

RESULTS CALL PRESENTATION

3Q24 & 9M24 Performance

12 November 2024
www.bankofgeorgiagroup.com

Disclaimer: forward-looking statements

This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Bank of Georgia Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: 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 2023 and 1H24 Results. 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.

The Group hit record profit in 3Q24, driven by robust performance across core business divisions

Group (consolidated)

Profit

GEL 509.3m

+42.5% y-o-y

ROAE

32.1%

Cost to income

34.8%

Cost of credit risk

0.2%



Georgian Financial Services (GFS)

JSC Bank of Georgia

Operating income	GEL 683.6m	Market share by total loans	37.6%
Profit	GEL 411.4m	Monthly active customers (retail)	1.9m
ROAE	36.7%	Digital MAU (retail)	1.5m

Armenian Financial Services (AFS)

CJSC Ameriabank

Operating income	GEL 223.3m	Market share by total loans	19.6%
Profit	GEL 91.4m	Monthly active customers (retail)	312k
ROAE	23.1%	Digital MAU (retail)	188k



BANK OF GEORGIA HAS BEEN NAMED
**THE WORLD'S BEST DIGITAL BANK
2024 BY GLOBAL FINANCE**

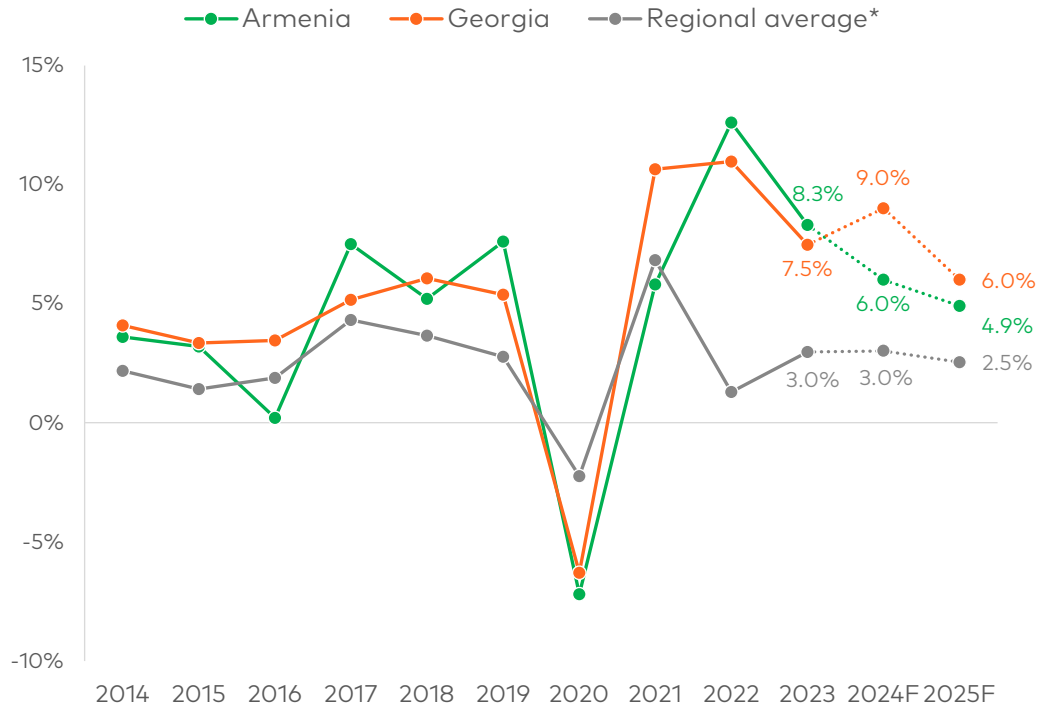
The Global Finance 2024 awards featured 167 participants, among them many prominent global banks and regional winners including Citi, Santander, and DBS

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- | GROUP OVERVIEW AND STRATEGY
- | 3Q24 AND 9M24 RESULTS

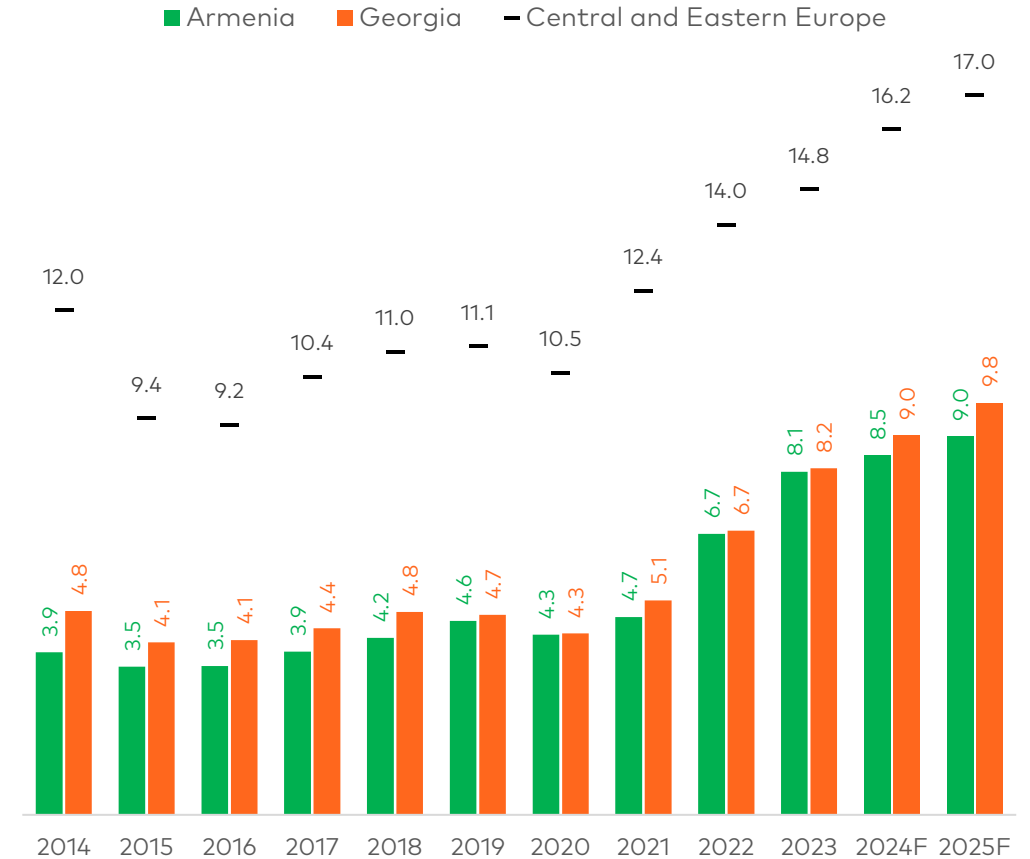
Georgian and Armenian economies maintain strong growth momentum, with ample room for expansion

Real GDP growth, year-on-year



Preliminary estimates of economic activity (change y/y)			
	1Q24	2Q24	3Q24
Georgia	8.4%	9.5%	11.1%
Armenia	6.6%	6.4%	6.3%

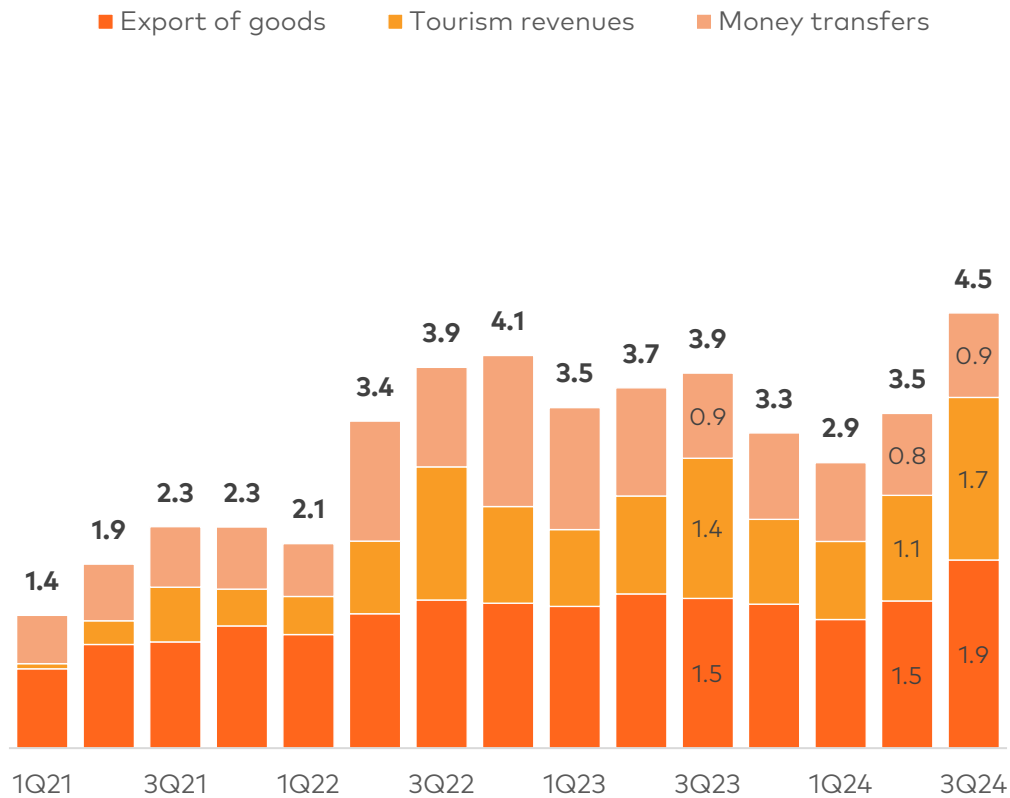
Nominal GDP per capita, US\$ '000



Source: Armstat, Geostat, IMF, BOG
*Central and Eastern Europe, Central Asia and South Caucasus

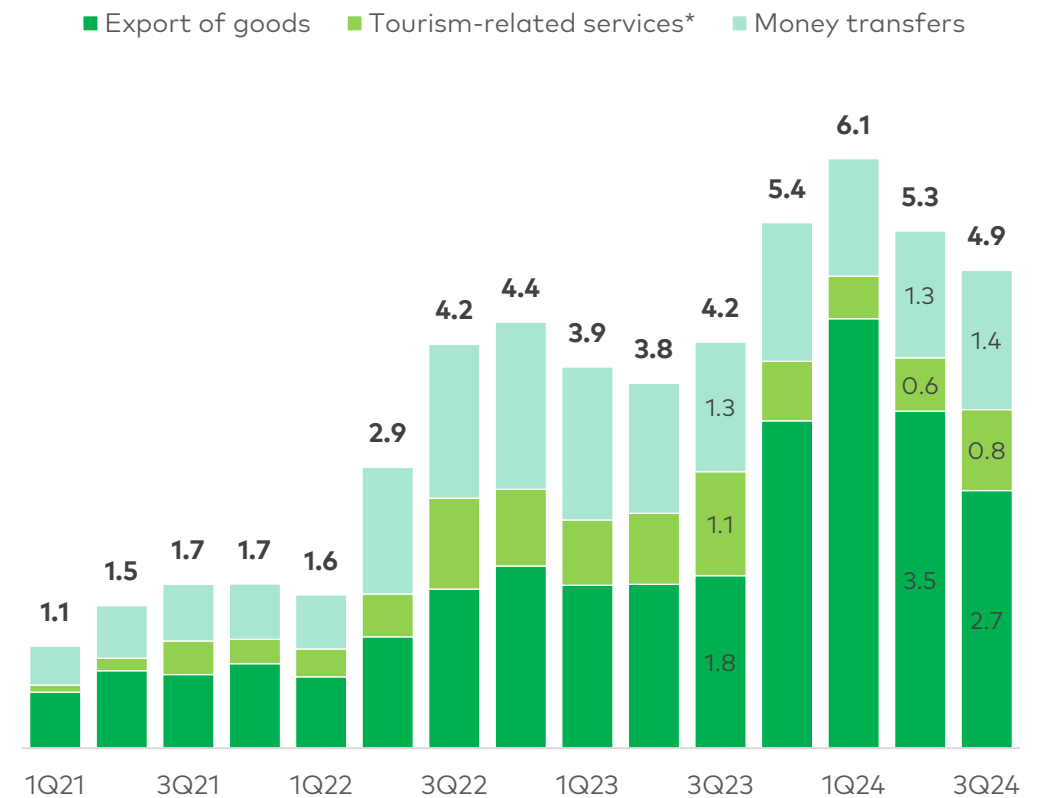
Resilient external sector inflows support growth and local currency stability in Georgia and Armenia

