

INVESTOR PRESENTATION

2Q23 & 1H23 Performance

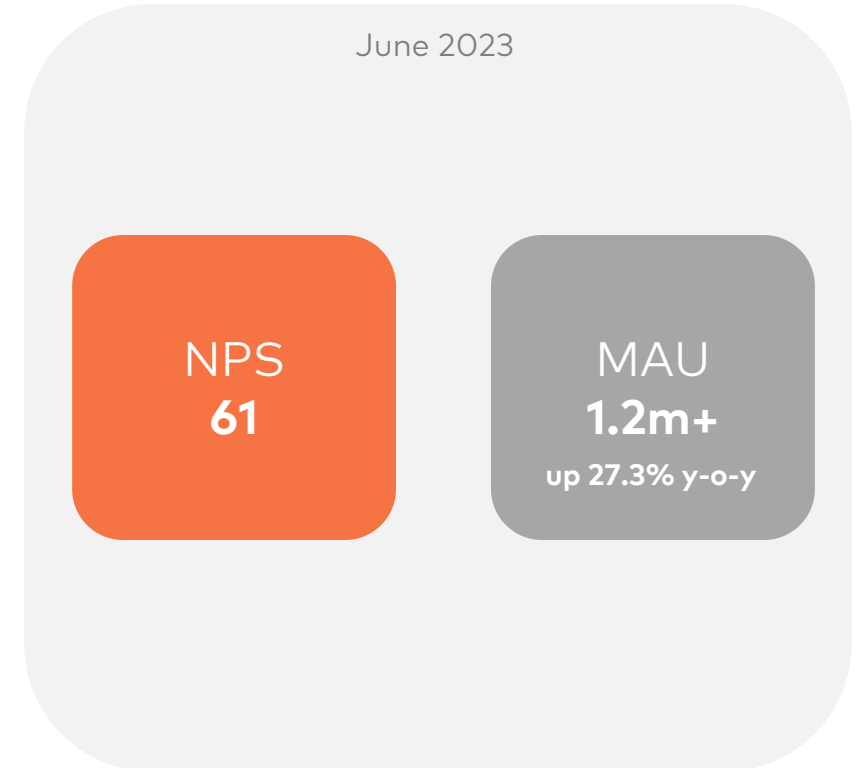
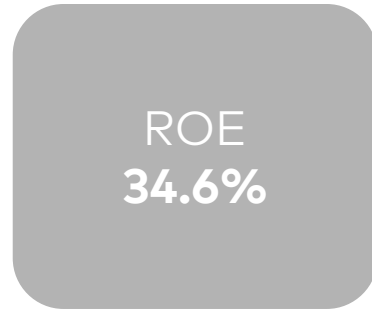
17 August 2023
www.bankofgeorgiagroup.com

Disclaimer – forward looking statements

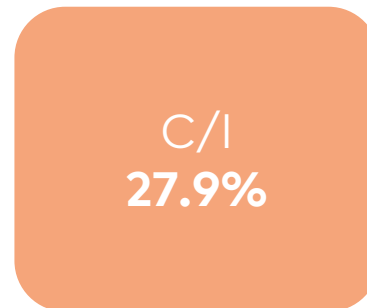
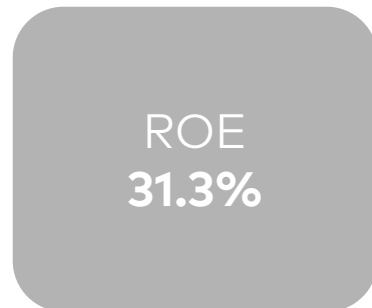
This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Bank of Georgia 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 Bank of Georgia Group PLC's Annual Report and Accounts 2022 and in 2Q23 & 1H23 Results Report. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Bank of Georgia Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Bank of Georgia 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.

The Group delivered a strong performance in 2Q23 and 1H23

Highlights of the quarter



Highlights of the half year



GEL 3.06/ordinary share interim dividend declared
Further share buyback and cancellation programme of GEL 62 million

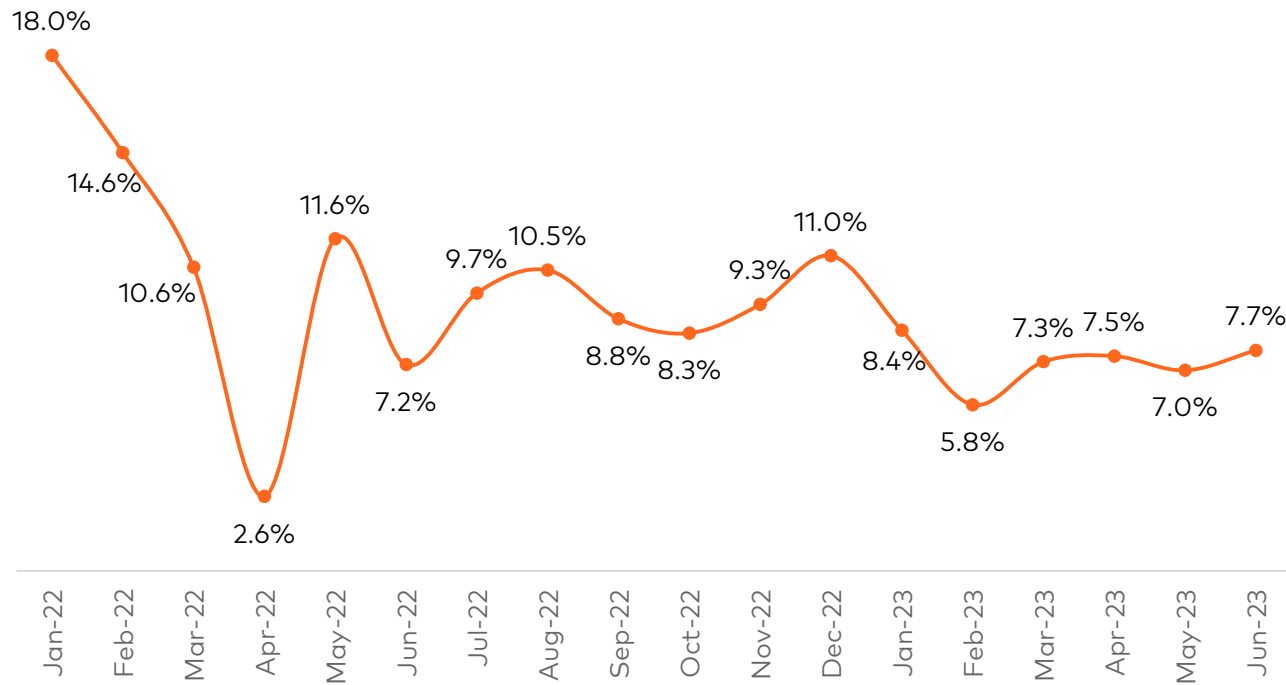
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- | MACROECONOMIC HIGHLIGHTS**
- | GROUP OVERVIEW AND STRATEGY
- | 2Q23 AND 1H23 RESULTS
- | APPENDICIES

Robust economic growth persisted in 1H23, contributing to an improved outlook for the entire year

Real GDP y-o-y growth

2011-2022 average	2021	2022	1H23	2023F	2024F
4.7%	10.5%	10.1%	7.6%	6.8%	5.0%



Source: GeoStat, Galt & Taggart

Key drivers of growth in 1H23:

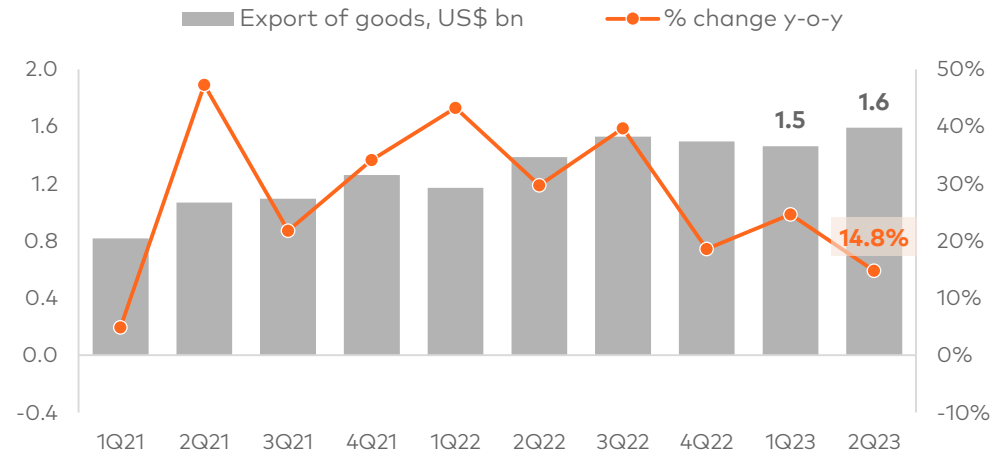
- Resilient inflows from exports and tourism:
 - Export of goods increased 14.8% y-o-y (+19.3% in 1H23)
 - Tourism revenues up 34.8% y-o-y (+57.9% in 1H23)
- Strong investment spending and recovery in consumption on the back of lower inflation
- Increased activity in the construction, information and communication, and trade sectors

Growth outlook:

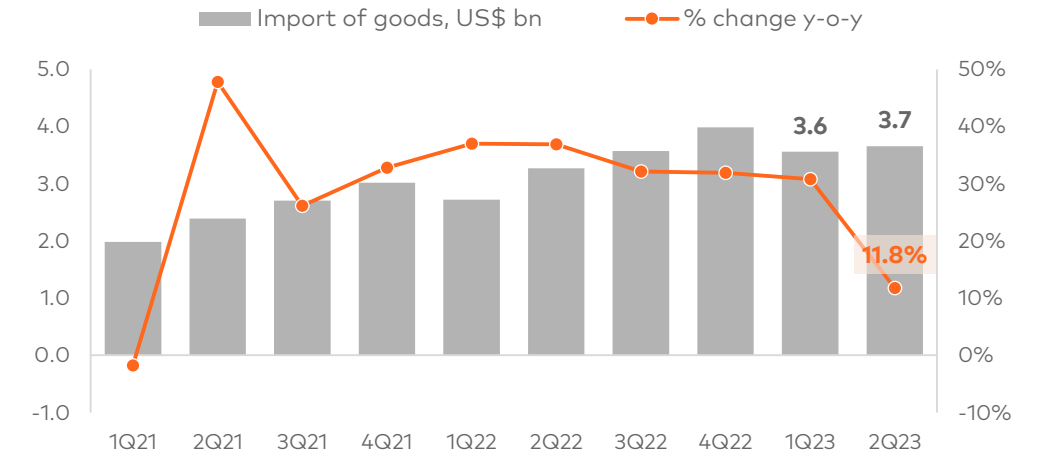
- Real GDP growth is expected at **6.8%** in 2023 driven by strong external earnings and increased investment expenditure
- Geopolitical instability in the region and tight global financial conditions pose downside risks to the outlook

Strong external inflows underpinning economic growth

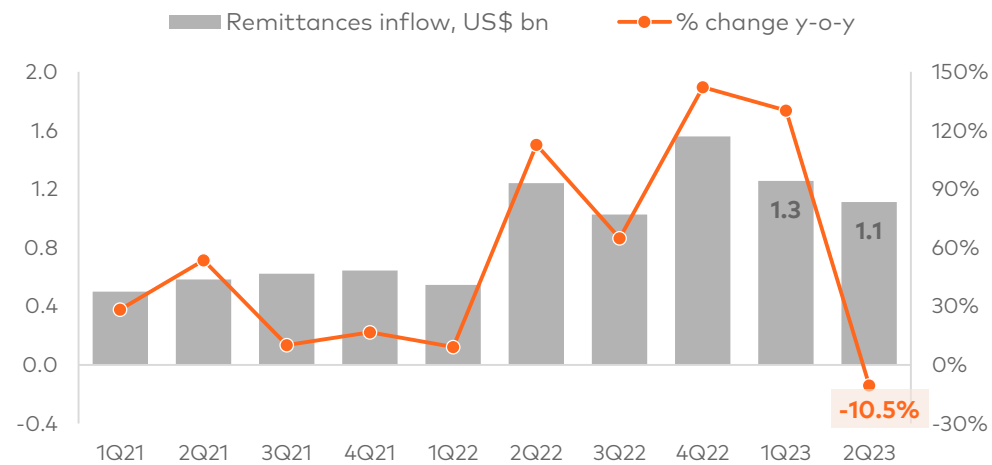
Export of goods



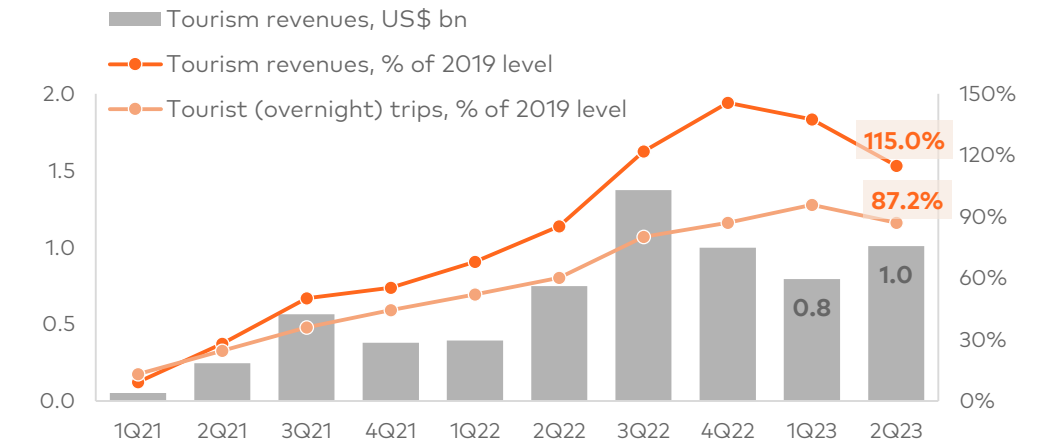
Import of goods



Remittances

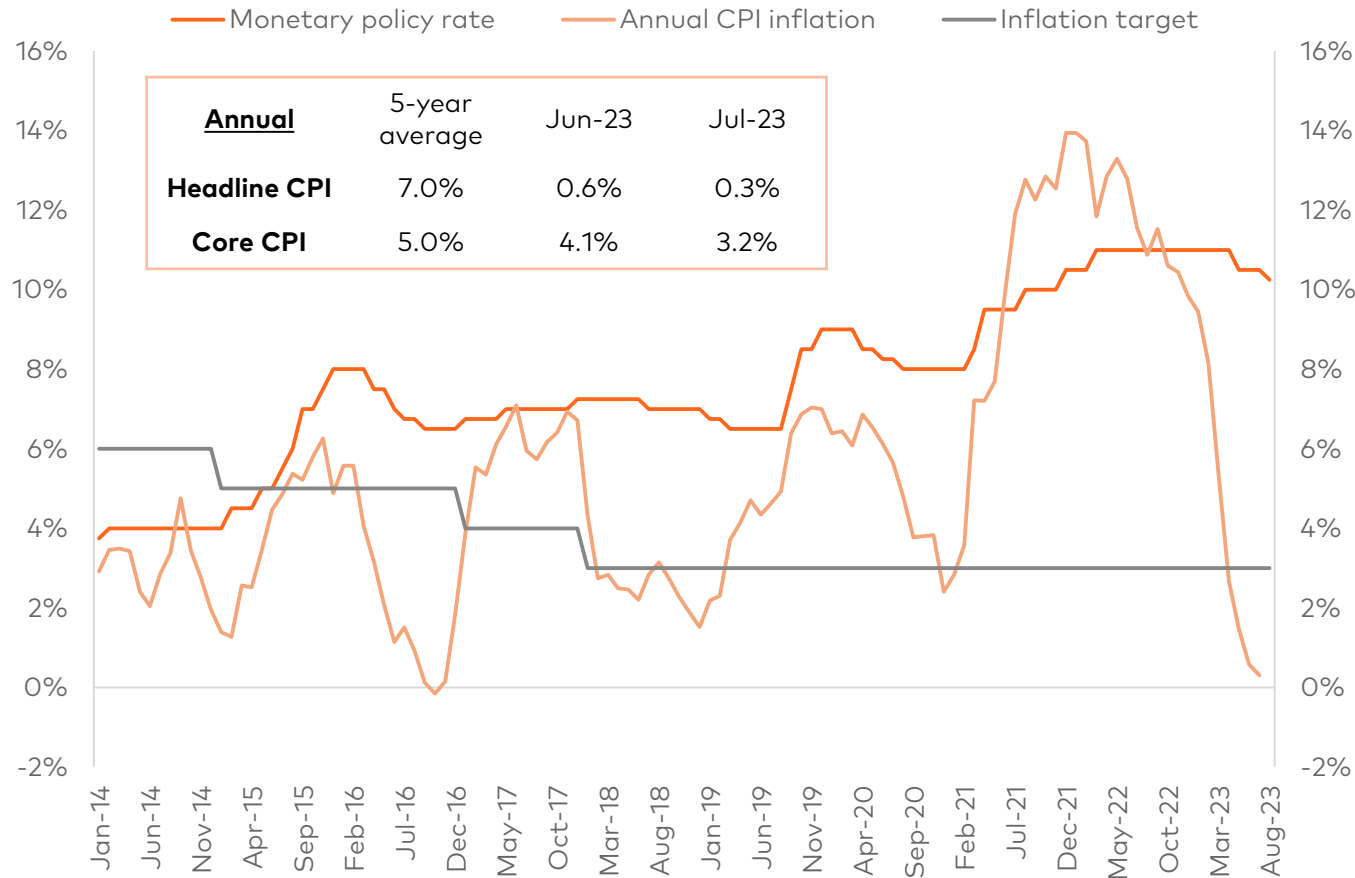


Tourism inflows



Inflation continued to fall on the back of last year's high base, declining commodity prices and strong GEL

The NBG proceeds with a gradual exit from tight monetary policy



Source: GeoStat, NBG

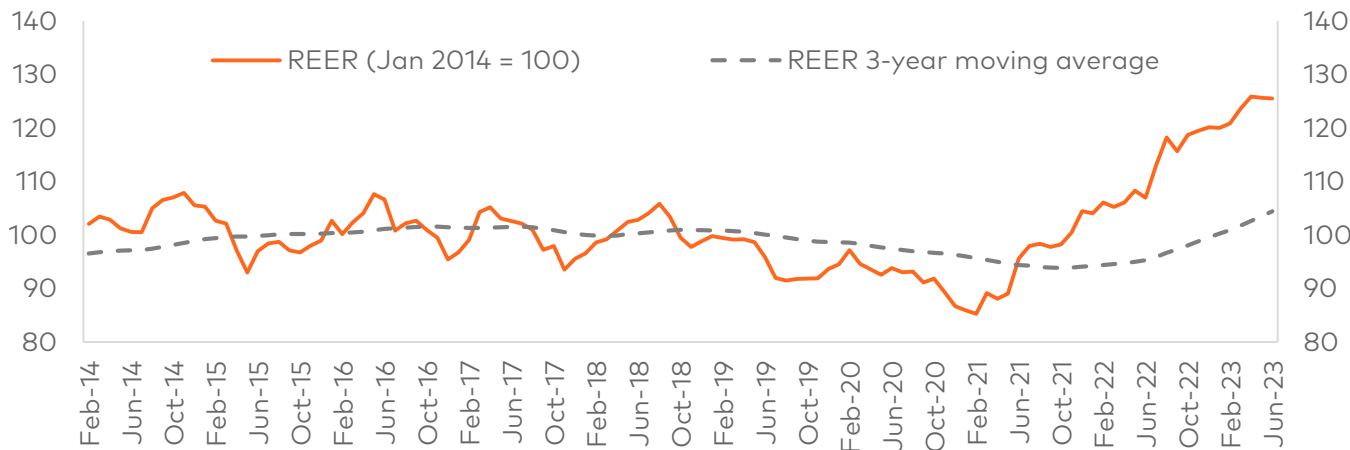
- Consistent reduction in global commodity prices on the back of GEL appreciation led to continued fall in CPI inflation
- Inflation expected to remain low amid decreasing commodity prices, strong GEL and fiscal consolidation
- The NBG reduced its policy rate by additional 25 bps to 10.25% on August the 2nd, marking the second cut in the current easing cycle
- The central bank is expected to continue the gradual exit from tight monetary policy while keeping a close eye on remaining inflation risks

GEL supported by sustained FX inflows, tight monetary policy and improved sentiments

Currency movements vs. US\$, 12/31/2022 – 7/31/2023



GEL real effective exchange rate



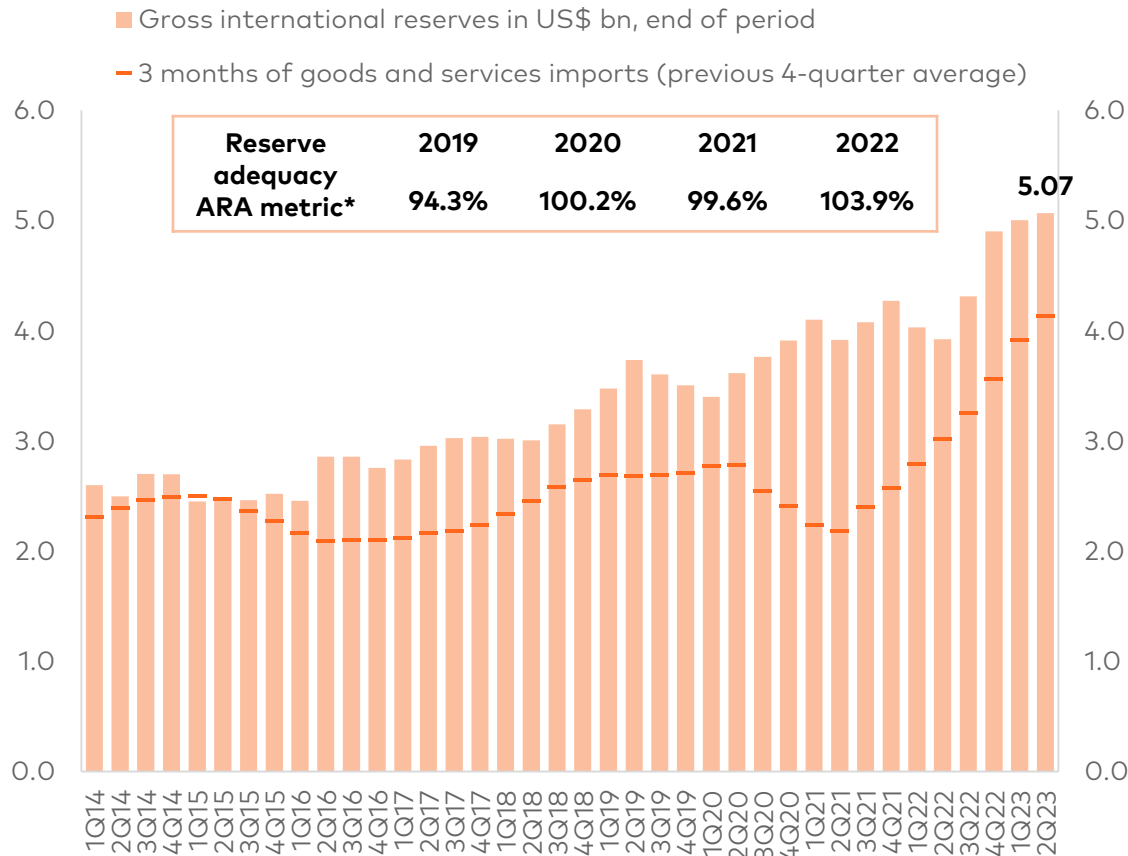
Source: NBG

Note: +/- means appreciation/depreciation of the corresponding currencies

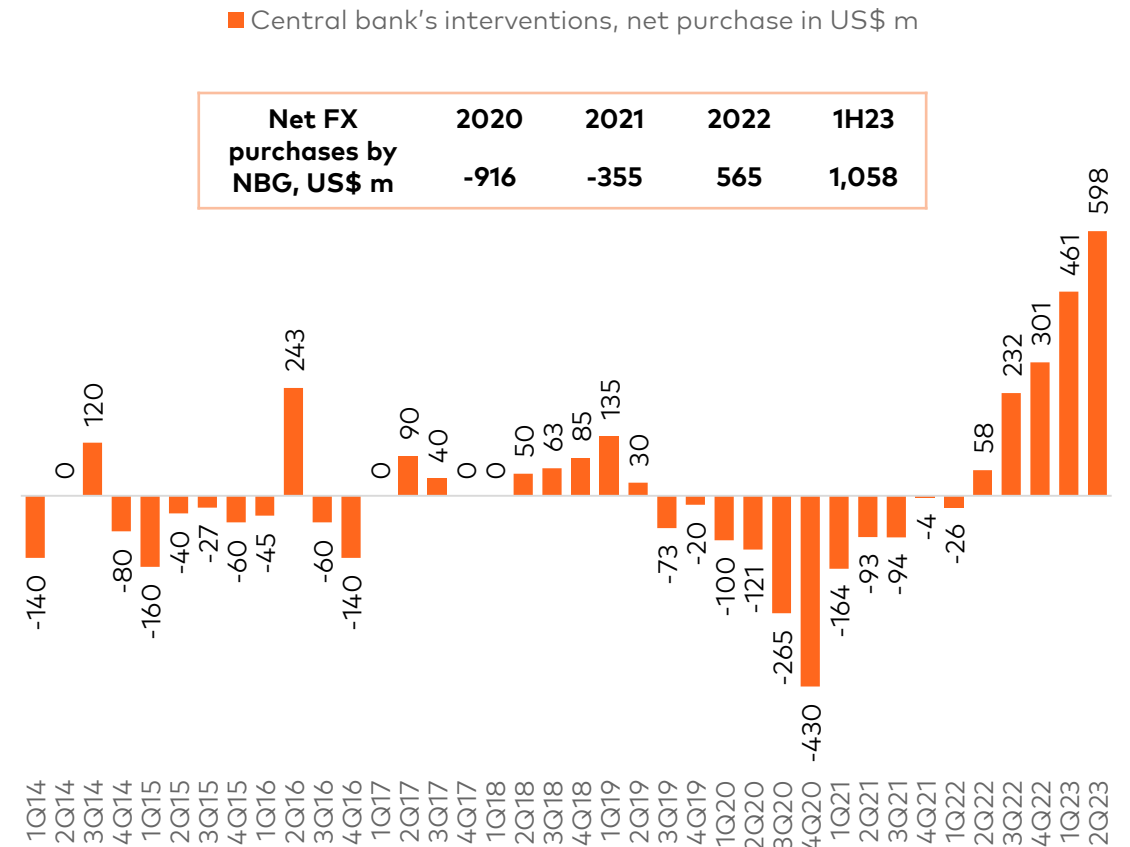
- GEL remained strong in the first half of the year gaining an additional 2.6% against the US dollar during 7M23 on top of a 12.5% appreciation in 2022
- The Georgian currency is supported by strong external earnings, tight monetary policy and improved sentiments
- GEL is expected to maintain its current position, backed by robust external inflows and positive growth outlook

