



BANK OF GEORGIA

# INVESTOR DAY 2019

**Retail Banking - MSME**

Speaker:

Zurab Masurashvili, Head of SME Banking

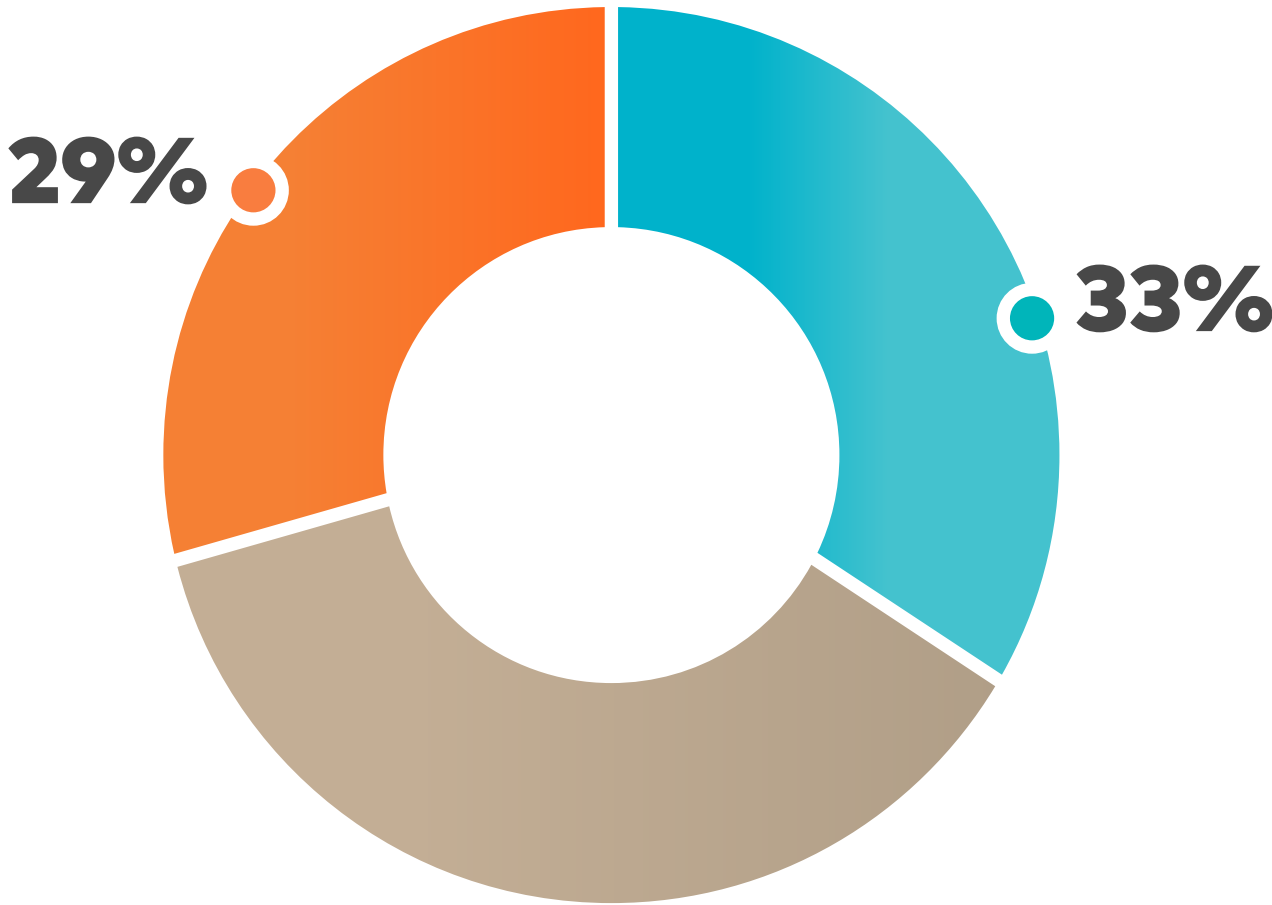




# MARKET SHARE

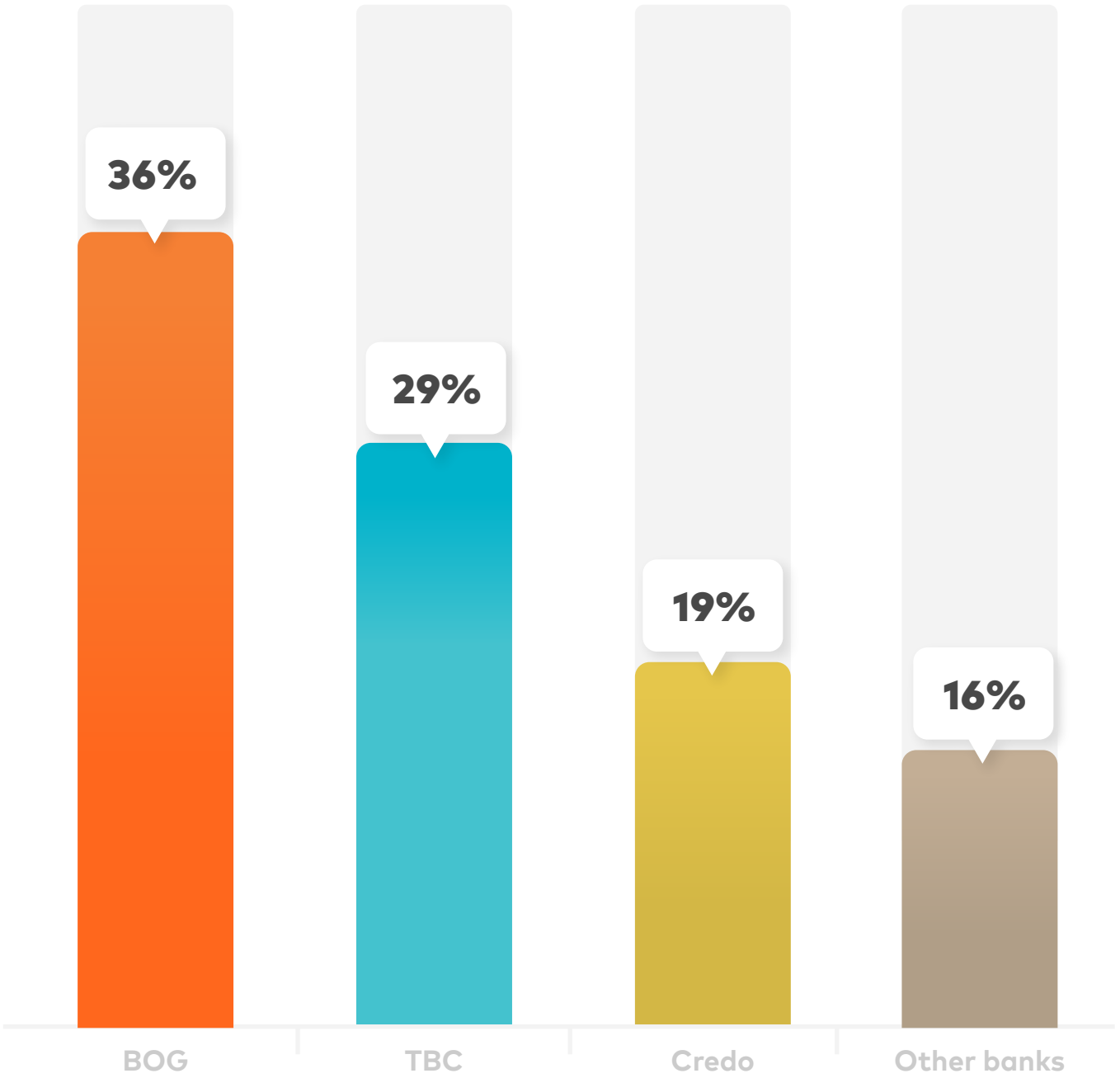
By loan portfolio as at 31 December 2018

