



LION FINANCE  
GROUP

# INVESTOR PRESENTATION

1Q25 Performance

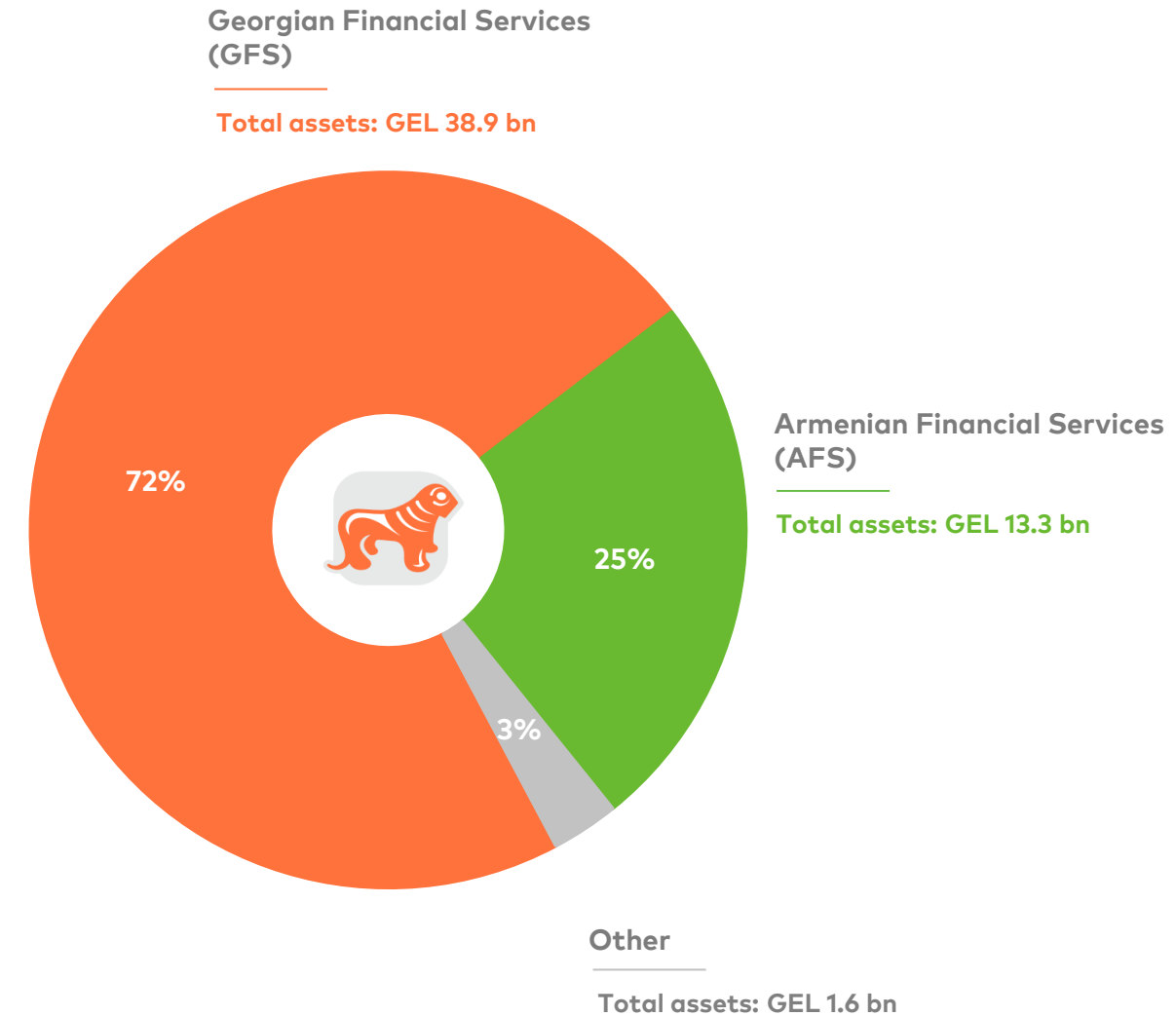
15 May 2025  
[www.lionfinancegroup.uk](http://www.lionfinancegroup.uk)

## 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 Lion Finance Group PLC (formerly Bank of Georgia Group PLC's) 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 Lion Finance Group PLC's (formerly Bank of Georgia Group PLC's) Annual Report and Accounts 2024. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Lion Finance Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Lion Finance 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.

# Who we are

- Operating leading, customer-focused, universal banks in Georgia and Armenia
- Strong growth momentum underpinned by some of the fastest growing economies in EMEA
- LSE listed FTSE250 holding company with diversified institutional investor base
- Track record of high profitability and superior returns for shareholders
- Highest standards of corporate governance and a strong focus on ESG



# The Group delivered a strong performance in 1Q25

## Group (consolidated)

1Q25 highlights

Profit

**GEL 513.1m**

+39.0% y-o-y\*

ROAE

**28.7%**

Cost to income

**35.0%**

Cost of credit risk

**0.2%**



## Georgian Financial Services (GFS)

1Q25 profit

GEL 405.1m

1Q25 ROAE

32.0%

### JSC Bank of Georgia

Market share by total loans, Mar-25 37.3%

Digital MAU (retail), Mar-25 1.6m

## Armenian Financial Services (AFS)

1Q25 profit

GEL 95.5m

1Q25 ROAE

21.1%

### Ameriabank CJSC

Market share by total loans, Mar-25 20.3%

Digital MAU (retail), Mar-25 245.1k

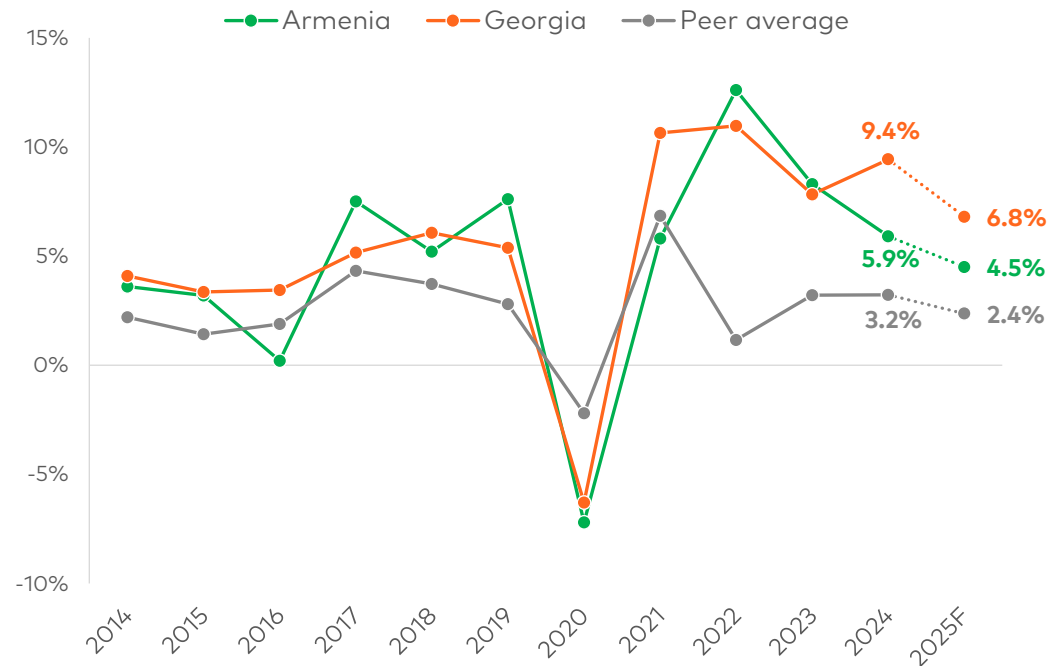
\*The y-o-y comparison is based on 1Q24 adjusted profit

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- II GROUP OVERVIEW AND STRATEGY
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# Georgian and Armenian economies maintain strong growth momentum, with a robust medium-term outlook

## Real GDP growth, year-on-year

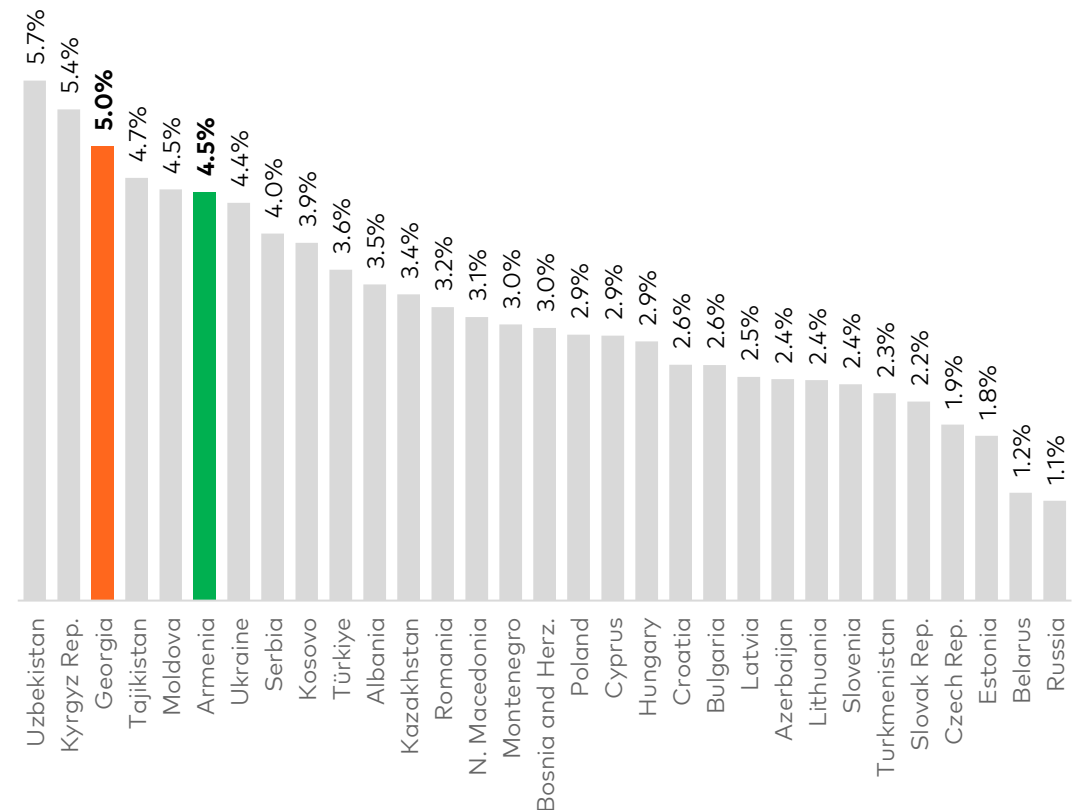


Preliminary estimates of economic activity (year-on-year change)				
	Jan-2025	Feb-2025	Mar-2025	1Q25 average
<b>Georgia</b>	<b>11.1%</b>	<b>7.7%</b>	<b>9.0%</b>	<b>9.3%</b>
<b>Armenia</b>	<b>7.1%</b>	<b>1.8%</b>	<b>3.7%</b>	<b>4.1%</b>

Source: Armstat, Geostat; Forecasts by Lion Finance Group

Note: Peers include economies from Central and Eastern Europe, Central Asia, and South Caucasus

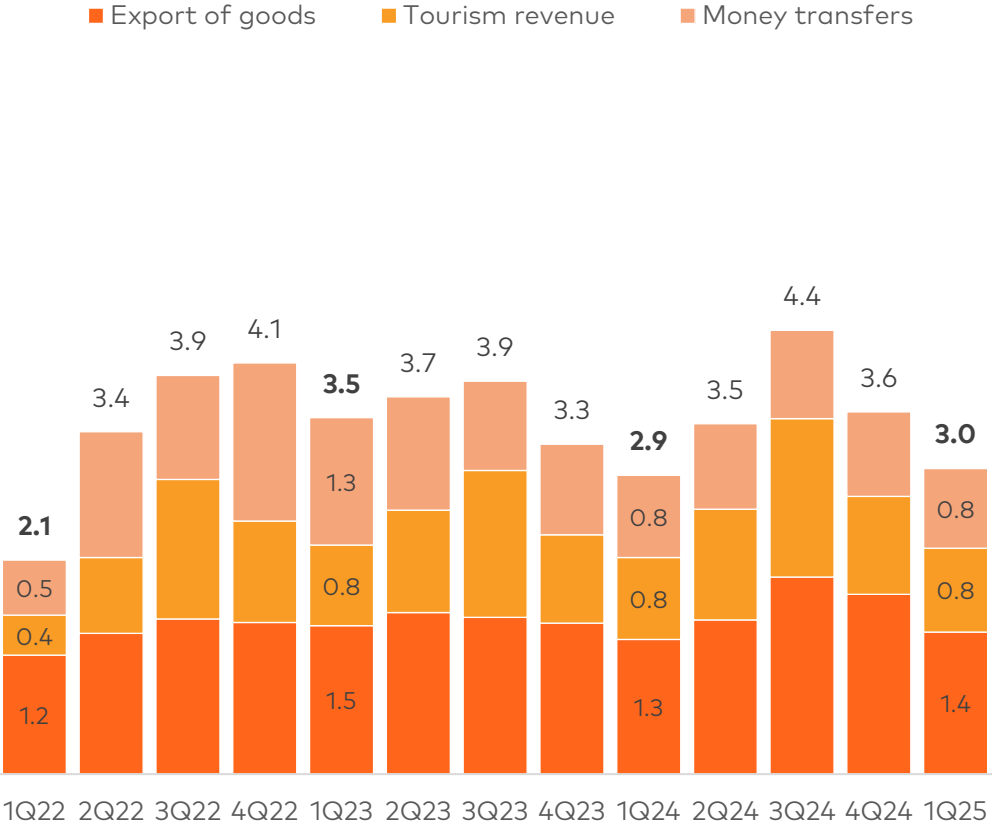
## Average real GDP growth forecasts by IMF (2026-2030)



Source: World Economic Outlook by IMF (April 2025)

