

# INVESTOR PRESENTATION

**3Q22 and 9M22  
Performance**

10 November 2022  
[www.bankofgeorgiagroup.com](http://www.bankofgeorgiagroup.com)

## Disclaimer – forward looking statements

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## Highlights of the quarter

Profit  
**GEL 290m**  
up 56.6% y-o-y

ROAE  
**32.4%**

C/I  
**30.6%**

NPS  
**60**  
All-time high

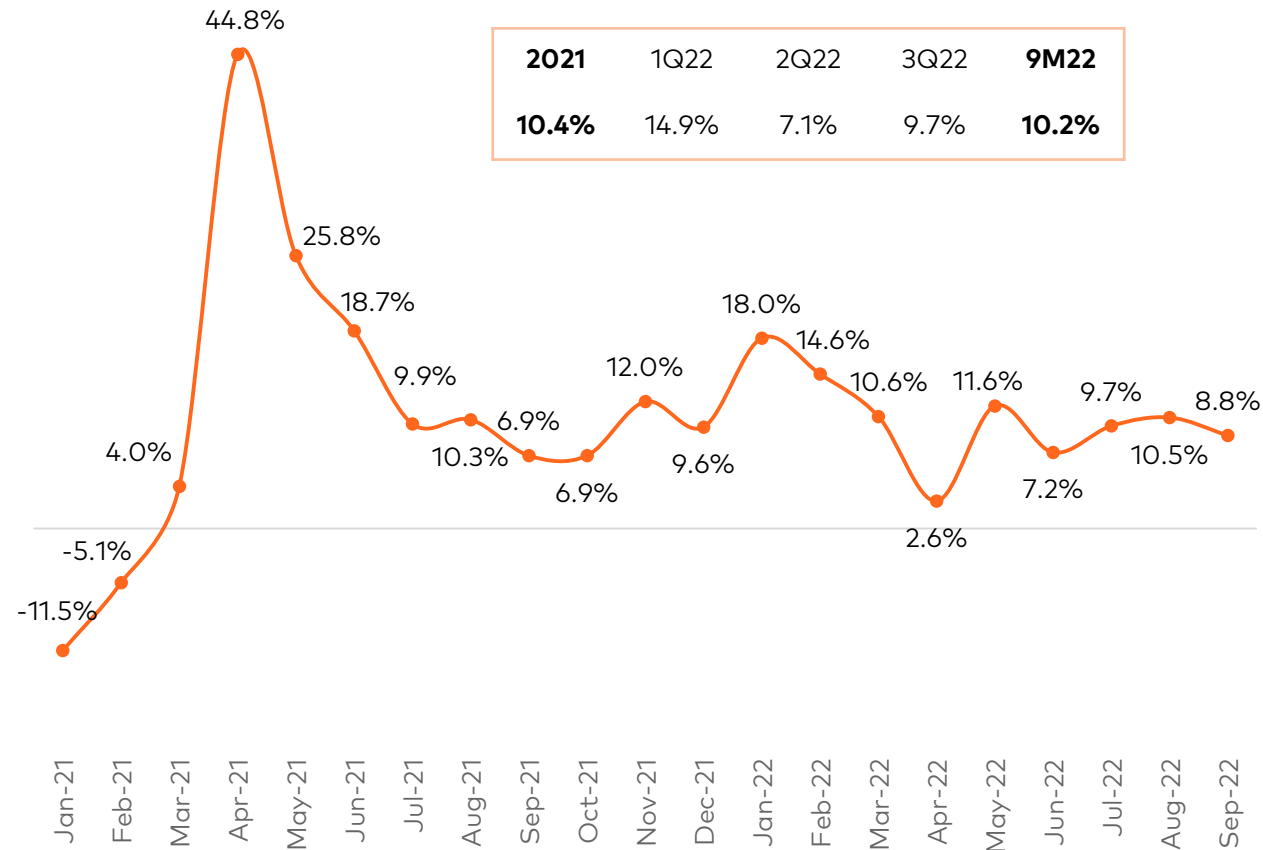
MAU  
**1,000,000+**  
up 31.2% y-o-y

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- | MACROECONOMIC HIGHLIGHTS**
- | GROUP OVERVIEW AND STRATEGY
- | 3Q22 AND 9M22 RESULTS
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# Strong growth momentum maintained in the third quarter

## Real GDP y-o-y growth



Source: GeoStat

### Key drivers of growth:

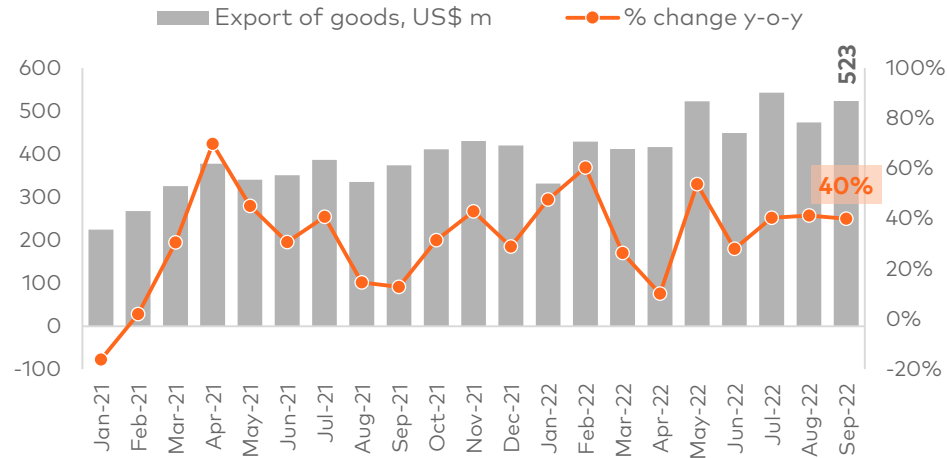
- Recovery in tourism revenues, resilient inflows from exports and remittances
- Increased activity in transport and communication, real estate and hospitality sectors
- Strong rebound in domestic investment expenditure

### In 3Q22:

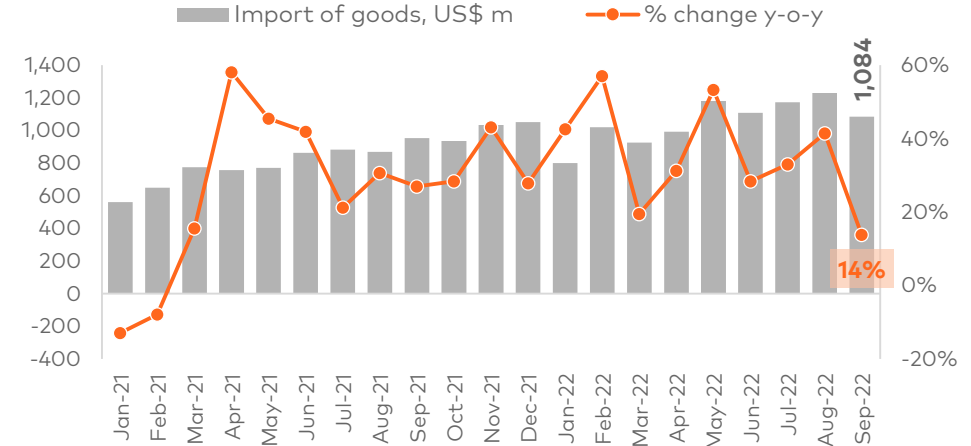
- Export of goods up 40.5% y-o-y (37.4% y-o-y growth in 9M22)
- Remittances up 64.9% y-o-y (64.9% y-o-y growth in 9M22)
- Tourism revenues exceeded 2019 levels (97.5% recovery in 9M22)

# Sustained external inflows underpinning growth momentum

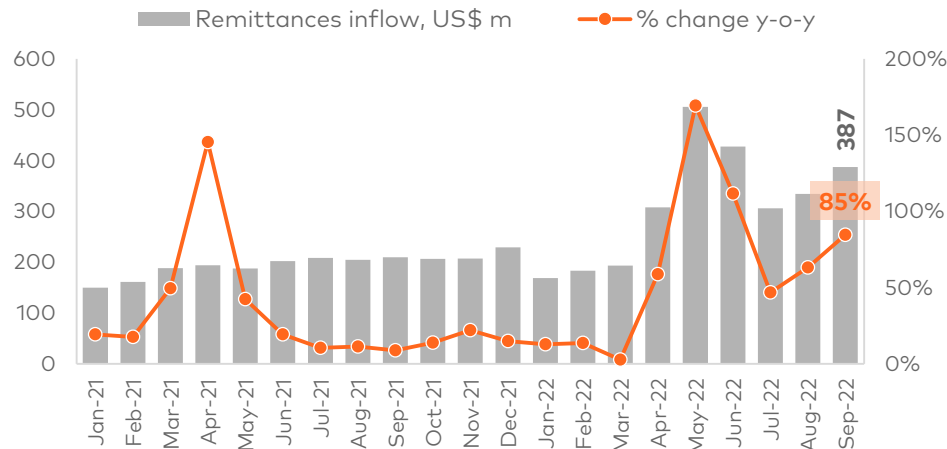
## Export of goods



## Import of goods



## Remittances

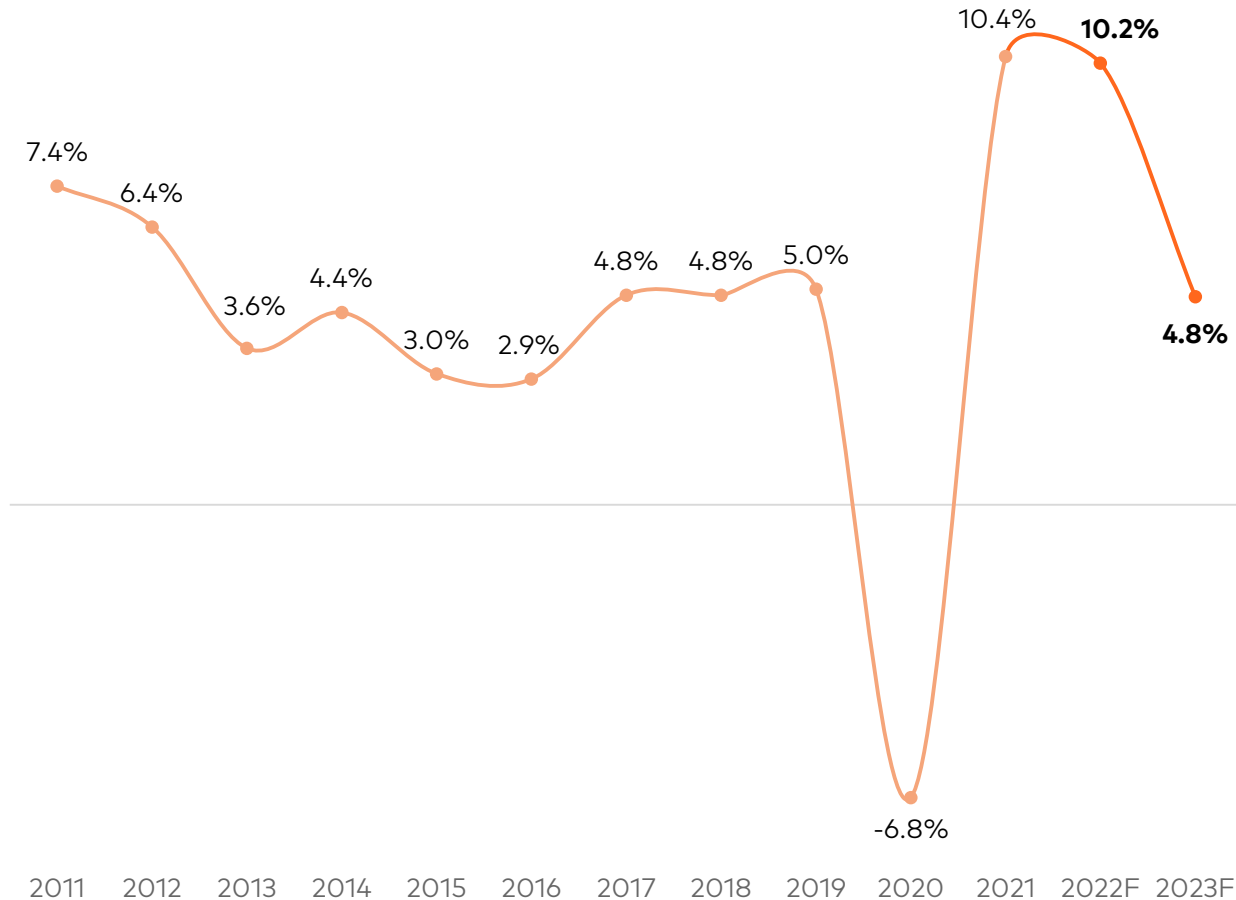


## Tourism inflows



# Reasonably optimistic economic outlook

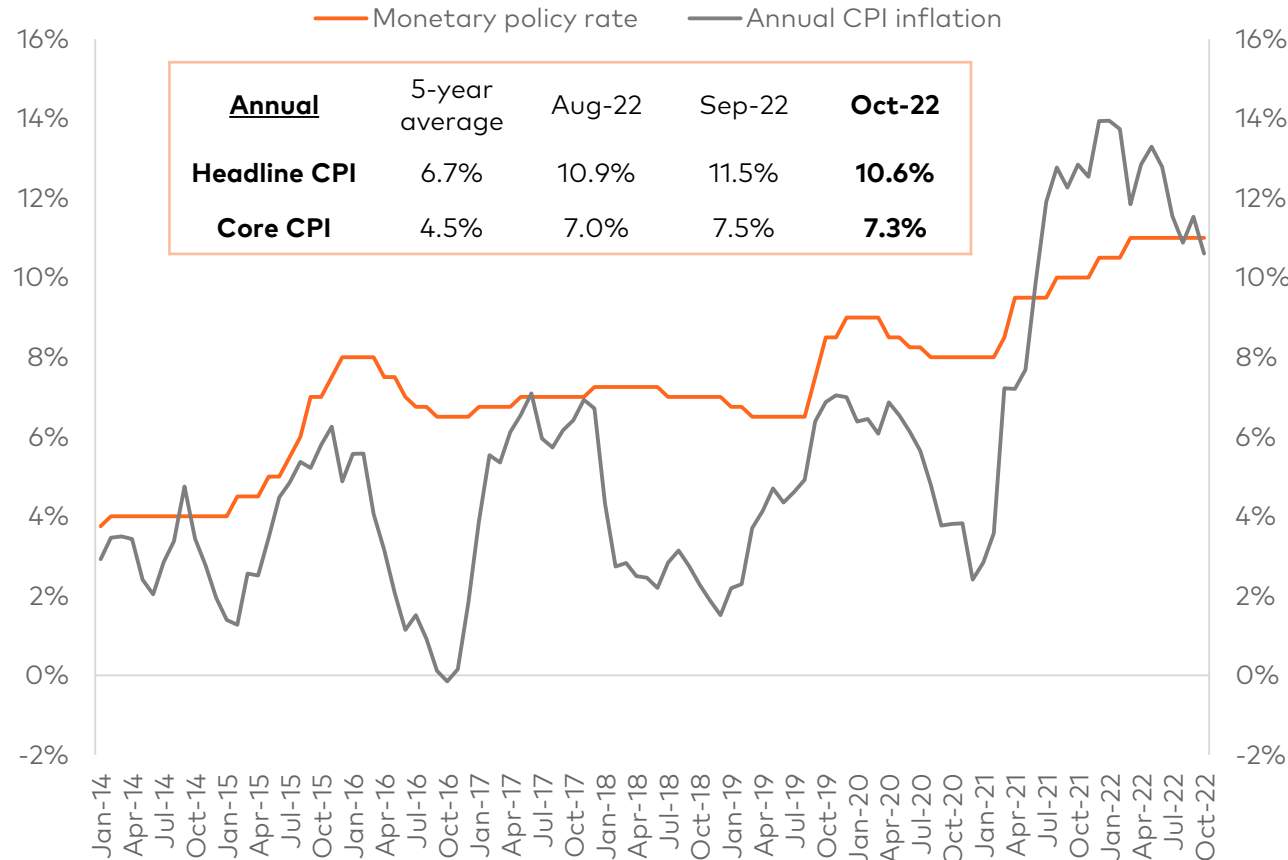
## Georgia's economic growth forecast



- Considering stronger-than-expected growth in the first nine months of the year and promising preliminary data, Galt & Taggart revised 2022 real GDP growth upwards to **10.2%**
- In 2023, real GDP growth is expected at **4.8%** considering robust consumption as well as lasting recovery in tourism and investment spending
- Ongoing war in Ukraine, global recession fears and high inflation are downside risks

# Inflation remains elevated, driven by global commodity price pressures

## Monetary policy remains tight to curb inflation pressures



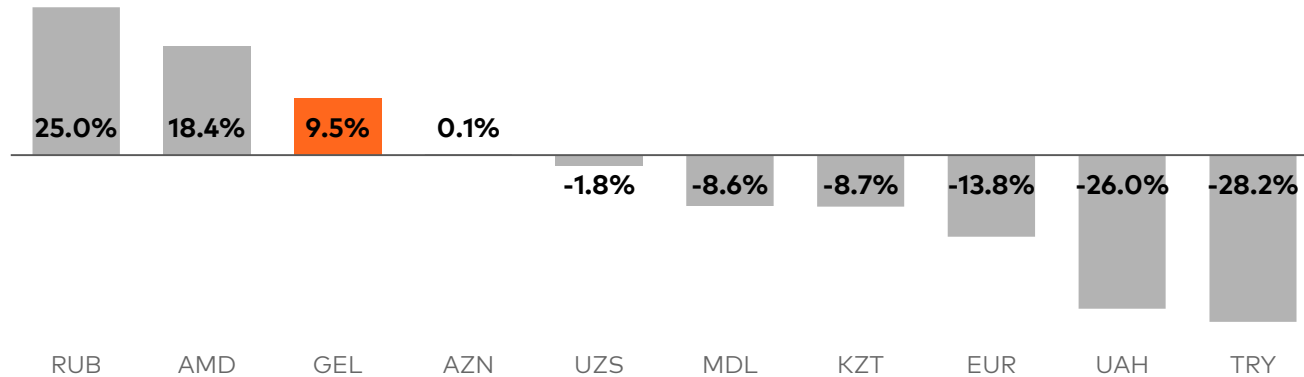
- Inflation mainly driven by globally elevated food and energy prices
- Demand-side price pressures have also intensified
- PPI inflation on a downward trend slowing from 15.4% year-on-year in Jun-22 to 9.2% in Sep-22 and indicating that consumer prices should also slow
- The NBG maintains a tight monetary policy with the refinancing rate at 11% since March 2022
- Inflation is expected to moderate during the first half of 2023

Source: GeoStat, NBG



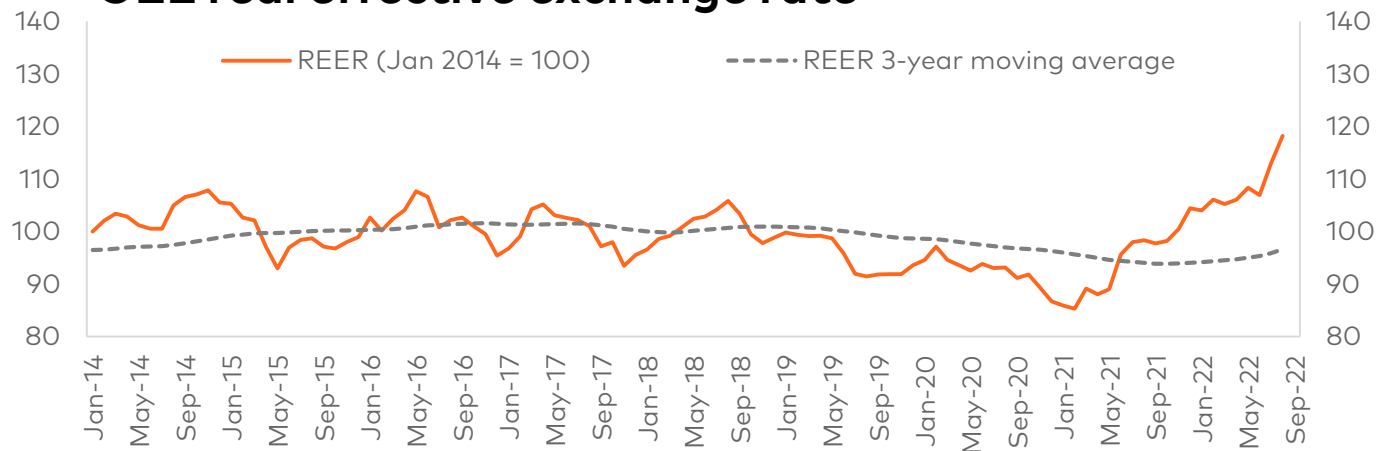
# GEL supported by sustained FX inflows and tight monetary policy

## Currency movements vs. US\$, 12/31/2021 – 9/30/2022



- GEL continues to appreciate on the back of strong external inflows, tight monetary policy and improved sentiments. As at 31 October 2022, the Georgian currency has gained 10.4% against the US Dollar year-to-date
- GEL is expected to remain stable in the medium term

