



BANK OF GEORGIA
HOLDINGS PLC

Retail Banking

Speaker: Irakli Gilauri, CEO

September 2014


Discussion topics

Superior franchise

Retail Banking financial statements

Innovative channels




Superior franchise

	Number of clients <i>Thousands</i>		Client to product ratio		Branches*		Number of accounts and deposits <i>Thousands</i>		Number of loans <i>Thousands</i>	
SME / Micro	86.3	n/a	n/a	-	44	-	185	-9.3%	14	+12.0%
Mass Affluent  <small>სადავრობის პუნქტი სადავრობის პუნქტი</small>	7.1	+17.5%	6.15	+10.5%	11	-	21	+19.9%	7	+27.6%
Retail  <small>სადავრობის ბანკი BANK OF GEORGIA სადავრობის ბანკი</small>	1,027	+10.7%	1.73	+5.9%	127	-0.8%	904	+18.1%	575	+9.5%
Emerging Retail  <small>სადავრობის ბანკი EXPRESS სადავრობის ბანკი</small>	217	+59.2%	1.5	+10.0%	72	+14.3%	283	+58.1%	107	+25.6%
Total	1,337	+14.0%	1.71	+3.3%	201	+4.1%	1,393	+19.5%	703	+11.8%

* SME /Micro points of sale; Mass affluent branches include 9 corners in standard branches

Superior franchise

Standalone
GEL mln

	Loan portfolio		Deposits		Revenue		Net profit		Share of net profit	
SME / Micro	565	+34.9%	98	+76.0%	22.1	+22.4%	14.3	+90.5%	22.6%	+4.5%
Mass Affluent  <small>საბანკო სესხა</small> <small>აღმშენი ბრუნვა</small>	231	+36.0%	248	+22.4%	8.3	+28.7%	4.3	+60.0%	6.8%	+0.3%
Retail  <small>საბანკო სესხა</small> <small>აღმშენი ბრუნვა</small>	960	+10.5%	760	+18.3%	84.5	+1.4%	38.5	+42.9%	60.9%	-4.3%
Emerging Retail  <small>საბანკო სესხა</small> <small>EXPRESS</small> <small>აღმშენი ბრუნვა</small>	22	+14.7%	28	+84.8%	16.7	+23.8%	6.1	+45.3%	9.7%	-0.5%
Total	1,778	+20.4%	1,134	+22.5%	131.6	+8.6%	63.2	+52.9%		

Discussion topics

Superior franchise

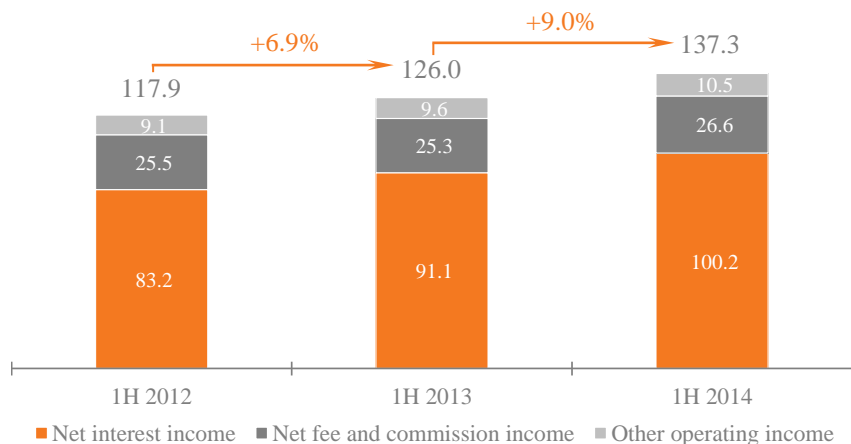
Retail Banking financial statements

Innovative channels

Retail Banking delivers profitable growth

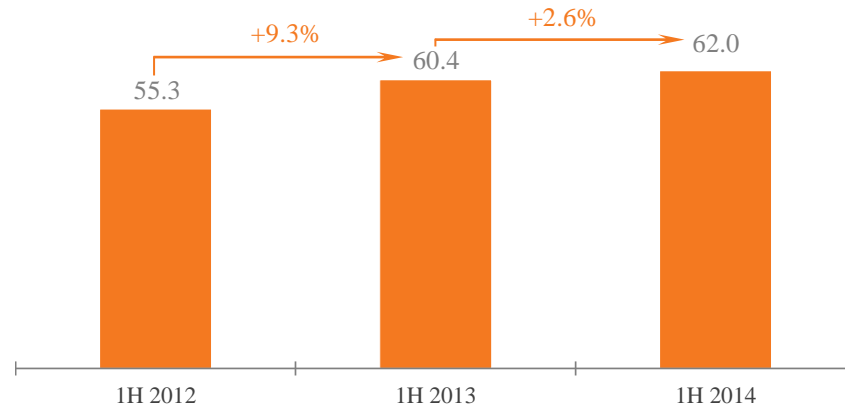
Revenue breakdown

GEL mln



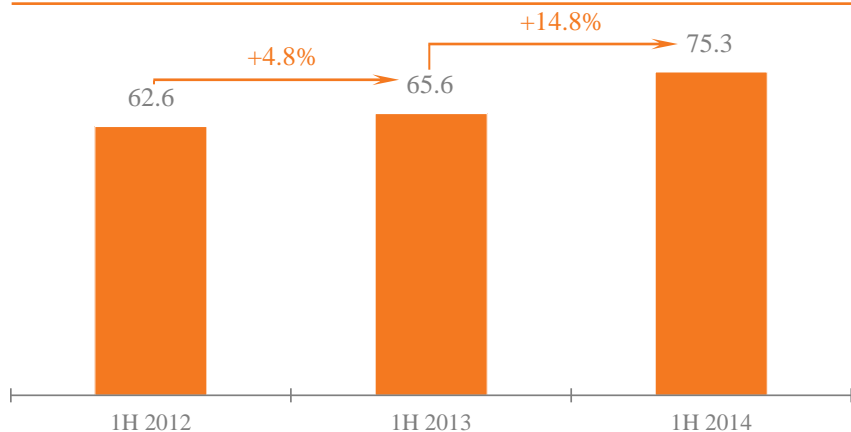
Operating expenses

GEL mln



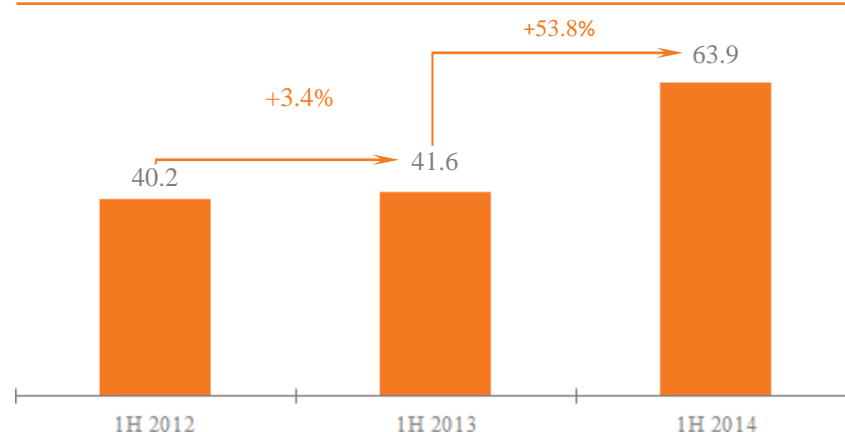
Operating income before cost of credit risk

