



BANK OF GEORGIA
GROUP PLC

INVESTOR PRESENTATION

4Q20 and FY20 Financial Results

25 February 2021

www.bankofgeorgiagroup.com



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.

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

 **GROUP OVERVIEW AND STRATEGY**

 **4Q20 AND FY20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

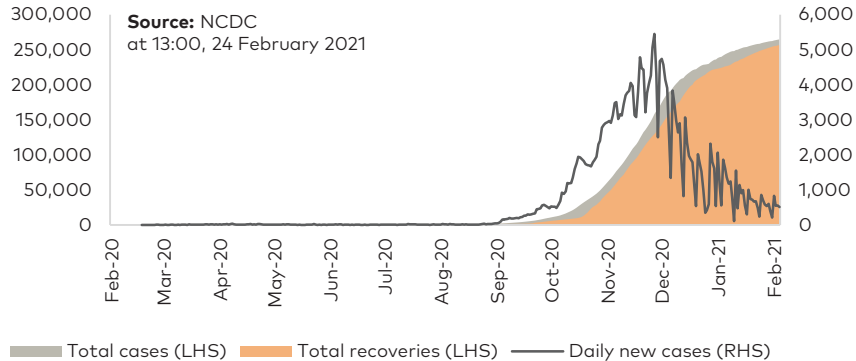
 **APPENDICES**

VIRUS CASES REDUCING AND GOVERNMENT GRADUALLY LIFTING RESTRICTIONS

GOVERNMENT SAFETY MEASURES

- Georgia was among the first countries to introduce strict virus containment measures, including border closures, curfew, ban on transportation, quarantines, nonessential business closures, among others.
- The swift response helped to limit the spread of the virus in 1H20, but the surge in virus cases in autumn 2020 prompted for a partial second-round lockdown in December 2020 – January 2021.
- Government started gradually lifting restrictions from 1 February 2021 and resumed flights to a number of countries. Considering vaccination roll-out and reduced virus cases, a full-scale reopening of the economy is expected in early-spring of 2021.
- 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, PERSONS



COVID-19 STATISTICS IN GEORGIA

Source: www.stopcov.ge at 13:00, 24 February 2021

269,438
Confirmed cases

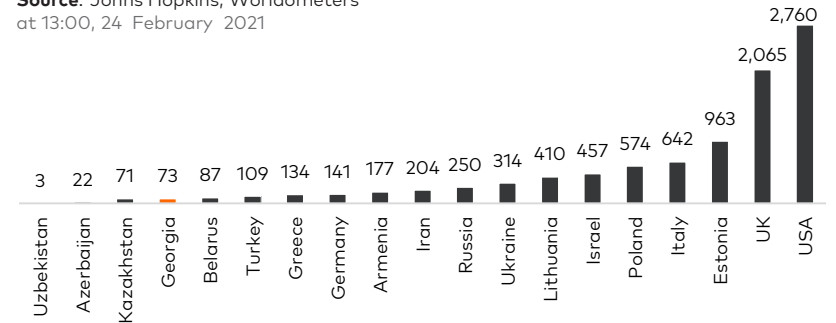
2,718
Active cases

263,257
Recovered

1,600
Under hospital supervision

COVID-19 ACTIVE CASES PER 100,000 PERSONS

Source: Johns Hopkins, Worldometers at 13:00, 24 February 2021



FISCAL STIMULUS

- The Government implemented a series of support measures designed to mitigate the negative economic impact of the COVID-19 pandemic
- Fiscal stimulus for affected businesses and households stood at **c.4.0% of GDP in 2020**. 2021 budget also targets continuation of various stimulus measures of **2.1% of GDP in the first half of 2021**
- Support measures combine health-related spending, transfers to households, and support to SMEs and businesses in the hard-hit sectors
- Strong donor support was more than sufficient to meet the COVID-19-related fiscal needs in 2020 - **US\$ 1.7 billion donor financing for public sector**

GOVERNMENT SUPPORT IN RELATION TO PARTIAL SECOND-ROUND LOCKDOWN (DEC-20 – 1H21)

Business support measures	GEL 515mln
Personal income tax exemptions	260
Property tax exemptions for the tourism sector	45
Tax write-offs	20
Loan interest subsidies for tourism sector	50
Micro grant programme	40
Credit guarantee fund	100
Support to households	GEL 545mln
Utility subsidies	270
Compensation for private sector employees who lost jobs	150
Compensation for self-employed who lost jobs	30
Transfers to vulnerable families	70
Transfers to disabled persons	27

Source: www.stopcov.ge

Note: Preliminary allocations for particular measures. Actual figures may differ from the planned amounts.

In March 2020, the NBG introduced an updated Supervisory Plan for the banking sector aimed at alleviating the negative financial and economic challenges created by the 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, and to support the economy through ongoing lending operations.

CAPITAL ADEQUACY INITIATIVES

- Combined buffer - the conservation buffer requirement of 2.5% of risk-weighted assets 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, 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

COVID-19 GENERAL LOAN LOSS PROVISIONING

- 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. The NBG considered the banking system capital ratios to be sufficiently in excess of the expected minimum capital requirements, to be able to absorb the 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, the NBG temporarily cancelled the 75% LCR requirement for local currency for a one-year period, or until further communicated by the NBG
- Mandatory reserve requirements may be revisited and reduced, if necessary
- The eligibility criteria for repo-eligible securities has already been extended by the NBG and may be revisited further, if necessary, to support the local currency liquidity

OTHER INITIATIVES

- The 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 the NBG. This does not apply to regulations with regard to open banking, XBRL reporting and resolution framework

The Group has introduced a number of resilience protocols and a comprehensive Business Continuity Plan, which focused on four main pillars: Operating continuity (customers and employees), supporting public health and communities, abundant liquidity, and strength of capital.

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

SUPPORTING PUBLIC HEALTH

- Donated 20,000 PCR tests, ten ventilators, 50,000 face masks and 60,000 gloves to the Georgian Government
- Implemented maximum safety measures in our branches

STRENGTH OF CAPITAL

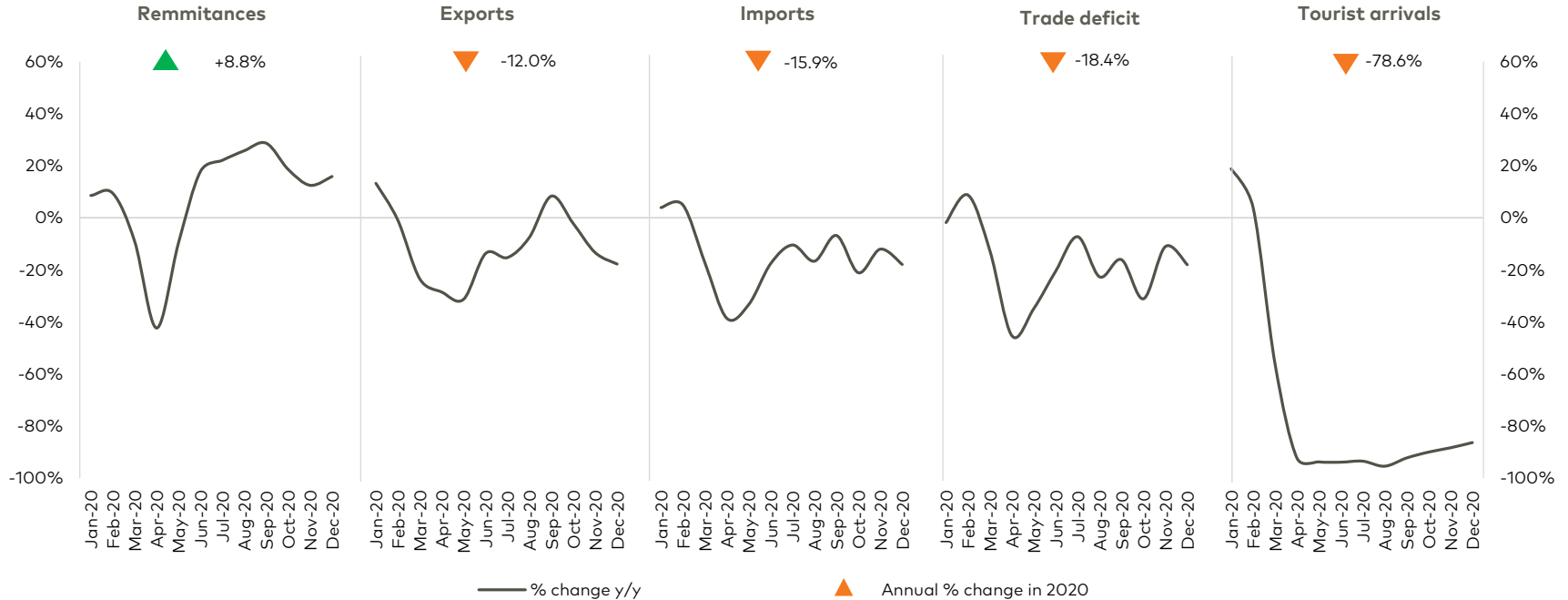
- **Upfront provision of c.GEL 400 million for the full economic cycle**
- **Strong internal capital generation**
- **Strengthening capital position through Tier 2 instruments:** The Bank drew-down a \$55 million second tranche of a Tier 2 capital instrument initially arranged in December 2019
- **Dividends:**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

ABUNDANT LIQUIDITY

- **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 2020
- Maintaining high liquidity given COVID-19-related uncertainty

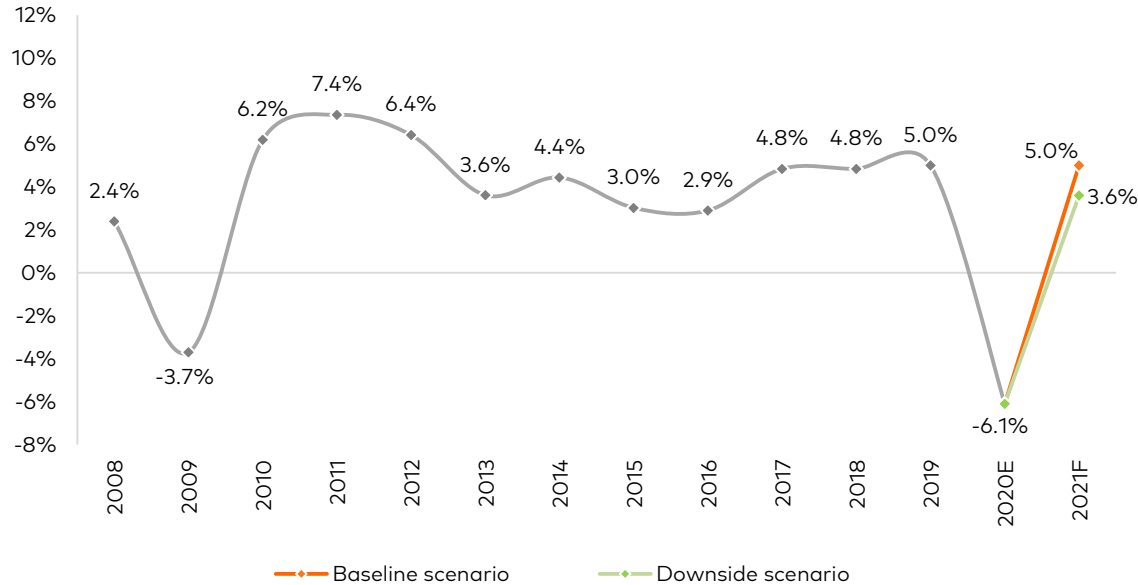
RECOVERY REVERSED IN 4Q20 AS THE COUNTRY IMPOSED 2ND PARTIAL LOCKDOWN

Source: Geostat, NBG, GNTA



GEORGIA'S ECONOMIC GROWTH FORECAST

Source: Geostat, Galt & Taggart



- Our brokerage and investment arm, Galt & Taggart's forecast:
 - Baseline scenario** – Georgia's economy expected to rebound to **5.0% growth in 2021**, assuming gradual recovery in tourism from the second half of 2021
 - Downside scenario** – Georgia's economy expected to rebound to **3.6% growth in 2021**, assuming slow recovery in tourism
- International Monetary Fund (IMF) expects Georgia's real GDP to grow by 4.3% in 2021 (forecast as of December 2020)
- National Bank of Georgia forecasts real GDP growth to be at 4.0% in 2021 (forecast as of February 2021)
- According to Fitch Rating's projection, Georgia's real GDP growth is expected at 4.3% in 2021 (forecast as of February 2021)

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BANK OF GEORGIA
GROUP PLC

RETAIL BANKING

Mass Retail

SOLO

MSME

CORPORATE AND INVESTMENT BANKING

Corporate Banking

WM and Investment Banking



BANK IN BELARUS

BANK OF GEORGIA'S CREDIT RATINGS

Agency	Rating	Outlook
MOODY'S	Ba3/Ba2	Stable
FitchRatings	BB-	Negative

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:
 - c.40% market share in deposits of individuals
 - Most trusted bank in Georgia*
- Leader in payments and financial mobile app:
 - 49% BOG share in number of transactions in POS terminals
 - c.6mln transactions in mobile app per month
 - Strong digital offloading of customer activity to digital channels - more than 95% of the daily transactions of individuals are executed through digital channels
- Sustainable high profitability with average ROAE of more than 20% over the last four years (Pre-COVID-19)
- 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 Fall 2020 external research by IPM Georgia



TOP SHAREHOLDERS

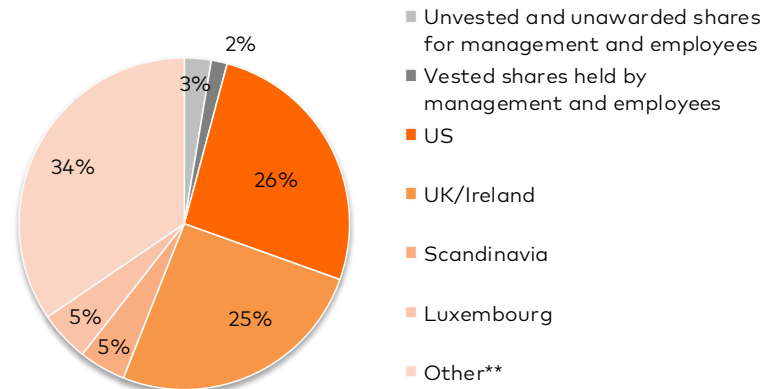
As of 31 Dec 2020

Rank	Shareholder name	Ownership
1	JSC Georgia Capital*	19.90%
2	Fidelity Investments	6.15%
3	Harding Loevner LP	4.50%
4	Van Eck Associates Corporation	3.26%
5	Dimensional Fund Advisors (DFA) LP	3.04%
6	Prosperity Capital Management Ltd	2.80%
7	Norges Bank Investment Management	2.56%
8	Standard Life Investments	2.14%
9	Vanguard Group Inc	2.09%
10	Firebird Management LLC	1.83%

* 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%

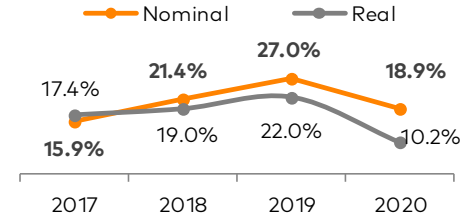
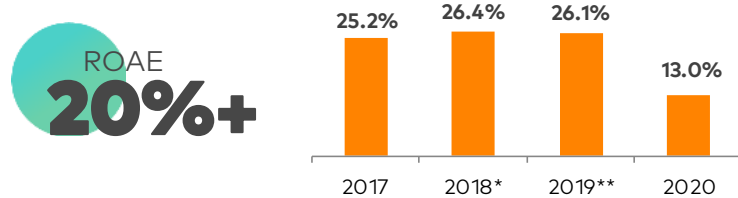
SHAREHOLDER STRUCTURE

As of 31 Dec 2020



** Includes 19.9% shareholding of JSC Georgia Capital

Key medium-term targets remain unchanged

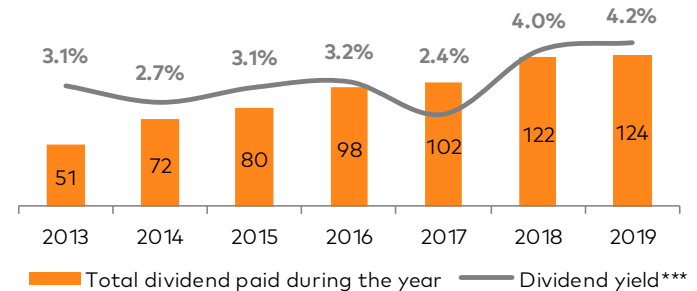


ROBUST CAPITAL MANAGEMENT TRACK RECORD

- **Capital position:** aiming 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. Resuming dividend payout depends on new capital requirements schedule to be released by the NBG
- **GEL 648mln+** cash dividend paid during 2013-2019, within the **targeted payout range**

REGULAR DIVIDENDS

GEL MILLIONS

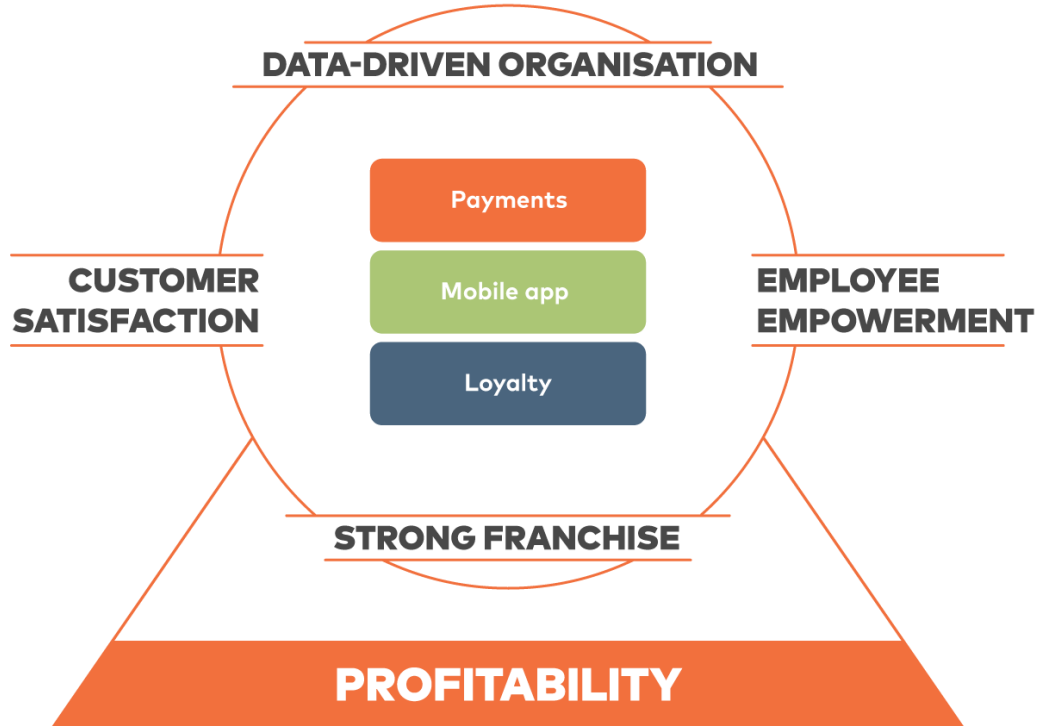


* Adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, GEL 30.3mln one-off impact of re-measurement of deferred tax balances and GEL 3.9mln (net of income tax) termination costs of the former CEO

** 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

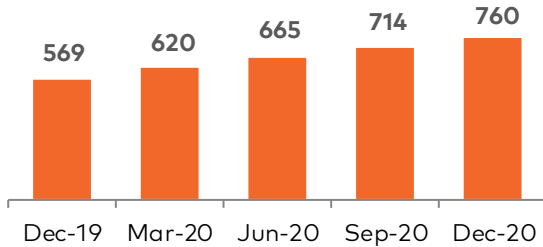
BANK OF THE FUTURE



MBANK/IBANK STATISTICS

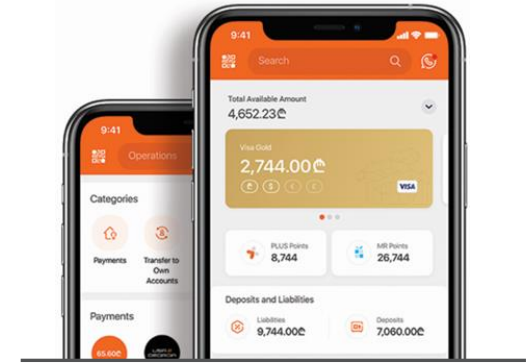
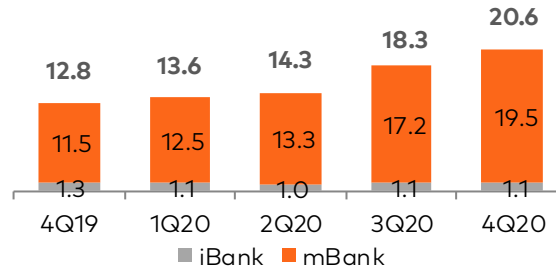
Number of Active Users*

THOUSANDS



Number of transactions

MILLIONS



c.6min
Transactions per month

84.8%
Customer Satisfaction Score



★★★★★ 4.8



★★★★★ 4.7

39.2%

Daily active users/monthly active users

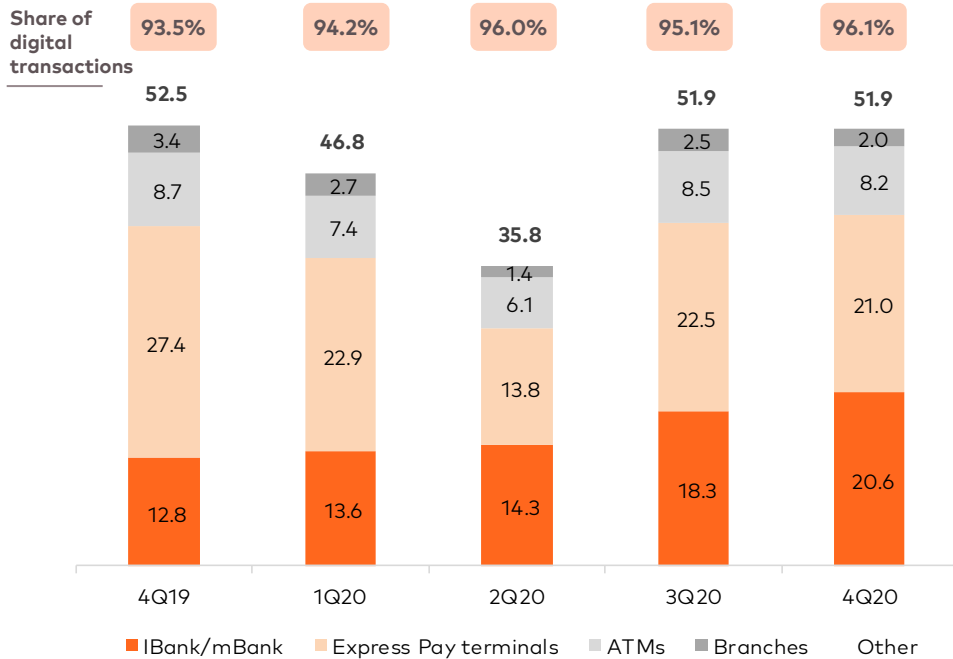
**NEXT STEPS:
BUILDING THE
GO-TO MOBILE APP**

*Active user – at least one login in the past three months

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

NUMBER OF TRANSACTIONS

MILLIONS



c.760k

mBank/iBank active users**
 +33.6% y-o-y
 +6.4% q-o-q

3,020

Express Pay terminals
 -6.1% y-o-y
 -3.5% q-o-q

960

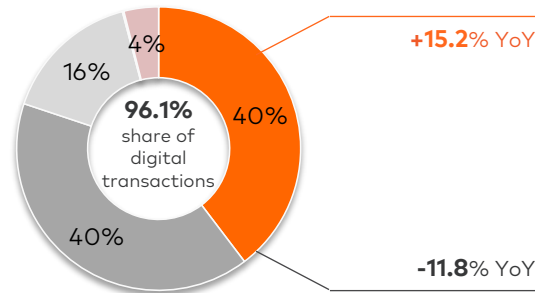
ATMs
 +2.9% y-o-y
 +1.4% q-o-q

206

Branches
 -22.8% y-o-y
 Flat q-o-q

Transactions breakdown by channel | 4Q20

- mBank/iBank
- Express pay terminals
- ATMs
- Other
- Branches

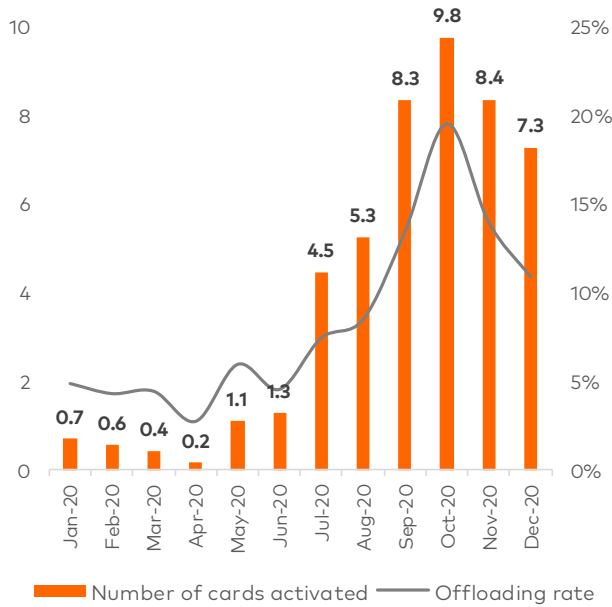


* Information on this slide depicts the usage of channels by individual customers
 ** The users that log-in in internet and mobile bank at least once in three months

