



COMMUNICATION ON PROGRESS

TBC 2019



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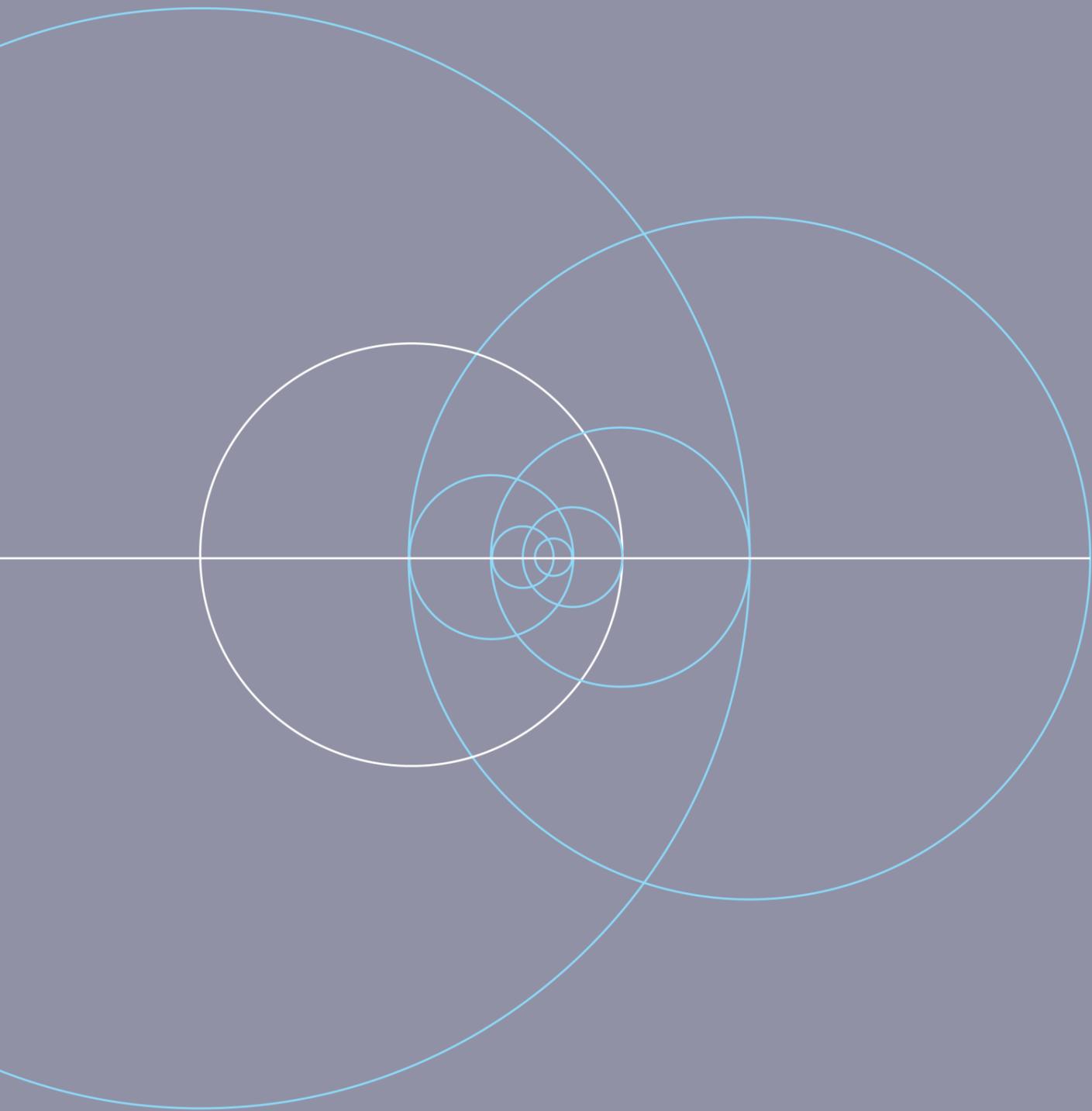
Responsible Employer

Treating our Customers
Responsibly

Supporting Communities

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I am pleased to confirm that TBC Bank reaffirms its support the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. TBC Bank is dedicated to creating opportunities for people and businesses through innovative banking services and sound business practices. In this communication on progress document, we describe our actions in accordance to those principles within our sphere of influence. We support public accountability and transparency and declare our readiness to stay committed to UN Global Compact and its principles, making them a part of the strategy, culture and day-to-day operations of our company.

Sincerely yours,

VAKHTANG BUTSKHRIKIDZE
CEO

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Governance & Sustainability Management



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GOVERNANCE AND SUSTAINABILITY MANAGEMENT

We believe, that the highest standards of governance should be respected while doing business and that a good corporate governance framework is vital to ensure that our business functions effectively, creates sustainable value and that we protect our internal and external stakeholders. Through practicing good corporate governance, we show respect towards our corporate values, principles of transparency, fairness, accountability and corporate responsibility.

Along with local legislation on corporate governance, as a London stock exchange listed company, we adhere to the UK Corporate Governance Code.

CORPORATE GOVERNANCE

We are committed to the highest standards of corporate governance based on international best practices, Basel requirements and the Bank's future development plans. The Bank's governance structure establishes proper incentives for the Supervisory and Management Boards to pursue objectives, that are in the interest of the Bank, and to effectively manage the relationship between the Management Board, the Supervisory Board, shareholders and other stakeholders.

TBC Bank's corporate governing bodies are:

- > The General Meeting of Shareholders
- > The Supervisory Board
- > The Management Board
- > External Auditor
- > Four Committees:
 - > Corporate Governance and Nomination Committee
 - > Remuneration Committee
 - > Audit Committee
 - > Risk, Ethics and Compliance Committee



The General Meeting of Shareholders is the supreme governing body of the Bank, with authority over all key decisions. It elects the Bank's Supervisory Board, which is responsible for the supervision and appointment of members of the Management Board.

Functions of Corporate Governing Bodies

The Supervisory Board is responsible for promoting the Group's purpose, culture, values and longterm success strategy and the delivery of sustainable value to stakeholders by establishing and overseeing the strategic direction of the Company and its business. The Board is led by the Chairman, who ensures that there is constructive debate in the boardroom, in order to create and maintain an environment where the Board remains open to different viewpoints and ideas.

The Board is the decision-making body in relation to all matters, that are significant to the Group. The matters exclusively reserved for the Board's approval, among other include - the Group's strategy, long-term objectives, risk appetite, the annual operating and capital expenditure budgets, changes to the Group's capital, share buy-backs, major acquisitions and/or mergers, annual reports and accounts.

We review the Board's composition with regularity and are committed to maintaining a diverse and wide-ranging set of skills and experience within the Board.

The Management Board is responsible for developing and implementing corporate strategy and operating the company's business with the purpose to build sustainable long-term value. Based on management

input, the board and its audit committee, produce financial statements that fairly present the company's financial condition. There is a clear division of responsibilities between the Supervisory Board Chairman and the Chief Executive Officer. The latter is responsible for the Company's day-to-day management and has the principal responsibility of running the Group's business - for proposing, developing and implementing the Group's strategy and overall commercial objectives. In addition, the Supervisory Board has appointed, in line with the requirements of the Code, senior independent non-executive Director, who provides a sounding board for the Chairman. He serves as an intermediary for the other Directors where necessary and meets with investors to discuss the Group's corporate governance matters.

The separation of responsibilities between the Chairman, the Chief Executive Officer and the Senior Independent Non-executive Director ensures that no one individual has unfettered powers of decision-making.

The Management Board is supported by four Committees and delegates a broad range of responsibilities to them. These are (i) the Audit Committee; (ii) the Remuneration Committee; (iii) Corporate Governance and Nomination Committee; and (iv) the Risk, Ethics and Compliance Committee. Each of the Committees is made up of independent non-executive Directors, apart from the Corporate Governance and Nominations Committee and the Remuneration Committee, where the Chairman, who was independent on appointment, is also a member. The chair of each Committee reports matters of significance to the Board after each meeting. All Committees undertake an annual review of effectiveness and a review of their terms of reference.

- > The Corporate Governance and Nomination Committee is responsible for developing the corporate governance of the company, building diverse and engaged board, representing company values.
- > The Audit Committee manages relationship with the outside auditor, supervises internal controls over financial reporting, company's risk management and compliance.

- > The Remuneration Committee develops executive compensation policy and compensation-based performance goals to promote sustainable development and creation of long-term value.
- > The Risks Ethics and Compliance Committee strives to implement and protect ethical business conduct and develop sustainable, effective risk management and compliance systems.

Diversity Policy

The Board recognises the importance of ensuring diversity and sees significant benefit to our business in having a 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 Board discussions and helps to improve the quality of decision making.

The Corporate Governance and Nomination Committee recognises the importance of ensuring that there is a broad diversity within the Group inclusive of, but not limited to, gender, ethnicity and business experience, while continuing to recommend all appointments based on merit against objective criteria in the context of the skills and experience required.

We note the recommendations of the Hampton Alexander review to improve gender diversity and are pleased to report that two female directors serve on the Board. In addition, we note that there are a number of talented women in key positions, who report directly to the CEO and other members of the management board within the Group.

End of year 2019, 14% of Group's top management and 35% of Group's middle management roles were performed by females. Moreover, 65% of employees across the Group's entire workforce were female. We are committed to strive further improve gender diversity at both the Board and management levels. Regarding ethnic diversity, we have taken account of the recommendations of the "Report into the Ethnic Diversity of UK Boards", made by the Parker Review Committee and the need to build a balanced Board, whilst remaining mindful of the regional nature of the business.

Chair of the highest governance body

The Supervisory Board is led by the Chairman and provides challenge, oversight and advice to ensure the Bank's success. The Chairman ensures that there is constructive debate in the boardroom in order to create and maintain an environment where the Supervisory Board remains open to different viewpoints and ideas. The Chairman is responsible for leading the Supervisory Board to ensure that the Supervisory Board as a whole performs a full and constructive role in the development and determination of the Bank's strategy and overall commercial objectives. He also oversees the Supervisory Board's decision-making processes.

Nominating and selecting the highest governance body

All members of the Supervisory Board are subject election by the shareholders in every four years at our Annual General Meeting. The members of the Supervisory Board are also approved by the Board of Directors of the Bank's parent company – TBC Bank Group PLC.

Evaluating the highest governance body's performance

In accordance with the requirements of the National Bank of Georgia's Code on Corporate Governance for Commercial Banks, dated 26th of September 2018, effectiveness of the Supervisory Board and its Committees are evaluated annually and in every three years - by external auditor.

An internally facilitated annual Supervisory Board performance evaluation was conducted in 2019, following an externally evaluated review undertaken by Independent Audit Limited in 2018 (IAL). The review was carried out at the initiative and with the participation of the Bank's Corporate Governance and Nomination ("CGN") Committee. Questionnaires were distributed to all members of the Supervisory Board for their response and comment. The results were discussed at three levels: (i) among the members of the CGN Committee; (ii) between Tsira Kemularia (as chairman of the CGN Committee) and Nikoloz Enukidze (chairman of the Supervisory Board); and (iii) among the members of the Supervisory Board as a whole. Following the review the Senior Independent Member of the Super-

visory Board met with all the Supervisory Board members individually to consider the Chairman's performance. The comments received were fed back to him in a subsequent meeting.

Supervisory Board performance was deemed to be satisfactory. At its February 2020 meeting, the Board agreed an action plan for 2020 that would allow the Supervisory Board to continue developing its involvement in reviewing and considering the management's strategy proposals and to take into account stakeholder considerations; and to ensure that all Supervisory Board and Committee meetings remain focused and efficient. New initiatives will be introduced to support director training, and the CGN Committee will continue to review senior management succession plans in great detail.

As a result of the 2019 action plan, following the external evaluation by IAL, the Supervisory Board noted that its members had spent more time considering company's strategy plan and more focus has been made on succession planning for senior executives. In addition, information flows to both the Supervisory Board and its Committees had been improved and a restructuring of Committee memberships had assisted in this.

The Company undertakes regular performance evaluations of the Board in line with the requirements of the legislation. An externally facilitated review is planned for 2021.

Senior management remuneration

The following principles have been considered when determining executive directors' remuneration:

- > Clarity and Simplicity - the Remuneration Committee strives to ensure that performance measures are clear

and straight-forward. Executive directors' performance against their KPIs (both financial and non-financial) and the relative weightings thereof have been disclosed for 2019. To increase transparency, we have also disclosed the KPIs and relative weightings for 2020

- > Risk - the Remuneration Committee has the discretion to reduce an executive director's variable remuneration if specific KPIs have not been met and every element of executive directors' variable compensation is subject to the relevant malus and claw back provisions. Malus and claw back apply for up to 3 years after the deferral period ends (for deferred awards) or settlement (for conditional shares under the LTIP). Triggers include, material misstatement, material downturn in financial performance and misconduct that causes serious reputational harm. Further, the Remuneration Committee has the discretion under the LTIP and deferred annual bonus to reduce awards if it considers that either the underlying financial performance of the Company or the performance of the individual is such that the level of vesting cannot be justified
- > Predictability - the maximum possible value of the executive directors' remuneration has been detailed in the Remuneration Report and in the Remuneration Policy
- > Proportionality/Alignment with Culture – the Remuneration Committee strives to ensure that performance measures are aligned with the corporate culture of the Group to foster the right behavior and deliver remuneration packages that are proportionate in the circumstances, by measuring executive directors' remuneration against a mix of financial, non-financial and personal KPIs. Further, by deferring a large



proportion of executive directors' salary into shares, this intrinsically aligns the executive directors' pay to the long-term success of the Group and fosters a culture of sustainable long-term growth.

RISK MANAGEMENT MODEL

We operate a strong and independent, business-minded risk management system. Its main objective is to contribute to the sustainability of risk-adjusted returns through the implementation of an efficient risk management system. In the group, we have adopted four primary risk management principles:

- > Govern risks transparently to obtain understanding and trust. We believe that consistency and transparency in risk-related processes and policies are preconditions for gaining the trust of various stakeholders.
- > Manage risks prudently to promote sustainable growth and resilience. Risk management acts as a backstop against excessive risk-taking and ensures the Group's sustainability and resilience.
- > Ensure that risk management underpins the implementation of strategy. The staff responsible for risk management

provide assurance on the feasibility of achieving objectives through risk identification and management.

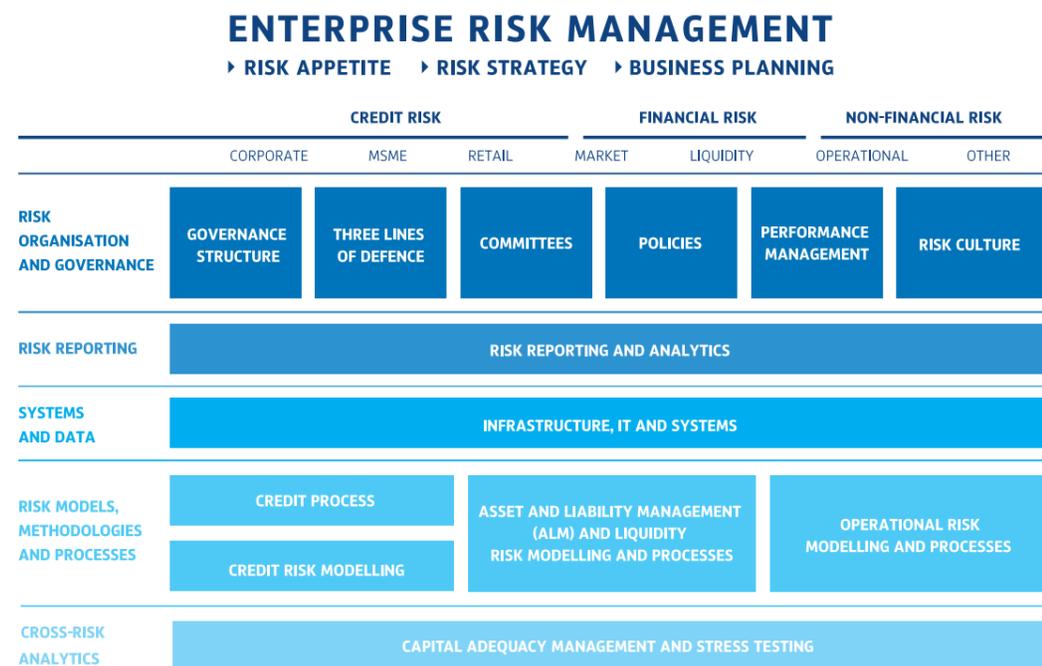
> Identifying, adequately pricing risks, and taking risk mitigation actions, supports the generation of desired returns and the achievement of planned targets.

> Use risk management to gain a competitive advantage. Comprehensive, transparent and prudent risk governance facilitates understanding and trust from multiple stakeholders, ensuring the sustainability and resilience of the business model and the positioning of risk management as the Group's competitive advantage.

Risk management framework

The Group's risk management framework incorporates all the necessary components for comprehensive risk governance and is comprised of enterprise risk management, credit, financial and non-financial risk management, risk reporting and supporting IT infrastructure, cross-risk analytical tools and techniques such as capital adequacy management and stress testing.

The following diagram depicts the risk management framework:



Governance

The Group conducts its risk management activities within the framework of its unified risk management system. The involvement of all governance levels in risk management, the clear segregation of authority and effective communication between the different entities facilitate clarity regarding the Group's strategic and risk objectives, adherence to the established risk appetite and sound risk management. The Group's governance structure ensures adequate oversight and accountability, as well as a clear segregation of duties.

The Board and the Supervisory Board have joint overall responsibility to set the tone at the top of the Group and monitor compliance with the established objectives, while the Management Board governs and directs the Group's daily activities.

The risk governance structure consists of three board levels, including the Board, the Supervisory Board and the Management Board. All three boards have dedicated risk committees. The Board and the Supervisory Board each have a Risk Committee that supervises the risk profile and risk governance practices within the Group, as well as an Audit Committee that is responsible for implementing key accounting policies and facilitating internal and external auditor activities.

The Management Board's Risk Committee was established to guide the Group-wide risk management activities and monitor major risk trends to ensure that the risk profile complies with the established risk appetite. The Management Board's Operational Risk

Committee makes decisions related to operational risk governance, while the Assets and Liabilities Management Committee (ALCO) is responsible for the implementation of asset-liability management policies.

The Board, the Supervisory Board and the Bank's senior management govern risk objectives through the Risk Appetite Statement, which establishes the desired risk profile and risk limits.

The Board level oversight, coupled with the permanent involvement of senior management in the Group's risk management and the exercise of top-down risk allocation by the enterprise risk management function, ensures clarity regarding risk objectives, intense monitoring of the risk profile against the risk appetite, the prompt escalation of risk-related concerns and the establishment of remediation actions.

The daily management of individual risks is based on the three lines of defense principle. While business lines are the primary owners of risks, risk teams act as the second line of defense by sanctioning transactions, tools and techniques for risk identification, analysis, measurement, monitoring and reporting. The committees established at operational levels are charged with making transaction-level decisions as part of a framework comprised of clear and sophisticated delegations of authority, based on the "four-eyes" principle. All new products and projects pass through risk teams to ensure that the risks are comprehensively analyzed.

Credit, liquidity, market, operational and other non-financial risks are each managed by dedicated teams. In addition to the

risk teams subordinated to the Chief Risk Officer, the compliance department reports directly to the CEO and is specifically in charge of anti-money laundering and compliance risk management.

As a third line of defense, the internal audit department is responsible for providing independent and objective assurance and recommendations to the Group to promote the further improvement of operations and risk management.

The sustainability risks are related to the Bank's different roles as a lender, asset manager, service provider, purchaser or employer. Of particular interest in the area of sustainability are risks related to compliance, conduct, digitalization, as well as human rights, working conditions, the environment, climate, financial crime, and information and IT security.

TBC's activities for managing sustainability risk are aligned with the Bank's generally low tolerance of risk. Sustainability risk management is done within a framework of established processes for risk management.

MANAGING CONFLICT OF INTEREST

We qualify conflict of interest as case, when personal (or related) interests of employee can be satisfied at bank or bank client cost, which can harm one or the both parties. This definition is based on National Bank and IFI/IAS standards. Identification and prevention of the potential conflict of interests, especially at management level, is one of the basics of practicing out business fairly and one of the priorities of sound corporate governance.

In order to prevent conflict of interests, we have developed and implemented the following policies and practices:

1. Code of Conduct, that includes conflict of interests definition and defines standards of acceptable conduct.
2. Related Party Transaction Policy, that defines conflict of interests management process, according to the National Bank of Georgia "Conflict of Interests Management Provisions" document.
3. Each member of management is responsible to quarterly disclose information about their related parties. In case of necessity they may be requested to disclose

information immediately.

4. Each member of management is responsible not to take part in transaction where conflict of interests could potentially exist.

The Company, in accordance with the requirements of the Companies Act 2006 and the Company's articles of association (the "Articles of Association"), requires Directors to declare actual or potential conflicts of interest that could interfere with the interests of the Company. The Directors are required, prior to the Board meetings, to declare any conflict of interest they may have in relation to the matters under consideration and if so, abstain from voting and decision-making, in relation to the matter in question. Directors have a continuing duty to notify the Chairman and Company Secretary as soon as they become aware of any potential or actual conflicts.

The Related Party Transaction Policy has been implemented in bank in 2012, renewed in 2015, according to the requirements of NBG „Conflict of Interests Management Provisions” . The last update was applied in September 2019. The revision of policy is done annually and amendments to it are approved by The Supervisory Board.

Responsible for the adequate functioning of the conflict of interest management framework is Compliance Risk Management department. We have three level protection. First level responsibility lies with any employee. The second level responsibility lies with Compliance Risk Management department, which ensures implementation of policies, procedures and control mechanisms. Also works on increasing awareness of the matter in employees.

