JSC Bank of Georgia and Subsidiaries
Interim Consolidated Financial Statements

30 June 2024

CONTENTS

INDEPENDENT REVIEW REPORT

Interim consolidated statement of financial position 5
Interim consolidated income statement 6
Interim consolidated statement of comprehensive income 7
Interim consolidated statement of changes in equity 8
Interim consolidated statement of cash flows 9

SELECTED EXPLANATORY NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Principal activities 9
2. Basis of preparation 9
3. Summary of significant accounting policies 10
4. Significant accounting judgements and estimates 11
5. Segment information 14
6. Cash and cash equivalents 17
7. Amounts due from credit institutions 17
8. Investment securities 18
9. Loans to customers, factoring and finance lease receivables 19
10. Taxation 34
11. Other assets and other liabilities 34
12. Client deposits and notes 35
13. Amounts owed to credit institutions 36
14. Debt securities issued 37
15. Commitments and contingencies 38
16. Equity 38
17. Net interest income 40
18. Net fee and commission income 40
19. Cost of risk 41
20. Net other gain/(losses) 41
21. Risk management 42
22. Fair value measurements 43
23. Maturity analysis of financial assets and liabilities 45
24. Related party disclosures 47
25. Capital adequacy 48

Building a better working world

შპს იუაი
საქართველო, 0105, თბილისი
კოტე აფხაზის ქუჩა 44
ტელ: +995 (32) 215 8811
www.ey.com/ge
www.facebook.com/EYGeorgia

EY LLC
44 Kote Abkhazi street
Tbilisi, 0105, Georgia
Tel: +995 (32) 215 8811
www.ey.com/ge
www.facebook.com/EYGeorgia

Report on Review of Interim Financial Information

To the Shareholders and Supervisory Board of JSC Bank of Georgia

Introduction

We have reviewed the accompanying interim consolidated financial statements of JSC Bank of Georgia and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 June 2024 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ruslan Khoroshvili (SARAS-A-615243)

On behalf of EY LLC (SARAS-F-855308)

16 August 2024

Tbilisi, Georgia

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Thousands of Georgian Lari)

	Notes	As at 30 June 2024 (unaudited)	As at 31 December 2023
Assets			
Cash and cash equivalents	6	2,372,258	3,042,832
Amounts due from credit institutions	7	1,890,627	1,752,658
Investment securities	8	7,007,118	4,880,815
Loans to customers, factoring and finance lease receivables	9	22,384,175	20,248,067
Accounts receivable and other loans		7,477	3,530
Prepayments		54,746	32,032
Investments in associates *	4	509,263	9,537
Foredosed assets		302,316	271,712
Right-of-use assets		143,518	134,422
Investment properties		128,189	127,924
Property and equipment		413,975	404,303
Goodwill		33,453	33,453
Intangible assets		162,728	144,357
Income tax assets	10	386	464
Other assets*	11	287,911	280,615
Assets held for sale		21,488	27,389
Total assets		**35,719,628**	**31,394,110**
Liabilities			
Client deposits and notes	12	23,916,793	20,776,816
Amounts owed to credit institutions	13	5,088,229	5,133,029
Debt securities issued	14	1,044,664	421,359
Lease liability		155,591	137,554
Accruals and deferred income		110,173	124,397
Income tax liabilities	10	65,006	199,058
Other liabilities	11	435,075	149,847
Total liabilities		**30,815,531**	**26,942,060**
Equity	16		
Share capital		27,994	27,994
Additional paid-in capital		117,204	151,336
Treasury shares		(11)	(11)
Other reserves		(13,831)	2,087
Retained earnings		4,772,741	4,270,644
Total equity		**4,904,097**	**4,452,050**
Total liabilities and equity		**35,719,628**	**31,394,110**

Signed and authorised for release on behalf of the Management Board and the Supervisory Board:

Archil Gachechiladze	Chief Executive Officer
Sulkhan Gvalia	Chief Financial Officer
Mel Carvill	Supervisory Board Chairman
16 August 2024	

**To improve the quality and understandability of its consolidated statement of financial position, the Group has revisited the presentation of Investments in associates and other assets. Further details are disclosed in Note 3*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Thousands of Georgian Lari)

	Notes	As at 30 June 2024 (unaudited)	As at 31 December 2023
Assets			
Cash and cash equivalents	6	2,372,258	3,042,832
Amounts due from credit institutions	7	1,890,627	1,752,658
Investment securities	8	7,007,118	4,880,815
Loans to customers, factoring and finance lease receivables	9	22,384,175	20,248,067
Accounts receivable and other loans		7,477	3,530
Prepayments		54,746	32,032
Investments in associates *	4	509,263	9,537
Foredosed assets		302,316	271,712
Right-of-use assets		143,518	134,422
Investment properties		128,189	127,924
Property and equipment		413,975	404,303
Goodwill		33,453	33,453
Intangible assets		162,728	144,357
Income tax assets	10	386	464
Other assets*	11	287,911	280,615
Assets held for sale		21,488	27,389
Total assets		**35,719,628**	**31,394,110**
Liabilities			
Client deposits and notes	12	23,916,793	20,776,816
Amounts owed to credit institutions	13	5,088,229	5,133,029
Debt securities issued	14	1,044,664	421,359
Lease liability		155,591	137,554
Accruals and deferred income		110,173	124,397
Income tax liabilities	10	65,006	199,058
Other liabilities	11	435,075	149,847
Total liabilities		**30,815,531**	**26,942,060**
Equity	16		
Share capital		27,994	27,994
Additional paid-in capital		117,204	151,336
Treasury shares		(11)	(11)
Other reserves		(13,831)	2,087
Retained earnings		4,772,741	4,270,644
Total equity		**4,904,097**	**4,452,050**
Total liabilities and equity		**35,719,628**	**31,394,110**

Signed and authorised for release on behalf of the Management Board and the Supervisory Board:

Archil Gachechiladze — Chief Executive Officer

Sulkhan Gvalia — Chief Financial Officer

Mel Carvill — Supervisory Board Chairman

16 August 2024

**To improve the quality and understandability of its consolidated statement of financial position, the Group has revisited the presentation of Investments in associates and other assets. Further details are disclosed in Note 3*

INTERIM CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Interest income calculated using EIR method		1,575,326	1,281,371
Other interest income		4,492	8,970
Interest income		**1,579,818**	**1,290,341**
Interest expense		(683,538)	(524,148)
Deposit insurance fees		(14,512)	(9,774)
Net interest income	17	**881,768**	**756,419**
Fee and commission income		372,276	322,114
Fee and commission expense		(182,689)	(178,977)
Net fee and commission income	18	**189,587**	**143,137**
Net foreign currency gain		207,204	181,371
Net losses on extinguishment of debt		4	(24)
Net other gains	20	15,400	93,732
Operating income		**1,293,963**	**1,174,635**
Salaries and other employee benefits		(211,692)	(180,879)
Administrative expenses		(95,155)	(78,142)
Depreciation, amortisation and impairment		(56,977)	(51,882)
Other operating expenses		(3,227)	(1,439)
Operating expenses		**(367,051)**	**(312,342)**
Profit from associates	4	222,471	397
Operating income before cost of risk		**1,149,383**	**862,690**
Expected credit loss on loans to customers	19	(43,690)	(77,849)
Expected credit loss on finance lease receivables	19	388	189
Other expected credit loss recovery/(losses)	19	(7,228)	7,331
Impairment charge on other assets and provisions	19	(4,423)	(8,144)
Cost of risk		**(54,953)**	**(78,473)**
Net operating income before non-recurring items		**1,094,430**	**784,217**
Net non-recurring items		-	(59)
Profit before income tax expense		**1,094,430**	**784,158**
Income tax expense	10	(135,060)	(118,746)
Profit for the Period		**959,370**	**665,412**
Basic and diluted earnings per share	16	34.2845	23.7784

The accompanying selected explanatory Notes on pages 10 to 48 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Profit for the period		**959,370**	**665,412**
Other comprehensive income (loss)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent period:			
– Net change in fair value on investments in debt instruments measured at fair value through other comprehensive income (FVOCI)	8	(52,187)	33,133
– Realised gain on financial assets measured at FVOCI		(619)	(13,968)
–Change in allowance for expected credit losses on investments in debt instruments measured at FVOCI redassified to the consolidated income statement		1,601	356
– Loss from currency translation differences		8,502	(7,877)
– Equity-accounted investees – share of OCI	4	28,252	-
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent period		**(14,451)**	**11,644**
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent period:			
– Net gain/(loss) on investments in equity instruments designated at FVOCI		(569)	533
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		**(569)**	**533**
Other comprehensive income (loss) for the period, net of tax		**(15,020)**	**12,177**
Total comprehensive income for the period		**944,350**	**677,589**

The accompanying selected explanatory Notes on pages 10 to 48 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

(Thousands of Georgian Lari)

	Share capital	*Additional paid-in capital*	*Treasury shares*	*Other reserves*	*Retained earnings*	*Total equity*
31 December 2022	**27,994**	**190,033**	**(10)**	**(4,304)**	**3,573,655**	**3,787,368**
Profit for the six months ended 30 June 2023 (unaudited)	-	-	-	-	665,412	665,412
Other comprehensive income for the six months ended 30 June 2023 (unaudited)	-	-	-	17,033	(4,856)	12,177
Total comprehensive income for the six months ended 30 June 2023 (unaudited)	**-**	**-**	**-**	**17,033**	**660,556**	**677,589**
Increase in equity arising from share-based payments	-	43,718	-	-	-	43,718
Dividends to shareholders of the Bank (Note 16)	-	-	-	-	(410,999)	(410,999)
Contributions under share-based payment plan	-	(73,670)	-	-	-	(73,670)
30 June 2023 (unaudited)	**27,994**	**160,081**	**(10)**	**12,729**	**3,823,212**	**4,024,006**
31 December 2023	**27,994**	**151,336**	**(11)**	**2,087**	**4,270,644**	**4,452,050**
Profit for the six months ended 30 June 2024 (unaudited)	-	-	-	-	959,370	959,370
Other comprehensive loss for the six months ended 30 June 2024 (unaudited)	-	-	-	(15,918)	898	(15,020)
Total comprehensive income (loss) for the six months ended 30 June 2024 (unaudited)	**-**	**-**	**-**	**(15,918)**	**960,268**	**944,350**
Increase in equity arising from share-based payments	-	39,171	-	-	-	39,171
Dividends to shareholders of the Bank (Note 16)	-	-	-	-	(458,171)	(458,171)
Contributions under share-based payment plan	-	(73,303)	-	-	-	(73,303)
30 June 2024 (unaudited)	**27,994**	**117,204**	**(11)**	**(13,831)**	**4,772,741**	**4,904,097**

The accompanying selected explanatory Notes on pages 10 to 48 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Cash flows from operating activities			
Interest received		1,525,679	1,253,167
Interest paid		(616,336)	(454,627)
Fees and commissions received		366,050	346,819
Fees and commissions paid		(182,689)	(178,977)
Net cash inflow from real estate		3,081	105,254
Net realised gains from foreign currencies		191,921	173,047
Recoveries of loans to customers previously written off		21,063	17,477
Cash received from (paid for) derivatives		222	-
Other income received		1,707	5,967
Salaries and other employee benefits paid		(172,521)	(137,161)
General and administrative and operating expenses paid		(69,159)	(73,099)
Cash flows from operating activities before changes in operating assets and liabilities		**1,069,018**	**1,057,867**
Net (increase)/ decrease in operating assets			
Amounts due from credit institutions		(79,831)	387,837
Loans to customers, factoring and finance lease receivables		(1,914,297)	(1,737,078)
Prepayments and other assets		(14,660)	(21,431)
Foredosed assets		30,316	1,531
Net increase/ (decrease) in operating liabilities			
Amounts due to credit institutions		(161,096)	(2,048,661)
Debt securities issued		76	35,286
Client deposits and notes		2,621,974	1,893,413
Other liabilities		(57,981)	(83,954)
Net cash flows from (used in) operating activities before income tax		**1,493,519**	**(515,190)**
Income tax paid		(269,034)	(61,559)
Net cash flows from (used in) operating activities		**1,224,485**	**(576,749)**
Cash flows used in investing activities			
Net purchases of investment securities		(1,972,603)	(224,317)
Purchase of investments in associates	4	(232,075)	-
Purchase of investments in subsidiaires		-	(79)
Proceeds from sale of investment properties and assets held for sale		13,882	28,639
Proceeds from sale of property and equipment and intangible assets		3,150	71
Purchase of property and equipment and intangible assets		(74,553)	(65,915)
Dividends received		802	696
Net cash flows used in investing activities		**(2,261,397)**	**(260,905)**
Cash flows from (used in) financing activities			
Repurchase of debt securities issued	14	-	(20,980)
Repayment of the principal portion of the debt securities issued	14	(283,570)	(23,480)
Proceeds from Tier 2 notes issued	14	26,876	-
Proceeds from Additional Tier 1 notes	14	800,970	-
Cash payments for the principal portion of the lease liability		(17,264)	(16,604)
Dividends paid	16	(185,653)	(409,723)
Contributions under share-based payment plan		(73,303)	(107,281)
Net cash from (used in) financing activities		**268,056**	**(578,068)**
Effect of exchange rates changes on cash and cash equivalents		98,133	(28,774)
Effect of expected credit losses on cash and cash equivalents		149	210
Net decrease in cash and cash equivalents		**(670,574)**	**(1,444,286)**
Cash and cash equivalents, beginning of the period	6	**3,042,832**	**3,495,728**
Cash and cash equivalents, end of the period	6	**2,372,258**	**2,051,442**

The accompanying selected explanatory Notes on pages 10 to 48 are an integral part of these interim consolidated financial statements.

1. Principal activities

JSC Bank of Georgia was established on 21 October 1994 as a joint stock company ("JSC") under the laws of Georgia. The Bank operates under a general banking licence issued by the National Bank of Georgia ("NBG"; the Central Bank of Georgia) on 15 December 1994.

