



BANK OF GEORGIA

INVESTOR DAY 2019

Retail Banking - Emerging and Mass Retail

Speaker:

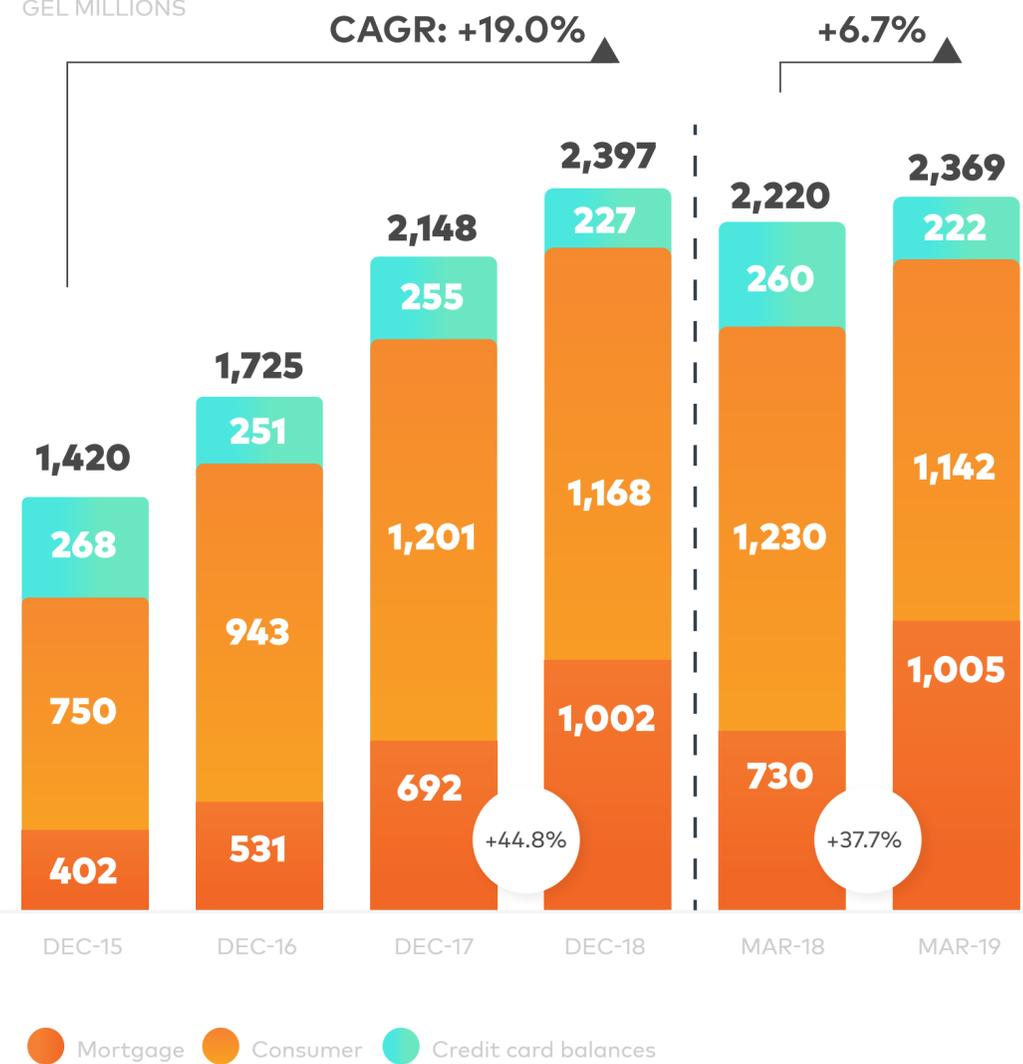
Mikheil Gomarteli, Deputy CEO,
Emerging and Mass Retail



