LION FINANCE GROUP

LION FINANCE GROUP PLC

2Q26 and 1H26 Results

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Contents

2Q26 and 1H26 consolidated unaudited results

Lion Finance Group PLC announces its unaudited consolidated financial results for the second quarter and first half of 2026 (2Q26 and 1H26). Unless otherwise noted, 2Q26 results are compared year-on-year with 2Q25 and quarter-on-quarter with 1Q26; 1H26 results are compared year-on-year with 1H25.

The results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the United Kingdom and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, are unaudited and derived from management accounts.

Earnings call on 11 August 2026, 14:00 BST

https://zoom.us/webinar/register/WN_b53Fng5JQpCgH4DzOI8GeA

Webinar ID: 972 5414 7641 | **Passcode:** 331608

Segmentation guide

The Group's results are presented by the following Business Divisions: 1) Georgian Financial Services **(GFS)**, 2) Armenian Financial Services **(AFS)**, and 3) **Other Businesses.**

- **GFS** mainly comprises JSC Bank of Georgia and the investment bank JSC Galt and Taggart.
- **AFS** includes Ameriabank CJSC.
- **Other Businesses** includes JSC Belarusky Narodny Bank (BNB), which serves retail and SME clients in Belarus; JSC Digital Area, a digital ecosystem in Georgia including e-commerce, ticketing, and inventory management SaaS; Lion Finance Group PLC, the holding company; and other small entities and intragroup eliminations.

Customer franchise expansion across core markets drives continued growth momentum

- **Consolidated 2Q26 profit of GEL 618.8 million (+20.6% y-o-y) and 1H26 profit of GEL 1,203.8m (+17.3% y-o-y)**
- **2Q26 dividend of GEL 3.05 per share, bringing 1H26 dividend to GEL 5.90 per share, up 15.7% y-o-y; with a further GEL 59.0m share buyback and cancellation programme.**

Archil Gachechiladze, CEO of Lion Finance Group, said: "*Our results for the first half reflect a business performing with a real momentum. In Georgia, although our franchise has already reached significant scale, customer engagement continues to deepen - Daily Active Users surpassed 1 million for the first time, up 20.0% year-on-year, with the loan book growing 17.1% y-o-y. In Armenia, we are growing well ahead of both the market and our own guidance, with the loan book up 36.8% year-on-year in constant currency, and Retail Digital MAU surging 47.0% year-on-year, as we scale the franchise and gain market share in one of the region's most dynamic economies.*"

Group performance highlights

- A growing active customer base and larger balance sheet supported a **19.6% y-o-y** increase in operating income before cost of risk to **GEL 1,551.4m** in 1H26, with profit up **17.3% y-o-y** to **GEL 1,203.8m** and a half-year ROAE of **27.2%.**
- Bank of Georgia's Retail Digital MAU grew **13.3% y-o-y** to **1,922.1** thousand individuals, while Retail Digital DAU surpassed 1 million for the first time, up 20.0% y-o-y, reflecting continued deepening of customer engagement across our Georgian franchise.
- Ameriabank's Retail Digital MAU surged **47.0% y-o-y** to **392.1** thousand individuals, while Retail Digital DAU grew 58.3% y-o-y to 174.2 thousand individuals, underscoring the accelerating momentum of our Armenian retail franchise.
- The Group's loan book reached **GEL 44,429.0m** as at 30 June 2026, **up 23.0% y-o-y** in constant currency (cc). The growth was fuelled by loan book expansion across both the Georgian (GFS) and Armenian (AFS) operations, which recorded year-on-year cc increases of 17.1% and 36.8%, respectively.
- Client deposits and notes totalled **GEL 43,664.8m** as at 30 June 2026, reflecting a **26.8% y-o-y increase** in cc. GFS deposits rose by 24.2% y-o-y, partly elevated by Ministry of Finance deposits; excluding these, growth stood at 18.4% y-o-y, driven by continued strong growth across the board. AFS deposits grew by 37.1% y-o-y, with broad-based growth across both retail and corporate segments.
- The Group maintained healthy asset quality, with the cost of credit risk ratio at **0.6%** in 2Q26 (0.5% in 2Q25) and **0.5%** in 1H26 (0.4% in 1H25), while the NPL ratio stood at **2.1%** as at 30 June 2026 (1.9% as at 30 June 2025).
- Net operating income was up **19.5% y-o-y to GEL 1,241.6m** in 2Q26 and up **17.3% y-o-y to GEL 2,366.5m** in 1H26. The annual top-line growth was primarily driven by net interest income generated by both GFS and AFS, complemented by net fee and commission income generation across both operations.
- Group NIM reached **6.3%** in both 2Q26 and 1H26, expanding 20 bps and 30 bps y-o-y respectively, with the improvement driven by a strong NIM performance at GFS – where margins widened by 40 bps y-o-y in both periods to reach **6.4%** in 2Q26. On a q-o-q basis, GFS's NIM was up 10 bps, while that of AFS held steady at **6.0%.**
- The Group's operating expenses increased by **12.8% y-o-y** to **GEL 426.7m** in 2Q26 and by **13.2% y-o-y** to **GEL 816.1m** in 1H26. The y-o-y growth was driven primarily by GFS, which saw expenses rise by 13.9% y-o-y in 2Q26 and 15.2% y-o-y in 1H26, mainly driven by higher staff costs and administrative costs (see details on page 9).
- The effective tax rate, which stood at 17.6% in 2Q26 for the Group, was impacted by an additional tax charge attributable to dividends received from Ameriabank; excluding this item, the normalised effective tax rate would have been 16.5%, broadly in line with the prior quarter.
- Capital adequacy and liquidity positions for both Bank of Georgia and Ameriabank remained comfortably above the minimum regulatory requirements (for details, see pages 10 and 13).

CEO statement

The Group delivered another set of strong results in the second quarter and first half of 2026, with profit of GEL 618.8m, up 20.6% year-on-year for the second quarter, and GEL 1,203.8m for the first half, an increase of 17.3% year-on-year, with a return on average equity of 27.1% for 2Q26 and 27.2% for the half year. Our book value per share grew 24.8% year-on-year to GEL 220.69, and the Group loan book expanded 23.0% year-on-year in constant currency, underpinned by the deepening customer relationships and digital engagement that define our franchises in both markets.

In Georgia, although our franchise has already reached significant scale, it continues to deepen. Over one million customers now open our app every single day, up 20.0% year-on-year, and 73% of retail products are sold through digital channels. When customers are this close to us, the relationship compounds: we know them better, we lend more confidently, and we earn their deposits. The result is a loan book growth of 17.1% year-on-year in constant currency, delivered alongside a strong loan yield and healthy asset quality.

In Armenia, Ameriabank is scaling rapidly. 75.2% of our monthly active customers are now digitally engaged, up nearly 10 percentage points year-on-year, with Retail Digital Monthly Active Users surging 47.0% year-on-year to over 392 thousand individuals. Market share gains continued across both loans and deposits, and the loan book grew approximately 36.8% year-on-year in constant currency, well ahead of our target for Armenia.

Together, these two franchises are delivering loan book growth of 23.0% year-on-year at the Group level (in constant currency), well ahead of our c.15% blended target, with the cost of credit risk remaining healthy throughout - a combination that reflects both the quality of what we have built and the discipline with which we are growing it.

Reflecting our continued financial strength and commitment to delivering value to shareholders, the Board has today declared a quarterly dividend of GEL 3.05 per share in respect of 2Q26, bringing the cumulative 1H26 dividend to GEL 5.90 per share - up 15.7% year-on-year. The Board has also approved a further GEL 59.0m share buyback and cancellation programme.

Georgia and Armenia remain among the broader region's fastest-growing and most prudently managed economies – resilient, underpinned by strong macroeconomic fundamentals, and increasingly well-connected as the Middle Corridor gains strategic relevance. We have revised our full-year 2026 real GDP growth forecast for Georgia upward to 7.5%, reflecting stronger-than-expected performance in the first half of the year; in Armenia, we anticipate a stronger second half and forecast full-year growth of 5.5%. Both economies have demonstrated resilience to the recent escalation in the Middle East, thanks to their limited direct exposure to the region and well-diversified sources of external inflows. Financial deepening is ongoing, income convergence with Central and Eastern European peers continues, and the large-scale infrastructure investment pipeline in both countries reinforces a medium-term growth trajectory that extends well beyond near-term forecasts. Our established presence and market-leading franchises in both markets place us in an excellent position to benefit.

I want to thank our employees across different countries for their dedication to the success of our customers and, by extension, the success of the entire Group.

Archil Gachechiladze

CEO, Lion Finance Group PLC

10 August 2026

Our key targets for the medium term remain:

- c.15% annual growth of the Group's loan book.
- 20%+ return on average equity.
- 30-50% payout ratio (dividends and share buyback and cancellation programme).

Macroeconomic developments: Georgia

Sustained economic growth momentum

Georgia's economy maintained strong growth momentum in the first half of 2026, with real GDP expanding by 7.9% y-o-y, according to preliminary data, driven mainly by services and manufacturing. Reflecting stronger-than-expected first-half performance, we have revised our full-year real GDP growth forecast upward from 7.0% to 7.5%. The outlook is supported by sustained household consumption, resilient external inflows, and an expected rebound in public capital spending.

Ongoing tensions in the Middle East continue to pose downside risks, primarily through higher energy prices. However, the impact on Georgia's economic activity has been limited, reflecting low direct exposure to the region and diversified sources of external inflows. Moreover, Georgia's ample macroeconomic policy buffers enhance the economy's resilience to potential shocks.

Strong external flows

External inflows remained solid in 2Q26. The trade deficit continued to narrow as merchandise exports increased by 17.1% y-o-y, while imports rose only by 5.4% y-o-y. During the same period, international tourism revenues declined modestly by 3.8% y-o-y, with weaker inflows from the Middle East and South Asia partially offset by higher arrivals from the EU and neighbouring countries. Inbound money transfers also remained strong, rising by 8.4% y-o-y, with the largest contributions from the EU, the US, Russia, and Israel.

Appreciating GEL and record-high international reserves

In the first seven months of 2026, the Georgian Lari (GEL) appreciated by 2.5% against the US dollar. During the same period, it gained 5.0% against the Euro and 3.4% against the Pound Sterling. The appreciation of the Georgian Lari was underpinned by strong external inflows, continued deposit de-dollarisation, and rising non-resident holdings of Georgian government securities.

The National Bank of Georgia (NBG) stepped up its foreign currency purchases in mid-2026, lifting international reserves to a record high of USD 7.5 billion at the end of July 2026 (up 50.0% y-o-y). We expect the GEL to remain broadly stable in the medium term, supported by sound macroeconomic fundamentals and prudent policies.

Elevated inflation and moderately tight monetary policy

Inflation remained elevated in 2Q26, primarily driven by higher food and fuel prices. Headline CPI inflation rose to 5.8% y-o-y in June 2026, from 4.3% in March. Meanwhile, core inflation remained lower, indicating that underlying price pressures were more contained. We expect headline inflation to average 5.1% in 2026, remaining above the NBG's 3% target before returning to target next year.

The NBG raised its refinancing rate by 25 bps to 8.25% in May and has kept it unchanged since then. We expect the central bank to maintain a moderately tight monetary policy stance throughout 2026 to ensure that inflation expectations remain well anchored.

Strong fiscal discipline

Georgia's fiscal position remains strong, supported by sustained economic activity. In 2025, the fiscal deficit narrowed to 1.4% of GDP, reflecting stronger-than-expected economic growth and lower-than-planned capital expenditure. The fiscal deficit is budgeted at 2.0% of GDP in 2026, remaining consistent with fiscal sustainability. The government plans to reduce the debt-to-GDP ratio further from 34.4% at end-2025 to 33.0% by end-2026. The successful syndicated issuance of a GEL 400 million government bond in May underscored strong investor confidence in the country's macroeconomic stability and policy framework.

Healthy bank lending

The banking sector continues to demonstrate sound fundamentals, high liquidity, and strong capitalisation. Lending remained broadly in line with nominal economic activity, expanding by 14.5% y-o-y in 2Q26 on a cc basis, following growth of 14.9% in the previous quarter. Business and consumer lending continued to drive credit expansion. Loan dollarisation fell to 41.6% at end-June 2026, a 0.4pp decline quarter-on-quarter. Deposit dollarisation also declined further by 2.7pp over the same period to 43.8%.

More information on the Georgian economy and financial sector can be found at Galt & Taggart, the Group's investment banking and brokerage subsidiary.

Macroeconomic developments: Armenia

Sustained economic growth

The Armenian economy expanded by 4.0% y-o-y in 1Q26, reflecting a high base effect in financial services and some moderation in domestic activity ahead of the June parliamentary elections. Given the slightly weaker-than-expected first-quarter performance and the impact of Russia's import restrictions on selected Armenian agricultural products, imposed in stages since late May, we have revised our full-year 2026 real GDP growth forecast to 5.5% from 6.0%. Economic activity is expected to be supported by continued growth in services, ongoing fiscal stimulus, and the planned launch of a new gold mine this year, which should boost industrial output. The June Parliamentary elections reaffirmed the incumbent government's mandate, supporting broad policy continuity, including closer relations with the West.

The impact of Russia's import restrictions on Armenian agricultural products is expected to be partially offset by proposed trade liberalisation with the EU and targeted government support measures. The Armenian government has reaffirmed its commitment to maintaining economic cooperation with Russia and continued participation in the Eurasian Economic Union. Ongoing tensions in the Middle East pose additional downside risks. Nevertheless, their impact on Armenia's economy has remained limited, reflecting the country's low direct exposure to the region and diversified source of external inflows.

Overall, prudent macroeconomic management and broad policy continuity underpin Armenia's economic resilience. The medium-term growth outlook also carries significant upside potential from the historic 2025 peace accord with Azerbaijan and the normalisation of relations with Türkiye.

Resilient external inflows and strong Dram

Following the previous surge in re-exports of precious metals and stones, Armenia's external trade continued to normalise, with goods exports declining by 18.3% y-o-y and imports growing by 2.2% y-o-y in 2Q26. Russia's import restrictions on selected Armenian agricultural products also weighed on June exports. Other external inflows remained resilient, supported by strong growth in non-commercial money transfers (up 19.9% y-o-y) and international tourist arrivals (up 13.1% y-o-y).

Supported by these inflows and prudent macroeconomic policies, the Armenian Dram (AMD) appreciated by 4.0% against the US dollar in the first seven months of 2026. Over the same period, it gained 1.5% against the GEL. The Central Bank of Armenia (CBA) continued its foreign exchange purchases, increasing gross international reserves to a record high of USD 6.2 billion at end-July 2026 (up 52.1% y-o-y).

Elevated inflation and neutral monetary stance

Inflation remained elevated in 2Q26, driven mainly by higher food prices. Headline CPI reached 5.1% y-o-y in June 2026, up from 4.5% in March. Importantly, inflation expectations appear to remain well anchored, as reflected in lower inflation for non-food goods and services. The CBA has kept its policy rate unchanged at 6.5% since the beginning of the year and is expected to maintain this rate through 2026, reflecting a broadly neutral monetary policy stance.

Continued fiscal expansion

Fiscal policy is set to remain growth-supportive in 2026, with the deficit planned to widen to 4.0% of GDP from 3.7% in 2025. Despite higher public spending, strong tax revenue growth is expected to limit the increase in government debt to 48.7% of GDP by end-2026, up from 47.2% at end-2025. The country's IMF Stand-By Arrangement continues to provide an important anchor for fiscal discipline.

Sound banking sector

The Armenian banking sector remains sound, with strong capital and liquidity buffers. Bank lending grew by an estimated 22.1% y-o-y in 2Q26 on a cc basis, following a 21.1% growth in the previous quarter. Consumer and business lending were the primary drivers of credit expansion. Loan dollarisation in Armenia increased to 36.1% at end-June 2026 from 35.0% the previous quarter, largely driven by legal entity loans. Meanwhile, deposit dollarisation continued to decrease, reaching 42.3%, down 1.1pp q-o-q.

2Q26 and 1H26 unaudited consolidated results*

GEL thousands	1H26 Group	1H26 GFS	1H26 AFS	1H26 Other	1H25 Group	1H25 GFS	1H25 AFS	1H25 Other
INCOME STATEMENT HIGHLIGHTS								
Interest income	3,026,585	2,136,031	816,131	74,423	2,536,548	1,859,625	624,307	52,616
Interest expense	(1,317,768)	(940,471)	(336,417)	(40,880)	(1,114,707)	(847,328)	(236,486)	(30,893)
Net interest income	**1,708,817**	**1,195,560**	**479,714**	**33,543**	1,421,841	1,012,297	387,821	21,723
Net fee and commission income	382,513	312,839	63,065	6,609	302,133	250,466	44,392	7,275
Net foreign currency gain	296,377	163,379	78,593	54,405	298,191	174,051	71,870	52,270
Regulatory-related expenses	(37,590)	(26,906)	(7,181)	(3,503)	(31,600)	(24,835)	(5,400)	(1,365)
Other expenses	(4,408)	-	(4,408)	-	(3,144)	-	(3,144)	-
Net other income	20,772	6,583	6,205	7,984	29,362	21,965	3,530	3,867
Net operating income	**2,366,481**	**1,651,455**	**615,988**	**99,038**	2,016,783	1,433,944	499,069	83,770
Salaries and other employee benefits	(513,687)	(290,077)	(187,852)	(35,758)	(453,104)	(245,938)	(177,372)	(29,794)
Administrative expenses	(172,765)	(118,217)	(31,048)	(23,500)	(155,328)	(104,197)	(34,086)	(17,045)
Depreciation, amortisation and impairment	(123,884)	(76,359)	(32,804)	(14,721)	(105,260)	(69,398)	(29,958)	(5,904)
Other operating expenses	(5,754)	(2,899)	(2,146)	(709)	(6,994)	(3,707)	(2,612)	(675)
Operating expenses	**(816,090)**	**(487,552)**	**(253,850)**	**(74,688)**	(720,686)	(423,240)	(244,028)	(53,418)
Profit from associates	990	990	-	-	736	736	-	-
Operating income before cost of risk	**1,551,381**	**1,164,893**	**362,138**	**24,350**	1,296,833	1,011,440	255,041	30,352
Cost of risk	(103,300)	(74,067)	(26,639)	(2,594)	(77,709)	(63,838)	(13,940)	69
Profit before income tax expense	**1,448,081**	**1,090,826**	**335,499**	**21,756**	1,219,124	947,602	241,101	30,421
Income tax expense	(244,288)	(165,755)	(63,026)	(15,507)	(192,813)	(132,683)	(49,796)	(10,334)
Profit	**1,203,793**	**925,071**	**272,473**	**6,249**	1,026,311	814,919	191,305	20,087

GEL thousands	2Q26	2Q25	Change y-o-y	1Q26	Change q-o-q	1H26	1H25	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net interest income	886,203	727,480	21.8%	822,614	7.7%	1,708,817	1,421,841	20.2%
Net fee and commission income	199,871	158,305	26.3%	182,642	9.4%	382,513	302,133	26.6%
Net foreign currency gain	166,253	152,597	8.9%	130,124	27.8%	296,377	298,191	-0.6%
Net other income	(19,219)	(16,172)	18.8%	(18,371)	4.6%	(37,590)	(31,600)	19.0%
Regulatory-related expenses	(2,334)	(1,722)	35.5%	(2,074)	12.5%	(4,408)	(3,144)	40.2%
Other expenses	10,794	18,077	-40.3%	9,978	8.2%	20,772	29,362	-29.3%
Net operating income	**1,241,568**	**1,038,565**	**19.5%**	**1,124,913**	**10.4%**	**2,366,481**	**2,016,783**	**17.3%**
Operating expenses	(426,654)	(378,227)	12.8%	(389,436)	9.6%	(816,090)	(720,686)	13.2%
Profit from associates	604	465	29.9%	386	56.5%	990	736	34.5%
Operating income before cost of risk	**815,518**	**660,803**	**23.4%**	**735,863**	**10.8%**	**1,551,381**	**1,296,833**	**19.6%**
Cost of risk	(64,460)	(50,796)	26.9%	(38,840)	66.0%	(103,300)	(77,709)	32.9%
Profit before income tax expense and one-off items	**751,058**	**610,007**	**23.1%**	**697,023**	**7.8%**	**1,448,081**	**1,219,124**	**18.8%**
Income tax expense	(132,253)	(96,760)	36.7%	(112,035)	18.0%	(244,288)	(192,813)	26.7%
Profit	**618,805**	**513,247**	**20.6%**	**584,988**	**5.8%**	**1,203,793**	**1,026,311**	**17.3%**
Basic earnings per share	**14.52**	**11.89**	**22.1%**	**13.72**	**5.8%**	**28.24**	**23.70**	**19.2%**
Diluted earnings per share	**14.39**	**11.75**	**22.5%**	**13.61**	**5.7%**	**27.98**	**23.44**	**19.4%**

BALANCE SHEET HIGHLIGHTS	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Liquid assets	18,881,978	16,333,288	15.6%	16,530,688	14.2%
Cash and cash equivalents	*5,046,754*	*4,022,221*	*25.5%*	*3,440,364*	*46.7%*
Amounts due from credit institutions	*3,777,016*	*3,194,606*	*18.2%*	*3,764,046*	*0.3%*
Investment securities	*10,058,208*	*9,116,461*	*10.3%*	*9,326,278*	*7.8%*
Loans to customers, finance lease and factoring receivables	44,429,043	36,530,447	21.6%	41,881,946	6.1%
Property and equipment	622,402	578,502	7.6%	616,135	1.0%
All remaining assets	1,887,116	1,649,833	14.4%	1,953,033	-3.4%
Total assets	**65,820,539**	**55,092,070**	**19.5%**	**60,981,802**	**7.9%**
Client deposits and notes	43,664,753	34,789,736	25.5%	39,699,016	10.0%
Amounts owed to credit institutions	7,372,045	8,927,118	-17.4%	7,722,100	-4.5%
Borrowings from DFIs	*3,806,066*	*2,918,362*	*30.4%*	*3,545,490*	*7.3%*
Short-term loans from the National Bank of Georgia	*51,302*	*2,552,236*	*-98.0%*	*1,130,502*	*-95.5%*
Short-term loans from the Central Bank of Armenia	*117,552*	*142,743*	*-17.6%*	*135,054*	*-13.0%*
Loans and deposits from commercial banks	*3,397,125*	*3,313,777*	*2.5%*	*2,911,054*	*16.7%*
Debt securities issued	4,176,271	2,445,652	70.8%	3,298,758	26.6%
All remaining liabilities	1,215,542	1,310,432	-7.2%	1,392,258	-12.7%
Total liabilities	**56,428,611**	**47,472,938**	**18.9%**	**52,112,132**	**8.3%**
Total equity	**9,391,928**	**7,619,132**	**23.3%**	**8,869,670**	**5.9%**
Book value per share	**220.69**	**176.81**	**24.8%**	**207.82**	**6.2%**

KEY RATIOS	2Q26	2Q25	1Q26	1H26	1H25
ROAA	3.9%	3.8%	3.9%	3.9%	3.9%
ROAE	27.1%	27.2%	27.4%	27.2%	27.9%
Net interest margin	6.3%	6.1%	6.2%	6.3%	6.0%
Loan yield[1]	12.3%	12.3%	12.3%	12.3%	12.3%
Liquid assets yield	5.1%	5.0%	5.2%	5.2%	5.0%
Cost of funds	5.1%	5.0%	5.1%	5.1%	5.0%
Cost of client deposits and notes	4.4%	4.2%	4.5%	4.5%	4.1%
Cost of amounts owed to credit institutions	6.9%	7.4%	6.7%	6.7%	7.6%
Cost of debt securities issued	8.2%	7.4%	8.2%	8.2%	7.5%

[1] Throughout this announcement, gross loans to customers and the related allowance for impairment are presented net of expected credit loss (ECL) on contractually accrued interest income. These do not have an effect on the net loans to customers' balance. Management believes that netted-off balances provide the best representation of the loan portfolio position.

Cost:income ratio	34.4%	36.4%		34.6%		34.5%	35.7%
NPLs to gross loans	2.1%	1.9%		2.1%		2.1%	1.9%
NPL coverage ratio	58.4%	63.5%		58.9%		58.4%	63.5%
NPL coverage ratio adjusted for the discounted value of collateral	119.2%	119.2%		117.2%		119.2%	119.2%
Cost of credit risk ratio	0.6%	0.5%		0.3%		0.5%	0.4%

GEL thousands NON-PERFORMING LOANS	**Jun-26**	**Jun-25**	**Change y-o-y**	**Mar-26**	**Change q-o-q**
Group (consolidated)					
NPLs to gross loans	2.1%	1.9%		2.1%	
NPL coverage ratio	58.4%	63.5%		58.9%	
NPL coverage ratio adjusted for the discounted value of collateral	119.2%	119.2%		117.2%	
Georgian Financial Services (GFS)					
NPLs to gross loans	2.1%	2.2%		2.0%	
NPL coverage ratio	53.9%	61.7%		56.1%	
NPL coverage ratio adjusted for the discounted value of collateral	117.2%	113.6%		116.0%	
Armenian Financial Services (AFS)					
NPLs to gross loans	2.0%	1.2%		2.0%	
NPL coverage ratio	64.7%	69.6%		62.7%	
NPL coverage ratio adjusted for the discounted value of collateral	123.9%	147.0%		120.8%	

** To improve the quality and understandability of its interim condensed consolidated financial statements, the Group has reviewed and revised the presentation of certain line items in its condensed consolidated interim financial statements. Changes to the Consolidated Income Statement have been made to better present the nature of certain charges and align more with the industry practice. The changes related to presentation of deposit insurance fee (from previously presented within net interest income to currently presented within regulatory-related expenses), certain repair and maintenance costs (from previously presented within net fee and commission income to currently presented within administrative expenses), resolution fund contributions (from previously presented within other operating expenses to currently presented within regulatory-related expenses), and core banking expenses (from previously presented within other administrative expenses to currently presented within other expenses). Comparative amounts have been reclassified in line with the revised presentation. Management believes that these reclassifications provide more reliable and relevant information. For the full details of all reclassifications, including changes to the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows, see Note 3 in the interim condensed consolidated financial statements.*

Returns to shareholders (dividends and share buyback and cancellation programme)

- In August 2025, the Board took the decision to move to a quarterly distribution schedule, with the Group's total capital repatriation policy unchanged at a target payout range of 30-50% of annual Group profits. Considering the strong performance of the Group during the second quarter of 2026 and solid capital levels, today the Board declared an interim dividend of **GEL 3.05 per ordinary share** in respect of the second quarter of 2026, payable according to the following timetable:
  - Ex-Dividend Date: 10 September 2026
  - Record Date: 11 September 2026
  - Currency Conversion Date: 11 September 2026
  - Payment Date: 25 September 2026
- The NBG's Lari/Pound Sterling average exchange rate for the period of 7 September to 11 September 2026 will be used as the exchange rate on the Currency Conversion Date and will be announced in due course.
- In addition, today the Board has approved an extension to the share buyback and cancellation programme of GEL 59.0 million.
- The previous GEL 55.0 million share buyback and cancellation programme, announced on 7 May 2026, has been completed. As a result, the total number of voting rights in issue following the cancellation of shares was 43,086,035 as at 23 July 2026.

Business Division results

The Group results are presented by the following Business Divisions: 1) Georgian Financial Services (GFS), 2) Armenian Financial Services (AFS), and 3) Other Businesses.

Georgian Financial Services (GFS)

Georgian Financial Services (**GFS**) mainly comprises JSC Bank of Georgia and the investment bank JSC Galt and Taggart. GFS is organised across the following business segments: Retail Banking (RB), Small and Medium Enterprise (SME) Banking, Corporate and Investment Banking (CIB), and Corporate Center (CC).

GEL thousands	2Q26	2Q25	Change y-o-y	1Q26	Change q-o-q	1H26	1H25	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Interest income	1,093,652	952,366	14.8%	1,042,379	4.9%	2,136,031	1,859,625	14.9%
Interest expense	(477,001)	(429,873)	11.0%	(463,470)	2.9%	(940,471)	(847,328)	11.0%
Net interest income	**616,651**	**522,493**	**18.0%**	**578,909**	**6.5%**	**1,195,560**	**1,012,297**	**18.1%**
Net fee and commission income	163,387	130,755	25.0%	149,452	9.3%	312,839	250,466	24.9%
Net foreign currency gain	87,425	91,321	-4.3%	75,954	15.1%	163,379	174,051	-6.1%
Regulatory-related expenses	(13,931)	(12,403)	12.3%	(12,975)	7.4%	(26,906)	(24,835)	8.3%
Net other income	3,805	14,990	-74.6%	2,778	37.0%	6,583	21,965	-70.0%
Net operating income	**857,337**	**747,156**	**14.7%**	**794,118**	**8.0%**	**1,651,455**	**1,433,944**	**15.2%**
Salaries and other employee benefits	(149,185)	(132,342)	12.7%	(140,892)	5.9%	(290,077)	(245,938)	17.9%
Administrative expenses	(66,121)	(55,194)	19.8%	(52,096)	26.9%	(118,217)	(104,197)	13.5%
Depreciation, amortisation and impairment	(39,411)	(35,610)	10.7%	(36,948)	6.7%	(76,359)	(69,398)	10.0%
Other operating expenses	(1,726)	(1,950)	-11.5%	(1,173)	47.1%	(2,899)	(3,707)	-21.8%
Operating expenses	**(256,443)**	**(225,096)**	**13.9%**	**(231,109)**	**11.0%**	**(487,552)**	**(423,240)**	**15.2%**
Profit from associates	604	465	29.9%	386	56.5%	990	736	34.5%
Operating income before cost of risk	**601,498**	**522,525**	**15.1%**	**563,395**	**6.8%**	**1,164,893**	**1,011,440**	**15.2%**
Cost of risk	(41,801)	(45,848)	-8.8%	(32,266)	29.6%	(74,067)	(63,838)	16.0%
Profit before income tax expense	**559,697**	**476,677**	**17.4%**	**531,129**	**5.4%**	**1,090,826**	**947,602**	**15.1%**
Income tax expense	(86,677)	(66,827)	29.7%	(79,078)	9.6%	(165,755)	(132,683)	24.9%
Profit	**473,020**	**409,850**	**15.4%**	**452,051**	**4.6%**	**925,071**	**814,919**	**13.5%**

BALANCE SHEET HIGHLIGHTS	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Cash and cash equivalents	3,324,782	2,108,736	57.7%	2,065,638	61.0%
Amounts due from credit institutions	1,767,646	2,339,536	-24.4%	1,881,992	-6.1%
Investment securities	8,454,030	7,527,941	12.3%	7,674,184	10.2%
Loans to customers, finance lease and factoring receivables	29,164,019	25,306,909	15.2%	28,261,957	3.2%
Loans to customers, finance lease and factoring receivables, LC	*16,858,351*	*14,594,431*	*15.5%*	*16,276,415*	*3.6%*
Loans to customers, finance lease and factoring receivables, FC	*12,305,668*	*10,712,478*	*14.9%*	*11,985,542*	*2.7%*
Property and equipment	522,079	482,933	8.1%	519,438	0.5%
All remaining assets	1,266,464	1,185,218	6.9%	1,257,904	0.7%
Total assets	**44,499,020**	**38,951,273**	**14.2%**	**41,661,113**	**6.8%**
Client deposits and notes	30,553,106	24,979,831	22.3%	27,942,563	9.3%
Client deposits and notes, LC	*17,739,423*	*12,650,370*	*40.2%*	*15,178,604*	*16.9%*
Client deposits and notes, FC	*12,813,683*	*12,329,461*	*3.9%*	*12,763,959*	*0.4%*
Amounts owed to credit institutions	4,157,132	6,512,756	-36.2%	5,025,118	-17.3%
Debt securities issued	2,687,773	1,261,544	113.1%	1,915,124	40.3%
All remaining liabilities	647,503	898,001	-27.9%	791,016	-18.1%
Total liabilities	**38,045,514**	**33,652,132**	**13.1%**	**35,673,821**	**6.6%**
Total equity	**6,453,506**	**5,299,141**	**21.8%**	**5,987,292**	**7.8%**
Risk-weighted assets (JSC Bank of Georgia standalone)	33,545,361	30,619,266	9.6%	32,923,955	1.9%

KEY RATIOS	2Q26	2Q25	1Q26	1H26	1H25
ROAA	4.4%	4.2%	4.4%	4.4%	4.3%
ROAE	30.4%	31.1%	31.5%	30.9%	31.6%
Net interest margin	6.4%	6.0%	6.3%	6.3%	5.9%
Loan yield	12.8%	12.7%	12.7%	12.8%	12.6%
Loan yield, GEL	*15.5%*	*15.2%*	*15.5%*	*15.5%*	*15.1%*
Loan yield, FC	*9.1%*	*9.2%*	*8.9%*	*9.0%*	*9.2%*
Cost of funds	5.3%	5.2%	5.3%	5.3%	5.2%
Cost of client deposits and notes	4.7%	4.4%	4.7%	4.7%	4.3%
Cost of client deposits and notes, GEL	*7.5%*	*7.8%*	*7.6%*	*7.5%*	*7.7%*
Cost of client deposits and notes, FC	*1.1%*	*1.3%*	*1.2%*	*1.2%*	*1.3%*
Cost of time deposits	7.2%	6.7%	6.9%	7.0%	6.6%
Cost of time deposits, GEL	*9.7%*	*10.0%*	*9.8%*	*9.7%*	*10.1%*
Cost of time deposits, FC	*2.3%*	*2.5%*	*2.3%*	*2.3%*	*2.5%*
Cost of current accounts and demand deposits	2.4%	2.3%	2.9%	2.6%	2.3%
Cost of current accounts and demand deposits, GEL	*4.6%*	*5.0%*	*5.3%*	*5.0%*	*4.9%*
Cost of current accounts and demand deposits, FC	*0.5%*	*0.4%*	*0.5%*	*0.5%*	*0.5%*
Cost:income ratio	29.9%	30.1%	29.1%	29.5%	29.5%
Cost of credit risk ratio	0.5%	0.7%	0.4%	0.5%	0.4%

Performance highlights

- GFS net operating income grew by 14.7% y-o-y in 2Q26 and 15.2% y-o-y in 1H26, driven in both periods by strong net interest income generation complemented by net fee and commission income. Q-o-q, net operating income was up 8.0%, with net interest income as the primary driver, supported by solid contributions from net fee and commission income and net foreign currency gains.