The Bank accepts deposits from the public and extends credit, transfers payments in Georgia and internationally, and exchanges currencies. Its main office is in Tbilisi, Georgia. At 30 June 2024, the Bank has 182 operating outlets in all major cities of Georgia (31 December 2023: 189). The Bank's registered legal address is 29a Gagarini Street, Tbilisi 0160, Georgia. The Bank's identification number is 204378869.

As at 30 June 2024 Bank of Georgia Group PLC ("BOGG") represented the ultimate parent company of the Bank.

The Bank, its subsidiaries and a material associate operating in Armenia make up a group of companies (the "Group") mainly incorporated in Georgia, Belarus and Armenia. Primary business activities include providing banking services to corporate and individual customers. The Bank is the Group's main operating unit and accounts for most of the Group's activities.

As at 30 June 2024, 31 December 2023, JSC BGEO Group ("JSC BGEO") was the principal shareholder of the Bank:

	As at	
Shareholder	***30 June 2024 (unaudited)***	***31 December 2023***
JSC BGEO Group	99.56%	99.56%
Others*	0.44%	0.44%
Total	**100.00%**	**100.00%**

* Shares listed on the Georgian Stock Exchange

2. Basis of preparation

General

These interim consolidated financial statements for the six months ended 30 June 2024 were prepared, in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The preparation of the interim consolidated financial statements requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim consolidated financial statements. Although these estimates and assumptions are based on management's best judgment at the date of the interim consolidated financial statements, actual results may differ from these estimates.

Assumptions and significant estimates other than disclosed in these interim consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2023, signed and authorized for release on 1 April 2024.

These interim consolidated financial statements are presented in thousands of Georgian Lari ("GEL"), except per share amounts, which are presented in Georgian Lari, and unless otherwise noted.

The interim consolidated financial statements are unaudited, reviewed by the auditors and their review conclusion is included in this report.

Going concern

The Bank's Management Board has made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for a period of at least twelve months from the date of approval of the financial statements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern for the foreseeable future. Therefore, the financial statements continue to be prepared on the going concern basis.

3. Summary of significant accounting policies

The accounting policies and methods of computation applied in the preparation of these interim consolidated financial statements are consistent with those disclosed in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2023.

Basis of consolidation

The accounting policies and methods of computation applied in the preparation of these interim consolidated financial statements are consistent with those disclosed in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2023.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

Amendments effective from 1 January 2024

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments did not have any material effect on the Group's interim consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments did not have any material effect on the Group's interim consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement;
• That a right to defer must exist at the end of the reporting period;
• That classification is unaffected by the likelihood that an entity will exercise its deferral right;
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments had no impact on the Group's interim consolidated financial statements.

3. Summary of significant accounting policies (continued)

Reclassifications

To improve the quality and understandability of its interim consolidated statement of financial position the Group has revisited the presentation of investments in associates and other assets. The Group considered it more appropriate to present investments in associates separately from other assets. Comparative amounts were reclassified in line with the updated presentation.

The following reclassifications were made to year ended 31 December 2023 consolidated statement of financial position to conform to the period ended 30 June 2024 presentation requirements:

Consolidated statement of financial position for the year ended 31 December 2023	***As previously reported***	***Reclassification***	***As reclassified***
Investments in associates	-	9,537	9,537
Other assets	290,152	(9,537)	280,615

4. Significant accounting judgements and estimates

In the process of applying the Group's accounting policies, the Board of Directors and management use their judgement and make estimates in determining the amounts recognised in the interim consolidated financial statements. Key judgments and estimates are summarized below.

Forward-looking information

Forward-looking variable assumptions

To incorporate forward-looking information into the Group's allowance for credit losses, the Group uses the macroeconomic forecasts provided by National Bank of Georgia for Group companies operating in Georgia, while data used by Belarusky Narodny Bank ("BNB") is provided by a non-governmental research centre operating in Belarus. Macroeconomic variables covered by these forecasts and which the Group incorporated in its ECL model, include: GDP growth, foreign exchange rate and inflation rate.

The most significant period end assumptions used for ECL estimate as at 30 June 2024 per geographical segments are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

Georgia

Key drivers	**ECL scenario**	**Assigned weight**	**As at 30 June 2024**			**Assigned weight**	**As at 31 December 2023**		
			2024	**2025**	**2026**		**2024**	**2025**	**2026**
GDP growth in %									
	Upside	25%	6.00%	6.00%	6.00%	25%	6.50%	5.50%	5.00%
	Base case	50%	5.60%	5.60%	5.60%	50%	5.00%	4.50%	5.00%
	Downside	25%	5.00%	5.00%	5.00%	25%	3.00%	4.00%	5.00%
GEL/USD exchange rate									
	Upside	25%	5.00%	5.00%	5.00%	25%	3.00%	2.00%	0.00%
	Base case	50%	0.00%	0.00%	0.00%	50%	0.00%	0.00%	0.00%
	Downside	25%	-10.00%	-10.00%	-10.00%	25%	-15.00%	0.00%	5.00%
CPI inflation rate in %									
	Upside	25%	2.00%	2.00%	2.00%	25%	3.25%	3.00%	3.00%
	Base case	50%	1.50%	1.50%	1.50%	50%	3.60%	3.10%	3.00%
	Downside	25%	3.50%	3.50%	3.50%	25%	5.00%	4.00%	3.00%

The above information is based on the latest available macroeconomic forecasts provided by the NBG.

4. Significant accounting judgements and estimates (continued)

Forward-looking variable assumptions (continued)

Belarus

Key drivers	ECL scenario	Assigned weight	As at 30 June 2024		Assigned weight	As at 31 December 2023	
			2024	2025		2024	2025
GDP growth in %							
	Upside	25%	3.77%	3.13%	25%	3.77%	3.13%
	Base case	50%	1.95%	0.49%	50%	1.95%	0.49%
	Downside	25%	0.14%	-2.15%	25%	0.14%	-2.15%
BYN/USD exchange rate %							
	Upside	25%	0.66%	0.62%	25%	0.66%	0.62%
	Base case	50%	1.00%	1.23%	50%	1.00%	1.23%
	Downside	25%	1.31%	1.77%	25%	1.31%	1.77%
CPI inflation rate in %							
	Upside	25%	-0.09%	-0.52%	25%	-0.09%	-0.52%
	Base case	50%	1.94%	1.82%	50%	1.94%	1.82%
	Downside	25%	3.86%	4.01%	25%	3.86%	4.01%

The above information is based on the latest available published macroeconomic forecasts.

All other parameters held constant, increase in GDP growth, appreciation of local currency and decrease of inflation would result in a decrease in ECL, with opposite changes resulting in an ECL increase. GDP growth input has the most significant impact on ECL, followed by foreign exchange rate and inflation. Retail portfolio ECL is less affected by foreign exchange rate inputs due to the larger share of GEL-denominated exposures. However, the retail portfolio ECL is affected by inflation, which does not have a significant impact on corporate ECL.

The table below shows the sensitivity of the recognised ECL amounts to the forward looking assumptions used in the model. For these purposes, 100% weight is assigned to each macroeconomic scenario separately and the respective ECL is recalculated.

Sensitivity of ECL to forward looking assumptions

	As at 30 June 2024				
	Reported ECL	*Reported ECL coverage*	*ECL coverage by scenarios*		
Key drivers			*Upside*	*Base case*	*Downside*
Commercial loans	108,872	1.37%	1.33%	1.36%	1.43%
Residential mortgage loans	20,638	0.44%	0.43%	0.43%	0.44%
Micro and SME loans	79,997	1.84%	1.82%	1.84%	1.87%
Consumer loans	130,761	2.41%	2.34%	2.38%	2.52%
Gold – pawn loans	1,172	0.79%	0.79%	0.79%	0.79%

	As at 31 December 2023				
	Reported ECL	*Reported ECL coverage*	*ECL coverage by scenarios*		
Key drivers			*Upside*	*Base case*	*Downside*
Commercial loans	98,359	1.40%	1.37%	1.40%	1.44%
Residential mortgage loans	22,748	0.50%	0.49%	0.50%	0.51%
Micro and SME loans	71,661	1.76%	1.74%	1.76%	1.78%
Consumer loans	131,633	2.80%	2.75%	2.79%	2.86%
Gold – pawn loans	1,389	0.92%	0.92%	0.92%	0.93%

Fair value of financial instruments (Note 22)

Where the fair values of financial assets and financial liabilities recorded in the interim consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

4. Significant accounting judgements and estimates (continued)

Measurement of fair value of investment properties

The Group performs valuations of its investment properties with a sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The last date of valuation of investment properties was 31 December 2022.

In order to identify whether there was any significant change in the real estate market since the last revaluation that could indicate that investment properties are not stated at fair value as at the reporting date, the Group hired an independent valuator to perform real estate market research. The research result revealed upward trend in property prices in GEL equivalent terms, however the effect has been assessed as not significant.

Acquisition of an investment in associate

On 31 March 2024, with reference to Share Purchase Agreement (SPA) dated 18 February 2024, JSC Bank of Georgia acquired 30% of the share capital of Ameriabank CJSC, one of the leading banks operating in Armenia. Consideration transferred for the investment was GEL 248,859, of which GEL 231,129 was paid in cash and GEL 17,730 is deferred and due to settled by the end of 2024. The fair value of the net assets acquired attributable to the Group was GEL 1,515,412. The fair value of the net assets acquired attributable to the Bank was GEL 454,624. The acquisition-related costs capitalized to cost of investments in 2024 was GEL 946. The Group accounts investment in Ameriabank CJSC as an investment in associate under IAS 28 applying equity method.

During the period ended 30 June 2024, the Group recognized a gain of GEL 205,765 from a bargain purchase related to acquisition its 30% investment in Ameriabank CJSC, being the difference between consideration payable and the Group's share in the net assets acquired.

For the period ended 30 June 2024, the results from the associate recognized in profit or loss and other comprehensive income comprises:

Share of post-acquisition profit or loss of associates	GEL 16,117
Bargain purchase gain at acquisition of associate	GEL 205,765
Total profit from associate	**GEL 221,882**
Share of OCI of associate	GEL 28,252
Total comprehensive income from associate	**GEL 250,134**

The carrying value of investment in Ameriabank CJSC as at 30 June 2024 amounted to GEL 499,939.

Significant judgment is involved in estimating the fair value of net assets attributable to the Group at the acquisition date. As at 30 June 2024, the Group is in process to finalize the estimation of fair value of certain assets and liabilities of the associate at acquisition date (such as customer-related intangible assets, trademark, loan portfolio, long-term financial liabilities and other).

5. Segment information

Management reviews the Group's internal reporting in order to assess performance and to allocate resources. During 2024, the Group reconsidered the segmentation by aggregating segments under respective business divisions considering geography, business nature and other economic characteristics. Further, the Group separated Corporate Center (CC) as a segment under Georgian Financial Services business division. The comparative figures have been restated accordingly to reflect this change.

For management purposes, the Group is organised into the following business lines and respective operating segments:

Georgian Financial Services business division:

RB - Retail Banking (excluding Retail Banking of BNB) – principally provides consumer loans, mortgage loans, overdrafts, credit cards and other credit facilities, funds transfers and settlement services, and handling of customers' deposits for both individuals and legal entities. The Retail Banking business targets the mass retail, mass affluent and high-net-worth client segments.

SME - SME Banking (excluding SME Banking of BNB) – principally provides SME loans, micro loans, consumer and mortgage loans, funds transfers and settlement services, and handling of customers' deposits for legal entities. The SME Banking business targets small and medium-sized enterprises and micro businesses.

CB - Corporate Banking - principally provides loans and other credit facilities, funds transfers and settlement services, trade finance services, documentary operations support and handles saving and term deposits for corporate and institutional customers.

CC - Corporate center – comprises mainly treasury and custody operations.

Other businesses:

Other - Mainly comprising JSC Belarusky Narodny Bank, principally providing retail and corporate banking services in Belarus, gain from associate operating in Armenia and respective eliminations.

Segment performance, as explained in the table below, is measured in the same manner as profit or loss in the consolidated income statement.

Transactions between operating segments are on an arm's length basis in a similar manner to transactions with third parties.

The Group's operations are primarily concentrated in Georgia, except for BNB, which operates in Belarus and associate that operates in Armenia.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's operating income in 6 months of 2024 or 2023.

