



MICROBANK
MBC

PILLAR 3

ANNUAL REPORT

2024

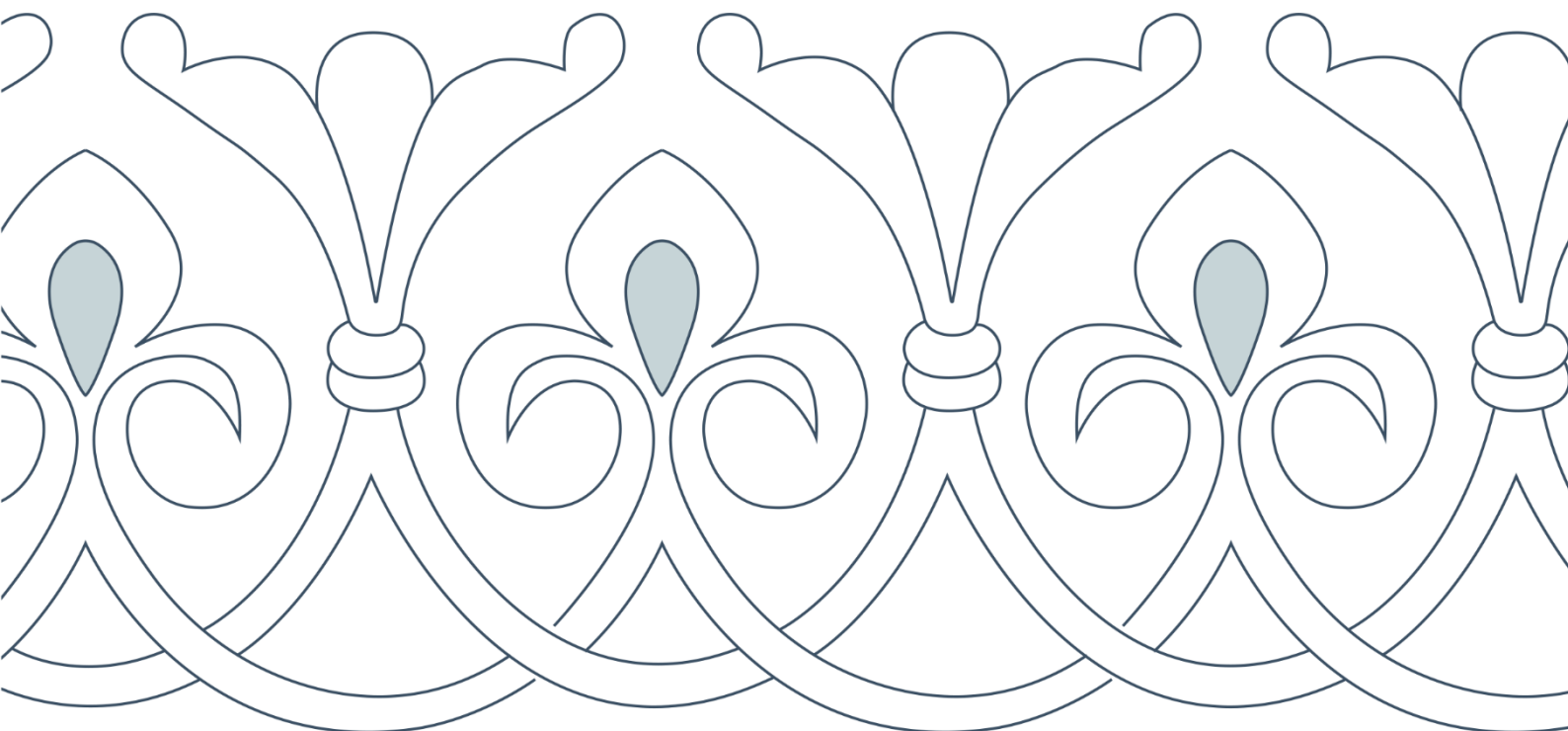


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1. Introduction

1.1. Management Statement of the Microbank

This report has been prepared in accordance with the "Rule on Disclosure of Information by Microbanks within the Framework of Pillar 3" approved by the Decree N110/04 of the President of the National Bank of Georgia on June 21, 2023, current regulatory requirements and reporting standards. The Board of Directors of the Microbank confirms that the report has been prepared in full compliance with internal control processes agreed with the Supervisory Board, and all data/information contained herein is complete, accurate, and reliable.

1.2. History, Services and Strategic Plans of the Microbank

After 12 years of successful operations on the market, MBC became the first microbank in Georgia. On December 5, 2024, the company obtained a microbank license from the National Bank and thereby initiated the development of a new type of financial institution - microbanks - in the country.

With 17 service centers across Georgia, a net portfolio of 119.5 million GEL, 145 million GEL in assets, and more than 180,000 customers, MBC is entering a new stage of development and will soon offer even more refined and diverse financial solutions to its customers.

With the acquisition of microbank status, MBC's maximum lending limit will significantly increase and reach 1 million GEL. The company's main focus will be on lending to small and medium-sized businesses.

MBC's main competitive advantage lies in its tailored offers and updated procedures for small and medium businesses, which will simplify access to financial resources for this segment and ultimately contribute to the development of the country's economy.

In addition to obtaining the microbank license, 2024 was important for MBC in other respects as well. The company placed 30 million GEL in two-year bonds on the Georgian Stock Exchange, marking its second issuance over the past two years. At the end of 2024, despite the situation in the country, the leading European rating agency Scope Rating upgraded MBC's credit rating from B Positive to B+ Stable, further confirming the company's stability and credibility. Successful cooperation with international financial institutions is also noteworthy – in 2024, MBC attracted up to 50 million GEL in investments from foreign investment funds.

Throughout 2024, the company continued actively working on strengthening corporate sustainability. Special emphasis was placed on supporting youth and promoting their financial education, the development of social enterprises, and encouraging corporate volunteering among employees. During the banking transformation process, the company plans to implement an Environmental, Social, and Governance (ESG) risk management system and fully integrate it into the company's overall risk management framework.

The past year was key for MBC in preparing for transformation into a microbank. The company made significant investments in updating its IT infrastructure, which is a necessary prerequisite for offering modern banking services to customers. By the end of 2024, the process of opening current accounts for customers had already begun. The company is now actively working to offer innovative financial products to the market in the near future.

The transformation into a microbank will continue in 2025.

