

RESULTS CALL PRESENTATION

4Q23 & FY23 Performance

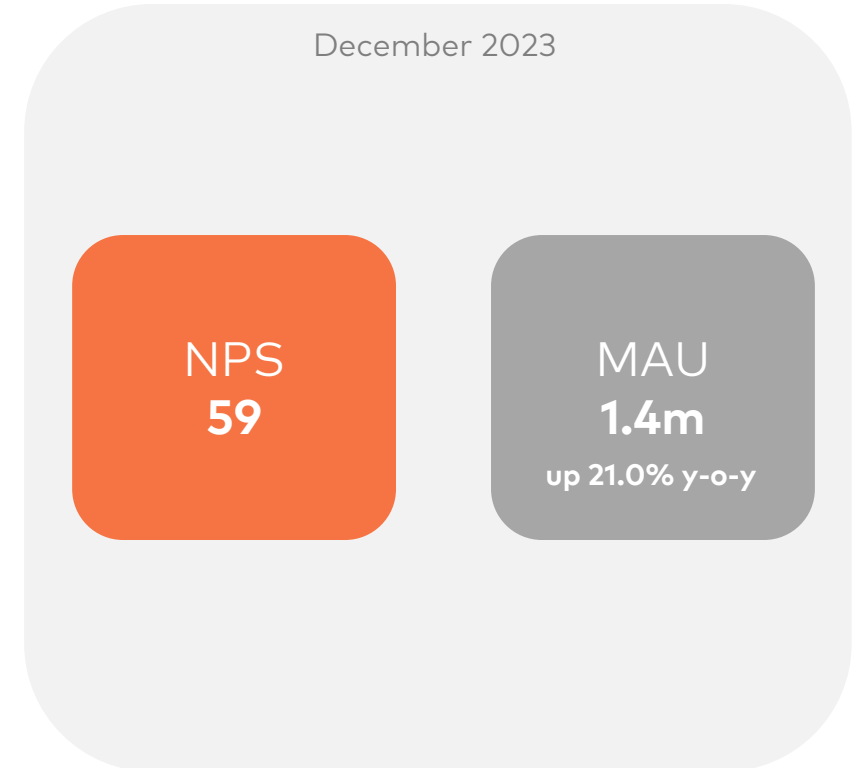
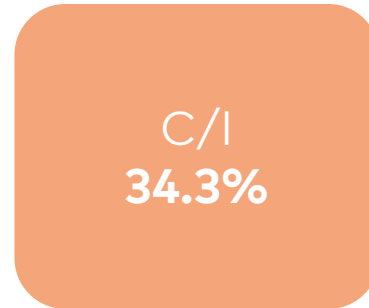
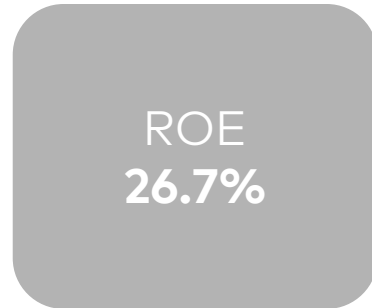
15 March 2024
www.bankofgeorgiagroup.com

Disclaimer – forward looking statements

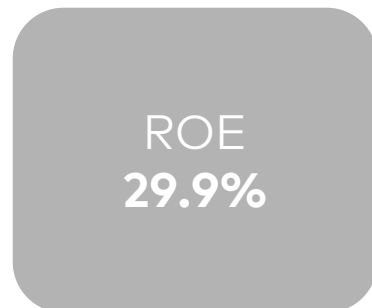
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The Group delivered a strong performance in 4Q23 and FY23

Highlights of the quarter



Highlights of the year



Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 1.5 million posted in 4Q23 and one-off other income of GEL 22.6 for FY23. Net other income has been adjusted for these one-offs. Due to the settlement of the same legacy claim, 4Q22 and FY22 net other income was adjusted for a one-off GEL 391.1 million. 4Q22 and FY22 income tax expense was also adjusted for a one-off GEL 79.3 income tax expense due to an amendment to the corporate taxation model in Georgia. As a result, profit, ROAA and ROAE were adjusted for both one-off other income and one-off income tax expense where applicable and Cost:income ratios were adjusted for one-off other income where applicable.

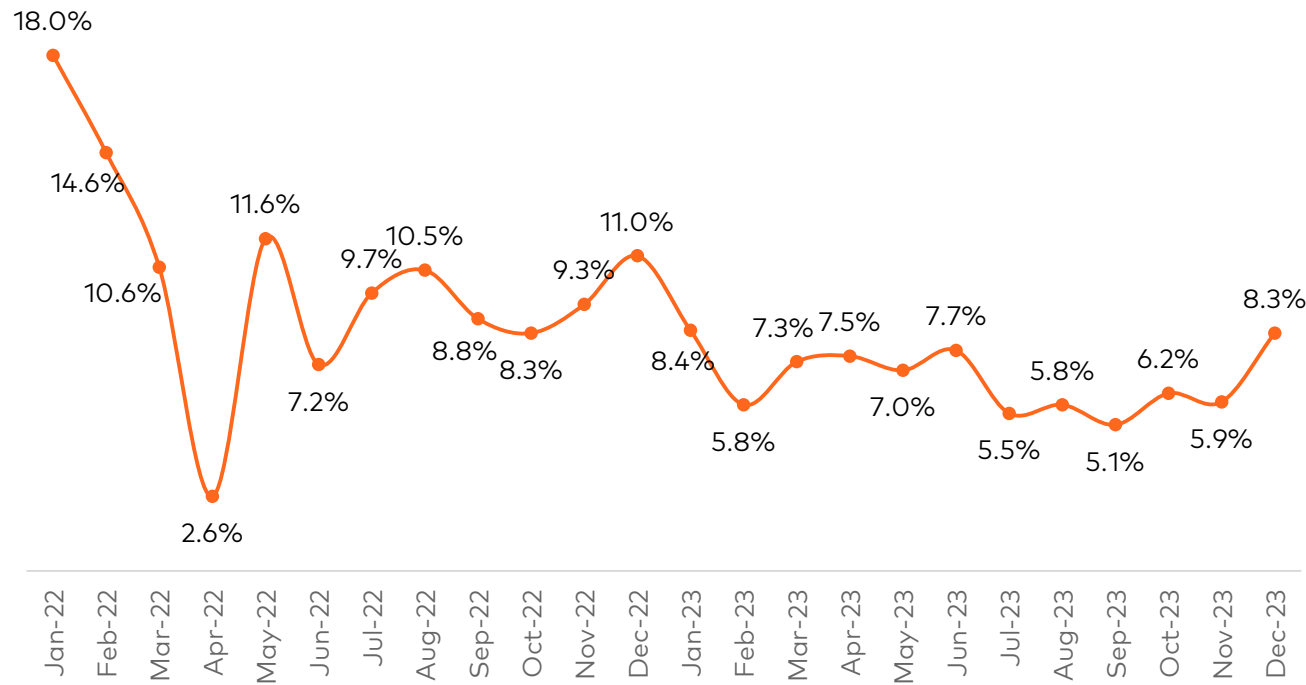
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- | MACROECONOMIC HIGHLIGHTS**
- | GROUP OVERVIEW AND STRATEGY
- | 4Q23 AND FY23 RESULTS

Robust economic growth persisted in 2023 as slowing external demand was substituted by stronger domestic spending

Real GDP y-o-y growth

2011-2022 average	2021	2022	2023	2024F	2025F
5.2%	10.6%	11.0%	7.5%	6.0%	5.5%



Key growth drivers in 2023:

- Robust domestic demand driven by strong investment and consumption spending
- Increased activity in the trade, IT, construction, transport, and education sectors
- Solid inflows from tourism and exports:
 - Tourism revenues up by 17.3% y-o-y
 - Export of goods increased by 9.1% y-o-y

Growth outlook for 2024:

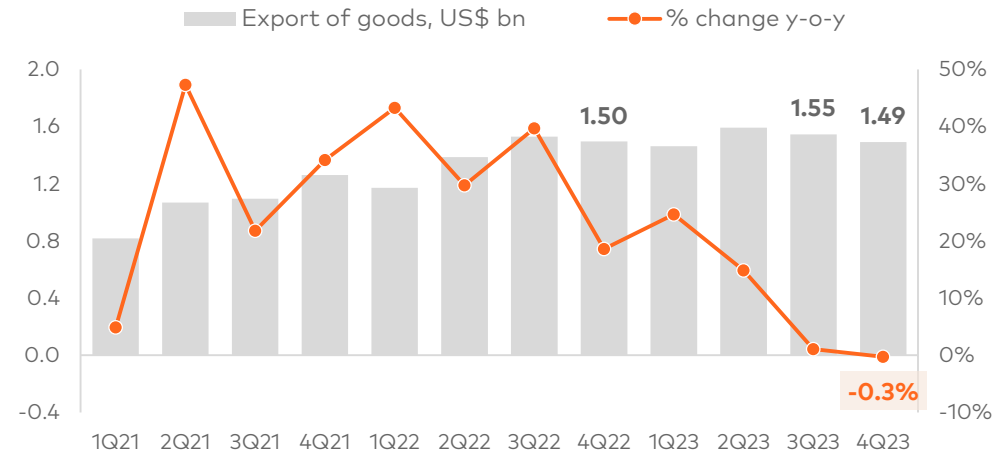
- Real GDP growth is expected at **6.0%** in 2024 driven by strong consumption and investment expenditure along with resilient external demand
- Sustained geopolitical instability in the region and tight global financial conditions pose downside risks to the outlook
- Increased fiscal space and replenished international reserves cushion the economy from possible shocks down the road

Source: Geostat, Galt & Taggart

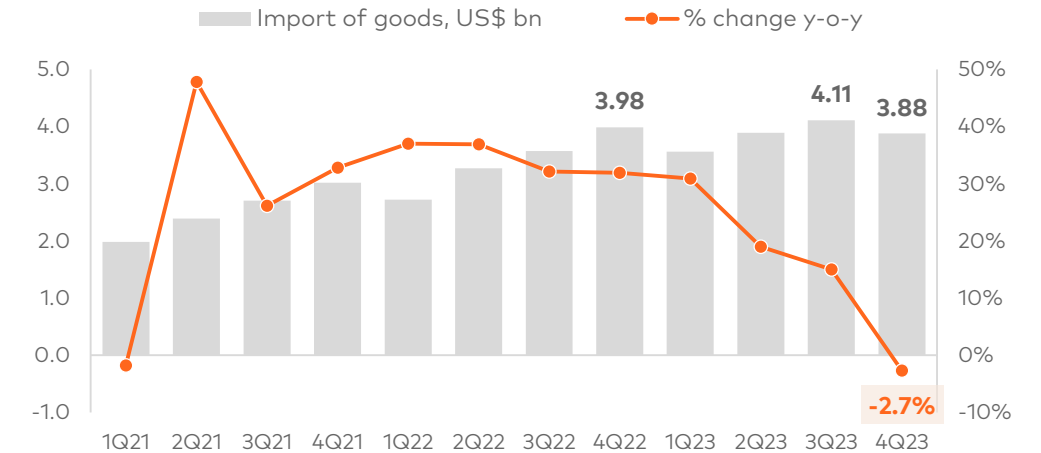
Note: In February 2024, Geostat revised the historical series of GDP in line with the recommendations from international organisations such as the IMF and Eurostat.

Solid external sector inflows in 2023 despite recent slowdown from the previous year's high base

