BANK OF GEORGIA
GROUP PLC

Bank of Georgia Group PLC

1Q24 Results

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Contents

Bank of Georgia Group PLC continues to deliver on its strategic priorities and posts 1Q24 adjusted profit of GEL 369.1

1Q24 adjusted profit was up 22.5% y-o-y to GEL 369.1 million, with adjusted return on average equity standing at 27.7%

- The acquisition of Ameriabank completed as of end of March 2024, with the balance sheet consolidated at 31 March 2024. A bargain purchase negative goodwill of GEL 685.9m arising from the acquisition has been recognised in the period. No income statement was consolidated in these financial results due to the closing date of the acquisition being 31 March 2024.
- Net interest income strong, up 17.7% y-o-y to GEL 437.8 million, with net interest margin (NIM) at 6.4%.
- Adjusted operating income before cost of risk up 14.1% y-o-y to GEL 456.0 million.
- Cost of credit risk ratio down to 0.3% as portfolio quality was strong across all business sub-segments in Georgian Financial Services (GFS).
- Few highlights on Georgian Financial Services: 1) Increase of 166,000 monthly active retail customers during the past twelve months to 1.8 million individuals; 2) Retail Digital MAU up 19.7% y-o-y to 1.4 million in March 2024; 3) customer deposits y-o-y growth of 19.3% and net loan y-o-y growth of 22.6%.

CEO statement

We started this year on a strong footing, with favourable macro conditions and continued growth momentum in Georgia and with the acquisition of Ameriabank, which completed successfully at the end of March 2024. You are now seeing the Group's balance sheet in its new shape, with assets close to US$ 16 billion at the end of March, comprising two leading, top-of-mind universal banks in Georgia and Armenia. Our book value per share increased to GEL 135.96 (up 38.0% y-o-y and up 18.6% q-o-q), and we delivered strong bottom-line growth and high profitability in the first quarter.

In Georgia, the economy maintained its positive dynamics during the first quarter, with an estimated 7.8% y-o-y real GDP growth, delivered with low inflation. Unfortunately, uncertainty has increased recently as we have seen political turmoil during the last few weeks. I have mentioned previously that the majority of the Georgian population aspires to EU membership. Some volatility in the economic and geo-political environment, while not helpful, is likely to be our backdrop until the upcoming parliamentary elections in October 2024. We monitor the situation as it unfolds. The Georgian economy has shown resilience during prior periods of political uncertainty and tensions and we hope this continues. Solid international reserves and ample fiscal space support the resilience of the economy against possible shocks. Tourism may be negatively affected this summer, but at the moment, we do not project a major negative impact on the economy and currently expect a 6.0% y-o-y real GDP growth for the full year.

Our banking business in Georgia maintains strong capital and liquidity positions, and we continue to make progress on our strategic priorities, increasing digitalisation, growing payments, and maintaining high customer satisfaction. In Georgian Financial Services, loan growth was robust at 22.6% y-o-y in the first quarter of 2024 (20.0% on a constant currency basis), with the loan book quality at very healthy levels. Customer deposit growth was also strong at 19.3% y-o-y during the first quarter (16.2% y-o-y on a constant currency basis). In April 2024, Bank of Georgia issued $300 million 9.5% Additional Tier 1 capital notes, and few days ago issued a notice regarding the full redemption of the 2019 $100 million 11.125% Additional Tier 1 capital notes at the upcoming first call date. The recent issuance with a reduced coupon rate, in an environment with a significantly higher risk-free rate, highlights increased investor trust and confidence in Bank of Georgia's financial strength.

In Armenia, we see strong momentum both in the economy and at Ameriabank. Real GDP growth was 9.2% y-o-y in 1Q24, and the expected y-o-y real GDP growth in Armenia this year is 6.0%, according to the IMF. The strong growth outlook is supported by sound and prudent macroeconomic management. Ameriabank has continued to deliver strong performance during the first quarter, growing the loan book by around 30% y-o-y and delivering high profitability with ROE at 25%. We are now focused on working with the team in Armenia to start unlocking further growth opportunities.

As a result of the Group's strong capital position, the Board has recommended a final dividend for 2023 of GEL 4.94 per share, which is subject to shareholder approval at the upcoming Annual General Meeting in June. In addition, we are continuing our share buyback and cancellation programme which, at 24 May 2024, had c. GEL 53 million outstanding to be completed. Overall, the Group remains well-positioned to deliver strong growth and high profitability in its key geographies. Following the acquisition of Ameriabank, we increased the Group's medium-term target for annual loan book growth to c.15%. We maintain our profitability target of a 20%+ ROE, and capital distribution policy of 30-50% of annual profits via dividends and share buyback and cancellation. The teams across the Group are committed to driving strong results and success going forward.

Macroeconomic developments: Georgia

Strong economic growth

The Georgian economy continued to grow strongly in 1Q24, with an estimated 7.8% y-o-y real GDP expansion. Manufacturing, information and communication, and services sectors were the primary contributors to growth. Amid slowing external sector inflows from last year's high base, consumption and investment activities have become the main drivers of growth. Improving labour market conditions, increasing real wages, and reducing local currency interest rates have supported the continued strong economic performance. The economic activity is expected to remain robust, with real GDP growth forecasted at 6.0% in 2024, and 5.5% in 2025. Sustained geopolitical instability in the region, tight global financial conditions, and pre-election local political tensions pose downside risks. However, increased fiscal space and replenished international reserves cushion the economy from possible shocks.

Resilient external sector

External merchandise trade continued to contract y-o-y in 1Q24, with exports and imports decreasing by 9.3% and 3.5%, respectively. The decline was due to slowing re-exports from last year's high base and the continued fall in commodity prices, while exports of domestically originated goods continued to grow. As the adjustment in total import volumes was larger than that in exports, the trade deficit decreased in 1Q24. Decreasing export proceeds were partially offset by resilient tourism revenues and solid increases in other service exports, including IT and transportation services. In 1Q24, tourism revenues increased modestly by 1.5% y-o-y due to last year's high base, while the number of tourist visits exceeded the 2019 level for the first time since the COVID pandemic. Remittances remained solid despite a continued contraction from last year's high levels. The decline in migrant-related inflows was partially offset by steadily increasing money transfers from the US and EU countries leading to a 35.8% y-o-y decrease in total transfers in 1Q24. Overall, external sector inflows are expected to remain sound on the back of resilient and diversified income sources.

Healthy bank lending

Bank lending remained robust in 1Q24, increasing by 17.4% y-o-y on a constant currency basis, following the 17.1% y-o-y growth in the previous quarter. Credit growth was driven by local currency lending, leading to a continued decline in loan dollarisation to 44.8% at the end of March 2024 (-0.4 ppts q-o-q). The growth in legal entity lending has continued to be higher than in household loans since mid-2023, indicating a more productive allocation of funds with favourable effects on medium-term economic growth prospects. The quality of the banking sector's credit portfolio remained sound, with the non-performing loans ratio, according to the IMF, at 1.6% at the end of March 2024.

Strong fiscal discipline

The Government of Georgia remains committed to fiscal consolidation. In 2023, the fiscal deficit was reduced to 2.4% of GDP (-0.6 ppts year-on-year), which was below the budgeted level of 2.8% due to overperformance in tax revenues. The public debt stood at 39.0% of GDP (-0.2 ppts year-on-year). In 2024, the Government plans to maintain the fiscal deficit at 2.5% of GDP and further reduce the public debt to 38.0% of GDP. The plan is underpinned by demonstrated fiscal discipline.

Low inflation and declining local currency interest rates

Inflation remained low due to continued easing of domestic price pressures despite a moderate pick-up in import prices in 1Q24. Headline CPI was up 1.5% y-o-y in April 2024, a slight increase from 0.4% registered in December 2023. Inflation is expected to remain close to the central bank's 3% target in 2024. However, upside risks to inflation exist, considering persistent geopolitical tensions and the recent weakening of GEL. Steady improvements in the inflation outlook enabled the National Bank of Georgia (NBG) to cut its policy rate by a total of 1.50 ppts to 8.0% since January 2024, on top of the 1.50 ppts reduction in 2023.