GEL mln



Net profit

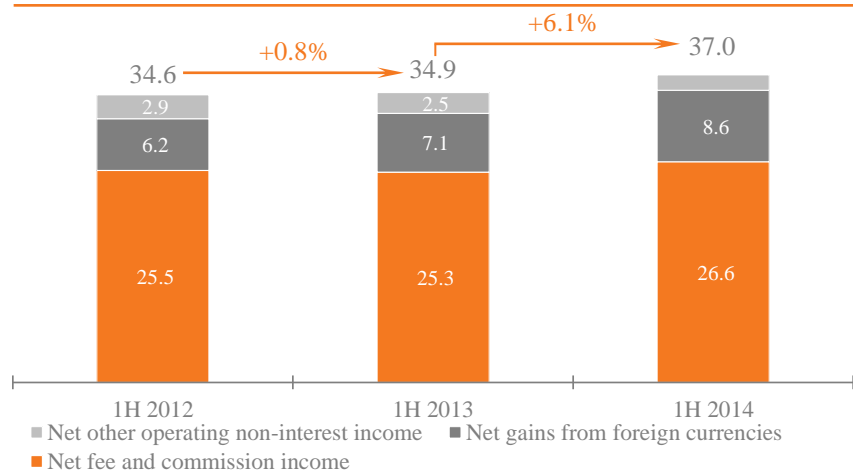
GEL mln



Non-interest income

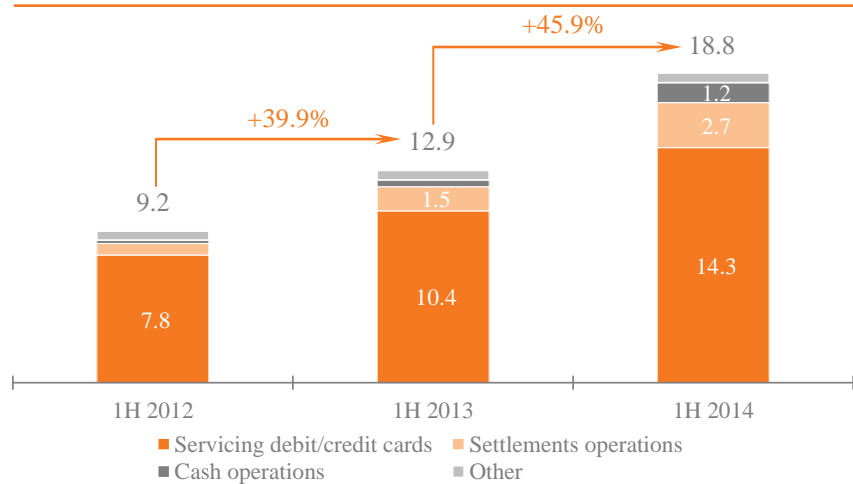
Net non-interest income

GEL mln



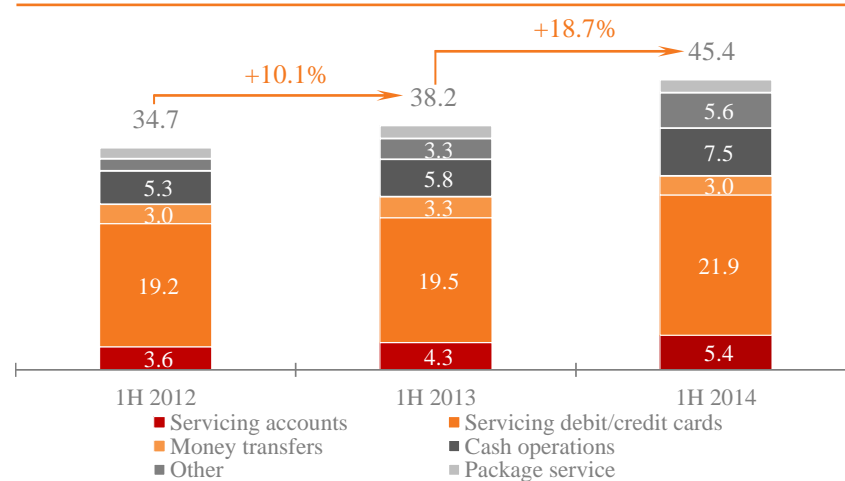
Fee and commission expenses

GEL mln



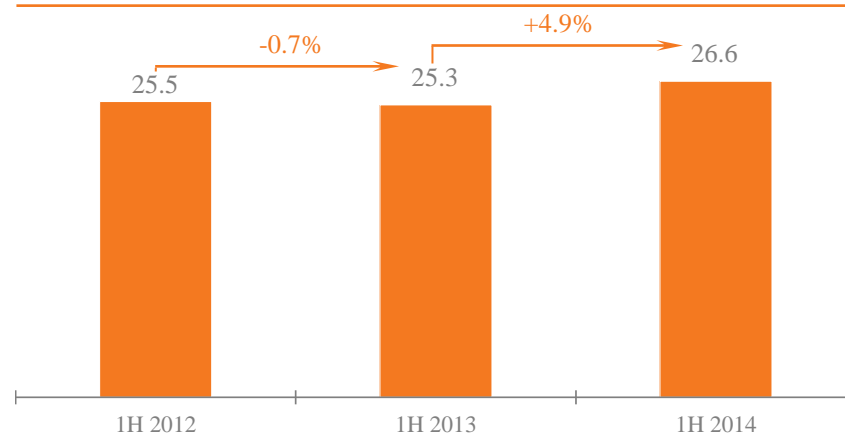
Fee and commission income (gross)