Main sources of external sector inflows in Georgia, US\$ bn



Source: Geostat, NBG

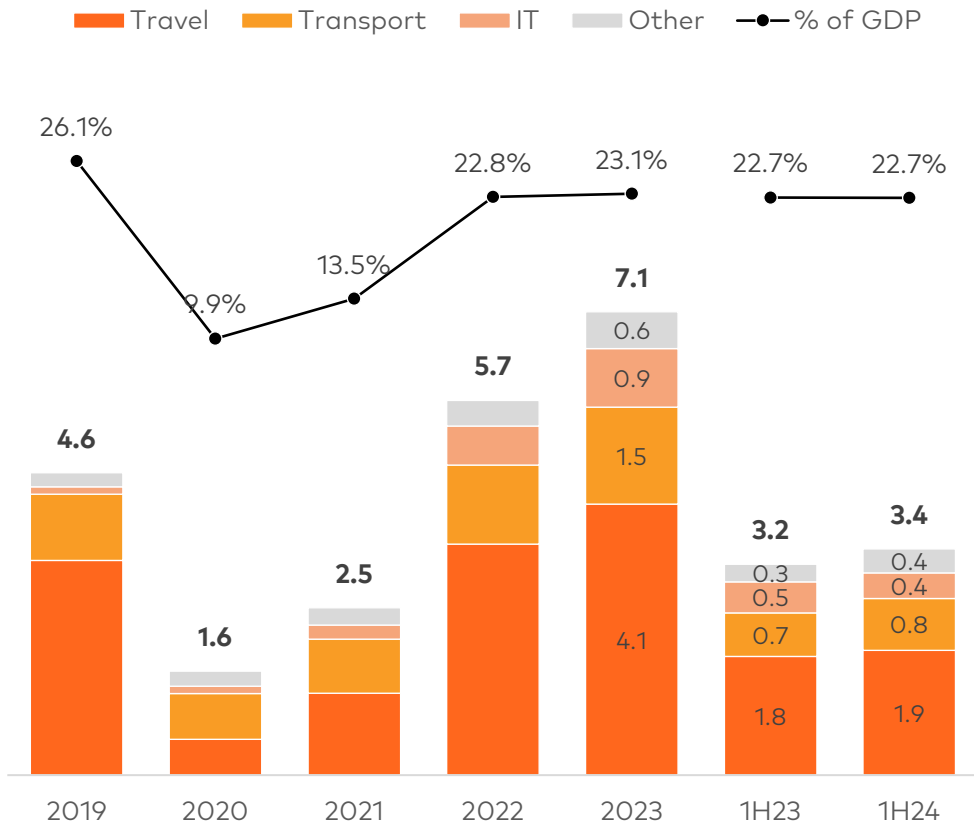
Main sources of external sector inflows in Armenia, US\$ bn



Source: Armstat, CBA
*Estimated value for 3Q24

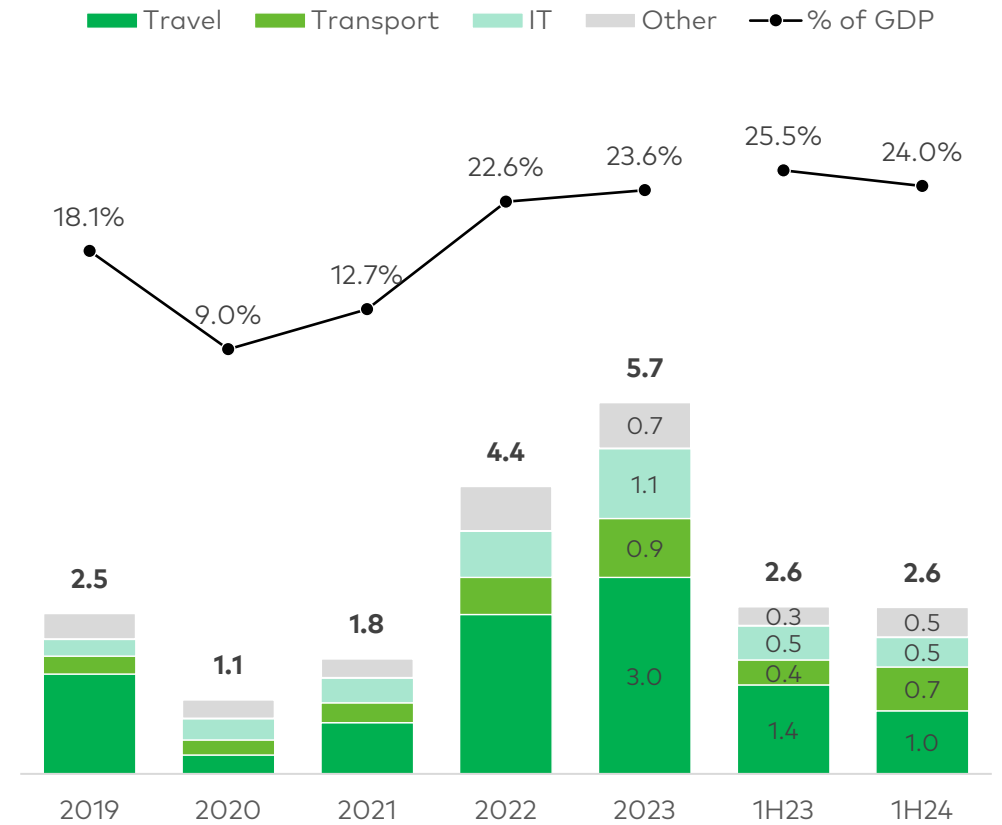
Service exports continue to expand, boosting productivity and providing a resilient source of hard currency inflows

Export of services from Georgia, US\$ bn.



Source: NBG, Geostat

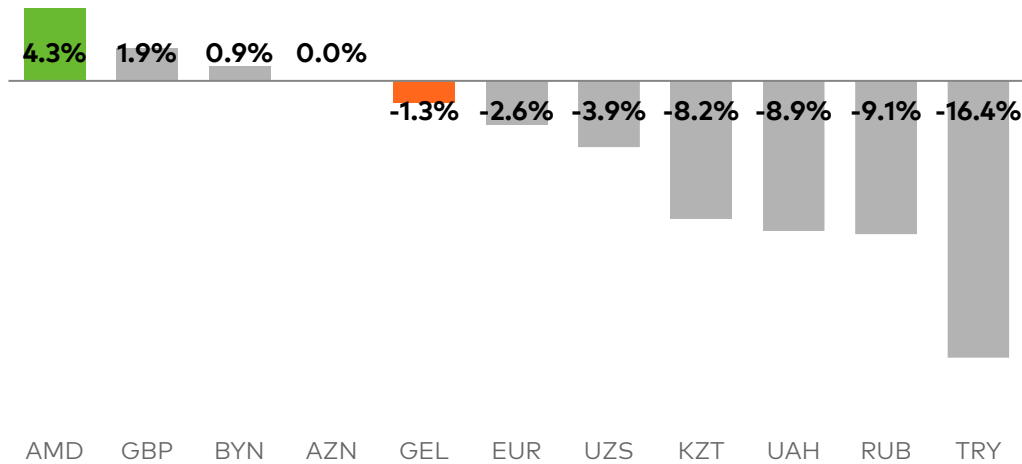
Export of services from Armenia, US\$ bn.



Source: CBA, Armstat

GEL and AMD are supported by sustained FX inflows, prudent macroeconomic management and strong economic growth outlooks

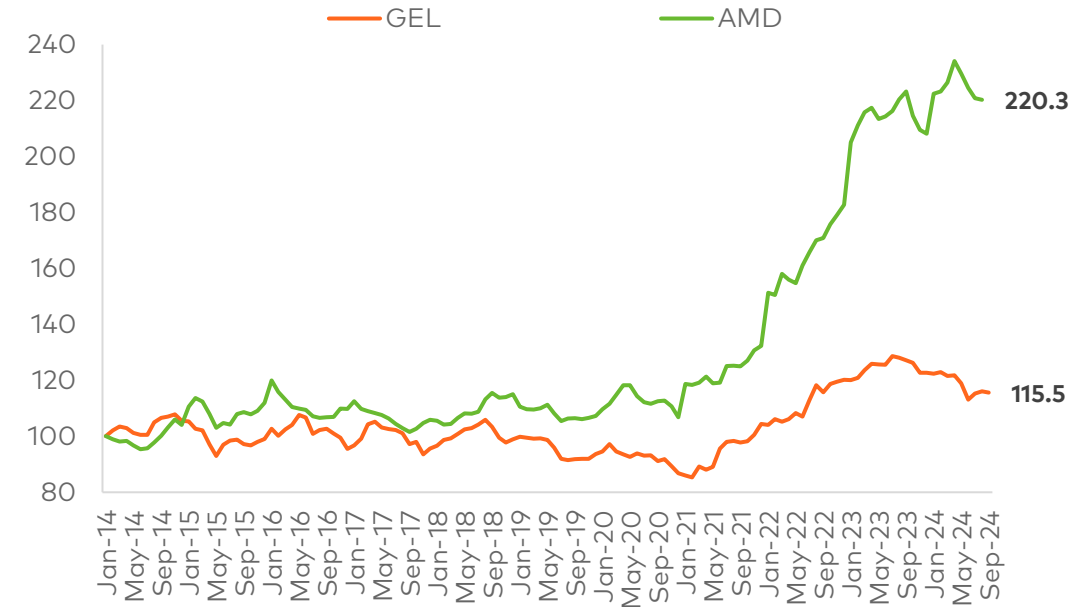
Currency movements vs. US\$, 12/31/2023 – 11/8/2024



Source: Corresponding central banks
 Note: +/- means appreciation/depreciation vs. USD

- In the medium term, GEL and AMD are expected to remain stable

GEL and AMD real effective exchange rates, Jan-2014 = 100

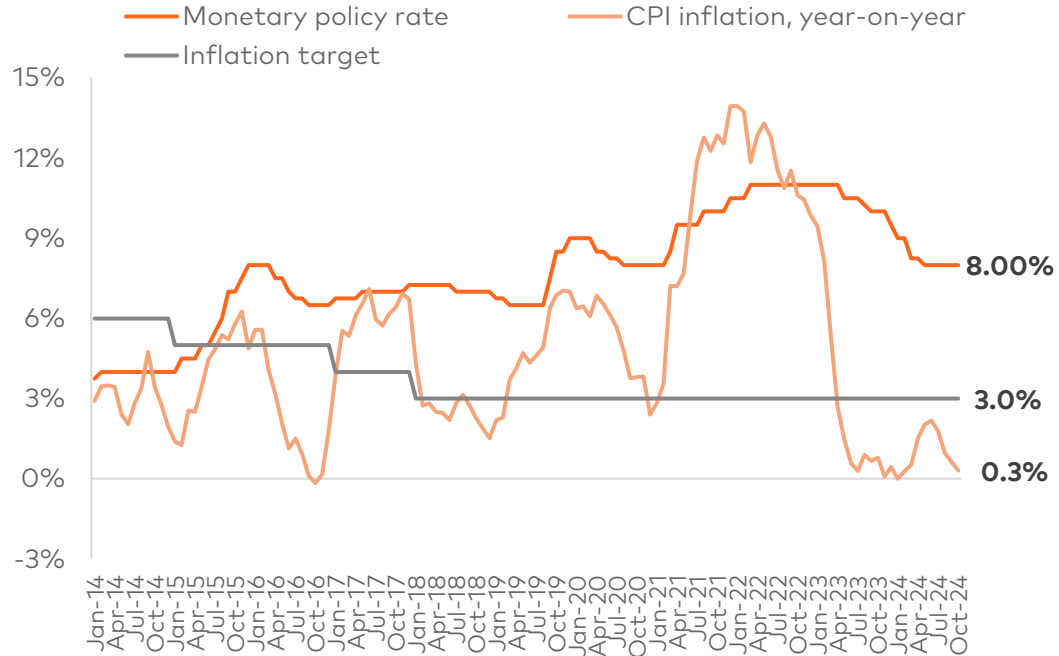


Source: NBG, CBA
 Note: +/- means real appreciation/depreciation

- Previous real appreciations of GEL and AMD started to ease due to lower inflation in Georgia and Armenia versus trading partners