The third level protection is related to Internal Audit Department, which periodically makes audit of the matter and provides additional information to the Bank Audit Committee and Supervisory board on the efficiency of management systems. Any kind of conflict of interests are identified by Internal Audit are disclosed to Audit Committee and Supervisory Board.

The National Bank of Georgia regulation - "Conflict of Interest Management Provisions" sets limits, above which, bank Supervisory Board is obliged to approve concrete

transactions with the related parties. The information on such transactions has to be provided to NBG. We report to NBG on related party transactions and provide them with up to date list of related parties on monthly bases.

According to UK listing rules, if transaction with the related party exceeds specific limit, it has to be open to public, local regulator has to be informed and supervisory board as well as sponsor/broker involved.

In 2019 TBC contracted Ernst & Young to evaluate the implementation of the Related Party Transaction Policy.

In 2019 no cases of conflict of interests related to top management were confirmed.

COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA

Compliance with law is fundament on which our company activity is based. For the compliance with laws and regulations in the social and economic area is responsible Compliance Risk Management, Human Resources Management and Riks Management Departments. Company has elaborated sound monitoring mechanisms to ensure legislative compliance.

In 2019 no fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area have been identified..

SUSTAINABILITY GOVERNANCE

Our principles of ethics and principles of doing business define our approach towards sustainable development issues.

According to our vision, sustainable bank is a profitable institution, that offers adequate, affordable and need based services to its clients, treats its employees, suppliers and all other stakeholders with high sense of responsibility, and strongly supports the development of society. This is a technologically advanced and environmentally aware bank, that is trusted by society.

In line with the development of the bank and increased expectations of our shareholders, we pay more attention to sustainable development issues. We understand

that the aim of doing business responsibly should underline every decision and action. We work to implement responsible and sustainable development-oriented approaches at all levels of our activities.

Currently sustainable development policy and management structures are represented in various policy document and management domains. TBC has developed several thematic policies and codes, that regulate various social and environmental protection issues of company activity (e.g. Code of Ethics, Incident Management Policy, Anti-Corruption Policy, Personal Data Protection Policy, Conflict of Interests Management Policy, Green Purchase Recommendations and etc. These documents are described in detail in respective chapters).

However this year we aim to start systematizing the existing policies under one umbrella, as well as implementing sustainable development management structures and procedures and harmonize them group wide.

The first important achievement in this direction was the development and implementation of the Environmental Policy in 2019. This policy significantly extends company responsibility towards the social and environmental impact of its business operations. Several departments and company management were involved in the process of creating this policy.

Compliance with the Bank's Environmental and Social Risk Management Policy is closely monitored by the Social and Environmental Risk management unit. The policy implementation progress is regularly reported to top management and respective divisions. Implementation of other related policies are managed by various departments, who are also responsible to report on the progress to top management.

The Board of Directors and the Supervisory Board, within the frame of own functions, are responsible to approve ESG policies and decisions and to monitor their implementation. Also, they are responsible for approving the ESG public disclosures in the annual and corporate responsibility reports.

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Ethics & Integrity

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ETHICS & INTEGRITY

BUSINESS ETHICS AND ETHICAL CONDUCT

In order to gain customers and partners trust and successfully do our business, we have to ensure that behavior of our employees and our business decisions are in line with the highest standards of ethics.

As we are a part of community and have diverse stakeholders, every decision we make impacts employees, customers, business partners, other stakeholders and the society as a whole. The Bank's code of ethics is "moral compass" assisting us with our decision making framework. It serves as a guidance for our team on ethical conduct and right decision in particular circumstances.

For many years, TBC has been promoting ethical conduct in all its activities. We have invested time and energy in identifying non-ethical and dishonest behavior risks and creating prevention mechanisms.

TBC Code of Ethics and Code of Conduct are two core documents that describe our principles of ethics and conduct and apply to all employees within the group.

TBC Code of Ethics

TBC Code of Ethics document represent our vision and values, establishes ethical

principles for professional and personal conduct that we expect from all employees. It is applied to the whole group. The Code of Ethics considers local regulations, international standards and best practices. The initial version of the code was developed in 2013. It has been regularly updated based on various legislative changes or internal policy amendments. The latest revision of 2019 reflects the changes deriving from National Bank of Georgia regulation on "Principles of Ethics and Professional Code of Conduct for Commercial Banks". In the revision process various structures of the bank were involved – Marketing, HR, Environmental Protection and Social Risk Management team, Compliance Risk Management team and members of top management. The code of ethics has been approved by TBC Supervisory Board.

Ensuring implementation of the Code of Ethics, monitoring and response mechanisms

We understand the importance of efficiently controlling Code of Ethics implementation, timely identifying violations and responding to them respectively. In order to efficiently implement the Code of Ethics and raise awareness on its principles, we annually develop action plan. The action plan 2019 included:

- > Implementation of the code of ethics on

the group level

- > Sharing information about code of ethics updates among all employees
- > Amending learning materials
- > Implementing process of incident reporting to National Bank of Georgia
- > Updating approach to complaint analysis

The action plan has been implemented fully. Implementation monitoring is executed by the Compliance Risk Management team. Top management is closely steering the process through quarterly reports on code implementation and breach. Breach incidents related to non-ethical behavior, are reported both to the Board of Directors and to the Supervisory Board.

Code of Ethics breach incidents can be revealed through various sources, such as client complaints, openly or anonymously provided information by employees, internal audit findings or various exercises of internal monitoring and control.

The response procedure includes the following key phases – Inquiry, Analysis, Receiving Employee Explanation, Action Plan Development, Action Plan Fulfillment, and Control. Based on the severity of breach, procedure may consider escalation of the case and application of various disciplinary measures towards the employee. In 2019 – 35 incidents of the Code of Ethics breach were identified through various

inputs – such as client complaints, internal control processes, anonymous hotline calls. In certain cases, employees received warning, in other cases were dismissed and employment contract was stopped.

Informing Employees on the Code of Ethics

It is of top importance to ensure that all employees have received comprehensive information about Code of Ethics and understood it. In order to reach this efficiently, we have implemented various initiatives:

- > Video – as a result of Compliance Risk Management and Marketing team cooperation, TBC developed video, where top management presents to core principles of the Code of Ethics and emphasizes the importance of ethical behavior to employees.
- > Informing bank employees- HR division ensures that all new employees receive Code of Ethics. Also, any updates are distributed to all employees of the Bank.
- > Informing group employees - Compliance Risk Management team provided the information on Code of Ethics to group companies' employees.
- > Compliance Risk Management team developed code of ethics training module for trainings and delivered this training to all internal trainers.
- > Code of Ethics topics were included in the following training modules:
 - Training for existing employees and internal trainers
 - Welcome Trainings and information package for new employees, where Code of Ethics and Code of Conduct are included
 - TBC academy training programs
 - Various specialized training modules such Sales, Customer Service, other.

Informing External Stakeholders on Code of Ethics

TBC Code of ethics is publicly available at the following address in English <https://www.tbcbankgroup.com/about-us/governance/group-policies/>

We strive to inform society about importance of Ethical conduct for our company through various activities and channels. The is often a part of our communication activities.

Business ethics and ethical conduct

Anticorruption, countering bribery and money laundering

Incident Management Policy / Whistleblowing and non-retaliation policy

Policy and practices to prevent anti-competitive behavior, anti-trust, and anti-monopoly practices

Public Policy and Government Relations

In 2019, 60 trainings on the topics of Code of Ethics were conducted for new employees. By the end of the year, 4,518 employees were trained and tested in Code of Ethics and Code of Conduct topics via distant learning platform.

The fulfillment of the Code of Ethics by third parties cooperating with us is not binding, however our cooperation agreements include clauses that consider ethical conduct requirements such as fight against corruption, fight against tax avoiding, confidentiality requirements and other.

Code of Conduct

One of the instruments for implementing Code of Ethics in TBC is Code of Conduct, which is a mandatory document for every employee and breach of which may be followed by various disciplinary actions.

Code of Conduct is based on main ethical values and principles of the company and regulates such issues as labor rights, conflicts of interests, relationships with clients, personal data protection and more.

The last update of the Code of Conduct was implemented in 2019, regular revisions



are done annually. All amendments to the Code of Conduct are approved by the Board or Directors.

The code of conduct available both for internal usage in intranet and for public access at the following address: https://www.tbcbankgroup.com/media/1950/code-of-conduct_13-august-2019.pdf

Human Capital Department is responsible for implementing the Code of Conduct among employees. Internal audit, security, operational risk and compliance teams are to execute regular monitoring of the code of conduct fulfillment.

Informing Employees on Code of Conduct

Code of conduct is indispensable part of the labor agreement, in the process of new employee onboarding, every new team member gets acquainted with it. We distribute Code of Conduct via welcome e-mail to new employees, their welcome training includes the Code of Conduct issues. At the end of the training they write a test, through which we check how well they understood and remembered the topic. With regular intervals, employees receive push message reminder from intranet portal – with the recommendation to review the Code of Conduct document and refresh the information.

ANTICORRUPTION, COUNTERING BRIBERY AND MONEY LAUNDERING

Company anti-corruption policies and procedures

Any form of corruption is unacceptable for TBC. We strive to implement all possible measures in order to implement strict controls and risk prevention.

TBC Anti-Corruption Policy is presented in Anti-bribery, anti-corruption and prevention of the facilitation of tax evasion policy, publicly available at:

<https://www.tbcbankgroup.com/about-us/governance/group-policies/> Code of Ethics, Code of Conduct and Sponsorship Procedures also include important clauses about anti-corruption.

The Bank prohibits any form of bribery and

corruption, including but not limited to accepting, offering, paying, giving, soliciting or authorizing bribes, by promoting internal integrity and fulfilling the obligation towards the stakeholders of the Bank.

The Group has implemented internal policies, procedures and detailed instructions to prevent itself from being used to facilitate money laundering, financing of terrorism or engage in other unlawful activities such as bribery, corruption or tax evasion. The Bank has zero tolerance for financial crime, regulatory breaches and any attempt to circumvent Group's financial crime policies and controls. Combatting financial crime is a common objective throughout the Bank at all levels.

The Policy defines high risk area and sets behavioral guidelines for the employees, e.g. employees are expected to seek prior written approval from Compliance Department for all gifts received or offered with a higher value of limit than it is set in the Bank's Code of Conduct, employees are prohibited from acting personal gain, making facilitation payments, receiving cash or cash equivalent gifts, offering or providing any kind of hospitality with intention to influence the recipient to act in an improper way.

Anti-Corruption Policy Implementation, monitoring and response

Compliance Risk Management department is responsible for implementing and renewing the anti-corruption policy. The policy is approved by the Supervisory Board.

The coordination of anticorruption policy implementation is done on group level, it is shared with the respective positions of each company in the group, who are further responsible to implement the respective procedures.

The monitoring actions for anticorruption policy violation are included in various internal control processes, internal audits and also client complaints management.

Quarterly report to the Supervisory Board Risk Committee covers anti-corruption topics if any. The response for anti-corruption policy violation differs by the severity of the breach. The sanctions are described in the internal code of conduct in detail.

Business ethics and ethical conduct

Anticorruption, countering bribery and money laundering

Incident Management Policy / Whistleblowing and non-retaliation policy

Policy and practices to prevent anti-competitive behavior, anti-trust, and anti-monopoly practices

Public Policy and Government Relations

Informing Employees about Anti-Corruption Policies and Procedures

The organization's anti-corruption policies and procedures have been communicated to 100% of employees, including all members of the governance bodies. New employees receive Anti-Corruption Policy as a part of welcome package, that includes all policies and procedures; They are trained in anti-corruption matters. The anti-corruption policy is also a part of Compliance Risk Management trainings that is delivered to those employees, who due to their activity specifics are more exposed to risk. Employees periodically have online trainings and testing on the subject.

Operations Assessed for Risks Related to Corruption

Bank has identified high risk activities, such as a third party relations and has implemented dedicated actions to minimize the risks - such as, receiving gifts and hosting procedure, agreement with third parties template, trainings, process escalation rules, etc.)

When evaluating third party corruption risks bank takes into account country corruption index, where the third party operates, country regulation in relation to anticorruption and antibribery, third party field of activity, transaction context and implementation channels, contract value and other aspects. The agreement with third parties (suppliers, partners, etc.) includes clauses about anti-corruption policy.

Challenge: at this stage bank does not operate entire database of operations assessed for risk related to corruption. Next year challenge will be implementation of such procedure and base.

INCIDENT MANAGEMENT POLICY / WHISTLEBLOWING AND NON-RETALIATION POLICY

One of the instruments for implementing ethical principles and anti-corruption policy in our everyday operations is our Incident Management Policy/Whistle blowing and non-retaliation policy, that enables us to efficiently reveal cases of breach of Code of Ethics, Code of Conduct or Anti-Corruption Policy.

Challenge: at this stage bank does not operate entire database of operations assessed for risk related to corruption. Next year challenge will be implementation of such procedure and base.

The aim of Incident Response Policy is to ensure ethical and honest behavior of employees, timely identification and response to violations, that can put under risk employees efficiency as well as company reputation and success.

The Policy ensures whistleblower protection from the immediate supervisor or other employees or from the imposition of any other sanctions. The Policy ensures to support its employees in duly reporting any suspected violations and concerns.

Incident response policy is applied to the whole group and each employee is responsible to comply with the requirements of this policy.

According to this policy employee is obliged to raise alarm (speak up, blow whistle) in case of employee oppression, bullying, employee entering corrupt/fraudulent scheme, etc. All employees are obliged to speak up and affix the problem for its timely resolution. Employee can communicate the problem openly or anonymously.

Incident Management Policy version 1 – December 2015 Last update - September 2019, review and renewal is done once a year. The

policy is applied to the whole group. The policy is available in intranet to all employees and publicly available in the following link: <https://www.tbcbankgroup.com/about-us/governance/group-policies/>

Ensuring Policy Implementation

The policy and its amendments are approved by Supervisory Board

Compliance risk management department is responsible to:

- > Share the policy in available portals to all employees
- > Conduct trainings on this policy
- > Analyze the incidents communicated through anonymous channels and start the inquiry process

Every quarter the department provides information on incidents to risk committee of the supervisory board. Each company in the group is responsible for implementation of this policy. They reports about incidents to TBC bank.

Complaints and Response Mechanisms

Employees can deliver complaints/information through following open and anonymous communication channels:

Bank internal phone 27 27 27 (*1998)

Anonymous communication web-site <https://www.tbcbank.ge/web/ka/web/guest/anonymous-hotline>

e-mail: incident_compliance@tbcbank.com.ge

The anonymity is preserved in the following ways:

Bank internal number 27 27 27 (*1998) can be called from internal as well as external networks. On this number the incoming call and caller telephone number is not recorded, respectively if the caller does not want to present own identity the call remains anonymous.

When leaving a message in the anonymous website, the IP address is not identified, information received through website is automatically transferred to outsourced company and only afterwards becomes available to the bank.

The response to complaints is the following

- the anonymous complaints are received by only two employees of the compliance risk management department, (head of the department and risk management officer). If the issue concerns fraudulent operation by employees, operational risk department is involved in the process of inquiry. If the matter concerns employee oppression, bullying and discrimination, Human Capital department is involved. In the rest of the cases, Compliance risk management division manages the process.

In 2019 number of complaints received from employees through this mechanisms was 41 group wide. Out of these 18 were anonymous.

PUBLIC POLICY AND GOVERNMENT RELATIONS

According to company policy, financing or lobbying political parties, as well as publicly expressing political view of company management is prohibited. Company has clearly apolitical and neutral position.

As one of the largest financial institutes and employers, company understands the scale of influence on company economic and social systems, therefore very strictly restrains from using this power for any kind of political influence.

TBC holds a constructive dialogue with the government of the country where it operates in relation to various economic and social issues, that are directly linked to company activity.

/03

Environmental Responsibility

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Risk Management and
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How do we manage our direct environmental impacts

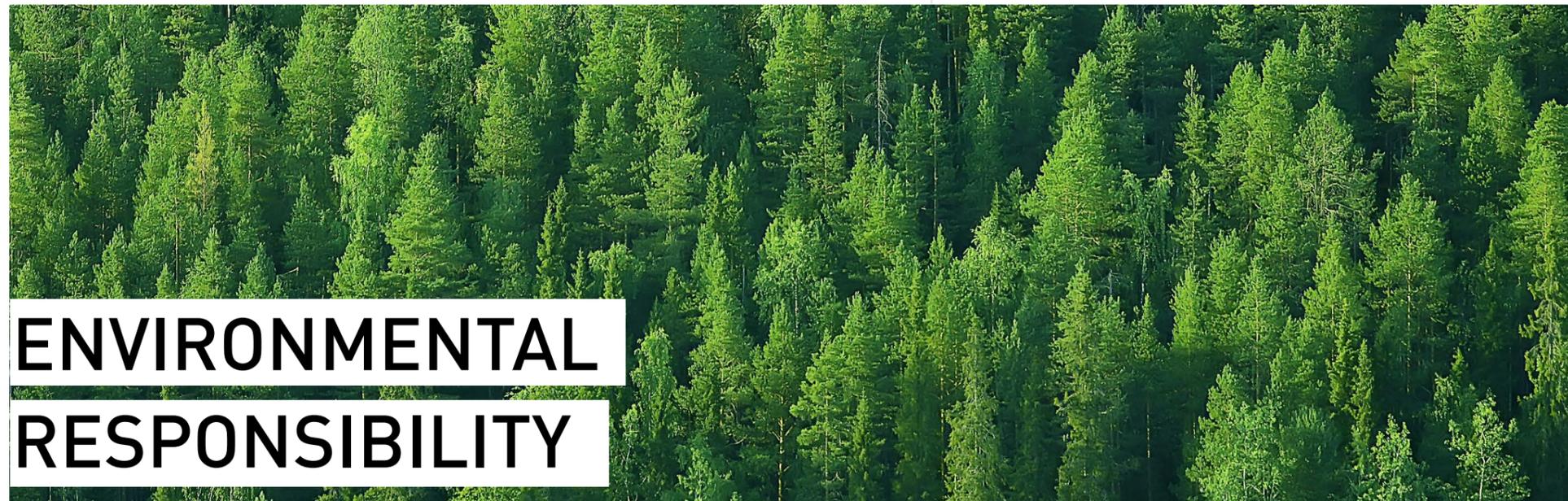
Material Usage - Paper

Energy Usage

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ENVIRONMENTAL POLICY AND MANAGEMENT APPROACH

Policy

In 2019 TBC adopted Environmental policy which governs our Environmental Management System (EMS) within the group and ensures that we comply with applicable environmental, health and safety and labor regulations and use sound environmental, health and safety, and labor practices, as well as take reasonable steps to make sure that our customers also fulfill their environmental and social responsibilities. Our Environmental Policy is fully compliant with Georgian environmental legislation and follows international best practices.

The Environmental Policy:

- > Defines the environmental aspects and impacts of our business activity;
- > Elaborates and develops measures to minimize our negative impact on the environment;
- > Takes efficiency and responsible resource management into account;
- > Ensures our compliance with the applicable environmental, health, safety and labor regulations;
- > Raises awareness among our staff;
- > Prevents the Bank from financing businesses that have a negative effect on the environment and society;

- > Promotes sustainability finance among our clients.

TBC Bank has a dedicated Environmental and Social Risk Management (ESRM) team, which is comprised of full-time employees. Our ESRM team is responsible for overseeing the implementation and operation of our EMS and for reporting environmental management plans and results to the Environmental Committee on a quarterly basis. Our ESRM team is part of SME and Corporate Business Credit Risk Department, which reports directly to the Chief Risk Officer.

Our EMS is based on four directions/pillars:

- > Internal environmental measures;
- > Environmental and social risk management in lending;
- > Sustainable finance;
- > External communication.

The policy defines environmental values, system, goals and tasks and is developed in accordance with the local legislative requirements as well as ISO 14001:2015 standards.

The policy was developed by the Environmental and Social Risk Management team, with active participation of corporate lending, small and medium enterprise credit risk management, logistics, operational

risks and compliance risk management teams. Top management was also actively involved in the process, has reviewed and approved it.

In addition to this policy, we have elaborated additional policies and procedures that regulate environmental impact of specific activities, such as Waste Management Manual, Green Procurement Recommendations, TBC Bank's Procedure for addressing external E&S queries and concerns and other.

Our Environmental Policy is publicly available at:

<https://tbcbankgroup.com/responsibility/our-environmental-policy>

Management Approach

In order to efficiently implement the Environmental Protection and Social Risk management policy we have developed environmental protection management system based on ISO 14001:2015 standards. Direct responsible for the policy implementation group wide is Environmental Protection and Social Risk Management team, subordinated to the Corporate and SME Business Credit Risk Management domain.

Annually, Environment Protection Action Plan is developed, it includes activities and projects to be implemented group wide

Challenge:
Specific policies and procedures apply currently to bank activities only.
For the future period, one of our challenges will be to implement them group wide.

during the year.

Our top management is actively involved in implementation of Environmental Policy. Environmental Protection Committee is held minimum three times a year and at least one representative of the Board of Directors always participates in it. In 2019 four committee meetings were held. At the group level – the environmental protection topics and policy implementation are coordinated through production of annual greenhouse gases emission report. Based on results, the respective action plans regarding resource usage and decreasing impact on environment are elaborated.

The Environmental management protection system efficiency is assessed by the internal audit annually.

In 2020 TBC plans certification according to ISO 14001:2015 standards

Environmental
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How we manage
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impacts

Risk Management and Legislative Compliance

Based on activity specifics, environmental impact of the company (direct and indirect) is identified and afterwards corrective measures and action plans are developed.

TBC regularly monitors compliance of its activities versus legislative requirements. Annually, the compliance is assessed based on the mandatory Environmental Legal Check document. This document describes all those environmental issues, that are specific to company business activity and regulated by the legislation. TBC Environmental Protection and Social Risk Management team is responsible for document renewal and process control.

