23 April 2024, JSC TBC Bank successfully issued USD 300 million, 10.25% coupon rate, perpetual subordinated callable additional Tier 1 capital notes. The Notes were listed on Euronext Dublin's Global Exchange Market and rated B2 by Moody's.

On 28 October 2021, the Bank completed the transaction of USD 75 million with 8.894% coupon rate additional Tier 1 capital perpetual subordinated notes issue ("AT1 Notes"). The AT1 Notes are listed on the regulated market of Euronext Dublin and are rated B- by Fitch.

26. Equity**Share capital**

In thousands of GEL, unless otherwise indicated

	Number of ordinary shares	Share capital
As of 31 December 2024	52,539,769	21,014
As of 31 December 2025	52,539,769	21,014

Each share has a nominal value of GEL 0.4 per share (31 December 2024: GEL 0.4 per share). All issued ordinary shares are fully paid and entitled to dividends.

26. Equity continued**Dividends**

In thousands of GEL

	2025	2024
Dividends payable at 1 January	747	747
Interim dividend:		
Dividends declared during the year	486,974	159,001
Dividends paid during the year:	(389,894)	(159,001)
Prior year final dividend:		
Dividends declared during the year	320,627	391,469
Dividends paid during the year:	(320,627)	(391,469)
Dividends payable at 31 December	97,827	747

On November 5 2025, JSC TBC Bank's shareholders agreed on an 3Q quarterly interim dividend of GEL 1.85 per share. The dividend will be paid on 3 February 2026. The total amount of dividend declared was GEL 97,080 thousand.

On August 7 2025, JSC TBC Bank's shareholders agreed on an 2Q 2025 quarterly interim dividend of GEL 4.20 per share. The dividend was paid on September 5 2025 and November 14 2025. The total amount of dividend distributed was GEL 220,398 thousand.

On May 7 2025, JSC TBC Bank's shareholders agreed on an 1Q 2025 quarterly interim dividend of GEL 3.23 per share. The dividend was paid on July 18 2025 and 27 August 2025. The total amount of dividend distributed was GEL 169,497 thousand.

On February 11 2025, JSC TBC Bank's shareholders passed a resolution to declare a final dividend of GEL 6.11 per share. The dividend was paid on July 4 2025. The total amount of dividend distributed was GEL 320,627 thousand.

On August 8 2024, JSC TBC Bank's shareholders agreed on an interim dividend of GEL 3.03 per share. The dividend was paid on November 4 2024. The total amount of dividend distributed was GEL 159,001 thousand.

On February 14 2024, JSC TBC Bank's shareholders passed a resolution to declare a final dividend of GEL 7.46 per share. The dividend was paid on May 7 2024 and July 5 2024. The total amount of dividend distributed was GEL 391,469 thousand.

Other reserves

As at 31 December 2025 and 31 December 2024 other reserves, comprised of:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Fair value reserve for investment securities at FVTOCI	(19,124)	37,804
Currency translation reserve	(212)	(6,365)
Other reserves	287	-
Total other reserves	(19,049)	31,439

27. Share Based Payments**2024 remuneration scheme – Executive Management Board of the Bank**

TBC Bank Group PLC ("TBC PLC") announced a directors' remuneration policy, which was approved by shareholders at 2024 AGM and provides the framework for directors' remuneration for the three-year period from 2024-2026.

In consideration of the evolving strategy, the maturity of the business, and local market practices, there was a proposal to alter the structure of the incentive model. The change involved transitioning from separate annual bonuses delivered in shares and an LTIP scheme to a unified incentive known as the "Combined Incentive Plan." This new plan integrates short and long-term performance elements, incorporating a substantial long-term share-based deferral.

The new arrangement replaced the existing remuneration plan for Executive Management Board of the Bank starting in 2024. Therefore, the 2024 year has been modified with the new plan. Modification did not result in acceleration as the terms have not been worsened for scheme participants.

New plan for the Executive Management Board of the Bank from 2024 includes the following components regarding share remuneration:

- **Shares Salary** will be subject to a 3-year holding period and will be released in three equal annual tranches after one, two and three years respectively at 33%-33%-34% (not subject to any continuing service requirements, malus or claw back).
- **Variable Pay** – Combined Incentive Plan ("CIP"), which includes a three-step performance assessment process:
 1. **Performance Gateway** – Eligibility for payments under the Combined Incentive Plan is subject to passing gateway criteria, measured over the Annual KPI Performance Period. The Gateway criteria are based on measures of financial soundness (including capital, liquidity and profitability).
 2. **Annual KPI performance scorecard** – Based on performance against the Annual KPI targets, the Remuneration Committee will determine an overall payout percentage of salary. The payout is split between a "Share Award" – 40% of the total will be paid in shares which must be held for at least three years (subject to 3-year claw back) and a "Long-Term Share Award" – 60% of the total will be awarded as a deferred award of shares which will vest after five years. (Subject to continued employment, malus and a 3-year claw back)
 3. **TSR shareholder alignment mechanism** – The grant value of a Long-Term Share Award (60%) determined by the stringent performance assessment in Performance Step 1 and Performance Step 2 may be scaled back by up to 50% if TBC's Total Shareholder Return ("TSR") is not at least in line with a weighted TSR index.
- **Shareholding Requirement** – Minimum shareholding requirement of 200% of base salary.

The participants are entitled to receive dividends on the Share Salary and the Share Award (40% of variable remuneration).

Upon vesting, dividend equivalents in respect of the Long-Term Share Award will be payable in cash equal to the dividends paid on the underlying shares between the date the award was made and the vesting date.

No dividends or dividend equivalents will be paid on any Award (or part therefore) that lapses on or before vesting.

27. Share Based Payments continued**2022-2023 remuneration scheme**

The below section explains only the components that are still expensed based on the 2022-2023 schemes until vesting. The remuneration system was approved by shareholders at the TBC Bank Group PLC's Annual General Meeting in June 2021 and came into effect on 1 January 2022. It covers the period 2022-2023. The Share salary from previous systems have already vested.

Variable Remuneration

Variable remuneration of the Top Management consisted of the annual bonus delivered in shares (the "Annual Bonus") and the share awards under the Long-Term Incentive Plan (the "LTIP Award"). 60% of variable remuneration is the LTIP Award and the remaining 40% constituted the Annual Bonus.

- (a) *Annual Bonus under Deferred Share plan 2022-2023* Annual Bonus is delivered in TBC PLC shares. The Executive Management Board of the Bank received the annual bonus entirely in TBC PLC shares and it did not comprise any cash component. Annual Bonus award is subject to a holding period (but not continued employment) over 2 years period with 50% being released after one year and remaining 50% being released at the end of second year. The Annual Bonus is subject to malus and claw back provisions as described in the Deferred Share Plan. During the holding period, participants are entitled to vote at the shareholder meetings and receive dividends.
- (b) *Long Term Incentive Plan (LTIP) 2022-2023* The level of LTIP Award grant was determined pro rata from the LTIP maximum opportunity based on the assessment of the base i.e., prior year's Annual Bonus corporate KPIs performance. LTIP Awards granted would then be subject to 3-year LTIP forward-looking performance conditions and would vest at the end of 5-year period following the grant. LTIP Award forward-looking KPIs were set at the beginning of each year in relation to that year's cycle by the Remuneration Committee. The Participants are not entitled to any dividend or voting rights until the LTIP Award vests.

Middle Management

Middle management receives cash bonuses, as well as share-based awards. According to the scheme, each year, subject to predefined performance conditions, a certain number of shares are awarded to most of the middle managers in the Group. The performance features key performance indicators (KPIs) divided into (i) corporate and (ii) individual. The corporate KPIs are mainly related to achieving profitability, efficiency, and portfolio quality metrics set by the Board as well as non-financial indicators regarding to customers' experience and employees' engagement. The individual performance indicators are set on an individual basis and are used to calculate the number of shares to be awarded to each employee. Once awarded, all shares carry service conditions and, before those conditions are met, are eligible for dividends; however, they cannot be sold or transferred to third parties.

Service conditions foresee continuous employment until the gradual transfer of the full title to the scheme participants is complete. Vesting conditions are 33%, 33%, 34% per year for the 3-year period since the award date. Under this compensation system the total vesting period extends to 4 years since the grant date. In addition, the variable remuneration structure for other identified Material Risk Taker ("MRT") employees, below the level of executive management board members of JSC TBC Bank, is subject to regulatory requirements and is in line with the NBG CG Code. For MRT employees holding end date for non-deferred variable remuneration is 6 months after award date.

27. Share Based Payments continued

Currently, remuneration scheme for the year 2025 is being granted.

Tabular information on the schemes is given below:

	31 December 2025	31 December 2024
Number of unvested shares at the beginning of the period	970,261	1,194,124
Number of shares granted	202,069	128,320
Change in estimates of number of shares expected to vest	(12,605)	(92,321)
Change in number of shares based on actual share price, exchange rate and KPI accomplishment	58,650	44,417
Number of shares vested	(188,633)	(304,279)
Number of unvested shares at the end of the period	1,029,742	970,261

Expense recognised as staff cost during the period was GEL 26,879 thousand (31 December 2024: GEL 19,520 thousand).

The fair value of the employee services received in exchange for the grant of the equity instruments is determined by the nature of the award. Currently there are several types of share-based award schemes as described above. The deferred share salary and deferred share bonus are the grants of the possible bonus pool amount, which will be based on the performance conditions. The fair value of the award is determined by the present value of the amount as at grant date and probable performance conditions accomplishment. The LTIP and long-term plan are the awards of potential maximum share numbers also up to performance conditions. The fair value of the award as of the grant date is determined by the grant date share price and probable performance conditions accomplishment. The fair value amount of 2025 performance related grants are GEL 35,920 thousand.

Tax part of the existing bonus system is accounted for on an equity settled basis.

Staff costs related to equity settled part of the share-based payment schemes are recognised in the income statement on a pro-rata basis over the vesting period of each relevant scheme tranche and corresponding entry is credited to share based payment reserve in equity.

28. Segment Analysis

The Management Board (the "Board") is the chief operating decision maker (CODM), and it reviews the Group's internal reporting to assess the performance and to allocate resources.

The operating segments are defined as follows:

- Corporate – a legal entity/group of affiliated entities with an annual revenue exceeding GEL 20 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 segment or transferred to the micro, small and medium enterprises segment on a discretionary basis. In addition, CIB includes Wealth Management private banking services to high-net-worth individuals with a threshold of USD 250,000 on assets under management (AUM), as well as on discretionary basis.
- Retail – non-business individual customers.
- Micro, small and medium enterprises – business customers who are not included in the CIB segment.
- Corporate center, other and sub-segment eliminations – comprises the treasury operations, TBC Leasing, sub-segment eliminations, non-material or non-financial subsidiaries of the group and intra-group eliminations.

The Group has standard annual re-segmentations, after which some of the clients are reallocated between micro, small and medium enterprises and corporate segments.

The Board of Directors assesses the performance of the operating segments based on a measure of profit before income tax.

The reportable segments are the same as the operating segments.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2025 and 2024.

The vast majority of the Group's revenues are attributable to Georgia. A geographic analysis of origination of the Group's assets and liabilities is given in Note 36.

Allocation of indirect expenses is performed based on drivers identified for each type of cost where possible. If there is no identifiable driver for any type of expense/overhead cost, those expenses are allocated between segments based on the same logic as applied for the expenses with similar nature (e.g., other operating expenses would follow the pattern of closest category of operating expenses).

The intersegment transfer pricing methodology is an internally developed tool founded on matched maturity logics. It is used to effectively manage liquidity and mitigate interest rate risks within the Group. The process entails the corporate centre borrowing monetary amounts (deposits) from different business segments. Compensation for each deposit is based on its specific currency, duration, type, liquidity and capital requirements, ensuring equitable treatment for each segment. In turn, business segments borrow funds from the corporate centre to finance loans and other assets. The pricing for each borrowing transaction is determined based on factors such as the currency, loan type (fixed, floating, mixed interest rates), loan duration, and capital requirement.

Notes to the consolidated and separate financial statements continued

28. Segment Analysis continued

The table below presents the income statement for year ended 31 December 2025 regarding the Group's operating segments:

<i>In thousands of GEL</i>	Corporate	Micro, small and medium enterprises	Corporate center, other and sub-segment eliminations*	Total
Interest income	1,088,656	1,216,934	678,498	3,619,183
Interest expense	(690,141)	(290,880)	(29,779)	(1,819,021)
Net interest on currency swaps	3,633	466	-	11,562
Inter-segment interest income/(expense)	280,052	(255,987)	(301,326)	-
Net interest income	682,200	670,533	347,393	1,811,724
Fee and commission income	144,820	610,117	41,201	800,191
Fee and commission expense	(27,042)	(311,444)	(8,713)	(347,241)
Net fee and commission income	117,778	298,673	32,488	452,950
Net gains from derivatives, foreign currency operations and translation	114,736	113,369	40,151	347,390
Other operating income	1,869	6,406	2,174	23,468
Share of profit of associate	22	-	-	572
Other operating non-interest income	116,627	119,775	42,325	371,430
Credit loss (allowance)/recovery for loans to customers	(19,754)	(130,605)	(26,989)	(177,407)
Credit loss allowance for finance lease receivables	-	-	-	(3,395)
Credit loss allowance for other financial assets and other assets	(5,191)	(2,672)	2	(12,199)
Net impairment of non-financial assets	(595)	(2,569)	(1,569)	(14,897)
Impairment loss due to write-down of the asset held for sale	-	-	-	-
Operating income after expected credit and non-financial asset impairment losses	891,065	953,135	393,650	2,428,206
Staff costs	(94,571)	(261,993)	(98,672)	(475,952)
Depreciation and amortization	(15,795)	(84,002)	(24,600)	(127,216)
Administrative and other operating expenses	(29,209)	(188,692)	(40,479)	(269,096)
Operating expenses	(139,575)	(534,687)	(163,751)	(872,264)
Profit before tax	751,490	418,448	229,899	1,555,942
Income tax expense	(107,073)	(55,121)	(32,336)	(222,488)
Profit for the year	644,417	363,327	197,563	1,333,454

*The Group has not included eliminations separately considering their immateriality. Meanwhile other operating income includes intergroup dividends of GEL 25,000 thousand.

28. Segment Analysis continued

The table below presents the income statement for year ended 31 December 2024 regarding the Group's operating segments:

<i>In thousands of GEL</i>	Corporate	Micro, small and medium enterprises	Corporate center, other and sub-segment eliminations*	Total
Interest income	947,845	998,077	642,023	3,135,908
Interest expense	(663,406)	(219,741)	(27,479)	(1,626,914)
Net interest on currency swaps	10,762	2,432	286	81,998
Inter-segment interest income/(expense)	315,969	(204,645)	(274,633)	-
Net interest income	611,170	576,123	340,197	1,590,992
Fee and commission income	125,197	457,848	93,375	677,004
Fee and commission expense	(16,103)	(194,444)	(60,952)	(278,914)
Net fee and commission income	109,094	263,404	32,423	398,090
Net gains from derivatives, foreign currency operations and translation	143,348	104,540	52,239	367,783
Other operating income	1,303	8,928	2,886	16,515
Share of profit of associate	(273)	-	-	574
Other operating non-interest income	144,378	113,468	55,125	384,872
Credit loss (allowance)/recovery for loans to customers	(10,628)	(73,326)	(30,271)	(109,510)
Credit loss allowance for finance lease receivables	-	-	-	(4,754)
Credit loss allowance for other financial assets and other assets	(1,047)	205	(1,300)	(5,762)
Net impairment of non-financial assets	(454)	(711)	(617)	(2,146)
Impairment loss due to write-down of the asset held for sale	-	-	-	(9,800)
Operating income after expected credit and non-financial asset impairment losses	852,513	879,163	395,557	2,241,982
Staff costs	(81,936)	(243,655)	(91,523)	(439,830)
Depreciation and amortization	(14,424)	(78,761)	(22,646)	(118,283)
Administrative and other operating expenses	(24,154)	(135,215)	(34,014)	(221,371)
Operating expenses	(120,514)	(457,631)	(148,183)	(779,484)
Profit before tax	731,999	421,532	247,374	1,462,498
Income tax expense	(110,471)	(60,310)	(37,314)	(217,782)
Profit for the year	621,528	361,222	210,060	1,244,716

*The Group has no included eliminations separately considering their immateriality. Meanwhile other operating income includes intergroup dividends of GEL 17,000 thousand.