## MSME

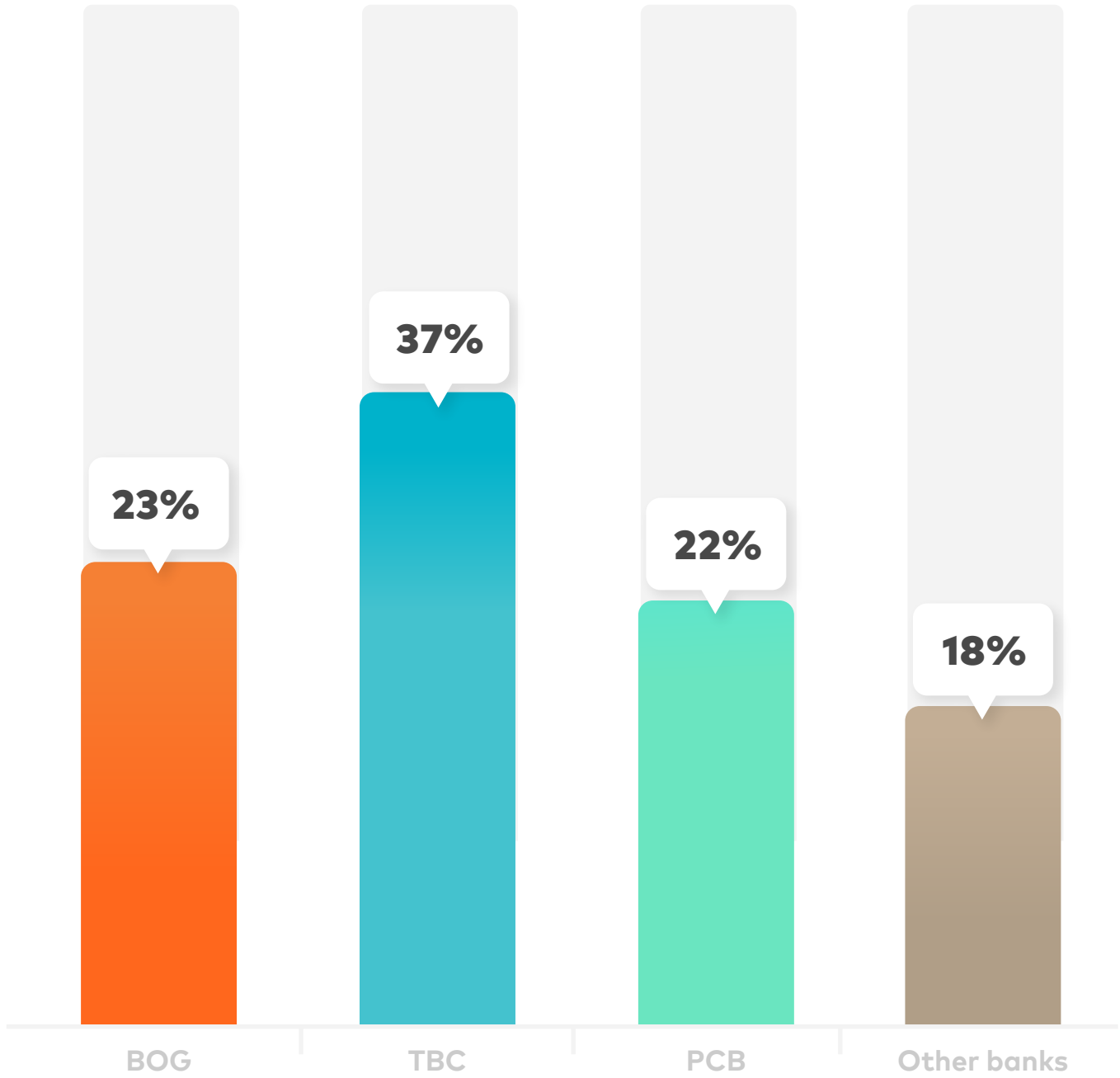


BOG TBC Other banks

## MICRO



## SME



Source: Internal estimation based on IFRS consolidated data, annual reports, data exchange (with some banks)

