

INVESTOR PRESENTATION

1Q23 Performance

17 May 2023

www.bankofgeorgiagroup.com

Disclaimer – forward looking statements

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The Group delivered a strong performance in 1Q23

Profit
GEL 301.3M
up 25.3% y-o-y

ROE
27.9%

C/I
29.1%

NPS
58

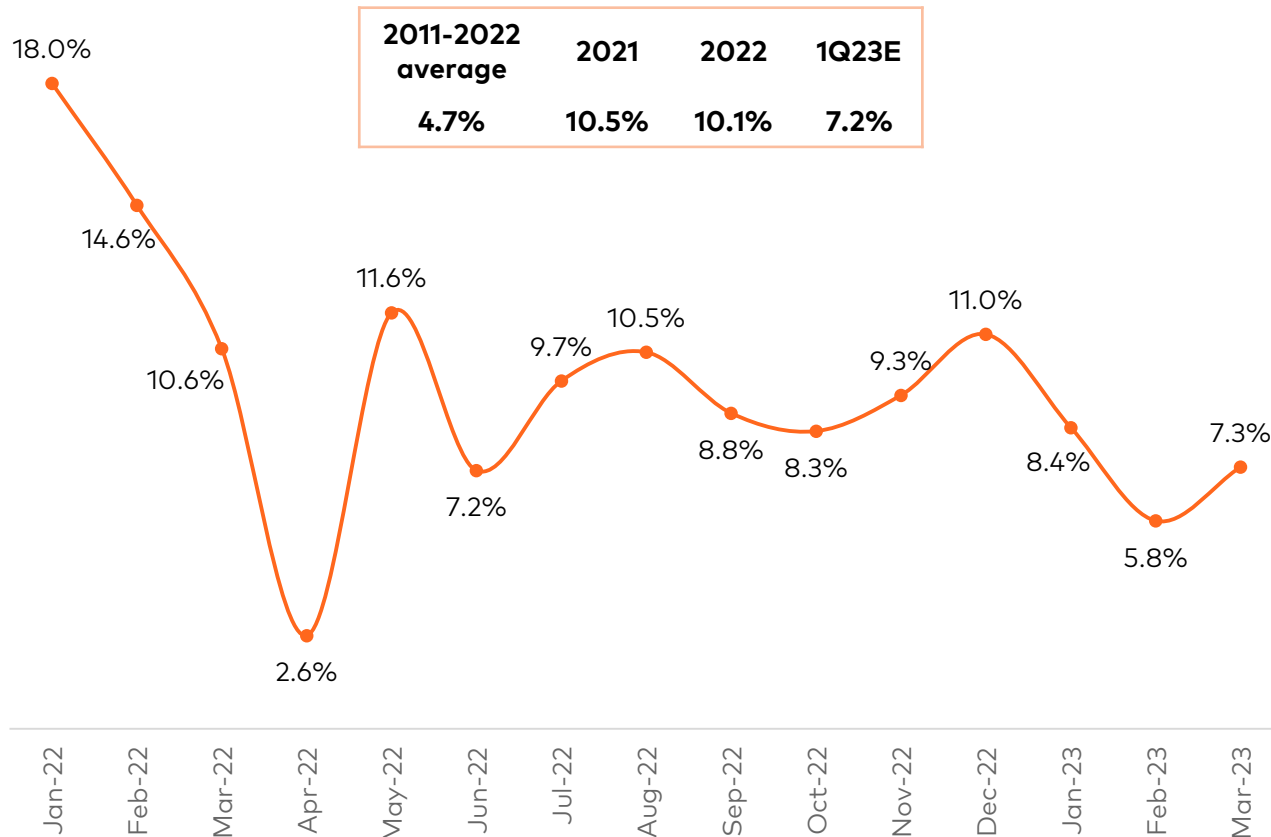
Digital MAU
1.2M
up 31.6% y-o-y

Contents

- | MACROECONOMIC HIGHLIGHTS**
- | GROUP OVERVIEW AND STRATEGY
- | 1Q23 RESULTS
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Economic growth remained strong in 1Q23

Real GDP y-o-y growth



Source: GeoStat

Key drivers of growth in 1Q23:

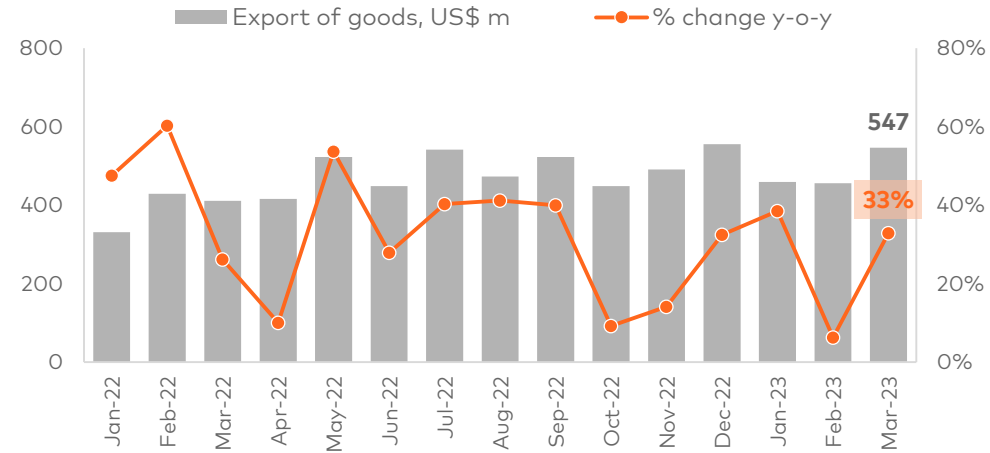
- Resilient inflows from exports, remittances, and tourism
- Increased activity in construction, transport and logistics, trade and hospitality sectors
- Strong investment spending and recovery in consumption on the back of lower inflation

In 1Q23:

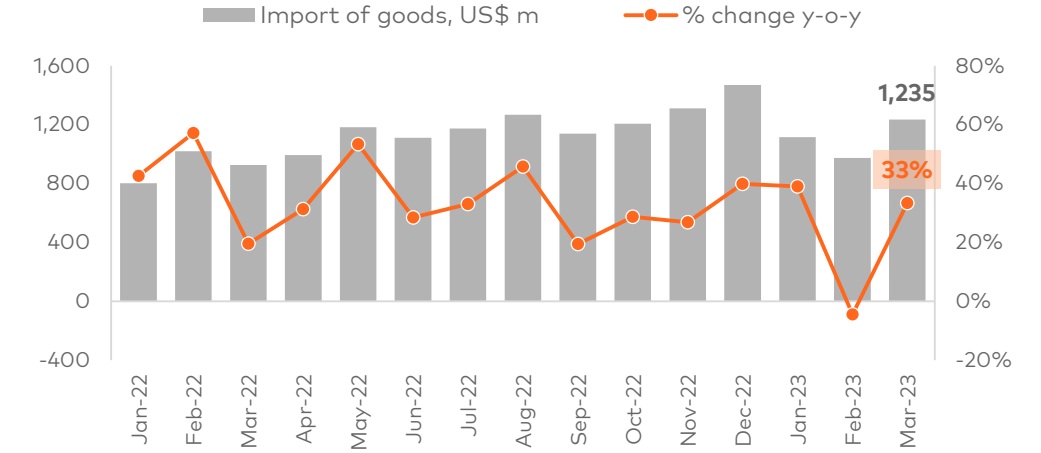
- Export of goods up 24.7% y-o-y
- Remittances up 130.3% y-o-y
- Tourism revenues up 102.0% y-o-y

Strong external inflows underpinning economic growth

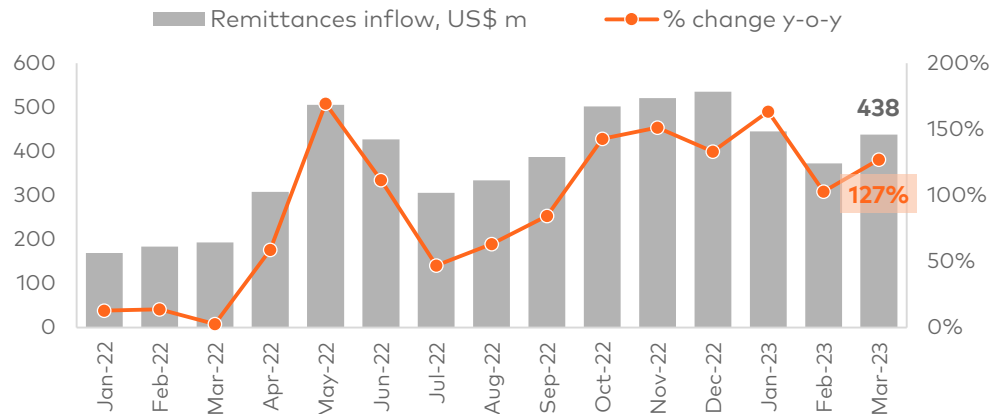
Export of goods



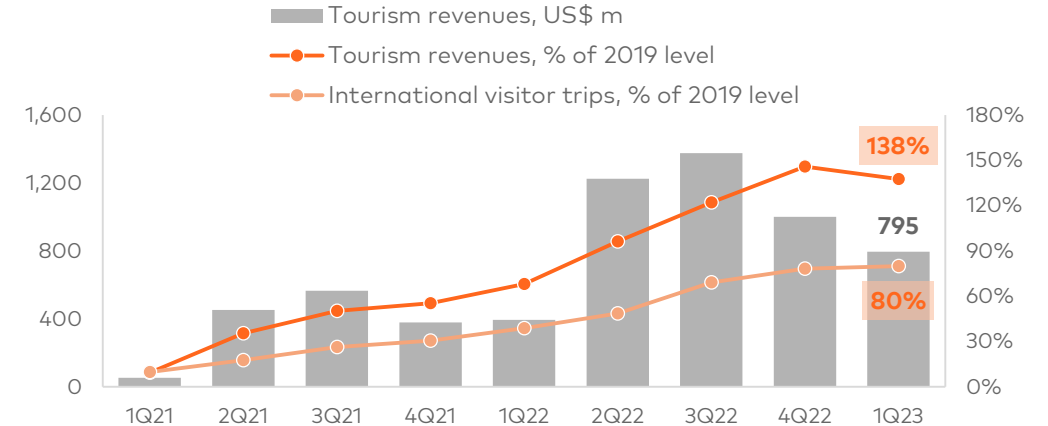
Import of goods



Remittances

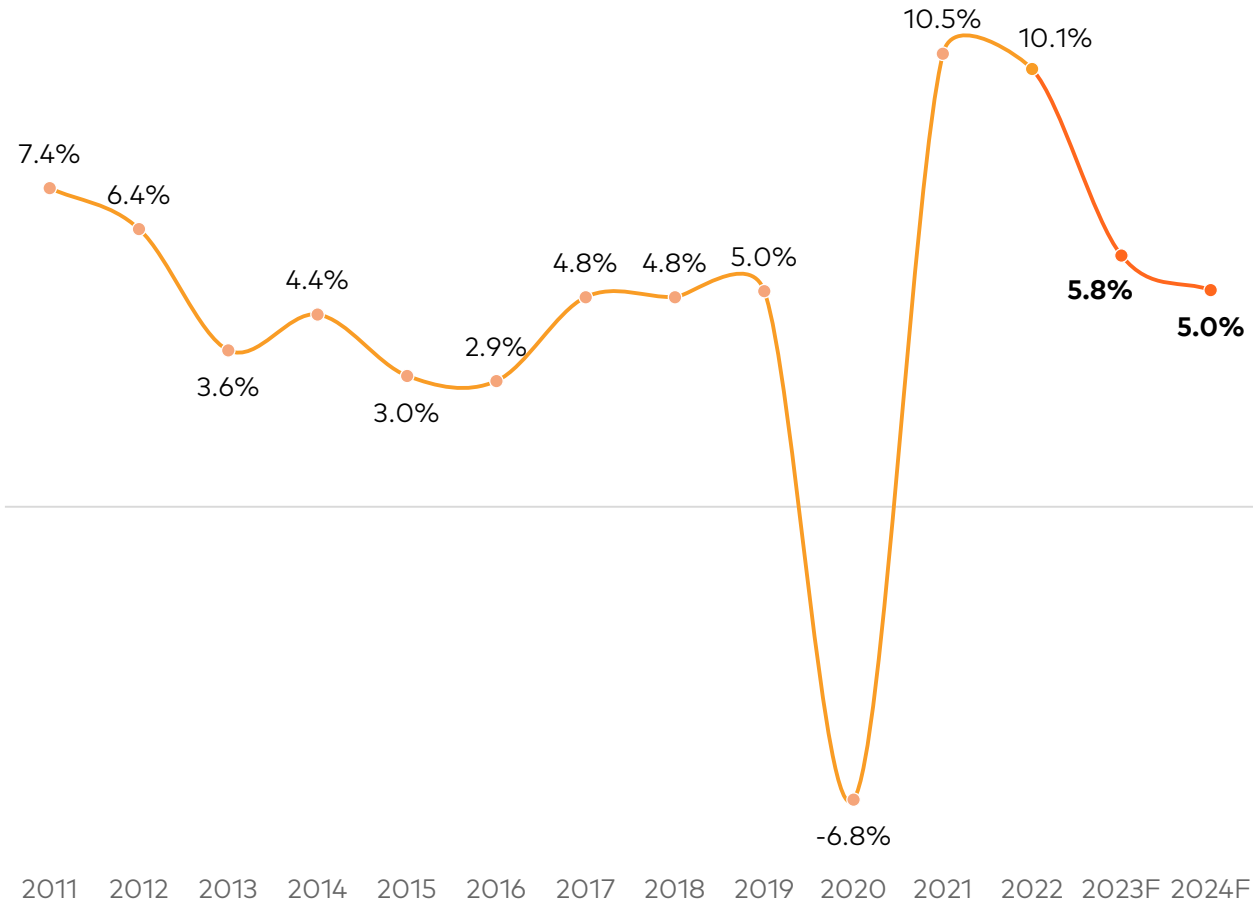


Tourism inflows



Economic growth expected to moderate to sustainable levels

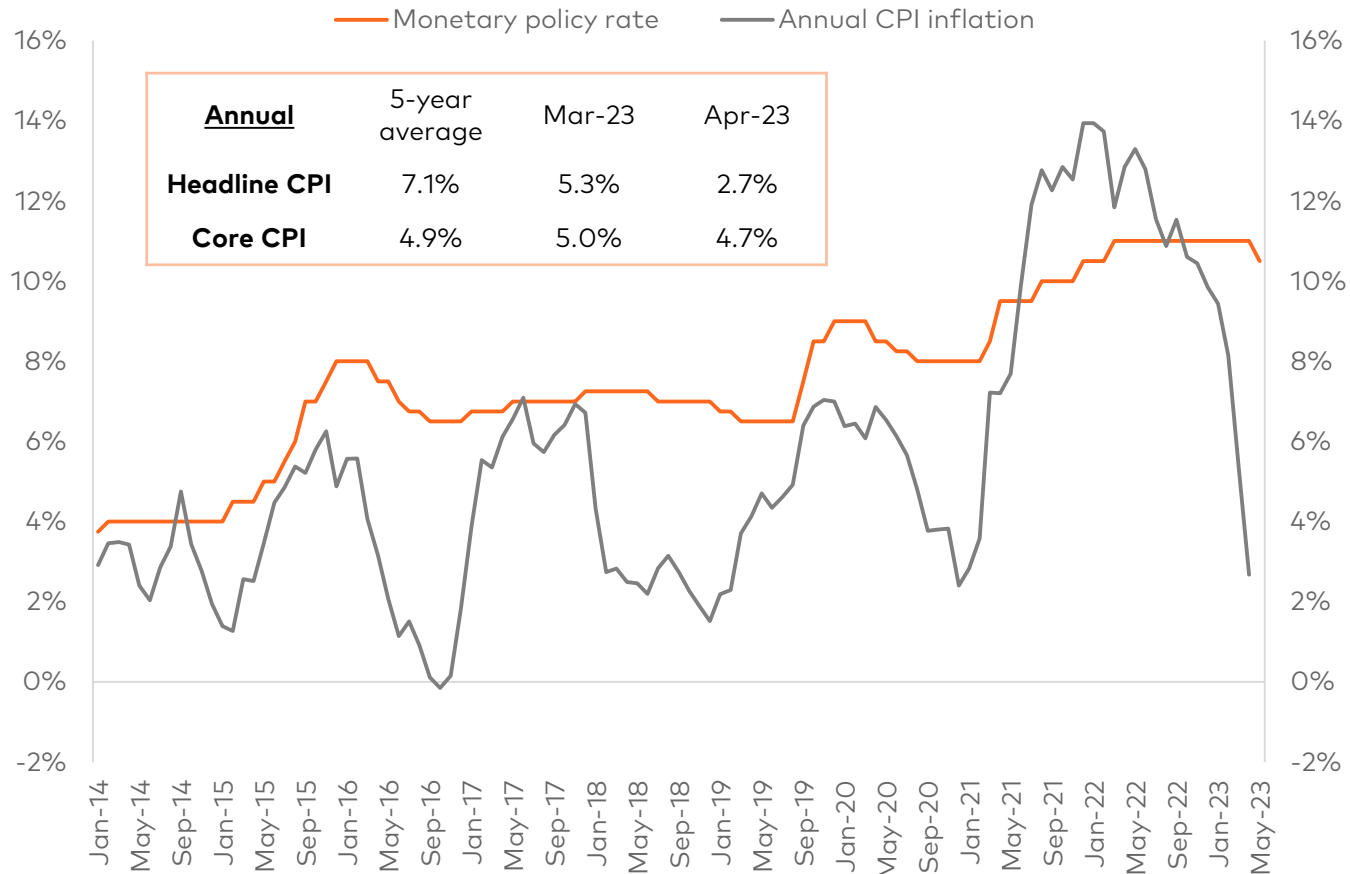
Georgia's economic growth forecast



- In 2023, real GDP growth is expected to moderate to **5.8%** considering the base effect after two consecutive years of double-digit growth
- The main drivers of growth are expected to be sustained external inflows, rebound in investment expenditure and lasting impact of inbound migration
- Consumption spending should also strengthen amid slowing inflation and anticipated easing of monetary policy
- Ongoing war in Ukraine, tight financial conditions and high inflation are downside risks

Inflation decreased sharply due to reduction in global commodity prices and GEL appreciation

The NBG started a gradual exit from tight monetary policy

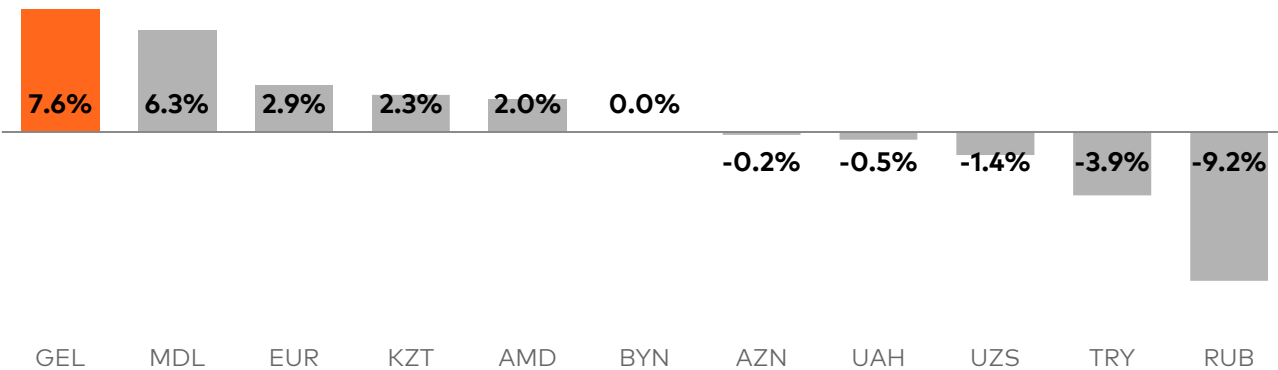


Source: GeoStat, NBG

- Recent reduction in global commodity prices and GEL appreciation contributed to weakening price pressures
- Inflation is expected to remain low amid decreasing commodity prices, strong GEL, normalisation of economic growth and fiscal consolidation
- The NBG cut its monetary policy rate by 50 bps to 10.5% on 10 May 2023, indicating a gradual easing of tight monetary policy

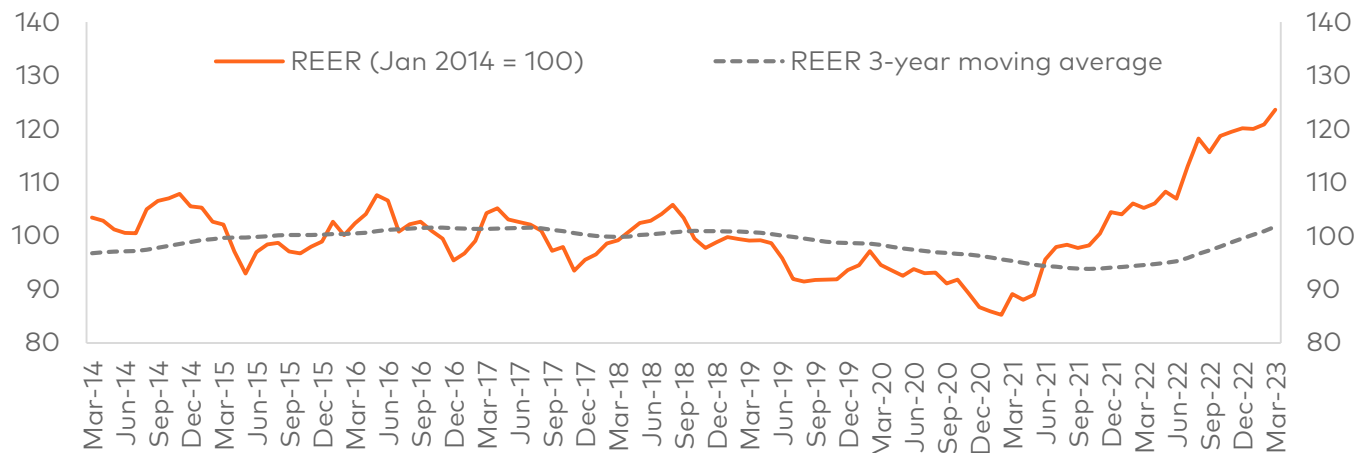
GEL supported by sustained FX inflows and tight monetary policy

Currency movements vs. US\$, 12/31/2022 – 4/30/2023



- GEL appreciated by an additional 7.6% against the US dollar during 4M23 on top of a 12.5% appreciation in 2022
- The appreciation of the Georgian currency was driven by strong external inflows, tight monetary policy and improved sentiments
- GEL is expected to stabilise around the current level supported by robust external inflows and positive growth outlook

