



BGEO Investor Day

23 November, 2015
London

Capturing Growth Opportunities

Banking: Credit risk overview

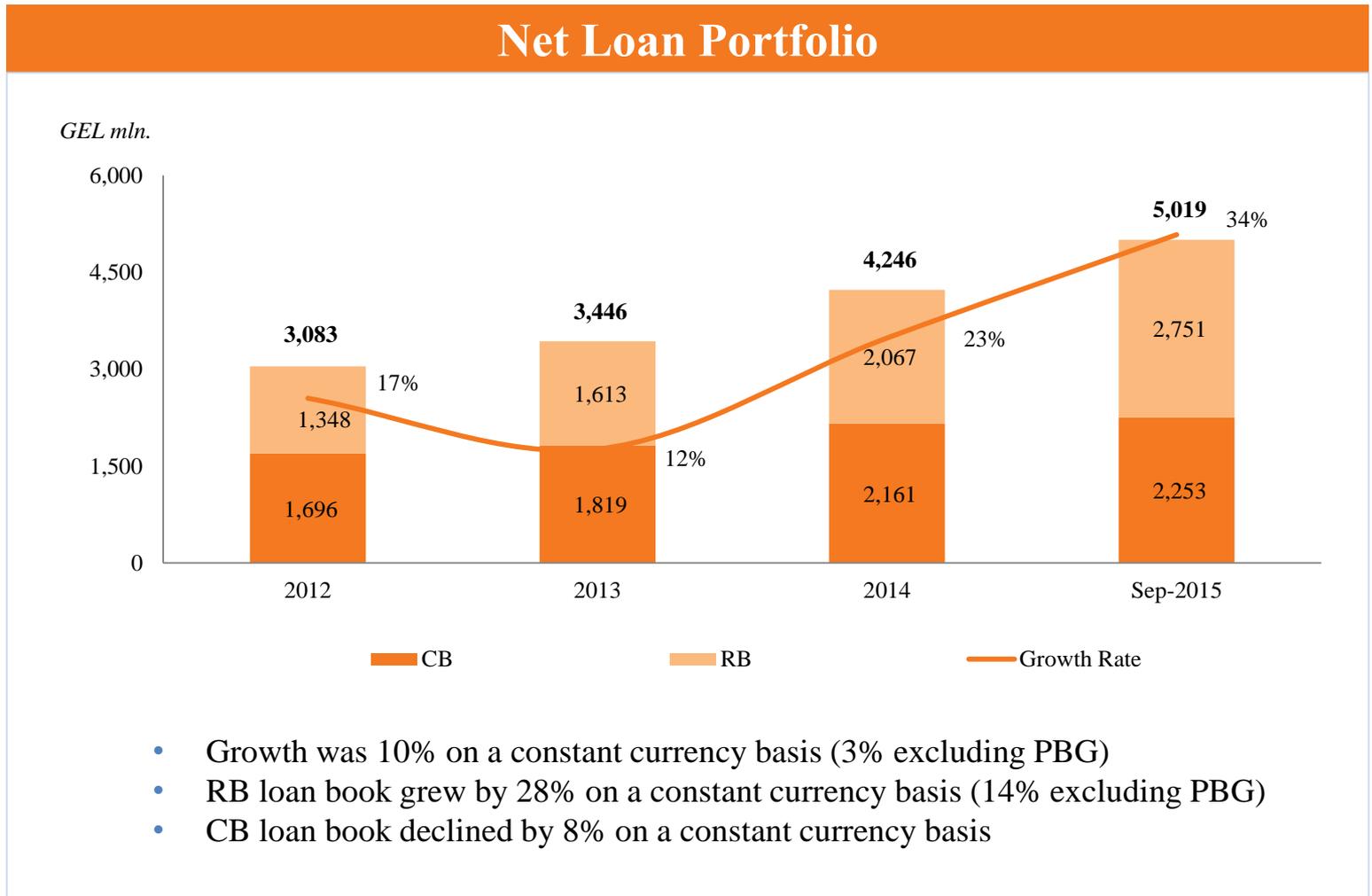
Speaker: Giorgi Chiladze, CRO, JSC Bank of Georgia