## MSME AT A GLANCE

02

Client base and portfolio as at 31 March 2019

**208K**

**CLIENTS**

**2,281**  
GEL MLN

**GROSS LOAN PORTFOLIO**

**682**  
GEL MLN

**DEPOSIT PORTFOLIO**

## MSME AT A GLANCE

03

Other metrics, 1Q19

34.9%

**COST TO INCOME**

5.2%

**NIM**

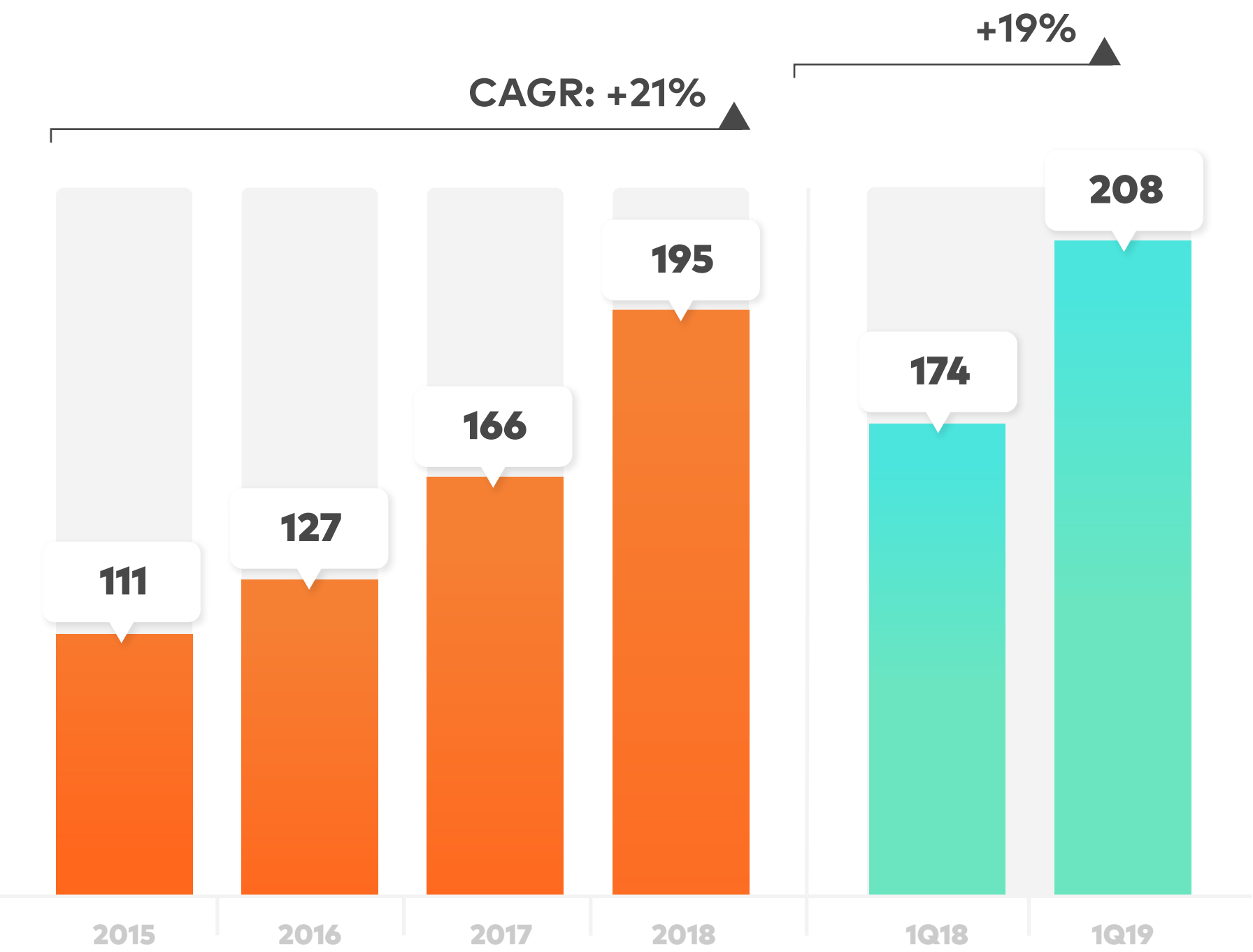
20.9%

**ROAE**

# OUTSTANDING GROWTH IN CLIENT BASE

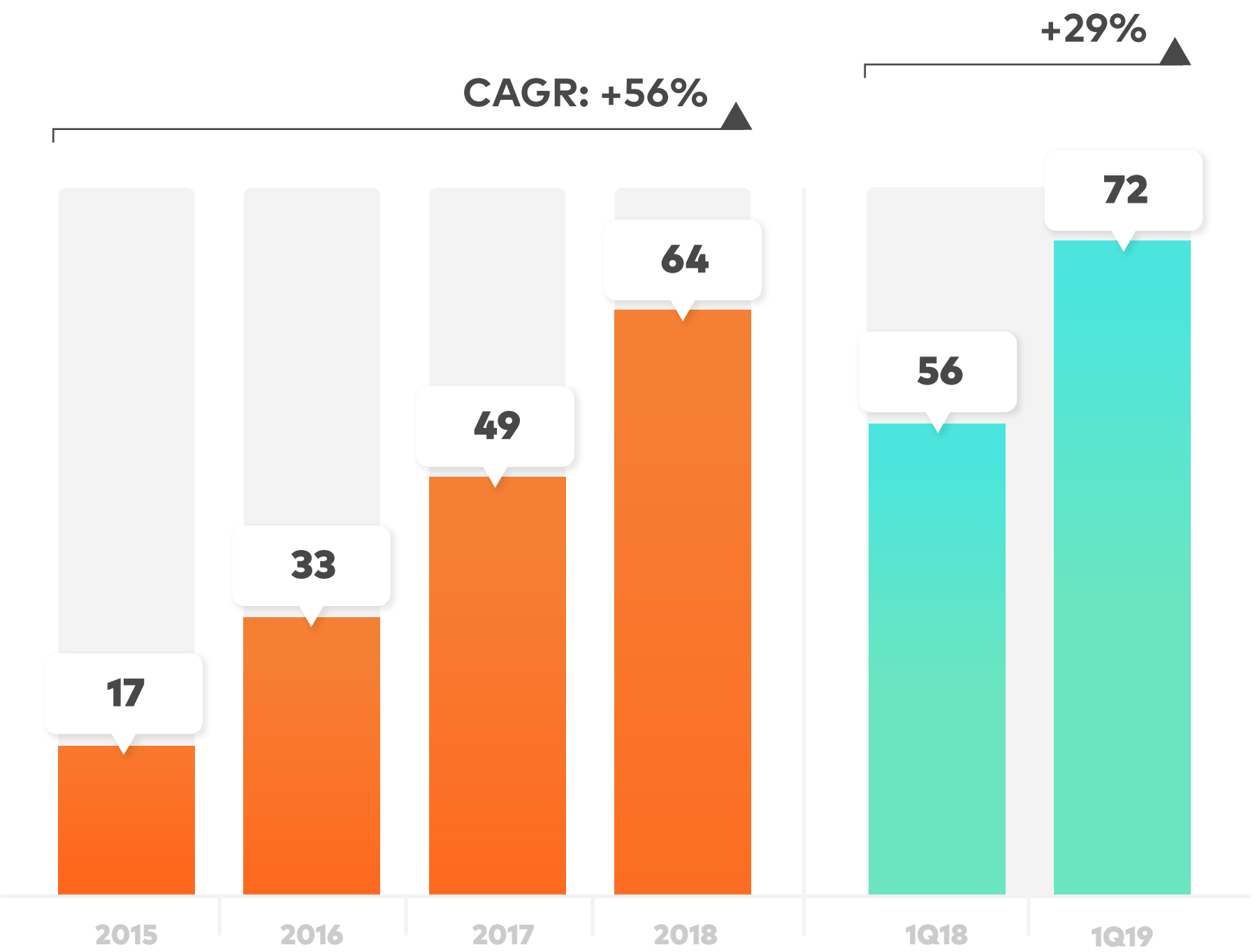
## CLIENTS

THOUSANDS



## BORROWERS

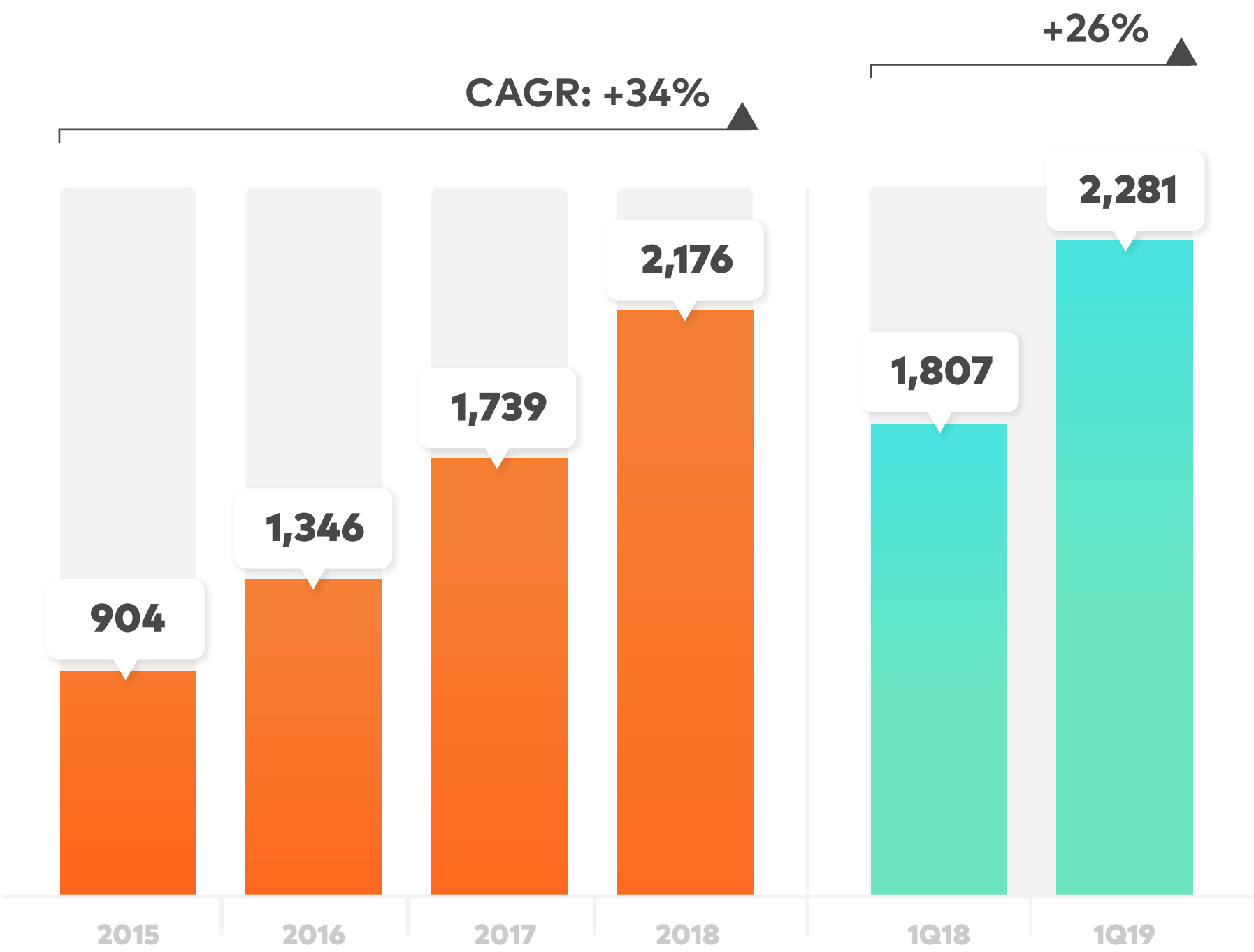
THOUSANDS



# STRONG PORTFOLIO GROWTH

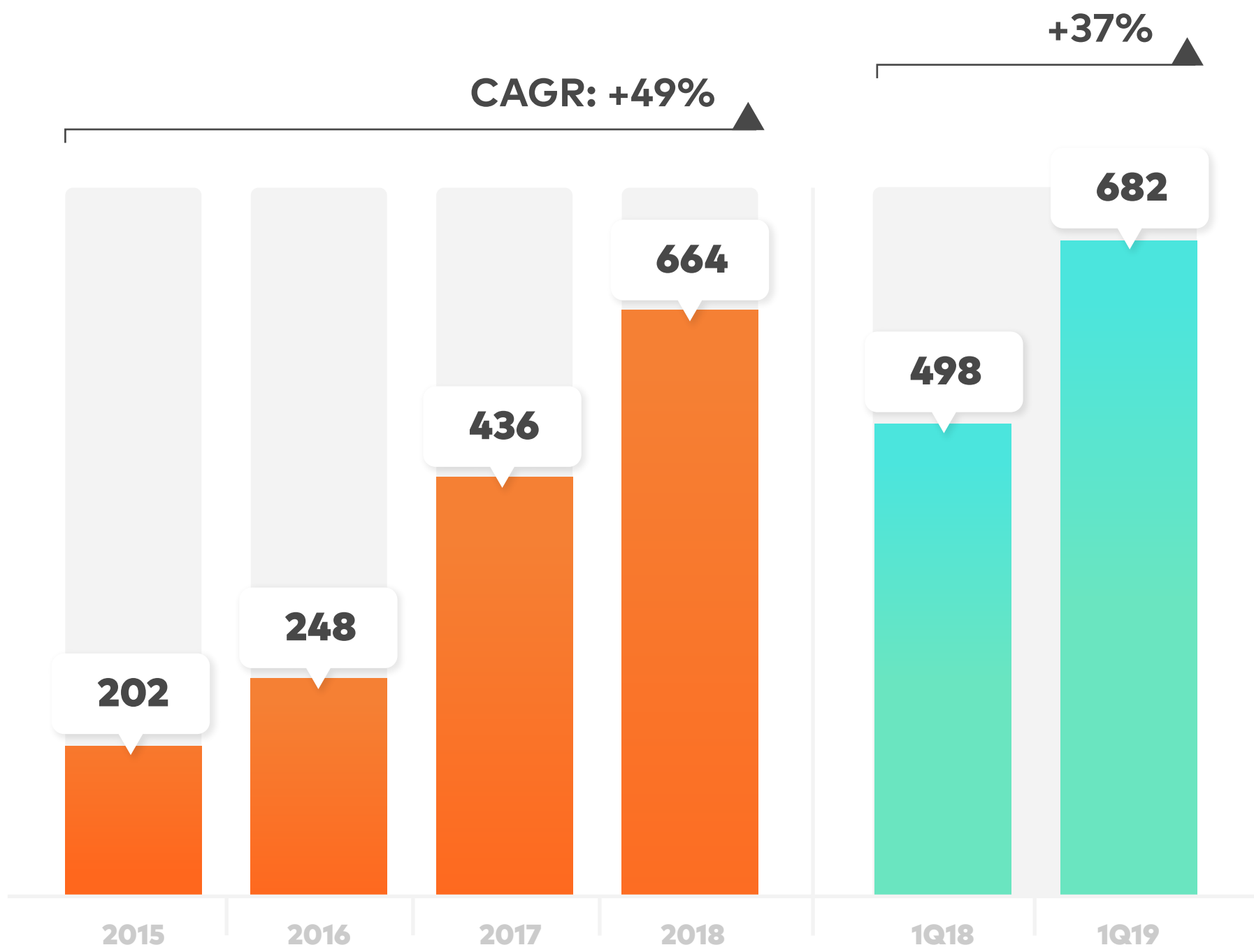
## GROSS LOAN PORTFOLIO

GEL MILLIONS