GEL real effective exchange rate

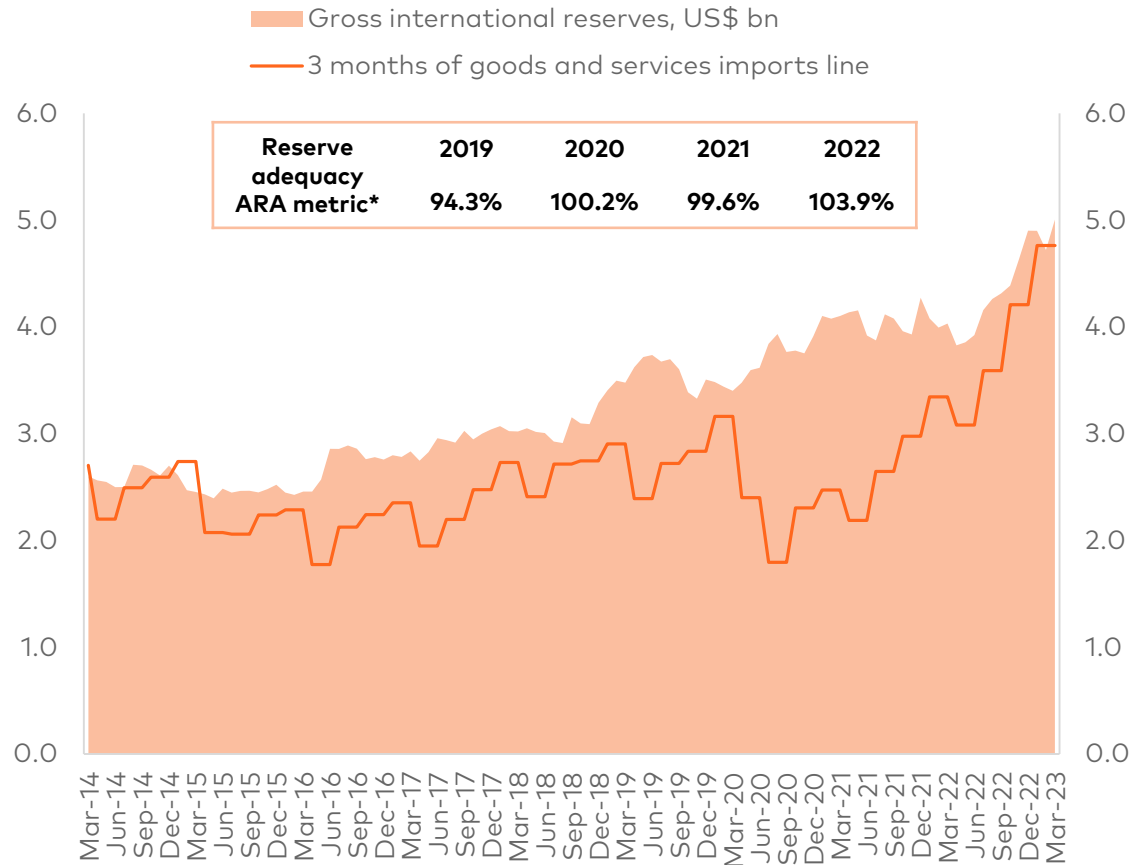


Source: NBG

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

Growing international reserves cushion the economy against external shocks

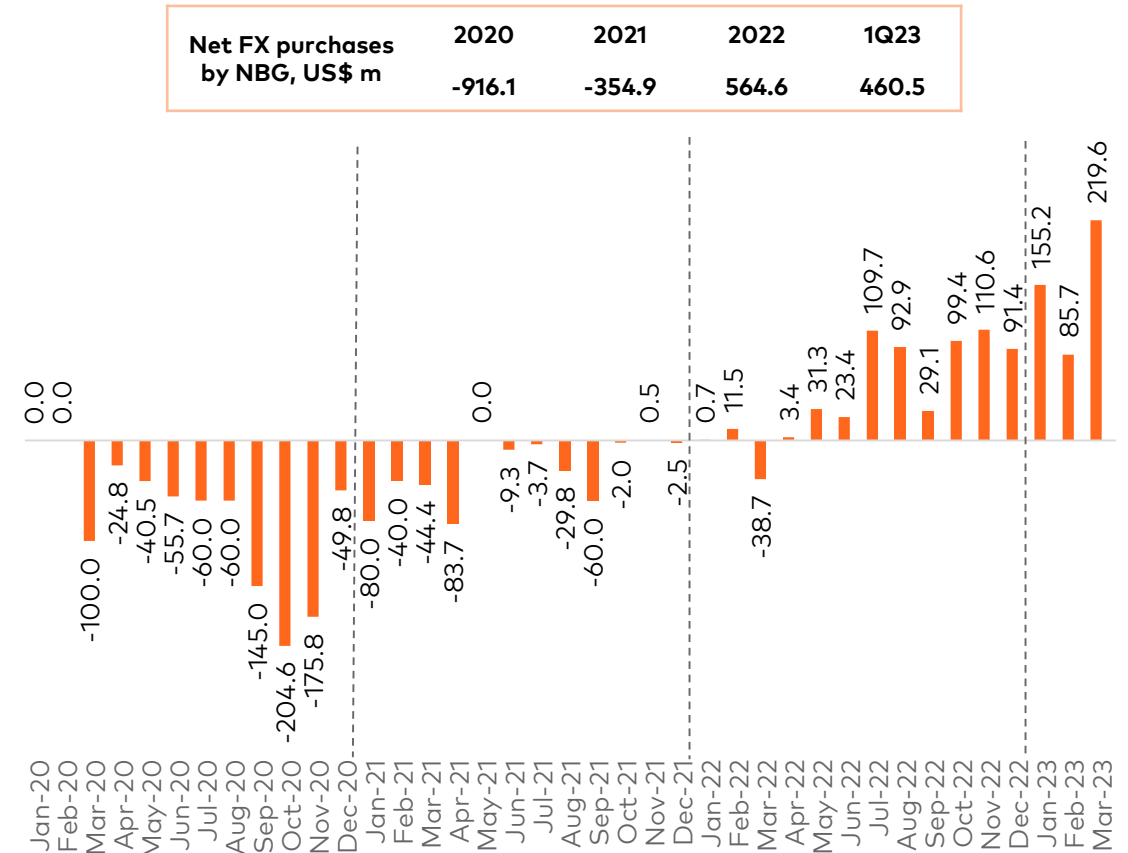
International reserves



Source: IMF, NBG, BOG

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

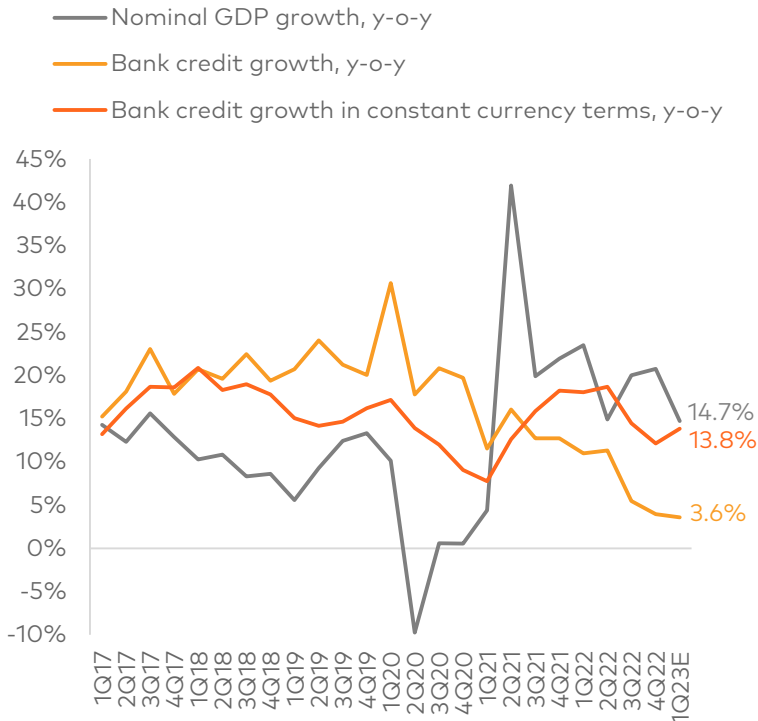
Central bank's interventions, net purchase in US\$ m



Source: NBG

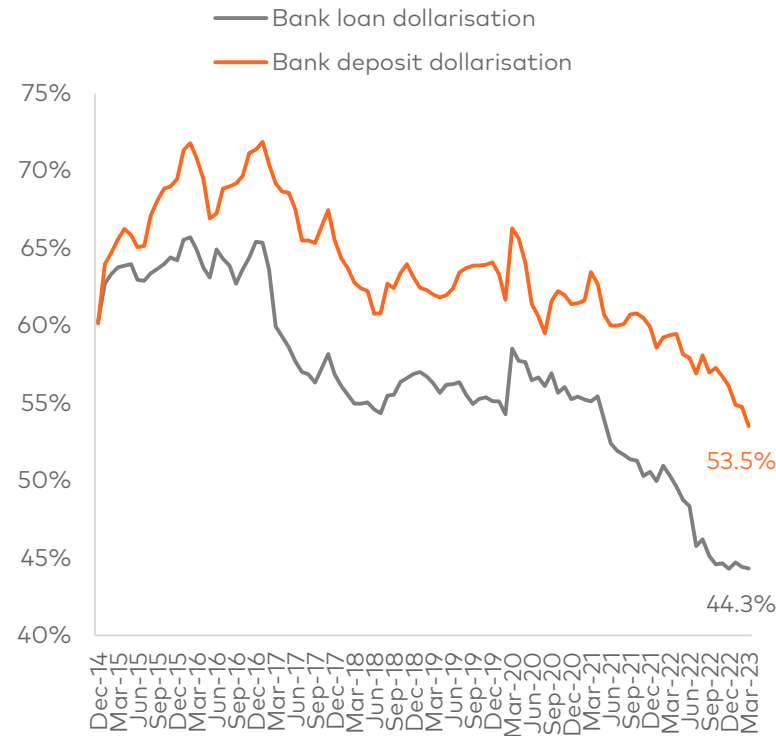
Healthy banking sector, with reduced dollarisation

Bank loan book growth vs. nominal GDP growth



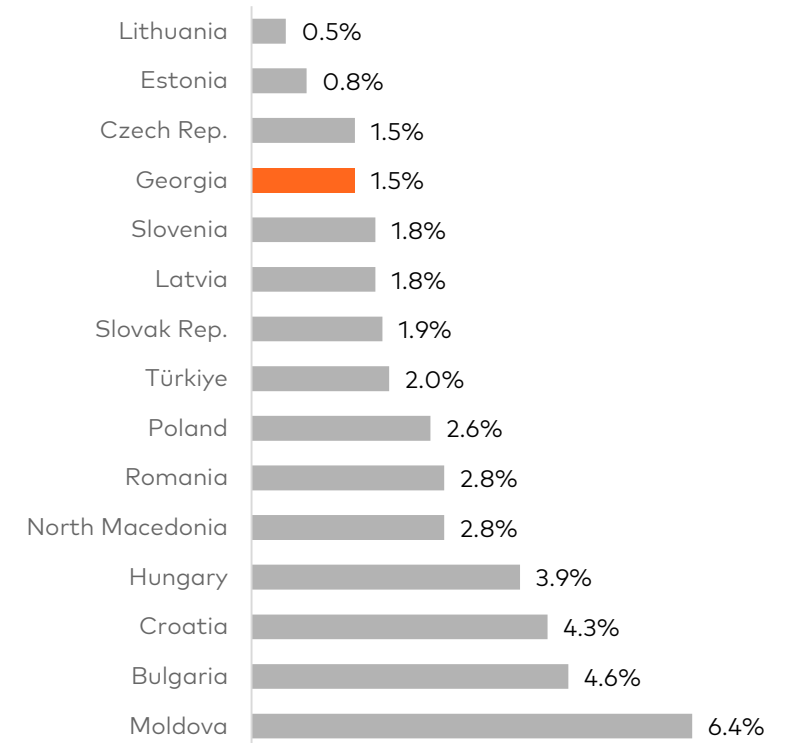
Source: NBS, GeoStat, BOG

Loan and deposit dollarisation



Source: NBS

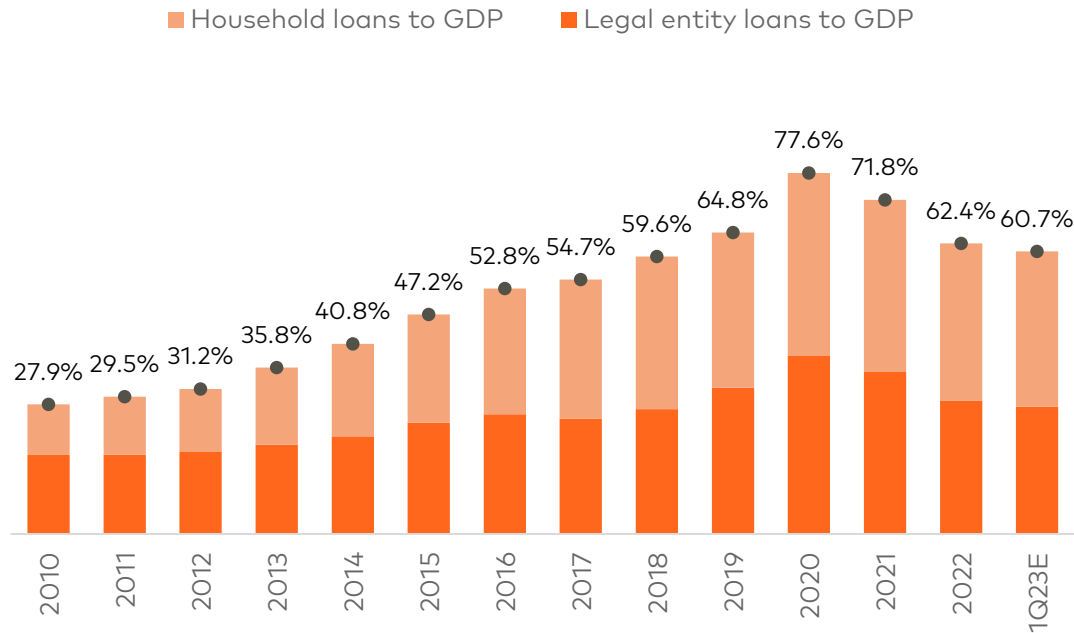
Non-performing bank loans to total gross loans in selected countries, end-2022



Source: IMF

Debt burden continues to decrease both in private and public sectors

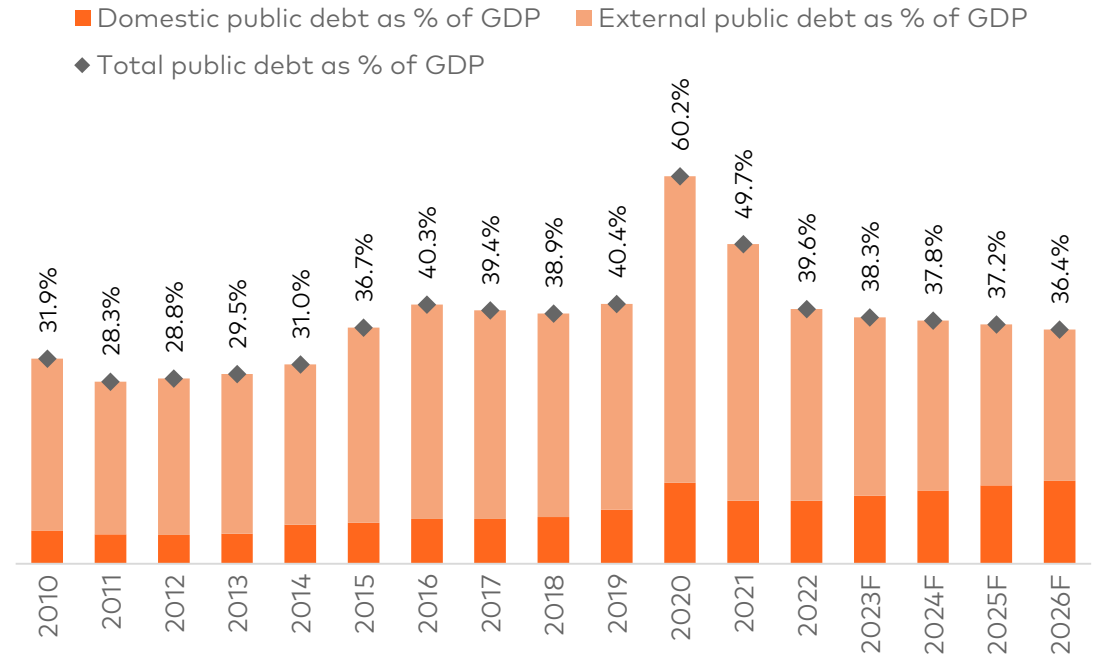
Banking sector loans to households and legal entities as % of GDP



Source: NBG, GeoStat, BOG

- In the private sector, debt level relative to GDP is on a downward path, driven by high income growth and strong GEL
- The decrease in debt-to-GDP ratio creates room for healthy credit growth

Public debt as % of GDP



Source: MOF, GeoStat, forecasts as of 2023 budget law

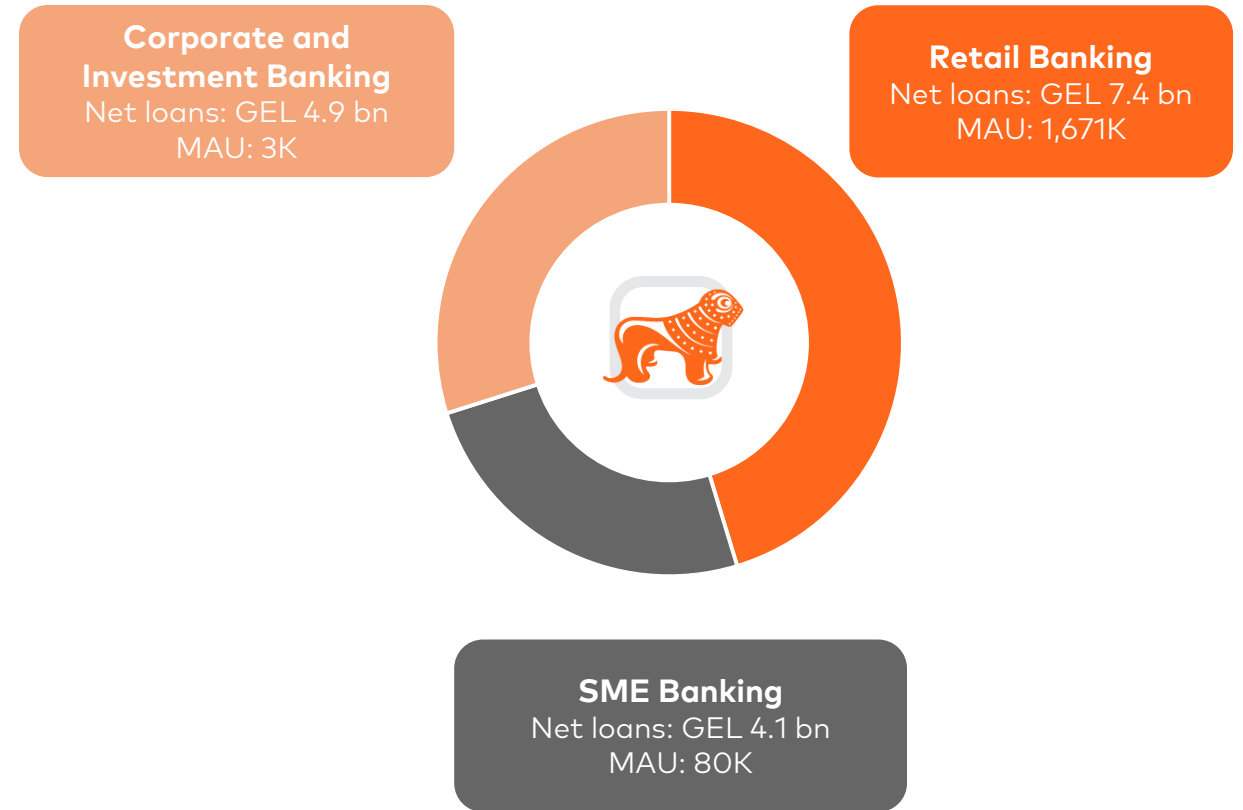
- Public sector has also reduced its debt burden thanks to economic growth momentum and strong GEL
- Given the reduced debt burden and increased international reserves, the Georgian economy is well-positioned to withstand possible shocks

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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), the main entity of Bank of Georgia Group PLC (as of 31 March 2023)

What we focus on

Our strategic priorities

Mobile

Payments

Loyalty

Becoming increasingly relevant in our customers' daily lives through our payments and financial super app

Further improving customer engagement across all business segments

Harnessing the potential of our payments business

Continuing to deliver an 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

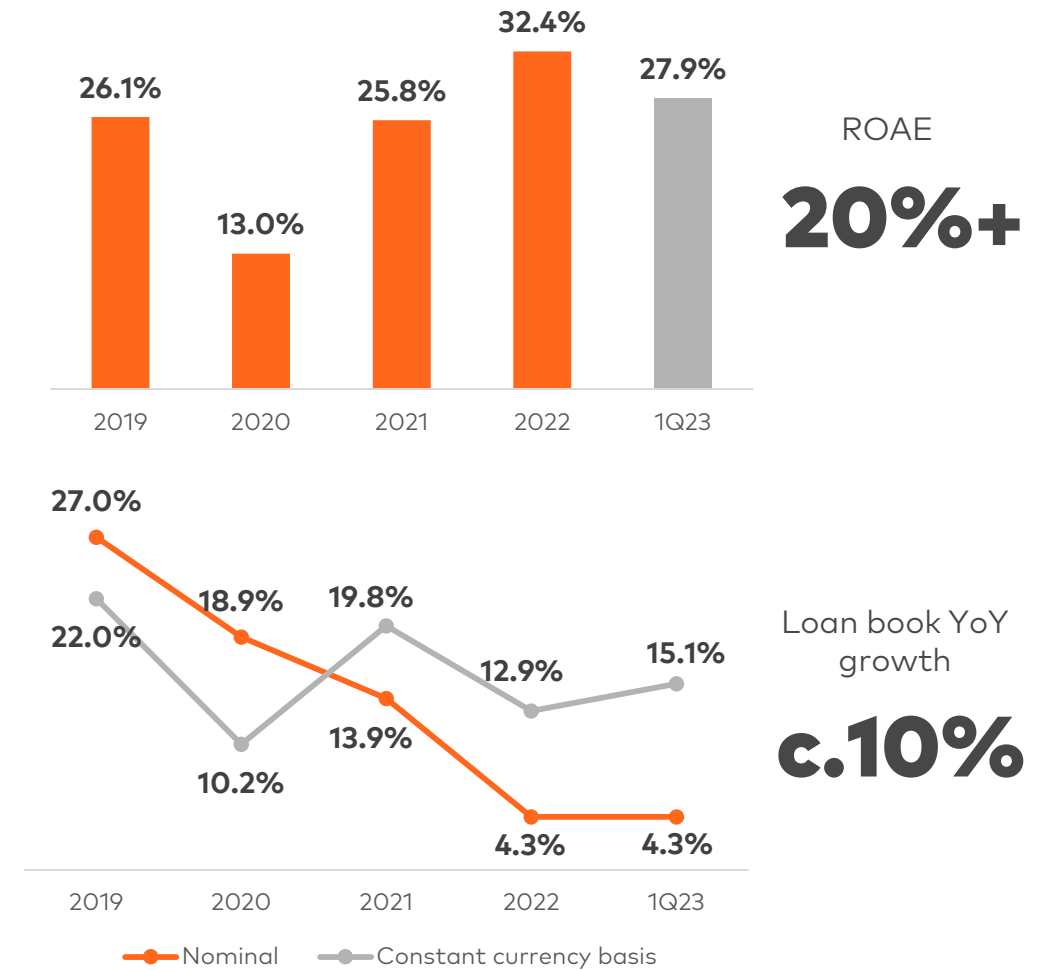
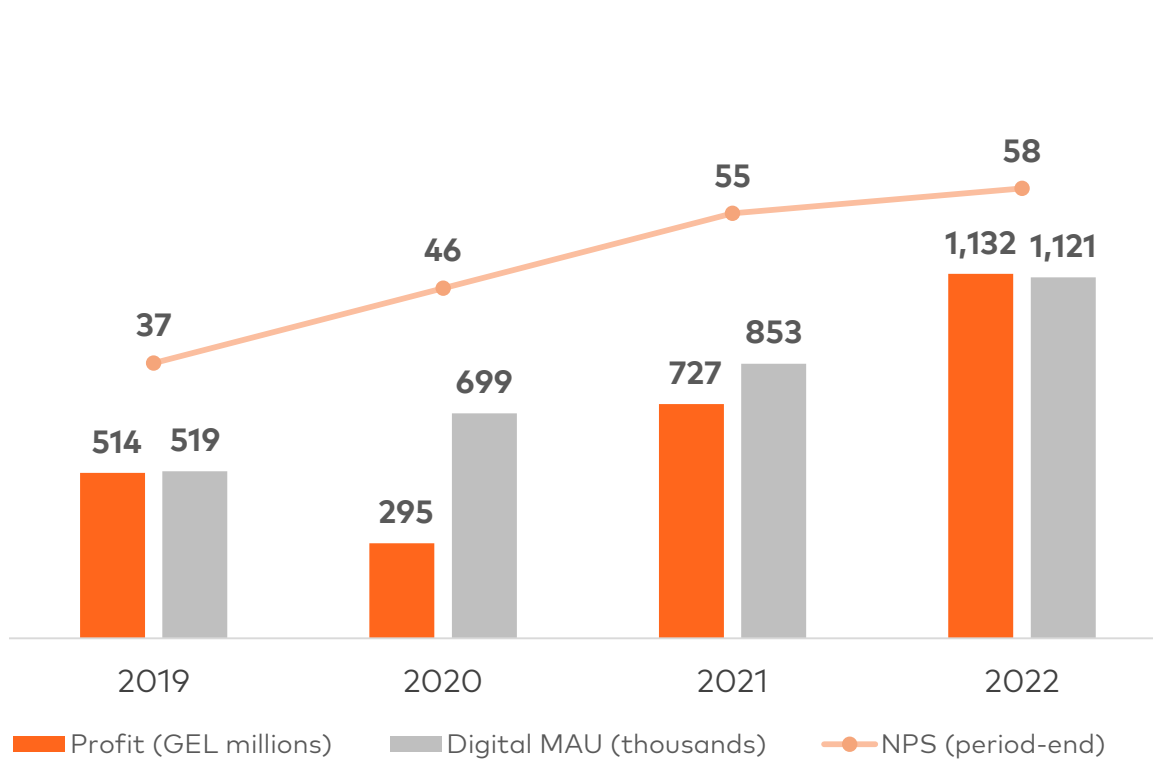
20%+

