



BANK OF GEORGIA
GROUP PLC

INVESTOR PRESENTATION

3Q20 and 9M20 Financial Results

17 November 2020

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: macroeconomic risk, including currency fluctuations and depreciation of the Georgian Lari; regional instability; loan portfolio quality; regulatory risk; liquidity and funding risk; capital risk; operational risk, cyber security, information systems and financial crime risk; COVID-19 pandemic impact risk; climate change risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our 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 2019 and in 2Q20 and 1H20 results announcement. No part of this presentation 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 presentation should be construed as a profit forecast.

CONTENTS

 **RESPONSE TO COVID-19 AND TRACKING THE RECOVERY**

 **GROUP OVERVIEW**

 **3Q20 AND 9M20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

VIRUS CASES RAPIDLY GROWING AND GOVERNMENT IS GRADUALLY TIGHTENING UP RESTRICTIONS

GOVERNMENT SAFETY MEASURES

- Daily new cases have surged since mid-October and Government introduced various targeted restrictions to contain the virus spread
- Georgia reopened its borders to the citizens of five EU countries - Germany, France, Estonia, Latvia, and Lithuania from August 1st, and six more countries - Qatar, Greece, Poland, Netherlands, Italy and Austria from November 1st
- The Government maintains an informational website that provides live statistics on the spread of the virus in Georgia - www.stopcov.ge

COVID-19 STATISTICS IN GEORGIA

Source: www.stopcov.ge
at 12:00, 6 November 2020

51,993
Confirmed cases

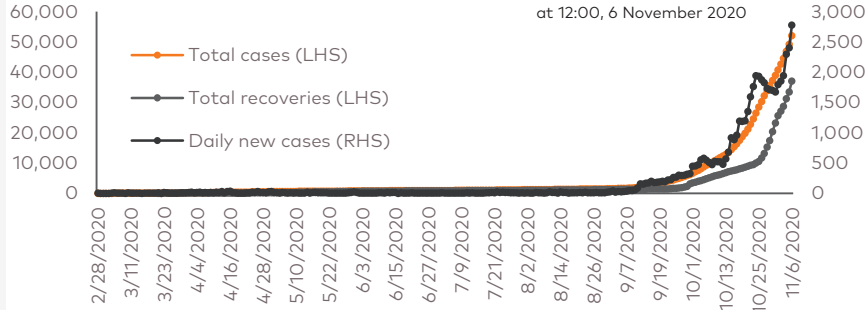
14,974
Active cases

37,019
Recovered

4,618
Under hospital supervision

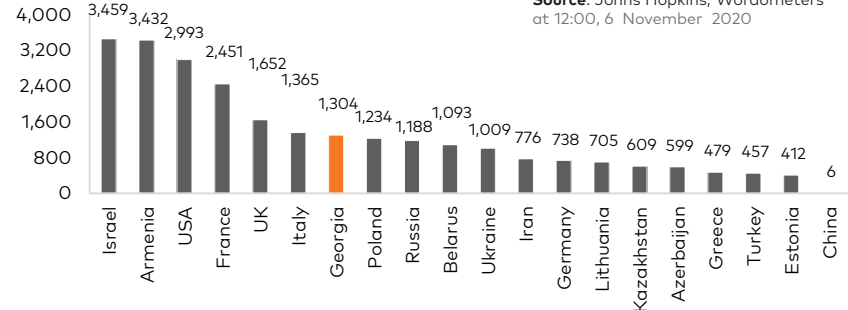
COVID-19 STATISTICS IN GEORGIA, PERSONS

Source: NCDC
at 12:00, 6 November 2020



COVID-19 CASES PER 100,000 PERSONS

Source: Johns Hopkins, Wordometers
at 12:00, 6 November 2020



GOVERNMENT'S SUPPORT MEASURES

5



The Government announced a series of support measures designed to mitigate the negative economic impact of COVID-19. The Government's revised 2020 budget document was approved by Parliament in June 2020. The revised budget incorporates the fiscal parameters agreed with the IMF, US\$1.5 billion in donor funding and fiscal stimulus measures for businesses and households affected by the coronavirus pandemic. Business support is at 3.8% of GDP and social assistance is at 2.8% of GDP in 2020 revised budget document. Government also plans to introduce economic support measures in 2021 budget, with final draft to be available in December 2020.

SUPPORT TO BUSINESSES | 2020 BUDGET

Support package for businesses amounts to **GEL 1.889 billion**, or **3.8% of GDP**, and incorporates:

- GEL 330 million for credit-guarantee scheme
- GEL 600 million for local currency liquidity resources allocation to commercial banks
- GEL 180 million for support to agriculture sector, and construction sector, including interest rate subsidies on mortgage loans
- GEL 115 million for support to tourism sector, including subsidies on loan interest payments and exemption of property tax payments for hotels
- GEL 45 million for subsidies on flights and quarantine services support
- GEL 600 million additional VAT refund for businesses
- GEL 20 million for various support measures
- With the support of local banks, legal entities were given the opportunity of loan restructuring

SUPPORT TO INDIVIDUALS | 2020 BUDGET

Social assistance package for individuals amounts to **GEL 1.375 billion**, or **2.8% of GDP**, and comprises: coverage of healthcare-related costs in respect of COVID-19; healthcare system preparedness improvement; one-off compensation for self-employed persons who lost their jobs; six-month compensation for private sector employees who lost their jobs; income tax relief to businesses who retain workers for six months; six-month compensation for vulnerable and large families, as well as adults and children with disabilities; subsidies for three-month utility bill payments.

INTERNATIONAL SUPPORT

Georgian authorities have mobilised **US\$3.0 billion** financing from the International Monetary Fund (the "IMF") and other international partners (US, EU, World Bank, KfW, AFD, EBRD, EIB, ADB, etc.) to respond effectively to the COVID-19 pandemic associated economic crisis. Of this funding, US\$1.5 billion is earmarked for the public sector and US\$1.5 billion for the private sector.

The IMF's financing is c.US\$400 million, of which US\$200 million was already disbursed to the budget.

NATIONAL BANK OF GEORGIA SUPERVISORY PLAN



National Bank of Georgia

In March 2020, NBG introduced an updated Supervisory Plan for the banking sector with immediate effect, aimed at alleviating the negative financial and economic challenges created by the global COVID-19 pandemic. The measures were mainly focused on capital adequacy and liquidity initiatives that allow banks to use existing regulatory capital buffers to support customers in the current financially stressed circumstances, to continue normal business activities as far as possible, and to support the economy through ongoing lending operations.

6

Capital adequacy initiatives:

- Combined buffer - the conservation buffer requirement of 2.5% of risk-weighted assets has been reduced to 0% indefinitely
- Pillar 2 requirements:
 - Currency induced credit risk buffer (CICR) requirement reduced by 2/3rds indefinitely
 - The phase-in of additional credit portfolio concentration risk buffer (HHI) and net GRAPE buffer requirements on CET1 and Tier 1 capital, planned at the end of March 2020, has been postponed indefinitely
 - The possibility of fully or partially releasing the remaining requirements of Pillar 2 buffers (HHI, CICR, net GRAPE), if necessary, remains open
- During the period the banks are allowed to partially or fully use these buffers, they are restricted to make capital distribution in any form
- This supervisory relief frees up GEL 1.6 billion of capital, which can be used for absorbance of potential losses or funding the real economy with GEL 16 billion. The banking sector has capital buffer of GEL 4 billion above the minimum requirements, which can be fully released in case of necessity

General loan loss provisioning relating to COVID-19:

- NBG requested the Georgian banks to create general provisions under the local regulatory accounting basis used for calculation of capital adequacy ratios in 1Q20. The specific quantum of the provision reflected the NBG's current expectation of estimated credit losses on the lending book of the banking system for the whole economic cycle, given current economic expectations. The NBG considers the banking system capital ratios to be sufficiently in excess of the expected minimum capital requirements, to be able to absorb this upfront general provision, whilst maintaining sufficiently comfortable buffers over the required minimum capital ratios

Liquidity initiatives

- Liquidity coverage ratio (LCR) requirements (for local and foreign currency, as well as total requirement) may be revisited and reduced, if necessary. On 1 May 2020, NBG temporarily cancelled the 75% LCR requirement for local currency for a one-year period, or until further communicated by NBG
- Mandatory reserve requirements may be revisited and reduced, if necessary
- The eligibility criteria for repo-eligible securities has already been extended by NBG and may be revisited further, if necessary, to support GEL liquidity

Other initiatives

- The deadline for submitting previously planned stress testing results to NBG was postponed until the end of May, 2020
- NBG will not impose any monetary sanctions in case of breach of economic normatives and limits driven by external factors (e.g. reserves, exchange rate depreciation)
- NBG on-site audits, except for ongoing anti-money laundering reviews, postponed indefinitely
- All new regulatory changes and requirements postponed until September, 2020, or until further communicated by NBG. This does not apply to regulations with regard to open banking, XBRL reporting and resolution framework

BANK OF GEORGIA'S BUSINESS CONTINUITY PLAN



The Group has introduced a number of resilience protocols and a comprehensive Business Continuity Plan ("BCP"). BCP focuses on three main pillars: Operating continuity and efficiency (employees, customers and community), capital, and liquidity and funding positions

7

EMPLOYEES

- Anticipated national lockdown and promptly shifted all of our 2,000+ back office employees to remote work
- Implemented extensive safety measures in the front office
- Provided transportation to front office employees

CUSTOMERS

- Offered 3-month payment holidays on retail loans
- Strengthened safety measures in cash vault and ensured uninterrupted cash supply
- Enabling businesses to adapt operations and switch to digital sales
- Enabling more retail customers to go digital by launching mBank without data package and removing fees on mBank/iBank transactions for 2 months

SUPPORTING PUBLIC HEALTH

- Financed and donated 20,000 PCR tests, 10 respirators, 50,000 face masks and 60,000 gloves to the Ministry of Health of Georgia
- Implemented maximum safety measures in our branches

CAPITAL ADEQUACY

- **Upfront provision of c.GEL 400 million for the full economic cycle**
- **Strong internal capital generation**
- **Strengthening capital position through Tier 2 instruments:** The Bank drew-down a \$55 million second tranche of a Tier 2 capital instrument initially arranged in December 2019
- **Dividends:** Dividends will be resumed once the released capital buffers are rebuilt

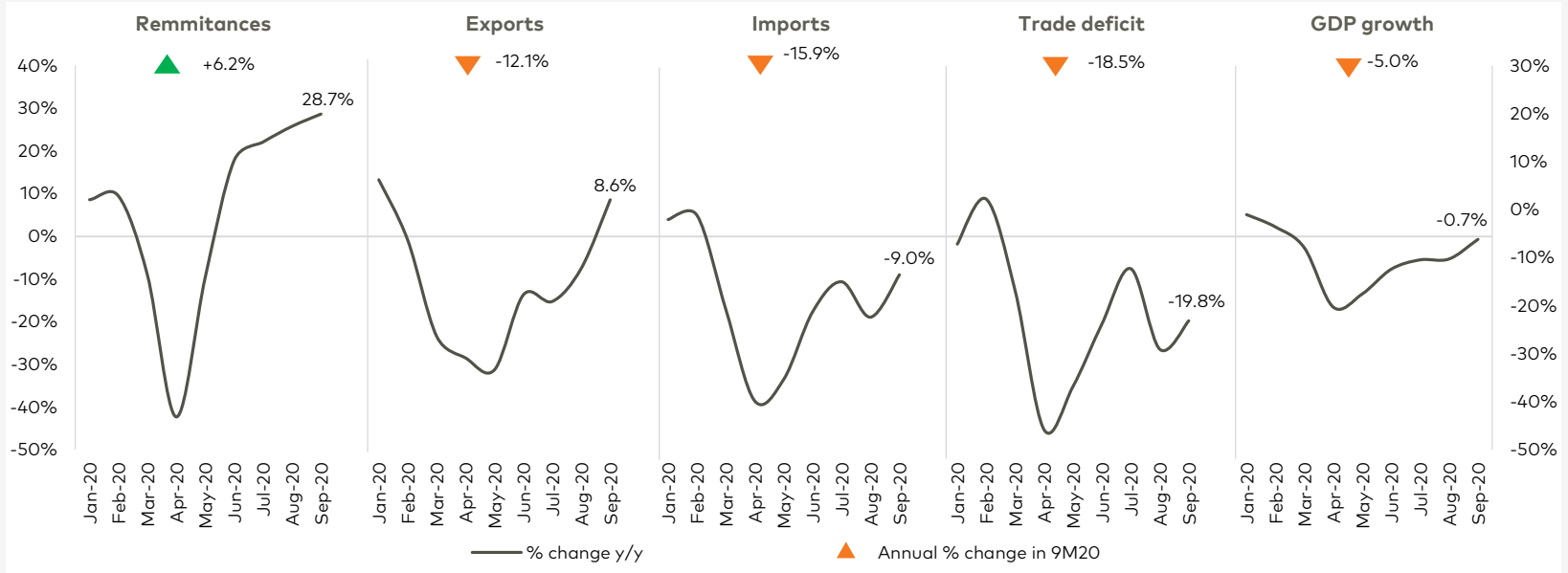
LIQUIDITY AND FUNDING

- **Strong liquidity and funding positions** even following the repayment of GEL 500 million local currency bonds due in June 2020
- **Strong support from IFIs:** The Bank achieved commitments for US\$200 million from IFIs during the first nine months of 2020
- Maintaining high liquidity given COVID-19-related uncertainty

TRACKING GEORGIA'S ECONOMIC RECOVERY

KEY INDICATORS SHOW IMPROVING TREND, WHILE REMITTANCES REBOUNDED STRONGLY

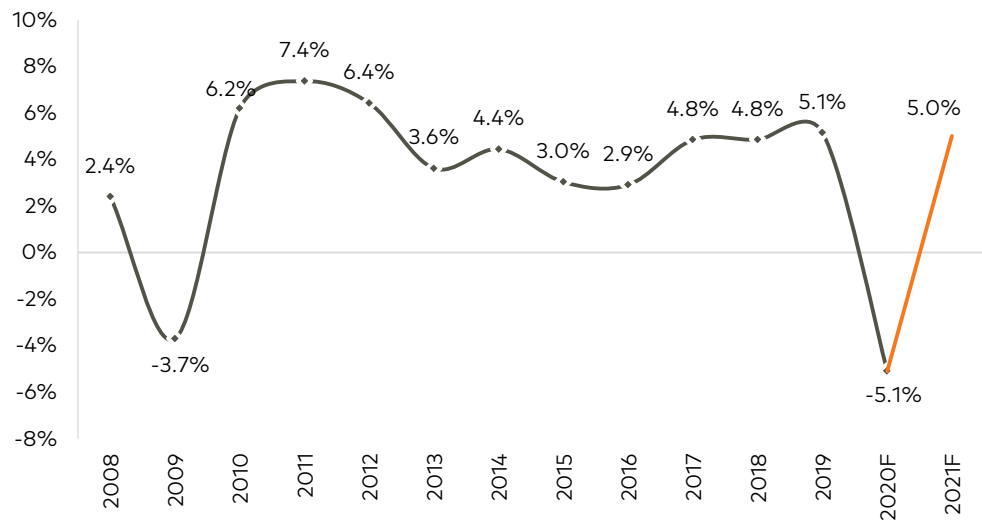
Source: Geostat, NBG



GEORGIA'S ECONOMIC OUTLOOK IN 2020 AND 2021

GEORGIA'S ECONOMIC GROWTH FORECAST

Source: Geostat, Galt & Taggart



- Our brokerage and investment arm, Galt & Taggart forecasts GDP to contract by 5.1% in 2020
- In 2021, Galt & Taggart forecasts growth to rebound to 5% in baseline scenario, assuming tourism to recover to 50% of 2019 level in 2021
- IMF revised 2021 growth projection downwards, from 5% to 4.3% recently. Reasons for this downward revision are uncertainty associated with the regional conflict and the increased number of COVID-19 cases in Georgia

CONTENTS

10

 **RESPONSE TO COVID-19 AND TRACKING THE RECOVERY**

 **GROUP OVERVIEW**

 **3Q20 AND 9M20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

BANK OF GEORGIA GROUP AT A GLANCE

11



**BANK OF GEORGIA
GROUP PLC**

**RETAIL
BANKING**

**CORPORATE AND
INVESTMENT
BANKING**

**WEALTH
MANAGEMENT**



**BNB
(BANK IN BELARUS)**

A LEADING BANKING GROUP IN GEORGIA

- Top Systemically important financial institution in Georgia
- A leading market position by assets, loans and deposits
- Strongest retail banking franchise:
 - 41% market share in deposits of individuals
 - Most trusted bank in Georgia*
- Leader in payments and financial mobile app:
 - 48% BOG share in number of transactions in POS terminals
 - c. 6mln transactions in mobile app per month
- Sustainable high profitability with average ROAE of more than 20% over the last four years
- Resilient credit profile: Well-capitalised, diversified and high quality loan book and strong liquidity profile
- High standards of transparency and governance: The first entity from Georgia listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012. LSE listed through GDRs since 2006
- The Group continues to be included in the global responsible investment index **FTSE4Good**

* Based on MAY-20 external research by IPM Georgia

BANK OF GEORGIA'S CREDIT RATINGS

Agency	Rating	Outlook
	Ba3/Ba2	Stable
	BB-	Negative

STRONG INSTITUTIONAL INVESTORS SUPPORT

12



BANK OF GEORGIA
GROUP PLC

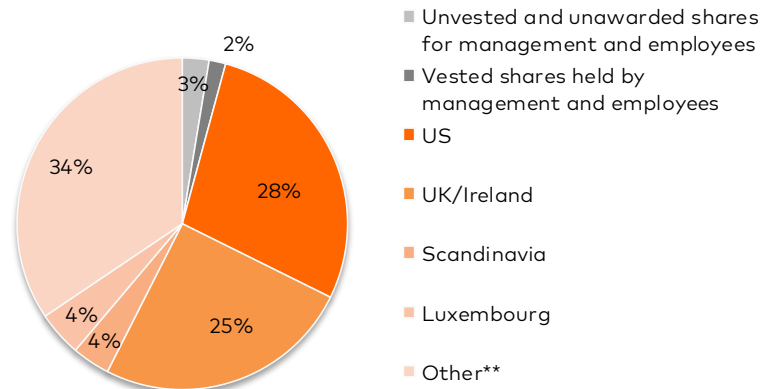
TOP SHAREHOLDERS

As of 30 Sep 2020

Rank	Shareholder name	Ownership
1	JSC Georgia Capital*	19.90%
2	Fidelity Investments	4.66%
3	Harding Loevner LP	4.55%
4	Van Eck Associates Corporation	3.30%
5	Dimensional Fund Advisors (DFA) LP	3.03%
6	Jupiter Asset Management	2.72%
7	Norges Bank Investment Management	2.56%
8	Grandeur Peak Global Advisors LLC	2.40%
9	Vanguard Group Inc	2.10%
10	Standard Life Investments	2.09%

SHAREHOLDER STRUCTURE

As of 30 Sep 2020



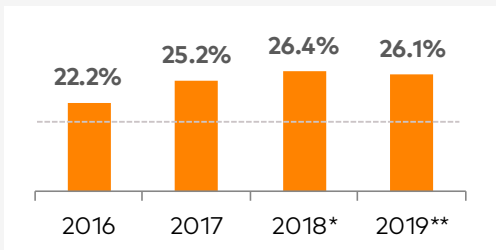
* JSC Georgia Capital will exercise its voting rights at the Group's general meetings in accordance with the votes cast by all other Group Shareholders, as long as JSC Georgia Capital's percentage holding in Bank of Georgia Group PLC is greater than 9.9%

** Includes 19.9% shareholding of JSC Georgia Capital

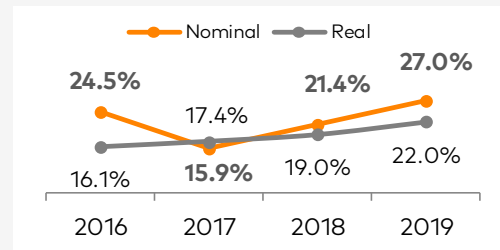
TRACK RECORD OF DELIVERING STRONG RESULTS

— Key medium targets remain unchanged

ROAE
20%+



Loan book growth
c.15%



ROBUST CAPITAL MANAGEMENT TRACK RECORD

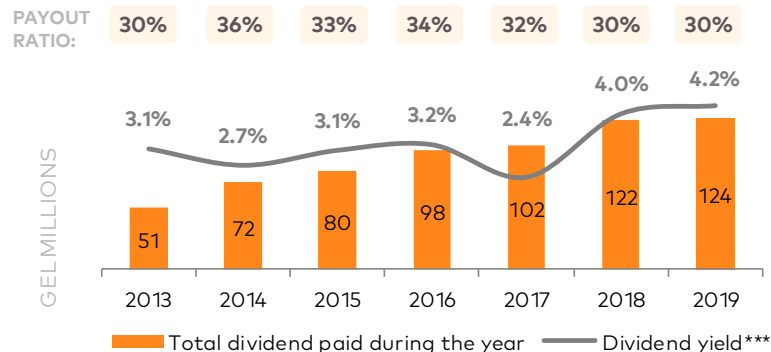
- **Capital position:** We aim to maintain **c.200bps buffer** for CET1 and Tier 1 capital ratios over minimum regulatory requirements in the medium-term
- **Maintain regular dividend payouts:** Aiming **25-40%** dividend payout ratio
- **GEL 648mln+** cash dividend paid during 2013-2019, within the targeted **payout range** over past 7 years

* Adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, GEL 30.3mln one-off impact of re-measurement of deferred tax balances and GEL 3.9mln (net of income tax) termination costs of the former CEO

** Adjusted for GEL 14.2mln (net of income tax) termination costs of the former CEO and executive management

*** Dividend yield is calculated based on the closing price of shares immediately prior to ex-dividend date

REGULAR DIVIDENDS



CONTENTS

14

 **RESPONSE TO COVID-19 AND TRACKING THE RECOVERY**

 **GROUP OVERVIEW**

 **3Q20 AND 9M20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

PROFITABILITY COMING BACK TO TARGETED LEVEL

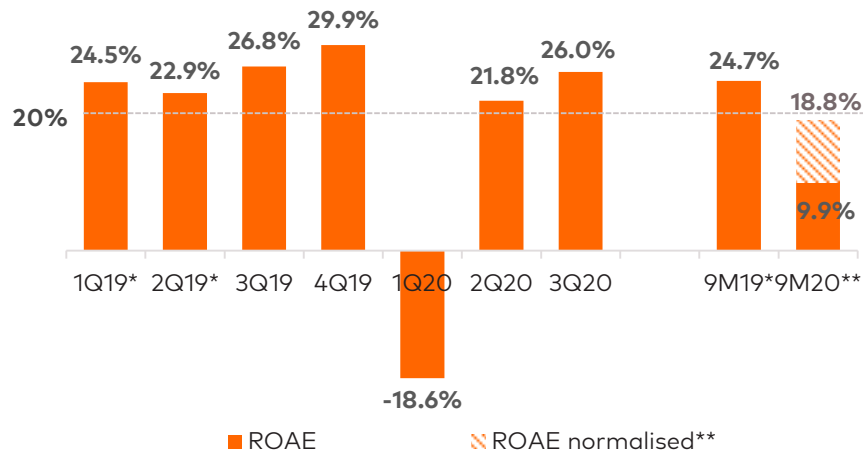
15

3Q20 PERFORMANCE HIGHLIGHTS

Bank of Georgia's performance has been very strong in the third quarter:

- **The balance sheet has remained strong** with better than expected levels of growth
- **Revenue growth has been excellent.** Net fee and commission income increased by 38.4% quarter-on-quarter, with net interest income growing at 16.6% q-o-q
- **Net interest margin increased** by 60 basis points, to 4.8%, in 3Q20
- **Asset quality has remained robust.** Our lending portfolio has performed better than expected
- **Costs have been well-managed** with a 2.4% quarter-on-quarter reduction in operating expenses, following a review of our variable cost base.
- **Our capital ratios have remained robust** and comfortably above our minimum regulatory requirements
- **Delivering superior levels of profitability** - annualised return on average equity was 26.0% in 3Q20

ROAE



* 1Q19 and 2Q19 ROAE are adjusted for termination costs of former CEO and executive management

** 9M20 ROAE normalised for cost of credit risk (1.2% for RB and 0.8% for CIB), one-off modification losses incurred on loan restructurings and COVID-19 related other one-off costs

3Q20 AND 9M20 RESULTS HIGHLIGHTS

16

INCOME STATEMENT HIGHLIGHTS*

GEL thousands unless otherwise noted

	3Q20	3Q19	Change y-o-y	2Q20	Change q-o-q	9M20	9M19	Change y-o-y
Net interest income	204,030	200,992	1.5%	174,936	16.6%	576,047	582,327	-1.1%
Net fee and commission income	45,532	48,009	-5.2%	32,901	38.4%	118,545	133,456	-11.2%
Net foreign currency gain	19,179	32,233	-40.5%	22,743	-15.7%	72,583	82,186	-11.7%
Net other income	7,750	3,728	107.9%	9,081	-14.7%	23,457	3,035	NMF
Operating income	276,491	284,962	-3.0%	239,661	15.4%	790,632	801,004	-1.3%
Operating expenses	(102,612)	(107,917)	-4.9%	(105,158)	-2.4%	(313,778)	(298,401)	5.2%
Profit from associates	214	194	10.3%	113	89.4%	628	636	-1.3%
Operating income before cost of risk	174,093	177,239	-1.8%	134,616	29.3%	477,482	503,239	-5.1%
Cost of risk	(10,942)	(15,223)	-28.1%	(10,221)	7.1%	(262,566)	(93,351)	NMF
Net operating income before non-recurring items	163,151	162,016	0.7%	124,395	31.2%	214,916	409,888	-47.6%
Net non-recurring items	254	(5,019)	NMF	(1,241)	NMF	(41,332)	(9,132)	NMF
Profit before income tax and one-off costs	163,405	156,997	4.1%	123,154	32.7%	173,584	400,756	-56.7%
Income tax expense	(15,051)	(22,697)	-33.7%	(8,470)	77.7%	(10,491)	(43,104)	-75.7%
Profit adjusted for one-off costs	148,354	134,300	10.5%	114,684	29.4%	163,093	357,652	-54.4%
One-off termination costs of the former CEO and executive management (after tax)	-	-	-	-	-	-	(14,236)	NMF
Profit	148,354	134,300	10.5%	114,684	29.4%	163,093	343,416	-52.5%

Cost of risk:

— The higher cost of risk in 9M20 was driven by ECL provisions, created for the full economic cycle in both the Retail and Corporate and Investment Banking segments, in the first quarter of 2020, on the back of COVID-19 pandemic. *See details in 2Q20 and 1H20 results release*

Net non-recurring items:

