

RESULTS CALL PRESENTATION

2Q23 & 1H23 Performance

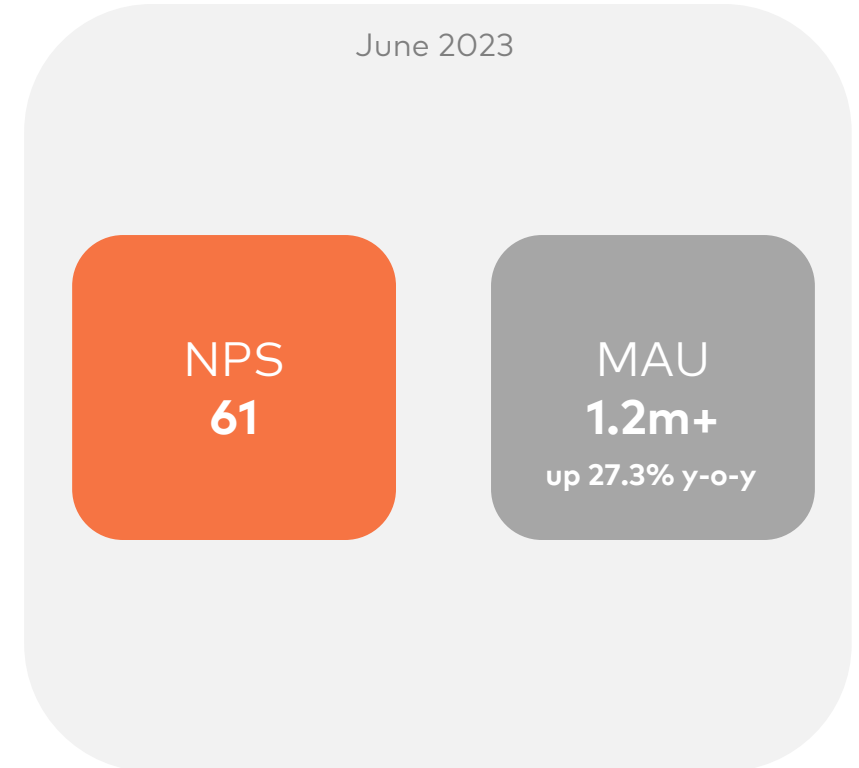
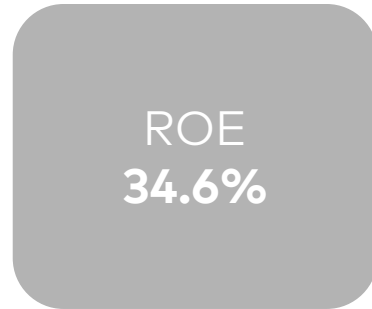
17 August 2023
www.bankofgeorgiagroup.com

Disclaimer – forward looking statements

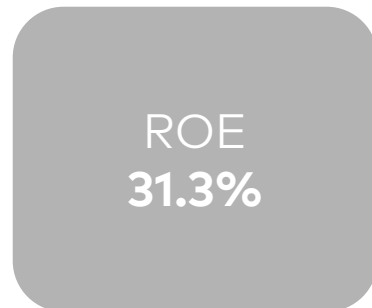
This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, 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; 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 2022 and in 2Q23 & 1H23 Results Report. 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.

The Group delivered a strong performance in 2Q23 and 1H23

Highlights of the quarter



Highlights of the half year



GEL 3.06/ordinary share interim dividend declared
Further share buyback and cancellation programme of GEL 62 million

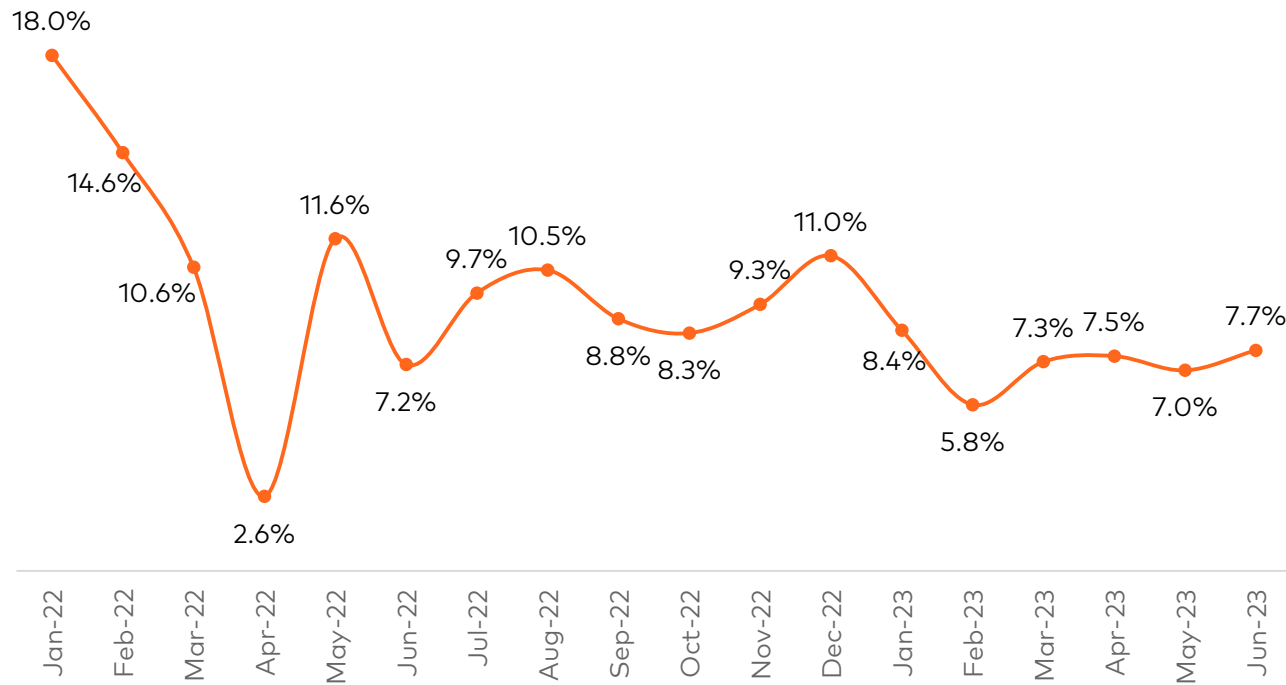
Contents

- | MACROECONOMIC HIGHLIGHTS**
- | GROUP OVERVIEW AND STRATEGY
- | 2Q23 AND 1H23 RESULTS

Robust economic growth persisted in 1H23, contributing to an improved outlook for the entire year

Real GDP y-o-y growth

2011-2022 average	2021	2022	1H23	2023F	2024F
4.7%	10.5%	10.1%	7.6%	6.8%	5.0%



Source: GeoStat, Galt & Taggart

Key drivers of growth in 1H23:

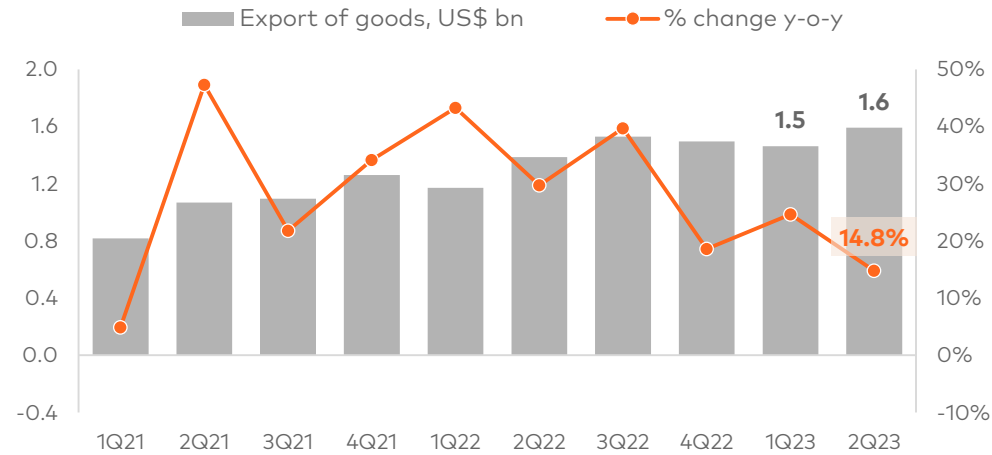
- Resilient inflows from exports and tourism:
 - Export of goods increased 14.8% y-o-y (+19.3% in 1H23)
 - Tourism revenues up 34.8% y-o-y (+57.9% in 1H23)
- Strong investment spending and recovery in consumption on the back of lower inflation
- Increased activity in the construction, information and communication, and trade sectors

Growth outlook:

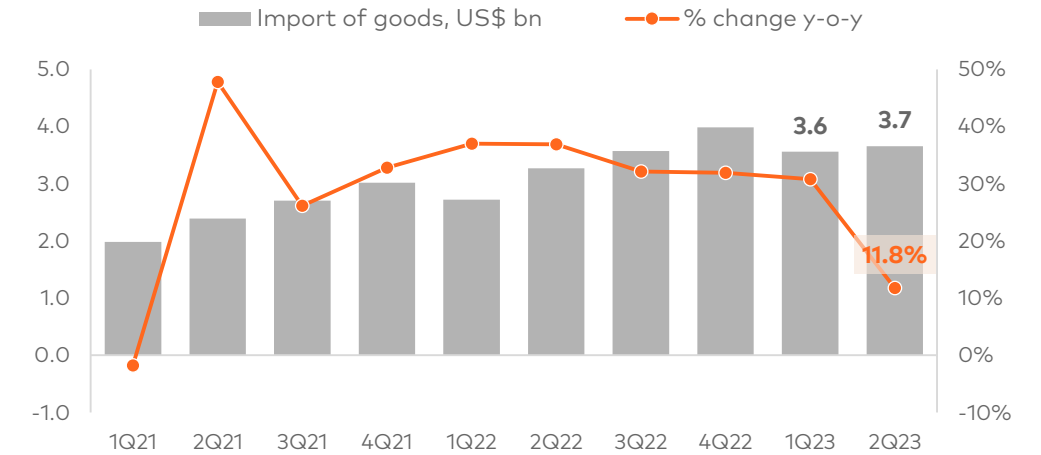
- Real GDP growth is expected at **6.8%** in 2023 driven by strong external earnings and increased investment expenditure
- Geopolitical instability in the region and tight global financial conditions pose downside risks to the outlook