Stable GEL

GEL remained stable in the first four months of 2024, backed by sustained external sector inflows and strong economic performance. In mid-May, the local currency weakened amid domestic political tensions. The NBG intervened by selling US$ 60m to calm the market. As a result, GEL recovered somewhat and registered a 2.9% depreciation against the US dollar year-to-date as at 27 May 2024. In the medium term, resilient external sector inflows and healthy macroeconomic fundamentals are expected to support the local currency.

Macroeconomic developments: Armenia

Robust economic growth

After a solid 8.7% real GDP growth in 2023, the Armenian economy maintained strong momentum in 1Q24, delivering 9.2% growth y-o-y. Economic activity was driven by manufacturing, trade, and construction sectors. The IMF projects a robust, 6.0% real GDP growth in Armenia in 2024, fuelled by consumption and public capital expenditure. Geopolitical tensions and growth prospects in the trading partners pose downside risks to the outlook, while stronger-than-expected exports create upside opportunities. Fiscal and monetary policies remain prudent and contribute to the resilience of the Armenian economy.

The booming external sector and strong dram

Exports of goods soared in the first three months of 2024, up 171.9% y-o-y due to a 14-fold rise in exports of gold and jewellery. In the same period, money transfers declined by 23.2% y-o-y, driven by falling inflows from Russia. The marked improvement in trade balance and overall solid inflows contributed to the strengthening of the dram by 3.9% versus the US dollar in the first four months of 2024.

Low inflation and easing monetary policy

During the first four months of 2024, inflation remained in the negative territory due to decreasing food prices, strong dram, and delayed effects of previously tight monetary policy. Headline CPI was down 0.7% y-o-y in April 2024, close to the 0.6% y-o-y deflation in December 2023. The Central Bank of Armenia (CBA) gradually eased monetary policy, cutting the refinancing rate by 1 ppt in the first four months of 2024 after a cumulative 1.5 ppts reduction in 2023.

Sound banking sector

The banking sector in Armenia remains sound, with strong capital and liquidity buffers, high profitability, and decent asset quality. According to the CBA, bank lending growth was 17.4% y-o-y on a constant currency basis in 1Q24, after a 21.2% y-o-y growth in the previous quarter. Lending growth was driven by local currency loans, contributing to the decreasing dollarisation level (33.9% at the end of March 2024, -1.7 ppts q-o-q).

Delivering on our strategic priorities in 1Q24

Non-financial data in this section is presented for Bank of Georgia standalone, unless otherwise noted.

The main bank

Being the main bank in customers' daily lives by leveraging the digital and payments ecosystems.

In the first quarter of 2024, Bank of Georgia continued to attract new retail customers, further develop its retail financial superapp (BOG APP) and other digital channels, and grow the payments business. As a result:

Monthly active customers (Retail)	Digital MAU (Retail)	Payment MAU (Retail)	Share of products sold through retail digital channels	Monthly active customers (Legal entities)	Payments acquiring market share
1.8 million	**1.4 million**	**1.3 million**	**56.5% (1Q24)**	**100K**	**55.5% (Mar-24)**
+9.9% y-o-y	+19.7% y-o-y	+18.5% y-o-y	44.1% (1Q23)	+20.2% y-o-y	51.9% (Mar-23)
+1.5% q-o-q	+3.5% q-o-q	+ 2.7% q-o-q	70.3% (4Q23)	+2.5% q-o-q	54.9% (Dec-23)

- The share of Digital MAU in monthly active retail customers increased to 76.5% as of March 2024, up from 70.3% as of March 2023 and 75.0% as of December 2023, highlighting the extensive adoption of our market-leading financial superapp and internet banking platform.
- Product sales in digital in the prior quarter were boosted by a gamification campaign, which helped increase awareness of the functionalities of BOG APP among our customers and supported digital sales.
- The growth in legal entities was predominantly driven by small businesses.
- The volume of payment transactions in Bank of Georgia's in-store/online POS terminals was up 33.7% y-o-y and down 10.2% q-o-q in the first quarter of 2024 to GEL 4.0bn.

Excellent customer experience

Anticipating customer needs and wants and providing relevant products and services.

Bank of Georgia's Net Promoter Score (NPS) stood at a high level of 61 in 1Q24 (58 in 1Q23 and 59 in 4Q23).

Profitable growth

Growing the balance sheet profitably and focusing on segments with high growth potential.

Georgian Financial Services loan book grew 22.6% y-o-y and 3.2% q-o-q, amounting to GEL 20,159.5 million as of 31 March 2024. Growth on a constant currency basis was 20.0% y-o-y and 3.5% q-o-q.
Consolidated loan book was GEL 27,698.8 as of 31 March 2024, up 63.0% y-o-y and up 36.9% q-o-q as a result of the first-time consolidation of Ameriabank's balance sheet as of end of March 2024.

Our key targets are for the medium term are:

- c.15% annual growth of the Group's loan book (the target was revised up from c.10% following the acquisition of Ameriabank in March 2024)
- 20%+ return on average equity
- 30-50% annual capital distribution ratio (dividends and share buyback and cancellation programme)

1Q24 Consolidated Results

GEL thousands	1Q24	1Q23	Change y-o-y	4Q23	Change q-o-q
INCOME STATEMENT HIGHLIGHTS					
Net interest income	437,820	371,900	17.7%	427,661	2.4%
Net fee and commission income	107,802	112,301	-4.0%	114,066	-5.5%
Net foreign currency gain	90,540	70,652	28.1%	97,251	-6.9%
Net other income	7,793	8,656	-10.0%	18,260	-57.3%
Operating income	**643,955**	**563,509**	**14.3%**	**657,238**	**-2.0%**
Operating expenses	(188,038)	(164,169)	14.5%	(225,205)	-16.5%
Profit from associates	98	218	-55.0%	254	-61.4%
Operating income before cost of risk	**456,015**	**399,558**	**14.1%**	**432,287**	**5.5%**
Cost of risk	(22,999)	(48,298)	-52.4%	(27,810)	-17.3%
Net operating income before non-recurring items	**433,016**	**351,260**	**23.3%**	**404,477**	**7.1%**
Net non-recurring items	-	(60)	-100.0%	-	-
Profit before income tax expense and one-off items	**433,016**	**351,200**	**23.3%**	**404,477**	**7.1%**
Income tax expense	(63,949)	(49,871)	28.2%	(75,891)	-15.7%
Profit adjusted for one-off items	**369,067**	**301,329**	**22.5%**	**328,586**	**12.3%**
One-off items[1]	668,786	-	-	1,524	NMF
Profit	**1,037,853**	**301,329**	**244.4%**	**330,110**	**214.4%**
Basic earnings per share	**23.53**	**6.55**	**259.2%**	**7.53**	**212.5%**
Diluted earnings per share	**23.23**	**6.44**	**260.7%**	**7.31**	**217.8%**

GEL thousands	Mar-24	Mar-23	Change y-o-y	Dec-23	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Liquid assets	12,754,830	9,413,665	35.5%	9,984,238	27.7%
Cash and cash equivalents	3,154,044	2,661,659	18.5%	3,101,824	1.7%
Amounts due from credit institutions	2,382,079	2,180,151	9.3%	1,752,657	35.9%
Investment securities	7,305,770	4,571,855	59.8%	5,129,757	42.4%
Loans to customers and finance lease receivables[2]	27,698,817	16,992,844	63.0%	20,232,721	36.9%
Property and equipment	517,156	405,838	27.4%	436,955	18.4%
All remaining assets	1,474,751	890,735	65.6%	1,103,644	33.6%
Total assets	**42,445,554**	**27,703,082**	**53.2%**	**31,757,558**	**33.7%**
Client deposits and notes	28,330,513	18,309,528	54.7%	20,522,739	38.0%
Amounts owed to credit institutions	5,626,533	3,805,154	47.9%	5,156,009	9.1%
Borrowings from DFIs	2,163,086	1,692,346	27.8%	2,124,264	1.8%
Short-term loans from central banks	1,425,921	1,270,718	12.2%	2,101,653	-32.2%
Loans and deposits from commercial banks	2,037,526	842,090	142.0%	930,092	119.1%
Debt securities issued	1,330,631	607,910	118.9%	421,359	NMF
All remaining liabilities	1,125,439	487,106	131.0%	637,615	76.5%
Total liabilities	**36,413,116**	**23,209,698**	**56.9%**	**26,737,722**	**36.2%**
Total equity	**6,032,438**	**4,493,384**	**34.3%**	**5,019,836**	**20.2%**
Book value per share	**135.96**	**98.51**	**38.0%**	**114.62**	**18.6%**