— The Group recorded a GEL 38.7mIn in March and GEL 1.0mIn in April 2020 one-off net loss on modification of financial assets in relation to the three-month payment holidays on principal and interest offered to retail customers, in order to reduce the requirement for customers to physically visit Bank branches and reduce the risk of COVID-19 virus spread. *See details in 2Q20 and 1H20 results release*

* The income statement adjusted profit in 9M19 excludes GEL 14.2mIn one-off employee costs (net of income tax) related to former CEO and executive management termination benefits. The amount is comprised of GEL 12.4mIn (gross of income tax) excluded from salaries and other employee benefits, GEL 4.0mIn (gross of income tax) excluded from non-recurring items and GEL 2.2mIn tax benefit excluded from income tax expense. Full IFRS income statement is presented on page 74

3Q20 AND 9M20 RESULTS HIGHLIGHTS

17

BALANCE SHEET HIGHLIGHTS*

<i>GEL thousands</i>	Sep-20	Sep-19	Change y-o-y	Jun-20	Change q-o-q
Liquid assets	6,339,663	5,099,111	24.3%	5,447,730	16.4%
<i>Cash and cash equivalents</i>	2,154,224	1,369,169	57.3%	1,633,755	31.9%
<i>Amounts due from credit institutions</i>	1,980,195	1,834,220	8.0%	1,700,075	16.5%
<i>Investment securities</i>	2,205,244	1,895,722	16.3%	2,113,900	4.3%
Loans to customers and finance lease receivables	13,627,144	11,339,745	20.2%	12,599,092	8.2%
Property and equipment	390,401	364,405	7.1%	396,272	-1.5%
Total assets	21,166,953	17,540,692	20.7%	19,183,966	10.3%
Client deposits and notes	12,985,039	9,613,718	35.1%	11,583,139	12.1%
Amounts owed to credit institutions	3,757,646	3,437,718	9.3%	3,521,860	6.7%
<i>Borrowings from DFIs</i>	1,807,472	1,355,426	33.4%	1,755,656	3.0%
<i>Short-term loans from NBG</i>	874,153	1,271,027	-31.2%	847,213	3.2%
<i>Loans and deposits from commercial banks</i>	1,076,021	811,265	32.6%	918,991	17.1%
Debt securities issued	1,628,188	2,175,820	-25.2%	1,561,933	4.2%
Total liabilities	18,795,816	15,500,833	21.3%	16,984,167	10.7%
Total equity	2,371,137	2,039,859	16.2%	2,199,799	7.8%

* The detailed financials of the Group are presented on pages 74-79

KEY RATIOS*

	3Q20	3Q19	2Q20	9M20	9M19
ROAA**	3.0%	3.2%	2.4%	1.1%	3.0%
ROAE**	26.0%	26.8%	21.8%	9.9%	24.7%
Net interest margin	4.8%	5.4%	4.2%	4.7%	5.7%
Loan yield	10.7%	11.5%	10.2%	10.6%	11.8%
Liquid assets yield	3.3%	3.2%	3.4%	3.5%	3.4%
Cost of funds	4.7%	4.5%	4.8%	4.8%	4.5%
Cost of client deposits and notes	3.8%	2.9%	3.5%	3.5%	3.0%
Cost of amounts owed to credit institutions	6.9%	6.8%	7.3%	7.3%	7.0%
Cost of debt securities issued	7.0%	7.7%	7.7%	7.5%	7.6%
Cost / Income***	37.1%	37.9%	43.9%	39.7%	37.3%
NPLs to gross loans to clients	3.8%	2.9%	2.7%	3.8%	2.9%
NPL coverage ratio	76.8%	85.3%	115.7%	76.8%	85.3%
NPL coverage ratio, adjusted for discounted value of collateral	131.4%	129.3%	166.3%	131.4%	129.3%
Cost of credit risk ratio	0.2%	0.5%	-0.2%	2.4%	1.1%
NBG (Basel III) CET1 capital adequacy ratio	9.9%	11.1%	9.9%	9.9%	11.1%
NBG (Basel III) Tier I capital adequacy ratio	12.0%	13.3%	12.0%	12.0%	13.3%
NBG (Basel III) Total capital adequacy ratio	17.3%	16.8%	17.4%	17.3%	16.8%

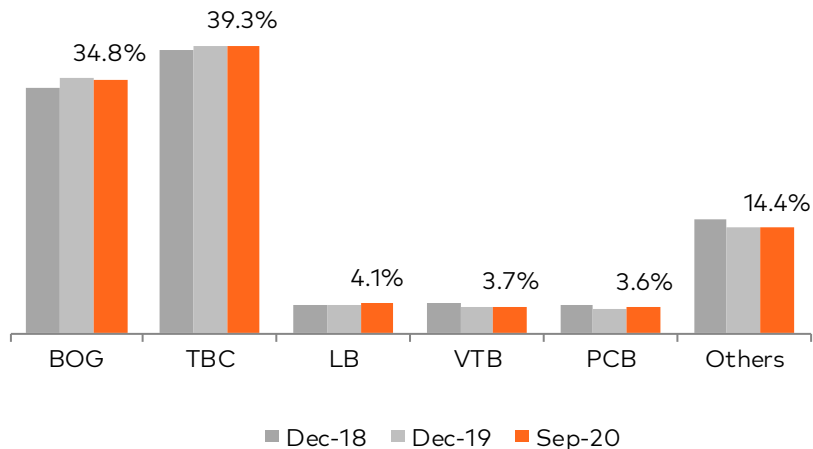
** The 9M19 ROAA and ROAE are adjusted for GEL 14.2 one-off employee costs (net of income tax), related to termination benefits of the former CEO and executive management

*** The 9M19 cost/income ratio is adjusted for GEL 12.4mln one-off employee costs (gross of income tax), related to termination benefits of former executive management

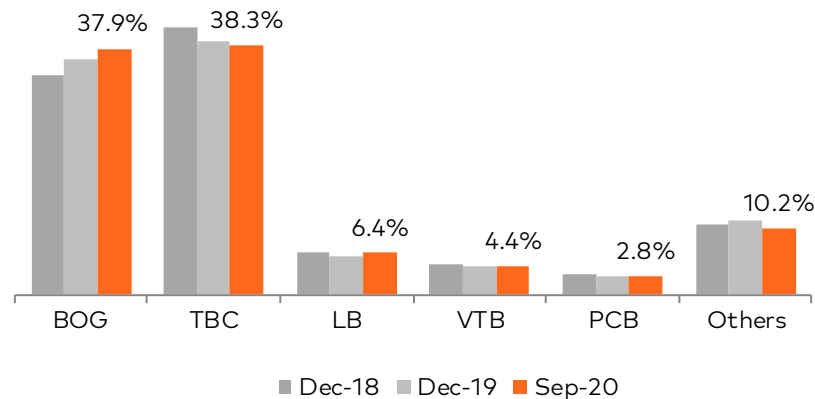
THE COMPETITION

Leading market position in Georgia by assets (35.6%), loans (34.8%), client deposits (37.9%) and equity (31.2%)

MARKET SHARE IN GROSS LOANS



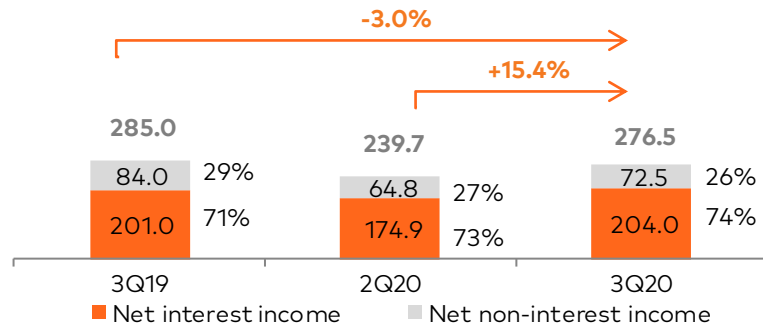
MARKET SHARE IN CLIENT DEPOSITS



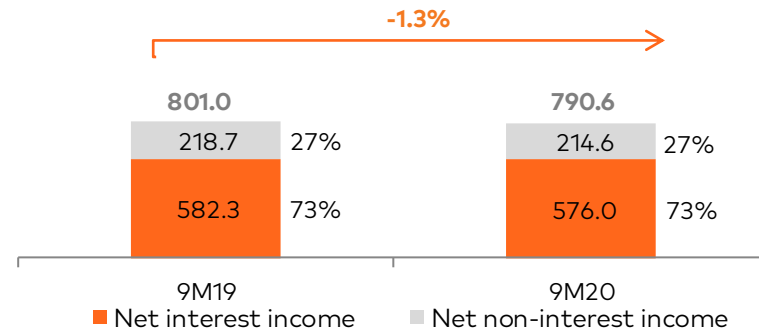
- Top two banks hold more than 70% of market share
- Bank of Georgia has consistently been gaining market share on all fronts, and delivering 20%+ ROAE at the same time
- Increase in market share in deposits of individuals underlines the strength of Bank of Georgia's franchise. See details on page 33

STRONG UNDERLYING PERFORMANCE AMID COVID-19 IMPACT

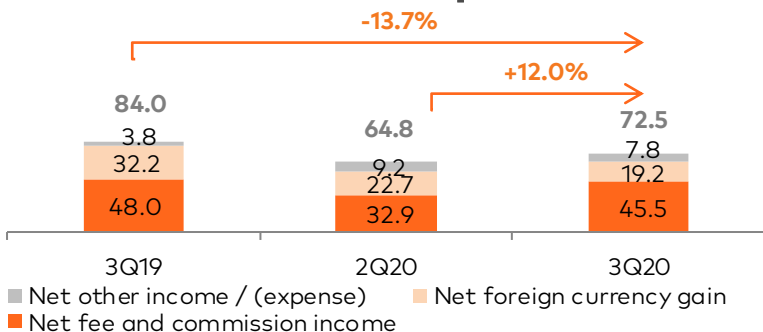
OPERATING INCOME | QUARTERLY



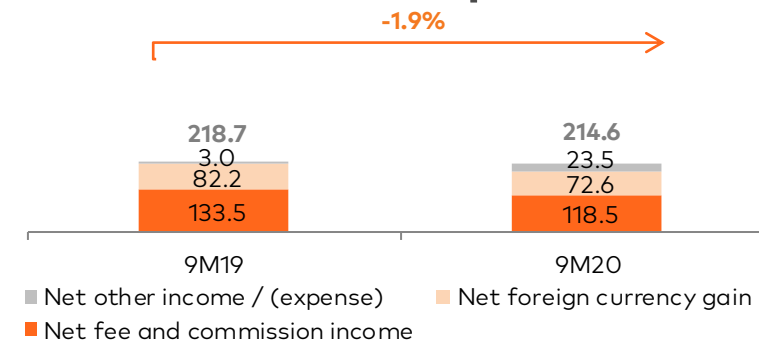
OPERATING INCOME | NINE MONTHS



NET NON-INTEREST INCOME | QUARTERLY



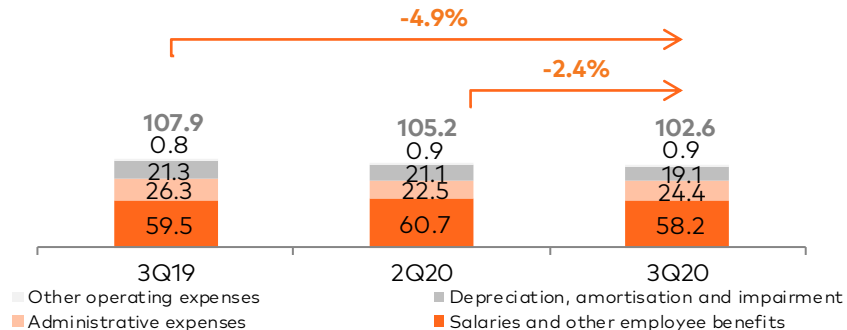
NET NON-INTEREST INCOME | NINE MONTHS



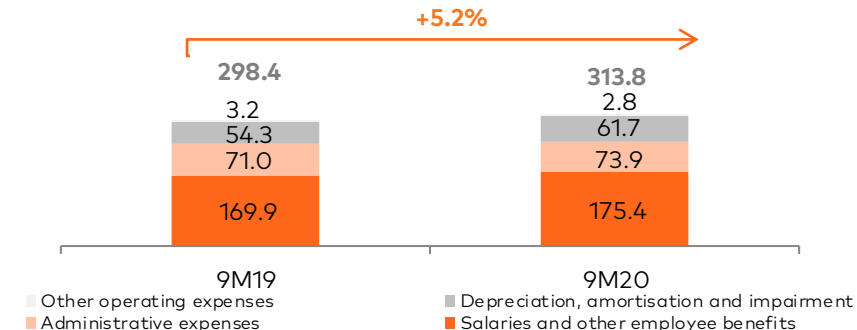
STRONG UNDERLYING PERFORMANCE AMID COVID-19 IMPACT

20

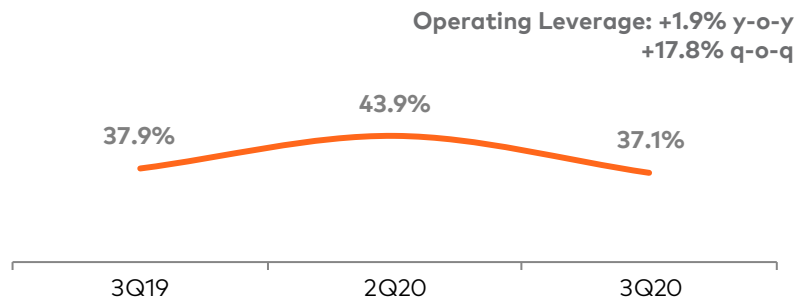
OPERATING EXPENSES | QUARTERLY



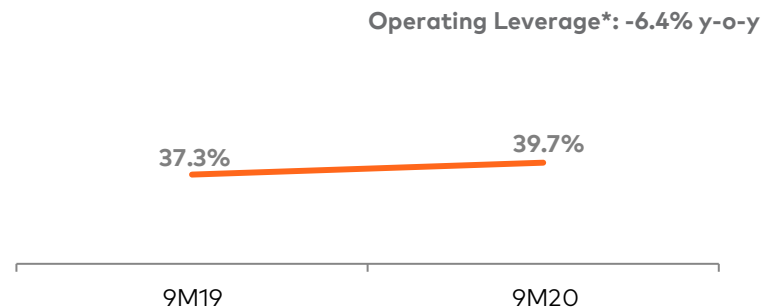
OPERATING EXPENSES* | NINE MONTHS



COST / INCOME | QUARTERLY



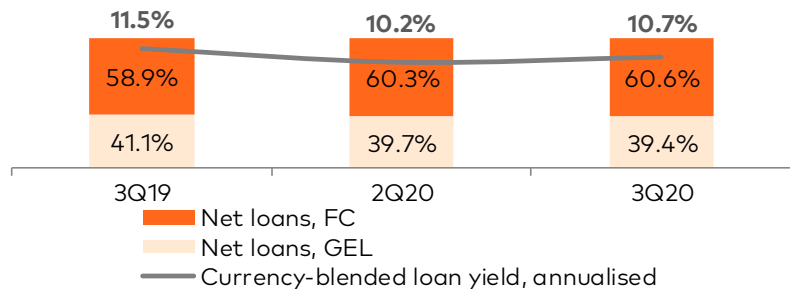
COST / INCOME* | NINE MONTHS



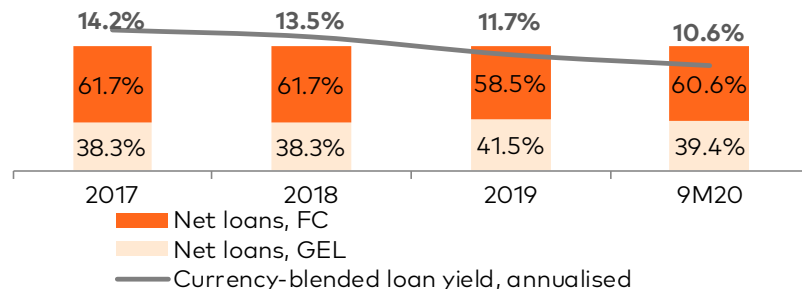
* The 9M19 operating expenses, cost to income ratio and operating leverage are adjusted for one-off costs. Please see details on one-offs on page 74

SOLID INCOME NOTWITHSTANDING PRESSURE ON YIELDS

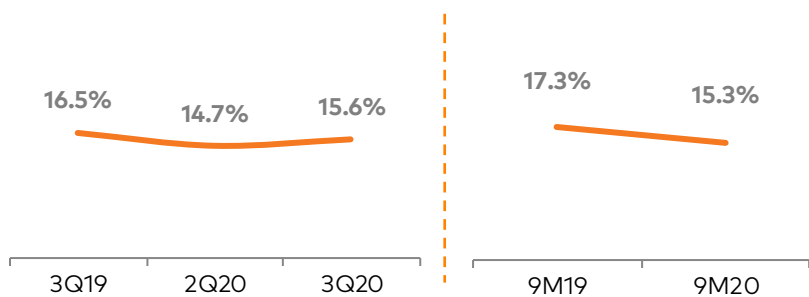
LOAN YIELDS | QUARTERLY



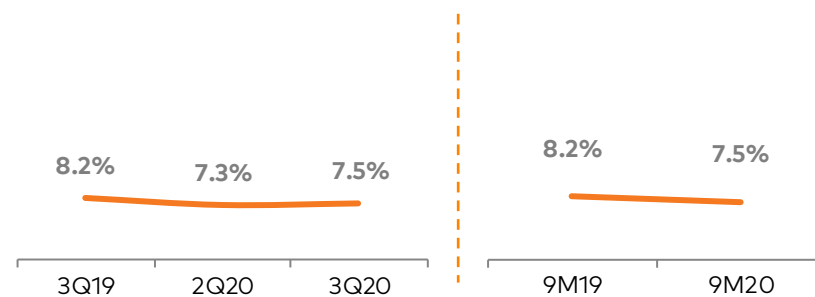
LOAN YIELDS | NINE MONTHS



LOAN YIELDS, LOCAL CURRENCY

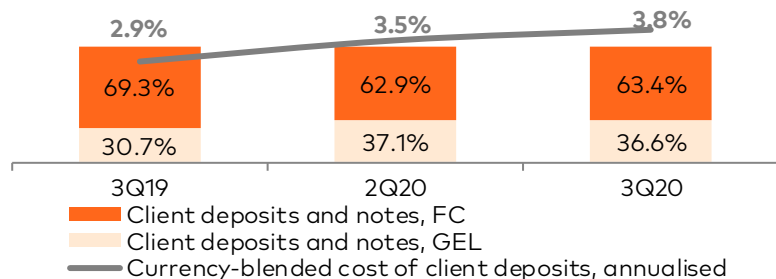


LOAN YIELDS, FOREIGN CURRENCY

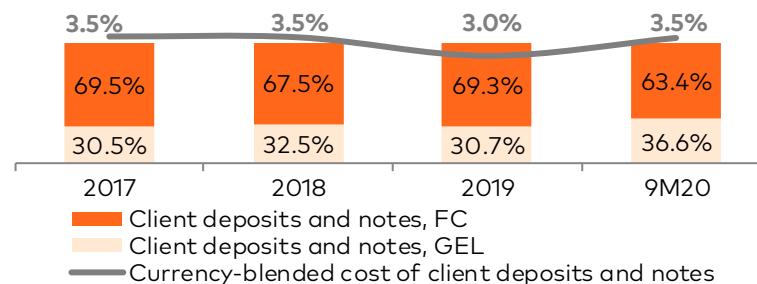


STABLE COST OF FUNDING

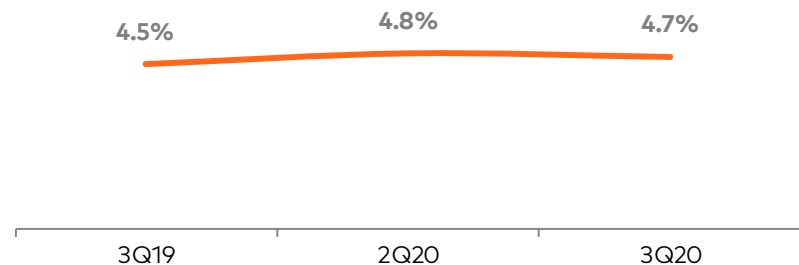
COST OF CUSTOMER FUNDS | QUARTERLY



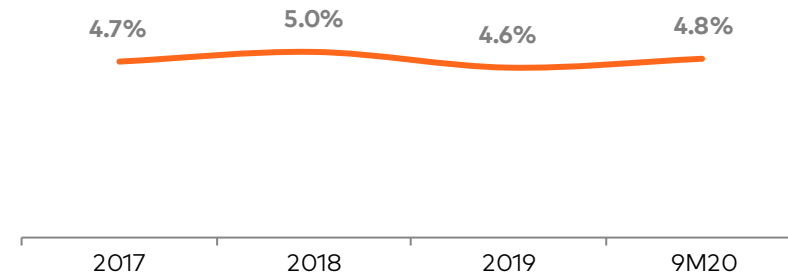
COST OF CUSTOMER FUNDS | NINE MONTHS



COST OF FUNDS | QUARTERLY



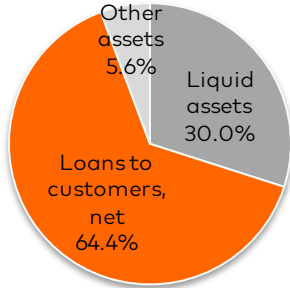
COST OF FUNDS | NINE MONTHS



DIVERSIFIED ASSET STRUCTURE AND LOAN PORTFOLIO

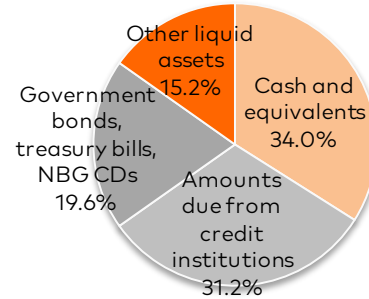
TOTAL ASSETS | SEP-20

Total: GEL 21.2bln



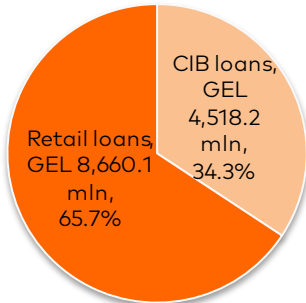
LIQUID ASSETS | SEP-20

Total: GEL 6.3bln

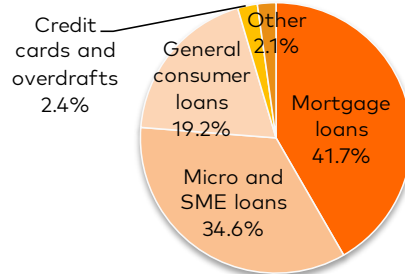


LOANS BREAKDOWN | SEP-20

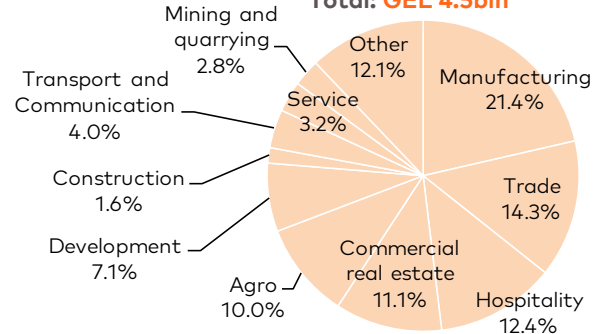
Total Gross Loans by segments
Bank of Georgia standalone
Total: GEL 13.2bln



Retail Banking Net Loans
by product
Total: GEL 8.4bln



Corporate and Investment Banking
Gross Loans by sectors
Total: GEL 4.5bln

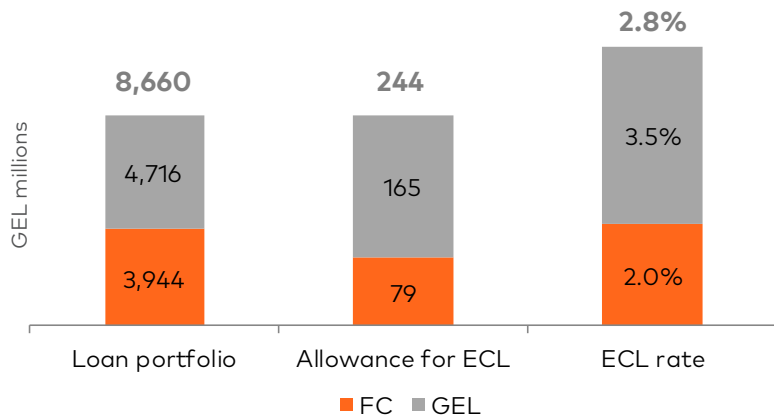


LOAN PORTFOLIO BREAKDOWN

24

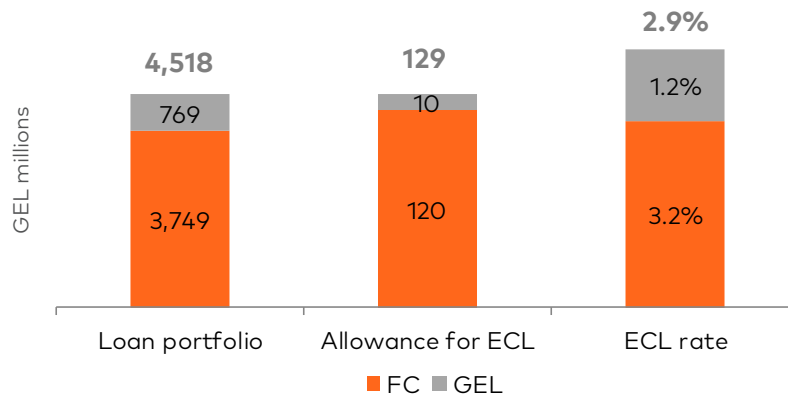
RETAIL BANKING | SEP-20

JSC Bank of Georgia standalone



CORPORATE INVESTMENT BANKING | SEP-20

JSC Bank of Georgia standalone



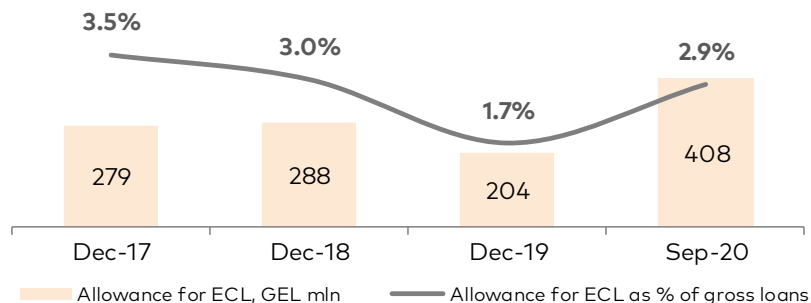
Amounts in GEL millions	RB Loan portfolio	% of total RB loan portfolio	Mortgages	Consumer loans*	SME & Micro	CB & WM Loan portfolio	% of total CIB loan portfolio
GEL loans*	4,716	54.5%	1,512	1,810	1,394	769	17.0%
FC loans not exposed to FC risk	646	7.5%	502	86	58	1,899	42.0%
FC loans exposed to FC risk	3,298	38.1%	1,537	217	1,544	1,850	40.9%
Total	8,660	100.0%	3,551	2,114	2,996	4,518	100.0%

