

RESULTS CALL PRESENTATION

**4Q22 and FY22
Performance**

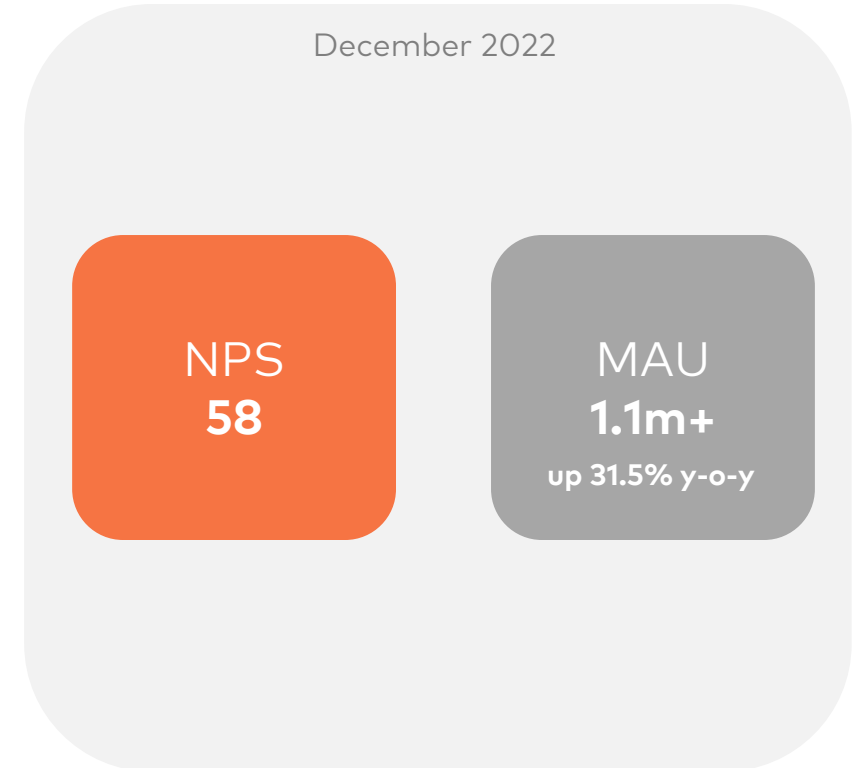
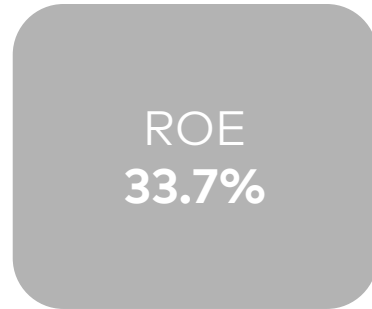
16 February 2023
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Disclaimer – forward looking statements

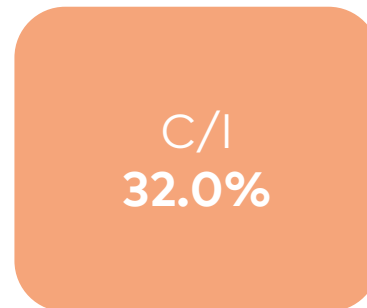
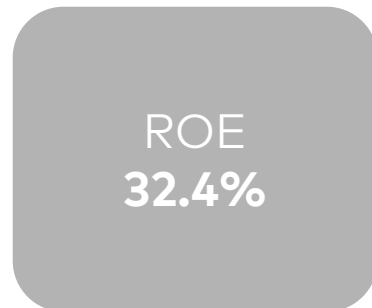
This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Bank of Georgia Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: macro risk, including domestic instability; regional instability risk; credit risk; liquidity and funding risk; capital risk; market risk; regulatory and legal risk; financial crime risk; information security and data protection risks; operational risk; human capital risk; COVID-19 pandemic risk; model risk; climate change risk; and other key factors that could adversely affect our business and financial performance, as indicated elsewhere in this document and in past and future filings and reports of the Group, including the 'Principal risks and uncertainties' included in Bank of Georgia Group PLC's Annual Report and Accounts 2021 and in 2Q22 and 1H22 results announcement. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Bank of Georgia Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Bank of Georgia Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast.

Delivering value in 2022

Highlights of the quarter



Highlights of the year



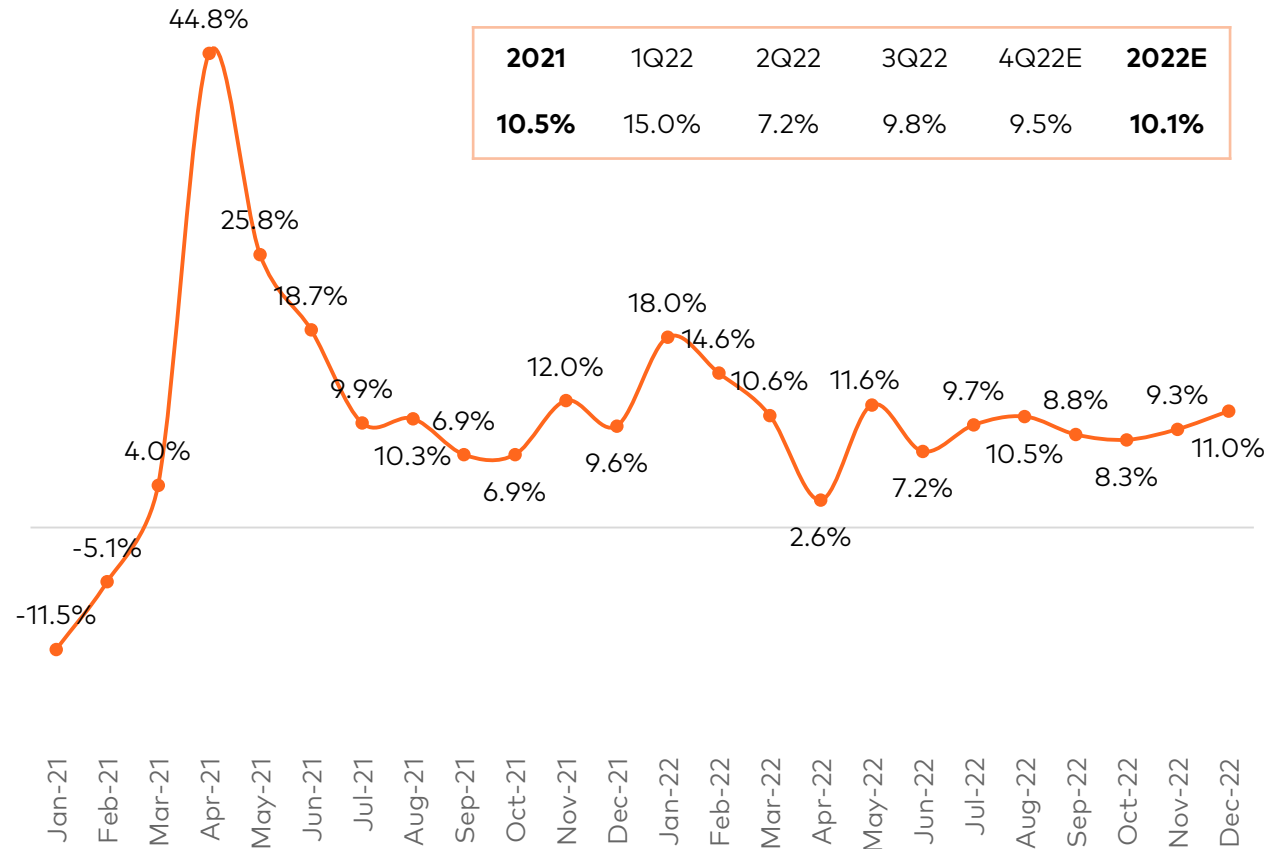
Profit, ROE, and cost to income ratio were adjusted for a one-off GEL 391.1m of other income due to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m tax expense due to an amendment to the current corporate taxation model in Georgia

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Strong growth momentum maintained in 4Q22

Real GDP y-o-y growth



Source: GeoStat

Key drivers of growth in 2022:

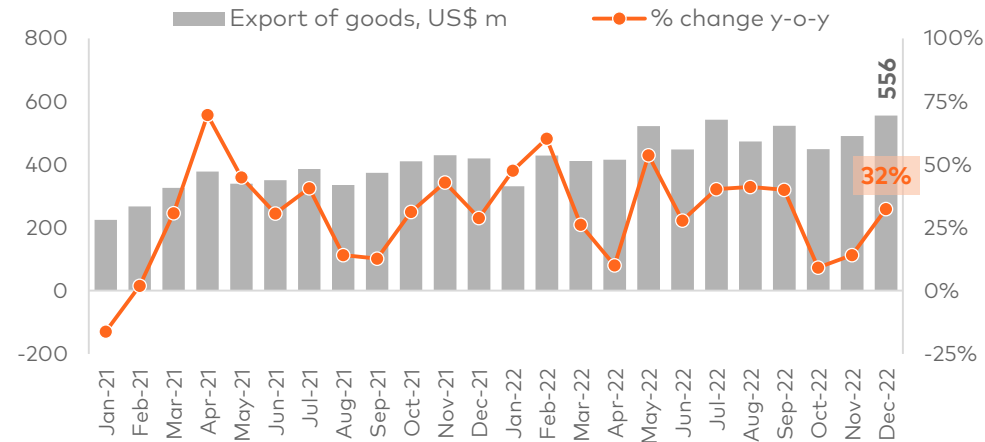
- Resilient inflows from exports and remittances, full recovery in tourism revenues
- Increased activity in transport and communication, hospitality and other services sectors
- Strong rebound in domestic investment spending

In 4Q22:

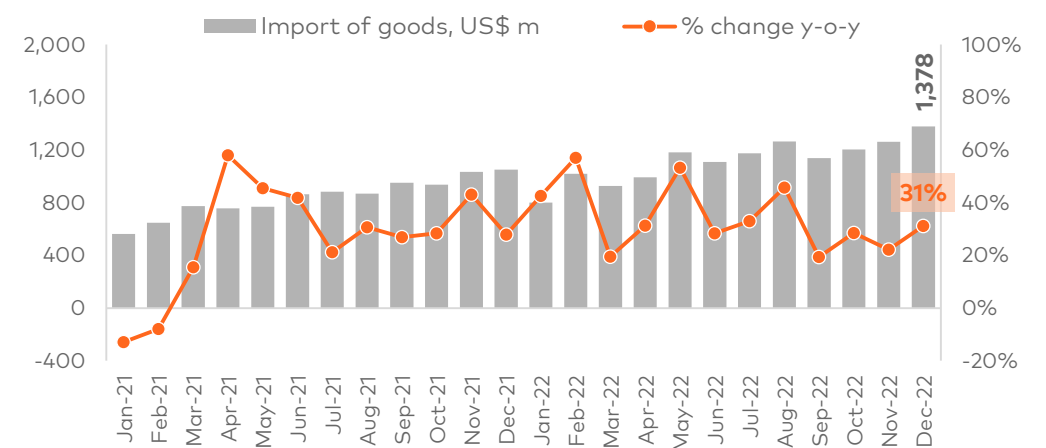
- Export of goods up 18.6% y-o-y (31.8% y-o-y growth full year 2022)
- Remittances up 142.2% y-o-y (86.1% y-o-y growth full year 2022)
- Tourism revenues exceeded 2019 level by 45.7% (7.6% growth vs. 2019 in full year 2022)

