



BANK OF GEORGIA
GROUP PLC

Bank of Georgia Group PLC

4Q23 and FY23 Preliminary Results

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4Q23 AND FY23 FINANCIAL HIGHLIGHTS

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. The entire legacy claim amount has already been settled. 4Q22 and FY22 income tax expense was 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, 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. Comparisons given in text are with adjusted figures of respective periods. You can see the unadjusted P&L on page 18 and the unadjusted ratios on page 19.

GEL thousands	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net interest income	427,661	334,645	27.8%	419,976	1.8%	1,615,446	1,182,335	36.6%
Net fee and commission income	114,066	97,932	16.5%	118,949	-4.1%	434,482	317,491	36.8%
Net foreign currency gain	97,251	125,395	-22.4%	97,790	-0.6%	365,711	466,094	-21.5%
Net other income	18,260	26,930	-32.2%	5,738	218.2%	114,735	36,092	217.9%
Operating income	657,238	584,902	12.4%	642,453	2.3%	2,530,374	2,002,012	26.4%
Operating expenses	(225,205)	(181,062)	24.4%	(185,314)	21.5%	(754,053)	(641,186)	17.6%
Profit from associates	254	128	98.4%	302	-15.9%	1,456	754	93.1%
Operating income before cost of risk	432,287	403,968	7.0%	457,441	-5.5%	1,777,777	1,361,580	30.6%
Cost of risk	(27,810)	(52,675)	-47.2%	(35,805)	-22.3%	(144,064)	(119,068)	21.0%
Net operating income before non-recurring items	404,477	351,293	15.1%	421,636	-4.1%	1,633,713	1,242,512	31.5%
Net non-recurring items	-	329	-100.0%	58	-100.0%	-	1,038	-100.0%
Profit before income tax expense and one-off items	404,477	351,622	15.0%	421,694	-4.1%	1,633,713	1,243,550	31.4%
Income tax expense	(75,891)	(25,723)	195.0%	(64,330)	18.0%	(258,971)	(111,376)	132.5%
Profit adjusted for one-off items	328,586	325,899	0.8%	357,364	-8.1%	1,374,742	1,132,174	21.4%
One-off items	1,524	311,825	-99.5%	-	-	22,585	311,825	-92.8%
Profit	330,110	637,724	-48.2%	357,364	-7.6%	1,397,327	1,443,999	-3.2%
Basic earnings per share	7.53	14.10	-46.6%	8.12	-7.3%	31.30	30.99	1.0%
Diluted earnings per share	7.31	13.61	-46.3%	7.92	-7.7%	30.43	30.33	0.3%

GEL thousands	Dec-23	Dec-22	Change y-o-y	Sep-23	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Liquid assets	9,984,238	10,367,600	-3.7%	10,258,057	-2.7%
Cash and cash equivalents	3,101,824	3,584,843	-13.5%	2,959,832	4.8%
Amounts due from credit institutions	1,752,657	2,433,028	-28.0%	1,878,849	-6.7%
Investment securities	5,129,757	4,349,729	17.9%	5,419,376	-5.3%
Loans to customers and finance lease receivables	20,232,721	16,861,706	20.0%	19,010,599	6.4%
Property and equipment	436,955	398,855	9.6%	430,181	1.6%
All remaining assets	1,103,644	1,273,739	-13.4%	1,150,976	-4.1%
Total assets	31,757,558	28,901,900	9.9%	30,849,813	2.9%
Client deposits and notes	20,522,739	18,261,397	12.4%	21,743,543	-5.6%
Amounts owed to credit institutions	5,156,009	5,266,653	-2.1%	3,163,001	63.0%
Borrowings from DFIs	2,124,264	1,867,454	13.8%	2,084,165	1.9%
Short-term loans from central banks	2,101,653	1,715,257	22.5%	180,099	1066.9%
Loans and deposits from commercial banks	930,092	1,683,942	-44.8%	898,737	3.5%
Debt securities issued	421,359	645,968	-34.8%	425,560	-1.0%
All remaining liabilities	637,615	479,060	33.1%	782,531	-18.5%
Total liabilities	26,737,722	24,653,078	8.5%	26,114,635	2.4%
Total equity	5,019,836	4,248,822	18.1%	4,735,178	6.0%
Book value per share	114.62	94.07	21.8%	107.64	6.5%

KEY RATIOS	4Q23	4Q22	3Q23	FY23	FY22
ROAA	4.2%	4.7%	4.8%	4.7%	4.4%
ROAE	26.7%	33.7%	30.7%	29.9%	32.4%
Net interest margin	6.3%	5.7%	6.6%	6.5%	5.4%
Loan yield	12.4%	12.0%	12.6%	12.5%	11.5%
Liquid assets yield	5.0%	4.2%	4.7%	4.7%	4.3%
Cost of funds	4.9%	4.6%	4.7%	4.7%	4.9%
Cost of client deposits and notes	4.2%	3.4%	4.2%	4.0%	3.6%
Cost of amounts owed to credit Institutions	7.7%	8.5%	8.0%	8.0%	8.9%
Cost of debt securities issued	9.3%	7.5%	8.6%	8.2%	7.1%
Cost:income ratio	34.3%	31.0%	28.8%	29.8%	32.0%
NPLs to gross loans	2.3%	2.7%	2.4%	2.3%	2.7%
NPL coverage ratio	69.2%	66.4%	69.1%	69.2%	66.4%
NPL coverage ratio adjusted for the discounted value of collateral	117.6%	128.9%	122.1%	117.6%	128.9%
Cost of credit risk ratio	0.4%	0.9%	0.6%	0.7%	0.8%
NBG (Basel III) CET 1 capital adequacy ratio	n/a	14.7%	n/a	n/a	14.7%
Minimum regulatory requirement	n/a	11.6%	n/a	n/a	11.6%
NBG (Basel III) Tier I capital adequacy ratio	n/a	16.7%	n/a	n/a	16.7%
Minimum regulatory requirement	n/a	13.8%	n/a	n/a	13.8%
NBG (Basel III) Total capital adequacy ratio	n/a	19.8%	n/a	n/a	19.8%
Minimum regulatory requirement	n/a	17.2%	n/a	n/a	17.2%
IFRS-based NBG (Basel III) CET 1 capital adequacy ratio	18.2%	n/a	18.5%	18.2%	n/a
Minimum regulatory requirement	14.5%	n/a	14.7%	14.5%	n/a
IFRS-based NBG (Basel III) Tier I capital adequacy ratio	20.0%	n/a	20.4%	20.0%	n/a
Minimum regulatory requirement	16.7%	n/a	16.9%	16.7%	n/a
IFRS-based NBG (Basel III) Total capital adequacy ratio	22.1%	n/a	22.6 ¹ %	22.1%	n/a
Minimum regulatory requirement	19.6%	n/a	19.9%	19.6%	n/a

¹ The 30 September 2023 total capital adequacy ratio was corrected from 22.7% to 22.6% following the bank's discussions with the NBG.

CHIEF EXECUTIVE OFFICER'S STATEMENT

2024 started off with a major event in the Group's history, and before I discuss the 2023 results, I would like to touch on the news. In February we announced the proposed acquisition of Ameriabank, a leading universal bank in Armenia, a neighbouring country to Georgia. Armenia and Georgia are both prudently managed economies of similar size, with high GDP growth rates. Ameriabank is a leading franchise in the local market – #1 by loans and #2 by deposits – and is the “top-of-mind” banking brand in Armenia, with further upside to grow, especially in the retail and SME segments, leveraging the Group's experience and know-how in digitalisation, payments, and customer experience. I believe this acquisition, which was approved by the shareholders on March 14th, is a great opportunity for the Group to increase scale and unlock further growth. We are set to acquire Ameriabank with our surplus capital, with no dilution for shareholders, and it is expected to be immediately earnings enhancing with an ROE uplift. Importantly, our dividend and capital distribution policy and payout ratio of 30-50% will not change. Considering the Group's strong performance during 2023 and robust capital and liquidity positions, 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. In addition, the Board has also approved an extension of the buyback and cancellation programme by an additional GEL 100 million. This represents an overall dividend and share buyback pay-out ratio for the year ended 31 December 2023 of 37% (2022: 37%).

Turning to the Group's recent performance, 2023 was another successful year during which we continued to deliver on our strategic priorities. Our team's dedication to improving the customer experience, especially in digital channels, has resulted in a 21.0% year-on-year growth in Digital MAU² to almost 1.4 million. We closed the year with a Net Promoter Score of 59, highlighting our dedication to customer satisfaction. Our payments business continued to grow, with the volume of acquiring transactions in Georgia up 46.5% year-on-year in 2023, achieving a 54.9% market share in December 2023. In addition, more than 1.2 million individuals used Bank of Georgia's cards for payments at least once in December 2023, a 20.1% increase over the same period in 2022.

This focus on customer needs and product quality, coupled with the favourable macroeconomic conditions, translated into full year operating income before cost of risk (adjusted for one-off items) of GEL 1,777.8m, up 30.6% year-on-year, profit (adjusted for one-off items) of GEL 1,374.7 million, up 21.4% year-on-year and ROAE of 29.9%³. On the portfolio side, loan book growth picked up in 2023 and was 19.6% year-on-year on a constant currency basis, while deposit growth was 12.2% year-on-year on a constant currency basis, building on the significant inflows during 2022. This continued strong balance sheet growth has more than offset the expected net interest margin erosion in the second half of 2023. Going forward, we expect our double-digit balance sheet growth to more than offset the margin impact of deposit re-pricing and lower policy rates.

We delivered positive operating leverage year-on-year in FY23, but the growth in operating expenses was high in the fourth quarter, partly reflecting the impact of transaction costs relating to the acquisition of Ameriabank, as well as ongoing business development projects. These investments are expected to underpin our future business growth, whilst we will also continue to ensure we maintain a strong focus on day-to-day efficiency and cost control. And, finally, a key positive aspect of these results is the continued strength of our loan portfolio, which translated into a lower cost of credit risk, particularly in Retail.

The Group remains well-positioned to capture the benefits of strong economic activity in the region. Georgia's EU candidacy status, a significant milestone achieved in December 2023, which has defined the country's geopolitical vector, is expected to support ongoing investments in the Georgian economy. We expect both Georgian and Armenian real GDPs to grow by more than 5% in 2024, and we remain focused on our strategic priorities to unlock growth opportunities and sustainably deliver strong growth and high profitability.

Archil Gachechiladze,
CEO, Bank of Georgia Group PLC
14 March 2024

² Digital monthly active users

³ 2023 figures were adjusted for a one-off GEL 22.6 million other income related to the fair value revaluation of the receivable related to the settlement of a legacy claim. 2022 figures were adjusted for a one-off GEL 391.1 million other income related to the settlement of the same legacy claim and a one-off GEL 79.3 income tax expense related to the changes in the corporate taxation model applicable to financial institutions in Georgia effective from 1 January 2023.

MACROECONOMIC DEVELOPMENTS

Strong economic growth

The Georgian economy maintained its strong growth momentum in 2023 as domestic spending on consumption and investment picked up to offset slowing external demand. The ongoing recovery in international tourism and gradual exit from tight monetary policy also supported the strong economic performance. According to preliminary data by Geostat, real GDP growth was 7.5% in 2023, with the main contributions from the trade, IT, construction, transport and education sectors. Economic activity is expected to remain robust with 6.0% real GDP growth in 2024, driven by strong consumption and investment expenditure along with resilient external demand. The granting of Georgia's EU candidate status by the European Council in December 2023 is also expected to help the economy by improving sentiment among consumers and investors. Sustained geopolitical instability in the region and tight global financial conditions pose downside risks to the outlook, however, increased fiscal space and replenished international reserves cushion the economy from possible shocks.