## DEPOSIT PORTFOLIO

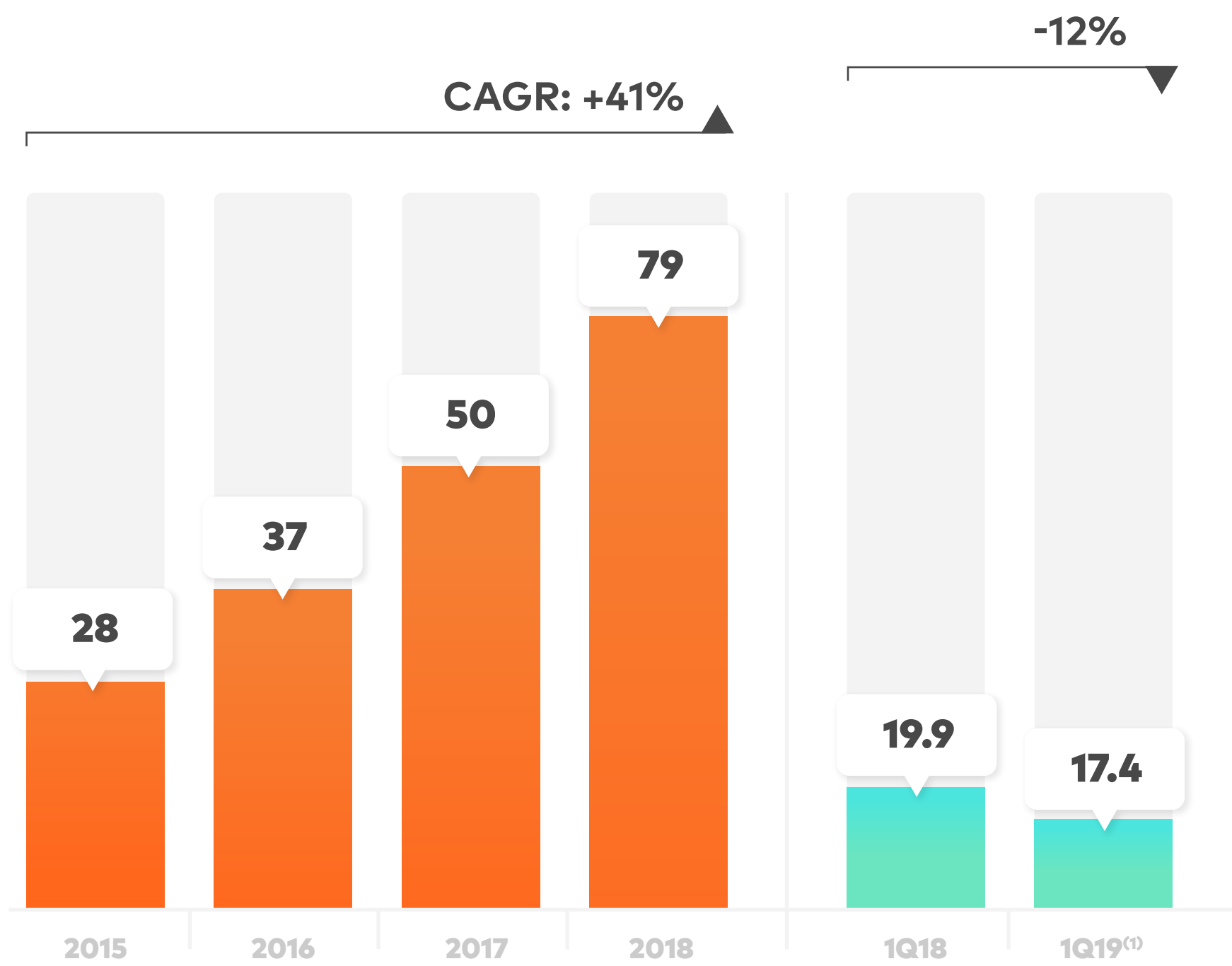
GEL MILLIONS



# STRONG PROFITABILITY

## PROFIT

GEL MILLIONS



## TEMPORARY IMPACT OF COST OF CREDIT RISK ON MICRO LOAN PORTFOLIO

- Regulations
- Re-calibration of provisioning in 1Q19
- Changes in provisioning in 1Q18

<sup>(1)</sup> 1Q19 profit is adjusted for one-off employee costs related to former CEO and executive management termination benefits

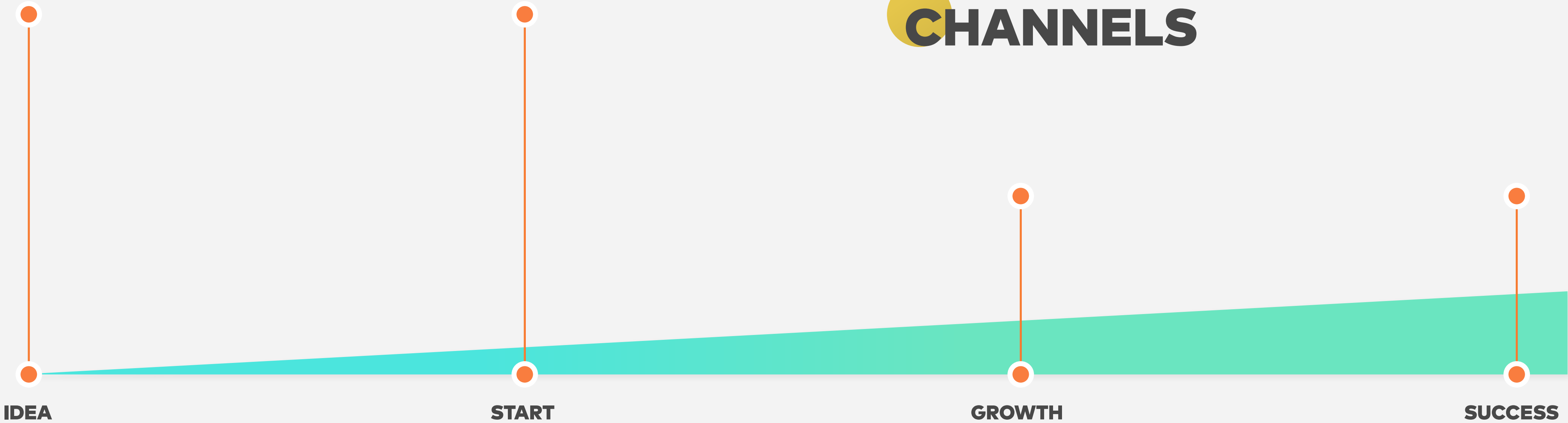
# BUSINESS DEVELOPMENT PHASES

We build the ecosystem where businesses benefit in each phase of their development