Continuous migration of customers activity to mBank and iBank from Express pay terminals

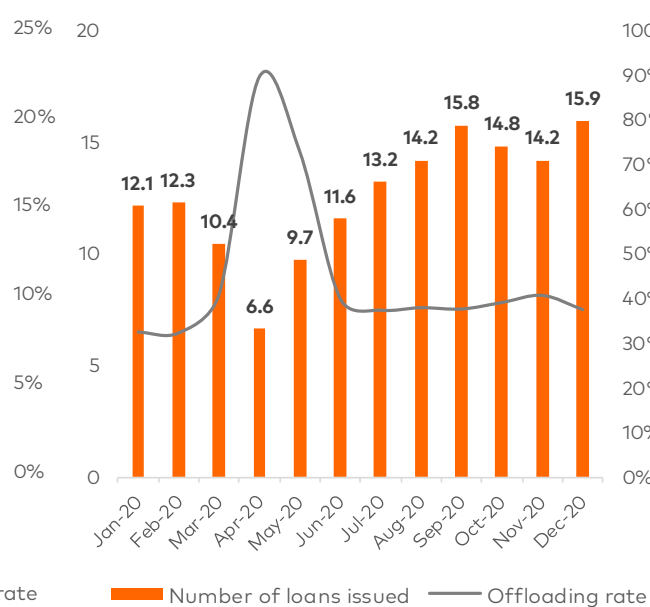
CARDS

THOUSANDS



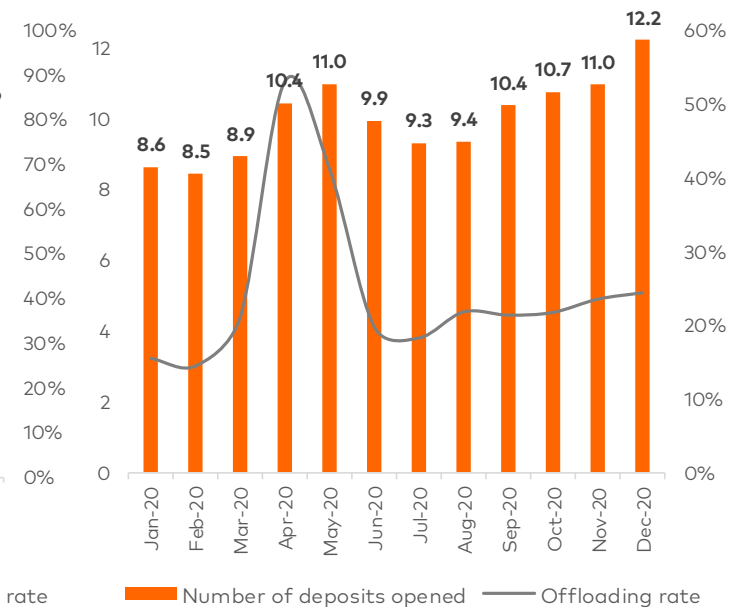
LOANS

THOUSANDS



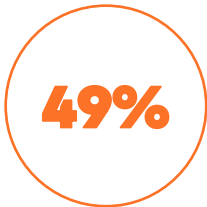
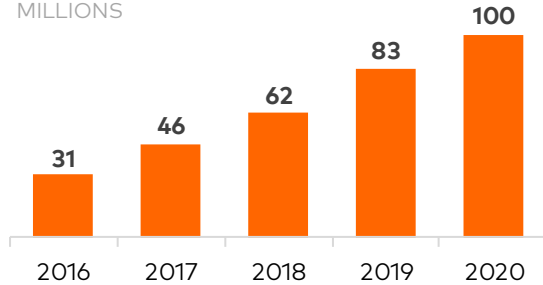
DEPOSITS

THOUSANDS



NUMBER OF PAYMENT TRANSACTIONS AT BOG TERMINALS

MILLIONS

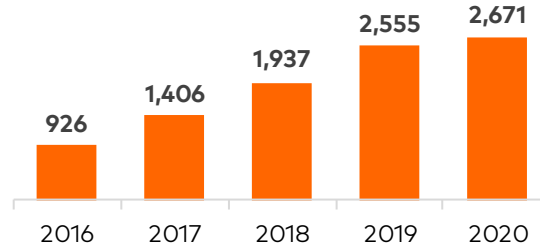


Market share by number of transactions in POS terminals 2020*

+2% YoY

VOLUME OF PAYMENT TRANSACTIONS AT BOG TERMINALS

GEL MILLIONS



Market share by volume of transactions in POS terminals 2020*

+1% YoY

c.23k

Multifunctional POS terminals

c.2.4mln

Mass Retail and SOLO customers

* Based on the National Bank of Georgia and Bank of Georgia data for 2020

MARKET POTENTIAL

c. 1.3 mln

Georgians living abroad in need of daily banking services

US\$ 1.9 bln

Forecast to be transferred in 2020 (US\$ 1.75bln in 2019)

c.350 k

Customers with high potential for loans and deposits*

350k

Active customers

GEL1.7bln

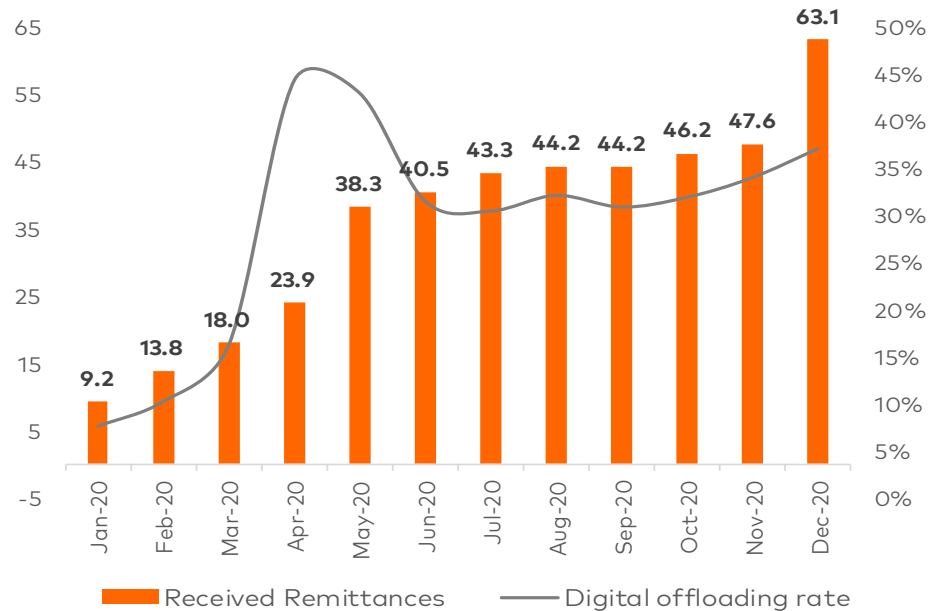
Loan portfolio

GEL1.5 bln

Deposit portfolio

RECEIVED REMITTANCES AT BOG

THOUSANDS



* More than three transfers in the last 12 months

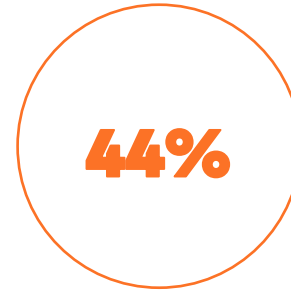
PLUS LOYALTY PROGRAMME – ONE OF THE STRENGTHS OF BANKS OF GEORGIA



active Loyalty programme members*



loyalty points exchange operations per month



average increase in sales volume during merchant campaigns

ADVANCED ANALYTICS

for partner merchants

PERSONALISED

campaigns

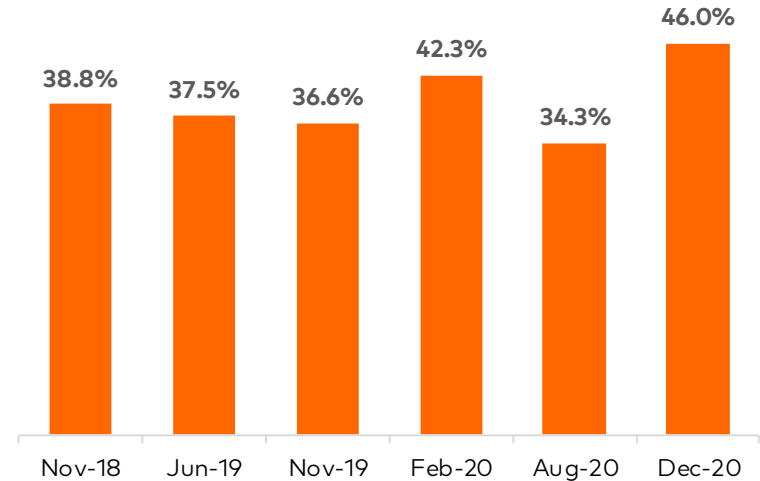
* Members with at least one active product

FOCUSE ON INCREASING CUSTOMER SATISFACTION BY

- 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 **seamless customer experiences**



NPS



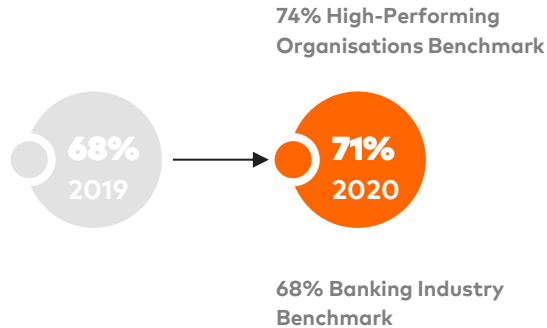
Re-design of employee experiences

New talent development strategy

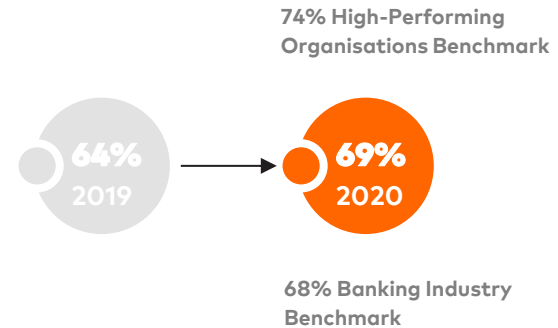
High-trust environment

Values-based organisation

Employees feel more engaged

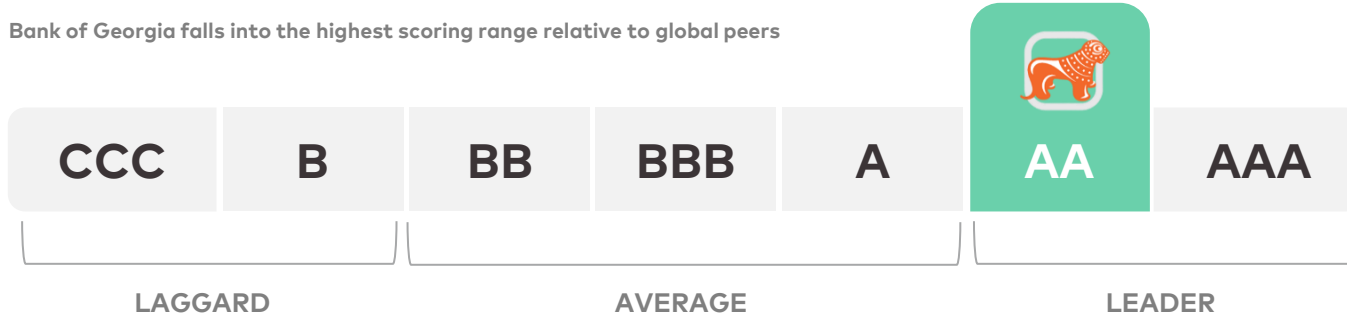


and enabled





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 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 1 JAN 2021.



DATA CULTURE

Data culture is decision culture



DATA IN BANKING

Use of analytics for the majority of decisions in business processes



DATA BEYOND BANKING

Use of analytics for data monetisation and to create additional value for customers, the Bank, and the ecosystem

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ROAE

4Q20

2020

21.3% | **13.0%**

Loan growth

31 Dec 2020

+18.9% y-o-y

+4.1% q-o-q

Deposit growth

31 Dec 2020

+39.1% y-o-y

+8.0% q-o-q

CET 1 capital adequacy

31 Dec 2020

10.4%

Minimum requirement – 7.4%

Liquidity coverage ratio

31 Dec 2020

138.6%

Minimum requirement – 100%

Cost of credit risk

4Q20

2020

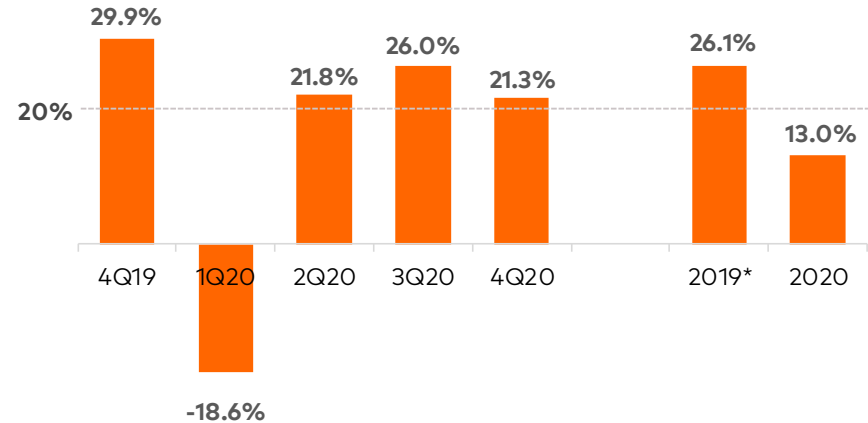
0.4% | **1.8%**

SOLID QUARTERLY AND FULL YEAR PERFORMANCE

Resilient performance notwithstanding the COVID-19 pandemic:

- **The balance sheet has remained strong with better than expected levels of growth**
- **Operating income performance has been robust.** Net fee and commission income increased by 3.1% q-o-q, despite the second-round lockdown-related reduction in economic activity, with net interest income remaining broadly flat
- **Net interest margin** was down to 4.4% in 4Q20, largely reflecting the decline in economic activity and high levels of liquidity
- **Our lending portfolio asset quality has performed well.** We have performed individual in-depth review of all of our SME and corporate borrowers, and remain adequately provided for our overall expected credit losses relating to the COVID-19 pandemic
- **Costs remained well-managed** with a 2.2% y-o-y reduction in operating expenses in 4Q20
- **Capital ratios have remained robust** and comfortably above the minimum regulatory requirements
- **Delivering superior levels of profitability**

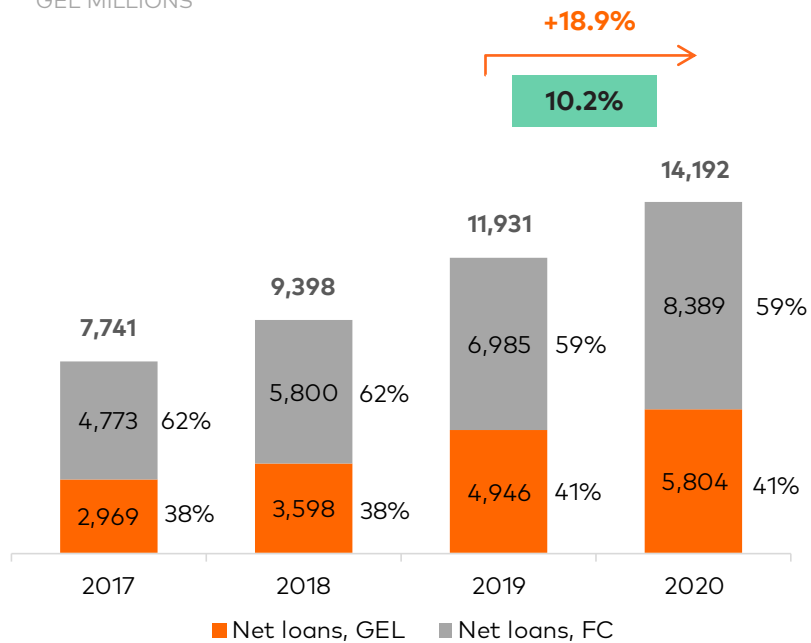
TRACK RECORD OF STRONG PROFITABILITY



* 2019 ROA adjusted for terminations costs of former CEO and executive management

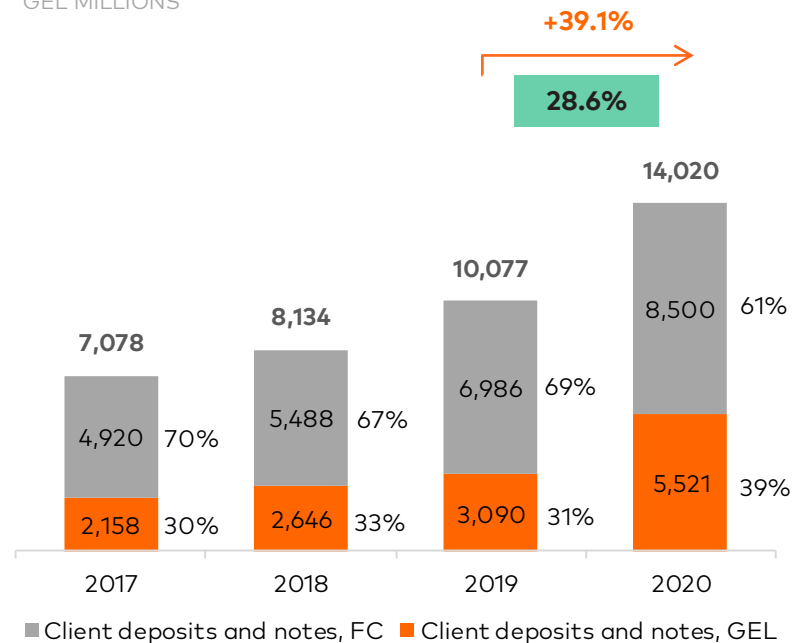
LOAN PORTFOLIO

GEL MILLIONS



DEPOSIT PORTFOLIO

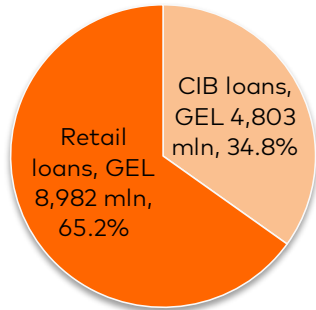
GEL MILLIONS



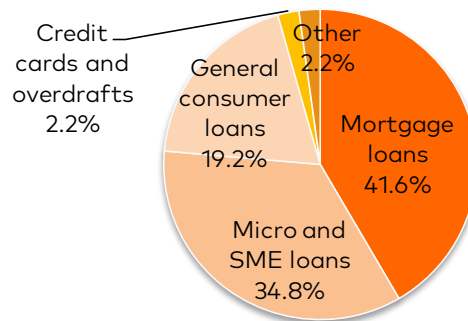
■ Growth on a constant currency basis

LOAN PORTFOLIO BREAKDOWN | DEC-20

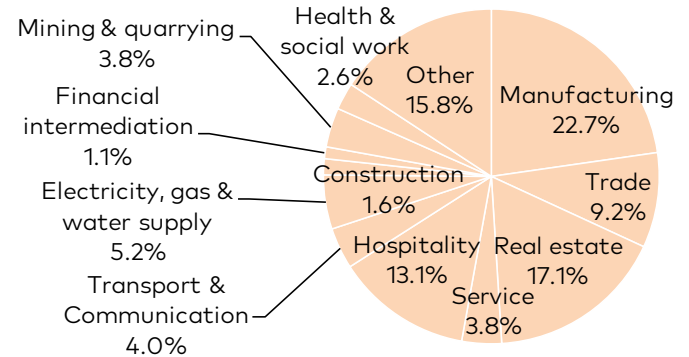
Gross Loans by segment
Bank of Georgia standalone
Total: **GEL 13.8bln**



Retail Banking Gross Loans
by product
Total: **GEL 9.0bln**



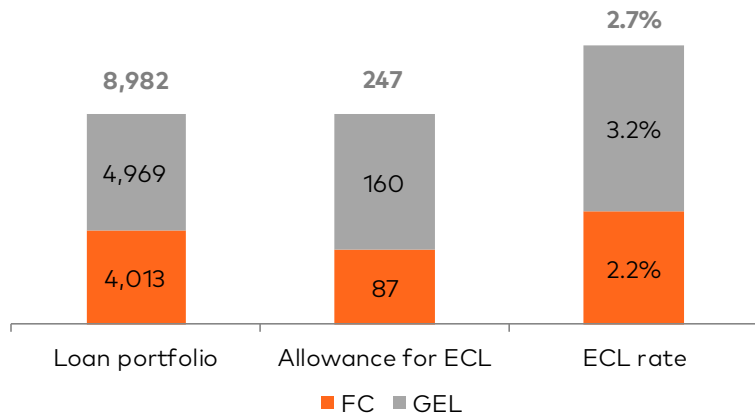
Corporate and Investment Banking
Gross Loans by sectors
Total: **GEL 4.8bln**



RETAIL BANKING | DEC-20

JSC Bank of Georgia standalone

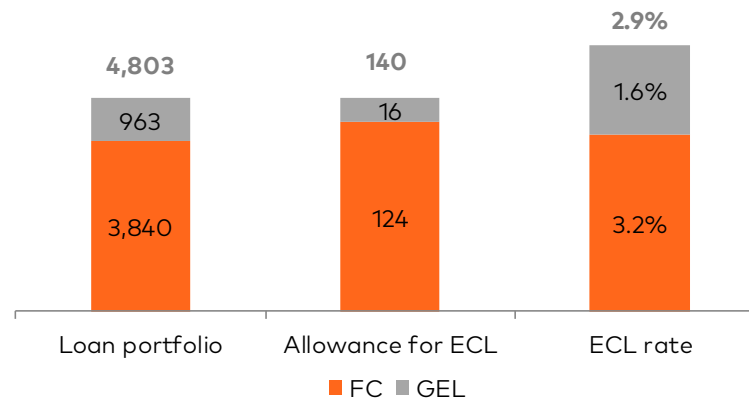
GEL MILLIONS



CORPORATE AND INVESTMENT BANKING | DEC-20

JSC Bank of Georgia standalone

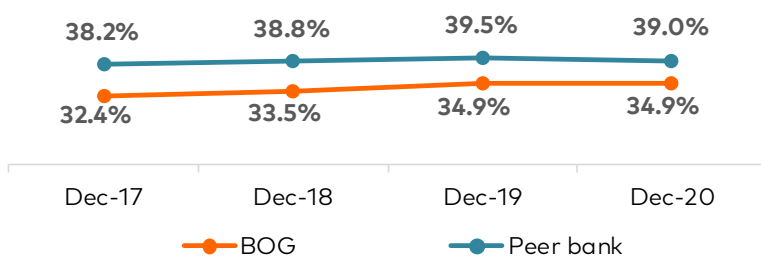
GEL MILLIONS



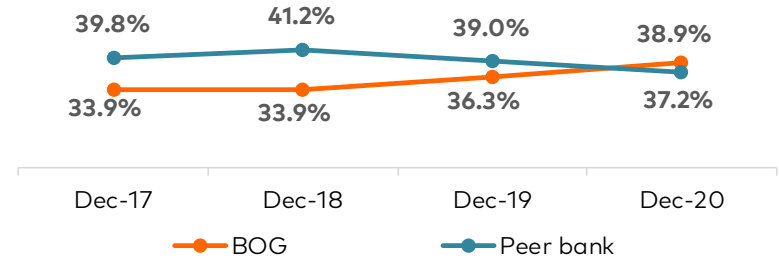
Amounts in GEL millions	RB Loan portfolio	% of total RB loan portfolio	Mortgages	Consumer loans*	SME & Micro	CB & WM Loan portfolio	% of total CIB loan portfolio
GEL loans*	4,969	55.3%	1,699	1,816	1,454	963	20.0%
FC loans not exposed to FC risk	643	7.2%	493	88	62	1,962	40.9%
FC loans exposed to FC risk	3,370	37.5%	1,541	218	1,610	1,878	39.1%
Total	8,982	100.0%	3,734	2,122	3,126	4,803	100.0%