Resilient external sector

Georgia's international merchandise trade slowed in 2023 reflecting the prior year's high base and falling commodity prices. Exports and imports of goods posted modest y-o-y contractions in the last quarter of 2023, resulting in 9.1% and 14.0% growth rates for the full year, respectively. The slowing merchandise exports were partially offset by robust growth in tourism revenues and solid increases in other service exports including IT and transportation services. In 2023, tourism revenues increased by 17.3% y-o-y, while the number of tourist visits recovered to 91.9% of the 2019 level, suggesting room for further growth. Remittances remained solid despite a contraction from the prior year's record-high levels. Declining migrant-related inflows were substituted by increased money transfers from the US and EU countries leading to a modest decrease in total remittances of 5.7% in 2023. Overall, external sector inflows are expected to remain sound on the back of strong external demand and diversified income sources.

Healthy bank lending

Bank lending growth remained robust in the last quarter of 2023, increasing by 17.1% y-o-y on a constant currency basis, following the 14.9% y-o-y growth in the previous quarter. Credit growth was evenly split between local and foreign currency lending, while loan dollarisation stood at 45.2% at end-2023 (down 0.3 ppts y-o-y). Importantly, the growth in legal entity lending has remained above the growth in household loans since mid-2023, indicating a more productive allocation of funds with favourable effects on medium-term economic growth prospects. The quality of the banking sector's credit portfolio was sound, with the sector's non-performing loans ratio at 1.5% at end-2023.

Easing of macroprudential policy

In the last quarter of 2023, the National Bank of Georgia introduced changes to several regulations to soften the impact of the globally tight financial conditions on the Georgian financial system. Specifically, the accumulation period of the countercyclical buffer was extended from one to four years and the upper limit of the mandatory reserve requirement on short-term FX liabilities was reduced from 25% to 20%. These measures are expected to increase FX liquidity in the banking system and provide more flexibility in capital buffer accumulation, thus supporting increased access to credit.

Continued fiscal consolidation

After sizeable improvements in fiscal performance in 2022, the Government of Georgia remained committed to fiscal consolidation. In 2023, the estimated fiscal deficit was reduced to 2.5% of GDP (down from 3.0% of GDP in 2022) and the estimated total public debt to GDP ratio declined to 39.1% (from 39.5% in 2022). Thanks to robust economic growth in 2023, consolidated budget tax revenues increased by 13.5% y-o-y. In 2024, the Government plans to further reduce the fiscal deficit and the public debt relative to GDP. The plan is underpinned by demonstrated fiscal discipline and a positive growth outlook. The ongoing consolidation helps strengthen fiscal buffers and ensure fiscal sustainability.

Low inflation

Inflation remained low on the back of reducing domestic price pressures and declining import prices in the last quarter of 2023. Headline CPI inflation was 0.4% y-o-y in December 2023, a significant decrease from 9.8% registered in December 2022. Inflation is expected to remain close to the central bank's 3% target in 2024. However, upside risks to inflation persist considering the strong domestic economic performance and geopolitical instability in the region and in the Middle East. Steady improvements in the inflation outlook enabled the National Bank of Georgia to cut the policy rate by a total of 1.5 ppts throughout 2023. On 13 March 2024, the central bank delivered an additional rate cut of 0.75 ppts after reducing the rate by 0.5 ppts in January, thereby bringing the refinancing rate down to 8.25%. More interest rate reductions are expected in 2024 amid improved inflation outlook.

Stable GEL

Sustained external inflows continue to support the local currency. 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.

DELIVERING VALUE IN 4Q23 AND FY23

The Group's business consists of four key business segments. (1) **Retail Banking (RB)** operations in Georgia, comprising sub-segments that serve mass retail (Mass Retail), and mass affluent and high-net-worth clients (Premium Banking). (2) **SME Banking (SME)** operations in Georgia, serving small and medium-sized businesses⁴. (3) **Corporate and Investment Banking (CIB)** operations in Georgia, serving corporate and institutional customers and providing capital markets and brokerage services through JSC Galt & Taggart. (4) **JSC Belarusky Narodny Bank (BNB)**, serving retail and SME clients in Belarus.

Strategic Review

The following figures are given for JSC Bank of Georgia unless otherwise stated

ACTIVE CUSTOMERS	Dec-23	Dec-22	Change y-o-y	Sep-23	Change q-o-q
Number of monthly active retail customers	1,808,907	1,632,439	10.8%	1,739,336	4.0%
Number of monthly active legal entities	97,810	81,342	20.2%	91,862	6.5%
DIGITAL					
Monthly active digital users (Digital MAU: retail customers)	1,357,157	1,121,434	21.0%	1,262,867	7.5%
Share of MAU in total active retail customers	75.0%	68.7%		72.6%	
DAU/MAU	50.9%	47.6%		46.8%	
<i>Volume in GEL thousands</i>	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q
DIGITAL					
Number of transactions in mBank, iBank and sCoolApp (thousands) ⁵	74,374	51,699	43.9%	62,564	18.9%
Share of products sold digitally ⁶	70.3%	47.1%		45.2%	
PAYMENTS					
Number of active POS terminals (in-store and online)	39,620	34,884	13.6%	37,419	5.9%
Number of active merchants (in-store and online)	18,335	14,507	26.4%	17,315	5.9%
Volume of transactions in BOG's acquiring (in-store and online)	4,454,869	3,223,209	38.2%	4,047,230	10.1%
CUSTOMER SATISFACTION					
Net promoter score (NPS) ⁷	59.3	58.4		58.7	
OUR EMPLOYEES AT PERIOD-END:					
Bank of Georgia (standalone)	7,435	6,597	12.7%	7,185	3.5%
BNB	809	774	4.5%	799	1.3%
Others	1,154	1,020	13.1%	1,085	6.4%
Group total	9,398	8,391	12.0%	9,069	3.6%
OUR NETWORK AT PERIOD-END (BOG STANDALONE)					
Full-scale branches ⁸	91	88	3.4%	90	1.1%
Transactional branches	98	119	-17.6%	101	-3.0%
Total branches	189	207	-8.7%	191	-1.0%
Number of ATMs	1,030	1,006	2.4%	1,022	0.8%
Number of BOG Pay terminals	3,153	3,145	0.3%	3,164	-0.3%

Strong franchise growth

- Bank of Georgia had 1.8 million monthly active retail clients as of 31 December 2023, up 10.8% y-o-y and up 4.0% q-o-q. Significant growth was recorded in Premium Banking – 38.6% y-o-y and 7.5% q-o-q. In December 2023, the number of active SOLO clients was 125 thousand (90 thousand in December 2022), and the share of Premium Banking active clients in total Retail Banking active clients stood at 7.0% as of 31 December 2023 vs 5.6% as of 31 December 2022 and 6.8% as of 30 September 2023.
- Monthly active legal entities, that is business clients, were up 20.2% y-o-y and up 6.5% q-o-q to 98 thousand entities. The growth was predominantly driven by small businesses.
- Monthly active digital users among retail clients (Digital MAU) increased by 21.0% y-o-y and by 7.5% q-o-q to 1.4 million users as of 31 December 2023. The share of Digital MAU in monthly active retail customers increased to 75.0% as of 31 December 2023, up from 68.7% as of 31 December 2022 and 72.6% as of 30 September 2023, highlighting the extensive adoption of our market-leading financial superapp and internet banking platform.

Financial superapp and other digital channels

- Bank of Georgia is successfully developing its retail financial superapp to tailor product offerings and user experience to customer needs. In October 2023, the Bank launched trivia-style gamification in the app, engaging users in different activities, including those increasing awareness of the Bank's financial products and services. By answering questions users accumulated

⁴ In the first quarter of 2023 we split the SME Banking segment from Retail Banking and transferred the majority of the Micro portfolio, where customers had business-related needs, to SME Banking. The remaining Micro portfolio has been transferred to Mass Retail. The SME segment has grown significantly over the past few years. In addition, the value proposition for business clients has been different from the value proposition for retail customers, leading to our decision to change the segmentation. The comparative figures have been restated accordingly to reflect this change.

⁵ 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.

⁶ 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.

⁷ Bank-wide NPS is based on external research by IPM Georgia, surveying a random sample of customers with face-to-face interviews.

⁸ In 3Q23, we separated full-scale branches where customers can access all types of products and services from transactional branches where we do not sell all products. Full-scale branches include SOLO lounges, 4B-special branches for business clients, and the Wealth Management office, and transactional branches include Express and metro branches as well as pawn shops.

coins during the game and redeemed these coins for vouchers at partner merchants. The main goal of this game was to increase engagement within the app, increase financial education, and show a myriad of benefits of using the app. More than 500,000 users were engaged in the game.

- The share of products sold through digital channels stood at 70.3% in 4Q23, compared with 45.2% in 4Q22 and 47.1% in 3Q23. The significant increase in digital sales was partly boosted by the gamification in our financial superapp. We expect the digital product sales to normalise following the end of gamification, but continue to increase from a higher baseline going forward.
- Since the launch of *sCoolApp* – the first financial mobile application for school students in Georgia – in 2022, the Bank has deepened its relationships with the youth segment. As at 31 December 2023, 90 thousand school students were monthly active users of *sCoolApp*.
- Considering the increasing pace of digitalisation as well as the growing share of transactional activity happening outside of branches, Bank of Georgia's Retail Banking strategy entails a gradual transformation of transactional branches into full-scale branches where customers will be offered a full spectrum of banking products and advice. This transformation will result in the reduction of transactional branches.

Payments

- Bank of Georgia's market share in acquiring by volume stood at 54.9% in December 2023 vs 51.3% in December 2022 and 55.2% in September 2023. The volume of payment transactions executed through BOG's in-store and online terminals was up 38.2% y-o-y and up 10.1% q-o-q in the fourth quarter of 2023 to GEL 4.5bn. In FY23, it was up 46.5% y-o-y to GEL 15.0 billion.
- Bank of Georgia's cards were used for payments at least once by more than 1.2 million individuals in December 2023 (up 20.1% y-o-y and up 7.6% q-o-q) – important progress towards a more cashless economy in Georgia.

Customer satisfaction

- Net Promoter Score (NPS) remained flat in the fourth quarter, standing at a high level of 59 (58 in 4Q22 and 59 in 3Q23).

Update on management team

- Zurab Masurashvili, Head of SME Banking since May 2019, will move to International Business direction with effect from 1 April 2024, and Tornike Kuprashvili will take on the role of Head of SME Banking, directly reporting to the CEO, with effect from the same date. Tornike joined Bank of Georgia in 2014 as a Principal Corporate Banker and during his 10-year career with the Bank, he has advanced through a number of roles in Corporate Banking. He held various senior roles, including Head of Corporate Rehabilitation and Head of Corporate Banking Department, directly reporting to Deputy CEO during 2020-2024. Prior to joining Bank of Georgia, Tornike worked at KPMG Tbilisi office for 3 years as an Audit assistant. Tornike holds a bachelor's degree in business administration from Caucasus School of Business.

Financial Review

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. The entire legacy claim amount has already been settled. 4Q22 and FY22 income tax expense was 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, 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. Comparisons given in text are with adjusted figures of respective periods. You can see the unadjusted P&L on page 18 and the unadjusted ratios on page 19.