Growing international reserves cushion the economy against external shocks

Gross international reserves above US\$ 5.0 bn as at end of June 2023



The NBG keeps purchasing hard currency amid strong external inflows



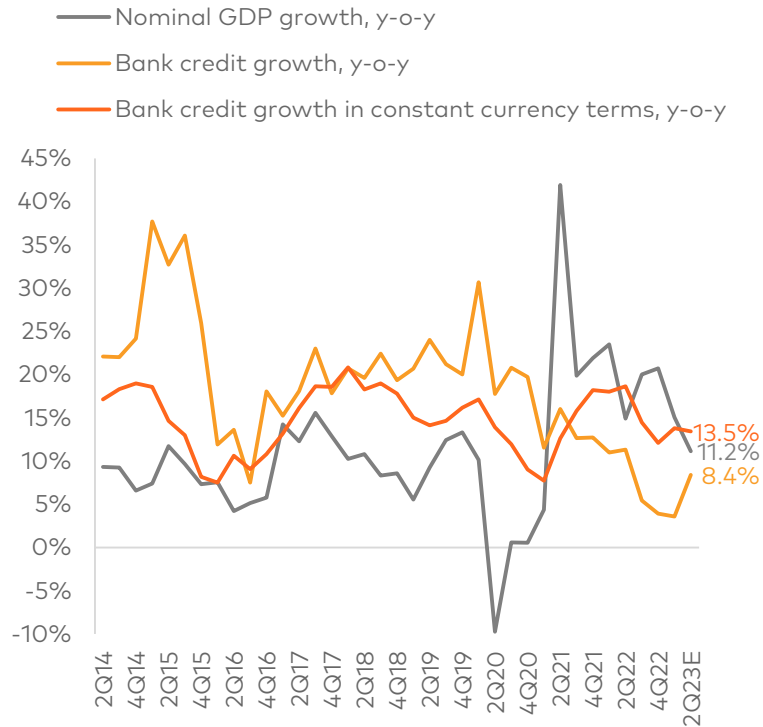
Source: IMF, NBG, BOG

* A ratio between 100%-150% is considered adequate

Source: NBG

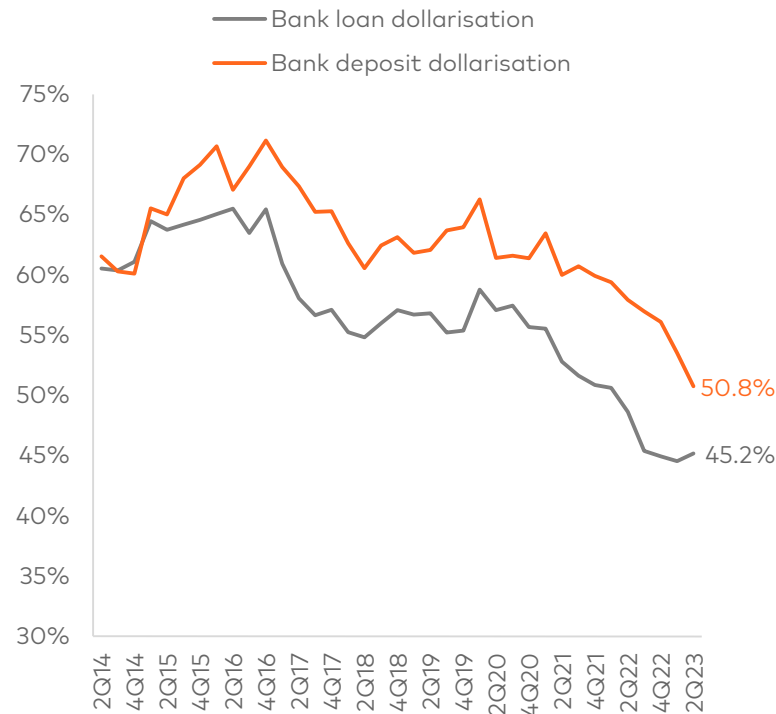
Healthy banking sector, with dollarisation down

Bank loan book growth vs. nominal GDP growth



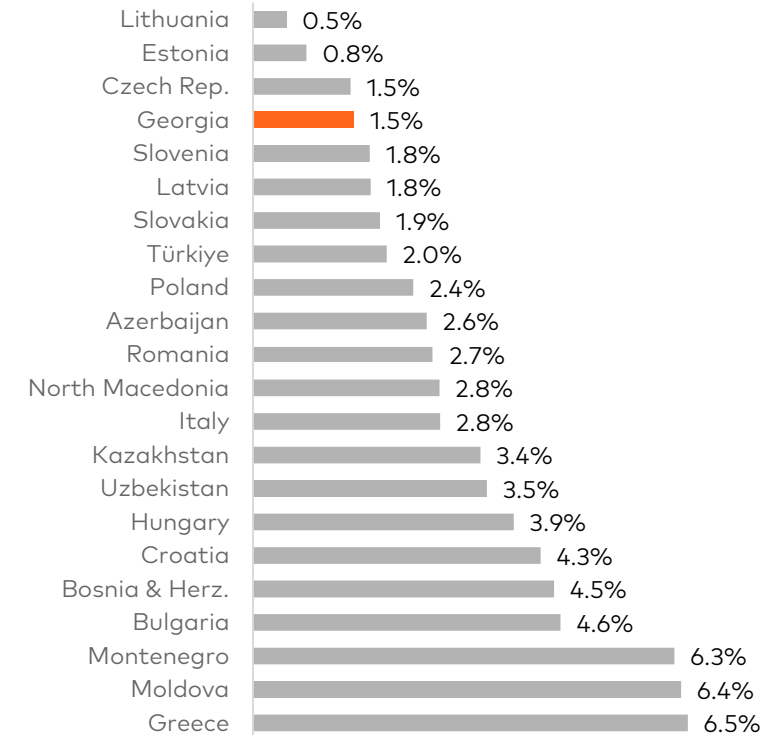
Source: NBS, GeoStat, BOG

Loan and deposit dollarisation



Source: NBS

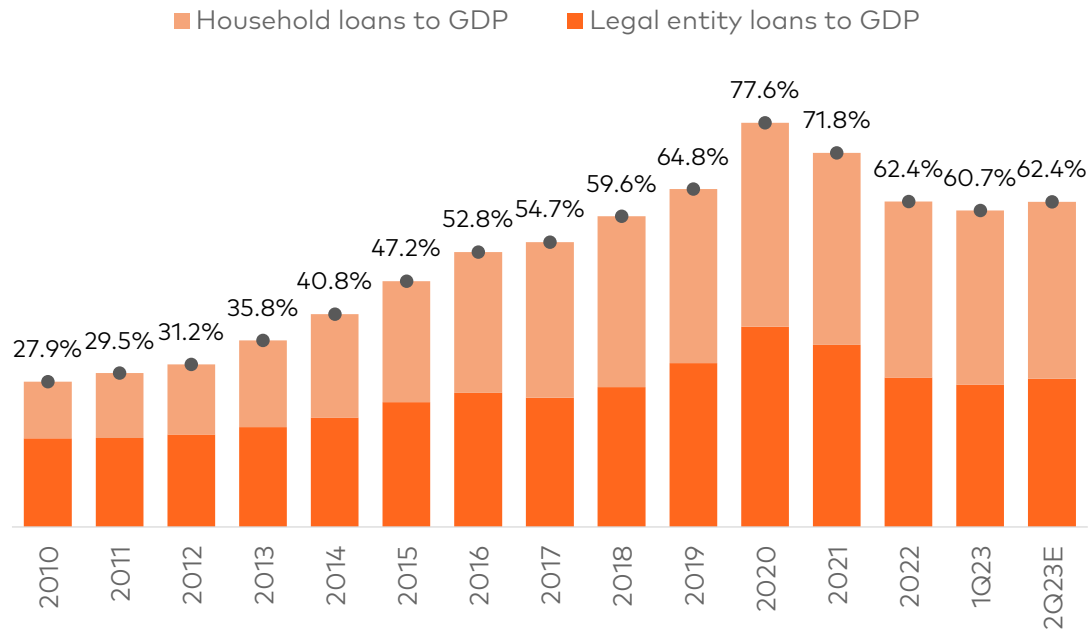
Non-performing bank loans to total gross loans in selected countries, 2022



Source: IMF

Debt-to-GDP ratios flattened after significant decreases in previous years

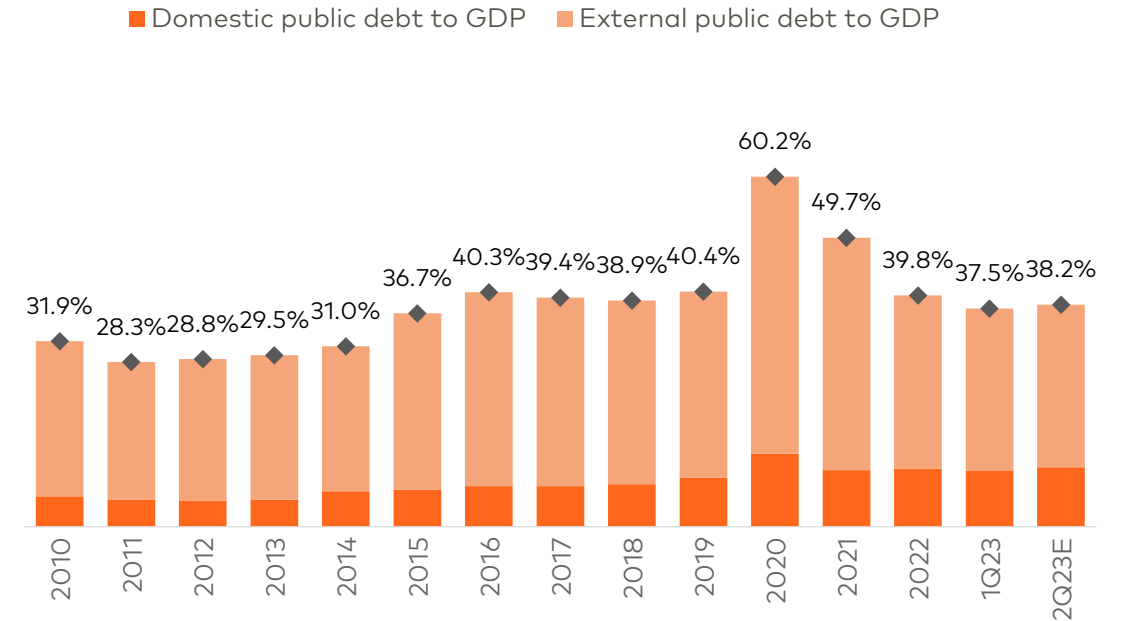
Banking sector loans to households and legal entities as % of GDP



Source: NBG, GeoStat, BOG

- Private sector debt to GDP flattened at around pre-pandemic levels as credit growth started to align with nominal economic growth
- The previous decreases in debt-to-GDP ratio have created room for healthy credit growth

Public debt as % of GDP



Source: MOF, GeoStat, BOG

- Public sector debt to GDP also flattened as nominal economic growth started to sync with the growth rate of public borrowings
- Given the reduced debt burden and increased international reserves, the Georgian economy is well-positioned to withstand possible shocks

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Who we are

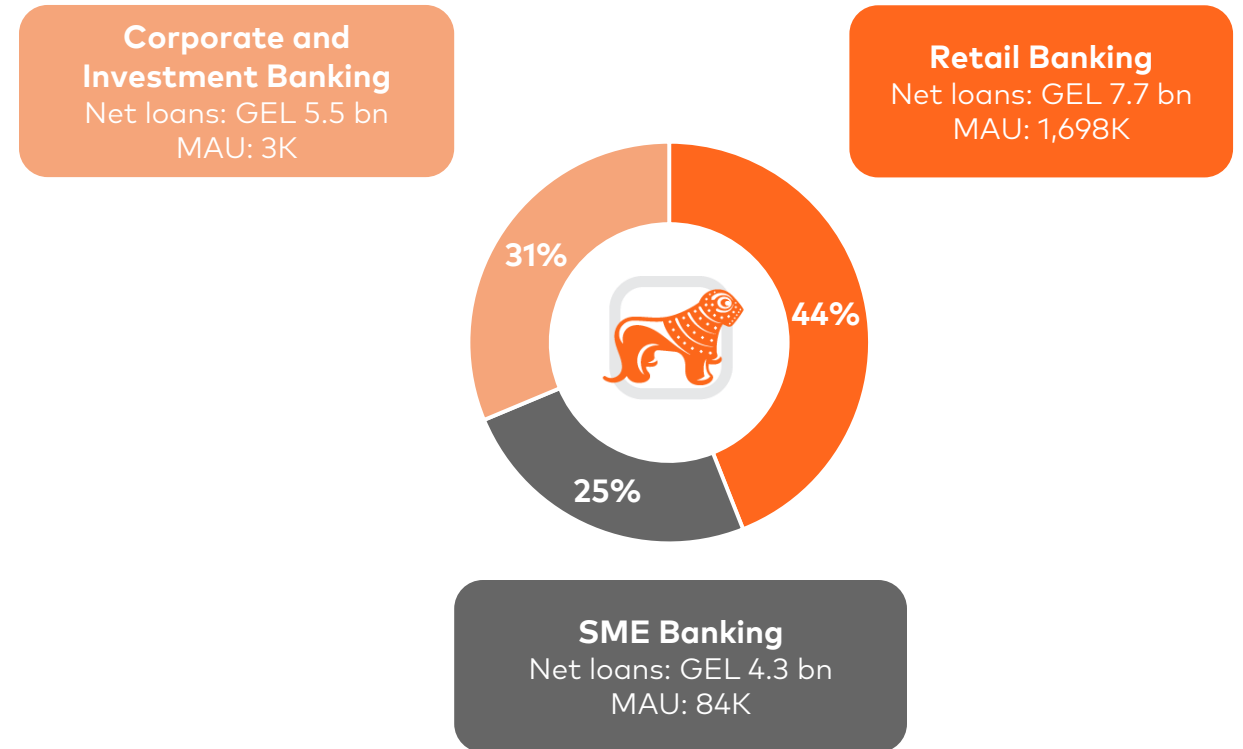
A FTSE-250 company with a diversified institutional investor base

Retail digital banking leader in Georgia

Top of mind and the most trusted bank in Georgia

Consistently delivering high profitability (ROE above 20%)

Highest standards of corporate governance and a strong focus on ESG



Figures are given for JSC Bank of Georgia (standalone), which constituted 96.1% of net loans of Bank of Georgia Group PLC as at 30 June 2023

What we focus on

Our strategic priorities

Mobile

Payments

Loyalty

Relevant in customers' daily lives

Increasing customer engagement

Growing payments business

Excellent customer experience

Our enablers

Customer-centricity

Data and AI

People and culture

Brand strength

Effective risk management

Key medium-term targets

c.10%

Loan book growth

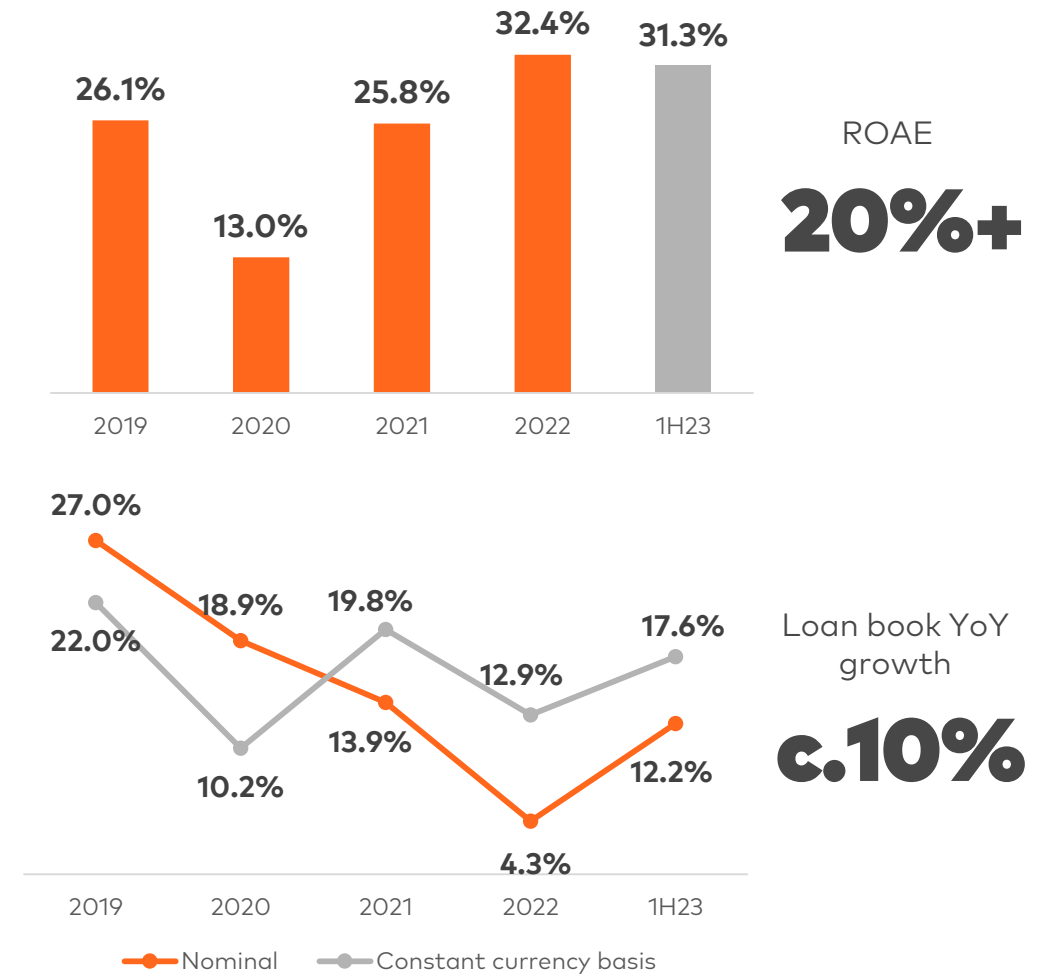
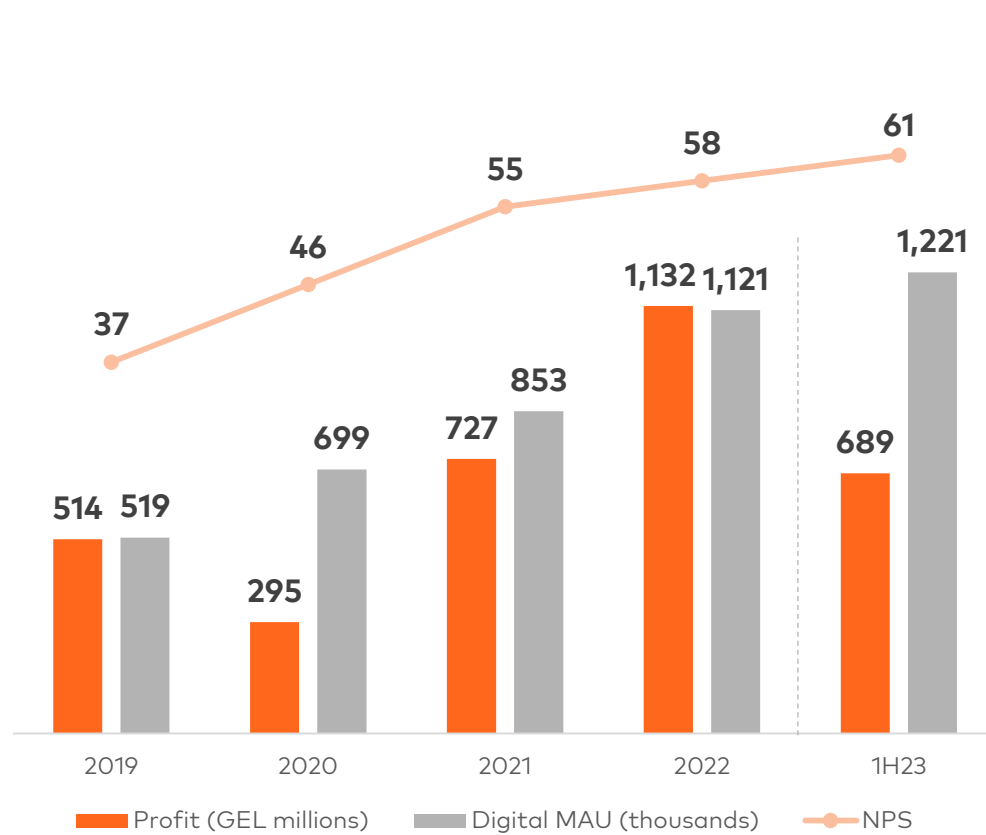
20%+

ROAE

30-50%

Dividend and share buyback payout ratio

Track record of growth and strong performance



2019 ROAE and profit were adjusted for GEL 14.2m (net of income tax) termination costs of a former CEO and executive management

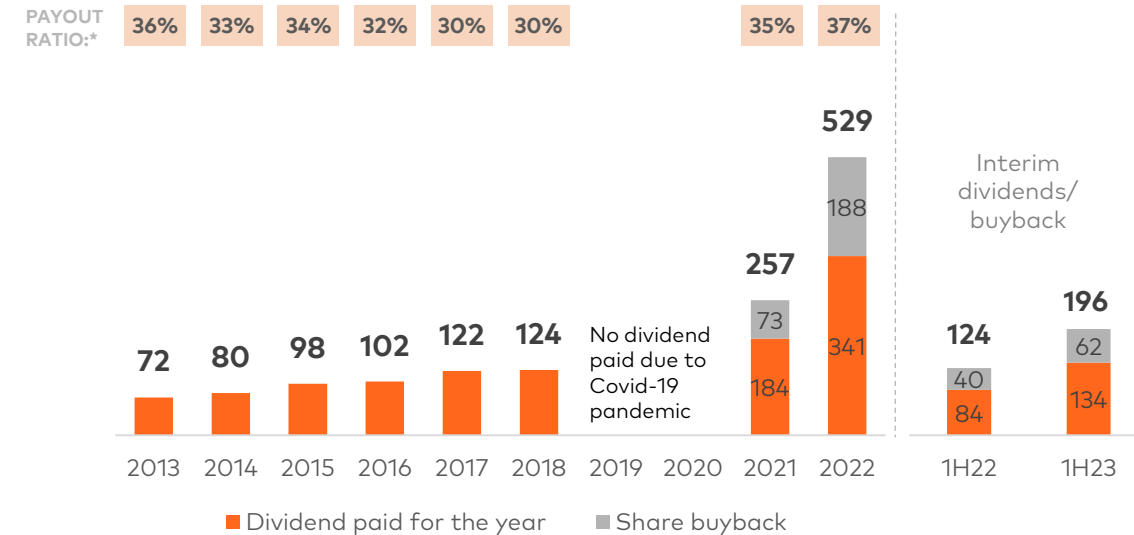
2022 ROAE and profit were adjusted for a one-off GEL 391.1m other income related to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m income tax expense due to an amendment to the corporate taxation model in Georgia applicable to financial institutions

1H23 ROE and profit were adjusted for a one-off GEL 21.1m other income related to the settlement of an outstanding legacy claim

Returning capital to shareholders

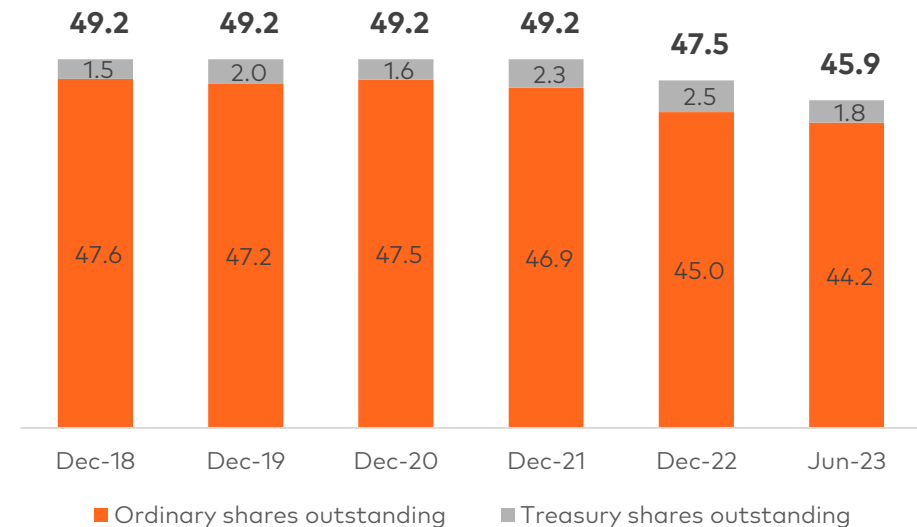
Capital distribution

GEL millions



Number of shares outstanding (period-end)**

millions



- Considering the strong performance during the first half of 2023 and robust capital levels, the Board today declared an **interim dividend of GEL 3.06** per ordinary share in respect of the period ended 30 June 2023, payable in Pounds Sterling on 27 October 2023
- In addition, the Board has approved a further **share buyback and cancellation programme totalling GEL 62 million**, which is expected to commence later in the year
- On 22 June 2023, the Company completed its previous GEL 260.7 million buyback and cancellation programme, having repurchased and cancelled 3,254,705 ordinary shares, representing 6.6% of the Company's issued share capital

*For the purpose of total payout ratio calculation, total buyback amount is divided by outstanding shares before the beginning of the respective programme

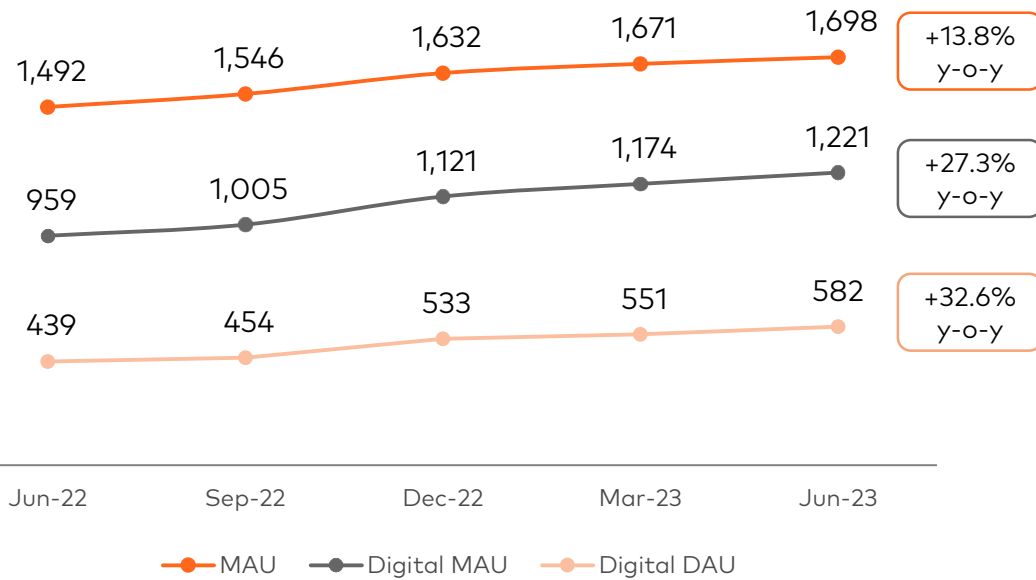
**Treasury shares are provided per IFRS and mainly include shares held by Executive and Employee trusts

Our retail customers are becoming more digital and engaged

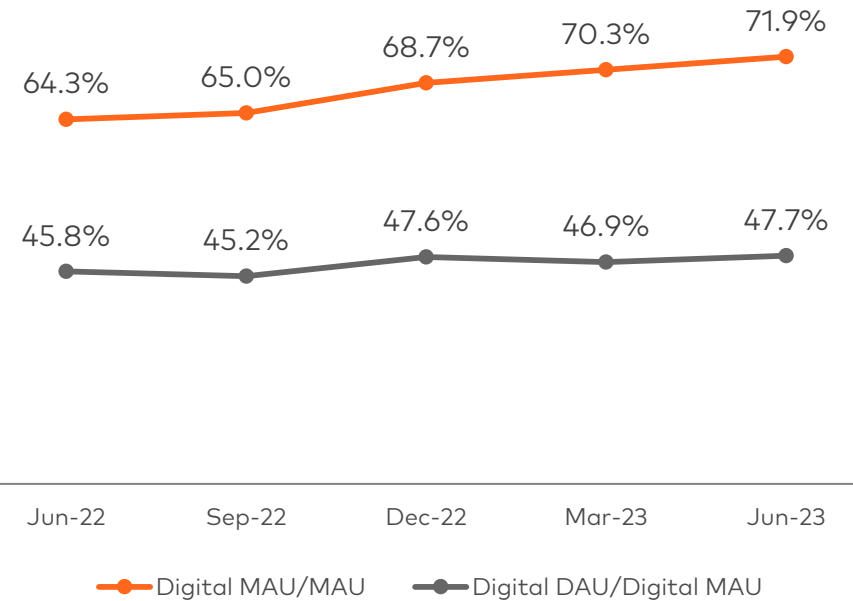
Figures given for JSC Bank of Georgia standalone