Strong external inflows underpinning economic growth

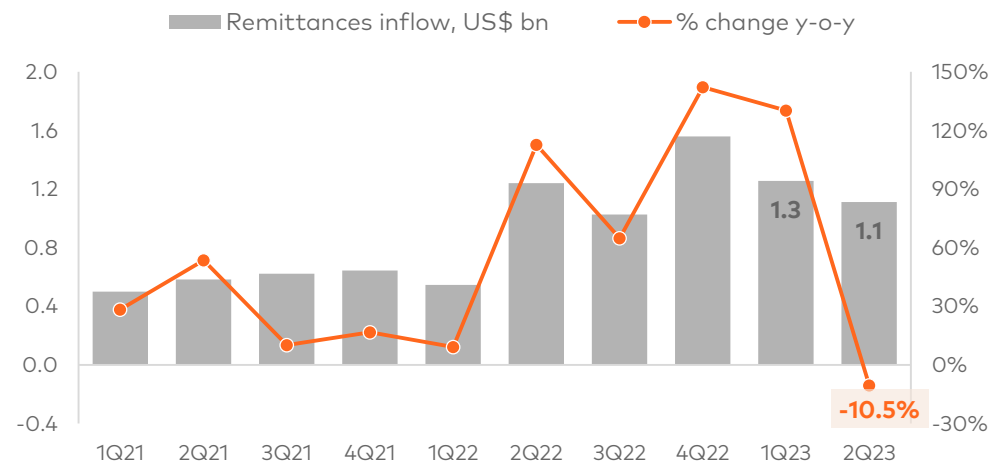
Export of goods



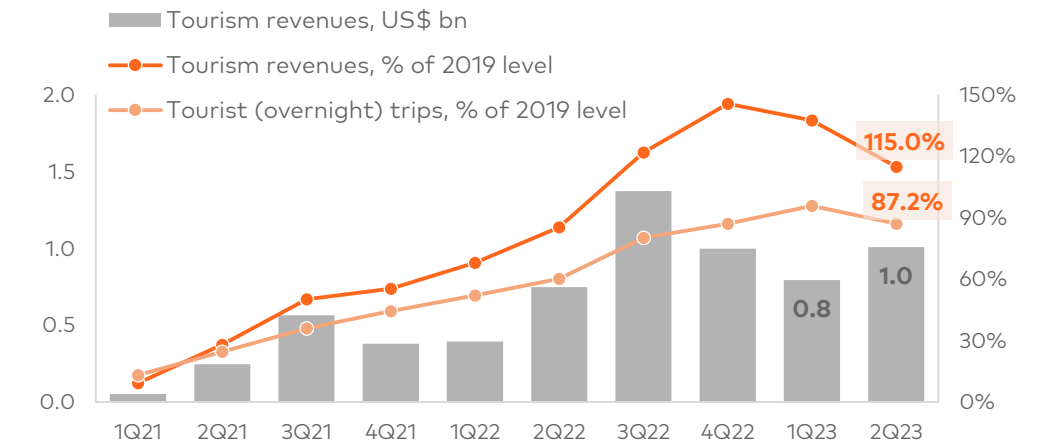
Import of goods



Remittances

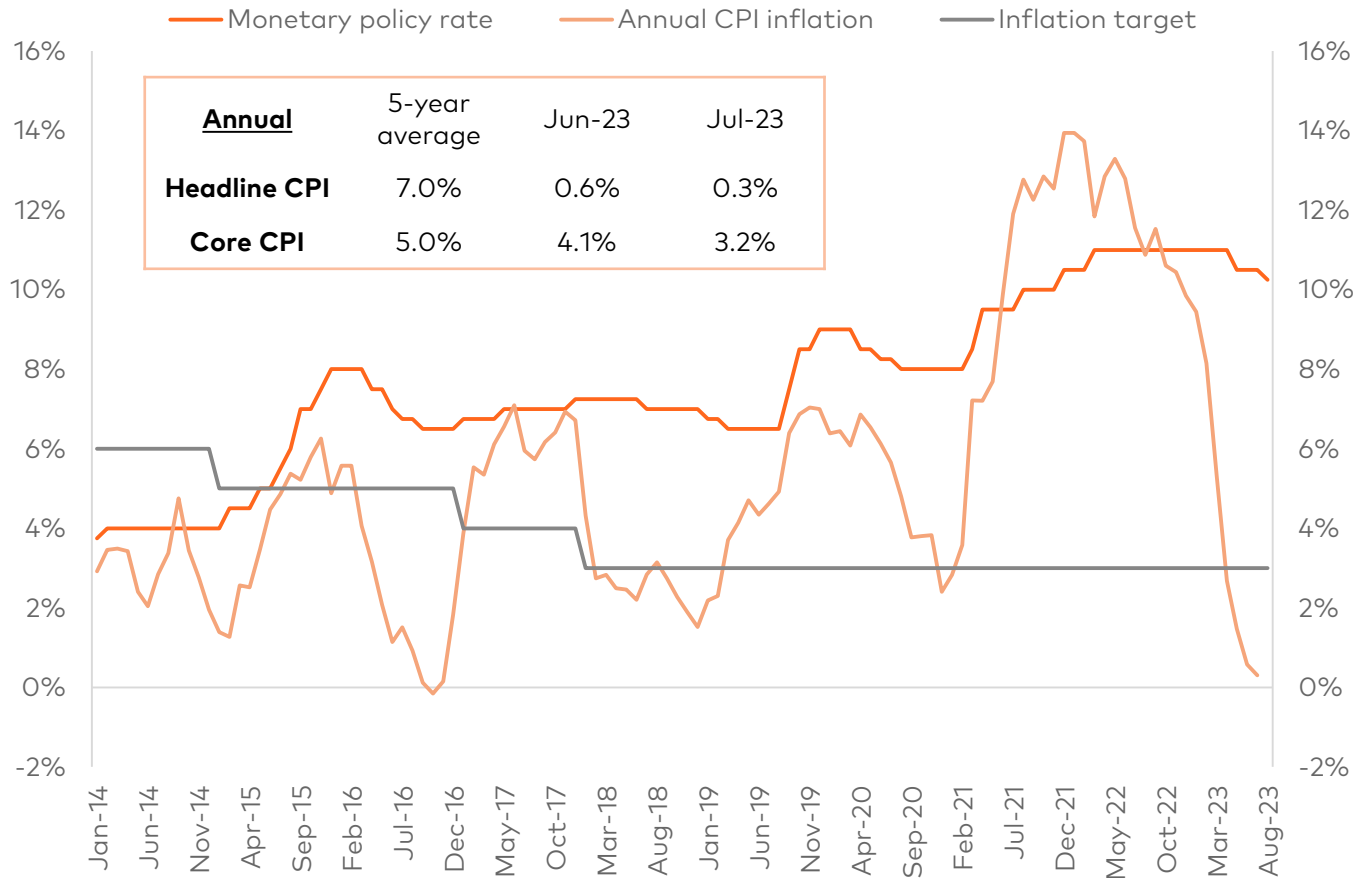


Tourism inflows



Inflation continued to fall on the back of last year's high base, declining commodity prices and strong GEL

The NBG proceeds with a gradual exit from tight monetary policy



Source: GeoStat, NBG

- Consistent reduction in global commodity prices on the back of GEL appreciation led to continued fall in CPI inflation
- Inflation expected to remain low amid decreasing commodity prices, strong GEL and fiscal consolidation
- The NBG reduced its policy rate by additional 25 bps to 10.25% on August the 2nd, marking the second cut in the current easing cycle
- The central bank is expected to continue the gradual exit from tight monetary policy while keeping a close eye on remaining inflation risks

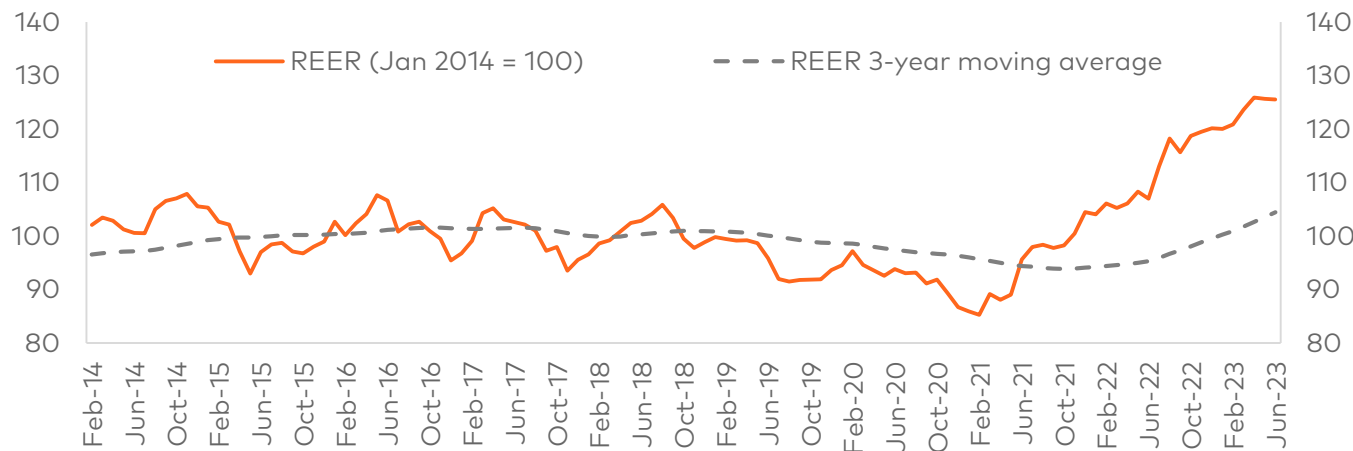
GEL supported by sustained FX inflows, tight monetary policy and improved sentiments

Currency movements vs. US\$, 12/31/2022 – 7/31/2023



- GEL remained strong in the first half of the year gaining an additional 2.6% against the US dollar during 7M23 on top of a 12.5% appreciation in 2022
- The Georgian currency is supported by strong external earnings, tight monetary policy and improved sentiments
- GEL is expected to maintain its current position, backed by robust external inflows and positive growth outlook

GEL real effective exchange rate

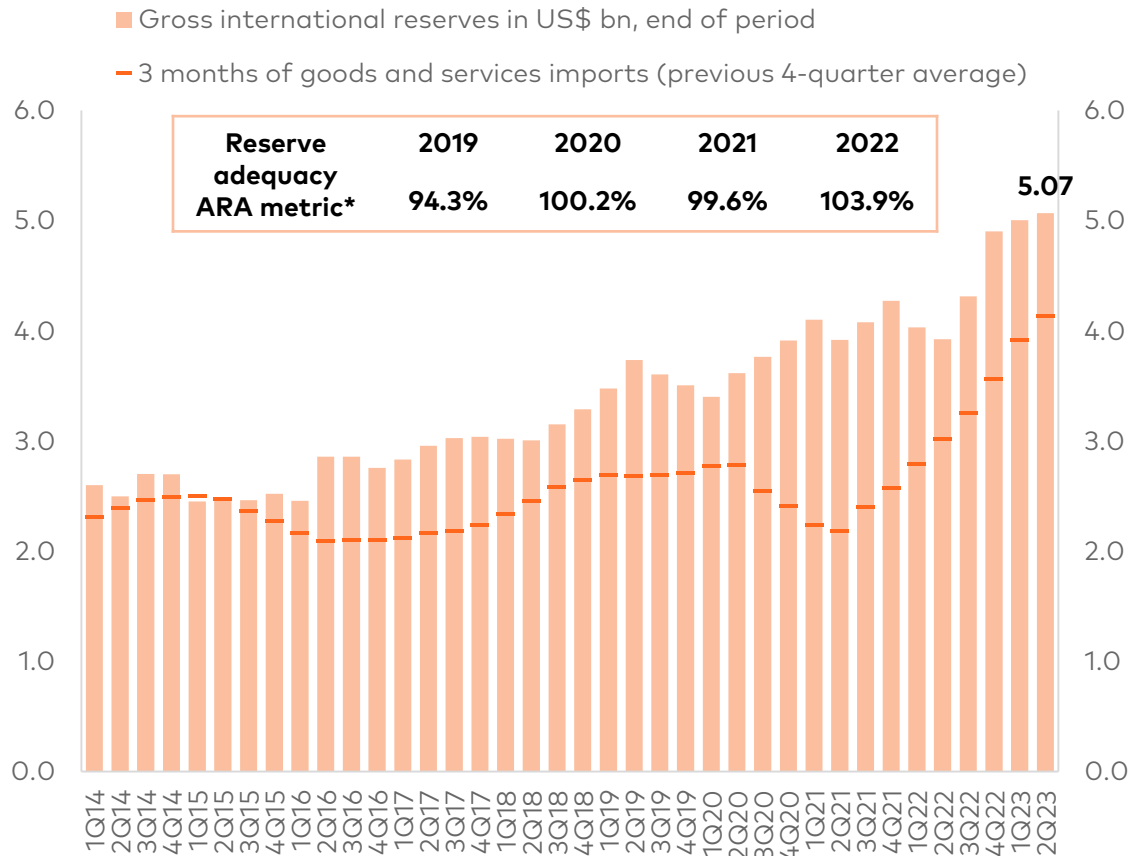


Source: NBG

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

Growing international reserves cushion the economy against external shocks

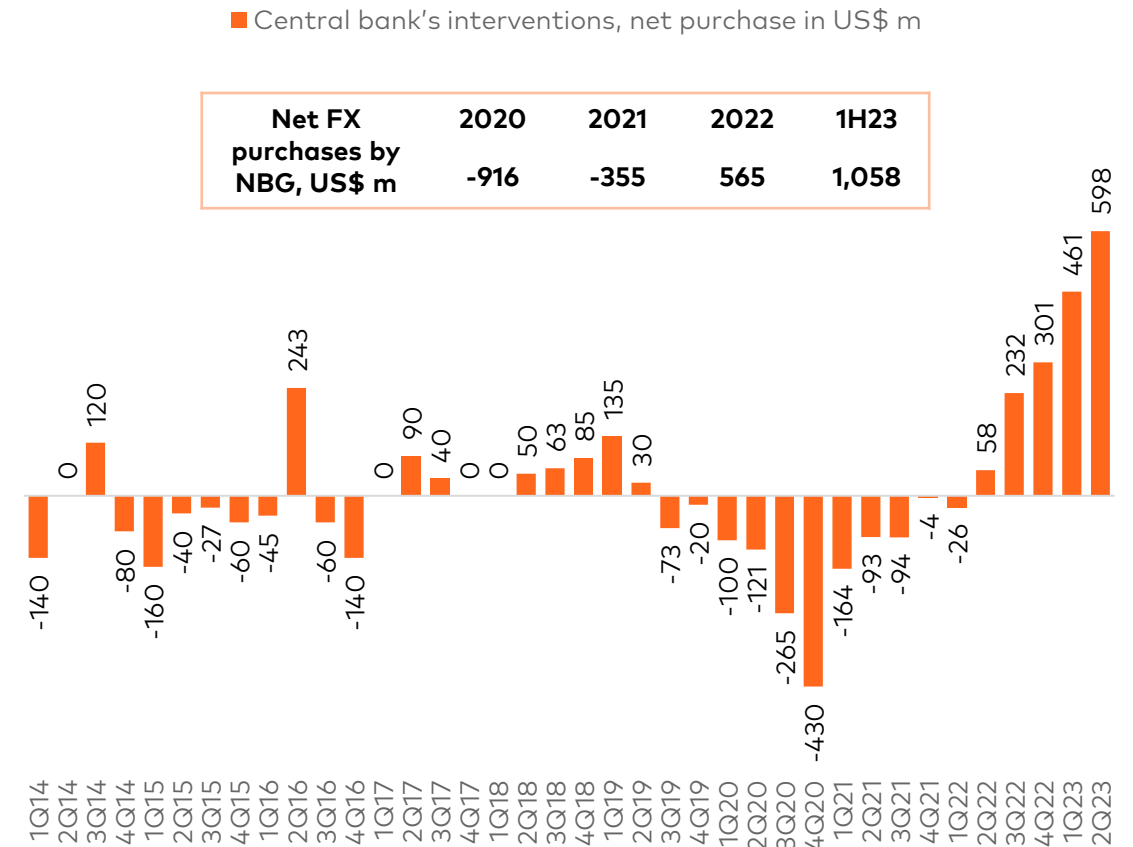
Gross international reserves above US\$ 5.0 bn as at end of June 2023