2. Ownership Structure and Corporate Governance of the Microbank

2.1. Shareholders of the Microbank

As of December 31, 2024, the ordinary shares of the Microbank are distributed among the following shareholders in the following proportions:

Shareholder	Equity Participation
Gia Petriashvili	31.8%
Otar Rukhadze	14.4%
Murman Ambroladze	8.0%
Tengiz Maziashvili	9.3%
Taras Nizharadze	8.3%
Goderdzi Meladze	6.7%
Giorgi Gotoshia	6.7%
Giorgi Vachnadze	5.5%
LLC "JB	2.7%
Giorgi Gvaladze	2%
Eteri Chachibaia	2%
Tatia Jajanashvili	1.5%
Nino Devdariani	1.4%

2.2. Corporate Governance

As a microbank, MBC's corporate governance system fully complies with the requirements of the "Corporate Governance Code for Microbanks" approved by Decree N112/04 of the President of the National Bank of Georgia on June 21, 2023, as well as international standards, principles, and best practices. The company's effective operation is ensured by a clearly defined organizational structure that includes:

- Clear distribution of responsibilities;
- Proper delegation of accountability and authority;
- Sound administration;
- Effective risk identification, management, and reporting;
- Adequate internal control;
- Financial planning and reporting;
- Relevant policies and procedures.

To ensure the stability and proper functioning of the microbank's management, responsibilities are strictly separated among supervisory, executive, and controlling bodies. The functions of these bodies fully support company governance and eliminate duplication.

The main governing bodies of the microbank are:

- General Meeting of Shareholders
- Supervisory Board
- Board of Directors

2.2.1. General Meeting of Shareholders

The General Meeting of Shareholders is the supreme governing body of MBC. The rights of the General Meeting of Shareholders are defined by the Company Charter and are regulated by the applicable laws of Georgia. The General Meeting of Shareholders:

- Makes decisions on amendments and additions to the Company Charter;
- Decides on the placement of the company's shares on the securities market;
- Determines the rules for the purchase and sale of the company's shares and other equity securities;
- Elects the Supervisory Board and approves its budget (including the budget of the Board Committee(s));
- Approves the company's annual audited financial statements;
- Makes decisions on the distribution and use of the company's net profit;
- Makes decisions on the increase or decrease of the company's capital;
- Makes decisions on changes to the company's legal status, merger with another organization, or liquidation;
- Decides on initiating court/arbitration proceedings against the Supervisory Board or Directors, including the appointment of a representative for such proceedings;
- Approves the Regulation on the Company's "Corporate Governance Principles";
- Approves the Regulation on the Company's "Corporate Ethics";
- Makes decisions in other cases provided for by the Charter and applicable legislation.

The General Meeting of Shareholders is held in two forms: the Annual (Ordinary) General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders. In 2024, one ordinary and three extraordinary meetings were held.

In addition to the matters typically addressed at the annual meeting (such as the approval of audited financial statements, decisions on dividend payments on ordinary shares, etc.), the General Meeting of Shareholders placed significant emphasis on the process of obtaining a microbank license by the company and on the selection of candidates for the Supervisory Board.

2.2.2. Supervisory Board

The activities of the microbank are overseen by the Supervisory Board, which is elected by the General Meeting of Shareholders. The Board is authorized to make decisions on the strategic directions of MBC's development, guide the activities of executive bodies, and is accountable to the General Meeting of Shareholders.

The duties, functions, and responsibilities of the Board are clearly defined by the company's internal policies and procedures. These documents also regulate the Board's operations, including management of conflicts of interest, rules for appointing and dismissing Board members, and other issues.

The company's Supervisory Board consists of three members: Taras Nizharadze – Chairman of the Supervisory Board; Murman Ambroladze – Member of the Supervisory Board; Valeri Chechelashvili – Independent Member and Head of the Audit Committee.

Starting from 2025, in parallel with obtaining the microbank license, changes were made in the composition of the Supervisory Board as follows: Murman Ambroladze – Chairman of the Supervisory Board; Valeri Chechelashvili – Senior Independent Member, Head of the Audit Committee; Sophio Tskhvitava – Independent Member, Head of the Risk Management Committee. Accordingly, as of 2025, 33% of the Supervisory Board (one member) is represented by a woman.

The independence of the Supervisory Board members is determined by the Microbank in accordance with the requirements established by the "Corporate Governance Code for Microbanks" and the questionnaire developed by the National Bank of Georgia. To determine the independence of a Supervisory Board member, the Microbank consistently evaluates the candidate's ability to make objective and independent decisions and assesses their compliance with the requirements specified in Article 2, Paragraph 1, Subparagraph "b" of the Corporate Governance Code for Microbanks. Specifically, to consider a candidate independent, the Microbank takes into account the following circumstances:

- Whether the candidate has had familial ties in the past two years with administrators of the Microbank and/or entities within the group, or with any individual(s) holding a direct or indirect significant share in the Microbank and/or in any entity within the group;
- Whether the candidate has conducted or has had any business or other material relationships in the past two years with the administrators of the Microbank and/or entities within the group, or with any individual who holds a direct or indirect significant share in the Microbank and/or in any group entity;
- Whether the candidate has any material obligations (including financial) towards the Microbank, its administrators, or a significant shareholder, or holds any other material/financial interest (including ownership or investments) in the Microbank and/or its group entities (except for direct or indirect ownership of less than 2% of shares);
- Whether the candidate had any professional or other work-related relationship (including the provision of business services) with the Microbank, its group entities, administrators, or major shareholders within the past five years (excluding cases where the work was performed in a non-executive role);
- Whether the candidate receives any additional compensation from the Microbank, aside from fixed remuneration or dividends related to board membership or shareholding (less than 2% direct or indirect ownership of Microbank shares);
- Whether the candidate has any other relationship, position, or connection that may influence their independence.

The main responsibility of the Supervisory Board is to protect the rights and capital of shareholders and to determine the strategic directions of the Microbank. Additionally, the Board is responsible for approving the organizational structure, supervising the executive bodies, and continually assessing their role in establishing and maintaining a sound corporate environment. The Board also ensures proper conditions for effective internal control and risk management, monitors the Microbank's remuneration system, approves the long-term strategic development plan, risk appetite, and budget, and oversees their implementation.

Meetings of the Supervisory Board (or committees) are held at least quarterly. In 2024, the Supervisory Board held 12 meetings, with full attendance ensured. Topics discussed during the meetings included the approval of

the company's annual business plan, review of performance monitoring results, review of quarterly reports, discussion of key performance indicators, internal audit activities, and more.

Starting in 2025, in parallel with obtaining the microbank license, minutes of the Supervisory Board meetings and any additional documents used in the meetings must be submitted to the National Bank of Georgia within no more than 10 working days after each meeting

- **Professional experience of the members of the Supervisory Board (Committees):**

- **Taras Nijaradze**

Chairman of the Supervisory Board

Since 2012, Taras Nijaradze has been a partner of JSC Microbank "MBC" and the Chairman of its Supervisory Board. He has been active in the business sector since 1990, founding and managing private companies in the banking, tourism, agriculture, natural resources, and energy sectors. From 1998 to 2012, he was a shareholder and later Chairman of the Supervisory Board of JSC BasisBank. Since 2006, he has been co-founder and director of LLC "Energo-Aragvi" and has led one of the most successful hydropower projects in Georgia. He earned a Bachelor's and Master's degree in Semiconductor Physics from Moscow State University in 1986 and began his scientific career as a research fellow at the Structural Research Republican Center under the Georgian Polytechnic Institute.

