



BANK OF GEORGIA

INVESTOR 20 DAY 20

Retail Banking - Mass Retail

Speaker:

Mikheil Gomarteli

Head of Mass Retail

STRONG CUSTOMER BASE

2.3 mln +
Number of customers

290 k
Number of payroll customers
c. 34% of employed (hired) population

LEADING BANK IN PAYMENTS

46%
Share of payment transactions performed with domestic cards*
3Q20 results (+3.2%) YoY

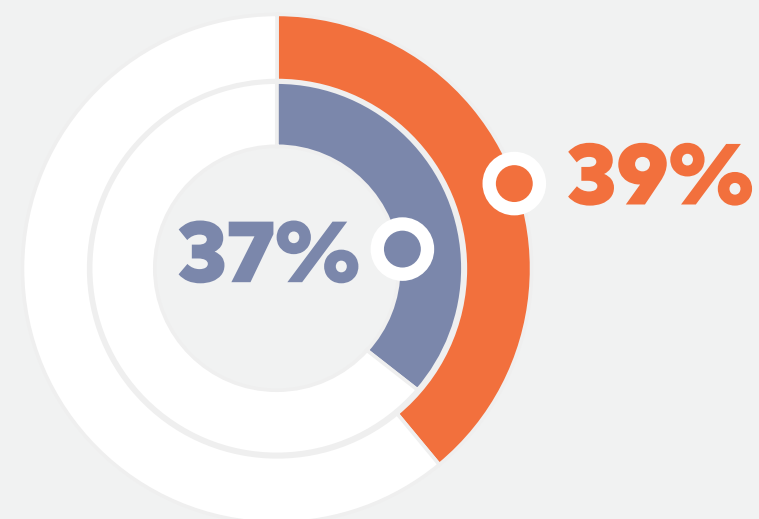
c 1.0 mln
Average daily number of transactions in Bank of Georgia channels
9M20 results

STRONG RETAIL FRANCHISE

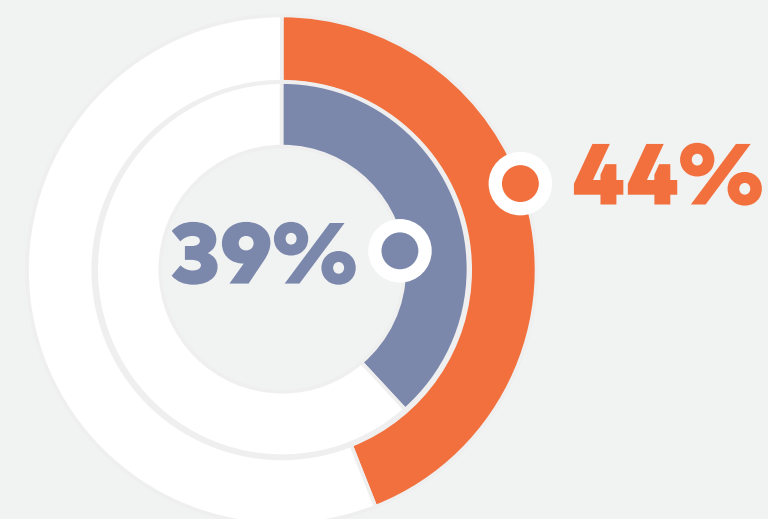
41 %
Market share in deposits of individuals*
Sep-20 results

38 %
Market share in loans to individuals*
Sep-20 results

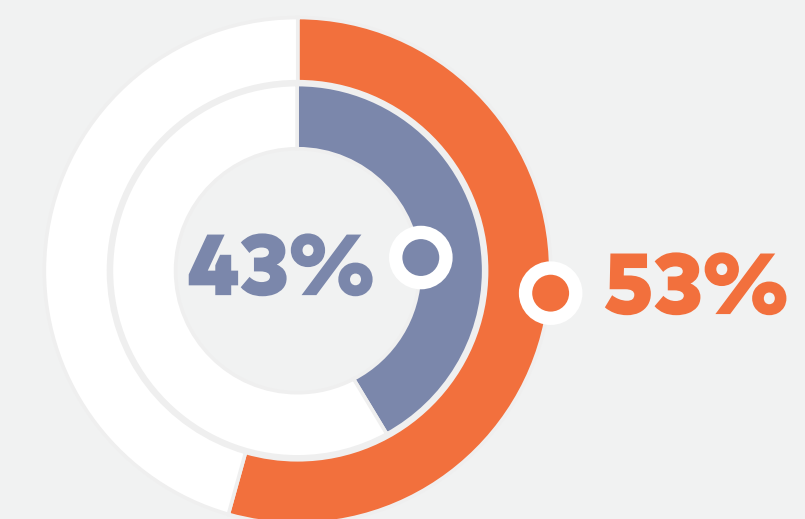
Most Trusted Bank**



Main Bank for Majority**



Main Bank for Generation Z**

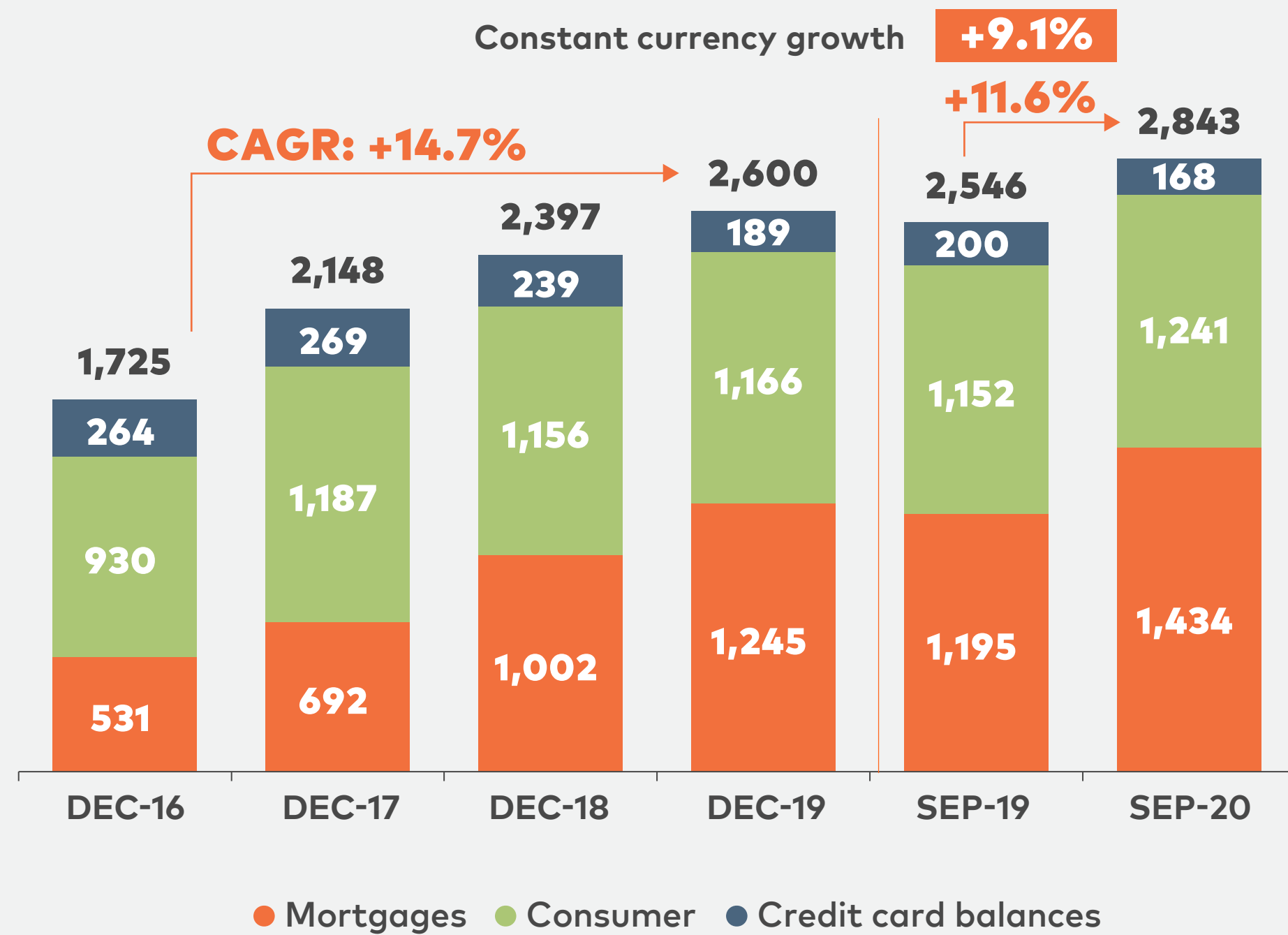


● Bank of Georgia ● Peer Bank

* Based on National Bank of Georgia data | ** Based on IPM research (independent research company)