GEL thousands, unless otherwise noted	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
OPERATING INCOME								
Interest income	744,806	607,652	22.6%	706,871	5.4%	2,748,261	2,256,881	21.8%
Interest expense	(317,145)	(273,007)	16.2%	(286,895)	10.5%	(1,132,815)	(1,074,546)	5.4%
Net interest income	427,661	334,645	27.8%	419,976	1.8%	1,615,446	1,182,335	36.6%
Fee and commission income	185,957	170,458	9.1%	168,108	10.6%	707,765	559,465	26.5%
Fee and commission expense	(71,891)	(72,526)	-0.9%	(49,159)	46.2%	(273,283)	(241,974)	12.9%
Net fee and commission income	114,066	97,932	16.5%	118,949	-4.1%	434,482	317,491	36.8%
Net foreign currency gain	97,251	125,395	-22.4%	97,790	-0.6%	365,711	466,094	-21.5%
Net other income	18,260	26,930	-32.2%	5,738	218.2%	114,735	36,092	217.9%
Operating income	657,238	584,902	12.4%	642,453	2.3%	2,530,374	2,002,012	26.4%
Net interest margin	6.3%	5.7%		6.6%		6.5%	5.4%	
Average interest-earning assets	26,913,230	23,154,159	16.2%	25,307,677	6.3%	24,967,791	21,765,305	14.7%
Average interest-bearing liabilities	25,922,521	23,547,485	10.1%	24,147,396	7.4%	24,008,840	21,865,374	9.8%
Average net loans and finance lease receivables	19,670,343	16,420,526	19.8%	18,636,788	5.5%	18,193,535	16,213,098	12.2%
Average net loans and finance lease receivables, GEL	10,521,576	8,681,922	21.2%	9,965,205	5.6%	9,698,415	8,009,664	21.1%
Average net loans and finance lease receivables, FC	9,148,767	7,738,604	18.2%	8,671,583	5.5%	8,495,120	8,203,434	3.6%
Average client deposits and notes	21,295,147	17,785,715	19.7%	20,707,605	2.8%	19,813,930	15,876,171	24.8%
Average client deposits and notes, GEL	9,564,520	6,627,550	44.3%	9,388,326	1.9%	8,554,724	6,172,866	38.6%
Average client deposits and notes, FC	11,730,627	11,158,165	5.1%	11,319,279	3.6%	11,259,206	9,703,305	16.0%
Average liquid assets	10,147,183	9,871,678	2.8%	9,251,171	9.7%	9,474,612	8,178,417	15.8%
Average liquid assets, GEL	3,992,655	3,395,553	17.6%	3,400,897	17.4%	3,419,120	3,305,624	3.4%
Average liquid assets, FC	6,154,528	6,476,125	-5.0%	5,850,274	5.2%	6,055,492	4,872,793	24.3%
<i>Liquid assets yield</i>	5.0%	4.2%		4.7%		4.7%	4.3%	
<i>Liquid assets yield, GEL</i>	8.1%	8.7%		8.4%		8.4%	8.9%	
<i>Liquid assets yield, FC</i>	3.1%	1.8%		2.5%		2.6%	1.0%	
<i>Loan yield</i>	12.4%	12.0%		12.6%		12.5%	11.5%	
<i>Loan yield, GEL</i>	15.3%	15.7%		15.6%		15.6%	15.9%	
<i>Loan yield, FC</i>	8.9%	7.7%		9.1%		8.9%	7.2%	
<i>Cost of funds</i>	4.9%	4.6%		4.7%		4.7%	4.9%	
<i>Cost of funds, GEL</i>	8.4%	9.1%		8.7%		8.8%	9.4%	
<i>Cost of funds, FC</i>	2.0%	1.5%		1.7%		1.7%	1.8%	
<i>Cost of client deposits and notes</i>	4.2%	3.4%		4.2%		4.0%	3.6%	
<i>Cost of client deposits and notes, GEL</i>	8.3%	8.2%		8.4%		8.4%	8.3%	
<i>Cost of client deposits and notes, FC</i>	0.9%	0.5%		0.7%		0.7%	0.6%	
Cost:income ratio	34.3%	31.0%		28.8%		29.8%	32.0%	

Net interest income

- **Interest income** in 4Q23 was up 22.6% y-o-y and up 5.4% q-o-q to GEL 744.8m. In FY23, interest income amounted to GEL 2,748.3m, up 21.8% y-o-y. The y-o-y increase in interest income in the periods presented was mostly attributable to increased loan portfolio coupled with higher loan yield (up 40 bps y-o-y in 4Q23 and up 100 bps y-o-y in FY23, on the back in increasing rates in foreign currency). The q-o-q increase was mainly related to loan growth during the quarter.
- **Interest expense** in 4Q23 was up 16.2% y-o-y and up 10.5% q-o-q to GEL 317.1m. In FY23, interest expense amounted to GEL 1,132.8m, up 5.4% y-o-y. The y-o-y increase in interest expense in 4Q23 was driven by increased deposit portfolio coupled with higher cost of deposits (up 80 bps y-o-y), partly offset by reduced interest expense on amounts owed to credit institutions. On a q-o-q basis, the interest expense was mainly driven by an increased balance of the amounts owed to credit institutions accumulated during the quarter for liquidity management purposes. For the full year, the main driver of increased interest expense was a significant increase in deposit portfolio coupled with a 40-bps increase in cost of deposits, partly offset by reduced interest expense on amounts owed to credit institutions.
- **Net interest margin** was 6.3% in 4Q23 (up 60 bps y-o-y and down 30 bps q-o-q). NIM in FY23 stood at 6.5% (up 110 bps y-o-y). The expected q-o-q decrease in NIM was driven by a combination of lower loan yield, on the back of decreased GEL policy rate and expected decreases of policy rates by FED and ECB, and a more normalised higher cost of funds following last year's very strong deposit inflows.

Net non-interest income

- **Net fee and commission income** was GEL 114.1m in 4Q23 (up 16.5% y-o-y and down 4.1% q-o-q). The y-o-y increase was mainly driven by settlement operations, with strong growth also posted on guarantees and letters of credit and currency conversion operations. The q-o-q decrease was related to the elevated base of the previous quarter as the Group reported a one-off adjustment with a positive net effect of GEL 25.0 million in 3Q23. If we exclude the net positive adjustment, the q-o-

q growth of net fee and commission would have been 21.4%. In FY23, net fee and commission income amounted to GEL 434.5m, up 36.8% y-o-y, mainly due to settlement operations and advisory services.

- **Net foreign currency (FX) gain** has broadly normalised, following last year's higher activity levels, and amounted to GEL 97.3m in 4Q23 (down 22.4% y-o-y and down 0.6% q-o-q). In FY23, net foreign currency gain amounted to GEL 365.7m (down 21.5% y-o-y).
- **Net other income** (adjusted for a one-off GEL 1.5m other income) amounted to GEL 18.3m in 4Q23 (down 32.2% y-o-y and up 3.2x q-o-q). The y-o-y decrease was due to higher income from the revaluation of investment property posted in 4Q22, and the q-o-q increase was mainly driven by higher net gains on the sale of repossessed assets. In FY23, net other income (adjusted for a one-off GEL 22.6m other income) was GEL 114.7m, up 3.2x y-o-y, driven by the significant net gains on the sale of repossessed assets booked in the second and the fourth quarters of 2023.

Overall, the Group generated **operating income (adjusted for one-off other income) of GEL 657.2m in 4Q23** (up 12.4% y-o-y and up 2.3% q-o-q). The y-o-y increase in 4Q23 was mainly driven by strong net interest income generation and increased net fee and commission income, partly offset by lower net foreign currency gain and lower net other income. Compared with 3Q23, the fourth quarter was relatively subdued in all major revenue lines, with growth reported in net interest income and net other income. In FY23, **operating income (adjusted for one-off other income) amounted to GEL 2,530.4m**, up 26.4% y-o-y, driven by strong income generation across core revenue lines, partly offset by lower net foreign currency gains reflecting a normalising trend.

<i>GEL thousands</i>	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
OPERATING EXPENSES, COST OF RISK, PROFIT								
Salaries and other employee benefits	(113,944)	(93,698)	21.6%	(106,739)	6.8%	(419,454)	(362,019)	15.9%
Administrative expenses	(74,428)	(54,931)	35.5%	(46,081)	61.5%	(205,368)	(164,450)	24.9%
Depreciation, amortisation and impairment	(35,131)	(31,717)	10.8%	(31,247)	12.4%	(124,723)	(111,089)	12.3%
Other operating expenses	(1,702)	(716)	137.7%	(1,247)	36.5%	(4,508)	(3,628)	24.3%
Operating expenses	(225,205)	(181,062)	24.4%	(185,314)	21.5%	(754,053)	(641,186)	17.6%
Profit from associates	254	128	98.4%	302	-15.9%	1,456	754	93.1%
Operating income before cost of risk	432,287	403,968	7.0%	457,441	-5.5%	1,777,777	1,361,580	30.6%
Expected credit loss on loans to customers	(18,546)	(37,535)	-50.6%	(27,762)	-33.2%	(124,298)	(128,678)	-3.4%
Expected credit loss on finance lease receivables	(1,513)	472	NMF	(1,437)	5.3%	(2,762)	(3,208)	-13.9%
Other expected credit loss and impairment charge on other assets and provisions	(7,751)	(15,612)	-50.4%	(6,606)	17.3%	(17,004)	12,818	NMF
Cost of risk	(27,810)	(52,675)	-47.2%	(35,805)	-22.3%	(144,064)	(119,068)	21.0%
Net operating income before non-recurring items	404,477	351,293	15.1%	421,636	-4.1%	1,633,713	1,242,512	31.5%
Net non-recurring items	-	329	-100.0%	58	-100.0%	-	1,038	-100.0%
Profit before income tax expense and one-off costs	404,477	351,622	15.0%	421,694	-4.1%	1,633,713	1,243,550	31.4%
Income tax expense	(75,891)	(25,723)	195.0%	(64,330)	18.0%	(258,971)	(111,376)	132.5%
Profit adjusted for one-off items	328,586	325,899	0.8%	357,364	-8.1%	1,374,742	1,132,174	21.4%
One-off in other income	1,524	391,100	-99.6%	-	-	22,585	391,100	-94.2%
One-off income tax expense	-	(79,275)	-100.0%	-	-	-	(79,275)	-100.0%
Profit	330,110	637,724	-48.2%	357,364	-7.6%	1,397,327	1,443,999	-3.2%

Operating expenses and efficiency

- Operating expenses amounted to GEL 225.2m in 4Q23 (up 24.4% y-o-y and up 21.5% q-o-q). In FY23, operating expenses amounted to GEL 754.1m (up 17.6% y-o-y). The rise in operating expenses in 4Q23 was primarily related 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 partly attributable to the transaction costs incurred in relation to the acquisition of Ameriabank as well as the consulting projects in IT and several other business areas (totalling GEL 10.5 million).
- The Group's cost to income ratio was 34.3% in 4Q23 (31.0% in 4Q22 and 28.8% in 3Q23). For the full year of 2023, the Group delivered positive operating leverage, with the cost to income ratio at 29.8% vs 32.0% for the full year of 2022.

Cost of risk

The cost of credit risk ratio was 0.4% in 4Q23 (0.9% in 4Q22 and 0.6% in 3Q23). The expected credit loss charge on loans and finance lease receivables posted during the fourth quarter amounted to GEL 20.1m, driven by the Corporate and Investment Banking and the SME Banking segments, partly offset by better performance in the Retail Banking segment. The y-o-y and the q-o-q decrease in cost of credit risk ratio in 4Q23 was driven by improved loan portfolio performance in Retail Banking. The expected credit loss charge on loans and finance lease receivables posted for the full year of 2023 amounted to GEL 127.1m, translating into the cost of credit risk ratio of 0.7% in FY23 (0.8% in FY22).

Profitability

- The Group's profit (adjusted for a one-off) was GEL 328.6m in 4Q23 (up 0.8% y-o-y and down 8.1% q-o-q). For FY23, profit (adjusted for a one-off) was GEL 1,374.7m (up 21.4% y-o-y).
- Return on average equity (adjusted for a one-off) was 26.7% in 4Q23 (33.7% in 4Q22 and 30.7% in 3Q23). For FY23, ROAE (adjusted for a one-off) was 29.9% (32.4% in FY22).