Source: IMF, NBG, BOG

* A ratio between 100%-150% is considered adequate

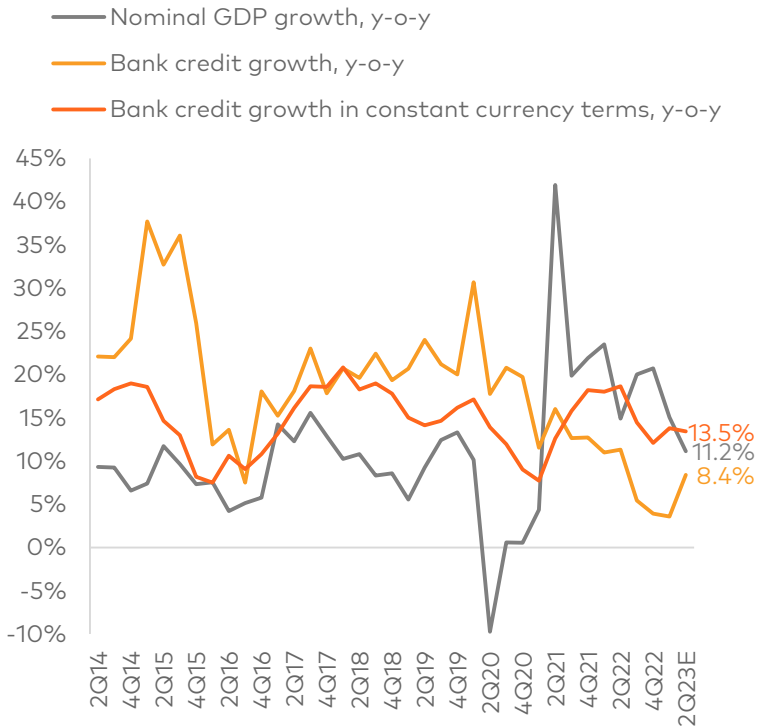
The NBG keeps purchasing hard currency amid strong external inflows



Source: NBG

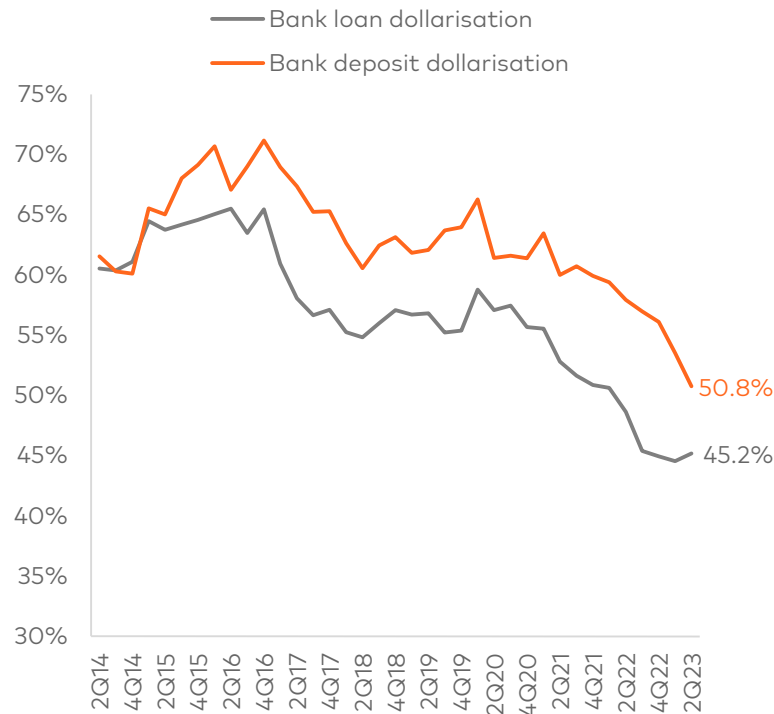
Healthy banking sector, with dollarisation down

Bank loan book growth vs. nominal GDP growth



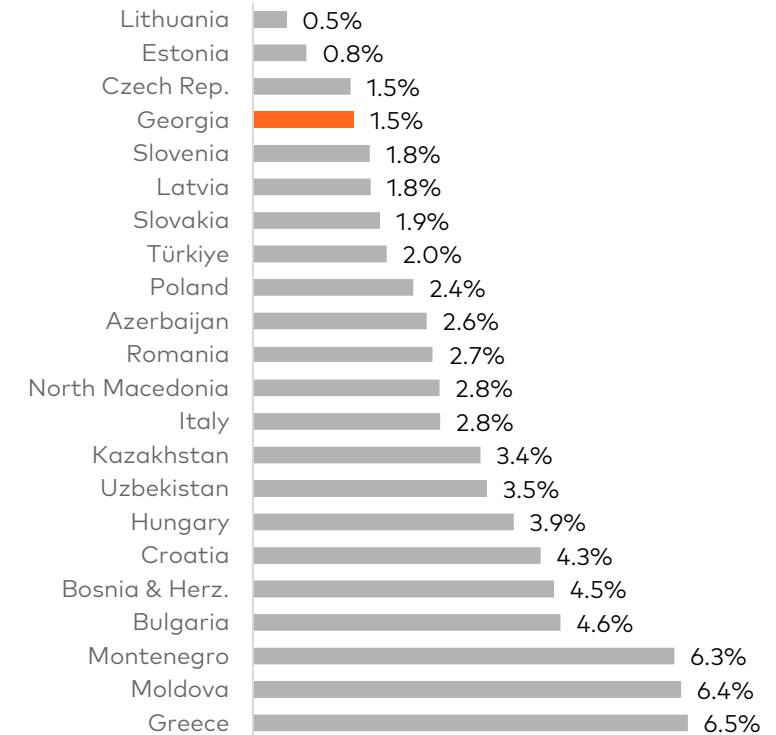
Source: NBS, GeoStat, BOG

Loan and deposit dollarisation



Source: NBS

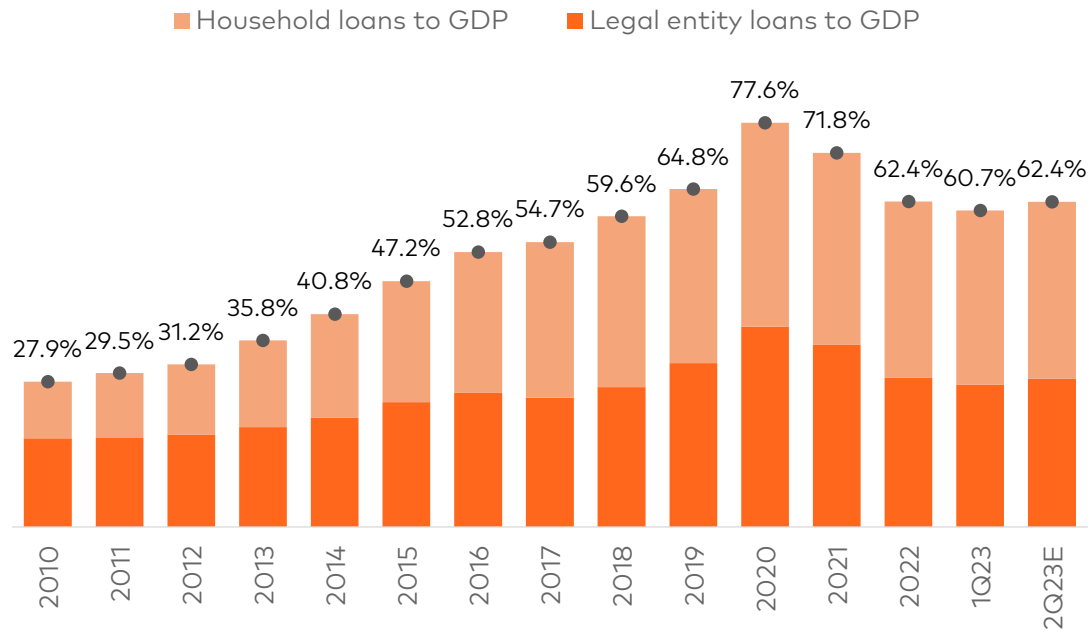
Non-performing bank loans to total gross loans in selected countries, 2022



Source: IMF

Debt-to-GDP ratios flattened after significant decreases in previous years

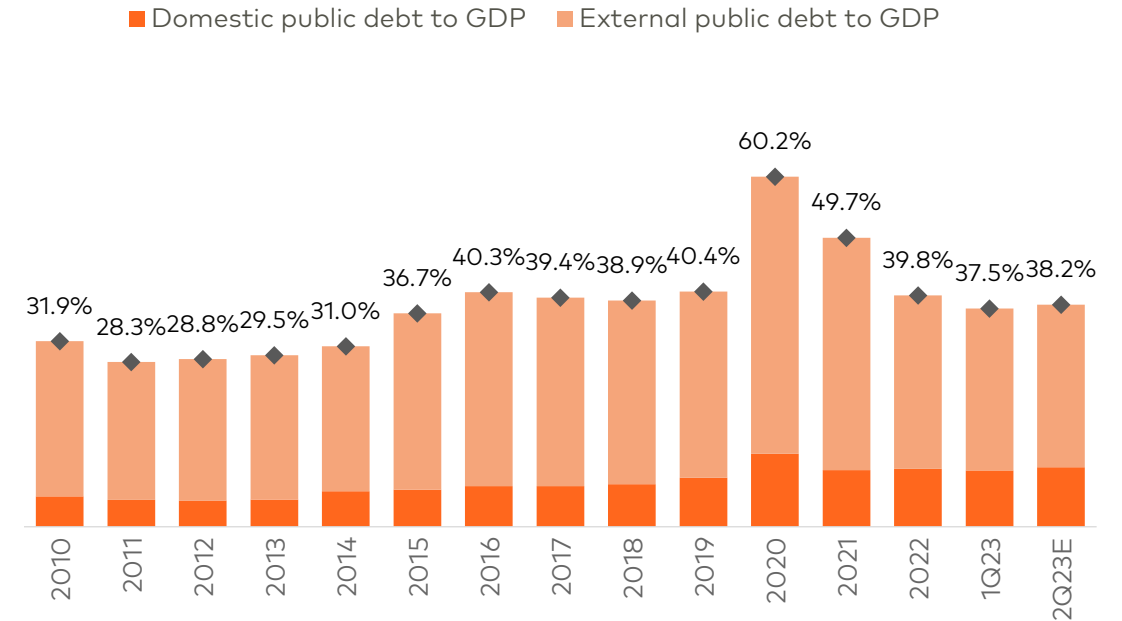
Banking sector loans to households and legal entities as % of GDP



Source: NBG, GeoStat, BOG

- Private sector debt to GDP flattened at around pre-pandemic levels as credit growth started to align with nominal economic growth
- The previous decreases in debt-to-GDP ratio have created room for healthy credit growth

Public debt as % of GDP



Source: MOF, GeoStat, BOG

- Public sector debt to GDP also flattened as nominal economic growth started to sync with the growth rate of public borrowings
- Given the reduced debt burden and increased international reserves, the Georgian economy is well-positioned to withstand possible shocks

Contents

- | MACROECONOMIC HIGHLIGHTS
- | **GROUP OVERVIEW AND STRATEGY**
- | 2Q23 AND 1H23 RESULTS

Who we are

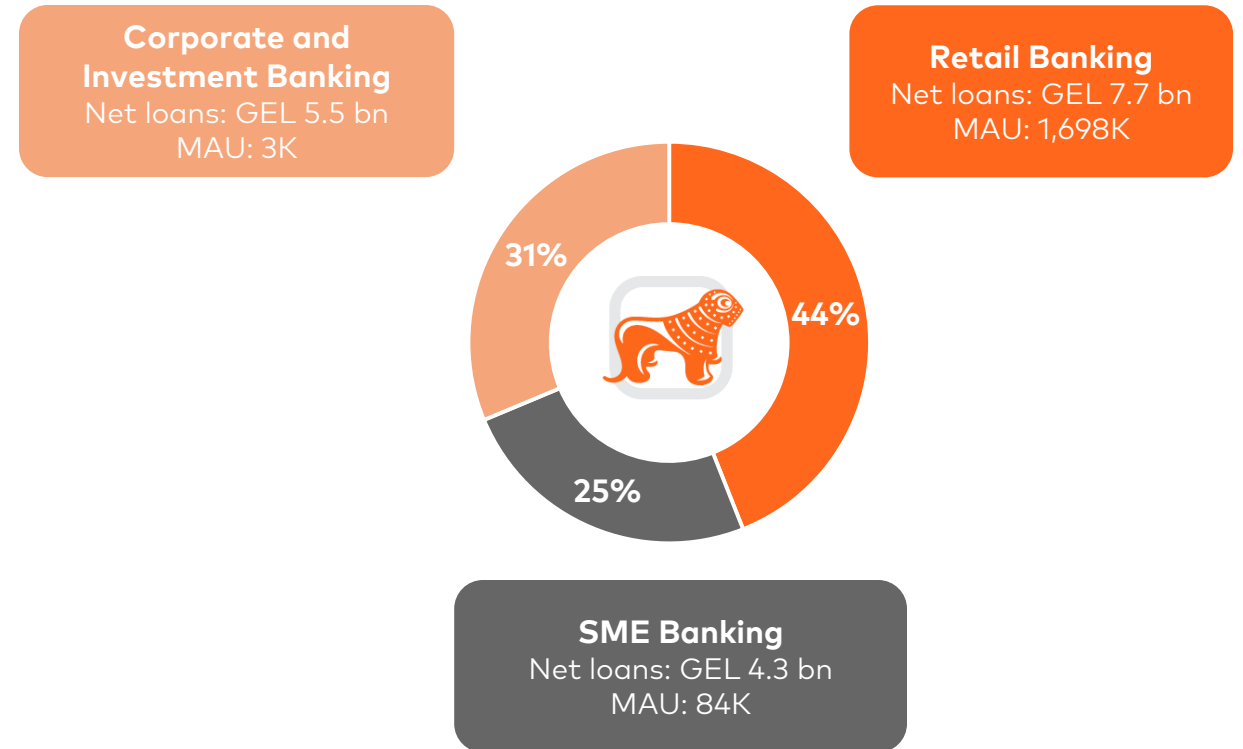
A FTSE-250 company with a diversified institutional investor base