STRONG LOAN BOOK GROWTH

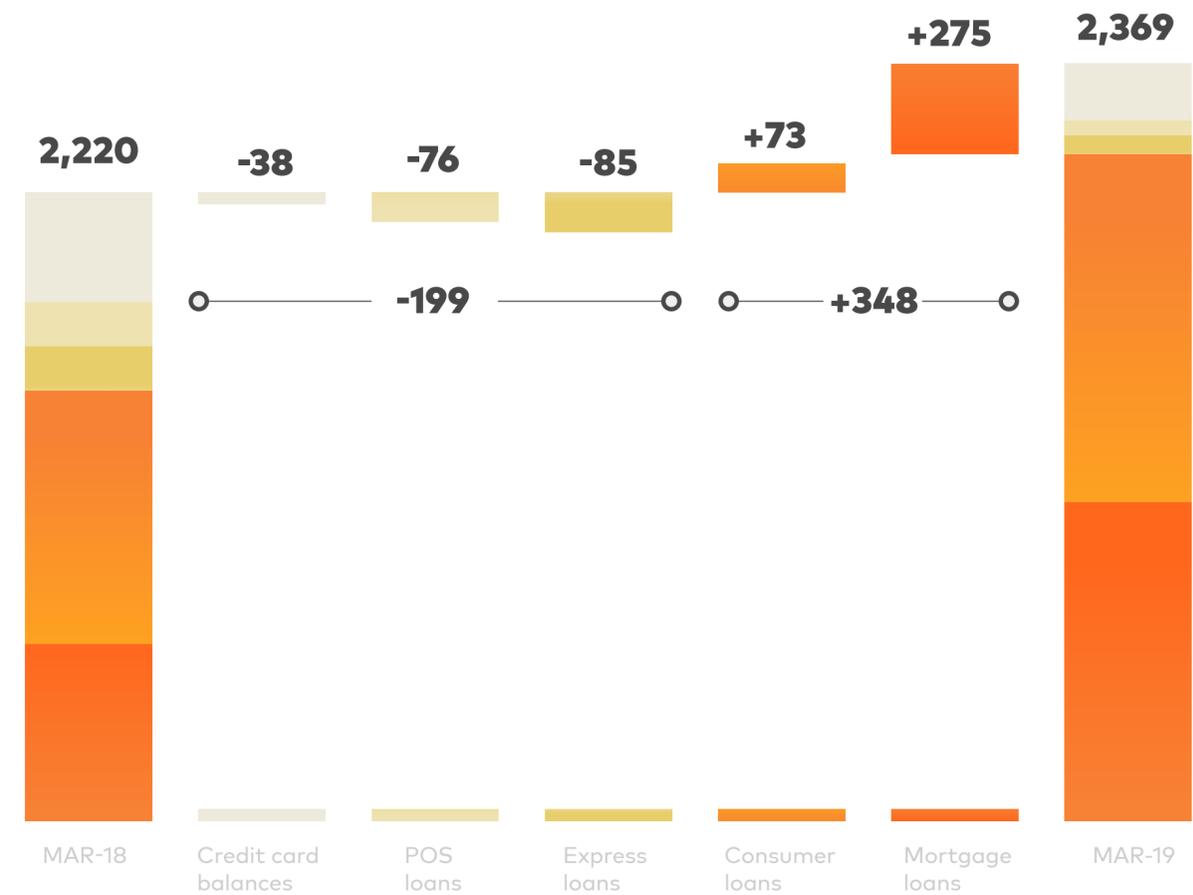
GROSS RETAIL LOAN BOOK GROWTH

GEL MILLIONS



GROSS LOAN PORTFOLIO GROWTH⁽¹⁾

GEL MILLIONS

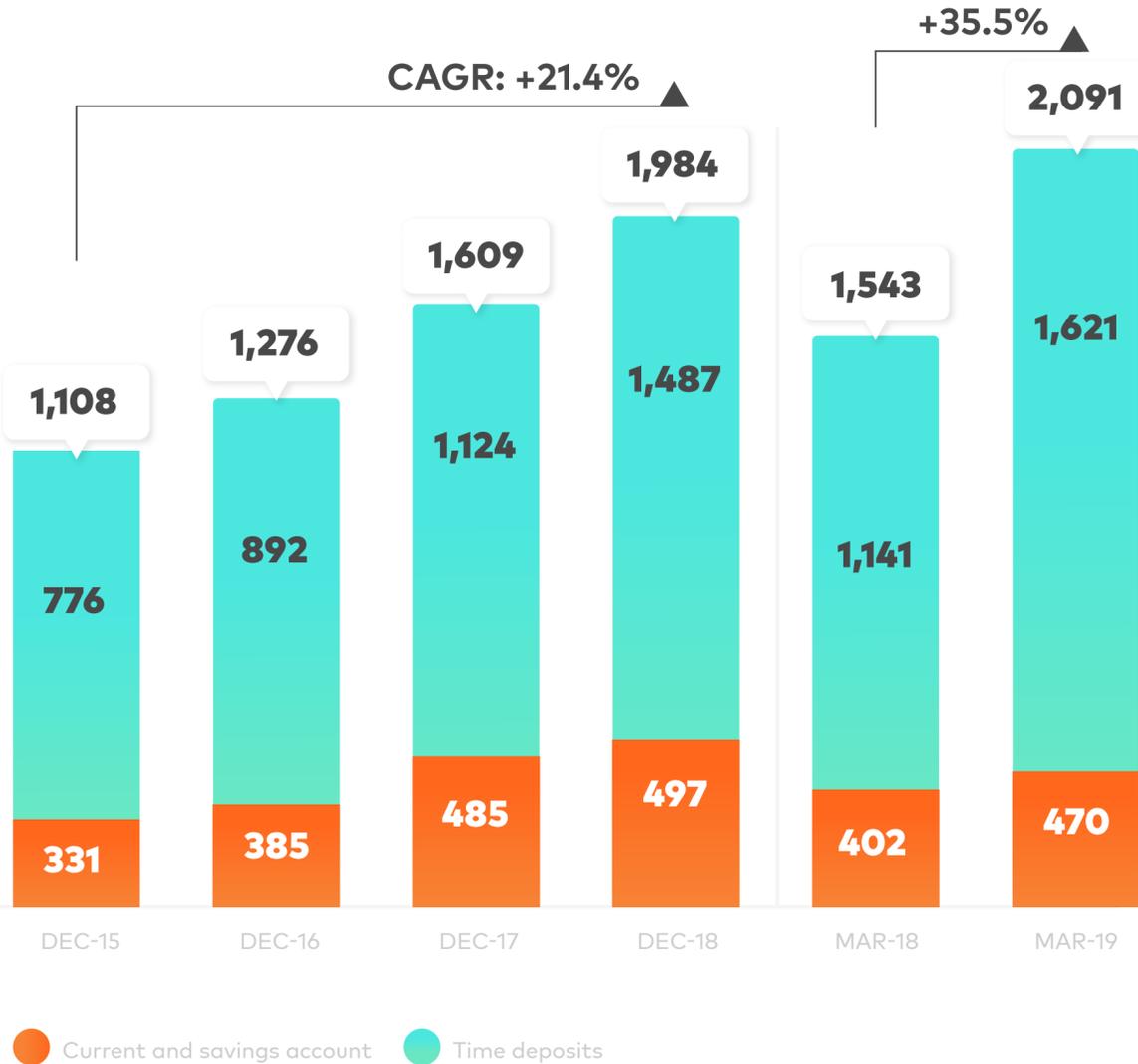


⁽¹⁾ Excluding re-segmentation

STRONG DEPOSIT GROWTH

RETAIL DEPOSITS GROWTH⁽¹⁾

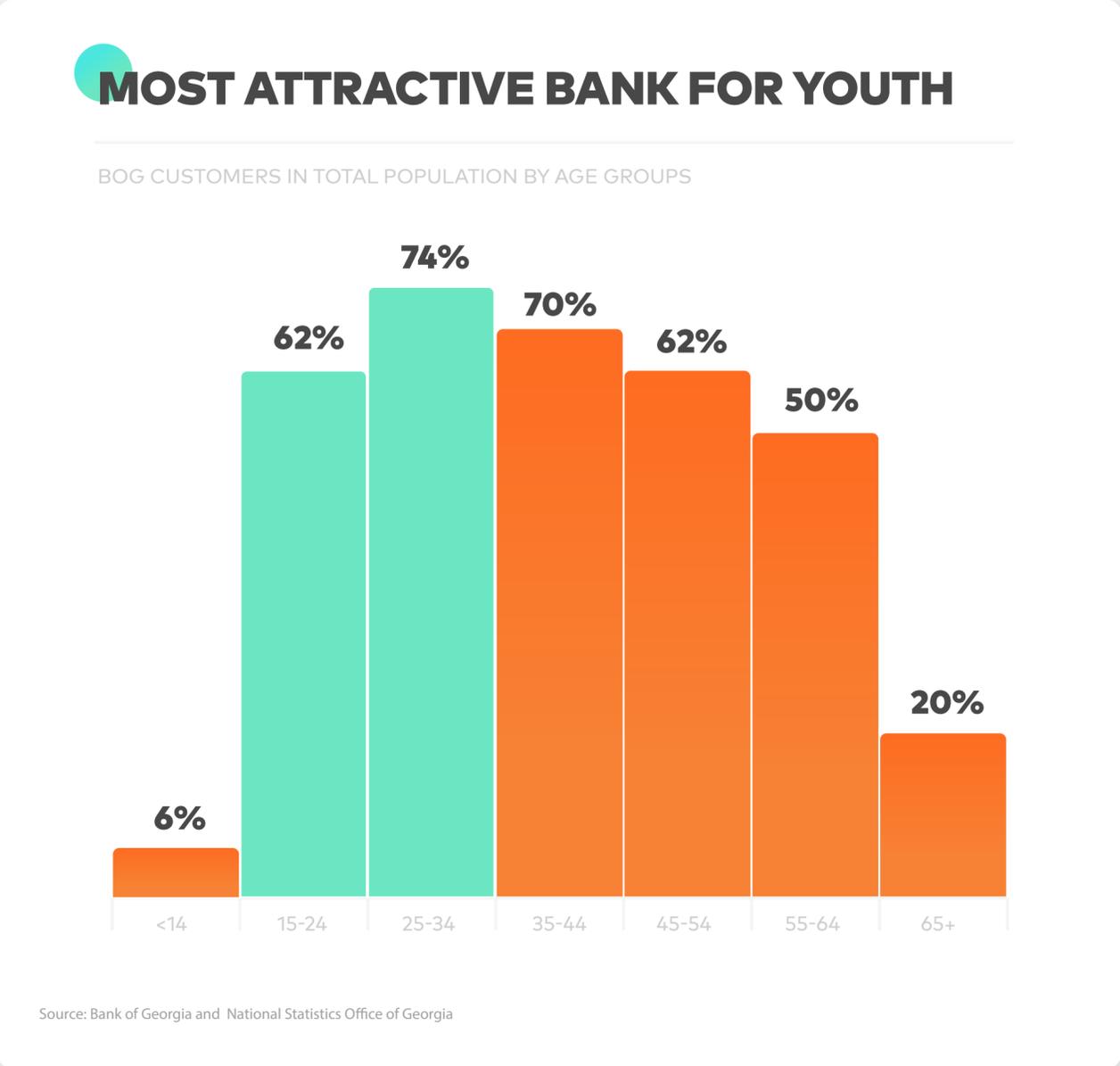
GEL MILLIONS



⁽¹⁾ Excluding re-segmentation

1.7MLN
CUSTOMERS
45% of total population

- 270K**
Payroll clients
31% of employed (hired) population
- 305K**
Students and pupils
41% of total students and pupils
- 3.6**
Product to client ratio
- ~10**
Transactions
per client per month