- Net interest income grew by 18.0% y-o-y in 2Q26, with NIM expanding by 40 bps y-o-y to 6.4%, driven by a higher loan yield and increased share of loans in interest-earning assets mix. On a half-year basis, net interest income was up 18.1% y-o-y, with NIM reaching 6.3%, reflecting a 40-bps y-o-y expansion on the same drivers.
- Net fee and commission income grew by 25.0% y-o-y in 2Q26 and 24.9% y-o-y in 1H26, partly reflecting a lower comparative base prior to the renegotiation of terms with international payment systems; normalised net fee and commission income was up 22.3% y-o-y in 2Q26, mainly driven by settlement operations.
- Net foreign currency gains declined by 4.3% y-o-y in 2Q26 and 6.1% y-o-y in 1H26, reflecting a more stable currency rate as well as increased market competition.
- Operating expenses increased by 13.9% y-o-y in 2Q26 and 15.2% y-o-y in 1H26, driven in both periods by higher staff costs, mainly reflecting increased salary rates, as well as higher administrative expenses. On a q-o-q basis, operating expenses grew by 11.0%, mainly driven by higher administrative expenses on the back of elevated marketing and Investor Relations activities in the quarter.
- Portfolio quality remained healthy. The cost of credit risk ratio stood at 0.5% in both 2Q26 and 1H26, compared with 0.7% and 0.4% in 2Q25 and 1H25, respectively, and 0.4% in 1Q26. Segmental cost of risk was affected by methodological changes, reflecting continued enhancements to our risk modelling. Excluding this effect, the increase in Retail cost of risk was in line with normalisation trends, supported by a growing share of unsecured consumer loans within the portfolio, with underlying default trends remaining stable. Overall risk parameters remained robust, with cost of risk still below the normalised range. The NPL ratio remained broadly stable and stood at 2.1% as at 30 June 2026.

Portfolio highlights

Portfolio highlights: loans to customers, finance lease and factoring receivables

	Jun-26	Jun-25	Change y-o-y	Change y-o-y (constant currency)	Mar-26	Change q-o-q	Change q-o-q (constant currency)
Total GFS	**29,164,019**	**25,306,909**	**15.2%**	**17.1%**	**28,261,957**	**3.2%**	4.2%
Retail	13,241,289	11,028,623	20.1%	20.8%	12,678,797	4.4%	4.8%
Mortgages	*5,486,515*	*4,754,810*	*15.4%*	*16.6%*	*5,288,406*	*3.7%*	*4.4%*
Consumer loans	*6,772,241*	*5,517,428*	*22.7%*	*23.0%*	*6,472,542*	*4.6%*	*4.8%*
Other loans	*982,533*	*756,385*	*29.9%*	*30.5%*	*917,849*	*7.0%*	*7.0%*
SME	5,661,126	5,227,172	8.3%	10.1%	5,511,393	2.7%	3.7%
CIB	10,261,604	9,051,114	13.4%	16.5%	10,071,767	1.9%	3.7%

Portfolio highlights: customer deposits and notes

	Jun-26	Jun-25	Change y-o-y	Change y-o-y (constant currency)	Mar-26	Change q-o-q	Change q-o-q (constant currency)
Total GFS	**30,553,106**	**24,979,831**	**22.3%**	**24.2%**	**27,942,563**	**9.3%**	**10.5%**
Retail	17,225,211	15,169,685	13.6%	15.9%	16,543,701	4.1%	5.5%
SME	2,530,747	2,231,309	13.4%	14.8%	2,402,216	5.4%	6.1%
CIB	7,809,469	6,278,743	24.4%	25.7%	7,963,850	-1.9%	-1.4%
Corporate Center	3,082,547	1,374,967	124.2%		1,118,524	175.6%	
Eliminations	(94,868)	(74,873)	26.7%		(85,728)	10.7%	

Loan portfolio quality: cost of credit risk ratio

	2Q26	2Q25	1Q26	1H26	1H25
Total GFS	**0.5%**	**0.7%**	**0.4%**	**0.5%**	**0.4%**
Retail	1.3%	0.8%	0.8%	1.0%	0.5%
SME	0.1%	1.1%	0.6%	0.4%	0.7%
CIB	-0.2%	0.6%	-0.3%	-0.2%	0.4%

Loan portfolio quality: NPL ratio

	Jun-26	Jun-25	Mar-26
Total GFS	**2.1%**	**2.2%**	**2.0%**
Retail	1.3%	1.5%	1.3%
SME	4.2%	3.6%	4.2%
CIB	2.0%	2.1%	1.7%

- Customer lending growth remained strong, driven primarily by Retail Banking and Corporate and Investment Banking, with Small and Medium Enterprise also contributing.
  - Within the Retail Banking segment, consumer lending showed strong growth, rising by 23.0% y-o-y and 4.8% q-o-q in cc. Mortgage lending grew by 16.6% y-o-y and 4.4% q-o-q in cc, now accounting for 41.4% of the retail loan book – below the share of consumer loans at 51.1%. Robust lending expansion has been underpinned by increasing active customer base, as well as strong household disposable income growth, which has averaged 11% over the past two years.
- Client deposits and notes grew strongly across all segments. The y-o-y growth was also elevated by a significant increase in the Ministry of Finance deposits within the Corporate Center; excluding the Ministry of Finance deposits, client deposits grew by 18.4% y-o-y and 3.5% q-o-q in cc. As at 30 June 2026, current & demand deposits accounted for 50.5%, and time deposits accounted for 49.5% of the total deposit portfolio, respectively. Notably, the share of GEL deposits in total deposits increased significantly y-o-y from 50.6% to 58.1% (54.3% as at 31 March 2026).

Liquidity

	Jun-26	Jun-25	Mar-26
IFRS-based NBG Liquidity Coverage Ratio (Bank of Georgia)	152.0%	125.9%	140.0%
IFRS-based NBG Net Stable Funding Ratio (Bank of Georgia)	132.9%	127.4%	130.3%

Both Bank of Georgia's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) were well above the regulatory minimum requirements of 100%.

Capital position

Bank of Georgia maintains solid levels of capital, with all ratios comfortably above the minimum regulatory requirements. The movement in capital adequacy ratios in 2Q26 and the potential impact of a 10% devaluation of GEL are as follows:

	31 Mar 2026	2Q26 profit	Business growth	Currency impact	Dividend payment	Tier 1-Tier 2	30 Jun 2026	Min requirement	Buffer above min requirement	Potential impact of a 10% GEL devaluation
CET 1 capital adequacy	**17.9%**	1.6%	-0.6%	0.2%	-0.9%	0.0%	**18.2%**	15.5%	**2.7%**	-0.7%
Tier 1 capital adequacy	**20.8%**	1.6%	-0.6%	0.1%	-0.9%	0.0%	**21.0%**	17.6%	**3.4%**	-0.6%
Total capital adequacy	**22.2%**	1.6%	-0.6%	0.1%	-0.9%	0.3%	**22.7%**	20.5%	**2.2%**	-0.5%

Armenian Financial Services (AFS)

GEL thousands	2Q26	2Q25	Change y-o-y	1Q26	Change q-o-q	1H26	1H25	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Interest income	427,449	318,383	34.3%	388,682	10.0%	816,131	624,307	30.7%
Interest expense	(176,800)	(123,510)	43.1%	(159,617)	10.8%	(336,417)	(236,486)	42.3%
Net interest income	**250,649**	**194,873**	**28.6%**	**229,065**	**9.4%**	**479,714**	**387,821**	**23.7%**
Net fee and commission income	33,070	23,901	38.4%	29,995	10.3%	63,065	44,392	42.1%
Net foreign currency gain	45,158	37,852	19.3%	33,435	35.1%	78,593	71,870	9.4%
Regulatory-related expenses	(3,501)	(2,633)	33.0%	(3,680)	-4.9%	(7,181)	(5,400)	33.0%
Other expenses	(2,334)	(1,722)	35.5%	(2,074)	12.5%	(4,408)	(3,144)	40.2%
Net other income	2,635	380	NMF	3,570	-26.2%	6,205	3,530	75.8%
Net operating income	**325,677**	**252,651**	**28.9%**	**290,311**	**12.2%**	**615,988**	**499,069**	**23.4%**
Salaries and other employee benefits	(94,457)	(91,576)	3.1%	(93,395)	1.1%	(187,852)	(177,372)	5.9%
Administrative expenses	(15,720)	(17,372)	-9.5%	(15,328)	2.6%	(31,048)	(34,086)	-8.9%
Depreciation, amortisation and impairment	(16,921)	(15,404)	9.8%	(15,883)	6.5%	(32,804)	(29,958)	9.5%
Other operating expenses	(1,477)	(938)	57.5%	(669)	120.8%	(2,146)	(2,612)	-17.8%
Operating expenses	**(128,575)**	**(125,290)**	**2.6%**	**(125,275)**	**2.6%**	**(253,850)**	**(244,028)**	**4.0%**
Operating income before cost of risk	**197,102**	**127,361**	**54.8%**	**165,036**	**19.4%**	**362,138**	**255,041**	**42.0%**
Cost of risk	(20,835)	(5,767)	NMF	(5,804)	NMF	(26,639)	(13,940)	91.1%
Profit before income tax expense	**176,267**	**121,594**	**45.0%**	**159,232**	**10.7%**	**335,499**	**241,101**	**39.2%**
Income tax expense	(33,222)	(25,803)	28.8%	(29,804)	11.5%	(63,026)	(49,796)	26.6%
Profit	**143,045**	**95,791**	**49.3%**	**129,428**	**10.5%**	**272,473**	**191,305**	**42.4%**

BALANCE SHEET HIGHLIGHTS	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Cash and cash equivalents	917,342	1,271,871	-27.9%	694,989	32.0%
Amounts due from credit institutions	1,985,807	831,897	138.7%	1,851,418	7.3%
Investment securities	1,509,156	1,463,753	3.1%	1,509,123	0.0%
Loans to customers, finance lease and factoring receivables	14,041,531	10,341,990	35.8%	12,551,342	11.9%
Loans to customers, finance lease and factoring receivables, LC	*7,727,439*	*5,999,058*	*28.8%*	*7,026,474*	*10.0%*
Loans to customers, finance lease and factoring receivables, FC	*6,314,092*	*4,342,932*	*45.4%*	*5,524,868*	*14.3%*
Property and equipment	81,805	79,912	2.4%	78,479	4.2%
All remaining assets	487,375	365,377	33.4%	567,237	-14.1%
Total assets	**19,023,016**	**14,354,800**	**32.5%**	**17,252,588**	**10.3%**
Client deposits and notes	11,444,050	8,379,668	36.6%	10,188,812	12.3%
Client deposits and notes, LC	*6,933,631*	*4,772,660*	*45.3%*	*6,190,453*	*12.0%*
Client deposits and notes, FC	*4,510,419*	*3,607,008*	*25.0%*	*3,998,359*	*12.8%*
Amounts owed to credit institutions	3,204,987	2,430,196	31.9%	2,648,168	21.0%
Debt securities issued	1,440,017	1,171,408	22.9%	1,370,433	5.1%
All remaining liabilities	403,206	403,860	-0.2%	550,056	-26.7%
Total liabilities	**16,492,260**	**12,385,132**	**33.2%**	**14,757,469**	**11.8%**
Total equity	**2,530,756**	**1,969,668**	**28.5%**	**2,495,119**	**1.4%**
Risk-weighted assets (Ameriabank CJSC standalone)	16,475,510	13,200,273	24.8%	16,818,447	-2.0%

KEY RATIOS	2Q26	2Q25	1Q26	1H26	1H25
ROAA	3.2%	2.8%	3.1%	3.1%	2.9%
ROAE	23.1%	20.1%	21.8%	22.5%	20.6%
Net interest margin	6.0%	6.5%	6.0%	6.0%	6.6%
Loan yield	11.3%	11.5%	11.3%	11.3%	11.5%
Loan yield, AMD	*13.6%*	*13.9%*	*14.1%*	*13.8%*	*13.8%*
Loan yield, FC	*8.4%*	*8.1%*	*7.6%*	*8.0%*	*8.2%*
Cost of funds	4.6%	4.4%	4.6%	4.6%	4.3%
Cost of client deposits and notes	3.9%	3.5%	3.9%	3.9%	3.3%
Cost of client deposits and notes, AMD	*5.4%*	*5.1%*	*5.4%*	*5.4%*	*4.8%*
Cost of client deposits and notes, FC	*1.6%*	*1.4%*	*1.6%*	*1.6%*	*1.4%*
Cost of time deposits	6.7%	6.1%	6.7%	6.8%	5.9%
Cost of time deposits, AMD	*9.3%*	*9.7%*	*9.4%*	*9.4%*	*9.4%*
Cost of time deposits, FC	*2.9%*	*2.3%*	*2.9%*	*2.9%*	*2.4%*
Cost of current accounts and demand deposits	1.7%	1.6%	1.6%	1.7%	1.6%
Cost of current accounts and demand deposits, AMD	*2.5%*	*2.3%*	*2.4%*	*2.4%*	*2.2%*
Cost of current accounts and demand deposits, FC	*0.5%*	*0.6%*	*0.5%*	*0.5%*	*0.6%*
Cost:income ratio	39.5%	49.6%	43.2%	41.2%	48.9%
Cost of credit risk ratio	0.6%	0.3%	0.2%	0.4%	0.2%

Performance highlights

- AFS net operating income grew by 28.9% y-o-y in 2Q26, and 23.4% y-o-y in 1H26, driven in both periods by strong net interest income generation complemented by positive contributions from net fee and commission income and net foreign currency gains.
- NIM stood at 6.0% in 2Q26, flat q-o-q, on the back of stable loan yield and cost of funds. The y-o-y contraction of 50 bps in 2Q26 reflected higher cost of funds on the back of AT1 issuances and higher cost of deposits, coupled with a modest decline in loan yield amid competitive pressures on LC lending.
- Net fee and commission income grew by 38.4% y-o-y in 2Q26 and 42.1% y-o-y in 1H26. 1H26 included advisory fees (GEL 2.3m in 2Q26 and GEL 5.5m in 1Q26) and currency conversion fees which were reclassified from net foreign currency gains to align with Group accounting policies (GEL 2.6m in 2Q26 and GEL 2.0m in 1Q26), neither of which were present in the 2Q25 and 1H25 comparison periods. Excluding these items, net fee and commission

income grew by 17.9% y-o-y in 2Q26 and 14.2% y-o-y in 1H26, mainly reflecting income from payments business as well as trade finance operations.

- Net foreign currency gains grew by 19.3% y-o-y in 2Q26 and 9.4% y-o-y in 1H26, primarily driven by increased dealing turnover across both corporate and retail transactions.
- Operating expenses increased by 2.6% y-o-y in 2Q26 and by 4.0% y-o-y in 1H26; Figures in the prior year included management retention bonus, which elevated expenses in 1Q25 and 2Q25. Adjusting for this effect, operating expenses were up 13.5% and 15.5% y-o-y in 2Q26 and 1H26, respectively, reflecting continued investments in technology and talent to support business growth.
- Excluding the above-mentioned effect on prior year's operating expenses, profit growth would have been 32.7% and 26.4% y-o-y in 2Q26 and 1H26, respectively.
- Overall portfolio quality remained healthy, with some normalisation of cost of risk observed in retail.

Portfolio highlights[2]

Portfolio highlights: loans to customers, finance lease and factoring receivables

	Jun-26	Jun-25	Change y-o-y	Change y-o-y (constant currency)	Mar-26	Change q-o-q	Change q-o-q (constant currency)
Total AFS	**14,041,531**	**10,341,990**	**35.8%**	***36.8%***	**12,551,342**	**11.9%**	***12.3%***
Retail	5,950,290	4,647,775	28.0%	26.8%	5,489,135	8.4%	7.9%
Mortgages	*3,119,359*	*2,541,329*	*22.7%*	*21.4%*	*2,821,132*	*10.6%*	*9.9%*
Consumer loans	*2,139,962*	*1,523,828*	*40.4%*	*39.0%*	*2,002,157*	*6.9%*	*6.3%*
Retail SME	*690,969*	*582,618*	*18.6%*	*18.7%*	*665,846*	*3.8%*	*4.0%*
Corporate	8,091,241	5,694,215	42.1%	44.9%	7,062,207	14.6%	15.7%

Portfolio highlights: customer deposits and notes

	Jun-26	Jun-25	Change y-o-y	Change y-o-y (constant currency)	Mar-26	Change q-o-q	Change q-o-q (constant currency)
Total AFS	**11,444,050**	**8,379,668**	**36.6%**	**37.1%**	**10,188,812**	**12.3%**	**12.5%**
Retail	6,242,532	4,561,788	36.8%	38.0%	5,531,736	12.8%	13.3%
Corporate	5,201,518	3,817,880	36.2%	36.0%	4,657,076	11.7%	11.5%

Loan portfolio quality: cost of credit risk ratio

	2Q26	2Q25	1Q26	1H26	1H25
Total AFS	**0.6%**	**0.3%**	**0.2%**	**0.4%**	**0.2%**
Retail	1.0%	0.8%	0.6%	1.1%	0.4%
Corporate	0.3%	-0.2%	-0.1%	0.1%	0.1%

Loan portfolio quality: NPL ratio

	Jun-26	Jun-25	Mar-26
Total AFS	**2.0%**	**1.2%**	**2.0%**
Retail	3.9%	1.1%	3.6%
Corporate	0.6%	1.3%	0.7%

- Customer loans grew strongly by 36.8% y-o-y and 12.3% q-o-q in cc, with broad-based growth across both Corporate and Retail segments. Corporate loans grew 44.9% y-o-y and 15.7% q-o-q in cc, supported in part by strong demand associated with large-scale investment and infrastructure activity in Armenia. Within the Retail portfolio, consumer loans maintained the strongest growth trajectory, posting 39.0% y-o-y and 6.3% q-o-q growth in cc. Mortgage lending grew by 21.4% y-o-y and 9.9% q-o-q in cc, now representing 52.4% of the total retail loan book. Ameriabank strengthened its market leadership, with its lending share rising to 22.9% as at 30 June 2026 (#1 position), up 1.7pp y-o-y and 0.9pp q-o-q.
- Client deposits and notes also grew strongly, rising by 37.1% y-o-y and 12.5% q-o-q in cc. The share of current account and demand deposits remained broadly stable y-o-y at 58.3% of the total deposit base, while increasing on a quarterly basis (58.4% as at 30 June 2025 and 55.1% as at 31 March 2026). The bank's deposit market share (including local bonds) expanded by 1.1pp y-o-y to reach 20.2% as at 30 June 2026 (#2 position) (+0.6pp q-o-q).
- AFS maintained a diversified funding structure with customer deposits and local debt securities representing 78.1% of total liabilities, and the ratio of net loans, factoring and finance lease receivables to customer deposits and notes, local debt securities and DFI funding standing at 97.8% as at 30 June 2026.

[2] As per Ameriabank's internal classification, the Retail segment includes all individuals and those legal entities serviced by the bank's branches. The Corporate segment includes all legal entities not serviced by the branches.

- The y-o-y uptick in the Retail NPL ratio partly reflects a change in write-off policy introduced in 3Q25, whereby write-off timelines were refined by loan type based on actual recovery statistics, rather than a uniform 270-day threshold applied across all loans.

Liquidity

- Ameriabank has maintained a strong liquidity position, with CBA LCR at 180.0% and CBA NSFR at 126.0% as at 30 June 2026, well above the minimum regulatory requirements of 100%.

Capital position

- As at 30 June 2026, Ameriabank's CET 1, Tier 1, and Total capital ratios stood at 14.0%, 15.6%, and 18.6%, respectively, all above the minimum requirements of 12.0%, 14.1%, and 16.8%, respectively.

  In February 2026, Ameriabank successfully placed inaugural 8.5% USD 50m Additional Tier 1 capital notes. In May 2026, Ameriabank successfully completed the placement of a second USD 50m tranche of Additional Tier 1 capital notes at an 8.0% coupon. Together, these issuances have enabled Ameriabank to make its first-ever dividend distribution to the Group in the amount of GEL 157m, net of tax.

  CBA has adopted Basel III treatment for lowering risk weights for SME loans effective 13 April 2026. This change resulted in one-off positive impact on capital ratios from regulatory changes.

  On 28 July 2026, the Board of the Central Bank of Armenia decided to raise the countercyclical capital buffer from 1.75% to 2.00% of risk-weighted assets, with the new rate effective February 1, 2027.

	31 Mar 2026	2Q26 profit	Business growth	Currency impact	Dividend payment	Regulatory changes	Tier1-Tier2	Other	30 Jun 2026	Minimum requirement	Buffer above min requirement	Potential impact of a 10% AMD devaluation
CET 1 capital adequacy	14.1%	0.7%	-1.0%	0.1%	-1.1%	1.2%	0.0%	0.0%	**14.0%**	12.0%	**2.0%**	-0.6%
Tier 1 capital adequacy	14.9%	0.7%	-1.2%	0.2%	-1.1%	1.3%	0.8%	0.0%	**15.6%**	14.1%	**1.5%**	-0.5%
Total capital adequacy	17.9%	0.7%	-1.4%	0.1%	-1.1%	1.6%	0.8%	0.0%	**18.6%**	16.8%	**1.8%**	-0.5%

Other Businesses

The Business Division '**Other Businesses**' includes JSC Belarusky Narodny Bank (BNB) serving retail and SME clients in Belarus, JSC Digital Area – a digital ecosystem in Georgia including e-commerce, ticketing, and inventory management SaaS, Lion Finance Group PLC – the holding company, and other small entities and intragroup eliminations.

GEL thousands	2Q26	2Q25	Change y-o-y	1Q26	Change q-o-q	1H26	1H25	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Interest income	39,362	28,392	38.6%	35,061	12.3%	74,423	52,616	41.4%
Interest expense	(20,459)	(18,278)	11.9%	(20,421)	0.2%	(40,880)	(30,893)	32.3%
Net interest income	**18,903**	**10,114**	**86.9%**	**14,640**	**29.1%**	**33,543**	**21,723**	**54.4%**
Net fee and commission income	3,414	3,649	-6.4%	3,195	6.9%	6,609	7,275	-9.2%
Net foreign currency gain	33,670	23,424	43.7%	20,735	62.4%	54,405	52,270	4.1%
Regulatory-related expenses	(1,787)	(1,136)	57.3%	(1,716)	4.1%	(3,503)	(1,365)	156.6%
Net other income	4,354	2,707	60.8%	3,630	19.9%	7,984	3,867	106.5%
Net operating income	**58,554**	**38,758**	**51.1%**	**40,484**	**44.6%**	**99,038**	**83,770**	**18.2%**
Salaries and other employee benefits	(17,968)	(16,111)	11.5%	(17,790)	1.0%	(35,758)	(29,794)	20.0%
Administrative expenses	(12,786)	(8,318)	53.7%	(10,714)	19.3%	(23,500)	(17,045)	37.9%
Depreciation, amortisation and impairment	(10,502)	(3,079)	NMF	(4,219)	148.9%	(14,721)	(5,904)	149.3%
Other operating expenses	(380)	(333)	14.1%	(329)	15.5%	(709)	(675)	5.0%
Operating expenses	**(41,636)**	**(27,841)**	**49.5%**	**(33,052)**	**26.0%**	**(74,688)**	**(53,418)**	**39.8%**
Operating income before cost of risk	**16,918**	**10,917**	**55.0%**	**7,432**	**127.6%**	**24,350**	**30,352**	**-19.8%**
Cost of risk	(1,824)	819	NMF	(770)	136.9%	(2,594)	69	NMF
Profit before income tax expense	**15,094**	**11,736**	**28.6%**	**6,662**	**126.6%**	**21,756**	**30,421**	**-28.5%**
Income tax expense	(12,354)	(4,130)	199.1%	(3,153)	NMF	(15,507)	(10,334)	50.1%
Profit	**2,740**	**7,606**	**-64.0%**	**3,509**	**-21.9%**	**6,249**	**20,087**	**-68.9%**

BALANCE SHEET HIGHLIGHTS	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Cash and cash equivalents	804,630	641,614	25.4%	679,737	18.4%
Amounts due from credit institutions	23,563	23,173	1.7%	30,636	-23.1%
Investment securities	95,022	124,767	-23.8%	142,971	-33.5%
Loans to customers, finance lease and factoring receivables	1,223,493	881,548	38.8%	1,068,647	14.5%
Property and equipment	18,518	15,657	18.3%	18,218	1.6%
All remaining assets	133,277	99,238	34.3%	127,892	4.2%
Total assets	**2,298,503**	**1,785,997**	**28.7%**	**2,068,101**	**11.1%**
Client deposits and notes	1,667,597	1,430,237	16.6%	1,567,641	6.4%
Amounts owed to credit institutions	9,926	(15,834)	NMF	48,814	-79.7%
Debt securities issued	48,481	12,700	NMF	13,201	NMF
All remaining liabilities	164,833	8,571	NMF	51,186	NMF
Total liabilities	**1,890,837**	**1,435,674**	**31.7%**	**1,680,842**	**12.5%**
Total equity	**407,666**	**350,323**	**16.4%**	**387,259**	**5.3%**

- Net operating income grew by 51.1% y-o-y in 2Q26 and 18.2% y-o-y in 1H26. Net foreign currency gains were a strong contributor to 2Q26 y-o-y growth, driven by expanded FX activity at BNB. Net interest income grew strongly in both 2Q26 and 1H26, supported by NIM expansion at BNB, reflecting higher loan yields alongside a declining cost of deposits, the latter benefiting from a more favourable rate environment.
- Operating expenses were up 49.5% and 39.8% y-o-y in 2Q26 and 1H26, respectively. The primary driver was depreciation, amortisation and impairment charges, which included an impairment of goodwill associated with one of Digital Area's smaller business units (e-commerce delivery platform). Growth in administrative expenses also contributed to total expense growth, partly due to higher consulting costs. Excluding these two items, operating expenses would have been up 19.5% y-o-y in 2Q26 and up 24.1% y-o-y in 1H26.
- The effective tax rate increased y-o-y, reflecting an additional tax charge on dividends received from Ameriabank recognised in 2Q26.
- BNB's capital ratios, calculated in accordance with the National Bank of the Republic of Belarus' standards, were above the minimum requirements as at 30 June 2026: Tier 1 capital adequacy ratio at 10.1% (minimum requirement of 7.0%) and Total capital adequacy ratio at 13.9% (minimum requirement of 12.5%).

Unaudited consolidated financial information

GEL thousands	2Q26	2Q25	Change y-o-y	1Q26	Change q-o-q	1H26	1H25	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Interest income	1,560,463	1,299,141	20.1%	1,466,122	6.4%	3,026,585	2,536,548	19.3%
Interest expense	(674,260)	(571,661)	17.9%	(643,508)	4.8%	(1,317,768)	(1,114,707)	18.2%
Net interest income	**886,203**	**727,480**	**21.8%**	**822,614**	**7.7%**	**1,708,817**	**1,421,841**	**20.2%**
Fee and commission income	**340,356**	**264,321**	**28.8%**	**306,949**	**10.9%**	647,305	513,647	26.0%
Fee and commission expense	(140,485)	(106,016)	32.5%	(124,307)	13.0%	(264,792)	(211,514)	25.2%
Net fee and commission income	**199,871**	**158,305**	**26.3%**	**182,642**	**9.4%**	**382,513**	**302,133**	**26.6%**
Net foreign currency gain	166,253	152,597	8.9%	130,124	27.8%	296,377	298,191	-0.6%
Regulatory-related expenses	(19,219)	(16,172)	18.8%	(18,371)	4.6%	(37,590)	(31,600)	19.0%
Other expenses	(2,334)	(1,722)	35.5%	(2,074)	12.5%	(4,408)	(3,144)	40.2%
Net other income	10,794	18,077	-40.3%	9,978	8.2%	20,772	29,362	-29.3%
Net operating income	**1,241,568**	**1,038,565**	**19.5%**	**1,124,913**	**10.4%**	**2,366,481**	**2,016,783**	**17.3%**
Salaries and other employee benefits	(261,610)	(240,029)	9.0%	(252,077)	3.8%	(513,687)	(453,104)	13.4%
Administrative expenses	(94,627)	(80,884)	17.0%	(78,138)	21.1%	(172,765)	(155,328)	11.2%
Depreciation, amortisation and impairment	(66,834)	(54,093)	23.6%	(57,050)	17.1%	(123,884)	(105,260)	17.7%
Other operating expenses	(3,583)	(3,221)	11.2%	(2,171)	65.0%	(5,754)	(6,994)	-17.7%
Operating expenses	**(426,654)**	**(378,227)**	**12.8%**	**(389,436)**	**9.6%**	**(816,090)**	**(720,686)**	**13.2%**
Profit from associates	604	465	29.9%	386	56.5%	990	736	34.5%
Operating income before cost of risk	**815,518**	**660,803**	**23.4%**	**735,863**	**10.8%**	**1,551,381**	**1,296,833**	**19.6%**
Expected credit loss on loans to customers and factoring receivables	(62,174)	(47,190)	31.8%	(34,758)	78.9%	(96,932)	(64,669)	49.9%
Expected credit loss on finance lease receivables	1,142	(418)	NMF	666	71.5%	1,808	(627)	NMF
Other expected credit loss and impairment charge on other assets and provisions	(3,428)	(3,188)	7.5%	(4,748)	-27.8%	(8,176)	(12,413)	-34.1%
Cost of risk	**(64,460)**	**(50,796)**	**26.9%**	**(38,840)**	**66.0%**	**(103,300)**	**(77,709)**	**32.9%**
Profit before income tax expense	**751,058**	**610,007**	**23.1%**	**697,023**	**7.8%**	**1,448,081**	**1,219,124**	**18.8%**
Income tax expense	(132,253)	(96,760)	36.7%	(112,035)	18.0%	(244,288)	(192,813)	26.7%
Profit	**618,805**	**513,247**	**20.6%**	**584,988**	**5.8%**	**1,203,793**	**1,026,311**	**17.3%**
Attributable to:								
– shareholders of the Group	*618,800*	*513,286*	*20.6%*	*584,973*	*5.8%*	*1,203,773*	*1,024,421*	*17.5%*
– non-controlling interests	*5*	*(39)*	*NMF*	*15*	*-66.7%*	*20*	*1,890*	*-98.9%*
Basic earnings per share	**14.52**	**11.89**	**22.1%**	**13.72**	**5.8%**	**28.24**	**23.70**	**19.2%**
Diluted earnings per share	**14.39**	**11.75**	**22.5%**	**13.61**	**5.7%**	**27.98**	**23.44**	**19.4%**

GEL thousands	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Cash and cash equivalents	5,046,754	4,022,221	25.5%	3,440,364	46.7%
Amounts due from credit institutions	3,777,016	3,194,606	18.2%	3,764,046	0.3%
Investment securities	9,737,554	7,944,799	22.6%	9,078,699	7.3%
Investment securities pledged under sale and repurchase agreements and securities lending	320,654	1,171,662	-72.6%	247,579	29.5%
Loans to customers, finance lease and factoring receivables	44,429,043	36,530,447	21.6%	41,881,946	6.1%
Prepayments	160,538	103,759	54.7%	161,586	-0.6%
Foreclosed assets	405,131	342,565	18.3%	382,441	5.9%
Right-of-use assets	327,471	291,445	12.4%	323,191	1.3%
Investment properties	98,261	131,080	-25.0%	102,078	-3.7%
Property and equipment	622,402	578,502	7.6%	616,135	1.0%
Goodwill	35,488	41,253	-14.0%	41,253	-14.0%
Intangible assets	402,750	338,794	18.9%	389,142	3.5%
Income tax assets	55	2,253	-97.6%	207	-73.4%
Other assets	447,670	383,771	16.7%	539,097	-17.0%
Assets held for sale	9,752	14,913	-34.6%	14,038	-30.5%
Total assets	**65,820,539**	**55,092,070**	**19.5%**	**60,981,802**	**7.9%**
Client deposits and notes	43,664,753	34,789,736	25.5%	39,699,016	10.0%
Amounts owed to credit institutions	7,372,045	8,927,118	-17.4%	7,722,100	-4.5%
Debt securities issued	4,176,271	2,445,652	70.8%	3,298,758	26.6%
Lease liability	359,831	304,559	18.1%	339,316	6.0%
Accruals and deferred income	239,749	249,568	-3.9%	277,532	-13.6%
Income tax liabilities	165,531	116,575	42.0%	195,988	-15.5%
Other liabilities	450,431	639,730	-29.6%	579,422	-22.3%
Total liabilities	**56,428,611**	**47,472,938**	**18.9%**	**52,112,132**	**8.3%**
Share capital	1,419	1,445	-1.8%	1,423	-0.3%
Additional paid-in capital	613,014	477,694	28.3%	561,529	9.2%
Treasury shares	(18)	(28)	-35.7%	(18)	0.0%
Capital redemption reserve	199	173	15.0%	196	1.5%
Other reserves	165,355	47,442	NMF	158,589	4.3%
Retained earnings	8,609,880	7,090,940	21.4%	8,145,881	5.7%
Total equity attributable to shareholders of the Group	**9,389,849**	**7,617,666**	**23.3%**	**8,867,600**	**5.9%**
Non-controlling interests	2,079	1,466	41.8%	2,070	0.4%
Total equity	**9,391,928**	**7,619,132**	**23.3%**	**8,869,670**	**5.9%**
Total liabilities and equity	**65,820,539**	**55,092,070**	**19.5%**	**60,981,802**	**7.9%**
Book value per share	**220.69**	**176.81**	**24.8%**	**207.82**	**6.2%**

Non-financial information

Customer engagement

	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Retail (thousands):					
Monthly active customers:					
Bank of Georgia (standalone)	2,275.3	2,077.5	9.5%	2,233.2	1.9%
Ameriabank (standalone)	521.5	407.9	27.9%	495.7	5.2%
Digital MAU:					
Bank of Georgia (standalone)	1,922.1	1,696.2	13.3%	1,868.3	2.9%
Ameriabank (standalone)	392.1	266.7	47.0%	362.4	8.2%
Digital DAU:					
Bank of Georgia (standalone)	1,049.4	874.4	20.0%	984.9	6.5%
Ameriabank (standalone)	174.2	110.0	58.3%	160.2	8.8%
Share of products sold through retail digital channels:					
Bank of Georgia (standalone)	73%	69%		71%	

	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Businesses (thousands):					
Monthly active customers:					
Bank of Georgia (standalone)	136.4	122.3	11.6%	129.8	5.1%
Ameriabank (standalone)	41.4	36.1	14.7%	40.3	2.7%
Digital MAU:					
Bank of Georgia (standalone)	114.8	100.0	14.7%	108.4	5.9%
Ameriabank (standalone)	33.8	28.1	20.3%	32.8	3.0%

Payments business

Bank of Georgia (standalone)	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Payment MAU - retail (issuing) (thousands)	1,710.4	1,528.6	11.9%	1,668.3	2.5%
Market share in acquiring volumes[3]	56.7%	55.9%		56.9%	
Active merchants (thousands)	28.8	25.4	13.3%	26.7	7.9%

	2Q26	2Q25	Change y-o-y	1Q26	Change q-o-q
Volume of payment transactions (acquiring)[3](millions): Bank of Georgia (standalone)	**6,524**	**5,431**	**20.1%**	**5,788**	**12.7%**
POS	*4,173*	*3,452*	*20.9%*	*3,563*	*17.1%*
E-comm	*2,351*	*1,979*	*18.8%*	*2,225*	*5.7%*

Additional information

	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Employees (period-end)					
Bank of Georgia	8,639	8,325	3.8%	8,708	-0.8%
Ameriabank	2,452	2,205	11.2%	2,442	0.4%
Other	2,252	2,173	3.6%	2,359	-4.5%
Group	**13,343**	**12,703**	**5.0%**	**13,509**	**-1.2%**

Branch-network	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Bank of Georgia	**206**	**187**	**10.2%**	**205**	**0.5%**
Of which:					
Full-scale branches	*115*	*99*	*16.2%*	*109*	*5.5%*
Transactional branches	*91*	*88*	*3.4%*	*96*	*-5.2%*
Ameriabank	*30*	*26*	*15.4%*	*29*	*3.4%*

FX rates	Jun-26	Jun-25	Mar-26
GEL/USD exchange rate (period-end)	2.65	2.72	2.70
GEL/GBP exchange rate (period-end)	3.50	3.74	3.57
GEL/1000AMD exchange rate (period-end)	7.18	7.07	7.12

Shares outstanding	Jun-26	Jun-25	Change y-o-y	Mar-26	Change q-o-q
Ordinary shares outstanding (period-end)	42,547,127	43,083,953	-1.2%	42,669,622	-0.3%
Treasury shares outstanding (period-end)	568,307	827,573	-31.3%	554,307	2.5%
Total shares outstanding (period-end)	**43,115,434**	**43,911,526**	**-1.8%**	**43,223,929**	**-0.3%**

[3] To provide a clearer view of our business performance, we have excluded instant Peer-to-Peer (P2P) transactions from our acquiring volume figures. Although previously classified as e-commerce activity due to the technical nature of card-to-card transfers, these transactions do not reflect our core merchant acquiring business. Accordingly, we have restated all prior period figures for consistency and comparability.