Contents

Loan portfolio overview

Cost of risk

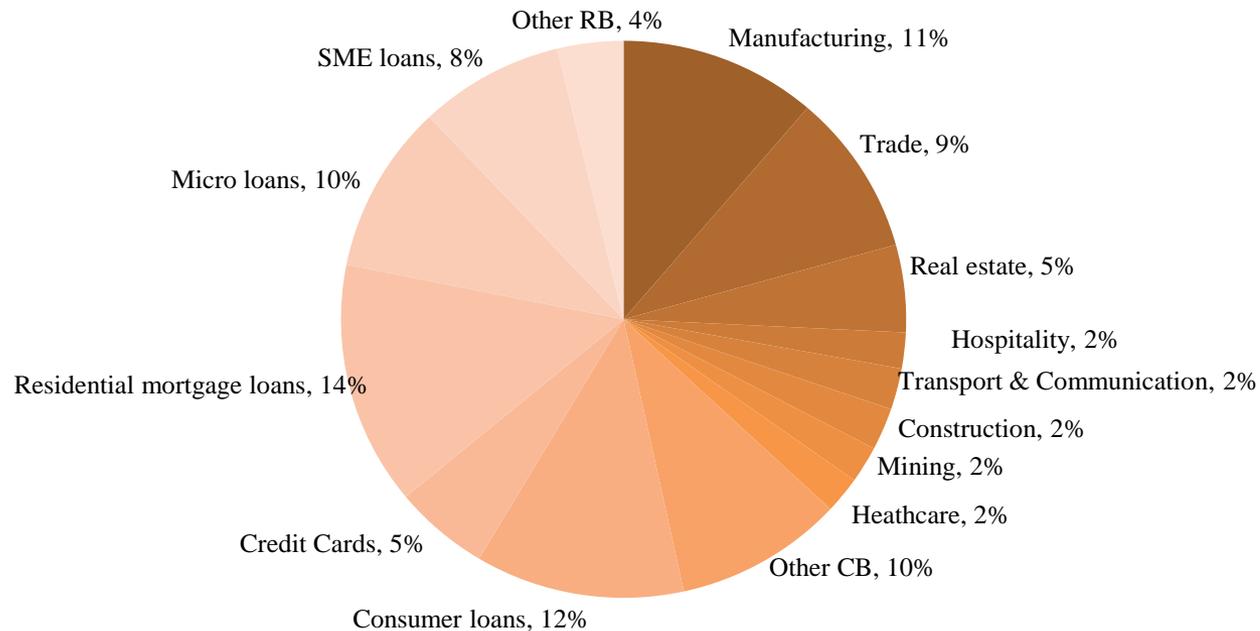
Lower growth environment



Diversified exposure

Loan book breakdown by sector

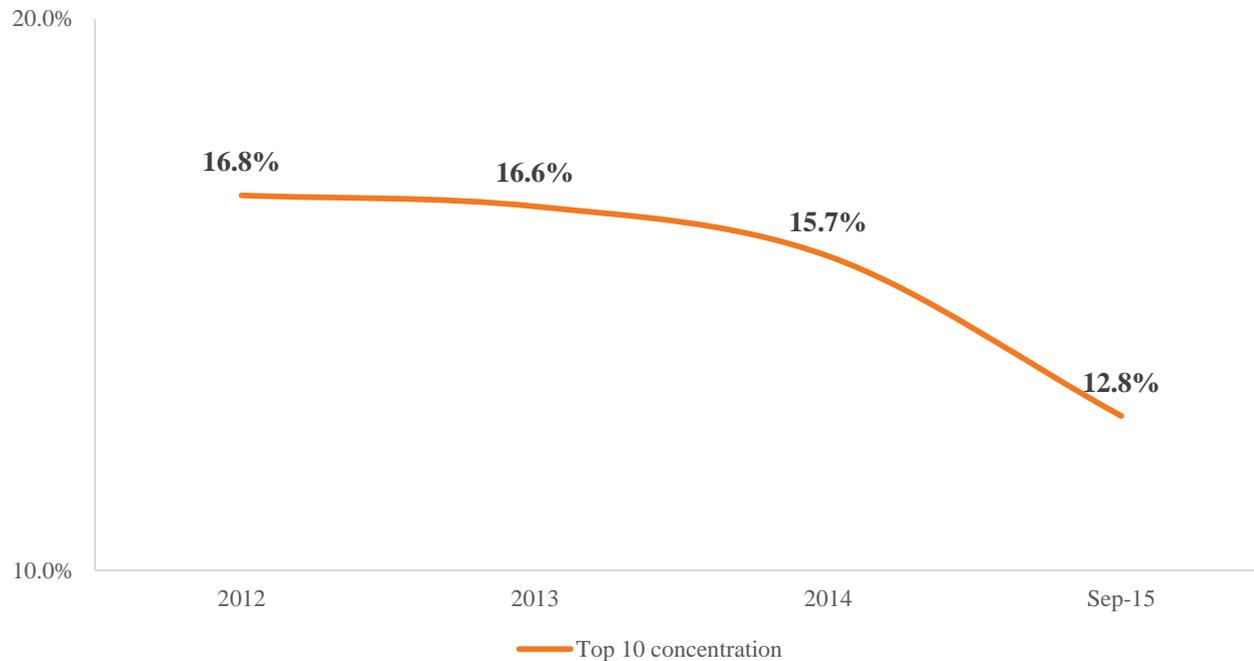
As of Sep, 2015



- Micro & SME and residential mortgages growth drivers;
- Sectors with most growth potential: Energy (HPPs), Tourism (Hotels), Healthcare, Real Estate

Decreasing loan concentration

Top 10 borrowers

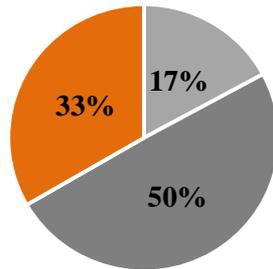


- RB grew to 54% of the loan book
- There are only about 400 borrowers in CB
- Top 100 borrowers represent more than 80% of CB loan book

Managing FX induced credit risk

Corporate banking

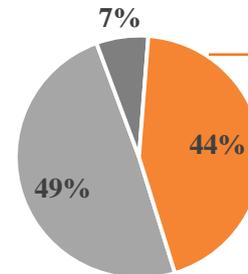
CB loan portfolio breakdown by currency
Total GEL 2,361mln



- GEL and other currency loans*
- USD loans with USD income
- USD loans with non-USD income

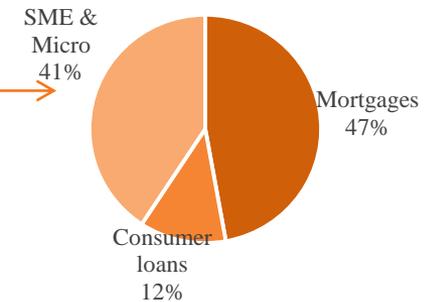
Retail banking

RB loan portfolio breakdown by currency
Total GEL 2,828mln



- GEL and other currency loans*
- USD loans with USD income
- USD loans with non-USD income