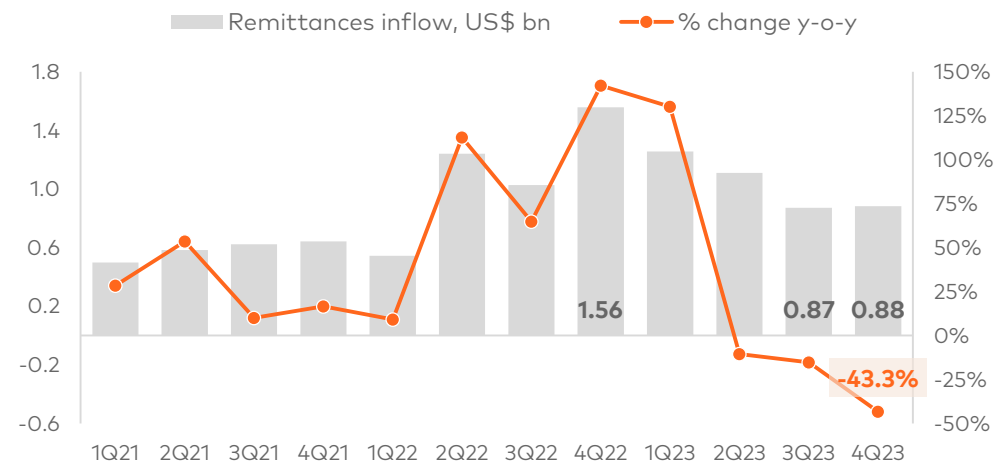
Export of goods



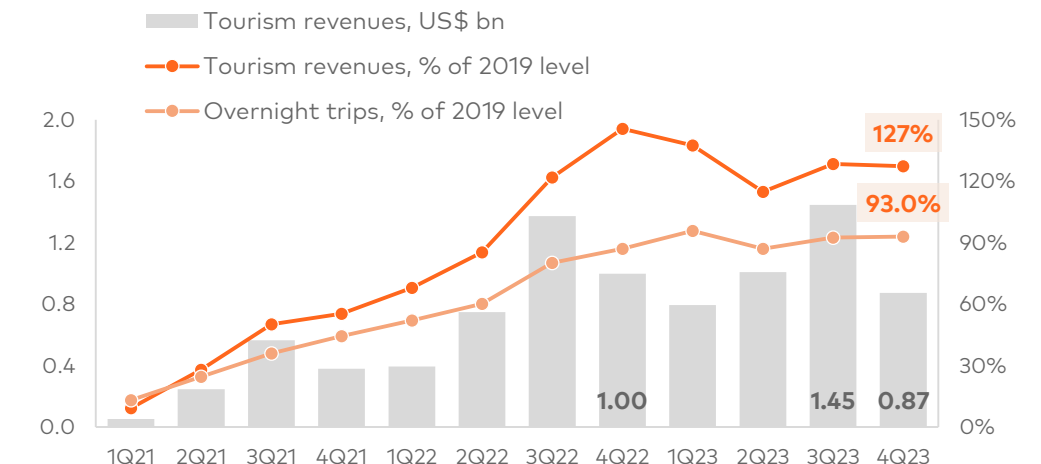
Import of goods



Remittances

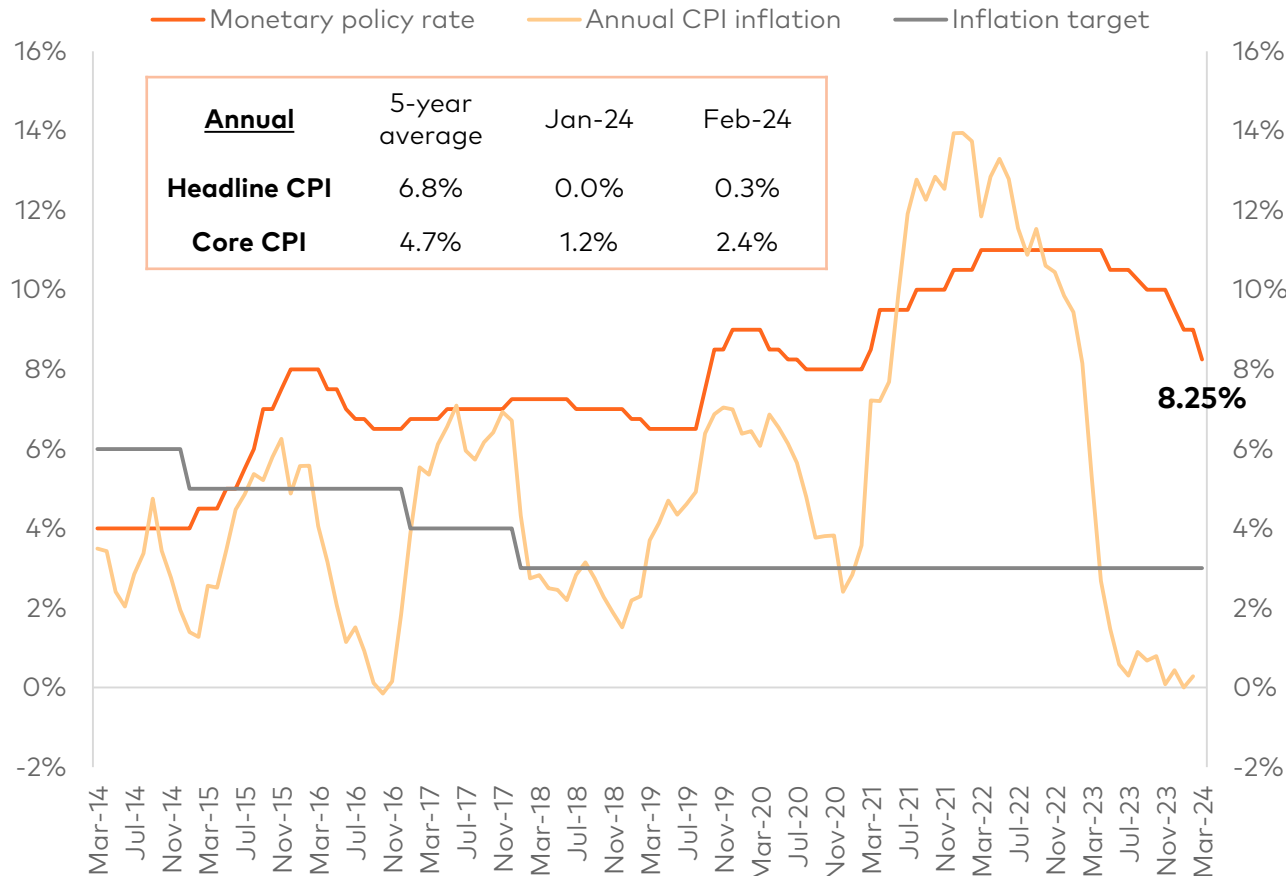


Tourism inflows



Steady improvements in the inflation outlook enabling the central bank to continue cutting interest rate

Inflation and monetary policy rate

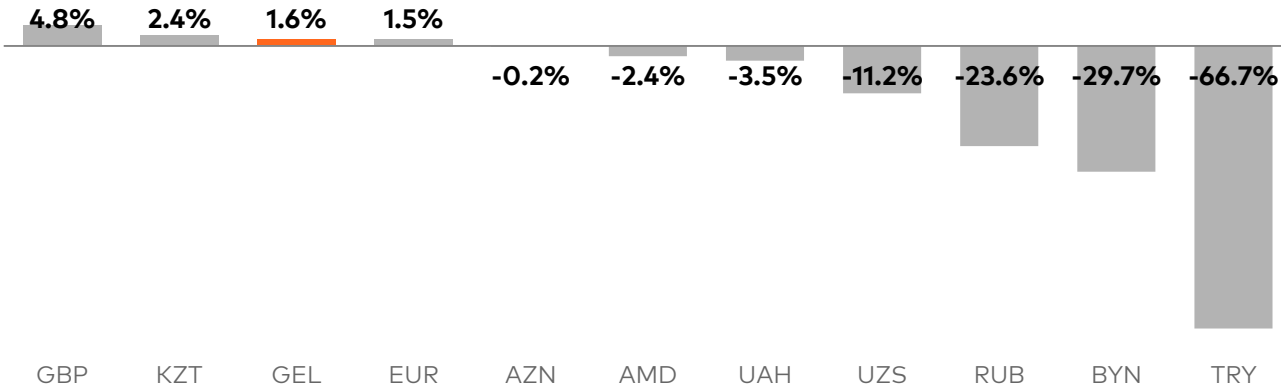


Source: Geostat, NBG

- Inflation is expected to remain low amid decreasing domestic price pressures and falling import prices
- The National Bank of Georgia cut the policy rate by 0.75 percentage points on 13 March 2024, thereby reducing the refinancing rate to 8.25%
- Additional interest rate cuts are expected in 2024 amid improved inflation outlook

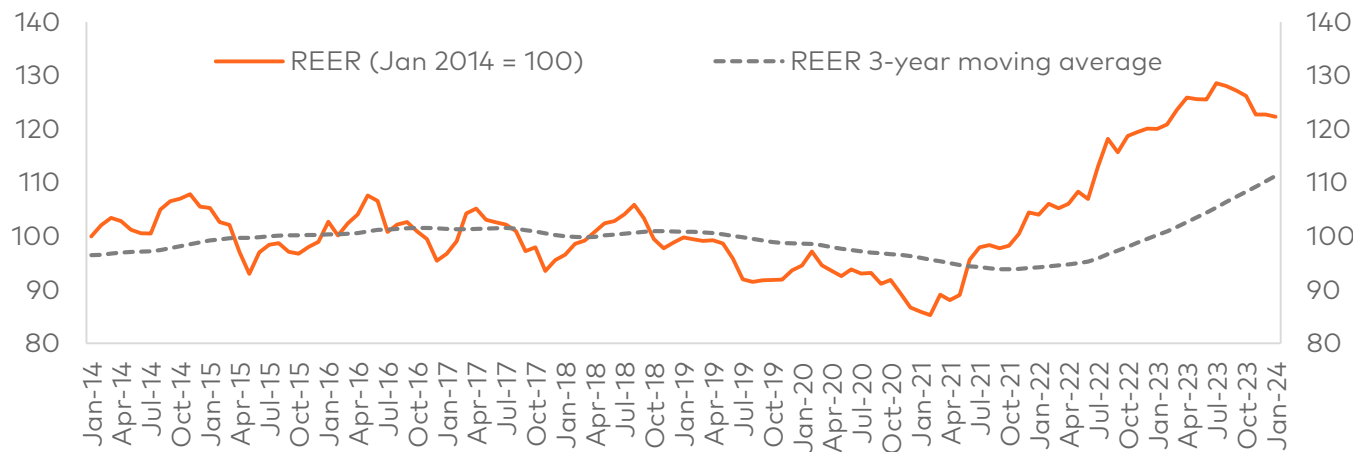
GEL supported by sustained FX inflows

Currency movements vs. US\$, 12/31/2022 – 2/29/2024



- Despite some interim volatility, GEL remained broadly unchanged against USD in 2023, after a 12.5% appreciation in 2022
- In the medium term, GEL is expected to remain stable backed by resilient external inflows and a positive growth outlook
- Previous real appreciation versus trading partners started to reverse due to lower inflation in Georgia

GEL real effective exchange rate

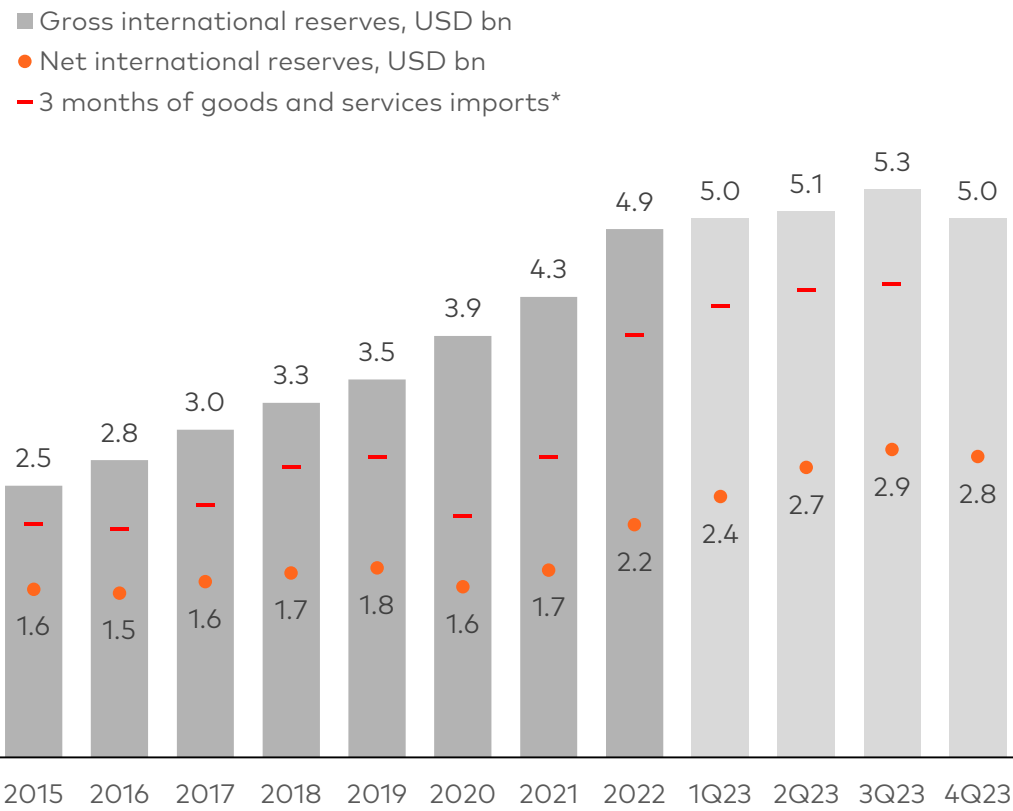


Source: NBG

Note: +/- means appreciation/depreciation of the corresponding currencies.

Adequately high international reserves cushion the economy against external shocks

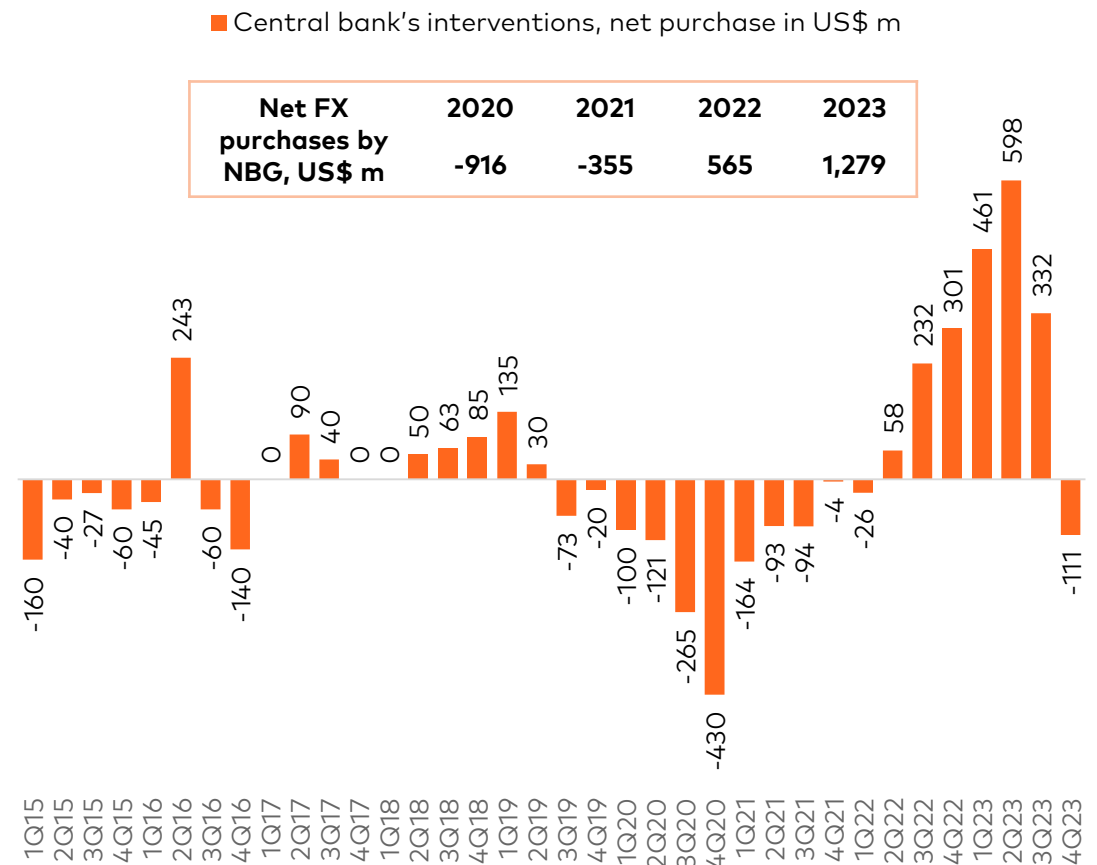
Gross reserves increased by US\$102 m in 2023, while net reserved were up US\$ 623 m



Source: NBG, BOG

*Gross reserves are considered adequate when their amount exceeds the 3-month import bill.