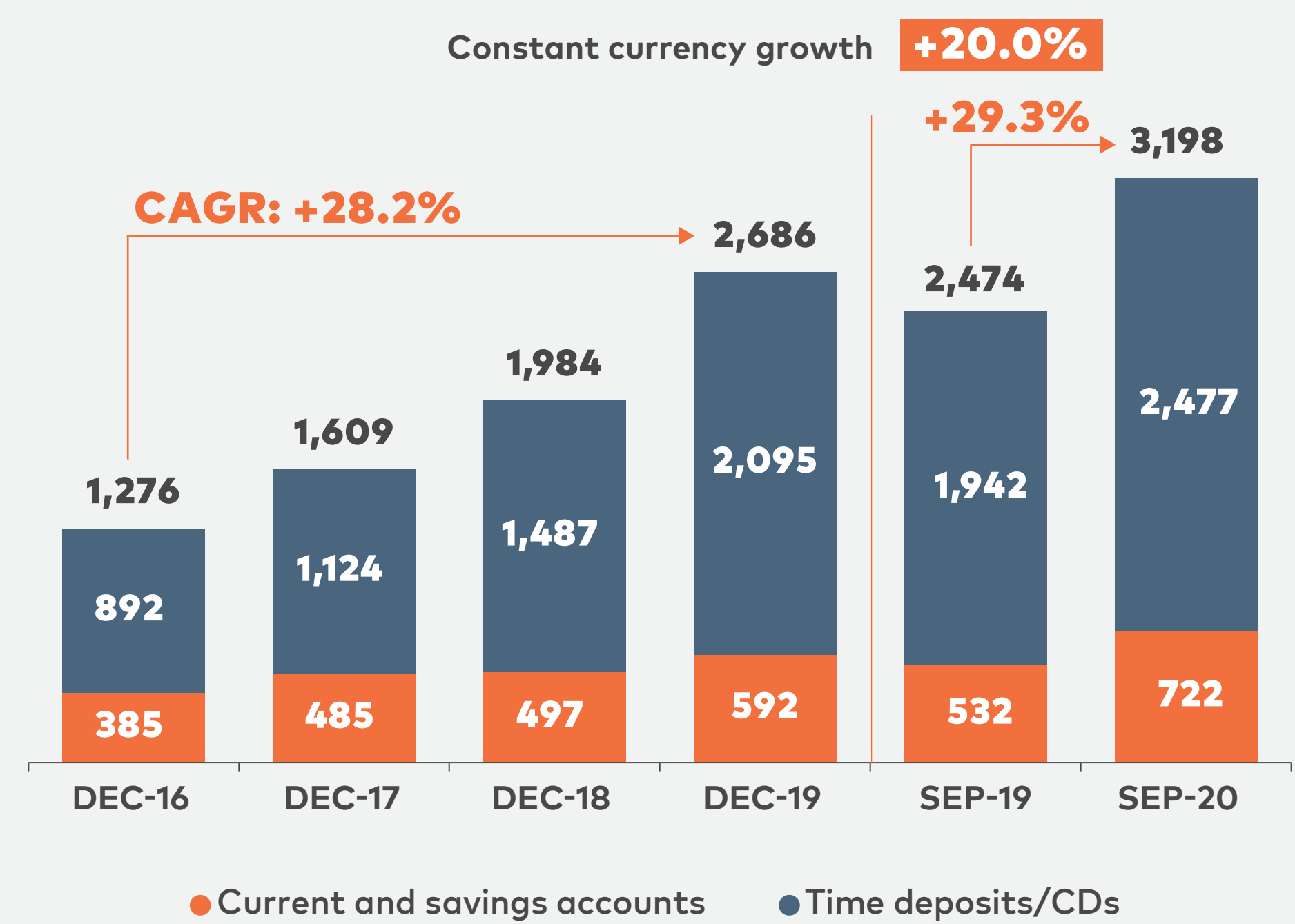
GROSS RETAIL LOAN BOOK GROWTH

GEL millions



RETAIL DEPOSITS GROWTH

GEL millions



50%

Proportion of mortgage loans

+20%

Mortgage Loans YoY growth

77%

Proportion of time deposits

+28%

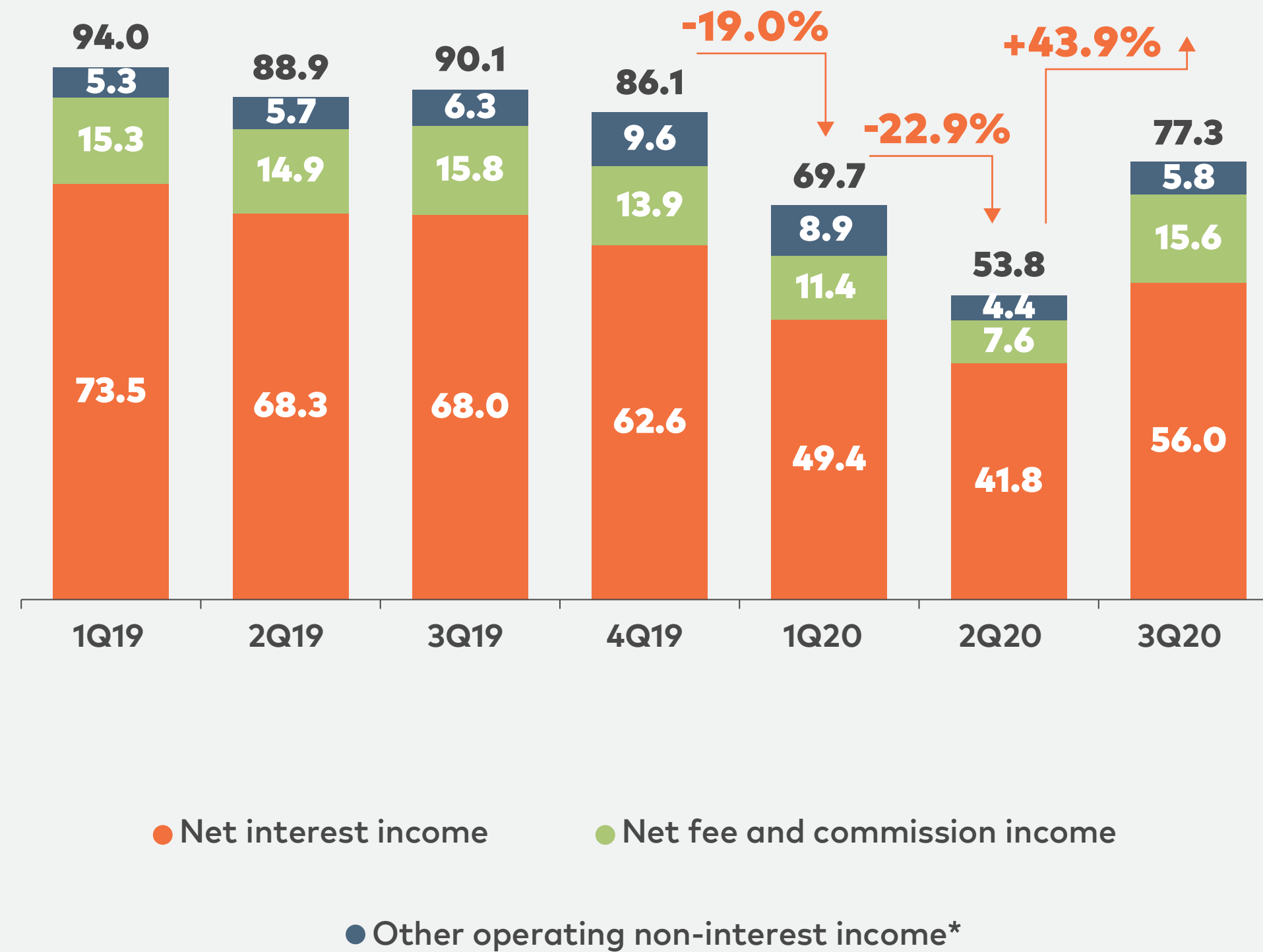
Time Deposits YoY growth

+36%

Current accounts YoY growth

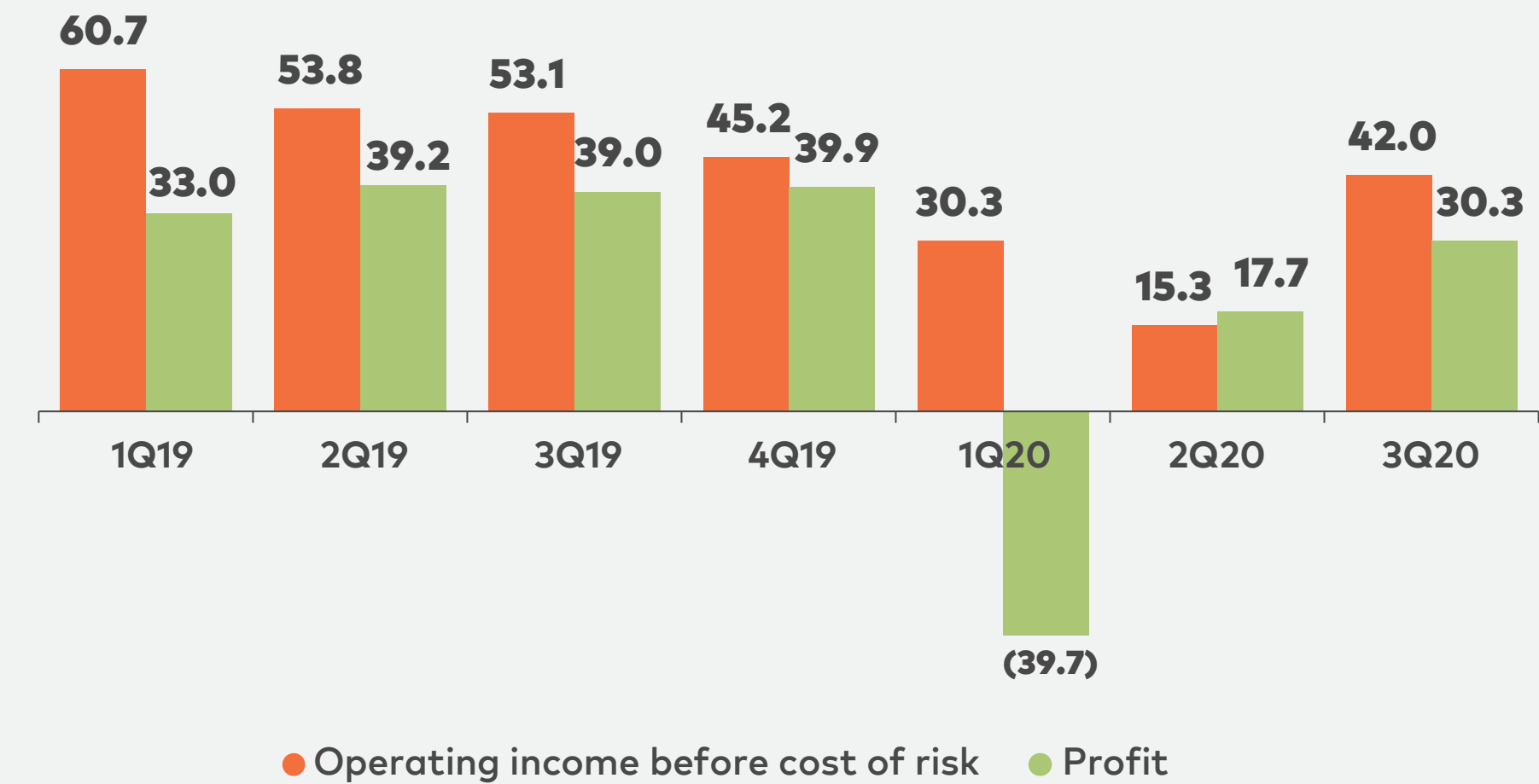
QUARTERLY OPERATING INCOME

GEL millions

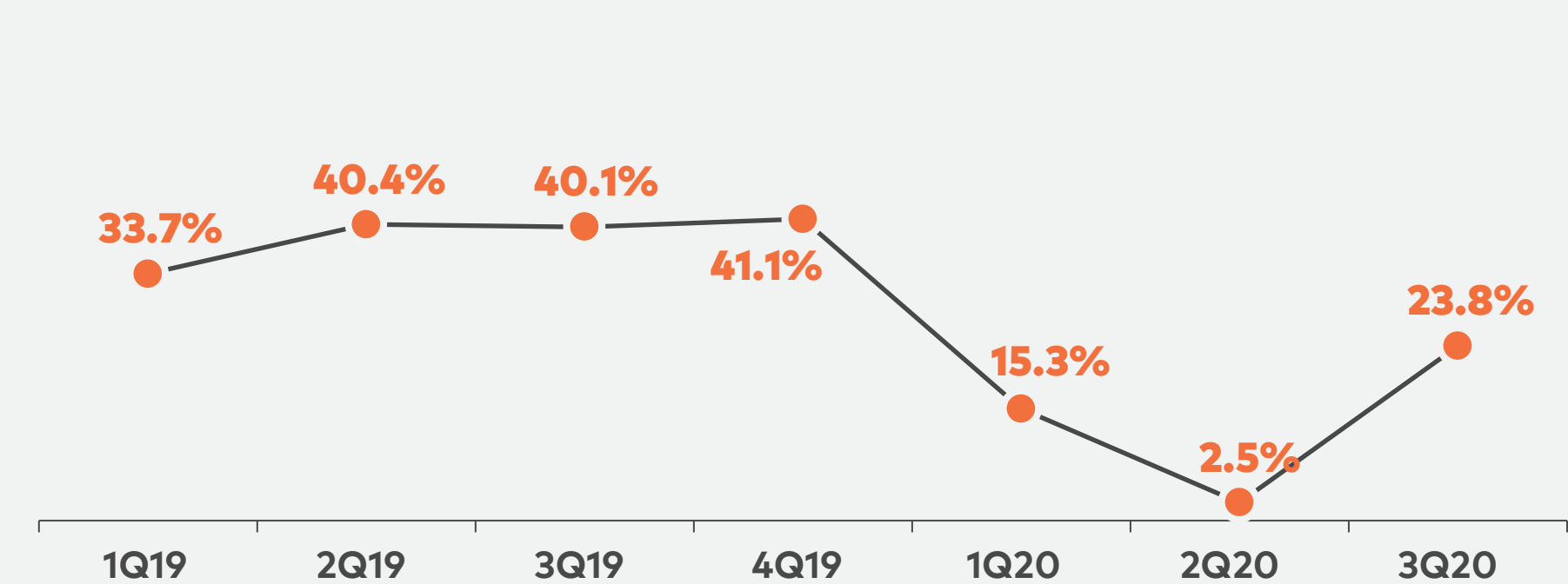


QUARTERLY PROFIT

GEL millions



NORMALISED ROAE**



* Comprises net foreign currency gain and net other income

** 1Q20, 2Q20 and 3Q20 ROAE are normalised for cost of credit risk, one-off modification losses incurred on loan restructurings and COVID-19 related other one-off costs. 1Q19 and 2Q19 ROAE are adjusted for termination cost of former CEO and executive management

**PREDICTING AND SATISFYING CUSTOMERS' NEEDS SEAMLESSLY
THROUGH DIGITAL CHANNELS**