As per local legislation, TBC group activity is not subject to environmental impact assessment. However, we do assess our direct and indirect impact on environment and strive to manage it responsibly through applying preventive and softening actions and initiatives.

In 2019 company had no fines or non-monetary sanctions for non-compliance with the environmental laws and regulations.

Employee Involvement in Implementing Environmental Protection Policy

TBC employees are the main force who can efficiently implement the policy. It is very important to ensure their motivation, involvement and participation. In order to

raise employee awareness our Environmental Protection and Social Risk Management team regularly holds trainings and discussion meetings.

TBC Bank's environmental and Social risk management group regularly conducts trainings about TBC Bank's E&S risk management system. In 2019, 12 extensive E&S training sessions were held and SME and Corporate Credit Analysts, Credit Risk Managers and Business SME Lending/Sales Coordinators were trained.

Furthermore, all staff of TBC bank had digital training and testing in E&S risk management issues. Information about environmental activities and news is available for each employee via internal network (TBC Intranet) and email.

HOW DO WE MANAGE OUR DIRECT ENVIRONMENTAL IMPACTS

Since banking is not a high-polluting activity, the implementation of an internal environmental management system to address the Group's resource consumption is not expected to have a significant impact on the surrounding environment. However, TBC Bank has reviewed all of the operational activities, procured items, and outsourced services that it can control (present and planned), and has identified all of the material environmental aspects relevant to the business.



Direct environmental impact of our business activity arises from energy, water, fuel and other resources usage, waste and emissions.

The Bank has established a comprehensive internal environmental system to manage its GHG emissions and is committed to reducing its GHG emissions by closely monitoring consumption of fuel, gas and electricity.

In order to evaluate the significance of impact for each of the category, we have elaborated a comprehensive evaluation methodology and applied it to the whole group. Based on this, evaluation company decides the significance of impact, defines annual goals and elaborates specific initiatives and programs to reach them.

Our Approach (Methodology)

In order to identify material-related impacts, TBC uses the following approach as described in the policy - the combination of a) relevance, b) degree of control and c) potential environmental damage in case of abnormal operating conditions gives evidence if the environmental aspects are considered to be significant, meaning that they have or can have a significant environmental impact.

The low/medium/high categorization is translated into the numbers 1/2/3 to calculate, if the aspect has to be considered significant. Aspects with a sum of scores from 3-5 are insignificant whereas with a sum of scores from 6-9 are significant.

Environmental aspects associated with legal requirement, or another requirement to which TBC PLC subscribes, are also considered to be significant, regardless of the outcome of the risk analysis.

In 2019 printing paper annual usage group wide made - 125 575 packages (TBC Bank - 122 484; Daughter companies - 3 091).

Material Usage - Paper

Based on company activity specifics, the significant share of materials used is represented by paper usage. TBC strives to decrease its impact through various initiatives.

In order to decrease the volume of paper usage, TBC Bank has been actively digitalizing numerous business processes, in front - as well as back offices through the whole year.

Test regime for Follow-me printing initiative is in progress. Also, bank collects used paper, that is further produced into books.

Challenge: for the year 2020 group targets to decrease paper usage by 3%

Consumption data

Energy Consumption 2019	Measured in	Bank	Group
Total electricity consumption	kW/h	15 434 372	16 781 373
Total heating consumption	kW/h	6 529 139	7 142 939
Total energy consumption	kW/h	22 324 168	24 292 581

Environmental
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How we manage
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In 2019, 6 new daughter companies joined TBC group, however the entire group still managed to decrease paper usage by 0.8%.

Energy Usage

Energy usage is one of the most significant sources of our environmental impact. It is represented by electricity consumption for premises and equipment, usage of heating and cooling systems, transportation and other.

Methodology:

While preparing the data on emissions, the UK Government's Greenhouse Gas Conversion Factors for Company Reporting 2017 and National IPCC emission factors for electricity (tCO2*/MWhe) were used.

Scope 1 (combustion of fuel and operation of facilities) includes emissions from combustion of natural gas, diesel and/or petrol in equipment at owned and controlled sites. Combustion of petrol, diesel fuel, natural gas and etc. in owned transportation devices;

Scope 2 (purchased electricity for own use (lighting, office appliances, cooling & etc.) includes emissions from: Used electricity at owned and controlled sites; to calculate the emissions, it has been used the conversion factor for National IPCC emission factors for electricity (tCO2*/MWhe).

**Challenge:
for the year 2020
it is planned to
decrease energy
usage by 4%**

In 2019, along with the implementation of Environmental Protection and Social Risk Management policy, the control on purposeful and sustainable consumption of energy was implemented in the bank. In TBC Bank, we use energy-efficient LED lighting and operate energy efficient heating and cooling systems in our offices. This has helped us to reduce the consumption of energy in the previous and current years.

TBC Bank fuel operating car park was substituted by electro and hybrid vehicles. Car management entire system was implemented, that enables "car sharing" practice by employees and hence saving on energy consumption.

Energy consumption was reduced by 1903 392 HW/H for the whole group in 2019 - including electric energy, heating systems, fuel for generators and transport.

Water

The efficient and sustainable usage of water is described in Environmental Protection

and Social Risk Management policy document, that is applied to the whole group. Water consumption also is regulated by our Code of Ethics.

Water consumption in 2019 made 101 016 m3 group wide (TBC Bank -89 889 m3 ; Daughtet companies - 11 127 m3).

In order to implement efficient and sustainable consumption of water, various initiatives were launched in cooperation with different departments. Awareness raising activities were held. We plan to implement pressure reducers, through which we expect to decrease consumption by additional 6%.

Despite the fact that in 2019 six daughter companies joined the group, we still managed to decrease water consumption per employee by 12%.

**Challenge:
in 2020 bank plans to
install water pressure
reducers through
which water usage
decrease by 6% is
expected.**



Environmental policy and management approach

How we manage our direct environmental impacts

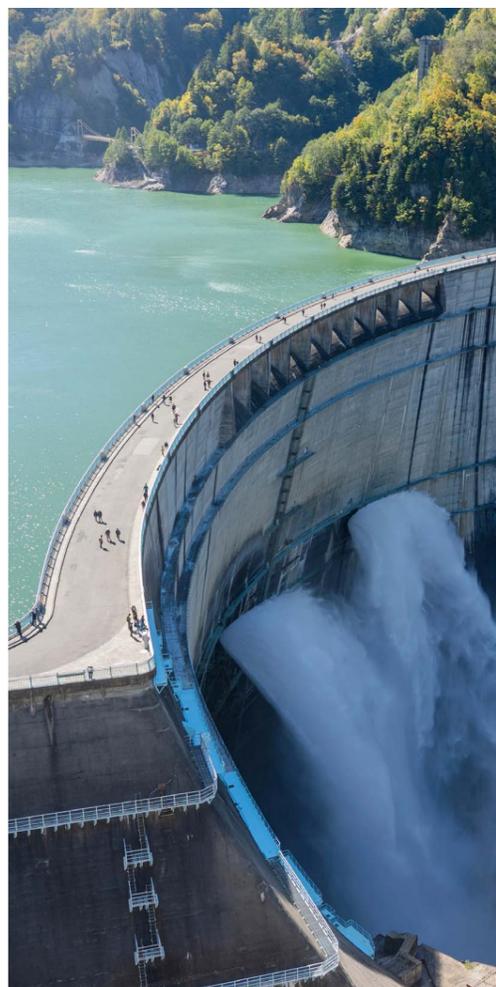
GHG Emissions

We pay special attention to greenhouse gas emissions and try to strengthen our input in decreasing greenhouse gas emissions worldwide. This subject is addressed in TBC group Environmental Protection Policy document.

TBC GHG emissions derive mostly from the following sources: vehicles, international flights, electricity generators; air conditioners and cooling systems, heating systems, computer accessories, ATMs, electronic waste, masts and inverter batteries.

As a premium-listed company trading on the LSE, TBC Bank is required to calculate and report upon the greenhouse gas (GHG) emissions stemming from its direct operations. For this purpose, TBC Bank has established a comprehensive internal systems to manage its GHG emissions within the Group and is committed to reducing its GHG emissions by closely monitoring consumption of fuel, gas and electricity. TBC Bank also commissioned an independent Health, Safety, Environment (HSE) consulting company, to verify the measurements of its GHG emissions.

Annually Greenhouse Gas Emissions Report is produced group wide and is verified by independent auditor. Based on the report goals and annual action plans aimed at decreasing GHG are being developed.



Scope 1 Emissions

scope 1 - (combustion of fuel and operation of facilities) includes emissions from combustion of natural gas, diesel and/or petrol in equipment at owned and controlled sites. Combustion of petrol, diesel fuel, natural gas and etc in owned transportation devices.

TBC direct GHG emissions in 2019 made 2584 tons CO2.

CO2 emissions from vehicle fuel consumption tripled in comparison to 2018, 72% of total CO2 emissions were generated by daughter companies and 36% by the bank.

This increase was attributed to TBC group member company TBC Pay purchasing additional 100 cash transportation vehicles, making in total four times bigger car park compared to the end of 2018. The need to purchase additional cash transporters came from the payment network development.

Direct GHG emissions metric tons of CO2 equivalent	Group
Gross direct (Scope 1) GHG emissions	3,164
Emissions in the base year	2,584

Scope 2 Emissions

Scope 2 - (purchased electricity for own use (lighting, office appliances, cooling & etc.) includes emissions from: Used electricity at owned and controlled sites; to calculate the emissions, it has been used the conversion factor for National IPCC emission factors for electricity (tCO2*/MWhe).

TBC gross market-based energy indirect GHG emissions made 1260 tons CO2. Emissions in the base year equaled 1391 tons CO2.

Total electricity consumption of TBC group decreased by 9% in 2019 versus planned 5%. The main driver of positive result was TBC Bank, that generates 86% of total electricity consumption of the group.

Energy indirect GHG emissions, metric tons of CO2 equivalent	Group
Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent	1,260
Emissions in the base year	1,391

Scope 3 Emissions

Scope 3 - includes emissions from air business travels (a short haul, a medium haul, a long haul and an international haul); it should be noted that information on the travel class was considered and an "economy class" conversion factor has been used for the emissions calculation from the following link: <https://www.Atmosfair.De/en/offset/flight>

Total scope 3 emissions made 697 Tons CO2 (The gases included in the calculation, CO2, CH4, N2O, HFCs, PFCs, SF6, NF3)

Base year emissions made 644 Tons CO2.

Total flight emissions in 2019 versus 2018 remained almost the same for TBC Bank (-2%) while increased by 65 Tons CO2 for the group. Analysis shows, that due to the group development and expansion, staff needed more business travel to participate in the international conferences, workshops and board meetings.

In order to calculate the GHG emissions deriving from business trip flights, the detailed route for each air-travel (including transfers of the international flights), type of flight class (first, business, and/or economy) and number of persons being on each business trip was taken into account.

Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source - <https://www.Atmosfair.De/en/offset/flight>

Other Indirect Scope 3 Emissions:

Other indirect (Scope 3) GHG emissions metric tons of CO2 equivalent	Group
Gross other indirect (Scope 3) GHG emissions	697
Biogenic CO2 emissions	
Other indirect (Scope 3) GHG emissions calculation	
Emissions in the base year	644

/03 Environmental Responsibility

Environmental policy and management approach

How we manage our direct environmental impacts

In 2019 6 new daughter companies joined the group. GHG emissions increased by 502 Tons CO2 group wide and decreased by 384 Tons CO2 bank wide.

Reduction took place in the following scopes:
Group Wide - Scope 2 electricity, water and printing paper consumption.

Bank Wide - Scope 1 fuel consumption (heating, vehicles, and generators), scope 2 electricity consumption and Scope 3 international flights.

Methodology:

This report describes all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 (Scope 1 and 2) and additionally the emissions under Scope 3 that are applicable to the business. In preparing the emissions data, the emissions factors from the UK Government's Greenhouse Gas Conversion Factors for Company Reporting 2017 and National IPCC emission factors for electricity (tCO2*/MWh)e1 was used.

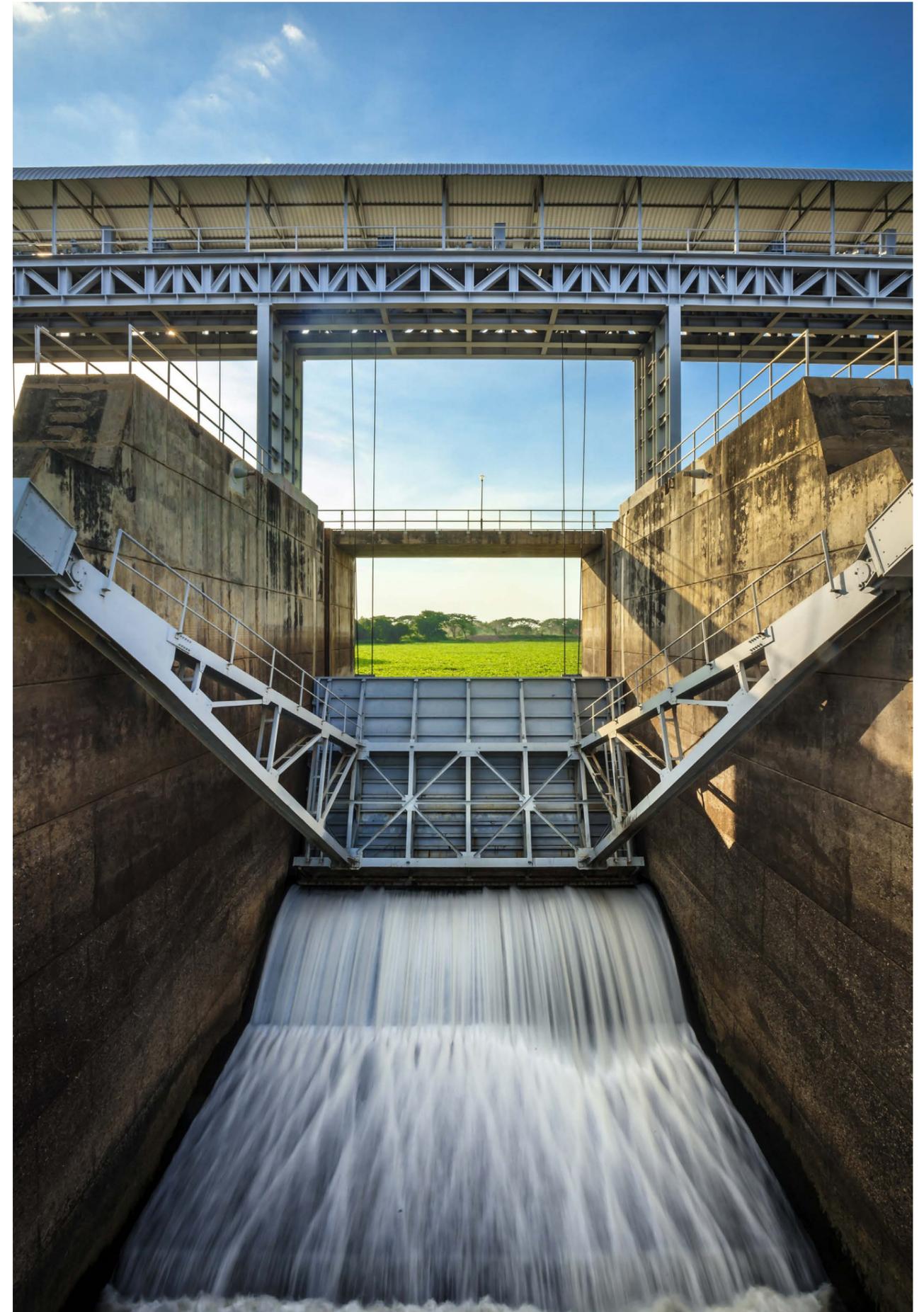
Reducing Consumption Targets 2020

	Group
Fuel consumption	7%
Electricity consumption	4%
Water consumption	6%
Paper consumption	3%
Total greenhouse gas emissions	5%
Per employee greenhouse gas emissions	5%

Waste

TBC Bank operates waste management program since 2016. The waste management manual defines key standards and recommendations for managing waste in accordance with legislative requirements. It includes waste separation, e-waste and hazardous waste management procedures. Identification of waste-related impacts is done based on legal requirements and standards.

Waste separation is not a mandatory requirement in the country, however as an environmentally responsible company, TBC bank implemented waste separation practice in head office. In 2020 bank plans to export this practice from HO to its branches. In 2020 TBC Bank also plans to install special bins, for electronic and hazardous waste management.





/04 Responsible Employer

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Diversity and Equal Opportunities



TBC is one of the largest employers in the country, as of the end of 2019 TBC bank employed 6,301 people. We perfectly understand that our corporate culture, employment policy and how we treat our employees has a direct impact on their well being, as well their families and society in total.

Employees are one of our most valuable assets and one of our most important stakeholders. Our business success depends on them. It is our responsibility to create system that is capable of attracting and keeping the best people, developing their talents and professional skills, cultivating team spirit and corporate culture that supports employee happiness, engagement and hence, company success.

We treat our employees with top responsibility and strive to offer them fair, honorable and diverse environment, where people feel valued and are motivated to realise their full potential and deliver high performance.

We perform employee satisfaction research annually, analyze the results and develop action plans to improve employee loyalty, create comfortable working conditions and motivate them through various benefits. We adhere to local regulations on employment rights, at the same time aim to implement international standards and best practices.

ENPS results for the last three years looks like this:

ENPS Company	Year 2017	Year 2018	Year 2019
	55%	66%	41%

Anything above zero is acceptable, though companies have varying standards. In general, a score of 10-30 is considered good, and a score of 50 is excellent.

POLICY AND MANAGEMENT APPROACH

Responsible work relationships in TBC are regulated based on our Code of Ethics and various human resource policies and procedures.

Policies: Remuneration Policy, Human rights Policy, Disciplinary Sanctions Policy, Employee Confidentiality Policy, Anti-Harassment Policy, Complaint Policy, Incident Management Policy.

Procedures and Instructions: New employee hiring procedure, Vacation procedure, Procedure on engaging in other business activities, Parental leave procedure, Employee Learning co-financing procedure and other.

These policies and procedures ensure alignment of employee relationships with local legislation, as well as international standards and best practices.

Most of the policies apply to the bank. TBC bank's Human Capital management team

works to ensure that similar policies and procedures are developed across whole TBC Group.

Challenge for the 2020 is to harmonize all policies and procedures group wide.

Management Systems

Our management system aims at creating mechanisms to efficiently comply with company policies as well as legislation. The monitoring of incidents and incompliances is done through various activities and tools.

Due to the fact that our company is constantly evolving, more and more information needs to be processed, so it is important that information is consolidated. Therefore from 2018, a new Human Resource Management System (HRMS) became necessary, through which the bank would be able to collect, store and process larger information.

HRMS was chosen as a new automated software, modern platform that features advanced reporting and data analysis capabilities. It's an integrated system providing information used by Human capital management in decision making. This software allows a company to keep track of all of its employees and information about them. An HRMS can manage all employee data as well as information on benefits, such as enrollment and status changes. Because data is stored in one place, this means reporting can be more efficient. This software is also fully integrated with payroll and company's Intranet. HRMS was chosen, in order to optimize HR Business processes, which helps human capital management enhance productivity.

Grievance Procedure

We have implemented Grievance Procedure and provide grievance mechanism to employees to raise workplace related concerns. This procedure is linked to Bank's Code of Ethics and Code of Conduct, as well as Incident Management Policy. According to policy clauses, every employee is obliged to openly or anonymously provide information about incidents, including any kind of harassment, be it moral, physical or psychological.

Informing Employees on Grievance Procedure

Incident Management Policy and Grievance procedures are mandatory documents and every employee has to get acquainted with them. We ensure this through the following actions:

1. Every new employee welcome package includes these document, together with other important policies and procedures.
2. New employees have classroom trainings where one of the topics is Incident Management Policy and Grievance Procedure.
3. Any changes to Incident Management Policy or Grievance Procedure are delivered to all employees by e-mail.
4. These documents are available in intranet to all employees of the bank.
5. Employees are regularly tested for the subject of Incident Management Policy.

Policy and Management approach

Our employees

Wages and benefits, employee social protection

Employee Safety and Health, professional and occupational sickness prevention

Work climate, employee motivation and engagement

Talent Management (trainings, professional development and leadership)

Diversity and Equal Opportunities

Submitting complaints/grievances

Employees can submit complaints verbally, or in written – through open or anonymous letter to HR manager, HR team, or own management. They are highly encouraged to report incidents of harassment, discrimination or other grievances without delay, to ensure their quick processing.

The anonymous channels for submission are:
Anonymous Hotline:+995 32 2 27 27 27 *1998

Anonymous website: <https://www.tbcbank.ge/web/ka/web/guest/anonymous-hotline>

Anonymous letter:
Incident_Compliance@tbcbank.com.ge

Incidents related to money laundering, terrorism financing, related party transactions, trader based on insider information, code of ethics breach and legislative regulation breach are reviewed by Compliance Risk Management Department.

If incident relates to employee harassment, physical, moral or psychological pressure, Human Resources team is managing the case, in cooperation with Compliance Risk Management Department.

Incidents related to fraud, falsification and conflict of interests are transferred to Operational Risk Management and Security team.

Investigation in HR

The investigation process shall evolve immediately after case is detected. When case is anonymous, the sender cannot be contacted, however in non-anonymous cases employee is contacted in order to specify details and in certain cases is informed about the decision.

HR Manager and/or HR Senior Staff together with complainant’s Line Manager (unless complain has been made against immediate line manager or complainant objects against involvement of the line manager) investigate the complaint (be it harassment or other) with utmost confidentiality.

Purpose of the initial assessment is to establish, that the allegations are founded

and there potentially can be a case. If the complaint is unfounded or unsustainable, complainant will be informed accordingly and disciplined by HR for unnecessarily bringing the charge against another employee.