Both in Georgia and Armenia, inflation remains low, allowing the central banks to continue monetary policy easing

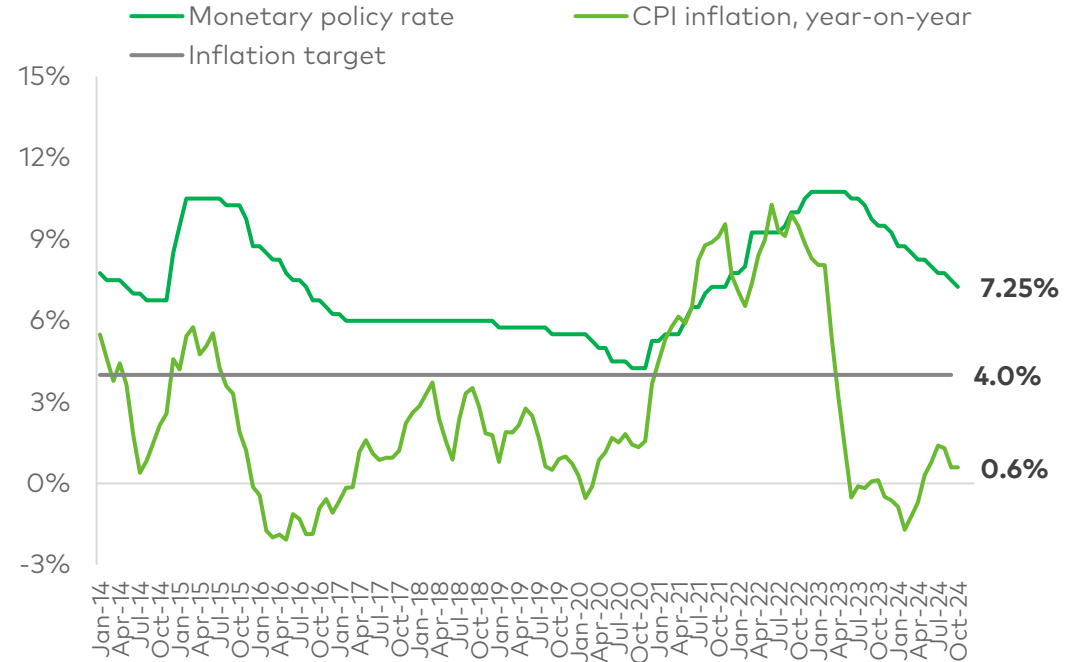
Inflation and monetary policy in Georgia



Year-on-year inflation	Last 5-year average	Sep-24	Oct-24
Headline CPI	6.3%	0.6%	0.3%
Core CPI	4.6%	0.8%	1.2%

Source: Geostat, NBG
 Note: Core CPI inflation excludes food, energy, regulated tariffs, and tobacco products

Inflation and monetary policy in Armenia



Year-on-year inflation	Last 5-year average	Sep-24	Oct-24
Headline CPI	3.9%	0.6%	0.6%
Core CPI	4.0%	0.7%	TBD

Source: Armstat, CBA

Solid international reserves and demonstrated fiscal discipline underpinning the resilience of the Georgian and Armenian economies

International reserves in Georgia (end of period, US\$ bn)



	2022	2023	2024F	2025F
Fiscal balance (% of GDP)	-3.0%	-2.5%	-2.5%	-2.5%
Government debt (% of GDP)	39.2%	39.2%	36.5%	36.8%

Source: NBG, Ministry of Finance of Georgia
* The ratio within the range of 100%-150% is considered adequate

International reserves in Armenia (end of period, US\$ bn)

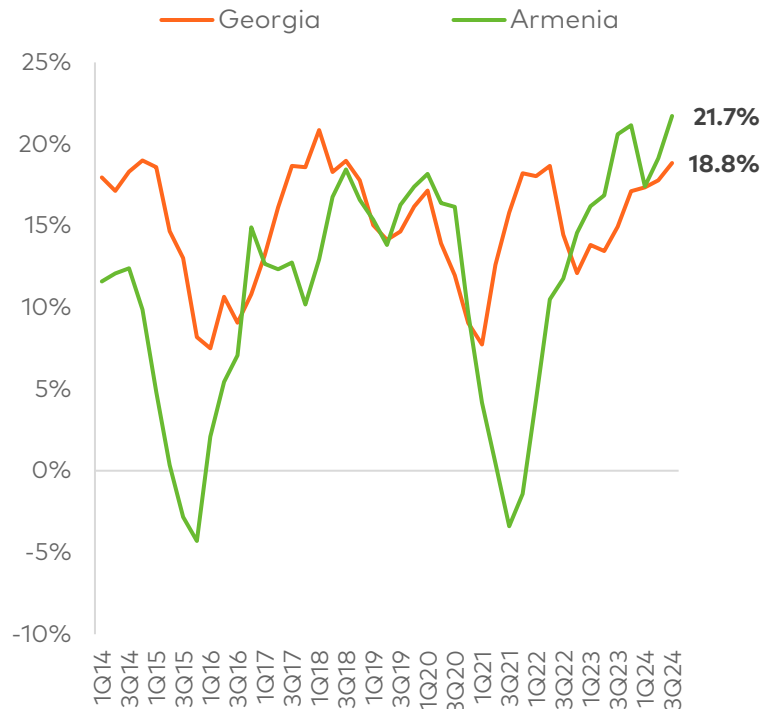


	2022	2023	2024F	2025F
Fiscal balance (% of GDP)	-2.1%	-2.0%	-4.8%	-5.5%
Government debt (% of GDP)	49.2%	50.7%	52.4%	55.6%

Source: CBA, IMF
* The ratio within the range of 100%-150% is considered adequate

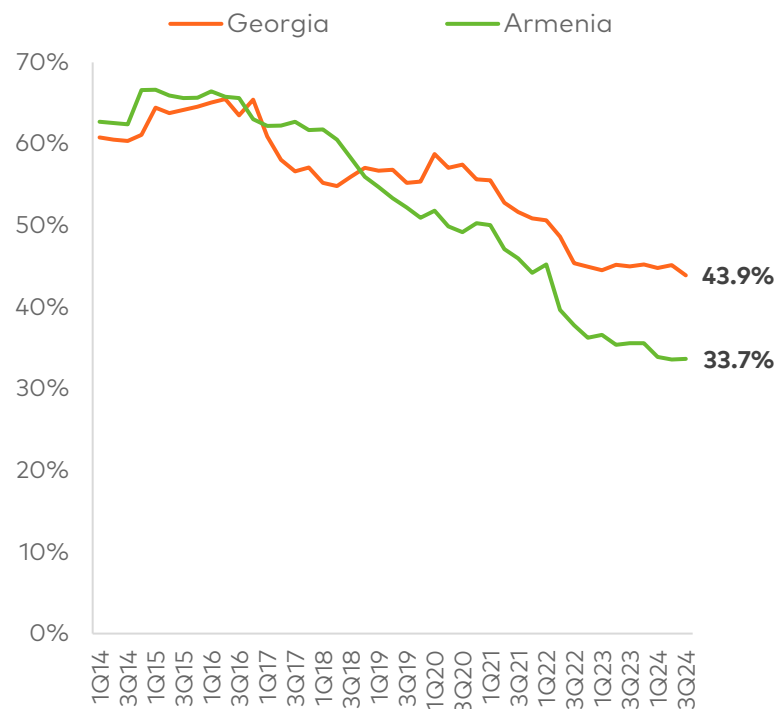
The Georgian and Armenian banking sectors are distinguished by robust growth, declining dollarisation and sound balance sheets

Bank lending growth on a constant currency basis, y-o-y



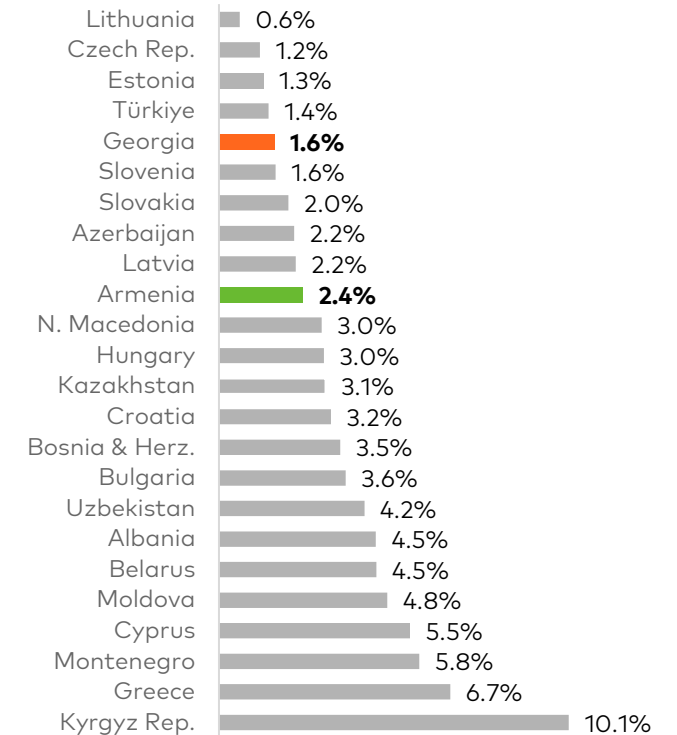
Source: NBG, CBA, BOG

Total bank loan dollarisation



Source: NBG, CBA, BOG

Non-performing bank loans to total gross loans, end-June 2024 or latest available



Source: IMF

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What we focus on

Our strategic priorities

The main bank

Being the main bank in customers' daily lives by leveraging the digital and payments ecosystems

Excellent customer experience

Anticipating customer needs and wants and providing relevant products and services

Profitable growth

Growing the balance sheet profitably and focusing on areas with high growth potential

Our enablers

Customer-centricity

Data and AI

People and culture

Brand strength

Effective risk management

Key medium-term targets

c.15%

Annual loan book growth

20%+

ROAE

30-50%

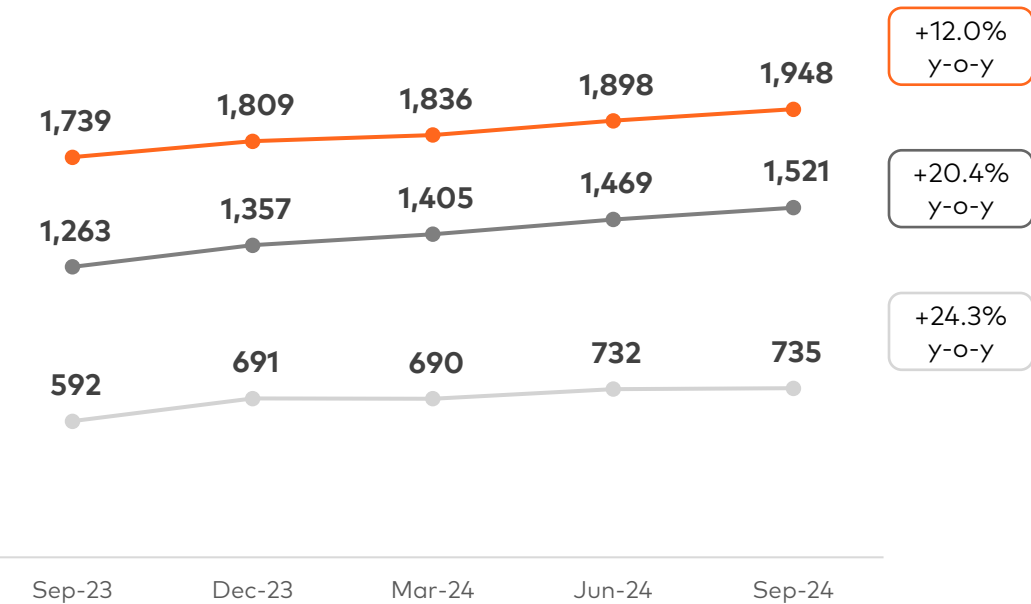
Dividend and share buyback payout ratio

Our customers have become more digital and engaged

Figures given for JSC Bank of Georgia standalone

Monthly active customers (individuals)