Sustained external inflows underpinning economic growth

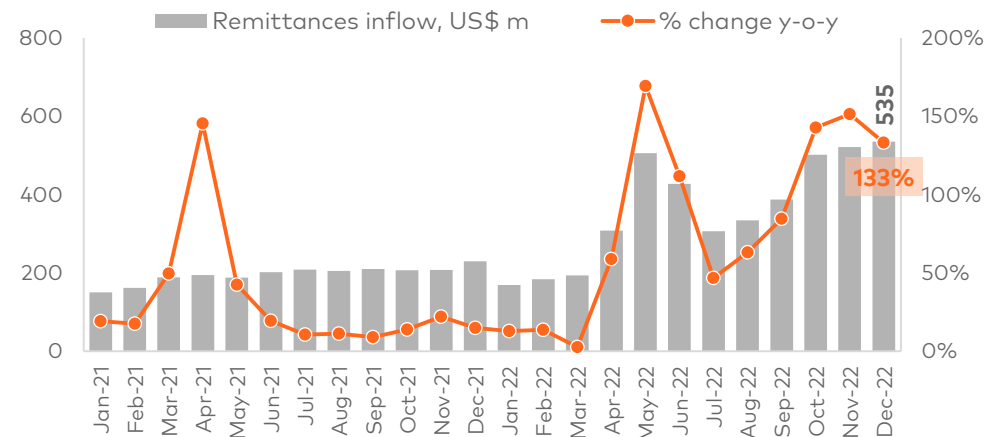
Export of goods



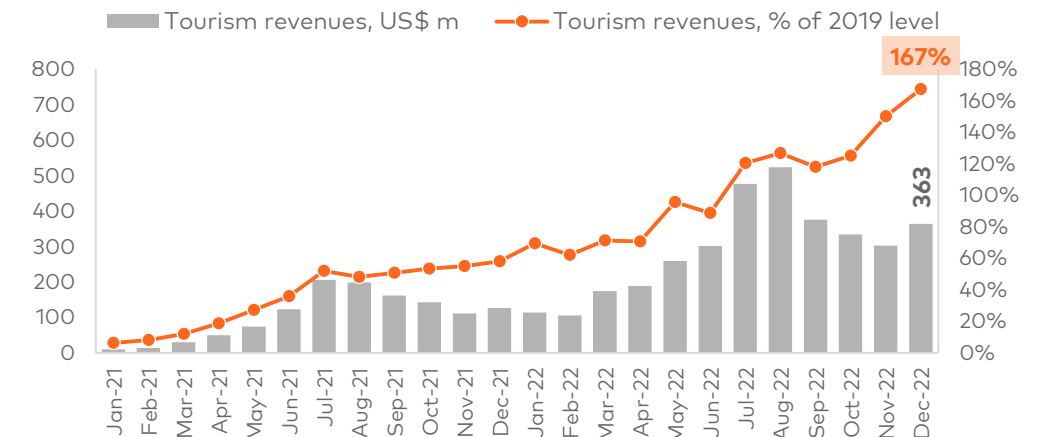
Import of goods



Remittances

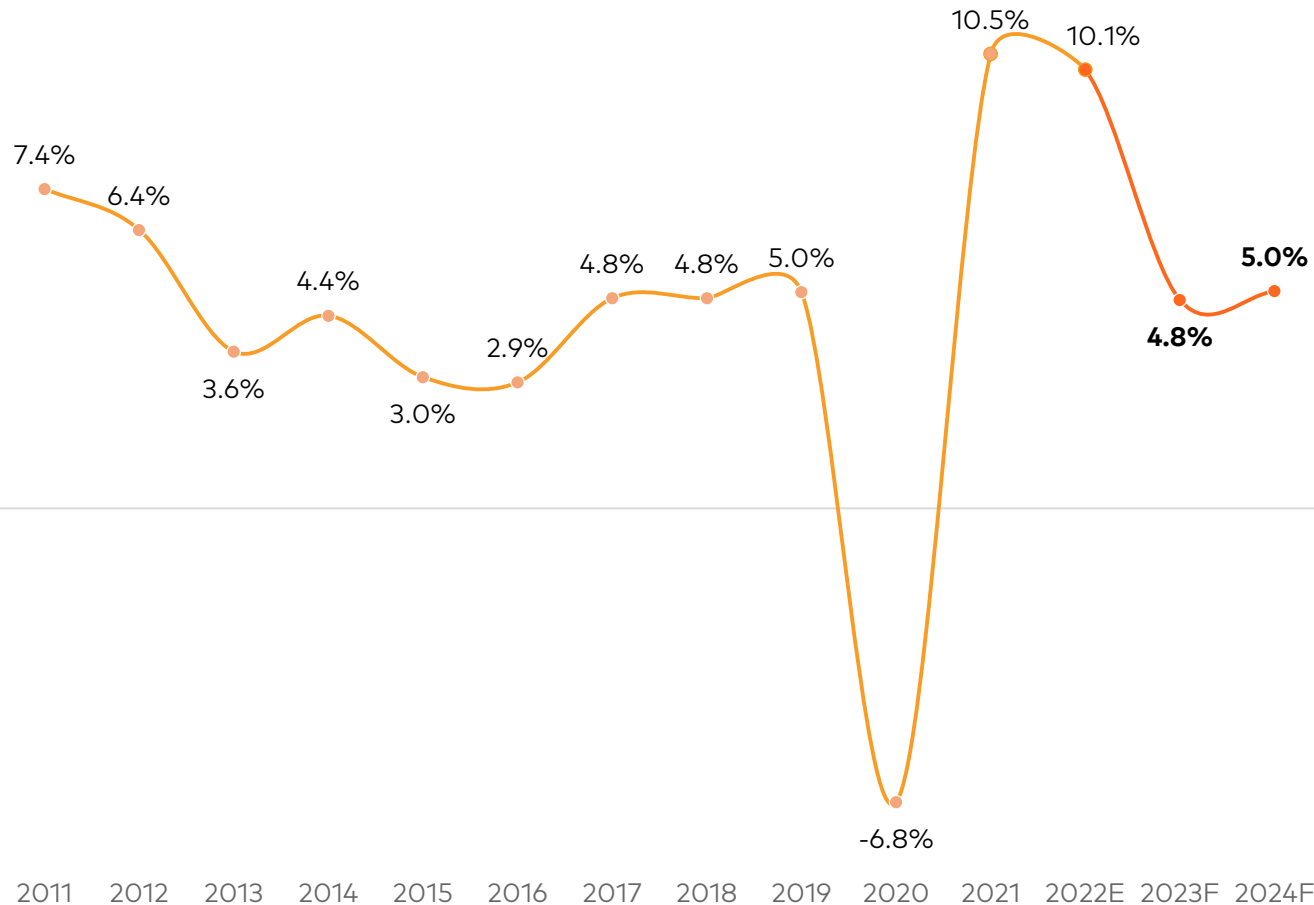


Tourism inflows



Expected normalisation of economic growth

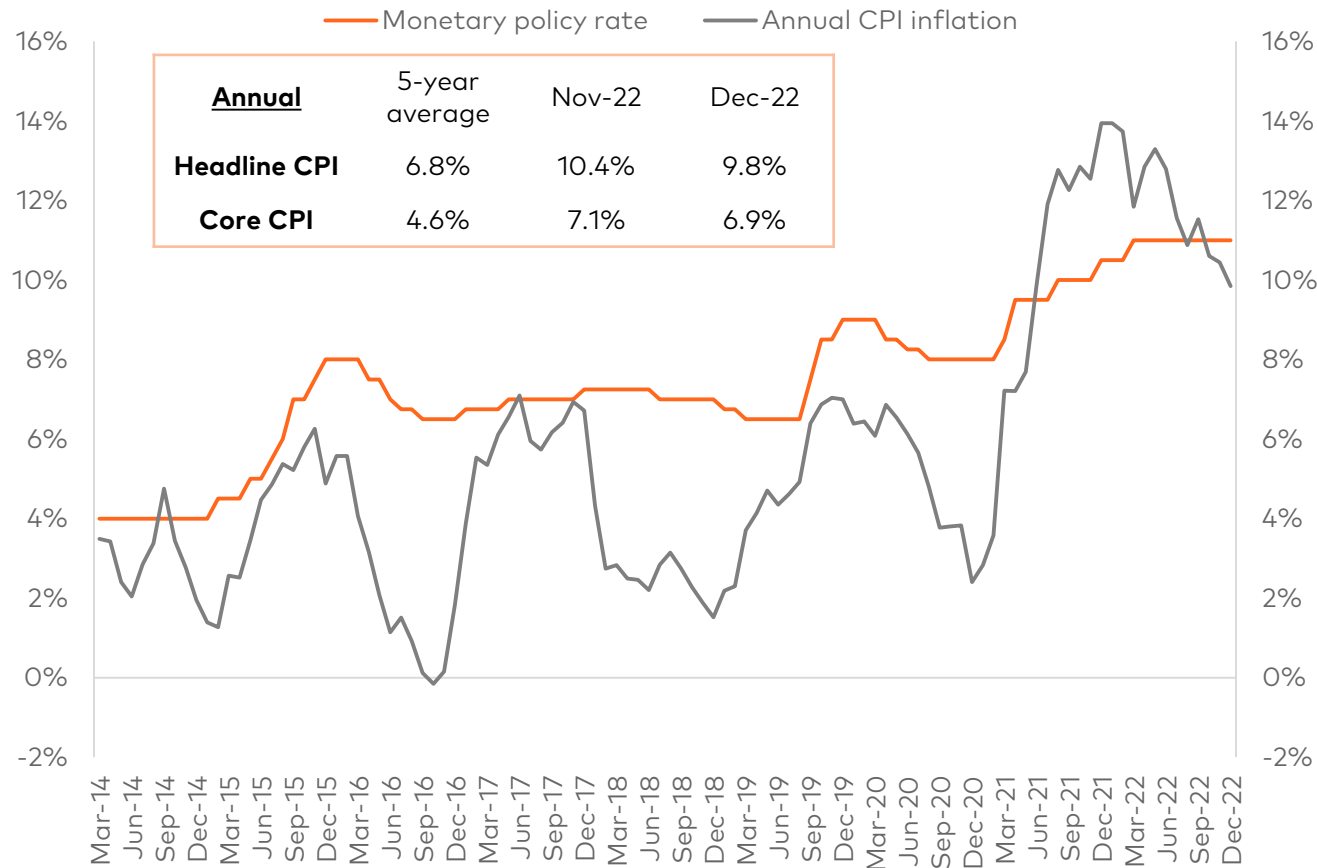
Georgia's economic growth forecast



- In 2023, real GDP growth is expected to slow to **4.8%**, considering a high base after two consecutive years of double-digit growth
- The main drivers of growth are expected to be a continued recovery in tourism revenues, a rebound in investment expenditure, and a lasting impact of inbound migration. Consumption spending should also strengthen amid slowing inflation
- Ongoing war in Ukraine, global recession fears and high inflation are downside risks

Inflation started to decrease amid eased commodity price pressures

Monetary policy remains tight to curb inflation pressures

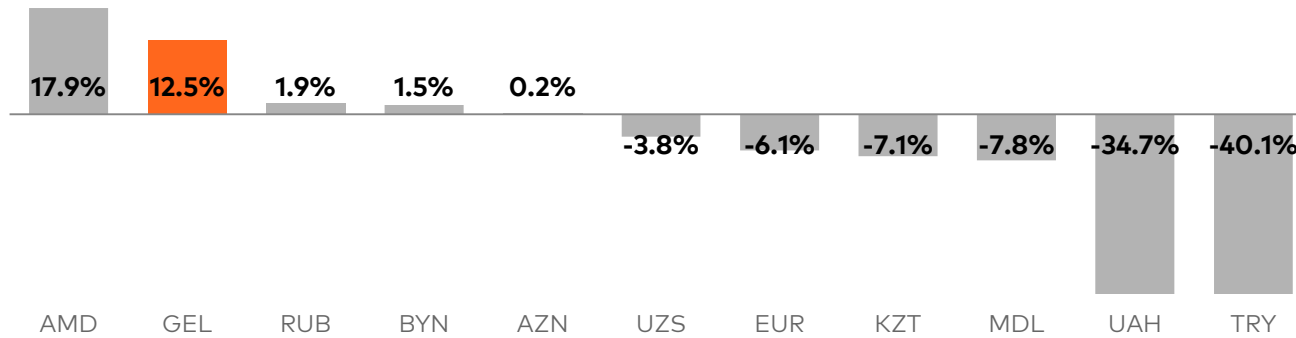


- Inflation was mainly driven by elevated food prices and demand-side price pressures
- PPI and import price inflation are on a downward trend indicating that consumer prices should keep slowing
- The NBG maintains a tight monetary policy, with the refinancing rate at 11% since March 2022
- Inflation is expected to moderate during the first half of 2023

Source: GeoStat, NBG

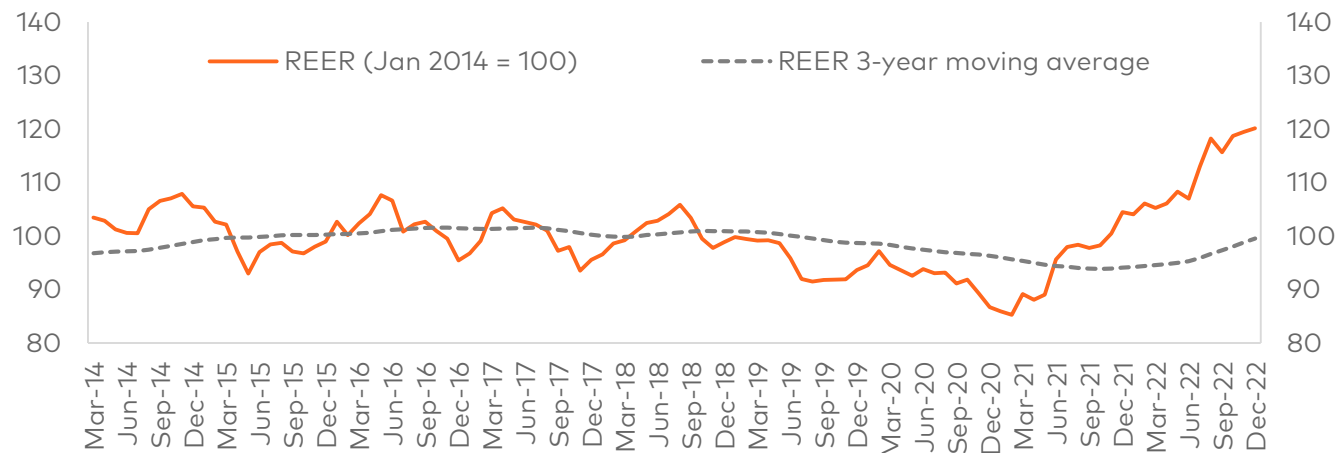
GEL supported by sustained FX inflows and tight monetary policy

Currency movements vs. US\$, 12/31/2021 – 12/31/2022



- GEL continued to appreciate on the back of strong external inflows, tight monetary policy, and improved sentiments. The Georgian currency gained 12.5% against the USD during 2022
- GEL is expected to remain stable in the medium term, supported by robust external inflows and positive growth outlook