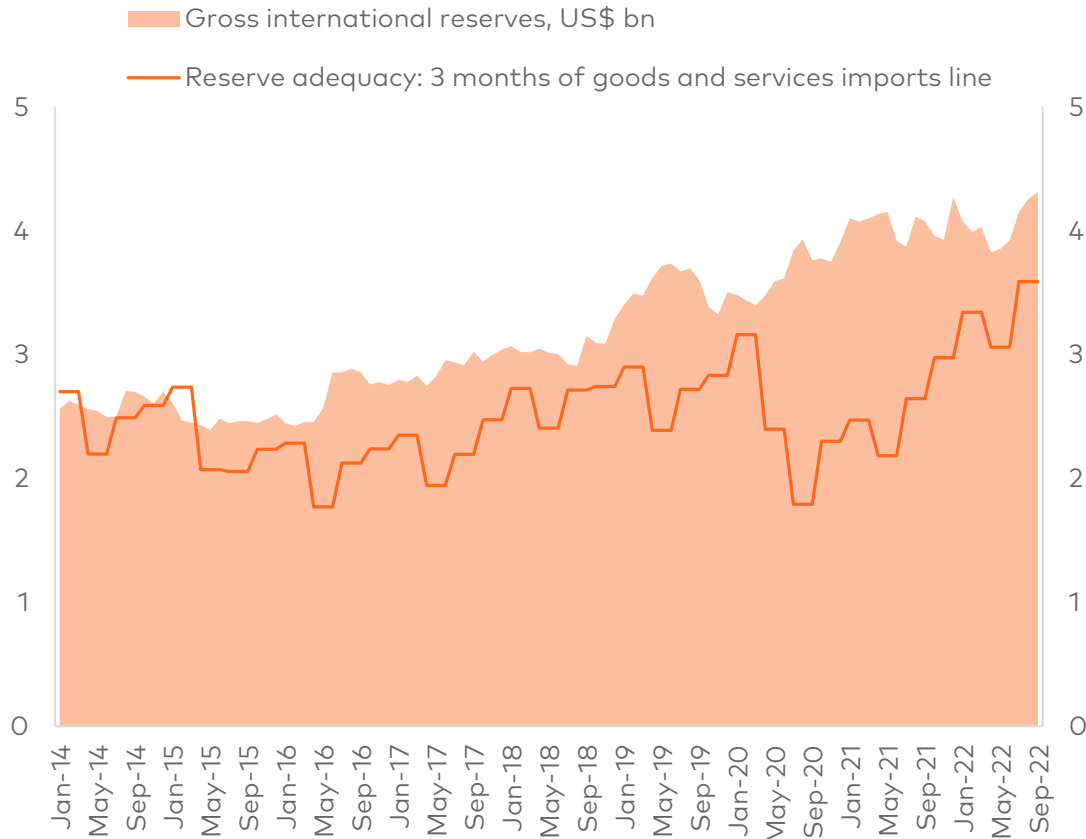
## GEL real effective exchange rate



Source: Bloomberg, NBG  
Note: +/- means appreciation/depreciation

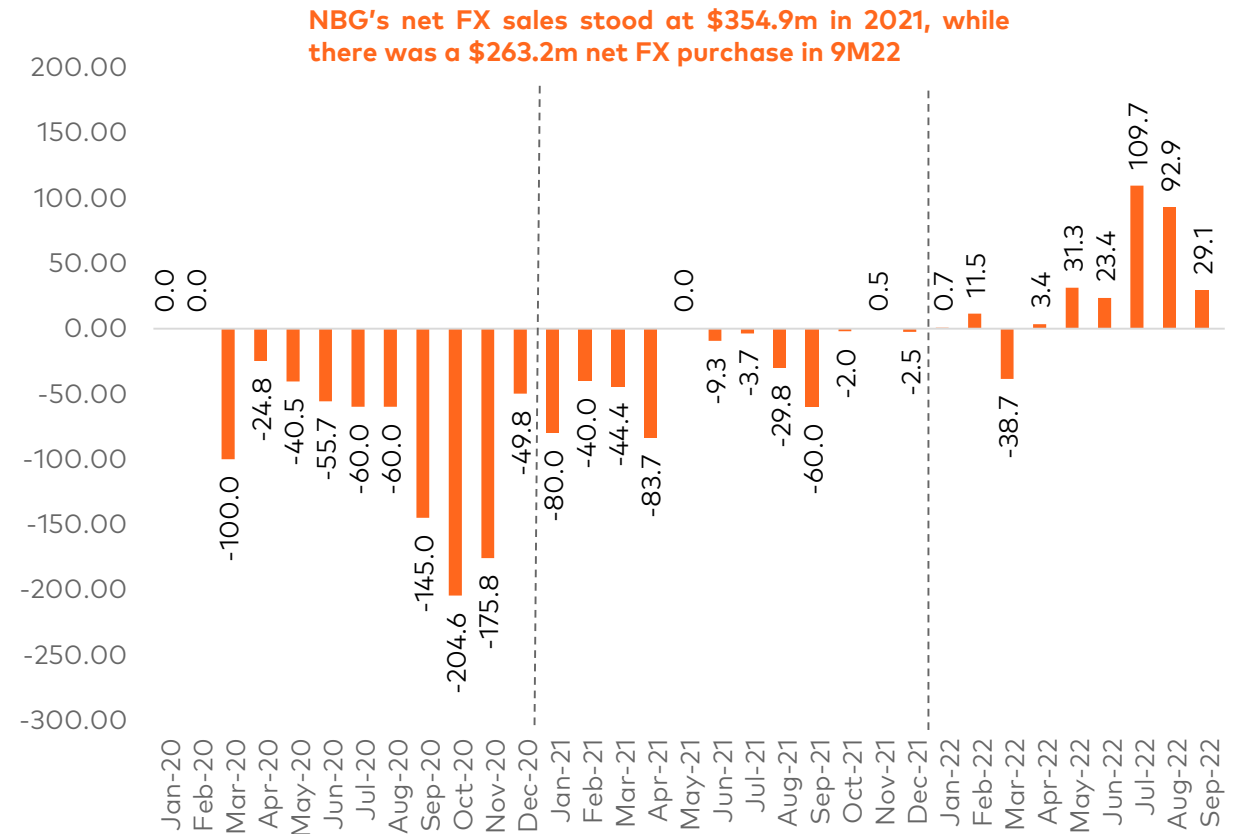
# Growing international reserves

## International reserves



Source: NBG, BOG

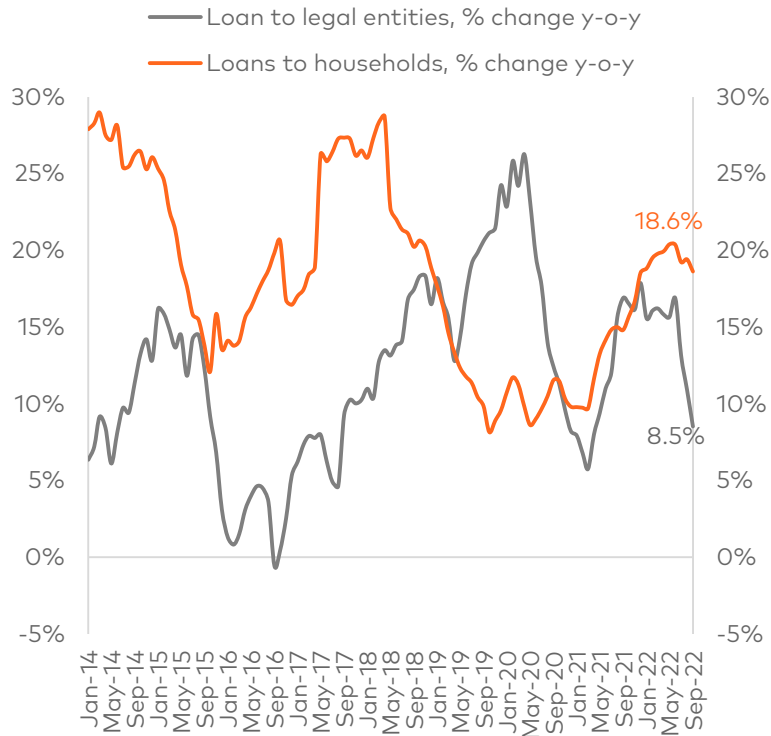
## Central bank's interventions, net purchase in US\$ m



Source: NBG

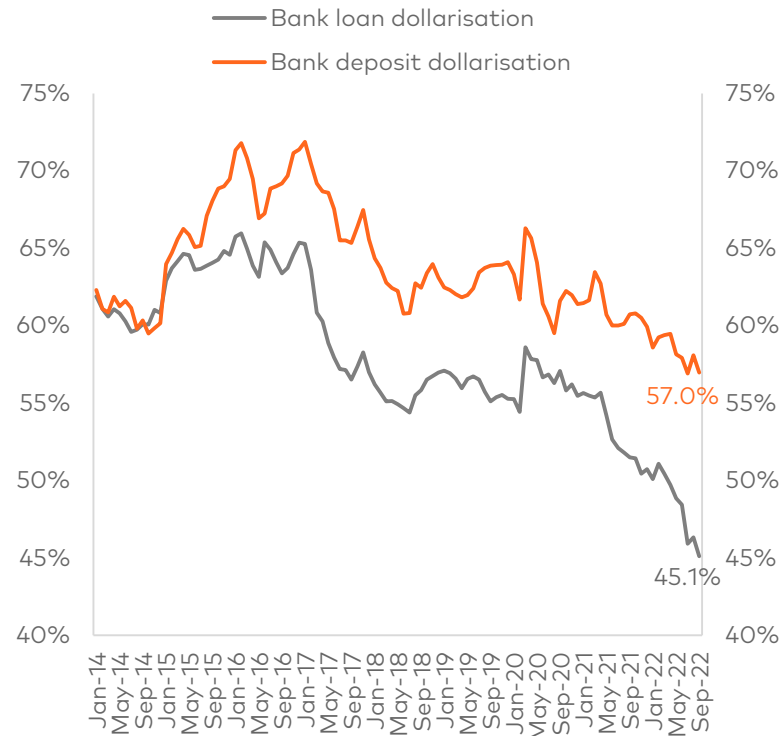
# Healthy banking sector, with dollarisation down

## Loan book growth: legal entities vs. households (exc. FX effect)



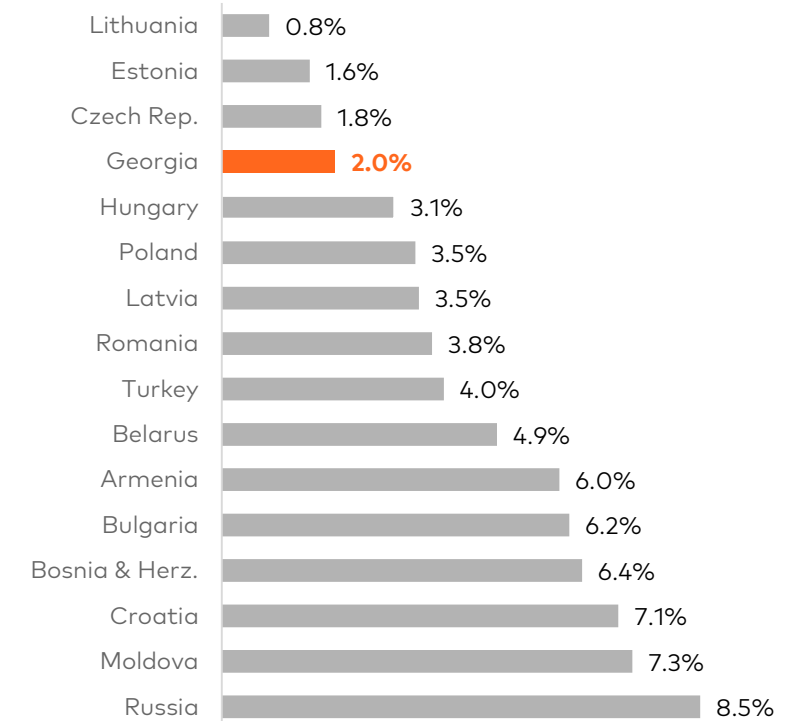
Source: NBG

## Loan and deposit dollarisation



Source: NBG

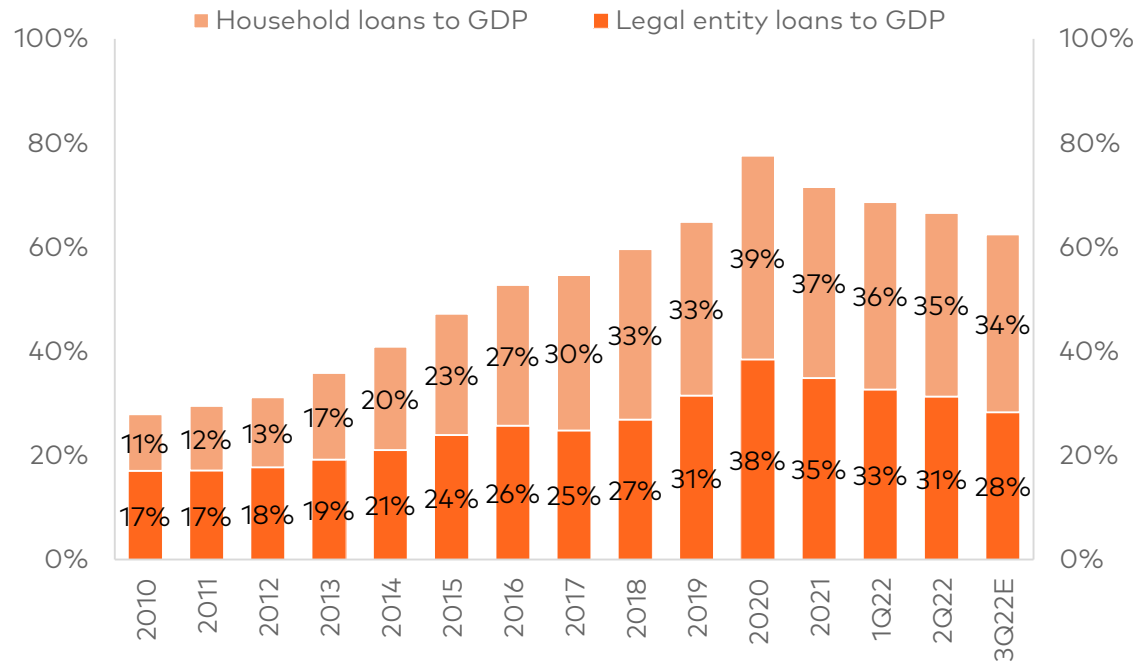
## Non-performing bank loans to total gross loans, 2019-2021 average



Source: IMF

# Reduced debt burden in the economy

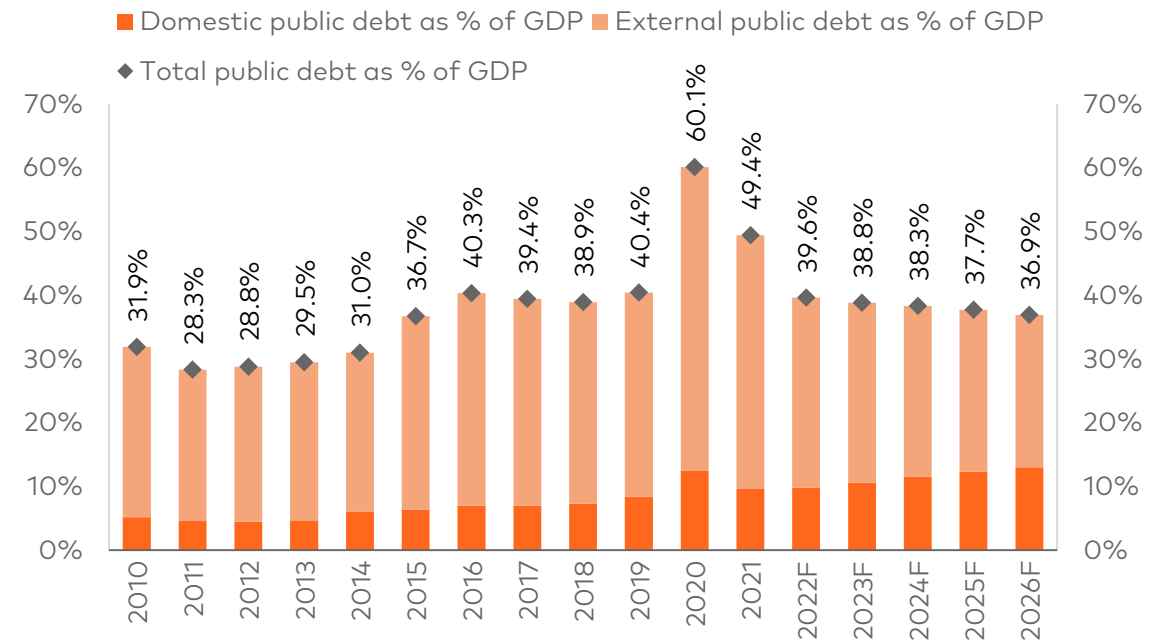
## Banking sector loans to legal entities and households as % of GDP



Source: NBG, GeoStat, BOG

- In the private sector, debt level relative to GDP is on a downward path, driven by high income growth and strong GEL
- Several big issuers, including BOG and GGU, have repurchased their outstanding bonds, thus reducing refinancing risks

## Public debt as % of GDP



Source: MOF, GeoStat, forecasts as of 2022 budget law

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

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# Who we are and what we focus on

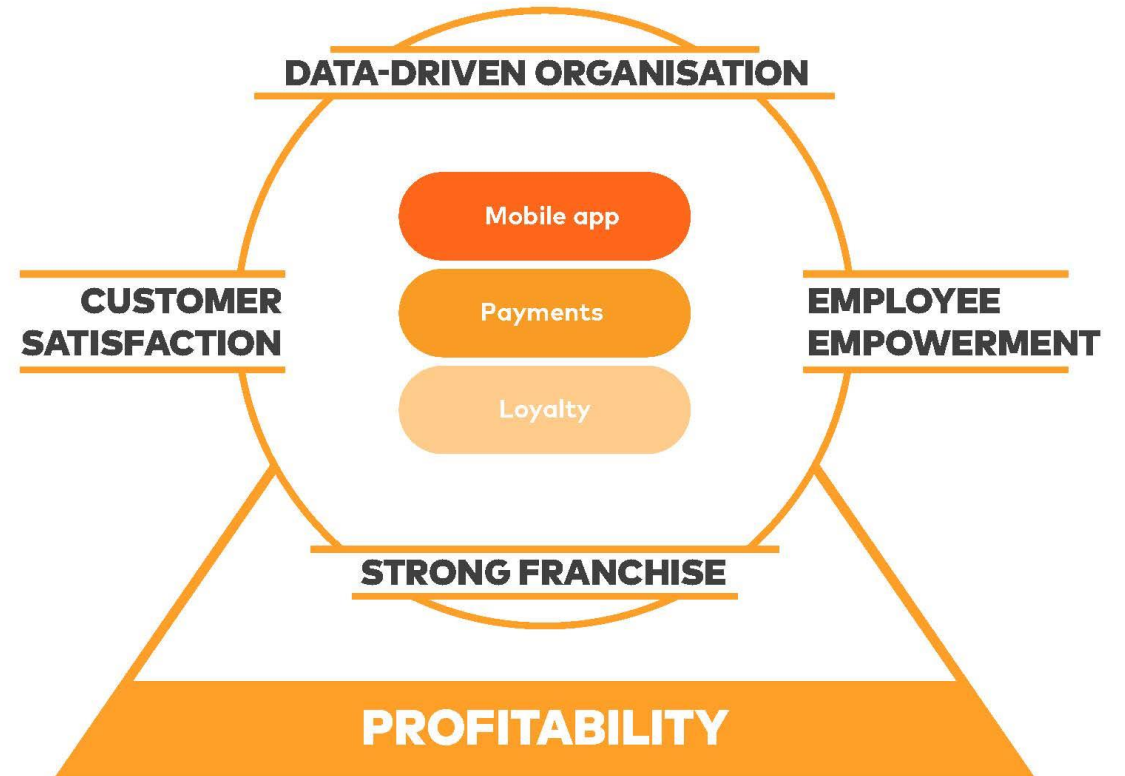
A FTSE-250 company with a diversified institutional investor base

Retail digital banking leader

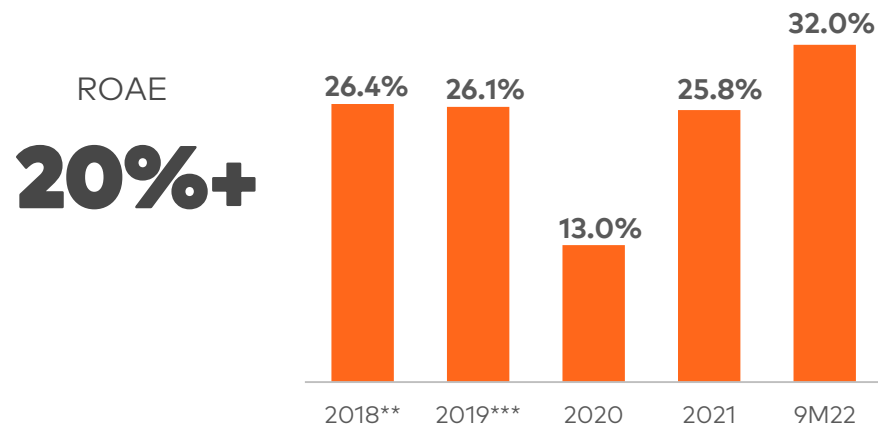
Top of mind and the most trusted bank in Georgia

Consistently delivering high profitability (ROAE above 20%)

Highest standards of corporate governance and a strong focus on ESG

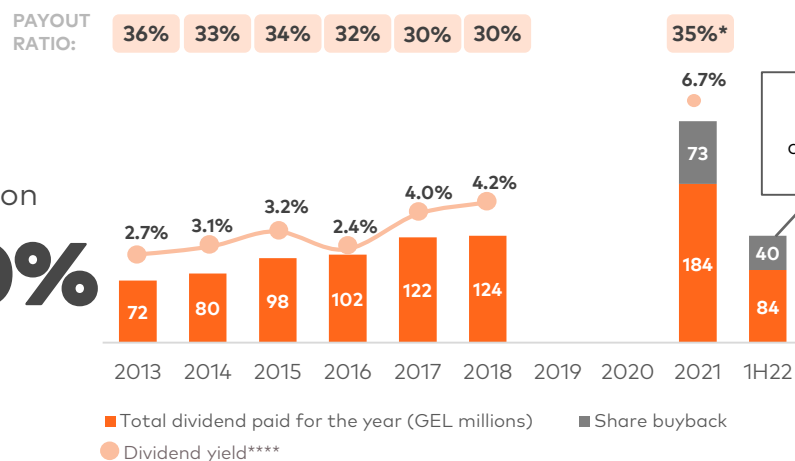
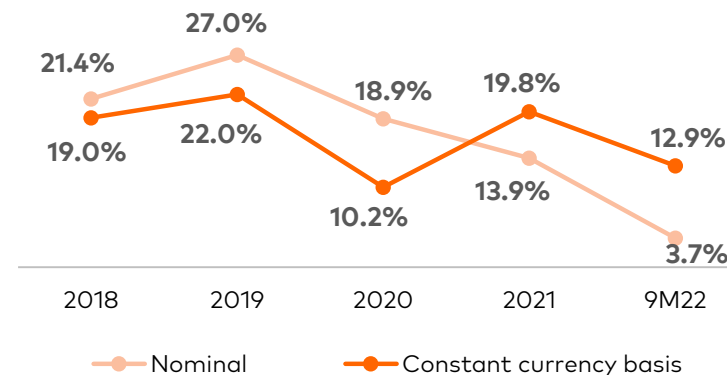


# Track record of strong performance



Loan book YoY growth

**c.10%**



## Capital distribution

- Interim dividend of GEL 1.85 per ordinary share in respect of the period ended 30 June 2022 was paid on 20 October 2022
- Since the announcement of the Group's share buyback and cancellation programme on 30 June 2022, the Group bought back and cancelled 1,269,273 ordinary shares as at 1 November 2022, at a total cost of GEL 78.9 million
- As at 31 October 2022, the number of shares with voting rights amounted to 47,866,655

\* For the purpose of payout ratio calculation, total buyback amount is divided by weighted average number of outstanding shares less treasury shares for the year.