Monthly active users (Retail)

thousands



Digital engagement of active customers



Developing our financial super app to fulfill a variety of customer needs

Credit

- End-to-end online consumer lending
- Pre-approved credit limits
- Fully online credit card

Savings

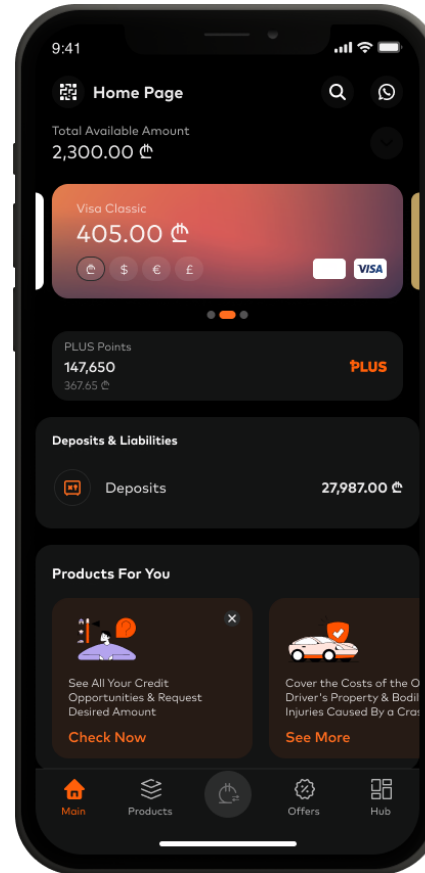
- End-to-end online deposit activation
- Activation of "piggy bank"

Investments

- Opening investment account
- Managing investment portfolio

Insurance marketplace

- Motor Third Party Liability insurance (MTPL)
- Travel insurance



Lifestyle

- Offers from partner merchants
- Buy now, pay later

Daily banking

- Transactions
- Payments
- Loyalty
- Subscriptions
- Remittances
- Chat and chat-bot support
- Automatic payments & transfers
- Digital debit card and debit card ordering
- NEW** • Instant P2P payments to other banks

Play store 4.9/5

App store 4.7/5

Customer Satisfaction Score 88% in 2Q23 (89% in 2Q22)

Personal finance management

- Daily spend view and personal budget management



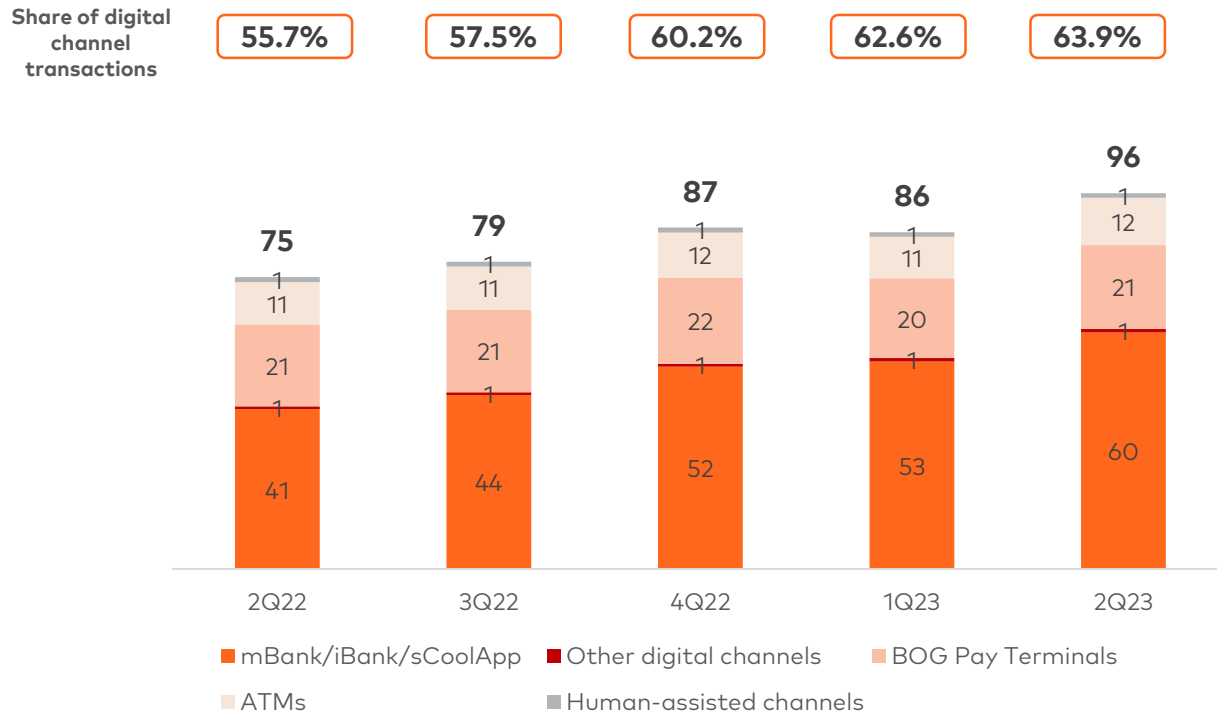
The Best Consumer Mobile Banking App in Central and Eastern Europe 2023 by Global Finance

Focusing on increasing product sales in digital channels

Figures given for JSC Bank of Georgia standalone

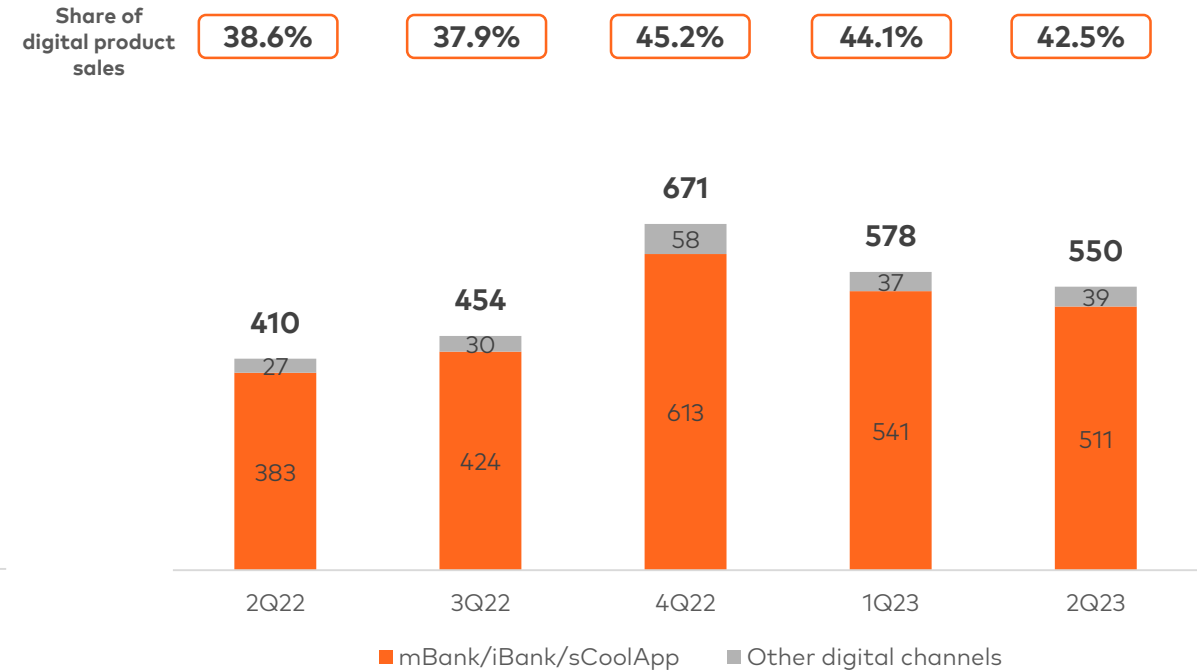
Number of transactions*

millions



Products sales in digital channels**

thousands



*In 2Q23, we changed the methodology of calculating the number of transactions and now include payments, transfers, currency conversions, P2P transactions, cash-ins and cash-withdrawals. Product sales were excluded from the count of transactions. The previous periods have been restated. Other digital channels include smaller-scale channels such as bogpay.ge. Human-assisted channels include branches and a call center

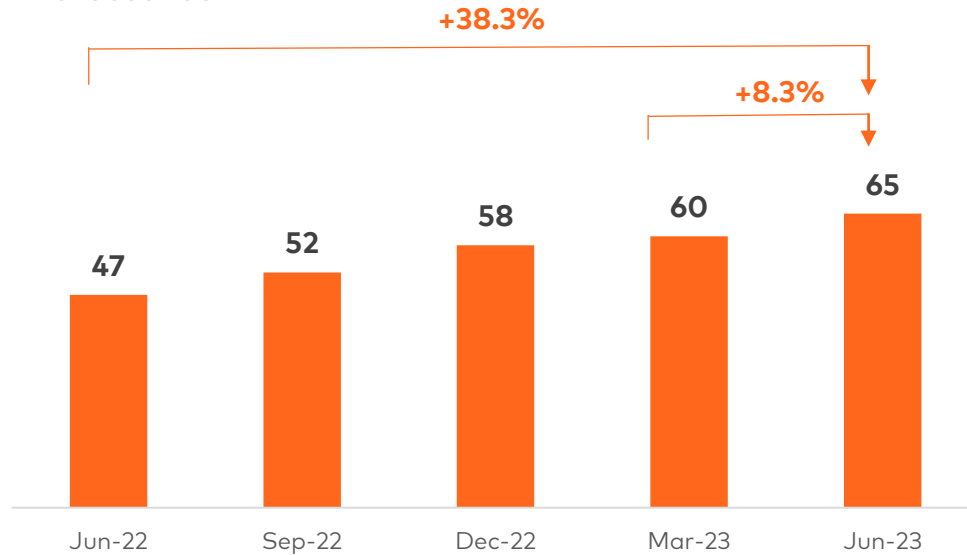
**In 2Q23, we changed the methodology of calculating the share of products sold digitally and currently include all types of products sold by the Bank. The previous periods have been restated

Full digital experience for our business customers

Figures given for JSC Bank of Georgia standalone

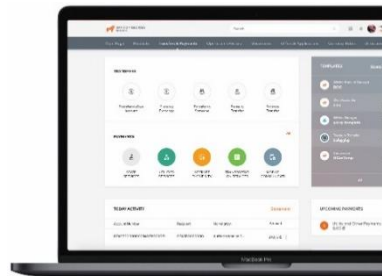
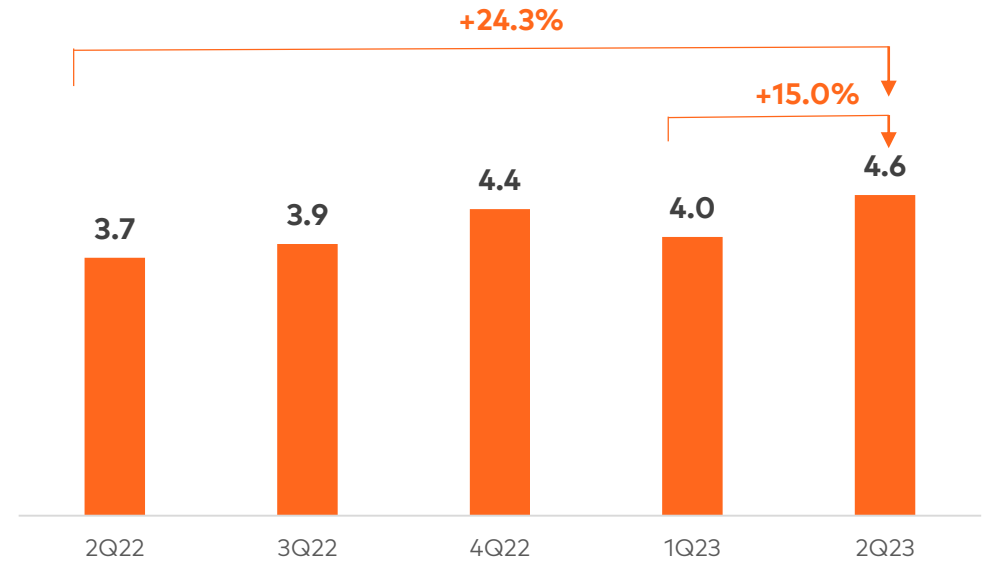
Monthly active digital users

thousands



Number of transactions

millions



88%

Customer Satisfaction Score (2Q23)

+7 pts y-o-y



87%

Customer Satisfaction Score (2Q23)

+5 pts y-o-y



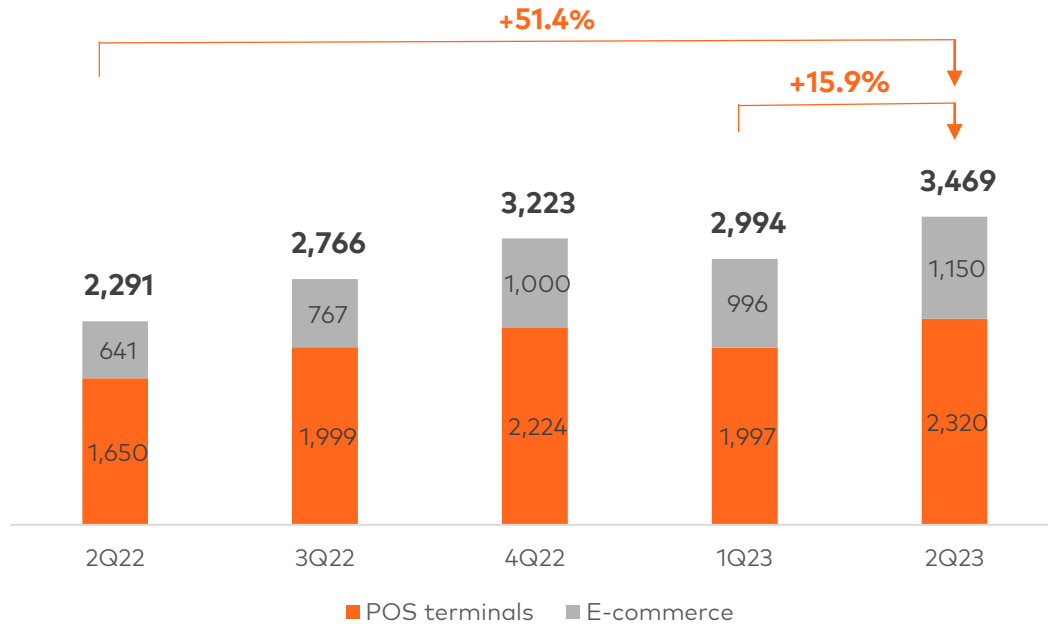
The Best Corporate Mobile Banking App in Central and Eastern Europe 2023 by Global Finance

Payments business – our daily touch point with customers

Figures given for JSC Bank of Georgia standalone

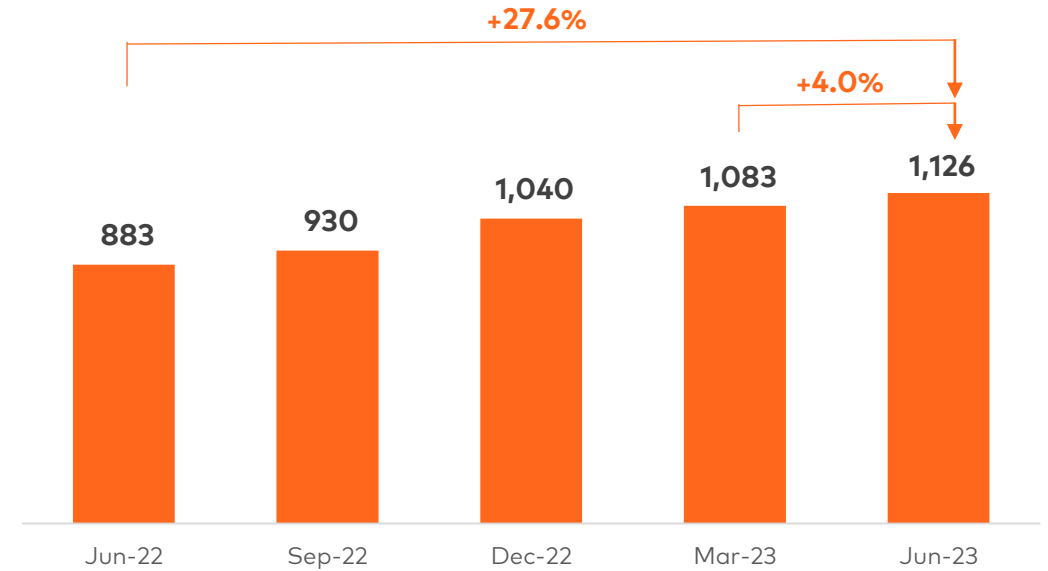
Acquiring - volume of payment transactions

GEL millions



Issuing – payment MAU

thousands



53.7%

Market share in acquiring volumes | June 2023
+6.6 ppts YoY

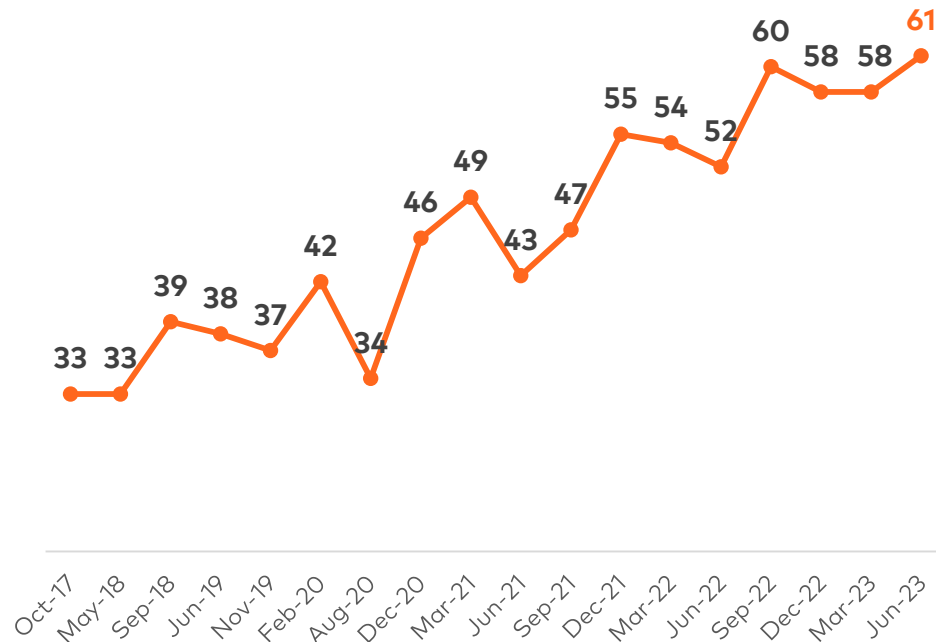
16.5K

Active merchants | June 2023
+28.4% YoY

Fostering a customer-centric culture

Figures given for JSC Bank of Georgia standalone

NPS*



Engaging with customers **proactively** and responding in **real time**

Anticipating customer needs, wants, and future behavior

Harnessing strong **human relationships** with **data analytics** for dynamic customer insights

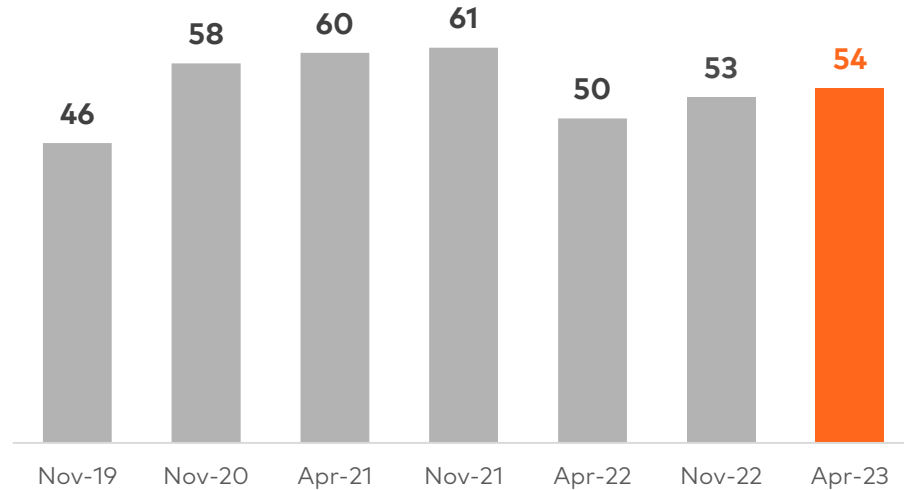
Investing in **technology** to deliver excellent customer experience



* Based on an external research by IPM Georgia, surveying a random sample of customers with face-to-face interviews

Empowering our employees

eNPS

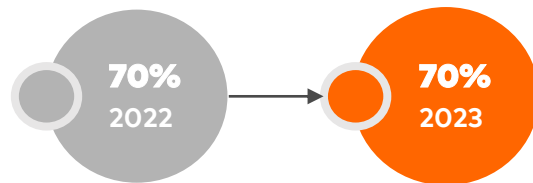


Figures given for JSC Bank of Georgia standalone

- Focusing on employee experience
- Fostering a high-trust environment and strong feedback culture
- Attracting and developing top talent
- Doing business in line with our core values and business principles
- Ensuring diversity and equal opportunities in the workplace

Employees are engaged

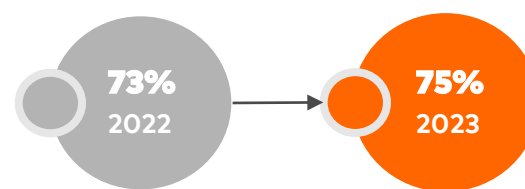
73% High-Performing Organisations Benchmark



67% Banking Industry Benchmark

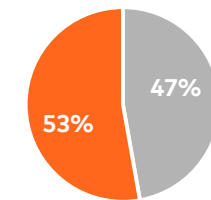
and enabled

73% High-Performing Organisations Benchmark



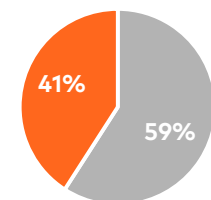
68% Banking Industry Benchmark

Diversity in managerial positions



■ Men ■ Women

Diversity in senior managerial positions



■ Men ■ Women

As at 30 June 2023

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Financial highlights of 2Q23 and 1H23

2Q23		1H23
34.6%	ROE	31.3%
0.8%	Cost of credit risk ratio	0.9%
26.9%	Cost to income ratio	27.9%
30 Jun 2023	CET1 capital	18.7% Minimum requirement 14.6%

Net loans
30 Jun 2023
GEL 18.3bn

+12.2% y-o-y
+7.6% q-o-q

+17.6% y-o-y
+6.4% q-o-q

On a constant currency basis

Deposits
30 Jun 2023
GEL 19.6bn

+30.1% y-o-y
+7.3% q-o-q

+38.1% y-o-y
+5.9% q-o-q

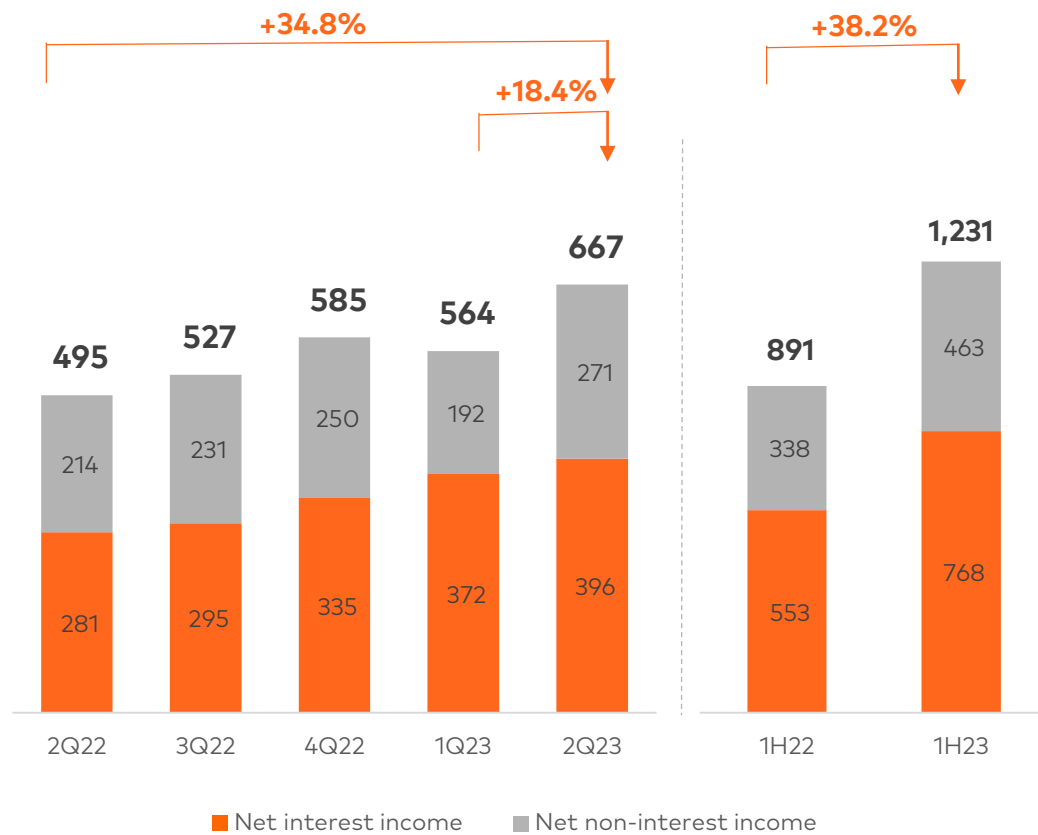
On a constant currency basis

ROE and cost to income ratio were adjusted for a one-off GEL 21.1m other income related to the settlement of an outstanding legacy claim