Retail digital banking leader in Georgia

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



Figures are given for JSC Bank of Georgia (standalone), which constituted 96.1% of net loans of Bank of Georgia Group PLC as at 30 June 2023

What we focus on

Our strategic priorities

Mobile

Payments

Loyalty

Relevant in customers' daily lives

Increasing customer engagement

Growing payments business

Excellent customer experience

Our enablers

Customer-centricity

Data and AI

People and culture

Brand strength

Effective risk management

Key medium-term targets

c.10%

Loan book growth

20%+

ROAE

30-50%

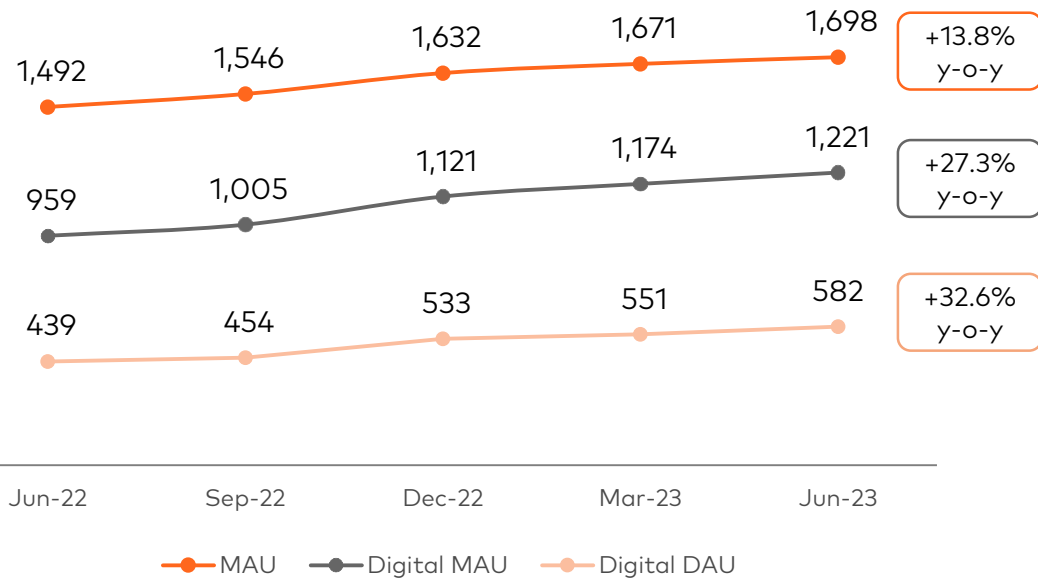
Dividend and share buyback payout ratio

Our retail customers are becoming more digital and engaged

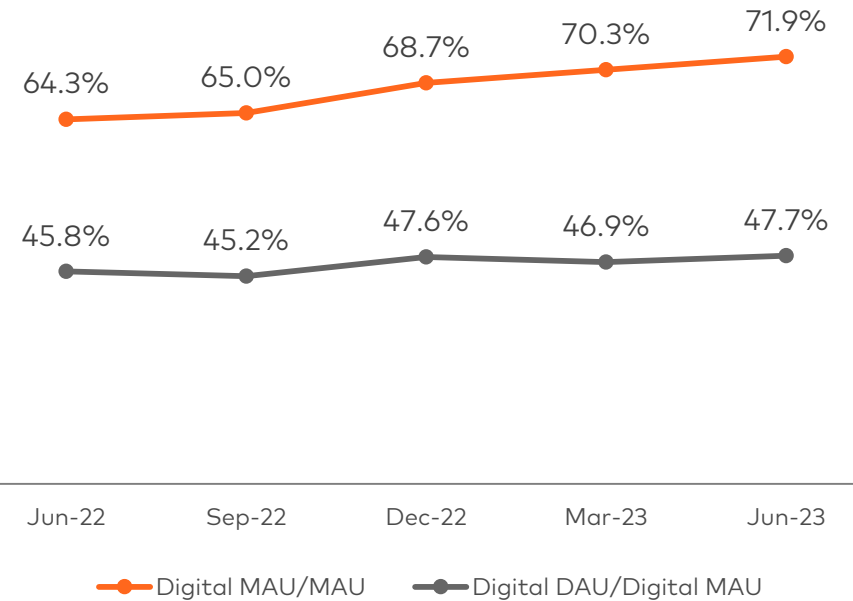
Figures given for JSC Bank of Georgia standalone

Monthly active users (Retail)

thousands



Digital engagement of active customers



Developing our financial super app to fulfill a variety of customer needs

Credit

- End-to-end online consumer lending
- Pre-approved credit limits
- Fully online credit card

Savings

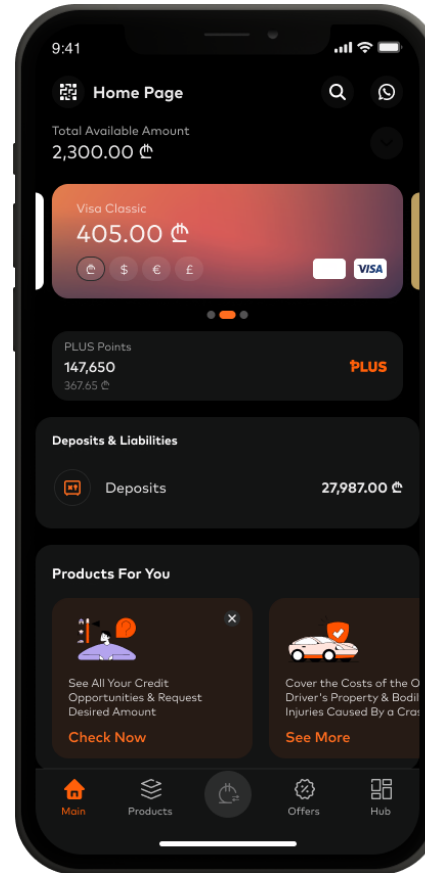
- End-to-end online deposit activation
- Activation of "piggy bank"

Investments

- Opening investment account
- Managing investment portfolio

Insurance marketplace

- Motor Third Party Liability insurance (MTPL)
- Travel insurance



Lifestyle

- Offers from partner merchants
- Buy now, pay later

Daily banking

- Transactions
- Payments
- Loyalty
- Subscriptions
- Remittances
- Chat and chat-bot support
- Automatic payments & transfers
- Digital debit card and debit card ordering
- NEW** • Instant P2P payments to other banks

Play store 4.9/5

App store 4.7/5

Customer Satisfaction Score 88% in 2Q23 (89% in 2Q22)

Personal finance management

- Daily spend view and personal budget management



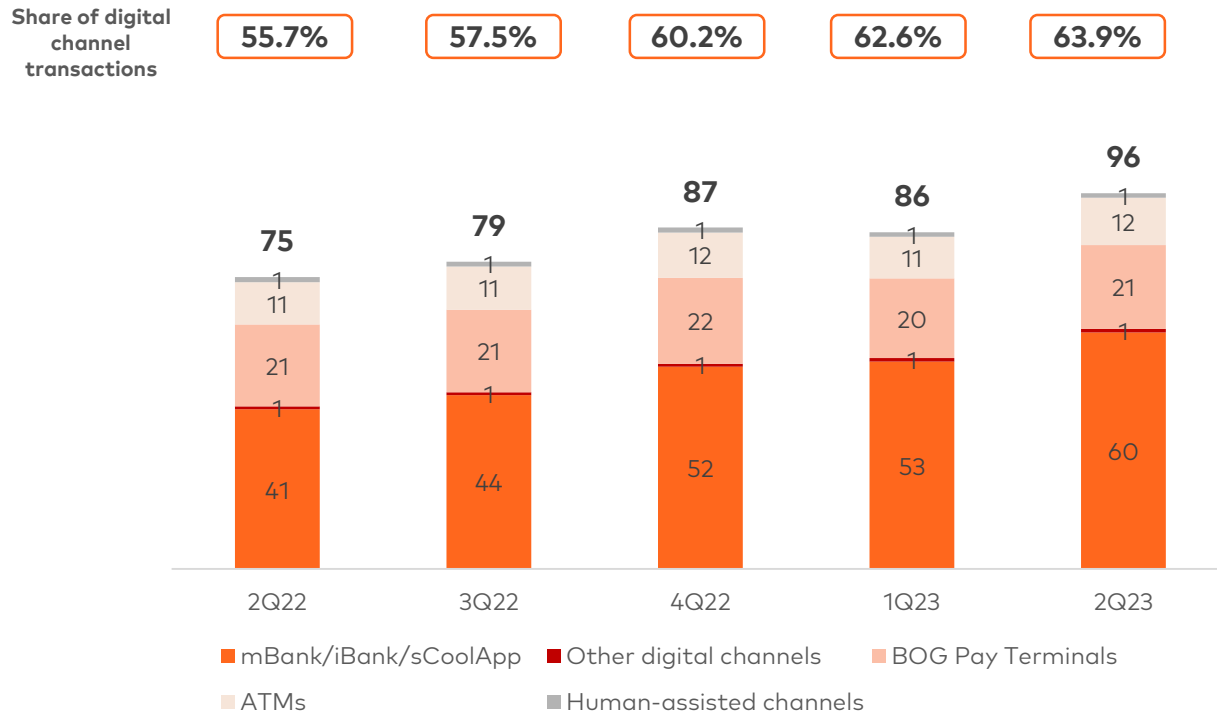
The Best Consumer Mobile Banking App in Central and Eastern Europe 2023 by Global Finance

Focusing on increasing product sales in digital channels

Figures given for JSC Bank of Georgia standalone

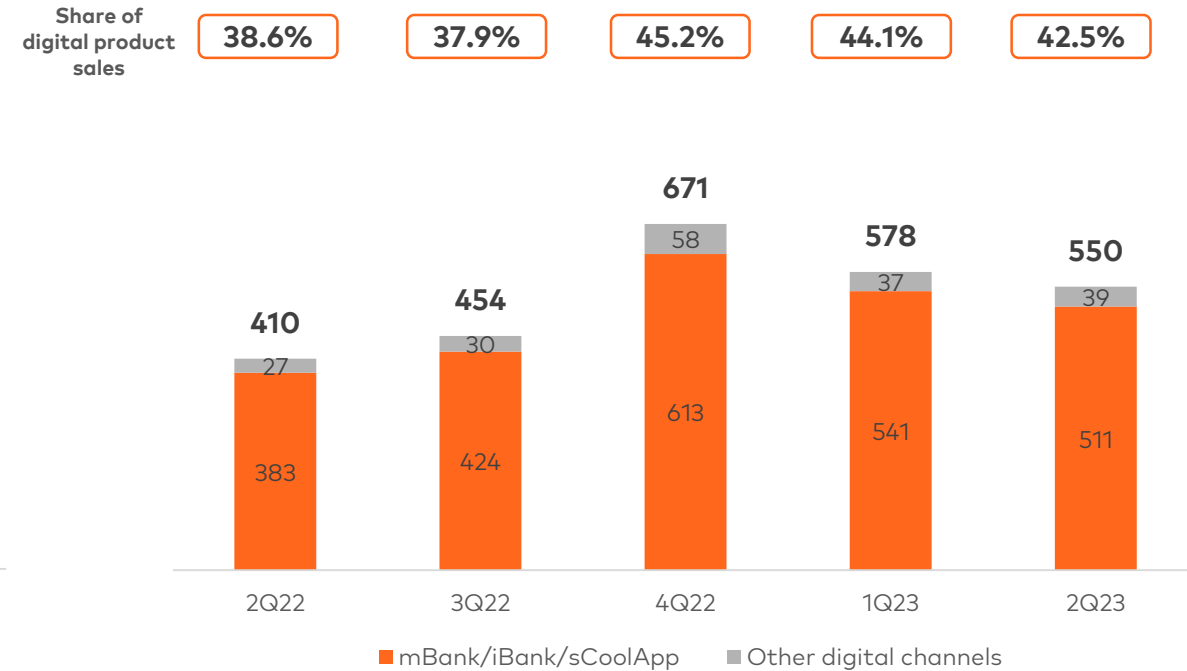
Number of transactions*

millions



Products sales in digital channels**

thousands



*In 2Q23, we changed the methodology of calculating the number of transactions and now include payments, transfers, currency conversions, P2P transactions, cash-ins and cash-withdrawals. Product sales were excluded from the count of transactions. The previous periods have been restated. Other digital channels include smaller-scale channels such as bogpay.ge. Human-assisted channels include branches and a call center

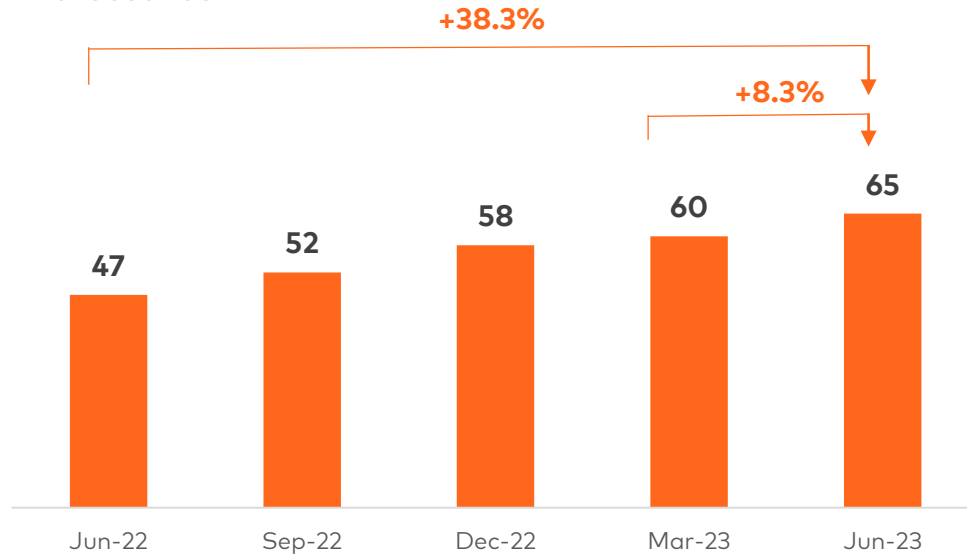
**In 2Q23, we changed the methodology of calculating the share of products sold digitally and currently include all types of products sold by the Bank. The previous periods have been restated