GEL real effective exchange rate

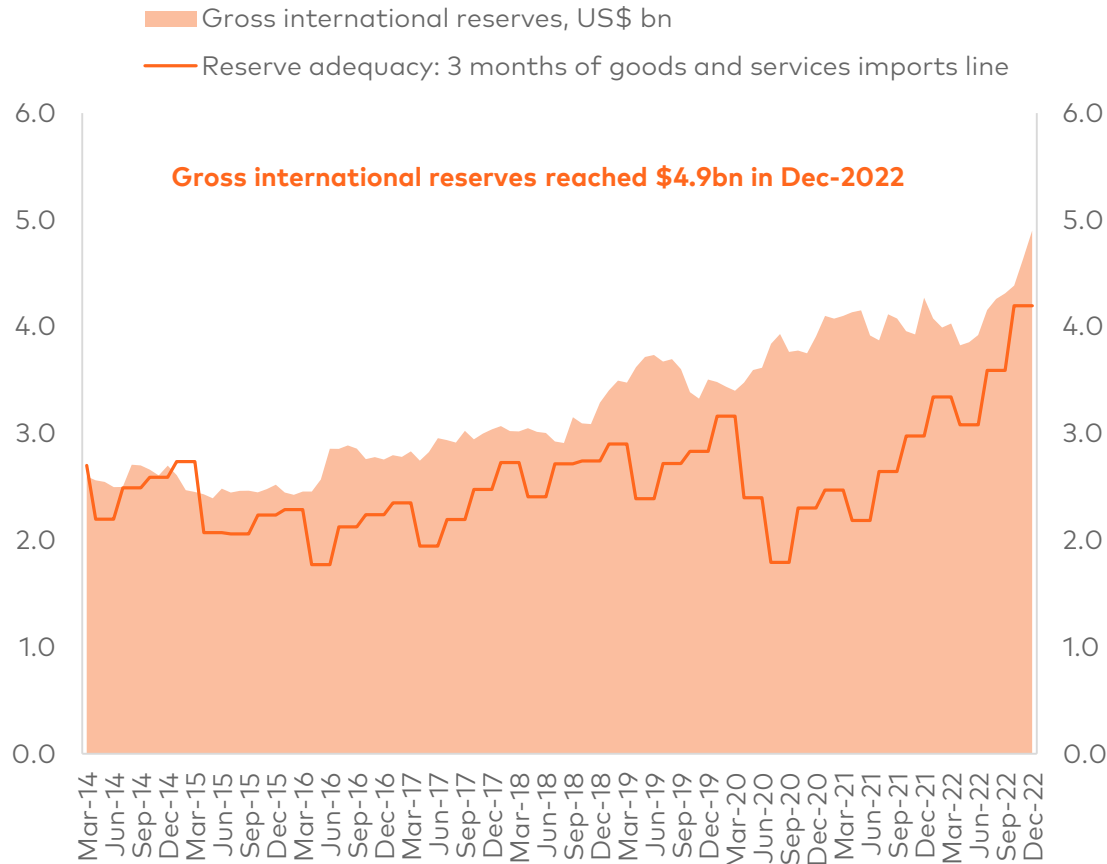


Source: NBG

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

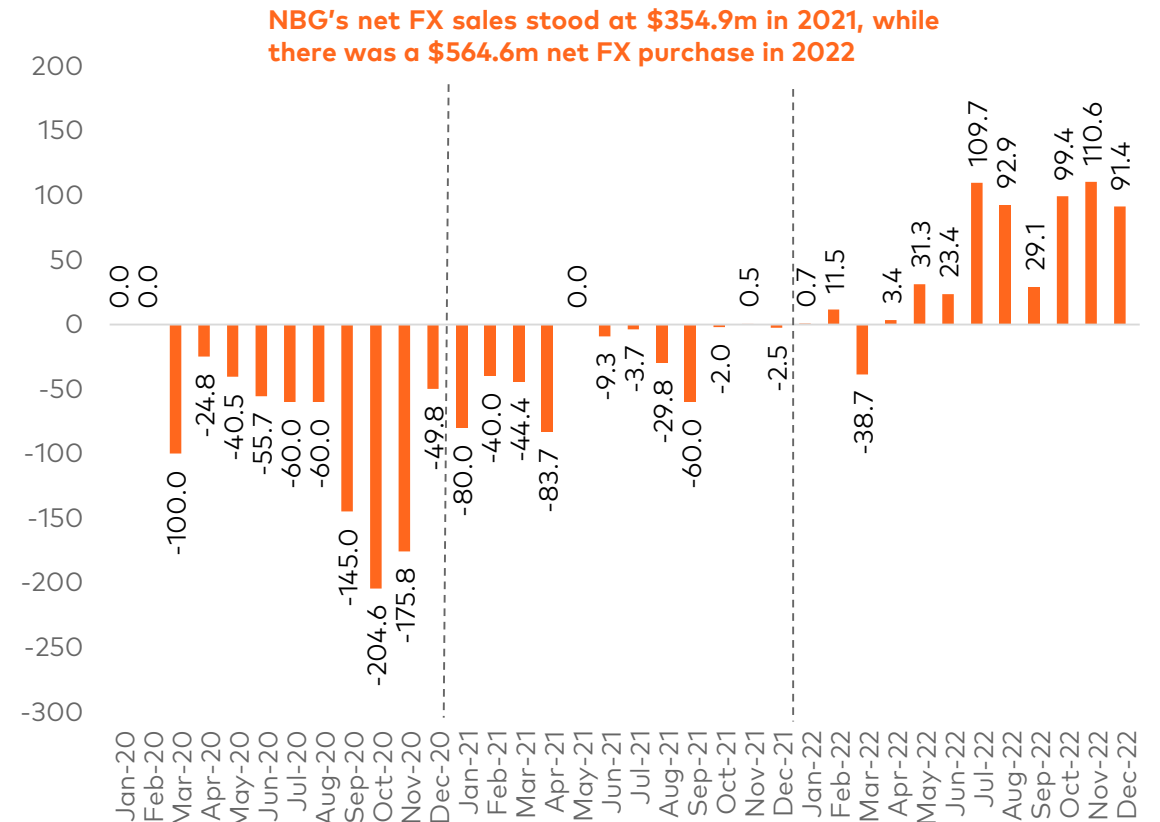
Growing international reserves cushion the economy against external shocks

International reserves



Source: NBG, BOG

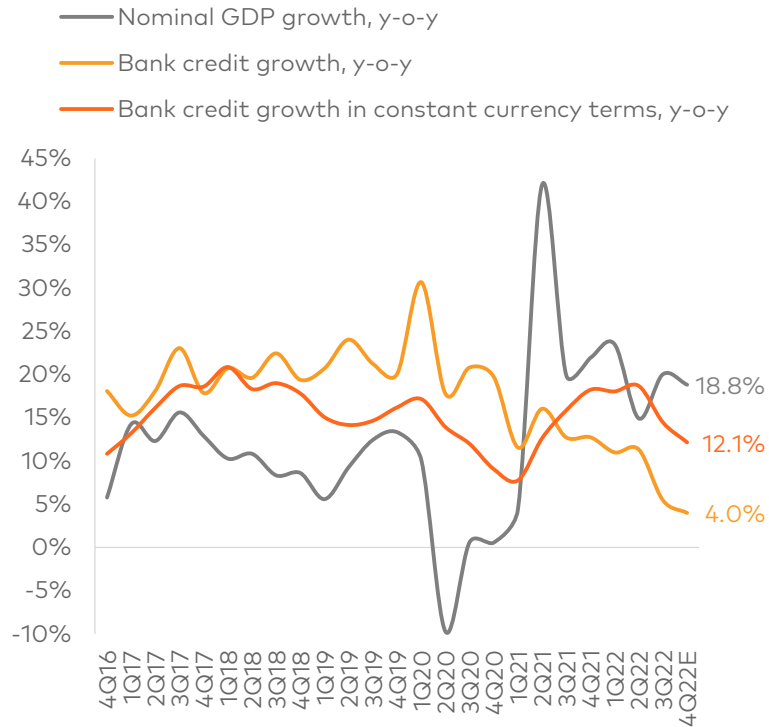
Central bank's interventions, net purchase in US\$ m



Source: NBG

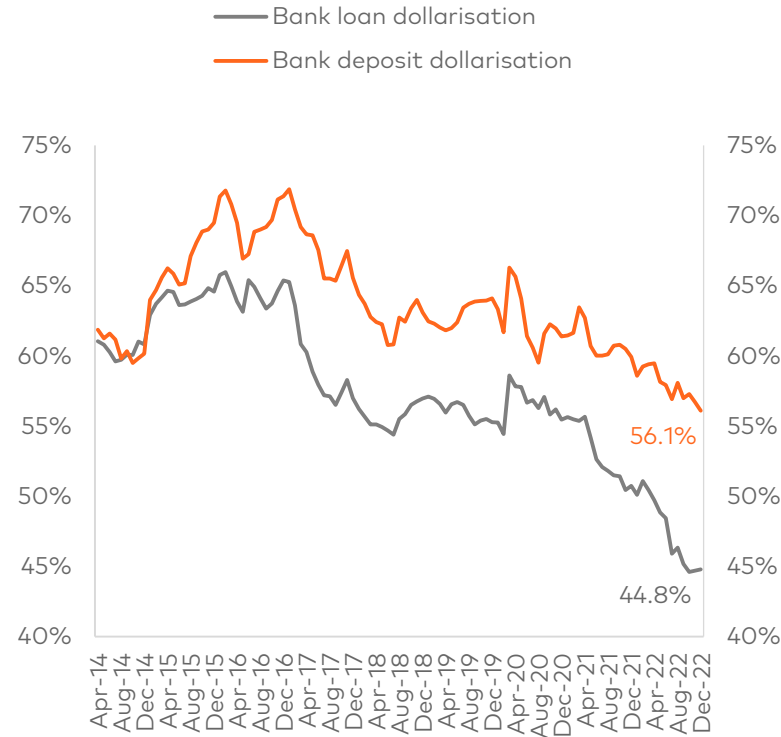
Healthy banking sector, with dollarisation down

Bank loan book growth vs. nominal GDP growth



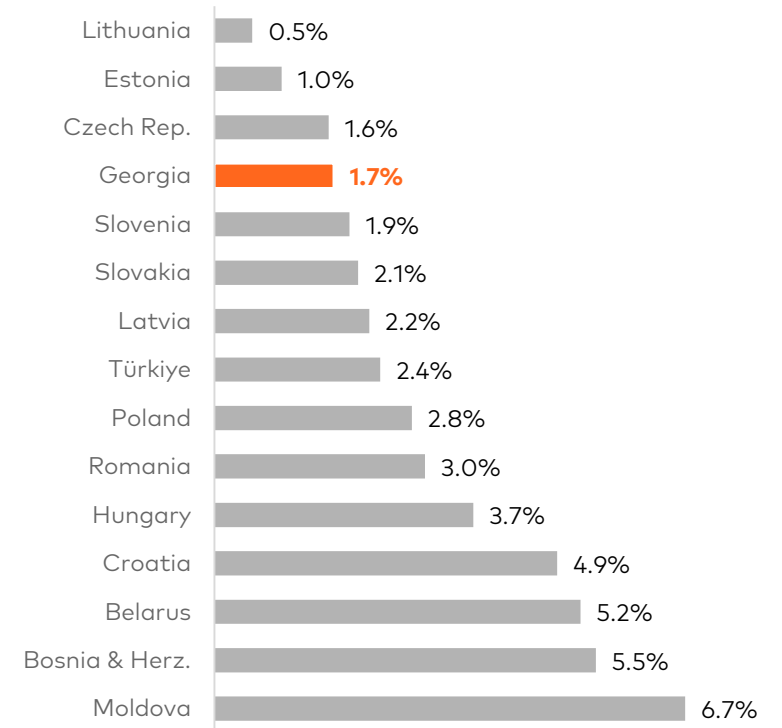
Source: NBG, GeoStat

Loan and deposit dollarisation



Source: NBG

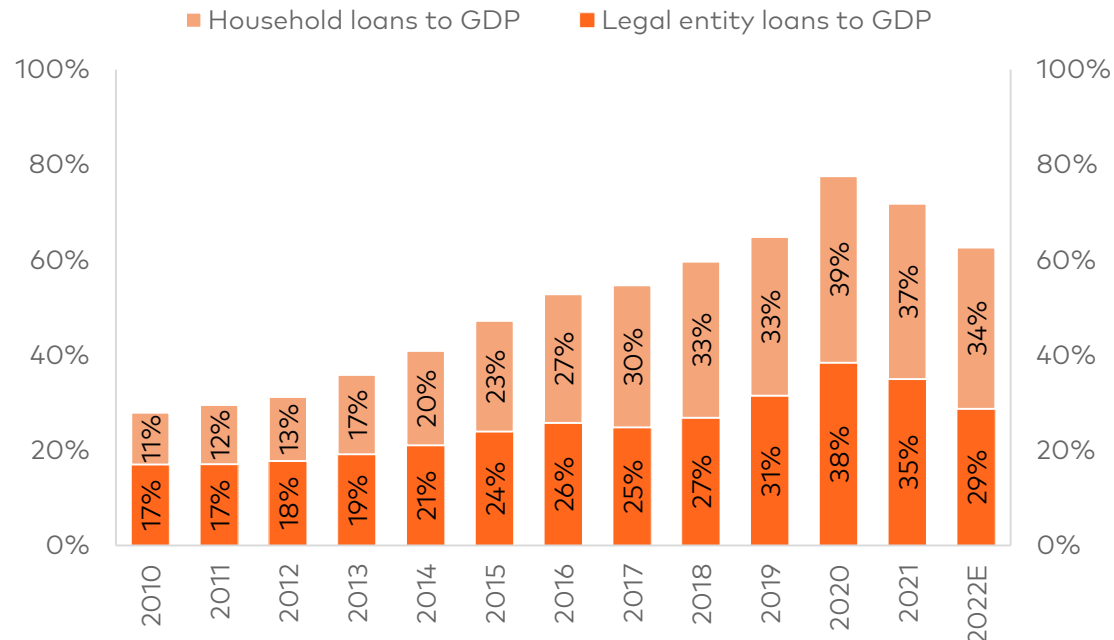
Non-performing bank loans to total gross loans in selected countries, 1H2022