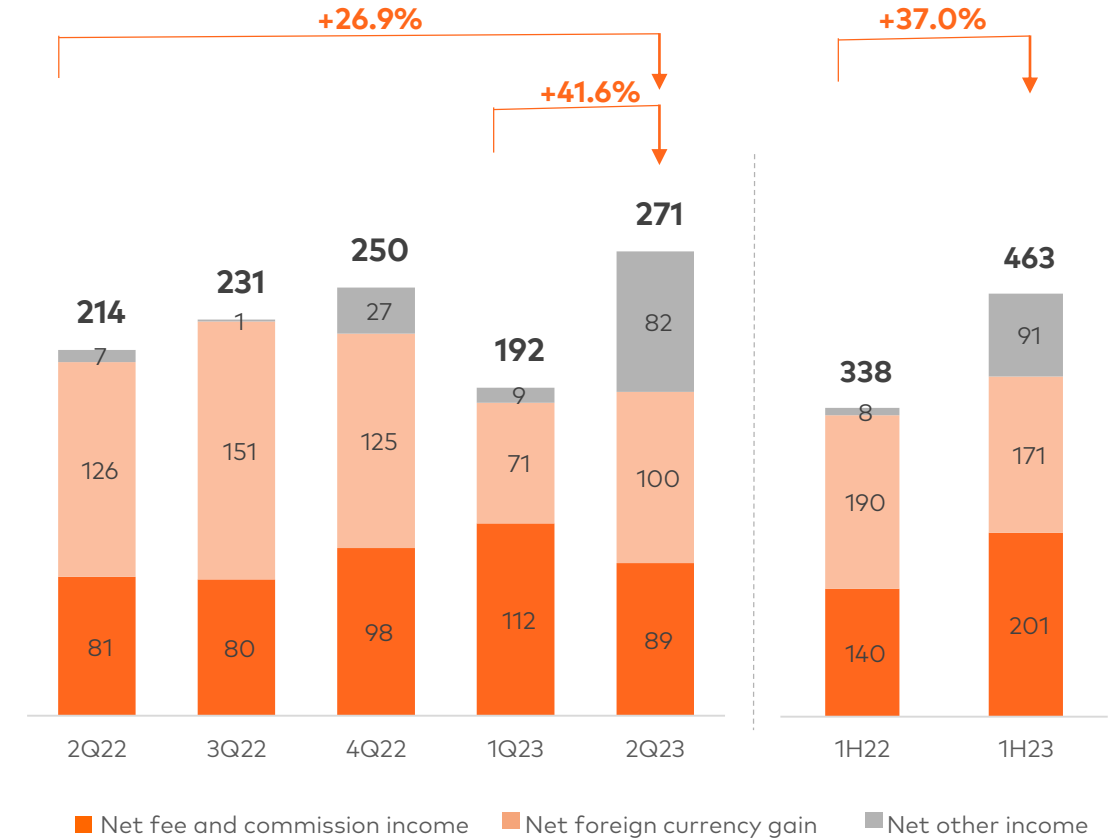
Strong underlying performance

All currency data are in GEL m unless otherwise stated

Operating income*



Net non-interest income*

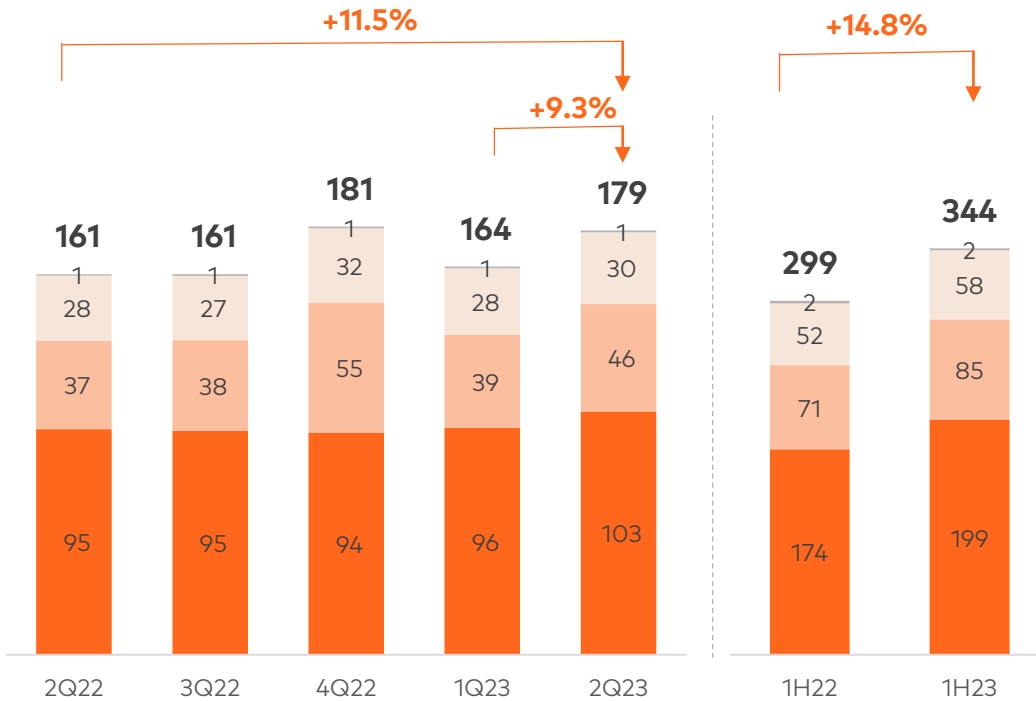


*4Q22 figures adjusted for a one-off GEL 391.1m other income and 2Q23 and 1H23 figures were adjusted for a one-off GEL 21.1m other income, related to the settlement of an outstanding legacy claim

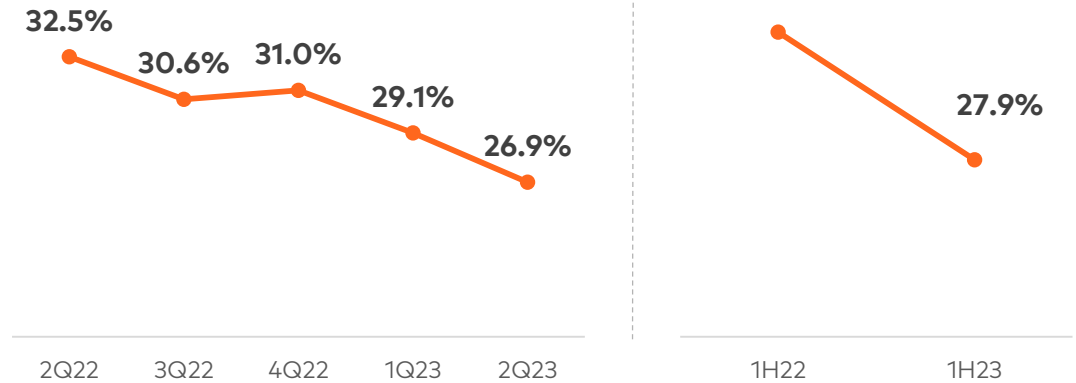
Investing for growth while maintaining the focus on efficiency

All currency data are in GEL m unless otherwise stated

Operating expenses



Cost to income ratio*



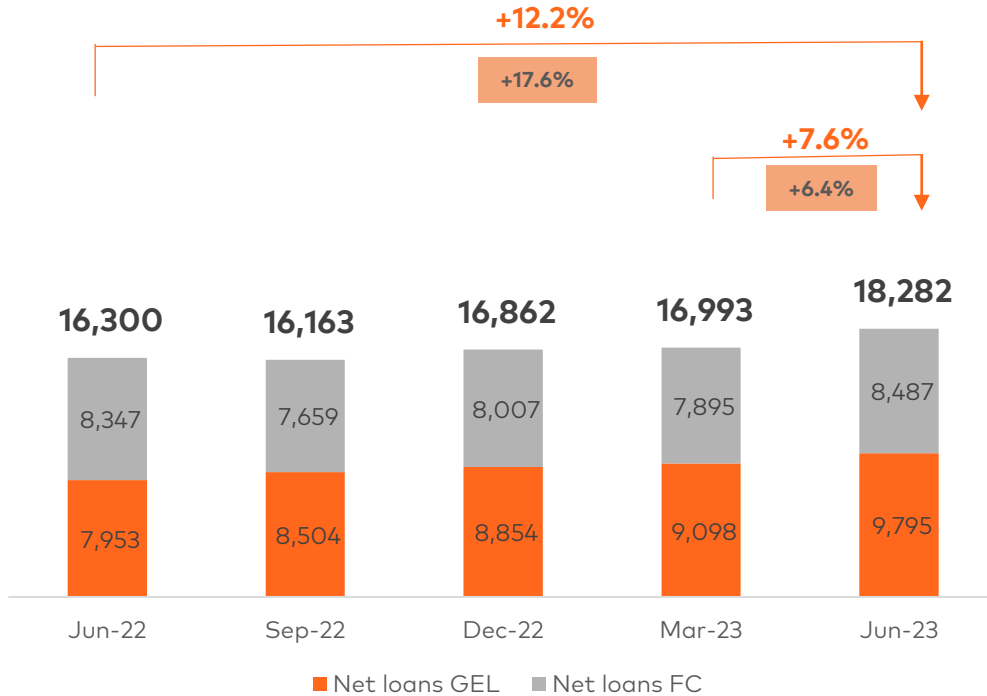
- Salaries and other employee benefits
- Administrative expenses
- Depreciation, amortisation and impairment
- Other operating expenses

*4Q22 figures adjusted for a one-off GEL 391.1m other income and 2Q23 and 1H23 figures were adjusted for a one-off GEL 21.1m other income, related to the settlement of an outstanding legacy claim

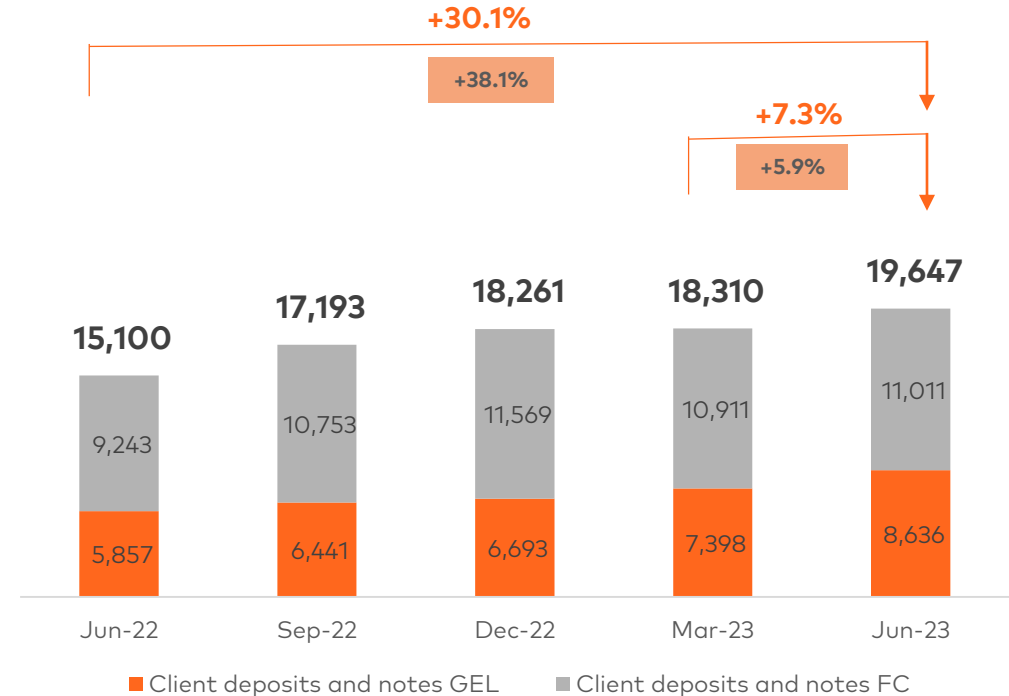
Loan growth picked up, and deposit growth remains strong

All currency data are in GEL m unless otherwise stated

Loan portfolio



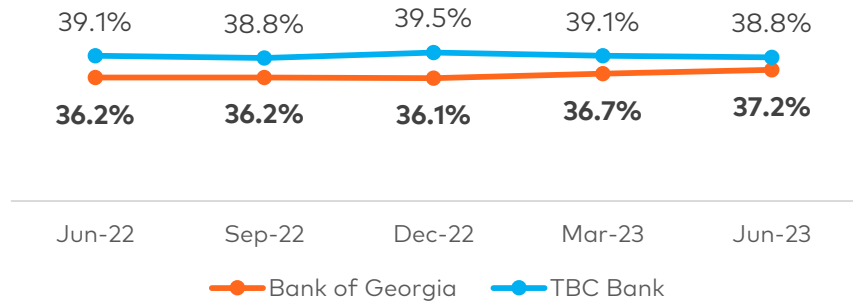
Deposit portfolio



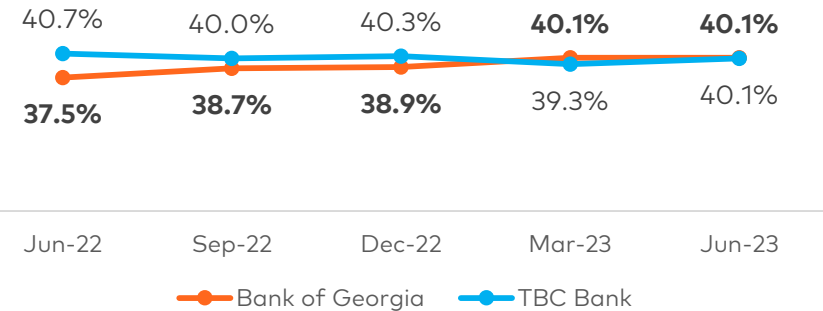
■ Growth on a constant currency basis

Focusing on profitability while maintaining strong competitive positions

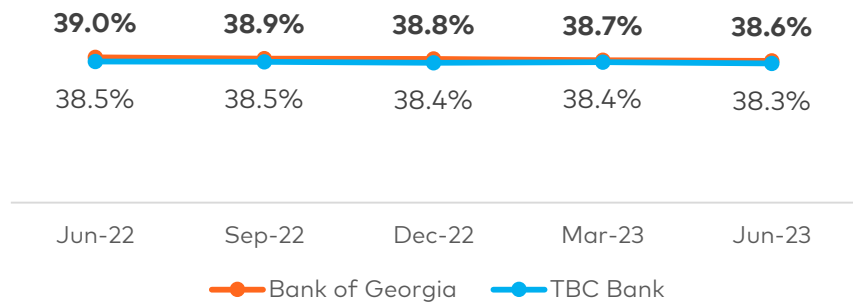
Market share – gross loans



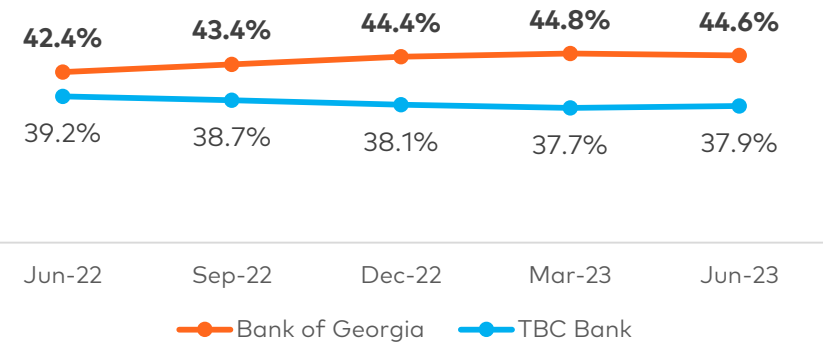
Market share – customer deposits



Market share – loans to individuals

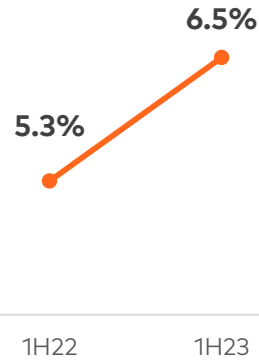
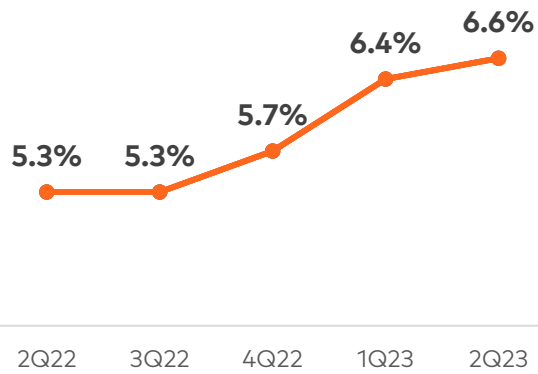


Market share – deposits of individuals

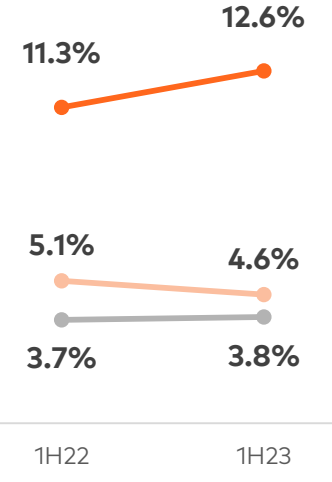
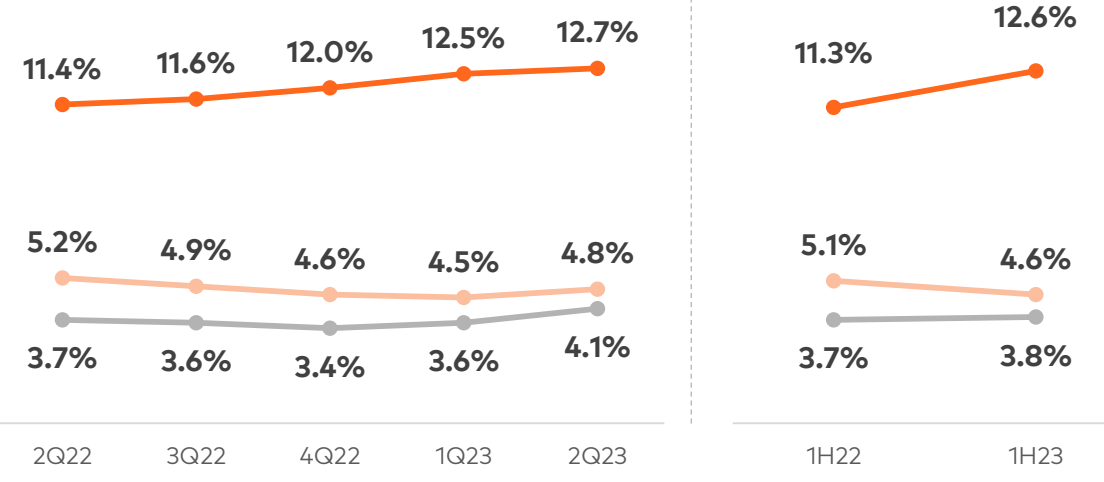


Increase in NIM driven by higher loan yield and lower cost of funds

Net interest margin



Loan yield, cost of funds, cost of deposits

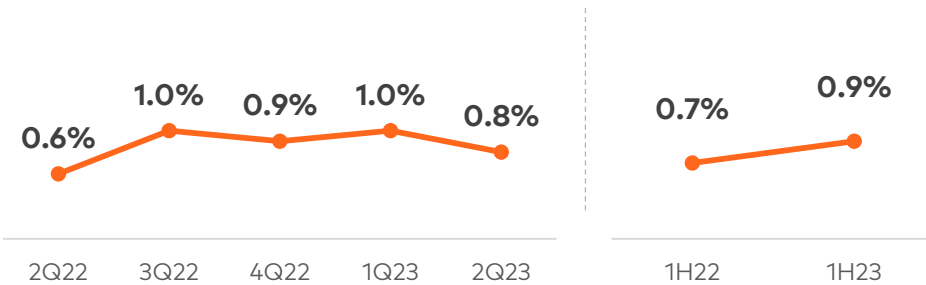


- Loan yield
- Cost of funds
- Cost of client deposits and notes

Healthy loan quality portfolio

All currency data are in GEL m unless otherwise stated

Cost of credit risk ratio



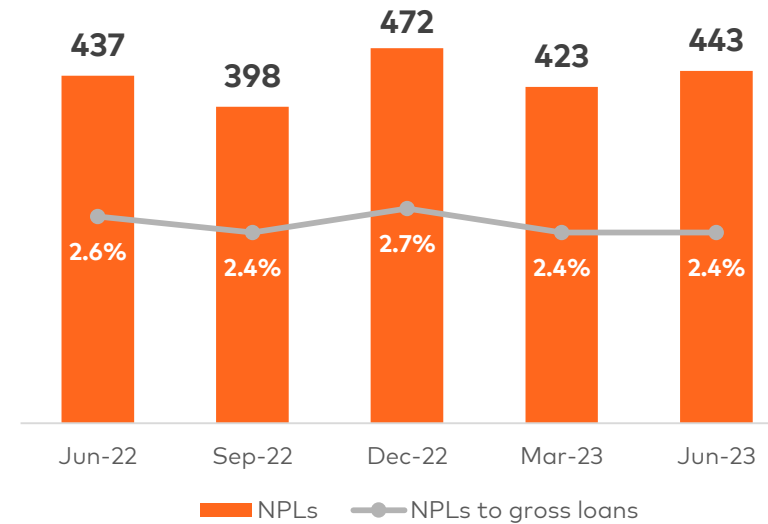
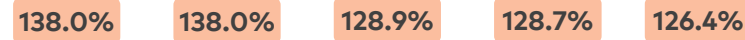
- The quarter-on-quarter decrease of cost of credit risk was mainly driven by a reduction of Retail Banking cost of risk, partly offset by Corporate and Investment Banking. The cost of credit risk ratio was 0.9% in 1H23 (0.7% in 1H22), in line with the Group's normalised level
- The y-o-y decrease in the NPL ratio was driven by some recoveries in CIB. Compared with 31 March 2023, the NPL ratios were broadly stable across all segments

Loan portfolio quality

NPL coverage



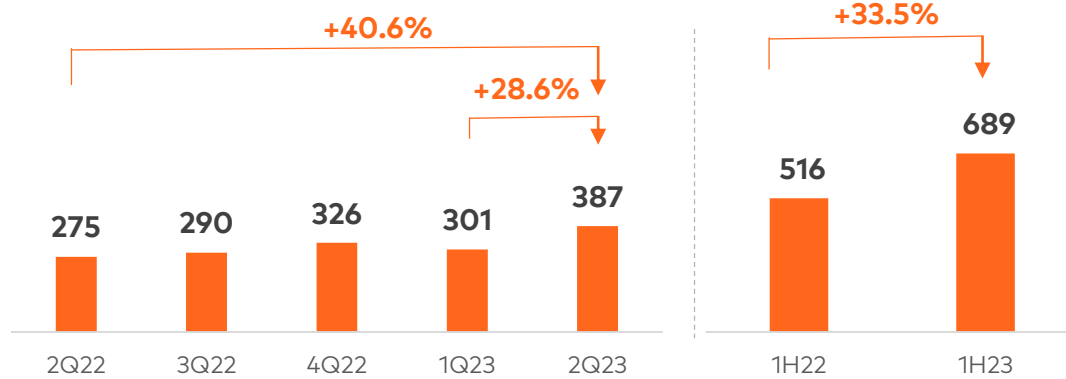
NPL coverage adjusted for the discounted value of collateral



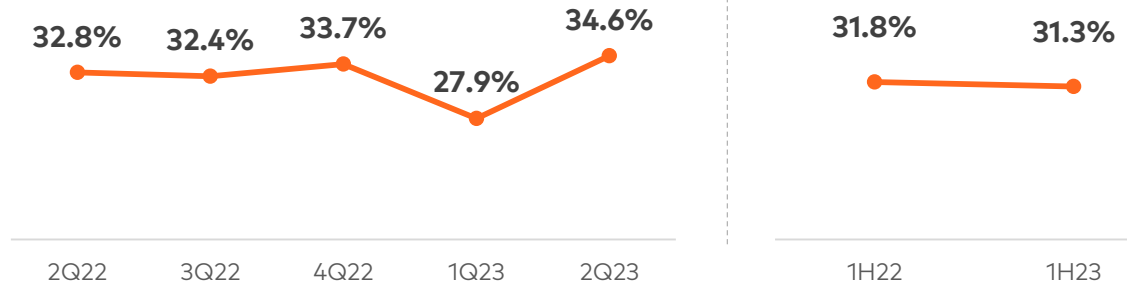
Robust bottom-line growth and profitability

All currency data are in GEL m unless otherwise stated

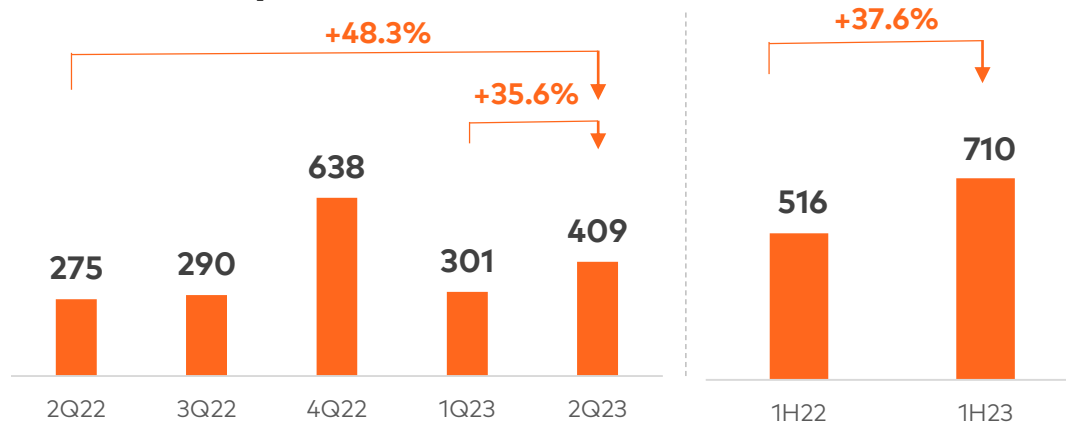
Profit (adjusted)*



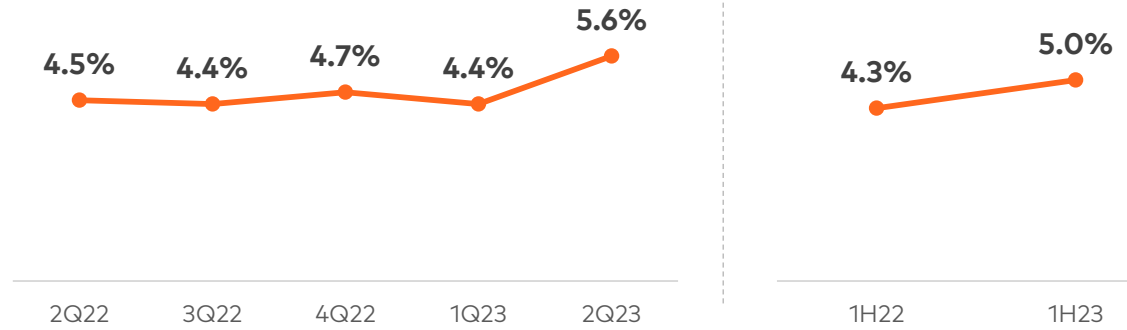
ROE*



Profit (reported)



ROA*



*4Q22 figures adjusted for a one-off GEL 391.1m other income and 2Q23 and 1H23 figures were adjusted for a one-off GEL 21.1m other income, related to the settlement of an outstanding legacy claim

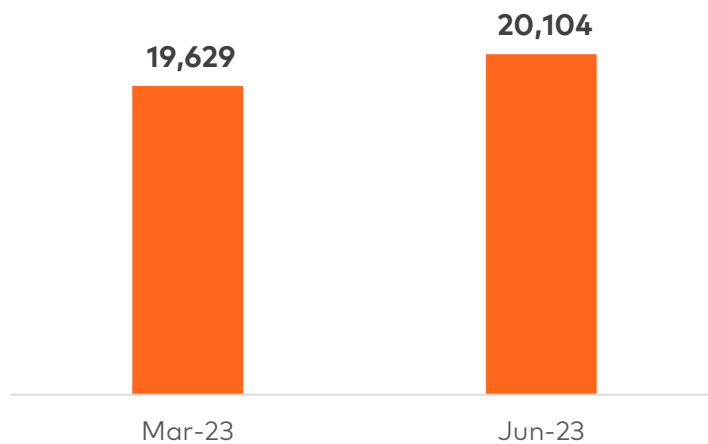
Strong capital position at Bank of Georgia

Figures given for JSC Bank of Georgia standalone

Evolution of capital ratios during 2Q23

	31 March 2023	2Q23 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	30 June 2023	Minimum requirement (30 June 2023)	Potential impact of a 10% GEL devaluation
CET1 capital adequacy ratio	19.5%	1.9%	-0.4%	-0.2%	-2.1%	0.0%	18.7%	14.6%	-0.9%
Tier1 capital adequacy ratio	21.4%	1.9%	-0.4%	-0.2%	-2.1%	0.0%	20.6%	16.9%	-0.8%
Total capital adequacy ratio	23.3%	1.9%	-0.4%	-0.2%	-2.1%	0.0%	22.6%	19.8%	-0.7%