* Includes credit cards

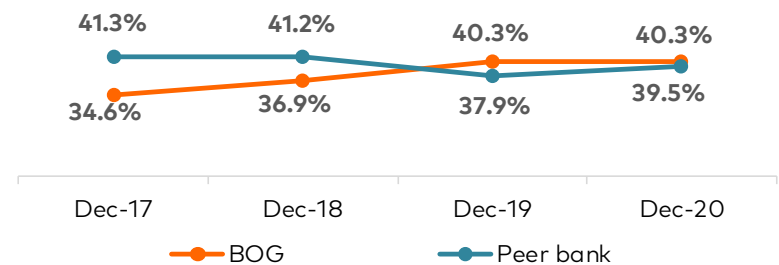
MARKET SHARE - GROSS LOANS



MARKET SHARE - CUSTOMER DEPOSITS



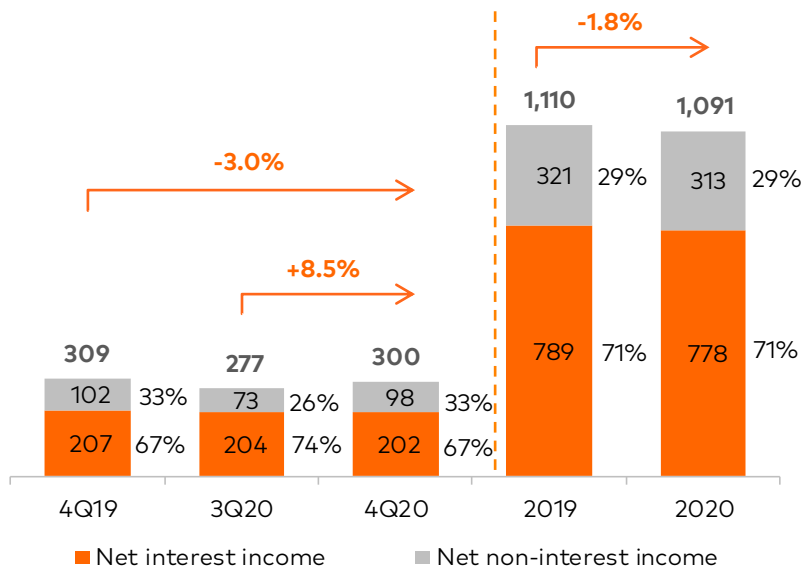
MARKET SHARE - DEPOSITS OF INDIVIDUALS



- Top two banks hold more than 70% of market share
- Focus on profitability, while maintaining solid market share
- Increase in market share in deposits of individuals underlines the strength of Bank of Georgia's franchise

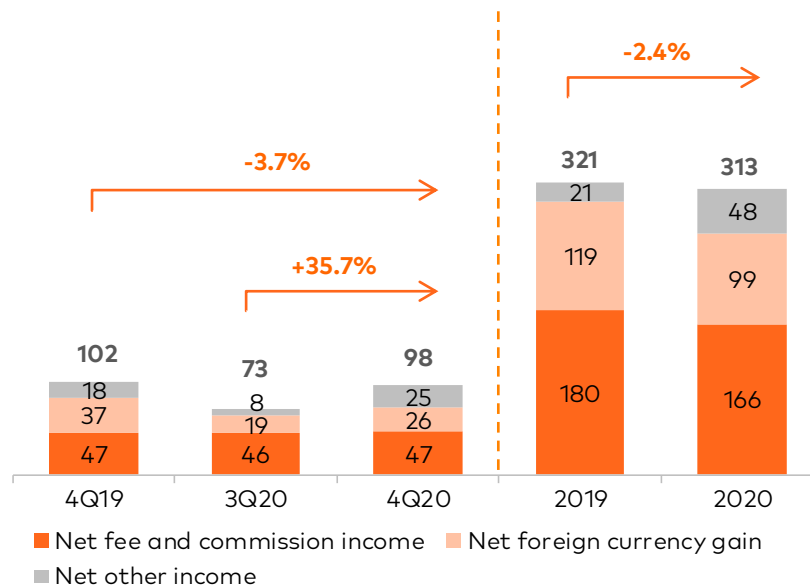
OPERATING INCOME

GEL MILLIONS

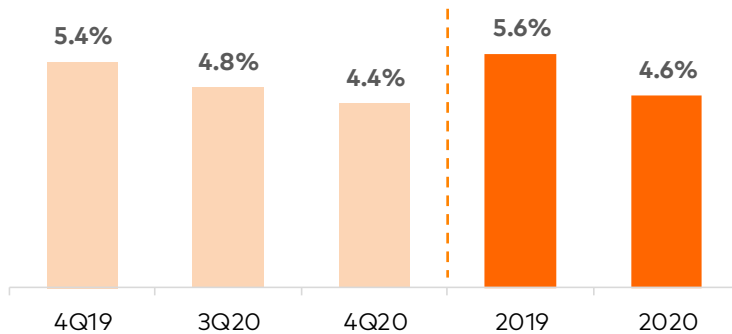


NET NON-INTEREST INCOME

GEL MILLIONS



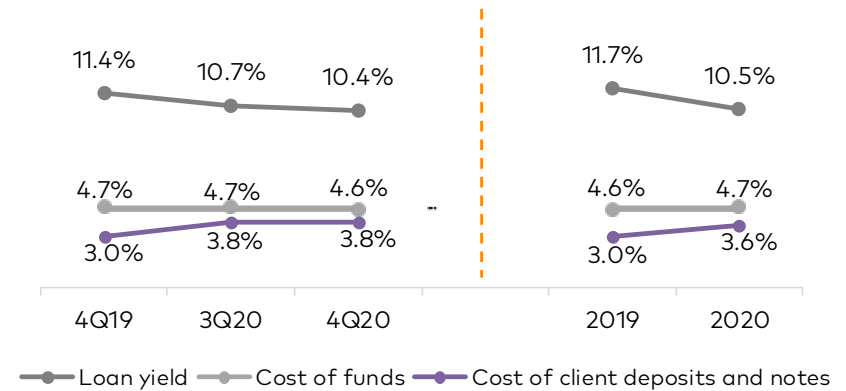
NET INTEREST MARGIN



NIM DOWN IN 2020 DUE TO

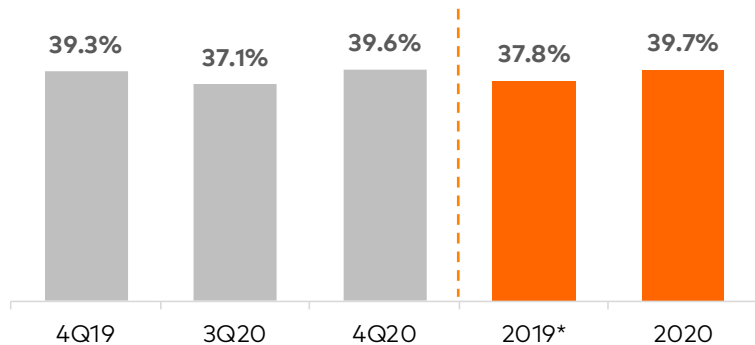
- Reduction in consumer lending activity on the back of the COVID-19 pandemic
- High levels of liquidity maintained for risk mitigation purposes on the back of uncertainty
- Still ongoing loan portfolio mix change

LOAN YIELD, COST OF FUNDS, COST OF DEPOSITS



NIM OUTLOOK
Broadly stable margin going forward

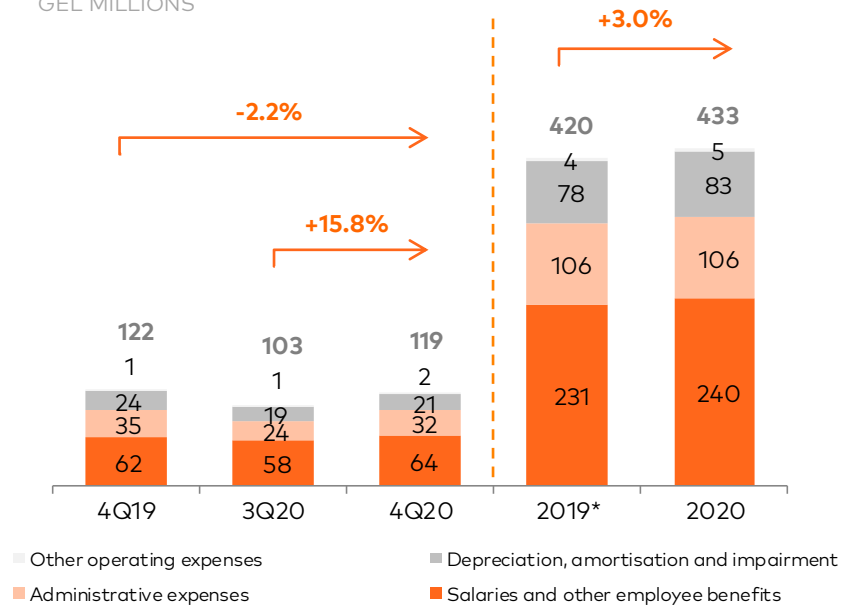
COST TO INCOME RATIO



c.35%
Medium-term guidance

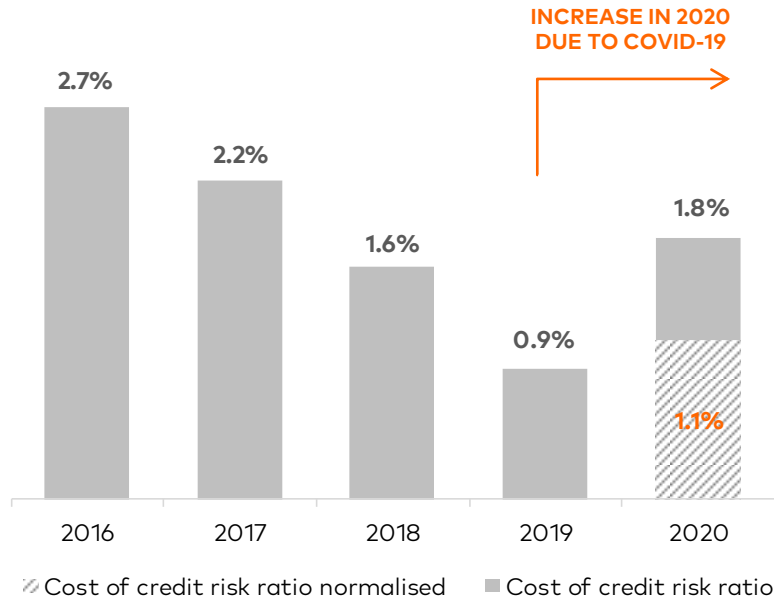
OPERATING EXPENSES

GEL MILLIONS



* 2019 results are adjusted for termination costs of former executive management. See details on one-off costs on page 84

COST OF CREDIT RISK RATIO



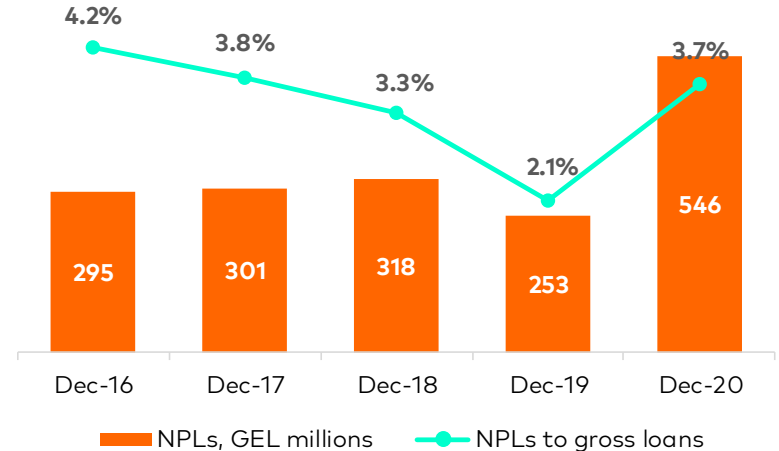
LOAN PORTFOLIO QUALITY

NPL coverage

86.7% 92.7% 90.5% 80.9% 76.3%

NPL coverage adjusted for collateral value

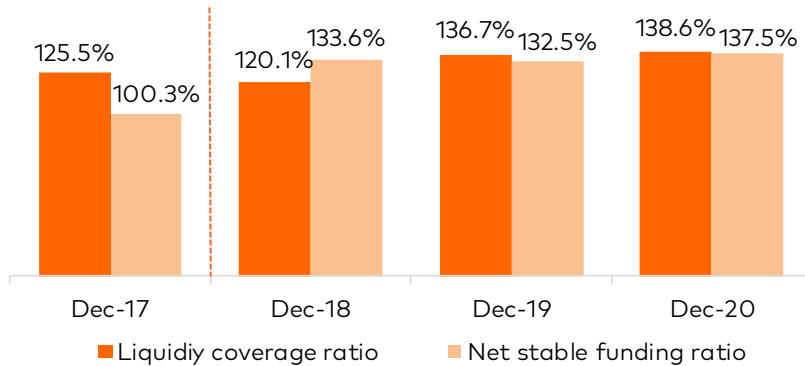
132.1% 130.6% 129.9% 139.6% 128.8%



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

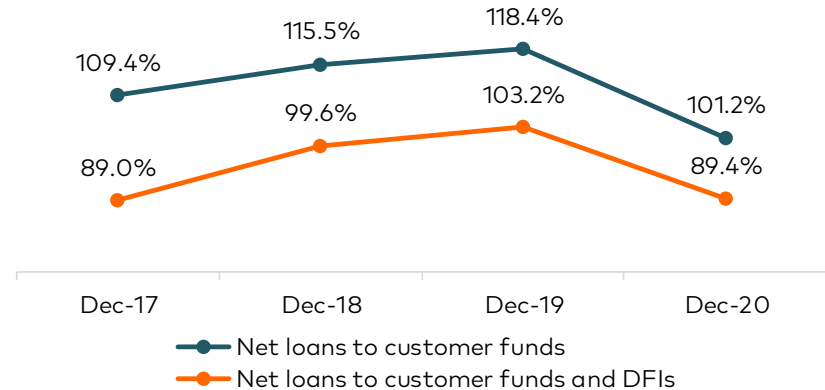
LIQUIDITY COVERAGE AND NET STABLE FUNDING RATIOS

JSC Bank of Georgia standalone (Basel III liquidity)



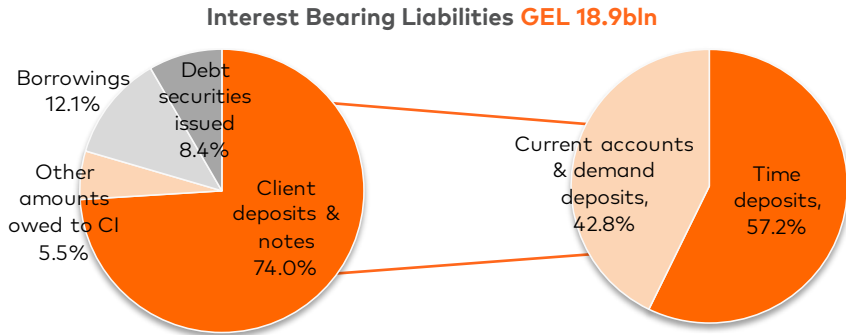
2018-2020 ratios are calculated in line with the NBG guidelines

NET LOANS TO CUSTOMER FUNDS AND DFIs

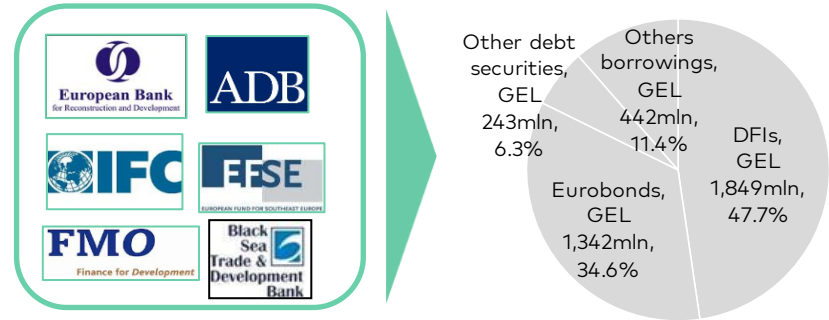


- Liquidity and funding positions remain strong, following repayment of **GEL 500 million** local currency bonds in June 2020
- Excess liquidity maintained for risk mitigation purposes, on the back of uncertainty as a result of the COVID-19 crisis
- Strong support from International Financial Institutions

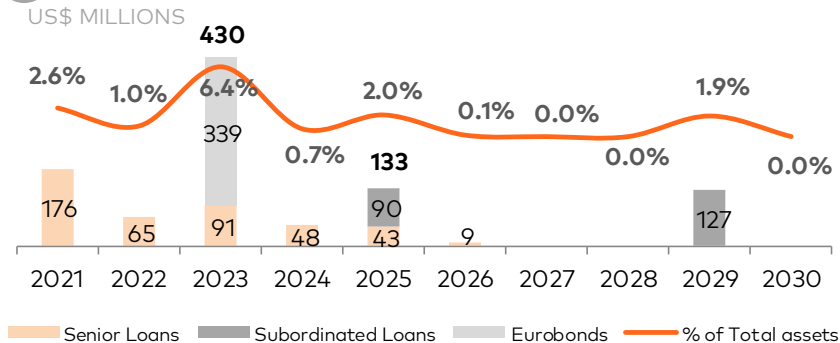
INTEREST BEARING LIABILITIES



WELL DIVERSIFIED INTERNATIONAL BORROWINGS



BORROWED FUNDS MATURITY BREAKDOWN*



STRONG SUPPORT FROM IFIs

- **c.GEL 635 million** undrawn long-term loan facilities attracted from DFIs at 31 December 2020 with up to seven years of maturity
- Liquidity management: **US\$19.5 million** Eurobonds due 2023 repurchased since July 2020

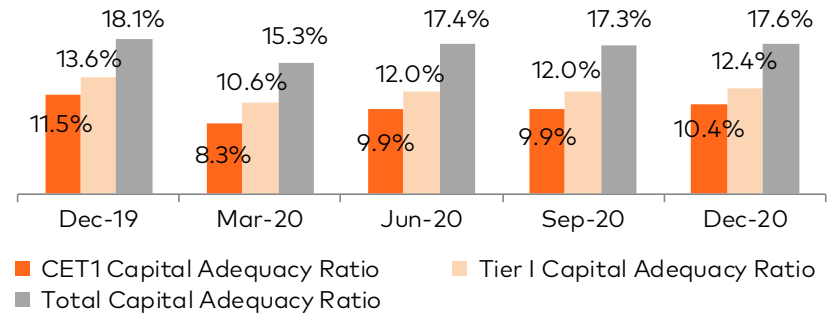
* converted at GEL/US\$ exchange rate of 3.2766 at 31 December 2020

NBG MEASURES AS A RESPONSE TO COVID-19

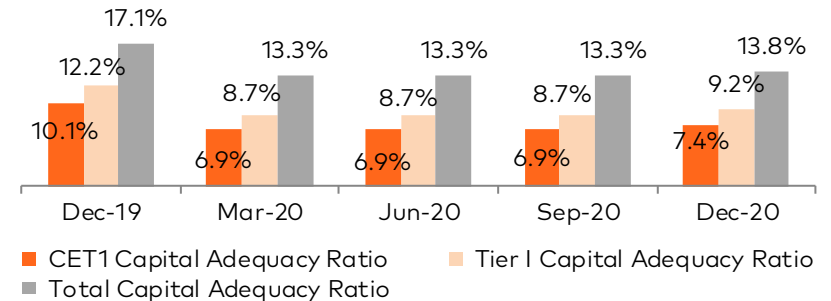
NBG's COVID-19 Supervisory Plan effective since March 2020:

- **Combined buffer** - the conservation buffer requirement of 2.5% of risk-weighted assets 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 banks are allowed to partially or fully use the Pillar 2 and conservation buffers, banks are restricted to make capital distribution in any form;
- **General loan loss provisioning relating to COVID-19.** The Bank has recorded c.GEL 400 million general provision (approximately 3.3% of the Bank's lending portfolio subject to provision under the local regulatory accounting standards) under the Bank's local regulatory accounting basis in March 2020, which is used for calculation of the Bank's capital ratios, reflecting the NBG's expectations of estimated credit losses on the Bank's lending book for the whole economic cycle.

CAPITAL ADEQUACY RATIOS



MINIMUM REGULATORY REQUIREMENTS



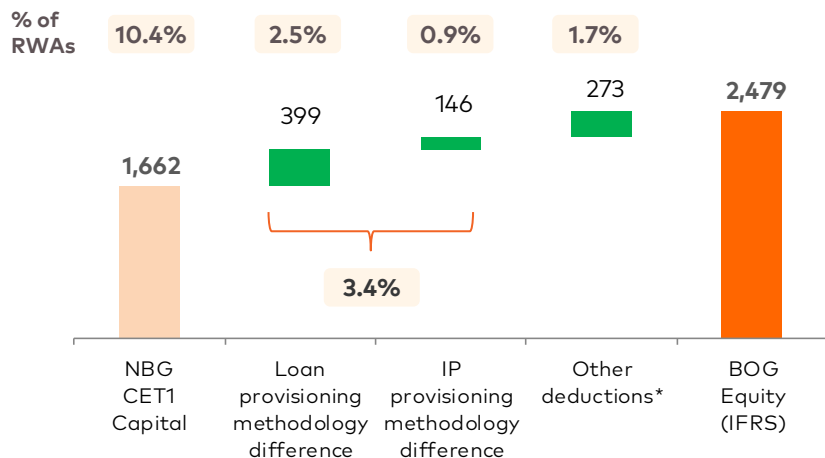
CAPITAL RATIOS EVOLUTION DURING 2020

	Capital ratios DEC-19	Business growth	2020 profit (excl. NBG general provision)	NBG general provision – COVID-19 impact	GEL Devaluation	New Tier 2 facility impact	Capital ratios DEC-20	Potential impact of additional 10% GEL devaluation
CET1 capital adequacy ratio	11.5%	-1.1%	3.5%	-2.6%	-0.9%	-	10.4%	-0.7%
Tier I capital adequacy ratio	13.6%	-1.4%	3.5%	-2.5%	-0.8%	-	12.4%	-0.6%
Total capital adequacy ratio	18.1%	-1.8%	3.5%	-2.4%	-0.7%	0.9%	17.6%	-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 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

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

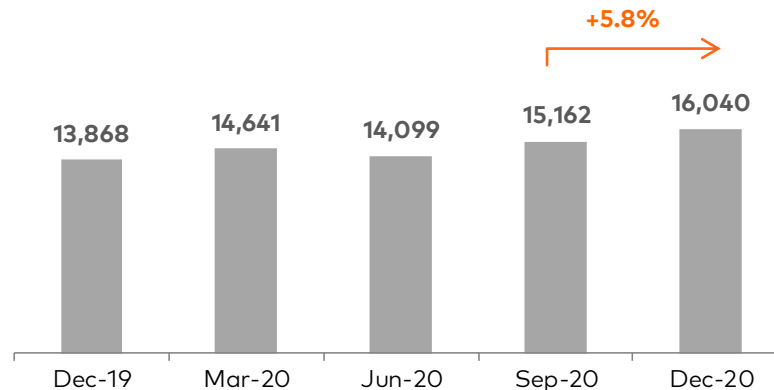
GEL MILLIONS



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

RISK WEIGHTED ASSETS

GEL MILLIONS



- Existing additional capital buffers (within **c.3.4%** of risk-weighted assets) reflecting differences in provisioning methodology between the NBG and IFRS 9
- NBG plans to transition to IFRS-based financial reporting during 2021 - 2022

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

 **GROUP OVERVIEW AND STRATEGY**

 **4Q20 AND FY20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

GENERAL FACTS

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

ECONOMY

- Nominal GDP (Geostat) 2020E: GEL 49.2bln (US\$ 15.8bln)
- Real GDP growth rate 2016-2020E: 2.9%, 4.8%, 4.8%, 5.0%, -6.1%
- Real GDP 2011-2019 annual average growth rate: 4.7%
- GDP per capita 2020E (PPP): US\$ 14,615
- Annual inflation (EOP) 2020: 2.4%
- External public debt to GDP 2020E: 47.7%



SOVEREIGN CREDIT RATINGS

Agency	Rating	Outlook	Affirmed
Moody's	Ba2	Stable	August 2020
FitchRatings	BB	Negative	February 2021
S&P Global	BB	Stable	August 2020

Liberal economic policy

Top performer globally in WB Doing Business over the past 12 years

- 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)

Regional logistics and tourism hub

A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west

- 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 halted in 2020 due to pandemic, gradual recovery expected from the second half of 2021
- Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes

Strong FDI

An influx of foreign investors on the back of the economic reforms

- FDI stood at US\$ 719mIn (6.2% of GDP) in 9M20
- FDI averaged 8.7% of GDP in 2010-2019

Support from international community

Georgia and the EU signed an Association Agreement and DCFTA in June 2014

- 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

Electricity transit hub potential

Developed, stable and competitively priced energy sector

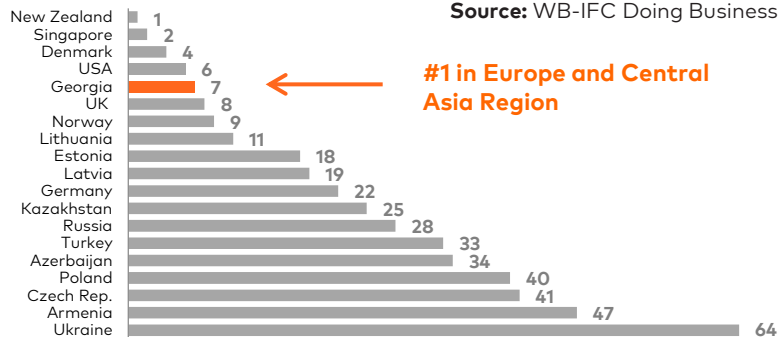
- Only 25% of hydropower capacity utilized; 150 renewable (HPPs/WPPs/SPPs) energypower plants are in various stages of construction or development
- Georgia imports natural gas mainly from Azerbaijan
- Significantly boosted transmission capacity with 400 kV line to Turkey and 500 kV line to Azerbaijan 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

Political environment

- 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 2020, Russia accounted for 13.2% of Georgia's exports and 11.1% of imports; just 3.7% of cumulative FDI over 2003-9M20