KEY RATIOS	1Q24	1Q23	4Q23
ROAA[3]	4.7%	4.4%	4.2%
ROAE[4]	27.7%	27.9%	26.7%
Net interest margin[5]	6.4%	6.4%	6.3%
Loan yield[6]	12.4%	12.5%	12.4%
Liquid assets yield[6]	5.3%	4.3%	5.0%
Cost of funds[6]	5.0%	4.5%	4.9%
Cost of client deposits and notes[6]	4.2%	3.6%	4.2%
Cost of amounts owed to credit institutions[6]	8.5%	8.3%	7.7%
Cost of debt securities issued[6]	9.3%	7.2%	9.3%
Cost:income ratio	29.2%	29.1%	34.3%
NPLs to gross loans	1.9%	2.4%	2.3%
NPL coverage ratio[6]	72.3%	72.8%	69.2%
NPL coverage ratio adjusted for the discounted value of collateral[7]	127.9%	128.7%	117.6%
Cost of credit risk ratio[6]	0.3%	1.0%	0.4%

[1] Acquisition of Ameriabank in March 2024 resulted in one-off items totalling GEL 668.8m comprising a one-off gain on bargain purchase and acquisition-related costs. Operating income before cost of risk and subsequent lines in the income statement as well as ROAA and ROAE have been adjusted for these one-off items. Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 1.5 million posted in 4Q23. Net other income has been adjusted for this one-off. As a result, ROAA, ROAE and Cost:income ratio were adjusted for one-off other income. Comparisons given in text are with adjusted figures of the respective periods.

[2] Throughout this announcement, gross loans to customers and respective allowance for impairment are presented net of expected credit loss (ECL) on contractually accrued interest income. These do not have an effect on the net loans to customers' balance. Management believes that netted-off balances provide the best representation of the loan portfolio position.

[3] ROAA is adjusted for the one-off gain on bargain purchase and acquisition-related costs resulting from the Ameriabank acquisition. ROAA is also adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

[4] ROAE is adjusted for the one-off gain on bargain purchase and acquisition-related costs resulting from the Ameriabank acquisition.

[5] Net interest margin, loan yield, liquid assets yield, cost of funds, cost of client deposits and notes, cost of amounts owed to credit institutions, cost of debt securities issued, and cost of credit risk ratio are adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

[6] The NPL coverage ratio and the NPL coverage ratio adjusted for the discounted value of collateral have been adjusted to include the NPLs and respective ECL of standalone Ameriabank.

Net interest income

- **Interest income** in 1Q24 was up 21.5% y-o-y and up 2.8% q-o-q to GEL 765.8m. The y-o-y and q-o-q increase in interest income was mostly attributable to higher interest income from loans driven by strong loan portfolio growth.
- **Interest expense** in 1Q24 was up 27.0% y-o-y and up 3.4% q-o-q to GEL 328.0m. The y-o-y increase in interest expense in 1Q24 was mainly driven by increased expense on the deposit portfolio driven by growth coupled with a higher cost of funds (up 50 bps y-o-y).
- **Net interest margin** was 6.4% in 1Q24 (flat y-o-y and up 10 bps q-o-q).

Net non-interest income

- **Net fee and commission income** was GEL 107.8m in 1Q24 (down 4.0% y-o-y and down 5.5% q-o-q). The y-o-y decrease was due to a significant (GEL 27m) income from advisory services booked in 1Q23, while the q-o-q decrease is mainly attributable to normal seasonality.
- **Net foreign currency (FX) gain** amounted to GEL 90.5m in 1Q24 (up 28.1% y-o-y and down 6.9% q-o-q).
- **Net other income** amounted to GEL 7.8m in 1Q24 (down 10.0% y-o-y and down 57.3% q-o-q).

Overall, the Group generated **operating income of GEL 644.0m in 1Q24** (up 14.3% y-o-y and down 2.0% q-o-q). The y-o-y increase in 1Q24 was mainly driven by strong net interest income generation and increased net foreign currency gain, partly offset by lower net fee and commission income.

Operating expenses and efficiency

- Operating expenses amounted to GEL 188.0m in 1Q24 (up 14.5% y-o-y and down 16.5% q-o-q). The y-o-y rise in operating expenses in 1Q24 was primarily related to overall business growth and ongoing investments in strategic areas. The q-o-q decrease was mainly attributable to seasonal impacts.
- The Group's cost to income ratio was 29.2% in 1Q24 (29.1% in 1Q23 and 34.3% in 4Q23).

Cost of risk

- The cost of credit risk ratio was 0.3% in 1Q24 (1.0% in 1Q23 and 0.4% in 4Q23). All sub-segments of GFS performed strongly, see page 11.

One-off items

- As a result of the acquisition of Ameriabank, the one-off gain on bargain purchase (the difference between the fair value of identifiable net assets of Ameriabank acquired and total purchase consideration) amounted to GEL 685.9m, and acquisition-related costs amounted to GEL 17.1m, resulting in the total one-off of GEL 668.8m.

Profitability

- The Group's profit (adjusted for one-off items) was GEL 369.1m in 1Q24 (up 22.5% y-o-y and up 12.3% q-o-q).
- Return on average equity (adjusted for one-off items) was 27.7% in 1Q24 (27.9% in 1Q23 and 26.7% in 4Q23).

Loan book

- Net loans and finance lease receivables amounted to GEL 27,698.8m at 31 March 2024, up 63.0% y-o-y and up 36.9% q-o-q in nominal terms. The significant increase is attributable to the Ameriabank acquisition, as well as the 22.6% growth in the GFS' balance sheet.
- The NPLs to gross loans ratio reduced to 1.9% as at 31 March 2024 (down 50 bps y-o-y and down 40 bps q-o-q). The decrease was mainly driven by Ameriabank acquisition. Additionally, a decrease was recorded in GFS to 2.1% as at 31 March 2024 (down 30 bps y-o-y and down 10 bps q-o-q).
- The Group-level and the Armenian Financial Services ('AFS') NPL coverage ratios in the table below have been adjusted to include the NPLs and respective ECL of standalone Ameriabank. The adjusted NPL coverage ratios have been broadly stable. The unadjusted NPL coverage ratio stood at 59.3% as at 31 March 2024 on the consolidated level as Ameriabank's loan book was consolidated at fair value, which implies including pre-acquisition ECL in initial gross balance of the loan portfolio recognised at consolidation, thus impacting the NPL coverage ratio.

GEL thousands, unless otherwise noted	Mar-24	Mar-23	Change y-o-y	Dec-23	Change q-o-q
NON-PERFORMING LOANS					
NPLs (in GEL thousands)	537,929	423,181	27.1%	467,656	15.0%
NPLs to gross loans	1.9%	2.4%		2.3%	
NPLs to gross loans, GFS	2.1%	2.4%		2.2%	
NPLs to gross loans, AFS	1.1%	-		-	
NPL coverage ratio[7]	72.3%	72.8%		69.2%	
NPL coverage ratio, GFS	68.2%	70.5%		68.7%	
NPL coverage ratio, AFS[8]	83.2%	-		-	
NPL coverage ratio adjusted for the discounted value of collateral[8]	127.9%	128.7%		117.6%	
NPL coverage ratio adjusted for the discounted value of collateral, GFS	116.8%	126.7%		117.1%	
NPL coverage ratio adjusted for the discounted value of collateral, AFS[8]	166.4%	-		-	

Deposits

- Client deposits and notes amounted to GEL 28,330.5m as at 31 March 2024 (up 54.7% y-o-y and up 38.0% q-o-q). The growth was driven by deposit growth in GFS (see page 10) as well as the Ameriabank acquisition.

Capital return

- Bank of Georgia Group PLC has confirmed that the final dividend of GEL 4.94 per ordinary share will be put to shareholder approval at the AGM on 17 June 2024. If the final dividend of GEL 4.94 per ordinary share is approved by shareholders at the AGM, the following dividend timetable will apply:
  - Ex-dividend date: 4 July 2024
  - Record date: 5 July 2024
  - Currency conversion date: 5 July 2024
  - Payment date: 19 July 2024
- The share buyback and cancellation programme is ongoing. As of 26 May 2024, the total number of shares cancelled since the launch of the Buyback Programme in August 2023 was 718,792. As of 26 May 2024, c. GEL 53 million of the existing buyback and cancellation programme remained to be completed.