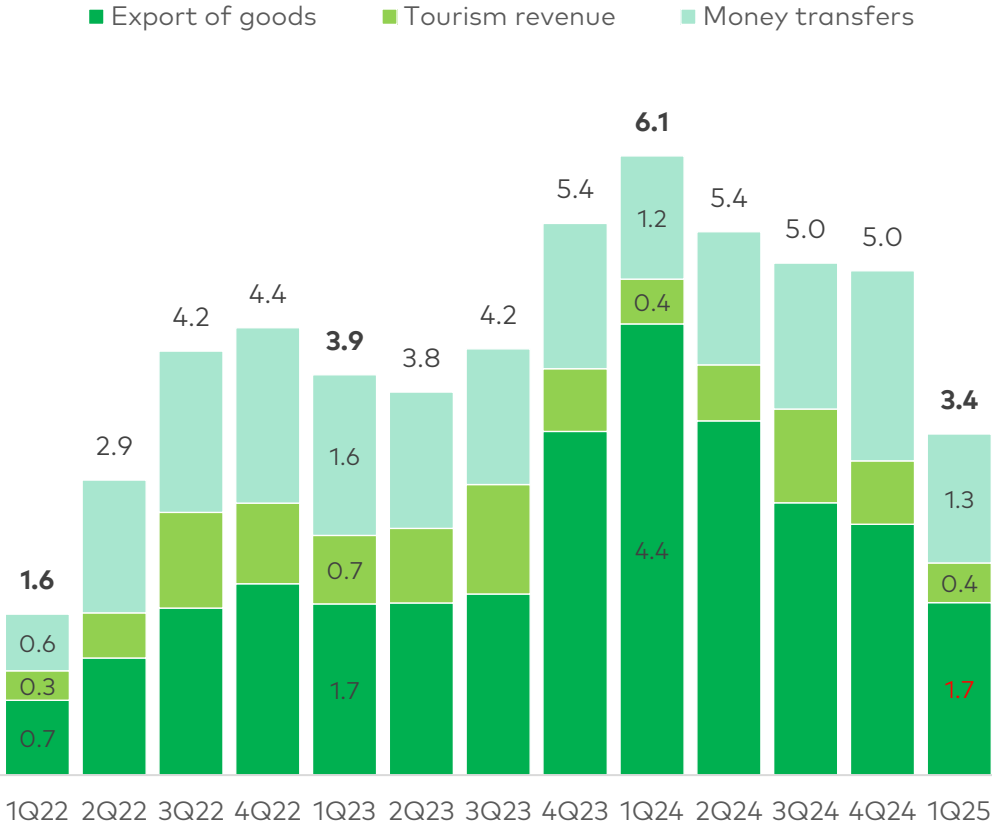
External inflows have normalised, but continue to support growth and currency stability in Georgia and Armenia

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



Source: Geostat, NBG

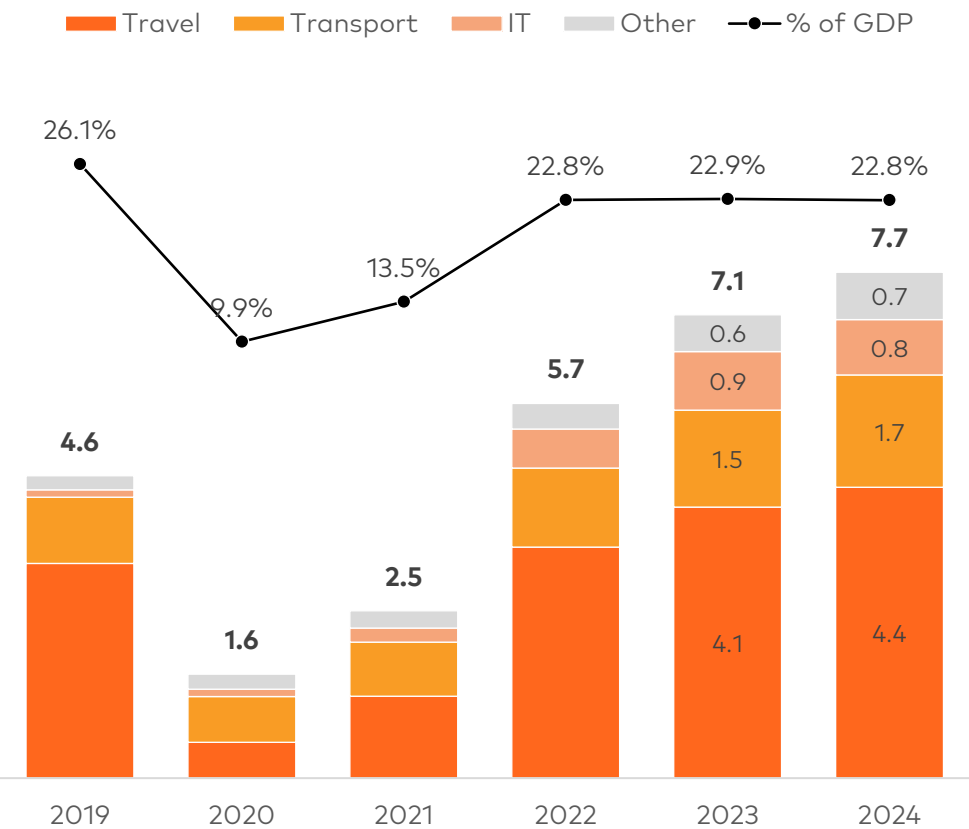
Main sources of external sector inflows in Armenia, US\$ bn



Source: Armstat, CBA  
Note: The value of tourism revenue for 1Q25 is an estimate

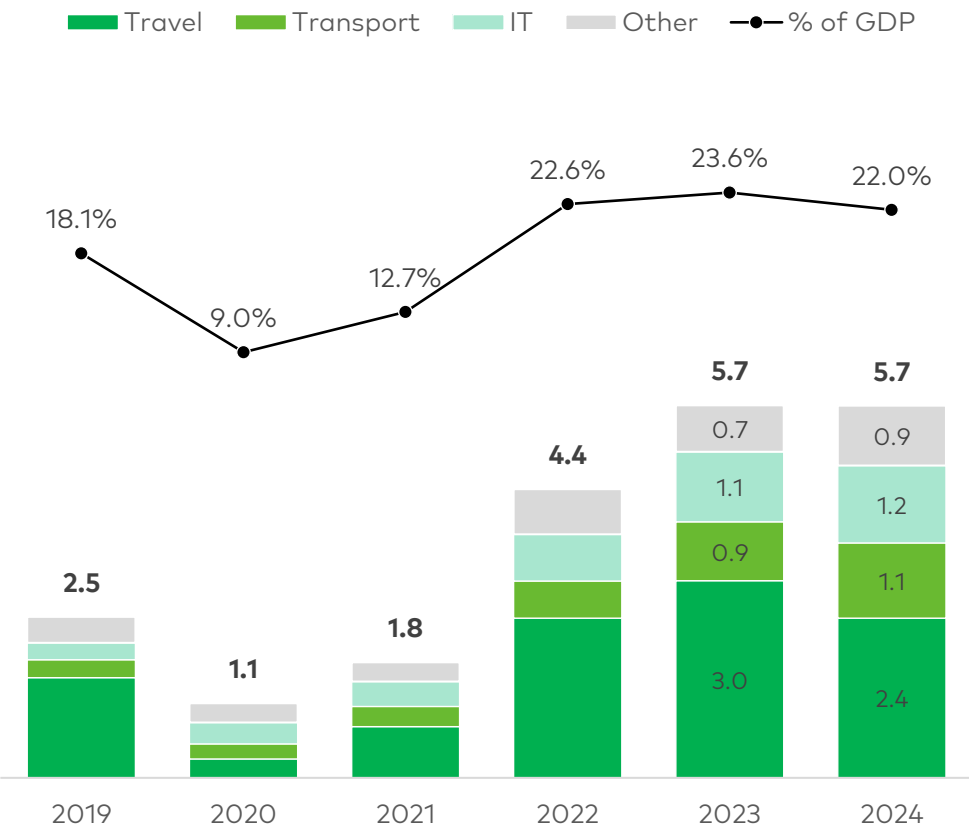
# Resilient and diversified service exports drive growth and hard currency inflows in Georgia and Armenia

Export of services from Georgia, US\$ bn.



Source: NBG, Geostat

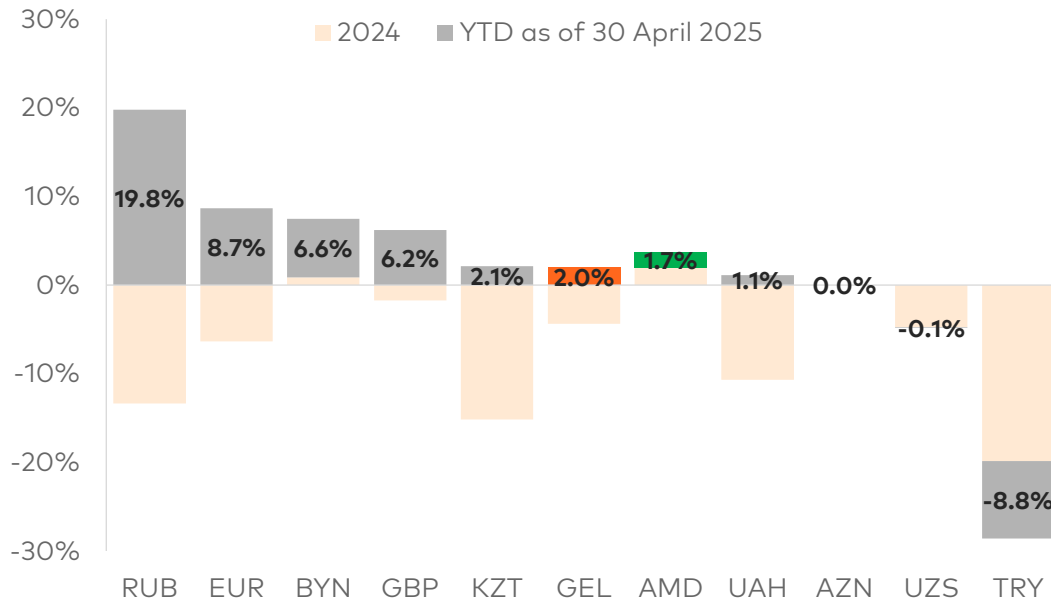
Export of services from Armenia, US\$ bn.



Source: CBA, Armstat

# GEL and AMD have remained relatively stable, supported by external sector inflows and prudent macroeconomic policies

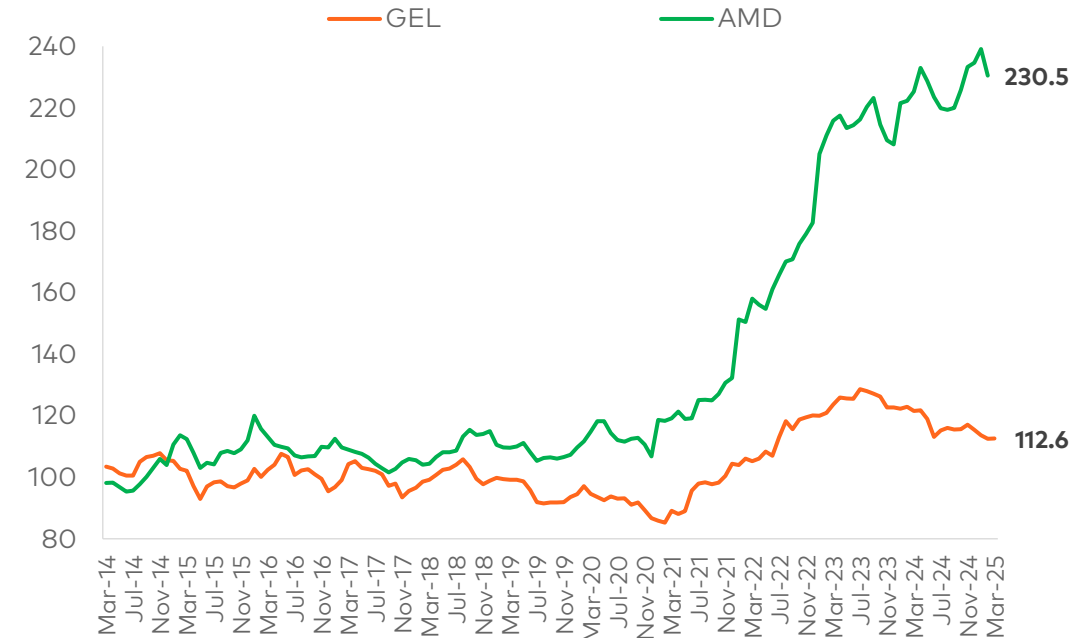
## Currency movements against the U.S. dollar (percent change; appreciation shown as increase)



Source: Corresponding central banks

- GEL and AMD are expected to remain stable in the medium term, underpinned by robust fundamentals and a positive growth outlook

## GEL and AMD real effective exchange rates (Jan-2014 = 100; appreciation shown as increase)

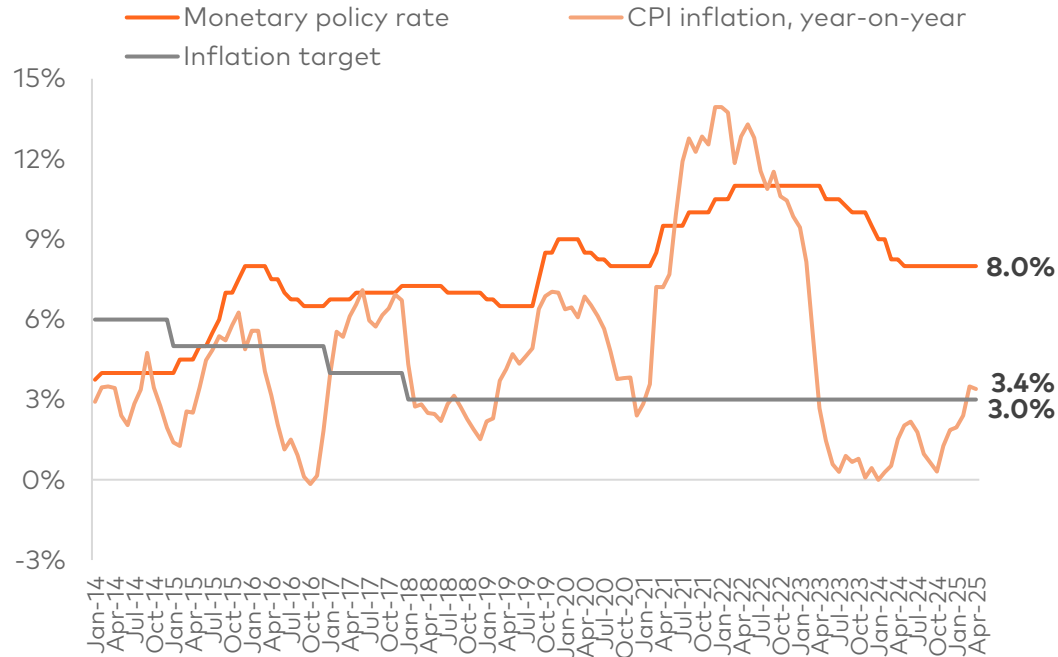


Source: NBG, CBA

- Previous real appreciations of the GEL and AMD have started to ease due to normalisation of external inflows and lower inflation in Georgia and Armenia relative to their trading partners