TOP OF MIND
Age 18-24

STRATEGIC OBJECTIVE

**FOCUS
ON PRODUCTS**

**FOCUS ON
CUSTOMER
FINANCIAL NEEDS**

**FOCUS ON
CUSTOMER
SUCCESS**

Clear understanding of customer financial and non-financial needs, expectations

Provide solutions that meet customer lifestyle needs and improves life quality

Provide the most convenient and preferred channels

KEY PRIORITIES

Advanced
ANALYTICS

Convenient
CHANNELS

PAYMENT
Ecosystem

Customer
EXPERIENCE

Digital
ECOSYSTEM

ADVANCED ANALYTICS - ACHIEVEMENTS

56

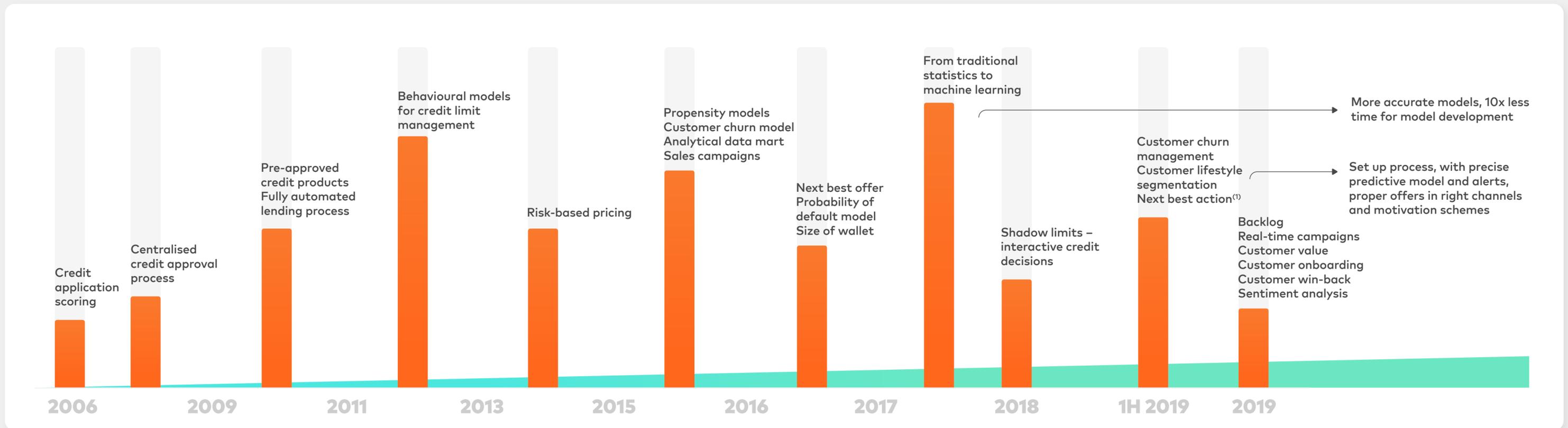
PREDICTIVE MODELS
Developed with machine learning technique



Predictive power indicators of **APPLICATION MODELS**



Predictive power indicators of **BEHAVIOURAL MODELS**



⁽¹⁾ In progress

CUSTOMER CHURN MANAGEMENT

07

RISK

2.4% Churn rate

ANALYTICAL TOOLS

- Customer segmentation by value, engagement level, product holding
- Additional triggers identification
- Models to assess probability of customer churn

BUSINESS PROCESSES

- Target groups selection based on value and churn
- Channel selection by different groups
- Defining retention offers (products with retention power)