Notes to the consolidated and separate financial statements continued

28. Segment Analysis continued

The table below presents certain asset and liability information as at 31 December 2025 regarding the Group's operating segments:

<i>In thousands of GEL</i>	Corporate	Retail	Micro, small and medium enterprises	Corporate center, other	Total
Gross loans and advances to customers	11,219,110	9,784,038	5,990,887	-	26,994,035
Customer accounts	12,321,806	9,747,411	2,211,202	116,288	24,396,707
Goodwill	7,491	14,350	5,560	796	28,197
Credit related commitments and performance guarantees	2,569,479	195,459	342,406	-	3,107,344

The table below presents certain asset and liability information as at 31 December 2024 regarding the Group's operating segments:

<i>In thousands of GEL</i>	Corporate	Retail	Micro, small and medium enterprises	Corporate center, other	Total
Gross loans and advances to customers	9,863,777	8,710,516	5,943,479	1,817	24,519,589
Customer accounts	11,308,306	8,478,788	2,043,554	110,574	21,941,222
Goodwill	7,491	14,350	5,560	796	28,197
Credit related commitments and performance guarantees	2,802,249	159,288	450,460	(208)	3,411,789

29. Interest Income and Expense

<i>In thousands of GEL</i>	2025	2024
Interest income calculated using effective interest method		
Loans and advances to customers	2,952,328	2,558,827
Investment securities	417,663	329,008
Due from other banks	128,512	154,375
Repurchase receivables	1,157	447
Other financial assets	4,448	3,288
Other interest income		
Finance lease receivables	115,075	89,963
Total interest income	3,619,183	3,135,908
Interest expense		
Customer accounts	(1,065,925)	(974,133)
Due to credit institutions	(527,560)	(408,278)
Debt securities in issue and AT1	(117,205)	(130,745)
Subordinated debt	(104,158)	(109,118)
Other interest expense		
Lease liabilities	(4,173)	(4,640)
Total interest expense	(1,819,021)	(1,626,914)
Net interest on currency swaps	11,562	81,998
Net interest income	1,811,724	1,590,992

During 2025 interest accrued on defaulted loans amounted to GEL 27,655 thousand (2024: 38,249 GEL thousand).

During 2025 capitalised interest expense in the amount of GEL 6,415 thousand (2024: GEL 4,262 thousand) was attributable to the construction of the Group's headquarter. The capitalisation rate used to determine the amount of borrowing costs recognised is weighted average of interest-bearing liabilities by currencies: 8.2% in GEL, 3.5% in USD and 2.6% in EUR. (2024: 8.2% in GEL, 2.8% in USD and 2.7% in EUR). For details of construction in progress please refer to Note 16.

Notes to the consolidated and separate financial statements continued

29. Interest Income and Expense continued

Interest income and expense of the Bank are as follows:

<i>In thousands of GEL</i>	2025	2024
Interest income calculated using effective interest method		
Loans and advances to customers	2,950,669	2,554,942
Investment securities	420,360	331,990
Due from other banks	123,449	152,031
Repurchase receivables	1,158	447
Other financial assets	2,013	2,212
Total interest income	3,497,649	3,041,622
Interest expense		
Customer accounts	(1,077,127)	(982,929)
Due to credit institutions	(495,732)	(387,906)
Debt securities in issue and AT1	(106,947)	(120,489)
Subordinated debt	(99,600)	(105,085)
Other interest expense		
Lease liabilities	(3,815)	(4,309)
Total interest expense	(1,783,221)	(1,600,718)
Net interest on currency swaps	11,562	81,998
Net interest income	1,725,990	1,522,902

30. Fee and Commission Income and Expense

Fee and commission income and expense by segments of the Group for 2025 comprise:

<i>In thousands of GEL</i>	Corporate	Retail	Micro, small and medium enterprises	Corporate center, other and sub-segment eliminations	Total
- Card operations	25	431,925	9,247	-	441,197
- Settlement transactions	18,426	151,166	19,357	(127)	188,822
- Guarantees issued	48,002	37	5,818	2	53,859
- Cash transactions	7,772	5,050	3,875	-	16,697
- Issuance of letters of credit	9,408	-	40	(2)	9,446
- Foreign exchange operations	4,982	14,503	1,455	(9)	20,931
- Other	56,205	7,436	1,409	4,189	69,239
Total fee and commission income	144,820	610,117	41,201	4,053	800,191
- Card operations	(1)	(267,623)	(61)	-	(267,685)
- Settlement transactions	(6,567)	(6,463)	(5,529)	(57)	(18,616)
- Cash transactions	(7,170)	(12,227)	(2,311)	(3,793)	(25,501)
- Guarantees received	(1,630)	(2)	(204)	-	(1,836)
- Letters of credit	(2,926)	-	(11)	-	(2,937)
- Foreign exchange operations	-	(7)	-	7	-
- Other	(8,748)	(25,122)	(597)	3,801	(30,666)
Total fee and commission expense	(27,042)	(311,444)	(8,713)	(42)	(347,241)
Net fee and commission income	117,778	298,673	32,488	4,011	452,950

30. Fee and Commission Income and Expense continued

Fee and commission income and expense by segments of the Group for 2024 comprise:

<i>In thousands of GEL</i>	Corporate	Retail	Micro, small and medium enterprises	Corporate center, other and sub- segment eliminations	Total
- Card operations	-	318,442	59,183	-	377,625
- Settlement transactions	17,490	123,603	18,192	(101)	159,184
- Guarantees issued	47,241	146	6,883	-	54,270
- Cash transactions	9,206	5,319	4,539	-	19,064
- Issuance of letters of credit	5,944	-	120	(11)	6,053
- Foreign exchange operations	5,214	182	1,000	(21)	6,375
- Other	40,102	10,156	3,458	717	54,433
Total fee and commission income	125,197	457,848	93,375	584	677,004
- Card operations	-	(169,405)	(41,181)	-	(210,586)
- Settlement transactions	(4,534)	(4,702)	(7,495)	(4)	(16,735)
- Cash transactions	(8,533)	(7,712)	(2,486)	(2,843)	(21,574)
- Guarantees received	(1,597)	(5)	(240)	-	(1,842)
- Letters of credit	(1,185)	-	(24)	(3)	(1,212)
- Foreign exchange operations	-	(21)	-	17	(4)
- Other	(254)	(12,599)	(9,526)	(4,582)	(26,961)
Total fee and commission expense	(16,103)	(194,444)	(60,952)	(7,415)	(278,914)
Net fee and commission income	109,094	263,404	32,423	(6,831)	398,090

For the definition of the segments refer to Note 28.

31. Net Gains from Derivatives, Foreign Currency Operations and Translation

Net gains from derivatives, foreign currency operations and translation for the following years are as follows:

<i>In thousands of GEL</i>	2025	2024
Net gains from trading in foreign currencies	168,735	452,518
Net gains/(losses) from foreign exchange translation	178,648	(85,396)
Net gains from derivative financial instruments other than derivatives on foreign currency	7	661
Total net gains from derivatives, foreign currency operations and translation	347,390	367,783

Fair Value Hedge

The Group enters fixed-for-floating cross-currency interest rate swaps (CCIRS) to manage exposure to changes in fair value arising from movements in foreign exchange rates on debt securities issued and measured at amortised cost.

The objective of the hedge is to mitigate foreign exchange risk arising from the USD exposure, as the Group's functional currency is GEL. The hedge is structured as a fair value hedge of changes in the spot USD/GEL exchange rate over a two-year period, with a hedge ratio of 1:1. Under this arrangement, the swap offsets foreign exchange (FX) movements on the designated bond portion, ensuring that changes in fair value attributable to FX risk are neutralized in profit or loss.

The hedging instrument is a CCIRS with a notional amount of USD 200 million, entered with Goldman Sachs International, of which the maturity date is February 2027, and the swap USD/GEL exchange rate is 2.8100. The hedged item is a portion (USD 200 million) of the Group's USD-denominated AT1 perpetual bond liability, which is accounted for at amortized cost (refer to the Note 25).

An economic relationship exists as the hedged item and hedging instrument are expected to move in opposite directions in response to USD/GEL spot FX movements, due to offsetting USD-denominated cash flows and with FX risk (absent pervasive credit risk effects) being the primary driver of fair value changes.

Under the fair value hedge, only the spot FX rate is designated as the Hedge. Cost of hedging accounting is applied to the foreign currency basis spreads, while the forward element continues to be included in the hedging instrument.

Hedge ineffectiveness arises from differences in contractual terms between the hedged item and hedging instrument, and from changes in the hedging instrument's fair value due to counterparty credit risk and other adjustments.

Notes to the consolidated and separate financial statements continued

31. Net Gains from Derivatives, Foreign Currency Operations and Translation continued

The Group applied qualitative and quantitative methods, including established statistical techniques, at hedge inception to assess prospective effectiveness, considering the economic relationship, hedge ratio, and credit risk. At each reporting date, the Group assesses whether conditions remain consistent with the initial analysis, evaluates hedge effectiveness, and updates documentation if needed.

The table below represents hedge instruments and hedge items by hedged risk as of 31 December 2025 (2024: nil).

Hedged risk	Hedge Instrument		Hedge Item			Ineffectiveness			
	Notional amount ¹	Carrying amount of liability	Balance sheet presentation	Change in fair value ²	Carrying amount	Balance sheet presentation	Change in fair value ²	Recognised in profit and loss	Profit and loss presentation
Foreign currency	539,020	28,156	Other financial liabilities	22,880	541,834	Additional Tier 1 capital subordinated notes	22,880	-	Net gains from derivatives, foreign currency operations and translation

1. The notional amounts of derivative contracts designated in qualifying hedge accounting relationships represent the nominal value of outstanding transactions at the balance sheet date.

2. Used in effectiveness assessment and represents the amount attributable to the designated hedged risk.

As of 31 December 2025, the cost of hedging arising from basis spread recognised in OCI was GEL 286 thousand (31 December 2024: nil).

32. Staff Costs

Staff costs of the Group are as follows:

<i>In thousands of GEL</i>	2025	2024
Salaries and bonuses	418,236	393,911
Share based compensation	26,879	19,520
Pension contributions	9,401	9,056
Other compensation cost	21,436	17,343
Salaries and other employee benefits	475,952	439,830

Staff costs of the Bank are as follows:

<i>In thousands of GEL</i>	2025	2024
Salaries and bonuses	373,681	354,569
Share based compensation	26,580	19,413
Pension contributions	7,965	7,663
Other compensation cost	18,977	14,699
Salaries and other employee benefits	427,203	396,344

Share-based compensation represents remuneration paid in shares and is excluded as non-cash in the consolidated and separate statement of cash flows.

Breakdown of monthly average number of employees by categories is as follows:

Number of employees of the Group are as follows:

Position level		2025	2024
Top Management	<i>Temporary</i>	-	-
	<i>Permanent</i>	5	5
Middle Management	<i>Temporary</i>	2	4
	<i>Permanent</i>	316	314
Other Employees	<i>Temporary</i>	905	938
	<i>Permanent</i>	8,212	7,888
Total		9,440	9,149

Number of employees of the Bank are as follows:

Position level		2025	2024
Top Management	<i>Temporary</i>	-	-
	<i>Permanent</i>	5	5
Middle Management	<i>Temporary</i>	1	-
	<i>Permanent</i>	269	258
Other Employees	<i>Temporary</i>	884	882
	<i>Permanent</i>	7,412	7,094
Total		8,571	8,239

33. Administrative and other operating expenses

Administrative and other operating expenses of the Group are as follows:

<i>In thousands of GEL</i>	2025	2024
Intangible asset maintenance	56,729	37,773
Advertising and marketing services	52,966	38,912
Professional services	34,703	34,036
Resolution fund expense	17,719	-
Taxes other than on income	15,962	13,554
Insurance	13,202	10,519
Occupancy and rent*	10,869	9,713
Premises and equipment maintenance	10,550	9,284
Utilities services	9,373	8,982
Communications and supply	9,049	7,209
Stationery and other office expenses	5,460	5,664
SMS service fees	4,175	9,687
Personnel training and recruitment	4,030	4,152
Transportation and vehicle maintenance	3,399	3,472
Business trip expenses	3,059	2,423
Security services	2,927	2,242
Representative expenses	1,500	2,574
Charity	1,062	1,123
Loss on disposal of premises and equipment	459	722
Loss on disposal of repossessed collateral	401	1,159
Recovery for liabilities and charges	(3,758)	(212)
Other	15,260	18,383
Total administrative and other operating expenses	269,096	221,371

*Represents short-term leases and low value leases exempt from IFRS 16.

33. Administrative and Other Operating Expenses continued

Administrative and other operating expenses of the Bank are as follows:

<i>In thousands of GEL</i>	2025	2024
Advertising and marketing services	55,821	37,763
Intangible asset maintenance	50,002	32,652
Professional services	30,247	31,359
Resolution fund expense	17,719	-
Premises and equipment maintenance	10,073	8,457
Taxes other than on income	9,086	7,635
Utilities services	8,751	8,598
Communications and supply	8,025	6,190
Occupancy and rent*	7,302	5,878
Stationery and other office expenses	4,962	5,196
SMS service fees	4,175	9,687
Personnel training and recruitment	3,738	3,849
Security services	2,703	2,010
Insurance	2,662	2,685
Business trip expenses	2,646	2,188
Representative expenses	1,428	2,481
Transportation and vehicle maintenance	1,175	990
Charity	1,032	1,123
Loss on disposal of premises and equipment	459	298
Loss on disposal of repossessed collateral	384	953
Recovery for liabilities and charges	(3,758)	(212)
Other	11,916	14,024
Total administrative and other operating expenses	230,548	183,804

*Represents short-term leases and low value leases exempt from IFRS 16.

The table below presents the total remuneration for the Group's auditor:

<i>In thousands of GEL</i>	Audit	Audit Related	Other Services	Total
2025				
Audit of the annual financial statements of the Group and subsidiaries	2,223	-	-	2,223
Review of the interim financial statements of the Group and subsidiaries	-	247	-	247
Total auditors' remuneration	2,223	247	-	2,470
2024				
Audit of the annual financial statements of the Group and subsidiaries	1,782	-	-	1,782
Review of the interim financial statements of the Group and subsidiaries	-	517	-	517
Other assurance services*	-	-	976	976
Total auditors' remuneration	1,782	517	976	3,275

*In 2024 other assurance services include services in relation to issuance of AT1 notes.

