



BANK OF GEORGIA

BANK OF GEORGIA GROUP PLC

Investor Presentation

1Q19 Financial Results

14 May 2019

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: currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; regional tensions and instability; loan portfolio quality; regulatory risk; liquidity risk; operational risk, cyber security, information systems and financial crime risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports of the Group, including the 'Principal Risks and Uncertainties' included in Bank of Georgia Group PLC's Annual Report and Accounts 2018. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Bank of Georgia Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Bank of Georgia Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.

CONTENTS

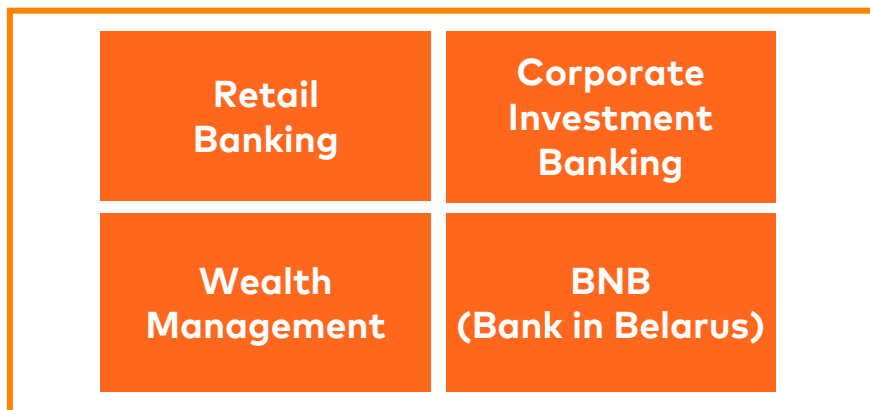


▪ Group Overview	4
▪ Results Discussion	8
▪ Georgian Macro Overview	31
▪ Appendices	52

BANK OF GEORGIA GROUP OVERVIEW

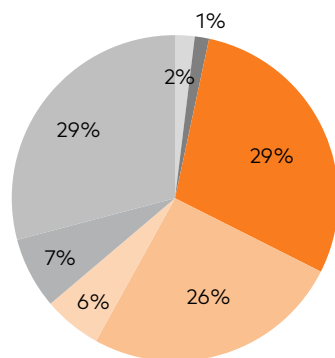


Banking Business



Shareholder structure

As of 31 March 2019



- Unvested and unawarded shares for management and employees
- Vested shares held by management and employees
- US
- UK/Ireland
- Scandinavia
- Luxembourg
- Other**

Top shareholders

As of 31 March 2019

Rank	Shareholder name	Ownership
1	JSC Georgia Capital*	19.90%
2	Harding Loevner LP	4.58%
3	JP Morgan Asset Management	3.11%
4	Dimensional Fund Advisors (DFA)	2.69%
5	Norges Bank Investment Management	2.65%
6	LGM Investments Ltd	2.51%
7	Van Eck Global	2.51%
8	Jupiter Asset Management	2.43%
9	Vanguard Group Inc	2.36%
10	Grandeur Peak Global Advisors LLC	2.06%

The Group has been included in the **FTSE 250** and **FTSE All-share Index Funds** since 18 June 2012

DELIVERING ON GROUP STRATEGY

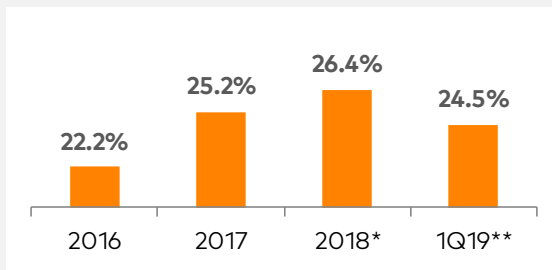


SUCCESSFUL TRACK RECORD OF DELIVERING STRONG RESULTS

BANKING BUSINESS KEY TARGETS

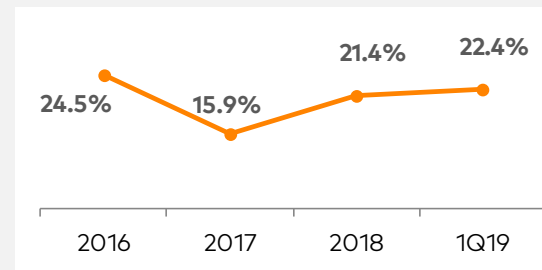
1

ROAE
20%+



2

Loan book
growth
15%-20%



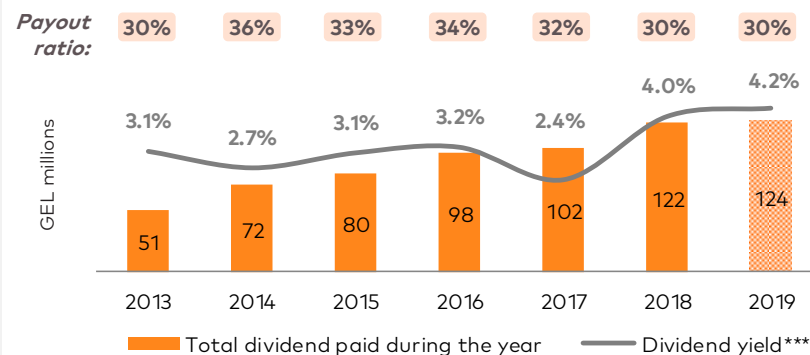
3

Robust
Capital
Management
Track
Record



- **Capital position:** We aim to maintain **+200bps buffer** for CET1 and Tier 1 ratios over minimum regulatory requirement
- **Maintain regular dividend payouts:** Aiming **25-40%** dividend payout ratio
- **GEL 500mln+** cash dividend paid since 2013, with **payout ratio above 30%** over past 6 years
- **Management trust buybacks:** GEL 52.0mln share buy-backs in 2018

Regular Dividends



* 2018 ROAE adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, GEL 30.3mln one-off impact of re-measurement of deferred tax balances and GEL 3.9mln (net of income tax) termination costs of the former CEO

** 1Q19 ROAE adjusted for GEL 10.2mln (net of income tax) termination costs of the former CEO and executive management

*** Dividend yield for 2013-2018 years is calculated based on the closing price of the shares immediately prior to ex-dividend date. Dividend yield for 2019 is calculated based on the closing price of the shares on 10 May 2019

RESULTS HIGHLIGHTS*



Income Statement | Quarterly **

GEL thousands unless otherwise noted	Banking Business				
	1Q19	1Q18	Change y-o-y	4Q18	Change q-o-q
Net interest income	182,941	180,249	1.5%	187,438	-2.4%
Net fee and commission income	42,180	34,511	22.2%	41,344	2.0%
Net foreign currency gain	30,025	14,253	110.7%	53,358	-43.7%
Net other income / (expense)	3,568	5,744	-37.9%	(9,073)	NMF
Operating income	258,714	234,757	10.2%	273,067	-5.3%
Operating expenses	(91,927)	(87,379)	5.2%	(100,857)	-8.9%
Profit from associates	188	318	-40.9%	318	-40.9%
Operating profit before cost of risk	166,975	147,696	13.1%	172,528	-3.2%
Cost of risk	(42,652)	(33,813)	26.1%	(40,778)	4.6%
Net operating profit before non-recurring items and income tax	124,323	113,883	9.2%	131,750	-5.6%
Net non-recurring items	(1,575)	(2,948)	-46.6%	(2,185)	-27.9%
Profit before income tax expense and one-off termination costs	122,748	110,935	10.6%	129,565	-5.3%
Income tax expense	(10,536)	(9,283)	13.5%	(10,888)	-3.2%
Profit adjusted for one-off termination costs	112,212	101,652	10.4%	118,677	-5.4%
One-off termination costs of former CEO and executive management (after tax)	(10, 240)	-	NMF	(3,861)	NMF
Profit	101,972	101,652	0.3%	114,816	-11.2%

Balance Sheet

GEL thousands unless otherwise noted	Banking Business				
	Mar-19	Mar-18	Change y-o-y	Dec-18	Change q-o-q
Liquid assets	4,502,390	4,514,326	-0.3%	4,540,032	-0.8%
Cash and cash equivalents	1,162,168	1,754,920	-33.8%	1,215,799	-4.4%
Amounts due from credit institutions	1,391,630	955,175	45.7%	1,305,216	6.6%
Investment securities	1,948,592	1,804,231	8.0%	2,019,017	-3.5%
Loans to customers and finance lease receivables	9,570,691	7,819,773	22.4%	9,397,747	1.8%
Property and equipment	349,728	324,810	7.7%	344,059	1.6%
Total assets	15,054,570	13,194,528	14.1%	14,798,303	1.7%
Client deposits and notes	8,393,861	7,296,110	15.0%	8,133,853	3.2%
Amounts due to credit institutions	2,463,408	2,642,427	-6.8%	2,994,879	-17.7%
Borrowings from DFI	1,309,976	1,191,605	9.9%	1,302,679	0.6%
Short-term loans from NBG	585,797	729,244	-19.7%	1,118,957	-47.6%
Loans and deposits from commercial banks	567,635	721,578	-21.3%	573,243	-1.0%
Debt securities issued	2,045,428	1,569,404	30.3%	1,730,414	18.2%
Total liabilities	13,135,789	11,597,058	13.3%	13,000,030	1.0%
Total equity	1,918,781	1,597,470	20.1%	1,798,273	6.7%

Key Ratios***

	1Q19	1Q18	4Q18
ROAA**	3.1%	3.2%	3.3%
ROAE**	24.5%	26.2%	27.0%
Net Interest Margin	5.8%	7.0%	6.0%
Loan Yield	12.2%	13.9%	12.8%
Liquid assets yield	3.8%	3.6%	3.8%
Cost of Funds	4.8%	4.8%	5.0%
Cost of Client Deposits and Notes	3.3%	3.4%	3.4%
Cost of Amounts Due to Credit Institutions	7.6%	6.9%	7.9%
Cost of Debt Securities Issued	7.8%	7.7%	7.8%
Cost / Income****	35.5%	37.2%	36.9%
NPLs to Gross Loans to Clients	3.3%	3.5%	3.3%
NPL Coverage Ratio	92.2%	101.2%	90.5%
NPL Coverage Ratio, Adjusted for discounted value of collateral	132.6%	143.2%	129.9%
Cost of Credit Risk	1.7%	1.8%	1.1%
NBG (Basel III) Tier I Capital Adequacy Ratio	12.7%	12.4%	12.2%
NBG (Basel III) Total Capital Adequacy Ratio	17.1%	17.3%	16.6%

* The detailed financials of the Group are provided on pages 54-55

** The income statement adjusted profit excludes GEL 10.2mln in 1Q19 (4Q18: GEL 3.9mln) one-off employee costs (net of income tax) related to former CEO and executive management termination benefits. The amount is comprised of GEL 4.0mln (gross of income tax) excluded from non-recurring items (4Q18: GEL 4.4mln) and GEL 7.8mln (gross of income tax) excluded from salaries and other employee benefits. 1Q19 and 4Q18 ROAE and ROAA have been adjusted accordingly. Full IFRS income statement is presented on page 54

*** For the definition of Key Ratios, refer to page 65

**** 1Q19 cost/income ratio adjusted for GEL 7.8mln one-off employee costs (gross of income tax) related to termination benefits of the former executive management

CONTENTS



▪ Group Overview	4
▪ Results Discussion	8
▪ Georgian Macro Overview	31
▪ Appendices	52

THE LEADING BANK IN GEORGIA

Strong profitability and growth momentum, on the back of outstanding capital and liquidity positions



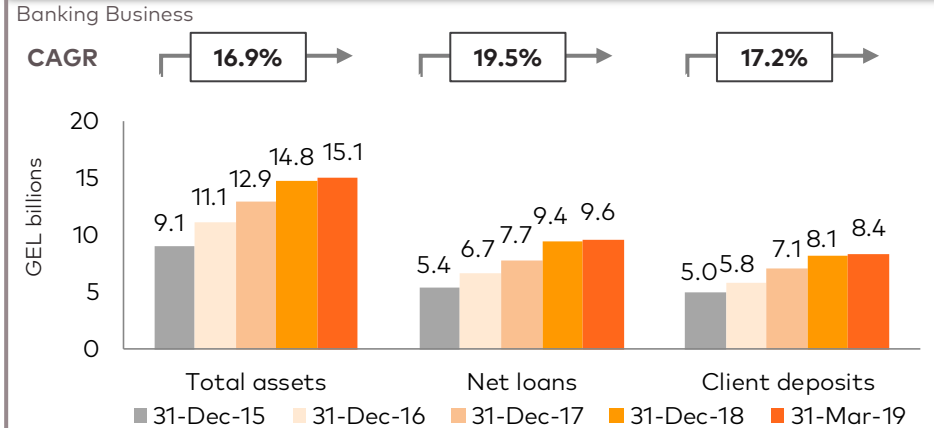
BOG – Leading Bank in Attractive Banking Sector

- **Top Systemically important financial institution in Georgia**
- **Market position in Georgia** by assets (35.1%), loans (33.8%), client deposits (34.6%) and equity (29.9%) as of 31 March 2019⁽¹⁾
- **Market with stable growth perspectives:** Real GDP average annual growth rate of 4.5 % for 2007-2018; 4.7% real GDP growth in 1Q19 according to Geostat. Loans to GDP increased from 8.8% to 64.2% during 2003-1Q19; Deposits to GDP increased from 8.4% to 55.4% over the same period
- **Strong brand name recognition and retail banking franchise:** Offers the broadest range of financial products to the retail market through a network of 271 branches, 886 ATMs, 3,152 Express Pay Terminals and c.2.5 million customers as of 31 March 2019
- **Sustainable high profitability** with average ROAE of more than 20% over the last three years on the back of strong NIM, low cost of risk and stringent cost control
- **Resilient credit profile:** Well-capitalised, diversified and high quality loan book and strong liquidity profile
- **High standards of transparency and governance:** The first entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012. LSE listed through GDRs since 2006

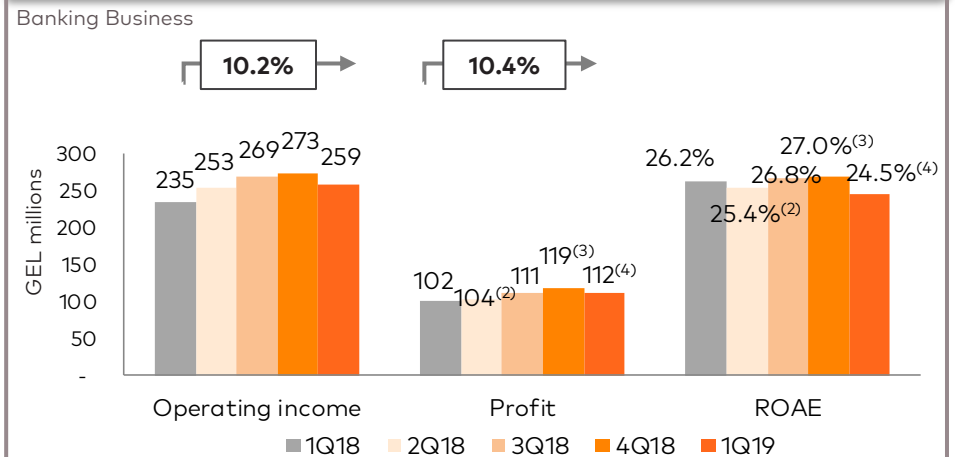
Credit ratings from global rating agencies

Rating Agency	Rating	Outlook	Affirmed
MOODY'S	Ba3/Ba2	Stable	14-Sep-17
FitchRatings	BB-	Stable	15-Apr-19

Balance Sheet Highlights



Income Statement Highlights



⁽¹⁾ Market data based on standalone accounts as published by the National Bank of Georgia (NBG) www.nbg.gov.ge

⁽²⁾ 2Q18 results adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, and GEL 30.3mln one-off impact of re-measurement of deferred tax balances

⁽³⁾ 4Q18 results adjusted for GEL 3.9mln (net of income tax) termination costs of the former CEO

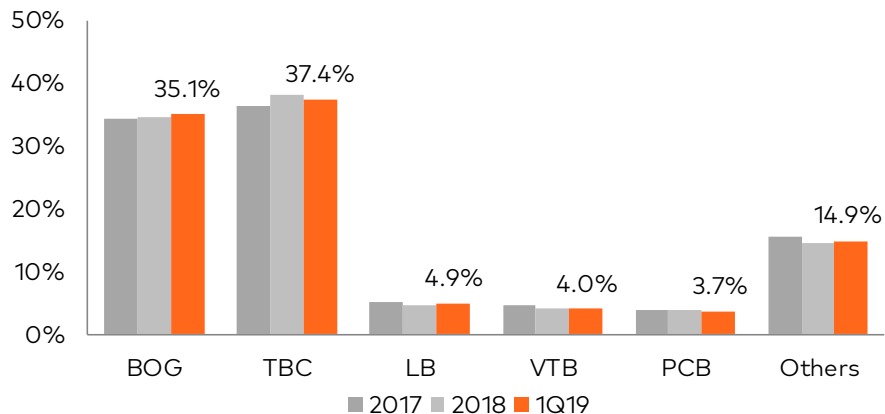
⁽⁴⁾ 1Q19 results adjusted for GEL 10.2mln (net of income tax) termination costs of the former CEO and executive management

THE COMPETITION

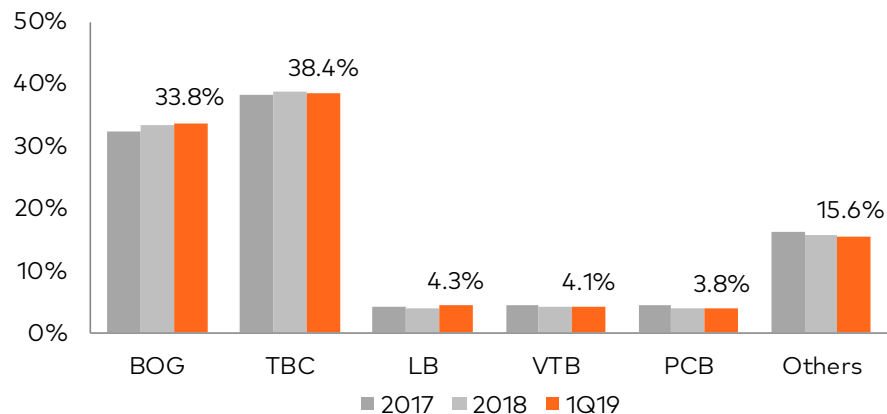
Leading market position in Georgia by assets (35.1%), loans (33.8%), client deposits (34.6%) and equity (29.9%)



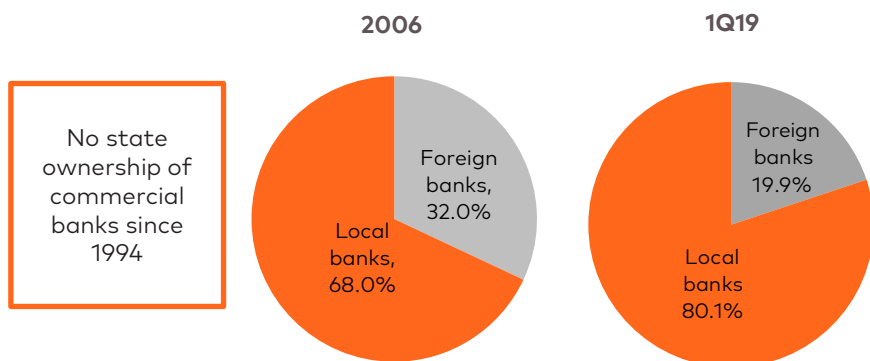
Peer group's market share in total assets



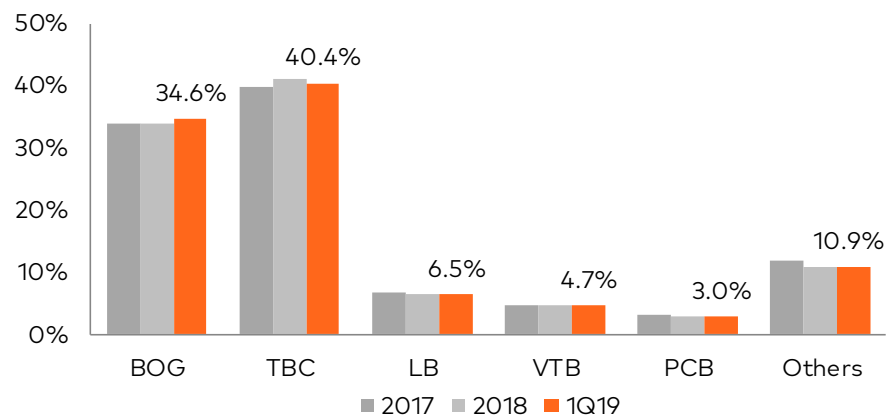
Peer group's market share in gross loans



Foreign banks market share by assets



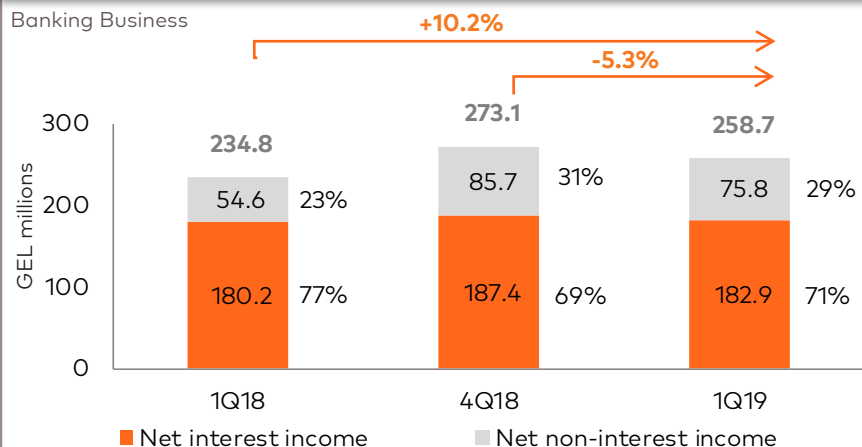
Peer group's market share in client deposits



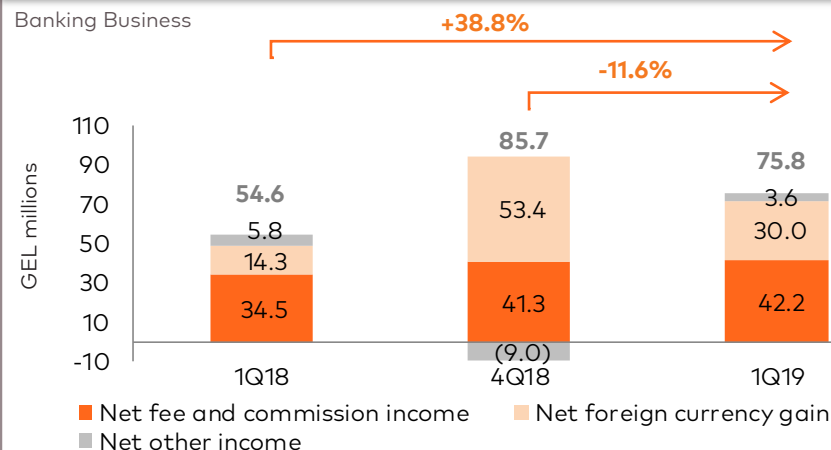
STRONG UNDERLYING PERFORMANCE



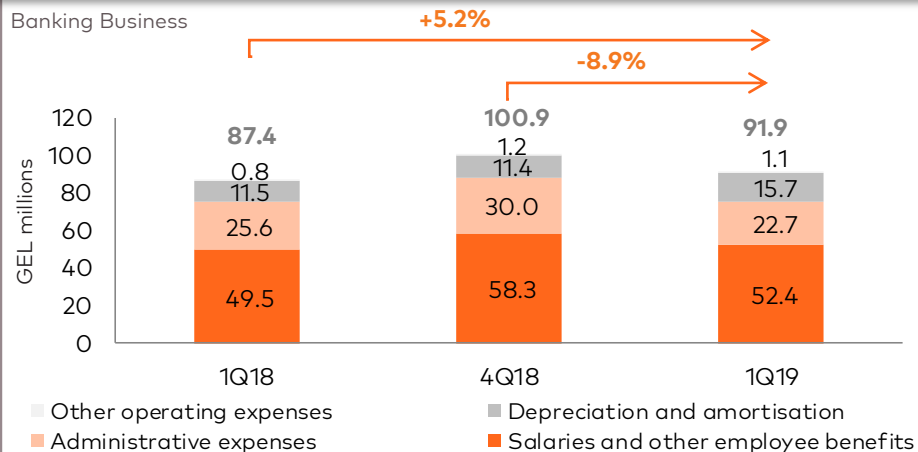
Operating income growth | quarterly



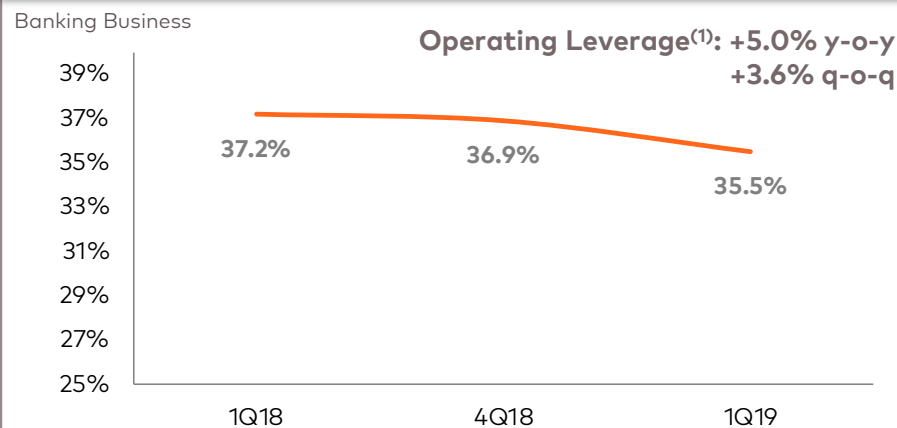
Net non-interest income | quarterly



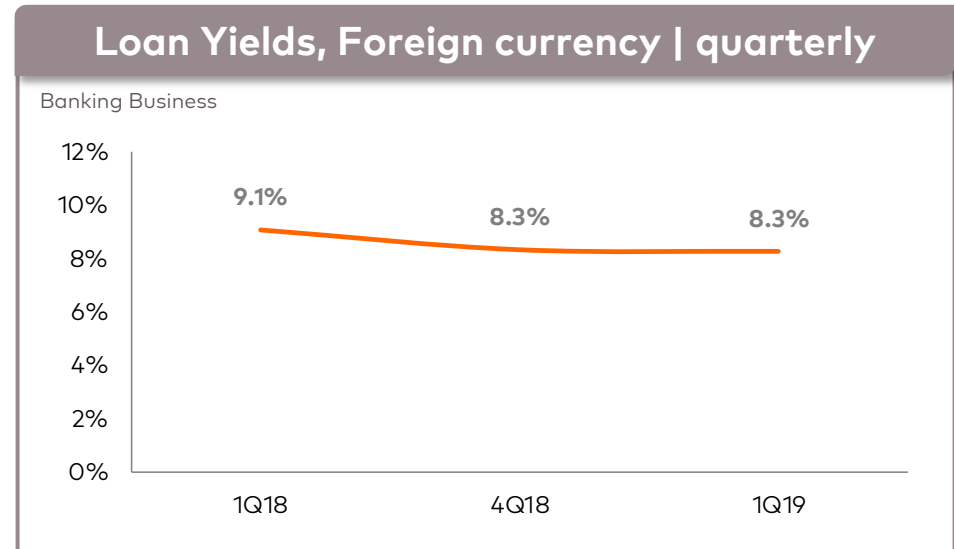
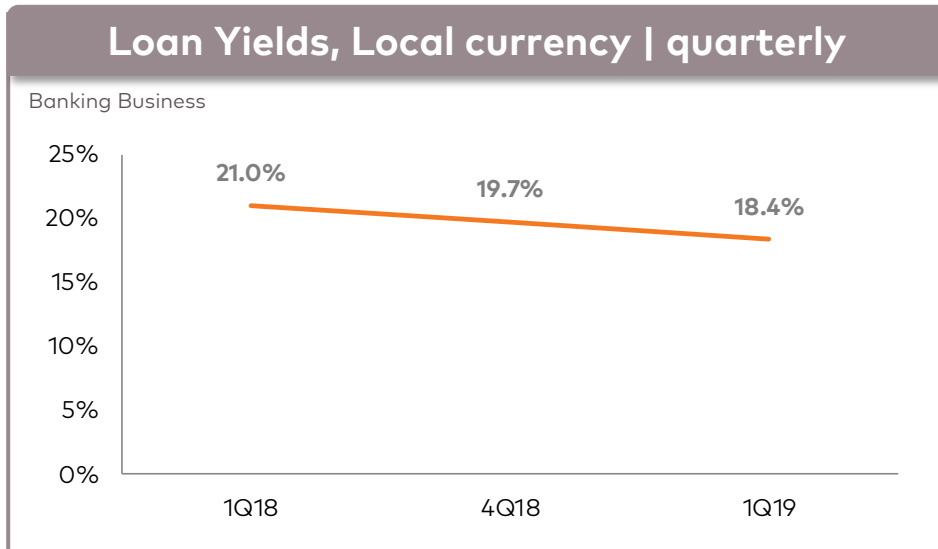
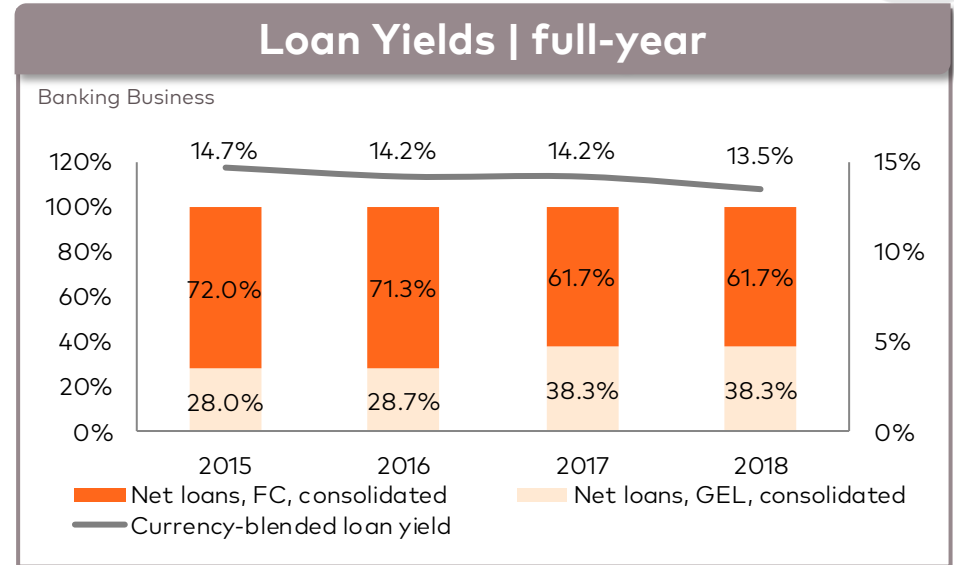
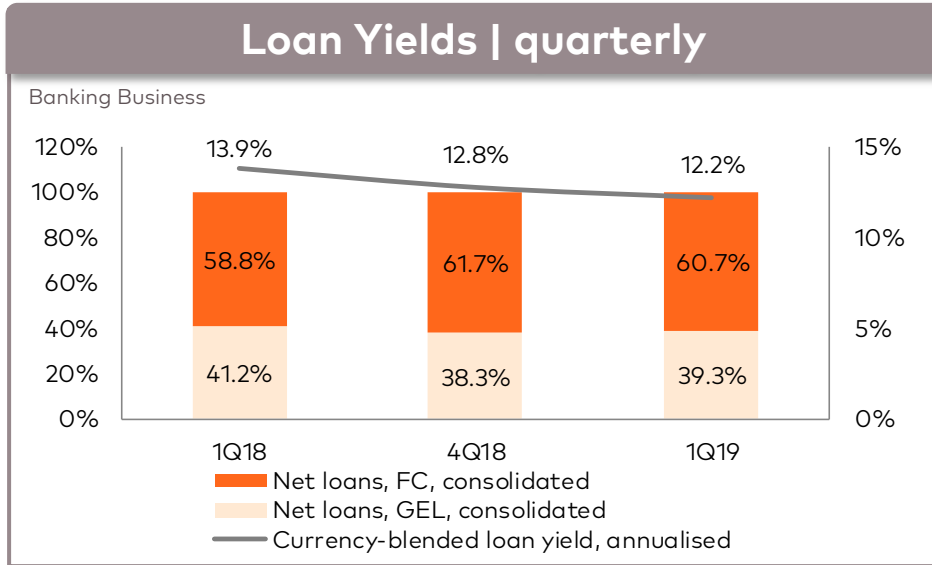
Operating expenses⁽¹⁾ | quarterly