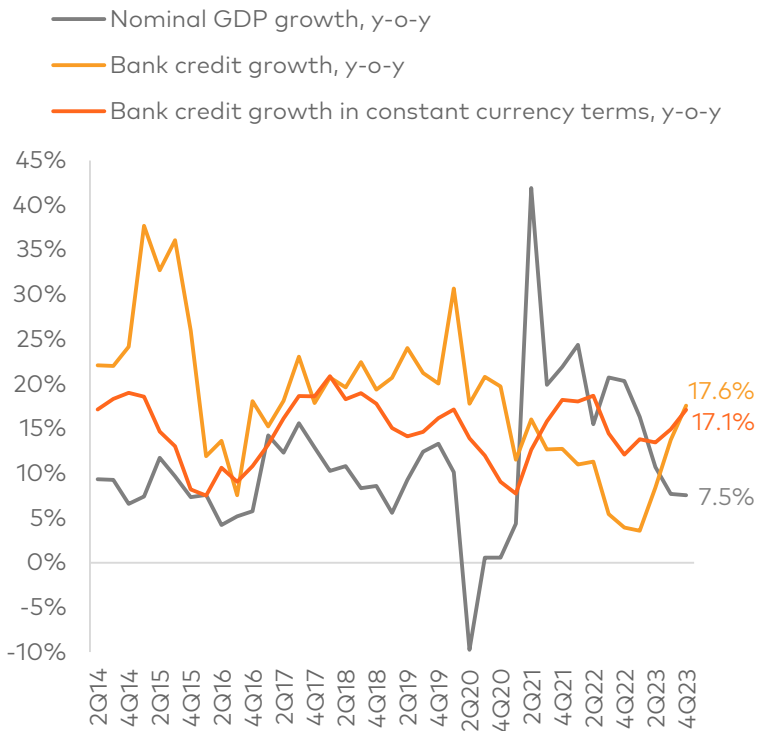
In 4Q23, the NBG discontinued hard currency purchases as FX inflows slowed



Source: NBG

Healthy banking sector, with dollarisation down to historically low levels

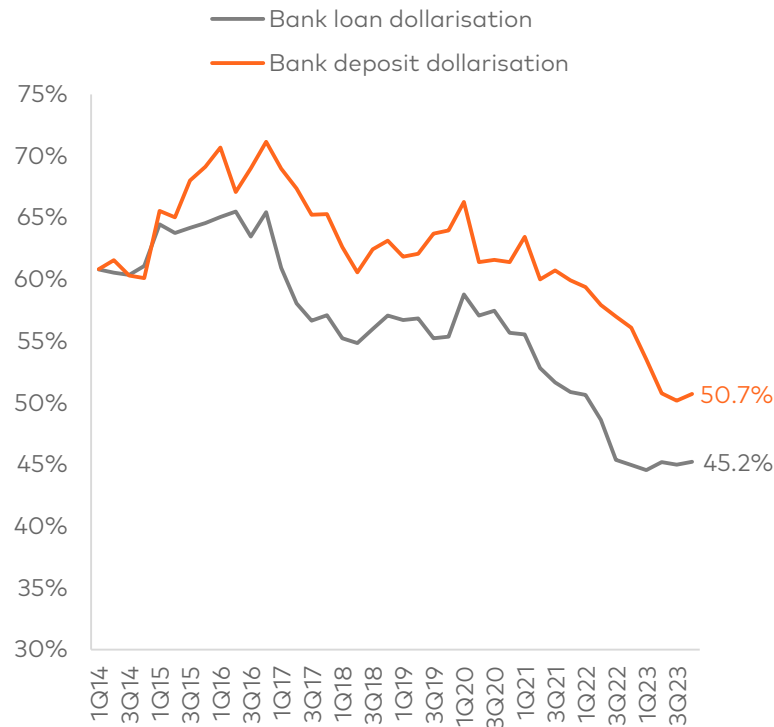
Bank loan book growth vs. nominal GDP growth



Source: NBG, Geostat, BOG

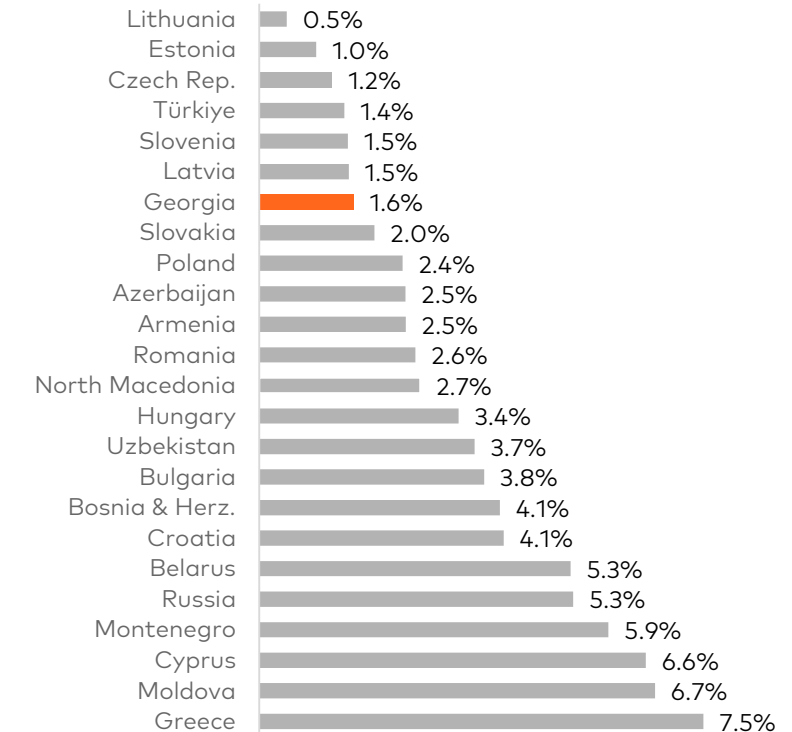
Note: In February 2024, Geostat revised the historical series of GDP in line with the recommendations from international organisations such as the IMF and Eurostat.

Loan and deposit dollarisation



Source: NBG

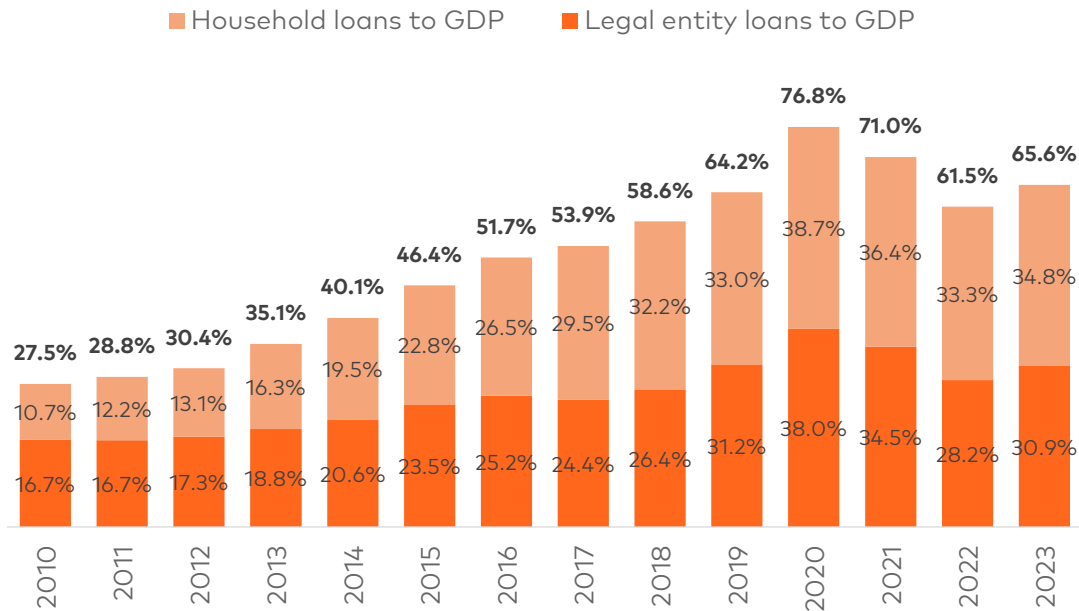
Non-performing bank loans to total gross loans in selected countries, Sep-2023



Source: IMF

In 2023, private debt-to-GDP picked up gradually amid healthy lending growth, while public debt-to-GDP decreased further

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

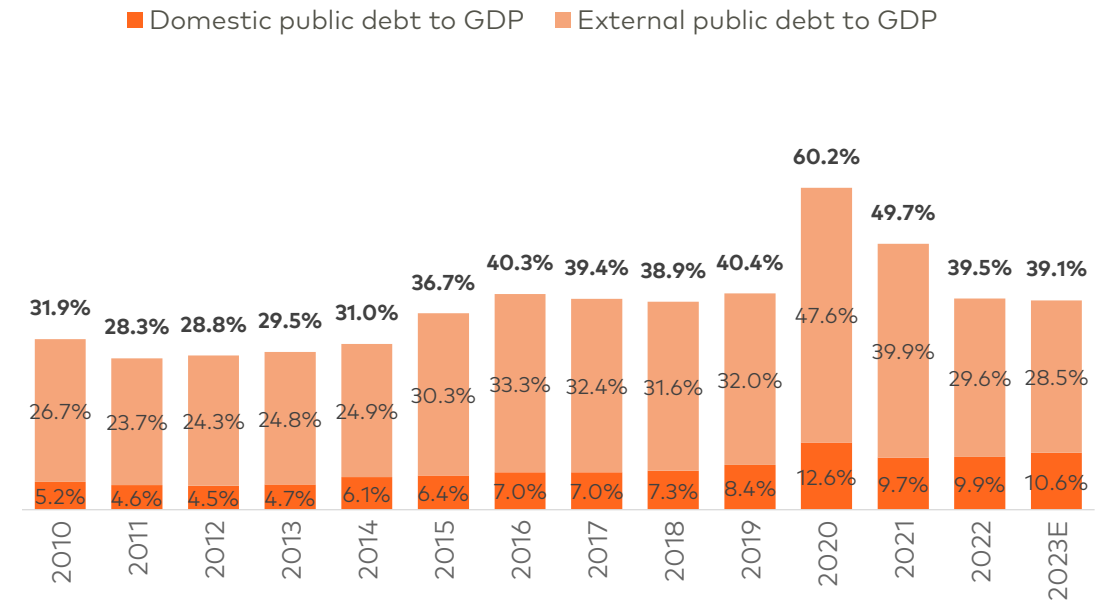


Source: NBG, Geostat, BOG

Note: In February 2024, Geostat revised the historical series of GDP in line with the recommendations from international organisations such as the IMF and Eurostat.

- The previous decreases in private debt-to-GDP ratio have created room for healthy credit expansion

Public debt as % of GDP



Source: MOF

Note: Estimates as of 2024 budget law.

- Given the reduced public debt-to-GDP and increased international reserves, the Georgian economy is well-positioned to withstand possible shocks

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Who we are

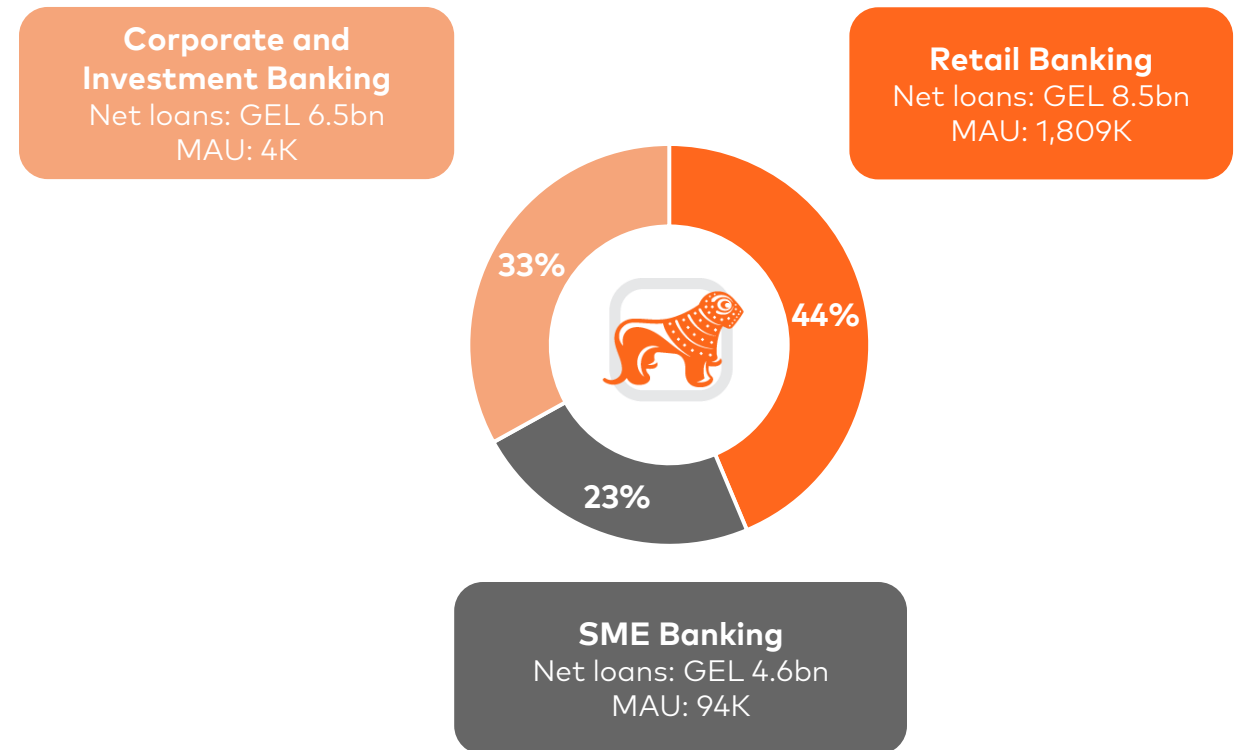
A FTSE-250 company with a diversified institutional investor base.