<i>GEL thousands</i>	Dec-23	Dec-22	Change y-o-y	Sep-23	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Liquid assets	9,984,238	10,367,600	-3.7%	10,258,057	-2.7%
Liquid assets, GEL	4,113,597	3,461,218	18.8%	3,879,223	6.0%
Liquid assets, FC	5,870,641	6,906,382	-15.0%	6,378,834	-8.0%
Net loans and finance lease receivables	20,232,721	16,861,706	20.0%	19,010,599	6.4%
Net loans and finance lease receivables, GEL	10,838,243	8,854,286	22.4%	10,225,451	6.0%
Net loans and finance lease receivables, FC	9,394,478	8,007,420	17.3%	8,785,148	6.9%
Client deposits and notes	20,522,739	18,261,397	12.4%	21,743,543	-5.6%
Client deposits and notes, GEL	8,829,820	6,692,834	31.9%	10,027,311	-11.9%
Client deposits and notes, FC	11,692,919	11,568,563	1.1%	11,716,232	-0.2%
Amounts owed to credit institutions	5,156,009	5,266,653	-2.1%	3,163,001	63.0%
Borrowings from DFIs	2,124,264	1,867,454	13.8%	2,084,165	1.9%
Short-term loans from central banks	2,101,653	1,715,257	22.5%	180,099	1066.9%
Loans and deposits from commercial banks	930,092	1,683,942	-44.8%	898,737	3.5%
Debt securities issued	421,359	645,968	-34.8%	425,560	-1.0%
Risk-weighted assets (JSC Bank of Georgia standalone)	23,061,905	20,279,424	13.7%	20,881,399	10.4%

Loan book

- Net loans and finance lease receivables amounted to GEL 20,232.7m at 31 December 2023, up 20.0% y-o-y and up 6.4% q-o-q in nominal terms. Growth on a constant-currency basis was 19.6% y-o-y and 5.5% q-o-q respectively. On a constant currency basis, each segment recorded a strong growth of loan book: RB - up 16.2% y-o-y and up 5.0% q-o-q; SME - up 11.4% y-o-y and up 1.9% q-o-q, and CIB - up 30.5% y-o-y and up 12.6% q-o-q.
- The share of GEL-denominated loans stood at 53.6% at 31 December 2023 vs 52.5% at 31 December 2022 and 53.8% at 30 September 2023.
- The NPLs to gross loans ratio reduced to 2.3% as at 31 December 2023 (down 40 bps y-o-y and down 10 bps q-o-q). The NPL ratios in Retail and SME were broadly stable compared with 30 September 2023. The NPL ratio in CIB decreased significantly in 4Q23, by 50 bps compared with prior quarter, and stood at 1.7% as at 31 December 2023.
- The positive asset quality trend is reflected in improved Stage 3 loans to gross loans ratio to 2.5% as at 31 December 2023 compared with 3.4% as at 31 December 2022 and 2.8% as at 30 September 2023.

<i>GEL thousands, unless otherwise noted</i>	Dec-23	Dec-22	Change y-o-y	Sep-23	Change q-o-q
NON-PERFORMING LOANS					
NPLs (in GEL thousands)	467,656	471,577	-0.8%	470,808	-0.7%
NPLs to gross loans	2.3%	2.7%		2.4%	
NPLs to gross loans, RB	1.9%	2.1%		2.0%	
NPLs to gross loans, SME	3.6%	3.2%		3.6%	
NPLs to gross loans, CIB	1.7%	3.4%		2.2%	
NPL coverage ratio	69.2%	66.4%		69.1%	
NPL coverage ratio adjusted for the discounted value of collateral	117.6%	128.9%		122.1%	
Stage 3 ratio	2.5%	3.4%		2.8%	

Deposits

- Client deposits and notes amounted to GEL 20,522.7m as at 31 December 2023 (up 12.4% y-o-y and down 5.6% q-o-q). On a constant currency basis, deposits increased by 12.2% y-o-y and decreased by 6.3% q-o-q. 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.
- The year-on-year growth was driven by both current/demand and time deposits, while the q-o-q decrease was mainly driven by time deposits.
- The share of GEL-denominated deposits in total deposits stood at 43.0% at 31 December 2023, vs 36.7% at 31 December 2022 and 46.1% at 30 September 2023.

Liquid assets and liquidity position

- Liquid assets stood at GEL 9,984.2m at 31 December 2023 (down 3.7% y-o-y and down 2.7% q-o-q). The share of liquid assets in total assets stood at 31.4% at 31 December 2023 vs 35.9% at 31 December 2022 and 33.3% at 30 September 2023. The reduction of the upper limit of the mandatory reserve requirement on short-term FX liabilities from 25% to 20% by National Bank of Georgia has resulted in a lower FC liquidity requirement for the Bank.
- Bank of Georgia continues to operate with comfortable levels of liquidity. At 31 December 2023, the Bank's IFRS-based Liquidity Coverage Ratio (LCR) stood at 125.2% (132.4% at 31 December 2022 and 135.7% at 30 September 2023), above the minimum requirement of 100%⁹. The Net Stable Funding Ratio also stood at a high level of 130.4% at 31 December

⁹ In January 2023, the NBG transitioned to IFRS-based accounting. The LCR and NSFR figures for 31 December 2022 are not IFRS-based.

2023 (131.9% at 31 December 2022 and 134.5% at 30 September 2023). The loan-to-deposit ratio increased to 98.6% at 31 December 2023 vs 92.3% at 31 December 2022 and vs 87.4% at 30 September 2023, mainly driven by strong loan book growth.

Capital position

- The Bank continues to operate with robust capital adequacy levels. At 31 December 2023, the Bank's Basel III CET1, Tier1, and Total capital ratios stood at 18.2%, 20.0%, and 22.1%, respectively, all comfortably above the minimum requirements of 14.5%, 16.7%, 19.6%, respectively. The movement in capital adequacy ratios in 4Q23 and the potential impact of a 10% devaluation of GEL is as follows:

	30 Sep 2023	4Q23 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	31 Dec 2023	Buffer above min requirement	Potential impact of a 10% GEL devaluation
CET 1 capital adequacy	18.5%	1.5%	-1.7%	-0.2%	0.0%	0.0%	18.2%	3.7%	-0.9%
Tier 1 capital adequacy	20.4%	1.5%	-1.9%	-0.2%	0.0%	0.0%	20.0%	3.3%	-0.9%
Total capital adequacy	22.6 ¹⁰ %	1.5%	-2.1%	-0.2%	0.0%	0.2%	22.1%	2.5%	-0.8%

- In March 2023, the Financial Stability Committee at the NBG set the cycle-neutral countercyclical capital buffer (base rate) at 1%. Local 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 Bank's minimum capital requirements for December 2024 are expected to be 14.7%, 16.9% and 19.9% for CET 1 ratio, Tier 1 ratio, and Total capital ratio respectively.

Capital return

- In August 2023, the Board of Directors declared an interim dividend of GEL 3.06 per ordinary share in respect of the period ended 30 June 2023 to ordinary shareholders of Bank of Georgia Group PLC. The interim dividend was paid on 27 October 2023.
- 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 this Buyback Programme is 205,621 at a cost of GEL 23.9 million. There are currently 45,709,102 shares in issue.
- At the 2024 Annual General Meeting, the Board intends to recommend for shareholder approval a final dividend for 2023 of GEL 4.94 per share payable in Pounds Sterling at the prevailing rate. This would make a total dividend in respect of the Group's 2023 earnings 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.
- In addition, the Board has also approved an extension of the share buyback and cancellation programme by an additional GEL 100 million.

¹⁰ The 30 September 2023 total capital adequacy ratio was corrected from 22.7% to 22.6% following the bank's discussions with the NBG.

SEGMENT RESULTS¹¹

In the first quarter of 2023 we split the SME Banking segment from Retail Banking and transferred the majority of the Micro portfolio, where customers had business-related needs, to SME Banking. The remaining Micro portfolio has been transferred to Mass Retail. The SME segment has grown significantly over the past few years. In addition, the value proposition for business clients has been different from the value proposition for retail customers, leading to our decision to change the segmentation. The comparative figures have been restated accordingly to reflect this change.

RETAIL BANKING (RB)

4Q22 and FY22 were adjusted for a one-off GEL 33.1 income tax expense due to an amendment to the corporate taxation model in Georgia. As a result, ROAE was adjusted for this one-off item. Comparisons given in text are with adjusted figures of respective periods. You can see the unadjusted ROAE at the bottom of this table.

<i>GEL thousands, unless otherwise noted</i>	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Interest income	349,562	308,986	13.1%	334,596	4.5%	1,323,069	1,166,265	13.4%
Interest expense	(130,495)	(150,994)	-13.6%	(123,622)	5.6%	(532,439)	(601,090)	-11.4%
Net interest income	219,067	157,992	38.7%	210,974	3.8%	790,630	565,175	39.9%
Net fee and commission income	85,463	69,795	22.4%	91,696	-6.8%	302,555	221,495	36.6%
Net foreign currency gain	56,356	63,692	-11.5%	49,407	14.1%	197,379	234,425	-15.8%
Net other income	4,391	11,690	-62.4%	2,800	56.8%	18,471	18,898	-2.3%
Operating income	365,277	303,169	20.5%	354,877	2.9%	1,309,035	1,039,993	25.9%
Salaries and other employee benefits	(66,036)	(50,207)	31.5%	(59,744)	10.5%	(235,601)	(193,730)	21.6%
Administrative expenses	(49,717)	(35,248)	41.0%	(29,558)	68.2%	(133,419)	(104,789)	27.3%
Depreciation, amortisation and impairment	(28,383)	(24,433)	16.2%	(23,950)	18.5%	(97,938)	(86,546)	13.2%
Other operating expenses	(1,151)	(394)	192.1%	(815)	41.2%	(2,897)	(2,082)	39.1%
Operating expenses	(145,287)	(110,282)	31.7%	(114,067)	27.4%	(469,855)	(387,147)	21.4%
Profit from associates	240	115	108.7%	278	-13.7%	1,391	700	98.7%
Operating income before cost of risk	220,230	193,002	14.1%	241,088	-8.7%	840,571	653,546	28.6%
Cost of risk	460	(40,409)	NMF	(19,358)	NMF	(83,847)	(164,099)	-48.9%
Profit before non-recurring items and income tax	220,690	152,593	44.6%	221,730	-0.5%	756,724	489,447	54.6%
Net non-recurring items	-	502	-100.0%	-	-	-	1,241	-100.0%
Profit before income tax expense and one-off items	220,690	153,095	44.2%	221,730	-0.5%	756,724	490,688	54.2%
Income tax expense	(40,825)	(10,912)	NMF	(34,188)	19.4%	(121,126)	(43,342)	179.5%
Profit adjusted for one-off items	179,865	142,183	26.5%	187,542	-4.1%	635,598	447,346	42.1%
One-off income tax expense	-	(33,147)	-100.0%	-	-	-	(33,147)	-100.0%
Profit	179,865	109,036	65.0%	187,542	-4.1%	635,598	414,199	53.5%
BALANCE SHEET HIGHLIGHTS								
Net loans and finance lease receivables	8,502,529	7,304,874	16.4%	8,059,209	5.5%	8,502,529	7,304,874	16.4%
Net loans and finance lease receivables, GEL	6,547,120	5,307,288	23.4%	6,157,169	6.3%	6,547,120	5,307,288	23.4%
Net loans and finance lease receivables, FC	1,955,409	1,997,586	-2.1%	1,902,040	2.8%	1,955,409	1,997,586	-2.1%
Client deposits and notes	12,597,938	10,923,787	15.3%	11,728,532	7.4%	12,597,938	10,923,787	15.3%
Client deposits and notes, GEL	4,115,260	2,863,880	43.7%	3,662,528	12.4%	4,115,260	2,863,880	43.7%
Client deposits and notes, FC	8,482,678	8,059,907	5.2%	8,066,004	5.2%	8,482,678	8,059,907	5.2%
<i>of which:</i>								
Time deposits	6,528,765	5,329,886	22.5%	6,026,685	8.3%	6,528,765	5,329,886	22.5%
Time deposits, GEL	2,562,840	1,801,029	42.3%	2,340,575	9.5%	2,562,840	1,801,029	42.3%
Time deposits, FC	3,965,925	3,528,857	12.4%	3,686,110	7.6%	3,965,925	3,528,857	12.4%
Current accounts and demand deposits	6,069,173	5,593,901	8.5%	5,701,847	6.4%	6,069,173	5,593,901	8.5%
Current accounts and demand deposits, GEL	1,552,420	1,062,851	46.1%	1,321,953	17.4%	1,552,420	1,062,851	46.1%
Current accounts and demand deposits, FC	4,516,753	4,531,050	-0.3%	4,379,894	3.1%	4,516,753	4,531,050	-0.3%
Assets under management	2,486,547	1,953,970	27.3%	2,312,568	7.5%	2,486,547	1,953,970	27.3%
KEY RATIOS								
ROAE	42.2%	36.2%		46.9%		39.6%	31.7%	
Net interest margin	6.3%	5.0%		6.3%		6.0%	5.0%	
Loan yield	13.9%	13.9%		14.0%		14.1%	13.7%	
Loan yield, GEL	16.3%	16.7%		16.5%		16.6%	17.0%	
Loan yield, FC	5.8%	6.3%		6.2%		6.4%	5.9%	
Cost of funds	4.4%	5.4%		4.4%		4.8%	5.9%	
Cost of client deposits and notes	3.2%	2.5%		3.0%		3.0%	2.7%	
Cost of client deposits and notes, GEL	8.1%	8.1%		8.1%		8.2%	8.5%	
Cost of client deposits and notes, FC	1.0%	0.6%		0.8%		0.8%	0.6%	
Cost of time deposits	5.4%	4.5%		5.2%		5.1%	4.3%	
Cost of time deposits, GEL	11.1%	11.2%		11.1%		11.2%	11.2%	
Cost of time deposits, FC	1.8%	1.2%		1.5%		1.5%	1.0%	
Cost of current accounts and demand deposits	0.9%	0.6%		0.8%		0.8%	0.6%	
Cost of current accounts and demand deposits, GEL	2.8%	2.4%		2.9%		2.8%	2.8%	
Cost of current accounts and demand deposits, FC	0.2%	0.2%		0.2%		0.2%	0.1%	
Cost:income ratio	39.8%	36.4%		32.1%		35.9%	37.2%	
Cost of credit risk ratio	-0.1%	2.0%		0.8%		1.0%	2.2%	
ROAE (unadjusted)	42.2%	27.7%		46.9%		39.6%	29.3%	

