



BANK OF GEORGIA

INVESTOR 20 DAY 20

Overview and Strategy

Speaker:
Archil Gachechiladze
CEO



LEADER PAYMENTS AND FINANCIAL MOBILE APP

- **48% BOG** share in number of transactions in POS terminals
- **c. 6mln** transactions in mobile app per month



STRONGEST RETAIL FRANCHISE

41% market share in
deposits of individuals
MOST TRUSTED BANK*



SUSTAINABLE PROFITABILITY

20%+ ROE
over the last four
years



**OPERATIONAL
CONTINUITY**



**ABUNDANT
LIQUIDITY**



**SUPPORTING THE
PUBLIC HEALTH SYSTEM
AND THE COMMUNITIES**



**CAPITAL
STRENGTH**



EMPLOYEES

- Anticipated national lockdown and promptly shifted all of our 2,000+ back office employees to remote work
- Implemented extensive safety measures in the front office
- Provided transportation to front office employees



CUSTOMERS

- Offered 3-month payment holidays on retail loans
- Strengthened safety measures in cash vault and ensured uninterrupted cash supply

ENABLING BUSINESSES TO

- Adapt operations and switch to digital sales



- Continue operating during lockdown by selling future-use coupons to customers through the online platform set up by the Bank

- Sell their products on  

ENABLING MORE RETAIL CUSTOMERS TO GO DIGITAL BY

- Launching mBank without data package



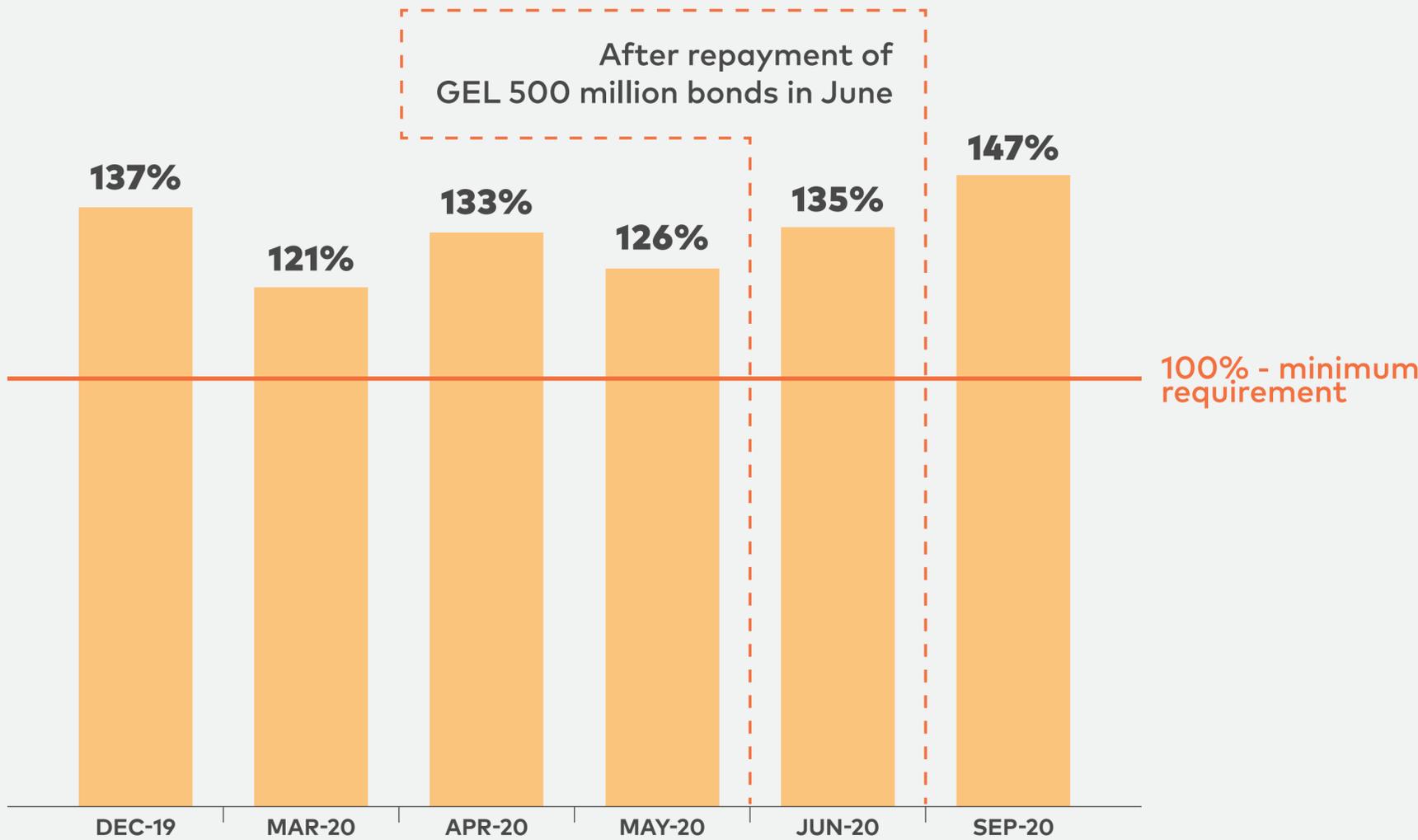
- Removing fees on mBank/iBank transactions for 2 months

SUPPORTING PUBLIC HEALTH

- Donating 20,000 PCR tests and 10 ventilators to Georgian government
- Maximum safety measures in our branches