Full digital experience for our business customers

Figures given for JSC Bank of Georgia standalone

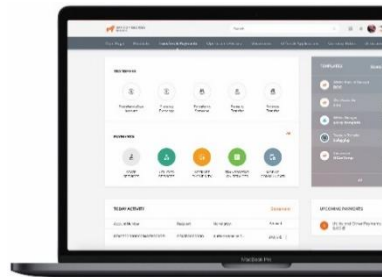
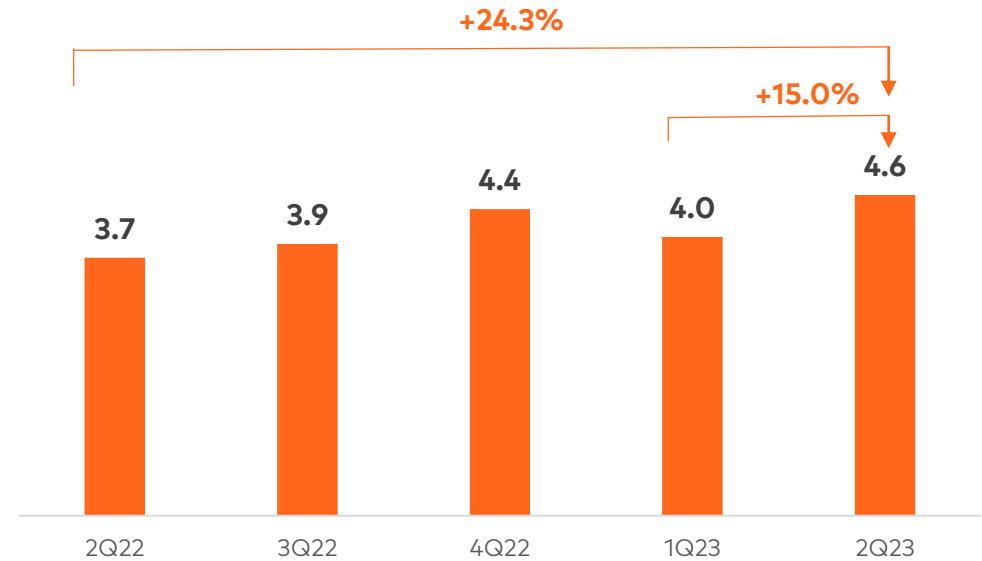
Monthly active digital users

thousands



Number of transactions

millions



88%

Customer Satisfaction Score (2Q23)

+7 pts y-o-y



87%

Customer Satisfaction Score (2Q23)

+5 pts y-o-y



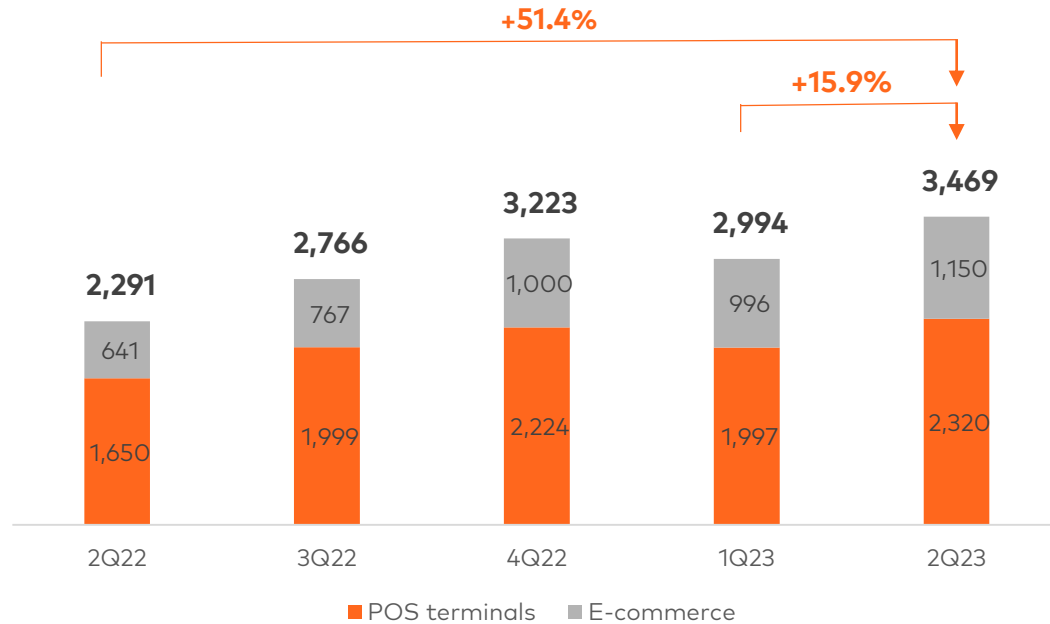
The Best Corporate Mobile Banking App in Central and Eastern Europe 2023 by Global Finance

Payments business – our daily touch point with customers

Figures given for JSC Bank of Georgia standalone

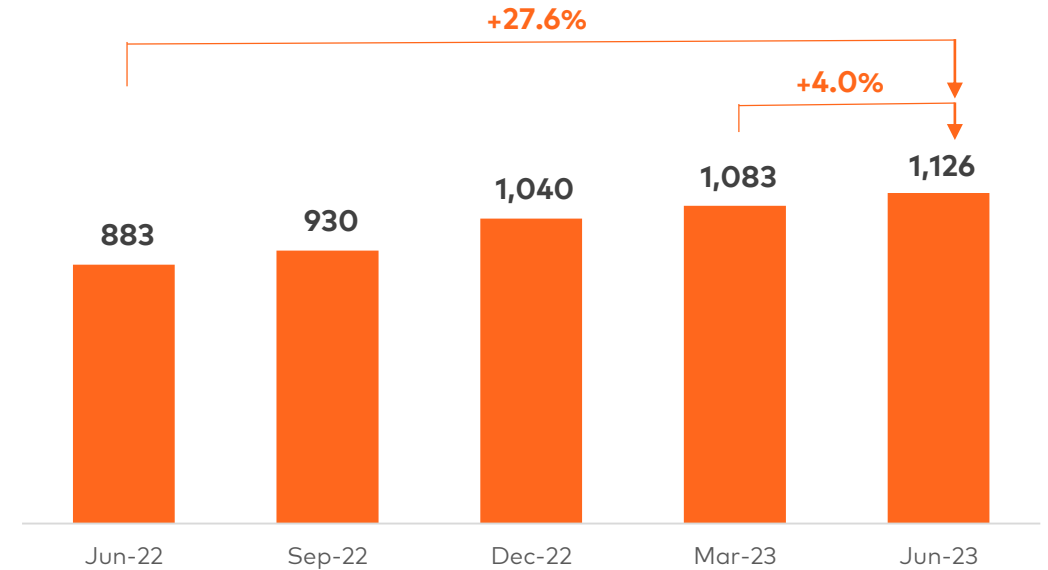
Acquiring - volume of payment transactions

GEL millions



Issuing – payment MAU

thousands



53.7%

Market share in acquiring volumes | June 2023
+6.6 ppts YoY

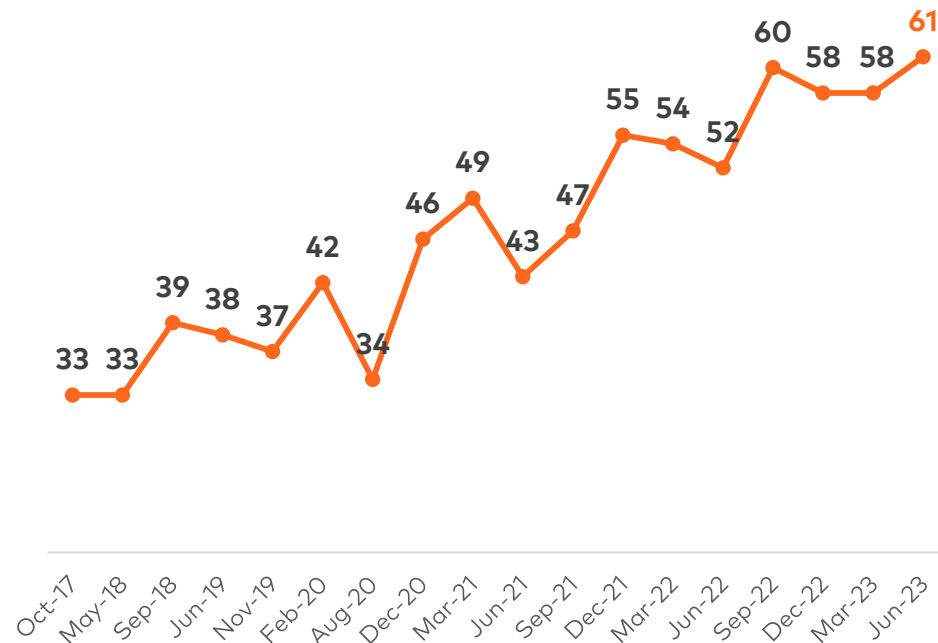
16.5K

Active merchants | June 2023
+28.4% 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 an external research by IPM Georgia, surveying a random sample of customers with face-to-face interviews

Contents

- | MACROECONOMIC HIGHLIGHTS
- | GROUP OVERVIEW AND STRATEGY
- | **2Q23 AND 1H23 RESULTS**

Financial highlights of 2Q23 and 1H23

2Q23		1H23
34.6%	ROE	31.3%
0.8%	Cost of credit risk ratio	0.9%
26.9%	Cost to income ratio	27.9%
30 Jun 2023	CET1 capital	18.7% Minimum requirement 14.6%

Net loans
30 Jun 2023
GEL 18.3bn

+12.2% y-o-y
+7.6% q-o-q

+17.6% y-o-y
+6.4% q-o-q

On a constant currency basis

Deposits
30 Jun 2023
GEL 19.6bn

+30.1% y-o-y
+7.3% q-o-q

+38.1% y-o-y
+5.9% q-o-q

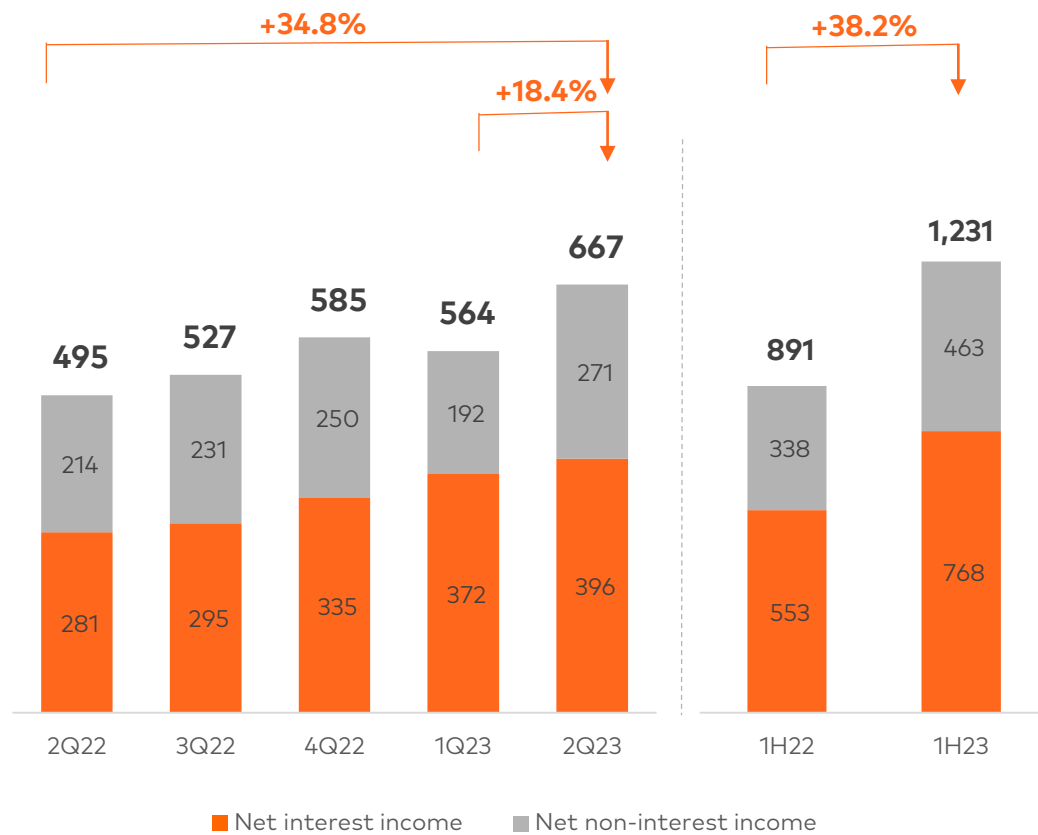
On a constant currency basis

ROE and cost to income ratio were adjusted for a one-off GEL 21.1m other income related to the settlement of an outstanding legacy claim