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

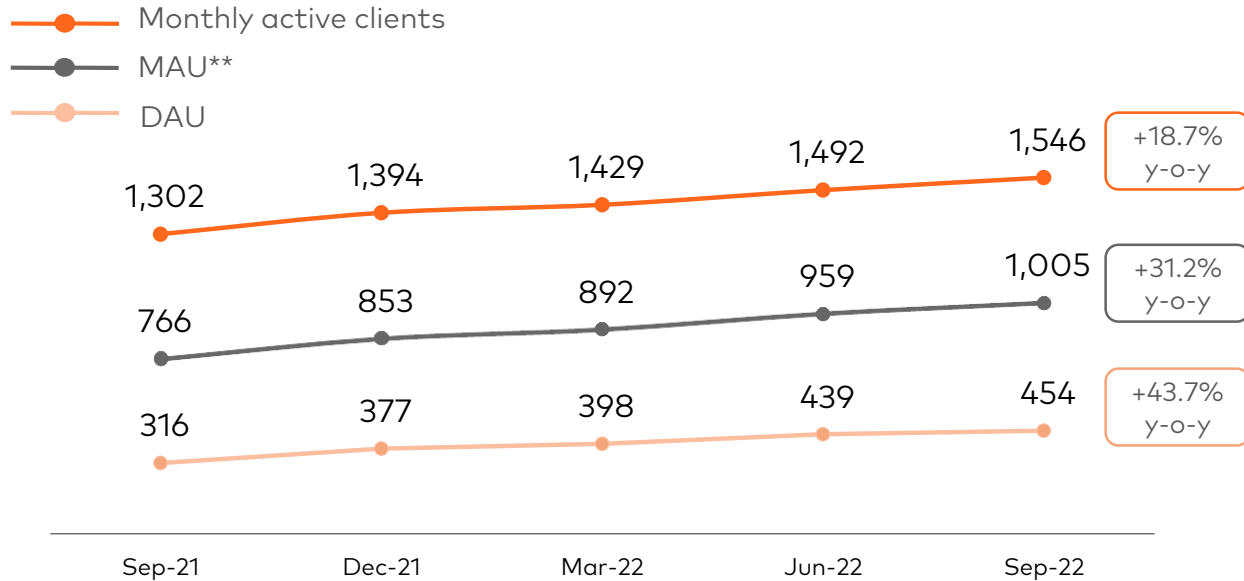
\*\*\* Adjusted for GEL 14.2m (net of income tax) termination costs of former CEO and executive management.

\*\*\*\* Dividend yield for 2013-2021 is calculated based on the closing price of shares immediately prior to ex-dividend date.

# Our customers are becoming more digital and engaged

## Active users\*

thousands

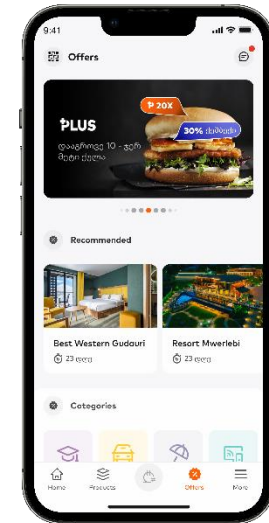
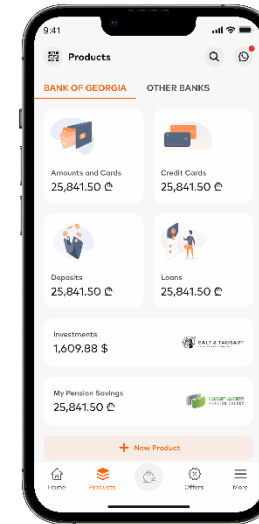


	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
$\frac{DAU}{MAU}$	41.2%	44.2%	44.6%	45.8%	45.2%
$\frac{MAU}{\text{Monthly active clients}}$	58.8%	61.2%	62.4%	64.3%	65.0%

\*Information on this slide depicts the use of channels by individual clients.

\*\*Monthly active user – at least one login within the past month in mBank or iBank.

## Building a financial Super App



**Play store** 4.7/5  
**App store** 4.8/5  
**Customer Satisfaction Score (Sep-22)** 87%

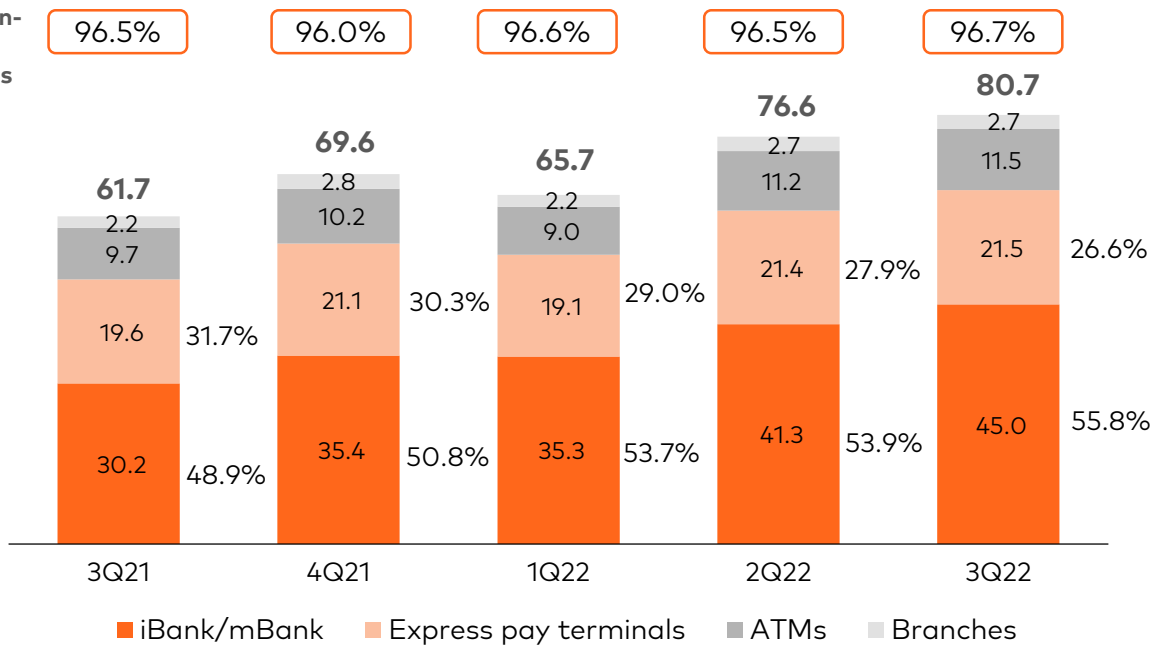


# Focusing on increasing sales in digital channels

## Number of transactions\*

millions

Share of non-branch transactions



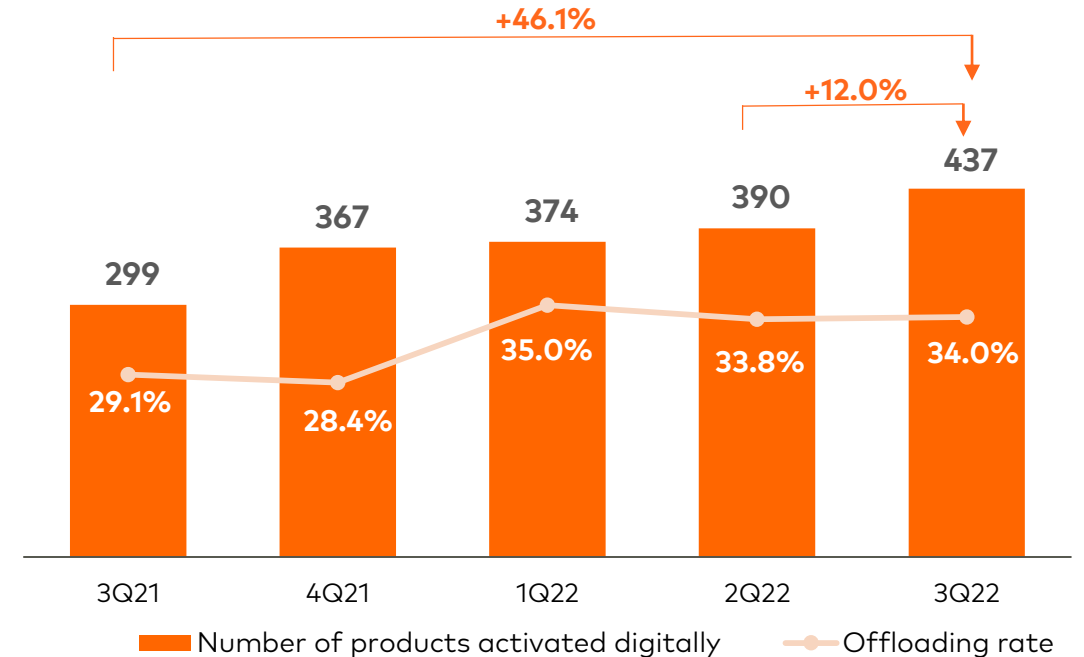
- Number of transactions in mBank/iBank grew 49.3% y-o-y and 9.0% q-o-q
- Launched [www.bogpay.ge](http://www.bogpay.ge) – a new webpage for daily payments
- Fully launched a chatbot in mBank to digitally assist our clients
- Launched sCoolApp – a mobile banking application for pupils

\*Shows the use of channels by individual clients.

\*\*Mainly comprises card, deposit and loan activations in digital channels.

## Product offloading\*\*

thousands

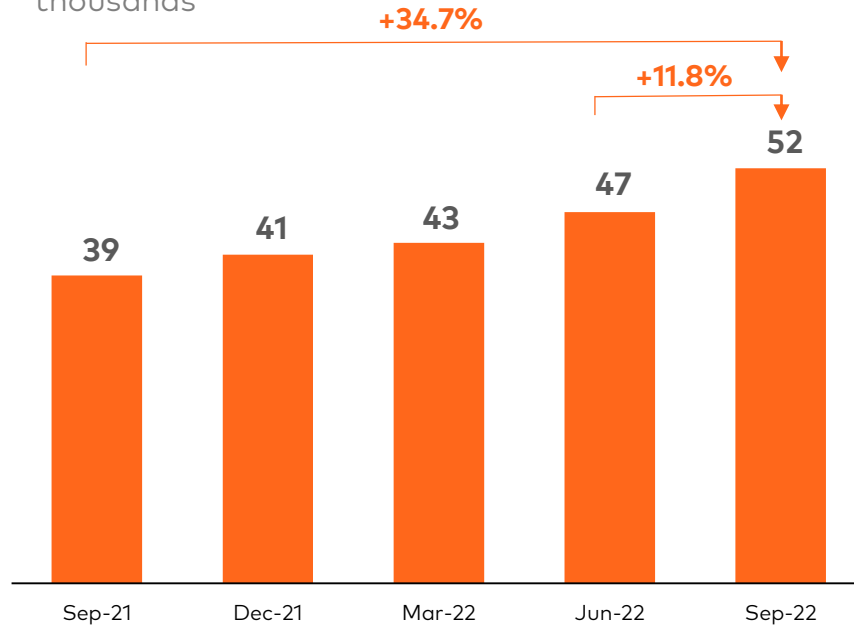


- Loans digital offloading was **64.1%** in Sep-22, up from **60.8%** in Sep-21

# Full digital experience for our business customers

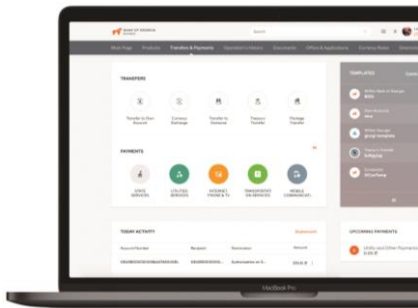
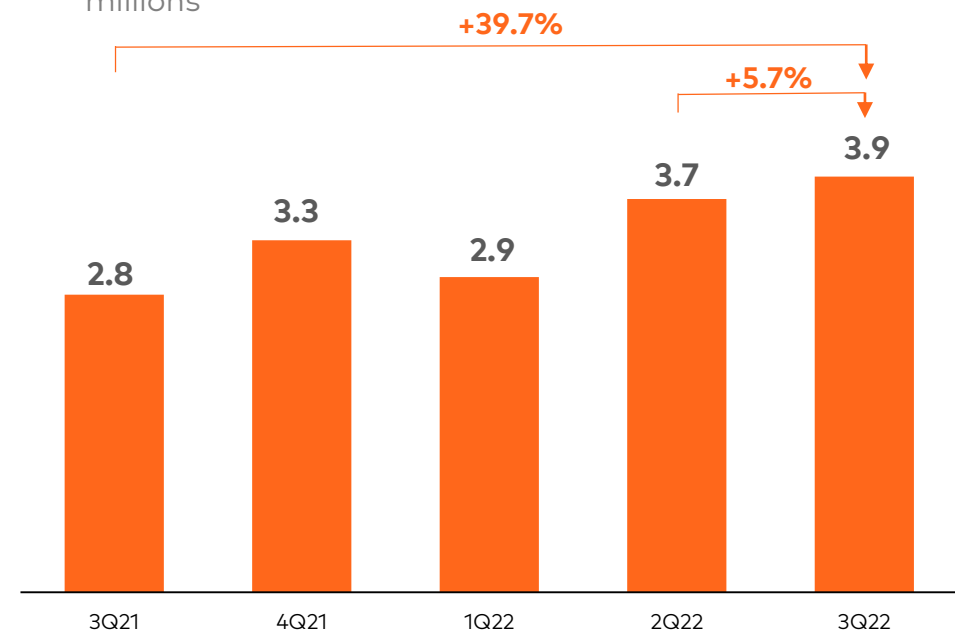
## Number of monthly active users\*

thousands



## Number of transactions

millions



900k

Average transactions per month

80%

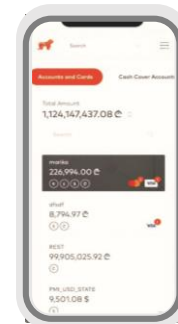
Customer Satisfaction Score (Sep-22)

212k

Average transactions per month

79%

Customer Satisfaction Score (Sep-22)



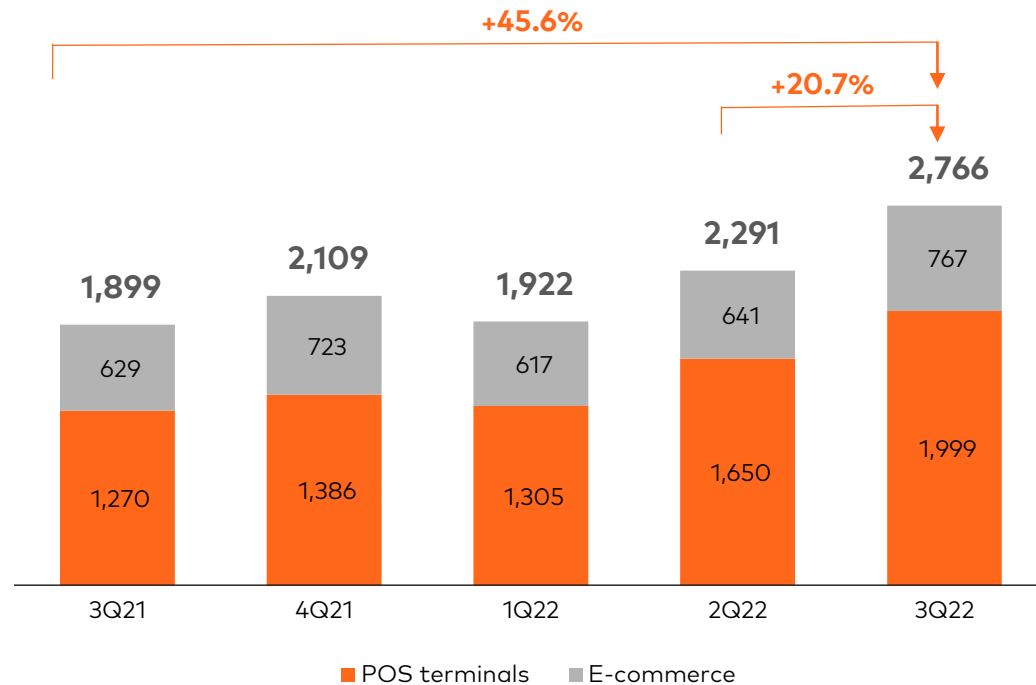
\*Information on this slide depicts the use of internet and mobile banking platforms by legal entities.

\*\*Monthly active user – at least one login within the past month in Business mBank or iBank.

# Payments business – our daily touch point with customers

## Acquiring - volume of payment transactions

GEL millions



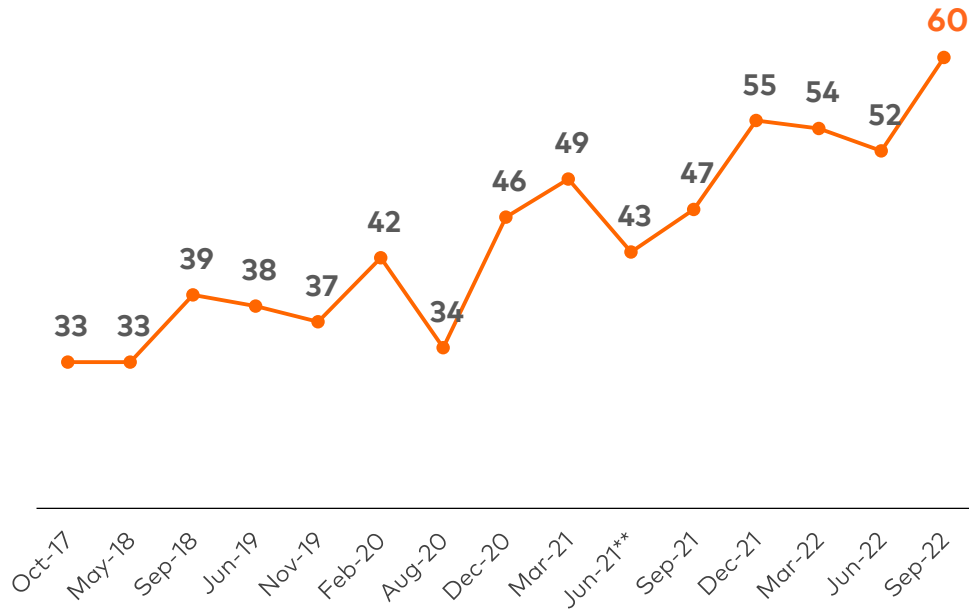
48.8%

Market share by volume of transactions in BOG's  
POS and e-commerce | 3Q22  
+7.6 pts YoY

- Active merchants increased by 25.9% y-o-y to 13,560 in 3Q22
- 97% of merchants use our online settlement functionality

# Fostering a customer-centric culture

## NPS\*



Engaging with customers **proactively** and responding in **real time**

**Anticipating** customer needs, wants, and future behavior

Harnessing strong **human relationships** with **data analytics** for dynamic customer insights

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

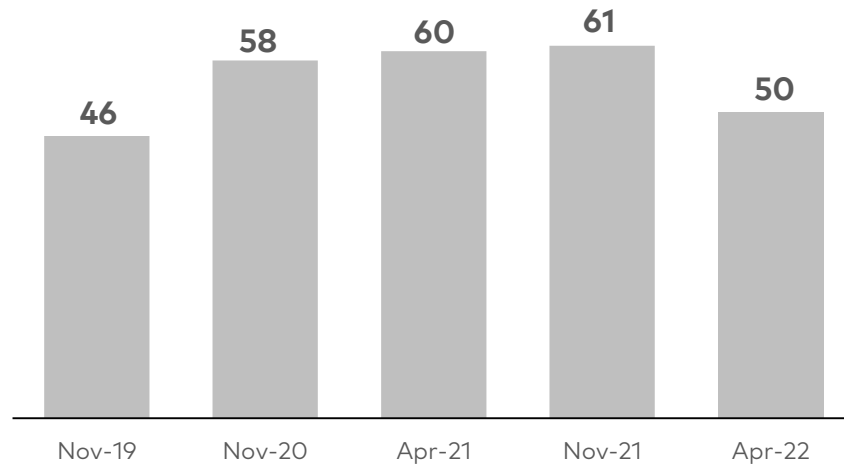


\* Based on external research by IPM Georgia.

\*\*NPS of all major banks decreased due to monetary policy rate hike.