* Includes credit cards

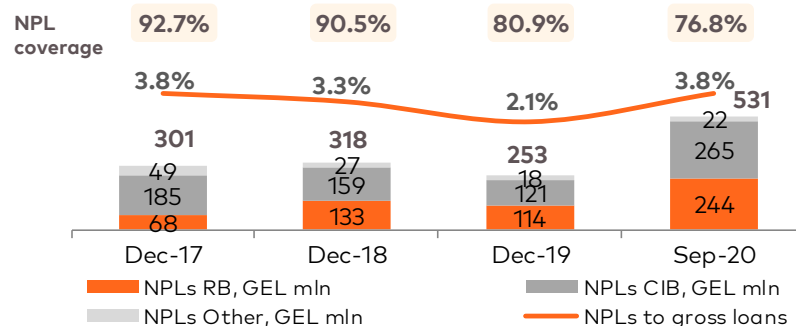
RESILIENT LOAN PORTFOLIO QUALITY

25

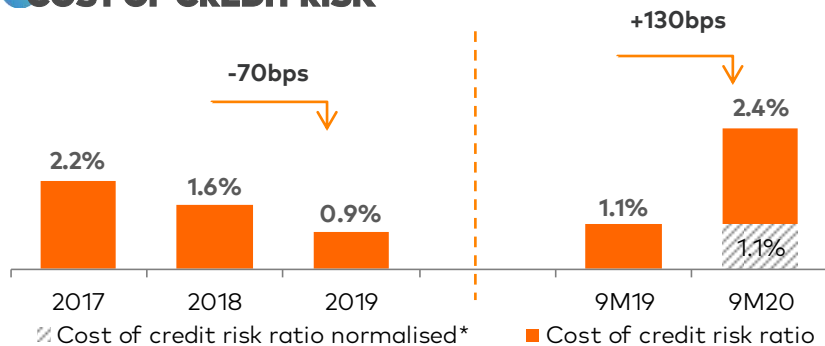
EXPECTED CREDIT LOSS



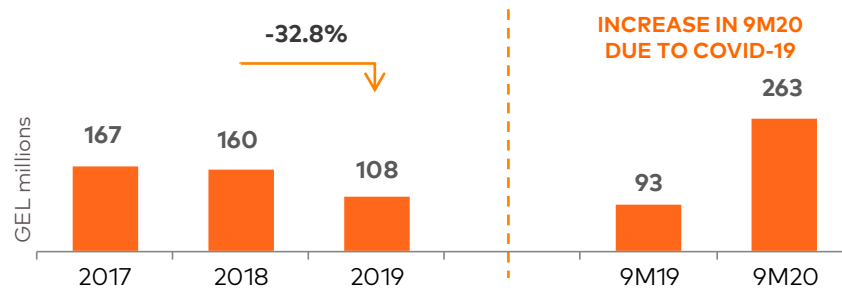
NPL COMPOSITION



COST OF CREDIT RISK



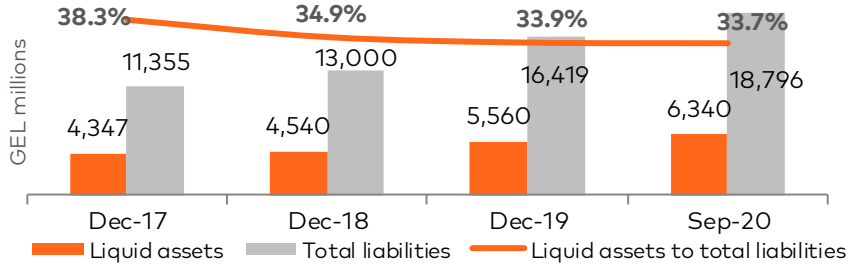
COST OF RISK



* Normalised cost of credit risk - 1.2% for RB and 0.8% for CIB

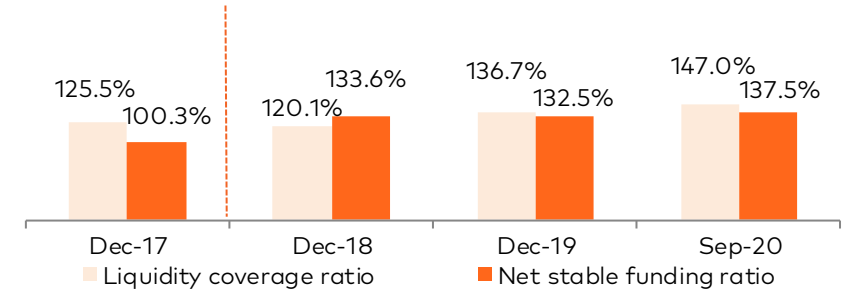
STRONG LIQUIDITY

LIQUID ASSETS TO TOTAL LIABILITIES



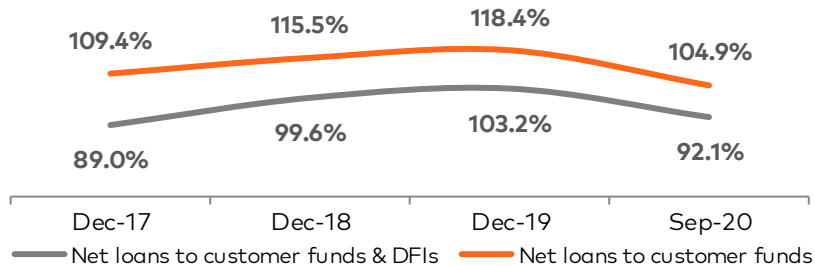
LCR AND NSFR

JSC Bank of Georgia standalone (Basel III Liquidity)

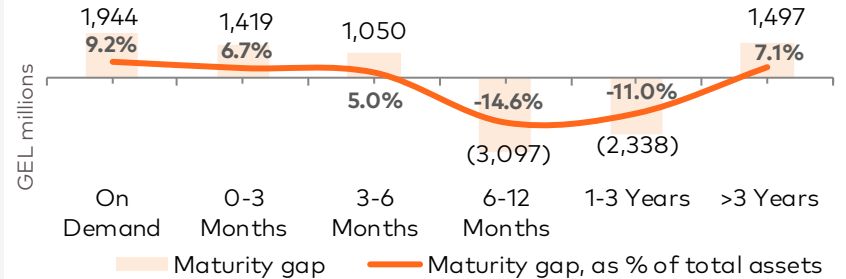


* 2018-2020 ratios are calculated for standalone Bank of Georgia according to NBS guidelines

NET LOANS TO CUSTOMER FUNDS & DFIS



CUMULATIVE MATURITY GAP | SEP-20



STRONG CAPITAL ADEQUACY POSITION

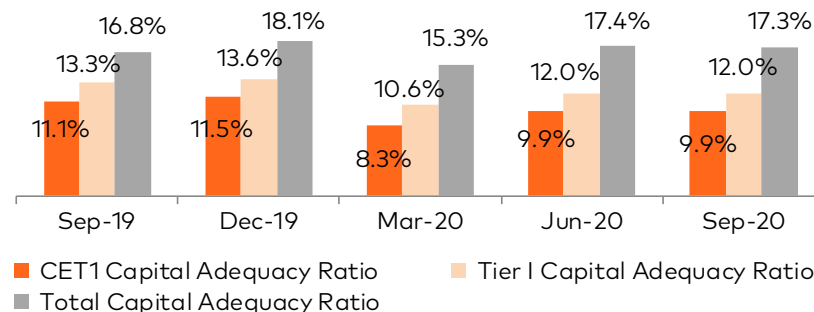
27

NBG MEASURES AS A RESPONSE TO COVID-19

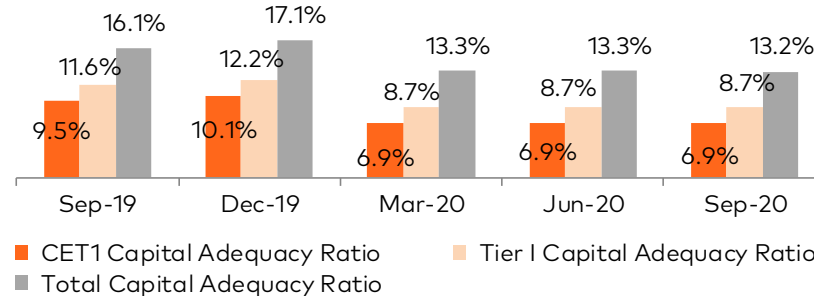
NBG's COVID-19 Supervisory Plan effective since March 2020:

- **Combined buffer** - the conservation buffer requirement of 2.5% of risk-weighted assets has been reduced to 0% indefinitely;
- **Pillar 2 requirements:**
 - Currency induced credit risk buffer (CICR) requirement reduced by 2/3rds indefinitely;
 - The phase-in of additional credit portfolio concentration risk buffer (HHI) and net GRAPE buffer requirements on Common Equity Tier 1 (CET1) and Tier 1 capital, planned at the end of March 2020, has been postponed indefinitely;
 - The possibility of fully or partially releasing the remaining requirements of Pillar 2 buffers (HHI, CICR, net GRAPE), if necessary, remains open.
- **Capital distribution** - during the period the banks are allowed to partially or fully use the Pillar 2 and conservation buffers, the banks are restricted to make capital distribution in any form;
- **General loan loss provisioning relating to COVID-19.** The Bank's actual capital adequacy position at 30 June 2020 considers the additional general provision of GEL 400 million (approximately 3.3% of the Bank's lending portfolio subject to provision under the local regulatory accounting standards) booked under the Bank's local regulatory accounting basis in March 2020, which is used for calculation of the Bank's capital ratios, reflecting NBG's expectation of estimated credit losses on the Bank's lending book for the whole economic cycle, given current economic expectations.

CAPITAL ADEQUACY RATIOS



REGULATORY REQUIREMENTS



STRONG INTERNAL CAPITAL GENERATION

28

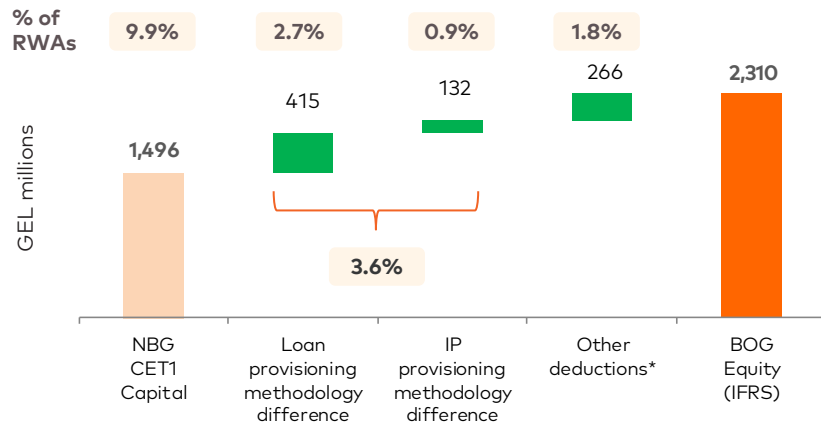
CAPITAL RATIOS EVOLUTION DURING 9M20

	Capital ratios DEC-19	Business growth	9M20 profit (excl. NBG general provision)	NBG general provision – COVID-19 impact	GEL Devaluation	New Tier 2 facility impact	Capital ratios SEP-20	Potential impact of additional 10% GEL devaluation
CET1 capital adequacy ratio	11.5%	-0.4%	2.3%	-2.6%	-0.9%	-	9.9%	-0.7%
Tier I capital adequacy ratio	13.6%	-0.6%	2.3%	-2.5%	-0.8%	-	12.0%	-0.6%
Total capital adequacy ratio	18.1%	-0.9%	2.3%	-2.4%	-0.7%	0.9%	17.3%	-0.5%

- **Strong internal capital generation**
- **NBG general provisioning:** c.GEL 400 million general provision created for the full economic cycle in 1Q20 in relation to the COVID-19 impact, resulting in the decline of capital ratios during first nine months of 2020
- **Tier 2 subordinated facility:** in April 2020, the Bank drew down a \$55 million second tranche of the Tier 2 capital instrument initially arranged in December 2019

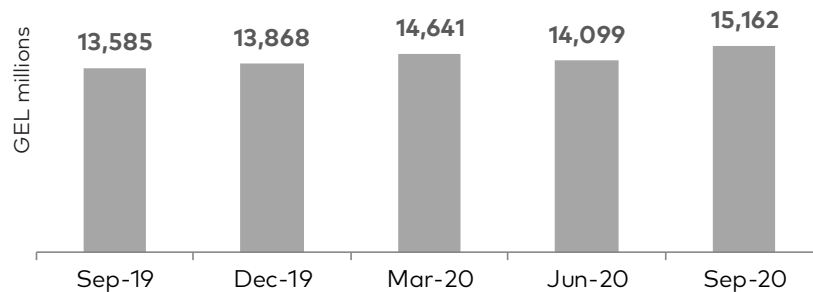
STRONG CAPITAL ADEQUACY POSITION

BOG EQUITY VS. CET1 REG. CAPITAL | SEP-20



* Revaluation reserve, investments in non-financial subsidiaries and intangible assets

RISK WEIGHTED ASSETS

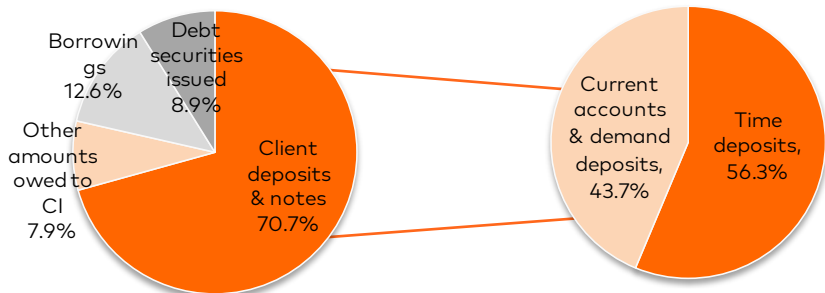


- Existing additional capital buffers (within **c.3.6%** of risk-weighted assets) reflecting differences in provisioning methodology between NBG and IFRS 9
- NBG plans to transition to IFRS-based financial reporting during 2021 - 2022

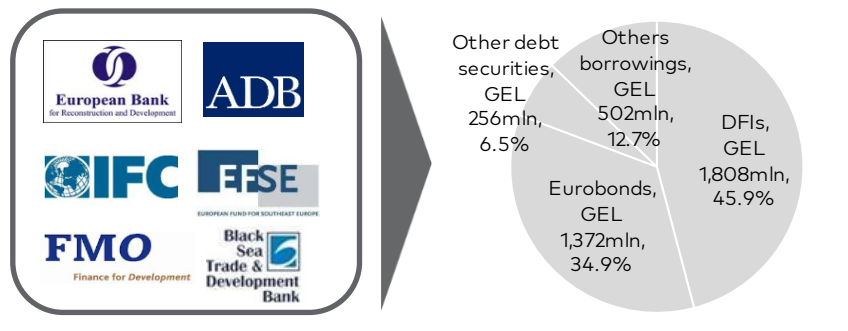
WELL-ESTABLISHED FUNDING STRUCTURE | SEP-20

INTEREST BEARING LIABILITIES

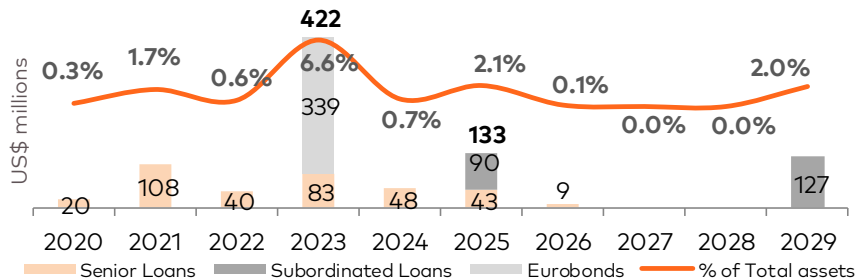
Interest Bearing Liabilities **GEL 18.4bln**



WELL DIVERSIFIED INTERNATIONAL BORROWINGS



BORROWED FUNDS MATURITY BREAKDOWN*



* converted at GEL/US\$ exchange rate of 3.2878 at 30 September 2020

STRONG FUNDING PIPELINE

- **c.GEL 463 million** undrawn long-term loan facilities from DFIs at 30 September 2020 with up to seven years of maturity
- Liquidity and funding positions remain strong, following repayment of **GEL 500 million** local currency bonds in June 2020
- Liquidity management: **US\$19.3 million** Eurobonds due 2023 repurchased since July 2020

RETAIL BANKING HIGHLIGHTS

AT 30 SEP 2020 FOR JSC BANK OF GEORGIA STANDALONE

31



	1	2	3
Segments	Mass Retail	Mass Affluent	MSME
Clients	2,300 k	58 k	228 k
Loans	GEL 2,843 mln	GEL 2,627 mln	GEL 3,190 mln
Deposits	GEL 3,198 mln	GEL 2,624 mln	GEL 877 mln
3Q20 profit	GEL 30 mln	GEL 28 mln	GEL 23 mln
P/C ratio	2.1	4.9	1.5
Branches	194	11	1

RETAIL BANKING HIGHLIGHTS

INCOME STATEMENT HIGHLIGHTS

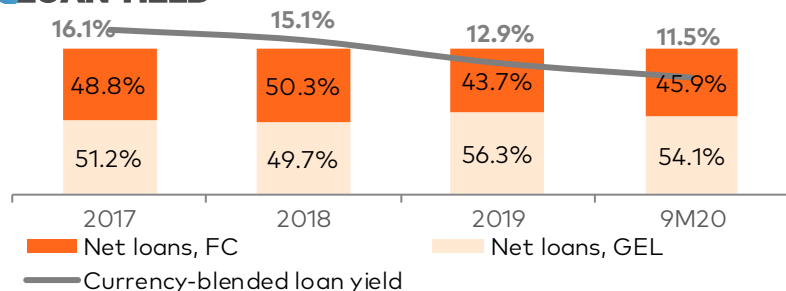
32

GEL thousands unless otherwise noted

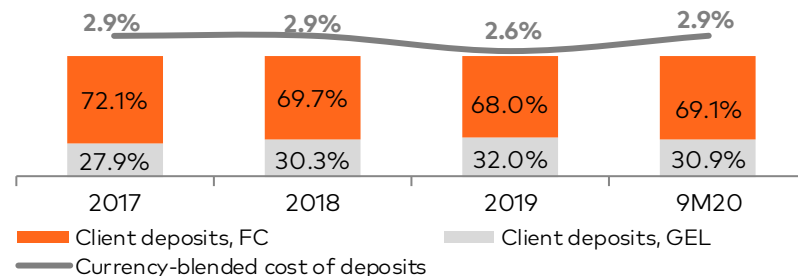
	3Q20	3Q19	Change y-o-y	2Q20	Change q-o-q	9M20	9M19	Change y-o-y
Net interest income	126,837	142,202	-10.8%	102,667	23.5%	347,771	410,861	-15.4%
Net fee and commission income	34,744	36,696	-5.3%	22,184	56.6%	86,325	103,735	-16.8%
Net foreign currency gain	14,245	14,410	-1.1%	7,525	89.3%	43,404	36,214	19.9%
Net other income / (expense)	3,477	581	NMF	4,085	-14.9%	9,467	(1,002)	NMF
Operating income	179,303	193,889	-7.5%	136,461	31.4%	486,967	549,808	-11.4%
Salaries and other employee benefits	(40,481)	(37,732)	7.3%	(41,826)	-3.2%	(122,876)	(108,296)	13.5%
Administrative expenses	(18,199)	(17,585)	3.5%	(16,898)	7.7%	(55,829)	(48,374)	15.4%
Depreciation, amortisation and impairment	(15,704)	(17,973)	-12.6%	(17,610)	-10.8%	(51,203)	(45,753)	11.9%
Other operating expenses	(510)	(379)	34.6%	(550)	-7.3%	(1,608)	(1,666)	-3.5%
Operating expenses	(74,894)	(73,669)	1.7%	(76,884)	-2.6%	(231,516)	(204,089)	13.4%
Profit from associate	214	194	10.3%	113	89.4%	628	636	-1.3%
Operating income before cost of risk	104,623	120,414	-13.1%	59,690	75.3%	256,079	346,355	-26.1%
Cost of risk	(16,238)	(16,831)	-3.5%	(5,757)	NMF	(164,076)	(82,760)	98.3%
Net operating income before non-recurring items	88,385	103,583	-14.7%	53,933	63.9%	92,003	263,595	-65.1%
Net non-recurring items	219	(575)	NMF	(1,249)	NMF	(39,959)	(915)	NMF
Profit before income tax and one-off costs	88,604	103,008	-14.0%	52,684	68.2%	52,044	262,680	-80.2%
Income tax (expense) / benefit	(7,508)	(14,060)	-46.6%	(3,214)	133.6%	493	(26,484)	NMF
Profit adjusted for one off costs	81,096	88,948	-8.8%	49,470	63.9%	52,537	236,196	-77.8%
One-off termination costs (after tax)*	-	-	-	-	-	-	(10,142)	NMF
Profit	81,096	88,948	-8.8%	49,470	63.9%	52,537	226,054	-76.8%

* The income statement adjusted profit in 9M19 excludes GEL 10.1mln one-off employee costs (net of income tax) related to the former CEO and executive management termination benefits

LOAN YIELD

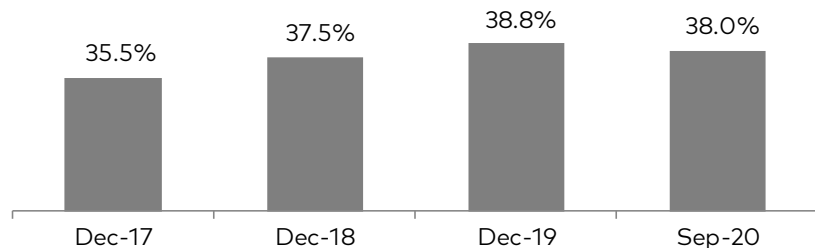


COST OF CLIENT DEPOSITS

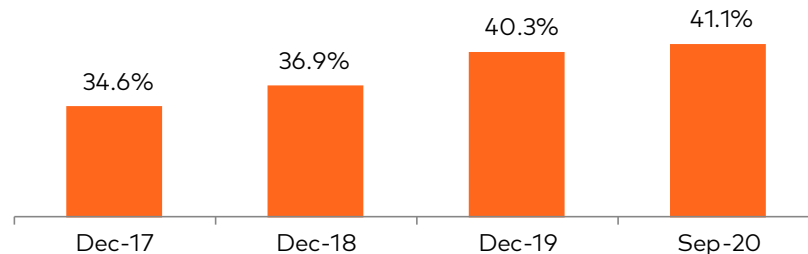


RETAIL BANKING LOANS AND DEPOSITS

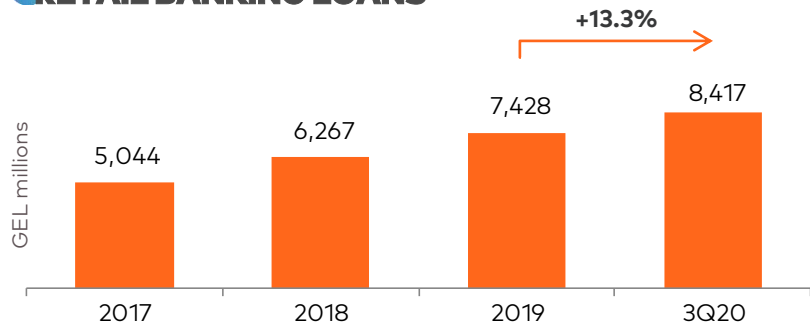
MARKET SHARE – LOANS TO INDIVIDUALS



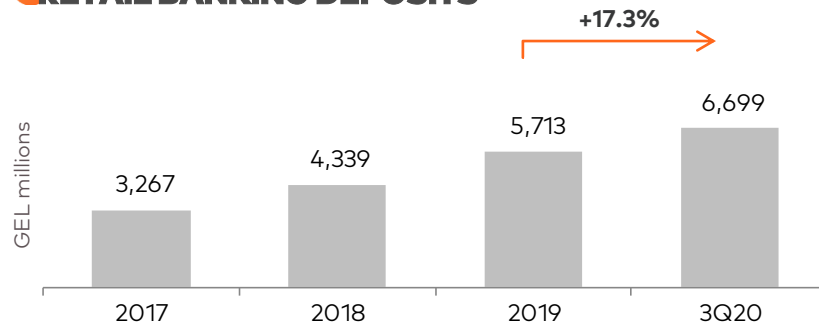
MARKET SHARE – DEPOSITS TO INDIVIDUALS



RETAIL BANKING LOANS

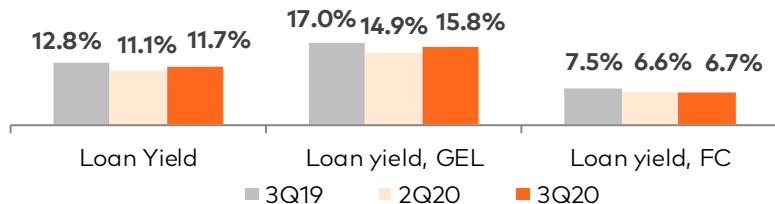


RETAIL BANKING DEPOSITS

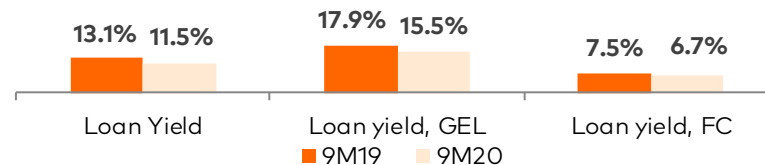


RETAIL BANKING LOAN YIELD, COST OF DEPOSITS AND NIM

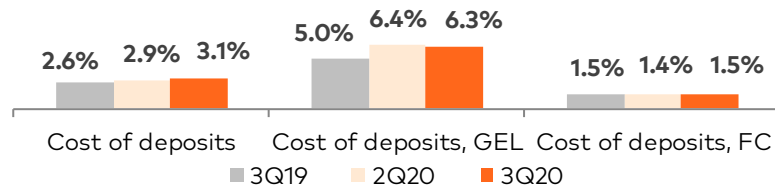
RETAIL BANKING LOAN YIELD | QUARTERLY



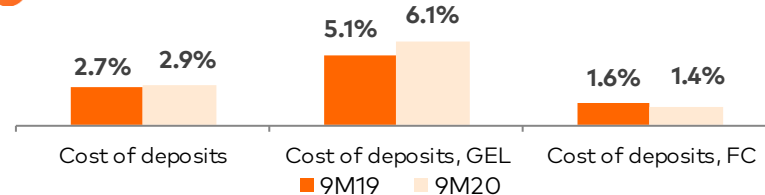
RETAIL BANKING LOAN YIELD | NINE MONTHS



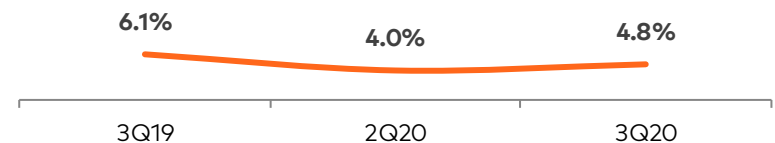
RETAIL BANKING COST OF DEPOSITS | QUARTERLY