ADVANCED
ANALYTICS



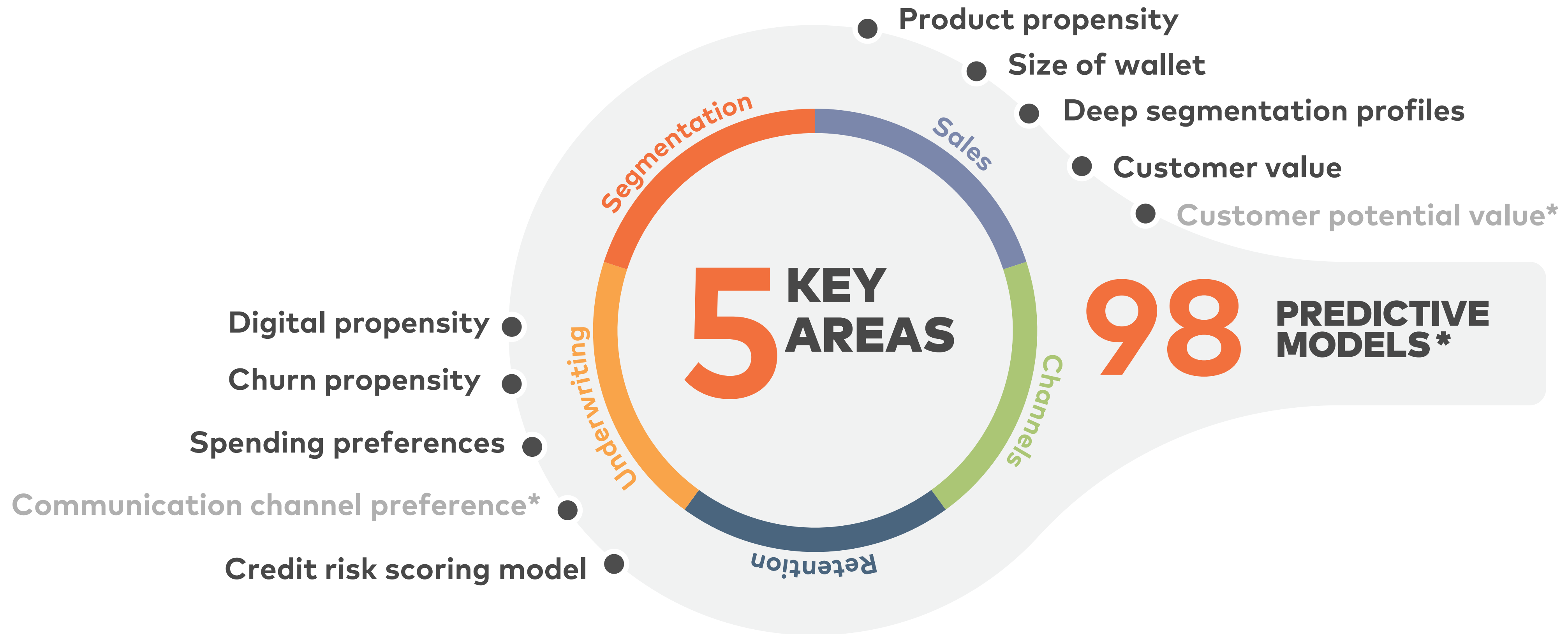
CONVENIENT
CHANNELS



PAYMENT
ECOSYSTEM



CUSTOMER
EXPERIENCE



* +10 models are under development



SALES

12mln +
Unique offers to customers

8
Offers per unique customer

14%+
Contribution in total sales



OFFLOADING

15mln +
Unique offers to customers

7
Offers per unique customer

1mln +
Offers converted



PAYMENTS

3mln +
Unique offers to customers

3
Offers per unique customer

6%+
Conversion rate

COLLABORATION WITH THE WORLD'S LEADING CUSTOMER RELATIONSHIP MANAGEMENT COMPANY

OUR EXPECTATIONS

- Better understanding of customers' needs
- Offering more relevant products
- Optimising our sales-driven activities
- Covering all communication channels with single solution
- More effectively tracking customers' activities and analysing data
- Building seamless business processes