- **Murman Ambroladze**

Member of the Supervisory Board

Murman Ambroladze has been a partner of MBC and a member of the Supervisory Board since 2014. Starting in 2025, he serves as Chairman of the Supervisory Board.

In 1993, together with Gia Petriashvili, he founded the commercial bank JSC BasisBank, where he served as director for many years, and from 2008 to 2012 was a member of the Supervisory Board.

Since 2012, Ambroladze has been the founder and director of LLC "Ambro-Soft."

He holds a Master's and Doctoral degree in Mathematics from Moscow State University and is the author of several scientific papers. He began his academic and scientific career at the Department of Higher Mathematics at the Georgian Technical University.

- **Valeri Chechelashvili**

Independent Member of the Supervisory Board, Chairman of the Audit Committee

Independent Member of the Supervisory Board, Chairman of the Audit Committee

Valeri Chechelashvili graduated from Kyiv State University with a degree in International Economic Relations and holds a PhD in International Economics.

Since 1989, he has worked in the field of diplomatic relations, holding various positions at the Ministry of Foreign Affairs of Georgia—from Second Secretary to Deputy Minister. In 2005, he served as Georgia's Minister of Finance, and from 2005 to 2007, as First Deputy Minister.

From 1994 to 1998, he was Georgia's Ambassador to Ukraine, and from 2004 to 2005, to the Russian Federation. From 2000 to 2004, he served as Secretary General of the Black Sea Economic Cooperation

Organization (BSEC), and from 2007 to 2016, as Secretary General of the Organization for Democracy and Economic Development.

From 2000 to 2004, as BSEC Secretary General, he participated in the work of the Board of Governors of the Black Sea Trade and Development Bank (an affiliated body of BSEC).

From 2002 to 2012, he was a shareholder of JSC BasisBank.

Since 2016, Chechelashvili has been a Senior Fellow at the Georgian Foundation for Strategic and International Studies. He has received various medals and orders and is the author of several dozen publications in regional economic cooperation and international relations.

From 2025, Sophio Tskvitava will join the Supervisory Board as an independent member and chair the Risk Management Committee.

- **Sophio Tskvitava**

Member of the Supervisory Board, Chair of the Risk Management Committee

Member of the Supervisory Board, Chair of the Risk Management Committee

In 2005, Sophio Tskvitava received a Bachelor's degree in Economics and Business Administration from the International Black Sea University, and in 2007, a Master's degree in Social Sciences from the same university.

Early in her professional career, she worked at "Medinserv" where she was actively involved in developing partnerships with international businesses. From 2006, she held various positions at ProCredit Bank: starting in 2007 as an AML Officer, and in 2010 as a Senior AML Officer. From 2013 to 2018, she worked as a Senior Auditor at the same bank.

In 2018, she joined MBC and served as Operational Risk Manager until March 2019. From 2019 to 2024, Tskvitava held the position of Compliance Officer at FINCA Network Support B.V., and since 2024, she has been Senior Compliance Manager at FINCA Group.

Sophio Tskvitava has many years of knowledge and practical experience in the banking and microfinance sectors. Since 2023, she has been actively providing consulting services to various organizations.

2.2.3. Supervisory Board Committees

At Microbanki, under the Supervisory Board, two committees are operational: the Audit Committee and the Risk Management Committee. The mandate of the committees, areas of activity, reporting procedures to the Supervisory Board, and the individual roles and responsibilities of committee members are defined by the respective committee charters.

2.2.3.1. Audit Committee

The primary goal of the Audit Committee is to ensure a sound, transparent, and effective system of internal controls, risk management, and reporting within the organization. This strengthens stakeholder trust and provides effective support to the Supervisory Board in its oversight functions. The committee monitors the internal control system and ensures the organization's activities comply with applicable laws and regulations. The functioning of the Audit Committee enables the Supervisory Board to receive reliable information, which forms the basis for effective governance decisions.

2.2.3.2. Risk Management Committee

In accordance with Article 7, paragraph 1 of the "Corporate Governance Code for Microbanks" (which mandates all microbanks, regardless of their size, complexity, and scale of operations, to establish at least audit and risk management committees composed of Supervisory Board members), the Risk Management Committee was established under the Supervisory Board in December 2024, following the acquisition of the microbank license by MBC.

The key mission of the Risk Management Committee is to promote a risk-based management culture within the organization and to ensure integrated, sustainable, and effective risk management systems. To support the Supervisory Board, the committee oversees and evaluates the following key areas: determination of the organization's risk appetite; structural soundness and adequacy of risk management policies, standards, and procedures; effectiveness of capital and liquidity management strategies; effective management processes for credit, market, operational, reputational, ESG, and other types of risks; soundness of risk-related reporting systems, including Pillar 3 reporting and monitoring of ESG (Environmental, Social, and Governance)

2.3. Board of Directors

The day-to-day operational management of MBC is led by the Board of Director, which is responsible for successfully implementing the company's strategic objectives. Each member of the Board of Director is collectively accountable to the Supervisory Board, which appoints the composition of the Board of Director. Among other key functions, the Board of Director ensures the execution of the organization's business strategies, establishes and promotes effective systems and culture for managing financial and non-financial risks, oversees business processes and internal controls, and regularly provides the Supervisory Board with the information necessary for its functioning. Additionally, the Board of Director is responsible for distributing functional responsibilities among employees and establishing an effective governance structure, ensuring high standards of accountability and transparency within the company.

MBC's Board of Director consists of four members: the General Director, Sales Director, Chief Operating Officer (COO), and Risk Director. The appointment procedures, terms, and regulations of the Board of Director are determined by Georgian legislation, the microbank's charter, and the Board of Director's charter. MBC places great importance on gender and ethnic diversity in governance bodies, as well as diversity in work experience. The company selects employees and senior management based on their work experience, education, professional knowledge, and required skills. Gender equality is maintained within the Board of Director, with two women (50%) among the four members.

Information on the professional experience of the Board of Directors:

- **Gia Petriashvili**
CEO

After many years of experience in the banking sector, Gia Petriashvili founded MBC in 2012 and has served as the General Director since its inception. Since 2017, he has also been a member of the organization's Supervisory Board.

Since 1993, Gia Petriashvili was the founder and the first chairman of the Supervisory Board of JSC BasisBank, and from 1998 to 2012, he was a member of its Supervisory Board. From 1999, he worked at the OPIC-funded investment fund "Caucasus Fund," and from 1999 to 2002, he served as the director of the Tbilisi office of LLC Caucasus Advisors. From 2002 to 2005, he was the founder and managing director of LLC "Entertainment Center Meidani." From 2006 to 2009, he founded and led the real estate investment company LLC "Solo-Lucky Investors."