# Empowering our employees

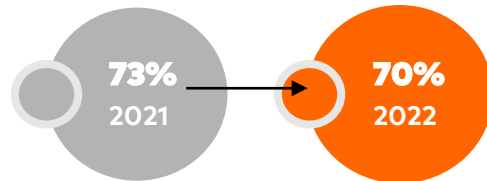
## eNPS



- Focusing on employee experience
- Fostering a high-trust environment and strong feedback culture
- Attracting and developing top talent
- Doing business in line with our core values and business principles
- Ensuring diversity and equal opportunities in the workplace – women in managerial positions at 53% and in senior management at 44% at 30 September 2022

### Employees are engaged

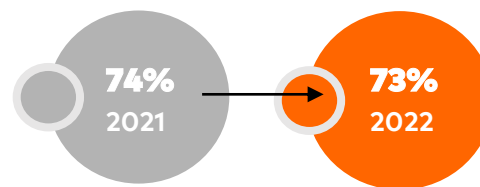
73% High-Performing Organisations Benchmark



67% Banking Industry Benchmark

### and enabled

73% High-Performing Organisations Benchmark



68% Banking Industry Benchmark

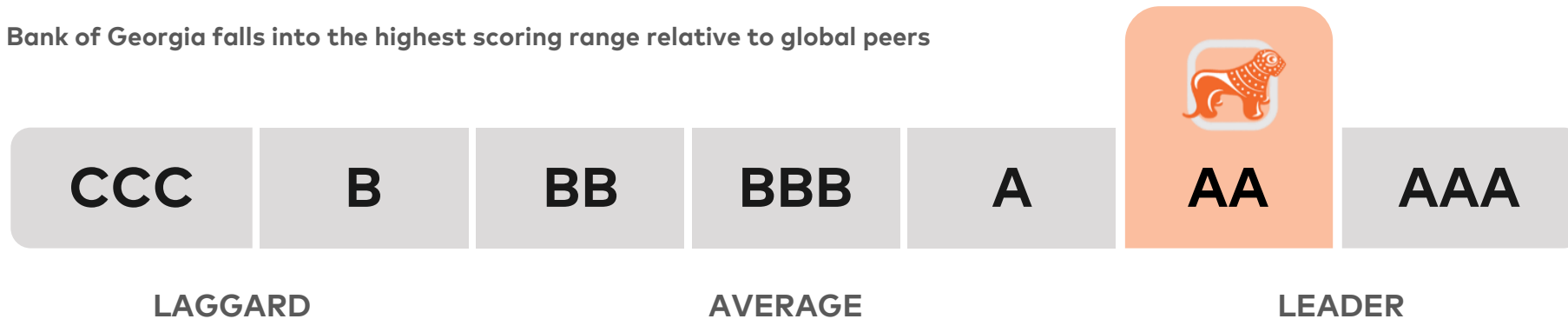
# ESG scores from independent rating agencies

## ISS\*



## MSCI\*\*

Bank of Georgia falls into the highest scoring range relative to global peers



## FTSE4GOOD Index

Included in the global responsible investment index FTSE4GOOD since 2017

\* ISS uses a 1-10 scale. 1 indicates lower governance risk, while 10 indicates higher governance risk versus its index or region. 1 indicates higher E&S disclosure, while 10 indicates lower E&S disclosure. Scores are as of November 8, 2022.

\*\* MSCI score is as of 8 November 2022.

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# 3Q22 and 9M22 financial highlights

Strong operating performance	Outstanding profitability	Resilient loan portfolio quality and focus on efficiency	Strong deposit growth during the quarter	Robust capital base and liquidity position
<p><b>Operating income</b></p> <p><b>GEL 527m</b> +51.4% y-o-y +6.4% q-o-q</p> <hr/> <p><b>GEL 1,417m</b></p> <p>+43.7% y-o-y</p> <p><b>3Q</b></p> <hr/> <p><b>9M</b></p>	<p><b>Profit</b></p> <p><b>GEL 290m</b> +56.6% y-o-y +5.3% q-o-q</p> <hr/> <p><b>GEL 806m</b></p> <p>+53.2% y-o-y</p> <p><b>3Q</b></p> <hr/> <p><b>9M</b></p>	<p><b>Cost of credit risk ratio</b></p> <p><b>1.0%</b></p> <hr/> <p><b>0.8%</b></p> <p><b>3Q</b></p> <hr/> <p><b>9M</b></p>	<p><b>Loans</b></p> <p>30 Sep 2022</p> <hr/> <p><b>GEL 16.2bn</b></p> <p>+3.7% y-o-y * -0.8% q-o-q *</p>	<p><b>CET 1 capital</b></p> <p>30 Sep 2022</p> <hr/> <p><b>14.8%</b></p> <p>Minimum requirement 11.6%</p>
<p><b>Share of non-interest income</b></p> <p><b>44.0%</b></p> <hr/> <p><b>40.2%</b></p> <p><b>3Q</b></p> <hr/> <p><b>9M</b></p>	<p><b>ROAE</b></p> <p><b>32.4%</b></p> <hr/> <p><b>32.0%</b></p> <p><b>3Q</b></p> <hr/> <p><b>9M</b></p>	<p><b>Cost to income ratio</b></p> <p><b>30.6%</b></p> <hr/> <p><b>32.5%</b></p> <p><b>3Q</b></p> <hr/> <p><b>9M</b></p>	<p><b>Deposits</b></p> <p>30 Sep 2022</p> <hr/> <p><b>GEL 17.2bn</b></p> <p>+29.1% y-o-y ** +13.9% q-o-q **</p>	<p><b>LCR</b></p> <p>30 Sep 2022</p> <hr/> <p><b>121.4%</b></p> <p>Minimum requirement 100%</p>

\* Growth on a constant currency basis was 12.9% y-o-y and 2.3% q-o-q.

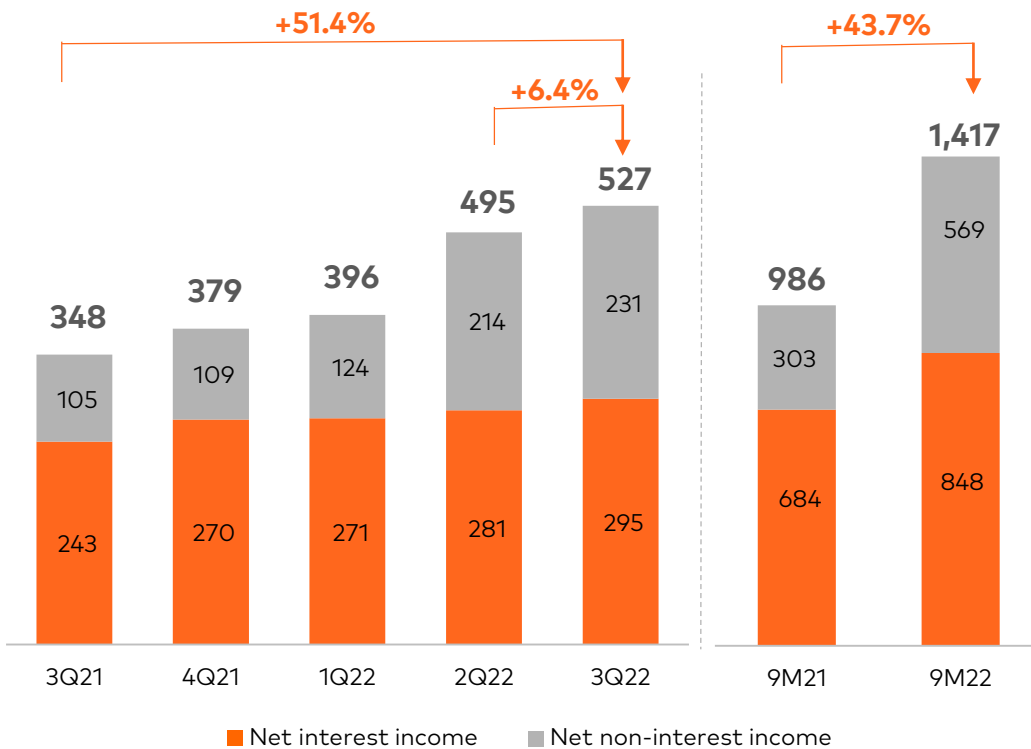
\*\* Growth on a constant currency basis was 40.3% y-o-y and 17.2% q-o-q.



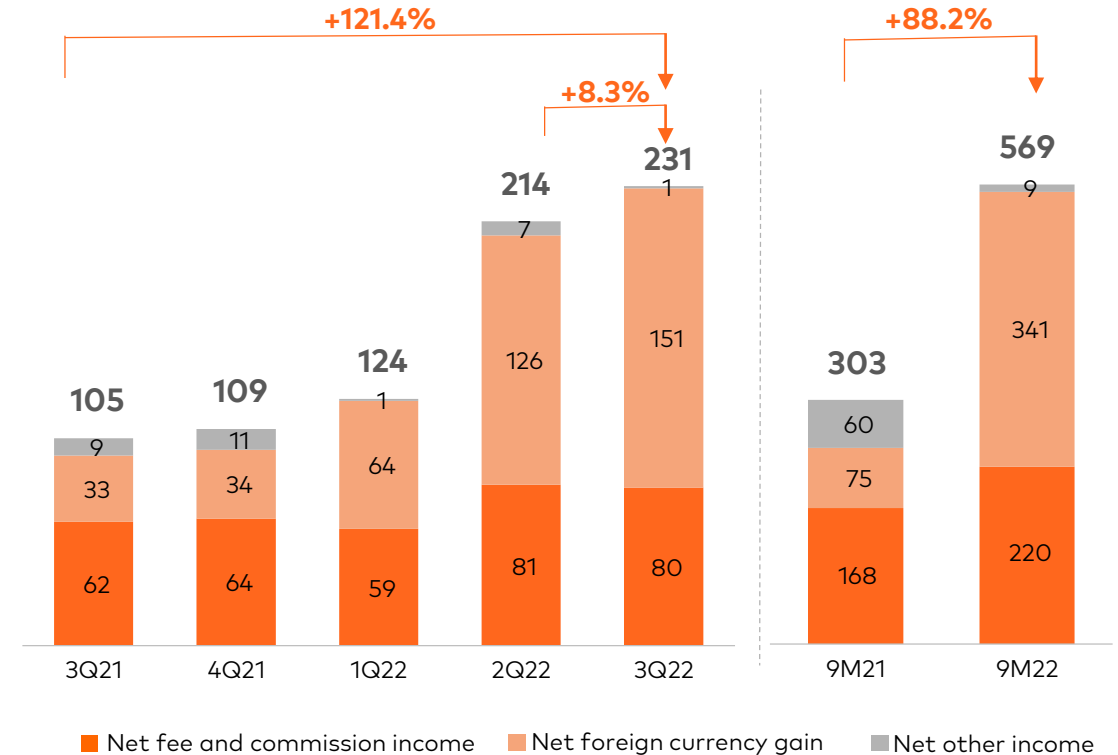
# Strong underlying performance

All currency data are in GEL m unless otherwise stated

## Operating income



## Net non-interest income

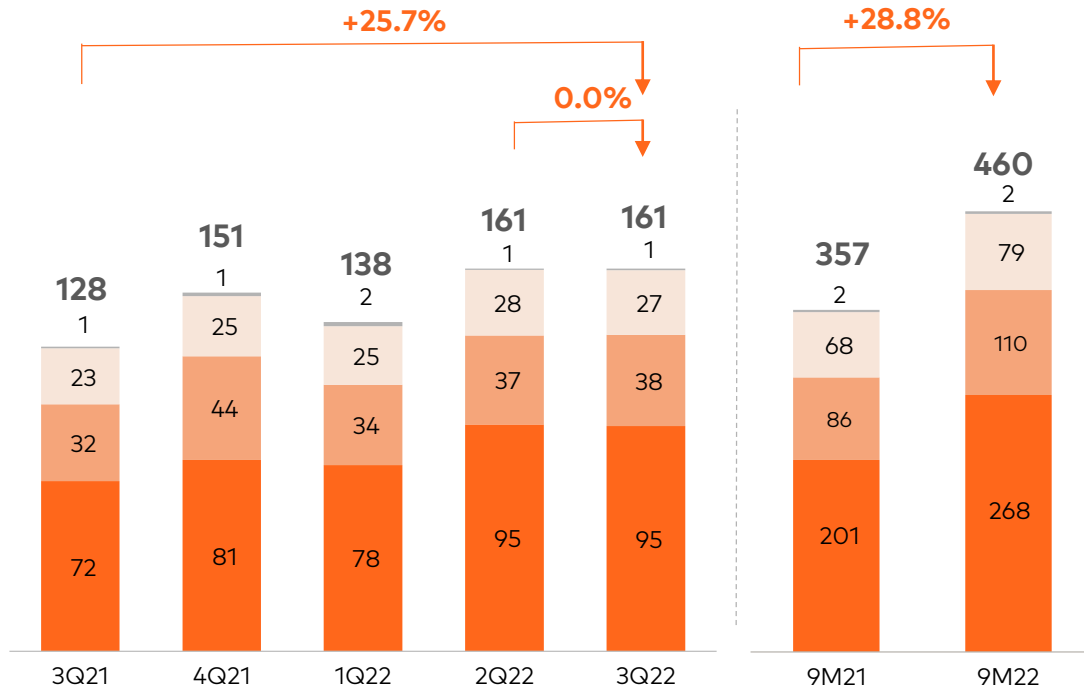


- Strong y-o-y growth in 3Q22 and 9M22 across core revenue lines, with continuing net foreign currency gains boosting the top line

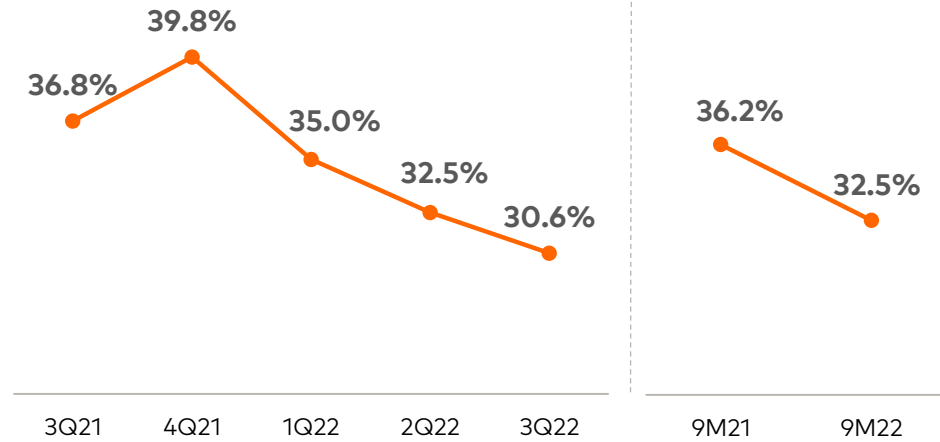
# Investing for growth while maintaining the focus on efficiency

All currency data are in GEL m unless otherwise stated

## Operating expenses



## Cost to income ratio



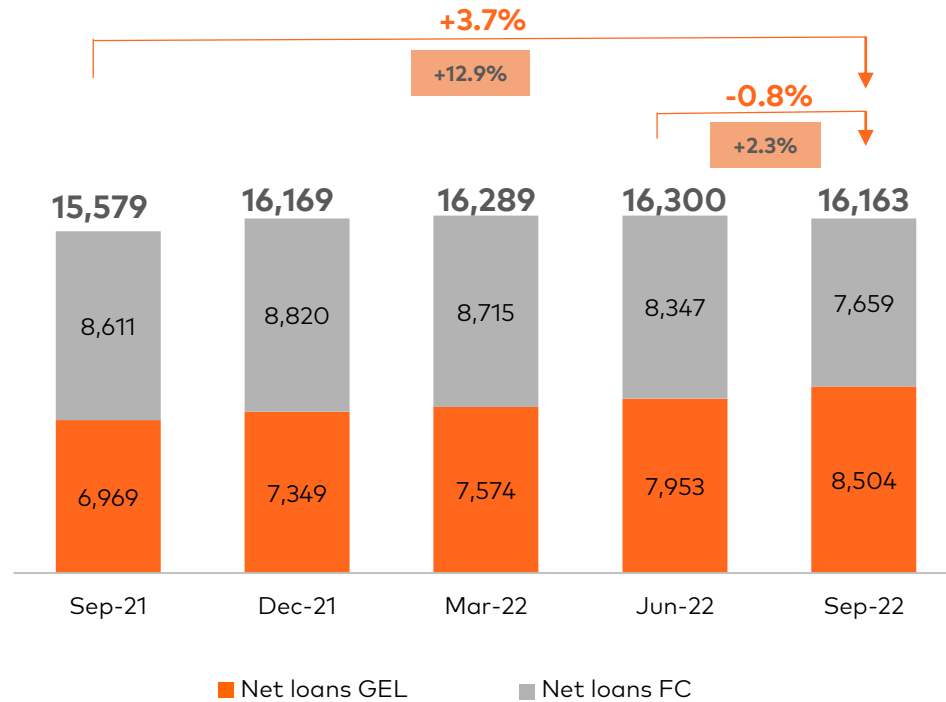
- Salaries and other employee benefits
- Administrative expenses
- Depreciation, amortisation and impairment
- Other operating expenses

**c.35%** ✓  
**medium-term**  
**guidance**

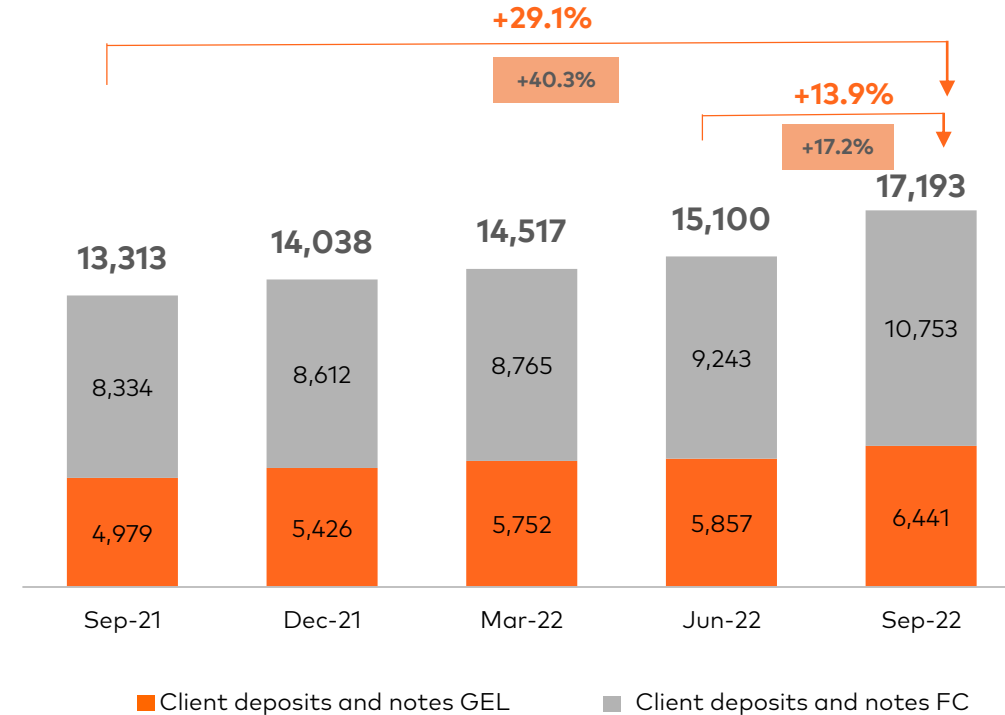
# Increased deposits reflecting the strength of our franchise