GEL mln



Net fee and commission income

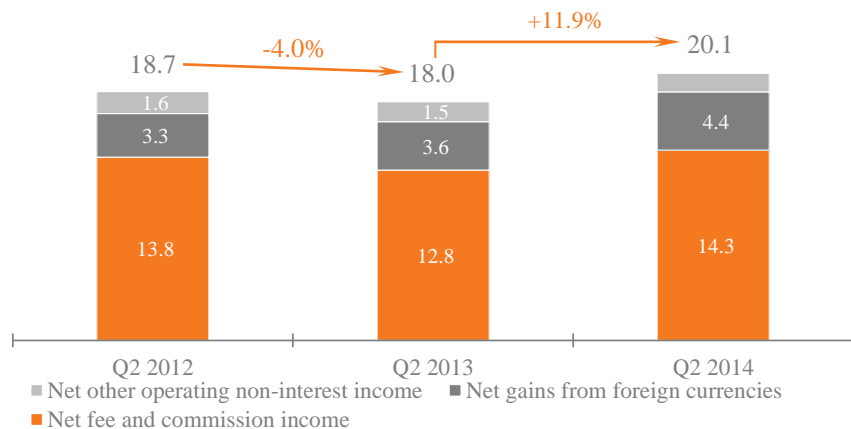
GEL mln



Non-interest income

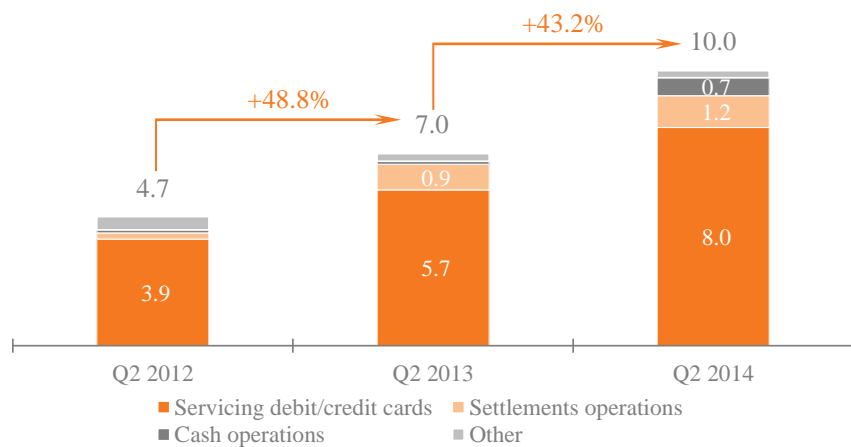
Net non-interest income

GEL mln



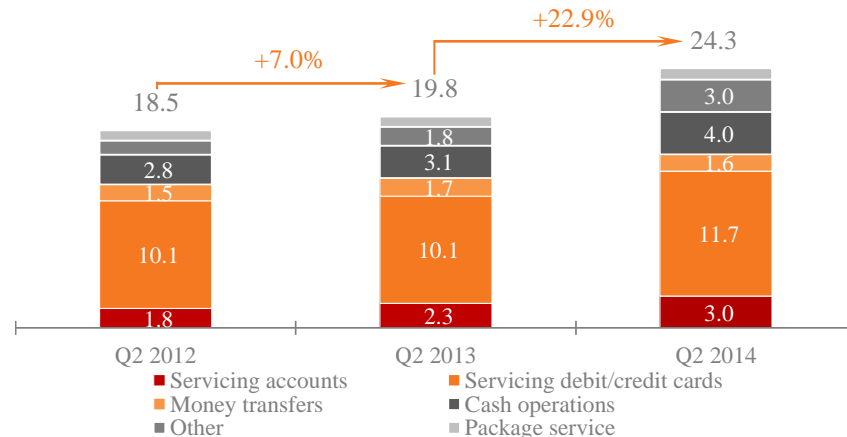
Fee and commission expenses

GEL mln



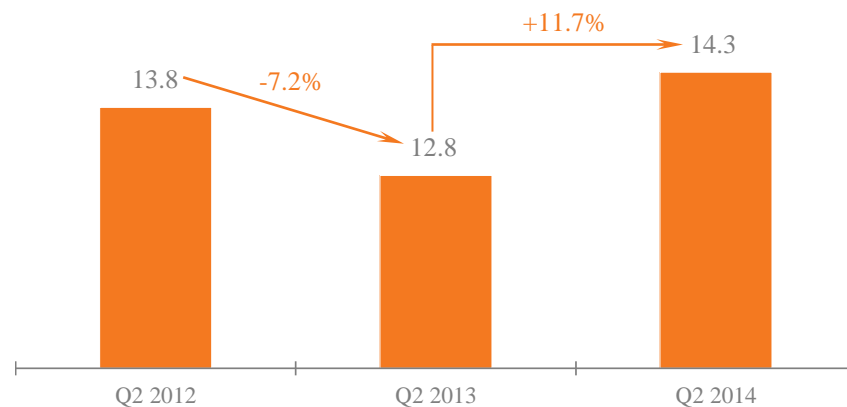
Fee and commission income (gross)