Gia Petriashvili holds a master's and doctoral degree in theoretical and mathematical physics from Moscow State University. He began his scientific career as a research associate at the High Energy Physics Institute of Tbilisi State University and was also an invited researcher at the Joint Institute for Nuclear Research in Moscow.

- **Giorgi Gvaladze**

CSO

Giorgi Gvaladze has headed MBC's Sales Department since 2013. He has many years of experience in the banking and financial sector. His career began in 2005 at Bank Constanta as a credit expert, later holding positions as branch manager and head of mini and mini-agro segments. Giorgi Gvaladze holds a bachelor's degree in economics from Tbilisi State University. In 2006, he earned a Master of Business Administration (MBA) from the Caucasus Academic Center (CAC). Since 2014, he has been a doctoral student in Business Administration at the Faculty of Engineering, Georgian Technical University.

- **Eteri Chachibaia**

COO

Eteri Chachibaia has been a member of the MBC team since 2013. As COO, she oversees the following areas: centralized back office, telephone and remote services, marketing, human resources management, public relations and corporate sustainability, logistics and procurement, information technology, and customer experience management.

For many years, she worked at JSC BasisBank and HSBC Bank Georgia in operational, retail, and corporate service departments. Additionally, she has worked in international organizations and the NGO sector at various times. Eteri Chachibaia holds a master's degree in International Economics.

- **Nino Devdariani**

CRO

Nino Devdariani has served as MBC's Risk Director since 2016 and oversees credit risk, operational risk, AML, information security, legal, financial reporting, investor relations, problem asset management, and real estate valuation functions.

From 2008 to 2013, she worked at the National Bank of Georgia in risk management and control of international reserves. From 2014 to 2016, she was engaged in public debt risk management at the Ministry of Finance of Georgia.

Nino Devdariani holds a master's degree from Williams College (USA, 2014) and is a World Bank scholarship recipient.

3. Risk Management

Organizational Structure and Key Principles of Risk Management

All employees of MBC are involved in the risk management process, which is a critical part of the risk management system and supports the corporate sustainability of the company. Each structural unit has a clearly defined individual role and responsibility in risk management, which ensures process efficiency. The risk management system aligns with the microbank's strategy and supports the achievement of its strategic objectives.

Roles and individual responsibilities are clearly distributed in the risk management process, which helps ensure clarity of the microbank's strategic goals and their alignment with the bank's risk appetite.

Supervisory Board is the highest authority in risk management. It defines the company's strategy and oversees the implementation of the goals outlined within it. The Supervisory Board is responsible for promoting best practices in risk culture and ensuring effective communication, constructive dialogue, and accountability among employees.

Audit Committee. The Audit Committee, established under the Supervisory Board, is responsible for the following, among other functions:

- Define the microbank's approach to internal control issues;
- Monitor financial reporting processes and approve financial statements for publication;
- Monitor and actively collaborate with internal and external auditors of the microbank;
- Oversee the development of accounting policies and practices;
- Review third-party opinions regarding the effectiveness and structure of the overall risk management framework and internal control systems of the microbank;
- Monitor the Pillar 3 reporting process, including ESG-related disclosures

Risk Management Committee. In December 2024, following the microbank's receipt of its operating license, a Risk Management Committee was established at the Supervisory Board level. The committee assumed the following key responsibilities related to risk management:

- Review risk strategies in both aggregated and individual risk dimensions and provide relevant recommendations to the Supervisory Board, including on the current and future risk appetite of the microbank;
- Prepare and submit reports to the Supervisory Board on the existing risk culture within the microbank and review the microbank's risk policies at least annually;
- Monitor whether the Board of Director ensures compliance of the microbank's operations with risk policies through proper procedures;
- Collaborate with and monitor the performance of the Chief Risk Officer;
- Provide recommendations to the Supervisory Board on the effectiveness of risk strategies and policies, including maintaining and allocating sufficient capital for identified risks;
- Oversee capital and liquidity management strategies, as well as all types of risks, such as credit, market, operational, and reputational risks, to ensure alignment with the risk appetite;
- Review various scenarios, including stress scenarios, to assess the impact of external and internal events on the microbank's risk profile;
- Monitor whether the material financial products and services offered to clients, including their pricing, are in line with the company's business model and risk strategy;
- Assess recommendations from internal and external auditors and, in collaboration with the Audit Committee, monitor the implementation of appropriate actions;
- Oversee the Pillar 3 reporting process (including ESG disclosures) and is responsible for its approval

Board of Director is responsible for implementing business strategies, developing effective risk management systems, establishing and implementing the microbank's risk culture, processes, and controls, engaging in constructive cooperation and reporting to the Supervisory Board, distributing responsibilities among microbank employees, and creating an effective governance structure that ensures internal accountability and transparency.

The Chief Risk Officer plays a significant role in developing risk management systems, policies/procedures, quantitative models, and reporting processes. They actively carry out the identification, assessment, monitoring, control, and regular reporting of the microbank's existing risks to the Supervisory Board, the Risk Management Committee, and other members of the Board of Director.

Risk Management

The effective risk management process includes the identification, assessment, determination of the desired risk level, monitoring, and implementation of risk mitigation actions in case the risks exceed the thresholds established by the microbank. Material risks are identified/reviewed at least once a year; however, additional reviews may be required in the presence of circumstances that could significantly impact the microbank's operations and risk profile.

The purpose of the risk management and internal control system is to:

- Timely identify existing risks and threats;
- Prevent potential losses;
- Effectively manage incidents that have already occurred;
- Support the achievement of the microbank's objectives;
- Continuously improve the control system;
- Increase operational efficiency;
- Support the microbank's corporate sustainability;
- Ensure compliance with regulatory requirements and international standards.

Risk management at the microbank is based on the **"Three Lines of Defense"** model, which ensures a clear division of responsibilities and accountabilities to achieve effective risk management, thereby reinforcing the internal control framework of the microbank. The three lines of defense approach separates ownership/risk management from functions that oversee and independently audit risks:

- **First Line of Defense – Business Line:**
This is the risk-taking function of the microbank, responsible for the initial identification, assessment, management, monitoring, and reporting of risks associated with products, activities, processes, and systems. The first line of defense operates in accordance with the microbank's risk appetite, policies/procedures, and controls. The business line receives regular training to raise awareness on the company's risk culture and risk management principles.
- **Second Line of Defense – Risk Management and Compliance Function:**
This function is independent from the first line and monitors the microbank's risk-taking activities. It assesses risks and related matters independently of the business line and supports the existence of processes for thorough identification and critical assessment of risks by the Board of Director and business line. The **Chief Risk Officer** plays a leading role within the functioning of the business line. The primary responsibility for risk identification lies with the business line.
The **Compliance Function**, which is also part of the second line, monitors compliance of processes with

legal requirements, corporate governance standards, and internal policies. It reports directly to the Supervisory Board and shares the same information with the Board of Director.