All currency data are in GEL m unless otherwise stated

## Loan portfolio



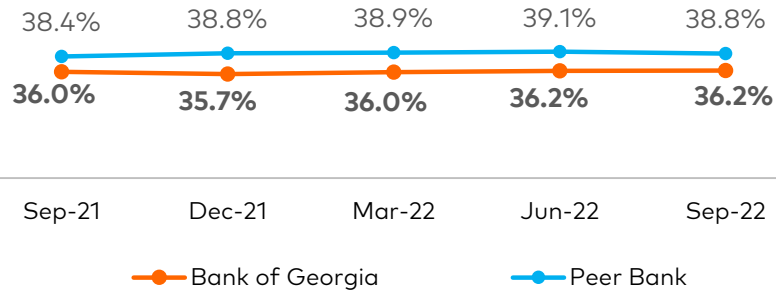
## Deposit portfolio



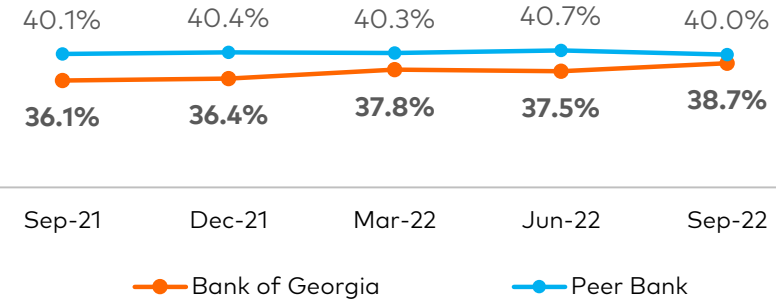
■ Growth on a constant currency basis

# Focusing on profitability while maintaining strong competitive positions

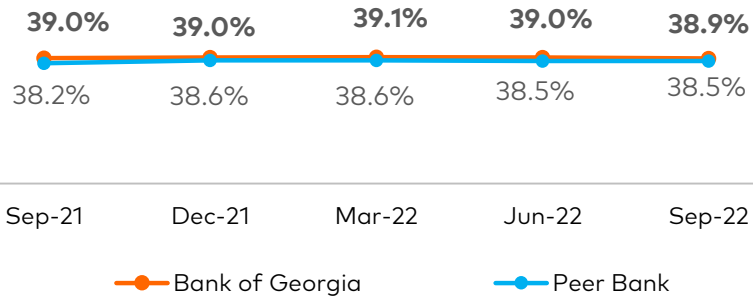
## Market share – gross loans



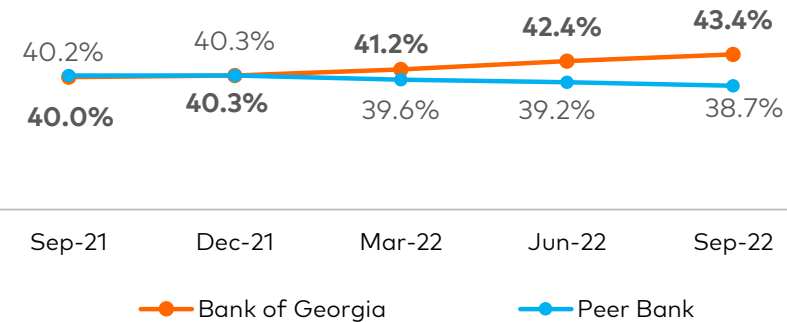
## Market share – customer deposits



## Market share – loans to individuals

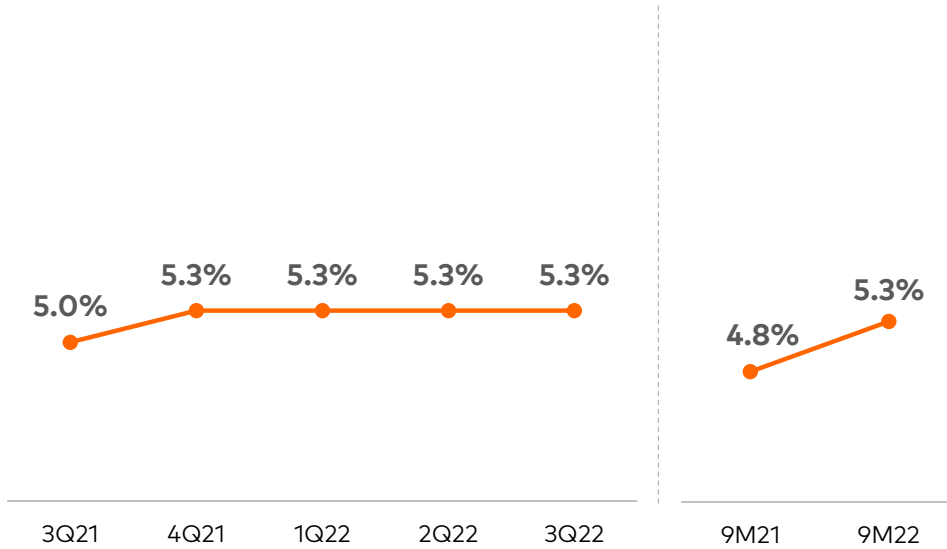


## Market share – deposits of individuals

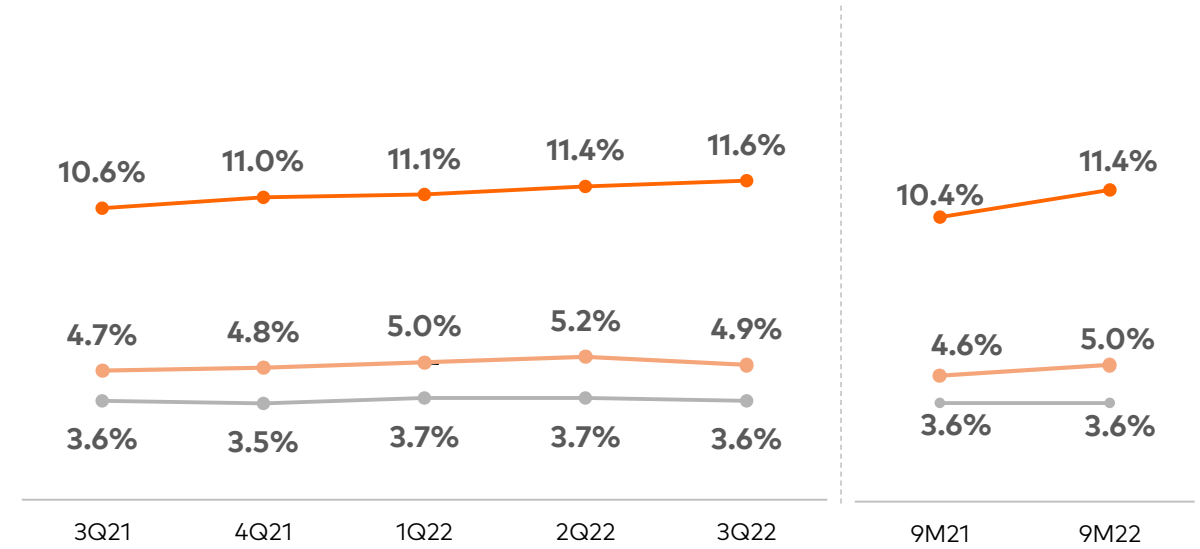


# Net interest margin broadly stable

## Net interest margin



## Loan yield, cost of funds, cost of deposits



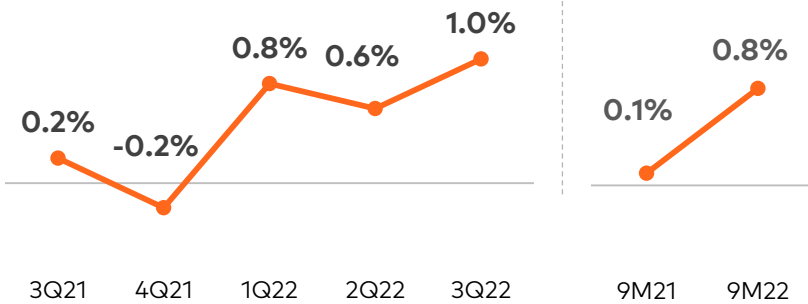
- The y-o-y increase in NIM driven by higher loan yield partly offset by increased cost of funds and higher liquidity

- Loan yield
- Cost of funds
- Cost of client deposits and notes

# Healthy loan portfolio

All currency data are in GEL m unless otherwise stated

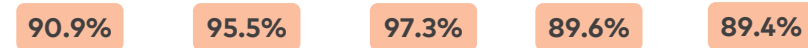
## Cost of credit risk ratio



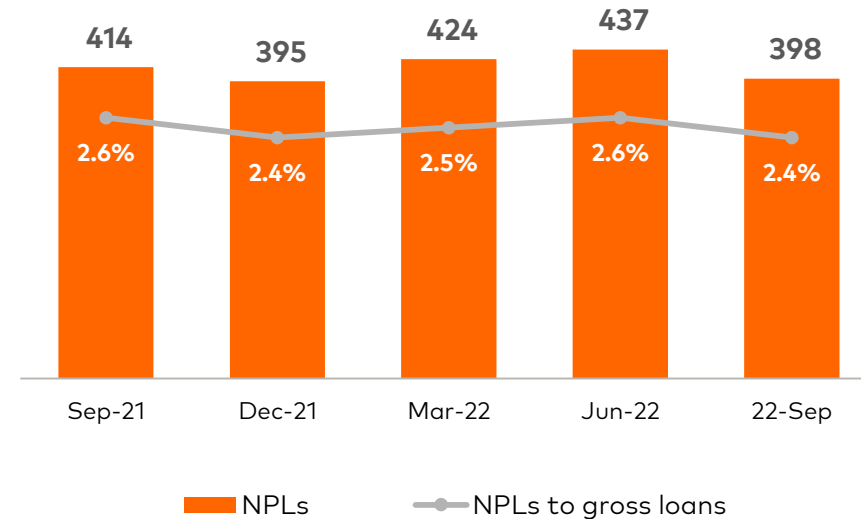
- ECL provisions on loans to customers and finance lease receivables posted during the third quarter predominantly driven by the unsecured consumer and micro portfolios in Retail Banking
- NPLs to gross loans broadly stable

## Loan portfolio quality

### NPL coverage



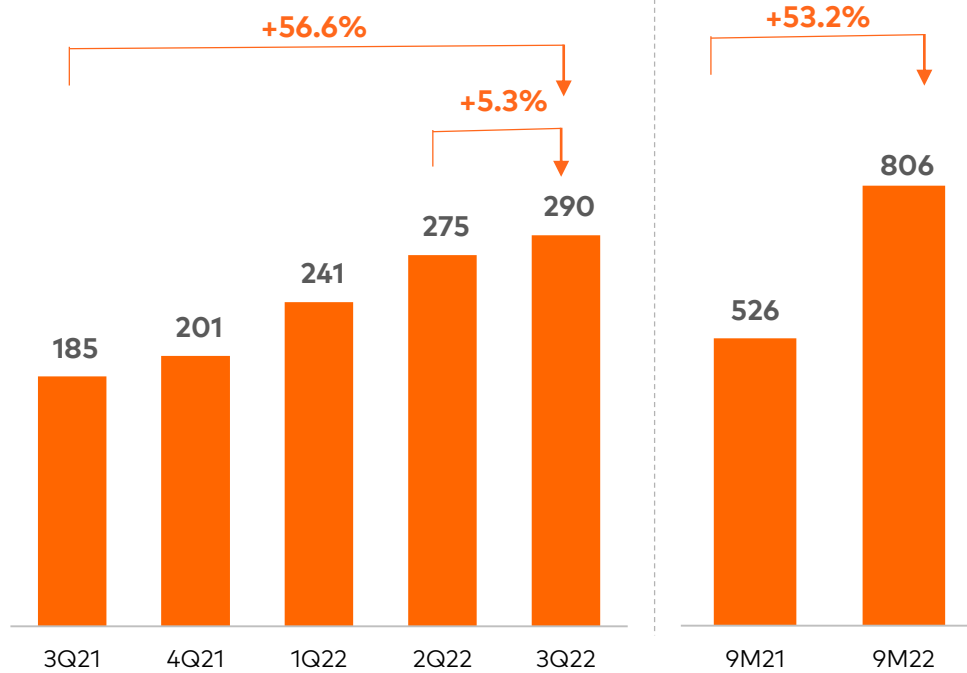
### NPL coverage adjusted for collateral value



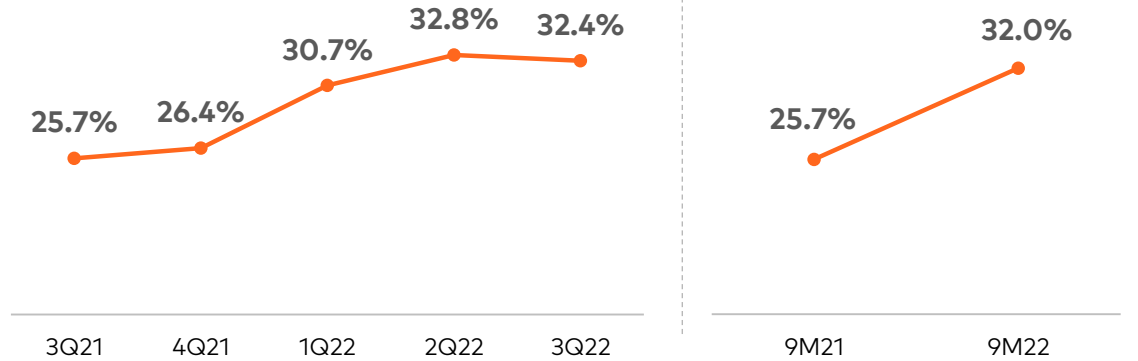
# Robust bottom-line growth and profitability

All currency data are in GEL m unless otherwise stated

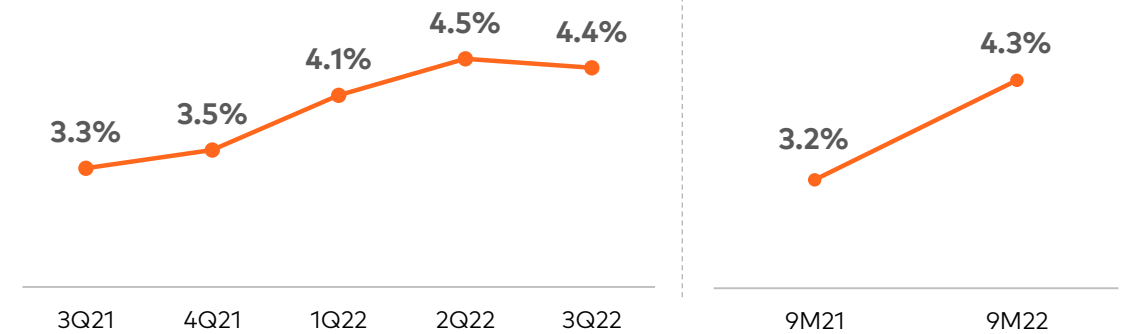
## Profit



## ROAE



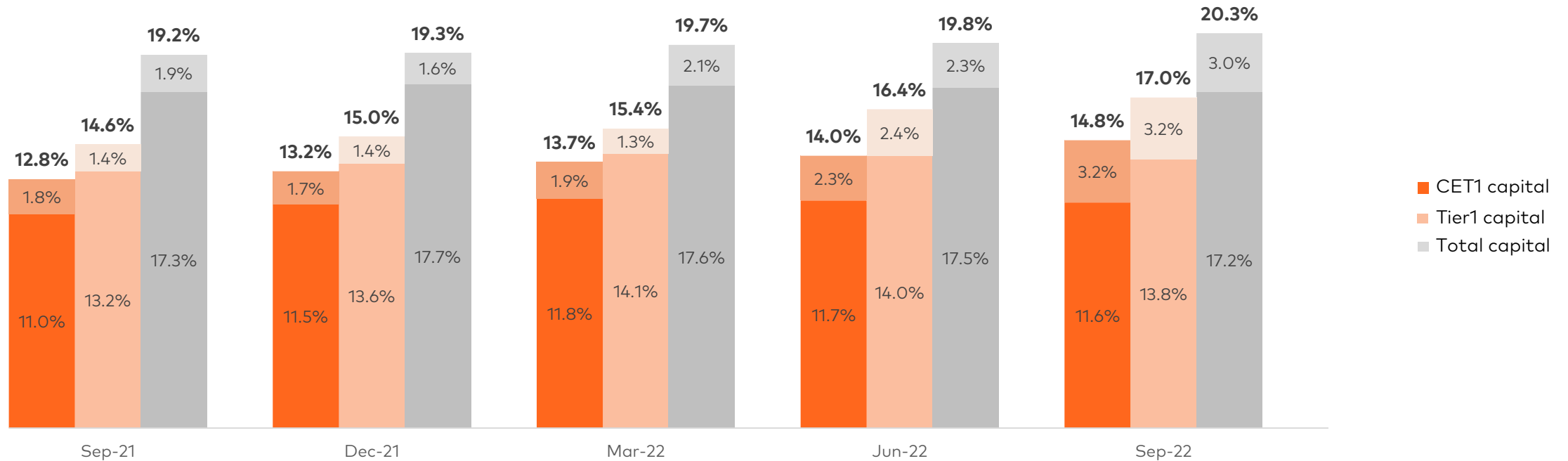
## ROAA



# Continued strong capital generation

Figures given for JSC Bank of Georgia standalone

## Capital adequacy ratios and minimum requirements





# Evolution of capital ratios and update on minimum capital requirements

Figures given for JSC Bank of Georgia standalone

## Evolution of capital ratios during 3Q22

	30 Jun 2022	3Q22 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	30 Sep 2022	Minimum requirement (30 Sep 2022)	Potential impact of a 10% GEL devaluation
CET1 capital adequacy ratio	14.0%	1.5%	-1.0%	0.3%	0.0%	0.0%	14.8%	11.6%	-0.9%
Tier1 capital adequacy ratio	16.4%	1.5%	-1.1%	0.2%	0.0%	0.0%	17.0%	13.8%	-0.8%
Total capital adequacy ratio	19.8%	1.5%	-1.3%	0.2%	0.0%	0.0%	20.3%	17.2%	-0.7%

## Expected minimum capital requirements for 2022-2023

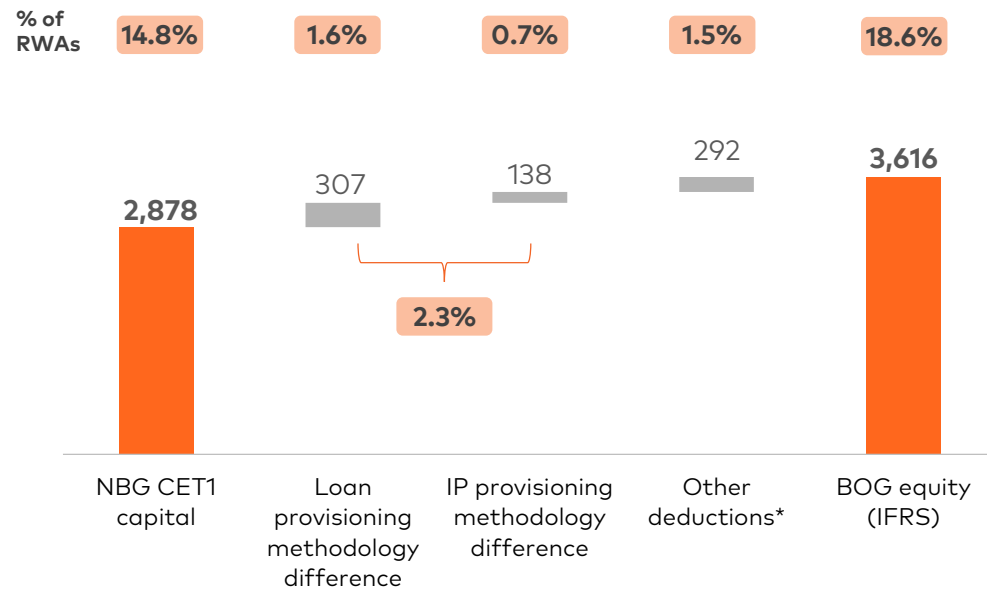
Bank of Georgia's minimum capital requirements, reflecting the full loading of Basel III capital requirements, to be completed in 2023, which remain subject to ongoing annual regulatory reviews, are currently expected to be as follows:

	Dec-22	Dec-23
CET1 capital	11.7%	12.0%
Tier1 capital	13.9%	14.3%
Total capital	17.3%	17.4%

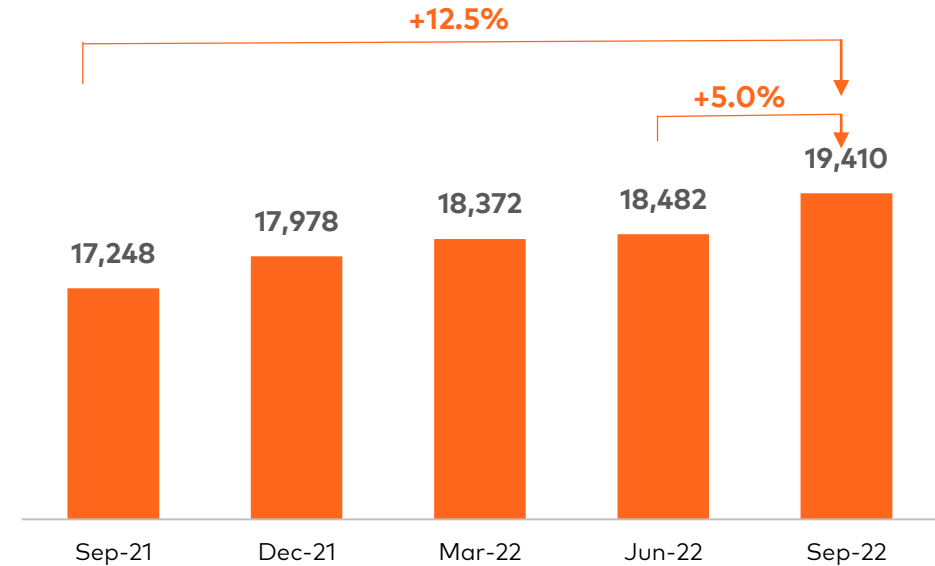
# Strong capital adequacy position

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

## BOG equity vs.CET1 regulatory capital - Sep-22



## Risk-weighted assets



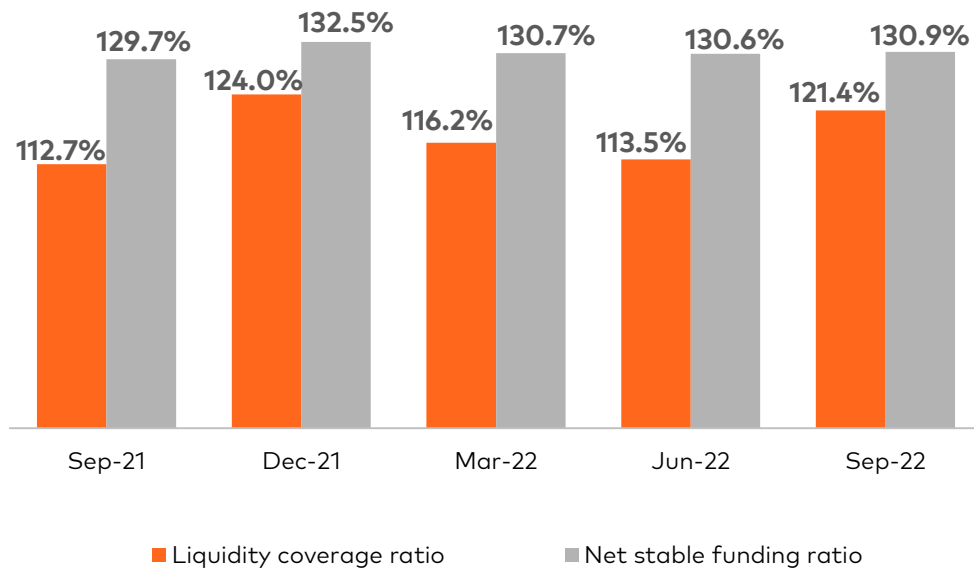
- Existing additional capital buffer (**2.3%** of risk-weighted assets) reflects the differences in provisioning methodology between IFRS 9 and the NBG
- The NBG is currently transitioning to IFRS-based financial reporting

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

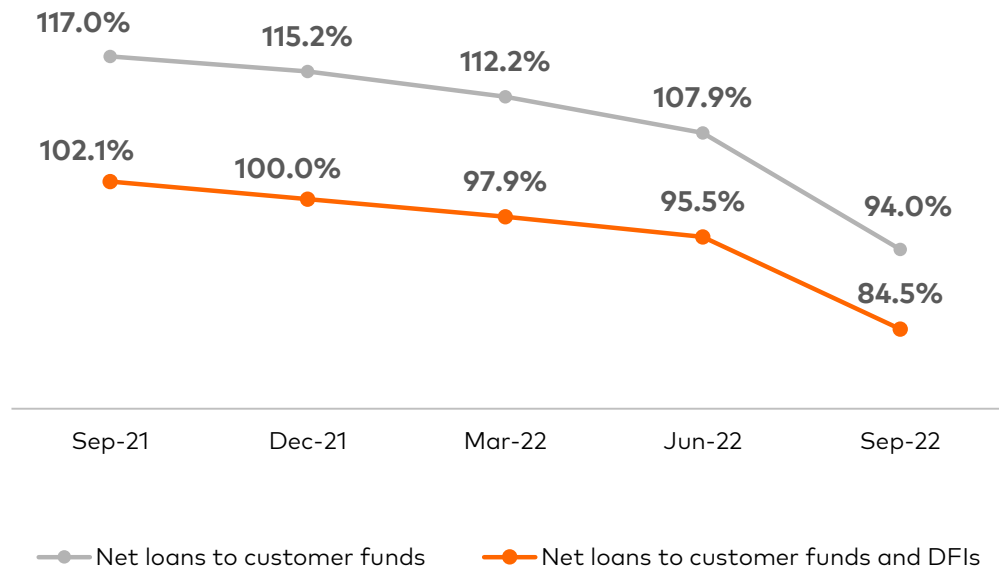
# Strong liquidity position

## Liquidity coverage and net stable funding ratios

JSC Bank of Georgia standalone (Basel III liquidity)