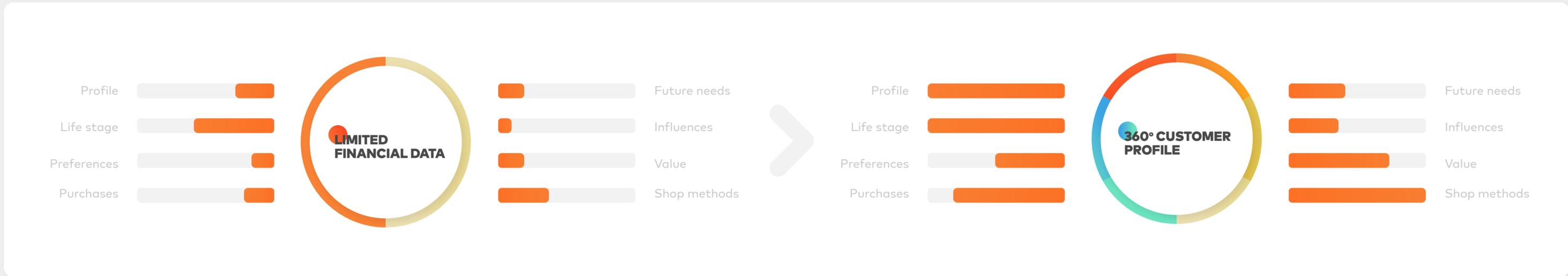
TARGET

1.8% Churn rate

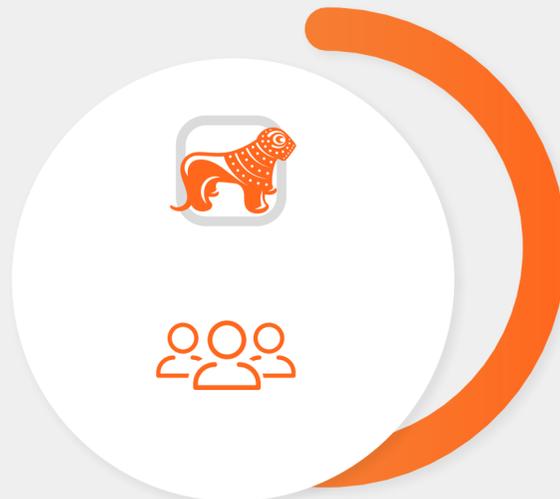
Decreased by 25%

GEL 17 mln upside

CAMPAIGN MANAGEMENT EVOLUTION



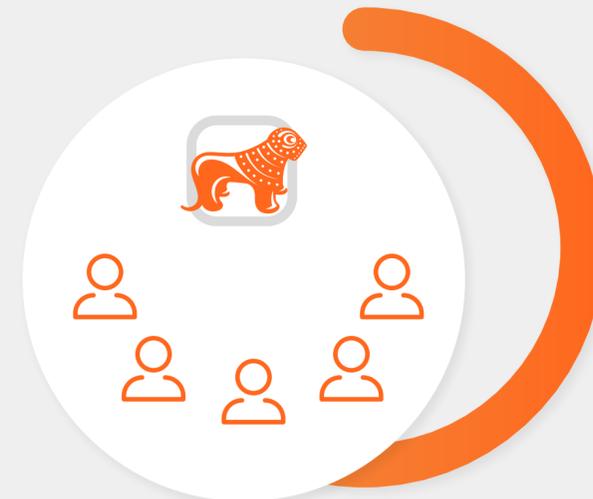
PRODUCT-BASED
offering



SEGMENT-BASED
offering



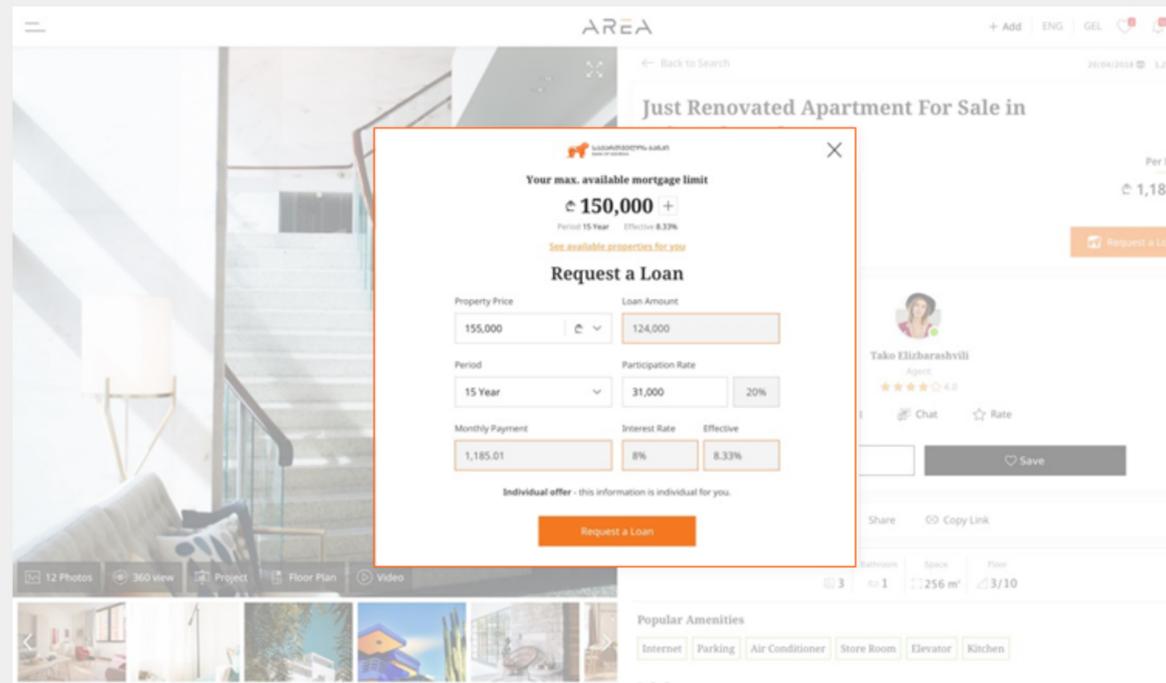
CUSTOMER-BASED
offering



SOLUTIONS-BASED
offering



AREA



535K+
Unique customers

3.8K+
Mortgage leads

6.0MLN+
Mortgages issued



NEXT..

RESULTS AND NEW KPIS

2018 RESULTS

724
Sales campaigns

9.0MLN
Unique offers
+71% compared to 2017

1.3MLN
Products sold
3x y-o-y

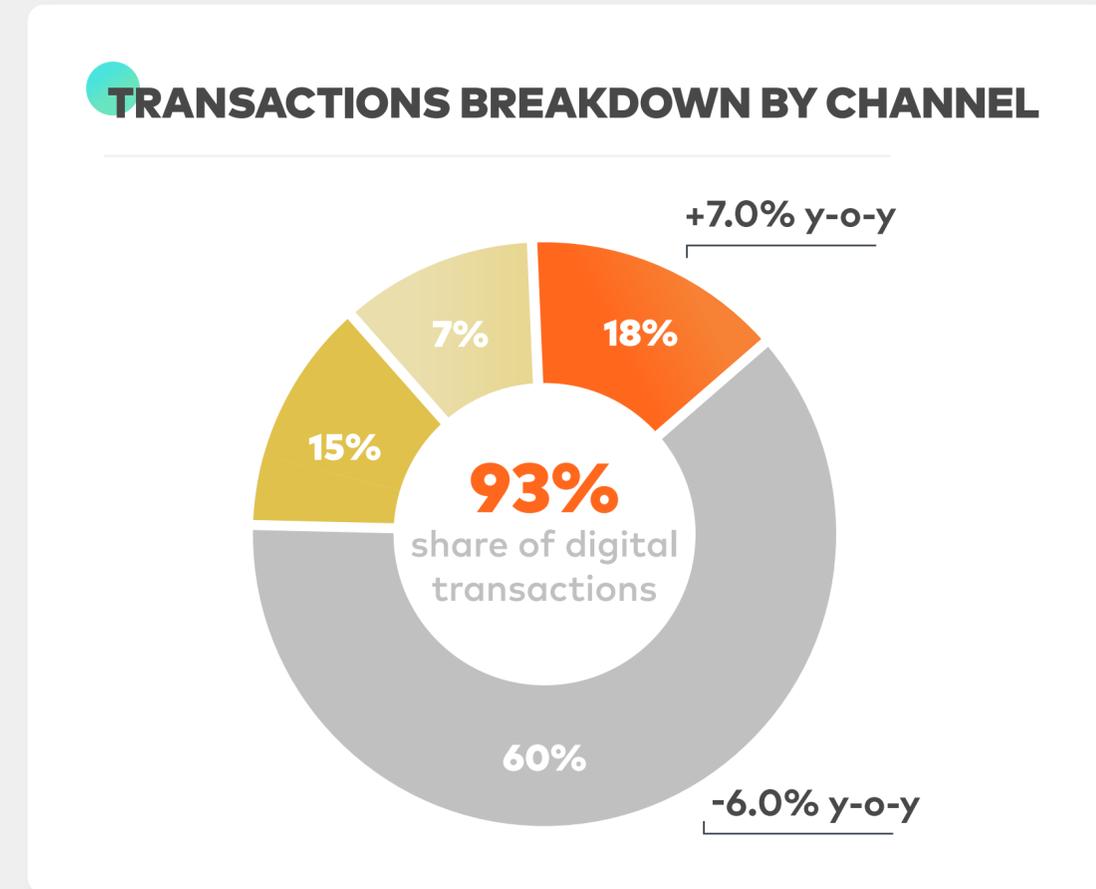
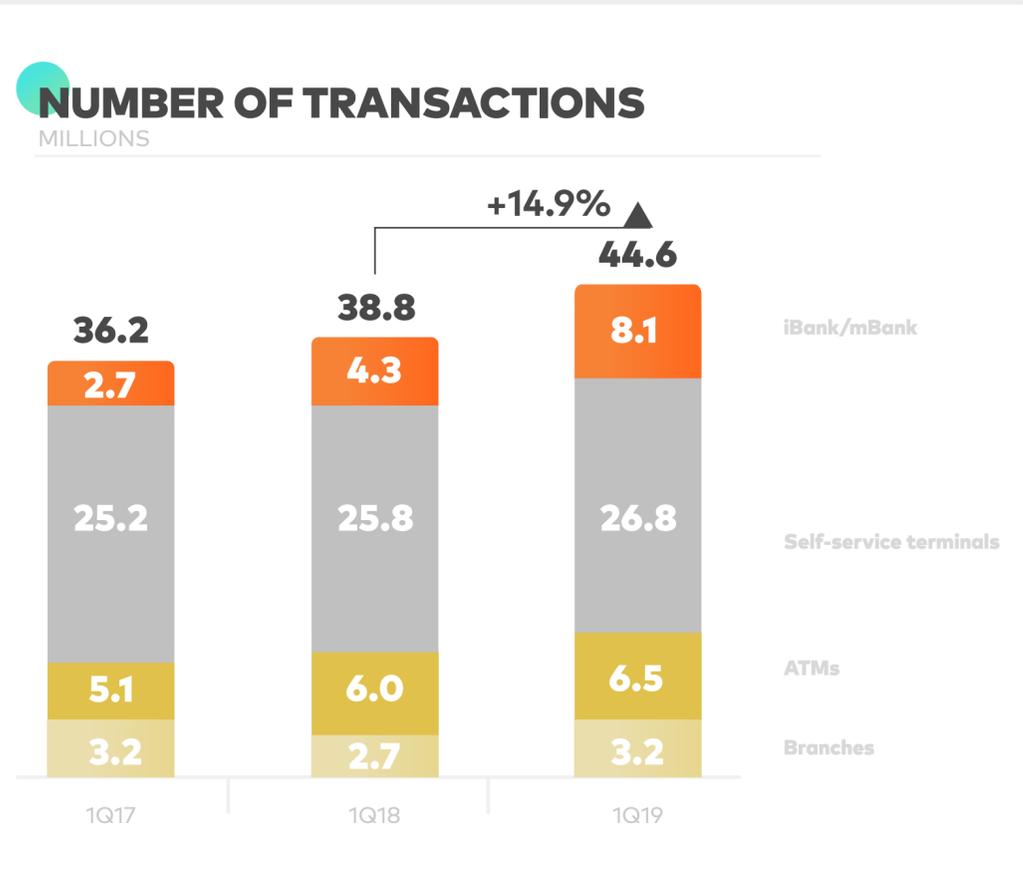
NEW KPIS