- **Third Line of Defense – Internal Audit Function:**

Independent from both the first and second lines, this function is responsible for independently assessing the consistency and effectiveness of the internal control system, the first and second lines of defense, and the overall risk management framework. This includes, but is not limited to, evaluating the procedures related to strategic and business planning, compensation, and decision-making processes.

In constructive cooperation with the Chief Risk Officer and other members of the Board of Director, the **Supervisory Board** defines the microbank's **risk appetite**. The risk appetite framework considers all material risks related to the microbank's products, activities, processes, systems, operations, and strategy. It defines both quantitative and qualitative indicators/measures by which the alignment of activities within the risk appetite to the microbank's strategy will be assessed. The risk appetite sets numeric and qualitative risk indicators at both individual and aggregate levels, along with their acceptable thresholds within which the microbank must operate. These thresholds are aligned with available capital, risk management and control mechanisms, the defined strategy, and the constraints established by shareholders, creditors, regulators, and other stakeholders.

Based on its risk appetite, the microbank has developed detailed policies and procedures related to risk management activities, which define risk management standards and criteria, as well as employee authorities and responsibilities, to ensure the effective management of the microbank's risks. The integration of risk appetite into management is carried out through:

- **Top-down approach** – The Supervisory Board of the microbank is responsible for setting the risk appetite, while the Board of Director is responsible for allocating specific risk indicators within the established appetite across portfolios, structural units, business lines, or other relevant group levels, and for distributing the defined specific risk metrics accordingly;
- **Bottom-up approach** – Specific risk indicators determined at the portfolio, structural unit, business line, or other relevant group levels are aggregated and compared against the overall risk appetite.

The material risks faced by the microbank are categorized and described below::

- **Liquidity Risk** – Due to instability in the financial market, factors such as a deterioration in credit ratings or other adverse developments that reduce profitability may affect the cost or availability of funding resources, which are necessary for the microbank to cover its future obligations. Additionally, the financial condition or expectations of the microbank's partner financial institutions may hinder the timely conclusion of negotiations for further funding. Liquidity risk may also arise in the event of a deterioration in the creditworthiness of the microbank's clients, which may negatively affect the bank's cash inflows. Liquidity risk is managed by the Treasury and Cashless Settlement Department, which carefully assesses the level of liquidity needed by the microbank both to support the business plan and to overcome stress scenarios.
- **Capital Risk** – The microbank's ability to meet capital adequacy requirements may be influenced by various factors, including those beyond the microbank's control, such as local currency instability, global and domestic economic downturns, increases in the risk weights of risk-weighted assets involved in capital adequacy calculation, as well as internal factors such as the ability to raise capital, losses caused by deterioration in asset quality and/or growth in risk-weighted assets, and/or a decrease in income and/or an increase in expenses, and amortization of subordinated loans (Tier 2 capital), especially if they cannot be replaced in a timely manner. Compliance with capital adequacy regulatory requirements is constantly

monitored by the Financial Department of the microbank and, when necessary, is reported to the Board of Director to ensure prudent management and responsive actions.

- **Interest Rate Risk** may arise due to mismatches in the maturities of assets and liabilities or due to their repricing. A decrease in the net interest income of the microbank may lead to reduced profitability. High competition in the local financial sector may also cause interest rates to fall, thereby reducing the bank's profitability. At the same time, the cost of funding is largely exogenous and is determined by conditions in both the local and international markets. The cost of attracted funds is also influenced by hedging rates (an increase in these rates may materially affect the interest margin and profitability of the microbank). Interest rate risk monitoring is carried out by the Treasury and Cashless Settlement Department. Information on the management and reporting of interest rate risk is periodically submitted to the Board of Director and the Supervisory Board;
- **Market Risk** – The microbank's strategy does not include trading in financial instruments or investing in commodities; therefore, the only market risk it faces is foreign exchange risk. Given Georgia's strong dependence on foreign currency and the microbank's policy of issuing loans exclusively in GEL, exchange rate fluctuations may significantly affect the microbank's financial position. The microbank sets internal limits for the total open foreign currency position, which include limits defined by regulations. The Treasury and Cashless Settlement Department is responsible for daily monitoring of the total open foreign currency position to ensure compliance with the set limits and, in the case of any breach, to immediately report to the Board of Director for resolution. If the total open currency position limit is exceeded, the microbank carries out balancing foreign exchange operations immediately, or by the end of the operational day at the latest, to restore compliance. Additionally, the microbank calculates the total open currency position daily for each foreign currency and submits the required reports to the National Bank of Georgia in accordance with established procedures and frequency. A monthly report on compliance with these limits is submitted to the Board of Director and periodically to the Supervisory Board. Currency risk monitoring and reporting at the microbank level are conducted on a monthly basis.
- **Credit Risk** – Due to the nature of the microbank's core operations, credit risk is inherent to its business. This risk arises when one party to a financial transaction fails to fulfill its obligation, resulting in financial loss to the counterparty. Credit risk exposures arise from the microbank's lending activities and other transactions with partners that lead to financial assets and off-balance sheet credit-related commitments. Credit risk is one of the most critical risks for both microbanks and supervisory authorities. The microbank's credit strategy focuses on creating a diversified and profitable loan portfolio while maintaining the highest possible quality. The Credit Risk Department is responsible for developing appropriate policies and procedures, ensuring that individual transactions are within acceptable risk limits, detecting and monitoring risks in the portfolio in a timely manner, and collaborating closely with the problem asset management and valuation teams. The department reports to the Board of Director on a monthly basis.
 - **Borrower Default Risk:** The Credit Risk Department establishes credit risk criteria for each product based on responsible lending standards. The Credit Committee assesses each borrower's compliance with these criteria and analyzes their creditworthiness before making lending decisions.
 - **Collateral Risk:** To mitigate credit risks, the microbank actively utilizes various types of collateral. The market value of accepted collateral is determined in accordance with Georgian legislation and international valuation standards. The Valuation Team continuously monitors market trends related to loan collateral. For retail loans, the microbank strictly adheres to PTI and LTV ratios as required by regulation, based on the client's creditworthiness analysis. This further reduces credit risk in case of a decrease in real estate prices. For business loans, the microbank strictly adheres to DSCR and LTV ratios set by internal policies and regulations, based on creditworthiness assessments, which helps reduce credit risk in the event of real estate devaluation.
 - **Foreign Exchange Risk:** In accordance with regulatory requirements, the microbank issues loans only in GEL. The share of borrowers who earn the majority of their income in foreign currency is low; therefore, the foreign exchange risk within the credit portfolio is immaterial.