**ONBOARDING**

**SUPPORT**

**CHANNELS**





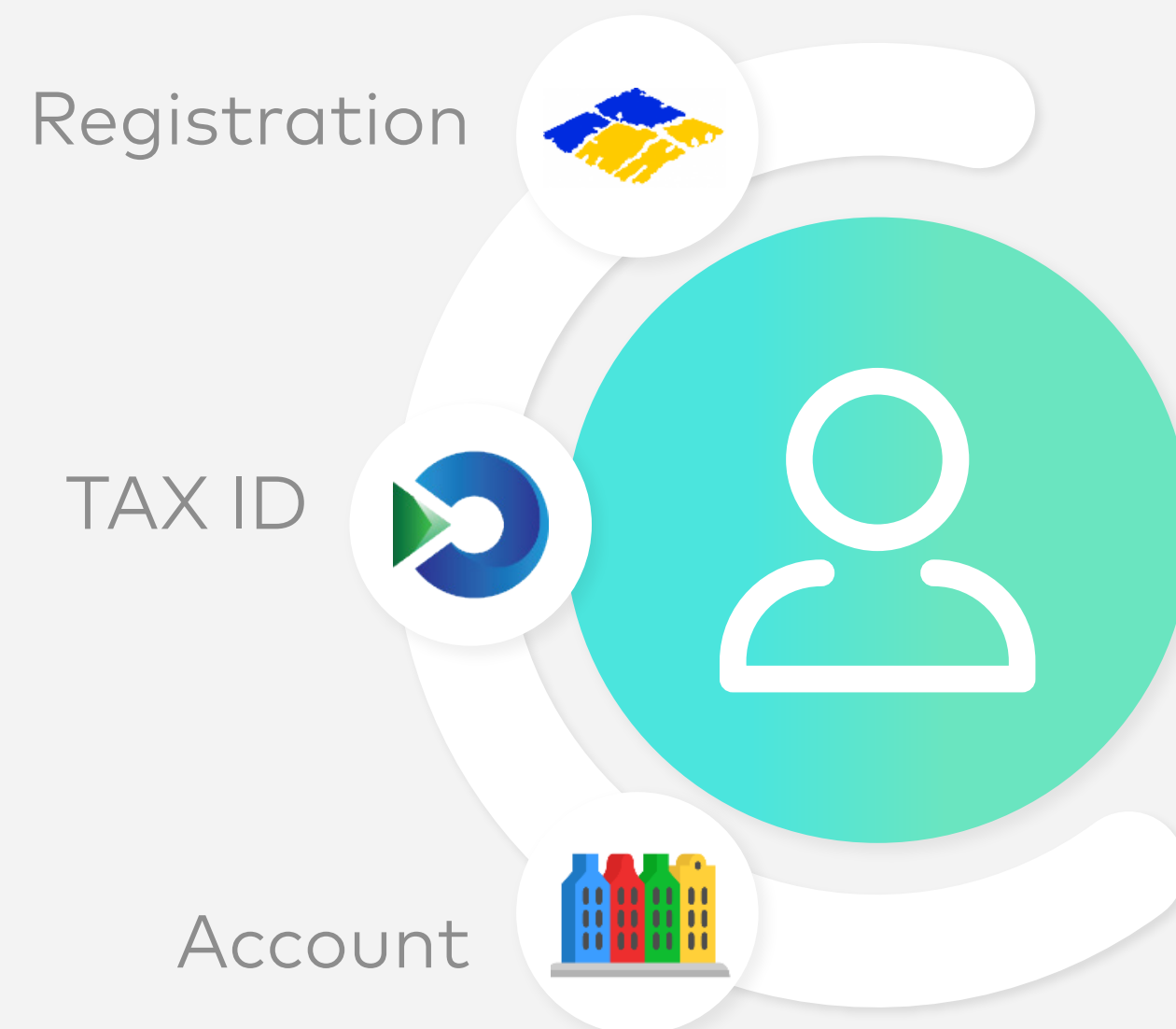
# ONBOARDING

08

Innovative and efficient onboarding

## TRADITIONAL

- **4 VISITS**
- **3-4 DAYS**
- **8-9 HOURS SPENT**



## AT BANK OF GEORGIA

- **1 VISIT**
- **1 HOUR SPENT**

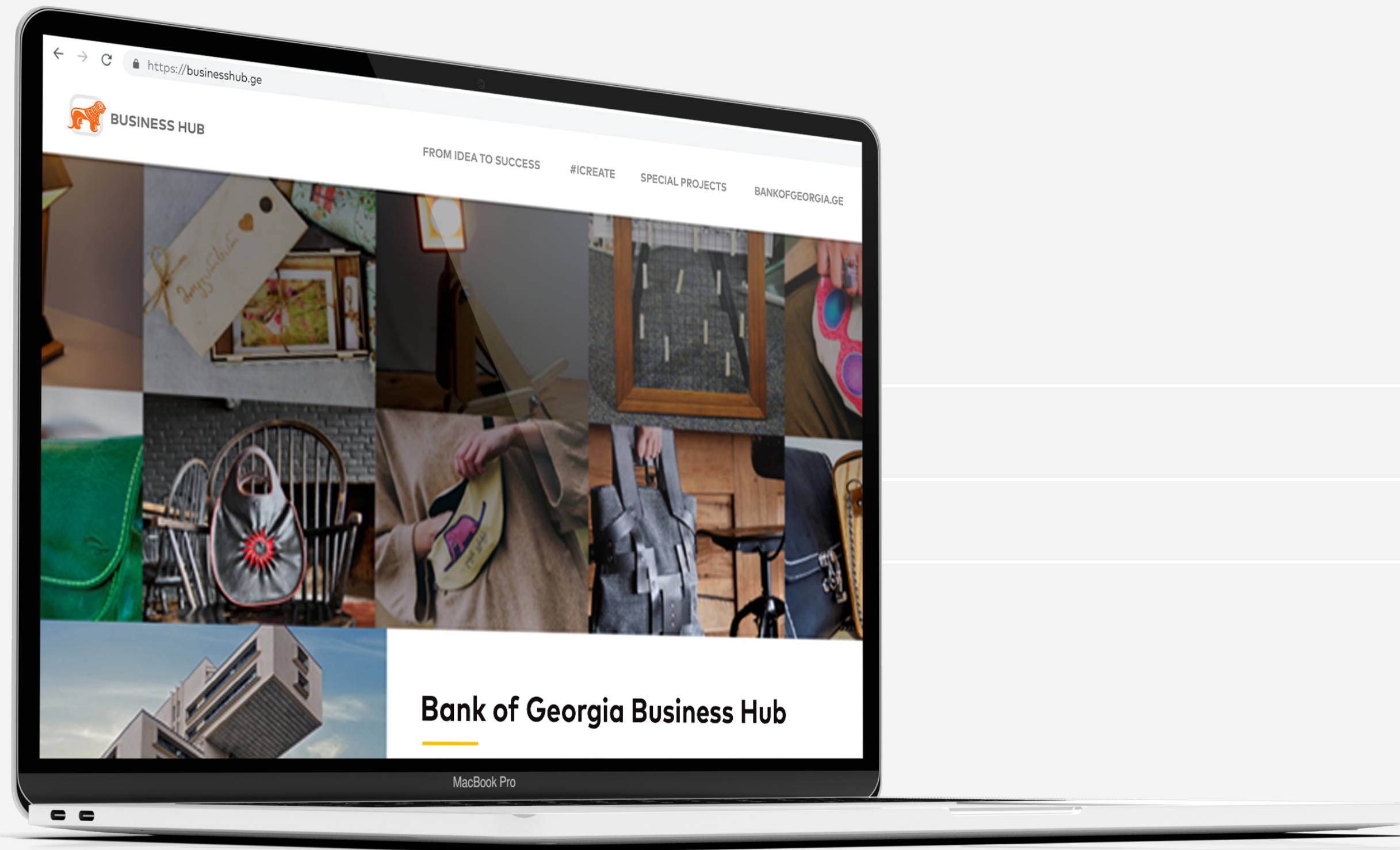


<sup>(1)</sup> Account, iBank, business card, POS + cash terminal

# ONBOARDING

09

Self-learning portal **businesshub.ge**



## ADVISORY CONTENT FOR BUSINESS

- EDUCATION
- BUSINESS SUPPORT PROGRAMMES
- SPECIAL PROJECTS

# ONBOARDING

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Innovative solution **to be launched in 3Q19**