5. Segment information (continued)

The following table presents the income statement and certain asset and liability information regarding the Group's operating segments as at and for the six months period ended 30 June 2024:

	Retail Banking	*SME*	*Corporate Banking*	*Corporate center*	*Eliminations*	**Georgian Financial Services**	**Other**	**Group Total**
Net interest income	*457,893*	*131,319*	*259,356*	*5,175*	-	853,743	28,025	881,768
Net fee and commission income	*139,314*	*17,848*	*28,745*	*1,249*	-	187,156	2,431	189,587
Net foreign currency gain	*81,632*	*20,286*	*49,476*	*29,758*	-	181,152	26,052	207,204
Net gains/(losses) on extinguishment of debt	-	-	-	-	-	-	4	4
Net other gains/(losses)	*5,578*	*2,233*	*5,623*	*923*	*(43)*	14,314	1,086	15,400
Operating income	***684,417***	***171,686***	***343,200***	***37,105***	***(43)***	**1,236,365**	**57,598**	**1,293,963**
Operating expenses	*(216,247)*	*(50,214)*	*(53,917)*	*(14,872)*	*43*	(335,207)	(31,844)	(367,051)
Profit from associates	-	-	-	*222,471*	-	222,471	-	222,471
Operating income before cost of risk	***468,170***	***121,472***	***289,283***	***244,704***	**-**	**1,123,629**	**25,754**	**1,149,383**
Cost of risk	*(19,751)*	*(17,094)*	*(10,508)*	*(1,060)*	-	(48,413)	(6,540)	(54,953)
Net operating income before non-recurring items	***448,419***	***104,378***	***278,775***	***243,644***	**-**	**1,075,216**	**19,214**	**1,094,430**
Net non-recurring expense/loss	-	-	-	-	-	-	-	-
Profit before income tax	***448,419***	***104,378***	***278,775***	***243,644***	**-**	**1,075,216**	**19,214**	**1,094,430**
Income tax expense	*(76,352)*	*(17,554)*	*(46,983)*	*11,009*	-	(129,880)	(5,180)	(135,060)
Profit for the period	***372,067***	***86,824***	***231,792***	***254,653***	**-**	**945,336**	**14,034**	**959,370**
Assets and liabilities								
Total assets	*15,137,651*	*5,561,875*	*9,191,239*	*4,351,009*	*(921)*	34,240,853	1,478,775	35,719,628
Total liabilities	*13,429,499*	*4,813,843*	*7,504,857*	*3,792,582*	*(921)*	29,539,860	1,275,671	30,815,531
Other segment information								
Property and equipment	*33,291*	*3,582*	*1,078*	-	-	37,951	1,420	39,371
Intangible assets	*21,959*	*6,097*	*2,964*	-	-	31,020	3,544	34,564
Capital expenditure	***55,250***	***9,679***	***4,042***	**-**	**-**	**68,971**	**4,964**	**73,935**
Depreciation, amortisation and impairment	*(43,709)*	*(6,470)*	*(2,352)*	-	-	(52,531)	(4,446)	(56,977)

5. Segment information (continued)

The following table presents the income statement information regarding the Group's operating segments for the six months period ended 30 June 2023 and certain asset and liability information as at 31 December 2023:

	Retail Banking	*SME*	*Corporate Banking*	*Corporate center*	*Eliminations*	**Georgian Financial Services**	**Other**	**Group Total**
Net interest income	*354,990*	*130,043*	*241,956*	*7,675*	-	734,664	21,755	756,419
Net fee and commission income	*96,441*	*14,976*	*24,654*	*3,392*	-	139,463	3,674	143,137
Net foreign currency gain	*72,765*	*18,441*	*48,554*	*20,292*	-	160,052	21,319	181,371
Net gains/(losses) on extinguishment of debt	-	*(7)*	*(16)*	-	-	(23)	(1)	(24)
Net other income	*3,182*	*1,225*	*70,683*	*18,219*	*(40)*	93,269	463	93,732
Operating income	***527,378***	***164,678***	***385,831***	***49,578***	***(40)***	**1,127,425**	**47,210**	**1,174,635**
Operating expenses	*(178,844)*	*(43,894)*	*(47,303)*	*(8,200)*	*40*	(278,201)	(34,141)	(312,342)
Profit from associates	-	-	-	*397*	-	397	-	397
Operating income before cost of risk	***348,534***	***120,784***	***338,528***	***41,775***	**-**	**849,621**	**13,069**	**862,690**
Cost of risk	*(64,871)*	*(12,940)*	*(5,157)*	*1,368*	-	(81,600)	3,127	(78,473)
Net operating income before non-recurring items	***283,663***	***107,844***	***333,371***	***43,143***	**-**	**768,021**	**16,196**	**784,217**
Net non-recurring expense/loss	-	-	-	-	-	-	(59)	(59)
Profit before income tax	***283,663***	***107,844***	***333,371***	***43,143***	**-**	**768,021**	**16,137**	**784,158**
Income tax expense	*(45,986)*	*(17,580)*	*(53,814)*	*3,236*	-	(114,144)	(4,602)	(118,746)
Profit for the period	***237,677***	***90,264***	***279,557***	***46,379***	**-**	**653,877**	**11,535**	**665,412**
Assets and liabilities								
Total assets	*13,600,818*	*5,224,194*	*8,498,832*	*2,811,590*	*(880)*	30,134,554	1,259,556	31,394,110
Total liabilities	*11,964,056*	*4,541,098*	*7,000,703*	*2,328,184*	*(880)*	25,833,161	1,108,899	26,942,060
Other segment information								
Property and equipment	*30,666*	*2,916*	*1,124*	-	-	34,706	3,653	38,359
Intangible assets	*18,775*	*3,409*	*1,480*	-	-	23,664	2,167	25,831
Capital expenditure	***49,441***	***6,325***	***2,604***	**-**	**-**	**58,370**	**5,820**	**64,190**
Depreciation, amortisation and impairment	*(39,444)*	*(5,949)*	*(2,251)*	*(99)*	-	(47,743)	(4,139)	(51,882)

6. Cash and cash equivalents

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Cash on hand	770,077	966,670
Current accounts with credit institutions	410,247	650,630
Current accounts with central banks, exduding obligatory reserves	882,217	713,212
Time deposits with credit institutions with maturities of up to 90 days	310,052	712,786
Cash and cash equivalents, gross	**2,372,593**	**3,043,298**
Less – Allowance for expected credit loss	(335)	(466)
Cash and cash equivalents, net	**2,372,258**	**3,042,832**

Of the above cash and cash equivalents as at 30 June 2024, GEL 812,207 (31 December 2023: GEL 974,224) was placed on current and time deposit accounts with internationally recognised OECD banks and central banks that are the counterparties of the Group in performing international settlements. The Group earned up to 5.43% interest per annum on these deposits (31 December 2023: up to 10.35%). Management does not expect any losses from non-performance by the counterparties holding cash and cash equivalents, and there are no material differences between their book and fair values.

7. Amounts due from credit institutions

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Obligatory reserves with central banks	1,883,318	1,746,289
Restricted cash	8,343	7,263
Amounts due from credit institutions, gross	**1,891,661**	**1,753,552**
Less – Allowance for expected credit loss	(1,034)	(894)
Amounts due from credit institutions, net	**1,890,627**	**1,752,658**

Obligatory reserves with central banks represent amounts deposited with the NBG and National Bank of the Republic of Belarus (the "NBRB"). Credit institutions are required to maintain cash deposits (obligatory reserve) with the NBG and with the NBRB, the amount of which depends on the level of funds attracted by the credit institution. The Group's ability to withdraw these deposits is restricted by regulation. The Group did not earn interest on obligatory reserves with NBG and NBRB for the period ended 30 June 2024 and 31 December 2023.

8. Investment securities

	As at	
	30 June 2024 (unaudited)	31 December 2023
Investment securities measured at FVOCI - debt instruments	6,379,180	4,349,609
Investment securities designated as at FVOCI - equity investments	7,664	7,098
Investment securities measured at FVOCI	**6,386,844**	**4,356,707**

	As at	
	30 June 2024 (unaudited)	31 December 2023
Investment securities measured at amortized cost	620,673	524,433
Less: allowance for credit losses	(399)	(325)
Investment securities measured at amortized cost, net	**620,274**	**524,108**

	As at	
	30 June 2024 (unaudited)	31 December 2023
Ministry of Finance of Georgia treasury bonds	2,609,295	1,891,684
Ministry of Finance of Georgia treasury bills	211,126	155,955
Foreign treasury bills	2,640,845	1,621,219
Foreign treasury bonds	321,497	54,151
Certificates of deposit of central banks	13,875	10,855
Other debt instruments	582,542	615,745
Investment securities measured at FVOCI - debt instruments	**6,379,180**	**4,349,609**

Pledged Treasury bonds	30 June 2024 (unaudited)	31 December 2023
For short-term loans from the NBG	480,034	1,375,687
For deposits of Ministry of Finance of Georgia	947,202	-
For cash kept by the NBG at the Group's premises under cash custodian services	79,790	-
Total	**1,507,026**	**1,375,687**

Other debt instruments pledged	30 June 2024 (unaudited)	31 December 2023
For short-term loans from the NBG	-	127,685
For deposits of Ministry of Finance of Georgia	344,881	-
Total	**344,881**	**127,685**

Other debt instruments measured at FVOCI as at 30 June 2024 mainly comprises bonds issued by the European Bank for Reconstruction and Development of GEL 321,169 (31 December 2023: GEL 326,916), GEL-denominated bonds issued by International Finance Corporation of GEL 203,051 (31 December 2023: GEL 203,617), and GEL-denominated bonds issued by Asian Development Bank of GEL 30,490 (31 December 2023: GEL 30,594).

Foreign treasury bonds comprise of US Treasury Notes in amount of GEL 264,646 (31 December 2023: GEL 1,621,219) with maturity up to 6 months and Ministry of Finance of the Republic of Belarus treasury bonds in amount of GEL 56,711 (31 December 2023: GEL 54,151).

Investment securities measured at amortised cost as at 30 June 2024 mainly comprises GEL-denominated bonds issued by Asian Development Bank of GEL 320,168 (31 December 2023: GEL 287,326), GEL-denominated bonds issued by Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V. GEL 100,229 (31 December 2023: GEL 100,297 and treasury bonds issued by Ministry of Finance of Georgia in amount of GEL 46,923 (31 December 2023: Nil).

For the period ended 30 June 2024 net gains on derecognition of investment securities comprised GEL 619 (31 December 2023: GEL 18,512) which is included in net other income.

As at 30 June 2024, allowance for ECL on investment securities measured at FVOCI comprised GEL 9,432 (31 December 2023: GEL 7,673).

9. Loans to customers, factoring and finance lease receivables

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Commercial loans	7,945,170	6,979,330
Consumer loans	5,433,247	4,699,969
Residential mortgage loans	4,744,060	4,557,525
Micro and SME loans	4,344,454	4,073,022
Gold – pawn loans	148,549	150,228
Loans to customers at amortised cost, gross	**22,615,480**	**20,460,074**
Less – Allowance for expected credit loss	(341,440)	(325,790)
Loans to customers at amortised cost, net	**22,274,040**	**20,134,284**
Finance lease receivables, gross	**65,135**	**70,091**
Less – Allowance for expected credit loss	(10,258)	(11,208)
Finance lease receivables, net	**54,877**	**58,883**
Factoring receivables, gross	**55,402**	**55,027**
Less – Allowance for expected credit loss	(144)	(127)
Factoring receivables, net	**55,258**	**54,900**
Total loans to customers, factoring and finance lease receivables	**22,384,175**	**20,248,067**

As at 30 June 2024, loans to customers carried at GEL 1,265,427 (31 December 2023: GEL 1,265,427) were pledged for short-term loans from the NBG.

As at 30 June 2023 the Group originated a loan with an intention of syndicating it. The amount of the loan to be syndicated was classified as held for trading and therefore measured at fair value until derecognition criteria were met.

Expected credit loss

Movements of the gross loans and respective allowance for expected credit loss / impairment of loans to customers by class are provided in the table below, within which the new financial asset originated or purchased and the assets repaid during the year include the effects from revolving loans and increase of exposure to clients, where existing loans have been repaid with new contracts issued during the year. All new financial assets are originated either in Stage 1 or POCI category. Utilisation of additional tranches on existing financial assets are reflected in Stage 2 or Stage 3 if the credit risk of the borrower has deteriorated since initiation. Currency translation differences relate to loans issued by the subsidiaries of the Group whose functional currency is different from the presentation currency of the Group, while foreign exchange movement relates to foreign currency denominated loans issued by the Group. Net other changes in gross loan balances includes the effects of changes in accrued interest. Net other measurement of ECL includes the effect of changes in ECL due to post-model adjustments, changes in PDs and other inputs, as well as the effect from ECL attributable to changes in accrued interest.

9. Loans to customers, factoring and finance lease receivables (continued)

Commercial loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**6,342,245**	**515,789**	**97,721**	**23,575**	**6,979,330**
New financial asset originated or purchased	3,094,347	29,811	430	3,283	3,127,871
Transfer to Stage 1	36,621	(36,621)	-	-	-
Transfer to Stage 2	(120,050)	120,050	-	-	-
Transfer to Stage 3	(1,010)	(27,829)	28,839	-	-
Assets repaid	(2,261,928)	(142,384)	(22,438)	(487)	(2,427,237)
Resegmentation	34,101	-	-	-	34,101
Impact of modifications	(187)	(727)	(159)	(22)	(1,095)
Write-offs	-	-	(1,138)	-	(1,138)
Recoveries of amounts previously written off	-	-	487	2	489
Unwind of discount	-	-	1,971	497	2,468
Currency translation differences	21,071	1,256	1,225	-	23,552
Foreign exchange movement	150,778	11,781	1,175	1,105	164,839
Net other changes	39,859	1,519	271	341	41,990
Balance at 30 June 2024	**7,335,847**	**472,645**	**108,384**	**28,294**	**7,945,170**
Individually assessed	-	-	97,500	26,579	124,079
Collectively assessed	7,335,847	472,645	10,884	1,715	7,821,091
Balance at 30 June 2024	**7,335,847**	**472,645**	**108,384**	**28,294**	**7,945,170**