Risk-weighted assets



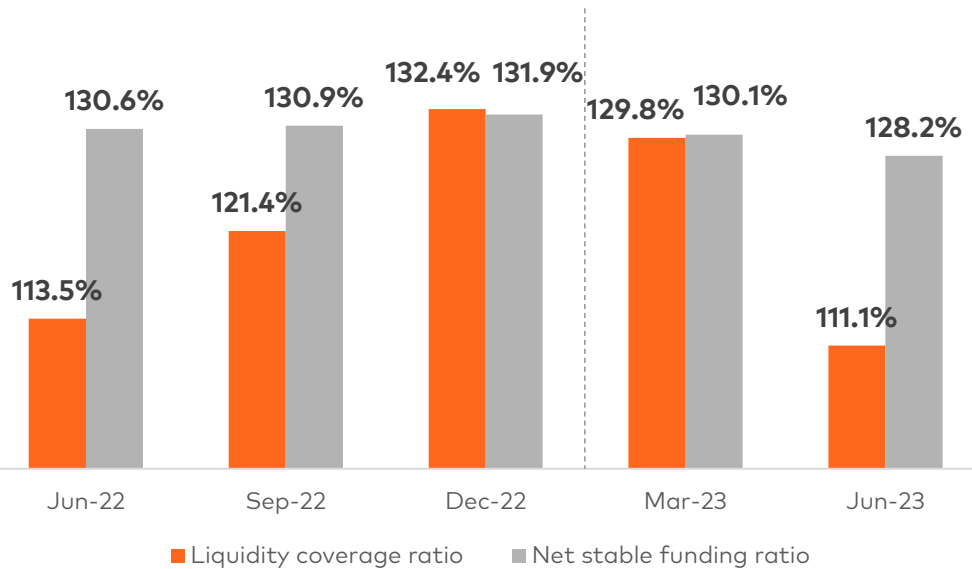
- In January 2023, the NBG transitioned to IFRS-based accounting
- The full loading of Basel III capital requirements was completed in March 2023
- In March 2023, the Financial Stability Committee (FSC) of the NBG set the cycle-neutral countercyclical capital buffer (base rate) at 1%. A 12-month period has been given to banks to satisfy the requirement from March 2024

Strong liquidity position

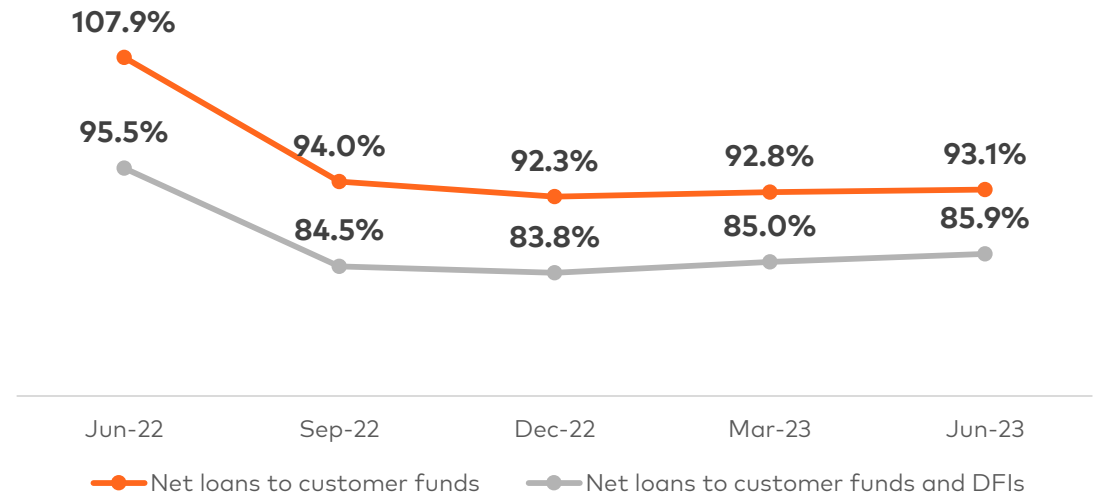
Figures given for JSC Bank of Georgia standalone

Liquidity coverage and net stable funding ratios

JSC Bank of Georgia standalone (Basel III liquidity)



Net loans to customer funds and DFIs

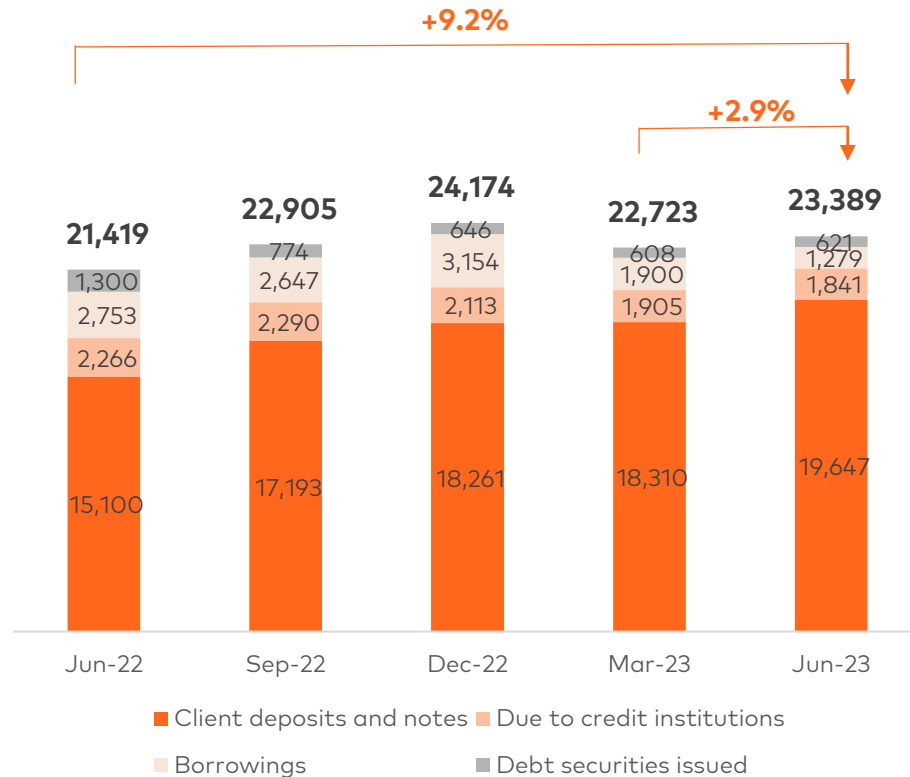


- Since January 2023, the NBG has transitioned to IFRS-based accounting, and the March and June 2023 liquidity coverage ratio and the net stable funding ratio have been calculated based on IFRS
- Both the LCR and the NSFR ratios have been comfortable above the minimum requirement of 100%
- The decrease in LCR in June was mainly driven by the repayment of the Eurobond issued by the Bank coupled with a scheduled repayment of DFI funding and a significant growth in corporate portfolio. In August 2023, LCR returned to around 120%

Diversified funding structure

All currency data are in GEL m unless otherwise stated

Interest-bearing liabilities

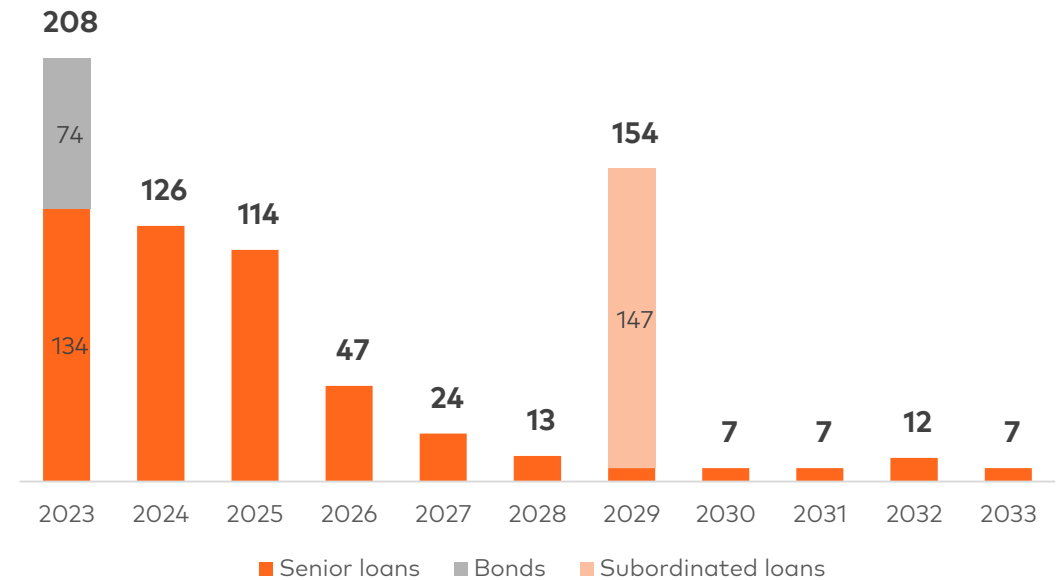


- Client deposits and notes increased to 84.0% of interest-bearing liabilities as at 30 June 2023, compared with 70.5% as at 30 June 2022

*Converted at exchange rates as at 30 June 2023

Borrowed funds maturity profile (US\$, million)*

As at 30 June 2023



- US\$ 255 million undrawn long-term facilities attracted from DFIs as of 30 June 2023
- Strong long-term funding pipeline to secure resources needed for the next 12 months
- JSC Bank of Georgia has redeemed the full outstanding amount of the Eurobond Notes issued on 26 July 2016, maturing on 26 July 2023

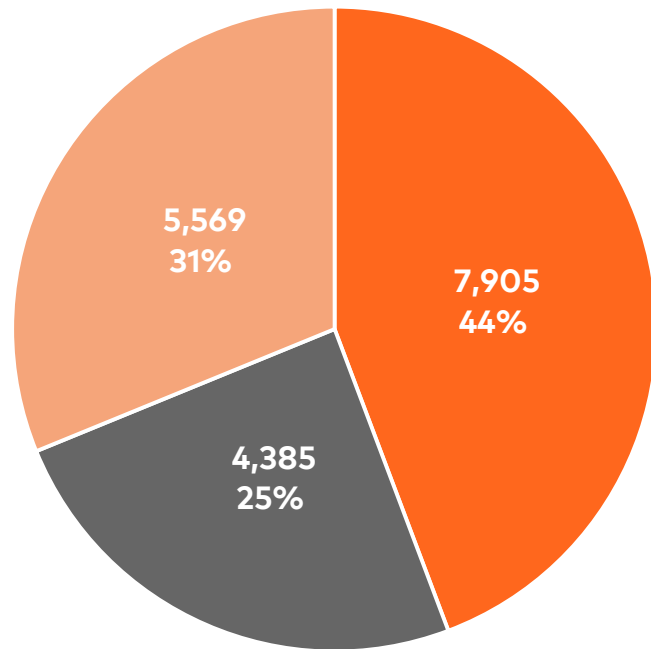
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- | 2Q23 AND 1H23 RESULTS
- | **APPENDICIES: ADDITIONAL INFORMATION AND SEGMENT RESULTS**

Bank of Georgia's diversified loan book (gross loans by segment)

Figures given for JSC Bank of Georgia standalone

All currency data are in GEL m unless otherwise stated



As at 30 June 2023

Total gross loans: GEL 17,859m

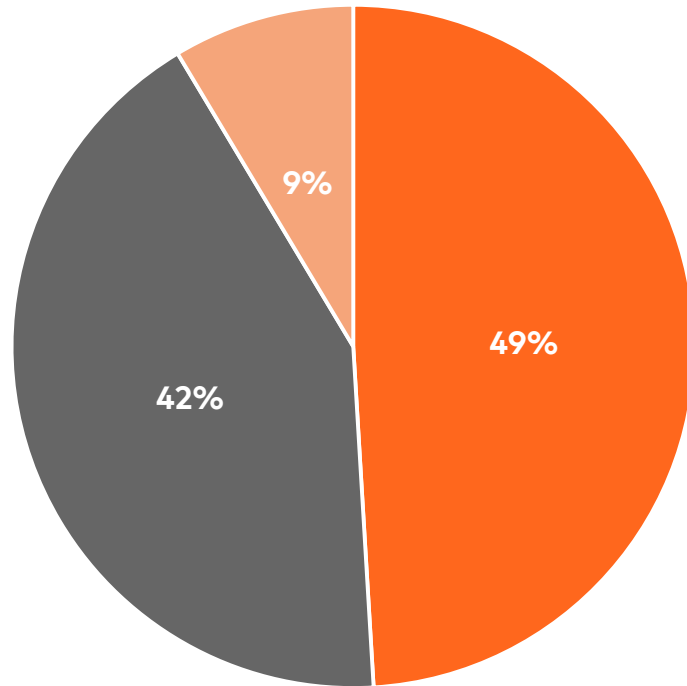
Allowance for ECL: GEL 282m

Total net loans: GEL 17,577m

■ Retail Banking ■ SME Banking ■ Corporate Banking

Retail Banking gross loan portfolio by product

Figures given for JSC Bank of Georgia standalone



■ Mortgage loans ■ Consumer loans ■ Other products

As at 30 June 2023

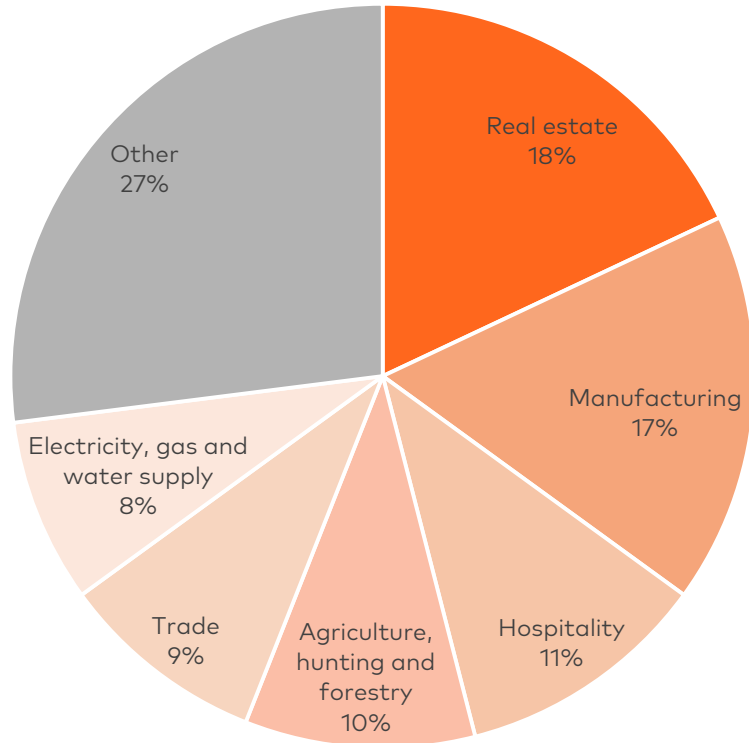
Total gross loans: GEL 7,905m

Allowance for ECL: GEL 169m

Total net loans: GEL 7,735m

Corporate Banking gross loan portfolio by sector

Figures given for JSC Bank of Georgia standalone



As at 30 June 2023

Total gross loans: GEL 5,569m

Allowance for ECL: GEL 63m

Total net loans: GEL 5,506m

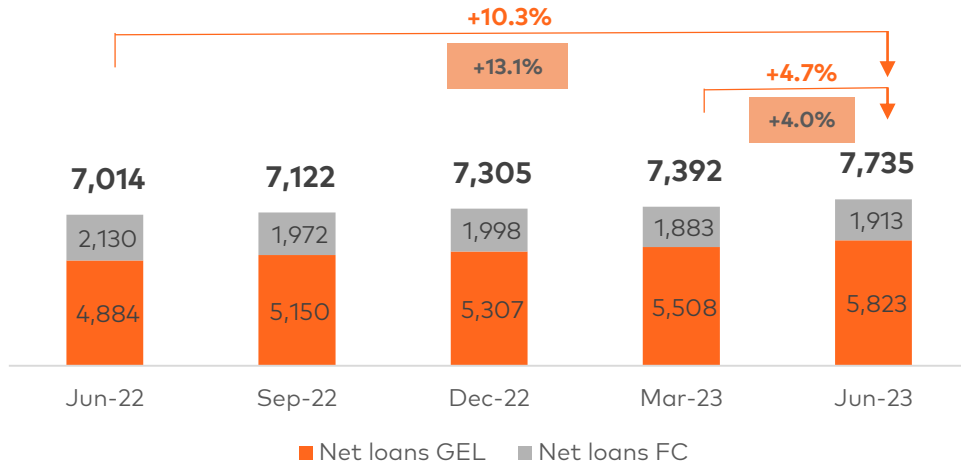
Top 10 CB borrowers: 22.0% of CB gross loan book

Top 20 CB borrowers : 33.0% of CB gross loan book

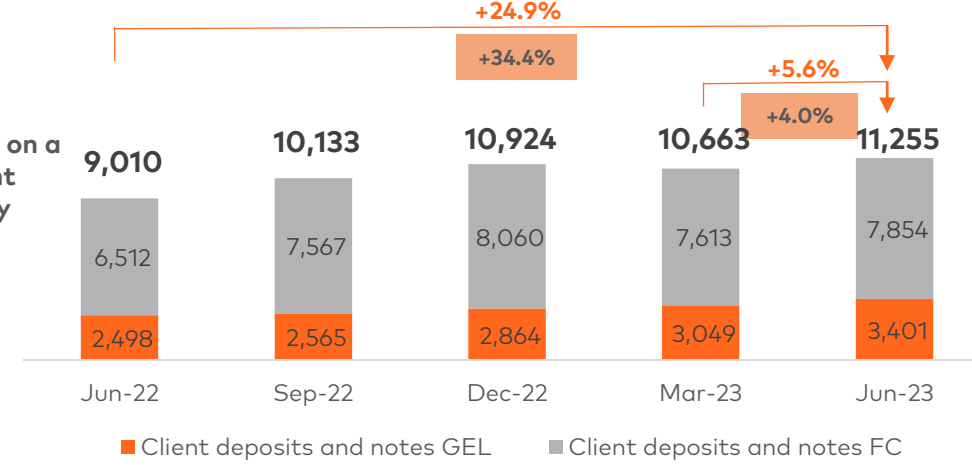
Retail Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

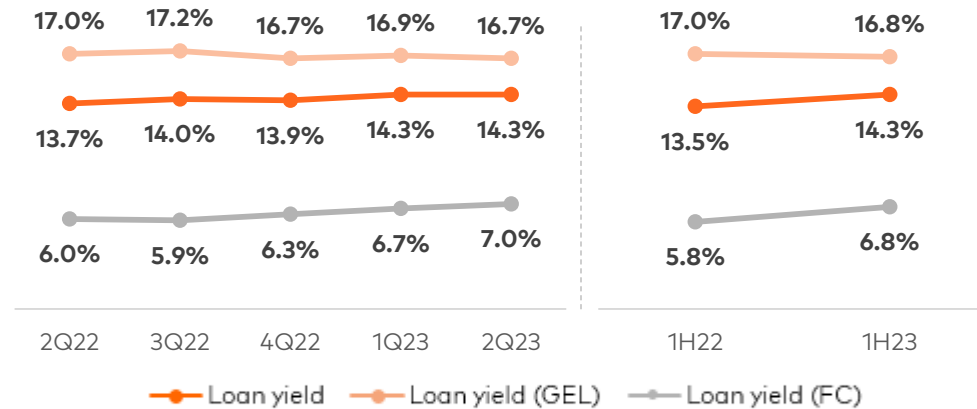
Loan portfolio



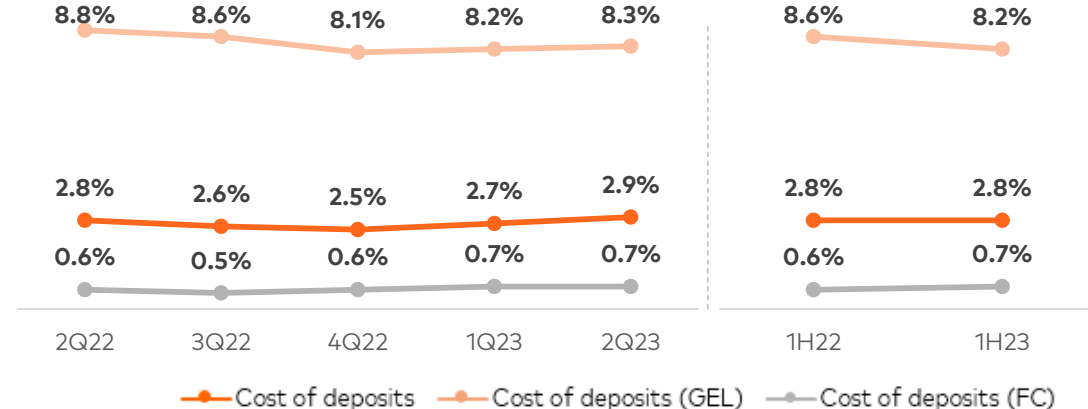
Deposit portfolio



Loan yield



Cost of deposits

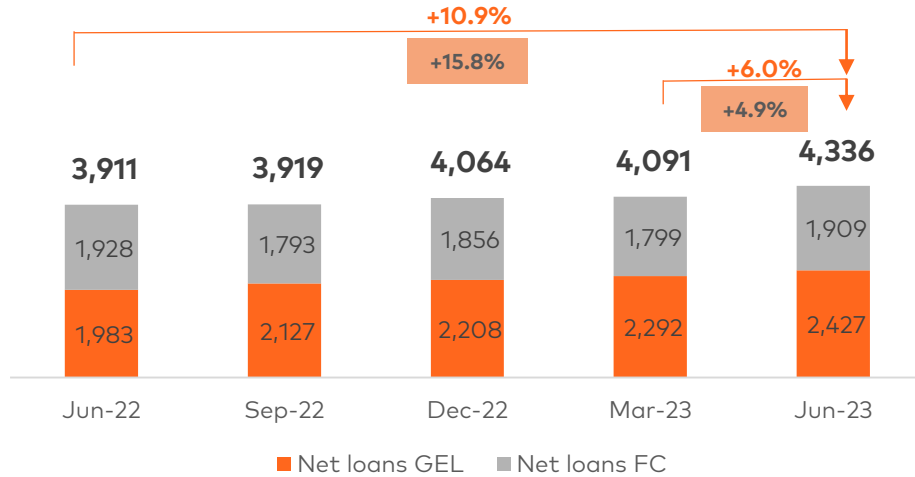


In the first quarter of 2023 we split the SME Banking segment from Retail Banking and transferred the majority of the Micro portfolio, where customers had business-related needs, to SME Banking. The remaining Micro portfolio has been transferred to Mass Retail. The comparative figures have been restated accordingly to reflect this change

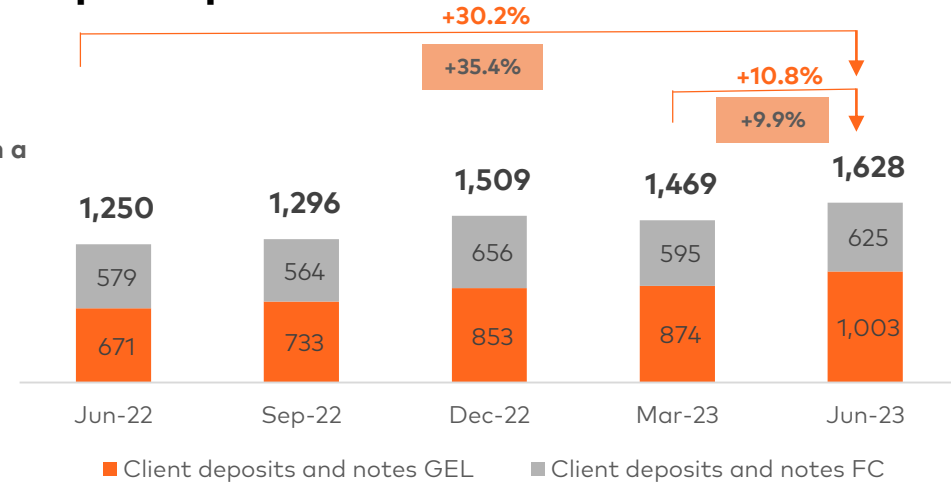
SME Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

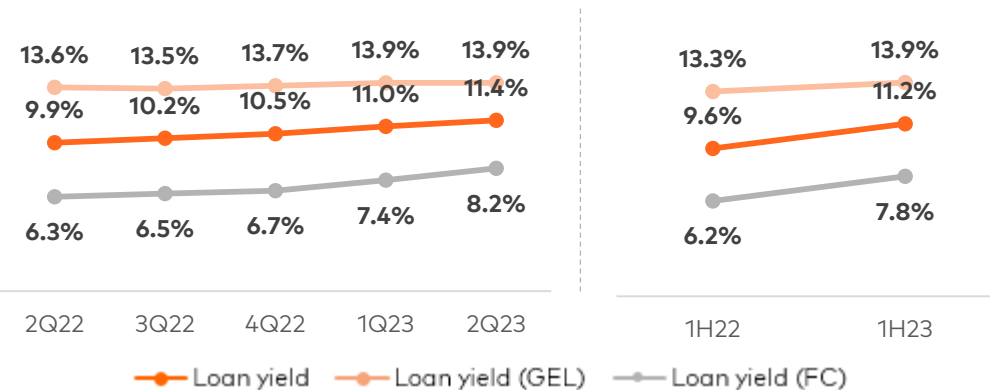
Loan portfolio



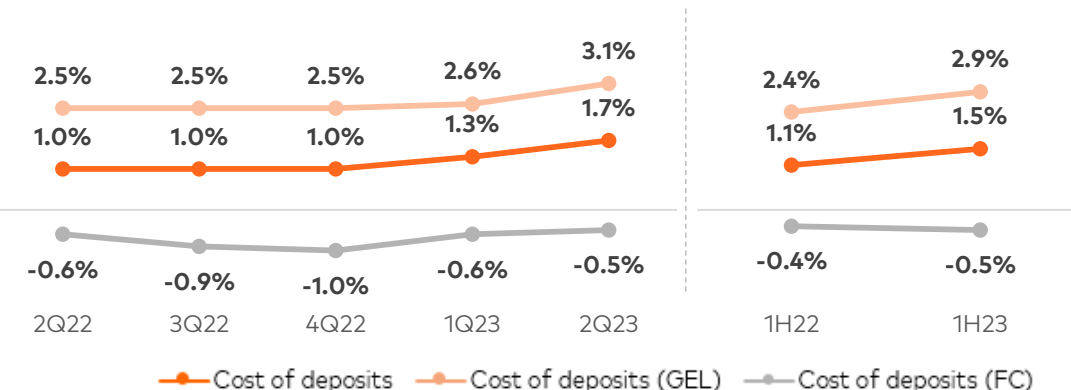
Deposit portfolio



Loan yield



Cost of deposits

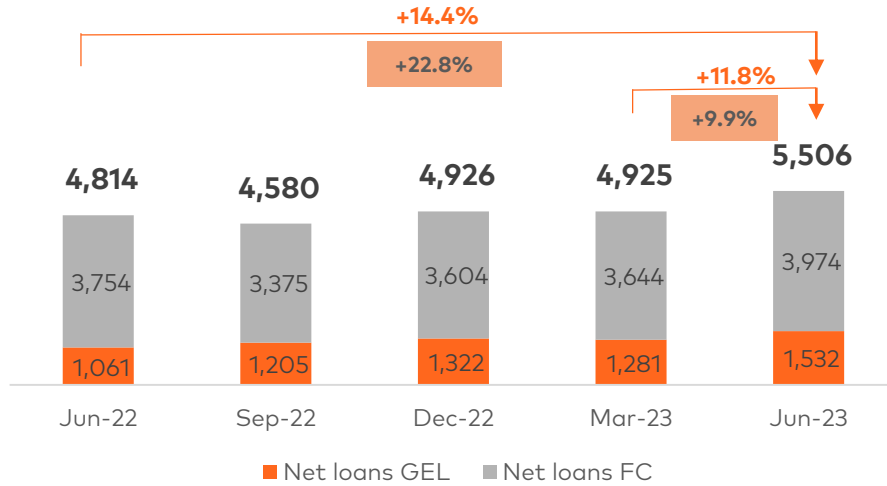


The negative cost of deposits is attributed to the gains from EUR/USD swap transactions part of which are included in the calculation of the cost of deposits