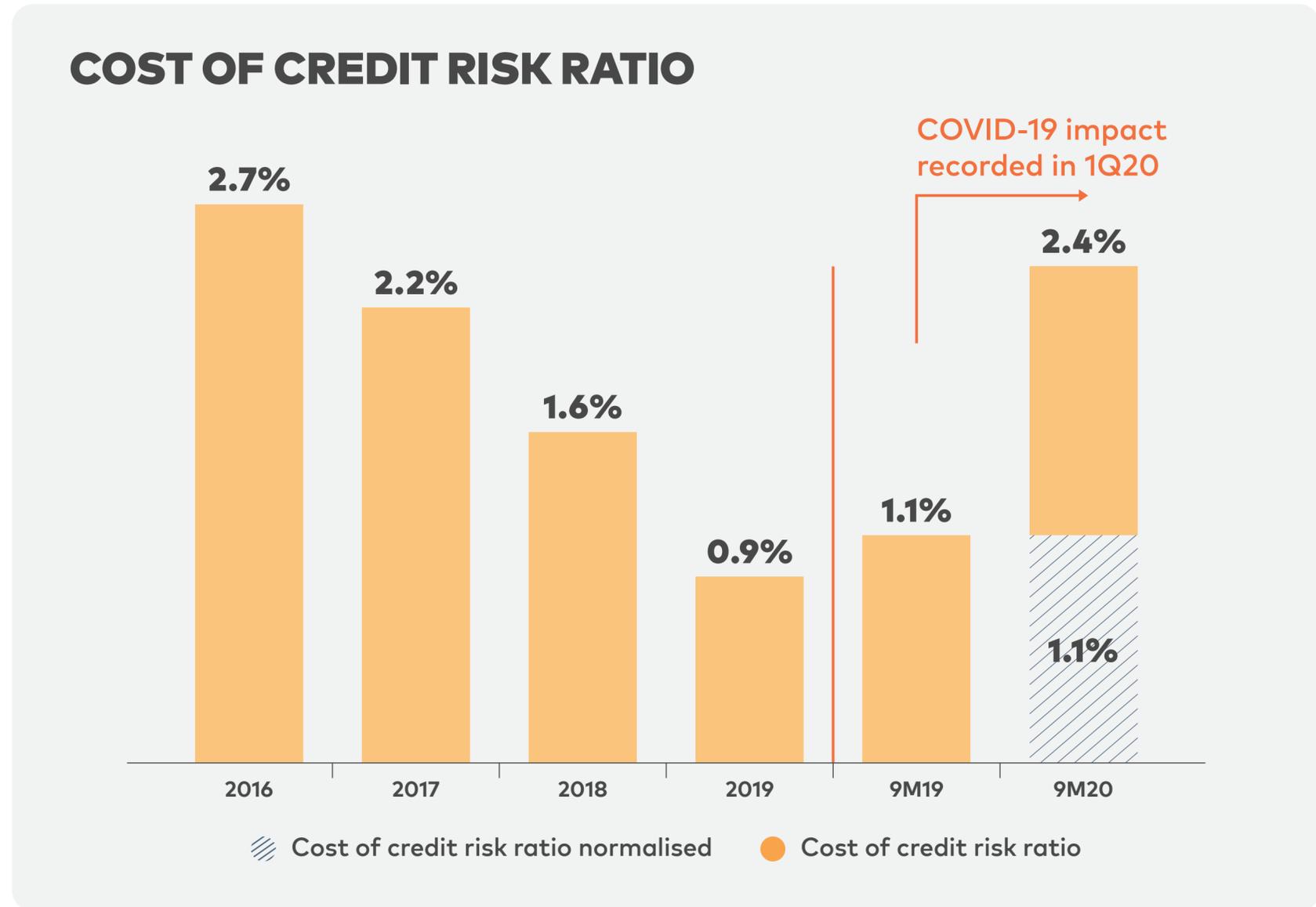


LIQUIDITY COVERAGE RATIO



- GEL 500 million local currency bonds due and repaid in June 2020
- Hit by high Lari cost during the first phase of the pandemic
- Achieved commitments for US\$200 million from IFIs during the first nine months of 2020
- Maintaining high liquidity given COVID-19-related uncertainty

- Introduction of responsible lending regulations in December 2018
- Shift in loan portfolio mix that followed the new regulations
- Robust risk management system at the Bank



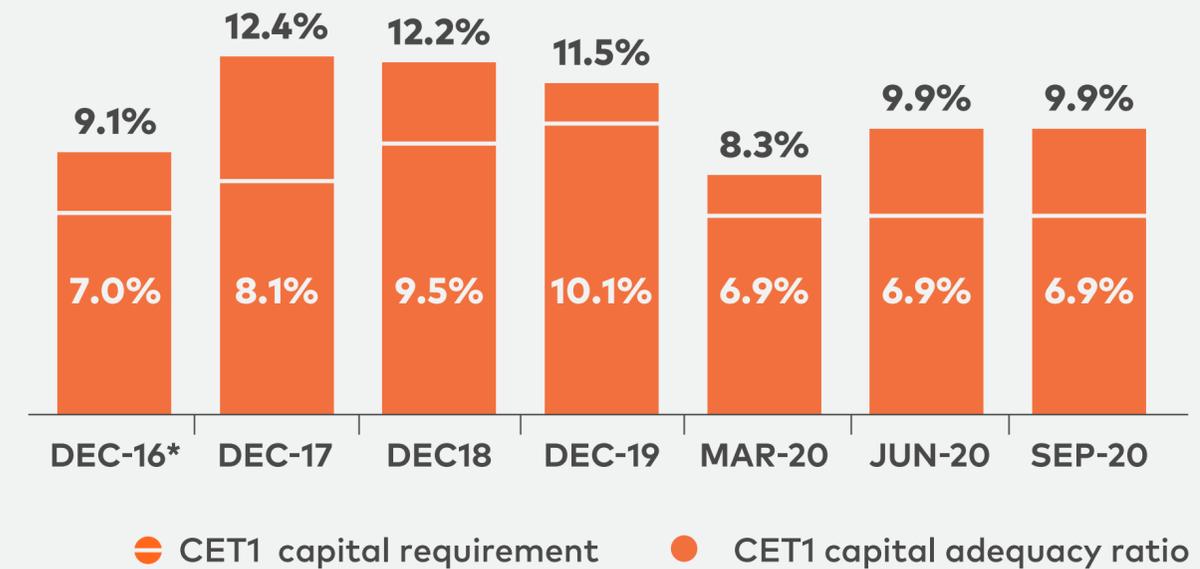
- Upfront provision for the full economic cycle:

NBG - c. GEL 400 million

IFRS - GEL 220 million

- Release of capital buffers by the National Bank of Georgia
- Strong internal capital generation