[7] The Group-level and AFS NPL coverage ratios in the table below have been adjusted to include the NPLs and respective ECL of standalone Ameriabank.

Segment Results

Following the acquisition of Ameriabank in March 2024, the Group changed its segmentation. The Group currently has three segments: 1) Georgian Financial Services ('GFS'), 2) Armenian Financial Services ('AFS'), and 3) Other Businesses.

Georgia Financial Services (GFS)

*Georgian Financial Services ('**GFS**') mainly comprises JSC Bank of Georgia and investment bank JSC Galt and Taggart.*

GEL thousands	1Q24	1Q23	Change y-o-y	4Q23	Change q-o-q
INCOME STATEMENT HIGHLIGHTS					
Interest income	745,942	614,352	21.4%	725,981	2.7%
Interest expense	(327,130)	(261,397)	25.1%	(317,814)	2.9%
Net interest income	**422,429**	**360,988**	**17.0%**	**412,651**	**2.4%**
Net fee and commission income	107,351	110,626	-3.0%	113,455	-5.4%
Net foreign currency gain	81,630	59,330	37.6%	86,946	-6.1%
Net other income	7,378	7,873	-6.3%	18,455	-60.0%
Operating income	**618,788**	**538,817**	**14.8%**	**631,507**	**-2.0%**
Salaries and other employee benefits	(94,494)	(85,309)	10.8%	(102,615)	-7.9%
Administrative expenses	(41,678)	(32,595)	27.9%	(69,227)	-39.8%
Depreciation, amortisation and impairment	(28,834)	(25,877)	11.4%	(32,836)	-12.2%
Other operating expenses	(1,494)	(634)	135.6%	(1,514)	-1.3%
Operating expenses	**(166,500)**	**(144,415)**	**15.3%**	**(206,192)**	**-19.3%**
Profit from associates	211	218	-3.2%	254	-16.9%
Operating income before cost of risk	**452,499**	**394,620**	**14.7%**	**425,569**	**6.3%**
Cost of risk	(20,470)	(46,674)	-56.1%	(24,077)	-15.0%
Profit before income tax expense	**432,029**	**347,946**	**24.2%**	**401,492**	**7.6%**
Income tax expense	(61,657)	(48,696)	26.6%	(73,901)	-16.6%
Profit adjusted for one-off items	**370,372**	**299,250**	**23.8%**	**326,067**	**13.6%**
One-off in other income[8]	-	-	-	1,524	-100.0%
Profit	**370,372**	**299,250**	**23.8%**	**327,591**	**13.1%**
BALANCE SHEET HIGHLIGHTS					
Net loans and finance lease receivables	20,159,475	16,446,712	22.6%	19,532,803	3.2%
Net loans and finance lease receivables, LC	11,244,645	9,098,292	23.6%	10,838,243	3.7%
Net loans and finance lease receivables, FC	8,914,830	7,348,420	21.3%	8,694,560	2.5%
Client deposits and notes	20,743,680	17,392,633	19.3%	19,535,071	6.2%
Client deposits and notes, LC	9,714,090	7,451,822	30.4%	8,889,946	9.3%
Client deposits and notes, FC	11,029,590	9,940,811	11.0%	10,645,125	3.6%
of which:					
Time deposits	9,037,644	7,237,793	24.9%	8,022,208	12.7%
Time deposits, LC	4,776,010	3,660,752	30.5%	3,912,766	22.1%
Time deposits, FC	4,261,634	3,577,041	19.1%	4,109,442	3.7%
Current accounts and demand deposits	11,706,036	10,154,840	15.3%	11,512,863	1.7%
Current accounts and demand deposits, LC	4,938,080	3,791,070	30.3%	4,977,180	-0.8%
Current accounts and demand deposits, FC	6,767,956	6,363,770	6.4%	6,535,683	3.6%
Total assets	31,139,405	26,483,581	17.6%	30,486,726	2.1%
Total liabilities	26,806,887	22,194,470	20.8%	25,673,690	4.4%
Total equity	4,332,518	4,289,111	1.0%	4,813,036	-10.0%
Risk-weighted assets (JSC Bank of Georgia standalone)	24,090,667	19,629,458	22.7%	23,061,905	4.5%
KEY RATIOS					
ROAA	4.9%	4.6%		4.3%	
ROAA (unadjusted)	4.9%	4.6%		4.3%	
ROAE	31.2%	29.0%		27.4%	
ROAE (unadjusted)	31.2%	29.0%		27.9%	
Net interest margin	6.3%	6.4%		6.3%	
Loan yield	12.5%	12.5%		12.5%	
Loan yield, LC	15.0%	16.0%		15.3%	
Loan yield, FC	9.2%	8.3%		8.9%	
Cost of funds	5.2%	4.6%		5.0%	
Cost of client deposits and notes	4.3%	3.7%		4.4%	
Cost of client deposits and notes, LC	8.2%	8.3%		8.3%	
Cost of client deposits and notes, FC	1.0%	0.5%		0.8%	
Cost of time deposits	6.8%	6.2%		6.7%	
Cost of time deposits, LC	11.2%	11.0%		10.7%	
Cost of time deposits, FC	2.3%	1.5%		2.0%	
Cost of current accounts and demand deposits	2.5%	2.0%		2.6%	
Cost of current accounts and demand deposits, LC	5.4%	5.6%		5.9%	
Cost of current accounts and demand deposits, FC	0.3%	0.0%		0.2%	
Cost:income ratio	26.9%	26.8%		32.7%	
Cost:income ratio (unadjusted)	26.9%	26.8%		32.6%	
Cost of credit risk ratio	0.3%	1.0%		0.4%	

[8] Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 1.5 million posted in 4Q23. Net other income has been adjusted for this one-off. As a result, ROAA, ROAE and Cost:income ratio were adjusted for one-off other income. Comparisons given in text are with adjusted figures of respective periods.

Performance highlights

- The Group's performance in 1Q24, as discussed on pages 8 to 9, was predominantly driven by Georgian Financial Services.

Portfolio highlights

From 1Q24 the Corporate Center was separated as a new sub-segment of GFS. The Corporate Center mainly includes treasury and custody operations. Previously, the Corporate Center's income and expenses were allocated to the Retail, SME, and CIB segments. The previous figures for the Retail, SME, and CIB segments have been restated.

Portfolio highlights: net loans and finance lease receivables

	Mar-24	Mar-23	Change y-o-y	Change y-o-y (constant currency)	Dec-23	Change q-o-q	Change q-o-q (constant currency)
Total GFS	**20,159,475**	**16,446,712**	**22.6%**	**20.0%**	**19,532,803**	**3.2%**	**3.5%**
Retail	8,759,418	7,391,578	18.5%	17.3%	8,502,529	3.0%	3.2%
SME	4,657,299	4,090,877	13.8%	11.5%	4,550,840	2.3%	2.7%
CIB	6,736,852	4,964,257	35.7%	31.8%	6,479,434	4.0%	4.6%
Corporate Center	5,906	-	-	-	-	-	-

Portfolio highlights: customer deposits and notes

	Mar-24	Mar-23	Change y-o-y	Change y-o-y (constant currency)	Dec-23	Change q-o-q	Change q-o-q (constant currency)
Total GFS	**20,743,680**	**17,392,633**	**19.3%**	**16.2%**	**19,535,071**	**6.2%**	**6.4%**
Retail	13,118,483	10,662,623	23.0%	19.0%	12,597,938	4.1%	4.4%
SME	1,833,361	1,469,031	24.8%	22.6%	1,876,967	-2.3%	-2.1%
CIB	5,371,904	4,632,573	16.0%	14.9%	5,030,564	6.8%	6.9%
Corporate Center	514,597	713,615	-27.9%	-27.9%	218,872	135.1%	135.1%
Eliminations	(94,665)	(85,209)	-	-	(189,270)	-	-

