

BASISBANK

H1 and Q2 2024 RESULTS

IFRS Consolidated Figures

AUGUST 2024



www.bb.ge

Contents

- **BASISBANK AT A GLANCE**
- H1 AND Q2 2024 RESULTS
- MACROECONOMIC HIGHLIGHTS
- APPENDICES

Who we are



30 YEARS

OF MARKET
PRESENCE



MEMBER OF HUALING
GROUP

1ST LARGEST

PRIVATE INVESTMENT GROUP
IN GEORGIA

92% OF SHAREHOLDING



4TH LARGEST

FINANCIAL INSTITUTION

4.2% OF MARKET SHARE



3RD LARGEST

BY BUSINESS LOANS

5.0% OF MARKET SHARE



4TH LARGEST

BY RETAIL LOANS

3.8% OF MARKET SHARE

Who we are

- **4th largest** financial group in Georgia with a market presence of **30 years**
- **Majority Shareholder** – HG (Hualing Group), a Chinese conglomerate with diversified businesses in China and overseas markets, #1 Private Investment Group in Georgia (total investment USD 550mln)
- Serving over **200 thousand Business and Retail Clients** through **39 branch** network (covering all major regions) and around **930 employees**
- Backed with **solid capital base** and strong financial support from **Shareholders** and **IFIs**

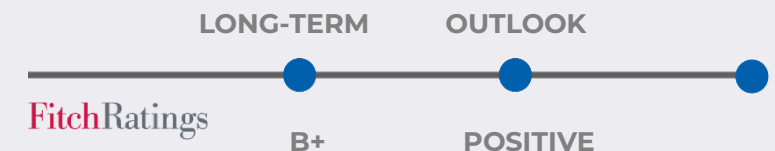
Business Model

- Steady **organic growth** boosted with **successful acquisition** of retail and corporate businesses in 2022, leading to **dynamic transformation** and mapping **new strategic objectives of the Group**
- **Key strategic business lines** - Commercial Banking, Leasing and Insurance services provided through **multi-channel distribution platform**, with strategic focus on digital channels
- Coordinated functioning of business lines producing **synergies** to offer broad scale financial services to all client segments

200k
CLIENTS

39
BRANCHES

**OVER
900**
EMPLOYEES



Our Story in a Nutshell

1993

ESTABLISHING THE BANK

- Founded by group of visionary mathematician friends in challenging environment - post soviet newly emerging market
- Core Strategy formation and execution

2008

EBRD BECOMES MINORITY SHAREHOLDER

- EBRD acquires 15% of Basisbank shares
- Re-modeling and enhancement of Corporate Governance through EBRD 2-year program, targeting on Bank's agile and effective structure

2012

HUALING GROUP BECOMES MAJORITY SHAREHOLDER

- Hualing Group, acquires 90% of BB shares. Capital injection of \$45 million provided solid capacity to sustain substantial growth
- Substantial advancement on the market with the entrance of Hualing Group, including speedy growth in all key parameters.

2017

NEW SUBSIDIARIES – BB HOLDING

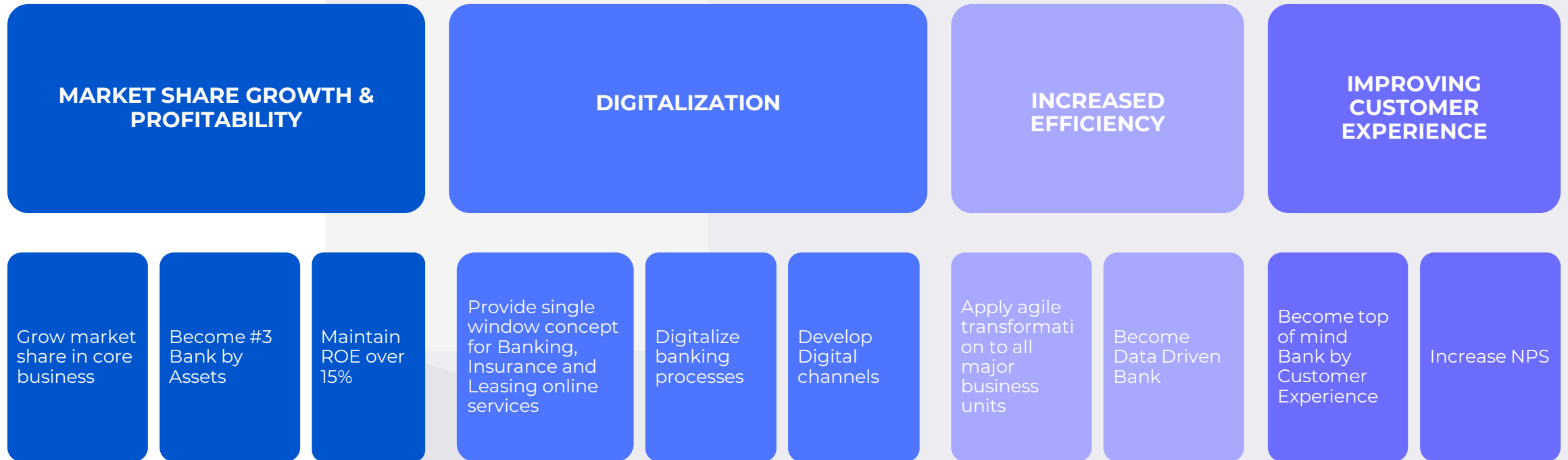
- Bank establishes two new subsidiaries, BB Insurance and BB Leasing, forming a holding – BB Group
- Financial group structure enables the Bank to become a robust holding providing banking, insurance and leasing services through one digital touchpoint, while generating synergies of internal resources
- BB becomes 6th largest financial institution on the market

2022

LOCAL PORTFOLIO ACQUISITION

- BB boosted its franchise through acquiring VTB Bank Georgia's total Retail and part of Corporate Portfolios
- As a result, Bank coverage and number of branches doubles, GLP grows by over 60% and Deposit portfolio by over 120%. BB becomes 4th largest financial institution on the market

Our Strategy



Core Competences to enable Strategy



Services and Clients



BUSINESS CLIENTS

Providing broad range of Products and Services to our **SME and Corporate** clients through **Multi-channel Distribution Platform**

- SME and Corporate Lending
- Current and Term Deposits, CDs
- Industry and Sector Expertise
- Trade finance and Factoring
- Brokerage and Treasury Services
- Leasing
- Insurance



RETAIL CLIENTS

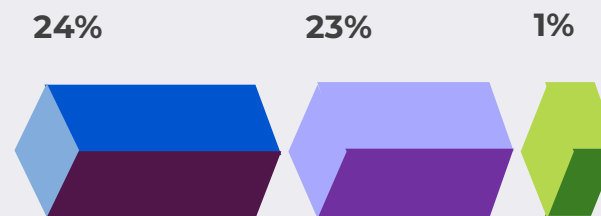
Providing broad range of Products and Services to our **Retail** clients through **Multi-channel Distribution Platform**

- Retail Lending
- Current and Term Deposits, CDs
- Premium Banking
- Brokerage and Treasury Services
- Leasing
- Insurance

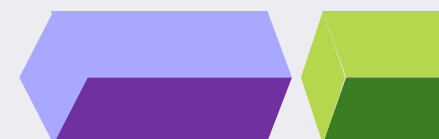
Diversified Client Base

BUSINESS CLIENTS

- SME and Corporate Clients
- State Owned Companies
- Financial Institutions



38% 14%



RETAIL CLIENTS

- Premium Clients
- Mass Retail Clients

Strong Focus on ESG

We are committed to contributing to sustainable development by financing environmentally and socially sustainable projects and incorporating ESG principles into our strategy, culture and day-to-day activities.

ENVIROMENTAL

Supporting Agribusiness

- Designated Desk and expertise for Agribusiness
- Over GEL 180mln placed in sector development
- Over GEL 100mln subsidized funding in cooperation with Rural Development Agency

Sustainable Financing

- Over GEL 230M raised from EBRD, GCPF and GGF to support Green Economy
- Over 170 Sustainable Loans to launch and develop energy efficient, renewable energy projects, women-owned and social Businesses

Sustainable Incentives

- DCFTA and CEEEP Projects to boost Green Economy
- EBRD Green Lending Facility Projects
- Green Lending Project with GGF

Responsible Operations

- Strong focus and shift to paperless services
- Green approach to operations, utilization and infrastructure
- Green concept for new head office

Best Green Deal
of the Year
by **ADB**

SOCIAL

Continuous Professional Development for Employees

- Professional trainings
- Personal growth trainings (classroom and e-learning)
- Coaching

Responsible employment practices

- Diversity, equality and high ethical standards
- High work safety standards
- Women share in employees around 70%
- Whistleblowing channel on ESG matters
- Paid maternity leave

CSR Projects

- Financing Cultural and Educational projects
- Banking Academy project
- Career planning center project

Client inclusion

- Client Trainings
- Client Satisfaction Score 84%

GOVERNANCE

Updated ESG Strategy

- In 2023, Basisbank developed Sustainability Strategy, which was formulated following a comprehensive materiality assessment by the bank and its stakeholders.

Ethical/Responsible Governance

- Promotes diversity, equality and high ethical standards
- Supports workplace health & safety
- Established a role of a Sustainability Officer

E&S Framework

- E&S Risk Management Policy since 2018
- ESG Reporting to partner IFIs
- ESG Disclosure on website