TOOLS

- Journey builder
- Mobile studio
- Einstein
- Email studio
- Contact studio
- Social studio
- Web studio
- Datorama
- Automation studio
- Advertising studio

EXPERIENCE

TOYOTA Marriott Zillow

Ulster Bank vodafone BARCLAYS T-Mobile

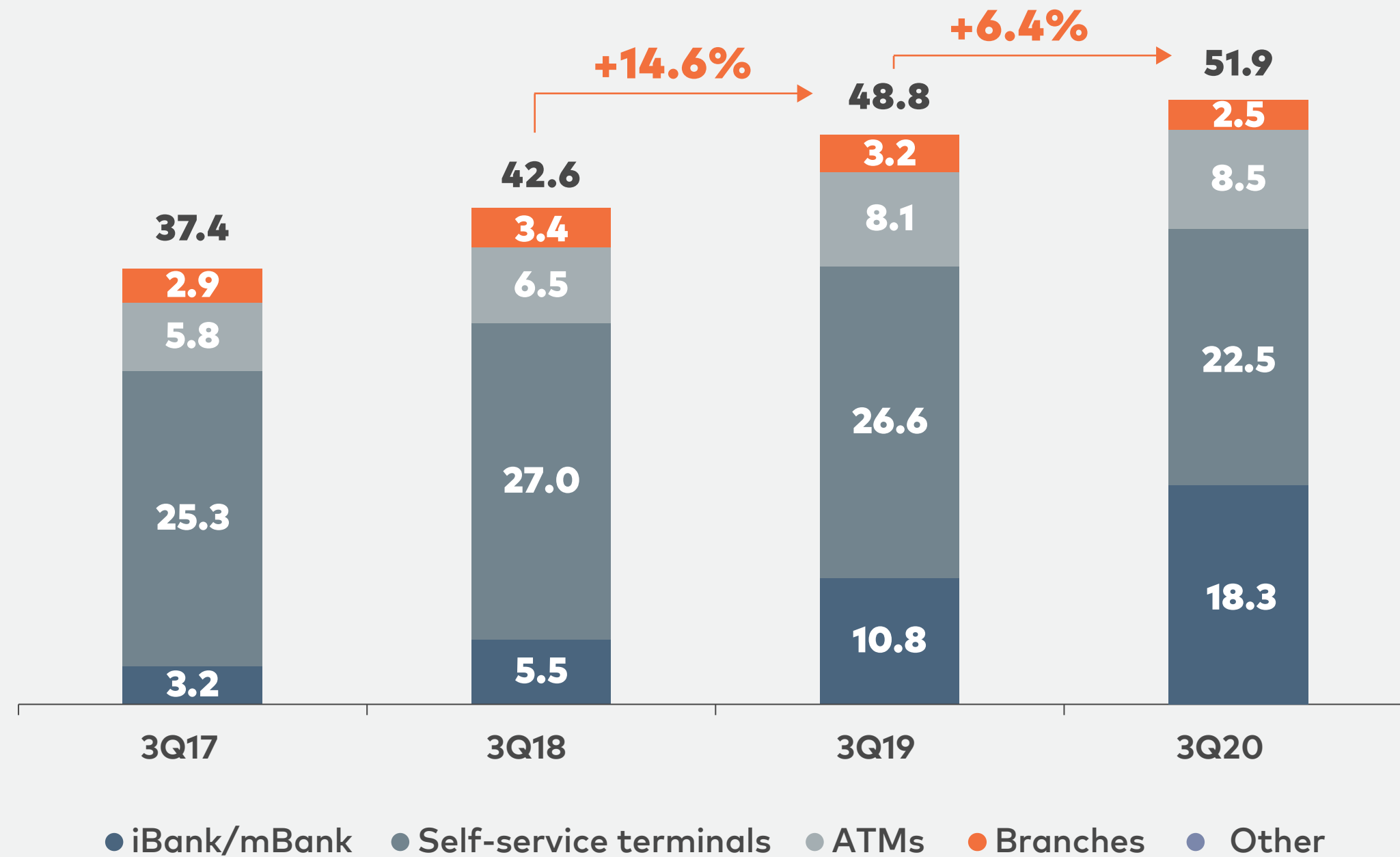
AMERICAN EXPRESS Canon



**CONVENIENT
CHANNELS**

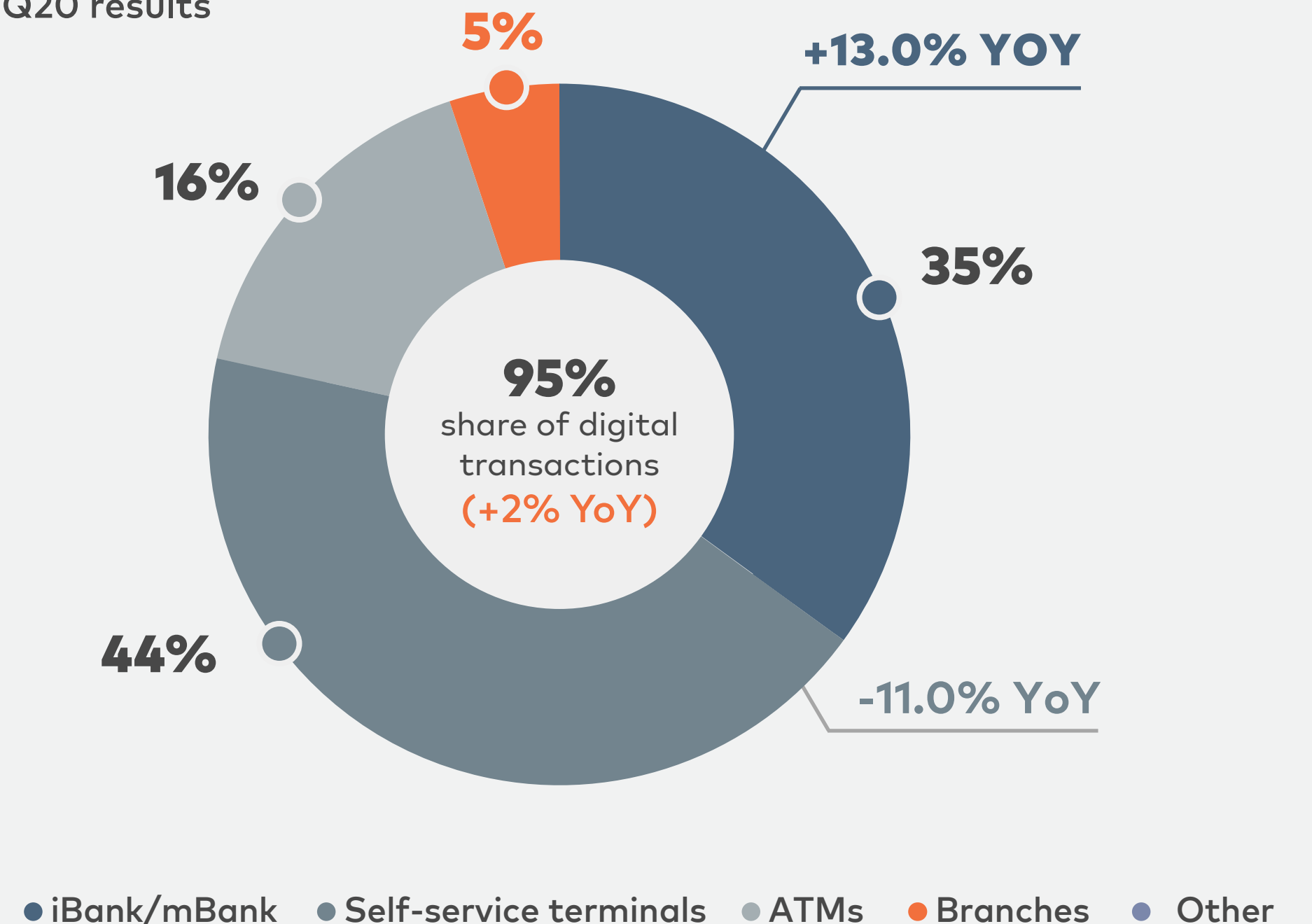
NUMBER OF TRANSACTIONS