Source: IMF

Reduced debt burden in the economy

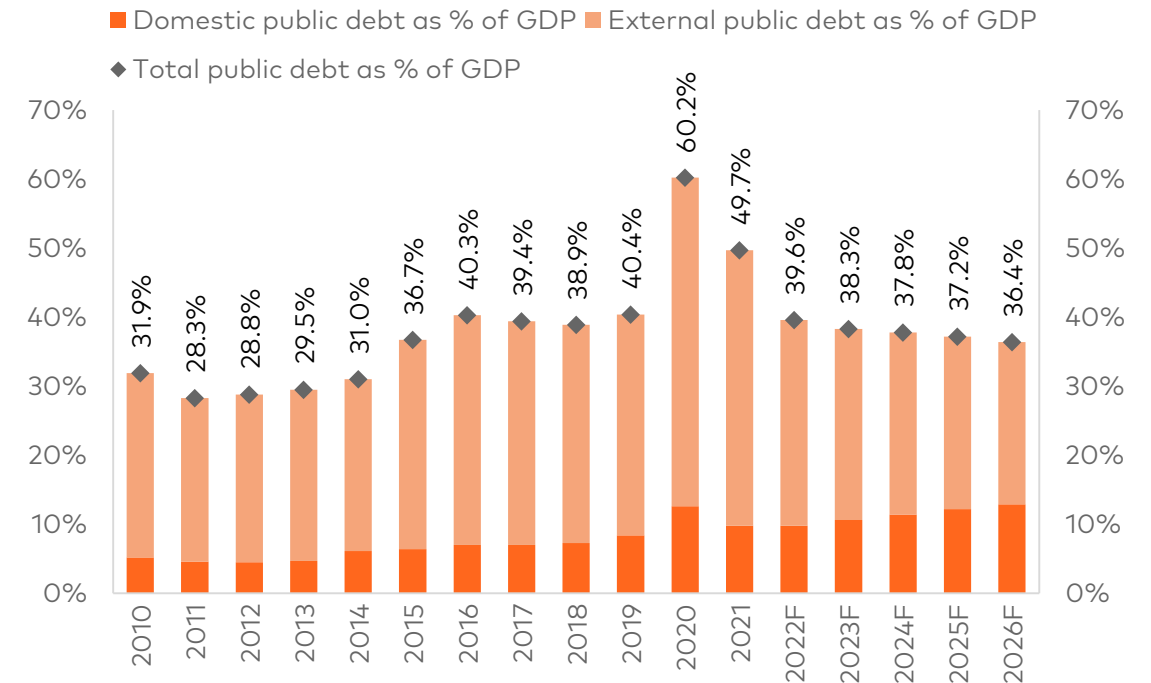
Banking sector loans to households and legal entities as % of GDP



Source: NBG, GeoStat, BOG

- In the private sector, debt level relative to GDP is on a downward path, driven by high income growth and strong GEL
- Several big issuers, including BOG and GGU, have repurchased their outstanding bonds, thus reducing refinancing risks

Public debt as % of GDP



Source: MOF, GeoStat, forecasts as of 2022 budget law

- Public sector has also reduced its debt burden thanks to economic growth and strong GEL
- Given the reduced debt burden and increased international reserves, the Georgian economy is well-positioned to maintain its growth momentum

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Who we are and what we focus on

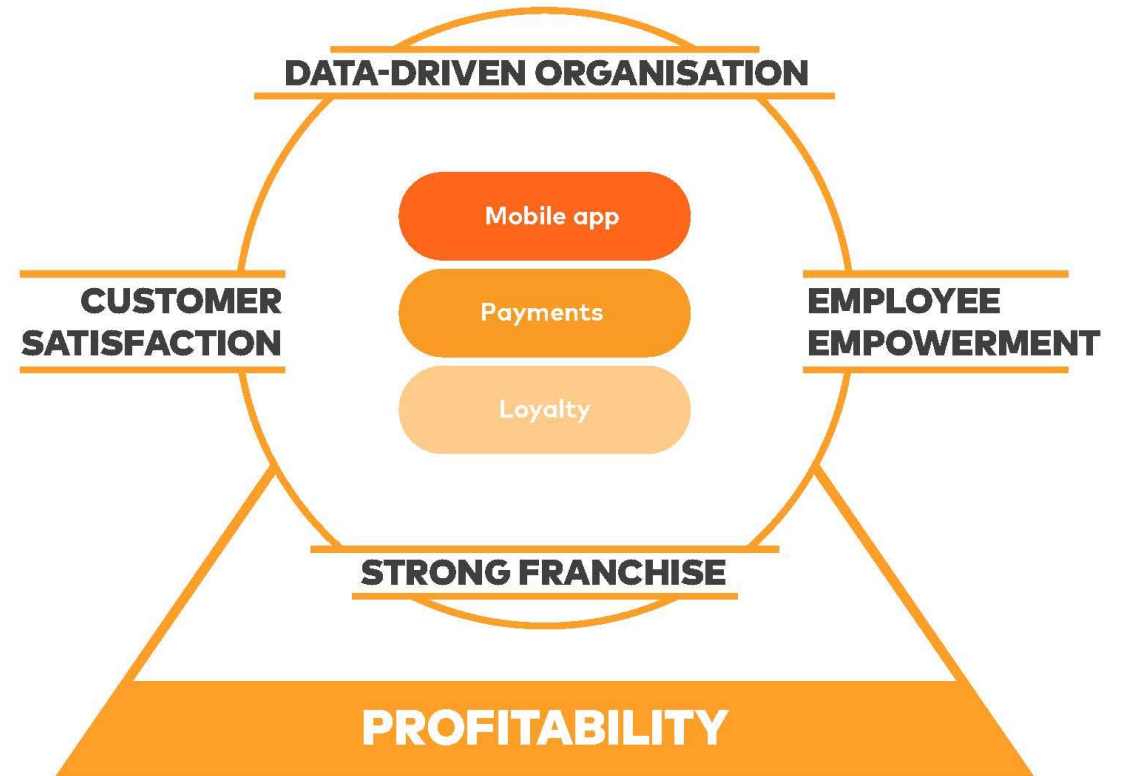
A FTSE-250 company with a diversified institutional investor base

Retail digital banking leader

Top of mind and the most trusted bank in Georgia

Consistently delivering high profitability (ROE above 20%)

Highest standards of corporate governance and a strong focus on ESG

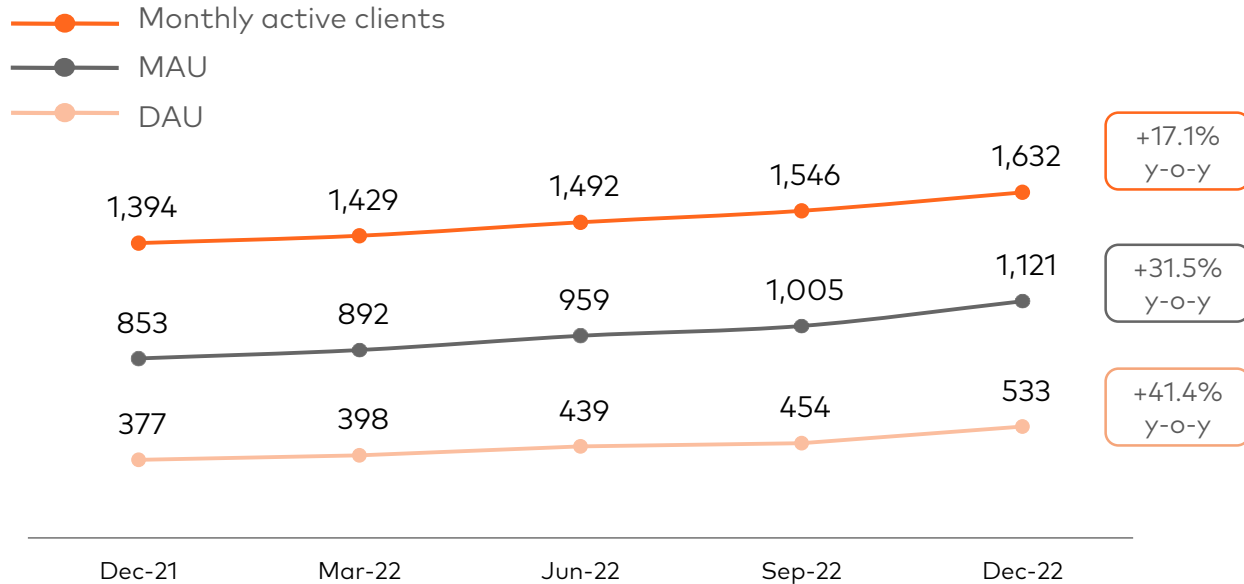


Our customers are becoming more digital and engaged

Figures given for JSC Bank of Georgia standalone

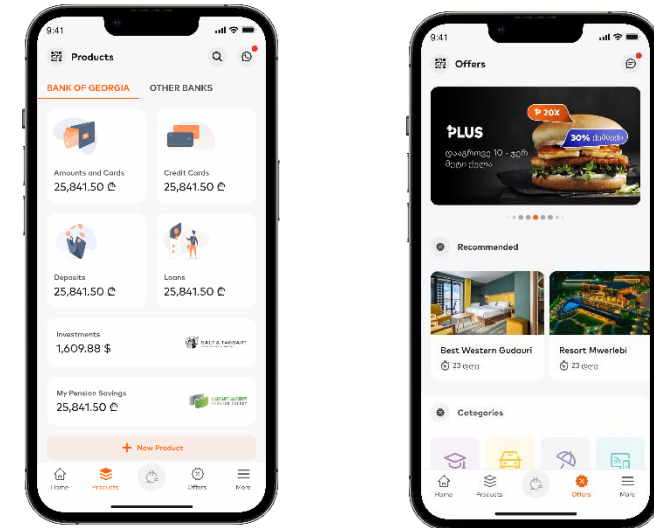
Active users (retail)

thousands



$\frac{DAU}{MAU}$	44.2%	44.6%	45.8%	45.2%	47.6%
$\frac{MAU}{\text{Monthly active clients}}$	61.1%	62.4%	64.3%	65.0%	68.7%

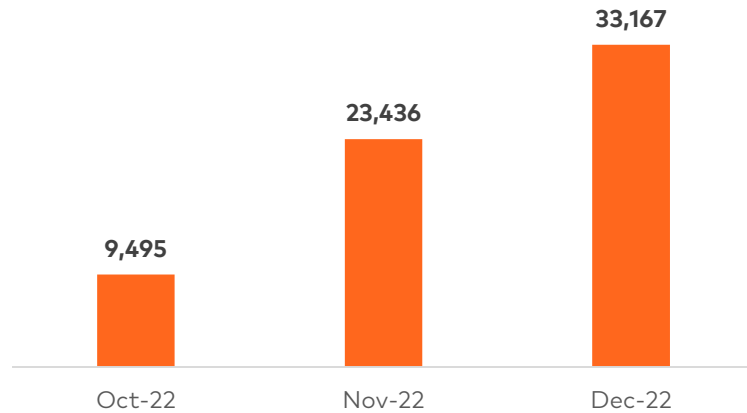
Building a financial super app



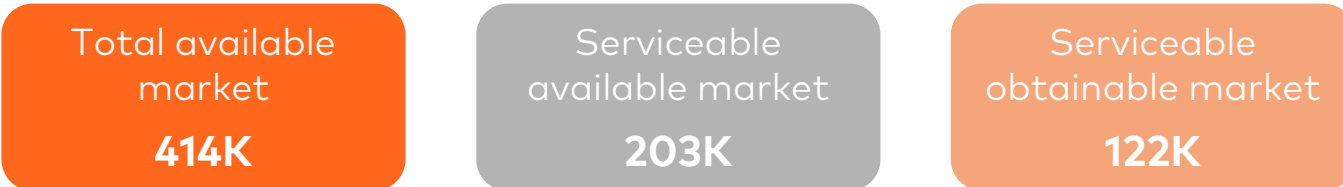
Play store 4.9/5
App store 4.8/5
Customer Satisfaction Score (Dec-22) 89%
 +3 ppts y-o-y