Retail digital banking leader in Georgia

Top of mind and the most trusted bank in Georgia

Consistently delivering high profitability

Highest standards of corporate governance and a strong focus on ESG



Figures are given for JSC Bank of Georgia (standalone), which constituted 96.5% of net loans of Bank of Georgia Group PLC as at 31 December 2023

What we focus on

Our strategic priorities

Mobile

Payments

Loyalty

Relevant in customers' daily lives

Increasing customer engagement

Growing payments business

Excellent customer experience

Our enablers

Customer-centricity

Data and AI

People and culture

Brand strength

Effective risk management

Key medium-term targets

c.10%

Loan book growth

20%+

ROAE

30-50%

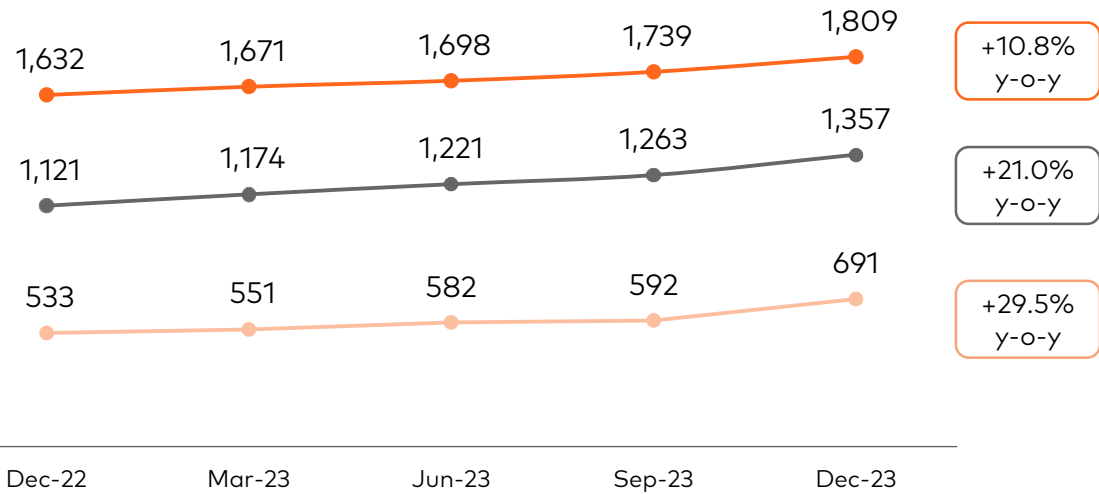
Dividend and share buyback payout ratio

Our retail customers have become more digital and engaged

Figures given for JSC Bank of Georgia standalone

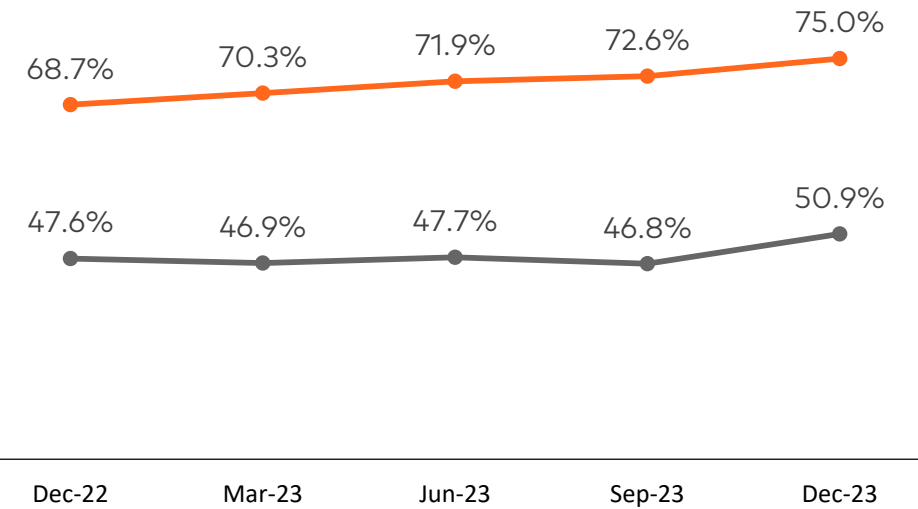
Monthly active users (Retail)

thousands



● MAU ● Digital MAU ● Digital DAU

Digital engagement of active customers



● Digital MAU/MAU ● Digital DAU/Digital MAU

Developing our financial super app to fulfill a variety of customer needs

Credit

- End-to-end online consumer lending
- Pre-approved credit limits
- Fully online credit card

Savings

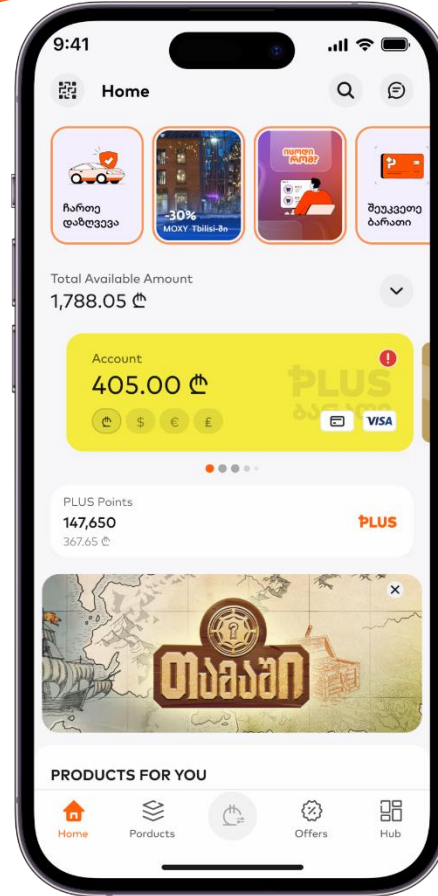
- End-to-end online deposit activation
- Activation of "piggy bank"

Investments

- Opening investment account
- Managing investment portfolio

Insurance marketplace

- Motor Third Party Liability insurance (MTPL)
- Travel insurance



Lifestyle

- Offers from partner merchants
- Buy now, pay later
- Gift cards

Daily banking

- Transactions
- Payments
- Loyalty
- Subscriptions
- Remittances
- Chat and chat-bot support
- Automatic payments & transfers
- Digital debit card and debit card ordering
- Instant P2P payments to other banks

Play store 4.8/5

App store 4.7/5

Customer Satisfaction Score 92% in 4Q23 (89% in 4Q22)

Personal finance management

- Daily spend view and personal budget management



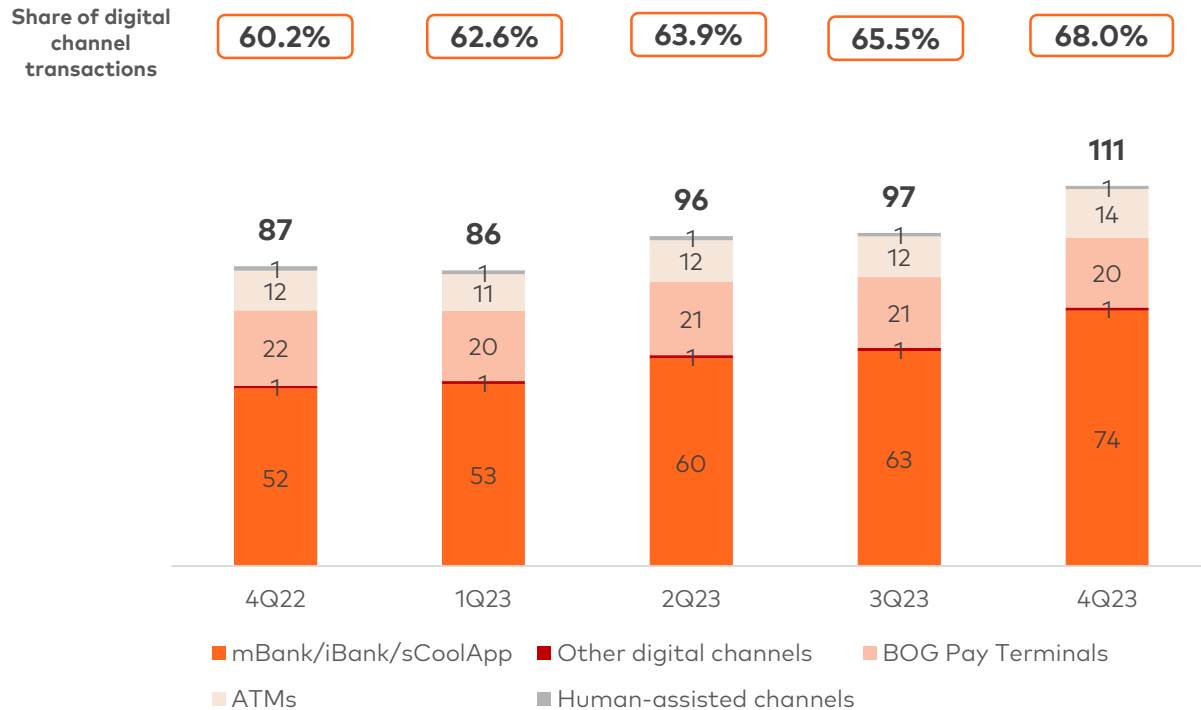
The Best in Consumer Digital Lending and Best in Bill Payment & Presentment 2023 by Global Finance (Global winner)

Focusing on increasing product sales in retail digital channels

Figures given for JSC Bank of Georgia standalone

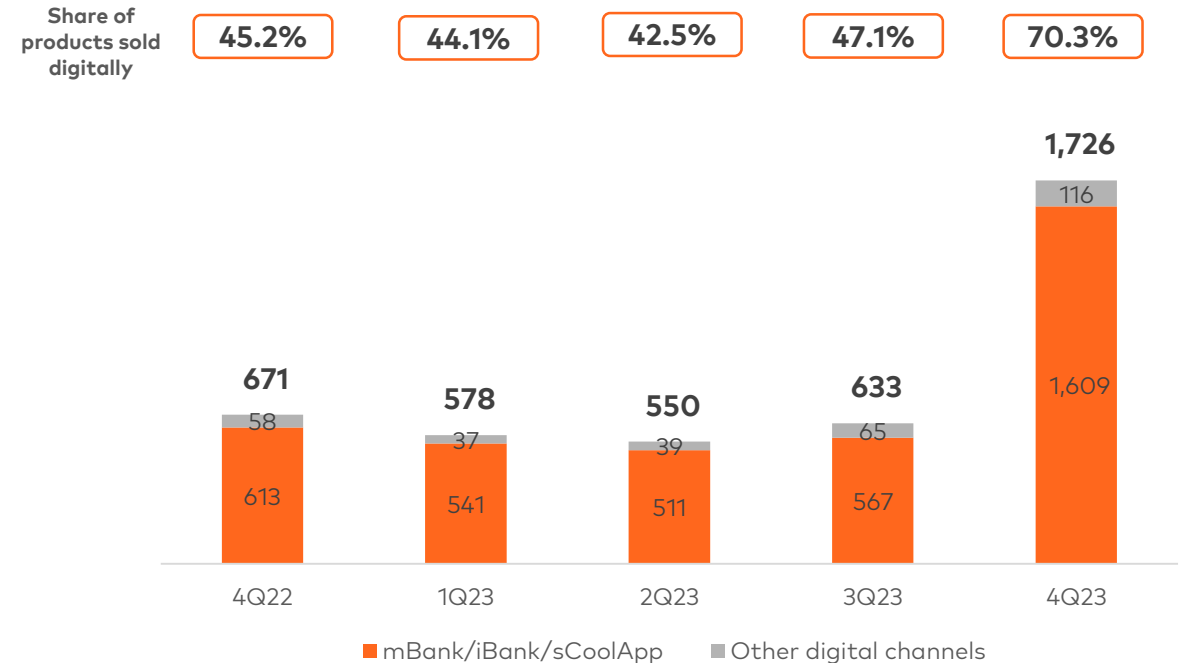
Number of transactions*

millions



Products sales in digital channels**

thousands



- Significant increase in products sales in digital channels in 4Q23 was partly driven by gamification launched in BOG APP during the quarter

*In 2Q23, we changed the methodology of calculating the number of transactions and now include payments, transfers, currency conversions, P2P transactions, cash-ins and cash-withdrawals. Product sales were excluded from the count of transactions. The previous periods have been restated. Other digital channels include smaller-scale channels such as bogpay.ge. Human-assisted channels include branches and a call center. Share of digital channel transactions: Sum of number of transactions made through mBank, iBank, sCoolApp and other digital channels divided by total number of transactions made.

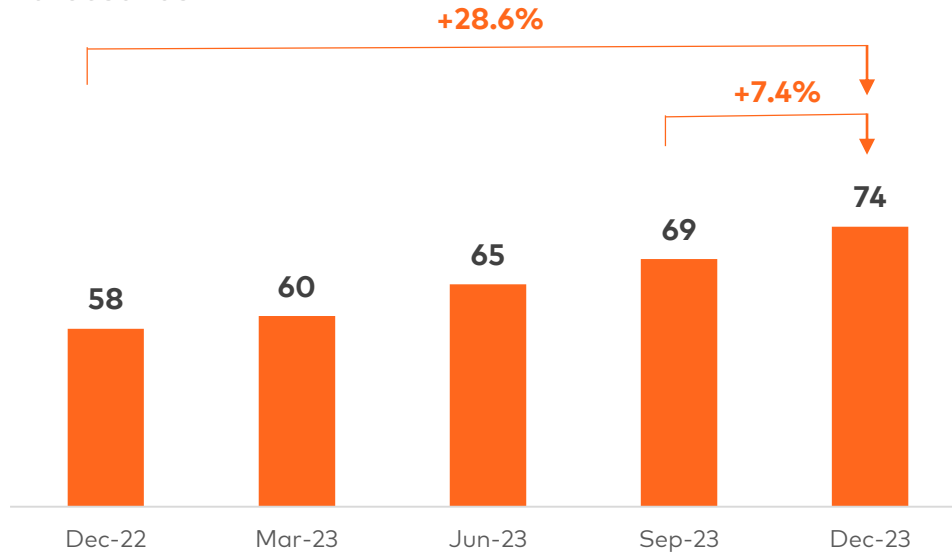
**In 2Q23, we changed the methodology of calculating the share of products sold digitally and currently include all types of products sold by the Bank. The previous periods have been restated. Share of products sold digitally: Sum of products sold through mBank, iBank, sCoolApp and other digital channels divided by total number of products sold.