ROAE

30-50%

Dividend and share buyback payout ratio

Track record of growth and strong performance



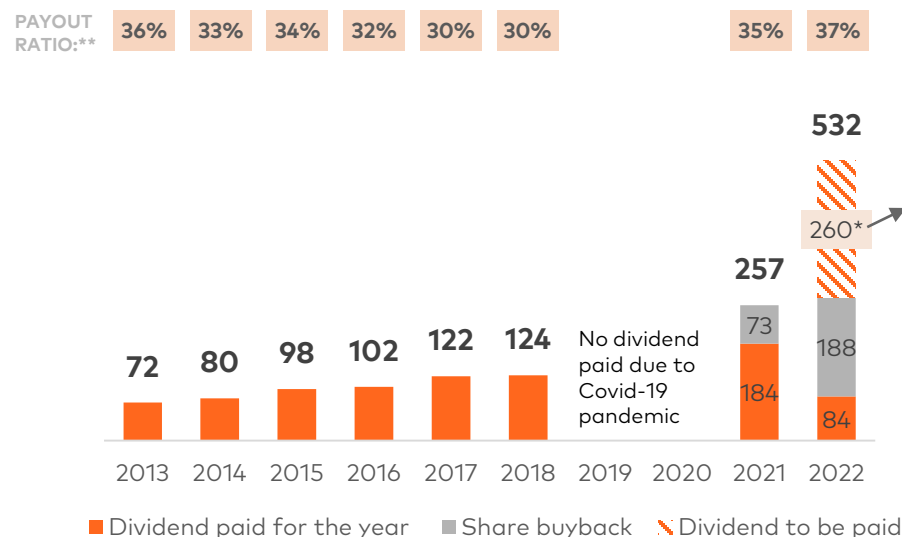
2019 ROAE and profit were adjusted for GEL 14.2m (net of income tax) termination costs of a former CEO and executive management

2022 ROAE and profit were adjusted for a one-off GEL 391.1m other income due 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

Returning capital to shareholders

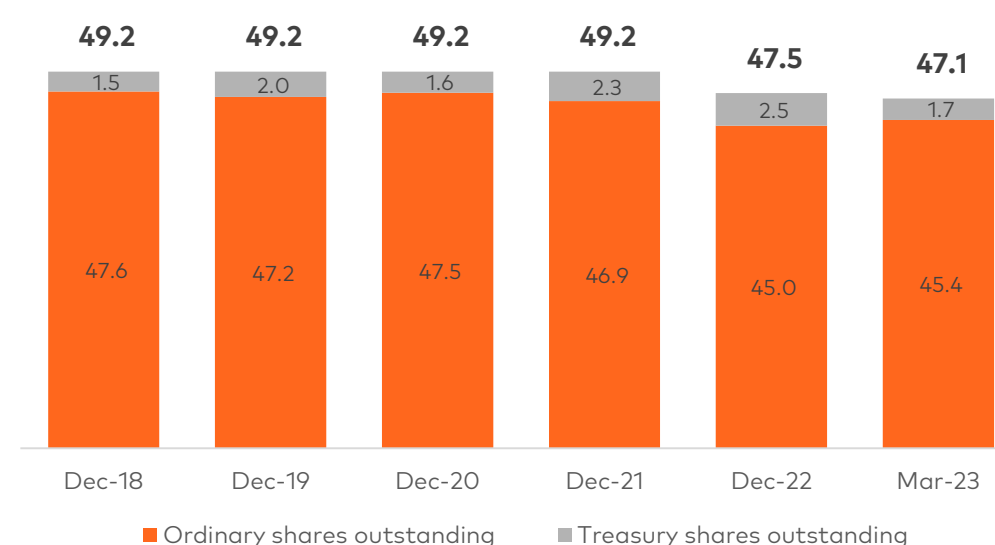
Capital distribution

GEL millions



Number of shares outstanding***

Millions



- On 16 February 2023, the Board announced an increase in the share buyback and cancellation programme **by up to GEL 148 million**
- Since the announcement of the Company's share buyback and cancellation programme on 30 June 2022, the Company has repurchased **2,684,436** shares from which 2,501,936 shares have been already cancelled as of 11 May 2023
- On 14 April 2023, the Company confirmed that a final dividend for financial year 2022 of **GEL 5.80** per ordinary share payable in Pounds Sterling at the prevailing rate would be put to shareholder approval **at the AGM on 19 May 2023**. This would make a total dividend paid in respect of the Group's 2022 earnings of **GEL 7.65 per share**.

*Based on number of shares excluding treasury shares per IFRS as at 11 May 2023

**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

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

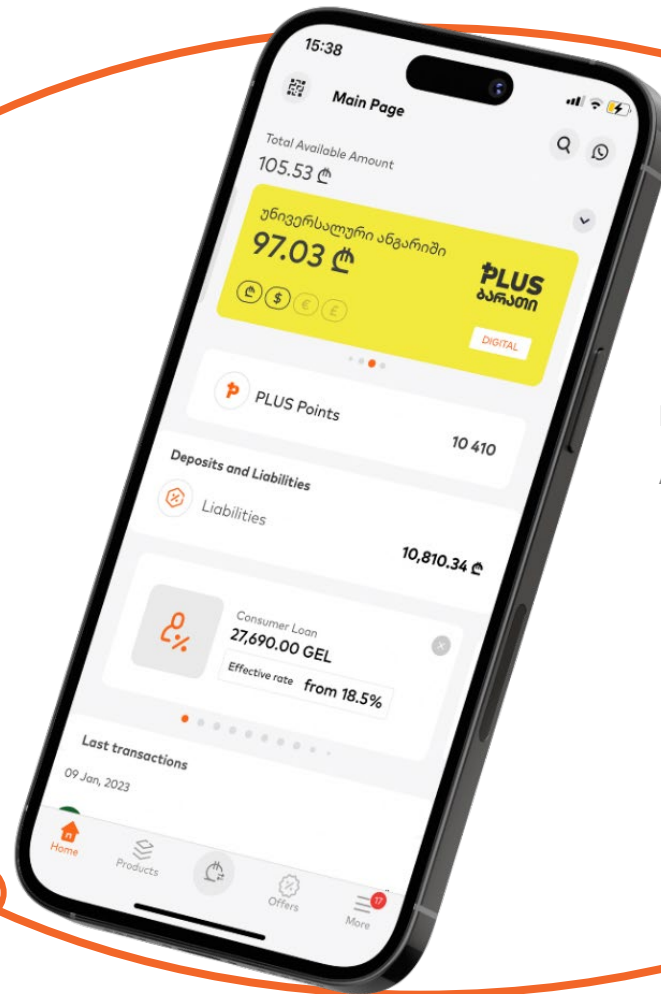
- End-to-end online deposit activation
- Activation of "piggy bank"

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

Personal finance management

- Daily spend view and personal budget management

Play store 4.9/5

App store 4.7/5

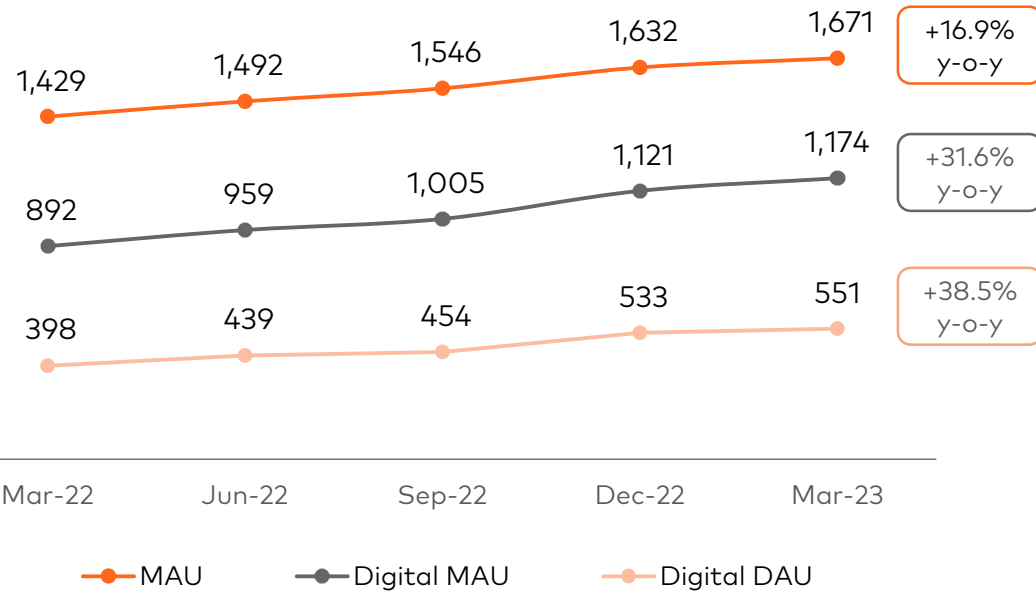
Customer Satisfaction Score 89% in 1Q23 (88% in 1Q22)

Our retail customers are becoming more digital and engaged

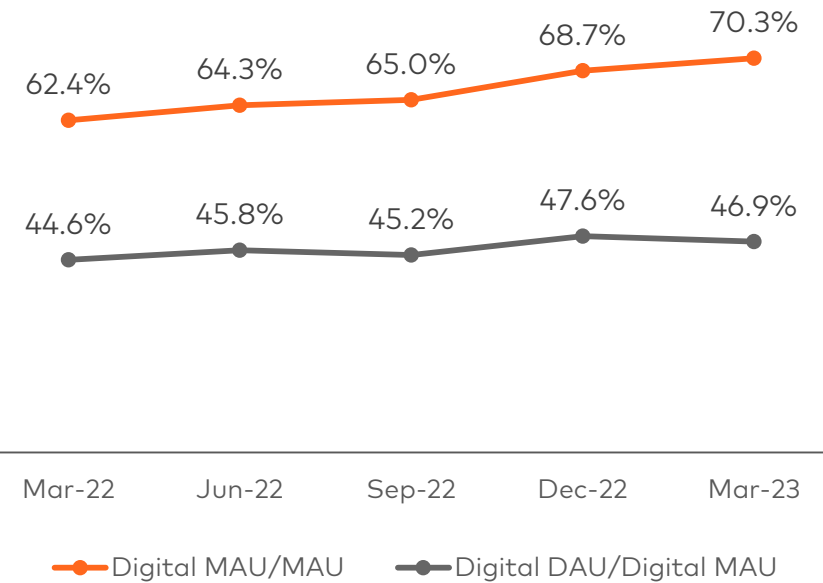
Figures given for JSC Bank of Georgia standalone

Monthly active users (Retail)

thousands



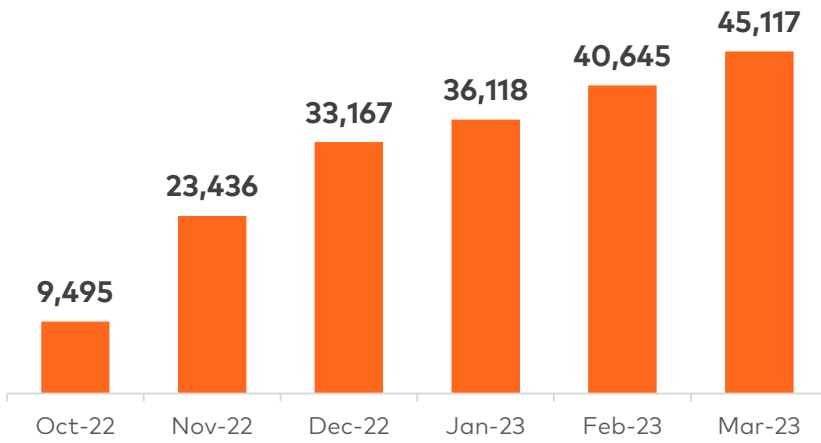
Digital engagement of active customers



sCoolApp | the first financial mobile application for juniors

Figures given for JSC Bank of Georgia standalone

Monthly active digital users



Addressable market

Total available market
414K

Serviceable available market
203K

Serviceable obtainable market
122K

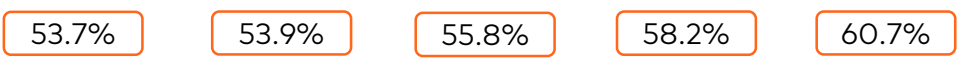
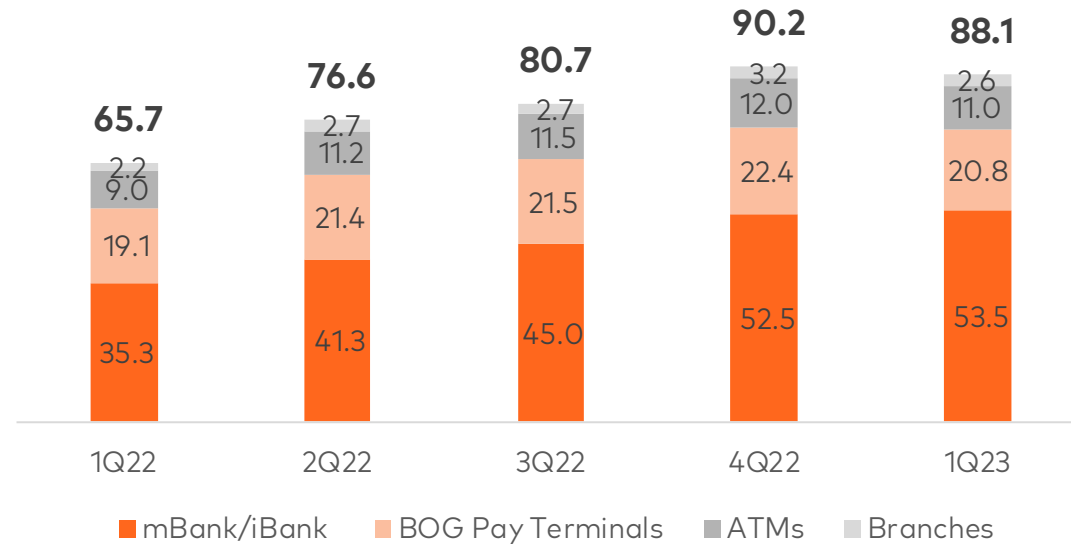


Focusing on increasing sales in digital channels

Figures given for JSC Bank of Georgia standalone

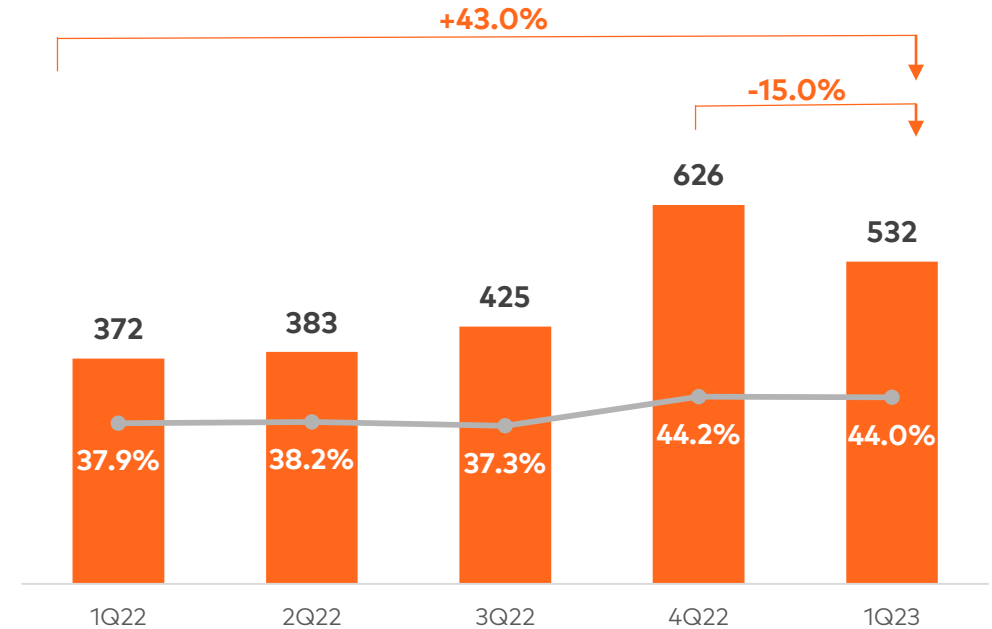
Number of transactions

millions



Product offloading*

thousands



- Deposits digital offloading was **40.8%** in 1Q23, up from **33.7%** in 1Q22
- Consumer loans digital offloading was **79.0%** in 1Q23, up from **66.5%** in 1Q22

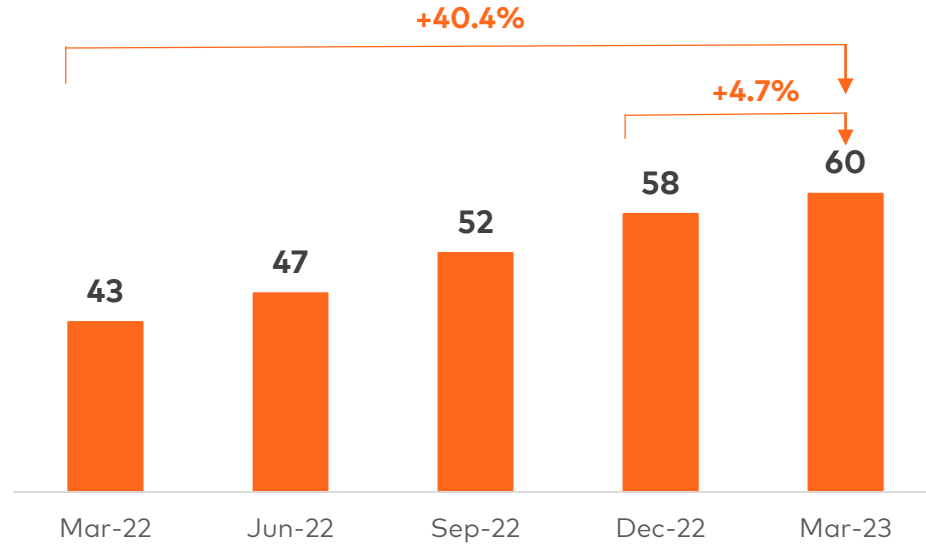
* During the first quarter of 2023, we changed the methodology of calculating product offloading rate by excluding the activation of SMS notifications from the category of a product activation. The previous periods have been restated. Product offloading includes the activation of cards, deposits, and consumer loans, and is calculated by dividing the number of activations of specific products in digital channels by the number of total activations of the same product categories for a given period

Full digital experience for our business customers

Figures given for JSC Bank of Georgia standalone

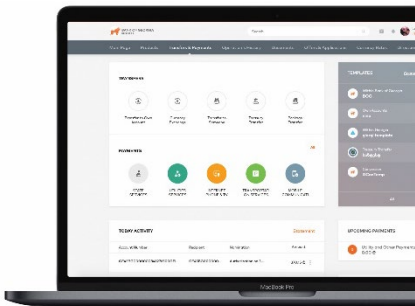
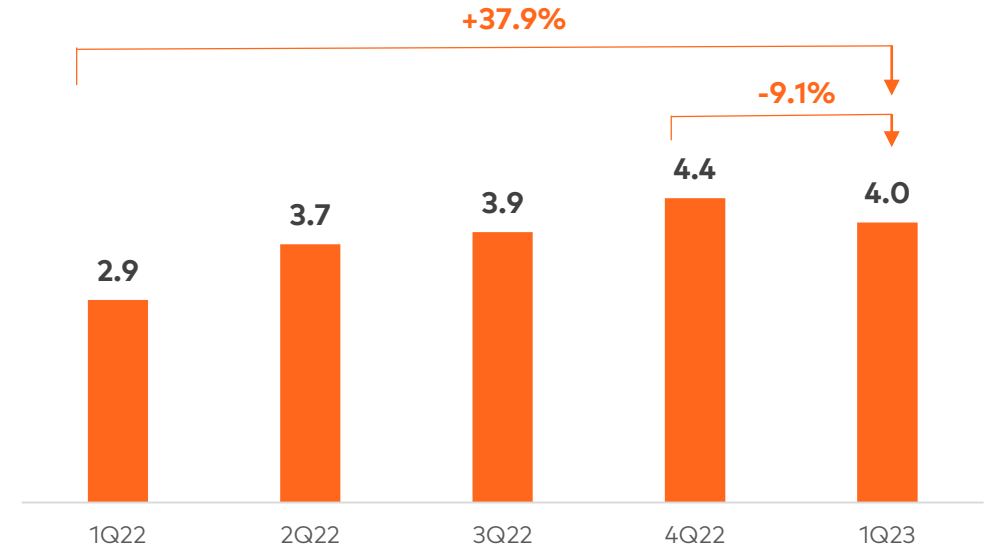
Monthly active digital users

thousands



Number of transactions

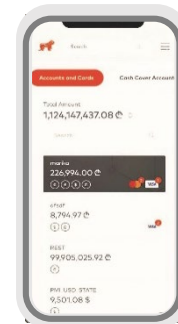
millions



84%

Customer Satisfaction Score (1Q23)

+6 pts y-o-y



86%

Customer Satisfaction Score (1Q23)

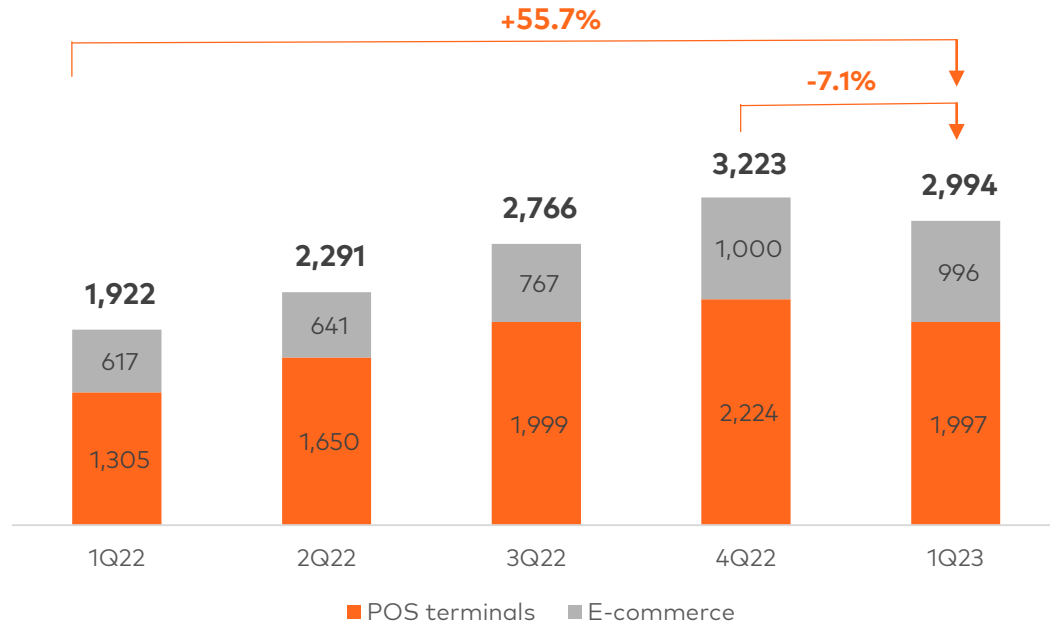
+8 pts y-o-y

Payments business – our daily touch point with customers

Figures given for JSC Bank of Georgia standalone

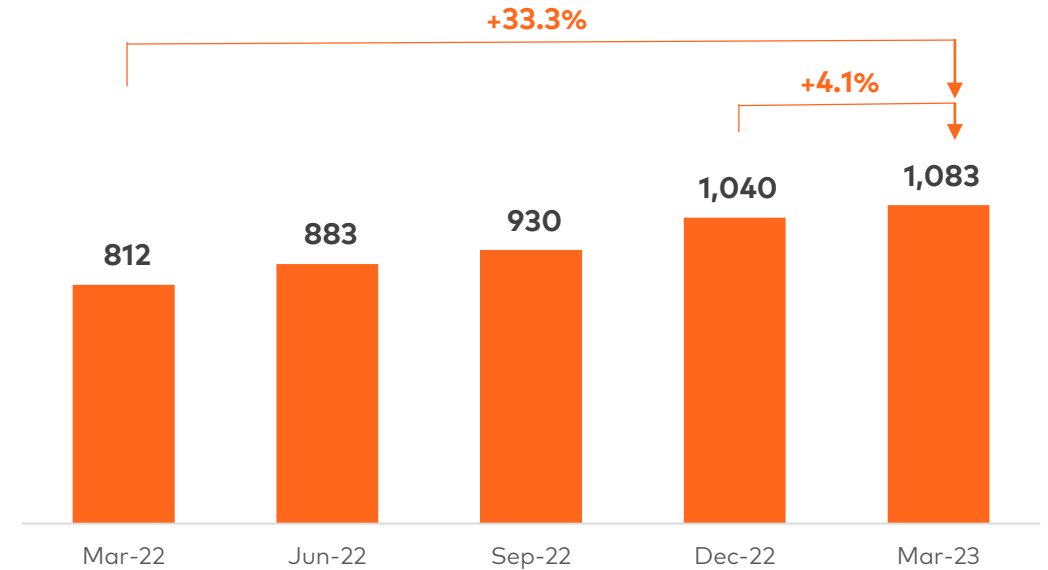
Acquiring - volume of payment transactions