GEL mln

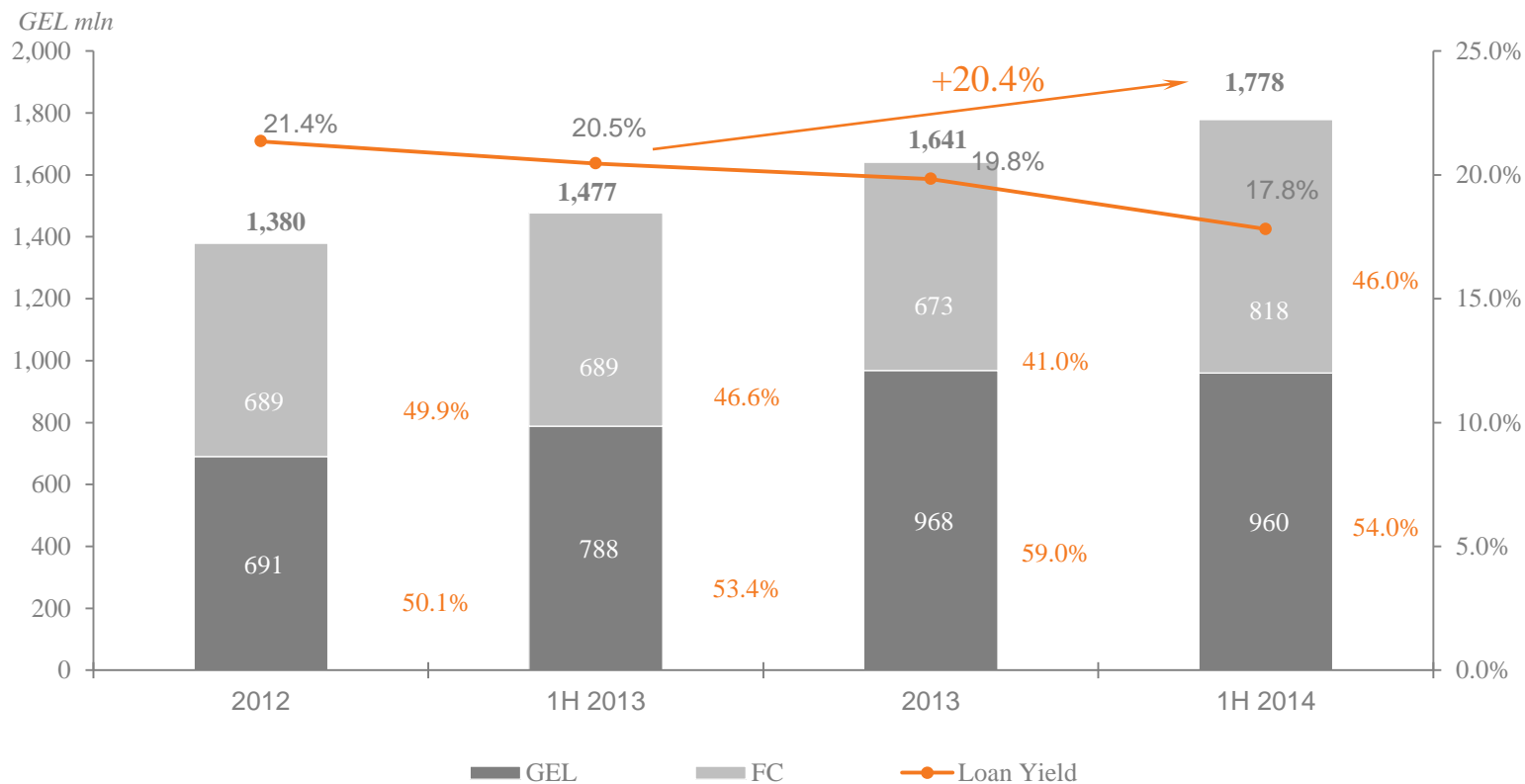


Net fee and commission income

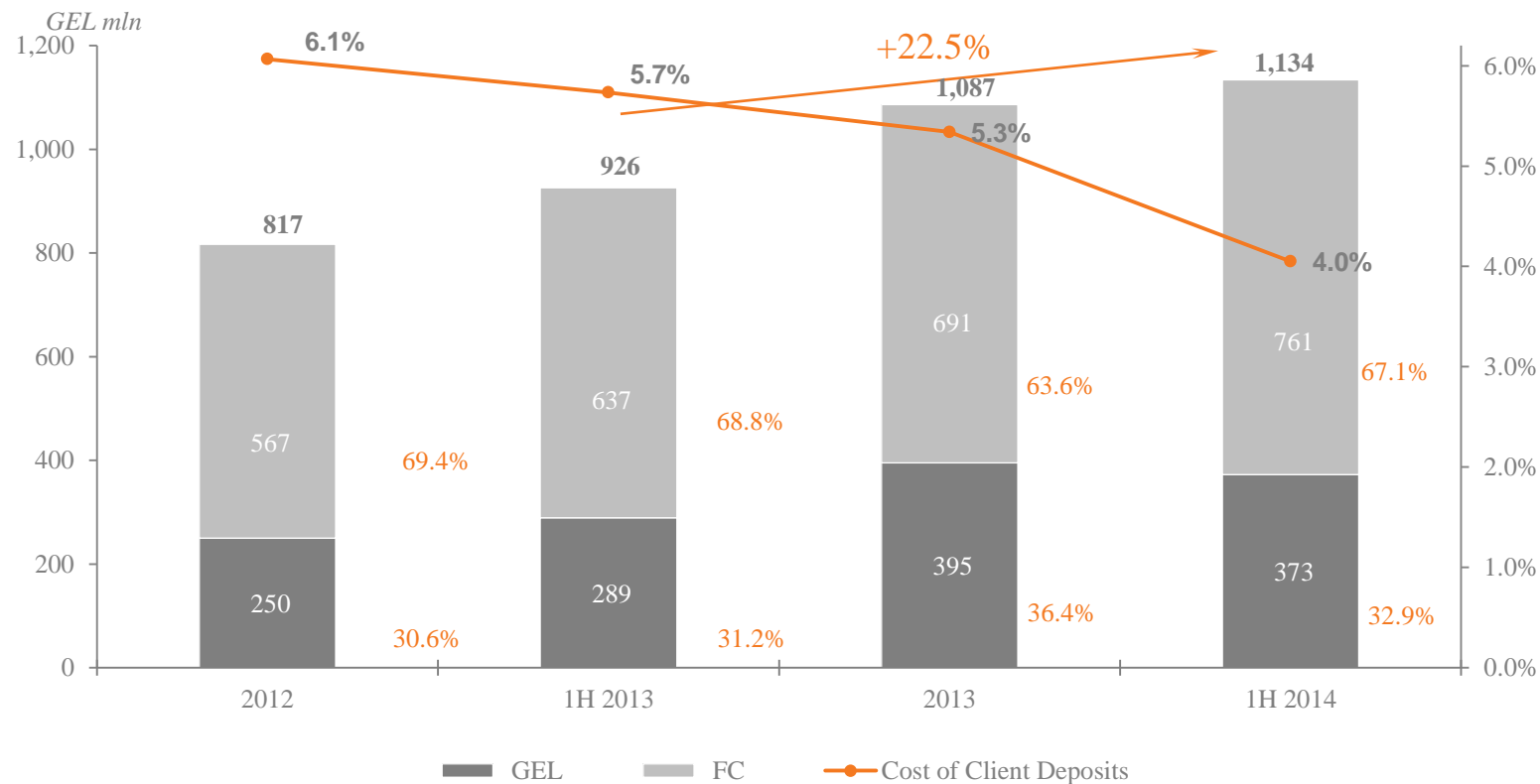
GEL mln



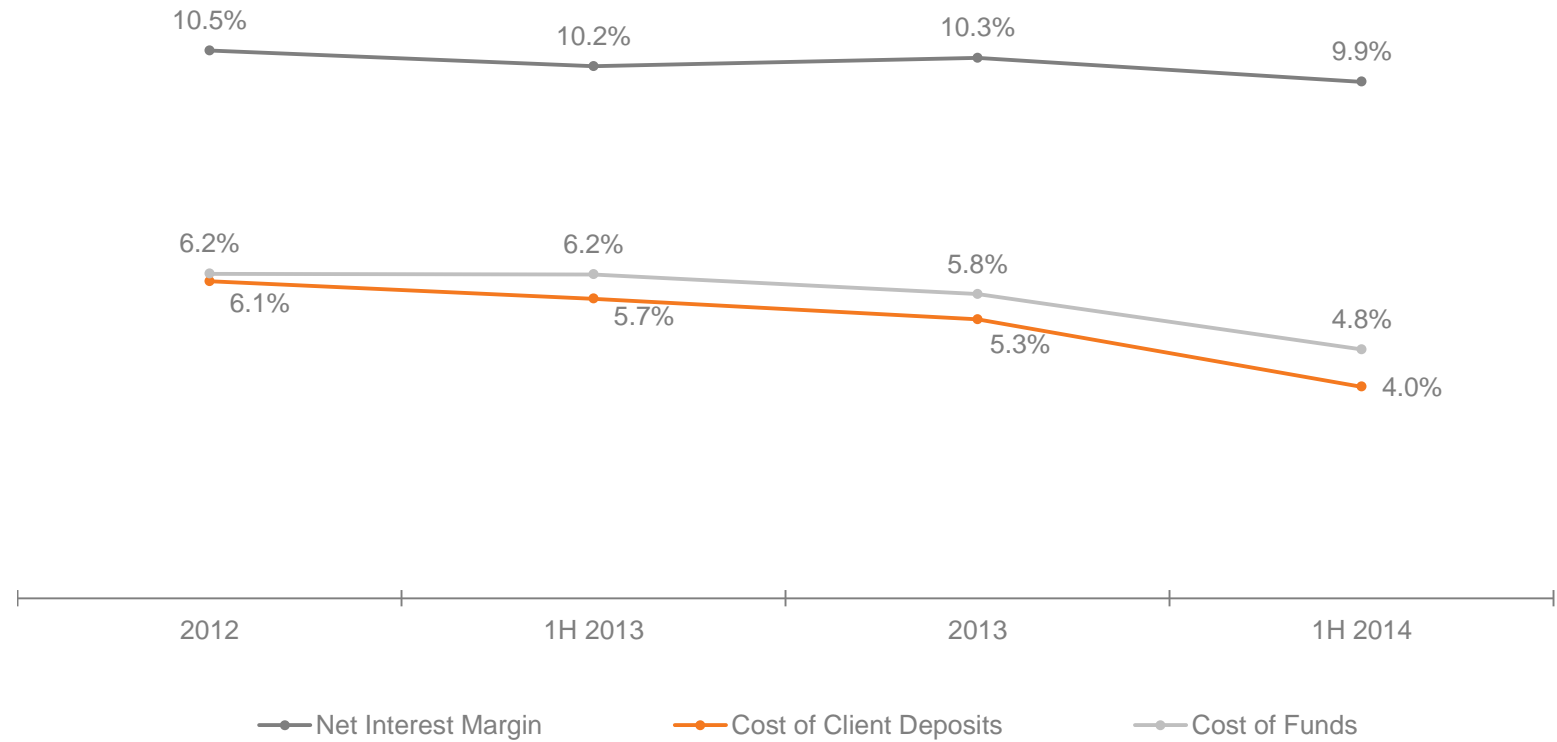
Loan portfolio and Loan Yield



Deposits and Cost of Client Deposits



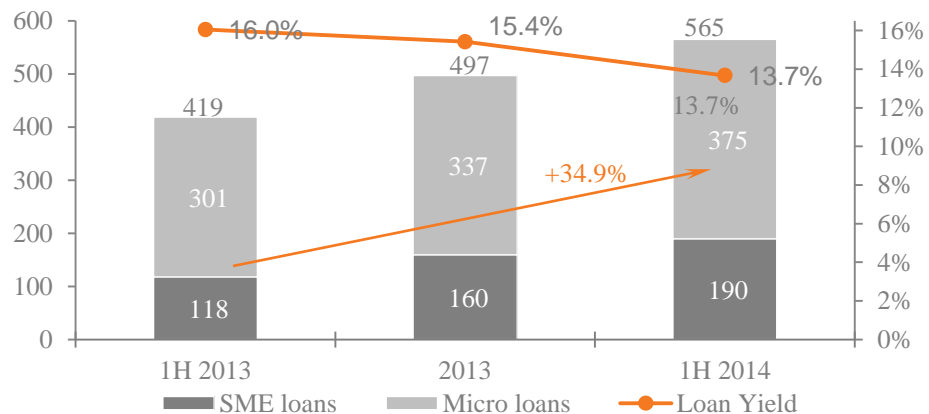
Net Interest Margin, Cost of Funds, Cost of Client Deposits