¹¹ In Segment Results, loan and deposit portfolios are given for JSC Bank of Georgia standalone.

Performance highlights

- In 4Q23, operating income grew 20.5% y-o-y and 2.9% q-o-q, amounting to GEL 365.3m. In FY23, operating income amounted to GEL 1,309.0m (up 25.9% y-o-y). The y-o-y increase in all periods presented was driven by growth in both net interest income and net fee and commission income, partly offset by the normalisation of net foreign currency gains and lower net other income.
- In 4Q23, operating expenses were up 31.7% y-o-y and up 27.4% q-o-q and amounted to GEL 145.3m. In FY23, operating expenses amounted to GEL 469.9m (up 21.4% y-o-y). The y-o-y and the q-o-q increase in operating expenses was driven by business growth and continuing investments in strategic areas. In addition, around 20% of the y-o-y and q-o-q growth in operating expenses was related to the allocated costs with respect to the acquisition of Ameriabank and ongoing business consulting projects.
- The cost of credit risk ratio in 4Q23 stood at -0.1% (down 210 bps y-o-y and down 90 bps q-o-q), driven by improved performance of the loan portfolio, especially the consumer loan portfolio. In FY23, the cost of credit risk ratio was 1.0% (vs 2.2% in FY22).
- Overall, in 4Q23, RB generated a profit of GEL 179.9m (up 26.5% y-o-y and down 4.1% q-o-q). In FY23, the profit amounted to GEL 635.6m (up 42.1% y-o-y).

Portfolio highlights

- RB's net loans and finance lease receivables stood at GEL 8,502.5m (up 16.4% y-o-y and up 5.5% q-o-q) as at 31 December 2023. On a constant currency basis, the loan book increased by 16.2% y-o-y and by 5.0% q-o-q. Both the y-o-y and the q-o-q growth was mainly driven by consumer loans, followed by mortgage loans.
- 77.0% of the loan book was denominated in GEL at 31 December 2023 vs 72.7% at 31 December 2022 and 76.4% at 30 September 2023.
- Client deposits and notes stood at GEL 12,597.9m at 31 December 2023 (up 15.3% y-o-y and up 7.4% q-o-q). On a constant currency basis, deposits increased by 15.1% y-o-y and by 6.4% q-o-q. The strong y-o-y increase in deposits was mainly driven by time deposits, followed by current accounts and demand deposits.
- The share of GEL-denominated client deposits increased to 32.7% as at 31 December 2023 vs 26.2% at 31 December 2022 and 31.2% at 30 September 2023.

SME BANKING

4Q22 and FY22 were adjusted for a one-off GEL 12.5 income tax expense due to an amendment to the corporate taxation model in Georgia. As a result, ROAE was adjusted for this one-off item. Comparisons given in text are with adjusted figures of respective periods. You can see the unadjusted ROAE at the bottom of this table.

GEL thousands, unless otherwise noted

INCOME STATEMENT HIGHLIGHTS

	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
Interest income	145,601	123,562	17.8%	143,980	1.1%	553,281	467,707	18.3%
Interest expense	(78,853)	(69,297)	13.8%	(78,088)	1.0%	(297,268)	(264,914)	12.2%
Net interest income	66,748	54,265	23.0%	65,892	1.3%	256,013	202,793	26.2%
Net fee and commission income	11,561	11,205	3.2%	10,834	6.7%	40,574	34,792	16.6%
Net foreign currency gain	9,170	13,550	-32.3%	10,307	-11.0%	38,357	43,183	-11.2%
Net other income	959	1,297	-26.1%	1,157	-17.1%	6,049	2,503	141.7%
Operating income	88,438	80,317	10.1%	88,190	0.3%	340,993	283,271	20.4%
Salaries and other employee benefits	(16,455)	(14,394)	14.3%	(15,593)	5.5%	(61,641)	(57,800)	6.6%
Administrative expenses	(9,612)	(7,292)	31.8%	(5,787)	66.1%	(25,523)	(22,022)	15.9%
Depreciation, amortisation and impairment	(3,255)	(3,698)	-12.0%	(3,029)	7.5%	(12,206)	(13,193)	-7.5%
Other operating expenses	(136)	(87)	56.3%	(102)	33.3%	(410)	(492)	-16.7%
Operating expenses	(29,458)	(25,471)	15.7%	(24,511)	20.2%	(99,780)	(93,507)	6.7%
Profit from associates	14	13	7.7%	24	-41.7%	65	54	20.4%
Operating income before cost of risk	58,994	54,859	7.5%	63,703	-7.4%	241,278	189,818	27.1%
Cost of risk	(6,823)	(3,846)	77.4%	(13,450)	-49.3%	(32,316)	(8,603)	NMF
Profit before income tax expense and one-off items	52,171	51,013	2.3%	50,253	3.8%	208,962	181,215	15.3%
Income tax expense	(9,965)	(3,438)	189.8%	(8,043)	23.9%	(34,094)	(16,310)	109.0%
Profit adjusted for one-off costs	42,206	47,575	-11.3%	42,210	0.0%	174,868	164,905	6.0%
One-off income tax expense	-	(12,475)	-100.0%	-	-	-	(12,475)	-100.0%
Profit	42,206	35,100	20.2%	42,210	0.0%	174,868	152,430	14.7%

BALANCE SHEET HIGHLIGHTS

Net loans and finance lease receivables	4,550,840	4,064,034	12.0%	4,422,394	2.9%	4,550,840	4,064,034	12.0%
Net loans and finance lease receivables, GEL	2,570,051	2,208,103	16.4%	2,537,288	1.3%	2,570,051	2,208,103	16.4%
Net loans and finance lease receivables, FC	1,980,789	1,855,931	6.7%	1,885,106	5.1%	1,980,789	1,855,931	6.7%
Client deposits and notes	1,876,967	1,508,932	24.4%	1,744,883	7.6%	1,876,967	1,508,932	24.4%
Client deposits and notes, GEL	1,197,070	852,922	40.3%	1,071,511	11.7%	1,197,070	852,922	40.3%
Client deposits and notes, FC	679,897	656,010	3.6%	673,372	1.0%	679,897	656,010	3.6%
<i>of which:</i>								
Time deposits	84,245	65,626	28.4%	95,154	-11.5%	84,245	65,626	28.4%
Time deposits, GEL	61,408	41,930	46.5%	60,648	1.3%	61,408	41,930	46.5%
Time deposits, FC	22,837	23,696	-3.6%	34,506	-33.8%	22,837	23,696	-3.6%
Current accounts and demand deposits	1,792,722	1,443,306	24.2%	1,649,729	8.7%	1,792,722	1,443,306	24.2%
Current accounts and demand deposits, GEL	1,135,662	810,992	40.0%	1,010,863	12.3%	1,135,662	810,992	40.0%
Current accounts and demand deposits, FC	657,060	632,314	3.9%	638,866	2.8%	657,060	632,314	3.9%

KEY RATIOS

ROAE	20.6%	25.7%		21.7%		22.6%	24.0%	
Net interest margin	4.8%	4.4%		4.9%		4.9%	4.3%	
Loan yield	11.1%	10.5%		11.4%		11.2%	10.0%	
Loan yield, GEL	13.6%	13.7%		13.8%		13.8%	13.5%	
Loan yield, FC	7.8%	6.7%		8.2%		7.9%	6.4%	
Cost of funds	6.3%	6.1%		6.5%		6.4%	6.1%	
Cost of client deposits and notes	1.9%	1.0%		1.9%		1.7%	1.0%	
Cost of client deposits and notes, GEL	3.3%	2.5%		3.3%		3.1%	2.4%	
Cost of client deposits and notes, FC	-0.4%	-1.0%		-0.4%		-0.4%	-0.7%	
Cost of time deposits	8.5%	7.3%		7.7%		7.7%	6.4%	
Cost of time deposits, GEL	11.4%	11.0%		11.3%		10.8%	10.8%	
Cost of time deposits, FC	1.2%	1.0%		1.1%		1.2%	0.8%	
Cost of current accounts and demand deposits	1.6%	0.7%		1.6%		1.4%	0.7%	
Cost of current accounts and demand deposits, GEL	2.9%	2.0%		2.8%		2.7%	1.9%	
Cost of current accounts and demand deposits, FC	-0.4%	-1.1%		-0.4%		-0.5%	-0.7%	
Cost:income ratio	33.3%	31.7%		27.8%		29.3%	33.0%	
Cost of credit risk ratio	0.6%	0.3%		1.1%		0.7%	0.1%	
ROAE (unadjusted)	20.6%	18.9%		21.7%		22.6%	22.2%	

Performance highlights

- In 4Q23, SME's operating income amounted to GEL 88.4m (up 10.1% y-o-y and up 0.3% q-o-q). In FY23, operating income was GEL 341.0m (up 20.4% y-o-y). The y-o-y increases were mainly driven by strong net interest income generation, partly offset by the reduced net foreign currency gain.
- Operating expenses were up 15.7% y-o-y and up 20.2% q-o-q in 4Q23 to GEL 29.5m. The y-o-y increase of operating expenses in the fourth quarter of 2023 was driven by both salaries and administrative expenses, with around 38% of the increase in total operating expenses due to the allocated costs related to the acquisition of Ameriabank and ongoing business consulting projects. Compared with the prior quarter, the growth was mainly driven by increased administrative expenses, affected by the project costs described above. Operating expenses in FY23 were GEL 99.8m, up 6.7% y-o-y.
- The cost of credit risk ratio stood at 0.6% in 4Q23 (0.3% in 4Q22 and 1.1% in 3Q23). In FY23, the cost of credit risk ratio was 0.7% (0.1% in FY22).
- Overall, in 4Q23, SME generated a profit of GEL 42.2m (down 11.3% y-o-y and flat q-o-q). In FY23, profit amounted to GEL 174.9m (up 6.0% y-o-y).