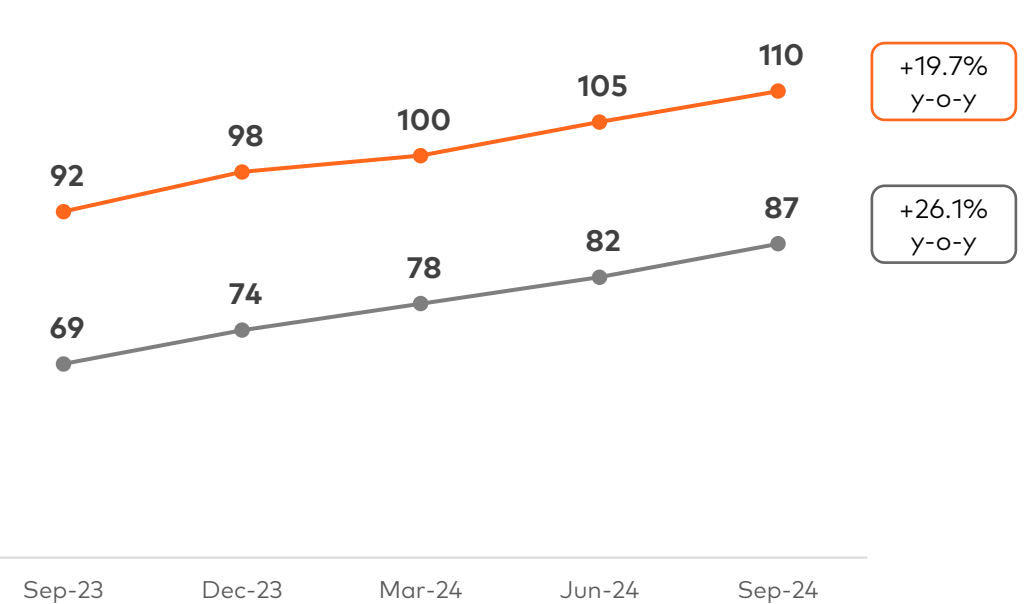
thousands



— Monthly active customers (MAC) — Digital MAU — Digital DAU

Monthly active customers (businesses)

thousands

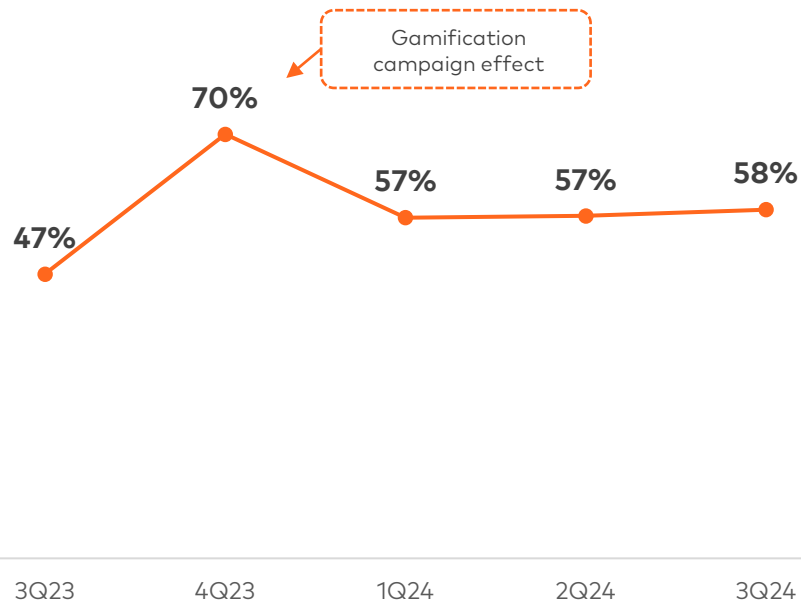


— Monthly active customers (MAC) — Digital MAU

Focusing on increasing product sales in retail digital channels

Figures given for JSC Bank of Georgia standalone

Share of products sold digitally (Retail)

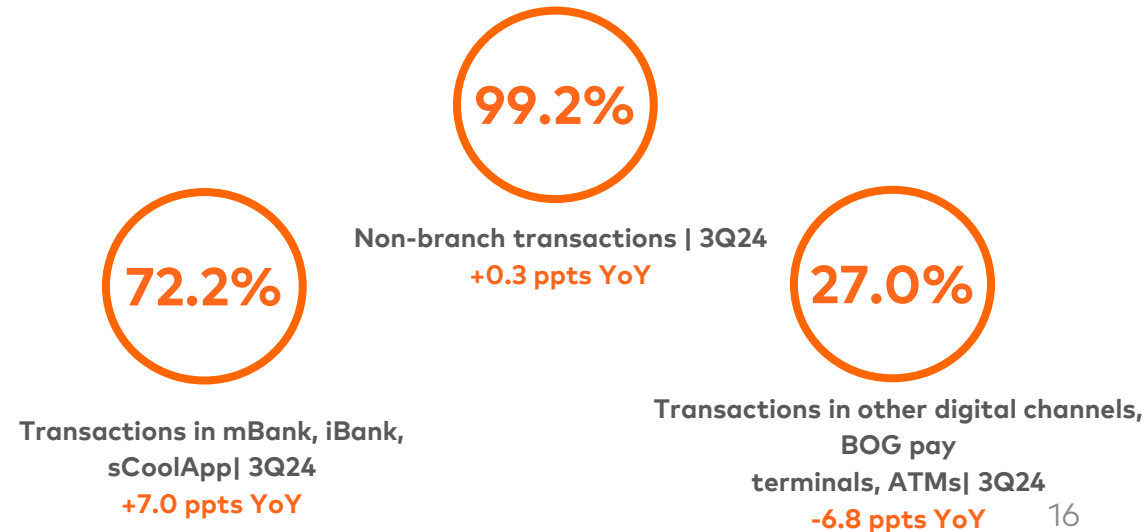


Loan digital sales includes BNPL.

Digital sales in loans (Retail)



Non-branch transactions (Retail)

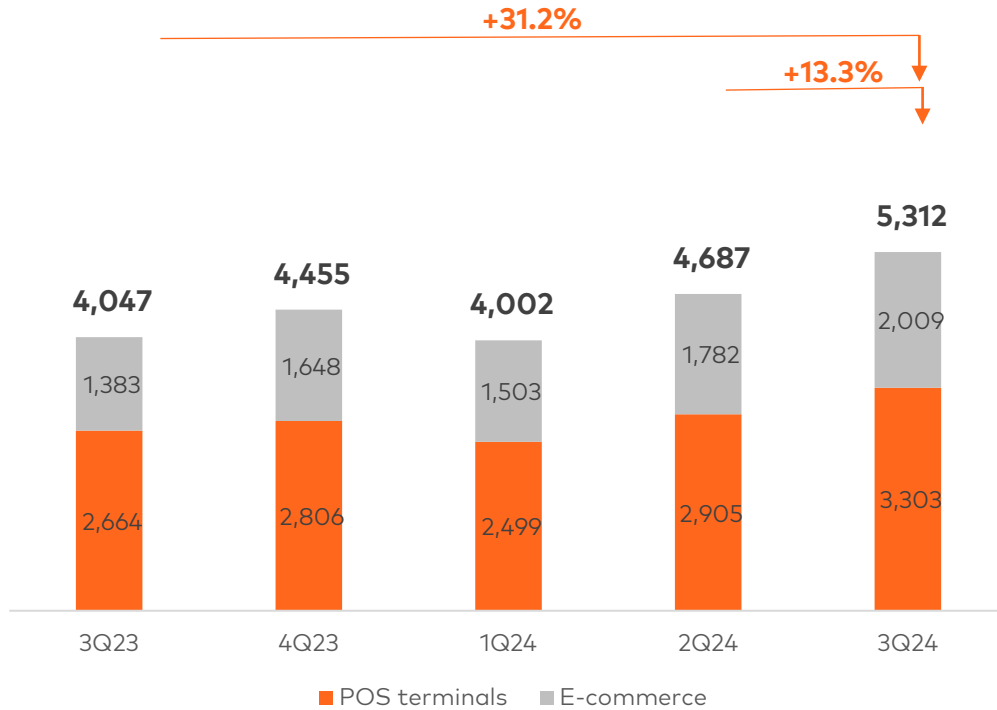


Payments business – our daily touchpoint with customers

Figures given for JSC Bank of Georgia standalone

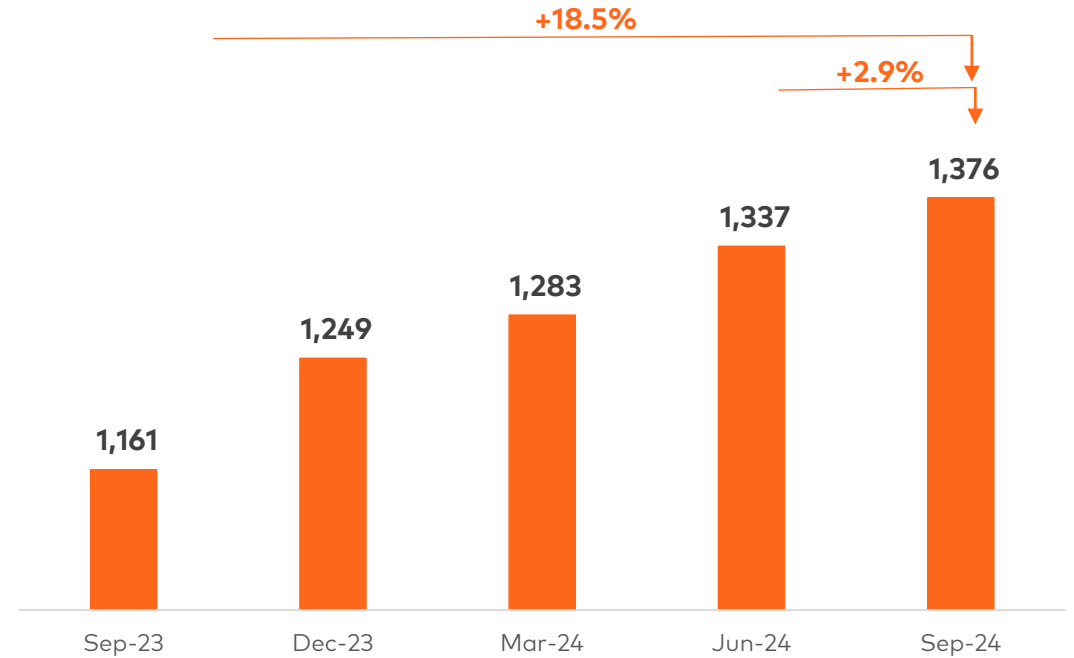
Acquiring - volume of payment transactions