USD loans with non-USD income
Total GEL 1,246mln

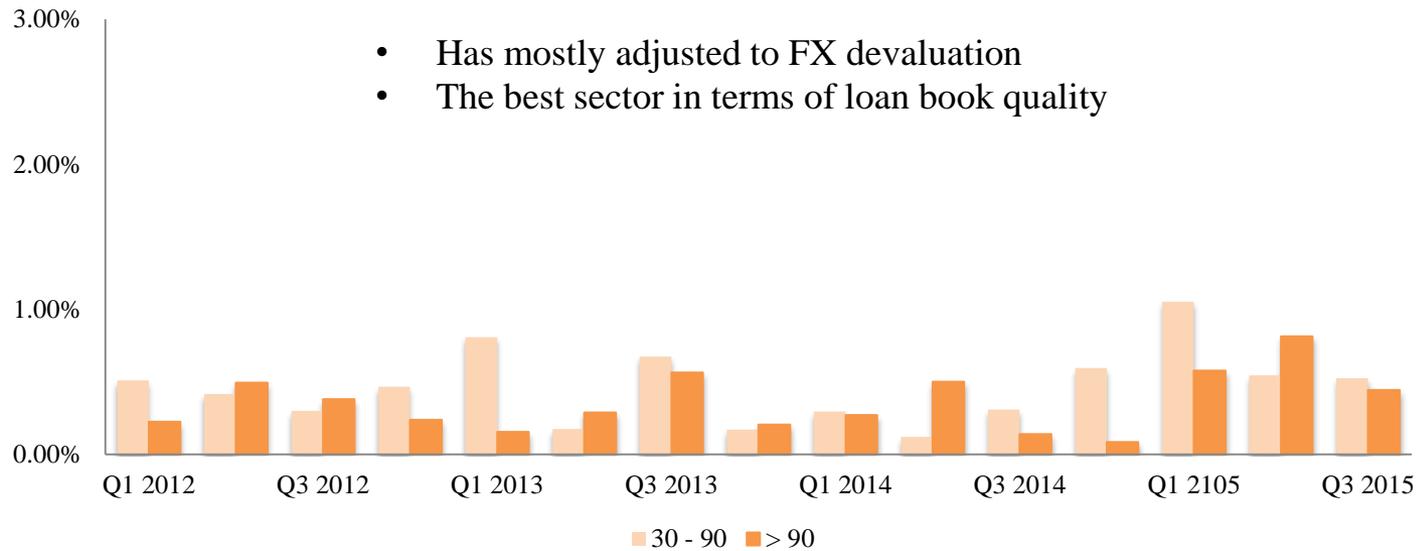


Managing FX induced credit risk - MSME

Days past due dynamics

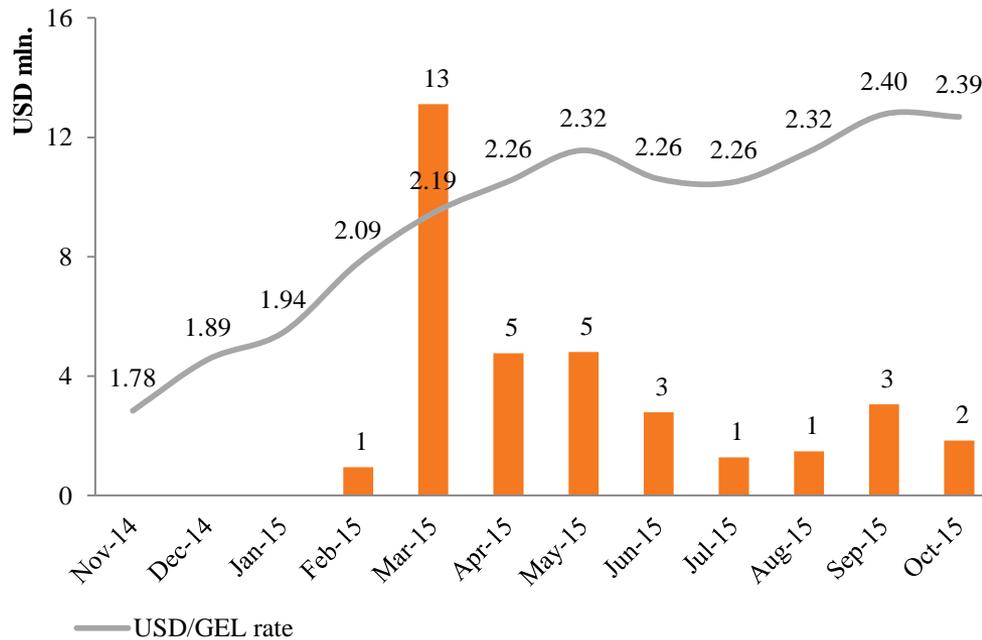
MSME sector

- Has mostly adjusted to FX devaluation
- The best sector in terms of loan book quality