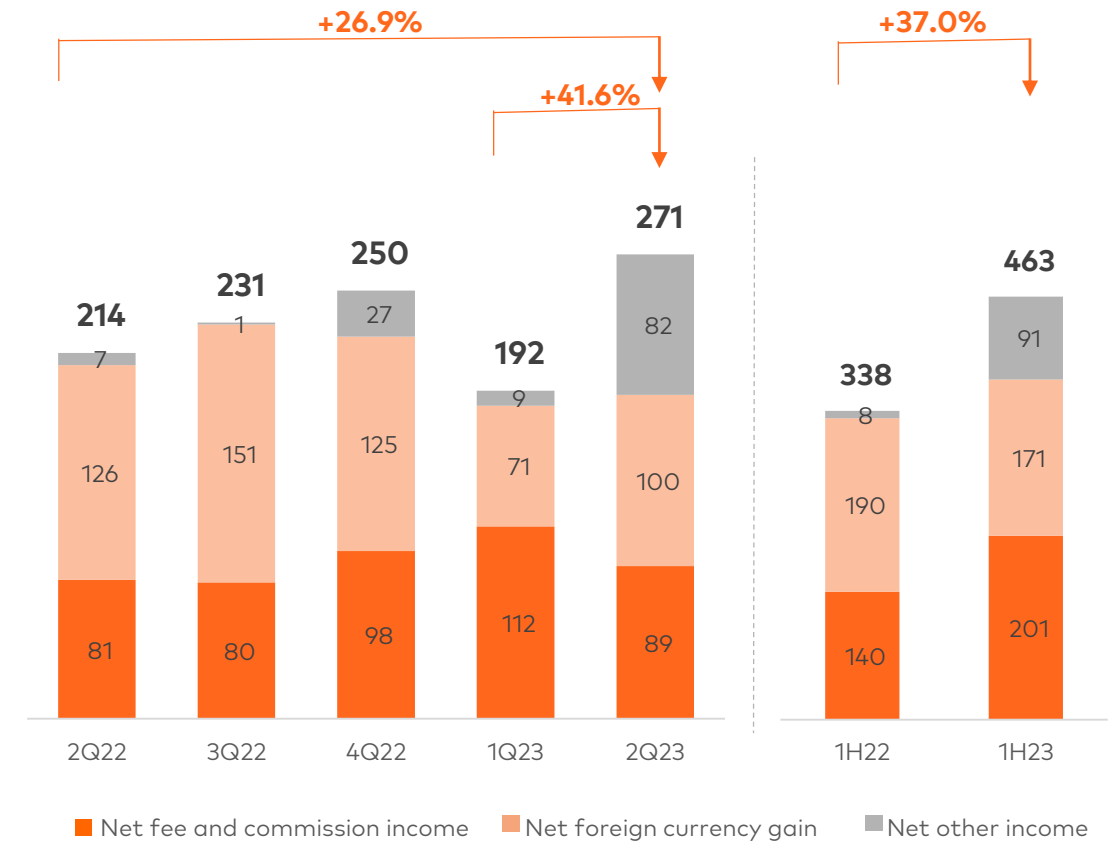
Strong underlying performance

All currency data are in GEL m unless otherwise stated

Operating income*



Net non-interest income*

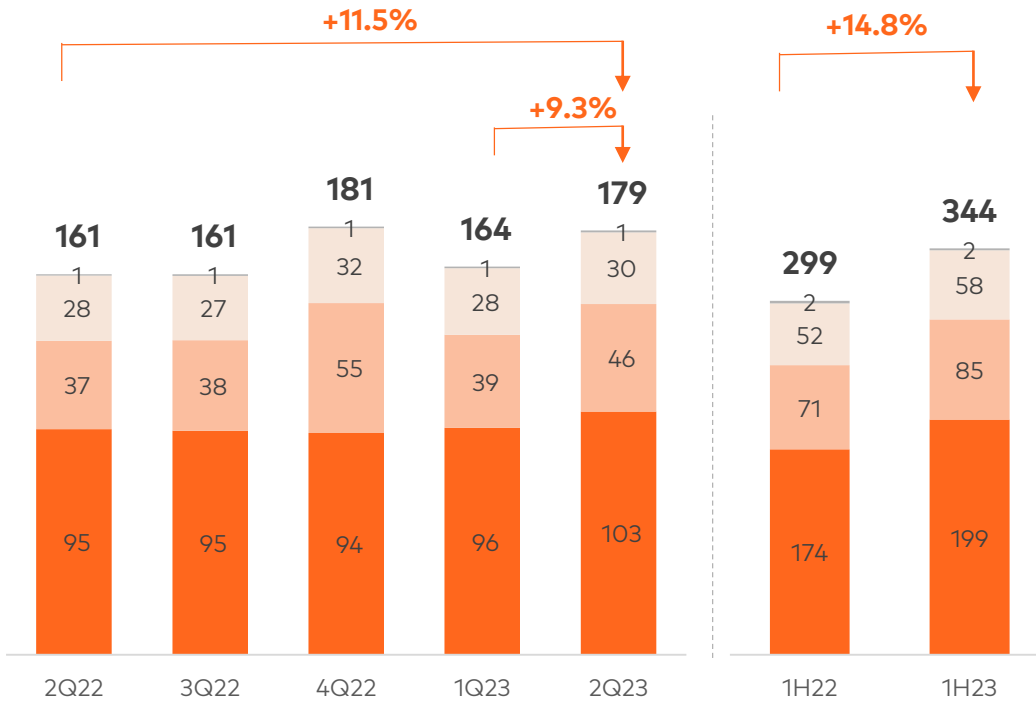


*4Q22 figures adjusted for a one-off GEL 391.1m other income and 2Q23 and 1H23 figures were adjusted for a one-off GEL 21.1m other income, related to the settlement of an outstanding legacy claim

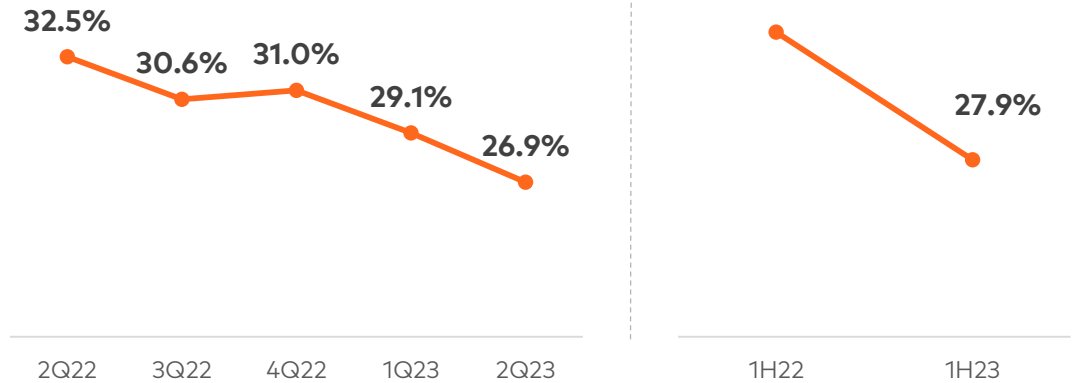
Investing for growth while maintaining the focus on efficiency

All currency data are in GEL m unless otherwise stated

Operating expenses



Cost to income ratio*



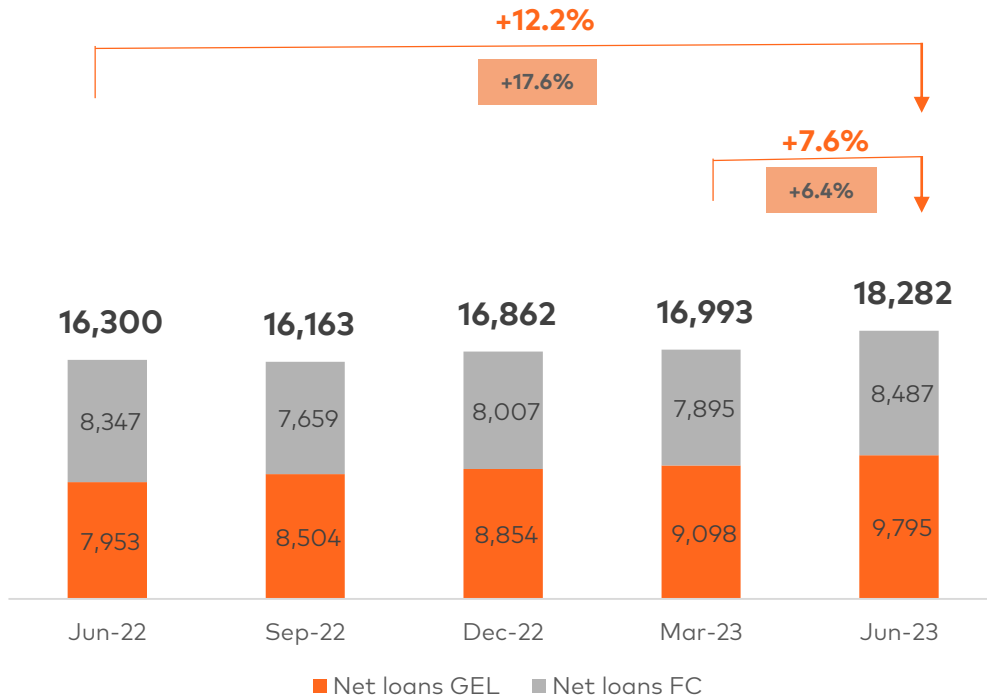
- Salaries and other employee benefits
- Administrative expenses
- Depreciation, amortisation and impairment
- Other operating expenses

*4Q22 figures adjusted for a one-off GEL 391.1m other income and 2Q23 and 1H23 figures were adjusted for a one-off GEL 21.1m other income, related to the settlement of an outstanding legacy claim

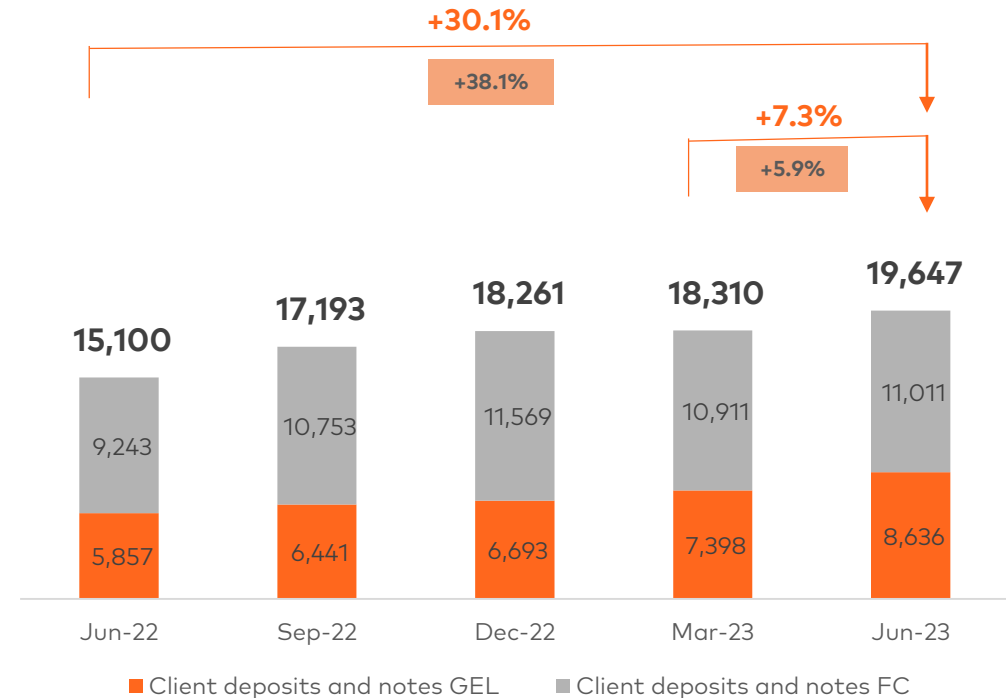
Loan growth picked up, and deposit growth remains strong

All currency data are in GEL m unless otherwise stated

Loan portfolio



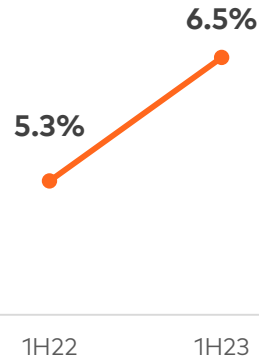
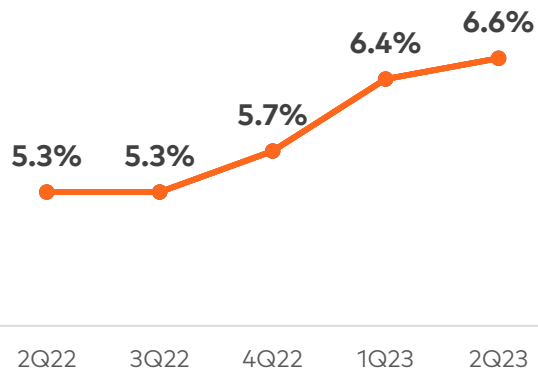
Deposit portfolio



