LION FINANCE GROUP

CONSISTENT PERFORMANCE
IN HIGH-GROWTH MARKETS





We are Lion Finance Group

Lion Finance Group PLC advances modern, customer-focused banking powered by technological innovation. Through its two leading universal banks in Georgia (Bank of Georgia) and Armenia (Ameriabank), the Group supports economic development and social progress in high-growth markets.

We aim to deliver enduring value for shareholders by sustaining strong financial performance, preserving balance sheet resilience, and maintaining a prudent and generous capital return framework.

Georgian Financial Services

The Group's banking and financial services operations in Georgia, with JSC Bank of Georgia, a leading bank in Georgia, at its heart.

Read more: pages 22-38

Armenian Financial Services

The Group's banking and financial operations in Armenia, consisting of Ameriabank CJSC, a leading bank in Armenia.

Read more: pages 39-45

Other Businesses

The Group's smaller subsidiaries, primarily JSC Digital Area and JSC Belarusky Narodny Bank (BNB).

Read more: page 46



In this report

Strategic Report 2-129

Overview 2

Our business model	3
Scaling our business model to deliver long-term value	5
2025 – continuing our strong track record	7
2025 milestones	8
Macroeconomic overview of our core markets	9
Chairman's statement	13
Chief Executive Officer's statement	15

Strategy and Performance 17

Our strategy framework	17
Key performance indicators	19
Georgian Financial Services (GFS)	22
Armenian Financial Services (AFS)	39
Other Businesses	46
Section 172(1) statement	47

Sustainability Review 56

Creating sustainable opportunities: our sustainability review	56
Governance and integrity	58
Sustainable finance	65
Climate-related finacial disclosure	68
Empowering our employees	94
Empowering communities: building a sustainable future together	102
Non-financial and sustainability information statement	106

Risk Management 108

Our approach to risk management	108
Principal risks and uncertainties	111

Going Concern and Viability Statement 123

Going concern statement	123
Viability statement	123

Overview of Financial Results 124

Overview of financial results	124

Governance 130-201

2025 key highlights	131
Board diversity, independence and tenure	132
Board skills and experience	133
Directors' Governance Statement	134
Board of Directors	143
Group Management Team	147
Subsidiary Management	148
Nomination Committee Report	149
Audit Committee Report	159
Risk Committee Report	169
Directors' Remuneration Report	176
Statement of Director's Responsibilities	196
Directors' Report	197

Financial Statements 202-331

Independent Auditor's Report	202
Consolidated Statement of Financial Position	210
Consolidated Income Statement	211
Consolidated Statement of Comprehensive Income	212
Consolidated Statement of Changes in Equity	213
Consolidated Statement of Cash Flows	214
Separate Statement of Financial Position	215
Separate Statement of Changes in Equity	216
Separate Statement of Cash Flows	217
Notes to Consolidated Financial Statements	218

Additional Information 332-336

References	332
Glossary	333
Shareholder information	336



For more information on Lion Finance Group, **visit our website**



Strategic Report

In this section

Overview 2

Our business model	3
Scaling our business model to deliver long-term value	5
2025 – continuing our strong track record	7
2025 milestones	8
Macroeconomic overview of our core markets	9
Chairman's statement	13
Chief Executive Officer's statement	15

Strategy and Performance 17

Our strategy framework	17
Key performance indicators	19
Georgian Finacial Services (GFS)	22
Armenian Financial Services (AFS)	39
Other Businesses	46
Section 172(1) statement	47

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Governance and integrity	58
Sustainable finance	65
Climate-related finacial disclosure	68
Empowering our employees	94
Empowering communities: building a sustainable future together	102
Non-financial and sustainability information statement	106

Risk Management 108

Our approach to risk management	108
Principal risks and uncertainties	111

Going Concern and Viability Statements 123

Going concern statement	123
Viability statement	123

Overview of Financial Results 124

Overview of financial results	124

Building on our core competitive strengths, we drive sustainable growth while maintaining high profitability. We deliver robust returns, create lasting value for our stakeholders and contribute positively to the communities we serve.

Read more: pages 3-129

Overview

Our business model

Group at a glance

What we do

Through the Group's core Business Divisions, Georgian Financial Services (GFS) and Armenian Financial Services (AFS), we deliver banking and financial solutions in the high-growth markets of Georgia and Armenia.

How we generate value

By leveraging our leading market positions in Georgia and Armenia and developing innovative, customer-centric digital solutions accessible to a wide customer base, we deliver robust growth, maintain strong profitability and create sustainable value for our stakeholders.

How we set ourselves apart

We differentiate ourselves through digital excellence recognised globally, deep local market expertise across our operating regions, and a customer-obsessed culture that drives innovation. Our multi-market strategy balances geographic diversification with focused execution, while our agile organisational structure enables rapid adaptation to evolving customer needs and market conditions.

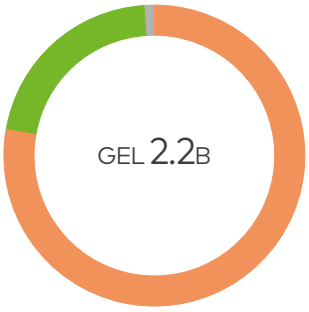
Where we operate

Share in Group total assets, 31 December 2025

69%	27%	4%
Georgian Financial Services	Armenian Financial Services	Other Businesses

Profit (before one-offs)[1]

GEL



- **GFS:** 78%
- **AFS:** 21%
- **Other:** 1%

1 Full-year 2025 figures exclude a one-off GEL 29.6m expense (GEL 29.1m in Georgian Financial Services and GEL 0.5m in Other Businesses) related to revised Employee Stock Ownership Plan (ESOP) accounting treatment, which accelerated expense recognition for services rendered before official grant date and which resulted in a one-off ESOP catch-up expense recognised in 4Q25. Reported consolidated profit for the full year 2025 was GEL 2,163.2m.

Overview continued

Georgian Financial Services (GFS)

GFS is anchored by its core entity, JSC Bank of Georgia. As a leading universal bank in Georgia, it focuses on providing accessible financial services to all customer segments nationwide.