- **Concentration Risk:** According to the Law on Microbank Activities, the maximum loan amount per borrower or group of related borrowers is GEL 1,000,000. This requirement reduces concentration risks in the microbank's loan portfolio and supports portfolio diversification. Additionally, to manage concentration risk, the microbank sets internal limits relative to its Tier 1 capital for:
 - Exposures to commercial banks/microbanks or related borrower groups that include one or more commercial banks/microbanks;
 - The total amount of all large exposures;
 - The total exposure to related parties, including the parent and/or subsidiary microbank.
- **Market Risk:** The microbank continuously monitors market conditions and analyzes market changes to assess its position under adverse economic developments. The Credit Risk Department regularly analyzes the quality of the loan portfolio, enabling early identification of potential changes in borrowers' creditworthiness and determining necessary corrective actions to minimize potential losses and risks. The microbank's loan portfolio is structurally diversified by customer type, product type, and segment, which minimizes credit risk at the institutional level.
- **Macroeconomic Environment Risk** – Since macroeconomic risks are external in nature and beyond the Microbank's control, the only viable way to manage them is through stress testing and capital and liquidity planning. The Microbank conducts stress tests related to macroeconomic risks to ensure adequate capital planning. In addition, the Treasury and Cashless Settlements Department monitors macroeconomic developments based on careful and repeated observations of economic events in Georgia and neighboring countries, aiming to identify early warning signals of potential economic risks in a timely manner. Identified risks are then reflected in specific action plans.
- **Compliance Risk** – Compliance risk is defined as the risk of regulatory or legal sanctions, material financial loss, or reputational damage that may result from the Microbank's failure to comply with applicable laws, regulations, rules, codes of conduct, or ethical standards. To ensure regulatory compliance, the Microbank has established a dedicated compliance function, which ensures full alignment with regulatory requirements. The Compliance Group, which operates within the Legal Department, is responsible for identifying, assessing, monitoring, and periodically reviewing compliance risks. Where possible, the Microbank actively participates in the legislative development process through constructive dialogue with regulators. The monitoring of financial covenants defined by loan agreements with local commercial banks and international financial institutions, as well as periodic regulatory reporting and oversight of compliance with financial ratios, is carried out by the Treasury and Cashless Settlements Department in coordination with the Financial Reporting Department.
- **Financial Crime Risk** – The means and methods of committing financial crimes are constantly evolving, which, in turn, leads to continuous changes in regulatory and supervisory requirements related to financial crime risk management. The Microbank's internal regulatory framework for combating money laundering and terrorism financing is designed to ensure compliance with both local legislation and international standards (including FATF recommendations, EU directives, and international financial sanctions programs). Once a year, an organizational ML/TF risk assessment is conducted across the Microbank, based on the procedures outlined in the "ML/TF Organizational Risk Assessment Methodology." Implementation of the internal regulatory framework for AML/CFT at the Microbank level is the responsibility of the Operational Risk and AML Department, while its regular oversight is ensured by Internal Audit.
- **Human Capital Risk** – The Microbank places special emphasis on its human capital management strategies and policies, which include approaches for attracting, retaining, and developing qualified staff. It offers employees a competitive salary and a comprehensive benefits package. The Human Resources and Corporate Sustainability Department regularly conducts employee satisfaction surveys aimed at increasing employee engagement and satisfaction.
- **Reputational Risk** – To mitigate reputational risks and maintain a positive brand image, the Microbank's Marketing Department constantly monitors media outlets operating in the Georgian market. This enables the identification of any factors that may pose a reputational risk in a timely manner and facilitates appropriate actions to neutralize or mitigate such risks. The Marketing Department is responsible for the

ongoing monitoring of reputational risks, ensuring timely reporting to the Board of Director and Supervisory Board, and developing/implementing action plans to address such risks. To build and maintain a positive image and reputation for the company, the Marketing Department regularly carries out various initiatives, including the placement of positive content in leading media outlets.

- **ESG Risk** – The Microbank incorporates environmental and social considerations into its operations. Specifically, during credit and risk assessment processes, the Microbank does not finance activities that harm the environment, pose ecological pollution threats, or negatively affect culturally significant heritage sites. It also identifies potential direct impacts on the environment and society and implements various environmental and social projects as part of its corporate social responsibility initiatives.
- **Operational Risk** Based on underlying events, operational risk is divided into four main categories: 1. People; 2. Processes; 3. Systems; 4. External Factors. The goal of operational risk management at the Microbank is to maintain operational risks at an acceptable level, taking into account the nature of the Microbank's activities, its markets, capital and liquidity positions, as well as the competitive economic and regulatory environment. To manage operational risk, the Microbank has implemented a comprehensive policy and procedural system that enables the effective distribution of roles and responsibilities related to operational risks across the three lines of defense. In line with this objective, the Operational Risk and AML Department carries out the second line of defense function. Specifically, this includes the identification, classification, registration, and assessment of operational risks; the development and implementation of risk mitigation and control mechanisms for identified risks; and the ongoing monitoring of these risks in cooperation with other structural units of the Microbank. The department defines operational risk prevention mechanisms, which are integrated into both banking systems and internal policies/procedures. It identifies and manages the likelihood and/or impact of risk events associated with the nature of operational risk, determines potential threats, and develops mitigation mechanisms. In addition, the department establishes and implements key risk indicators for material risks and, when necessary, revises approaches and oversees process controls. The internal audit's action plan consistently includes the evaluation of issues related to operational risk controls. The results are regularly reviewed at the level of the Supervisory Board or Audit Committee.

The Microbank regularly performs back-testing to compare risk limits, key indicators, and actual performance in order to assess the accuracy and effectiveness of risk management processes and, when necessary, to incorporate corrective actions. The control of compliance with risk limits and key thresholds—both under normal and stressed conditions—as well as the analysis of deviation causes and determination of corrective measures, is carried out by the risk-owning and risk-controlling structural units.

Compliance with the risk appetite is under constant monitoring. Control functions regularly monitor applicable limits, depending on the type of limit. The Board of Director receives monthly reports on quantitative compliance with the risk appetite, while the Supervisory Board is presented, at least once a year, with a report on the consistency between the risk appetite level and the organization's risk profile. The report also includes an analysis of the causes of any breaches (if any), an assessment of the duration of the breach, and the corrective actions to be taken.

3.1. Code of Ethics (A Tool for Communicating, Mitigating, and Enforcing Risk Culture)

Since its establishment, a Code of Ethics has been in place at MBC, outlining the core values and standards of behavior upon which the company's daily operations are based. The purpose of this Code is to promote corporate conduct aligned with international standards, prioritizing universally recognized moral principles and ethical norms in the course of business activities.

Adherence to and compliance with the principles set forth in the Code is mandatory for all employees. Oversight of its enforcement is carried out on a regular basis by the Supervisory Board. The Code of Ethics is made available to every employee during the initial onboarding process as well as throughout all stages of their professional responsibilities.

4. Key Capital Indicators

MBC's supervisory capital consists of the aggregate of the following components: Tier 1 capital, which itself includes Common Equity Tier 1 and Additional Tier 1 capital, and Tier 2 capital (subordinated/liquidation capital).