Millions



TRANSACTIONS BREAKDOWN BY CHANNEL

3Q20 results



18 mln +

Transactions in mBank/iBank
in 3Q20
+69% YoY

106 k +

Products sold through
mBank/iBank
in 2020

38%

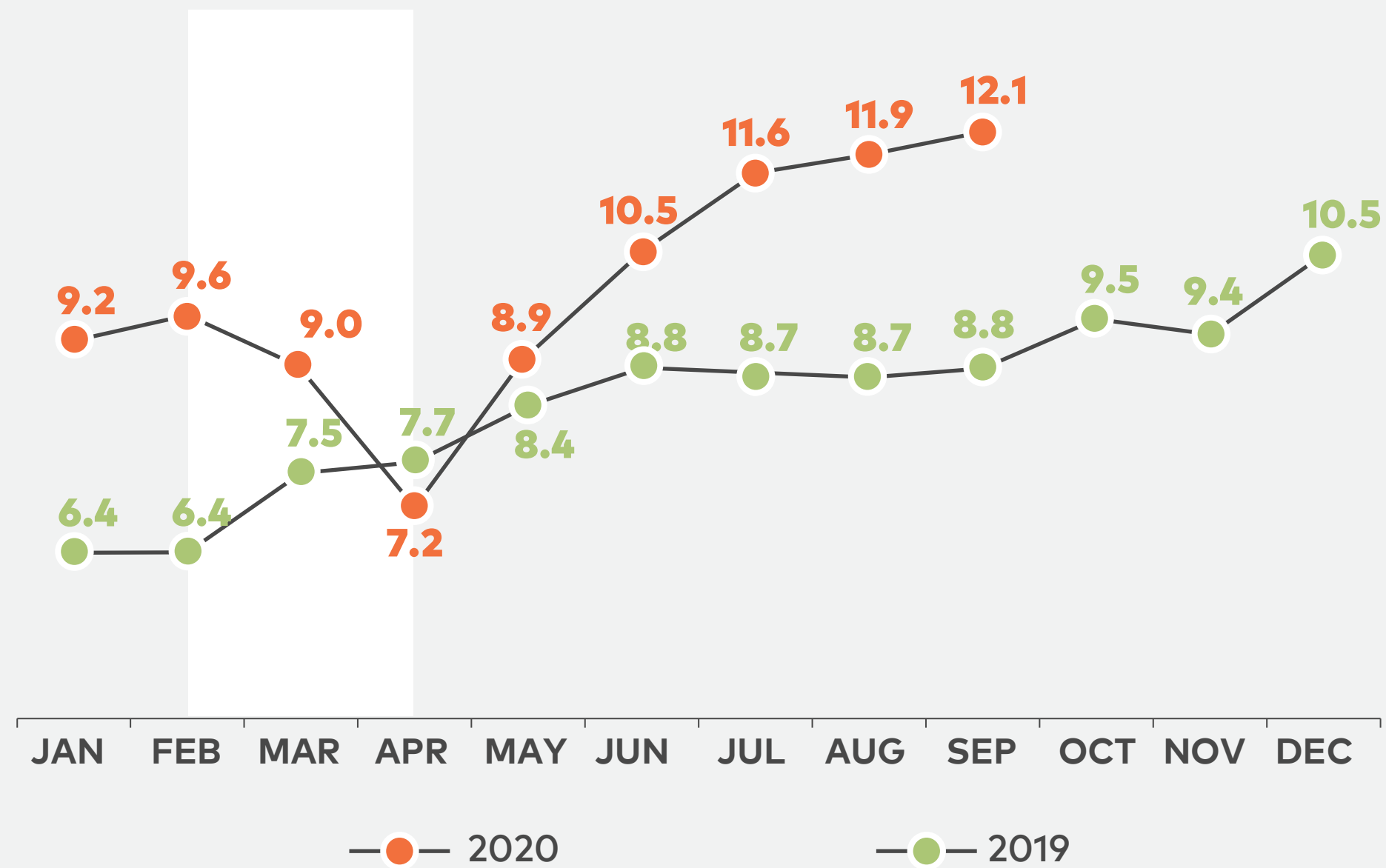
Share of sales-related
transactions in branches



**PAYMENT
ECOSYSTEM**

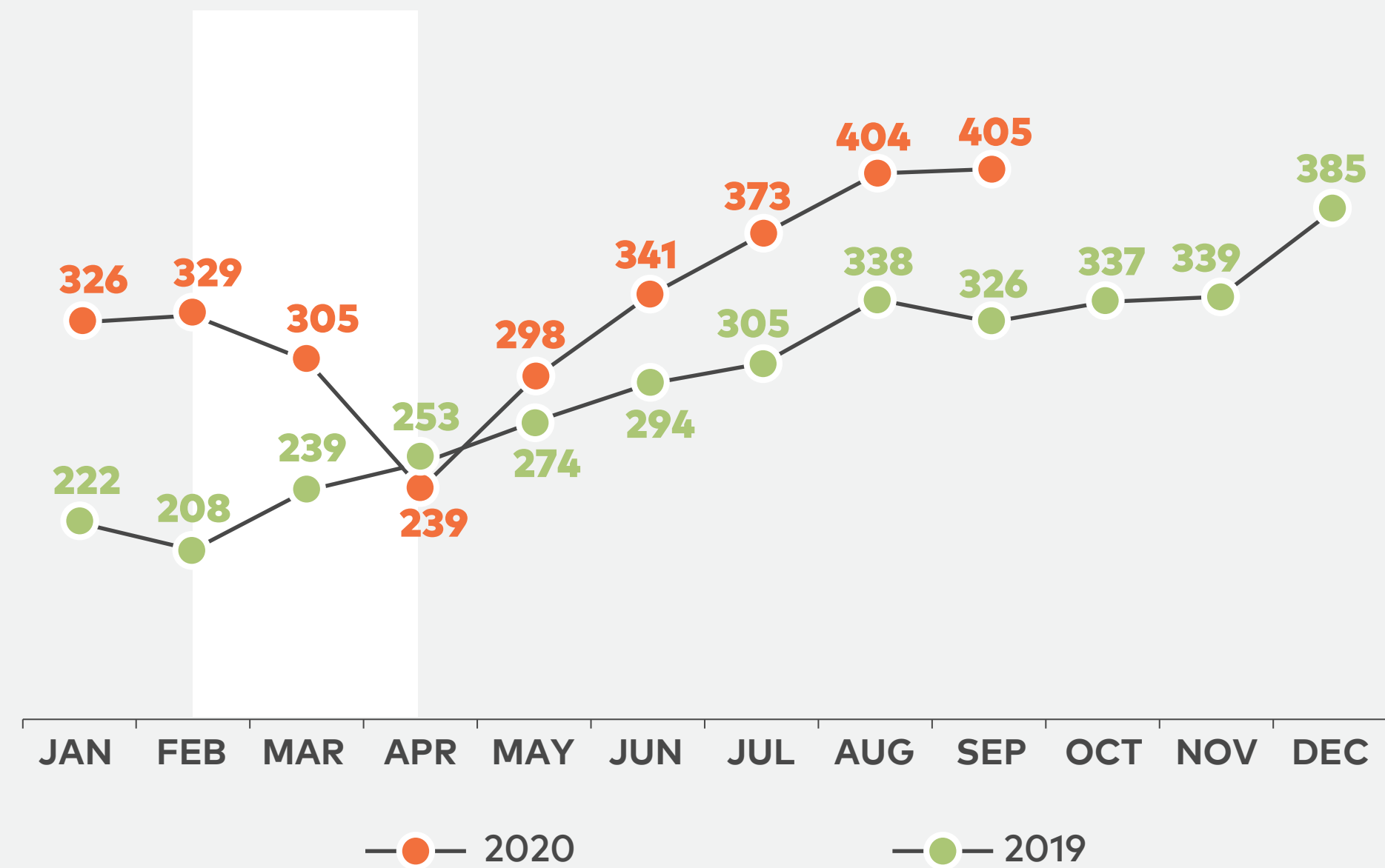
NUMBER OF PAYMENT TRANSACTIONS AT BOG TERMINALS