Market share in loans
37.8%
+0.2pp y-o-y

Market share in deposits
41.0%
-0.4pp y-o-y

Profit (before one-offs)[1]
GEL 1,708.7M
+9.8% y-o-y

ROAE (adjusted for one-offs)[1]
32.0%
-1.5pp y-o-y



Armenian Financial Services (AFS)

The Group's other principal business division, AFS, comprises Ameriabank CJSC, which was acquired in March 2024. Ameriabank is the leading bank by loans in Armenia and holds strong brand recognition. It presents significant potential for retail expansion in a growing market.

Market share in loans
21.7%
+0.9pp y-o-y

Market share in deposits
19.5%
+1.0pp y-o-y

Profit[2]
GEL 452.4M
Not meaningful

ROAE[2]
22.6%
+2.0pp y-o-y



Other small entities, along with intragroup eliminations

Other businesses includes JSC Belarusky Narodny Bank (BNB), serving retail and SME clients in Belarus, and JSC Digital Area. The latter operates a Georgian digital ecosystem featuring the Extra.ge e-commerce platform, Biletebi.ge ticketing service, and Optimo merchant SaaS solution.

BNB standalone

Profit
GEL 62.9M
+52.3% y-o-y

ROAE
28.4%
+1.2pp y-o-y



1 Full-year 2025 figure excludes a one-off GEL 29.1m expense recorded in GFS, relating to the Group's revised accounting treatment of annual discretionary share-based awards (Employee Stock Ownership Plan, or ESOP), accelerating expense recognition to reflect services rendered prior to the official grant date and resulting in a one-off ESOP catch-up recognised in 4Q25. Reported profit for GFS for the full-year 2025 was GEL 1,679.6m, with a reported ROAE of 31.5%.

2 Full-year 2024 figure excludes one-off items totalling GEL 672.2m recorded in AFS, comprising a gain on bargain purchase related to the Ameriabank acquisition and acquisition-related costs. Reported profit for AFS for the full-year 2024 was GEL 902.3m. Year-on-year AFS change is not fully representative due to Ameriabank's income being included for only nine months in 2024 post-acquisition and acquisition-related adjustments, including initial ECL charges. As per Ameriabank's standalone full-year results, full-year 2025 profit was up 23.6% year-on-year.

Scaling our business model to deliver long-term value

The Group has consistently delivered a track record of strong performance. By putting customers at the centre of our strategy and accelerating our digital capabilities in high-growth markets, we are driving momentum and unlocking new opportunities for sustainable growth.

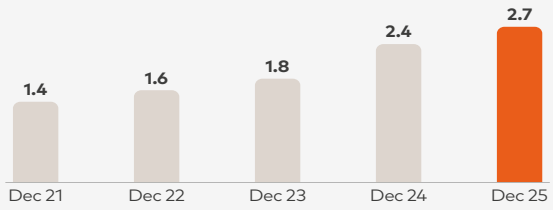
The Group continues to build profitable and resilient banking franchises, combining strong balance sheet growth, consistent returns, and prudent risk management across its core markets.

In Georgia, our focus on customer centricity has established a leading universal bank with the dominant retail franchise and strong market positions across various customer segments. By investing in technological and digital capabilities, as well as service quality, we have deepened customer relationships, driven rising digital adoption and built a customer-focused operating model that supports long-term profitable growth.

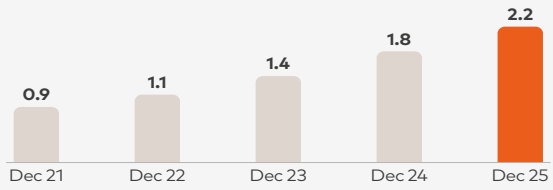
The acquisition of Ameriabank in March 2024 expanded the Group's footprint into Armenia, adding a well-established local market leader with a strong brand, a diversified customer base, and a solid financial track record. Since the acquisition, we have focused on enhancing Ameriabank's franchise by further developing its mass retail offering and strengthening its digital capabilities.

Today, Lion Finance Group operates two leading banking franchises in Georgia and Armenia. Combining market leadership with deep customer relationships and exposure to high-growth economies, the Group remains well-placed to sustain growth and deliver long-term value for shareholders.

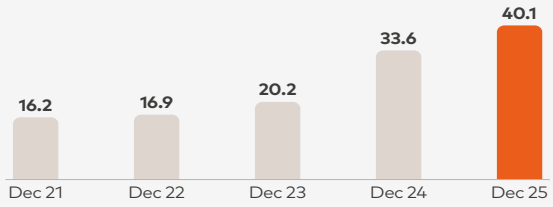
Monthly active customers (MAC) (retail)[3]
Millions



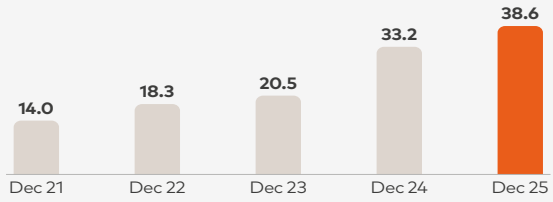
Digital monthly active users (Digital MAU) (retail)[3]
Millions



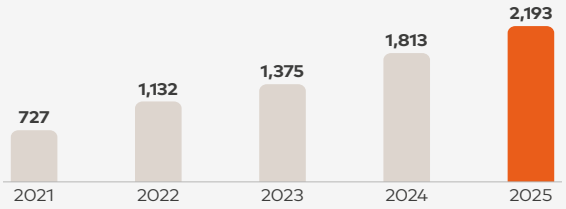
Loan portfolio
GEL billions



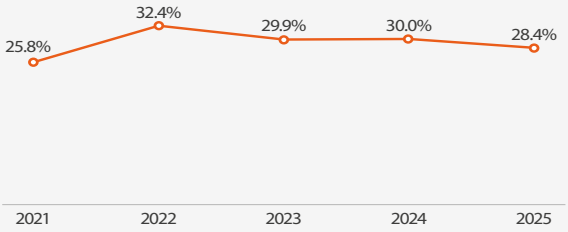
Deposit portfolio
GEL billions



Profit (before one-offs)[4]
GEL millions



ROAE (adjusted for one-offs)[4]

