

BASISBANK 2024 RESULTS

IFRS Consolidated Figures, Audited

MARCH 2025



www.bb.ge

Contents

- **BASISBANK AT A GLANCE**
- 2024 RESULTS
- MACROECONOMIC HIGHLIGHTS
- APPENDICES

Who we are



Over
30 YEARS
OF MARKET
PRESENCE



MEMBER OF HUALING
GROUP
**One of the
LARGEST**
PRIVATE INVESTMENT GROUP
IN GEORGIA
92% OF SHAREHOLDING



4TH LARGEST
FINANCIAL INSTITUTION
4.2% OF MARKET SHARE



3RD LARGEST
BY BUSINESS LOANS
5.2% OF MARKET SHARE



4TH LARGEST
BY RETAIL LOANS
3.7% OF MARKET SHARE

Who we are

- **Leading** financial holding in Georgia a market presence of over **30 years** offering solely **banking and financial services** to business and retail customers with the 4th biggest Bank in the country as a core entity, and two subsidiaries, BB Insurance and BB Leasing
- Serving over **200 thousand Business and Retail Clients** through **39 branch** network (covering all major regions) and over **900 employees**
- **Majority Shareholder** – Hualing Group, a Chinese conglomerate with diversified businesses in China and overseas markets, one of the largest private investors in Georgia (total investments USD 550mIn)

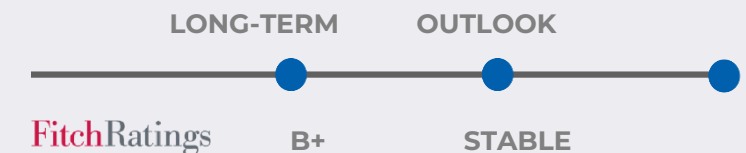
Business Model

- **Key strategic business lines** - Commercial Banking, Leasing and Insurance services provided through the Bank and its two subsidiaries: BB Leasing and BB Insurance
- Studying **customer needs** and creating financial products and services **tailored to our clients**. Thus, **creating value** for clients that translates into **customer loyalty** and long-lasting co-operation
- Steady **organic growth** boosted with **successful acquisition** of retail and corporate businesses in 2022, leading to **dynamic transformation** phase of becoming a **universal financial holding**
- Incorporating **ESG principles** into its strategy, culture and day-to-day activities

AROUND
200K
CLIENTS

NETWORK OF
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. Financial holding structure enables the Bank to provide 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

2023-present

TRANSFORMATION PHASE

- Bank continues growth across its businesses in line with its strategy to expand franchise and capture greater market share, while boosting profitability and profoundly managing risks

Our Strategy

Strategic Priorities

MARKET SHARE GROWTH & PROFITABILITY

- Grow market share in core business
- Become #3 Bank by Assets
- Maintain ROE over 15%

DIGITALIZATION

- New Mobile Bank/ Internet Bank Development
- Banking processes digitization
- Enhancing digital channels and digital reach

BUSINESS TRANSFORMATION

- Apply agile transformation to all major business lines
- Client-centric Service model development

IMPROVING CUSTOMER EXPERIENCE

- Become top of mind Bank by Customer Experience
- Increase NPS
- Mass Segment focus

Key Enablers of our Strategy

HUMAN CAPITAL

- Top performing management
- Highly qualified team with deep industry/sector knowledge
- Investing in Team Professional Development

BUSINESS MODEL

- Client-centric business model
- Multi-channel distribution platform
- Long-term operating focus
- Profound data analytics
- Holistic risk management approach
- Focus on Green and Sustainable Incentives

Services and Clients

Diversified Services



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

25%

25%



37%

13%



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**

ENVIRONMENTAL

Sustainable Financing

- Over GEL 260mln 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
- Plastic recycling, greening campaigns and eco-education projects
- Launched green lending products (energy & transport) aligned with Sustainable Finance Taxonomy.
- Issued Sustainability Bond (USD 20M) with ADB as an anchor investor, first of such issued by a bank.

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 2023



SOCIAL

Continuous Professional Development for Employees

- Professional trainings
- Personal growth trainings
- Financing and co-financing education

Responsible Employment Practices

- Diversity, equality and high ethical standards
- High work safety standards
- Women share in employees around 70%
- Whistleblowing channel on ESG matters
- Employee Benefits
- Team sports and wellness events

CSR Projects

- Grants for social enterprises, charity projects, and family aid
- Financing cultural projects
- Financing educational projects

GTFP Outstanding Issuing Bank Award
in Gender Finance, Eastern Europe, 2024



GOVERNANCE

ESG Strategy

- Developed Sustainability Strategy to enhance its environmental and social practices..

Ethical/Responsible Governance

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

E&S Framework

- E&S Risk Management Policy since 2018
- Regulatory ESG Reporting
- Annual Sustainability Report from 2024
- ESG Disclosure on website

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2024 Highlights

Financial Highlights

Growing Portfolios

+17.0% YoY

GLP
GEL 2,958mln

+16.0% YoY

Deposits
GEL 2,544mln

Strong Capital

+24.3% YoY

Regulatory
Capital
GEL 712mln

+1.1% pp YoY

CAR
Reg. Min 17.6%
19.3%

Efficient Cost Control

+0.02 pp YoY

Cost of Risk
0.20%

+1.5% pp YoY

Cost to Income
49.2%

High Performance

+13.7% YoY

Net Profit
GEL 87mln

-0.8% pp YoY

ROAE
15.0%

Fitch Rating

- Fitch Ratings affirms Basisbank's Long-Term IDR at 'B+'
- Outlook is confirmed at Stable

Sustainability Bond Issue

- Bank issued a 3-year Sustainability Bond, for USD 20 million.
- Anchor investor of the deal was ADB, investing USD 15 million

Capital Instruments

- In 2024 shareholder **injected** capital amounting GEL 26 million
- Bank continued issuing **Subordinated Loan** to retail customers amounting USD 3.2 million
- **Subordinated Loans** amounting to EUR 15 received from partner IFIs

Net Profit

Net Profit*

In mln GEL

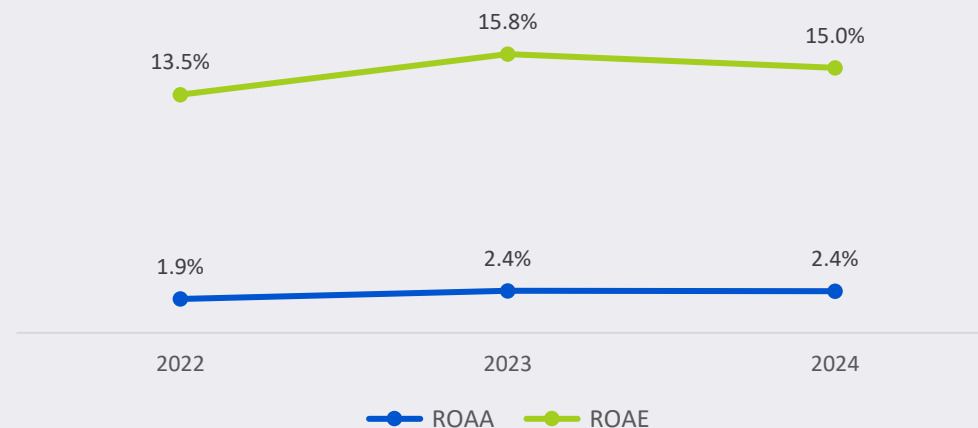


* One-time net revenue impact from acquisition in 2022

Leasing
Net Profit
5.5%
of Total

Insurance
Net Profit
5.8%
of Total

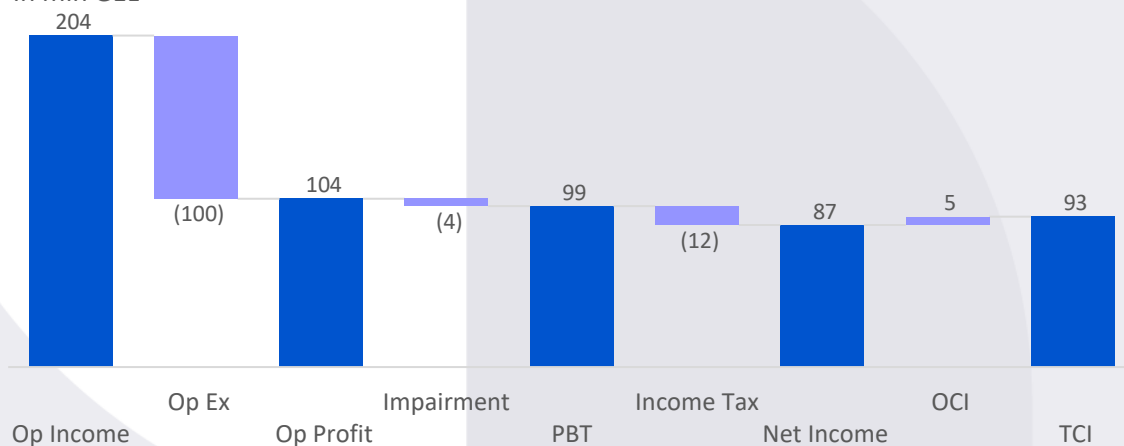
RoAE and RoAA*



* 2022 ratios are normalized, adjusted to one-time net revenue impact from acquisition