Managing FX induced credit risk – Mortgages

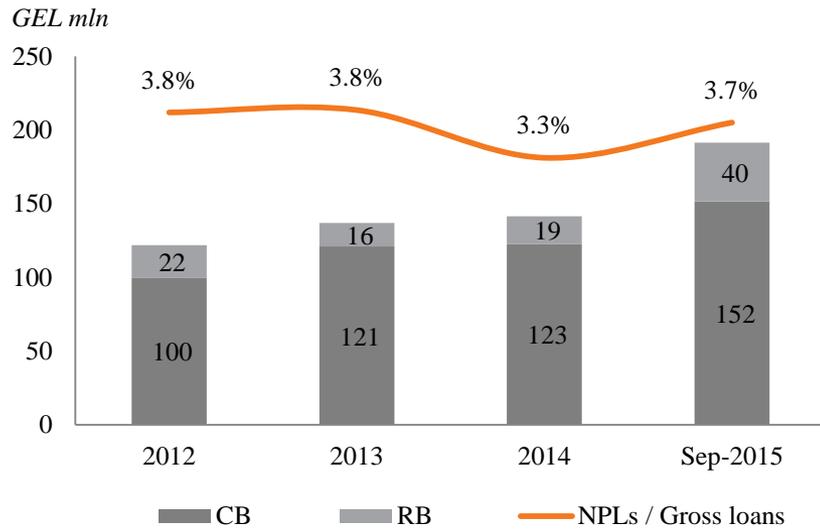
Reprofiling activity



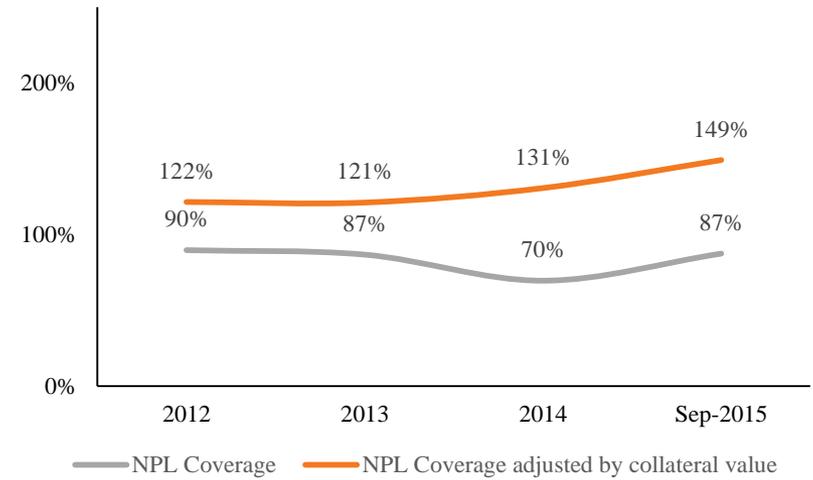
Re-profiling implies effectively increasing the tenor of the loan so that monthly payment in Lari stays at the same level it was prior to the recent devaluation of the Lari. When re-profiling, we do not change the interest rate of the loan. We offered re-profiling in Feb 2015;