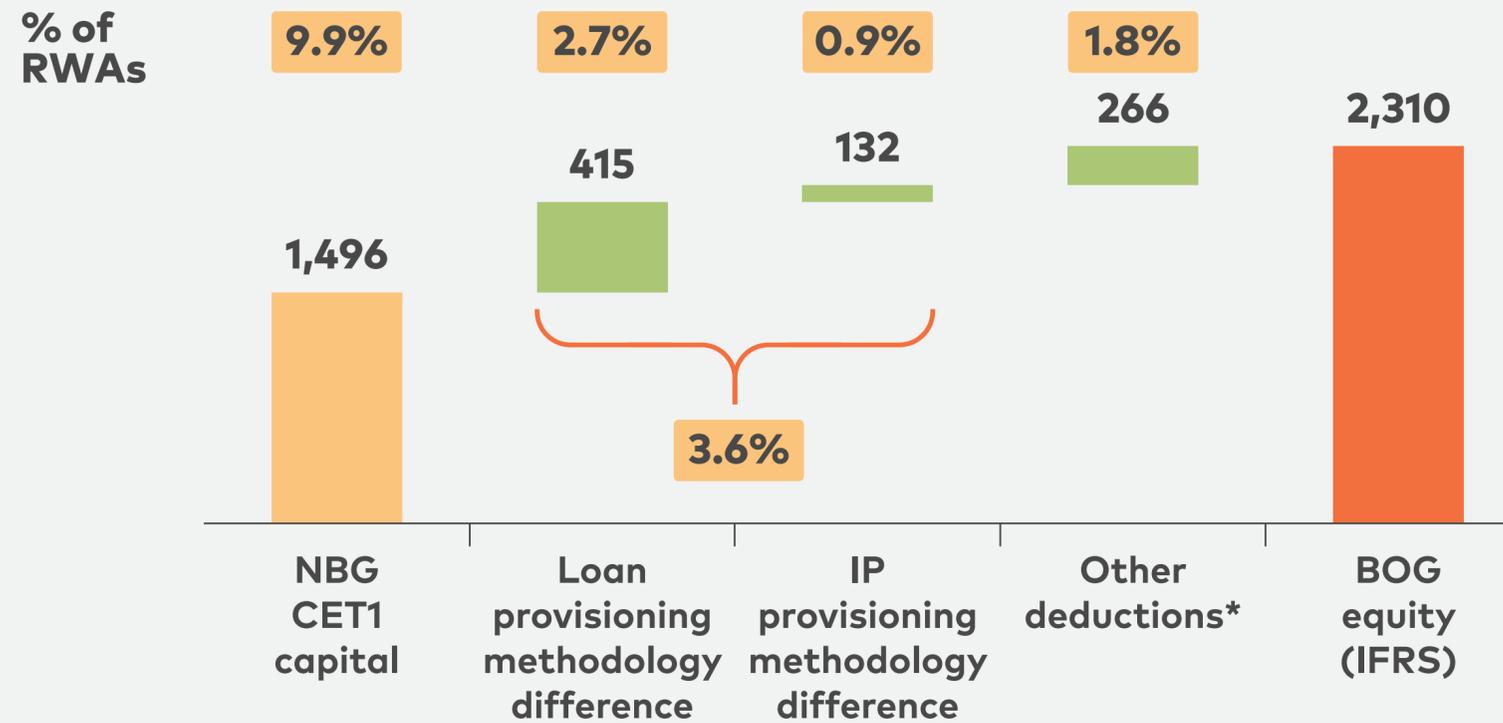
NBG BASEL III CET1 CAPITAL ADEQUACY RATIO



* Basel II CET1 capital adequacy ratio and requirement

BOG REGULATORY CAPITAL VS. IFRS EQUITY – SEP-20

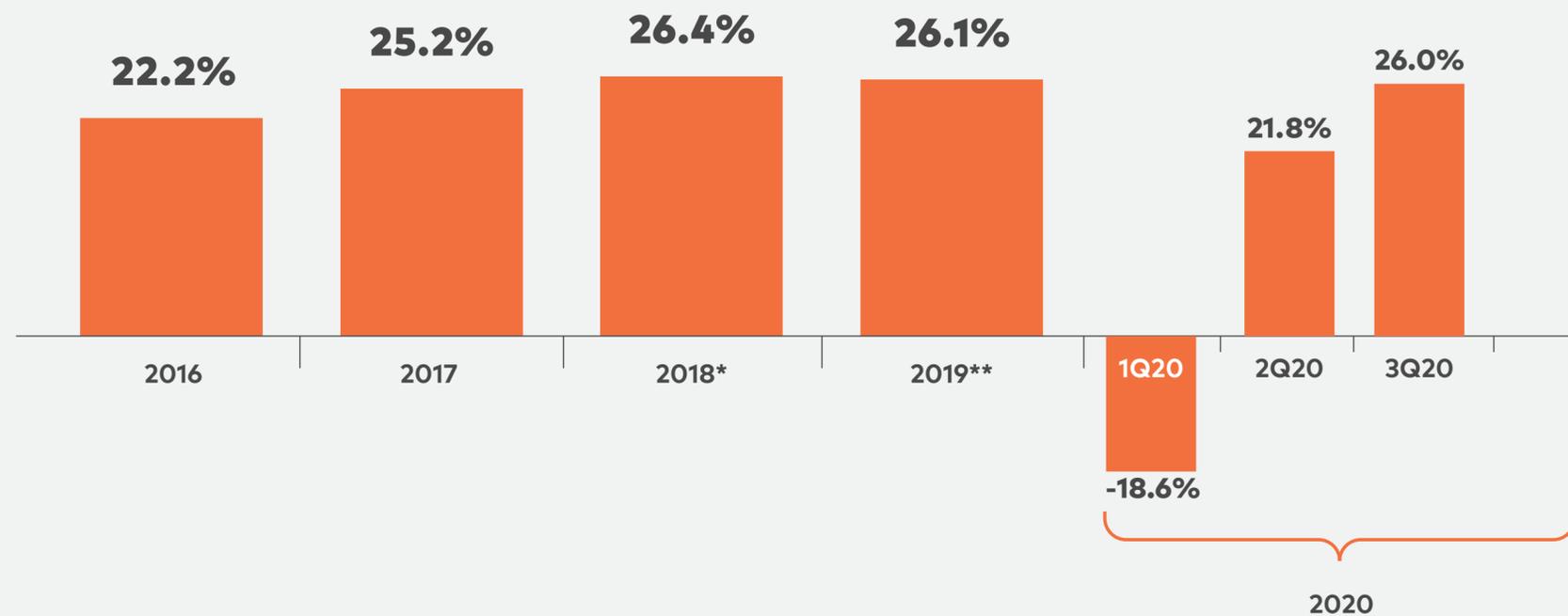
GEL millions



* Revaluation reserve, investments in non-financial subsidiaries and intangible assets

Existing additional capital buffers (within **c.3.6%** of risk-weighted assets) reflecting differences in provisioning methodology between NBG and IFRS 9

ROE – TRACK RECORD OF PROFITABILITY



● **Challenging operating environment affecting all quarters in 2020**

● **Upfront expected credit loss reserves for the full economic cycle and loan modification charges affecting the first quarter**

*Adjusted for demerger-related costs, demerger-related corporate income tax gain, one-off impact of re-measurement of deferred tax balances, and one-off termination costs of the former CEO