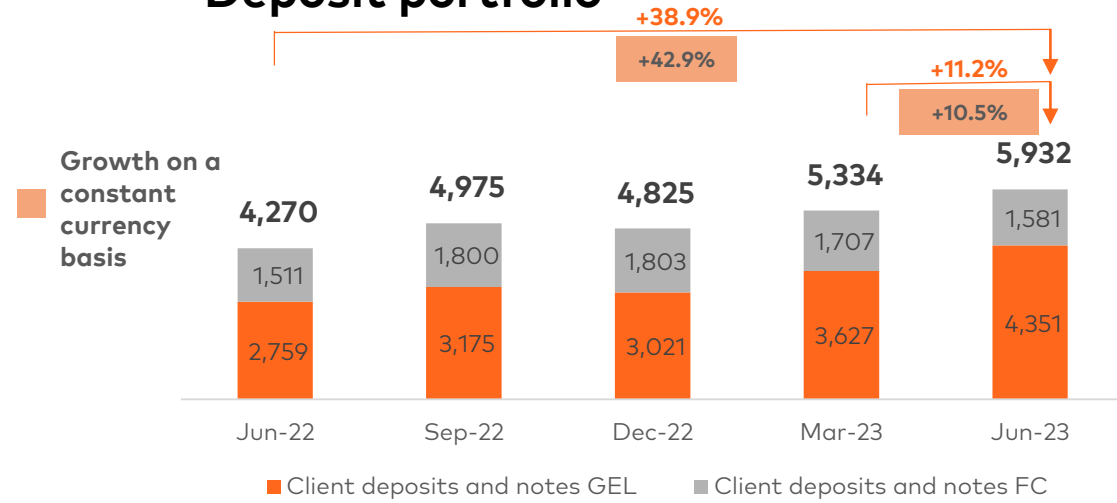
Corporate Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

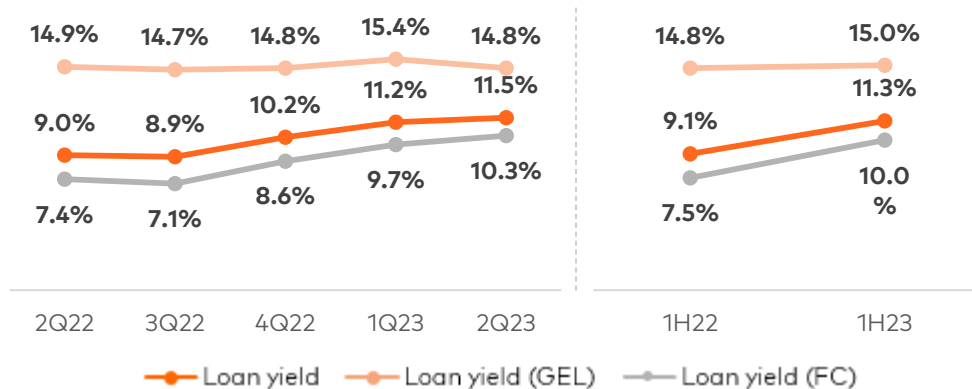
Loan portfolio



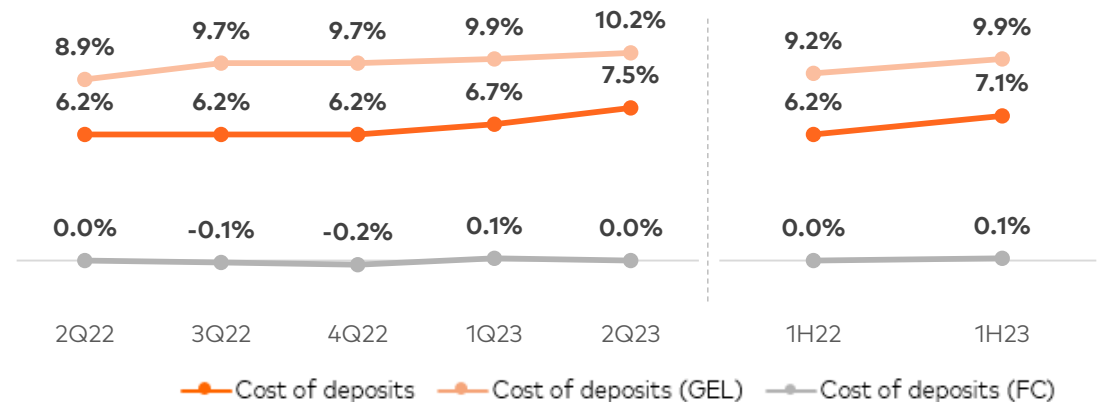
Deposit portfolio



Loan yield



Cost of deposits



The negative cost of deposits is attributed to the gains from EUR/USD swap transactions part of which are included in the calculation of the cost of deposits

Borrowers and FX risk

% is given for Bank of Georgia standalone gross loan portfolios

	FC loans exposed to FX risk* (% of segment portfolio)	FC loans with no exposure to FX risk (% of segment portfolio)
Retail Banking	18.9%	5.4%
Mortgages	14.7%	4.0%
Consumer loans	4.0%	1.3%
SME Banking	42.4%	1.6%
Corporate Banking	33.0%	39.3%
Total	29.1%	15.0%

*Loans disbursed in FC when a borrower's income is in GEL

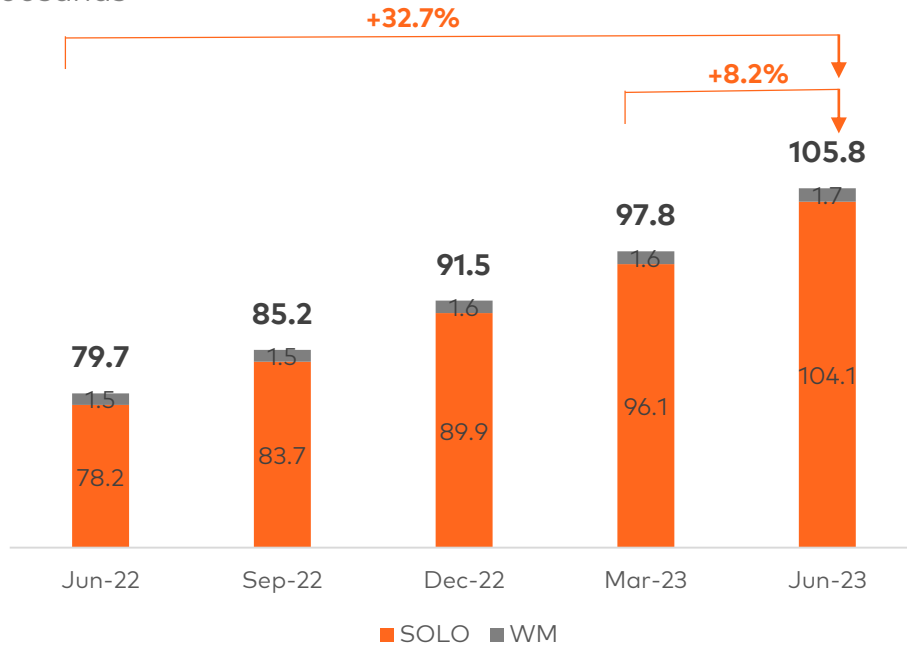
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Strong growth in Premium Banking active customers

Premium Banking monthly active users

thousands



Digitally active clients
in June 2023



SOLO NPS (2Q23)
No change YoY
Measured internally

- Our **Premium Banking business** offers a unique experience on the Georgian financial market to **mass affluent customers** through the **SOLO brand** and to **high-net-worth individuals** through **Wealth Management** private banking services
- Premium Banking quarter-on-quarter client growth was mainly driven by the **SOLO X** segment
- SOLO X** was launched earlier this year and is tailored for clients who would like to benefit from unique SOLO lifestyle offers, but do not require a private banker



Key to SOLO's value proposition are unique lifestyle experiences

SOLO events and projects (1H23)

- 31** SOLO Kids: educational and entertaining activities for our clients' children
- 24** SOLO Talks: discussions and meetings with various professionals
- 8** SOLO Hobby: outdoor and indoor activities for our clients
- 4** SOLO Workshops: interactive events for collaborative learning and skill-building
- 2** SOLO One-to-One: individual meetings with famous professionals

9.8/10

Average feedback score

Notable sponsored projects and events



Ryuchi Sakamoto Tribute Concert



Harry Potter Concert



Distinguished Gentleman's Ride



Mercedes Benz Fashion Week



Sukhishvilebi National Ballet



Georgian translation of Daniel Kahneman's "Thinking Fast & Slow"

Enhancing value-added offerings to Premium Banking customers

SOLO offerings

- SOLO loyalty campaigns – cashbacks and discounts on various categories for Premium Banking clients. Six key categories include shopping, education, gastronomy, leisure, health, and home & family
 - **428** offers in 1H23
 - Up to **25k unique clients** benefited from SOLO loyalty campaigns in 1H23

WM-specific offerings

- Generous cashbacks at premium health & fitness companies
- Mental and physical checkups for personal and mental health in Georgia and abroad
- Specially developed tours and travel experiences internationally
- Exceptional shopping experience

SOLO Boutique

- SOLO Boutique is a unique space where only SOLO customers have the opportunity to buy distinctive and exclusive items at a special price
- **12-15** new brands are added to the assortment annually
- Presentations, degustation and promotions on brands and products

Personal concierge service

- We offer personal concierge services for SOLO Club (a membership group within SOLO) and WM clients
- Our luxury concierge service includes:
 - Personalised assistance, including travel arrangements, event planning, dining reservations
 - Exclusive access to event tickets, clubs, unique travel opportunities
 - Lifestyle recommendations

Premium Banking financial snapshot

30 June 2023

Net loans
GEL 3,399M

up 11.2% y-o-y
(up 16.7% y-o-y
on a constant
currency basis)

Deposits
GEL 6,509M

up 32.1% y-o-y
(up 43.2% y-o-y
on a constant
currency basis)

1H23

Profit
GEL 137.6M

up 68.0% y-o-y

Cost of credit risk
0.6%

0.8% in 1H22

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We are a FTSE-250 company with a diversified institutional investor base

Top 10 shareholders*

30 June 2023

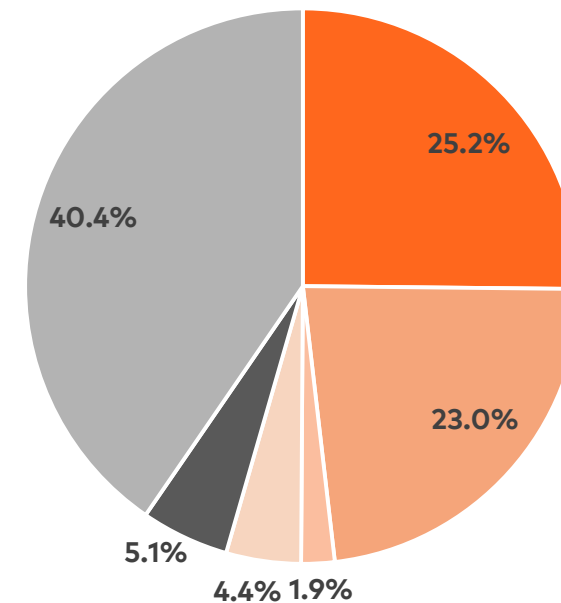
	Shareholder name	Ownership
1	JSC Georgia Capital**	19.8%
2	BlackRock	4.9%
3	M&G Investment Management Ltd	4.4%
4	Dimensional Fund Advisors (DFA)	4.2%
5	Vanguard	3.8%
6	JP Morgan Asset Management	3.4%
7	Van Eck Associates Corporation	2.5%
8	Gemsstock Ltd	2.3%
9	Harding Loevner LP	2.1%
10	Firebird Management LLC	2.0%

* Shareholders are grouped based on their parent companies

** Previously, BGEO Group PLC comprised a banking business and an investment business. In 2017 BGEO Group PLC demerged into two separately listed and independently managed public companies – Bank of Georgia Group PLC, the banking business, and Georgia Capital PLC, the investment business. The demerger was completed on 29 May 2018. In 2018 Bank of Georgia Group PLC issued additional 9,784,716 shares to Georgia Capital as part of the demerger. 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 Bank of Georgia Group PLC is greater than 9.9%

Shareholder base by country

30 June 2023



- UK and Ireland
- USA
- Scandinavia
- Luxembourg
- Unvested and unawarded shares for management and employees
- Other**

** Includes the 19.8% shareholding of JSC Georgia Capital

Board of Directors – governance which facilitates sustainable value creation



Mel Carvill, Non-Executive Chair

Experience: formerly Senior Independent Director of Sanne Group Plc, Head of Corporate Finance and M&A, and Strategic Planning and Chief Risk Officer at the Generali Group and President of PPF Partners. Non-Executive Director at Home Credit N.V., Vice Chair of Aviva-Cofco Life Insurance Company Ltd.



Véronique McCarroll, Independent Non-Executive Director

Experience: Deputy CEO at Orange Bank S.A.. Formerly Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young.



Tamaz Georgadze, Independent Non-Executive Director

Experience: Executive Director and founder of Raisin GmbH; formerly Partner at McKinsey & Company in Berlin and aide to the President of Georgia.



Cecil Quillen, Independent Non-Executive Director

Experience: Partner at Linklaters LLP and leader of the firm's U.S. securities practice, with nearly 30 years of experience working on a broad spectrum of securities and finance matters. Officer of the Securities Law Committee of the International Bar Association.



Archil Gachechiladze, Chief Executive Officer

Experience: With the Group since 2009 in various roles including CFO of BGEO Group and CEO of Georgian Global Utilities (previously part of BGEO Group Plc). Formerly held senior positions at KPMG, EBRD, Lehman Brothers and TBC Bank.



Hanna Loikkanen, Senior Independent Non-Executive Director

Experience: Non-Executive Director of FinnFund, of Eastnine AB and of VEF Ltd and Non-Executive Board Member of Caucasus Nature Fund. Formerly worked in senior management roles at Nordea Finance, SEB and East Capital and was CEO of FIM Group.



Mariam Megvinetukhutsesi, Independent Non-Executive Director

Experience: 20 years of experience in financial services including in banking appointments at the EBRD; formerly Head of Georgia's Investors Council Secretariat and Deputy CEO at TBC Bank.



Al Breach, Independent Non-Executive Director

Experience: Executive Director and co-founder of Gemsstock Ltd, co-founder and Director of The Browser and Furka Advisors AG, and advisor to East Capital. Formerly a Russia and FSU economist at Goldman Sachs, and Managing Director at Brunswick UBS.



Jonathan Muir, Independent Non-Executive Director

Experience: CEO of LetterOne Holdings SA and of LetterOne Investment Holdings; formerly Partner at Ernst & Young and CFO and Vice President of Finance and Control of TNK-BP.

33%

Female

6

Nationalities

Diverse and experienced management team creating opportunities



Archil Gachechiladze, Chief Executive Officer

With the Group since 2009, serving in various senior positions, including as Deputy CEO/CB, Deputy CEO/IM, CFO of BGEO Group, Deputy CEO/CIB. Over 20 years of banking and financial services experience locally and internationally, including at Lehman Brothers Private Equity, Salford Equity Partners, KPMG, World Bank, EBRD. Holds an MBA with honors from Cornell University and is a CFA Charterholder.



Nutsa Gogilashvili, Deputy CEO*, Head of Mass Retail Banking

With the Group since 2016. Prior to her recent appointment, served as Head of Customer Experience and Human Capital Management. Prior to joining the Group, held various senior positions in local and international financial institutions. Holds an MSc in Finance from Bayes Business School in London.



Eter Iremadze, Deputy CEO, Premium Banking

With the Group since 2006, serving in various senior positions, including as Head of SOLO and Head of Blue Chip Corporate Banking Unit. Prior to becoming Head of SOLO, served as Head of Strategic Projects Department in Georgian Global Utilities (formerly part of BGEO Group). Holds an MBA from Grenoble Graduate School of Business.



Zurab Kokosadze, Deputy CEO, Corporate and Investment Banking

With the Group since 2003, serving in various senior positions, including as Head of Corporate Banking, Deputy Head of Corporate Banking, FMCG sector head. Holds an MBA from Grenoble Graduate School of Business.



Sulkhan Gvalia, Deputy CEO, Chief Financial Officer

With the Group since 2004, serving in various senior positions, including as Chief Risk Officer and Head of Corporate Banking. Prior to joining the Group, he served as Deputy CEO of TbilUniversalBank. Holds a law degree from Tbilisi State University.



David Chkonia, Deputy CEO, Chief Risk Officer

With the Group since 2021. Mr Chkonia was appointed as Deputy CEO, Chief Risk Officer of JSC Bank of Georgia in September 2022. Previously, held senior positions in local and international organisations, including TBC Bank, BlackRock and PIMCO. Holds a BSc from San Jose State University and an MBA from the Wharton School of the University of Pennsylvania.



Zurab Masurashvili, Deputy CEO*, Head of SME Business Banking

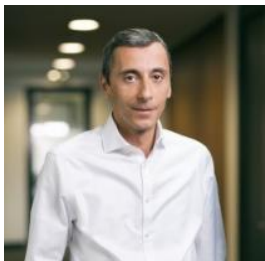
With the Group since 2015. Previously, Head of Express Business, Head of MSME Business, Head of Retail Business at the Bank. Prior to joining the Group, held several positions in international organisations - EBRD, World Bank, GTZ, served as Deputy Chairman of the Board of Directors at PrivatBank. Holds a degree in Geology from Georgian Technical University.



David Davitashvili, Deputy CEO, Information Technology

With the Group since 2006. Appointed as Deputy CEO in charge of data analytics and information technology in August 2022. Previously, held various senior positions, including as Deputy Chief Operating Officer and Head of Internal Audit. Holds an undergraduate and master's degrees in management and microeconomics from Tbilisi State University and an Executive MBA from Bayes Business School.

Diverse and experienced management team creating opportunities



Mikheil Gomarteli, Deputy CEO, Strategic Projects Direction

With the Group since 1997, serving in various senior positions. Deputy CEO since 2009, leading the Retail business. Appointed as Director of Strategic Projects Direction of JSC Bank of Georgia in September 2022. Holds an undergraduate degree in economics from Tbilisi State University.



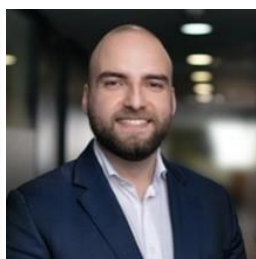
Vakhtang Bobokhidze, Co-director of International Business

With the Group since 2005. Joined as Quality Control Manager. Left the Group in 2010 and rejoined the Group in December 2010. Previously, Deputy CEO, Information Technology, Data Analytics, Digital Channels. Holds an MBA from Tbilisi State University.



Ana Kostava, Chief Legal Officer

With the Group since 2018. Prior to her recent appointment, served as Chief Legal Officer of the Bank under the direct supervision of the Deputy CEO, Chief Risk Officer, since June 2020. Before joining the Bank, held various positions in local and international companies. Ms Kostava is an Associate Lecturer at Free University of Tbilisi. Holds an LLM from the University of Cambridge.



Levan Gomshiashvili, Chief Marketing and Digital Officer

With the Group since 2019. Founder of HOLMES&WATSON, a creative agency, where he served as Account Manager for clients in banking and other sectors. Founder of Tbilisi School of Communication. Started his career at the Georgian Railway, covering advertising and project management. Holds an MSc in Management from the University of Edinburgh.



Elene Okromchedlishvili, Head of Human Capital

With the Group since 2017. Prior to her recent appointment, served as Head of Business Processes, Lean Transformation and Transactions. Previously, held various positions - Head of IFRS Reporting Unit and Head of Operational Efficiency and Cost management Unit. Holds a bachelor's degree in business administration from Free University of Tbilisi and an MBA from IE Business School.



Andro Ratiani, CEO of Digital Area

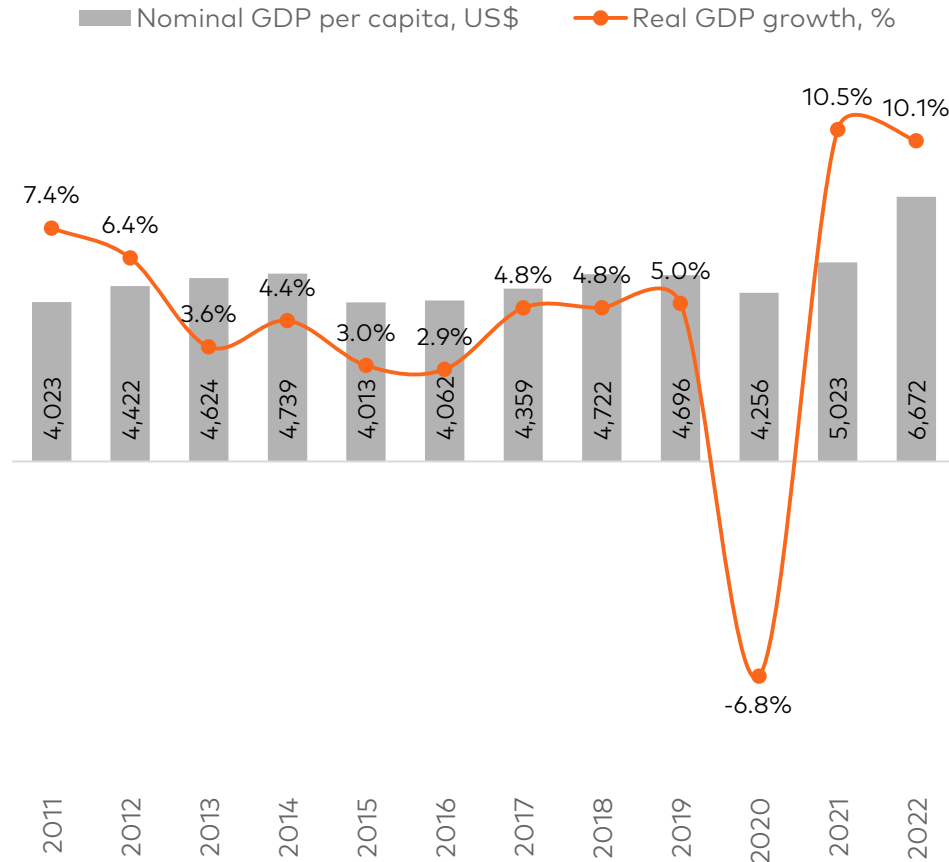
With the Group since 2018. Previously, Head of Innovations at Bank of Georgia. Broad experience in various global companies, including UBS AG Investment & Wealth Management Bank in New York, Wells Fargo, and IHS Markit. Holds a master's degree in technology management from Columbia University.

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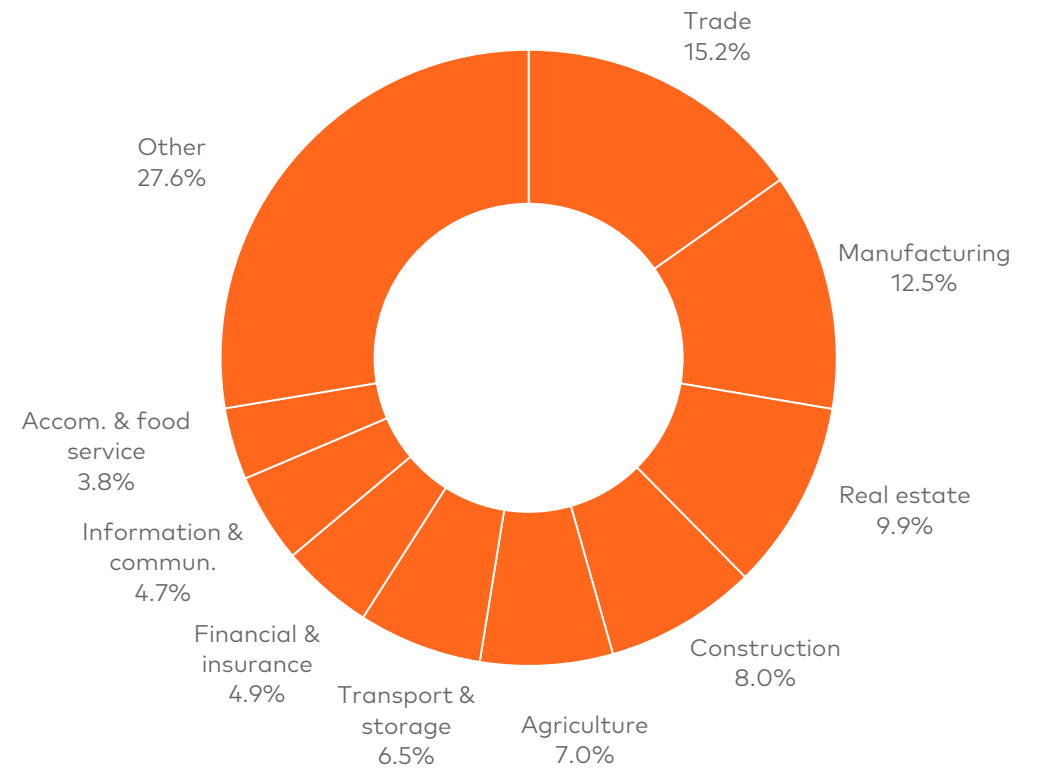
Diversified and resilient economy