GEL millions



Issuing – payment MAU

thousands



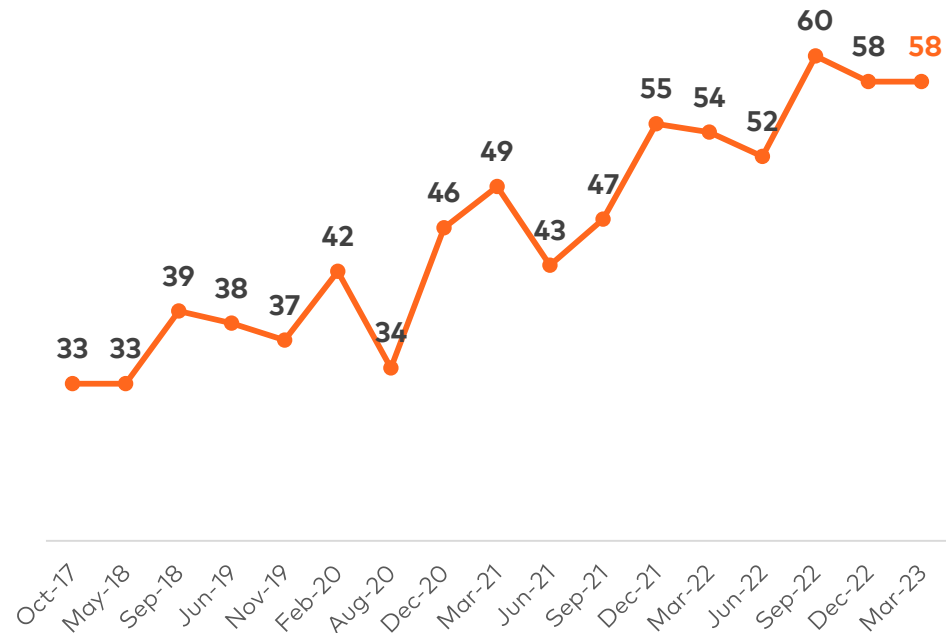
51.9%

Market share by volume of transactions in BOG's
POS and e-commerce | March 2023
+5.7 pts 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

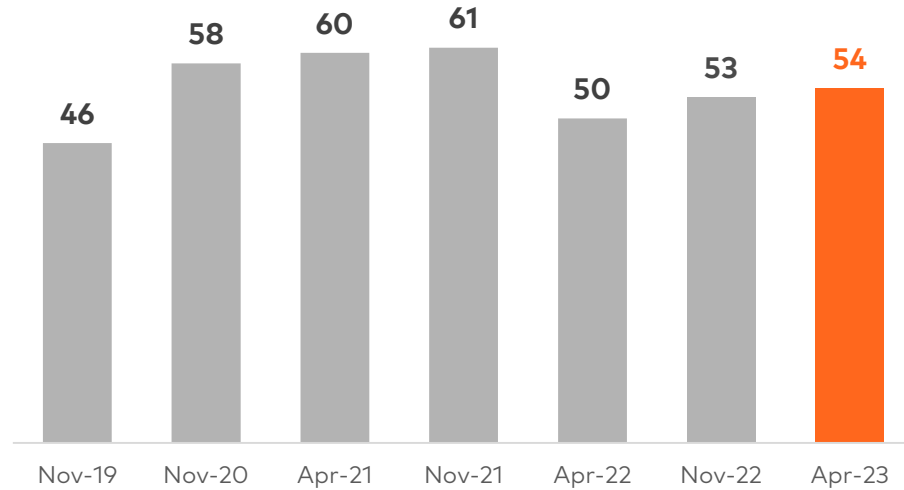
Investing in **technology** to deliver excellent customer experience



* 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

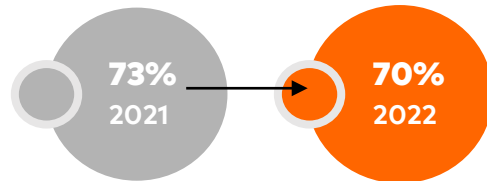
Attracting and developing top talent

Doing business in line with our core values and business principles

Ensuring diversity and equal opportunities in the workplace

Employees are engaged

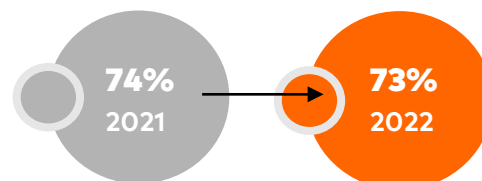
73% High-Performing Organisations Benchmark



67% Banking Industry Benchmark

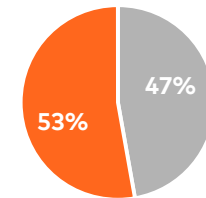
and enabled

73% High-Performing Organisations Benchmark



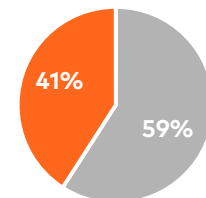
68% Banking Industry Benchmark

Diversity in managerial positions



Men Women

Diversity in senior managerial positions



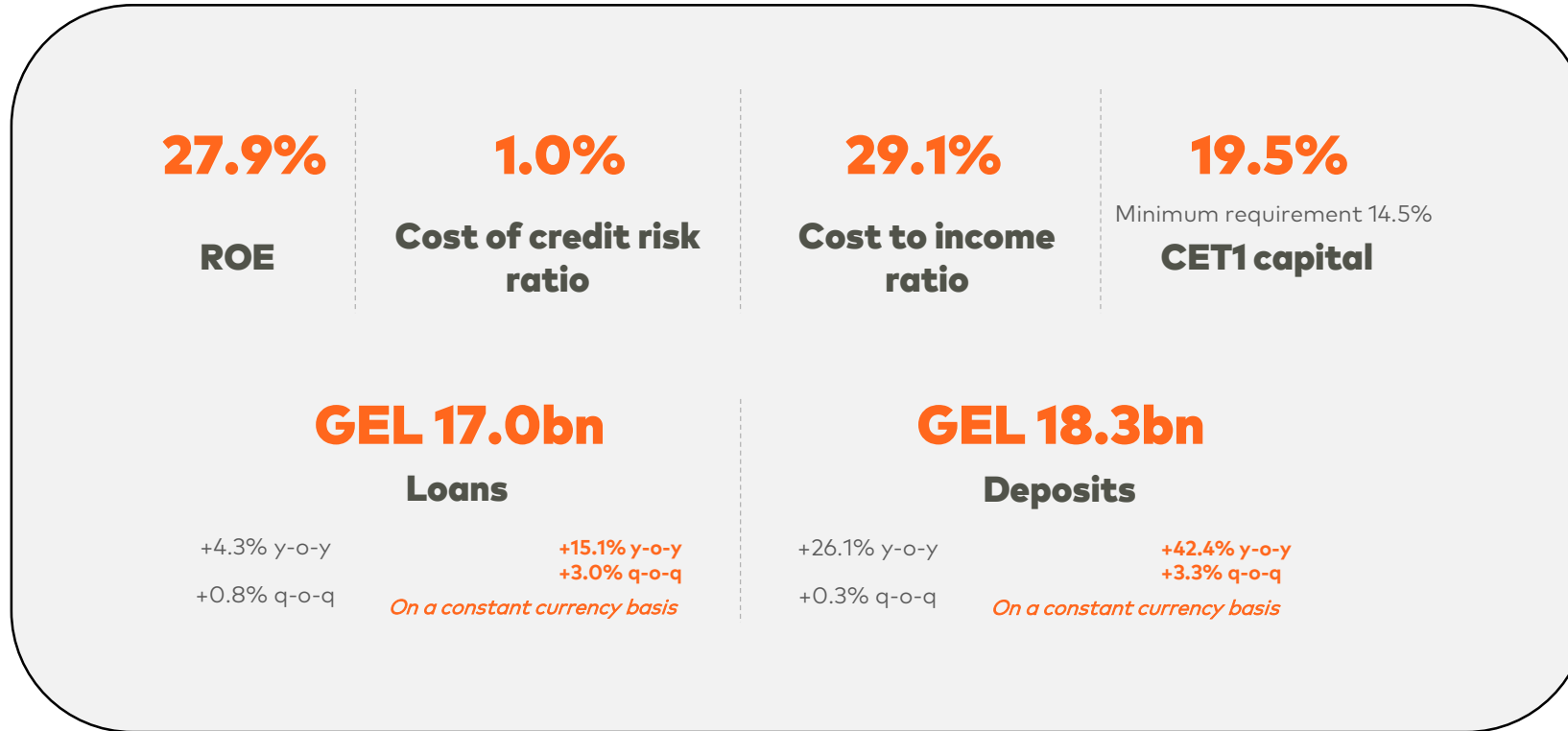
Men Women

As at 31 March 2023

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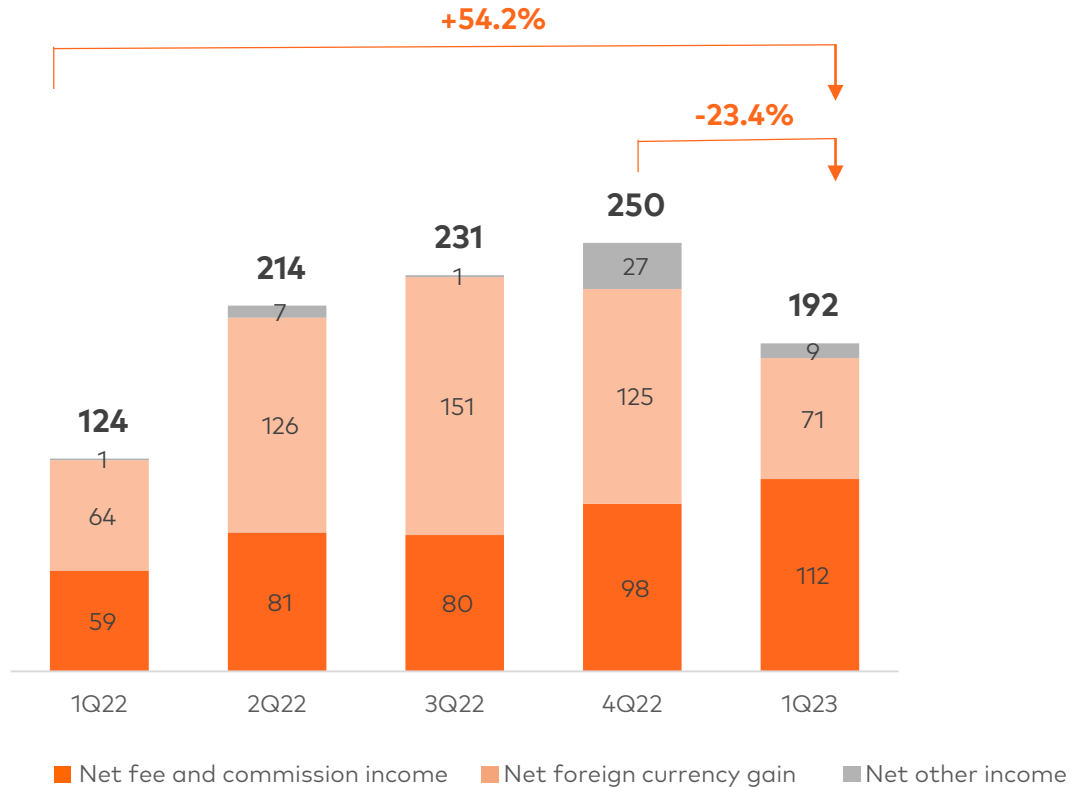
Financial highlights of 1Q23



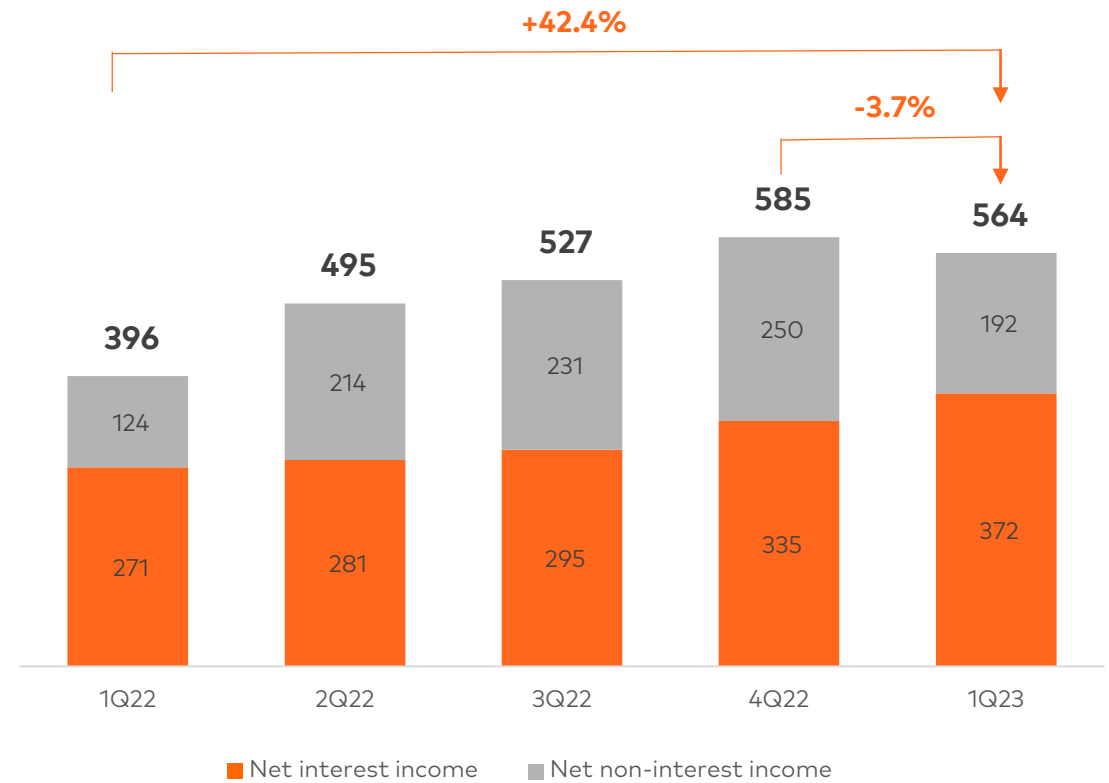
Strong underlying performance

All currency data are in GEL m unless otherwise stated

Net non-interest income*



Operating income*

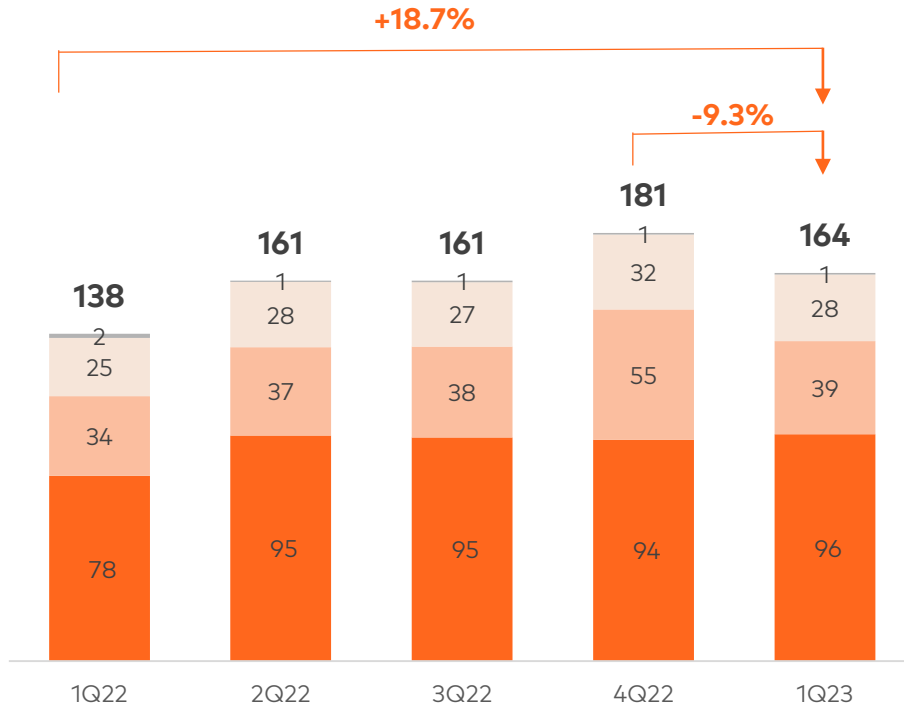


*4Q22 figures adjusted for a one-off GEL 391.1m other income due to the settlement of an outstanding legacy claim

Investing for growth while maintaining the focus on efficiency

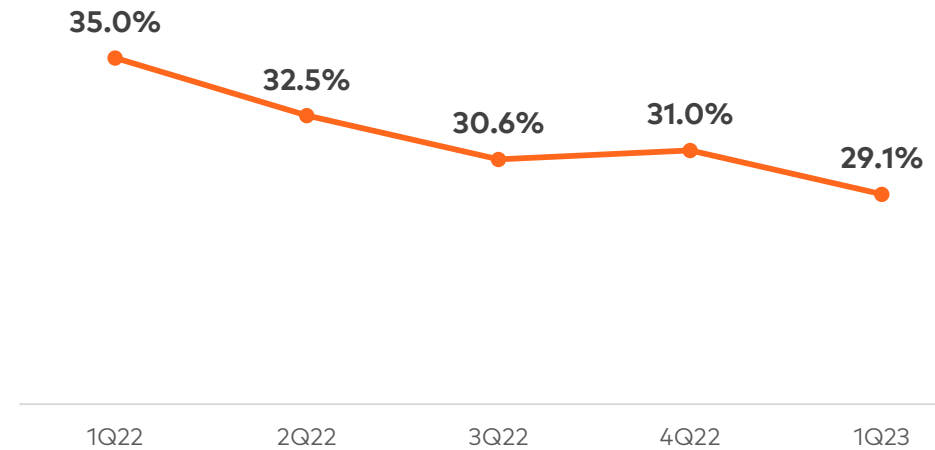
All currency data are in GEL m unless otherwise stated

Operating expenses



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

Cost to income ratio*

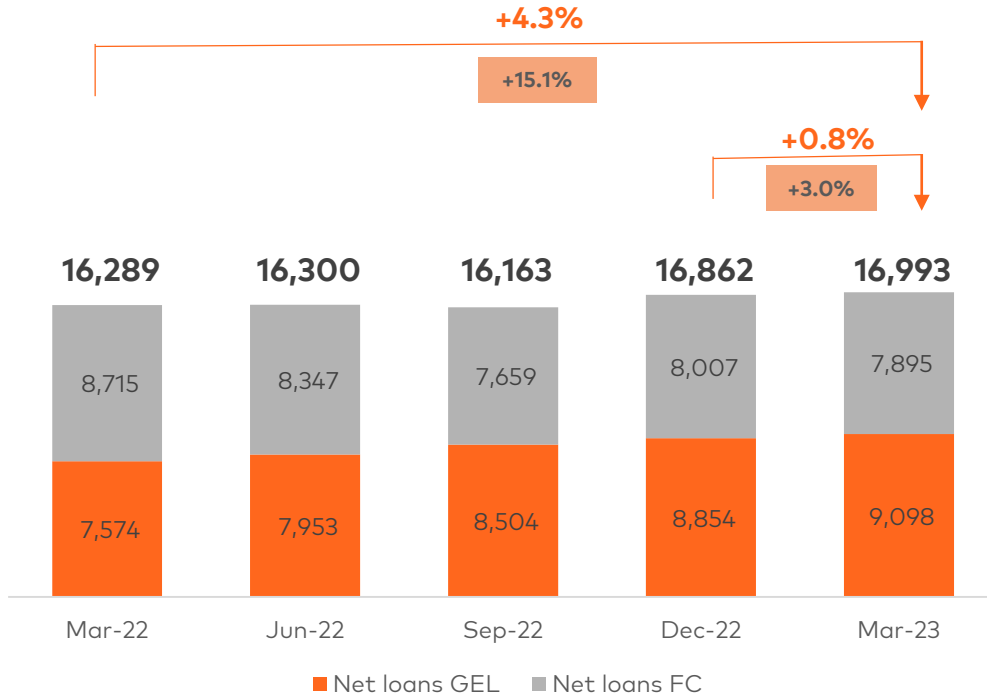


* 4Q22 figure adjusted for a one-off GEL 391.1m of other income due to the settlement of an outstanding legacy claim

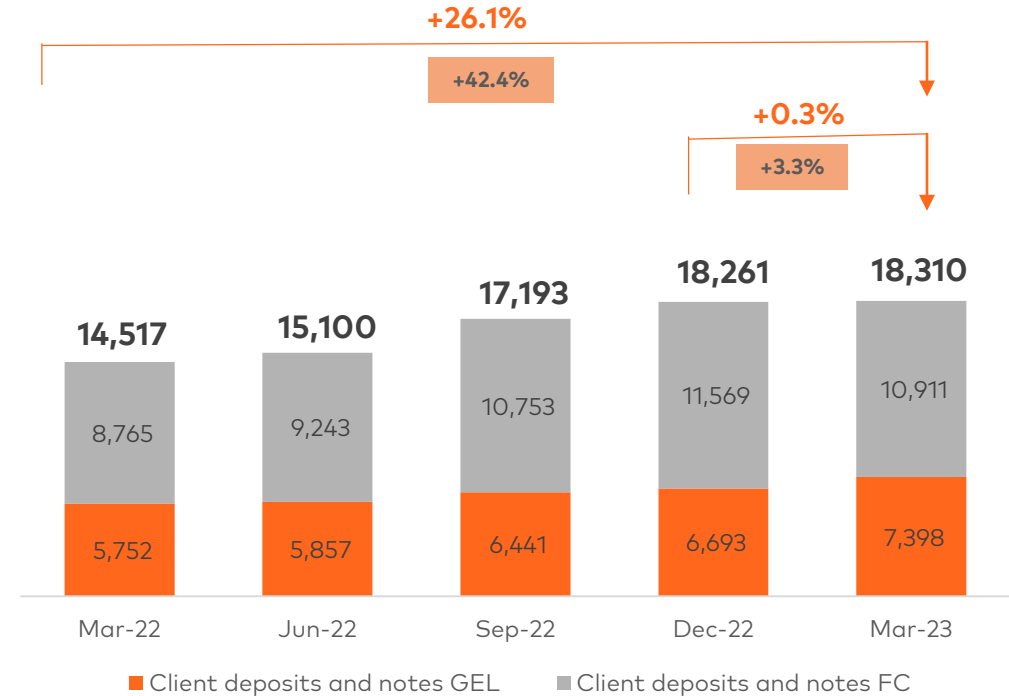
Loan growth picked up, and deposit growth remains strong