Principal risks and uncertainties

Macro and geopolitical risks

Macro and geopolitical risks are the risks of adverse changes in macroeconomic parameters and/or the geopolitical environment that may result in the deteriorated performance and position of the Group.

Key drivers and developments

The Group's asset base is geographically concentrated in Georgia and Armenia, where its principal banking subsidiaries operate. Key macro risks for Georgia and Armenia include changes in GDP growth, inflation, interest rates, exchange rates and political developments. Despite robust economic performance recently, both countries continue to face downside risks stemming from regional geopolitical instability, global trade tensions and country-specific challenges.

The unresolved war in Ukraine and tensions in the Middle East remain primary sources of geopolitical risk in the wider region. The Georgian and Armenian economies are particularly exposed to these risks due to their reliance on imports, foreign direct investment, and external inflows from exports, international tourism and remittances.

As both economies have benefited from inflows of migrants and capital following the onset of the Russia–Ukraine war, there is a risk that these inflows could partially reverse once the conflict ends. However, the persistence of these inflows, coupled with elevated uncertainty surrounding the timing and nature of any potential resolution, makes an abrupt reversal less likely. Based on recent inflow dynamics, a gradual normalisation with limited adverse impact on the domestic economies appears more plausible.

Escalations involving Iran in mid-2025 and early 2026 contributed to increased volatility in global energy markets and disruptions to regional transport routes. In June 2026, the United States and Iran signed an interim memorandum of understanding aimed at ending the conflict. However, implementation quickly broke down, with both sides accusing each other of violating the agreement and resuming military operations. As a result, uncertainty surrounding the duration and scale of the conflict remains elevated.

The Georgian and Armenian economies have limited direct exposure to Iran. In 2025, inflows from merchandise exports, tourism, remittances, and foreign direct investment from Iran accounted for a small fraction of their respective GDPs. Nevertheless, both economies could be adversely affected if instability spreads to other Middle Eastern countries. In such a scenario, economic disruptions in affected countries, along with broader transportation disturbances, could weaken external inflows to Georgia and Armenia. This would adversely affect economic activity and put pressure on exchange rates. Furthermore, sustained high oil prices, combined with local currency depreciation, could generate domestic inflationary pressures and prompt central banks to tighten monetary policy. A prolonged and widespread conflict could also have adverse indirect effects through weaker external demand. However, diversified sources of foreign currency inflows, including from energy-exporting countries, could help to limit the negative impact. Moreover, amidst protracted tensions in the Middle East, the redirection of tourism and relocation of capital cannot be ruled out, which could provide additional support to the domestic economies.

In early 2025, U.S. import tariffs and retaliatory measures by major trading partners increased global trade-policy uncertainty, amplifying concerns about slower global growth and tighter financial conditions. While Georgia and Armenia have limited direct trade exposure to the United States, weaker economic performance among key partner economies – particularly, the EU and China – may reduce external demand for both countries. Furthermore, a potential deterioration in investor sentiment could trigger capital outflows from developing economies such as Georgia and Armenia, placing depreciation pressure on local currencies and potentially increasing inflation and foreign-currency debt service costs.

In addition to these shared risks, both countries face several country-specific challenges. In Georgia, continued political uncertainty following the October 2024 Parliamentary elections may weigh on consumer and business confidence, as well as investor sentiment. This, in turn, could translate into prolonged weakness in FDI inflows, with adverse effects on the local currency and productivity.

The June 2026 parliamentary election in Armenia was held amid elevated tensions with Russia. Ahead of the election, Russian authorities imposed temporary import restrictions on several Armenian agricultural products. In addition, Russian officials stated that Armenia's aspirations for closer integration with the European Union were incompatible with its membership in the Russian-led Eurasian Economic Union. Moscow also warned that it could reconsider the supply of oil and natural gas to Armenia on concessional terms if Armenia continued pursuing closer ties with the EU. Following his ruling party's convincing election victory, Armenia's Prime Minister expressed his intention to normalise relations with Russia while maintaining Armenia's current foreign policy course. The heightened tensions with Russia could adversely affect external inflows, investor sentiment, and overall economic activity in Armenia.

The proximity of Georgia and Armenia to Russia presents heightened sanctions evasion risks. Group Companies have strengthened compliance and due diligence measures to mitigate these risks. Further details on actions taken to mitigate financial crime risk can be found on page 23.

Mitigation

Governance: The Board receives quarterly updates on global, regional and country-specific macroeconomic conditions from economic specialists and regularly discusses major political and geopolitical developments affecting the Group's operating subsidiaries.

Monitoring and reporting: Group Companies continuously monitor macroeconomic developments and incorporate adverse economic and geopolitical conditions in stress and scenario analyses, including portfolio-level sensitivity analysis – enabling local Executive Management to take proactive actions, including adjustment of operational risk limits during underwriting when necessary.

Other mitigants: Georgian legislation (effective 1 July 2026) requires loans up to one million GEL be issued only in GEL if borrower income is also in GEL. The NBG has established a currency-induced credit risk (CICR) capital buffer to reduce dollarisation risks. Armenian legislation requires that mortgages and consumer loans to residents of Armenia be granted only in local currency.

For individual loans, NBG's payment-to-income (PTI) and loan-to-value (LTV) requirements are more conservative for foreign currency loans to mitigate borrower-level credit risk: PTI requirements for foreign currency loans are 5 ppts higher for monthly income below GEL 1,500 and 20 ppts higher for income above GEL 1,500; and the LTV requirement for foreign currency mortgage loans is 20 ppts tighter (effective 26 February 2025).

Ameriabank assesses borrower creditworthiness in line with its internal standards by incorporating stressed exchange rates into key metrics, including the obligations-to-income ratio for individuals, the debt service coverage ratio for business loans, and the LTV ratio.

Furthermore, both Group Companies manage their currency exposure through internal limits on open currency positions, which are set by their respective Supervisory Boards and are currently tighter than the regulatory requirements.

Credit risk

Credit risk is the risk that the Group will incur a financial loss due to customers or counterparties failing to meet their contractual obligations, arising primarily from lending activities.

Key drivers and developments

The Group's Expected Credit Loss (ECL) is affected by both idiosyncratic and sectoral/systemic risk factors. Increased ECL charges may result from portfolio growth, higher default rates, adverse portfolio quality shifts due to rating downgrades and/or changes in portfolio structure. The Group's cost of credit risk ratio was 0.5% for the six months ended 30 June 2026 (1H25: 0.4%)

Mitigation

Governance: The Board receives quarterly updates on the Group's credit risk profile during regular Board and Risk Committee meetings as well as quarterly results discussions.

Dedicated credit risk management functions are established within Group Companies to directly oversee and challenge the credit risk activities of frontline business units. In addition, each subsidiary has a centralised, enterprise-level risk management function responsible for overall credit risk management from a bank-wide perspective. Key responsibilities of these functions include overseeing aggregate credit risk assessment processes, developing and managing portfolio-wide policies, monitoring overall credit quality and conducting comprehensive stress testing and scenario analysis to assess the impact of adverse scenarios on the credit portfolio and capital adequacy.

Risk appetite: Group Companies have established credit risk appetites, including quantitative limits, to mitigate excessive credit risk and concentration at various levels. Credit risk profiles are monitored quarterly against this appetite and reported to the respective Supervisory Boards.

Credit assessment and approval: Across the Group, credit assessment processes are tailored to specific client segments and product types to ensure the level of review is appropriate for the associated risk.

Larger and more complex exposures, particularly within the Corporate Banking segment, are subject to a detailed individual underwriting process. For the SME and Retail Banking segments, a hybrid approach is used, combining individual assessments with automated, model-driven decisioning. The specific method used is determined by factors such as product type, exposure size and the subsidiary's operating model.

Automated, model-driven decisioning is a key component of the Group's credit assessment framework, particularly within retail lending, and is used to drive efficiency and consistency. The performance of all credit assessment models is regularly monitored in line with established model risk management frameworks to ensure their ongoing accuracy and effectiveness.

To ensure a robust credit-granting process, Group Companies have implemented several measures and frameworks:

- Well-defined lending standards: Group Companies maintain clear standards for granting credit, which outline borrower requirements. These standards serve as the benchmark for evaluating creditworthiness of customers and enable the identification and assessment of potential risks.

- Segregation of duties: A clear segregation of duties exists between credit analysis and approval functions. While credit analysts and business bankers prepare client presentations, these are independently reviewed by a risk manager. This review ensures that all risks and mitigating factors are identified and addressed, and that the loan is structured appropriately.
- Multi-tiered loan approval committees: Exposures are reviewed and approved by multi-tiered Credit Committees. Each committee has a specific approval limit, ensuring that the level of review is appropriate for the size and risk profile of the proposed loan.

Beyond these frameworks, climate and Environmental, Social, and Governance (ESG) risks are formally considered in the lending process. Across the Group, credit risk managers integrate the assessment of these risks into their analysis and conclusions, which are subsequently discussed with the relevant credit committees.

Loan portfolio quality monitoring and reporting: Timely identification of macro and micro-level developments is ensured through established processes and controls. This monitoring includes a comprehensive assessment against risk appetite limits, supported by key risk and early warning indicators to identify areas of the portfolio with potentially increasing credit risk. The Chief Risk Officers and Credit Risk Management departments review the portfolio's credit quality monthly. The Supervisory Board Risk Committees periodically review these analyses within the context of the broader macroeconomic environment.

Group Companies adhere to the customer exposure limits for corporate loans set by their respective regulators, as well as to internally established limits. They actively monitor concentration levels within the loan portfolio and the financial performance of the largest borrowers to maintain a well-diversified loan book. Bank of Georgia's top 10 borrowers accounted for 6.3% of its gross loans to customers, factoring and finance lease receivables as at 30 June 2026 (6.4% as at 30 June 2025). Ameriabank's top 10 borrowers accounted for 15.2% of its gross loans, factoring and finance lease receivables as at 30 June 2026 (12.1% as at 30 June 2025).

Collateral valuation: Property and other types of security are used to mitigate credit risk. In Corporate and SME Banking, collateral primarily includes liens over real estate, property, plant and equipment, as well as inventory, transportation equipment, corporate guarantees, deposits and securities. In Retail Banking, loans to individuals are primarily secured by residential property. As at 30 June 2026, 79.6% of Bank of Georgia's and 80.2% of Ameriabank's gross loans, finance and factoring lease receivables were collateralised.

Group Companies monitor the market value of collateral during reviews of the adequacy of the allowance for ECL. For provisioning purposes, a discount to the current market value of assets is applied to reflect the liquidation value of collateral. Collateral is appraised either by reputable third-party firms or, in the case of Bank of Georgia, by a dedicated internal Asset Evaluation department. The appraisal report is submitted to the relevant Credit Committee as part of the loan application package, which also includes a report from the Credit Risk Officer.

Restructuring and collections: Group Companies assist borrowers facing financial difficulty by offering tailored solutions, such as loan restructuring, to help them meet their obligations and return to a performing status. As part of their overall collection activities, Group Companies also utilise certain measures for managing delinquencies at an early stage. For instance, Bank of Georgia has developed a process where automated restructuring offers are proactively delivered to clients for certain products that reach a defined delinquency threshold through digital channels. If no agreement is reached, banks initiate collateral repossession through court, arbitration or notary procedures.

ECL measurement:

Expected credit loss is measured as the probability-weighted present value of credit losses expected to result from all possible default events over the relevant time horizon - either the next twelve months or the remaining lifetime of the instrument, depending on the stage classification of the exposure. The measurement process is designed to be unbiased and to incorporate all reasonable and supportable information that is available at the reporting date without undue cost or effort including data on historical default and recovery rates, the current credit quality of the portfolio, and management's assessment of future macroeconomic conditions and their expected impact on borrower creditworthiness.

The time horizon applied to each exposure is determined by its stage classification. Financial instruments that are credit-impaired on initial recognition are classified as Purchased or Originated Credit-Impaired (POCI). These assets retain their POCI classification until derecognition, and a lifetime ECL is recognised for them throughout this period, regardless of subsequent improvements in credit quality. For all other financial instruments, the Group applies the following three-stage approach to measure ECL:

- **Stage 1:** If, at the reporting date, the exposure is not credit-impaired and there has been no significant increase in credit risk since initial recognition, the Group recognises a credit loss allowance equal to the 12-month ECL.
- **Stage 2:** If, at the reporting date, the exposure is not credit-impaired but there has been a significant increase in credit risk since initial recognition, the Group recognises a credit loss allowance equal to the lifetime ECL.
- **Stage 3:** If, at the reporting date, the exposure is credit-impaired, the Group recognises a loss allowance equal to the lifetime ECL.

The Group calculates Expected Credit Losses (ECL) based on the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), following standard practice. LGD is estimated either collectively or individually, based on the client's exposure size. For collective assessments, the portfolio is segmented into homogeneous groups to improve accuracy. ECL is the probability-weighted sum of outcomes under baseline, upside, and downside economic scenarios. Staging and ECL incorporate both internal and external information, including credit ratings, financial statements, days past due, and economic forecasts.

Counterparty risk: The Group is exposed to counterparty credit risk – the risk of loss from a counterparty failing to meet its contractual obligations – through activities including inter-bank lending, foreign exchange settlements, trade finance, and investments in securities. To manage this risk, Group Companies establish individual counterparty limits based on credit ratings and risk profiles, alongside country limits to control concentration. Exposures are monitored daily, and breaches are escalated to Executive Management. Reflecting this prudent management, as at 30 June 2026, 93.5% of Bank of Georgia's and 92.2% of Ameriabank's inter-bank exposure was to investment-grade counterparties.

Liquidity and funding risks

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal or stressed circumstances.

Funding risk is the risk that the Group will not be able to access stable and diversified funding sources at an acceptable cost.

Key drivers and developments

Funding availability in emerging markets is subject to shifts in investor confidence, which can affect both pricing and access for the Group. Unfavourable market conditions may exert pressure on liquidity, particularly if liquid assets become illiquid or lose value. In such cases, alternative funding options can be limited in the Georgian and Armenian inter-bank markets and may involve additional pricing risks. The Group also faces risks from the potential for rapid, large-scale deposit outflows or the utilisation of off-balance-sheet commitments during periods of significant political or economic instability.

The Group maintains a diverse funding base comprising short-term sources (including retail and corporate deposits, as well as inter-bank and central bank borrowings) and longer-term sources (including retail and corporate term deposits, borrowings from International Financial Institutions (IFIs) and issued debt securities). Client deposits and notes remain the key sources of funding for Group Companies. In May 2026, Bank of Georgia successfully issued USD 300 million of 6.50% senior unsecured Notes due June 2031, which further contributed to funding diversification. As at 30 June 2026, the Group's long-term funding comprised 40.9% deposits, 32.1% amounts owed to credit institutions, and 27.0% debt securities. Group Companies maintain strong relationships with and benefit from the support of IFIs and private asset managers, ensuring a solid funding pipeline for the next 12 months.

Liquidity and funding positions of Group Companies remained strong throughout the period, with the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for Bank of Georgia and Ameriabank exceeding the 100% regulatory minimum. As at 30 June, Bank of Georgia's LCR stood at 152.0% and its NSFR at 132.9%, while Ameriabank's LCR stood at 180.0% and its NSFR at 126.0%.

Mitigation

Governance: The Board receives regular updates on the Group's liquidity and funding position during its scheduled meetings and as part of the quarterly results approval process.

At a committee level, funding and liquidity risk management is governed by the Asset-Liability Committees (ALCOs) of the respective Group Companies. The ALCOs approve the liquidity risk management frameworks and oversee their implementation. The risk appetite limits defined within these frameworks require ultimate approval from the respective Supervisory Boards.

This governance is supported by a clear segregation of duties within Group Companies. The Finance function acts as the first line of defence, responsible for the day-to-day management of liquidity and funding positions, and managing the liquidity buffer. The Risk function serves as the second line of defence, providing independent oversight by developing policies, standards and guidelines, defining risk appetite, and reporting on the risk profile to the ALCOs.

Monitoring and reporting: Group Companies perform daily monitoring of market and internal early-warning indicators to detect signs of liquidity stress. The liquidity position is reported monthly to Executive Management and the respective Asset-Liability Committees (ALCOs). Furthermore, the Board's Risk Committee reviews the liquidity risk profile on a quarterly basis as part of its comprehensive risk dashboard review.

Risk appetite: The risk appetite framework defines tolerance for liquidity risk, in line with established liquidity adequacy principles. This tolerance is quantified through specific metrics that are approved by the respective Supervisory Boards and subject to annual review. This process enables the timely identification of potential deviations from the desired risk profile, thereby triggering proactive risk management actions.

Funding and liquidity management: Liquidity risk is managed through comprehensive frameworks, approved by the respective ALCOs, which model the ability to meet payment obligations under both normal and stressed conditions. Bank of Georgia has also developed a detailed liquidity contingency plan, which defines specific risk indicators and mitigation actions to enable the early detection of, and response to, liquidity pressures.

Liquidity stress testing: Both Bank of Georgia and Ameriabank have developed Internal Liquidity Adequacy Assessment Processes (ILAAP), incorporating stress testing to evaluate the adequacy of liquidity buffers under idiosyncratic, systemic, and combined stress scenarios. These scenarios cover all key liquidity drivers and are regularly reviewed to ensure their continued relevance.

Capital risk

Capital risk is the risk of failure to deliver business objectives, meet regulatory requirements, and/or meet market expectations due to insufficient capital.

Key drivers and developments

Bank of Georgia adheres to the NBG's capital adequacy regulation based on Basel III guidelines with regulatory discretion. Requirements include Pillar 1, a combined buffer (systemic, countercyclical, conservation), and Pillar 2 buffers (concentration, General Risk Assessment Programme (GRAPE), Currency-Induced Credit Risk (CICR), Credit Risk Adjustment (CRA), stress-test). Ameriabank is subject to Pillar 1 requirements, with the CBA planning to introduce Pillar 2 in the future.

Since March 2023, Bank of Georgia has been accumulating/will accummulate a neutral countercyclical capital buffer as follows: 0.25% by 15 March 2024; 0.5% by 15 March 2025; 0.75% by 15 March 2026; and 1% by 15 March 2027.

Following a decision by the CBA on 23 September 2025 (published on 6 October and effective from 15 October 2025), the regulatory framework was expanded to recognise Additional Tier 1 (AT1) capital instruments as an eligible component of bank capital. Consequently, in February 2026, Ameriabank strengthened its capital position through the successful issuance of its inaugural USD 50 million 8.5% Additional Tier 1 (AT1) capital notes, followed by a second USD 50 million 8.0% AT1 issue in June 2026.

Group Companies maintained capital adequacy ratios above their minimum regulatory requirements as at 30 June 2026 (see pages 10 and 13).

Mitigation

Governance: The Board maintains oversight of the capital positions of Group Companies through regular quarterly updates. It also reviews the potential impact of various scenarios to inform capital return decisions.

Day-to-day capital risk management is handled by the Finance departments as the first line of defence, while Risk Management units serve as the second line, setting capital risk frameworks and ensuring their effective implementation within Group Companies.

Risk appetite: Group Companies manage capital risk through a framework of bank-level limits aligned with defined risk appetites, which are approved by the respective ALCOs and Supervisory Boards. Monitoring occurs at multiple levels: monthly reviews by the ALCOs are complemented by quarterly reviews at both the local Supervisory Board and the Board's Risk Committee levels. Demonstrating this prudent approach, each Group Company maintains a distinct capital management policy aligned with its strategic objectives. This governance includes the monitoring of key capital adequacy metrics by the respective ALCOs and Supervisory Boards, including the level of internal capital buffers held above regulatory minimums.

Capital management: Both Bank of Georgia and Ameriabank maintain an Internal Capital Adequacy Assessment Process (ICAAP), approved by their respective Supervisory Boards and overseen by their ALCOs. Through this process, which includes annual risk assessments, the banks ensure they hold sufficient capital to cover material risks from a normative (supervisory) perspective. Bank of Georgia's ICAAP also incorporates an economic (internal) capital perspective.

These capital adequacy assessments are complemented by regulatory recovery plans at each Group Company. These plans establish a framework of early-warning indicators to enable the proactive identification of capital concerns and ensure timely mitigation.

Capital stress testing: Group Companies conduct capital stress tests using a range of diverse but plausible adverse scenarios. The design and calibration of these scenarios are tailored to the objective of each test, whether for internal capital planning, strategic decision-making or regulatory compliance.

Planning and forecasting: Capital forecasts are updated fortnightly at Bank of Georgia and monthly at Ameriabank. Both updates incorporate key inputs such as business expectations, portfolio quality forecasts, market conditions, emerging trends, and anticipated strategic changes.

Market risk

Market risk is the risk of financial loss resulting from movements in market variables that affect the fair value or future cash flows of financial instruments. This risk primarily arises from mismatches in the maturity, currency or interest rate characteristics of assets and liabilities, all of which are exposed to market fluctuations.

Key drivers and developments

Volatility in the GEL and AMD can expose the Group to foreign currency risk, which can adversely affect its financial position. This risk is managed by controlling the size of net open currency positions. For Bank of Georgia, this position is capped by the National Bank of Georgia (NBG) at 20% of its regulatory capital.

For Ameriabank, the corresponding limit set by the Central Bank of Armenia (CBA) is 10% of its regulatory capital. The Group is also exposed to interest rate risk which arises from mismatches in the repricing tenors of its fixed and floating-rate assets and liabilities. Consequently, changes in market interest rates can impact the Group’s net interest income by widening or narrowing interest margins.

Mitigation

Governance: Within Group Companies, market risk governance is provided by the respective ALCOs and Supervisory Boards, which approve the risk appetite and oversee its implementation. This is supported by the Risk functions, acting as the second line of defence. Their responsibilities include developing the risk management frameworks and policies, defining the risk appetites, and conducting independent risk profile reviews, with their findings reported to the ALCOs.

Risk appetite: Group Companies manage currency and interest rate risk through an appetite framework defined by quantitative limits. These limits are approved by the respective ALCOs and Supervisory Boards, and compliance is monitored via risk profile reviews conducted at least quarterly.

Market risk management: The respective ALCOs set market risk exposure limits by currency and monitor compliance with the approved risk appetite frameworks. As part of this process, exposures and key metrics are regularly tested against a range of plausible adverse scenarios.

Currency risk is actively managed through the allocation of risk appetite limits for open currency positions. To measure and monitor these exposures, Group Companies employ Value at Risk (VaR) analysis based on historical simulation. This methodology assesses the potential impact of adverse market movements, providing a key input for managing foreign exchange risk within the established limits.

Interest rate risk is managed through policies approved by the respective Supervisory Boards, which aim to protect capital and earnings from adverse rate movements. This involves setting limits on the sensitivity of Net Interest Income (NII) and Economic Value of Equity (EVE) as well as on negative mark-to-market revaluations for trading book exposures. The ALCOs monitor these metrics to manage the Net Interest Margin (NIM), translating the approved risk appetite into operational limits and early-warning indicators for proactive management.

Compliance and conduct risks

Compliance risk is the risk of legal and/or regulatory sanctions and/or damage to the Group’s reputation as a result of its failure to identify, assess, correctly interpret, comply with and/or manage regulatory and/ or legal requirements. Conduct risk is the risk that the conduct of the Group and its employees towards customers will lead to unethical and/or unfair customer outcomes and/or adversely affect market integrity, damaging the Group’s reputation and competitive position.

Key drivers and developments

The Group operates across multiple jurisdictions, facing evolving and sometimes unpredictable legal and regulatory requirements. As a company listed on the Main Market of the London Stock Exchange, the Group is subject to the UK's regulatory framework for listed companies, which primarily governs areas such as corporate governance, disclosure and transparency, and market conduct. These obligations relate to the Group's status as a listed entity and do not extend to UK-specific regulations governing the provision of services to retail customers, such as the Treating Customers Fairly framework and the Consumer Duty, as the Group's banking subsidiaries operate outside the UK. In their respective countries of operation, the Group’s principal operating subsidiaries are supervised by their local central banks: Bank of Georgia is regulated by the National Bank of Georgia (NBG), and Ameriabank is regulated by the Central Bank of Armenia (CBA).

Mitigation

Governance: The second line of defence within Group Companies comprises Bank of Georgia’s Legal and Compliance function units under the CLO, and Ameriabank’s Operational Control under CEO supervision. These units challenge first-line compliance risk management, establish compliance policies and coordinate risk identification, assessment, documentation, reporting and mitigation for processes and products.

Compliance risk management framework: Group Companies follow established policies and procedures that define principles, standards, roles and responsibilities for independent compliance functions. Internal Audit provides oversight through regular reviews of frameworks and policies.

Monitoring and reporting compliance risk: The Group prioritises compliance risk measurement and management through ongoing monitoring, assessment and reporting by Compliance and Legal Risk Management (Bank of Georgia) and Operational Control Service (Ameriabank). The Group Chief Legal Officer (CLO) reports significant regulatory and legal changes and material regulatory inspections to the Board quarterly.

Regulatory change management: As part of its integrated control framework, the Group systematically assesses the impact of legislative and regulatory changes during formal risk assessments. A dedicated change management system enables timely identification of legal amendments and facilitates appropriate departmental responses. The Group implements changes through formal action plans with structured follow-up.

Effective regulatory engagement is ensured through direct dialogue with regulators or via Banking Association channels – primarily the NBG for Bank of Georgia and the CBA for Ameriabank.

The Group CLO provides quarterly updates to the Board on regulatory developments and implementation progress across key jurisdictions.

Conduct risk management framework: The Group upholds a Code of Conduct and Ethics applicable to all subsidiaries. At Bank of Georgia, the Customer Protection Standard covers all stages of the product and services lifecycle, requiring transparent product offerings and clear, accurate communications to support informed customer decisions. Bank of Georgia's Customer Claims Management procedure handles customer complaints, and the Legal Consulting unit serves as the second line of defence – ensuring that complaint management is undertaken effectively and in compliance with applicable customer protection laws, regulations and internal policies and procedures. Claims related to the Code of Conduct and Ethics violations are reviewed by the bank-level Human Rights and Ethics Committee to ensure they are properly handled and remediation plans are established.

At Ameriabank, an independent Service Quality Assurance department manages customer claims, oversees the entire process, and initiates process improvements. As the second line of defence, it also reviews proposed changes to products, services and tariffs to prevent adverse client impacts.

Recurring claims potentially indicating a systemic issue, as well as whistleblower reports, are investigated and reported quarterly to the Audit Committee.

Group Companies ensure that related party transactions follow the "arm's length" principle as defined by their respective regulators. Transaction terms are predetermined under special internal acts, with deviations requiring Supervisory Board approval. At Bank of Georgia, certain cases – such as aggregate risk positions exceeding GEL 500,000 with respect to a single related party, or collateral replacement – also require Supervisory Board approval. The Supervisory Board receives quarterly reports to monitor these transactions.

Financial crime risk

Financial crime risk is the risk of knowingly or unknowingly facilitating illegal activity, including money laundering, fraud, bribery and corruption, tax evasion, sanctions evasion, the financing of terrorism and/ or proliferation, through the Group.

Key drivers and developments

Financial crime risks continue evolving globally, with the Group facing stringent regulatory and supervisory requirements. The Group is committed to protecting financial system integrity, safeguarding customers, and combating financial crime through ongoing investments in expertise, tools and systems.

Georgia and Armenia's geographical location and regional geopolitical context necessitate an elevated focus on sanctions compliance for financial institutions. This proximity increases the potential for sanctioned entities to attempt to exploit Georgian and Armenian financial systems to circumvent international restrictions. Consequently, Group Companies have strengthened compliance frameworks and enhanced due diligence measures to proactively identify, manage and mitigate these risks.

Mitigation

Governance: Within Group Companies, the second line of defence, comprising risk management units, develops policies, standards, guidelines and compliance systems; monitors sanctions evasion and money laundering/terrorist financing (ML/TF) risks; and oversees related risk management processes. Within each principal subsidiary, the Anti-money Laundering (AML) and Sanctions Compliance department includes a dedicated assurance unit responsible for regularly assessing the effectiveness of the bank-wide controls. The third line of defence – Internal Audit functions – independently assesses AML and sanctions compliance to ensure regulatory adherence and safeguard financial integrity.

Bank of Georgia has also established an AML/Sanctions Compliance Committee to provide ongoing oversight of ML, TF and sanctions risks.

Tax risk is managed by dedicated tax functions across Group Companies. Lion Finance Group PLC has adopted a Tax Strategy applicable to itself and its UK subsidiaries, with its principles consistently applied throughout the Group.

Risk appetite: The Group operates a comprehensive financial crime risk management programme designed to prevent its use for criminal and terrorist activities and to protect its reputation.

This programme is operationalised at the subsidiary level through defined risk appetites, which are approved by the respective Supervisory Boards. This ensures that all business units, support functions and subsidiaries assess the impact of their activities on the Group's risk profile and act in line with its established principles.

Monitoring and reporting: Active monitoring and timely reporting of financial crime risks are central to the effectiveness of the programme. Key risk exposures related to AML/CFT and sanctions are reported monthly to Executive Management. Formal reports are also presented quarterly to both the Audit Committee and the Risk Committee, ensuring robust Board-level oversight. These reports utilise both quantitative and qualitative dashboards to track the effectiveness of controls and inform timely risk mitigation actions.

Anti-money laundering: Group Companies maintain risk-based AML/CFT frameworks aligned with local and relevant foreign legislation, incorporating international standards and recommendations set by the Financial Action Task Force and other relevant global bodies.

The Group has deployed significant resources to enhance its ML/TF risk management capabilities, including the use of advanced analytics and transaction monitoring tools, as well as enhancements to offline reporting mechanisms. The reporting processes for Cash Transaction Reports and Suspicious Transaction Reports are fully automated.

Mandatory employee training programmes have been intensified to improve awareness and understanding of AML/CFT obligations. AML risk appetite metrics are closely monitored and regularly reviewed within Group Companies to ensure alignment with their defined risk tolerance.

Bribery and corruption: The Group is committed to preventing bribery and corruption through robust policies, processes and controls, maintaining a zero-tolerance approach to non-compliance with its ABCF policies. Beyond ABCF compliance, the Group also follows a Code of Conduct and Ethics, serving as an employee reference. To uphold these standards, Group Companies ensure that all employees complete mandatory training on Anti-Bribery and Corruption. As a minimum requirement across the Group, this training is completed during the employee onboarding process, establishing a baseline of understanding and accountability from the outset of employment. At Bank of Georgia, this framework is further strengthened by biennial refresher training, which includes a comprehension test and a signed acknowledgment to reinforce accountability.

Sanctions compliance: The Group maintains comprehensive policies, procedures and risk mitigation measures to comply with international sanctions frameworks enforced by key jurisdictions and bodies such as the US Office of Foreign Assets Control (OFAC), the EU, the UK (HM Treasury) and UN Security Council. These protocols undergo routine evaluations to ensure alignment with current sanctions regimes. The Group upholds a stringent zero-tolerance policy towards sanctioned individuals, transactions and funds associated with sanctioned entities, and any clients or transactions connected to the Russian military-industrial base.

The Group has enhanced due diligence processes to address rapidly evolving sanctions regimes, strengthening transaction screening, monitoring, onboarding and documentation review. The Group's technology-driven approach includes an online solution that fully automates the screening of all transactions against sanctions lists from OFAC, the EU, the UK, the UN and other global databases.

The Group continues to strengthen its AML/CFT control framework by enhancing its sanctions screening capabilities, supporting the effectiveness of its broader financial crime prevention efforts.

Due diligence: The Group continuously improves customer due diligence and transaction monitoring, encompassing risk-based scenario monitoring, alert handling and suspicious activity reporting. Group-wide AML/CFT and sanctions risk assessments evaluate inherent risk, control effectiveness and residual risk. Automated customer risk assessment ensures comprehensive risk management throughout the business relationship lifecycle. Group Companies conduct rigorous, periodic due diligence on their existing client base. During onboarding, detailed information on corporate clients' ownership structures, ultimate beneficial owners, and sources of funds and wealth is gathered.

High-risk clients, including politically exposed persons and virtual asset service providers, those subject to adverse media coverage or performing unusual or cryptocurrency-related transactions, or those living and working in countries or sectors with an inherently higher risk of financial crime, undergo enhanced due diligence. To mitigate risks associated with cryptocurrency, the Group has restricted international transactions involving virtual assets or virtual asset service providers.

Fraud risk: To mitigate fraud risk, the Group implements:

- Know Your Employee procedures, including screening requirements at recruitment, employment and departure stages, providing a clear understanding of an employee's background and actual or potential conflicts of interest.
- Mandatory training for all new employees to increase awareness.
- Communication channels informing customers about fraud risks.

Information security and data protection risks

Information security risk is the risk of loss of confidentiality, integrity, and/or availability of information, data, and/ or information systems. Data protection risk is the risk of failure to process personal data lawfully, fairly, transparently, and securely. This includes risks associated with unauthorised access, accidental or unlawful destruction, loss, alteration, or disclosure of personal data, as well as risks arising from the use of emerging technologies and third-party service providers. Both risks may lead to financial loss, regulatory sanctions, litigation, reputational damage, or other significant adverse economic or social impacts.

Key drivers and developments

Information security risks are a growing global threat, particularly for the financial services sector. Successful attacks could impact the Group's customers, employees, subsidiaries, and partners. Potential negative impacts include data breaches, financial losses, regulatory penalties and reputational damage.

Malicious actors focus on:

- Zero-day attacks exploiting previously unknown vulnerabilities.
- Sophisticated brand impersonation attacks.
- Targeting systems where the Group lacks direct cybersecurity control (customer and third-party systems).
- Employee non-compliance with policies, procedures and technical controls.

Due to Bank of Georgia's role as part of Georgia's critical infrastructure and Ameriabank's leading position in Armenia, attacks could have national-level impacts. The Group's relationships with international customers and partners mean these risks could extend beyond Georgia and Armenia, resulting in regulatory and contractual liabilities, reputational damage and financial losses. Positively, the Group's robust practices protect customers' rights and build trust, contributing to greater financial inclusion and digital security.