Commercial loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**14,098**	**33,193**	**42,127**	**8,941**	**98,359**
New financial asset originated or purchased	9,777	402	239	2,061	12,479
Transfer to Stage 1	556	(556)	-	-	-
Transfer to Stage 2	(1,353)	1,353	-	-	-
Transfer to Stage 3	(361)	(3,600)	3,961	-	-
Impact on ECL of exposures transferred between stages during the period	(109)	1,726	7,591	-	9,208
Assets repaid	(5,657)	(4,218)	(3,543)	(104)	(13,522)
Resegmentation	198	-	-	-	198
Impact of modifications	(1)	6	66	(10)	61
Foreign exchange movement	173	744	823	586	2,326
Day 2' expected credit loss on business combination	-	-	-	-	-
Net other measurement of ECL	(2,070)	2,821	(2,241)	(1,231)	(2,721)
Income statement (releases)/charges	1,153	(1,322)	6,896	1,302	8,029
Write-offs	-	-	(1,138)	-	(1,138)
Recoveries of amounts previously written off	-	-	487	2	489
Unwind of discount	-	-	1,971	497	2,468
Currency translation differences	133	46	486	-	665
Balance at 30 June 2024	**15,384**	**31,917**	**50,829**	**10,742**	**108,872**
Individually assessed	-	-	46,122	10,739	56,861
Collectively assessed	15,384	31,917	4,707	3	52,011
Balance at 30 June 2024	**15,384**	**31,917**	**50,829**	**10,742**	**108,872**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Residential mortgage loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**4,300,338**	**174,052**	**50,946**	**32,189**	**4,557,525**
New financial asset originated or purchased	779,172	-	-	9,420	788,592
Transfer to Stage 1	142,385	(142,385)	-	-	-
Transfer to Stage 2	(122,548)	131,592	(9,044)	-	-
Transfer to Stage 3	(7,417)	(13,403)	20,820	-	-
Assets repaid	(598,718)	(20,894)	(15,925)	(4,921)	(640,458)
Impact of modifications	449	(35)	(174)	11	251
Write-offs	-	-	(3,129)	(1,193)	(4,322)
Recoveries of amounts previously written off	-	-	183	1,105	1,288
Unwind of discount	-	-	(22)	30	8
Currency translation differences	1,082	44	8	-	1,134
Foreign exchange movement	42,605	982	447	634	44,668
Net other changes	(5,160)	(1,423)	1,254	703	(4,626)
Balance at 30 June 2024	**4,532,188**	**128,530**	**45,364**	**37,978**	**4,744,060**
Individually assessed	-	-	171	2,237	2,408
Collectively assessed	4,532,188	128,530	45,193	35,741	4,741,652
Balance at 30 June 2024	**4,532,188**	**128,530**	**45,364**	**37,978**	**4,744,060**

Residential mortgage loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**3,970**	**2,036**	**11,867**	**4,875**	**22,748**
New financial asset originated or purchased	2,157	-	-	1,511	3,668
Transfer to Stage 1	1,369	(1,369)	-	-	-
Transfer to Stage 2	(564)	2,392	(1,828)	-	-
Transfer to Stage 3	(987)	(227)	1,214	-	-
Impact on ECL of exposures transferred between stages during the period	(334)	(1,548)	1,426	-	(456)
Assets repaid	(373)	(278)	(2,768)	(1,878)	(5,297)
Impact of modifications	3	1	81	126	211
Foreign exchange movement	13	2	52	83	150
Net other measurement of ECL	(1,974)	411	2,858	1,342	2,637
Income statement (releases)/charges	(690)	(616)	1,035	1,184	913
Write-offs	-	-	(3,129)	(1,193)	(4,322)
Recoveries of amounts previously written off	-	-	183	1,105	1,288
Unwind of discount	-	-	(22)	30	8
Currency translation differences	-	-	3	-	3
Balance at 30 June 2024	**3,280**	**1,420**	**9,937**	**6,001**	**20,638**
Individually assessed	-	-	51	373	424
Collectively assessed	3,280	1,420	9,886	5,628	20,214
Balance at 30 June 2024	**3,280**	**1,420**	**9,937**	**6,001**	**20,638**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Micro and SME loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**3,709,870**	**191,530**	**168,425**	**3,197**	**4,073,022**
New financial asset originated or purchased	1,439,153	100	418	890	1,440,561
Transfer to Stage 1	71,265	(71,265)	-	-	-
Transfer to Stage 2	(123,409)	133,907	(10,498)	-	-
Transfer to Stage 3	(4,490)	(49,743)	54,233	-	-
Assets repaid	(1,144,958)	(32,918)	(34,666)	(281)	(1,212,823)
Resegmentation	(34,169)	-	63	-	(34,106)
Impact of modifications	44	85	(587)	(5)	(463)
Write-offs	-	-	(12,575)	(85)	(12,660)
Recoveries of amounts previously written off	-	-	4,230	82	4,312
Unwind of discount	-	-	1,432	38	1,470
Currency translation differences	2,814	251	385	-	3,450
Foreign exchange movement	53,595	2,285	2,049	50	57,979
Net other changes	17,891	792	5,029	-	23,712
Balance at 30 June 2024	**3,987,606**	**175,024**	**177,938**	**3,886**	**4,344,454**
Individually assessed	-	-	32,350	-	32,350
Collectively assessed	3,987,606	175,024	145,588	3,886	4,312,104
Balance at 30 June 2024	**3,987,606**	**175,024**	**177,938**	**3,886**	**4,344,454**

Micro and SME loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**11,004**	**5,538**	**54,286**	**833**	**71,661**
New financial asset originated or purchased	6,288	-	26	57	6,371
Transfer to Stage 1	2,279	(2,279)	-	-	-
Transfer to Stage 2	(1,731)	3,691	(1,960)	-	-
Transfer to Stage 3	(839)	(2,788)	3,627	-	-
Impact on ECL of exposures transferred between stages during the period	(227)	(1,731)	10,730	-	8,772
Assets repaid	(2,585)	(1,000)	(11,888)	(157)	(15,630)
Resegmentation	(198)	-	-	-	(198)
Impact of modifications	2	-	(248)	(3)	(249)
Foreign exchange movement	79	18	589	6	692
Net other measurement of ECL	(2,729)	3,306	14,580	72	15,229
Income statement (releases)/charges	339	(783)	15,456	(25)	14,987
Write-offs	-	-	(12,575)	(85)	(12,660)
Recoveries of amounts previously written off	-	-	4,230	82	4,312
Unwind of discount	-	-	1,432	38	1,470
Currency translation differences	17	15	195	-	227
Balance at 30 June 2024	**11,360**	**4,770**	**63,024**	**843**	**79,997**
Individually assessed	-	-	14,531	-	14,531
Collectively assessed	11,360	4,770	48,493	843	65,466
Balance at 30 June 2024	**11,360**	**4,770**	**63,024**	**843**	**79,997**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Consumer loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**4,325,760**	**234,229**	**111,469**	**28,511**	**4,699,969**
New financial asset originated or purchased	2,890,289	2,715	292	4,401	2,897,697
Transfer to Stage 1	165,225	(165,164)	(61)	-	-
Transfer to Stage 2	(233,109)	256,832	(23,723)	-	-
Transfer to Stage 3	(15,935)	(39,956)	55,891	-	-
Assets repaid	(2,085,008)	(54,820)	(30,972)	(5,476)	(2,176,276)
Resegmentation	-	-	94	-	94
Impact of modifications	(297)	(6)	(2,831)	(253)	(3,387)
Write-offs	-	-	(37,275)	(696)	(37,971)
Recoveries of amounts previously written off	-	-	15,046	773	15,819
Unwind of discount	-	-	1,115	45	1,160
Currency translation differences	8,608	96	127	-	8,831
Foreign exchange movement	18,603	472	292	113	19,480
Net other changes	1,171	(1,630)	7,764	526	7,831
Balance at 30 June 2024	**5,075,307**	**232,768**	**97,228**	**27,944**	**5,433,247**
Individually assessed	-	-	4,102	-	4,102
Collectively assessed	5,075,307	232,768	93,126	27,944	5,429,145
Balance at 30 June 2024	**5,075,307**	**232,768**	**97,228**	**27,944**	**5,433,247**

Consumer loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**41,947**	**18,044**	**63,888**	**7,754**	**131,633**
New financial asset originated or purchased	62,144	260	75	1,537	64,016
Transfer to Stage 1	9,647	(9,616)	(31)	-	-
Transfer to Stage 2	(14,354)	29,230	(14,876)	-	-
Transfer to Stage 3	(13,806)	(8,188)	21,994	-	-
Impact on ECL of exposures transferred between stages during the period	(1,043)	(11,155)	11,277	-	(921)
Assets repaid	(23,420)	(4,491)	(21,797)	(2,410)	(52,118)
Impact of modifications	(205)	(2)	(1,349)	(47)	(1,603)
Foreign exchange movement	21	8	108	11	148
Net other measurement of ECL	(13,948)	6,851	17,867	(352)	10,418
Income statement (releases)/charges	5,036	2,897	13,268	(1,261)	19,940
Write-offs	-	-	(37,275)	(696)	(37,971)
Recoveries of amounts previously written off	-	-	15,046	773	15,819
Unwind of discount	-	-	1,115	45	1,160
Currency translation differences	74	27	79	-	180
Balance at 30 June 2024	**47,057**	**20,968**	**56,121**	**6,615**	**130,761**
Individually assessed	-	-	2,333	-	2,333
Collectively assessed	47,057	20,968	53,788	6,615	128,428
Balance at 30 June 2024	**47,057**	**20,968**	**56,121**	**6,615**	**130,761**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Gold – pawn loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**137,416**	**8,696**	**4,116**	**-**	**150,228**
New financial asset originated or purchased	78,243	-	169	-	78,412
Transfer to Stage 1	5,145	(5,145)	-	-	-
Transfer to Stage 2	(6,206)	6,973	(767)	-	-
Transfer to Stage 3	(1,442)	(695)	2,137	-	-
Assets repaid	(73,909)	(3,615)	(2,529)	-	(80,053)
Resegmentation	68	-	(157)	-	(89)
Write-offs	-	-	(32)	-	(32)
Recoveries of amounts previously written off	-	-	6	-	6
Foreign exchange movement	4	-	-	-	4
Net other changes	(62)	(31)	166	-	73
Balance at 30 June 2024	**139,257**	**6,183**	**3,109**	**-**	**148,549**
Individually assessed	-	-	-	-	-
Collectively assessed	139,257	6,183	3,109	-	148,549
Balance at 30 June 2024	**139,257**	**6,183**	**3,109**	**-**	**148,549**

Gold – pawn loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**43**	**24**	**1,322**	**-**	**1,389**
Transfer to Stage 1	10	(10)	-	-	-
Transfer to Stage 2	(4)	49	(45)	-	-
Transfer to Stage 3	-	(1)	1	-	-
Assets repaid	(12)	(6)	(194)	-	(212)
Net other measurement of ECL	(13)	(45)	79	-	21
Income statement (releases)/charges	(19)	(13)	(159)	-	(191)
Write-offs	-	-	(32)	-	(32)
Recoveries of amounts previously written off	-	-	6	-	6
Balance at 30 June 2024	**24**	**11**	**1,137**	**-**	**1,172**
Collectively assessed	24	11	1,137	-	1,172
Balance at 30 June 2024	**24**	**11**	**1,137**	**-**	**1,172**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Commercial loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2023	**4,482,717**	**608,307**	**172,983**	**15,950**	**5,279,957**
New financial asset originated or purchased	2,818,897	26,022	8	11,581	2,856,508
Transfer to Stage 1	3,023	(3,023)	-	-	-
Transfer to Stage 2	(155,479)	158,772	(3,293)	-	-
Transfer to Stage 3	-	(5,803)	5,803	-	-
Assets repaid	(1,943,920)	(162,477)	(41,868)	(8,234)	(2,156,499)
Resegmentation	24,831	(6,059)	2,311	-	21,083
Impact of modifications	(805)	217	(24)	9	(603)
Write-offs	-	-	(11,322)	-	(11,322)
Recoveries of amounts previously written off	-	-	1,682	77	1,759
Unwind of discount	-	-	(914)	123	(791)
Currency translation differences	(8,552)	(375)	(225)	-	(9,152)
Foreign exchange movement	(52,716)	(11,519)	(2,448)	(379)	(67,062)
Net other changes	48,023	5,593	(8,161)	18	45,473
Balance at 30 June 2023	**5,216,019**	**609,655**	**114,532**	**19,145**	**5,959,351**
Individually assessed	-	-	104,937	15,336	120,273
Collectively assessed	5,216,019	609,655	9,595	3,809	5,839,078
Balance at 30 June 2023	**5,216,019**	**609,655**	**114,532**	**19,145**	**5,959,351**

Commercial loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2023	**19,090**	**23,470**	**42,292**	**4,567**	**89,419**
New financial asset originated or purchased	14,497	329	1	2,523	17,350
Transfer to Stage 1	10	(10)	-	-	-
Transfer to Stage 2	(2,168)	2,601	(433)	-	-
Transfer to Stage 3	-	(107)	107	-	-
Impact on ECL of exposures transferred between stages during the period	(2)	829	3,680	-	4,507
Assets repaid	(6,403)	(5,327)	(16,208)	(380)	(28,318)
Resegmentation	848	(1,464)	956	-	340
Impact of modifications	-	11	(17)	3	(3)
Foreign exchange movement	(233)	(382)	(1,131)	(69)	(1,815)
Net other measurement of ECL	(4,169)	5,737	8,906	(1,098)	9,376
Income statement (releases)/charges	2,380	2,217	(4,139)	979	1,437
Write-offs	-	-	(11,322)	-	(11,322)
Recoveries of amounts previously written off	-	-	1,682	77	1,759
Unwind of discount	-	-	(914)	123	(791)
Currency translation differences	430	322	662	(1)	1,413
Balance at 30 June 2023	**21,900**	**26,009**	**28,261**	**5,745**	**81,915**
Individually assessed	-	-	23,324	5,744	29,068
Collectively assessed	21,900	26,009	4,937	1	52,847
Balance at 30 June 2023	**21,900**	**26,009**	**28,261**	**5,745**	**81,915**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Residential mortgage loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2023	**3,925,906**	**169,566**	**69,657**	**28,075**	**4,193,204**
New financial asset originated or purchased	684,454	32	-	6,369	690,855
Transfer to Stage 1	126,449	(126,449)	-	-	-
Transfer to Stage 2	(158,842)	178,096	(19,254)	-	-
Transfer to Stage 3	(9,621)	(18,396)	28,017	-	-
Assets repaid	(492,944)	(22,252)	(16,973)	(5,491)	(537,660)
Impact of modifications	195	49	(203)	(217)	(176)
Write-offs	-	-	(2,045)	(255)	(2,300)
Recoveries of amounts previously written off	-	-	805	236	1,041
Unwind of discount	-	-	90	78	168
Currency translation differences	(1,066)	(16)	(18)	-	(1,100)
Foreign exchange movement	(35,865)	(1,843)	(951)	(345)	(39,004)
Net other changes	5,161	356	1,177	188	6,882
Balance at 30 June 2023	**4,043,827**	**179,143**	**60,302**	**28,638**	**4,311,910**
Individually assessed	-	-	2,653	-	2,653
Collectively assessed	4,043,827	179,143	57,649	28,638	4,309,257
Balance at 30 June 2023	**4,043,827**	**179,143**	**60,302**	**28,638**	**4,311,910**