GEL millions



Issuing – payment MAU

thousands



57.3%

Market share in acquiring volumes | Sep 2024
+2.1 pts YoY

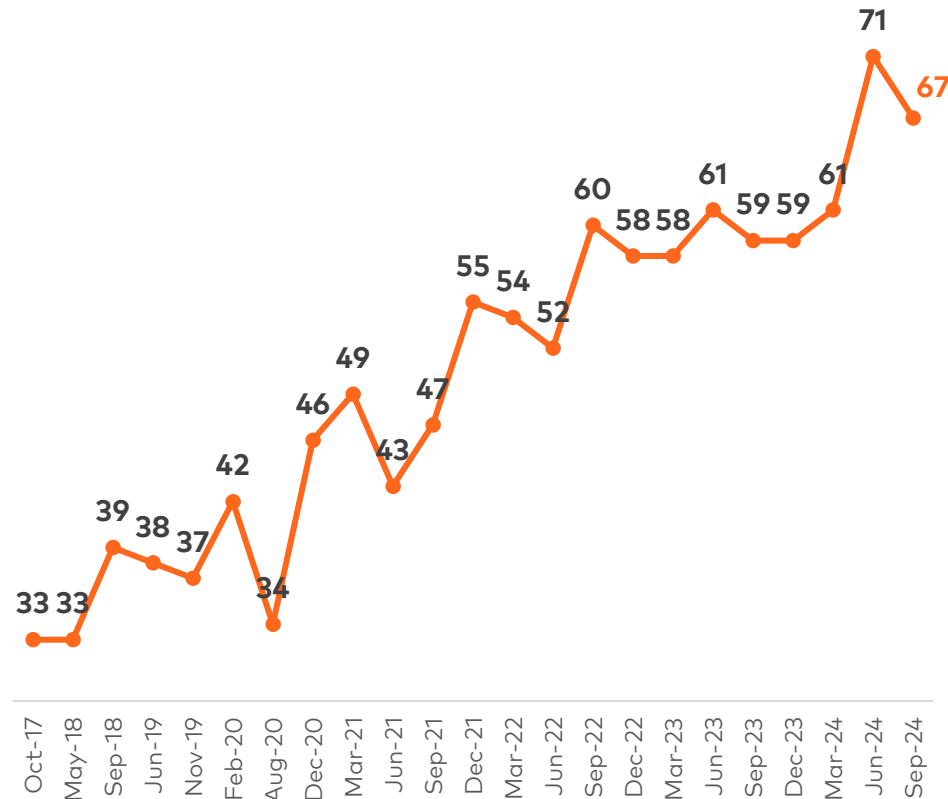
21.6K

Active merchants | Sep 2024
+25.0% YoY

Strong NPS following last quarter's record high

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

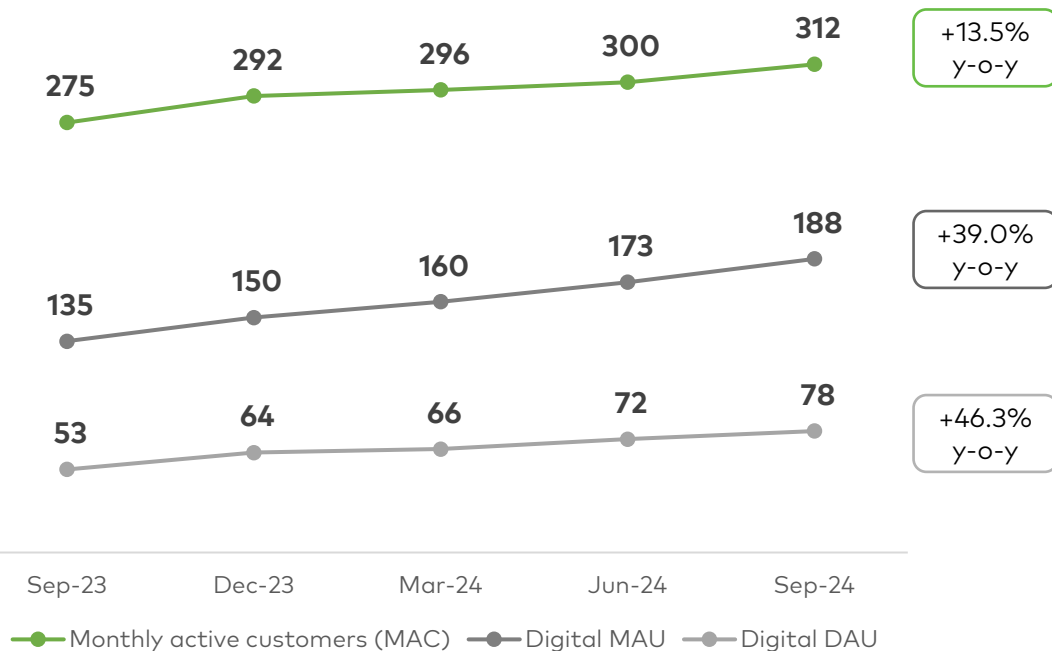


* Based on external research by IPM Georgia, surveying a random sample of customers with face-to-face interviews.

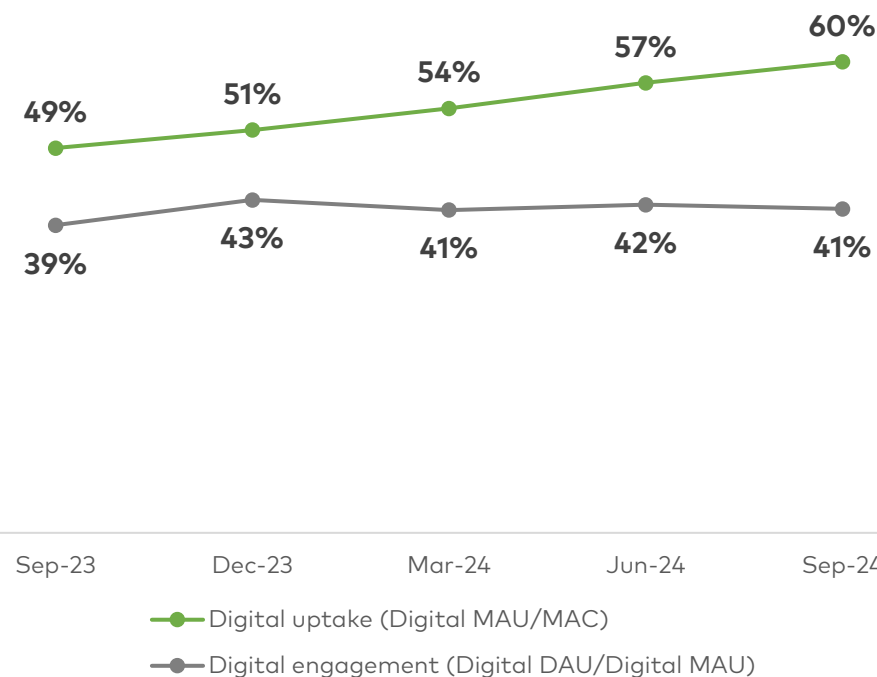
Digitalisation momentum at Ameriabank underpins huge upside potential

Monthly active customers (individuals)

thousands



Digital engagement of active customers



* Year-on-year comparisons are given for informational purposes only as Ameriabank was not part of the Group as at 30 June 2023.

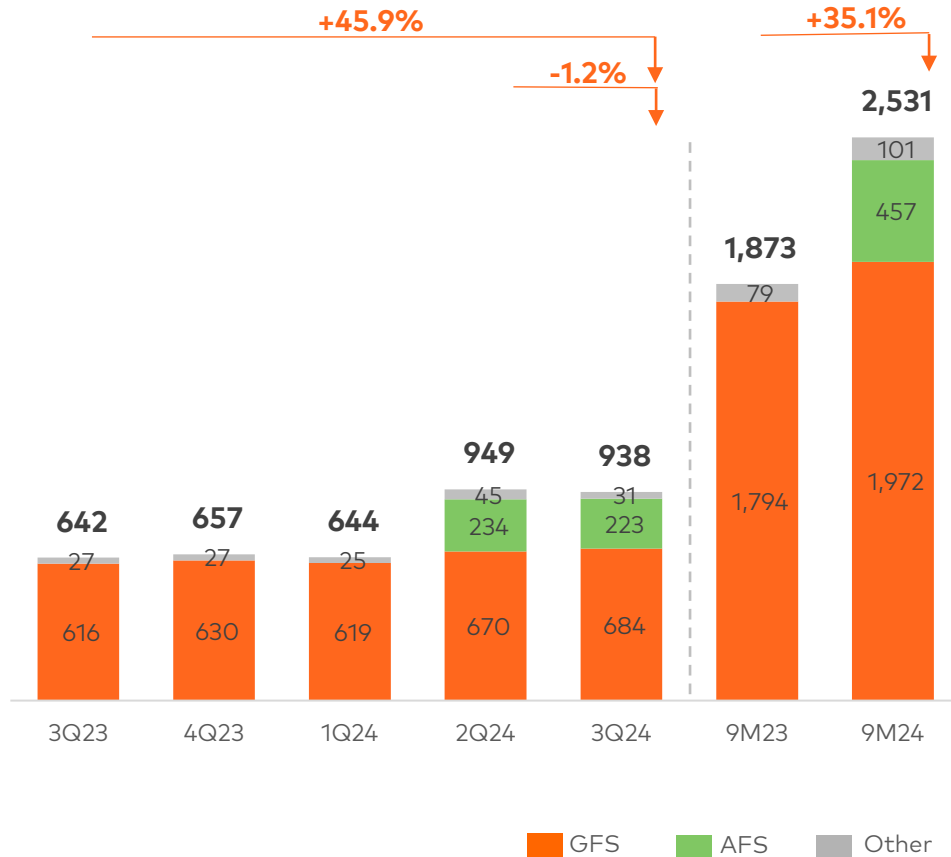
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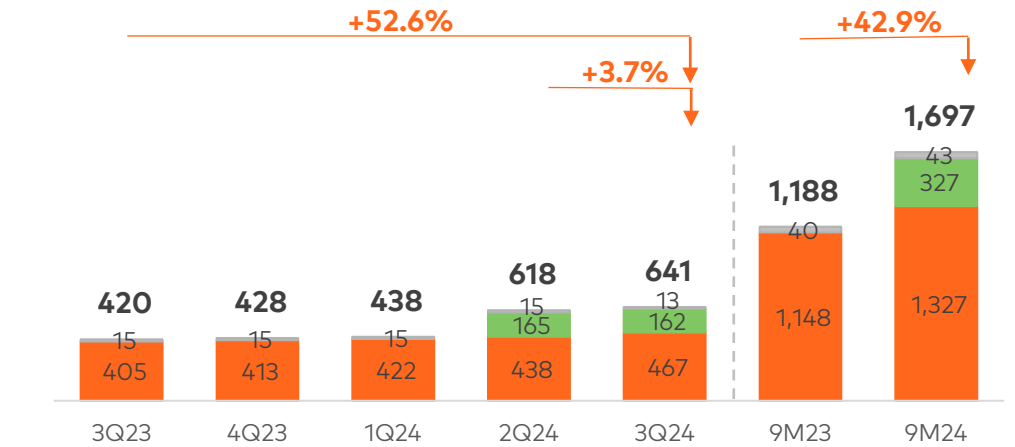
Strong y-o-y growth enhanced by the consolidation of Ameriabank

All currency data are in GEL m unless otherwise stated

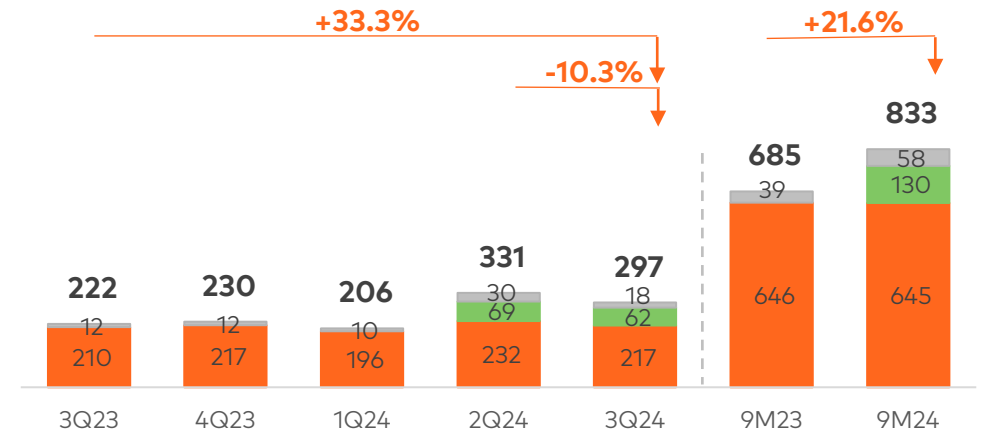
Operating income*



Net interest income



Net non-interest income*

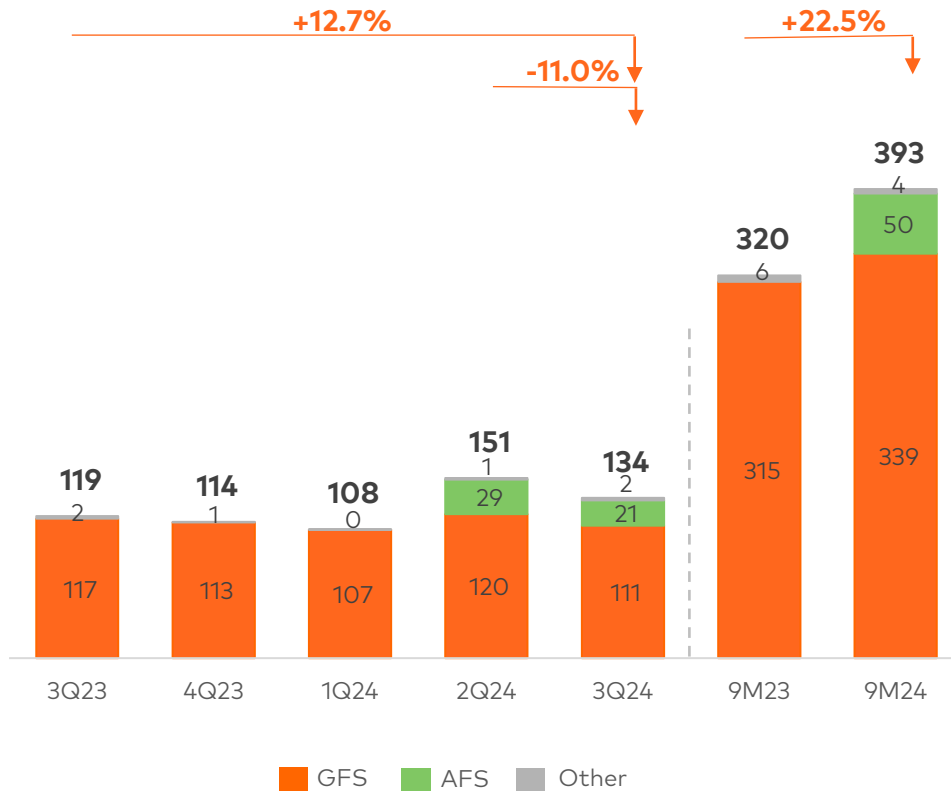


*Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 21.1 million posted in 2Q23 and 1.5 million posted in 4Q23. Net other income and thus operating income were adjusted accordingly.