sCoolApp | the first financial mobile application for juniors

Monthly active digital users



Addressable market



Check available balance

Money request
Application skins
Animations
Fun features

sCool Card details and transactions

Special offers

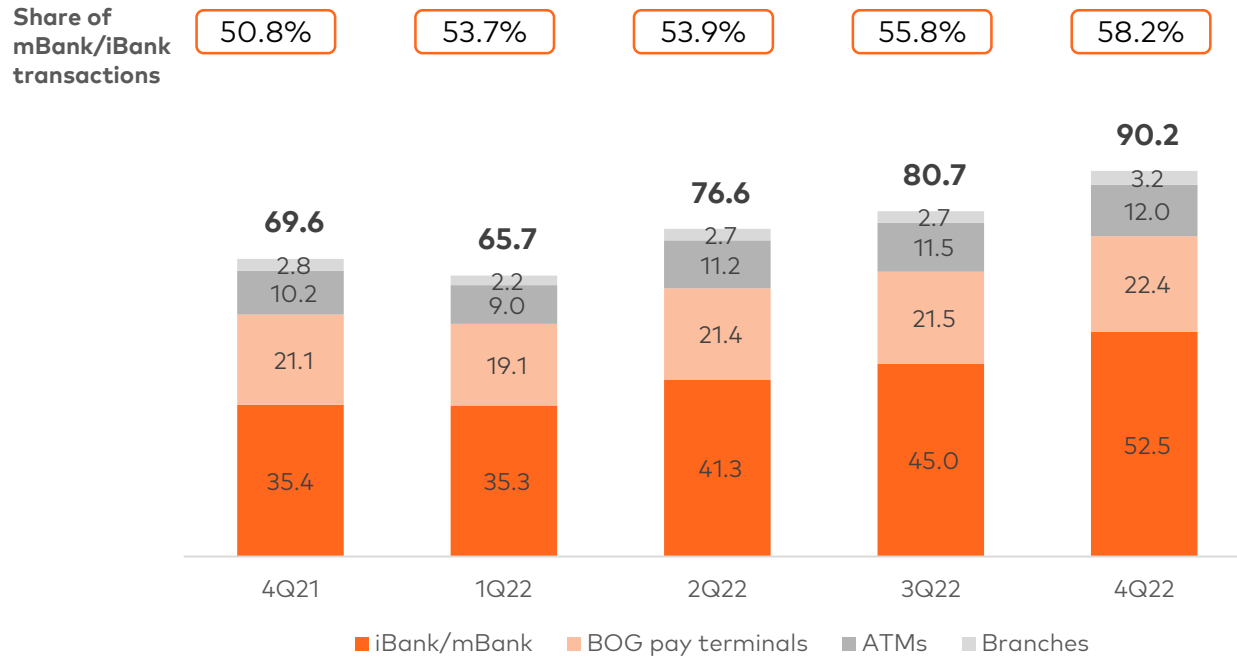
Piggy Bank

Focusing on increasing sales in digital channels

Figures given for JSC Bank of Georgia standalone

Number of transactions

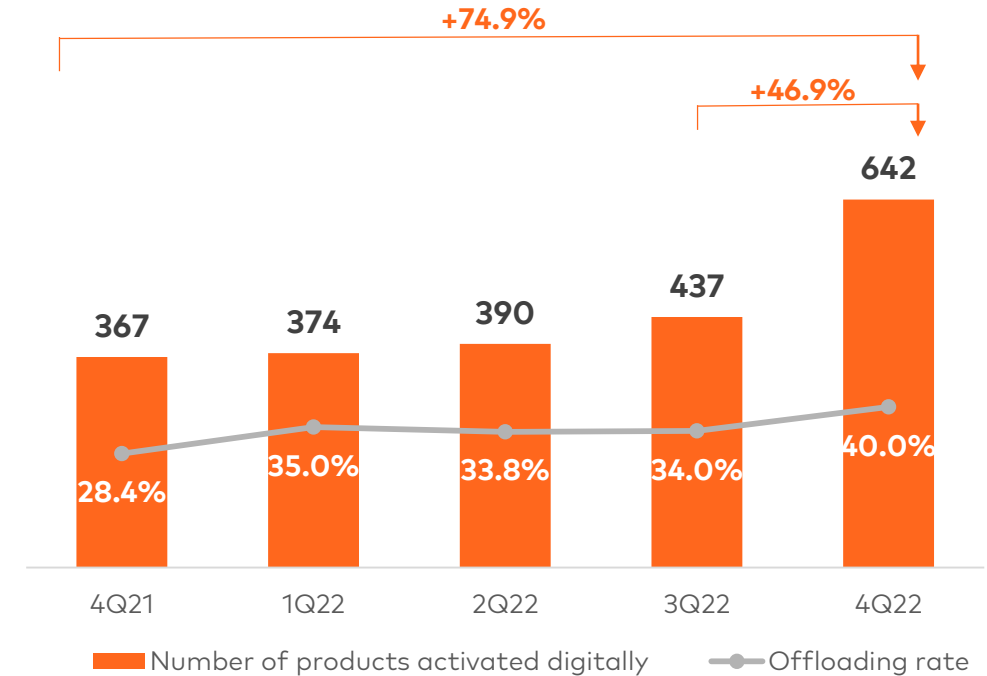
millions



- Number of transactions in mBank/iBank grew 48.2% y-o-y and 16.5% q-o-q in the fourth quarter

Product offloading

thousands

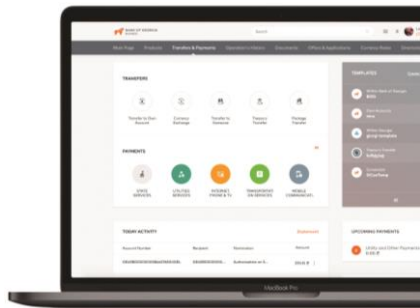
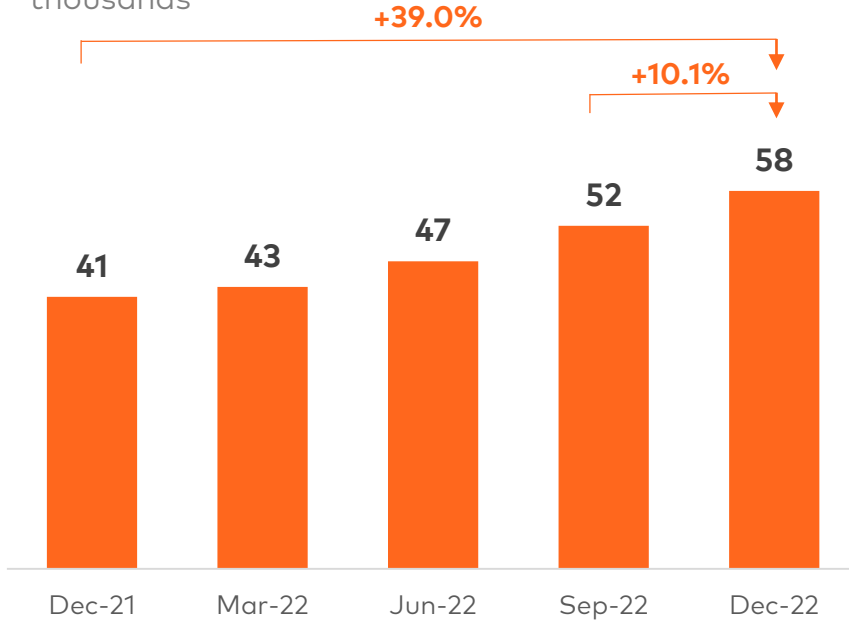


- Deposits digital offloading was **39.1%** in Dec-22, up from **29.0%** in Dec-21
- Loans digital offloading was **63.8%** in Dec-22, up from **58.6%** in Dec-21

Full digital experience for our business customers

Monthly active digital users

thousands



79%

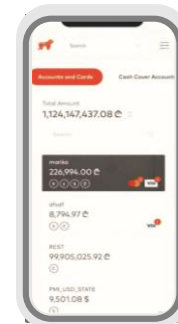
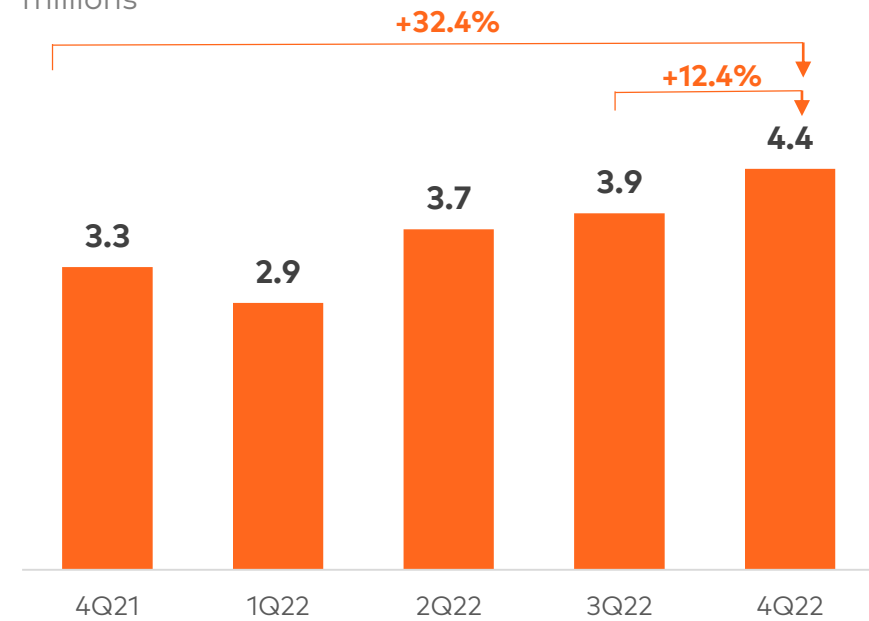
Customer Satisfaction Score (Dec-22)

+6 pts y-o-y

Figures given for JSC Bank of Georgia standalone

Number of transactions

millions



84%

Customer Satisfaction Score (Dec-22)

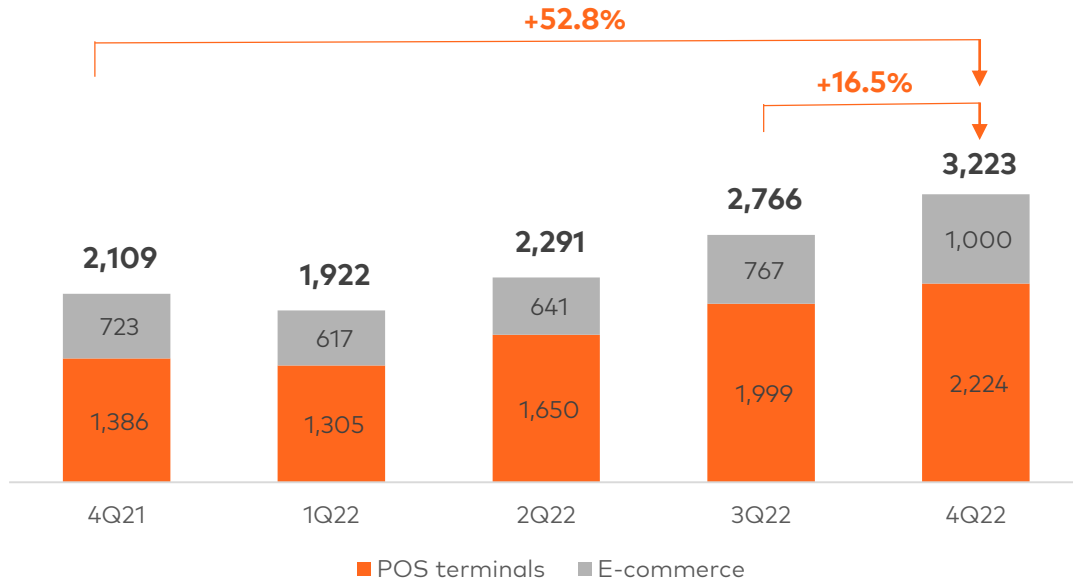
+5 pts y-o-y

Payments business – our daily touchpoint with customers

Figures given for JSC Bank of Georgia standalone

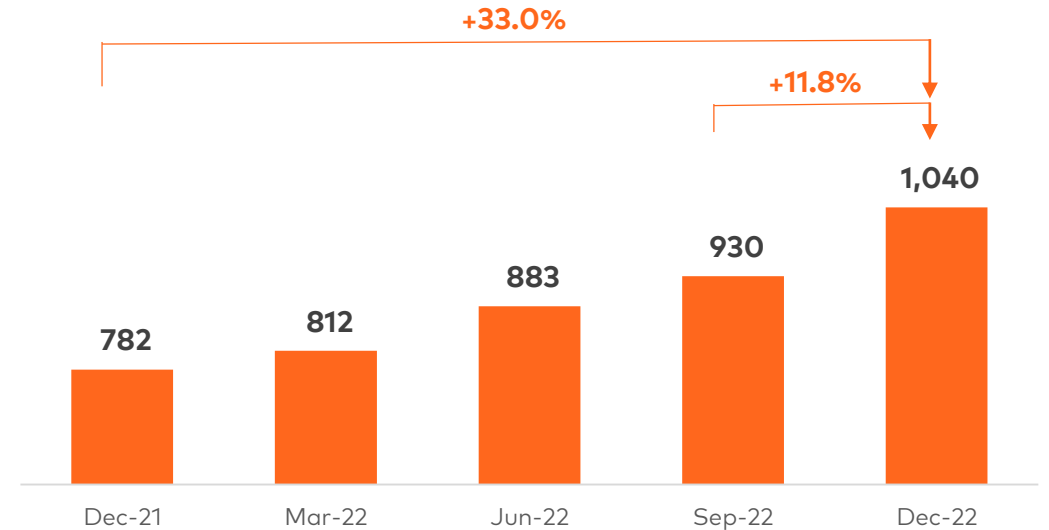
Acquiring - volume of payment transactions

GEL millions



Issuing – payment MAU

thousands



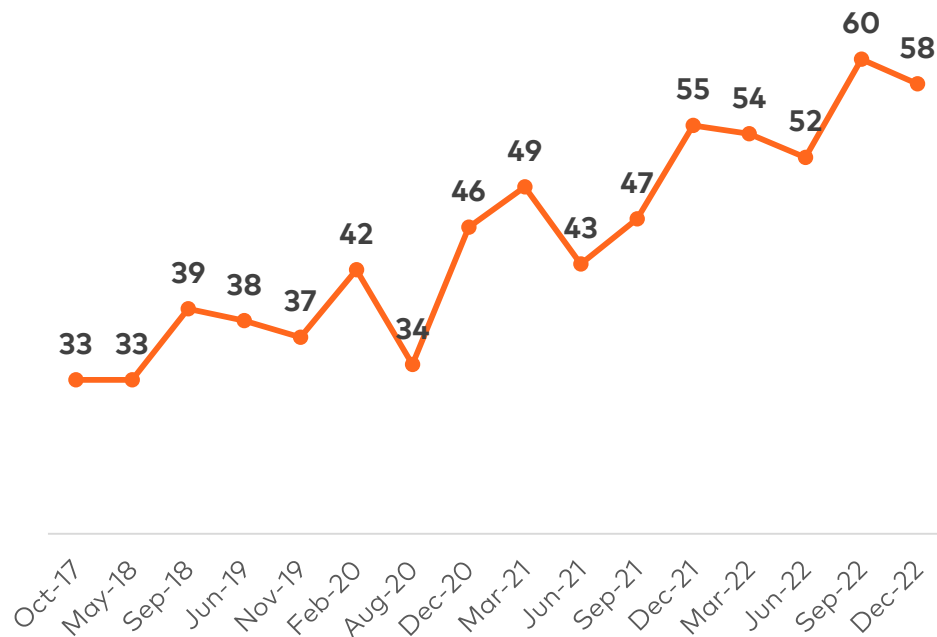
50.3%

Market share by volume of transactions in BOG's
POS and e-commerce | 4Q22
+7.3 pts YoY