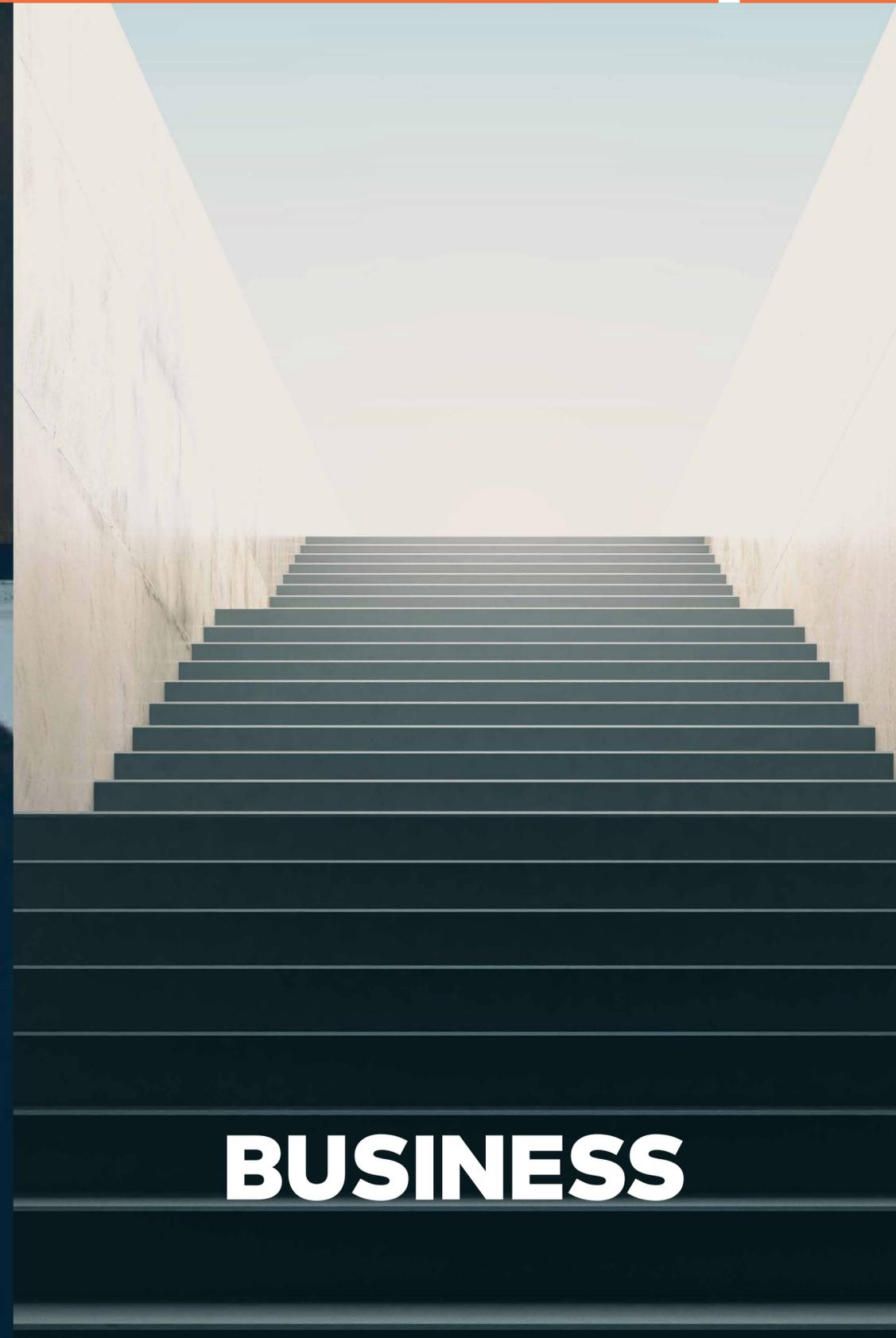
**Adjusted for one-off termination costs of the former CEO and executive management



EDUCATION



EMPLOYMENT



BUSINESS

EDUCATION

Scholarships



Ideathecas

Building multi-functional resource hubs in Georgia's public schools

Providing internet and educational supplies to children living in poverty



EMPLOYMENT

Preparing the youth for the future

Providing career advice to students, raising awareness about professions of the future, and enabling the youth to access diverse opportunities, such as exclusive shadowing projects and crash courses



BUSINESS

The biggest thing to ever happen to Georgian Startups. Really.



We, in partnership with the Georgian Innovation and Technology Agency, brought Silicon Valley's finest to Georgia. 30 startups have an opportunity to scale up and a chance to become global companies.

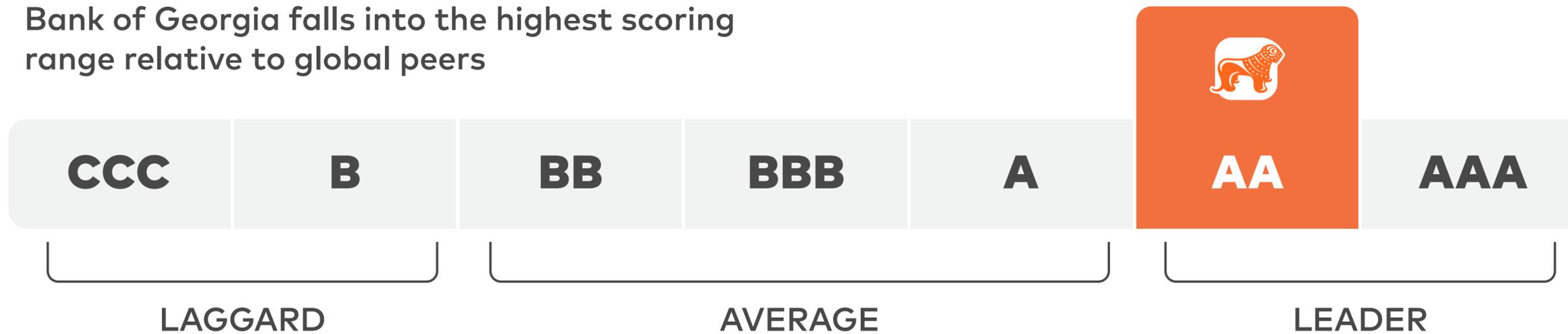
Encouraging Social Businesses

Bank of Georgia has been a partner of global Social Impact Award from the very beginning of their expansion to Georgia. To help promote the cause, we've also launched our own grant programme. Both of these programmes provide grants as well as expert advice to businesses that address biggest social challenges in our communities.





Bank of Georgia falls into the highest scoring range relative to global peers



INCLUDED IN THE GLOBAL RESPONSIBLE INVESTMENT INDEX FTSE4GOOD SINCE 2017

* ISS uses 1-10 scale. 1 indicates lower governance risk, while 10 indicates higher governance risk versus its index or region. 1 indicates higher E&S disclosure, while 10 indicates lower E&S disclosure. Scores are as of 1 OCT 2020.