Net Profit Decomposed

In mln GEL

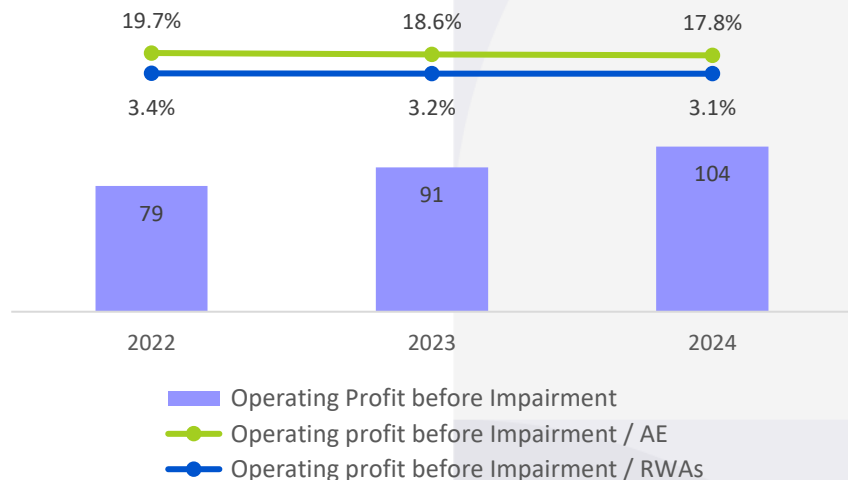


- On a YoY basis there was a 13.7% increase in Net Profit. Main drivers of the growth were increase in Interest and similar income and Non-interest Income
- Supported by a low Cost of Risk stemming from the Group's prudent risk profile and robust Risk Management practices. Total Operating Expenses increased by 21.2% to support Group's growth and transformation processes.
- On a yearly basis RoAA and RoAE slightly reduced by 0.02 and 0.8 percentage points respectively driven by higher cost-to-income ratio and increased average capital

Operating Profit and Operating Income

Operating Profit before Impairment, Ratios

In mln GEL



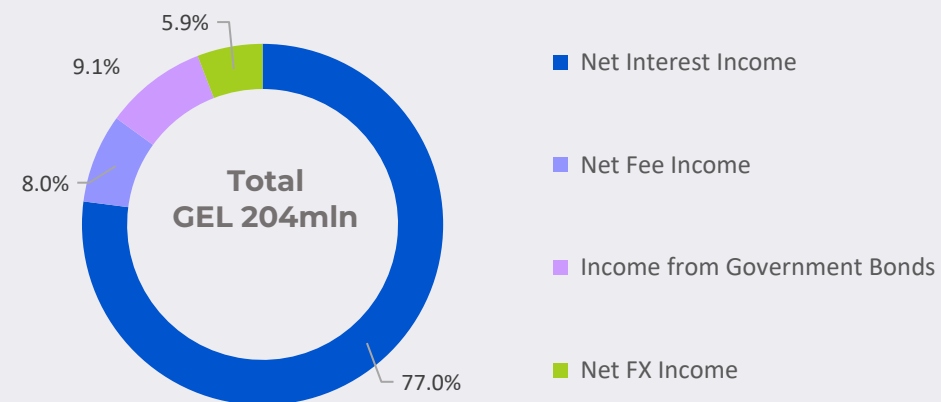
Leasing

Op Profit
4.7%
of Total

Insurance

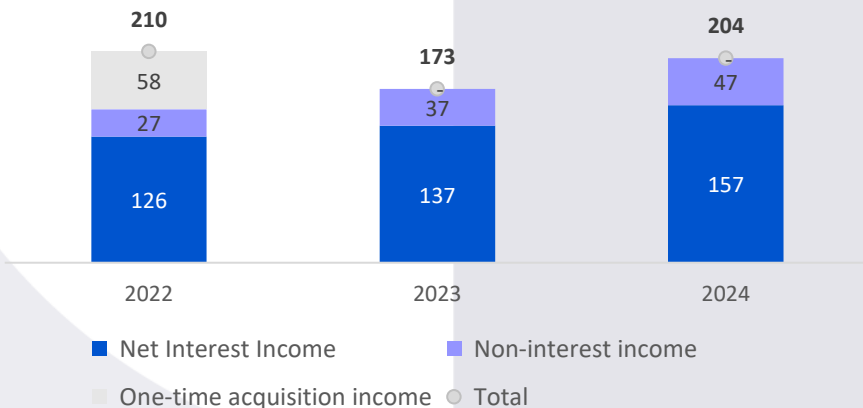
Op Profit
4.9%
of Total

Operating Income Structure



Net Interest and Non-interest Income

In mln GEL

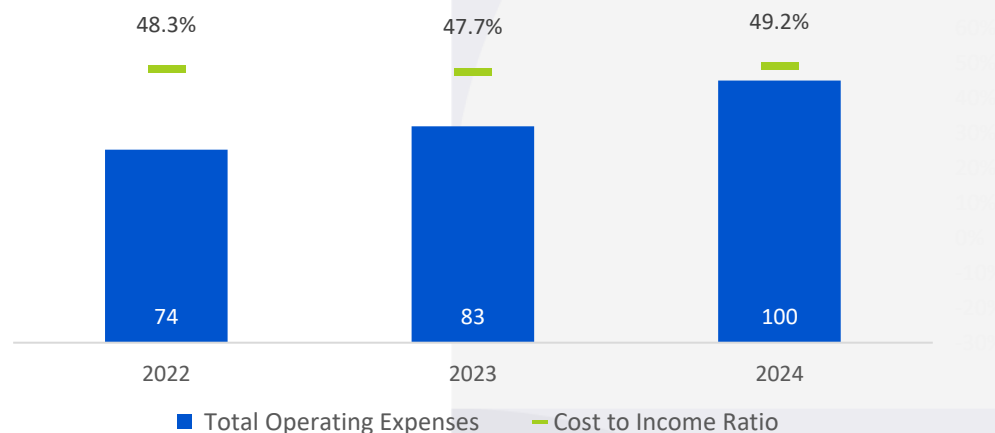


- On a YoY basis there was a 14.4% increase in Operating Profit, where YoY increase in Interest and Non-interest Income of 14.9% and 28.0% contributed respectively.
- Bank has diverse income sources, where around 80% comes from Net Interest Income
- Additionally, Operating Profit growth was supported by 26% increase in Net Commission Income and additional profits generated from leasing portfolio purchases

Operating Expenses and Cost to Income Ratio

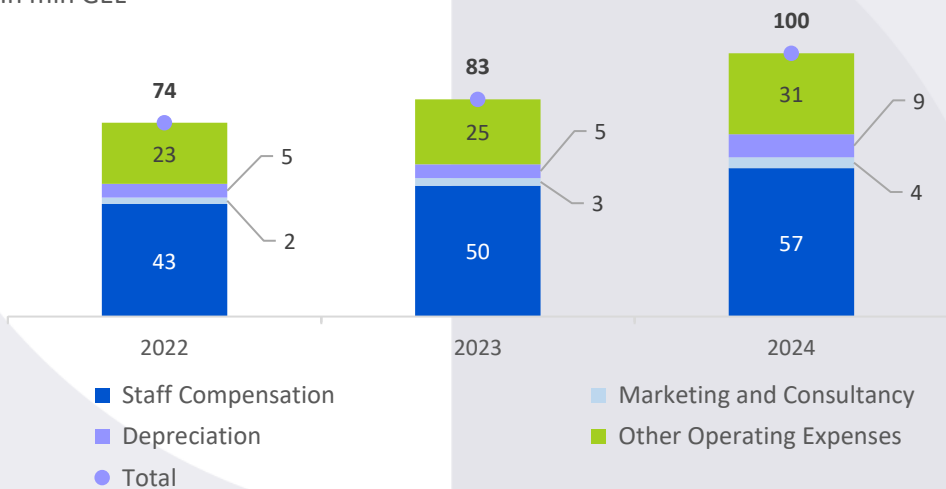
Operating Expenses and Cost to Income Ratio

In mln GEL

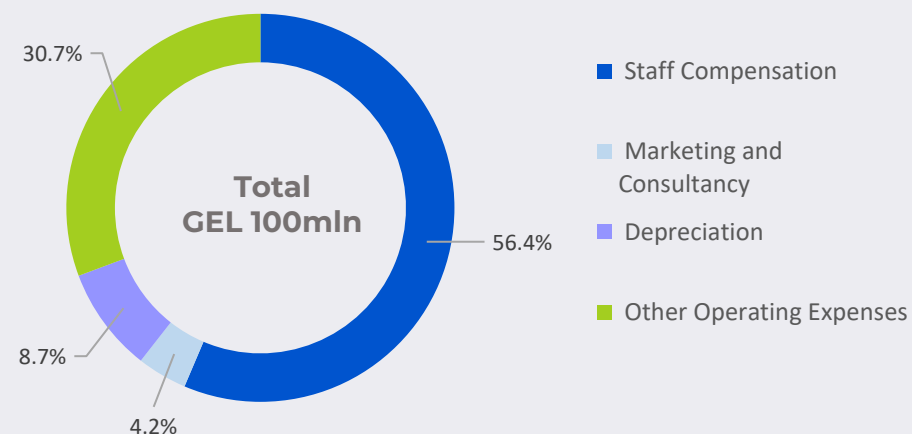


Operating Expenses Dynamics

In mln GEL



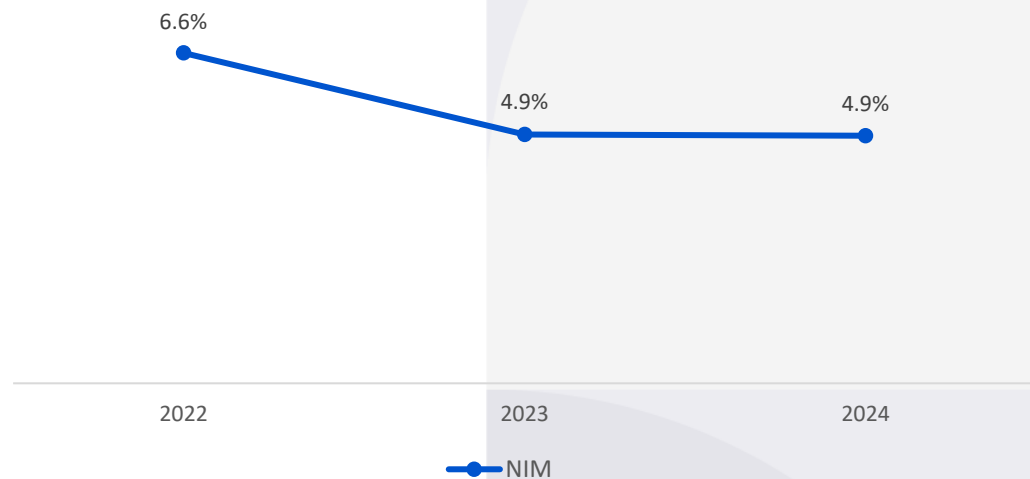
Operating Expense Structure



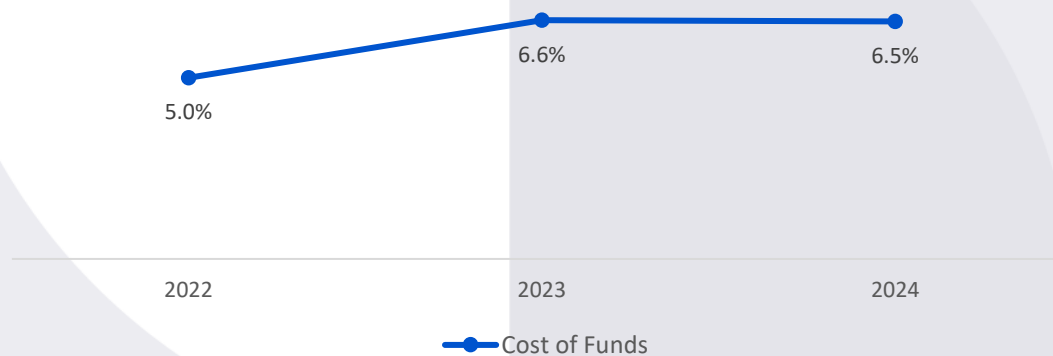
- Operating Expenses increased by 21.2% YoY, closely align with the bank's development strategy and operating plan
- Cost to Income ratio maintained within 50% target, following to Bank's strategic growth stage