# Despite a recent uptick, inflation in Georgia and Armenia is expected to stay aligned with central bank targets

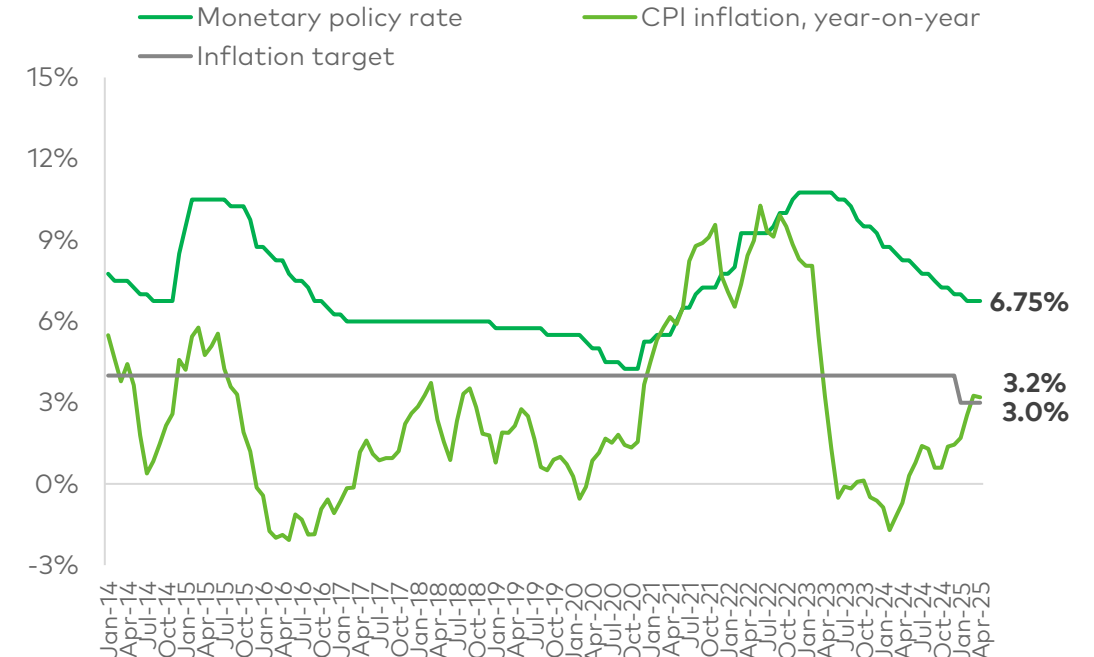
## Inflation and monetary policy in Georgia



Year-on-year inflation	Last 5-year average	Mar-25	Apr-25
Headline CPI	5.8%	3.5%	3.4%
Core CPI	4.5%	2.4%	2.3%

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

## Inflation and monetary policy in Armenia

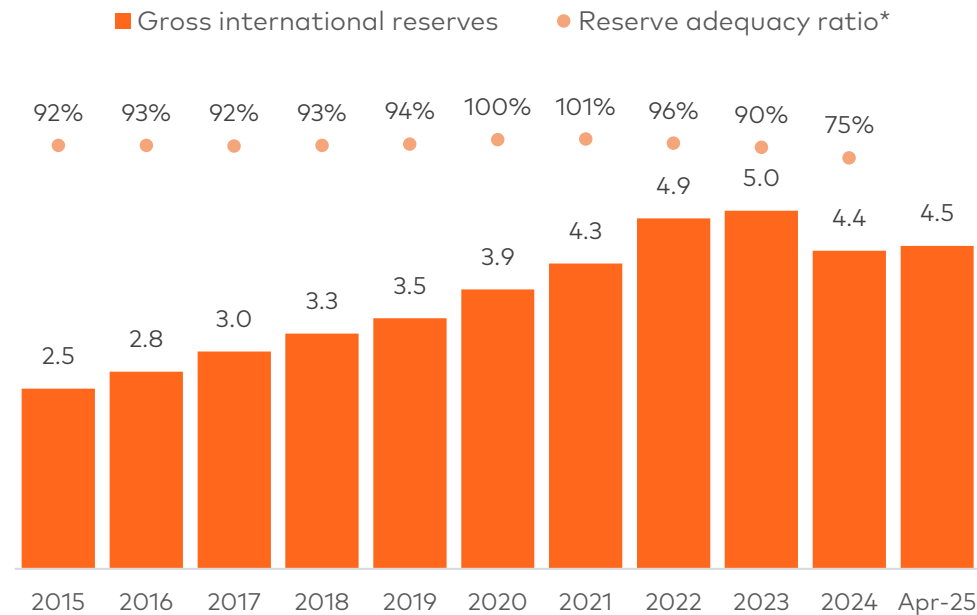


Year-on-year inflation	Last 5-year average	Mar-25	Apr-25
Headline CPI	4.0%	3.3%	3.2%
Core CPI	4.1%	2.0%	TBD

Source: Armstat, CBA  
Note: In Armenia, inflation target has been set at 3% since the beginning of 2025

# Prudent monetary and fiscal policies are expected to support adequate policy buffers in Georgia and Armenia

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

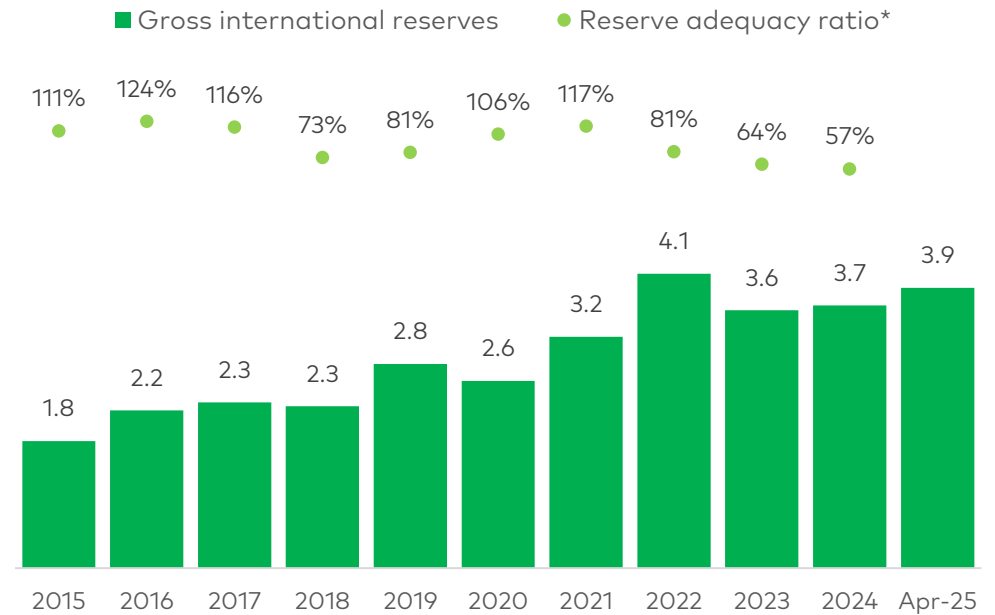


	2022	2023	2024	2025F
Fiscal balance (% of GDP)	-3.0%	-2.4%	-2.4%	-2.5%
Government debt (% of GDP)	39.2%	38.9%	36.1%	35.9%

Source: NBS, 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)



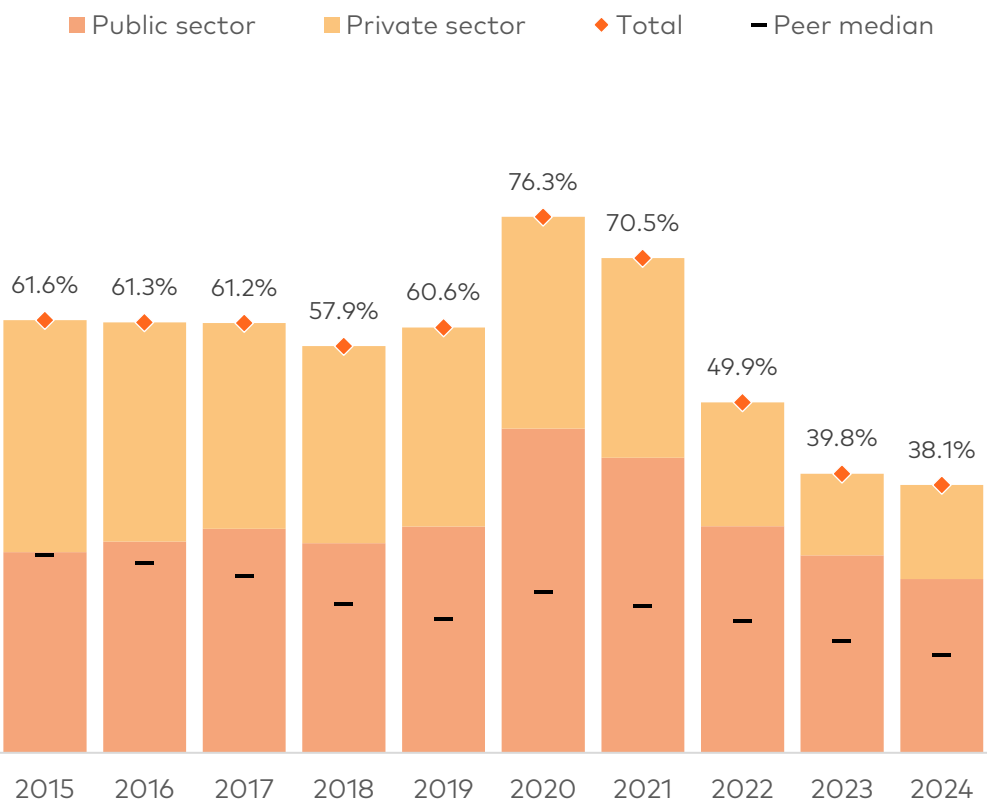
	2022	2023	2024	2025F
Fiscal balance (% of GDP)	-2.1%	-2.0%	-3.7%	-5.5%
Government debt (% of GDP)	46.7%	48.4%	48.3%	53.3%

Source: CBA, Ministry of Finance of the Republic of Armenia, IMF

\* The ratio within the range of 100%-150% is considered adequate

# Georgia and Armenia have consistently reduced their external debt burdens, strengthening resilience to external shocks

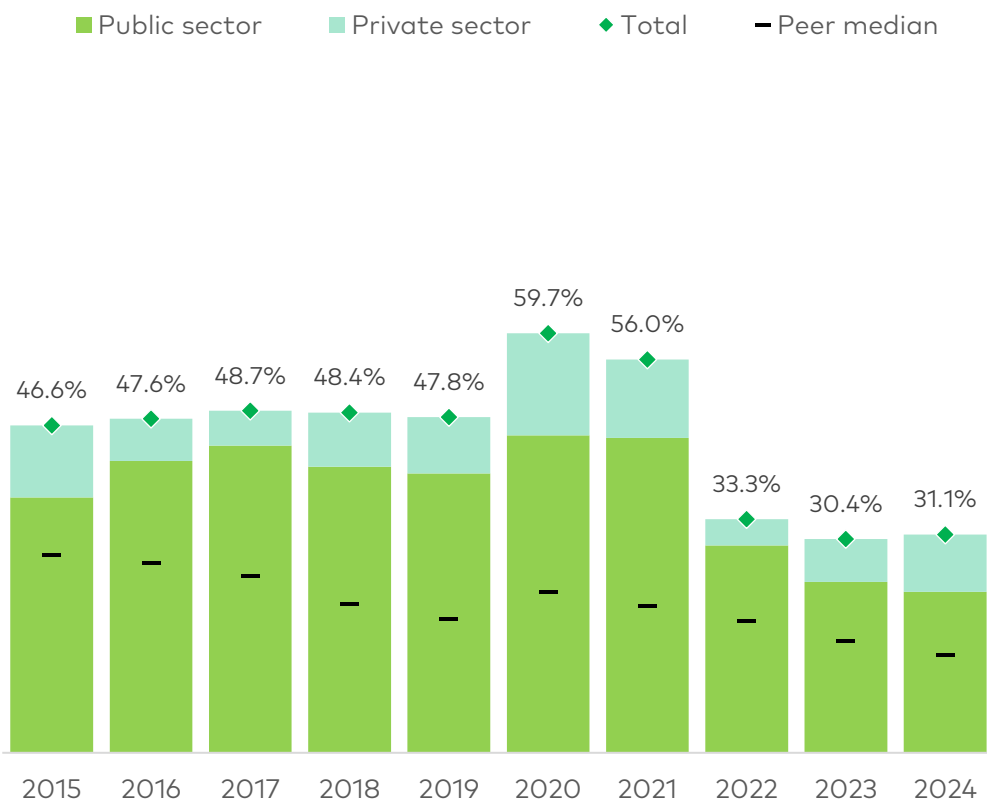
## Georgia's net external debt, % of GDP



Source: World Bank, Geostat

Note: Peers include economies from Central and Eastern Europe, Central Asia, and South Caucasus