Retail Banking loan portfolio

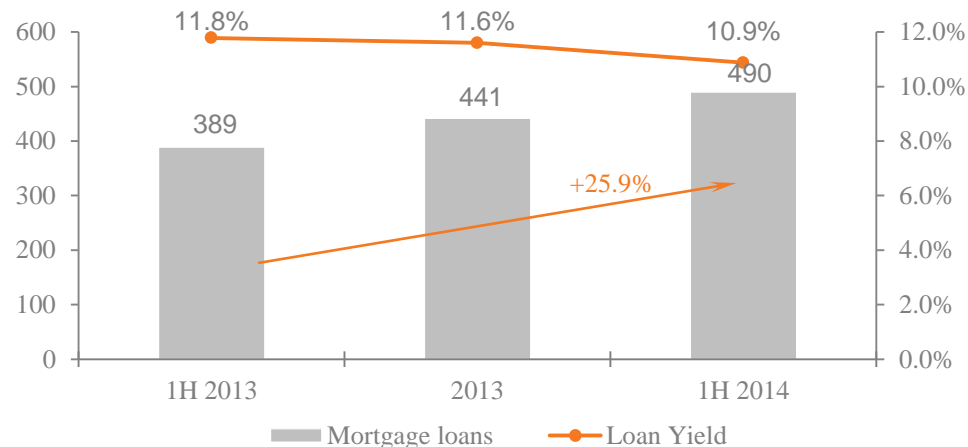
Micro and SME

GEL mln



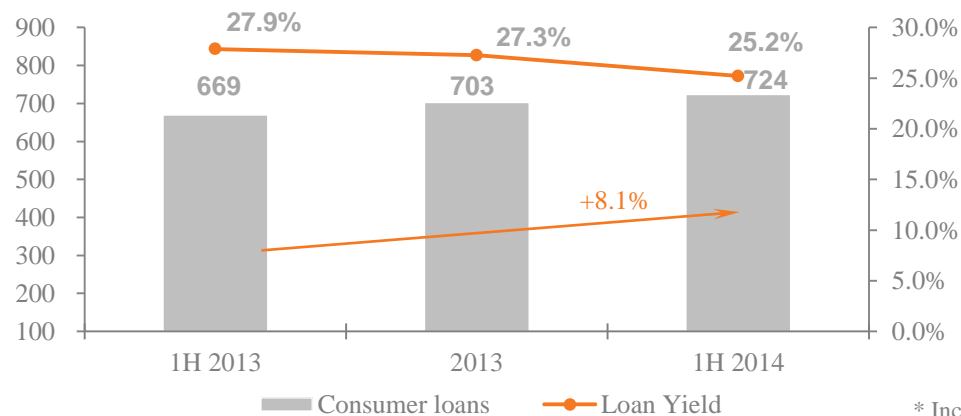
Mortgage loans

GEL mln



Consumer loans*

GEL mln



* Includes consumer, POS, loans, legacy retail loans, overdrafts on debit card, credit card balances