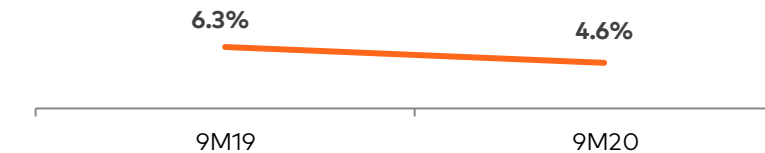
RETAIL BANKING COST OF DEPOSITS | NINE MONTHS



RETAIL BANKING NIM | QUARTERLY



RETAIL BANKING NIM | NINE MONTHS

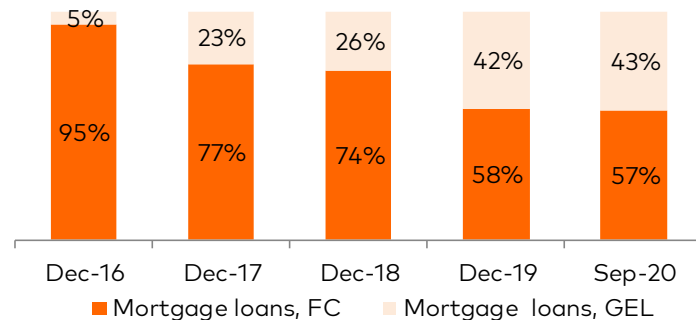


RETAIL BANKING - LEADING RETAIL BANK IN GEORGIA

RETAIL BANKING CLIENT DATA

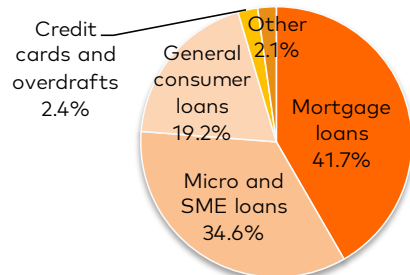
Operating Data, GEL mln	Sep-20	Dec-19	Dec-18	Dec-17
Number of total Retail clients, of which:	2,579,011	2,540,466	2,440,754	2,315,038
<i>Number of Solo clients</i>	58,351	54,542	44,292	32,104
Consumer loans & other outstanding, volume	1,892	1,726	1,555	1,480
Consumer loans & other outstanding, number	447,404	472,791	566,740	738,694
Mortgage loans outstanding, volume	3,551	3,043	2,539	1,706
Mortgage loans outstanding, number	50,542	46,907	39,007	26,643
Micro & SME loans outstanding, volume	2,996	2,523	2,005	1,637
Micro & SME loans outstanding, number	79,377	81,739	68,832	53,732
Credit cards and overdrafts outstanding, volume	222	245	290	308
Credit cards and overdrafts outstanding, number	350,898	395,012	454,512	480,105
Credit cards outstanding, number, of which:	304,621	395,536	547,038	673,573
<i>American Express cards</i>	95,592	99,307	105,899	97,178

MORTGAGE LOANS DOLLARISATION

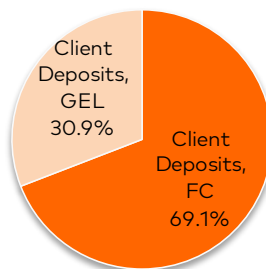


RETAIL BANKING PORTFOLIO | 30 SEP 2020

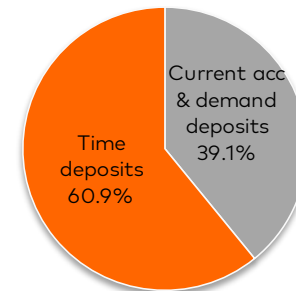
Net Loans by products
Total: **GEL 8.4bln**



Deposits by currency
Total: **GEL 6.7bln**



Deposits by category
Total: **GEL 6.7bln**

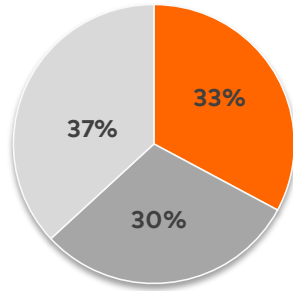


DIVERSIFIED RETAIL PORTFOLIOS AND INCOME STREAMS

BALANCE SHEET | SEP-20

JSC Bank of Georgia Standalone

Total Gross Loans
GEL 8,660mln

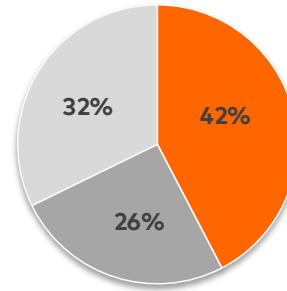


- Mass Retail (GEL 2,843mln)
- Solo (GEL 2,627mln)
- MSME (GEL 3,190mln)

INCOME STATEMENT | 9M20

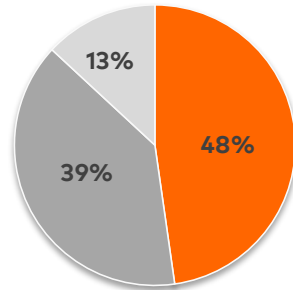
JSC Bank of Georgia Standalone

Net Interest Income
GEL 347mln



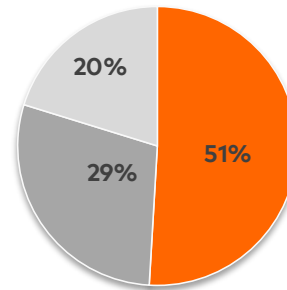
- Mass Retail (GEL 147mln)
- Solo (GEL 88mln)
- MSME (GEL 112mln)

Total Deposits
GEL 6,699mln



- Mass Retail (GEL 3,198mln)
- Solo (GEL 2,624mln)
- MSME (GEL 877mln)

Net Fee & Commission Income
GEL 68mln

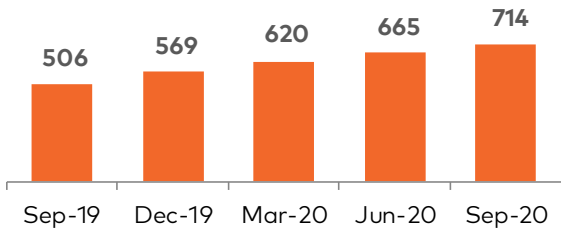


- Mass Retail (GEL 35mln)
- Solo (GEL 20mln)
- MSME (GEL 14mln)

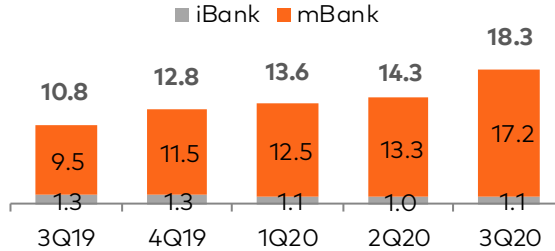
RETAIL BANKING | DIGITAL PENETRATION

MBANK/IBANK STATISTICS

Number of Active Users | '000

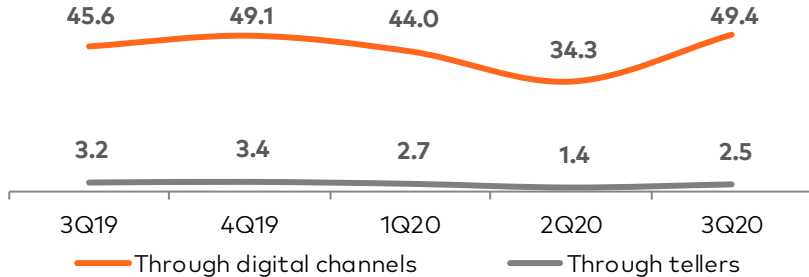


Number of transactions (millions)



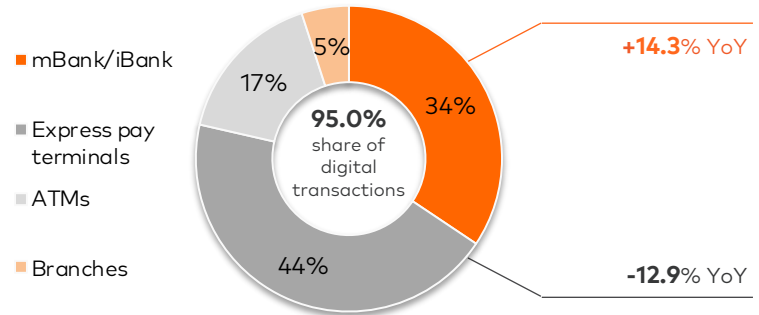
DIGITAL VS NON-DIGITAL TRANSACTIONS

Number of transactions in millions



Information on this slide depicts the usage of digital and non-digital channels by individual customers

Transactions breakdown by channel | 9M20

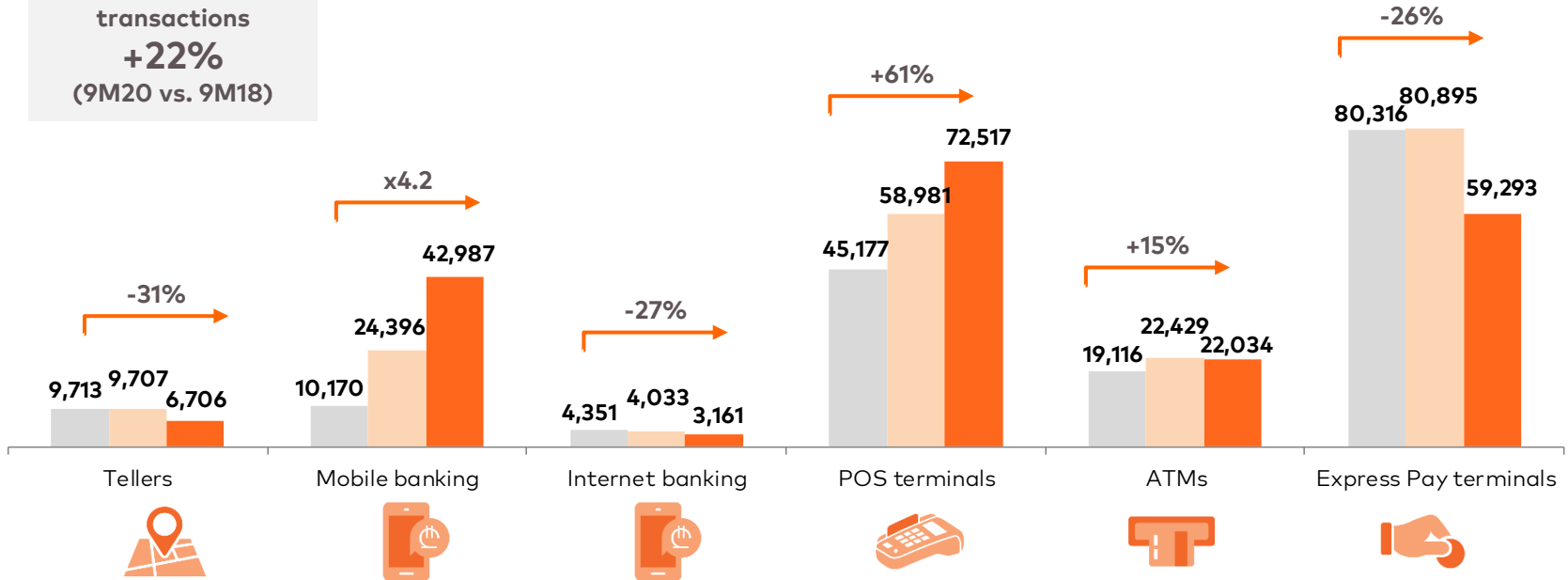


RETAIL BANKING | MULTICHANNEL PERFORMANCE

NUMBER OF TRANSACTIONS '000

Total number of transactions
+22%
(9M20 vs. 9M18)

■ 9M18 ■ 9M19 ■ 9M20



Information on this slide depicts the usage of channels by individual customers

CIB HIGHLIGHTS

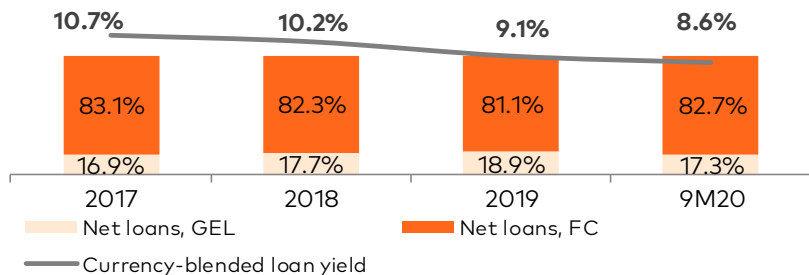
INCOME STATEMENT HIGHLIGHTS

39

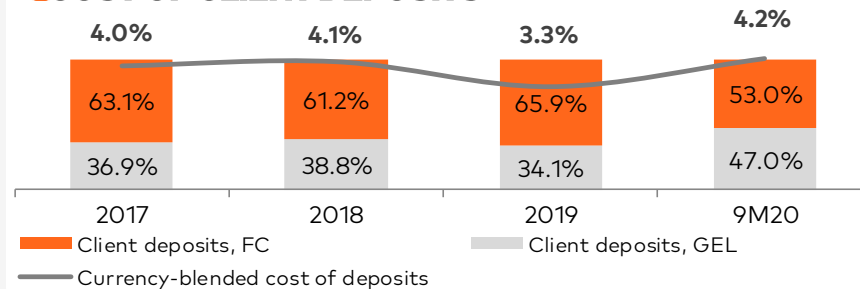
<i>GEL thousands unless otherwise noted</i>	3Q20	3Q19	Change y-o-y	2Q20	Change q-o-q	9M20	9M19	Change y-o-y
Net interest income	68,454	51,827	32.1%	63,110	8.5%	200,905	152,232	32.0%
Net fee and commission income	9,500	9,826	-3.3%	9,197	3.3%	27,652	25,090	10.2%
Net foreign currency gain	4,976	13,510	-63.2%	11,431	-56.5%	24,941	35,014	-28.8%
Net other income	4,653	3,300	41.0%	4,825	-3.6%	14,160	4,294	NMF
Operating income	87,583	78,463	11.6%	88,563	-1.1%	267,658	216,630	23.6%
Salaries and other employee benefits	(13,034)	(15,304)	-14.8%	(14,170)	-8.0%	(37,764)	(42,481)	-11.1%
Administrative expenses	(4,483)	(5,866)	-23.6%	(3,488)	28.5%	(12,437)	(13,897)	-10.5%
Depreciation, amortisation and impairment	(2,352)	(2,416)	-2.6%	(2,434)	-3.4%	(7,259)	(6,050)	20.0%
Other operating expenses	(235)	(241)	-2.5%	(227)	3.5%	(761)	(746)	2.0%
Operating expenses	(20,104)	(23,827)	-15.6%	(20,319)	-1.1%	(58,221)	(63,174)	-7.8%
Operating income before cost of risk	67,479	54,636	23.5%	68,244	-1.1%	209,437	153,456	36.5%
Cost of risk	6,745	1,239	NMF	(2,536)	NMF	(9,691)	(7,159)	NMF
Net operating income before non-recurring items	74,224	55,875	32.8%	65,708	13.0%	117,746	146,297	-19.5%
Net non-recurring items	(1)	(3)	-66.7%	32	NMF	(1,375)	(75)	NMF
Profit before income tax and one-off costs	74,223	55,872	32.8%	65,740	12.9%	116,371	146,222	-20.4%
Income tax expense	(7,619)	(7,444)	2.4%	(4,246)	79.4%	(10,018)	(14,477)	-30.8%
Profit adjusted for one off costs	66,604	48,428	37.5%	61,494	8.3%	106,353	131,745	-19.3%
One-off termination costs (after tax)*	-	-	-	-	-	-	(4,094)	NMF
Profit	66,604	48,428	37.5%	61,494	8.3%	106,353	127,651	-16.7%

* The income statement adjusted profit in 9M19 excludes GEL 4.1mln one-off employee costs (net-off income tax) related to the former CEO and executive management termination benefits

LOAN YIELD

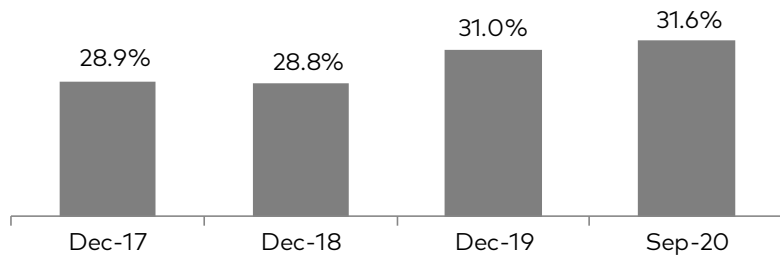


COST OF CLIENT DEPOSITS

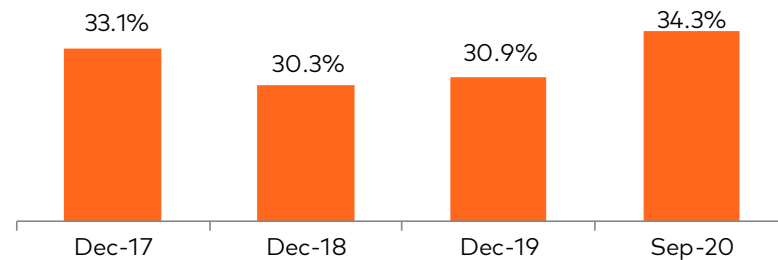


CIB LOAN BOOK AND DEPOSITS

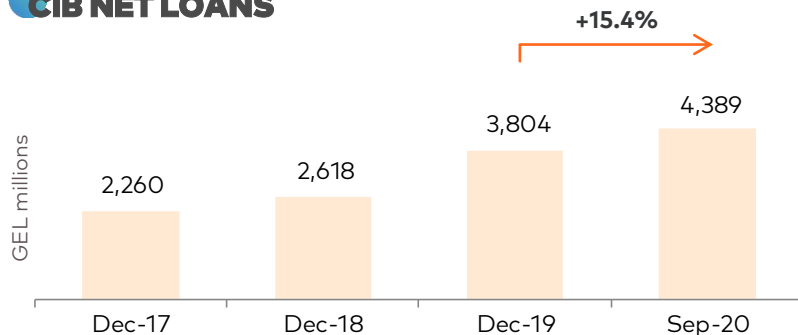
MARKET SHARE – LOANS TO LEGAL ENTITIES



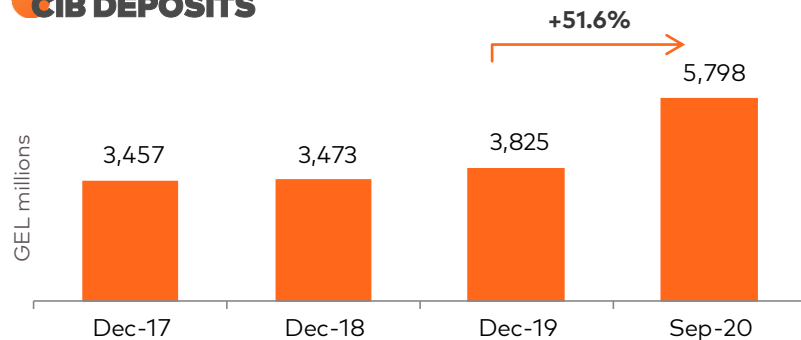
MARKET SHARE – DEPOSITS TO LEGAL ENTITIES



CIB NET LOANS



CIB DEPOSITS

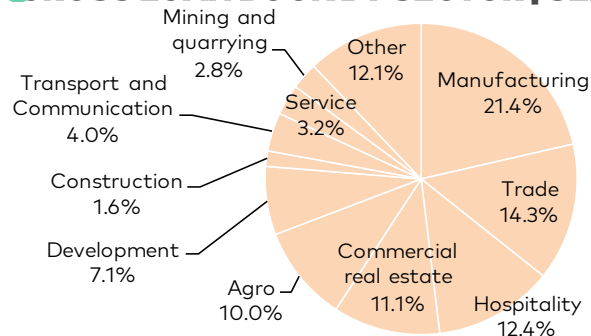


CIB LOAN BOOK AND DEPOSITS

HIGHLIGHTS

- **Leading corporate bank in Georgia**
- Integrated client coverage in key major sectors of the Georgian economy
- **2,739** corporate clients served by dedicated relationship bankers at Sep-20

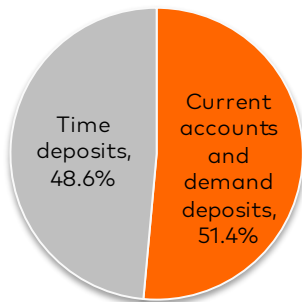
GROSS LOAN BOOK BY SECTOR | SEP-20



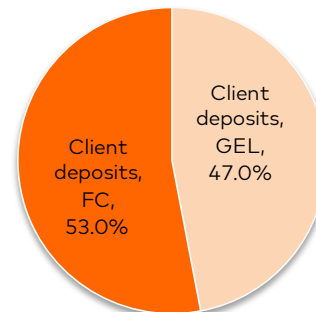
Top 10 CIB borrowers - 29.4% of CIB loan book

Top 20 CIB borrowers - 40.0% of CIB loan book

DEPOSITS BY CATEGORY | SEP-20

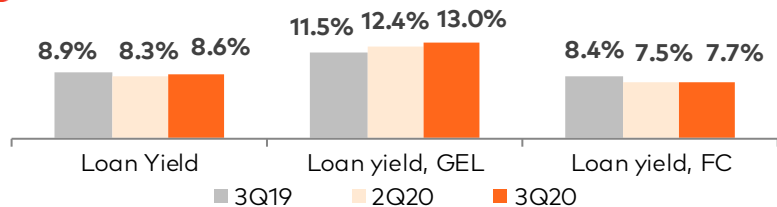


DEPOSITS BY CURRENCY | SEP-20

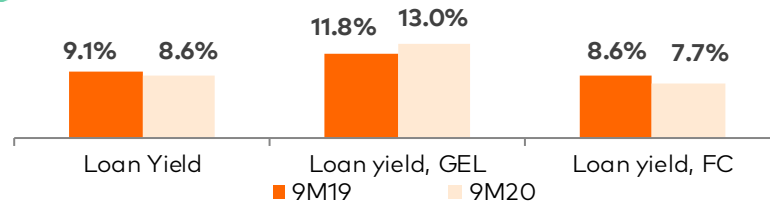


CIB LOAN YIELD, COST OF DEPOSITS AND NIM

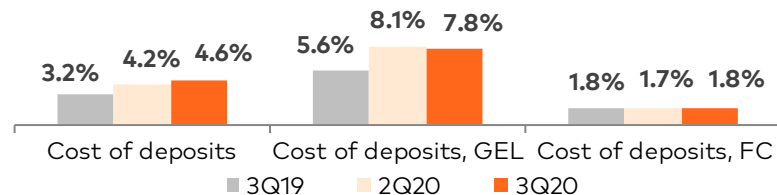
CIB LOAN YIELD | QUARTERLY



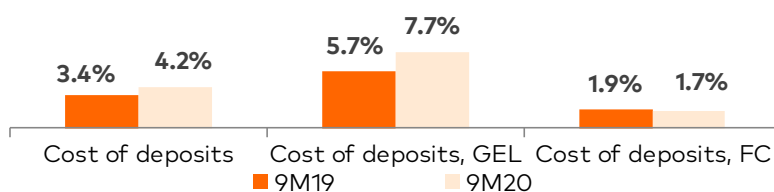
CIB LOAN YIELD | NINE MONTHS



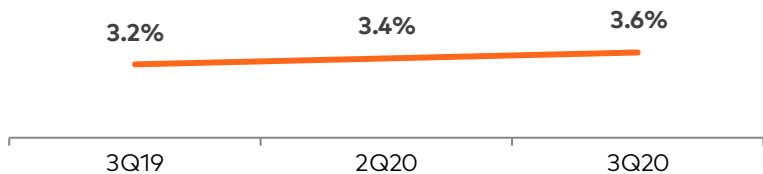
CIB COST OF DEPOSITS | QUARTERLY



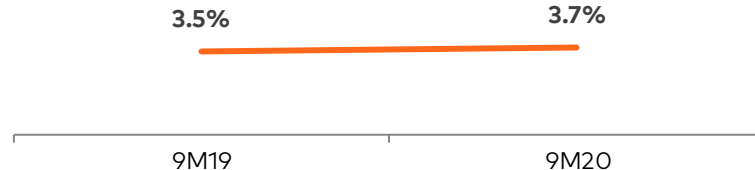
CIB COST OF DEPOSITS | NINE MONTHS



CIB NIM | QUARTERLY



CIB NIM | NINE MONTHS



STRONG INTERNATIONAL PRESENCE

- Israel (2008), UK (2010), Hungary (2012), Turkey (2013)



- AUM - GEL 2,740.0 million, up 10.6% y-o-y
- Diversified funding base:
 - Georgia – 38%
 - CIS – 23%
 - Europe – 14%
 - Israel – 9%
 - UK – 3%
 - Other – 13%

STRONG INTERNATIONAL PRESENCE

- Wealth Management Vision – Become the regional hub for wealth management offering
 - Business and tax friendly environment
 - Secure and attractive destination
 - Conservative regulation and high level of banking secrecy
 - Market dominated by two LSE listed banks with high standards of transparency
- Dedicated office in the centre of Tbilisi, since January 2019



BUILDING BLOCKS TO BECOME THE FINANCIAL SERVICES HUB



GALT AND TAGGART – LARGEST INVESTMENT BANK IN GEORGIA

44

BROKERAGE

- Leading brokerage house in the region
- Only international sub-custodian in the region
- Leading investment bank in the region
- Wide product coverage and Exclusive partner of SAXO Bank via White Label structure, that provides highly adaptive trading platform with professional tools, insights and world-class execution