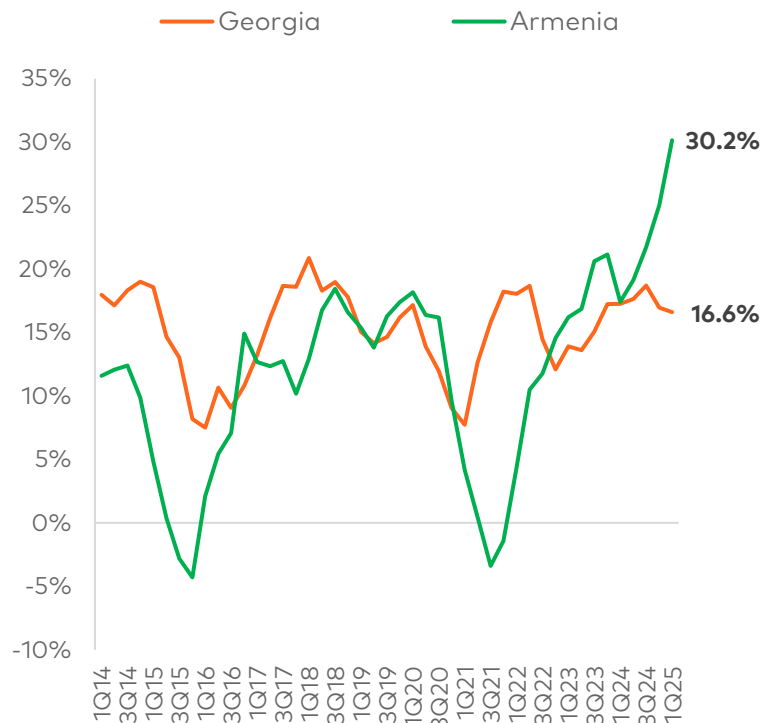
## Armenia's net external debt, % of GDP



Source: World Bank, Armstat

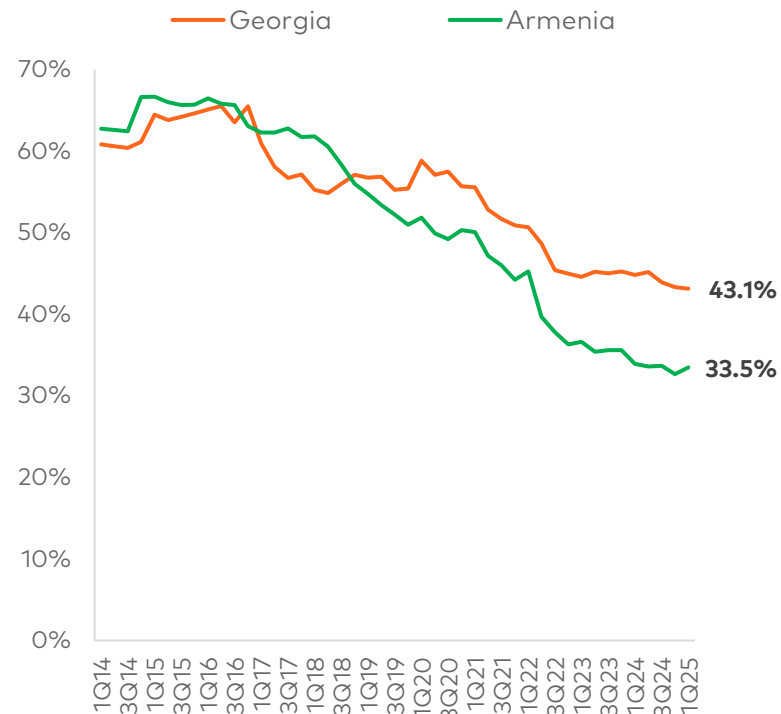
# Robust lending growth, declining dollarisation, and sound balance sheets underscore the strength of the banking sectors in Georgia and Armenia

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



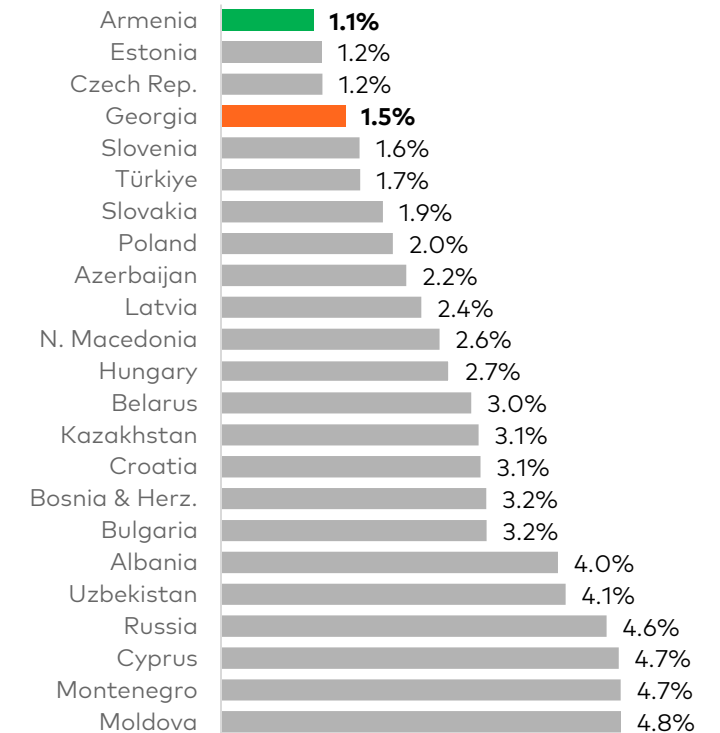
Source: NBG, CBA

**Total bank loan dollarisation**



Source: NBG, CBA

**Non-performing bank loans to total gross loans, end-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 across our core markets

### 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

# Bank of Georgia - The World's Best Digital Bank

## Global Finance The World's Best Digital Bank



### 2024 AWARDS PER CATEGORY AND GEOGRAPHY

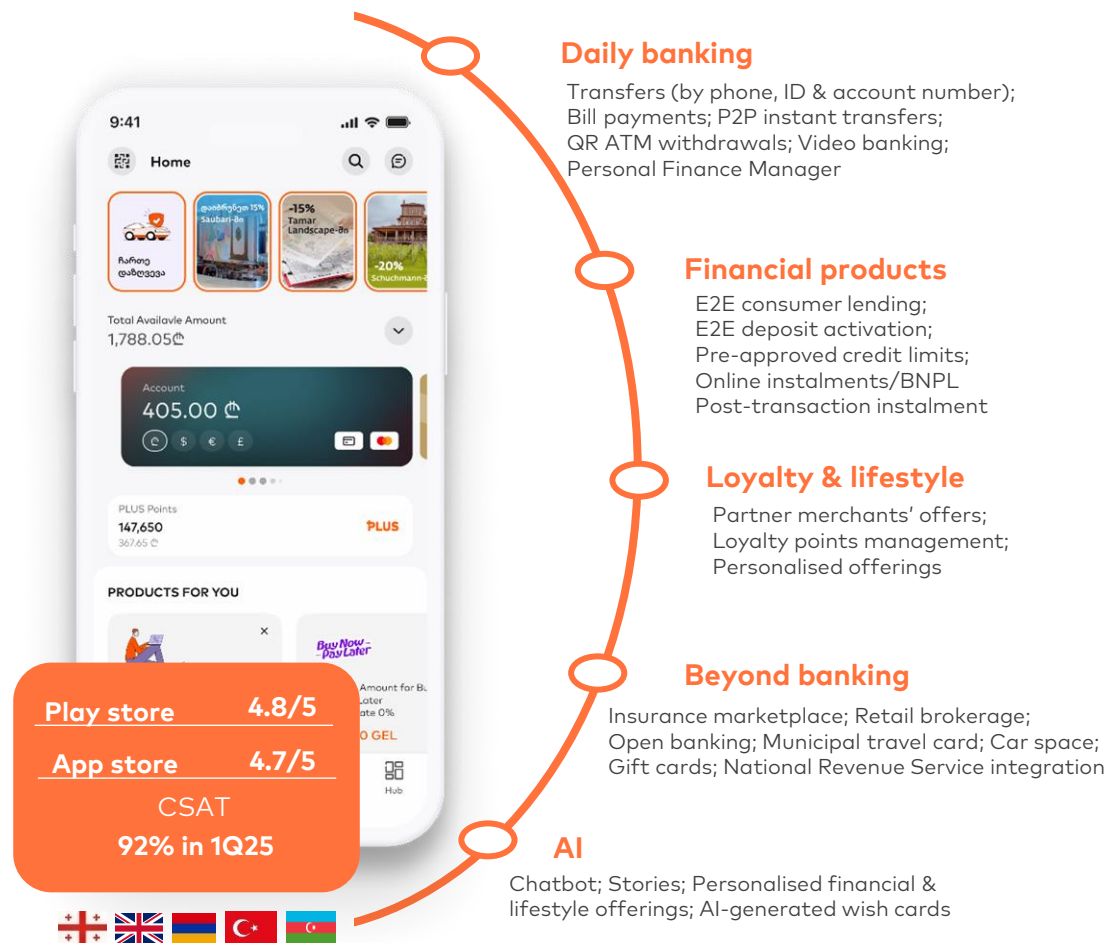
	Best consumer digital banks	Best corporate / institutional digital banks
Africa		
Asia-Pacific		
Central & Eastern Europe		
Latin America		
Middle East		
North America		
Western Europe		