Services provided by auditors other than the Group's auditor in 2025 amounted to GEL 1,225 thousand (2024: GEL 1,427 thousand), with GEL 275 thousand attributed to audit services (2024: GEL 319 thousand).

34. Income Taxes

Income tax charge comprises of the following:

<i>In thousands of GEL</i>	2025	2024
Current tax charge	221,631	217,931
Deferred tax charge/(credit)	857	(149)
Total income tax expense for the year	222,488	217,782

Current income tax liability to the regulatory authorities is generally paid on a quarterly basis. The amount is calculated by dividing previous year current income tax amount by 4 equal portions. The liability is settled in the following year, based on current income tax liability amount as at year-end.

The weighted average income tax rate is 2025: 20% (2024: 20%), when the income tax rate applicable to the majority of subsidiaries income ranged from 15% - 20% (2024: 15% - 20%).

The UK has enacted legislation to implement the Organisation for Economic Cooperation and Development (OECD) global minimum tax rules (Pillar Two), effective from 1 January 2024. The Group is not within the scope of the Pillar Two rules, as these have not been adopted in the jurisdictions in which the Group operates.

Reconciliation between the expected and the actual taxation (credit)/expense is provided below.

<i>In thousands of GEL</i>	2025	2024
Statutory rate	20%	20%
Profit before tax	1,555,942	1,462,498
Theoretical tax charge at weighted average applicable tax rate of 20% (2024: 20%)	309,528	291,586
Tax effect of items which are not deductible or assessable for taxation purposes:		
Income which is exempt from taxation	(97,403)	(74,875)
Non-deductible expenses	2,743	1,071
Other differences	7,620	-
Total income tax expense for the year	222,488	217,782

Differences between financial reporting requirements and statutory taxation regulations in Georgia give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below and is recorded at the rate of 20% (2024: 20%).

34. Income Taxes continued

Income which is exempt from taxation includes interest income from placements in NBG, Georgian Government Treasury bills and IFI securities. Non-deductible expenses include penalties paid and charity expenses towards beneficiary which are not registered charity organisations.

Deferred tax assets/liabilities as of 31 December 2025 and 31 December 2024 are the following:

<i>In thousands of GEL</i>	1 January 2025	Credited/ (charged) to profit or loss	Credited to other comprehensive income	Effect of currency translation	31 December 2025
Tax effect of (taxable)/deductible temporary differences and tax loss carry forwards					
Premises and equipment and intangibles	(56,354)	(417)	-	-	(56,771)
Loans and advances to customers	39	-	-	-	39
Other financial assets	7,258	(1,490)	444	(567)	5,645
Other assets	366	98	-	-	464
Other financial liabilities	(306)	208	-	11	(87)
Other liabilities	10	(250)	-	(11)	(251)
Share based payment	3,316	1,275	-	-	4,591
Goodwill	(3,641)	(202)	-	-	(3,843)
Investments in associates	(423)	(79)	-	-	(502)
Net deferred tax asset/(liability)	(49,735)	(857)	444	(567)	(50,715)

34. Income Taxes continued

<i>In thousands of GEL</i>	1 January 2024	Credited/ (charged) to profit or loss	Charged to other comprehensive income	Effect of currency translation	31 December 2024
Tax effect of (taxable)/deductible temporary differences and tax loss carry forwards					
Premises and equipment and intangibles	(58,620)	2,266	-	-	(56,354)
Loans and advances to customers	-	13	-	26	39
Other financial assets	5,570	1,075	613	-	7,258
Other assets	259	107	-	-	366
Other financial liabilities	(306)	-	-	-	(306)
Other liabilities	423	(452)	-	39	10
Share based payment	5,938	(2,622)	-	-	3,316
Goodwill	(3,403)	(238)	-	-	(3,641)
Investments in associates	(423)	-	-	-	(423)
Net deferred tax asset/(liability)	(50,562)	149	613	65	(49,735)

In the context of the Group's current structure and Georgian tax legislation, tax losses and current tax assets of different group companies may not be offset against current tax liabilities and taxable profits of other group companies. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity and the same taxation authority.

35. Reconciliation of Liabilities Arising from Financing Activities

The table below sets out movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

<i>In thousands of GEL</i>	Other borrowed funds	Debt securities in issue	Additional Tier 1 capital subordinated notes	Subordinated debt	Lease liabilities	Hedging instruments	Total
1 January 2024	3,454,099	715,801	548,284	868,730	83,410	-	5,670,324
Proceeds from principal*	4,523,016	11,633	805,050	236,586	-	-	5,576,285
Redemption of principal	(1,652,889)	(641,686)	(340,759)	(3,040)	(17,685)	-	(2,656,059)
Interest accrued	215,648	28,505	102,240	109,118	4,640	-	460,151
Interest paid**	(215,404)	(28,821)	(101,758)	(99,699)	(4,729)	-	(450,411)
Additions	-	-	-	-	22,122	-	22,122
Other non-cash movements***	-	-	-	-	(10,812)	-	(10,812)
Foreign exchange adjustments	15,714	23,709	49,903	36,679	3,465	-	129,470
31 December 2024	6,340,184	109,141	1,062,960	1,148,374	80,411	-	8,741,070
Proceeds from principal*	3,720,200	161,973	-	-	-	-	3,882,173
Redemption of principal	(4,215,074)	-	-	(229,843)	(19,692)	-	(4,464,609)
Interest accrued	474,477	11,902	105,303	104,158	4,173	28,564	728,577
Interest paid**	(469,379)	(11,716)	(102,666)	(107,376)	(4,050)	(23,002)	(718,189)
Additions	-	-	-	-	19,015	-	19,015
Other non-cash movements***	-	-	-	-	(3,813)	(286)	(4,099)
Foreign exchange adjustments	45,549	(1,009)	(42,269)	(5,014)	(2,876)	22,880	17,261
31 December 2025	5,895,957	270,291	1,023,328	910,299	73,168	28,156	8,201,199

*Principal is amortised cost without accrued interest and any other costs.

**Interests paid are included in the operating section of the consolidated statement of cash flows. Interest paid on hedge instruments represent net amount of paid and received interest amounts on these instruments.

***Other non-cash movements represent derecognitions and other movements for finance lease contracts.

36. Financial and Other Risk Management

Credit Quality

Depending on the type of financial asset the Group may utilise different sources of asset credit quality information including credit ratings assigned by the international rating agencies (Standard & Poor's, Fitch), credit scoring information from credit bureau and internally developed credit ratings. Financial assets are classified in an internally developed credit quality grades by considering the internal and external credit quality information in combination with other indicators specific to the particular exposure (e.g., delinquency). The Group uses following credit quality grades:

- Very low risk – exposures demonstrate strong ability to meet financial obligations.
- Low risk – exposures demonstrate adequate ability to meet financial obligations.
- Moderate risk – exposures demonstrate satisfactory ability to meet financial obligations.
- High risk – exposures that require closer monitoring, and
- Default – exposures in default, with observed credit impairment.

The table below shows internal and external grades used in ECL calculation.

Credit quality grade	Internal rating grades		External ratings	Internal ratings
	Rating for retail and micro loans	Rating for SME and corporate loans	Credit bureau (When applicable)	International credit ratings (When applicable)
Very low	1-10	1-15	A; B; C1; C2; C3	A1.3; A1.4; A1.5; A2; A3; B1; B2
Low	11-21	16-24	A; B; C1; C2; C3; D1; D2; D3	A2; A3; B1; B2; B3; C1
Moderate	22-35	25-40	A; B; C1; C2; C3; D1; D2; D3; E1; E2; E3	A1.3; A1.4; A1.5; A2; A3; B1; B2; B3; C1; C2; C3
High	36-44	41-68	D1; D2; D3; E1; E2; E3	A1.3; A1.4; A1.5; A2; A3; B1; B2; B3; C1; C2; C3; D1; D2; D3

Expected credit loss (ECL) measurement

ECL is a probability-weighted estimate of the present value of future cash shortfalls. An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default (“PD”), Exposure at Default (“EAD”), Loss Given Default (“LGD”) and Discount Rate. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The Group uses is a three-stage model for ECL measurement and classifies its borrowers across three stages: The Group classifies its exposures as Stage 1 if no significant deterioration in credit quality occurred since initial recognition and the instrument was not defaulted when initially recognised. The exposure is classified as Stage 2 if the significant deterioration in credit quality was identified since initial recognition, but the financial instrument is not considered defaulted. The exposures for which the defaulted indicators have been identified are classified as Stage 3 instruments. The Expected Credit Loss (ECL) amount differs depending on exposure allocation to one of the Stages. In the case of Stage 1 instruments, the ECL represents that portion of the lifetime ECL that can be attributed to default events potentially occurring within the next 12 months from the reporting date. In case of Stage 2 instruments, the ECL represents the lifetime ECL, i.e., credit losses that can be attributed to possible default events during the whole lifetime

36. Financial and Other Risk Management continued

of a financial instrument. Generally, lifetime is set equal to the remaining contractual maturity of the financial instrument. Factors such as existence of contractual repayment schedules, options for extension of repayment maturity and monitoring processes held by The Group affect the lifetime determination. In case of Stage 3 instruments, default event has already been incurred and the lifetime ECL is estimated based on the expected recoveries.

Definition of default

Financial assets for which the Group observed occurrence of one or more loss events are classified in Stage 3.

The Group uses both quantitative and qualitative criteria for the definition of default. The borrower is classified as defaulted if at least one of the following occurred:

- Any amount of contractual repayments is past due more than 90 days.
- Factors indicating the borrower's unlikelihood-to-pay.

In case of individually significant borrowers, the Group additionally applies criteria including but not limited to bankruptcy proceedings, significant fraud in the borrower's business that significantly affected its financial condition, breach of the contract terms etc. For SME and corporate borrowers' default is identified on the counterparty level, meaning that all the claims against the borrower are treated as defaulted. As for retail and micro exposures, facility level default definition is applied considering additional pulling effect criteria. If the amount of defaulted exposure exceeds predefined threshold, all the claims against the borrower are classified as defaulted. Once a financial instrument is classified as defaulted, it remains as such until it no longer meets any of the default criteria for a consecutive period of six months, in which case exposure is considered to no longer be in default (i.e., to have cured). Probation period of six months has been determined on analysis of likelihood of a financial instrument returning to default status after curing. Exposures which are moved to stage 2 from default state are kept there for certain periods before transferring to Stage 1 and classified as fully performing instruments again.

Significant increase in credit risk (“SICR”)

Financial assets for which the Group identifies significant increase in credit risk since its origination are classified in Stage 2. SICR indicators are recognised at financial instrument level even though some of them refer to the borrower's characteristics. The Group uses both quantitative and qualitative indicators of SICR.

Quantitative criteria

On a quantitative basis the Group assesses change in probability of default parameter for each particular exposure since initial recognition and compares it to the predefined threshold. When absolute relative change in probability of default exceeds the applicable threshold, SICR is deemed to have occurred, and exposure is transferred to Stage 2. While defining and applying SICR thresholds, the Bank considers product type, age of the contracts and rating at origination, therefore, SICR threshold for each particular sub segment vary.

Apart from statistical thresholds, the Bank incorporates an additional condition to the PD-based SICR assessment, referred to as the PD Backstop. The PD Backstop represents the highest Risk Group (Rating) up to which there is strong and undisputed evidence that the level of default risk is not materially different.

An exposure is transferred to Stage 2 when both SICR Quantitative Conditions are met, i.e., the current rating is worse than the backstop rating and when absolute relative change in probability of default exceeds the applicable threshold.

36. Financial and Other Risk Management continued

Below we disclose the threshold ranges across the relevant subgroups in percentage points triggering contract to move to stage 2:

Mortgage	0% - 5.8%
Consumer (further divided into subgroups to apply thresholds)	0% - 25.9%
Micro (further divided into subgroups to apply thresholds)	0% - 24.4%

Qualitative criteria

Financial assets are transferred to Stage 2 and lifetime ECLs is measured if at least one of the following SICR qualitative criteria is observed:

- delinquency period of more than 30 days on contractual repayments.
- exposure is restructured but is not defaulted.
- borrower is classified as “watch”.

The Group has not rebutted the presumption that there has been significant increase in credit risk since origination when financial asset becomes more than 30 days past due. This qualitative indicator of SICR together with debt restructuring is applied to all segments. Particularly for corporate and SME segment, the Group uses downgrade of risk category since origination of the financial instrument as a qualitative indicator of SICR. Based on the results of the monitoring, borrowers are classified across different risk categories. In case there are certain weaknesses present, which if materialised may lead to loan repayment problems, borrowers are classified as “watch” category. Although watch borrowers' financial standing is sufficient to repay obligations, these borrowers are closely monitored, and specific actions are undertaken to mitigate potential weaknesses. Once the borrower is classified as “watch” category, it is transferred to Stage 2. If any of the SICR indicators described above occur, financial instrument is transferred to Stage 2. Financial assets may be moved back to Stage 1, if SICR indicators are no longer observed.

ECL measurement

The Group utilises two approaches for ECL measurement – individual assessment and collective assessment. Individual assessment is mainly used for stage 2 and stage 3 individually significant borrowers. For selecting individually significant exposures, the management uses the following estimated thresholds above which exposures¹ are selected for individual review: for stage 2 - to GEL 10 million and for stage 3 - GEL 4 million. Additionally, the Group may arbitrarily designate selected exposures to individual measurement of ECL based on the Group's credit risk management or underwriting departments' decision. The individual assessment considers the latest available information to define ECL under baseline, upside and downside scenarios.

The Group uses the discounted cash flow (DCF) method for the determination of recovery amount under individual assessment. To ensure the accurate estimation of recoverable amount the Group utilises scenario analysis approach. Scenarios may be defined considering the specifics and outlook of individual borrowers, sector the borrower operates in or changes in values of collateral. In case of scenario analysis, the Group forecasts recoverable amount for each scenario and estimates respective losses. Ultimate ECL is calculated as the weighted average of losses expected in each scenario, weighted by the probability of scenario occurring.

As for the non-significant and non-impaired significant borrowers, the Group estimates expected credit losses collectively. For the collective assessment and risk parameters estimation purposes the exposures are grouped into homogenous risk pools based on similar credit risk characteristics. Common credit risk characteristics of the group include but are not limited to: Stage (Stage 1, Stage 2 or Stage 3), type of counterparty (individual vs business), type of product, rating (external or internal), overdue status, restructuring status, months in default category or any other characteristics that may differentiate certain sub-segments for risk parameter's estimation purposes. Number of pools differs for different products/ segments considering specifics of portfolio and availability of data within each pool. Collective ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained below and discounted to present value using the instrument's effective interest rate.

The key principles of calculating the credit risk parameters:

36. Financial and Other Risk Management continued**Exposure at default (EAD)**

The EAD represents estimation of exposure to credit risk at the time of default occurring during the life of financial instrument. The EAD parameter used for the purpose of the ECL calculation is time-dependent, i.e., the Group allows for various values of the parameter to be applied to subsequent time periods during the lifetime of an exposure. Such structure of the EAD is applied to all Stage 1 and Stage 2 financial instruments. In case of Stage 3 financial instruments and defaulted POCI assets, the EAD vector is one-element with current EAD as the only value. EAD is determined differently for amortising financial instruments with contractual repayment schedules and for revolving facilities. For amortising products EAD is calculated considering the contractual repayments of principal and interest over the 12-month period for facilities classified in Stage 1 and over lifetime period for remaining instruments. It is additionally adjusted to include the effect of reduction in exposure due to prepayments - Namely full prepayment ratio. Full Prepayment Ratio (FPR) parameter represents the probability that a financial instrument will be fully prepaid during the particular period to maturity. To calculate Full Prepayment Ratio, the Group make the analysis of the historical data of the contracts fully prepaid until maturity. For revolving facilities, the Bank calculates the EAD based on the expected limit utilisation percentage conditional on the default event.