Gross domestic product



Source: GeoStat

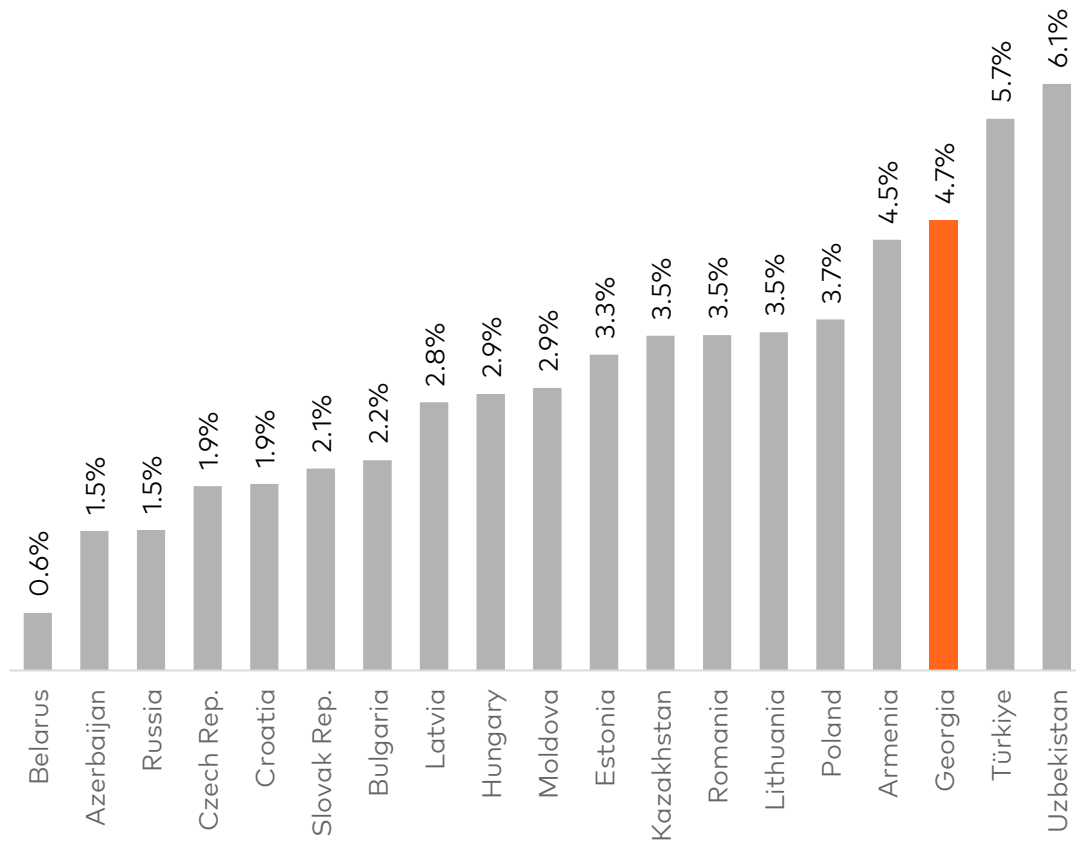
Nominal GDP by sector, 2022



Source: GeoStat

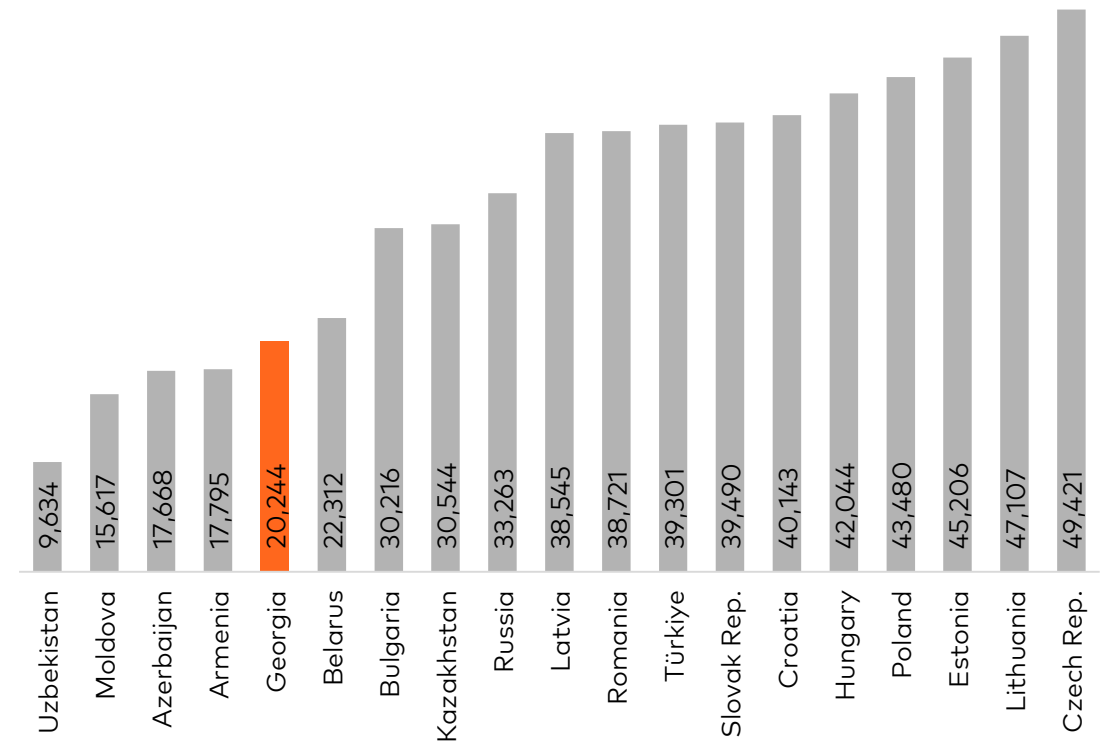
One of the fastest-growing economies in the region with ample room for further growth

Comparative real GDP growth rates, 2011-2022 average



Source: IMF

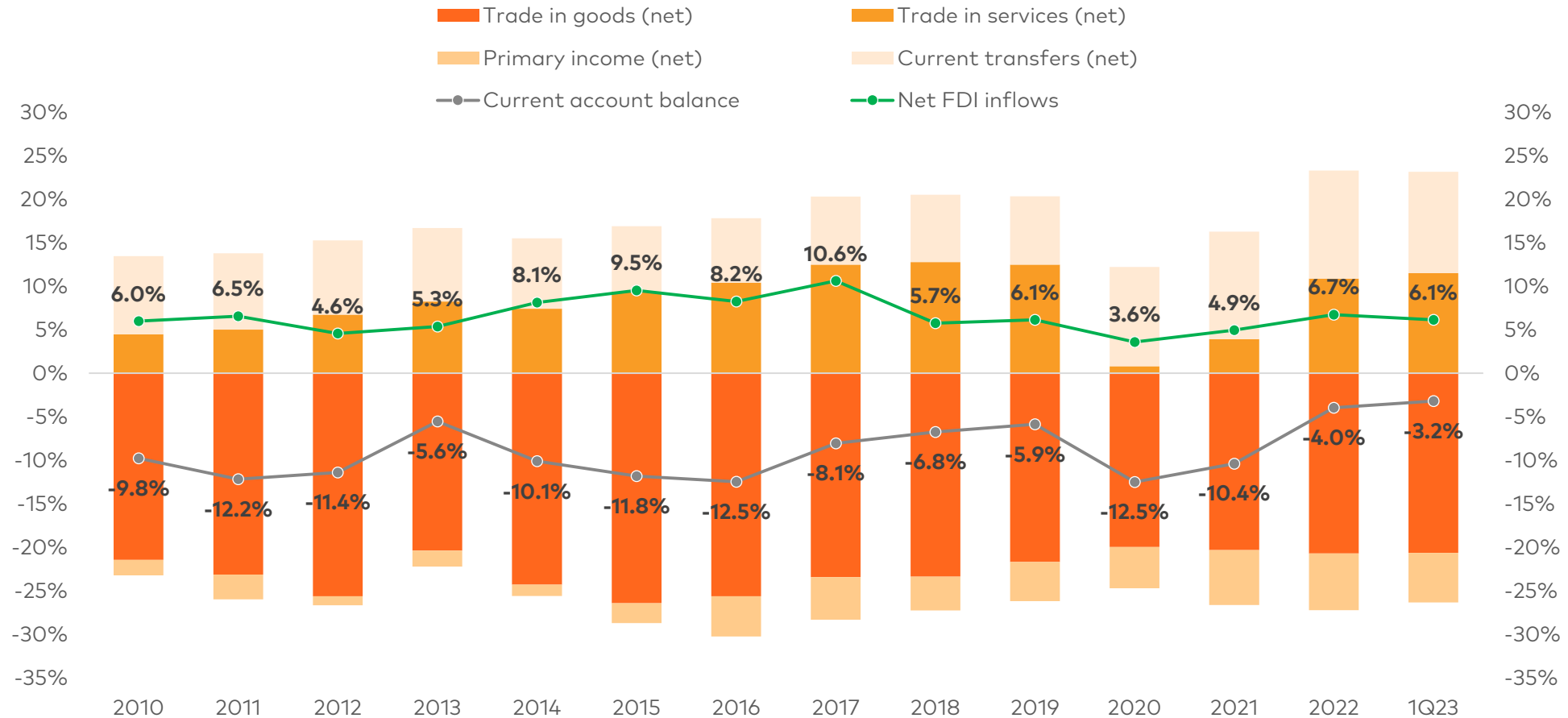
GDP per capita in PPP international dollars, 2022



Source: IMF

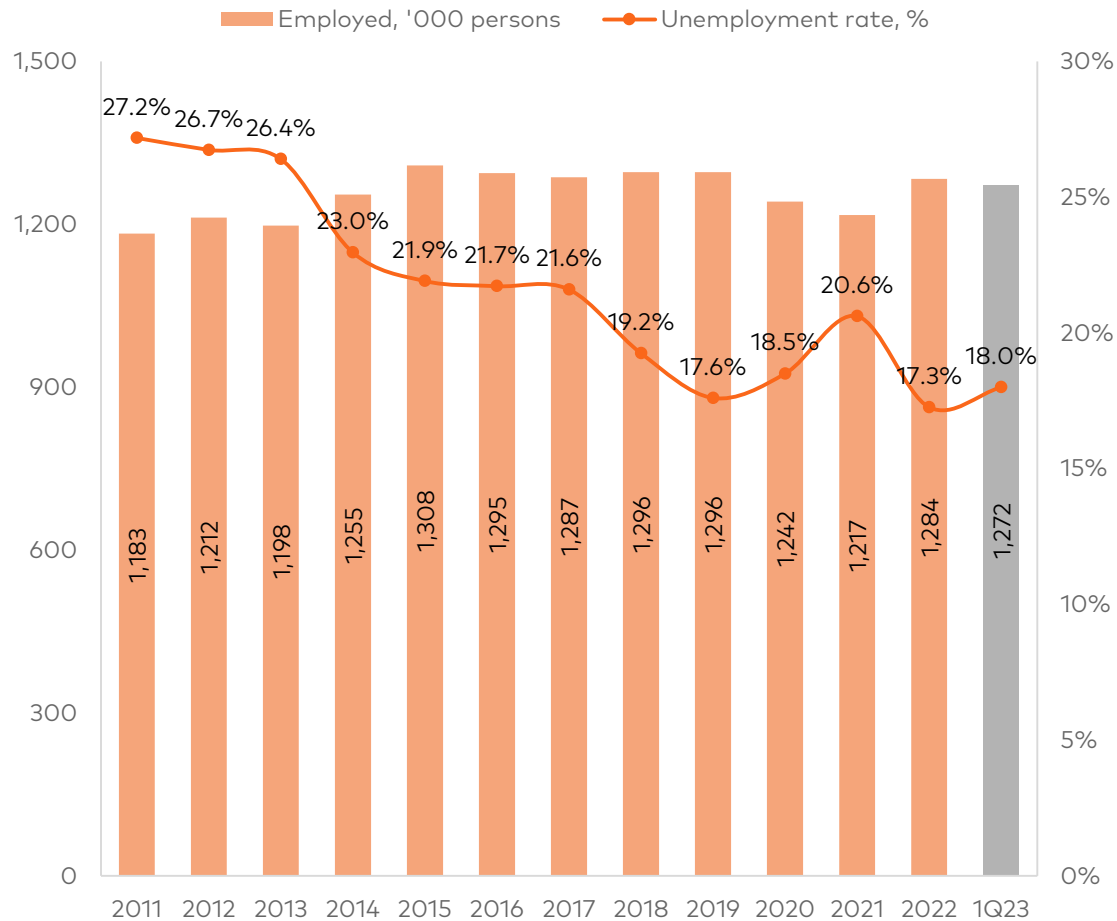
Improved external balance on the back of strong external earnings

Reduced current account deficit is financed by stable FDI inflows



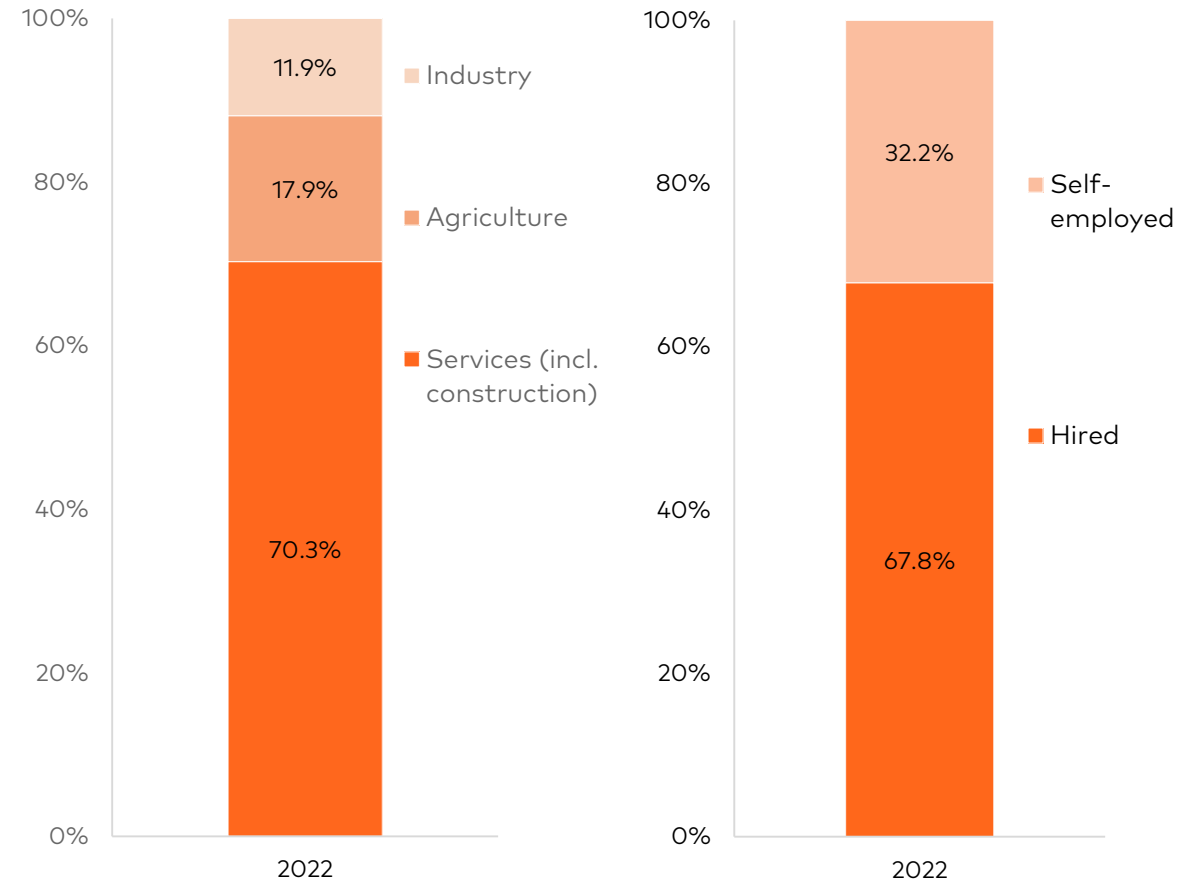
Unemployment down to historical low levels

Labor market dynamics



Source: GeoStat

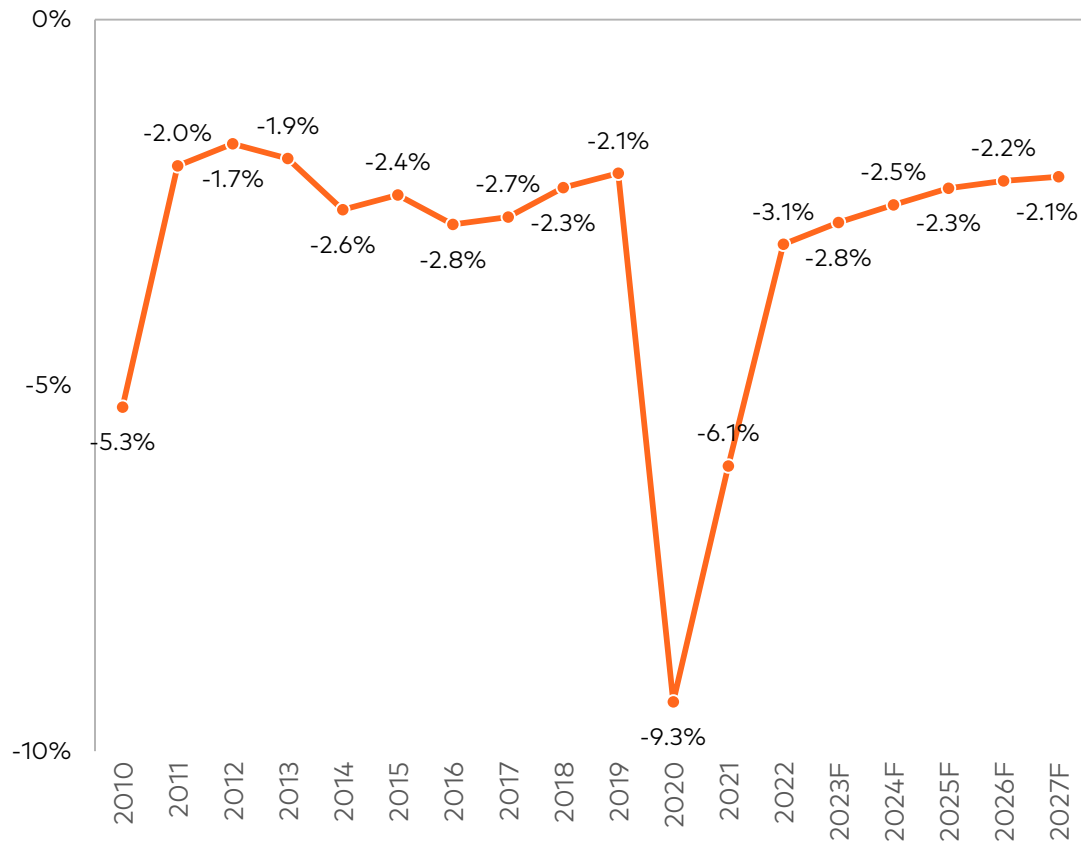
Composition of employment



Source: GeoStat

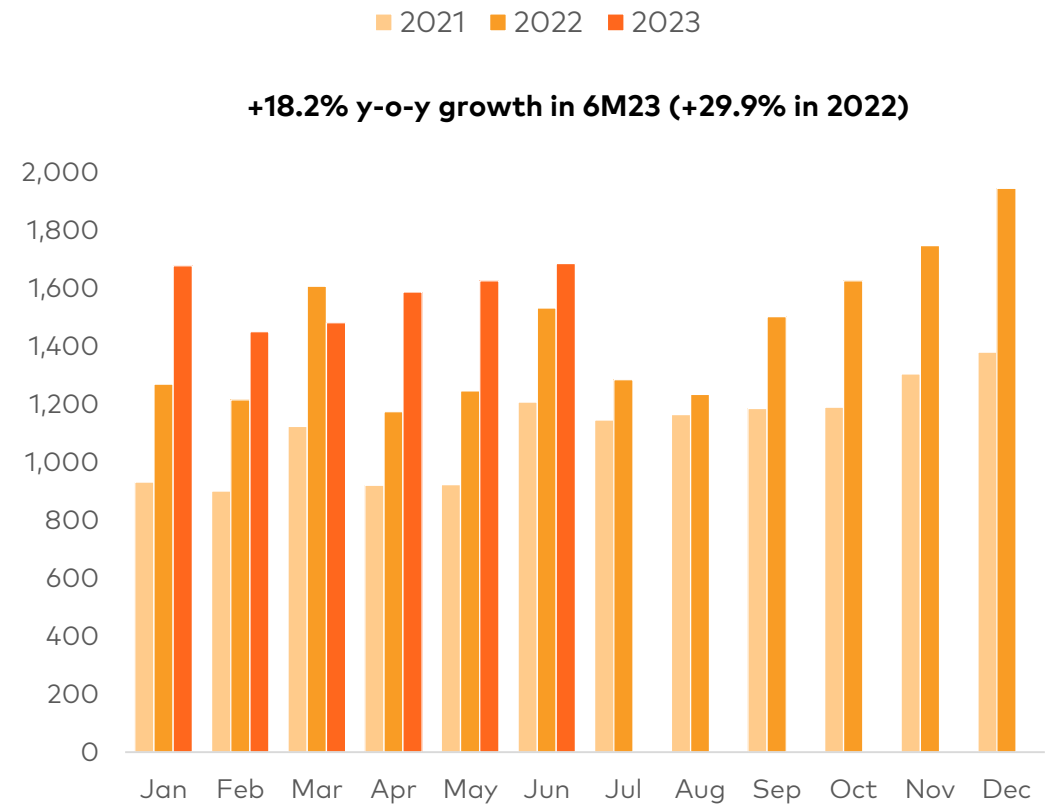
Fiscal consolidation on the back of strong economic growth

Fiscal balance as % of GDP



Source: MOF, GeoStat, forecasts as of 2023 budget law
 Note: Deficit calculated as net lending / borrowing minus budget lending

Consolidated budget tax revenues, GEL m



Source: MOF

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- | MACROECONOMIC HIGHLIGHTS
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- | **APPENDICIES: FINANCIAL INFORMATION**

Income statement highlights

<i>GEL thousands</i>	2Q23	2Q22	Change y-o-y	1Q23	Change q-o-q	1H23	1H22	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net interest income	395,909	281,170	40.8%	371,900	6.5%	767,809	552,620	38.9%
Net fee and commission income	89,165	81,065	10.0%	112,301	-20.6%	201,466	139,897	44.0%
Net foreign currency gain	100,018	125,528	-20.3%	70,652	41.6%	170,670	190,012	-10.2%
Net other income	82,083	7,087	1058.2%	8,656	848.3%	90,739	8,070	1024.4%
Operating income	667,175	494,850	34.8%	563,509	18.4%	1,230,684	890,599	38.2%
Operating expenses	(179,365)	(160,899)	11.5%	(164,169)	9.3%	(343,534)	(299,254)	14.8%
Profit from associates	682	250	172.8%	218	NMF	900	376	139.4%
Operating income before cost of risk	488,492	334,201	46.2%	399,558	22.3%	888,050	591,721	50.1%
Cost of risk	(32,152)	(25,911)	24.1%	(48,298)	-33.4%	(80,450)	(18,344)	NMF
Net operating income before non-recurring items	456,340	308,290	48.0%	351,260	29.9%	807,600	573,377	40.8%
Net non-recurring items	1	232	-99.6%	(60)	NMF	(59)	280	NMF
Profit before income tax expense and one-off items	456,341	308,522	47.9%	351,200	29.9%	807,541	573,657	40.8%
Income tax expense	(68,878)	(33,036)	108.5%	(49,871)	38.1%	(118,749)	(57,599)	106.2%
Profit adjusted for one-off items	387,463	275,486	40.6%	301,329	28.6%	688,792	516,058	33.5%
One-off items	21,061	-	-	-	-	21,061	-	-
Profit	408,524	275,486	48.3%	301,329	35.6%	709,853	516,058	37.6%
Basic earnings per share	9.14	5.81	57.3%	6.55	39.5%	15.65	10.87	44.0%
Diluted earnings per share	8.94	5.79	54.4%	6.44	38.8%	15.32	10.79	42.0%

Balance sheet highlights

<i>GEL thousands</i>	Jun-23	Jun-22	Change y-o-y	Mar-23	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Liquid assets	9,067,120	7,815,396	16.0%	9,413,665	-3.7%
<i>Cash and cash equivalents</i>	2,155,256	2,834,950	-24.0%	2,661,659	-19.0%
<i>Amounts due from credit institutions</i>	1,931,461	1,766,529	9.3%	2,180,151	-11.4%
<i>Investment securities</i>	4,980,403	3,213,917	55.0%	4,571,855	8.9%
Loans to customers and finance lease receivables	18,282,017	16,299,630	12.2%	16,992,844	7.6%
Property and equipment	411,018	389,855	5.4%	405,838	1.3%
All remaining assets	957,063	859,660	11.3%	890,735	7.4%
Total assets	28,717,218	25,364,541	13.2%	27,703,082	3.7%
Client deposits and notes	19,647,354	15,100,061	30.1%	18,309,528	7.3%
Amounts owed to credit institutions	3,120,305	5,019,370	-37.8%	3,805,154	-18.0%
<i>Borrowings from DFIs</i>	1,636,522	1,960,874	-16.5%	1,692,346	-3.3%
<i>Short-term loans from central banks</i>	442,127	2,242,322	-80.3%	1,270,718	-65.2%
<i>Loans and deposits from commercial banks</i>	1,041,656	816,174	27.6%	842,090	23.7%
Debt securities issued	621,229	1,299,986	-52.2%	607,910	2.2%
All remaining liabilities	795,318	512,477	55.2%	487,106	63.3%
Total liabilities	24,184,206	21,931,894	10.3%	23,209,698	4.2%
Total equity	4,533,012	3,432,647	32.1%	4,493,384	0.9%
Book value per share	102.25	72.74	40.6%	98.51	3.8%

Key ratios

KEY RATIOS

	2Q23	2Q22	1Q23	1H23	1H22
ROAA*	5.6%	4.5%	4.4%	5.0%	4.3%
ROAE*	34.6%	32.8%	27.9%	31.3%	31.8%
Net interest margin	6.6%	5.3%	6.4%	6.5%	5.3%
Loan yield	12.7%	11.4%	12.5%	12.6%	11.3%
Liquid assets yield	4.7%	4.4%	4.3%	4.5%	4.4%
Cost of funds	4.8%	5.2%	4.5%	4.6%	5.1%
Cost of client deposits and notes	4.1%	3.7%	3.6%	3.8%	3.7%
Cost of amounts owed to credit Institutions	8.3%	9.4%	8.3%	8.4%	8.8%
Cost of debt securities issued	7.9%	6.9%	7.2%	7.5%	6.9%
Cost:income ratio*	26.9%	32.5%	29.1%	27.9%	33.6%
NPLs to gross loans	2.4%	2.6%	2.4%	2.4%	2.6%
NPL coverage ratio	70.4%	89.6%	72.8%	70.4%	89.6%
NPL coverage ratio adjusted for the discounted value of collateral	126.4%	138.0%	128.7%	126.4%	138.0%
Cost of credit risk ratio	0.8%	0.6%	1.0%	0.9%	0.7%
NBG (Basel III) CET 1 capital adequacy ratio	n/a	14.0%	n/a	n/a	14.0%
<i>Minimum regulatory requirement</i>	<i>n/a</i>	<i>11.7%</i>	<i>n/a</i>	<i>n/a</i>	<i>11.7%</i>
NBG (Basel III) Tier I capital adequacy ratio	n/a	16.4%	n/a	n/a	16.4%
<i>Minimum regulatory requirement</i>	<i>n/a</i>	<i>14.0%</i>	<i>n/a</i>	<i>n/a</i>	<i>14.0%</i>
NBG (Basel III) Total capital adequacy ratio	n/a	19.8%	n/a	n/a	19.8%
<i>Minimum regulatory requirement</i>	<i>n/a</i>	<i>17.5%</i>	<i>n/a</i>	<i>n/a</i>	<i>17.5%</i>
IFRS based NBG (Basel III) CET 1 capital adequacy ratio	18.7%	n/a	19.5%	18.7%	n/a
<i>Minimum regulatory requirement</i>	<i>14.6%</i>	<i>n/a</i>	<i>14.5%</i>	<i>14.6%</i>	<i>n/a</i>
IFRS based NBG (Basel III) Tier I capital adequacy ratio	20.6%	n/a	21.4%	20.6%	n/a
<i>Minimum regulatory requirement</i>	<i>16.9%</i>	<i>n/a</i>	<i>16.8%</i>	<i>16.9%</i>	<i>n/a</i>
IFRS based NBG (Basel III) Total capital adequacy ratio	22.6%	n/a	23.3%	22.6%	n/a
<i>Minimum regulatory requirement</i>	<i>19.8%</i>	<i>n/a</i>	<i>19.7%</i>	<i>19.8%</i>	<i>n/a</i>

*Ratios for 2Q23 and 1H23 were adjusted for a one-off GEL 21.1 million of other income related to the settlement of an outstanding legacy claim

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- | **APPENDICIES: SOCIAL IMPACT OVERVIEW***

Creating opportunities and positive social impact in our communities

Our impact focus areas

Financial inclusion

Education in communities

Employee empowerment

Objectives

To use the power of technology and product innovation to drive digital financial inclusion in Georgia

To give more school students in Georgia access to quality educational infrastructure and opportunities

To be the employer of choice for top talent, providing equal opportunities for development and ensuring the best employee experience based on our values and business principles

Key targets for 2023

70K

MAU of sCoolApp in December 2023

57K

Number of self-employed borrowers as of 31 December 2023

54-62

eNPS range

As at 30 June 2023

62K

52K

54

Contents


| **Financial inclusion: Retail**

| Financial inclusion: Businesses

| Education in communities

| Employee empowerment

Financial inclusion – what we focus on



**Increasing the use
of digital financial
products and
services**

**Building financial
literacy among
young people**

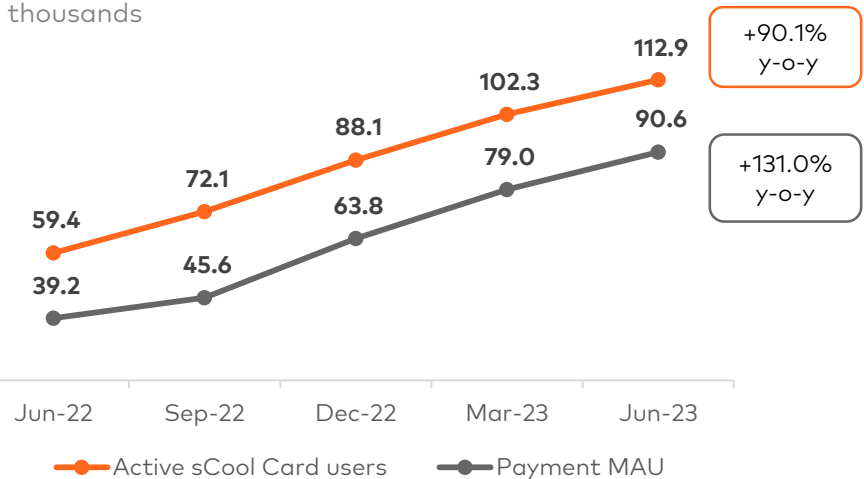
**Building capabilities
of local businesses
with relevant tools
and information**