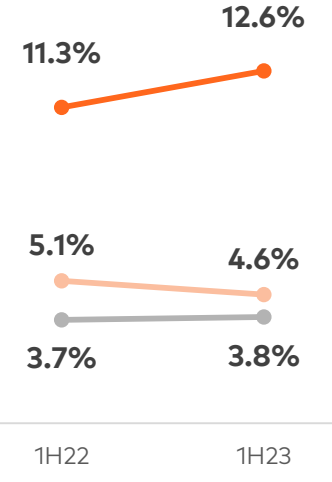
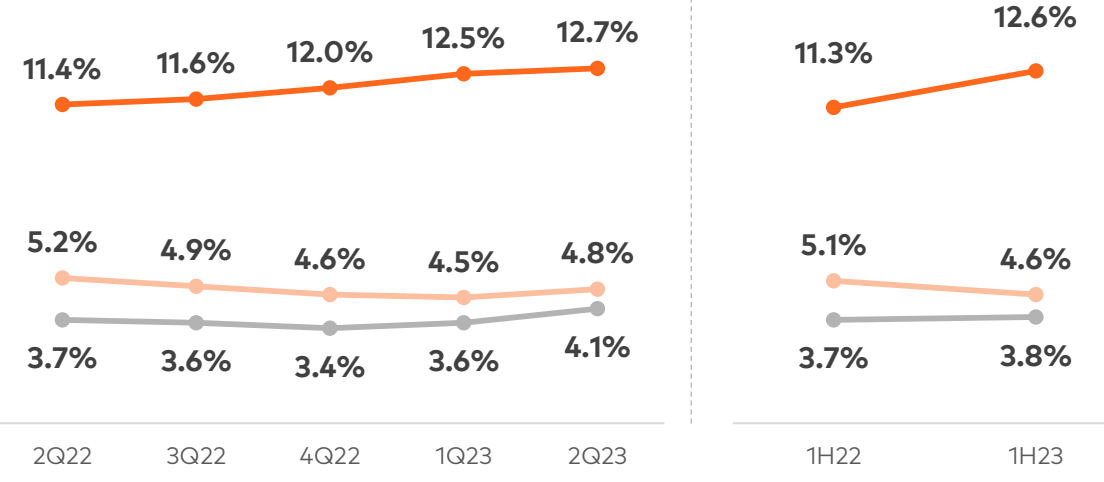
■ Growth on a constant currency basis

Increase in NIM driven by higher loan yield and lower cost of funds

Net interest margin



Loan yield, cost of funds, cost of deposits

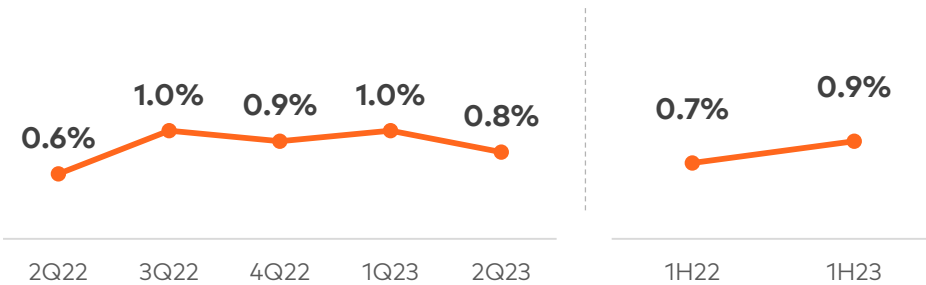


- Loan yield
- Cost of funds
- Cost of client deposits and notes

Healthy loan quality portfolio

All currency data are in GEL m unless otherwise stated

Cost of credit risk ratio



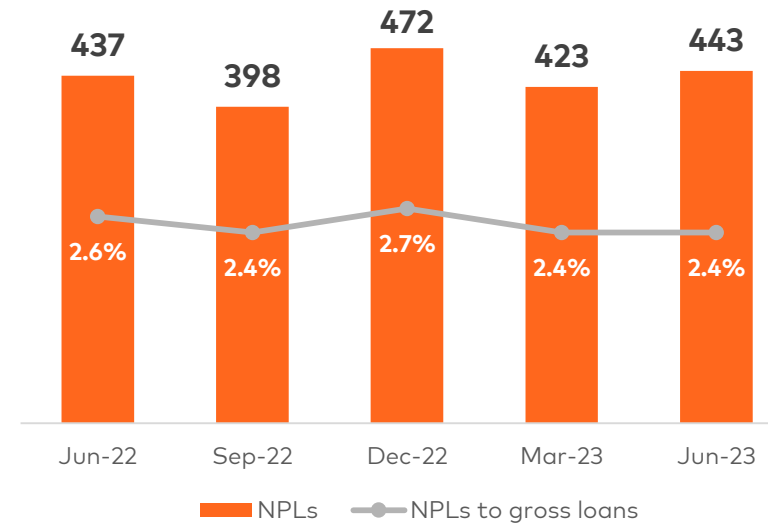
- The quarter-on-quarter decrease of cost of credit risk was mainly driven by a reduction of Retail Banking cost of risk, partly offset by Corporate and Investment Banking. The cost of credit risk ratio was 0.9% in 1H23 (0.7% in 1H22), in line with the Group's normalised level
- The y-o-y decrease in the NPL ratio was driven by some recoveries in CIB. Compared with 31 March 2023, the NPL ratios were broadly stable across all segments

Loan portfolio quality

NPL coverage



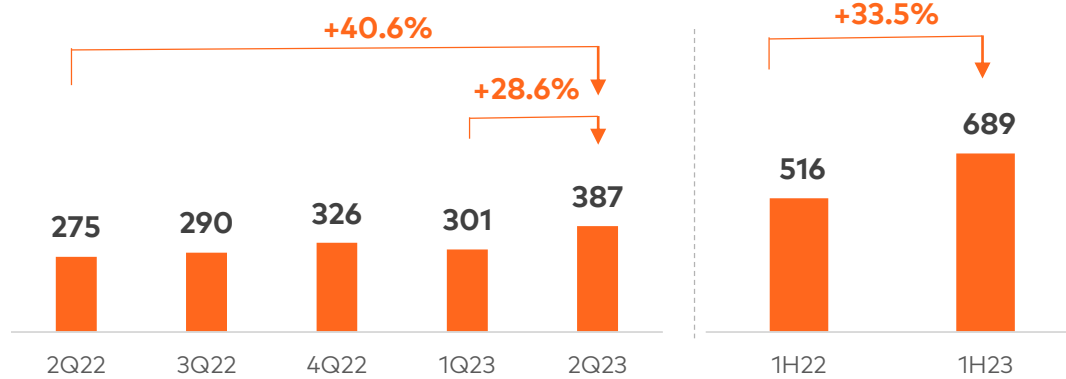
NPL coverage adjusted for the discounted value of collateral



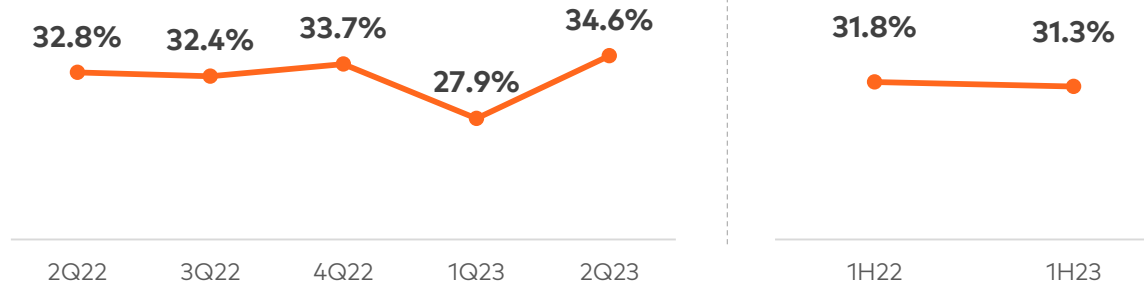
Robust bottom-line growth and profitability

All currency data are in GEL m unless otherwise stated

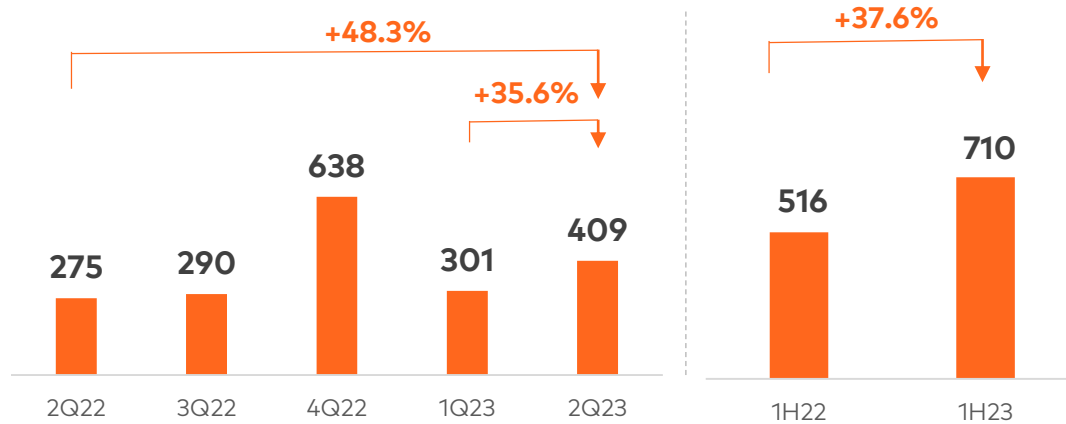
Profit (adjusted)*



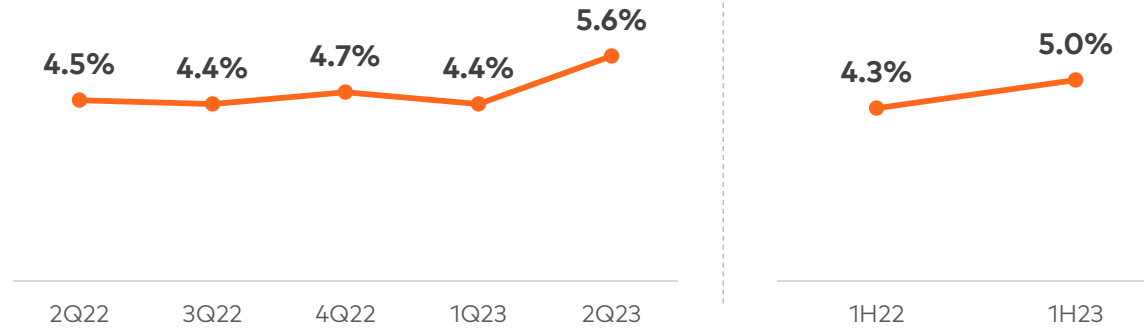
ROE*



Profit (reported)



ROA*



*4Q22 figures adjusted for a one-off GEL 391.1m other income and 2Q23 and 1H23 figures were adjusted for a one-off GEL 21.1m other income, related to the settlement of an outstanding legacy claim

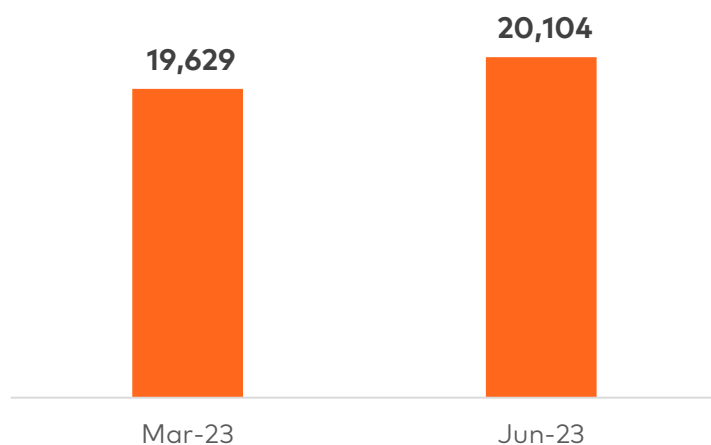
Strong capital position at Bank of Georgia

Figures given for JSC Bank of Georgia standalone

Evolution of capital ratios during 2Q23

	31 March 2023	2Q23 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	30 June 2023	Minimum requirement (30 June 2023)	Potential impact of a 10% GEL devaluation
CET1 capital adequacy ratio	19.5%	1.9%	-0.4%	-0.2%	-2.1%	0.0%	18.7%	14.6%	-0.9%
Tier1 capital adequacy ratio	21.4%	1.9%	-0.4%	-0.2%	-2.1%	0.0%	20.6%	16.9%	-0.8%
Total capital adequacy ratio	23.3%	1.9%	-0.4%	-0.2%	-2.1%	0.0%	22.6%	19.8%	-0.7%

Risk-weighted assets



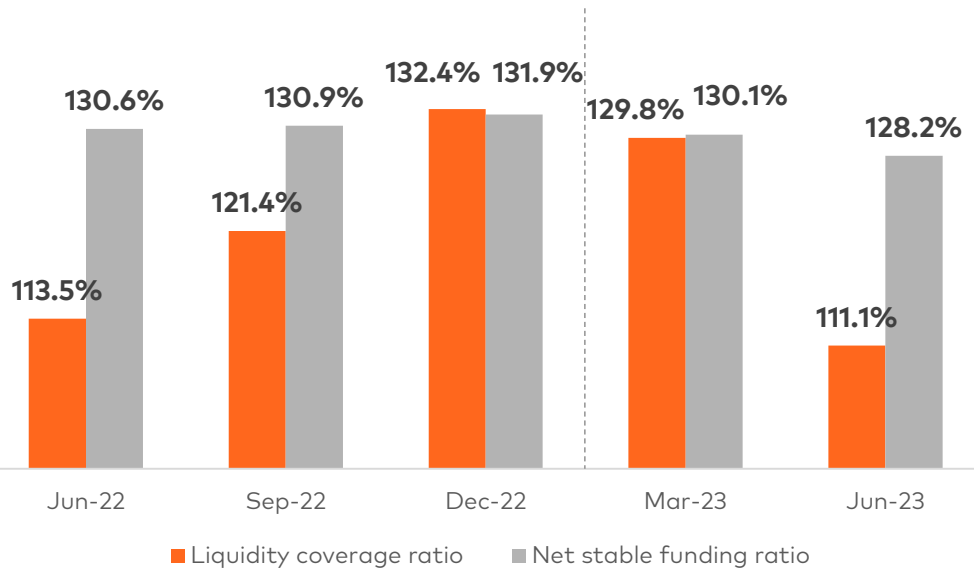
- In January 2023, the NBG transitioned to IFRS-based accounting
- The full loading of Basel III capital requirements was completed in March 2023
- In March 2023, the Financial Stability Committee (FSC) of the NBG set the cycle-neutral countercyclical capital buffer (base rate) at 1%. A 12-month period has been given to banks to satisfy the requirement from March 2024

