



BANK OF GEORGIA
HOLDINGS PLC

Corporate Banking

Speaker: Sulkhvan Gvalia, Deputy CEO

September 2014

Discussion topics

Corporate segment overview

Income statement highlights

Loan book & deposit portfolio

Leading bank in the corporate segment

Market position

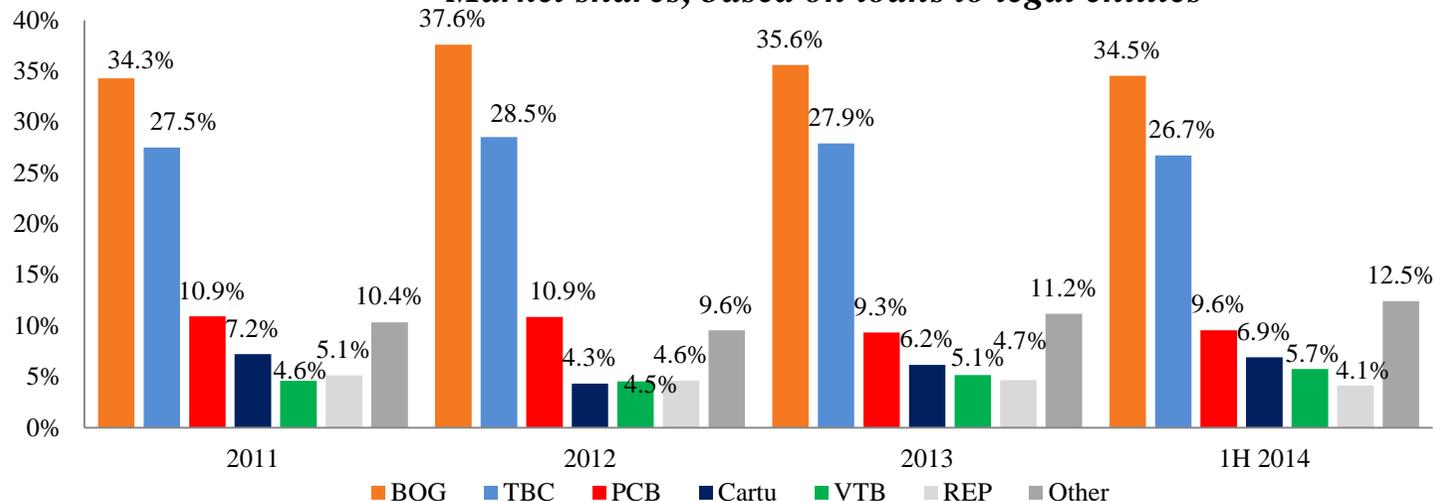
34.5% share by loans to legal entities and 28.4% share by deposits from legal entities, 30.06.2014

More than 7,000 corporate clients

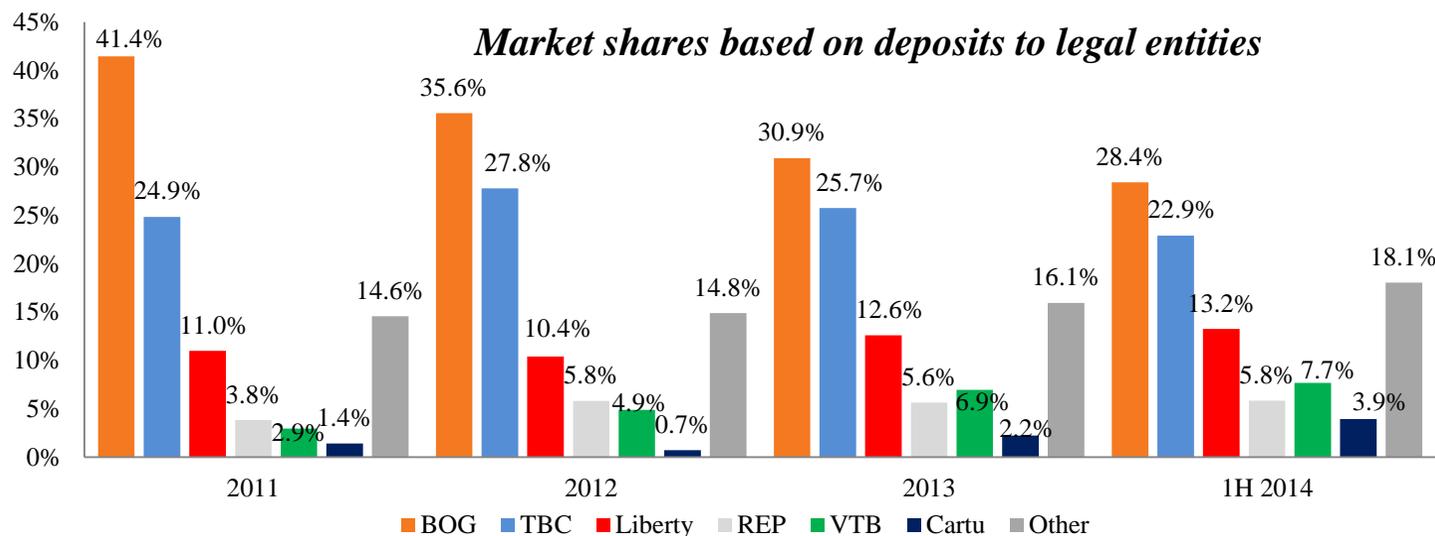
Access to debt & equity markets & cheaper long-term funding through trade finance lines

Strong Balance sheet

Market shares, based on loans to legal entities

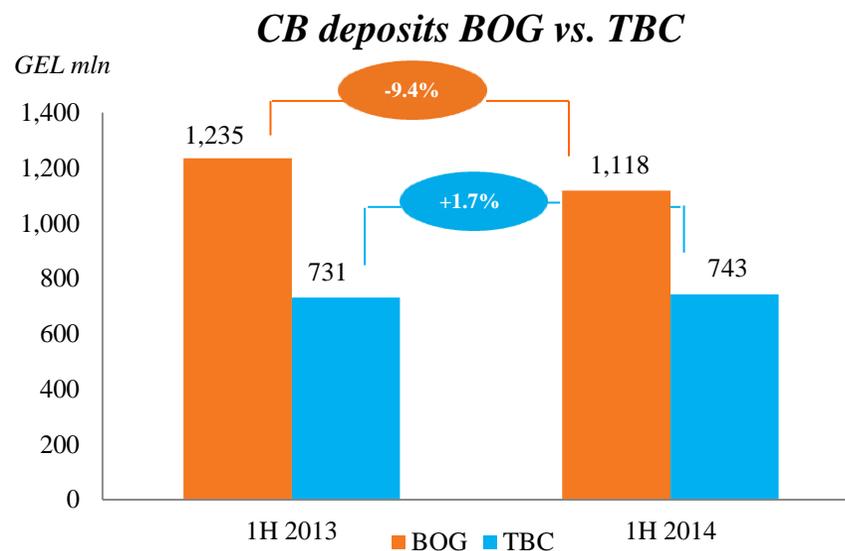
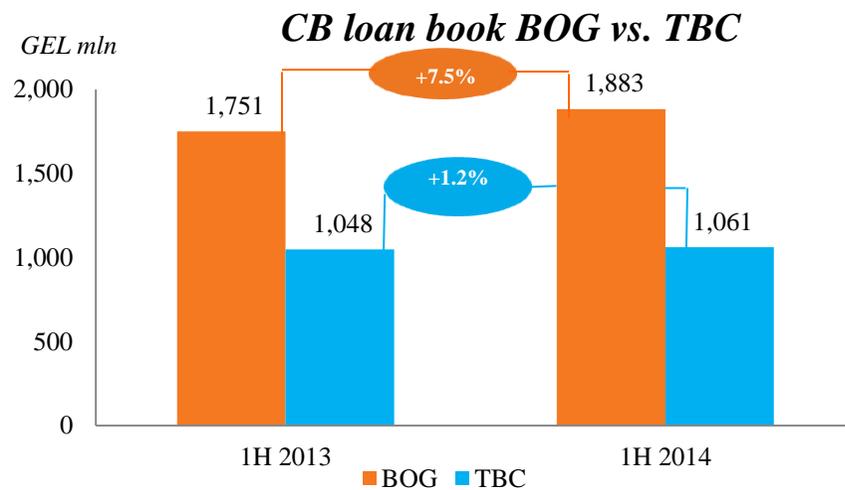


Market shares based on deposits to legal entities



Based on NBG Reporting of all entities; as of 30.06.2014

Leading bank in the corporate segment cont'd



CB standalone, Gross

Corporate lending market

Economic slow-down in 2013 and subsequent high liquidity in the Georgian banking system through out 1H 2014 resulted in:

- ❑ Subdued demand on corporate loans

- ❑ Reduction of:
 - ❑ Interest rates on loans & deposits
 - ❑ Trade finance and documentary operations

The pick-up of business activity towards the end of 1H 2014 and strong pipeline to indicate CB loan book growth in 2H 2014

Discussion topics

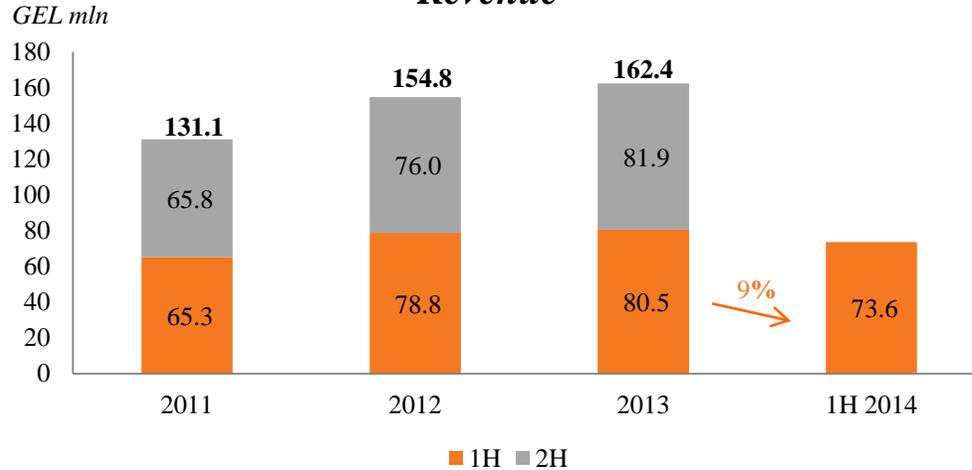
Bank of Georgia: Unique value proposition

Income statement highlights

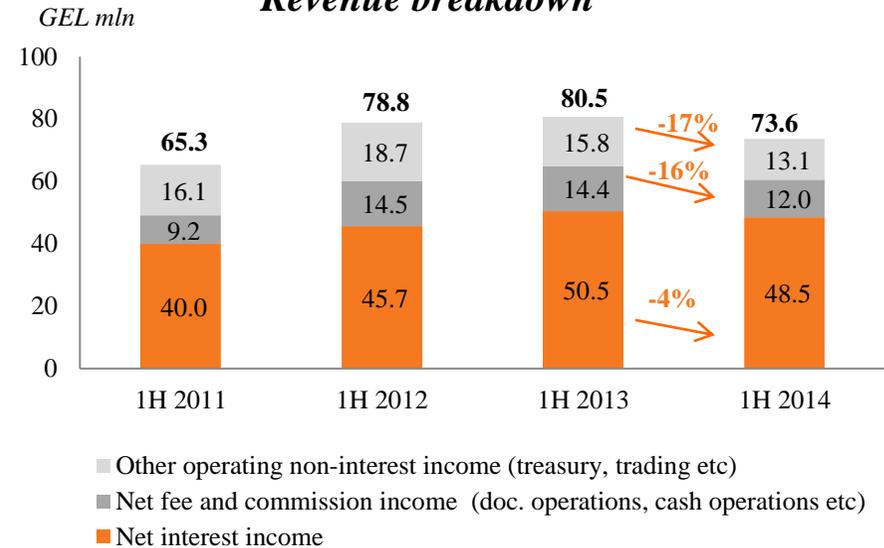
Loan book & deposit portfolio

Economy slow-down affects profitability

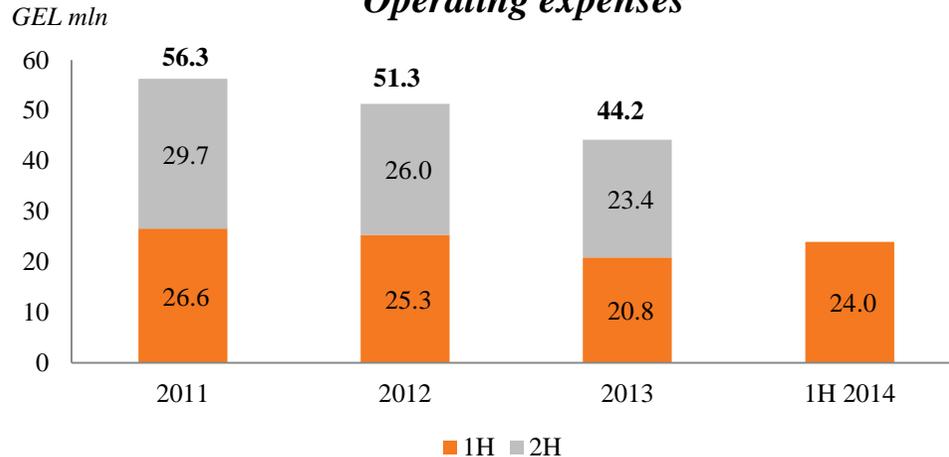
Revenue



Revenue breakdown



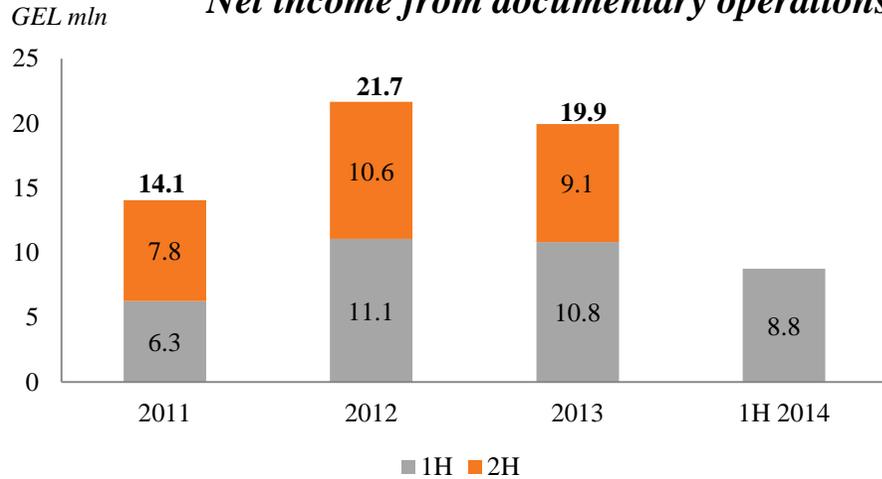
Operating expenses



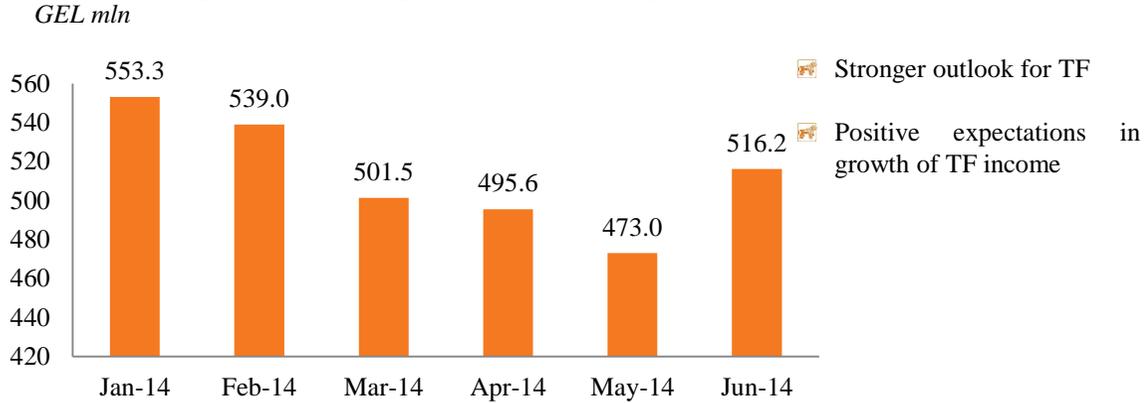
- Operating expenses largely stable (slightly decreasing)
- Changes in accounting treatment resulted in reduced CB operating expenses in 1H 2013

Leader in Trade Finance & FX Business

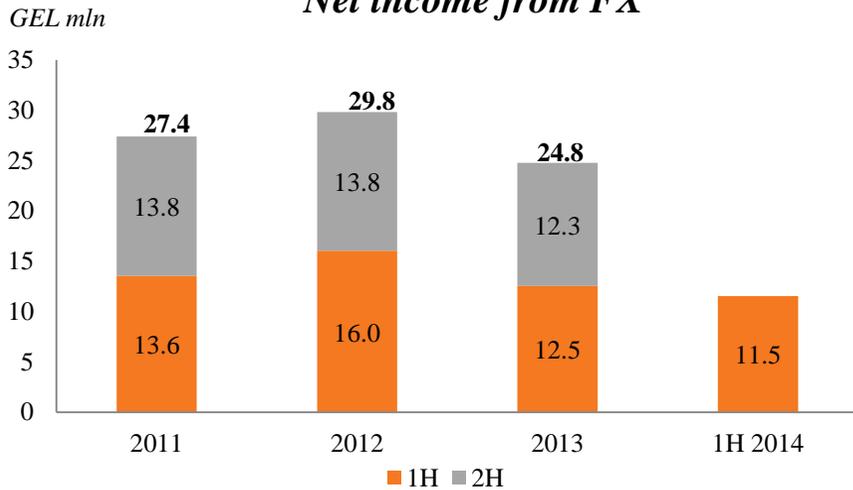
Net income from documentary operations



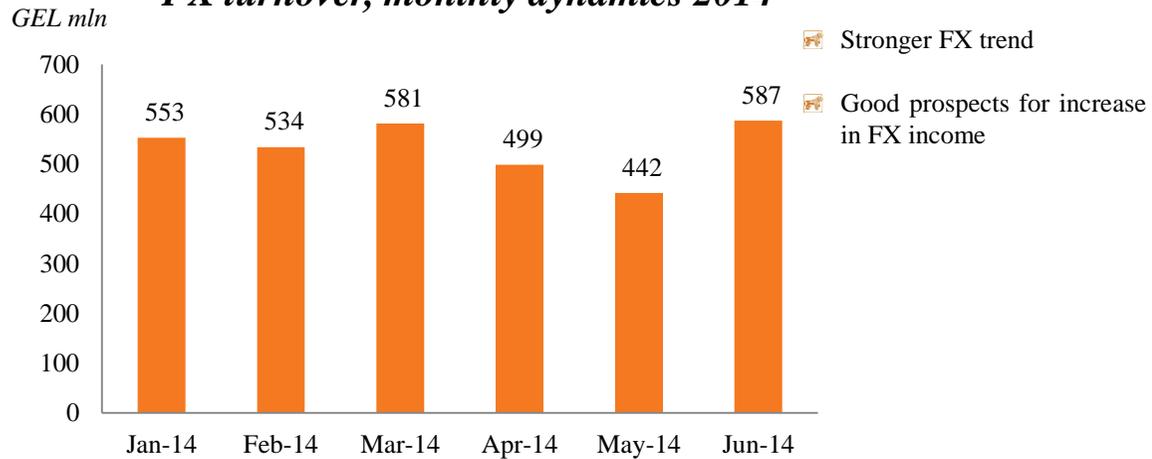
Trade finance portfolio monthly dynamics 2014



Net income from FX

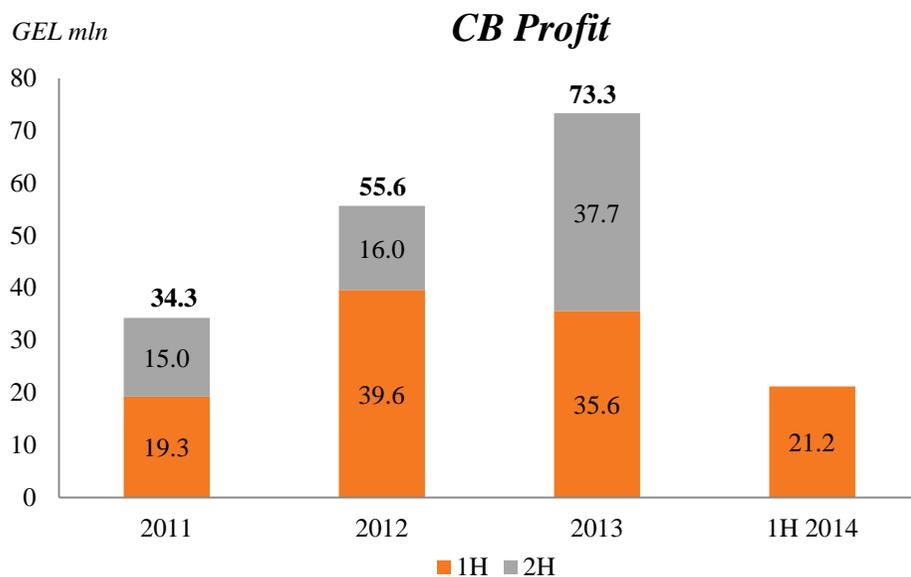


FX turnover, monthly dynamics 2014



TF portfolio CB standalone

Impact of economic slow-down on profitability



📈 Growth expected to accelerate in 2H on the back of strong pipeline and the pick-up of business activity towards the end of 1H 2014

Discussion topics

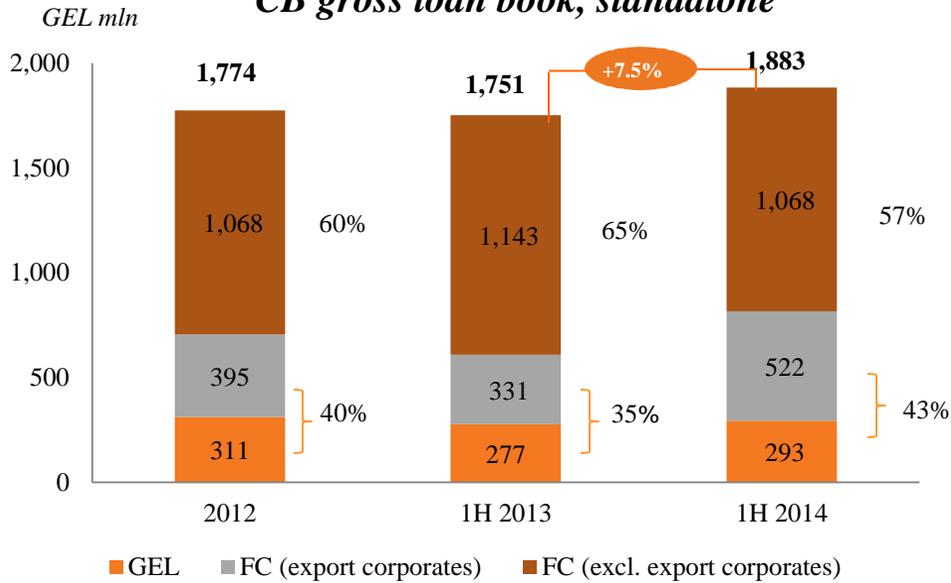
Bank of Georgia: Unique value proposition

Financial statements

Loan book & deposit portfolio

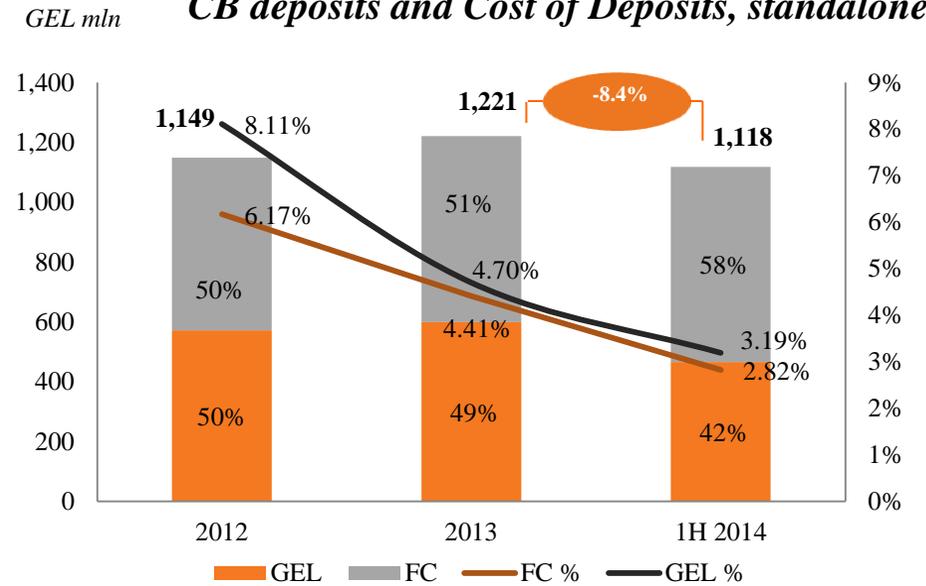
Portfolio dynamics

CB gross loan book, standalone



🏦 CB Loan book increased by 7.5% y-o-y

CB deposits and Cost of Deposits, standalone

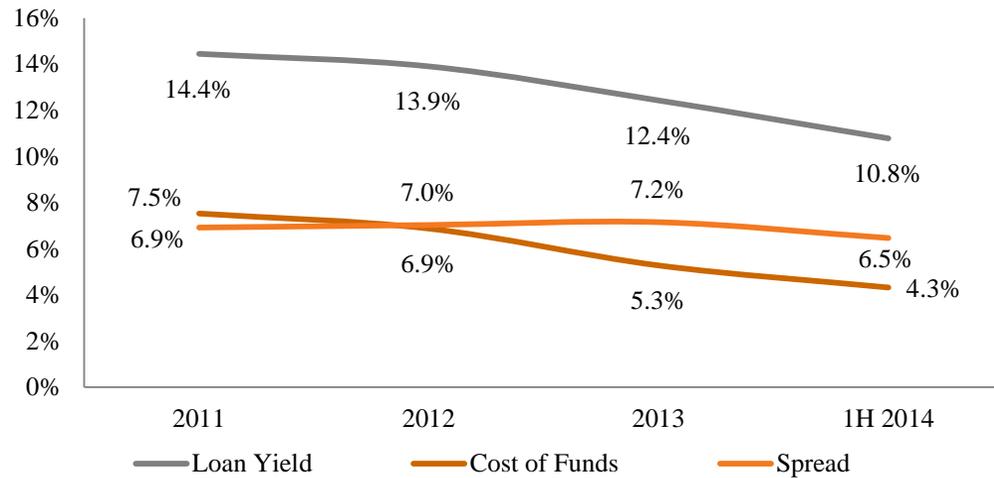


🏦 Cost of GEL deposits decreased by 1.51% YTD

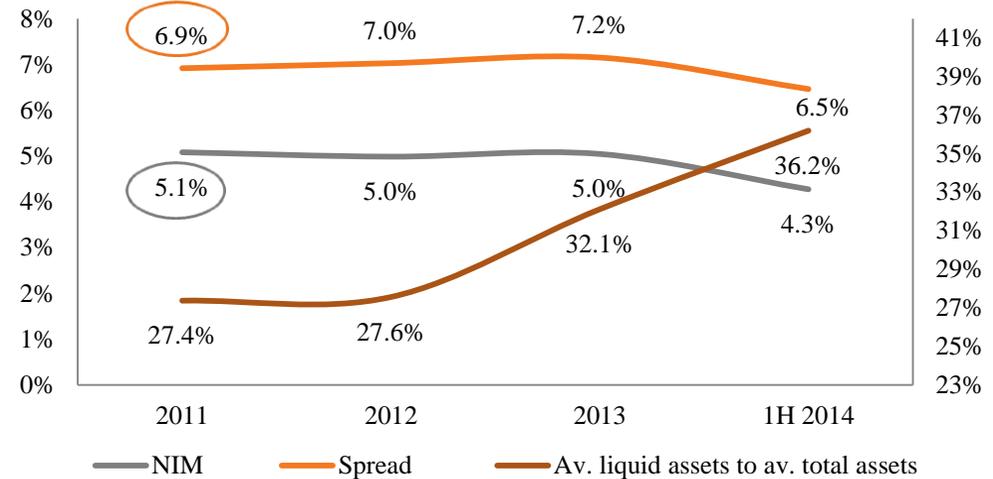
🏦 Cost of FC deposits decreased by 1.59% YTD