15%
Portion of
non-financial offers

15%
Portion of
event-based offers

1.8%
Churn rate
Decrease by 25%

MULTICHANNEL PERFORMANCE



iBank/mBank

453k active users
 8.1mln transactions (+88% y-o-y)
 85% internal CSAT

Self-service terminals

3.2k multifunctional terminals
 26.8mln transactions (+4% y-o-y)
 68% internal CSAT

ATMs

886 multifunctional ATMs
 6.5mln transactions (+8% y-o-y)
 83% internal CSAT

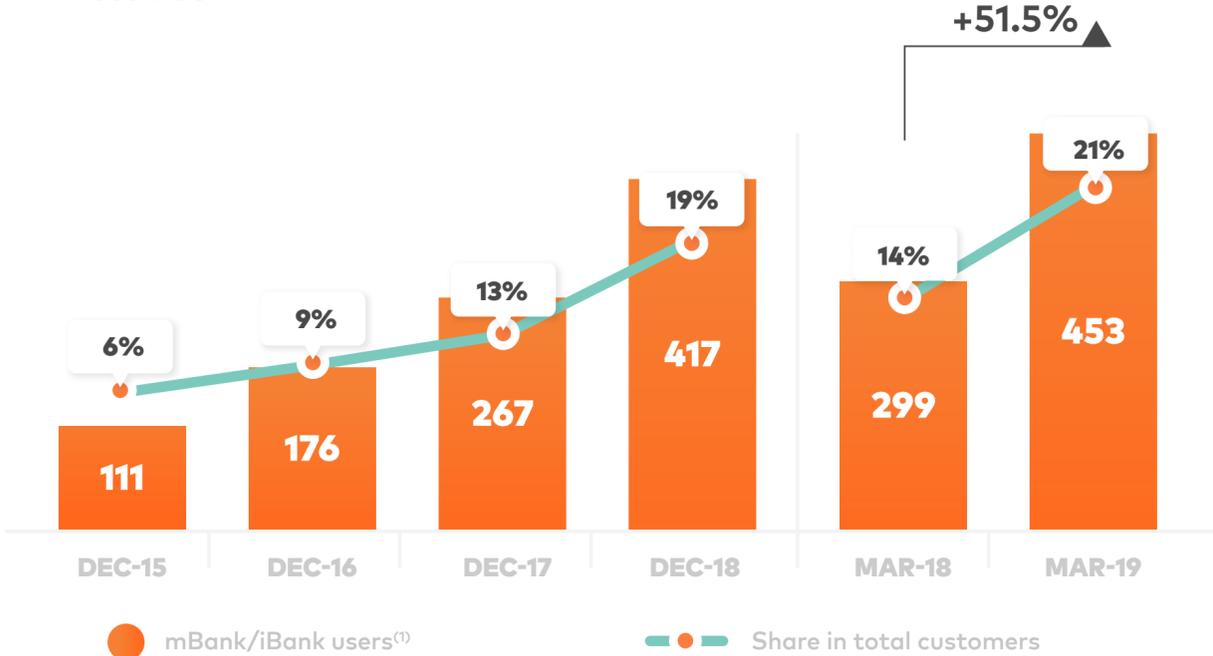
Branches

259 customer-centric branches
 3.2mln transactions (+19% y-o-y)
 81% internal CSAT

MBANK AND IBANK

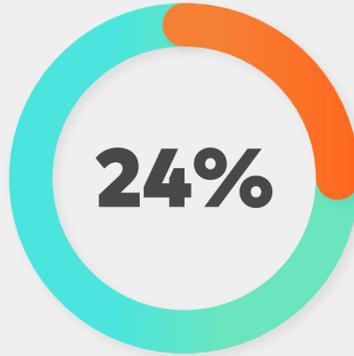
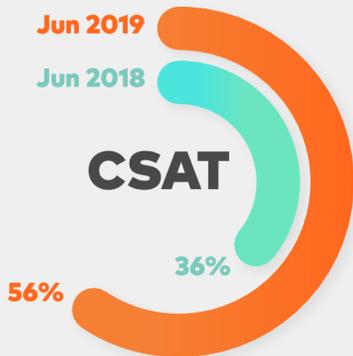
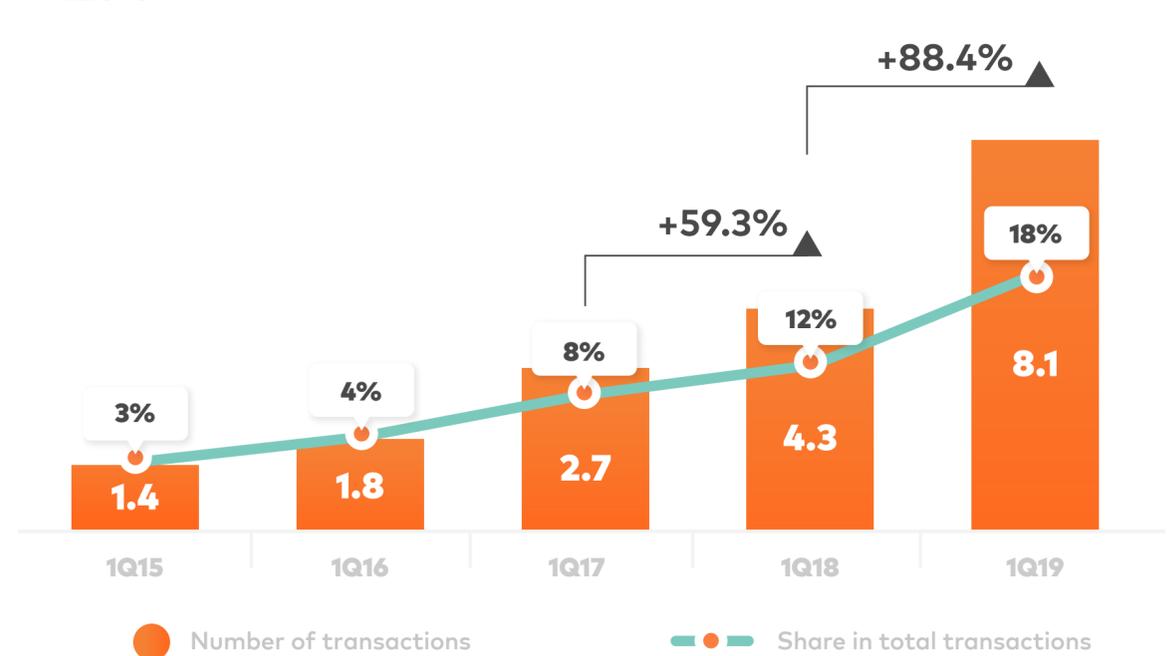
NUMBER OF MBANK/IBANK ACTIVE USERS⁽¹⁾