Probability of default (PD)

Probability of default parameter reflects the likelihood of a default of a facility over a particular time horizon. It provides an estimate of the likelihood that a borrower will be unable to meet its contractual debt obligations. The PD parameter is time-dependent (i.e., has a specific term structure) and is applied to all non-defaulted contracts. Taking into account specific nature of different segments of clients for which the PD is estimated as well as unique characteristics that drive their default propensity, the PD is modelled differently for Retail and Micro segments and Corporate and SME segments. PD assessment approach is also differentiated for different time horizons and is further adjusted due to expected influence of macroeconomic variables as forecasted for the period (see 'Forward Looking Information' section for further details on incorporation of macroeconomic expectations in ECL calculation). FLI adjustment is applied on PD for the three-year period, given the uncertainty involved in the macroeconomic forecasts for the longer time horizon. Two types of PDs are used for calculating ECLs: 12-month and lifetime PD. Lifetime PDs represent the estimated probability of a default occurring over the remaining life of the financial instrument and it is a sum of the 12 months marginal PDs over the life of the instrument. The Group generally uses number-based approach of PD model construction, however for the nonhomogeneous portfolio's, exposure-weighted approach is utilised. The Group uses different statistical approaches such as the extrapolation of 12-month PDs based on migration matrixes, developing lifetime PD curves based on the historical default data and gradual convergence of long-term PD with the long-term default rate.

¹ Total exposure of the bank toward the borrower or group of interconnected borrowers

36. Financial and Other Risk Management continued**Loss given default (LGD)**

The LGD parameter represents the share of an exposure that would be irretrievably lost if a borrower defaults. For Stage 1 and Stage 2 financial instruments, the LGD is estimated for each period in the instrument's lifetime and reflects the share of the expected EAD for that period that will not be recovered over the remaining lifetime of the instrument after the default date. For Stage 3 financial instruments, the LGD represents the share of the EAD as of reporting date that will not be recovered over the remaining life of that instrument. Assessment of LGD varies by the type of counterparty, segment, type of product, securitisation level, availability of historical observations and portfolio sale. The general LGD estimation process employed by the Group assumes that after the default of the exposure, two mutually exclusive scenarios are possible. Non-sold scenario- The exposure either leaves the default state (cure scenario) or does not leave the default state and will be subject to recovery process (non-cure scenario); Sold scenario-

exposure is sold. The probability that an exposure is sold, probability of a cure and the probability that a cured exposure defaults again, are all determined in the estimation process. Risk parameters applicable to both sub-scenarios, i.e., cure rates and recovery rates, are estimated by means of migration matrices approach, whereas the probability of sales is determined by expert judgement until enough data is gathered to allow for statistical estimation. For each LGD portfolio the Group defines the recovery horizon for non-sold exposures and maximum period for an exposure to be sold (which is set at the average time-to-sale), after which no material recoveries are ensured. Recovery horizon is defined by data analytics and expert judgment. For certain portfolios based on the limitations of observations alternative versions of the general approach may be applied. For significant corporate exposures, the Group uses the LGD modelling approach that is based on realised recoveries from historical defaults, adjusted with approximation of future recoveries from individually assessed defaulted exposures. To model LGD for SME and non-significant corporate borrowers, the Group is estimating recoverable amounts from the collateral and assumes that no recovery from cash is expected. To estimate recoverable amounts from the collateral, the Group is applying respective haircuts defined for different types of collateral and discounts them using effective interest rate over the realisation period. In addition, at each reporting date, the Group makes the decision which historical data horizon should be used to model recoveries.

Forward-looking information

The measurement of unbiased, probability weighted ECL requires inclusion of forward-looking information obtainable without undue cost or effort. For forward-looking information purposes, the Group defines three macro scenarios. The scenarios are defined as baseline (most likely), upside (better than most likely) and downside (worse than most likely) scenarios of the state of the economy. To derive the baseline macro-economic scenario, the Group considers forecasts from various external sources – the National Bank of Georgia, Ministry of Finance, International Monetary Fund (IMF) as well as other International Financial Institutions (IFIs) – to ensure the alignment to the consensus market expectations. Upside and downside scenarios are defined based on the framework developed by the Group's macroeconomic unit.

The Group uses statistical models and historical relationship between the various macroeconomic factors and default observations to derive forward-looking adjustments. In case these models do not provide reasonable results either from statistical or business perspective, the Group may apply expert judgment or use an alternative approach. As at 31 December 2025, the Group employs statistical models to derive forward looking adjustment in all segments except for corporate. In corporate segment, due to the insignificance of the statistical models, the Group does not apply FLI adjustment. The baseline, upside and downside scenarios were assigned probability weighing 50%, 25% and 25%, respectively.

The forward-looking information is incorporated in collective assessment of expected credit losses of Retail and MSME portfolios and individually assessed exposures.

36. Financial and Other Risk Management continued**Model maintenance and validation**

The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual credit loss. Such back-testing (including back-casting) is performed at least once a year. As part of the back-testing process, the Group evaluates actual realisation of the risk parameters and their consistency with the model estimates. Additionally staging criteria are also analysed within the back-testing process. The results of back-testing the ECL measurement methodology are communicated to Group Management and further actions for tuning the models and assumptions are defined after discussions between authorized persons.

Risk governance

ECL impairment models were developed by internal credit risk governance division with the involvement of external consultants. The division runs the models to calculate ECL each month. They are also responsible for model back-testing, analytics and governance.

Economic scenarios and probability weights are prepared by macro-financial analysis unit.

All the assumptions, including PMAs and PMOs used in the ECL measurement, go through a review and approval process:

- Chief Economist reviews and approves the forward-looking scenarios and respective weights.
- Internal allowance committee reviews and approves appropriateness of the estimates and judgements as well as PMAs and PMOs used in ECL measurement on a regular basis; internal committee includes Head of ERM, Heads of Portfolio Credit Risk Management divisions and CRO, who ultimately approves ECL results as of each reporting date.
- Models used in calculation, as well as back-testing process is also validated by the model risk management division.

Climate risk. The Group's operations are in Georgia hence the climate risk overview is done by the management from Georgian perspective. The Georgia's 2030 Climate Change Strategy and Climate Action Plan lay out different policy measures on which TBC Bank based its identification of the potential impact of the policy measures on different economic sectors. As a summary of the potential impact of the various transition risks and physical risks identified, the transitional risks in Georgia are low, considering, that trade and services dominate the Georgian economy, the policy measures outlined in the Georgia's 2030 Climate Change Strategy will have overall low impact on the economic sectors, especially in short and medium term. The Georgia's 2030 Climate Change Strategy takes into consideration that Georgia is a transitional and growing economy, and therefore the government strategy is not to impede the growth of the GDP with policy measures and rather to support a smooth transition where necessary. It is worth noting, that the economic sectors most affected by transitional risks world-wide such as mining crude petroleum, natural gas and metal ores, manufacturing coke and refined petroleum products are present to a very limited extend in Georgia, resulting in a low overall impact of transitional measures on economic growth, if any. To increase the understanding of climate-related risks on its loan portfolio, the Bank performed a high-level sectoral risk assessment, as different sectors might be vulnerable to different climate-related risks over different time horizons; furthermore, the Bank performed climate stress testing of the credit portfolio. The maturity structure of the loan portfolio shows that the largest part of assets is distributed in the time horizons that are much shorter than the impacts of climate change, especially of physical risks, can be materialized in Georgia. Therefore, the bank has not made any adjustment to the level of provisions purely related to climate risk. On the other hand, the understanding of climate related risks, which have longer-term impacts need to be increased in coming years, therefore, when the bank has a more definitive analysis, it will further develop the approach to consider climate risks in provisioning. No post model adjustments (PMAs) or Post model overlays (PMOs) have been posted for 2025 in this regard.

36. Financial and Other Risk Management continued**Geographical risk concentrations**

Assets, liabilities, credit related commitments and performance guarantees have generally been attributed to geographic regions based on the country in which the counterparty is located. Balances legally outstanding to/from offshore companies which are closely related to Georgian counterparties are allocated to the caption "Georgia". Cash on hand and premises and equipment have been allocated based on the country in which they are physically held.

Tables below include geographical concentration by country of incorporation. Loans and advances to OECD and Non-OECD resident customers, as well as to Georgian customers, are issued to the entities most of which are based and performing in Georgia.

The geographical concentration of the Group's assets and liabilities as of 31 December 2025 is set out below by country of incorporation:

<i>In thousands of GEL</i>	Georgia	OECD	Non-OECD	Total
Assets				
Cash and cash equivalents	1,232,792	884,837	15,712	2,133,341
Reverse repurchase receivables	-	184,979	-	184,979
Due from other banks	43,065	11,814	26	54,905
Mandatory cash balances with NBG	2,357,950	-	-	2,357,950
Loans and advances to customers	25,760,491	522,646	334,903	26,618,040
Investment securities	3,037,312	2,484,220	237,826	5,759,358
Repurchase receivables	101,648	-	-	101,648
Finance lease receivables	597,235	-	-	597,235
Other financial assets	343,447	59,644	453	403,544
Total financial assets	33,473,940	4,148,140	588,920	38,211,000
Non-financial assets	1,962,127	-	593	1,962,720
Total assets	35,436,067	4,148,140	589,513	40,173,720
Liabilities				
Due to credit institutions	3,428,293	3,223,497	239,762	6,891,552
Customer accounts	20,227,437	1,384,629	2,784,641	24,396,707
Debt securities in issue	230,399	39,892	-	270,291
Additional Tier 1 capital subordinated notes	-	1,023,328	-	1,023,328
Other financial liabilities	381,534	138,036	11	519,581
Lease liabilities	73,168	-	-	73,168
Subordinated debt	156,371	753,928	-	910,299
Total financial liabilities	24,497,202	6,563,310	3,024,414	34,084,926
Non-financial liabilities	168,646	659	721	170,026
Total liabilities	24,665,848	6,563,969	3,025,135	34,254,952
Net balance sheet position	10,770,219	(2,415,829)	(2,435,622)	5,918,768
Performance guarantees	1,232,089	519,037	102,075	1,853,201
Undrawn credit lines	573,050	1,082	823	574,955
Letters of credit issued	150,283	-	-	150,283
Financial guarantees issued	517,960	1,598	9,347	528,905

36. Financial and Other Risk Management continued

The geographical concentration of the Group's assets and liabilities as of 31 December 2024 is set out below by country of incorporation:

<i>In thousands of GEL</i>	Georgia	OECD	Non-OECD	Total
Assets				
Cash and cash equivalents	1,242,758	1,525,239	50,113	2,818,110
Due from other banks	9,223	10,907	23	20,153
Mandatory cash balances with NBG	2,576,731	-	-	2,576,731
Loans and advances to customers	23,464,645	439,607	283,092	24,187,344
Investment securities	2,843,367	1,926,150	595,107	5,364,624
Repurchase receivables	-	140,058	-	140,058
Finance lease receivables	429,435	-	3,226	432,661
Other financial assets	269,809	126,301	29,895	426,005
Total financial assets	30,835,968	4,168,262	961,456	35,965,686
Non-financial assets	1,686,614	225	2,765	1,689,604
Total assets	32,522,582	4,168,487	964,221	37,655,290
Liabilities				
Due to credit institutions	3,975,766	2,724,140	616,726	7,316,632
Customer accounts	17,895,389	1,396,081	2,649,752	21,941,222
Debt securities in issue	109,141	-	-	109,141
Additional Tier 1 capital subordinated notes	1,062,960	-	-	1,062,960
Other financial liabilities	288,140	85,624	141	373,905
Lease liabilities	79,354	-	1,057	80,411
Subordinated debt	162,552	843,508	142,314	1,148,374
Total financial liabilities	23,573,302	5,049,353	3,409,990	32,032,645
Non-financial liabilities	166,022	647	1,147	167,816
Total liabilities	23,739,324	5,050,000	3,411,137	32,200,461
Net balance sheet position	8,783,258	(881,513)	(2,446,916)	5,454,829
Performance guarantees	1,434,295	471,593	85,499	1,991,387
Undrawn credit lines	612,776	1,309	1,106	615,191
Letters of credit issued	242,967	-	1,180	244,147
Financial guarantees issued	557,239	1,149	2,676	561,064

36. Financial and Other Risk Management continued

Market risk. Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Management sets risk appetite limits on the value of risk that may be accepted, which is monitored on a regular basis. These limits provide buffers over regulatory limits, ensuring early detection of potential losses in the event of more significant market movements.

Currency risk. Foreign exchange rate risk arises from the potential change in foreign currency exchange rates, which can affect the value of a financial instrument. This risk stems from the open currency positions created due to mismatches in foreign currency assets and liabilities. The NBG requires the Bank to monitor both balance sheet and total aggregate (including off-balance sheet) open currency positions and to maintain the later one within 20% of the Bank's regulatory capital. The Asset-Liability Management Committee ("ALCO") has set limits on the level of exposure by currency as well as on aggregate exposure positions which are more conservative than those set by the NBG. The Bank's compliance with such limits is monitored daily by the heads of the Treasury department and Financial Risk Management division.

Currency risk management framework is governed through the Foreign Exchange Risk Management Policy. The table below summarises the Group's exposure to foreign currency exchange rate risk at the balance sheet date. While managing open currency position the Group considers part of the provisions to be denominated in the USD, Euro and other currencies. Gross amount of currency swap deposits is included in Derivatives. Therefore, total financial assets and liabilities below are not traceable with either balance sheet or liquidity risk management tables, where net amount of gross currency swaps is presented.

The Group's exposure to foreign currency exchange rate risk as at 31 December 2025:

<i>In thousands of GEL</i>	Monetary financial assets	Monetary financial liabilities	Derivatives	Net position
GEL	20,362,333	16,547,042	335,158	4,150,449
USD	11,908,868	13,126,356	915,134	(302,354)
EUR	5,575,105	4,176,435	(1,404,403)	(5,733)
Other	364,694	246,901	95,232	213,025
Total	38,211,000	34,096,734	(58,879)	4,055,387

The Group's exposure to foreign currency exchange rate risk as at 31 December 2024:

<i>In thousands of GEL</i>	Monetary financial assets	Monetary financial liabilities	Derivatives	Net position
GEL	18,063,663	15,190,461	1,305,743	4,178,945
USD	12,957,258	13,366,016	242,210	(166,548)
EUR	4,829,498	3,323,537	(1,499,193)	6,768
Other	115,267	169,892	85,499	30,874
Total	35,965,686	32,049,906	134,259	4,050,039

USD strengthening by 15% (weakening 15%) would decrease Group's profit or loss and equity in 2025 by GEL 45,353 thousand (increase by GEL 45,353 thousand). Euro strengthening by 15% (weakening 15%) would decrease Group's profit or loss and equity in 2025 by GEL 860 thousand (increase by GEL 860 thousand).