All currency data are in GEL m unless otherwise stated

Loan portfolio



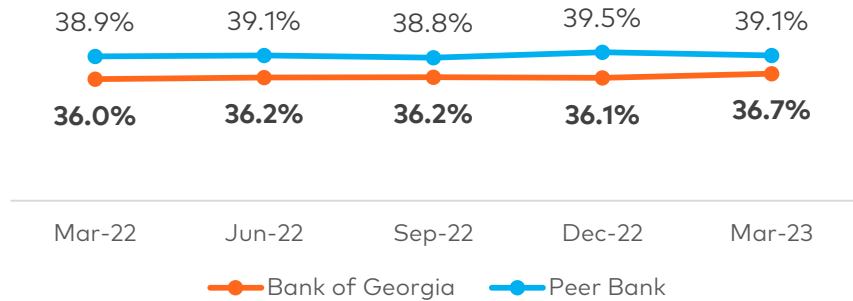
Deposit portfolio



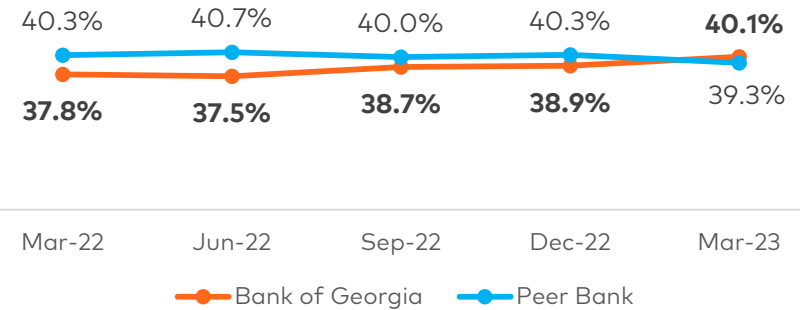
■ Growth on a constant currency basis

Focusing on profitability while maintaining strong competitive positions

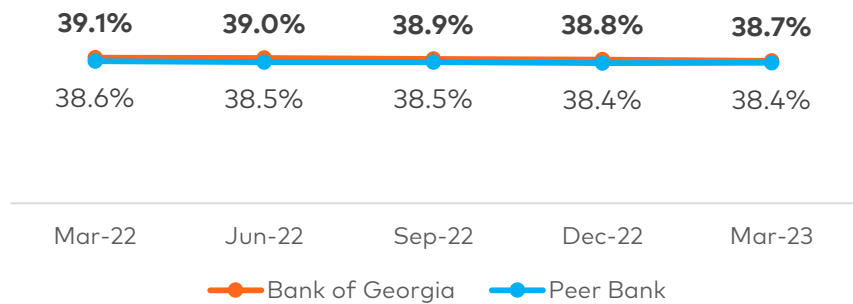
Market share – gross loans



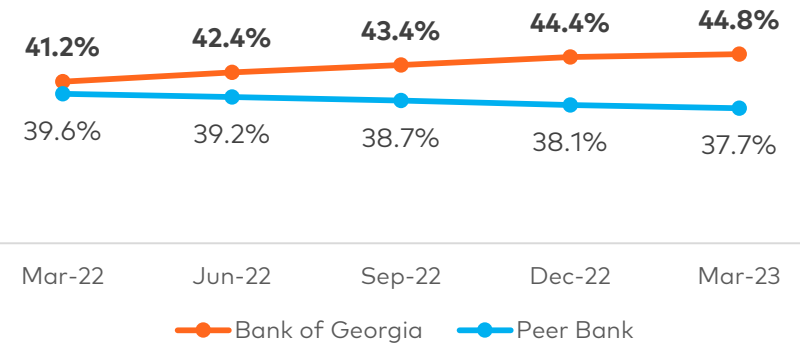
Market share – customer deposits



Market share – loans to individuals

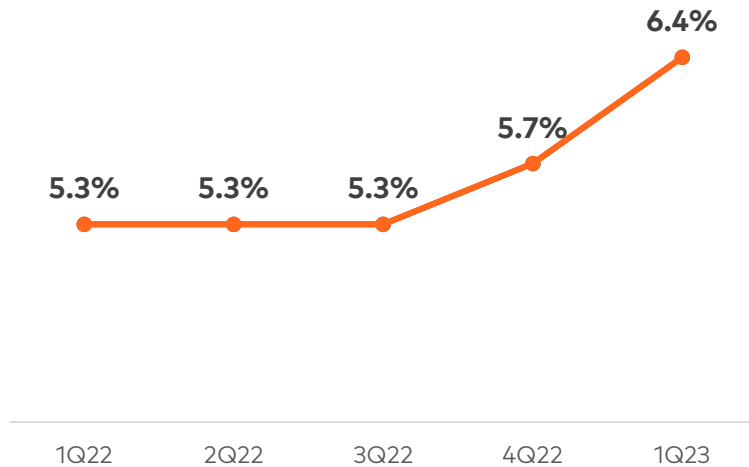


Market share – deposits of individuals

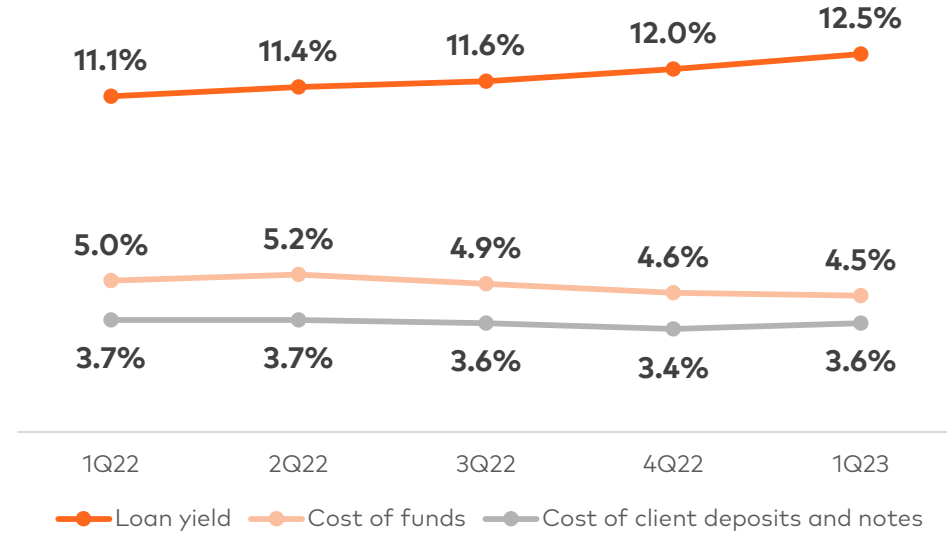


Increase in NIM driven by higher loan yield and lower cost of funds

Net interest margin



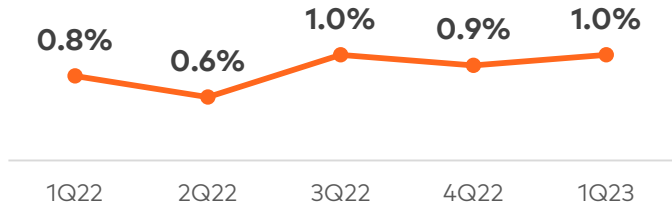
Loan yield, cost of funds, cost of deposits



Healthy loan quality portfolio

All currency data are in GEL m unless otherwise stated

Cost of credit risk ratio



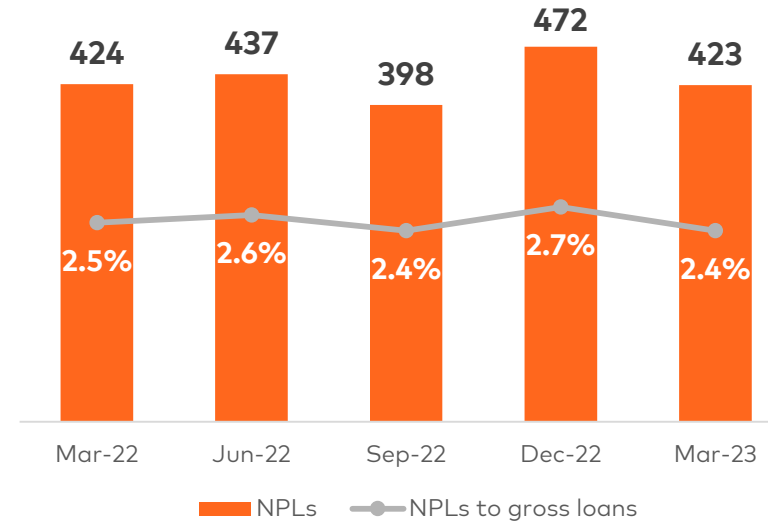
- Cost of credit risk ratio was 1.0% in 1Q23, in line with our normalised through the cycle level
- NPLs to gross loans decreased to 2.4% as at 31 March 2023, mainly driven by reduced NPLs in CIB

Loan portfolio quality

NPL coverage



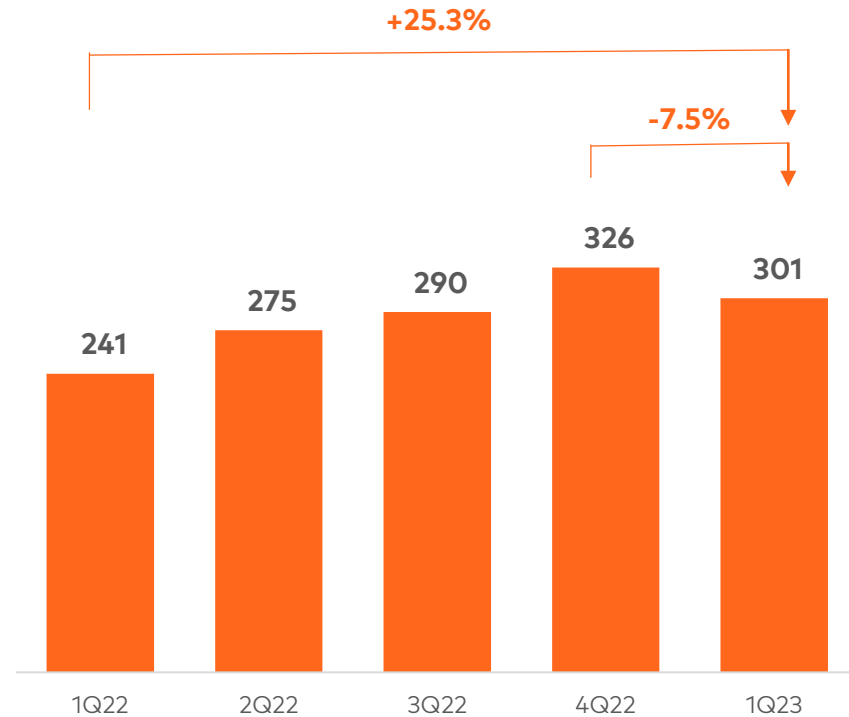
NPL coverage adjusted for the discounted value of collateral



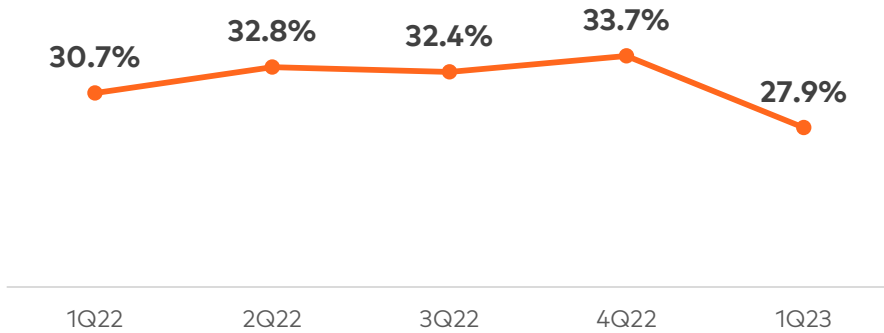
Robust bottom-line growth and profitability

All currency data are in GEL m unless otherwise stated

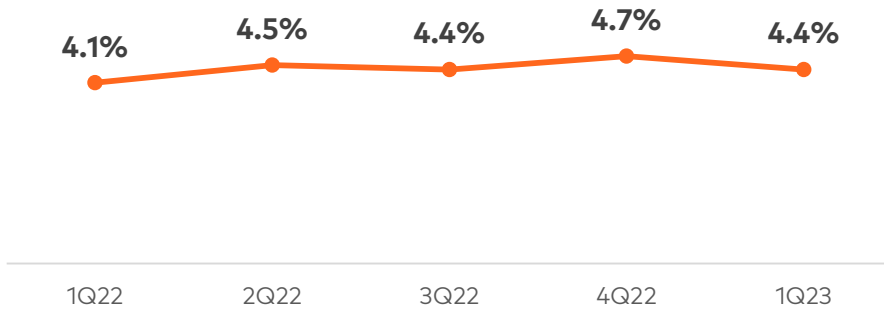
Profit



ROE



ROA



*4Q22 figures adjusted for a one-off GEL 391.1m other income due to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m tax expense due to an amendment to the corporate taxation model in Georgia

Strong capital position at Bank of Georgia

Figures given for JSC Bank of Georgia standalone

Evolution of capital ratios during 1Q23

	31 Dec 2022	1Q23 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	31 March 2023	Minimum requirement (31 Dec 2022)	Potential impact of a 10% GEL devaluation
CET1 capital adequacy ratio	17.7%	1.4%	-0.1%	0.4%	0.0%	0.0%	19.5%	14.5%	-0.9%
Tier1 capital adequacy ratio	19.7%	1.4%	-0.1%	0.4%	0.0%	0.0%	21.4%	16.8%	-0.8%
Total capital adequacy ratio	21.7%	1.4%	-0.1%	0.3%	0.0%	0.0%	23.3%	19.7%	-0.8%

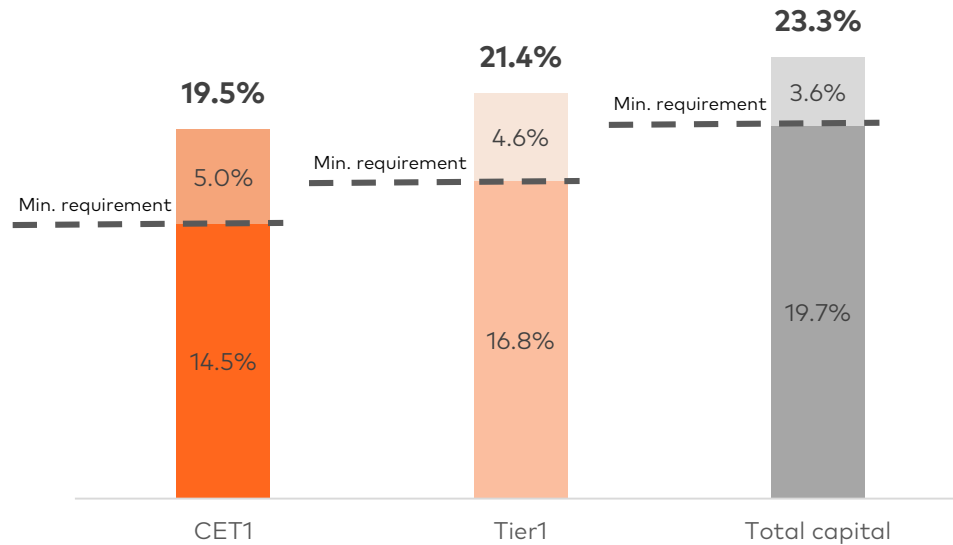
- In January 2023, the NBG transitioned to IFRS-based accounting. For comparability reasons, we present capital ratios as at 31 December 2022 based on IFRS accounting that are presented on a management basis and are not officially approved by the NBG on the basis that they were not mandatory as of December 2022
- 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 capital position *continued*

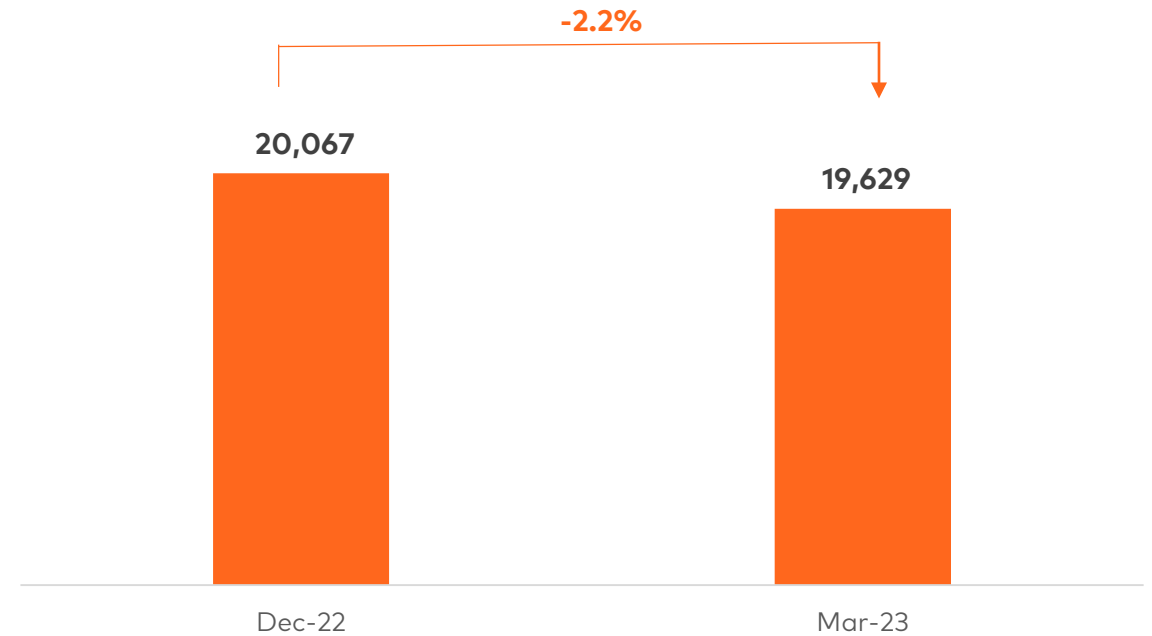
Figures given for JSC Bank of Georgia standalone
All currency data are in GEL m unless otherwise stated

Capital adequacy ratios and minimum requirements

31 March 2023



Risk-weighted assets



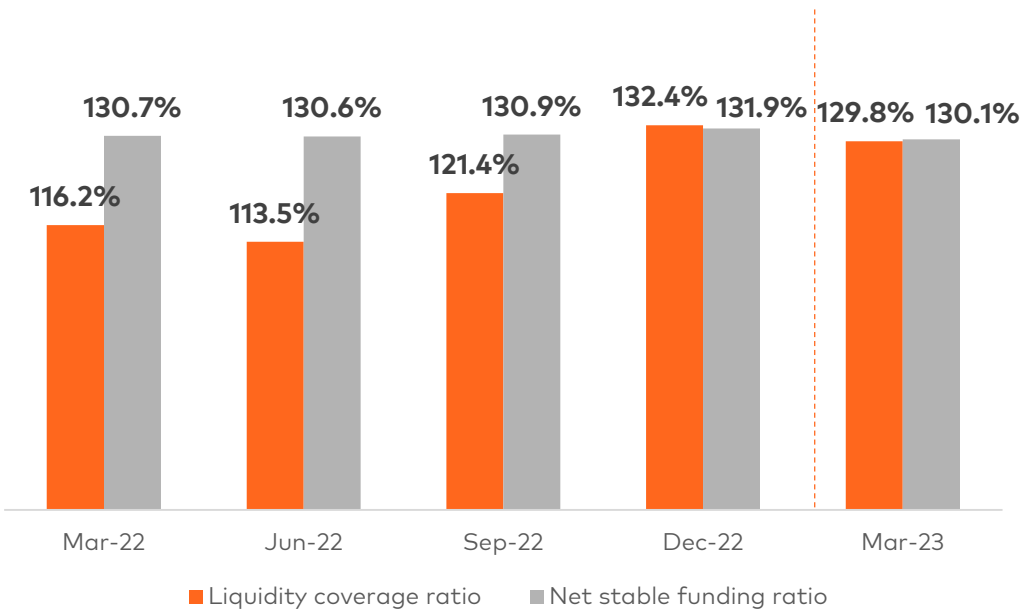
- As at 31 March 2023, the Bank had a 500 bps CET1 ratio buffer
- In addition, the one-off gain of GEL 391.1 million, recorded in the fourth quarter of 2022 has been held at the holding company level and has not affected the Bank's capital ratios

Excellent levels of liquidity

Figures given for JSC Bank of Georgia standalone

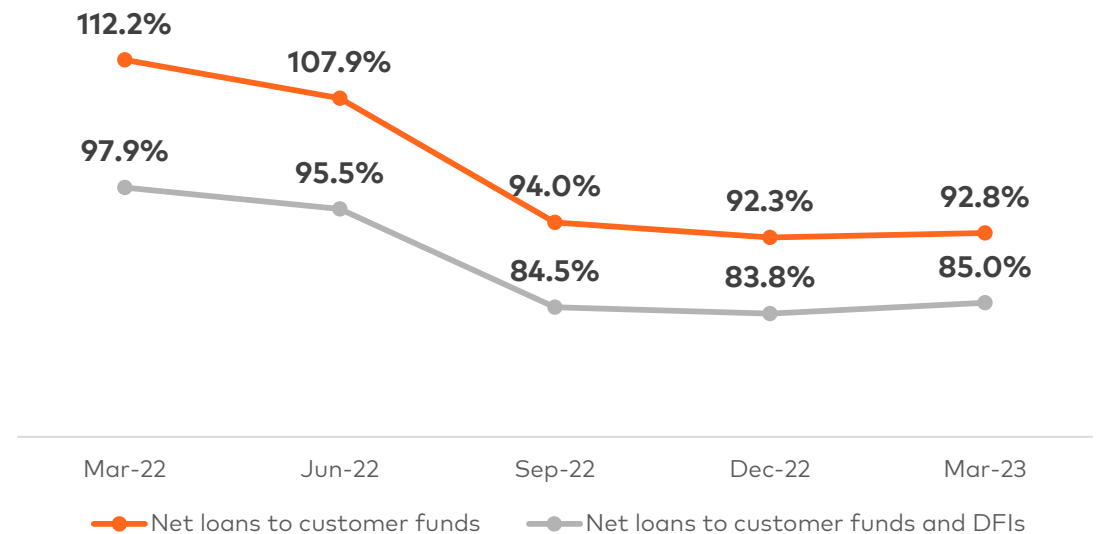
Liquidity coverage and net stable funding ratios

JSC Bank of Georgia standalone (Basel III liquidity)



- Since January 2023, the NBG has transitioned to IFRS-based accounting, and the March 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%

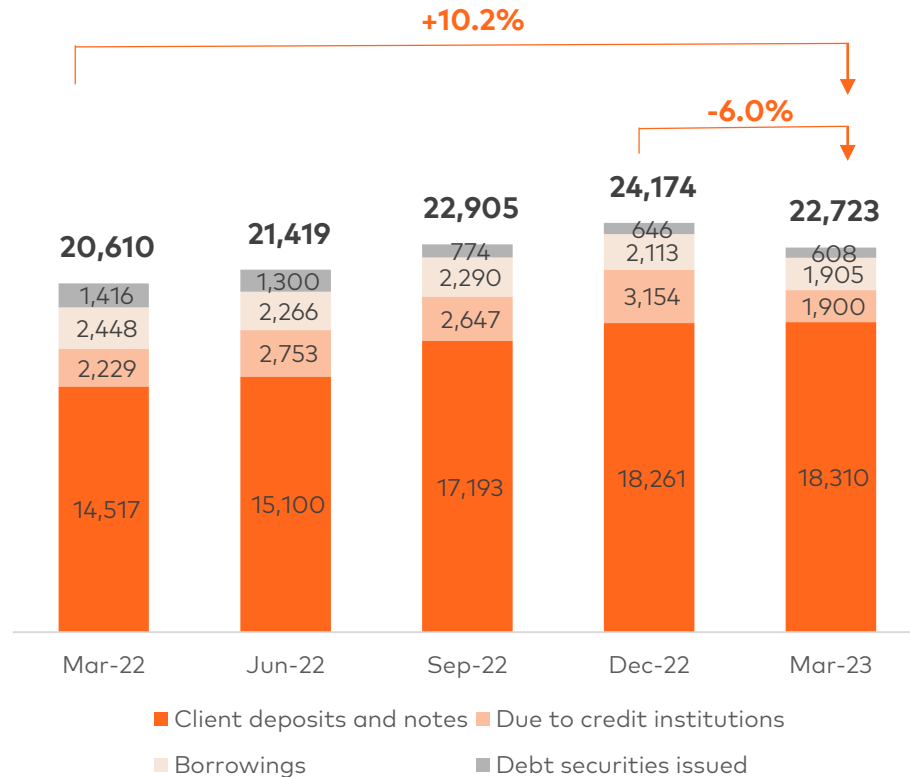
Net loans to customer funds and DFIs



Diversified funding structure

All currency data are in GEL m unless otherwise stated

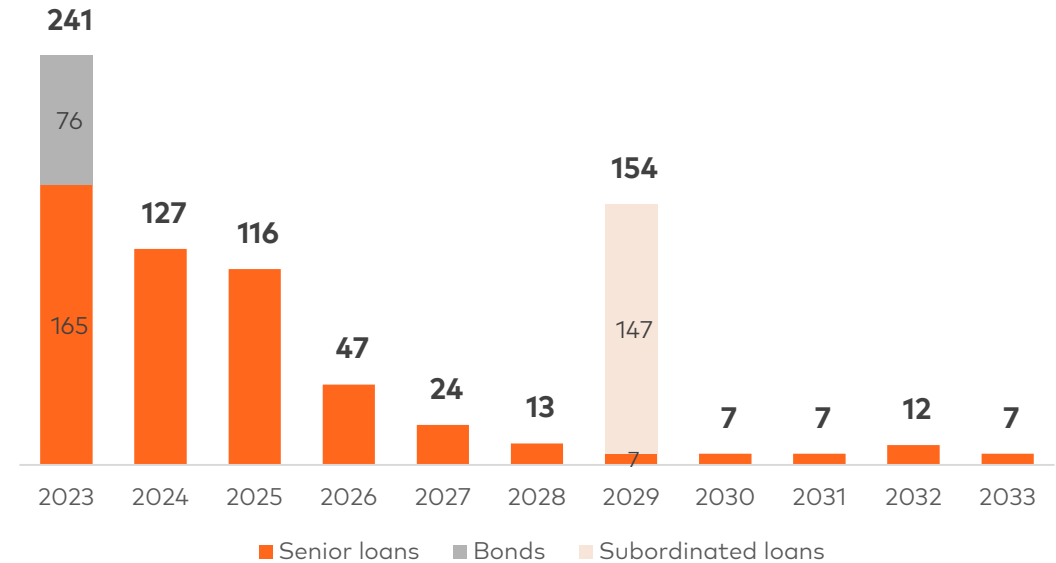
Interest-bearing liabilities



- Client deposits and notes increased to 80.6% of interest-bearing liabilities as at 31 March 2023, compared with 70.4% as at 31 March 2022

Borrowed funds maturity profile (USD, million)*

As at 31 March 2023



- USD 76.2 million Eurobond due 2023 outstanding as at 31 March 2022
- USD 237 million undrawn long-term facilities attracted from DFIs as 31 March 2023
- Strong long-term funding pipeline to secure resources needed for the next 12 months