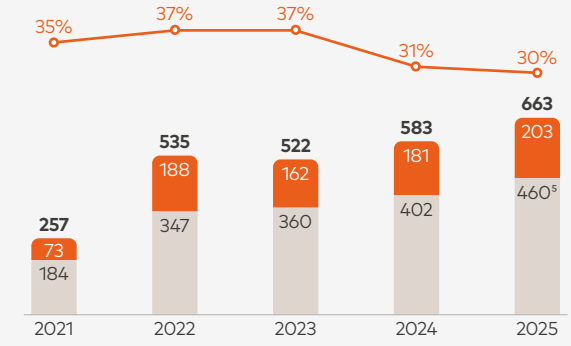


Overview continued



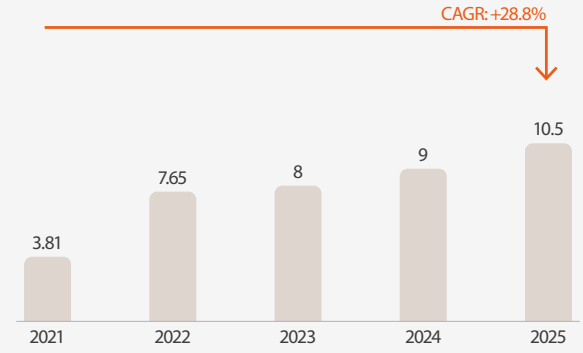
Distributions to shareholders

GEL millions



Dividend per share

GEL



Share buyback and cancellation programme

11.6%

Since the launch of the first share buyback and cancellation programme in 2022, we have cancelled 5,695,095 shares, representing 11.6% of ordinary shares in issue at the start of the programme (as of 31 December 2025).

3 December 2024 and December 2025 figures represent the combined results for JSC Bank of Georgia and Ameriabank CJSC. Prior to 2024, figures include only JSC Bank of Georgia standalone figures.

4 Full-year 2025 figure excludes a one-off GEL 29.6m expense related to revised Employee Stock Ownership Plan (ESOP) accounting treatment, which accelerated expense recognition for services rendered before official grant dates and resulting in a one-off ESOP catch-up expense in 4Q25. Reported profit was GEL 2,163.2m, with reported ROAE of 28.0%. Full-year 2024 figure excludes a one-off GEL 672.2m item, comprising a gain on bargain purchase and acquisition-related costs in Armenian Financial Services. Reported profit was GEL 2,485.2m, with a reported ROAE of 41.2%. Full-year 2023 figure excludes a one-off GEL 22.6m from a legacy claim settlement. Reported profit was GEL 1,397.3m, with a reported ROAE of 30.4%. Full-year 2022 figure excludes a one-off GEL 391.1m from a legacy claim settlement and a GEL 79.3m tax expense due to a corporate tax model change for financial institutions in Georgia. Reported profit was GEL 1,444.0m , with a reported ROAE of 41.4%.

5 Dividend estimate in respect of 2025 includes the GEL 2.75 per share declared for 4Q25 (estimated payout amount: c. GEL 128m, includes dividends on vested and exercised shares under the share-based compensation), GEL 2.65 per share declared for 3Q25 (GEL 113m paid in January 2026), and the GEL 5.10 per share declared for 1Q25 and 2Q25 (GEL 219m paid in October 2025). This results in a cumulative 2025 dividend of GEL 10.50 per share, and a cumulative FY25 dividend outflow estimate of c. GEL 460m.

6 The total payout ratio includes both cash dividends and share buybacks. The buyback payout component is calculated as the total buyback amount divided by the number of shares outstanding prior to the start of the respective programme.

2025 – continuing our strong track record

Customer franchise growth

Customer franchise growth continued in 2025, with particularly strong momentum in Armenia, driven by rising digital engagement and the ongoing adoption of customer-centric digital solutions.

Bank of Georgia, Retail Digital MAU
+15.0% y-o-y
1,833.1K

Ameriabank, Retail Digital MAU
+45.3% y-o-y
336.5K

High customer satisfaction

Customer centricity remained at the heart of our operations, with customer feedback incorporated into business decisions, resulting in high satisfaction levels throughout the year.

Bank of Georgia: NPS (third-party survey) [7]
+9.0pp y-o-y
76

Ameriabank: NPS (internal survey) [8]
+3.0pp y-o-y
80

Robust balance sheet growth

Balance sheet growth remained robust in 2025, with strong loan and deposit expansion across our core businesses.

Net loans
+19.7% y-o-y in constant currency
GEL40.1B

Client deposits
+17.3% y-o-y in constant currency
GEL38.6B

Healthy asset quality

The Group maintained healthy asset quality in 2025, underpinned by disciplined risk management and prudent lending practices.

Cost of credit risk ratio
-0.1pp y-o-y
0.4%

NPLs to gross loans
+0.1pp y-o-y
2.1%

Strong profitability

The Group maintained strong profitability, with an ROAE well above the 20%+ target.

Profit (before one-offs)[4]
+20.9% y-o-y
GEL2.2B

ROAE (adjusted for one-offs)[4]
-1.6pp y-o-y
28.4%

Attractive capital return policy

The Group continued to return capital to shareholders in 2025 through quarterly dividends and a share buyback and cancellation programme, in line with a capital return policy targeting 30–50% payout from annual profits.

Dividend per share
+16.7% y-o-y
GEL10.50

Share buyback and cancellation
+11.8% y-o-y
GEL203M

7 Based on external research by IPM Georgia, surveying a random sample of customers with face-to-face interviews. Data as of December 2025.
8 Ameriabank measures its NPS internally each month; the figure shown reflects the average of the monthly scores for FY25.

2025 milestones

2025 was another year of strong performance for the Group. Bank of Georgia maintained the quality and strength of its franchise and was named the World's Best Digital Bank for the second consecutive year, highlighting its leadership in digital innovation. Meanwhile, Ameriabank made significant progress in developing its retail banking and digital capabilities, further strengthening its position in Armenia.