DCM/ECM

- Galt & Taggart continues to develop local capital markets in Georgia
- Leading player on the local market
- Lead manager of choice for corporates as well as International Financial Institutions

RESEARCH

- Sector, macro and fixed income coverage
- Georgian quarterly macroeconomic update
- International distribution



Bloomberg



CORPORATE ADVISORY

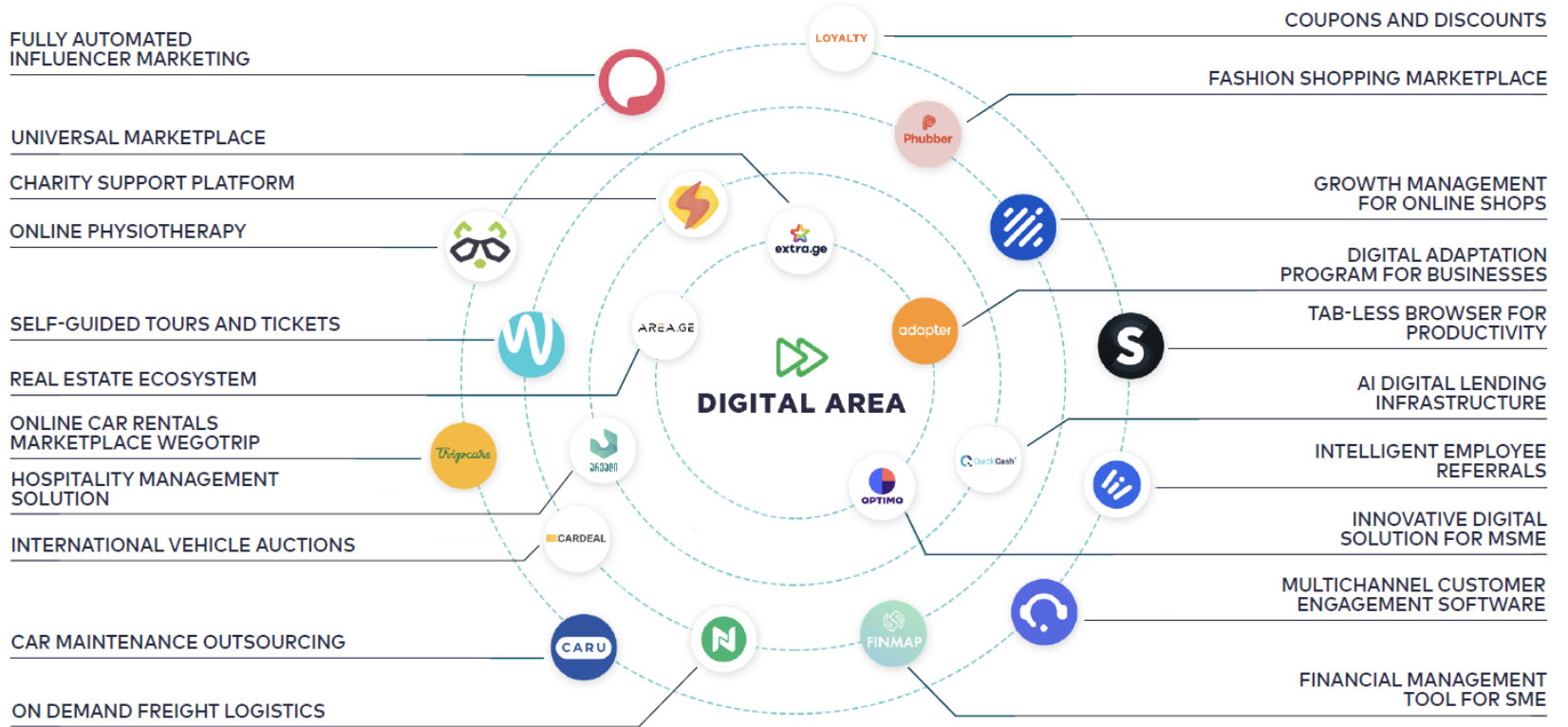
- Team with sector expertise and international M&A experience
- Proven track record of more than 30 completed transactions over the past eight years



Best Investment Bank in Georgia

2015 - 2020

DIGITAL AREA ECOSYSTEM OVERVIEW



DIGITAL AREA ECOSYSTEM OVERVIEW

46

SINCE JUNE 2019

- Extra.ge - launch of web platform
- Extra.ge - largest e-commerce marketplace
- Extra.ge - launch on IOS and Android apps
- Optimo.ge - launch of merchant services
- Adapter.ge - launch of web platform
- Area.ge - launch of developer platform
- Accelerated 15 local and international startups
- Added 15 accelerated startups to ecosystem

COMING SOON

- Extra.ge - launch automated C2C fulfillment service
- Optimo - launch loyalty programme
- Adapter.ge - launch for MSME manufacturers
- Accelerate the uptake of real estate sales management tool with developer companies
- Accelerate additional 15 startups
- Continue partnerships with other ecosystem players
- Digital Area ecosystem data harnessing



**INVESTED US\$ 5 MLN
2018-2020**



**PLAN TO INVEST US\$ 3-10 MLN
2021-2023**

CONTENTS

47

 **RESPONSE TO COVID-19 AND TRACKING THE RECOVERY**

 **GROUP OVERVIEW**

 **3Q20 AND 9M20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

GEORGIA AT A GLANCE

GENERAL FACTS

- Area: 69,700 sq km
- Population (2019): 3.7 mln
- Life expectancy: 74 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)



ECONOMY

- Nominal GDP (Geostat) 2019: GEL 50.0bln (US\$17.7 bln)
- Real GDP growth rate 2015-2019: 3.0%, 2.9%, 4.8%, 4.8%, 5.1%
- Real GDP 2011-2019 annual average growth rate: 4.7%
- GDP per capita 2019 (PPP): US\$ 15,634
- Annual inflation (e-o-p) 2019: 7.0%
- External public debt to GDP 2019: 31.5%

SOVEREIGN CREDIT RATINGS

Agency	Rating	Outlook	Affirmed
Moody's	Ba2	Stable	August 2020
FitchRatings	BB	Negative	August 2020
S&P Global	BB	Stable	August 2020

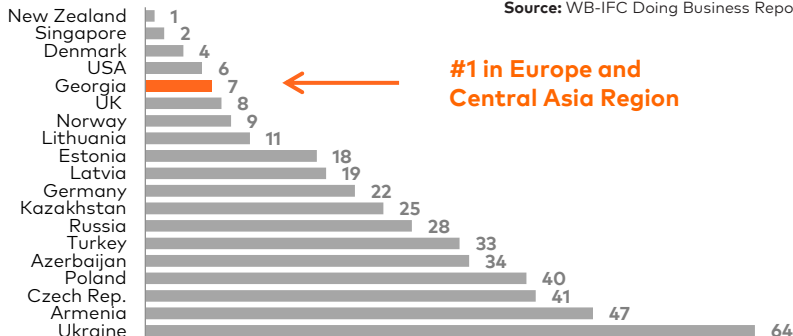
GEORGIA'S KEY ECONOMIC DRIVERS

<p>Liberal economic policy</p>	<p>Top performer globally in WB Doing Business over the past 12 years</p> <ul style="list-style-type: none"> Liberty Act ensures a credible fiscal and monetary framework Fiscal deficit/GDP capped at 3%; Government debt/GDP capped at 60% Business friendly environment and low tax regime (attested by favourable international rankings)
<p>Regional logistics and tourism hub</p>	<p>A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west</p> <ul style="list-style-type: none"> Access to a market of 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS, Turkey, Hong Kong and with EFTA countries. The GSP with USA, Canada and Japan Tourism inflows stood at 18.4% of GDP in 2019 and total international arrivals reached 9.4mln visitors in 2019 (up 7.8% y-o-y), out of which tourist arrivals were up 6.8% y-o-y to 5.1mln visitors Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes
<p>Strong FDI</p>	<p>An influx of foreign investors on the back of the economic reforms</p> <ul style="list-style-type: none"> FDI stood at US\$ 1.3bln (7.4% of GDP) in 2019 FDI averaged 8.7% of GDP in 2010-2019
<p>Support from international community</p>	<p>Georgia and the EU signed an Association Agreement and DCFTA in June 2014</p> <ul style="list-style-type: none"> Visa-free travel to the EU - another major success in Georgian foreign policy. Georgians were granted free entrance to the EU countries from 28 March 2017 Discussions commenced with the USA to drive inward investments and exports Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs
<p>Electricity transit hub potential</p>	<p>Developed, stable and competitively priced energy sector</p> <ul style="list-style-type: none"> Only 25% of hydropower capacity utilized; 150 renewable (HPPs/WPPs/SPPs) energypower plants are in various stages of construction or development Georgia imports natural gas mainly from Azerbaijan Significantly boosted transmission capacity with 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe
<p>Political environment</p>	<ul style="list-style-type: none"> Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU Constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia Despite resumed economic ties, exposure to Russia remains moderate. In 9M20, Russia accounted for 12.8% of Georgia's exports and 10.9% of imports; just 3.7% of cumulative FDI over 2003-1H20

GROWTH ORIENTED REFORMS

EASE OF DOING BUSINESS | 2020

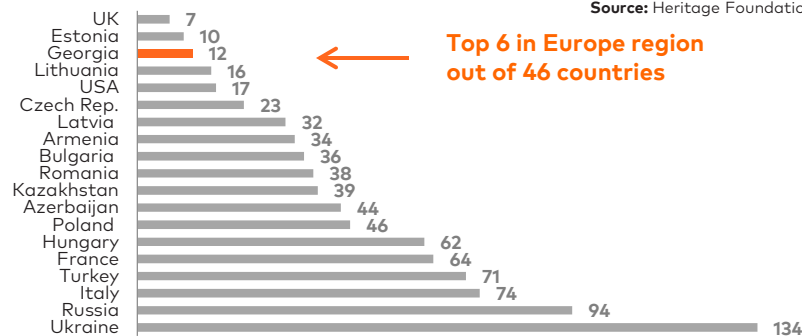
Source: WB-IFC Doing Business Report



#1 in Europe and Central Asia Region

ECONOMIC FREEDOM INDEX | 2020

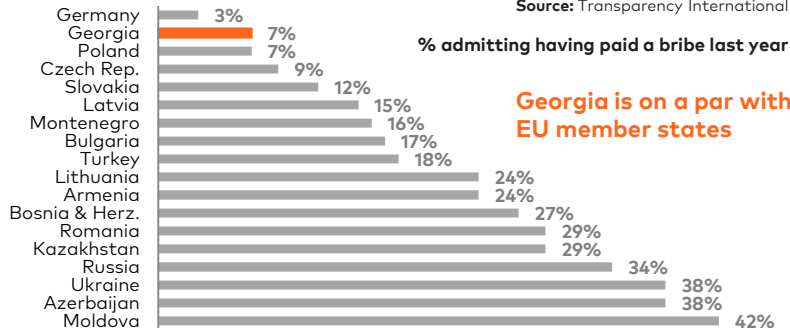
Source: Heritage Foundation



Top 6 in Europe region out of 46 countries

GLOBAL CORRUPTION BAROMETER | 2017

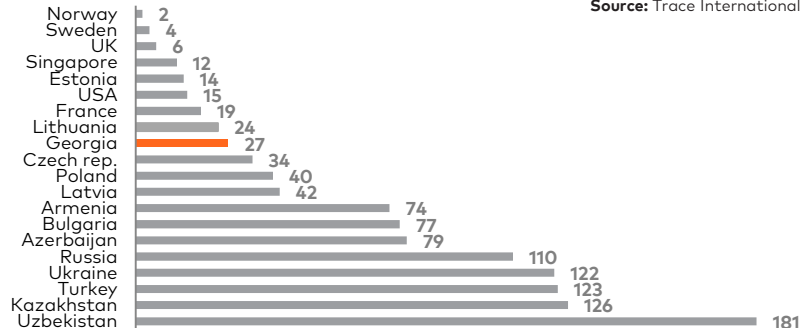
Source: Transparency International



Georgia is on a par with EU member states

BUSINESS BRIBERY RISK | 2019

Source: Trace International



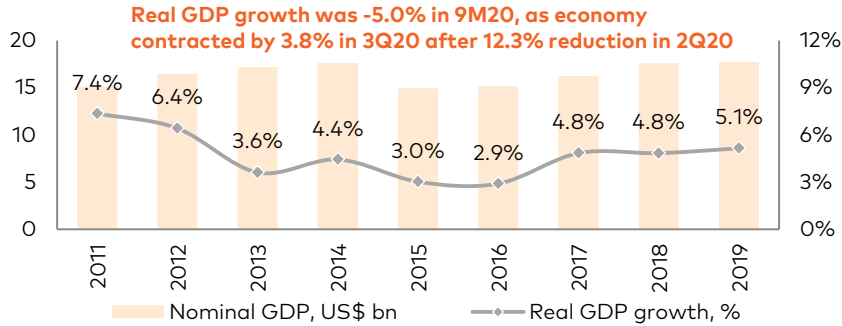
ONGOING STRUCTURAL REFORMS

- **Tax reform**
 - Corporate income tax reform
 - Enhancing easiness of tax compliance
 - Favorable tax rates for SME development
- **Enhance business environment**
 - New insolvency law
- **Capital market reform**
 - Boosting stock exchange activities
 - Developing of local bond market
- **Pension reform**
 - Implementation of private pension system
- **PPP reform**
 - Transparent and efficient PPP framework
- **Deposit insurance**
 - Boosting private savings
 - Strengthening trust to financial system
- **Responsible lending**
 - Decrease household exposure over indebtedness
- **EU-Georgia association agreement agenda**
 - Deepening economic and political relations with EU
- **Public investment management framework**
 - Improved efficiency of state projects
- **General education reform**
 - Maximising quality of teaching in secondary schools
- **Fundamental reform of higher education**
 - Based on the comprehensive research of the labor market needs
- **Improvement of vocational education**
 - Increase involvement of the private sector in the professional education
- **Promoting transit and tourism hub**
 - Development/enhancement of road, rail, air, maritime infrastructure
- **Inclusive government**
 - Involvement of the private sector in legislative process
- **Accounting reform**
 - Increased transparency and financial accountability
 - Enhanced protection of shareholder rights

DIVERSIFIED RESILIENT ECONOMY

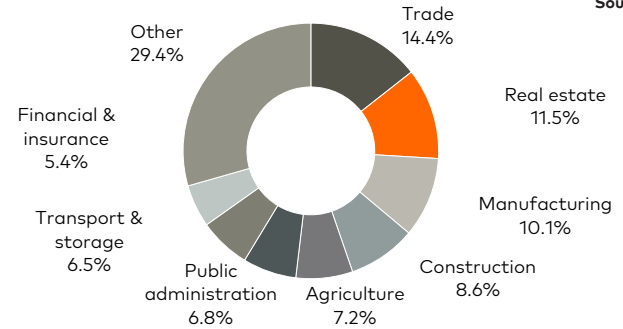
GROSS DOMESTIC PRODUCT

Source: Geostat



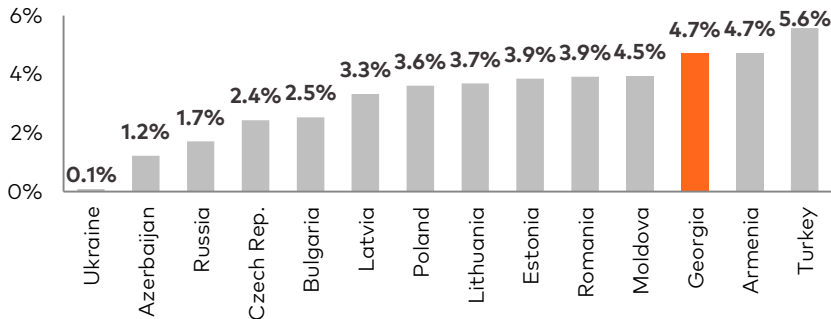
DIVERSIFIED NOMINAL GDP STRUCTURE | 2019

Source: Geostat



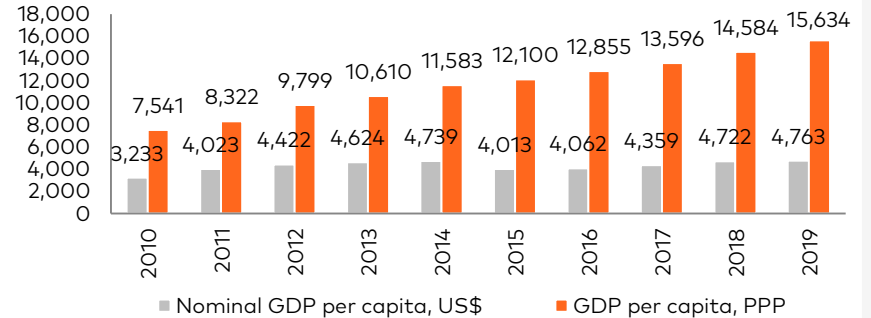
COMPARATIVE REAL GDP GROWTH RATES, % (2011-2019 AVERAGE)

Source: IMF, Geostat



GDP PER CAPITA

Source: IMF, Geostat

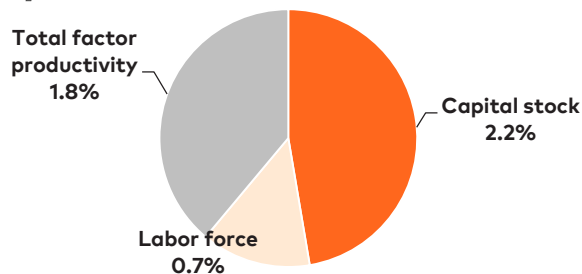


CAPITAL AND PRODUCTIVITY HAVE BEEN THE MAIN ENGINES OF GROWTH SINCE 2004

53

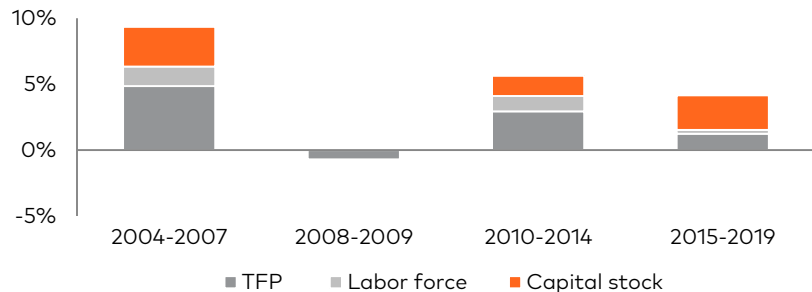
OVERALL CONTRIBUTION OF CAPITAL, LABOR, AND TOTAL FACTOR PRODUCTIVITY (TFP) TO GROWTH, 2011-2019

Source: Geostat, Galt & Taggart



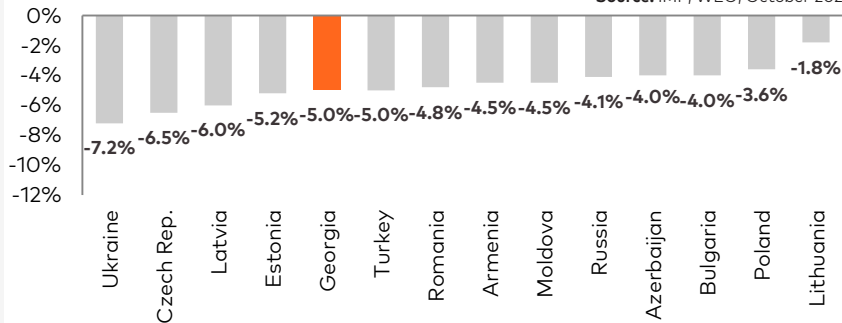
CONTRIBUTIONS OF CAPITAL, LABOR, AND TFP TO GROWTH DURING PERIODS

Source: Geostat, Galt & Taggart



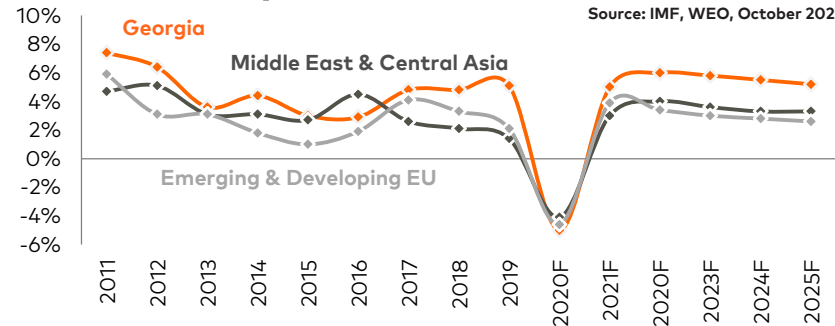
REAL GDP GROWTH PROJECTION, 2020

Source: IMF, WEO, October 2020



REAL GDP GROWTH: GEORGIA, MIDDLE EAST & CENTRAL ASIA, EMERGING & DEVELOPING EU

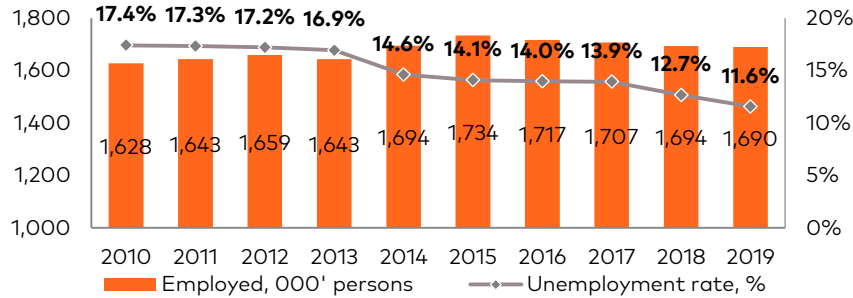
Source: IMF, WEO, October 2020



FURTHER JOB CREATION IS ACHIEVABLE

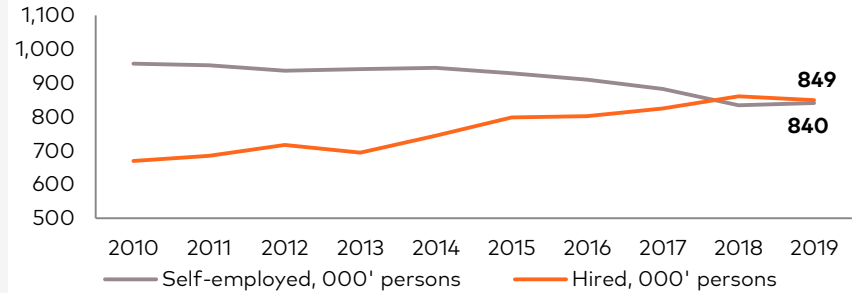
UNEMPLOYMENT RATE DOWN 1.1PPTS Y/Y TO 11.6% IN 2019

Source: Geostat



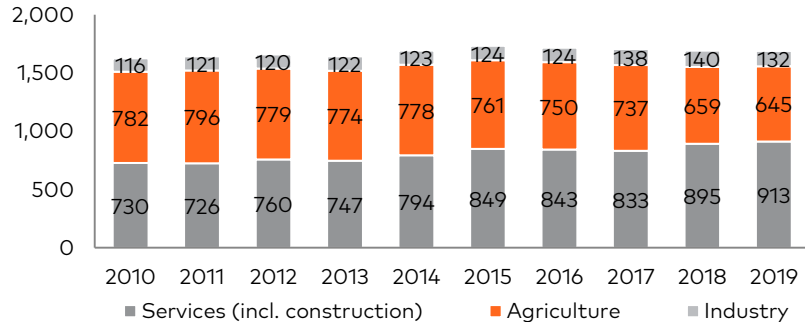
HIRED WORKERS ON THE RISE

Source: Geostat



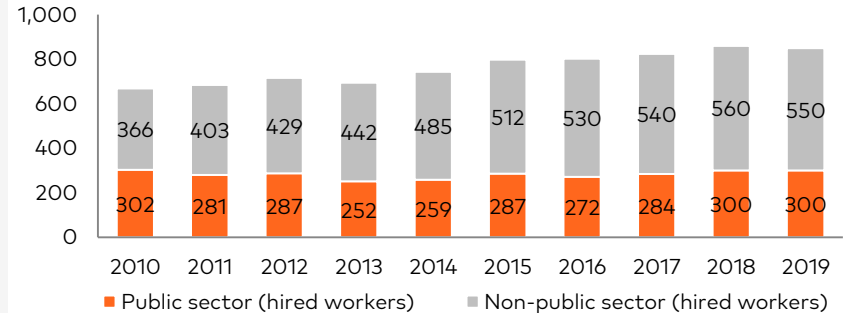
SHARE OF SERVICES IN TOTAL EMPLOYMENT ON THE RISE