Full digital experience for our business customers

Figures given for JSC Bank of Georgia standalone

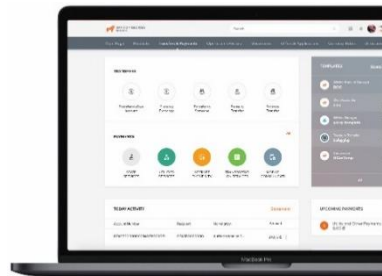
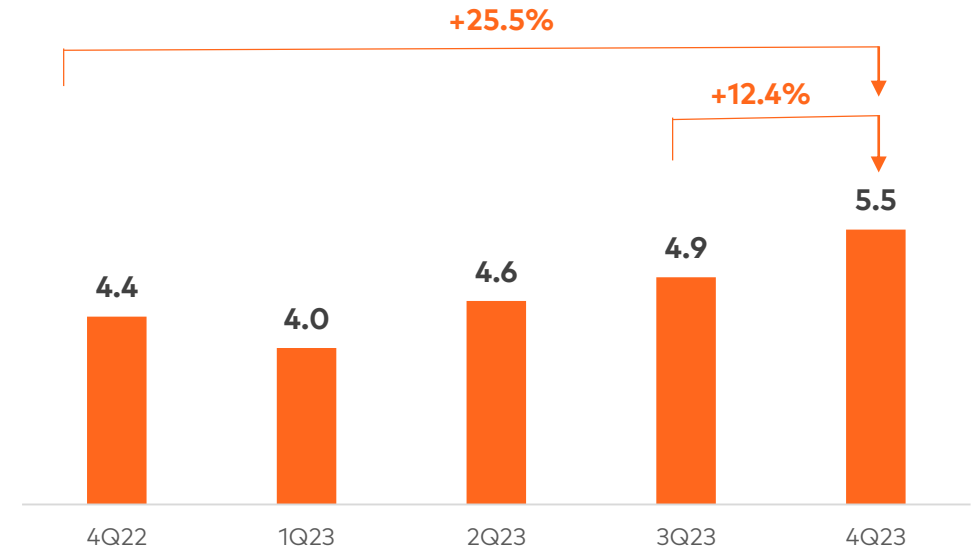
Monthly active digital users

thousands



Number of transactions

millions



89%

Customer Satisfaction Score (4Q23)

+7 pts y-o-y



90%

Customer Satisfaction Score (4Q23)

+5 pts y-o-y



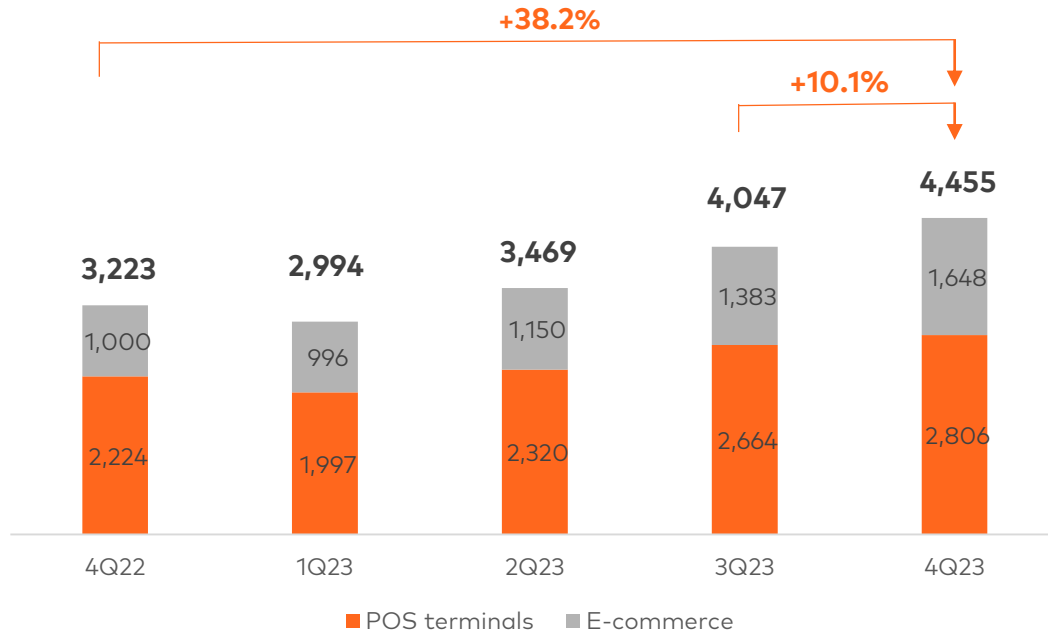
The Best Corporate Mobile Banking App 2023 by Global Finance (Global winner)

Payments business – our daily touchpoint with customers

Figures given for JSC Bank of Georgia standalone

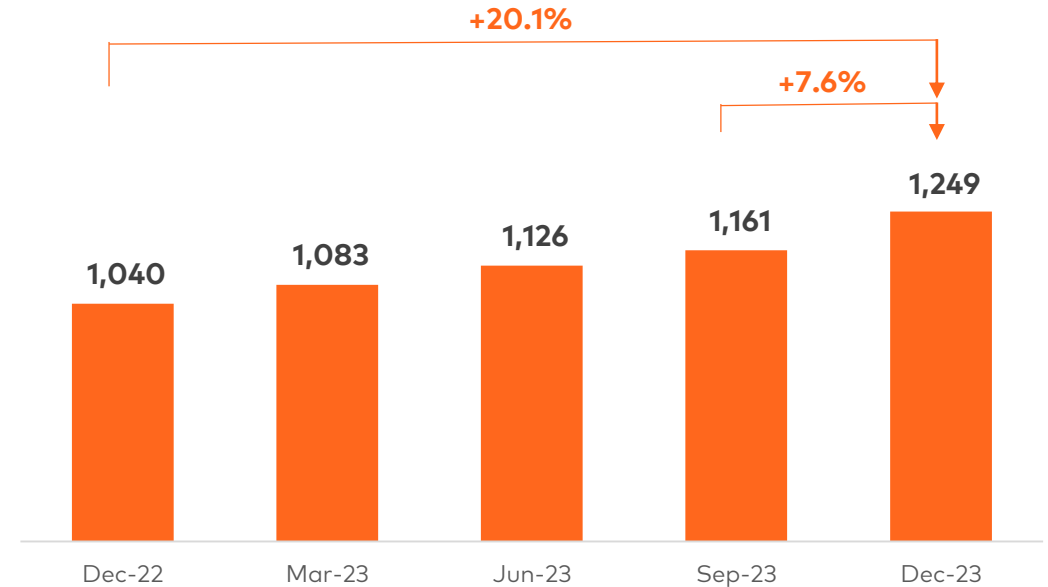
Acquiring - volume of payment transactions

GEL millions



Issuing – payment MAU

thousands



54.9%

Market share in acquiring volumes | Dec 2023
+3.6 ppts YoY

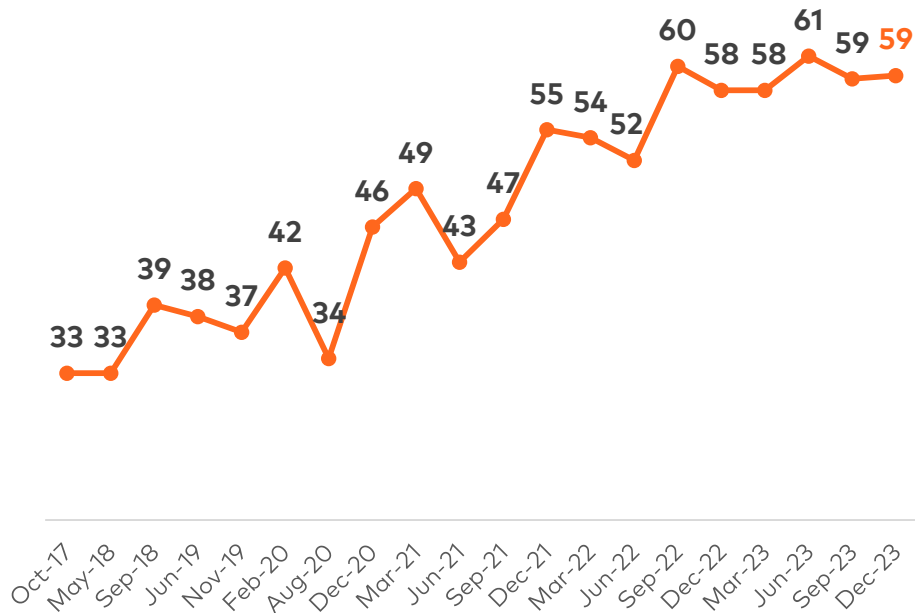
18.3K

Active merchants | Dec 2023
+26.4% YoY

Fostering a customer-centric culture

Figures given for JSC Bank of Georgia standalone

NPS*



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

Anticipating customer needs, wants, and future behavior

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

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



* Based on an external research by IPM Georgia, surveying a random sample of customers with face-to-face interviews.

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Financial highlights of 4Q23 and FY23

4Q23		FY23
26.7%	ROE	29.9%
0.4%	Cost of credit risk ratio	0.7%
34.3%	Cost to income ratio	29.8%
31 Dec 2023	CET1 capital	18.2% Minimum requirement 14.5%

Net loans
31 Dec 2023
GEL 20.2bn

+20.0% y-o-y
+6.4% q-o-q

+19.6% y-o-y
+5.5% q-o-q

On a constant currency basis

Deposits
31 Dec 2023
GEL 20.5bn

+12.4% y-o-y
-5.6% q-o-q

+12.2% y-o-y
-6.3% q-o-q

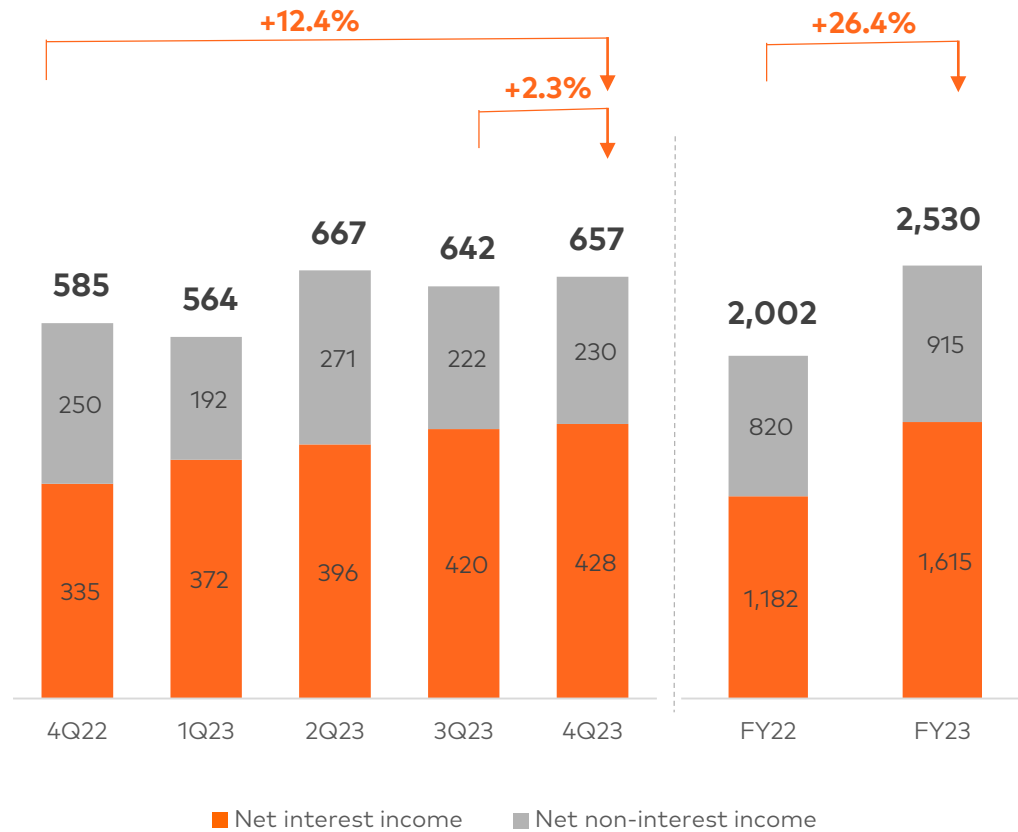
On a constant currency basis

Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 1.5 million posted in 4Q23 and one-off other income of GEL 22.6 for FY23. Net other income was adjusted for these one-offs. As a result, ROAE and Cost:income ratio were adjusted for one-off other income.