February

Name change to Lion Finance Group PLC

In February 2025, the Group changed its name from Bank of Georgia Group PLC to Lion Finance Group PLC. This change reflects our broader geographical presence following the acquisition of Ameriabank, Armenia's leading bank, in March 2024.
While the Company adopted a new name, our principal entities – Bank of Georgia and Ameriabank – continue to operate under their established brands in their respective markets.

October

Global recognition for digital excellence

Bank of Georgia, one of the Group's principal entities, was named the "World's Best Digital Bank" by *Global Finance* for the second consecutive year. This recognition underscores Bank of Georgia's continued leadership in digital innovation and its commitment to delivering an exceptional customer experience.



November

GEL Eurobond issuance

Bank of Georgia successfully priced a GEL 450 million offering of 11.50% senior unsecured Notes (the "Notes") due 17 November 2028. The Notes are denominated in GEL. Rated Ba2 by Moody's and listed on the Irish Stock Exchange, this transaction was the largest local-currency Eurobond issued by a private sector entity across the Caucasus, Turkey, and Central Asia in 2025.



Macroeconomic overview of our core markets

The Group's performance is inherently linked to the macroeconomic conditions in its core markets of Georgia and Armenia. This section outlines the key economic trends and factors shaping the Group's operating environment.

A business-friendly environment

Georgia and Armenia have consistently pursued reforms to improve their business climates, featuring low tax regimes and light regulatory burden to promote entrepreneurship. Both countries are open to foreign investment, which is crucial for capitalising on growth opportunities. Furthermore, Georgia and Armenia operate several free economic zones offering favourable tax treatment to investors. Targeted tax incentives are also provided to the IT sector and technology startups to attract investment and foster innovation.

Georgia enjoys duty-free access to major markets, including the European Union (EU), China, Türkiye, the European Free Trade Association (EFTA), the United Kingdom (UK), Ukraine and the Commonwealth of Independent States (CIS).

Under Georgia's corporate income tax regime, retained earnings are not subject to taxation until distributed, which incentivises reinvestment (this preferential treatment does not apply to the financial sector).

Armenia has been a full member of Eurasian Economic Union (EAEU) since 2015 and has implemented the Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU since 2021. The country also participates in free trade arrangements under the CIS framework. In October 2025, Azerbaijan lifted restrictions on the transit of goods to Armenia, a development that followed the signing of a peace framework between the two countries in August 2025. This has significantly improved regional connectivity and trade prospects.

	Georgia	Armenia	
Index of Economic Freedom, 2025 ranking by Heritage Foundation	#35	#57	out of **184 countries**
Corruption Perception Index, 2025 ranking by Transparency International	#56	#65	out of **181 countries**
Business Ready Index, 2025 ranking based on average score by World Bank	#4	#37	out of **101 countries**
Long-term Foreign-currency Issuer Default Rating by Fitch	BB **(stable outlook)** Nov 2025	BB- **(positive outlook)** Jan 2026	

Strong growth momentum

In 2025, the economies of Georgia and Armenia maintained strong growth momentum, supported by robust domestic demand and resilient external sector inflows. Structural shifts across the region due to the Russia-Ukraine war have reinforced the roles of both countries as regional hubs for trade, transport, IT services and education. The gradual transition toward more productive sectors as key growth drivers, combined with prudent macroeconomic management, has underpinned sustained economic expansion in both countries.

We expect robust economic growth to continue in Georgia and Armenia in 2026, driven by strong private consumption, public capital expenditure and sustained external demand for services. According to the latest projections from the International Monetary Fund (IMF), both countries are expected to remain among the fastest-growing economies in the region, supporting income convergence with higher-income regional peers. This convergence process is further reinforced by ongoing investments in public infrastructure.

This baseline outlook is accompanied by elevated downside risks due to global economic uncertainty, ongoing geopolitical tensions and domestic political factors, which are discussed in greater detail in the Macro and Geopolitical Risks section on pages 111 to 112. Nevertheless, both economies continue to demonstrate resilience, supported by a broad-based growth structure, diversified external inflows and solid macroeconomic policy buffers.

	Georgia	Armenia	Peer Median
Size of the economy (Nominal GDP in 2025)	USD38 bn	USD29 bn	USD79 bn
Income per capita (Nominal GDP per capita in 2025)	USD10,297	USD9,474	USD14,723
Track record of growth (Average real GDP growth during 2015-2024)	5.6%	4.9%	3.3%
Current growth performance (Real GDP growth in 2025)	7.5%	7.2%	2.9%
Expected growth over the next five years (Projected average real GDP growth during 2026-2030)	5.3%	5.2%	3.0%

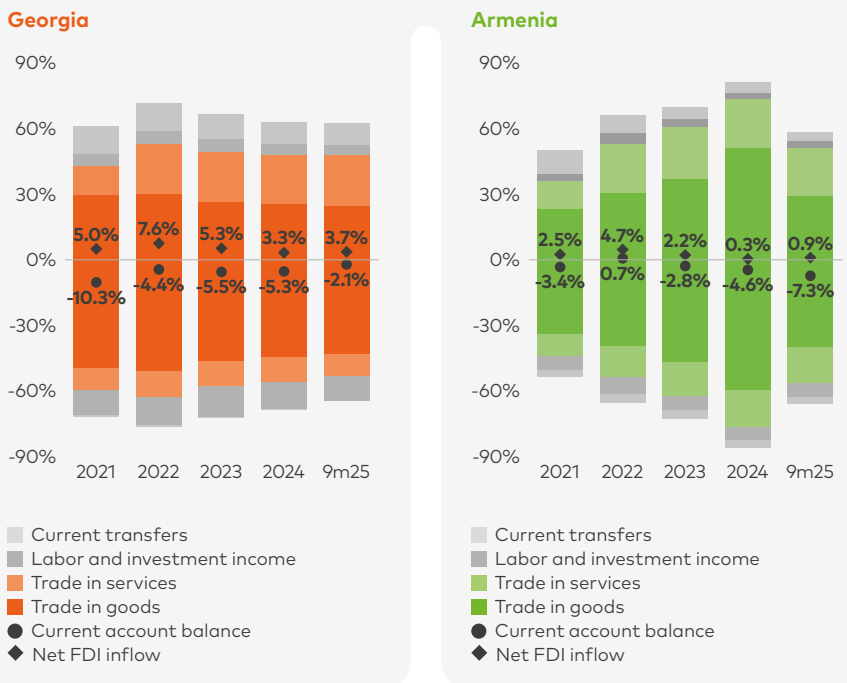
Source: IMF, Lion Finance Group PLC
Note: Peers include economies in Central and Eastern Europe, South Caucasus and Central Asia

Stable local currencies supported by resilient and diversified external sector inflows

In Georgia and Armenia, external sector inflows have remained a key driver of economic growth and local currency strength. Both countries benefit from a diversified inflow structure, with historically strong contributions from merchandise exports, international tourism and remittances. In 2025, these inflows normalised following the temporary surge observed in previous years, which was driven by migrant inflows and capital movements related to the Russia–Ukraine war.