## COMBINED POS AND CASH TERMINAL

- **DEAL WITH A SINGLE DEVICE**
- **SAVE THE COSTS**
- **GET A CREDIT LIMIT BASED ON REVENUES (IN PROGRESS)**



# ONBOARDING

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Fully digital, E2E process **to be launched in 3Q19**



## DIGITAL ONBOARDING

EASIER

DISTANCE



Innovations in micro lending



### THE FASTEST LOAN USING **ADVANCED ANALYTICS AND TECHNOLOGY**

- CREDIT SCORING AND INSTANT APPROVAL
- RISK-BASED PRICING
- LENDING TECHNOLOGY CARDS
- PRE-APPROVED LOANS



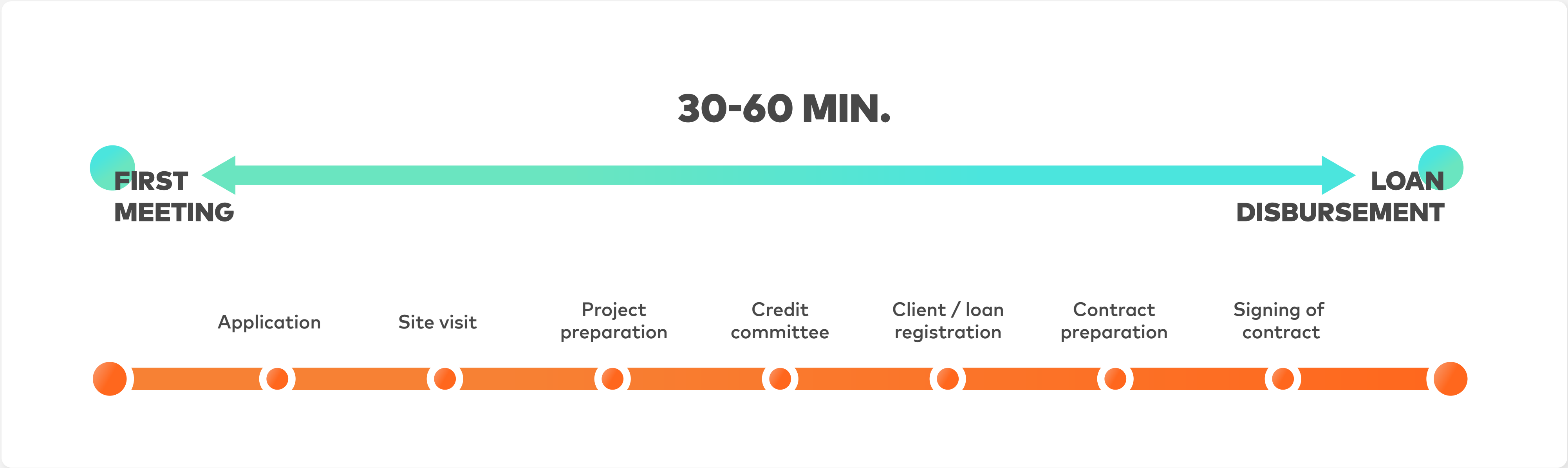
**25%**

micro clients with  
pre-approved loans

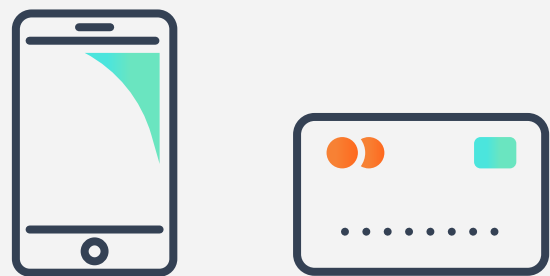


**33%**

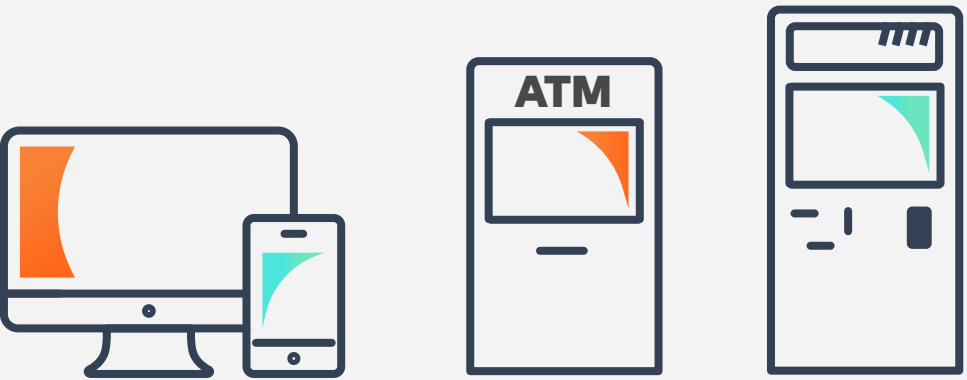
pre-approved loans  
from total loans disbursed



INSTRUMENTS FOR A LOAN OFFICER



INSTRUMENTS FOR THE CLIENTS



Focus on new financial instruments

### PRE-APPROVED LOANS

We work to systemise financial data and introduce the pre-approved limits for SMEs

 Q3

2019

### FACTORING TOOL

For the first time in Georgia, we will introduce a factoring digital process for the businesses