Residential mortgage loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2023	**8,860**	**2,601**	**14,085**	**4,507**	**30,053**
New financial asset originated or purchased	5,384	-	-	1,856	7,240
Transfer to Stage 1	2,311	(2,311)	-	-	-
Transfer to Stage 2	(1,601)	5,729	(4,128)	-	-
Transfer to Stage 3	(2,466)	(684)	3,150	-	-
Impact on ECL of exposures transferred between stages during the period	(561)	(3,340)	2,781	-	(1,120)
Assets repaid	(895)	(377)	(4,148)	(1,490)	(6,910)
Impact of modifications	9	3	725	(5)	732
Foreign exchange movement	(28)	(12)	(171)	(42)	(253)
Net other measurement of ECL	(3,717)	1,507	2,520	487	797
Income statement (releases)/charges	(1,564)	515	729	806	486
Write-offs	-	-	(2,045)	(255)	(2,300)
Recoveries of amounts previously written off	-	-	805	236	1,041
Unwind of discount	-	-	90	78	168
Currency translation differences	(1)	(1)	(1)	-	(3)
Balance at 30 June 2023	**7,295**	**3,115**	**13,663**	**5,372**	**29,445**
Individually assessed	-	-	625	-	625
Collectively assessed	7,295	3,115	13,038	5,372	28,820
Balance at 30 June 2023	**7,295**	**3,115**	**13,663**	**5,372**	**29,445**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Micro and SME loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**3,470,689**	**200,463**	**146,517**	**2,844**	**3,820,513**
New financial asset originated or purchased	1,302,623	78	754	914	1,304,369
Transfer to Stage 1	73,169	(73,169)	-	-	-
Transfer to Stage 2	(142,742)	154,146	(11,404)	-	-
Transfer to Stage 3	(9,682)	(53,397)	63,079	-	-
Assets repaid	(1,020,704)	(42,400)	(27,909)	(763)	(1,091,776)
Resegmentation	(24,337)	6,091	(2,424)	-	(20,670)
Impact of modifications	(137)	332	(2,379)	(11)	(2,195)
Write-offs	-	-	(21,201)	(62)	(21,263)
Recoveries of amounts previously written off	-	-	2,984	78	3,062
Unwind of discount	-	-	747	29	776
Currency translation differences	(1,408)	(207)	(380)	-	(1,995)
Foreign exchange movement	(49,222)	(1,692)	(602)	(21)	(51,537)
Net other changes	46,425	836	3,094	66	50,421
Balance at 30 June 2023	**3,644,674**	**191,081**	**150,876**	**3,074**	**3,989,705**
Individually assessed	-	-	33,898	-	33,898
Collectively assessed	3,644,674	191,081	116,978	3,074	3,955,807
Balance at 30 June 2023	**3,644,674**	**191,081**	**150,876**	**3,074**	**3,989,705**

Micro and SME loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**20,065**	**5,448**	**37,317**	**659**	**63,489**
New financial asset originated or purchased	9,381	-	-	213	9,594
Transfer to Stage 1	1,911	(1,911)	-	-	-
Transfer to Stage 2	(2,747)	5,472	(2,725)	-	-
Transfer to Stage 3	(1,583)	(3,612)	5,195	-	-
Impact on ECL of exposures transferred between stages during the period	(216)	(2,264)	13,887	-	11,407
Assets repaid	(3,870)	(1,369)	(7,186)	(382)	(12,807)
Resegmentation	(839)	1,466	(954)	-	(327)
Impact of modifications	-	18	(983)	(6)	(971)
Foreign exchange movement	(48)	56	219	(6)	221
Net other measurement of ECL	(7,179)	3,002	15,879	129	11,831
Income statement (releases)/charges	(5,190)	858	23,332	(52)	18,948
Write-offs	-	-	(21,201)	(62)	(21,263)
Recoveries of amounts previously written off	-	-	2,984	78	3,062
Unwind of discount	-	-	747	29	776
Currency translation differences	(26)	(23)	(137)	-	(186)
Balance at 30 June 2023	**14,849**	**6,283**	**43,042**	**652**	**64,826**
Individually assessed	-	-	11,898	-	11,898
Collectively assessed	14,849	6,283	31,144	652	52,928
Balance at 30 June 2023	**14,849**	**6,283**	**43,042**	**652**	**64,826**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Consumer loans at amortised cost, gross:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2023	**3,243,192**	**213,875**	**121,992**	**22,995**	**3,602,054**
New financial asset originated or purchased	1,951,926	2,832	551	8,592	1,963,901
Transfer to Stage 1	138,657	(138,628)	(29)	-	-
Transfer to Stage 2	(225,290)	245,064	(19,774)	-	-
Transfer to Stage 3	(39,825)	(59,522)	99,347	-	-
Assets repaid	(1,393,942)	(47,174)	(32,060)	(4,841)	(1,478,017)
Resegmentation	(494)	(32)	254	-	(272)
Impact of modifications	782	(47)	(8,869)	(539)	(8,673)
Write-offs	-	-	(70,560)	(1,586)	(72,146)
Recoveries of amounts previously written off	-	-	10,892	649	11,541
Unwind of discount	-	-	2,110	279	2,389
Currency translation differences	(2,980)	(23)	(38)	-	(3,041)
Foreign exchange movement	(24,427)	(410)	(187)	(55)	(25,079)
Net other changes	17,959	72	14,252	402	32,685
Balance at 30 June 2023	**3,665,558**	**216,007**	**117,881**	**25,896**	**4,025,342**
Individually assessed	-	-	2,371	-	2,371
Collectively assessed	3,665,558	216,007	115,510	25,896	4,022,971
Balance at 30 June 2023	**3,665,558**	**216,007**	**117,881**	**25,896**	**4,025,342**

Consumer loans at amortised cost, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2023	**40,598**	**19,309**	**67,956**	**7,587**	**135,450**
New financial asset originated or purchased	62,881	356	248	3,240	66,725
Transfer to Stage 1	10,087	(10,082)	(5)	-	-
Transfer to Stage 2	(12,783)	23,921	(11,138)	-	-
Transfer to Stage 3	(26,134)	(11,755)	37,889	-	-
Impact on ECL of exposures transferred between stages during the period	(1,109)	(8,306)	13,885	-	4,470
Assets repaid	(19,705)	(3,990)	(18,645)	(2,193)	(44,533)
Resegmentation	(9)	(2)	(2)	-	(13)
Impact of modifications	96	(3)	(3,646)	(157)	(3,710)
Foreign exchange movement	(18)	(3)	(77)	(12)	(110)
Net other measurement of ECL	(12,655)	8,770	37,988	243	34,346
Income statement (releases)/charges	651	(1,094)	56,497	1,121	57,175
Write-offs	-	-	(70,560)	(1,586)	(72,146)
Recoveries of amounts previously written off	-	-	10,892	649	11,541
Unwind of discount	-	-	2,110	279	2,389
Currency translation differences	(11)	(3)	(12)	-	(26)
Balance at 30 June 2023	**41,238**	**18,212**	**66,883**	**8,050**	**134,383**
Individually assessed	-	-	909	-	909
Collectively assessed	41,238	18,212	65,974	8,050	133,474
Balance at 30 June 2023	**41,238**	**18,212**	**66,883**	**8,050**	**134,383**

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Gold – pawn loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**147,525**	**8,613**	**8,416**	**-**	**164,554**
New financial asset originated or purchased	48,430	-	206	-	48,636
Transfer to Stage 1	5,931	(5,931)	-	-	-
Transfer to Stage 2	(8,441)	9,136	(695)	-	-
Transfer to Stage 3	(1,048)	(1,599)	2,647	-	-
Assets repaid	(47,882)	(1,569)	(1,508)	-	(50,959)
Resegmentation	-	-	(141)	-	(141)
Write-offs	-	-	(295)	-	(295)
Unwind of discount	-	-	297	-	297
Foreign exchange movement	(5)	(1)	(46)	-	(52)
Net other changes	(20)	(55)	292	-	217
Balance at 30 June 2023	**144,490**	**8,594**	**9,173**	**-**	**162,257**
Individually assessed	-	-	4,626	-	4,626
Collectively assessed	144,490	8,594	4,547	-	157,631
Balance at 30 June 2023	**144,490**	**8,594**	**9,173**	**-**	**162,257**

Gold – pawn loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**69**	**32**	**5,339**	**-**	**5,440**
Transfer to Stage 1	18	(18)	-	-	-
Transfer to Stage 2	(11)	110	(99)	-	-
Transfer to Stage 3	(1)	(6)	7	-	-
Assets repaid	(13)	(5)	(80)	-	(98)
Net other measurement of ECL	(4)	(84)	667	-	579
Income statement (releases)/charges	(11)	(3)	495	-	481
Write-offs	-	-	(295)	-	(295)
Unwind of discount	-	-	297	-	297
Balance at 30 June 2023	**58**	**29**	**5,836**	**-**	**5,923**
Individually assessed	-	-	4,626	-	4,626
Collectively assessed	58	29	1,210	-	1,297
Balance at 30 June 2023	**58**	**29**	**5,836**	**-**	**5,923**

Concentration of loans to customers

As at 30 June 2024, the concentration of loans granted by the Group to the ten largest third-party borrowers comprised GEL 1,583,543 accounting for 7% of the gross loan portfolio of the Group (31 December 2023: GEL 1,507,812 and 7% respectively). An allowance of GEL 13,813 (31 December 2023: GEL 13,524) was established against these loans.

As at 30 June 2024, the concentration of loans granted by the Group to the ten largest third-party group of borrowers (borrower and its related parties) comprised GEL 2,532,343 accounting for 11% of the gross loan portfolio of the Group (31 December 2023: GEL 2,414,054 and 12% respectively). An allowance of GEL 4,281 (31 December 2023: GEL 3,599) was established against these loans.

9. Loans to customers, factoring and finance lease receivables (continued)

Concentration of loans to customers (continued)

As at 30 June 2024 and 31 December 2023 loans were principally issued within Georgia, and their distribution by industry sector was as follows:

	As at	
	30 June 2024 (unaudited)	***31 December 2023***
Individuals	12,503,465	11,445,733
Real estate	2,084,663	1,608,487
Manufacturing	1,481,259	1,475,982
Trade	1,601,593	1,422,273
Hospitality	957,821	975,621
Electricity, gas and water supply	787,704	665,454
Financial intermediation	441,060	418,103
Construction	411,689	377,857
Service	352,149	306,465
Transport & communication	325,594	273,071
Mining and quarrying	154,903	160,261
Other	1,513,580	1,330,767
Loans to customers, gross	**22,615,480**	**20,460,074**
Less – Allowance for expected credit loss	(341,440)	(325,790)
Loans to customers, net	**22,274,040**	**20,134,284**

Finance lease receivables

	As at	
	30 June 2024 (unaudited)	***31 December 2023***
Minimum lease payments receivable	75,670	87,786
Less – Unearned finance lease income	(10,535)	(17,695)
	65,135	**70,091**
Less – Allowance for expected credit loss / impairment loss	(10,258)	(11,208)
Finance lease receivables, net	**54,877**	**58,883**

The difference between the minimum lease payments to be received in the future and the finance lease receivables represents unearned finance income.

9. Loans to customers, factoring and finance lease receivables (continued)

Finance lease receivables (continued)

Future minimum lease payments to be received after 30 June 2024 and 31 December 2023 are as follows:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Within 1 year	33,385	46,598
From 1 to 2 years	10,991	9,127
From 2 to 3 years	7,077	7,639
From 3 to 4 years	2,563	2,053
From 4 to 5 years	3,645	3,169
More than 5 years	18,009	19,200
Minimum lease payment receivables	**75,670**	**87,786**

Movements of the gross finance lease receivables and respective allowance for expected credit loss/impairment of finance lease receivables are as follows:

Finance lease receivables, gross	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**33,899**	**5,048**	**12,064**	**19,080**	**70,091**
New financial asset originated or purchased	12,937	-	-	2,729	15,666
Transfer to Stage 1	1,366	(1,365)	(1)	-	-
Transfer to Stage 2	(1,977)	2,083	(106)	-	-
Transfer to Stage 3	(8)	(3,221)	3,229	-	-
Assets repaid	(12,945)	(1,739)	(3,105)	(4,495)	(22,284)
Impact of modifications	(18)	-	-	-	(18)
Write-offs	-	-	(1,655)	281	(1,374)
Unwind of discount	-	-	11	(37)	(26)
Currency translation differences	1,667	79	353	-	2,099
Foreign exchange movement	(196)	(23)	(105)	(98)	(422)
Net other changes	1,075	100	153	75	1,403
Balance at 30 June 2024	**35,800**	**962**	**10,838**	**17,535**	**65,135**
Individually assessed	-	-	3,059	-	3,059
Collectively assessed	35,800	962	7,779	17,535	62,076
Balance at 30 June 2024	**35,800**	**962**	**10,838**	**17,535**	**65,135**