Source: Geostat



PRIVATE SECTOR CREATES JOBS

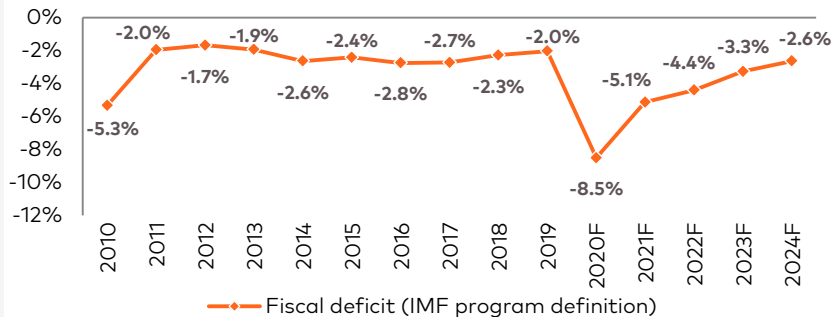
Source: Geostat



PUBLIC DEBT

FISCAL DEFICIT

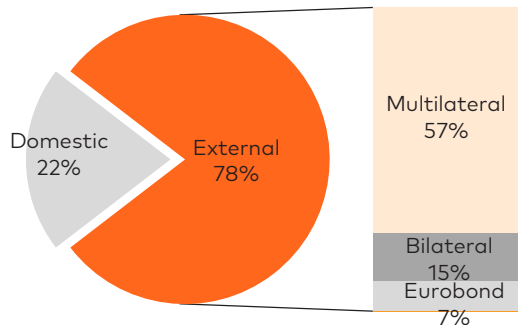
Source: MoF, 1st draft of 2021 budget



Note: Deficit calculated as net lending / borrowing minus budget lending

BREAKDOWN OF PUBLIC DEBT

Source: MoF, as of August 2020

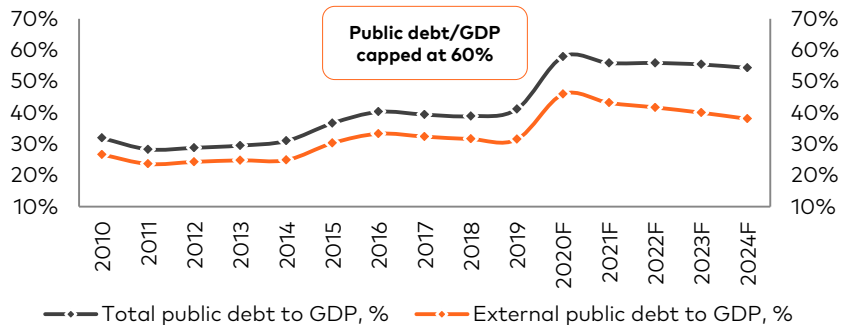


External public debt portfolio weighted average interest rate 1.5%

Contractual maturity 21 years

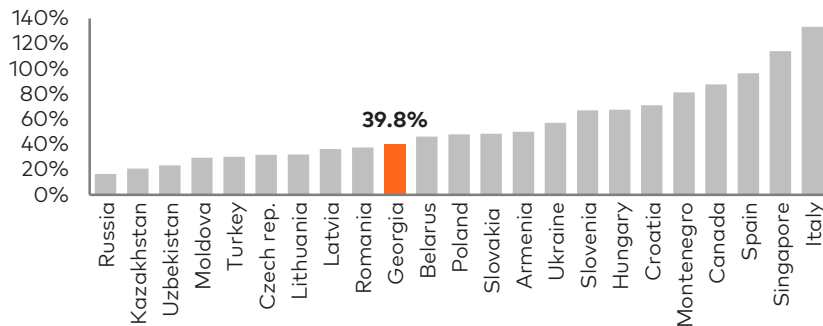
PUBLIC DEBT AS % OF GDP

Source: MoF, 1st draft of 2021 budget



GROSS GOVERNMENT DEBT/GDP | 2019

Source: IMF, MoF

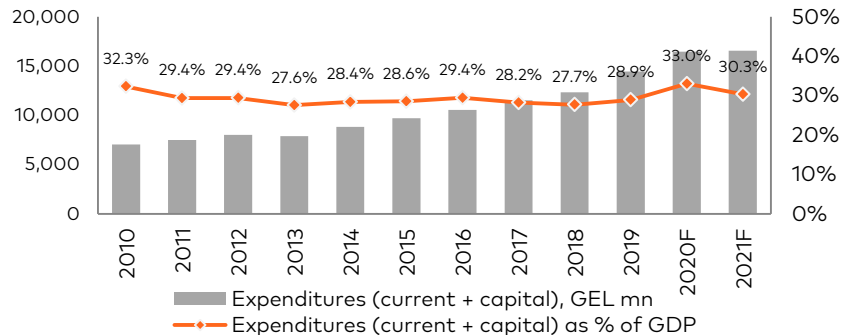


INVESTING IN INFRASTRUCTURE AND SPENDING LOW ON SOCIAL

56

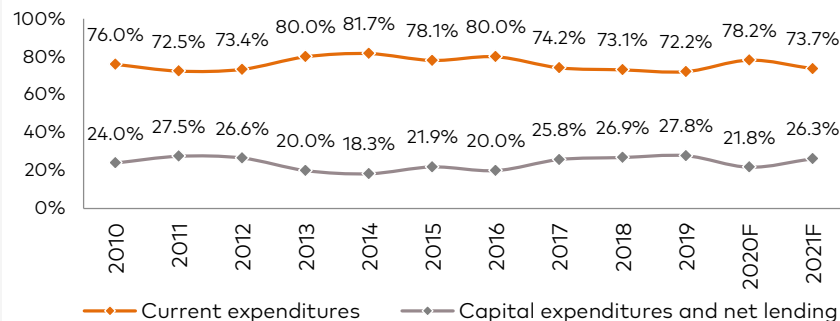
BUDGET EXPENDITURES

Source: MoF, 1st draft of 2021 budget



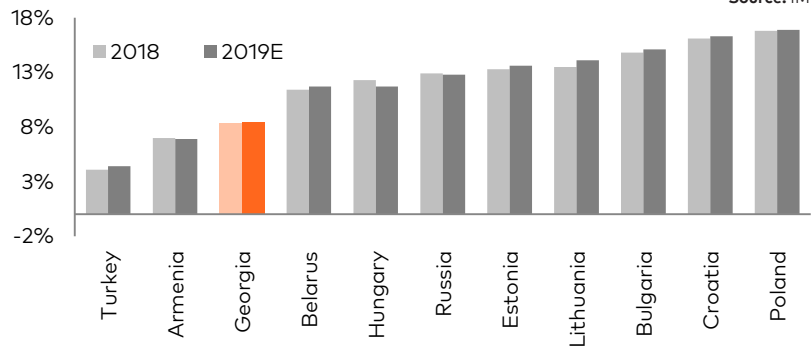
EXPENDITURE BREAKDOWN: CURRENT VS. CAPITAL

Source: MoF, 1st draft of 2021 budget



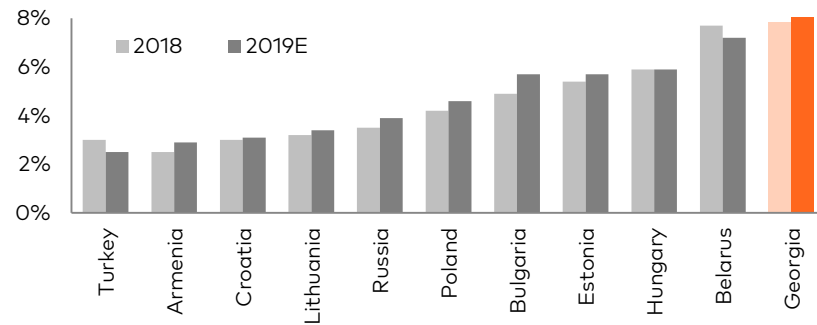
GOVERNMENT SOCIAL EXPENDITURE AS % OF GDP

Source: IMF



GOVERNMENT CAPITAL EXPENDITURE AS % OF GDP

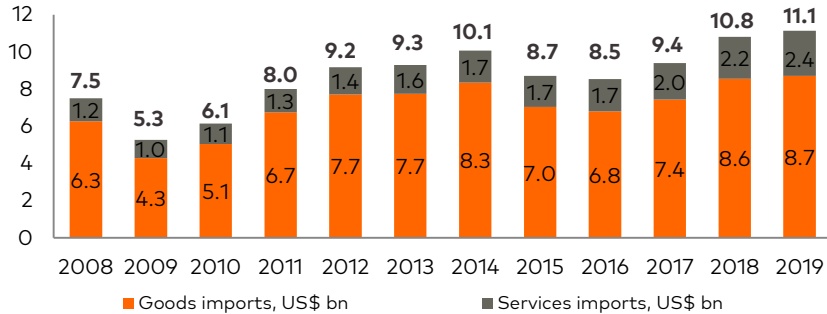
Source: IMF



DIVERSIFIED FOREIGN TRADE

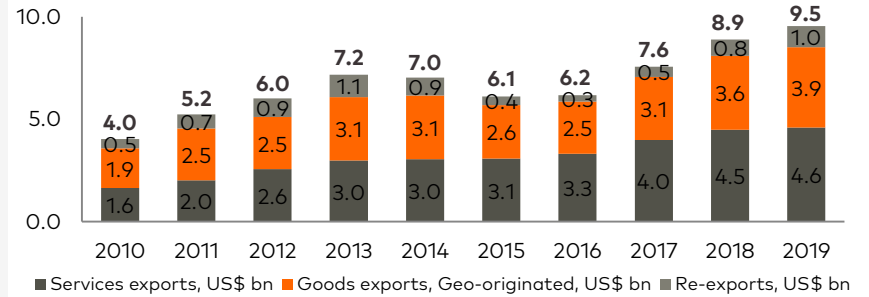
IMPORTS OF GOODS AND SERVICES

Source: NBG – BOP statistics



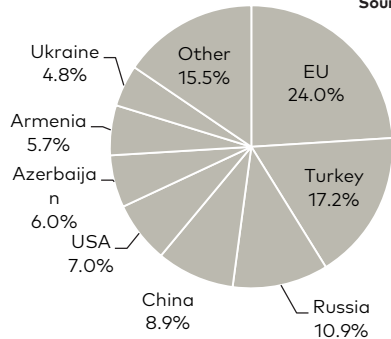
EXPORTS OF GOODS AND SERVICES

Source: NBG – BOP statistics



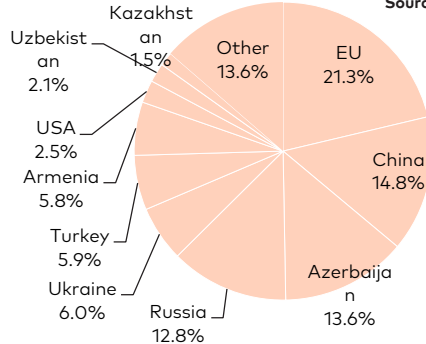
IMPORTS BY COUNTRY, 9M20

Source: Geostat



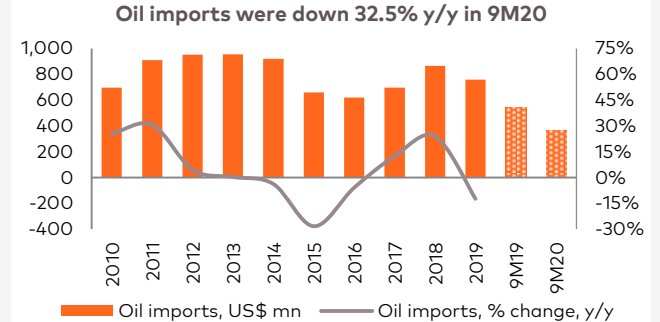
EXPORTS BY COUNTRY, 9M20

Source: Geostat



OIL IMPORTS

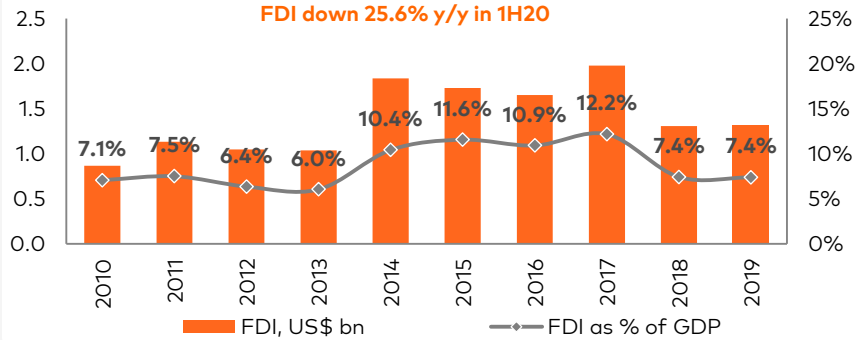
Source: Geostat



DIVERSIFIED SOURCES OF CAPITAL

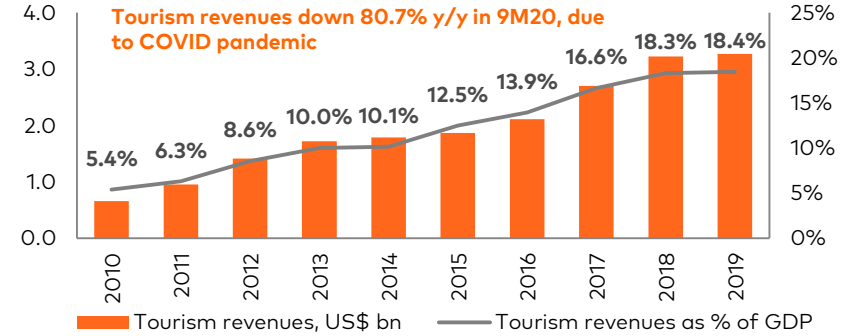
FOREIGN DIRECT INVESTMENTS

Source: Geostat



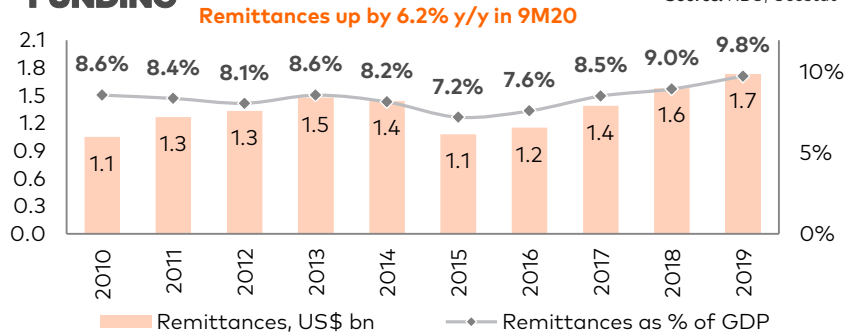
TOURISM REVENUES

Source: NBG, Geostat



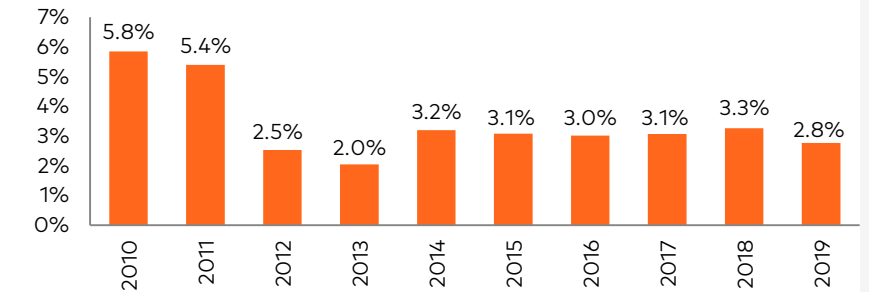
REMITTANCES - STEADY SOURCE OF EXTERNAL FUNDING

Source: NBG, Geostat



PUBLIC EXTERNAL BORROWING FOR CAPEX, % OF GDP

Source: MOF, Geostat

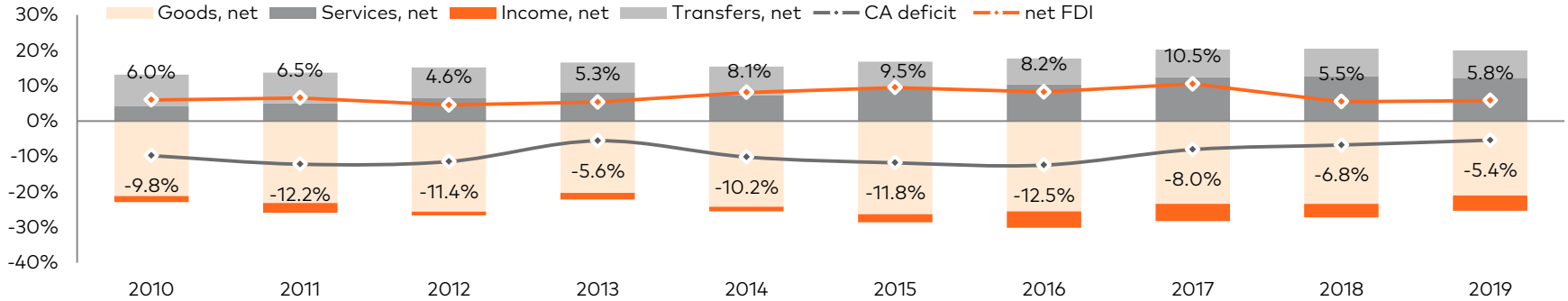


CURRENT ACCOUNT DEFICIT SUPPORTED BY FDI

59

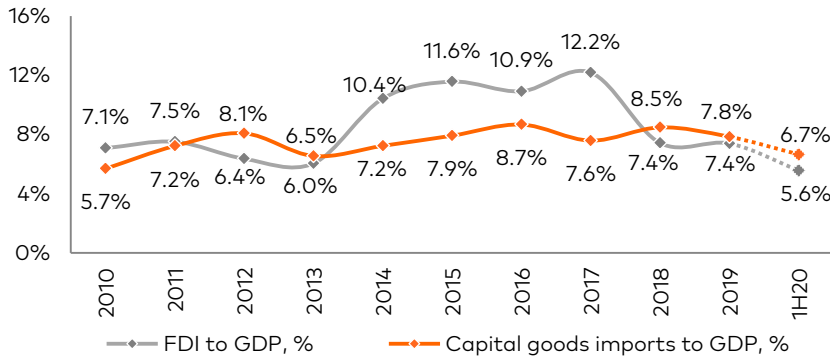
CURRENT ACCOUNT BALANCE (% OF NOMINAL GDP)

Source: NBG, Geostat



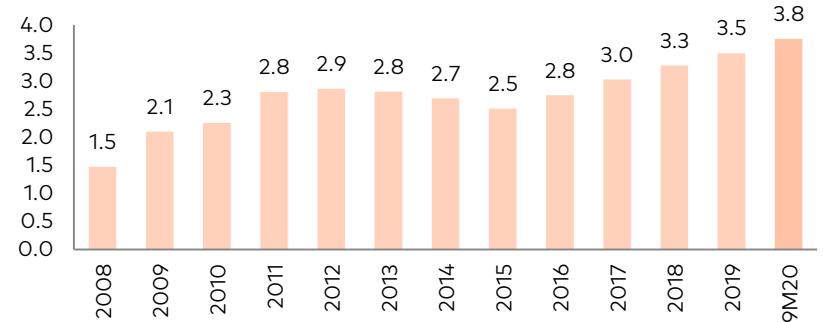
FDI AND CAPITAL GOODS IMPORT

Source: Geostat



BUILDING INTERNATIONAL RESERVES, US\$ BN

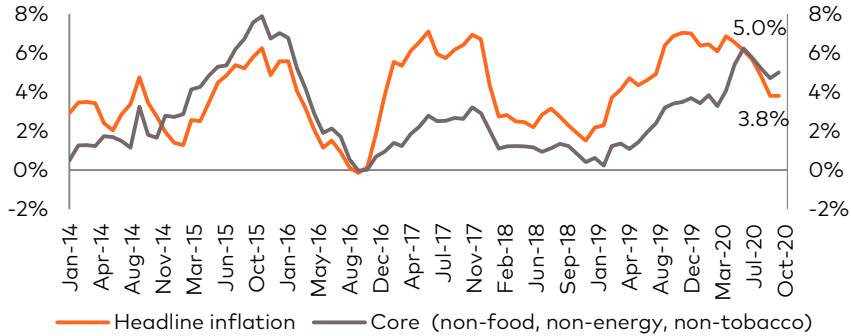
Source: NBG



INFLATION TARGETING SINCE 2009

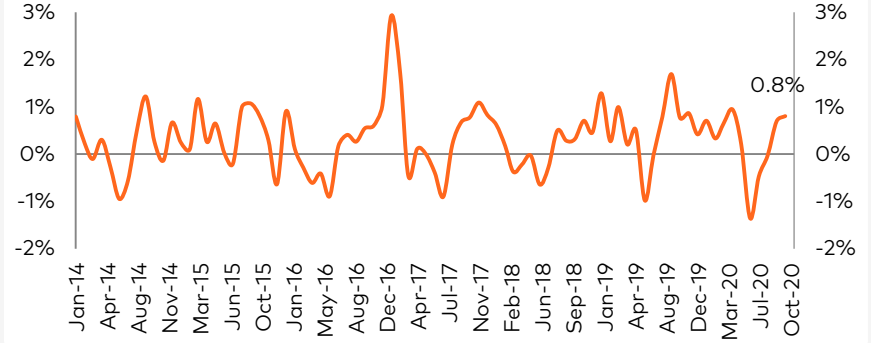
ANNUAL INFLATION

Source: Geostat



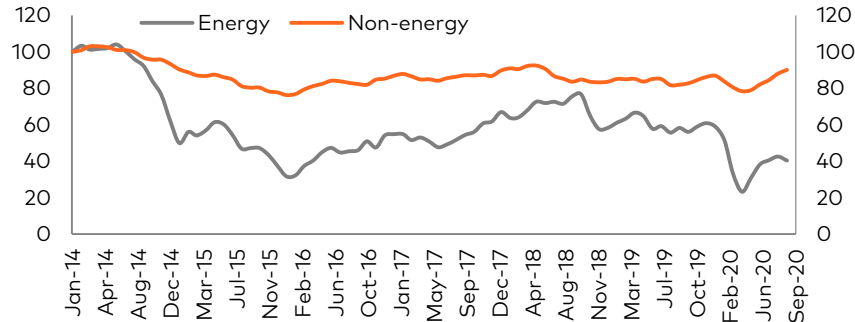
MONTHLY INFLATION

Source: Geostat



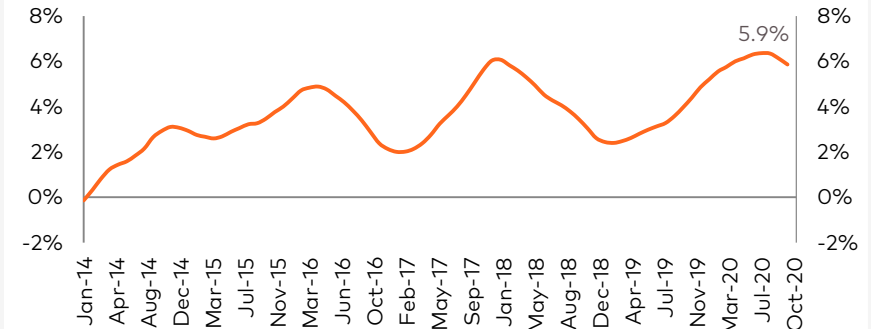
WORLD COMMODITY PRICES

Source: World Bank
Note: Jan2014=100



AVERAGE INFLATION

Source: Geostat

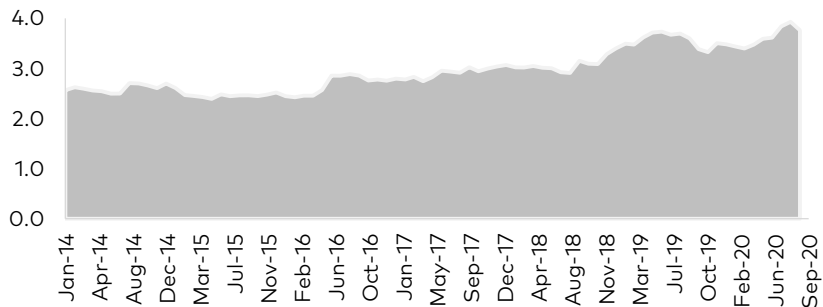


INTERNATIONAL RESERVES SUFFICIENT TO FINANCE MORE THAN 3 MONTHS OF IMPORTS

61

INTERNATIONAL RESERVES

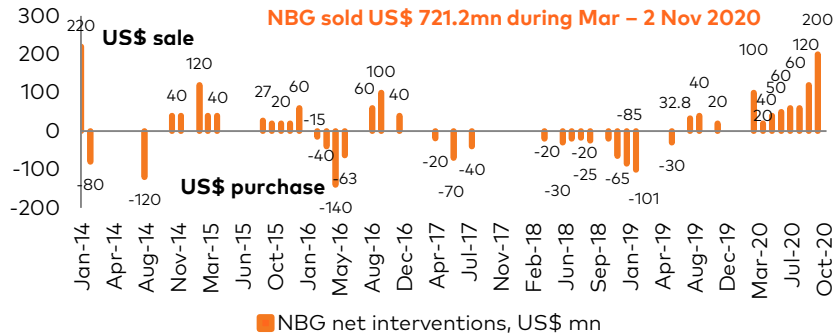
Source: NBG



■ Gross international reserves, US\$ bn

CENTRAL BANK'S INTERVENTIONS

Source: NBG

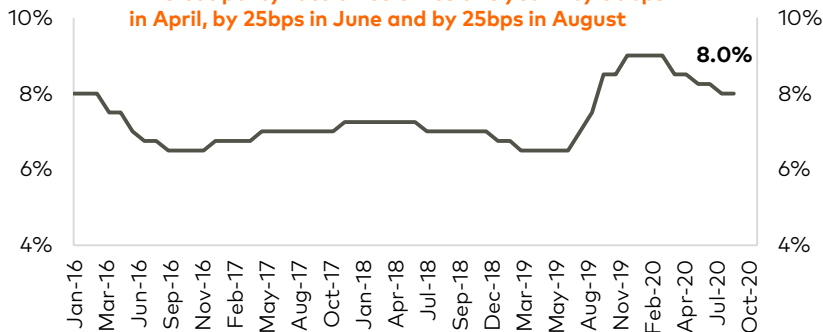


■ NBG net interventions, US\$ mn

MONETARY POLICY RATE

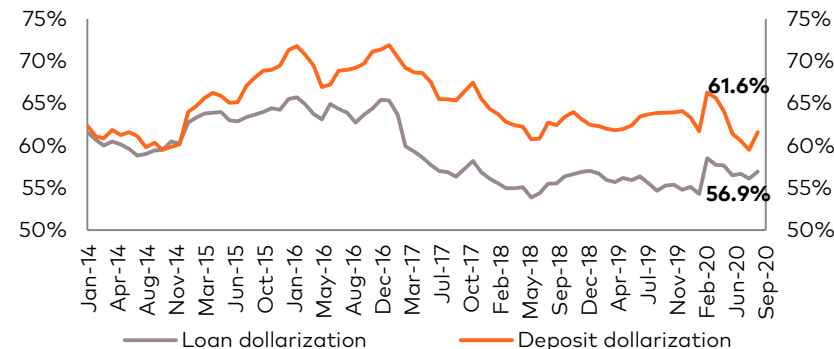
Source: NBG

NBG cut policy rate three times this year - by 50bps in April, by 25bps in June and by 25bps in August