*Converted at relevant exchange rates as at 31 March 2023

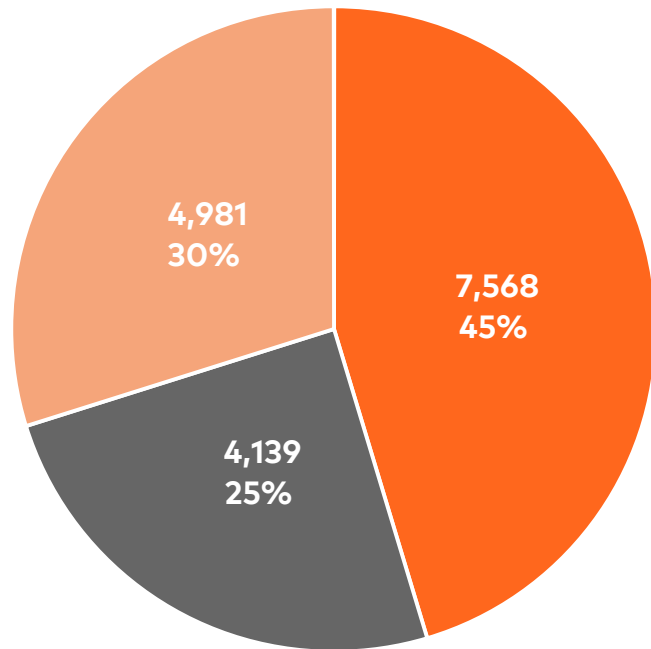
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- | MACROECONOMIC HIGHLIGHTS
- | GROUP OVERVIEW AND STRATEGY
- | 1Q23 RESULTS
- | **APPENDICIES: ADDITIONAL INFORMATION AND SEGMENT RESULTS**

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 31 March 2023

Total gross loans: GEL 16,688m

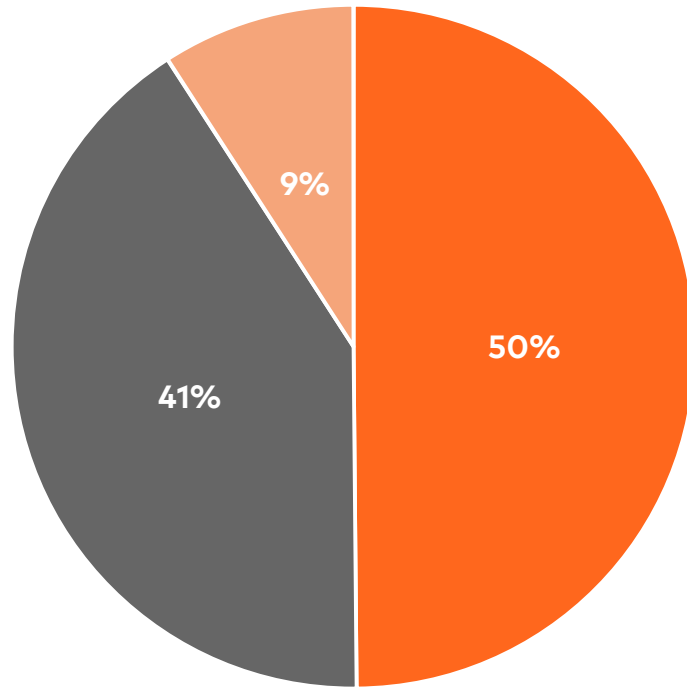
Allowance for ECL: GEL 280m

Total net loans: GEL 16,408m

■ Retail Banking ■ SME Banking ■ Corporate Banking

Retail Banking portfolio by product

Figures given for JSC Bank of Georgia standalone



■ Mortgage loans ■ Consumer loans ■ Other products

As at 31 March 2023

Total gross loans: GEL 7,568m

Allowance for ECL: GEL 176m

Total net loans: GEL 7,392m

Corporate Banking loan portfolio by sector

Figures given for JSC Bank of Georgia standalone

As at 31 March 2023

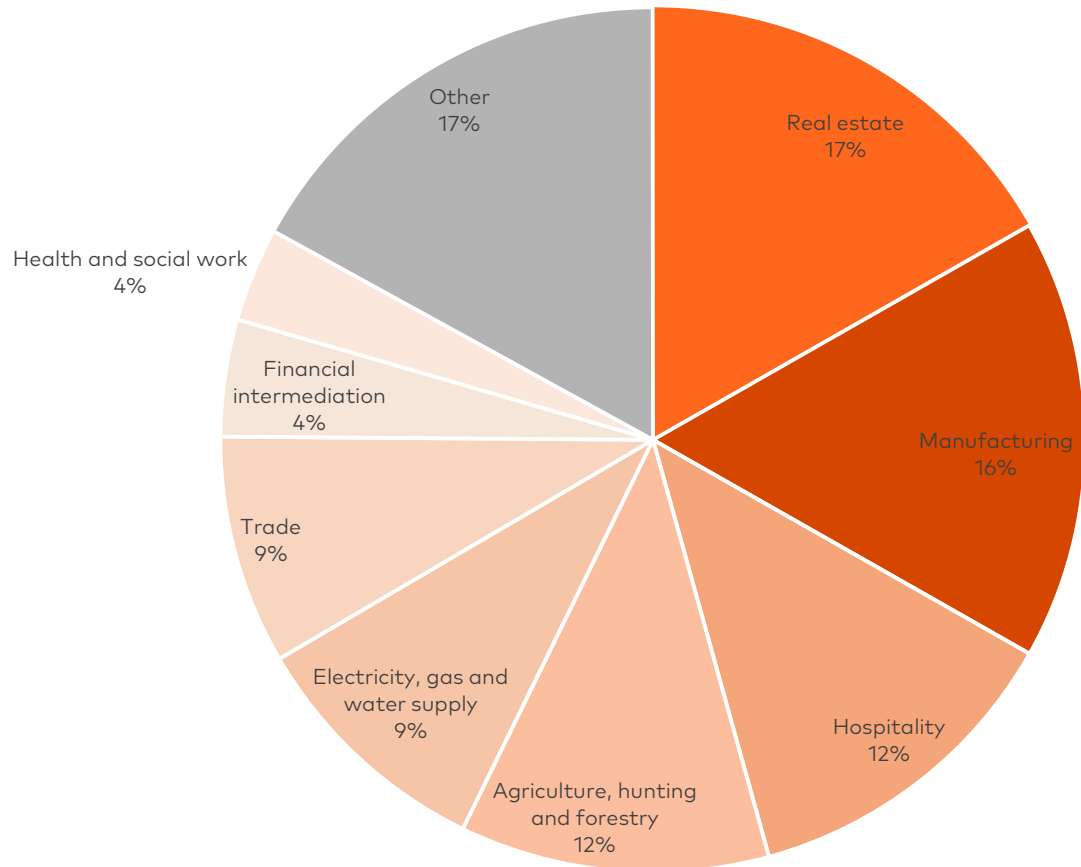
Total gross loans: GEL 4,981m

Allowance for ECL: GEL 56m

Total net loans: GEL 4,925m

Top 10 CB borrowers: 21.0% of CB gross loan book

Top 20 CB borrowers : 32.3% of CB gross loan book



Sectors that represent more than 1% of CB gross loan portfolio: service, mining and quarrying, transport and communication, construction

Borrowers and FX risk

% is given for Bank of Georgia standalone gross loan portfolios

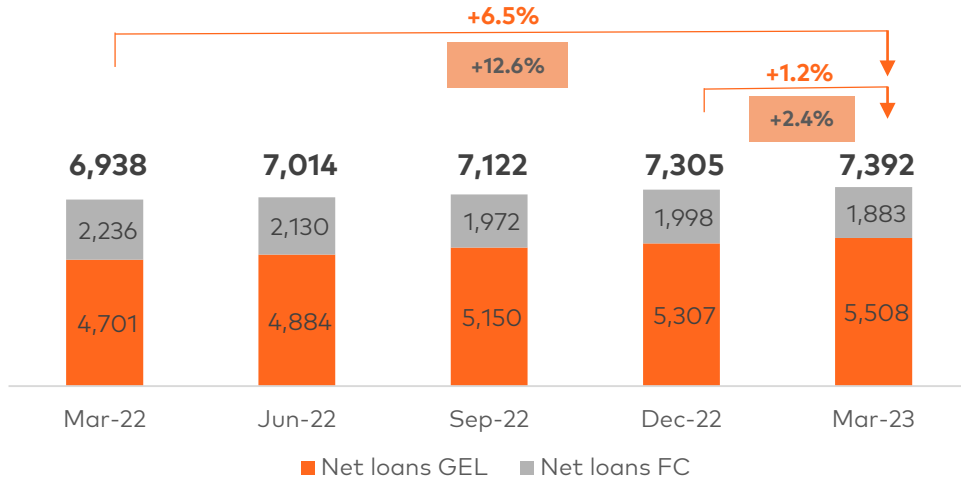
	FC loans exposed to FX risk* (% of segment portfolio)	FC loans with no exposure to FX risk (% of segment portfolio)
Retail Banking	18.9%	6.1%
Mortgages	15.0%	4.6%
Consumer loans	3.7%	1.5%
SME Banking	42.5%	1.4%
Corporate Banking	31.6%	42.4%
Total	28.6%	15.8%

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

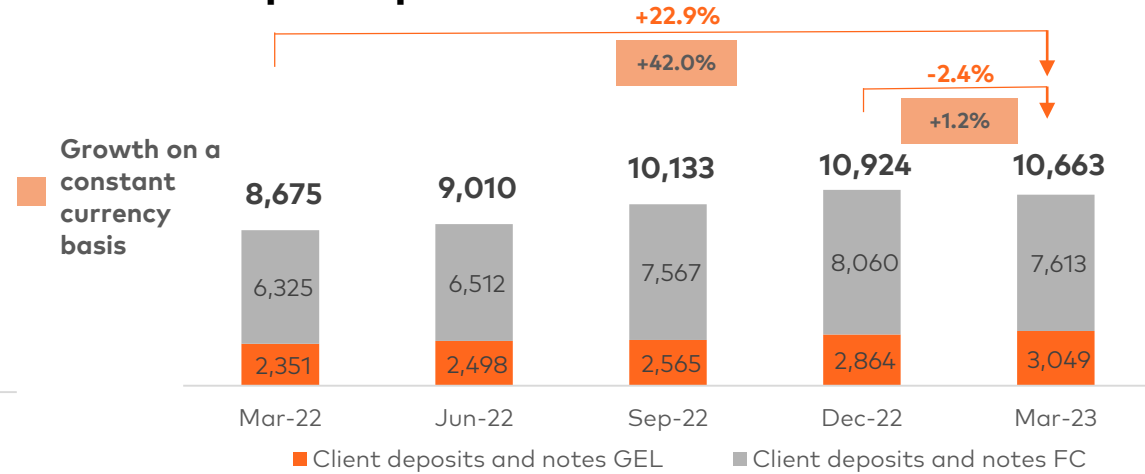
Retail Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

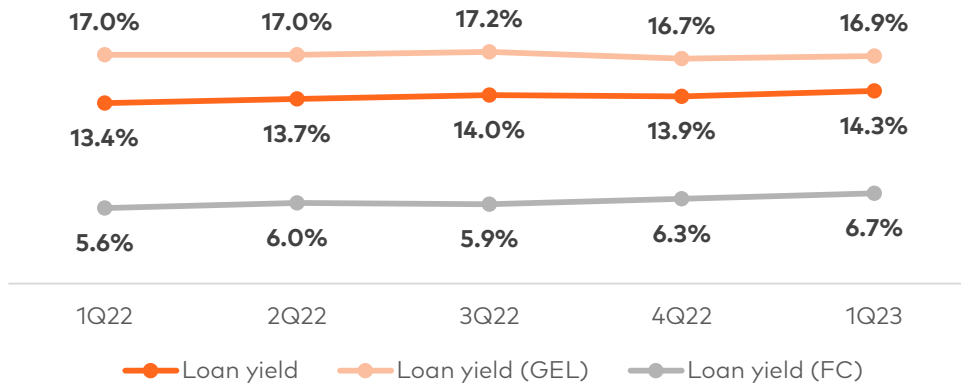
Loan portfolio



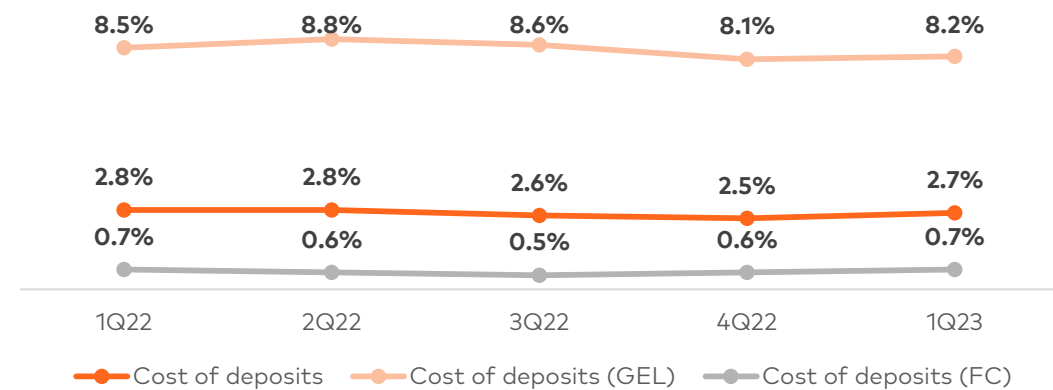
Deposit portfolio



Loan yield



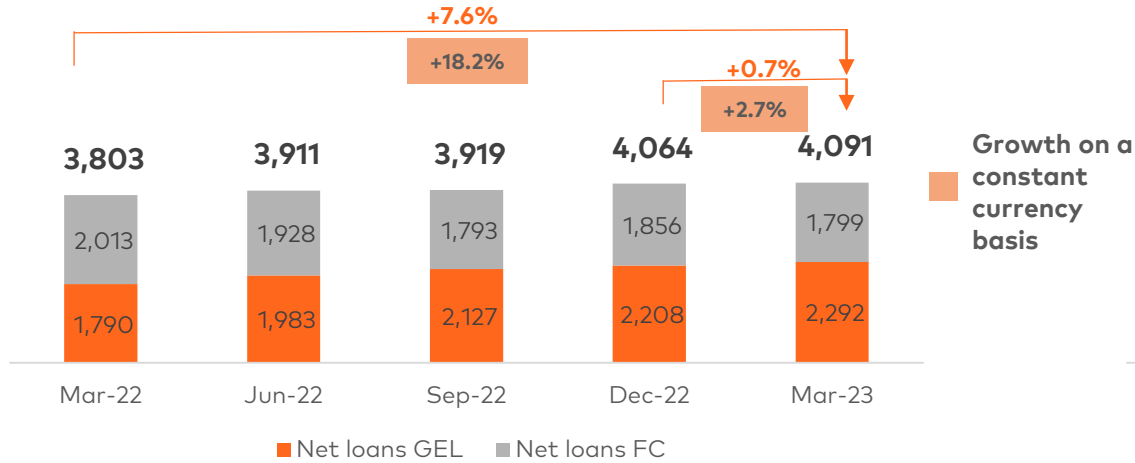
Cost of deposits



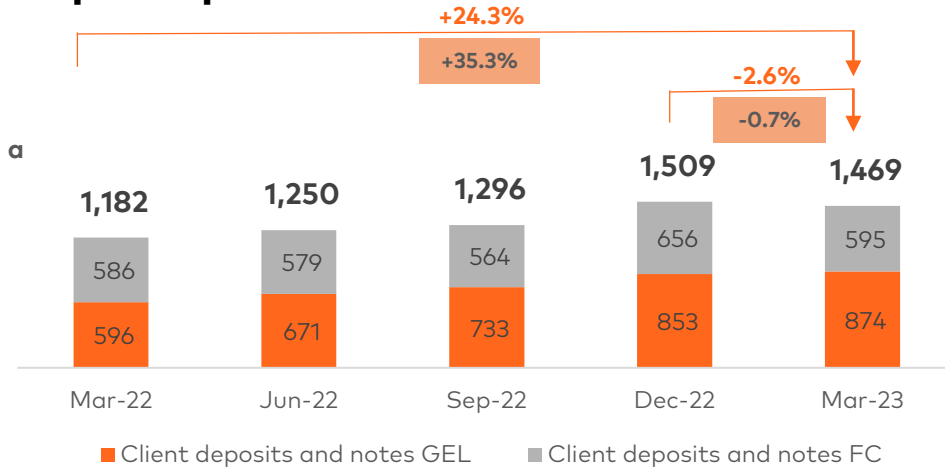
SME Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

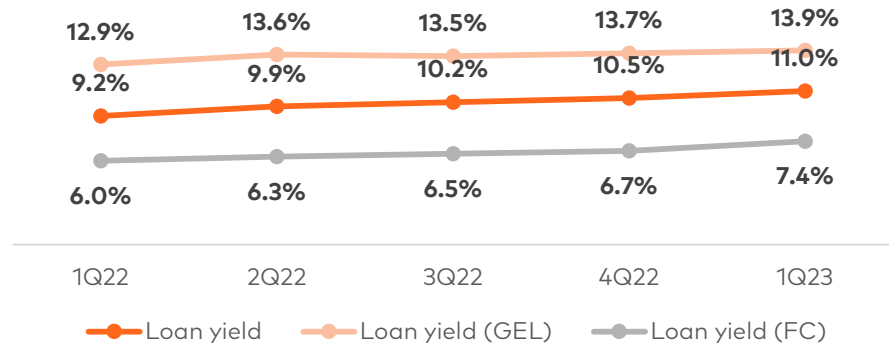
Loan portfolio



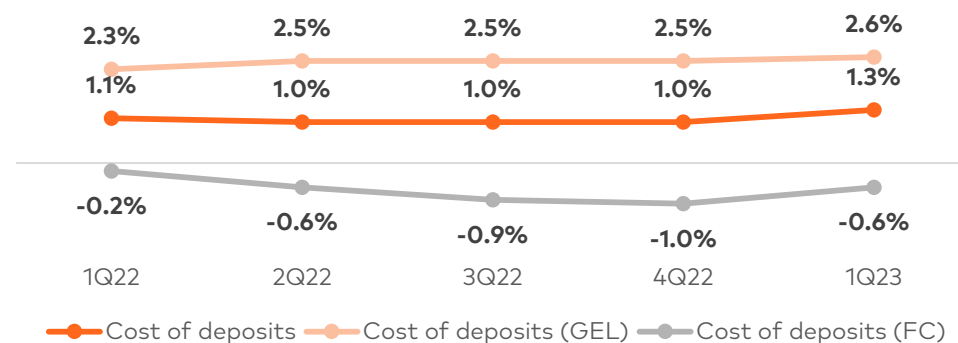
Deposit portfolio



Loan yield



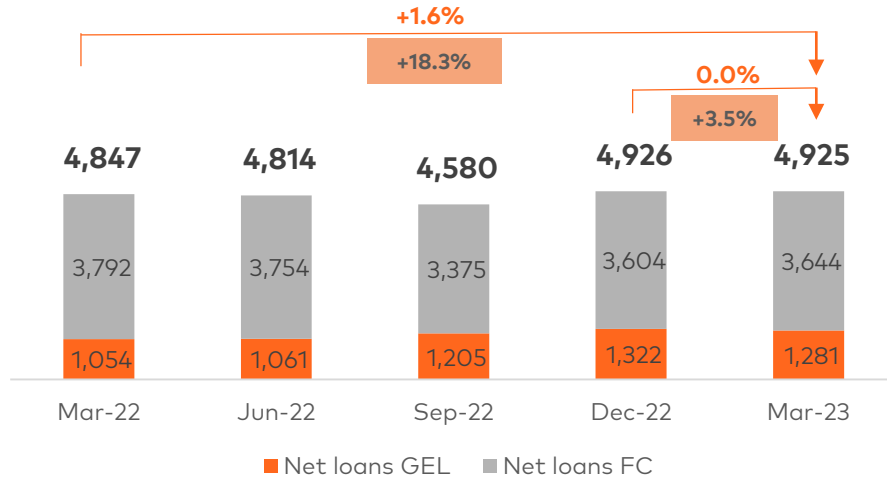
Cost of deposits



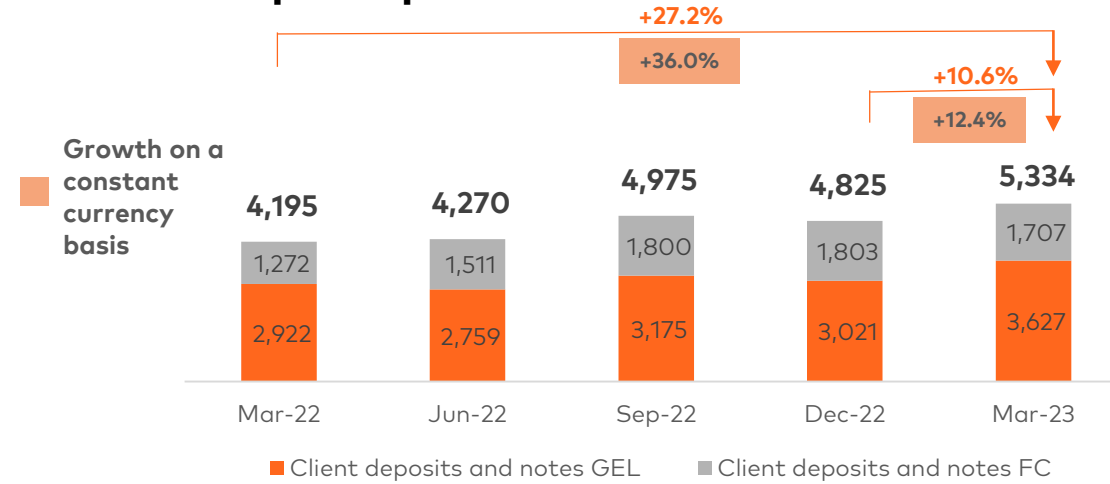
Corporate Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

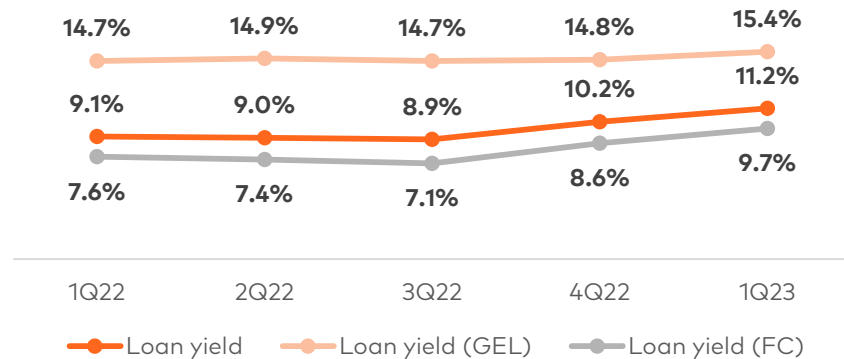
Loan portfolio



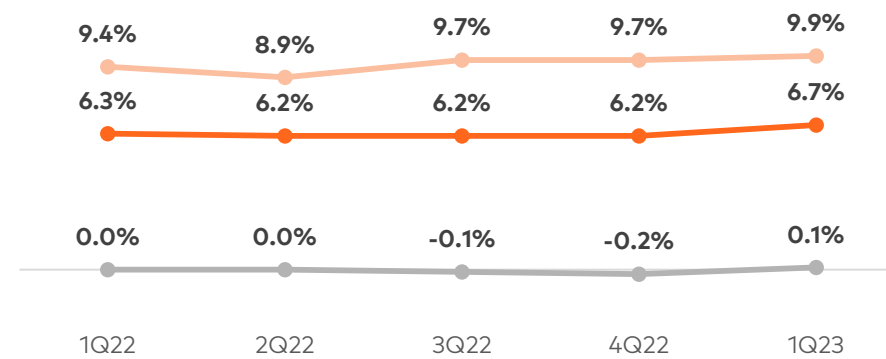
Deposit portfolio



Loan yield



Cost of deposits



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▮ APPENDICIES: CORPORATE GOVERNANCE AND ESG

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

Top 10 shareholders*

31 March 2023

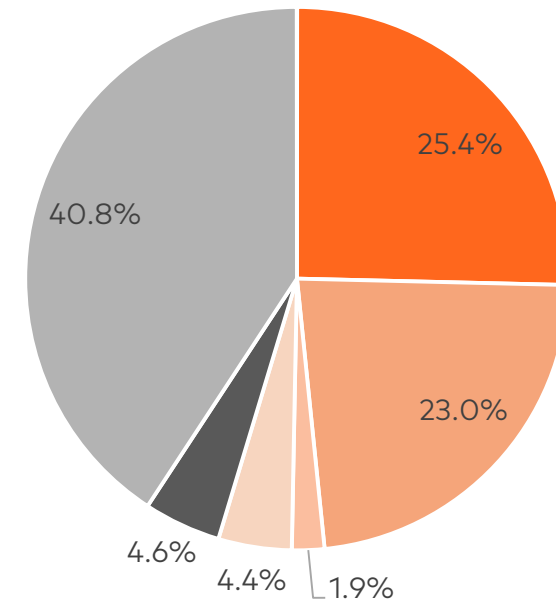
	Shareholder name	Ownership
1	JSC Georgia Capital**	20.3%
2	M&G Investment Management Ltd	4.4%
3	Dimensional Fund Advisors (DFA) LP	4.1%
4	BlackRock	3.8%
5	Vanguard	3.7%
6	Fidelity	3.0%
7	Van Eck Associates Corporation	2.7%
8	JP Morgan	2.6%
9	Gemsstock	2.5%
10	Harding Loevner LP	2.2%

* 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

31 March 2023



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

** Includes the 20.3% shareholding of JSC Georgia Capital

Board of Directors – governance which facilitates sustainable value creation



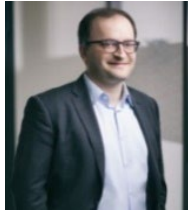
Mel Carvill, Non-Executive Chair

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.