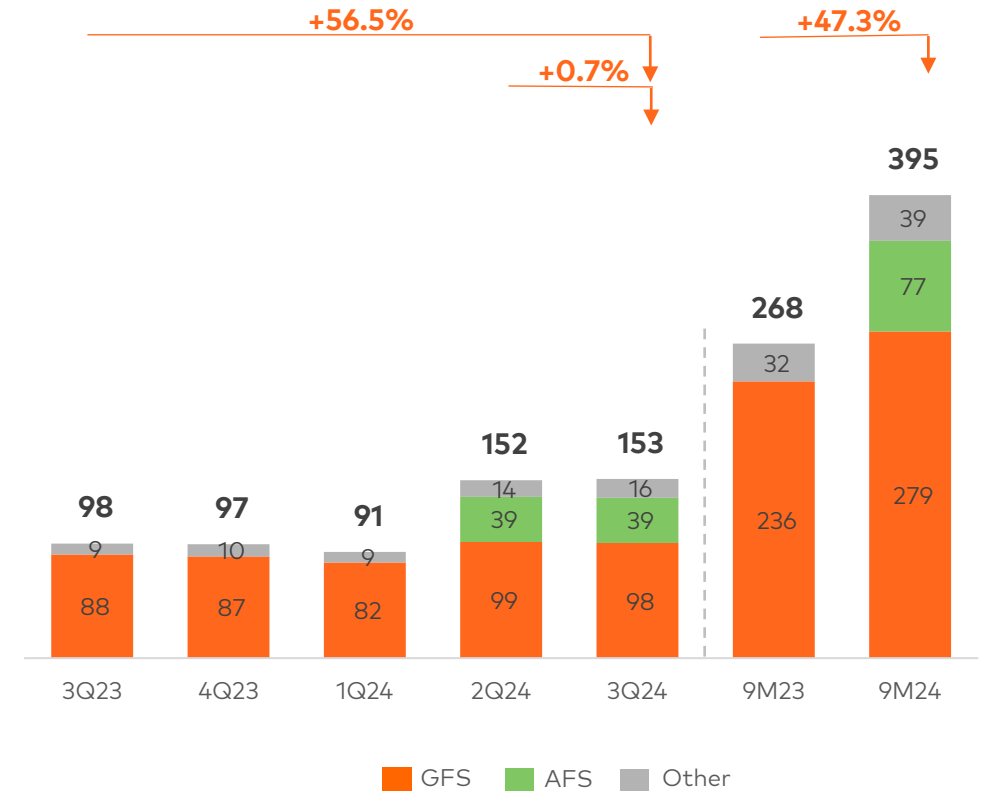
Robust y-o-y Group performance in net non-interest income

All currency data are in GEL m unless otherwise stated

Net fee & commission income



Net foreign currency gain

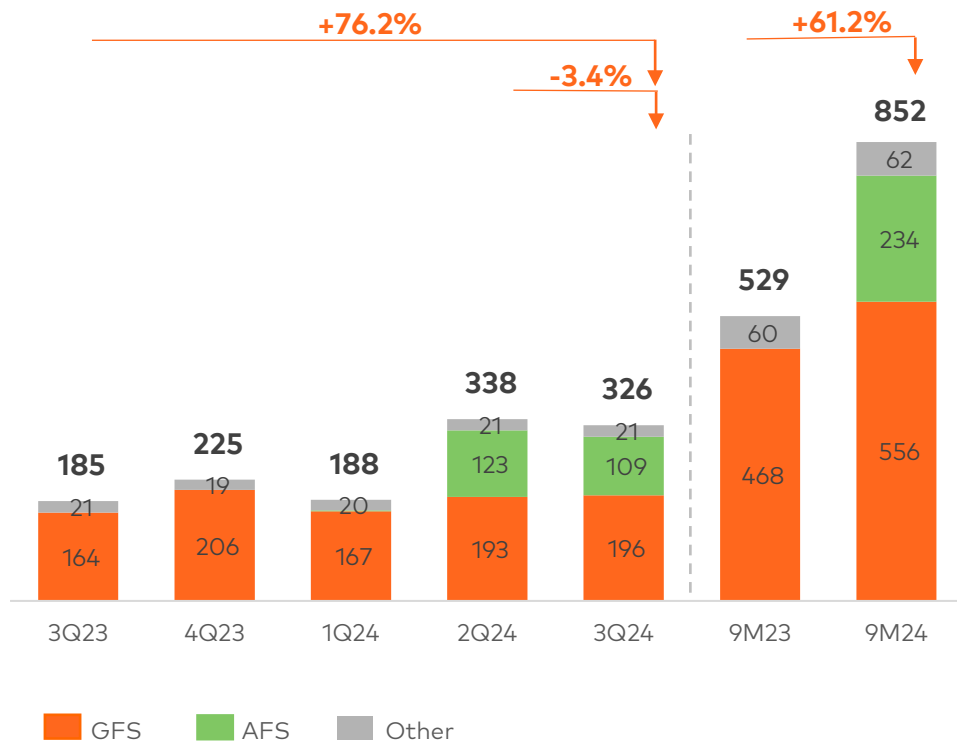


- Net fee & commission income q-o-q decline driven by seasonally higher loyalty programme costs in 3Q24 in GFS, and a high base of a significant advisory fee (GEL c.10m) booked in 2Q24 in AFS
- Without the positive net effect of c.GEL 25 million booked in 3Q23 in GFS, net fee and commission income of GFS would have been up 21.0% y-o-y in 3Q24

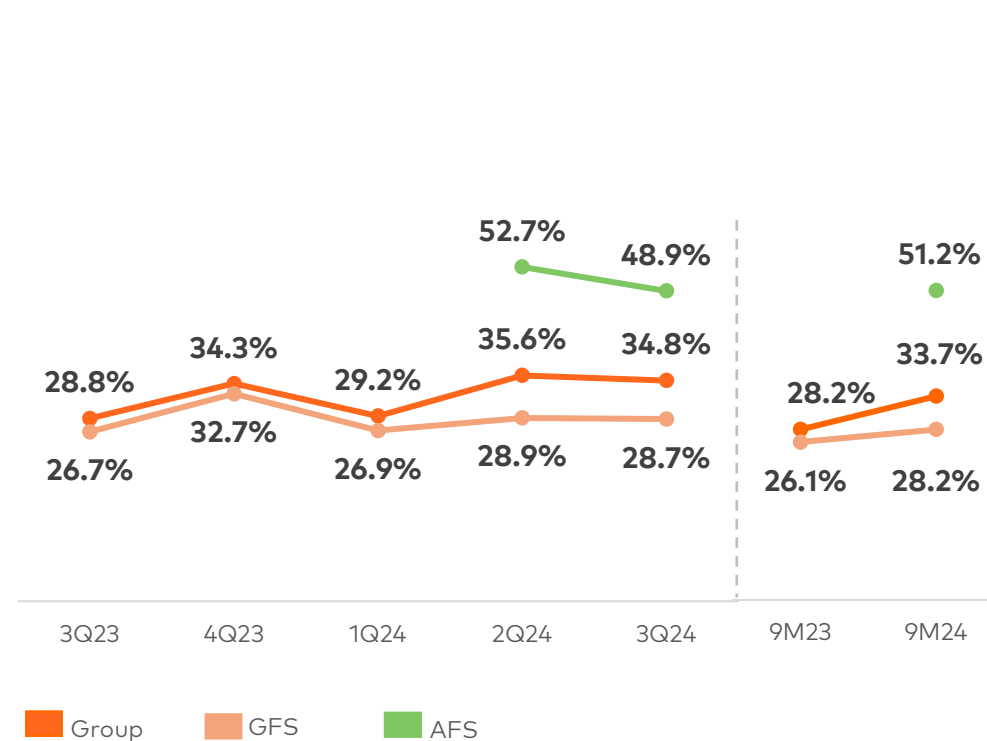
Investing in growth, while maintaining the focus on efficiency

All currency data are in GEL m unless otherwise stated

Operating expenses



Cost to income ratio*



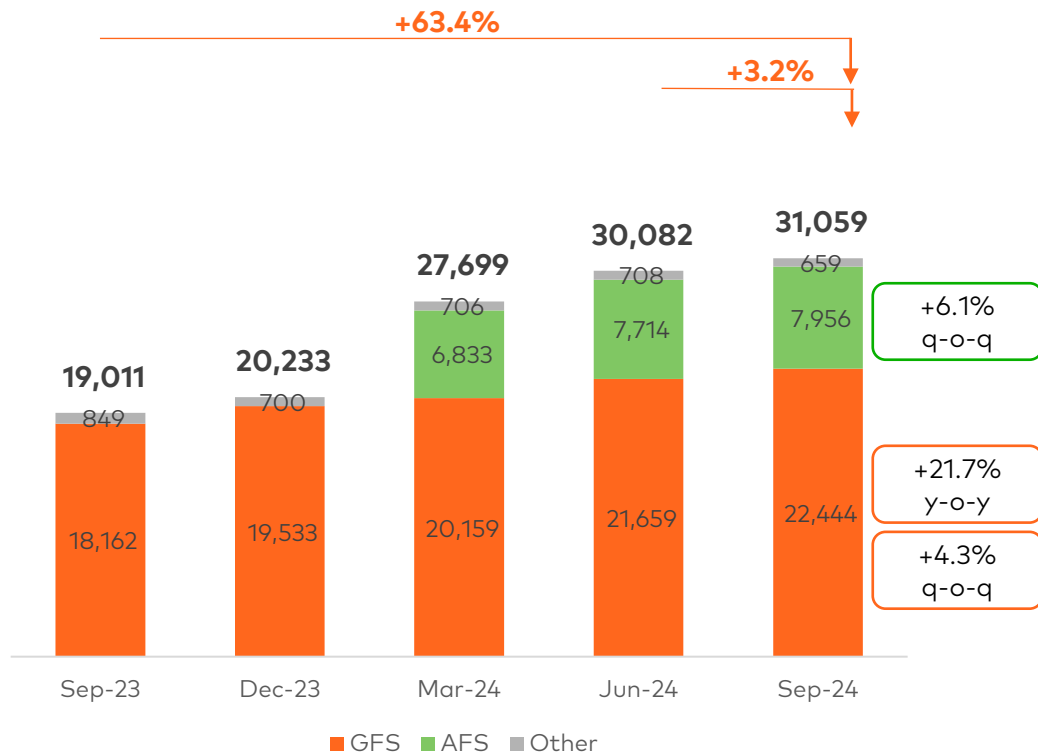
- The y-o-y growth on the Group level in 3Q24 as well as 9M24 was mainly driven by the consolidation of Ameriabank, although increases have also been experienced at GFS, mainly due to higher staff costs and continuing investments in key strategic areas

*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 and 1.5 million posted in 4Q23. Net other income and thus the cost to income ratio were adjusted accordingly.