Resilient loan portfolio quality

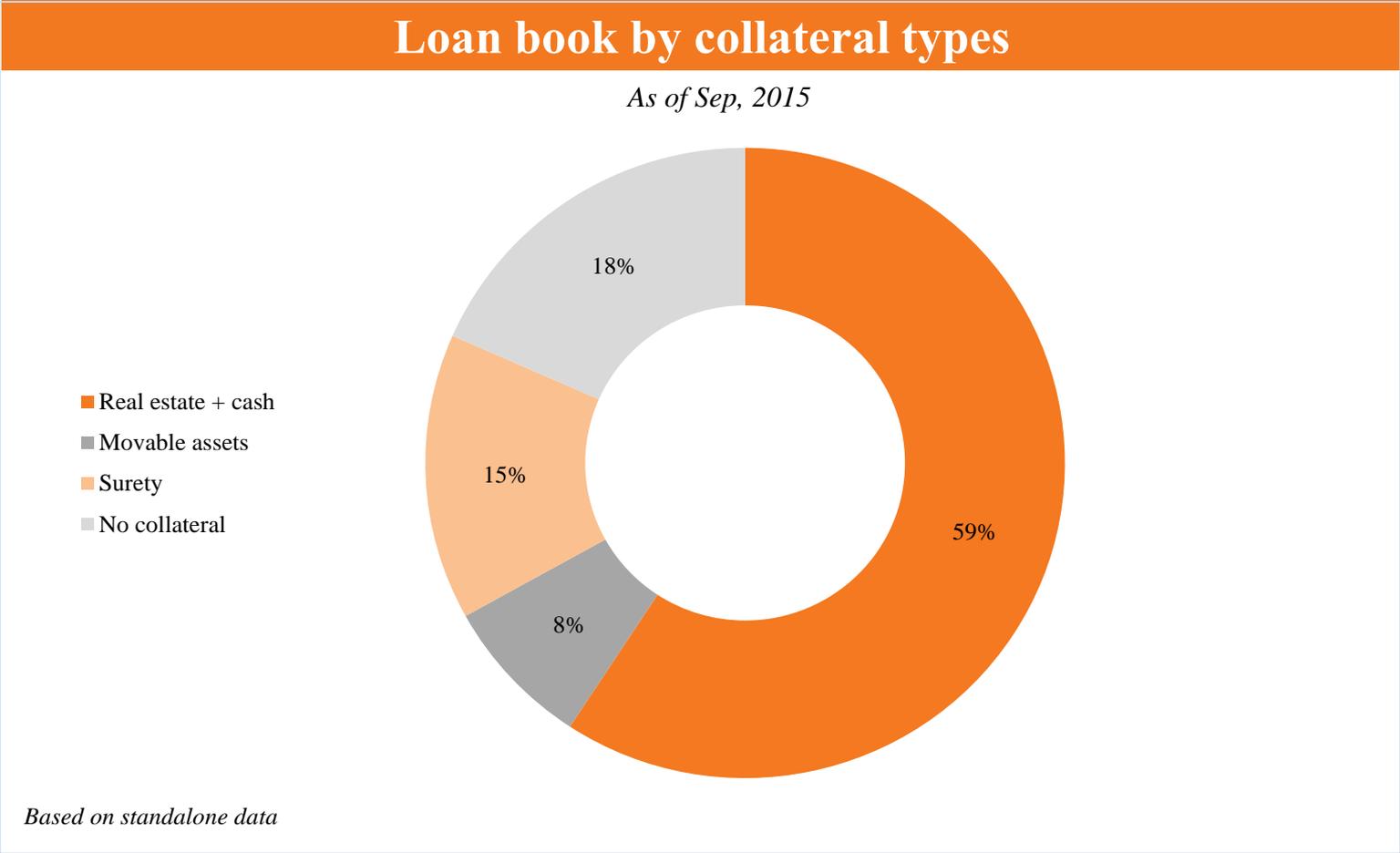
NPLs



Coverage ratio