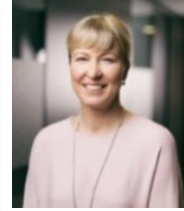
Cecil Quillen, Independent Non-Executive Director

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, the 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

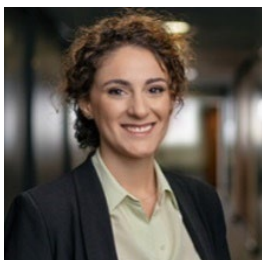
Nationalities

Diverse and experienced management team creating opportunities



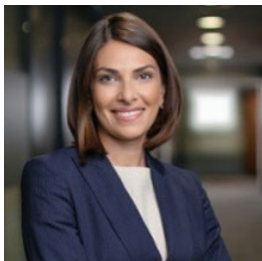
Archil Gachechiladze, Chief Executive Officer

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 charter holder.



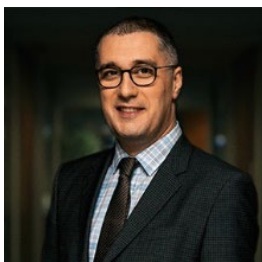
Nutsa Gogilashvili, Deputy CEO*, Head of Mass Retail Banking

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.



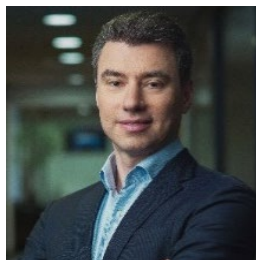
Zurab Kokosadze, Deputy CEO, Corporate and Investment Banking

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.



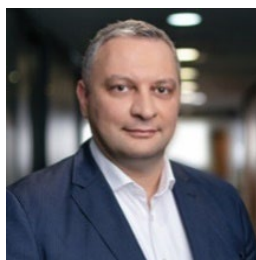
Sulkhan Gvalia, Deputy CEO, Chief Financial Officer

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

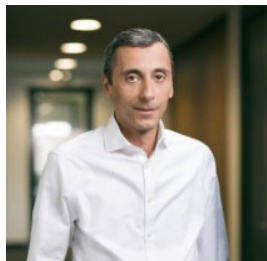
With the Group since 2015. Previously, Head of Express Business, Head of MSME Business, Head of Retail Business at the Bank. Prior to joining the Group, held several positions in international organisations - EBRD, World Bank, GTZ, served as Deputy Chairman of the Board of Directors at PrivatBank. Holds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



David Davitashvili, Deputy CEO, Information Technology

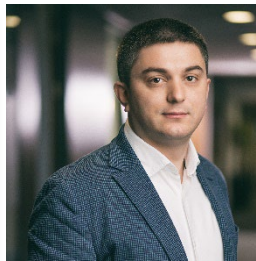
With the Group since 2006. Appointed as Deputy CEO in charge of data analytics and information technology in August 2022. Previously, held various senior positions, including as Deputy Chief Operating Officer and Head of Internal Audit. Holds an undergraduate and master's degrees in management and microeconomics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



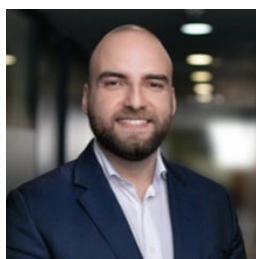
Vakhtang Bobokhidze, Co-director of International Business

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.

Delivering social impact

Our impact focus areas	Financial inclusion	Employee empowerment	Education in communities
Objectives	To use the power of technology and product innovation to drive digital financial inclusion in Georgia	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	To give more school students in Georgia access to quality educational infrastructure and opportunities
Material topics	<ul style="list-style-type: none"> Customer satisfaction Customer protection Financial inclusion and empowerment Product innovation Information security and privacy 	<ul style="list-style-type: none"> Human capital development Diversity, inclusion, and equity Human rights 	<ul style="list-style-type: none"> Financial inclusion and empowerment Product innovation

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

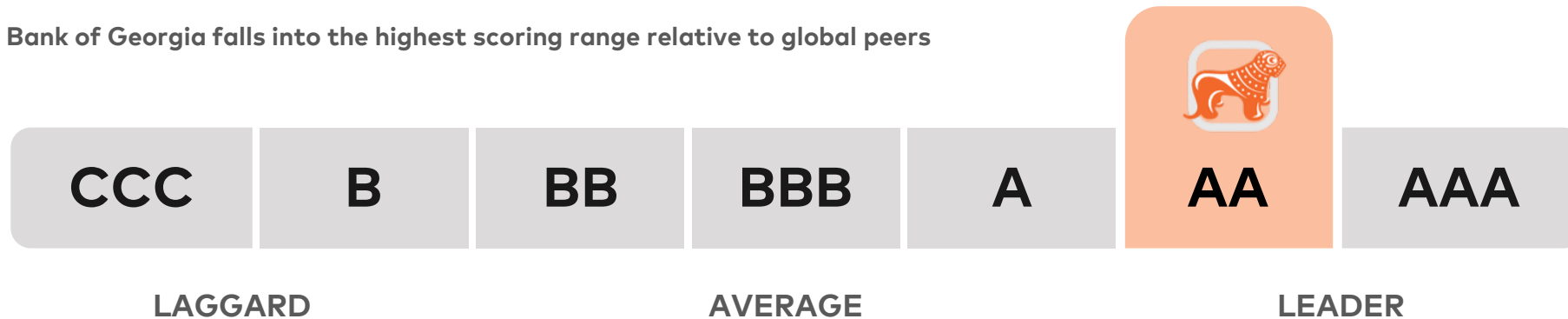
ESG scores from independent rating agencies

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 5 May 2023

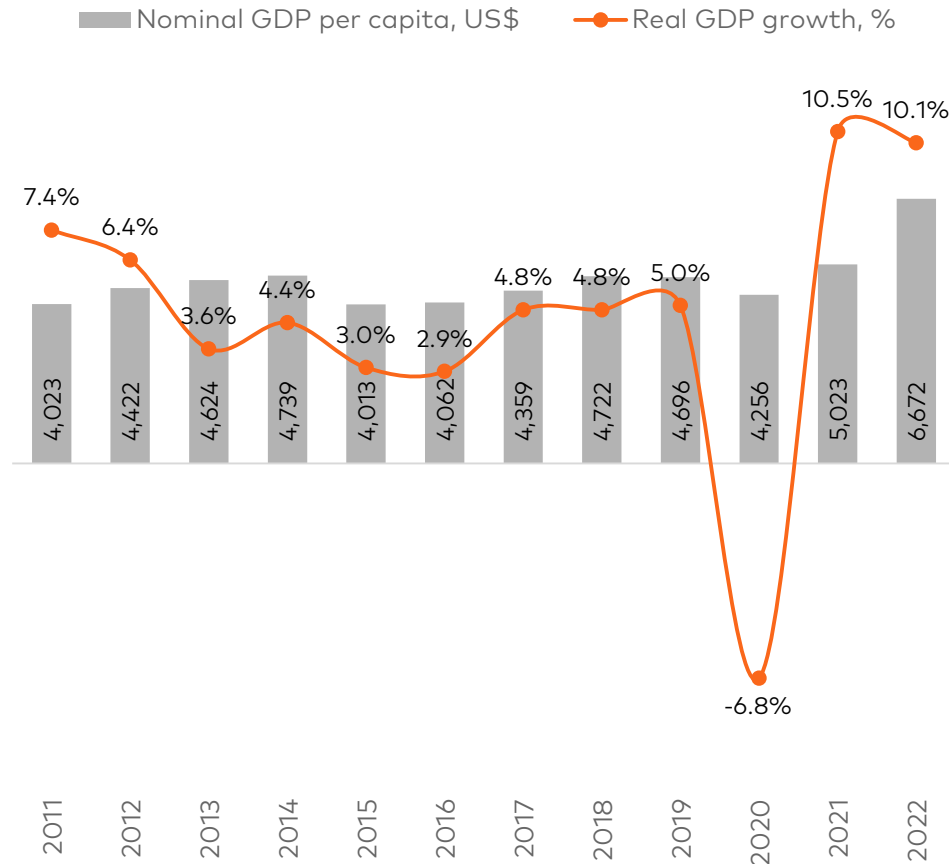
** MSCI score is as at 5 May 2023

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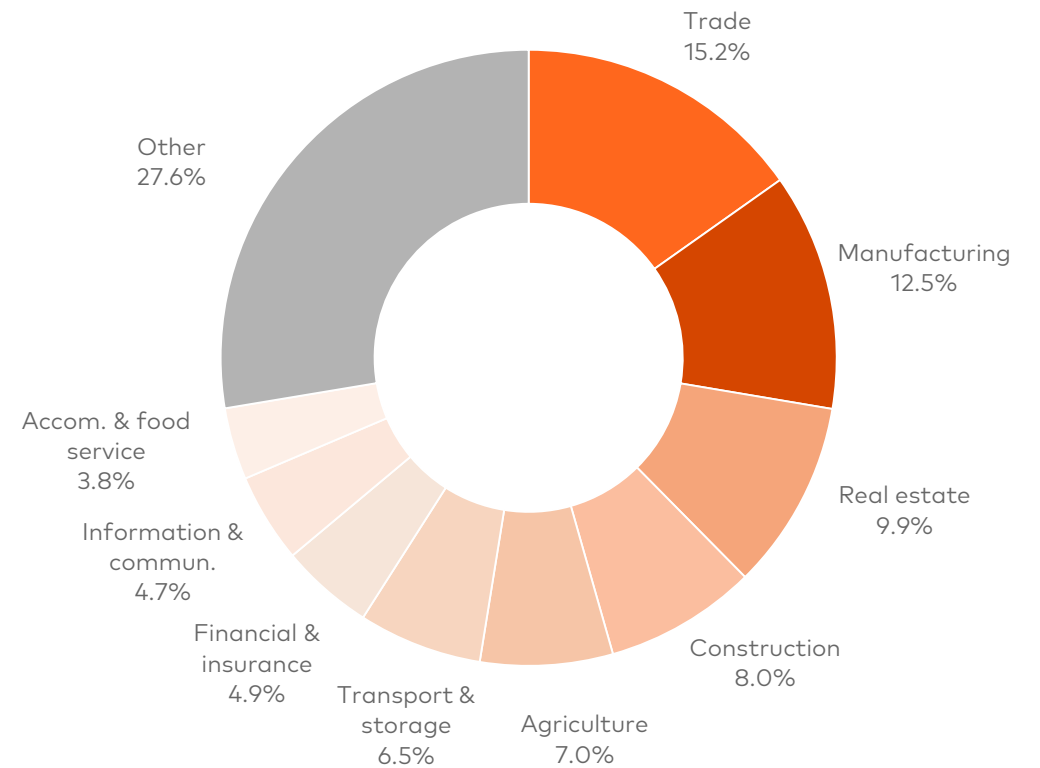
Diversified and resilient economy

Gross domestic product



Source: GeoStat

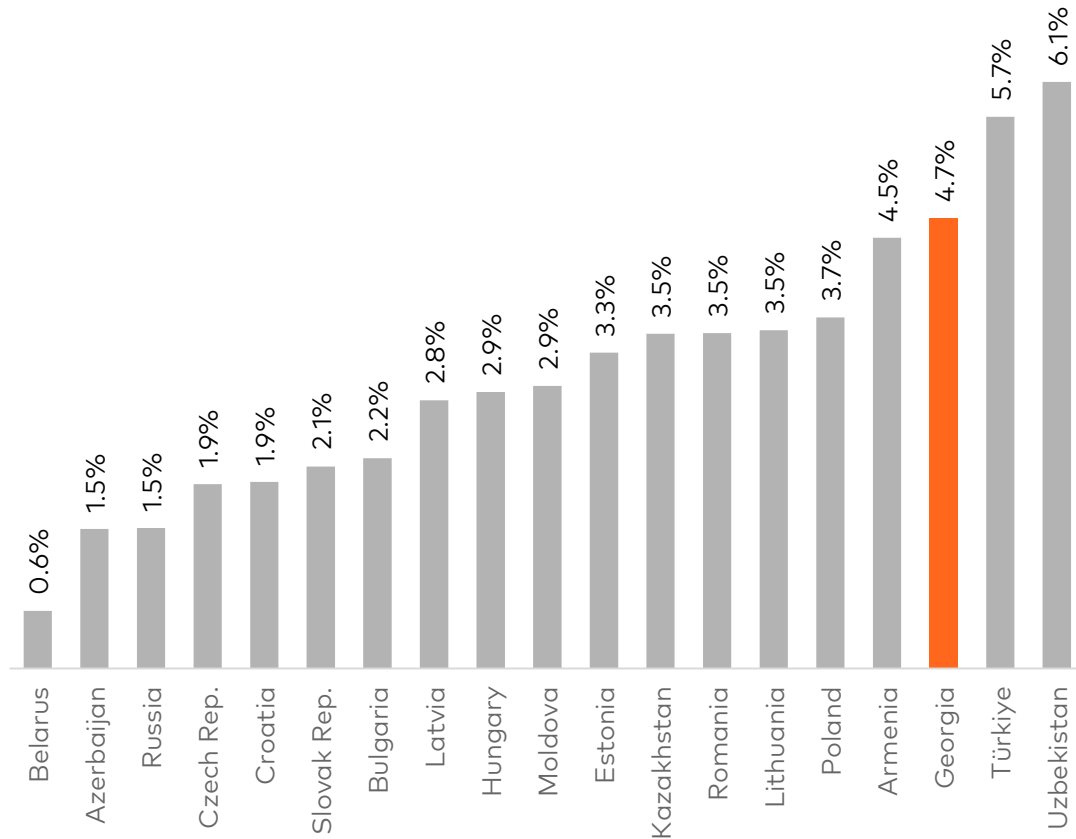
Nominal GDP by sector, 2022



Source: GeoStat

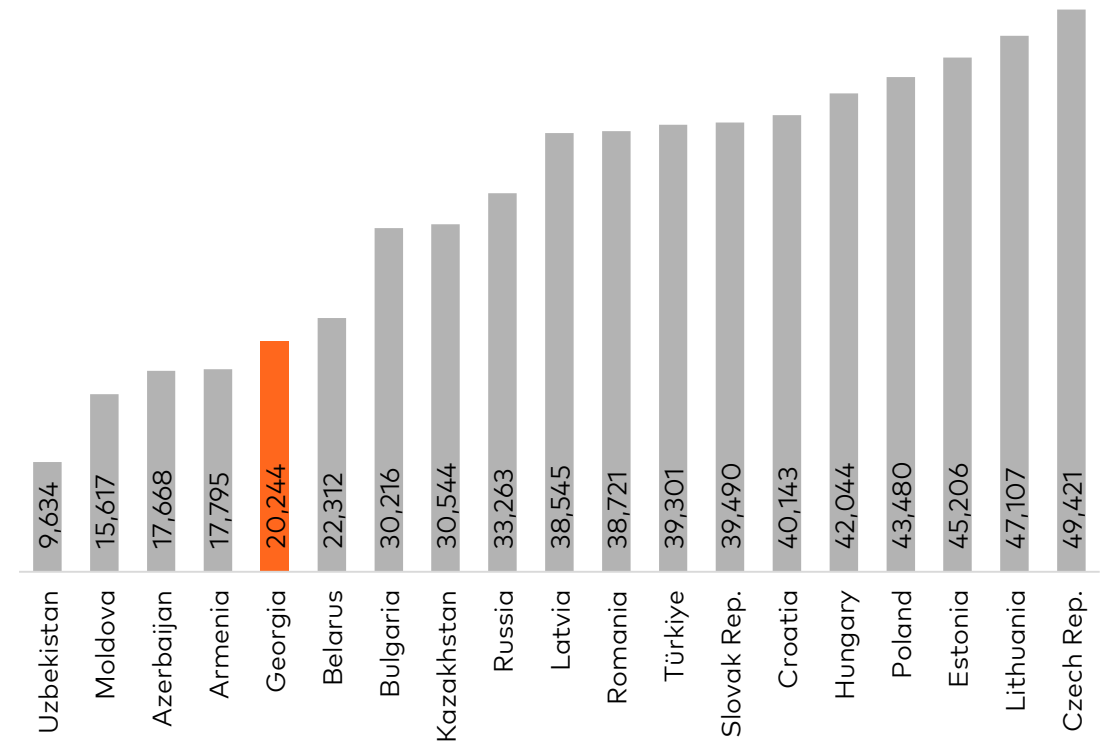
One of the fastest-growing economies in the region with ample room for further growth

Comparative real GDP growth rates, 2011-2022 average



Source: IMF

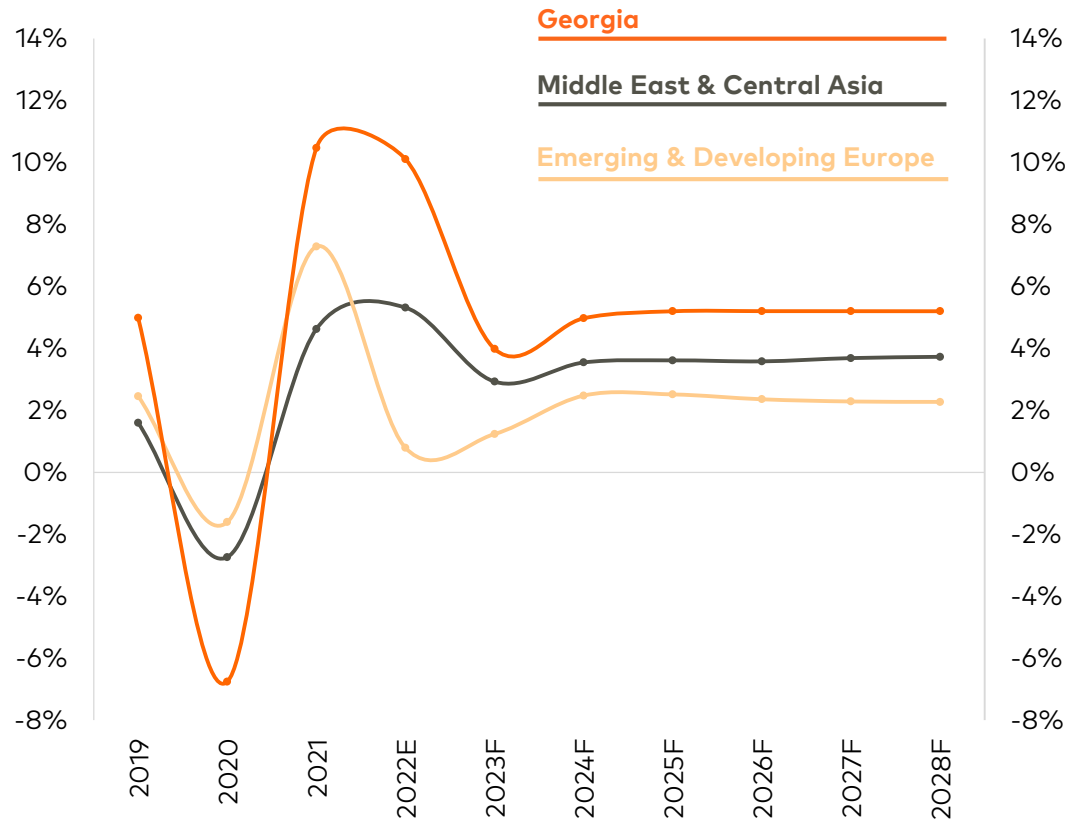
GDP per capita in PPP international dollars, 2022



Source: IMF

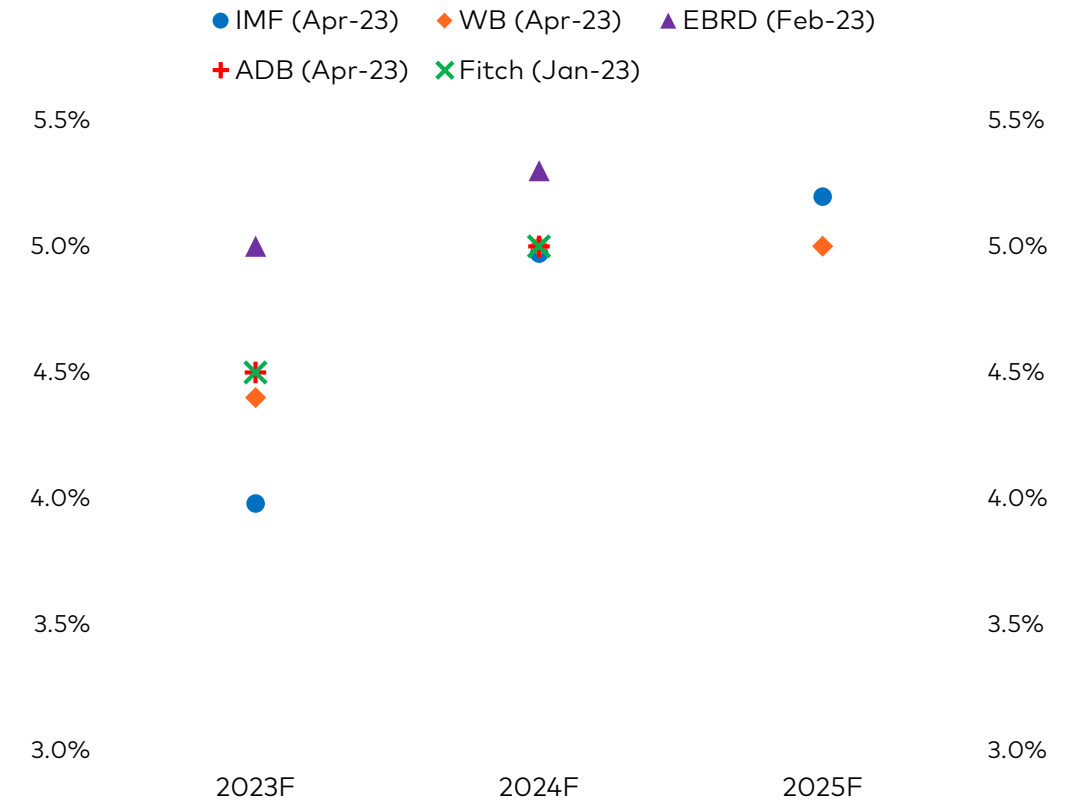
Positive growth outlook amid regional instability

Regional real GDP growth forecasts by IMF



Source: IMF World Economic Outlook, April 2023

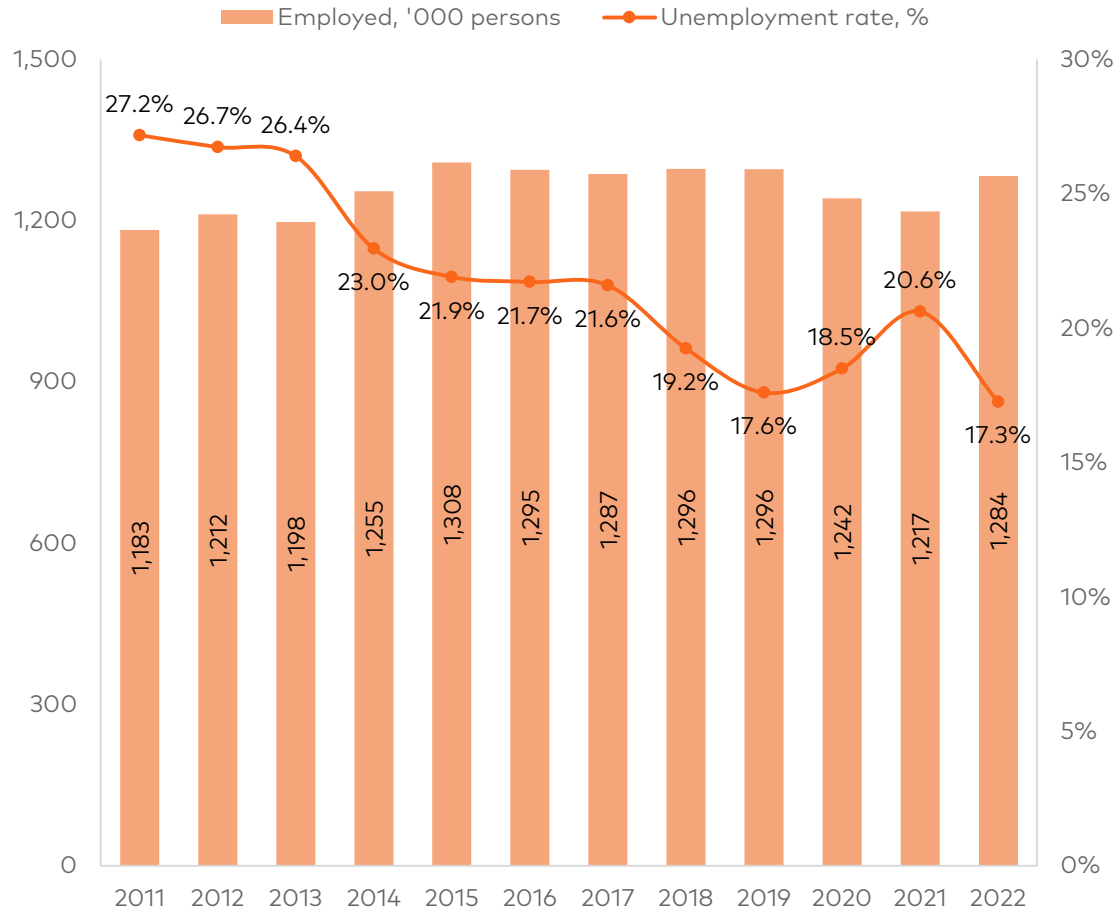
Georgia's real GDP growth forecasts by international institutions