Shareholder Rights

- Minority Shareholder rights secured by Articles of Incorporation

Contents

- BASISBANK AT A GLANCE
- **H1 AND Q2 2024 RESULTS**
- MACROECONOMIC HIGHLIGHTS
- APPENDICES

H1 and Q2 2024 Financial Highlights

Growing Portfolios

Strong Capital

Efficient Cost Control

High Performance

+22% YoY

+6% QoQ

GLP

GEL **2,684**mln

+24% YoY

+10% QoQ

Deposits

GEL **2,365**mln

+23% YoY

+4% QoQ

**Regulatory
Capital**

GEL **641**mln

+0.6pp YoY

-0.2pp QoQ

Capital Ratio

19.3%

17.4% Reg. Min

+0.15pp YoY

+0.06pp QoQ

Cost of Risk

0.20%

-1.2pp YoY

+3.1pp QoQ

**Cost to Income
Ratio**

51.0%

+21% YoY

+11% QoQ

Net Profit

GEL **41**mln

+0.3pp YoY

+0.8pp QoQ

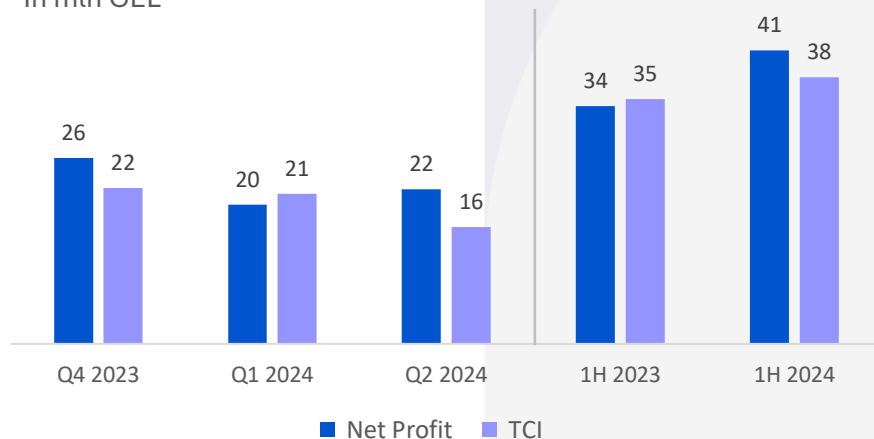
RoAE*

14.8%

Net Profit

Net Profit and TCI

In mln GEL

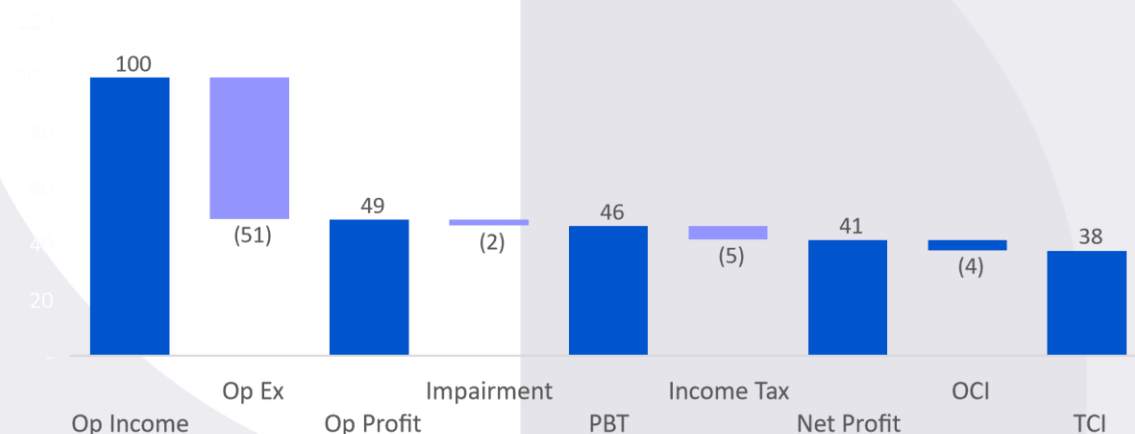


Leasing
Net Profit
5.7%
of Total

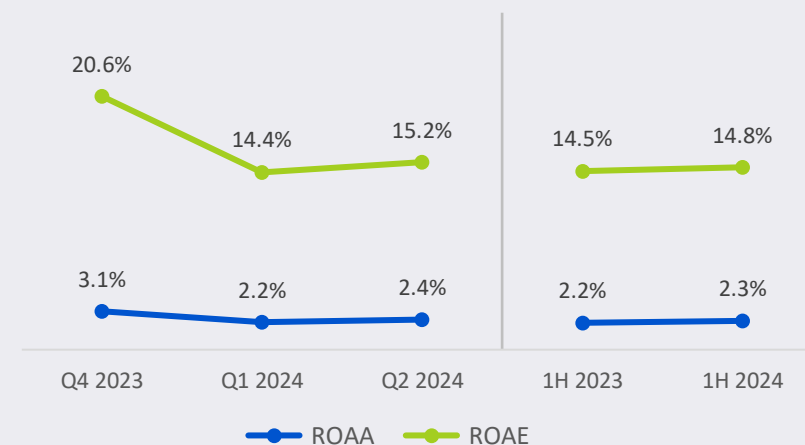
Insurance
Net Profit
5.2%
of Total

Net Profit Decomposed

In mln GEL



RoAE and RoAA

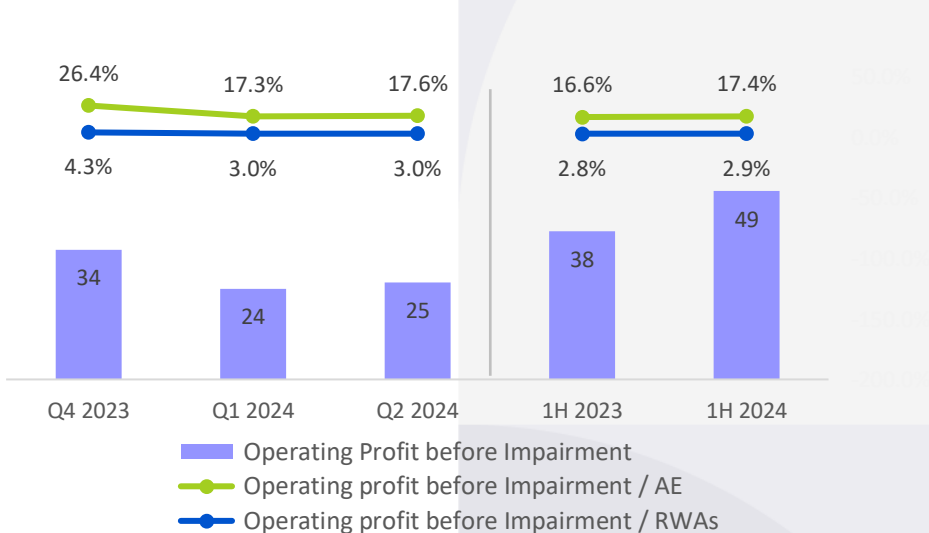


- Return on average equity increased by 0.3 percentage points year-on-year as a 23.9% increase in operating income combined with a 1.2 percentage points year-on-year reduction in the cost-to-income ratio improved operating performance in the first half of 2024.
- Supported by a low cost of risk stemming from the Group's prudent risk profile and robust risk management practices, the Group recorded an improvement in the first half-year results as compared to 2023.
- On quarterly basis the efficiency is also improved due to higher operating margin, resulting in improved RoAA and RoAE by 0.2 and 0.8 percentage points, respectively.

Operating Profit and Net Income Structure

Operating Profit before Impairment

In mln GEL



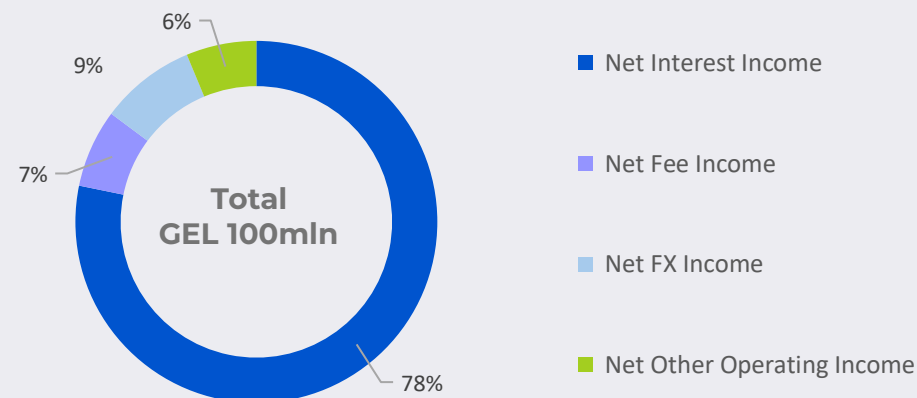
Leasing

Op Profit
4.8%
of Total

Insurance

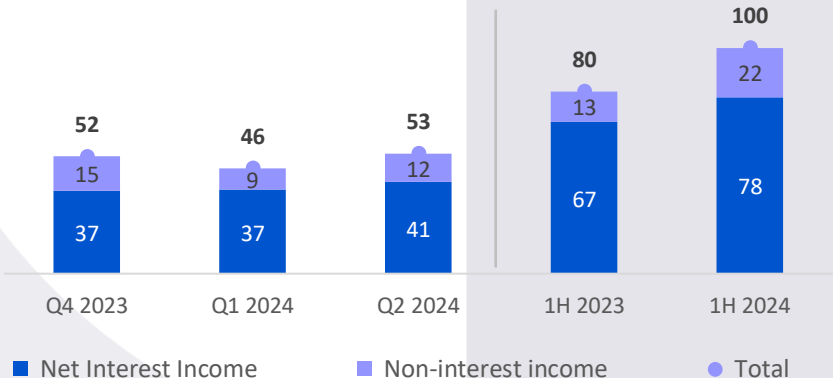
Op Profit
4.4%
of Total

Net Income Structure



Net Interest and Non-interest Income

In mln GEL

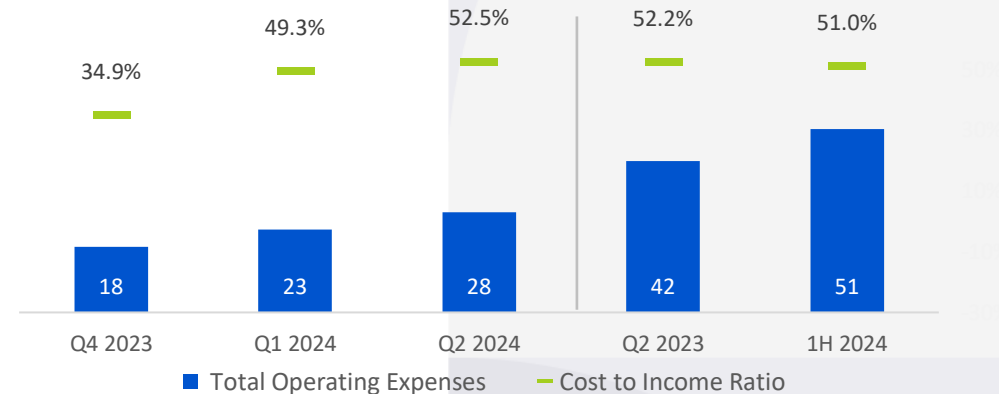


- Operating Profit before Impairment increased by 27.2% in 6 months of 2024 compared to respective period of 2023
- Significant growth was recorded in all major income categories: FX Income and Net fee and commission income increase was driven by intensified banking operations
- Year-on-year increase in non-interest income was due to sizeable changes in BB's franchise
- On a quarterly basis the efficiency was also improved due to higher operating margin