Millions



VOLUME OF PAYMENT TRANSACTIONS AT BOG TERMINALS

GEL millions



2.6 k

Acquired new merchants
+33% YTD growth

+81%

Growth of e-commerce
merchants
YTD

3

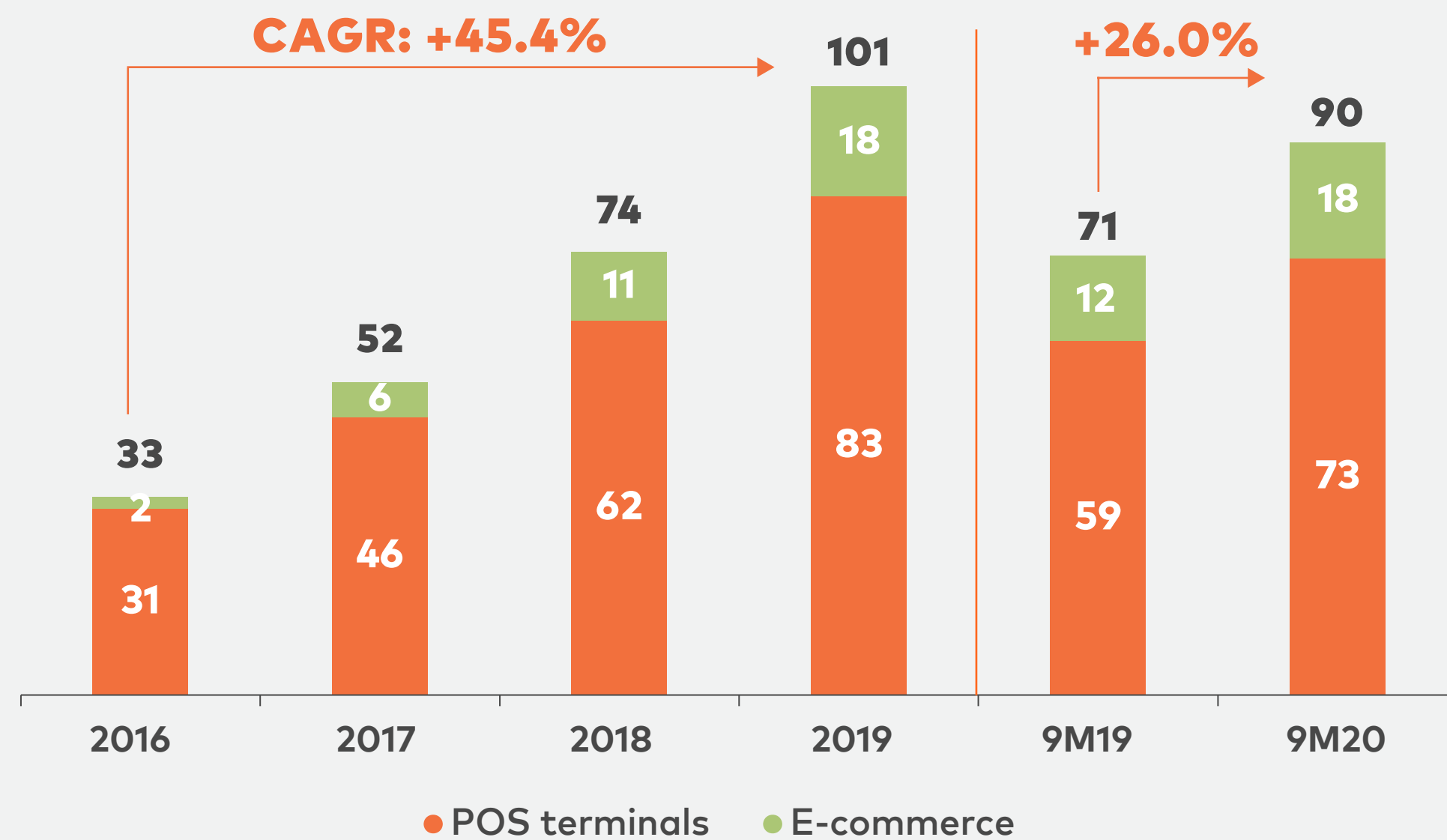
Partnership contracts
with international
companies

6

New products and
services launched

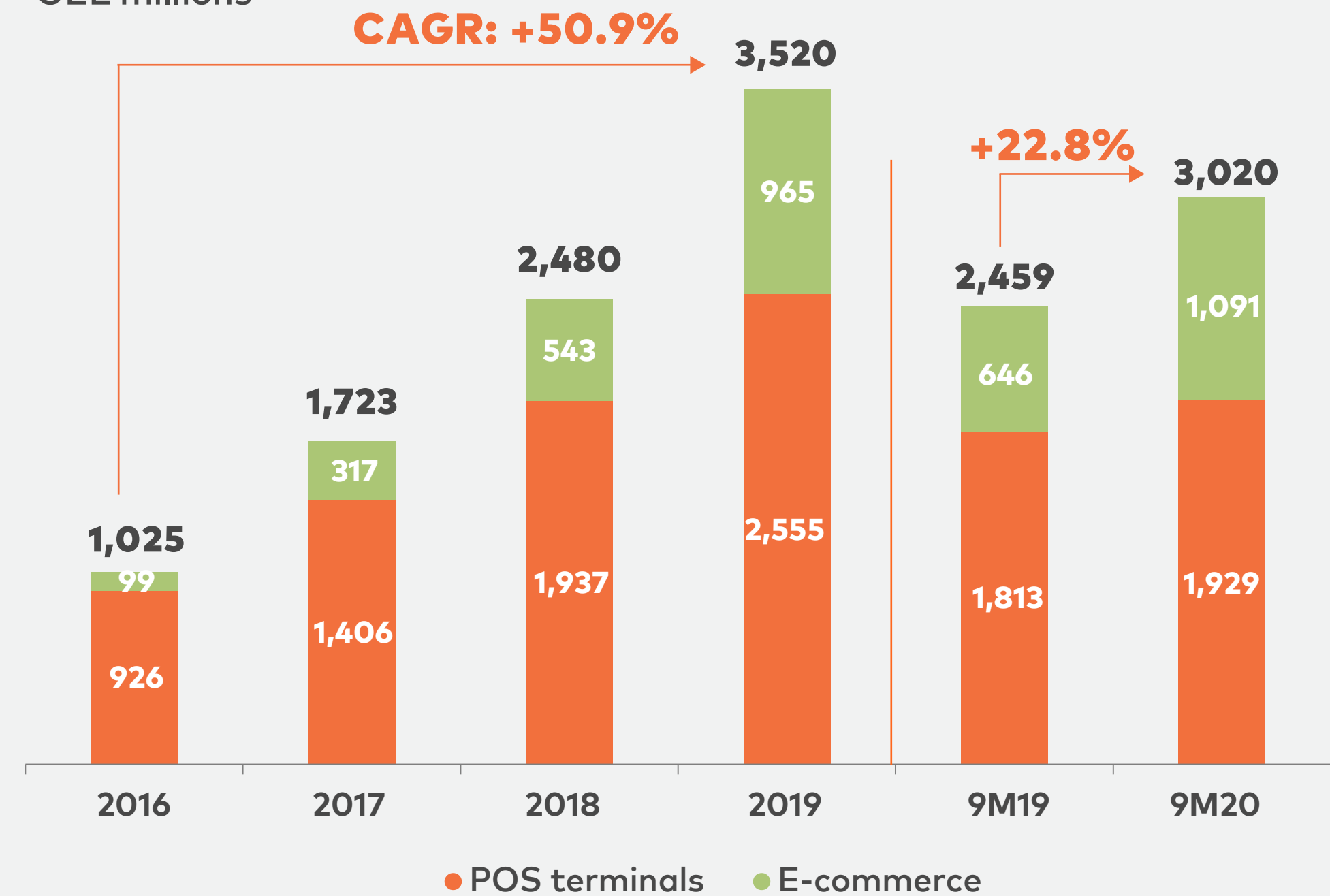
NUMBER OF PAYMENT TRANSACTIONS AT BOG TERMINALS

Millions



VOLUME OF PAYMENT TRANSACTIONS AT BOG TERMINALS

GEL millions



44%

BOG share in total number of payment transactions
3Q20 (+2% YoY)

48%

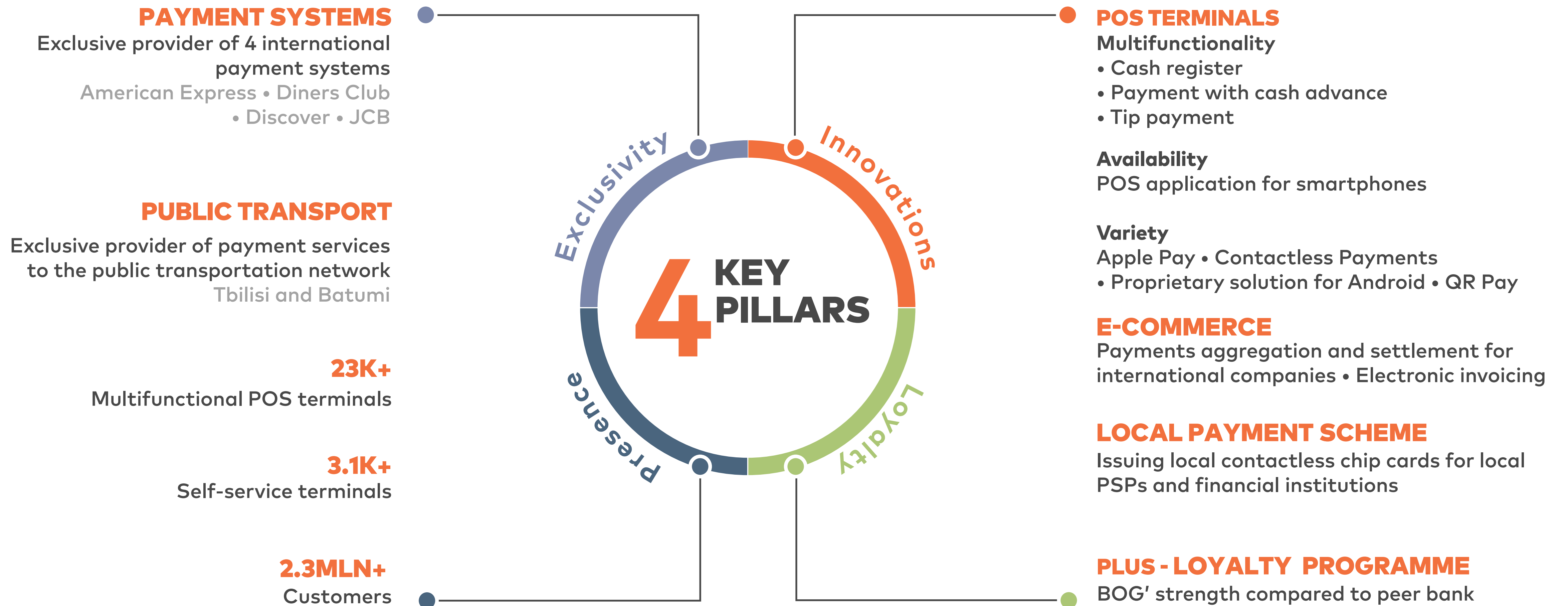
BOG share in number of transactions in POS terminals
3Q20 (+2% YoY)