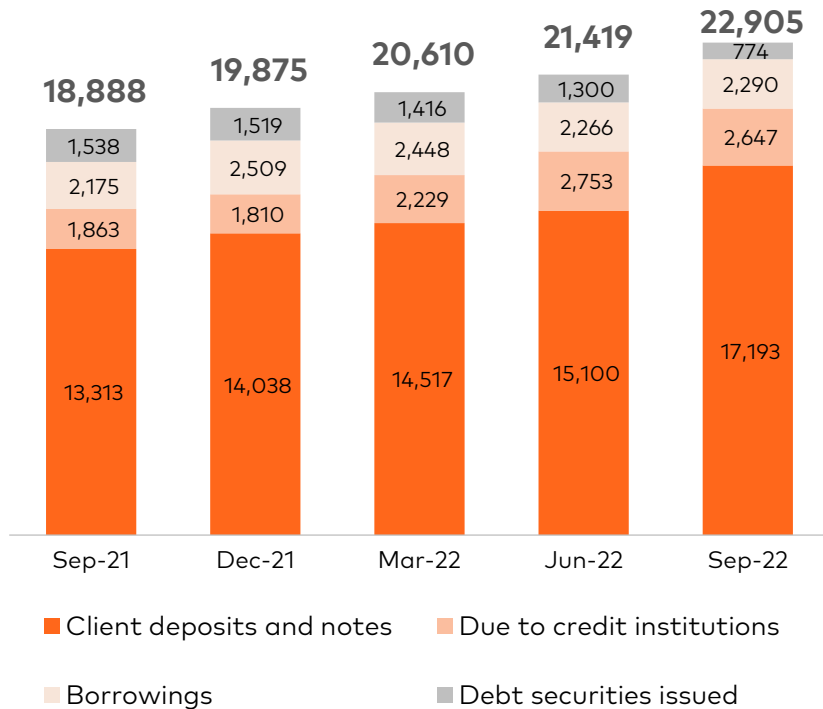
## Net loans to customer funds and DFIs



# Diversified funding structure

All currency data are in GEL m unless otherwise stated

## Interest-bearing liabilities

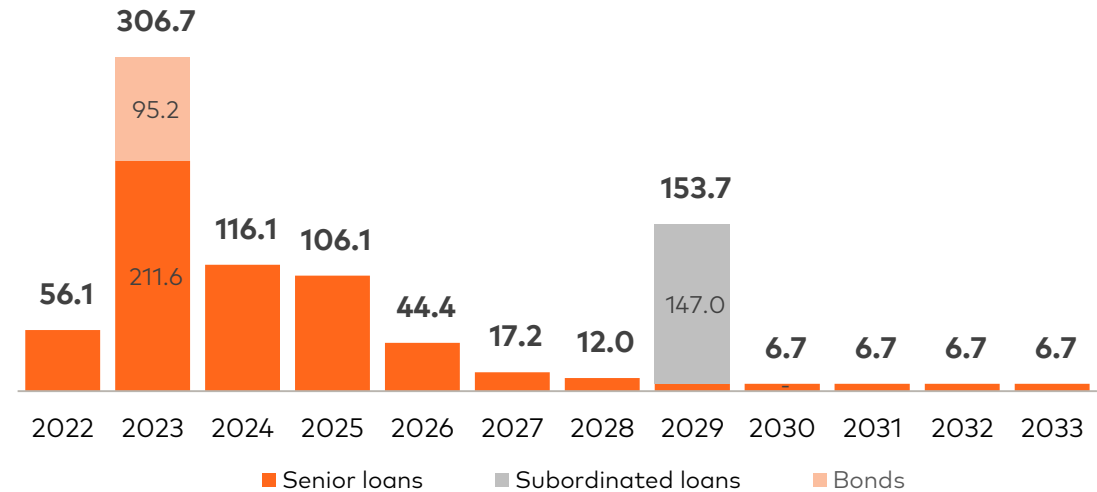


- Client deposits and notes increased to 75.1% of interest-bearing liabilities by September 2022, compared with 70.5% in September 2021

\* Converted at GEL/US\$ exchange rate of 2.8352 at 30 September 2022.

## Borrowed funds maturity profile (US\$, million)\*

As at 30 September 2022



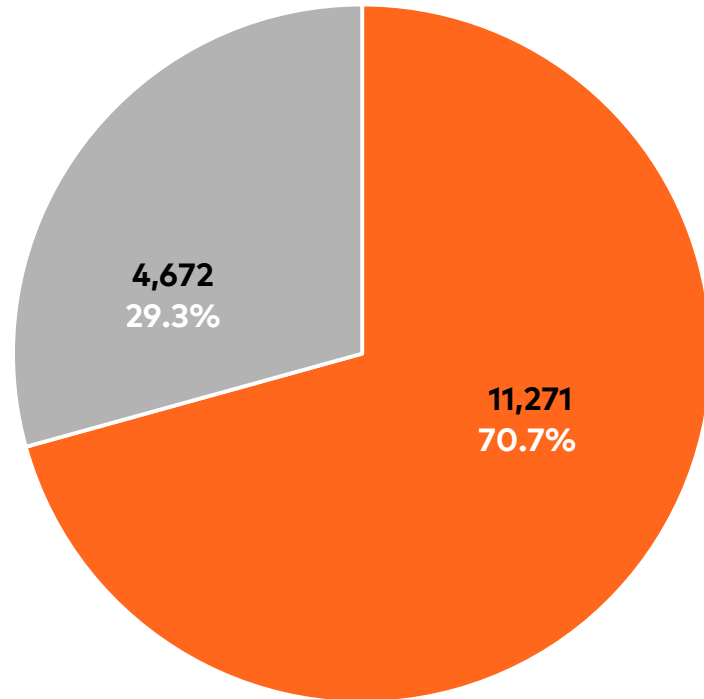
- US\$ 82.4 million Eurobond due 2023 outstanding as at 8 November 2022
- c.GEL 723 million undrawn long-term facilities attracted from DFIs as 30 September 2022
- Strong long-term funding pipeline to secure resources needed for the next 12 months

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- | **APPENDICIES: ADDITIONAL INFORMATION AND SEGMENT RESULTS**

# Bank of Georgia's diversified loan book

All currency data are in GEL m unless otherwise stated



■ Retail Banking ■ Corporate Banking

As at 30 September 2022

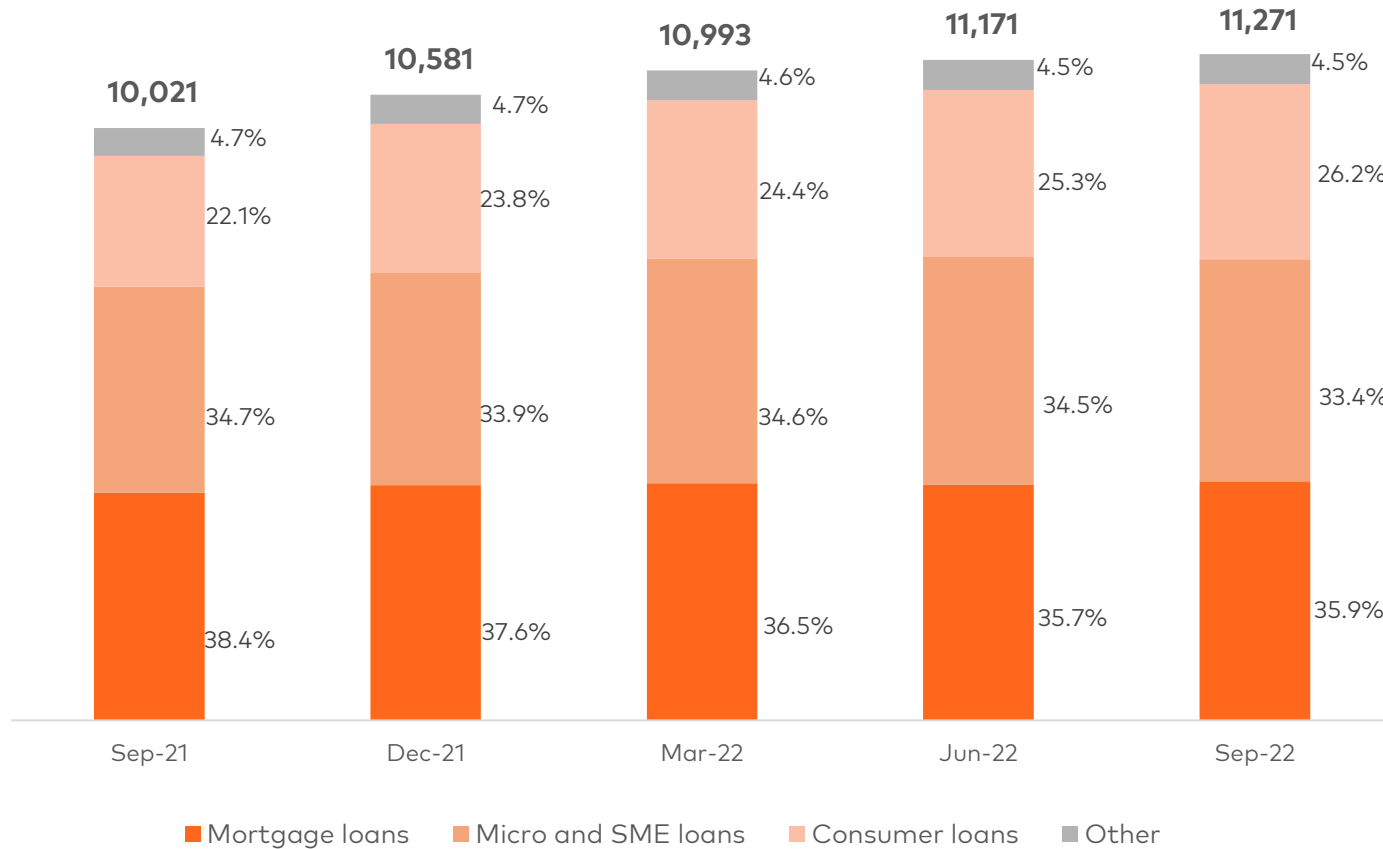
**Total gross loans: GEL 15,943m**

**Allowance for ECL: GEL 321m**

**Total net loans: GEL 15,610m**

# Retail Banking portfolio by product

All currency data are in GEL m unless otherwise stated



As at 30 September 2022

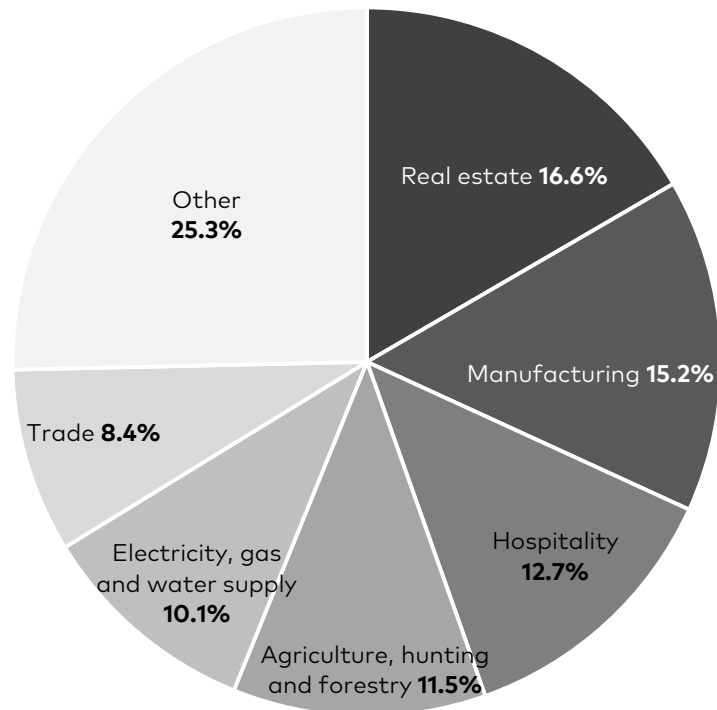
**Total gross loans: GEL 11,271m**  
**Allowance for ECL: GEL 229m**  
**Total net loans: GEL 11,042m**

Other products in Retail Banking include credit cards and overdrafts, pawn loans, car loans, and POS loans.

# Corporate Banking loan portfolio by sector

All currency data are in GEL m unless otherwise stated

CB loan portfolio breakdown by sector\*  
Bank of Georgia standalone  
**Total: GEL 4,672**



As at 30 September 2022

**Total gross loans: GEL 4,672m**

**Allowance for ECL: GEL 92m**

**Total net loans: GEL 4,580m**

**Top 10 CB borrowers: 20.3% of CB gross loan book**

**Top 20 CB borrowers : 31.6% of CB gross loan book**

\* Sectors that represent more than 1% of CB gross loan portfolio: service, construction, mining & quarrying, transport & communication, financial intermediation, health & social work.



# Borrowers and FX risk

% is given for Bank of Georgia standalone gross loan portfolios

	FC loans exposed to FX risk* (% of segment portfolio)	FC loans with minimal exposure to FX risk (% of segment portfolio)
<b>Retail Banking</b>	<b>28.5%</b>	<b>5.1%</b>
Mortgages	11.3%	3.6%
Consumer loans**	2.6%	1.0%
MSME	14.7%	0.5%
<b>Corporate Banking</b>	<b>34.7%</b>	<b>39.2%</b>
<b>Total</b>	<b>30.3%</b>	<b>15.1%</b>

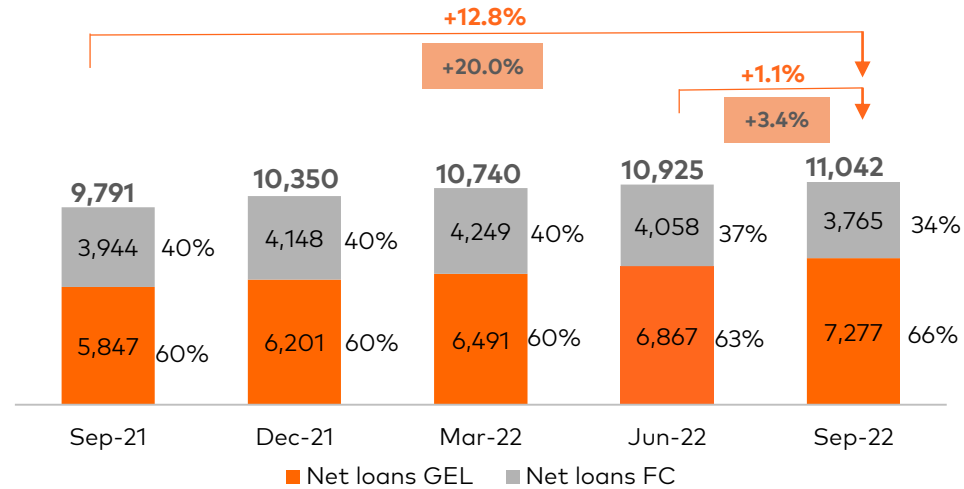
\*Loans disbursed in FC when a borrower's income is in GEL.

\*\*Includes credit cards.

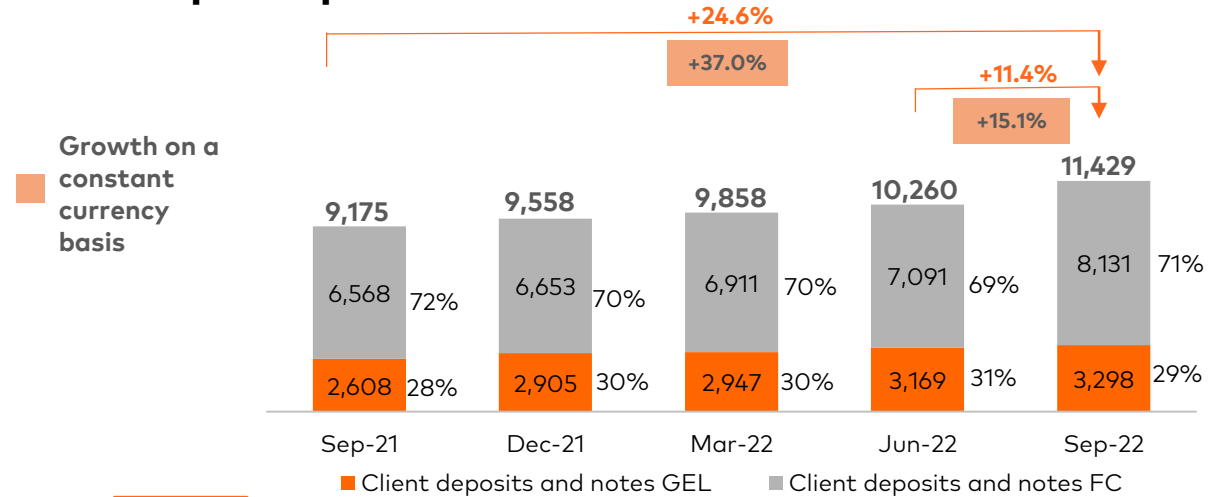
# Retail Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

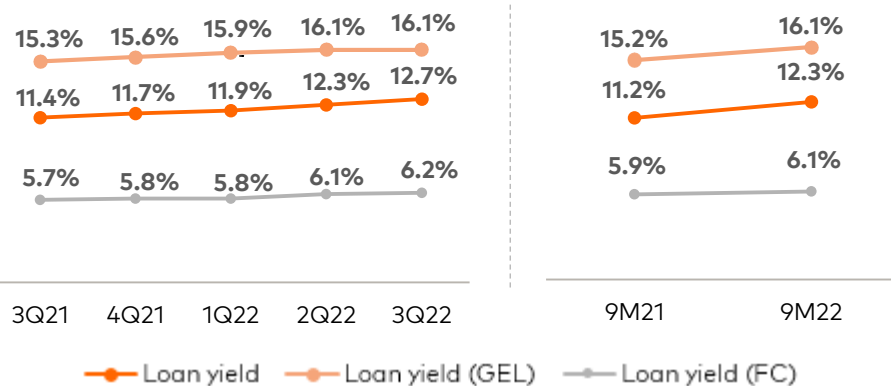
## Loan portfolio



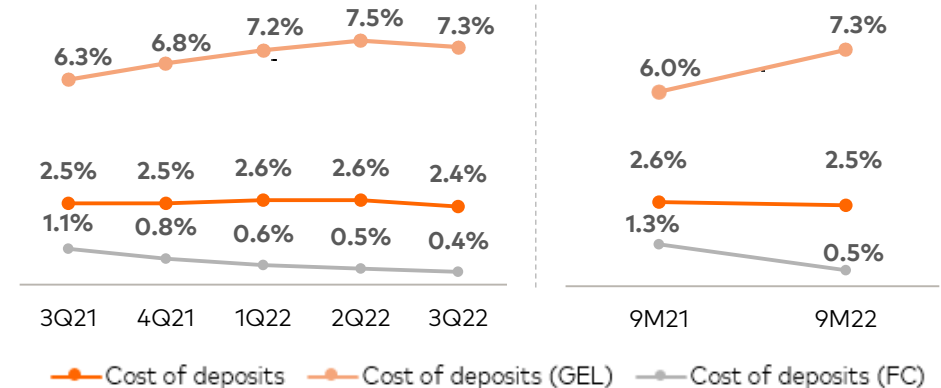
## Deposit portfolio



## Loan yield



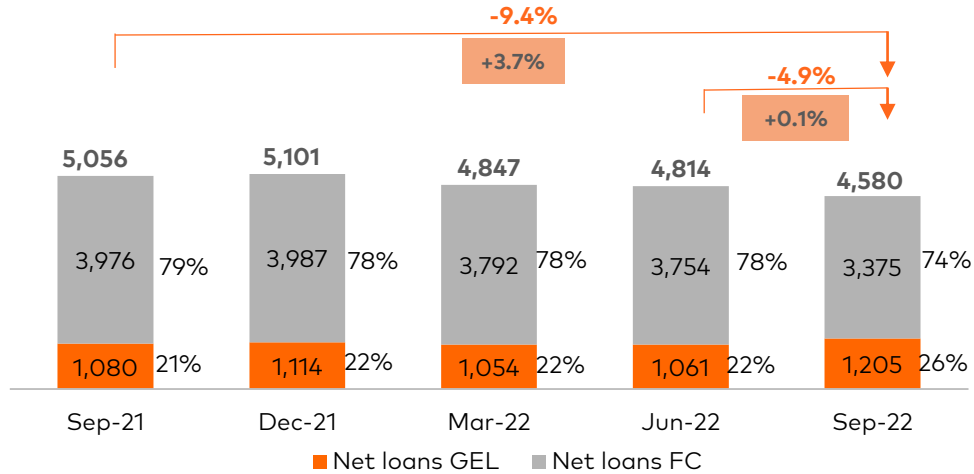
## Cost of deposits



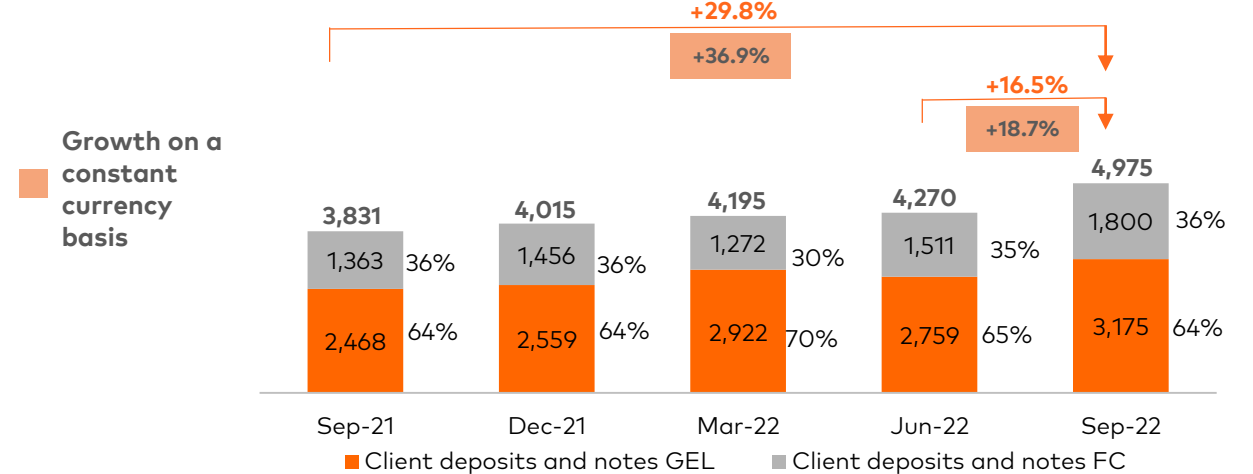
# Corporate and Investment Banking – loan and deposit portfolio