Finance lease receivables, ECL:	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**1,169**	**484**	**5,706**	**3,849**	**11,208**
New financial asset originated or purchased	117	-	-	-	117
Transfer to Stage 1	45	(45)	-	-	-
Transfer to Stage 2	(27)	30	(3)	-	-
Transfer to Stage 3	-	(476)	476	-	-
Impact on ECL of exposures transferred between stages during the period	(33)	34	280	-	281
Assets repaid	(30)	(105)	(1,132)	(1,814)	(3,081)
Foreign exchange movement	(2)	(3)	(29)	-	(34)
Net other measurement of ECL	(176)	87	1,167	1,251	2,329
Income statement (releases)/charges	(106)	(478)	759	(563)	(388)
Write-offs	-	-	-	281	281
Recoveries of amounts previously written off	(851)	-	-	-	(851)
Unwind of discount	-	-	11	(37)	(26)
Currency translation differences	11	4	19	-	34
Balance at 30 June 2024	**223**	**10**	**6,495**	**3,530**	**10,258**
Individually assessed	-	-	785	-	785
Collectively assessed	223	10	5,710	3,530	9,473
Balance at 30 June 2024	**223**	**10**	**6,495**	**3,530**	**10,258**

9. Loans to customers, factoring and finance lease receivables (continued)

Finance lease receivables (continued)

Finance lease receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**54,971**	**6,451**	**14,110**	**15,210**	**90,742**
New financial asset originated or purchased	11,935	-	-	5,245	17,180
Transfer to Stage 1	6,873	(6,714)	(159)	-	-
Transfer to Stage 2	(10,059)	11,664	(1,605)	-	-
Transfer to Stage 3	(982)	(7,552)	8,534	-	-
Assets repaid	(20,844)	(2,314)	(2,529)	(2,661)	(28,348)
Impact of modifications	(145)	-	-	-	(145)
Write-offs	-	-	(1,222)	120	(1,102)
Recoveries of amounts previously written off	-	-	74	-	74
Unwind of discount	-	-	2	191	193
Currency translation differences	(588)	240	(724)	-	(1,072)
Foreign exchange movement	1,394	28	100	(514)	1,008
Net other changes	1,652	(2)	(20)	92	1,722
Balance at 30 June 2023	**44,207**	**1,801**	**16,561**	**17,683**	**80,252**
Individually assessed	-	-	531	-	531
Collectively assessed	44,207	1,801	16,030	17,683	79,721
Balance at 30 June 2023	**44,207**	**1,801**	**16,561**	**17,683**	**80,252**

Finance lease receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**818**	**258**	**3,541**	**4,081**	**8,698**
New financial asset originated or purchased	421	-	-	-	421
Transfer to Stage 1	238	(231)	(7)	-	-
Transfer to Stage 2	(217)	219	(2)	-	-
Transfer to Stage 3	(230)	(305)	535	-	-
Impact on ECL of exposures transferred between stages during the period	(145)	166	222	-	243
Assets repaid	(364)	(116)	(930)	(1,043)	(2,453)
Net other measurement of ECL	(120)	31	1,257	432	1,600
Income statement (releases)/charges	(417)	(236)	1,075	(611)	(189)
Write-offs	-	-	(332)	120	(212)
Recoveries of amounts previously written off	-	-	74	-	74
Unwind of discount	-	-	2	191	193
Currency translation differences	(34)	(5)	(154)	-	(193)
Balance at 30 June 2023	**367**	**17**	**4,206**	**3,781**	**8,371**
Individually assessed	-	-	24	-	24
Collectively assessed	367	17	4,182	3,781	8,347
Balance at 30 June 2023	**367**	**17**	**4,206**	**3,781**	**8,371**

Factoring receivables

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Factoring receivables, gross	**55,402**	**55,027**
Less – Allowance for expected credit loss	(144)	(127)
Factoring receivables, net	**55,258**	**54,900**

9. Loans to customers, factoring and finance lease receivables (continued)

Factoring receivables (continued)

Factoring receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**54,749**	**180**	**98**	**-**	**55,027**
New financial asset originated or purchased	16,263	-	-	-	16,263
Transfer to Stage 2	(1,923)	1,923	-	-	-
Transfer to Stage 3	(204)	(146)	350	-	-
Assets repaid	(15,792)	(539)	(234)	-	(16,565)
Currency translation differences	114	8	9	-	131
Foreign exchange movement	545	-	-	-	545
Net other changes	-	-	1	-	1
Balance at 30 June 2024	**53,752**	**1,426**	**224**	**-**	**55,402**
Individually assessed	-	-	224	-	224
Collectively assessed	53,752	1,426	-	-	55,178
Balance at 30 June 2024	**53,752**	**1,426**	**224**	**-**	**55,402**

Factoring receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**28**	**1**	**98**	**-**	**127**
New financial asset originated or purchased	206	-	-	-	206
Transfer to Stage 2	(32)	32	-	-	-
Transfer to Stage 3	(204)	-	204	-	-
Assets repaid	(14)	(1)	(208)	-	(223)
Net other measurement of ECL	30	(1)	-	-	29
Income statement (releases)/charges	(14)	30	(4)	-	12
Currency translation differences	-	-	5	-	5
Balance at 30 June 2024	**14**	**31**	**99**	**-**	**144**
Individually assessed	-	-	99	-	99
Collectively assessed	14	31	-	-	45
Balance at 30 June 2024	**14**	**31**	**99**	**-**	**144**

Factoring receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**20,364**	**3,000**	**46**	**-**	**23,410**
New financial asset originated or purchased	27,592	-	-	-	27,592
Transfer to Stage 2	(553)	553	-	-	-
Transfer to Stage 3	(106)	-	106	-	-
Assets repaid	(35,207)	(3,254)	(44)	-	(38,505)
Currency translation differences	(134)	2	(1)	-	(133)
Net other changes	(5)	-	-	-	(5)
Balance at 30 June 2023	**11,951**	**301**	**107**	**-**	**12,359**
Individually assessed	-	-	107	-	107
Collectively assessed	11,951	301	-	-	12,252
Balance at 30 June 2023	**11,951**	**301**	**107**	**-**	**12,359**

Factoring receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	**176**	**60**	**46**	**-**	**282**
New financial asset originated or purchased	168	-	-	-	168
Transfer to Stage 2	(10)	10	-	-	-
Transfer to Stage 3	(106)	-	106	-	-
Impact on ECL of exposures transferred between stages during the period	-	4	-	-	4
Assets repaid	(235)	(74)	(106)	-	(415)
Net other measurement of ECL	65	-	-	-	65
Income statement (releases)/charges	(118)	(60)	-	-	(178)
Currency translation differences	44	9	61	-	114
Balance at 30 June 2023	**102**	**9**	**107**	**-**	**218**
Individually assessed	-	-	107	-	107
Collectively assessed	102	9	-	-	111
Balance at 30 June 2023	**102**	**9**	**107**	**-**	**218**

10. Taxation

The corporate income tax expense in income statement comprises:

	For the six months ended	
	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Current income (expense) benefit	(123,726)	(177,008)
Deferred income tax benefit (expenses)	(11,334)	58,262
Income tax expense	**(135,060)**	**(118,746)**

The income tax rate applicable to most of the Group's income is the income tax rate applicable to subsidiaries' income, which ranges from 15% to 25% (30 June 2023: from 15% to 25%). No tax implications from bargain gain recognized from acquisition of associate.

As at 30 June 2024 and 31 December 2023 income tax assets and liabilities consist of the following:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Deferred income tax assets	386	464
Income tax assets	**386**	**464**
Current income tax liabilities	39,955	185,440
Deferred income tax liabilities	25,051	13,618
Income tax liabilities	**65,006**	**199,058**

11. Other assets and other liabilities

Other assets comprise:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Receivables from remittance operations	124,864	138,833
Other receivables	95,030	70,538
Derivative financial assets	13,934	10,942
Inventory	13,669	13,756
Operating tax assets	11,283	6,219
Derivatives margin	6,355	12,129
Assets purchased for finance lease purposes	2,476	2,019
Other	38,662	40,975
Other assets, gross	**306,273**	**295,411**
Less – Allowance for impairment of other assets	(18,362)	(14,796)
Other assets, net	**287,911**	**280,615**

11. Other assets and other liabilities (continued)

Other liabilities comprise:

	30 June 2024 (unaudited)	*31 December 2023*
Dividends payable	276,040	3,522
Creditors	61,885	36,878
Payables for remittance operations	58,606	59,079
Other taxes payable	7,809	3,926
Derivative financial liabilities	7,213	25,779
Provisions	4,416	6,304
Derivatives margin	3,433	-
Accounts payable	1,802	1,469
Advances received	709	629
Other	13,162	12,261
Other liabilities	**435,075**	**149,847**

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset or liability, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year-end and are not indicative of the credit risk.

	2024			*2023*		
	Notional amount	*Fair value*		*Notional amount*	*Fair value*	
		Asset	*Liability*		*Asset*	*Liability*
Foreign exchange contracts						
Forwards and swaps – domestic	1,107,893	4,292	4,459	1,099,787	2,703	3,712
Forwards and swaps – foreign	3,351,571	9,642	2,754	3,776,221	8,239	22,067
Total derivative assets / liabilities	**4,459,464**	**13,934**	**7,213**	**4,876,008**	**10,942**	**25,779**

12. Client deposits and notes

The amounts due to customers include the following:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Current accounts	13,004,954	12,445,328
Time deposits	10,911,839	8,331,488
Client deposits and notes	**23,916,793**	**20,776,816**
Held as security against letters of credit and guarantees (Note15)	**289,697**	**334,092**

At 30 June 2024, amounts due to customers of GEL 3,619,533 (15%) were due to the ten largest customers (31 December 2023: GEL 2,042,323 (10%)).

Amounts due to customers include accounts with the following types of customers:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Individuals	14,099,286	12,883,062
Private enterprises	8,108,993	7,399,436
State and state-owned entities	1,708,514	494,318
Client deposits and notes	**23,916,793**	**20,776,816**

12. Client deposits and notes (continued)

The breakdown of customer accounts by industry sector is as follows:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Individuals	14,099,286	12,883,062
Financial intermediation	1,917,737	1,716,673
Government services	1,657,373	445,880
Trade	1,431,583	1,367,950
Construction	1,126,611	1,140,925
Service	929,396	862,354
Transport & communication	818,075	621,322
Manufacturing	546,226	492,516
Real estate	352,682	346,751
Electricity, gas and water supply	114,245	76,384
Hospitality	106,680	108,103
Other	816,899	714,896
Client deposits and notes	**23,916,793**	**20,776,816**

13. Amounts owed to credit institutions

Amounts due to credit institutions comprise:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Short-term loans from National Bank of Georgia	1,443,949	2,101,653
Borrowings from international credit institutions	1,914,811	1,771,716
Time deposits and inter-bank loans	611,536	130,382
Correspondent accounts	393,158	431,232
	4,363,454	**4,434,983**
Non-convertible subordinated debt	583,165	562,520
Additional Tier 1	141,610	135,526
Amounts due to credit institutions	**5,088,229**	**5,133,029**

During the period ended 30 June 2024, the Group paid up to 13.76% on US$ borrowings from international credit institutions (31 December 2023: up to 9.36%). During the period ended 30 June 2024, the Group paid up to 12.25% on Dollar subordinated debt (31 December 2023: up to 11.82%).

Some long-term borrowings from international credit institutions are received upon certain conditions (the "Lender Covenants") that the Group maintains different limits for capital adequacy, liquidity, currency positions, credit exposures, leverage and others. At 30 June 2024 and 31 December 2023, the Group complied with all the Lender Covenants of the significant borrowings from international credit institutions.

Interest Rate Benchmark Reform

The UK's Financial Conduct Authority ('FCA') announced on 5 March 2021 that publication of main Libor currency interest rate benchmark settings including EUR LIBOR would cease at the end of 2021, while the publication of the most widely used US dollar Libor settings would be extended until 30 June 2023. As a result, the Bank initiated the transition programme for those contracts that reference Ibors to alternative rate products. As at 30 June 2024, the transitioning to alternative benchmark rates for all material contracts was substantially completed.

13. Amounts owed to credit institutions (continued)

The below table provides a summary of financial contracts disaggregated by significant interest rate benchmark at the reporting date that are yet to transition to an alternative benchmark rate:

	Currency	*Balance at 30 June 2024*	*Balance at 31 December 2023*
Financial assets			
Loans to customers and finance lease receivables	USD	-	70
Financial liabilities			
Amounts owed to credit institutions	USD	390,262	373,769
Debt securities issued	USD	-	267,113

14. Debt securities issued

Debt securities issued comprise:

	As at	
	30 June 2024 (unaudited)	*31 December 2023*
Additional Tier 1 capital notes issued	850,531	267,113
Tier 2 notes issued	115,596	83,158
Certificates of deposit	73,978	64,278
Local bonds	4,559	6,810
Debt securities issued	**1,044,664**	**421,359**

In April 2024 the Bank issued USD 300 million (GEL 800,970) 9.5% perpetual subordinated callable additional tier 1 notes.

In June 2024, the Bank fully repaid USD 100 million (GEL 283,570) additional tier 1 notes issued in 2019.

Changes in liabilities arising from financing activities

	Eurobonds and notes issued	**Additional Tier 1 capital notes issued**	**Tier 2 notes issued**
Carrying amount at 31 December 2022	**226,857**	**267,702**	**-**
Repurchase of debt securities issued	(20,980)	-	-
Repayment of the principal portion of the debt securities issued	(23,480)	-	-
Other movements	15,837	(8,161)	-
Carrying amount at 30 June 2023 (unaudited)	**198,234**	**259,541**	**-**
Carrying amount at 31 December 2023	**-**	**267,113**	**83,158**
Repurchase of debt securities issued	-	-	-
Repayment of the principal portion of the debt securities issued	-	(283,570)	-
Proceeds from Additional Tier 1 notes	-	800,970	-
Proceeds from Tier 2 notes issued	-	-	26,876
Other movements	-	66,018	5,562
Carrying amount at 30 June 2024 (unaudited)	**-**	**850,531**	**115,596**

15. Commitments and contingencies

Legal

Sai-invest

As at 30 June 2024, the Bank was engaged in litigation with Sai-Invest LLC ("Sai-Invest") in relation to a deposit pledge in the amount of EUR 7 million for the benefit LTD Sport Invest's loans owing to JSC Bank of Georgia. Sai-Invest LLC has challenged the validity of the deposit pledge in the Georgian courts, and its challenge has been substantially sustained in the Court of Appeal, a determination which the Bank believes to be erroneous and without merit, and which the Bank has appealed to the Supreme Court. The matter is currently under review by the Supreme Court, and the timeline as to when the judgment has to be expected is not available. The Bank's management is of the opinion that the probability of incurring material losses on this claim is low, and, accordingly, no provision has been made in these consolidated financial statements.