USD strengthening by 15% (weakening 15%) would decrease Group's profit or loss and equity in 2024 by GEL 24,982 thousand (increase by GEL 24,982 thousand). Euro strengthening by 15% (weakening 15%) would increase Group's profit or loss and equity in 2024 by GEL 1,015 thousand (decrease by GEL 1,015 thousand).

36. Financial and Other Risk Management continued

Interest rate risk. Interest rate risk arises from potential changes in the market interest rates that can adversely affect the fair value or future cash flows of the financial instrument. This risk can arise from maturity mismatches of assets and liabilities, as well as from the re-pricing characteristics of such assets and liabilities.

The biggest share of the Bank's deposits is at fixed interest rates, while more than half of the Bank's borrowings are at a floating interest rate. In addition, the Bank actively uses floating and combined¹ interest rate structures in its loan portfolio. In case of need, the Bank also applies for interest rate risk hedging instruments in order to mitigate interest rate risk. Furthermore, many of the Bank's loans to customers contain a clause allowing it to adjust the interest rate on the loan in case of adverse interest rate movements, thereby limiting the Bank's exposure to interest rate risk. The management also believes that the Bank's interest rate margins provide a reasonable buffer to mitigate the effect of possible adverse interest rate movements.

The Group employs an advanced framework for the management of interest rate risk by establishing appropriate Risk Appetite limits, monitoring compliance with them and preparing forecasts. From September 2020 the NBG introduced regulation on interest rate risk and set the limit for Economic Value of Equity (EVE) sensitivity at 15% of NBG Tier 1 Capital. The main principles and assumptions of NBG IRR methodology are in line with Basel standards developed for IRR management purposes.

According to NBG guidelines the net interest income sensitivity under parallel shifts of interest rate scenarios is maintained for monitoring purposes, while EVE sensitivity is calculated under 6 predefined stress scenarios of interest rate changes and the limit is applied to the worst-case scenario result.

Interest rate risk is managed by the Balance Sheet Management division and is monitored by the ALCO, which decides on actions that are necessary for effective interest rate risk management and follows up on their implementation. Financial and Capital Risk Management (FCRM) division is responsible for developing procedures, policy documents and setting risk appetite for interest rate risk. The major aspects of interest rate risk management development and the respective reporting are periodically provided to the Management Board, the Supervisory Board's Risk Committee.

Following main assumptions under NBG IRR Regulation and Basel 2016 guidelines, at 31 December, 2025, if market interest rates for each currency had been 200 basis points higher, with all other variables held constant, profit would have been equivalent GEL 3 million lower, mainly as a result of relatively closed NII gaps (2024: GEL 14 million lower). If market interest rates for each currency at 31 December, 2025 had been 200 basis points lower with all other variables held constant, profit for the year would have been equivalent GEL 6 million higher, mainly as a result of relatively closed NII gaps (2024: GEL 11 million higher). Compared to last year, in 2025 in both scenarios the effects have been muted due to the relatively closed NII gaps.

At 31 December, 2025, if interest rates had been 200 basis points lower, with all other variables held constant, other comprehensive income would have been GEL 241 million higher (2024: GEL 100 million), as a result of an increase in the fair value of fixed rate financial assets measured at fair value through other comprehensive income and repurchase receivables. If interest rates at 31 December, 2025 had been 200 basis points higher with all other variables held constant, Other comprehensive income would have been GEL 241 million lower (2024: GEL 100 million), as a result of decrease in the fair value of fixed rate financial assets measured at fair value through other comprehensive income.

¹ In case of combined interest rates, interest rate is fixed for a pre-agreed term, and switches to floating interest rate after the term passes.

36. Financial and Other Risk Management continued

Liquidity Risk. The liquidity risk is the risk that TBC Bank either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due or can access those resources only at a high cost. The risk is managed by the Balance Sheet Management division and Treasury Department and is monitored by the ALCO, within their pre-defined functions. FCRM is responsible for developing procedures, policy documents and setting risk appetite on funding and market liquidity risk management. In addition, FCRM performs liquidity risk assessment and communicates the results to the MB and Risk Committee of the Supervisory Board on a regular basis.

The principal objectives of the TBC Bank's liquidity risk management policy are to: (i) ensure the availability of funds in order to meet claims arising from total liabilities and off-balance sheet commitments, both actual and contingent, at an economic price; (ii) recognise any structural mismatch existing within TBC Bank's statement of financial position and set monitoring ratios to manage funding in line with well-balanced growth; and (iii) monitor liquidity and funding on an on-going basis to ensure that approved business targets are met without compromising the risk profile of the Bank.

The liquidity risk is categorized into two risk types: the funding liquidity risk and the market liquidity risk.

Funding liquidity risk is the risk that TBC will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either its daily operations or its financial condition. To manage funding liquidity risk TBC Bank uses the Liquidity Coverage ratio and the Net Stable Funding ratio set, forth under Basel III, and defined further by the NBG. In addition, the Bank performs stress tests and "what-if" scenario analysis. For NBG LCR the limits are set by currency (GEL, FC, Total). TBC monitors compliance with NBG LCR limits daily. On a monthly basis the Bank also monitors compliance with the set limit for NBG NSFR.

The Liquidity Coverage Ratio is used to help manage short-term liquidity risks. The Bank's liquidity risk management framework is designed to comprehensively project cash flows arising from assets, liabilities and off-balance sheet items over certain time buckets and ensure that NBG LCR limits are met daily.

The Net Stable Funding ratio is used for long-term liquidity risk management to promote resilience over a longer time horizon by creating additional incentives for TBC Bank to rely on more stable sources of funding on a continuous basis. The Bank also monitors deposit concentration for large deposits and sets the limits for non-Georgian resident's deposits share in total deposit portfolio.

The Bank relies on relatively stable deposits from Georgia as the main source of funding. In order to maintain and further enhance the liability structure TBC Bank sets targets for deposits and IFI funding within the Bank's risk appetite.

The Bank's liquidity position was strong as of 31 December 2025, both LCR and NSFR ratios above the NBG minimum requirements of 100%.

Maturity analysis. The table below summarizes the maturity analysis of the Group's financial liabilities, based on remaining undiscounted contractual obligations as of 31 December 2025 subject-to-notice repayments are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

36. Financial and Other Risk Management continued

The maturity analysis of undiscounted financial liabilities as of 31 December 2025 is as follows:

<i>In thousands of GEL</i>	Less than 3 months	From 3 to 12 months	From 1 to 5 Years	Over 5 years	Total
Due to credit institutions	3,124,619	1,183,799	3,009,150	108,639	7,426,207
Customer accounts – individuals	8,753,260	3,039,099	969,909	67,500	12,829,768
Customer accounts – other	8,431,053	1,150,174	2,526,469	279,176	12,386,872
Other financial liabilities	376,605	94,741	48,215	-	519,561
Lease liabilities	14,728	36,130	91,468	16,995	159,321
Subordinated debt	28,929	54,853	407,824	970,988	1,462,594
Debt securities in issue	85,163	20,817	213,296	104	319,380
Additional Tier 1 capital subordinated notes	8,991	91,883	320,602	1,010,878*	1,432,354
Derivative financial instruments:					
-Inflows	(627,164)	(1,084,354)	(738,376)	-	(2,449,894)
-Outflows	634,754	1,174,714	778,677	-	2,588,145
Performance guarantees	1,880,063	-	-	-	1,880,063
Financial guarantees	533,362	-	-	-	533,362
Letters of credit	25,123	130,679	18,486	-	174,288
Undrawn credit lines	574,955	-	-	-	574,955
Total potential future payments for financial obligations	23,844,441	5,892,535	7,645,720	2,454,280	39,836,976

*The amount represents discounted perpetual payments.

36. Financial and Other Risk Management continued

The maturity analysis of undiscounted financial liabilities as of 31 December 2024 is as follows:

<i>In thousands of GEL</i>	Less than 3 months	From 3 to 12 months	From 1 to 5 Years	Over 5 years	Total
Due to credit institutions	4,092,984	983,942	2,644,733	129,029	7,850,688
Customer accounts – individuals	8,203,918	2,636,804	699,565	37,905	11,578,192
Customer accounts – other	8,558,454	540,630	1,781,545	93,607	10,974,236
Other financial liabilities	302,272	39,726	9,904	-	351,902
Lease liabilities	12,682	30,256	88,062	18,362	149,362
Subordinated debt	31,157	84,183	659,124	1,118,968	1,893,432
Debt securities in issue	2,851	8,543	98,486	19,302	129,182
Additional Tier 1 capital subordinated notes	9,364	95,695	420,233	1,052,814*	1,578,106
Derivative financial instruments:					
-Inflows	(2,576,849)	(1,203,747)	(127,834)	-	(3,908,430)
-Outflows	2,632,675	1,234,019	134,912	-	4,001,606
Performance guarantees	2,027,985	-	-	-	2,027,985
Financial guarantees	566,230	-	-	-	566,230
Letters of credit	121,989	143,145	15,199	-	280,333
Undrawn credit lines	615,191	-	-	-	615,191
Total potential future payments for financial obligations	24,600,903	4,593,196	6,423,929	2,469,987	38,088,015

*The amount represents discounted perpetual payments.

The undiscounted financial liability gap analysis does not reflect the historical stability of the current accounts. Their liquidation has historically taken place over a longer period than the one indicated in the tables above. These balances are included in amounts due in less than three months in the tables above. Accordingly, the table does not reflect the Management's expectations as to actual cash outflows.

36. Financial and Other Risk Management continued

Term deposits included in the customer accounts are classified based on remaining contractual maturities, however, according to the Georgian Civil Code, individuals have the right to withdraw their deposits prior to maturity, if they partially or fully forfeit their right to accrued interest and the Group is obliged to repay such deposits upon the depositor's demand. Based on the Bank's deposit retention history, the Management does not expect that many customers will require repayment on the earliest possible date.

The Group does not use the above undiscounted maturity analysis to manage liquidity as it shows contractual terms purely and disregard the actual expected behaviour of the instruments. Instead, the Group monitors the liquidity gap analysis based on the expected maturities. In particular, expected maturities disclosure include customers' deposits and contingent liabilities according to their behavioural analysis, while for undiscounted cash flow disclosure purposes, demand deposits are put in on demand bucket.

As at 31 December 2025 the analysis by expected maturities of financial assets is as follows:

<i>In thousands of GEL</i>	Less than 3 months	From 3 to 12 months	From 1 to 5 Years	Over 5 years	Total
Cash and cash equivalents	2,133,341	-	-	-	2,133,341
Reverse repurchase receivables	-	184,979	-	-	184,979
Due from other banks	6,844	47,395	-	666	54,905
Mandatory cash balances with NBG	2,357,950	-	-	-	2,357,950
Loans and advances to customers	2,716,952	5,409,137	11,666,513	6,825,438	26,618,040
Investment securities	4,630,044	1,129,314	-	-	5,759,358
Repurchase receivables	101,648	-	-	-	101,648
Finance lease receivables	88,611	115,658	310,837	82,129	597,235
Other financial assets	350,227	31,200	22,117	-	403,544
Total financial assets	12,385,617	6,917,683	11,999,467	6,908,233	38,211,000

As at 31 December 2024 the analysis by expected maturities of financial assets is as follows:

<i>In thousands of GEL</i>	Less than 3 months	From 3 to 12 months	From 1 to 5 Years	Over 5 years	Total
Cash and cash equivalents	2,818,110	-	-	-	2,818,110
Due from other banks	-	8,595	10,910	648	20,153
Mandatory cash balances with NBG	2,576,731	-	-	-	2,576,731
Loans and advances to customers	2,423,040	4,480,304	10,608,623	6,675,377	24,187,344
Investment securities	5,364,624	-	-	-	5,364,624
Repurchase receivables	-	140,058	-	-	140,058
Finance lease receivables	59,723	92,320	216,006	64,612	432,661
Other financial assets	354,773	55,015	16,217	-	426,005
Total financial assets	13,597,001	4,776,292	10,851,756	6,740,637	35,965,686

36. Financial and Other Risk Management continued

As at 31 December 2025 the analysis by expected maturities is as follows:

<i>In thousands of GEL</i>	Less than 3 months	From 3 to 12 months	Over 1 Years	Total
Total financial assets	12,385,617	6,917,683	18,907,700	38,211,000
Due to credit institutions	3,112,309	1,123,095	2,656,148	6,891,552
Customer accounts	1,761,442	165,898	22,469,367	24,396,707
Debt securities in issue	83,124	19,734	167,433	270,291
Additional tier 1 capital subordinated notes	8,910	86,642	927,776	1,023,328
Other financial liabilities	376,625	94,741	48,215	519,581
Lease liabilities	7,497	16,526	49,145	73,168
Subordinated debt	27,163	48,869	834,267	910,299
Total financial liabilities	5,377,070	1,555,505	27,152,351	34,084,926
Net liquidity gap as of 31 December 2025	7,008,547	5,362,178	(8,244,651)	4,126,074
Cumulative gap as of 31 December 2025	7,008,547	12,370,725	4,126,074	

As at 31 December 2024 the analysis by expected maturities is as follows:

<i>In thousands of GEL</i>	Less than 3 months	From 3 to 12 months	Over 1 Years	Total
Total financial assets	13,597,001	4,776,292	17,592,393	35,965,686
Due to credit institutions	4,060,929	802,585	2,453,118	7,316,632
Customer accounts	1,667,533	175,530	20,098,159	21,941,222
Debt securities in issue	2,801	7,947	98,393	109,141
Additional tier 1 capital subordinated notes	9,279	90,240	963,441	1,062,960
Other financial liabilities	324,275	39,726	9,904	373,905
Lease liabilities	7,608	16,116	56,687	80,411
Subordinated debt	21,853	8,591	1,117,930	1,148,374
Total financial liabilities	6,094,278	1,140,735	24,797,632	32,032,645
Net liquidity gap as of 31 December 2024	7,502,723	3,635,557	(7,205,239)	3,933,041
Cumulative gap as of 31 December 2024	7,502,723	11,138,280	3,933,041	

The Management believes that the Group has sufficient liquidity to meet its current on- and off-balance sheet obligations.

37. Contingencies and Commitments

Legal and regulatory matters. When determining the level of provision to be set up with regards to such matters, or the amount (not subject to provisioning) to be disclosed in the financial statements, the management seeks both internal and external professional advice. The management believes that the provision recorded in these consolidated financial statements is adequate and the amount (not subject to provisioning) need not be disclosed as it will not have a material adverse effect on the financial condition or the results of future operations of the Group.

Tax legislation. Georgian tax and customs legislation is subject to varying interpretations, and changes, which can occur frequently. The management's interpretation of the legislation as applied to the Group's transactions and activity may be challenged by the relevant authorities. In Georgia, the period of limitation for tax review is three years. To respond to the risks, the Group has engaged external tax specialists to carry out periodic reviews of Group's taxation policies and tax filings. The Group's management believes that its interpretation of the relevant legislation is appropriate, and the Group's tax and customs positions will be substantially sustained.

Compliance with covenants. The Group is subject to certain financial and non-financial covenants primarily related to its borrowed funds. These borrowings are subject to covenant requirements. Non-compliance with such covenants may result in negative consequences for the Group including mandatory prepayment and declaration of default. The Group was in compliance with all covenants as of 31 December 2025 and 31 December 2024.

The Group's financial covenants mainly consist of the following major sub-categories. The key covenants within each category, together with their respective compliance status, are disclosed below.