At the same time, structural shifts across the region have supported the sustained expansion of service industries in both economies, including information and communication technology, transport and logistics, and education. The growing contribution of these sectors has enhanced the diversification of hard currency inflows and helped partially offset historically persistent merchandise trade deficits.

Composition of external flows as % of GDP



Source: Geostat, NBG, Armstat, CBA
Note: Positive and negative bars correspond to inflows and outflows, respectively

The strength of external sector inflows, together with agile macroeconomic policies in both countries, has contributed to local currency stability. During 2025, the Georgian Lari (GEL) appreciated against the US dollar by 4.0%, offsetting most of the previous year's 4.4% depreciation, while the Armenian Dram (AMD) appreciated further by 3.8%, following a 2.0% gain in the previous year.

We expect the GEL and AMD exchange rates to remain stable versus the US dollar, supported by resilient external sector inflows, sound macroeconomic policies and a positive growth outlook.

Selected currency movements against the US dollar (an increase indicates appreciation)

Source: Respective central banks

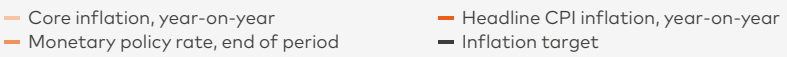
Stable inflation and prudent monetary policies

Inflation remained broadly stable in Georgia and Armenia in 2025, with modest upticks in headline inflation largely reflecting base effects from the previous year and higher food prices. Core inflation, however, stayed more contained and closer to the 3% targets in both countries, indicating well-anchored inflation expectations.

Despite this overall price stability, inflation risks remain elevated amid global trade policy uncertainty and ongoing geopolitical tensions. In response, the National Bank of Georgia (NBG) and the Central Bank of Armenia (CBA) maintained a cautious monetary policy stance. The NBG kept its policy rate unchanged at 8.0% throughout 2025, following cumulative cuts of 3.0 percentage points in 2023-2024. The CBA, meanwhile, reduced its policy rate by a modest 0.5 percentage points in 2025 to 6.5%, after cumulative cuts of 3.75 percentage points over 2023-2024.

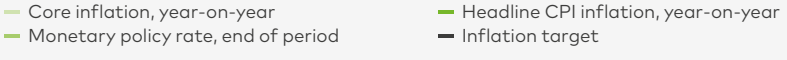
We expect that inflation will converge back to the 3% targets in both countries in 2026 as base effects fade and temporary food price pressures subside. Continued exchange rate strength should also support price stability. We anticipate the NBG to lower its policy rate by a cumulative 0.5 percentage points during the year, while the CBA is likely to be more reserved, given that its policy rate is already close to the estimated neutral level.

Georgia



Source: NBG, Geostat

Armenia



Source: CBA, Armstat

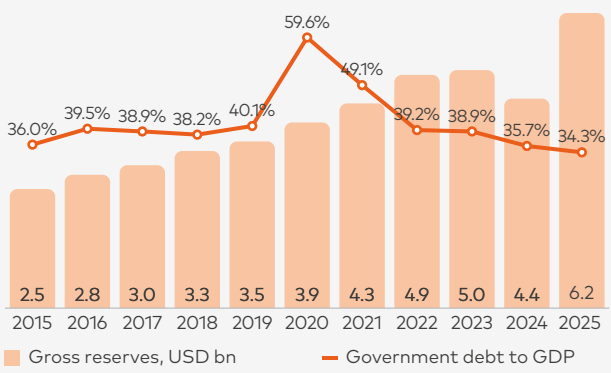
Note: Core inflation measures the underlying trend in prices by excluding volatile items, such as food and energy

Solid international reserves and fiscal discipline

In 2025, resilient external sector inflows and a favourable exchange rate environment enabled the NBG and the CBA to actively rebuild foreign currency reserves, strengthening buffers against external shocks and supporting macroeconomic stability. Georgia's gross international reserves reached USD 6.2bn by end-2025, increasing by 38.4% year-on-year, while Armenia's reserves grew by 38.0% year-on-year to USD 5.1bn over the same period. As of the end of 2025, reserve levels in both countries were within the adequacy range, according to the IMF's reserve adequacy metrics.

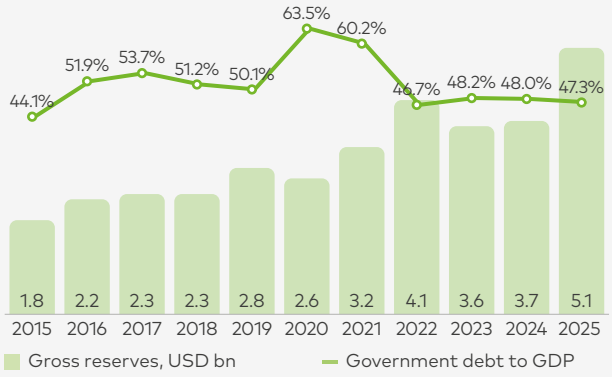
Both countries also continued to demonstrate strong fiscal discipline through the prudent management of budget deficits and public debt. In 2025, Georgia remained on a fiscal consolidation path, further reducing its government debt-to-GDP ratio, while Armenia balanced elevated spending needs with its medium-term fiscal sustainability objectives. Notably, both countries have continued to reduce the share of external debt in total government liabilities, thereby lowering exposure to exchange-rate risk.

Georgia



Source: NBG, Ministry of Finance of Georgia, Geostat

Armenia



Source: CBA, Ministry of Finance of Armenia, Armstat

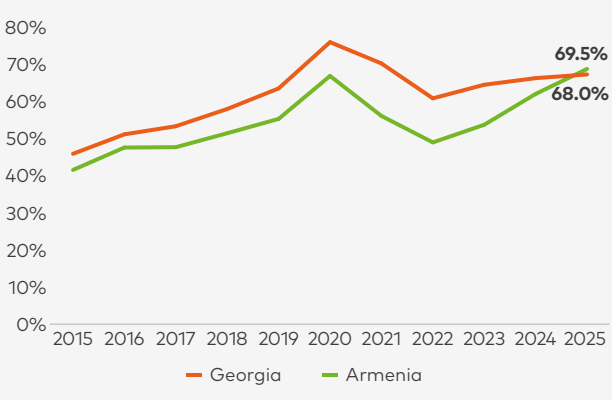
Robust banking sector performance supported by strong asset quality, high capitalisation, and lower dollarisation

In 2025, the Georgian and Armenian banking sectors sustained strong performance, supported by favourable macroeconomic tailwinds. In Georgia, bank lending growth moderated during the year and broadly aligned with nominal economic growth, expanding by 14.0% year-on-year on a constant currency basis, following a 17.0% growth in the previous year. Bank lending in Armenia remained stronger, increasing by an estimated 24.7% year-on-year over the same period, after a 25.0% growth in 2024. Lending growth in Armenia has also begun to moderate toward more sustainable levels, reflecting the gradual phasing out of the mortgage income tax refund programme.

In 2025, banking sectors in Georgia and Armenia remained financially sound, well-capitalised, highly liquid and profitable, comparing favourably with regional peers. Prudent regulations and robust risk management practices have positioned both banking systems to sustain healthy expansion going forward.

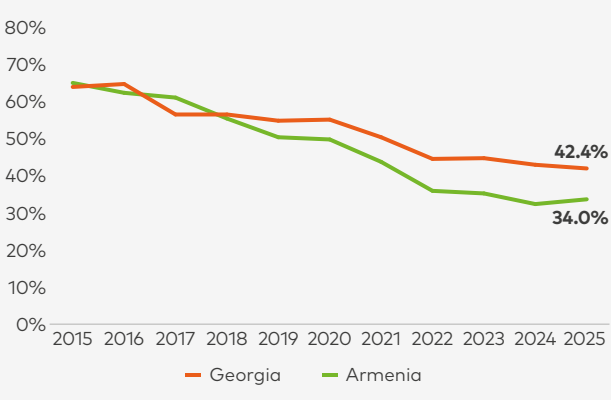
Financial dollarisation in both countries remained at historical lows, following significant declines in previous years. The NBG and the CBA continued to implement de-dollarisation measures aimed at reducing banks' exposure to exchange-rate risk. In 2025, the NBG increased the minimum threshold for unhedged foreign-currency loans from GEL 500,000 to GEL 750,000. In Armenia, mortgages and consumer loans to residents can only be issued in local currency.

Bank loans to GDP



Source: NBG, CBA

Bank loan dollarisation



Source: NBG, CBA

Chairman's statement



"As I write this letter, Lion Finance Group is confirmed as a constituent of the FTSE 100 index. This milestone reflects years of disciplined execution and a clear focus on delivering sustainable success."

Our journey towards the FTSE 100 began with the Group's GDR listing on the London Stock Exchange in 2006, embedding the highest standards of UK corporate governance and establishing a strong platform for growth. The digital and customer-centric transformation the Group launched in 2019 accelerated our progress, strengthening both our performance and our equity story. This momentum enabled the transformational acquisition of Ameriabank in 2024, significantly expanding our scale and reach. In 2025, we rebranded as Lion Finance Group to reflect the broader regional banking group we have built.

Each of these steps brought us to where we stand today – among the 100 largest companies on the London Stock Exchange. This achievement validates a strategy supported by the Board and consistently executed by management. As a Board, we are proud of how far we have come and look forward with confidence to overseeing the next chapter of the Group's development.

Another year of strong performance

The Group delivered another successful year, achieving a record profit of GEL 2.2 billion and a return on average equity of 28.4%. Our strategy continues to deliver significant value for our shareholders. Book value per share increased by 21.6%, driven by strong earnings and our ongoing share buyback programme. For 2025, we announced shareholder distributions totalling approximately GEL 663 million, comprising GEL 460 million in cash dividends and GEL 203 million in share buybacks and cancellations, representing a 30% payout in line with our policy. Combined with strong share price performance, these returns delivered a total shareholder return (TSR) of 107% for the year.

Our operating environment

Our operating environment continues to be influenced by geopolitical dynamics and local political developments that create periods of uncertainty. Despite some post-election volatility in Georgia at the beginning of 2025, our management team navigated these challenges effectively, ensuring operational continuity, while the Board maintained close oversight of all market developments. We are keeping a close eye on recent developments in the Middle East and their implications for the wider region; however, we do not expect any significant direct adverse impacts on

our core markets. Georgia and Armenia remain among the wider region's fastest growing, resilient, and most prudently managed economies. Preliminary indicators point to a strong start to 2026 in both markets, with real GDP growth projected at around 6% in Georgia and 5.5–6% in Armenia. This momentum presents meaningful opportunities, particularly if progress on the Armenia-Azerbaijan peace agreement moves towards tangible actions that promise greater regional connectivity. With leading banking franchises in both countries, the Group is well-positioned to benefit from these economic tailwinds.

Enhanced Group oversight

Enhancing our governance framework remained a key priority in 2025, with particular focus on Ameriabank's integration into the Group. The Board maintained close oversight of Ameriabank's performance and strategic progress through regular updates and ongoing engagement with Ameriabank's executive management team.