 Q4

2019

### SUPPLY CHAIN FINANCE

After successful launch, the operations will be scaled to different sectors

 Q3

2019

SUPPORT

Digital ecosystems





## OUR FLAGSHIP SUPPORT AND ENCOURAGEMENT



**TOURISM  
AWARDS**



**WOMEN IN  
BUSINESS**



**#ICREATE**



**BUSINESSHUB.GE**

# CHANNELS

Multichannel coverage as an advantage



**BRANCH  
NETWORK**

**STRONG PRESENCE IN  
THE COUNTRY**

271 BRANCHES  
886 ATMS  
3,152 SELF-SERVICE TERMINALS



**CALL  
CENTER**

**SUPERIOR SERVICE  
PROVIDER**

COMPETENCE CENTER  
WITH SALES FUNCTION



**DIGITAL**

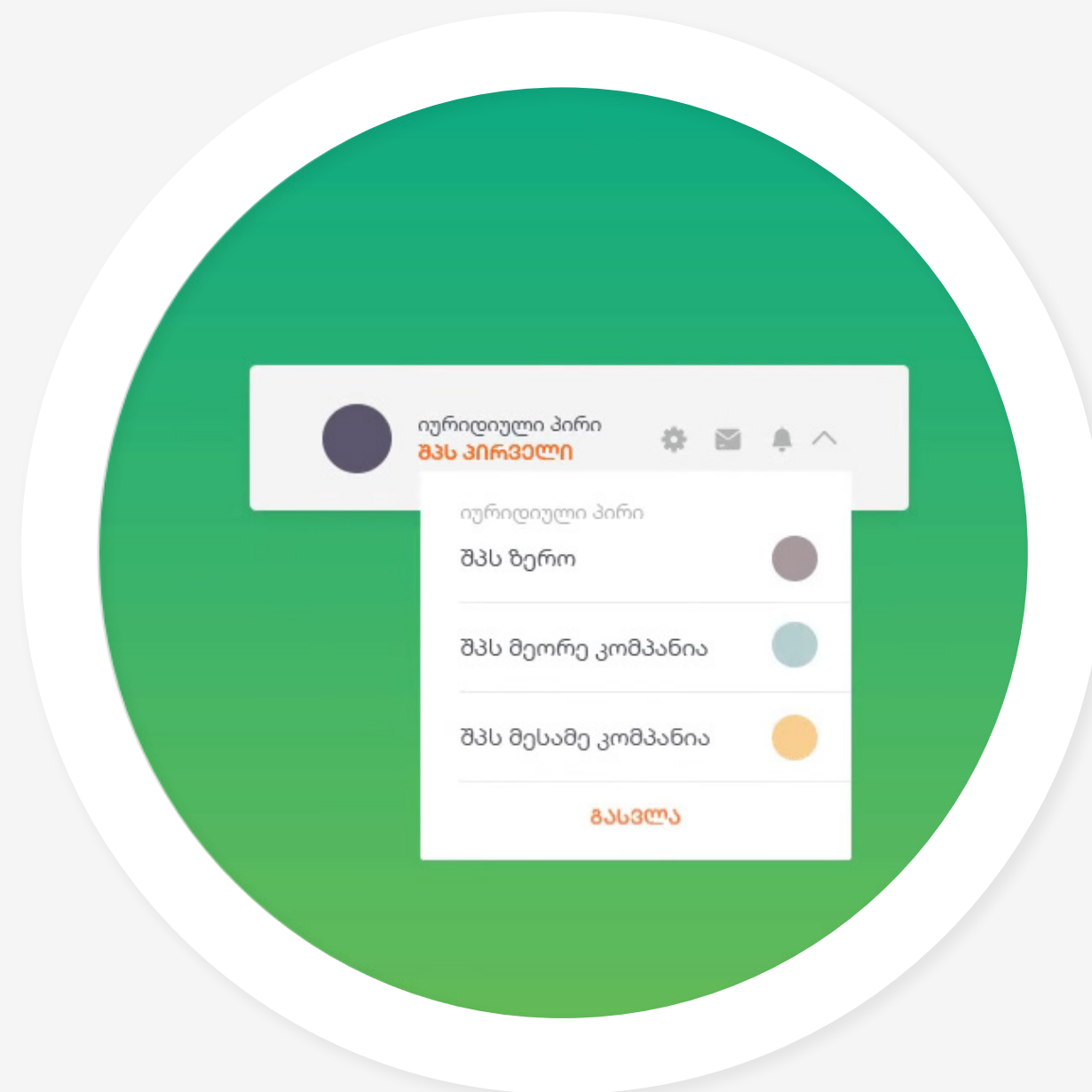
**PRODUCT CREATED  
TOGETHER WITH CLIENTS**