If there is a case, HR in liaison with complainants’ line manager will decide on further actions on the grievance committee together with the worker or his/her representative. Depending on the severity of the case, matters are brought to management’s attention, if this is the case - management representative shall participate in the grievance committee. In case of anonymous complaints, HR in liaison with HR Business Head / Deputy CEO will decide on further actions.

Actions could take the form of verbal warning, written warning, other disciplinary actions including dismissal.

Number of incidents

Total number of incidents in 2019 was 34, out of which 17 were anonymous. They all were related to Code of Ethics and Code of Conduct breach and 100% of them was reviewed and taken decision upon. Based on incident severity, bank took various measures – in certain cases it was discussion with employee and rotation, in other cases applying strict disciplinary measures.

To support our corporate culture TBC Bank has implemented a whistleblowing policy, which is available to all employees. It identifies the rules and conduct requested of all individuals working for the Group and defines employee rights and responsibilities - See Chapter VIII Ethics and Integrity

OUR EMPLOYEES

We are one of the largest employers in the country, at the end of 2019 our bank employed total 6,301 people.

Number of Employees, gender breakdown

Employees	%	Number
Total	100%	6,301
Female	71%	4,448
Male	29%	1,853

Number of Employees, contract type and gender breakdown

Employees	%	Number
Short Term contract		1,143
Female	80%	918
Male	20%	225
Long Term Contract		5,158
Female	68%	3,530
Male	32%	1,628

Number of Employees, full time/part time employment breakdown

Employees	%	Number
Full time		6,146
Female	70%	4,299
Male	30%	1,847
Part time		155
Female	96%	149
Male	4%	6

Number of Employees, Tbilisi/Region breakdown

Employees	%	Number
Total	100%	6,295
Tbilisi	77%	4,822
Outside the Capital	23%	1,473

WAGES AND BENEFITS, EMPLOYEE SOCIAL PROTECTION

We believe that one of the important issues that defines employee wellbeing is fare remuneration and ensuring their social protection. Our employees should have enough remuneration to live honorable life and envisage future with the feeling of hope and stability.

TBC is one of the best employers in the country. We offer a competitive remuneration package, which includes a monthly salary, a performance - driven bonus. On top of it we provide attractive benefits’ package.

Salary, bonuses and other benefits

Market studies conducted by local and international companies, rankings given from at least three different salary survey gives us prove that we are one of the best employers in the country with competitive compensation package.

Fund „Tibiselebi” –Employees Supporting Each Other

Fund “Tibiselebi” was founded in 2009 and currently TBC bank and six other daughter companies are members of the fund. The fund aims at supporting TBC employees in case of health problems. It’s source of financing is employee contribution, equaling 1% of their monthly salary.

The fund is managed by the board and board secretary. Any employee can submit application to the fund and request financial support for own self or direct family member. Amount requested in the application shall exceed 15% of employee monthly salary.

TBC Employee Fund	GEL
Number of Applications Received	300
Share of Applications Supported	100%
Support Amount	989,749

The fund financing is provided when sickness represents danger for health or life, additionally hearing aid, wheelchair, special nutrition and artificial insemination are supported.

Decisions are made by the board, through majority of votes.

Family Friendly Bank

We understand, that work-life balance is one of the most important factors for employee satisfaction and well being. One of the directions of TBC employment policy is to establish a family friendly corporate culture. For this, we operate in several directions – such as good parental leave conditions, supporting multi-child families, marriage and first child support and other.

Parental Leave

According to local legislation, company is not obliged to remunerate parental leave, however, TBC employees receive paid parental leave based on their full remuneration rate for 183 or 200 days (standard or complicated delivery).

	Parental Leave	Number
Policy and Management approach	Employees that got child in 2019	457
	Female	372
	Male	85
Our employees	Employees that received parental leave pay	297
	Female	296
	Male	1
Wages and benefits, employee social protection	Employees that returned to work from parental leave	282
	Female	282
	Male	0
Employee Safety and Health, professional and occupational sickness prevention	Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	426

Work climate, employee motivation and engagement

Talent Management (trainings, professional development and leadership)

Diversity and Equal Opportunities

Families with Multiple Children

In order to support employees who have multiple children, bank has introduced special program, according to which, every employee, who becomes a parent of fourth or fifth child receives GEL 10,000. For the six child and above remuneration equals GEL 50,000. This program applies to full time employees with long term contract.

Multi-Child support 2019

Number of employees who got 4th and 5th child	8
Number of Employees who received bank support	8
Support volume GEL (Gross)	102, 040

Marriage and first child support

We operate marriage and first child support program. Bank issues onetime financial benefit to employees who get married and give birth to first child. This support is valid for all employees with long term contracts.

Total value of financial support in 2019 within this program made GEL 248,980

Number of employees, 2019	
Married	244
Got 1st and 2nd child	244
Received support	244

EMPLOYEE SAFETY AND HEALTH, PROFESSIONAL AND OCCUPATIONAL SICKNESS PREVENTION

Employees are our most valuable asset, therefore, protection of their life, health and safety is our obligation. Deriving from financial sector specifics, workplace related life and health risks are not as high as in many other industries, however, still exist.

One of the biggest potential risks in our field of activity is related to customer aggression or attack towards frontline employees. As well as risks related to cash collection and auto park management activities.

From September 2019 according to legislation of Georgia, every company is obliged to hire HSE specialist that ensures implementation of health, safety and environmental management system and standards. Currently we outsource HSE management to an experienced company, that together with bank team is in the process of developing HSE policy and strategy.

Once these documents are developed, hazard identification, risk assessment and incident investigation systems will also follow. As a result of risk assessment, respective action and learning plans will be produced and implemented. Risk assessments will be updated every three months.

Drivers

Bank drivers are one of those employee segments that fall under special health and safety risk and respectively. Risks related to car park management and driver activities are mitigated by the instruction for TBC bank drivers, that regulates such details as - speed limit, limitation of working hours, control of driver health, driver vigilance. Instruction implementation is monitored with the help of GPS systems.

Cash Collection

Due to specifics of cash collection activities, cash collectors are segment of employees at highest health and safety risk in the bank. Two types of cash collection activities are performed in the bank

1. ATM cash collection is done by bank cash collector, who is escorted by security police
2. Branch network and client cash collection is done by security police, who have trainings with the Ministry of Internal Affairs, that includes safety trainings as well.

All cash collectors of the bank have regular safety trainings.

Front Office Staff

As one of the important health and safety related risks in financial sector is customer aggression, attack and robbery, bank conducts special learning activities to front office staff in regard to workplace safety.

Every branch employes several security administrators, who ensure timely and efficient identification of risks and their prevention. As a result of good management of this system, during the last 17 years of operation, only two cases of robbery attempt took place.

We also have contract with security policy, that is obliged to urgently visit the place as soon as incidents are identified.

In 2019 only one workplace related, low impact risk took place.

We dedicate resources to promoting

healthy lifestyle in our company, in TBC bank we operate football, basketball, rugby, hiking clubs.

Our employees annually participate in world run – Wings for Life project. We also offer our employees special discounts in various fitness and wellness centers. These initiatives are valid group wide.

WORK CLIMATE, EMPLOYEE MOTIVATION AND ENGAGEMENT

To improve internal communication, enhance healthy lifestyle and team spirit, we have created several clubs for employees.

TBC group any employee can join clubs based on their interests and hobbies and participate in any of the planned programs.

In 2019, more than 2,000 employees participated in TBC club activities. We conducted championships in football, basketball, rugby, table tennis. In the hiking club, several hiking tours were organized. TBC also has intellectual club „What, Where, When“. Winners of this club participated in various inter-bank intellectual games organized by the national bank of Georgia. TBC team won in the inter-bank competition.

We also operate dedicated clubs for employees who work more than 10 years with TBC and who also have many children.

We operate informational intranet platform, where special offers and discounts for employees are published.

TBC brand shop, offers employees clothes and accessories at special prices.



Policy and Management approach

Our employees

Wages and benefits, employee social protection

Employee Safety and Health, professional and occupational sickness prevention

Work climate, employee motivation and engagement

Talent Management (trainings, professional development and leadership)

Diversity and Equal Opportunities

We annually distribute branded presents to school pupil children of our employees.

In 2019 we implemented Georgian rugby support campaign, during which, 4000 employees received rugby branded t-shirts and watched rugby game live in offices.

TBC monthly conducts masterclass sessions, where speakers of various professions share their knowledge and experience with group employees. In 2019, up to 3000 team members attended the masterclasses.

Employee Satisfaction Research

We started to monitor staff engagement in 2012. A special survey is conducted annually, in partnership with the leading international universities and a research firms. Survey provides clear picture of our strengths and weaknesses as perceived by our employees.

In 2019 a bank wide survey was conducted by Amsterdam University, 3,429 employees, 54% of total participated.

The top scoring research findings were that employees have high sense of responsibility when delivering, management has respective knowledge and is skilled and they think that we have positive co-working atmosphere. However when lowest findings are client protection, offering client-tailored products, reward and work-life balance.

Research results are annually presented to management of various domains. Work teams are established and research results are reviewed, problems are analyzed and action plans developed. HR annual action plan includes various activities as a response to challenges revealed by the research.

TALENT MANAGEMENT (TRAININGS, PROFESSIONAL DEVELOPMENT AND LEADERSHIP)

We understand, that our success derives from our employees - how we manage to attract and keep the best of them, how we support their professional growth and motivation.

We believe our approach has been successful in attracting, retaining and developing our employees despite strong competition. This process is dynamic and we have to permanently enhance our human resources management system to attract and maintain top talents.

Talent management is regulated based on various documents in the bank, these are Code of Conduct, Learning and Qualification Development Procedure, Testing Instructions.

Performance Review

Performance review and regular feedback

is a basis for efficient professional development. We manage different assessment systems for front and back office staff. Every employee has an individual carrier development plan.

Our performance appraisal system is closely linked with the overall objectives of the Group and is based on three core principles: clarity, fairness and integrity. We make sure that our colleagues have a clear understanding of their role in the company and are actively engaged in setting their personal goals. Employees are also given appropriate coaching by their supervisors to help them achieve these goals. Regular employee feedback and a constructive dialogue are an important part of our performance appraisal system.

We use different assessment systems for front and back office staff and it varies depending on the positions held. We assess our back office staff with the management-by-objectives (MBO) system, a personnel management technique where managers and employees work together to set, record and monitor goals for the financial year. Goals are written down annually and are continually monitored by managers to check progress, including semi-annual direct feedback from supervisors. Rewards are based on the achievement of goals. We have a uniform scoring system for all employees within the MBO, which ensures fairness throughout the organization.

For our middle managers, as well as employees who are part of the agile structure, we also run a 360-degree feedback system that provides each employee with the opportunity to receive performance feedback from his/her supervisor, peers and subordinates. The 360-degree feedback allows our employees to understand how their performance is viewed by others and it helps them to better identify their strengths and weaknesses as well as to develop new skills.

For front-office employees we use a target-based performance assessment system, wherein performance is linked to specific KPIs, including quantitative and qualitative components. Within the target-based system, employees are assessed monthly, quarterly or annually depending on their positions.

Performance Review, Promotion 2019

	Number
Employees who had regular performance review	
Female	3,462
Male	1,504
Front Office	3,078
Back Office	1,888
Technical Staff	240
Middle Management	231
Employees promoted	621
Female employees promoted	411

Employee Trainings, Learning and Development

Digital learning

We are proud to operate an efficient digital learning system, through which employees participate in various trainings, such as - operational risks, IT security, compliance risk management. Through this platform employees are also tested. In 2019 total 5,100 employees had digital trainings.

Employees Trained in 2019	Number
Total	520
Among them female	364
Among them male	156
Total new employees	1,680
Among them female	1,176
Among them male	504

Training Hours 2019	Hours
Existing employees	315
New employees	255
Front Office	415
Back Office	300

Outsource trainings/learning financed by company for employees

Financing outsource trainings to employees, that help them develop talents and succeed in the career is a common practice in TBC bank. In 2019 we financed trainings in Banking products, Coaching and talent development, Agile work system . Also,



Policy and
Management
approach

Our employees

Wages and bene-
fits, employee social
protection

Employee Safety
and Health,
professional and
occupational
sickness prevention

Work climate, em-
ployee motivation
and engagement

Talent Management
(trainings,
professional
development and
leadership)

Diversity and Equal
Opportunities

employees received financing to complete international certification programs such as ACCA, CFA, PMP.

Employees who received financing

Total Number	1600
Female %	68%
Male %	32%

TBC Academy

In 2011 we established TBC academy to provide learning programs to any employee of the group. The academy unites several schools – business school, agile academy, avalanche academy.

In 2019 total 1,150 employees participated in various learning activities in TBC academy.

The most frequently addressed training topics were

- > Business development
- > Banking
- > Project management
- > Change management
- > Leadership
- > Financial analytics
- > Risk modelling
- > Soft skills, such as time management and presentation skills

Financing studies abroad

In 2012 we established TBC Scholarship Fund, which provides co-financing to our top employees for studying at the world's leading universities. Financing opportunity is open to any employee who has a long-term contract with the bank. We offer financing of 100% or co-financing of 70%, 50% and 30%.

Decision making process is managed on dedicated procedure, that lists the decision making criteria.

Total number of employees who received company financing and co-financing for studying abroad made 40 people in 2019.

Trainee Programs

We also operate trainee program in collaboration with local universities. In 2019, 20

students participated in the trainee program and were employed as a result.

Agile transformation

One of the most important steps for leadership and career development that bank took in 2019 was agile transformation. TBC was the first company in Georgia that introduced agile. Our aim in the process of this transformation was:

- > Better customer orientation and quicker response to customer needs
- > More flexibility and freedom from bureaucracy and hierarchical limitations
- > Speeding up product to market time and creating more innovative products
- > Increasing employee satisfaction and supporting their self-realization
- > Creating special work environment and attracting top talents

Agile is a system that has been implemented in world leading organizations. It contributes to employee professional growth on one hand and reaching best results on the other. In our company, agile working principle is creating teams of various competencies around particular projects, focus on tasks and more independency. When working with agile approach routine tasks and bureaucracy is minimized, employees get more self-realization opportunities and working process is more engaging and diverse.

Instead of standard hierarchy structure of directors, departments and divisions, we created leagues, teams and legions.

Leagues define business directions and represent the largest structures in the agile organization, represented 50-150 people.

Team is an independent, self-organized entity, that is created with the purpose to reach a particular goal. It is made up of 9 members. Team members represent multiple competencies and create business value, that is related to reaching strategic goals of an organization.

Legion is a group of competency specialists, made of 5-10 members and responsible to develop and standardize particular competencies within the organization. Legion members, at the same time are members of



teams.

We believe, that agile will help us in reaching our goals in becoming a more flexible, innovative company; and at the same time increasing employee engagement and happiness.

Career Development

TBC, being a group by diverse companies, offers wide range of career growth opportunities. Employees can have career growth within one organization or be transferred to another, to engage in new directions or be promoted to a higher position.

In 2019 621 employees were promoted, among which 66%, 411 employees were women.

Startup-leave

Startup leave is an innovative project, that aims at promoting entrepreneurship and innovation among employees, as well as supporting startup eco-system development in the country in general.

Any employee who has worked with TBC bank for more than 18 months is eligible to participate and to submit a business idea. Twice a year, an independent jury reveals the most innovative business idea authors and gives them a chance to use fully remunerated Startup leave up to 6 months, to develop their startup. At the same time, Startup-leave employees can use "Startu-

per" services - a special package of offers developed by our bank for startups.

The process

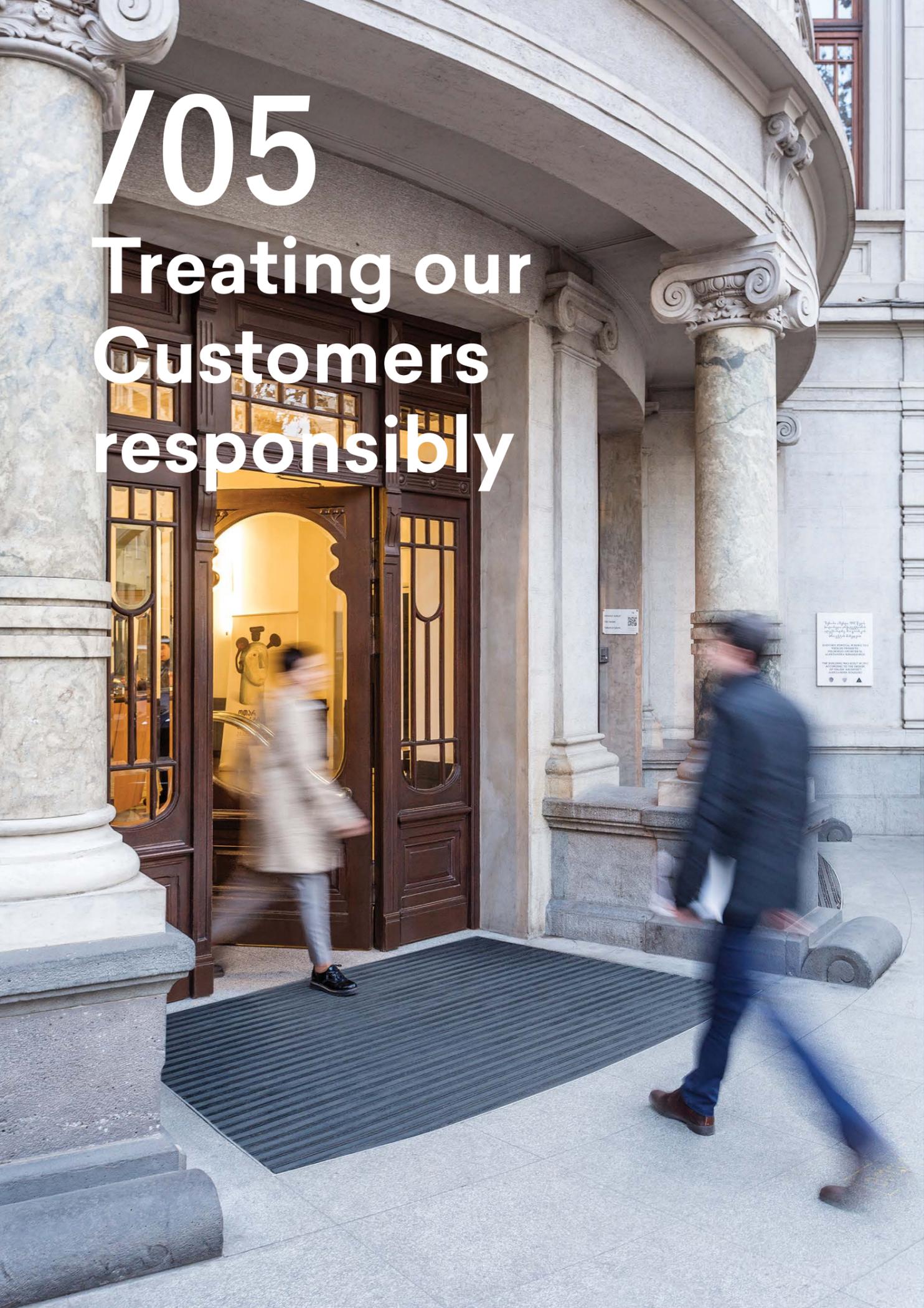
- > In the first round, electronic applications are submitted
- > Independent jury selects short list
- > For the second round, teams have to pitch their idea
- > Evaluation criteria are predefined in the program charter
- > Number of potential winners is not limited.

In 2019, 24 applications were submitted to Startup leave project, and three employees received Startup leave compensation.

DIVERSITY AND EQUAL OPPORTUNITIES

We believe that diversity and inclusion is key to success of any company. In our company each employee is treated equally regardless of gender, marital status, age, race, ethnicity, religious and political beliefs or disability.

Ensuring equal opportunity in all key areas of human resources management such as selection, promotion, training and development are critical to retaining employee engagement and satisfaction across our workforce.



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Treating our Customers responsibly

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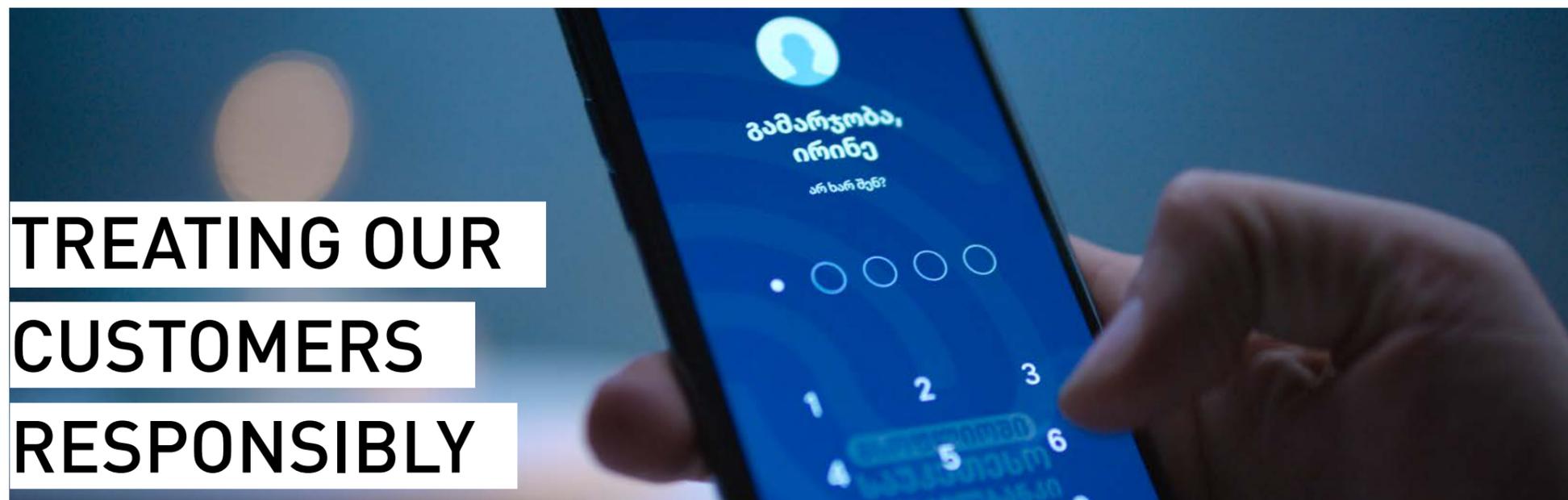
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Excellent customer service is the cornerstone of the Bank's brand. We treat our customers with respect and professionalism. We put our customers' best interests at the forefront of everything we do. We understand diverse client needs, add value, and build trust and relationships that endure. We are committed to offering solutions of the highest quality to our clients. We constantly strive to anticipate the rapidly changing needs of our clients and to develop new services to meet those needs. In providing our services, we keep our commitments, deliver what we promise, and act with honesty and integrity, whilst pursuing our values. We place clients at the center of our activities. We treat our customers fairly and in a manner which is compliant with all regulatory requirements.