Fostering a customer-centric culture

Figures given for JSC Bank of Georgia standalone

NPS*



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

Anticipating customer needs, wants, and future behavior

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

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



* Based on external research by IPM Georgia

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Financial highlights

4Q		FY
33.7%	ROE	32.4%
0.9%	Cost of credit risk ratio	0.8%
31.0%	Cost to income ratio	32.0%
31 Dec 2022	CET1 capital	14.7% Minimum requirement 11.6%

Loans
31 Dec 2022
GEL 16.9bn

+4.3% y-o-y
+4.3% q-o-q

+12.9% y-o-y
+4.8% q-o-q

On a constant currency basis

Deposits
31 Dec 2022
GEL 18.3bn

+30.1% y-o-y
+6.2% q-o-q

+43.2% y-o-y
+8.5% q-o-q

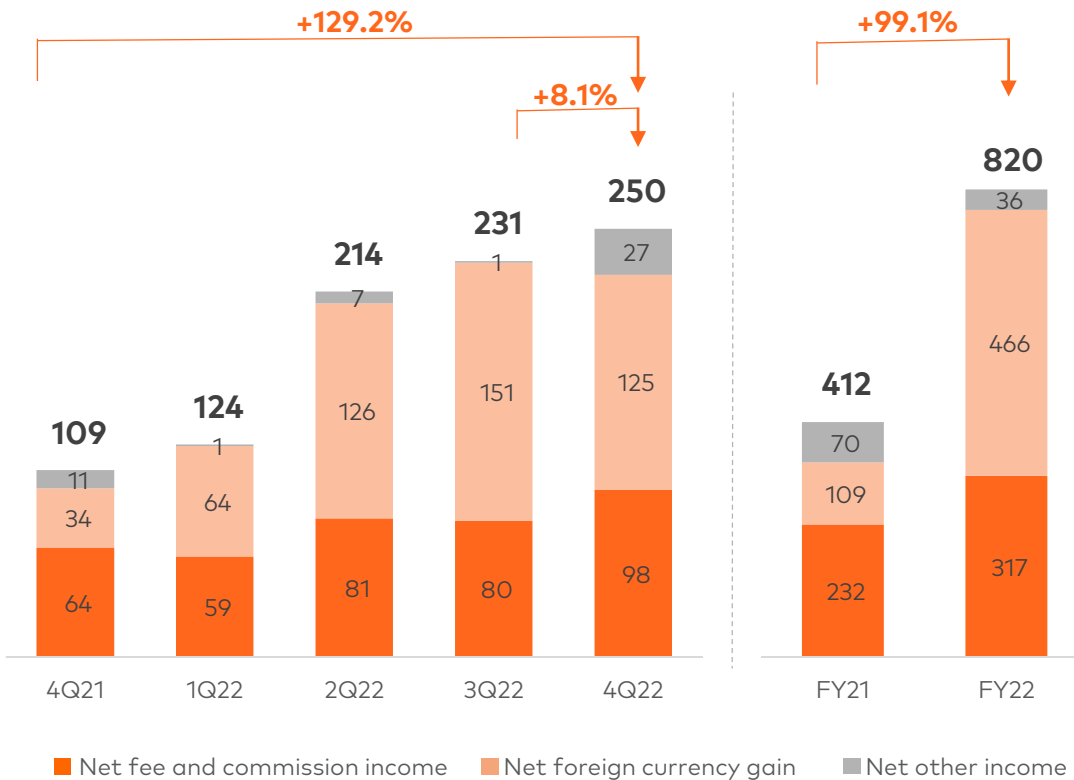
On a constant currency basis

4Q22 and FY22 figures adjusted for a one-off GEL 391.1m of other income due to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m tax expense due to an amendment to the current corporate taxation model in Georgia

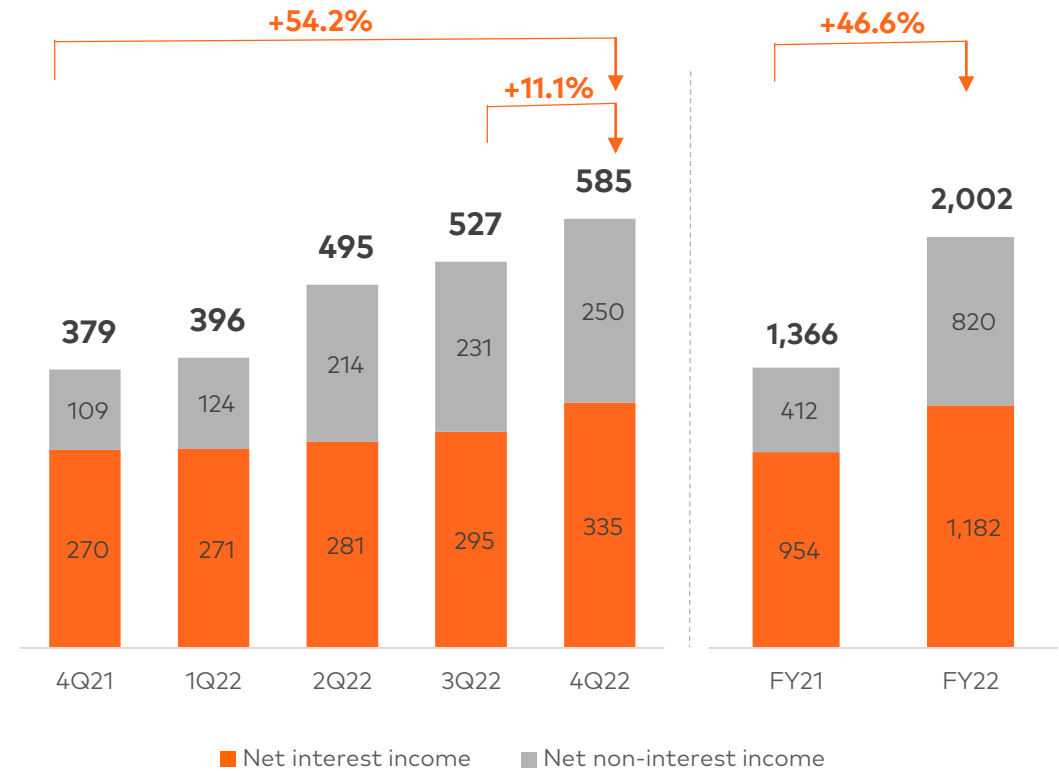
Strong underlying performance

All currency data are in GEL m unless otherwise stated

Net non-interest income*



Operating income*

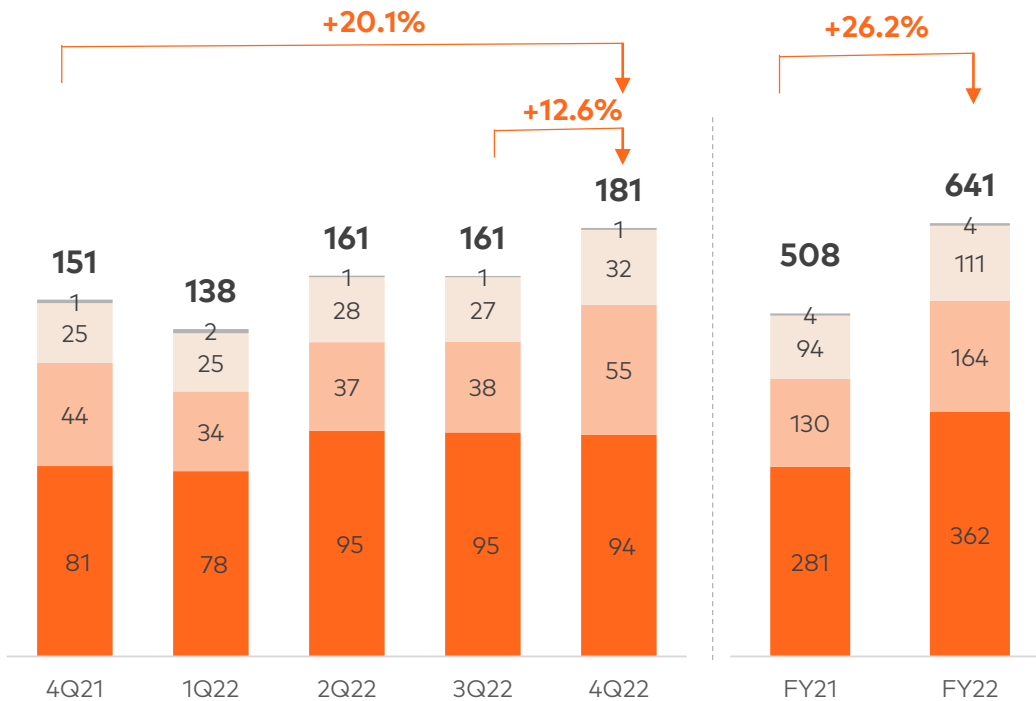


*Adjusted data. Does not include a one-off GEL 391.1m of other income due to the settlement of an outstanding legacy claim

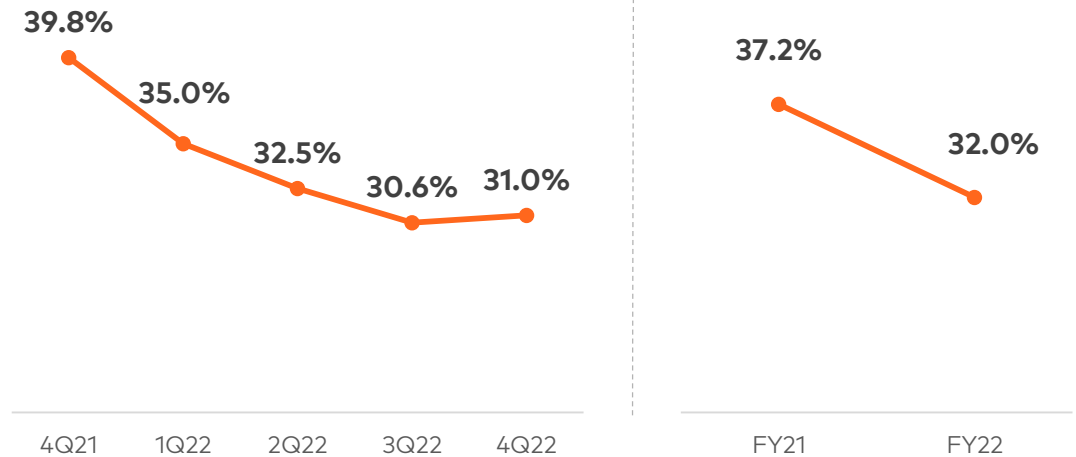
Investing for growth while maintaining the focus on efficiency

All currency data are in GEL m unless otherwise stated

Operating expenses



Cost to income ratio*



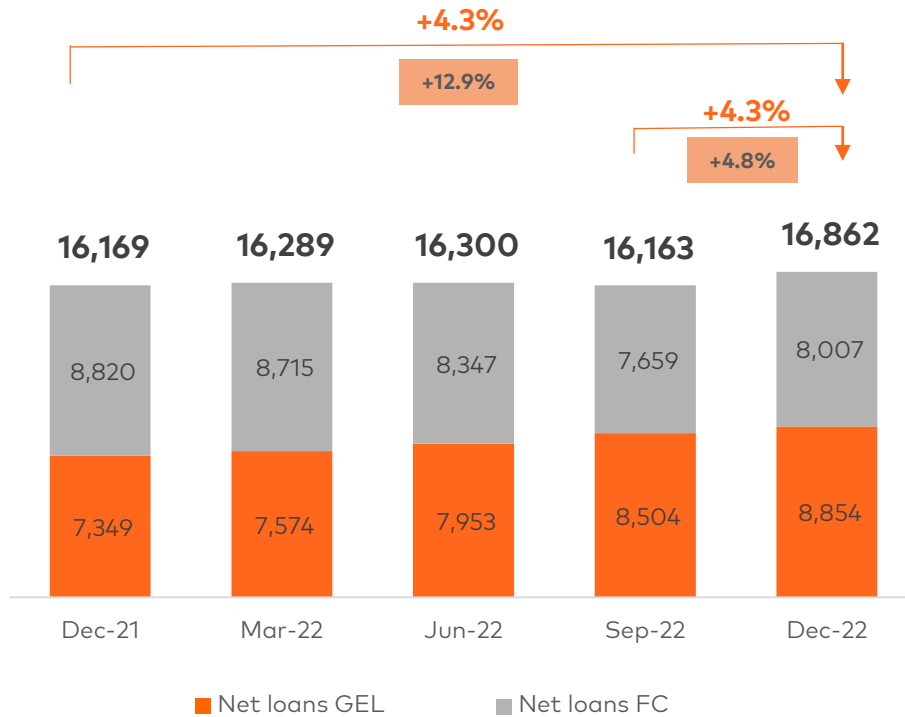
- Salaries and other employee benefits
- Administrative expenses
- Depreciation, amortisation and impairment
- Other operating expenses

*Adjusted data. Does not include a one-off GEL 391.1m of other income due to the settlement of an outstanding legacy claim