Loan portfolio quality: cost of credit risk ratio

	1Q24	1Q23	4Q23
Total GFS	**0.3%**	**1.0%**	**0.4%**
Retail	0.4%	2.2%	-0.1%
SME	0.5%	0.7%	0.6%
CIB	0.1%	-0.4%	1.0%

Loan portfolio quality: NPL ratio

	Mar-24	Mar-23	Dec-23
Total GFS	**2.1%**	**2.4%**	**2.3%**
Retail	1.8%	2.0%	1.9%
SME	3.6%	3.2%	3.6%
CIB	1.5%	2.4%	1.7%

- GFS's net loans and finance lease receivables stood at GEL 20,159.5m (up 22.6% y-o-y and up 3.2% q-o-q) as at 31 March 2024. Both, the y-o-y and the q-o-q growth was mainly driven by CIB, followed by Retail and SME. On a constant currency basis, the loan book increased by 20.0% y-o-y and by 3.5% q-o-q.
- 55.8% of the loan book was denominated in GEL at 31 March 2024 vs 55.3% at 31 March 2023 and 55.5% at 31 December 2023.
- Client deposits and notes stood at GEL 20,743.7m at 31 March 2024 (up 19.3% y-o-y and up 6.2% q-o-q). On a constant currency basis, deposits increased by 16.2% y-o-y and by 6.4% q-o-q. The strong y-o-y increase in deposits was mainly driven by time deposits, followed by current accounts and demand deposits.
- The share of GEL-denominated client deposits increased to 46.8% as at 31 March 2024 vs 42.8% at 31 March 2023 and 45.5% at 31 December 2023.

Liquidity

- Bank of Georgia has maintained a strong liquidity position, with IFRS-based NBG liquidity coverage ratio at 122.2% as at 31 March 2024 (129.8% as at 31 March 2023 and 125.2% as at 31 December 2023), and IFRS-based NBG net stable funding ratio at 125.7% as at 31 March 2024 (130.1% as at 31 March 2023 and 130.4% as at 31 December 2023).

Capital position

- Bank of Georgia continues to operate with robust capital adequacy levels. At 31 March 2024, the Bank's Basel III CET1, Tier1, and Total capital ratios stood at 16.8%, 18.4%, and 21.2%, respectively, all comfortably above the minimum requirements of 14.6%, 16.8%, 19.7%, respectively. The movement in capital adequacy ratios in 1Q24 and the potential impact of a 10% devaluation of GEL is as follows:

	31 Dec 2023	1Q24 profit	Business growth	Ameriabank acquisition	Currency impact	Capital distribution	Capital facility impact	31 Mar 2024	Buffer above min requirement	Potential impact of a 10% GEL devaluation
CET 1 capital adequacy	18.2%	1.5%	-0.6%	-1.0%	0.0%	-1.4%	0.0%	16.8%	2.2%	-0.8%
Tier 1 capital adequacy	20.0%	1.5%	-0.6%	-1.0%	0.1%	-1.4%	0.0%	18.4%	1.6%	-0.8%
Total capital adequacy	22.1%	1.5%	-0.7%	-1.1%	0.1%	-1.4%	0.7%	21.2%	1.5%	-0.7%

- On 9 April 2024, JSC Bank of Georgia successfully priced a US$ 300,000,000 offering of 9.5% perpetual subordinated callable additional tier 1 notes. On 22 March 2024, JSC Bank of Georgia issued a notice that it will redeem all of aggregate principal amount of the outstanding AT1 Notes issued in 2019 equal to US$ 100,000,000 on 28 June 2024. The net effect of the redemption of the outstanding US$ 100,000,000 notes and the issuance of new US$ 300,000,000 notes is positive 2.3 ppts on Tier 1 and Total capital ratios.
- In March 2023, the Financial Stability Committee at the NBG announced plans to set the cycle-neutral countercyclical capital buffer (base rate) to, 1%. As planned, since 15 March 2024 the neutral countercyclical buffer was set at 0.25%. The buffer will increase according the following schedule: 0.5% by 15 March 2025; 0.75% by 15 March 2026; 1% by 15 March 2027.
- Bank of Georgia's minimum capital requirements for December 2024 are expected to be 14.6%, 16.8% and 19.7% for CET 1 ratio, Tier 1 ratio, and Total capital ratio respectively.

Armenian Financial Services (AFS)

*Armenian Financial Services (**AFS**) includes CJSC Ameriabank*

GEL thousands	Mar-24
BALANCE SHEET HIGHLIGHTS	
Net loans and finance lease receivables	6,832,907
Net loans and finance lease receivables, LC	3,973,078
Net loans and finance lease receivables, FC	2,859,829
Client deposits and notes	6,522,822
Client deposits and notes, LC	3,126,961
Client deposits and notes, FC	3,395,861
of which:	
Time deposits	2,657,087
Time deposits, LC	1,129,358
Time deposits, FC	1,527,729
Current accounts and demand deposits	3,865,735
Current accounts and demand deposits, LC	1,997,603
Current accounts and demand deposits, FC	1,868,132
Total assets	10,053,482
Total liabilities	8,621,025
Total equity	1,432,457
OPERATING HIGHLIGHTS[9]	
Active retail customers (thousands)	284
Monthly active digital users (Digital MAU: retail customers, thousands)	180
Digital DAU/Digital MAU	39.7%
Active legal entities (thousands)	42

Performance highlights

- Ameriabank was consolidated for the first time as of end of March 2024. Their full income statement and performance ratios will be available from 2Q24 onwards. No income statement was consolidated in these financial results due to the closing date of the acquisition being 31 March 2024.

Portfolio highlights

- As at 31 March 2024, AFS had GEL 10,053.5m of total assets, GEL 8,621.0m of total liabilities, and GEL 1,432.5m of total equity.
- Net loans and finance lease receivables stood at GEL 6,832.9m as at 31 March 2024. 58.1% of loan book was denominated in Armenian Drams.
- Client deposits and notes stood at GEL 6,522.8m as at 31 March 2024. 47.9% of client deposits and notes were denominated in Armenian Drams.

Liquidity

- Ameriabank has a strong liquidity position, having LCR of 270.4% and NSFR of 129.8% as at 31 March 2024, well above the minimum regulatory requirements of 100%. Notably, the LCR and NSFR ratios are based on Central Bank of Armenia's accounting policies and are not IFRS-based.

Capital position

- At 31 March 2024, Ameriabank's Basel III CET1, Tier1, and Total capital ratios stood at 14.9%, 14.9%, and 17.6%, respectively, all above the minimum requirements of 11.7%, 13.8%, 16.5%, respectively.

	31 Dec 2023	1Q24 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	Other	31 Mar 2024	Buffer above min requirement
CET 1 capital adequacy	14.1%	0.8%	-0.3%	0.1%	0.0%	0.0%	0.2%	14.9%	3.2%
Tier 1 capital adequacy	14.1%	0.8%	-0.3%	0.1%	0.0%	0.0%	0.2%	14.9%	1.1%
Total capital adequacy	16.8%	0.8%	-0.3%	0.1%	0.0%	0.0%	0.2%	17.6%	1.1%

[9] Operational metrics for Ameriabank are presented based on Ameriabank's internal definitions.

Ameriabank: standalone financial information (not included in consolidated results)

The following table is presented for information purposes only to show the performance of Ameriabank in the first quarter of 2024. It has been prepared consistently with the accounting policies adopted by the Group in preparing its consolidated financial statements.