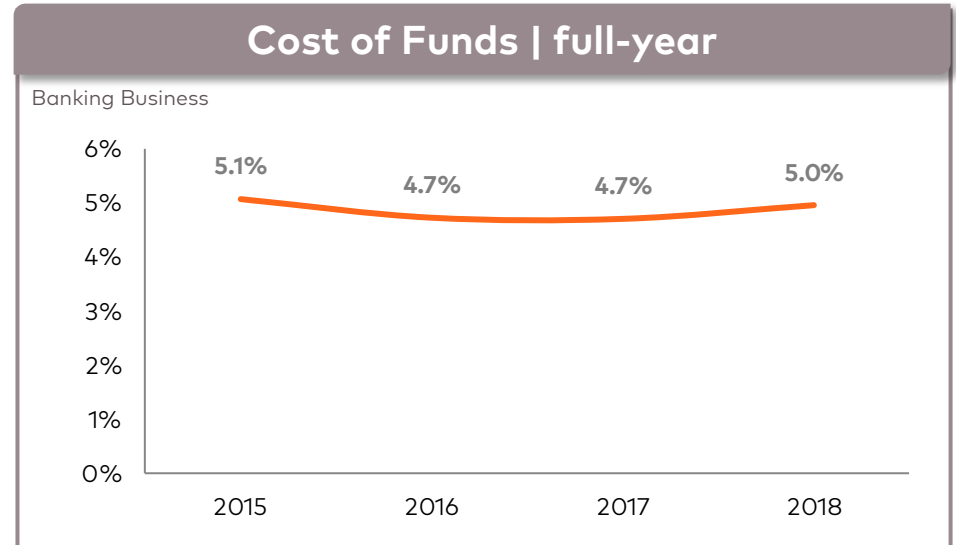
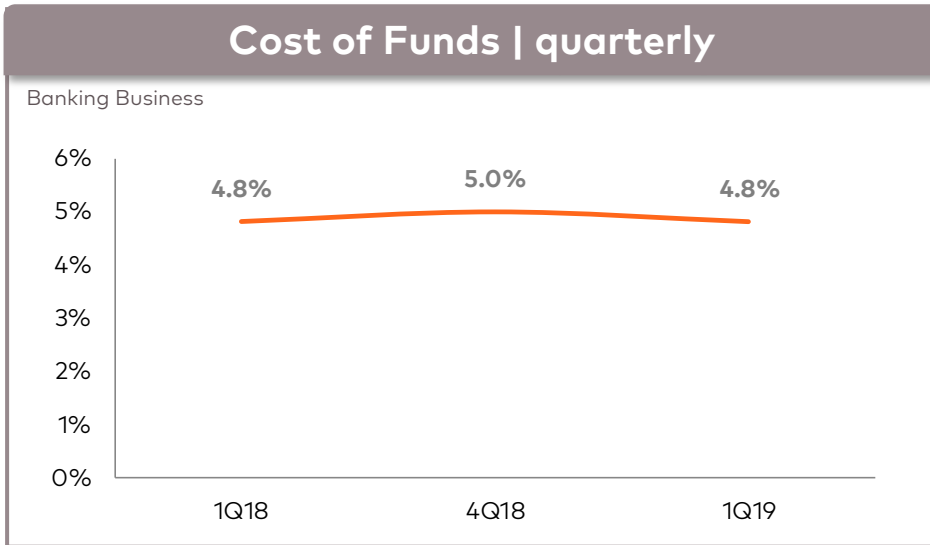
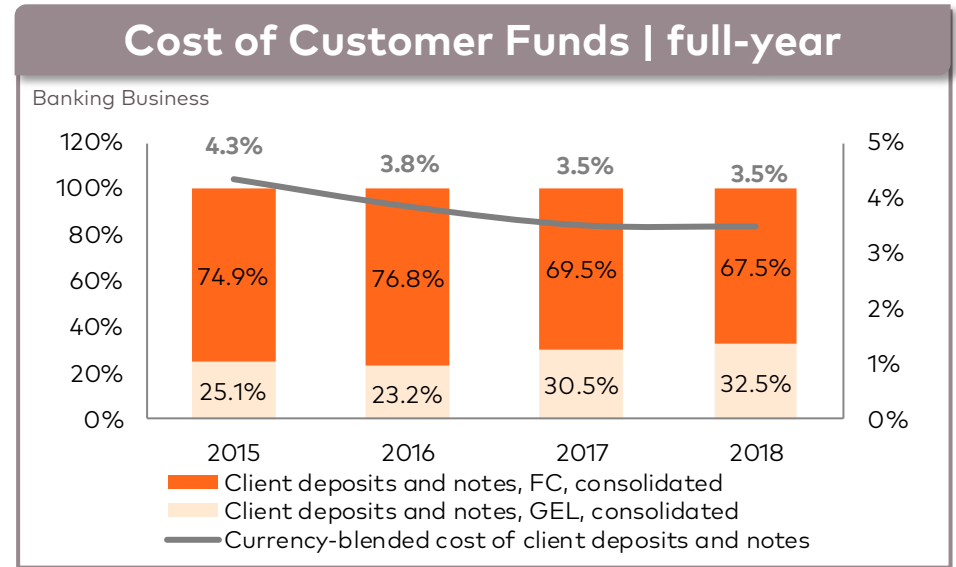
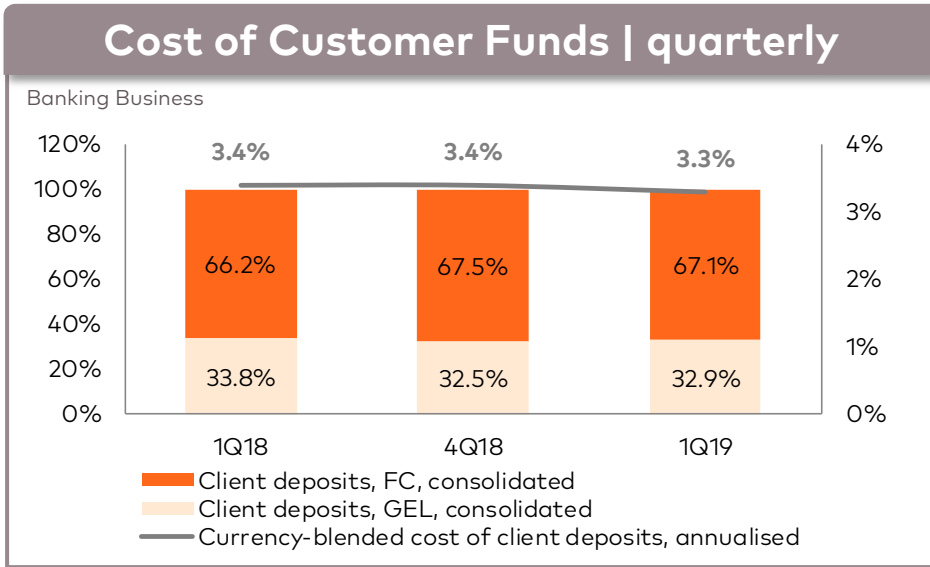
Cost / Income⁽¹⁾ | quarterly



GROWING INCOME NOTWITHSTANDING THE PRESSURE ON YIELDS



STABLE COST OF FUNDING



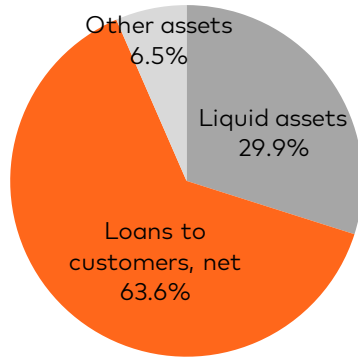
DIVERSIFIED ASSET STRUCTURE AND LOAN PORTFOLIO



Total asset structure | 31 March 2019

Banking Business

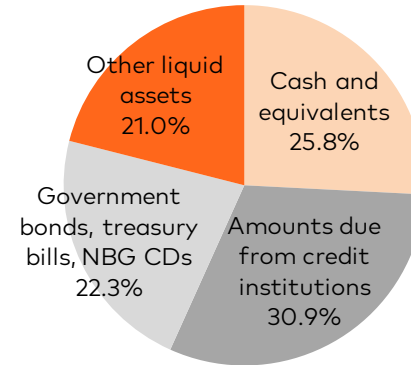
Total: **GEL 15.1bln**



Liquid assets | 31 March 2019

Banking Business

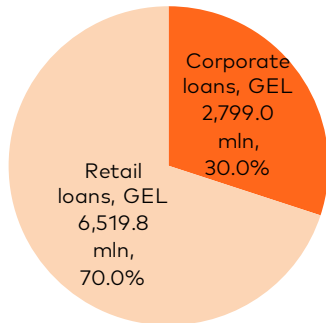
Total: **GEL 4.5bln**



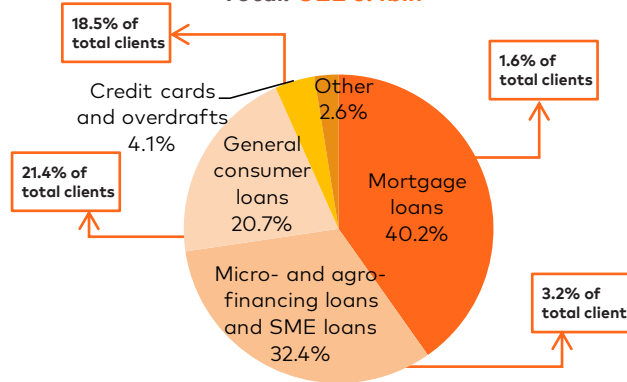
Loans breakdown | 31 March 2019

Bank of Georgia Standalone

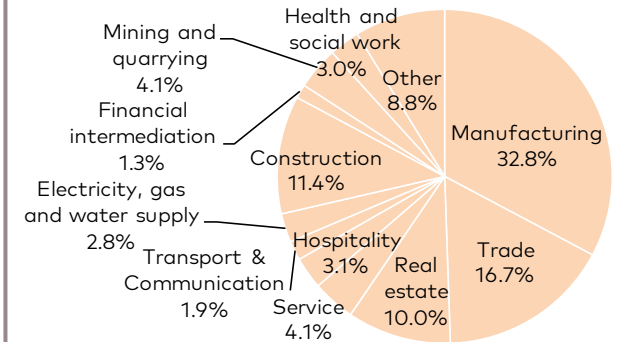
Total Gross Loans breakdown by segments Total: **GEL 9.3bln**



Retail Banking Net Loans breakdown by product Total: **GEL 6.4bln**



Corporate Investment Banking Gross Loans breakdown by sectors Total: **GEL 2.8bln**

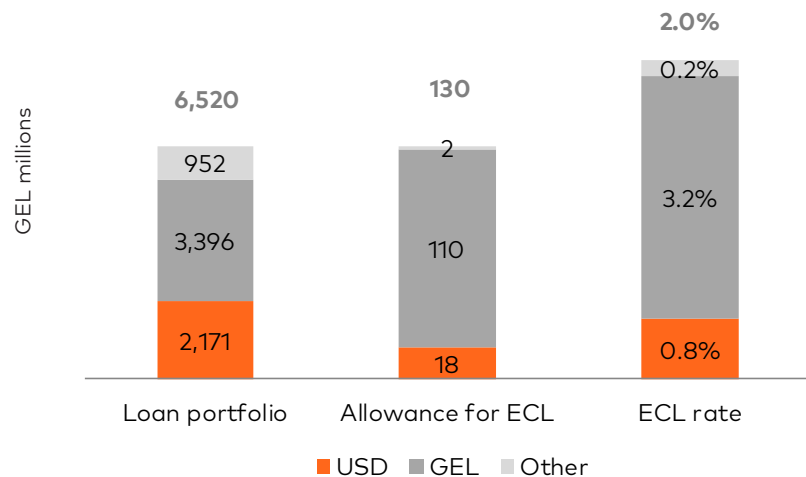


LOAN PORTFOLIO BREAKDOWN



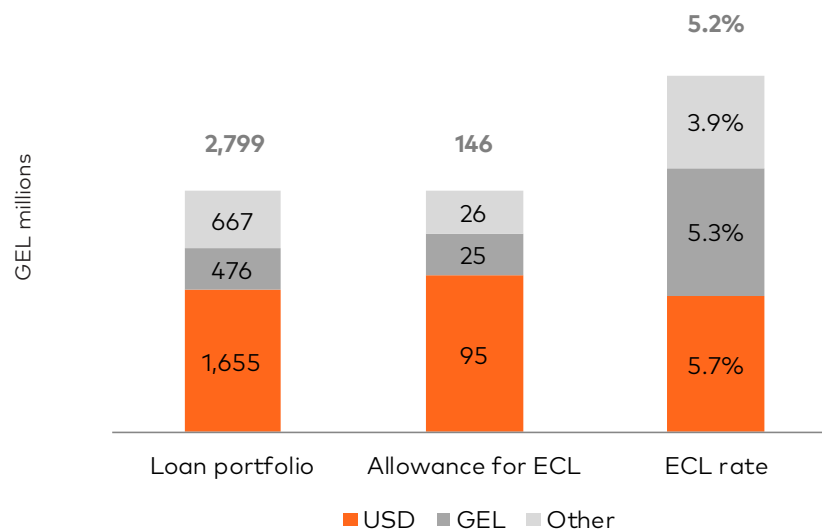
Retail Banking | 31 Mar 2019

JSC Bank of Georgia standalone



Corporate Investment Banking | 31 Mar 2019

JSC Bank of Georgia standalone



Amounts in GEL millions	RB Loan portfolio	% of total RB loan portfolio	Mortgages	Consumer loans*	SME & Micro
GEL and other currency loans*	4,348	66.7%	1,318	1,623	1,407
USD loans with USD income	397	6.1%	316	58	23
USD loans with non-USD income	1,774	27.2%	945	153	677
Total	6,520	100.0%	2,579	1,835	2,107

* Includes credit cards

Amounts in GEL millions	CB & WM Loan portfolio	% of total CB loan portfolio
GEL and other currency loans*	1,143	40.8%
USD loans with USD income	1,130	40.4%
USD loans with non-USD income	526	18.8%
Total	2,799	100.0%

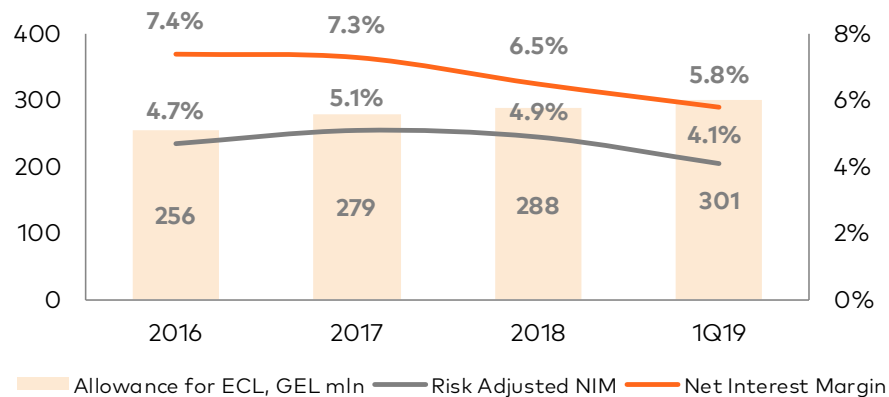
Note: Standalone figures derived from management accounts

RESILIENT LOAN PORTFOLIO QUALITY



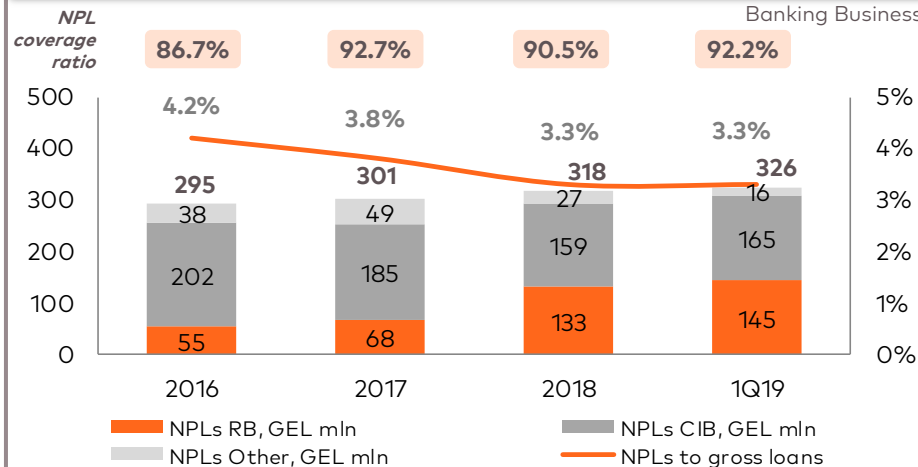
Expected credit loss and NIM

Banking Business



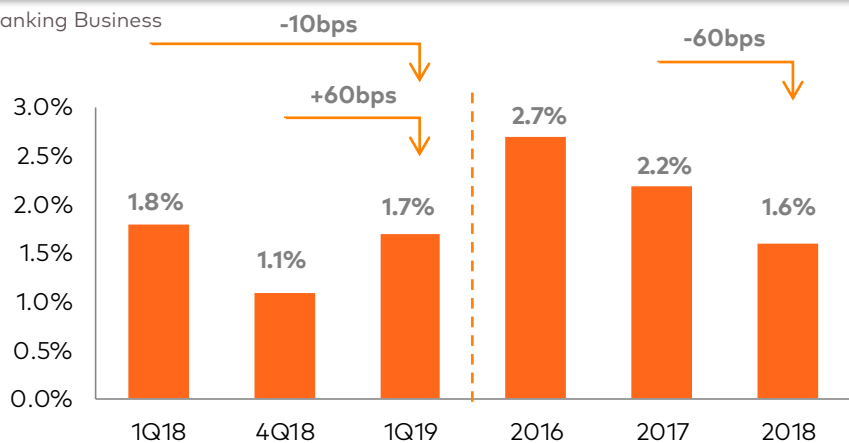
NPL composition

Banking Business



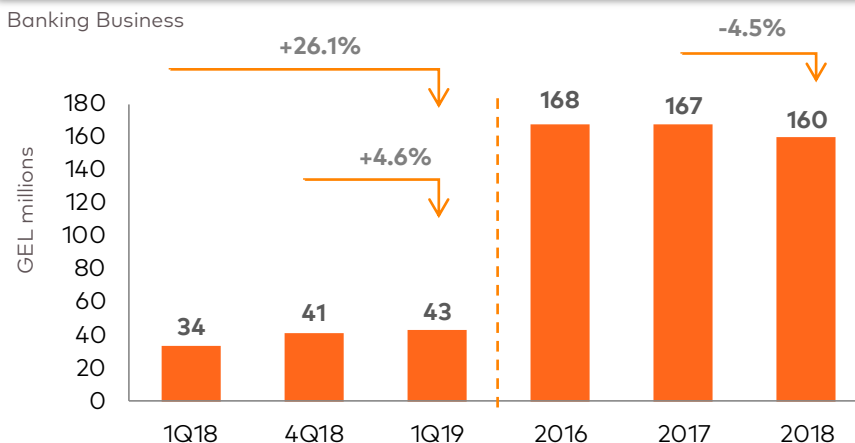
Cost of Credit Risk

Banking Business



Cost of Risk

Banking Business

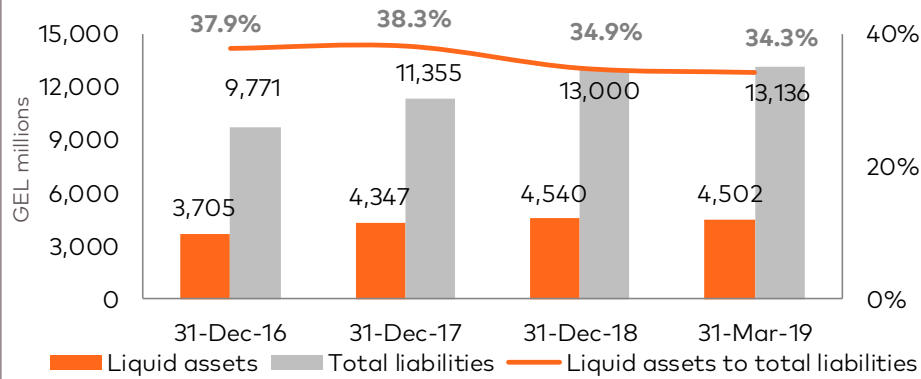


STRONG LIQUIDITY



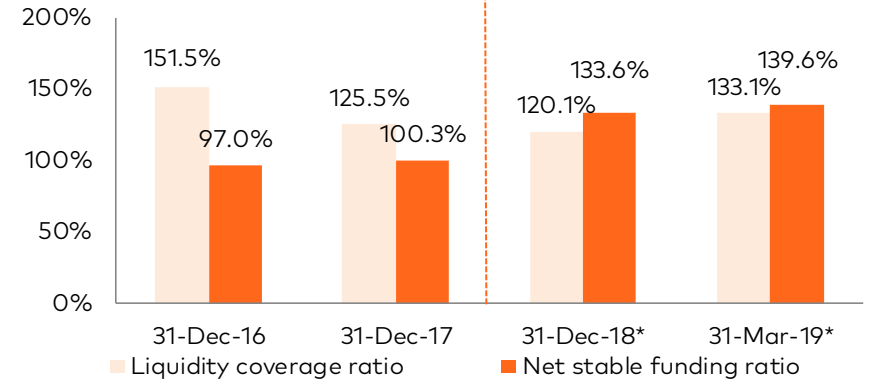
Liquid assets to total liabilities

Banking Business



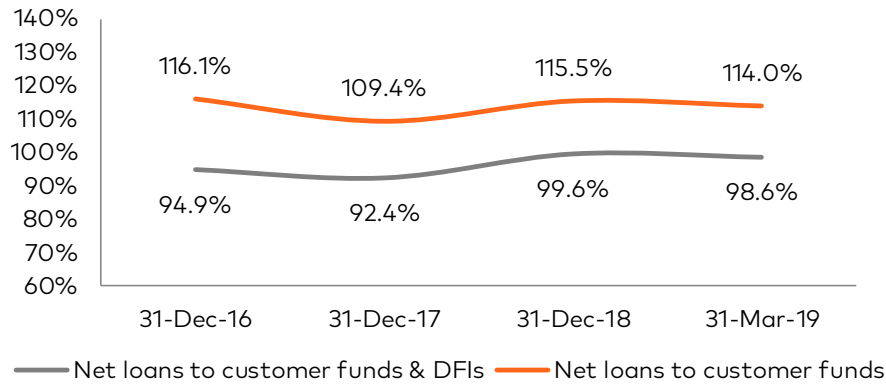
Liquidity coverage ratio & net stable funding ratio

JSC Bank of Georgia standalone (Basel III Liquidity)



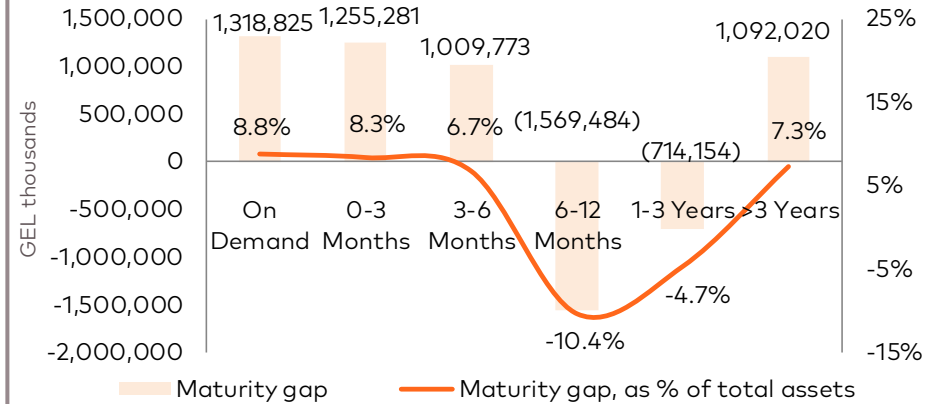
Net loans to customer funds & DFI

Banking Business



Cumulative maturity gap | 31 March 2019

Banking Business



STRONG NBG (BASEL III) CAPITAL ADEQUACY POSITION



Capital adequacy requirements introduced by National Bank of Georgia in December 2017

Transition to Basel III Standards:

- Systemic capital surcharge:** 2.5% of risk weighted assets to be phased-in during the following years as per below schedule:

	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Systemic Buffer	0%	1.0%	1.5%	2.0%	2.5%

- Currency induced credit risk ("CICR") buffer** was introduced instead of additional 75% weighting of FX denominated loans. 56% of CICR buffer should be held on CET1 level, 75% on Tier 1 level and 100% on total capital
- General Risk Assessment Program ("GRAPE")** for individual banks: GRAPE buffer is set at 2.2%. GRAPE buffer will be reviewed annually and will be phased-in on different levels of capital according to the below schedule:

	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
CET 1	0%	15%	30%	45%	56%
Tier 1	0%	20%	40%	60%	75%
Total Capital	0%	100%	100%	100%	100%

- Credit Portfolio Concentration buffer**, effective from 1 April 2018 and phased in over the four year period on different levels of capital according to the above schedule
- Net Stress Test buffer** effective from 1 January 2020

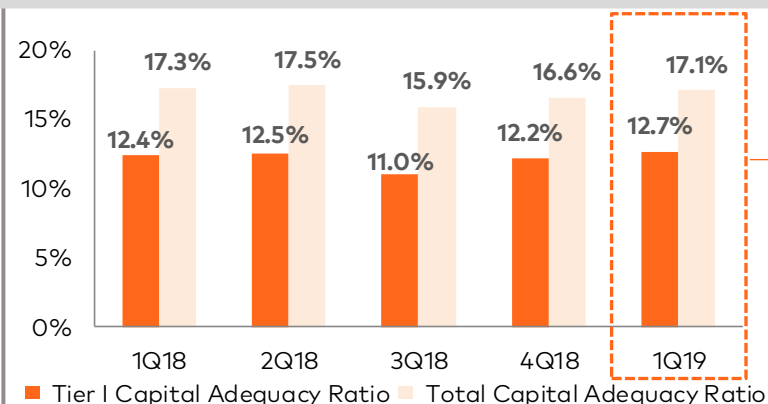
- In the view of above, Bank of Georgia is subject to the following minimum capital requirements:

	31-Dec-17	31-Dec-18	31-Mar-19	31-Dec-19 Estimate*	31-Dec-20 Estimate*	Fully Loaded range* from 31-Dec-21
CET 1	8.1%	9.5%	9.6%	10.4%	11.1%	11.1% - 11.8%
Tier 1	9.9%	11.4%	11.6%	12.5%	13.3%	13.2% - 14.1%
Total Capital	12.4%	15.9%	16.1%	16.5%	16.7%	16.0% - 17.1%

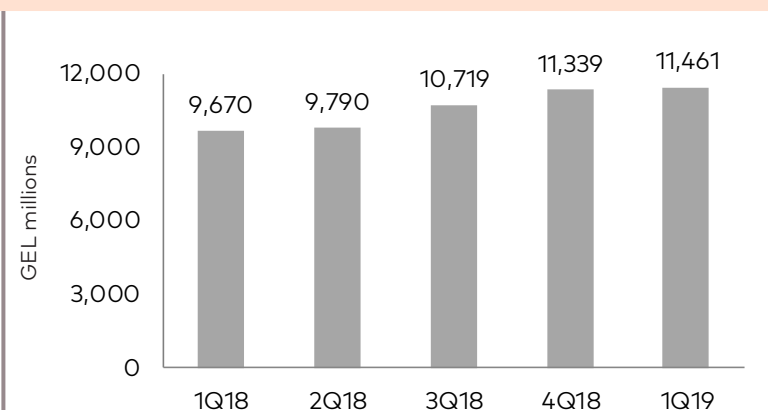
* Indicated minimum capital adequacy ratios contain Pillar 1 and Pillar 2 buffer estimates. Range provides our best minimum and maximum estimates of the variable buffers

Transition to Basel III is not expected to affect the Bank's growth prospects or its ability to maintain dividend distributions within the existing dividend policy payout range

Capital Adequacy Ratios



Risk Weighted Assets

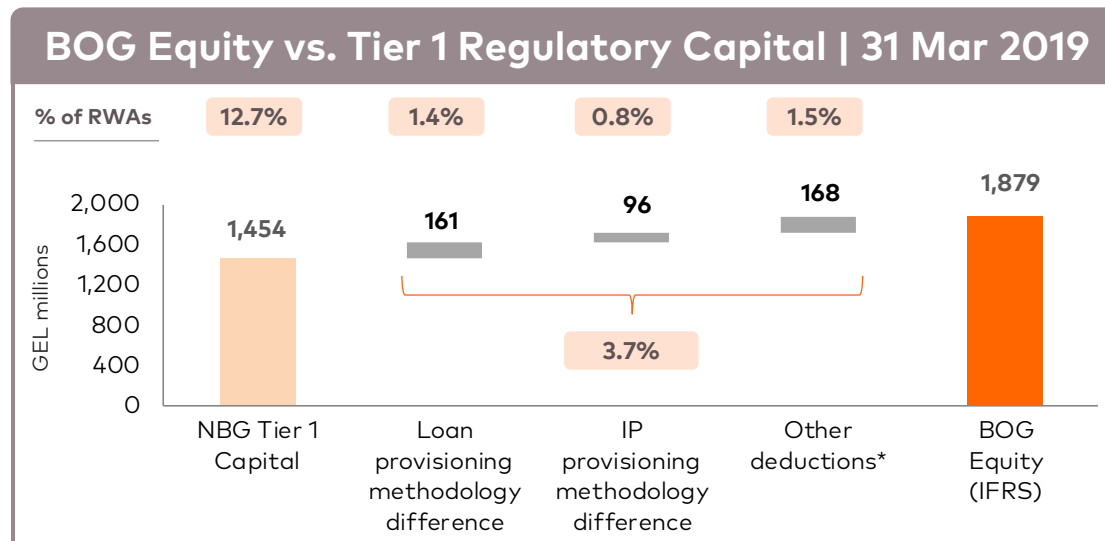


STRONG NBG (BASEL III) CAPITAL ADEQUACY POSITION



Capital Management

- **Fully-loaded Common Equity Tier 1 (CET1) and Tier 1 minimum requirement already achieved**
 - CET1 ratio stood at **12.7%** compared to **9.6%** minimum requirement at 31 March 2019, and already above the estimated fully-loaded CET1 requirement range of 11.1% to 11.8% for 31 December 2021
 - Tier 1 ratio stood at **12.7%** compared to **11.6%** minimum requirement at 31 March 2019. The issuance of US\$ 100 million AT1 notes in March 2019, with classification as AT1 instrument since April 2019, will add **c.230bps** to Tier 1 ratio, therefore, already above the estimated fully-loaded Tier 1 requirement range of 13.2% to 14.1% for 31 December 2021
- **Capital Adequacy**
 - Robust internal capital generation per annum
 - Existing additional capital buffers (within **c.2.2% of RWAs**) reflecting differences in provisioning between NBG methodology and IFRS 9
- **Capital Buffer**
 - We aim to maintain **c.+200bps** for CET1 and Tier 1 capital ratios over minimum regulatory requirements



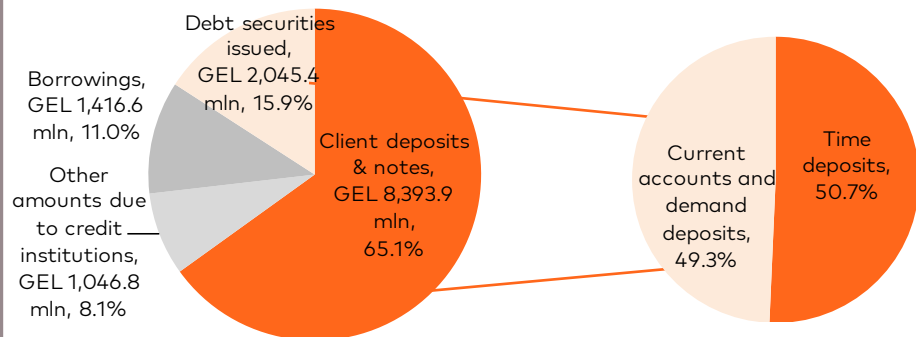
WELL-ESTABLISHED FUNDING STRUCTURE



Interest Bearing Liability structure | 31 March 2019

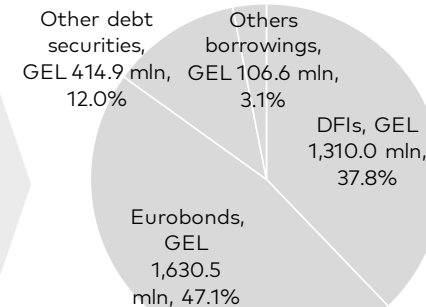
Banking Business

Interest Bearing Liabilities GEL 12.9bln



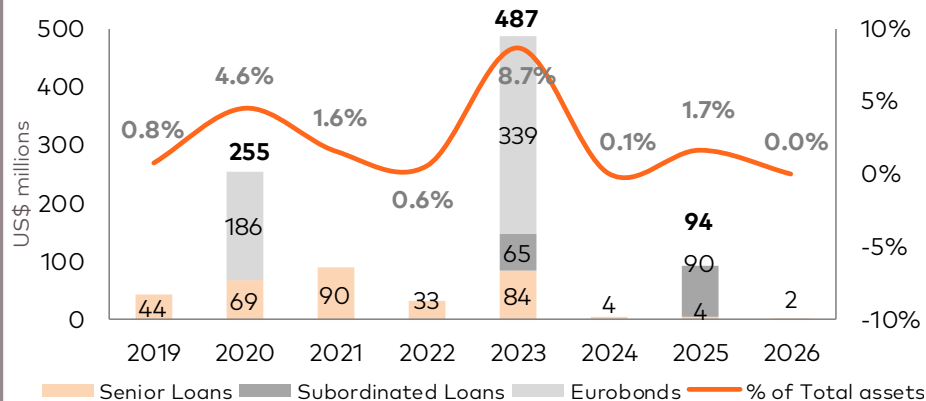
Well diversified international borrowings | 1Q19

Banking Business



Borrowed funds maturity breakdown*

Banking Business



Highlights for 1Q19

- Banking Business has a well-balanced funding structure with 65.1% of interest bearing liabilities coming from client deposits and notes, 10.2% from Developmental Financial Institutions (DFIs) and 12.6% from Eurobonds and notes issued, as of 31 March 2019
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, EFSE, BSTDB, FMO, DEG, etc.
- As of 31 March 2019, GEL 150 million undrawn facilities from DFIs with up to eight years maturity
- In July 2016, BGEO Group issued 7 year, US\$ 350mln Eurobonds with 6.00% coupon (bonds were pushed down to BOG in March 2018). Bonds were trading at 5.488%** on 10 May 2019
- In June 2017, BOG issued 3 year, GEL 500mln local currency international bonds with 11.00% coupon. Bonds were trading at 10.471%** on 10 May 2019
- In March 2019, BOG issued US\$ 100mln 11.125% Additional Tier 1 capital perpetual subordinated notes callable after 5.25 years and on every subsequent interest payment date, subject to prior consent of the NBG. Notes were trading at 10.689%** on 10 May 2019



BANK OF GEORGIA

* converted at GEL/US\$ exchange rate of 2.6914 as of 31 March 2019

** source: Bloomberg

RETAIL BANKING HIGHLIGHTS



Data as at 31 March 2019 for JSC Bank of Georgia standalone

	1  BANK OF GEORGIA EXPRESS	2  BANK OF GEORGIA	3  SOLO	4  BANK OF GEORGIA BUSINESS
Segments	Emerging Retail	Mass Retail	Mass Affluent	MSME
Clients	538 k	1,662 k	47 k	208 k
Loans	GEL 300 mln	GEL 2,068 mln	GEL 1,870 mln	GEL 2,281 mln
Deposits	GEL 231 mln	GEL 1,860 mln	GEL 1,747 mln	GEL 682 mln
1Q19 Profit*	GEL 4 mln	GEL 29 mln	GEL 19 mln	GEL 17 mln
Profit per client*	GEL 28	GEL 71	GEL 1,625	GEL 346
P/C ratio	3.3	1.7	5.4	1.4
Branches	166	93	12	n/a

RETAIL BANKING HIGHLIGHTS

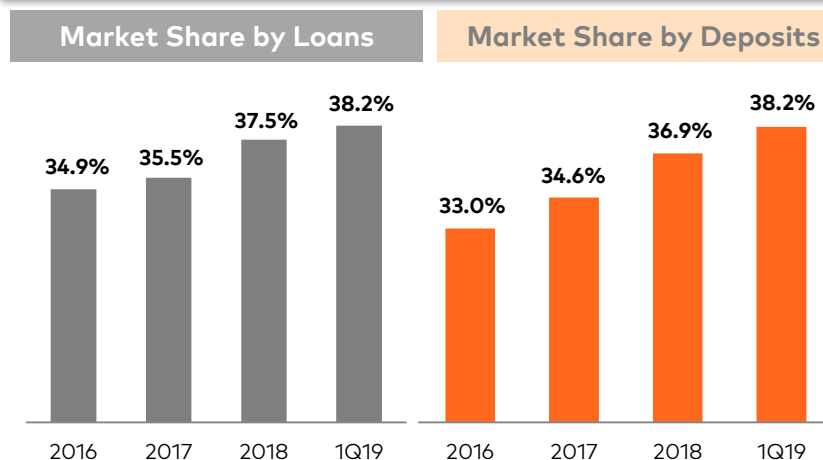


Income Statement Highlights*

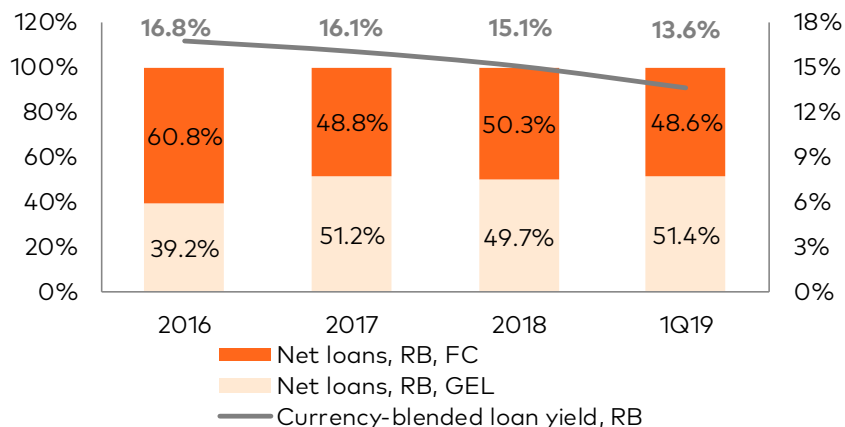
GEL thousands unless otherwise noted

	1Q19	1Q18	Change y-o-y	4Q18	Change q-o-q
Net interest income	130,987	135,454	-3.3%	136,895	-4.3%
Net fee and commission income	32,435	26,141	24.1%	32,915	-1.5%
Net foreign currency gain	13,240	4,349	NMF	24,047	-44.9%
Net other income / (expense)	2,168	3,102	-30.1%	(5,421)	NMF
Operating income	178,830	169,046	5.8%	188,436	-5.1%
Salaries and other employee benefits	(33,874)	(32,112)	5.5%	(37,052)	-8.6%
Administrative expenses	(15,796)	(19,541)	-19.2%	(21,620)	-26.9%
Depreciation and amortisation	(13,287)	(9,902)	34.2%	(9,857)	34.8%
Other operating expenses	(536)	(503)	6.6%	(638)	-16.0%
Operating expenses	(63,493)	(62,058)	2.3%	(69,167)	-8.2%
Profit from associate	188	318	-40.9%	318	-40.9%
Operating profit before cost of risk	115,525	107,306	7.7%	119,587	-3.4%
Cost of risk	(39,386)	(28,453)	38.4%	(37,488)	5.1%
Net operating profit before non-recurring items and income tax	76,139	78,853	-3.4%	82,099	-7.3%
Net non-recurring items	(276)	(1,976)	-86.0%	(778)	-64.5%
Profit before income tax and one-off termination costs	75,863	76,877	-1.3%	81,321	-6.7%
Income tax expense	(6,101)	(6,060)	0.7%	(6,155)	-0.9%
Profit adjusted for one off termination costs	69,762	70,817	-1.5%	75,166	-7.2%
One-off termination costs (after tax)	(7,075)	-	NMF	(2,939)	140.7%
Profit	62,687	70,817	-11.5%	72,227	-13.2%

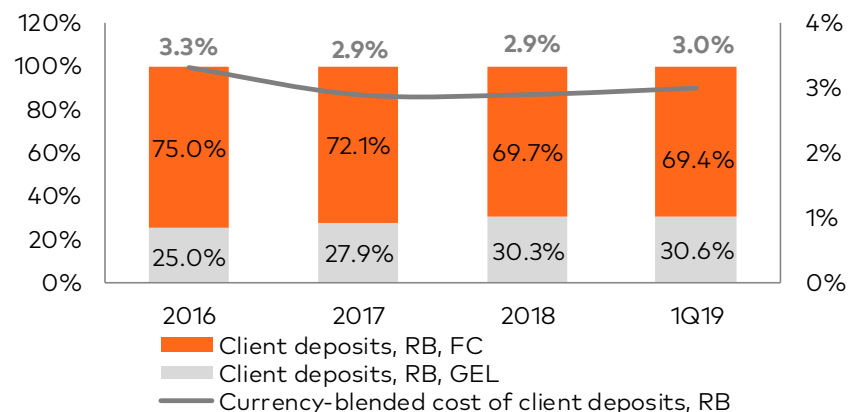
Market Position**



Loan Yield



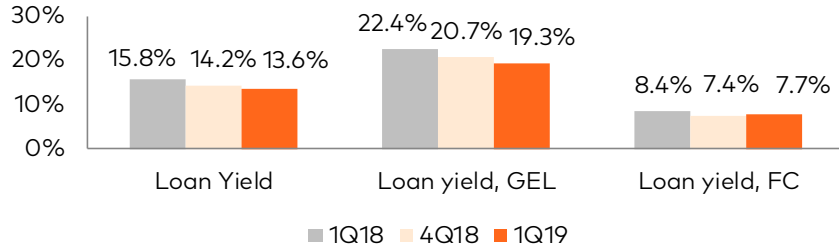
Deposit Cost



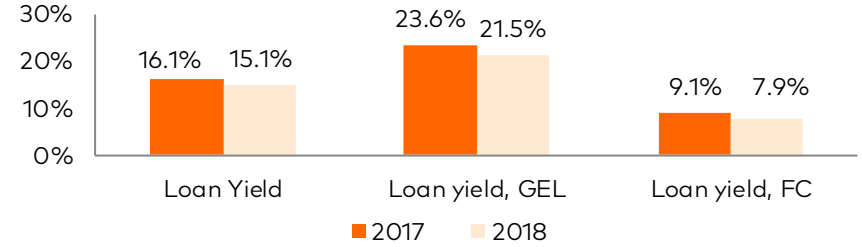
RETAIL BANKING LOAN YIELD, COST OF DEPOSITS & NIM



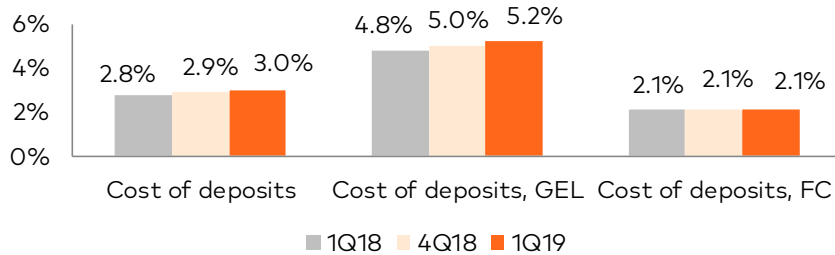
RB Loan Yield I quarterly



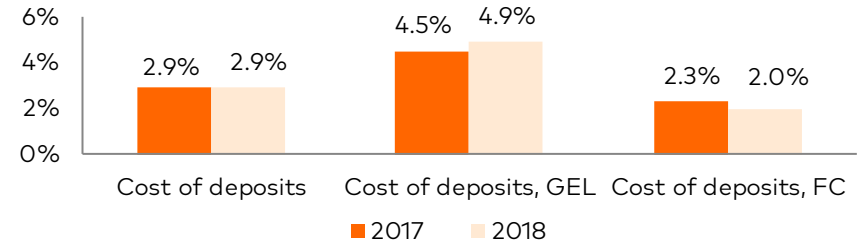
RB Loan Yield I full-year



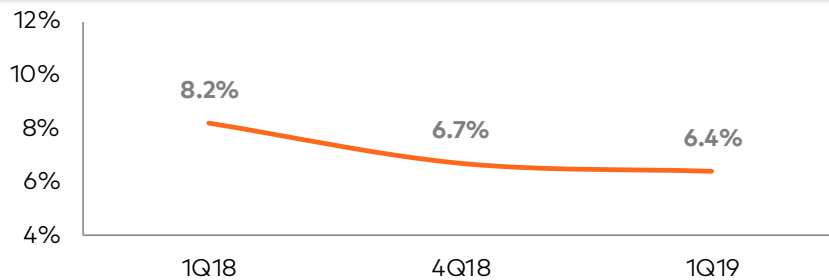
RB Cost of Deposit I quarterly



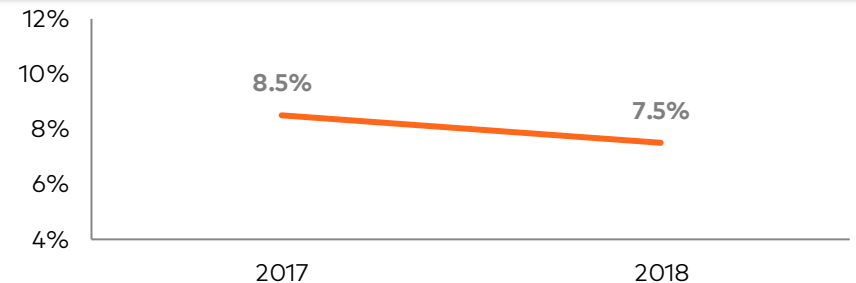
RB Cost of Deposit I full-year



RB NIM I quarterly



RB NIM I full-year



RETAIL BANKING - LEADING RETAIL BANK IN GEORGIA



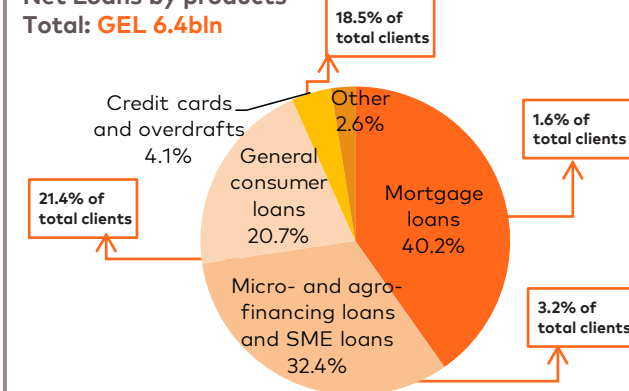
RB Client Data

Operating Data, GEL mln	1Q19	% of clients	2018	2017	2016
Number of total Retail clients, of which:	2,454,678		2,440,754	2,315,038	2,141,229
<i>Number of Solo clients</i>	47,057	1.9%	44,292	32,104	19,267
Consumer loans & other outstanding, volume	1,546		1,555	1,480	1,104
Consumer loans & other outstanding, number	525,709	21.4%	566,740	738,694	647,441
Mortgage loans outstanding, volume	2,579		2,539	1,706	1,228
Mortgage loans outstanding, number	39,699	1.6%	39,007	26,643	16,300
Micro & SME loans outstanding, volume	2,107		2,005	1,637	1,346
Micro & SME loans outstanding, number	77,833	3.2%	68,832	53,732	36,379
Credit cards and overdrafts outstanding, volume	289		290	308	291
Credit cards and overdrafts outstanding, number	455,158	18.5%	454,512	480,105	442,487
Credit cards outstanding, number, of which:	512,169	20.9%	547,038	673,573	800,621
<i>American Express cards</i>	103,275	4.2%	105,899	97,178	79,567

RB Portfolio | 31 Mar 2019

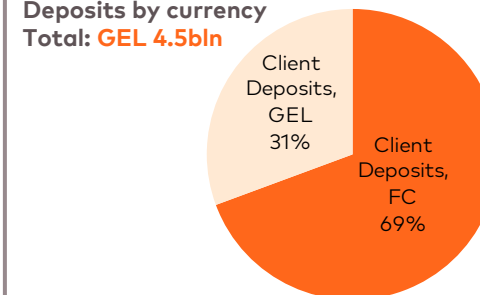
Net Loans by products

Total: **GEL 6.4bln**



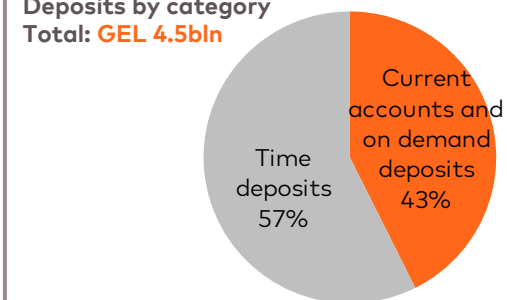
Deposits by currency

Total: **GEL 4.5bln**



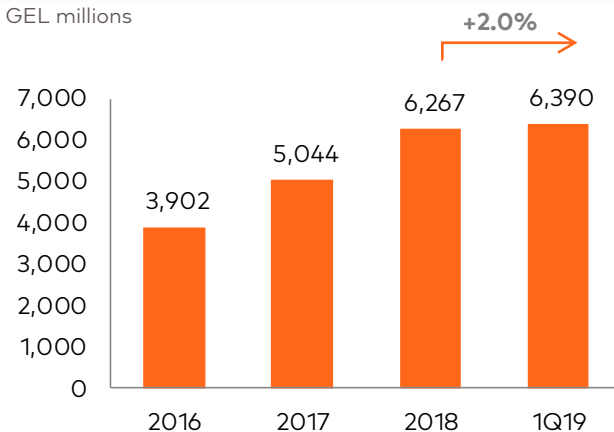
Deposits by category

Total: **GEL 4.5bln**



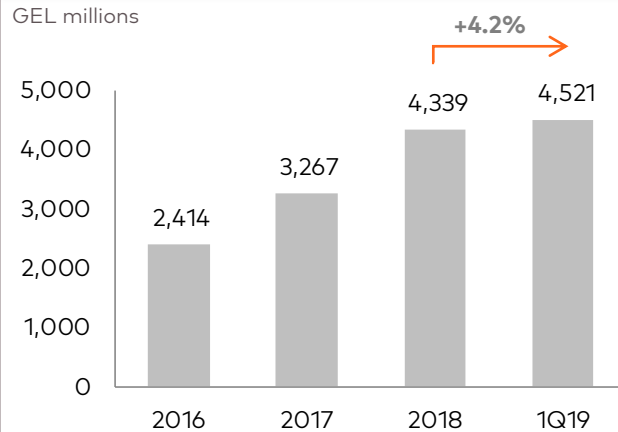
RB Loans

GEL millions



RB Deposits

GEL millions



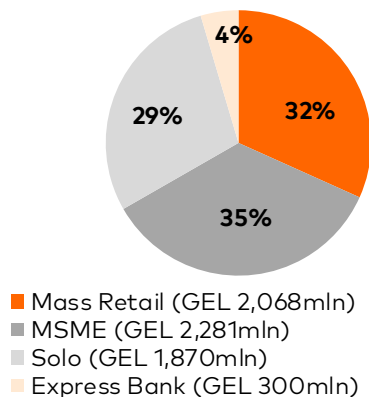
RETAIL BANKING FINANCIAL DATA



Balance Sheet | 31 March 2019

JSC Bank of Georgia Standalone

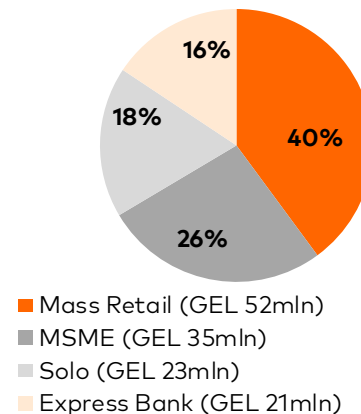
Total Gross Loans
GEL 6,520mln



Income Statement | 1Q19

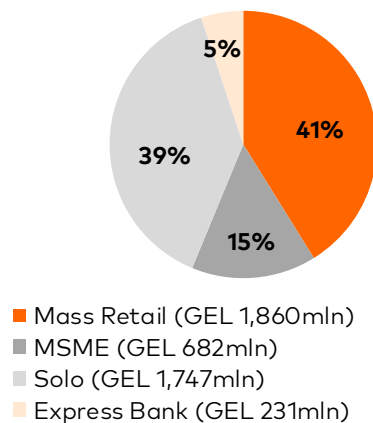
JSC Bank of Georgia Standalone

Net Interest Income
GEL 131mln



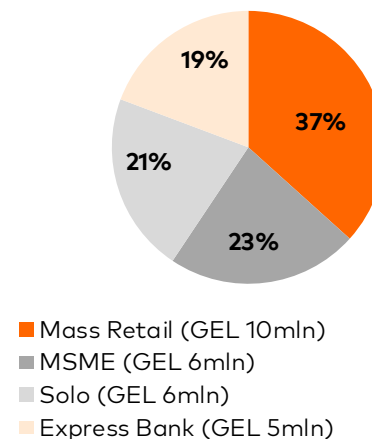
JSC Bank of Georgia Standalone

Total Deposits
GEL 4,521mln



JSC Bank of Georgia Standalone

Net Fee & Commission Income
GEL 27mln

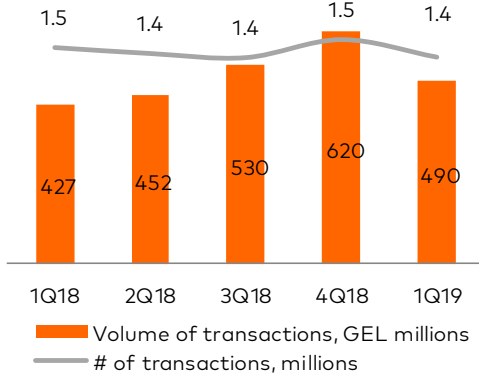


RETAIL BANKING – DIGITAL PENETRATION

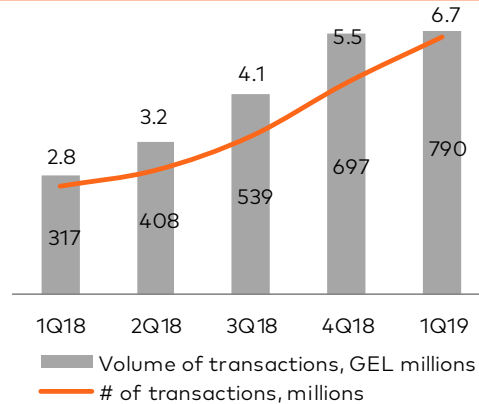


Digital Channel Statistics

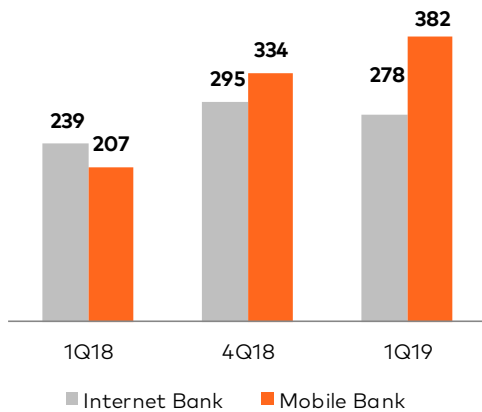
Internet Bank Transactions



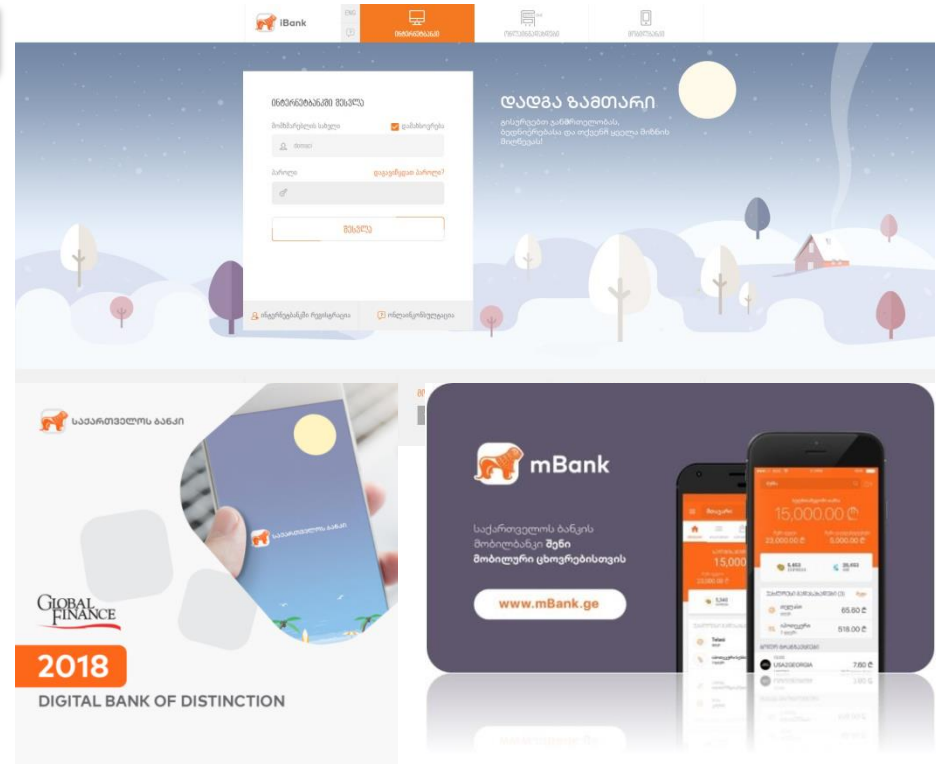
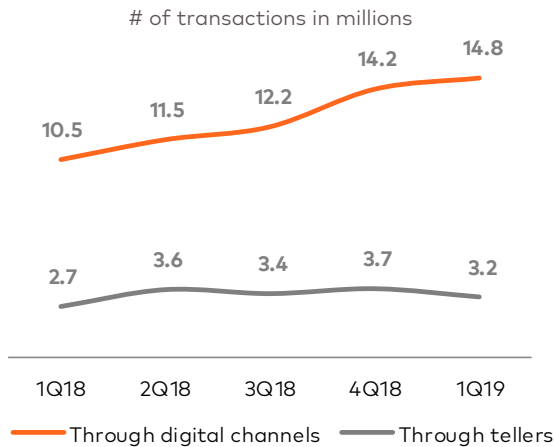
Mobile Bank Transactions



Number of Active Users | '000

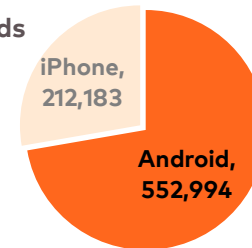


Digital vs. Non-digital Transactions



mBank Downloads

765,177 mBank downloads since May 2017



169,636 mBank downloads in 1Q19

CORPORATE INVESTMENT BANKING HIGHLIGHTS

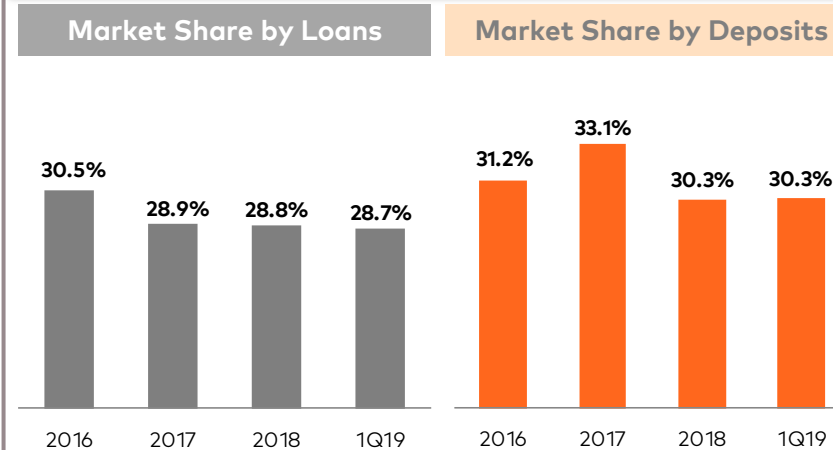


Income Statement Highlights*

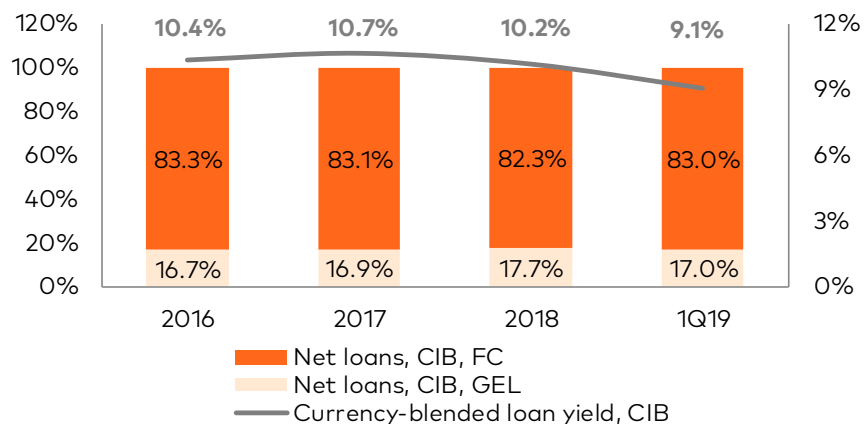
GEL thousands unless otherwise noted

	1Q19	1Q18	Change y-o-y	4Q18	Change q-o-q
Net interest income	45,679	38,232	19.5%	43,696	4.5%
Net fee and commission income	8,151	6,198	31.5%	6,939	17.5%
Net foreign currency gain	13,104	6,644	97.2%	23,984	-45.4%
Net other income / (expense)	1,386	2,797	-50.4%	(3,451)	NMF
Operating income	68,320	53,871	26.8%	71,168	-4.0%
Salaries and other employee benefits	(12,439)	(12,595)	-1.2%	(14,645)	-15.1%
Administrative expenses	(4,027)	(3,459)	16.4%	(4,921)	-18.2%
Depreciation and amortisation	(1,701)	(1,309)	29.9%	(1,122)	51.6%
Other operating expenses	(203)	(143)	42.0%	(347)	-41.5%
Operating expenses	(18,370)	(17,506)	4.9%	(21,035)	-12.7%
Operating profit before cost of risk	49,950	36,365	37.4%	50,133	-0.4%
Cost of risk	(1,824)	(4,643)	-60.7%	(3,407)	-46.5%
Net operating profit before non-recurring items and income tax	48,126	31,722	51.7%	46,726	3.0%
Net non-recurring items	(72)	(272)	-73.5%	(619)	-88.4%
Profit before income tax and one-off termination costs	48,054	31,450	52.8%	46,107	4.2%
Income tax expense	(3,864)	(2,444)	58.1%	(3,571)	8.2%
Profit adjusted for one-off termination costs	44,190	29,006	52.3%	42,536	3.9%
One-off termination costs (after tax)	(3,165)	-	NMF	(922)	NMF
Profit	41,025	29,006	41.4%	41,614	-1.4%

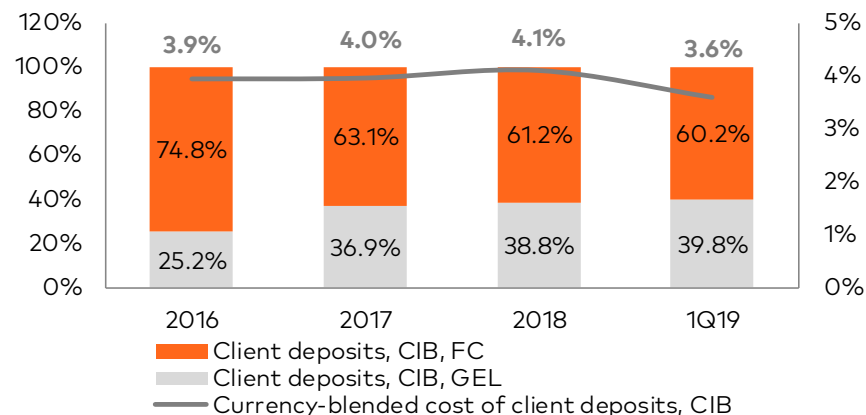
Market Position**



Loan Yield



Deposit Cost



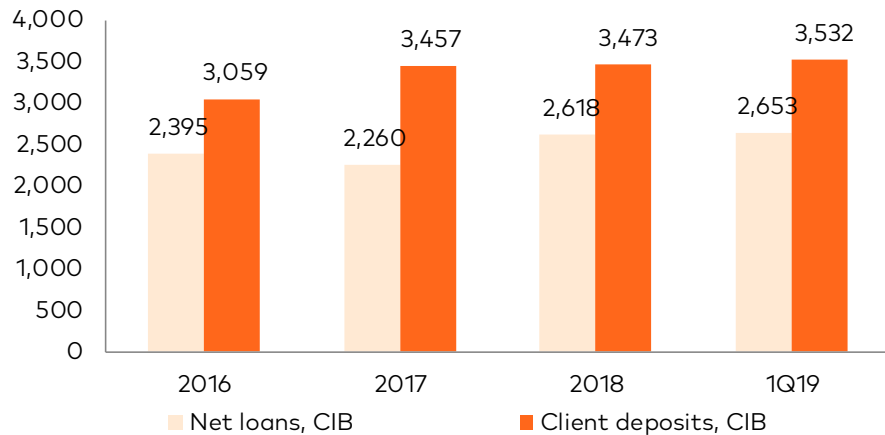


Highlights

- **Leading corporate bank in Georgia**
- Integrated client coverage in key sectors
- **c.2,550** corporate clients served by dedicated relationship bankers

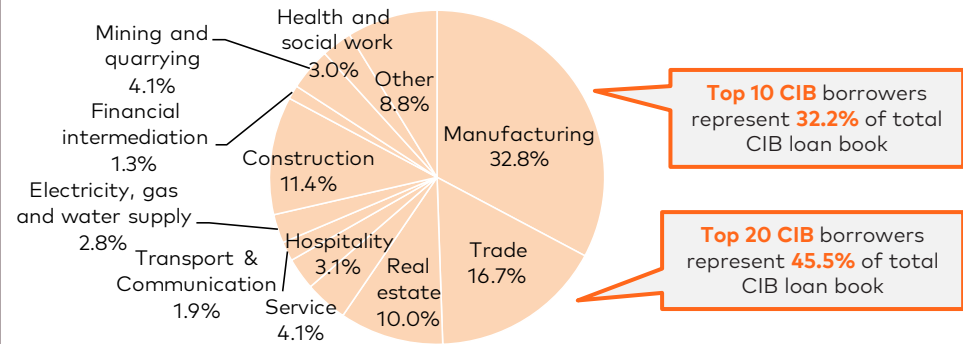
Loans & Deposits

GEL millions

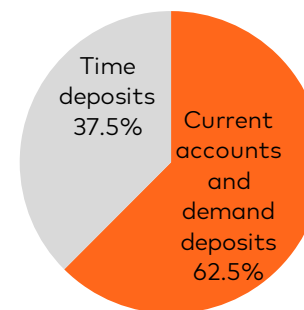


Portfolio breakdown | 31 March 2019

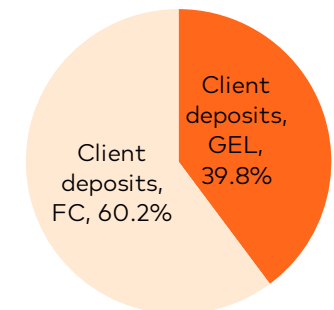
Loans by sectors



Deposits by category



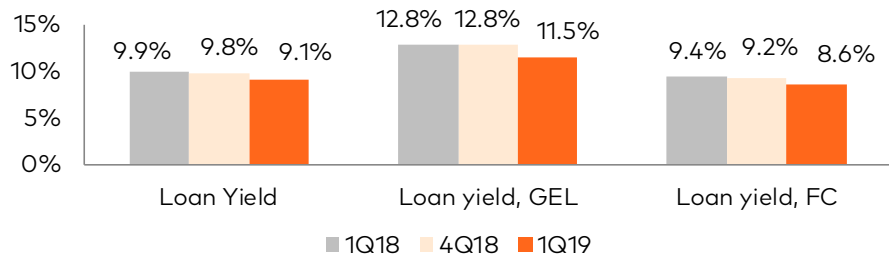
Deposits by currency



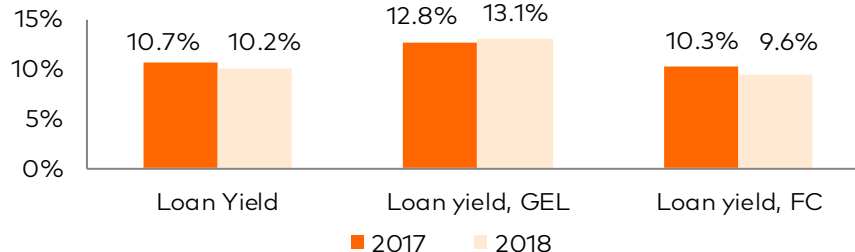
CIB LOAN YIELD, COST OF DEPOSITS & NIM



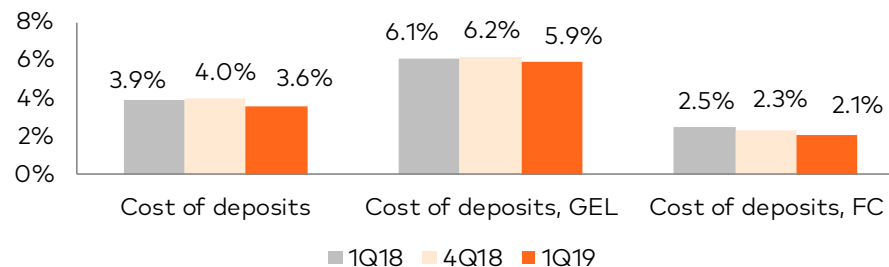
CIB Loan Yield I quarterly



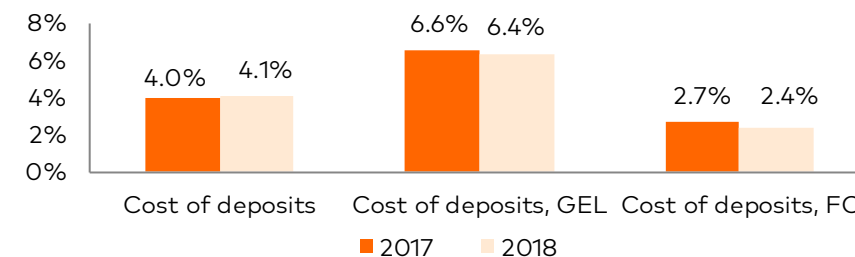
CIB Loan Yield I full-year



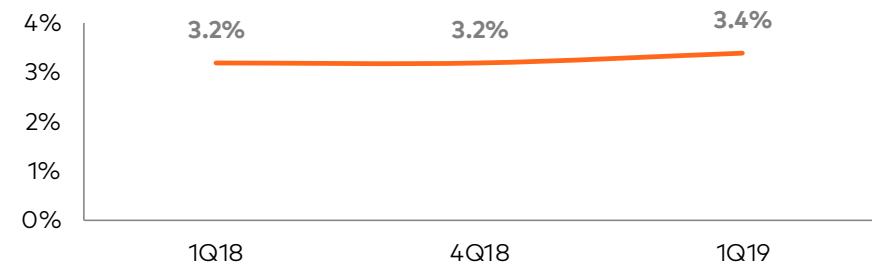
CIB Cost of Deposit I quarterly



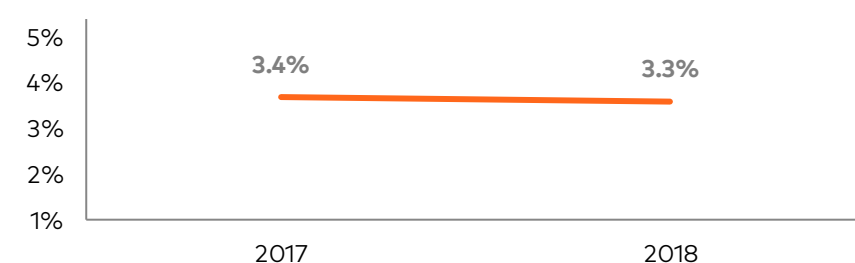
CIB Cost of Deposit I full-year



CIB NIM I quarterly



CIB NIM I full-year



BUILDING BLOCKS TO BECOME THE FINANCIAL SERVICES HUB



Wealth Management

- **Strong international presence:** Israel (since 2008), UK (2010), Hungary (2012), Turkey (2013) and Cyprus (2017)
- **AUM of GEL 2,371 million**, up 29% y-o-y
- **Diversified funding sources:**
 - Georgia 31%
 - Israel 10%
 - UK 4%
 - Germany 2%
 - Other 53%
- **Wealth Management Vision – Become the regional hub for wealth management offering**
 - Invest globally
 - Superior service
 - Business friendly environment
 - Favorable tax regime
 - High level of banking secrecy
- **Brand new office in the centre of Tbilisi, since January 2019, dedicated to serving wealth management clients**



Galt & Taggart - Largest Investment Bank in Georgia

Brokerage

- **The leading brokerage house** in the region
- **The only international sub-custodian** in the region
- **The leading investment bank** in the region
- **Wide product coverage** and **Exclusive partner of SAXO Bank** via White Label structure, that provides highly adaptive trading platform with professional tools, insights and world-class execution



Research

- Sector, macro and fixed income coverage
- Georgian quarterly macroeconomic update
- International distribution



DCM/ECM

- **During 1Q19 Galt & Taggart acted as:**
 - lead manager of JSC Microfinance Organisation Crystal's GEL 15mln local public bond issuance due in 2021, in February 2019
 - co-manager of Bank of Georgia's inaugural US\$ 100mln international Additional Tier 1 bond issuance, in March 2019
 - lead manager of JSC Microfinance Organisation Swiss Capital's GEL 10mln local public bond issuance due in 2021, in March 2019
 - lead manager for European Bank for Reconstruction and Development (EBRD), facilitating GEL 90mln local private bond issuance due in 2023, in March 2019
 - lead manager for Nederlandse Financierings - Maatschappij Voor Ontwikkelingslanden N.V. (FMO), facilitating GEL 26mln local private bond issuance due in 2024, in March 2019

Corporate Advisory

- Team with sector expertise and international M&A experience
- Proven track record of more than 30 completed transactions over the past 8 years

CONTENTS



▪ Group Overview	4
▪ Results Discussion	8
▪ Georgian Macro Overview	31
▪ Appendices	52

GEORGIA AT A GLANCE



General Facts

- Area: 69,700 sq km
- Population (2018): 3.7 mln
- Life expectancy: 74 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)

Economy

- Nominal GDP (Geostat) 2018: GEL 41.1 bln (US\$16.2 bln)
- Real GDP growth rate 2014-2018: 4.6%, 2.9%, 2.8%, 4.8%, 4.7%
- Real GDP 2010-2018 annual average growth rate: 4.8%
- GDP per capita 2018 (PPP) per IMF: US\$ 11,485
- Annual inflation (e-o-p) 2018: 1.5%
- External public debt to GDP 2018: 35.4%



Sovereign Credit Ratings

Rating Agency	Rating	Outlook	Affirmed
MOODY'S	Ba2	Stable	September 2018
FitchRatings	BB	Stable	February 2019
S&P Global	BB-	Positive	April 2019

GEORGIA'S KEY ECONOMIC DRIVERS



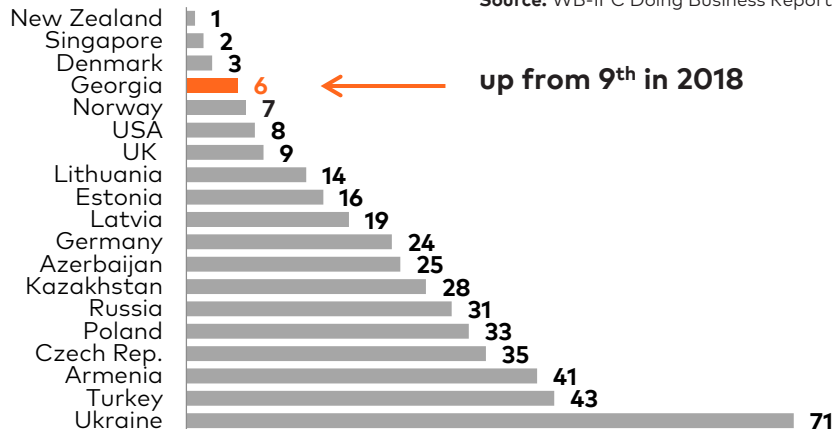
<p>Liberal economic policy</p>	<p>Top performer globally in WB Doing Business over the past 12 years</p> <ul style="list-style-type: none"> Liberty Act ensures a credible fiscal and monetary framework: Fiscal deficit/GDP capped at 3%; Government debt/GDP capped at 60% Business friendly environment and low tax regime (attested by favourable international rankings)
<p>Regional logistics and tourism hub</p>	<p>A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west</p> <ul style="list-style-type: none"> Access to a market of 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS, Turkey, Hong Kong and with EFTA countries. The GSP with USA, Canada and Japan Tourism revenues on the rise: tourism inflows stood at 19.9% of GDP in 2018 and total arrivals reached 8.7mln visitors in 2018 (up 9.8% y-o-y), out of which tourist arrivals were up 16.9% y-o-y to 4.8mln visitors. Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes
<p>Strong FDI</p>	<p>An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth</p> <ul style="list-style-type: none"> FDI stood at US\$ 1.2bln (7.6% of GDP) in 2018 FDI averaged 8.8% of GDP in 2009-2018
<p>Support from international community</p>	<p>Georgia and the EU signed an Association Agreement and DCFTA in June 2014</p> <ul style="list-style-type: none"> Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free entrance to the EU countries from 28 March 2017 Discussions commenced with the USA to drive inward investments and exports Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs, the US and EU
<p>Electricity transit hub potential</p>	<p>Developed, stable and competitively priced energy sector</p> <ul style="list-style-type: none"> Only 25% of hydropower capacity utilized; 150 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development Georgia imports natural gas mainly from Azerbaijan Significantly boosted transmission capacity with 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe
<p>Political environment stabilised</p>	<ul style="list-style-type: none"> Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU Constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency Continued economic relationship with Russia, although economic dependence is relatively low Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians -The Russian side announced to ease visa procedures for Georgians citizens effective December 23, 2015 Direct flights between the two countries resumed in January 2010 Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia In 2018, Russia accounted for 13.0% of Georgia's exports and 10.3% of imports; just 3.7% of cumulative FDI over 2003-18

GROWTH ORIENTED REFORMS



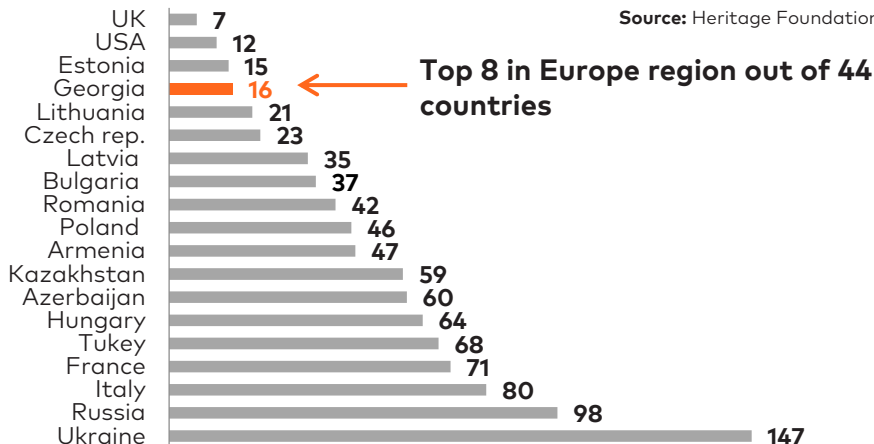
Ease of Doing Business | 2019

Source: WB-IFC Doing Business Report



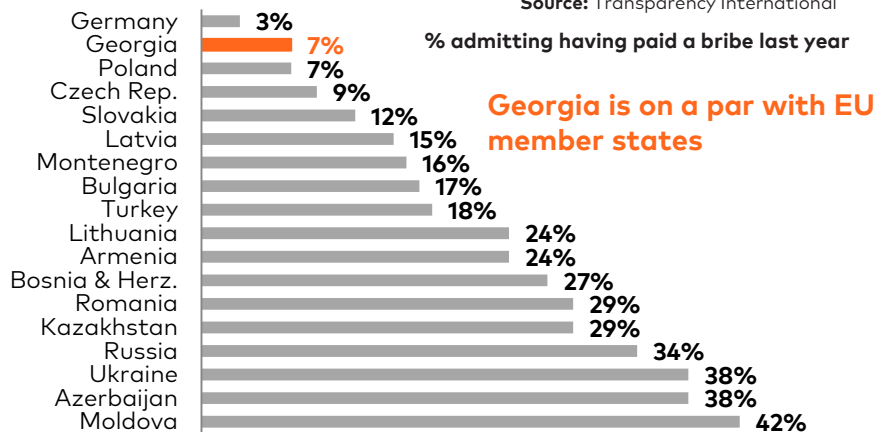
Economic Freedom Index | 2019

Source: Heritage Foundation



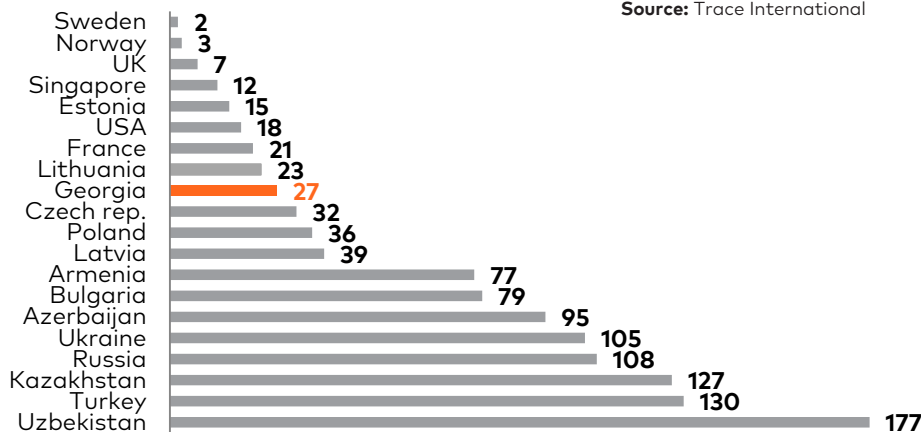
Global Corruption Barometer | 2017

Source: Transparency International



Business Bribery Risk | 2018

Source: Trace International





1

Structural Reforms

- **Tax Reform**
 - Corporate income tax reform
 - Enhancing easiness of tax compliance
- **Capital Market Reform**
 - Boosting stock exchange activities
 - Developing of local bond market
- **Pension Reform**
 - Introduction of private pension system
- **PPP Reform**
 - Introduction of transparent and efficient PPP framework
- **Public Investment Management Framework**
 - Improved efficiency of state projects
- **Deposit Insurance**
 - Boosting private savings
 - Enhancing trust to financial system
- **Accounting Reform**
 - Increased transparency and financial accountability
 - Enhanced protection of shareholder rights
- **Association Agreement Agenda**

2

Promoting Transit & Tourism Hub

- **Roads**
 - Plan to finish all spinal projects by 2020 – East-West Highway, other supporting infrastructure
- **Rail**
 - Baku – Tbilisi Kars new railroad line
 - Railway modernization project
- **Air**
 - Tbilisi International Airport
 - 2nd runway to be constructed
 - International Cargo terminal
- **Maritime**
 - Anaklia deep water Black Sea port
 - Strategic location
 - Capable of accommodating Panamax type cargo vessels
 - High capacity – up to 100mln tons turnover annually
 - **Up to USD 1bln** for first phase (out of 9) in Georgia

3

Promoting Open Governance

- **Improvement of public services offered to the private sector**
 - Creation of "Front Office"
 - Application of "Single Window Principle"
- **Involvement of the private sector in legislative process**
 - Discussion of draft legislation at an early stage
- **Strict monitoring of implementation of government decisions**
 - Creation of a special unit for monitoring purposes

4

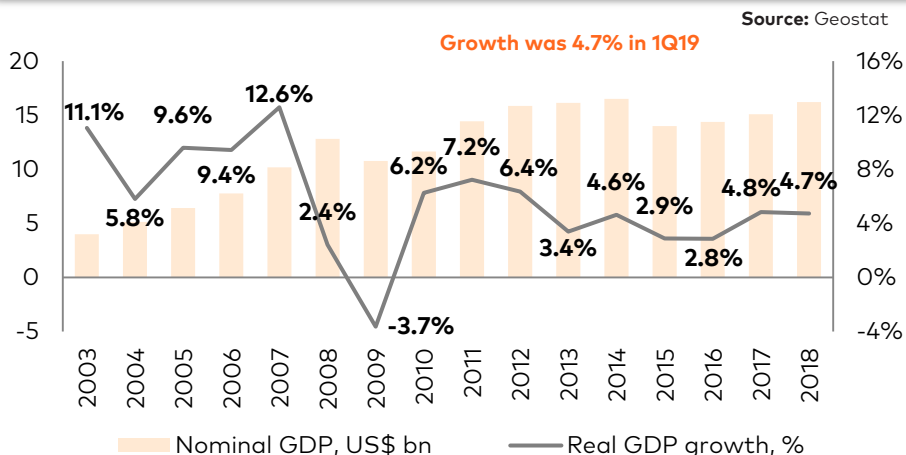
Education Reform

- **General Education Reform**
 - Maximizing quality of teaching in secondary schools
- **Fundamental Reform of Higher Education**
 - Based on the comprehensive research of the labor market needs
- **Improvement of Vocational Education**
 - Increase involvement of the private sector in the professional education

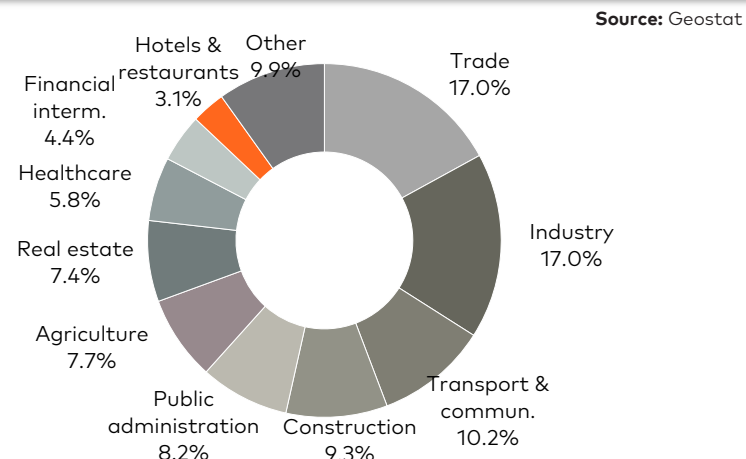
DIVERSIFIED RESILIENT ECONOMY



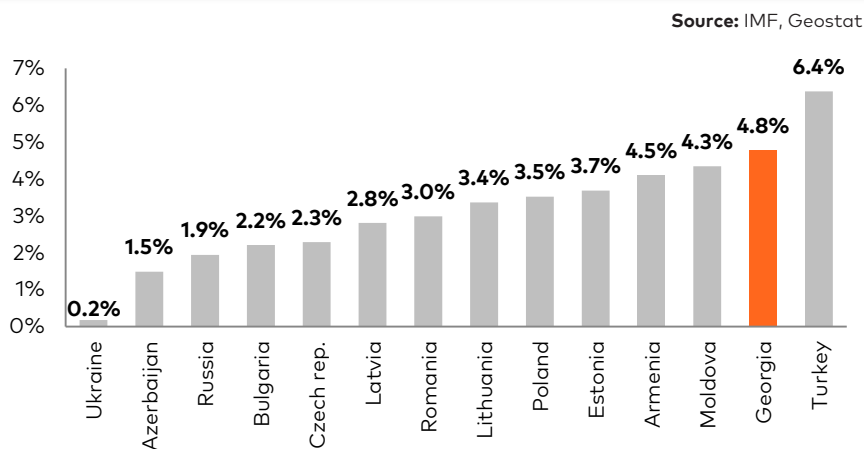
Gross domestic product



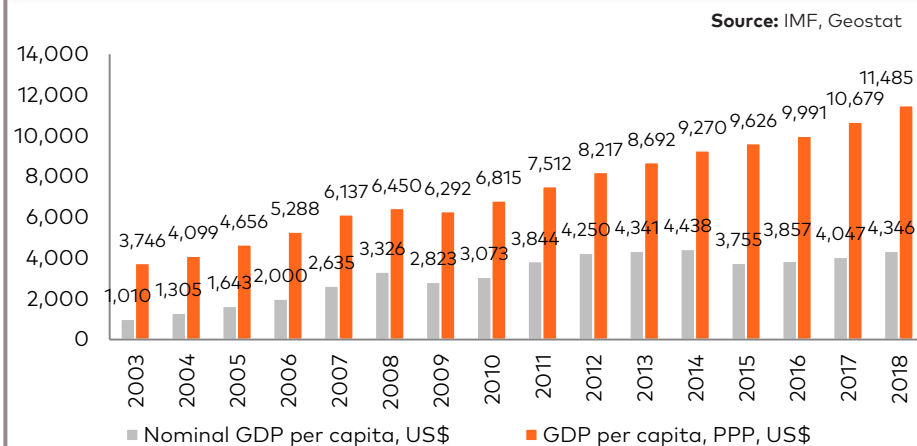
Diversified nominal GDP structure, 2018



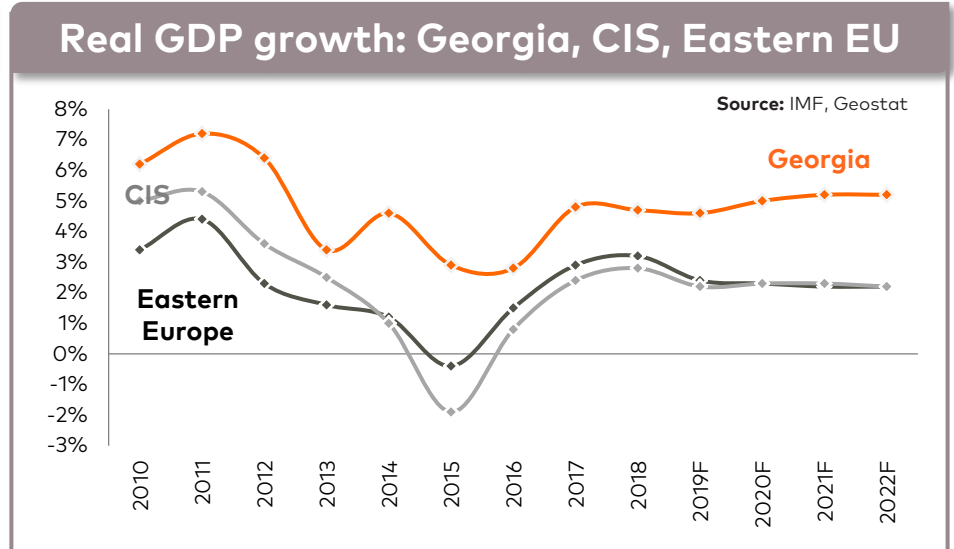
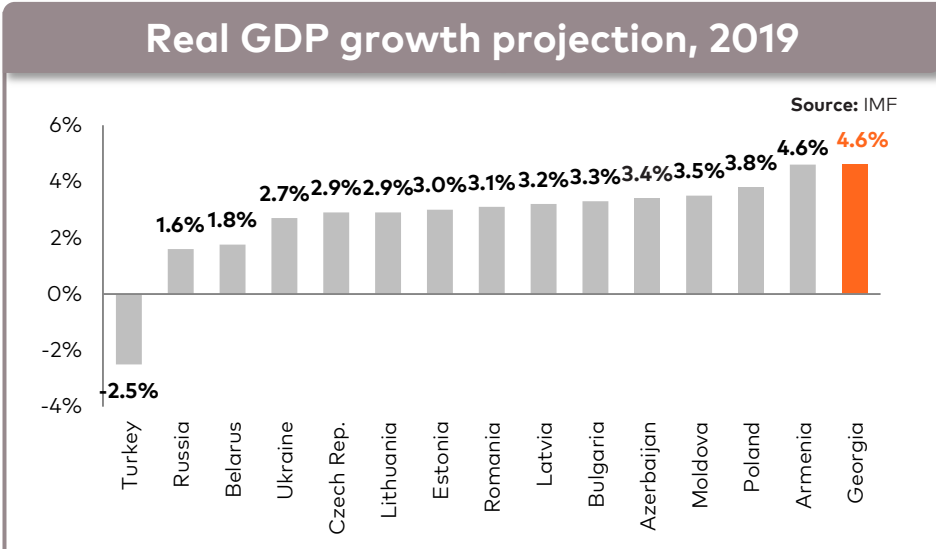
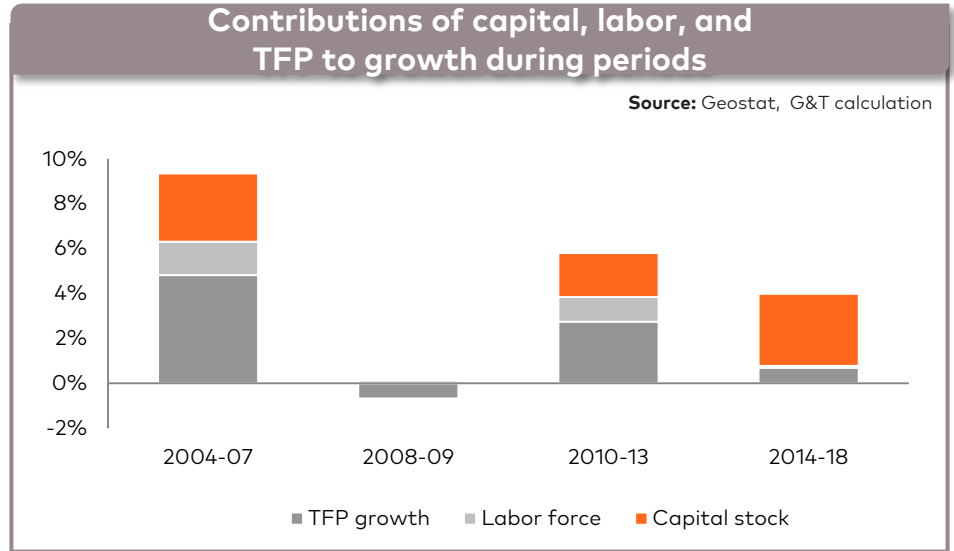
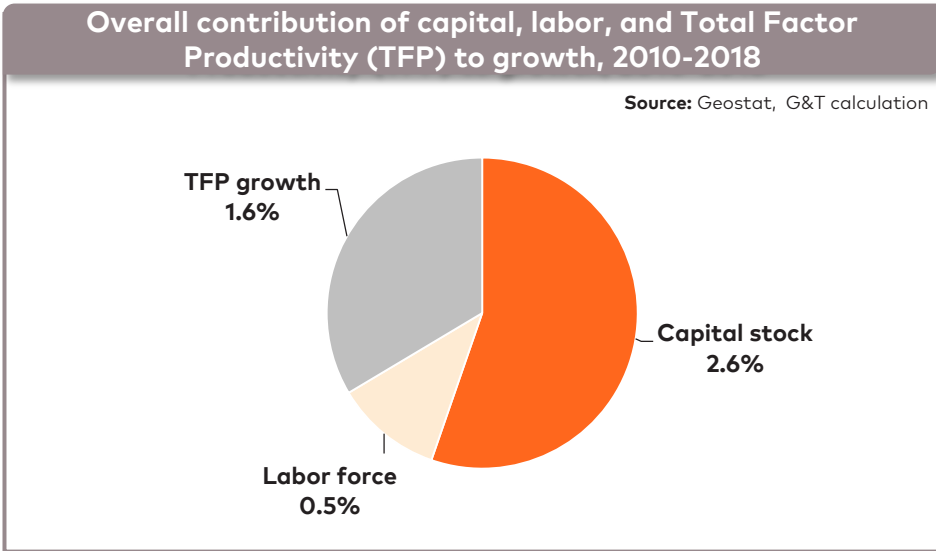
Comparative real GDP growth rates, % (2010-2018 average)



GDP per capita



PRODUCTIVITY AND CAPITAL HAVE BEEN THE MAIN ENGINE OF GROWTH SINCE 2004



FURTHER JOB CREATION IS ACHIEVABLE



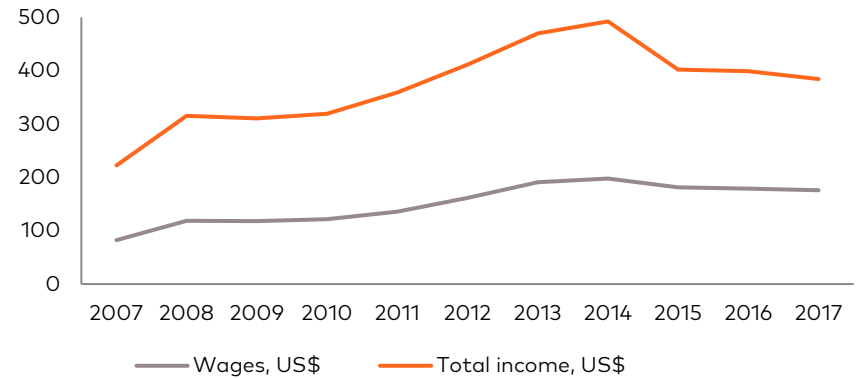
Unemployment rate down 1.3ppts y/y to 12.7% in 2018

Source: Geostat



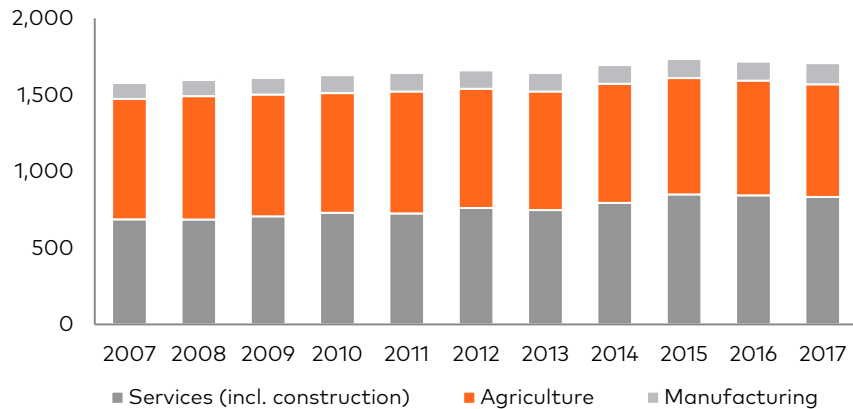
Average monthly wages and income per household

Source: Geostat



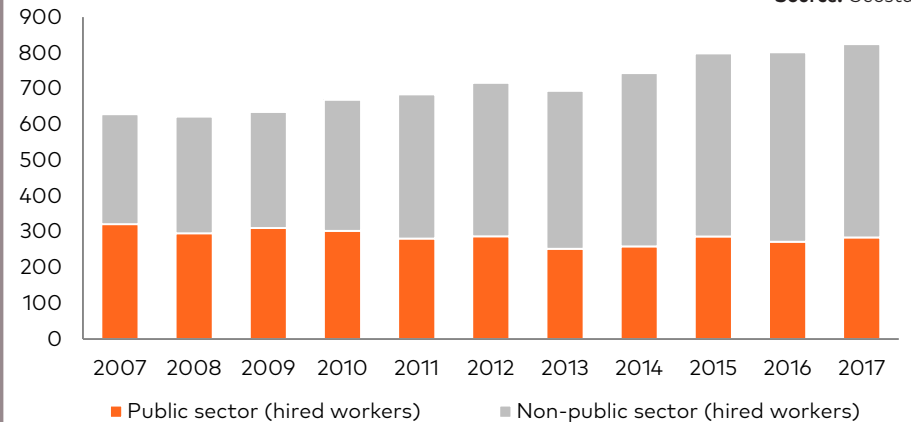
Share of services in total employment on the rise

Source: Geostat



Hired workers accounted for 48.3% in total employment in 2017

Source: Geostat

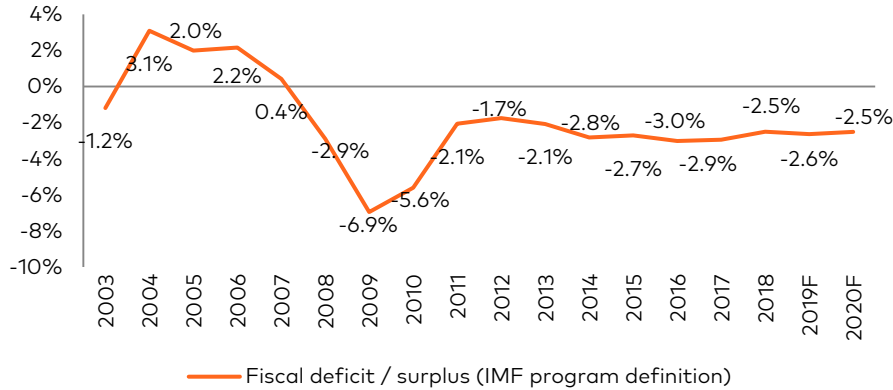


LOW PUBLIC DEBT



Fiscal deficit

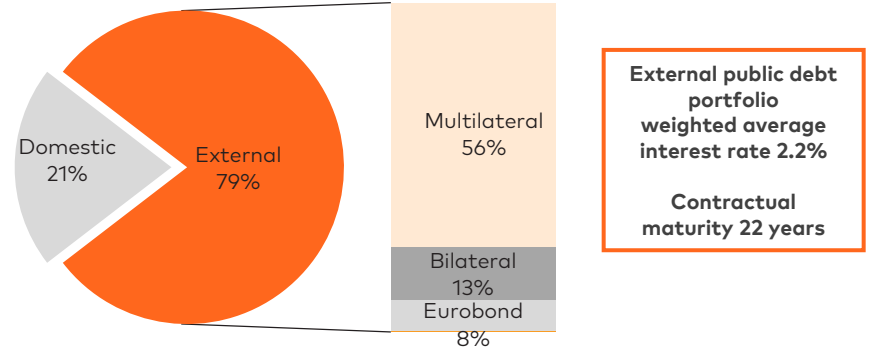
Source: Ministry of Finance of Georgia



Note: Deficit calculated as net lending / borrowing minus budget lending

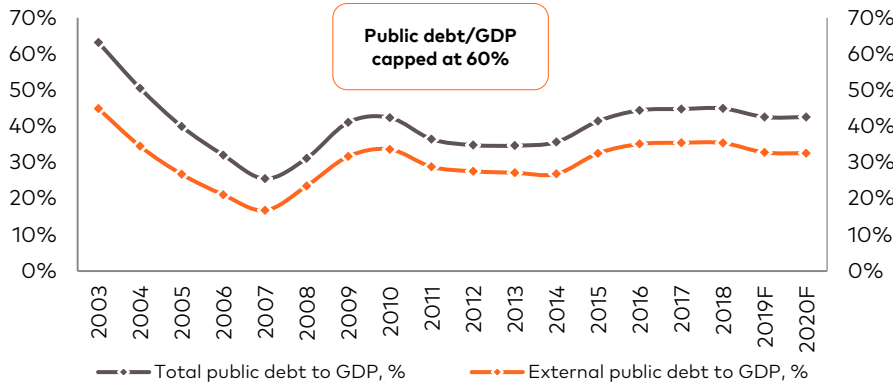
Breakdown of public debt

Source: Ministry of Finance of Georgia, as of Dec-2018



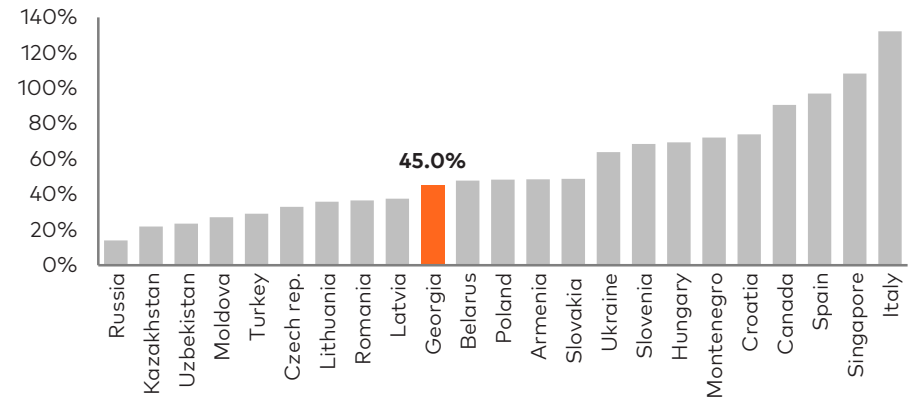
Public debt as % of GDP

Source: MOF, Geostat



Gross government debt/GDP, 2018E

Source: IMF, MOF, Geostat

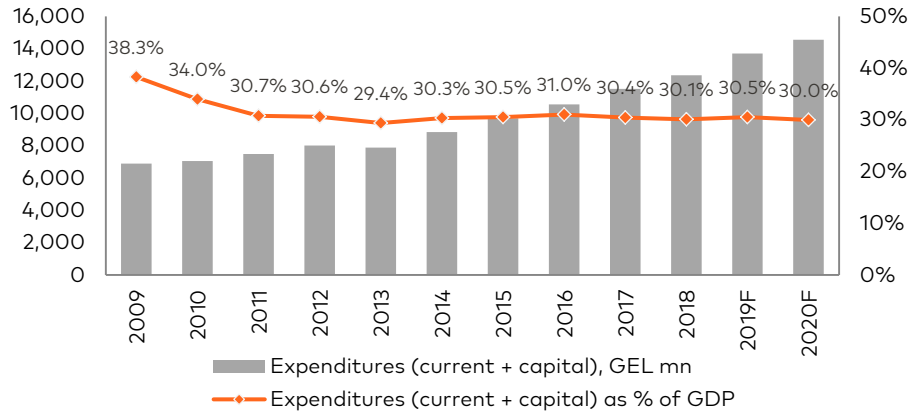


INVESTING IN INFRASTRUCTURE AND SPENDING LOW ON SOCIAL



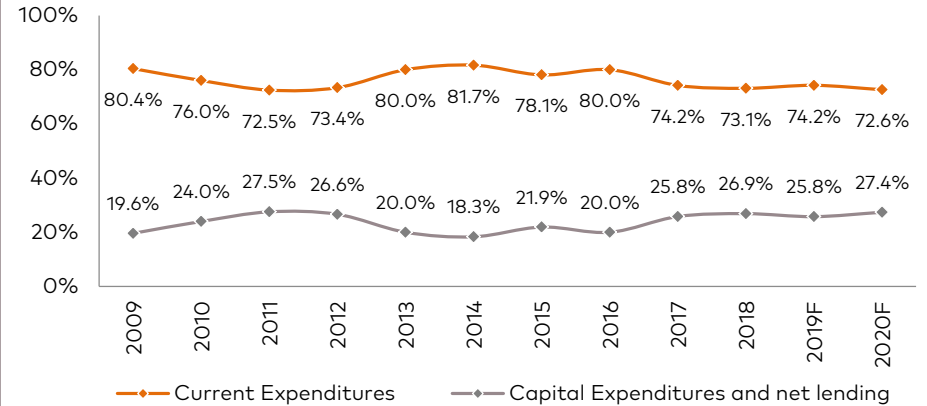
Budget expenditures

Source: Ministry of Finance, Geostat



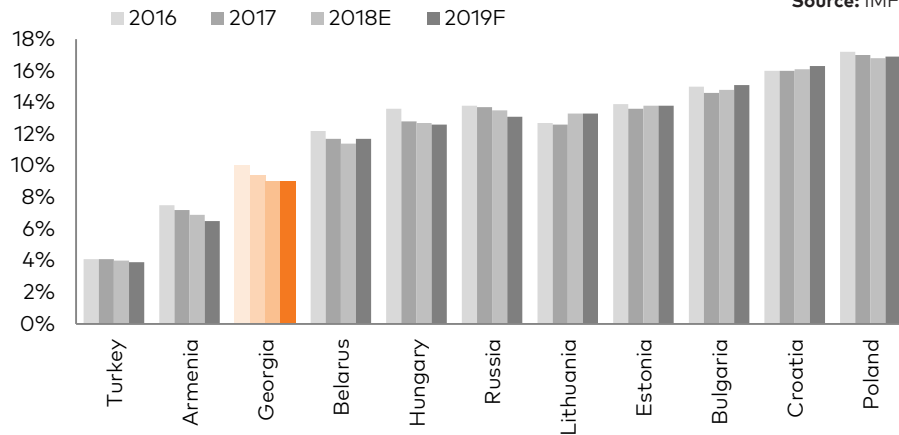
Expenditure breakdown: current vs. capital

Source: Ministry of Finance



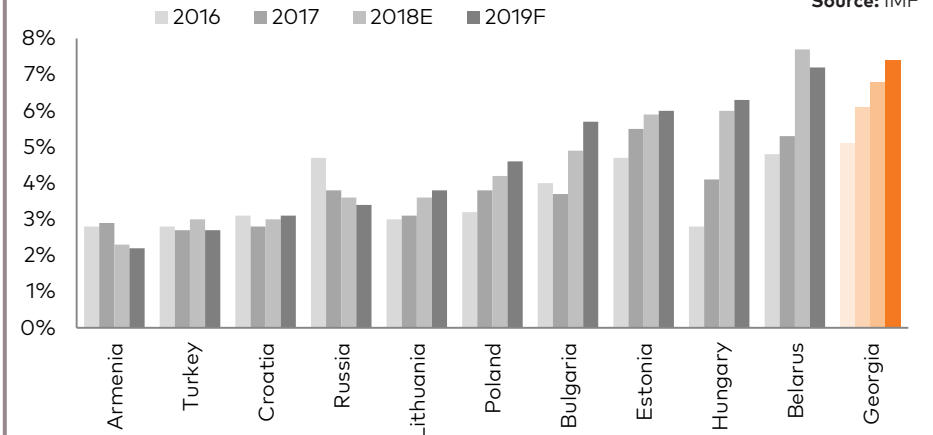
Government social expenditure as % of GDP

Source: IMF



Government capital expenditure as % of GDP

Source: IMF

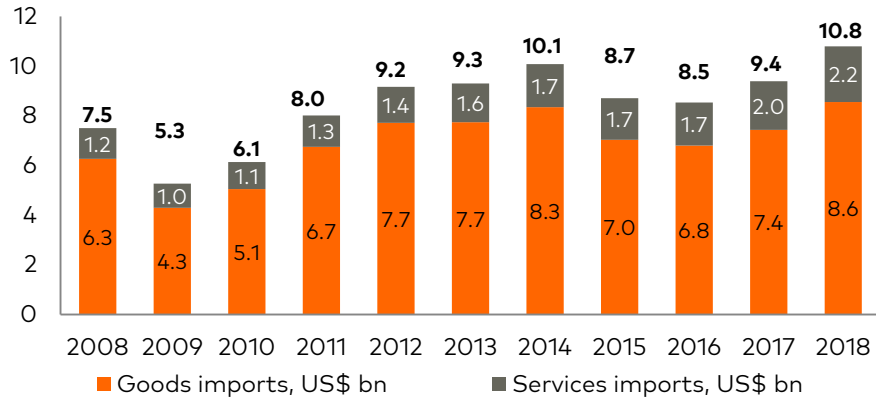


DIVERSIFIED FOREIGN TRADE



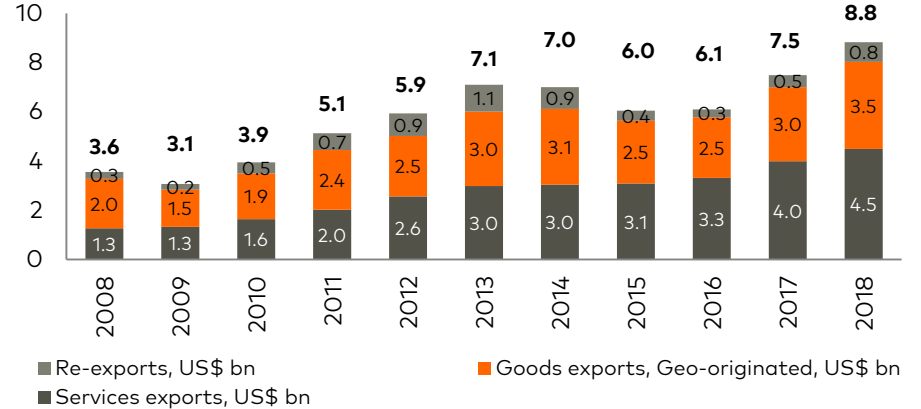
Imports of goods and services

Source: NBG – BOP statistics



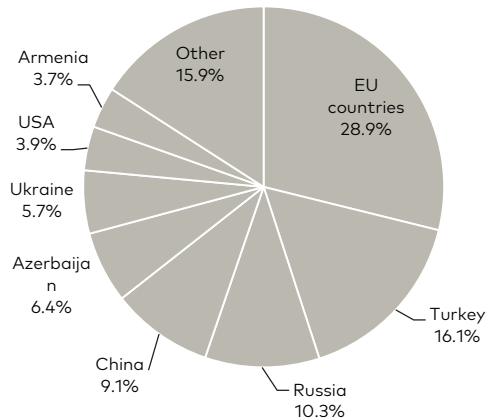
Exports of goods and services

Source: NBG – BOP statistics



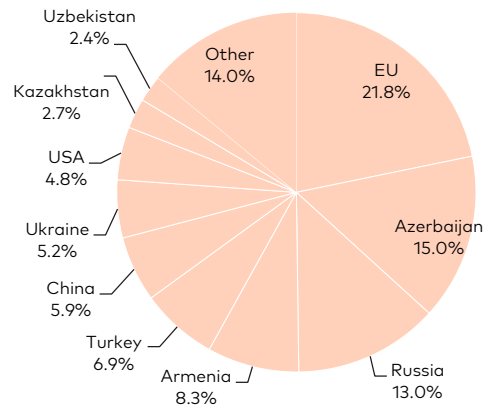
Imports, 2018

Source: Geostat



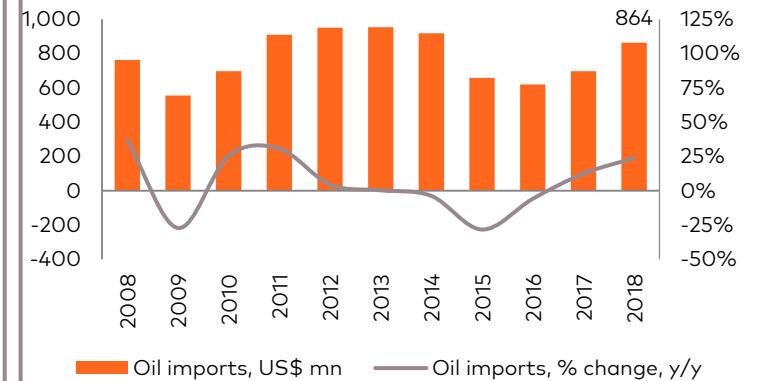
Exports, 2018

Source: Geostat



Oil imports

Source: GeoStat

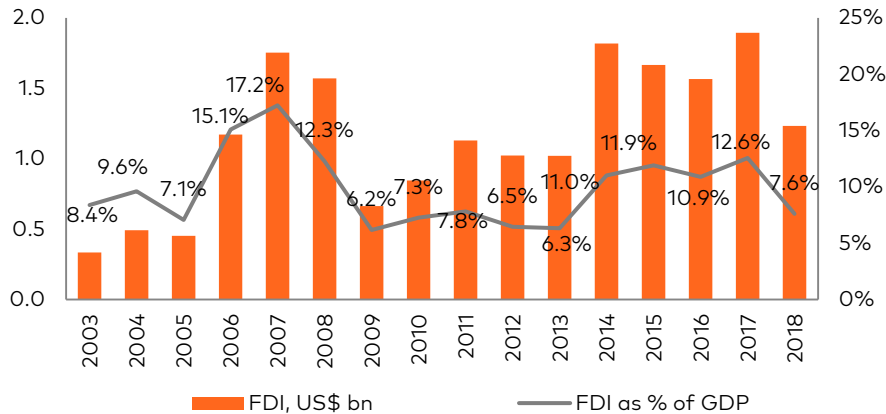


DIVERSIFIED SOURCES OF CAPITAL



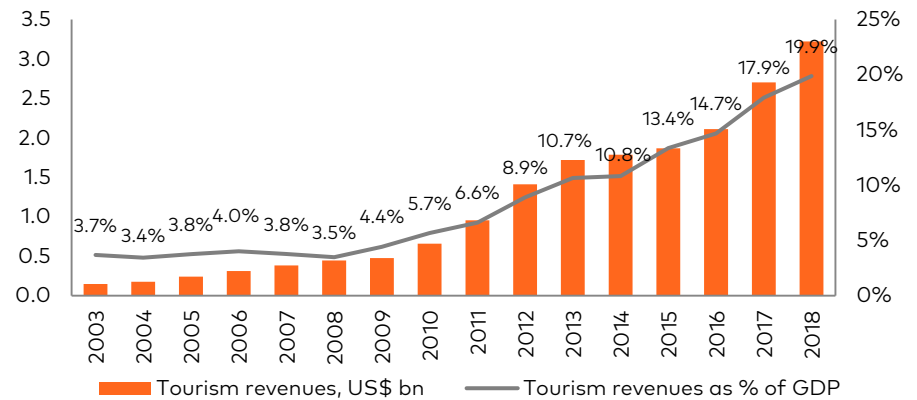
Strong foreign investor interest

Source: Geostat



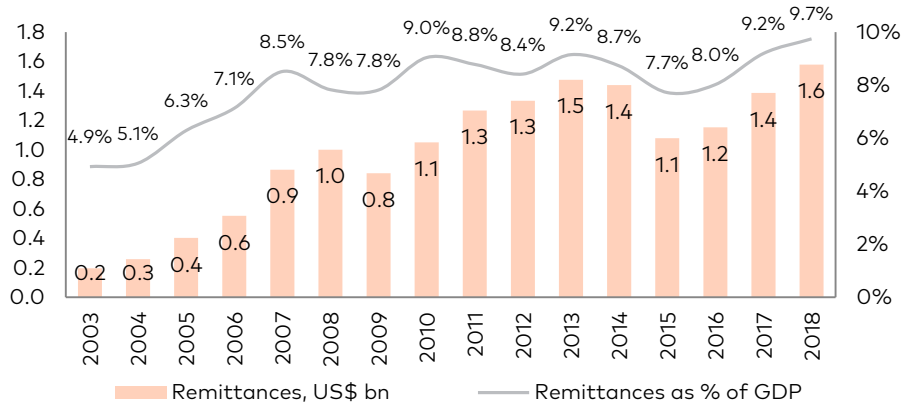
Tourist arrivals and revenues on the rise

Source: NBG, Geostat



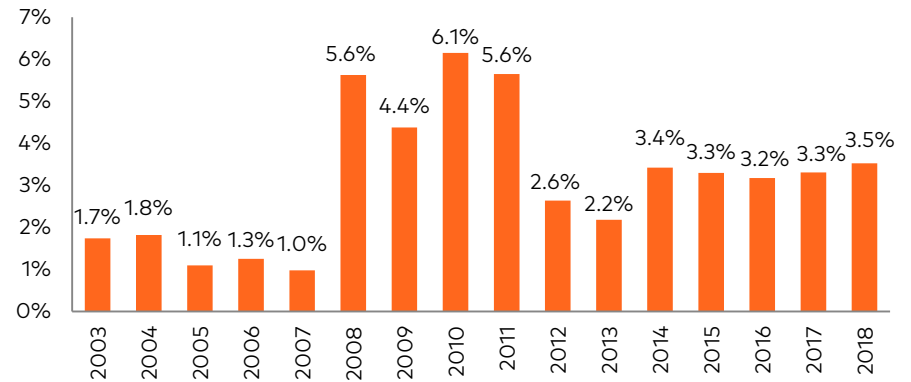
Remittances - steady source of external funding

Source: NBG, Geostat



Public external borrowing for capex, % of GDP

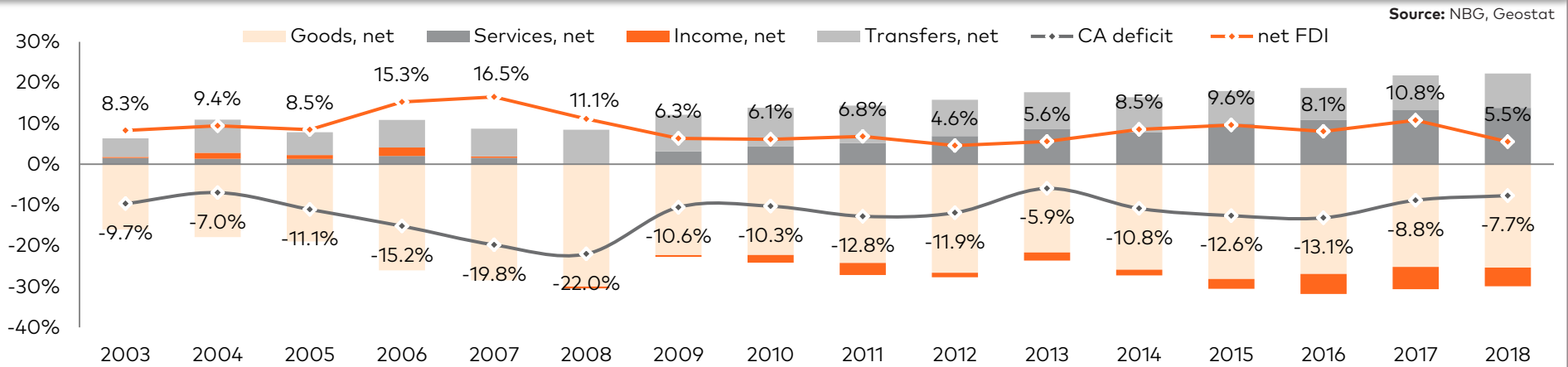
Source: MOF, Geostat



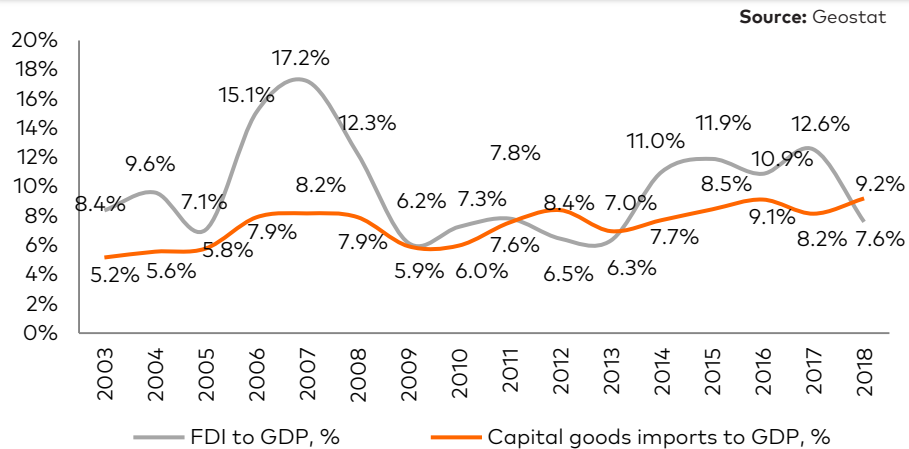
CURRENT ACCOUNT DEFICIT SUPPORTED BY FDI



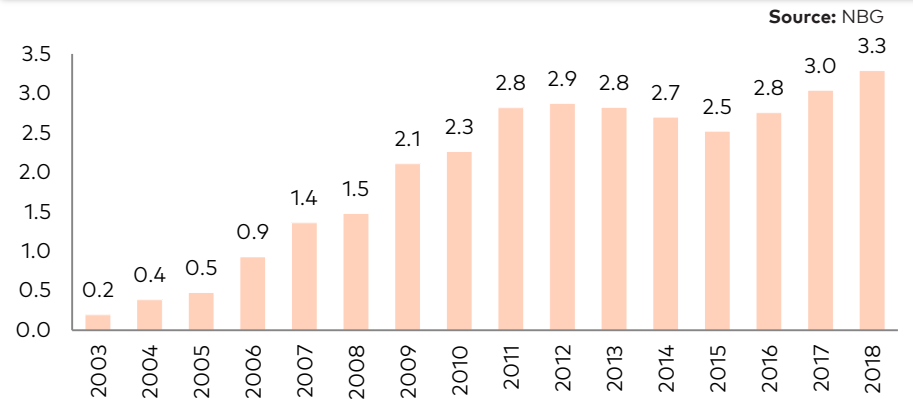
Current account balance (% of nominal GDP)



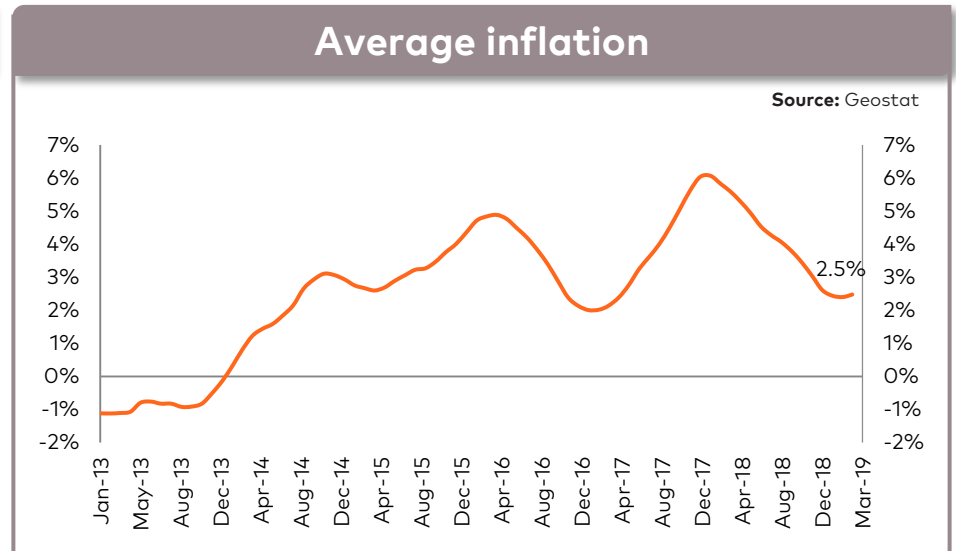
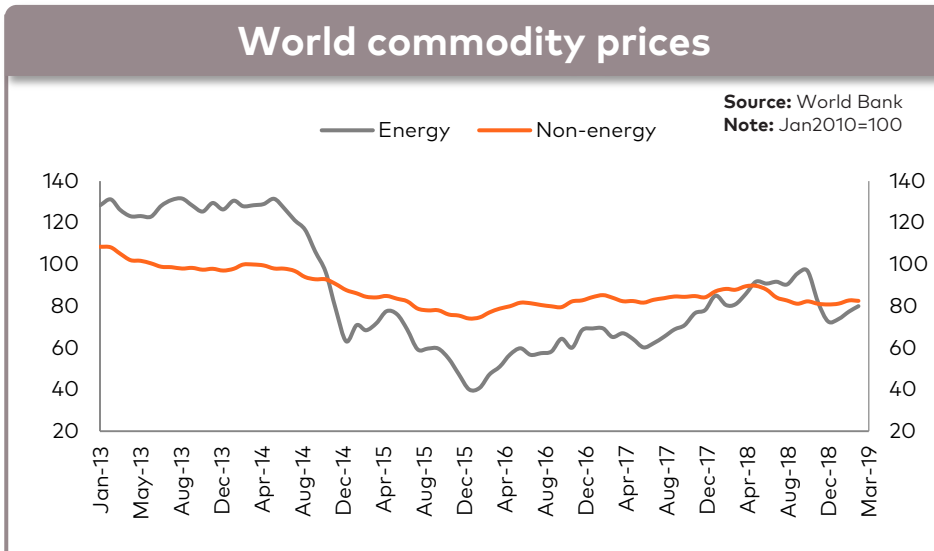
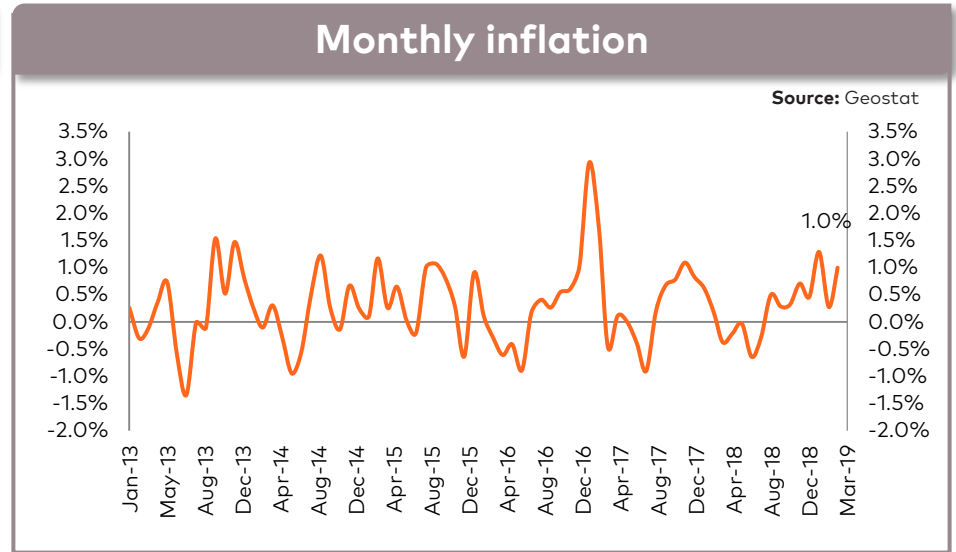
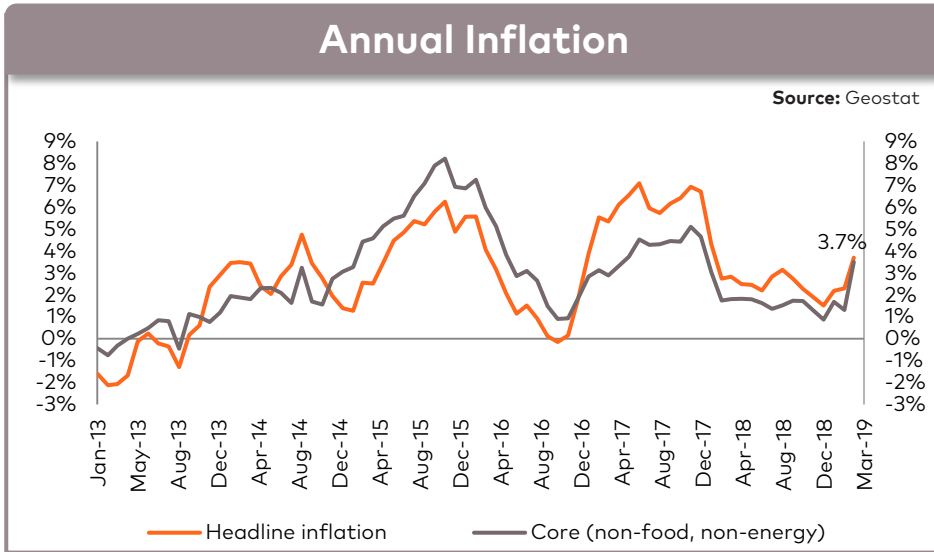
FDI and capital goods import



Building international reserves, US\$ bn



INFLATION TARGETING SINCE 2009

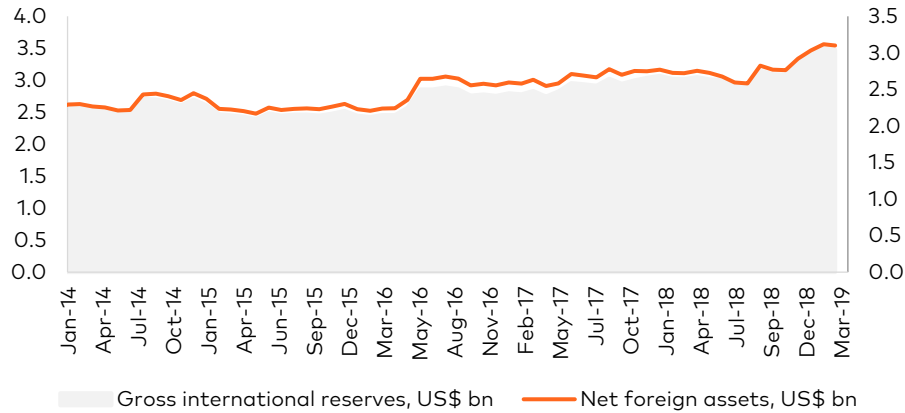


INTERNATIONAL RESERVES SUFFICIENT TO FINANCE MORE THAN 3 MONTHS OF IMPORTS



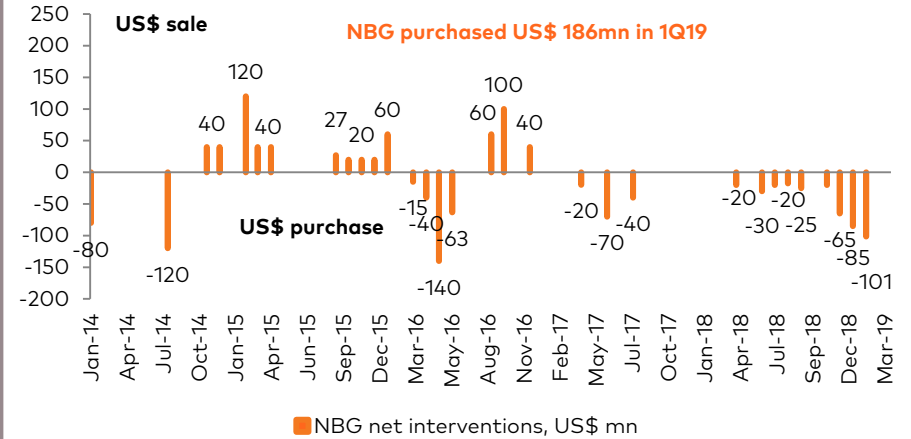
International reserves

Source: NBG



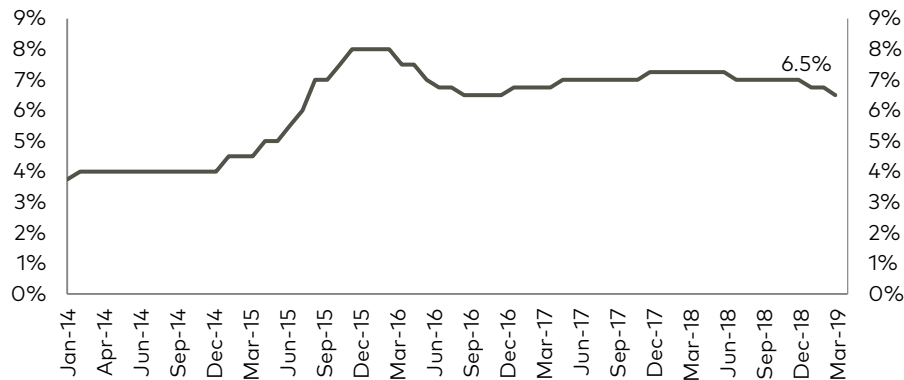
Central Bank's interventions

Source: NBG



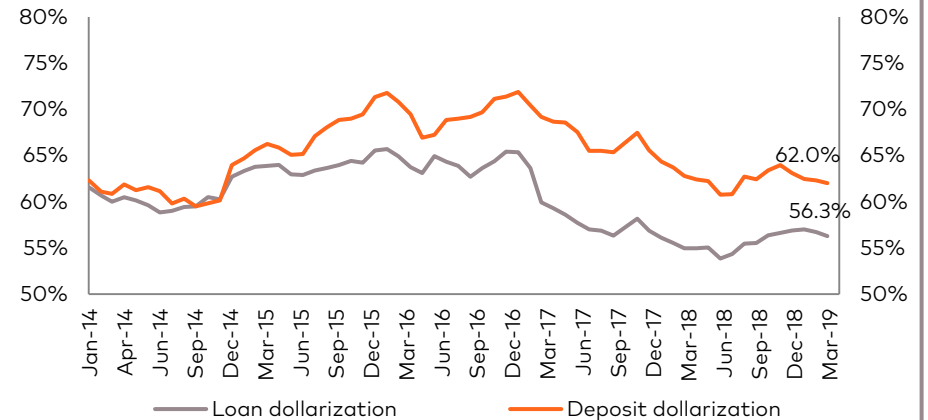
Monetary policy rate

Source: NBG

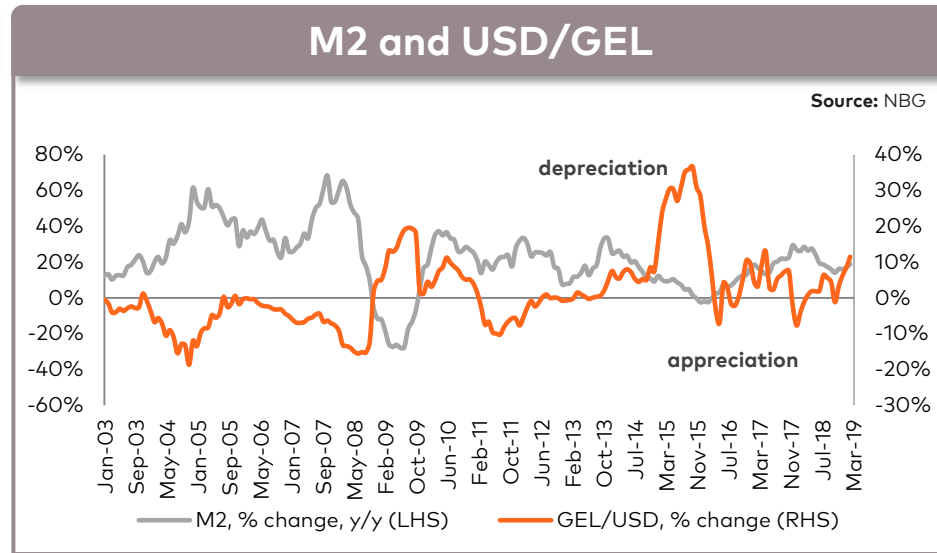
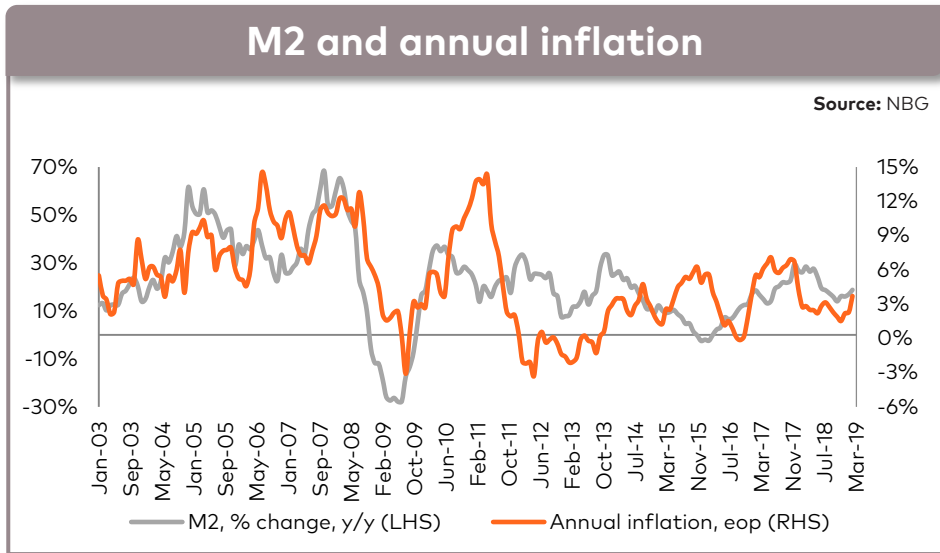
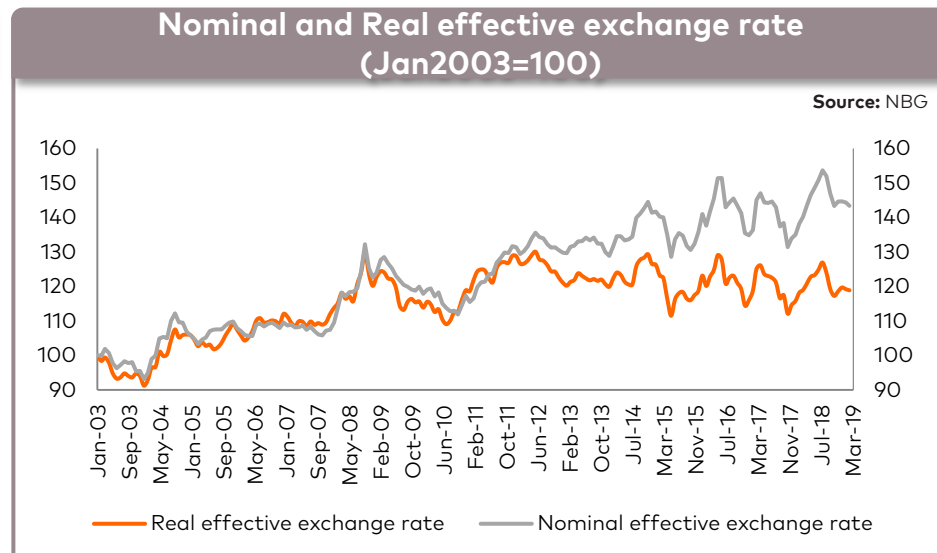
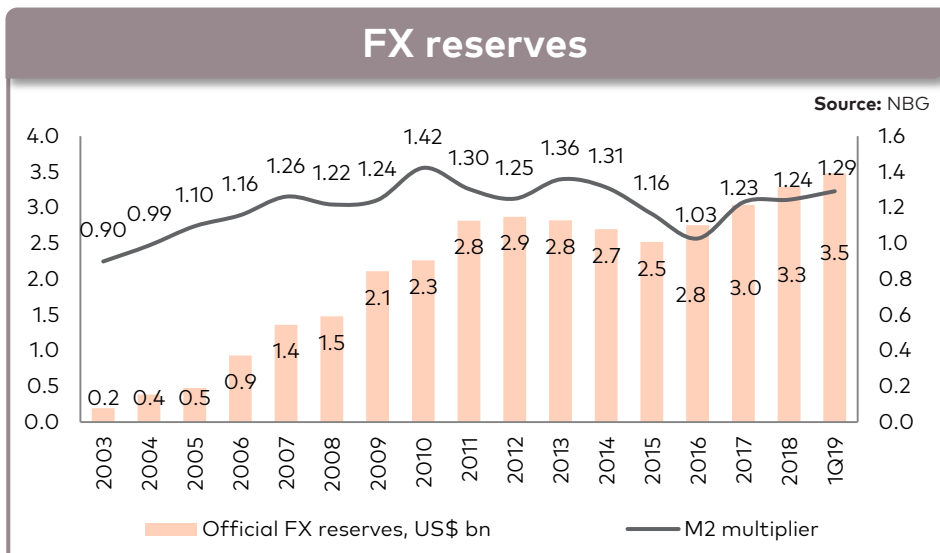


Loan and deposit dollarisation

Source: NBG



FLOATING EXCHANGE RATE - POLICY PRIORITY



GROWING AND WELL-CAPITALISED BANKING SECTOR

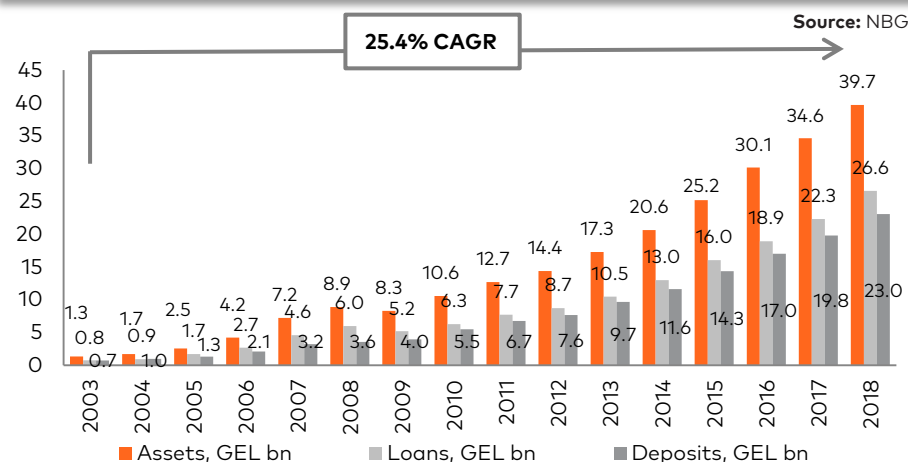


Summary

- Prudent regulation and oversight ensuring financial stability
- Demonstrated strong resilience towards both domestic and external shocks **without single bank going bankrupt**
- **No nationalization** of the banks and no government ownership since 1994
- **Resilient to different shocks to the economy**, room for healthy credits growth with retail loans at 35.6% of GDP and total loans at 64.7% of GDP in 2018

Source: National Bank of Georgia, GeoStat

Banking sector assets, loans and deposits



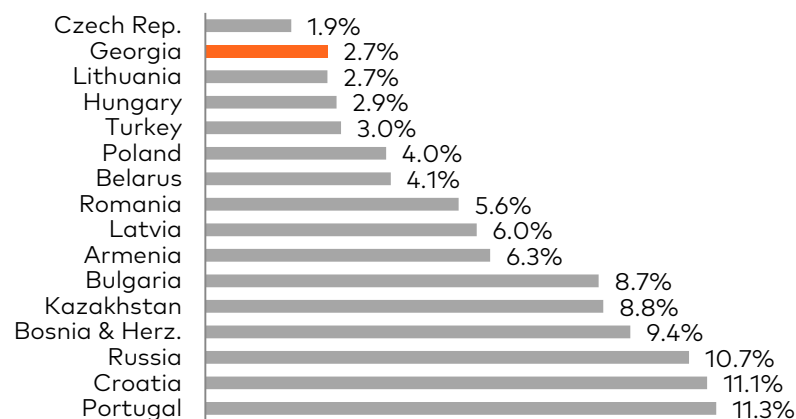
Banking Sector loans to GDP, 2018

Source: IMF, NBG



Non-performing loans, Latest-2018

Source: IMF, NBG

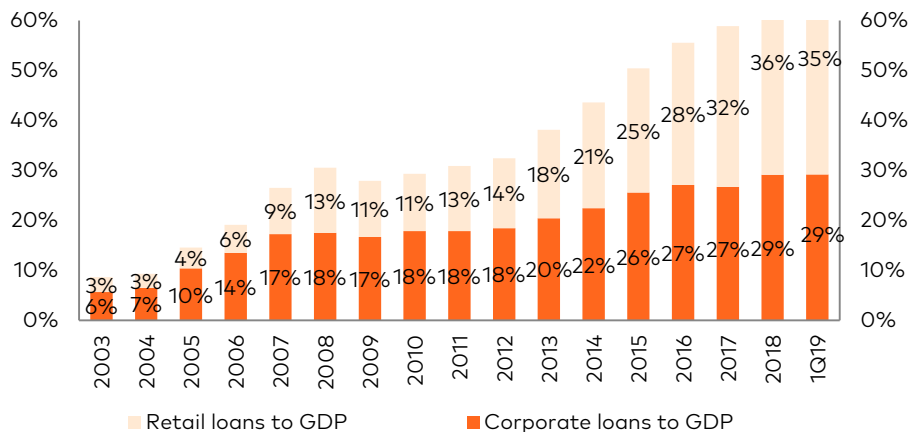


GROWING ECONOMY SUPPORTS HEALTHY CREDIT GROWTH



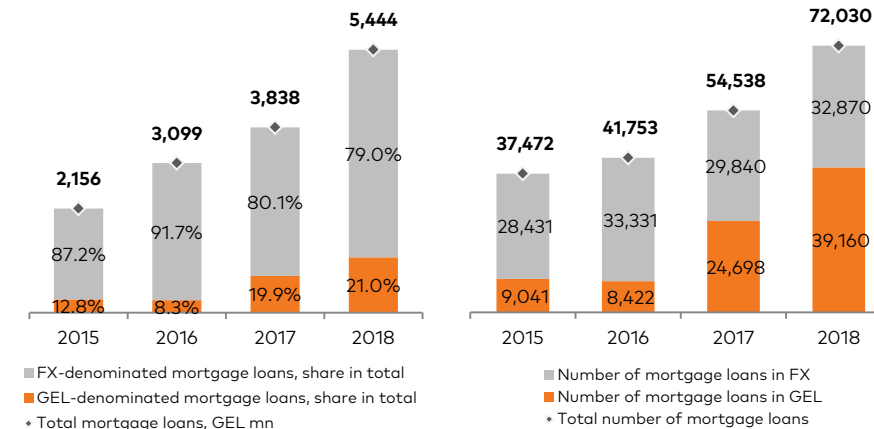
Banking sector corporate & retail loans to GDP

Source: NBS, Geostat



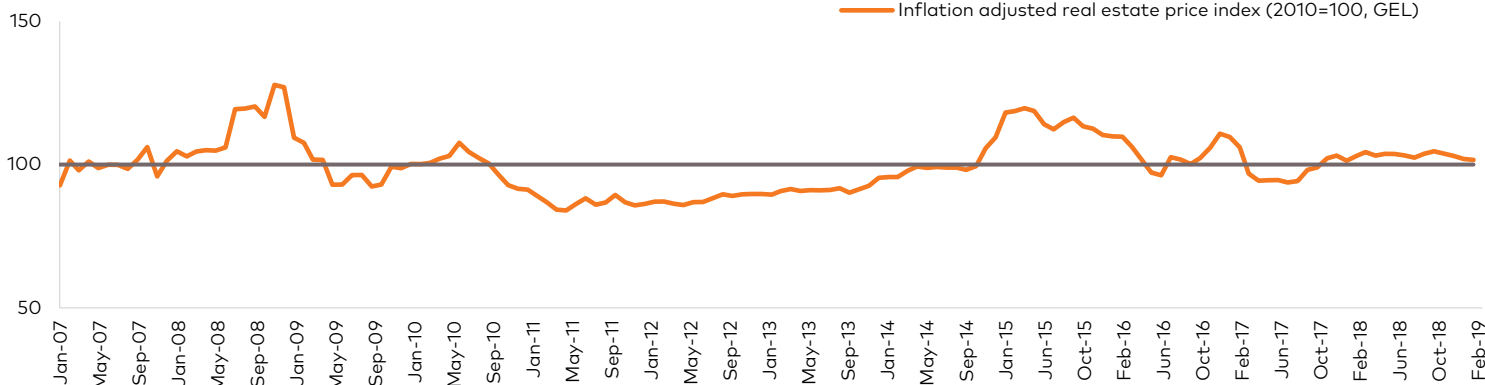
Mortgage loans

Source: NBS

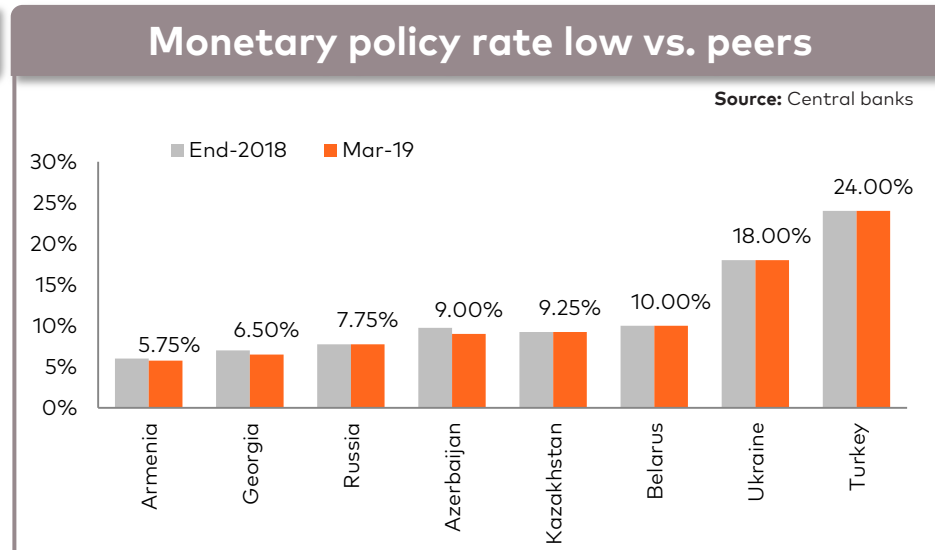
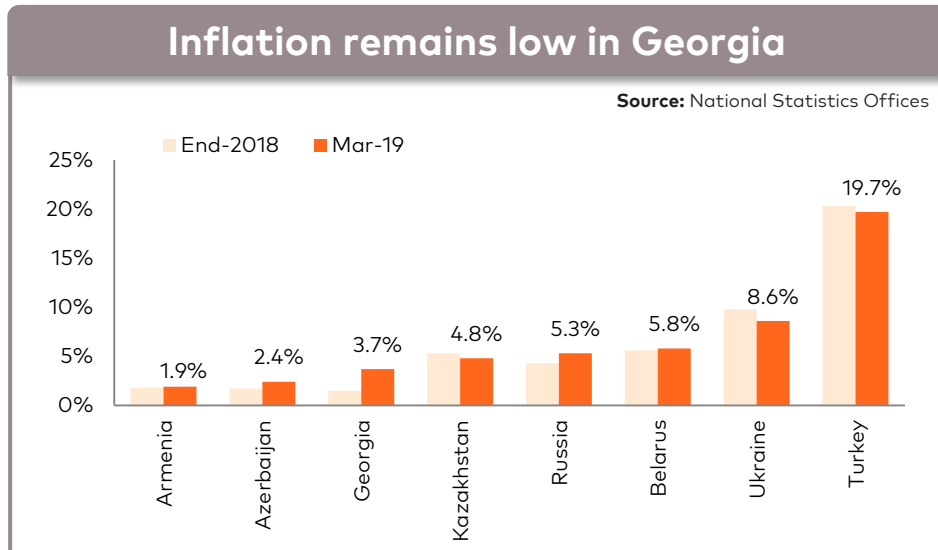
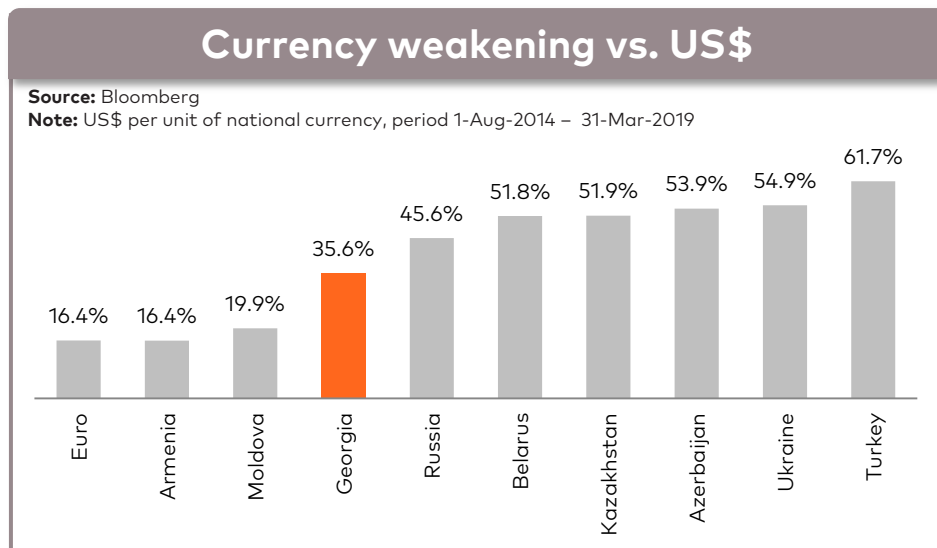


Real estate price index

Source: NBS, Geostat



FLEXIBLE FX REGIME SUPPORTS TO MACRO STABILITY

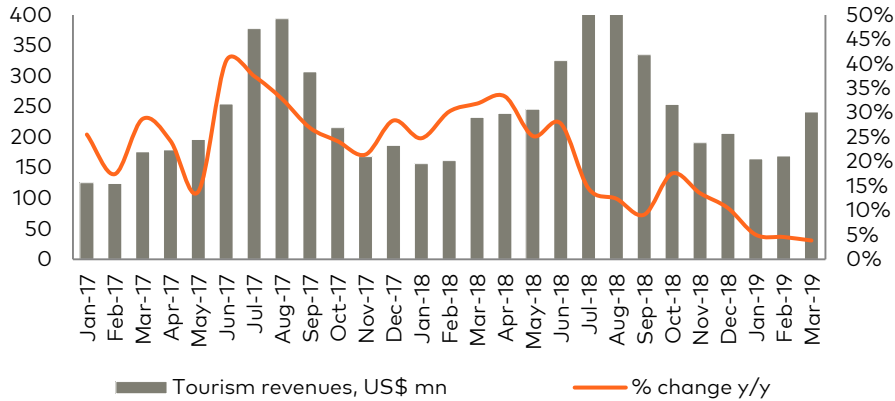


RECENT TREND – TOURIST ARRIVALS, EXPORTS AND REMITTANCES UP



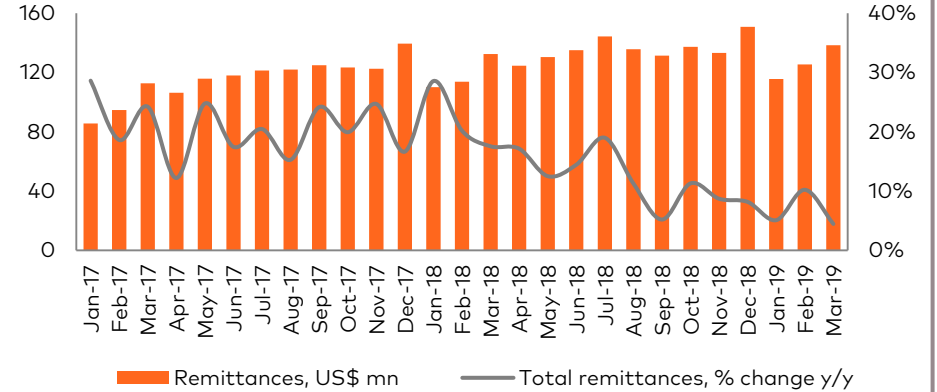
Tourism revenues up 4.4% y/y in 1Q19

Source: NBG, G&T



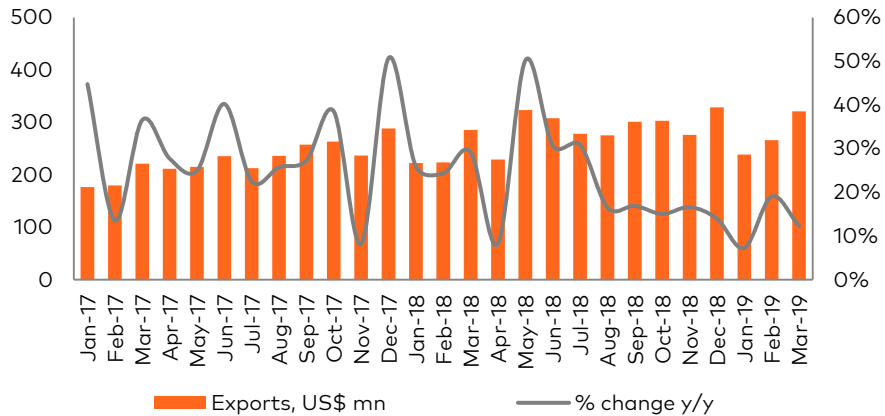
Remittances up 6.5% y/y in 1Q19

Source: NBG



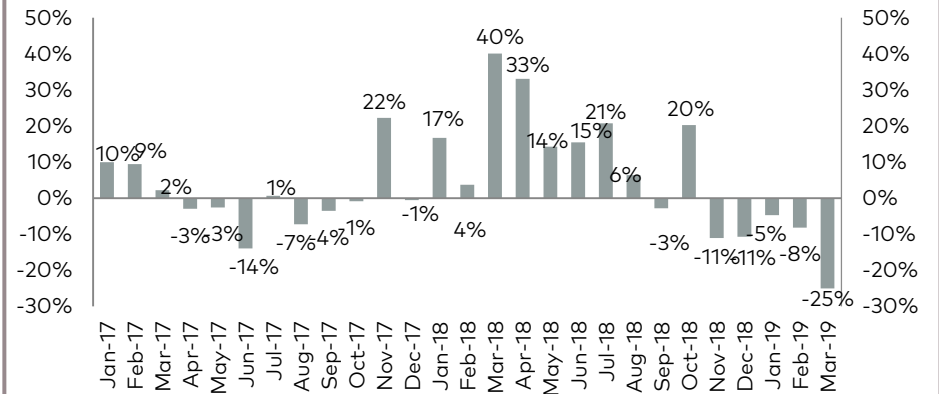
Exports up 12.8% y/y in 1Q19

Source: Geostat



Trade deficit down 14.2% y/y in 1Q19

Source: Geostat

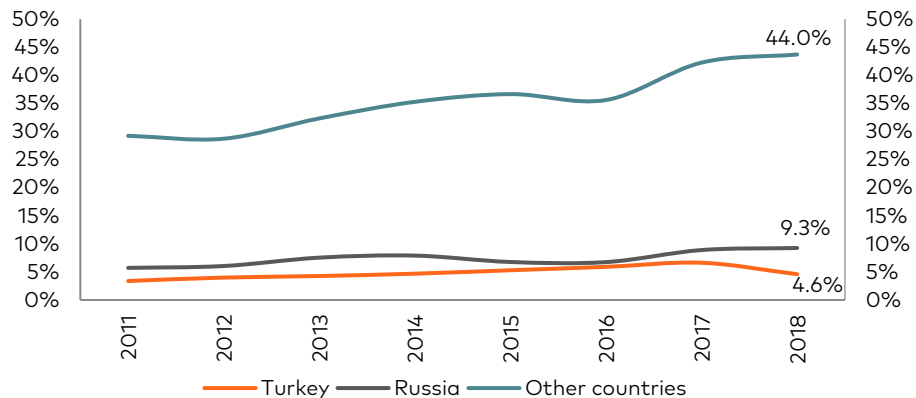


EXPOSURE TO PARTNER COUNTRIES WELL DIVERSIFIED



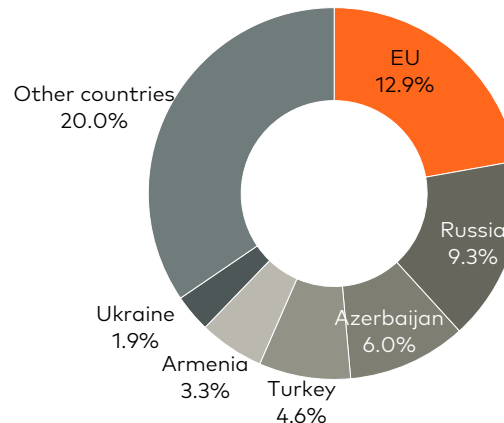
Exports, tourism, FDI and remittances, % of GDP

Source: Geostat, NBG, GNTA, G&T



Well diversified economic linkages (exports, tourism, FDI and remittances), 2018

Source: Geostat, NBG, GNTA, G&T



Summary

In 2018:

- The EU became the largest source of remittances, replacing Russia (35% vs. 29% share in total)
- The EU remains Georgia's largest FDI provider
- Azerbaijan became the top export market again, accounting for 15% of the total and replacing Russia
- Russia became Georgia's largest source of tourism revenues, replacing Turkey.

Economic linkages breakdown

Source: Geostat, NBG, GNTA, G&T

% of GDP, 2018	Exports	Tourism	FDI	Remittances	Total
Total	20.7%	19.9%	7.6%	9.7%	57.9%
EU	4.5%	1.4%	3.5%	3.4%	12.9%
Russia	2.7%	3.4%	0.4%	2.8%	9.3%
Turkey	1.4%	2.6%	-0.1%	0.7%	4.6%
Ukraine	1.1%	0.5%	0.1%	0.2%	1.9%
Azerbaijan	3.1%	1.3%	1.5%	0.1%	6.0%
Armenia	1.7%	1.4%	0.1%	0.1%	3.3%
Other countries	6.2%	9.2%	2.1%	2.5%	20.0%

Note: Negative FDI from Turkey reflects purchase of Turkish company Geocell by resident Georgian company Silknet

CONTENTS



▪ Group Overview	4
▪ Results Discussion	8
▪ Georgian Macro Overview	31
▪ Appendices	52

BOARD OF DIRECTORS



Robust Corporate Governance based on UK Corporate Governance Code



Neil Janin, Independent Non-Executive Chairman

Experience: formerly Director at McKinsey & Company in Paris; formerly co-chairman of the commission of the French Institute of Directors (IFA); formerly Chase Manhattan Bank in New York and Paris



Hanna Loikkanen, Senior Independent Non-Executive Director

Experience: currently advisor to East Capital Private Equity AB; Non-Executive Director of PJSC Rosbank; formerly: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB



Tamaz Georgadze, Independent Non-Executive Director

Experience: Executive Director and founder of Raisin GmbH (formerly SavingGlobal GmbH); formerly: Partner at McKinsey & Company in Berlin, aide to President of Georgia



Cecil Quillen, Independent Non-Executive Director

Experience: Partner at Linklaters LLP with nearly 29 years of experience in working on a broad spectrum of securities and finance matters



Véronique McCarroll, Independent Non-Executive Director

Experience: 30 years' experience in Financial Services; formerly: Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young



Archil Gachechiladze, Chief Executive Officer

Experience: with the Group since 2009; originally joined as Deputy CEO, Corporate Banking; formerly: CEO of Georgian Global Utilities. Over 17 years' experience in the financial services



Al Breach, Independent Non-Executive Director

Experience: Director of Gemsstock Ltd, The Browser and Furka Holdings AG, and advisor to East Capital; formerly: Head of Research, Strategist & Economist at UBS Russia and CIS, economist at Goldman Sachs



Jonathan Muir, Independent Non-Executive Director

Experience: CEO of LetterOne Holdings SA and of LetterOne Investment Holdings; formerly: CFO and Vice President of Finance and Control of TNK-BP, Partner at Ernst & Young



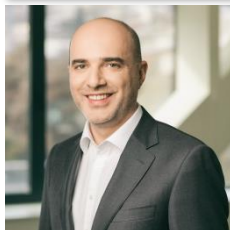
Andreas Wolf, Independent Non-Executive Director

Experience: Head of Strategy and Business Development for MHB-Bank AG in Germany and an advisor to Raisin, a European deposit brokerage marketplace; formerly: Partner at McKinsey & Company in Frankfurt

HIGHLY EXPERIENCED MANAGEMENT TEAM



Senior Executive Compensation Policy applies to top executives and envisages long-term deferred and discretionary awards of securities and no cash bonuses to be paid to such executives



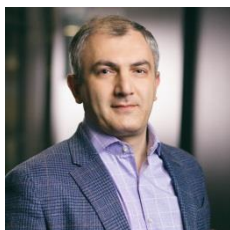
Archil Gachechiladze, Chief Executive Officer

With the Group since 2009. Previously, CEO of Georgian Global Utilities. Held various positions with the Group, such as Deputy CEO, Corporate Banking, Deputy CEO, Investment Management, CFO of BGEO Group, Deputy CEO, Corporate Investment Banking. More than 17 years of experience of senior roles at TBC Bank, Lehman Brothers Private Equity, Salford Equity Partners, KPMG, World Bank. Holds an MBA from Cornell University.



Sulkhvan Gvalia, Chief Financial Officer

With the Group since 2004. Previously, founder and CEO of E-Space Limited, Tbilisi. Held various positions with the Group, such as Chief Risk Officer and Head of Corporate Banking. Prior to joining the Group, served as Deputy Chairman of the management board of TbilUniversalBank, prior to its acquisition by the Bank. Also, serves as non-executive independent director at Inecobank (Armenia). Holds a law degree from Tbilisi State University.



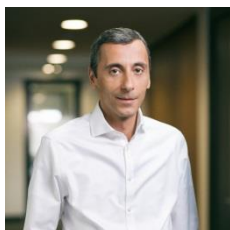
Levan Kulijanishvili, Deputy CEO, Operations

With the Group since 1997. Joined as a Junior Financial Analyst of the Bank. Held various senior positions, including Deputy CEO in charge of finance, Head of Internal Audit, Head of Financial Monitoring, Head of Strategy and Planning, and Head of the Financial Analysis. Holds an MBA from Grenoble Graduate School of Business.



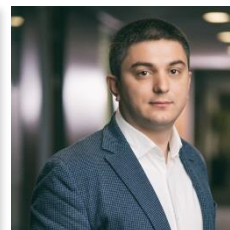
George Chiladze, Deputy CEO, Chief Risk Officer

With the Group since 2008. Joined as a Deputy CEO in charge of finance at the Bank. Left the Group in 2011 and rejoined in 2013 as Deputy CEO, Chief Risk Officer. Prior to rejoining the Group, he was Deputy CEO at the Partnership Fund. Prior to returning to Georgia in 2003, he worked at the programme trading desk at Bear Stearns in New York City. Holds a PhD in physics from Johns Hopkins University in Baltimore, Maryland.



Mikheil Gomarteli, Deputy CEO, Emerging and Mass Retail Banking

With the Group since 1997. Mikheil is a textbook professional growth story made possible in our Group – he developed his way from selling debit cards door-to-door to successfully leading our Retail Banking franchise for over ten years now. Holds an undergraduate degree in Economics from Tbilisi State University.



Vakhtang Bobokhidze, Deputy CEO, Information Technologies

With the Group since 2005. Joined as Quality Control Manager. Left the Group in 2010 and rejoined the Group in December 2010. Prior to being appointed as Deputy CEO, served as Head of IT Department since 2016. Holds an MBA from Tbilisi State University.



Vasil Khodeli, Deputy CEO

With the Group since 1998. Previously served as Deputy CEO, Corporate Investment Banking since 2017 and Head of Corporate Banking of the Bank since 2004. He has more than 20 years of banking experience and has held various roles with the Group. Holds an MBA from Grenoble Business School.