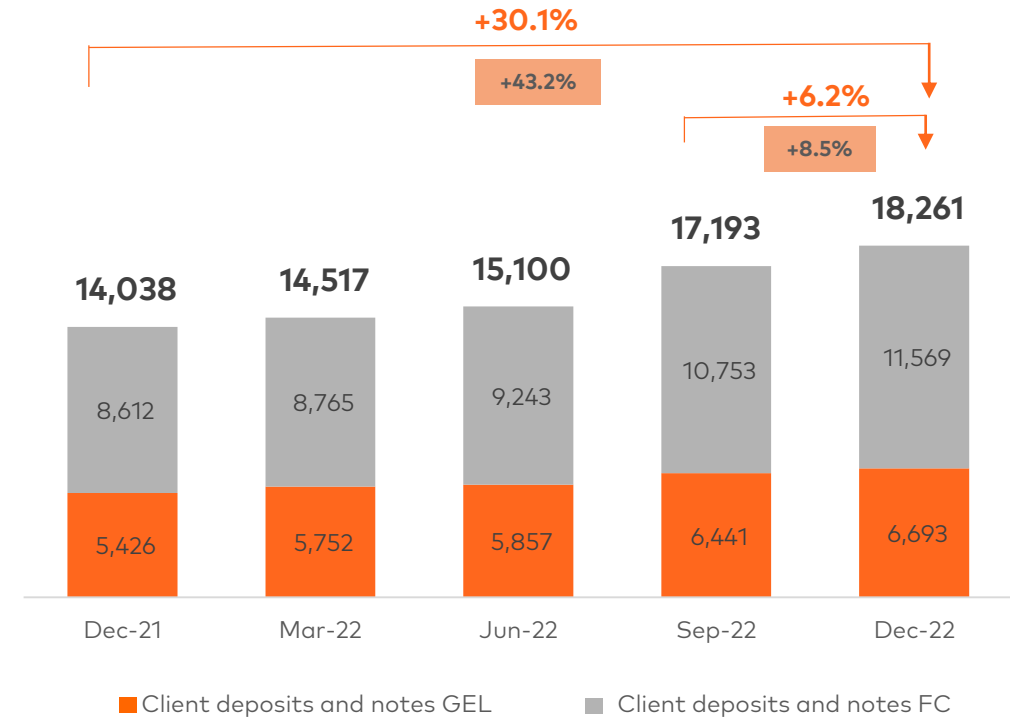
Increased deposits reflecting the strength of our franchise

All currency data are in GEL m unless otherwise stated

Loan portfolio



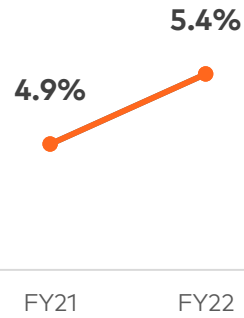
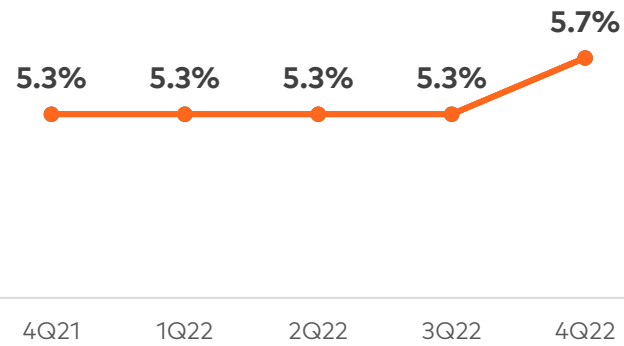
Deposit portfolio



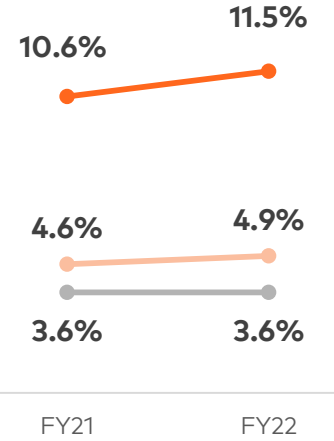
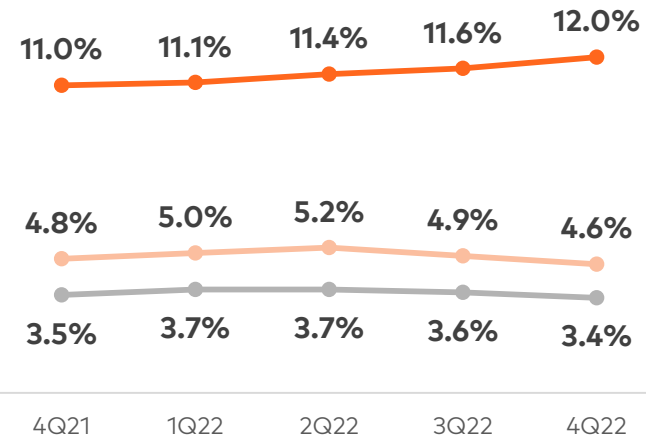
■ Growth on a constant currency basis

Increase in NIM driven by higher loan yield

Net interest margin



Loan yield, cost of funds, cost of deposits

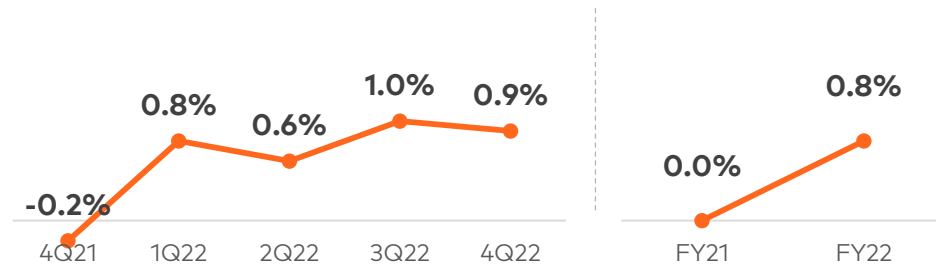


- Loan yield
- Cost of funds
- Cost of client deposits and notes

High quality loan portfolio

All currency data are in GEL m unless otherwise stated

Cost of credit risk ratio



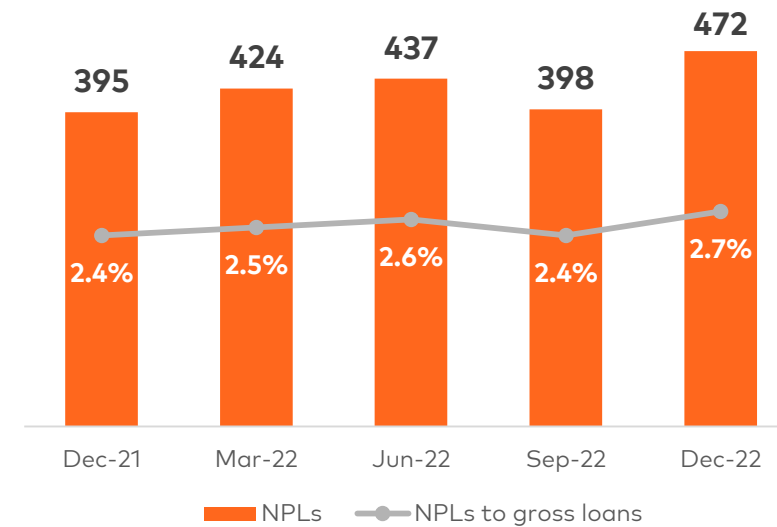
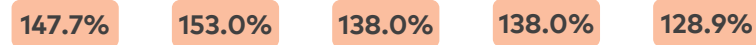
- In 2022 the cost of credit risk ratio was mainly driven by Retail Banking
- The NPL ratio increased to 2.7% at 31 December 2022 from 2.4% at 30 September 2022, mainly driven by a one-off methodological change as we have aligned our internal NPL definitions more closely to IFRS Stage 3 definitions

Loan portfolio quality

NPL coverage



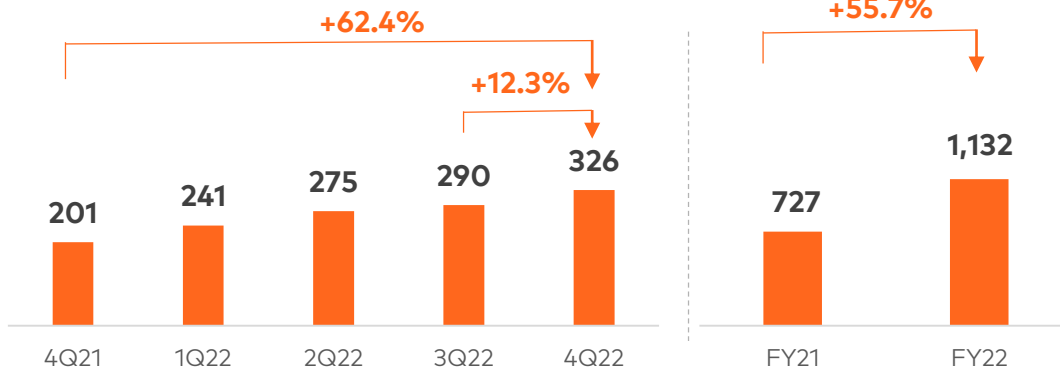
NPL coverage adjusted for collateral value



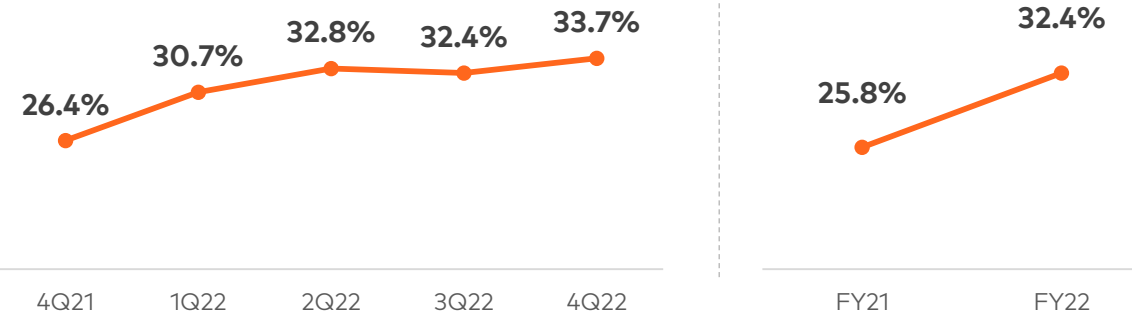
Robust bottom-line growth and profitability

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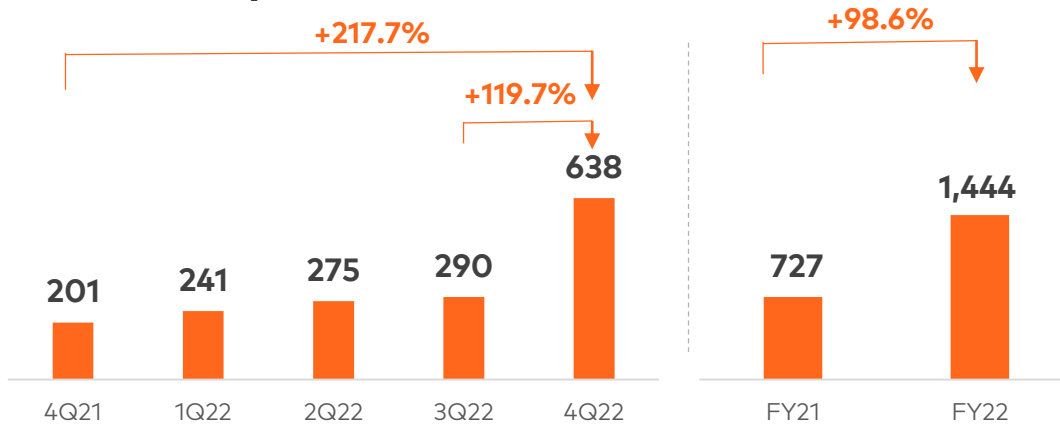
Profit (adjusted)*



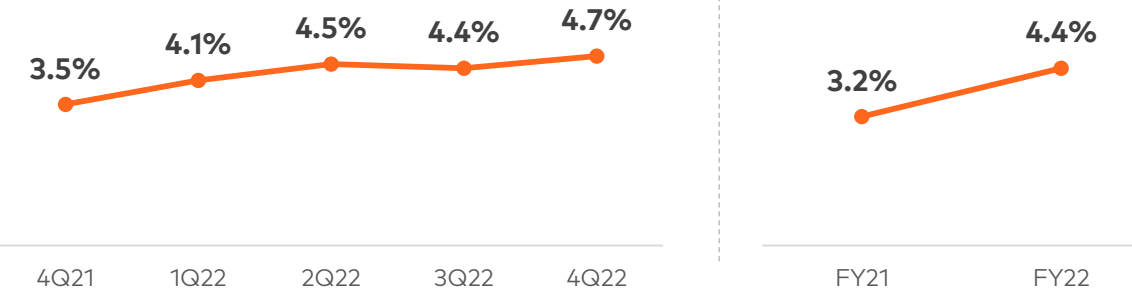
ROE*



Profit (reported)



ROA*



* 4Q22 and FY22 figures adjusted for a one-off GEL 391.1m of other income due to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m tax expense due to an amendment to the current corporate taxation model in Georgia

Continued strong capital generation

Figures given for JSC Bank of Georgia standalone

Evolution of capital ratios during 4Q22

	30 Sep 2022	4Q22 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	31 Dec 2022	Minimum requirement (31 Dec 2022)	Potential impact of a 10% GEL devaluation
CET1 capital adequacy ratio	14.8%	1.1%	-0.9%	0.3%	-0.7%	0.0%	14.7%	11.6%	-1.0%
Tier1 capital adequacy ratio	17.0%	1.1%	-1.1%	0.3%	-0.7%	0.0%	16.7%	13.8%	-0.9%
Total capital adequacy ratio	20.3%	1.1%	-1.2%	0.2%	-0.7%	0.0%	19.8%	17.2%	-0.8%