Source: IMF, World Bank, EBRD, ADB, Fitch

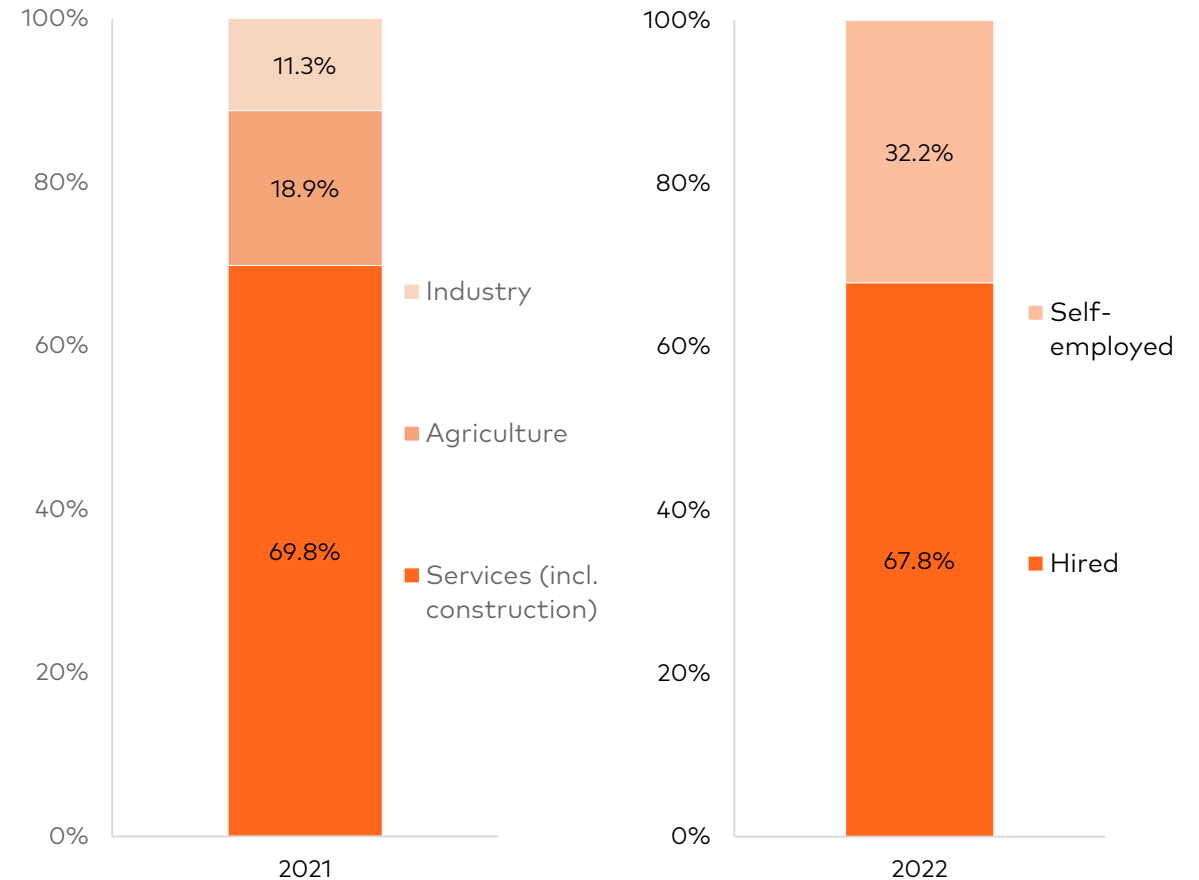
Unemployment down to historically low levels

Employment data



Source: GeoStat

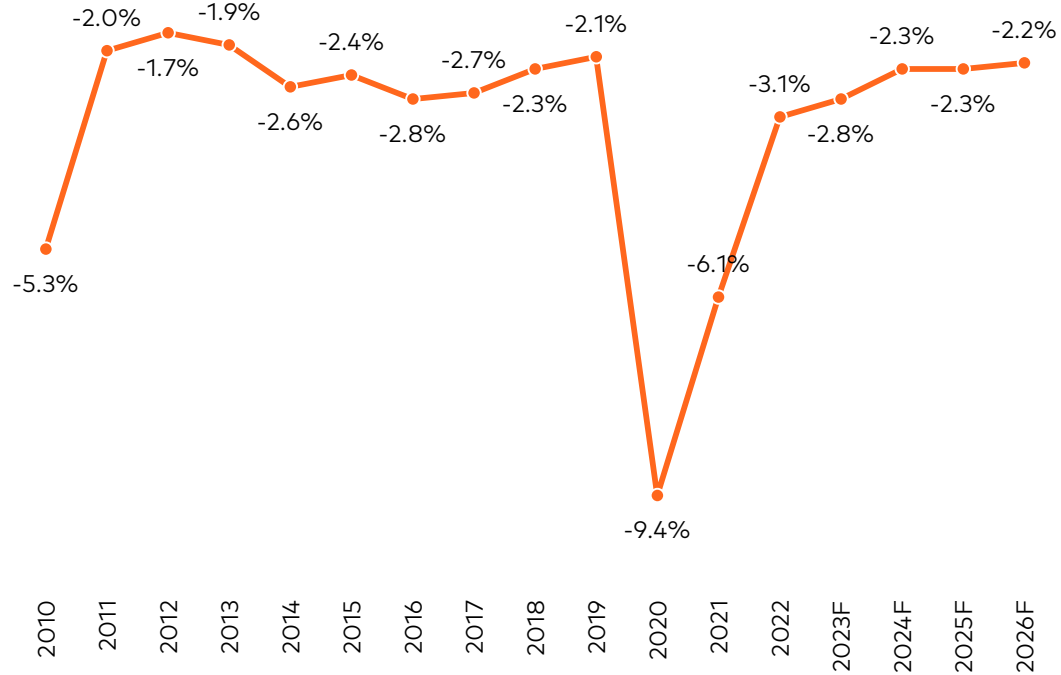
Composition of employment



Source: GeoStat

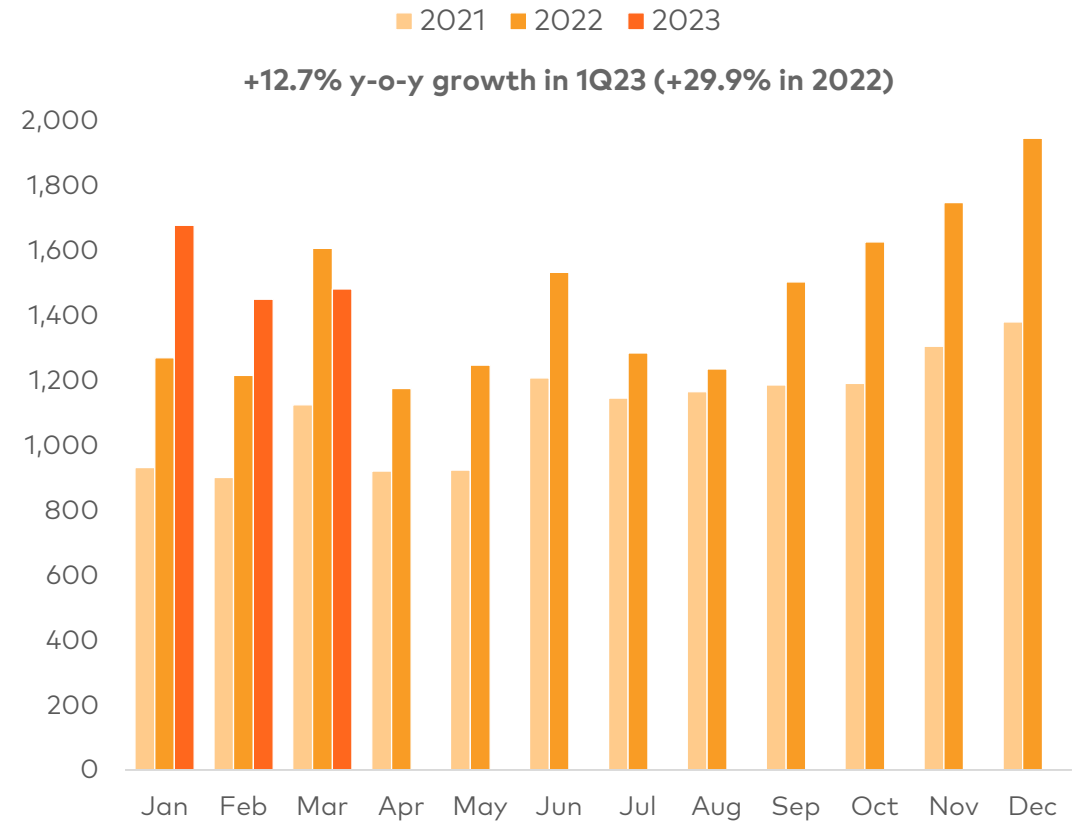
Fiscal consolidation on the back of strong economic growth

Fiscal balance as % of GDP



Source: MOF, GeoStat, forecasts as of 2022 budget law
 Note: Deficit calculated as net lending / borrowing minus budget lending

Consolidated budget tax revenues, GEL m



Source: MOF

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Liquidity risk management

Figures given for JSC Bank of Georgia standalone

Regulatory and internal tools for liquidity risk management

- **Liquidity coverage ratio** – short-term liquidity management Basel III tool
- **Net stable funding ratio** – long-term liquidity management Basel III tool
- **Liquidity gap** – asset/liability maturity mismatch analysis
- **Operational liquidity internal model** – assessment of readily available liquidity in GEL and foreign currency based on the structure and quality of liabilities
- **Liquidity contingency plan** – a set of early warning indicators for different types of risk scenarios and mitigation actions to identify emerging liquidity concerns at an early stage
- **ILAAP** – From 2023 NBG is also requiring to perform an ILAAP exercise, which is currently in progress. ILAAP assesses the adequacy of the Bank's liquidity buffers to withstand potential liquidity shocks

Liquidity forecasting/scenario analysis

- Liquidity forecasting is performed twice a month, projecting LCR, NSFR and operating liquidity. Forecasting tool allows performing both ad-hoc and regular stress tests/scenario analysis
- Liquidity stress-test is regularly performed within the scope of recovery plan as well

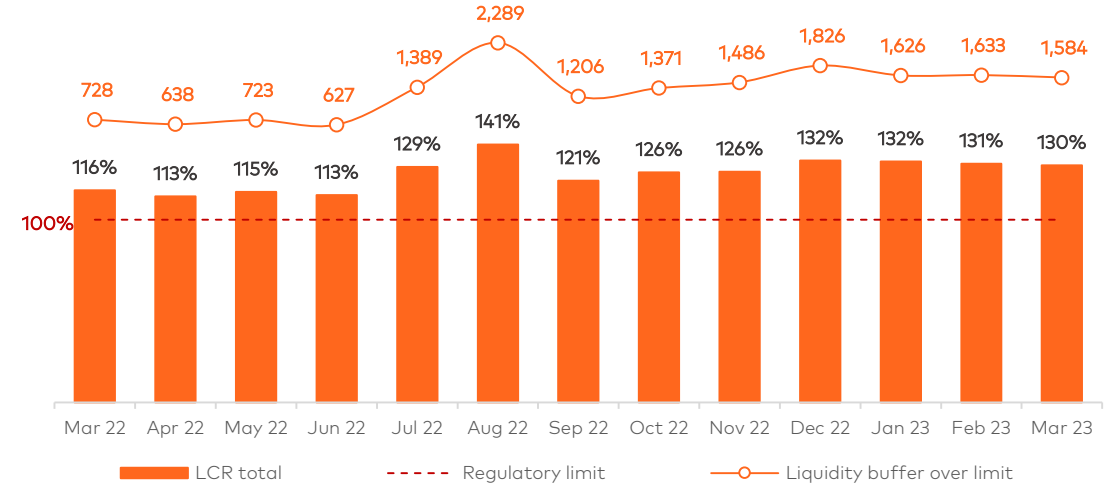
Liquidity risk profile

- Both LCR and NSFR stood comfortably above regulatory limits throughout the year
- In addition to regulatory thresholds, the Bank monitors internal Risk Appetite limits on all key liquidity indicators

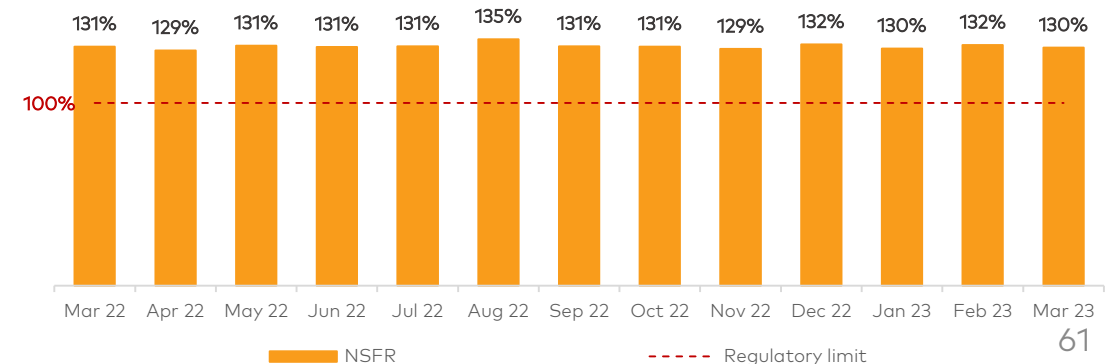
Since January 2023, the NBG has transitioned to IFRS-based accounting, and the liquidity coverage ratio and the net stable funding ratio have been calculated based on IFRS since January 2023

Liquidity coverage ratio

GEL million



Net stable funding ratio



Interest rate risk management

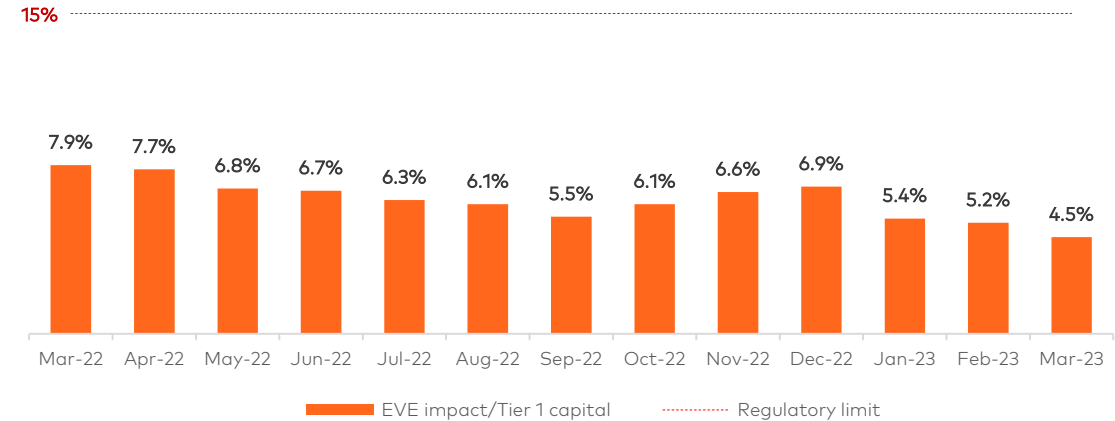
Figures given for JSC Bank of Georgia standalone

Interest rate risk assessment models

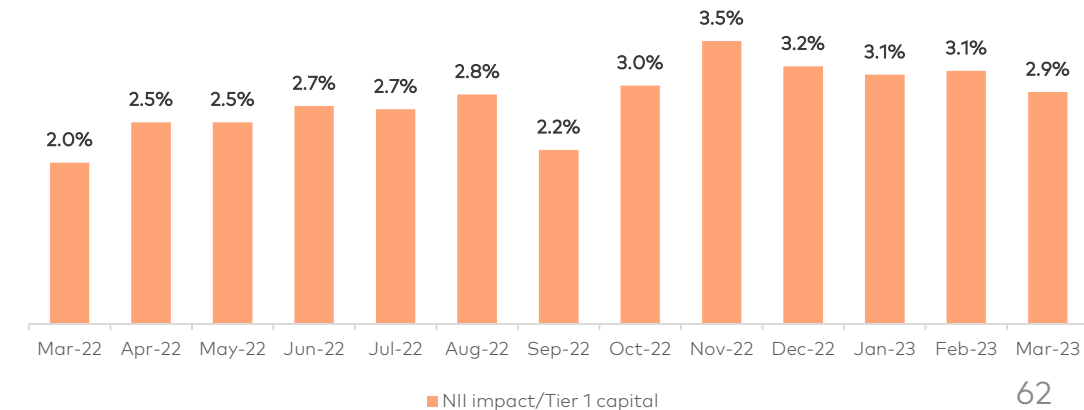
- The Bank has in place regulatory and internal models for interest rate risk (IRR) assessment
- IRR models measure the impact of interest rate shocks on the Bank's Economic Value of Equity (EVE) and Net Interest Income (NII), relative to the Bank's capital
- Interest rate shock scenarios are defined by the regulator, in addition to the Bank having its own set of shock scenarios
- The Bank sets internal Risk Appetite limits on IRR indicators on an aggregated and individual currency level
- The Bank regularly performs interest rate stress tests within the scope of holistic and idiosyncratic stress test exercises
- The Group's international securities portfolio is predominantly invested in liquid, short-term securities, measured at fair value. The local government GEL bonds, which the Bank holds, are actively used as collateral for NBG liquidity facilities

Interest rate shocks impact on Economic Value of Equity under NBG scenarios

GEL million; rate shock scenario: GEL: 4.0%, USD: 2.5%, EUR: 1.1%



Interest rate shocks impact on Net Interest Income under NBG scenarios



Since January 2023, the NBG has transitioned to IFRS-based accounting

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Income statement highlights

	1Q23	1Q22	Change y-o-y	4Q22	Change q-o-q
INCOME STATEMENT HIGHLIGHTS					
Interest income	630,162	521,294	20.9%	607,652	3.7%
Interest expense	(258,262)	(249,844)	3.4%	(273,007)	-5.4%
Net interest income	371,900	271,450	37.0%	334,645	11.1%
Net fee and commission income	112,301	58,832	90.9%	97,932	14.7%
Net foreign currency gain	70,652	64,484	9.6%	125,395	-43.7%
Net other income	8,656	983	780.6%	26,930	-67.9%
Operating income	563,509	395,749	42.4%	584,902	-3.7%
Operating expenses	(164,169)	(138,355)	18.7%	(181,062)	-9.3%
Profit from associates	218	126	73.0%	128	70.3%
Operating income before cost of risk	399,558	257,520	55.2%	403,968	-1.1%
Cost of risk	(48,298)	7,567	NMF	(52,675)	-8.3%
Net operating income before non-recurring items	351,260	265,087	32.5%	351,293	0.0%
Net non-recurring items	(60)	48	NMF	329	NMF
Profit before income tax expense and one-off costs	351,200	265,135	32.5%	351,622	-0.1%
Income tax expense	(49,871)	(24,563)	103.0%	(25,723)	93.9%
Profit adjusted for one-off costs	301,329	240,572	25.3%	325,899	-7.5%
One-offs	-	-	-	311,825	-100.0%
Profit	301,329	240,572	25.3%	637,724	-52.7%
Basic earnings per share	6.55	5.06	29.4%	14.10	-53.5%
Diluted earnings per share	6.44	5.00	28.8%	13.61	-52.7%

Balance sheet highlights

	Mar-23	Mar-22	Change y-o-y	Dec-22	Change q-o-q
BALANCE SHEET HIGHLIGHTES					
Liquid assets	9,413,665	6,785,761	38.7%	10,367,600	-9.2%
Cash and cash equivalents	2,661,659	1,632,690	63.0%	3,584,843	-25.8%
Amounts due from credit institutions	2,180,151	1,978,568	10.2%	2,433,028	-10.4%
Investment securities	4,571,855	3,174,503	44.0%	4,349,729	5.1%
Loans to customers and finance lease receivables	16,992,844	16,289,380	4.3%	16,861,706	0.8%
Property and equipment	405,838	384,828	5.5%	398,855	1.8%
Total assets	27,703,082	24,270,229	14.1%	28,901,900	-4.1%
Client deposits and notes	18,309,528	14,517,253	26.1%	18,261,397	0.3%
Amounts owed to credit institutions	3,805,154	4,676,861	-18.6%	5,266,653	-27.8%
<i>Borrowings from DFIs</i>	1,692,346	2,114,220	-20.0%	1,867,454	-9.4%
<i>Short-term loans from central banks</i>	1,270,718	1,772,605	-28.3%	1,715,257	-25.9%
<i>Loans and deposits from commercial banks</i>	842,090	790,036	6.6%	1,683,942	-50.0%
Debt securities issued	607,910	1,415,940	-57.1%	645,968	-5.9%
Total liabilities	23,209,698	20,996,390	10.5%	24,653,078	-5.9%
Total equity	4,493,384	3,273,839	37.3%	4,248,822	5.8%
Book value per share	98.51	68.77	43.2%	94.07	4.7%

Key ratios

	1Q23	1Q22	4Q22
ROAA*	4.4%	4.1%	4.7%
ROAE*	27.9%	30.7%	33.7%
Net interest margin	6.4%	5.3%	5.7%
Loan yield	12.5%	11.1%	12.0%
Liquid assets yield	4.3%	4.3%	4.2%
Cost of funds	4.5%	5.0%	4.6%
Cost of client deposits and notes	3.6%	3.7%	3.4%
Cost of amounts owed to credit institutions	8.3%	8.2%	8.5%
Cost of debt securities issued	7.2%	7.0%	7.5%
Cost/income*	29.1%	35.0%	31.0%
NPLs to gross loans	2.4%	2.5%	2.7%
NPL coverage ratio	72.8%	97.3%	66.4%
NPL coverage ratio, adjusted for discounted value of collateral	128.7%	153.0%	128.9%
Cost of credit risk ratio	1.0%	0.8%	0.9%
NBG (Basel III) CET 1 capital adequacy ratio	n/a	13.7%	14.7%
<i>Minimum regulatory requirement</i>	<i>n/a</i>	<i>11.8%</i>	<i>11.6%</i>
NBG (Basel III) Tier I capital adequacy ratio	n/a	15.4%	16.7%
<i>Minimum regulatory requirement</i>	<i>n/a</i>	<i>14.1%</i>	<i>13.8%</i>
NBG (Basel III) Total capital adequacy ratio	n/a	19.7%	19.8%
<i>Minimum regulatory requirement</i>	<i>n/a</i>	<i>17.6%</i>	<i>17.2%</i>
IFRS-based NBG (Basel III) CET 1 capital adequacy ratio**	19.5%	n/a	17.7%
<i>Minimum regulatory requirement</i>	<i>14.5%</i>	<i>n/a</i>	<i>n/a</i>
IFRS-based NBG (Basel III) Tier I capital adequacy ratio**	21.4%	n/a	19.7%
<i>Minimum regulatory requirement</i>	<i>16.8%</i>	<i>n/a</i>	<i>n/a</i>
IFRS-based NBG (Basel III) Total capital adequacy ratio**	23.3%	n/a	21.7%
<i>Minimum regulatory requirement</i>	<i>19.7%</i>	<i>n/a</i>	<i>n/a</i>

*Ratios were adjusted for a one-off GEL 391.1m other income due to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m tax expense due to an amendment to the corporate taxation model in Georgia

** Capital ratios as at 31 December 2022 are based on IFRS accounting, are presented on a management basis and are not officially approved by the NBG on the basis that they were not mandatory as of December 2022

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

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

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Share price information

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