TBC Bank is a leader in the retail banking segment in Georgia, serving 2.5 million clients, which is 90% of adult population of the country. Among them, 82,540 are affluent customers. We have a well-diversified loan portfolio, serving 3,232 corporate clients across all major sectors of the economy. 2019 was a strong year in terms of client acquisition and portfolio growth, especially in the mid-corporate sub-segment. TBC Bank is the number one partner bank for micro, small and medium enterprises

(MSMEs) in the country. We serve 147,418 MSME customers. In 2019 62% of newly registered legal entities chose TBC Bank.

CUSTOMER PRIVACY AND DATA PROTECTION

In digital epoch, dependence on information systems is growing rapidly, creating a need for technology improvement and proliferation in everyday life. With increase use technology and data, cyber security issues also rise. Intelligently defending cyber systems together with providing superb customer service, while using it, is one of the most important tasks in 21st century. The Bank's activities constantly require obtaining, processing and keeping data, documents and information pertaining customers, employees, business partners, financial transactions and contracts. We have legal and ethical responsibilities to safeguard the confidentiality of information regarding customers, employees, business partners or other third parties.

Personal data protection is very important topic for our customers and is connected with banks reputational, operational and financial risks. TBC works constantly on mitigation of cyber risks and treats information security as one of its key tasks. Information security management is based on formal rules and procedures, which comply with international requirements.

PERSONAL INFORMATION PROTECTION POLICIES

TBC has elaborated information security policy document, which encompasses general principles approved by board of directors - underlining their support for information security program. This is the main document defining company's approach in the information security field.

In addition, there are thematic documents, which regulate certain topics and define concrete procedures (for example IT operations management security policy, systems development and acquisition security policy, cyber-security incident management policy, business continuity policy, information security and risk management policy) which cover whole TBC Group.

TBC activities are also regulated by cyber security frame document, elaborated by National Bank of Georgia, mandatory for all commercial banks since 2019.

IDENTIFYING AND ADDRESSING DATA SECURITY RISKS

Company policies and initiatives in information security, is based on risk analysis held on regular basis. Once a year, information security and cyber security risks analysis is done, reviewing situation in eastern European financial sector. Once in two years, external consultant is invited to

do analysis base on broader information available. In 2019, Deloitte was invited for the project. Based on that analysis, main risks are assessed and adequate prevention measures planned.

Information security and data protection is under responsibility of information security department, whose main function is the detection and prevention of information risks. The department is reporting to information security management committee, which elaborates policy and approves new regulations. Committee consists of several directors (Chief Executive Officer, Chief Risk Officer, and Chief Information Officer) and members of various departments. Information security management system is based on international standards of information security management ISO27000. Certification according to the standard is one of the future goals of the company. Already now, management system is mostly based on the standard and consists of five components:

Data Security - Following information security controls implemented: Control to access, cyphering, reserve copies and other. Everything is implemented on the level of concrete data points, to ensure its protection from unauthorized access and modification.

Cyber security - IT systems security. Critical information systems, which are used to access information, manage various processes, are protected from compromising data and unauthorized use.

Business continuity - comprises from banks readiness to restore processes fast in case of major halt and ensure business process continuity in force-majeure situations.

Physical security - In data centers and offices, physical security controls are used to protect hardware from physical hazards.

Informing and training employees in security issues and related risks.

Information security management system is based on continuous improvement cycle. Information security program's effectiveness is assessed regularly. Based on assessments, amendments in existing program are done at the end of each quarter and next

Treating our Customers responsibly

Customer privacy and data protection

year program is prepared before the current year end. While preparing for next year, current shortcomings are taken into consideration and improvements planned.

Personal information protection policies

Bank policies and management systems cover majority of group companies, where local teams manage these issues. Bank's information security department does group level coordination.

Identifying and addressing data security risks

Bank has elaborated information security incidents management policy, procedures, and hotline for reporting fraud, for clients. If TBC client is a victim of fraud, or has a suspicion of unauthorized activity related to personal data or accounts, he or she can address the hotline 24/7 and receive recommendations, while TBC team starts to react immediately on the reported incident.

Protecting customers personal information

Bank proactively monitors incidents and in case of fraudulent activity, blocks transactions and informs clients immediately, giving information about any suspicious transaction attempted through clients card, account, internet or mobile bank application.

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During 2019, "phishing" activities against bank clients were increased. Bank established 24/7 monitoring on such activities and has elaborated reaction mechanisms. In cooperation with National Bank of Georgia and Banking Association.

During 2019, In TBC Bank, there was not detected any single information security incident.

Informing and educating employees

Staff plays crucial role in information security. Employees make first line in multilayer information security system. In order to inform them thoroughly, knowledge improvement program is implemented in the bank. It consists of the following:

- > Training new employees
- > Distant learning
- > Learning simulations
- > Quarterly information letters

Training is held for each new employee, informing them about rules and procedures in the bank.

Each employee is obliged to enroll in distance learning course and receive attestation on information security issues. In 2019, 98% of TBC Bank employees were enlisted in the course.

Simulation is another approach used by bank to educate its employees. Fraud letters also known as "phishing" are send to employees simulating real ones to teach employees how to react on them.

Once in a quarter, employees receive information email on important topics.

PROTECTING CUSTOMERS PERSONAL INFORMATION

Providing constantly improving and diversifying digital services enables TBC to be leading bank in innovation and increases our capacity to deliver financial services to the whole population. At the same time, we pay utmost attention to protecting personal information and customer's privacy. Treatment of client data ethically, is a cornerstone for TBC's high trust among customers. As a financial institution, we ensure that client data is used only for proper purposes, necessary for serving their needs and respecting the clauses defined in contracts with them.

TBC Bank has implemented data leak prevention system, enabling automatic monitoring and in case of leak identification, blocks the process informing staff in charge, about the incident.

Bank also has access control policy, which regulates so called Need to know and Least Privilege principles. Within aforementioned, employees have access to maximum amount of information needed for their work, with access and data usage limited to the actions necessary for their responsibilities fulfillment.

Policy and procedures are defined, for ensuring proper involvement of third parties with bank data. It considers legal and operational risks and limitations and ensures that only risk free information transfer can be done to any third party.

During 2019, in TBC Bank, no personal data leak or a report from customer about such case has been detected.



BUSINESS INTEGRITY IN CLIENT RELATIONSHIPS

Responsible and fair marketing and sales activities

By treating customers fairly we mean that:

- > Products and services promoted and sold are designed to meet the needs of identified customer groups and are targeted accordingly.
- > Customers are provided with clear and accurate information in a timely manner
- > Where customers receive advice, the advice is suitable and takes account of their needs and financial circumstances
- > Customers are informed about significant risks, restrictions and limits related to specific financial products
- > Customers are provided with contracts drafted according to the Consumer Protection Law requirements
- > The provided information is not intended to influence client to make wrong decision
- > All the promotion materials are drawn up based on Consumer Protection Law requirements
- > We do not encourage customers for purchasing an unnecessary financial product for the purpose of fulfilling our sales plan

- > Customers do not face unreasonable post-sale barriers imposed by firms to change product, submit a claim or make a complaint.

There is a regulators demand to provide client with full information, before decision of financial product purchase is made. Bank practices fully comply with regulators demands. There was only one case, when bank was fined for not providing client with sufficient information. Marketing communications fully comply with regulators demands and there were no incidents in this regard during 2019.

Bank has internal instruction, regulating customer's rights protection, which underlines the necessity to provide information about bank products, using clear language, understandable for any customer. Bank also implemented standards enabling it to serve visually impaired customers.

Another document regulating transparent and fair relationship practices with customers is Code of ethics, which covers financial products transparency, is based on best practices defined by law and covers whole TBC Group. The document is available publicly.

CLIENTS' COMPLAINTS MANAGEMENT

TBC has elaborated client complaints management system, which is described in a complain management process document.

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Clients are informed about the ways of filling a complaint and its processing timeline, through TBC webpage and all legal contracts that clients sign.

Client have a possibility to address bank with complaint in written form or verbally. Following channels can be used. Phone center: +99532 2272727. Written complaint can be delivered in branches, through internet bank and official webpage: tbcbank.com.ge.

Complaints are discussed and directed for solution by customer support and complaint management group, which reports to National Bank of Georgia. Received complaints are uploaded in CRM module. Complaint management specialist assess the complaint in the timeframe defined by law. If the complaint is filed in written form, client gets following SMS: "Your complaint is registered. You will receive feedback within one month".

Reasons for complaint is analyzed, recommendations prepared and subsequent responsible persons addressed. Decision made after analysis, is communicated to the client though phone or in written form.

In 2019, TBC Bank received 3,355 com-

plaints. The breakdown according to content is as follows:

- > Quality of Service **33%**
- > Negotiation related to credit product terms **19%**
- > Product terms and contract details **16%**
- > Correction of commissions, penalties, interest rates **8%**
- > Transaction related **4%**
- > Demand for additional information or document **7%**
- > Other **13%**

All 100% of complaints were analyzed and addressed. Client claims have been satisfied in 35% cases.

RESPONDING TO OUR CUSTOMERS' NEEDS

Ensuring client satisfaction

One of the most important values for TBC Bank, as a service company, is customer care, well-being and satisfaction. We regularly request feedback from our clients and use this information to analyze their needs

and fine-tune our value proposition accordingly. We regularly measure customer satisfaction levels based on various surveys conducted by independent third party companies and maintain the highest scores in the Georgian banking sector. We also hold the leading position among the whole retail industry in the country. In order to reinforce our customer-centric culture, this year we conducted a bank-wide survey and identified employees who demonstrated exceptional customer care. These employees were recognized as service leaders and were awarded with special gifts.

Service quality assurance approach is described in following documents: "Service Standards" and "Code of Ethics", which cover fairness and transparency issues. On the level of head office, service quality is controlled based on service quality parameters defined for head office departments and monitored monthly. These parameters are given on "Quality Map" and covers SLAs and customer satisfaction research results.

Service quality evaluation is based on international level service level agreements (SLA) and metrics, client satisfaction survey results where internationally recognized customer experience parameters like NPS, CSAT, CES are calculated. Base line quality standards are elaborated based on client needs. Concrete quantifiable KPIs apply on concrete processes. For example, processes like waiting time.

Quality map is drawn every month. It contains statistical data from all departments which have direct or indirect connection with clients: SLA's, Satisfaction Survey results, various parameter targets with results falling into "fail", "bellow target", "on target" zones. Subsequently, parameters that have unsatisfactory results are discussed with related departments, and actions for improvement are planned.

Business transformation and customer satisfaction management department, implements service culture improvement initiatives annually. The initiatives include:

- > Advance Service Skills Training – for front and back office department employees.
- > Service leader – for discovering special customer experience cases and ensures recognition.
- > Voice of internal customer – for head office departments, evaluating each others service and support for colleagues.

We dedicate significant time and effort to explore our clients' banking needs and preferences and to constantly transform our products and services in order to deliver outstanding experience in all our channels. Our customers' interest are our top priority and we are committed to making their lives easier by acting as their trusted partner, who is always ready to help.

WE HAVE FOLLOWING RESEARCH SYSTEM, TO MONITOR CUSTOMER SENTIMENT AND WORK ON CONSTANT IMPROVEMENT:

Name of Research	Who conducts the field	Frequency in 2019	Target segment and number of respondents
CSAT Dual Customers	Independent Research Agencies.	Twice	TBC and Bank of Georgia Dual users. 1,000 respondents
CSI Operational	TBC Call Center	Monthly	TBC Clients. 1,500 Respondents
CSI Credit	TBC Call Center	Monthly	TBC Clients. 1,500 Respondents
CSI channels and products	TBC Call Center	Monthly	400-400 TBC clients per product/channel
NPS status	TBC Call Center	Monthly	TBC affluent clients 2200 respondents
Mistery Shopper	Independent Research Agency	Monthly	400 observations

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DIGITAL INNOVATION

Today, TBC is not only a financial institution, but also a digital service company, setting general digitalization as its strategy. This is the brand's long-term strategic move in order to simplify people's lives with online services.

Currently, the main recommendation to stop the spread of Covid-19 is to reduce physical contact, thus there is an increased demand for remote services and digital products.

TBC has successfully adapted to a new reality, which turned out to be both a challenge and an opportunity. TBC has boldly urged people to stay home, as the company has enabled customers to receive any banking service from a distance, in a safe environment for the past few years.

In order to reduce the risks for consumer safety and increase the consumption of digital products in the community, TBC cancelled the fee for digital products for 3 months.

Listed below are all TBC's digital channels that allow customers to receive and fulfill

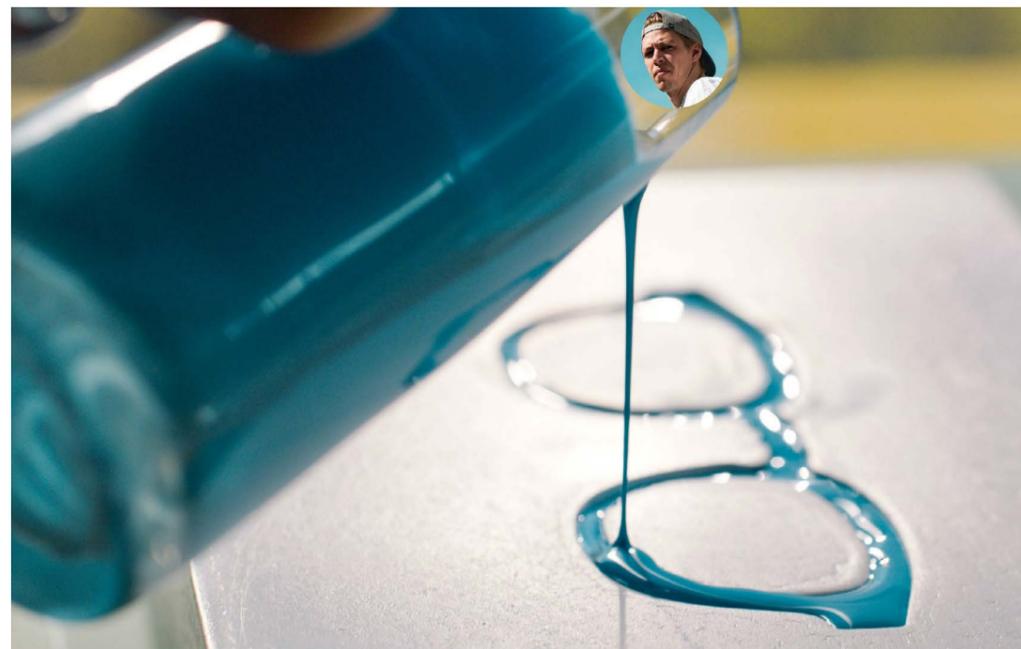
their financial requirements or obligations easily, without having to visit a bank.

An international financial publication - Global Finance named TBC Mobile Bank as the best in the world. TBC Mobile Bank is the most modern, comfortable and convenient app that allows more than half a million customers to use banking services quickly and without leaving home. The app is maximally tailored to the customer, be it voice commands, design or supporting different operating systems.

With the help of TBC Internet and Mobile Bank, users are able to view their balance sheets; create the bank statement; transfer money to their own, someone else's or a company's account; top up mobile balance; pay fines and utility bills; manage deposits and loans; view exchange rates and convert currencies; purchase banking products online; open a deposit.

With the help of TBC Business Internet Banking, business people can control their company's revenue, expenditure and analyze their own activities.

On an emergency online loan platform - www.tbccredit.ge customers are able to



has become especially important in this new reality. One such tool is Pay Sticker, allowing you to make payments with POS terminals with a sticker attached to your mobile phone.

Another way to make contactless payments is with a TBC wallet - an app designed for Android phones that allows customers to add any TBC Bank card and make a transaction on their mobile phone without using a card. Half a year ago, Apple Pay became available for iPhone, Apple Watch, iPad and Mac users.

For those who do not want to pay with either an e-wallet or a card, TBC created a bracelet. The bracelet is an environmentally friendly, waterproof, heat and frost durable product and the customer no longer needs to carry extra items while using it. Payment is especially comfortable when traveling, skiing, swimming or exercising at the gym.

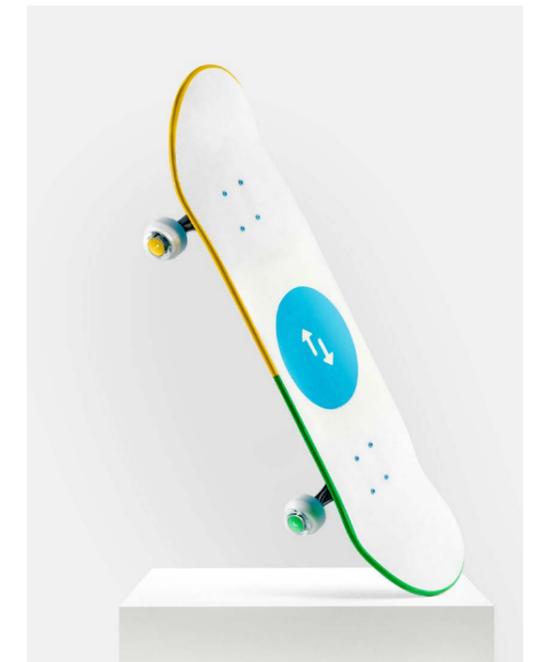
Another way of contactless payment is the QR payment. In any facility where the QR code is located, it is possible to scan the QR code from Mobile Bank and pay without cash.

get a loan remotely and easily. It takes only a few minutes to complete the application. The user receives an answer immediately. Through the online app, income confirmation is simplified and available online.

TBC customers can pay all taxes in Georgia, be it utilities or various loans, in one space - tbcpay.ge - and it takes only a few minutes.

Another innovation in TBC technology services is the integration of artificial intelligence. With the help of the first Georgian chat bot - Ti Bot - users can perform financial transactions without leaving Facebook Messenger. Ti Bot, which speaks Georgian, can transfer money from a bank account, check the balance, top up the mobile balance, and more. The first insurance chat bot in Georgia - B Bot - along with the online purchase of insurance, offers customers medical services abroad directly from the messenger without making an additional call.

Banknotes were named as one of the ways Coronavirus is spread, which is why the possibility of making contactless payments



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As part of the development of contactless payments, TBC created the first digital card, which is a digital analogue of a physical plastic card and has all the debit card features.

TBC offers a digital kit from Status to relatively young customers. The kit is designed for those who use banking products on a daily basis, those who actively consume non-bank products and offers, and those who prefer to manage their finances and banking operations independently, without a personal banker. Customers can take advantage of its lifestyle-friendly offerings, discounts at shopping facilities, and special conditions at various events. The Status Concierge helps them to fulfill various requirements.

Similar to the bank, all companies belonging to the TBC Group ecosystem serve to save customers time and to make their life easier.

TBC is the owner of the control package of the online platform for purchasing tickets TKT.ge TBC also launched this platform in Uzbekistan. The number of loyal users of the platform is 400,000. Since its inception, it has sold tickets to over 3,000 events.

TBC Group has created a digital real estate ecosystem in Georgia - Livo.ge, where anyone interested in purchasing real estate can search, evaluate, receive funding, re-register, plan repair and cleaning works without leaving home.

TBC Group also promotes the development of e-commerce. On the digital shopping platform - Vendoo.ge, customers have the opportunity to easily purchase and receive the desired products within 24 hours without leaving home. TBC Group includes Georgian e-commerce platform - My.ge, which in turn combines the following platforms - myauto.ge, myhome.ge, mymarket.ge and myjobs.ge. The group's websites have 1.7 million unique users each month.