LOAN AND DEPOSIT DOLLARISATION

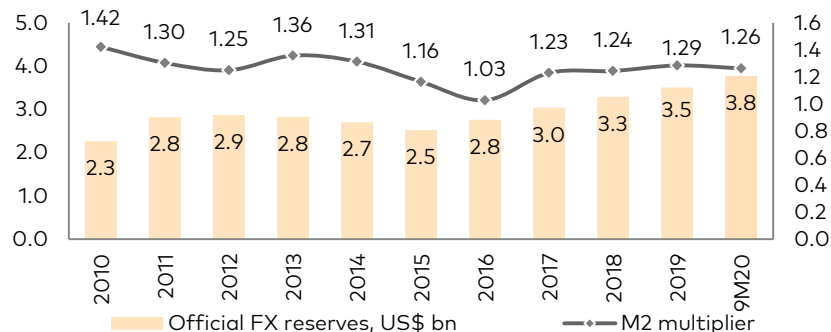
Source: NBG



FLOATING EXCHANGE RATE - POLICY PRIORITY

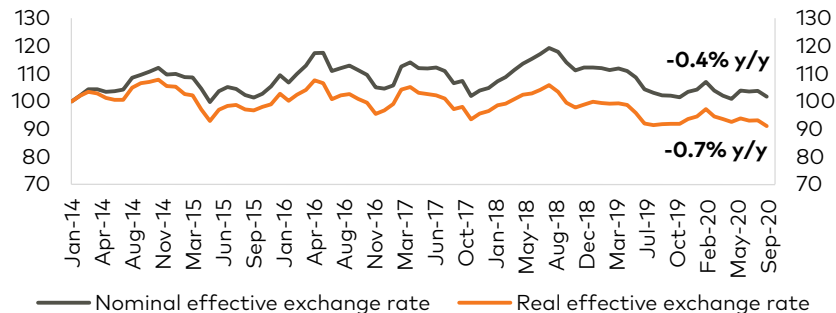
FX RESERVES

Source: NBG



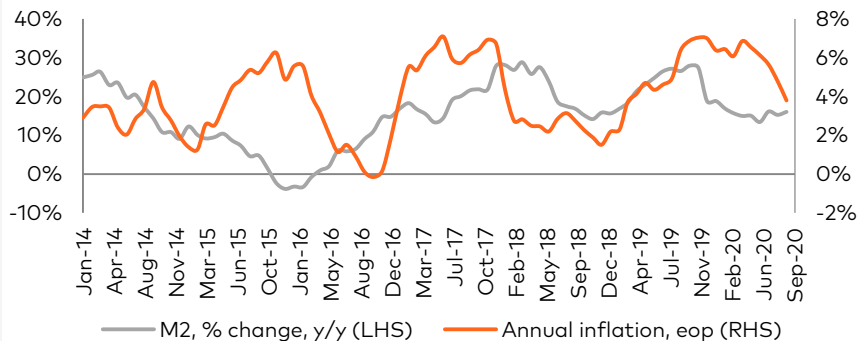
NOMINAL AND REAL EFFECTIVE EXCHANGE RATE (JAN2014=100)

Source: NBG



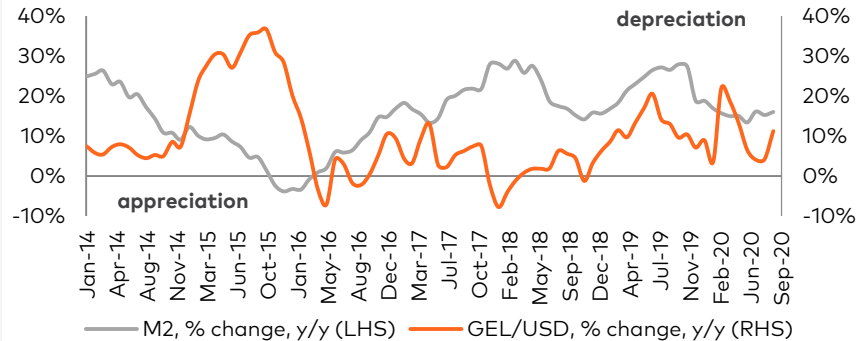
M2 AND ANNUAL INFLATION

Source: NBG



M2 AND USD/GEL

Source: NBG



GROWING AND WELL-CAPITALISED BANKING SECTOR

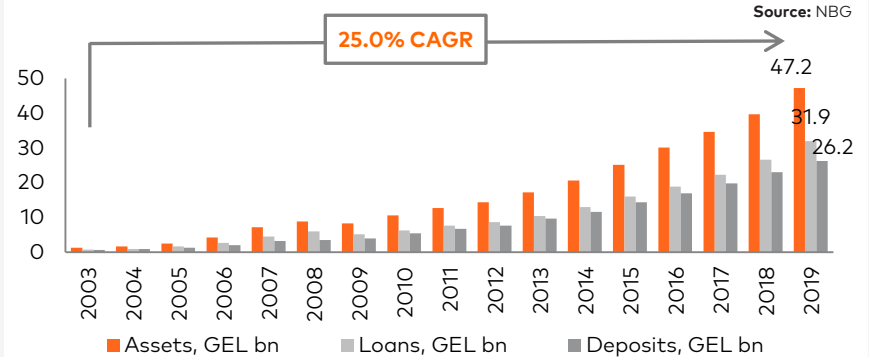
63

SUMMARY

- Prudent regulation and oversight ensuring financial stability
- Demonstrated strong resilience towards both domestic and external shocks **without single bank going bankrupt**
- **No nationalization** of the banks and no government ownership since 1994
- **Resilient to different shocks to the economy**, room for healthy credits growth with retail loans at 32.8% of GDP and total loans at 63.8% of GDP in 2019

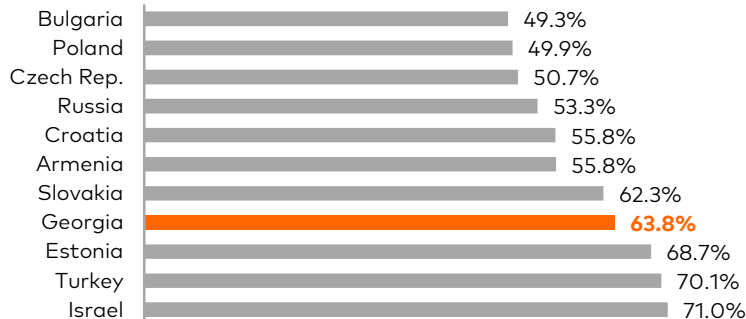
Source: National Bank of Georgia, Geostat

BANKING SECTOR ASSETS, LOANS AND DEPOSITS



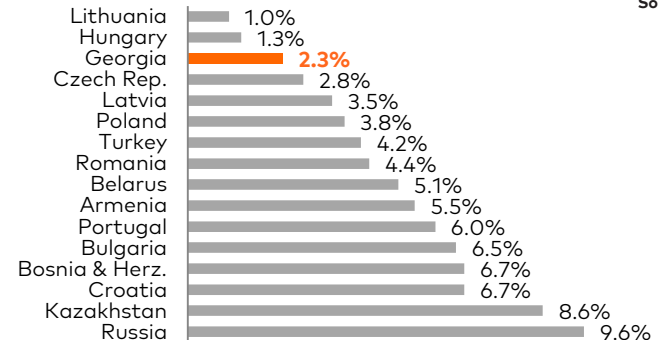
BANKING SECTOR LOANS TO GDP, 2019

Source: IMF, Central Banks



NON-PERFORMING LOANS, LATEST-2020

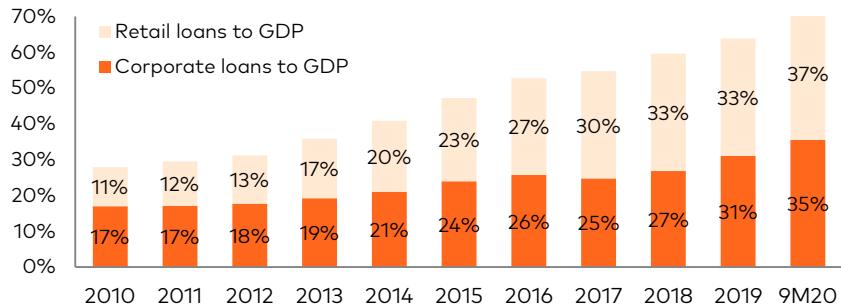
Source: IMF, NBG



CREDIT GROWTH DYNAMICS

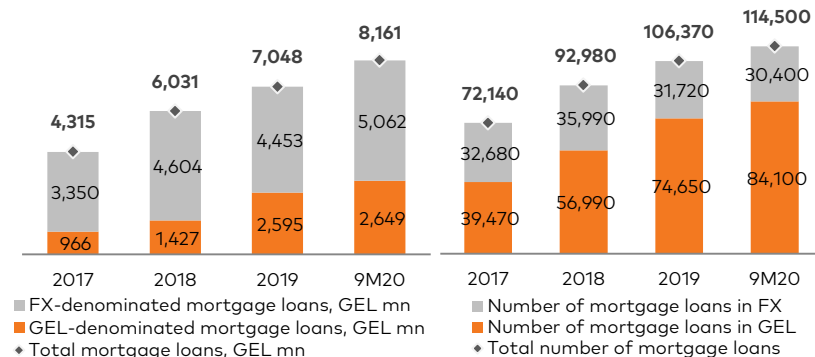
BANKING SECTOR CORPORATE & RETAIL LOANS TO GDP

Source: NBS, Geostat



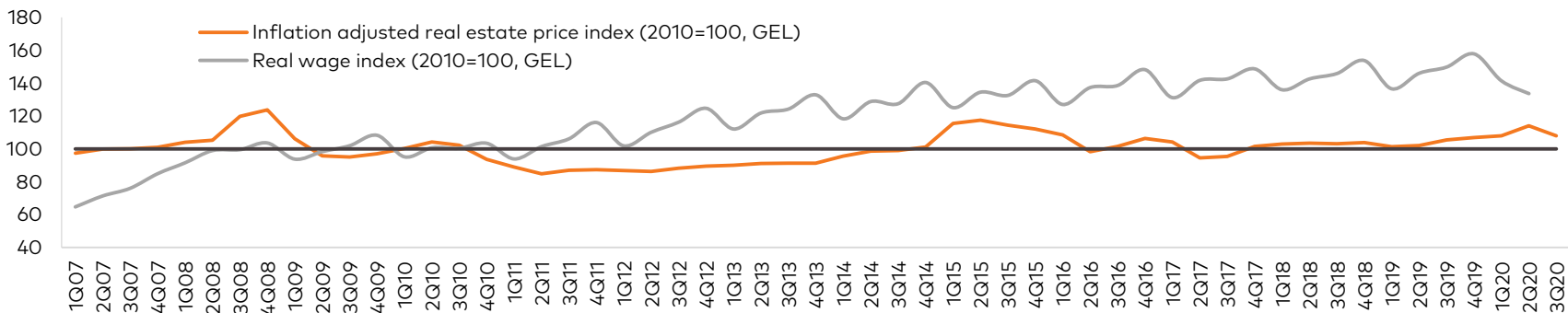
MORTGAGE LOANS

Source: NBS



REAL ESTATE PRICE INDEX

Source: NBS, Geostat

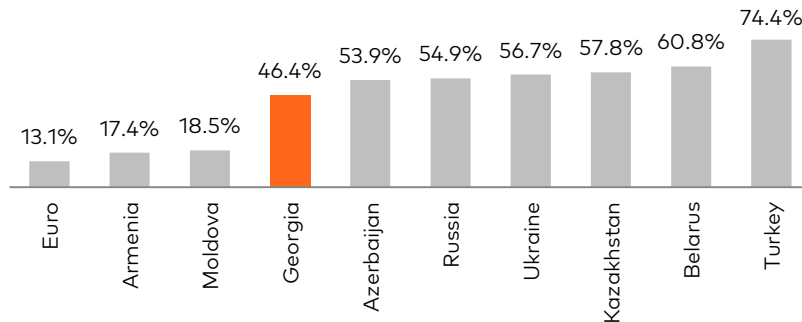


GEORGIA VS REGION: FX, INFLATION, POLICY RATE

CURRENCY WEAKENING VS. US\$

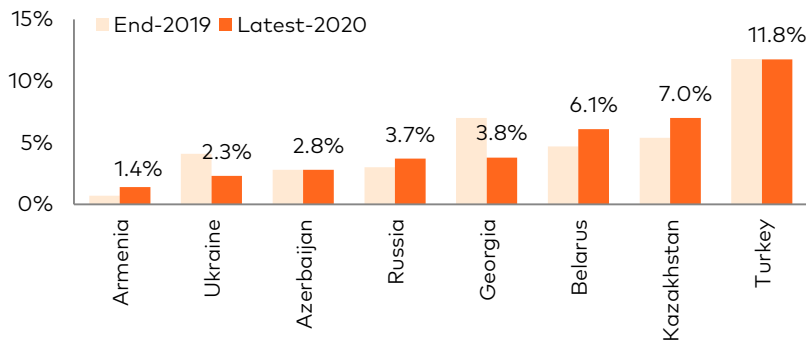
Source: Bloomberg

Note: US\$ per unit of national currency, period 1-Aug-2014 -31-October-2020



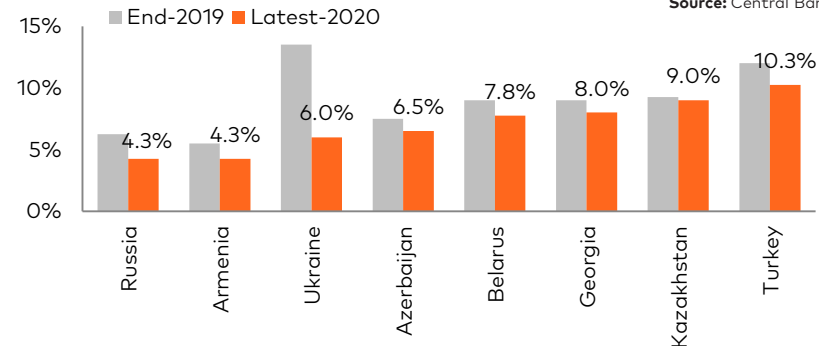
INFLATION: GEORGIA AND PEERS

Source: Geostat



MONETARY POLICY RATE: GEORGIA AND PEERS

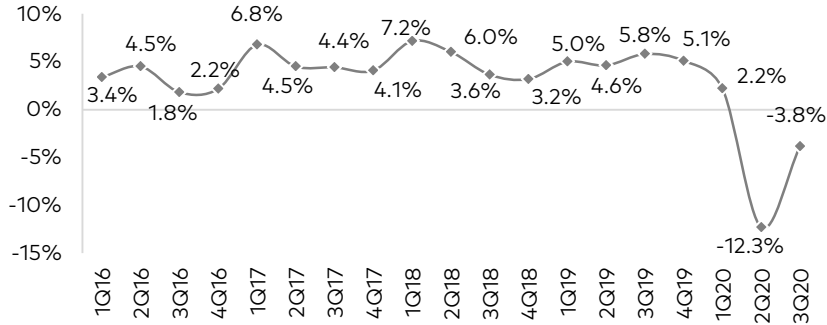
Source: Central Banks



RECENT TREND - REAL GDP AND ITS COMPONENTS

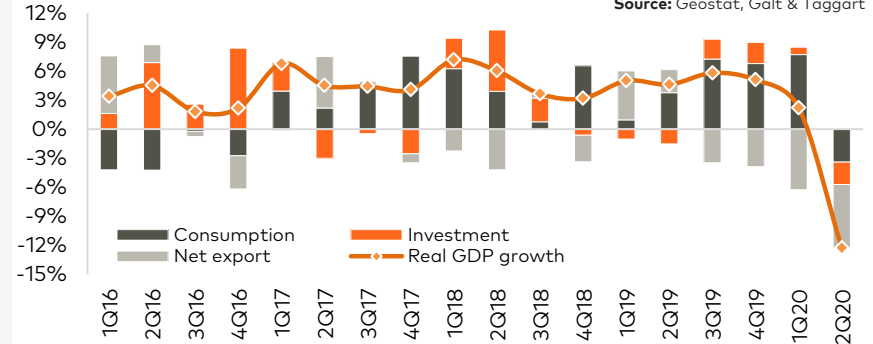
REAL GDP GROWTH BY QUARTER, % CHANGE YoY

Source: Geostat



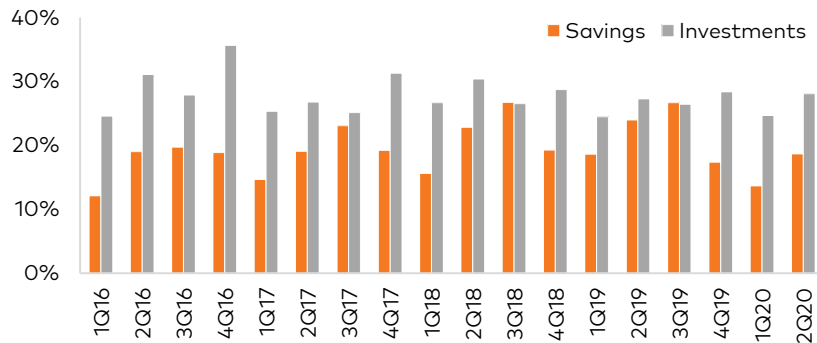
CONTRIBUTION TO REAL GDP GROWTH

Source: Geostat, Galt & Taggart



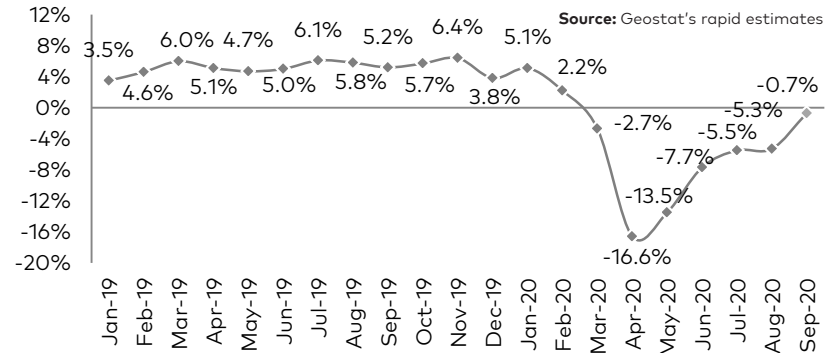
SAVINGS AND INVESTMENT TO GDP

Source: Geostat

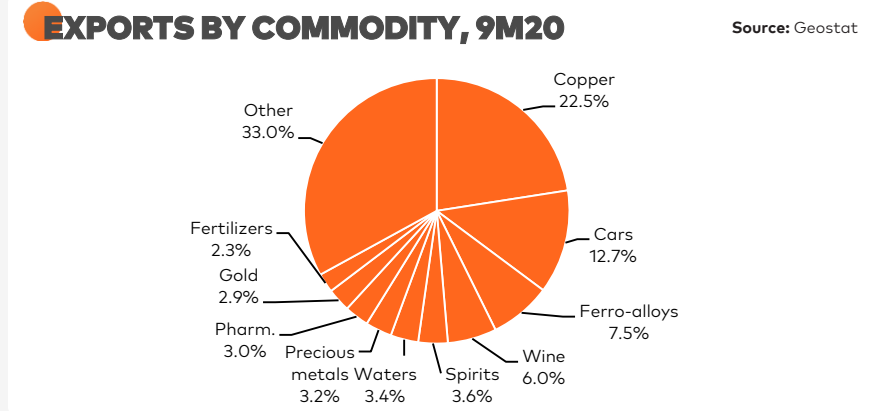
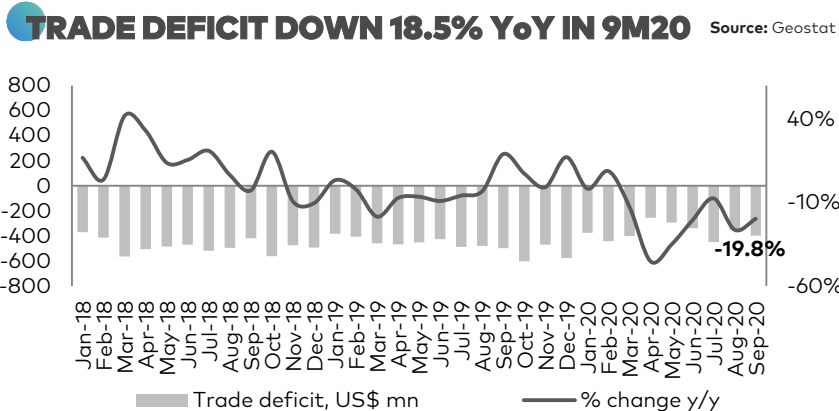
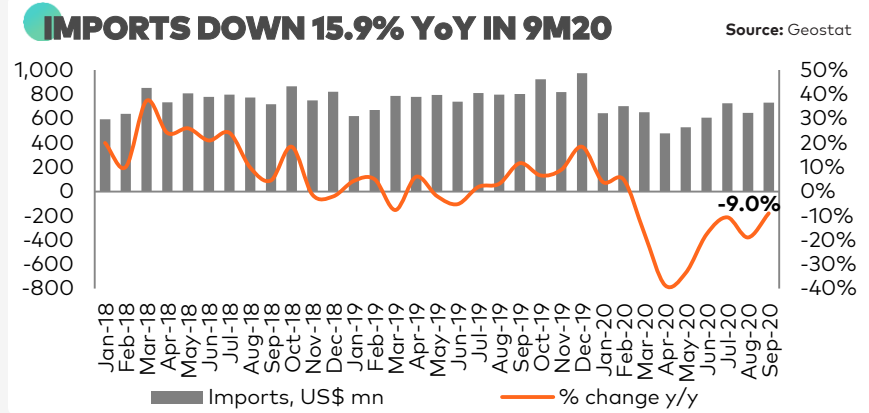
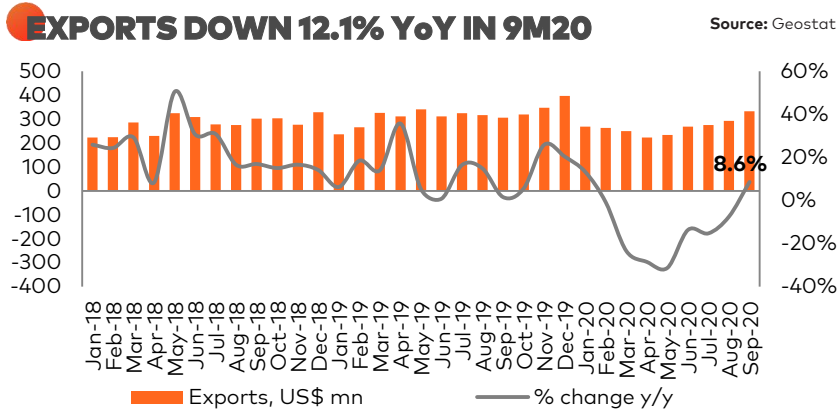


REAL GDP GRWOTH BY MONTH, % CHANGE YoY

Source: Geostat's rapid estimates

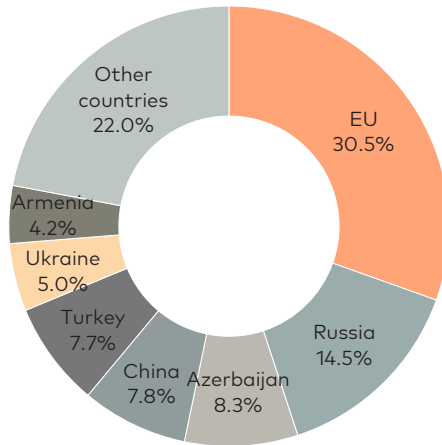


EXPORTS INCREASED FIRST TIME IN SEP-20 SINCE FEB-20



BENEFITS FROM DIVERSIFIED ECONOMIC LINKAGES AND CLOSER TIES WITH EU

EXPORTS, TOURISM, REMITTANCES AND FDI BY COUNTRY, SHARE IN TOTAL, 9M20



Source: Geostat, NBG, GNTA, Galt & Taggart

ECONOMIC LINKAGES BREAKDOWN, 9M20

No single country accounts for more than 15-19% share in any particular category, minimizing potential negative impact from any key partner

	Exports	Tourism	FDI	Remittances
EU	21.3%	11.9%	69.3%	41.7%
Russia	12.8%	19.1%	3.4%	19.2%
Azerbaijan	13.6%	8.0%	-4.7%	2.8%
Turkey	5.9%	19.0%	10.8%	5.8%
China	14.8%	0.5%	0.6%	0.1%
Ukraine	6.0%	4.7%	1.3%	4.3%
Armenia	5.8%	9.3%	0.8%	0.6%
Other countries	19.7%	27.4%	18.5%	25.4%

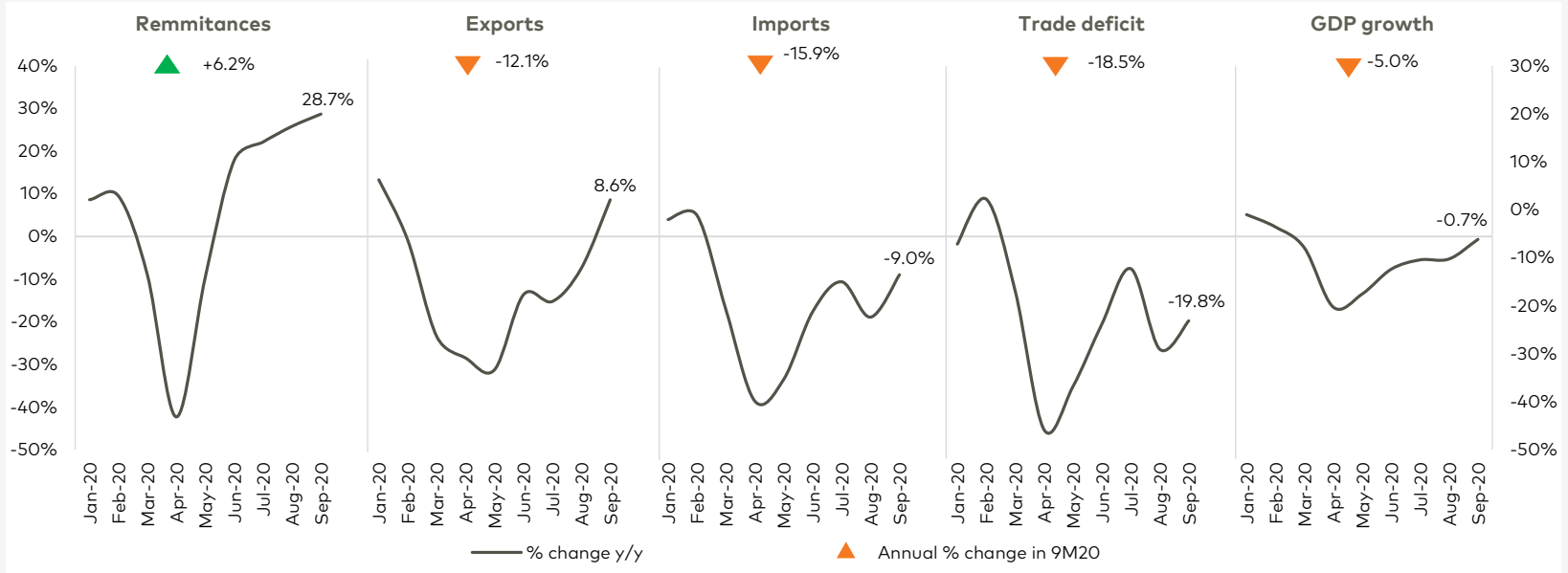
Source: Geostat, NBG, GNTA, Galt & Taggart

Note: FDI data is given as of 1H20. Negative investment means a sale of shares or distributed profit.