GEL thousands	1Q24	1Q23	Change y-o-y	4Q23	Change q-o-q
INCOME STATEMENT HIGHLIGHTS					
Interest income	217,180	172,846	25.6%	213,712	1.6%
Interest expense	(78,188)	(62,410)	25.3%	(74,101)	5.5%
Net interest income	**138,992**	**110,436**	**25.9%**	**139,611**	**-0.4%**
Net fee and commission income	18,620	15,865	17.4%	21,124	-11.9%
Net foreign currency gain	31,125	36,963	-15.8%	45,920	-32.2%
Net other income	1,648	541	NMF	(4,697)	NMF
Operating income	**190,385**	**163,805**	**16.2%**	**201,958**	**-5.7%**
Salaries and other employee benefits	(65,158)	(50,434)	29.2%	(62,352)	4.5%
Administrative expenses	(12,761)	(10,108)	26.2%	(17,328)	-26.4%
Depreciation, amortisation and impairment	(7,948)	(6,985)	13.8%	(7,436)	6.9%
Other operating expenses	(1,121)	(1,269)	-11.7%	(4,499)	-75.1%
Operating expenses	**(86,988)**	**(68,796)**	**26.4%**	**(91,615)**	**-5.1%**
Profit from associates	-	-	-	-	-
Operating income before cost of risk	**103,397**	**95,009**	**8.8%**	**110,343**	**-6.3%**
Cost of risk	(310)	(2,096)	-85.2%	(9,019)	-96.6%
Profit before income tax expense	**103,087**	**92,913**	**11.0%**	**101,324**	**1.7%**
Income tax expense	(18,826)	(16,896)	11.4%	(22,918)	-17.9%
Profit	**84,261**	**76,017**	**10.8%**	**78,406**	**7.5%**

- Operating income in 1Q24 amounted to GEL 190.4m (up 16.2% y-o-y and down 5.7% q-o-q). The y-o-y growth was mainly driven by strong net interest income generation, while the q-o-q decrease was mainly attributable to the seasonally slower first quarter.
- Operating expenses in 1Q24 were up 26.4% y-o-y and down 5.1% q-o-q to GEL 87.0m. The y-o-y increase in operating expenses was mainly driven by business growth, resulting in higher staff count and investments in business development.
- Cost of credit risk ratio improved during the first quarter, driven by improved customer default statistics and upgraded macroeconomic forecasts.
- Overall, profit in 1Q24 amounted to GEL 84.3m (up 10.8% y-o-y and up 7.5% q-o-q) and ROAE[10] posted in 1Q24 stood at 24.8%.
- Loan book grew by 31.8% y-o-y and by 4.0% q-o-q in 1Q24, and client deposits and notes were up 16.2% y-o-y and up 8.0% q-o-q in 1Q24.

[10] ROAE was calculated as annualised profit for the period attributable to shareholders divided by average total equity attributable to shareholders (calculated as the sum of total equity attributable to shareholders at the start and at the end of the relevant quarter, divided by two);

Other Businesses

*The segment '**Other Businesses**' includes JSC Belarusky Narodny Bank (BNB) serving retail and SME clients in Belarus, Digital Area – a digital ecosystem in Georgia including e-commerce, ticketing, and inventory management SaaS, Bank of Georgia Group PLC – the holding company, and other small entities and intragroup eliminations.*

GEL thousands	1Q24	1Q23	Change y-o-y	4Q23	Change q-o-q
INCOME STATEMENT HIGHLIGHTS					
Interest income	19,831	15,810	25.4%	18,825	5.3%
Interest expense	(4,440)	(4,941)	-10.1%	(3,814)	16.4%
Net interest income	**15,391**	**10,912**	**41.0%**	**15,010**	**2.5%**
Net fee and commission income	451	1,675	-73.1%	611	-26.2%
Net foreign currency gain	8,910	11,322	-21.3%	10,305	-13.5%
Net other income	415	783	-47.0%	1,329	-68.8%
Operating income	**25,167**	**24,692**	**1.9%**	**27,255**	**-7.7%**
Salaries and other employee benefits	(10,056)	(10,630)	-5.4%	(11,329)	-11.2%
Administrative expenses	(6,702)	(6,758)	-0.8%	(5,201)	28.9%
Depreciation, amortisation and impairment	(2,657)	(2,209)	20.3%	(2,295)	15.8%
Other operating expenses	(362)	(157)	130.6%	(188)	92.6%
Operating expenses	**(19,777)**	**(19,754)**	**0.1%**	**(19,013)**	**4.0%**
Profit from associates	(113)	-	-	-	-
Operating income before cost of risk	**5,277**	**4,938**	**6.9%**	**8,242**	**-36.0%**
Cost of risk	(2,529)	(1,624)	55.7%	(3,733)	-32.3%
Net operating income before non-recurring items	**2,748**	**3,314**	**-17.1%**	**4,509**	**-39.1%**
Net non-recurring items	-	(60)	-100.0%	-	-
Profit before income tax expense	**2,748**	**3,254**	**-15.6%**	**4,509**	**-39.1%**
Income tax expense	(2,292)	(1,175)	95.1%	(1,990)	15.2%
Profit adjusted for one-off costs	**456**	**2,079**	**-78.1%**	**2,519**	**-81.9%**
BALANCE SHEET HIGHLIGHTS					
Net loans and finance lease receivables	706,435	546,132	29.4%	699,918	0.9%
Client deposits and notes	1,064,011	916,895	16.0%	987,668	7.7%
of which:					
Time deposits	319,831	252,437	26.7%	302,076	5.9%
Current accounts and demand deposits	744,180	664,458	12.0%	685,592	8.5%
Total assets	1,252,667	1,219,501	2.7%	1,270,832	-1.4%
Total liabilities	985,204	1,015,228	-3.0%	1,064,032	-7.4%
Total equity	267,463	204,273	30.9%	206,800	29.3%

In 1Q24 Other Businesses recorded a GEL 0.5m profit (down 78.1% y-o-y and down 81.9% q-o-q). BNB's standalone profit amounted to GEL 5.8 million in 1Q24, up 47.6% y-o-y and down 8.4% q-o-q.

BNB's capital ratios, calculated in accordance with the National Bank of the Republic of Belarus' standards, were above the minimum requirements at 31 March 2024: Tier 1 capital adequacy ratio at 11.2% (minimum requirement of 7.0%) and Total capital adequacy ratio at 13.9% (minimum requirement of 12.5%).

Consolidated financial information

GEL thousands	1Q24	1Q23	Change y-o-y	4Q23	Change q-o-q
INCOME STATEMENT HIGHLIGHTS					
Interest income	765,773	630,162	21.5%	744,806	2.8%
Interest expense	(327,953)	(258,262)	27.0%	(317,145)	3.4%
Net interest income	**437,820**	**371,900**	**17.7%**	**427,661**	**2.4%**
Fee and commission income	182,384	186,015	-2.0%	185,957	-1.9%
Fee and commission expense	(74,582)	(73,714)	1.2%	(71,891)	3.7%
Net fee and commission income	**107,802**	**112,301**	**-4.0%**	**114,066**	**-5.5%**
Net foreign currency gain	90,540	70,652	28.1%	97,251	-6.9%
Net other income without one-off income	7,793	8,656	-10.0%	18,260	-57.3%
One-off other income	-	-	-	1,524	-
Net other income	**7,793**	**8,656**	**-10.0%**	**19,784**	**-60.6%**
Operating income	**643,955**	**563,509**	**14.3%**	**658,762**	**-2.2%**
Salaries and other employee benefits	(106,311)	(95,939)	10.8%	(113,944)	-6.7%
Administrative expenses	(48,380)	(39,353)	22.9%	(74,428)	-35.0%
Depreciation, amortisation and impairment	(31,491)	(28,086)	12.1%	(35,131)	-10.4%
Other operating expenses	(1,856)	(791)	134.6%	(1,702)	9.0%
Operating expenses	**(188,038)**	**(164,169)**	**14.5%**	**(225,205)**	**-16.5%**
Gain on bargain purchase	685,888	-	-	-	-
Acquisition-related costs	(17,102)	-	-	-	-
Profit from associates	98	218	-55.0%	254	-61.4%
Operating income before cost of risk	**1,124,801**	**399,558**	**181.5%**	**433,811**	**159.3%**
Expected credit loss on loans to customers	(17,344)	(43,096)	-59.8%	(18,546)	-6.5%
Expected credit loss on finance lease receivables	(172)	(259)	-33.6%	(1,513)	-88.6%
Other expected credit loss and impairment charge on other assets and provisions	(5,483)	(4,943)	10.9%	(7,751)	-29.3%
Cost of risk	**(22,999)**	**(48,298)**	**-52.4%**	**(27,810)**	**-17.3%**
Net operating income before non-recurring items	**1,101,802**	**351,260**	**213.7%**	**406,001**	**171.4%**
Net non-recurring items	-	(60)	-100.0%	-	-
Profit before income tax expense	**1,101,802**	**351,200**	**213.7%**	**406,001**	**171.4%**
Income tax expense	(63,949)	(49,871)	28.2%	(75,891)	-15.7%
Profit	**1,037,853**	**301,329**	**244.4%**	**330,110**	**214.4%**
Attributable to:					
– shareholders of the Group	1,036,235	300,048	245.4%	328,623	215.3%
– non-controlling interests	1,618	1,281	26.3%	1,487	8.8%
Basic earnings per share	**23.53**	**6.55**	**259.2%**	**7.53**	**212.5%**
Diluted earnings per share	**23.23**	**6.44**	**260.7%**	**7.31**	**217.8%**