NIM, Loan Yield and Cost of Funds

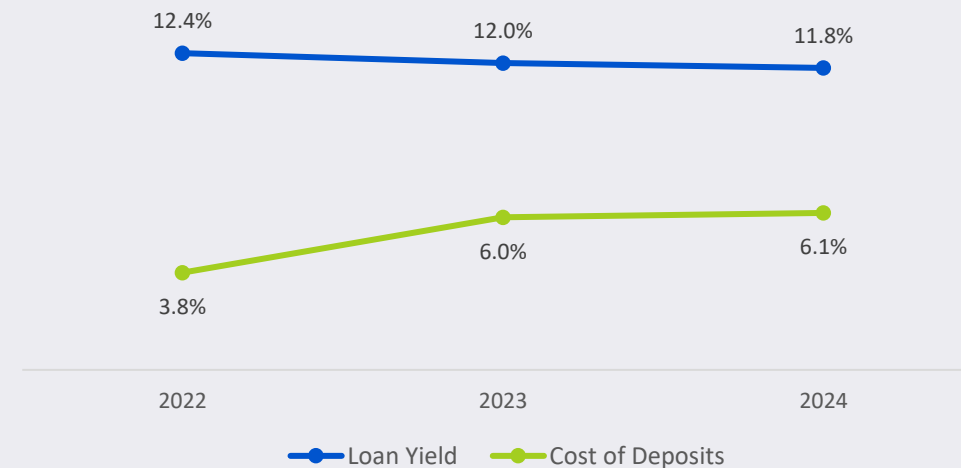
Net Interest Margin



Cost of Funds



Loan Yield and Cost of Deposits

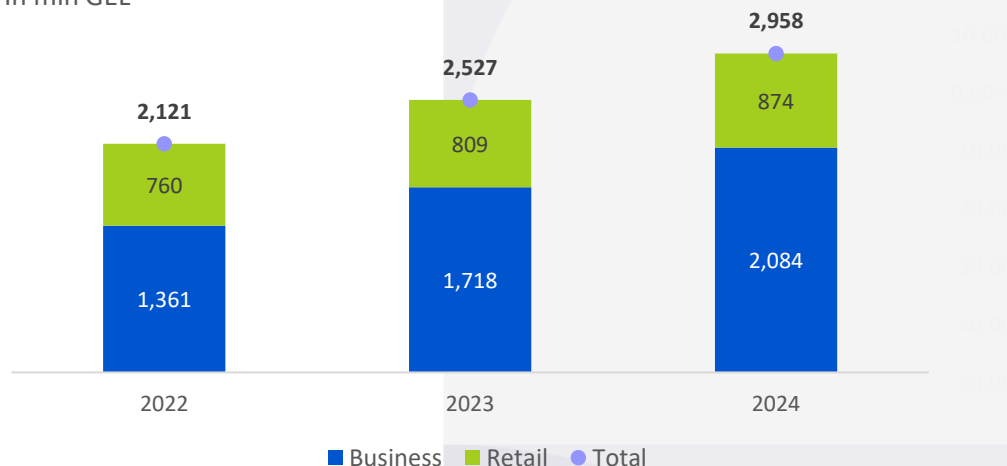


- Net Interest Margin has decreased by 0.02 pp YoY
- The margins remain wide, despite pressure on yield on both sides

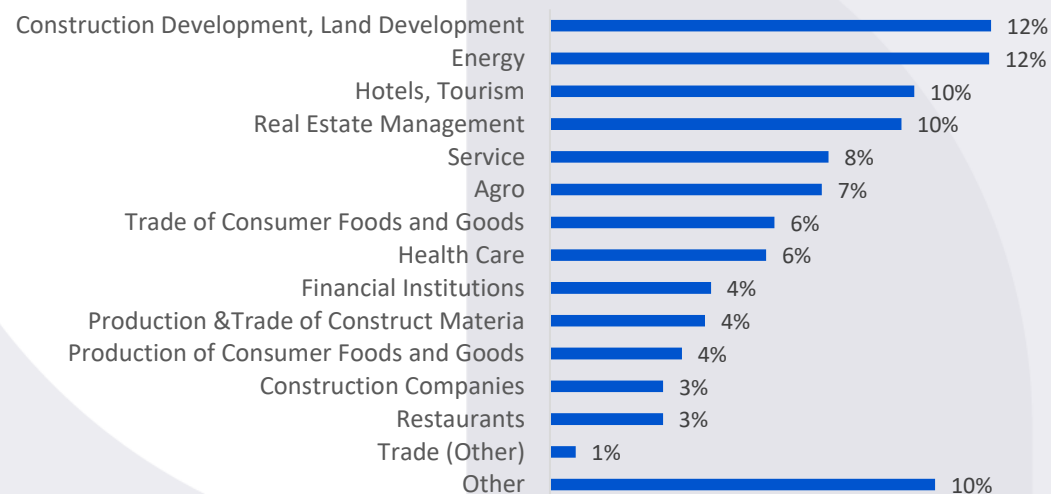
Gross Loan Portfolio Analysis

Loan Portfolio Dynamics

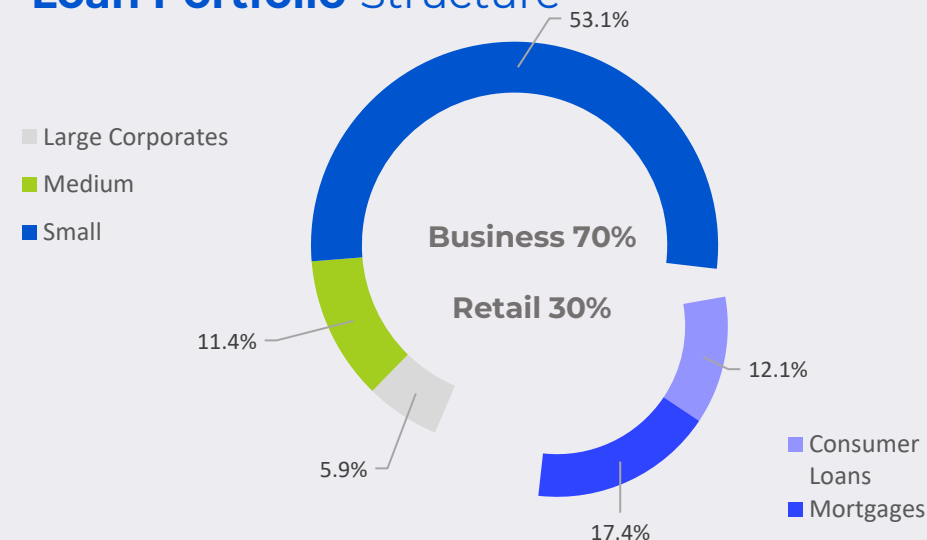
In mln GEL



Business Loan Portfolio by Sectors



Loan Portfolio Structure

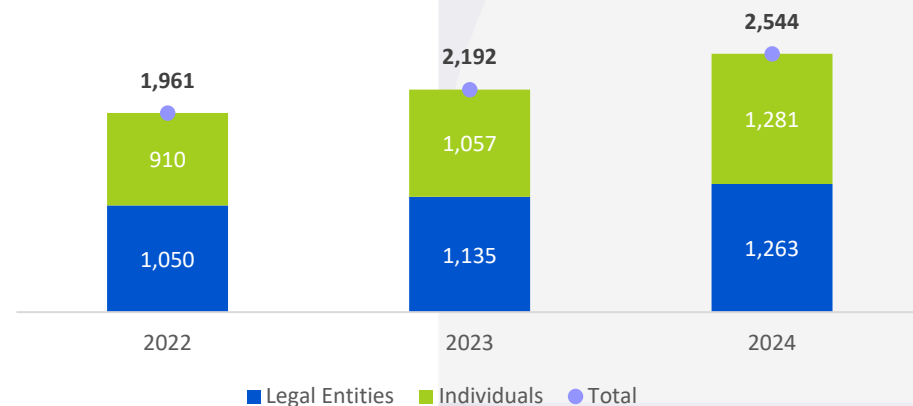


- Gross Loan Portfolio increased by 17.0% YoY, where Business Portfolio increased by 21.3% and Retail portfolio by 8.0%
- Total Loan Portfolio FX Concentration is 49.9%