Group Companies successfully completed their ISO 27001 certification journey (an international standard for information security management) and acquired the certificate in 2025 and successfully passed surveillance audit in 2026, demonstrating their strong commitment to robust information security management practices.

Data protection continues to be driven by increasing digitalisation, growing customer expectations regarding privacy and transparency, and an evolving legal and regulatory environment. During the reporting period, Group Companies continued to enhance their privacy governance frameworks in response to:

- increasing regulatory expectations and supervisory scrutiny regarding accountability and governance of personal data processing;
- expanding use of digital channels and technologies, resulting in larger volumes of personal data processing;
- increasing reliance on third-party service providers and cross-border data processing arrangements;
- emerging risks associated with Artificial Intelligence (AI), including transparency, fairness, explainability, and the use of personal data in AI-enabled solutions; and
- evolving cyber threats that could result in personal data breaches and associated regulatory obligations.

The Group considers the effective protection of personal data fundamental to maintaining customer trust, protecting individuals' rights, and supporting sustainable digital transformation and responsible innovation.

Mitigation

Governance: Within Group Companies, Information Security functions serve as the first line of defence. They adhere to internal policies and procedures, conducting routine risk assessments, vulnerability scans and penetration tests to identify system and infrastructure vulnerabilities. This work prevents unauthorised access and enables real-time monitoring for prompt detection and response to security incidents. The Risk functions act as the second line of defence applying a common approach across the Group structured around the identification, analysis, evaluation, treatment, monitoring and reporting of information security risks. At Bank of Georgia, this includes assessing the design and operational effectiveness of security controls; at Ameriabank, this is delivered through the IT and Information Security Risk Management Program, with particular emphasis on monitoring, reassessment and reporting. Risk units provide oversight, guidance and support to business units, ensuring information security risks are effectively identified, assessed and managed, and monitoring compliance with internal policies and external regulations.

The Group's privacy management framework is designed to comply with applicable data protection laws and regulations in the jurisdictions in which Group entities operate, including the Georgian Law on Personal Data Protection, the Law of the Republic of Armenia on Personal Data Protection and, where applicable, the EU General Data Protection Regulation (GDPR). The framework is based on a risk-based approach to the management of personal data processing activities, enabling the Group to identify, assess and mitigate privacy risks while supporting the responsible processing of personal data.

Data protection governance is driven from the highest levels across the Group, with established processes for ensuring Board-level oversight. While the principle is consistent, the specific reporting structures are tailored to each subsidiary's governance model. At Bank of Georgia, this involves dedicated quarterly reporting to the Audit Committee and a comprehensive annual review of the privacy programme by the Supervisory Board. At Ameriabank, oversight is achieved through quarterly reports to the respective Supervisory Board as part of the broader IT and Information Security risk overview.

The day-to-day responsibility for implementing privacy policies is also clearly defined within each Group Company. Bank of Georgia employs a distinct three lines of defence model, where business units act as the first line, supported by a specialised Privacy Office, led by the Data Protection Officer (DPO), which functions as the second line. At Ameriabank, these responsibilities are collectively managed by the Information Security, Technical Security and Legal departments, which oversee the implementation and updating of privacy policies.

Risk appetite: Information security risk is measured against predefined risk appetite metrics and thresholds to minimise data and security breach exposure. Risk profiles are monitored monthly against appetite and reported to local Executive Management on at least a quarterly basis, and quarterly to Supervisory Boards.

Monitoring and reporting: Internal Audit functions provide risk-based independent assurance on risk management adequacy and effectiveness. Information security appears regularly on Risk Committee agendas, and Group Companies engage external parties for regular cybersecurity audits and penetration tests.

Zero-day attacks: Group Companies monitor zero-day vulnerability announcements affecting their systems, addressing them promptly when detected. They employ a "defence in depth" approach with multiple complementary security layers that activate when others fail. Bank of Georgia has a dedicated team for threat intelligence sharing and building external relationships. As a member of the Financial Services Information Sharing and Analysis Centre, it accesses a threat intelligence platform and a trusted network of experts to anticipate and respond to threats, strengthening its cybersecurity posture and reflecting a proactive approach to managing risks.

Customer-targeted phishing: Malicious actors may carry out successful customer-targeted phishing attacks through fake websites, social networks, emails and other channels. Group Companies enhance information security controls to detect unauthorised account access and run awareness campaigns helping customers and the public recognise and respond to phishing attempts.

Supply chain cyber attack: Group Companies perform third-party provider due diligence, ensuring security and data protection controls before engagement and conducting annual compliance monitoring. Exit procedures protect information confidentiality, integrity and availability.

Employee policy adherence: Annual mandatory information security training for all employees includes tailored remote work security courses. Group Companies conduct quarterly phishing campaigns testing employee detection and response capabilities.

Access management: Group Companies implement role-based access control, automating employee onboarding and rotation processes while restricting network access based on least privilege principles. Semi-annual privileged user evaluations and annual access rights reviews occur in each department. Third parties receive privileged access only with justified business needs, requiring multi-factor authentication and privileged access management monitoring.

Information security incident response: To mitigate key risks, Group Companies have aligned their incident response plans with industry standards – following the National Institute of Standards and Technology (NIST) Computer Security Incident Handling Guide. Group Companies have strengthened their defences with vandal-resistant backup storage to protect core database backups from internal and external threats.

Annually, Bank of Georgia and Ameriabank each undergo at least ten security assessments to evaluate actions and manage risks, including:

- Penetration testing
- Breach and attack simulation
- Distributed denial-of-service (DDoS) attack simulation
- Self-assessments
- Internal and external audits

These assessments give insight into how effectively the policies and processes have been implemented.

Personal data protection: Group Companies have responded to changes in respective jurisdictions by implementing enhanced data protection measures, including policy updates, process reviews, training programmes and customer communication. During the reporting period, Group Companies continued to strengthen their privacy governance frameworks and enhance organisational awareness of data protection obligations. Ongoing investment in privacy governance, employee awareness, and responsible technology practices contributes to reducing data protection risks and supporting the long-term trust of customers, employees, shareholders, and regulators.

Operational risk

Operational risk is the risk of financial and/or non-financial loss from inadequate and/or failed internal processes, people, systems, or from external events. This includes human capital risk: the potential for ineffective human capital policies or processes to cause operational disruption, financial loss and reputational damage, and hinder the delivery of strategic objectives.

Operational losses may result from:

- Internal fraud
- External fraud
- Business disruption and system failures
- Employment practices and workplace safety
- Clients, products and business practices

- Physical asset damage
- Execution, delivery and process management
- Third party risks

Key drivers and developments

Rapidly evolving customer expectations and technological advancement continue to reshape banking business models, introducing new and increasingly complex operational risks. The rapid pace of change and the need for innovation demand new technologies and careful management of technology deployment. Artificial intelligence in particular, and its accelerating adoption across the financial services sector, gives rise to heightened exposure to automated errors that may be difficult to detect and costly to remediate. The Group recognises the importance of establishing robust AI governance frameworks and appropriate human oversight mechanisms in line with the pace of deployment.

As the digitisation of core business processes accelerates, operational resilience has become increasingly critical. Significant disruptions to vital services can cause material financial loss, reputational damage and business continuity threats. The increasing use of AI across the financial services sector introduces new dimensions of risk, with AI-assisted cyberattacks — including advanced phishing and automated vulnerability exploitation — presenting evolving threats to operational stability. As business processes become increasingly automated and interconnected, the potential for disruptions to propagate rapidly across critical systems has increased. Dependencies on third-party technology providers and outsourced services represent an additional source of vulnerability within this environment. Operational resilience will continue to gain importance as technology increasingly shapes financial service provision.

Employees remain crucial to the Group's success, supporting innovation and growth. To bolster digital capabilities and AI-driven decision-making, the Group prioritises attracting and retaining skilled talent and developing leaders for succession planning.

Mitigation

Governance: For Group Companies, the first line of defence consists of structural units responsible for identifying and assessing operational risks and establishing appropriate controls to mitigate them. Operational risk management units form the second line of defence, providing oversight and risk guidance. Internal Audit functions serve as the third line, independently assessing operational risk and events in business processes.

Human Capital Management functions within Group Companies develop policies and frameworks for risk management and legal compliance, monitoring and reporting human capital risks to the respective Executive Management and Supervisory Boards as well as to the Group's Board of Directors.

Risk appetite: Group Companies have established operational risk appetites. Bank of Georgia also has a Supervisory Board-approved human capital risk appetite at the bank level. Risk profiles are monitored against these appetites and reported to local Executive Management on at least a quarterly basis, and quarterly to the respective Supervisory Boards.

Monitoring and reporting:

Group Companies monitor operational risks on an ongoing basis using a range of quantitative and qualitative indicators, including operational loss data, which is captured and analysed to identify trends and patterns in operational risk exposures; risk and control self-assessments (RCSAs), through which risks are proactively identified and associated controls are evaluated; key risk indicators (KRIs), which provide early warning signals of emerging or elevated risk exposures; new product and change assessments, which evaluate potential operational risks associated with new products, services, and significant business changes prior to implementation; and third-party risk assessments, which support the identification and oversight of risks arising from vendor and outsourced service provider relationships. Regular standalone reports are provided to senior management and relevant governance bodies to support oversight of the operational risk profile, facilitate the timely escalation of material incidents and emerging risks, and assess compliance with the risk appetite and tolerance framework.

Group Companies implement policies, procedures, and frameworks to anticipate, mitigate, control, and communicate operational risks and assess internal control effectiveness. Operational risk management units maintain these frameworks and policies, which are reviewed and approved by relevant governance bodies to ensure alignment with recognised industry standards.

The following programmes and processes form the core of the operational risk management framework:

- **Risk and control self-assessment (RCSA)** - identifies and assesses operational risks in business processes and products, providing a structured view of risk and control environment across the Group. RCSA programme supports proactive risk management by facilitating the early identification of emerging risks and control weaknesses before they materialise into operational losses, ensuring that the Group's risk profile remains within defined appetite and tolerance boundaries.
- **New product and change assessment -** identifies and assesses potential operational risks associated with new products, services, systems and significant business or operational changes prior to implementation. By embedding risk assessment into the design and approval process, the programme ensures that operational risks are considered and addressed before new products or changes are introduced, with recommendations for risk

mitigation incorporated into the product design and change management phases. This proactive approach supports reduction of operational disruption arising from inadequately assessed or poorly implemented change.

- **Third-party risk management** - identifies and manages risks arising from third-party and outsourcing arrangements through risk-based vendor onboarding and due diligence, regular risk assessment and monitoring, and enhanced oversight of critical service providers, including business continuity and disaster recovery coverage.
- **Incident management, monitoring and reporting** - operational risk incidents and near misses are identified, assessed, and remediated through a structured incident management process. Upon identification, incidents are classified, escalated in accordance with defined severity thresholds, and subject to root-cause analysis to determine the underlying drivers of failure and prevent recurrence. The findings of root-cause analysis drive targeted remediation actions and, where relevant, broader enhancements to controls and processes. Regular reporting by the Risk function to senior management and relevant governance bodies supports oversight of the operational risk profile against the risk appetite and tolerance framework.
- **Operational resilience** - the Group maintains a dedicated operational resilience framework designed to ensure that critical business services can withstand, adapt to, and recover from severe but plausible disruption scenarios. The framework encompasses the identification of critical business services, the assessment of potential impacts arising from their disruption, and the establishment of recovery objectives to ensure timely restoration of services. Resilience arrangements are tested regularly against a range of disruption scenarios, with outcomes reviewed by senior management and used to drive the continuous enhancement of the Group's resilience capabilities.
- **Risk awareness and training programmes, including awareness campaigns and mandatory training** - to help employees identify existing and potential risks.

Within this broad category, a dedicated focus is placed on human capital risk. This is monitored through its own set of quantitative and qualitative indicators, including employee interviews, eNPS, engagement scores, internal mobility, and retention and employee turnover measures. The results of different surveys and measures are used to design action plans.

To manage human capital risk, the Group employs a multi-faceted strategy focused on talent acquisition, leadership development, competitive compensation, and transparent employee relations.

- **Talent acquisition and early career development:** The Group actively engages with universities and communities to attract new talent, holding recruitment events across Georgia and Armenia. This is complemented by flagship internship programmes designed to build a strong talent pipeline providing young talents with project experience, mentorship, and clear career paths, achieving high post-internship hire rates.
- **Succession planning and internal growth:** A strong emphasis is placed on developing leaders from within, which is reflected in high internal mobility rates that are filling open roles. The Group invests in a robust leadership pipeline through tailored development initiatives, including individual coaching, high-potential talent programmes, and an MBA Sponsorship Programme. Formal succession planning is in place for critical executive roles, ensuring leadership continuity. Employee development is further supported by a performance management framework that includes 360° evaluations and annual development plans.
- **Compensation, benefits, and work-life balance:** Compensation is designed to be competitive and fair, using market data and standardised grading systems to ensure position-based pay. The employee value proposition is enhanced by comprehensive benefits that support wellbeing and work-life balance. These include fully or partially funded health insurance for employees and their families, additional paid leave, extensive paid parental leave, and hybrid working arrangements for most back-office employees.
- **Transparent communication and grievance mechanisms:** The Group fosters a culture of open dialogue through "Employee Voice" meetings, which provide a direct channel for employees to share ideas and concerns with the Board. This is supported by formal and confidential grievance policies and independent reporting tools, all underpinned by a strict no-retaliation policy to ensure prompt and fair issue resolution.
- **Technology capability and AI literacy:** The Group runs dedicated learning initiatives, establishing foundational digital fluency and progressively developing employees' AI capabilities. These programmes support four objectives: maintaining productivity relative to AI-augmented peers and competitors; strengthening human oversight of AI-generated outputs; enabling employees to critically evaluate automated tools and their limitations; and supporting workforce adaptation as roles are redesigned around new technologies.

Model risk

Model risk arises from decisions based on incorrect model results due to inaccurate assumptions, inappropriate variables, low-quality data, or inadequacies in model design, implementation or usage.

Key drivers and developments

As banking operations become more complex and digital, the adoption of statistical models, machine learning and artificial intelligence enhances decision-making and provides competitive intelligence. To sustain these benefits, sound model risk assessment frameworks and validation practices are essential.

The NBG's regulation – Managing Risks for Data-based Statistical, Artificial Intelligence and Machine Learning Models – sets additional requirements for model development, validation, monitoring and application. The regulation requires that all relevant new and existing models be in line with regulatory requirements.

Given the increasing use of AI-driven models at Bank of Georgia, particular attention is paid to the oversight and mitigation of AI-related risks. To ensure effective oversight of AI, Bank of Georgia maintains internal policies and procedures governing AI usage, which outline clear guidelines for model development, validation, implementation, monitoring and compliance with regulatory standards.

Since 2025, Bank of Georgia has been expanding its use of artificial intelligence by beginning to implement generative AI and Large Language Models (LLMs). The introduction of these advanced models is conducted under the Bank's robust model risk management framework. This ensures that each model undergoes thorough validation and is subject to stringent controls, in full compliance with the established principles. While the current framework provides a solid foundation, the Bank is working on its further enhancement to specifically address the unique characteristics and risks of generative models.

The CBA's regulation regarding model risk management requires banks to have procedures and processes covering the full lifecycle of internal models, including evaluation, development, validation, approval, performance monitoring and adjustments, as needed.

Mitigation

Group Companies have their Model Risk Management Frameworks (MRM) continuously reviewed and refined to address key model risks effectively. The MRM Policies outline:

- **Three lines of defence:** A clear segregation of roles and responsibilities throughout the model lifecycle and model inventory governance among model owners (first line), an independent MRM function (second line) and Internal Audit (third line).
- **Key controls:** Standards covering model development, documentation, validation, monitoring, revalidation, backtesting, as well as comprehensive model risk assessment and reporting. They also encompass the critical areas of model inventory management and data integrity, with the specific implementation and level of centralisation tailored to each subsidiary's current operational model.

In 2023, Bank of Georgia enhanced its MRM framework in collaboration with McKinsey & Company, aligning it with industry best practices and evolving regulatory requirements.

Governance: Within Group Companies, model owners within the first line of defence are responsible for the development, implementation, operation and contribution to model monitoring.

The second line of defence – independent from the units that develop or use the models – is responsible for model validation, performance oversight, independent challenge of model adequacy and ensuring compliance with regulatory requirements.

Clearly defined roles and the existence of independent validation functions within Group Companies ensure effective risk mitigation.

Monitoring and reporting: Material model-related issues within Group Companies are subject to a robust oversight process, requiring approval from the respective Chief Risk Officers (CROs) before being reported to the Supervisory Boards.

Group Companies conduct continuous monitoring of model performance. At Bank of Georgia, this involves a systematic collection of performance metrics within a centralised monitoring system. The health of the models is ensured with model owners overseeing performance and model validators supervising the process, which includes regular reviews and escalation as needed.

Model risk mitigation: Group Companies employ similar strategies for model risk mitigation:

- Model redevelopment: Models are refined or redeveloped in response to changes in market conditions, business assumptions or processes, to maintain accuracy and relevance.
- Adjustments to model outputs: Adjustments, including expert-opinion-based revisions or the application of new restrictions, are made to improve model accuracy and address biases or limitations.
- Process enhancements: Additional controls or validation measures are introduced to further reduce model risk.

Strategic risk

Strategic risk is the risk that the Group will be unable to execute its business strategy and create stakeholder value due to poor decision making, ineffective resource allocation, and/or a delayed and/or ineffective response to changes in the external environment.

Key drivers and developments

The Group faces strategic risks from changes in legal, regulatory, macroeconomic and competitive environments. Economic uncertainty, the rise of global fintech, and increased competition in financial services have altered stakeholder expectations, necessitating forward-looking strategic risk management.

The Group's 2024 expansion into Armenia through its subsidiary Ameriabank added a new geographic dimension to its operational footprint. This diversification introduces additional risks that require proactive monitoring and mitigation. Managing the Group across two diversified markets is strategically more complex and requires active involvement from Executive Management to ensure effective coordination across the Group, the realisation of expected synergies, and operational alignment in pursuit of the Group's strategy. Group-level risk management and strategic alignment remain a key focus of the Group's Executive Management and a regular topic of discussion at the Board level.

Mitigation

Strategic planning: The Group's Executive Management runs an annual strategic planning process to review its performance against targets, discuss the internal and external environment affecting the Group's subsidiaries, and develop short- and medium-term strategic plans considering potential financial and non-financial risks. This process is supported by risk appetite framework, capital plans and a recovery plan. The Group's strategy is ultimately approved by the Group's Board of Directors.

Focus on customers and innovation: The Group mitigates strategic risks by incorporating customer feedback in decision-making and scanning global competitive landscape to ensure relevant, innovative products and offerings, addressing current needs while creating foundations for future client growth.

Monitoring: The Group's Executive Management holds regular meetings to discuss the performance of the Group's core subsidiaries, the competitive landscape, and their competitive positions, including any changes versus prior periods and any actions required. Key strategic areas and/or projects are periodically discussed in working groups comprising executive, senior and middle management.

Strategic objectives and/or decisions, including major organisational changes and initiatives, are regularly discussed with and challenged by the Board, including during the quarterly Board meetings and the Board's strategy sessions. The Board receives quarterly updates on market environment and competitive positioning of principal operating entities in Georgia and Armenia and challenges management's tactical or strategic actions.

The Group has a dedicated International Business function with executive responsibility over monitoring and coordination of activities with the operating entities outside of Georgia. The International Business function does not replace or interfere in day-to-day executive management of the Group's subsidiaries, other than as necessary for meeting either legal and regulatory, or internal policy requirements applicable to the Group as a whole or on a consolidated basis.

Reputational risk

Reputational risk is the risk of damage to stakeholder trust and/or brand image due to negative consequences arising from internal actions and/or external events.

Key drivers and developments

The Group's operations face inherent reputational risk, primarily driven by internal execution failures, cyber and phishing case mismanagement, and misalignment between Group values and public perceptions/opinions.

Mitigation

Risk appetite: Group Companies manage reputational risk within a defined risk appetite that is articulated through quantitative measures. The reputational risk profile is subject to quarterly review and oversight by the Supervisory Boards of the respective Group Companies.

Monitoring and reporting: Effective systems and controls ensure high customer service levels and compliance. Material risks at any business level are measured, mitigated and monitored according to Group policies and procedures.

To protect brand strength, marketing/PR teams within Group Companies monitor daily media coverage. Legal teams ensure marketing communications comply with internal policies and review product/ service compliance. Group Companies regularly measure customer satisfaction and perception through internal and external surveys and monitor risk appetite compliance with performance reported to Executive Management on at least a quarterly basis.

Group Companies also engage with customers on information security matters, disseminating content including articles, direct emails, interactive games, and questionnaires through various media. Bank of Georgia and Ameriabank contribute to the development of information security in Georgia and Armenia respectively by regularly participating in collaborative efforts with financial industry peers, law enforcement authorities, regulatory bodies and the governments, sharing knowledge and preventing negative impacts.

To prevent inaccurate or misleading reporting that could damage the Group's reputation, well-documented reporting processes with strong controls ensure fairness and transparency. Oversight from the Board as well as the External Auditor ensures the Group's financial and narrative reporting is trustworthy.

Climate-related risk

The Group has identified climate risk as an emerging risk and continues to assess climate-related risks, both transition and physical, for its client base, and determines potential impacts on the Group.

Climate-related risk is the risk of financial loss and/or damage to the Group's reputation as a result of the accelerating transition to a lower-carbon economy and/or the materialisation of actual physical damage as a result of acute and/or chronic weather events. Transition and physical risks may impact the performance and financial position of the Group's customers and, hence, their ability to repay loans.

Key drivers and developments

The Group's stakeholders, including investors and lenders, are increasingly demanding more climate-related disclosures – including climate risk assessments and GHG emissions reporting – as well as actions to address climate-related risks.

The Group is subject to climate reporting obligations under both the UK Financial Conduct Authority's Listing Rules and Sections 414CA and 414 CB of the UK Companies Act 2006.

In 2020, the Group identified climate change as an emerging risk and incorporated it into its risk inventory. Since then, significant progress has been made in developing the management framework for this risk. Notably, the Group has developed a climate scenario analysis toolkit to model the impact of climate risks on its credit portfolio and has continued to strengthen climate-related considerations within its credit risk management processes.

Both Georgia and Armenia have submitted their Nationally Determined Contributions (NDC) as part of the Paris Agreement. In April 2026, Georgia updated its NDC, committing to limit total net greenhouse gas emissions by 47% below 1990 levels by 2030, with an enhanced target of 50% below 1990 levels by 2035. Armenia targets a 40% reduction by 2030, using the same 1990 baseline. Georgia has also adopted a long-term low-emission development strategy, identifying carbon neutrality by 2050 as a key long-term objective. The updated NDC strengthens the country's mitigation ambition and establishes its medium-term climate commitments through 2035.

In March 2025, the National Bank of Georgia (NBG) launched the second phase of its Sustainable Finance Roadmap (2025–2028), introducing several updates to the country's sustainable finance framework. Bank of Georgia has already implemented a number of the roadmap's initiatives and continues to align its practices with the planned measures to support their full implementation by 2028.

Mitigation

Governance: The Group's Board of Directors has ultimate responsibility for overseeing climate-related risks and opportunities and ensuring their integration into the strategy and risk management of the Group Companies. Since 2022, the Board and its committees – including the Risk, Audit, Remuneration and Nomination Committees – have regularly reviewed climate-related issues, ensuring ongoing and effective oversight.

The Environmental and Social Impact (ESI) Committee at Bank of Georgia, comprising executive and senior management, is responsible for overseeing the Bank's climate, environmental and social impacts – focusing mainly on those arising from its lending activities. It holds overall responsibility for designing climate, environmental and social strategies and policies, and setting and monitoring targets. The final responsibility for decisions made by the ESI Committee rests with the Supervisory Board.

In 2025, Ameriabank initiated the development of a dedicated Sustainability and Climate Competence (SCC) function, which is expected to become fully operational by the end of 2026. The SCC function will support the identification, assessment, and monitoring of sustainability and climate-related risks and opportunities, while strengthening sustainability governance, strategic decision-making, and disclosure processes.

Centralised teams of Environmental, Social and Climate Risk specialists within Group Companies' Risk functions are responsible for:

- Conducting research on climate, environmental, and social-related matters (policies, risk mitigation and assessment methods, etc.)
- Implementing and updating environmental and social policies, procedures and methods.
- Identifying, assessing, managing and mitigating climate, environmental and social risks for the Group Companies' clients, based on a standardised due diligence process.
- Identifying climate-related opportunities and classifying green loans.
- Calculating financed emissions and supporting other departments to implement environmental and climate-related tasks.
- Preparing environmental and climate-related disclosures.

Climate-related risks mitigation: Group Companies have adopted the following mitigating activities for climate-related risk management framework:

- Identifying and addressing sector and location-specific climate risks for business clients, as part of loan appraisal and origination processes, as well as the environmental and social risk management process.
- Expanding our climate scenario analysis toolkit and deepening our knowledge of climate change and climate policy in Georgia and Armenia and the global implications.
- Assessing the materiality of climate risks on the banks' portfolios against selected climate change scenarios; developing a climate risk stress-testing framework and conducting high-level climate stress-testing to assess

potential climate-related vulnerabilities across the portfolio and to support the bank's understanding of climate risks.

- Facilitating climate-related disclosure.
- Raising climate finance awareness among clients and implementing training for employees.

Moreover, Bank of Georgia has integrated climate-related risks into its risk management framework and business resilience assessments. Its mitigating activities also include:

- Collecting relevant data, including on output produced and energy consumed, and calculating Scope 3 financed emissions for some GHG-intensive corporate clients.
- Identifying and reporting on transactions aligned with the NBG's Green Taxonomy (from January 2023).
- Developing sectoral E&S policies to address specific high-risk industries which may have high adverse impact on people and/or the environment. Bank of Georgia is committed to working closely with clients, especially those in high-emission industries, to support their shift towards sustainable practices by tackling issues like data limitations, technical capacity and access to funding.

Ameriabank contributes to a sustainable economy through three core activities: implementing robust Environmental and Social (E&S) risk management processes for clients in line with IFI standards; ensuring transparency through public reporting; and financing a dedicated portfolio of green assets.

Historically, Ameriabank applied its Green Bond Framework to identify and assess green loans in accordance with international standards. Following the adoption of the Group Green Finance Framework (GFF), this now serves as the primary basis for identifying and reporting green financing activities.

In 2025, Armenia introduced a national green taxonomy, which is not yet mandatory for financial institutions. The GFF will be updated to reflect this taxonomy and related legislative developments, ensuring continued regulatory alignment, transparency and consistency across the Group.

Statement of directors' responsibilities

We, the Directors, confirm that to the best of our knowledge:

- The interim condensed consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority and the International Accounting Standard 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB") and as adopted by the United Kingdom and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;

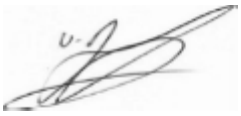
- This Results Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and a description of principal risks and uncertainties for the remaining six months of the year); and

- This Results Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

Signed on behalf of the Board by:

Archil Gachechiladze

Chief Executive Officer



10 August 2026

The Board of Directors of Lion Finance Group PLC:

Non-Executive Chairman: Mel Carvill

Executive Director: Archil Gachechiladze

Non-Executive Directors:

Andrew McIntyre

Armen Orujyan

Cecil Quillen

Karine Hirn

Maria Gordon

Mariam Megvinetukhutsesi

Tamaz Georgadze

Véronique McCarroll

Interim Condensed Consolidated Financial Statements

30 June 2026

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

Independent review report to Lion Finance Group Plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Lion Finance Group Plc's condensed consolidated interim financial statements (the "interim financial statements") in the 2Q26 and 1H26 results of Lion Finance Group Plc for the 6 month period ended 30 June 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim condensed consolidated financial statements comprise:

- the Interim Consolidated Statement of Financial Position as at 30 June 2026;
- the Interim Consolidated Income Statement and Interim Consolidated Statement of Comprehensive Income for the period then ended;
- the Interim Consolidated Statement of Cash Flows for the period then ended;
- the Interim Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2Q26 and 1H26 of Lion Finance Group Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the 2Q26 and 1H26 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The 2Q26 and 1H26 results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the 2Q26 and 1H26 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the 2Q26 and 1H26, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the 2Q26 and 1H26 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of this report

This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
10 August 2026

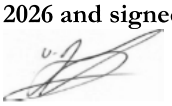
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

(Thousands of Georgian Lari)

	Notes	*As at* *30 June 2026 (unaudited)*	*31 December 2025 (reclassified)*
Assets			
Cash and cash equivalents	6	5,046,754	4,572,046
Amounts due from credit institutions	7	3,777,016	3,552,257
Investment securities	8	9,737,554	10,047,237
Investment securities measured at amortised cost		3,220,336	3,254,349
Investment securities measured at fair value through other comprehensive income		6,326,687	6,640,584
Investment securities measuered at fair value through profit or loss		190,531	152,304
Investment securities pledged under sale and repurchase agreements and securities lending	8	320,654	147,416
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost		320,654	147,416
Loans to customers, factoring and finance lease receivables	9	44,429,043	40,065,664
Prepayments	11	160,538	200,767
Foreclosed Assets		405,131	374,659
Right-of-use assets		327,471	332,630
Investment properties		98,261	107,573
Property and equipment		622,402	616,839
Assets held for sale		9,752	15,644
Intangible assets		402,750	376,402
Income tax assets	10	55	41
Other assets*	11	447,670	419,428
Goodwill		35,488	41,253
Total assets		**65,820,539**	**60,869,856**
Liabilities			
Client deposits and notes	12	43,664,753	38,629,974
Amounts owed to credit institutions	13	7,372,045	9,499,106
Debt securities issued	14	4,176,271	2,999,871
Lease liability		359,831	348,114
Accruals and contract liabilties	15	239,749	301,067
Income tax liabilities	10	165,531	108,805
Other liabilities	11	450,431	560,676
Total liabilities		**56,428,611**	**52,447,613**
Equity	17		
Share capital		1,419	1,431
Additional paid-in capital		613,014	569,887
Treasury shares		(18)	(31)
Capital redemption reserve		199	187
Other reserves		165,355	72,048
Retained earnings		8,609,880	7,776,662
Total equity attributable to shareholders of the Parent		**9,389,849**	**8,420,184**
Non-controlling interests		2,079	2,059
Total equity		**9,391,928**	**8,422,243**
Total liabilities and equity		**65,820,539**	**60,869,856**

The financial statements on page 38 to 87 were approved for issue by the Board of Directors on 10 August 2026 and signed on its behalf by:



Archil Gachechiladze

Chief Executive Officer

Lion Finance Group PLC

Registered No. 10917019

**To improve the quality and understandability of its consolidated statement of financial position, the Group has revised the presentation of accounts receivable and other loans and other assets. Amounts previously reported as accounts receivable and other loans have been reclassified and are now presented within other assets. Further details are disclosed in Note 3.*

INTERIM CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

(Thousands of Georgian Lari)

	Notes	*For the six months ended* 30 June 2026 (unaudited)	30 June 2025 (unaudited and reclassified)
Interest income calculated using EIR method		2,986,250	2,499,120
Other interest income		40,335	37,428
Interest income		**3,026,585**	**2,536,548**
Interest expense		(1,317,768)	(1,114,707)
Net interest income*	18	**1,708,817**	**1,421,841**
Fee and commission income*		647,305	513,647
Fee and commission expense*		(264,792)	(211,514)
Net fee and commission income*	19	**382,513**	**302,133**
Net foreign currency gain		296,377	298,191
Net gains/(losses) on extinguishment of debt		38	(225)
Regulatory-related expenses*	3	(37,590)	(31,600)
Other expenses*	3	(4,408)	(3,144)
Net other gains/(losses)	21	20,734	29,587
Net operating income*		**2,366,481**	**2,016,783**
Salaries and other employee benefits		(513,687)	(453,104)
Administrative expenses*		(172,765)	(155,328)
Depreciation, amortisation and impairment		(123,884)	(105,260)
Other operating expenses*		(5,754)	(6,994)
Operating expenses*		**(816,090)**	**(720,686)**
Profit/(loss) from associates		990	736
Operating income before cost of risk		**1,551,381**	**1,296,833**
Expected credit loss on loans to customers and factoring receivables	20	(96,932)	(64,669)
Expected credit loss on finance lease receivables	20	1,808	(627)
Other expected credit loss	20	(2,461)	(7,100)
Impairment charge on other assets and provisions	20	(5,715)	(5,313)
Cost of risk		**(103,300)**	**(77,709)**
Profit before income tax expense		**1,448,081**	**1,219,124**
Income tax expense	10	(244,288)	(192,813)
Profit for the period		**1,203,793**	**1,026,311**
Total profit attributable to:			
– shareholders of the parent		1,203,773	1,024,421
– non-controlling interests		20	1,890
		1,203,793	**1,026,311**
Basic earnings per share:	17	28.24	23.70
Diluted earnings per share:	17	27.98	23.44

**To improve the quality and understandability of its consolidated income statement, the Group has revised the presentation of deposit insurance fee, fee and commission income, fee and commission expense, administrative expenses and other operating expenses. Further details are disclosed in Note 3.*

The accompanying selected explanatory Notes on pages 43 to 87 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Profit for the period		**1,203,793**	**1,026,311**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to income statement in subsequent years:			
– Net change in fair value on investments in debt instruments measured at fair value through other comprehensive income (FVOCI)	8	75,030	(59,156)
– Realised gain on financial assets measured at FVOCI		(2,918)	(796)
–Change in allowance for expected credit losses on investments in debt instruments measured at FVOCI reclassified to the consolidated income statement		(1,193)	(171)
– Gain from foreign currency translation differences		34,537	9,472
Income tax impact	10	128	(198)
Net other comprehensive income/(loss) to be reclassified to income statement in subsequent years		**105,584**	**(50,849)**
Other comprehensive gain/(loss) not to be reclassified to income statement in subsequent years:			
– Net gain (loss) on investments in equity instruments designated at FVOCI		(569)	6,762
Net other comprehensive (loss)/income not to be reclassified to income statement in subsequent years		**(569)**	**6,762**
Other comprehensive income/(loss) for the period		**105,015**	**(44,087)**
Total comprehensive income for the period		**1,308,808**	**982,224**
Total comprehensive income attributable to:			
– shareholders of the Parent		1,308,788	980,374
– non-controlling interests		20	1,850
		1,308,808	**982,224**

The accompanying selected explanatory Notes on pages 43 to 87 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

(Thousands of Georgian Lari)