### OTHER SUBCATEGORY WINNERS INCLUDE

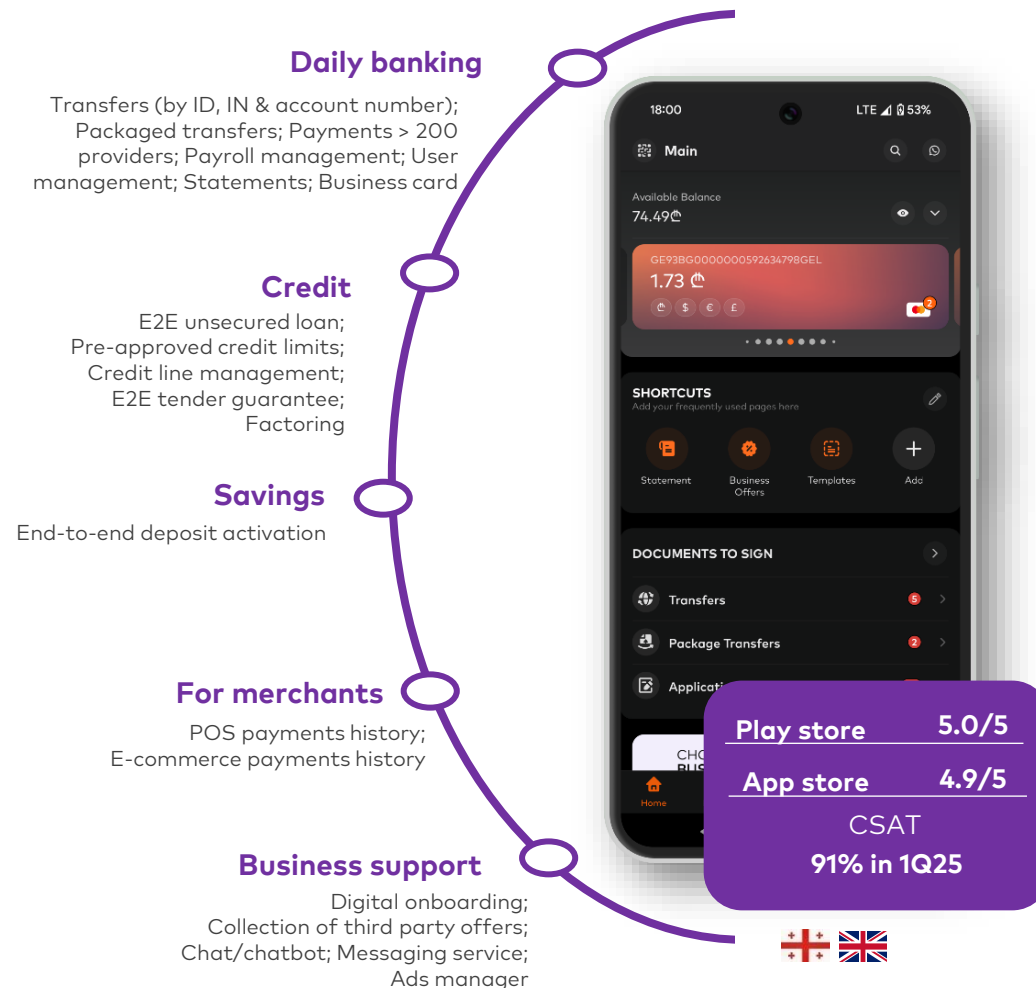


# Our award-winning financial apps

## Retail Financial SuperApp



## Business Mobile App

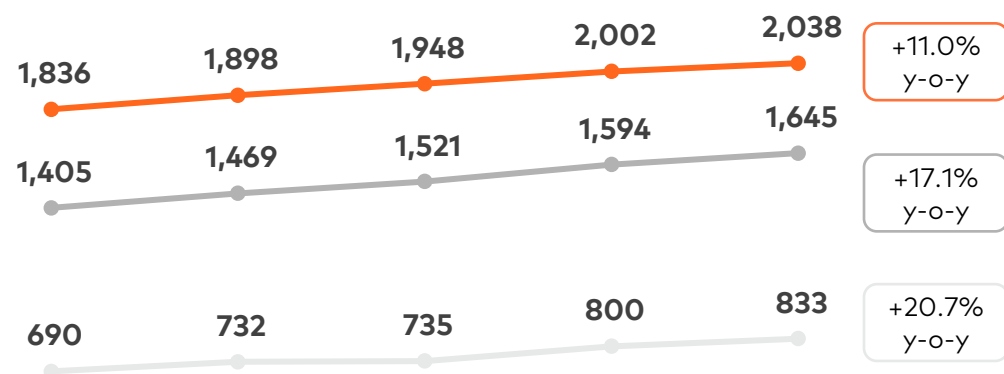


# Continued growth in active and digitally engaged customers

Figures given for JSC Bank of Georgia standalone

## Monthly active customers (individuals)

thousands

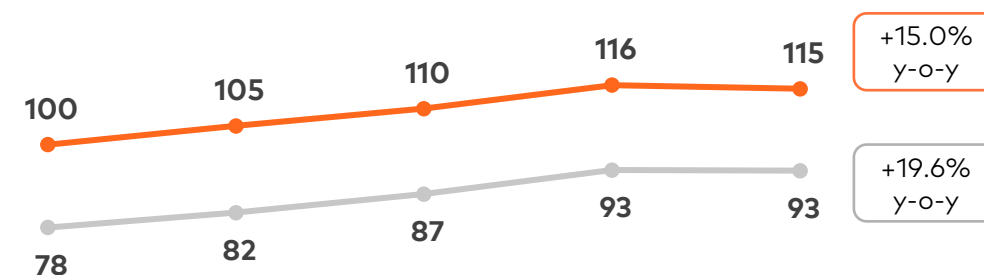


Mar-24 Jun-24 Sep-24 Dec-24 Mar-25

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

## Monthly active customers (businesses)

thousands



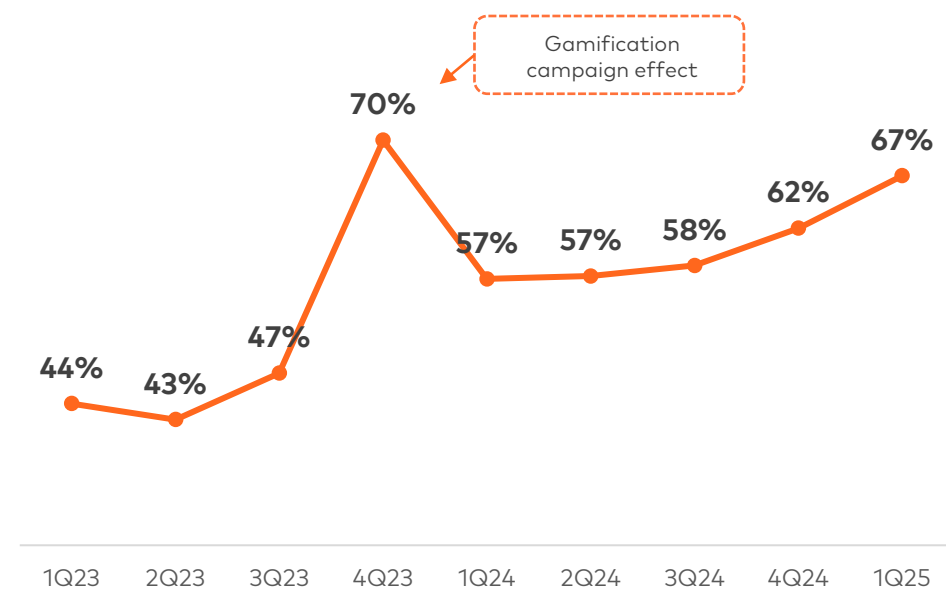
Mar-24 Jun-24 Sep-24 Dec-24 Mar-25

— Monthly active customers (MAC) — Digital MAU

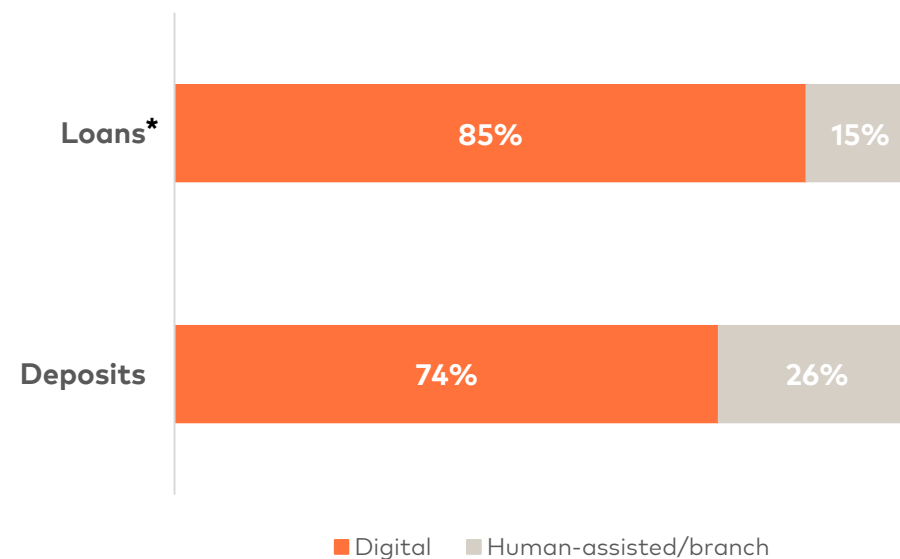
# Digital product sales continue to rise

Figures given for JSC Bank of Georgia standalone

## Share of products sold digitally (Retail)



## Digital sales count: loans and deposits in 1Q25 (Retail)



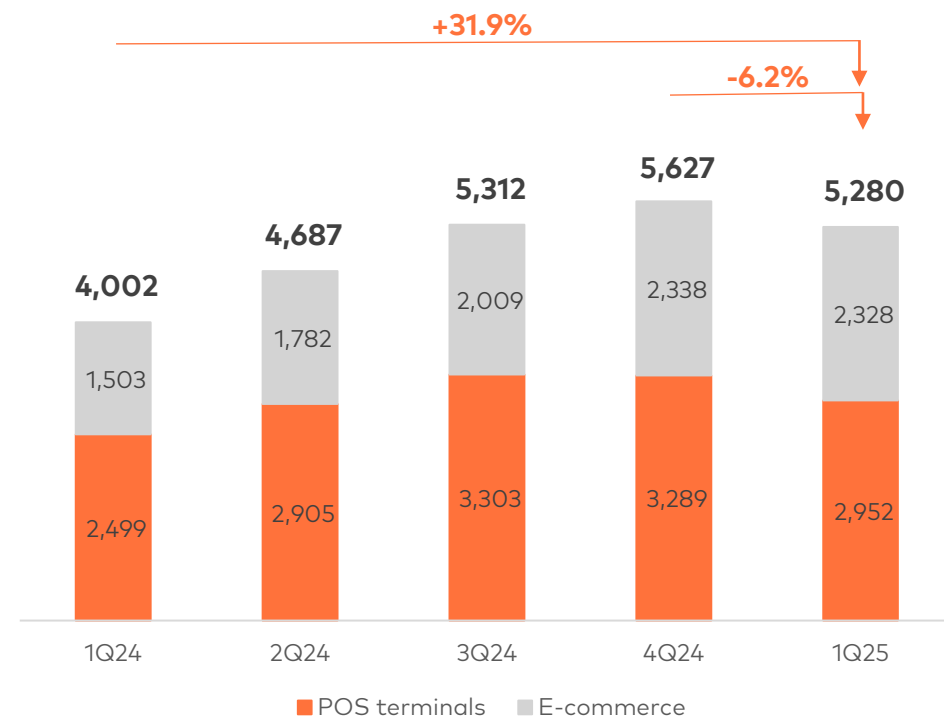
\*Loan digital sales includes BNPL.

# Payments business – our daily touchpoint with customers

Figures given for JSC Bank of Georgia standalone

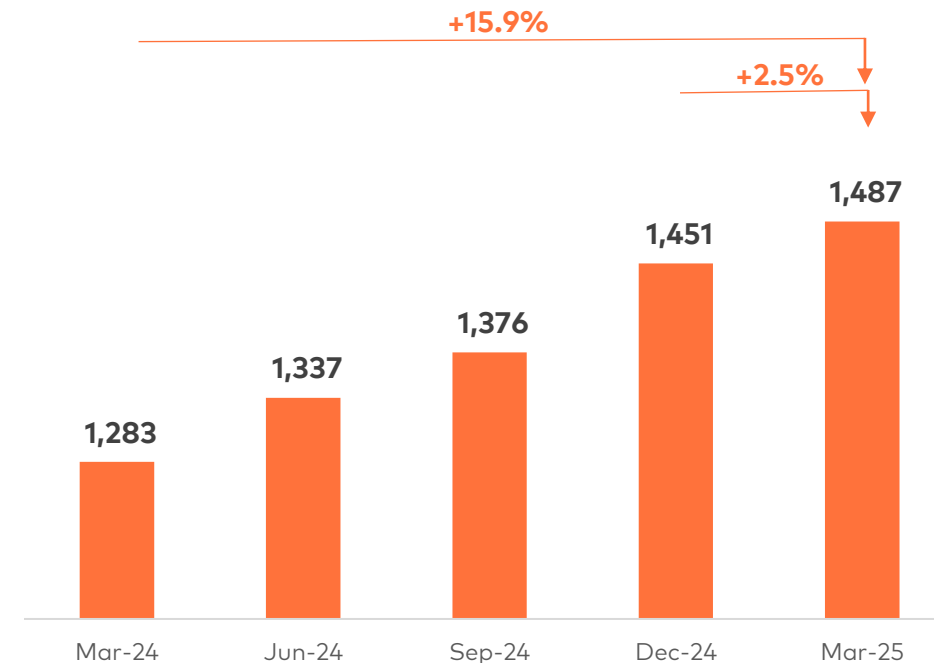
## Acquiring - volume of payment transactions

GEL millions



## Issuing – payment MAU

thousands



**55.9%**

Market share in acquiring volumes  
| Mar 2025 +0.2 pts YoY

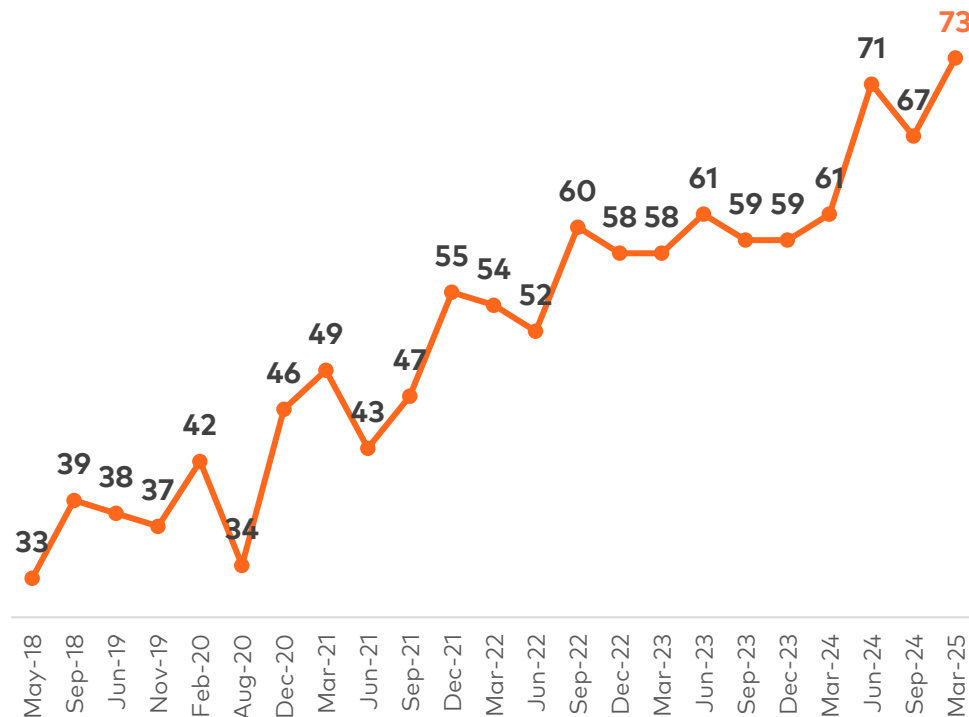
**22.8K**

Active merchants  
| Mar 2025 +17.7% YoY

# Record high customer satisfaction thanks to our customer-centric culture

Figures given for JSC Bank of Georgia standalone

## NPS\*



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

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

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

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

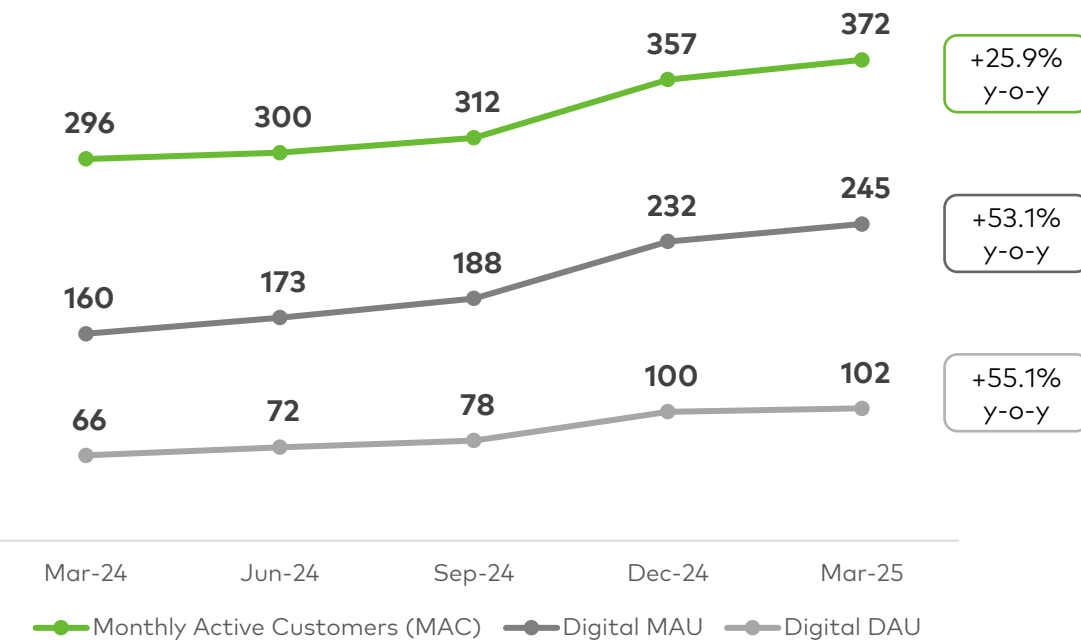


\*Based on external research by IPM Georgia, surveying a random sample of customers with face-to-face interviews.