High level of collateralization

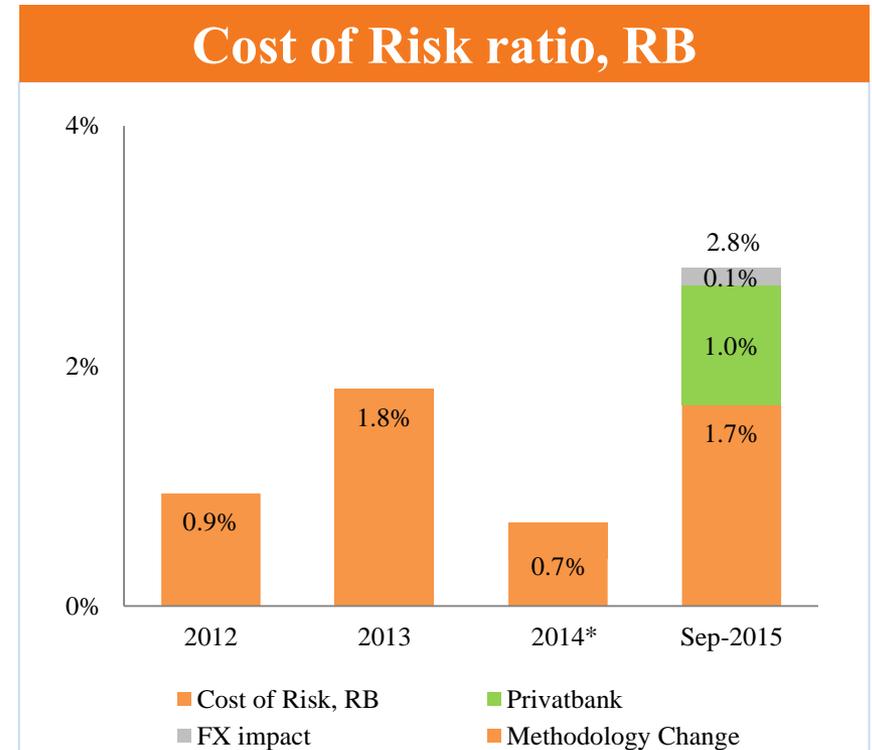
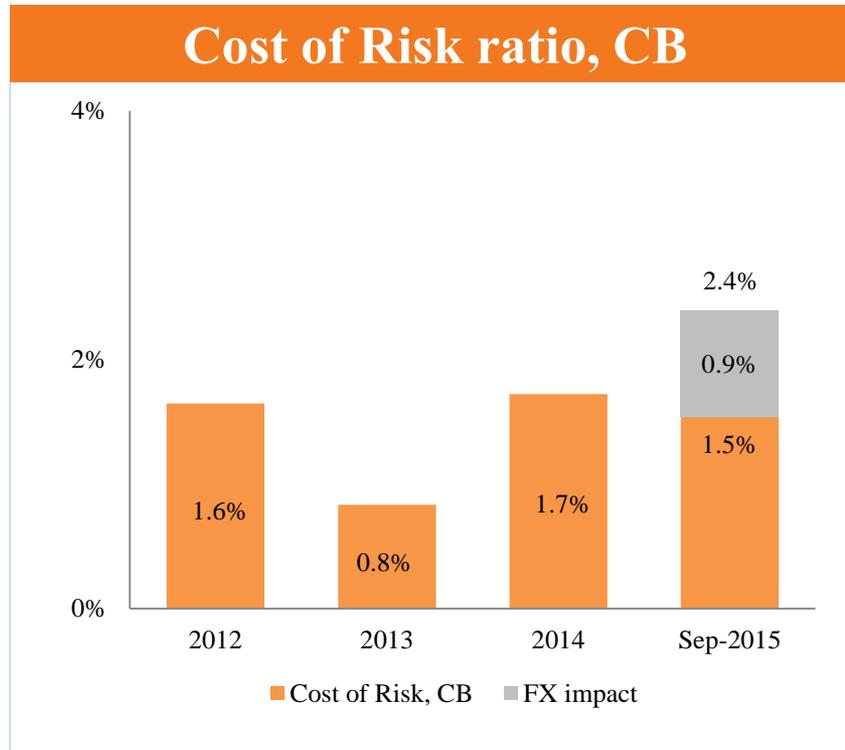