	Attributable to shareholders of the Parent							*Non-controlling interests*	*Total equity*
	Share capital	*Additional paid-in capital*	*Treasury shares*	*Other reserves*	*Capital redemption reserve*	*Retained earnings*	*Total*		
31 December 2024	**1,464**	**453,738**	**(51)**	**110,786**	**154**	**6,422,320**	**6,988,411**	**26,816**	**7,015,227**
Profit for the six months ended 30 June 2025 (unaudited)	-	-	-	-	-	1,024,421	1,024,421	1,890	1,026,311
Other comprehensive income for the six months ended 30 June 2025 (unaudited)	-	-	-	(58,208)	-	14,161	(44,047)	(40)	(44,087)
Total comprehensive income for the six months ended 30 June 2025 (unaudited)	**-**	**-**	**-**	**(58,208)**	**-**	**1,038,582**	**980,374**	**1,850**	**982,224**
Increase in equity arising from share-based payments	-	55,451	28	-	-	-	55,479	-	55,479
Purchase of treasury shares under share-based payments	-	(44,773)	(7)	-	-	-	(44,780)	-	(44,780)
Dividends to shareholders of the Parent (Note 17)	-	-	-	-	-	(255,331)	(255,331)	-	(255,331)
Increase in share capital of subsidiaries	-	-	-	94	-	-	94	(94)	-
Net amount reclassified to retained earnings on sale of equity instruments at FVOCI	-	-	-	(3,419)	-	3,419	-	-	-
Acquisition of non-controlling interests in existing subsidiaries	-	-	-	(1,811)	-	-	(1,811)	(26,637)	(28,448)
Purchase of treasury shares	-	(5,110)	(99,660)	-	-	-	(104,770)	-	(104,770)
Cancellation of treasury shares	(19)	18,388	99,662	-	19	(118,050)	-	-	-
Dividends of subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(469)	(469)
30 June 2025 (unaudited)	**1,445**	**477,694**	**(28)**	**47,442**	**173**	**7,090,940**	**7,617,666**	**1,466**	**7,619,132**
31 December 2025	**1,431**	**569,887**	**(31)**	**72,048**	**187**	**7,776,662**	**8,420,184**	**2,059**	**8,422,243**
Profit for the six months ended 30 June 2026 (unaudited)	-	-	-	-	-	1,203,773	1,203,773	20	1,203,793
Other comprehensive income for the six months ended 30 June 2026 (unaudited)	-	-	-	93,346	-	11,669	105,015	-	105,015
Total comprehensive income for the six months ended 30 June 2026 (unaudited)	**-**	**-**	**-**	**93,346**	**-**	**1,215,442**	**1,308,788**	**20**	**1,308,808**
Increase in equity arising from share-based payments	-	98,911	15	-	-	-	98,926	-	98,926
Purchase of treasury shares under share-based payments	-	(56,356)	(3)	-	-	-	(56,359)	-	(56,359)
Dividends to shareholders of the Parent (Note 17)	-	-	-	-	-	(248,620)	(248,620)	-	(248,620)
Purchase of treasury shares	-	(5,438)	(127,593)	-	-	-	(133,031)	-	(133,031)
Cancellation of treasury shares	(12)	6,010	127,594	-	12	(133,604)	-	-	-
Other movement	-	-	-	(39)	-	-	(39)	-	(39)
30 June 2026 (unaudited)	**1,419**	**613,014**	**(18)**	**165,355**	**199**	**8,609,880**	**9,389,849**	**2,079**	**9,391,928**

The accompanying selected explanatory Notes on pages 43 to 87 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited and reclassified)
Cash flows from operating activities			
Interest received		2,971,149	2,470,105
Interest paid*		(1,258,479)	(1,010,691)
Fees and commissions received *		645,930	504,173
Fees and commissions paid*		(278,302)	(214,141)
Net cash inflow from real estate		3,296	1,337
Net realised gain from foreign currencies		292,396	310,711
Recoveries of loans to customers previously written off	9	35,461	44,220
Cash received from/(paid for) derivatives		-	(129)
Regulatory-related and other expenses paid		(41,998)	(34,744)
Other income received		11,524	6,582
Salaries and other employee benefits paid		(488,759)	(501,440)
General and administrative and operating expenses paid*		(169,654)	(162,135)
Cash flows from operating activities before changes in operating assets and liabilities		**1,722,564**	**1,413,848**
Net (increase)/decrease in operating assets			
Amounts due from credit institutions		(280,386)	38,884
Investment securities measured at FVTPL		(36,935)	(42,050)
Loans to customers, factoring and finance lease receivables		(4,844,546)	(3,104,106)
Prepayments and other assets		19,091	(49,386)
Foreclosed assets		38,422	88,171
Net increase/(decrease) in operating liabilities			
Amounts due to credit institutions		(2,043,746)	239,588
Debt securities issued		65,825	160,372
Client deposits and notes		5,259,379	1,630,962
Other liabilities		(60,995)	29,507
Net cash flows from operating activities before income tax		**(161,327)**	**405,790**
Income tax paid		(187,448)	(119,006)
Net cash flows from operating activities		**(348,775)**	**286,784**
Cash flows from/(used in) investing activities			
Acquisition of investment securities measured at fair value through other comprehensive income		(1,892,653)	(2,771,989)
Proceeds from sale and maturity of investment securities measured at fair value through other comprehensive income		2,240,769	3,104,179
Acquisition of investment securities carried at amortised cost		(1,568,926)	(1,981,318)
Proceeds from sale and maturity of investment securities carried at amortised cost.		1,435,241	1,922,709
Purchase of investments in subsidiaries, net of cash acquired		(15,240)	-
Proceeds from sale of investment properties and assets held for sale		14,072	20,333
Proceeds from sale of property and equipment and intangible assets		3,187	488
Purchase of property and equipment*	3	(59,721)	(74,639)
Purchase of intangible assets*	3	(66,537)	(52,845)
Dividends received		1,093	1,078
Net cash flows from/(used in) investing activities		**91,285**	**167,996**
Cash flows (used in)/from financing activities			
Eurobonds and notes issued	14	799,800	-
Repayment of the principal portion of the debt securities issued	14	(189,141)	(176,465)
Proceeds from Tier 2 notes issued	14	23,460	63,751
Proceeds from local Additional Tier 1	14	266,471	-
Proceeds from local bonds issued	14	246,016	195,571
Cash payments for the principal portion of the lease liability		(36,347)	(34,578)
Dividends paid		(241,437)	(13,567)
Purchase of treasury shares under share-based payments		(56,359)	(44,780)
Purchase of interests in existing subsidiaries	17	-	(28,448)
Purchase of treasury shares		(133,031)	(104,770)
Net cash (used in)/from financing activities		**679,432**	**(143,286)**
Effect of exchange rates changes on cash and cash equivalents		6,726	(42,107)
Effect of expected credit losses on cash and cash equivalents		134	(349)
IFRS 9 amendment – transition effect		45,906	-
Net increase in cash and cash equivalents		**474,708**	**269,038**
Cash and cash equivalents, beginning of the period	6	**4,572,046**	**3,753,183**
Cash and cash equivalents, end of the period	6	**5,046,754**	**4,022,221**

**To improve the quality and understandability of its consolidated statement of cash flow, the Group has revised the presentation of interest paid, fees and commissions received, fees and commissions paid, General and administrative and operating expenses paid, purchase of property and equipment and intangible assets. Further details are disclosed in Note 3.*

The accompanying selected explanatory Notes on pages 43 to 87 are an integral part of these interim condensed consolidated financial statements.

(Thousands of Georgian Lari)

1. Principal activities

Lion Finance Group PLC is a public limited liability company incorporated in England and Wales with registered number 10917019. As at 30 June 2026 Lion Finance Group PLC held 100.00% of the share capital of JSC Bank of Georgia and 90% of Ameriabank CJSC (remaining 10% is consolidated through a put option), representing their ultimate parent company. Ameriabank CJSC was acquired as at 31 March 2024. Together with JSC Bank of Georgia, Ameriabank CJSC and other subsidiaries, the Group makes up a group of companies (the "Group") and provides banking, leasing, brokerage and investment management services to corporate and individual customers. Lion Finance Group PLC is listed on the London Stock Exchange's main market in the Equity Shares (Commercial Companies) category and is a constituent of the FTSE 100 index. Ticker: BGEO, effective 21 May 2018. JSC Bank of Georgia and Ameriabank CJSC are the Group's main operating units and account for most of the Group's activities.

JSC Bank of Georgia was established on 21 October 1994 as a joint stock company ("JSC") under the laws of Georgia. It operates under a general banking licence issued by the National Bank of Georgia ("NBG"; the Central Bank of Georgia) on 15 December 1994.

JSC Bank of Georgia accepts deposits from the public and extends credit, transfers payments in Georgia and internationally, and exchanges currencies. Its main office is in Tbilisi, Georgia. As at 30 June 2026, it has 206 operating outlets in all major cities of Georgia (31 December 2025: 200). JSC Bank of Georgia's registered legal address is 29a Gagarini Street, Tbilisi 0160, Georgia.

Ameriabank CJSC was established on 8 December 1992 under the laws of the Republic of Armenia. Its principal activities are deposit taking and customer account maintenance, lending, issuing guarantees, cash and settlement operations and operations with securities and foreign exchange. The activities of Ameriabank CJSC are regulated by the Central Bank of Armenia (the "CBA").

As at 30 June 2026, Ameriabank CJSC has 30 branches from which it conducts business throughout the Republic of Armenia (31 December 2025: 29). The registered address of the head office is 2 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia.

Lion Finance Group's registered legal address is 29 Farm Street, London United Kingdom W1J 5RL.

As at 30 June 2026, 31 December 2025, the following shareholders owned more than 3% of the total outstanding shares of Lion Finance Group PLC. Other shareholders individually owned less than 3% of the outstanding shares.

Shareholder	*30 June 2026 (unaudited)*	*31 December 2025*
JSC Georgia Capital**	14.86%	16.88%
Dimensional Fund Advisors (DFA) LP	4.67%	4.76%
JP Morgan Asset Management	3.90%	3.92%
BlackRock Investment Management (UK)	3.39%	3.31%
Vanguard Group Inc	2.52%	3.51%
Others	70.66%	67.62%
Total*	**100.00%**	**100.00%**

For the purposes of calculating percentage of shareholding, the denominator includes total number of issued shares, which includes shares held in the trust for the share-based compensation purposes of the Group.
***** JSC Georgia Capital will exercise its voting rights at the Group's general meetings in accordance with the votes cast by all other Group Shareholders, as long as JSC Georgia Capital's percentage holding in Lion Finance Group PLC is greater than 9.9%.***

2. Basis of preparation

General

The financial information set out in these interim condensed consolidated financial statements does not constitute Lion Finance Group PLC's statutory financial statements within the meaning of section 434 of the Companies Act 2006. Statutory financial statements were prepared for the year ended 31 December 2025 in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted international accounting standards. The auditor's report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These interim Condensed Consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority (FCA) and with UK-adopted International Accounting Standard 34 (IAS 34 Interim Financial Reporting).

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim condensed consolidated financial statements. Although these estimates and assumptions are based on management's best judgment at the date of the interim condensed consolidated financial statements, actual results may differ from these estimates.

Assumptions and significant estimates other than disclosed in these interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025. Income tax expense for the interim period is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2025, signed and authorized for release on 24 March 2026.

These interim condensed consolidated financial statements are presented in thousands of Georgian Lari ("GEL"), except per share amounts, which are presented in Georgian Lari, and unless otherwise noted.

The interim condensed consolidated financial statements are unaudited, reviewed by the auditors and their review conclusion is included in the review report.

Going concern

The Board of Directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for a period of at least 12 months from the date of approval of the interim condensed consolidated financial statements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern for the foreseeable future. Therefore, the interim condensed consolidated financial statements continue to be prepared on the going concern basis.

(Thousands of Georgian Lari)

3. Material accounting policy information

Amendments effective from 1 January 2026

The accounting policies and methods of computation applied in the preparation of these interim condensed consolidated financial statements are consistent with those disclosed in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2025., except for the adoption of new amendments effective as of 1 January 2026.

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

The amendments apply for the first time in 2026 and

- Clarify that a financial liability is derecognized on the 'settlement date', i.e. when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met;
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features;
- Clarify the treatment of non-recourse assets and contractually linked instruments (CLI);
- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the group has performed an assessment of all electronic payment systems used. The group has been derecognizing the financial liability, and the associated cash, at the time of submitting the payment instructions in the systems regardless of whether the settlement was completed. In line with the amendments, the group changed its previous practice and now derecognises the financial liability and the associated cash when the payment has reached the beneficiary, which is when the obligation is discharged.

The effect of initial application of the amendments to the opening balance of financial assets and financial liabilities is presented below:

	31-Dec-25	Transition effect	1-Jan-26
Cash and cash equivalents	4,572,046	45,906	4,617,952
Client deposits and notes	38,629,974	16,772	38,646,746
Amounts owed to credit institutions	9,499,106	29,134	9,528,240

In addition, the group has assessed the impact of the Amendments on its financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. The amendments in these areas did not have a material impact on the group's consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Reclassifications

To improve the quality and understandability of its interim condensed consolidated financial statements, the Group has reviewed and revised the presentation of certain line items in its condensed consolidated interim financial statements. Changes to the Consolidated Statement of Financial Position are designed to remove non-material balances as a separate financial statement line items that obscured material information presented in the Statement; changes to the Consolidated Income Statement have been made to better present the nature of certain charges and align more with the industry practice, while changes applied to consolidated statement of cash flows to disaggregate transactions by nature to provide more useful information. The changes related to presentation of accounts receivable and other loans (from previously presented separately to currently presented within other assets), deposit insurance fee (from previously presented within net interest income to currently presented within regulatory-related expenses), certain repair and maintenance costs (from previously presented within net fee and commission income to currently presented within administrative expenses), resolution fund contributions (from previously presented within other operating expenses to currently presented within regulatory-related expenses), core banking expenses (from previously presented within other administrative expenses to currently presented within other expenses), purchase of property and equipment and purchase of intangibles assets (from previously presented within purchase of property and equipment and intangible assets to currently presented separately). Comparative amounts have been reclassified in line with the revised presentation. Management believes that these reclassifications provide more reliable and relevant information.

(Thousands of Georgian Lari)

3. Material accounting policy information (continued)

Reclassifications (continued)

The following reclassifications have been made to consolidated statement of financial position as at 31 December 2025 to conform presentation requirements as at 30 June 2026:

Consolidated Statement of Financial Position as at 31 December 2025	*As previously reported*	*Reclassification*	*As reclassified*
Accounts receivable and other loans	11,470	(11,470)	-
Other assets	407,958	11,470	419,428
Total assets	**60,869,856**	**-**	**60,869,856**

The following reclassifications have been made to period ending 30 June 2025 interim consolidated income statement and statement of cash flows to conform to the period ended 30 June 2026 presentation requirements:

Consolidated Income Statement for the period ended 30 June 2025	*As previously reported*	*Reclassification*	*As reclassified*
Deposit insurance fees	(22,295)	22,295	-
Net interest income	**1,399,546**	**22,295**	**1,421,841**
Fee and commission income	510,468	3,179	513,647
Fee and commission expense	(219,781)	8,267	(211,514)
Net fee and commission income	**290,687**	**11,446**	**302,133**
Regulatory-related expenses	-	(31,600)	(31,600)
Other expenses	-	(3,144)	(3,144)
Net operating income	**2,017,786**	**(1,003)**	**2,016,783**
Administrative expenses	(147,025)	(8,303)	(155,328)
Other operating expenses	(16,300)	9,306	(6,994)
Operating expenses	**(721,689)**	**1,003**	**(720,686)**

Consolidated Statement of Cash Flows for the period ended 30 June 2025	*As previously reported*	*Reclassification*	*As reclassified*
Cash flows from operating activities			
Interest paid	(1,032,986)	22,295	(1,010,691)
Fees and commissions received	500,994	3,179	504,173
Fees and commissions paid	(223,728)	9,587	(214,141)
General and administrative and operating expenses paid	(161,818)	(317)	(162,135)
Regulatory-related and other expenses paid	-	(34,744)	(34,744)
Cash flows from operating activities before changes in operating assets and liabilities	**1,413,848**	**-**	**1,413,848**
Cash flows from/(used in) investing activities			
Purchase of property and equipment and intangible assets	(127,484)	127,484	-
Purchase of property and equipment	-	(74,639)	(74,639)
Purchase of intangible assets	-	(52,845)	(52,845)
Net cash flows from/(used in) investing activities	**167,996**	**-**	**167,996**

4. Significant accounting judgements and estimates

In the process of applying the Group's accounting policies, the Board of Directors and management use their judgement and make estimates in determining the amounts recognised in the interim condensed consolidated financial statements. Key judgments and estimates are summarized below.

Significant increase in credit risk (SICR)

SICR is not a defined term per IFRS 9, and is determined by management, based on their experience and judgement. In assessing whether the credit risk has significantly increased, the Group has identified a series of qualitative and quantitative criteria based on undertaking the holistic analysis of various factors including those which are specific to a particular financial instrument or to a borrower as well as those applicable to particular sub-portfolios.

For Bank of Georgia these criteria are:

- A significant increase in credit risk, expressed in the relative and/or absolute increase in the risk of default since initial recognition. SICR is determined based on comparison between credit risk ratings (internal or external) as of the origination date and credit risk ratings as of the reporting date for each financial asset individually. Thresholds are determined separately for corporate, retail, SME and other financial instrument portfolios, depending on initial grade assigned at origination. The threshold applied depends on the original credit quality of the borrowers. Higher threshold is set for those instruments with a low PD at origination.

4. Significant accounting judgements and estimates (continued)

Significant increase in credit risk (continued)

The table below summarises SICR thresholds (the actual thresholds are applied on a more granular level). The better the rating (e.g. rating of 2) the more notch increase (e.g. increase by 12 notch) is needed to be treated as SICR:

Loan Portfolio Type	**Rating type**	**Initial rating**	**SICR threshold (notches)**
Commercial loans	Internal	2-4+	5-12
Commercial loans	Internal	5-7+	1-5
Micro and SME loans	External	A-C	5-10
Mortgage loans	External	A-C	6-10
Consumer loans	External	A-C	4-10
Gold – pawn loans	External	A-C	6-10
Micro and SME loans, Mortgage, Consumer, Gold – pawn loans	External	D-E	1-5

- Existence of forecast of adverse changes in commercial, financial or economic conditions that adversely affect the creditworthiness of the borrower.
- Modification of the contractual terms due to financial problems of the borrower other than default
- The days past due on counterparty level breached the threshold of 30 days.
- Other qualitative indicators, such as external market indicators of credit risk or general economic conditions, which indicate that the level of risk has increased significantly since origination.

For Ameriabank these criteria are:

- The days past due on counterparty level breached the threshold of 30 days;
- Overdue days of the borrower in other financial institutions in Armenia;
- Difficulties in the financial conditions of the borrower;
- Renegotiation of the loan terms resulting from deterioration of the borrower's financial position;
- Deterioration of macroeconomic indicators and their possible effect on the borrower's financial performance; Adverse change of rating by 3 or more grades serves as an early warning indicator for Ameriabank to perform additional review and analysis of the borrower's financial position for identifying indicators of significant increase in credit risk

The above noted SICR indicators are identified at financial instrument level in order to track changes in credit risk since initial recognition date.

Measurement of ECLs

ECL reflects an unbiased, probability-weighted estimate based on a combination of the following principal factors: PD, loss given default (LGD), and exposure at default (EAD), which are further explained below:

PD estimation:

Bank of Georgia

JSC Bank of Georgia estimates PD based on a combination of rating model calibration results and a migration matrices approach which is further adjusted for macroeconomic expectations for a minimum three years onwards for all portfolios, to represent the forward-looking estimators of the PD parameters. The migration matrix is built in a way to reflect the weighted average yearly migration over the historical data period. The risk groups are determined in a way to ensure intra-group homogeneity and differentiation of expected PD levels. The models incorporate both qualitative and quantitative information and, where practical, build on information from top rating agencies, Credit Bureau or internal credit rating systems.

4. Significant accounting judgements and estimates (continued)

Measurement of ECLs (continued)

Ameriabank

Ameriabank has developed and implemented its own internal credit rating (ICR) model for individually significant large-scale stage 1 loans, the latter consistent of approximately 60% of total corporate loan portfolio. The model of choice is logistic regression where it models the probabilities of a binary response variable, the so-called target (indicator for an occurrence of a default event within a 12 months-long period) against several independent variables.

Within the scope of corporate PD model development 3 scorecards have been constructed:

- Behavioural – that includes scoring parameters constructed based on the behavioural/transactional data from Ameriabank's sources;
- Financial – that includes scoring parameters constructed based on the information from individual consolidated financial statements provided to Ameriabank;
- Qualitative – that includes scoring parameters based on the qualitative and other quantitative information accumulated or produced within Ameriabank that reflect the credit risk of Ameriabank's creditors.

The above mentioned three models are linked together to obtain a final score for every creditor included in the development sample as well as all the new creditors that will be included into the corporate portfolio of Ameriabank in the upcoming periods.
In addition, corporate clients are segregated in following PD based ratings:

Internal Rating Grades	External Rating Moody's
1	Aaa1
2	Aa1-Aa3
3	A1-A3
4A	Baa1
4B	Baa2
4C	Baa3
5A	Ba1
5B	Ba2
5C	Ba3
6	B1-B3
7	CCC+-CCC-

Besides this, Ameriabank also segregates the following loan portfolios:

- corporate loans, which PDs are not calculated based on ICR model;
- mortgages loans;
- consumer loans.

PDs for loans and advances to customers are based on historic information and are calculated through probability transition matrices, based on historical information on ageing of the loan portfolios. The probabilities are calculated as the share of loans transferring between overdue categories from the total number at the beginning of the period. Calculated PDs are further adjusted based on forward looking information.

Since Stage 3 financial instruments are defaulted, the PD in this case is equal to 100%.

EAD: The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial asset. It represents the cash flows outstanding at the time of default, considering expected repayments, interest payments and accruals discounted at the EIR. To calculate EAD for a Stage 1 financial instrument, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and POCI financial instruments, the EAD is considered for events over the lifetime of the instruments. The Group determines EAD differently for products with repayment schedules and those without repayment schedules. For financial instruments with repayment schedules, the Group estimates forward-looking EAD using the contractual cash flow approach with further corrections for expected prepayments and overdue days. For products without the repayment schedules such as credit cards and credit lines, the Group estimates the forward-looking EAD using the limit utilisation approach. Under the above approach EAD is calculated using the expected utilisation rate based on historical data of actual draw-down amounts.

4. Significant accounting judgements and estimates (continued)

Measurement of ECLs (continued)

LGD: LGD is defined as the likely loss in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. The determination of the LGD takes into account expected future cash flows from collateral and other credit enhancements, or expected payouts from bankruptcy proceedings for unsecured claims, and where applicable, time to realisation of collateral and the seniority of claims. The Group segments its financial instruments into homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g. product type, wider range of collateral types). Based on this information, the Group estimates the recovery rate (other than through collateral), cure rate and probability of re-default. Recovery through collateral is further considered in LGD calculations individually for each financial instrument.

5. Segment information

For management purposes, the Group is organised into the following business divisions and respective operating segments:

Georgian Financial Services business division:

RB - Retail Banking - principally provides consumer loans, mortgage loans, overdrafts, credit cards and other credit facilities, funds transfers and settlement services, and handling of customers' deposits for both individuals and legal entities. The Retail Banking business targets the mass retail, mass affluent and high-net-worth client segments.

SME - SME Banking - principally provides SME loans, micro loans, consumer and mortgage loans, funds transfers and settlement services, and handling of customers' deposits for legal entities. The SME Banking business targets small and medium-sized enterprises and micro businesses.

CIB - Corporate Investment Banking - comprises Corporate Banking and Investment Management operations in Georgia. Corporate Banking principally provides loans and other credit facilities, funds transfers and settlement services, trade finance services, documentary operations support and handles saving and term deposits for corporate and institutional customers. The Investment Management business principally provides brokerage services through Galt & Taggart.

CC - Corporate Center – comprises mainly treasury and custody operations.

Armenian Financial Services business division:

Ameriabank - comprises operations in the Group's Armenian subsidiary.

Other businesses:

Other - Mainly comprising JSC Belarusky Narodny Bank, principally providing retail and SME banking services in Belarus, JSC Digital area – a digital ecosystem in Georgia including e-commerce, ticketing, and inventory management SaaS, Lion Finance Group PLC – the holding company., and other small entities and intragroup eliminations.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained in the table below, is measured in the same manner as profit or loss in the consolidated income statement. The primary segment profit measure is the profit for the period.

Transactions between operating segments are on an arm's length basis in a similar manner to transactions with third parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's operating income during the first 6 months of 2026 and 2025.

(Thousands of Georgian Lari)

5. Segment information (continued)

The following table presents the income statement and certain asset and liability information regarding the Group's operating segments as at and for the six months period ended 30 June 2026:

	Retail Banking	*SME*	*Corporate Investment Banking*	*Corporate center*	*Eliminations*	***Georgian Financial services***	***Armenian financial services***	***Other businesses***	***Group Total***
Interest Income	*1,068,771*	*328,820*	*623,677*	*116,971*	*(2,208)*	*2,136,031*	*816,131*	74,423	3,026,585
Interest expense	*(419,511)*	*(80,371)*	*(335,358)*	*(107,439)*	*2,208*	(940,471)	(336,417)	(40,880)	(1,317,768)
Inter-segment interest income/(expense)	*(11,400)*	*(71,811)*	*88,597*	*(5,386)*	-	-	-	-	-
Net interest income	***637,860***	***176,638***	***376,916***	***4,146***	**-**	**1,195,560**	**479,714**	***33,543***	**1,708,817**
Fee and commission income	385,520	31,533	55,267	5,278	(1,074)	476,524	137,017	33,764	647,305
Card operations	*205,635*	*7,597*	*1,656*	-	-	214,888	79,292	*16,944*	311,124
Account services	*88,286*	*16,556*	*8,937*	*2,648*	-	116,427	3,577	*6,282*	126,286
Settlements operations	*56,119*	*60*	*63*	-	*(10)*	56,232	16,097	*7,278*	79,607
Guarantees and letters of credit	*11*	*3,710*	*21,794*	-	-	25,515	12,712	*425*	38,652
Currency conversion operations	*28,135*	*1,012*	*1,962*	-	-	31,109	6,397	*51*	37,557
Brokerage service fees	-	-	*15,882*	*270*	-	16,152	4,933	*1*	21,086
Cash operations	*3,694*	*2,591*	*3,827*	*121*	*(1,064)*	9,169	3,677	*2,426*	15,272
Advisory	-	-	*1,106*	-	-	1,106	8,701	*(1)*	9,806
Other	*3,640*	*7*	*40*	*2,239*	-	5,926	1,631	*358*	7,915
Fee and commission expense	(142,814)	(6,758)	(11,635)	(3,494)	1,016	(163,685)	(73,952)	*(27,155)*	(264,792)
Card operations	*(104,405)*	*(2,320)*	*(261)*	-	*1,001*	(105,985)	(34,199)	*(10,313)*	(150,497)
Settlements operations	*(17,917)*	*(3,551)*	*(3,344)*	-	-	(24,812)	(34,854)	*(12,140)*	(71,806)
Currency conversion operations	*(6,077)*	*(217)*	*(421)*	-	-	(6,715)	(1,816)	*(1,832)*	(10,363)
Cash operations	*(3,746)*	*(295)*	*(602)*	*(3,111)*	*8*	(7,746)	(522)	*(2,839)*	(11,107)
Brokerage service fees	*(950)*	*(365)*	*(6,793)*	*(383)*	*6*	(8,485)	(440)	*(34)*	(8,959)
Advisory	-	-	*(52)*	-	-	(52)	(914)	-	(966)
Guarantees and letters of credit	-	*(8)*	*(141)*	-	-	(149)	(196)	*(29)*	(374)
Other	*(9,719)*	*(2)*	*(21)*	-	*1*	(9,741)	(1,011)	*32*	(10,720)
Net fee and commission income	***242,706***	***24,775***	***43,632***	***1,784***	***(58)***	**312,839**	**63,065**	***6,609***	**382,513**
Net foreign currency gain	*96,624*	*14,044*	*25,778*	*26,933*	-	163,379	78,593	54,405	296,377
Net gains/(losses) on extinguishment of debt	-	*3*	*13*	-	-	16	-	22	38
Regulatory-related expenses	*(24,388)*	*(2,111)*	*(407)*	-	-	(26,906)	(7,181)	(3,503)	(37,590)
Other expenses	-	-	-	-	-	-	(4,408)	-	(4,408)
Net other gains/(losses)	*4,088*	*1,250*	*3,634*	*(1,850)*	*(555)*	6,567	6,205	*7,962*	20,734
Net operating income	***956,890***	***214,599***	***449,566***	***31,013***	***(613)***	**1,651,455**	**615,988**	***99,038***	**2,366,481**
Operating expenses	*(342,135)*	*(60,161)*	*(77,235)*	*(8,634)*	*613*	(487,552)	(253,850)	(74,688)	(816,090)
Profit from associates	-	-	-	*990*	-	990	-	-	990
Operating income before cost of risk	***614,755***	***154,438***	***372,331***	***23,369***	**-**	**1,164,893**	**362,138**	**24,350**	**1,551,381**
Cost of risk	*(67,954)*	*(10,944)*	*4,659*	*172*	-	(74,067)	(26,639)	(2,594)	(103,300)
Profit before income tax	***546,801***	***143,494***	***376,990***	***23,541***	**-**	**1,090,826**	**335,499**	**21,756**	**1,448,081**
Income tax expense	*(85,993)*	*(23,472)*	*(59,992)*	*3,702*	-	(165,755)	(63,026)	(15,507)	(244,288)
Profit for the period	***460,808***	***120,022***	***316,998***	***27,243***	**-**	**925,071**	**272,473**	**6,249**	**1,203,793**
Assets and liabilities									
Loans to customers, factoring and finance lease receivables	*13,241,289*	*5,661,126*	*10,261,604*	-	-	29,164,019	14,041,531	1,223,493	44,429,043
Total assets	*20,412,713*	*6,631,804*	*13,257,685*	*4,547,228*	*(350,410)*	44,499,020	19,023,016	2,298,503	65,820,539
Client deposits and notes	*17,225,211*	*2,530,747*	*7,809,469*	*3,082,547*	*(94,868)*	30,553,106	11,444,050	1,667,597	43,664,753
Total liabilities	*17,791,868*	*5,688,427*	*10,836,758*	*4,078,871*	*(350,410)*	38,045,514	16,492,260	1,890,837	56,428,611
Other segment information									
Property and equipment	*38,537*	2,874	1,903	51	-	43,365	10,313	2,269	55,947
Intangible assets	*21,479*	4,073	4,049	199	-	29,800	27,376	9,534	66,710
Capital expenditure	**60,016**	***6,947***	***5,952***	***250***	**-**	**73,165**	**37,689**	**11,803**	**122,657**
Depreciation, amortisation and impairment	*(62,417)*	*(7,929)*	*(5,793)*	*(220)*	-	*(76,359)*	*(32,804)*	(14,721)	(123,884)

(Thousands of Georgian Lari)

5. Segment information (continued)

The following table presents the income statement information regarding the Group's operating segments for the six months period ended 30 June 2025 and certain asset and liability information as at 31 December 2025:

	Retail Banking	*SME*	*Corporate Investment Banking*	*Corporate center*	*Eliminations*	***Georgian Financial services***	***Armenian financial services***	***Other businesses***	***Group Total***
Interest Income	868,636	302,450	526,912	163,544	(1,917)	1,859,625	624,307	52,616	2,536,548
Interest expense	(339,477)	(61,768)	(278,656)	(169,344)	1,917	(847,328)	(236,486)	(30,893)	(1,114,707)
Inter-segment interest income/(expense)	(1,885)	(81,124)	83,898	(889)	-	-	-	-	-
Net interest income	**527,274**	**159,558**	**332,154**	**(6,689)**	**-**	**1,012,297**	**387,821**	**21,723**	**1,421,841**
Fee and commission income	315,685	29,281	46,954	4,388	(483)	395,825	87,941	29,881	513,647
Card operations	170,867	6,984	1,276	-	-	179,127	52,863	14,567	246,557
Account services	68,588	14,612	8,850	2,255	-	94,305	-	5,104	99,409
Settlements operations	48,006	56	47	-	(25)	48,084	12,992	6,916	67,992
Guarantees and letters of credit	23	4,134	23,138	-	-	27,295	8,432	261	35,988
Currency conversion operations	22,210	1,003	1,778	-	-	24,991	-	33	25,024
Cash operations	3,423	2,471	1,837	137	(170)	7,698	6,606	2,659	16,963
Brokerage service fees	-	15	9,126	-	(43)	9,098	5,300	-	14,398
Advisory	-	-	902	-	-	902	-	-	902
Other	2,568	6	-	1,996	(245)	4,325	1,748	341	6,414
Fee and commission expense	(124,977)	(8,080)	(9,552)	(3,185)	435	(145,359)	(43,549)	(22,606)	(211,514)
Card operations	(87,291)	(3,452)	(427)	-	-	(91,170)	(19,781)	(10,947)	(121,898)
Settlements operations	(20,187)	(3,381)	(2,504)	-	384	(25,688)	(21,408)	(7,878)	(54,974)
Cash operations	(4,847)	(742)	(1,786)	(3,052)	8	(10,419)	(439)	(2,184)	(13,042)
Currency conversion operations	(4,794)	(217)	(384)	-	-	(5,395)	-	(1,594)	(6,989)
Brokerage service fees	(600)	(277)	(4,158)	(133)	-	(5,168)	(778)	(1)	(5,947)
Guarantees and letters of credit	-	(11)	(136)	-	-	(147)	(95)	(2)	(244)
Advisory	-	-	(157)	-	-	(157)	-	-	(157)
Other	(7,258)	-	-	-	43	(7,215)	(1,048)	-	(8,263)
Net fee and commission income	**190,708**	**21,201**	**37,402**	**1,203**	**(48)**	**250,466**	**44,392**	**7,275**	**302,133**
Net foreign currency gain	85,043	15,885	37,221	35,902	-	174,051	71,870	52,270	298,191
Net gains/(losses) on extinguishment of debt	-	2	8	-	-	10	-	(235)	(225)
Regulatory-related expenses	(22,509)	(1,971)	(355)	-	-	(24,835)	(5,400)	(1,365)	(31,600)
Other expenses	-	-	-	-	-	-	(3,144)	-	(3,144)
Net other gains/(losses)	(4,492)	667	14,660	11,440	(320)	21,955	3,530	4,102	29,587
Net operating income	**776,024**	**195,342**	**421,090**	**41,856**	**(368)**	**1,433,944**	**499,069**	**83,770**	**2,016,783**
Operating expenses	(291,580)	(52,013)	(64,467)	(15,548)	368	(423,240)	(244,028)	(53,418)	(720,686)
Profit from associates	-	-	-	736	-	736	-	-	736
Operating income before cost of risk	**484,444**	**143,329**	**356,623**	**27,044**	**-**	**1,011,440**	**255,041**	**30,352**	**1,296,833**
Cost of risk	(31,294)	(17,417)	(14,511)	(616)	-	(63,838)	(13,940)	69	(77,709)
Profit before income tax	**453,150**	**125,912**	**342,112**	**26,428**	**-**	**947,602**	**241,101**	**30,421**	**1,219,124**
Income tax expense	(76,169)	(20,535)	(58,006)	22,027	-	(132,683)	(49,796)	(10,334)	(192,813)
Profit for the period	**376,981**	**105,377**	**284,106**	**48,455**	**-**	**814,919**	**191,305**	**20,087**	**1,026,311**
Assets and liabilities									
Loans to customers, factoring and finance lease receivables	12,190,163	5,447,299	9,651,145	-	-	27,288,607	11,818,695	958,362	40,065,664
Total assets	18,994,006	6,363,741	12,760,315	4,249,427	(237,349)	42,130,140	16,552,268	2,187,448	60,869,856
Client deposits and notes	16,385,011	2,526,790	8,081,092	421,957	(102,300)	27,312,550	9,630,051	1,687,373	38,629,974
Total liabilities	16,545,083	5,490,181	10,514,149	4,132,685	(237,349)	36,444,749	14,222,863	1,780,001	52,447,613
Other segment information									
Property and equipment	48,160	4,226	1,822	32	-	54,240	15,589	3,001	72,830
Intangible assets	19,841	3,496	1,885	120	-	25,342	20,583	6,920	52,845
Capital expenditure	**68,001**	**7,722**	**3,707**	**152**	**-**	**79,582**	**36,172**	**9,921**	**125,675**
Depreciation, amortisation and impairment	(57,920)	(7,996)	(3,354)	(128)	-	(69,398)	(29,958)	(5,904)	(105,260)

(Thousands of Georgian Lari)

6. Cash and cash equivalents

	As at	
	30 June 2026 (unaudited)	***31 December 2025***
Cash on hand	1,334,450	1,412,335
Current accounts with central banks	1,594,001	1,261,489
Current accounts with credit institutions	1,293,361	1,403,185
Placements with and receivables from credit institutions with maturities of up to 90 days	825,369	495,596
Cash and cash equivalents, gross	**5,047,181**	**4,572,605**
Less – Allowance for expected credit loss	(427)	(559)
Cash and cash equivalents, net	**5,046,754**	**4,572,046**

Of the above cash and cash equivalents as at 30 June 2026, GEL 1,487,069 (31 December 2025: GEL 1,155,797) was placed on current and time deposit accounts with internationally recognised OECD banks and central banks that are the counterparties of the Group in performing international settlements. The Group earned up to 3.70% interest per annum on these deposits (31 December 2025: up to 8.10%). Management does not expect any losses from non-performance by the counterparties holding cash and cash equivalents, and there are no material differences between their book and fair values.