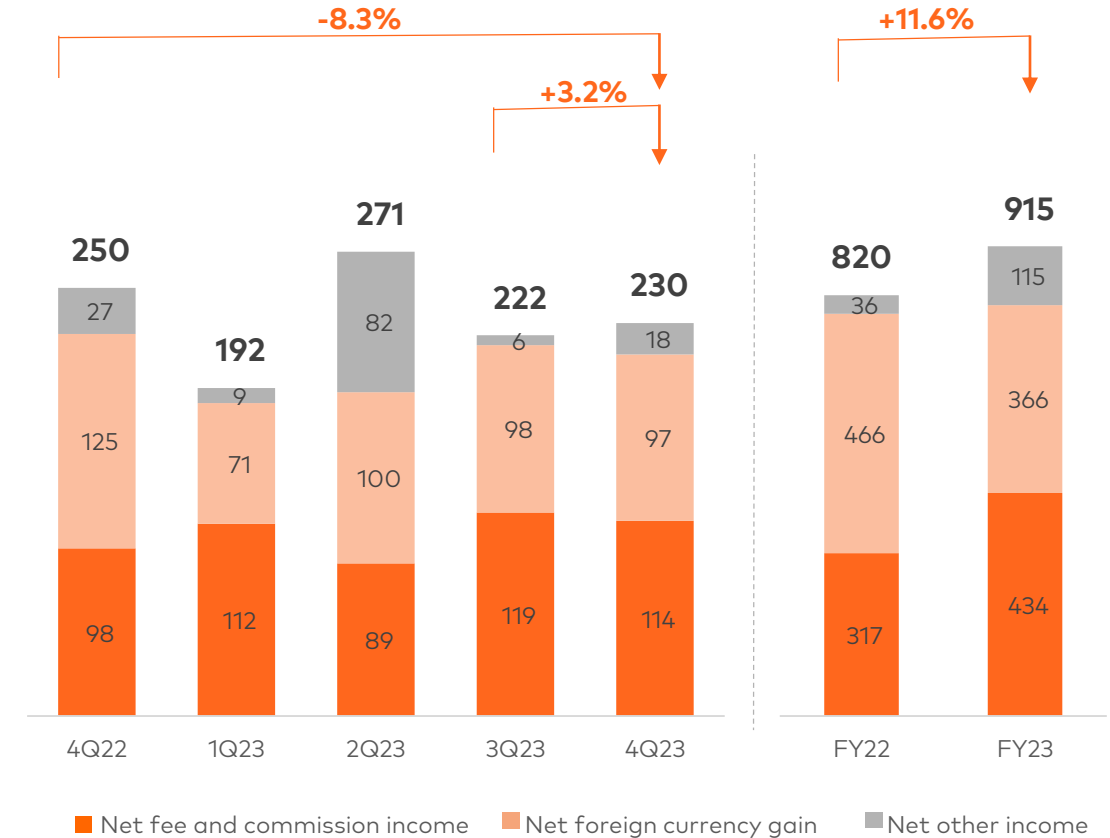
Strong underlying performance

All currency data are in GEL m unless otherwise stated

Operating income*



Net non-interest income*

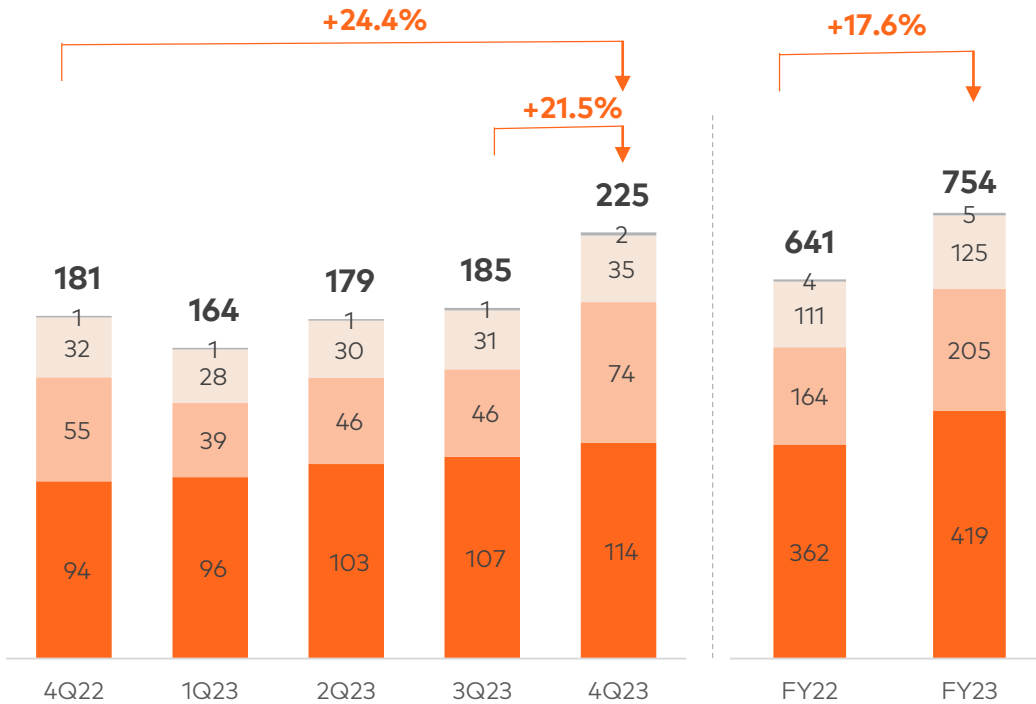


*Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 21.1 million posted in 2Q23, 1.5 million posted in 4Q23, totalling GEL 22.6 million posted in FY23. Net other income was adjusted for these one-offs. Due to the settlement of the same legacy claim, 4Q22 and FY22 net other income was adjusted for a one-off GEL 391.1 million.

Investing for growth while maintaining the focus on efficiency

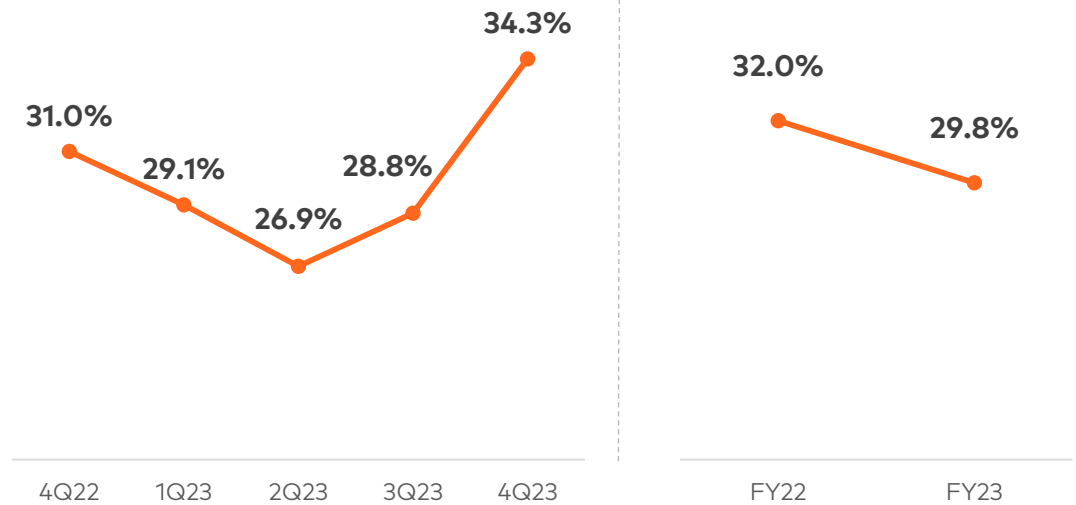
All currency data are in GEL m unless otherwise stated

Operating expenses



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

Cost to income ratio*



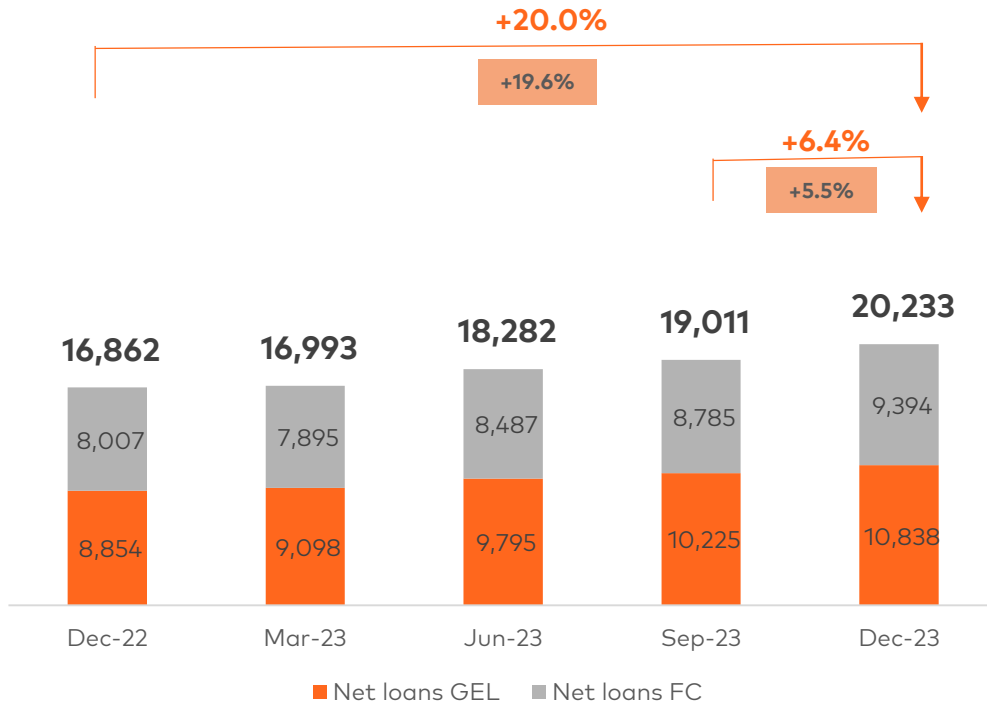
- The rise in operating expenses in 4Q23 was primarily due to overall business growth and ongoing investments in strategic areas
- Additionally, the y-o-y and the q-o-q increase in administrative expenses was attributable to the transaction costs incurred in relation to the acquisition of Ameriabank, and the consulting projects in IT and several other business areas

*Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 21.1 million posted in 2Q23, 1.5 million posted in 4Q23, totalling GEL 22.6 million posted in FY23. Net other income was adjusted for these one-offs. Due to the settlement of the same legacy claim, 4Q22 and FY22 net other income was adjusted for a one-off GEL 391.1 million. Cost:income ratios were adjusted where applicable.

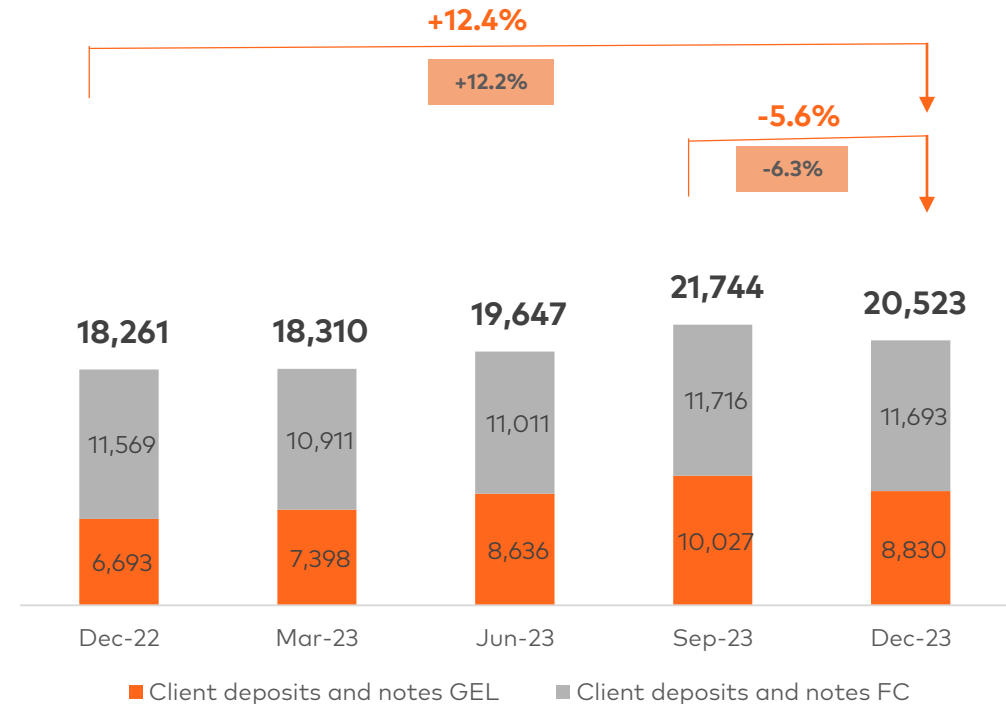
Strong loan and deposit growth dynamics

All currency data are in GEL m unless otherwise stated

Loan portfolio



Deposit portfolio

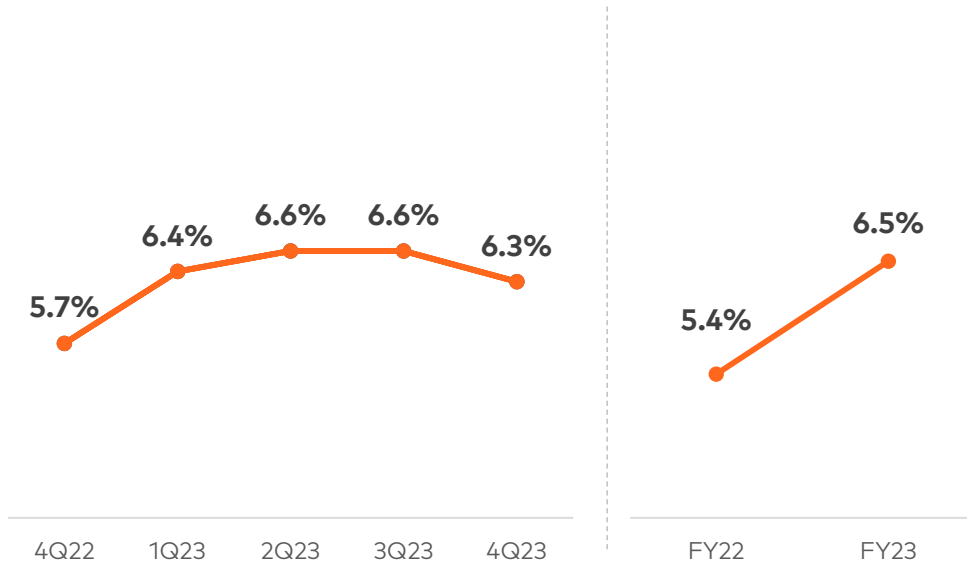


- The q-o-q decrease was driven by reduced CIB deposits by 29.4% on a constant currency basis, partially offset by increases in RB by 6.4% and SME by 6.9% on a constant currency basis. The q-o-q reduction in corporate deposits reflects a substitution of the Ministry of Finance deposits, which are treated as corporate deposits, for NBG deposits, which are categorised as Central Bank loans