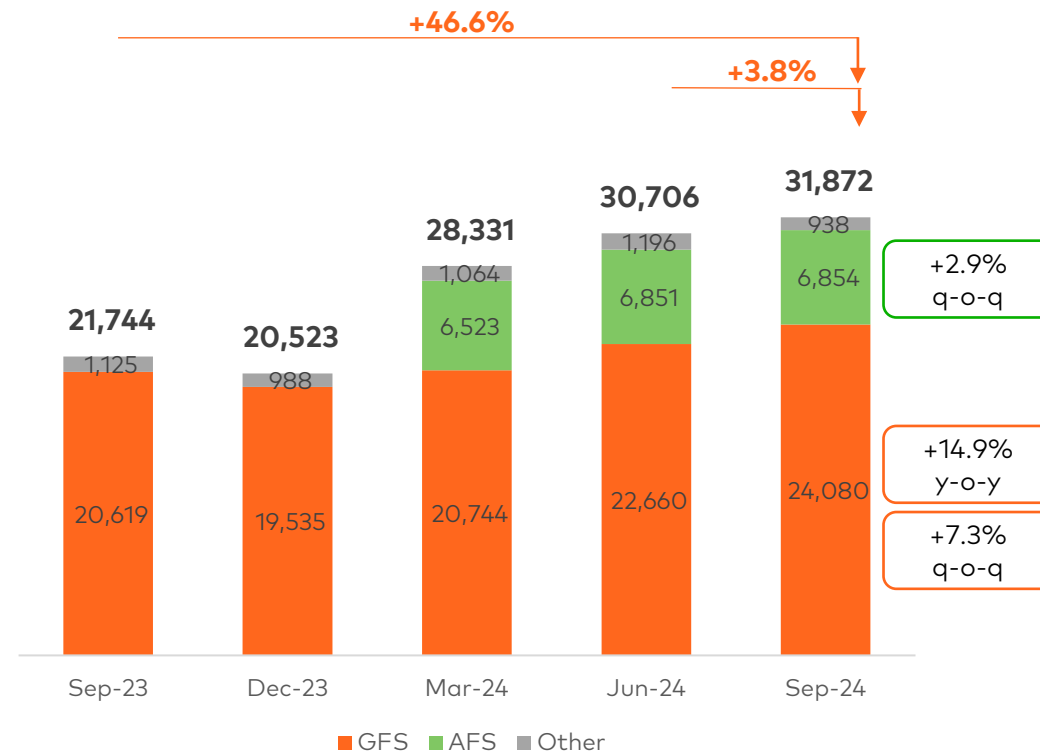
Strong loan and deposit growth dynamics in core geographies

All currency data are in GEL m unless otherwise stated

Loan portfolio



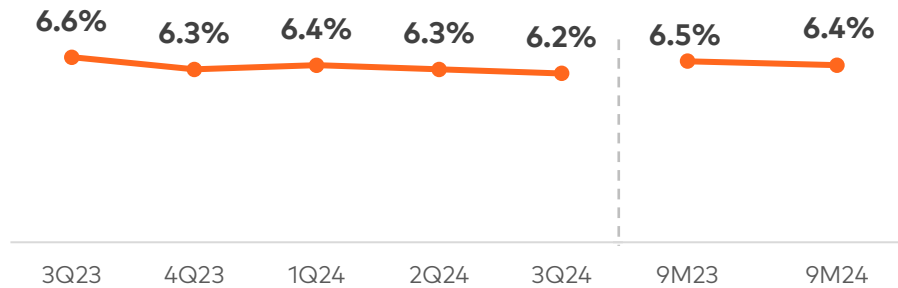
Deposit portfolio



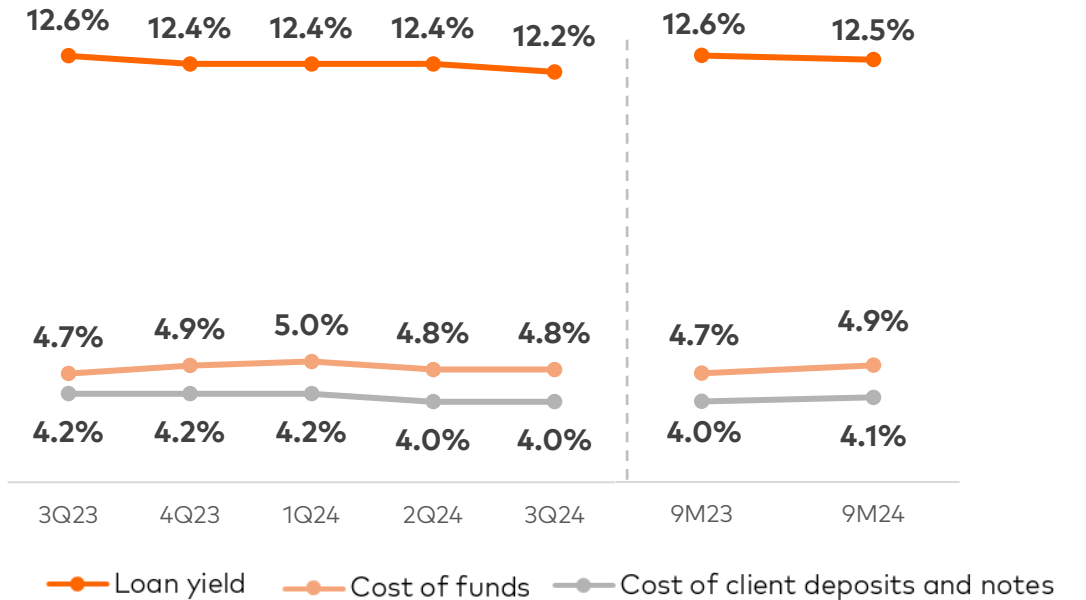
Constant currency growths are shown for GFS and AFS in respective boxes

Net interest margin broadly stable

Net interest margin (Group)*



Loan yield, cost of funds, cost of deposits (Group)*

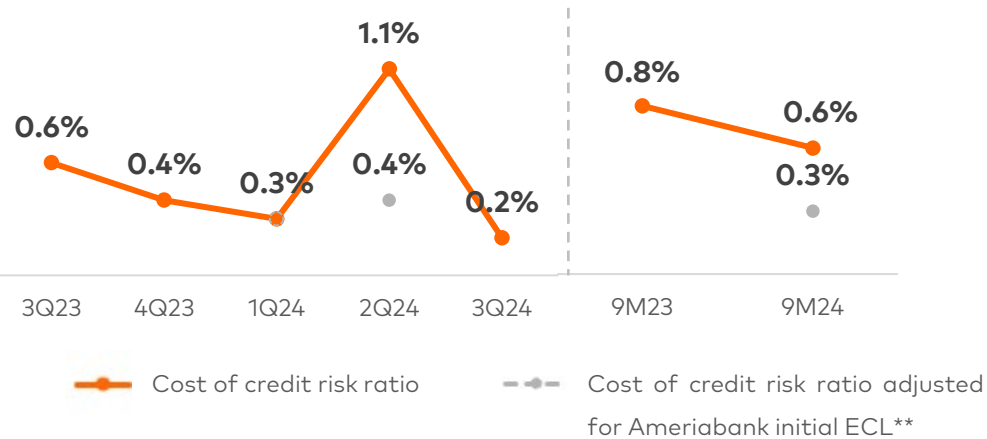


*1Q24 and 9M24 figures adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

Enhanced asset quality through strong performance across all business divisions

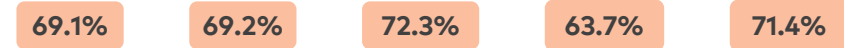
All currency data are in GEL m unless otherwise stated

Cost of credit risk ratio (Group)*

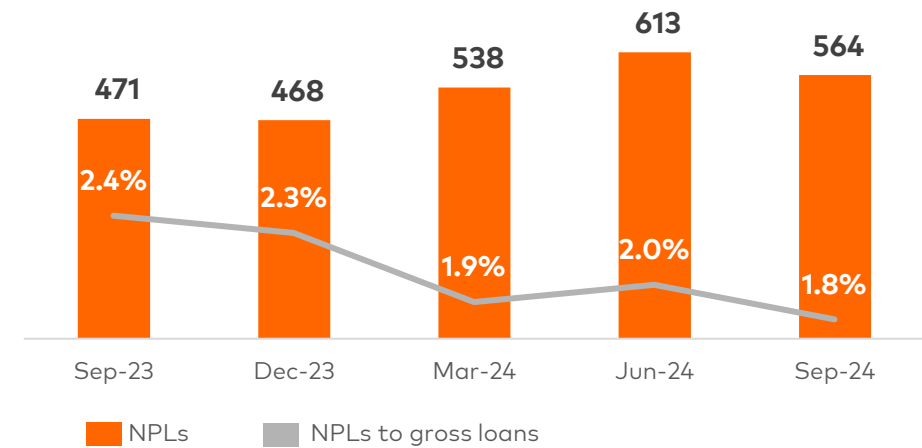
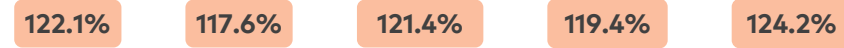


Loan portfolio quality (Group)

NPL coverage***



NPL coverage adjusted for the discounted value of collateral***



- The NPLs to gross loans are down q-o-q in both GFS and Ameriabank standalone

*Cost of credit risk adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

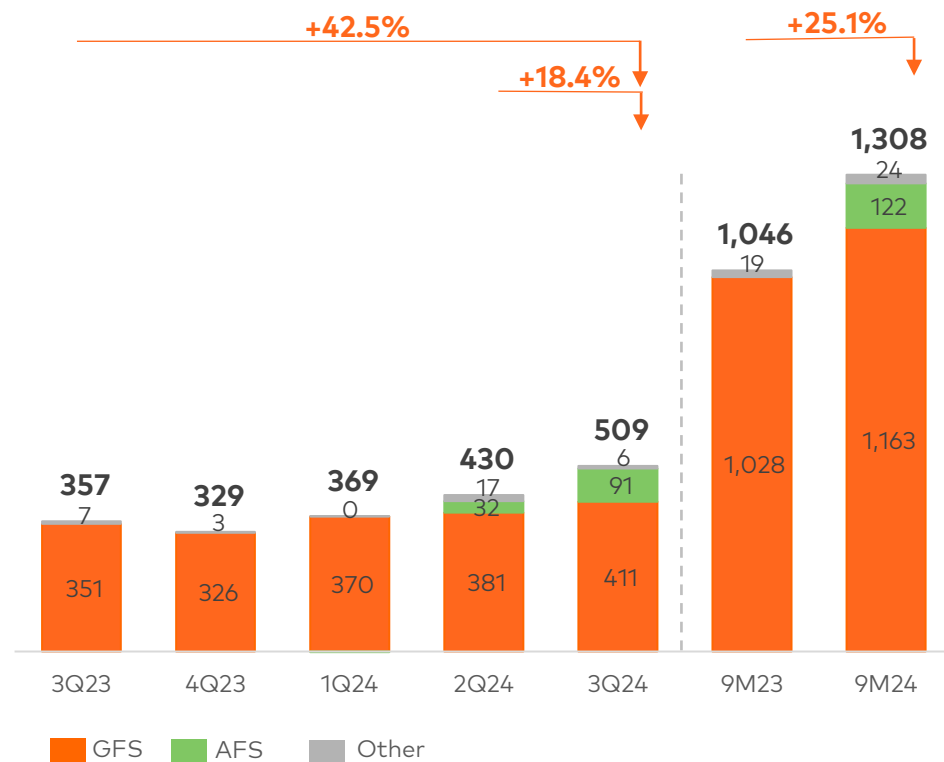
** In 2Q24, cost of credit risk included GEL 49.2m initial ECL charge related to the acquisition of Ameriabank. The initial ECL charge was posted in accordance with IFRS accounting rules relevant for business combinations, requiring the Group to treat the newly-acquired portfolio as if it was a new loan issuance, thus necessitating a forward-looking ECL charge on Day 2 of the combination, even though there has been no actual deterioration in credit quality.