Strong liquidity position

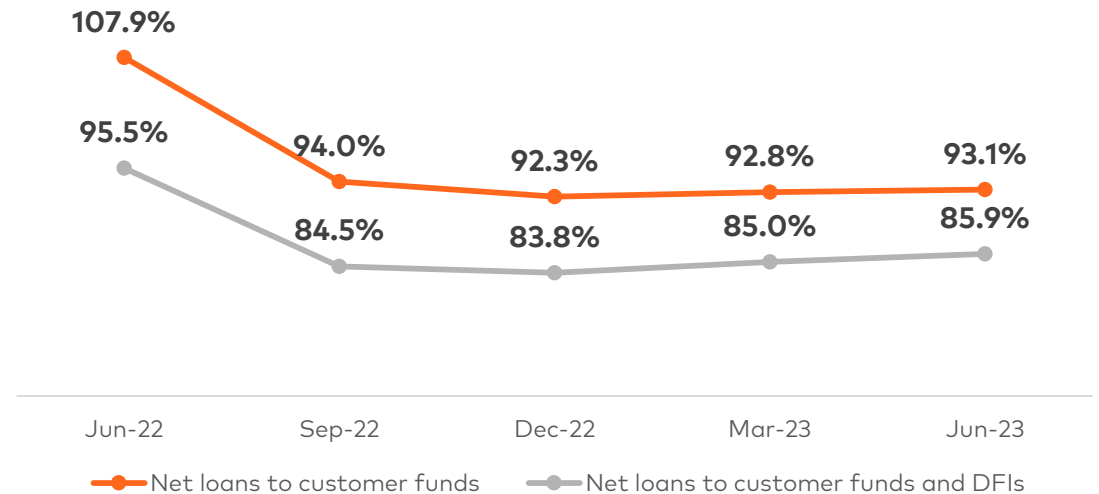
Figures given for JSC Bank of Georgia standalone

Liquidity coverage and net stable funding ratios

JSC Bank of Georgia standalone (Basel III liquidity)

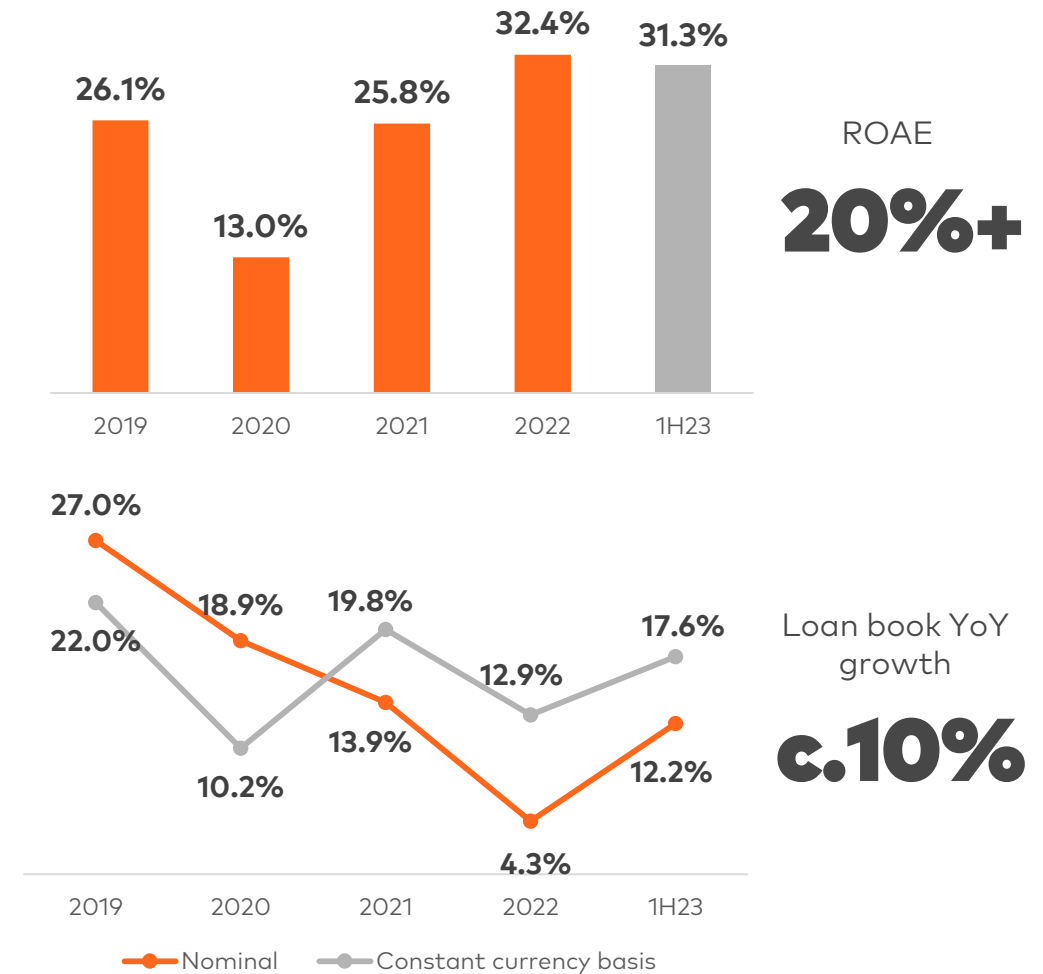
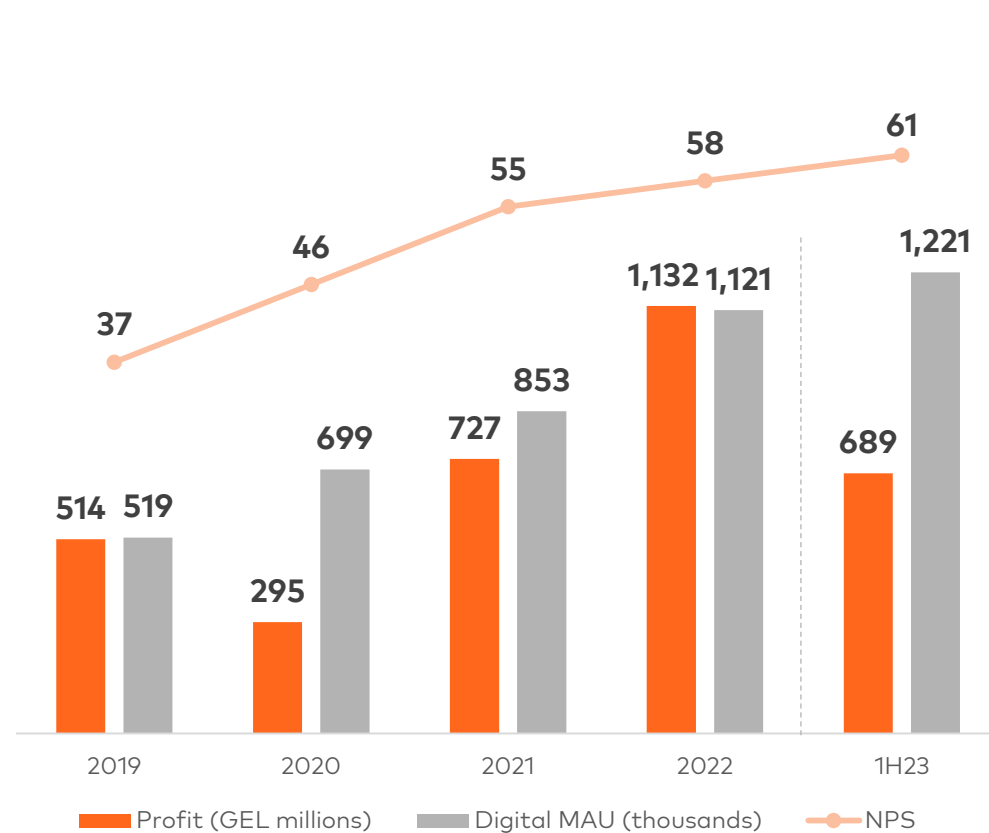


Net loans to customer funds and DFIs



- Since January 2023, the NBG has transitioned to IFRS-based accounting, and the March and June 2023 liquidity coverage ratio and the net stable funding ratio have been calculated based on IFRS
- Both the LCR and the NSFR ratios have been comfortable above the minimum requirement of 100%
- The decrease in LCR in June was mainly driven by the repayment of the Eurobond issued by the Bank coupled with a scheduled repayment of DFI funding and a significant growth in corporate portfolio. In August 2023, LCR returned to around 120%

Track record of growth and strong performance

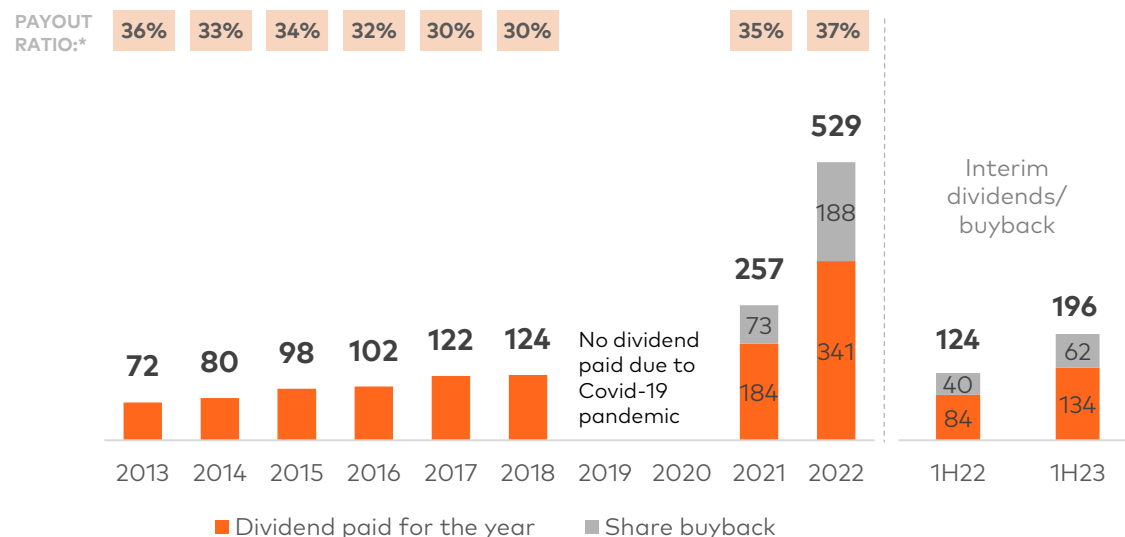


2019 ROAE and profit were adjusted for GEL 14.2m (net of income tax) termination costs of a former CEO and executive management
 2022 ROAE and profit were adjusted for a one-off GEL 391.1m other income related to the settlement of an outstanding legacy claim, and a one-off GEL 79.3m income tax expense due to an amendment to the corporate taxation model in Georgia applicable to financial institutions
 1H23 ROE and profit were adjusted for a one-off GEL 21.1m other income related to the settlement of an outstanding legacy claim

Returning capital to shareholders

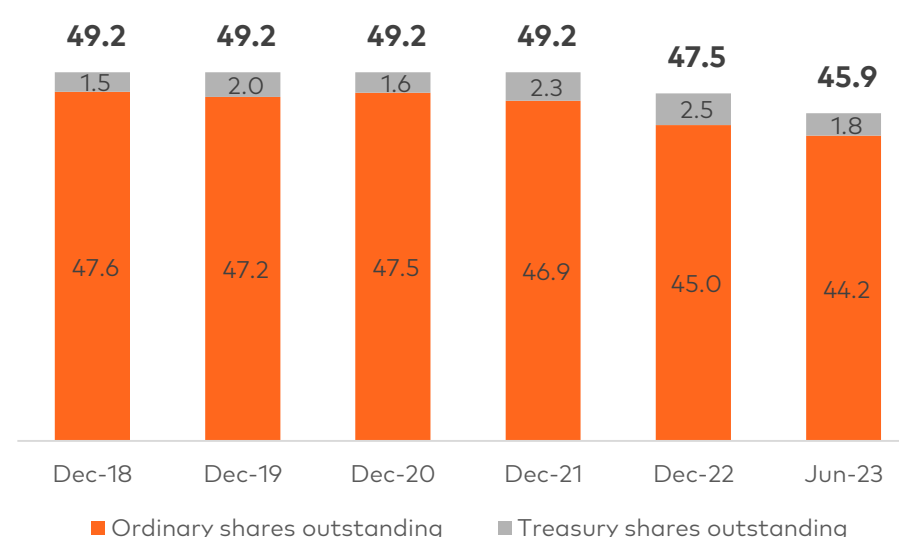
Capital distribution

GEL millions



Number of shares outstanding (period-end)**

millions



- Considering the strong performance during the first half of 2023 and robust capital levels, the Board today declared an **interim dividend of GEL 3.06** per ordinary share in respect of the period ended 30 June 2023, payable in Pounds Sterling on 27 October 2023
- In addition, the Board has approved a further **share buyback and cancellation programme totalling GEL 62 million**, which is expected to commence later in the year
- On 22 June 2023, the Company completed its previous GEL 260.7 million buyback and cancellation programme, having repurchased and cancelled 3,254,705 ordinary shares, representing 6.6% of the Company's issued share capital

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

**Treasury shares are provided per IFRS and mainly include shares held by Executive and Employee trusts

A solid orange circle is positioned to the left of the text, partially overlapping the letter 'T'.

THANK YOU