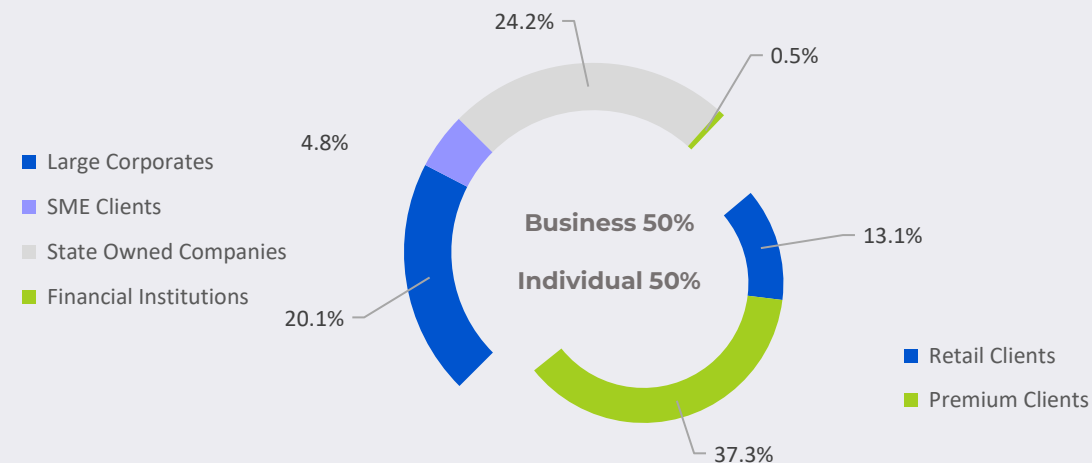
Customer Deposit Portfolio Analysis

Deposits Dynamics

In mln GEL

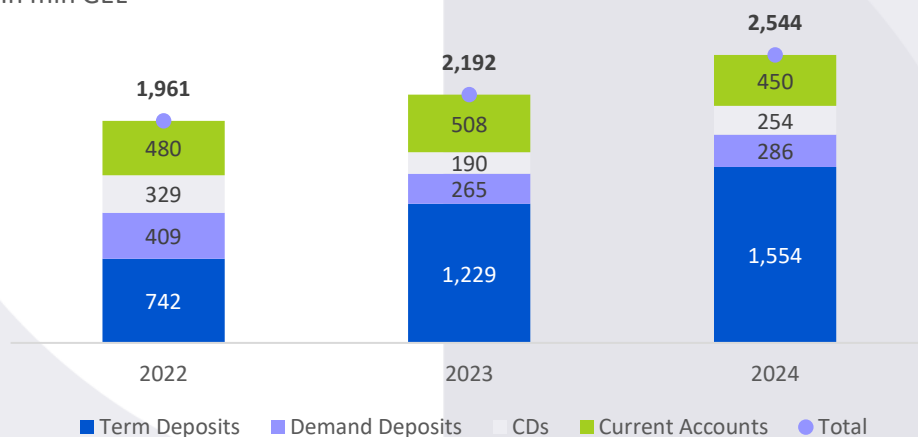


Customers' Structure



Deposits by Products

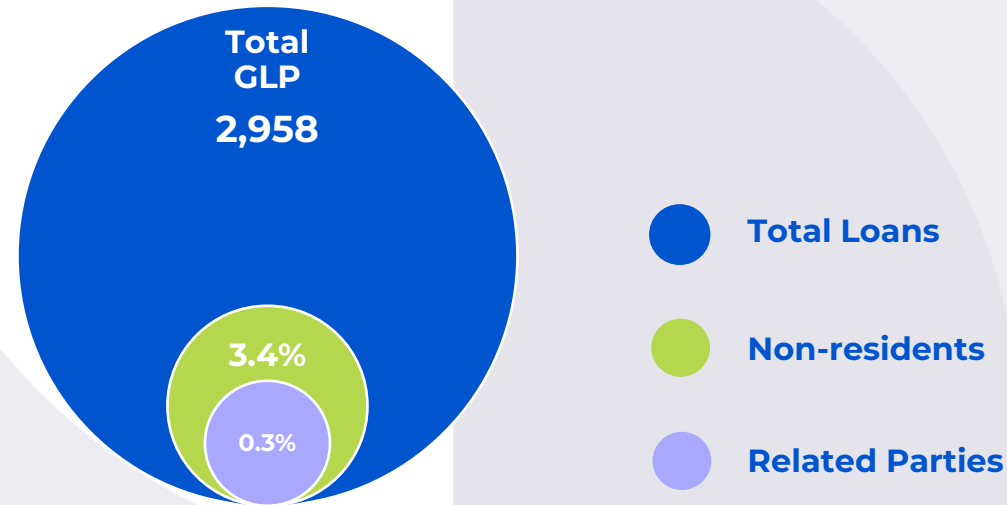
In mln GEL



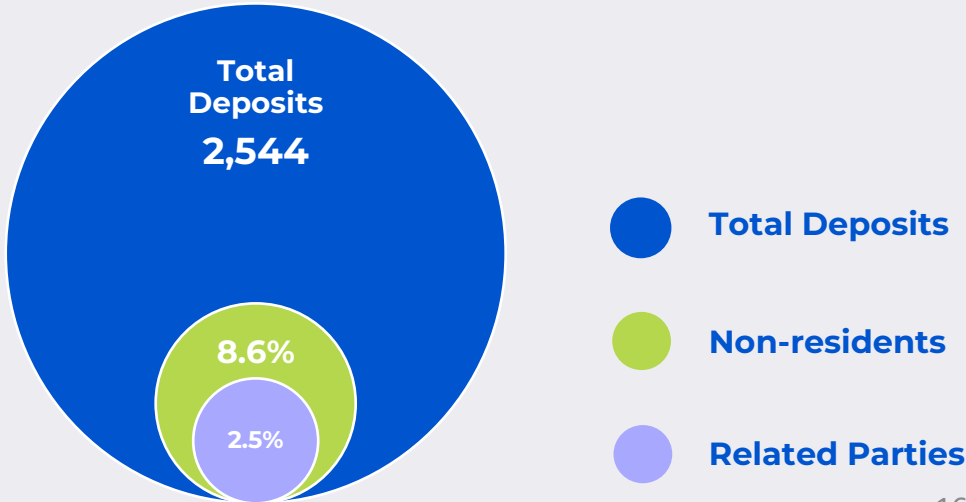
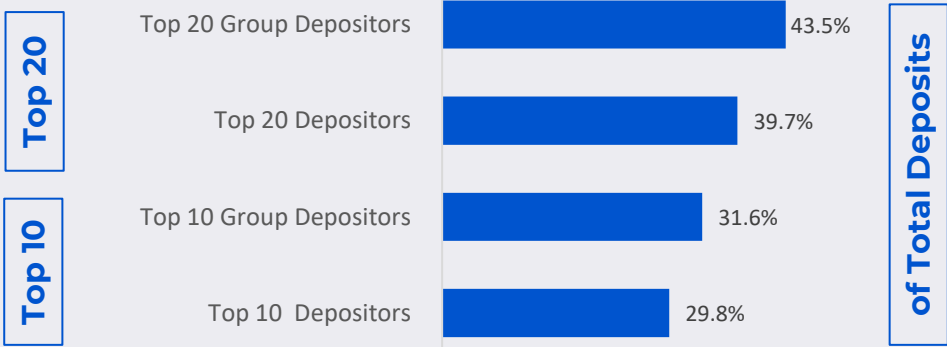
- Total Deposits increased by 16.0% YoY, where Deposits of Legal Entities increased by 11.2% and Deposits of Individuals by 21.1%
- Total Customer Deposit Portfolio FX Concentration is 50.8%

Concentrations

Gross Loan Portfolio Concentrations

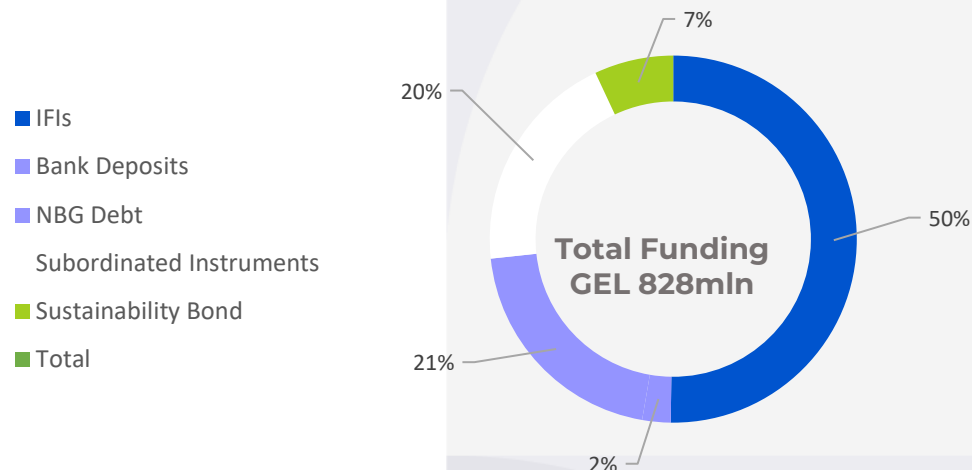


Customer Deposits Concentration



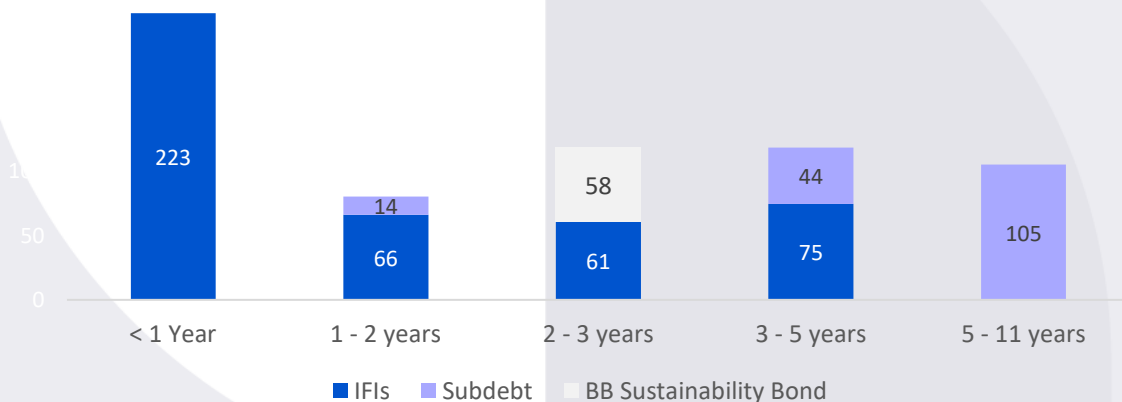
Funding Portfolio

Funding Structure



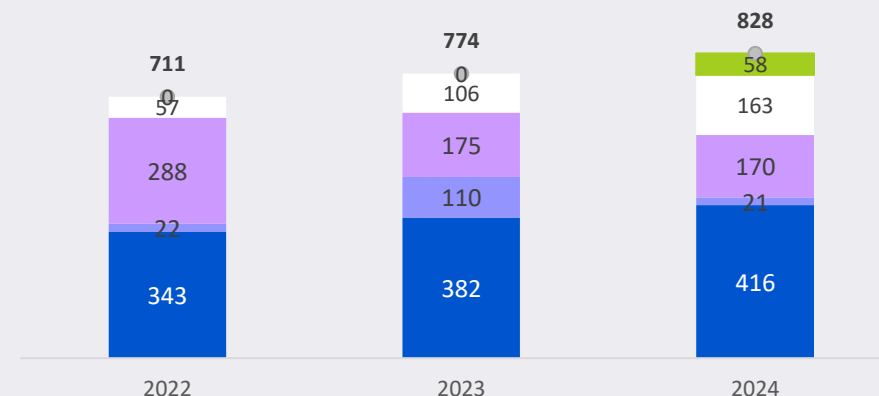
IFI Funding, Subdebt and Bond Maturities

In mln GEL



Funding Dynamics

In mln GEL



■ IFIs
 ■ Bank Deposits
 ■ NBG Debt
 ■ Subordinated Instruments
 ■ Sustainability Bond
 ● Total

- Funding remains stable, well supported by strong inflow of clients' deposits and increased funding from IFIs
- Funds withdrawn from partner IFIs amounted to over USD 100 million, mainly attributed to Senior Loans, Subordinated Loans and Trade Finance
- IFI Funding with maturity less than 1 year, consist of revolving Trade-Finance Facilities
- Bank issued a 3-year 7% **Sustainability Bond**, amounting USD 20 million. Anchor investor of the bond was ADB, investing USD 15 million

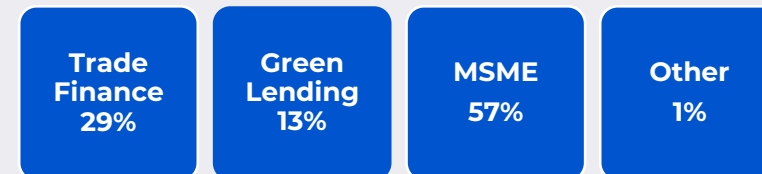
International Partners and Funding

Key International Partners



Funding

TOTAL IFI FUNDING BREAKDOWN BY PROJECT TYPE



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

- Deep Greening project – Mainstreaming Green Lending in Basisbank – in partnership with Green for Growth Fund and participation of PwC. Dedicated Green Products were introduced
- 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
- Subordinated Loans have been drawn from EFSE and GGF, whereas Senior Loans were raised from GGF, Symbiotics and responsibility and BSTDB. Trade Financing limits have been provided/increased by IFC, EBRD, ADB and Raiffeisen Bank International.

ESG Strategy

BB Greening

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

As a result, several milestones were completed:

- Sustainability Strategy has been developed
- First Sustainability Report has been published
- Green lending framework has been enhanced and internal processes have been built
- Green products were introduced

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.

By the end of 2024, 8 out of 17 topics from the Strategy below have been completed and several are in progress.

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

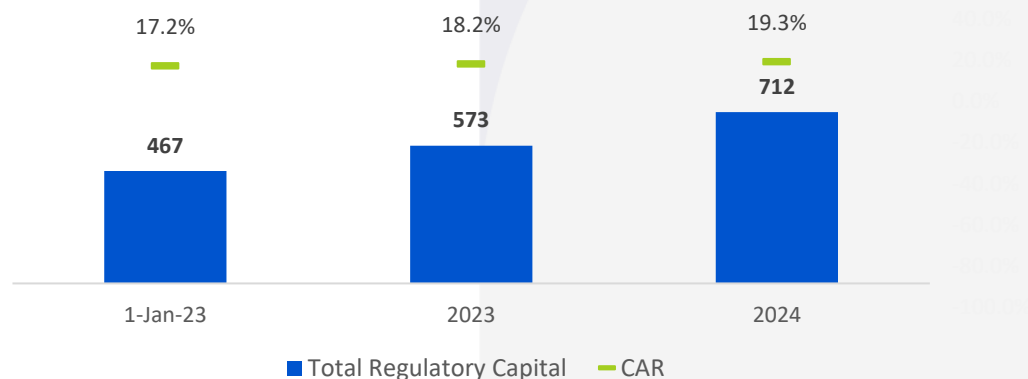
Governance

- Corporate Culture and Professional Ethics
- 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



* New methodology was introduced on January 1st, 2023

Risk-weighted Assets

In mln GEL



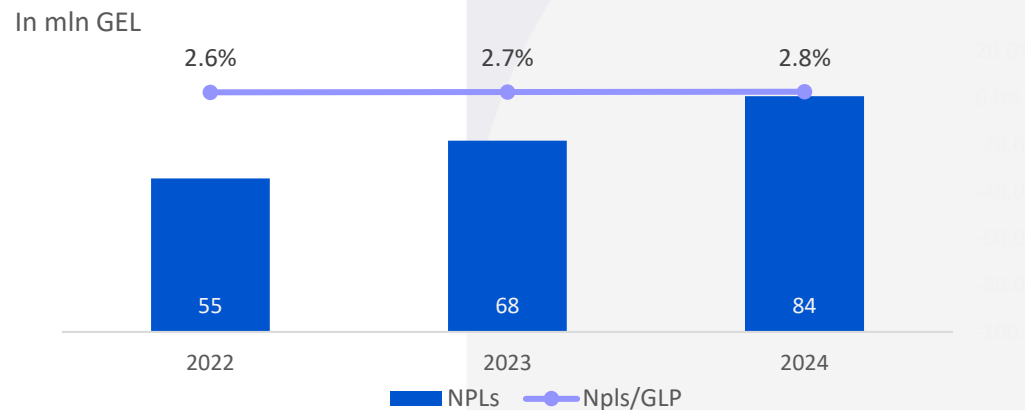
Capital Adequacy Ratios and Regulatory Thresholds

	1-Jan-23	Q4 2023	Q4 2024
CET1 CAR Requirement	11.1%	11.5%	12.0%
BB CET1 CAR	15.3%	15.1%	15.5%
Tier 1 CAR Requirement	13.2%	13.7%	14.4%
BB Tier 1 CAR	15.3%	15.1%	15.5%
Total CAR Requirement	16.7%	17.4%	17.6%
BB Total CAR	17.2%	18.2%	19.3%

- BB solvency position is strong and is in full compliance with the capital adequacy requirements
- In February 2024 shareholder **injected** capital amounting GEL 26 million
- Bank continued issuing **Subordinated Loan** to retail customers amounting USD 3.2 million
- **Subordinated Loans** received from EFSE and GGF amounting to EUR 10 million and EUR 5 million respectively

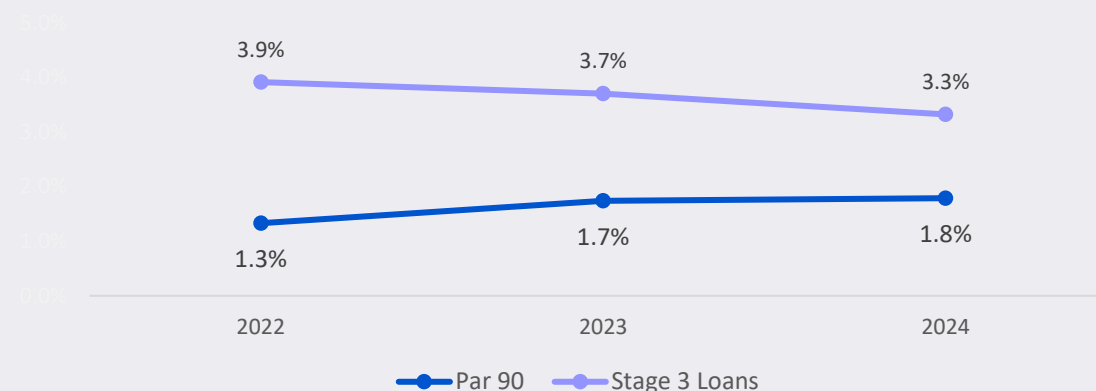
Strong Asset Quality and Provisioning

Loan Portfolio Quality

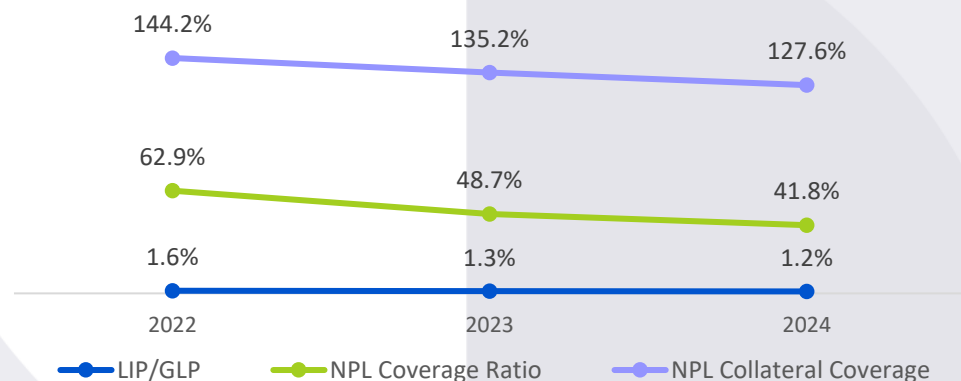


NPLs - loans with 90 days past due on principal or interest, or loan regarded as unlikely to be repaid by management decision