Current accounts with central banks include mandatory reserves relating to GEL and AMD denominated liabilities, which are maintained as an average balance on correspondent accounts with the NBG and CBA. These balances remain operationally available, provided that the required average reserve balance is maintained throughout the maintenance period.

7. Amounts due from credit institutions

	As at	
	30 June 2026 (unaudited)	***31 December 2025***
Obligatory reserves with central banks	2,815,178	3,108,019
Receivables from reverse REPO operations	904,471	394,325
Placements with and receivables from credit institutions with maturities of more than 90 days	42,024	34,157
Restricted cash	17,795	18,009
Amounts due from credit institutions, gross	**3,779,468**	**3,554,510**
Less – Allowance for expected credit loss	(2,452)	(2,253)
Amounts due from credit institutions, net	**3,777,016**	**3,552,257**

Obligatory reserves with central banks represent amounts deposited with the NBG, the CBA and National Bank of the Republic of Belarus (the "NBRB"). Credit institutions are required to maintain cash deposits (obligatory reserve) with the NBG, CBA and with the NBRB, the amount of which depends on the level of funds attracted by the credit institution. The Group's ability to withdraw these deposits is restricted by regulation. The Group earned up to 3.25% and 4.00% interest on obligatory reserves with NBG and 0.00% interest on obligatory reserve with CBA and NBRB for the period ended 30 June 2026 and 31 December 2025.

Restricted cash includes amounts placed with payment systems which serve as guarantee funds for card transaction settlements and are subject to withdrawal restrictions.

8. Investment securities and investment securities pledged under sale and repurchase agreements and securities lending

Investment securities

	As at	
	30 June 2026 (unaudited)	***31 December 2025***
Investment securities measured at FVOCI - debt instruments [1]	6,300,069	6,612,866
Investment securities measured at FVTPL - debt instruments [2]	171,413	134,695
Investment securities designated as at FVOCI - equity investments	26,618	27,718
Investment securities measured at FVTPL - equity instruments	19,118	17,609
Investment securities measured at FV	**6,517,218**	**6,792,888**

	30 June 2026 (unaudited)	***31 December 2025***
Investment securities measured at amortised cost [3]	3,222,973	3,257,320
Less: allowance for expected credit losses	(2,637)	(2,971)
Investment securities measured at amortized cost, net	**3,220,336**	**3,254,349**

(Thousands of Georgian Lari)

8. Investment securities and investments securities pledged under sale and repurchase agreements and securities lending (continued)

Investment securities (Continued)

[1] Investment securities measured at FVOCI - debt instruments comprise:

	30 June 2026 (unaudited)	*31 December 2025*
Ministry of Finance of Georgia treasury bonds	4,291,790	4,201,743
Ministry of Finance of Georgia treasury bills	72,962	59,065
US treasury bills	1,607,070	1,912,095
US treasury bonds	52,581	134,558
Foreign treasury bills	60,638	57,913
Government securities of the Republic of Armenia	59,600	97,309
Government Eurobonds of the Republic of Armenia	23,207	-
Certificates of deposit of central banks	19,715	9,893
Other debt instruments [1.1]	112,506	140,290
Investment securities measured at FVOCI - debt instruments	**6,300,069**	**6,612,866**

[1.1] Other debt instruments measured at FVOCI comprise:

	30 June 2026 (unaudited)	*31 December 2025*
European Bank for Reconstruction and Development	91,985	92,128
Other debt instruments	20,521	48,162
Investment securities measured at FVOCI - Other debt instruments	**112,506**	**140,290**

[2] Investment securities measured at FVTPL - debt instruments comprise:

	30 June 2026 (unaudited)	*31 December 2025*
Ministry of Finance of Georgia treasury bonds	2,631	-
Government securities of the Republic of Armenia	54,496	38,431
Government Eurobonds of the Republic of Armenia	-	11,619
Other debt instruments	114,286	84,645
Investment securities measured at FVTPL - debt instruments	**171,413**	**134,695**

[3] Investment securities measured at amortised cost - debt instruments comprise:

	30 June 2026 (unaudited)	*31 December 2025*
Ministry of Finance of Georgia treasury bonds	1,650	10,836
US treasury bonds	845,913	499,263
Government securities of the Republic of Armenia	1,018,538	990,671
Other debt instruments [3.1]	1,356,872	1,756,550
Investment securities measured at amortised cost - debt instruments, gross	**3,222,973**	**3,257,320**
Less: allowance for expected credit losses	(2,637)	(2,971)
Investment securities measured at amortised cost - debt instruments, net	**3,220,336**	**3,254,349**

[3.1] Other debt instruments measured at amortised cost comprise:

	30 June 2026 (unaudited)	*31 December 2025*
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	460,073	460,167
European Bank for Reconstruction and Development	389,142	446,713
International Finance Corporation	119,736	263,199
Georgia Healthcare Group JSC	142,627	142,623
Asian Development Bank	68,484	257,128
Tegeta Motors LLC	25,449	25,442
Other debt instruments	151,361	161,278
Investment securities measured at amortised cost - Other debt instruments, gross	**1,356,872**	**1,756,550**

(Thousands of Georgian Lari)

8. Investment securities and investments securities pledged under sale and repurchase agreements and securities lending (continued)

Investment securities (Continued)

Investment securities pledged were as follows:

Investment securities pledged for short-term loans from central banks	*30 June 2026 (unaudited)*	*31 December 2025*
Georgian Ministry of Finance treasury bonds	55,056	1,175,413
Government securities of the Republic of Armenia	21,260	12,887
Government securities and Eurobonds of the Republic of Armenia	9,573	134,525
Total	**85,889**	**1,322,825**
Out of which:		
Measured at FVOCI	55,056	1,175,413
Measured at amortised cost	30,833	147,412

Investment securities pledged for Ministry of Finance of Georgia	*30 June 2026 (unaudited)*	*31 December 2025*
Georgian Ministry of Finance treasury bonds	3,135,500	109,233
Other debt instruments	-	106,164
Total	**3,135,500**	**215,397**
Out of which:		
Measured at FVOCI	3,135,500	109,233
Measured at amortised cost	-	106,164

For the period ended 30 June 2026 net gains on derecognition of investment securities measured at FVOCI comprised GEL 2,918 (period ended 30 June 2025: GEL 2,226) which is included in net other income.

As at 30 June 2026, allowance for ECL on investment securities measured at FVOCI comprised GEL 8,947 (31 December 2025: GEL 9,681).

During 2026 the reporting period, the Group sold investment securities measured at amortised cost with a total carrying amount of GEL 12,944 (period ended 30 June 2025: GEL 39,604) and recognised a gain/(loss) of GEL 407 (period ended 30 June 2025: GEL 44).

The disposals occurred on an infrequent basis and were incidental to the Group's business model. They do not represent a recurring or systematic activity and remain below the internally established threshold for assessing consistency with its business objective.

The Group's consistent practice remains to hold such instruments to collect contractual cash flows, and the observed sales do not indicate any change in the underlying business objective. The Group will continue to monitor the frequency and volume of such transactions going forward to ensure ongoing alignment with its business model.

Investment securities pledged under sale and repurchase agreements and securities lending

	30 June 2026 (unaudited)	*31 December 2025*
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost [6]	320,703	147,631
Less: allowance for expected credit losses	(49)	(215)
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost - debt instruments, net	**320,654**	**147,416**

(Thousands of Georgian Lari)

8. Investment securities and investments securities pledged under sale and repurchase agreements and securities lending (continued)

Investment securities pledged under sale and repurchase agreements and securities lending (Continued)

[6] Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost - debt instruments comprise:

	30 June 2026 (unaudited)	*31 December 2025*
Government securities of the Republic of Armenia	21,295	12,911
Government Eurobonds of the Republic of Armenia	9,588	134,720
Other debt instruments	289,820	-
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost - debt instruments, gross	**320,703**	**147,631**
Less: allowance for expected credit losses	(49)	(215)
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost - debt instruments, net	**320,654**	**147,416**

Investment securities are pledged as collateral as part of sales and repurchases and securities borrowing under terms that are usual and customary for such activities.

9. Loans to customers, factoring and finance lease receivables

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Commercial loans	16,404,390	14,462,893
Consumer loans	10,752,462	9,635,635
Residential mortgage loans	9,222,722	8,483,490
Micro and SME loans	7,564,631	7,152,602
Gold – pawn loans	344,806	240,532
Loans to customers at amortised cost, gross	**44,289,011**	**39,975,152**
Less – Allowance for expected credit loss	(580,046)	(525,589)
Loans to customers at amortised cost, net	**43,708,965**	**39,449,563**
Finance lease receivables, gross	**502,773**	**444,793**
Less – Allowance for expected credit loss	(4,298)	(6,026)
Finance lease receivables, net	**498,475**	**438,767**
Factoring receivables, gross	**221,958**	**177,756**
Less – Allowance for expected credit loss	(355)	(422)
Factoring receivables, net	**221,603**	**177,334**
Total loans to customers, factoring and finance lease receivables	**44,429,043**	**40,065,664**

As at 30 June 2026, loans to customers carried at GEL 0 (31 December 2025: GEL 1,965,789) were pledged for short-term loans from the NBG under terms that are usual and customary for such activities.

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss

Movements of the gross loans and respective allowance for expected credit loss / impairment of loans to customers by class are provided in the table below, within which the new financial asset originated or purchased and the assets repaid during the year include the effects from revolving loans and increase of exposure to clients, where existing loans have been repaid with new contracts issued during the year. All new financial assets are originated either in Stage 1 or POCI category. Utilisation of additional tranches on existing financial assets are reflected in Stage 2 or Stage 3 if the credit risk of the borrower has deteriorated since initiation. Currency translation differences relate to loans issued by the subsidiaries of the Group whose functional currency is different from the presentation currency of the Group, while foreign exchange movement relates to foreign currency denominated loans issued by the Group. Net other changes in gross loan balances includes the effects of changes in accrued interest. Net other measurement of ECL includes the effect of changes in ECL due to changes in PDs and other inputs, as well as the effect from ECL attributable to changes in accrued interest.

Loans to customer at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**37,535,746**	**1,527,821**	**779,346**	**132,239**	**39,975,152**
New financial asset originated or purchased	15,650,398	37,616	-	21,365	15,709,379
Transfer to Stage 1	388,825	(386,813)	(2,012)	-	-
Transfer to Stage 2	(1,150,134)	1,190,766	(40,632)	-	-
Transfer to Stage 3	(50,907)	(232,112)	283,019	-	-
Assets repaid	(10,583,934)	(384,526)	(161,194)	(39,987)	(11,169,641)
Impact of modifications	2,290	572	(2,463)	(132)	267
Foreign exchange movement	(486,012)	(24,540)	(12,479)	(11,539)	(534,570)
Net other changes	277,926	(172,365)	59,305	21,449	186,315
Write-offs	-	(5)	(74,895)	(18,228)	(93,128)
Recoveries of amounts previously written off	-	-	22,441	12,624	35,065
Unwind of discount	-	-	11,012	3,455	14,467
Currency translation differences	162,341	80	2,339	945	165,705
Balance at 30 June 2026	**41,746,539**	**1,556,494**	**863,787**	**122,191**	**44,289,011**
Individually assessed	6,600,942	22,557	407,692	55,584	7,086,775
Collectively assessed	35,145,597	1,533,937	456,095	66,607	37,202,236
Balance at 30 June 2026	**41,746,539**	**1,556,494**	**863,787**	**122,191**	**44,289,011**

Loans to customer at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**140,330**	**72,011**	**310,343**	**2,905**	**525,589**
New financial asset originated or purchased	83,740	828	-	341	84,909
Transfer to Stage 1	21,839	(21,827)	(12)	-	-
Transfer to Stage 2	(45,711)	59,787	(14,076)	-	-
Transfer to Stage 3	(9,120)	(18,409)	27,529	-	-
Impact on ECL of exposures transferred between stages during the year	(12,507)	25,478	48,062	-	61,033
Assets repaid	(54,197)	(31,090)	(50,632)	(3,639)	(139,558)
Impact of modifications	192	2	(670)	35	(441)
Foreign exchange movement	(1,564)	(777)	(3,938)	(576)	(6,855)
Day 2' expected credit loss on business combination	-	-	-	-	-
Net other measurement of ECL	46,931	6,376	40,782	3,824	97,913
Income statement (releases)/charges	29,603	20,368	47,045	(15)	97,001
Write-offs	-	(5)	(74,895)	(18,228)	(93,128)
Recoveries of amounts previously written off	-	-	22,441	12,624	35,065
Unwind of discount	-	-	11,010	3,457	14,467
Currency translation differences	275	(2)	666	113	1,052
Balance at 30 June 2026	**170,208**	**92,372**	**316,610**	**856**	**580,046**
Individually assessed	42,626	2,180	134,981	5,464	185,251
Collectively assessed	127,582	90,192	181,629	(4,608)	394,795
Balance at 30 June 2026	**170,208**	**92,372**	**316,610**	**856**	**580,046**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Commercial loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2025	**13,421,595**	**811,032**	**213,918**	**16,348**	**14,462,893**
New financial asset originated or purchased	6,159,195	36,895	-	3,386	6,199,476
Transfer to Stage 1	8,401	(8,401)	-	-	-
Transfer to Stage 2	(243,814)	243,814	-	-	-
Transfer to Stage 3	-	(66,087)	66,087	-	-
Assets repaid	(3,886,069)	(244,373)	(45,212)	(9,966)	(4,185,620)
Resegmentation	23,926	(1,480)	-	-	22,446
Impact of modifications	(303)	417	433	(1)	546
Foreign exchange movement	(305,492)	(18,773)	(5,144)	(120)	(329,529)
Net other changes	159,327	1,256	(4,085)	1,838	158,336
Write-offs	-	-	-	(369)	(369)
Recoveries of amounts previously written off	-	-	1,771	2,644	4,415
Unwind of discount	-	-	3,134	(24)	3,110
Currency translation differences	68,829	41	(184)	-	68,686
Balance at 30 June 2026	**15,405,595**	**754,341**	**230,718**	**13,736**	**16,404,390**
Individually assessed	5,596,009	-	222,698	12,721	5,831,428
Collectively assessed	9,809,586	754,341	8,020	1,015	10,572,962
Balance at 30 June 2026	**15,405,595**	**754,341**	**230,718**	**13,736**	**16,404,390**

Commercial loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2025	**45,928**	**28,876**	**108,045**	**(1,179)**	**181,670**
New financial asset originated or purchased	23,261	823	-	181	24,265
Transfer to Stage 1	31	(31)	-	-	-
Transfer to Stage 2	(2,477)	2,477	-	-	-
Transfer to Stage 3	-	(1,367)	1,367	-	-
Impact on ECL of exposures transferred between stages during the year	(6)	2,904	3,626	-	6,524
Assets repaid	(8,990)	(7,529)	(8,066)	(896)	(25,481)
Resegmentation	11	(369)	(15)	-	(373)
Impact of modifications	-	3	263	1	267
Foreign exchange movement	(1,097)	(623)	(2,339)	18	(4,041)
Net other measurement of ECL	3,484	4,128	(10,948)	(2,379)	(5,715)
Income statement (releases)/charges	14,217	416	(16,112)	(3,075)	(4,554)
Write-offs	-	-	-	(369)	(369)
Recoveries of amounts previously written off	-	-	1,771	2,644	4,415
Unwind of discount	-	-	3,132	(22)	3,110
Currency translation differences	(255)	(6)	(152)	2	(411)
Balance at 30 June 2026	**59,890**	**29,286**	**96,684**	**(1,999)**	**183,861**
Individually assessed	35,084	-	94,481	(2,094)	127,471
Collectively assessed	24,806	29,286	2,203	95	56,390
Balance at 30 June 2026	**59,890**	**29,286**	**96,684**	**(1,999)**	**183,861**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Residential mortgage loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**8,201,505**	**140,895**	**109,672**	**31,418**	**8,483,490**
New financial asset originated or purchased	1,717,695	-	-	3,398	1,721,093
Transfer to Stage 1	92,691	(92,029)	(662)	-	-
Transfer to Stage 2	(163,664)	173,913	(10,249)	-	-
Transfer to Stage 3	(11,550)	(17,586)	29,136	-	-
Assets repaid	(900,808)	(18,630)	(16,129)	(6,417)	(941,984)
Resegmentation	(110)	-	-	-	(110)
Impact of modifications	655	90	4	16	765
Foreign exchange movement	(54,114)	(1,338)	(2,992)	(427)	(58,871)
Net other changes	3,781	(42,074)	10,219	866	(27,208)
Write-offs	-	-	(3,296)	(995)	(4,291)
Recoveries of amounts previously written off	-	-	189	1,632	1,821
Unwind of discount	-	-	1,904	2,022	3,926
Currency translation differences	42,813	73	1,098	107	44,091
Balance at 30 June 2026	**8,928,894**	**143,314**	**118,894**	**31,620**	**9,222,722**
Individually assessed	-	506	73,760	5,168	79,434
Collectively assessed	8,928,894	142,808	45,134	26,452	9,143,288
Balance at 30 June 2026	**8,928,894**	**143,314**	**118,894**	**31,620**	**9,222,722**

Residential mortgage loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**4,456**	**1,549**	**21,533**	**(2,877)**	**24,661**
New financial asset originated or purchased	1,494	-	-	19	1,513
Transfer to Stage 1	683	(679)	(4)	-	-
Transfer to Stage 2	(4,984)	5,782	(798)	-	-
Transfer to Stage 3	(2,579)	(562)	3,141	-	-
Impact on ECL of exposures transferred between stages during the year	(384)	7	1,686	-	1,309
Assets repaid	(436)	(256)	(1,795)	(653)	(3,140)
Resegmentation	(1)	-	-	-	(1)
Impact of modifications	7	1	23	1	32
Foreign exchange movement	(20)	(11)	(510)	24	(517)
Net other measurement of ECL	7,663	(4,100)	(3,100)	(328)	135
Income statement (releases)/charges	1,443	182	(1,357)	(937)	(669)
Write-offs	-	-	(3,296)	(995)	(4,291)
Recoveries of amounts previously written off	-	-	189	1,632	1,821
Unwind of discount	-	-	1,904	2,022	3,926
Currency translation differences	46	4	250	1	301
Balance at 30 June 2026	**5,945**	**1,735**	**19,223**	**(1,154)**	**25,749**
Individually assessed	-	79	11,994	1,939	14,012
Collectively assessed	5,945	1,656	7,229	(3,093)	11,737
Balance at 30 June 2026	**5,945**	**1,735**	**19,223**	**(1,154)**	**25,749**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Micro and SME loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**6,652,227**	**201,771**	**243,994**	**54,610**	**7,152,602**
New financial asset originated or purchased	2,233,616	653	-	12,507	2,246,776
Transfer to Stage 1	60,626	(59,964)	(662)	-	-
Transfer to Stage 2	(175,904)	180,321	(4,417)	-	-
Transfer to Stage 3	(19,039)	(60,716)	79,755	-	-
Assets repaid	(1,660,211)	(43,178)	(52,640)	(15,370)	(1,771,399)
Resegmentation	(23,966)	1,480	-	-	(22,486)
Impact of modifications	171	(128)	(68)	(76)	(101)
Foreign exchange movement	(104,932)	(3,897)	(3,934)	(10,885)	(123,648)
Net other changes	48,092	(5,109)	(2,823)	16,841	57,001
Write-offs	-	-	(7,515)	(10,514)	(18,029)
Recoveries of amounts previously written off	-	-	4,800	4,918	9,718
Unwind of discount	-	-	2,541	(1,103)	1,438
Currency translation differences	31,832	(70)	307	690	32,759
Balance at 30 June 2026	**7,042,512**	**211,163**	**259,338**	**51,618**	**7,564,631**
Individually assessed	1,004,933	18,087	55,845	34,664	1,113,529
Collectively assessed	6,037,579	193,076	203,493	16,954	6,451,102
Balance at 30 June 2026	**7,042,512**	**211,163**	**259,338**	**51,618**	**7,564,631**

Micro and SME loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**29,629**	**6,236**	**72,656**	**5,884**	**114,405**
New financial asset originated or purchased	12,576	4	-	105	12,685
Transfer to Stage 1	2,524	(2,520)	(4)	-	-
Transfer to Stage 2	(7,687)	8,496	(809)	-	-
Transfer to Stage 3	(3,067)	(4,015)	7,082	-	-
Impact on ECL of exposures transferred between stages during the year	(1,342)	3,998	11,327	-	13,983
Assets repaid	(7,285)	(1,127)	(11,252)	(792)	(20,456)
Resegmentation	(10)	369	15	-	374
Impact of modifications	2	(4)	(51)	21	(32)
Foreign exchange movement	(408)	(133)	(892)	(620)	(2,053)
Net other measurement of ECL	5,342	(1,313)	(1,891)	5,337	7,475
Income statement (releases)/charges	645	3,755	3,525	4,051	11,976
Write-offs	-	-	(7,515)	(10,514)	(18,029)
Recoveries of amounts previously written off	-	-	4,800	4,918	9,718
Unwind of discount	-	-	2,541	(1,103)	1,438
Currency translation differences	213	(11)	(30)	60	232
Balance at 30 June 2026	**30,487**	**9,980**	**75,977**	**3,296**	**119,740**
Individually assessed	7,542	1,387	15,792	3,025	27,746
Collectively assessed	22,945	8,593	60,185	271	91,994
Balance at 30 June 2026	**30,487**	**9,980**	**75,977**	**3,296**	**119,740**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Consumer loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**9,033,572**	**365,245**	**206,955**	**29,863**	**9,635,635**
New financial asset originated or purchased	5,097,751	68	-	2,074	5,099,893
Transfer to Stage 1	220,490	(219,802)	(688)	-	-
Transfer to Stage 2	(545,515)	570,272	(24,757)	-	-
Transfer to Stage 3	(13,899)	(84,664)	98,563	-	-
Assets repaid	(3,810,729)	(69,483)	(42,759)	(8,234)	(3,931,205)
Resegmentation	150	-	-	-	150
Impact of modifications	1,767	193	(2,832)	(71)	(943)
Foreign exchange movement	(21,473)	(532)	(409)	(107)	(22,521)
Net other changes	65,549	(126,680)	55,840	1,904	(3,387)
Write-offs	-	(5)	(64,083)	(6,350)	(70,438)
Recoveries of amounts previously written off	-	-	15,690	3,430	19,120
Unwind of discount	-	-	3,429	2,560	5,989
Currency translation differences	18,867	36	1,118	148	20,169
Balance at 30 June 2026	**10,046,530**	**434,648**	**246,067**	**25,217**	**10,752,462**
Individually assessed	-	3,964	55,389	3,031	62,384
Collectively assessed	10,046,530	430,684	190,678	22,186	10,690,078
Balance at 30 June 2026	**10,046,530**	**434,648**	**246,067**	**25,217**	**10,752,462**

Consumer loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**60,304**	**35,347**	**106,928**	**1,077**	**203,656**
New financial asset originated or purchased	46,163	1	-	36	46,200
Transfer to Stage 1	18,598	(18,594)	(4)	-	-
Transfer to Stage 2	(30,555)	42,982	(12,427)	-	-
Transfer to Stage 3	(3,270)	(12,461)	15,731	-	-
Impact on ECL of exposures transferred between stages during the year	(10,774)	18,601	30,871	-	38,698
Assets repaid	(37,467)	(22,175)	(29,364)	(1,298)	(90,304)
Impact of modifications	183	2	(905)	12	(708)
Foreign exchange movement	(39)	(10)	(197)	2	(244)
Net other measurement of ECL	30,408	7,657	56,581	1,194	95,840
Income statement (releases)/charges	13,247	16,003	60,286	(54)	89,482
Write-offs	-	(5)	(64,083)	(6,350)	(70,438)
Recoveries of amounts previously written off	-	-	15,690	3,430	19,120
Unwind of discount	-	-	3,429	2,560	5,989
Currency translation differences	272	11	598	50	931
Balance at 30 June 2026	**73,823**	**51,356**	**122,848**	**713**	**248,740**
Individually assessed	-	714	12,714	2,594	16,022
Collectively assessed	73,823	50,642	110,134	(1,881)	232,718
Balance at 30 June 2026	**73,823**	**51,356**	**122,848**	**713**	**248,740**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Gold – pawn loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**226,847**	**8,878**	**4,807**	**-**	**240,532**
New financial asset originated or purchased	442,141	-	-	-	442,141
Transfer to Stage 1	6,617	(6,617)	-	-	-
Transfer to Stage 2	(21,237)	22,446	(1,209)	-	-
Transfer to Stage 3	(6,419)	(3,059)	9,478	-	-
Assets repaid	(326,117)	(8,862)	(4,454)	-	(339,433)
Foreign exchange movement	(1)	-	-	-	(1)
Net other changes	1,177	242	154	-	1,573
Write-offs	-	-	(1)	-	(1)
Recoveries of amounts previously written off	-	-	(9)	-	(9)
Unwind of discount	-	-	4	-	4
Balance at 30 June 2026	**323,008**	**13,028**	**8,770**	**-**	**344,806**
Collectively assessed	323,008	13,028	8,770	-	344,806
Balance at 30 June 2026	**323,008**	**13,028**	**8,770**	**-**	**344,806**

Gold – pawn loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**13**	**3**	**1,181**	**-**	**1,197**
New financial asset originated or purchased	246	-	-	-	246
Transfer to Stage 1	3	(3)	-	-	-
Transfer to Stage 2	(8)	50	(42)	-	-
Transfer to Stage 3	(204)	(4)	208	-	-
Impact on ECL of exposures transferred between stages during the year	(1)	(32)	552	-	519
Assets repaid	(19)	(3)	(155)	-	(177)
Net other measurement of ECL	34	4	140	-	178
Income statement (releases)/charges	51	12	703	-	766
Write-offs	-	-	(1)	-	(1)
Recoveries of amounts previously written off	-	-	(9)	-	(9)
Unwind of discount	-	-	4	-	4
Currency translation differences	(1)	-	-	-	(1)
Balance at 30 June 2026	**63**	**15**	**1,878**	**-**	**1,956**
Collectively assessed	63	15	1,878	-	1,956
Balance at 30 June 2026	**63**	**15**	**1,878**	**-**	**1,956**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Loans to customer at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**31,911,054**	**888,003**	**557,477**	**144,479**	**33,501,013**
New financial asset originated or purchased	11,395,983	39,563	25,423	22,680	11,483,649
Transfer to Stage 1	358,412	(357,203)	(1,209)	-	-
Transfer to Stage 2	(855,432)	890,787	(35,355)	-	-
Transfer to Stage 3	(20,702)	(167,744)	188,446	-	-
Assets repaid	(8,265,360)	(217,172)	(132,481)	(26,898)	(8,641,911)
Impact of modifications	(55)	367	(2,494)	(26)	(2,208)
Foreign exchange movement	103,808	5,659	(933)	(1,096)	107,438
Net other changes	32,660	(68,792)	37,746	5,889	7,503
Write-offs	-	-	(71,483)	(1,801)	(73,284)
Recoveries of amounts previously written off	-	-	30,557	13,578	44,135
Unwind of discount	-	-	6,815	(424)	6,391
Currency translation differences	33,031	1,312	2,089	(84)	36,348
Balance at 30 June 2025	**34,693,399**	**1,014,780**	**604,598**	**156,297**	**36,469,074**
Individually assessed	4,421,212	-	267,735	90,697	4,779,644
Collectively assessed	30,272,187	1,014,780	336,863	65,600	31,689,430
Balance at 30 June 2025	**34,693,399**	**1,014,780**	**604,598**	**156,297**	**36,469,074**

Loans to customer at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**127,572**	**39,361**	**238,222**	**25,157**	**430,312**
New financial asset originated or purchased	72,998	1,874	3,522	3,004	81,398
Transfer to Stage 1	15,709	(15,145)	(564)	-	-
Transfer to Stage 2	(21,810)	32,617	(10,807)	-	-
Transfer to Stage 3	(930)	(13,554)	14,484	-	-
Impact on ECL of exposures transferred between stages during the year	(8,139)	7,905	39,316	-	39,082
Assets repaid	(47,809)	(15,321)	(54,952)	(16,258)	(134,340)
Impact of modifications	(142)	32	(832)	(13)	(955)
Foreign exchange movement	776	297	1,205	333	2,611
Net other measurement of ECL	(3,293)	2,451	75,981	1,104	76,243
Income statement (releases)/charges	7,360	1,156	67,353	(11,830)	64,039
Write-offs	-	-	(71,483)	(1,801)	(73,284)
Recoveries of amounts previously written off	-	-	30,557	13,578	44,135
Unwind of discount	-	-	6,815	(424)	6,391
Currency translation differences	87	11	(564)	1	(465)
Balance at 30 June 2025	**135,019**	**40,528**	**270,900**	**24,681**	**471,128**
Individually assessed	33,000	-	129,333	15,596	177,929
Collectively assessed	102,019	40,528	141,567	9,085	293,199
Balance at 30 June 2025	**135,019**	**40,528**	**270,900**	**24,681**	**471,128**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Commercial loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**11,630,625**	**278,071**	**188,704**	**15,271**	**12,112,671**
New financial asset originated or purchased	4,338,978	26,342	22,701	18,533	4,406,554
Transfer to Stage 1	25,106	(25,106)	-	-	-
Transfer to Stage 2	(201,598)	201,598	-	-	-
Transfer to Stage 3	(68)	(28,246)	28,314	-	-
Assets repaid	(3,161,453)	(107,410)	(49,300)	(14,355)	(3,332,518)
Resegmentation	58,703	-	-	-	58,703
Impact of modifications	(140)	(222)	264	-	(98)
Foreign exchange movement	64,819	2,518	(521)	(371)	66,445
Net other changes	(34,141)	5,035	(288)	(497)	(29,891)
Write-offs	-	-	(508)	(518)	(1,026)
Recoveries of amounts previously written off	-	-	1,207	11,999	13,206
Unwind of discount	-	-	3,738	238	3,976
Currency translation differences	14,268	749	958	1	15,976
Balance at 30 June 2025	**12,735,099**	**353,329**	**195,269**	**30,301**	**13,313,998**
Individually assessed	3,671,437	-	189,068	27,068	3,887,573
Collectively assessed	9,063,662	353,329	6,201	3,233	9,426,425
Balance at 30 June 2025	**12,735,099**	**353,329**	**195,269**	**30,301**	**13,313,998**

Commercial loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**39,982**	**6,469**	**105,529**	**5,754**	**157,734**
New financial asset originated or purchased	15,121	446	2,974	2,243	20,784
Transfer to Stage 1	723	(723)	-	-	-
Transfer to Stage 2	(2,357)	2,357	-	-	-
Transfer to Stage 3	-	(29)	29	-	-
Impact on ECL of exposures transferred between stages during the year	(636)	1,054	3,820	-	4,238
Assets repaid	(6,889)	(1,894)	(6,543)	(13,324)	(28,650)
Resegmentation	94	-	-	-	94
Impact of modifications	-	2	123	-	125
Foreign exchange movement	726	273	933	(170)	1,762
Net other measurement of ECL	(2,147)	(1,929)	3,487	1,383	794
Income statement (releases)/charges	4,635	(443)	4,823	(9,868)	(853)
Write-offs	-	-	(508)	(518)	(1,026)
Recoveries of amounts previously written off	-	-	1,207	11,999	13,206
Unwind of discount	-	-	3,738	238	3,976
Currency translation differences	15	(2)	(892)	-	(879)
Balance at 30 June 2025	**44,632**	**6,024**	**113,897**	**7,605**	**172,158**
Individually assessed	28,453	-	109,783	6,474	144,710
Collectively assessed	16,179	6,024	4,114	1,131	27,448
Balance at 30 June 2025	**44,632**	**6,024**	**113,897**	**7,605**	**172,158**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Residential mortgage loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**7,253,431**	**145,686**	**60,847**	**37,664**	**7,497,628**
New financial asset originated or purchased	1,096,210	-	192	1,335	1,097,737
Transfer to Stage 1	102,268	(101,927)	(341)	-	-
Transfer to Stage 2	(139,304)	147,978	(8,674)	-	-
Transfer to Stage 3	(2,196)	(18,493)	20,689	-	-
Assets repaid	(713,890)	(15,061)	(15,183)	(4,957)	(749,091)
Resegmentation	(20)	-	-	-	(20)
Impact of modifications	878	(18)	151	(19)	992
Foreign exchange movement	19,200	403	(171)	(140)	19,292
Net other changes	(2,885)	(10,859)	2,401	2,487	(8,856)
Write-offs	-	-	(4,516)	(280)	(4,796)
Recoveries of amounts previously written off	-	-	2,392	559	2,951
Unwind of discount	-	-	264	235	499
Currency translation differences	(1,910)	17	(28)	(10)	(1,931)
Balance at 30 June 2025	**7,611,782**	**147,726**	**58,023**	**36,874**	**7,854,405**
Individually assessed	624	-	17,127	5,100	22,851
Collectively assessed	7,611,158	147,726	40,896	31,774	7,831,554
Balance at 30 June 2025	**7,611,782**	**147,726**	**58,023**	**36,874**	**7,854,405**