საქართველოს ბანკი
BANK OF GEORGIA

**RETAIL
BANKING**

Mass Retail

SOLO

MSME

**CORPORATE AND
INVESTMENT
BANKING**

Corporate Banking

WM and Investment Banking

Mass Retail

Gross loans
GEL 2.8BLN
up 11.6% YoY

Deposits
GEL 3.2BLN
up 29.3% YoY

ROAE 27.5%

SOLO

Gross loans
GEL 2.6BLN
up 22.0% YoY

Deposits
GEL 2.6BLN
up 21.9% YoY

ROAE 28.9%

MSME

Gross loans
GEL 3.2BLN
up 27.7% YoY

Deposits
GEL 0.9BLN
up 15.6% YoY

ROAE 21.5%

UPSIDES

Georgian emigrants and
Premium Mass Retail segment

Tailor-made bundled offerings

Next level service model

Corporate Banking

Gross loans
GEL 4.5BLN
up 20.9% YoY

Deposits
GEL 5.8BLN
up 55.8% YoY

ROAE 30.7%

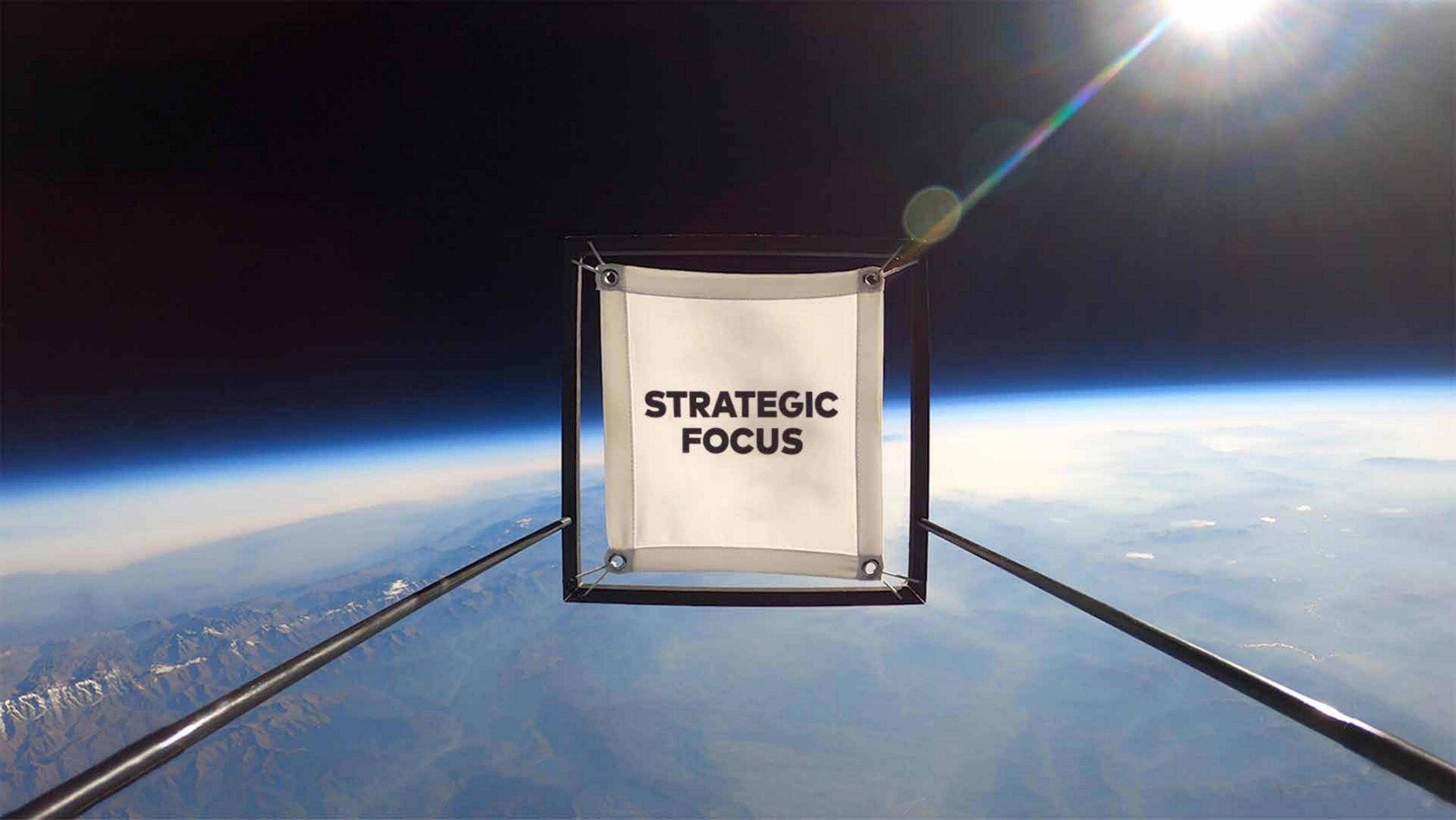
Wealth Management and Investment Banking