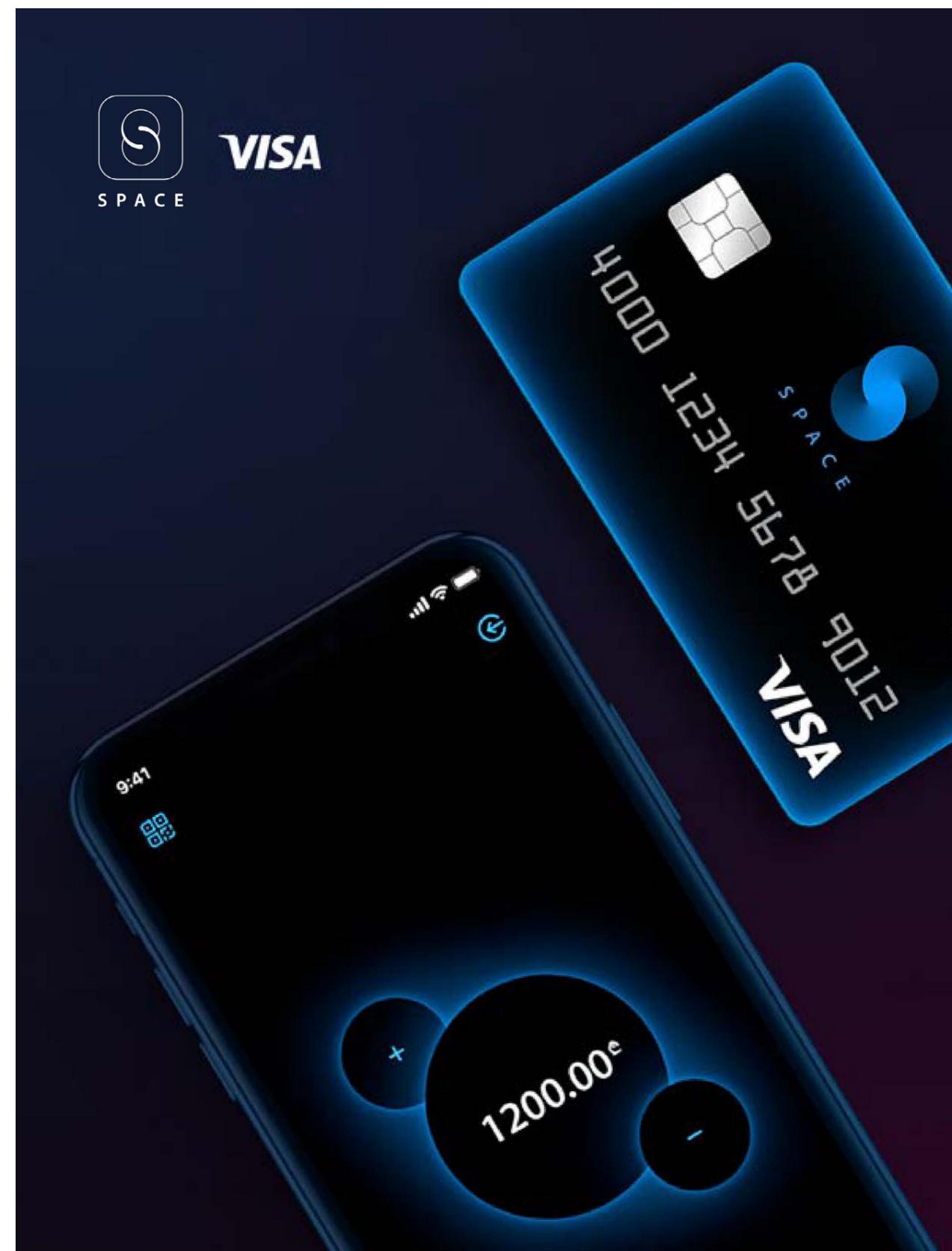
TBC is the first company in the region to offer customers a fully digital banking service - Space.

Space is a digital bank with the ambition of transforming the traditional daily banking approach. Space changes the way people handle their daily banking needs with a fusion of technology and design. In short, Space is for saving people's time by simple, mobile-only banking. We do not see digital as an adjunct or addition, but as a core or fundamental value. Space is a kind of re-engineered bank, 100% customer-aligned and all the processes are digital. Zero time spent on branch visits or interactions with the banking clerk – financial services delivered through a mobile app, with a pleasant design and dramatically better functional UX.

Space offers: Full digital onboarding, 24/7 fast loans, online installments, instant money transfers, debit cards with unique loyalty programs and free delivery, flexible savings pots, bills and other service payments.

The aim of Space bank is to deliver a full daily banking mobile service with superior customer experience by putting a special focus on differentiating by design, customer care, price transparency and instant service delivery.

TBC has grasped digital possibilities in all areas and has been able to adapt to the new reality in a short time so that neither consumers nor business processes are harmed, which is essentially important today as for the team and the customers as well as the economy in general, which has faced greatest challenges caused by the pandemic.



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Supporting Communities



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TBC supports the development and well-being of society in two ways: By making peoples, life's easier through providing modern, digitalized financial services and comfortable products on one side, and by involvement into social projects, sponsorships and community support on the other. Main areas of action for community support:

- > Promoting Entrepreneurship and MSME support
- > Financial education and financial inclusion
- > Youth support and education
- > Maintenance of cultural heritage by making it relevant in modern times, for new generation, through digitalization and new forms of communication

Within aforementioned areas, TBC has implemented initiatives that run stably through years and aim at sustainably empowering different groups of society. TBC always works on increasing its business's positive impact on Society. We try to define possible areas of impact improvement through dialogue with various stakeholders, research and analysis. TBC is part of CSR club, which is local initiative uniting companies and organizations to enhance dialogue around social responsibility and define important areas where commercial sector has to contribute. TBC also does countrywide research once in two years,

to assess citizen's sentiment and understand what the main areas of concern for Georgian people are and where they deem support most important. Apart from public, TBC consults with its corporate partners, to define key areas for business and economic development.

TBC, as an institution with major social and economic impact, contributes to development of areas defined as crucial by countries public sector and cooperates with National Bank of Georgia and other branches of government in key areas like financial education, job creation, investment attraction etc.

Apart from information gathered from external sources, TBC access its own strength and competencies and chooses areas of involvement accordingly. We have several principles, based on which initiatives to be implemented are chosen. Each project has to be:

- **Long term.** Having potential of growth, increasing its positive impact on society and country.
- **TBC knowledge and expertise.** Before involving into certain area, TBC builds an expertise in it, by increasing knowl edge internally and collaborating with external stakeholders that can contribute to the process with their experience. TBC does not engage in new fields

without proper research and preparedness, just based on hype or popularity of the issue,

- **Co-participation not just funding.** TBC works with partners, whom it funds, contributing to growth of partner's projects not only through financial support but also by sharing expertise in communication, project management and other.

FINANCIAL INCLUSION AND ACCESS TO SERVICES

Access to financial services is important for financial stability of the country and society and give opportunity to people to better manage their income and expenses and plan financial future.

To have modern and transparent economy, country needs well established, assessable financial services, with strong digital as well as physical infrastructure, that TBC provides.

Being a leader in financial sector, TBC ensures that its branch, ATM and payment box network covers whole country, economically important centers, as well as remote areas with less commercial activity.

However, having well-established physical network, which gives access to whole spectrum of financial services to the pop-

ulation of Georgia, TBC's main strategic direction is constant development of digital financial services. TBC Mobile Banking is named as best mobile bank application in the world by Global finance in 2019. Bank offers contactless payment services, serves clients through call-center and chat-bots. Up to 95% of operations were done remotely during 2019, by TBC Bank clients. TBC is developing its digital footprint on group level as well: TBC Insurance provides clients with online insurance products; Vendoo offers online shopping experience, customized for local needs. Citizens can also read or listen to literature, buy real estate, order goods delivery – all by using TBC group companies.



TBC Bank balances economic rational and responsibility of giving access to financial services to the whole country, creating good coverage of economically advanced as well as less prominent regions.

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Social impact of our
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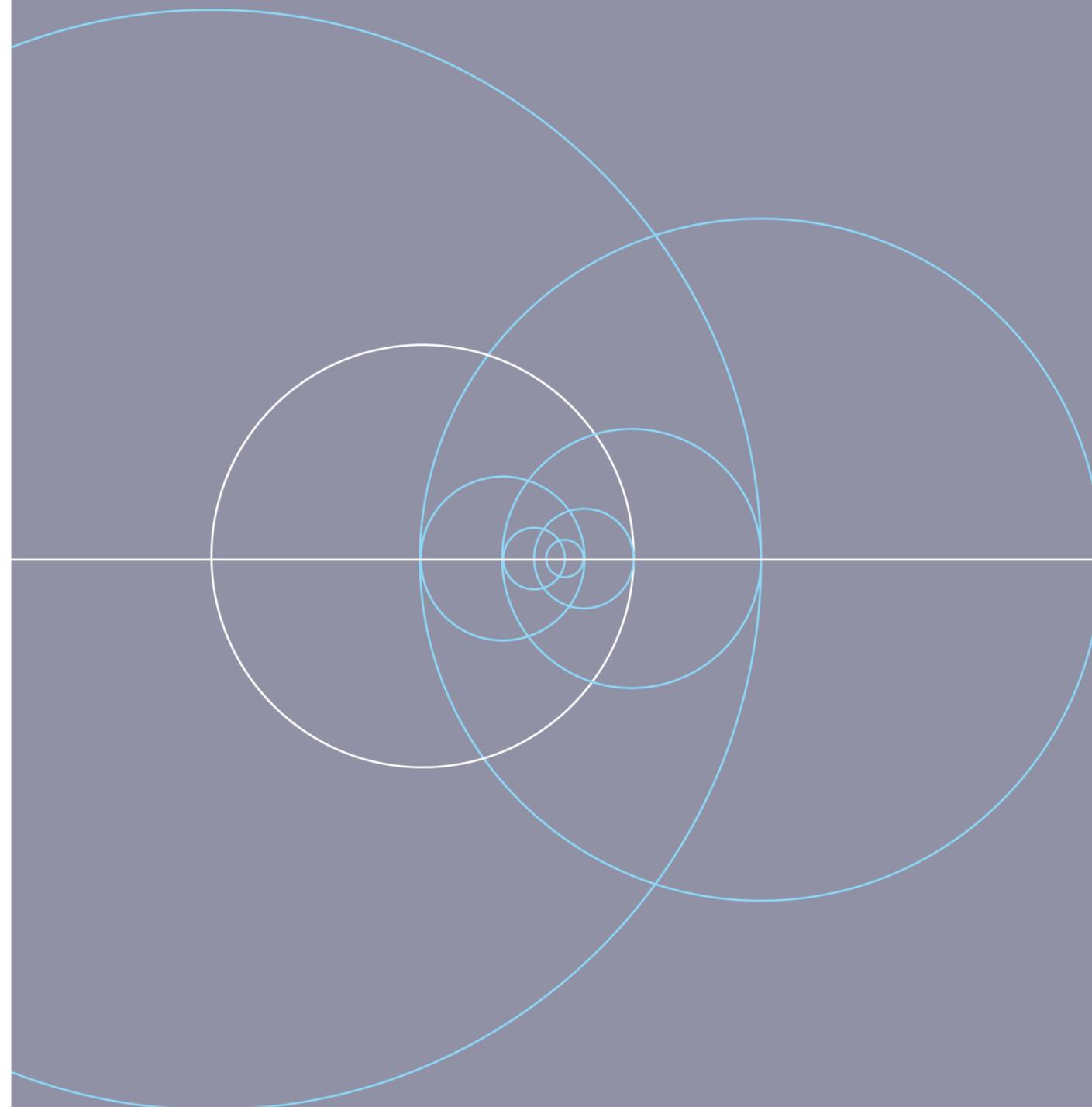
Enhancing financial
literacy

Promoting entre-
preneurship and
supporting SMEs

Supporting culture
and education

Network of Branches, ATMs and Payment boxes of TBC in Georgia

Branches	Tbilisi	Other Big cities: Kutaisi, Batumi, Rustavi, Gori, Poti, Zugdidi	Rest of the country: Economically less de- veloped, rural areas and small towns)	Total Geor- gia
Total at the beginning of 2019	67	22	47	136
Change in 2019	0	+2	-2	0
Total for the beginning of 2020	67 (49%)	24 (18%)	45 (33%)	136
Population of Georgia (According to 2014 census of National Statistics Agency)	1,108,717 (30%)	558,183 (15%)	2,046,905 (55%)	3,713,804
ATMs	Tbilisi	Other Big cities: Kutaisi, Batumi, Rustavi, Gori, Poti, Zugdidi	Rest of the country: Economically less de- veloped, rural areas and small towns)	Total Georgia
Total at the beginning of 2019	302	84	92	478
Change in 2019	+16	+25	+69	+110
Total for the beginning of 2020	318 (54%)	109 (19%)	161 (27%)	588
Population of Georgia (According to 2014 census of National Statistics Agency)	1,108,717 (30%)	558,183 (15%)	2,046,905 (55%)	3,713,804
Payment Boxes	Tbilisi	Other Big cities: Kutaisi, Batumi, Rustavi, Gori, Poti, Zugdidi	Rest of the country: Economically less de- veloped, rural areas and small towns)	Total Georgia
Total for the beginning of 2020	1,391 (45%)	828 (27%)	884 (28%)	3,103
Population of Georgia (According to 2014 census of National Statistics Agency)	1,108,717 (30%)	558,183 (15%)	2,046,905 (55%)	3,713,804



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FINANCIAL LITERACY

TBC being biggest financial institution in the country contributes to the improvement of financial literacy among Georgia's population using its customer service frontline employees as well as mass communication. TBC cooperates with National Bank of Georgia and Junior Achievement Georgia jointly offering financial education projects for youth.

TBC recognizes financial literacy as one of the key factors for country's economic development and stability. Responsible lending, customer education for promotion of savings, digitalization of banking services for more transparency and comfort for customer, are among top priorities for TBC. TBC has been active in direction of financial literacy already for 5 years. During 2019, main activities were:

Cooperation with Junior Achievement Georgia and National Bank of Georgia – organizing financial literacy contest for schoolchildren. Promoting financial literacy as a must have skill for future generations. Over 50 school participating throughout Georgia, with over 100 children participating in final contest. Cooperation with National Bank of Georgia, organizing contest for over 500 children on financial literacy.

Launching a Facebook webpage Edufin, which is designed to promote financial literacy through interactive posts, videos and blogs, attracting respectable authors, known in Georgian society, to contribute to the page and thus make financial literacy an attractive topic.

SUPPORTING SMALL BUSINESS AND ENTREPRENEURSHIP

Small and Medium business represents the backbone of global economy. In order to address social and economic challenges that Georgia faces, development of small and medium business is especially important. It contributes to reduction of unemployment, poverty and boosts economic growth.

SME sector, especially newly established companies have to overcome various obstacles, among them shortage of necessary capital, knowledge and skilled labor for expansion and other.

To assist SME sector, in overcoming this impediments, TBC rolled out several programs already for several years. The programs cover various issues like easing access to capital, sharing knowledge and expertise, developing products and services specially adapted for small business needs, inclusion of small enterprises in TBC supply chain and helping them to promote their products.

TBC "STARTUPERI"

"Startuperi" is TBC's program aimed at facilitating the development of startups and stimulating the creation of new businesses. The program includes financial and non-financial support for startups: startup loans, operation products, events and trainings, individual consultations, and support. In 2019, over 700 startups were trained under the auspices of the program. Three startup discussions were organized with more than 200 participants, and various blogs and articles were prepared for as many as 150 startups.

The startuperi.ge platform currently includes information about 456 startups. Information about special offers for startups

from over 20 collaborating companies can also be found on the platform.

"Startuperi" was launched in 2017 and over 34,800 startups have been registered in the program's various activities since. Favorable startup loans, in the total amount of 247 million GEL, have been issued to over 691 startups.

Apart from trainings, products and promotional support, TBC supports startups through its procurement policies, which permit to assign contracts to startup companies, without usual tender procedures, in exceptional cases.

In 2019, as part of Startup environment support, an innovative project called Startup Decree was launched for the TBC team. TBC's strategy is to establish its role as a key player in the development of Georgia's startup ecosystem. This year, TBC decided to encourage entrepreneurship within the company as well and provided the opportunity for employees with ideas to try their hand at a startup.

The project offers TBC employees a 6-month paid leave in order to implement their business ideas.

Out of 24 applications submitted as part of the "Startup Decree," three startup ideas of three persons from Tbilisi were selected: Ge Parts, Inventor, and Mushroom. The authors of the aforementioned ideas will use their 6-month paid leaves of absence to implement their startups in 2020.



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 BUSINESS
AWARD
2019

BUSINESS AWARD

For the fourth year TBC has organized the largest-scale business award in Georgia aimed at supporting small and medium-sized enterprises and development of business society, as well as the popularization of doing business.

This year, during the final Business Awards ceremony winners were announced in the following categories: development of the best product/service, best innovations, dis-

tinguished for social responsibility, special care for employees, and best startups. Over 350 businesses of various fields took part in Business Awards 2019. The public was informed of their activities on both TBC's communication channels and traditional media. The Business Awards platform brought together as many as 2,000 members during its first 4 years, all of whom have shared the stories of their successes with all of Georgia.

SPECIAL ONLINE PLATFORMS FOR SMALL AND MEDIUM ENTERPRISES

TBC Bank has united its non-banking services in a single platform, www.tbcbusiness.ge

Here, entrepreneurs can find information in the form of blogs about the activities of various companies, as well as interesting business news and trends. They can select an area of interest and attend trainings, master classes, and forums organized by TBC and gain information on their topics of interest from experts in the field.

The platform provides information about various business software to its users. It connects technological product suppliers and potential users by means of an unprecedented ecosystem – www.businesstool.ge. Businesses operating in different areas can find and evaluate different software, applications, or tools made in Georgia all within a single platform. The website offers up to 70 software products to its users.

BUSINESS EDUCATION

TBC's business education-supporting projects are part of the company's corpo-

rate social responsibility and reflect on its image and customer loyalty. As many as 4,000 people attended trainings organized by TBC in 15 different fields in 2019. The program was carried out with the support of the Asian Development Bank.

A new standard for the accounting and management of leases was introduced in 2019. Within its business education program, TBC Bank provided comprehensive information to its business clients on the newest standards for lease accounting. Representatives of 156 companies attended the full IFRS for SMS 6-week course, organized by TBC Bank, and learned about the new standards.

A series of large-scale business forums in the regions of Georgia organized by TBC is ongoing with 4 regional business forums held in 2019. As many as 300 business representatives attended the Tskaltubo business forum while over 400 business representatives attended the Telavi, Zugdidi and Borjomi forums. Over 10 field experts met local businesses in each forum. After the main lectures, the audience was invited to attend various workshops. A partner of TBC's regional business is the European Fund for Southeast Europe (EFSE).



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SUPPORTING YOUTH

Supporting new generation is extremely important for TBC. We must contribute to development and education of youngsters, in order to prepare skilled and educated professionals for Georgian Economy and good citizens for society.

TBC scholarship for school children

Georgia is full of talent, which needs support to overcome economic hardships, get access to knowledge and possibility to develop. Many of them could also be an example and motivation for others, in case society knows about their endeavors.

Each year, TBC sends out hundreds of precious gifts to its important customers. In 2018, we decided that instead of going the usual way, we could use the budget for establishing new scholarship program for schoolchildren. We informed our clients and they eagerly supported us in this idea. We contacted schools with children in STEM and art disciplines, schools from most remote regions of Georgia as well

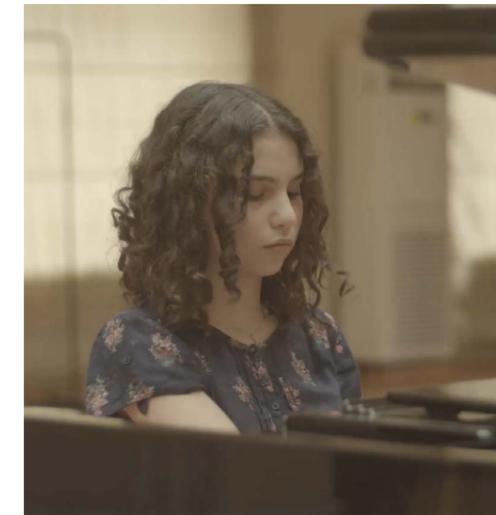
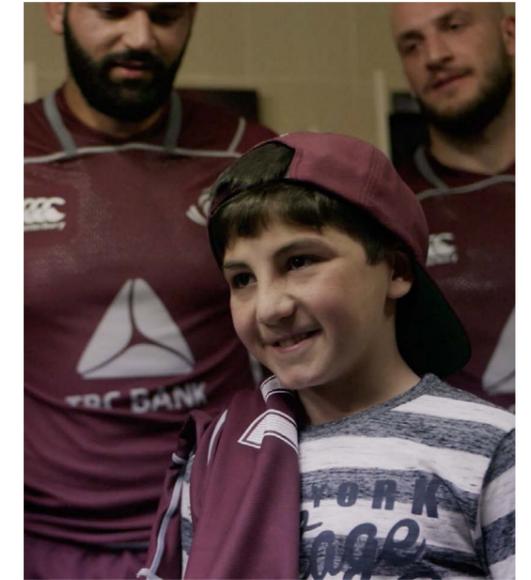
as from towns nearby the occupation line, NGO's organizing children contests, chess and other sport federations and with their support, gathered 200 beneficiaries for year 2019.

This children received 100 GEL per month, from March 2019 to March 2020. Apart from financial support, children were involved in various educational lectures organized for them during the year: Lecture in Georgian National Museum, Special lecture about famous Georgian Artist, David Kakabadze, exhibited in TBC gallery, Civic education class from famous Georgian teacher Lado Apkhazava, who in 2019 was among ten best teachers in the world, according to Global Teachers Prize, Lecture and excursion in Georgian Ethnographic museum and other minor activities.

Program will continue in 2020 with 68 new participants, that substituted those who are or become 18 in 2020.

Meet some of our celebrity scholarship beneficiaries:

Saba Natroshvili is a rugby player. He's been playing rugby for 3 years now. He went to the stadium along with his friend for his very first match and rugby has been his hobby ever since. Saba plays #10 position for rugby club "Lelo". For Saba the most important thing in rugby is team playing and working together to achieve the same goal. TBC supported Saba to make his long-time dream come true and he attended the match between Georgia and Germany in Kutaisi, 2019. It was a very exciting experience for him to get to know the members of Georgian rugby team. His biggest will is to become a successful rugby player and to become a member of Georgian rugby team. We're helping him to reach this goal.



Mariam Muchiashvili, 17, is an all-around talented pianist. The most important thing in her profession is hard work and being loyal to what you do. Mariam first started playing the piano when she was 8 and the hardest part of her career path was that one time, when she didn't have a piano at home to practice on for months, thus, she spent almost entire days in the music school. TBC took a video about Mariam, where she plays a fragment from Verdi/Listz's Rigoletto and that's how the entire country got to know her name.