Residential mortgage loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**2,745**	**1,157**	**7,865**	**2,858**	**14,625**
New financial asset originated or purchased	931	-	150	362	1,443
Transfer to Stage 1	623	(576)	(47)	-	-
Transfer to Stage 2	(290)	903	(613)	-	-
Transfer to Stage 3	(14)	(554)	568	-	-
Impact on ECL of exposures transferred between stages during the year	(285)	(148)	991	-	558
Assets repaid	(318)	(164)	(2,638)	(850)	(3,970)
Impact of modifications	6	-	73	(1)	78
Foreign exchange movement	2	(5)	25	(7)	15
Net other measurement of ECL	941	939	4,324	(69)	6,135
Income statement (releases)/charges	1,596	395	2,833	(565)	4,259
Write-offs	-	-	(4,516)	(280)	(4,796)
Recoveries of amounts previously written off	-	-	2,392	559	2,951
Unwind of discount	-	-	264	235	499
Currency translation differences	(6)	-	(2)	(1)	(9)
Balance at 30 June 2025	**4,335**	**1,552**	**8,836**	**2,806**	**17,529**
Individually assessed	-	-	2,236	112	2,348
Collectively assessed	4,335	1,552	6,600	2,694	15,181
Balance at 30 June 2025	**4,335**	**1,552**	**8,836**	**2,806**	**17,529**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Micro and SME loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**5,897,357**	**196,718**	**190,321**	**63,586**	**6,347,982**
New financial asset originated or purchased	1,807,563	751	221	721	1,809,256
Transfer to Stage 1	64,772	(64,525)	(247)	-	-
Transfer to Stage 2	(140,314)	148,640	(8,326)	-	-
Transfer to Stage 3	(6,328)	(49,595)	55,923	-	-
Assets repaid	(1,382,193)	(31,391)	(28,280)	(2,142)	(1,444,006)
Resegmentation	(58,607)	-	-	-	(58,607)
Impact of modifications	(34)	384	(488)	(2)	(140)
Foreign exchange movement	13,665	2,168	(466)	(634)	14,733
Net other changes	21,084	248	6,234	1,439	29,005
Write-offs	-	-	(11,452)	(735)	(12,187)
Recoveries of amounts previously written off	-	-	7,387	448	7,835
Unwind of discount	-	-	1,774	(776)	998
Currency translation differences	5,230	471	764	(70)	6,395
Balance at 30 June 2025	**6,222,195**	**203,869**	**213,365**	**61,835**	**6,701,264**
Individually assessed	749,114	-	48,695	57,375	855,184
Collectively assessed	5,473,081	203,869	164,670	4,460	5,846,080
Balance at 30 June 2025	**6,222,195**	**203,869**	**213,365**	**61,835**	**6,701,264**

Micro and SME loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**19,287**	**5,374**	**62,062**	**12,281**	**99,004**
New financial asset originated or purchased	9,952	4	3	108	10,067
Transfer to Stage 1	1,467	(1,277)	(190)	-	-
Transfer to Stage 2	(1,546)	2,858	(1,312)	-	-
Transfer to Stage 3	(326)	(2,490)	2,816	-	-
Impact on ECL of exposures transferred between stages during the year	(667)	801	8,246	-	8,380
Assets repaid	(4,469)	(883)	(12,480)	(365)	(18,197)
Resegmentation	(93)	-	-	-	(93)
Impact of modifications	3	29	(134)	(1)	(103)
Foreign exchange movement	21	12	81	520	634
Net other measurement of ECL	2,020	1,747	16,431	(1,343)	18,855
Income statement (releases)/charges	6,362	801	13,461	(1,081)	19,543
Write-offs	-	-	(11,452)	(735)	(12,187)
Recoveries of amounts previously written off	-	-	7,387	448	7,835
Unwind of discount	-	-	1,774	(776)	998
Currency translation differences	(2)	(10)	117	4	109
Balance at 30 June 2025	**25,647**	**6,165**	**73,349**	**10,141**	**115,302**
Individually assessed	4,547	-	13,519	8,970	27,036
Collectively assessed	21,100	6,165	59,830	1,171	88,266
Balance at 30 June 2025	**25,647**	**6,165**	**73,349**	**10,141**	**115,302**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Consumer loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**6,983,775**	**261,879**	**114,878**	**27,958**	**7,388,490**
New financial asset originated or purchased	3,972,137	12,470	933	2,091	3,987,631
Transfer to Stage 1	162,501	(161,880)	(621)	-	-
Transfer to Stage 2	(363,888)	381,605	(17,717)	-	-
Transfer to Stage 3	(11,749)	(70,580)	82,329	-	-
Assets repaid	(2,867,247)	(57,940)	(38,193)	(5,444)	(2,968,824)
Resegmentation	(76)	-	-	-	(76)
Impact of modifications	(759)	223	(2,421)	(5)	(2,962)
Foreign exchange movement	6,126	570	225	49	6,970
Net other changes	48,335	(63,246)	29,331	2,460	16,880
Write-offs	-	-	(55,004)	(268)	(55,272)
Recoveries of amounts previously written off	-	-	19,572	572	20,144
Unwind of discount	-	-	1,039	(121)	918
Currency translation differences	15,443	75	395	(5)	15,908
Balance at 30 June 2025	**7,944,598**	**303,176**	**134,746**	**27,287**	**8,409,807**
Individually assessed	37	-	12,845	1,154	14,036
Collectively assessed	7,944,561	303,176	121,901	26,133	8,395,771
Balance at 30 June 2025	**7,944,598**	**303,176**	**134,746**	**27,287**	**8,409,807**

Consumer loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**65,545**	**26,356**	**61,770**	**4,264**	**157,935**
New financial asset originated or purchased	46,993	1,424	337	291	49,045
Transfer to Stage 1	12,895	(12,568)	(327)	-	-
Transfer to Stage 2	(17,616)	26,482	(8,866)	-	-
Transfer to Stage 3	(590)	(10,481)	11,071	-	-
Impact on ECL of exposures transferred between stages during the year	(6,550)	6,213	26,242	-	25,905
Assets repaid	(36,130)	(12,379)	(33,246)	(1,719)	(83,474)
Resegmentation	(1)	-	-	-	(1)
Impact of modifications	(151)	1	(894)	(11)	(1,055)
Foreign exchange movement	27	17	166	(10)	200
Net other measurement of ECL	(4,100)	1,697	51,741	1,133	50,471
Income statement (releases)/charges	(5,223)	406	46,224	(316)	41,091
Write-offs	-	-	(55,004)	(268)	(55,272)
Recoveries of amounts previously written off	-	-	19,572	572	20,144
Unwind of discount	-	-	1,039	(121)	918
Currency translation differences	80	23	213	(2)	314
Balance at 30 June 2025	**60,402**	**26,785**	**73,814**	**4,129**	**165,130**
Individually assessed	-	-	3,795	40	3,835
Collectively assessed	60,402	26,785	70,019	4,089	161,295
Balance at 30 June 2025	**60,402**	**26,785**	**73,814**	**4,129**	**165,130**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Gold – pawn loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**145,866**	**5,649**	**2,727**	**-**	**154,242**
New financial asset originated or purchased	181,095	-	1,376	-	182,471
Transfer to Stage 1	3,765	(3,765)	-	-	-
Transfer to Stage 2	(10,328)	10,966	(638)	-	-
Transfer to Stage 3	(361)	(830)	1,191	-	-
Assets repaid	(140,577)	(5,370)	(1,525)	-	(147,472)
Foreign exchange movement	(2)	-	-	-	(2)
Net other changes	267	30	68	-	365
Write-offs	-	-	(3)	-	(3)
Recoveries of amounts previously written off	-	-	(1)	-	(1)
Balance at 30 June 2025	**179,725**	**6,680**	**3,195**	**-**	**189,600**
Collectively assessed	179,725	6,680	3,195	-	189,600
Balance at 30 June 2025	**179,725**	**6,680**	**3,195**	**-**	**189,600**

Gold – pawn loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**13**	**5**	**996**	**-**	**1,014**
New financial asset originated or purchased	1	-	58	-	59
Transfer to Stage 1	1	(1)	-	-	-
Transfer to Stage 2	(1)	17	(16)	-	-
Impact on ECL of exposures transferred between stages during the year	(1)	(15)	17	-	1
Assets repaid	(3)	(1)	(45)	-	(49)
Net other measurement of ECL	(7)	(3)	(2)	-	(12)
Income statement (releases)/charges	(10)	(3)	12	-	(1)
Write-offs	-	-	(3)	-	(3)
Recoveries of amounts previously written off	-	-	(1)	-	(1)
Balance at 30 June 2025	**3**	**2**	**1,004**	**-**	**1,009**
Collectively assessed	3	2	1,004	-	1,009
Balance at 30 June 2025	**3**	**2**	**1,004**	**-**	**1,009**

Concentration of loans to customers

As at 30 June 2026, the concentration of loans granted by the Group to the ten largest third-party borrowers comprised GEL 2,772,740 accounting for 6% of the gross loan portfolio of the Group (31 December 2025: GEL 2,216,210 and 6% respectively). An allowance of GEL 8,237 (31 December 2025: GEL 7,595) has been established against these loans.

As at 30 June 2026, the concentration of loans granted by the Group to the ten largest third-party group of borrowers (borrower and its related parties) comprised GEL 4,002,718 accounting for 9% of the gross loan portfolio of the Group (31 December 2025: GEL 3,424,167 and 9% respectively). An allowance of GEL 13,268 (31 December 2025: GEL 8,416) has been established against these loans.

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Concentration of loans to customers (continued)

As at 30 June 2026 and 31 December 2025 loans were principally issued within Georgia and Armenia, and their distribution by industry sector was as follows:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Individuals	22,796,810	20,695,873
Real estate	3,886,161	3,308,936
Trade	3,512,406	3,231,415
Construction	2,461,675	2,114,102
Agriculture	2,435,119	2,338,460
Electricity, gas and water supply	1,577,479	1,530,711
Manufacturing	1,198,417	1,195,557
Hospitality	1,055,754	1,055,365
Financial intermediation	848,431	812,231
Mining and quarrying	795,579	664,843
Transport and communication	724,254	632,136
Service	698,227	684,933
Other	2,298,699	1,710,590
Loans to customers, gross	**44,289,011**	**39,975,152**
Less – Allowance for expected credit loss	(580,046)	(525,589)
Loans to customers, net	**43,708,965**	**39,449,563**

As at 30 June 2026 the amount of loans to customers for which the calculated ECL is nil due to the existence of high-quality collateral was GEL 412,552 (31 December 2025: GEL 511,044).

Finance lease receivables

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Minimum lease payments receivable	649,157	592,350
Less – Unearned finance lease income	(146,384)	(147,557)
	502,773	**444,793**
Less – Allowance for expected credit loss / impairment loss	(4,298)	(6,026)
Finance lease receivables, net	**498,475**	**438,767**

The difference between the minimum lease payments to be received in the future and gross value of the finance lease receivables represents unearned finance income.

Future minimum lease payments to be received after 30 June 2026 and 31 December 2025 are as follows:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Within 1 year	203,014	222,344
From 1 to 2 years	139,342	124,629
From 2 to 3 years	99,072	92,860
From 3 to 4 years	59,942	48,857
From 4 to 5 years	41,281	33,506
More than 5 years	106,506	70,154
Minimum lease payment receivables	**649,157**	**592,350**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Finance lease receivables (continued)

Movements of the gross finance lease receivables and respective allowance for expected credit loss/impairment of finance lease receivables are as follows:

Finance lease receivables, gross	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**423,158**	**2,835**	**5,009**	**13,791**	**444,793**
New financial asset originated or purchased	173,351	-	-	4,681	178,032
Transfer to Stage 1	100	(17)	(83)	-	-
Transfer to Stage 2	(263)	332	(69)	-	-
Transfer to Stage 3	(692)	(66)	758	-	-
Assets repaid	(113,662)	(572)	(649)	(4,623)	(119,506)
Impact of modifications	(22)	-	-	-	(22)
Foreign exchange movement	(10,364)	5	(4)	(659)	(11,022)
Net other changes	5,183	63	(766)	1,357	5,837
Write-offs	-	-	(180)	(743)	(923)
Recoveries of amounts previously written off	-	-	87	309	396
Unwind of discount	-	-	609	(17)	592
Currency translation differences	4,635	(44)	(4)	9	4,596
Balance at 30 June 2026	**481,424**	**2,536**	**4,708**	**14,105**	**502,773**
Individually assessed	212,461	-	1,415	315	214,191
Collectively assessed	268,963	2,536	3,293	13,790	288,582
Balance at 30 June 2026	**481,424**	**2,536**	**4,708**	**14,105**	**502,773**

Finance lease receivables, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2025	**2,955**	**190**	**3,593**	**(712)**	**6,026**
New financial asset originated or purchased	873	-	-	-	873
Transfer to Stage 1	1	-	(1)	-	-
Transfer to Stage 2	(2)	38	(36)	-	-
Transfer to Stage 3	(51)	(10)	61	-	-
Impact on ECL of exposures transferred between stages during the year	-	(11)	42	-	31
Assets repaid	(987)	4	15	(881)	(1,849)
Foreign exchange movement	(50)	-	-	(5)	(55)
Net other measurement of ECL	(475)	(88)	(712)	467	(808)
Income statement (releases)/charges	(691)	(67)	(631)	(419)	(1,808)
Write-offs	-	-	(180)	(743)	(923)
Recoveries of amounts previously written off	-	-	87	309	396
Unwind of discount	-	-	609	(17)	592
Currency translation differences	22	(2)	(7)	2	15
Balance at 30 June 2026	**2,286**	**121**	**3,471**	**(1,580)**	**4,298**
Individually assessed	1,013	-	232	(16)	1,229
Collectively assessed	1,273	121	3,239	(1,564)	3,069
Balance at 30 June 2026	**2,286**	**121**	**3,471**	**(1,580)**	**4,298**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Finance lease receivables (continued)

Finance lease receivables, gross	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**400,515**	**956**	**9,300**	**17,451**	**428,222**
New financial asset originated or purchased	148,632	-	-	2,281	150,913
Transfer to Stage 1	267	(267)	-	-	-
Transfer to Stage 2	(1,723)	1,752	(29)	-	-
Transfer to Stage 3	(315)	(1,107)	1,422	-	-
Assets repaid	(95,606)	(332)	(700)	(4,389)	(101,027)
Impact of modifications	69	-	-	-	69
Foreign exchange movement	(2,907)	(107)	(411)	(174)	(3,599)
Net other changes	(17,417)	17	599	566	(16,235)
Write-offs	-	-	(3,022)	(100)	(3,122)
Recoveries of amounts previously written off	-	-	85	-	85
Unwind of discount	-	-	139	(113)	26
Currency translation differences	2,766	52	61	-	2,879
Balance at 30 June 2025	**434,281**	**964**	**7,444**	**15,522**	**458,211**
Individually assessed	138,299	-	2,738	270	141,307
Collectively assessed	295,982	964	4,706	15,252	316,904
Balance at 30 June 2025	**434,281**	**964**	**7,444**	**15,522**	**458,211**

Finance lease receivables, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 31 December 2024	**1,064**	**177**	**7,512**	**1,732**	**10,485**
New financial asset originated or purchased	700	-	-	-	700
Transfer to Stage 1	29	(29)	-	-	-
Transfer to Stage 2	(12)	27	(15)	-	-
Transfer to Stage 3	(104)	(513)	617	-	-
Impact on ECL of exposures transferred between stages during the year	(28)	102	126	-	200
Assets repaid	(510)	(17)	(411)	(755)	(1,693)
Foreign exchange movement	(6)	1	(11)	-	(16)
Net other measurement of ECL	673	257	(90)	596	1,436
Income statement (releases)/charges	742	(172)	216	(159)	627
Write-offs	-	-	(595)	(100)	(695)
Recoveries of amounts previously written off	-	-	(2,367)	-	(2,367)
Unwind of discount	-	-	139	(113)	26
Currency translation differences	(3)	(1)	5	-	1
Balance at 30 June 2025	**1,803**	**4**	**4,910**	**1,360**	**8,077**
Individually assessed	824	-	226	11	1,061
Collectively assessed	979	4	4,684	1,349	7,016
Balance at 30 June 2025	**1,803**	**4**	**4,910**	**1,360**	**8,077**

Factoring receivables

	30 June 2026 (unaudited)	*31 December 2025*
Factoring receivables, gross	**221,958**	**177,756**
Less – Allowance for expected credit loss	(355)	(422)
Factoring receivables, net	**221,603**	**177,334**

(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables (continued)

Factoring receivables (continued)

Factoring receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2025	**177,525**	**231**	**-**	**-**	**177,756**
New financial asset originated or purchased	142,470	-	-	-	142,470
Transfer to Stage 1	185	(185)	-	-	-
Transfer to Stage 2	(399)	399	-	-	-
Assets repaid	(96,489)	(48)	-	-	(96,537)
Foreign exchange movement	(170)	-	-	-	(170)
Net other changes	(2,583)	-	-	-	(2,583)
Currency translation differences	1,019	3	-	-	1,022
Balance at 30 June 2026	**221,558**	**400**	**-**	**-**	**221,958**
Individually assessed	75,214	-	-	-	75,214
Collectively assessed	146,344	400	-	-	146,744
Balance at 30 June 2026	**221,558**	**400**	**-**	**-**	**221,958**

Factoring receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2025	**361**	**61**	**-**	**-**	**422**
New financial asset originated or purchased	355	-	-	-	355
Transfer to Stage 1	62	(62)	-	-	-
Transfer to Stage 2	(4)	4	-	-	-
Assets repaid	(263)	(13)	-	-	(276)
Foreign exchange movement	(1)	1	-	-	-
Net other measurement of ECL	(189)	41	-	-	(148)
Income statement (releases)/charges	(40)	(29)	-	-	(69)
Currency translation differences	1	1	-	-	2
Balance at 30 June 2026	**322**	**33**	**-**	**-**	**355**
Individually assessed	187	-	-	-	187
Collectively assessed	135	33	-	-	168
Balance at 30 June 2026	**322**	**33**	**-**	**-**	**355**

Factoring receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**70,344**	**82**	**32**	**-**	**70,458**
New financial asset originated or purchased	93,228	-	-	-	93,228
Transfer to Stage 2	(279)	279	-	-	-
Assets repaid	(81,752)	(84)	(33)	-	(81,869)
Net other changes	1,150	-	-	-	1,150
Currency translation differences	47	1	1	-	49
Balance at 30 June 2025	**82,738**	**278**	**-**	**-**	**83,016**
Collectively assessed	82,738	278	-	-	83,016
Balance at 30 June 2025	**82,738**	**278**	**-**	**-**	**83,016**

Factoring receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**22**	**-**	**-**	**-**	**22**
New financial asset originated or purchased	852	-	-	-	852
Assets repaid	(730)	-	-	-	(730)
Foreign exchange movement	-	1	-	-	1
Net other measurement of ECL	444	63	-	-	507
Income statement (releases)/charges	566	64	-	-	630
Currency translation differences	(3)	-	-	-	(3)
Balance at 30 June 2025	**585**	**64**	**-**	**-**	**649**
Collectively assessed	585	64	-	-	649
Balance at 30 June 2025	**585**	**64**	**-**	**-**	**649**

(Thousands of Georgian Lari)

10. Taxation

The corporate income tax expense in income statement comprises:

	For the six months ended	
	30 June 2026 (unaudited)	*30 June 2025 (unaudited)*
Current income expense	(215,971)	(162,380)
Deferred income tax expense	(28,317)	(30,433)
Income tax expense	**(244,288)**	**(192,813)**

	30 June 2026 (unaudited)	*30 June 2025 (unaudited)*
Income tax on net gain/(losses) on investment securities	128	(198)
Income tax benefit/(expense) in other comprehensive income	**128**	**(198)**

The income tax rate applicable to most of the Group's income is the income tax rate applicable to subsidiaries' income, which ranges from 15% to 25% (30 June 2025: from 15% to 25%).

As at 30 June 2026 and 31 December 2025 income tax assets and liabilities consist of the following:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Deferred income tax assets	55	41
Income tax assets	**55**	**41**
Current income tax liabilities	105,841	76,468
Deferred income tax liabilities	59,690	32,337
Income tax liabilities	**165,531**	**108,805**

11. Other assets, prepayments and other liabilities

Other assets comprise:

	As at	
	30 June 2026 (unaudited)	*31 December 2025 (reclassified)*
Other receivables	178,048	165,737
Receivables from remittance operations	120,208	173,908
Derivatives margin	44,315	19,788
Derivative financial assets	26,959	8,438
Accounts receivable and other loans	21,694	16,766
Total other financial assets	**391,224**	**384,637**
Inventories	28,208	22,946
Investments in associates	11,380	11,483
Operating tax assets	10,172	8,914
Assets purchased for finance lease purposes	1,344	1,757
Other	32,829	15,277
Total other non-financial assets	**83,933**	**60,377**
Total other assets, gross	**475,157**	**445,014**
Less – Allowance for impairment of other financial assets	(27,487)	(25,586)
Other assets, net	**447,670**	**419,428**

Other receivables mainly include receivables from settlement operations, operating lease receivables and receivables from guarantees and letters of credit.

(Thousands of Georgian Lari)

11. Other assets, prepayments and other liabilities (continued)

Other liabilities comprise:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Dividends payable	126,280	119,097
Redemption liability for put option	84,147	100,765
Creditors	70,350	69,839
Transfers in transit	30,830	82,797
Payables for remittance operations	29,944	98,133
Other taxes payable	26,363	18,808
Derivative financial liabilities	22,655	10,692
Accounts payable	6,604	5,805
Derivatives margin	1,772	36
Amounts payable for share acquisitions	-	15,240
Total other financial liabilities	**398,945**	**521,212**
Provisions	9,707	9,706
Advances received	6,281	3,548
Other	35,498	26,210
Total other non-financial liabilities	**51,486**	**39,464**
Other liabilities	**450,431**	**560,676**

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset or liability, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the reporting date and are not indicative of the credit risk.

	As at 30 June 2026 (unaudited)			*As at 31 December 2025*		
	Notional	*Fair value*		*Notional*	*Fair value*	
	amount	*Asset*	*Liability*	*amount*	*Asset*	*Liability*
Foreign exchange contracts						
Forwards and swaps – domestic	1,155,513	8,727	5,269	1,353,888	2,431	2,486
Forwards and swaps – foreign	3,244,429	18,159	17,386	3,215,985	6,007	7,765
Interest rate contracts						
Forwards and swaps - foreign (IR)	13,500	73	-	13,500	-	441
Total derivative assets / liabilities	**4,413,442**	**26,959**	**22,655**	**4,583,373**	**8,438**	**10,692**

For the period ended 30 June 2026 GEL 41,686 was recognised as net foreign currency gain from derivative financial instruments (period ended 30 June 2025: GEL 54,491 loss).

Prepayments comprise:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Prepayments to finance lease suppliers	80,107	144,399
Prepayments for non-current assets	34,513	16,630
Other prepayments	45,918	39,738
Prepayments	**160,538**	**200,767**

(Thousands of Georgian Lari)

12. Client deposits and notes

The amounts due to customers include the following:

	As at 30 June 2026 (unaudited)	*31 December 2025*
Current accounts	23,031,191	21,936,533
Time deposits	20,633,562	16,693,441
Client deposits and notes	**43,664,753**	**38,629,974**
Held as security against letters of credit and guarantees (Note 16)	**309,504**	**286,687**

At 30 June 2026, amounts due to customers of GEL 6,982,321 (16%) were due to the ten largest customers (31 December 2025: GEL 4,159,325 (11%)).

Amounts due to customers include accounts with the following types of customers:

	As at 30 June 2026 (unaudited)	*31 December 2025*
Individuals	24,090,403	22,173,536
Private enterprises	16,006,762	15,556,236
State and state-owned entities	3,567,588	900,202
Client deposits and notes	**43,664,753**	**38,629,974**

The breakdown of customer accounts by industry sector is as follows:

	As at 30 June 2026 (unaudited)	*31 December 2025*
Individuals	24,090,403	22,173,536
Financial intermediation	3,451,947	3,052,585
Government services	3,330,148	675,956
Trade	2,535,344	2,894,910
Construction	2,244,707	2,177,952
Transport and communication	1,171,996	1,461,423
Service	912,895	950,356
Manufacturing	844,605	841,430
Real estate	709,689	584,124
Mining and quarrying	616,531	580,307
Electricity, gas and water supply	521,984	511,874
Agriculture	438,012	399,043
Hospitality	218,524	225,985
Other	2,577,968	2,100,493
Client deposits and notes	**43,664,753**	**38,629,974**

(Thousands of Georgian Lari)

13. Amounts owed to credit institutions

Amounts due to credit institutions comprise:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Borrowings from international credit institutions	4,698,658	4,566,961
Time deposits and inter-bank loans	897,664	812,537
Payables under REPO Operations	369,391	165,172
Correspondent accounts	349,350	455,791
Short-term loans from central banks	168,854	2,804,383
Other borrowings	55,884	12,392
	6,539,801	**8,817,236**
Non-convertible subordinated debt	699,065	546,126
Additional Tier 1	133,179	135,744
Amounts due to credit institutions	**7,372,045**	**9,499,106**

During the period ended 30 June 2026, the Group paid up to 7.76% and 7.02% on borrowings from international credit institutions denominated in USD and EUR, respectively, (31 December 2025: up to 8.29% and 10.99%). During the period ended 30 June 2026, the Group paid up to 10.43% and 8.44% on subordinated debt in USD and EUR, respectively, (31 December 2025: up to 10.78% and 8.52%).

Some long-term borrowings from international credit institutions are received upon certain conditions (the "Lender Covenants") that the Group maintains different limits for capital adequacy, liquidity, currency positions, credit exposures, leverage and others. At 30 June 2026 and 31 December 2025, the Group complied with all the Lender Covenants of the significant borrowings from international credit institutions.

14. Debt securities issued

Debt securities issued comprise:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Local bonds	1,257,457	1,207,673
Eurobonds and notes issued	1,238,484	449,496
Additional Tier 1 capital notes issued	803,028	817,800
Certificates of deposit	363,279	300,219
Local additional Tier 1 capital notes issued	271,312	-
Tier 2 notes issued	242,711	224,683
Debt securities issued	**4,176,271**	**2,999,871**

Changes in liabilities arising from financing activities

	Eurobonds and notes issued	**Additional Tier 1 capital notes issued**	**Tier 2 notes issued**	**Local bonds**	**Local additional Tier 1 capital notes issued**	**Bonds issued to international financial institutions to finance green projects**
Carrying amount at 31 December 2024	**-**	**850,397**	**140,620**	**1,048,876**	**-**	**123,309**
Repayment of the principal portion of the debt securities issued	-	-	-	(176,465)	-	-
Proceeds from Tier 2 notes issued	-	-	63,751	-	-	-
Proceeds from local bonds issued	-	-	-	195,571	-	-
Foreign exchange movements	-	(25,526)	(3,371)	(18,598)	-	10,832
Other movements	-	607	7,548	611	-	(28)
Carrying amount at 30 June 2025 (unaudited)	**-**	**825,478**	**208,548**	**1,049,995**	**-**	**134,113**
Carrying amount at 31 December 2025	**449,496**	**817,800**	**224,683**	**1,207,673**	**-**	**-**
Eurobonds and notes issued	799,800	-	-	-	-	-
Repayment of the principal portion of the debt securities issued	-	-	-	(189,141)	-	-
Proceeds from Local Additional Tier 1 notes issued	-	-	-	-	266,471	-
Proceeds from Tier 2 notes issued	-	-	23,460	-	-	-
Proceeds from local bonds issued	-	-	-	246,016	-	-
Foreign exchange movements	(6,184)	(15,001)	(5,663)	(30,879)	1,343	-
Other movements	(4,628)	229	231	23,788	3,498	-
Carrying amount at 30 June 2026 (unaudited)	**1,238,484**	**803,028**	**242,711**	**1,257,457**	**271,312**	**-**

On 27 May 2026, the Group's subsidiary - JSC Bank of Georgia issued USD 300 million Eurobonds with interest rate 6.5% due on 3 June 2031.

On 18 June 2026, the Group's subsidiary – CJSC Ameriabank issued USD 50 million (GEL 132,715) 8.0% perpetual subordinated callable local additional tier 1 notes.

On 12 February 2026, the Group's subsidiary – CJSC Ameriabank issued USD 50 million (GEL 133,756) 8.5% perpetual subordinated callable local additional tier 1 notes.

(Thousands of Georgian Lari)

15. Accruals and contract liabilities

Accruals and deferred income comprise:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Accruals for employee compensation	145,732	219,730
Contract liabilities	90,342	77,123
Other accruals	3,675	4,214
Total accruals and deffered income	**239,749**	**301,067**

16. Commitments and contingencies

Legal

Sai-invest

As at 30 June 2026, JSC Bank of Georgia was engaged in litigation with Sai-Invest LLC ("Sai-Invest") in relation to a deposit pledge in the amount of EUR 7,000 for the benefit of LTD Sport Invest's loans owing to JSC Bank of Georgia. Sai-Invest LLC has challenged the validity of the deposit pledge in the Georgian courts, and its challenge has been substantially sustained in the Court of Appeal, a determination which JSC Bank of Georgia believes to be erroneous and without merit, and which it has appealed to the Supreme Court. The matter is currently under review by the Supreme Court, and the timeline as to when the judgment is to be expected is not available. JSC Bank of Georgia's management is of the opinion that the probability of incurring material losses on this claim is low, and, accordingly, no provision has been made in these consolidated financial statements.

Financial commitments and contingencies

As at 30 June 2026 and 31 December 2025**,** the Group's financial commitments and contingencies comprised the following:

	As at	
	30 June 2026 (unaudited)	*31 December 2025*
Credit-related commitments		
Financial and performance guarantees issued*	3,034,487	2,945,640
Undrawn loan facilities	1,939,786	1,894,567
Letters of credit	123,200	65,505
	5,097,473	**4,905,712**
Less – Cash held as security against letters of credit and guarantees (Note 12)	(309,504)	(286,687)
Less – Provisions	(9,707)	(9,706)
Capital expenditure commitments	9,412	4,717

** Out of total guarantees issued as at 30 June 2026 financial and performance guarantees of the Group comprised GEL 1,469,241 (31 December 2025: GEL 1,411,647) and GEL 1,565,246 (31 December 2025: GEL 1,533,993), respectively.*

The Group discloses its undrawn loan facility balances based on the contractual terms and existing practice in regards to disbursement of these amounts. The balances are disclosed as commitments if the Group has an established practice of disbursing undrawn amounts without any subsequent approval.

(Thousands of Georgian Lari)

17. Equity

Share capital

As at 30 June 2026 issued share capital comprised 43,115,434 (31 December 2025: 43,474,333) common shares of Lion Finance Group PLC, all of which were fully paid. Each share has a nominal value of one (1) British penny. Shares issued and outstanding as at 30 June 2026 and 30 June 2025 are described below:

	Number of ordinary shares	*Amount of share capital*
31 December 2024	**44,498,147**	**1,464**
Buyback and cancellation of own shares	(586,621)	(19)
30 June 2025	**43,911,526**	**1,445**
31 December 2025	**43,474,333**	**1,431**
Buyback and cancellation of own shares	(358,899)	(12)
30 June 2026	**43,115,434**	**1,419**

On 7 May 2026, the Group's Board of Directors approved a GEL 55,000 extension to its buyback and cancellation programme which was completed in July 2026.

On 25 February 2026, the Group's Board of Directors approved a GEL 53,500 extension to its buyback and cancellation programme which was completed in March 2026.

On 20 November 2025, the Group's Board of Directors approved a GEL 51,500 extension to its buyback and cancellation programme which was completed in February 2026.

On 20 August 2025, the Group's Board of Directors approved a GEL 98,700 extension to its buyback and cancellation programme which was completed in November 2025.

On 25 February 2025, the Group's Board of Directors approved a GEL 107,700 extension to its buyback and cancellation programme which was completed in July 2025.

Treasury shares

Treasury shares are held for the purpose of the either Group's share buyback and cancellation programme or future employee share-based compensation.

The number of treasury shares held by the Group as at 30 June 2026, comprised 568,307 (31 December 2025: 916,570), with nominal amount of GEL 18 (31 December 2025: GEL 31).

Dividends

Shareholders are entitled to dividends in Pounds Sterling.

On 7 May 2026, the Board of Directors of Lion Finance Group PLC declared an interim dividend for 2026 of Georgian Lari 2.85 per share. The currency conversion period was set to be for the period 22 June to 26 June 2026, with the official GEL:GBP exchange rate of 3.4967, resulting in a GBP-denominated final dividend of 0.82 per share. Payment of the total GEL 117,345 interim dividends was received by shareholders on 10 July 2026.

On 25 February 2026, the Board of Directors of Lion Finance Group PLC declared an interim dividend for 2025 of Georgian Lari 2.75 per share. The currency conversion period was set to be for the period 23 March to 27 March 2026, with the official GEL:GBP exchange rate of 3.6271, resulting in a GBP-denominated final dividend of 0.76 per share. Payment of the total GEL 117,345 interim dividends was received by shareholders on 14 April 2026.

On 16 June 2025, the shareholders of Lion Finance Group PLC approved a final dividend for 2024 of Georgian Lari 5.62 per share. The currency conversion period was set to be for the period 30 June to 4 July 2025, with the official GEL:GBP exchange rate of 3.7322, resulting in a GBP-denominated final dividend of 1.51 per share. Payment of the total GEL 255,331 final dividends was received by shareholders on 18 July 2025.

The Group also distributed dividends on shares awarded under the terms of share-based payments program vested and exercised in the period ended 30 June 2026 amounting to GEL 9,976 (period ended 30 June 2025: GEL 13,199).

Nature and purpose of other reserves

Unrealised gains (losses) on investment securities
This reserve records fair value changes on investment securities.

Unrealised gains (losses) from dilution or sale / acquisition of shares in existing subsidiaries
This reserve records unrealised gains (losses) from dilution or sale / acquisition of shares in existing subsidiaries.

(Thousands of Georgian Lari)

17. Equity (continued)

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries with functional currency other than GEL.

Movements on this account during the periods ended 30 June 2026 and 30 June 2025, are presented in the statements of other comprehensive income.