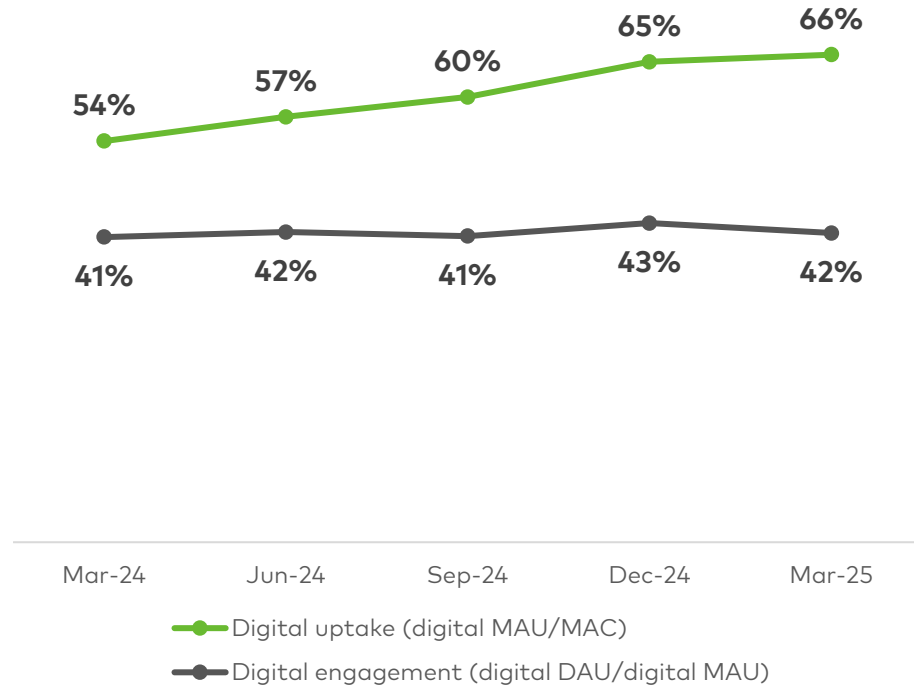
# Ameriabank: digital momentum fueling growth potential

## Monthly active customers (individuals)

thousands



## Digital engagement of active customers



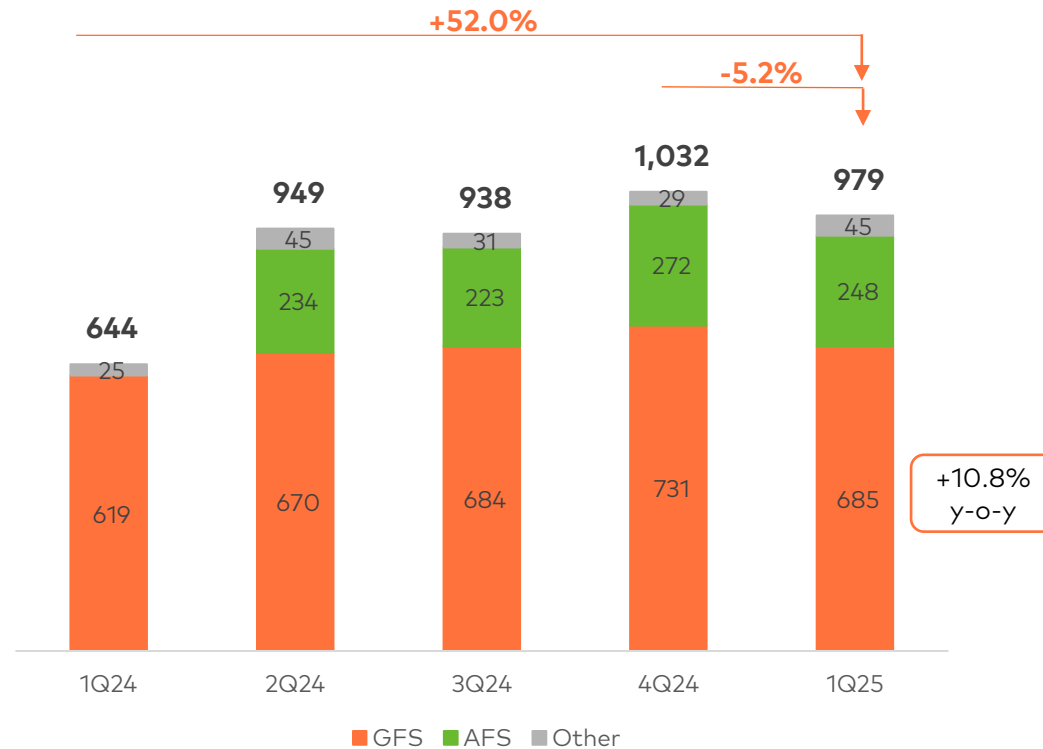
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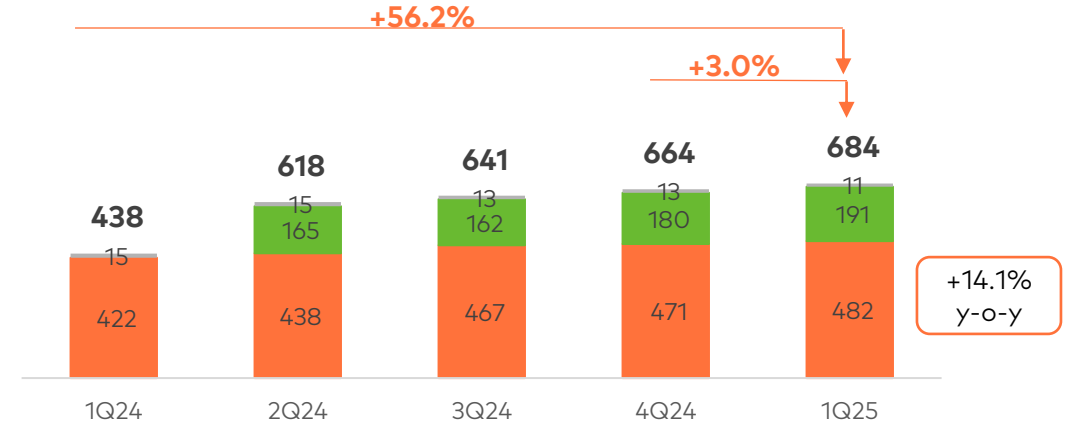
# Strong year-on-year growth enhanced by the Ameriabank consolidation

All currency data are in GEL m unless otherwise stated

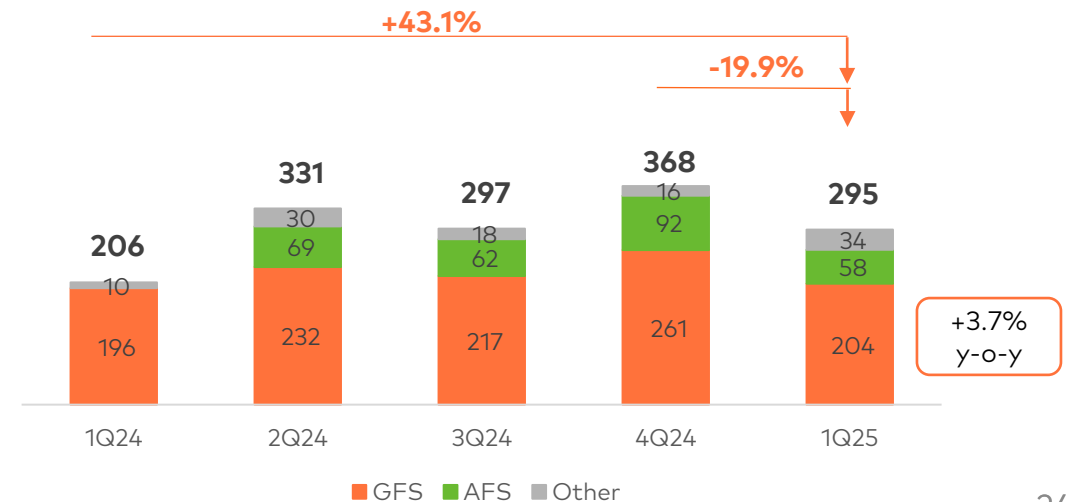
## Operating income



## Net interest income



## Net non-interest income

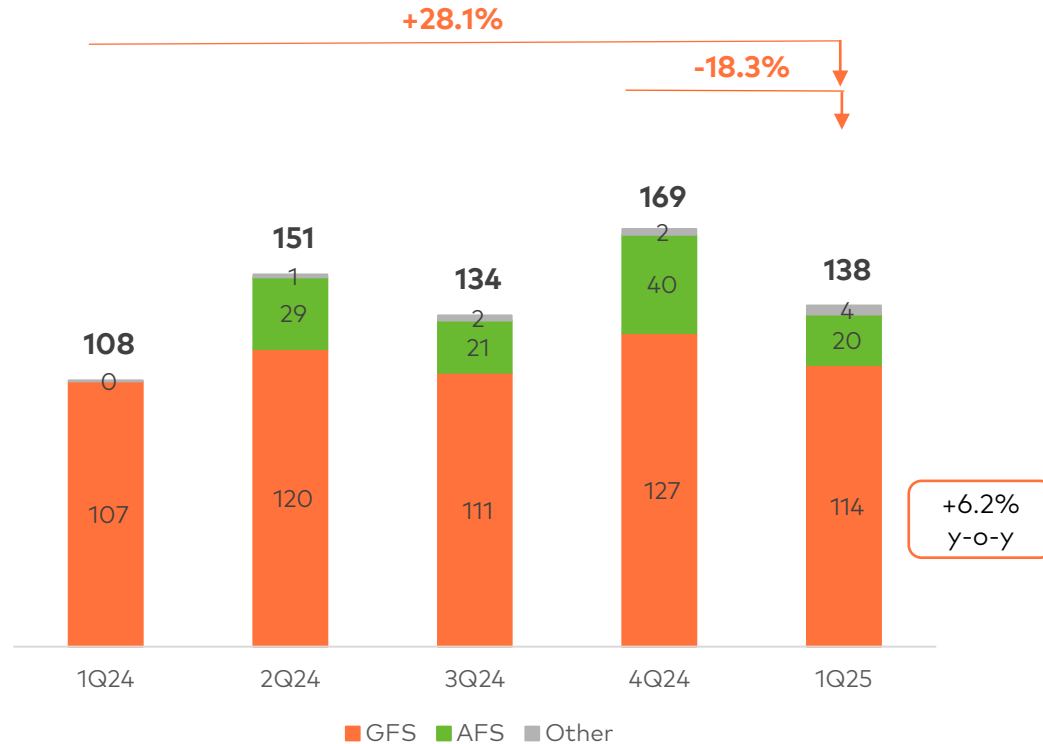


- GFS operating income rose 10.8% y-o-y, predominantly driven by net interest income generation.

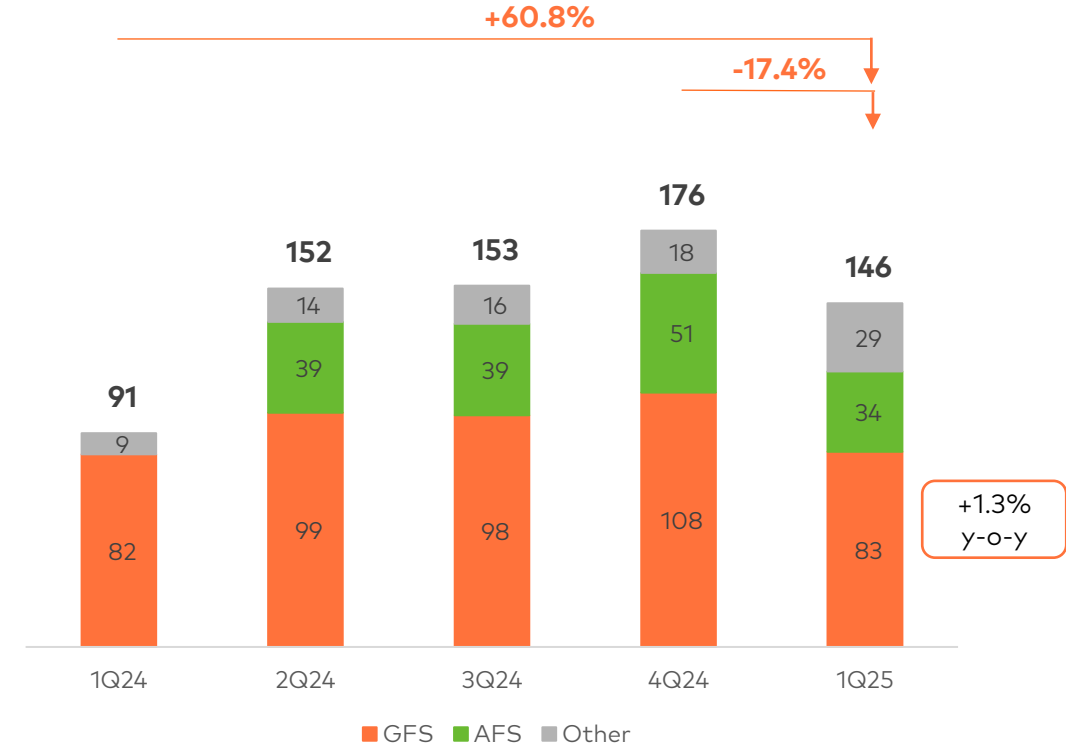
# Strong year-on-year growth in non-interest income lines mainly due to Ameriabank consolidation

All currency data are in GEL m unless otherwise stated

## Net fee & commission income



## Net foreign currency gain

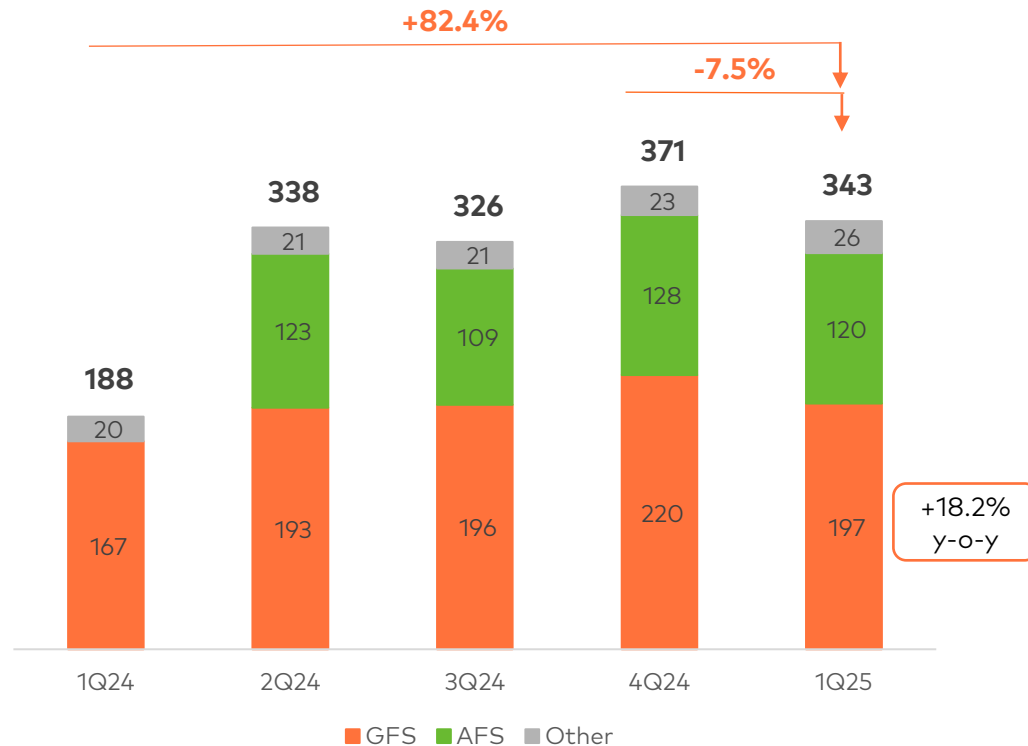


- Although GFS had a double-digit y-o-y growth in fee income, net fee and commission income growth came in lower due to higher payment systems costs and increased volume of more costly transactions.
- The q-o-q declines across business divisions are mainly related to the high base on 4Q24 as well as the seasonally slower first quarter.