GEL thousands	Mar-24	Mar-23	Change y-o-y	Dec-23	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Cash and cash equivalents	3,154,044	2,661,659	18.5%	3,101,824	1.7%
Amounts due from credit institutions	2,382,079	2,180,151	9.3%	1,752,657	35.9%
Investment securities	7,218,707	4,571,855	57.9%	5,129,757	40.7%
Investment securities pledged under sale and repurchase agreements	87,063	-	-	-	-
Loans to customers and finance lease receivables	27,698,817	16,992,844	63.0%	20,232,721	36.9%
Accounts receivable and other loans	5,924	25,481	-76.8%	47,562	-87.5%
Prepayments	90,986	47,417	91.9%	37,511	142.6%
Foreclosed assets	301,959	151,621	99.2%	271,712	11.1%
Right-of-use assets	242,560	116,490	108.2%	138,695	74.9%
Investment properties	128,511	155,301	-17.3%	124,068	3.6%
Property and equipment	517,156	405,838	27.4%	436,955	18.4%
Goodwill	41,253	33,351	23.7%	41,253	0.0%
Intangible assets	269,416	157,292	71.3%	167,862	60.5%
Income tax assets	2,591	1,344	92.8%	2,520	2.8%
Other assets	283,732	172,398	64.6%	245,072	15.8%
Assets held for sale	20,756	30,040	-30.9%	27,389	-24.2%
Total assets	**42,445,554**	**27,703,082**	**53.2%**	**31,757,558**	**33.7%**
Client deposits and notes	28,330,513	18,309,528	54.7%	20,522,739	38.0%
Amounts owed to credit institutions	5,626,533	3,805,154	47.9%	5,156,009	9.1%
Debt securities issued	1,330,631	607,910	118.9%	421,359	NMF
Lease liability	247,006	110,917	122.7%	141,934	74.0%
Accruals and deferred income	175,294	106,887	64.0%	129,355	35.5%
Income tax liabilities	143,142	122,607	16.7%	199,058	-28.1%
Other liabilities	559,997	146,695	NMF	167,268	NMF
Total liabilities	**36,413,116**	**23,209,698**	**56.9%**	**26,737,722**	**36.2%**
Share capital	1,504	1,550	-3.0%	1,506	-0.1%
Additional paid-in capital	433,277	486,418	-10.9%	465,009	-6.8%
Treasury shares	(73)	(55)	32.7%	(71)	2.8%
Capital redemption reserve	114	68	67.6%	112	1.8%
Other reserves	51,912	24,689	110.3%	21,385	142.7%
Retained earnings	5,525,052	3,962,225	39.4%	4,510,780	22.5%
Total equity attributable to shareholders of the Group	**6,011,786**	**4,474,895**	**34.3%**	**4,998,721**	**20.3%**
Non-controlling interests	20,652	18,489	11.7%	21,115	-2.2%
Total equity	**6,032,438**	**4,493,384**	**34.3%**	**5,019,836**	**20.2%**
Total liabilities and equity	**42,445,554**	**27,703,082**	**53.2%**	**31,757,558**	**33.7%**
Book value per share	**135.96**	**98.51**	**38.0%**	**114.62**	**18.6%**

KEY RATIOS

Profitability[11]	1Q24	1Q23	4Q23
ROAA[12]	4.7%	4.4%	4.2%
ROAA (unadjusted)	13.2%	4.4%	4.2%
ROAE[13]	27.7%	27.9%	26.7%
ROAE (unadjusted)	78.1%	27.9%	26.8%
Net interest margin[14]	6.4%	6.4%	6.3%
Loan yield[13]	12.4%	12.5%	12.4%
Liquid assets yield[13]	5.3%	4.3%	5.0%
Cost of funds[13]	5.0%	4.5%	4.9%
Cost of client deposits and notes[13]	4.2%	3.6%	4.2%
Cost of amounts owed to credit institutions[13]	8.5%	8.3%	7.7%
Cost of debt securities issued[13]	9.3%	7.2%	9.3%
Operating leverage, Y-o-Y	-0.3%	23.7%	-12.0%
Operating leverage, Q-o-Q	14.5%	5.7%	-19.2%
Cost:income ratio	29.2%	29.1%	34.3%
Cost:income ratio (unadjusted)	29.2%	29.1%	34.2%
Asset quality:			
NPLs (in GEL thousands)	537,929	423,181	467,656
NPLs to gross loans	1.9%	2.4%	2.3%
NPL coverage ratio	59.3%	72.8%	69.2%
NPL coverage ratio (adjusted)[15]	72.3%	72.8%	69.2%
NPL coverage ratio adjusted for the discounted value of collateral	120.1%	128.7%	117.6%
NPL coverage ratio adjusted for the discounted value of collateral (adjusted)[14]	127.9%	128.7%	117.6%
Cost of credit risk ratio[13]	0.3%	1.0%	0.4%
Liquidity			
IFRS-based NBG liquidity coverage ratio (Bank of Georgia)	122.2%	129.8%	125.2%
Liquid assets to total liabilities	27.4%	40.6%	37.3%
Net loans to client deposits and notes	97.8%	92.8%	98.6%
Net loans to client deposits and notes + DFIs	90.8%	85.0%	89.3%
Leverage (times)	6.0	5.2	5.3
Capital adequacy (Bank of Georgia)			
IFRS-based NBG (Basel III) CET 1 capital adequacy ratio	16.8%	19.5%	18.2%
Minimum regulatory requirement	14.6%	14.5%	14.5%
IFRS-based NBG (Basel III) Tier 1 capital adequacy ratio	18.4%	21.4%	20.0%
Minimum regulatory requirement	16.8%	16.8%	16.7%
IFRS-based NBG (Basel III) Total capital adequacy ratio	21.2%	23.3%	22.1%
Minimum regulatory requirement	19.7%	19.7%	19.6%
Capital adequacy (Ameriabank)			
CBA (Basel III) CET 1 capital adequacy ratio	14.9%	-	-
Minimum regulatory requirement	11.7%	-	-
CBA (Basel III) Tier 1 capital adequacy ratio	14.9%	-	-
Minimum regulatory requirement	13.8%	-	-
CBA (Basel III) Total capital adequacy ratio	17.6%	-	-
Minimum regulatory requirement	16.5%	-	-
FX rates			
GEL/US$ exchange rate (period-end)	2.6953	2.5604	2.6894
GEL/GBP exchange rate (period-end)	3.4007	3.1624	3.4228
GEL/AMD exchange rate (period-end)	0.0068	0.0066	0.0067
Shares outstanding			
Ordinary shares outstanding (period-end)	44,217,045	45,428,046	43,610,758
Treasury shares outstanding (period-end)	1,492,057	1,664,487	2,155,535
Total shares outstanding (period-end)	45,709,102	47,092,533	45,766,293

Additional non-financial information

Employees (period-end)

	Mar-24	Mar-23	Change y-o-y	Dec-23	Change q-o-q
Bank of Georgia (standalone)	7,699	6,795	13.3%	7,435	3.6%
Ameriabank	1,835	N/A	N/A	N/A	N/A
Other	1,994	1,836	8.6%	1,963	1.6%
Group	**11,528**	**8,631**	**33.6%**	**9,398**	**22.7%**

Branch network (period-end)

	Mar-24	Mar-23	Change y-o-y	Dec-23	Change q-o-q
Bank of Georgia	**185**	**206**	**-10.7%**	**189**	**-2.6%**
Of which:					
Full-scale branches	*94*	*88*	*6.8%*	*91*	*3.3%*
Transactional branches	*91*	*118*	*-23.7%*	*98*	*-8.2%*
Ameriabank	**26**	**N/A**	**N/A**	**N/A**	**N/A**

[11] Due to the settlement of a legacy claim, the fair value revaluation of the receivable resulted in a one-off other income of GEL 1.5 million posted in 4Q23. Net other income has been adjusted for this one-off. As a result, 4Q23 ROAA, ROAE and Cost:income ratio were adjusted for one-off other income.