Portfolio PAR and Stage 3



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

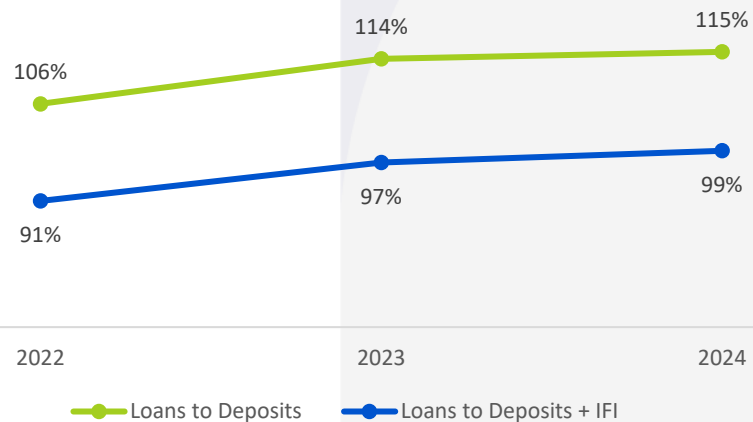
Cost of Risk on Portfolio *



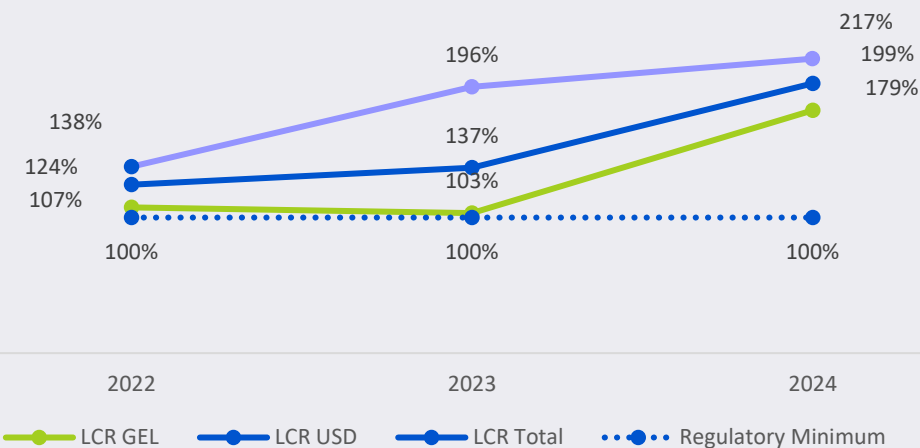
* In 2022 the cost was high due to portfolio acquisition

Solid Liquidity

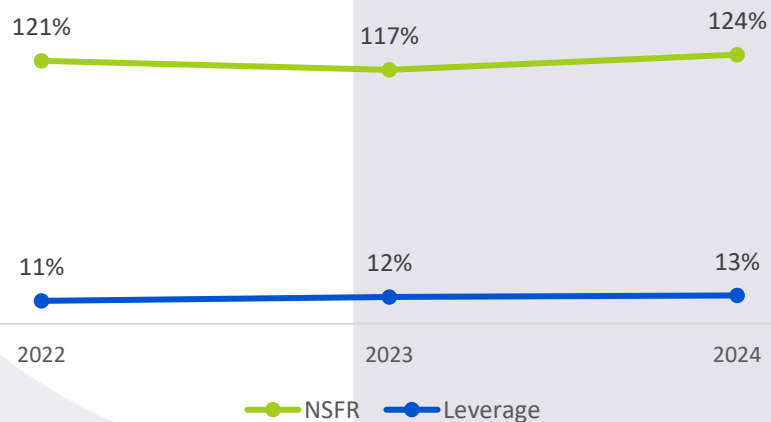
Liquidity Ratios



Strong Liquidity Coverage



Regulator NSFR and Leverage Ratios



- BB has stayed within NBC 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

	2024	2023	2022	YoY Difference (%)
Assets				
Cash and Cash Equivalents	223,189	284,010	278,068	-21%
Mandatory Cash balances with the NBG	277,258	184,600	218,587	50%
Due from Other Banks	19,736	15,426	12,593	28%
Investment Portfolio	387,641	378,461	394,362	2%
Net Loan Portfolio	2,922,676	2,493,970	2,086,777	17%
Net Financial Lease Assets	40,802	26,136	17,680	56%
Net Insurance Assets	1,470	74,974	2,474	-98%
Premises, Equipment and Intangible Assets	116,595	107,376	105,223	9%
Other Assets	64,777	53,996	61,341	20%
Total Assets	4,054,144	3,618,949	3,177,105	12%
Liabilities				
Customer Deposits	2,543,571	2,192,372	1,960,740	16%
Loans from Local Banks	191,083	284,866	310,707	-33%
Loans from IFIs	415,656	382,344	342,937	9%
Subordinated Debt	163,292	78,705	56,933	107%
Subordinated Bond issued	57,666	27,678	-	NMF
Other Liabilities	50,460	132,242	51,907	-62%
Total Liabilities	3,421,728	3,098,207	2,723,224	10%
Equity				
Share Capital	18,212	17,319	17,091	5%
Share Premium	130,406	104,498	101,066	25%
Retained Earnings	467,152	387,418	320,544	21%
Reserves	16,646	11,507	15,180	45%
Total Equity	632,416	520,742	453,881	21%

Income Statement

In thousand GEL

	2024	2023	2022	YoY Difference (%)
Interest and similar income	354,934	310,310	258,167	14.4%
Interest and similar expenses	(197,993)	(173,696)	(132,326)	14.0%
Net Interest Income	156,941	136,614	125,841	14.9%
Total non-interest income	46,788	36,564	26,830	28.0%
Gross Operating Revenue	203,729	173,178	152,671	17.6%
Staff costs	(56,505)	(49,140)	(42,872)	15.0%
Marketing and Consultancy	(2,848)	(2,768)	(2,451)	2.9%
Depreciation expense	(6,780)	(5,257)	(5,166)	29.0%
Other Operating Expenses	(33,690)	(25,487)	(23,304)	32.2%
Total Operating Expenses	(99,823)	(82,652)	(73,793)	20.8%
Net Operating Income	103,906	90,526	78,878	14.8%
Impairment charges	(4,833)	(4,355)	(50,087)	NMF
One-time Acquisition income	-	-	57,774	NMF
Profit before Tax	99,073	86,171	86,565	15.0%
Income Tax	(11,649)	(9,286)	(12,673)	NMF
Net Profit	87,424	76,885	73,892	13.7%
Other Comprehensive Income	5,139	(3,673)	1,672	NMF
Net OCI	92,563	73,212	75,564	26.4%

In 2022, due to the acquisition of VTB Bank Georgia Portfolio, there was one-time acquisition income of GEL 58mln and additional Impairment Charges of 38mln of acquired portfolio, which resulted in one-time increase in Net Profit amounting to GEL20mln.

Ratios

	2024	2023	2022
Profitability and Cost Control			
ROAE	15.0%	15.8%	13.5%
ROAA	2.4%	2.4%	1.9%
Operating profit / Average Equity	17.8%	18.6%	19.7%
Operating profit / Risk Wighted Assets	3.1%	3.2%	3.4%
NIM	4.9%	4.9%	6.6%
Cost to Income Ratio	49.2%	47.7%	48.3%
Loan Yields	11.8%	12.0%	12.4%
Asset Quality			
Loan Impairment Provision /NPL	41.8%	41.8%	62.9%
Loan Impairment Provision /Gross Loan Por	1.2%	1.2%	1.6%
Cost of Risk	0.20%	0.18%	0.65%
PAR 90 to Gross Loans Portfolio	1.8%	1.8%	1.3%
NPL to Gross Loan Portfolio	2.8%	2.8%	2.6%
NPL Coverage Ratio	41.8%	41.8%	62.9%
NPL Collateral Coverage	127.6%	127.6%	144.2%
Capitalisation			
CET 1 CAR	15.5%	15.5%	13.1%
Tier 1 CAR	15.5%	15.5%	13.1%
Total CAR	19.3%	19.3%	16.1%
Funding and Liquidity			
Net Loans to Customer Deposits	114.9%	114.9%	106.4%
Net Loans to Deposits + IFI	98.8%	98.8%	90.6%
Cost of Funds	6.5%	6.6%	5.0%
LCR Total	198.9%	198.9%	124.2%
NSFR	124.2%	124.2%	121.4%
Leverage	13.1%	13.1%	10.6%

* ROAE, ROAA and Cost of Risk Ratios are normalized for 2022

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GDP and Economic Growth

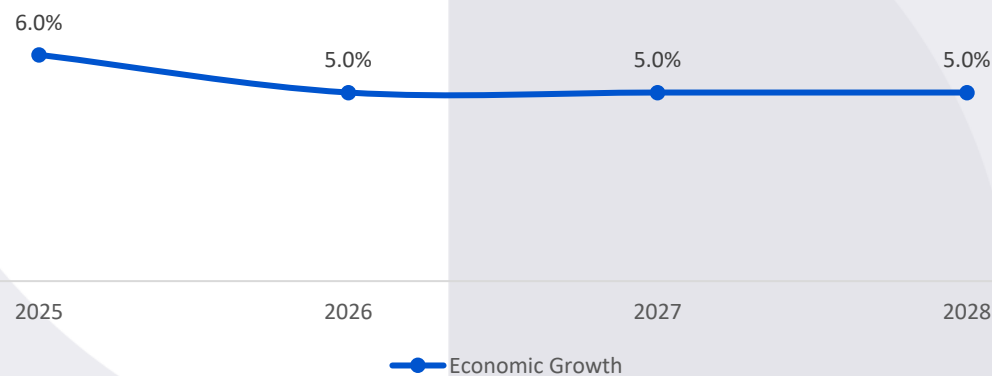
Real GDP growth

In USD bln



Source: Geostat

Georgia Economic Growth Forecast



Source: IMF

Key drivers of GDP growth

- Georgia performed strongly - the growth achieved in 2023 was maintained in 2024 as well, reaching YoY growth at around 9.5%
- Main drivers of growth were increased consumption and improving external demand
- The main sectors participating in the growth are public infrastructure projects and emerging service industries such as IT, transport and education
- Downside risk is geopolitical instability in the wider region

Key drivers of Growth Forecast

- World Bank forecasts growth to be 6% and 5% in 2025 and 2026 respectively
- IMF updates the growth forecast for Georgia in 2025 to be 6%.