AUM
GEL 2.7BLN
up 10.6% YoY

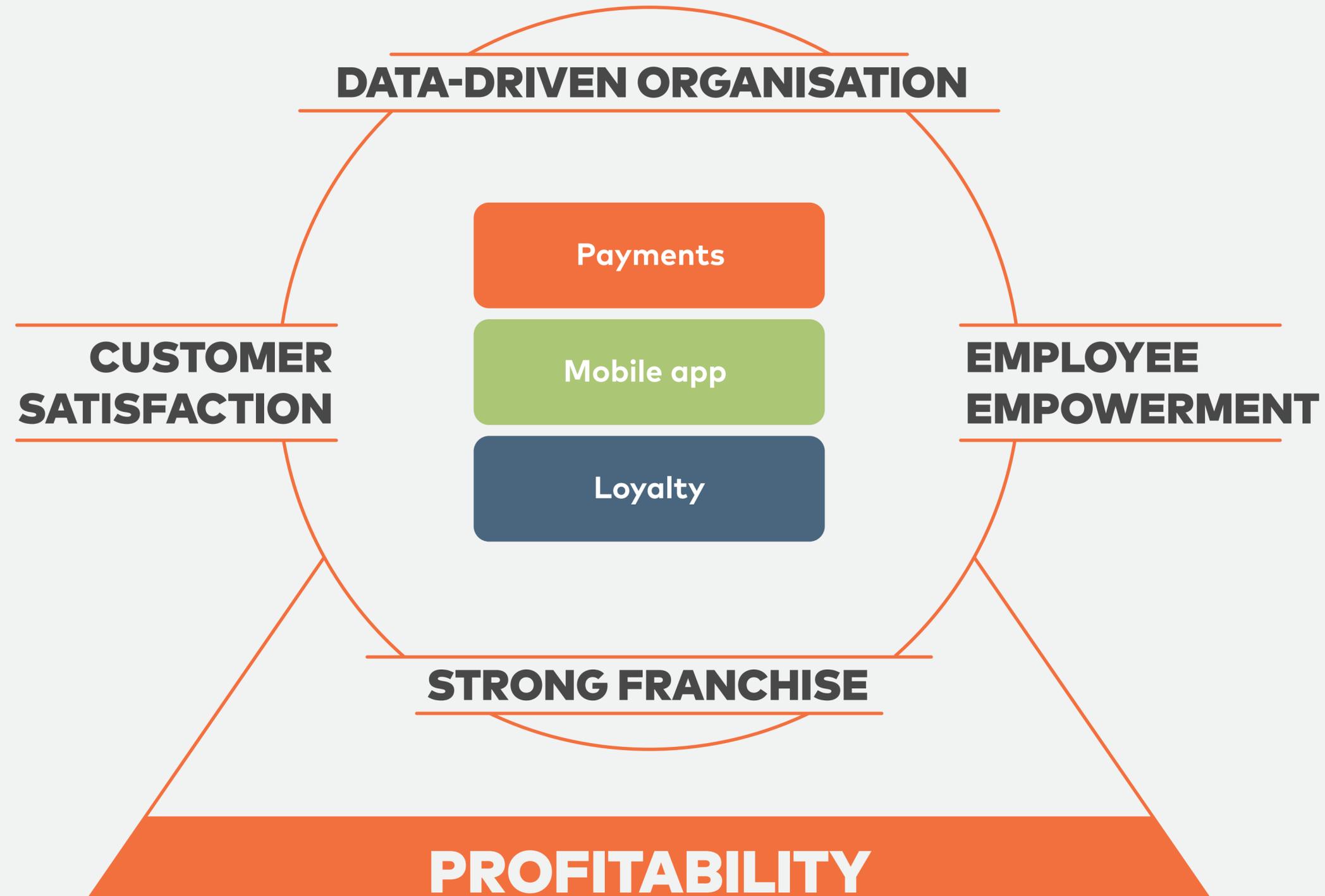
UPSIDES

Advanced advisory franchise

Brokerage for Retail customers

A conceptual image featuring a white banner with the text "STRATEGIC FOCUS" in bold, black, sans-serif capital letters. The banner is suspended by a black metal frame from two diagonal poles. The background is a scenic landscape of a mountain range with snow-capped peaks, viewed from an elevated perspective. A bright sun in the upper right corner creates a lens flare effect across the sky.

**STRATEGIC
FOCUS**



48%

BOG share in number of transactions in POS terminals (+2% YoY)

26%

YoY increase in number of transactions in BOG terminals

23k+

Multifunctional POS terminals

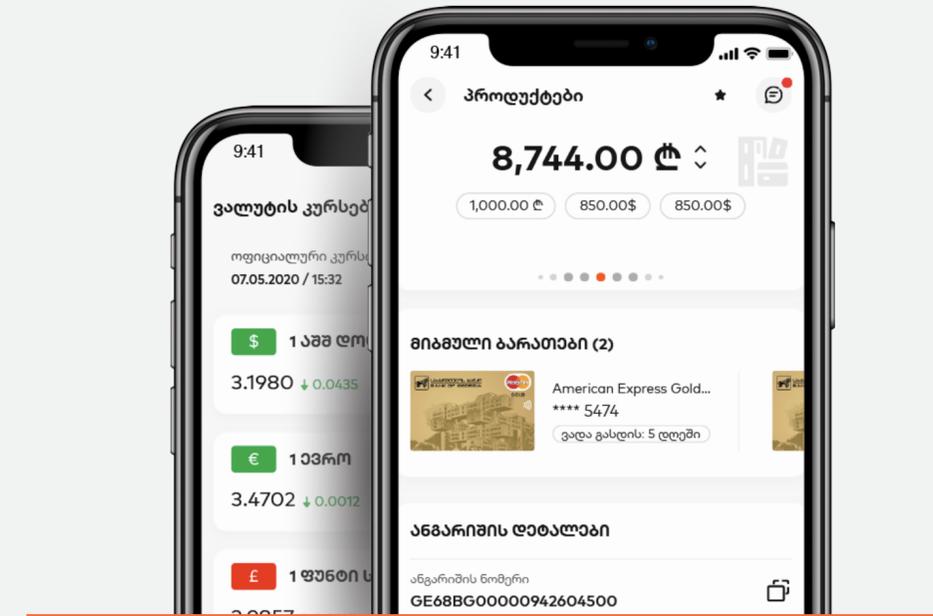
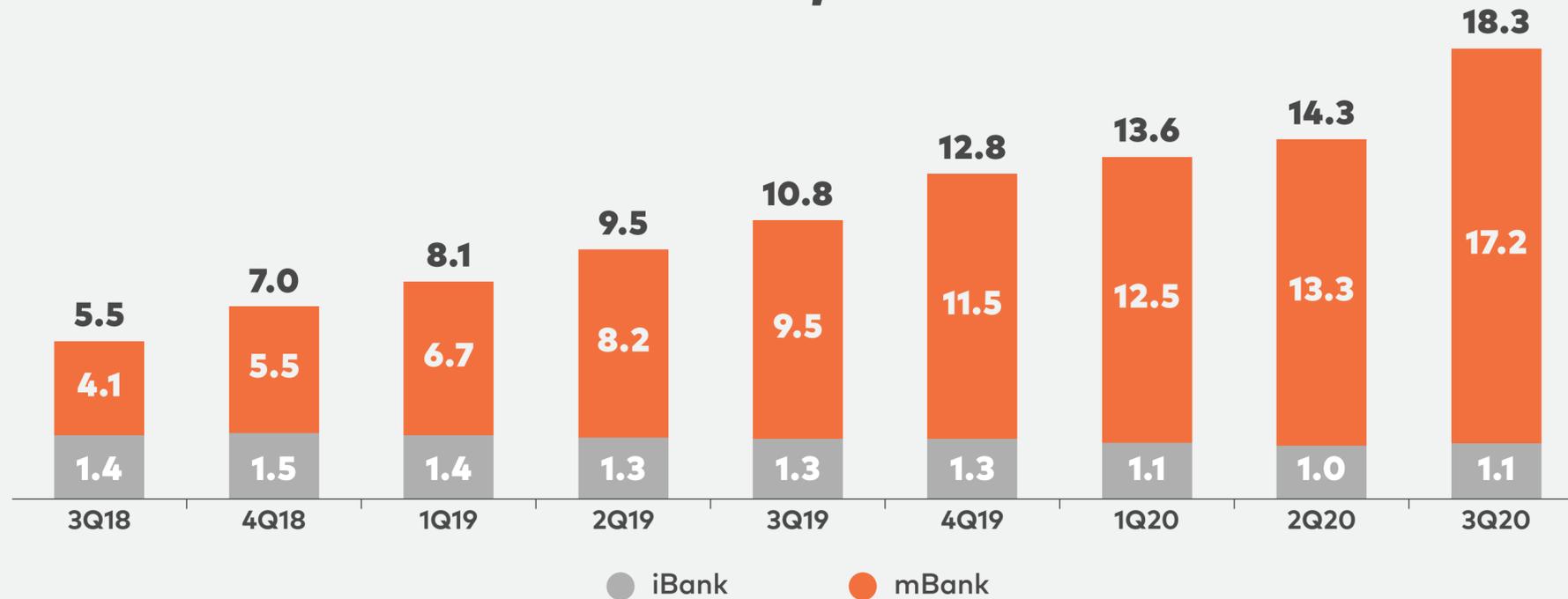
3.1k+