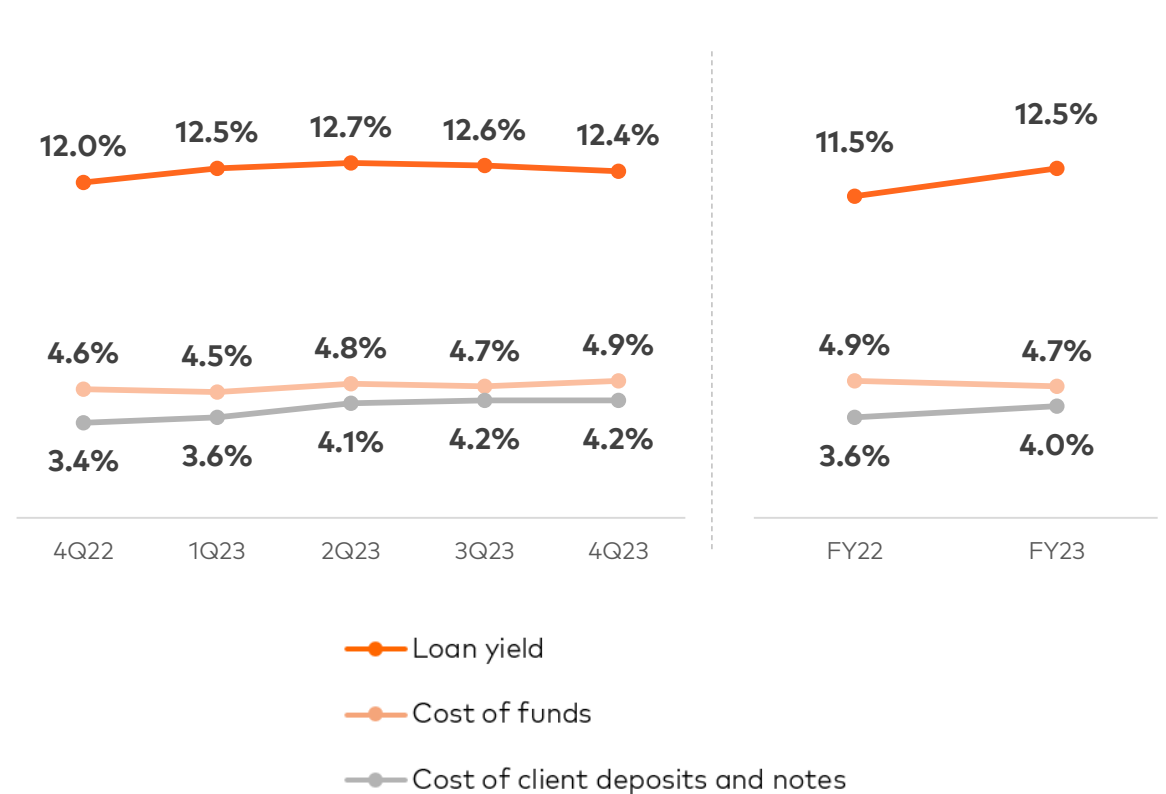
■ Growth on a constant currency basis

The y-o-y increase in NIM in FY23 was driven by higher loan yield and lower cost of funds

Net interest margin



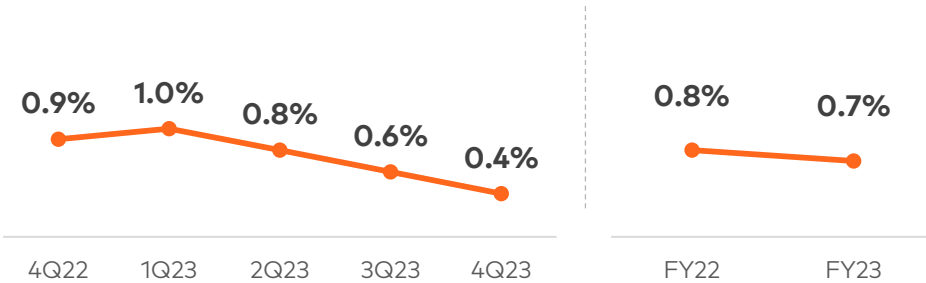
Loan yield, cost of funds, cost of deposits



Healthy loan portfolio

All currency data are in GEL m unless otherwise stated

Cost of credit risk ratio



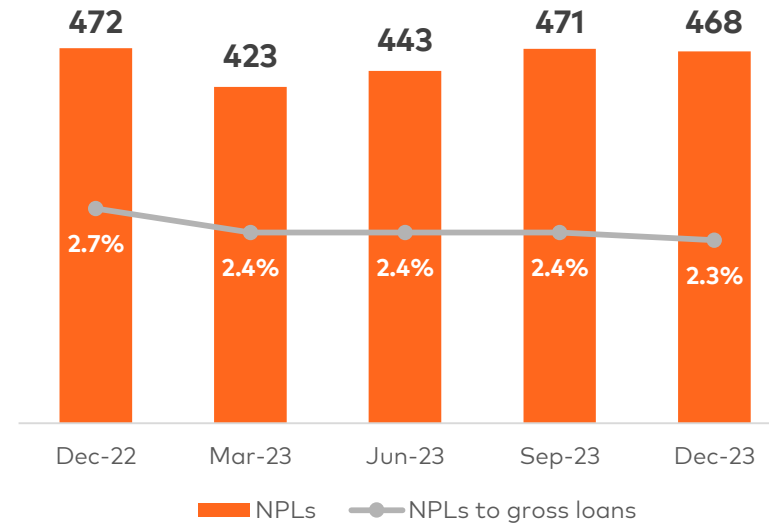
- The y-o-y and the q-o-q decrease in cost of credit risk ratio was mainly driven by a reduction in the Retail Banking cost of credit risk on the back of improved unsecured consumer loan book quality

Loan portfolio quality

NPL coverage



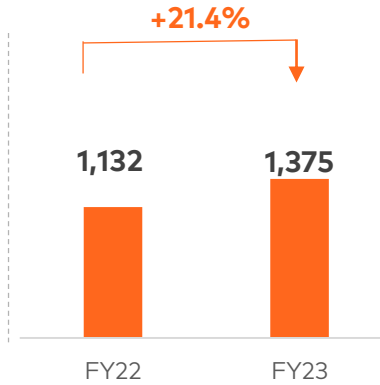
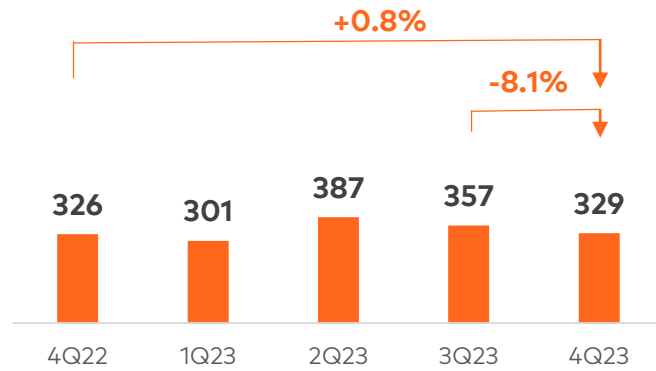
NPL coverage adjusted for the discounted value of collateral



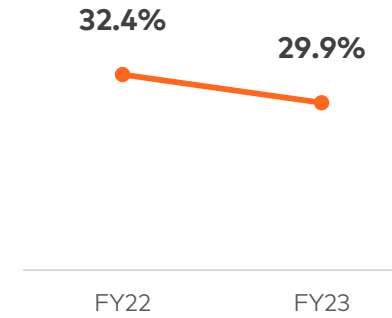
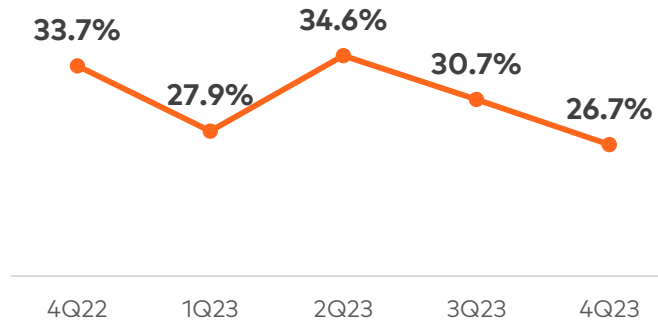
Robust bottom-line growth and profitability

All currency data are in GEL m unless otherwise stated

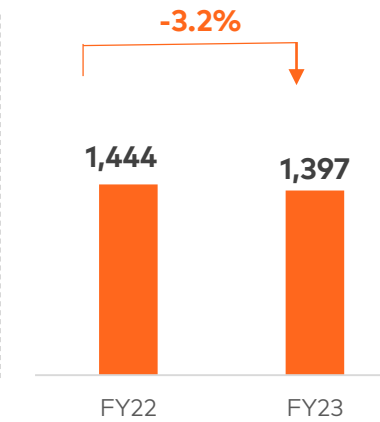
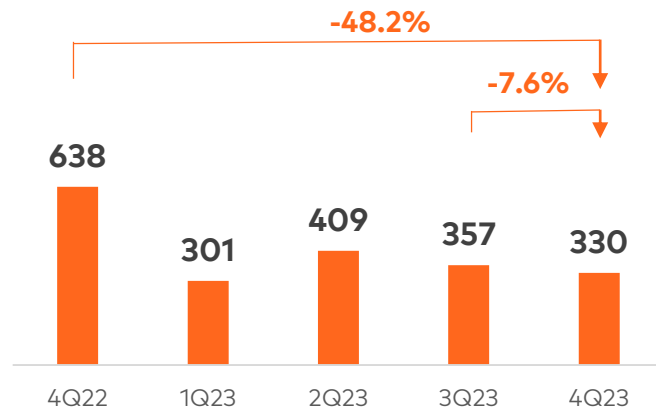
Profit (adjusted)*



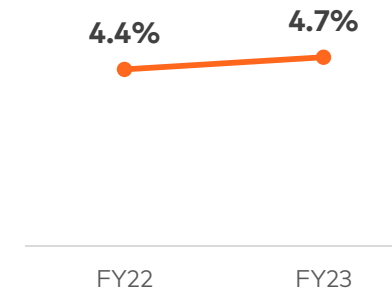
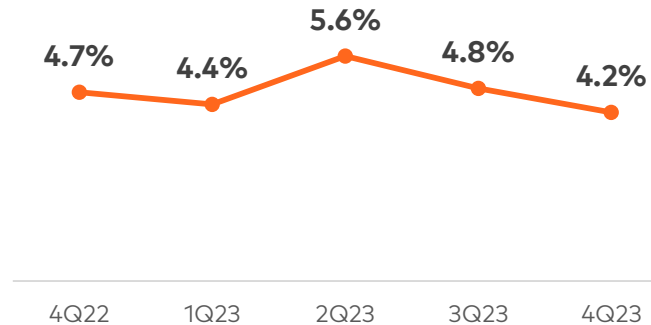
ROE*



Profit (reported)



ROA*



* Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 21.1 million posted in 2Q23, 1.5 million posted in 4Q23, totalling GEL 22.6 million posted in FY23. Net other income was adjusted for these one-offs. Due to the settlement of the same legacy claim, 4Q22 and FY22 net other income was adjusted for a one-off GEL 391.1 million. 4Q22 and FY22 income tax expense was also adjusted for a one-off GEL 79.3 income tax expense due to an amendment to the corporate taxation model in Georgia. As a result, profit, ROAA and ROAE were adjusted for both one-off other income and one-off income tax expense where applicable.

Strong capital position at Bank of Georgia

Figures given for JSC Bank of Georgia standalone

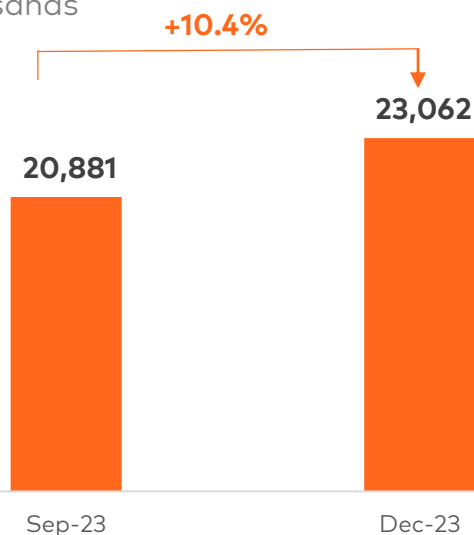
All currency data are in GEL m unless otherwise stated

Evolution of capital ratios during 4Q23

	30 Sep 2023	4Q23 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	31 Dec 2023	Minimum requirement (31 Dec 2023)	Buffer above min requirement	Potential impact of a 10% GEL devaluation
CET1 capital adequacy ratio	18.5%	1.5%	-1.7%	-0.2%	0.0%	0.0%	18.2%	14.5%	3.7%	-0.9%
Tier1 capital adequacy ratio	20.4%	1.5%	-1.9%	-0.2%	0.0%	0.0%	20.0%	16.7%	3.3%	-0.9%
Total capital adequacy ratio	22.6%*	1.5%	-2.1%	-0.2%	0.0%	0.2%	22.1%	19.6%	2.5%	-0.8%

Risk-weighted assets

thousands



- In January 2023, the NBG transitioned to IFRS-based accounting
- In March 2023, the Financial Stability Committee at the NBG set the cycle-neutral countercyclical capital buffer (base rate) at 1%. Banks are required to accumulate neutral countercyclical capital buffer according to the following schedule: 0.25% by March 15, 2024; 0.5% by March 15, 2025; 0.75% by March 15, 2026; 1% by March 15, 2027

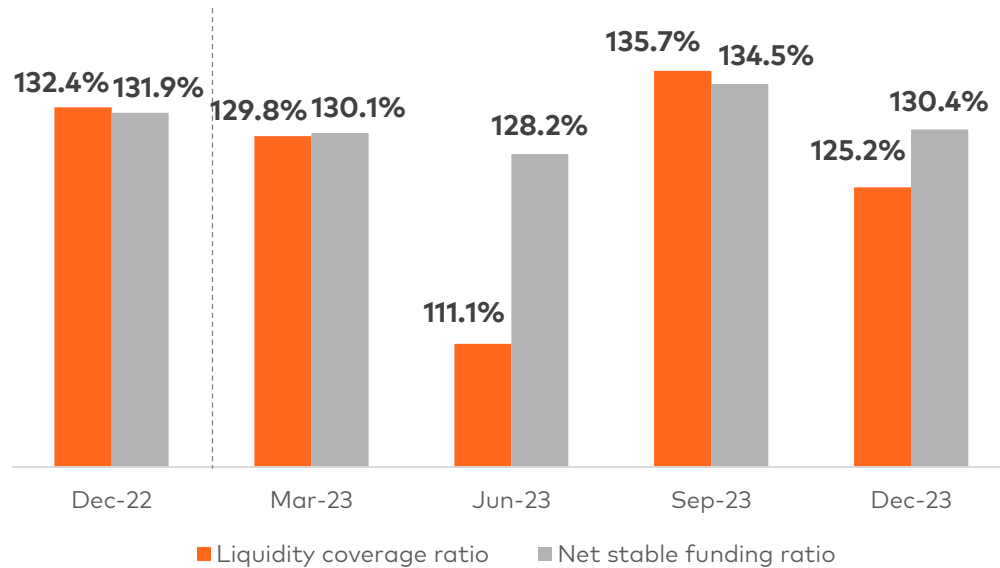
*The 30 September 2023 total capital adequacy ratio was corrected from 22.7% to 22.6% following the bank's discussions with the NBG.