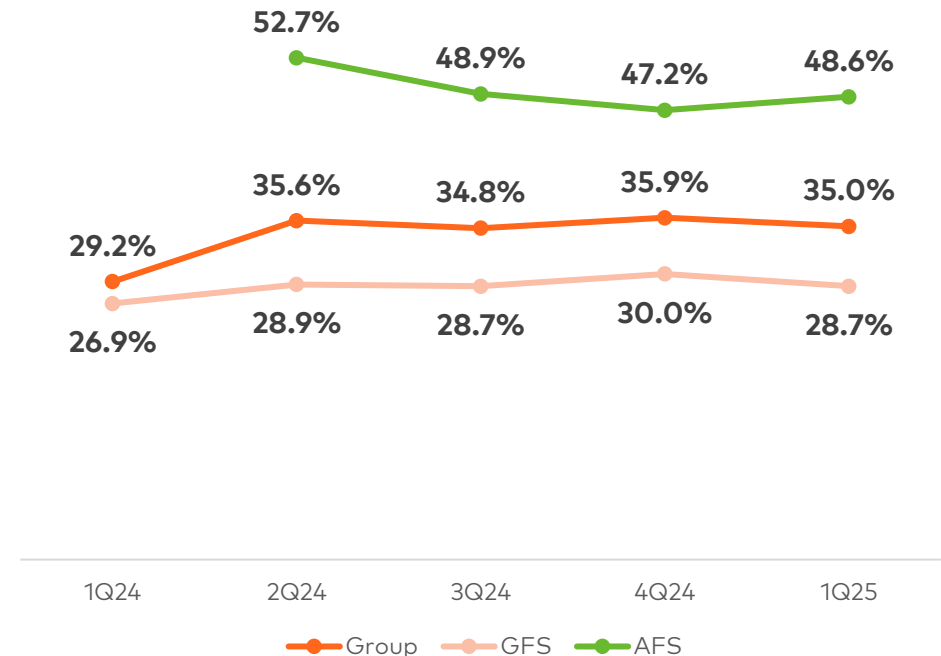
# Operating expenses impacted by Ameriabank consolidation and few significant items in GFS

All currency data are in GEL m unless otherwise stated

## Operating expenses



## Cost to income ratio



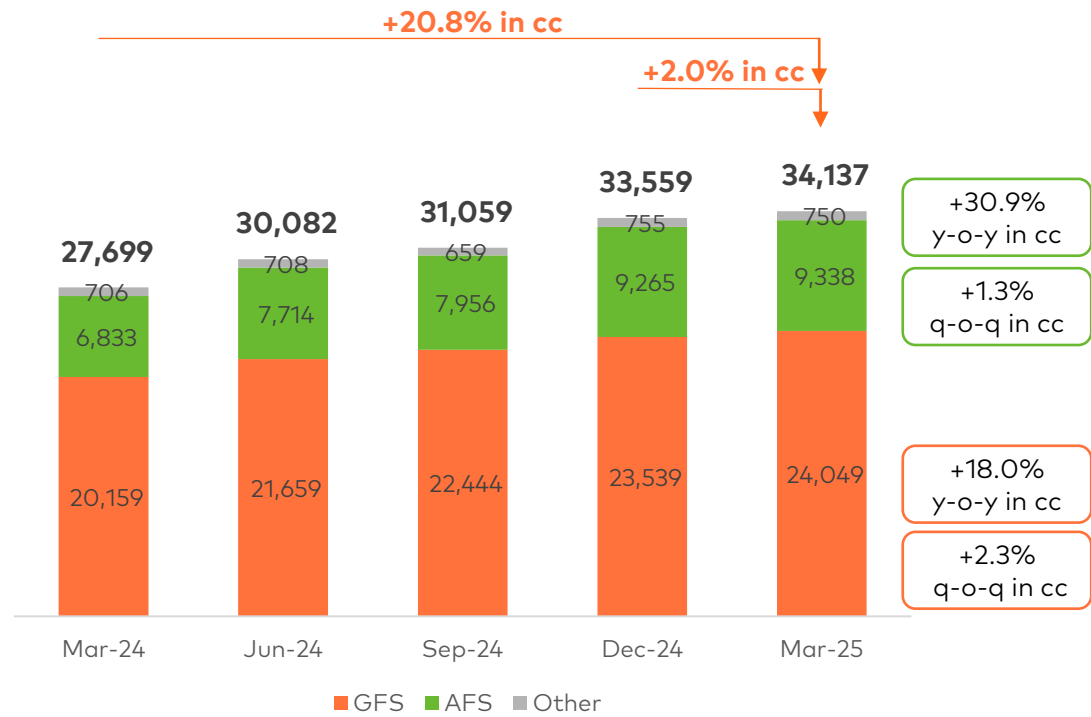
- The y-o-y growth in GFS was largely due to employee costs, which were impacted by the termination costs of executive management. Additionally, Bank of Georgia's contributions to the resolution fund\* were recorded for the first time. Excluding these two items (c. GEL 10 million), operating expenses would have increased by c.12% y-o-y.

\*The National Bank of Georgia (NBG) administers a resolution fund, designed to bolster financial stability during crises. Starting in 2025, commercial banks are required to make ex-ante contributions proportionate to their asset share and risk profile, targeting a fund equal to 3% of insured deposits within eight years.

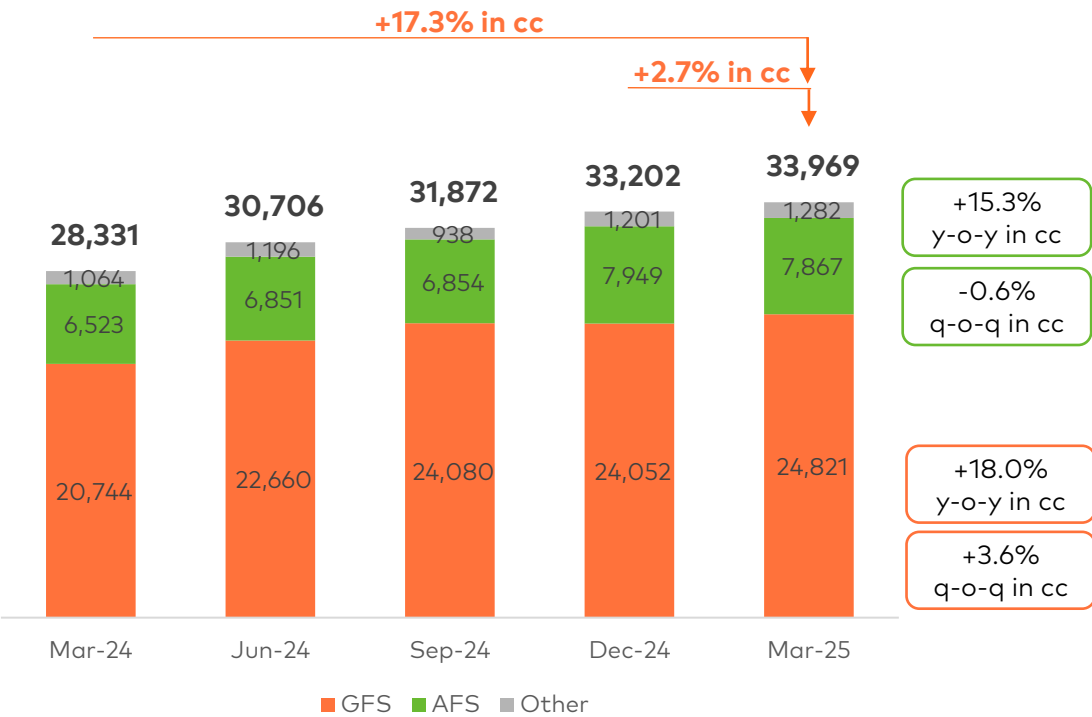
# Strong and broad-based year-on-year loan and deposit growth

All currency data are in GEL m unless otherwise stated

## Loan portfolio

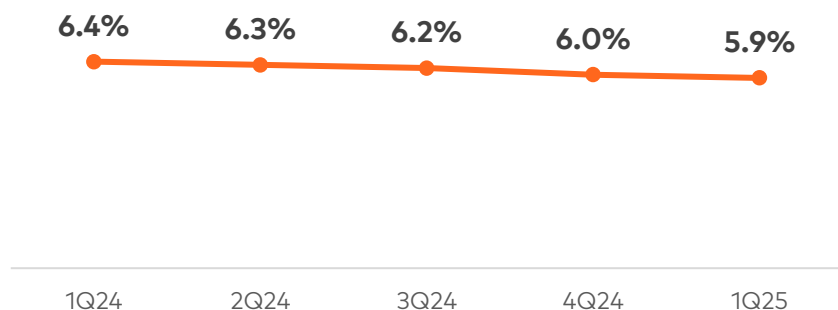


## Deposit portfolio

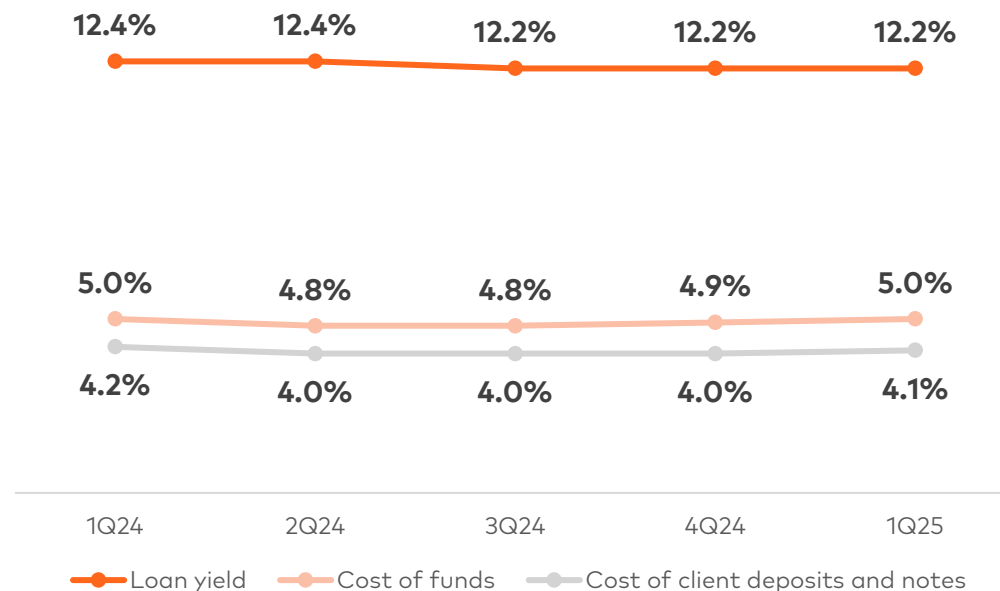


# Net interest margin impacted by higher liquidity maintained at GFS

## Net interest margin (Group)



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

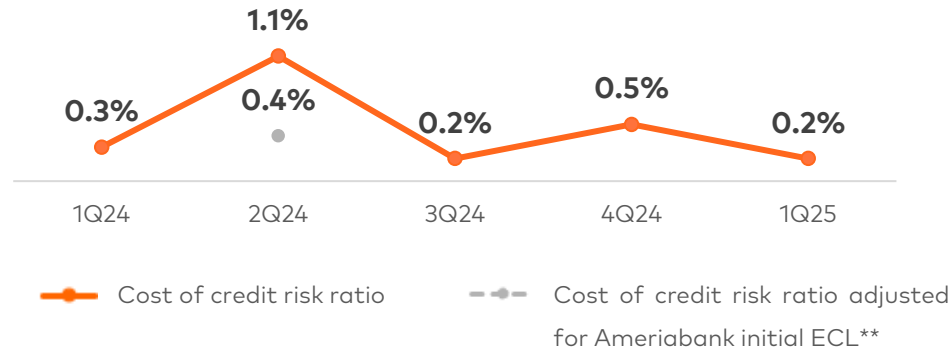


- In GFS, NIM stood at 5.7%, down 0.6 ppts y-o-y. Although the core lending margin was slightly up in the y-o-y perspective, the overall margin was negatively impacted by the higher-than-usual liquidity – this represents an upside as we deploy excess liquidity moving forward.