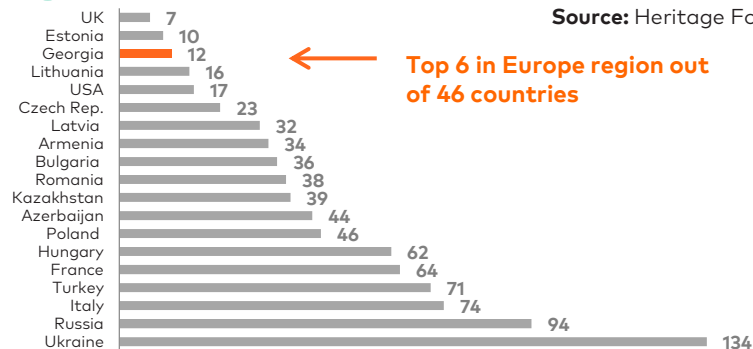
EASE OF DOING BUSINESS | 2020

Source: WB-IFC Doing Business Report



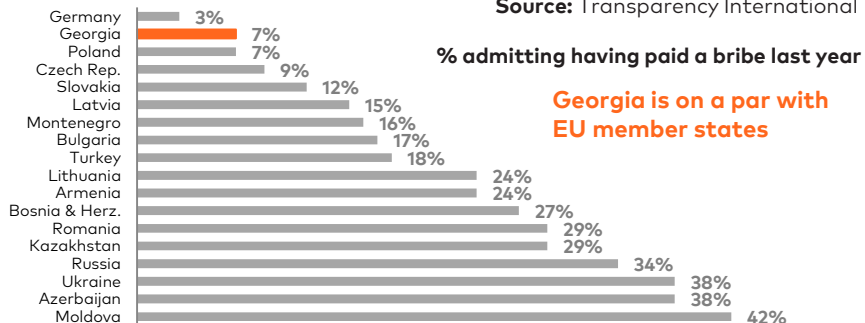
ECONOMIC FREEDOM INDEX | 2020

Source: Heritage Foundation



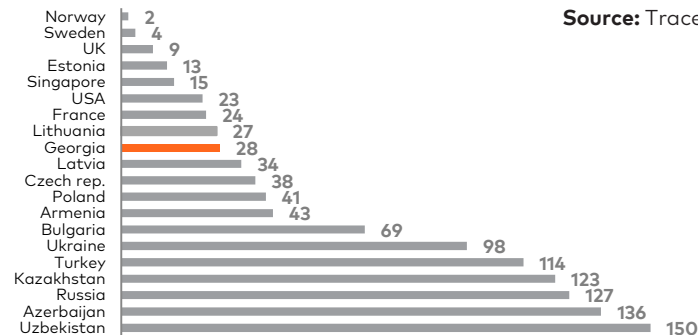
GLOBAL CORRUPTION BAROMETER | 2017

Source: Transparency International



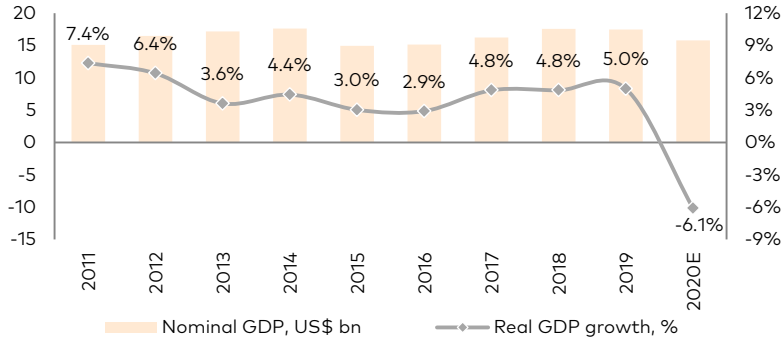
BUSINESS BRIBERY RISK | 2020

Source: Trace International



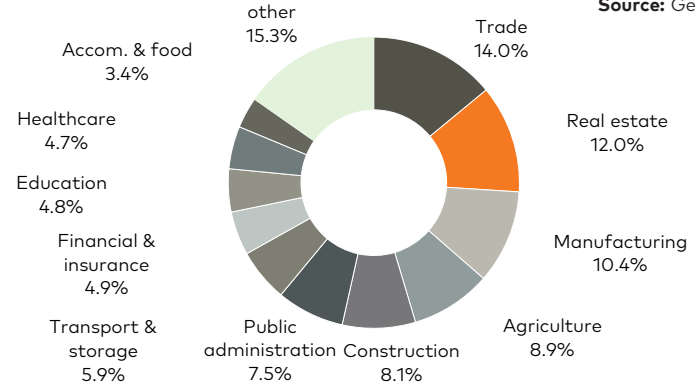
GROSS DOMESTIC PRODUCT

Source: Geostat, Galt & Taggart



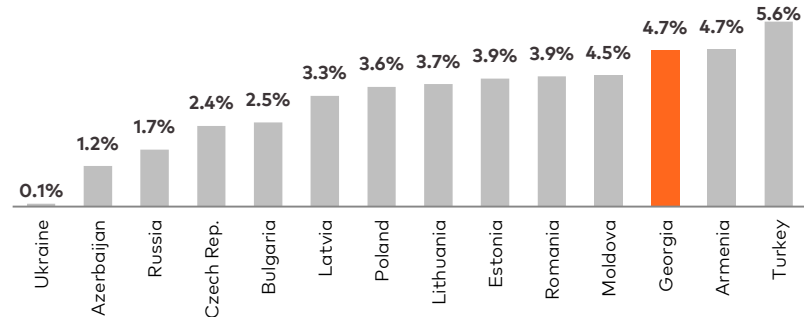
DIVERSIFIED NOMINAL GDP STRUCTURE | 9M20

Source: Geostat



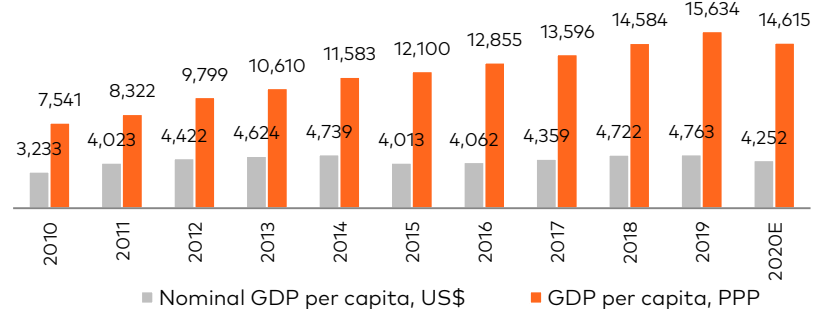
COMPARATIVE REAL GDP GROWTH RATES, % (2011-2019 AVERAGE)

Source: IMF, Geostat



GDP PER CAPITA

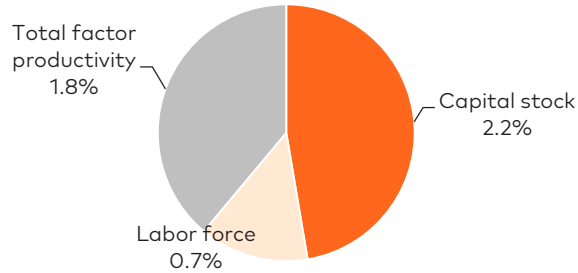
Source: IMF, Geostat, Galt & Taggart



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

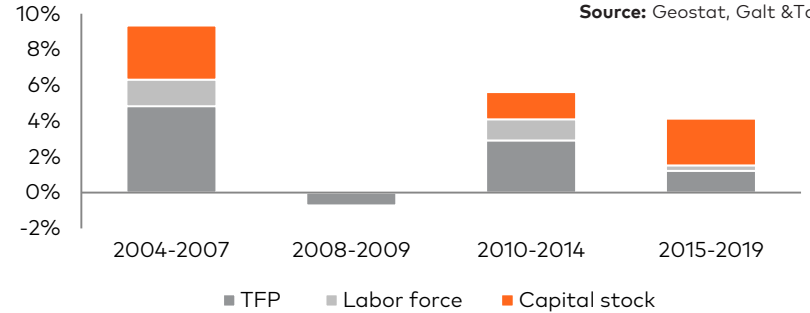
OVERALL CONTRIBUTION OF CAPITAL, LABOR, AND TOTAL FACTOR PRODUCTIVITY (TFP) TO GROWTH, 2011-2019

Source: Geostat, Galt & Taggart



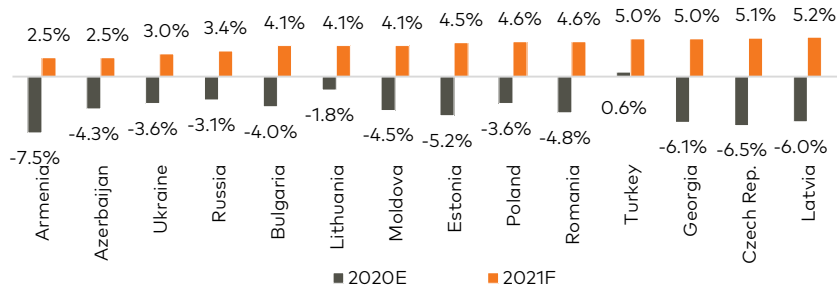
CONTRIBUTIONS OF CAPITAL, LABOR, AND TFP TO GROWTH DURING PERIODS

Source: Geostat, Galt & Taggart



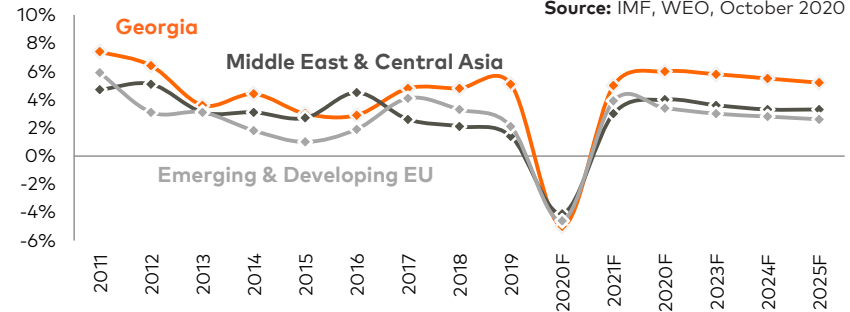
REAL GDP GROWTH PROJECTION, 2020-2021

Source: IMF, statistics offices, Galt & Taggart



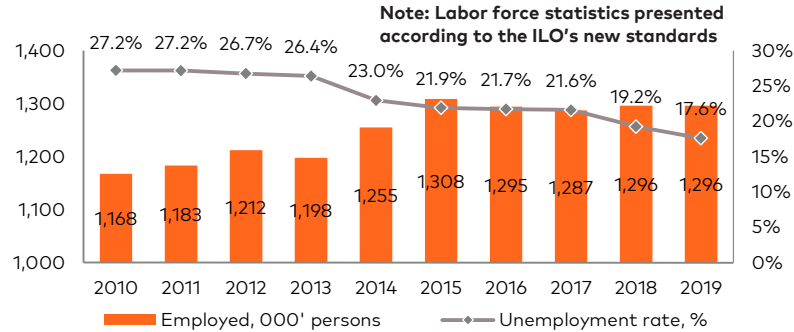
REAL GDP GROWTH: GEORGIA, MIDDLE EAST AND CENTRAL ASIA, EMERGING & DEVELOPING EU

Source: IMF, WEO, October 2020



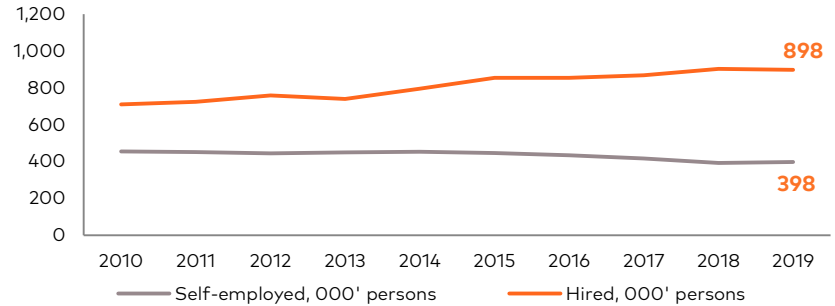
UNEMPLOYMENT RATE DOWN 1.6PPTS Y/Y TO 17.6% IN 2019

Source: Geostat



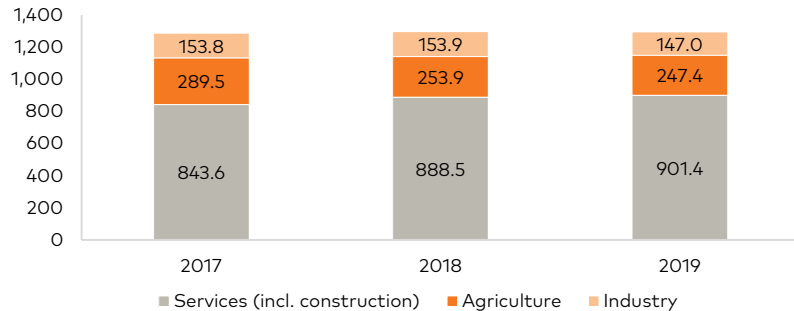
HIRED WORKERS ON THE RISE

Source: Geostat



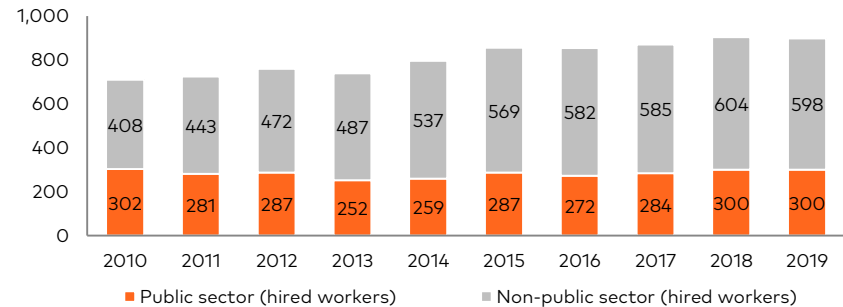
EMPLOYMENT BY SECTOR, 000' PERSONS

Source: Geostat



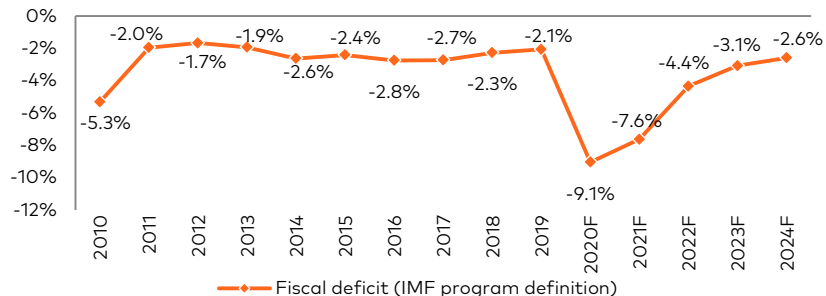
EMPLOYMENT: PUBLIC AND PRIVATE SECTORS, 000' PERSONS

Source: Geostat



FISCAL DEFICIT

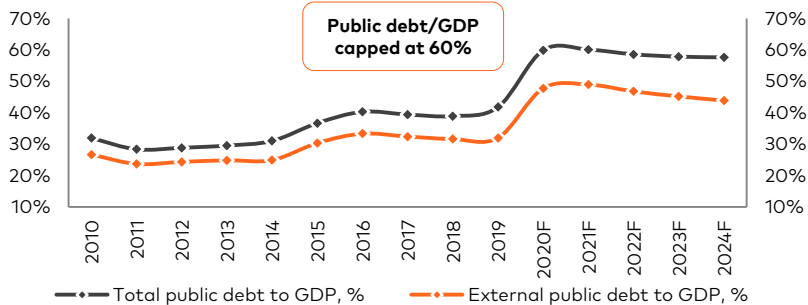
Source: MoF, 2021 budget



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

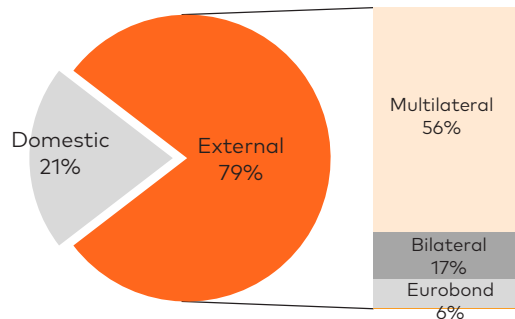
PUBLIC DEBT AS % OF GDP

Source: MoF, 2021 budget



BREAKDOWN OF THE PUBLIC DEBT

Source: MoF, as of October 2020

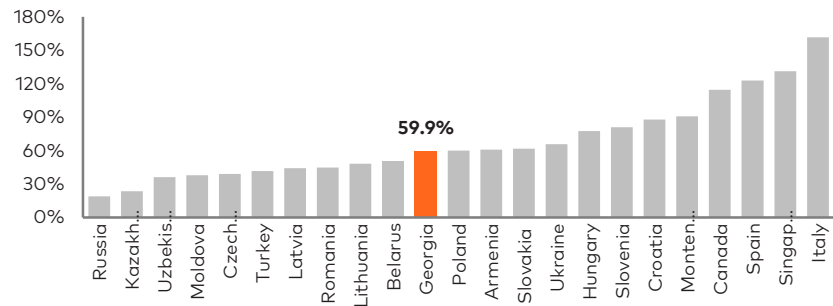


External public debt portfolio weighted average interest rate 1.4%

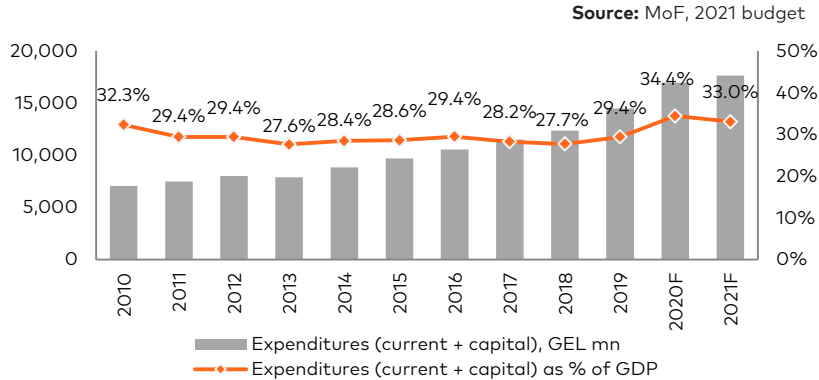
Contractual maturity 21 years

GROSS GOVERNMENT DEBT/GDP | 2019

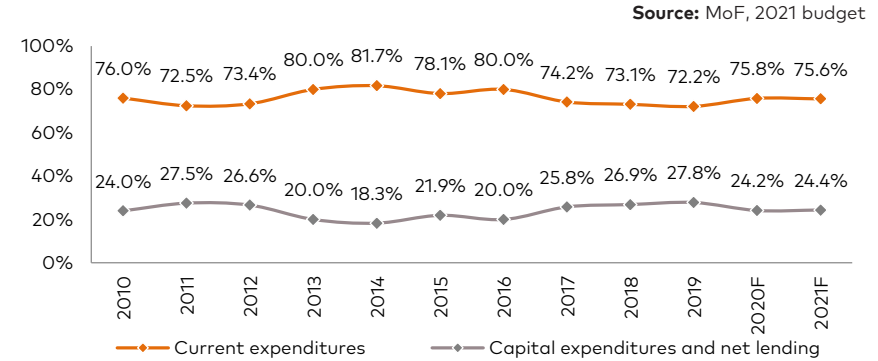
Source: IMF, MoF



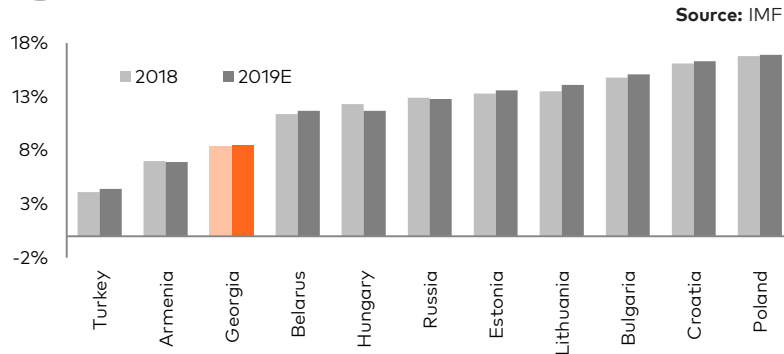
BUDGET EXPENDITURES



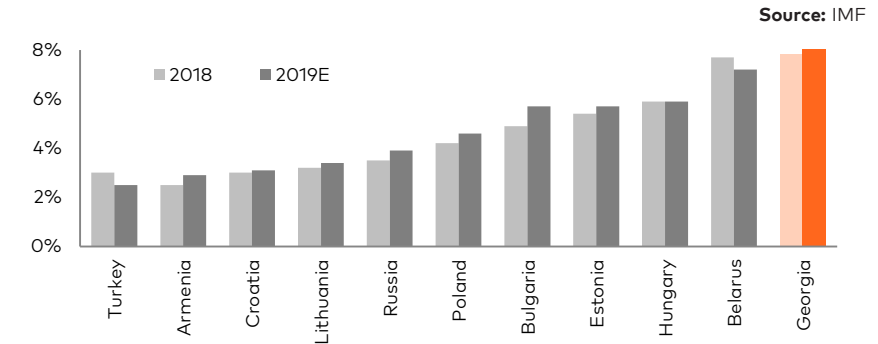
EXPENDITURE BREAKDOWN: CURRENT VS. CAPITAL