PRODUCT CREATED TOGETHER  
WITH CLIENTS

# CHANNELS

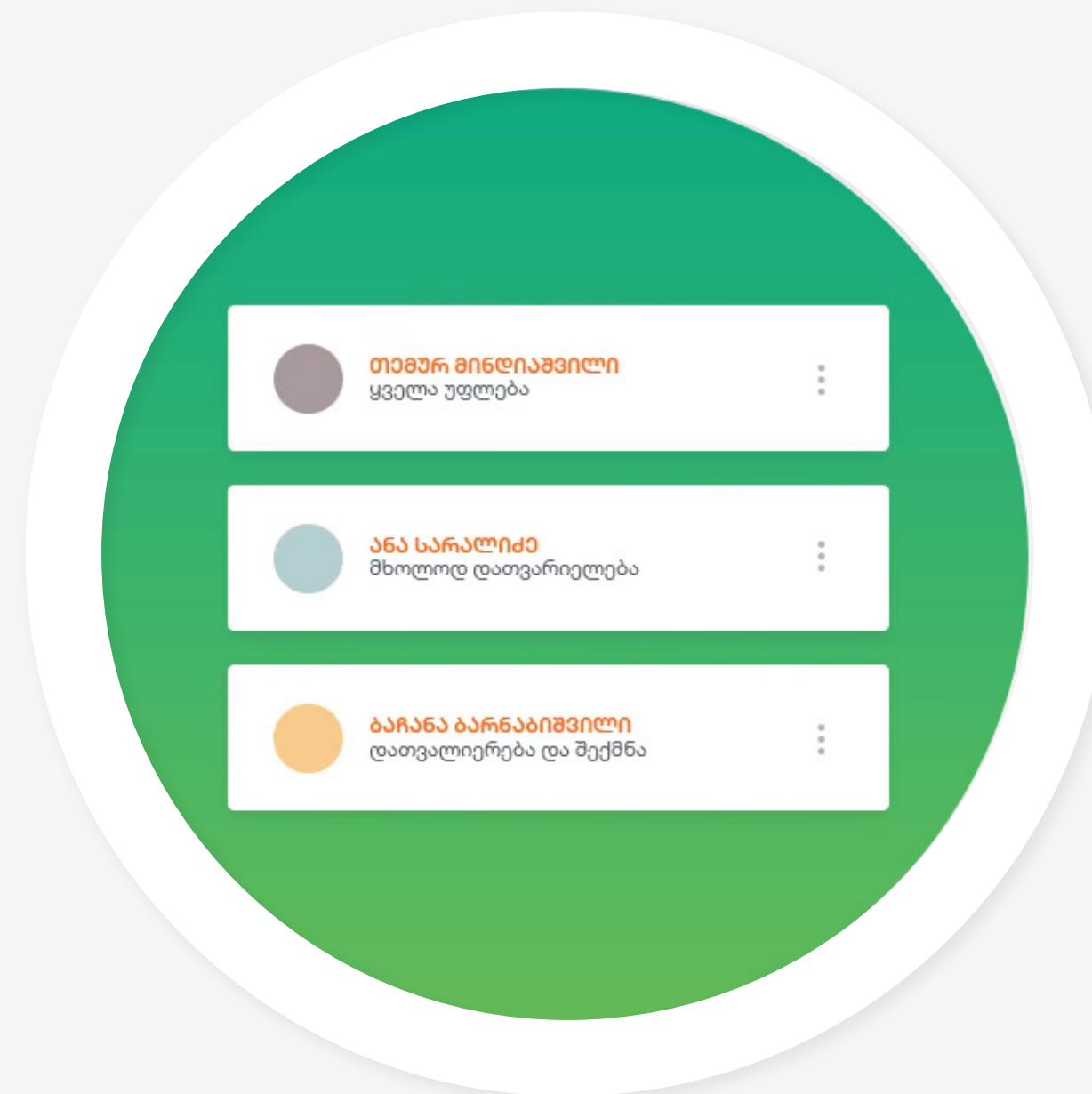
18

Best-in-class internet bank launched



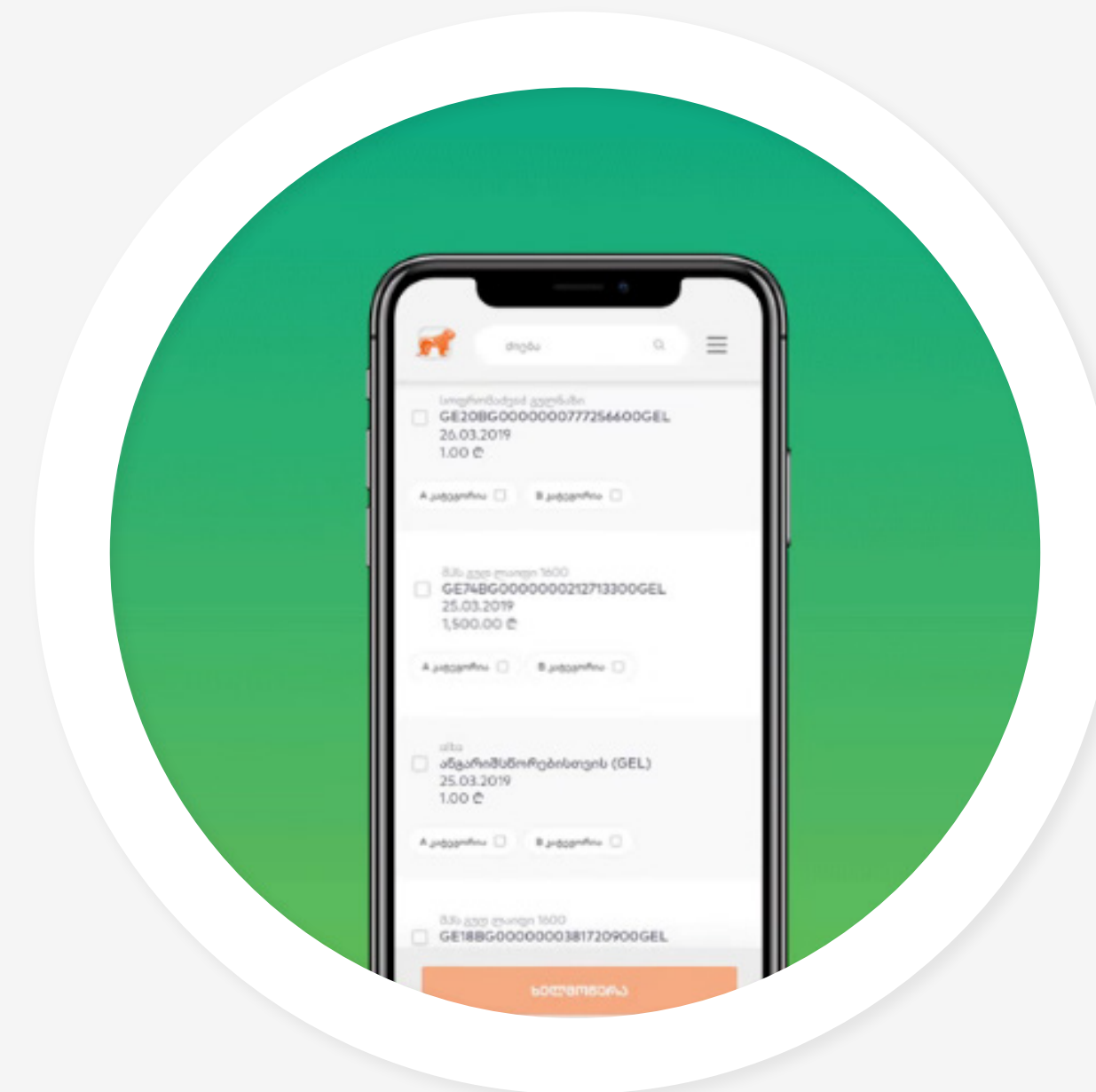
## SINGLE SIGN ON

Allows customers with single credentials to navigate and manage multiple businesses and personal accounts



## PERMISSION MANAGEMENT

Authorised person can now add new users and manage their permissions digitally

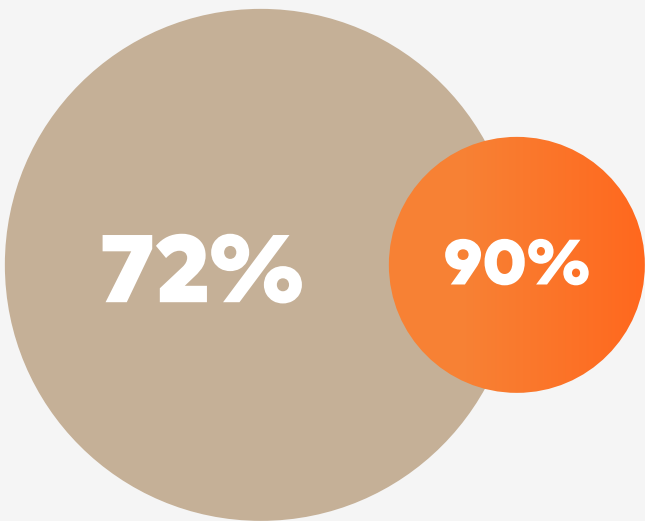


## MBUSINESS

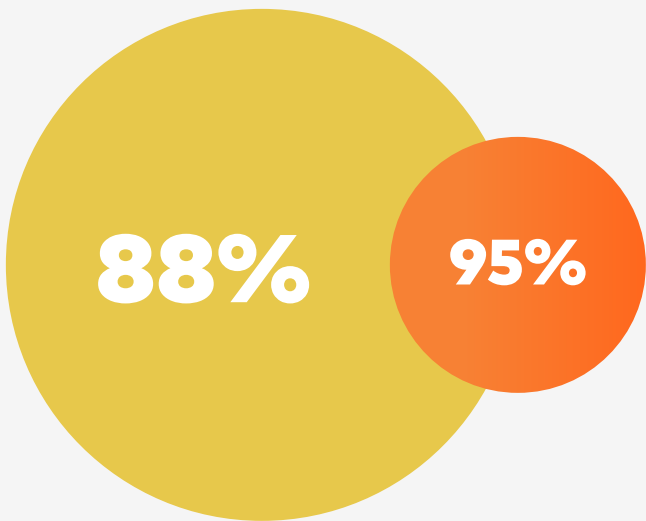
New internet bank for businesses is available on mobile device (soon on Apple store as well)

# CHANNELS

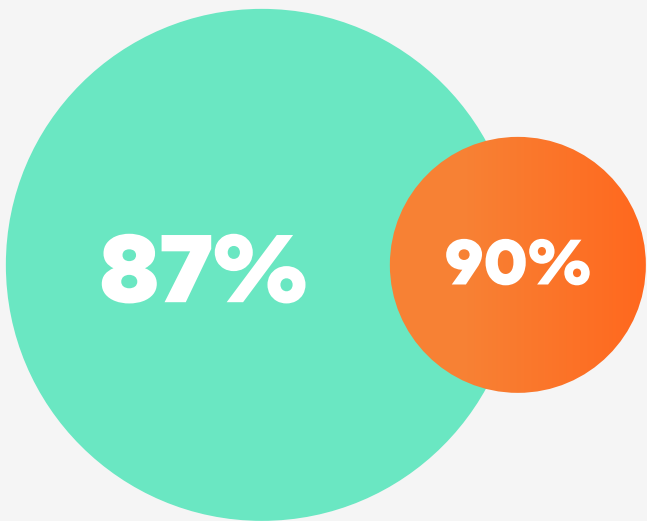
Going more digital



Share of internet bank users in total active users



Share of digital transactions in total transactions

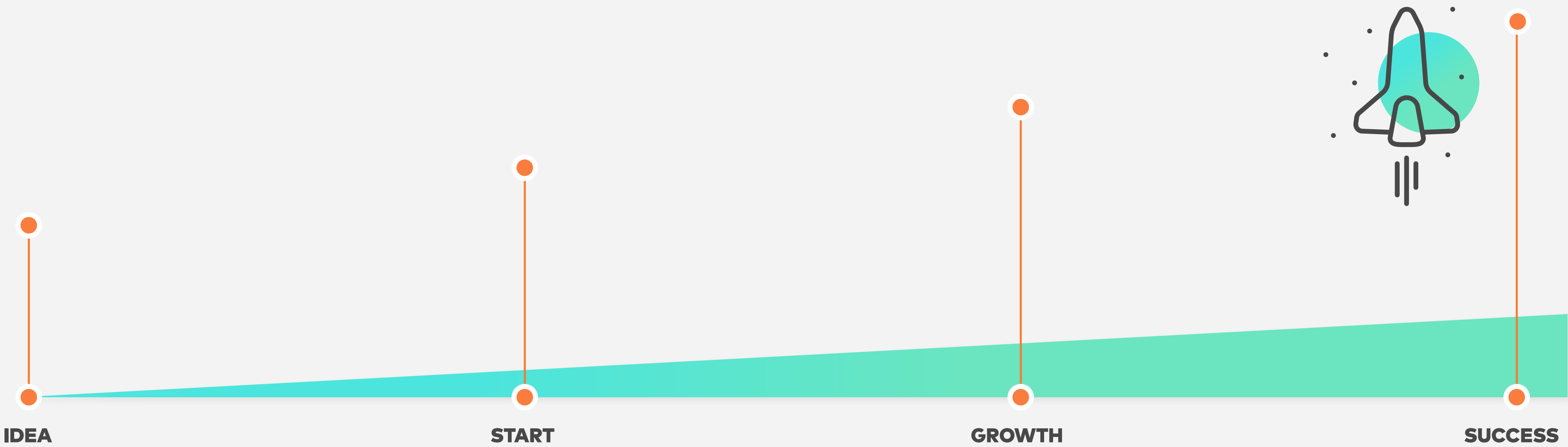


Share of ATM transactions in total cash transactions

 Target



**TO HELP BUSINESSES  
ACHIEVE THEIR POTENTIAL**





# QUESTIONS?

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