The table below presents the minimum capital requirements for Microbank as set out under Basel III:

Minimum Requirements	2024	
Pillar 1 Requirements	Amount (₺)	Ratio
Common Equity Tier 1 (CET1)	6,120,214	4.50%
Tier 1 Capital	8,160,285	6.00%
Total Supervisory Capital	10,880,380	8.00%
Combined Capital Buffer	3,740,131	2.75%
Capital Conservation Buffer	3,400,119	2.50%
Countercyclical Buffer	340,012	0.25%
Systemic Risk Buffer	-	0.00%
Pillar 2 Requirements (Supervisory Capital)		
Total CET1 Capital Requirement	12,796,306	9.41%
Total Tier 1 Capital Requirement	15,482,400	11.38%
Total Supervisory Capital Requirement	19,052,524	14.01%

Actual Figures (₺)	2024
Common Equity Tier 1	15,593,255
Tier 1 Capital	22,582,485
Total Supervisory Capital	25,859,368
Risk-Weighted Assets (RWA)	136,004,749
Supervisory Capital to RWA Ratio	19.01%

Until December 2024, MBC operated under the legal form of a microfinance organization and complied with capital adequacy requirements set for microfinance institutions.

As of December 2024, upon receiving a microbank license, MBC has met the capital adequacy requirements applicable to microbanks and, taking all buffer requirements into account, maintains a high level of capital adequacy.

5. Remuneration Policy

The remuneration system implemented at MBC is based on the principles of transparency, fairness, equality, independence, and competitiveness.

To prevent conflicts of interest and maintain the independence of control functions, employee remuneration is not linked to the financial results of the business lines they audit or monitor.

Microbank actively engages in researching advanced best practices to attract resources with sufficient qualifications, skills, and experience, to implement a competitive HR policy, to encourage risk-aware behavior, and to establish a sound corporate governance system.

The company's employee remuneration system, considering qualifications and organizational responsibilities, includes both fixed and variable components. The remuneration system aligns with Microbank's long-term business strategy, risk culture, risk appetite, operations, control environment, and legal/supervisory requirements.

An employee's fixed remuneration is determined by their employment agreement, while variable remuneration is based on performance during the relevant evaluation period and is calculated according to pre-established quantitative and qualitative criteria approved by the Directorate, in accordance with Microbank's internal instruction regulating variable remuneration.

Remuneration for members of the Supervisory Board corresponds to their level of involvement, responsibilities, effort, and time commitment, and consists solely of fixed compensation.

The Supervisory Board approves the company's "Remuneration Policy," which defines the current remuneration system, related control functions, forms of remuneration, and guiding principles.

The Directorate is responsible for the effective functioning of the remuneration system and ensuring its alignment with Microbank's operations, risk strategy, objectives, values, applicable laws, and supervisory requirements.

The administration of the remuneration system defined by the "Remuneration Policy," including planning and initiating changes, is managed by Microbank's Human Resources Management and Corporate Sustainability Department.

Internal Audit, in coordination with relevant structural units of Microbank, ensures the monitoring of the effectiveness of remuneration management and its compliance with regulatory requirements.

Employment Policy

At Microbank, the process of employee selection for vacant positions is conducted in accordance with the requirements of the Labor Code of Georgia and is based on the principles of fairness and equality.

In its recruitment process, MBC unconditionally upholds the principle of equal opportunity, ensuring a fair, objective, and inclusive selection process for all candidates. Selection is based solely on educational background, professional qualifications, and relevance to the specific position requirements.

To ensure that vacant positions are filled with qualified personnel, the procedures, forms, stages, and decision-making timelines for employee selection are regulated in detail by Microbank's "Instruction for Employee Selection for Vacant Positions."

The company aims to attract development-oriented talent and create a working environment where every employee feels safe, accepted, and valued.

To this end, MBC actively collaborates with various universities and vocational institutions, regularly participates in job fairs, and conducts targeted marketing campaigns.

6. Organizational Culture and Values

The team of employees is MBC’s most valuable asset. It is the people who create the organizational culture, values, and outcomes upon which the company stands and whose development is actively nurtured every day.

To strengthen organizational culture, the company’s top management maintains regular and active communication with employees at all levels. This engagement includes both online formats and in-person meetings and team gatherings (teambuilding events).

To monitor and analyze employee sentiment, the company regularly conducts various surveys. In 2024, the Employee Net Promoter Score (eNPS) reached 39%, indicating a high level of employee satisfaction and loyalty, and further highlighting the effectiveness of the company’s efforts in creating a healthy and productive work environment.

To foster a strong corporate culture and continuous employee development, the company organizes a range of activities, including:

Teambuilding

Teambuilding activities at MBC aim to foster strong interpersonal connections, deepen mutual trust, and cultivate a unified team spirit. These events are conducted in various formats – both offsite and in-house. Each event brings employees together around a common goal and helps create an environment that enhances motivation, engagement, and a culture of collaboration.

Chess Tournament

MBC places special importance on strengthening team spirit and promoting a culture of intellectual recreation among employees. In this spirit, a company-wide internal chess tournament was held in 2024. The winner of the tournament received a special prize awarded by the company.

Table Tennis Tournament

An internal table tennis championship was held at the company, where employees competed in an Olympic-style bracket format. Winners were awarded certificates and special prizes for first, second, and third places.

Children’s Day at MBC

To celebrate International Children’s Day, the company organized a warm and joyful event. MBC welcomed employees and their children to a green outdoor space, where young guests enjoyed time with their parents—playing games, dancing, taking memorable photos, and experiencing a day full of positive emotions.

MBC Talk

MBC Talk is a series of lecture-style sessions aimed at inviting interesting individuals and professionals from various fields to speak with employees. These sessions are characterized by an informal, warm, and dynamic atmosphere that encourages active engagement, dialogue with the speaker, knowledge sharing, and enjoyable relaxation. MBC Talk provides a unique space for professional development, inspiration, and the exchange of new ideas.

7. Environmental, Social, and Governance (ESG) Issues

We firmly believe that a successful business cannot exist without responsibility for the well-being of society and the environment. That is why Microbank (MBC) constantly strives to improve its impact and play a vital role as a catalyst for positive change.

We are fully aware of our influence on all stakeholders – society, the environment, employees, and partners – and aim to manage this process in a deep, professional, and results-oriented manner. Our primary objective is to minimize any potential negative impact and to strengthen the company’s positive contribution to society and the environment.

At MBC, the Supervisory Board is responsible for the effective implementation of corporate sustainability and ESG (Environmental, Social, and Governance) factors, as well as ensuring their alignment with the microbank’s long-term business strategy.

The responsibility for developing, implementing, and managing corporate sustainability strategies, related approaches, and policies – including effective management of social and environmental risks in financing processes – lies with the Management Board.

Moreover, the daily management of issues related to corporate sustainability and ESG factors is overseen by the Operations Department, specifically the Human Capital Management and Corporate Sustainability Group, which reports to the Chief Operating Officer.