Discussion topics

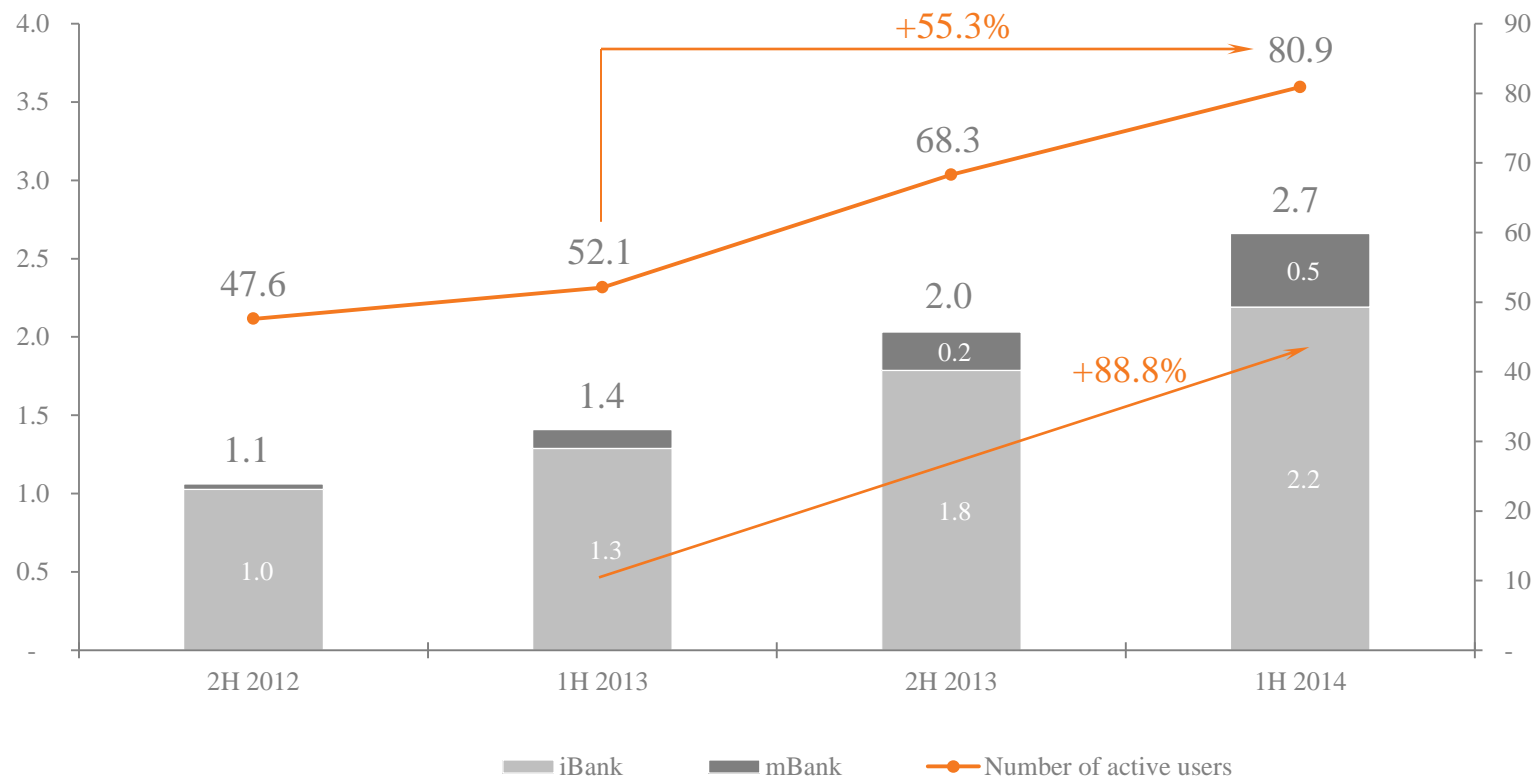
Superior franchise

Retail banking financial statements

Innovative channels

Internet and mobile banking

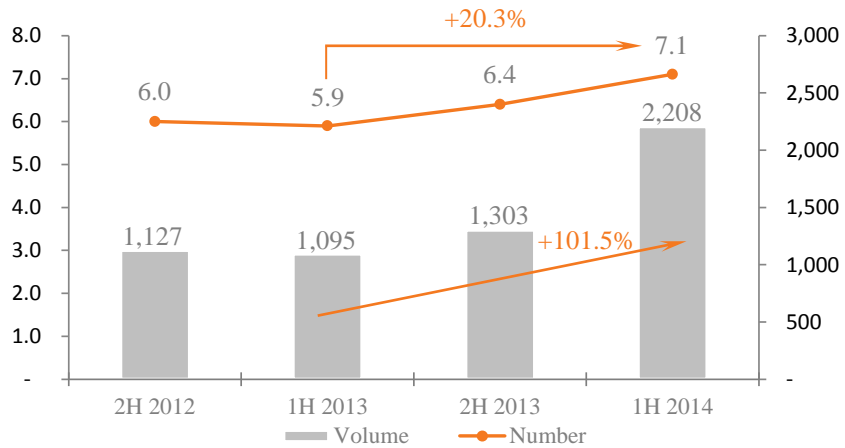
Number of transactions and active users
mln of transactions, thousands of active clients



ATMs

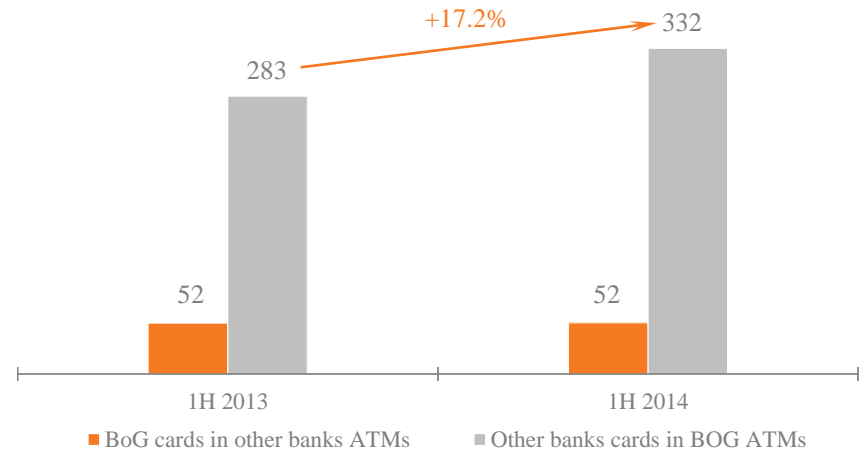
ATM transactions

mln of transactions, GEL mln



Number of ATM transactions

Thousands



Express banking – Triple play

Express Branch



- 72 small format branches (11 branches in regions)
- GEL 1.0 mln net profit per month
- Average US\$ 50K CapEx per branch
- Pay-back period of 1.5 month

Express Pay



- 2,038 terminals (1,137 terminals in regions) +1,081 y-o-y
- 112 merchants and 190 services
- 7.3 mln monthly transactions
- 450K average monthly banking transactions



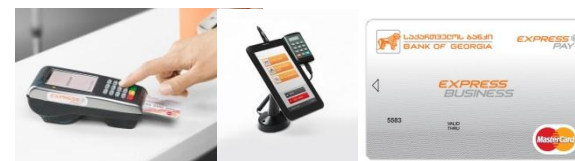
Transport



- Acts as payments card in metro (300 gates), buses (800) and mini-buses (1,800)
- 1.3 mln MetroMoney card
- +10 mln clicks per month