Strong liquidity position

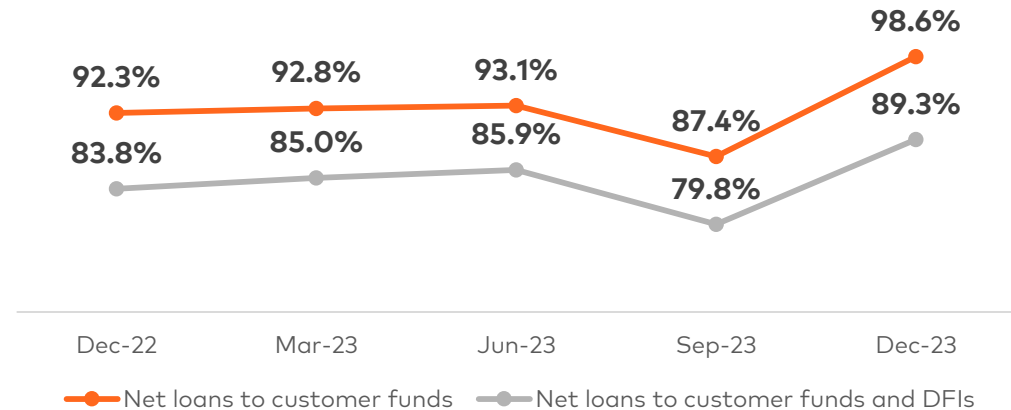
Figures given for JSC Bank of Georgia standalone

Liquidity coverage and net stable funding ratios*

JSC Bank of Georgia standalone (Basel III liquidity)



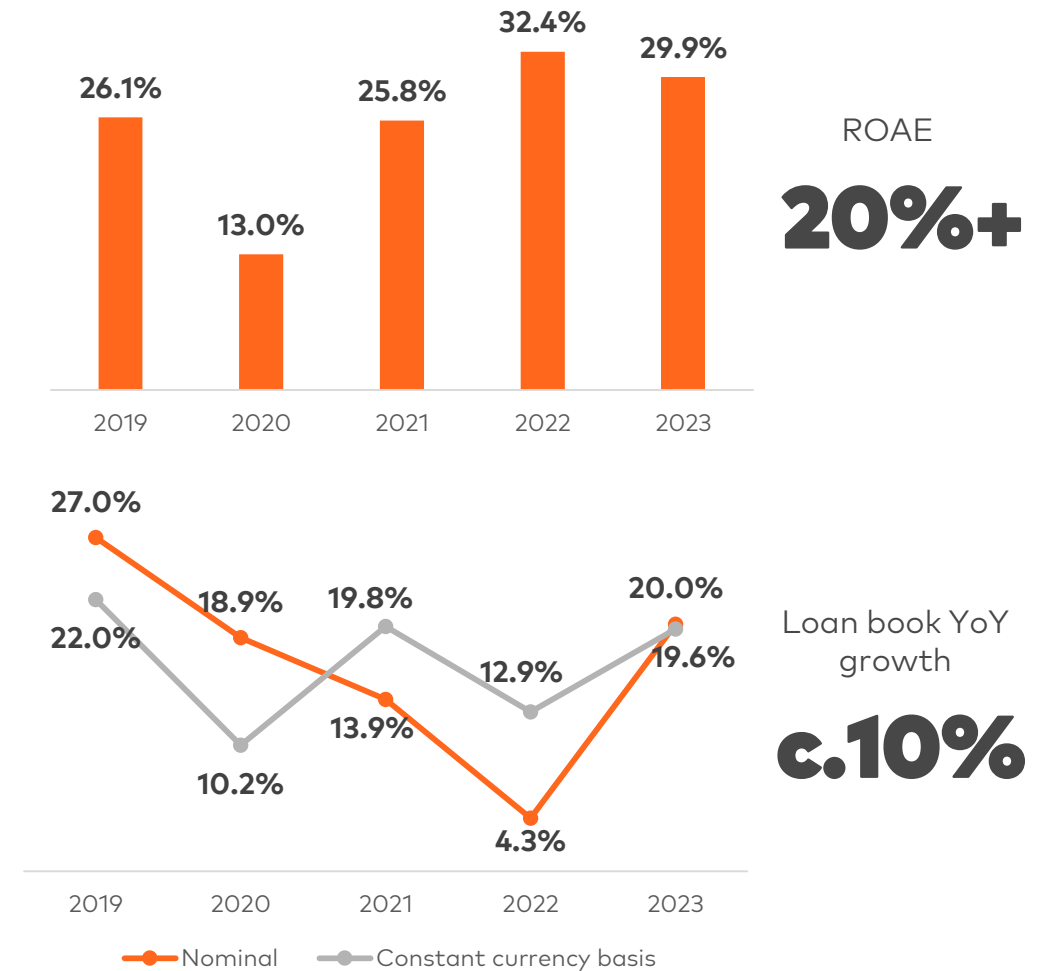
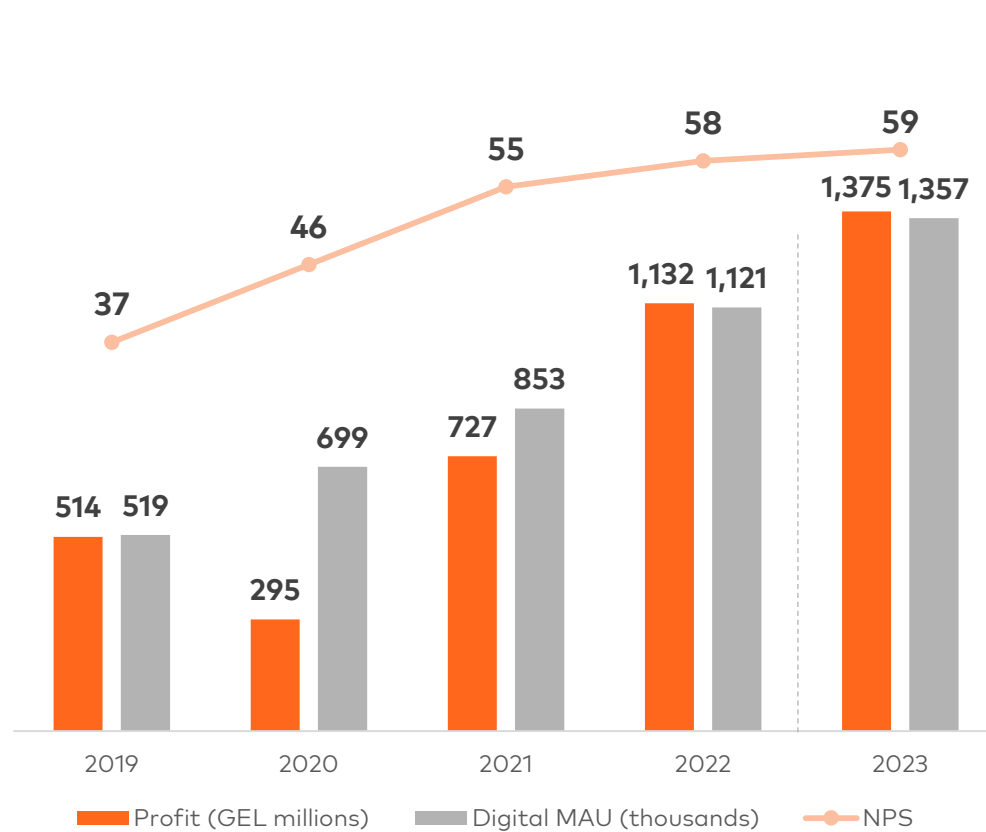
Net loans to customer funds and DFIs



- Since January 2023, the NBG has transitioned to IFRS-based accounting, and the March, June and September 2023 liquidity coverage ratio and the net stable funding ratio have been calculated based on IFRS

*In January 2023, the NBG transitioned to IFRS-based accounting. The LCR and NSFR figures for 31 December 2022 are not IFRS-based.

Track record of growth and strong performance



2019 ROAE and profit were adjusted for GEL 14.2m (net of income tax) termination costs of a former CEO and executive management.

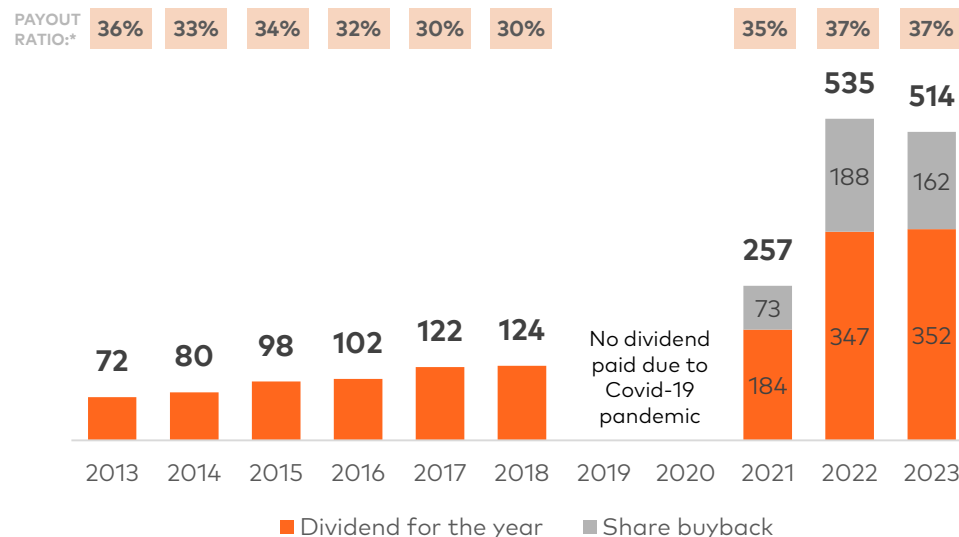
2022 ROAE and profit were adjusted for a one-off GEL 391.1m other income related to the settlement of a legacy claim, and a one-off GEL 79.3m income tax expense due to an amendment to the corporate taxation model in Georgia applicable to financial institutions.

2023 ROAE and profit were adjusted for a one-off GEL 22.6 million other income related to the fair value revaluation of the receivable due to the settlement of a legacy claim.

Returning capital to shareholders

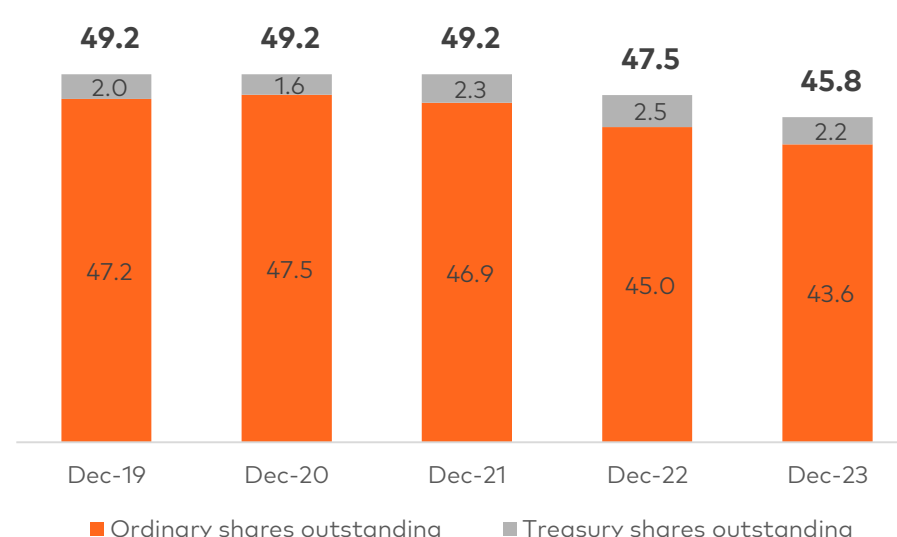
Capital distribution

GEL millions



Number of shares outstanding (period-end)**

millions



- In August 2023, the Board announced a further share buyback and cancellation programme (“Buyback Programme”) totalling GEL 62 million. The total number of shares cancelled since the launch of the Buyback Programme in August 2023 is 205,621 at a cost of GEL 23.9 million. Currently, the total number of shares in issue is 45,709,102
- The Board intends to recommend, at the 2024 Annual General Meeting, a final dividend for 2023 of GEL 4.94 per share, making a total dividend for 2023 of GEL 8.00 per share. This is a 5% increase on the dividend for 2022 – a year boosted by significant one-offs and FX income which broadly normalised in 2023
- The Board has also approved an extension of the buyback and cancellation programme by an additional GEL 100 million

*For the purpose of total payout ratio calculation, total buyback amount is divided by outstanding shares before the beginning of the respective programme.

**Treasury shares are provided per IFRS and mainly include shares held by Executive and Employee trusts.

 **THANK YOU**