Rezi Burduli is a freestyle ski racer from village Arakhveti, where he lives and practices. Rezi's been skiing since the age of 8. There is no local winter sports school and Rezi is visiting Tbilisi every now and then to practice, yet he learns new tricks from local colleagues and Youtube videos. TBC made a film about Rezi in 2019, while Rezi became the winner of local championship, it's important to note that he was the youngest of the participants. Video went viral in social media and it was viewed for over 1,5 million times.



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SUPPORTING STEM EDUCATION

Sparking interest in scientific and technological fields among youth is one of the top priorities in the world. TBC supports initiatives that promote the education of future generations in this area.

TBC supports young inventor's competition "Leonardo Da Vinci" organized by Ministry of Education, Science, Culture and Sport of Georgia. We offer facility for final competition, prizes for winners and promotion of the project itself. The competition is very popular and attracts teams from up to 100 schools around Georgia. TBC partners with the contest from 2016 and partnership will continue in 2020 as well.

In 2019, we collaborated with another STEM field contest: Millennium Innovation Award, organized by Millennium Challenge Georgia, USAID, Embassy of the United States and Ministry of Education, Science, Culture and Sport of Georgia. In May 2019, TBC supported the visit of five winners of Millennium Innovation Award to the US, at NASA Space Institute, where they spent a week getting to know about modern technology achievements.

Children from best teams from both contest also became TBC scholarship beneficiaries for year 2019.



STATUSDONATE.GE

TBC Status special project – Status Donates is created on behalf of TBC Status clients to help young people with outstanding talent and opportunities. The platform – www.statusdonates.ge – helps them to reach out and also shows the stories of those who have participated in the project – moved forward, started interesting project or won international competitions in different fields of the study. The platform is also open to help the initiatives that are dedicated to create additional value for the society, science or art.

The project took off almost three years ago and since then has changed lives of more than 100 people.



SUPPORTING ART

Exhibition and research of famous Georgian artist and scholar, David Kakabadze's artwork.

TBC is one of the major supporters of culture in Georgia. In so doing, TBC aims towards long-term and consistent promotion of both cultural institutions and individual creative and cultural projects. In cooperation with the David Kakabadze Foundation, the 130th anniversary since the birth of Georgian artist, scientist, inventor and pioneer of Georgian modernism, Davit Kakabadze, was celebrated with a multi-stage project.

A retrospective exhibition, which united paintings, notes and sketches from state arts institutions as well as from the family of the artist and private collections was organized at TBC Gallery.

The TBC Art Gallery hosted a multimedia project entitled GAMMA. As part of the project, three young artists, Nikoloz Kapanadze, Mariam Akulashvili and Dimitri Shubitidze, created audiovisual spatial installations in digital media based on inspirations from David Kakabadze's concepts and for studying the interaction between humans and light.

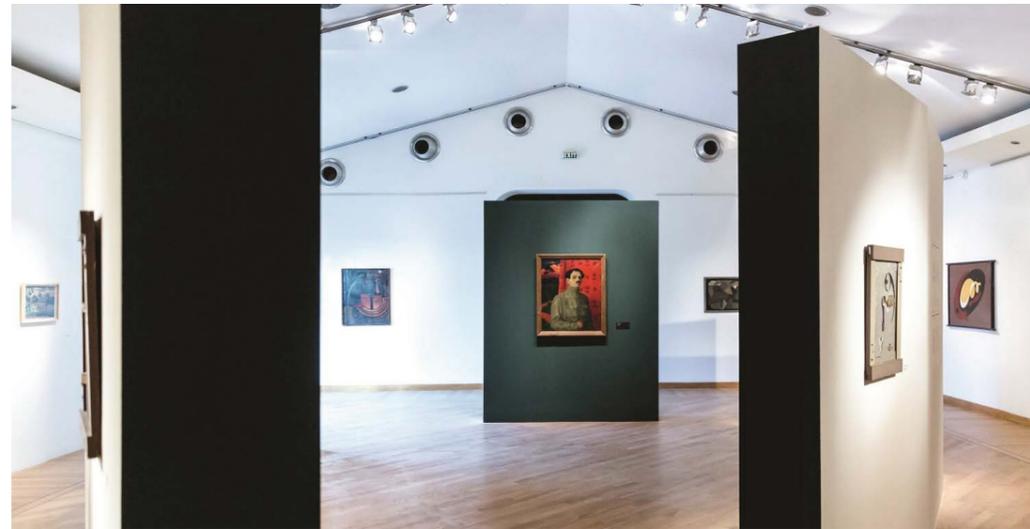
The anniversary edition of the David Kakabadze catalogue was published. It fully reflects the range and scale of the artist's research and methods as well as the need for them in the modern world.

Within the scope of the project, with the support of TBC, the David Kakabadze Foundation created an archive which includes documentation from the artist's family as well as materials reflecting various creative processes.

To facilitate open and modern access by a wide audience to the Georgian heritage, the collections of David Kakabadze at various museums and theaters across Georgia were converted in their entirety into digital format.

Within the scope of the project, one of TBC's main aims was the comprehensive research of David Kakabadze's work. This was the approach underlying the creation of the interdisciplinary educational platform – BAZA, which will continue its development in 2020 as well. In the future, BAZA will create an area open to anyone: professional artists, researchers, students or simply interested people. This will be a space in which modern visual art is connected to cultural and scientific processes.

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WINTER IS OVER

In 2019, TBC became a chronicler of the modern history of Georgia; reviving 90s' Georgia in Guram Tsibakhashvili's large-scale photo exhibition, book and a film winter is over.

The book itself is composed of up to 250 photos taken by Guram Tsibakhashvili and essays by Ana Kordzaia Samadashvili; it depicts one of the most crucial episodes of Georgia's recent past from 1987 to 1995. Up to 80 photos were exhibited in Tbilisi and Batumi.

ART GALLERIES

TBC has galleries available for artists in Tbilisi, Kutaisi and Batumi. TBC galleries offer a wide-ranging program that brings together myriad aspects of contemporary culture, including exhibitions, as well as literature, music and performance. Other formats and events include: exhibitions, conferences, panel discussions, lectures, workshops, live performances and events for employees. Defined as a place of discovery - the aim is to stimulate the debate on contemporary culture and creativity as well as to promote and expand interdisciplinary exchange and networking.

In 2019 TBC Gallery hosted an exhibition 'TBILISI IN MAGNUM PHOTOS' BOOKS'. The show featured a long-standing rela-



tionship between Magnum Photos photographers and Georgia in general, particularly Tbilisi. Exhibition was covering a period of more than 70 years (1947-2018) and combined 35 photos of Tbilisi taken for 71 years by "Magnum" member photographers, including: Mr. Robert Capa, Mr. Henri Cartier-Bresson, Mr. Carl De Keyzer, Mr. Gueorgui Pinkhassov, Mr. Jonas Bendiksen, Mr. Paolo Pellegrin, Mr. Thomas Dworzak, and Mr. Martin Parr.

The exhibition started with photos that were taken by Robert Capa and John Steinbeck in 1947 during their trip to Tbilisi. This was the year the agency, Magnum Photos was founded. The exhibition ended with photos taken by Martin Parr in 2018. Visitors

were also able to view a video depicting the process of preparing the book in the "Magnum" office in Paris along with an interview with Martin Parr during his visit to Tbilisi. A presentation of a book titled "Martin Parr Tbilisi" authored by a famous British photographer, Mr. Martin Parr was also held at the gallery. The book was created according to photographs taken in Tbilisi and was published in Munich thanks to the cooperation with one of the famous German publishers - "Prestel Publishing." The book also includes several photos of Tbilisi taken in 2009 by Martin Parr.

Exhibitions of famous Georgian artist and scholar, David Kakabadze was also organized using TBC Gallery premises.



GEORGIAN LITERATURE AND WRITING

Saba literary award

The annual SABA literary award was established in 2003.

The aim of the award is to support Georgian writers and promote reading culture in the country. Many currently well-known modern Georgian writers had their first public recognition within Saba Award. Having 17 years History, Saba is the most prestigious literary prize in Georgia. In 2018, TBC held Saba's award ceremony in Frankfurt, as part of Georgia's participation in Frankfurt Book festival, as a guest country. This was done to enhance Georgia's image internationally, as a country of developed

cultural life and exciting modern writers. Saba motivates writers with prestigious award, as well as monetary prizes: 6,000 GEL for each nomination's winner and 10,000 GEL for the nominee on special contribution to Georgian Literature. The award is given to 9 categories:

- Best Novel
- Best Poetry
- Best Prose
- Best Essay
- Best professional debut
- Best literature critics
- Best non-fiction literature
- Best translation from foreign language into Georgian
- Special contribution to Georgian Literature.

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The award committee consists of 5 members that changes every year. Members of the committee are writers and people from literary fields, whose works are not eligible for entry that year. The final decision is left up to the award committee, the winner of the closed primary selection should receive at least 3 votes from the committee members. Before the award ceremony day, committee member list is confidential, disclosed only during the ceremony. The 2019 SABA awards was presented for the 17th time and has been the most prestigious award given for the Georgian-language literature. For these 17 years, up to 3,700 books have been evaluated, 129 authors received an award and 160 awards were given, 75 different members were in the committee and 825,000 GEL in total was awarded to the winners.

“This format of the award ceremony, this festive mood is very important, puts spotlight on the literature, which is very rare and is not visible for the masses in most cases.” Nino Kharatishvili. Germany-based Georgian writer. She’s an author of global best-seller books. Her books have been published in Germany, UK, Bulgaria, the Netherlands, Turkey etc. Nino was awarded SABA award in Frankfurt, 2018 for her contribution in Georgian-German literary partnerships.

E-BOOKS HOUSE SABA

In 2013, TBC decided to give readers possibility of access to Georgian and foreign literature in Georgian language, online. With growing importance of digitalization, it be-

came clear that online book house in native language would give people in Georgia as well as emigrants abroad, perfect way of enjoying literature, having books at one click distance. For this purpose, a webpage www.saba.com.ge has been established. It encompasses various Georgian and foreign literary works, modern best-sellers and the works of SABA award nominees and winners. This platform gives the opportunity to be up-to-date with literary processes and to have your favorite books on hand.

Together with webpage, users can download SABA Reader app with more than 6,000 built-in books, audio books, podcasts, lectures etc. The users of the app have an unlimited access to literature and receive and outstanding and modern experience. 104,993 persons have read book by Saba reader through 2019.

WRITE IN GEORGIAN

Through our digital channels we understood that the majority of the Georgian population used the Latin alphabet while texting. Considering the fact that probably half of the world population uses the Latin alphabet when writing, this may not seem strange. But it really is, as Georgia has its own alphabet (Mkhedruli Script), something the Georgian nation is proud of. TBC, one of the leading banks in Georgia, wanted to challenge Georgians to use Georgian alphabet while texting and started a campaign named #writeingeor-gian, which resulted in increased use of Georgian Unicode in digital world (by 68%, to be

more precise), the hashtag #writeingeor-gian (#წერეჯართულად) was used over 300,000 times, and that’s not all.

Contributors of the campaign digitalized up to 30 fonts and Georgian-English dictionaries. For the record, as of 2019, if you use the Latin alphabet for the Georgian text, odds are that people will Latin-alphabet-shame you, and yes, TBC is the one to “blame”.

Following the #writeinGeorgian campaign, TBC has taken up a new challenge: to integrate the Georgian language into Windows OS.

While the process of integration seemed quite intimidating at the beginning, with the help of the Georgian population, as the completion of the first stage, 100K Georgian sentences translated to English have already been submitted to Microsoft. The process of translation itself was based on the project “Kartulad” (“In Georgian”). The project aims to integrate the Georgian language across Microsoft’s various software. To be able to do so, Microsoft’s AI system has to learn the language first using the above-mentioned 100K sentences that have already been provided to Microsoft.

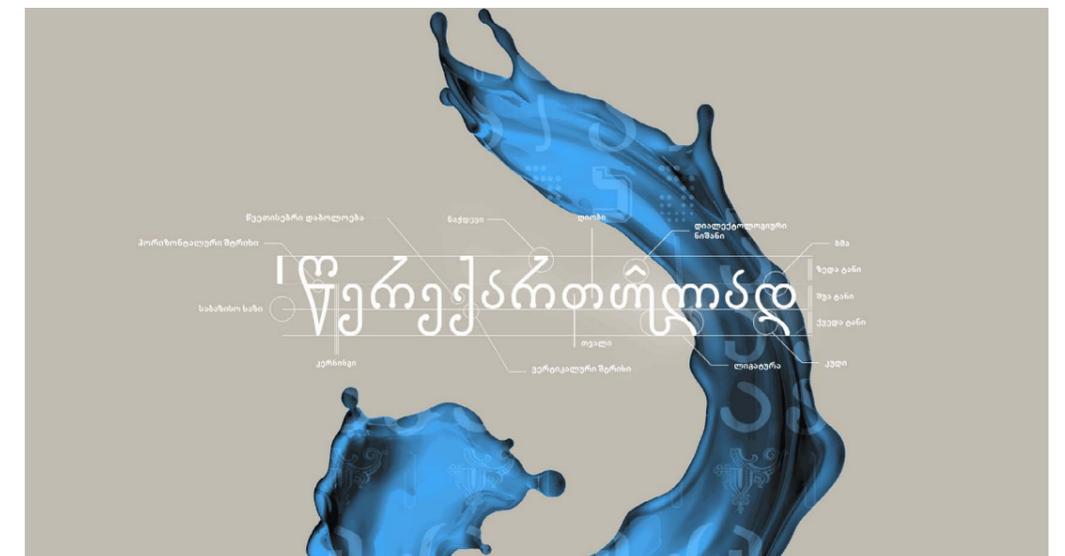
TBC has created a dedicated platform to facilitate and speed up the translation process, www.kartulad.ge, and any citizen could participate voluntarily in the translation process. We are glad that citizens of Georgia, especially students and teachers,

were so enthusiastic about the “Kartulad” project. Ivane Javakhishvili Tbilisi State University, the leading and the oldest university in Georgia, has donated 50K already-translated sentences. Microsoft’s office in Georgia, innovative technology laboratory “GEOLAB”, and the electronic book house “SABA” have actively participated in the project, as well.

Sentences translated to English will be loaded into the learning systems developed by Microsoft as the translation system is mostly data based. After the system analyzes the information, we get a program, that is almost fully aware of the Georgian language, and its explicit linguistic systems. The translation machine will be capable of translating from English to Georgian and vice versa.

Successful implementation of the project enables numerous Microsoft programs to use Georgian-English translation programs. Also, web developers and programmers who create programs for Windows system will be able to use an automated translation program, which is somewhat an output of the project “Kartulad”.

The first stage of the project is already completed, and now we’re looking forward to commencing the next steps, aka integrating the Georgian language into Windows OS.





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Supplier selection and
payment policies

Dialogue with Suppliers

**Managing Environmental and
Social Risks of our purchases**

TREATING OUR SUPPLIERS RESPONSIBLY

Challenge - to implement group wide supplier relationship and procurement policy, to harmonize and standardize existing policies.

Data presented in this chapter applies to TBC bank only

OUR SUPPLIERS IN 2019

TBC is one of the largest purchasers in the country. Therefore, our responsible purchasing practices and relationships with suppliers can have a significant impact on well-being, financial stability and development of suppliers, as well as economy in whole.

We understand the scale of our impact, treat our suppliers responsibly, strive to have permanent dialogue, understand and respond to their needs. We also stimulate implementation of environmental protection and social risk management standards in our purchasing activities.

TBC bank cooperates with a wide range of suppliers, from small startup to large companies, as well as individual providers of services. We pay special attention to small local suppliers and promote their inclusion in our supply chain.

Bank operates a project called "Startuperi" through which we support local start-up companies - producers of products and services, as well as importers. We strive to support startups through offering them various tailor-made banking products; Also

involving these companies in our purchasing activities. We understand, that bank being a very large buyer can significantly contribute to start-up company development through procurement deals. In certain cases, our procedure allows to give start-ups special conditions in procurement process - buying without tender or price quotation announcement from them.

We are always ready to involve supply chain companies with rather little experience, that have potential for development.

In 2019 we cooperated with 4928 suppliers, 148 suppliers were new.

Proportion of spending on local suppliers

In 2019, 90% the total number of suppliers contracted by the bank were local, the value of purchasing made with equaled 78% of total. Under local suppliers - we understand Georgia resident companies, that sell locally produced, as well as imported goods or services.

This is a clear indicator of our input in the local economy development. At the same time, we understand that operations with local suppliers helps decrease CO2 emissions related to the transportation of goods.

Procurement by Type

In 2019, the main procurement categories were the following:

Supply chain expenditures Bank 2019	Value, %
IT, Computer techniques	5,6%
Rent	5,2%
Marketing	11,8%
Software	5,5%
Communication cost	1,9%
Furniture and devices	2,1%

Supplier selection and payment policies

TBC bank supplier selection and payment processes are regulated based on Supplier Relationships and Procurement Policy and Procedures. While selecting new suppliers, we operate based on the principles of equality, equal opportunities and fair competition.

Selection is made in most cases through electronic tenders, for which bank uses third party online platforms (www.etenders.ge, www.jobs.ge). Bids are received and trade is performed online, companies have opportunity to track tender requirements, specifications, number of participants and prices. The same online platform serves as

communication channel for receiving and responding to questions of potential suppliers. They also have opportunity to send inquiries directly to company representatives via e-mail. If based on inquiries tender requirements are corrected, all participants equally receive information. Average tender duration is three days and may also include meeting with pre-selected suppliers.

We are cautious while preparing tender specifications in order to avoid setting tender requirements that are not validated, proved and may serve artificial limitation of competition.

We have elaborated transparent and objective selection criteria and procedures,

that ensure fair competition and equality while choosing suppliers. Decision is made through consensus.

Supplier Relationship process optimization is done in three different directions: decreasing bureaucracy, decision timing, update of contracts.

We clearly understand that one of the most important aspects of cooperation with suppliers is company payment policy. We strive to adapt our payment policy to supplier needs and at the same time consider company financial stability. TBC bank applies various approaches, including flexible policy of advance payments (e.g. full advance with guarantee and partial advance without guarantee, based on relationship quality and duration with suppliers).

DIALOGUE WITH SUPPLIERS

To us, efficient dialogue with suppliers means assessing their needs and satisfaction level, creating complaint and grievance mechanisms and responding to them accordingly. To us it is very important how suppliers evaluate our procurement policy. We use various communication channels to understand their needs, ideas and initiatives and ensure their satisfaction in line with staying competitive.

Procurement team periodically organizes supplier meetings and open days where on one hand company needs, tender practices are communicated, while on the other hand company strives to better understand

procurement processes, supplier potentials and possibilities. Procurement team also practices face to face meetings with suppliers.

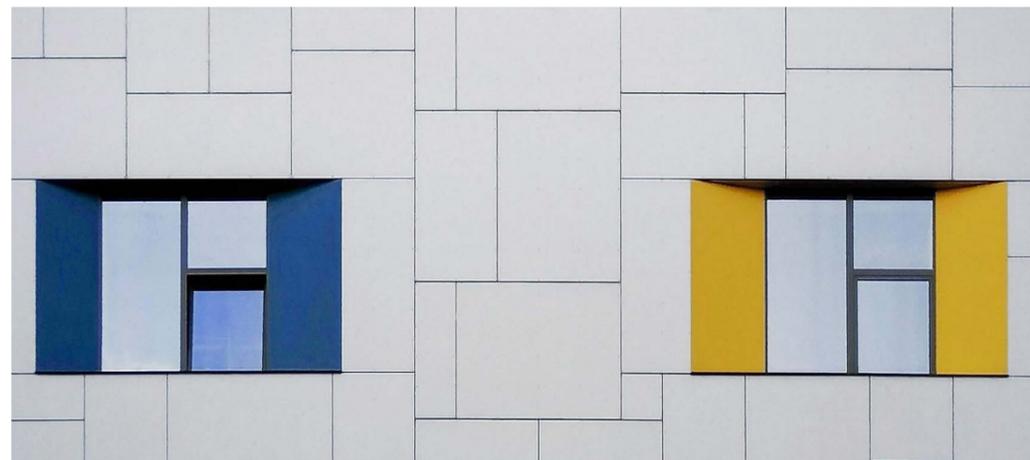
Bank also plans in 2020 to actively work for supplier awareness rising in the Environmental Protection and Social risk management directions. Recurring training sessions for suppliers are envisaged.

Complaint and Grievance Management, Supplier Remedy

TBC bank operates supplier complaint management procedure and supplier remedy system. We regularly conduct market research to understand their satisfaction level and needs.

Supplier Complaint Management system and process is described in bank procurement procedure. Complaint opportunity is communicated in tender documentation, the rule considers presentation of complaints to Procurement Division Curator Director within 3 days, after tender outcome is communicated to suppliers. As soon as complaint is received, the potential supplier is invited for a face to face meeting and the complaint is discussed. Online communication channels can also be used.

In most of the cases complaint response is sent to potential supplier in written, via e-mail or official correspondence. Currently bank does not have supplier complaints reporting system.



Bank is in the process of optimizing procurement processes through implementing Enterprise Resource Planning System, we expect, that it will enable better processing and control, as well as reporting and analysis.