The movements in other reserves were as follows:

	Unrealised gains (losses) on investment securities	*Unrealised gains (losses) from dilution or sale / acquisition of shares in existing subsidiaries*	*Currency Translation Reserves*		*Other*	**Total other reserve**
			AmeriaBank	*Other*		
31 December 2024	**59,637**	**63,678**	**54,729**	**(68,796)**	**1,538**	**110,786**
Net change in FV on investments in debt securities measured at FVOCI	(59,156)	-	-	-	-	(59,156)
Net gain (loss) on investments in equity instruments designated at FVOCI	6,762	-	-	-	-	6,762
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the consolidated income statement	(171)	-	-	-	-	(171)
Realised loss on financial assets measured at FVOCI	(796)	-	-	-	-	(796)
Gain from currency translation differences	(403)	-	(3,224)	(1,022)	-	(4,649)
Increase in share capital of subsidiaries	-	94	-	-	-	94
Acquisition of non-controlling interests in existing subsidiaries	-	(1,811)	-	-	-	(1,811)
Net amount reclassified to retained earnings on sale of equity instruments at FVOCI	(3,419)	-	-	-	-	(3,419)
Other movements	(198)	-	-	-	-	(198)
30 June 2025	**2,256**	**61,961**	**51,505**	**(69,818)**	**1,538**	**47,442**
31 December 2025	**27,269**	**61,961**	**50,621**	**(68,425)**	**622**	**72,048**
Net change in FV on investments in debt securities measured at FVOCI	75,030	-	-	-	-	75,030
Net gain (loss) on investments in equity instruments designated at FVOCI	(569)	-	-	-	-	(569)
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the consolidated income statement	(1,193)	-	-	-	-	(1,193)
Realised loss on financial assets measured at FVOCI	(2,918)	-	-	-	-	(2,918)
Gain from currency translation differences	250	-	26,722	(4,104)	-	22,868
Increase in share capital of subsidiaries	-	-	-	-	-	-
Acquisition of non-controlling interests in existing subsidiaries	-	-	-	-	-	-
Net amount reclassified to retained earnings on sale of equity instruments at FVOCI	-	-	-	-	-	-
Other movements	128	-	-	-	(39)	89
30 June 2026	**97,997**	**61,961**	**77,343**	**(72,529)**	**583**	**165,355**

Earnings per share

	For the six months ended	
	30 June 2026 (unaudited)	*30 June 2025 (unaudited)*
Basic earnings per share		
Profit for the period attributable to ordinary shareholders of the Parent	1,203,773	1,024,421
Weighted average number of ordinary shares outstanding during the period	42,627,488	43,223,846
Basic earnings per share	28.24	23.70

	For the six months ended	
	30 June 2026 (unaudited)	*30 June 2025 (unaudited)*
Diluted earnings per share		
Effect of dilution on weighted average number of ordinary shares:		
Dilutive unvested share options	389,415	487,754
Weighted average number of ordinary shares adjusted for the effect of dilution	43,016,903	43,711,600
Diluted earnings per share	27.98	23.44

Acquisition of NCI

In March 2025, the Group acquired an additional 0.44% interest in JSC Bank of Georgia, increasing its ownership from 99.56% to 100%.

The Following table summarizes the effect of changes in the Group's ownership interest in JSC Bank of Georgia:

Carrying amount of NCI acquired	26,637
Considerations paid to NCI in cash	28,448
A decrease in equity attributable to the shareholders of the Parent	(1,811)

(Thousands of Georgian Lari)

18. Net interest income

	For the six months ended	
	30 June 2026 (unaudited)	*30 June 2025 (unaudited and reclassified)*
Interest income calculated using EIR method	**2,986,250**	**2,499,120**
From loans to customers	2,542,957	2,100,309
From investment securities	352,045	334,833
From amounts due from credit institutions	78,986	61,660
Net gain (loss) on modification of financial assets	245	(2,139)
From factoring receivables	12,017	4,457
Other interest income	**40,335**	**37,428**
From finance lease receivable	32,880	27,299
From investments securities measured at FVTPL	7,443	10,129
From other assets	12	-
Interest income	**3,026,585**	**2,536,548**
On client deposits and notes	(890,637)	(686,460)
On amounts owed to credit institutions	(275,700)	(334,612)
On debt securities issued	(137,300)	(86,760)
Interest element of cross-currency swaps	(373)	6,293
Other interest expenses	(3,121)	(4,565)
On lease liability	(10,637)	(8,603)
Interest expense	**(1,317,768)**	**(1,114,707)**
Net interest income	**1,708,817**	**1,421,841**

For the period ended 30 June 2026 the Group recognised GEL 218,490 (period ended 30 June 2025: GEL 218,329) interest income from investment securities measured at FVOCI.

19. Net fee and commission income

	For the six months ended	
	30 June 2026 (unaudited)	*30 June 2025 (unaudited and reclassified)*
Card operations	311,124	246,557
Account services	126,286	99,409
Settlements operations	79,607	67,992
Guarantees and letters of credit	38,652	35,988
Currency conversion operations	37,557	25,024
Brokerage service fees	21,086	14,398
Cash operations	15,272	16,963
Advisory	9,806	902
Other	7,915	6,414
Fee and commission income	**647,305**	**513,647**
Card operations	(150,497)	(121,898)
Settlements operations	(71,806)	(54,974)
Cash operations	(11,107)	(13,042)
Currency conversion operations	(10,363)	(6,989)
Brokerage service fees	(8,959)	(5,947)
Advisory	(966)	(157)
Guarantees and letters of credit	(374)	(244)
Other	(10,720)	(8,263)
Fee and commission expense	**(264,792)**	**(211,514)**
Net fee and commission income	**382,513**	**302,133**

(Thousands of Georgian Lari)

20. Cost of risk

The table below shows ECL charges on financial instruments for the period recorded in the income statement:

	Stage 1		Stage 2		Stage 3		POCI		
	Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective	Total
Cash and cash equivalents	-	134	-	-	-	-	-	-	134
Amounts due from credit institutions	-	(191)	-	-	-	-	-	-	(191)
Investment securities measured at amortised cost - debt instruments	-	513	-	-	-	-	-	-	513
Investment securities measured at FVOCI - debt instruments	-	737	-	-	-	-	-	-	737
Investment securities pledged under sale and repurchase agreements and securities lending at amortised cost - debt instruments	-	9	-	-	-	-	-	-	9
Loans to customers at amortised cost	(5,678)	(23,925)	(3,363)	(17,005)	4,477	(51,522)	3,227	(3,212)	(97,001)
Factoring receivables	(3)	43	-	29	-	-	-	-	69
Finance lease receivables	347	344	-	67	508	123	25	394	1,808
Accounts receivable and other loans	-	138	-	(5)	-	(34)	-	-	99
Other financial assets	-	-	-	-	(3,762)	-	-	-	(3,762)
Financial and performance guarantees	-	313	-	(267)	1	(13)	-	-	34
Letter of credit to customers	-	(14)	-	(173)	-	-	-	-	(187)
Other financial commitments	-	215	-	(81)	-	19	-	-	153
For the period ended 30 June 2026	**(5,334)**	**(21,684)**	**(3,363)**	**(17,435)**	**1,224**	**(51,427)**	**3,252**	**(2,818)**	**(97,585)**

	Stage 1		Stage 2		Stage 3		POCI		
	Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective	Total
Cash and cash equivalents	-	(349)	-	-	-	-	-	-	(349)
Amounts due from credit institutions	-	(140)	-	-	-	-	-	-	(140)
Investment securities measured at amortised cost - debt instruments	-	(95)	-	-	-	-	-	-	(95)
Investment securities measured at FVOCI - debt instruments	-	254	-	-	-	-	-	-	254
Investment securities pledged under sale and repurchase agreements and securities lending at amortised cost - debt instruments	-	(101)	-	-	-	-	-	-	(101)
Investment securities pledged under sale and repurchase agreements and securities lending at FVOCI - debt instruments	-	34	-	-	-	-	-	-	34
Loans to customers at amortised cost	(4,297)	(3,063)	-	(1,156)	(15,194)	(52,159)	12,533	(703)	(64,039)
Factoring receivables	-	(566)	-	(64)	-	-	-	-	(630)
Finance lease receivables	(362)	(380)	-	172	(28)	(188)	(17)	176	(627)
Accounts receivable and other loans	(81)	198	-	3	-	(83)	-	-	37
Other financial assets	-	-	-	-	(4,745)	-	-	-	(4,745)
Financial and performance guarantees	-	(1,062)	-	314	(17)	-	-	-	(765)
Letter of credit to customers	-	62	-	(1)	-	-	-	-	61
Other financial commitments	-	(1,185)	-	(106)	-	-	-	-	(1,291)
For the period ended 30 June 2025	**(4,740)**	**(6,393)**	**-**	**(838)**	**(19,984)**	**(52,430)**	**12,516**	**(527)**	**(72,396)**

The table below shows impairment charge on other assets and provisions in the income statement:

	For the six months ended	
	30 June 2026 (unaudited)	*30 June 2025 (unaudited)*
Litigation provision charge	(1,165)	(237)
Impairment charge on assets held for sale	(50)	(140)
Other impairment charge	(4,500)	(4,936)
	(5,715)	**(5,313)**

(Thousands of Georgian Lari)

21. Net other gains/(losses)

	For the six months ended	
	30 June 2026 (unaudited)	*30 June 2025 (unaudited)*
Net real estate gains	6,156	19,146
Net losses/gains on financial assets at fair value through profit or loss	(10)	3,027
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	2,918	2,226
Net other gains	11,670	5,188
Net other gains / (losses)	**20,734**	**29,587**

22. Risk management

Liquidity risk and funding management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of marketable and diverse assets that can be liquidated in the event of an unforeseen interruption of cash flow. The Group also has committed lines of credit that it can access to meet liquidity needs. In addition, the Group maintains a cash deposit (obligatory reserve) with the NBG and CBA, the amount of which depends on the level of customer funds attracted.

The liquidity position is assessed and managed by the Group primarily on a standalone JSC Bank of Georgia and Ameriabank CJSC basis, based on certain liquidity ratios established by the NBG and CBA, respectively. The banks in Georgia and Armenia, absent a stress-period, are required to maintain a liquidity coverage ratio no lower than 100%. Both JSC Bank of Georgia and Ameriabank CJSC were in compliance with this requirement as at 30 June 2026 and 31 December 2025.

JSC Bank of Georgia and Ameriabank CJSC are required to maintain a Net Stable Funding Ratio (NSFR) no lower than 100%. Both JSC Bank of Georgia and Ameriabank CJSC were in compliance with this requirement as at 30 June 2026 and 31 December 2025. A buffer over NSFR provides stable funding sources over a longer time span. This approach is designed to ensure that the funding framework is sufficiently flexible to secure liquidity under a wide range of market conditions.

The Group also matches the maturity of financial assets and financial liabilities and regularly monitors negative gaps compared with JSC Bank of Georgia's and Ameriabank CJSC's standalone total regulatory capital calculated per NBG and CBA regulations. For further details, please refer to Note 24.

(Thousands of Georgian Lari)

23. Fair value measurements

Fair value hierarchy

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability. The following tables show analysis of assets and liabilities measured at fair value or for which fair values are disclosed by level of the fair value hierarchy:

At 30 June 2026	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets measured at fair value				
Total investment properties	-	-	98,261	98,261
Land	-	-	*1,458*	*1,458*
Residential properties	-	-	*69,612*	*69,612*
Non-residential properties	-	-	*27,191*	*27,191*
Investment securities measured at FVOCI	1,746,959	4,557,075	22,653	6,326,687
Investment securities measured at FVTPL	488	171,413	18,630	190,531
Other assets – derivative financial assets	-	26,959	-	26,959
Assets for which fair values are disclosed				
Investment securities measured at amortised cost - debt instruments	1,128,962	2,170,091	-	3,299,053
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost - debt instruments	-	323,098	-	323,098
Loans to customers and factoring receivables at amortised cost	-	88,593	43,333,641	43,422,234
Finance lease receivables at amortised cost	-	-	518,391	518,391
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	22,655	-	22,655
Liabilities for which fair values are disclosed				
Client deposits and notes	-	32,315,936	11,466,864	43,782,800
Amounts owed to credit institutions	-	3,049,471	4,320,926	7,370,397
Debt securities issued	-	3,571,321	702,287	4,273,608

At 31 December 2025	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets measured at fair value				
Total investment properties	-	-	107,573	107,573
Land	-	-	*2,901*	*2,901*
Residential properties	-	-	*77,412*	*77,412*
Non-residential properties	-	-	*27,260*	*27,260*
Investment securities measured at FVOCI	2,086,103	4,530,973	23,508	6,640,584
Investment securities measured at FVTPL	-	135,219	17,085	152,304
Other assets – derivative financial assets	-	8,438	-	8,438
Assets for which fair values are disclosed				
Investment securities measured at amortised cost - debt instruments	654,601	2,682,281	-	3,336,882
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost - debt instruments	139,661	13,379	-	153,040
Loans to customers and factoring receivables at amortised cost	-	61,585	38,926,327	38,987,912
Finance lease receivables at amortised cost	-	-	453,141	453,141
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	10,692	-	10,692
Liabilities for which fair values are disclosed				
Client deposits and notes	-	28,951,638	9,753,900	38,705,538
Amounts owed to credit institutions	-	5,385,695	4,142,420	9,528,115
Debt securities issued	-	2,494,176	547,662	3,041,838

There were no transfers between levels 1, 2 and 3 during the period ended 30 June 2026 (2025: none).

(Thousands of Georgian Lari)

23. Fair value measurements (continued)

Fair value hierarchy (continued)

The description of the valuation technique and the description of inputs used in the fair value measurement for level 2 measurements:

Assets carried at fair value	At 30 June 2026	At 31 December 2025	Valuation technique	Inputs used
Investment securities - debt instruments	4,557,075	4,666,192	Discounted cash flows ("DCF")	Government bonds yield curve, Tbilisi interbank interest rate ("TIBR Index")
Derivative financial assets	26,959	8,438	Forward pricing and swap models, using present value calculations and standard option pricing models	Credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities
Total assets recurring fair value measurements at level 2	**4,584,034**	**4,674,630**		
Liabilities carried at fair value				
Derivative financial liabilities	22,655	10,692	Forward pricing and swap models, using present value calculations and standard option pricing models	Credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities
Total liabilities recurring fair value measurements at level 2	**22,655**	**10,692**		

The description of the valuation technique and the description of inputs used in the fair value measurement for level 3 measurements:

Assets carried at fair value	At 30 June 2026	At 31 December 2025	Valuation technique	Inputs used	Unobservable inputs
Investment securities - equity instruments	41,283	40,593	Discounted cash flows („DCF")	Cash flow; Discount rate	Cash flow; Discount rate
Total assets recurring fair value measurements at level 3	**41,283**	**40,593**			

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Derivative financial instruments

Derivative financial instruments valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps, forward foreign exchange contracts and option contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations, as well as standard option pricing models. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities.

Investment securities

Investment securities consist of equity and debt securities and are valued using a valuation technique or pricing models. These securities are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. For quoted investments, respective quoted prices from Bloomberg or other relevant sources are used, when for unquoted investments FV is calculated based on future cash flow expected discounted at current rate for new instruments with similar credit risk, remaining maturity and other characteristics.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value:

	At 31 December 2024	*Business combination*	*Revaluation recognized in other comprehensive*	*Revaluation recognized in the income statement*	*Purchase of securities*	*At 31 December 2025*	*Revaluation recognized in other comprehensive income*	*Revaluation recognized in the income statement*	*Purchase of securities*	*At 30 June 2026*
Level 3 financial assets										
Equity investment securities measured at FVOCI	17,025	-	6,094	-	389	23,508	(855)	-	-	22,653
Equity investment securities measured at FVTPL	16,229	-	-	856	-	17,085	-	489	1,056	18,630

(Thousands of Georgian Lari)

23. Fair value measurements (continued)

Fair value of financial instruments that are carried in the financial statements not at fair value

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements. The table does not include the fair values of non-financial assets and non-financial liabilities, fair values of other smaller financial assets and financial liabilities, fair values of which are materially close to their carrying values.

Fair value of financial assets and liabilities not carried at fair value	*At 30 June 2026*			*At 31 December 2025*		
	Carrying value 2026	*Fair value 2026*	*Unrecognised gain (loss) 2026*	*Carrying value 2025*	*Fair value 2025*	*Unrecognised gain (loss) 2025*
Financial assets						
Investment securities measured at amortised cost - debt instruments	3,220,336	3,299,053	78,717	3,254,349	3,336,882	82,533
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost-debt instruments	320,654	323,098	2,444	147,416	153,040	5,624
Loans to customers and factoring receivables	43,930,568	43,422,234	(508,334)	39,626,897	38,987,912	(638,985)
Finance lease receivables	498,475	518,391	19,916	438,767	453,141	14,374
Financial liabilities						
Client deposits and notes	43,664,753	43,782,800	(118,047)	38,629,974	38,705,538	(75,564)
Amounts owed to credit institutions	7,372,045	7,370,397	1,648	9,499,106	9,528,115	(29,009)
Debt securities issued	4,176,271	4,273,608	(97,337)	2,999,871	3,041,838	(41,967)
Total unrecognised change in unrealised fair value			**(620,993)**			**(682,994)**

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the consolidated financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity, and variable rate financial instruments.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For financial assets and liabilities that are unquoted, non-derivative, and maturing within one year, it is assumed that their carrying amounts approximate fair value, due to their short-term nature and low sensitivity to changes in market conditions, and insignificant exposure to credit risk.

(Thousands of Georgian Lari)

24. Maturity analysis of financial assets and liabilities

The table below shows an analysis of financial assets and liabilities according to their contractual maturities, except for current accounts, credit card loans, pledged investment securities and investments securities which can be pledged but are not pledged as described below.

	At 30 June 2026								
	On demand	*Up to 3 months*	*Up to 6 months*	*Up to 1 year*	*Up to 3 years*	*Up to 5 years*	*Over 5 years*	*No maturity*	*Total*
Financial assets									
Cash and cash equivalents	3,509,749	1,537,005	-	-	-	-	-	-	5,046,754
Amounts due from credit institutions	-	960,286	405	-	-	-	-	2,816,325	3,777,016
Investment securities	3,648,623	3,469,560	876,063	666,266	385,347	609,143	35,127	47,425	9,737,554
Investment securities pledged under sale and repurchase agreements and securities lending	-	177,191	143,463	-	-	-	-	-	320,654
Loans to customers, factoring and finance lease receivables	-	6,085,629	3,162,822	5,966,168	13,669,524	6,913,051	8,631,849	-	44,429,043
Other financial assets	-	232,481	4,434	118,230	9,241	24	-	-	364,410
Total	**7,158,372**	**12,462,152**	**4,187,187**	**6,750,664**	**14,064,112**	**7,522,218**	**8,666,976**	**2,863,750**	**63,675,431**
Financial liabilities									
Client deposits and notes	9,013,642	9,262,152	3,369,927	17,226,573	3,641,573	881,829	269,057	-	43,664,753
Amounts owed to credit institutions	379,232	1,267,178	1,005,579	960,073	1,949,548	1,011,680	798,755	-	7,372,045
Debt securities issued	-	282,045	267,208	474,029	1,382,339	1,346,838	423,812	-	4,176,271
Lease liability	-	17,209	17,702	34,910	110,569	69,740	109,701	-	359,831
Other financial liabilities	28,651	205,298	46,821	18,025	100,095	55	-	-	398,945
Total	**9,421,525**	**11,033,882**	**4,707,237**	**18,713,610**	**7,184,124**	**3,310,142**	**1,601,325**	**-**	**55,971,845**
Net	**(2,263,153)**	**1,428,270**	**(520,050)**	**(11,962,946)**	**6,879,988**	**4,212,076**	**7,065,651**	**2,863,750**	**7,703,586**
Accumulated gap	**(2,263,153)**	**(834,883)**	**(1,354,933)**	**(13,317,879)**	**(6,437,891)**	**(2,225,815)**	**4,839,836**	**7,703,586**	

	At 31 December 2025								
	On demand	*Up to 3 months*	*Up to 6 months*	*Up to 1 year*	*Up to 3 years*	*Up to 5 years*	*Over 5 years*	*No maturity*	*Total*
Financial assets									
Cash and cash equivalents	4,110,611	461,435	-	-	-	-	-	-	4,572,046
Amounts due from credit institutions	915	429,368	12,816	-	-	68	-	3,109,090	3,552,257
Investment securities	5,854,649	2,152,125	733,889	621,778	216,385	380,145	43,223	45,043	10,047,237
Investment securities pledged under sale and repurchase agreements and securities lending	-	147,416	-	-	-	-	-	-	147,416
Loans to customers, factoring and finance lease receivables	-	5,825,705	2,853,643	5,312,103	11,877,572	6,354,308	7,842,333	-	40,065,664
Other financial assets	1,019	244,905	831	112,031	894	41	3	-	359,724
Total	**9,967,194**	**9,260,954**	**3,601,179**	**6,045,912**	**12,094,851**	**6,734,562**	**7,885,559**	**3,154,133**	**58,744,344**
Financial liabilities									
Client deposits and notes	8,197,345	6,395,230	3,218,663	16,028,719	3,191,948	1,176,686	421,383	-	38,629,974
Amounts owed to credit institutions	488,059	3,650,655	654,890	844,701	1,998,336	1,042,303	820,162	-	9,499,106
Debt securities issued	-	30,521	384,275	385,011	1,183,432	761,572	255,060	-	2,999,871
Lease liability	-	17,852	16,702	33,950	108,418	66,860	104,332	-	348,114
Other financial liabilities	58,590	288,458	45,917	19,567	108,651	29	-	-	521,212
Total	**8,743,994**	**10,382,716**	**4,320,447**	**17,311,948**	**6,590,785**	**3,047,450**	**1,600,937**	**-**	**51,998,277**
Net	**1,223,200**	**(1,121,762)**	**(719,268)**	**(11,266,036)**	**5,504,066**	**3,687,112**	**6,284,622**	**3,154,133**	**6,746,067**
Accumulated gap	**1,223,200**	**101,438**	**(617,830)**	**(11,883,866)**	**(6,379,800)**	**(2,692,688)**	**3,591,934**	**6,746,067**	

The Group's capability to discharge its liabilities relies on its ability to realise equivalent assets within the same period of time. In the Georgian and Armenian marketplace, where most of the Group's business is concentrated, many short-term credits are granted with the expectation of renewing the loans at maturity. As such, the ultimate maturity of assets may be different from the analysis presented above. To reflect the historical stability of current accounts, the Group calculates the minimal daily balance of current accounts over the past two years and includes the amount in the 'Up to 1 year' category in the table above. The remaining current accounts are included in the 'On demand' category. Pledged Investment Securities are distributed into maturity buckets based on the contractual maturity of the agreement they are pledged for. Securities which can be pledged but are not pledged fall into 'On demand' category. Considering credit cards have no contractual maturities, the above allocation per category is done based on the statistical coverage rates observed.

(Thousands of Georgian Lari)

24. Maturity analysis of financial assets and liabilities (continued)

The Group's principal sources of liquidity are as follows:

- deposits;
- borrowings from international credit institutions;
- inter-bank deposit agreements;
- debt issues;
- proceeds from sale of securities;
- principal repayments on loans;
- interest income; and
- fees and commissions income.

In the Board's opinion, liquidity is sufficient to meet the Group's present requirements.

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled, except for current accounts which are included in 'Up to 1 year' category in the table above, noting that respective contractual maturity may expand over significantly longer periods:

	At 30 June 2026				*At 31 December 2025*			
	Less than 1 year	*More than 1 year*	*No maturity*	*Total*	*Less than 1 year*	*More than 1 year*	*No maturity*	*Total*
Cash and cash equivalents	5,046,754	-	-	5,046,754	4,572,046	-	-	4,572,046
Amounts due from credit institutions	960,691	-	2,816,325	3,777,016	443,099	68	3,109,090	3,552,257
Investment securities	8,660,512	1,029,617	47,425	9,737,554	9,362,441	639,753	45,043	10,047,237
Investment securities pledged under sale and repurchase agreements	320,654	-	-	320,654	147,416	-	-	147,416
Loans to customers, factoring and finance lease receivables	15,214,619	29,214,424	-	44,429,043	13,991,451	26,074,213	-	40,065,664
Prepayments	30,901	129,637	-	160,538	23,724	177,043	-	200,767
Foreclosed Assets	-	-	405,131	405,131	-	-	374,659	374,659
Right-of-use assets	-	-	327,471	327,471	-	-	332,630	332,630
Investment properties	-	-	98,261	98,261	-	-	107,573	107,573
Property and equipment	-	-	622,402	622,402	-	-	616,839	616,839
Goodwill	-	-	35,488	35,488	-	-	41,253	41,253
Intangible assets	-	-	402,750	402,750	-	-	376,402	376,402
Income tax assets	-	55	-	55	-	41	-	41
Other assets	426,741	10,222	10,707	447,670	406,513	2,105	10,810	419,428
Assets held for sale	9,752	-	-	9,752	15,644	-	-	15,644
Total assets	**30,670,624**	**30,383,955**	**4,765,960**	**65,820,539**	**28,962,334**	**26,893,223**	**5,014,299**	**60,869,856**
Client deposits and notes	38,872,294	4,792,459	-	43,664,753	33,839,957	4,790,017	-	38,629,974
Amounts owed to credit institutions	3,612,062	3,759,983	-	7,372,045	5,638,305	3,860,801	-	9,499,106
Debt securities issued	1,023,282	3,152,989	-	4,176,271	799,807	2,200,064	-	2,999,871
Lease liability	69,821	290,010	-	359,831	68,504	279,610	-	348,114
Accruals and contract liabilities	239,749	-	-	239,749	301,067	-	-	301,067
Income tax liabilities	105,841	59,690	-	165,531	76,468	32,337	-	108,805
Other liabilities	348,982	101,449	-	450,431	452,150	108,526	-	560,676
Total liabilities	**44,272,031**	**12,156,580**	**-**	**56,428,611**	**41,176,258**	**11,271,355**	**-**	**52,447,613**
Net	**(13,601,407)**	**18,227,375**	**4,765,960**	**9,391,928**	**(12,213,924)**	**15,621,868**	**5,014,299**	**8,422,243**

(Thousands of Georgian Lari)

25. Related party disclosures

In accordance with IAS 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be affected on the same terms, conditions and amounts as transactions between unrelated parties.

The volumes of related party transactions, outstanding balances at 30 June 2026 and 31 December 2025, and related expenses and income for the period ended 30 June 2026 and 30 June 2025 are as follows:

	At 30 June 2026 (unaudited)		*At 31 December 2025*	
	Associates	*Key management personnel**	*Associates*	*Key management personnel**
Loans outstanding at	-	8,701	-	10,254
Deposits at	13	29,405	-	30,333
Debt securities issued at	-	15,346	-	13,572

	At 30 June 2026 (unaudited)		*At 30 June 2025 (unaudited)*	
	Associates	*Key management personnel**	*Associates*	*Key management personnel**
Interest income on loans for the six months ended 30 June	-	540	-	1,628
Expected credit loss for the six months ended 30 June	-	1	-	(141)
Interest expense on deposits for the six months ended 30 June	-	490	57	592
Interest expense on Debt securities issued for the six months ended 30 June	-	567	-	391

**** Key management personnel include members of Lion Finance Group PLC's Board of Directors, key executives of the Group and key subsidiaries.***

Compensation of key management personnel comprised the following:

	For the six months ended	
	30 June 2026 (unaudited)	**30 June 2025 (unaudited)**
Share-based payments compensation	41,724	32,301
Salaries and other benefits	11,760	12,559
Cash compensation	8,466	26,836
Termination acceleration costs	6,701	7,418
Total key management compensation	**68,651**	**79,114**

The number of key management personnel at 30 June 2026 was 31 (31 December 2025: 31).

As at 30 June 2026 interest rates on loans issued to key management personnel were within 5.5% and 17.0% (31 December 2025: 5.8% and 16.8%) for loans denominated in FC and Local currency, respectively. As at 30 June 2026 interest rates on deposits placed by key management personnel were within 0.0% and 12.3% (31 December 2025: 0.0% and 13.5%) for deposits denominated in FC and Local currency, respectively.

26. Capital adequacy

The Group maintains an actively managed capital base to cover risks inherent to the business. The adequacy of the Group's capital is monitored using, among other measures, the ratios established by the NBG and CBA in supervising JSC Bank of Georgia and Ameriabank CJSC, respectively.

During the period ended 30 June 2026, the Group complied in full with all its externally imposed capital requirements.

The primary objectives of the Group's capital management are to ensure that the banks comply with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

Glossary

Operational terms

- **MAC (Monthly active customer - retail or business)** Number of customers who satisfied pre-defined activity criteria within the past month.
- **Digital monthly active user (Digital MAU)** Number of retail customers who logged into our mobile or internet banking channels at least once within a given month; when referring to business customers, Digital MAU means number of business customers who logged into our business mobile or internet banking channels at least once within a given month.
- **Digital daily active user (Digital DAU)** Average daily number of retail customers who logged into our mobile or internet banking channels within a given month.
- **Payment MAU** Number of retail customers who made at least one payment with a BOG card within the past month.
- **Net Promoter Score (NPS)** NPS asks: on a scale of 0-10, how likely is it that you would recommend an entity to a friend or a colleague? The responses: 9 and 10 – are promoters; 7 and 8 – are neutral; 1 to 6 – are detractors. The final score equals the percentage of the promoters minus the percentage of the detractors.

Ratio definitions and abbreviations

- **Alternative performance measures (APMs)** In this announcement the management uses various APMs, which we believe provide additional useful information for understanding the financial performance of the Group. These APMs are not defined by International Financial Reporting Standards, and also may not be directly comparable with other companies who use similar measures. We believe that these APMs provide the best representation of our financial performance as these measures are used by the management to evaluate the Group's operating performance and make day-to-day operating decisions.
- **Basic earnings per share** Profit for the period attributable to shareholders of the Group divided by the weighted average number of outstanding ordinary shares over the same period.
- **Book value per share** Total equity attributable to shareholders of the Group divided by ordinary shares outstanding at period-end; Ordinary shares outstanding at period-end equals number of ordinary shares at period-end less number of treasury shares at period-end.
- **CBA** Central Bank of Armenia.
- **CBA Common Equity Tier 1 (CET 1) capital adequacy ratio** Common Equity Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the CBA. Calculations are made for Ameriabank standalone.
- **CBA Tier 1 capital adequacy ratio** Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the CBA. Calculations are made for Ameriabank standalone.
- **CBA Total capital adequacy ratio** Total regulatory capital divided by total risk weighted assets, both calculated in accordance with the requirements of the CBA. Calculations are made for Ameriabank standalone.
- **CBA Liquidity coverage ratio (LCR)** High-quality liquid assets divided by net cash outflows over the next 30 days (as defined by the CBA). Calculations are made for Ameriabank standalone.
- **CBA Net stable funding ratio (NSFR)** Available amount of stable funding divided by the required amount of stable funding (as defined by the CBA). Calculations are made for Ameriabank standalone.
- **Constant currency basis (CC)** To eliminate the impact of foreign exchange fluctuations, constant currency growth for loans and deposits was calculated using the exchange rates as at 31 March 2026 for quarter-over-quarter growth and as at 30 June 2025 for year-over-year growth. These calculations were performed separately for the GFS and AFS segments.
- **Cost of credit risk ratio** Expected loss on loans to customers, factoring and finance lease receivables for the period divided by monthly average gross loans to customers, finance lease and factoring over the same period (annualised where applicable).
- **Cost of deposits** Interest expense on client deposits and notes for the period divided by monthly average client deposits and notes over the same period (annualised where applicable).
- **Cost of funds** Interest expense for the period divided by monthly average interest-bearing liabilities over the same period (annualised where applicable).

- **Cost:income ratio** Operating expenses divided by net operating income.
- **FC** Foreign currency.
- **Full-scale branch** A banking branch that provides all banking services.
- **Interest-bearing liabilities** Amounts owed to credit institutions, client deposits and notes, and debt securities issued.
- **Interest-earning assets (excluding cash)** Amounts due from credit institutions, investment securities (but excluding corporate shares) and loans to customers, factoring and finance lease receivables.
- **NBG Liquidity coverage ratio (LCR)** High-quality liquid assets divided by net cash outflows over the next 30 days (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS.
- **NBG Net stable funding ratio (NSFR)** Available amount of stable funding divided by the required amount of stable funding (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS.
- **LC** Local currency.
- **Leverage (times)** Total liabilities divided by total equity.
- **Liquid assets** Cash and cash equivalents, amounts due from credit institutions and investment securities.
- **Loan yield** Interest income from loans to customers, factoring and finance lease receivables for the period divided by monthly average gross loans to customers, factoring and finance lease receivables over the same period (annualised where applicable).
- **NBG** National Bank of Georgia.
- **NBG (Basel III) Common Equity Tier 1 (CET 1) capital adequacy ratio** Common Equity Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS.
- **NBG (Basel III) Tier 1 capital adequacy ratio** Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS.
- **NBG (Basel III) Total capital adequacy ratio** Total regulatory capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS.
- **Net interest margin (NIM)** Net interest income for the period divided by monthly average interest earning assets excluding cash and cash equivalents and corporate shares over the same period (annualised where applicable).
- **NMF** Not meaningful; used when percentage changes are distorted by zero or missing comparatives, or when the resulting change is above 200 percent.
- **Non-performing loans (NPLs)** The principal and/or interest payments on loans overdue for more than 90 days; or the exposures experiencing substantial deterioration of their creditworthiness and the debtors assessed as unlikely to pay their credit obligation(s) in full without realisation of collateral.
- **NPL coverage ratio** Allowance for expected credit loss for loans to customers, finance lease and factoring receivables divided by NPLs.
- **NPL coverage ratio adjusted for discounted value of collateral** Allowance for expected credit loss on loans to customers, finance lease and factoring receivables, plus the discounted value of collateral for the NPL portfolio (capped at the respective loan amount), divided by total NPLs.
- **One-off items** Significant items that do not arise during the ordinary course of business.
- **Operating leverage** Percentage change in net operating income less percentage change in operating expenses.
- **Return on average total assets (ROAA)** Profit for the period divided by monthly average total assets for the same period (annualised where applicable).
- **Return on average total equity (ROAE)** Profit for the period attributable to shareholders of the Group divided by monthly average equity attributable to shareholders of the Group for the same period (annualised where applicable).
- **Transactional branch** Bank branch that is mostly used for transactional services by clients. Such branches do not provide complex banking services, such as issuing mortgages, services to legal clients, etc.

Lion Finance Group PLC profile

Lion Finance Group PLC (formerly Bank of Georgia Group PLC; the **"Company"** or the **"Group"** when referring to the group companies as a whole) is an LSE-listed company whose main subsidiaries provide banking and financial services focused in the high-growth Georgian and Armenian markets through leading, customer-centric, universal banks – Bank of Georgia in Georgia and Ameriabank in Armenia. By building on our competitive strengths, we are committed to driving business growth, sustaining high profitability, and generating strong returns, while creating opportunities for our stakeholders and making a positive contribution in the communities where we operate.

Lion Finance Group PLC is listed on the London Stock Exchange's main market in the Equity Shares (Commercial Companies) category and is a constituent of the FTSE 100 index. Ticker: BGEO.

Legal entity identifier: 213800XKDG12NQG8VC53

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Further information

For more on results publications, go to Results Centre on https://lionfinancegroup.uk/results-center/quarterly-earnings/

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For news updates, go to https://lionfinancegroup.uk/news/news-announcements/

For share price information, go to https://lionfinancegroup.uk/investor-information/share-price/

Forward-looking statements

This announcement contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Lion Finance Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: macro risk, including domestic instability; geopolitical risk; credit risk; liquidity and funding risk; capital risk; market risk; regulatory and legal risk; conduct risk; financial crime risk; information security and data protection risks; operational risk; human capital risk; model risk; strategic risk; reputational risk; climate-related risk; and other key factors that could adversely affect our business and financial performance, as indicated elsewhere in this document and in past and future filings and reports of the Group, including the 'Principal risks and uncertainties' included in Lion Finance Group PLC's Annual Report and Accounts 2025 and in this Report. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Lion Finance Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Lion Finance Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast.