

Bank of Georgia Group PLC

3Q22 and 9M22 results

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ABOUT BANK OF GEORGIA GROUP PLC

Bank of Georgia Group PLC (“**Bank of Georgia Group**” or the “**Group**” and on the LSE: **BGEO LN**) is a UK-incorporated holding company. The Group mainly comprises: a) retail banking and payments business (Retail Banking); and b) corporate banking and investment banking operations (Corporate and Investment Banking) in Georgia.

JSC Bank of Georgia (“**Bank of Georgia**”, “**BOG**”, or the “**Bank**”), a systematically important and leading universal bank in Georgia, is the core entity of the Group. The Bank is a leader in the payments business and financial mobile application, with strong retail and corporate banking franchises. In line with our digital strategy, the Group focuses on expanding technological and advanced data analytics capabilities to offer more personalised solutions and seamless experiences to our customers. Employee empowerment, customer satisfaction, and data-driven decision-making, together with the strength of the banking franchise, are key enablers of the Group’s sustainable value creation. By building on its competitive strengths and uncovering more opportunities, the Group is committed to delivering strong profitability sustainably and maximising shareholder value.

The Group expects to benefit from the growth of the Georgian economy, and through both its Retail Banking and Corporate and Investment Banking operations, it aims to deliver on its strategy and its key medium-term objectives – at least 20% return on average equity (ROAE) and c.10% growth of its loan book.

3Q22 AND 9M22 RESULTS AND CONFERENCE CALL DETAILS

Bank of Georgia Group PLC announces the Group’s consolidated financial results for the third quarter and the first nine months of 2022. Unless otherwise noted, numbers in this announcement are for 3Q22 and comparisons are with 3Q21. The results have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the United Kingdom and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The results are based on International Financial Reporting Standards (**IFRS**) as adopted by the United Kingdom, are unaudited and derived from management accounts. The results announcement is available on the Group’s website at www.bankofgeorgiagroup.com.

A webinar with investors and analysts will be held on 10 November 2022, at 14:00 GMT / 15:00 CET / 09:00 EST.

Webinar instructions:

Please click the link below to join the webinar:

<https://bankofgeorgia.zoom.us/j/94535963316?pwd=YjlEOXFfS2FDNHR3Z3VFRVoxc0g4Zz09>

Webinar ID: **945 3596 3316**

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Participants joining via Zoom can use the “raise hand” feature at the bottom of the screen to ask questions. Participants dialing in can press *9 to raise hand and ask questions.

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FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Bank of Georgia Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: macro risk, including domestic instability; regional instability risk; credit risk; liquidity and funding risk; capital risk; market risk; regulatory and legal risk; financial crime risk; information security and data protection risks; operational risk; human capital risk; COVID-19 pandemic risk; model risk; climate change risk; and other key factors that could adversely affect our business and financial performance, as indicated elsewhere in this document and in past and future filings and reports of the Group, including the 'Principal risks and uncertainties' included in Bank of Georgia Group PLC's Annual Report and Accounts 2021 and in 2Q22 and 1H22 results release. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Bank of Georgia Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Bank of Georgia Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast.

MACROECONOMIC DEVELOPMENTS

Strong growth momentum

The Georgian economy has maintained strong momentum despite the ongoing war in Ukraine and global macroeconomic challenges. Real GDP grew 9.7% year-on-year in the third quarter, after a 10.5% growth during the first half of the year. Consumption spending has remained resilient, and investment expenditure has also picked up. Demand has been supported by increased revenues from the external sector, credit growth and fiscal spending. Importantly, growth is broad-based, driven by hospitality, real estate, communication, and transport industries.

Resilient external sector

Georgia's exports accelerated further in 3Q22, growing 40.5% year-on-year. Import growth also remained strong. In recent months, the widening trade deficit has been more than offset by the robust recovery in tourism inflows and money transfers from abroad. Tourism revenues reached 97.5% of 2019 level in the first nine months of 2022. Remittances grew 64.9% y-o-y in 3Q22 on the back of a growing number of migrants from the region. Given the positive dynamics in all sources of inflows, Georgia's external balance is expected to improve this year.

Moderate bank lending growth

Bank lending slowed during the third quarter, resulting in a 13.7% year-on-year growth on a constant currency basis in 3Q22 vs 18.7% y-o-y growth in the first half of the year. Tighter lending conditions driven by higher interest rates on FX loans and the NBS's recent decision to reduce maximum tenor on uncollateralized consumer loans from four to three years have weighed on credit demand. As growth is driven by local currency lending, the dollarisation of bank loans in Georgia has reduced to 45.1%.

Improved fiscal performance

Fiscal performance continues to improve. Tax revenues grew 27.0% year-on-year in the first nine months of 2022. The Government has revised the planned budget deficit for 2022 down to 3.2% of GDP (from 3.6% of GDP), reflecting better-than-expected tax revenues. In addition, public debt projection for year-end has been revised from 45.3% to 39.6% of GDP due to GEL appreciation and stronger-than-expected GDP growth. Overall, the improved growth outlook and the Government's commitment to fiscal consolidation supported by IMF's stand-by facilities are expected to ensure fiscal sustainability in the following years.

High inflation and tight monetary policy

Headline CPI inflation was 11.5% year-on-year in September, mainly driven by supply-side factors but with some impact related to demand-side as well, including rising housing costs. Decelerating producer price inflation, however, indicates that consumer price rise should also slow in the following months. Monetary policy remains tight, with the NBS policy rate at 11.0% since March 2022. The monetary policy is expected to remain tight for the rest of the year and ease gradually from mid-2023.

Recent GEL appreciation

Strong external inflows, tight monetary policy, and improved sentiments have supported the local currency. As at 31 October 2022, GEL gained 10.4% against the US Dollar year-to-date (5.2% appreciation vs end of June). GEL is expected to remain stable in the medium term.

Outlook

Considering stronger-than-expected macroeconomic performance in the first nine months and improved outlook for the rest of the year, Galt & Taggart has revised its real GDP growth forecast for 2022 up to 10.2%. Going forward, real GDP growth is expected to moderate at 4.8% in 2023 driven by consumption and lasting recovery in tourism and investment spending. The ongoing war in Ukraine, global recession fears, and high inflation are downside risks to growth.

3Q22 AND 9M22 FINANCIAL HIGHLIGHTS

<i>GEL thousands</i>	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net interest income	295,071	243,289	21.3%	281,170	4.9%	847,691	683,869	24.0%
Net fee and commission income	79,662	62,476	27.5%	81,065	-1.7%	219,559	168,332	30.4%
Net foreign currency gain	150,686	33,346	351.9%	125,528	20.0%	340,699	74,604	356.7%
Net other income	1,092	8,706	-87.5%	7,087	-84.6%	9,162	59,627	-84.6%
Operating income	526,511	347,817	51.4%	494,850	6.4%	1,417,111	986,432	43.7%
Operating expenses	(160,870)	(128,002)	25.7%	(160,899)	0.0%	(460,125)	(357,179)	28.8%
(Loss) / profit from associates	250	223	12.1%	250	0.0%	626	(3,909)	NMF
Operating income before cost of risk	365,891	220,038	66.3%	334,201	9.5%	957,612	625,344	53.1%
Cost of risk	(48,048)	(13,584)	NMF	(25,911)	85.4%	(66,392)	(43,669)	52.0%
Net operating income before non-recurring items	317,843	206,454	54.0%	308,290	3.1%	891,220	581,675	53.2%
Net non-recurring items	428	(479)	NMF	232	84.5%	708	(528)	NMF
Profit before income tax	318,271	205,975	54.5%	308,522	3.2%	891,928	581,147	53.5%
Income tax expense	(28,053)	(20,671)	35.7%	(33,036)	-15.1%	(85,653)	(54,749)	56.4%
Profit	290,218	185,304	56.6%	275,486	5.3%	806,275	526,398	53.2%

<i>GEL thousands</i>	Sep-22	Sep-21	Change y-o-y	Jun-22	Change q-o-q
BALANCE SHEET HIGHLIGHTS					
Liquid assets	9,486,712	5,461,809	73.7%	7,815,396	21.4%
<i>Cash and cash equivalents</i>	2,773,069	1,274,079	117.7%	2,834,950	-2.2%
<i>Amounts due from credit institutions</i>	2,406,119	1,904,747	26.3%	1,766,529	36.2%
<i>Investment securities</i>	4,307,524	2,282,983	88.7%	3,213,917	34.0%
Loans to customers and finance lease receivables ¹	16,162,942	15,579,496	3.7%	16,299,630	-0.8%
Property and equipment	400,874	377,287	6.3%	389,855	2.8%
Total assets	26,988,984	22,210,552	21.5%	25,364,541	6.4%
Client deposits and notes	17,193,088	13,312,965	29.1%	15,100,061	13.9%
Amounts owed to credit institutions	4,937,760	4,037,523	22.3%	5,019,370	-1.6%
<i>Borrowings from DFIs</i>	1,940,822	1,940,614	0.0%	1,960,874	-1.0%
<i>Short-term loans from central banks</i>	2,060,324	1,378,000	49.5%	2,242,322	-8.1%
<i>Loans and deposits from commercial banks</i>	936,614	718,909	30.3%	816,174	14.8%
Debt securities issued	774,152	1,537,593	-49.7%	1,299,986	-40.4%
Total liabilities	23,375,621	19,302,798	21.1%	21,931,894	6.6%
Total equity	3,613,363	2,907,754	24.3%	3,432,647	5.3%

KEY RATIOS	3Q22	3Q21	2Q22	9M22	9M21
ROAA	4.4%	3.3%	4.5%	4.3%	3.2%
ROAE	32.4%	25.7%	32.8%	32.0%	25.7%
Net interest margin	5.3%	5.0%	5.3%	5.3%	4.8%
Liquid assets yield	4.2%	3.6%	4.4%	4.3%	3.4%
Loan yield	11.6%	10.6%	11.4%	11.4%	10.4%
Cost of funds	4.9%	4.7%	5.2%	5.0%	4.6%
Cost / income	30.6%	36.8%	32.5%	32.5%	36.2%
NPLs to gross loans to clients	2.4%	2.6%	2.6%	2.4%	2.6%
NPL coverage ratio	89.4%	90.9%	89.6%	89.4%	90.9%
NPL coverage ratio, adjusted for discounted value of collateral	138.0%	140.9%	138.0%	138.0%	140.9%
Cost of credit risk ratio	1.0%	0.2%	0.6%	0.8%	0.1%
NBG (Basel III) CET1 capital adequacy ratio	14.8%	12.8%	14.0%	14.8%	12.8%
<i>Minimum regulatory requirement</i>	<i>11.6%</i>	<i>11.0%</i>	<i>11.7%</i>	<i>11.6%</i>	<i>11.0%</i>
NBG (Basel III) Tier I capital adequacy ratio	17.0%	14.6%	16.4%	17.0%	14.6%
<i>Minimum regulatory requirement</i>	<i>13.8%</i>	<i>13.2%</i>	<i>14.0%</i>	<i>13.8%</i>	<i>13.2%</i>
NBG (Basel III) Total capital adequacy ratio	20.3%	19.2%	19.8%	20.3%	19.2%
<i>Minimum regulatory requirement</i>	<i>17.2%</i>	<i>17.3%</i>	<i>17.5%</i>	<i>17.2%</i>	<i>17.3%</i>

¹ Throughout this announcement, gross loans to customers and respective allowance for impairment are presented net of expected credit loss (ECL) on contractually accrued interest income. These do not have an effect on the net loans to customers balance. Management believes that netted-off balances provide the best representation of the loan portfolio position.

FINANCIAL HIGHLIGHTS

- **The Group's performance in the third quarter reflected strong franchise growth and was supported by the growth momentum of the Georgian economy.** The top-line was boosted by growth across core revenue lines, with continuing strong net foreign currency gains on the back of migrant and tourism inflows.
- The Group delivered **positive operating leverage** y-o-y and q-o-q and improved the cost to income ratio to 30.6% in 3Q22 (36.8% in 3Q21 and 32.5% in 2Q22) and 32.5% in 9M22 (36.2% in 9M21).
- **Net interest margin** was 5.3% in 3Q22, up 30 bps y-o-y and flat q-o-q. On a nine-month basis, NIM was 5.3%, up 50 bps y-o-y. NIM was supported by higher loan yield but negatively impacted by higher levels of liquidity.
- **Asset quality remains strong. Cost of credit risk ratio** was 1.0% in 3Q22 (0.2% in 3Q21 and 0.6% in 2Q22) and 0.8% in 9M22 (0.1% in 9M21), mainly driven by the unsecured consumer and micro portfolios in the Retail Banking segment. The share of NPLs in gross loans came down to 2.4% at 30 September 2022 (2.6% at 30 June 2022), with reductions in both the Retail and Corporate Banking segments.
- **Robust profit and profitability.** Our profit in 3Q22 amounted to GEL 290.2m (up 56.6% y-o-y and up 5.3% q-o-q). Profit for the nine months ended 30 September 2022 was GEL 806.3 (up 53.2% y-o-y). ROAE stood at 32.4% in 3Q22 (25.7% in 3Q21 and 32.8% in 2Q22) and at 32.0% in 9M22 (25.7% in 9M21).
- **Moderate growth of the loan book** – on a constant currency basis, loan portfolio was up 12.9% y-o-y and up 2.3% q-o-q. The y-o-y growth was driven by the consumer, mortgage, and MSME portfolios, whereas the q-o-q growth was driven by the consumer, mortgage and SME portfolios, partly offset by reduced micro and corporate loan books. In nominal terms, loan book was up 3.7% y-o-y and down 0.8% q-o-q - as a result of the continuing appreciation of the Georgian Lari against the US Dollar.
- **Significant growth of client deposits and notes during the quarter** – 40.3% y-o-y and 17.2% q-o-q on a constant currency basis – reflecting the strength of the Group's customer franchise. Nominal growth was 29.1% y-o-y and 13.9% q-o-q.
- **Robust capital adequacy position.** During the third quarter, the Bank's CET1 capital increased by 80 basis points, driven by robust internal capital generation and partially offset by business growth. At 30 September 2022, the Bank's Basel III Common Equity Tier 1, Tier 1, and Total capital adequacy ratios stood at 14.8%, 17.0%, and 20.3%, respectively, all comfortably above the minimum requirements of 11.6%, 13.8% and 17.2%, respectively.
- **Liquidity coverage ratio increased to 121.4%** at 30 September 2022, vs 112.7% at 30 September 2021 and 113.5% at 30 June 2022. The LCR continues to be comfortably above the 100% minimum requirement.

STRATEGIC HIGHLIGHTS²

	Sep-22	Sep-21	Change y-o-y	Jun-22	Change q-o-q			
ACTIVE CUSTOMERS								
Number of monthly active individual customers	1,545,984	1,302,411	18.7%	1,492,199	3.6%			
Number of monthly active legal entities	75,561	63,019	19.9%	70,429	7.3%			
Number of monthly active customers (total)	1,621,545	1,365,430	18.8%	1,562,628	3.8%			
DIGITAL								
Monthly active digital users (individual clients) ³	1,005,248	765,909	31.2%	959,137	4.8%			
Share of MAU in total active individuals	65.0%	58.8%		64.3%				
DAU/MAU	45.2%	41.2%		45.8%				
Volume in GEL thousands								
	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
DIGITAL								
Number of transactions in mBank and iBank	45,029,140	30,166,560	49.3%	41,329,065	9.0%	121,627,288	78,655,010	54.6%
Volume of transactions in mBank and iBank	11,450,224	5,672,884	101.8%	9,920,298	15.4%	27,900,594	14,339,319	94.6%
Product offloading rate	34.0%	29.1%		33.8%		34.4%	23.7%	
PAYMENTS								
Number of active POS terminals (physical POS and e-commerce) ⁴	32,813	25,348	29.5%	31,124	5.4%	32,813	25,348	29.5%
Volume of transactions in BOG's POS and e-commerce terminals	2,765,830	1,899,004	45.6%	2,291,322	20.7%	6,979,543	4,749,752	46.9%
CUSTOMER SATISFACTION								
Net promoter score (NPS)	60.1	46.6		51.8				

- **The Bank increased its customer base to 1.62 million monthly active customers** at 30 September 2022 – an 18.8% increase vs 30 September 2021 and a 3.8% increase vs 30 June 2022.
- **More than 1 million individuals were monthly active users of our mBank and iBank** at 30 September 2022, up 31.2% y-o-y and up 4.8% q-o-q. The **share of MAU** in total active individuals reached 65.0% at 30 September 2022, up from 58.8% at 30 September 2021 and 64.3% at 30 June 2022.
- **Digital channels.** We have continued to develop our digital channels and provide superior digital experience. We fully rolled out a chat bot in the mobile app, added the functionality that enables clients to purchase public transportation cards in the app, launched a payments platform (online analogue of our Express Pay terminal) – bogpay.ge, and piloted Bank of Georgia's sCool App for kids. In 3Q22, 96.7% of total transactions were non-branch transactions, with the share of transactions via mBank/iBank at 56%, up from 49% in 3Q21.
- **Product offloading.** Our objective is to increase customer activity and product sales in digital channels. During the third quarter, product offloading was 34.0% vs 29.1% in 3Q21.
- **Payments.** Bank of Georgia's market share in acquiring increased to 48.8% in 3Q22 vs 41.2% in 3Q21, with POS acquiring market share at 54.1% in 3Q22 vs 48.5% in 3Q21. The volume of transactions executed through BOG's physical and online terminals was up 45.6% y-o-y in the third quarter of 2022.
- **Customer satisfaction.** Net Promoter Score reached 60 in the third quarter (up 13.5 points y-o-y and up 8.3 points q-o-q), an all-time high result for the Bank.
- Bank of Georgia was named **World's Best Consumer Digital Bank 2022** by *Global Finance*. In addition, we have been recognised as World's Best in Lending (Consumer) and Best Consumer Digital Bank in Central and Eastern Europe by the same prestigious publication.

² Data in this section presented for Bank of Georgia (standalone)

³ Monthly active digital user (MAU) – at least one log in within the past month

⁴ Active POS terminal – at least one transaction executed within the past month

CHIEF EXECUTIVE OFFICER'S STATEMENT

As we approach the end of 2022, we continue to operate against a backdrop of regional and global challenges. However, the Georgian economy has performed much better than we anticipated in the beginning of the year. Following upward revisions by international organisations and local authorities, full-year real GDP growth is now expected at 10.2%. The debt burden in the economy has reduced, with bank loans to GDP down to 62% in 3Q22, from the highest level of 77.6% reached in 2020. Furthermore, public debt to GDP is expected at 39.6% in 2022, down from 60.1% during 2020. Fiscal buffers are being rebuilt, with fiscal deficit for 2022 revised down to 3.2% (vs 3.6% originally planned and vs 6.1% in 2021). The resilience of the economy to external shocks is supported by gross international reserves, which were up 5.8% year-on-year to \$4.3 billion in 3Q22. On the back of strong external inflows, the Georgian Lari has continued to appreciate against the US Dollar and, while interest rates and inflation levels remain relatively high, both are expected to ease gradually from early 2023.

In Bank of Georgia, our entire team has remained committed to supporting each other and our customers. The Net Promoter Score is now 60, an all-time high result, compared with the mid-30s three years ago, reflecting a major improvement in customer experience. We finished the third quarter with more than 1,000,000 monthly active digital users – 65% of all monthly active individual clients – and, importantly, almost half of them use our mobile app and internet banking platform daily. Our payments business also performed well. The volume of transactions through our POS and e-commerce terminals was up 45.6% y-o-y and up 20.7% q-o-q in the third quarter. The strength of Bank of Georgia's retail digital franchise ensures that we remain "top of mind" in Georgia and is reflected in the financial performance of the Group. Overall, the first nine months of 2022 led to a profit of GEL 806.3 million, an increase of 53.2%, and a return on average equity of 32.0%. This was particularly driven by strong payments revenues and net foreign currency gains on the back of continuing client-driven flows as tourists and migrants from nearby countries came to Georgia over the past few months. We have continued to invest for future growth while constantly improving efficiency. Our cost to income ratio improved to 32.5% in 9M22 vs 36.2% in 9M21.

The Group's balance sheet remains strong and of good quality. Loan book growth was 12.9% y-o-y and 2.3% q-o-q, on a constant-currency basis. The y-o-y growth was driven by the consumer, mortgage, and MSME portfolios. Our deposit growth, an indicator of the strength of our core customer franchise, has been exceptional with over 40% growth y-o-y and 17.2% growth q-o-q, on a constant-currency basis. This was also supported by the deposit flows from migrants from neighbouring countries.

Asset quality also remained robust. The cost of credit risk ratio stood at 1.0% in the third quarter. In Retail, we have returned to a more normalised through the cycle level of cost of credit risk ratio. The share of NPLs in gross loans was down to 2.4% at 30 September 2022.

Bank of Georgia is consistently delivering high profitability while maintaining a strong capital position, with CET1 ratio at 14.8% at 30 September 2022, 320 basis points above the minimum requirement. Given the highly liquid balance sheet, we implemented a Tender Offer in September 2022, repurchasing US\$ 130 million of the Bank's Eurobond, due to mature next year. Only US\$ 82.4 million of the original US\$ 350 million Eurobond remains outstanding as at 8 November 2022.

An interim dividend of GEL 1.85 per ordinary share in respect of the period ended 30 June 2022 was paid to ordinary shareholders of the Group on 20 October 2022. The GEL 112.7 million share buyback and cancellation programme is ongoing and as at 1 November 2022, 1,269,273 shares had been repurchased and cancelled, at a total cost of GEL 78.9 million.

As Georgia's role as a transport, trading, and logistics corridor in the region is strengthening, the attention from international companies and investors will likely increase, and Bank of Georgia remains well-positioned to continue serving the country and our customers during this important period of time.

Archil Gachechiladze,
CEO, Bank of Georgia Group PLC
9 November 2022

DISCUSSION OF RESULTS

The Group's business consists of three key business segments. (1) **Retail Banking** operations in Georgia comprising sub-segments that target mass retail, mass affluent and high-net-worth clients and MSMEs. (2) **Corporate and Investment Banking** operations in Georgia serving corporate and institutional customers and providing brokerage services through Galt & Taggart. (3) **JSC Belaruskyy Narodnyy Bank – BNB** – serving retail and SME clients in Belarus.

OPERATING INCOME

GEL thousands, unless otherwise noted	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
Interest income	574,626	466,265	23.2%	553,309	3.9%	1,649,229	1,341,482	22.9%
Interest expense	(279,555)	(222,976)	25.4%	(272,139)	2.7%	(801,538)	(657,613)	21.9%
Net interest income	295,071	243,289	21.3%	281,170	4.9%	847,691	683,869	24.0%
Fee and commission income	147,207	105,992	38.9%	135,127	8.9%	389,007	277,165	40.4%
Fee and commission expense	(67,545)	(43,516)	55.2%	(54,062)	24.9%	(169,448)	(108,833)	55.7%
Net fee and commission income	79,662	62,476	27.5%	81,065	-1.7%	219,559	168,332	30.4%
Net foreign currency gain	150,686	33,346	351.9%	125,528	20.0%	340,699	74,604	356.7%
Net other income	1,092	8,706	-87.5%	7,087	-84.6%	9,162	59,627	-84.6%
Operating income	526,511	347,817	51.4%	494,850	6.4%	1,417,111	986,432	43.7%
Net interest margin	5.3%	5.0%		5.3%		5.3%	4.8%	
Average interest earning assets	21,908,999	19,349,551	13.2%	21,188,021	3.4%	21,320,068	19,236,800	10.8%
Average interest bearing liabilities	22,437,533	18,849,526	19.0%	21,011,444	6.8%	21,306,689	19,250,947	10.7%
Average net loans and finance lease receivables	16,081,414	15,160,944	6.1%	16,248,315	-1.0%	16,125,112	14,802,630	8.9%
Average net loans and finance lease receivables, GEL	8,207,464	6,705,860	22.4%	7,740,212	6.0%	7,790,164	6,276,985	24.1%
Average net loans and finance lease receivables, FC	7,873,950	8,455,084	-6.9%	8,508,103	-7.5%	8,334,948	8,525,645	-2.2%
Average client deposits and notes	16,467,683	13,507,002	21.9%	14,829,552	11.0%	15,244,045	13,740,809	10.9%
Average client deposits and notes, GEL	6,378,171	5,295,351	20.4%	5,976,483	6.7%	6,017,763	5,266,645	14.3%
Average client deposits and notes, FC	10,089,512	8,211,651	22.9%	8,853,069	14.0%	9,226,282	8,474,164	8.9%
Average liquid assets	8,961,650	5,673,999	57.9%	7,194,782	24.6%	7,631,943	6,305,218	21.0%
Average liquid assets, GEL	3,374,212	2,384,419	41.5%	3,315,150	1.8%	3,276,484	2,564,327	27.8%
Average liquid assets, FC	5,587,438	3,289,580	69.9%	3,879,632	44.0%	4,355,459	3,740,891	16.4%
Liquid assets yield	4.2%	3.6%		4.4%		4.3%	3.4%	
Liquid assets yield, GEL	8.9%	8.1%		8.7%		8.9%	7.8%	
Liquid assets yield, FC	1.1%	0.1%		0.4%		0.6%	0.1%	
Loan yield	11.6%	10.6%		11.4%		11.4%	10.4%	
Loan yield, GEL	16.0%	15.2%		16.0%		15.9%	15.0%	
Loan yield, FC	7.0%	6.9%		7.2%		7.1%	7.0%	
Cost of funds	4.9%	4.7%		5.2%		5.0%	4.6%	
Cost of funds, GEL	9.5%	8.5%		9.6%		9.5%	8.0%	
Cost of funds, FC	1.7%	2.4%		2.0%		1.9%	2.6%	
Cost / income	30.6%	36.8%		32.5%		32.5%	36.2%	

Performance highlights

- The Group generated operating income of GEL 526.5m in 3Q22 (up 51.4% y-o-y and up 6.4% q-o-q), ending the nine months of 2022 with operating income of GEL 1,417.1m (up 43.7% y-o-y).** The y-o-y growth was strong across core revenue lines.
 - Net interest income was up 21.3% y-o-y and up 4.9% q-o-q, amounting to GEL 295.1m in the third quarter. In 9M22, net interest income was GEL 847.7m, up 24.0% y-o-y.
 - Net fee and commission income was GEL 79.7m in 3Q22 (up 27.5% y-o-y and down 1.7% q-o-q) and GEL 219.6m in 9M22 (up 30.4% y-o-y). The y-o-y increase in 3Q22 was driven by strong fee income generation in our settlement operations, partially offset by lower net fees posted in cash operations and advisory services compared with 3Q21. The drop in net fee income vs the previous quarter was due to lower net fee income generated from our cash operations.
 - Net foreign currency gain amounted to GEL 150.7m in the third quarter, up 4.5x y-o-y and up 20.0% q-o-q, ending the nine months of 2022 with GEL 340.7m, up 4.6x y-o-y. The key drivers of the significant boost to net foreign currency gain over the past few months have been higher client-related volumes as tourism and migrant inflows increased, higher inbound remittances and robust economic activity as well as wider spreads on the back of exchange rate volatility.
 - Net other income in the third quarter of 2022 included a GEL 6.1 million loss related to the repurchase of US\$ 129,987,000 of the Bank's US\$ 350 million 6.00% Notes due 2023 under the tender offer announced and completed in September 2022. This reflects the slightly above par price paid for the repurchased bonds. Higher net other income last year was driven by higher net gains from the sale of real estate property and investment securities.

- **NIM was 5.3% in 3Q22 (up 30 bps y-o-y and flat q-o-q) and 5.3% in 9M22 (up 50 bps y-o-y).** The y-o-y increase in NIM in 3Q22 and 9M22 was driven by higher loan yield, but was partially offset by higher cost of funds and increased liquidity.
 - **Loan yield** was 11.6% in 3Q22, up 100 bps y-o-y and up 20 bps q-o-q. In 9M22, loan yield was 11.4%, up 100 bps y-o-y. GEL loan yield was 16.0% in 3Q22, up 80 bps y-o-y and flat q-o-q. For the nine months ended 30 September 2022, GEL loan yield stood at 15.9%, up 90 bps y-o-y. The y-o-y increase in GEL loan yield reflected the policy rate hikes by the NBG and the growth of our consumer portfolio.
 - **Cost of funds** was 4.9% in 3Q22, up 20 bps y-o-y and down 30 bps q-o-q. For the nine months ended 30 September 2022, cost of funds was 5.0%, up 40 bps y-o-y. GEL cost of funds was up 100 bps y-o-y and down 10 bps q-o-q to 9.5% in the third quarter. On a nine-month basis, GEL cost of funds increased by 150 bps y-o-y to 9.5%, mainly reflecting the refinancing rate hikes by the NBG. However, the increase of GEL cost of funds was partially offset by decreased FC cost of funds, down 70 bps in 3Q22 vs 3Q21 to 1.7% and down 70 bps in 9M22 vs 9M21 to 1.9%. This reduction was largely driven by the high volume of FC deposit inflows, particularly FC current accounts and demand deposits.

OPERATING EXPENSES; COST OF RISK; PROFIT

<i>GEL thousands</i>	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
Salaries and other employee benefits	(94,641)	(71,551)	32.3%	(95,351)	-0.7%	(268,321)	(200,586)	33.8%
Administrative expenses	(38,398)	(32,342)	18.7%	(37,420)	2.6%	(109,519)	(85,973)	27.4%
Depreciation, amortisation, and impairment	(27,209)	(23,448)	16.0%	(27,536)	-1.2%	(79,372)	(68,363)	16.1%
Other operating expenses	(622)	(661)	-5.9%	(592)	5.1%	(2,913)	(2,257)	29.1%
Operating expenses	(160,870)	(128,002)	25.7%	(160,899)	0.0%	(460,125)	(357,179)	28.8%
Profit / (loss) from associate	250	223	12.1%	250	0.0%	626	(3,909)	NMF
Operating income before cost of risk	365,891	220,038	66.3%	334,201	9.5%	957,612	625,344	53.1%
Expected credit gain (loss) on loans to customers	(38,002)	(8,192)	NMF	(23,285)	63.2%	(91,143)	(11,288)	NMF
Expected credit loss on finance lease receivables	(1,500)	70	NMF	(896)	67.4%	(3,680)	(1,543)	138.5%
Other expected credit gain (loss) and impairment charge on other assets and provisions	(8,546)	(5,462)	56.5%	(1,730)	NMF	28,431	(30,838)	NMF
Cost of risk	(48,048)	(13,584)	NMF	(25,911)	85.4%	(66,392)	(43,669)	52.0%
Net operating income before non-recurring items	317,843	206,454	54.0%	308,290	3.1%	891,220	581,675	53.2%
Net non-recurring items	428	(479)	NMF	232	84.5%	708	(528)	NMF
Profit before income tax	318,271	205,975	54.5%	308,522	3.2%	891,928	581,147	53.5%
Income tax expense	(28,053)	(20,671)	35.7%	(33,036)	-15.1%	(85,653)	(54,749)	56.4%
Profit	290,218	185,304	56.6%	275,486	5.3%	806,275	526,398	53.2%

- **Operating expenses** grew 25.7% y-o-y and stayed flat q-o-q in 3Q22. For the nine months of 2022, operating expenses were up 28.8% y-o-y. The y-o-y growth was mainly driven by business growth, continuing investments in IT and other key strategic areas, amid the inflationary environment. On the back of strong top line growth and the focus on efficiency, we improved our cost to income ratio to 30.6% in the third quarter (36.8% in 3Q21 and 32.5% in 2Q22) and 32.5% in 9M22 (36.2% in 9M21).
- **Cost of risk** in 3Q22 and 9M22 reflected the following factors:
 - **Cost of credit risk ratio** was 1.0% in 3Q22 (0.2% in 3Q21 and 0.6% in 2Q22) and 0.8% in 9M22 (0.1% in 9M21). ECL provisions on loans to customers and finance lease receivables posted during the third quarter were predominantly driven by Retail Banking - GEL 39.8m. In addition, no significant ECL reversal occurred in Corporate and Investment Banking, compared with prior quarters. For the nine months ended 30 September 2022, cost of credit risk ratio reflected a GEL 122.5m ECL charge in Retail Banking, a GEL 19.1m ECL charge recorded in BNB, partially offset by a net ECL reversal of GEL 46.8m in Corporate and Investment Banking.
 - **Expected credit loss and impairment charge on other assets and provisions** for the nine months ended 30 September 2022 included a GEL 44.3 recovery of some previously paid legal fees.
- Overall, the Group posted GEL 290.2m in profit in 3Q22 (up 56.6% y-o-y and up 5.3% q-o-q) and GEL 806.3m in 9M22, up 53.2% y-o-y. The Group's ROAE was 32.4% in 3Q22 (25.7% in 3Q21 and 32.8% in 2Q22) and 32.0% in 9M22 (25.7% in 9M21).

BALANCE SHEET HIGHLIGHTS

<i>GEL thousands, unless otherwise noted</i>	Sep-22	Sep-21	Change y-o-y	Jun-22	Change q-o-q
Liquid assets	9,486,712	5,461,809	73.7%	7,815,396	21.4%
Liquid assets, GEL	3,374,039	2,420,845	39.4%	3,293,418	2.4%
Liquid assets, FC	6,112,673	3,040,964	101.0%	4,521,978	35.2%
Net loans and finance lease receivables	16,162,942	15,579,496	3.7%	16,299,630	-0.8%
Net loans and finance lease receivables, GEL	8,503,690	6,968,809	22.0%	7,953,067	6.9%
Net loans and finance lease receivables, FC	7,659,252	8,610,687	-11.0%	8,346,563	-8.2%
Client deposits and notes	17,193,088	13,312,965	29.1%	15,100,061	13.9%
Amounts owed to credit institutions	4,937,760	4,037,523	22.3%	5,019,370	-1.6%
Borrowings from DFIs	1,940,822	1,940,614	0.0%	1,960,874	-1.0%
Short-term loans from central banks	2,060,324	1,378,000	49.5%	2,242,322	-8.1%
Loans and deposits from commercial banks	936,614	718,909	30.3%	816,174	14.8%
Debt securities issued	774,152	1,537,593	-49.7%	1,299,986	-40.4%

LIQUIDITY AND CAPITAL ADEQUACY RATIOS

Net loans / client deposits and notes	94.0%	117.0%		107.9%	
Net loans / client deposits and notes + DFIs	84.5%	102.1%		95.5%	
Liquid assets / total assets	35.2%	24.6%		30.8%	
Liquid assets / total liabilities	40.6%	28.3%		35.6%	
NBG liquidity coverage ratio	121.4%	112.7%		113.5%	
NBG (Basel III) CET1 capital adequacy ratio	14.8%	12.8%		14.0%	
NBG (Basel III) Tier I capital adequacy ratio	17.0%	14.6%		16.4%	
NBG (Basel III) Total capital adequacy ratio	20.3%	19.2%		19.8%	

- Loan book.** Net loans and finance lease receivables amounted to GEL 16,162.9m at 30 September 2022, up 3.7% y-o-y and down 0.8% q-o-q in nominal terms. Growth on a constant-currency basis was 12.9% y-o-y and 2.3% q-o-q. GEL-denominated loans increased by 22.0% y-o-y and 6.9% q-o-q, and the share of GEL loans increased to 52.6% at 30 September 2022, up 7.9 ppts y-o-y and up 3.8 ppts q-o-q). The 11.0% y-o-y reduction in FC lending reflects the increasing de-dollarisation of the portfolio and the recent appreciation of the Lari against the US Dollar. At 30 September 2022, Retail Banking accounted for 70.7% of the total loan portfolio of the Bank, with the remaining 29.3% associated with Corporate and Investment Banking.
- Quality of the loan book.** The share of non-performing loans in gross loans decreased to 2.4% at 30 September 2022. The coverage ratios have remained stable.

GEL thousands, unless otherwise noted

NON-PERFORMING LOANS

	Sep-22	Sep-21	Change y-o-y	Jun-22	Change q-o-q
NPLs	398,229	413,626	-3.7%	436,889	-8.8%
NPLs to gross loans	2.4%	2.6%		2.6%	
NPLs to gross loans, RB	2.0%	2.2%		2.1%	
NPLs to gross loans, CIB	3.1%	3.2%		3.6%	
NPL coverage ratio	89.4%	90.9%		89.6%	
NPL coverage ratio adjusted for the discounted value of collateral	138.0%	140.9%		138.0%	

- Deposits.** On the back of increased client flows, client deposits and notes increased markedly by 29.1% y-o-y and 13.9% q-o-q in nominal terms and amounted to 17,193.1m at 30 September 2022. On a constant-currency basis, growth was 40.3% y-o-y and 17.2% q-o-q. The share of current accounts and demand deposits in total client deposits was 57.6% at 30 September 2022 vs 49.2% at 30 September 2021 and 52.7% at 30 June 2022.
- Liquid assets.** Due to the strong growth of client deposits and notes as well as the increase of investment securities portfolio, liquid assets grew 73.7% y-o-y and 21.4% q-o-q, and amounted to 9,486.7m. The share of investment securities in total assets increased to 16.0% at 30 September 2022 vs 10.3% at 30 September 2021 and 12.7% at 30 June 2022. The deployment of foreign currency liquidity in liquid investment securities resulted in an increase of FC liquid assets yield.
- Liquidity management.** In September 2022, JSC Bank of Georgia announced a tender offer for any or all of its outstanding US\$ 350,000,000 6.00% Notes due 2023 (the “Notes”) for cash (the “Offer”). The aggregate amount of Notes repurchased was US\$ 129,987,000. As at 8 November 2022, the amount that remains outstanding is US\$ 82,379,000.
- Maintaining strong capital position.** The Bank maintains a robust capital base, with Basel III Common Equity Tier 1, Tier 1, and Total capital adequacy ratios at 14.8%, 17.0% and 20.3%, respectively, at 30 September 2022, comfortably above the minimum requirements of 11.6%, 13.8% and 17.2%, respectively. The movement in capital adequacy ratios in 3Q22 and the potential impact of a 10% devaluation of local currency on capital is as follows:

	30 Jun 2022	3Q22 profit	Business growth	Currency impact	Capital distribution	Capital facility impact	30 Sep 2022	Potential impact of a 10% GEL devaluation
CET1 capital adequacy ratio	14.0%	1.5%	-1.0%	0.3%	0.0%	0.0%	14.8%	-0.9%
Tier I capital adequacy ratio	16.4%	1.5%	-1.1%	0.2%	0.0%	0.0%	17.0%	-0.8%
Total capital adequacy ratio	19.8%	1.5%	-1.3%	0.2%	0.0%	0.0%	20.3%	-0.7%

The Bank's minimum capital requirements, reflecting the full loading of Basel III capital requirements, to be completed in 2023, which remain subject to ongoing annual regulatory reviews, are currently expected to be as follows:

Expected minimum capital requirements for 2022-2023

	Dec-22	Dec-23
CET1 capital requirement	11.7%	12.0%
Tier 1 capital requirement	13.9%	14.3%
Total capital requirement	17.3%	17.4%

- Share buyback and cancellation programme:** Since the announcement of the Group's share buyback and cancellation programme on 30 June 2022, the Group bought back and cancelled 1,269,273 ordinary shares as at 1 November 2022, at a total cost of GEL 78.9 million. As at 31 October 2022, the number of shares with voting rights amounted to 47,866,655. The GEL 72.7 million share buyback and cancellation programme has been completed, and the GEL 40 million share buyback and cancellation programme is currently ongoing.

DISCUSSION OF SEGMENT RESULTS

RETAIL BANKING (RB)

GEL thousands, unless otherwise noted

	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net interest income	201,101	147,155	36.7%	181,086	11.1%	555,712	421,363	31.9%
Net fee and commission income	63,084	46,685	35.1%	66,760	-5.5%	175,288	128,813	36.1%
Net foreign currency gain	91,211	18,805	385.0%	77,000	18.5%	200,366	40,905	389.8%
Net other income	3,588	3,477	3.2%	3,353	7.0%	8,414	22,341	-62.3%
Operating income	358,984	216,122	66.1%	328,199	9.4%	939,780	613,422	53.2%
Salaries and other employee benefits	(65,775)	(52,888)	24.4%	(63,852)	3.0%	(186,928)	(145,179)	28.8%
Administrative expenses	(28,510)	(25,846)	10.3%	(29,809)	-4.4%	(84,272)	(68,173)	23.6%
Depreciation, amortisation and impairment	(24,416)	(19,925)	22.5%	(26,100)	-6.5%	(71,608)	(58,505)	22.4%
Other operating expenses	(336)	(435)	-22.8%	(359)	-6.4%	(2,095)	(1,516)	38.2%
Operating expenses	(119,037)	(99,094)	20.1%	(120,120)	-0.9%	(344,903)	(273,373)	26.2%
Profit / (loss) from associate	250	223	12.1%	250	0.0%	626	(3,909)	NMF
Operating income before cost of risk	240,197	117,251	104.9%	208,329	15.3%	595,503	336,140	77.2%
Cost of risk	(44,327)	(10,587)	NMF	(33,326)	33.0%	(128,444)	(52,348)	145.4%
Net operating income before non-recurring items	195,870	106,664	83.6%	175,003	11.9%	467,059	283,792	64.6%
Net non-recurring items	427	(338)	NMF	240	77.9%	737	30	NMF
Profit before income tax	196,297	106,326	84.6%	175,243	12.0%	467,796	283,822	64.8%
Income tax expense	(15,970)	(10,375)	53.9%	(19,384)	-17.6%	(45,302)	(25,060)	80.8%
Profit	180,327	95,951	87.9%	155,859	15.7%	422,494	258,762	63.3%
BALANCE SHEET HIGHLIGHTS								
Net loans	11,041,753	9,791,060	12.8%	10,924,932	1.1%	11,041,753	9,791,060	12.8%
Net loans, GEL	7,276,565	5,847,362	24.4%	6,866,965	6.0%	7,276,565	5,847,362	24.4%
Net loans, FC	3,765,188	3,943,698	-4.5%	4,057,967	-7.2%	3,765,188	3,943,698	-4.5%
Client deposits	11,429,060	9,175,451	24.6%	10,260,017	11.4%	11,429,060	9,175,451	24.6%
Client deposits, GEL	3,297,912	2,607,683	26.5%	3,169,220	4.1%	3,297,912	2,607,683	26.5%
Client deposits, FC	8,131,148	6,567,768	23.8%	7,090,797	14.7%	8,131,148	6,567,768	23.8%
<i>of which:</i>								
Time deposits	5,256,659	5,279,621	-0.4%	5,262,317	-0.1%	5,256,659	5,279,621	-0.4%
Time deposits, GEL	1,716,259	1,388,413	23.6%	1,734,406	-1.0%	1,716,259	1,388,413	23.6%
Time deposits, FC	3,540,400	3,891,208	-9.0%	3,527,911	0.4%	3,540,400	3,891,208	-9.0%
Current accounts and demand deposits	6,172,401	3,895,830	58.4%	4,997,700	23.5%	6,172,401	3,895,830	58.4%
Current accounts and demand deposits, GEL	1,581,653	1,219,270	29.7%	1,434,814	10.2%	1,581,653	1,219,270	29.7%
Current accounts and demand deposits, FC	4,590,748	2,676,560	71.5%	3,562,886	28.8%	4,590,748	2,676,560	71.5%
Assets under management	2,001,693	1,522,005	31.5%	1,588,945	26.0%	2,001,693	1,522,005	31.5%
KEY RATIOS								
ROAE	33.4%	23.4%		31.4%		27.7%	22.2%	
Net interest margin	4.8%	4.2%		4.6%		4.7%	4.2%	
Cost of credit risk ratio	1.4%	0.4%		1.2%		1.5%	0.7%	
Cost of funds	6.0%	5.6%		6.3%		6.1%	5.4%	
Loan yield	12.7%	11.4%		12.3%		12.3%	11.2%	
Loan yield, GEL	16.1%	15.3%		16.1%		16.1%	15.2%	
Loan yield, FC	6.2%	5.7%		6.1%		6.1%	5.9%	
Cost of deposits	2.4%	2.5%		2.6%		2.5%	2.6%	
Cost of deposits, GEL	7.3%	6.3%		7.5%		7.3%	6.0%	
Cost of deposits, FC	0.4%	1.1%		0.5%		0.5%	1.3%	
Cost of time deposits	4.3%	3.8%		4.3%		4.2%	3.8%	
Cost of time deposits, GEL	11.3%	9.9%		11.3%		11.3%	9.5%	
Cost of time deposits, FC	0.9%	1.7%		1.0%		1.0%	2.1%	
Cost of current accounts and demand deposits	0.6%	0.8%		0.7%		0.7%	0.9%	
Cost of current accounts and demand deposits, GEL	2.6%	2.3%		2.6%		2.5%	2.4%	
Cost of current accounts and demand deposits, FC	-0.1%	0.1%		-0.1%		-0.1%	0.2%	
Cost / income ratio	33.2%	45.9%		36.6%		36.7%	44.6%	

Performance highlights

- **Operating income before cost of risk more than doubled year-on-year in 3Q22 and amounted to GEL 240.2m** (up 104.9% y-o-y and up 15.3% q-o-q) and was GEL 595.5m in 9M22 (up 77.2% y-o-y). The y-o-y top line growth in 3Q22 and 9M22 was driven by strong income generation across core revenue lines, while compared with prior quarter the growth was driven by net interest income and net foreign currency gain.
- **RB's NIM stood at 4.8% in 3Q22**, up 60 bps y-o-y and up 20 bps q-o-q. In 9M22, NIM was 4.7%, up 50 bps y-o-y. The y-o-y increase in NIM during the third quarter was driven by higher loan yield, partially offset by higher cost of funds and liquidity.
- **Cost of credit risk ratio** returned to a more normalised through the cycle level and was 1.4% in the third quarter of 2022 (0.4% in 3Q21 and 1.2% in 2Q22) and 1.5% for the nine months ended 30 September 2022 compared with 0.7% for the nine months ended 30 September 2021, which benefited from some post-COVID-19 recoveries.
- **Net loans and finance lease receivables stood at GEL 11,041.8m at 30 September 2022, up 12.8% y-o-y and up 1.1% q-o-q. On a constant currency basis, the loan book increased by 20.0% y-o-y and by 3.4% q-o-q in 3Q22.** GEL-denominated loans represented 65.9% of total RB loans at 30 September 2022, compared with 59.7% at 30 September 2021 and 62.9% at 30 June 2022.

The y-o-y loan book growth in the periods presented was driven by consumer loans, mortgages and MSME loans. Compared with 2Q22, on a constant currency basis, the growth was driven by consumer, mortgages, and SME portfolios, partially offset by reduced micro portfolio.

RETAIL BANKING LOAN BOOK BY PRODUCT

<i>GEL thousands, unless otherwise noted</i>	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
Loan originations								
Consumer loans	841,217	781,670	7.6%	843,421	-0.3%	2,494,552	1,879,711	32.7%
Mortgage loans	412,796	389,722	5.9%	383,007	7.8%	1,115,463	1,262,997	-11.7%
Micro loans	284,255	424,506	-33.0%	366,285	-22.4%	1,063,711	1,239,185	-14.2%
SME loans	381,461	369,869	3.1%	369,234	3.3%	1,115,028	1,130,326	-1.4%
Outstanding balance								
Consumer loans	3,016,506	2,247,988	34.2%	2,873,729	5.0%	3,016,506	2,247,988	34.2%
Mortgage loans	4,043,025	3,827,592	5.6%	3,965,356	2.0%	4,043,025	3,827,592	5.6%
Micro loans	2,096,381	1,986,655	5.5%	2,159,028	-2.9%	2,096,381	1,986,655	5.5%
SME loans	1,663,113	1,495,325	11.2%	1,696,239	-2.0%	1,663,113	1,495,325	11.2%

- **RB client deposits increased to GEL 11,429.1m at 30 September 2022, up 24.6% y-o-y and up 11.4% q-o-q. On a constant currency basis, deposits increased by 37.0% y-o-y and by 15.1% q-o-q in 3Q22.** GEL-denominated deposits represented 28.9% of total RB deposits at 30 September 2022 (28.4% at 30 September 2021 and 30.9% at 30 June 2022). The share of current accounts and demand deposits stood at 54.0% at 30 September 2022 vs 42.5% at 30 September 2021 and 48.7% at 30 June 2022.
- **Retail Banking's profit increased in 3Q22 to GEL 180.3m** (up 87.9% y-o-y and up 15.7% q-o-q) and amounted to GEL 422.5m in 9M22 (up 63.3% y-o-y). RB's ROAE was 33.4% in 3Q22 (23.4% in 3Q21 and 31.4% in 2Q22). On a nine-month basis, ROAE stood at 27.7% (22.2% in 9M21).

CORPORATE AND INVESTMENT BANKING (CIB)

<i>GEL thousands, unless otherwise noted</i>	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net interest income	86,259	86,825	-0.7%	89,283	-3.4%	263,123	235,087	11.9%
Net fee and commission income	11,658	14,237	-18.1%	11,434	2.0%	35,386	34,694	2.0%
Net foreign currency gain	42,057	11,248	273.9%	27,954	50.5%	90,381	23,831	279.3%
Net other income	(2,752)	4,982	NMF	2,562	NMF	2,796	37,602	-92.6%
Operating income	137,222	117,292	17.0%	131,233	4.6%	391,686	331,214	18.3%
Salaries and other employee benefits	(21,224)	(13,053)	62.6%	(24,848)	-14.6%	(60,590)	(38,450)	57.6%
Administrative expenses	(4,275)	(3,948)	8.3%	(3,126)	36.8%	(10,847)	(11,385)	-4.7%
Depreciation, amortisation and impairment	(1,252)	(2,296)	-45.5%	(117)	NMF	(3,607)	(6,239)	-42.2%
Other operating expenses	(209)	(136)	53.7%	(301)	-30.6%	(846)	(548)	54.4%
Operating expenses	(26,960)	(19,433)	38.7%	(28,392)	-5.0%	(75,890)	(56,622)	34.0%
Operating income before cost of risk	110,262	97,859	12.7%	102,841	7.2%	315,796	274,592	15.0%
Cost of risk	(5,263)	(1,437)	NMF	5,209	NMF	84,670	9,933	752.4%
Net operating income before non-recurring items	104,999	96,422	8.9%	108,050	-2.8%	400,466	284,525	40.7%
Net non-recurring items	-	(3)	-100.0%	-	-	-	(77)	-100.0%
Profit before income tax expense	104,999	96,419	8.9%	108,050	-2.8%	400,466	284,448	40.8%
Income tax expense	(7,914)	(9,781)	-19.1%	(12,364)	-36.0%	(34,895)	(27,226)	28.2%
Profit	97,085	86,638	12.1%	95,686	1.5%	365,571	257,222	42.1%
BALANCE SHEET HIGHLIGHTS								
Net loans and finance lease receivables	4,579,637	5,056,142	-9.4%	4,814,201	-4.9%	4,579,637	5,056,142	-9.4%
Net loans and finance lease receivables, GEL	1,205,020	1,079,894	11.6%	1,060,546	13.6%	1,205,020	1,079,894	11.6%
Net loans and finance lease receivables, FC	3,374,617	3,976,248	-15.1%	3,753,655	-10.1%	3,374,617	3,976,248	-15.1%
Client deposits	4,974,592	3,831,325	29.8%	4,269,814	16.5%	4,974,592	3,831,325	29.8%
Client deposits, GEL	3,175,024	2,467,897	28.7%	2,759,014	15.1%	3,175,024	2,467,897	28.7%
Client deposits, FC	1,799,568	1,363,428	32.0%	1,510,800	19.1%	1,799,568	1,363,428	32.0%
<i>of which:</i>								
Time deposits	1,710,185	1,187,904	44.0%	1,571,470	8.8%	1,710,185	1,187,904	44.0%
Time deposits, GEL	1,599,201	1,017,169	57.2%	1,453,747	10.0%	1,599,201	1,017,169	57.2%
Time deposits, FC	110,984	170,735	-35.0%	117,723	-5.7%	110,984	170,735	-35.0%
Current accounts and demand deposits	3,264,407	2,643,421	23.5%	2,698,344	21.0%	3,264,407	2,643,421	23.5%
Current accounts and demand deposits, GEL	1,575,823	1,450,728	8.6%	1,305,267	20.7%	1,575,823	1,450,728	8.6%
Current accounts and demand deposits, FC	1,688,584	1,192,693	41.6%	1,393,077	21.2%	1,688,584	1,192,693	41.6%
Letters of credit and guarantees, standalone (off-balance sheet item)	1,728,654	1,639,119	5.5%	1,623,435	6.5%	1,728,654	1,639,119	5.5%
Assets under management	1,301,022	1,458,115	-10.8%	1,333,968	-2.5%	1,301,022	1,458,115	-10.8%
RATIOS								
ROAE	29.9%	31.4%		30.3%		40.6%	32.8%	
Net interest margin	5.1%	5.5%		5.4%		5.3%	4.9%	
Cost of credit risk ratio	0.1%	-0.3%		-0.5%		-1.3%	-1.0%	
Cost of funds	3.2%	2.5%		3.2%		2.6%	2.5%	
Loan yield	8.9%	8.7%		9.0%		9.1%	8.6%	
Loan yield, GEL	14.7%	14.1%		14.9%		14.7%	13.2%	
Loan yield, FC	7.1%	7.2%		7.4%		7.4%	7.4%	
Cost of deposits	6.2%	5.6%		6.2%		6.1%	5.4%	
Cost of deposits, GEL	9.7%	8.1%		8.9%		9.2%	8.0%	
Cost of deposits, FC	-0.1%	0.4%		0.0%		-0.1%	0.6%	
Cost of time deposits	10.8%	8.4%		9.6%		10.1%	8.2%	
Cost of time deposits, GEL	11.3%	9.2%		10.3%		10.9%	9.0%	
Cost of time deposits, FC	1.5%	2.1%		1.9%		1.0%	2.0%	
Cost of current accounts and demand deposits	3.4%	3.8%		4.3%		4.0%	3.4%	
Cost of current accounts and demand deposits, GEL	7.6%	6.9%		7.8%		7.7%	6.5%	
Cost of current accounts and demand deposits, FC	-0.2%	0.1%		-0.1%		-0.2%	0.4%	
Cost / income ratio	19.6%	16.6%		21.6%		19.4%	17.1%	
Concentration of top ten clients	5.7%	8.6%		6.3%		5.7%	8.6%	

Performance highlights

- **Corporate and Investment Banking's operating income before cost of risk was GEL 110.3m** in 3Q22 (up 12.7% y-o-y and up 7.2% q-o-q) and GEL 315.8m in 9M22, up 15.0%. The year-on-year growth in the top line in 3Q22 was driven by significant foreign currency gains posted throughout 2022, partially offset by lower net interest income, net fee and commission income and net other income vs comparative periods of 2021.
- **NIM stood at 5.1% in 3Q22**, down 40 bps y-o-y and down 30 bps q-o-q, and at 5.3% in 9M22, up 40 bps y-o-y. CB's NIM was negatively impacted by lower loan yield, higher cost of funds and higher liquidity.
- **Cost of risk in 3Q22 and 9M22 reflected the following factors:**
 - **Cost of credit risk.** CIB's cost of credit risk ratio amounted to 0.1% in 3Q22 (a net gain of 0.3% in 2Q21 and a net gain of 0.5% in 2Q22). On a nine-month basis, cost of credit risk ratio was a net gain of 1.3% (a net gain of 1.0% in 9M21).
 - **Expected credit loss and impairment charge on other assets and provisions** in the first nine months of 2022 included a GEL 44.3m recovery of some previously paid legal fees.
- **Net loans and finance lease receivables stood at GEL 4,579.6m at 30 September 2022, down 9.4% y-o-y and down 4.9% q-o-q. However, on a constant currency basis, loan book increased by 3.7% y-o-y and by 0.1% q-o-q in 3Q22.** GEL-denominated loans represented 26.3% of total CIB net loans at 30 September 2022, compared with 21.4% at 30 September 2021 and 22.0% at 30 June 2022. The concentration of top ten CIB clients was 5.7% at 30 September 2022 (8.6% at 30 September 2021 and 6.3% at 30 June 2022).
- **Client deposits and notes amounted to GEL 4,974.6m at 30 September 2022, up 29.8% y-o-y and up 16.5% q-o-q. On a constant currency basis, deposits increased by 36.9% y-o-y and increased by 18.7% q-o-q in 3Q22.** GEL-denominated deposits represented 63.8% of total CIB deposits at 30 September 2022, compared with 64.4% at 30 September 2021 and 64.6% at 31 June 2022.
- **CIB recorded a profit of GEL 97.1m in 3Q22**, (up 12.1% y-o-y and up 1.5% q-o-q) and GEL 365.6m in 9M22 (up 42.1% y-o-y). CIB's ROAE was 29.9% in 3Q22 (31.4% in 3Q21 and 30.3% in 2Q22) and was 40.6% in 9M22 (32.8% in 9M21).

SELECTED FINANCIAL AND OPERATING INFORMATION

INCOME STATEMENT

BANK OF GEORGIA GROUP CONSOLIDATED

GEL thousands, unless otherwise noted

	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
Interest income	574,626	466,265	23.2%	553,309	3.9%	1,649,229	1,341,482	22.9%
Interest expense	(279,555)	(222,976)	25.4%	(272,139)	2.7%	(801,538)	(657,613)	21.9%
Net interest income	295,071	243,289	21.3%	281,170	4.9%	847,691	683,869	24.0%
Fee and commission income	147,207	105,992	38.9%	135,127	8.9%	389,007	277,165	40.4%
Fee and commission expense	(67,545)	(43,516)	55.2%	(54,062)	24.9%	(169,448)	(108,833)	55.7%
Net fee and commission income	79,662	62,476	27.5%	81,065	-1.7%	219,559	168,332	30.4%
Net foreign currency gain	150,686	33,346	351.9%	125,528	20.0%	340,699	74,604	356.7%
Net other income	1,092	8,706	-87.5%	7,087	-84.6%	9,162	59,627	-84.6%
Operating income	526,511	347,817	51.4%	494,850	6.4%	1,417,111	986,432	43.7%
Salaries and other employee benefits	(94,641)	(71,551)	32.3%	(95,351)	-0.7%	(268,321)	(200,586)	33.8%
Administrative expenses	(38,398)	(32,342)	18.7%	(37,420)	2.6%	(109,519)	(85,973)	27.4%
Depreciation, amortisation and impairment	(27,209)	(23,448)	16.0%	(27,536)	-1.2%	(79,372)	(68,363)	16.1%
Other operating expenses	(622)	(661)	-5.9%	(592)	5.1%	(2,913)	(2,257)	29.1%
Operating expenses	(160,870)	(128,002)	25.7%	(160,899)	0.0%	(460,125)	(357,179)	28.8%
Profit / (loss) from associates	250	223	12.1%	250	0.0%	626	(3,909)	NMF
Operating income before cost of risk	365,891	220,038	66.3%	334,201	9.5%	957,612	625,344	53.1%
Expected credit loss on loans to customers	(38,002)	(8,192)	NMF	(23,285)	63.2%	(91,143)	(11,288)	NMF
Expected credit loss on finance lease receivables	(1,500)	70	NMF	(896)	67.4%	(3,680)	(1,543)	138.5%
Other expected credit loss and impairment charge on other assets and provisions	(8,546)	(5,462)	56.5%	(1,730)	NMF	28,431	(30,838)	NMF
Cost of risk	(48,048)	(13,584)	NMF	(25,911)	85.4%	(66,392)	(43,669)	52.0%
Net operating income before non-recurring items	317,843	206,454	54.0%	308,290	3.1%	891,220	581,675	53.2%
Net non-recurring items	428	(479)	NMF	232	84.5%	708	(528)	NMF
Profit before income tax	318,271	205,975	54.5%	308,522	3.2%	891,928	581,147	53.5%
Income tax expense	(28,053)	(20,671)	35.7%	(33,036)	-15.1%	(85,653)	(54,749)	56.4%
Profit	290,218	185,304	56.6%	275,486	5.3%	806,275	526,398	53.2%
Profit attributable to:								
– shareholders of the Group	288,918	184,462	56.6%	274,268	5.3%	802,900	523,915	53.3%
– non-controlling interests	1,300	842	54.4%	1,218	6.7%	3,375	2,483	35.9%
Earnings per share (basic)	6.27	3.90	60.8%	5.81	7.9%	17.13	10.98	56.0%
Earnings per share (diluted)	6.19	3.80	62.9%	5.79	6.9%	16.99	10.79	57.5%

BALANCE SHEET

BANK OF GEORGIA GROUP CONSOLIDATED

<i>GEL thousands, unless otherwise noted</i>	Sep-22	Sep-21	Change y-o-y	Jun-22	Change q-o-q
Cash and cash equivalents	2,773,069	1,274,079	117.7%	2,834,950	-2.2%
Amounts due from credit institutions	2,406,119	1,904,747	26.3%	1,766,529	36.2%
Investment securities	4,307,524	2,282,983	88.7%	3,213,917	34.0%
Loans to customers and finance lease receivables	16,162,942	15,579,496	3.7%	16,299,630	-0.8%
Accounts receivable and other loans	5,547	2,591	114.1%	3,479	59.4%
Prepayments	45,814	44,540	2.9%	53,429	-14.3%
Inventories	16,629	11,418	45.6%	10,940	52.0%
Right-of-use assets	102,568	79,174	29.5%	87,193	17.6%
Investment property	174,725	232,446	-24.8%	188,315	-7.2%
Property and equipment	400,874	377,287	6.3%	389,855	2.8%
Goodwill	33,351	33,351	0.0%	33,351	0.0%
Intangible assets	149,344	140,386	6.4%	146,175	2.2%
Income tax assets	171	479	-64.3%	816	-79.0%
Other assets	366,363	192,810	90.0%	292,825	25.1%
Assets held for sale	43,944	54,765	-19.8%	43,137	1.9%
Total assets	26,988,984	22,210,552	21.5%	25,364,541	6.4%
Client deposits and notes	17,193,088	13,312,965	29.1%	15,100,061	13.9%
Amounts owed to credit institutions	4,937,760	4,037,523	22.3%	5,019,370	-1.6%
Debt securities issued	774,152	1,537,593	-49.7%	1,299,986	-40.4%
Lease liabilities	101,973	87,099	17.1%	91,524	11.4%
Accruals and deferred income	92,632	66,449	39.4%	77,948	18.8%
Income tax liabilities	24,794	92,784	-73.3%	50,420	-50.8%
Other liabilities	251,222	168,385	49.2%	292,585	-14.1%
Total liabilities	23,375,621	19,302,798	21.1%	21,931,894	6.6%
Share capital	1,587	1,618	-1.9%	1,618	-1.9%
Additional paid-in capital	424,087	496,708	-14.6%	485,723	-12.7%
Treasury shares	(88)	(66)	33.3%	(62)	41.9%
Other reserves	(18,568)	6,139	NMF	(48,922)	-62.0%
Retained earnings	3,189,848	2,390,255	33.5%	2,979,248	7.1%
Total equity attributable to shareholders of the Group	3,596,866	2,894,654	24.3%	3,417,605	5.2%
Non-controlling interests	16,497	13,100	25.9%	15,042	9.7%
Total equity	3,613,363	2,907,754	24.3%	3,432,647	5.3%
Total liabilities and equity	26,988,984	22,210,552	21.5%	25,364,541	6.4%
Book value per share	78.81	61.37	28.4%	72.74	8.3%

BELARUSKY NARODNY BANK (BNB)

INCOME STATEMENT HIGHLIGHTS	3Q22	3Q21	Change y-o-y	2Q22	Change q-o-q	9M22	9M21	Change y-o-y
<i>GEL thousands, unless otherwise stated</i>								
Net interest income	7,691	9,300	-17.3%	10,773	-28.6%	28,790	27,399	5.1%
Net fee and commission income	4,864	1,515	NMF	2,842	71.1%	8,760	4,707	86.1%
Net foreign currency gain	17,418	3,293	428.9%	20,574	-15.3%	49,952	9,868	406.2%
Net other income	359	496	-27.6%	1,417	-74.7%	(1,451)	313	NMF
Operating income	30,332	14,604	107.7%	35,606	-14.8%	86,051	42,287	103.5%
Operating expenses	(14,900)	(9,676)	54.0%	(12,575)	18.5%	(39,738)	(27,675)	43.6%
Operating income before cost of risk	15,432	4,928	213.1%	23,031	-33.0%	46,313	14,612	217.0%
Cost of risk	1,542	(1,560)	NMF	2,206	-30.1%	(22,618)	(1,254)	NMF
Net non-recurring items	1	(138)	NMF	(8)	NMF	(29)	(481)	-94.0%
Profit before income tax expense	16,975	3,230	425.5%	25,229	-32.7%	23,666	12,877	83.8%
Income tax expense	(4,169)	(515)	NMF	(1,288)	NMF	(5,456)	(2,463)	121.5%
Profit	12,806	2,715	371.7%	23,941	-46.5%	18,210	10,414	74.9%

BALANCE SHEET HIGHLIGHTS	Sep-22	Sep-21	Change y-o-y	Jun-22	Change q-o-q
<i>GEL thousands, unless otherwise stated</i>					
Cash and cash equivalents	523,360	146,716	256.7%	370,718	41.2%
Amounts due from credit institutions	12,269	9,245	32.7%	9,074	35.2%
Investment securities	50,151	85,399	-41.3%	52,074	-3.7%
Loans to customers and finance lease receivables	495,764	657,568	-24.6%	507,654	-2.3%
Other assets	69,370	51,087	35.8%	46,167	50.3%
Total assets	1,150,914	950,015	21.1%	985,687	16.8%
Client deposits and notes	811,653	465,203	74.5%	644,899	25.9%
Amounts owed to credit institutions	176,585	326,715	-46.0%	201,446	-12.3%
Debt securities issued	5,481	7,195	-23.8%	11,362	-51.8%
Other liabilities	21,171	12,944	63.6%	12,538	68.9%
Total liabilities	1,014,890	812,057	25.0%	870,245	16.6%
Total equity	136,024	137,958	-1.4%	115,442	17.8%
Total liabilities and equity	1,150,914	950,015	21.1%	985,687	16.8%

- The Group's banking subsidiary in Belarus, BNB:** In the first quarter of 2022, we reassessed our assets in BNB due to deteriorated expectations and that resulted in a GEL 49.3m total negative effect on equity in 1Q22. Throughout the second and third quarters, BNB has demonstrated resilience and a focus on maintaining solid liquidity and capital positions. The capital ratios, calculated in accordance with the National Bank of the Republic of Belarus (NBRB) standards, stood comfortably above the minimum requirements at 30 September 2022, with Tier 1 capital adequacy ratio at 12.6% (minimum requirement of 7.0%) and Total capital adequacy ratio at 20.3% (minimum requirement of 12.5%).

KEY RATIOS

BANK OF GEORGIA GROUP CONSOLIDATED

	3Q22	3Q21	2Q22	9M22	9M21
Profitability					
ROAA, annualised	4.4%	3.3%	4.5%	4.3%	3.2%
ROAE, annualised	32.4%	25.7%	32.8%	32.0%	25.7%
RB ROAE	33.4%	23.4%	31.4%	27.7%	22.2%
CIB ROAE	29.9%	31.4%	30.3%	40.6%	32.8%
Net interest margin, annualised	5.3%	5.0%	5.3%	5.3%	4.8%
RB NIM	4.8%	4.2%	4.6%	4.7%	4.2%
CIB NIM	5.1%	5.5%	5.4%	5.3%	4.9%
Loan yield, annualised	11.6%	10.6%	11.4%	11.4%	10.4%
RB Loan yield	12.7%	11.4%	12.3%	12.3%	11.2%
CIB Loan yield	8.9%	8.7%	9.0%	9.1%	8.6%
Liquid assets yield, annualised	4.2%	3.6%	4.4%	4.3%	3.4%
Cost of funds, annualised	4.9%	4.7%	5.2%	5.0%	4.6%
Cost of client deposits and notes, annualised	3.6%	3.6%	3.7%	3.6%	3.6%
RB Cost of client deposits and notes	2.4%	2.5%	2.6%	2.5%	2.6%
CIB Cost of client deposits and notes	6.2%	5.6%	6.2%	6.1%	5.4%
Cost of amounts owed to credit institutions, annualised	9.1%	8.0%	9.4%	9.0%	7.0%
Cost of debt securities issued	7.3%	6.8%	6.9%	7.1%	6.9%
Operating leverage, y-o-y	25.7%	1.1%	15.6%	14.8%	10.9%
Operating leverage, q-o-q	6.4%	-1.2%	8.7%	0.0%	0.0%
Efficiency					
Cost / income	30.6%	36.8%	32.5%	32.5%	36.2%
RB Cost / income	33.2%	45.9%	36.6%	36.7%	44.6%
CIB Cost / income	19.6%	16.6%	21.6%	19.4%	17.1%
Liquidity					
NBG liquidity coverage ratio (minimum requirement 100%)	121.4%	112.7%	113.5%	121.4%	112.7%
Liquid assets to total liabilities	40.6%	28.3%	35.6%	40.6%	28.3%
Net loans to client deposits and notes	94.0%	117.0%	107.9%	94.0%	117.0%
Net loans to client deposits and notes + DFIs	84.5%	102.1%	95.5%	84.5%	102.1%
Leverage (times)	6.5	6.6	6.4	6.5	6.6
Asset quality:					
NPLS (GEL thousands)	398,229	413,626	436,889	398,229	413,626
NPLs to gross loans to clients	2.4%	2.6%	2.6%	2.4%	2.6%
NPL coverage ratio	89.4%	90.9%	89.6%	89.4%	90.9%
NPL coverage ratio, adjusted for discounted value of collateral	138.0%	140.9%	138.0%	138.0%	140.9%
Cost of credit risk, annualised	1.0%	0.2%	0.6%	0.8%	0.1%
RB Cost of credit risk	1.4%	0.4%	1.2%	1.5%	0.7%
CIB Cost of credit risk	0.1%	-0.3%	-0.5%	-1.3%	-1.0%
Capital adequacy:					
NBG (Basel III) CET1 capital adequacy ratio	14.8%	12.8%	14.0%	14.8%	12.8%
Minimum regulatory requirement	11.6%	11.0%	11.7%	11.6%	14.6%
NBG (Basel III) Tier I capital adequacy ratio	17.0%	14.6%	16.4%	17.0%	14.6%
Minimum regulatory requirement	13.8%	13.2%	14.0%	13.8%	13.2%
NBG (Basel III) Total capital adequacy ratio	20.3%	19.2%	19.8%	20.3%	19.2%
Minimum regulatory requirement	17.2%	17.3%	17.5%	17.2%	17.3%
FX rates:					
GEL/US\$ exchange rate (period-end)	2.8352	3.1228	2.9289		
GEL/GBP exchange rate (period-end)	3.0751	4.2198	3.5662		
Shares outstanding					
	Sep-22	Sep-21	Jun-22		
Ordinary shares	45,637,351	47,168,814	46,983,572		
Treasury shares	2,592,234	2,000,614	2,185,856		
Total shares outstanding	48,229,585	49,169,428	49,169,428		

ADDITIONAL OPERATING DATA

	3Q22	3Q21	2Q22	9M22	9M21
Our employees (FTE):					
Bank of Georgia (standalone)	6,428	6,108	6,225	6,428	6,108
BNB	710	542	642	710	542
Others	1,036	1,045	1,033	1,036	1,045
Total	8,174	7,695	7,900	8,174	7,695
Our network					
Number of branches	211	212	212	211	212
Number of ATMs	994	985	999	994	985
Number of Express Pay terminals	3,152	3,130	3,161	3,152	3,130
Cards					
Number of cards issued	396,223	214,650	282,833	955,079	619,382
Number of cards outstanding	2,705,148	2,078,033	2,477,936	2,705,148	2,078,033
Express Pay terminals					
Number of transactions via Express Pay terminals	21,507,156	19,553,431	21,356,749	61,954,422	56,389,672
Volume of transactions via Express Pay terminals (<i>GEL thousands</i>)	4,254,676	3,170,504	3,888,488	11,256,037	8,340,341
POS terminals					
Number of active merchants (including e-commerce)	13,560	10,768	12,885	13,560	10,768
Number of active POS terminals (including e-commerce)	32,813	25,348	31,124	32,813	25,348

GLOSSARY

- **Alternative performance measures (APMs)** In this announcement the management uses various APMs, which they believe provide additional useful information for understanding the financial performance of the Group. These APMs are not defined by International Financial Reporting Standards, and may not be directly comparable with other companies who use similar measures. We believe that these APMs provide the best representation of our financial performance as these measures are used by management to evaluate the Group's operating performance and make day-to-day operating decisions
- **Basic earnings per share** Profit for the period attributable to shareholders of the Group divided by the weighted average number of outstanding ordinary shares over the same year
- **Book value per share** Total equity attributable to shareholders of the Group divided by ordinary shares outstanding at period-end; Ordinary shares outstanding at period-end equals number of ordinary shares at period-end less number of treasury shares at period-end
- **Cost of credit risk** Expected loss on loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period
- **Cost of deposits** Interest expense on client deposits and notes of the period divided by monthly average client deposits and notes
- **Cost of funds** Interest expense of the period divided by monthly average interest bearing liabilities
- **Cost to income ratio** Operating expenses divided by operating income
- **Interest-bearing liabilities** Amounts owed to credit institutions, client deposits and notes, and debt securities issued
- **Interest-earning assets (excluding cash)** Amounts due from credit institutions, investment securities (but excluding corporate shares) and net loans to customers and finance lease receivables
- **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 the NBG) divided by net cash outflows over the next 30 days (as defined by the 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 (Basel III) Common Equity Tier I (CET1) capital adequacy ratio** Common Equity Tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG
- **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 NBG
- **NBG (Basel III) Total capital adequacy ratio** Total regulatory capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG
- **Net interest margin (NIM)** Net interest income of the period divided by monthly average interest earning assets excluding cash for the same period
- **Net stable funding ratio (NSFR)** Available amount of stable funding (as defined by the NBG) divided by the required amount of stable funding (as defined by the NBG)
- **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 of loans and finance lease receivables divided by NPLs
- **NPL coverage ratio adjusted for discounted value of collateral** Allowance for expected credit loss of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for expected credit loss)
- **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

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Share price information

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