MANAGING ENVIRONMENTAL AND SOCIAL RISKS OF OUR PURCHASES

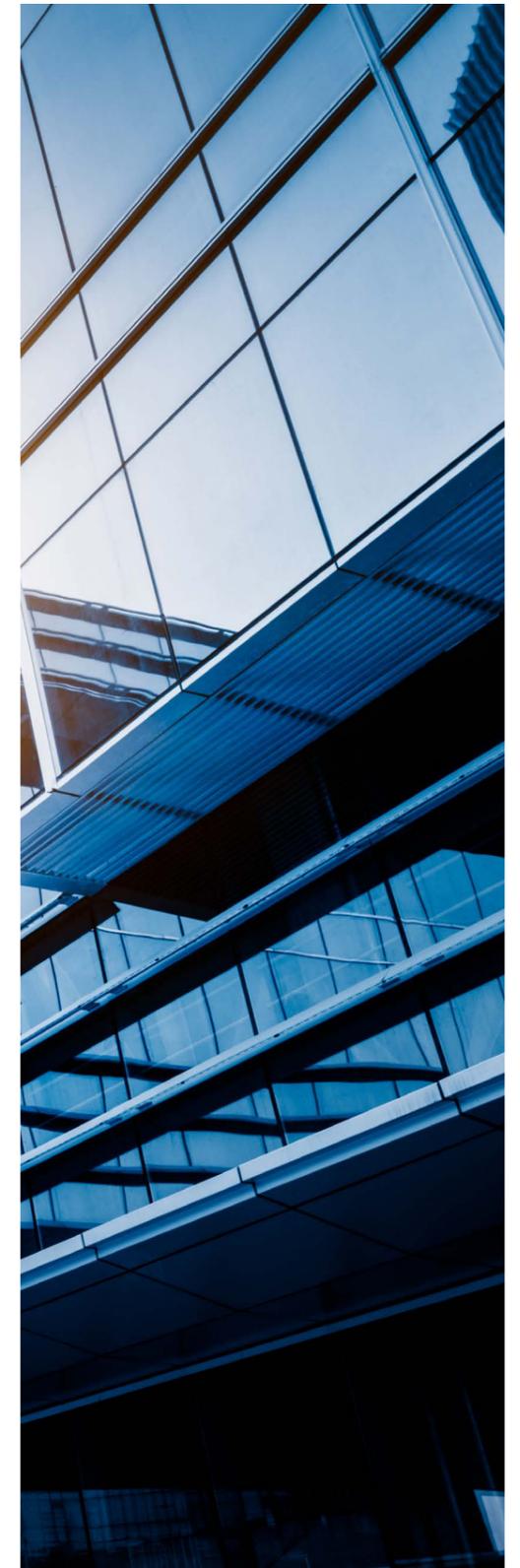
Being one of the largest purchasers in the country, we acknowledge and understand social, economic and environmental impact of our procurement decisions and operations, as well as requirements towards suppliers. Hence we strive to manage environmental and social risks as well as opportunities in our supply chain with high sense of responsibility.

Challenge - to implement supplier complaint reporting and analysis system in the bank and also group wide.

We prioritize the use of green and energy-efficient products in our everyday activities by incorporating environmental assessment into procurement process.

We strive to promote sustainability, encourage suppliers for responsible activities and environmental standard and hence decrease our indirect negative impacts.

In order to decrease environmental and social risks in supply chain, we require all suppliers to sign TBC personal data protection, anti-corruption and tax avoidance clauses, that represent indispensable part of the contract and are mandatory for implementation.



Our suppliers in 2019

Dialogue with Suppliers

Managing Environmental and Social Risks of our purchases



Green Purchase Recommendations

The Environmental Protection and Social Risk Management Policy of the group, includes Green Purchases Recommendations that are enhanced to be taken into account during purchases. These recommendations point at procurement of more environment friendly products and services, products that have better environmental protection criteria, are certified according to environmental protection standards, etc.

The recommendations also apply to construction/renovation works, heating-cooling and ventilation systems, office and other technique purchases, that gradually help in implementing energy efficiency standards. TBC Bank also has developed Green Construction Standard, as a part of Green Purchases Recommendation, that represents green recommendations for building and renovating TBC offices.

As Green Purchase Recommendations are not mandatory for implementation, standards and criteria presented in this document are applied when possible, with the active involvement of Environmental Protection and Social Risk Management team, along with Logistics and Procure-

ment departments. Green Purchase Recommendations document is available to all employees

Responsible Procurement Training

To enhance our Environmental Protection and Social Risk management across the Bank, we developed Responsible Procurement Training module for procurement staff and buyers. This training emphasizes Environmental protection and social management risks that may exist in supply chains and elaborates on the processes of mitigating and managing these risks.

In order to help suppliers comply with the Environmental and Social Risk Management requirements and in general to raise environmental and social awareness among suppliers, we plan to hold free of charge quarterly trainings for suppliers in 2020.

Supplier Screening - Environmental Protection and Social Risk Management Questionnaire

In 2019 we developed Environmental Protection and Social Risk Management Questionnaire in order to screen suppliers. The screening process should help bank deciding about cooperation with suppli-

ers. We started the process of filling out the questionnaire late 2019. Filling out of the questionnaire will be mandatory for all long-term suppliers of the bank in 2020.

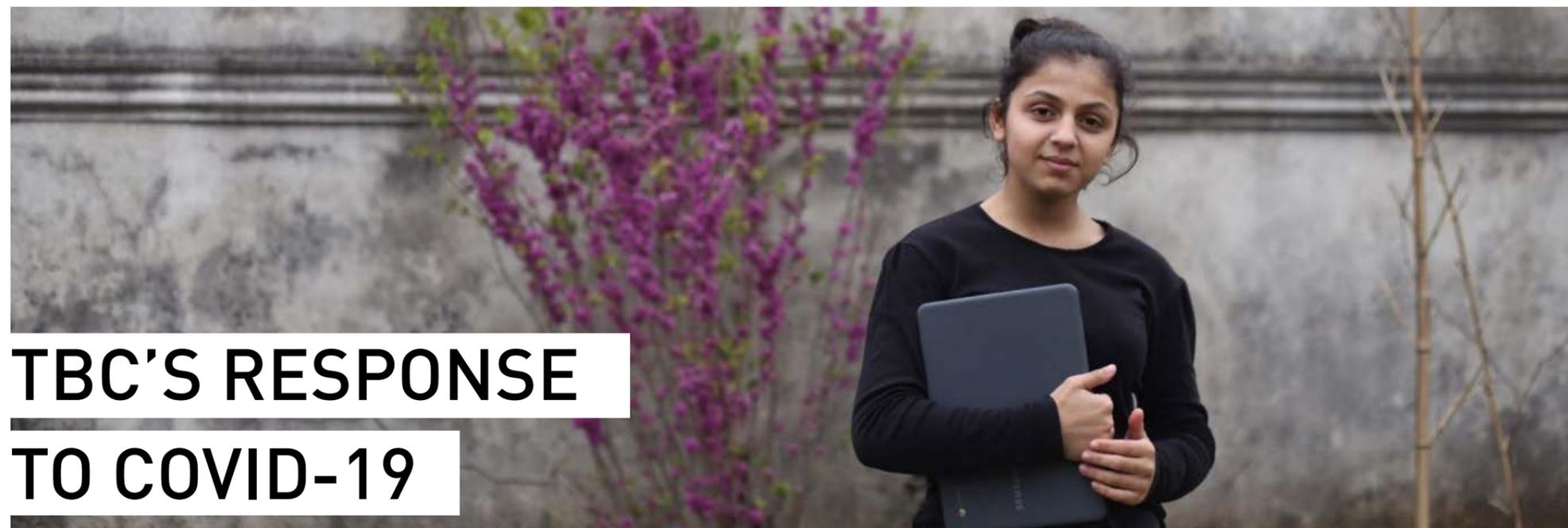
The topics included in the questionnaire are based on international, IFC&EBRD PS/PR standards and are the following:

1. Company environmental protection management system
2. Pollution prevention and waste management systems
3. Working conditions
4. Working rights
5. Works safety
6. HR management

The evaluation of suppliers is done by Environmental Protection and Social Risk Management team, Logistics and Procurement Departments.

Challenge:
for the upcoming years one of our goals and challenge in relation to suppliers will be improving management of socio-economic risks in the supply chain and enhancing implementation of sustainable, socially & economically inclusive procurement policy.





TBC'S RESPONSE TO COVID-19

Like the rest of the world, the spread of Covid 19 has had a negative impact on the economy of Georgia as well. The necessary measures to prevent the spread of the virus have led to economic losses; they have radically changed the lifestyle, priorities and needs of both the country as a whole and of each citizen.

Hundreds of large and small companies have stopped operating. The companies were forced to permanently discharge their workers. In parallel with the spread of the virus area, the restriction of demand and supply has become a significant problem for the economic growth of the country.

In the given situation, it was vital to involve the private sector in the processes that prevent the crisis, to cooperate with the Georgian government and the public sector and to take effective steps as much as possible.

TBC was one of the first companies to respond promptly to the spread of the virus in its early stages, developing the anti-crisis plan for both employees and clients and despite the unprecedented nature of the crisis, instantly mobilizing financial, human and intellectual resources to overcome the challenges existing in the country.

TBC's initial step was to offer a three-month grace period on loan payments to individuals, owners of micro, small and medium-size businesses and to all major businesses,

which operate in tourism, food and industries that require social gatherings. The grace period applied to both the down payment and the interest rate. The clients received detailed information individually via the remote channels, without having to visit the branches.

TBC, as one of the largest companies in the region, has taken into account the recommendations of the World Health Organization regarding the current situation and maximally shifted to remote working. TBC cares for its employees and customers and at the same time takes full responsibility for the smooth running of the company.

The company is constantly calling for and encouraging customers to make the most of the remote channels through which almost all banking services are available. Since March 20, TBC has temporarily suspended the operation of several service centers located in crowded areas.

In recent years, the company's strategy has been to develop and digitize remote channels. 93% of transactions are made online. That is why TBC has been fully prepared for new challenges; the changes implemented for the safety of its employees and over 2 million clients have not caused any delays in terms of services and operations. Despite drastic increase in the flow of customers in remote channels (Please see graphical information provided) developed digital

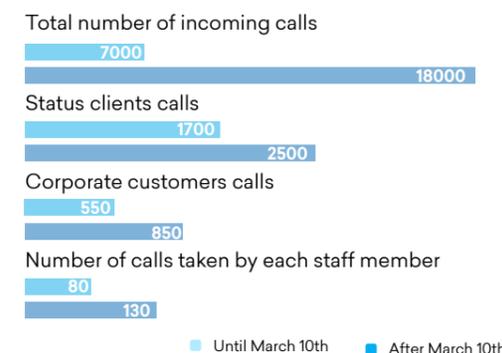
and remote channels helped the company to support clients without impediments.

Number of online chats during the day

1800
Until March 10th

4500
After March 10th

During the day



In addition, in order to further simplify the lives of consumers during the current 2 months, individuals enjoy the following conditions when conducting banking operations and transactions through the TBC remote channels:

- > 0% commission for all transactions, including: transfers to others through account or mobile numbers in any currency, paying the utility bills, refilling the mobile phone balance;
- > 1% more annual returns when opening a deposit in the national currency;
- > First-year service without commission when ordering a new debit card;
- > Better exchange rate and an increased daily conversion limit.

Along with the steps taken in the banking and financial sector, TBC considers it significant to move forward with its corporate social responsibility, supporting and authoring many interesting and necessary ideas.

TBC has created a program to support the population of Georgia - #TBCforyou, which combines all the projects initiated by TBC to reduce the damage caused by COVID-19.

5 million GEL was allocated to overcome the challenges. The support program consists of 2 components: 2 million GEL for social assistance initiatives, focusing on promoting distance education, helping the elderly and spreading digital technologies; over 3 million GEL will be spent to alleviate the commission costs for both individuals and businesses during two months.

At the same time, the online platform - "TBC for You" - <https://www.tbcforyou.ge/> has been launched, gathering all digital services of TBC and its partners, which helps users in digitalization. The focus is on supporting the population and businesses, distance education, online commerce and many other services that make life easier for customers in this new reality.

Cooperation between the state and the private sector has a crucial role to play in overcoming the challenges facing the country. TBC shares this responsibility and is therefore working in concert with the government to address the needs of the country. Healthcare is the primary sector in need of support and proper functioning in this situation. That is why, based on consultations with the government, TBC has purchased 10,000 COVID-19 rapid tests worth GEL 352,000 and handed them over



to the Ministry of Health.

Today, the highest risk group for infection with the virus is the elderly. It is crucially important to take care of the people for whom it is the most difficult to adapt to new reality. It is important to provide them with the necessary products for the subsistence minimum and to support them in the way that they do not have to go out.

As part of one of the initiatives for the #TBCforyou program, more than 1,000 elderly people living in the capital and regions received food, medicine and personal hygiene items worth GEL 100,000. TBC helped the beneficiaries while cooperating with 14 large and small charity funds.

In order to prevent the spread of coronavirus, all educational institutions in Georgia have switched to online learning mode. In the current reality, digital education is simultaneously a challenge and a new opportunity for the next generation. It is important that all students are given the opportunity to continue remote studies and to receive an education without any hindrances. That is why TBC has purchased laptops for 161 socially vulnerable students at six universities. The total cost of the project is 140,714 GEL.

For this initiative, students, whose families, did not own a personal computer, causing their learning processes to be delayed, were selected. Most of the selected young

people study through the university funding or grant programs and are successful students.

Also, with the involvement of TBC staff, laptops were distributed to 100 socially vulnerable senior-grade students residing in different regions of Georgia. TBC doubled the amount voluntarily collected by the TBC workers and gathered a total of 95,614 GEL. In order for students to be able to study remotely, their monthly internet fee will also be covered till the end of the school year.

The collaboration and joint initiatives of TBC and its corporate partners play an important role in overcoming the challenges facing the country. In addition to the public sector, TBC is actively cooperating with the business sector, implementing a number of projects in collaboration with various companies. For example, "Georgian Beer Company", with the support of TBC, supplies the staff of all the checkpoints operating in Georgia today with the products of "Zedazeni". TBC's contribution to the project is 25,000 GEL.

Also, for one of the initiatives of the "Unity" platform, the supermarket chain and the meat production company "Nikora" and TBC started collaboration, as a result of which 300 socially vulnerable families were provided with food product baskets. For families with special needs, the baskets were distributed by volunteers for

whom all safety measures were provided by TBC. TBC allocated a total of GEL 7,140 for equipment and products. The social platform "Unity" (www.1anoba.ge) unites volunteers and companies who have the means and desire to coordinate and mobilize common resources to help those who need it most.

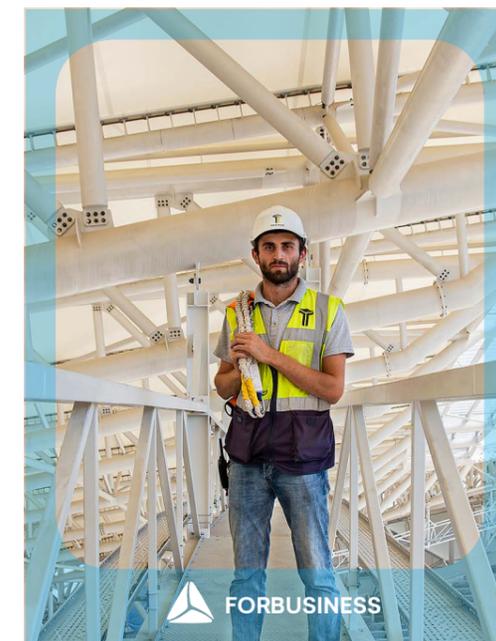
#TBCforyou program offers local micro, small and medium-sized businesses a variety of initiatives to simplify their activities.

Within the framework of the program, anyone can take part in the donation and support their favorite Georgian company. To do this, the platform tbc4u.vendoo.ge was launched. In return for the money transferred, customers will receive a voucher from their favorite company, which they will be able to redeem as soon as the businesses continue to operate normally.

The #TBCforyou program combines several other initiatives to support Georgian micro, small and medium-sized businesses:

- > Supporting the digitalization of businesses;
- > Online business education;
- > Benefits for banking products and services;
- > Benefits for digital products.

TBC and the online commerce platform



Vendoo.ge also started collaboration to support the local entrepreneurs and businesses as follows: the entrepreneurs who sell Georgian products on the Vendoo platform will have their commission fee reduced to a minimum for a month.

As part of the initiative, fees will be automatically reduced for entrepreneurs cooperating with Vendoo.ge. Those who plan to place Georgia-produced products on the online platform in the near future, in addition to enjoying a preferential tariff, will also receive the photo-shooting service and visual materials needed for the placement of the products on Vendoo.ge free of charge.

Digital services are very important for adapting to the current conditions and for further business development. TBC and VISA have launched a new initiative for companies - "Create your own online store".

Businesses can create their own online stores in the shortest time, through which they will be able to sell and deliver products throughout Georgia. The project aims to help businesses transform digitally and deal with the challenges they face. By setting up online stores, they will be able to exploit a new sales channel that will connect them remotely to their customers.

TBC For You

At this stage, the websites of about 150 Georgian companies are already under construction. The businesses will be free from the monthly service fee for the website until the end of the year.

The development of innovative products and services is a priority for TBC, especially in the current reality. Within the framework of another joint cooperation between TBC and VISA, customers are offered the first digital card in Georgia. A digital card is a digital analogue of a physical plastic card and has the same features as a debit card.

TBC also took care of the distribution companies and offered them an innovative product - a distribution card. If before, distributors and retailers had to conduct payment in cash when receiving products, now they can replace the payment with a safe alternative - the card payment.

In the current reality, it is of no less importance for TBC to ensure that the consumers can spend the lockdown period in an interesting and productive way. TBC Status has provided the means to diversify their knowledge. In early 2019, an educational platform - TBC Status Meetings - was created, where successful people from various fields meet with the TBC status clients, share their knowledge, experience and ideas on topics that are equally important as in the work environment as well as in everyday life.

In the current situation, the meetings have now moved to the online space of Zoom.



All the thematic videos tailored to audience interests and needs are available on the Status Meeting website - <https://www.statusevents.ge/> and social media platforms (Facebook and Instagram).

People can choose the topic of their interest, be it various fields of art, psychology, business, kids etc.

In parallel with online meetings with various speakers, TBC Status also shares blogs on a variety of topics.

Since TBC Group is an ecosystem that unites several companies along with TBC Bank, it was important for all of them to take their share of responsibility and to take effective steps to support the country and the population in accordance with their own profile.

In the current situation, the medical staff working in the high risk zone needs special support - their role and involvement is invaluable. All doctors and nurses who fight for the health of Georgian citizens while risking the health of family members and their own, will receive up to GEL 10,000 from TBC Insurance if they become infected with COVID-19.

The TBC Insurance Special Fund has been set up as part of the #TBCforyou program; it is designed for physicians and nurses who are directly treating patients infected with COVID-19 at the medical facilities and who themselves are at high risk due to close contact with patients.



As part of the #TBCforyou, the "Startuperi" program and the new courier company "Mimo", part of the TBC ecosystem, are launching a joint initiative with start-up businesses. As part of the offer, the first 100 startups that will become customers of "Mimo" will receive courier services for 1 month completely free of charge.

The digital courier company "Mimo", which appeared on the market recently, offers customers high quality services, controlling orders online and fast delivery services throughout Georgia.

It is also important for TBC to allow citizens to self-development during the period of self-isolation. That is why e-book house Saba offers users one month of free access to more than 6,000 e-books. Along with the Literary Award Saba, the House of Electronic Books was founded in 2012 by TBC and poet Rati Amaghlbeli. The Saba Electronic Library combines more than 6,000 books (including audio), podcasts, and lectures.

In parallel with a number of initiatives for customers and the country as a whole, TBC is constantly caring for its 7,000 employees who work remotely or in branches.

The company shifted pregnant and risk-category employees to a remote working regime in the very first days. Currently, about 2,400 TBC employees are working remotely. The branches have moved to an updated work schedule, and 900 workers out of 3,548 continue to work at the TBC

branches on a daily basis. The necessary staff works on a 1-week schedule at the branch. Branch employees who could be transferred to the remote working regime are working from a distance: Status bankers, MSME direction. The thermo-screening of both employees and customers is planned in the near future.

To create a safe work environment, an anti-virus strategy has been devised with an epidemiologist who will intensively provide TBC's relevant team with information on the dynamics of the virus in Georgia and the best practices in combating it. 141 TBC facilities are disinfected daily. In total, 64,000 square meters of TBC network are disinfected every week; protective glass partitions were installed in 115 branches, in the channel of 832 employees; 850 disinfectant solution dispensers and containers were installed in all branches and the head office - a total of 158 locations; the front workers of the branches were given 1,100 disinfectant solutions for individual consumption, the supplies of which are periodically updated; 3,900 employees received protective masks at the branches and the cash registers; employees are provided with gloves and facemasks; daily, 126 cash registers are equipped with the necessary equipment; all employees are transported by the bank; meetings of the staff of the cash registers and branches with the epidemiologist were held; the information stickers are placed in front of the facilities, urging users to keep

TBC For You

their distance and at the same time determine the parking locations; the cashiers, because they have contact with money, were equipped with protective suits and hats; TBC has introduced an appropriate cleaning standard adapted to the challenges of the virus period.

TBC takes care that all employees have a sense of stability, so management periodically arranges remote meetings with them to discuss the company's plans and strategy. At these meetings, employees receive answers to interesting and topical questions from the directors.

During this period, the one-time bonus was transferred to 3,754 employees. These employees are: employees of the branches, who, despite the situation in the country, continue to work as usual and have to communicate directly with clients; employees of the Distribution Services Division; employees of the cash register and collection department; IT staff; employees of the Logistics Department.

TBC's top management team realizes the difficult times it has to make its decisions, as well as how important it is to keep the job for each team member and their families. The most important asset for TBC is those very team members, so according to the management's decision, none of the employees will be fired due to the causes of the global pandemic during 2020 - all members of the TBC team will retain their jobs.

TBC's management also refuses to receive bonuses this year, which is usually 70% of the salary. The priority for TBC is to protect and maintain the health and safety of its team members, as well as its customers.

“Now, we are carrying out unprecedented digital transformation, which is our strategy but

the current reality has accelerated this process. I am sure that we will come out of this crisis together more flexible and strong.”

*Vakhtang Butskhrikidze,
General Director of TBC.*