TRACKING GEORGIA'S ECONOMIC RECOVERY

KEY INDICATORS SHOW IMPROVING TREND, WHILE REMITTANCES REBOUNDED STRONGLY

Source: Geostat, NBG



CONTENTS

70

 **RESPONSE TO COVID-19 AND TRACKING THE RECOVERY**

 **GROUP OVERVIEW**

 **3Q20 AND 9M20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

BOARD OF DIRECTORS

ROBUST CORPORATE GOVERNANCE BASED ON UK CORPORATE GOVERNANCE CODE



Neil Janin, Independent Non-Executive Chairman

Experience: formerly Director at McKinsey & Company in Paris; formerly co-chairman of the commission of the French Institute of Directors (IFA); formerly Chase Manhattan Banking New York and Paris



Archil Gachechiladze, Chief Executive Officer

Experience: with the Group since 2009; originally joined as Deputy CEO, Corporate Banking; formerly: CEO of Georgian Global Utilities (formerly part of BGEO Group PLC). Over 17 years' experience in the financial services



Hanna Loikkanen, Senior Independent Non-Executive Director

Experience: currently advisor to East Capital Private Equity AB; Non-Executive Director of PJSC Rosbank; formerly: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB



Al Breach, Independent Non-Executive Director

Experience: Director of Gemsstock Ltd, The Browser and Furka Holdings AG, and advisor to East Capital; formerly: Head of Research, Strategist & Economist at UBS Russia and CIS, economist at Goldman Sachs



Tamaz Georgadze, Independent Non-Executive Director

Experience: Executive Director and founder of Raisin GmbH (formerly SavingGlobal GmbH); formerly: Partner at McKinsey & Company in Berlin, aide to President of Georgia



Jonathan Muir, Independent Non-Executive Director

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



Cecil Quillen, Independent Non-Executive Director

Experience: Partner at Linklaters LLP with nearly 30 years of experience in working on a broad spectrum of securities and finance matters



Véronique McCarroll, Independent Non-Executive Director

Experience: 30 years' in Financial Services; Currently, Head of Strategy for Digital banking across Europe at Orange; formerly: Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young

HIGHLY EXPERIENCED MANAGEMENT TEAM

72

SENIOR EXECUTIVE COMPENSATION POLICY APPLIES TO TOP EXECUTIVES AND ENVISAGES LONG-TERM DEFERRED AND DISCRETIONARY AWARDS OF SECURITIES AND NO CASH BONUSES TO BE PAID TO SUCH EXECUTIVES



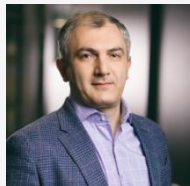
Archil Gachechiladze, Chief Executive Officer

With the Group since 2009. Previously, CEO of Georgian Global Utilities. Held various positions with the Group - Deputy CEO, CB; Deputy CEO, IM; CFO of BGEO Group; Deputy CEO, CIB. Over 17 years of experience of senior roles at TBC Bank, Lehman Brothers Private Equity, Salford Equity Partners, KPMG, World Bank, EBRD. Holds an MBA from Cornell University.



Sulkhan Gvalia, Chief Financial Officer

With the Group since 2004. Previously, founder and CEO of E-Space Limited, Tbilisi. Various positions with the Group - Chief Risk Officer and Head of Corporate Banking. Prior to joining the Group, served as Deputy CEO of TbilUniversalBank. Also, serves as non-executive independent director at Inecobank (Armenia) since 2018. Holds a law degree from Tbilisi State University.



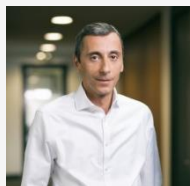
Levan Kulijanishvili, Deputy CEO, Operations

With the Group since 1997. Joined as a Junior Financial Analyst of the Bank. Held various senior positions - Deputy CEO in charge of finance, Head of Internal Audit, Head of Financial Monitoring, Head of Strategy and Planning, and Head of the Financial Analysis. Holds an MBA from Grenoble Graduate School of Business.



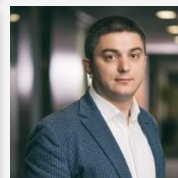
George Chiladze, Deputy CEO, Chief Risk Officer

With the Group since 2008. Joined as a Deputy CEO, finance at Bank. Left in 2011 and rejoined in 2013 as Deputy CEO, CRO. Prior to rejoining, he was Deputy CEO at the Partnership Fund. Prior to returning to Georgia in 2003, he worked at the programme trading desk at Bear Stearns in New York City. Holds a PhD in physics from Johns Hopkins University in Baltimore, Maryland.



Mikheil Gomarteli, Deputy CEO, Emerging and Mass Retail

With the Group since 1997. Mikheil is a textbook professional growth story made possible in our Group – he developed his way from selling debit cards door-to-door to successfully leading our Retail Banking franchise for over ten years now. Holds an undergraduate degree in Economics from Tbilisi State University.



Vakhtang Bobokhidze, Deputy CEO, Information Technologies

With the Group since 2005. Joined as Quality Control Manager. Left the Group in 2010 and rejoined the Group in December 2010. Prior to being appointed as Deputy CEO, served as Head of IT Department since 2016. Holds an MBA from Tbilisi State University.



Giorgi Pailodze, Deputy CEO, Wealth Management and Investment Banking

Joined in June 2019. Previously, VP at Evercore, London (2017-2019) and New York (2015-2017); worked in corporate and investment banking in Citigroup in New York (2013-2015). He started banking career in Georgia and held various managerial roles at TBC Bank and HSBC Bank Georgia. Holds an MBA from Cornell University.

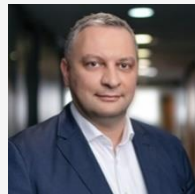
HIGHLY EXPERIENCED MANAGEMENT TEAM

73



Etuna Iremadze, Head of SOLO Business Banking

With the Group since 2006. More than 18 years of experience in financial services. Previously, Head of Strategic Projects Department in Georgian Global Utilities (formerly part of BGEO Group). Held various positions within Group - Head of Blue Chip Corporate Banking Unit covering structured lending, M&As, significant buyouts in Georgia, project financing. Holds an MBA from Grenoble Graduate School of Business.



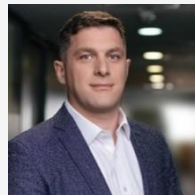
Zurab Masurashvili, Head of SME Business Banking

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



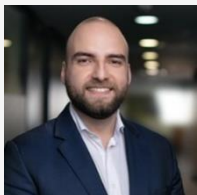
Zurab Kokosadze, Head of Corporate Banking

With the Group since 2003. Over 15 years of experience in financial services. Prior to his recent appointment, he served as Head of Corporate Banking under the direct supervision of Deputy CEO, Corporate and Investment Banking. Held various senior positions within Group - Senior Corporate Banker, FMCG Sector Head and Deputy Head of Corporate Banking. Holds an MBA from Grenoble Graduate School of Business.



Andro Ratiani, Head of Innovation

With the Group since 2018. Extensive experience in the global financial services. Previously, Global Head of Product Management at IHS Markit, spent 6 years in UBS AG Investment & Wealth Management Bank in New York, worked in Wells Fargo during acquisition phase of Wachovia Bank. Started his career at the Bank's CIB Department. Holds a Master's degree in technology management from Columbia University.



Levan Gomshlashvili, Chief Marketing Officer

With the Group since 2019. Extensive experience in marketing. Founder of HOLMES&WATSON, creative agency, where he acted as Account Manager for banking and other sector clients. Founder of Tbilisi School of Communication, an educational facility with an emphasis on ExEd. Started his career in Georgian Railway, covering advertising and project management. Holds MSc in Management from University of Edinburgh.



Nutsa Gogilashvili, Head of Customer Experience and HCM

With the Group since 2016. Over 8 years of experience in financial services. Previously, Head of Strategic Processes of Corporate and Investment Banking and Head of Customer Experience Management in the Bank. Prior to joining the Group, held various senior positions in local and international financial institutions. Holds MSc in Finance from Cass Business School in London.

GROUP INCOME STATEMENT

74

GEL thousands, unless otherwise noted

	3Q20	3Q19	Change y-o-y	2Q19	Change q-o-q	9M20	9M19	Change y-o-y
Interest income	407,666	366,721	11.2%	379,038	7.6%	1,175,029	1,043,680	12.6%
Interest expense	(203,636)	(165,729)	22.9%	(204,102)	-0.2%	(598,982)	(461,353)	29.8%
Net interest income	204,030	200,992	1.5%	174,936	16.6%	576,047	582,327	-1.1%
Fee and commission income	71,793	76,166	-5.7%	54,389	32.0%	197,076	206,721	-4.7%
Fee and commission expense	(26,261)	(28,157)	-6.7%	(21,488)	22.2%	(78,531)	(73,265)	7.2%
Net fee and commission income	45,532	48,009	-5.2%	32,901	38.4%	118,545	133,456	-11.2%
Net foreign currency gain	19,179	32,233	-40.5%	22,743	-15.7%	72,583	82,186	-11.7%
Net other income	7,750	3,728	107.9%	9,081	-14.7%	23,457	3,035	NMF
Operating income	276,491	284,962	-3.0%	239,661	15.4%	790,632	801,004	-1.3%
<i>Salaries and other employee benefits (excluding one-offs)</i>	<i>(58,171)</i>	<i>(59,539)</i>	<i>-2.3%</i>	<i>(60,656)</i>	<i>-4.1%</i>	<i>(175,365)</i>	<i>(169,938)</i>	<i>3.2%</i>
<i>One-off termination costs of former executive management (1)</i>	-	-	-	-	-	-	<i>(12,412)</i>	<i>NMF</i>
Salaries and other employee benefits	(58,171)	(59,539)	-2.3%	(60,656)	-4.1%	(175,365)	(182,350)	-3.8%
Administrative expenses	(24,443)	(26,251)	-6.9%	(22,450)	8.9%	(73,914)	(71,025)	4.1%
Depreciation, amortisation and impairment	(19,125)	(21,320)	-10.3%	(21,139)	-9.5%	(61,654)	(54,303)	13.5%
Other operating expenses	(873)	(807)	8.2%	(913)	-4.4%	(2,845)	(3,135)	-9.3%
Operating expenses	(102,612)	(107,917)	-4.9%	(105,158)	-2.4%	(313,778)	(310,813)	1.0%
Profit from associates	214	194	10.3%	113	89.4%	628	636	-1.3%
Operating income before cost of risk	174,093	177,239	-1.8%	134,616	29.3%	477,482	490,827	-2.7%
Expected credit loss on loans to customers	(5,836)	(13,617)	-57.1%	11,621	NMF	(222,404)	(86,170)	158.1%
Expected credit loss on finance lease receivables	(2,371)	(333)	NMF	(3,387)	-30.0%	(7,644)	(1,336)	NMF
Other expected credit loss on other assets and provisions	(2,735)	(1,273)	114.8%	(18,455)	-85.2%	(32,518)	(5,845)	NMF
Cost of risk	(10,942)	(15,223)	-28.1%	(10,221)	7.1%	(262,566)	(93,351)	NMF
Net operating income before non-recurring items	163,151	162,016	0.7%	124,395	31.2%	214,916	397,476	-45.9%
<i>Net non-recurring items (excluding one-offs)</i>	<i>254</i>	<i>(5,019)</i>	<i>NMF</i>	<i>(1,241)</i>	<i>NMF</i>	<i>(41,332)</i>	<i>(9,132)</i>	<i>NMF</i>
<i>One-off termination costs of former CEO (2)</i>	-	-	-	-	-	-	<i>(3,985)</i>	<i>NMF</i>
Net non-recurring items	254	(5,019)	NMF	(1,241)	NMF	(41,332)	(13,117)	NMF
Profit before income tax expense	163,405	156,997	4.1%	123,154	32.7%	173,584	384,359	-54.8%
<i>Income tax expense (excluding one-offs)</i>	<i>(15,051)</i>	<i>(22,697)</i>	<i>-33.7%</i>	<i>(8,470)</i>	<i>77.7%</i>	<i>(10,491)</i>	<i>(43,104)</i>	<i>-75.7%</i>
<i>Income tax benefit related to one-off termination costs of former CEO and executive management (3)</i>	-	-	-	-	-	-	2,161	<i>NMF</i>
Income tax expense	(15,051)	(22,697)	-33.7%	(8,470)	77.7%	(10,491)	(40,943)	-74.4%
Profit	148,354	134,300	10.5%	114,684	29.4%	163,093	343,416	-52.5%
One-off items (1)+(2)+(3)	-	-	-	-	-	-	(14,236)	NMF
Profit attributable to:								
- shareholders of the Group	147,704	133,687	10.5%	114,174	29.4%	162,363	341,841	-52.5%
- non-controlling interests	650	613	6.0%	510	27.5%	730	1,575	-53.7%
Earnings per share (basic)	3.11	2.81	10.7%	2.40	29.6%	3.41	7.16	-52.4%
Earnings per share (diluted)	3.11	2.81	10.7%	2.40	29.6%	3.41	7.14	-52.2%

GROUP BALANCE SHEET

75

GEL thousands, unless otherwise noted

	Sep-20	Sep-19	Change y-o-y	Jun-20	Change q-o-q
Cash and cash equivalents	2,154,224	1,369,169	57.3%	1,633,755	31.9%
Amounts due from credit institutions	1,980,195	1,834,220	8.0%	1,700,075	16.5%
Investment securities	2,205,244	1,895,722	16.3%	2,113,900	4.3%
Loans to customers and finance lease receivables	13,627,144	11,339,745	20.2%	12,599,092	8.2%
Accounts receivable and other loans	4,935	4,475	10.3%	4,060	21.6%
Prepayments	32,021	43,795	-26.9%	31,513	1.6%
Inventories	11,406	11,257	1.3%	13,901	-17.9%
Right-of-use assets	85,859	106,130	-19.1%	89,758	-4.3%
Investment property	221,517	193,499	14.5%	212,182	4.4%
Property and equipment	390,401	364,405	7.1%	396,272	-1.5%
Goodwill	33,351	33,351	0.0%	33,351	0.0%
Intangible assets	117,941	95,829	23.1%	116,355	1.4%
Income tax assets	40,484	7,682	NMF	54,595	-25.8%
Other assets	216,159	202,426	6.8%	139,945	54.5%
Assets held for sale	46,072	38,987	18.2%	45,212	1.9%
Total assets	21,166,953	17,540,692	20.7%	19,183,966	10.3%
Client deposits and notes	12,985,039	9,613,718	35.1%	11,583,139	12.1%
Amounts owed to credit institutions	3,757,646	3,437,718	9.3%	3,521,860	6.7%
Debt securities issued	1,628,188	2,175,820	-25.2%	1,561,933	4.2%
Lease liabilities	98,522	105,285	-6.4%	96,878	1.7%
Accruals and deferred income	43,474	41,521	4.7%	37,257	16.7%
Income tax liabilities	70,854	39,251	80.5%	70,171	1.0%
Other liabilities	212,093	87,520	142.3%	112,929	87.8%
Total liabilities	18,795,816	15,500,833	21.3%	16,984,167	10.7%
Share capital	1,618	1,618	0.0%	1,618	0.0%
Additional paid-in capital	513,407	498,593	3.0%	500,887	2.5%
Treasury shares	(54)	(53)	1.9%	(54)	0.0%
Other reserves	38,201	28,472	34.2%	25,417	50.3%
Retained earnings	1,807,432	1,502,248	20.3%	1,662,164	8.7%
Total equity attributable to shareholders of the Group	2,360,604	2,030,878	16.2%	2,190,032	7.8%
Non-controlling interests	10,533	8,981	17.3%	9,767	7.8%
Total equity	2,371,137	2,039,859	16.2%	2,199,799	7.8%
Total liabilities and equity	21,166,953	17,540,692	20.7%	19,183,966	10.3%
Book value per share	49.67	42.69	16.4%	46.07	7.8%

BNB FINANCIAL HIGHLIGHTS

76

INCOME STATEMENT HIGHLIGHTS <i>GEL thousands, unless otherwise stated</i>	3Q20	3Q19	Change y-o-y	2Q20	Change q-o-q	9M20	9M19	Change y-o-y
Net interest income	8,735	7,447	17.3%	9,157	-4.6%	27,361	20,392	34.2%
Net fee and commission income	1,220	1,956	-37.6%	1,486	-17.9%	4,410	5,567	-20.8%
Net foreign currency (loss) / gain	(42)	5,405	NMF	3,787	NMF	4,238	14,140	-70.0%
Net other (expense) / income	(110)	57	NMF	350	NMF	573	371	54.4%
Operating income	9,803	14,865	-34.1%	14,780	-33.7%	36,582	40,470	-9.6%
Operating expenses	(7,812)	(9,135)	-14.5%	(8,098)	-3.5%	(24,616)	(25,873)	-4.9%
Operating income before cost of risk	1,991	5,730	-65.3%	6,682	-70.2%	11,966	14,597	-18.0%
Cost of risk	(1,449)	293	NMF	(1,928)	-24.8%	(6,799)	(2,684)	153.3%
Net non-recurring items	36	(1)	NMF	(24)	NMF	2	(64)	NMF
Profit before income tax	578	6,022	-90.4%	4,730	-87.8%	5,169	11,849	-56.4%
Income tax benefit / (expense)	76	(1,193)	NMF	(1,010)	NMF	(966)	(2,143)	-54.9%
Profit	654	4,829	-86.5%	3,720	-82.4%	4,203	9,706	-56.7%

BALANCE SHEET HIGHLIGHTS <i>GEL thousands, unless otherwise stated</i>	Sep-20	Sep-19	Change y-o-y	Jun-20	Change q-o-q
Cash and cash equivalents	155,782	170,787	-8.8%	187,920	-17.1%
Amounts due from credit institutions	14,614	22,534	-35.1%	13,605	7.4%
Investment securities	74,936	101,511	-26.2%	93,549	-19.9%
Loans to customers and finance lease receivables	702,231	556,541	26.2%	638,713	9.9%
Other assets	47,394	59,397	-20.2%	50,667	-6.5%
Total assets	994,957	910,770	9.2%	984,454	1.1%
Client deposits and notes	596,360	588,647	1.3%	647,977	-8.0%
Amounts owed to credit institutions	209,535	132,648	58.0%	144,815	44.7%
Debt securities issued	49,214	72,931	-32.5%	57,289	-14.1%
Other liabilities	22,188	8,239	169.3%	12,873	72.4%
Total liabilities	877,297	802,465	9.3%	862,954	1.7%
Total equity	117,660	108,305	8.6%	121,500	-3.2%
Total liabilities and equity	994,957	910,770	9.2%	984,454	1.1%

KEY RATIOS

	3Q20	3Q19	2Q20	9M20	9M19
Profitability					
ROAA, annualised **	3.0%	3.2%	2.4%	1.1%	3.0%
ROAA, annualised (unadjusted)	3.0%	3.2%	2.4%	1.1%	2.9%
ROAE, annualised **	26.0%	26.8%	21.8%	9.9%	24.7%
<i>RB ROAE **</i>	25.0%	30.7%	16.4%	5.6%	27.6%
<i>CIB ROAE **</i>	30.7%	24.6%	31.5%	17.1%	24.5%
ROAE, annualised (unadjusted)	26.0%	26.8%	21.8%	9.9%	23.7%
Net interest margin, annualised	4.8%	5.4%	4.2%	4.7%	5.7%
<i>RB NIM</i>	4.8%	6.1%	4.0%	4.6%	6.3%
<i>CIB NIM</i>	3.6%	3.2%	3.4%	3.7%	3.5%
Loan yield, annualised	10.7%	11.5%	10.2%	10.6%	11.8%
<i>RB Loan yield</i>	11.7%	12.8%	11.1%	11.5%	13.1%
<i>CIB Loan yield</i>	8.6%	8.9%	8.3%	8.6%	9.1%
Liquid assets yield, annualised	3.3%	3.2%	3.4%	3.5%	3.4%
Cost of funds, annualised	4.7%	4.5%	4.8%	4.8%	4.5%
Cost of client deposits and notes, annualised	3.8%	2.9%	3.5%	3.5%	3.0%
<i>RB Cost of client deposits and notes</i>	3.1%	2.6%	2.9%	2.9%	2.7%
<i>CIB Cost of client deposits and notes</i>	4.6%	3.2%	4.2%	4.2%	3.4%
Cost of amounts due to credit institutions, annualised	6.9%	6.8%	7.3%	7.3%	7.0%
Cost of debt securities issued	7.0%	7.7%	7.7%	7.5%	7.6%
Operating leverage, y-o-y ***	1.9%	-5.2%	-13.6%	-6.4%	-1.7%
Operating leverage, q-o-q ***	17.8%	1.2%	-11.9%	0.0%	0.0%
Efficiency					
Cost / Income ***	37.1%	37.9%	43.9%	39.7%	37.3%
<i>RB Cost / Income ***</i>	41.8%	38.0%	56.3%	47.5%	37.1%
<i>CIB Cost / Income ***</i>	23.0%	30.4%	22.9%	21.8%	29.2%
Cost / Income (unadjusted)	37.1%	37.9%	43.9%	39.7%	38.8%

* For the description of Key Ratios, refer to page 80

** The 9M19 ratios are adjusted for one-off employee costs related to termination benefits of the former CEO and executive management

*** The 9M19 ratios are adjusted for one-off employee costs related to termination benefits of former executive management

KEY RATIOS

Liquidity

NBG liquidity coverage ratio (<i>minimum requirement 100%</i>)	147.0%	118.5%	135.4%	147.0%	118.5%
Liquid assets to total liabilities	33.7%	32.9%	32.1%	33.7%	32.9%
Net loans to client deposits and notes	104.9%	118.0%	108.8%	104.9%	118.0%
Net loans to client deposits and notes + DFIs	92.1%	103.4%	94.5%	92.1%	103.4%
Leverage (times)	7.9	7.6	7.7	7.9	7.6

Asset Quality:

NPLs (in GEL)	530,631	339,118	355,260	530,631	339,118
NPLs to gross loans to clients	3.8%	2.9%	2.7%	3.8%	2.9%
NPL coverage ratio	76.8%	85.3%	115.7%	76.8%	85.3%
NPL coverage ratio, adjusted for discounted value of collateral	131.4%	129.3%	166.3%	131.4%	129.3%
Cost of credit risk, annualised	0.2%	0.5%	-0.2%	2.4%	1.1%
<i>RB Cost of credit risk</i>	0.8%	0.9%	0.2%	2.7%	1.6%
<i>CIB Cost of credit risk</i>	-1.1%	-0.2%	-1.7%	1.7%	0.2%

Capital Adequacy:

NBG (Basel III) CET1 capital adequacy ratio	9.9%	11.1%	9.9%	9.9%	11.1%
<i>Minimum regulatory requirement</i>	6.9%	9.5%	6.9%	6.9%	9.5%
NBG (Basel III) Tier I capital adequacy ratio	12.0%	13.3%	12.0%	12.0%	13.3%
<i>Minimum regulatory requirement</i>	8.7%	11.6%	8.7%	8.7%	11.6%
NBG (Basel III) Total capital adequacy ratio	17.3%	16.8%	17.4%	17.3%	16.8%
<i>Minimum regulatory requirement</i>	13.3%	16.1%	13.3%	13.3%	16.1%

	3Q20	3Q19	2Q20	9M20	9M19
	147.0%	118.5%	135.4%	147.0%	118.5%
	33.7%	32.9%	32.1%	33.7%	32.9%
	104.9%	118.0%	108.8%	104.9%	118.0%
	92.1%	103.4%	94.5%	92.1%	103.4%
	7.9	7.6	7.7	7.9	7.6
	530,631	339,118	355,260	530,631	339,118
	3.8%	2.9%	2.7%	3.8%	2.9%
	76.8%	85.3%	115.7%	76.8%	85.3%
	131.4%	129.3%	166.3%	131.4%	129.3%
	0.2%	0.5%	-0.2%	2.4%	1.1%
	0.8%	0.9%	0.2%	2.7%	1.6%
	-1.1%	-0.2%	-1.7%	1.7%	0.2%
	9.9%	11.1%	9.9%	9.9%	11.1%
	6.9%	9.5%	6.9%	6.9%	9.5%
	12.0%	13.3%	12.0%	12.0%	13.3%
	8.7%	11.6%	8.7%	8.7%	11.6%
	17.3%	16.8%	17.4%	17.3%	16.8%
	13.3%	16.1%	13.3%	13.3%	16.1%

* For the description of Key Ratios, refer to page 80

KEY OPERATING DATA

Selected operating data:

	Sep-20	Sep-19	Jun-20
Total assets per FTE	2,976	2,402	2,671
Number of active branches, of which:	211	276	229
- Express branches (including Metro)	105	167	121
- Bank of Georgia branches	95	97	97
- Solo lounges	11	12	11
Number of ATMs	947	911	940
Number of cards outstanding, of which:	2,184,591	2,121,830	2,178,053
- Debit cards	1,879,970	1,674,105	1,828,691
- Credit cards	304,621	447,725	349,362
Number of POS terminals	25,706	21,088	23,787
Number of Express Pay terminals	3,130	3,231	3,118

FX Rates:

GEL/US\$ exchange rate (period-end)	3.2878	2.9552	3.0552
GEL/GBP exchange rate (period-end)	4.2255	3.6319	3.7671

Full time employees (FTE), of which:

	7,112	7,304	7,181
- Full time employees, BOG standalone	5,598	5,706	5,693
- Full time employees, BNB	538	584	543
- Full time employees, other	976	1,014	945

Shares outstanding

Ordinary shares	47,528,417	47,574,153	47,536,332
Treasury shares	1,641,011	1,595,275	1,633,096
Total shares outstanding	49,169,428	49,169,428	49,169,428

KEY RATIO DEFINITIONS

- **Cost of funds** Interest expense of the period divided by monthly average interest bearing liabilities;
- **Cost of credit risk** 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;
- **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 (as defined by NBG) divided by net cash outflows over the next 30 days (as defined by NBG);
- **Loan yield** Interest income from loans to customers and finance lease receivables divided by monthly average gross loans to customers and finance lease receivables;
- **NBG (Basel III) Common Equity Tier I capital adequacy ratio** Common Equity Tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **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 National Bank of Georgia instructions;
- **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 National Bank of Georgia instructions;
- **Net interest margin (NIM)** Net interest income of the period divided by monthly average interest earning assets excluding cash for the same period;
- **Net stable funding ratio (NSFR)** available amount of stable funding (as defined by NBG) divided by the required amount of stable funding (as defined by NBG)
- **Non-performing loans (NPLs)** The principal and interest on loans overdue for more than 90 days and any additional potential losses estimated by management;
- **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);
- **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;
- **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;
- **NMF** Not meaningful

COMPANY INFORMATION

Registered Address

84 Brook Street
London W1K 5EH
United Kingdom

Registered under number 10917019 in England and Wales

Secretary

Link Company Matters Limited
65 Gresham Street
London EC2V 7NQ
United Kingdom

Stock Listing

London Stock Exchange PLC's Main Market for listed securities
Ticker: "BGEO.LN"

Contact Information

Bank of Georgia Group PLC Investor Relations
Telephone: +44 (0) 203 178 4052; +995 322 444444 (9282)
E-mail: ir@bog.ge
www.bankofgeorgiagroup.com

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY
United Kingdom

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.

Investor Centre Web Address - www.investorcentre.co.uk
Investor Centre Shareholder Helpline - +44 (0)370 873 5866

Share price information

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