THOUSANDS

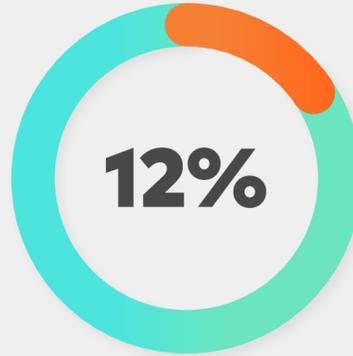


NUMBER OF MBANK/IBANK TRANSACTIONS

MILLIONS



Share in total pre-approved loans sold



Share in total deposit sales

⁽¹⁾ Users with at least 1 active product or transaction in the past 3 months

Location-based
campaign management

- Increase user engagement
- Increase spending, product usage and sales

Personal finance
management

- Maintain customer engagement
- Increase loyalty and retention

CUSTOMER-CENTRIC BRANCHES



Service model

Product-centric cross-selling

360° financial planning

Number of branches

166

93

Number of unique customers

518K

839K

Number of products sold

174K

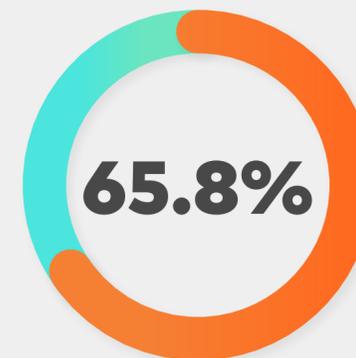
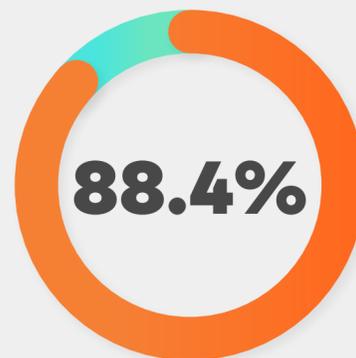
439K

Total number of transactions

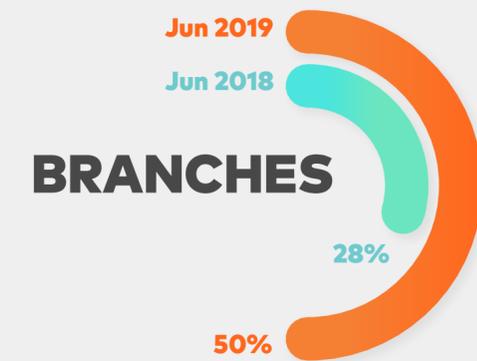
11MLN

5MLN

Share of self-service transactions

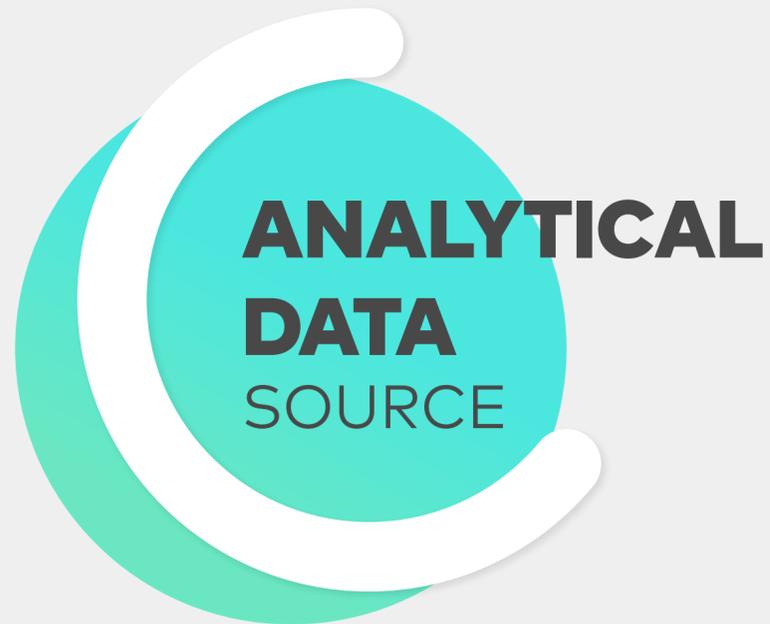


CSAT





Over **2 million people** have a contact with the Bank

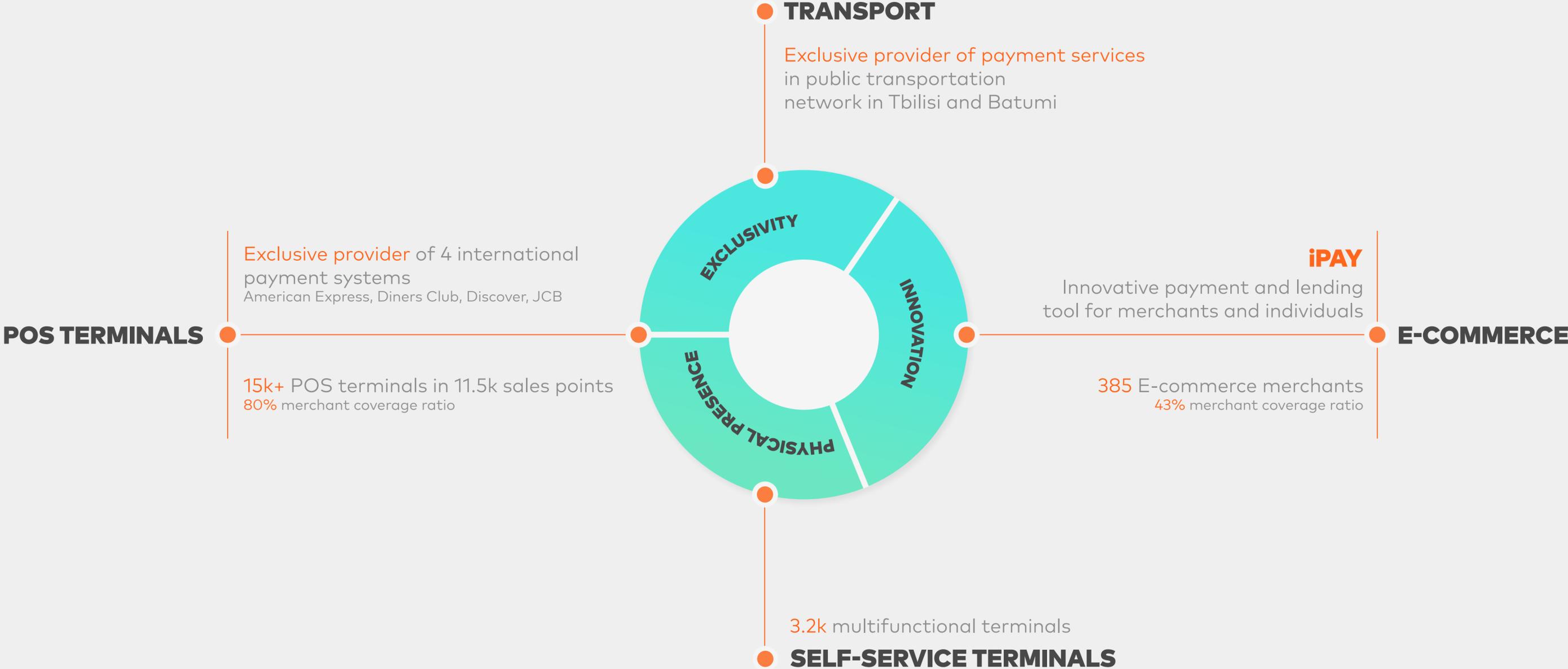


More than **700 thousand** different types of **information** on customer behavior per day



20% of total fee income

SCALE OF OUR PAYMENT ECOSYSTEM



STRONG TRANSACTION GROWTH

SELF-SERVICE TERMINALS⁽¹⁾

GEL 56mln transactions
(+3% y-o-y)
2mln transactions
(-11% y-o-y)