Portfolio highlights

- Net loans and finance receivables stood at GEL 4,550.8m at 31 December 2023, up 12.0% y-o-y and up 2.9% q-o-q. On a constant currency basis, the loan book increased by 11.4% y-o-y and by 1.9% q-o-q in 4Q23.
- GEL-denominated loans remained broadly stable at 56.5% of total SME loans at 31 December 2023, compared with 54.3% at 31 December 2022 and 57.4% at 30 September 2023.
- Client deposits and notes amounted to GEL 1,877.0m at 31 December 2023, up 24.4% y-o-y and up 7.6% q-o-q. On a constant currency basis, deposits increased by 24.1% y-o-y and by 6.9% q-o-q in 4Q23.
- GEL-denominated deposits represented 63.8% of total SME deposits at 31 December 2023, compared with 56.5% at 31 December 2022 and 61.4% at 30 September 2023.

CORPORATE AND INVESTMENT BANKING (CIB)

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 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 adjusted for a one-off GEL 33.7 income tax expense due to an amendment to the corporate taxation model in Georgia. As a result, ROAE was adjusted for one-off other income and one-off tax expense where applicable and Cost:income ratios were adjusted for one-off other income where applicable. Comparisons given in text are with adjusted figures of respective periods. You can see the unadjusted ROAE and Cost:income ratios at the bottom of this table.

GEL thousands, unless otherwise noted	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Interest income	231,354	160,388	44.2%	209,961	10.2%	803,408	554,135	45.0%
Interest expense	(102,534)	(46,740)	119.4%	(80,637)	27.2%	(283,171)	(177,364)	59.7%
Net interest income	128,820	113,648	13.3%	129,324	-0.4%	520,237	376,771	38.1%
Net fee and commission income	16,009	14,157	13.1%	13,756	16.4%	83,718	49,543	69.0%
Net foreign currency gain	21,148	33,612	-37.1%	28,367	-25.4%	88,369	123,993	-28.7%
Net other income	11,872	11,503	3.2%	1,698	599.2%	89,035	14,299	522.7%
Operating income	177,849	172,920	2.9%	173,145	2.7%	781,359	564,606	38.4%
Salaries and other employee benefits	(23,174)	(20,388)	13.7%	(22,245)	4.2%	(86,237)	(80,978)	6.5%
Administrative expenses	(11,291)	(7,232)	56.1%	(6,005)	88.0%	(27,217)	(18,079)	50.5%
Depreciation, amortisation and impairment	(1,554)	(1,685)	-7.8%	(1,085)	43.2%	(5,319)	(5,292)	0.5%
Other operating expenses	(264)	(437)	-39.6%	(100)	164.0%	(624)	(1,283)	-51.4%
Operating expenses	(36,283)	(29,742)	22.0%	(29,435)	23.3%	(119,397)	(105,632)	13.0%
Profit from associates	-	-	-	-	-	-	-	-
Operating income before cost of risk	141,566	143,178	-1.1%	143,710	-1.5%	661,962	458,974	44.2%
Cost of risk	(18,092)	(5,210)	NMF	(5,875)	NMF	(30,549)	79,461	NMF
Profit before non-recurring items and income tax	123,474	137,968	-10.5%	137,835	-10.4%	631,413	538,435	17.3%
Net non-recurring items	-	-	-	-	-	-	-	-
Profit before income tax expense and one-off items	123,474	137,968	-10.5%	137,835	-10.4%	631,413	538,435	17.3%
Income tax expense	(23,107)	(9,145)	152.7%	(20,217)	14.3%	(95,274)	(44,040)	116.3%
Profit adjusted for one-off items	100,367	128,823	-22.1%	117,618	-14.7%	536,139	494,395	8.4%
One-off in other income	1,524	391,100	-99.6%	-	-	22,585	391,100	-94.2%
One-off income tax	-	(33,653)	-100.0%	-	-	-	(33,653)	-100.0%
Profit	101,891	486,270	-79.0%	117,618	-13.4%	558,724	851,842	-34.4%

BALANCE SHEET HIGHLIGHTS

Net loans and finance lease receivables	6,463,690	4,926,264	31.2%	5,664,297	14.1%	6,463,690	4,926,264	31.2%
Net loans and finance lease receivables, GEL	1,714,253	1,321,797	29.7%	1,518,653	12.9%	1,714,253	1,321,797	29.7%
Net loans and finance lease receivables, FC	4,749,437	3,604,467	31.8%	4,145,644	14.6%	4,749,437	3,604,467	31.8%
Client deposits and notes	5,256,172	4,824,646	8.9%	7,419,153	-29.2%	5,256,172	4,824,646	8.9%
Client deposits and notes, GEL	3,734,682	3,021,179	23.6%	5,664,043	-34.1%	3,734,682	3,021,179	23.6%
Client deposits and notes, FC	1,521,490	1,803,467	-15.6%	1,755,110	-13.3%	1,521,490	1,803,467	-15.6%
<i>of which:</i>								
Time deposits	1,416,400	1,520,701	-6.9%	2,902,554	-51.2%	1,416,400	1,520,701	-6.9%
Time deposits, GEL	1,295,713	1,412,130	-8.2%	2,774,497	-53.3%	1,295,713	1,412,130	-8.2%
Time deposits, FC	120,687	108,571	11.2%	128,057	-5.8%	120,687	108,571	11.2%
Current accounts and demand deposits	3,839,772	3,303,945	16.2%	4,516,599	-15.0%	3,839,772	3,303,945	16.2%
Current accounts and demand deposits, GEL	2,438,969	1,609,049	51.6%	2,889,546	-15.6%	2,438,969	1,609,049	51.6%
Current accounts and demand deposits, FC	1,400,803	1,694,896	-17.4%	1,627,053	-13.9%	1,400,803	1,694,896	-17.4%
Letters of credit and guarantees (off-balance sheet exposures)	1,973,156	1,812,231	8.9%	1,929,058	2.3%	1,973,156	1,812,231	8.9%
Assets under management	2,193,090	1,480,894	48.1%	1,927,240	13.8%	2,193,090	1,480,894	48.1%

KEY RATIOS

ROAE	17.8%	36.5%		22.3%		26.0%	39.1%	
Net interest margin	5.3%	6.3%		6.1%		6.2%	5.6%	
Loan yield	11.6%	10.2%		11.8%		11.5%	9.3%	
Loan yield, GEL	14.3%	14.8%		14.5%		14.7%	14.7%	
Loan yield, FC	10.7%	8.6%		10.8%		10.3%	7.7%	
Cost of funds	5.1%	2.6%		4.5%		4.1%	2.6%	
Cost of client deposits and notes	7.2%	6.2%		7.3%		7.2%	6.2%	
Cost of client deposits and notes, GEL	9.5%	9.7%		9.6%		9.8%	9.4%	
Cost of client deposits and notes, FC	0.6%	-0.2%		0.2%		0.3%	-0.1%	
Cost of time deposits	10.1%	11.0%		9.9%		10.3%	10.4%	
Cost of time deposits, GEL	10.5%	11.6%		10.3%		10.7%	11.1%	
Cost of time deposits, FC	3.1%	1.4%		2.3%		2.2%	1.1%	
Cost of current accounts and demand deposits	5.6%	3.7%		5.7%		5.5%	3.9%	
Cost of current accounts and demand deposits, GEL	8.6%	7.8%		8.9%		9.0%	7.7%	
Cost of current accounts and demand deposits, FC	0.5%	-0.3%		0.1%		0.1%	-0.2%	
Cost:income ratio	20.4%	17.2%		17.0%		15.3%	18.7%	
Cost of credit risk ratio	1.0%	0.0%		0.2%		0.4%	-1.0%	
Concentration of top ten clients	7.3%	5.9%		5.3%		7.3%	5.9%	
ROAE (unadjusted)	18.1%	138.1%		22.3%		27.1%	67.4%	
Cost:income (unadjusted)	20.2%	5.3%		17.0%		14.9%	11.1%	

Performance highlights

- In 4Q23, CIB's operating income (adjusted for a one-off GEL 1.5m other income) was up 2.9% y-o-y and up 2.7% q-o-q to GEL 177.8m. In FY23, operating income (adjusted for a one-off GEL 22.6m other income) amounted to GEL 781.4m, up 38.4%, driven by significant growth in every core revenue line, except for the net foreign currency gain that broadly normalised in 2023.
- Operating expenses were up 22.0% y-o-y and up 23.3% q-o-q in 4Q23, amounting to GEL 36.3m. Around a third of this growth, both y-o-y and q-o-q, is attributable to the allocated costs related to the acquisition of Ameriabank as well as ongoing business consulting projects. In FY23, operating expenses grew 13.0% y-o-y to GEL 119.4m.
- In 4Q23, CIB's cost of credit risk ratio was 1.0% (up 100 bps y-o-y and up 80 bps q-o-q), driven largely by a significant growth of the loan portfolio during the quarter. In FY23, the cost of credit risk ratio was 0.4% vs -1.0% in FY22.
- Overall, in 4Q23 CIB posted a profit (adjusted for a one-off GEL 1.5m net other income) of GEL 100.4m, down 22.1% y-o-y and down 14.7% q-o-q. Profit for the full year of 2023 (adjusted for a one-off GEL 22.6m net other income) amounted to GEL 536.1m, up 8.4% y-o-y.

Portfolio highlights

- Net loans and finance receivables stood at GEL 6,463.7m at 31 December 2023 (up 31.2% y-o-y and up 14.1% q-o-q). On a constant currency basis, the loan book increased by 30.5% y-o-y and by 12.6% q-o-q in 4Q23.
- GEL-denominated loans represented 26.5% of total CIB loans at 31 December 2023, compared with 26.8% at 31 December 2022 and 26.8% at 30 September 2023.
- The concentration of top ten CIB clients was 7.3% of total gross loans at 31 December 2023 (5.9% at 31 December 2022 and 5.3% at 30 September 2023).
- Client deposits and notes amounted to GEL 5,256.2m at 31 December 2023 (up 8.9% y-o-y and down 29.2% q-o-q). On a constant currency basis, deposits increased by 9.0% y-o-y and decreased by 29.4% q-o-q in 4Q23. The q-on-q reduction in corporate deposits, reflects a substitution of Ministry of Finance deposits, which are treated as corporate deposits, for NBG deposits which are categorised as Central Bank loans.
- GEL-denominated deposits stood at 71.1% of total CIB deposits at 31 December 2023, compared with 62.6% at 31 December 2022 and 76.3% at 30 September 2022.

BELARUSKY NARODNY BANK (BNB)

GEL thousands, unless otherwise noted

	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net interest income	13,001	8,721	49.1%	13,757	-5.5%	48,486	37,511	29.3%
Net fee and commission income	977	2,740	-64.3%	2,728	-64.2%	7,379	11,500	-35.8%
Net foreign currency gain	10,577	14,541	-27.3%	9,709	8.9%	41,606	64,493	-35.5%
Net other income	1,277	2,620	-51.3%	270	NMF	2,009	1,170	71.7%
Operating income	25,832	28,622	-9.7%	26,464	-2.4%	99,480	114,674	-13.2%
Operating expenses	(14,335)	(15,693)	-8.7%	(17,524)	-18.2%	(65,514)	(55,432)	18.2%
Operating income before cost of risk	11,497	12,929	-11.1%	8,940	28.6%	33,966	59,242	-42.7%
Cost of risk	(3,355)	(3,210)	4.5%	2,878	NMF	2,648	(25,827)	NMF
Net non-recurring items	-	(173)	-100.0%	58	-100.0%	-	(203)	-100.0%
Profit before income tax expense	8,142	9,546	-14.7%	11,876	-31.4%	36,614	33,212	10.2%
Income tax expense	(1,994)	(2,228)	-10.5%	(1,882)	6.0%	(8,477)	(7,684)	10.3%
Profit	6,148	7,318	-16.0%	9,994	-38.5%	28,137	25,528	10.2%

GEL thousands, unless otherwise noted

	Dec-23	Dec-22	Change y-o-y	Sep-23	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Cash and cash equivalents	407,456	640,018	-36.3%	478,219	-14.8%
Amounts due from credit institutions	18,759	74,778	-74.9%	22,749	-17.5%
Investment securities	70,411	60,361	16.6%	103,970	-32.3%
Loans to customers and finance lease receivables	716,905	538,166	33.2%	865,569	-17.2%
Other assets	66,636	68,043	-2.1%	85,706	-22.3%
Total assets	1,280,167	1,381,366	-7.3%	1,556,213	-17.7%
Client deposits and notes	1,048,512	1,034,124	1.4%	1,219,291	-14.0%
Amounts owed to credit institutions	50,852	172,389	-70.5%	111,969	-54.6%
Debt securities issued	6,810	2,745	148.1%	11,271	-39.6%
Other liabilities	25,268	20,670	22.2%	33,600	-24.8%
Total liabilities	1,131,442	1,229,928	-8.0%	1,376,131	-17.8%
Total equity	148,725	151,438	-1.8%	180,082	-17.4%
Total liabilities and equity	1,280,167	1,381,366	-7.3%	1,556,213	-17.7%

During 2023 BNB continued to be focused on its core domestic retail and small business customers.