GOVERNMENT SOCIAL EXPENDITURE AS % OF GDP

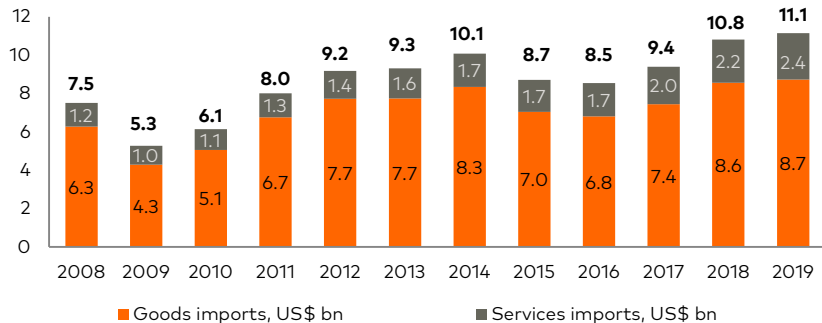


GOVERNMENT CAPITAL EXPENDITURE AS % OF GDP



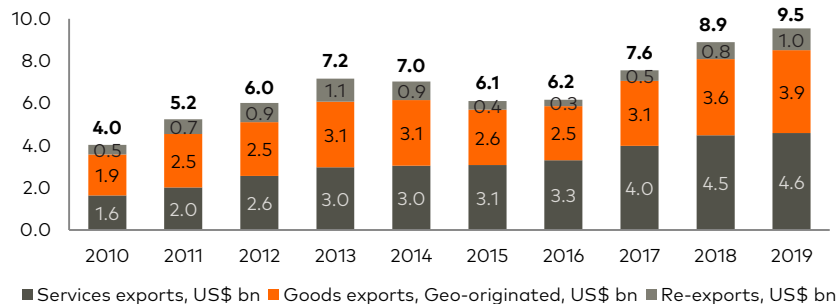
IMPORTS OF GOODS AND SERVICES

Source: NBG – BOP statistics



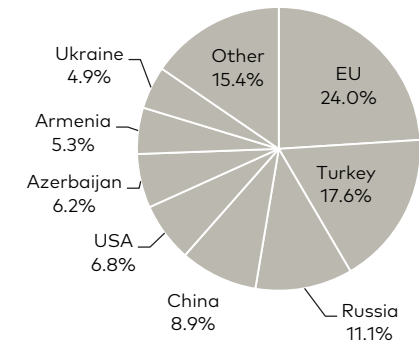
EXPORTS OF GOODS AND SERVICES

Source: NBG – BOP statistics



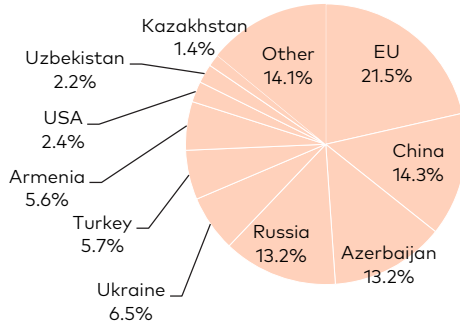
IMPORTS BY COUNTRY, 2020

Source: Geostat



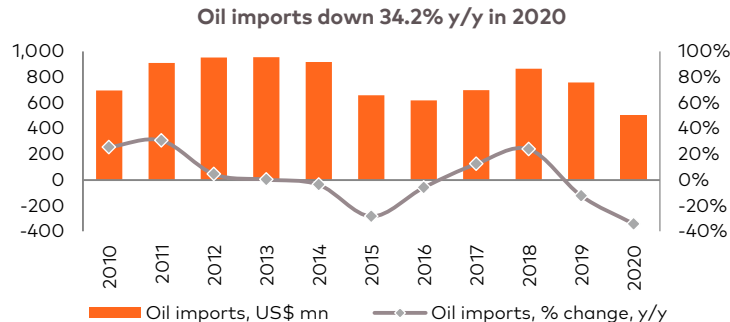
EXPORTS BY COUNTRY, 2020

Source: Geostat



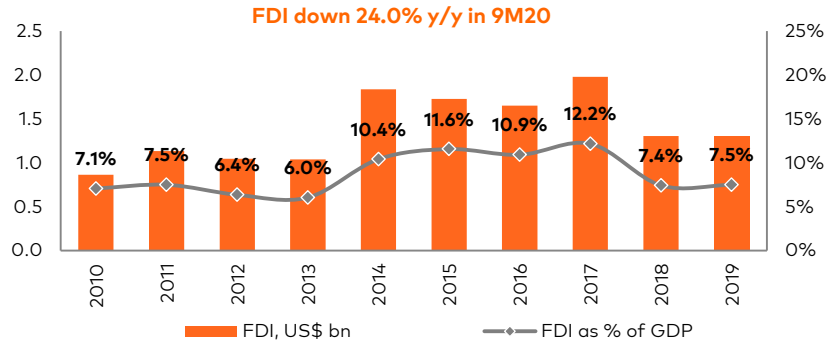
OIL IMPORTS

Source: Geostat



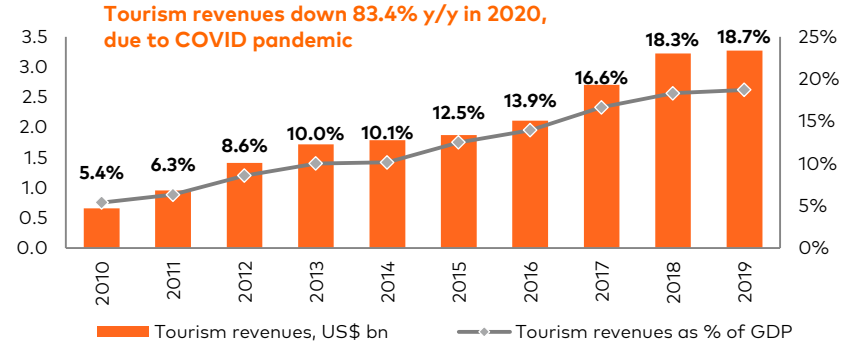
FOREIGN DIRECT INVESTMENTS

Source: Geostat



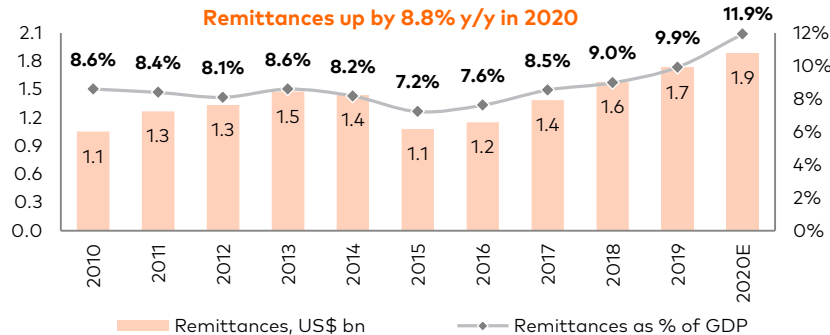
TOURISM REVENUES

Source: NBG, Geostat



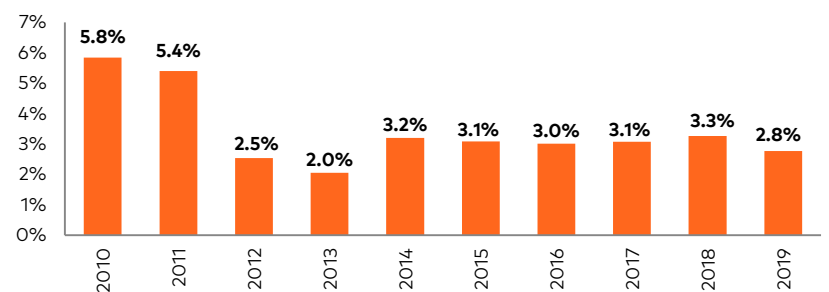
REMITTANCES - STEADY SOURCE OF EXTERNAL FUNDING

Source: NBG, Geostat



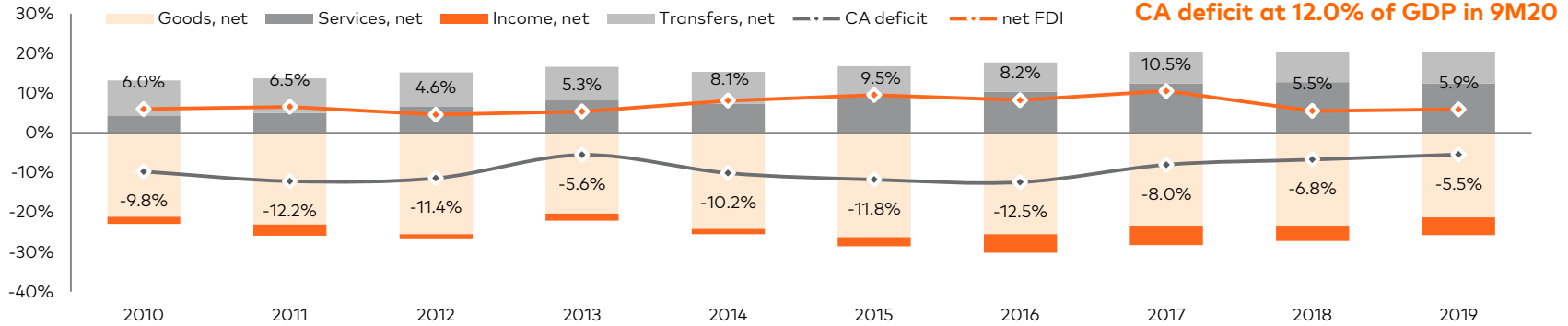
PUBLIC EXTERNAL BORROWING FOR CAPEX, % OF GDP

Source: MOF, Geostat



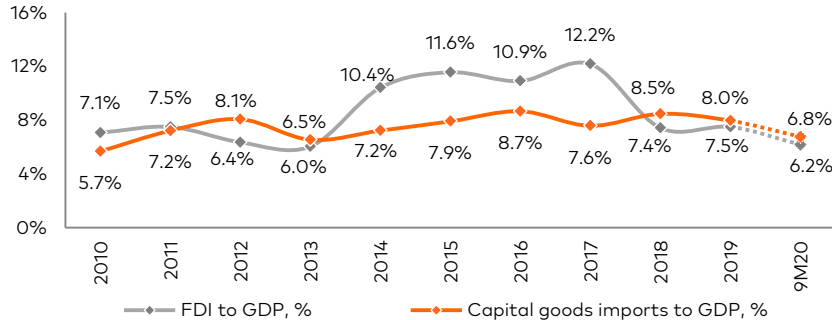
CURRENT ACCOUNT BALANCE (% OF GDP)

Source: NBG, Geostat



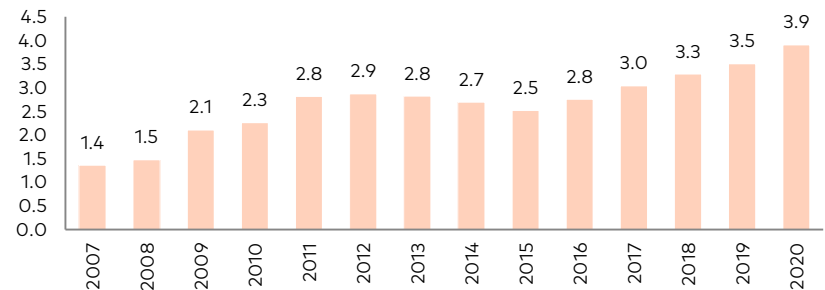
FDI AND CAPITAL GOODS IMPORT

Source: Geostat



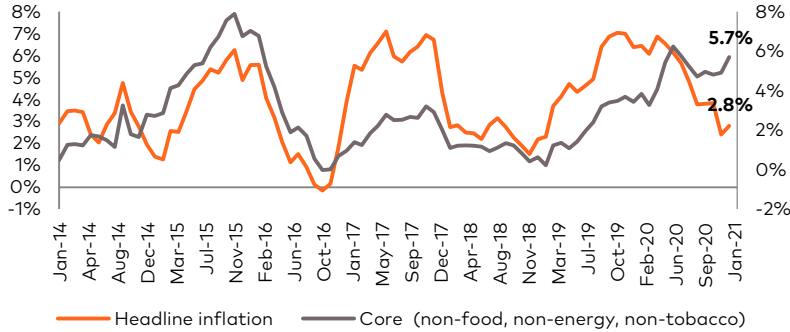
BUILDING INTERNATIONAL RESERVES, US\$ BN

Source: NBG



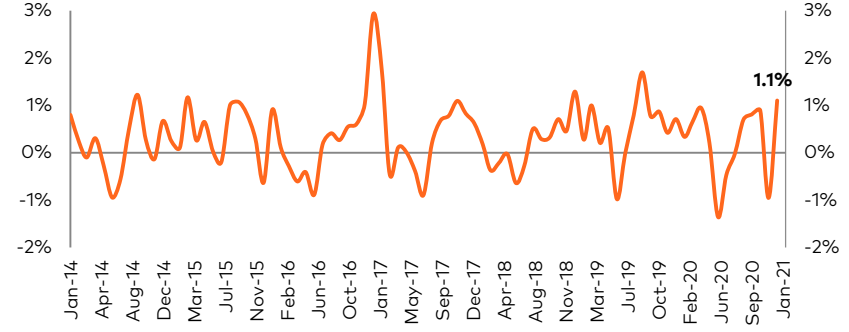
ANNUAL INFLATION

Source: Geostat



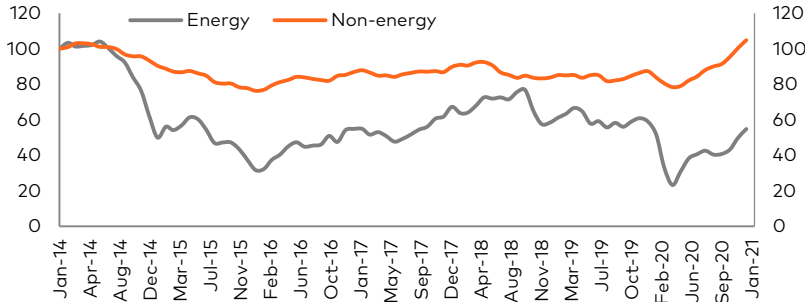
MONTHLY INFLATION

Source: Geostat



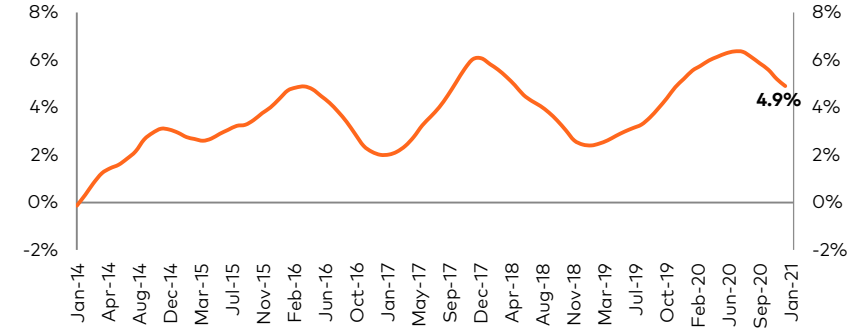
WORLD COMMODITY PRICES

Source: World Bank
Note: Jan2014=100



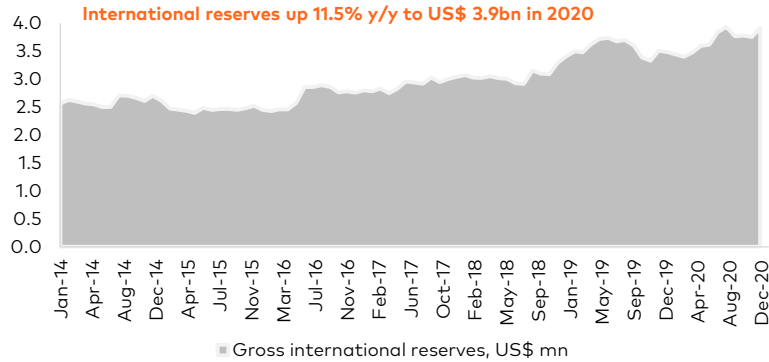
AVERAGE INFLATION

Source: Geostat



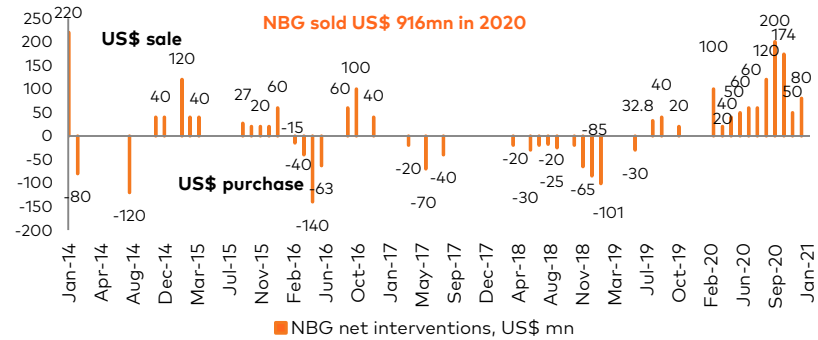
INTERNATIONAL RESERVES

Source: NBG



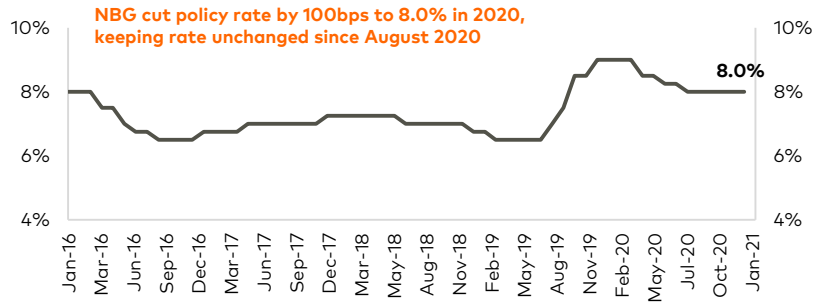
CENTRAL BANK'S INTERVENTIONS

Source: NBG



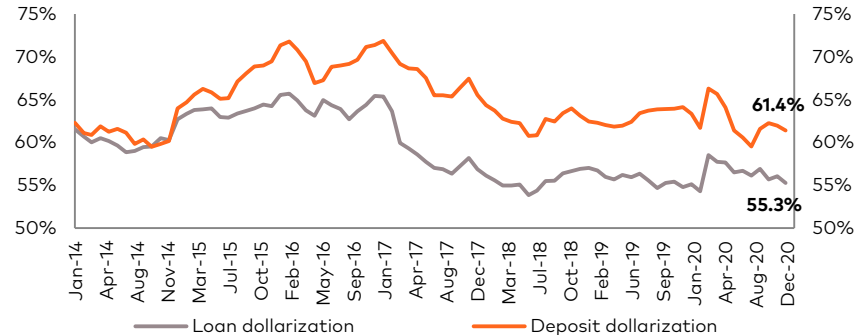
MONETARY POLICY RATE

Source: NBG



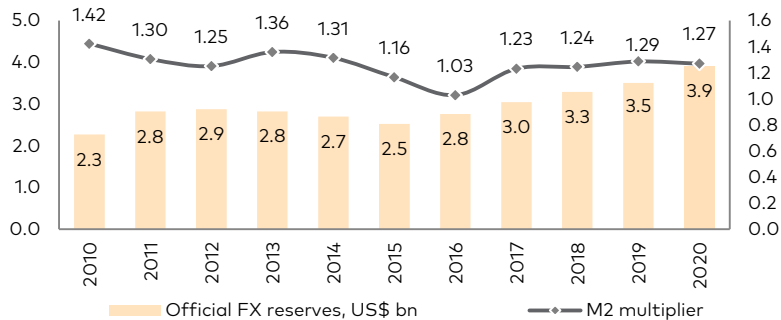
LOAN AND DEPOSIT DOLLARISATION

Source: NBG



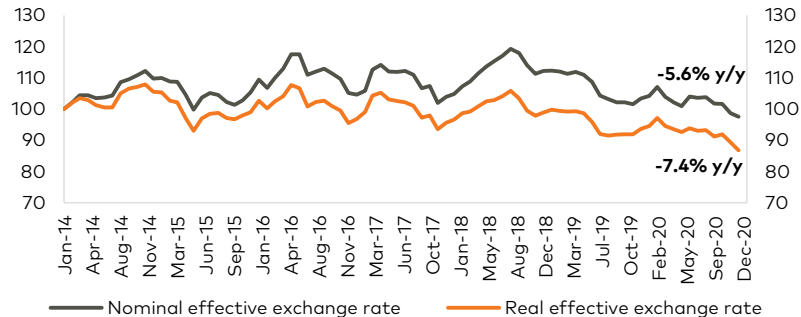
FX RESERVES

Source: NBG



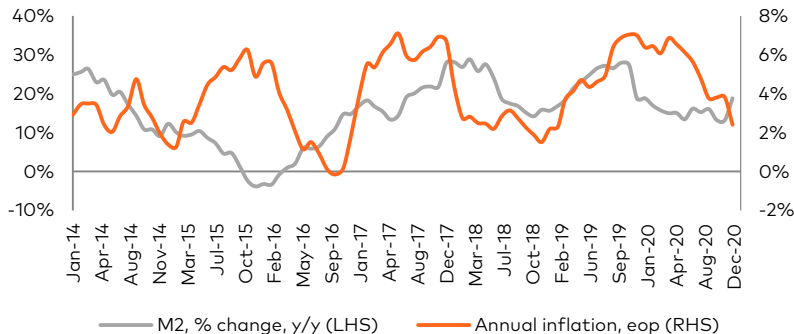
NOMINAL AND REAL EFFECTIVE EXCHANGE RATE (JAN2014=100)

Source: NBG



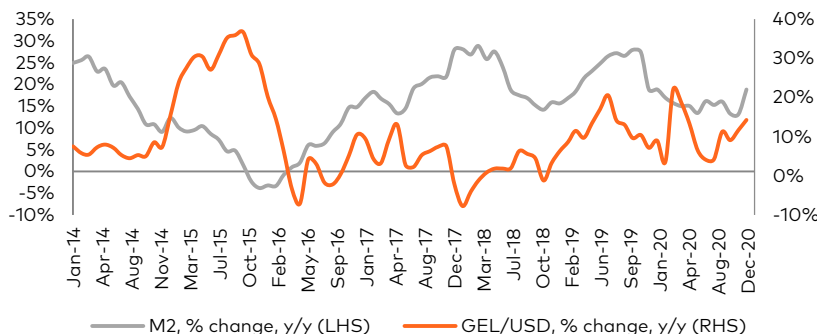
M2 AND ANNUAL INFLATION

Source: NBG



M2 AND USD/GEL

Source: NBG



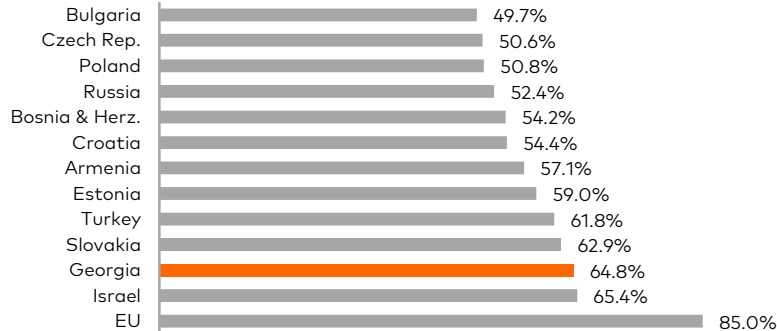
SUMMARY

- Prudent regulation and oversight ensuring financial stability
- Strong resilience towards both domestic and external shocks **without single bank going bankrupt**
- No nationalisation** of the banks and no government ownership since 1994
- Resilience to different shocks to the economy**, room for healthy credit growth

Source: National Bank of Georgia, Geostat

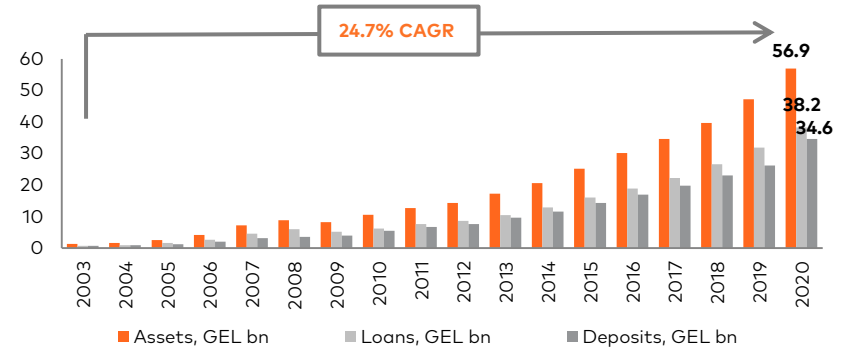
BANKING SECTOR LOANS TO GDP, 2019

Source: World Bank



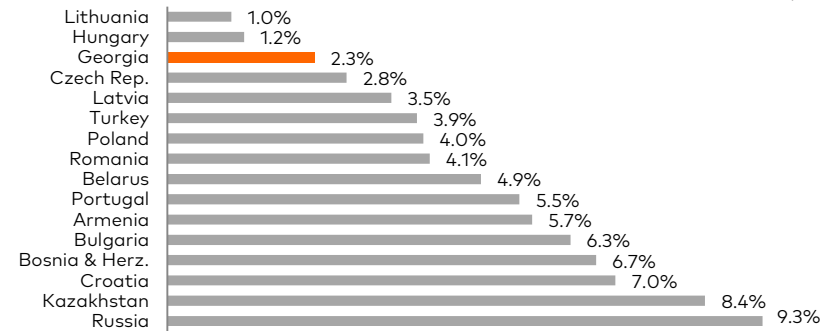
BANKING SECTOR ASSETS, LOANS AND DEPOSITS

Source: NBG



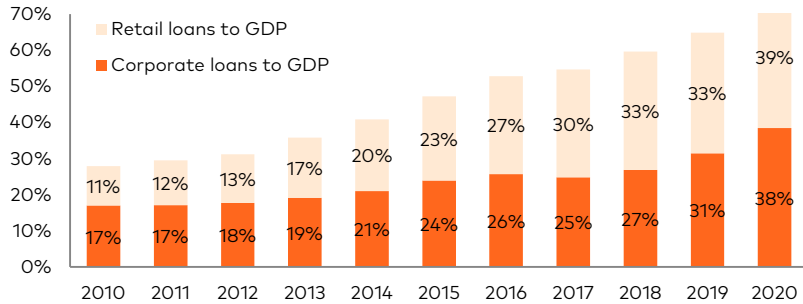
NON-PERFORMING LOANS, LATEST 2020

Source: IMF, NBG



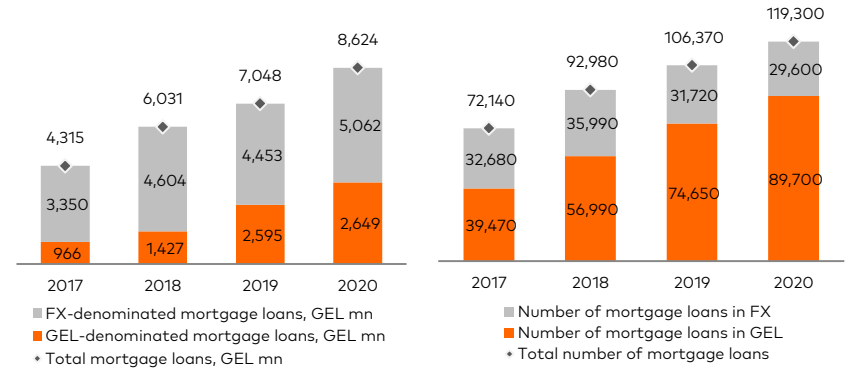
BANKING SECTOR CORPORATE & RETAIL LOANS TO GDP