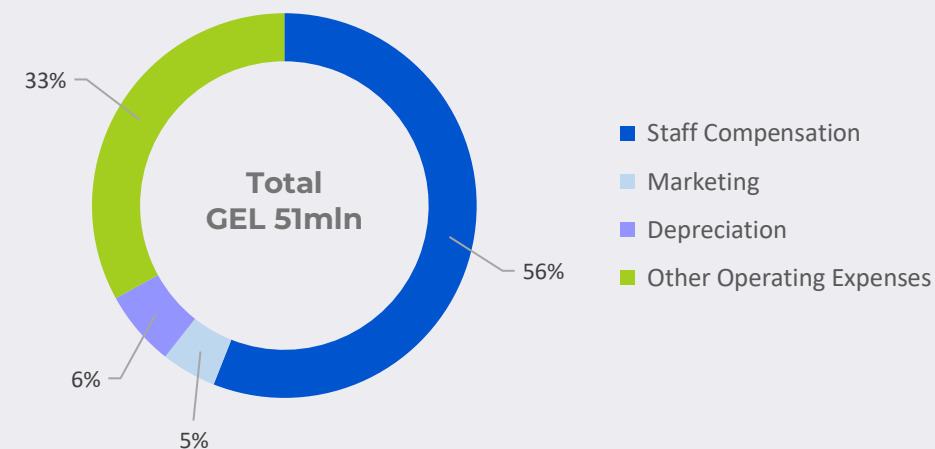
Operating Expenses and Cost to Income

Operating Expenses and Cost to Income Ratio

In mln GEL

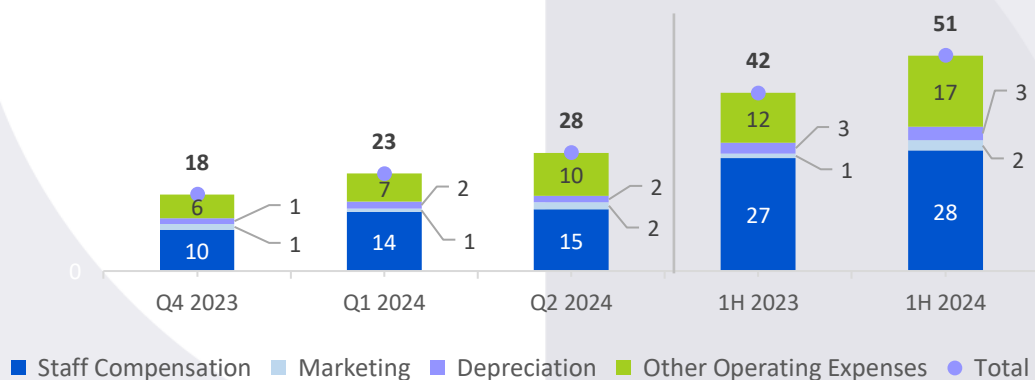


Operating Expense Structure



Operating Expense Dynamics

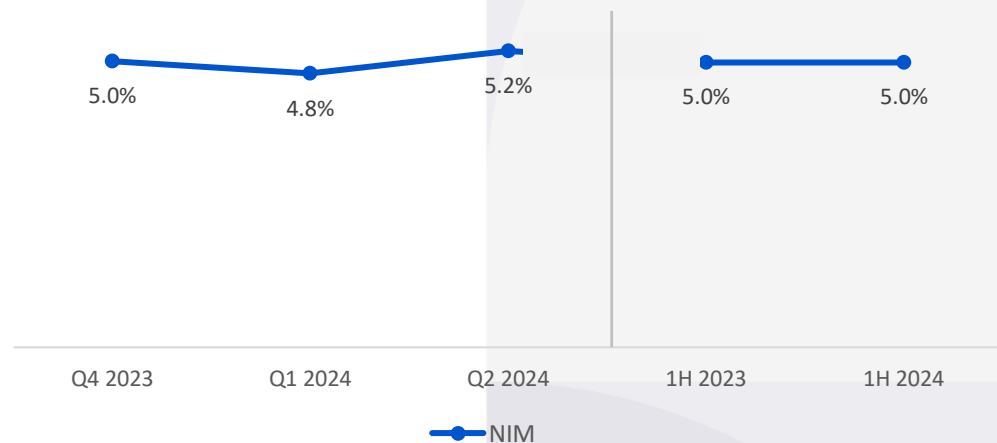
In mln GEL



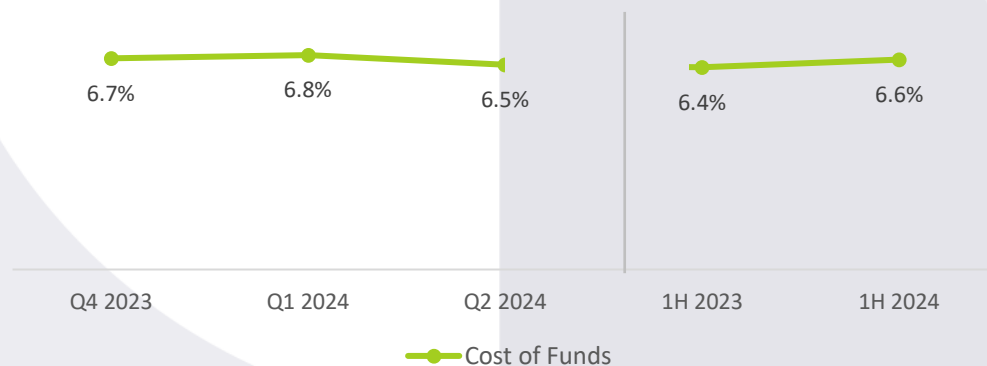
- Half-year 20.9% increase is due to widened expenses, as bank grew intensely and increased its operational capacity in staff cost and other operational expenses
- The cost to Income ratio maintained close to targeted 50%, following to the Bank's strategic growth stage
- The Group delivered positive operating leverage y-o-y and q-o-q in 2024, the cost to income ratio was down to 51% versus 52.2% in 1H23, which is the result of increased operating revenues and increased capacities

NIM, Loan Yield, Cost of Deposits and Cost of Funds

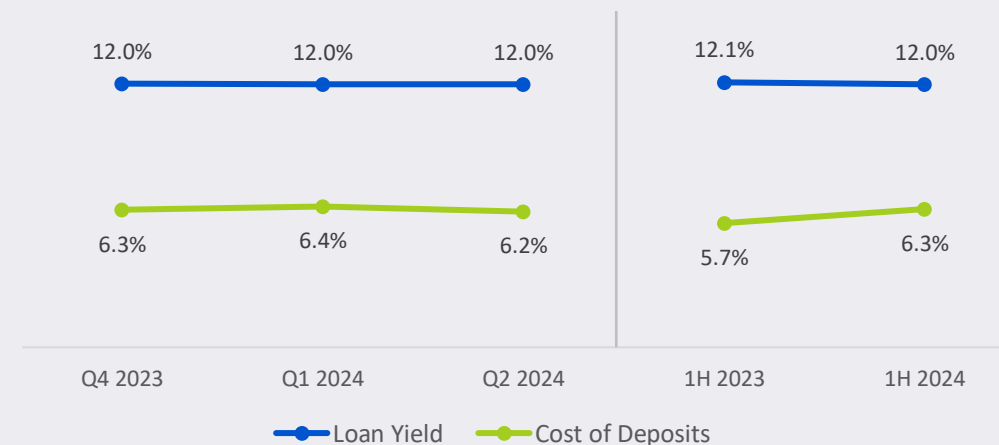
Net Interest Margin



Cost of Funds



Loan Yield and Cost of Deposits

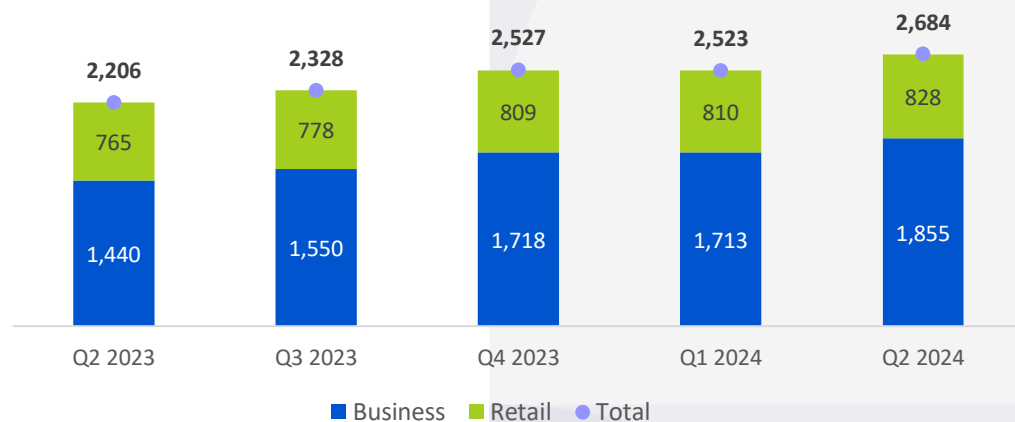


- NIM has increased on a QoQ basis, as well as on a Half-year basis
- Despite pressure on funding side, the margins remain still wide
- Cost of Funds has decreased slightly on a QoQ and half-year basis
- Loan Yields remain stable

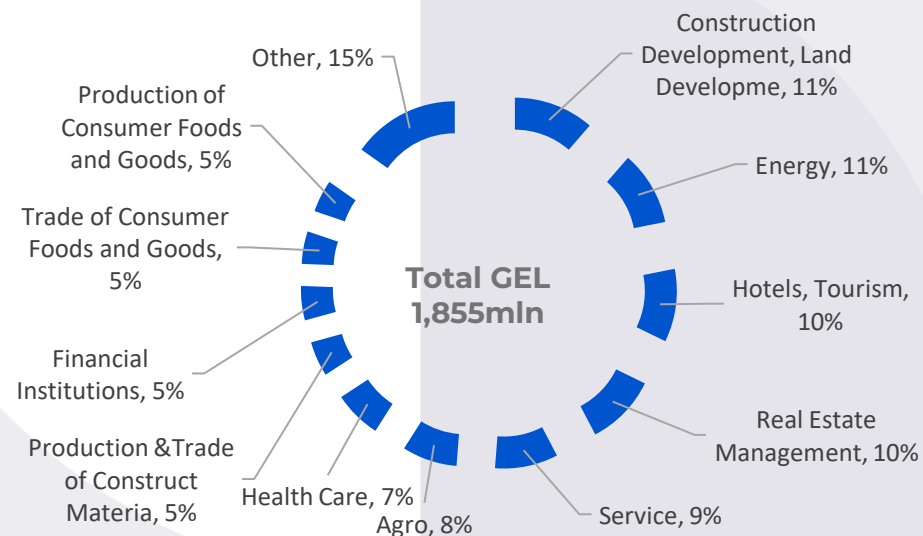
Gross Loan Portfolio Analysis

Loan Portfolio Dynamics

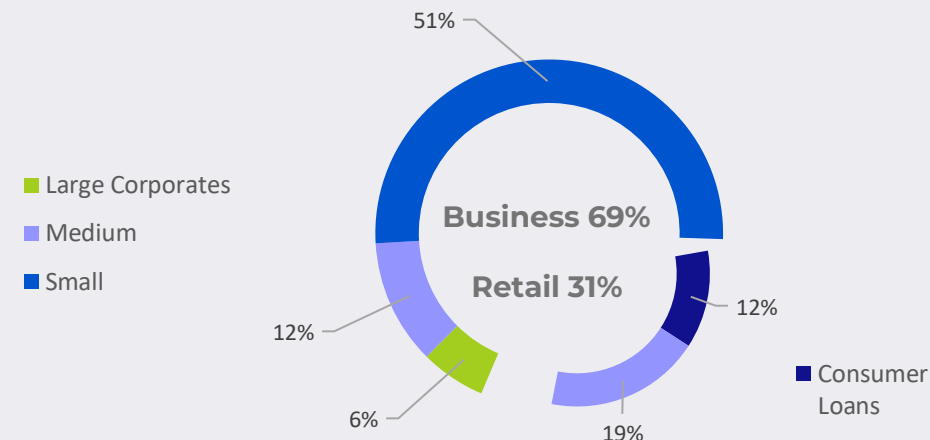
In mln GEL



Business GLP by sectors



Loan Portfolio Structure



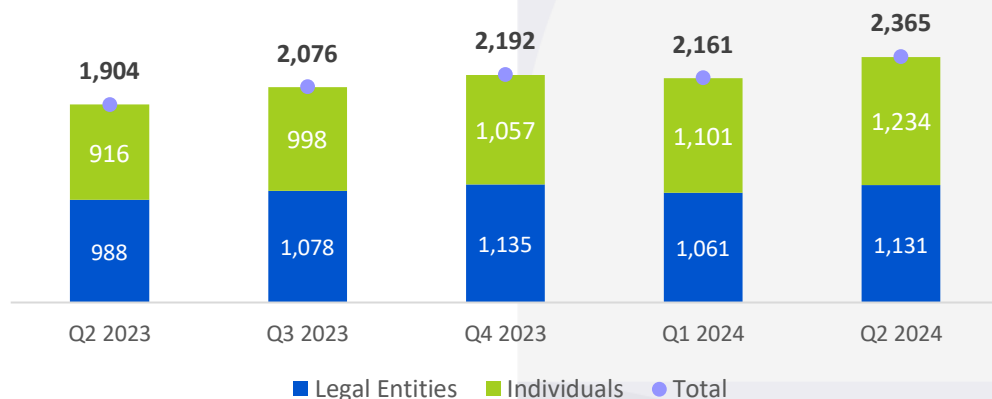
Large, Medium and Small Corporates – Category I, II, IIL and IV Enterprises according to definition of Law of Georgia on Accounting, Reporting and Audit by SARAS. For full definition please refer to appendix

- Gross Loan Portfolio increased by 21.7% in 6 months of 2024 compared to respective period in 2023, where Business Portfolio was increased by 28.8% and Retail portfolio by 8.2%
- Gross Loan Portfolio has increased by 6.3% respectively compared to first Quarter of 2024.
- On a constant currency basis, Gross Loan Portfolio increased by **17.8% YoY**.
- At Q2 2024 total Loan Portfolio FX Concentration was 49.7%