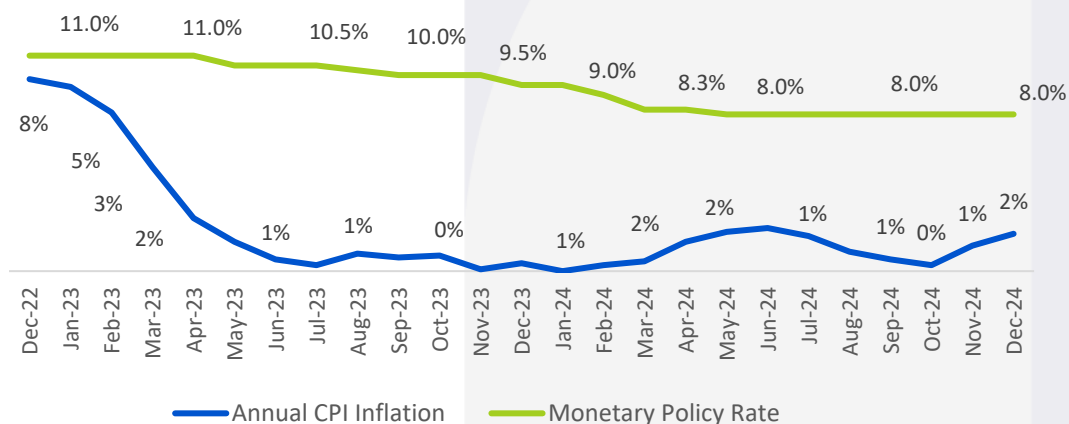
NBG Economic Growth Forecast

2025
5%

2026
5.00%

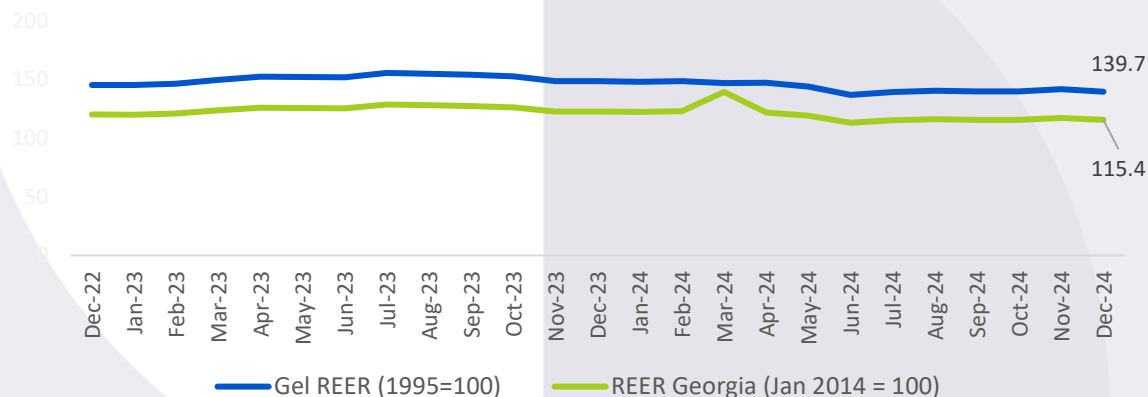
Inflation and Monetary Policy

Inflation is corrected by Monetary Policy Rate



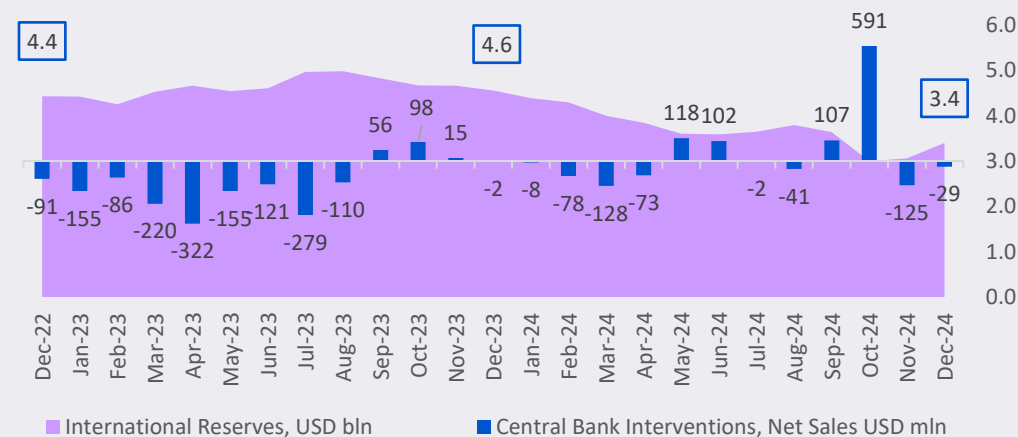
Source: NBG, Geostat

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. The inflation will average around 4.2% in 2025.
- CPI inflation on a downward trend, with a dramatic decrease in H2 2024
- After hitting 13.9% at the beginning of 2022, the inflation gradually decreased in Georgia followed by a gradual exit from tight monetary policy, from 11% to 8%. Following a period of the policy rate being maintained at its current level of 8%, a gradual adjustment towards the neutral rate of 7% is anticipated.
- 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

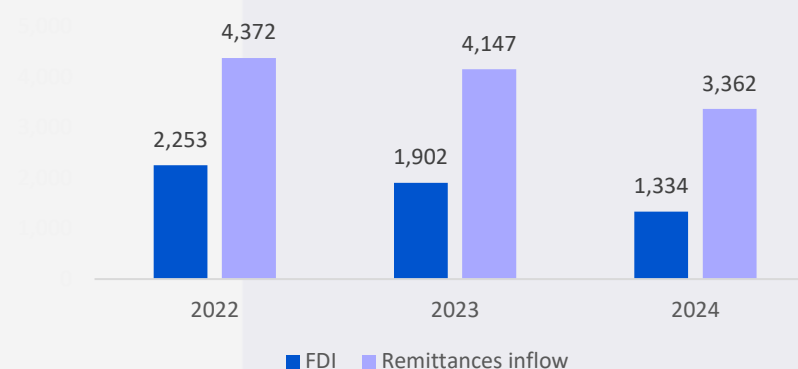
In USD bln



Source: Geostat

FDI and Remittances

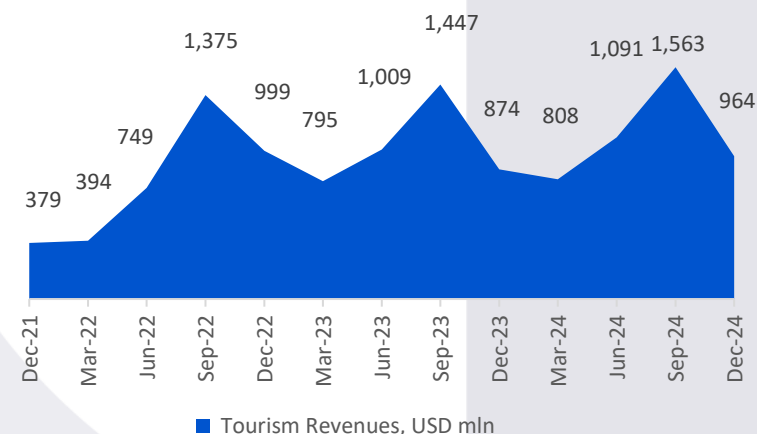
In USD mln



Source: NBG, Geostat

Tourism Revenue

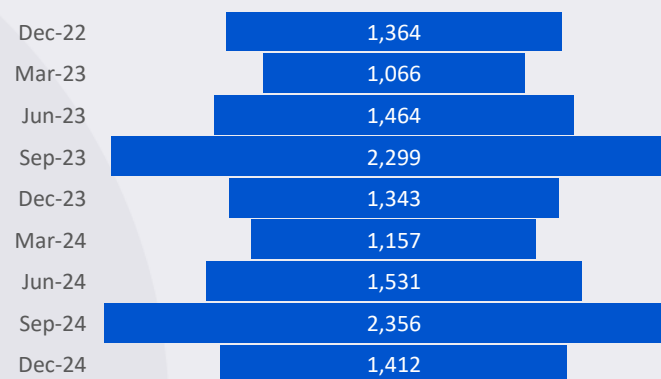
In USD mln



Source: NBG

International Visitor Trips

thousands



Source: GNTA

International Trade: In 2024, the international trade of Georgia amounted to \$23.44 billion, 8% higher compared to 2023. The exports amounted to 6.56 billion (7.8% higher), while the imports stood at \$16.87 billion (8.1% higher). The trade deficit widened by 8.4% y/y.

FDI: Foreign Direct Investments (FDI) in Georgia decreased by 39.8% annually and amounted to \$1.33 billion in 2024.

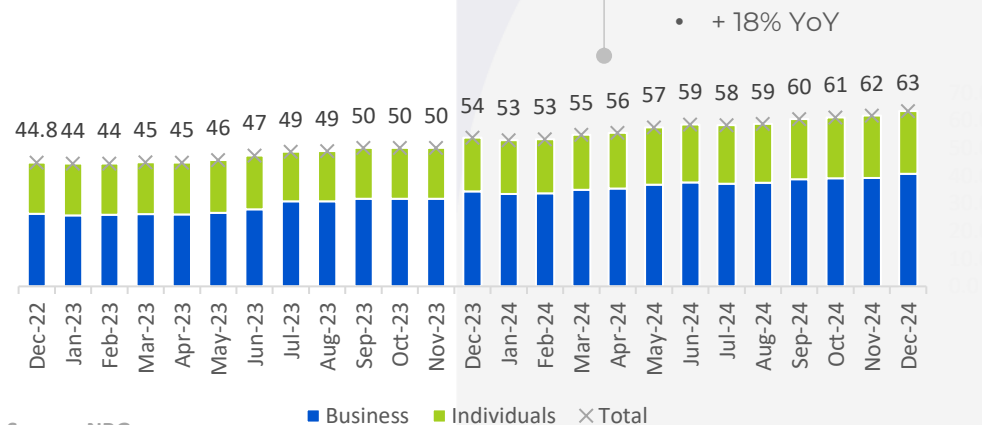
Remittances: In 2024, the total amount of money transfers amounted to \$3.36 billion which is 18.9% less compared to the previous year. In 2024, the largest share of remittances came from the United States (18.6% share), followed by Italy (18.4% share) and the Russia (17.6% share).