Self-service terminals

2.3mln+

Mass Retail customers

NUMBER OF TRANSACTIONS, MILLIONS



c. 6mln
Transactions per month

700K+
Active digital users

82.5%
Customer satisfaction score



38.8%

Daily active users/monthly active users

**NEXT STEPS:
BUILDING THE
GO-TO MOBILE APP**

PLUS LOYALTY PROGRAM – ONE OF THE STRENGTHS OF BANK OF GEORGIA

1.3mln

active Loyalty Program members

c. 125k

loyalty points exchange operations per month

43%

average increase in sales volume during merchant campaigns

ADVANCED ANALYTICS
for partner merchants

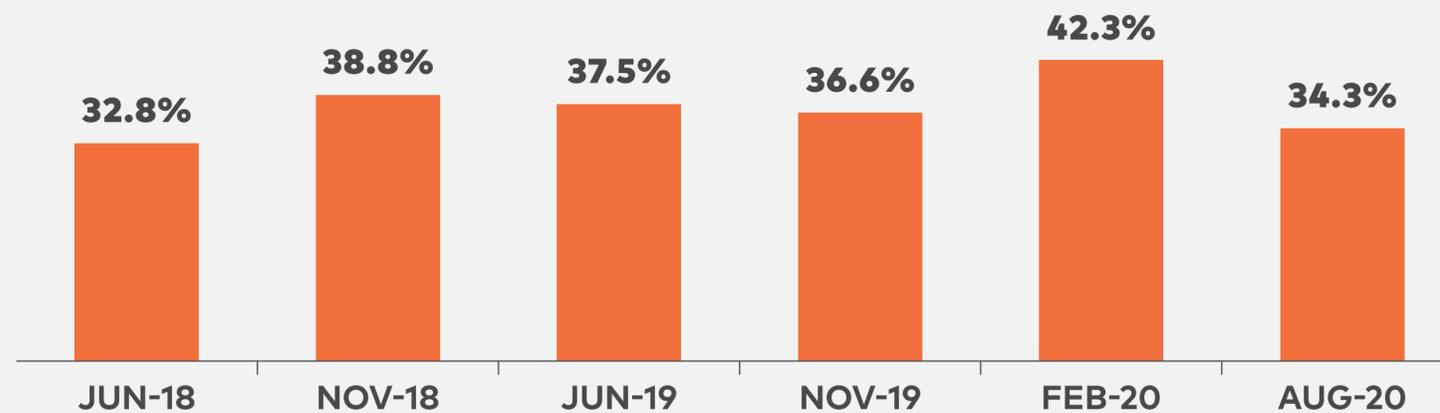
PERSONALISED
campaigns

FOCUSED ON INCREASING CUSTOMER SATISFACTION BY

- 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 **seamless customer experiences**