Customer Deposit Portfolio Analysis

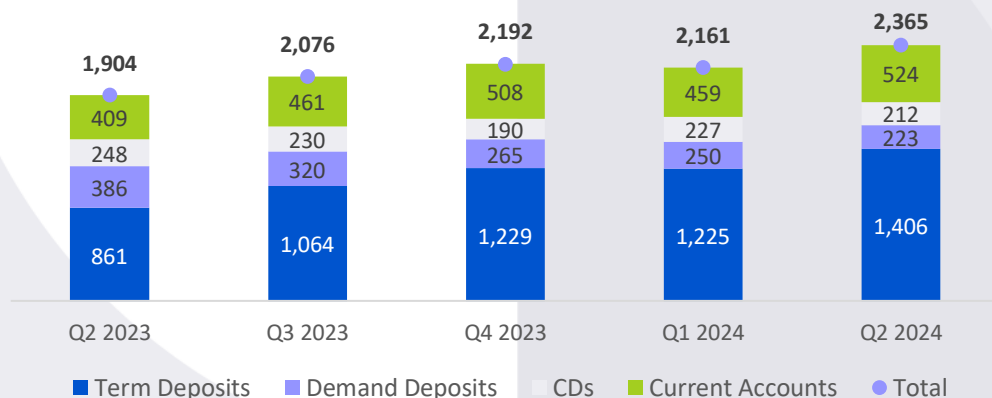
Deposits Dynamics

In mln GEL

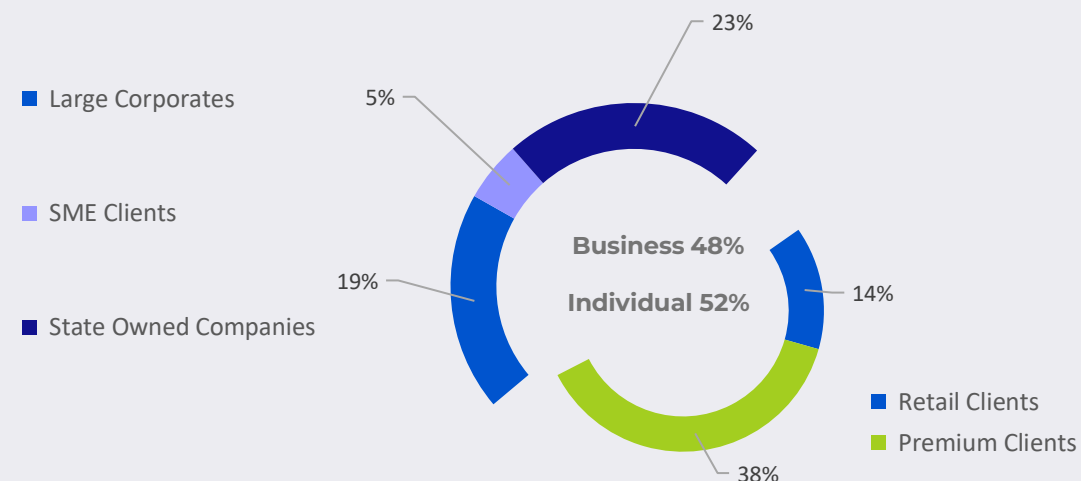


Deposits by Products

In mln GEL



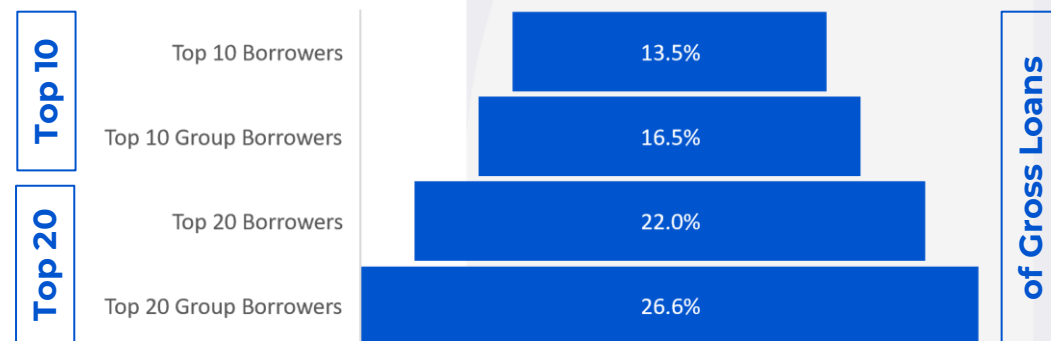
Customers' Structure



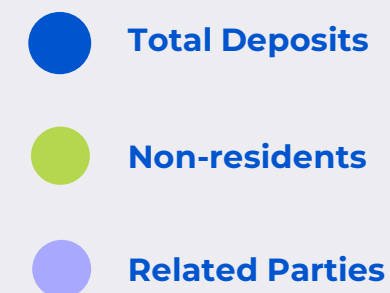
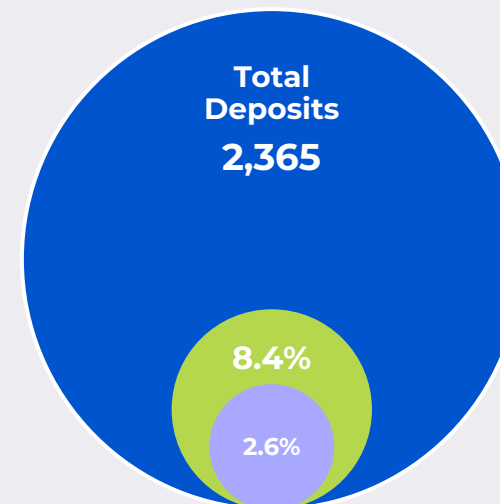
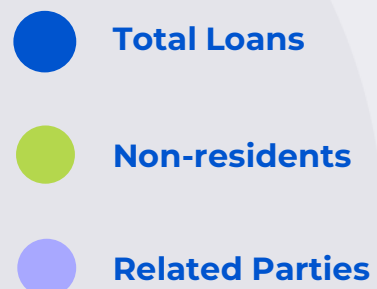
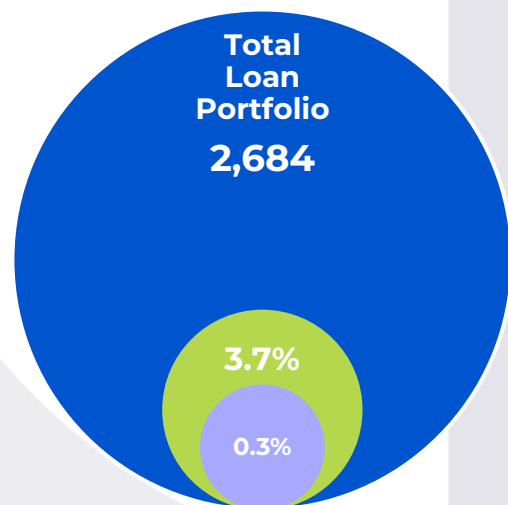
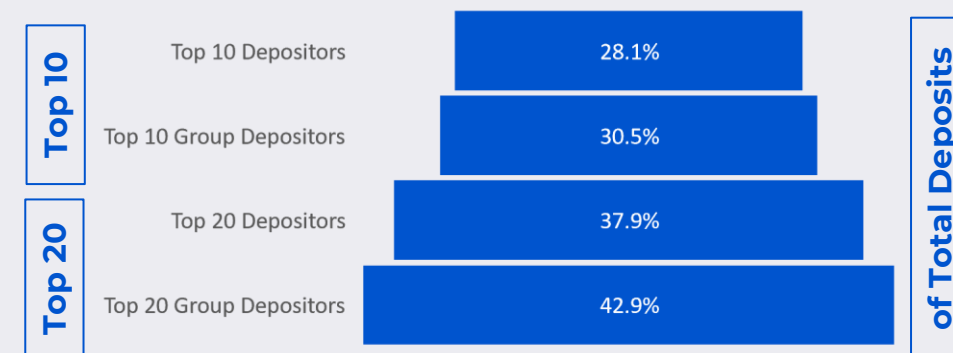
- Total Deposits increased by 24.2% in 6 months of 2024 compared to respective period in 2023, where Deposits of Legal Entities increased by 14.5% and Deposits of Individuals by 34.7%
- On a constant currency basis, Customer Deposit Portfolio increased by **20.0% YoY**
- Total Customer Deposit Portfolio FX Concentration was 50.6%

Concentrations

Gross Loan Portfolio Concentrations

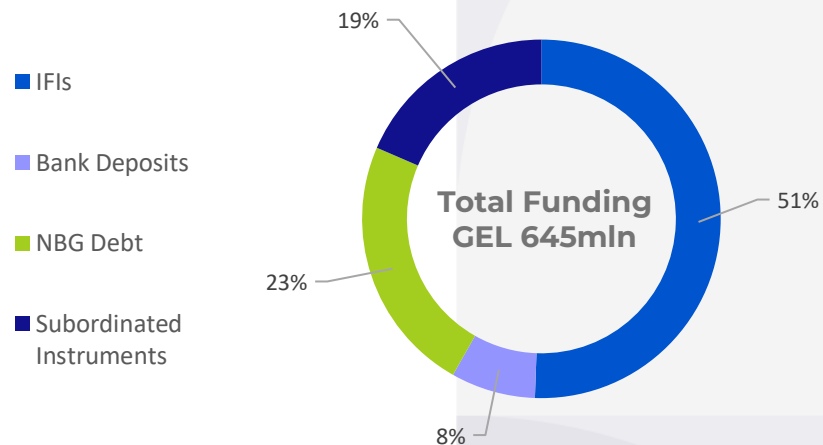


Customer Deposits Concentration



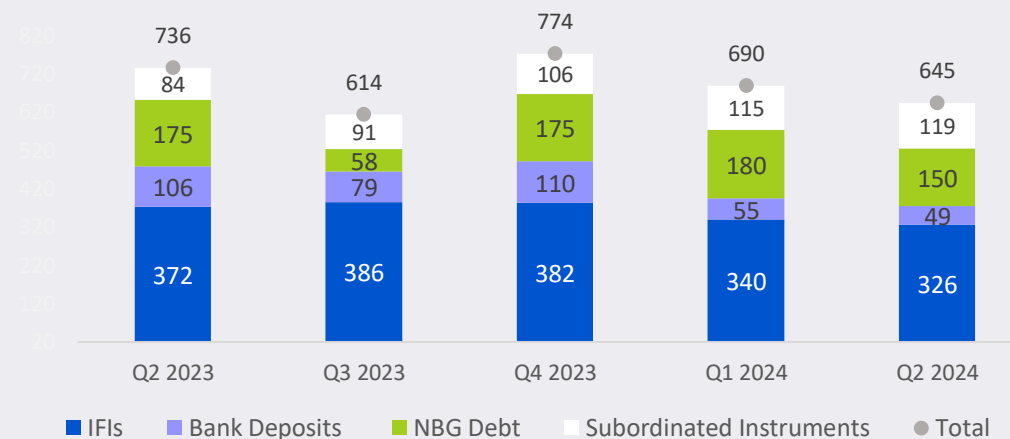
Funding Portfolio

Funding Structure



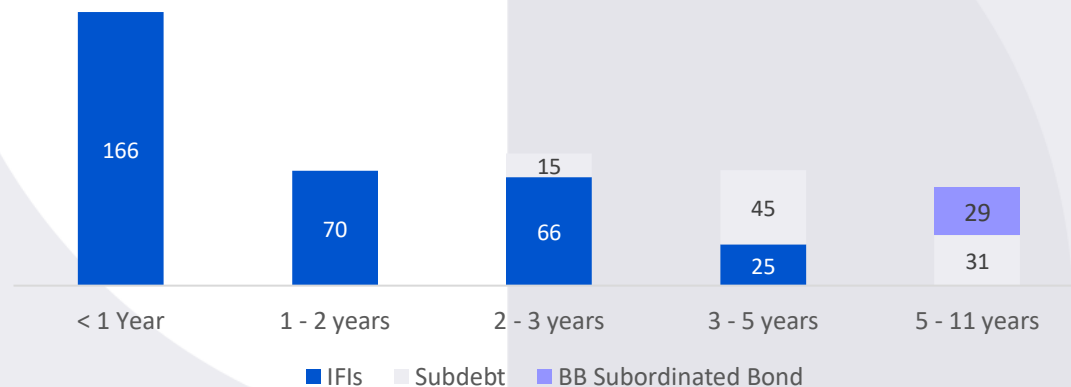
Funding Dynamics

In mln GEL



IFI Funding, Subdebt and Subbond Maturities

In mln GEL



- Funding remains stable, well supported by strong inflow of clients' deposits and increased funding from IFIs
- Majority of IFI funding with maturity less than 1 year, are revolving credit lines and short-term Trade Finance Loans

International Partners and Funding

Key International Partners

ERBD  European Bank for Reconstruction and Development Since 2006	BSTDB  Black Sea Trade & Development Bank Since 2011	ADB  Since 2016	IFC  International Finance Corporation WORLD BANK GROUP Since 2017	COMMERZBANK  Since 2017
BANCA POPOLARE  Banca Popolare di Sondrio Since 2017	CHINA DEVELOPMENT BANK  国家开发银行 China Development Bank Since 2017	BLUE ORCHARD  BlueOrchard Impact Investment Managers Since 2017	GCPF  GLOBAL CLIMATE PARTNERSHIP FUND managed by responsAbility Since 2018	GGF  Green Growth Fund Since 2018
FINANCE IN MOTION  financeinmotion Since 2018	RESPONSABILITY  responsAbility Since 2019	EFSE  EFSE "KOREAN FUND FOR SOUTHEAST EUROPE" Since 2019	ODDO BHF  ODDO BHF Since 2020	SYMBIOTICS  symbiotics investments Since 2022
INCOFIN  incofin INVESTMENT MANAGEMENT Since 2022	AKTIFBANK  aktif.bank Since 2022	RAIFFAISEN BANK  Raiffeisen BANK Since 2022	UNICREDIT BANK  UniCredit Since 2022	Caixa Bank  CaixaBank Since 2023

Funding

TOTAL IFI FUNDING BREAKDOWN BY PROJECT TYPE

Trade Finance 17%	Green Lending 19%	MSME 62%	Other 2%
-----------------------------	-----------------------------	--------------------	--------------------

Main Instruments	Loans
	Trade Finance
	Grants
	Sponsorships
	Equity Investments
	Bonds
	Technical Assistance

- Engaged in Concessional Projects "DCFTA" Phase I and Phase II in cooperation with EBRD to boost transition to Green Economy
- Deep Greening project – Mainstreaming Green Lending in Basisbank – in partnership with Green for Growth Fund and participation of PwC. As of Q2 2024, the Bank and PwC team are working on introduction of dedicated Green Products
- New partnerships with banks and DFIs, as well as intensifying connections with established partners, under which new credit lines and TFP limits have been granted

ESG Strategy

BB Greening

Undergoing ESG remodeling project by GGF and EU under EU4Energy Initiatives, a comprehensive TA project in ESG with PWC consultants.

Project deliverables:

- Refined ESG strategy, together with targets and set of KPIs
- Sustainability roadmap
- Refined sustainability governance structure
- More polished, sustainability-centered lending framework and policies
- Designated Green product/s

ESG Strategy

In December 2023, Basisbank developed and approved a Sustainability Strategy.

This strategy was formulated following a comprehensive materiality assessment by the bank and its stakeholders.

Basisbank has committed to fulfill several key objectives. For each objective relative timeframe and Key Performance Indicator was elaborated.

Environmental

- Increase workplace sustainability
- Offer sustainable and green financial products and services
- Reduce its own carbon emissions
- Support the transition to renewable energy in Georgia
- Manage and separate own waste

Social

- Data Protection and Confidentiality
- Transparency and fairness towards customers
- Strengthen the financial education of the Georgian public
- Support culture and education in the community
- Foster employee well-being
- Provide lifelong learning to employees

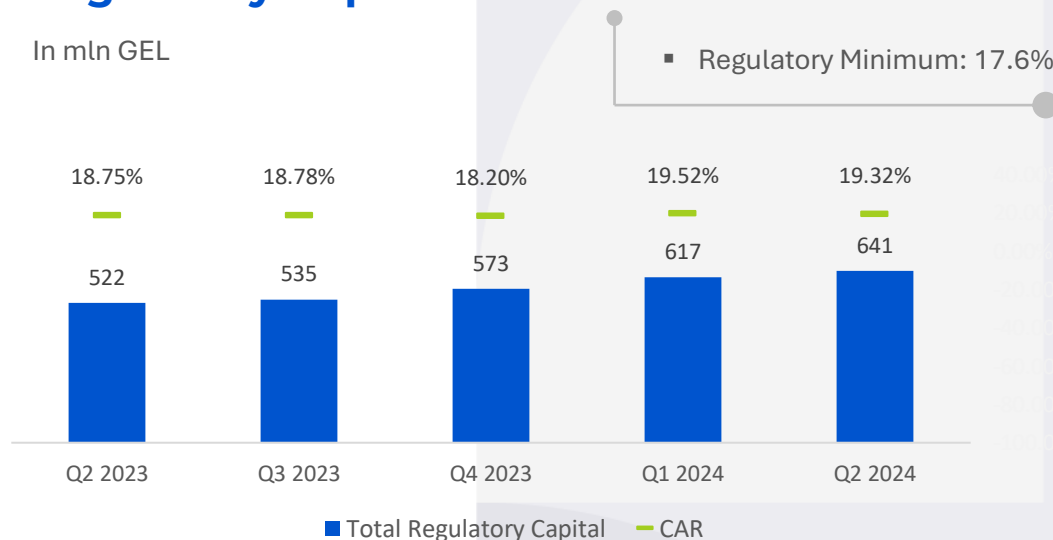
Governance

- Ensure equal treatment and opportunities for all
- Support the fight against money laundering, tax evasion and other financial crime
- Digitalization and digital innovation
- Management of ESG risks
- Operate as a sustainable and transparent business

Stable Capital Growth

Regulatory Capital

In mln GEL



Risk-weighted assets

In mln GEL



Capital Adequacy Ratios and Regulatory Thresholds

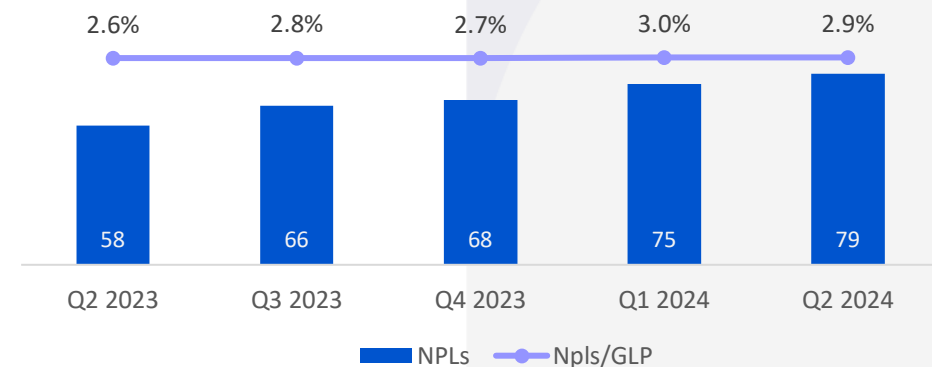
	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
CET1 CAR Requirement	11.7%	12.0%	11.5%	12.0%	12.1%
BB CET1 CAR	16.0%	15.9%	15.1%	16.2%	16.0%
Tier 1 CAR Requirement	14.0%	14.4%	13.7%	14.3%	14.4%
BB Tier 1 CAR	16.0%	15.9%	15.1%	16.2%	16.0%
Total CAR Requirement	17.1%	17.5%	17.4%	17.4%	17.6%
BB Total CAR	18.8%	18.8%	18.2%	19.5%	19.3%

- BB solvency position is strong and is in full compliance with the capital adequacy requirements
- In 2024 shareholder **injected** capital amounting GEL 26 million
- Bank continued issuing **Subordinated Loan** to retail customers

Strong Asset Quality and Provisioning

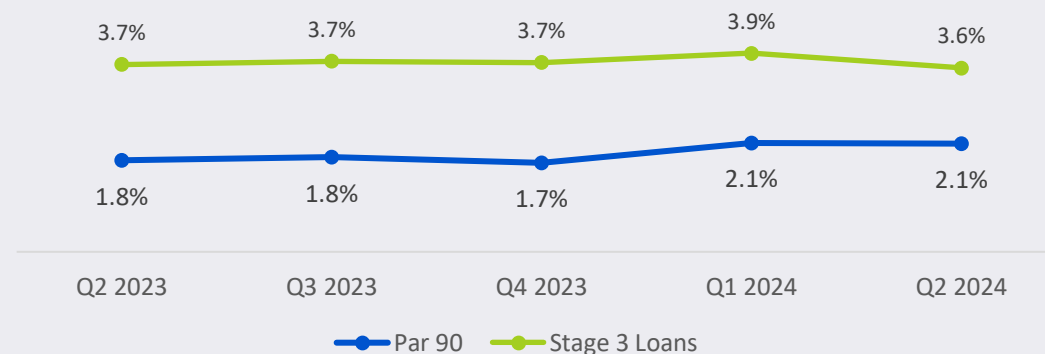
Loan portfolio quality

In mln GEL

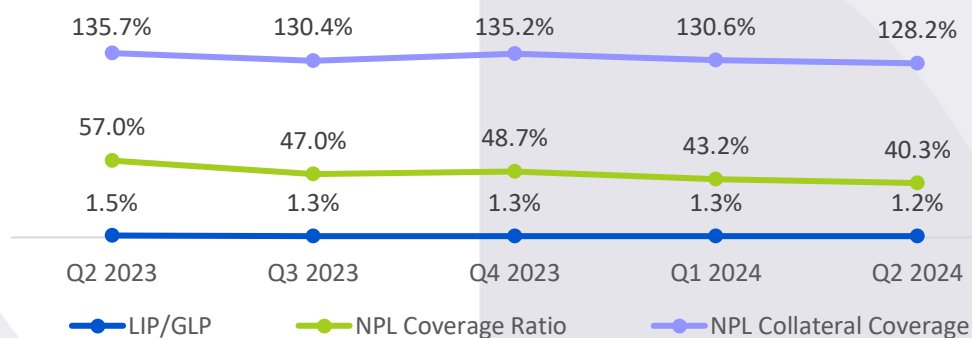


NPLs - loans with 90 days past due on principal or interest, or loan regarded as unlikely to be repaid by management decision

Portfolio PAR



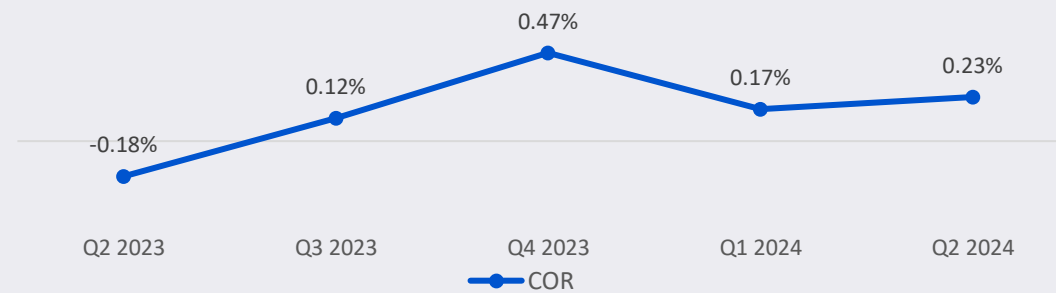
GLP provisioning and NPL Coverage



NPL coverage ratio equals total expected credit loss amount for loan commitments divided by the NPL loans

NPL Collateral Coverage ratio equals sum of expected credit losses for loan portfolio and the minimum amount of NPL Loans Exposure and Discounted Collateral Amounts of those NPL Loans (after applying different haircuts for different types of collaterals 0%-100%) divided by the NPL loans

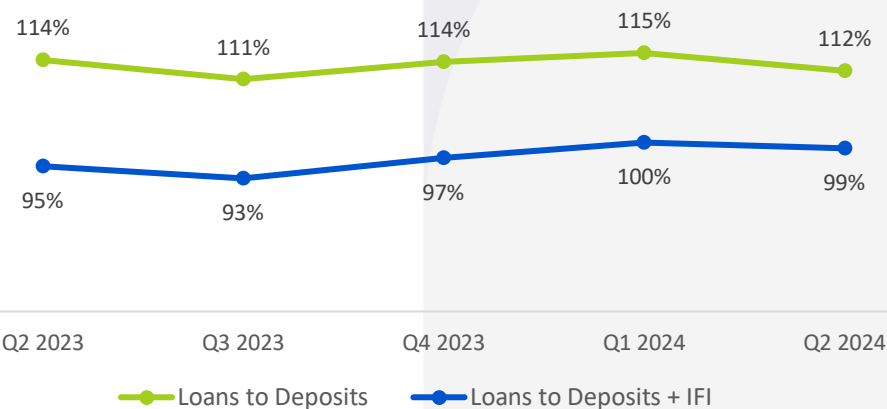
Cost of Risk on portfolio *



COR Ratio annualized

Solid Liquidity

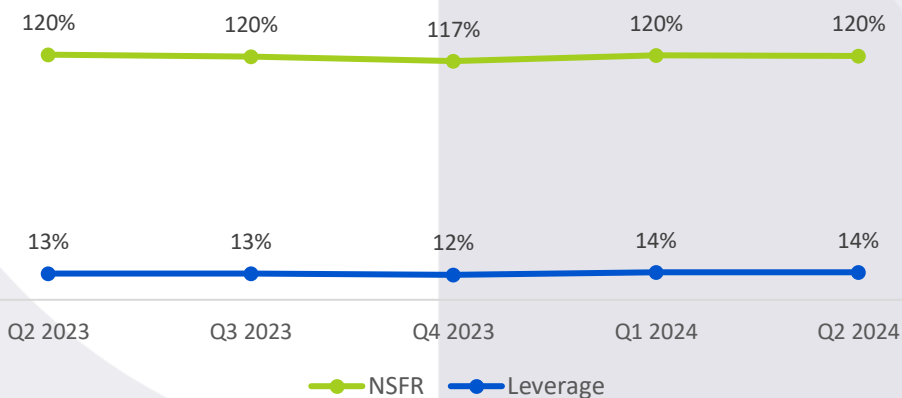
Liquidity ratios



Strong Liquidity Coverage



Regulator NSFR and Leverage Ratios



- Basisbank has stayed within NBG requirements for Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)
- Minimum requirement for both ratios is 100%. Basisbank's buffers are high above this threshold

Balance Sheet

In thousand
GEL

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	YoY Difference %	QoQ Difference %
Assets							
Cash and Cash Equivalents	227,671	217,295	284,010	211,783	185,400	23%	5%
Mandatory Cash balances with the NBG	209,494	180,193	184,600	179,008	217,182	-4%	16%
Due from Other Banks	11,847	17,734	15,426	11,907	4,794	147%	-33%
Investment Portfolio	339,494	370,185	378,461	354,894	413,820	-18%	-8%
Net Loan Portfolio	2,651,711	2,490,999	2,493,970	2,297,209	2,172,730	22%	6%
Net Financial Lease Assets	34,457	32,239	26,136	24,625	21,728	59%	7%
Net Insurance Assets	28,419	30,041	74,974	11,175	16,824	69%	-5%
Premises, Equipment and Intangible Assets	108,007	107,260	107,376	105,788	106,158	2%	1%
Other Assets	62,457	59,818	54,000	69,983	66,909	-7%	4%
Total Assets	3,673,556	3,505,763	3,618,953	3,266,374	3,205,545	15%	5%
Liabilities							
Customer Deposits	2,365,405	2,161,119	2,192,376	2,075,719	1,904,498	24%	9%
Loans from Local Banks	199,284	234,761	284,865	137,259	280,262	-29%	-15%
Loans from IFIs	326,016	339,785	382,344	385,615	372,475	-12%	-4%
Subordinated Debt	90,380	87,947	78,705	64,129	56,684	59%	3%
Subordinated Bond issued	28,921	27,267	27,678	27,269	26,940	7%	6%
Other Liabilities	86,035	86,494	132,242	78,129	75,865	13%	-1%
Total Liabilities	3,096,041	2,937,374	3,098,210	2,768,120	2,716,725	14%	5%
Equity							
Share Capital	18,213	18,199	17,320	17,092	17,092	7%	0%
Share Premium	130,406	130,072	104,498	101,066	101,066	29%	0%
Retained Earnings	421,213	407,042	387,418	361,790	358,955	17%	3%
Reserves	7,683	13,077	11,507	18,305	11,708	-34%	-41%
Total Equity	577,515	568,389	520,743	498,253	488,820	18%	2%

Income Statement

In thousand
GEL

	Q2 2024	Q1 2024	Q4 2023	H1 2024	H1 2023	YoY Difference %	QoQ Difference %
Interest and Similar Income	87,831	86,505	83,193	174,336	150,316	16%	2%
Interest and Similar Expenses	(47,265)	(49,216)	(46,438)	(96,481)	(83,138)	16%	-4%
Net Interest Income	40,566	37,289	36,754	77,855	67,178	16%	9%
Total Non-interest Income	12,488	9,203	14,988	21,690	13,157	65%	36%
Operating Income	53,054	46,492	51,742	99,545	80,335	24%	14%
Staff Compensation	(14,515)	(13,907)	(9,704)	(28,423)	(26,654)	7%	4%
Marketing and Consultancy	(1,601)	(753)	(1,330)	(2,354)	(975)	141%	113%
Depreciation	(1,618)	(1,615)	(1,363)	(3,233)	(2,569)	26%	0%
Other Operating Expenses	(10,096)	(6,657)	(5,672)	(16,752)	(11,772)	42%	52%
Total Operating Expenses	(27,829)	(22,933)	(18,069)	(50,762)	(41,970)	21%	21%
Operating Profit	25,224	23,559	33,674	48,783	38,365	27%	7%
Impairment Charges	(1,000)	(1,342)	(2,664)	(2,342)	(1,072)	118%	-25%
Profit Before Tax	24,224	22,217	31,009	46,441	37,293	25%	9%
Income Tax	(2,366)	(2,593)	(4,772)	(4,959)	(3,114)	59%	-9%
Net Profit	21,859	19,624	26,237	41,482	34,180	21%	11%
Other Comprehensive Income	(5,394)	1,570	(4,192)	(3,823)	759	NMF	NMF
Total Comprehensive Income	16,465	21,194	22,045	37,659	34,939	8%	-22%

Ratios

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Profitability and Cost Control						
ROAE	15.2%	14.4%	20.6%	13.3%	15.3%	13.4%
ROAA	2.4%	2.2%	3.1%	2.1%	2.4%	2.0%
Operating profit / Average Equity	17.6%	17.3%	26.4%	14.9%	15.4%	17.0%
Operating profit / Risk Wighted Assets	3.0%	3.0%	4.3%	2.6%	2.8%	3.0%
NIM	5.2%	4.8%	5.0%	4.7%	4.9%	5.1%
Cost to Income Ratio	52.5%	49.3%	34.9%	55.0%	55.0%	49.3%
Loan Yields	12.0%	12.0%	12.0%	11.6%	11.9%	12.4%
Asset Quality						
Loan Impairment Provision /NPL	40.3%	43.2%	48.7%	47.0%	57.0%	65.3%
Loan Impairment Provision /Gross Loan Por	1.2%	1.3%	1.3%	1.3%	1.5%	1.6%
Cost of Risk	0.23%	0.17%	0.47%	0.12%	-0.18%	0.29%
PAR 90 to Gross Loans Portfolio	2.1%	2.1%	1.7%	1.8%	1.8%	1.8%
NPL to Gross Loan Portfolio	2.9%	3.0%	2.7%	2.8%	2.6%	2.5%
NPL Coverage Ratio	40.3%	43.2%	48.7%	47.0%	57.0%	65.3%
NPL Collateral Coverage	128.2%	130.6%	135.2%	130.4%	135.7%	147.4%
Capitalisation						
CET 1 CAR	16.0%	16.2%	15.1%	15.9%	16.0%	16.2%
Tier 1 CAR	16.0%	16.2%	15.1%	15.9%	16.0%	16.2%
Total CAR	19.3%	19.5%	18.2%	18.8%	18.8%	19.0%
Funding and Liquidity						
Net Loans to Customer Deposits	112.1%	115.3%	113.8%	110.7%	114.1%	107.6%
Net Loans to Deposits + IFI	98.5%	99.6%	96.9%	93.3%	95.4%	91.4%
Cost of Funds	6.5%	6.8%	6.7%	6.7%	6.5%	6.4%
LCR Total	124.7%	128.9%	136.7%	126.5%	125.6%	123.7%
NSFR	119.8%	120.2%	117.2%	119.6%	120.4%	120.4%
Leverage	13.5%	13.6%	12.4%	13.0%	12.9%	12.5%

Contents

- BASISBANK AT A GLANCE
- H1 AND Q2 2024 RESULTS
- **MACROECONOMIC HIGHLIGHTS**
- APPENDICES

GLP and Economic Growth

Real GDP growth



Source: Geostat

Key drivers of GDP growth

- Georgia performed strongly - the growth achieved in 2021, 2022 and 2023 was maintained in Q1 2024 and Q2 2024 as well, reaching YoY growth of 8.2% and 7.5% respectively
- The following activities contributed significantly to real GDP growth: construction, manufacturing, financial and insurance activities, information and communication sectors
- Declines were seen in energy and real estate activities

Georgia Economic Growth Forecast



Source: IMF

Key drivers of Growth Forecast

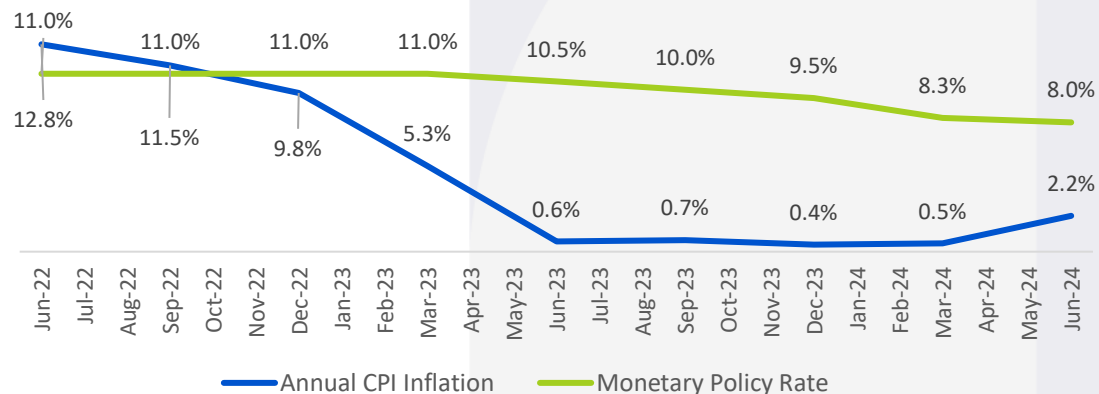
- World Bank forecasts growth to be 5.2% in 2024
- IMF updates the growth forecast for Georgia in 2024 to be 5.7% from 4.8%. Various “positive” factors, including the granting of the European Union membership candidate status to Georgia, had improved growth expectations

NBG Economic Growth Forecast

2024	2025	2026
5.6%	5.0%	5.0%

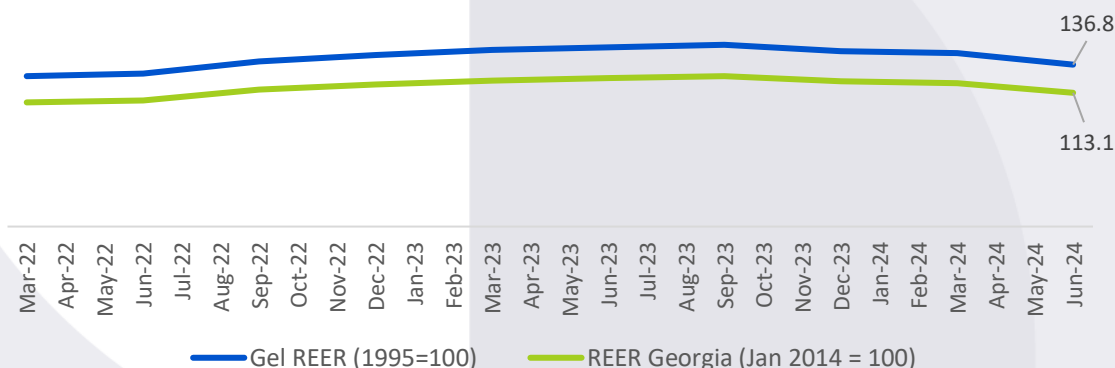
Inflation and Monetary Policy

Inflation is corrected by Monetary Policy Rate



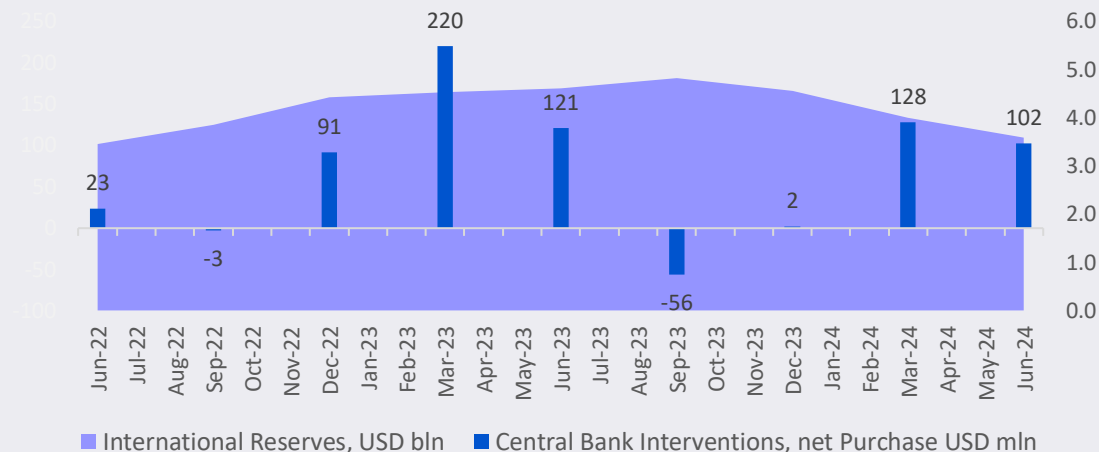
Source: Geostat, NBG

GEL Real Effective Exchange Rate



Source: NBG

Central Bank Reserves and Interventions



Source: NBG

- Inflation is expected to remain within 3% targeted by central bank due to stabilization of economic growth
- CPI inflation on a downward trend, with a dramatic decrease in H2 2023 and slight increase in Q1 2024. and Q2 2024, indicating that consumer prices should also reduce
- To contribute to the stabilization of inflation around its target rate in the medium term, NBG has gradually decreased the Monetary Policy Rate
- GEL Is expected to stabilize around current level, on the back of strong external inflows, and improved expectations