During a few months of 2023, as a result of the ongoing Russia-Ukraine war, the NBG's official exchange rate of GEL versus the Belarusian Ruble (BYN) was not updated due to inactivity on the source platform. On 3 October 2023, the NBG's official exchange rate of GEL versus the Belarusian Ruble (BYN) was reinstated, resulting in a 23.3% depreciation of BYN against GEL. BNB's performance was adversely affected by this change in exchange rate.

BNB's capital ratios, calculated in accordance with the National Bank of the Republic of Belarus' standards, were above the minimum requirements at 31 December 2023 - Tier 1 capital adequacy ratio at 9.9% (minimum requirement of 7.0%) and Total capital adequacy ratio at 13.8% (minimum requirement of 12.5%).

SELECTED CONSOLIDATED FINANCIAL INFORMATION

GEL thousands, unless otherwise noted

INCOME STATEMENT HIGHLIGHTS

	4Q23	4Q22	Change y-o-y	3Q23	Change q-o-q	FY23	FY22	Change y-o-y
Interest income	744,806	607,652	22.6%	706,871	5.4%	2,748,261	2,256,881	21.8%
Interest expense	(317,145)	(273,007)	16.2%	(286,895)	10.5%	(1,132,815)	(1,074,546)	5.4%
Net interest income	427,661	334,645	27.8%	419,976	1.8%	1,615,446	1,182,335	36.6%
Fee and commission income	185,957	170,458	9.1%	168,108	10.6%	707,765	559,465	26.5%
Fee and commission expense	(71,891)	(72,526)	-0.9%	(49,159)	46.2%	(273,283)	(241,974)	12.9%
Net fee and commission income	114,066	97,932	16.5%	118,949	-4.1%	434,482	317,491	36.8%
Net foreign currency gain	97,251	125,395	-22.4%	97,790	-0.6%	365,711	466,094	-21.5%
Net other income without one-offs	18,260	26,930	-32.2%	5,738	218.2%	114,735	36,092	217.9%
One-off other income	1,524	391,100	-99.6%	-	-	22,585	391,100	-94.2%
Net other income	19,784	418,030	-95.3%	5,738	244.8%	137,320	427,192	-67.9%
Operating income	658,762	976,002	-32.5%	642,453	2.5%	2,552,959	2,393,112	6.7%
Salaries and other employee benefits	(113,944)	(93,698)	21.6%	(106,739)	6.8%	(419,454)	(362,019)	15.9%
Administrative expenses	(74,428)	(54,931)	35.5%	(46,081)	61.5%	(205,368)	(164,450)	24.9%
Depreciation, amortisation and impairment	(35,131)	(31,717)	10.8%	(31,247)	12.4%	(124,723)	(111,089)	12.3%
Other operating expenses	(1,702)	(716)	137.7%	(1,247)	36.5%	(4,508)	(3,628)	24.3%
Operating expenses	(225,205)	(181,062)	24.4%	(185,314)	21.5%	(754,053)	(641,186)	17.6%
Profit from associates	254	128	98.4%	302	-15.9%	1,456	754	93.1%
Operating income before cost of risk	433,811	795,068	-45.4%	457,441	-5.2%	1,800,362	1,752,680	2.7%
Expected credit loss on loans to customers	(18,546)	(37,535)	-50.6%	(27,762)	-33.2%	(124,298)	(128,678)	-3.4%
Expected credit loss on finance lease receivables	(1,513)	472	NMF	(1,437)	5.3%	(2,762)	(3,208)	-13.9%
Other expected credit loss and impairment charge on other assets and provisions	(7,751)	(15,612)	-50.4%	(6,606)	17.3%	(17,004)	12,818	NMF
Cost of risk	(27,810)	(52,675)	-47.2%	(35,805)	-22.3%	(144,064)	(119,068)	21.0%
Net operating income before non-recurring items	406,001	742,393	-45.3%	421,636	-3.7%	1,656,298	1,633,612	1.4%
Net non-recurring items	-	329	-100.0%	58	-100.0%	-	1,038	-100.0%
Profit before income tax expense	406,001	742,722	-45.3%	421,694	-3.7%	1,656,298	1,634,650	1.3%
Income tax expense (excluding one-off income tax expense)	(75,891)	(25,723)	195.0%	(64,330)	18.0%	(258,971)	(111,376)	132.5%
One-off income tax expense	-	(79,275)	-100.0%	-	-	-	(79,275)	-100.0%
Income tax expense	(75,891)	(104,998)	-27.7%	(64,330)	18.0%	(258,971)	(190,651)	35.8%
Profit	330,110	637,724	-48.2%	357,364	-7.6%	1,397,327	1,443,999	-3.2%

Attributable to:

- shareholders of the Group	328,623	636,607	-48.4%	355,803	-7.6%	1,391,277	1,439,507	-3.4%
- non-controlling interests	1,487	1,117	33.1%	1,561	-4.7%	6,050	4,492	34.7%
Basic earnings per share	7.53	14.10	-46.6%	8.12	-7.3%	31.30	30.99	1.0%
Diluted earnings per share	7.31	13.61	-46.3%	7.92	-7.7%	30.43	30.33	0.3%

GEL thousands, unless otherwise noted

BALANCE SHEET HIGHLIGHTS

	Dec-23	Dec-22	Change y-o-y	Sep-23	Change q-o-q
Cash and cash equivalents	3,101,824	3,584,843	-13.5%	2,959,832	4.8%
Amounts due from credit institutions	1,752,657	2,433,028	-28.0%	1,878,849	-6.7%
Investment securities	5,129,757	4,349,729	17.9%	5,419,376	-5.3%
Loans to customers and finance lease receivables	20,232,721	16,861,706	20.0%	19,010,599	6.4%
Accounts receivable and other loans	47,562	397,990	-88.0%	48,860	-2.7%
Prepayments	37,511	43,612	-14.0%	42,785	-12.3%
Foreclosed assets	271,712	119,923	126.6%	237,116	14.6%
Right-of-use assets	138,695	117,387	18.2%	144,422	-4.0%
Investment properties	124,068	166,546	-25.5%	132,896	-6.6%
Property and equipment	436,955	398,855	9.6%	430,181	1.6%
Goodwill	41,253	33,351	23.7%	39,116	5.5%
Intangible assets	167,862	149,441	12.3%	165,475	1.4%
Income tax assets	2,520	864	191.7%	786	NMF
Other assets	245,072	215,059	14.0%	310,188	-21.0%
Assets held for sale	27,389	29,566	-7.4%	29,332	-6.6%
Total assets	31,757,558	28,901,900	9.9%	30,849,813	2.9%
Client deposits and notes	20,522,739	18,261,397	12.4%	21,743,543	-5.6%
Amounts owed to credit institutions	5,156,009	5,266,653	-2.1%	3,163,001	63.0%
Debt securities issued	421,359	645,968	-34.8%	425,560	-1.0%
Lease liability	141,934	114,470	24.0%	145,517	-2.5%
Accruals and deferred income	129,355	106,366	21.6%	106,042	22.0%
Income tax liabilities	199,058	99,533	100.0%	158,956	25.2%
Other liabilities	167,268	158,691	5.4%	372,016	-55.0%
Total liabilities	26,737,722	24,653,078	8.5%	26,114,635	2.4%
Share capital	1,506	1,563	-3.6%	1,511	-0.3%
Additional paid-in capital	465,009	505,723	-8.1%	459,630	1.2%
Treasury shares	(71)	(83)	-14.5%	(69)	2.9%
Capital redemption reserve	112	55	103.6%	107	4.7%
Other reserves	21,385	14,564	46.8%	29,458	-27.4%
Retained earnings	4,510,780	3,709,751	21.6%	4,225,583	6.7%
Total equity attributable to shareholders of the Group	4,998,721	4,231,573	18.1%	4,716,220	6.0%
Non-controlling interests	21,115	17,249	22.4%	18,958	11.4%
Total equity	5,019,836	4,248,822	18.1%	4,735,178	6.0%
Total liabilities and equity	31,757,558	28,901,900	9.9%	30,849,813	2.9%
Book value per share	114.62	94.07	21.8%	107.64	6.5%