E-COMMERCE

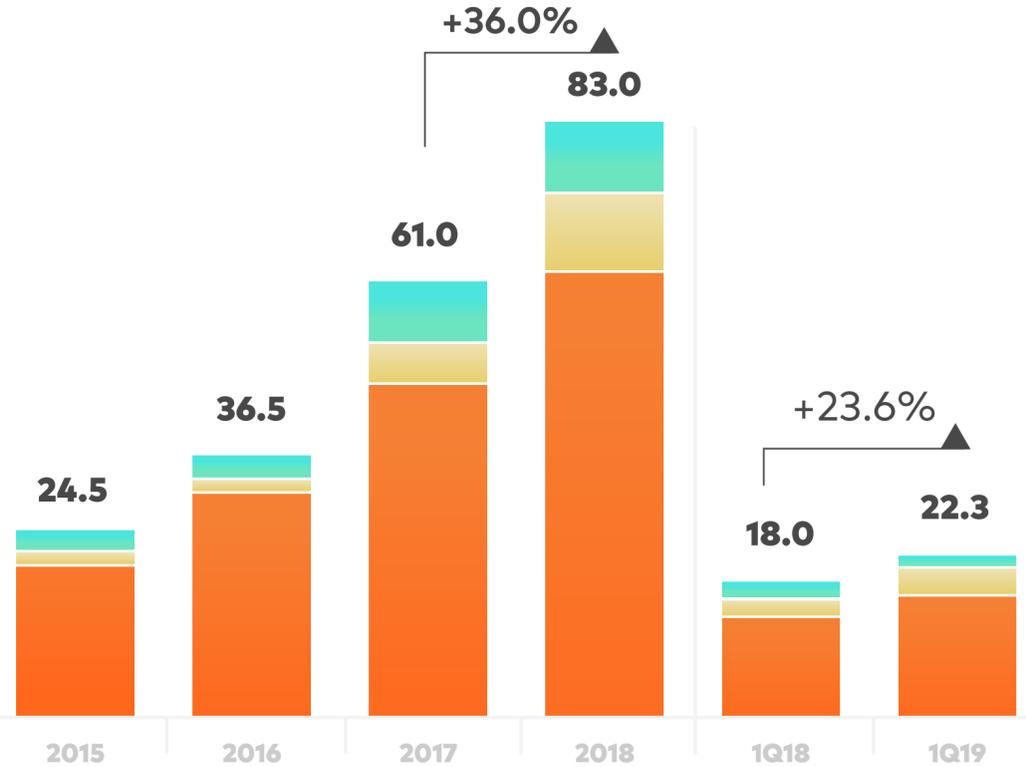
GEL 180mln transactions
(+47% y-o-y)
4mln transactions
(+58% y-o-y)

POS TERMINALS

GEL 485mln transactions
(+23% y-o-y)
16mln transactions
(+24% y-o-y)