Contents

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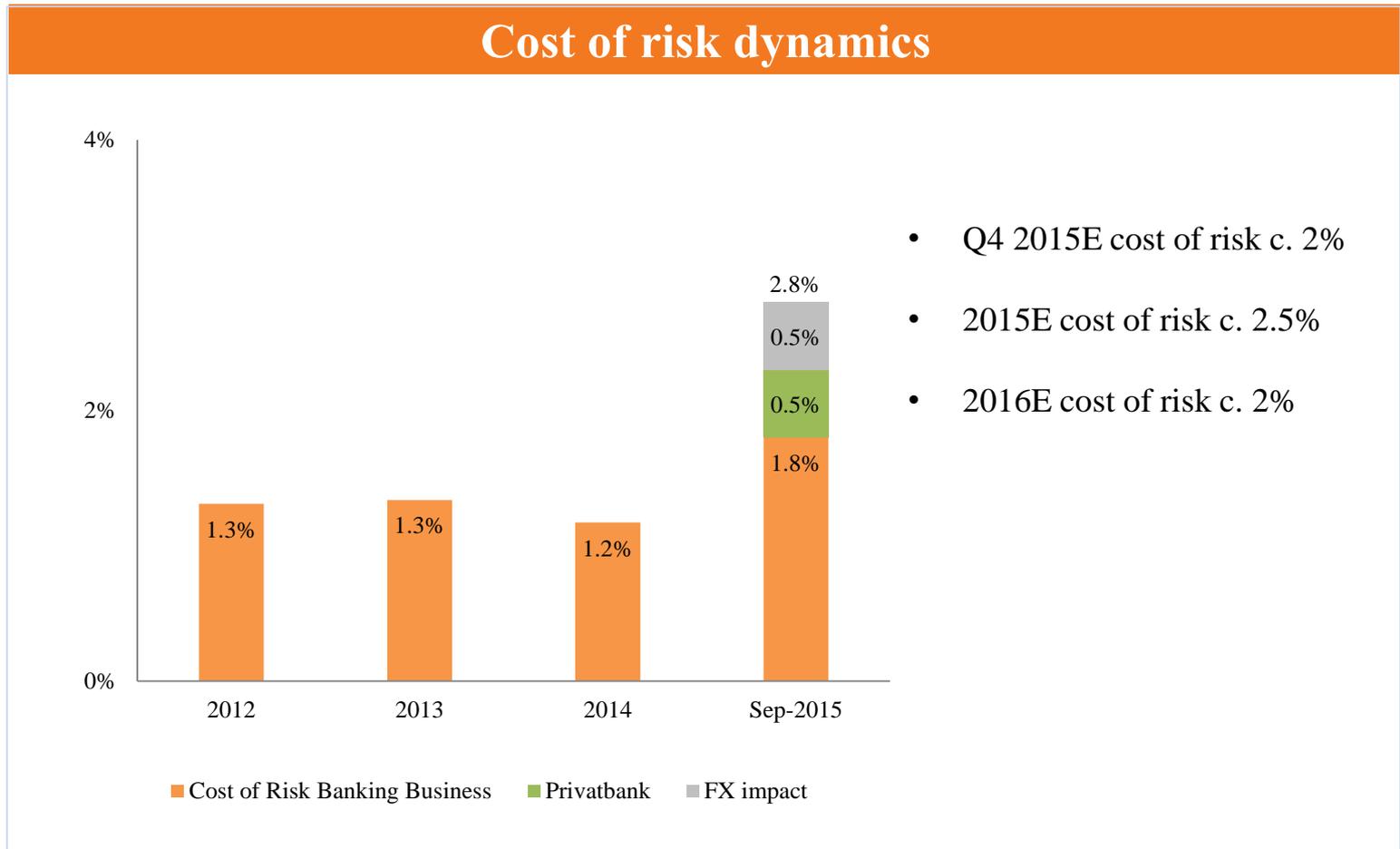
Cost of risk

Cost of risk by segments



- CB cost of risk adjusted for FX balance sheet effect – 1.5%
- Impact of PBG acquisition on RB cost of risk is 1%

Lower cost of risk going forward





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Questions?

Disclaimer

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