10 Payments = 1 Free ride on bus or metro

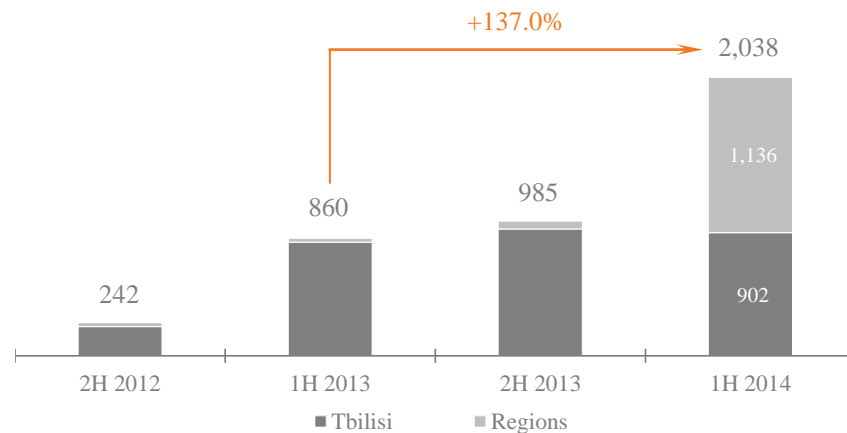
Express Merchant



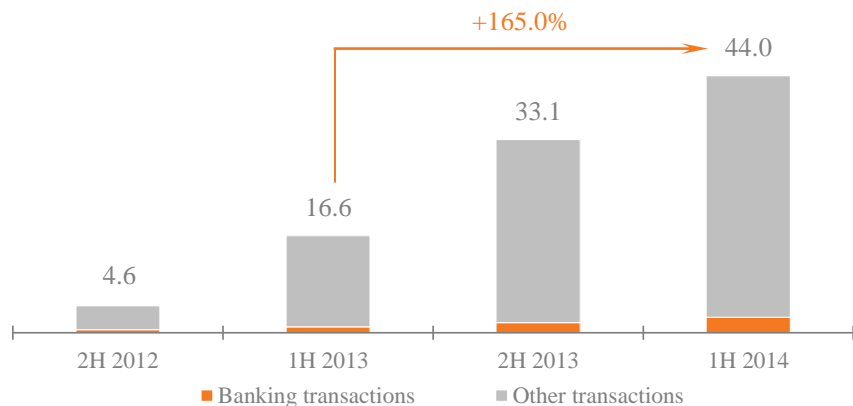
- 5,689 POS terminals, + 33.6% y-o-y (Market size - 10K merchants)

SSTs (Express Pay terminals)

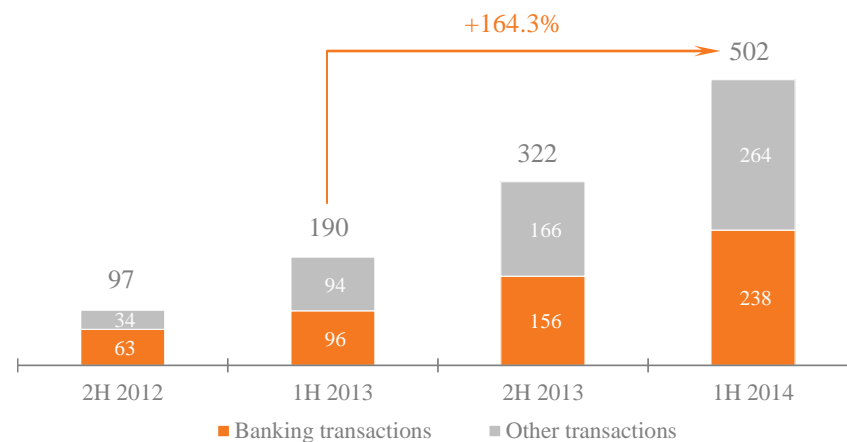
Number of SSTs



Number of transactions
mln of transactions

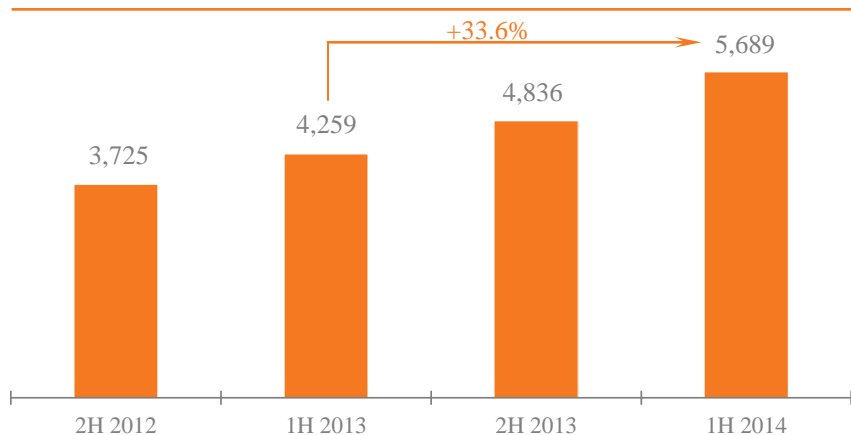


Volume of transactions
GEL mln

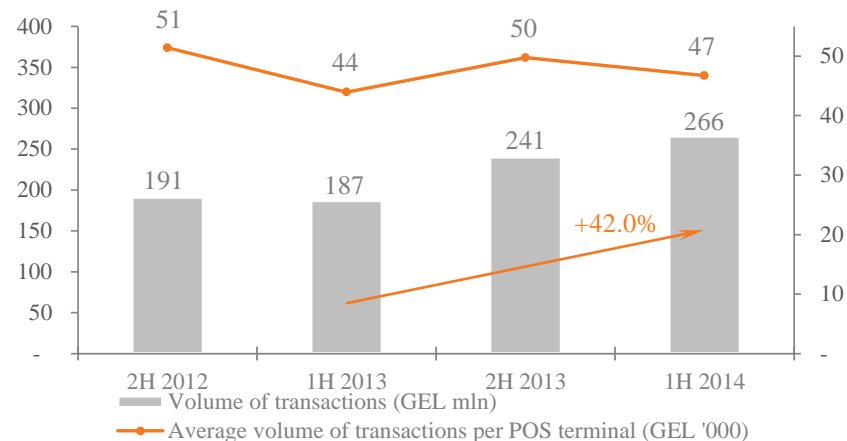


POS terminals (Express merchant)