42%

BOG share in total volume of payment transactions
3Q20 (+2% YoY)

45%

BOG share in volume of transactions in POS terminals
3Q20 (+1% YoY)



Based on IPM research (independent research company)



CUSTOMER
EXPERIENCE

IN 2019 WE INVESTED IN #1 CUSTOMER EXPERIENCE MANAGEMENT PLATFORM



IMPROVE

EVERY EXPERIENCE

100+

Small and large improvement projects identified and implemented

ENGAGE

EVERY CUSTOMER

150k+

Customer responses collected and analysed

25k+

Customers consulted personally during close-the-loop process

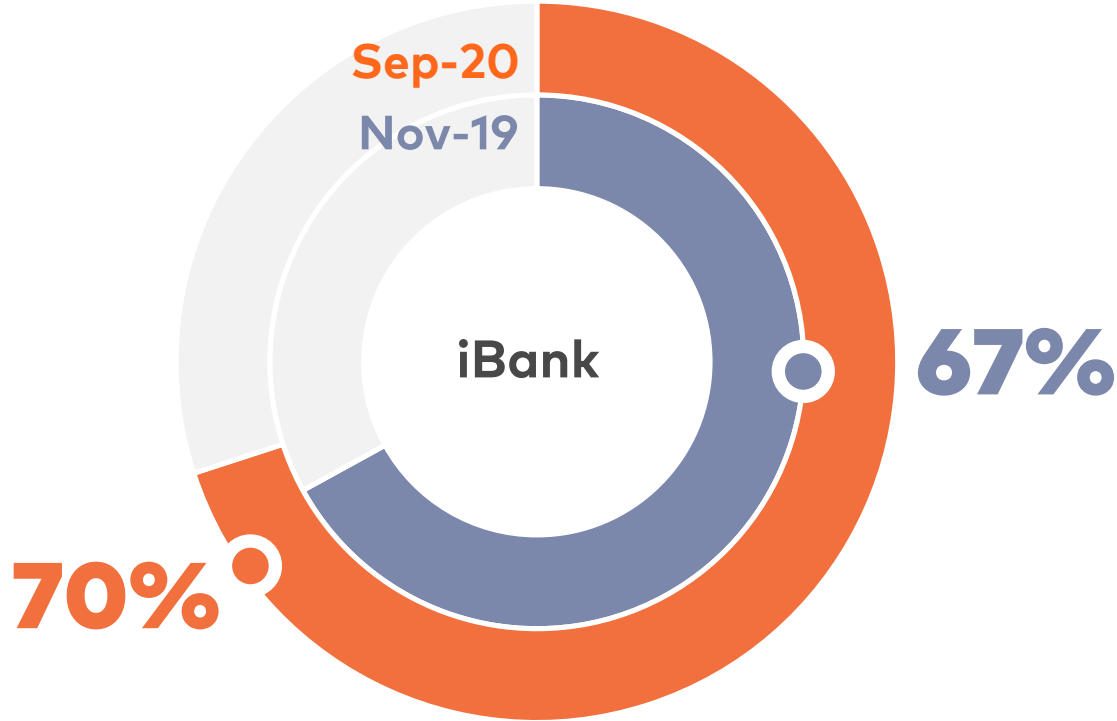
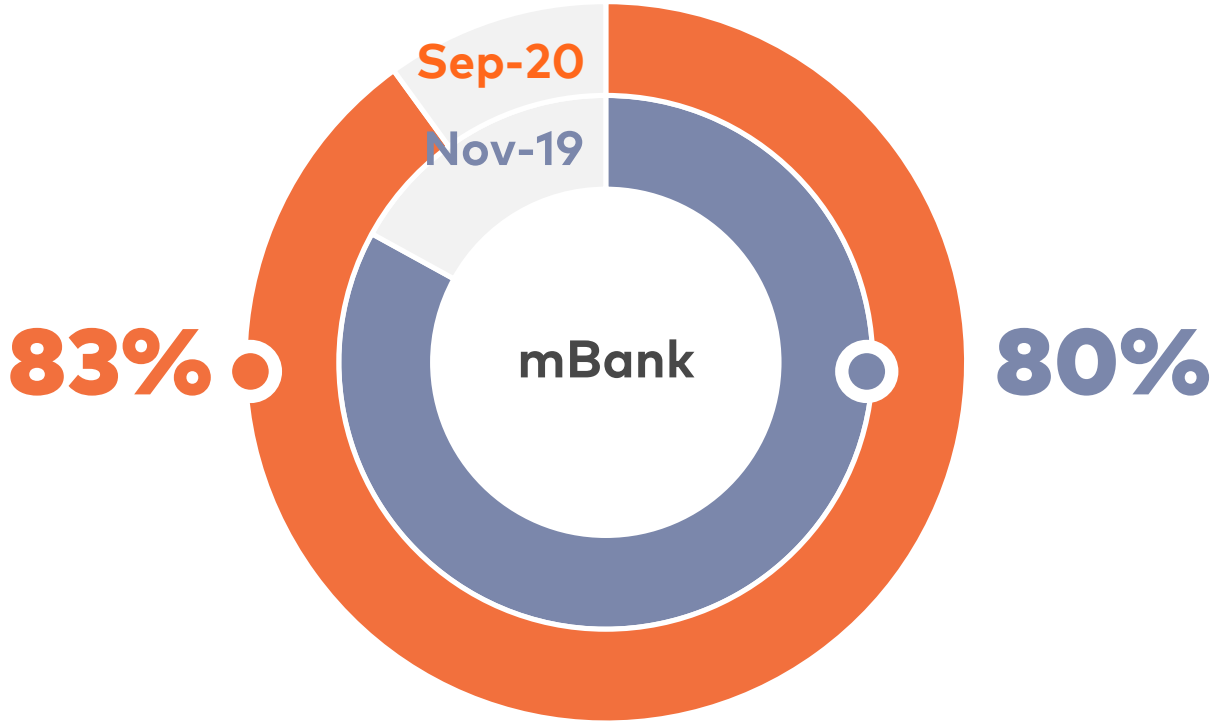
ENGAGE

EVERY EMPLOYEE

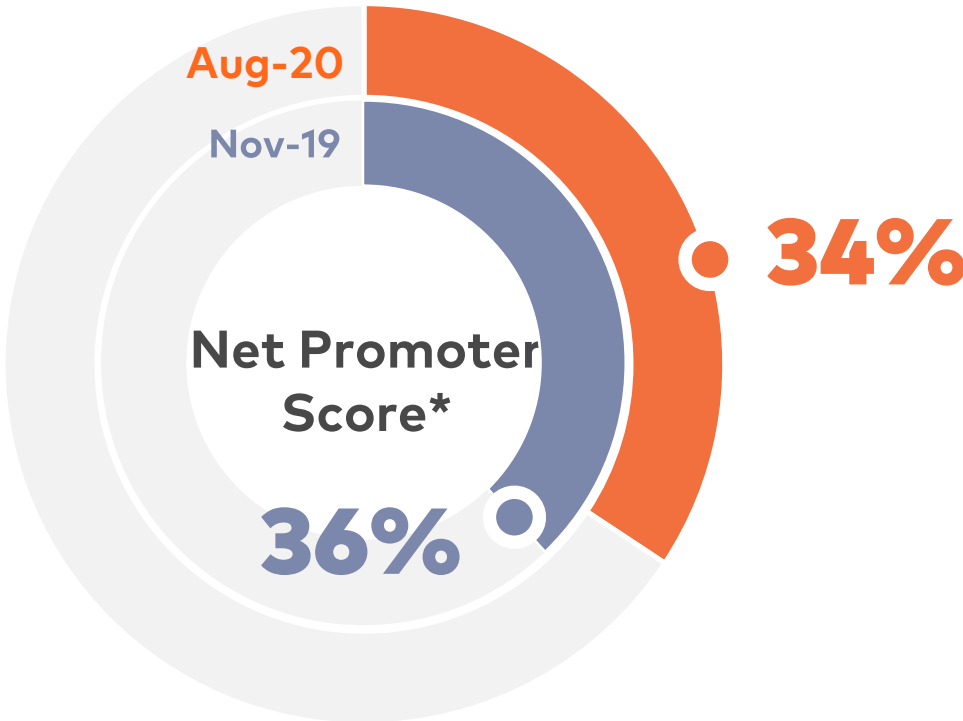
2k+

Employees will be on-boarded to Medallia by end of November 2020

CHANNEL SATISFACTION



NET PROMOTER SCORE



* Based on IPM research (independent research company)