KEY RATIOS	4Q23	4Q22	3Q23	FY23	FY22
Profitability					
ROAA (adjusted)	4.2%	4.7%	4.8%	4.7%	4.4%
ROAA (unadjusted)	4.2%	9.1%	4.8%	4.8%	5.6%
ROAE (adjusted)	26.7%	33.7%	30.7%	29.9%	32.4%
<i>RB ROAE</i>	42.2%	36.2%	46.9%	39.6%	31.7%
<i>SME ROAE</i>	20.6%	25.7%	21.7%	22.6%	24.0%
<i>CIB ROAE</i>	17.8%	36.5%	22.3%	26.0%	39.1%
ROAE (unadjusted)	26.8%	66.1%	30.7%	30.4%	41.4%
<i>RB ROAE</i>	42.2%	27.7%	46.9%	39.6%	29.3%
<i>SME ROAE</i>	20.6%	18.9%	21.7%	22.6%	22.2%
<i>CIB ROAE</i>	18.1%	138.1%	22.3%	27.1%	67.4%
Net interest margin	6.3%	5.7%	6.6%	6.5%	5.4%
<i>RB NIM</i>	6.3%	5.0%	6.3%	6.0%	5.0%
<i>SME NIM</i>	4.8%	4.4%	4.9%	4.9%	4.3%
<i>CIB NIM</i>	5.3%	6.3%	6.1%	6.2%	5.6%
Loan yield	12.4%	12.0%	12.6%	12.5%	11.5%
<i>RB loan yield</i>	13.9%	13.9%	14.0%	14.1%	13.7%
<i>SME loan yield</i>	11.1%	10.5%	11.4%	11.2%	10.0%
<i>CIB loan yield</i>	11.6%	10.2%	11.8%	11.5%	9.3%
Liquid assets yield	5.0%	4.2%	4.7%	4.7%	4.3%
Cost of funds	4.9%	4.6%	4.7%	4.7%	4.9%
Cost of client deposits and notes	4.2%	3.4%	4.2%	4.0%	3.6%
<i>RB cost of client deposits and notes</i>	3.2%	2.5%	3.0%	3.0%	2.7%
<i>SME cost of client deposits and notes</i>	1.9%	1.0%	1.9%	1.7%	1.0%
<i>CIB cost of client deposits and notes</i>	7.2%	6.2%	7.3%	7.2%	6.2%
Cost of amounts owed to credit Institutions	7.7%	8.5%	8.0%	8.0%	8.9%
Cost of debt securities issued	9.3%	7.5%	8.6%	8.2%	7.1%
Operating leverage, Y-o-Y	-12.0%	34.1%	6.8%	8.8%	20.4%
Operating leverage, Q-o-Q	-19.2%	-1.5%	-7.0%	n/a	n/a
Cost:income ratio	34.3%	31.0%	28.8%	29.8%	32.0%
<i>RB cost:income ratio</i>	39.8%	36.4%	32.1%	35.9%	37.2%
<i>SME cost:income ratio</i>	33.3%	31.7%	27.8%	29.3%	33.0%
<i>CIB cost:income ratio</i>	20.4%	17.2%	17.0%	15.3%	18.7%
Cost:income ratio (unadjusted)	34.2%	18.6%	28.8%	29.5%	26.8%
<i>RB cost:income ratio</i>	39.8%	36.4%	32.1%	35.9%	37.2%
<i>SME cost:income ratio</i>	33.3%	31.7%	27.8%	29.3%	33.0%
<i>CIB cost:income ratio</i>	20.2%	5.3%	17.0%	14.9%	11.1%
Liquidity					
NBG liquidity coverage ratio	n/a	132.4%	n/a	n/a	132.4%
IFRS-based NBG liquidity coverage ratio	125.2%	n/a	135.7%	125.2%	n/a
Liquid assets to total liabilities	37.3%	42.1%	39.3%	37.3%	42.1%
Net loans to client deposits and notes	98.6%	92.3%	87.4%	98.6%	92.3%
Net loans to client deposits and notes + DFIs	89.3%	83.8%	79.8%	89.3%	83.8%
Leverage (Times)	5.3	5.8	5.5	5.3	5.8
Asset quality:					
NPLs (in GEL thousands)	467,656	471,577	470,808	467,656	471,577
NPLs to gross loans	2.3%	2.7%	2.4%	2.3%	2.7%
NPL coverage ratio	69.2%	66.4%	69.1%	69.2%	66.4%
NPL coverage ratio adjusted for the discounted value of collateral	117.6%	128.9%	122.1%	117.6%	128.9%
Cost of credit risk ratio	0.4%	0.9%	0.6%	0.7%	0.8%
<i>RB cost of credit risk ratio</i>	-0.1%	2.0%	0.8%	1.0%	2.2%
<i>SME cost of credit risk ratio</i>	0.6%	0.3%	1.1%	0.7%	0.1%
<i>CIB cost of credit risk ratio</i>	1.0%	0.0%	0.2%	0.4%	-1.0%
Capital adequacy:					
NBG (Basel III) CET 1 capital adequacy ratio	n/a	14.7%	n/a	n/a	14.7%
<i>Minimum regulatory requirement</i>	n/a	11.6%	n/a	n/a	11.6%
NBG (Basel III) Tier I capital adequacy ratio	n/a	16.7%	n/a	n/a	16.7%
<i>Minimum regulatory requirement</i>	n/a	13.8%	n/a	n/a	13.8%
NBG (Basel III) Total capital adequacy ratio	n/a	19.8%	n/a	n/a	19.8%
<i>Minimum regulatory requirement</i>	n/a	17.2%	n/a	n/a	17.2%
IFRS-based NBG (Basel III) CET 1 capital adequacy ratio	18.2%	n/a	18.5%	18.2%	n/a
<i>Minimum regulatory requirement</i>	14.5%	n/a	14.7%	14.5%	n/a
IFRS-based NBG (Basel III) Tier I capital adequacy ratio	20.0%	n/a	20.4%	20.0%	n/a
<i>Minimum regulatory requirement</i>	16.7%	n/a	16.9%	16.7%	n/a
IFRS-based NBG (Basel III) Total capital adequacy ratio	22.1%	n/a	22.6 ¹² %	22.1%	n/a
<i>Minimum regulatory requirement</i>	19.6%	n/a	19.9%	19.6%	n/a
FX rates					
GEL/USD exchange rate (period-end)	2.6894	2.7020	2.6783	2.6894	2.7020
GEL/GBP exchange rate (period-end)	3.4228	3.2581	3.2852	3.4228	3.2581
Shares outstanding					
Ordinary shares outstanding (period-end)	43,610,758	44,982,831	43,816,379	43,610,758	44,982,831
Treasury shares outstanding (period-end)	2,155,535	2,516,151	2,098,344	2,155,535	2,516,151
Total shares outstanding (period-end)	45,766,293	47,498,982	45,914,723	45,766,293	47,498,982

¹² The 30 September 2023 total capital adequacy ratio was corrected from 22.7% to 22.6% following the bank's discussions with the NBG.

GLOSSARY

Strategic terms

- **Active merchant** At least one transaction executed within the past month
- **Active POS terminal** At least one transaction executed within the past month
- **Digital daily active user (Digital DAU)** Average daily number of retail customers who logged into our mBank/iBank at least one within the past month
- **Digital monthly active user (Digital MAU)** Number of retail customers who logged into our mBank/iBank at least once within the past month; when referring to business customers, Digital MAU means number of business customers who logged into our Business mBank/iBank at least once within the past month
- **MAU (Monthly active user - retail or business)** Number of customers who satisfied pre-defined activity criteria within the past month
- **Payment MAU** Number of retail customers who made at least one payment with a BOG card within the past month

Ratio definitions

- **Alternative performance measures (APMs)** In this announcement the management uses various APMs, which we believe provide additional useful information for understanding the financial performance of the Group. These APMs are not defined by International Financial Reporting Standards, and also may not be directly comparable with other companies who use similar measures. We believe that these APMs provide the best representation of our financial performance as these measures are used by the management to evaluate the Group's operating performance and make day-to-day operating decisions
- **Basic earnings per share** Profit for the period attributable to shareholders of the Group divided by the weighted average number of outstanding ordinary shares over the same period
- **Book value per share** Total equity attributable to shareholders of the Group divided by ordinary shares outstanding at period-end; Ordinary shares outstanding at period-end equals number of ordinary shares at period-end less number of treasury shares at period-end
- **Cost of credit risk ratio** 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 (annualised where applicable)
- **Cost of deposits** Interest expense on client deposits and notes for the period divided by monthly average client deposits and notes over the same period (annualised where applicable)
- **Cost of funds** Interest expense for the period divided by monthly average interest-bearing liabilities over the same period (annualised where applicable)
- **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 divided by net cash outflows over the next 30 days (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS
- **Loan yield** Interest income from 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 (annualised where applicable)
- **NBG (Basel III) Common Equity Tier 1 (CET1) capital adequacy ratio** Common Equity Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS
- **NBG (Basel III) Tier 1 capital adequacy ratio** Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS
- **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 NBG. Calculations are made for Bank of Georgia standalone, based on IFRS

- **Net interest margin (NIM)** Net interest income for the period divided by monthly average interest earning assets excluding cash over the same period (annualised where applicable)
- **Net stable funding ratio (NSFR)** Available amount of stable funding divided by the required amount of stable funding (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS
- **Non-performing loans (NPLs)** The principal and/or interest payments on loans overdue for more than 90 days; or the exposures experiencing substantial deterioration of their creditworthiness and the debtors assessed as unlikely to pay their credit obligation(s) in full without realisation of collateral
- **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)
- **One-off items** Significant items that do not arise during the ordinary course of business
- **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 (annualised where applicable)
- **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 (annualised where applicable)
- **NMF** Not meaningful

Constant currency basis

To calculate the q-o-q growth of loans and deposits without the currency exchange rate effect, we used the USD/GEL exchange rate of 2.6783 as of 30 September 2023. To calculate the y-o-y growth without the currency exchange rate effect, we used the USD/GEL exchange rate of 2.7020 as of 31 December 2022.

ABOUT BANK OF GEORGIA GROUP PLC

Bank of Georgia Group PLC (the “**Company**” – LSE: **BGEO LN** or the “**Group**” when referring to the group companies as a whole) is a UK-incorporated holding company. The Group mainly comprises: 1) retail banking and payments business (Retail Banking or RB); 2) SME (small and medium-sized enterprises) banking (SME Banking); and 3) corporate banking and investment banking operations (Corporate and Investment Banking or CIB) in Georgia.

JSC Bank of Georgia (“**Bank of Georgia**”, “**BOG**”, or the “**Bank**”), a systematically important and leading universal bank in Georgia, is the core entity of the Group. Bank of Georgia is a digital banking leader in Georgia, serving more than 1.8 million monthly active retail customers and c.98 thousand monthly active business clients.

Enabled by high levels of customer satisfaction and the strength of our customer franchise, we have consistently delivered a return on average equity above 20%. We focus on customer relationships – supporting our clients at every step of their journeys, creating products and services that fulfil their needs and delivering positive experiences across different touchpoints. We are committed to creating shared opportunities and building long-term value – underpinned by the highest standards of corporate governance and a strong risk management framework and guided by our purpose – helping people achieve more of their potential.

4Q23 AND FY23 RESULTS AND CONFERENCE CALL DETAILS

Bank of Georgia Group PLC announces the Group’s preliminary consolidated financial results for the fourth quarter and the full year 2023. Unless otherwise noted, numbers in this announcement are given for 4Q23 and FY23 and the year-on-year comparisons are with 4Q22 and FY22 and the q-o-q comparisons are with 3Q23. The results are based on International Financial Reporting Standards (“**IFRS**”) as adopted by the United Kingdom, are unaudited and derived from management accounts. The results announcement is also available on the Group’s website at www.bankofgeorgiagroup.com.

The information in this Announcement in respect of the full year 2023 preliminary results, which was approved by the Board of Directors on 14 March 2024, does not constitute statutory accounts within the meaning of Section 434 of the UK Companies Act 2006. The statutory accounts for the year ended 31 December 2022 have been filed with the Registrar of Companies, and the audit reports were unqualified and contained no statements in respect of Sections 498 (2) or (3) of the UK Companies Act 2006. The consolidated financial statements for the year ended 31 December 2023 will be included in the Annual Report and Accounts expected to be published in April 2023, which will be filed with the Registrar of Companies following Bank of Georgia Group PLC’s Annual General Meeting.

A conference call with investors and analysts will be held on 15 March 2024, at 14:00 GMT.

Webinar instructions:

Please click the link below to join the webinar:

<https://bankofgeorgia.zoom.us/j/993337532784?pwd=K0x2Sk5Lekp3MTNPRllc0tNNlhTdz09>

Webinar ID: 993 3753 2784

Passcode: 816902

Or use the following international dial-in numbers available at: <https://bankofgeorgia.zoom.us/u/aylJN8UCh>

Webinar ID: 993 3753 2784#

Passcode: 816902

FORWARD-LOOKING STATEMENTS

This announcement 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: macro risk, including domestic instability; geopolitical risk; credit risk; liquidity and funding risk; capital risk; market risk; regulatory and legal risk; conduct risk; financial crime risk; information security and data protection risks; operational risk; human capital risk; model risk; strategic risk; reputational risk; climate-related risk; and other key factors that could adversely affect our business and financial performance, as indicated elsewhere in this document and in 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 2022 and in the 2Q23 and 1H23 results release. No part of this document 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 document should be construed as a profit forecast.

COMPANY INFORMATION

Bank of Georgia Group PLC

Registered address

42 Brook Street
London W1K 5DB
United Kingdom

www.bankofgeorgiagroup.com

Registered under number 10917019 in England and Wales

Secretary

Computershare Company Secretarial Services Limited
The Pavilions
Bridgwater Road
Bristol BS13 8FD
United Kingdom

Stock listing

London Stock Exchange PLC's Main Market for listed securities
Ticker: "BGEO.LN"

Contact information

Bank of Georgia Group PLC Investor Relations
Telephone: +44(0) 203 178 4052; +995 322 444444 (7515)
E-mail: ir@bog.ge

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY
United Kingdom

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.

Investor Centre Web Address: <https://www-uk.computershare.com/Investor/#Home?cc=uk>

Investor Centre Shareholder Helpline: +44 (0)370 873 5866

Share price information

Shareholders can access both the latest and historical prices via the website

www.bankofgeorgiagroup.com