Mobile app and payments – one of the main tools for financial inclusion

Focus area	Why we think it's important	Where we are now
Financial inclusion – Use of digital channels	<ul style="list-style-type: none">• Convenience and quick access to our products and services• Visibility of personal finances and access to tools to manage money more effectively• Ability to see all personalised financial and lifestyle offers• Chatbot/chat available 24/7• Access to information and educational content	1.2 million Digital MAU +27.3% y-o-y
Financial inclusion – Use of cashless payment methods	<ul style="list-style-type: none">• Increased control over personal finances, giving people a full view of where and how they spend their money• More benefits – personalised offers, ability to save money through our loyalty programme• Greater visibility of customers' financial history, income and behaviour, enabling banks to better assess their creditworthiness	1.1 million Payment MAU +26.6% y-o-y

Empowering school and university students in Georgia with daily banking solutions and financial literacy initiatives

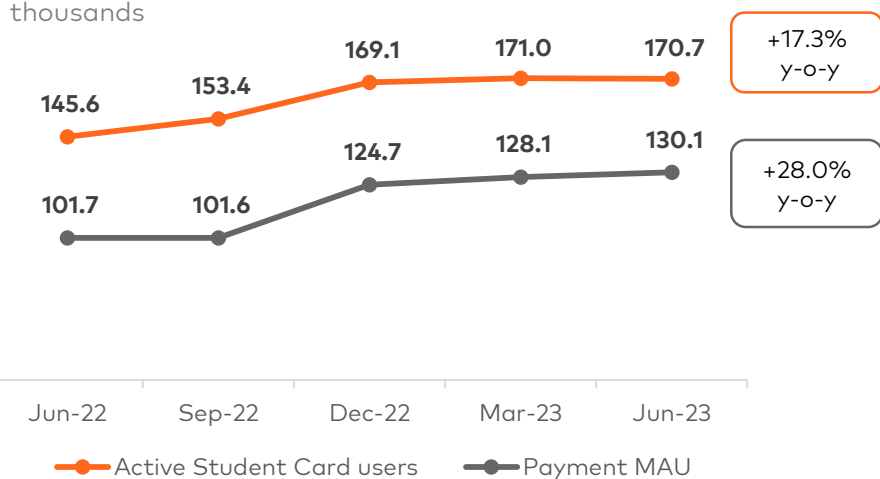
Growing engagement among school students in Georgia



sCool Card – Bank of Georgia’s flagship card for school kids in Georgia

- Free card
- Can be ordered on our website or through the app
- Free SMS, mobile and internet banking
- Free public transportation in Tbilisi and Batumi; discounts in Zugdidi and Rustavi
- No fee on BOG ATM withdrawal
- Loyalty programme

Growing engagement among university students in Georgia

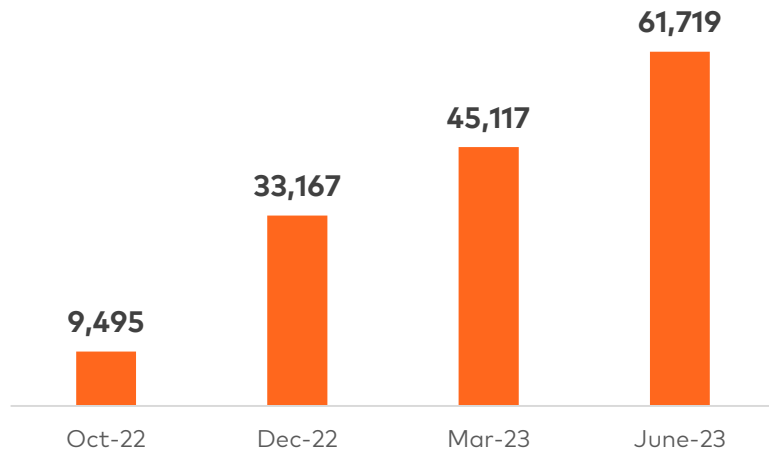


Student Card – tailored to students, with lots of benefits

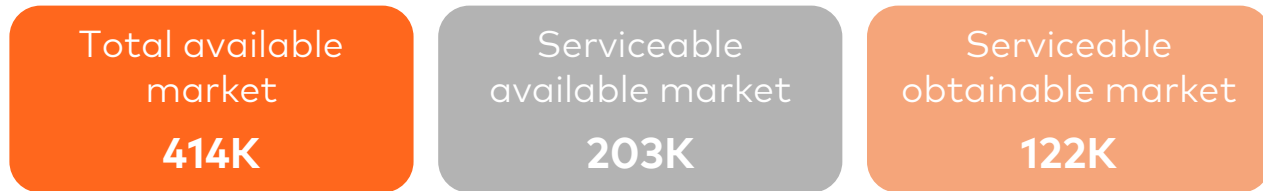
- Free Student Card
- Daily banking services
- Public transport benefits
- Special offers throughout the year from partner merchants

sCoolApp | the first financial mobile application for juniors

Monthly active digital users



Addressable market

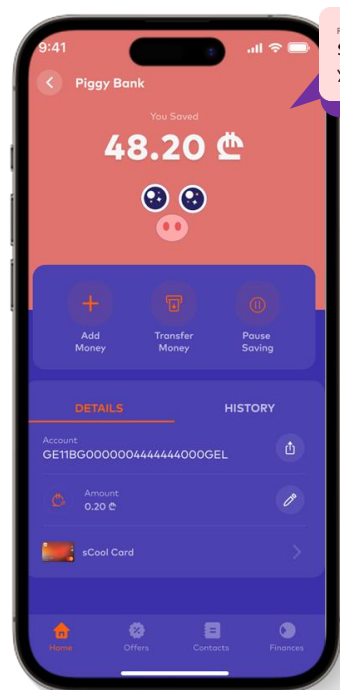


sCoolApp is the first financial application for young people in Georgia, launched in October 2022

We ensure kids enjoy easy-to-use and easy-to-understand products and services relevant to them, and we keep kids safe with our end-to-end security, spending alerts, custom limits and in-app card controls

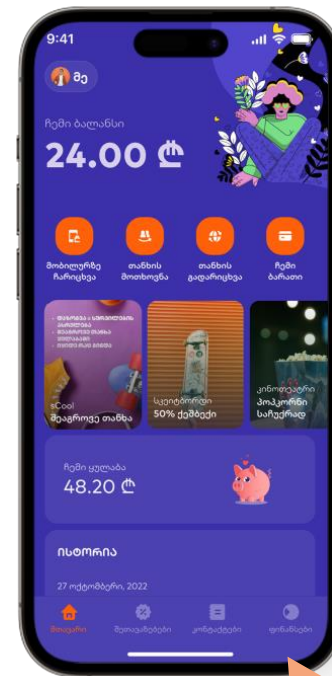
Financial literacy content and tools are embedded in sCoolApp

Digital "piggybank" helps foster savings culture from an early age



19K
Almost 1/3 of active sCoolApp users have an active piggybank account (as at 30 June 2023)
+45.1% q-o-q

Financial education content visible on the main screen

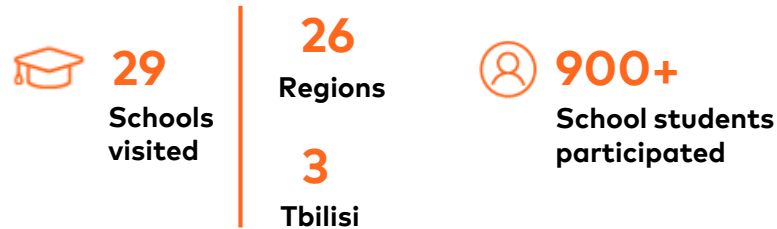


Weekly stories about effective money management principles are now visible on the main dashboard of the app

Key financial education activities during the first half of 2023

"Invite Finedu to Class"

Bank of Georgia has supported a leading financial education platform – Finedu – to bring lessons on financial education to Georgian schools across the country, introducing sCool Card and sCoolApp



[Argacherde.ge](https://argacherde.ge)

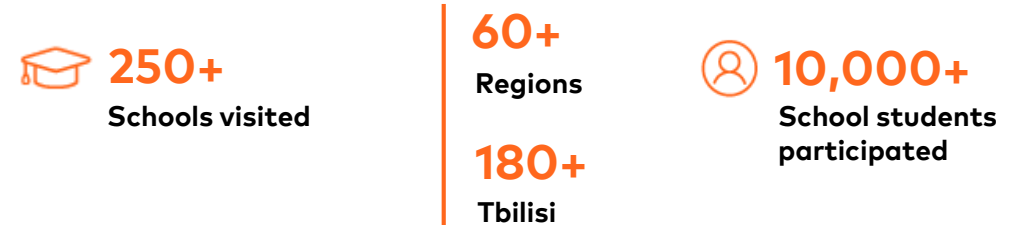
Bank of Georgia has recently developed a new learning platform with a dedicated financial education page. Launched in July 2023

Key themes covered:

- **Financial education**
- **Future professions**
- **General literacy**

"TSU Ambassadors"

Bank of Georgia has partnered with a leading Georgia university – Tbilisi State University – to sponsor the "TSU Ambassadors" project, which unites TSU students who visit their alma mater schools to share student experiences and talk about financial tools and personal finance management skills as well



Other projects

- **Bank of Innovations: Financial Literacy** – Bank of Georgia collaborated with the National Bank of Georgia and Junior Achievement Georgia to host a 12-hour Innovation Camp in Kutaisi. Participants aged 15-18, collaborated with banking experts to brainstorm solutions for specific challenges, promoting entrepreneurial education
- **Economic Olympiad** – Bank of Georgia sponsored the Economic Olympiad in partnership with Institute of Economic Education and Georgian Economic Literacy Initiative. The initiative targeted 10th to 12th grades to enhance their interest in economics and boost financial literacy

 **1,000+** School students participated

Removing barriers that prevent self-employed people from accessing finance

We redesigned the lending process for self-employed customers*

Barriers

Difficulty in calculating a client's monthly income due to lack of formal employment

Lack of a digital process for loan application

Limited access to typical retail lending products

Self-employed individuals were treated process-wise as business customers and not as self-employed retail customers

What we changed

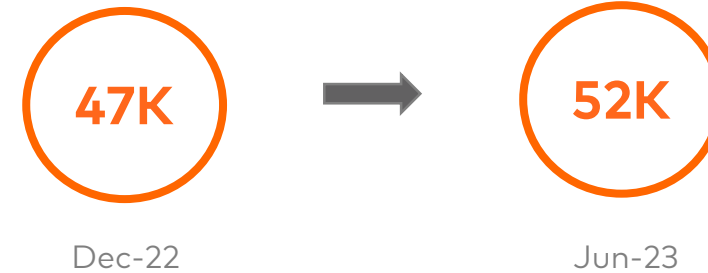
Application origination and disbursement handled in digital channels

Full access to retail lending products (mortgages, consumer loans, instalments, credit cards, among others)

Simplified income validation using video calls and an income matrix and on-site validation visits

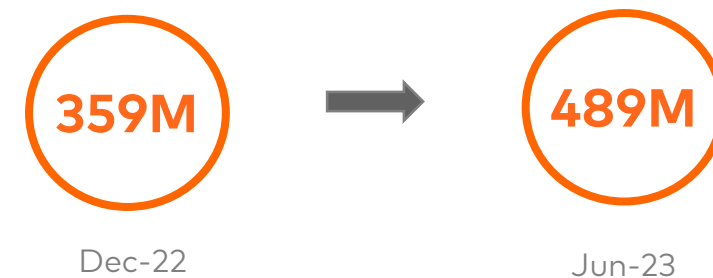
Client coverage and servicing changed to a retail banking model

Self-employed borrowers



Loan portfolio of self-employed clients

GEL



*Self-employed customers are individuals whose share of income from self-employment exceeds 50% and who do not own a business/are not registered as individual entrepreneurs

Contents

- | Financial inclusion: Retail
- | **Financial inclusion: Businesses**
- | Education in communities
- | Employee empowerment

Helping businesses implement effective accounting practices

Accounting Development Programme

Bank of Georgia's Accounting Development Programme **helps SMEs overcome the hurdle of accessing finance** by promoting effective accounting practices

Together with partners, Bank of Georgia provides **affordable accounting software packages** to help SMEs run their businesses more effectively

Digitalisation of accounting

Full accounting services

Quick sharing of financial information with the Bank

Identifying tax risk

472

SMEs implemented good accounting practices in their companies

since March 2022



We partnered with **Georgia's top accounting firms** to offer exclusive opportunities to our clients

Supporting women entrepreneurs through networking, knowledge-sharing and access to finance

Workshops

Bank of Georgia regularly holds P2P trainings and workshops specially developed for women entrepreneurs

- Topics:**
- Digital marketing
 - Good employment practices
 - Developing e-commerce
 - Change management
 - Change management in volatile environment

 **78**
Women trained
as of June 2023

Development Programme for Women Entrepreneurs

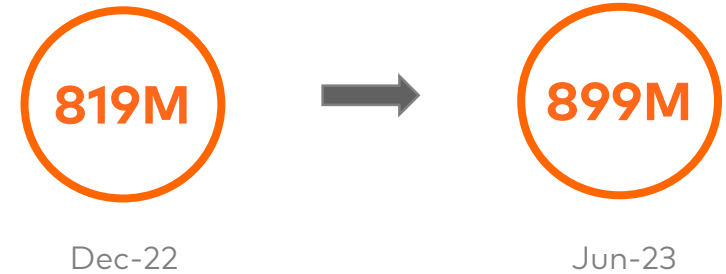
In 2022 Bank of Georgia, in partnership with the United Nations Development Programme and the Swedish Government, launched a 360° programme for women entrepreneurs, empowering them with essential business knowledge, skills and networks to accelerate the development of their businesses

5
Programmes held
since April 2022

 **125**
Women participated

Loan portfolio of women-owned SMEs*

GEL



8.2K

SME women-owned borrower clients

20.9%

of SME gross loan portfolio

*Small and medium-sized enterprises wherein more than 50% ownership is held by women

Accelerating the development of Georgian startups

500 Georgia

- Dedicated mentorship and programming for 12 weeks from **500 Global** mentors
- Access to **500 Global's** network of founders and community events
- Opportunity of attracting investments

 12

Start-ups participated
in 1H23

 55

Strat-ups participated
since 2020

 4

Strat-ups chosen for
final acceleration
process in San Francisco
since 2020



In collaboration with 500 startups and Georgia's Innovation and Technology Agency (GITA), we launched Georgia's first international accelerator programme, fostering **entrepreneurship**, nurturing the **tech ecosystem**, facilitating **global networking**, and helping participating companies in **fundraising**

Providing businesses with essential business insights and relevant research reports

[Businesscourse.ge](https://www.businesscourse.ge)



5.8K+
Users engaged with the platform during the first half of 2023

33
Courses are available of the platform

Through this online platform we provide educational content and timely insights tailored to the needs of local SMEs



ESG



Investments



Digital marketing



Finance



Exports



Human capital development

Galt & Taggart research in 1H23

79 reports published on macroeconomic, capital markets, and sector-specific topics

Research reports are available at www.gt.ge

Other educational activities

- **Business forums** – Bank of Georgia has helped organise two business forums where local businesses had an opportunity to learn more about ways of accessing finance



2

Forums held in Batumi & Kutaisi



300

SMEs participated

- **Agro export** – In collaboration with the USAID Agriculture Program, Bank of Georgia has facilitated a three-day workshop led by international experts to share knowledge in cold chain management and exports



33

SMEs Participated

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- | Financial inclusion: Retail
- | Financial inclusion: Businesses
- | **Education in communities**
- | Employee empowerment

Education in communities – what we focus on



**Promoting STEM
education**

**Improving
educational
infrastructure**

**Increasing access
to quality
education**

Promoting STEM and supporting access to quality education

"STEM School"

STEM School is a partnership between Bank of Georgia and a leading STEM-oriented school, Komarovi School. **Our purpose is to help promote STEM education in Georgia.** The project brings together school students from across the country and offers them an online educational platform with live sessions to deepen their knowledge in technology, engineering and mathematics

 **201**
Students participated
in 1H23

117
Students from regions (61 students
sponsored by Bank of Georgia)

84
Students from Tbilisi




Scholarships

We sponsor students within the framework of multiple scholarships, including **Chevening and Fulbright scholarships**, enabling motivated people from Georgia to study at top universities both in Georgia and abroad

 **40**
Students sponsored since 2014

Other projects

- **"Harvard Business Case" Competition** – Bank of Georgia has partnered with TBSC Consulting – a local business consulting company – to run the case competition modelled on Harvard Business School cases, promoting critical thinking, decision-making and teamwork among university students in Georgia
- **Kings Olympiad** – Bank of Georgia has partnered with the largest organiser of school-level competitions in Georgia

 **69K+**
Students participated
in 1H23

61K+
Regions

7K+
Tbilisi

Increasing access to quality education infrastructure

Ideathecas – multifunctional libraries



16

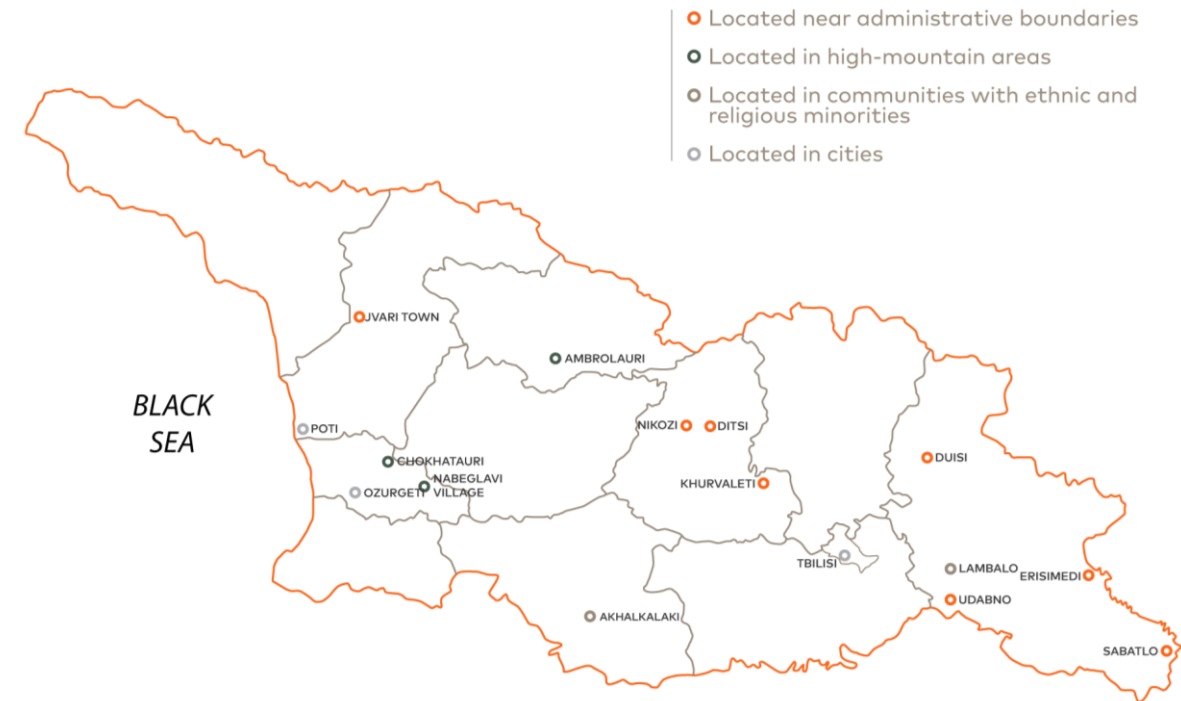
Ideathecas opened since 2020

7000+

School students reached

We are planning to open 6 Ideathecas during 2023

Ideathecas across Georgia



In 2020 Bank of Georgia partnered with Georgian Book Institute to create **Ideathecas – versatile, multifunctional libraries in public schools across Georgia**. Bank of Georgia's objective is to provide school students with access to exciting books and modern technology, fostering learning, ICT skills, and teamwork in a dynamic and colorful educational environment

Contents

- | Financial inclusion: Retail
- | Financial inclusion: Businesses
- | Education in communities
- | **Employee empowerment**

Employee empowerment – what we focus on



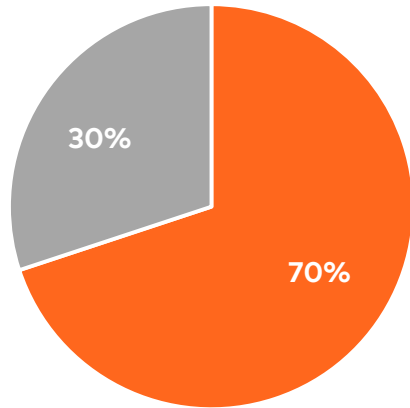
**Promoting
diversity and equal
opportunities**

**Attracting,
developing and
retaining top
talents**

**Providing positive
employee
experiences**

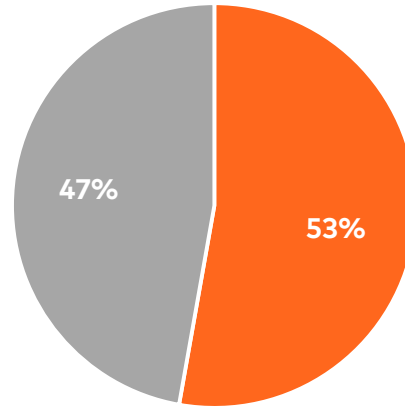
Promoting diversity and equal opportunities to create an inclusive environment

As at 30 June 2023



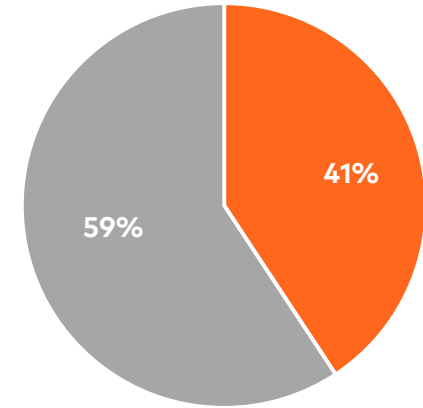
■ Women ■ Men

Share of women in total employees



■ Women ■ Men

Share of women in managerial positions



■ Women ■ Men

Share of women in senior managerial positions

In 2020 our efforts to address barriers to the employment of women were recognised by the [2X Challenge](#), an initiative seeking to empower women and enhance their economic participation

In 2022 Bank of Georgia became a signatory of the [UN Women's Empowerment Principles \(WEPs\)](#) to highlight and enhance our commitment to supporting women in the workplace

Creating unique opportunities for professional development of younger talent

Leaderator – Bank of Georgia's flagship internship programme



295

Students participated in the programme since 2017

(81 participants in 1H23)

250

Students hired upon completion of the programme since 2017

71%

Of hires still work at the Group

As at 30 June 2023



Empowering undergraduates through **real-world projects**, **mentorship from professionals**, **flexible schedules** and **job opportunities**

Summer internship – a programme for Georgian students who study abroad

28

Students participated in the programme since 2021

3

Students returned to the Group after graduation

Encouraging career progression through continuous talent development activities for our employees

During the first half of 2023

830

Employees promoted
(739 in 1H22)

69.3% were women
(64.8% in 1H22)

24%

Mobility Rate
(17% in 1H22)

874

Employees received
financial support for
external learning
courses
(567 in 1H22)

2,811

Employees took non-
mandatory
trainings/courses
(2,199 in 1H22)

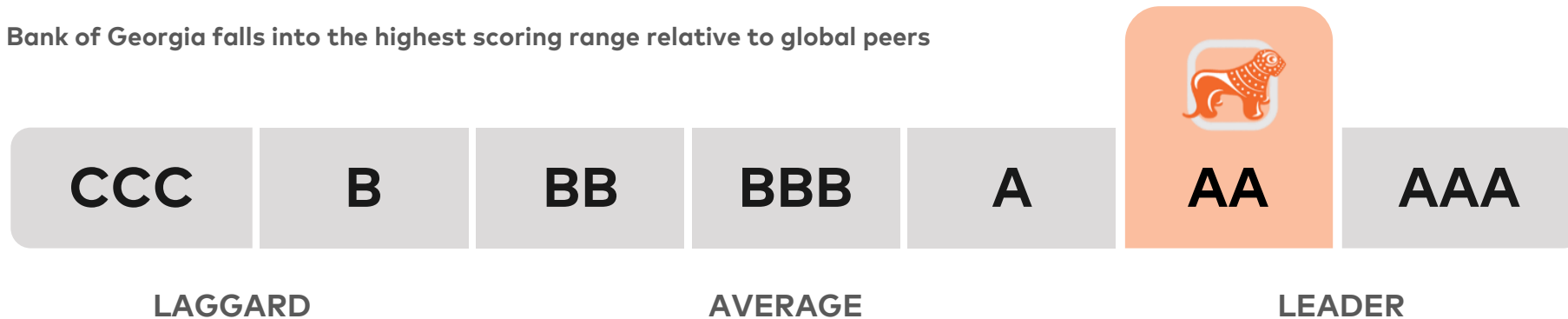
ESG scores from independent rating agencies

ISS*



MSCI**

Bank of Georgia falls into the highest scoring range relative to global peers



FTSE4GOOD Index

Included in the global responsible investment index FTSE4GOOD since 2017

* ISS uses a 1-10 scale. 1 indicates lower governance risk, while 10 indicates higher governance risk versus its index or region. 1 indicates higher E&S disclosure, while 10 indicates lower E&S disclosure. Scores are as at 28 July 2023

** MSCI score is as at 28 July 2023

Definitions

Strategic terms

- **Active merchant** At least one transaction executed within the past month
- **Active POS terminal** At least one transaction executed within the past month
- **Digital daily active user (Digital DAU)** Average daily number of retail customers who logged into our mBank/iBank at least one within the past month
- **Digital monthly active user (Digital MAU)** Number of retail customers who logged into our mBank/iBank at least once within the past month; when referring to business customers, Digital MAU means number of business customers who logged into our Business mBank/iBank at least once within the past month
- **MAU (Monthly active user - retail or business)** Number of customers who satisfied pre-defined activity criteria within the past month
- **Payment MAU** Number of retail customers who made at least one payment within the past month

Ratio definitions

- **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 year
- **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
- **Cost of credit risk ratio** Expected loss on loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables 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)
- **Cost to income ratio** Operating expenses divided by operating income
- **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 net loans to customers and finance lease receivables
- **Leverage (times)** Total liabilities divided by total equity
- **Liquid assets** Cash and cash equivalents, amounts due from credit institutions and investment securities
- **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.
- **Loan yield** Interest income from loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period (annualised where applicable)
- **NBG (Basel III) Common Equity Tier I (CET1) capital adequacy ratio** Common Equity Tier I 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 I capital adequacy ratio** Tier I 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 over the same period (annualised where applicable)
- **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.
- **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 of loans and finance lease receivables divided by NPLs
- **NPL coverage ratio adjusted for discounted value of collateral** Allowance for expected credit loss of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for expected credit loss)
- **One-off items** – Significant items that do not arise during the ordinary course of business
- **Operating leverage** Percentage change in 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)
- **NMF** Not meaningful

Company information

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Share price information

Shareholders can access both the latest and historical prices via the website, www.bankofgeorgiagroup.com