Covenant Description	Status
Liquidity	
Net Stable Funding Ratio (NSFR)	Complied
Liquidity Coverage Ratio (LCR)	Complied
Net loan to deposit and funding ratio	Complied
Capital Adequacy	
Tier 1 capital ratio	Complied
Total capital ratio	Complied
Asset Quality	
Open Credit Exposure Ratio	Complied
Par 90 to Gross Loan portfolio	Complied
Net Problem assets to Total capital	Complied
Credit Concentration	
Related Party Exposure Ratio	Complied
Largest Group Exposure Ratio	Complied
Foreign Exchange Risk	
Single Currency Foreign Exchange Risk Ratio	Complied
Aggregate Foreign Exchange Risk Ratio	Complied

For all financial covenants the group monitors risks related to its potential breach.

37. Contingencies and Commitments continued

Management of Capital. The Bank manages capital requirements under regulatory rules. The Bank complied with all its imposed capital requirements for the year 2025 and 2024. Based on information provided internally to key management personnel, the amount of capital that the Bank managed (the Bank's total equity adjusted for regulatory corrections) was GEL 5,222,768 thousand as of 31 December 2025 (2024: GEL 4,843,167 thousand), regulatory Tier 1 capital amounts to GEL 6,233,431 thousand (2024: GEL 5,895,717 thousand), total regulatory capital amounts to GEL 7,072,885 thousand (2024: GEL 6,861,963 thousand).

Credit related commitments and financial guarantees. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Financial guarantees and standby letters of credit, which represent the irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, that are underwritten by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to prolong credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments.

However, the likely amount of loss is lower than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term ones.

As of 31 December 2025, outstanding credit related commitments presented by stages are as follows:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3
Undrawn credit lines	557,798	12,296	4,861
Letters of credit issued	149,331	952	-
Financial guarantees issued	519,839	8,950	116
Total credit related commitments (before provision)	1,226,968	22,198	4,977
Credit loss allowance for credit related commitments			
Undrawn credit lines	(1,677)	(145)	-
Letters of credit issued	(178)	(1)	-
Financial guarantees issued	(668)	-	(14)
Credit loss allowance for credit related commitments	(2,523)	(146)	(14)
Total credit related commitments	1,224,445	22,052	4,963

As of 31 December 2024, outstanding credit related commitments presented by stages are as follows:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3
Undrawn credit lines	587,473	22,296	5,422
Letters of credit issued	244,147	-	-
Financial guarantees issued	558,990	2,001	73
Total credit related commitments (before provision)	1,390,610	24,297	5,495
Credit loss allowance for credit related commitments			
Undrawn credit lines	(1,662)	(146)	-
Letters of credit issued	(327)	-	-
Financial guarantees issued	(762)	-	-
Credit loss allowance for credit related commitments	(2,751)	(146)	-
Total credit related commitments	1,387,859	24,151	5,495

37. Contingencies and Commitments continued

The credit quality of contingencies and commitments is as follows at 31 December 2025:

	31 December 2025			
<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3	Total
Undrawn credit lines risk category				
- Very low	510,584	1,350	-	511,934
- Low	40,155	6,386	-	46,541
- Moderate	7,035	3,236	-	10,271
- High	24	1,324	-	1,348
- Default	-	-	4,861	4,861
Gross carrying amount	557,798	12,296	4,861	574,955
Credit loss allowance	(1,677)	(145)	-	(1,822)
Letters of credit issued risk category				
- Very low	149,331	-	-	149,331
- Low	-	-	-	-
- Moderate	-	952	-	952
- High	-	-	-	-
- Default	-	-	-	-
Gross carrying amount	149,331	952	-	150,283
Credit loss allowance	(178)	(1)	-	(179)
Financial guarantees issued risk category				
- Very low	516,438	-	-	516,438
- Low	2,973	8,656	-	11,629
- Moderate	428	244	-	672
- High	-	50	-	50
- Default	-	-	116	116
Gross carrying amount	519,839	8,950	116	528,905
Credit loss allowance	(668)	-	(14)	(682)

37. Contingencies and Commitments continued

The credit quality of contingencies and commitments is as follows at 31 December 2024:

<i>In thousands of GEL</i>	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Undrawn credit lines risk category				
- Very low	545,410	890	-	546,300
- Low	37,283	15,650	-	52,933
- Moderate	4,779	4,811	-	9,590
- High	1	945	-	946
- Default	-	-	5,422	5,422
Gross carrying amount	587,473	22,296	5,422	615,191
Credit loss allowance	(1,662)	(146)	-	(1,808)
Letters of credit issued risk category				
- Very low	244,147	-	-	244,147
- Low	-	-	-	-
- Moderate	-	-	-	-
- High	-	-	-	-
- Default	-	-	-	-
Gross carrying amount	244,147	-	-	244,147
Credit loss allowance	(327)	-	-	(327)
Financial guarantees issued risk category				
- Very low	558,463	-	-	558,463
- Low	406	1,735	-	2,141
- Moderate	121	266	-	387
- High	-	-	-	-
- Default	-	-	73	73
Gross carrying amount	558,990	2,001	73	561,064
Credit loss allowance	(762)	-	-	(762)

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. Non-cancellable commitments as of 31 December 2025 were GEL 290,536 thousand (2024: GEL 234,369 thousand).

Performance guarantees. Performance guarantees are contracts that provide compensation in case of another party failing to perform a contractual obligation.

37. Contingencies and Commitments continued

As of 31 December 2025, outstanding performance guarantees presented by stages are as follows:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3
Outstanding amount	1,802,445	47,492	3,264
Credit loss allowance	(2,294)	(971)	(327)
Total performance guarantees	1,800,151	46,521	2,937

As of 31 December 2024, outstanding performance guarantees presented by stages are as follows:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3
Outstanding amount	1,968,627	18,617	4,143
Credit loss allowance	(2,705)	(9)	(2,389)
Total performance guarantees	1,965,922	18,608	1,754

The credit quality of performance guarantees is as follows at 31 December 2025:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3	Total
Performance guarantees risk category				
- Very low	1,795,059	-	-	1,795,059
- Low	6,448	24,149	-	30,597
- Moderate	938	23,196	-	24,134
- High	-	147	-	147
- Default	-	-	3,264	3,264
Gross carrying amount	1,802,445	47,492	3,264	1,853,201
Credit loss allowance	(2,294)	(971)	(327)	(3,592)

The credit quality of performance guarantees is as follows at 31 December 2024:

<i>In thousands of GEL</i>	Stage 1	Stage 2	Stage 3	Total
Performance guarantees risk category				
- Very low	1,958,091	-	-	1,958,091
- Low	9,237	13,754	-	22,991
- Moderate	1,299	4,838	-	6,137
- High	-	25	-	25
- Default	-	-	4,143	4,143
Gross carrying amount	1,968,627	18,617	4,143	1,991,387
Credit loss allowance	(2,705)	(9)	(2,389)	(5,103)

Fair value of credit related commitments was GEL 2,684 thousand as of 31 December 2025 (2024: GEL 2,897 thousand).

37. Contingencies and Commitments continued

Total credit related commitments and performance guarantees are denominated in currencies as follows:

<i>In thousands of GEL</i>	2025	2024
GEL	1,566,714	1,736,983
USD	1,001,537	1,025,856
EUR	442,030	546,678
Other	97,063	102,272
Total	3,107,344	3,411,789

Capital expenditure commitments. As of 31 December 2025, the Group has contractual capital expenditure commitments amounting to GEL 181,222 thousand (2024: GEL 123,044 thousand). Out of total amount as at 31 December 2025, contractual commitments related to the head office construction amounted GEL 80,005 thousand (2024: GEL 50,414 thousand).

38. Non-Controlling Interest

The following table provides information for each subsidiary with a non-controlling interest as of 31 December 2025:

<i>In thousands of GEL</i>	Proportion of non-controlling interest's voting rights held	Profit attributable to non-controlling interest	Accumulated non-controlling interest in the subsidiary
United Financial Corporation JSC	0.47%	74	335

The summarized financial information of these subsidiaries for the year ended 31 December 2025 was:

<i>In thousands of GEL</i>	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit	Total comprehensive income	Net cash flows
United Financial Corporation JSC	7,804	55,143	3,276	848	31,415	15,844	15,844	1,084

The following table provides information for each subsidiary with a non-controlling interest as of 31 December 2024:

<i>In thousands of GEL</i>	Proportion of non-controlling interest's voting rights held	Profit attributable to non-controlling interest	Accumulated non-controlling interest in the subsidiary
United Financial Corporation JSC	0.47%	55	252

The summarised financial information of these subsidiaries for the year ended 31 December 2024 was:

<i>In thousands of GEL</i>	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit	Total comprehensive income	Net cash flows
United Financial Corporation JSC	6,535	41,472	4,897	1,738	25,101	11,788	11,788	330

39. Offsetting financial assets and financial liabilities

As of 31 December 2025, financial instruments subject to offsetting, enforceable master netting and similar arrangements were as follows:

<i>In thousands of GEL</i>	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position	Cash collateral received	Net amount of exposure
	(a)	(b)	(c)=(a)-(b)	(d)	(e)	(c)-(d)-(e)
Assets						
- Repurchase receivables	101,648	-	101,648	100,013	-	1,635
- Reverse repurchase receivables	184,979	-	184,979	184,979	-	-
Other financial assets:						
- Receivables on credit card services and money transfers	86,315	967	85,348	35,154	-	50,194
- Derivative financial assets	79,372	-	79,372	24,056	-	55,316
- Derivatives margin	31,506	-	31,506	31,506	-	-
Assets subject to offsetting, master netting and similar arrangement	483,820	967	482,853	375,708	-	107,145
Liabilities						
- Sale and repurchase agreements with other banks	100,013	-	100,013	100,013	-	-
Other financial liabilities:						
- Payables on credit card services and money transfers	36,121	967	35,154	35,154	-	-
- Derivative financial liabilities	138,251	-	138,251	24,056	31,506	82,689
Liabilities subject to offsetting, master netting and similar arrangement	274,385	967	273,418	159,223	31,506	82,689

39. Offsetting Financial Assets and Financial Liabilities continued

As of 31 December 2024, financial instruments subject to offsetting, enforceable master netting and similar arrangements were as follows:

	Gross amounts			Amounts subject to master netting and similar arrangements not set off in the statement of financial position		
	before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Financial instruments	Cash collateral received	Net amount of exposure
<i>In thousands of GEL</i>	(a)	(b)	(c)=(a)-(b)	(d)	(e)	(c)-(d)-(e)
Assets						
Other financial assets:						
- Receivables on credit card services and money transfers	68,482	963	67,519	20,963	-	46,556
- Derivative financial assets	166,144	-	166,144	72,105	-	94,039
- Derivatives margin	13,501	-	13,501	13,501	-	-
Assets subject to offsetting, master netting and similar arrangement	248,127	963	247,164	106,569	-	140,595
Liabilities						
Other financial liabilities:						
- Payables on credit card services and money transfers	21,926	963	20,963	20,963	-	-
- Derivative financial liabilities	93,176	-	93,176	72,105	13,501	7,570
Liabilities subject to offsetting, master netting and similar arrangement	115,102	963	114,139	93,068	13,501	7,570

The amount set off in the statement of financial position reported in column (b) is the lower of (i) the gross amount before offsetting reported in column (a) and (ii) the amount of the related instrument that is eligible for offsetting. Similarly, the amounts in columns (d) and (e) are limited to the exposure reported in column (c) for each individual instrument in order not to understate the ultimate net exposure.

The disclosure does not apply to loans and advances to customers and related customer deposits unless they are netted-off in the statement of financial position.

40. Derivative Financial Instruments

In the normal course of business, the Group enters into various derivative financial instruments, to manage currency, liquidity and interest rate risks and for trading purposes.

<i>In thousands of GEL</i>	2025	2024
Derivative financial assets	79,372	166,144
Derivative financial liabilities	(138,251)	(93,176)
Total	(58,879)	72,968

Foreign Exchange Forwards and swaps

Foreign exchange derivative financial instruments the Group entered are generally traded in an over-the-counter market with professional counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The table below sets out fair values, at the balance sheet date, of currencies receivable or payable under foreign exchange forwards and swaps the Group entered. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the respective balance sheet date.

<i>In thousands of GEL</i>	2025		2024	
	Contracts with positive fair value	Contracts with negative fair value	Contracts with positive fair value	Contracts with negative fair value
Derivative financial instruments: fair values, at balance sheet date				
- USD payable on settlement (-)	(1,262,291)	(117,125)	(1,071,005)	(3,420,255)
- USD receivable on settlement (+)	120,223	2,174,326	4,283,353	431,473
- GEL payable on settlement (-)	(111,465)	(815,627)	(422,451)	(232,841)
- GEL receivable on settlement (+)	1,084,531	177,719	966,356	989,519
- EUR payable on settlement (-)	(120,233)	(1,433,741)	(3,546,479)	(187,570)
- EUR receivable on settlement (+)	149,571	-	31,965	2,165,510
- UZS payable on settlement (-)	-	(53,892)	(934)	(111,370)
- UZS receivable on settlement (+)	159,937	-	142,127	-
- Other payable on settlement (-)	(288,357)	(167,759)	(310,064)	(49,584)
- Other receivable on settlement (+)	347,456	97,848	93,276	321,942
Fair value of Derivative financial instruments	79,372	(138,251)	166,144	(93,176)
Net fair value of Derivative financial instruments		(58,879)	72,968	

The Group enters derivative contracts, primarily cross-currency interest rate swaps, to serve as hedging instruments in fair value hedge relationships, as appropriate to the underlying risk (Refer to Note 31 for more details). As at 31 December 2025, the total fair value of these derivatives included within other financial liabilities amounted to GEL 28,156 thousand and was designated as a hedging instrument (31 December 2024: nil).

41. Fair Value Disclosures**(a) Fair value hierarchy**

Fair values of financial instruments are determined to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined as following:

Level 1 – Financial instruments if their value is observable in an active market.

Level 2 – Financial instruments with quoted prices for similar instruments in active markets valued using models with significant observable inputs are classified as level 2.

Level 3 – Financial instruments valued using valuation techniques with significant inputs that are not based on observable market data.

(b) Fair values of financial instruments carried at fair value

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised as follows:

In thousands of GEL	31 December 2025				31 December 2024			
	Level 1	Level 2	Level 3	Total fair value	Level 1	Level 2	Level 3	Total fair value
Assets carried at fair value								
Financial assets								
<i>Investment securities measured at FVTOCI</i>								
- Corporate bonds	5,592	1,886,521	-	1,892,113	68,280	1,247,354	-	1,315,634
- Foreign government treasury bills	1,101,804	-	-	1,101,804	1,395,638	-	-	1,395,638
- Certificates of Deposits of NBG	-	9,893	-	9,893	-	-	-	-
- Ministry of Finance of Georgia treasury bills	-	2,730,532	-	2,730,532	-	2,652,100	-	2,652,100
- Repurchase receivables	-	101,648	-	101,648	140,058	-	-	140,058
- Corporate shares	-	921	236	1,157	-	997	255	1,252
<i>Financial assets measured at FVTPL</i>								
- Derivative financial assets	-	79,372	-	79,372	-	166,144	-	166,144
- Investment securities measured at FVTPL	-	-	23,859	23,859	-	-	-	-
Total assets recurring fair value measurements	1,107,396	4,808,887	24,095	5,940,378	1,603,976	4,066,595	255	5,670,826
Liabilities carried at fair value								
Financial liabilities								
- Derivative financial liabilities	-	138,251	-	138,251	-	93,176	-	93,176
Total liabilities recurring fair value measurements	-	138,251	-	138,251	-	93,176	-	93,176

41. Fair Value Disclosures continued**(c) Level 3 fair value measurements***(i) Movements in Level 3 financial instruments*

There were no transfers between levels 1, 2 and 3 during the year ended 31 December 2025 (2024: none).