All currency data are in GEL m unless otherwise stated

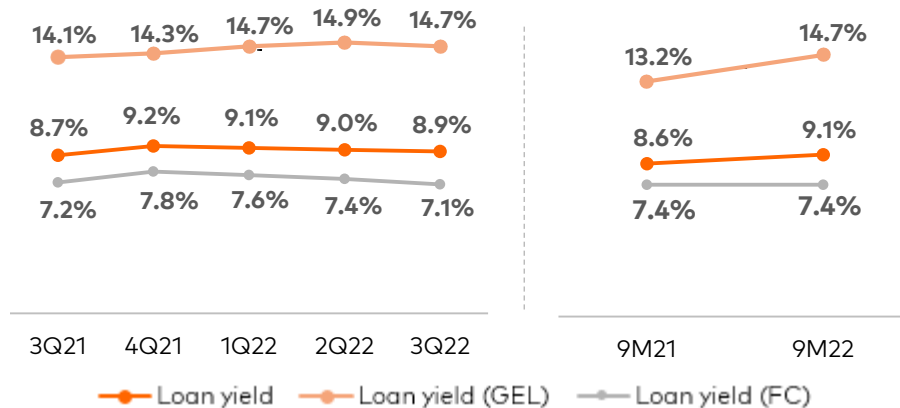
## Loan portfolio



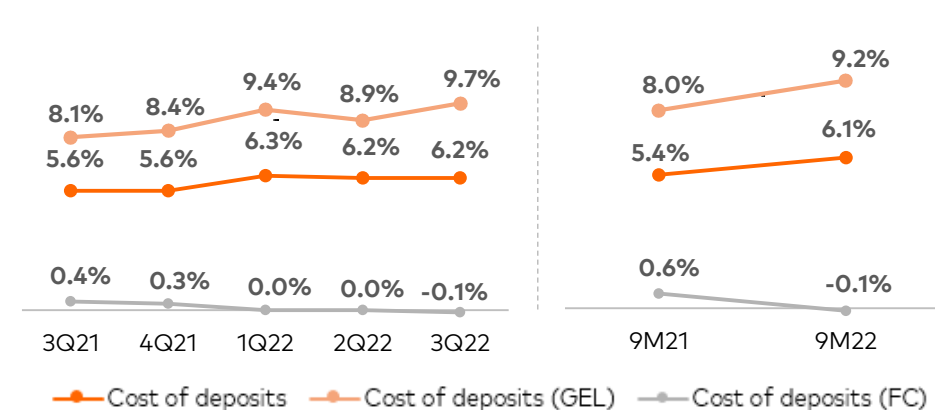
## Deposit portfolio



## Loan yield



## Cost of deposits

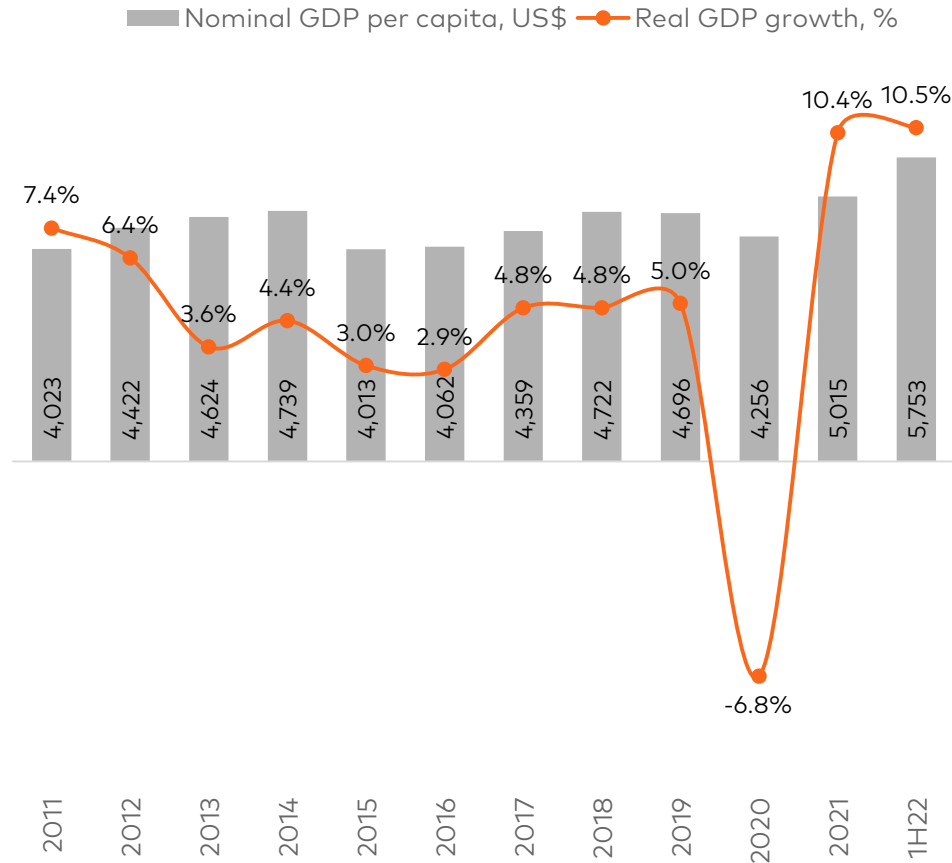


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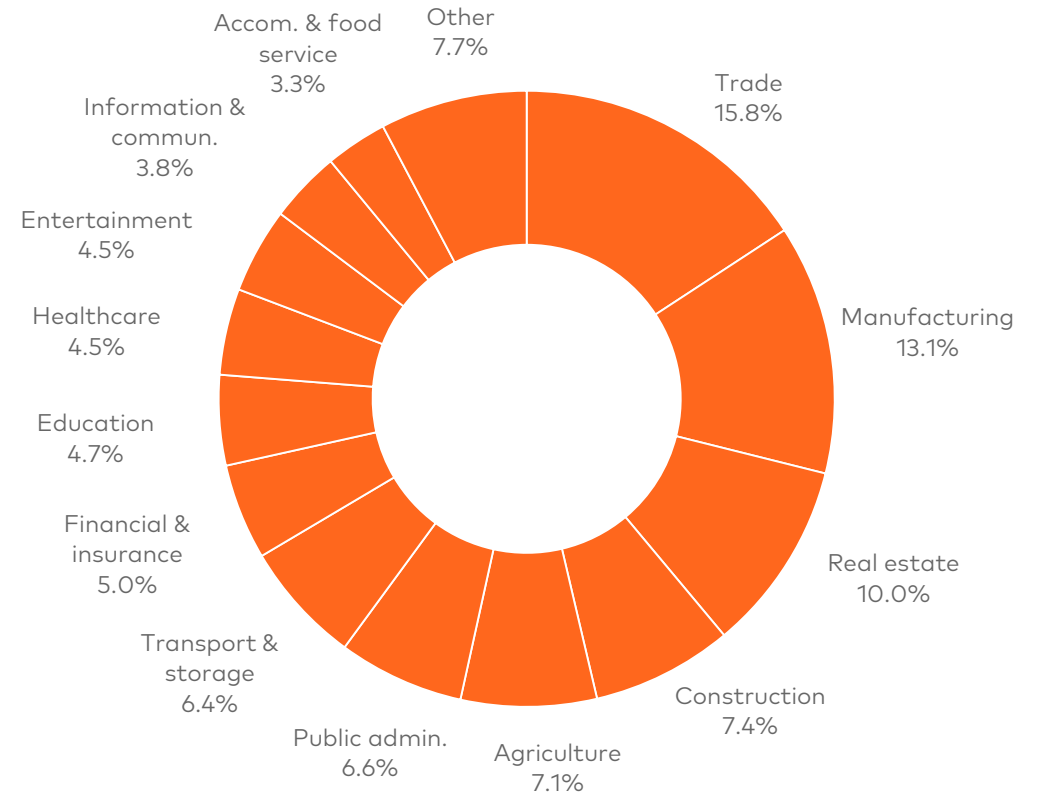
- | MACROECONOMIC HIGHLIGHTS
- | GROUP OVERVIEW AND STRATEGY
- | 3Q22 AND 9M22 RESULTS
- | **APPENDICIES: MACROECONOMIC OVERVIEW**

# Diversified and resilient economy

## Gross domestic product



## Nominal GDP by sector, 1H22

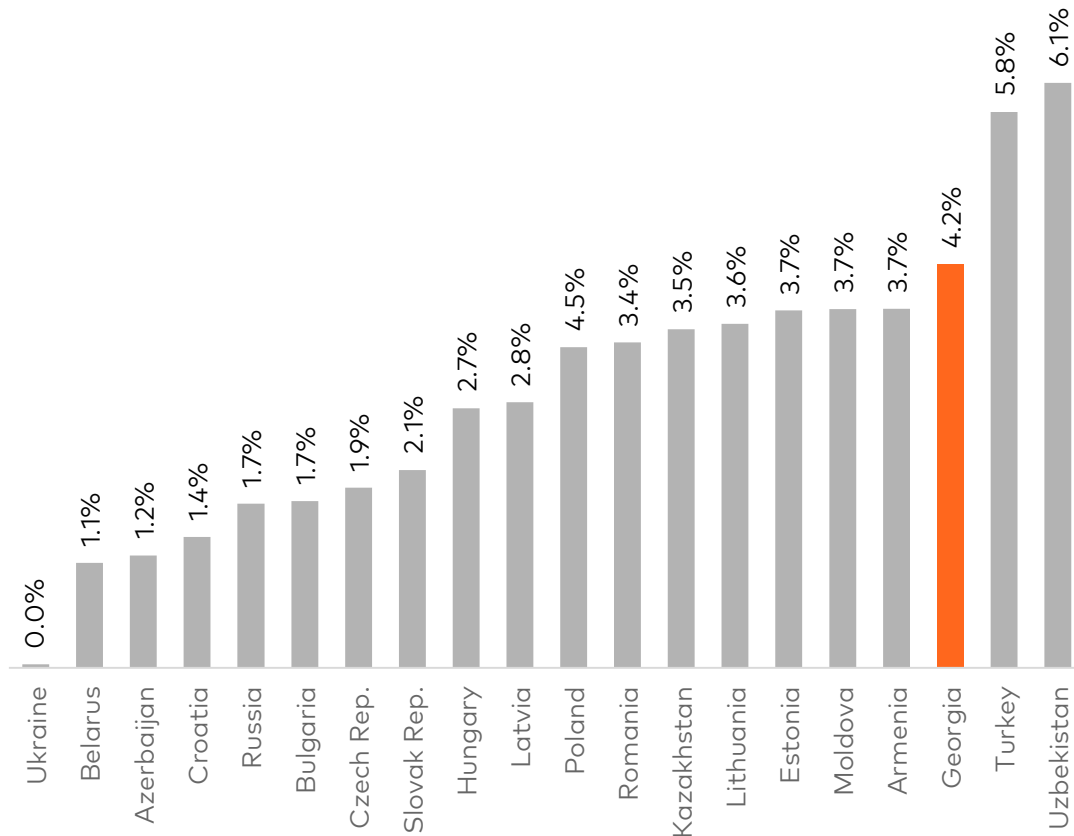


Source: GeoStat

Note: GDP per capita in 1H22 is expressed in annualized terms

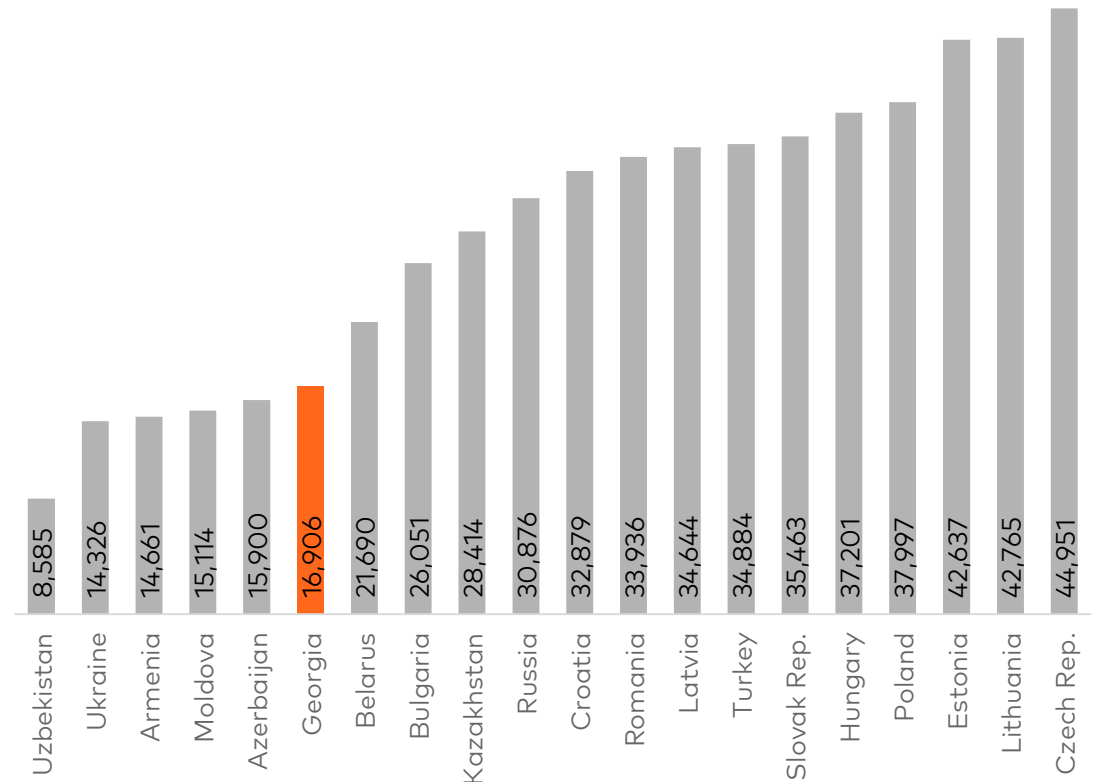
# One of the fastest-growing economies in the region with ample room for further growth

Comparative real GDP growth rates, 2011-2021 average



Source: IMF

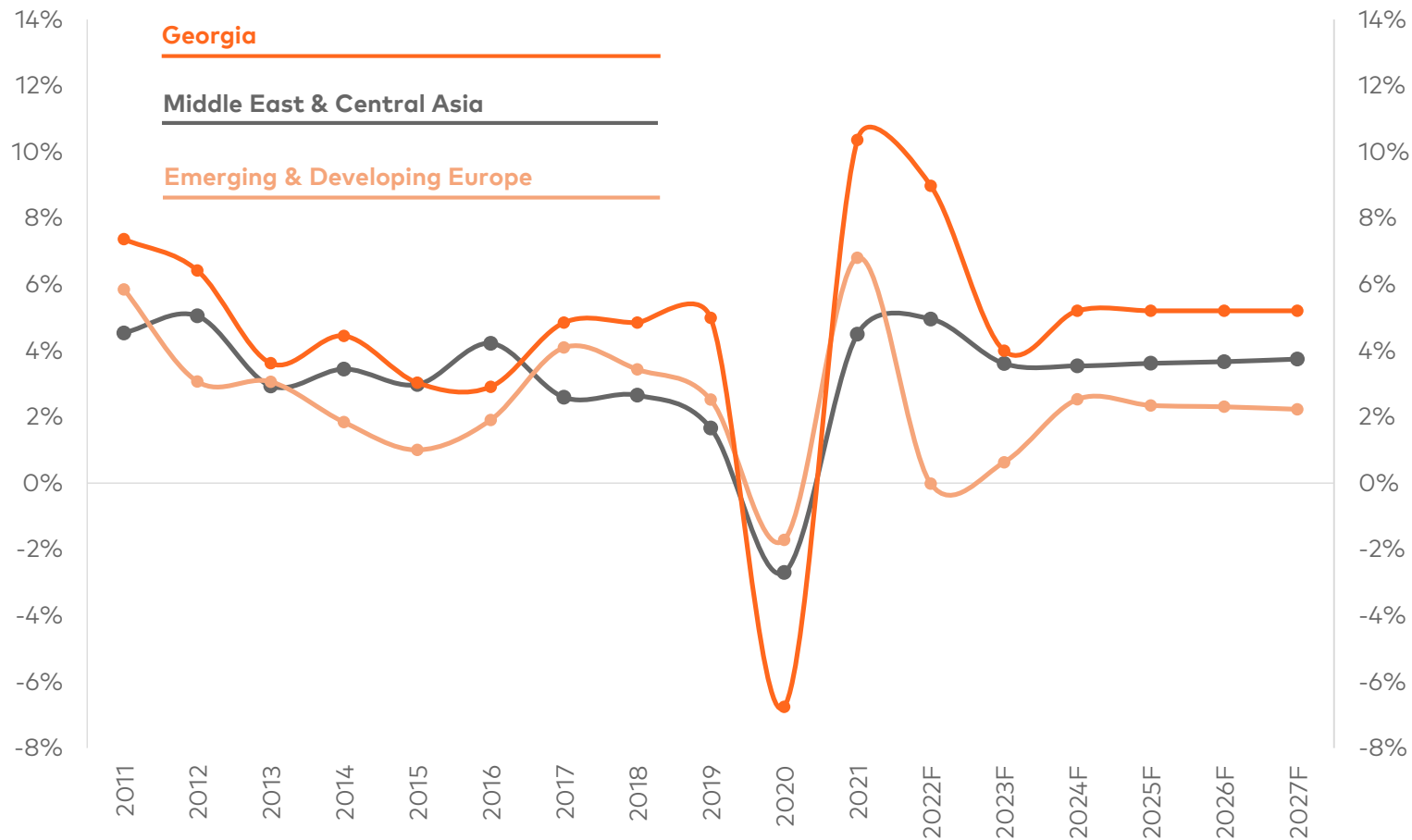
GDP per capita in PPP international dollars, 2021



Source: IMF

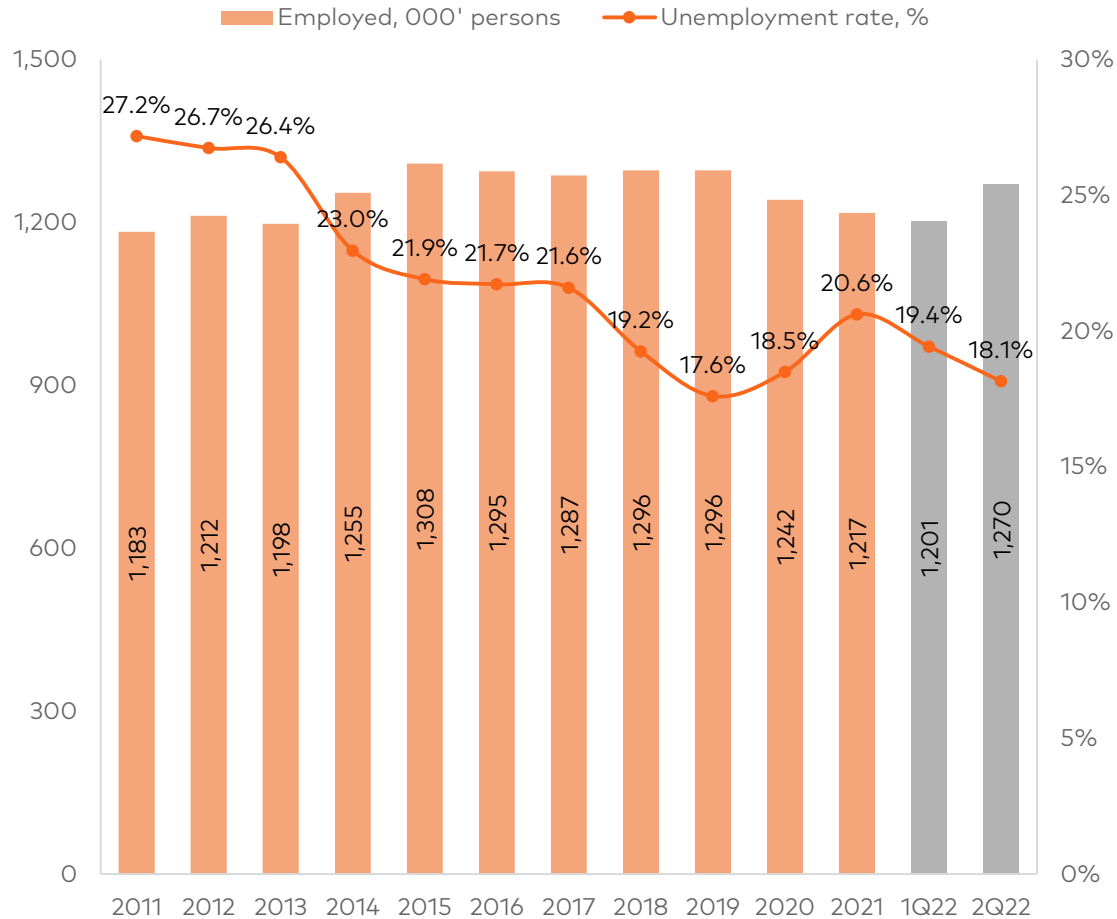
# Positively revised growth outlook amid regional instability