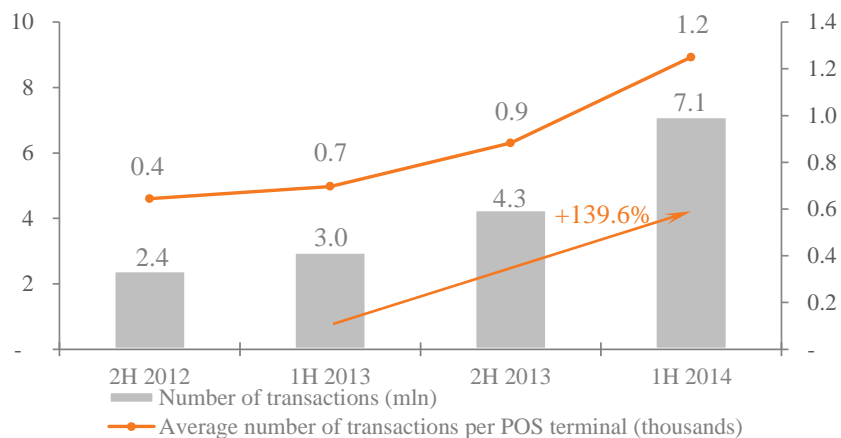
Number of POS terminals



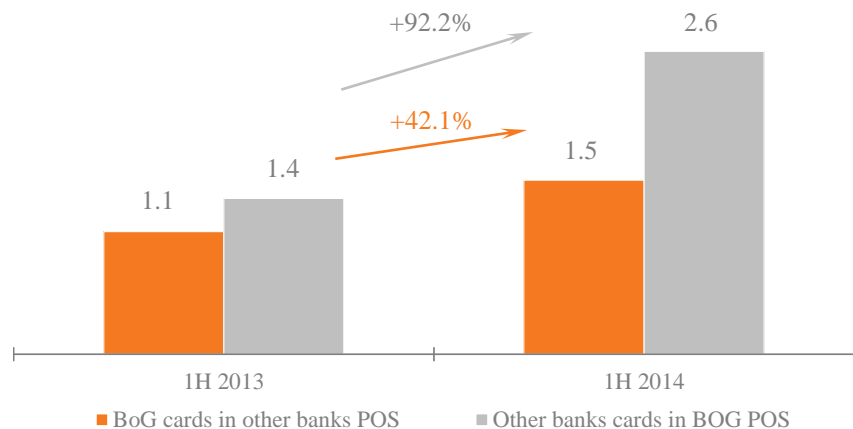
Total volume of transactions and average volume of transactions per POS terminal



Total number of transactions and average number of transactions per POS terminal



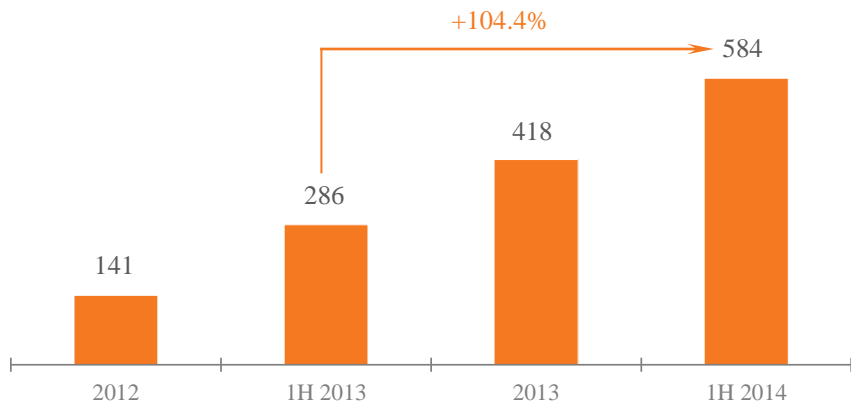
Number of transactions
mln



Express Card

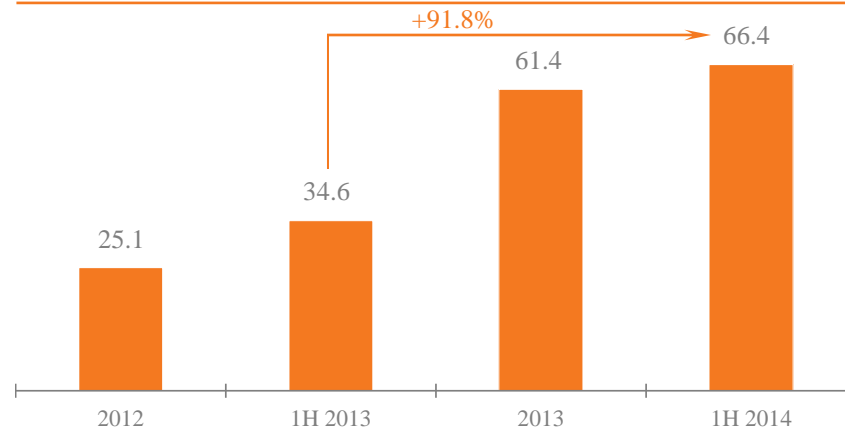
Number of Express Cards outstanding

Transactions

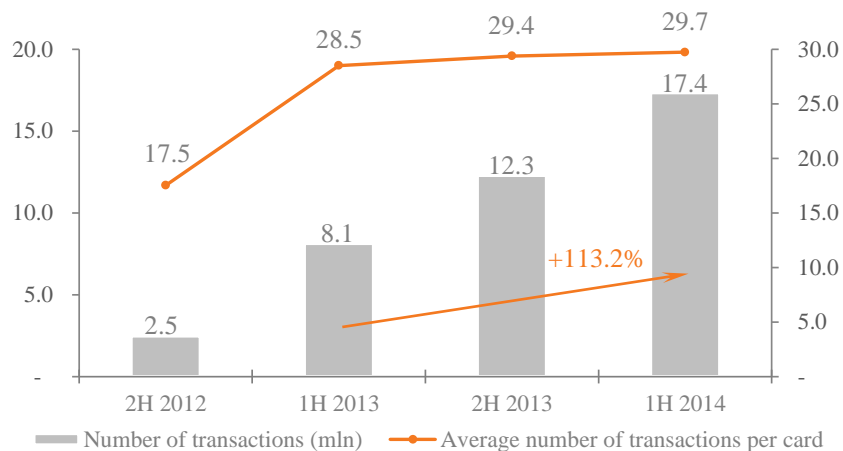


Balances on Express Cards

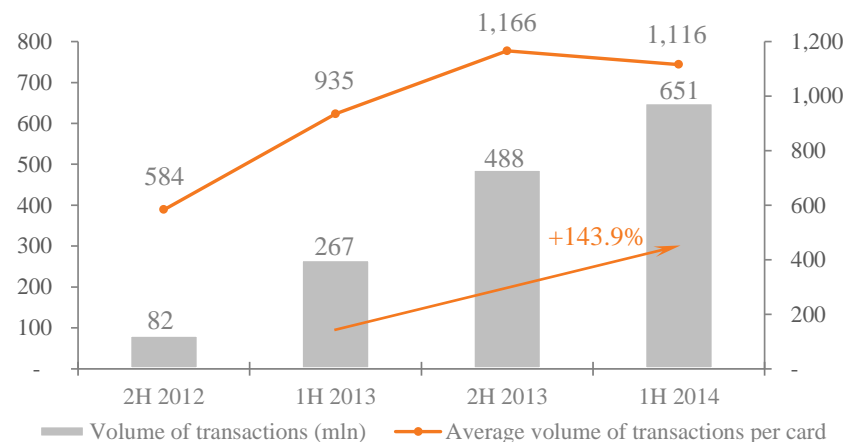
GEL mln



Total number of transactions and average number of transactions per card



Total volume of transactions and average volume of transactions per card



Retail Banking

30 June 2014

Number of clients (individuals)	1.3 mln
Product to client ratio	1.71
Penetration rate	
Mortgage loans	0.9%
Consumer loans	41.5%
Credit cards	9.4%
Demand and time deposits	14.4%
Allocated net profit*	GEL 63.2 mln

* Standalone

Forward Looking Statements

This presentation contains forward-looking statements that are based on current beliefs or expectations, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and JSC Bank of Georgia and/or the Bank of Georgia Holdings' plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

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