Financial commitments and contingencies

As at 30 June 2024 and 31 December 2023**,** the Group's financial commitments and contingencies comprised the following:

	As at	
	30 June 2024 (unaudited)	***31 December 2023***
Credit-related commitments		
Financial and performance guarantees issued*	1,975,684	1,918,997
Letters of credit	67,428	77,545
Undrawn loan facilities	932,840	1,014,951
	2,975,952	**3,011,493**
Cash held as security against letters of credit and guarantees	(289,697)	(334,092)
Provisions	(4,416)	(6,304)
Capital expenditure commitments	**9,725**	**7,559**

** Out of total guarantees issued as at 30 June 2024 financial and performance guarantees of the Group comprised GEL 779,674 (31 December 2023: GEL 729,214) and GEL 1,196,010 (31 December 2023: GEL 988,094), respectively.*

The Group discloses its undrawn loan facility balances based on the contractual terms.

16. Equity

Share capital

As at 30 June 2024 and 31 December 2023 authorized common capital comprised 43,308,125 shares. Each share has a nominal value of one (1) Georgian Lari. Shares issued and outstanding as at 30 June 2024 and 30 June 2023 remained unchanged at 27,993,660 shares issued correspondingly to GEL 27,994.

	Number of ordinary shares	***Amount of ordinary shares***
31 December 2022	**27,993,660**	**27,994**
30 June 2023 (unaudited)	**27,993,660**	**27,994**
31 December 2023	**27,993,660**	**27,994**
30 June 2024 (unaudited)	**27,993,660**	**27,994**

16. Equity (continued)

Treasury shares

The number of treasury shares held by the Group as at 30 June 2024, comprised 11,366 (31 December 2023: 11,366), with nominal amount of GEL 11 (31 December 2023: GEL 11).

Dividends

Shareholders are entitled to dividends in Georgian Lari.

On 26 June 2024, the Board of JSC Bank of Georgia declared a final dividend for 2023 of Georgian Lari 9.73 per share. Payment of the total GEL 272,171 final dividends was received by shareholders on 2 July 2024.

On 13 February 2024, the Board of JSC Bank of Georgia declared a dividend for 2023 of Georgian Lari 6.65 per share. Payment of the total GEL 186,000 final dividends was received by shareholders on 1 March 2024.

On 23 August 2023, the Board of JSC Bank of Georgia declared an interim dividend for 2023 of Georgian Lari 7.04 per share. Payment of the total GEL 196,956 interim dividends was received by shareholders on 26 September 2023.

On 1 May 2023, the Board of JSC Bank of Georgia declared a final dividend for 2022 of Georgian Lari 14.69 per share. Payment of the total GEL 410,999 final dividends was received by shareholders on 8 May 2023.

Nature and purpose of other reserves

Unrealised gains (losses) on investment securities
This reserve records fair value changes on investment securities.

Unrealised gains (losses) from dilution or sale / acquisition of shares in existing subsidiaries
This reserve records unrealised gains (losses) from dilution or sale / acquisition of shares in existing subsidiaries.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries and associates with functional currency other than GEL.

Movements on this account during the periods ended 30 June 2024 and 30 June 2023, are presented in the statements of other comprehensive income.

The movements in foreign currency translation reserve were as follows:

	Foreign currency translation reserve
31 December 2022	**(14,748)**
Loss from currency translation differences	(110)
30 June 2023	**(14,858)**
31 December 2023	**(23,124)**
Gain from currency translation differences	7,372
30 June 2024	**(15,752)**

Earnings per share

	For the six months ended	
	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Basic and diluted earnings per share		
Profit for the period attributable to ordinary shareholders of the Bank	959,370	665,412
Weighted average number of ordinary shares outstanding during the period	27,982,634	27,983,827
Earnings per share	34.2845	23.7784

17. Net interest income

	For the six months ended	
	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Interest income calculated using EIR method	**1,575,326**	**1,281,371**
From loans to customers	1,310,488	1,093,689
From investment securities	224,101	160,763
From amounts due from credit institutions	41,426	37,111
Net loss on modification of financial assets	(4,712)	(11,792)
From factoring receivables	4,023	1,600
Other interest income	**4,492**	**8,970**
From finance lease receivable	4,492	7,881
From other assets	-	45
From loans and advances to customers measured at FVTPL	-	1,044
Interest income	**1,579,818**	**1,290,341**
On dient deposits and notes	(453,528)	(362,805)
On amounts owed to credit institutions	(194,517)	(148,478)
On debt securities issued	(38,748)	(24,439)
Interest element of cross-currency swaps	6,515	14,554
On lease liability	(2,860)	(2,980)
Other interest expense	(400)	-
Interest expense	**(683,538)**	**(524,148)**
Deposit insurance fees	(14,512)	(9,774)
Net interest income	**881,768**	**756,419**

18. Net fee and commission income

	For the six months ended	
	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Settlements operations	302,095	258,970
Guarantees and letters of credit	27,467	22,276
Currency conversion operations	26,950	21,665
Cash operations	11,774	13,407
Brokerage service fees	295	508
Other	3,695	5,288
Fee and commission income	**372,276**	**322,114**
Settlements operations	(159,030)	(161,844)
Cash operations	(12,482)	(8,391)
Currency conversion operations	(4,766)	(4,258)
Brokerage service fees	(906)	(878)
Guarantees and letters of credit	(142)	(129)
Other	(5,363)	(3,477)
Fee and commission expense	**(182,689)**	**(178,977)**
Net fee and commission income	**189,587**	**143,137**

19. Cost of risk

The table below shows ECL charges on financial instruments for the period recorded in the income statement:

	Stage 1	Stage 2	Stage 3			
	Collective	Collective	Individual	Collective	POCI	Total
Cash and cash equivalents	149	-	-	-	-	149
Amounts due from credit institutions	(98)	-	-	-	-	(98)
Investment securities measured at amortised cost - debt instruments	(155)	-	-	-	-	(155)
Investment securities measured at FVOCI - debt instruments	(1,646)	-	-	-	-	(1,646)
Loans to customers and factoring receivables at amortised cost	(5,805)	(193)	(10,556)	(25,936)	(1,200)	(43,690)
Finance lease receivables	106	478	(714)	(45)	563	388
Other financial assets	-	-	(4,975)	-	-	(4,975)
Financial guarantees	(425)	(63)	214	5	-	(269)
Letter of credit to customers	(5)	-	-	-	-	(5)
Other financial commitments	(260)	31	-	-	-	(229)
For the period ended 30 June 2024	**(8,139)**	**253**	**(16,031)**	**(25,976)**	**(637)**	**(50,530)**

	Stage 1	Stage 2	Stage 3			
	Collective	Collective	Individual	Collective	POCI	Total
Cash and cash equivalents	210	-	-	-	-	210
Amounts due from credit institutions	4,380	-	-	-	-	4,380
Investment securities measured at amortised cost - debt instruments	2,986	-	-	-	-	2,986
Investment securities measured at FVOCI - debt instruments	(356)	-	-	-	-	(356)
Loans to customers at amortised cost	3,852	(2,433)	10,984	(87,398)	(2,854)	(77,849)
Finance lease receivables	417	236	(47)	(1,028)	611	189
Other financial assets	50	-	-	-	-	50
Financial guarantees	55	6	(38)	(7)	-	16
Letter of credit to customers	(212)	-	-	-	-	(212)
Other financial commitments	253	4	-	-	-	257
For the period ended 30 June 2023	**11,635**	**(2,187)**	**10,899**	**(88,433)**	**(2,243)**	**(70,329)**

The table below shows impairment charge on other assets and provisions in the income statement:

	For the six months ended	
	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Impairment charge on assets held for sale	1,262	2,170
Litigation provision charge/(reversal)	452	577
Other impairment charge	2,709	5,397
	4,423	**8,144**

20. Net other gain/(losses)

	For the six months ended	
	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Net real estate gains / (losses)	12,770	73,797
Net gains / (losses) on derecognition of financial assets measured at fair value through other comprehensive income	619	13,968
Net gains / (losses) on financial assets at fair value through profit or loss	222	-
Net gains / (losses) on derecognition of financial assets measured at amortised cost	82	4,190
Net other gains / (losses)	1,707	1,777
Net other gains / (losses)	**15,400**	**93,732**

During 2021-2022, the Group repossessed significant movable and immovable assets from its defaulted group of borrowers via the public auction as a result of bankruptcy proceedings of the borrower at a deep discount. The properties were classified as Other Assets and measured at lower of cost and net realizable value. The Group managed to realize large properties at current market price in the first half of 2023 and recorded respective real estate gain in amount of GEL 68,744 in its interim consolidated financial statements.

21. Risk management

Liquidity risk and funding management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Group also has committed lines of credit that it can access to meet liquidity needs. In addition, the Group maintains a cash deposit (obligatory reserve) with the NBG, the amount of which depends on the level of customer funds attracted.

The liquidity position is assessed and managed by the Group primarily on a standalone Bank basis, based on certain liquidity ratios established by the NBG. The banks are required to maintain a liquidity coverage ratio, which is defined as the ratio of high-quality liquid assets to net cash outflow over the next 30 days. The order requires that, absent a stress-period, the value of the ratio be no lower than 100%. The liquidity coverage ratio as at 30 June 2024 was 128.3% (31 December 2023: 125.2%).

The Bank holds a comfortable buffer on top of Net Stable Funding Ratio (NSFR) requirement of 100%, which came into effect on 1 September 2019. A solid buffer over NSFR provides stable funding sources over a longer time span. This approach is designed to ensure that the funding framework is sufficiently flexible to secure liquidity under a wide range of market conditions. NSFR as at 30 June 2024 was 126.9%, (31 December 2023: 130.4%), all comfortably above the NBG's minimum regulatory requirements.

The Group also matches the maturity of financial assets and financial liabilities and regularly monitors negative gaps compared with the Bank's standalone total regulatory capital calculated per NBG regulation. The ratios are assessed and monitored monthly and compared against set limits. In the case of deviations, amendment strategies / actions are discussed and approved by ALCO.

22. Fair value measurements

Fair value hierarchy

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability. The following tables show analysis of assets and liabilities measured at fair value or for which fair values are disclosed by level of the fair value hierarchy:

At 30 June 2024	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets measured at fair value				
Total investment properties	-	-	128,189	128,189
Land	-	-	*4,834*	*4,834*
Residential properties	-	-	*86,439*	*86,439*
Non-residential properties	-	-	*36,916*	*36,916*
Investment securities measured at FVOCI	2,912,998	3,473,738	108	6,386,844
Other assets – derivative financial assets	-	13,934	-	13,934
Assets for which fair values are disclosed				
Investment securities measured at amortised cost - debt instruments	-	625,406	-	625,406
Loans to customers, factoring and finance lease receivables at amortised cost	-	-	21,564,375	21,564,375
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	7,213	-	7,213
Liabilities for which fair values are disclosed				
Client deposits and notes	-	23,964,490	-	23,964,490
Amounts owed to credit institutions	-	3,714,424	1,356,385	5,070,809
Debt securities issued	-	821,322	185,512	1,006,834
Lease liability	-	13,657	143,068	156,725

At 31 December 2023	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets measured at fair value				
Total investment properties	-	-	127,924	127,924
Land	-	-	4,844	4,844
Residential properties	-	-	87,758	87,758
Non-residential properties	-	-	35,322	35,322
Investment securities	6,944	4,349,655	108	4,356,707
Other assets – derivative financial assets	-	10,942	-	10,942
Assets for which fair values are disclosed				
Investment securities measured at amortised cost - debt instruments	-	528,032	-	528,032
Loans to customers, factoring and finance lease receivables	-	-	19,491,361	19,491,361
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	25,779	-	25,779
Liabilities for which fair values are disclosed				
Client deposits and notes	-	20,796,389	-	20,796,389
Amounts owed to credit institutions	-	3,752,208	1,376,804	5,129,012
Debt securities issued	-	270,524	148,134	418,658
Lease liability	-	13,209	125,856	139,065

22. Fair value measurements (continued)

Fair value hierarchy (continued)

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Derivative financial instruments

Derivative financial instruments valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps, forward foreign exchange contracts and option contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations, as well as standard option pricing models. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities.

Investment securities

Investment securities consist of unquoted equity and debt securities and are valued using a valuation technique or pricing models. These securities are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. For observable data, respective quoted prices from Bloomberg or other relevant sources are used, when for unquoted investments FV is calculated based on future cash flow expected discounted at current rate for new instruments with similar credit risk, remaining maturity and other characteristics.

Fair value of financial instruments that are carried in the financial statements not at fair value

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried at amortised cost in the financial statements. The table does not include the fair values of non-financial assets and non-financial liabilities, fair values of other smaller financial assets and financial liabilities, or cash and short-term deposits, fair values of which are materially close to their carrying values.