NIM growth opportunities

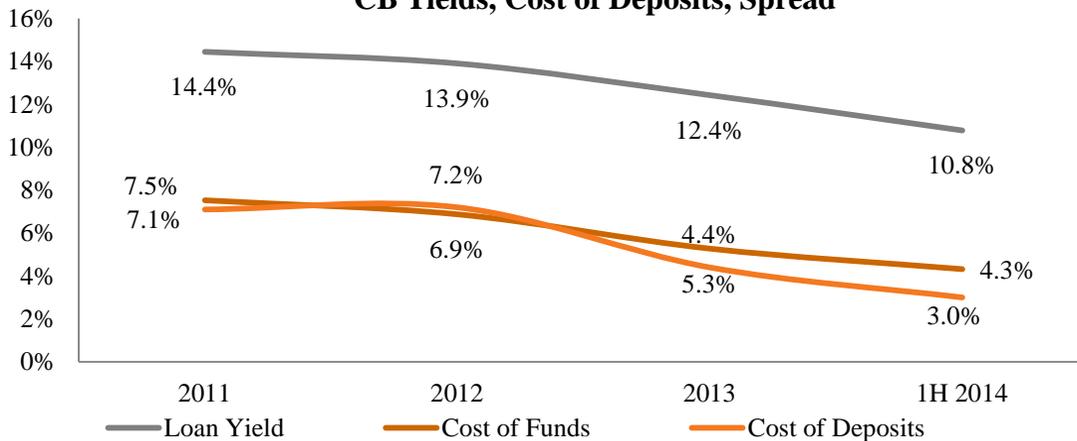
CB Yields, Cost of Funds, Spread



CB NIM vs Spread



CB Yields, Cost of Deposits, Spread

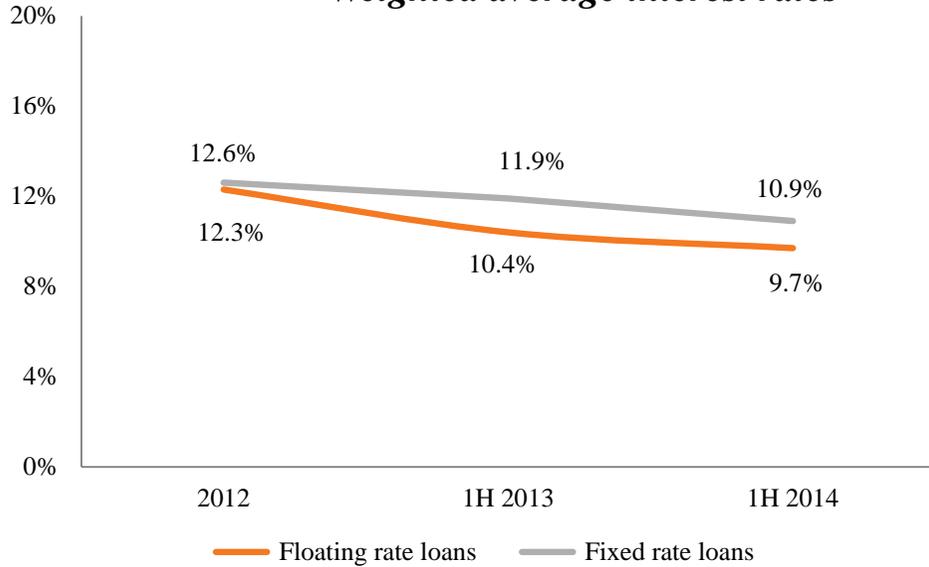


- ☒ Decline in the NIM mainly due to high liquidity
- ☒ Liquidity allocation to effect the CB NIM positively affect on NIM

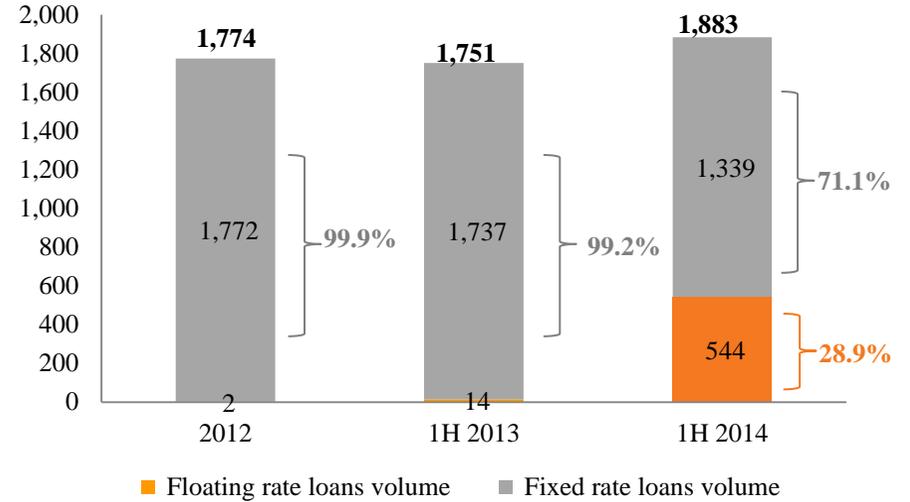
CB standalone

NIM growth opportunities cont'd

Weighted average interest rates



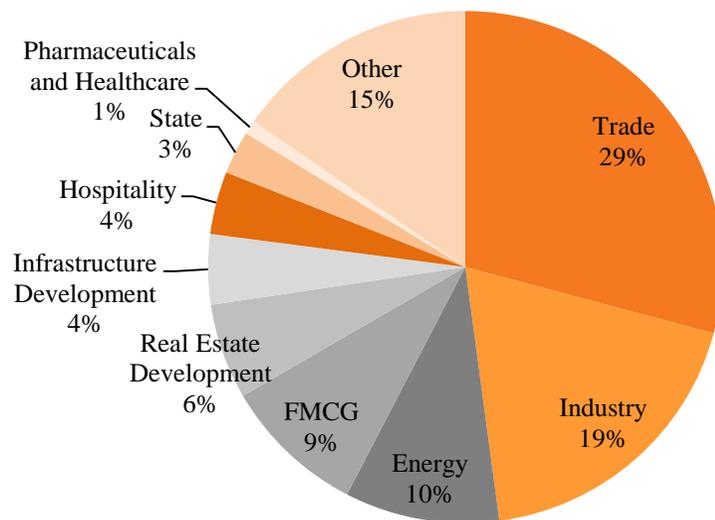
GEL mln CB gross loan book, standalone



CB NIM to be supported by the increased share of floating rate loans (mostly linked to 6M LIBOR with spread c.9.2%)

Well diversified loan book

CB loan book by sectors, 30 June 2014



**Standalone CB loan book:
GEL 1,883 mln**

CB standalone, gross

Forward Looking Statements

This presentation contains forward-looking statements that are based on current beliefs or expectations, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and JSC Bank of Georgia and/or the Bank of Georgia Holdings' plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are various factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, legal, business and social environment. The forward-looking statements in this presentation speak only as of the date of this presentation. JSC Bank of Georgia and Bank of Georgia Holdings undertake no obligation to revise or update any forward-looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.