[12] 1Q24 ROAA is adjusted for the one-off gain on bargain purchase and acquisition-related costs resulting from the Ameriabank acquisition. ROAA is also adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

[13] 1Q24 ROAE is adjusted for the one-off gain on bargain purchase and acquisition-related costs resulting from the Ameriabank acquisition.

[14] 1Q24 net interest margin, loan yield, liquid assets yield, cost of funds, cost of client deposits and notes, cost of amounts owed to credit institutions, cost of debt securities issued, and cost of credit risk ratio are adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

[15] 1Q24 The NPL coverage ratio and the NPL coverage ratio adjusted for the discounted value of collateral have been adjusted to include the NPLs and respective ECL of standalone Ameriabank.

Glossary

Strategic terms

- **Active merchant** At least one transaction executed within the past month
- **Active POS terminal** At least one transaction executed within the past month
- **MAU (Monthly active user - retail or business)** Number of customers who satisfied pre-defined activity criteria within the past month
- **Digital monthly active user (Digital MAU)** Number of retail customers who logged into our mBank/iBank/sCoolApp at least once within the past month; when referring to business customers, Digital MAU means number of business customers who logged into our Business mBank/iBank at least once within the past month
- **Digital daily active user (Digital DAU)** Average daily number of retail customers who logged into our mBank/iBank/sCoolApp at least one within the past month
- **Payment MAU** Number of retail customers who made at least one payment with a BOG card within the past month
- **Net Promoter Score (NPS)** NPS asks: on a scale of 0-10, how likely is it that you would recommend Bank of Georgia to a friend or a colleague? The responses: 9 and 10 – are promoters; 7 and 8 – are neutral; 1 to 6 – are detractors. The final score equals the percentage of the promoters minus the percentage of the detractors.

Ratio definitions and abbreviations

- **Alternative performance measures (APMs)** In this announcement the management uses various APMs, which we believe provide additional useful information for understanding the financial performance of the Group. These APMs are not defined by International Financial Reporting Standards, and also may not be directly comparable with other companies who use similar measures. We believe that these APMs provide the best representation of our financial performance as these measures are used by the management to evaluate the Group's operating performance and make day-to-day operating decisions
- **Basic earnings per share** Profit for the period attributable to shareholders of the Group divided by the weighted average number of outstanding ordinary shares over the same period
- **Book value per share** Total equity attributable to shareholders of the Group divided by ordinary shares outstanding at period-end; Ordinary shares outstanding at period-end equals number of ordinary shares at period-end less number of treasury shares at period-end
- **CBA** Central Bank of Armenia
- **Cost of credit risk ratio** Expected loss on loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period (annualised where applicable)
- **Cost of deposits** Interest expense on client deposits and notes for the period divided by monthly average client deposits and notes over the same period (annualised where applicable)
- **Cost of funds** Interest expense for the period divided by monthly average interest-bearing liabilities over the same period (annualised where applicable)
- **Cost to income ratio** Operating expenses divided by operating income
- **FC** Foreign currency
- **Interest-bearing liabilities** Amounts owed to credit institutions, client deposits and notes, and debt securities issued
- **Interest-earning assets (excluding cash)** Amounts due from credit institutions, investment securities (but excluding corporate shares) and net loans to customers and finance lease receivables
- **LC** Local currency
- **Leverage (times)** Total liabilities divided by total equity
- **Liquid assets** Cash and cash equivalents, amounts due from credit institutions and investment securities
- **Liquidity coverage ratio (LCR)** High-quality liquid assets divided by net cash outflows over the next 30 days (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS
- **Loan yield** Interest income from loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period (annualised where applicable)

- **NBG** National Bank of Georgia
- **NBG (Basel III) Common Equity Tier 1 (CET1) capital adequacy ratio** Common Equity Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS
- **NBG (Basel III) Tier 1 capital adequacy ratio** Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS
- **NBG (Basel III) Total capital adequacy ratio** Total regulatory capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS
- **Net interest margin (NIM)** Net interest income for the period divided by monthly average interest earning assets excluding cash and cash equivalents and corporate shares over the same period (annualised where applicable)
- **Net stable funding ratio (NSFR)** Available amount of stable funding divided by the required amount of stable funding (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS
- **Non-performing loans (NPLs)** The principal and/or interest payments on loans overdue for more than 90 days; or the exposures experiencing substantial deterioration of their creditworthiness and the debtors assessed as unlikely to pay their credit obligation(s) in full without realisation of collateral
- **NPL coverage ratio** Allowance for expected credit loss of loans and finance lease receivables divided by NPLs
- **NPL coverage ratio adjusted for discounted value of collateral** Allowance for expected credit loss of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for expected credit loss)
- **One-off items** Significant items that do not arise during the ordinary course of business
- **Operating leverage** Percentage change in operating income less percentage change in operating expenses
- **Return on average total assets (ROAA)** Profit for the period divided by monthly average total assets for the same period (annualised where applicable)
- **Return on average total equity (ROAE)** Profit for the period attributable to shareholders of the Group divided by monthly average equity attributable to shareholders of the Group for the same period (annualised where applicable)
- **NMF** Not meaningful

Constant currency basis

To calculate the q-o-q growth of loans and deposits without the currency exchange rate effect, we used the relevant exchange rates as of 31 December 2023. To calculate the y-o-y growth without the currency exchange rate effect, we used the relevant exchange rates as of 31 March 2023.

Bank of Georgia Group PLC profile

Bank of Georgia Group PLC (the **"Company"** or the **"Group"** when referring to the group companies as a whole) is a FTSE 250 holding company whose subsidiaries provide banking and financial services focused in the high-growth Georgian and Armenian markets through leading, customer-centric, universal banks – Bank of Georgia in Georgia and Ameriabank in Armenia. By building on our competitive strengths, we are committed to driving business growth, sustaining high profitability, and generating strong returns, while creating opportunities for our stakeholders and making a positive contribution in the communities where we operate.

Bank of Georgia Group PLC's ordinary shares trade on the London Stock Exchange's main market for listed securities and are listed on the premium listing segment of the Official List. Ticker: "BGEO.LN"

Legal entity identifier: 213800XKDG12NQG8VC53

Registered address: 29 Farm Street, London, W1J 5RL, United Kingdom; Registered under number 10917019 in England and Wales

Company secretary: Computershare Company Secretarial Services Limited (The Pavilions Bridgwater Road, Bristol BS13 8FD, United Kingdom)

Registrar: Computershare Investor Services PLC (The Pavilions Bridgwater Road, Bristol BS99 6ZZ, United Kingdom)
Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.
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Further information

For more on results publications, go to Results Centre on www.bankofgeorgiagroup.com/results/earnings
For more on investor information, go to www.bankofgeorgiagroup.com/information/shareholder
For news updates, go to www.bankofgeorgiagroup.com/news
For share price information, go to www.bankofgeorgiagroup.com/information/share-price

Earnings call on 29 May 2024, 14:00 BST

https://bankofgeorgia.zoom.us/j/95127802673?pwd=bzl6VndQMzlVN2tTb1RoVCtlSGtBZz09
Webinar ID: 951 2780 2673
Passcode: 816902

1Q24 Results

Bank of Georgia Group PLC announces the Group's consolidated financial results for the first quarter of 2024. Unless otherwise noted, numbers in this announcement are given for 1Q24 and the year-on-year comparisons are with 1Q23 and the q-o-q comparisons are with 4Q23. The results are based on International Financial Reporting Standards ("**IFRS**") as adopted by the United Kingdom, are unaudited and derived from management accounts.

Forward-looking statements

This announcement 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; geopolitical risk; credit risk; liquidity and funding risk; capital risk; market risk; regulatory and legal risk; conduct risk; financial crime risk; information security and data protection risks; operational risk; human capital risk; model risk; strategic risk; reputational risk; climate-related risk; and other key factors that could adversely affect our business and financial performance, as indicated elsewhere in this document and in past and future filings and reports of the Group, including the 'Principal risks and uncertainties' included in Bank of Georgia Group PLC's Annual Report and Accounts 2023. 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.