International Trade, Tourism, FDI and Remittances

International Trade

in USD bln



Source: Geostat

Tourism Revenue

in USD mln

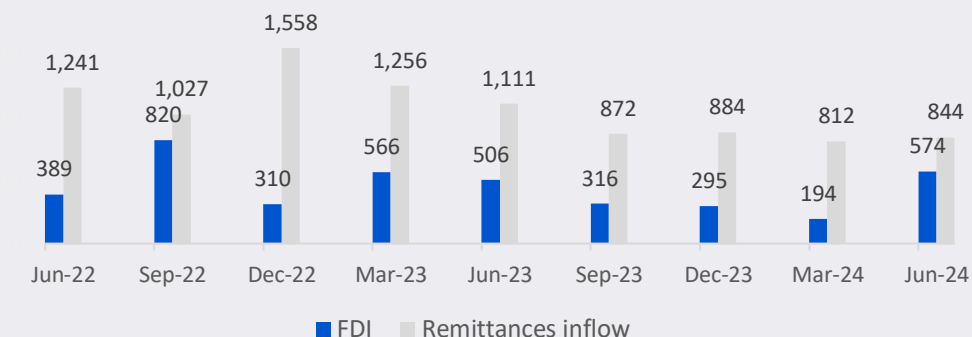


Source: NBG

■ Tourism Revenues, USD mln

FDI and Remittances

in USD mln

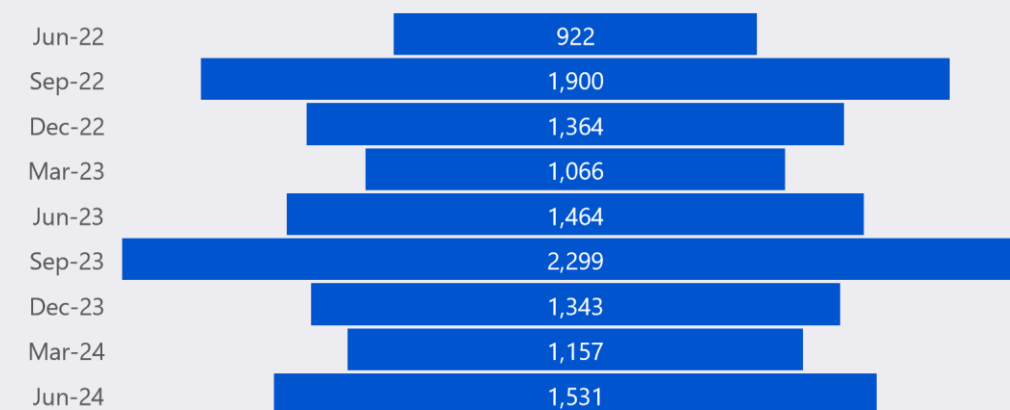


Source: Geostat, NBG

■ FDI ■ Remittances inflow

International Visitor Trips

thousands

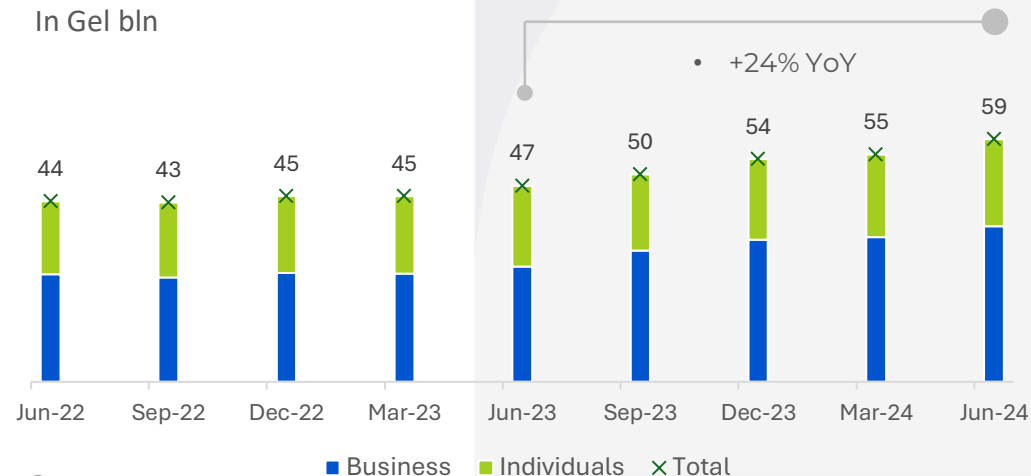


Source: GNTA

Banking Sector Overview

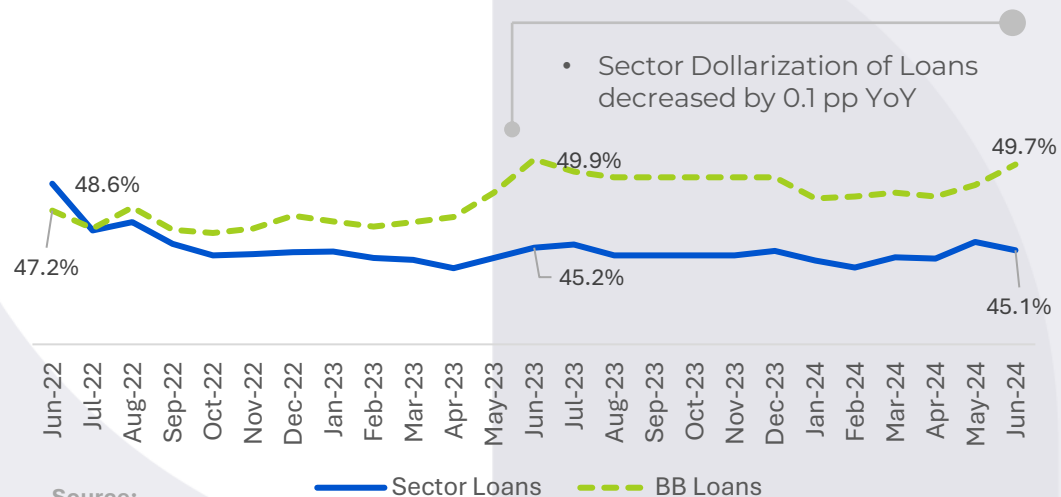
Total Loan Portfolio Growth

In Gel bln



Source:
NBG

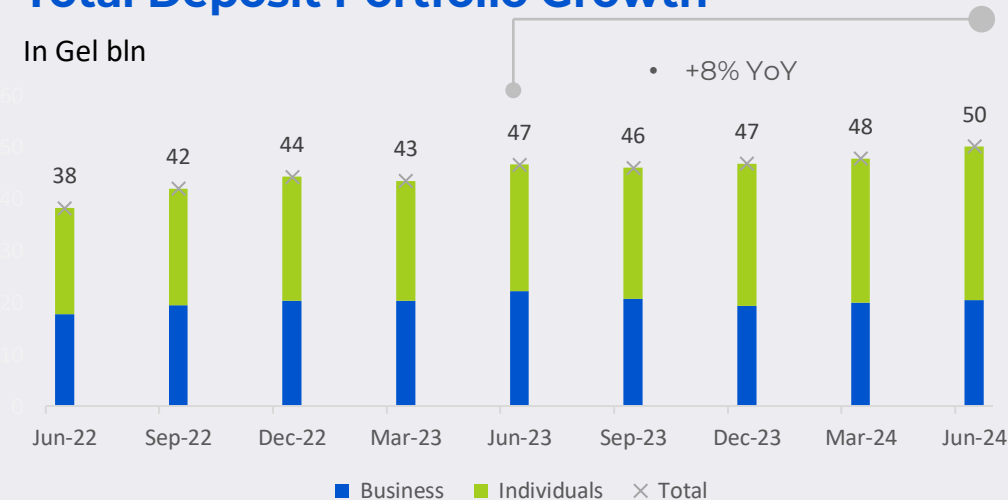
Loans Dollarization



Source:
NBG

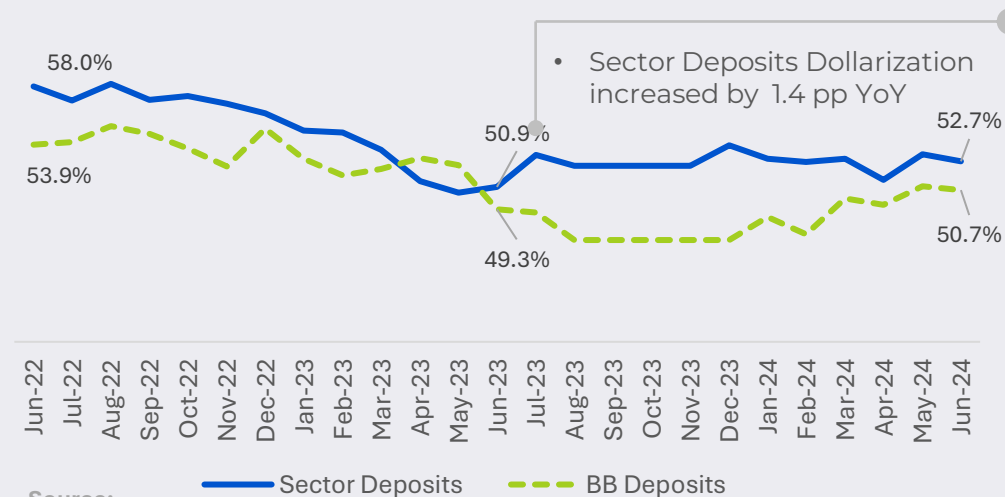
Total Deposit Portfolio Growth

In Gel bln



Source:
NBG

Deposits Dollarization



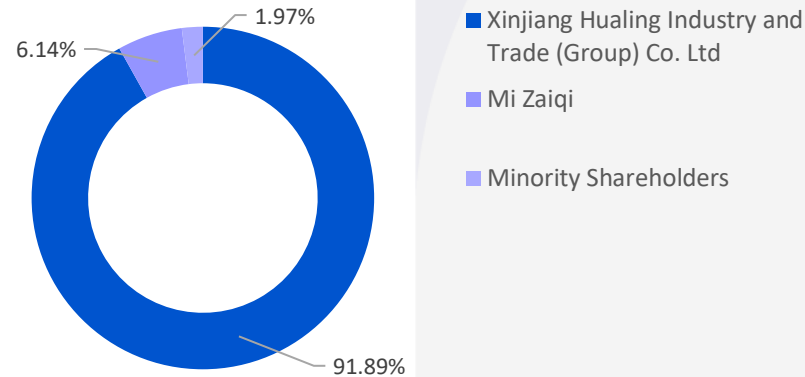
Source:
NBG

Contents

- BASISBANK AT A GLANCE
- H1 AND Q2 2024 RESULTS
- MACROECONOMIC HIGHLIGHTS
- **APPENDICES**

Shareholders

Shareholding Structure



Dividend Policy

- According to Basisbank's charter, shareholders are responsible for the decision whether to distribute dividends and the amount of such. The decision is made on the AGM.
- Company's practice is to distribute 10% of IFRS net profit as dividends

Hualing Group

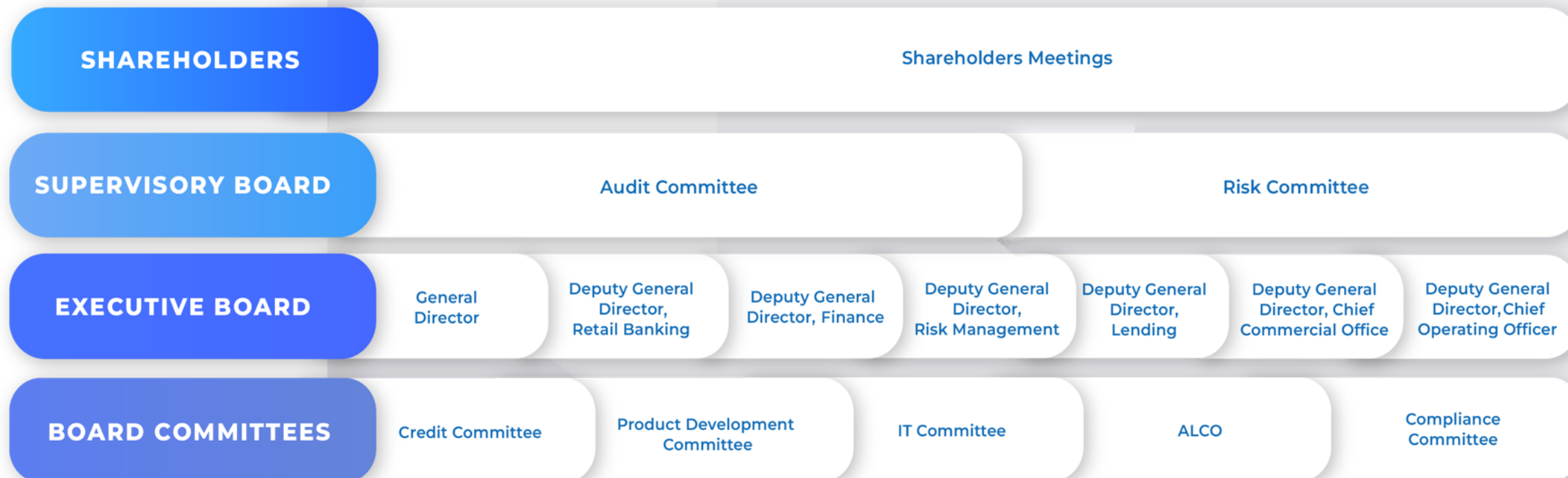
- 92% shareholder of Basisbank is Hualing Industry and Trade (Group) Co. Ltd. (Hereinafter Hualing Group), largest investor in Georgia. Since 2007 Hualing Group has invested more than USD 550 million in Georgia.
- The company operates in several Business sectors through over 40 subsidiaries. These sectors include:
 - Development and Management of Large-scale Commodity Markets
 - Real Estate Development and Management
 - Agribusiness
 - Financial Services
 - Construction of infrastructure facilities etc.