Source: NBG, Geostat



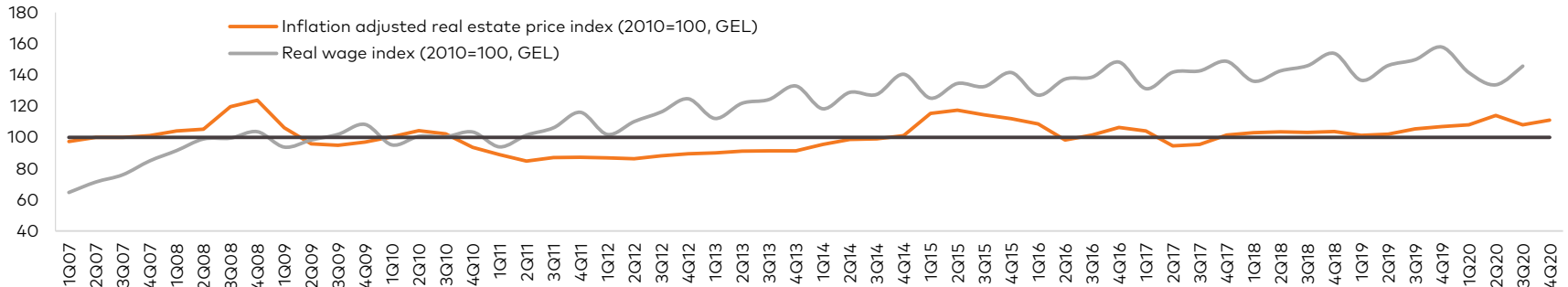
MORTGAGE LOANS

Source: NBG



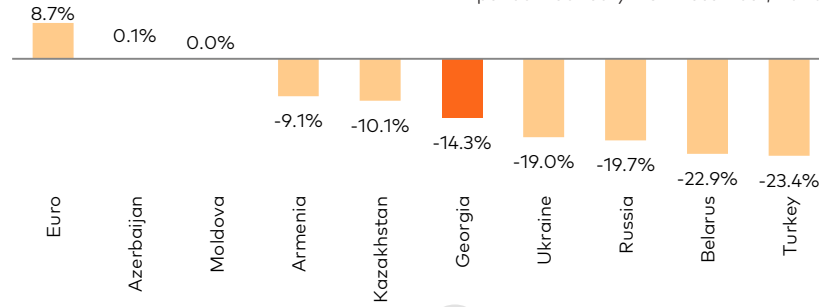
REAL ESTATE PRICE INDEX

Source: NBG, Geostat



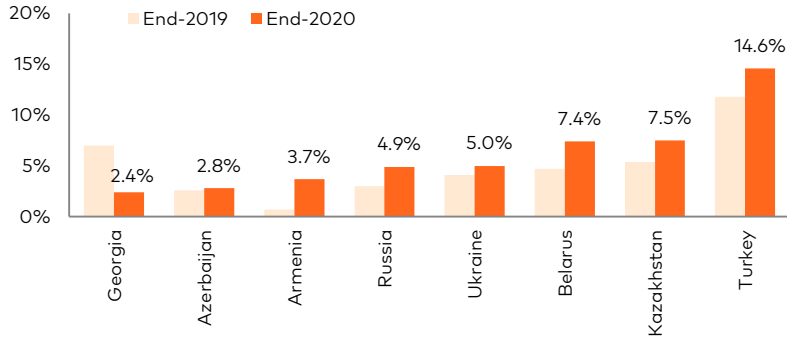
CURRENCY WEAKENING VS. US\$

Source: Bloomberg
 Note: +/- appreciation/depreciation period 1-January – 31-December, 2020



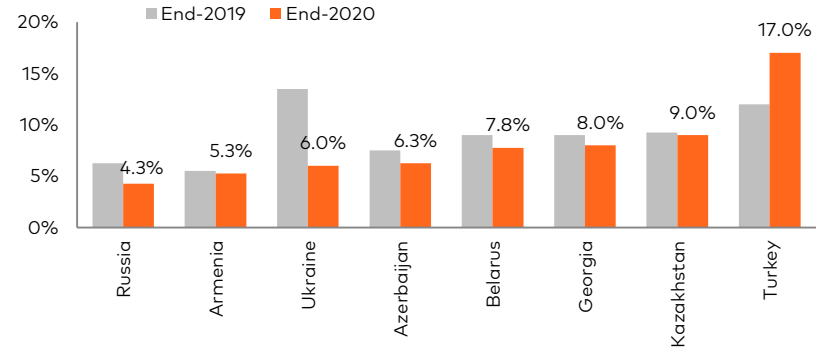
INFLATION: GEORGIA AND PEERS

Source: Statistic Offices



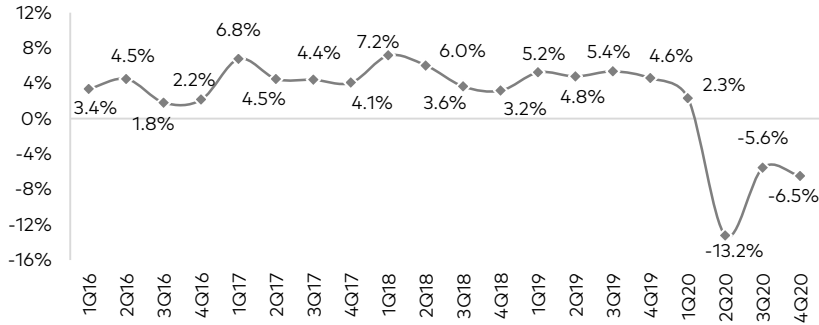
MONETARY POLICY RATE: GEORGIA AND PEERS

Source: Central Banks



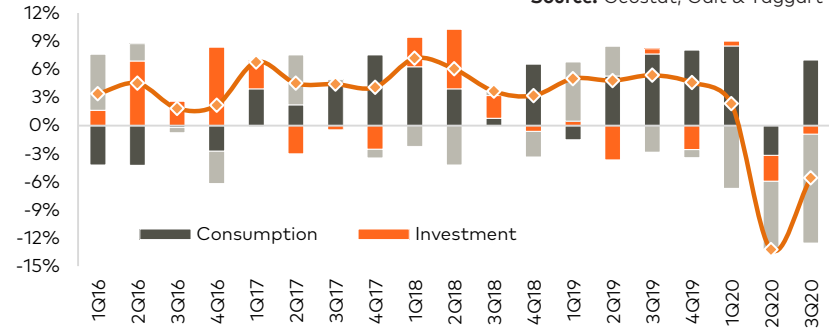
REAL GDP GROWTH BY QUARTER, % CHANGE YoY

Source: Geostat



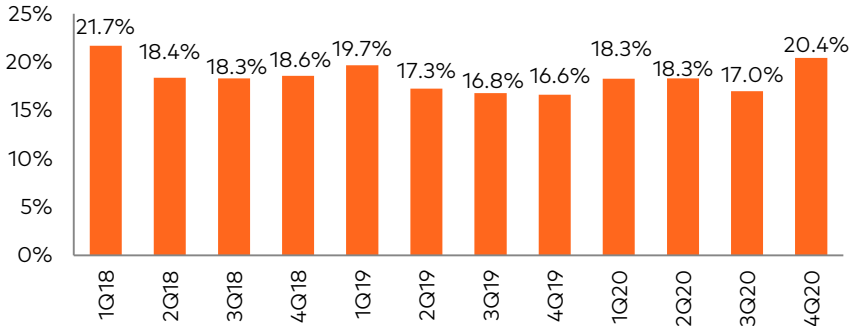
CONTRIBUTION TO REAL GDP GROWTH

Source: Geostat, Galt & Taggart



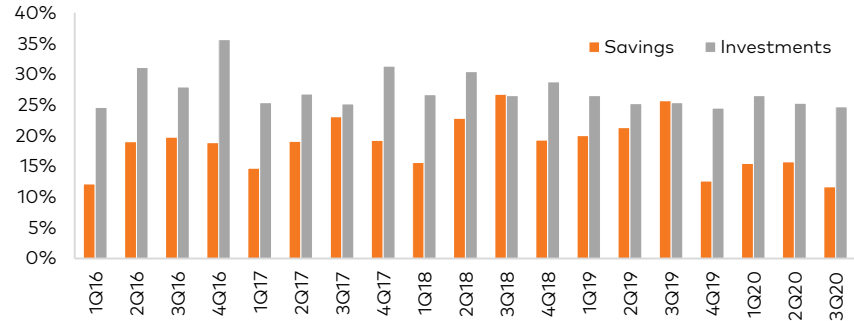
UNEMPLOYMENT RATE

Source: Geostat



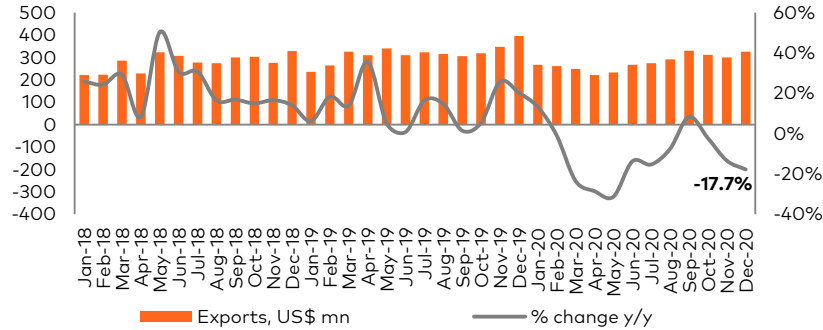
SAVINGS AND INVESTMENT TO GDP

Source: Geostat



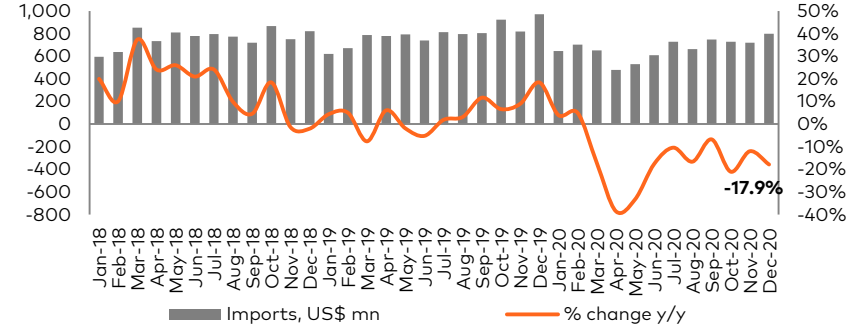
EXPORTS DOWN 12.0% YoY IN 2020

Source: Geostat



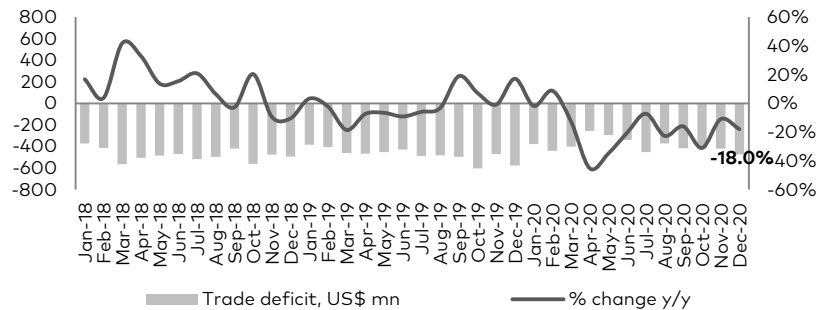
IMPORTS DOWN 15.9% YoY IN 2020

Source: Geostat



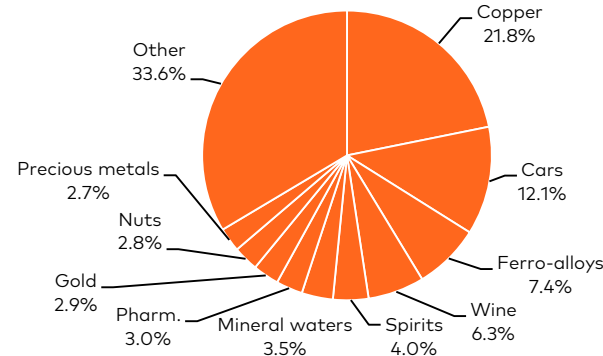
TRADE DEFICIT DOWN 18.4% YoY IN 2020

Source: Geostat

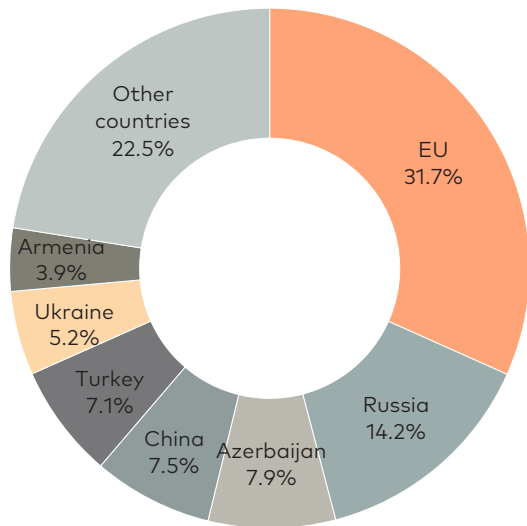


EXPORTS BY COMMODITY, 2020

Source: Geostat



EXPORTS, TOURISM, REMITTANCES AND FDI BY COUNTRY, 2020



Source: Geostat, NBG, GNTA, Galt & Taggart

ECONOMIC LINKAGES BREAKDOWN, 2020

No single country accounts for more than 20% in any particular category, minimising potential negative impact from any key partner

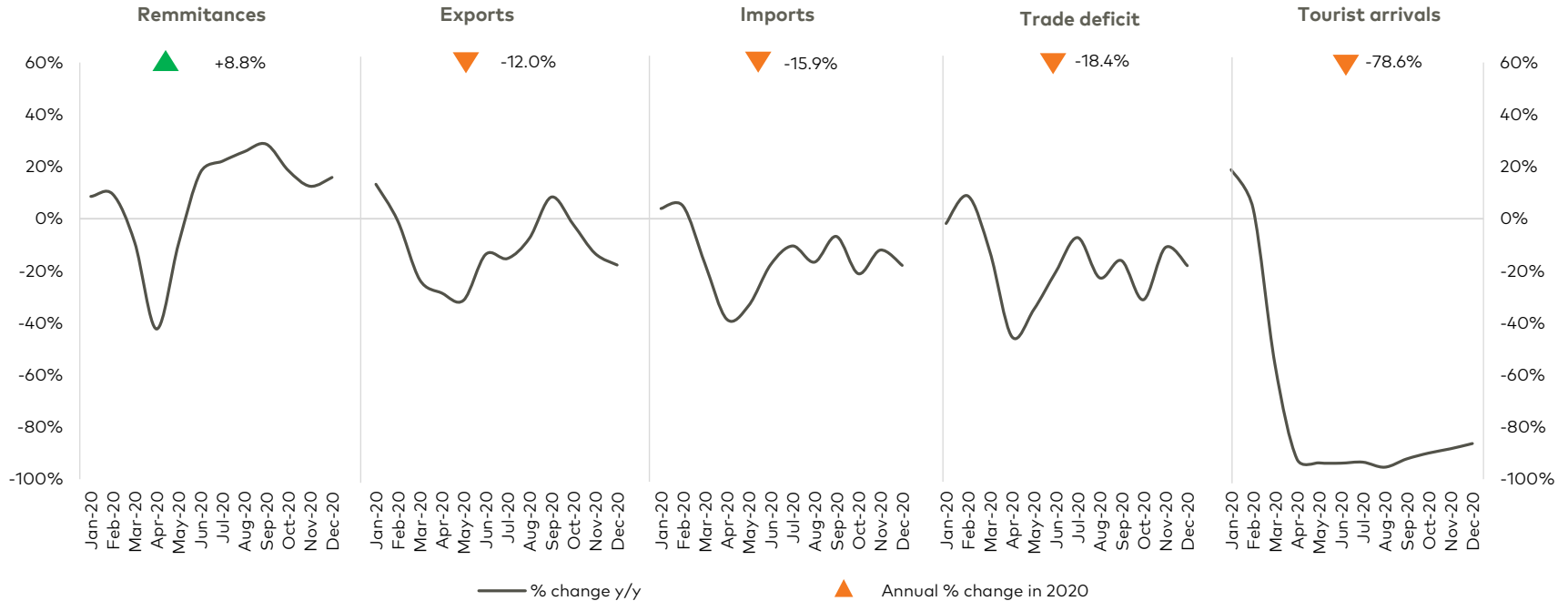
	Exports	Tourism	FDI	Remittances
EU	21.5%	11.5%	68.8%	41.5%
Russia	13.2%	18.2%	2.7%	19.3%
Azerbaijan	13.2%	7.5%	-3.2%	2.9%
Turkey	5.7%	20.3%	7.2%	5.7%
China	14.3%	0.5%	0.4%	0.1%
Ukraine	6.5%	4.6%	1.3%	4.6%
Armenia	5.6%	9.2%	0.7%	0.6%
Other countries	20.1%	28.2%	22.0%	25.4%

Source: Geostat, NBG, GNTA, Galt & Taggart

Note: FDI data is presented as of 9M20. Negative investment means a sale of shares or distributed profit.

RECOVERY REVERSED IN 4Q20 AS THE COUNTRY IMPOSED 2ND PARTIAL LOCKDOWN

Source: Geostat, NBG, GNTA



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

 **GROUP OVERVIEW AND STRATEGY**

 **4Q20 AND FY20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES | SEGMENT RESULTS**

1  **BANK OF GEORGIA**

2  **SOLO**

3  **BANK OF GEORGIA BUSINESS**

Segments	Mass Retail	Mass Affluent	MSME
Clients	2,326 k	60 k	230 k
Loans	GEL 2,955 mln	GEL 2,731 mln	GEL 3,295 mln
Deposits	GEL 3,407 mln	GEL 2,736 mln	GEL 958 mln
2020 profit	GEL 47 mln	GEL 57 mln	GEL 26 mln
P/C ratio	2.0	4.8	1.5
Branches	194	11	1

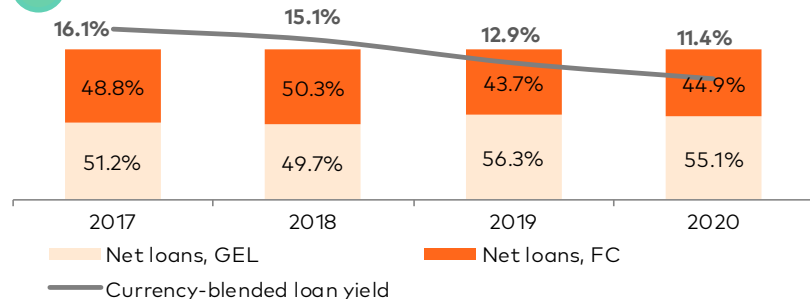
INCOME STATEMENT HIGHLIGHTS

GEL thousands unless otherwise noted

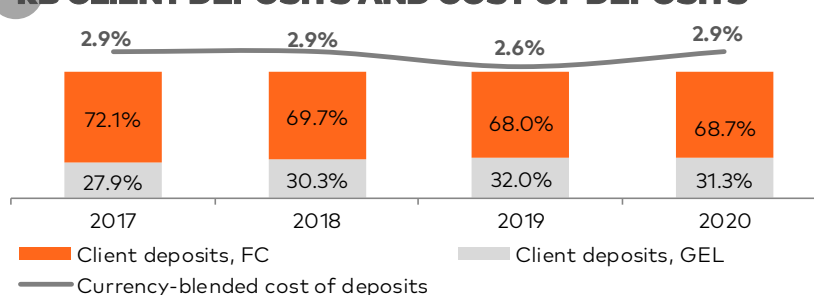
	4Q20	4Q19	Change y-o-y	3Q20	Change q-o-q	2020	2019	Change y-o-y
Net interest income	125,969	134,839	-6.6%	126,837	-0.7%	473,738	545,701	-13.2%
Net fee and commission income	34,660	32,775	5.8%	34,744	-0.2%	120,985	136,510	-11.4%
Net foreign currency gain	13,477	14,795	-8.9%	14,245	-5.4%	56,879	51,009	11.5%
Net other income	13,918	9,233	50.7%	3,477	NMF	23,390	8,230	NMF
Operating income	188,024	191,642	-1.9%	179,303	4.9%	674,992	741,450	-9.0%
Salaries and other employee benefits	(44,821)	(39,683)	12.9%	(40,481)	10.7%	(167,696)	(147,982)	13.3%
Administrative expenses	(24,339)	(22,593)	7.7%	(18,199)	33.7%	(80,169)	(70,968)	13.0%
Depreciation, amortisation and impairment	(17,828)	(20,383)	-12.5%	(15,704)	13.5%	(69,031)	(66,136)	4.4%
Other operating expenses	(1,087)	(625)	73.9%	(510)	113.1%	(2,696)	(2,286)	17.9%
Operating expenses	(88,075)	(83,284)	5.8%	(74,894)	17.6%	(319,592)	(287,372)	11.2%
Profit from associate	154	153	0.7%	214	-28.0%	782	789	-0.9%
Operating income before cost of risk	100,103	108,511	-7.7%	104,623	-4.3%	356,182	454,867	-21.7%
Cost of risk	(18,986)	(7,118)	NMF	(16,238)	16.9%	(183,061)	(89,879)	103.7%
Net operating income before non-recurring items	81,117	101,393	-20.0%	88,385	-8.2%	173,121	364,988	-52.6%
Net non-recurring items	149	68	119.1%	219	-32.0%	(39,811)	(846)	NMF
Profit before income tax and one-off costs	81,266	101,461	-19.9%	88,604	-8.3%	133,310	364,142	-63.4%
Income tax expense	(5,218)	(8,910)	-41.4%	(7,508)	-30.5%	(4,724)	(35,396)	-86.7%
Profit adjusted for one off costs	76,048	92,551	-17.8%	81,096	-6.2%	128,586	328,746	-60.9%
One-off termination costs (after tax)*	-	-	-	-	-	-	(10,142)	NMF
Profit	76,048	92,551	-17.8%	81,096	-6.2%	128,586	318,604	-59.6%

* The income statement adjusted profit in 2019 excludes GEL 10.1mln one-off employee costs (net of income tax) related to the former CEO and executive management termination benefits

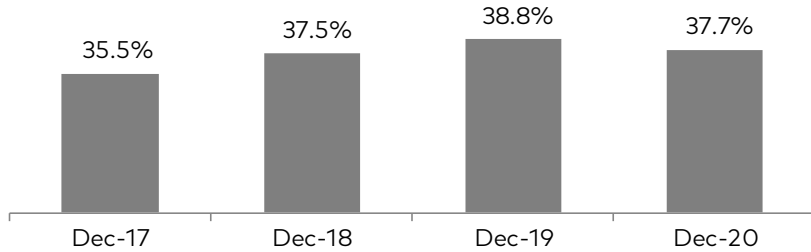
RB LOANS AND LOAN YIELD



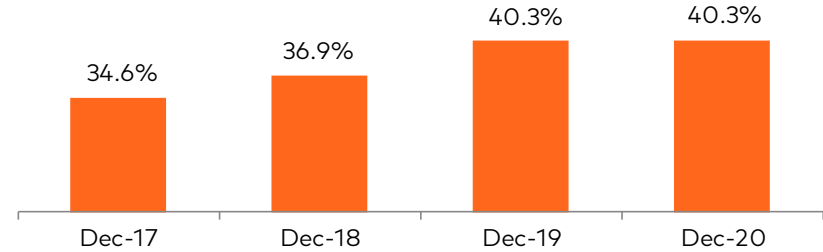
RB CLIENT DEPOSITS AND COST OF DEPOSITS



MARKET SHARE – LOANS TO INDIVIDUALS*

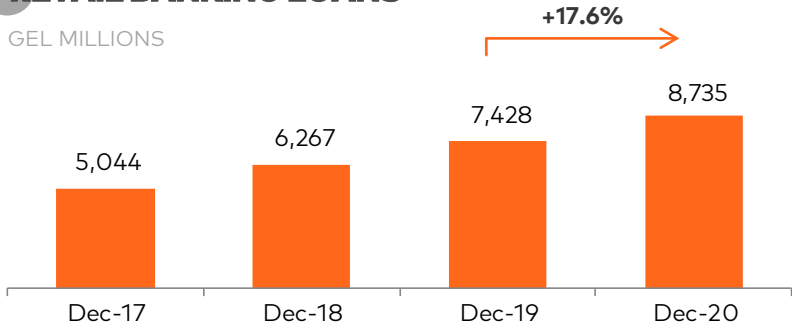


MARKET SHARE – DEPOSITS OF INDIVIDUALS*



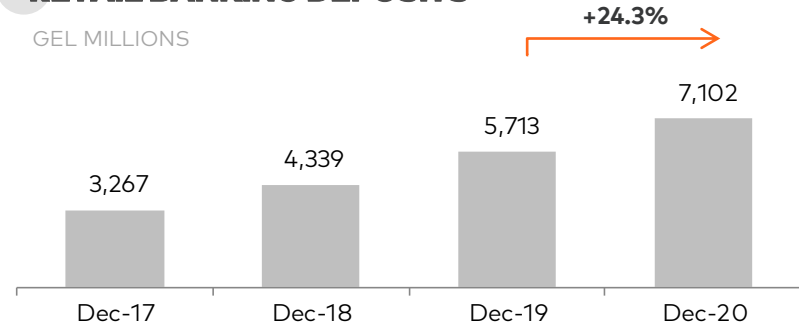
RETAIL BANKING LOANS

GEL MILLIONS



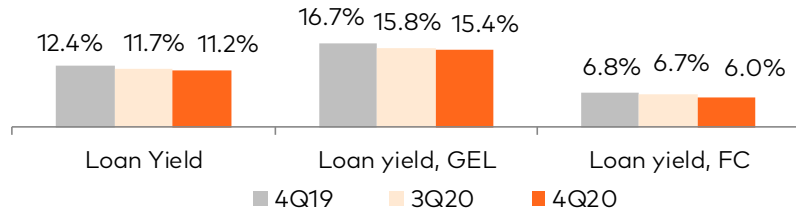
RETAIL BANKING DEPOSITS

GEL MILLIONS

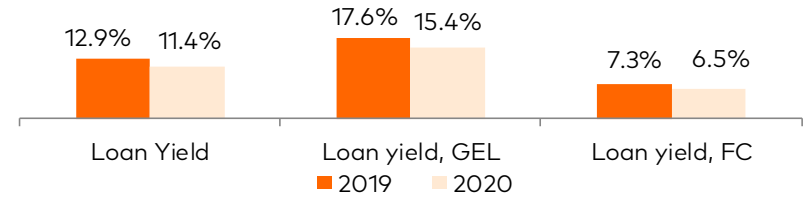


* Market shares by loans and deposits of individuals based on standalone accounts of the banks published by the National Bank of Georgia as at 31 December 2020