(ii) Significant unobservable inputs to Level 3 financial instruments

The description of the valuation technique and the description of inputs used in the fair value measurement for level 3 measurements:

	Valuation technique	Significant unobservable inputs	2025 Range		2024 Range		Units
			Min	Max	Min	Max	
Assets carried at fair value							
- Corporate shares	Asset-based approach	Book value per share	1.00	33.00	1.00	33.00	GEL
- Investment securities measured at FVTPL	Discounted cash flow model	Weighted average borrowing USD interest rate	1.021	1.025	-	-	GEL

There were no changes in the valuation technique for the level 2 and level 3 recurring fair value measurements during the year ended 31 December 2025 (2024: none).

41. Fair Value Disclosures continued**(d) Assets and liabilities not measured at fair value but for which fair value is disclosed**

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

<i>In thousands of GEL</i>	31 December 2025			Total Fair value	
	Level 1	Level 2	Level 3	value	Carrying value
Financial assets					
Cash and cash equivalents	897,939	1,235,402	-	2,133,341	2,133,341
Reverse repurchase receivables	-	184,979	-	184,979	184,979
Due from other banks	-	54,905	-	54,905	54,905
Mandatory cash balances with NBG	-	2,357,950	-	2,357,950	2,357,950
Loans and advances to customers:					
- Corporate loans	-	-	11,120,492	11,120,492	11,145,089
- Consumer loans	-	-	4,365,324	4,365,324	4,247,983
- Mortgage loans	-	-	5,203,132	5,203,132	5,346,854
- Loans to micro, small and medium enterprises	-	-	5,881,844	5,881,844	5,878,114
Finance lease receivables	-	-	598,478	598,478	597,235
Other financial assets	-	324,172	-	324,172	324,172
Non-financial assets					
Investment properties, at cost	-	-	18,345	18,345	11,403
Total assets (excluding assets with no fair value hierarchy)	897,939	4,157,408	27,187,615	32,242,962	32,282,025
Financial liabilities					
Customer accounts	-	14,076,778	10,322,186	24,398,964	24,396,707
Debt securities in issue	-	269,932	-	269,932	270,291
Due to credit institutions	-	-	6,891,541	6,891,541	6,891,552
Other financial and lease liabilities	-	454,498	-	454,498	454,498
Subordinated debt	-	-	908,638	908,638	910,299
Additional tier 1 capital subordinated notes	1,093,301	-	-	1,093,301	1,023,328
Total liabilities (excluding liability with no fair value hierarchy)	1,093,301	14,801,208	18,122,365	34,016,874	33,946,675
Performance guarantees	-	-	3,592	3,592	3,592
Financial guarantees	-	-	682	682	682
Credit related commitments	-	-	2,001	2,001	2,001
Total credit related commitments and performance guarantees	-	-	6,275	6,275	6,275

41. Fair Value Disclosures continued

<i>In thousands of GEL</i>	31 December 2024			Total Fair value	
	Level 1	Level 2	Level 3	value	Carrying value
Financial assets					
Cash and cash equivalents	848,814	1,969,296	-	2,818,110	2,818,110
Due from other banks	-	20,153	-	20,153	20,153
Mandatory cash balances with NBG	-	2,576,731	-	2,576,731	2,576,731
Loans and advances to customers:					
- Corporate loans	-	-	9,691,963	9,691,963	9,794,792
- Consumer loans	-	-	3,579,019	3,579,019	3,458,407
- Mortgage loans	-	-	5,005,377	5,005,377	5,098,976
- Loans to micro, small and medium enterprises	-	-	5,860,016	5,860,016	5,835,169
Finance lease receivables	-	-	512,490	512,490	432,661
Other financial assets	-	259,861	-	259,861	259,861
Non-financial assets					
Investment properties, at cost	-	-	17,135	17,135	9,752
Total assets (excluding assets with no fair value hierarchy)	848,814	4,826,041	24,666,000	30,340,855	30,304,612
Financial liabilities					
Customer accounts	-	12,925,258	8,931,273	21,856,531	21,941,222
Debt securities in issue	-	108,526	-	108,526	109,141
Due to credit institutions	-	-	7,316,299	7,316,299	7,316,632
Other financial and lease liabilities	-	361,140	-	361,140	361,140
Subordinated debt	-	-	1,140,070	1,140,070	1,148,374
Additional tier 1 capital subordinated notes	1,072,860	-	-	1,072,860	1,062,960
Total liabilities (excluding liability with no fair value hierarchy)	1,072,860	13,394,924	17,387,642	31,855,426	31,939,469
Performance guarantees	-	-	5,103	5,103	5,103
Financial guarantees	-	-	762	762	762
Credit related commitments	-	-	2,135	2,135	2,135
Total credit related commitments and performance guarantees	-	-	8,000	8,000	8,000

41. Fair Value Disclosures continued

The carrying amounts of cash and cash equivalents, due from other banks, bonds carried at amortised cost, other financial assets and liabilities, subordinated debt, and credit related commitments and performance guarantees are a reasonable approximation of fair value as they are short-term in nature or reprice to current market rates frequently.

The fair values in the level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of unquoted fixed interest rate instruments was calculated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. The fair value of investment properties was estimated using market comparatives.

Amounts due to credit institutions were discounted at the Group's own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the Group could be required to pay the amount. There were no changes in the valuation technique for the level 2 and level 3 measurements of assets and liabilities not measured at fair values in the year ended 31 December 2025 (2024: none).

42. Presentation of Financial Instruments by Measurement Category

The following table provides a reconciliation of classes of financial assets with these measurement categories as of 31 December 2025:

<i>In thousands of GEL</i>	Amortised cost	FVTOCI	FVTPL	Total
Assets				
Cash and cash equivalents	2,133,341	-	-	2,133,341
Reverse repurchase receivables	184,979	-	-	184,979
Due from other banks	54,905	-	-	54,905
Mandatory cash balances with NBG	2,357,950	-	-	2,357,950
Loans and advances to customers	26,618,040	-	-	26,618,040
Investment securities	-	5,735,499	23,859	5,759,358
Repurchase receivables	-	101,648	-	101,648
Other financial assets	324,172	-	79,372	403,544
Total financial assets subject to IFRS 9 measurement categories	31,673,387	5,837,147	103,231	37,613,765
Finance lease receivables	-	-	-	597,235
Non-financial assets	-	-	-	1,962,720
Total assets	31,673,387	5,837,147	103,231	40,173,720

42. Presentation of Financial Instruments by Measurement Category continued

The following table provides a reconciliation of classes of financial assets with these measurement categories as of 31 December 2024:

<i>In thousands of GEL</i>	Amortised cost	FVTOCI	FVTPL	Total
Assets				
Cash and cash equivalents	2,818,110	-	-	2,818,110
Due from other banks	20,153	-	-	20,153
Mandatory cash balances with NBG	2,576,731	-	-	2,576,731
Loans and advances to customers	24,187,344	-	-	24,187,344
Investment securities	-	5,364,624	-	5,364,624
Repurchase receivables	-	140,058	-	140,058
Other financial assets	259,861	-	166,144	426,005
Total financial assets subject to IFRS 9 measurement categories	29,862,199	5,504,682	166,144	35,533,025
Finance lease receivables	-	-	-	432,661
Non-financial assets	-	-	-	1,689,604
Total assets	29,862,199	5,504,682	166,144	37,655,290

For the measurement purposes, IFRS 9, classifies financial assets into the categories discussed in Note 2.

As of 31 December 2025, and 2024 all the Group's financial liabilities except for derivatives are carried at amortised cost. Derivatives belong to the assets fair value through profit or loss measurement category under IFRS 9.

43. Related Party Transactions

Pursuant to IAS 24 "Related Party Disclosures", parties are generally considered to be related if the parties are under common control or one party has the ability to control the other or it can exercise significant influence over the other party in taking financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form:

- The key management personnel include the Management Board of the Bank.
- Related parties not included key management personnel are presented in other related parties.

Transactions between the Bank and its subsidiaries also meet the definition of related party transactions.

As at 31 December 2025 and 2024 the Group's outstanding balances with related parties were as follows:

<i>In thousands of GEL</i>	Contractual interest rate	Key management personnel	Other related parties	Associates	Immediate parent	Companies under common control
2025						
Gross amount of loans and advances to customers	4.8%-33.0%	1,961	1,907	-	-	-
Customer accounts	0%-13.1%	9,628	35,546	8,145	110,430	105,737
Guarantees	-	-	-	-	-	36
2024						
Gross amount of loans and advances to customers	4.8%-36.0%	826	1,759	-	-	-
Customer accounts	0%-12.2%	10,411	43,839	5,798	66,882	66,266
Guarantees	-	-	-	-	-	276

43. Related Party Transactions *continued*

The Group's income and expense items with related parties except for key management compensation for the year 2025 and 2024 were as follows:

<i>In thousands of GEL</i>	Key management personnel	Other related parties	Associates	Immediate parent	Companies under common control
2025					
Interest income - loans and advances to customers	39	118	-	-	-
Interest expense	409	1,639	493	5,506	7,412
Fee and commission income	16	48	3	15	1,323
Administrative and other operating expenses (excluding staff costs)	457	837	-	-	-
2024					
Interest income - loans and advances to customers	100	359	-	-	-
Interest expense	342	968	248	2,661	6,009
Fee and commission income	14	75	4	14	1,236
Administrative and other operating expenses (excluding staff costs)	423	599	-	-	-

43. Related Party Transactions continued

The aggregate loan amounts disbursed to and repaid by related parties during 2025 and 2024 were as follows:

<i>In thousands of GEL</i>	Key management personnel	Other related parties
2025		
Amounts disbursed to related parties during the year	2,352	2,454
Amounts repaid by related parties during the year	(1,210)	(2,374)
2024		
Amounts disbursed to related parties during the year	2,496	1,671
Amounts repaid by related parties during the year	(4,658)	(4,699)

As of 31 December 2025, and 2024 transactions and balances of the Bank with its subsidiaries were as follows:

<i>In thousands of GEL</i>	Contractual interest rate	31 December 2025	Contractual interest rate	31 December 2024
Gross amount of loans and advances granted to subsidiaries	-	-	15.5%	15,045
Customer accounts of subsidiaries	0%-11.5%	160,422	0%-10.2%	199,626
Other financial assets	-	39,851	-	39,497
Other financial liabilities	-	11,733	-	8,921
Investment in subsidiaries	-	20,299	-	31,453

The income and expense items for the Bank with subsidiaries were as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Interest income	2,984	4,693
Interest expense	11,642	9,307
Fee and commission income	22,652	16,817
Fee and commission expense	64,076	57,076
Other operating income	26,493	17,129
Administrative and other operating expense	7,262	2,228

43. Related Party Transactions continued

As of 31 December 2025, and 2024 detailed breakdown of the Bank's investment in subsidiaries and associates is as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
TBC Kredit LLC	-	12,760
TBC Leasing JSC	11,777	11,777
CreditInfo Georgia JSC	3,827	3,648
United Financial Corporation JSC	3,880	2,275
TBC Invest-Georgia LLC	1,883	1,883
TBC Capital LLC	1,838	1,838
TBC Asset Management LLC	850	850
TBC Pay LLC	70	70
Investment in subsidiaries and associates*	24,125	35,101

*Considering the immaterial movement between the years no detailed disclosure is made for changes compared to the prior year.

As of 31 December 2025, and 2024 detailed breakdown of the Group's investment in associates is as follows:

<i>In thousands of GEL</i>	31 December 2025	31 December 2024
Creditinfo Georgia JSC	3,827	3,648
Georgian Stock Exchange JSC	223	202
Tbilisi Stock Exchange JSC	816	816
Investment in associates*	4,866	4,666

*Considering the immaterial movement between the years no detailed disclosure is made for changes compared to the prior year.

The compensation of the key management personnel and Supervisory Board members is presented below:

<i>In thousands of GEL</i>	2025	2024
Salaries and short-term bonuses	11,288	11,208
Equity-settled share-based compensation	16,685	9,972
Total	27,973	21,180

44. Events After Reporting Period

On 19 February 2026, JSC TBC Bank's shareholders passed a resolution to declare a final dividend of GEL 5.01 per share. The dividend will be paid on 16 March 2026 and 15 June 2026. The total amount of dividend distributed will be GEL 262,903 thousand.

Notes to the consolidated and separate financial statements *continued*

Appendix A - A full list of related undertakings and the country of incorporation is set out below.

Company Name	Country of incorporation
JSC TBC Bank	7 Marjanishvili Street, 0102, Tbilisi, Georgia
United Financial Corporation JSC	154 Agmashenebeli Avenue, 0102, Tbilisi, Georgia
TBC Capital LLC	11 Chavchavadze Avenue, 0179, Tbilisi, Georgia
TBC Leasing JSC	76M Chavchavadze Avenue, 0179, Tbilisi, Georgia
TBC Pay LLC	7 Marjanishvili Street, 0102, Tbilisi, Georgia
TBC Invest-Georgia LLC	7 Jabonitsky street, Ramat Gan, 52520, Tel Aviv, Israel
TBC Invest International LLC	7 Marjanishvili Street, 0102, Tbilisi, Georgia
University Development Fund NNLE ¹	1 Chavchavadze Avenue, 0128, Tbilisi, Georgia
JSC Credit Information Bureau 'Creditinfo'	2 Tarkhnishvili street, 0108, Tbilisi, Georgia
Natural Products of Georgia LLC ²	Vake district, 0179, Chavchavadze Avenue, I lane #2, apartment 59, Tbilisi, Georgia
Mobi Plus JSC ³	45 Vazha Pshavela Avenue, 0186, Tbilisi, Georgia
Mineral Oil Distribution Corporation JSC	11 Tskalsadeni Street, 0178, Tbilisi, Georgia
Georgian Card JSC	Ap. N8; Beliashvili Street 53, 0159, Tbilisi Georgia
Georgian Central Securities Depositor JSC	Saburtalo district, Vazha-Pshavela avenue, N 71, office N 7, floor 7, block 10, Tbilisi, Georgia
The Guivy Zaldastanishvili American Academy in Georgia JSC ⁴	37a Chavchavadze Avenue, 0179, Tbilisi Georgia
United Clearing Centre JSC ⁵	5/1 Sulkhan Saba Street, 0108, Tbilisi, Georgia
Association Georgian Banking and Finance Academy NNLE ⁶	123, Agmashenebeli Avenue, 0102, Tbilisi, Georgia
Tbilisi's City JSC	15 Rustaveli Avenue, 0108, Tbilisi Georgia
TBC Trade LLC	11A Chavchavadze Ave, 0179, Tbilisi, Georgia
Tbilisi Stock Exchange JSC	Block 10, 7th Floor, Office No. 7, 71 Vazha Pshavela Ave, 0186, Tbilisi, Georgia
Georgian Stock Exchange JSC	Block 10, 7th Floor, Office No. 7, 71 Vazha Pshavela Ave, 0186, Tbilisi, Georgia
Kavkasreestri JSC	74a chavchavadzis avenue, vake-saburtalo, 0179, Tbilisi, Georgia
TBC Asset Management LLC	7 Marjanishvili Street, 0102, Tbilisi, Georgia
S.W.I.F.T. SC	1 Adele Avenue, B-1310, La Hulpe, Belgium

1. The Group holds a 33.33% voting rights in University Development Fund, with a carrying amount of GEL 10 thousand as of 31 December 2025 (31 December 2024: GEL 10 thousand).