The principles and structure of managing sustainable development and ESG issues are reflected in MBC’s internal documents and management procedures. The list of such documents includes, but is not limited to: the Code of Ethics, the Personal Data Protection Policy, the Anti-Money Laundering and Counter-Terrorism Financing Policy, the Risk Management Policy, and others.

This year, MBC continues to actively work in the direction of sustainable management and aims to further refine and improve its activities. In this context, the company plans to develop an ESG Risk Management Policy, implement an ESG Risk Management Framework, and integrate it into the existing risk management system.

Anti-Money Laundering and Counter-Terrorism Financing Policy

In line with its ethical principles, as well as the applicable legislation and regulatory requirements of Georgia, MBC considers the prevention of money laundering and terrorism financing as a top priority in its daily operations.

To effectively implement this objective, the organization has adopted a policy to support the prevention of money laundering and terrorism financing, which ensures the development of a control system, identification, analysis, management, and mitigation of risks related to money laundering and terrorism financing.

All MBC employees are required to undergo anti-money laundering training within the first three months of employment. Additionally, at least once a year, training is conducted for employees whose functional duties include establishing business relationships, carrying out payment transactions, assessing credit risks, or ensuring compliance control.

Through the actions taken in the field of anti-money laundering and counter-terrorism financing, MBC contributes to the achievement of the Sustainable Development Goals, particularly Goal 16: Peace, Justice, and Strong Institutions.

Pro Bono Marathon

On April 17, 2024, MBC participated in the annual Pro Bono Marathon organized by the “Pro Bono Network Georgia.”

Within the framework of the marathon, the company assisted the Kakheti Regional Development Center. Specifically, MBC’s marketing team worked on the center’s communication campaign and visual concept – creating visual and textual materials for social media and other communication channels, as well as designing

various types of print files.

The marathon brought together 29 pro bono consultants from 9 companies, and in total, communication campaigns were planned for 7 social enterprises.

Pro Bono Champion

MBC's graphic designer, Mariam Papuashvili, won the "Pro Bono Champion 2023" award, organized by the Pro Bono Network Georgia and the Center for Strategic Research and Development of Georgia.

The champion was selected based on the number of hours dedicated to pro bono work and the number of projects completed in this area.

Over the past year, Mariam Papuashvili donated approximately 100 hours of professional work for the benefit of the community.

MBC has been a member of the Pro Bono Network Georgia since 2018 and has been actively involved in supporting social enterprises and various community organizations within the framework of corporate responsibility.

Support for Financial Education

Global Money Week – Financial Lessons

As part of Global Money Week, MBC ambassadors visited 8 different schools across Georgia and delivered engaging and informative lessons on saving money to nearly 250 students.

The fun activity was attended by students from grades III to X in Zugdidi, Gori, Lagodekhi, Telavi, and Tbilisi.

The key themes of the lessons included the history of money, the safety of financial savings, principles of smart spending, and other important financial topics.

Georgia participates annually in Global Money Week along with more than 170 countries. The initiative is carried out by the National Bank of Georgia and the educational platform "Finedu." Its goal is to raise awareness among youth and children about saving money.

Competitions

MBC supported the video competition "Youth on Finance and Entrepreneurship," initiated by the National Bank of Georgia and the financial education portal "Finedu."

The competition was dedicated to Youth Day and aimed to promote financial literacy and entrepreneurial skills among young citizens.

On September 27, 2024, the final event of the video competition took place at the National Bank of Georgia.

Winners were announced – three selected by the jury and one as the public's favorite.

MBC employees were part of the competition's jury alongside representatives of other financial institutions.

MBC awarded two winners – third-place winner Vache Charkviani and the public's favorite Tamar Qalabegashvili – with monetary prizes of 500 GEL each.

Support for Social Enterprises

MBC continues to support social enterprises. Each year, the company provides both financial and non-financial support to the "Actio" Foundation, which aims to foster the development of the social economy in Georgia by supporting social entrepreneurship.

The foundation's goal is to strengthen social enterprises in terms of economic, social, and environmental impact.

In 2024, with MBC's involvement, the foundation supported the following social enterprises and contributed to their growth:

Social Enterprise "Dediko"

"Dediko" offers single mothers and women caring for elderly parents the opportunity to live a dignified life through employment, acquiring new skills, and promoting personal development.

The idea for "Dediko" emerged during the COVID-19 pandemic, which affected nearly all segments of society – especially vulnerable groups. Single mothers were particularly impacted, as they had to cope with challenges mostly on their own.

"Dediko" not only provided them with job opportunities and training in new professions, but also offered a flexible work schedule and environment tailored to their needs.

In 2024, the enterprise expanded its target group to include middle-aged women caring for elderly or disabled parents.

As part of the "Actio"-supported project, "Dediko" plans to expand its economic activities and increase social impact. The enterprise aims to purchase new equipment, develop new product lines, and launch an online store.

Support from "Actio" included:

- A grant of €31,600;
- An interest-free loan of €10,000.

Social Enterprise "Chempi"

The innovative idea of producing apple chips was born among three friends at the Agricultural University of Georgia. They built a small drying device by hand and created the first prototype of their healthy snack – apple chips.

After an extensive phase of testing and experimentation, the enterprise was officially established in 2016.

"Chempi's" mission is to support the socio-economic development of border villages in the Gori district (near the occupation line) and promote zero-waste production through the creation of innovative, healthy snacks.

On the one hand, "Chempi" supports women's employment in the enterprise, and on the other, helps the development of local farms by purchasing their produce. Additionally, "Chempi" actively works on advancing zero-waste production.

As part of the "Actio"-supported project, "Chempi" plans to expand both economic activities and social outcomes. The enterprise aims to purchase new drying equipment, which will increase productivity and expand sales in local and international markets.

Support from "Actio" included:

- A grant of €40,000;
- An interest-free loan of €10,000.

Social Enterprise "Tene"

"Tene's" mission is to fight plastic pollution and raise public awareness on environmental issues. "Tene" is the first eco-friendly USB charger producer in Georgia, using recycled single-use plastic in its manufacturing process.

In addition to USB cables, "Tene" constantly develops new eco-friendly innovations, such as cup collectors, reverse vending machines for bottles, and more.

With investment from "Actio," "Tene" will be able to improve and expand its waste management system. As a result, the number of collection and distribution points will increase, and plastic collection opportunities will expand beyond Tbilisi to other cities in Eastern and Western Georgia.

Support from "Actio" included:

- A grant of €40,000;
- An interest-free loan of €9,990.

UN Climate Change Conference (COP29)

On November 14, 2024, MBC's Risk Director, Nino Devdariani, participated in a panel discussion at the 29th Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change.

The panel topic was "Trends in Sustainable Finance – An Eastern European Perspective."

The session covered the growing role of sustainable finance in Eastern Europe, the importance of active participation by the financial sector, and future plans.

The discussion was hosted by the UN Global Compact Network Georgia in partnership with the networks of Turkey, Azerbaijan, and Ukraine.