In September 2025, the Board once again convened in Yerevan, holding its second meeting in the city and continuing to strengthen its understanding of the Armenian market and Ameriabank's operations. During the visit, Directors engaged directly with management and colleagues, including through an Employee Voice meeting, which provided valuable insight into the perspectives of employees across the organisation. Alongside the Board's programme, I also met with a range of local stakeholders, including customers and the Governor of the Central Bank of Armenia, reinforcing the importance we place on building strong relationships and maintaining open dialogue as we continue to support Ameriabank's growth within the Group.

During the year, we enhanced the Board's collective capabilities with the appointment of additional Independent Non-executive Directors. In April 2025, we welcomed Karine Hirn, whose extensive experience in sustainability, international investment, and corporate governance has enhanced the Board's capabilities, particularly in Environmental, Social and Governance (ESG). In March 2026, we were also pleased to appoint Dr. Armen Orujyan as an Independent Non-executive Director. Armen brings valuable expertise in deep-tech innovation, global policy, and venture development, which will support the Group's strategic ambitions as we continue to grow.

Positive outcomes for our communities

Our definition of success extends beyond financial metrics to encompass the opportunities we create for our people, communities, and the broader economies we serve.

Throughout the year, the Board monitored progress against key strategic and ESG objectives. We were particularly pleased to see record-high NPS scores at Bank of Georgia, the expansion of the green loan portfolio at both Bank of Georgia and Ameriabank – with Bank of Georgia maintaining its position as the leading green lender in Georgia – and increased youth engagement with our financial tools and mobile app, including financial literacy content. Ameriabank launched its own dedicated financial app for schoolchildren, MyAmeria Star, advancing the Group's commitment to financial inclusion and early-stage financial education. These examples, detailed further in this Report and our separate Sustainability Report, demonstrate our holistic approach to responsible banking. Our commitment to sustainable development in Georgia and Armenia will remain central to our business in 2026 and beyond.

Strong culture

Our achievements are underpinned by a distinctive corporate culture that our CEO has consistently championed and embedded across the organisation. At its core is a commitment to putting customers first, ensuring their needs remain central to every business decision. This customer-centric approach is supported by an internal environment built on trust, transparency and a commitment to learning continuously from feedback and experience. The Group also operates a robust and granular performance management system which, alongside financial metrics, includes non-financial measures that reflect the quality of our franchise, including Net Promoter Score (NPS) as one of the organisation's north star metrics.

As a Board, we consider cultural stewardship a primary responsibility. We monitor effectiveness through detailed analysis of eNPS and employee engagement results, diversity metrics, and comprehensive Human Capital reports. Direct engagement is equally important. Employee Voice meetings held during the year provided valuable insight into employee experience across the Group. I was pleased to hear employees speak positively about the strong workplace culture, while also sharing constructive feedback on opportunities for greater engagement with senior management in Georgia, which management has addressed through expanded CEO and management town halls. At Ameriabank, colleagues also expressed appreciation for the thoughtful and respectful approach taken to cultural integration following the acquisition. Further details on our culture can be found on pages 138 to 139 of this Report.

The future

The Group's inclusion in the FTSE 100 represents an important milestone, but it is by no means the destination. Rather, it reflects the strength of our foundation and the opportunities ahead. With a resilient business model and a clear strategy in our core markets, the Group is well-positioned to continue delivering strong performance and creating sustainable value for all our stakeholders.

Mel Carvill
Board Chairman
24 March 2026

Chief Executive Officer's statement



"2025 was another record year for Lion Finance Group, as we delivered strong financial results across our core businesses. Profit before one-offs reached GEL 2.2 billion, up 20.9% year-on-year, with adjusted return on average equity at 28.4%."

These results were supported by strong profitability across Georgia and Armenia, two countries that stand out in the wider region for their resilience and prudent economic management, with GDP growth of 7.5% and 7.2% in 2025, among the highest in the area. Our leading customer franchises in these markets position us well to capture significant growth as these economies continue to converge with Central and Eastern Europe.

We continue to monitor regional developments, including the situation in the Middle East. While any human tragedy is deeply felt, from a macro perspective we do not expect a significant negative direct impact. In fact, recent shifts have prompted residents from the region to seek new homes and financial opportunities – areas where Lion Finance Group is well placed to support people in their search for better and safer lives.

Against this backdrop of resilient growth and opportunity, we achieved an important milestone: in March 2026, Lion Finance Group became a constituent of the FTSE 100 Index, effective 23 March 2026.

A historic milestone: joining the FTSE 100

This milestone arrived on the 20th anniversary of our listing on the London Stock Exchange – a moment that invites reflection on how far we have come. In 2006, when we listed our Global Depository Receipts (GDRs), our IPO was priced at $18 per GDR, with a market capitalisation of approximately USD 440 million. Fast forward and we entered the FTSE 100 with a market capitalisation of GBP 4.7 billion. Over these two decades, we have delivered a more than 50-fold increase in total assets, building a highly profitable regional banking platform focused on high-growth markets.

This achievement is a testament to sustained performance, disciplined execution, and the strength of our teams. I believe our inclusion in the FTSE 100 will enhance our profile among global institutional investors and support the next chapter of our growth journey.

Bank of Georgia: sustaining market leadership

The story of Bank of Georgia is one of continuous evolution. Our focus on understanding customer needs, acting on their feedback, and delivering relevant solutions faster than competitors has been central to our success.

Technology and artificial intelligence have become key enablers of this approach. We have embedded AI across our operations – from our GenAI chatbot that resolves 65% of queries without human intervention whilst achieving a 91% customer satisfaction score, to AI-generated personalised recommendations that drive engagement in the app, to 95% automation of unsecured loans that significantly reduces time-to-money.

We now serve over 1.8 million digital monthly active retail users – representing a compound annual growth rate of 21.3% over the past five years. More than 80% of our monthly active retail customers engage through digital channels, with up to 1 million individuals using our platforms every day. Over 70% of all retail products are now sold digitally, and customers can complete virtually any banking activity remotely, including mortgage issuance.

We maintain our position as Georgia's top-of-mind and most trusted bank[1], holding number one market share in assets, loans and deposits. Customer satisfaction, measured through our Net Promoter Score, remained consistently above 70 throughout the year, reaching 76 in the fourth quarter – a record-high result and a remarkable evolution from the mid-40s just five years ago.