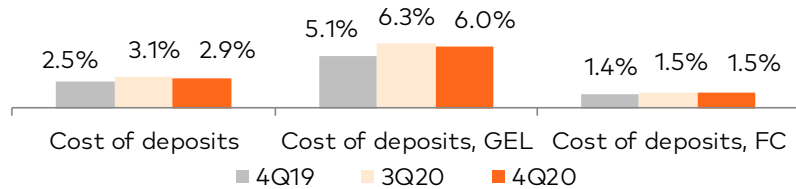
RETAIL BANKING LOAN YIELD | QUARTERLY



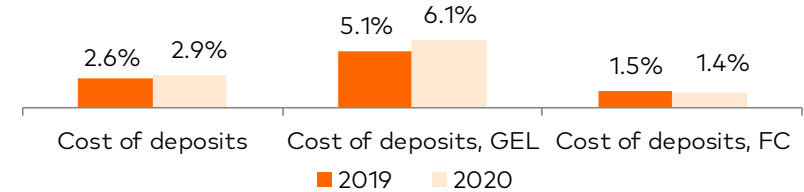
RETAIL BANKING LOAN YIELD | FULL YEAR



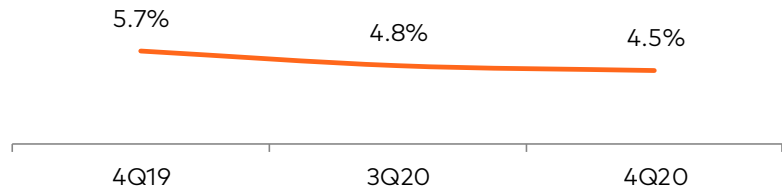
RETAIL BANKING COST OF DEPOSITS | QUARTERLY



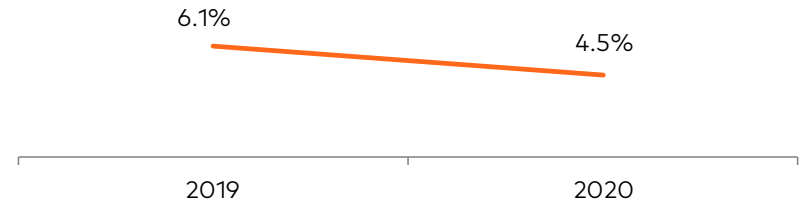
RETAIL BANKING COST OF DEPOSITS | FULL YEAR



RETAIL BANKING NIM | QUARTERLY



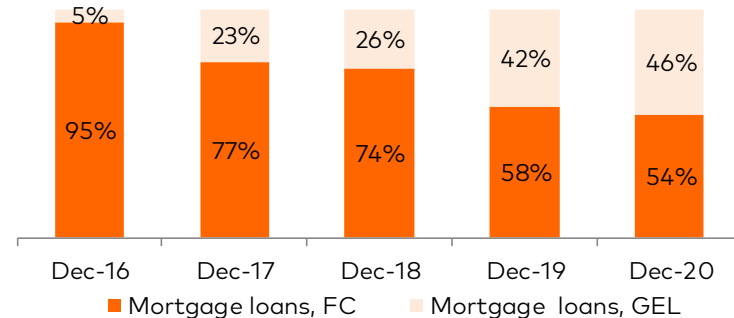
RETAIL BANKING NIM | FULL YEAR



RETAIL BANKING CLIENT DATA

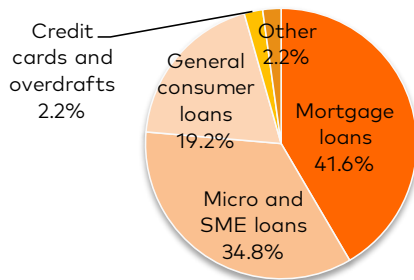
Operating Data, GEL mln	Dec-20	Dec-19	Dec-18	Dec-17
Number of total Retail clients, of which:	2,616,480	2,540,466	2,440,754	2,315,038
<i>Number of Solo clients</i>	60,330	54,542	44,292	32,104
Consumer loans & other outstanding, volume	1,924	1,726	1,555	1,480
Consumer loans & other outstanding, number	431,927	472,791	566,740	738,694
Mortgage loans outstanding, volume	3,734	3,043	2,539	1,706
Mortgage loans outstanding, number	52,665	46,907	39,007	26,643
Micro & SME loans outstanding, volume	3,126	2,523	2,005	1,637
Micro & SME loans outstanding, number	75,723	81,739	68,832	53,732
Credit cards and overdrafts outstanding, volume	198	245	290	308
Credit cards and overdrafts outstanding, number	303,283	395,012	454,512	480,105
Credit cards outstanding, number, of which:	264,311	395,536	547,038	673,573
<i>American Express cards</i>	97,318	99,307	105,899	97,178

MORTGAGE LOANS DOLLARISATION

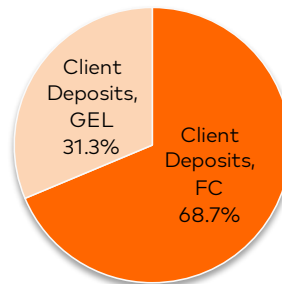


RETAIL BANKING PORTFOLIO | 31 DEC 2020

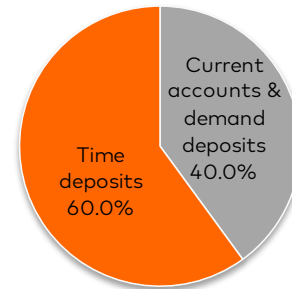
Gross Loans by products
Total: GEL 9.0bln



Deposits by currency
Total: GEL 7.1bln

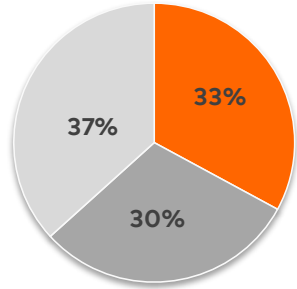


Deposits by category
Total: GEL 7.1bln

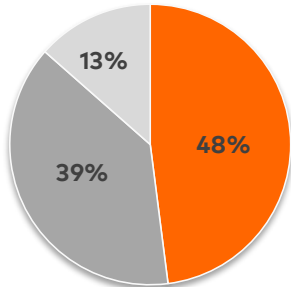


BALANCE SHEET | DEC-20

JSC Bank of Georgia Standalone



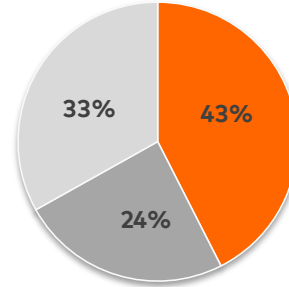
- Total Loans**
GEL 8,982mln
- Mass Retail (GEL 2,955mln)
 - Solo (GEL 2,731mln)
 - MSME (GEL 3,295mln)



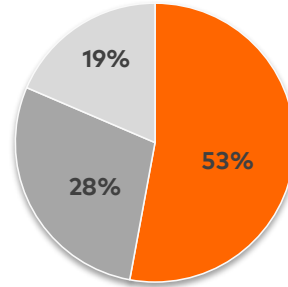
- Total Deposits**
GEL 7,102mln
- Mass Retail (GEL 3,407mln)
 - Solo (GEL 2,736mln)
 - MSME (GEL 958mln)

INCOME STATEMENT | 2020

JSC Bank of Georgia Standalone



- Net Interest Income**
GEL 474mln
- Mass Retail (GEL 201mln)
 - Solo (GEL 115mln)
 - MSME (GEL 157mln)



- Net Fee & Commission Income**
GEL 96mln
- Mass Retail (GEL 51mln)
 - Solo (GEL 27mln)
 - MSME (GEL 18mln)

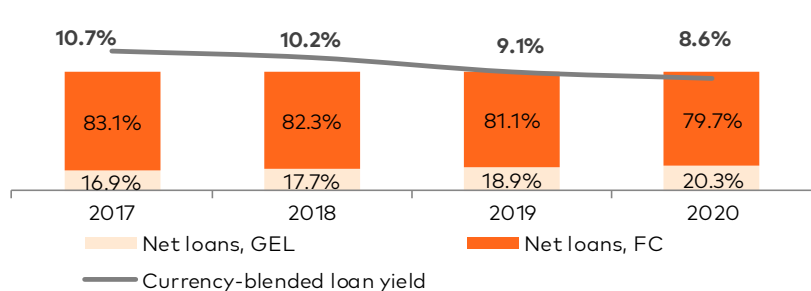
INCOME STATEMENT HIGHLIGHTS

GEL thousands unless otherwise noted

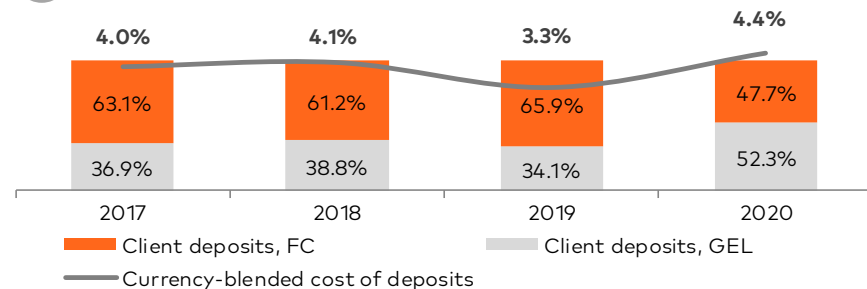
	4Q20	4Q19	Change y-o-y	3Q20	Change q-o-q	2020	2019	Change y-o-y
Net interest income	66,736	65,642	1.7%	68,454	-2.5%	267,641	217,874	22.8%
Net fee and commission income	10,933	11,928	-8.3%	9,500	15.1%	38,585	37,018	4.2%
Net foreign currency gain	11,017	14,341	-23.2%	4,976	121.4%	35,959	49,355	-27.1%
Net other income	10,184	9,212	10.6%	4,653	118.9%	24,342	13,506	80.2%
Operating income	98,870	101,123	-2.2%	87,583	12.9%	366,527	317,753	15.3%
Salaries and other employee benefits	(14,588)	(15,495)	-5.9%	(13,034)	11.9%	(52,352)	(57,975)	-9.7%
Administrative expenses	(5,215)	(8,989)	-42.0%	(4,483)	16.3%	(17,652)	(22,886)	-22.9%
Depreciation, amortisation and impairment	(2,400)	(2,387)	0.5%	(2,352)	2.0%	(9,659)	(8,437)	14.5%
Other operating expenses	(471)	(295)	59.7%	(235)	100.4%	(1,231)	(1,042)	18.1%
Operating expenses	(22,674)	(27,166)	-16.5%	(20,104)	12.8%	(80,894)	(90,340)	-10.5%
Operating income before cost of risk	76,196	73,957	3.0%	67,479	12.9%	285,633	227,413	25.6%
Cost of risk	(22,264)	(7,389)	NMF	6,745	NMF	(113,955)	(14,548)	NMF
Net operating income before non-recurring items	53,932	66,568	-19.0%	74,224	-27.3%	171,678	212,865	-19.3%
Net non-recurring items	-	(217)	NMF	(1)	NMF	(1,375)	(293)	NMF
Profit before income tax and one-off costs	53,932	66,351	-18.7%	74,223	-27.3%	170,303	212,572	-19.9%
Income tax expense	(4,079)	(5,344)	-23.7%	(7,619)	-46.5%	(14,097)	(19,819)	-28.9%
Profit adjusted for one off costs	49,853	61,007	-18.3%	66,604	-25.2%	156,206	192,753	-19.0%
One-off termination costs (after tax)*	-	-	-	-	-	-	(4,094)	NMF
Profit	49,853	61,007	-18.3%	66,604	-25.2%	156,206	188,659	-17.2%

* The income statement adjusted profit in 2019 excludes GEL 4.1mln one-off employee costs (net-off income tax) related to the former CEO and executive management termination benefits

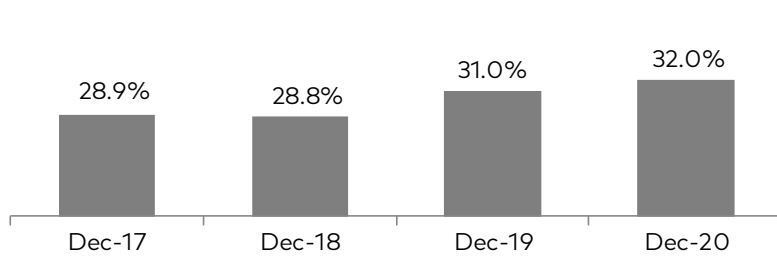
CIB LOAN PORTFOLIO AND LOAN YIELD



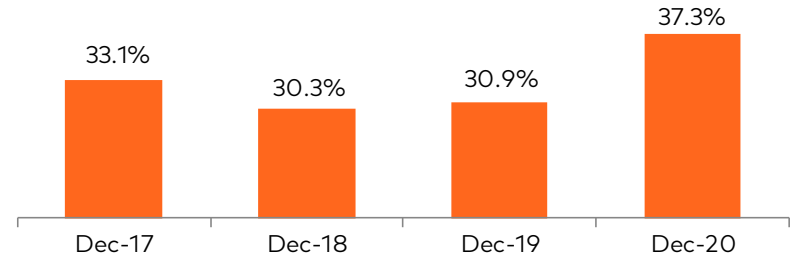
CIB CLIENT DEPOSITS AND COST OF DEPOSITS



MARKET SHARE – LOANS TO LEGAL ENTITIES*

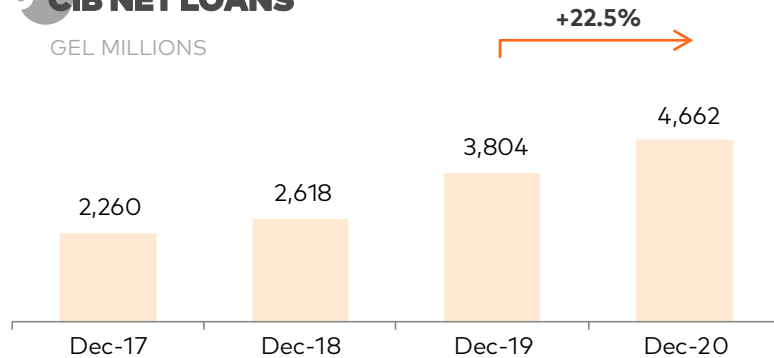


MARKET SHARE – DEPOSITS OF LEGAL ENTITIES*



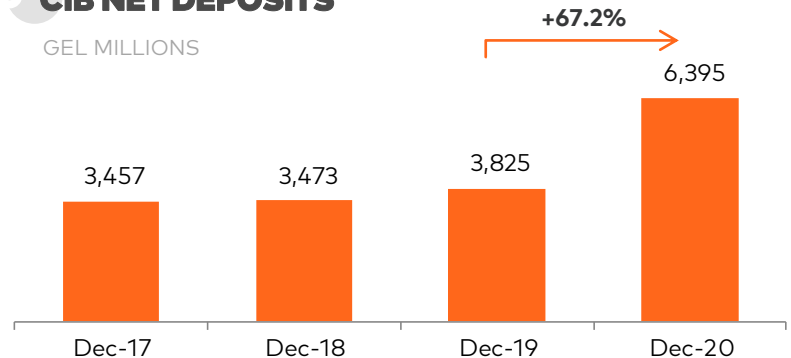
CIB NET LOANS

GEL MILLIONS



CIB NET DEPOSITS

GEL MILLIONS

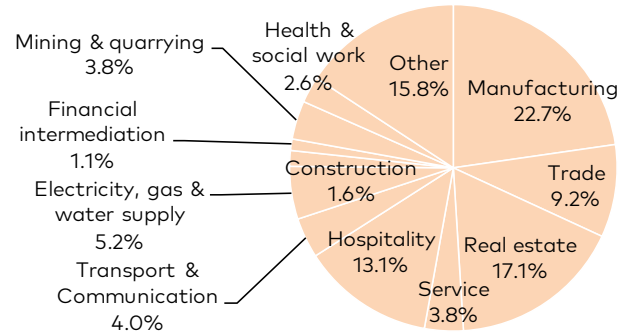


* Market shares by loans and deposits of legal entities based on standalone accounts of the banks published by the National Bank of Georgia as at 31 December 2020

HIGHLIGHTS

- **Leading corporate bank in Georgia**
- Integrated client coverage in key major sectors of the Georgian economy
- **3,020** corporate customers served by dedicated relationship bankers at 31 December 2020

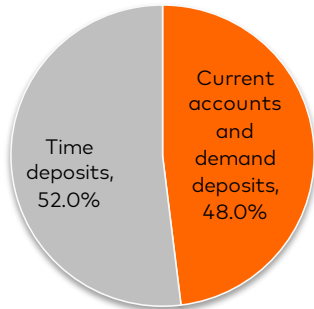
GROSS LOAN BOOK BY SECTOR | DEC-20



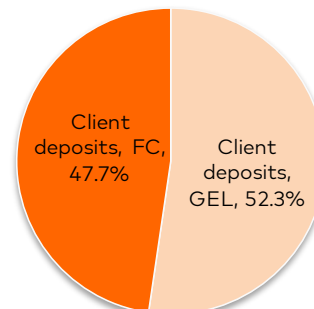
Top 10 CIB borrowers – 29.4% of CIB loan book

Top 20 CIB borrowers – 39.8% of CIB loan book

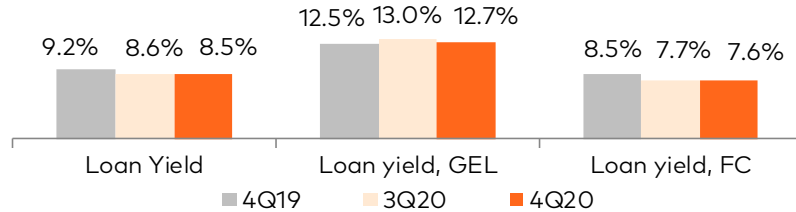
DEPOSITS BY CATEGORY | DEC-20



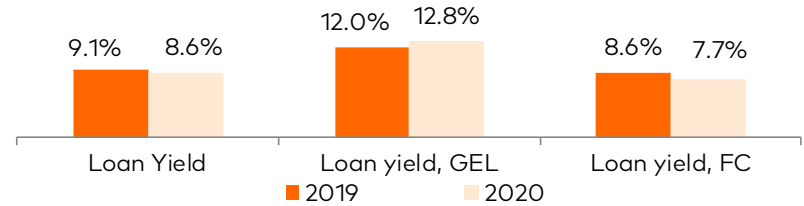
DEPOSITS BY CURRENCY | DEC-20



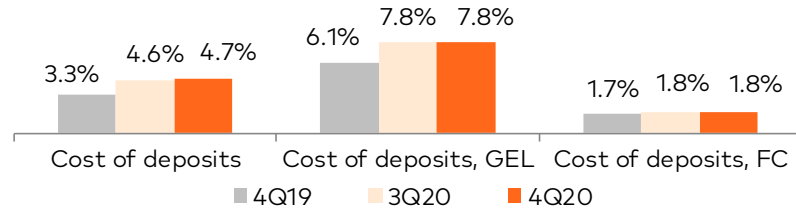
CIB LOAN YIELD | QUARTERLY



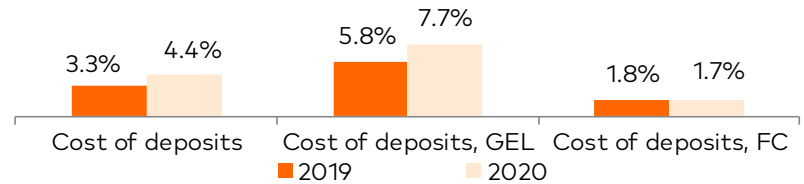
CIB LOAN YIELD | FULL YEAR



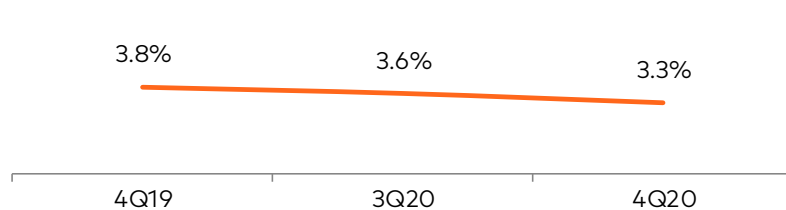
CIB COST OF DEPOSITS | QUARTERLY



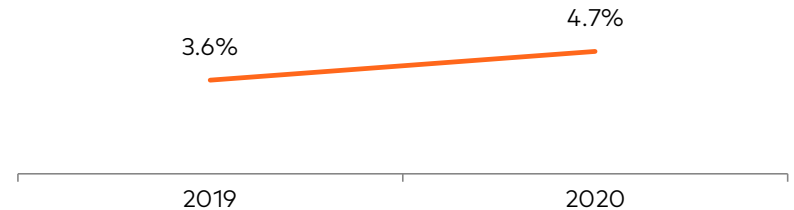
CIB COST OF DEPOSITS | FULL YEAR



CIB NIM | QUARTERLY



CIB NIM | FULL YEAR



WEALTH MANAGEMENT



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



- CIB AUM - GEL 2,769 million, up 11.2% y-o-y
- Diversified funding base:

1,578
customers

from

78
countries

GALT & TAGGART



- LARGEST INVESTMENT BANK IN GEORGIA
- BROKERAGE
 - Leading brokerage house in the region
 - Exclusive partner of SAXO Bank via white label structure
- RESEARCH
 - Macro, sector, and fixed income coverage
 - Global market coverage
- DCM/ECM
 - Leading player on the local market
 - Lead manager of choice for corporates as well as IFIs



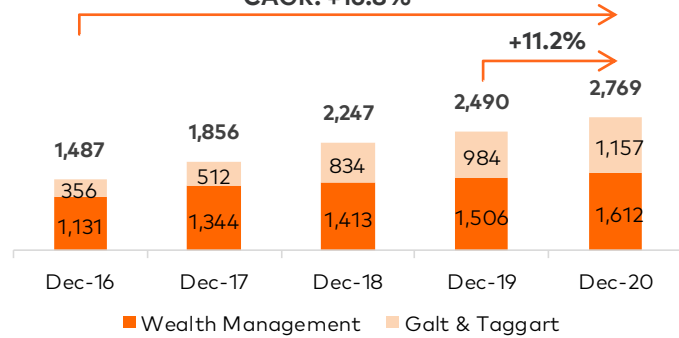
- CORPORATE ADVISORY
 - Track record of more than 30 completed transactions over the past eight years



GROWTH IN AUM

GEL MILLIONS

CAGR: +16.8%

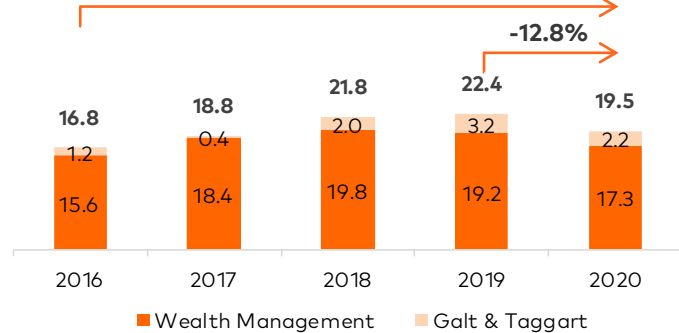


ROBUST PROFITABILITY

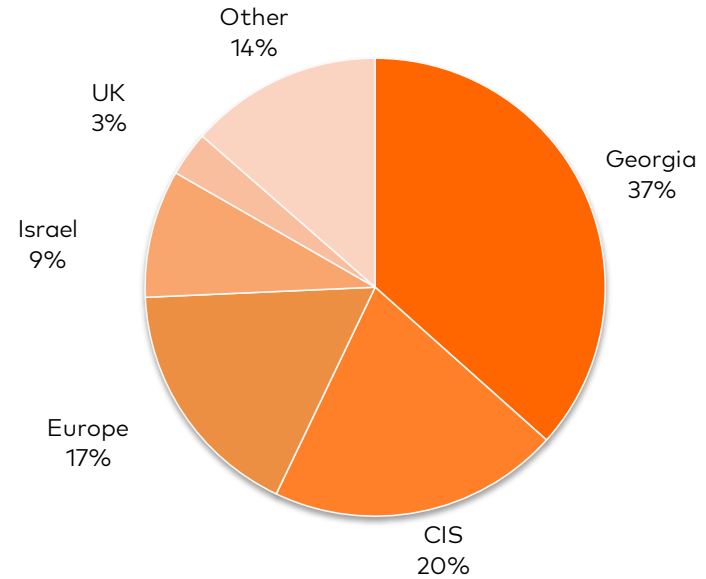
NET OPERATING PROFIT

GEL MILLIONS

CAGR: +3.8%



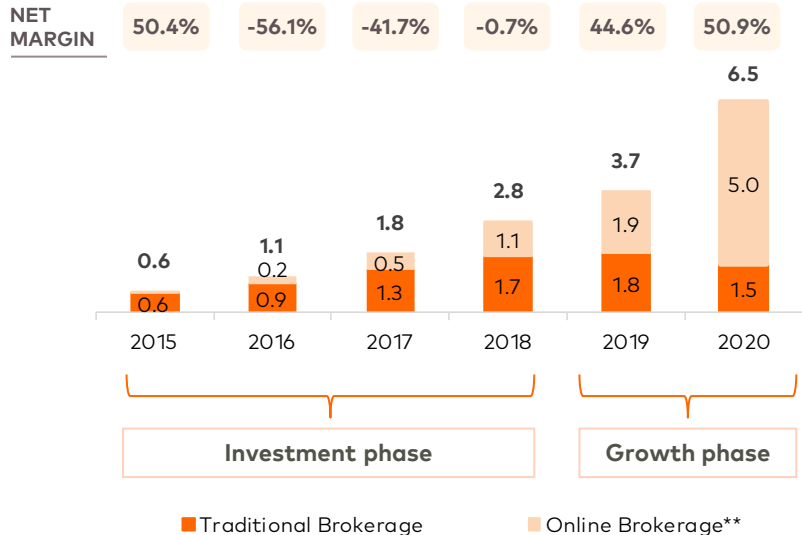
DIVERSIFIED CUSTOMER BASE ACROSS MULTIPLE GEOGRAPHIES



Addressable market to drive growth covers multiple geographies

GALT & TAGGART BROKERAGE – GROSS REVENUES AND NET MARGINS*

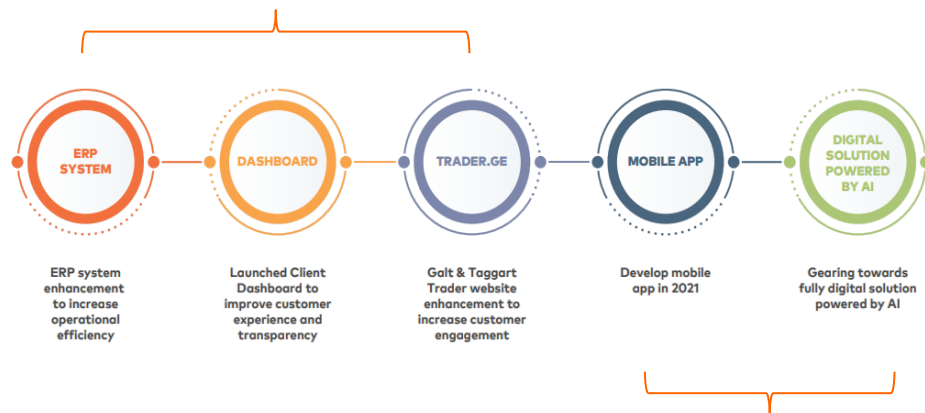
GEL MILLIONS



With investment phase behind, Galt & Taggart Brokerage business is now profitable and growing fast, driven by Online Brokerage