2. The Group holds a 25% ownership stake in Natural Products of Georgia LLC, with a carrying amount of nil 31 December 2025 (31 December 2024: nil).

3. The Group holds a 14.81% ownership stake in Mobi Plus JSC, with a fully impaired carrying amount of 31 December 2025 (31 December 2024: fully impaired).

4. The Group holds a 14.48% ownership stake in Givi Zaldastanishvili American Academy in Georgia JSC, with a carrying amount of GEL 50 thousand as of 31 December 2025 (31 December 2024: GEL 50 thousand).

5. The Group holds a 25% ownership stake in United Clearing Centre JSC, with a carrying amount of GEL 162 thousand as of 31 December 2025 (2024: GEL 162 thousand).

6. The Group holds a 16.67% ownership stake in Association Georgian Banking and Finance Academy NNLE, with a fully impaired carrying amount of 31 December 2025 (31 December 2024: fully impaired).

4

Chapter

Additional information

Glossary

Bank	Joint Stock Company TBC Bank
Chairman	Chairman of the Supervisory Board of Directors of JSC TBC Bank
Code	The UK Corporate Governance Code
Company	JSC TBC Bank
Conversion rate	Number of loans disbursed from generated leads
Corporate and Investment Banking (CIB) segment	A legal entity/group of affiliated entities with an annual revenue exceeding GEL 15.0 million or which has been granted facilities of more than GEL 6.0 million. Some other business customers may also be assigned to the CIB segment or transferred to the micro, small and medium enterprises (MSME) segment on a discretionary basis. In addition, CIB includes wealth management (WM) private banking services to high-net-worth individuals (HNWI) with a threshold of USD 250,000 on assets under management (AUM), as well as on discretionary basis
DAU/MAU	Average daily active digital users divided by monthly active digital users. DAU/MAU is calculated for the Bank internet and mobile banking only
Digital daily active users (DAU)	Monthly average number of individual digital users who logged into our digital channels at least once per day
Digital monthly active users (MAU)	An individual user who logged into the digital application at least once during the month
Digital penetration	Monthly active digital users divided by monthly active customers
Director(s)	Members of the Supervisory Board of JSC TBC Bank
ENPS (Employee Net Promoter Score)	The employee net promoter score measures employee loyalty and reflects the likelihood of our colleagues recommending their workplace to their friends and family
ESG and Ethics Committee	Committee at the Supervisory Board level to support and advise the Supervisory Board of Directors in its oversight of the ESG and climate-related matters
ESG Committee	Committee at the executive management level to support and advise the management of JSC TBC Bank in its oversight of the ESG and climate-related matters
Executive Management	Executive Management of JSC TBC Bank
Group	JSC TBC Bank and its subsidiary companies
Growth at constant currency basis	Refers to growth at fixed exchange rate of the starting period
Larisation	Larisation is a strategy implemented by the National Bank of Georgia (NBG) to reduce the economy's dependence on foreign currencies and promote the stability of the financial sector and broader economy
Lead	A potential client who has expressed interest in the product
Micro loans	Includes collateralised business and agri loans up to GEL 1 million, as well as micro businesses with a maximum turnover of GEL 2 million
MSME (Micro, Small and Medium) segment	Business customers (legal entities and private individual customers that generate income from business activities) who are not included in the CIB segment
MSME monthly active customers	MSME legal entity that used Business mBank or iBank at least once, or had at least one active credit product, or performed at least one debit transaction, or had any type of deposit with a balance above a certain threshold
NPS (Net Promoter Score)	Net promoter score measures how willing customers are to recommend our products and services to others
Retail monthly active customers	An individual user who has at least one active product as of the reporting date or performed at least one transaction during the past month
Retail segment	Non-business individual customers
Space	Space JSC
Supervisory Board	Supervisory Board of JSC TBC Bank
TBC Asset Management	TBC Asset Management JSC
TBC Bank	JSC TBC Bank
TBC Group	JSC TBC Bank and its subsidiary companies

TBC Bank Group PLC	A public limited company registered in England and Wales. It is the parent company of JSC TBC Bank (the Bank) and a group of companies that principally operate in Georgia in the financial sector. It also offers non-financial services via TNET, the largest digital ecosystem in Georgia. Since 2019, It has expanded its operations into Uzbekistan by operating the fastest-growing digital financial ecosystem in the country. TBC Bank Group PLC is listed on the London Stock Exchange under the symbol TBCG
TBC Capital	TBC Capital LLC
TBC JSC	JSC TBC Bank
TBC Leasing	TBC Leasing JSC
TBC PLC	TBC Bank Group PLC
TBCG	TBC Bank Group PLC

Alternative performance measures

The Group utilises a wide range of alternative performance measures (APMs) to assess the Group's performance. These measures can be grouped under the following headings:

- Profitability
- Asset quality & portfolio concentration
- Capital & liquidity positions

Certain performance measures are calculated on standalone basis for the Bank only in order to highlight the performance of the Bank, which is the major subsidiary of the Group, as well as facilitate peer comparison.

The regulatory performance measures are calculated in accordance with NBG's requirements for the Bank only based on local accounting standards.

Term	#	Type	Definition
Profitability			
ROE	1	IFRS based	Return on average total equity (ROE) equals profit attributable to owners divided by the monthly average of total shareholders' equity attributable to the equity holders for the same period; annualised where applicable.
ROA	2	IFRS based	Return on average total assets (ROA) equals profit of the period divided by monthly average total assets for the same period; annualised where applicable.
Cost to income	3	IFRS based	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).
NIM	4	IFRS based	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.
Loan yields	5	IFRS based	Loan yields equal interest income on loans and advances to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
Deposit rates	6	IFRS based	Deposit rates equal interest expense on customer accounts divided by monthly average total customer deposits; annualised where applicable.
Cost of funding	7	IFRS based	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.
Asset quality & portfolio concentration			
Cost of risk	8	IFRS based	Cost of risk equals credit loss allowance for loans to customers divided by monthly average gross loans and advances to customers; annualised where applicable.
PAR 90 to gross loans	9	IFRS based	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.
NPLs to gross loans	10	IFRS based	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.
NPL provision coverage	11	IFRS based	NPL provision coverage equals total credit loss allowance for loans to customers divided by the NPL loans.
Total NPL coverage	12	IFRS based	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.
Credit loss level to gross loans	13	IFRS based	Credit loss level to gross loans equals credit loss allowance for loans to customers divided by the gross loan portfolio for the same period.
Related party loans to gross loans	14	IFRS based	Related party loans to total loans equals related party loans divided by the gross loan portfolio.
Top 10 Borrowers to total portfolio	15	IFRS based	Top 10 borrowers to total portfolio equals the total loan amount of the top 10 borrowers divided by the gross loan portfolio.
Top 20 Borrowers to total portfolio	16	IFRS based	Top 20 borrowers to total portfolio equals the total loan amount of the top 20 borrowers divided by the gross loan portfolio.

Capital & liquidity positions

Net loans to deposits plus IFI funding	17	IFRS based	Net loans to deposits plus IFI funding ratio equals net loans divided by total deposits plus borrowings received from international financial institutions.
Leverage	18	IFRS based	Leverage equals total assets to total equity
Net stable funding ratio (NSFR)		Regulatory based	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 only.
Liquidity coverage ratio (LCR)		Regulatory based	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 only.
CET 1 CAR (Basel III)		Regulatory based	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 only.
Tier 1 CAR (Basel III)		Regulatory based	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 only.
Total CAR (Basel III)		Regulatory based	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 only.

Alternative performance measures continued

These tables provide the reconciliation of the Group's IFRS based alternative performance measures with Financial Statements. Numbers in the following tables are presented in thousands of GEL unless otherwise stated.

1	Reference to financial statements	2025	2024
Profit attributable to owners	Consolidated statement of profit and loss and other comprehensive income	1,333,380	1,244,661
Monthly averages of total shareholders' equity attributable to owners	Not available	5,589,202	4,955,879
Return on average total equity (ROE)		23.9%	25.1%
2	Reference to financial statements	2025	2024
Profit attributable to owners	Consolidated statement of profit and loss and other comprehensive income	1,333,380	1,244,661
Monthly averages of total assets	Not available	38,473,165	34,022,147
Return on average total assets (ROA)		3.5%	3.7%
3	Reference to financial statements	2025	2024
Total operating expenses	Consolidated statement of profit and loss and other comprehensive income	872,264	779,484
Total revenue	Consolidated statement of profit and loss and other comprehensive income	2,636,103	2,373,954
Cost to income		33.1%	32.8%
4	Reference to financial statements	2025	2024
Net interest income	Consolidated statement of profit and loss and other comprehensive income	1,811,724	1,590,992
Monthly average interest earning assets	Not available	30,996,048	27,237,001
Net interest margin (NIM)		5.8%	5.8%
5	Reference to financial statements	2025	2024
Interest income from loans ¹	Note 29	3,067,404	2,648,790
Total monthly average loan portfolio	Not available	25,764,535	22,973,681
Loan yields¹		11.9%	11.5%
6 Returns	Reference to financial statements	2025	2024
Interest expense from customer accounts	Note 29	(1,065,925)	(974,133)
Total monthly average deposits portfolio	Not available	22,899,769	20,924,276
Deposit rates		4.7%	4.7%

7	Reference to financial statements	2025	2024
Total interest expense	Consolidated statement of profit and loss and other comprehensive income	(1,807,459)	(1,544,916)
Monthly average interest bearing liabilities	Not available	32,069,352	28,383,358
Cost of fund		5.6%	5.4%
8	Reference to financial statements	2025	2024
Credit loss allowance for loans ¹	Consolidated statement of profit and loss and other comprehensive income	(180,802)	(114,263)
Total monthly average loan portfolio	Not available	25,764,535	22,973,681
Cost of risks¹		0.7%	0.5%
9	Reference to financial statements	2025	2024
Total principal or interest repayment is overdue for more than 90 days	Not available	449,456	344,085
Total gross loan portfolio ¹	Note 10, Note 14	27,601,945	24,963,655
Par 90 to gross loans¹		1.6%	1.4%
10	Reference to financial statements	2025	2024
NPLs to gross loans equals loans with 90 days past due on principal ¹	Not available	679,758	556,864
Total gross loan portfolio ¹	Note 10, Note 14	27,601,945	24,963,655
NPLs to gross loans¹		2.5%	2.2%
11	Reference to financial statements	2025	2024
Total credit loss allowance for loans to customers ¹	Note 10, Note 14	386,671	343,650
NPL provision coverage ¹	Not available	679,758	556,864
NPL provision coverage¹		56.9%	61.7%
12	Reference to financial statements	2025	2024
Total NPL coverage ¹	Not available	860,964	771,036
Total NPL exposure ¹	Not available	679,758	556,864
Total NPL coverage¹		126.7%	138.5%
13	Reference to financial statements	2025	2024
Total credit loss allowance for loans to customers ¹	Note 10, Note 14	386,671	343,650
Total gross loan portfolio ¹	Note 10, Note 14	27,601,945	24,963,655
Credit loss level to gross loans¹		1.4%	1.4%

¹ Includes finance lease receivables.

Alternative performance measures continued

14	Reference to financial statements	2025	2024
Related party loans	Note 43	3,867	17,643
Total gross loan portfolio ¹	Note 10, Note 14	27,601,945	24,963,655
Related party loans to gross loans¹		0.0%	0.1%

15	Reference to financial statements	2025	2024
Top 10 borrowers	Not available	1,516,885	1,560,881
Total gross loan portfolio ¹	Note 10, Note 14	27,601,945	24,963,655
Top 10 borrowers¹		5.5%	6.3%

16	Reference to financial statements	2025	2024
Top 20 borrowers	Not available	2,359,379	2,281,050
Total gross loan portfolio ¹	Note 10, Note 14	27,601,945	24,963,655
Top 20 borrowers¹		8.5%	9.1%

17	Reference to financial statements	2025	2024
Net loans ¹	Consolidated statement of financial position	27,215,275	24,620,005
Deposits + IFI funding	Not available	27,435,262	24,656,696
Net loans to deposits + IFI funding¹		99.2%	99.9%

18	Reference to financial statements	2025	2024
Total assets	Consolidated statement of financial position	40,173,717	37,655,290
Total equity	Consolidated statement of financial position	5,918,768	5,454,829
Leverage		6.8x	6.9x

¹ Includes finance lease receivables.

Abbreviations

ACCA	Association of chartered certified accountants	ILAAP	Internal liquidity adequacy assessment process
AGM	Annual general meeting	IFC	International Finance Corporation
ALCO	Asset-liability management committee	IFI	International financial institution
APM	Alternative performance measure	IFRS	International Financial Reporting Standards
ATM	Automated teller machine	IMF	International Monetary Fund
AUM	Assets under management	IPCC	Intergovernmental Panel on Climate Change
BNPL	Buy now, pay later	IPO	Initial public offering
CAGR	Compounded annual growth rate	IT	Information technology
CAR	Capital adequacy ratio	JSC	Joint stock company
CEE	Central and Eastern Europe	KPI	Key performance indicators
CEO	Chief executive officer	LSE	London Stock Exchange
CFA	Chartered financial analyst	LTIP	Long-term incentive plan
CFO	Chief financial officer	LTV	Loan to value
CIB	Corporate investment banking	MBA	Master of business administration
CIS	The Commonwealth of Independent States	MSME	Micro, small and medium-sized enterprises
COR	Cost of risk	NBG	National Bank of Georgia
CRO	Chief risk officer	NCI	Non-controlling interest
CSR	Corporate social responsibility	NIM	Net interest margin
EBRD	European Bank for Reconstruction and Development	NMF	No meaningful firegure
ECL	Expected credit losses	NPL	Non-performing loans
EMEA	Europe, Middle East and Africa	NPS	Net promoter score
EMS	Environmental management system	OCI	Other comprehensive income
ENPS	Employee Net Promoter Score	OECD	Organisation for Economic Cooperation and Development
ERM	Enterprise risk management	PLC	Public limited company
ESG	Environmental, social and governance	POS	Point of sale
ESRM	Environmental and social risk management	P2P	Peer-to-peer
EU	European Union	PWC	PricewaterhouseCoopers LLP
EUR	Euro	ROA	Return on average assets
FC	Foreign currency	ROE	Return on average equity
FDI	Foreign direct investment	SME	Small and medium-sized enterprises
FTSE	Financial Times Stock Exchange	SPPI	Solely payments of principal and interest
FVTOCI	Fair value through other comprehensive income	TCFD	Force on climate-related financial disclosures
GBP	Great British pound, national currency of the UK	UK	United Kingdom of Great Britain and Northern Ireland
GDP	Gross domestic product	USD	The US dollar, national currency of the United States
GEL	Georgian lari, national currency of Georgia	VAR	Value-at-risk
GHG	Greenhouse gas	WM	Wealth management
GWP	Gross written premium		
HNWI	High-net-worth individuals		
HR	Human resources		
IAS	International Accounting Standards		
ICAAP	Internal capital adequacy assessment process		
ICT	Information and communications technology		
IDR	Issuer default rating		