IFRS-based capital ratios

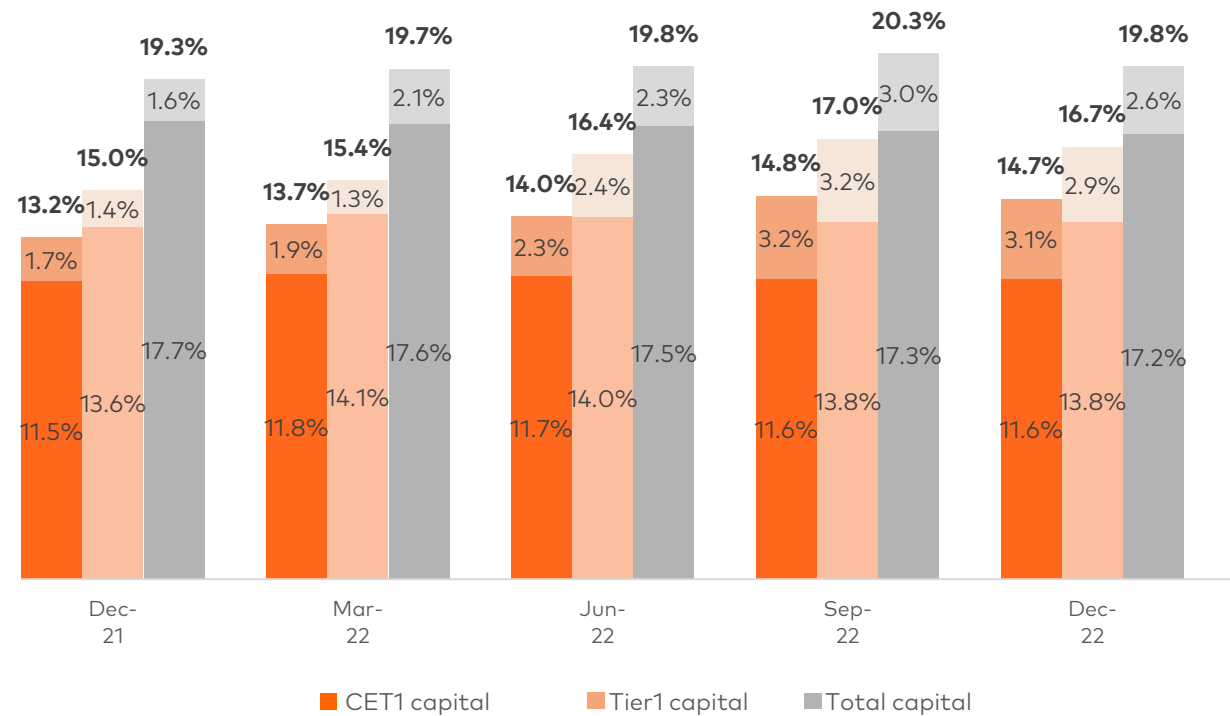
	IFRS-based capital ratios (31 Dec 2022)	Minimum requirement (31 Dec 22)	Expected minimum requirement for Dec-23
CET1 capital adequacy ratio	17.7%	14.5%	14.8%
Tier1 capital adequacy ratio	19.7%	16.7%	17.1%
Total capital adequacy ratio	21.7%	20.2%	20.2%

- Since January 2023, the NBG has transitioned to IFRS-based accounting
- The IFRS-based ratios are presented on a management basis and are not officially approved by the NBG on the basis that they were not mandatory as of the reporting date

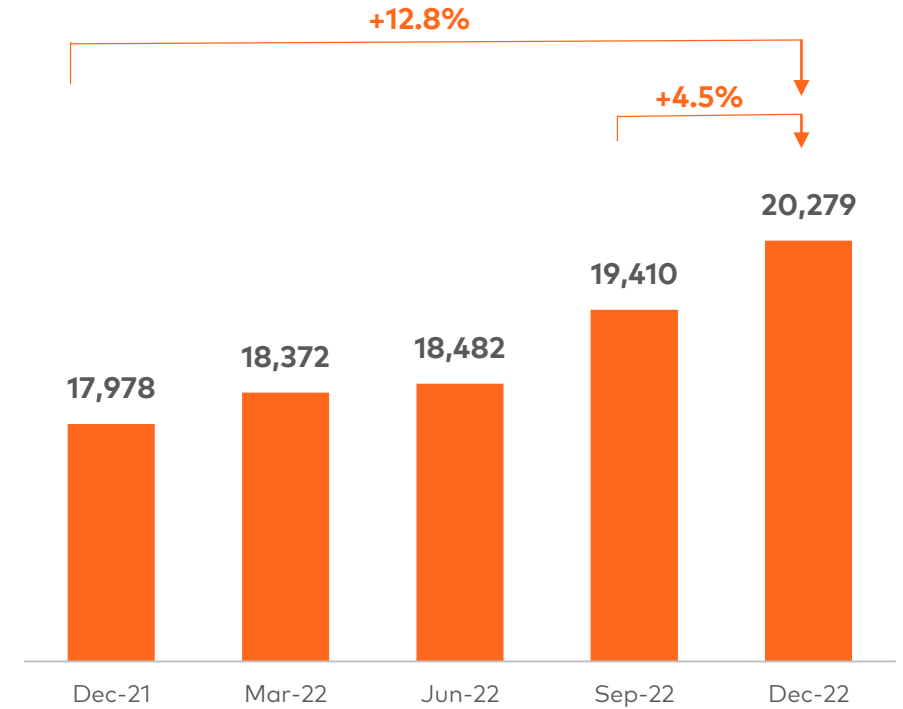
Continued strong capital generation

Figures given for JSC Bank of Georgia standalone

Capital adequacy ratios and minimum requirements



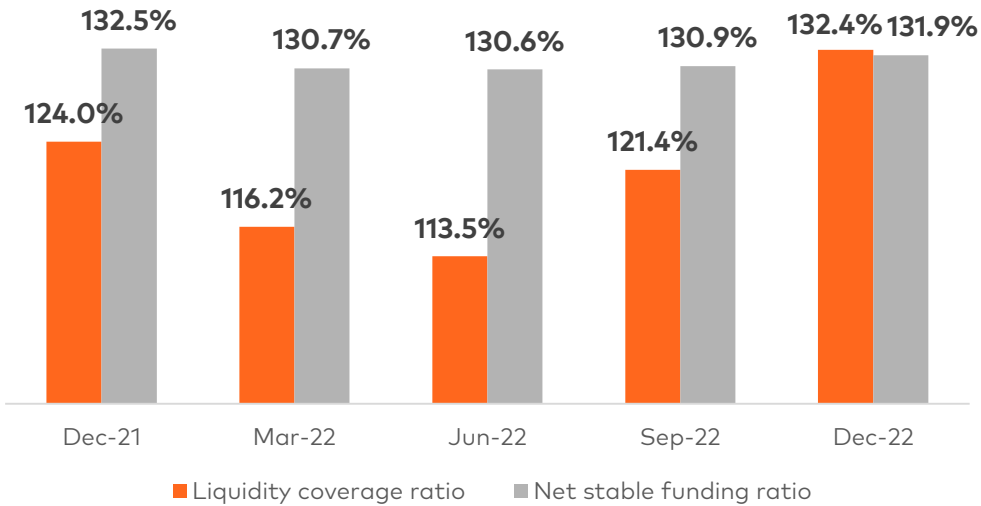
Risk-weighted assets



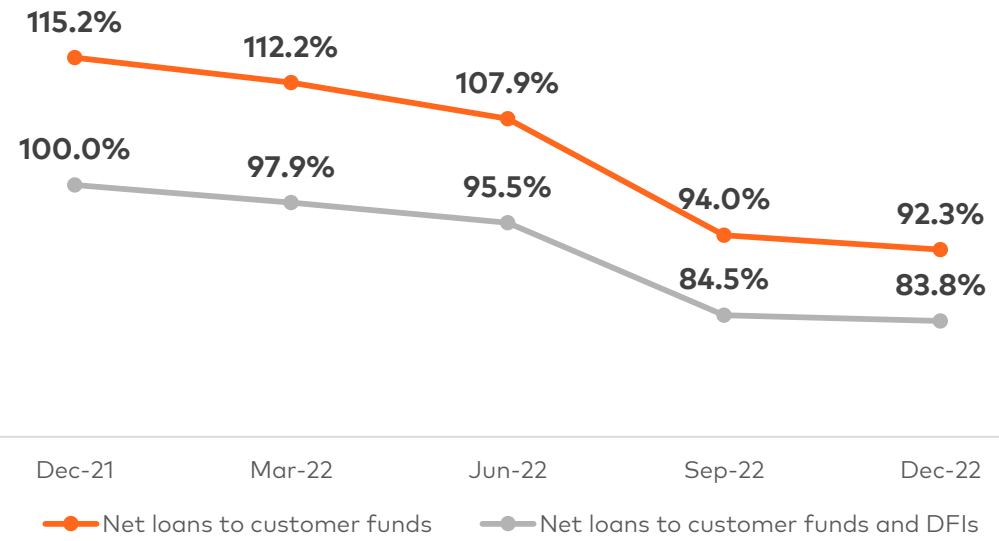
Strong liquidity position

Liquidity coverage and net stable funding ratios

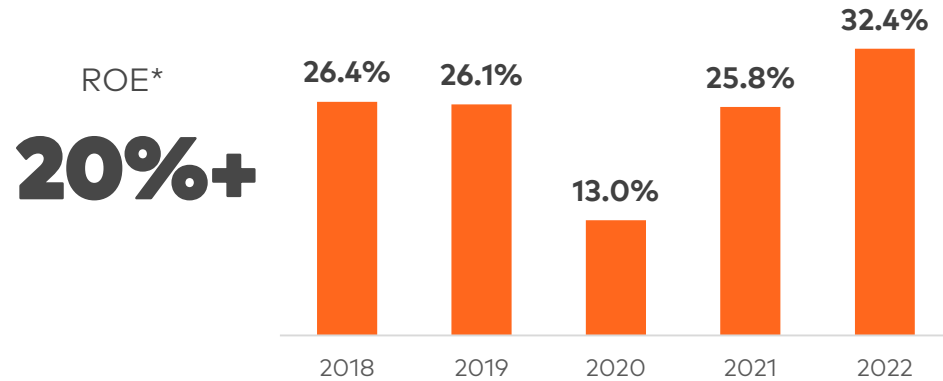
JSC Bank of Georgia standalone (Basel III liquidity)



Net loans to customer funds and DFIs

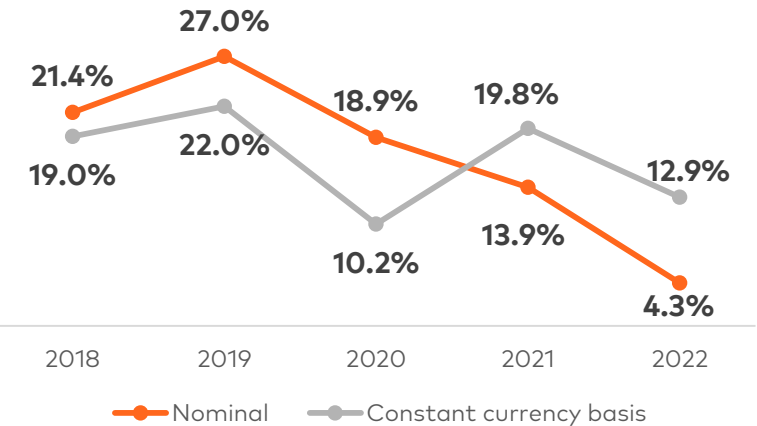


Track record of strong performance



Loan book YoY growth

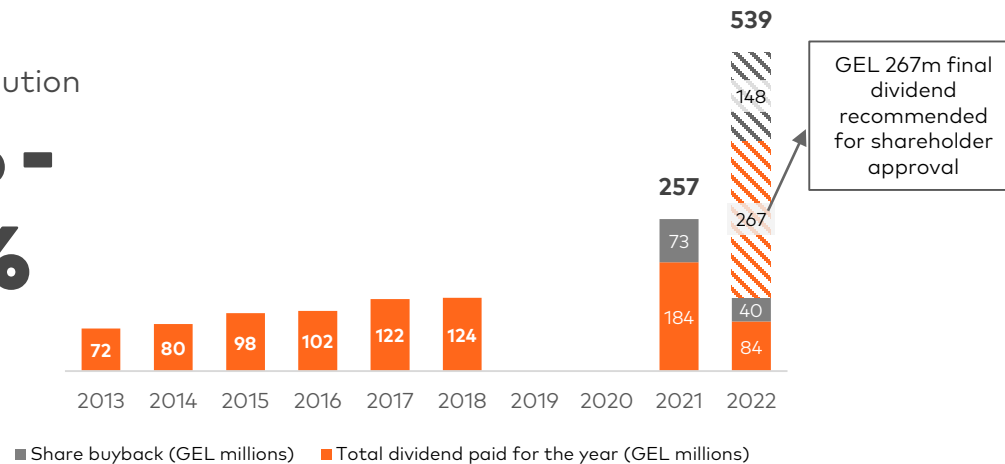
c.10%



PAYOUT RATIO: 36% 33% 34% 32% 30% 30% 35%** 37%**

Capital distribution

30% - 50%



Capital distribution

- Interim dividend of GEL 1.85 per ordinary share in respect of the period ended 30 June 2022 was paid on 20 October 2022
- The Group completed the share buyback and cancellation programme in December 2022, having bought back and cancelled 1,670,446 ordinary shares at a total cost of GEL 112.7m
- The Board intends to increase the share buyback and cancellation programme by up to GEL 148 million
- At the 2023 Annual General Meeting, the Board intends to recommend for shareholder approval a final dividend for 2022 of GEL 5.80 per share payable in Pounds Sterling at the prevailing rate. This would make a total dividend paid in respect of the Group's 2022 earnings of GEL 7.65 per share

* 2018 ROE was adjusted for a GEL 30.3m demerger-related cost, a GEL 8.0m demerger-related corporate income tax gain, a GEL 30.3m one-off impact of re-measurement of deferred tax balances and a GEL 3.9m (net of income tax) termination cost of a former CEO

2019 ROE was adjusted for GEL 14.2m (net of income tax) termination costs of a former CEO and executive management

2022 ROE was adjusted for a one-off GEL 391.1m of other income due to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m tax expense due to an amendment to the current corporate taxation model in Georgia

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

 **THANK YOU**