Beneficiary Owner

- Mi Zaiqi is 6.14% shareholder of Hualing Group and a 100% shareholder of "Hualing Group Investment Holding (Xinjiang) Co, which holds 54.55% in Hualing Group. Respectively, he is a 56.3% beneficiary shareholder of Basisbank.
- Mi Enhua, the founder, owner and president of the Hualing Group, is 45.44% shareholder of the Hualing Group. Respectively, he is 41.8% beneficiary shareholder of Basisbank

Corporate Governance

Organizational Chart



The Supervisory Board approves and oversees the **execution of the Group's Strategy** via its committees



• Compliant to Corporate Governance Code adopted by NBG

NBG CG code is based on international standards and best practices:

- Basel Committee on Banking Supervision guidelines on CG
- EU Directive 2000/36/
- OECD Principles of Corporate Governance,
- UK Stock Exchange CG code etc.

Supervisory Board Members



Zhang Jun
Executive Chairman of Supervisory Board

With a Masters degree in Business Administration Zhang Jun has over 30 years of executive positions in various Chinese banks, including 7 years of executive supervisory role at The People's Bank of China, 5 years as Deputy Director of Chengxin Credit Union of Urumqi, as well as 12-years career with Urumqi City Commercial Bank, serving as Sales Department General Manager, HR Director and Assistant of the Chairman of the Board.

He occupied position of Deputy Director in finance and foreign investments in Hualing group. In 2012 he became Executive Chairman of Supervisory Board in Basisbank and in 2015 Chairman of the board.



Zhou Ning
Vice Chairman of Supervisory Board
Member of Audit Committee

Master of Business Administration of Fuqua School of Business in USA , he started with a position of Senior Financial Analyst with Ford Motor Co. He moved to J.P. Morgan Hong Kong as an Associate of Investment Banking Division. In 2004 he became Vice President of ABN AMRO Bank, overseeing the Strategic Development Department.

He was invited as an advisory during Basisbank acquisition by Hualing Group and in 2015 he was invited as a Vice-chairman of the Supervisory Board.



Sabina Dziurman
Independent Member of Supervisory Board
Chairman of Risk Committee

In 2004-2015, she held high-ranking positions in the European Bank for Reconstruction and Development (EBRD) in different countries, including Georgia. In 2015-2019, she was the EBRD Director for Greece and Cyprus. In 2020-2022, Sabina Dziurman was an independent member of the Supervisory Board of Asakabank, Uzbekistan, as well as Chair of the Audit Committee and Member of the Risk Committee.

Ms Dziurman holds MBA from London Business School.



Zaza Robakidze
Independent Member of Supervisory Board
Chairman of Audit Committee
Independent Member of Risk Committee

An expert in banking, Zaza Robakidze, who has over 24 years of experience in the sector, took the position of a member of the Supervisory Board in 2018.

He has a degree of Master in Economics. For many years he held various positions in the field of supervision of the Central Bank, from an Economist to the Head of Supervisory Department.



Nino Okhanashvili
Independent Member of Supervisory Board
Independent Member of Audit Committee

In 1999-2000, she worked at Bank of Georgia. In 2000-2008, she held various positions at TBC Bank including those of Branch Director and Head of HR Division. In 2021-2022, Nino Okhanashvili served as Chief Human Resources Officer and Director of Tegeta academy at Tegeta Holding. In different years, she was Founder and CEO of ISB International School of Business and Founding Partner at Insource Recruitment and Advisory. Independent consultant since 2008

She holds MBA from the European School of Management (ESM Tbilisi) and an MA in international economic relations from Tbilisi Ivane Javakishvili State University.



Mia Mi
Member of Supervisory Board
Member of Risk Committee

Holds a Bachelor's Degree in Business Administration from University of Southern California, Los Angeles. Director of International Development at Hualing Group International Special Economic Zone in Georgia. 2015-2017, Mia Mi held various positions in key departments at Basisbank.

Executive Board



David Tsaava
General Director

Mr. Tsaava with PhD degree in Business Administration started career with Basisbank in 2004, on a position of a Credit Expert, and produced gradual career ladder climb by achieving promotion to Deputy General Director, Corporate Banking in 2008 and to the General Director in 2010.

Mr. Tsaava held a membership of Bank's Supervisory Board in 2015-2018. Currently he is a member of Supervisory Boards of both subsidiaries - BB Leasing and BB Insurance.



Lia Aslanikashvili
Deputy General Director, Chief Financial Officer

With Master's Degree in International Economic Relations, Lia Aslanikashvili started her career as a chief specialist of relationships department at a trade organization. She has occupied various positions in Basisbank. First, she headed the Settlement Department, then the Treasury Department, in 2008 she was promoted to the position of the Chief Financial Officer and became a member of the Management Board as well. She is also a member of the Management Board of BB Leasing.



David Kakabadze
Deputy General Director, Chief Risk Officer

Davit Kakabadze was appointed as Director of IT and Risk Management in 2012. Having a Master's degree in Business Administration from Caucasus Business School, he started work in Basisbank on the position of a Developer/programmer. In two years, he was promoted to the Head of IT Division.

In 2008, he was appointed to the position of Risk Management Director and he became a member of the Management Board.



Levan Gardapkhadze
Deputy General Director, Retail Business

With a Master's degree in Business Management and in Law, Levan Gardapkhadze started at Basisbank as a manager of International Operations Department in 2002. He was promoted to the Head of Plastic Cards Department in 3 years. In 2008, he started as a Head of Retail direction of the bank and has become a member of Management Board.



George Gabunia
Deputy General Director, Chief Commercial Officer

George Gabunia has been Basisbank's CCO and a member of the Management Board since 2019. He has 15 years of experience in the banking industry. In 2012-2019 George Gabunia headed Basisbank's commercial department.

In 2010-2012 he led the corporate department in Procreditbank, In 2008-2010 he managed corporate regional group and in 2006-2008 he was a corporate banker.

George Gabunia holds a Master's Degree in Banking.



Rati Dvaladze
Deputy General Director, Chief Operating Officer

In 2008, he started work for the Bank of Georgia as a project manager. Afterwards, he worked as a credit risk system manager, then as a Head of Credit Risk Analysis and System Management Department.

Rati Dvaladze started work for Basisbank in 2014. He worked as the Head of Basisbank's Project Management and Business Analysis Department for 5 years. He is COO from 2019.



Hui Li
Deputy General Director, Lending

Hui Li was appointed as Deputy General Director in Lending in 2012. She holds a degree in accounting from Financial University of China. Hui Li has followed a diverse career path in Banking, occupying various positions at Credit Cooperatives and various branches of Urumqi City Commercial Bank: an accountant, a deputy director, Deputy Manager of Credit Department and Manager of Credit Department.

Hui Li was a member of the Supervisory Board of Basisbank in 2015 -2018. Currently, she is a member of the Supervisory Board of the subsidiaries.

Ratio Definitions

1. **ROAE** - Return on average total equity (ROE) equals net profit divided by average total shareholders' equity for the same period, annualized.
2. **ROAA** - Return on average total assets (ROA) equals net profit of the period divided by average total assets for the same period, annualized.
3. **Net interest margin (NIM)** is net interest income divided by average interest-earning assets, annualized.
4. **Cost to income** ratio equals total operating expenses for the period divided by the total Income for the same period.
5. **Loan yields** equal interest and similar income on loans divided by average gross loan portfolio, annualized.
6. **Cost of risk** equals Expected Credit Loss for loans to customers divided by average gross loan portfolio, annualized.
7. **PAR 90 to Gross Loan Portfolio ratio** equals loans for which principal or interest repayment is overdue for more than 90 days divided by the gross loan portfolio for the same period.
8. **NPLs** are loans with 90 days past due on principal or interest, or loans regarded as unlikely to be repaid by management decision"
9. **NPLs to Gross Loan Portfolio** equals NPLs divided by the gross loan portfolio for the same period.
10. **NPL coverage** ratio equals total Expected Credit Loss for Loans to customers divided by the NPL loans.
11. **NPL Collateral Coverage** ratio equals sum of expected credit losses for loan portfolio and the minimum amount of NPL Loans Exposure and Discounted Collateral Amounts of those NPL Loans (after applying different haircuts for different types of collaterals in ranges of 0%-100%), divided by the NPL loans.
12. **Tier 1 CAR** equals tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG Basel III standards.
13. **Total CAR** equals total capital divided by total risk weighted assets, both calculated in accordance with the requirements of the NBG Basel III standards.
14. **Net loans to deposits plus IFI funding** ratio equals net loans divided by total deposits plus borrowings received from international financial institutions.
15. **Cost of funds** equals sum of interest expenses on IFI Borrowings, Subordinated Debt, Subordinated Bond and Customer Deposits divided by average balances of same interest-bearing liabilities, annualized.
16. **LCR Liquidity coverage ratio** equals high-quality liquid assets divided by the total net cash outflow amount as defined by the NBG. Calculations are made for the Bank only, based on local accounting standards.
17. **NSFR** - Net stable funding ratio equals the available stable funding divided by the required stable funding as defined by NBG in line with Basel III guidelines.
18. **Leverage** equals Tier 1 Capital divided by total risk positions as defined by NBG in line with Basel III guidelines.
19. **Large Corporates** are categorized according to Category I Enterprises, as defined by SARAS Law on Accounting, Reporting and Audit. According to definition, Category I enterprises are enterprises, that at the end of reporting period comply with at least two requirements from below:
Total assets are over GEL 50 million.
Revenue exceeds GEL 100 million.
Average number of employees in reporting period exceeds 250.
20. **Medium Corporates** are categorized according to Category II Enterprises, which are – enterprises, that are not Category III or Category IV Enterprises and at the end of reporting period comply with at least two requirements from below:
 - Total assets are not over GEL 50 million.
 - Revenue does not exceed GEL 100 million
 - Average number of employees in reporting period does not exceed 250.
21. **Small Corporates** are Category III and Category IV Enterprises. Category III Enterprises are enterprises, that are not Category IV Enterprises and at the end of reporting period comply with at least two requirements from below:
 - Total assets are not over GEL 10 million.
 - Revenue does not exceed GEL 20 million
 - Average number of employees in reporting period does not exceed 50.IV Category Enterprises are enterprises, that at the end of reporting period comply with at least two requirements from below:
 - Total assets are not over GEL 1 million.
 - Revenue does not exceed GEL 2 million.
 - Average number of employees in reporting period does not exceed 10.



CONTACT INFORMATION:

MARIAM MINDIASHVILI
INVESTOR RELATIONS



+(995) 599 19 30 60



mariam.mindiashvili@basisbank.ge / IR@Basisbank.ge

BLOOMBERG: JSCK |

SWIFT: CBASGE22

ADDRESS: 1, St. Queen Ketevan Ave., Tbilisi, Georgia