NPS



Based on external research by IPM Georgia

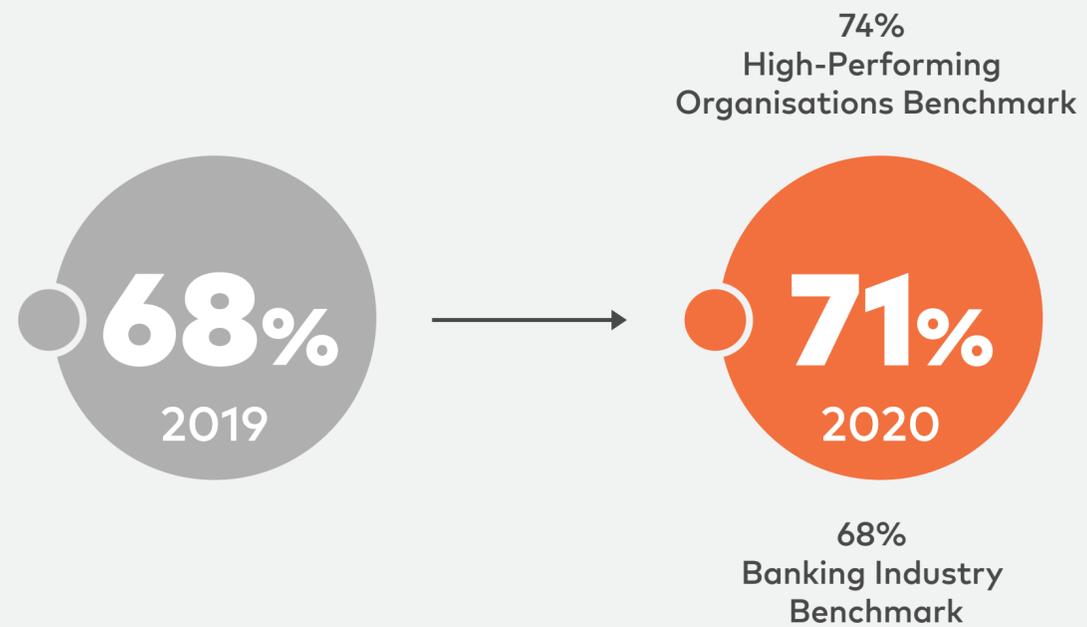
Re-design of employee experiences

New talent development strategy

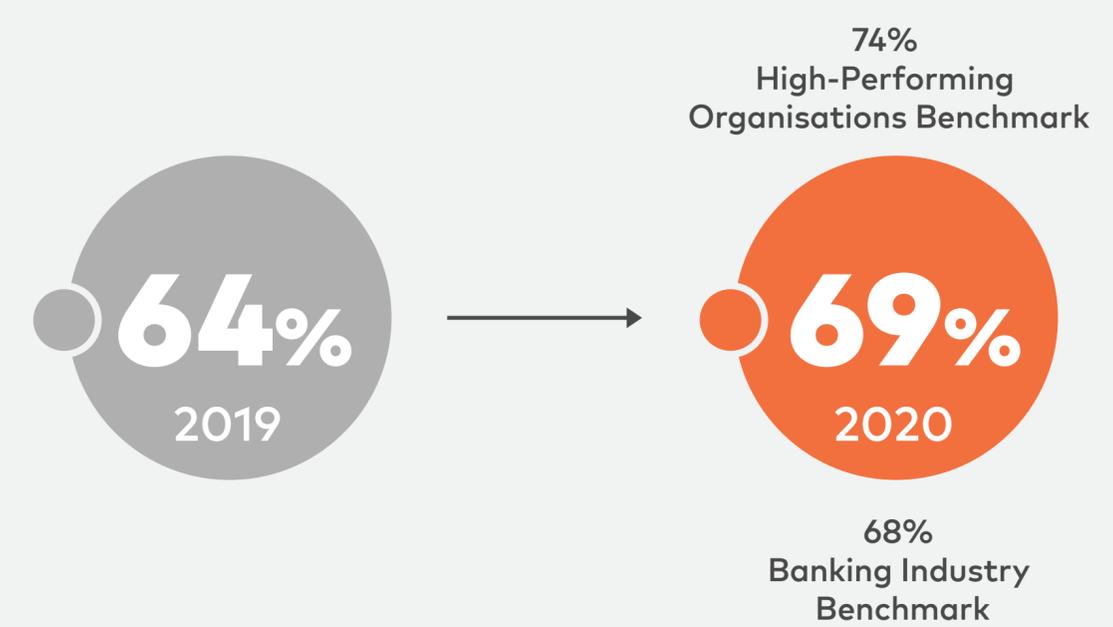
High-trust environment

Values-based organisation

Employees feel more engaged



and enabled



DATA CULTURE

Data culture is decision culture

DATA IN BANKING

Use of analytics for the majority of decisions and business processes

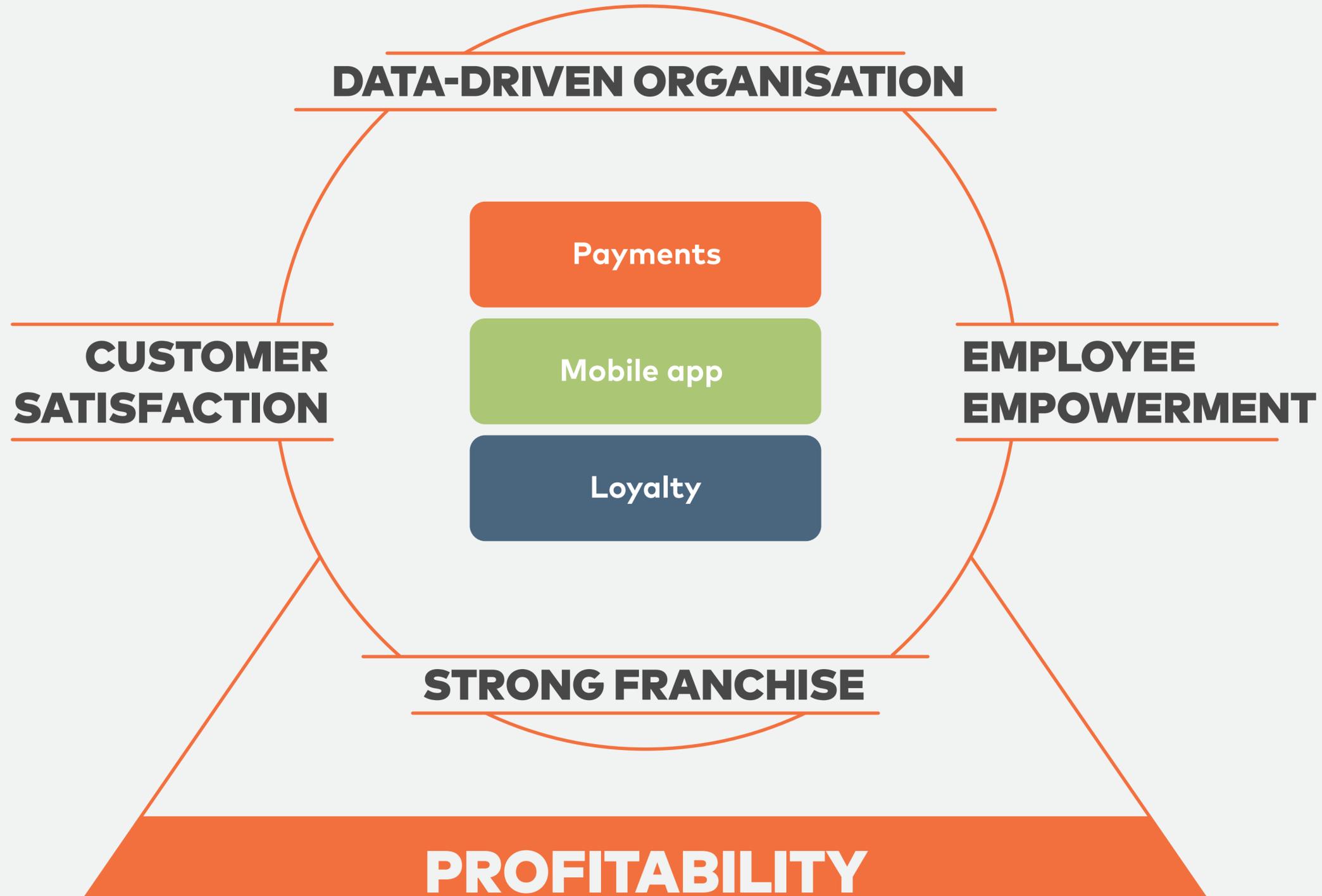
DATA BEYOND BANKING

Use of analytics for data monetisation and to create additional value for customers, the Bank, and the ecosystem

**MOST TRUSTED
BANK***

**LEADER IN DEPOSITS
OF INDIVIDUALS**

41% market share



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: macroeconomic risk, including currency fluctuations and depreciation of the Georgian Lari; regional instability; loan portfolio quality; regulatory risk; liquidity and funding risk; capital risk; operational risk, cyber security, information systems and financial crime risk; COVID-19 pandemic impact risk; climate change risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our 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 2019 and in 2Q20 and 1H20 results announcement. No part of this presentation 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 presentation should be construed as a profit forecast.