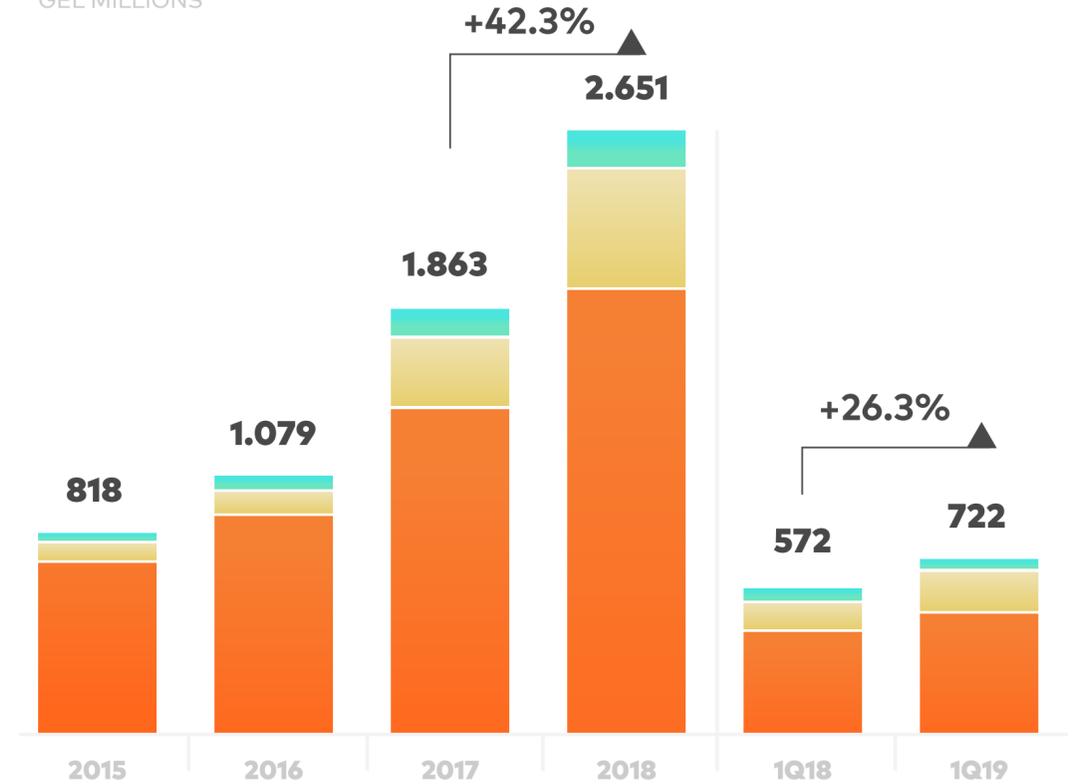
NUMBER OF TRANSACTIONS

MILLIONS



VOLUME OF TRANSACTIONS

GEL MILLIONS



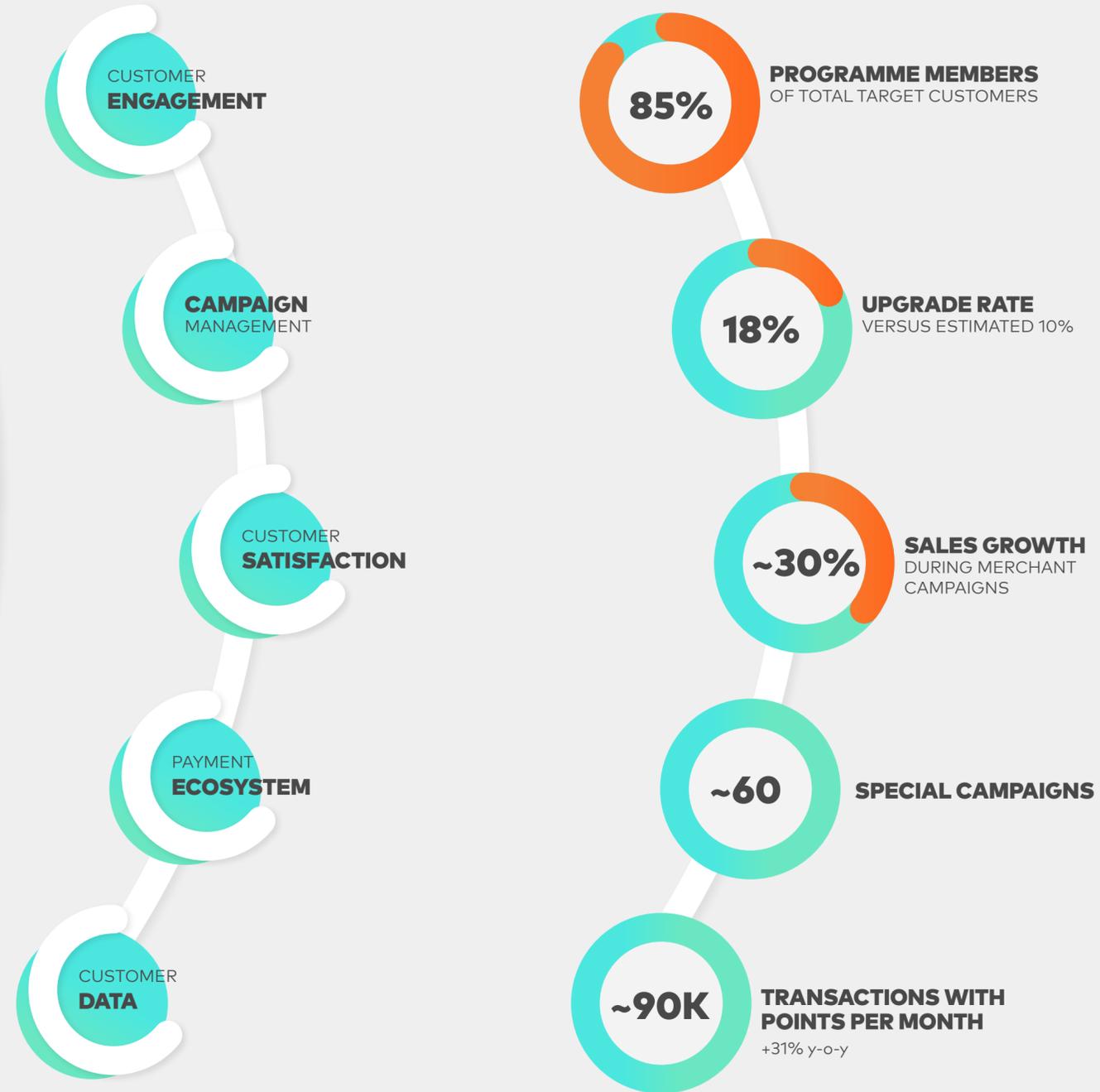
MARKET SHARE⁽²⁾



⁽¹⁾ Transactions with cards
⁽²⁾ Source: National Bank of Georgia

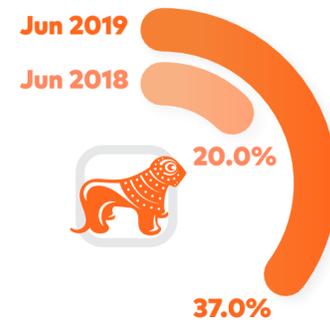


LOYALTY PROGRAMME

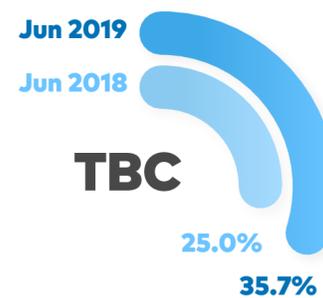


CUSTOMER SATISFACTION

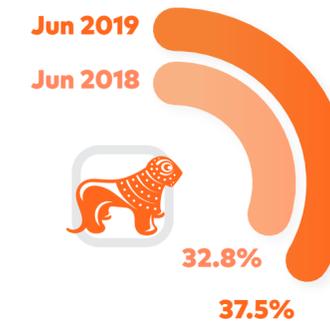
OVERALL CSAT



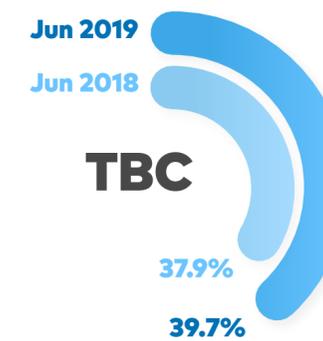
GAP IMPROVED BY
6.3%



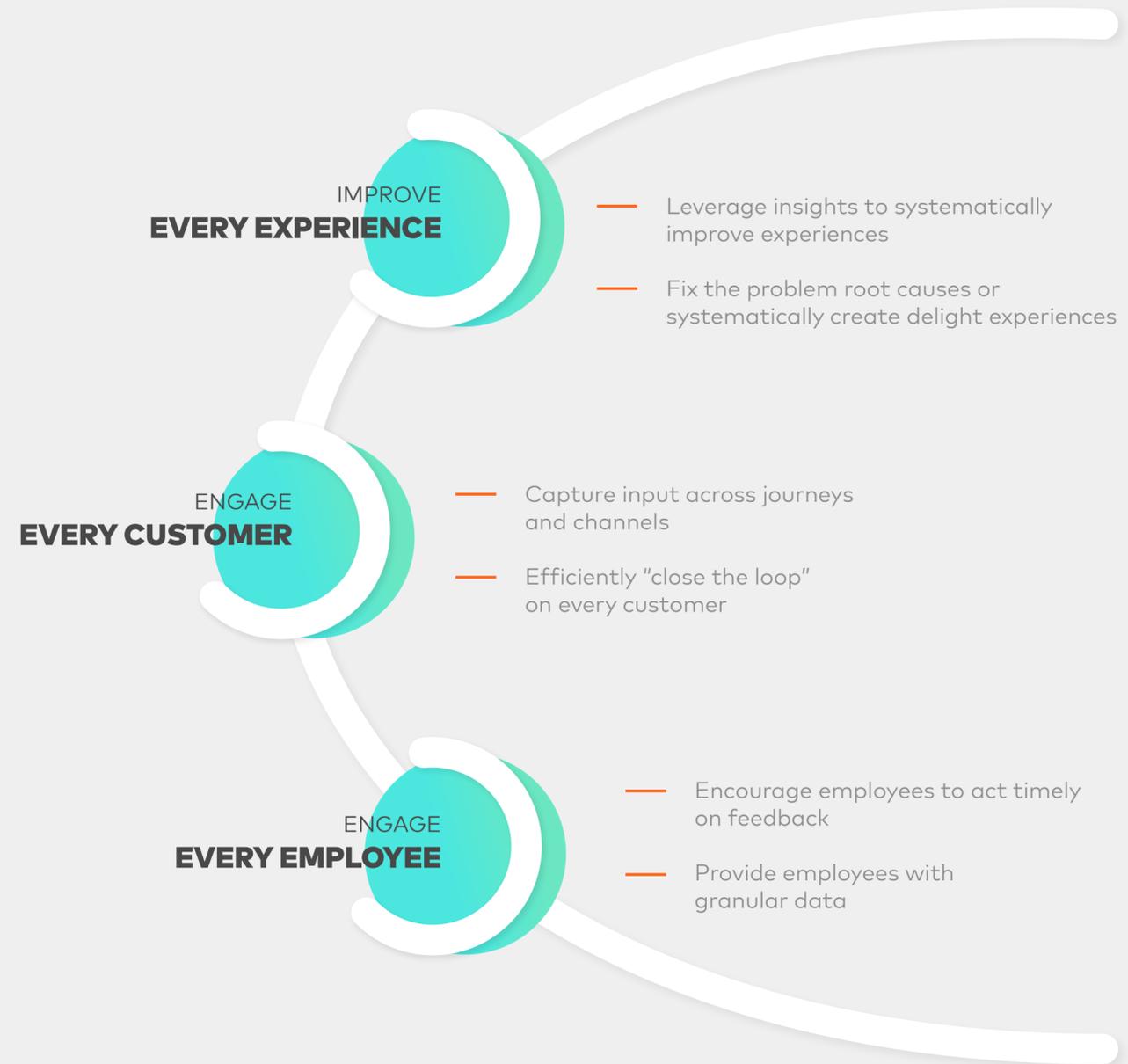
OVERALL NPS



GAP IMPROVED BY
3.3%



**WE HAVE INVESTED IN #1
EXPERIENCE MANAGEMENT
PLATFORM**





THE MOST ATTRACTIVE BANK FOR YOUTH



EXTENSIVE EXPERIENCE IN ADVANCED ANALYTICS



HIGH LEVEL OF DIGITALISATION THROUGHOUT THE BANK



GROWING CUSTOMER SATISFACTION



QUESTIONS?

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