BANK OF GEORGIA GROUP INCOME STATEMENT



GEL thousands, unless otherwise noted	Bank of Georgia Group Consolidated					Banking Business					Discontinued Operations					Eliminations		
	1Q19	1Q18	Change y-o-y	4Q18	Change q-o-q	1Q19	1Q18	Change y-o-y	4Q18	Change q-o-q	1Q19	1Q18	Change y-o-y	4Q18	Change q-o-q	1Q19	1Q18	4Q18
Interest income	334,735	311,275	7.5%	345,760	-3.2%	334,735	313,679	6.7%	345,760	-3.2%	-	-	-	-	-	-	-	(2,404)
Interest expense	(151,794)	(130,035)	16.7%	(158,322)	-4.1%	(151,794)	(133,430)	13.8%	(158,322)	-4.1%	-	-	-	-	-	-	-	3,395
Net interest income	182,941	181,240	0.9%	187,438	-2.4%	182,941	180,249	1.5%	187,438	-2.4%	-	-	-	-	-	-	-	991
Fee and commission income	62,531	50,673	23.4%	62,350	0.3%	62,531	51,213	22.1%	62,350	0.3%	-	-	-	-	-	-	-	(540)
Fee and commission expense	(20,351)	(16,488)	23.4%	(21,006)	-3.1%	(20,351)	(16,702)	21.8%	(21,006)	-3.1%	-	-	-	-	-	-	-	214
Net fee and commission income	42,180	34,185	23.4%	41,344	2.0%	42,180	34,511	22.2%	41,344	2.0%	-	-	-	-	-	-	-	(326)
Net foreign currency gain	30,025	13,151	128.3%	53,358	-43.7%	30,025	14,253	110.7%	53,358	-43.7%	-	-	-	-	-	-	-	(1,102)
Net other income / (expense)	3,568	5,518	-35.3%	(9,073)	NMF	3,568	5,744	-37.9%	(9,073)	NMF	-	-	-	-	-	-	-	(226)
Operating income	258,714	234,094	10.5%	273,067	-5.3%	258,714	234,757	10.2%	273,067	-5.3%	-	-	-	-	-	-	-	(663)
Salaries and other employee benefits (excluding one-offs)	(52,418)	(48,818)	7.4%	(58,331)	-10.1%	(52,418)	(49,453)	6.0%	(58,331)	-10.1%	-	-	-	-	-	-	-	635
One-off termination costs of executive management	(7,842)	-	NMF	-	NMF	(7,842)	-	NMF	-	NMF	-	-	-	-	-	-	-	-
Salaries and other employee benefits	(60,260)	(48,818)	23.4%	(58,331)	3.3%	(60,260)	(49,453)	21.9%	(58,331)	3.3%	-	-	-	-	-	-	-	635
Administrative expenses	(22,741)	(25,168)	-9.6%	(30,010)	-24.2%	(22,741)	(25,633)	-11.3%	(30,010)	-24.2%	-	-	-	-	-	-	-	465
Depreciation and amortisation	(15,688)	(11,522)	36.2%	(11,365)	38.0%	(15,688)	(11,522)	36.2%	(11,365)	38.0%	-	-	-	-	-	-	-	-
Other operating expenses	(1,080)	(771)	40.1%	(1,151)	-6.2%	(1,080)	(771)	40.1%	(1,151)	-6.2%	-	-	-	-	-	-	-	-
Operating expenses	(99,769)	(86,279)	15.6%	(100,857)	-1.1%	(99,769)	(87,379)	14.2%	(100,857)	-1.1%	-	-	-	-	-	-	-	1,100
Profit from associates	188	318	-40.9%	318	-40.9%	188	318	-40.9%	318	-40.9%	-	-	-	-	-	-	-	-
Operating profit before cost of risk	159,133	148,133	7.4%	172,528	-7.8%	159,133	147,696	7.7%	172,528	-7.8%	-	-	-	-	-	-	-	437
Expected credit loss / impairment charge on loans to customers	(40,117)	(36,676)	9.4%	(25,783)	55.6%	(40,117)	(36,676)	9.4%	(25,783)	55.6%	-	-	-	-	-	-	-	-
Expected credit loss / impairment charge on finance lease receivables	(446)	13	NMF	514	NMF	(446)	13	NMF	514	NMF	-	-	-	-	-	-	-	-
Other expected credit loss / impairment charge on other assets and provisions	(2,089)	2,850	NMF	(15,509)	-86.5%	(2,089)	2,850	NMF	(15,509)	-86.5%	-	-	-	-	-	-	-	-
Cost of risk	(42,652)	(33,813)	26.1%	(40,778)	4.6%	(42,652)	(33,813)	26.1%	(40,778)	4.6%	-	-	-	-	-	-	-	-
Net operating profit before non-recurring items and income tax	116,481	114,320	1.9%	131,750	-11.6%	116,481	113,883	2.3%	131,750	-11.6%	-	-	-	-	-	-	-	437
Net non-recurring items (excluding one-offs)	(1,575)	(2,948)	-46.6%	(2,185)	-27.9%	(1,575)	(2,948)	-46.6%	(2,185)	-27.9%	-	-	-	-	-	-	-	-
One-off termination costs of former CEO	(3,985)	-	NMF	(4,401)	-9.5%	(3,985)	-	NMF	(4,401)	-9.5%	-	-	-	-	-	-	-	-
Net non-recurring items	(5,560)	(2,948)	88.6%	(6,586)	-15.6%	(5,560)	(2,948)	88.6%	(6,586)	-15.6%	-	-	-	-	-	-	-	-
Profit before income tax	110,921	111,372	-0.4%	125,164	-11.4%	110,921	110,935	0.0%	125,164	-11.4%	-	-	-	-	-	-	-	437
Income tax expense (excluding one-offs)	(10,536)	(9,283)	13.5%	(10,888)	-3.2%	(10,536)	(9,283)	13.5%	(10,888)	-3.2%	-	-	-	-	-	-	-	-
Income tax benefit related to one-off termination costs	1,587	-	NMF	540	NMF	1,587	-	NMF	540	NMF	-	-	-	-	-	-	-	-
Income tax expense	(8,949)	(9,283)	-3.6%	(10,348)	-13.5%	(8,949)	(9,283)	-3.6%	(10,348)	-13.5%	-	-	-	-	-	-	-	-
Profit from continuing operations	101,972	102,089	-0.1%	114,816	-11.2%	101,972	101,652	0.3%	114,816	-11.2%	-	-	-	-	-	-	-	437
Profit from discontinued operations	-	28,938	NMF	-	-	-	-	-	-	-	29,375	NMF	-	-	-	-	-	(437)
Profit	101,972	131,027	-22.2%	114,816	-11.2%	101,972	101,652	0.3%	114,816	-11.2%	-	29,375	NMF	-	-	-	-	-
Attributable to:																		
- shareholders of the Group	101,512	118,420	-14.3%	114,240	-11.1%	101,512	101,252	0.3%	114,240	-11.1%	-	17,168	NMF	-	-	-	-	-
- non-controlling interests	460	12,607	-96.4%	576	-20.1%	460	400	15.0%	576	-20.1%	-	12,207	NMF	-	-	-	-	-
Profit from continuing operations attributable to:																		
- shareholders of the Group	101,512	101,689	-0.2%	114,240	-11.1%	101,512	101,252	0.3%	114,240	-11.1%	-	-	-	-	-	-	-	437
- non-controlling interests	460	400	15.0%	576	-20.1%	460	400	15.0%	576	-20.1%	-	-	-	-	-	-	-	-
Profit from discontinued operations attributable to:																		
- shareholders of the Group	-	16,731	NMF	-	-	-	-	-	-	-	-	17,168	NMF	-	-	-	-	(437)
- non-controlling interests	-	12,207	NMF	-	-	-	-	-	-	-	-	12,207	NMF	-	-	-	-	-
Earnings per share (basic)	2.12	3.15	-32.7%	2.40	-11.7%	2.12	2.71	-21.8%	2.40	-11.7%	-	-	-	-	-	-	-	-
- earnings per share from continuing operations	2.12	2.71	-21.8%	2.40	-11.7%	2.12	2.71	-21.8%	2.40	-11.7%	-	-	-	-	-	-	-	-
- earnings per share from discontinued operations	-	0.44	NMF	-	-	-	0.44	NMF	-	-	-	-	-	-	-	-	-	-
Earnings per share (diluted)	2.11	3.04	-30.6%	2.40	-12.1%	2.11	2.61	-19.2%	2.40	-12.1%	-	-	-	-	-	-	-	-
- earnings per share from continuing operations	2.11	2.61	-19.2%	2.40	-12.1%	2.11	2.61	-19.2%	2.40	-12.1%	-	-	-	-	-	-	-	-
- earnings per share from discontinued operations	-	0.43	NMF	-	-	-	0.43	NMF	-	-	-	-	-	-	-	-	-	-

BANK OF GEORGIA GROUP BALANCE SHEET



GEL thousands, unless otherwise noted	Bank of Georgia Group Consolidated					Banking Business					Discontinued Operations					Eliminations		
	Mar-19	Mar-18	Change y-o-y	Dec-18	Change q-o-q	Mar-19	Mar-18	Change y-o-y	Dec-18	Change q-o-q	Mar-19	Mar-18	Change y-o-y	Dec-18	Change q-o-q	Mar-19	Mar-18	Dec-18
Cash and cash equivalents	1,162,168	1,754,920	-33.8%	1,215,799	-4.4%	1,162,168	1,754,920	-33.8%	1,215,799	-4.4%	-	-	-	-	-	-	-	-
Amounts due from credit institutions	1,391,630	941,804	47.8%	1,305,216	6.6%	1,391,630	955,175	45.7%	1,305,216	6.6%	-	-	-	-	-	-	(13,371)	-
Investment securities	1,948,592	1,748,728	11.4%	2,019,017	-3.5%	1,948,592	1,804,231	8.0%	2,019,017	-3.5%	-	-	-	-	-	-	(55,503)	-
Loans to customers and finance lease receivables	9,570,691	7,755,233	23.4%	9,397,747	1.8%	9,570,691	7,819,773	22.4%	9,397,747	1.8%	-	-	-	-	-	-	(64,540)	-
Accounts receivable and other loans	3,134	3,453	-9.2%	2,849	10.0%	3,134	6,537	-52.1%	2,849	10.0%	-	-	-	-	-	-	(3,084)	-
Prepayments	31,621	79,600	-60.3%	44,294	-28.6%	31,621	79,600	-60.3%	44,294	-28.6%	-	-	-	-	-	-	-	-
Inventories	11,756	10,371	13.4%	13,292	-11.6%	11,756	10,371	13.4%	13,292	-11.6%	-	-	-	-	-	-	-	-
Right-of-use assets	91,248	-	NMF	-	NMF	91,248	-	NMF	-	NMF	-	-	-	-	-	-	-	-
Investment property	169,328	218,142	-22.4%	151,446	11.8%	169,328	218,142	-22.4%	151,446	11.8%	-	-	-	-	-	-	-	-
Property and equipment	349,728	324,810	7.7%	344,059	1.6%	349,728	324,810	7.7%	344,059	1.6%	-	-	-	-	-	-	-	-
Goodwill	33,352	33,351	0.0%	33,351	0.0%	33,352	33,351	0.0%	33,351	0.0%	-	-	-	-	-	-	-	-
Intangible assets	87,005	57,139	52.3%	83,366	4.4%	87,005	57,139	52.3%	83,366	4.4%	-	-	-	-	-	-	-	-
Income tax assets	19,446	13,189	47.4%	19,451	0.0%	19,446	13,189	47.4%	19,451	0.0%	-	-	-	-	-	-	-	-
Other assets	144,343	113,824	26.8%	126,008	14.6%	144,343	117,290	23.1%	126,008	14.6%	-	-	-	-	-	-	(3,466)	-
Assets held for sale	40,528	-	NMF	42,408	-4.4%	40,528	-	NMF	42,408	-4.4%	-	-	-	-	-	-	-	-
Assets of disposal group held for distribution	-	2,447,592	NMF	-	-	-	-	-	-	-	-	3,841,004	NMF	-	-	-	(1,393,412)	-
Total assets	15,054,570	15,502,156	-2.9%	14,798,303	1.7%	15,054,570	13,194,528	14.1%	14,798,303	1.7%	-	3,841,004	NMF	-	-	-	(1,533,376)	-
Client deposits and notes	8,393,861	6,762,071	24.1%	8,133,853	3.2%	8,393,861	7,296,110	15.0%	8,133,853	3.2%	-	-	-	-	-	-	(534,039)	-
Amounts due to credit institutions	2,463,408	2,521,291	-2.3%	2,994,879	-17.7%	2,463,408	2,642,427	-6.8%	2,994,879	-17.7%	-	-	-	-	-	-	(121,136)	-
Debt securities issued	2,045,428	1,524,600	34.2%	1,730,414	18.2%	2,045,428	1,569,404	30.3%	1,730,414	18.2%	-	-	-	-	-	-	(44,804)	-
Lease liabilities	78,364	-	NMF	-	NMF	78,364	-	NMF	-	NMF	-	-	-	-	-	-	-	-
Accruals and deferred income	48,449	27,478	76.3%	47,063	2.9%	48,449	27,478	76.3%	47,063	2.9%	-	-	-	-	-	-	-	-
Income tax liabilities	37,396	19,763	89.2%	28,855	29.6%	37,396	19,763	89.2%	28,855	29.6%	-	-	-	-	-	-	-	-
Other liabilities	68,883	41,073	67.7%	64,966	6.0%	68,883	41,876	64.5%	64,966	6.0%	-	-	-	-	-	-	(803)	-
Liabilities of disposal group held for distribution	-	1,837,869	NMF	-	-	-	-	-	-	-	-	1,964,463	NMF	-	-	-	(126,594)	-
Total liabilities	13,135,789	12,734,145	3.2%	13,000,030	1.0%	13,135,789	11,597,058	13.3%	13,000,030	1.0%	-	1,964,463	NMF	-	-	-	(827,376)	-
Share capital	1,618	1,151	40.6%	1,618	0.0%	1,618	1,151	40.6%	1,618	0.0%	-	-	-	-	-	-	-	-
Additional paid-in capital	495,452	64,530	NMF	480,555	3.1%	495,452	-	NMF	480,555	3.1%	-	64,530	NMF	-	-	-	-	-
Treasury shares	(42)	(57)	-26.3%	(51)	-17.6%	(42)	(57)	-26.3%	(51)	-17.6%	-	-	-	-	-	-	-	-
Other reserves	36,474	101,967	-64.2%	30,515	19.5%	36,474	(117,684)	NMF	30,515	19.5%	-	797,564	NMF	-	-	-	(577,913)	-
Retained earnings	1,376,834	2,273,536	-39.4%	1,277,732	7.8%	1,376,834	1,706,937	-19.3%	1,277,732	7.8%	-	694,686	NMF	-	-	-	(128,087)	-
Reserves of disposal group held for distribution	-	15,828	NMF	-	-	-	-	-	-	-	-	15,828	NMF	-	-	-	-	-
Total equity attributable to shareholders of the Group	1,910,336	2,456,955	-22.2%	1,790,369	6.7%	1,910,336	1,590,347	20.1%	1,790,369	6.7%	-	1,572,608	NMF	-	-	-	(706,000)	-
Non-controlling interests	8,445	311,056	-97.3%	7,904	6.8%	8,445	7,123	18.6%	7,904	6.8%	-	303,933	NMF	-	-	-	-	-
Total equity	1,918,781	2,768,011	-30.7%	1,798,273	6.7%	1,918,781	1,597,470	20.1%	1,798,273	6.7%	-	1,876,541	NMF	-	-	-	(706,000)	-
Total liabilities and equity	15,054,570	15,502,156	-2.9%	14,798,303	1.7%	15,054,570	13,194,528	14.1%	14,798,303	1.7%	-	3,841,004	NMF	-	-	-	(1,533,376)	-
Book value per share *	39.88	65.64	-39.2%	37.59	6.1%	39.88	65.64	-39.2%	37.59	6.1%	-	65.64	NMF	-	-	-	(39.05)	-

* The y-o-y decline in Book value per share as at 31 March 2019 is driven by the demerger of Investment Business to Georgia Capital PLC on 29 May 2018 and the issuance and allotment of additional 9,784,716 Bank of Georgia Group shares (equivalent to 19.9% of Bank of Georgia Group's issued ordinary share capital) to Georgia Capital

BNB FINANCIAL HIGHLIGHTS



INCOME STATEMENT, HIGHLIGHTS

GEL thousands, unless otherwise stated

	1Q19	1Q18	Change y-o-y	4Q18	Change q-o-q
Net interest income	6,585	6,544	0.6%	6,471	1.8%
Net fee and commission income	1,812	2,277	-20.4%	1,356	33.6%
Net foreign currency gain	3,955	3,277	20.7%	5,261	-24.8%
Net other income	147	117	25.6%	332	-55.7%
Operating income	12,499	12,215	2.3%	13,420	-6.9%
Operating expenses	(7,847)	(7,721)	1.6%	(8,785)	-10.7%
Operating profit before cost of risk	4,652	4,494	3.5%	4,635	0.4%
Cost of risk	(1,442)	(717)	101.1%	670	NMF
Net non-recurring items	(50)	(700)	-92.9%	(8)	NMF
Profit before income tax	3,160	3,077	2.7%	5,297	-40.3%
Income tax expense	(571)	(779)	-26.7%	(1,162)	-50.9%
Profit	2,589	2,298	12.7%	4,135	-37.4%

BALANCE SHEET, HIGHLIGHTS

GEL thousands, unless otherwise stated

	Mar-19	Mar-18	Change y-o-y	Dec-18	Change q-o-q
Cash and cash equivalents	79,497	77,403	2.7%	110,340	-28.0%
Amounts due from credit institutions	20,556	10,387	97.9%	19,664	4.5%
Investment securities	116,082	40,819	NMF	67,734	71.4%
Loans to customers and finance lease receivables	451,665	377,680	19.6%	432,657	4.4%
Other assets	54,001	37,731	43.1%	50,155	7.7%
Total assets	721,801	544,020	32.7%	680,550	6.1%
Client deposits and notes	425,563	288,337	47.6%	389,001	9.4%
Amounts due to credit institutions	144,314	144,208	0.1%	162,823	-11.4%
Debt securities issued	53,846	30,726	75.2%	38,163	41.1%
Other liabilities	9,477	7,331	29.3%	5,300	78.8%
Total liabilities	633,200	470,602	34.6%	595,287	6.4%
Total equity	88,601	73,418	20.7%	85,263	3.9%
Total liabilities and equity	721,801	544,020	32.7%	680,550	6.1%

BANKING BUSINESS KEY RATIOS



	1Q19	1Q18	4Q18
Profitability			
ROAA, annualised **	3.1%	3.2%	3.3%
ROAA, annualised (unadjusted)	2.8%	3.2%	3.2%
ROAE, annualised **	24.5%	26.2%	27.0%
<i>RB ROAE **</i>	25.3%	31.8%	28.4%
<i>CIB ROAE **</i>	27.1%	19.8%	28.5%
ROAE, annualised (unadjusted)	22.2%	26.2%	26.2%
Net interest margin, annualised	5.8%	7.0%	6.0%
<i>RB NIM</i>	6.4%	8.2%	6.7%
<i>CIB NIM</i>	3.4%	3.2%	3.2%
Loan yield, annualised	12.2%	13.9%	12.8%
<i>RB Loan yield</i>	13.6%	15.8%	14.2%
<i>CIB Loan yield</i>	9.1%	9.9%	9.8%
Liquid assets yield, annualised	3.8%	3.6%	3.8%
Cost of funds, annualised	4.8%	4.8%	5.0%
Cost of client deposits and notes, annualised	3.3%	3.4%	3.4%
<i>RB Cost of client deposits and notes</i>	3.0%	2.8%	2.9%
<i>CIB Cost of client deposits and notes</i>	3.6%	3.9%	4.0%
Cost of amounts due to credit institutions, annualised	7.6%	6.9%	7.9%
Cost of debt securities issued	7.8%	7.7%	7.8%
Operating leverage, y-o-y ***	5.0%	-3.6%	3.8%
Operating leverage, q-o-q ***	3.6%	2.6%	-2.3%
Efficiency			
Cost / Income ***	35.5%	37.2%	36.9%
<i>RB Cost / Income ***</i>	35.5%	36.7%	36.7%
<i>CIB Cost / Income ***</i>	26.9%	32.5%	29.6%
Cost / Income (unadjusted)	38.6%	37.2%	36.9%
Liquidity			
NBG liquidity ratio (<i>minimum requirement 30%</i>)	36.7%	36.5%	31.9%
NBG liquidity coverage ratio (<i>minimum requirement 100%</i>)	133.1%	135.2%	120.1%
Liquid assets to total liabilities	34.3%	38.9%	34.9%
Net loans to client deposits and notes	114.0%	107.2%	115.5%
Net loans to client deposits and notes + DFIs	98.6%	92.1%	99.6%
Leverage (times)	6.8	7.3	7.2
Asset Quality:			
NPLs (in GEL)	326,127	279,754	318,356
NPLs to gross loans to clients	3.3%	3.5%	3.3%
NPL coverage ratio	92.2%	101.2%	90.5%
NPL coverage ratio, adjusted for discounted value of collateral	132.6%	143.2%	129.9%
Cost of credit risk, annualised	1.7%	1.8%	1.1%
<i>RB Cost of credit risk</i>	2.4%	2.2%	1.7%
<i>CIB Cost of credit risk</i>	0.1%	1.3%	-0.2%
Capital Adequacy:			
NBG (Basel III) Tier I capital adequacy ratio	12.7%	12.4%	12.2%
<i>Minimum regulatory requirement</i>	11.6%	10.2%	11.4%
NBG (Basel III) Total capital adequacy ratio	17.1%	17.3%	16.6%
<i>Minimum regulatory requirement</i>	16.1%	14.4%	15.9%

KEY OPERATING DATA



	Mar-19	Mar-18	Dec-18
Selected operating data:			
Total assets per FTE	2,017	1,858	1,995
Number of active branches, of which:	276	282	276
- Express branches (including Metro)	166	156	165
- Bank of Georgia branches	98	114	99
- Solo lounges	12	12	12
Number of ATMs	886	842	876
Number of cards outstanding, of which:	2,139,239	2,246,396	2,177,273
- Debit cards	1,627,070	1,597,662	1,630,235
- Credit cards	512,169	648,734	547,038
Number of POS terminals*	17,684	12,571	16,870
FX Rates:			
GEL/US\$ exchange rate (period-end)	2.6914	2.4144	2.6766
GEL/GBP exchange rate (period-end)	3.5147	3.3932	3.3955
Full time employees (FTE), of which:			
- Full time employees, BOG standalone	7,465	7,102	7,416
- Full time employees, BNB	5,886	5,505	5,828
- Full time employees, BB other	644	708	669
	935	889	919
Shares outstanding			
Ordinary shares	47,899,817	37,431,257	47,626,147
Treasury shares	1,269,611	1,953,455	1,543,281
Total shares outstanding	49,169,428	39,384,712	49,169,428

EXPRESS BANKING



1 166 Express Branches



- Opening accounts and deposits
- Issuing loans and credit cards
- Credit card and loan repayments
- Cash deposit into accounts
- Money transfers
- Utility and other payments

3 3,152 Express Pay Terminals



- Credit card repayments
- Loan repayments
- Cash deposit into accounts
- Loan activation
- Utility and other payments
- Mobile top-ups



2 825,710 Express Cards for Transport payments



- Acts as payments card in metro, buses and mini-buses

4 17,684* POS Terminals at 5,902 Merchants



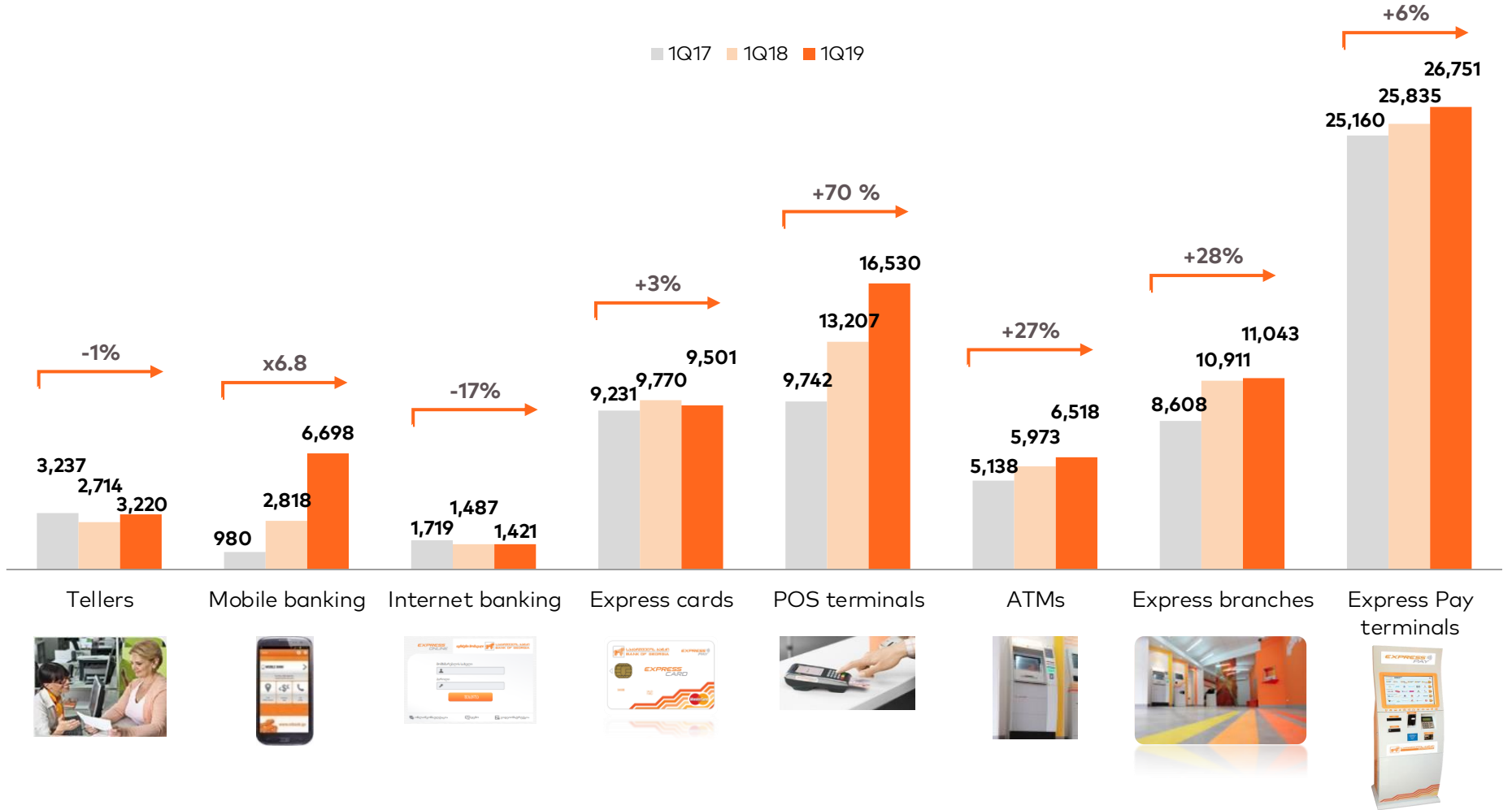
- Payments via cards and points
- P2P transactions between merchant and supplier
- Credit limit with 0% interest rate

EXPRESS - CAPTURING EMERGING MASS MARKET CUSTOMERS



Number of Transactions '000s

■ 1Q17 ■ 1Q18 ■ 1Q19



SOLO - A FUNDAMENTALLY DIFFERENT APPROACH TO PREMIUM BANKING



The target of **40,000 Solo clients** (currently 47,057) already achieved ahead of time. We target growth through increasing engagement of existing clients and maximising the **Profit per client** and **Product per client** measures.

SOLO Lounges



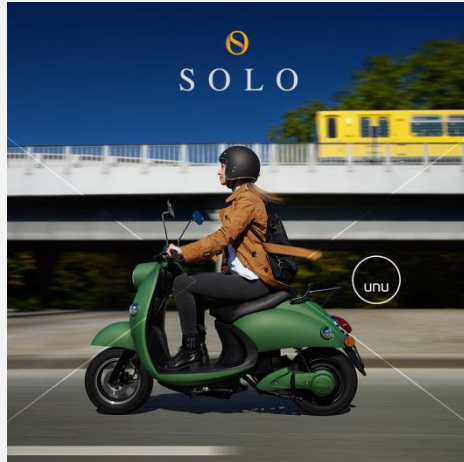
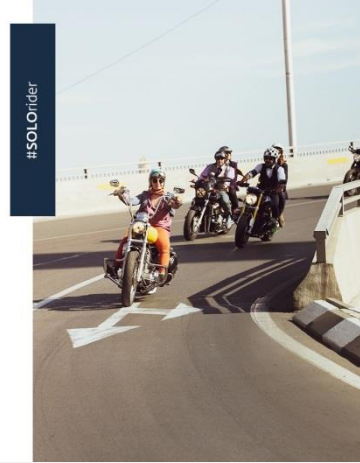
New Solo offers:

- Tailor made banking solutions
- New financial products such as bonds
- Concierge-style environment
- Access to exclusive products and events
- Lifestyle opportunities

Solo Club

Launched in 2Q17, a membership group within Solo, which offers exclusive access to Solo products and offers ahead of other Solo clients, continues to increase its client base. At 31 March 2019, Solo Club had 4,446 members, up 16.2% q-o-q

SOLO – EDUCATION, TRAVEL, HEALTH, ENTERTAINMENT



RETAIL BANKING – CLIENT-CENTRIC MODEL



As of 31 March 2019, we have **76** branches operating on our client-centric model



LOYALTY PROGRAMME

Relationship brings a PLUS 

- ▶ Status levels can be achieved by using multiple banking products
- ▶ Points are collected through different interactions with the bank
- ▶ Status level qualifies clients for exclusive benefits
- ▶ Points can be easily redeemed for specific rewards

Programme members

1.42 mln

Social campaigns per month

9

Programme partners

148

Active special offers

416

Transactions with Plus points

130K



NOTES TO KEY RATIOS



- **Cost of funds** Interest expense of the period divided by monthly average interest bearing liabilities;
- **Cost of credit risk** Expected loss/ impairment charge for 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;
- **Cost to income ratio** Operating expenses divided by operating income;
- **Interest bearing liabilities** Amounts due 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;
- **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 (as defined by NBG) divided by net cash outflows over the next 30 days (as defined by NBG);
- **Loan yield** Interest income from loans to customers and finance lease receivables divided by monthly average gross loans to customers and finance lease receivables;
- **NBG liquidity ratio** Daily average liquid assets (as defined by NBG) during the month divided by daily average liabilities (as defined by NBG) during the month;
- **NBG (Basel III) Tier I capital adequacy ratio** Tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **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 National Bank of Georgia instructions;
- **Net interest margin (NIM)** Net interest income of the period divided by monthly average interest earning assets excluding cash for the same period;
- **Non-performing loans (NPLs)** The principal and interest on loans overdue for more than 90 days and any additional potential losses estimated by management;
- **NPL coverage ratio** Allowance for expected credit loss/impairment loss of loans and finance lease receivables divided by NPLs;
- **NPL coverage ratio adjusted for discounted value of collateral** Allowance for expected credit loss/impairment loss of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for expected credit loss/impairment loss);
- **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;
- **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;
- **NMF** Not meaningful

COMPANY INFORMATION



Registered Address

84 Brook Street
London W1K 5EH
United Kingdom

Registered under number 10917019 in England and Wales

Secretary

Link Company Matters Limited
65 Gresham Street
London EC2V 7NQ
United Kingdom

Stock Listing

London Stock Exchange PLC's Main Market for listed securities
Ticker: "BGEO.LN"

Contact Information

Bank of Georgia Group PLC Investor Relations
Telephone: +44 (0) 203 178 4052; +995 322 444444 (9282)

E-mail: ir@bog.ge

www.bankofgeorgiagroup.com

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY
United Kingdom

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
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.

Investor Centre Web Address - www.investorcentre.co.uk

Investor Centre Shareholder Helpline - +44 (0)370 873 5866

Share price information

Shareholders can access both the latest and historical prices via the website,
www.bankofgeorgiagroup.com