## Real GDP growth forecasts



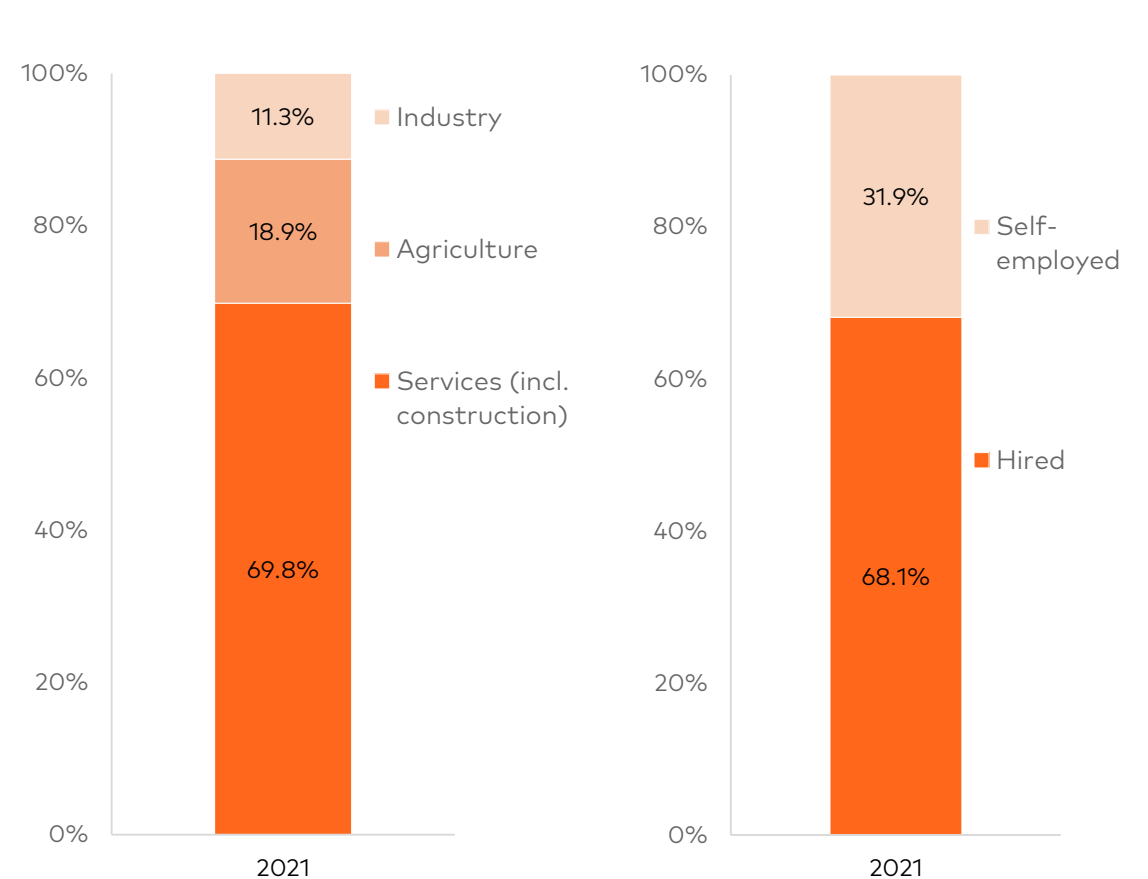
# Unemployment down as the economy opened up

## Employment data



Source: GeoStat

## Composition of employment

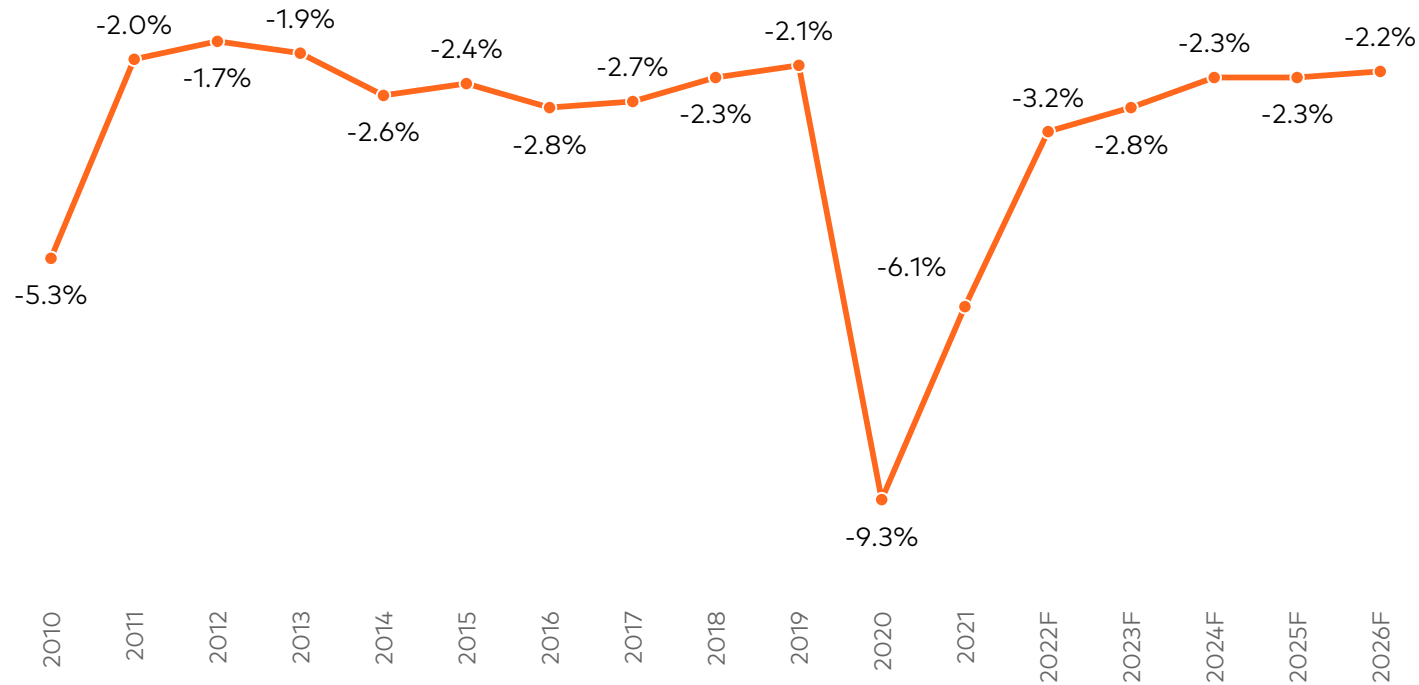


Source: GeoStat



# Improved fiscal parameters on the back of strong economic growth

## Fiscal balance as % of GDP



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

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

## Top 10 shareholders

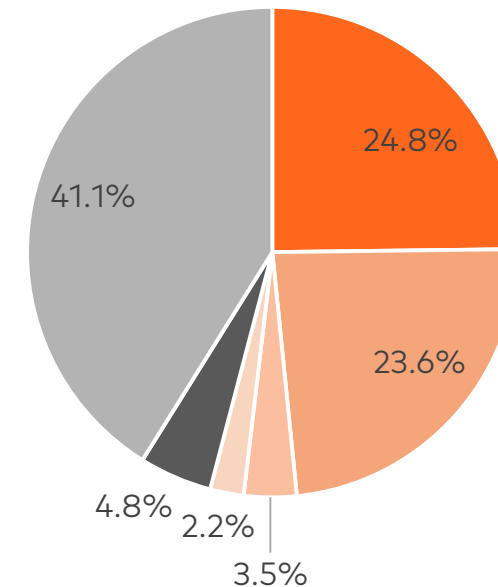
30 September 2022

	Shareholder name	Ownership
1	JSC Georgia Capital*	20.3%
2	M&G Investment Management Ltd	3.8%
3	Dimensional Fund Advisors (DFA) LP	3.7%
4	Van Eck Associates Corporation	3.4%
5	Harding Loevner LP	3.4%
6	Fidelity Investments	3.0%
7	Vanguard Group Inc	3.0%
8	JP Morgan Asset Management (UK) Ltd	2.6%
9	GLG Partners LP	2.5%
10	BlackRock Investment Management (UK)	2.2%

\* Previously, BGEO Group PLC comprised a banking business and an investment business. In 2017 BGEO Group PLC demerged into two separately listed and independently managed public companies – Bank of Georgia Group PLC, the banking business, and Georgia Capital PLC, the investment business. The demerger was completed on 29 May 2018. In 2018 Bank of Georgia Group PLC issued additional 9,784,716 shares to Georgia Capital as part of the demerger. JSC Georgia Capital will exercise its voting rights at the Group's general meetings in accordance with the votes cast by all other Group shareholders as long as JSC Georgia Capital's percentage holding in Bank of Georgia Group PLC is greater than 9.9%.

## Shareholder base by country

30 September 2022



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

\*\* Includes the 20.3% shareholding of JSC Georgia Capital.

# Board of Directors – promoting sustainable value creation



## **Mel Carvill, Independent Non-Executive Chairman**

Experience: formerly Chief Risk Officer, Head of Corporate Finance and M&A, and of Strategic Planning at the Generali Group; Senior Independent Director of Sanne Group plc; President of PPF Partners; Non-Executive Director at Home Credit N.V., Chair of Aviva Life UK.



## **Hanna Loikkanen, Senior Independent Non-Executive Director**

Experience: Non-Executive Director of FinnFund, Non-Executive Director of VEF Ltd; formerly Non-Executive Director of PJSC Rosbank, Senior Executive at East Capital, FIM Group, Nordea Finance and SEB.



## **Véronique McCarroll, Independent Non-Executive Director**

Experience: 30 years of experience in financial services; currently Deputy CEO at Orange Bank. Formerly Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young.



## **Mariam Megvinetukhutsesi, Independent Non-Executive Director**

Experience: 20 years of experience in financial services; formerly Head of Georgia's Investors Council Secretariat, Deputy CEO at TBC Bank, banking appointments at the EBRD.



## **Tamaz Georgadze, Independent Non-Executive Director**

Experience: Executive Director and founder of Raisin GmbH; formerly Partner at McKinsey & Company in Berlin and aide to the President of Georgia.



## **Al Breach, Independent Non-Executive Director**

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



## **Cecil Quillen, Independent Non-Executive Director**

Experience: Partner at Linklaters LLP and leader of the firm's U.S. securities practice, with nearly 30 years of experience working on a broad spectrum of securities and finance matters. Officer of the Securities Law Committee of the International Bar Association.



## **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 and Partner at Ernst & Young.



## **Archil Gachechiladze, Chief Executive Officer**

Experience: with the Group since 2009; originally joined as Deputy CEO, Corporate Banking and has since held various roles including as CFO. Formerly CEO of Georgian Global Utilities (formerly part of BGEO Group PLC). Over 17 years of experience in the financial services.

33%

Female

6

Nationalities

# Diverse and experienced management team creating opportunities



## **Archil Gachechiladze, Chief Executive Officer**

With the Group since 2009, serving in various senior positions, including as Deputy CEO/CB, Deputy CEO/IM, CFO of BGEO Group, Deputy CEO/CIB. Over 20 years of banking and financial services experience locally and internationally, including at Lehman Brothers Private Equity, Salford Equity Partners, KPMG, World Bank, EBRD. Holds an MBA with honors from Cornell University and is a CFA charterholder.



## **Sul Khan Gvalia, Deputy CEO, Chief Financial Officer**

With the Group since 2004, serving in various senior positions, including as Chief Risk Officer and Head of Corporate Banking. Prior to joining the Group, he served as Deputy CEO of TbilUniversalBank. Holds a law degree from Tbilisi State University.



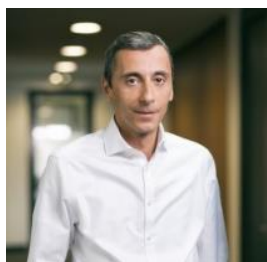
## **Eter (Etuna) Iremadze, Deputy CEO, Premium Banking**

With the Group since 2006, serving in various senior positions, including as Head of SOLO and Head of Blue Chip Corporate Banking Unit. Prior to becoming Head of SOLO, served as Head of Strategic Projects Department in Georgian Global Utilities (formerly part of BGEO Group). Holds an MBA from Grenoble Graduate School of Business.



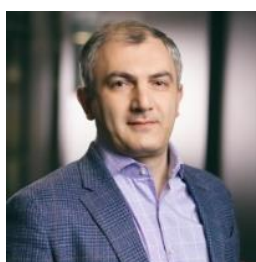
## **David Chkonia, Deputy CEO, Chief Risk Officer**

With the Group since 2021. Mr Chkonia was appointed as Deputy CEO, Chief Risk Officer of JSC Bank of Georgia in September 2022. Previously, held senior positions in local and international organisations, including TBC Bank, BlackRock and PIMCO. Holds a BSc from San Jose State University and an MBA from the Wharton School of the University of Pennsylvania.



## **Mikheil Gomarteli, Deputy CEO, Strategic Projects Direction**

With the Group since 1997, serving in various senior positions. Deputy CEO since 2009, leading the Retail business. Appointed as Director of Strategic Projects Direction of JSC Bank of Georgia in September 2022. Holds an undergraduate degree in economics from Tbilisi State University.



## **Levan Kulijanishvili, Deputy CEO, Operations**

With the Group since 1997. Held various senior positions - Deputy CEO/CFO, Head of Internal Audit, Head of Financial Monitoring, Head of Strategy and Planning, and Head of Financial Analysis. Holds an MBA from Grenoble Graduate School of Business.



## **Zurab Kokosadze, Deputy CEO, Corporate and Investment Banking**

With the Group since 2003, serving in various senior positions, including as Head of Corporate Banking, Deputy Head of Corporate Banking, FMCG sector head. Holds an MBA from Grenoble Graduate School of Business.



## **David Davitashvili, Deputy CEO, Data Analytics and Information Technology**

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

# Diverse and experienced management team creating opportunities



**Ana Kostava, Chief Legal Officer**

With the Group since 2018. Prior to her recent appointment, served as Chief Legal Officer of the Bank under the direct supervision of the Deputy CEO, Chief Risk Officer, since June 2020. Before joining the Bank, held various positions in local and international companies. Ms Kostava is an Associate Lecturer at Free University of Tbilisi. Holds an LLM from the University of Cambridge.



**Elene Okromchedlishvili, Head of Human Capital**

With the Group since 2017. Prior to her recent appointment, served as Head of Business Processes, Lean Transformation and Transactions. Previously, held various positions - Head of IFRS Reporting Unit and Head of Operational Efficiency and Cost management Unit. Holds a bachelor's degree in business administration from Free University of Tbilisi and an MBA from IE Business School.



**Levan Kobakhidze, Chief Digital Officer**

With the Group since 2018. Prior to joining the Bank, held various positions, including as Chief Digital Officer at a telecommunications company and as head of business development at a venture capital firm. Holds an undergraduate and master's degrees from Tbilisi State University and an master's degree in global strategy and leadership from Hult International Business School.



**Andro Ratiani, CEO of Digital Area**

With the Group since 2018. Previously, Head of Innovations at Bank of Georgia. Broad experience in various global companies, including UBS AG Investment & Wealth Management Bank in New York, Wells Fargo, and IHS Markit. Holds an master's degree in technology management from Columbia University.



**Nutsa Gogilashvili, Head of Mass Retail and Micro Business Banking**

With the Group since 2016. Prior to her recent appointment, served as Head of Customer Experience and Human Capital Management. Prior to joining the Group, held various senior positions in local and international financial institutions. Holds an MSc in Finance from Bayes Business School in London.



**Zurab Masurashvili, Head of SME Business Banking**

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



**Levan Gomshiashvili, Chief Marketing Officer**

With the Group since 2019. Founder of HOLMES&WATSON, a creative agency, where he served as Account Manager for clients in banking and other sectors. Founder of Tbilisi School of Communication. Started his career at the Georgian Railway, covering advertising and project management. Holds an MSc in Management from the University of Edinburgh.

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# Income statement highlights

<i>GEL thousands</i>	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
<b>INCOME STATEMENT HIGHLIGHTS</b>								
Net interest income	295,071	243,289	21.3%	281,170	4.9%	847,691	683,869	24.0%
Net fee and commission income	79,662	62,476	27.5%	81,065	-1.7%	219,559	168,332	30.4%
Net foreign currency gain	150,686	33,346	351.9%	125,528	20.0%	340,699	74,604	356.7%
Net other income	1,092	8,706	-87.5%	7,087	-84.6%	9,162	59,627	-84.6%
<b>Operating income</b>	<b>526,511</b>	<b>347,817</b>	<b>51.4%</b>	<b>494,850</b>	<b>6.4%</b>	<b>1,417,111</b>	<b>986,432</b>	<b>43.7%</b>
<b>Operating expenses</b>	<b>(160,870)</b>	<b>(128,002)</b>	<b>25.7%</b>	<b>(160,899)</b>	<b>0.0%</b>	<b>(460,125)</b>	<b>(357,179)</b>	<b>28.8%</b>
(Loss) / profit from associates	250	223	12.1%	250	0.0%	626	(3,909)	NMF
<b>Operating income before cost of risk</b>	<b>365,891</b>	<b>220,038</b>	<b>66.3%</b>	<b>334,201</b>	<b>9.5%</b>	<b>957,612</b>	<b>625,344</b>	<b>53.1%</b>
Cost of risk	(48,048)	(13,584)	NMF	(25,911)	85.4%	(66,392)	(43,669)	52.0%
<b>Net operating income before non-recurring items</b>	<b>317,843</b>	<b>206,454</b>	<b>54.0%</b>	<b>308,290</b>	<b>3.1%</b>	<b>891,220</b>	<b>581,675</b>	<b>53.2%</b>
Net non-recurring items	428	(479)	NMF	232	84.5%	708	(528)	NMF
<b>Profit before income tax</b>	<b>318,271</b>	<b>205,975</b>	<b>54.5%</b>	<b>308,522</b>	<b>3.2%</b>	<b>891,928</b>	<b>581,147</b>	<b>53.5%</b>
Income tax expense	(28,053)	(20,671)	35.7%	(33,036)	-15.1%	(85,653)	(54,749)	56.4%
<b>Profit</b>	<b>290,218</b>	<b>185,304</b>	<b>56.6%</b>	<b>275,486</b>	<b>5.3%</b>	<b>806,275</b>	<b>526,398</b>	<b>53.2%</b>



# Balance sheet highlights

<i>GEL thousands</i>	Sep-22	Sep-21	Change y-o-y	Jun-22	Change q-o-q
<b>BALANCE SHEET HIGHLIGHTS</b>					
Liquid assets	9,486,712	5,461,809	73.7%	7,815,396	21.4%
<i>Cash and cash equivalents</i>	2,773,069	1,274,079	117.7%	2,834,950	-2.2%
<i>Amounts due from credit institutions</i>	2,406,119	1,904,747	26.3%	1,766,529	36.2%
<i>Investment securities</i>	4,307,524	2,282,983	88.7%	3,213,917	34.0%
Loans to customers and finance lease receivables	16,162,942	15,579,496	3.7%	16,299,630	-0.8%
Property and equipment	400,874	377,287	6.3%	389,855	2.8%
<b>Total assets</b>	<b>26,988,984</b>	<b>22,210,552</b>	<b>21.5%</b>	<b>25,364,541</b>	<b>6.4%</b>
Client deposits and notes	17,193,088	13,312,965	29.1%	15,100,061	13.9%
Amounts owed to credit institutions	4,937,760	4,037,523	22.3%	5,019,370	-1.6%
<i>Borrowings from DFIs</i>	1,940,822	1,940,614	0.0%	1,960,874	-1.0%
<i>Short-term loans from central banks</i>	2,060,324	1,378,000	49.5%	2,242,322	-8.1%
<i>Loans and deposits from commercial banks</i>	936,614	718,909	30.3%	816,174	14.8%
Debt securities issued	774,152	1,537,593	-49.7%	1,299,986	-40.4%
<b>Total liabilities</b>	<b>23,375,621</b>	<b>19,302,798</b>	<b>21.1%</b>	<b>21,931,894</b>	<b>6.6%</b>
<b>Total equity</b>	<b>3,613,363</b>	<b>2,907,754</b>	<b>24.3%</b>	<b>3,432,647</b>	<b>5.3%</b>

# Key ratios

<b>KEY RATIOS</b>	<b>3Q22</b>	<b>3Q21</b>	<b>2Q22</b>	<b>9M22</b>	<b>9M21</b>
ROAA	4.4%	3.3%	4.5%	4.3%	3.2%
ROAE	32.4%	25.7%	32.8%	32.0%	25.7%
Net interest margin	5.3%	5.0%	5.3%	5.3%	4.8%
Liquid assets yield	4.2%	3.6%	4.4%	4.3%	3.4%
Loan yield	11.6%	10.6%	11.4%	11.4%	10.4%
Cost of funds	4.9%	4.7%	5.2%	5.0%	4.6%
Cost / income	30.6%	36.8%	32.5%	32.5%	36.2%
NPLs to gross loans to clients	2.4%	2.6%	2.6%	2.4%	2.6%
NPL coverage ratio	89.4%	90.9%	89.6%	89.4%	90.9%
NPL coverage ratio, adjusted for discounted value of collateral	138.0%	140.9%	138.0%	138.0%	140.9%
Cost of credit risk ratio	1.0%	0.2%	0.6%	0.8%	0.1%
NBG (Basel III) CET1 capital adequacy ratio	14.8%	12.8%	14.0%	14.8%	12.8%
<i>Minimum regulatory requirement</i>	<i>11.6%</i>	<i>11.0%</i>	<i>11.7%</i>	<i>11.6%</i>	<i>11.0%</i>
NBG (Basel III) Tier I capital adequacy ratio	17.0%	14.6%	16.4%	17.0%	14.6%
<i>Minimum regulatory requirement</i>	<i>13.8%</i>	<i>13.2%</i>	<i>14.0%</i>	<i>13.8%</i>	<i>13.2%</i>
NBG (Basel III) Total capital adequacy ratio	20.3%	19.2%	19.8%	20.3%	19.2%
<i>Minimum regulatory requirement</i>	<i>17.2%</i>	<i>17.3%</i>	<i>17.5%</i>	<i>17.2%</i>	<i>17.3%</i>

# Definitions

- **Cost of funds** Interest expense of the period divided by monthly average interest bearing liabilities;
- **Cost of deposits** Interest expense on client deposits and notes of the period divided by monthly average client deposits and notes
- **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 the NBG) divided by net cash outflows over the next 30 days (as defined by the 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 Tier1 capital adequacy ratio** Common Equity Tier1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia;
- **NBG (Basel III) Tier1 capital adequacy ratio** Tier1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia;
- **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;
- **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 the NBG) divided by the required amount of stable funding (as defined by the 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

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## Stock Listing

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Ticker: "BGEO.LN"

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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.

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## Share price information

Shareholders can access both the latest and historical prices via the website, [www.bankofgeorgiagroup.com](http://www.bankofgeorgiagroup.com)