# Robust asset quality maintained across the business

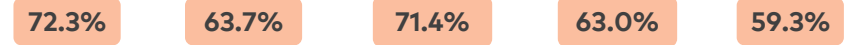
All currency data are in GEL m unless otherwise stated

## Cost of credit risk ratio (Group)\*

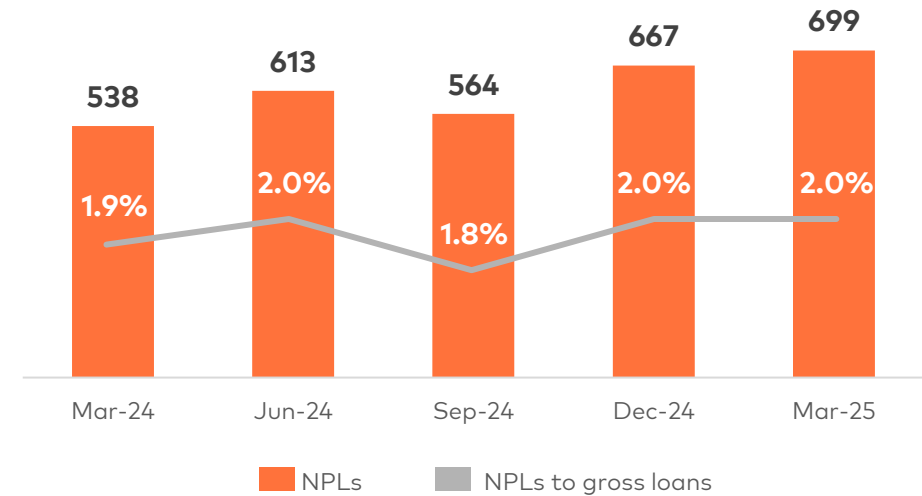
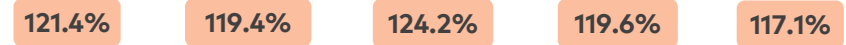


## Loan portfolio quality (Group)

### NPL coverage\*\*\*



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



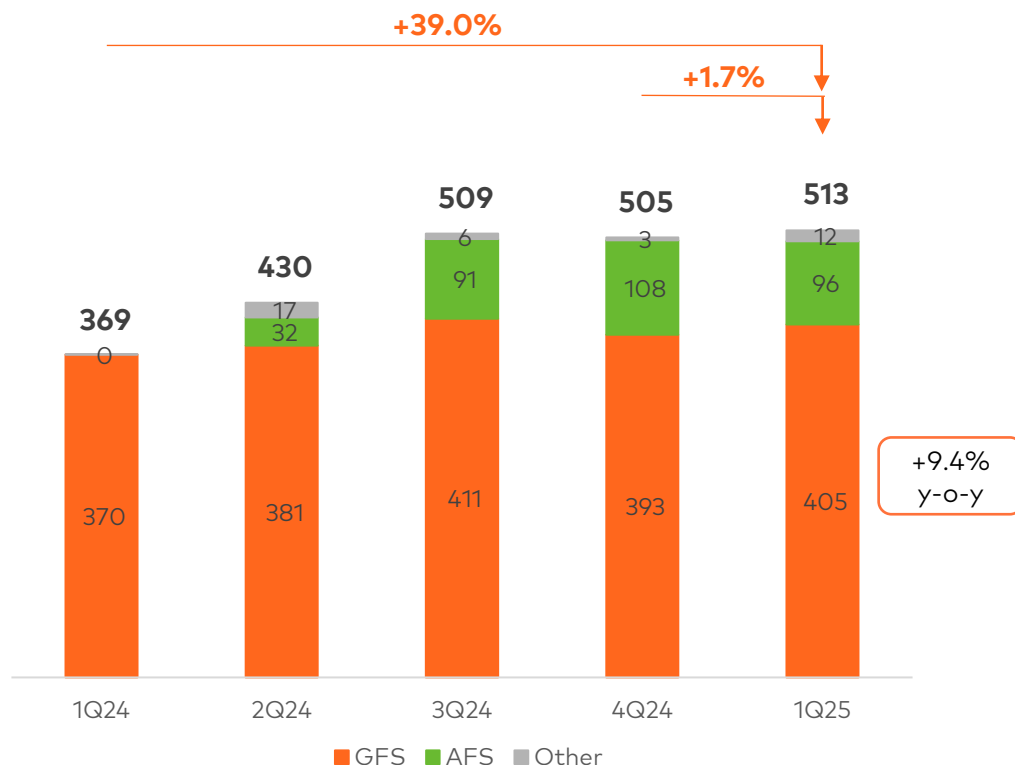
\*For 1Q24, cost of credit risk ratio was adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

\*\*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 figure was restated to incorporate collateral cap up to outstanding loan amount for Ameriabank and ensure better presentation in line with the group policy.

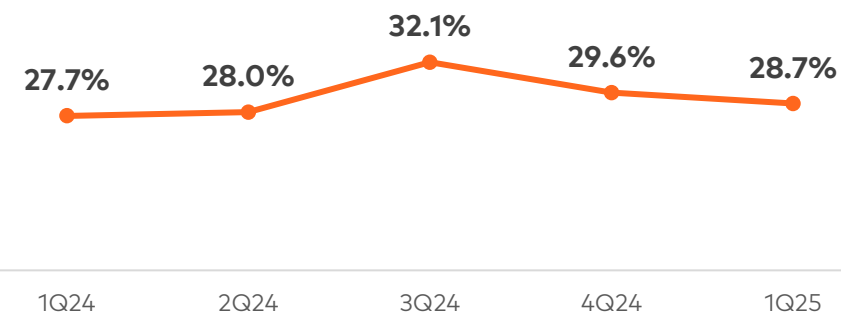
# Maintaining high profitability levels

## Profit (Group)\*

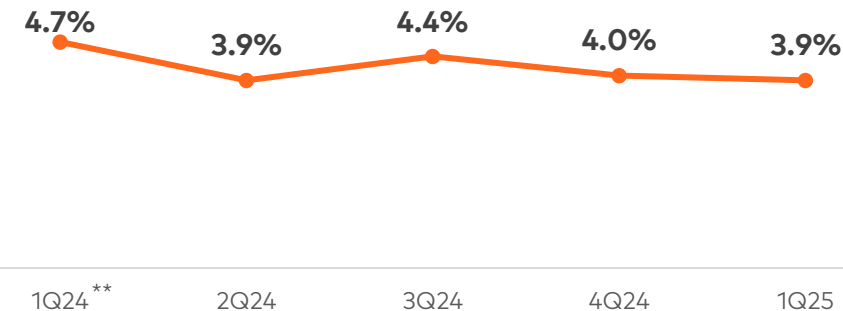


## ROAE (Group)\*

All currency data are in GEL m unless otherwise stated



## ROAA (Group)\*

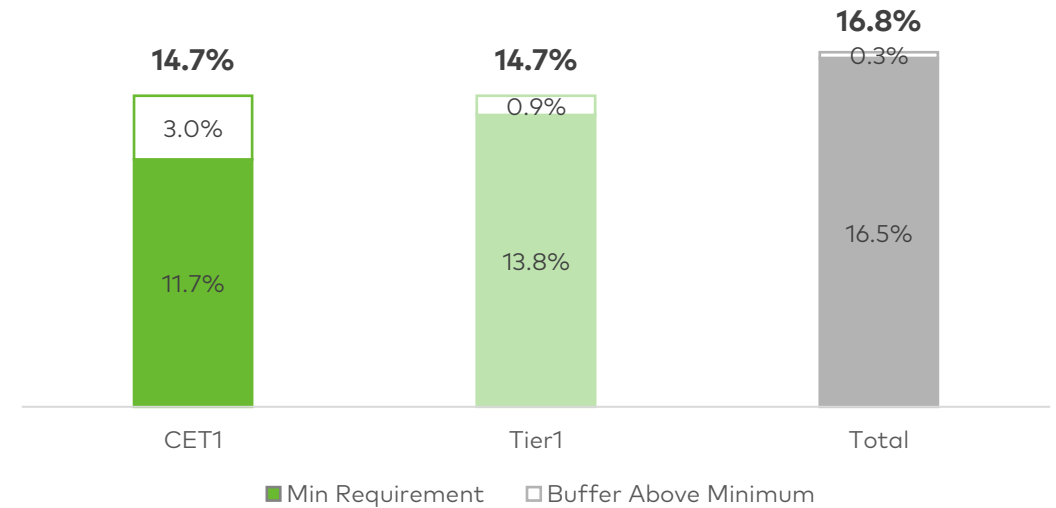
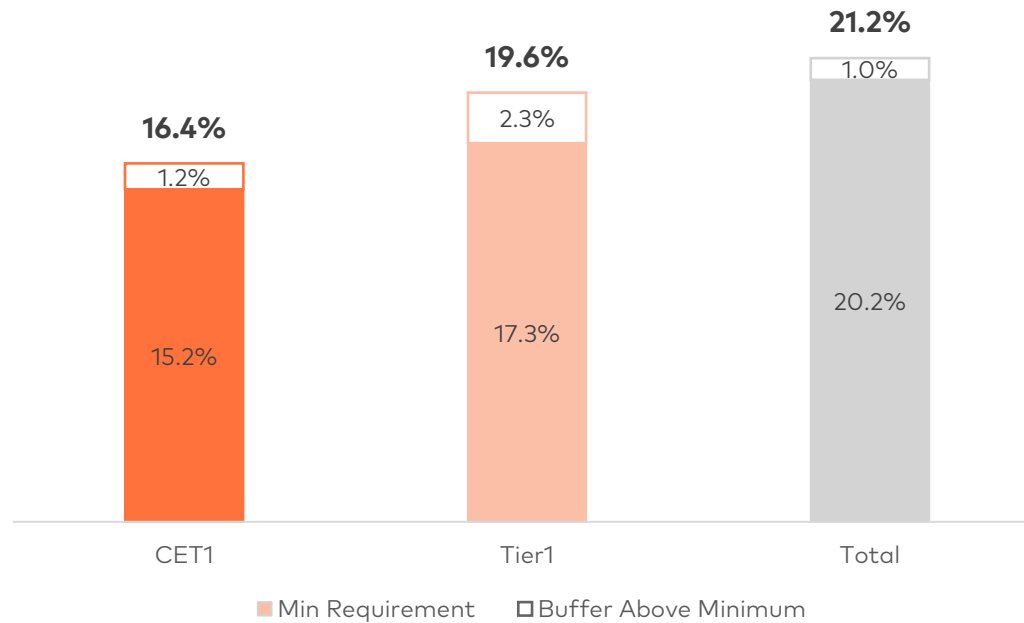


\*2024 figures were adjusted for one-off items related to the Ameriabank acquisition at AFS: a net one-off impact of GEL 668.8 million in 1Q24, comprising a bargain purchase gain and acquisition-related costs, GEL 0.7 million reversal of a previously expensed advisory fee (2Q24), and GEL 2.7 million reversal of a previously expensed advisory fee (4Q24). Operating income before cost of risk and subsequent lines in the income statement as well as ROAE and ROAA in 1Q24, 2Q24 and 4Q24 were adjusted for these one-off items respectively.

\*\*For 1Q24, ROAA was adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

# Solid capital position at BOG; Ameriabank's capital ratio set to improve

As at 31 March 2025



# Strong liquidity positions, well above the 100% minimum requirements

As at 31 March 2025



NBG Liquidity  
coverage ratio  
**133.5%**

NBG Net stable  
funding ratio  
**131.4%**

CBA Liquidity  
coverage ratio  
**229.8%**

CBA Net stable  
funding ratio  
**126.5%**

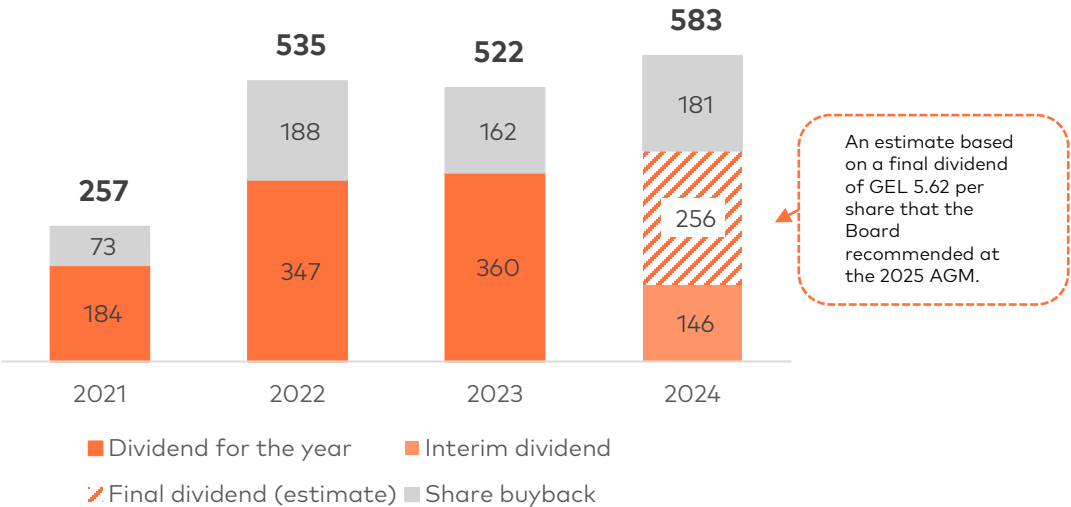
# Creating long-term shareholder value

## Capital distribution

GEL millions

Target: 30-50% dividend and buyback payout ratio

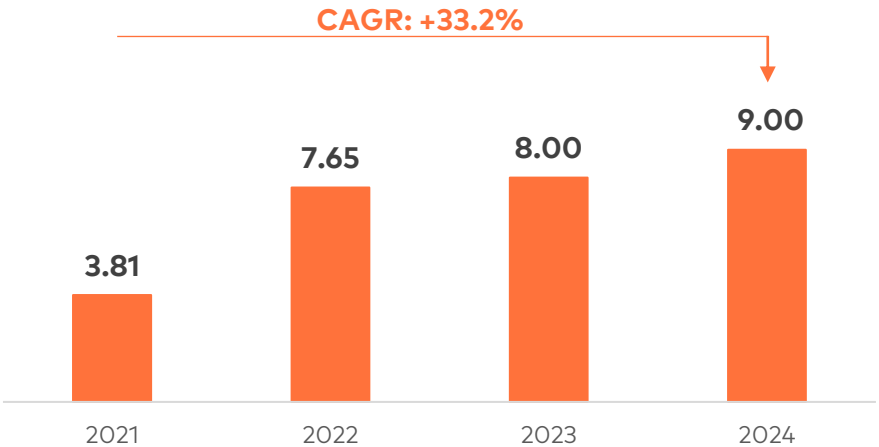
PAYOUT RATIO\*: 35% 37% 37% 31%



As at 15 May, the share buyback and cancellation programme, which was extended by the Board through an additional allocation of GEL 107.7 million, remains ongoing.

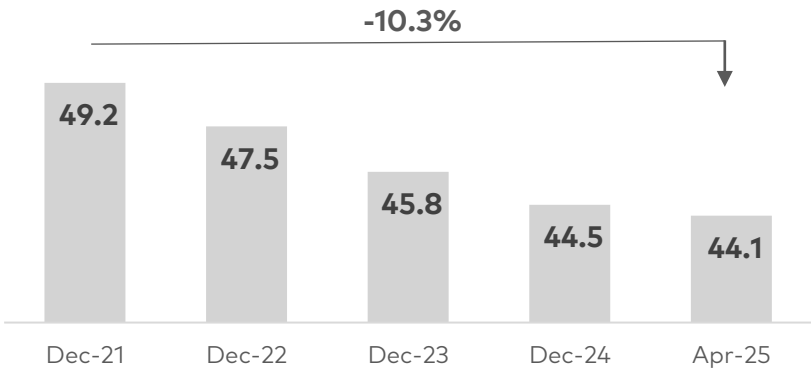
## Total dividend per share

GEL



## 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.

# Get in touch

## Company information

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Our ticker is "BGEO"

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## Social media

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