OPPORTUNITY

TO GAIN NEW CUSTOMERS AND KEEP THEM
LOYAL FOR A LONG TIME



EXCLUSIVE PRODUCTS

290 k+

Cards for students
and pupils with additional
exclusive benefits



SPECIAL CAMPAIGNS

56 +

Special campaigns for
students and pupils in 2020

10 +

Collaborative projects
with universities

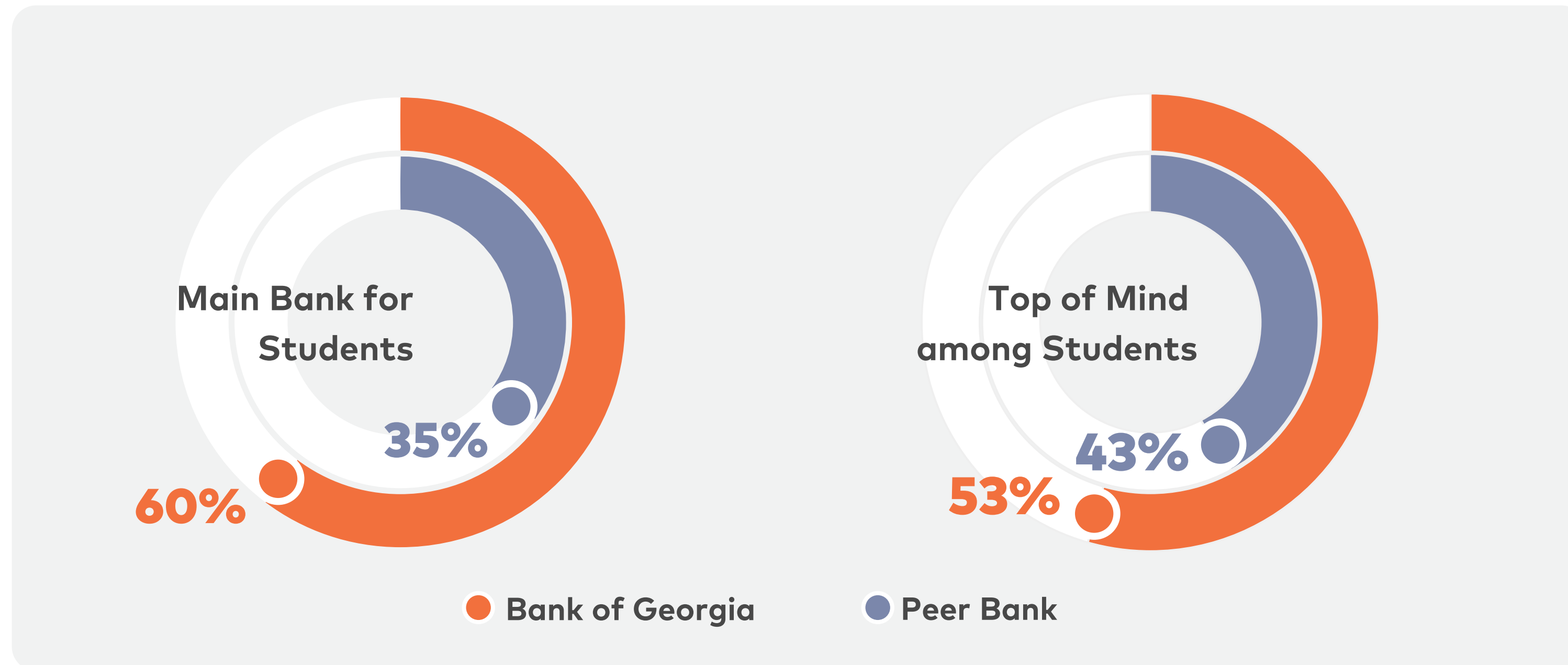


PARTNERSHIP WITH UNIVERSITIES

21

Universities participate in
BOG payroll programme

Out of top 6 largest
universities (with 85k+
students, 50%+ of total
number of students),
5 universities are in BOG
payroll programme



298 k
Active customers
aged 7 to 25

* Based on IPM research (independent research company)

40K CUSTOMERS

WITH HIGH INCOME AND POTENTIAL
66% BOG_s SHARE OF WALLET



DEDICATED REMOTE RM

Simple and convenient banking experience provided by dedicated remote Relationship Manager



360° FINANCIAL PLANNING

RM provides expert solutions that meet customers' financial needs



FULL COVERAGE

RM helps customers fulfill their financial needs by offering a full spectrum of banking products and services

GOAL

85%

BOG Share of Wallet

4.2

Product to client ratio

80%

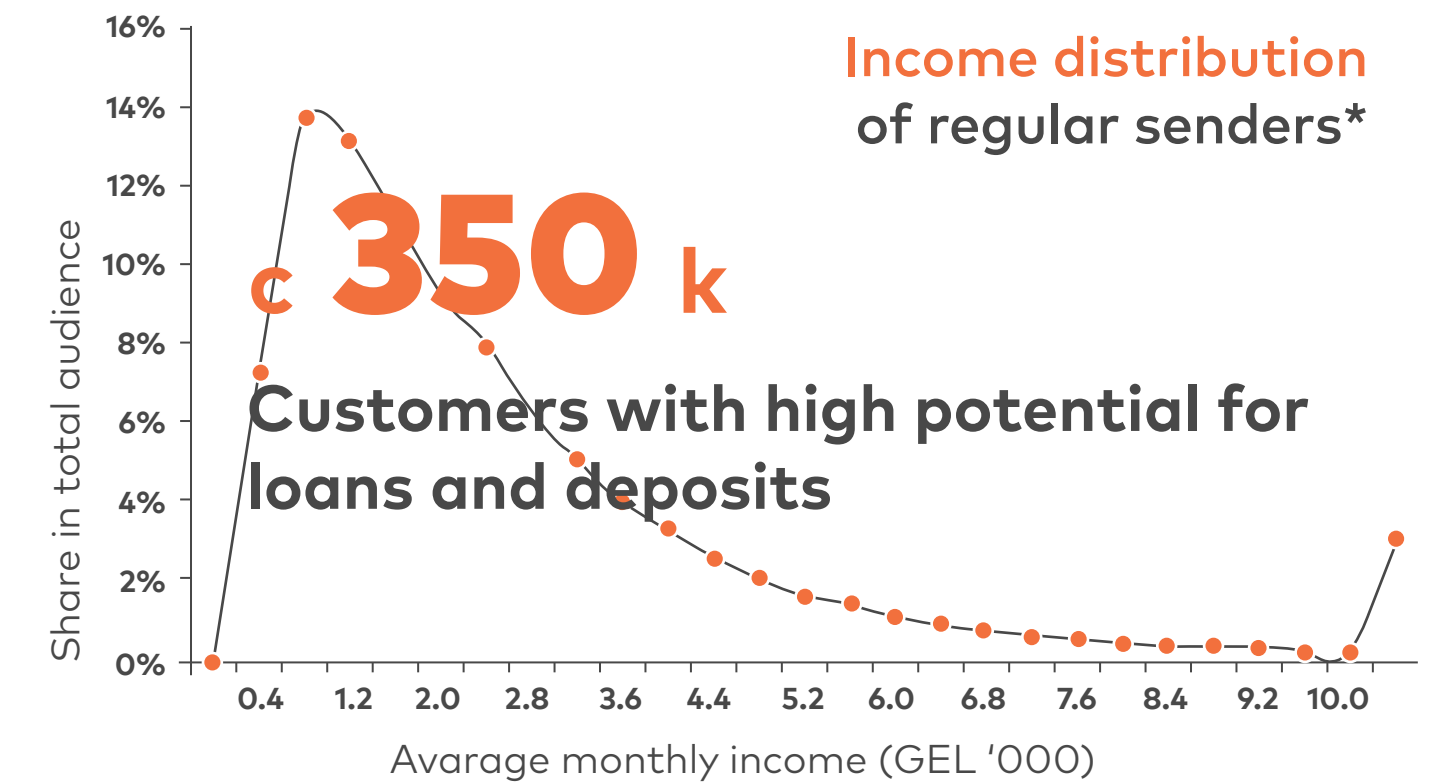
Net Promoter Score

c **1.3** mln

Georgians living abroad in need of daily banking services

US\$ **1.9** bln

Forecast to be transferred in 2020 (US\$ 1.75bln in 2019)



DIGITAL ONBOARDING

Enabling Georgians living abroad to open bank accounts and use various services and products

CONVENIENT TOOLS

Convenient and varied options for account top-ups through partnerships with international companies

TAILORED PRODUCTS

Special deposit and loan products tailored to emigrants' needs

MARKET POTENTIAL

350k
Active customers

GEL **1.7** bln
Loan portfolio

GEL **1.5** bln
Deposit portfolio

*3+ transfers in the last 12 months

- First choice bank and especially for Generation Z ●
- Leading bank in payments business ●
- Leading bank in digitalisation ●
- Extensive experience in advanced analytics ●
- Focus on customer satisfaction ●

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