Tourism: Tourism revenues amounted to \$4.43 billion in 2024, which is a 7.3% annual increase and a 35.4% increase compared to the pre-pandemic 2019 level. As for the international visits, in 2024, the number amounted to 6.45 million which is 4.6% more compared to last year and still 16.4% less compared to the pre-pandemic 2019 level.

Banking Sector Overview

Total Loan Portfolio Growth

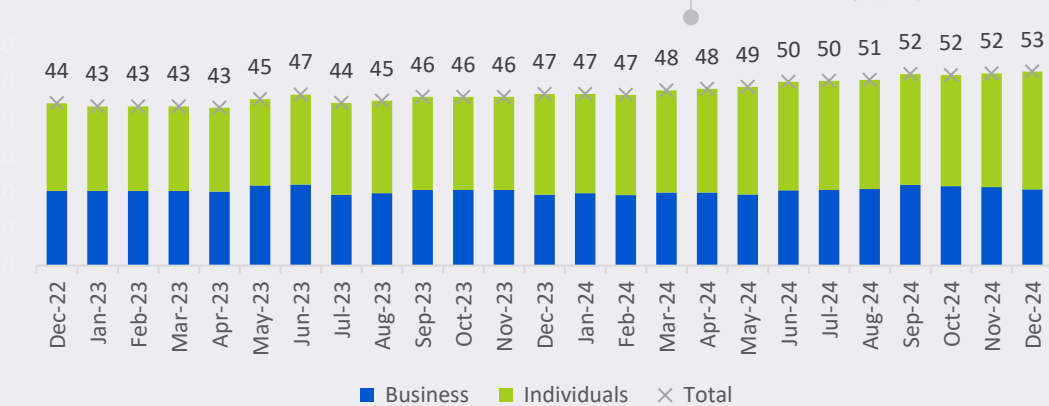
In Gel bln



Source: NBG

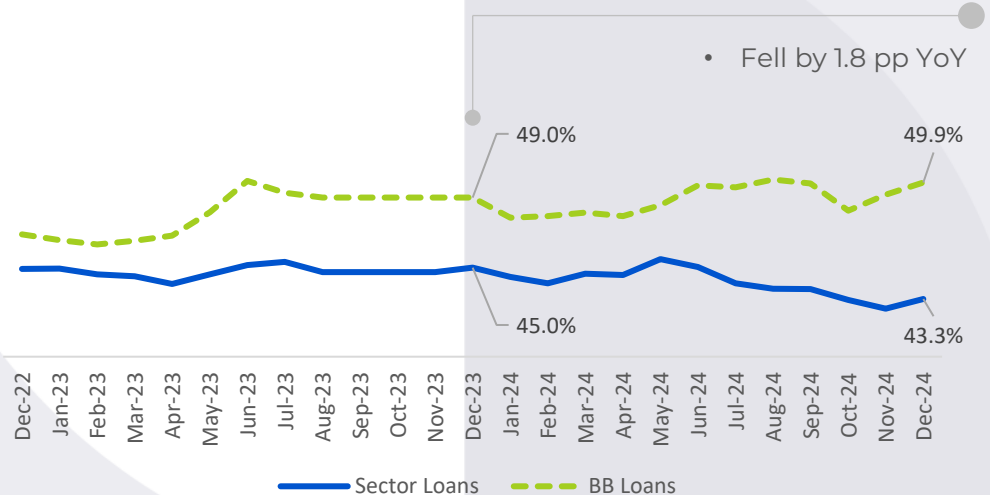
Total Deposit Portfolio Growth

In Gel bln



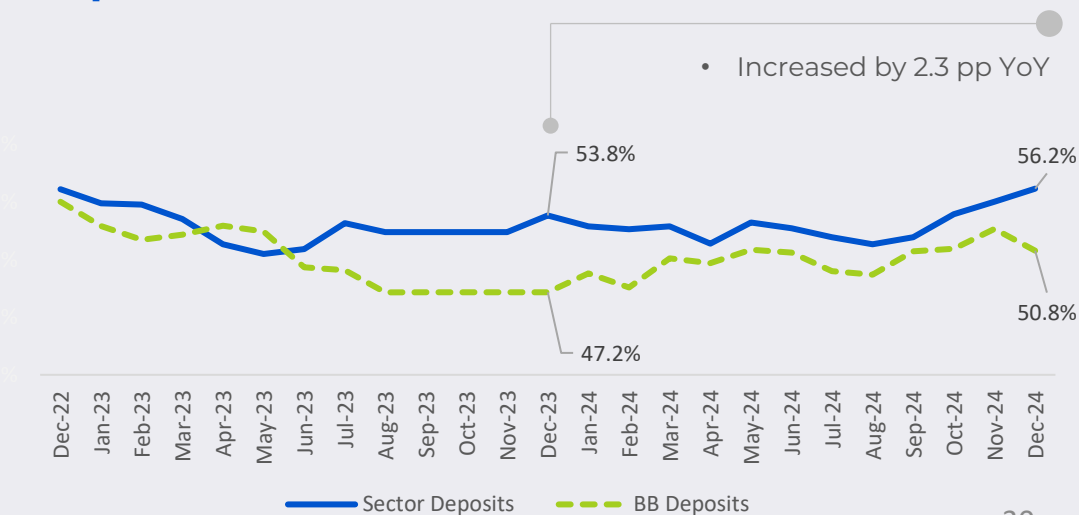
Source: NBG

Loans Dollarization



Source: NBG

Deposits Dollarization

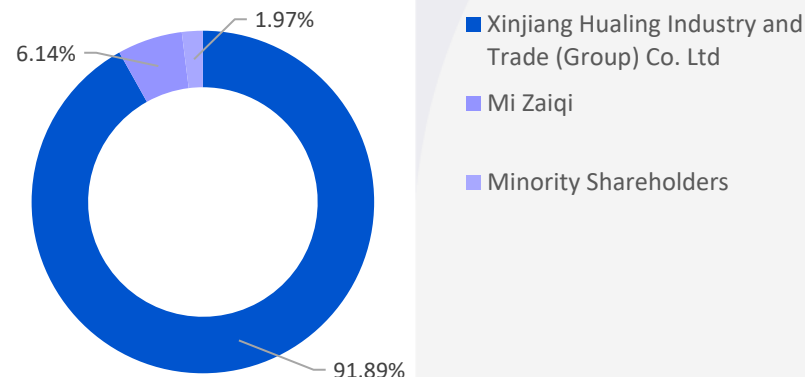


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Shareholders

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

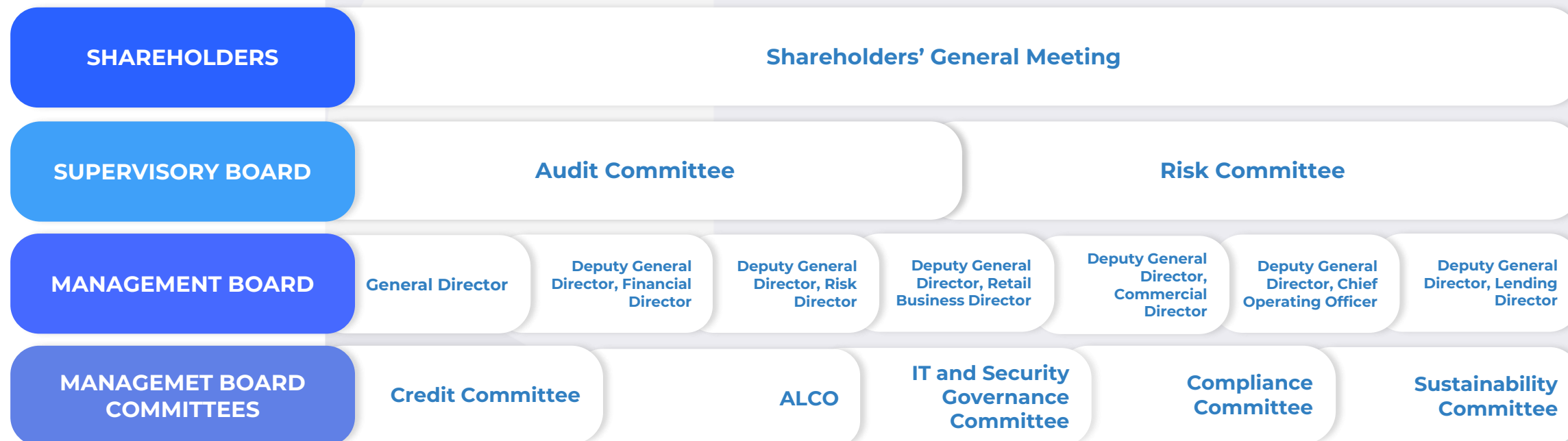
- 92% shareholder of Basisbank is Hualing Industry and Trade (Group) Co. Ltd. (Hereinafter Hualing Group), largest investor in Georgia. Since 2007 Hualing Group has invested more than USD 550 million in Georgia.
- The company operates in several Business sectors through over 40 subsidiaries. These sectors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

Beneficial Owner

- On January 7th, 2025, after transfers of 45.44% and 0.02% of shares from Mr. Enhua Mi and Ms. Yang Xiaoling, Mr. Zaiqi Mi became 100% beneficial owner of Hualing Group, holding 45.45% of shares directly and 55.55% of shares indirectly, through Hualing Group Investment Holding (Xinjiang) Co.
- As a result, Zaiqi Mi is 6.14% direct and 91.89% indirect shareholder of Basisbank, respectively 98.03% beneficial owner of the Bank.

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.



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