Fair value of financial assets and liabilities not carried at fair value

	At 30 June 2024			*At 31 December 2023*		
	Carrying value 2024	*Fair value 2024*	*Unrecognised gain (loss) 2024*	*Carrying value 2023*	*Fair value 2023*	*Unrecognised gain (loss) 2023*
Financial assets						
Investment securities measured at amortised cost - debt instruments	620,274	625,406	5,132	524,108	528,032	3,924
Loans to customers and finance lease receivables	22,384,175	21,564,375	(819,800)	20,248,067	19,491,361	(756,706)
Financial liabilities						
Client deposits and notes	23,916,793	23,964,490	(47,697)	20,776,816	20,796,389	(19,573)
Amounts owed to credit institutions	5,088,229	5,070,809	17,420	5,133,029	5,129,012	4,017
Debt securities issued	1,044,664	1,006,834	37,830	421,359	418,658	2,701
Lease liability	155,591	156,725	(1,134)	137,554	139,065	(1,511)
Total unrecognised change in unrealised fair value			**(808,249)**			**(767,148)**

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the consolidated financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity, and variable rate financial instruments.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For financial assets and financial liabilities maturing in less than a year, it is assumed that the carrying amounts approximate to their fair value.

23. Maturity analysis of financial assets and liabilities

The table below shows an analysis of financial assets and liabilities according to their contractual maturities, except for current accounts, credit card loans and investment securities as described below.

	At 30 June 2024							
	On demand	*Up to 3 months*	*Up to 6 months*	*Up to 1 year*	*Up to 3 years*	*Up to 5 years*	*Over 5 years*	*Total*
Financial assets								
Cash and cash equivalents	2,113,843	258,415	-	-	-	-	-	2,372,258
Amounts due from credit institutions	1,866,562	-	-	-	-	-	24,065	1,890,627
Investment securities	2,013,789	3,707,358	570,647	204,520	204,915	285,224	20,665	7,007,118
Loans to customers, factoring and finance lease receivables	807	3,354,017	1,609,410	3,014,769	6,011,897	3,308,556	5,084,719	22,384,175
Accounts receivable and other loans	4,294	1,166	1,008	1,009	-	-	-	7,477
Total	**5,999,295**	**7,320,956**	**2,181,065**	**3,220,298**	**6,216,812**	**3,593,780**	**5,129,449**	**33,661,655**
Financial liabilities								
Client deposits and notes	4,137,838	5,130,579	1,840,544	11,109,159	1,037,264	604,792	56,617	23,916,793
Amounts owed to credit institutions	423,126	2,307,436	172,483	421,671	876,882	401,596	485,035	5,088,229
Debt securities issued	-	2,042	38,932	37,129	205,686	111,957	648,918	1,044,664
Lease liability	-	9,759	9,439	18,442	59,384	32,257	26,310	155,591
Total	**4,560,964**	**7,449,816**	**2,061,398**	**11,586,401**	**2,179,216**	**1,150,602**	**1,216,880**	**30,205,277**
Net	**1,438,331**	**(128,860)**	**119,667**	**(8,366,103)**	**4,037,596**	**2,443,178**	**3,912,569**	**3,456,378**
Accumulated gap	**1,438,331**	**1,309,471**	**1,429,138**	**(6,936,965)**	**(2,899,369)**	**(456,191)**	**3,456,378**	

	At 31 December 2023							
	On demand	*Up to 3 months*	*Up to 6 months*	*Up to 1 year*	*Up to 3 years*	*Up to 5 years*	*Over 5 years*	*Total*
Financial assets								
Cash and cash equivalents	2,358,521	684,311	-	-	-	-	-	3,042,832
Amounts due from credit institutions	1,733,899	-	-	-	-	-	18,759	1,752,658
Investment securities	1,492,313	2,587,018	374,800	227,208	165,913	31,111	2,452	4,880,815
Loans to customers, factoring and finance lease receivables	1,190	2,870,703	1,353,016	2,771,695	5,370,552	2,964,992	4,915,919	20,248,067
Accounts receivable and other loans	463	2,963	13	91	-	-	-	3,530
Total	**5,586,386**	**6,144,995**	**1,727,829**	**2,998,994**	**5,536,465**	**2,996,103**	**4,937,130**	**29,927,902**
Financial liabilities								
Client deposits and notes	5,553,799	3,164,093	1,509,258	8,902,129	1,080,299	513,720	53,518	20,776,816
Amounts owed to credit institutions	476,646	2,297,284	84,200	420,567	795,241	554,167	504,924	5,133,029
Debt securities issued	-	406	25,135	13,388	294,075	5,197	83,158	421,359
Lease liability	-	8,783	8,535	16,287	53,705	29,335	20,909	137,554
Total	**6,030,445**	**5,470,566**	**1,627,128**	**9,352,371**	**2,223,320**	**1,102,419**	**662,509**	**26,468,758**
Net	**(444,059)**	**674,429**	**100,701**	**(6,353,377)**	**3,313,145**	**1,893,684**	**4,274,621**	**3,459,144**
Accumulated gap	**(444,059)**	**230,370**	**331,071**	**(6,022,306)**	**(2,709,161)**	**(815,477)**	**3,459,144**	

The Group's capability to discharge its liabilities relies on its ability to realise equivalent assets within the same period of time. In the Georgian marketplace, where most of the Group's business is concentrated, many short-term credits are granted with the expectation of renewing the loans at maturity. As such, the ultimate maturity of assets may be different from the analysis presented above. To reflect the historical stability of current accounts, the Group calculates the minimal daily balance of current accounts over the past two years and includes the amount in the "Up to 1 year" category in the table above. The remaining current accounts are included in the "On demand" category. To match the coverage of short-term borrowings from the NBG with the investment securities pledged to secure it, those securities are included in the "On demand" category. Considering credit cards have no contractual maturities, the above allocation per category is done based on the statistical coverage rates observed.

23. Maturity analysis of financial assets and liabilities (continued)

The Group's principal sources of liquidity are as follows:

- deposits;
- borrowings from international credit institutions;
- inter-bank deposit agreements;
- debt issues;
- proceeds from sale of securities;
- principal repayments on loans;
- interest income; and
- fees and commissions income.

In the Board's opinion, liquidity is sufficient to meet the Group's present requirements.

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled, except for current accounts of client deposits and notes which are included in 'Up to 1 year' category, noting that respective contractual maturity may expand over significantly longer periods:

	At 30 June 2024			*At 31 December 2023*		
	Less than 1 year	*More than 1 year*	*Total*	*Less than 1 year*	*More than 1 year*	*Total*
Cash and cash equivalents	2,372,258	-	2,372,258	3,042,832	-	3,042,832
Amounts due from credit institutions	1,866,562	24,065	1,890,627	1,733,899	18,759	1,752,658
Investment securities	6,496,314	510,804	7,007,118	4,681,339	199,476	4,880,815
Loans to customers, factoring and finance lease receivables	7,979,003	14,405,172	22,384,175	6,996,604	13,251,463	20,248,067
Accounts receivable and other loans	7,477	-	7,477	3,530	-	3,530
Prepayments	41,028	13,718	54,746	25,154	6,878	32,032
Investments in associates*	-	509,263	509,263	-	9,537	9,537
Foredosed Assets	746	301,570	302,316	3,823	267,889	271,712
Right-of-use assets	-	143,518	143,518	-	134,422	134,422
Investment properties	-	128,189	128,189	-	127,924	127,924
Property and equipment	-	413,975	413,975	-	404,303	404,303
Goodwill	-	33,453	33,453	-	33,453	33,453
Intangible assets	-	162,728	162,728	76	144,281	144,357
Income tax assets	-	386	386	-	464	464
Other assets	287,663	248	287,911	280,615	-	280,615
Assets held for sale	21,488	-	21,488	27,389	-	27,389
Total assets	**19,072,539**	**16,647,089**	**35,719,628**	**16,795,261**	**14,598,849**	**31,394,110**
Client deposits and notes	22,218,120	1,698,673	23,916,793	19,129,279	1,647,537	20,776,816
Amounts owed to credit institutions	3,324,716	1,763,513	5,088,229	3,278,697	1,854,332	5,133,029
Debt securities issued	78,103	966,561	1,044,664	38,929	382,430	421,359
Lease liability	37,640	117,951	155,591	33,605	103,949	137,554
Accruals and deferred income	65,841	44,332	110,173	85,809	38,588	124,397
Income tax liabilities	39,955	25,051	65,006	185,440	13,618	199,058
Other liabilities	435,075	-	435,075	149,847	-	149,847
Total liabilities	**26,199,450**	**4,616,081**	**30,815,531**	**22,901,606**	**4,040,454**	**26,942,060**
Net	**(7,126,911)**	**12,031,008**	**4,904,097**	**(6,106,345)**	**10,558,395**	**4,452,050**

24. Related party disclosures

In accordance with IAS 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be affected on the same terms, conditions and amounts as transactions between unrelated parties. All transactions with related parties disclosed below have been conducted on an arm's-length basis.

The volumes of related party transactions, outstanding balances at 30 June 2024 and 30 June 2023, and related expenses and income for the period are as follows:

	At 30 June 2024 (unaudited)				*At 30 June 2023 (unaudited)*		
	The parent	*Entities under common control*	*Associates*	*Key management personnel**	*The parent*	*Entities under common control*	*Key management personnel**
Loans outstanding at 1 January, gross	**16,987**	**-**	**-**	**10,085**	**16,343**	**-**	**9,819**
Loans issued during the Period	-	-	-	3,764	50,092	-	1,519
Loan repayments during the Period	-	-	-	(2,545)	(50,092)	-	(2,765)
Other movements	1,208	-	-	1,237	(97)	-	250
Loans outstanding at 30 June, gross	**18,195**	**-**	**-**	**12,541**	**16,246**	**-**	**8,823**
Less: allowance for impairment at 30 June	-	-	-	(156)	-	-	(25)
Loans outstanding at 30 June, net	**18,195**	**-**	**-**	**12,385**	**16,246**	**-**	**8,798**
Interest income on loans	429	-	-	352	443	-	249
Expected credit loss	-	-	-	34	-	-	(200)
Deposits at 1 January	**185,864**	**142,768**	**-**	**14,309**	**26,766**	**58,329**	**12,633**
Deposits received during the Period	9,478	37,656	2,039	12,012	203,195	62,315	8,918
Deposits repaid during the Period	(180,392)	(79,365)	(1,689)	(3,770)	(3,867)	(30,908)	(3,771)
Other movements	(77)	(2,170)	-	(867)	(2)	4,369	(2,241)
Deposits at 30 June	**14,873**	**98,889**	**350**	**21,684**	**226,092**	**94,105**	**15,539**
Interest expense on deposits	(4,497)	(1,511)	(77)	(400)	(6,792)	(1,947)	430
Amounts owed to credit institutions 1 January	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amounts owed to credit institutions received during the Period	-	-	535,505	-	-	-	-
Amounts owed to credit institutions repaid during the Period	-	-	(533,381)	-	-	-	-
Other movements	-	-	64	-	-	-	-
Amounts owed to credit institutions at 30 June	**-**	**-**	**2,187**	**-**	**-**	**-**	**-**
Debt securities at 1 January	**-**	**737**	**-**	**-**	**-**	**737**	**-**
Debt securities repaid during the period	-	(737)	-	-	-	-	-
Debt securities at 30 June	**-**	**-**	**-**	**-**	**-**	**737**	**-**
Commitments and guarantees issued	-	-	-	107	-	-	139

**** Key management personnel includes members of BOG's Supervisory Board, BOG's Management Board and Key Executives of the Group.***

Compensation of key management personnel comprised the following:

	For the six months ended	
	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Salaries and other benefits	5,377	4,630
Share-based payments compensation*	25,828	32,929
Total key management compensation	**31,205**	**37,559**

24. Related party disclosure (continued)

Key management personnel do not receive cash-settled compensation, except for fixed salaries. The major part of the total compensation is share-based. The number of key management personnel at 30 June 2024 was 23 (31 December 2023: 21).

As at 30 June 2024 interest rates on loans issued to key management personnel were within 5.9% and 10.7% (31 December 2023: 4.5% and 16.8%) for FC and GEL denominated loans, respectively. As at 30 June 2024 interest rates on deposits placed by key management personnel were within 0.0% and 12.7% (31 December 2023: 0.0% and 13.5%) for FC and GEL denominated deposits, respectively.

25. Capital adequacy

The Group maintains an actively managed capital base to cover risks inherent to the business. The adequacy of the Group's capital is monitored using, among other measures, the ratios established by the NBG in supervising the Bank.

During the period ended 30 June 2024, the Bank and the Group complied in full with all its externally imposed capital requirements.

The primary objectives of the Group's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

NBG (Basel III) capital adequacy ratio

In December 2017, the NBG adopted amendments to the regulations relating to capital adequacy requirements, including amendments to the regulation on capital adequacy requirements for commercial banks, and introduced new requirements on the determination of the countercyclical buffer rate, on the identification of systematically important banks, on determining systemic buffer requirements and on additional capital buffer requirements for commercial banks within Pillar 2. The NBG requires the Bank to maintain a minimum total capital adequacy ratio of risk-weighted assets, computed based on the Bank's standalone special-purpose financial statements prepared in accordance with NBG regulations and pronouncements, based on Basel III requirements.

In January 2023, the NBG transitioned to IFRS-based accounting and introduced a new Pillar 2 buffer - Credit Risk Adjustment (CRA) buffer, to account for the difference between the NBG-based and the IFRS-based provision levels (higher in the former case). As at 30 June 2024 and 31 December 2023, the Bank's capital adequacy ratio on this basis was as follows:

IFRS-Based NBG (Basel III) capital adequacy ratio	***As at 30 June 2024 (unaudited)***	***As at 31 December 2023***
Tier 1 capital	5,371,067	4,603,352
Tier 2 capital	656,743	499,018
Total capital	**6,027,810**	**5,102,370**
Risk-weighted assets	**25,800,413**	**23,061,905**
Tier 1 capital ratio	**20.8%**	**20.0%**
Total capital ratio	**23.4%**	**22.1%**
Min. requirement for Tier 1 capital ratio	**16.6%**	**16.7%**
Min. requirement for Total capital ratio	**19.6%**	**19.6%**