***For March 2024, the NPL coverage ratio and the NPL coverage ratio adjusted for the discounted value of collateral were adjusted to include the NPLs and respective ECL of standalone Ameriabank. The 31 March 2024 Group coverage ratio adjusted for the discounted value of collateral figures was restated to incorporate collateral cap up to outstanding loan amount for Ameriabank and ensure better presentation in line with the group policy.

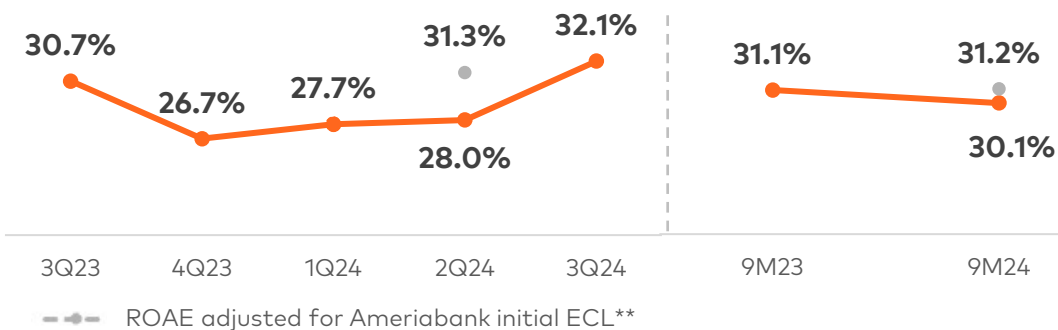
Strong bottom-line growth and profitability

All currency data are in GEL m unless otherwise stated

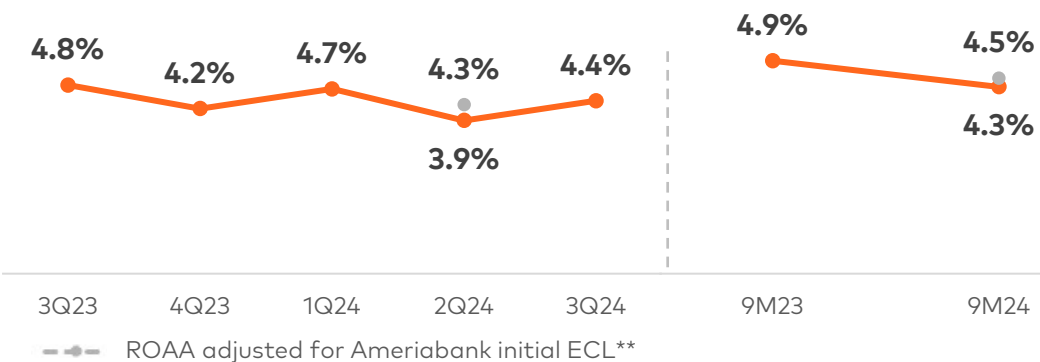
Profit (Group)*



ROAE (Group)*



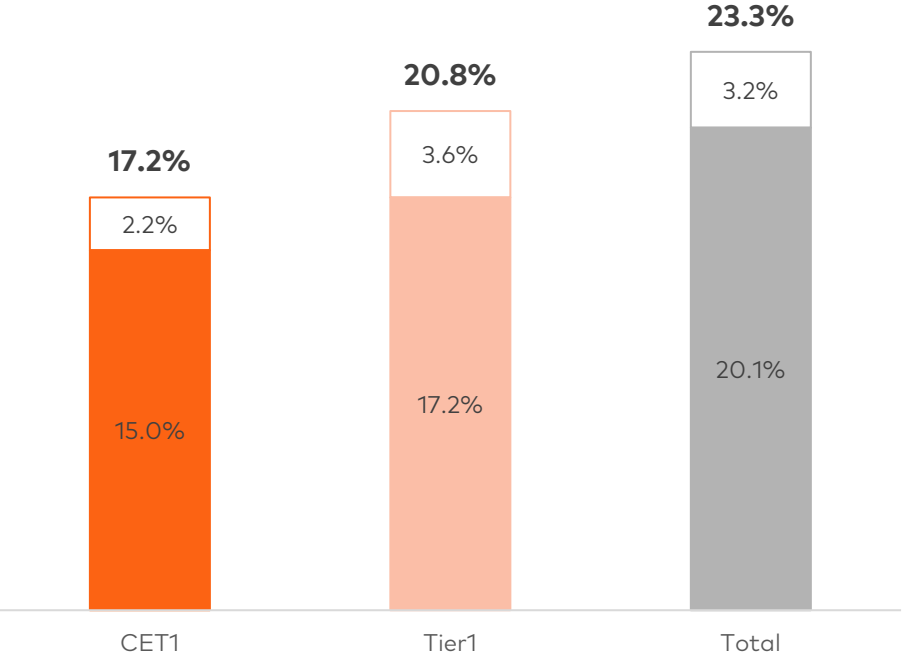
ROAA (Group)*



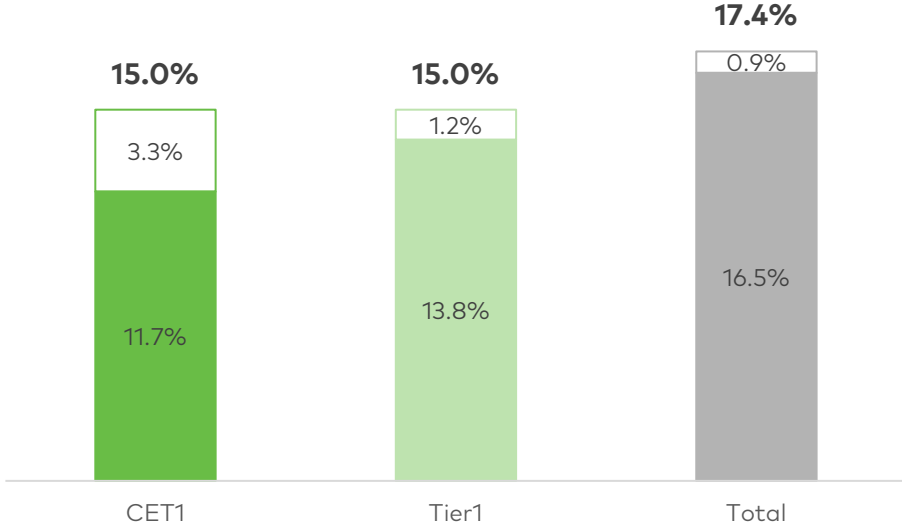
*In 2Q24, GEL 0.7m was recorded as a one-off item due to a recovery of a small portion of the previously expensed acquisition-related advisory fee. The acquisition of Ameriabank in March 2024 resulted in 1Q24 one-off items totalling GEL 668.8m comprising a one-off gain on bargain purchase (provisional, subject to year-end audit) and acquisition-related costs. 9M24 operating income before cost of risk and subsequent lines in the income statement as well as ROAA and ROAE were adjusted for these one-off items. 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 and GEL 1.5 million posted in 2Q23 and 4Q23 respectively. Net other income was adjusted for this one-off. As a result, ROAA and ROAE were adjusted for one-off other income in 9M23.

**Cost of credit risk included GEL 49.2m initial ECL charge related to the acquisition of Ameriabank. The initial ECL charge was posted in accordance with IFRS accounting rules relevant for business combinations, requiring the Group to treat the newly-acquired portfolio as if it was a new loan issuance, thus necessitating a forward-looking ECL charge on Day 2 of the combination, even though there has been no actual deterioration in credit quality.

Strong capital positions of key operating banks (Sep-24)



■ Min. requirement □ Buffer above min. requirement



■ Min. requirement □ Buffer above min. requirement

Strong liquidity positions, well above the 100% minimum requirements



NBG Liquidity coverage ratio
126.3%

30 September 2024

NBG Net stable funding ratio
124.9%

30 September 2024

CBA Liquidity coverage ratio
210.3%

30 September 2024

CBA Net stable funding ratio
122.6%

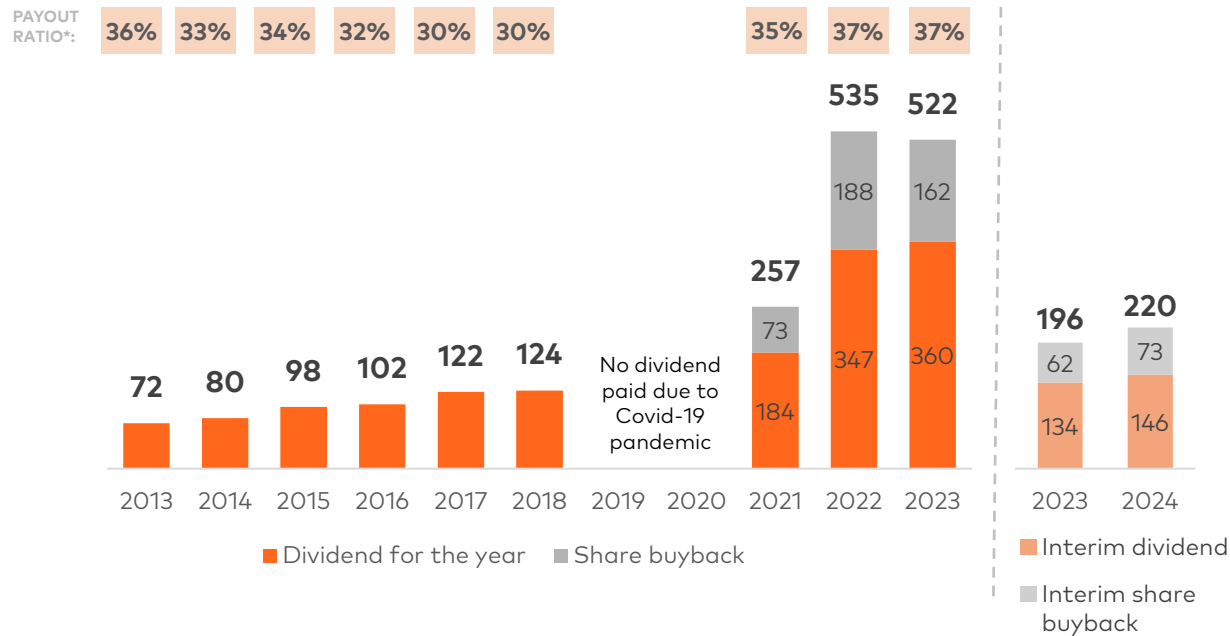
30 September 2024

Creating long-term shareholder value

Capital distribution

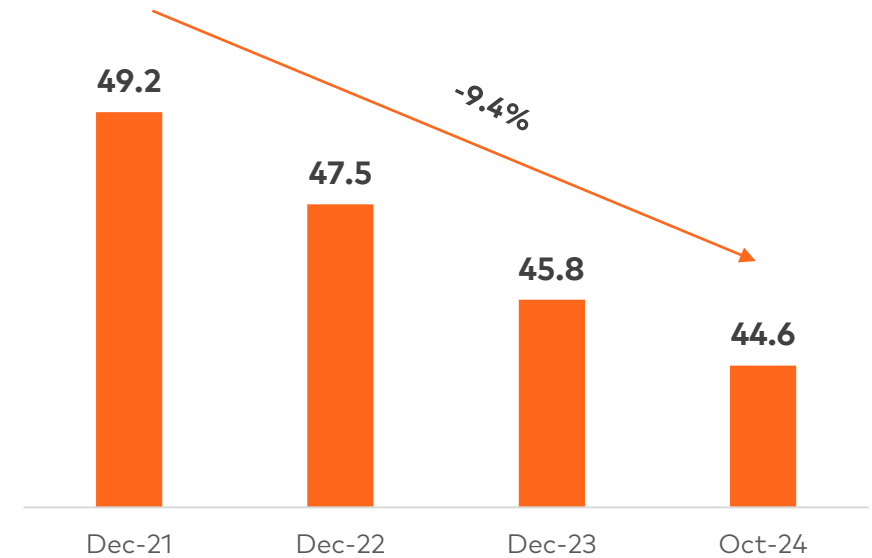
GEL millions

Target: 30-50% dividend and buyback payout ratio



Total shares outstanding

millions



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

A solid orange circle is positioned to the left of the text, partially overlapping the letter 'T'.

THANK YOU