FOCUS ON DIGITALISING BROKERAGE OFFERINGS

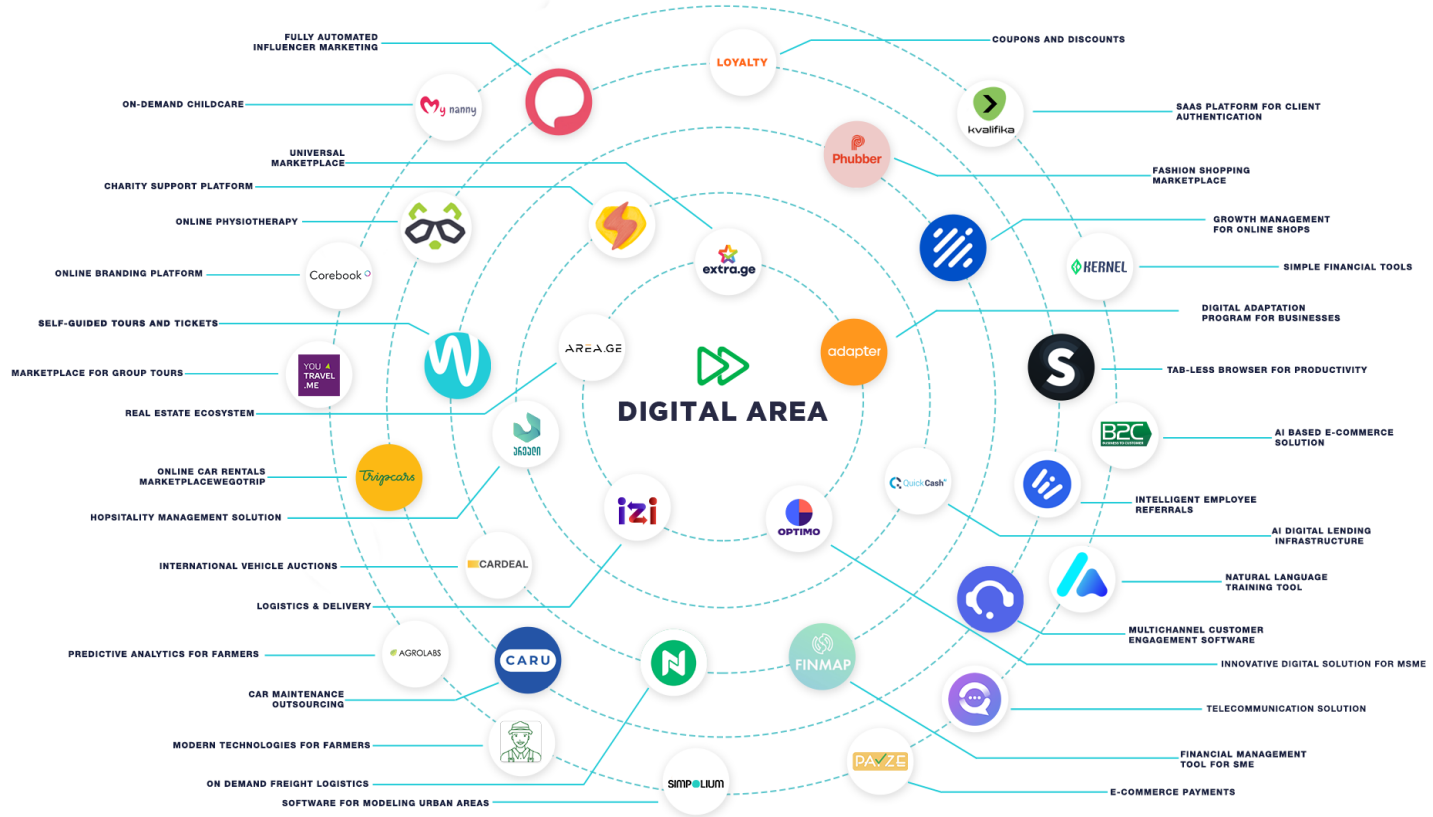
SIGNIFICANT MILESTONES TOWARDS DIGITALISATION ACHIEVED IN 2020



FOCUSING ON MOBILE AND FULLY DIGITAL SOLUTIONS

* Gross revenue stands for brokerage revenues before subtracting any brokerage and third-party brokerage fees; net margins are post these fees

** Offered through the white label solution from SAXO Bank



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 28 local and international startups

INVESTED US\$ 6.5 MLN
2018-2020

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
- Continue partnerships with other ecosystem players
- Digital Area ecosystem data harnessing

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

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

 **GROUP OVERVIEW AND STRATEGY**

 **4Q20 AND FY20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES | CORPORATE GOVERNANCE**

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

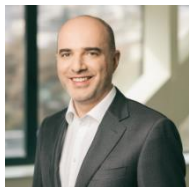
Experience: Partner at Linklaters LLP with nearly 30 years of experience in working on a broad spectrum of securities and finance matters



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

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



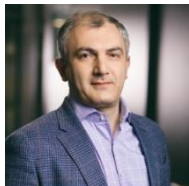
Archil Gachechiladze, Chief Executive Officer

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 and MBA from Cornell University.



Sul Khan 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.



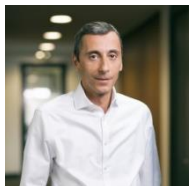
Levan Kulijanishvili, Deputy CEO, Operations

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.



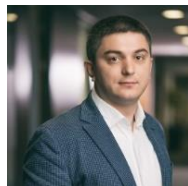
George Chiladze, Deputy CEO, Chief Risk Officer

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, 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 Technology, Data Analytics, Digital Channels

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.



Etuna Iremadze, Head of Premium 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.



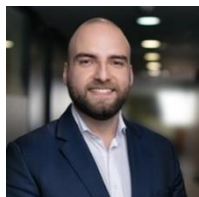
Zurab Kokosadze, Head of Corporate Banking

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, CEO of Digital Area

With the Group since 2018. Extensive experience in the global financial services. Previously, Head of Innovations and Bank of Georgia, 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 Gomshiashvili, 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.

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

 **GROUP OVERVIEW AND STRATEGY**

 **4Q20 AND FY20 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES | FINANCIAL AND OPERATING INFORMATION**

GROUP INCOME STATEMENT

GEL thousands, unless otherwise noted

	4Q20	4Q19	Change y-o-y	3Q20	Change q-o-q	2020	2019	Change y-o-y
Interest income	420,398	393,480	6.8%	407,666	3.1%	1,595,427	1,437,161	11.0%
Interest expense	(218,802)	(186,389)	17.4%	(203,636)	7.4%	(817,785)	(647,742)	26.3%
Net interest income	201,596	207,091	-2.7%	204,030	-1.2%	777,642	789,419	-1.5%
Fee and commission income	77,382	77,472	-0.1%	71,793	7.8%	274,458	284,193	-3.4%
Fee and commission expense	(30,424)	(30,914)	-1.6%	(26,261)	15.9%	(108,955)	(104,179)	4.6%
Net fee and commission income	46,958	46,558	0.9%	45,532	3.1%	165,503	180,014	-8.1%
Net foreign currency gain	26,457	37,177	-28.8%	19,179	37.9%	99,040	119,363	-17.0%
Net other income	25,016	18,439	35.7%	7,750	NMF	48,474	21,474	125.7%
Operating income	300,027	309,265	-3.0%	276,491	8.5%	1,090,659	1,110,270	-1.8%
<i>Salaries and other employee benefits (excluding one-offs)</i>	(64,243)	(61,504)	4.5%	(58,171)	10.4%	(239,607)	(231,443)	3.5%
<i>One-off termination costs of former executive management (1)</i>	-	-	-	-	-	-	(12,412)	NMF
Salaries and other employee benefits	(64,243)	(61,504)	4.5%	(58,171)	10.4%	(239,607)	(243,855)	-1.7%
Administrative expenses	(31,617)	(35,131)	-10.0%	(24,443)	29.3%	(105,531)	(106,157)	-0.6%
Depreciation, amortisation and impairment	(21,283)	(23,815)	-10.6%	(19,125)	11.3%	(82,937)	(78,118)	6.2%
Other operating expenses	(1,714)	(1,095)	56.5%	(873)	96.3%	(4,560)	(4,228)	7.9%
Operating expenses	(118,857)	(121,545)	-2.2%	(102,612)	15.8%	(432,635)	(432,358)	0.1%
Profit from associates	154	153	0.7%	214	-28.0%	782	789	-0.9%
Operating income before cost of risk	181,324	187,873	-3.5%	174,093	4.2%	658,806	678,701	-2.9%
Expected credit loss on loans to customers	(14,579)	(7,985)	82.6%	(5,836)	149.8%	(236,983)	(94,155)	151.7%
Expected credit loss on finance lease receivables	(381)	451	NMF	(2,371)	-83.9%	(8,025)	(885)	NMF
Other expected credit loss and impairment charge on other assets and provisions	(23,471)	(6,698)	NMF	(2,735)	NMF	(55,989)	(12,544)	NMF
Cost of risk	(38,431)	(14,232)	NMF	(10,942)	NMF	(300,997)	(107,584)	NMF
Net operating income before non-recurring items	142,893	173,641	-17.7%	163,151	-12.4%	357,809	571,117	-37.3%
<i>Net non-recurring items (excluding one-offs)</i>	21	(1,591)	NMF	254	-91.7%	(41,311)	(10,723)	NMF
<i>One-off termination costs of former CEO (2)</i>	-	-	-	-	-	-	(3,985)	NMF
Net non-recurring items	21	(1,591)	NMF	254	-91.7%	(41,311)	(14,708)	NMF
Profit before income tax expense	142,914	172,050	-16.9%	163,405	-12.5%	316,498	556,409	-43.1%
<i>Income tax expense (excluding one-offs)</i>	(11,065)	(15,515)	-28.7%	(15,051)	-26.5%	(21,555)	(58,619)	-63.2%
<i>Income tax benefit related to one-off termination costs of former CEO and executive management (3)</i>	-	-	-	-	-	-	2,161	NMF
Income tax expense	(11,065)	(15,515)	-28.7%	(15,051)	-26.5%	(21,555)	(56,458)	-61.8%
Profit	131,849	156,535	-15.8%	148,354	-11.1%	294,943	499,951	-41.0%
One-off items (1)+(2)+(3)	-	-	-	-	-	-	(14,236)	NMF
Profit attributable to:								
- shareholders of the Group	131,220	155,823	-15.8%	147,704	-11.2%	293,584	497,664	-41.0%
- non-controlling interests	629	712	-11.7%	650	-3.2%	1,359	2,287	-40.6%
Earnings per share (basic)	2.76	3.30	-16.4%	3.11	-11.3%	6.17	10.45	-41.0%
Earnings per share (diluted)	2.76	3.29	-16.1%	3.11	-11.3%	6.17	10.42	-40.8%

GROUP BALANCE SHEET

85

GEL thousands, unless otherwise noted

	Dec-20	Dec-19	Change y-o-y	Sep-20	Change q-o-q
Cash and cash equivalents	1,970,955	2,153,624	-8.5%	2,154,224	-8.5%
Amounts due from credit institutions	2,016,005	1,619,072	24.5%	1,980,195	1.8%
Investment securities	2,544,397	1,786,804	42.4%	2,205,244	15.4%
Loans to customers and finance lease receivables	14,192,078	11,931,262	18.9%	13,627,144	4.1%
Accounts receivable and other loans	2,420	3,489	-30.6%	4,935	-51.0%
Prepayments	27,593	42,632	-35.3%	32,021	-13.8%
Inventories	10,340	12,297	-15.9%	11,406	-9.3%
Right-of-use assets	83,208	96,095	-13.4%	85,859	-3.1%
Investment property	231,241	225,073	2.7%	221,517	4.4%
Property and equipment	387,851	379,788	2.1%	390,401	-0.7%
Goodwill	33,351	33,351	0.0%	33,351	0.0%
Intangible assets	125,806	106,290	18.4%	117,941	6.7%
Income tax assets	22,033	282	NMF	40,484	-45.6%
Other assets	325,994	143,154	127.7%	216,159	50.8%
Assets held for sale	62,648	36,284	72.7%	46,072	36.0%
Total assets	22,035,920	18,569,497	18.7%	21,166,953	4.1%
Client deposits and notes	14,020,209	10,076,735	39.1%	12,985,039	8.0%
Amounts owed to credit institutions	3,335,966	3,934,123	-15.2%	3,757,646	-11.2%
Debt securities issued	1,585,545	2,120,064	-25.2%	1,628,188	-2.6%
Lease liabilities	95,635	94,616	1.1%	98,522	-2.9%
Accruals and deferred income	53,894	52,471	2.7%	43,474	24.0%
Income tax liabilities	62,434	37,918	64.7%	70,854	-11.9%
Other liabilities	332,322	102,662	NMF	212,093	56.7%
Total liabilities	19,486,005	16,418,589	18.7%	18,795,816	3.7%
Share capital	1,618	1,618	0.0%	1,618	0.0%
Additional paid-in capital	526,634	492,072	7.0%	513,407	2.6%
Treasury shares	(54)	(64)	-15.6%	(54)	0.0%
Other reserves	71,227	(7,481)	NMF	38,201	86.5%
Retained earnings	1,939,122	1,655,256	17.1%	1,807,432	7.3%
Total equity attributable to shareholders of the Group	2,538,547	2,141,401	18.5%	2,360,604	7.5%
Non-controlling interests	11,368	9,507	19.6%	10,533	7.9%
Total equity	2,549,915	2,150,908	18.6%	2,371,137	7.5%
Total liabilities and equity	22,035,920	18,569,497	18.7%	21,166,953	4.1%
Book value per share	53.41	45.36	17.7%	49.67	7.5%

INCOME STATEMENT HIGHLIGHTS										
<i>GEL thousands, unless otherwise noted</i>			4Q20	4Q19	Change y-o-y	3Q20	Change q-o-q	2020	2019	Change y-o-y
Net interest income	8,888	7,194	23.5%	8,735	1.8%	36,249	27,586	31.4%		
Net fee and commission income	1,268	1,602	-20.8%	1,220	3.9%	5,678	7,169	-20.8%		
Net foreign currency gain / (loss)	1,963	6,548	-70.0%	(42)	NMF	6,202	20,688	-70.0%		
Net other income / (expense)	1,240	92	NMF	(110)	NMF	1,812	463	NMF		
Operating income	13,359	15,436	-13.5%	9,803	36.3%	49,941	55,906	-10.7%		
Operating expenses	(8,334)	(9,493)	-12.2%	(7,812)	6.7%	(32,950)	(35,366)	-6.8%		
Operating income before cost of risk	5,025	5,943	-15.4%	1,991	152.4%	16,991	20,540	-17.3%		
Cost of risk	2,819	(7)	NMF	(1,449)	NMF	(3,981)	(2,691)	47.9%		
Net non-recurring items	(128)	(46)	NMF	36	NMF	(125)	(110)	13.6%		
Profit before income tax	7,716	5,890	31.0%	578	NMF	12,885	17,739	-27.4%		
Income tax (expense) / benefit	(1,768)	(1,261)	40.2%	76	NMF	(2,734)	(3,404)	-19.7%		
Profit	5,948	4,629	28.5%	654	NMF	10,151	14,335	-29.2%		

BALANCE SHEET HIGHLIGHTS								
<i>GEL thousands, unless otherwise noted</i>			Dec-20	Dec-19	Change y-o-y	Sep-20	Change q-o-q	
Cash and cash equivalents			163,193	212,777	-23.3%	155,782	4.8%	
Amounts due from credit institutions			20,042	12,742	57.3%	14,614	37.1%	
Investment securities			94,459	81,573	15.8%	74,936	26.1%	
Loans to customers and finance lease receivables			698,542	580,876	20.3%	702,231	-0.5%	
Other assets			42,416	55,102	-23.0%	47,394	-10.5%	
Total assets			1,018,652	943,070	8.0%	994,957	2.4%	
Client deposits and notes			589,152	608,777	-3.2%	596,360	-1.2%	
Amounts owed to credit institutions			234,641	144,621	62.2%	209,535	12.0%	
Debt securities issued			34,067	69,438	-50.9%	49,214	-30.8%	
Other liabilities			28,237	11,038	155.8%	22,188	27.3%	
Total liabilities			886,097	833,874	6.3%	877,297	1.0%	
Total equity			132,555	109,196	21.4%	117,660	12.7%	
Total liabilities and equity			1,018,652	943,070	8.0%	994,957	2.4%	

	4Q20	4Q19	3Q20	2020	2019
Profitability					
ROAA, annualised **	2.4%	3.4%	3.0%	1.5%	3.1%
ROAA, annualised (unadjusted)	2.4%	3.4%	3.0%	1.5%	3.1%
ROAE, annualised **	21.3%	29.9%	26.0%	13.0%	26.1%
<i>RB ROAE **</i>	22.0%	31.4%	25.0%	10.0%	28.6%
<i>CIB ROAE **</i>	20.7%	28.5%	30.7%	18.1%	25.6%
ROAE, annualised (unadjusted)	21.3%	29.9%	26.0%	13.0%	25.4%
Net interest margin, annualised	4.4%	5.4%	4.8%	4.6%	5.6%
<i>RB NIM</i>	4.5%	5.7%	4.8%	4.5%	6.1%
<i>CIB NIM</i>	3.3%	3.8%	3.6%	4.7%	3.6%
Loan yield, annualised	10.4%	11.4%	10.7%	10.5%	11.7%
<i>RB Loan yield</i>	11.2%	12.4%	11.7%	11.4%	12.9%
<i>CIB Loan yield</i>	8.5%	9.2%	8.6%	8.6%	9.1%
Liquid assets yield, annualised	3.0%	3.7%	3.3%	3.4%	3.5%
Cost of funds, annualised	4.6%	4.7%	4.7%	4.7%	4.6%
Cost of client deposits and notes, annualised	3.8%	3.0%	3.8%	3.6%	3.0%
<i>RB Cost of client deposits and notes</i>	2.9%	2.5%	3.1%	2.9%	2.6%
<i>CIB Cost of client deposits and notes</i>	4.7%	3.3%	4.6%	4.4%	3.3%
Cost of amounts due to credit institutions, annualised	6.6%	7.4%	6.9%	7.1%	7.1%
Cost of debt securities issued	7.0%	7.9%	7.0%	7.4%	7.7%
Operating leverage, y-o-y ***	-0.8%	-7.3%	1.9%	-4.8%	-3.2%
Operating leverage, q-o-q ***	-7.3%	-4.1%	17.8%	0.0%	0.0%
Efficiency					
Cost / Income ***	39.6%	39.3%	37.1%	39.7%	37.8%
<i>RB Cost / Income ***</i>	46.8%	43.5%	41.8%	47.3%	38.8%
<i>CIB Cost / Income ***</i>	22.9%	26.9%	23.0%	22.1%	28.4%
Cost / Income (unadjusted)	39.6%	39.3%	37.1%	39.7%	38.9%

* For the description of Key Ratios, refer to page 90

** The 2019 ratios are adjusted for one-off employee costs related to termination benefits of the former CEO and executive management

*** The 2019 ratios are adjusted for one-off employee costs related to termination benefits of former executive management

Liquidity

NBG liquidity coverage ratio (*minimum requirement 100%*)

Liquid assets to total liabilities

Net loans to client deposits and notes

Net loans to client deposits and notes + DFIs

Leverage (times)

Asset Quality:

NPLs (in GEL)

NPLs to gross loans to clients

NPL coverage ratio

NPL coverage ratio, adjusted for discounted value of collateral

Cost of credit risk, annualised

RB Cost of credit risk

CIB Cost of credit risk

Capital Adequacy:

NBG (Basel III) CET1 capital adequacy ratio

Minimum regulatory requirement

NBG (Basel III) Tier I capital adequacy ratio

Minimum regulatory requirement

NBG (Basel III) Total capital adequacy ratio

Minimum regulatory requirement

	4Q20	4Q19	3Q20	2020	2019
NBG liquidity coverage ratio (<i>minimum requirement 100%</i>)	138.6%	136.7%	147.0%	138.6%	136.7%
Liquid assets to total liabilities	33.5%	33.9%	33.7%	33.5%	33.9%
Net loans to client deposits and notes	101.2%	118.4%	104.9%	101.2%	118.4%
Net loans to client deposits and notes + DFIs	89.4%	103.2%	92.1%	89.4%	103.2%
Leverage (times)	7.6	7.6	7.9	7.6	7.6
NPLs (in GEL)	545,837	252,695	530,631	545,837	252,695
NPLs to gross loans to clients	3.7%	2.1%	3.8%	3.7%	2.1%
NPL coverage ratio	76.3%	80.9%	76.8%	76.3%	80.9%
NPL coverage ratio, adjusted for discounted value of collateral	128.8%	139.6%	131.4%	128.8%	139.6%
Cost of credit risk, annualised	0.4%	0.2%	0.2%	1.8%	0.9%
<i>RB Cost of credit risk</i>	0.6%	0.2%	0.8%	2.1%	1.2%
<i>CIB Cost of credit risk</i>	0.4%	0.5%	-1.1%	1.4%	0.2%
NBG (Basel III) CET1 capital adequacy ratio	10.4%	11.5%	9.9%	10.4%	11.5%
<i>Minimum regulatory requirement</i>	7.4%	10.1%	6.9%	7.4%	10.1%
NBG (Basel III) Tier I capital adequacy ratio	12.4%	13.6%	12.0%	12.4%	13.6%
<i>Minimum regulatory requirement</i>	9.2%	12.2%	8.7%	9.2%	12.2%
NBG (Basel III) Total capital adequacy ratio	17.6%	18.1%	17.3%	17.6%	18.1%
<i>Minimum regulatory requirement</i>	13.8%	17.1%	13.3%	13.8%	17.1%

* For the description of Key Ratios, refer to page 90

	Dec-20	Dec-19	Sep-20
Selected operating data:			
Total assets per FTE	2,993	2,515	2,976
Number of active branches, of which:	211	272	211
- Express branches (including Metro)	105	162	105
- Bank of Georgia branches	95	98	95
- Solo lounges	11	12	11
Number of ATMs	960	933	947
Number of cards outstanding, of which:	2,137,744	2,145,060	2,184,591
- Debit cards	1,873,433	1,749,524	1,879,970
- Credit cards	264,311	395,536	304,621
Number of POS terminals	27,184	21,870	25,706
Number of Express Pay terminals	3,020	3,217	3,130
FX Rates:			
GEL/US\$ exchange rate (period-end)	3.2766	2.8677	3.2878
GEL/GBP exchange rate (period-end)	4.4529	3.7593	4.2255
Full time employees (FTE), of which:			
	7,363	7,383	7,112
- Full time employees, BOG standalone	5,821	5,879	5,598
- Full time employees, BNB	537	565	538
- Full time employees, other	1,005	939	976
Shares outstanding			
Ordinary shares	47,530,584	47,210,876	47,528,417
Treasury shares	1,638,844	1,958,552	1,641,011
Total shares outstanding	49,169,428	49,169,428	49,169,428

- **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

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