This strong customer franchise translated into solid balance sheet growth, with net loans and deposits expanding by 16.1% and 14.3% year-on-year in constant currency. The depth of our customer relationships and broad market presence underpin the stability and strength of our business, providing a solid foundation for continued growth.

While the quality of our franchise in Georgia is at historically high levels, we do not stop here. We continually seek nuances and sub-products where we see upside and opportunities for improvement. These insights come from multiple sources, including regular customer feedback, rigorous internal analysis and deep-dive reviews, with a particular focus on enhancing automation and quality. Our attention to detail ensures we not only maintain our standards but also drive innovation across the business.

Ameriabank: remarkable growth and retail franchise development

Armenia is a vibrant market full of economic opportunity, which has potential to expand further as regional connectivity increases when the peace agreement with Azerbaijan is fully implemented. We will also be closely watching the parliamentary elections in June 2026, which are important for the country's medium-term strategic direction.

Ameriabank shares similar values and strategic compass that have made Bank of Georgia successful: a tech-driven, customer-centric banking franchise focused on building long-term relationships through superior service and innovation. Our strong team is successfully growing the leading corporate franchise while building and scaling the retail business. Digital monthly active retail users surged by 45.3% year-on-year to 336,000, now representing 70% of total monthly active retail customers – up from 65% in 2024. Based on the level of population penetration achieved in Georgia, tripling or even quadrupling retail Digital MAU at Ameriabank over the next few years is an ambitious yet realistic goal.

During 2025, Ameriabank rolled out several strategic initiatives to deepen customer engagement, including a loyalty system and MyAmeria Star, a banking app tailored for school students – similar to sCoolApp in Georgia. The Bank also delivered strong balance sheet growth, with net loans and deposits increasing by 28.0% and 21.9% year-on-year in constant currency, underpinning the robust financial results achieved during the year.

A notable step was Ameriabank's first-ever issuance of Additional Tier 1 Notes in February 2026. The swift subscription underscores investor trust and reflects the strength of the Bank's wealth management franchise and distribution capabilities. This issuance has enabled Ameriabank to create additional capital buffers, reinforcing its flexibility to pursue further growth and deliver on its strategic objectives.

Looking ahead

We entered 2026 on a strong note, with our inclusion in the FTSE 100 marking a significant milestone in our journey. This achievement strengthens our foundation for continued growth and reinforces our commitment to the values of performance, governance and partnership that brought us here.

Our ambition remains clear: to be the main bank in our customers' lives. We know we can do this better than many others – a capability recognised by Global Finance, which named Bank of Georgia as the World's Best Digital Bank for two years in a row. Leveraging this winning strategy, we aim to deepen customer relationships, accelerate digital innovation and replicate our success across high-growth markets.

I am confident that significant opportunities lie ahead for us to continue doing what we do best – creating long-term value for customers, employees and shareholders. Thank you for being part of this journey.

Archil Gachechiladze
Chief Executive Officer
24 March 2026

1 Brand awareness results are based on surveys conducted by a third party, IPM Georgia.

Strategy and performance

Our strategy framework

Our purpose – **empowering potential and improving lives** – underpins our strategy across our core markets of Georgia and Armenia. We drive customer-centric innovation through digital and technology-enabled banking while pursuing sustainable, responsible growth. Supported by disciplined risk management, strong capital allocation and a clear ESG commitment, we deliver high-quality financial solutions that create long-term value for our stakeholders and reinforce our leadership in the markets we serve.

Key pillars of our strategy

The main bank
Being the main bank in customers' daily lives by leveraging the digital and payments ecosystems across our core markets.

Excellent customer experience
Anticipating customer needs and wants and providing relevant products and services.

Profitable growth
Growing the balance sheet profitably and tapping segments with high growth potential.

Our stakeholders
To guide our strategy, we regularly engage with our key stakeholders and consider their views and feedback.

Employees
We empower and develop our people in an inclusive, supportive workplace.

Customers
We put customers first, delivering tailored solutions and innovative services.

Investors
We maintain trust through transparent reporting, governance and consistent performance.

Communities
We invest in financial inclusion, education and sustainable local development.

Regulators
We uphold high governance standards and comply with all regulatory requirements.

See pages 47 to 55 for Section 172(1) statement.

Our enablers

To effectively engage with and create value for our stakeholders, we leverage a set of enablers that drive our strategic execution.

Customer-centricity

Our success is anchored in a deep commitment to placing our customers at the centre of everything we do. By embedding their needs and experiences into our strategy, we deliver exceptional outcomes and create sustainable value. This customer-first approach is maintained through comprehensive, Group-wide processes, including regular management reviews and robust Key Performance Indicators (KPIs).

Data and AI

We are accelerating our transformation into a truly data-driven organisation. We leverage advanced analytics and AI to enhance decision-making, drive operational efficiency, and deliver personalised customer experiences. Our focus is on deploying these capabilities across our operations to unlock new opportunities and provide intelligent solutions in every market we serve.

People and culture

Our people are the engine of our success. We are committed to attracting, developing and inspiring a diverse and talented team. Across all our markets, we cultivate an inclusive and supportive culture that champions professional growth, collaboration and innovation, empowering our employees to achieve their full potential.

Brand strength

Our brand leadership in our core markets influences customer choice and supports sustainable growth. We operate the most trusted and top-of-mind bank in Georgia[1], as well as the top-of-mind bank in the main cities in Armenia[2]. By combining strong awareness with trust, our recognisable brands reinforce credibility and help deepen relationships with customers.

Effective risk management

A disciplined and proactive approach to risk management is fundamental to our resilience and long-term growth. By systematically identifying, assessing, and mitigating risks, we safeguard the Group's financial health and secure the confidence of our stakeholders. Our robust framework enables us to navigate uncertainty and supports long-term stability.

Our impact

Guided by our purpose and strategic pillars and leveraging these powerful enablers, we create meaningful impact and positive outcomes across our core markets.

Our sustainability focus areas include:

Financial inclusion

Broadening economic participation by leveraging digital innovation and financial literacy initiatives to empower underserved individuals and communities.

Sustainable finance

Supporting the transition to a greener economy by integrating sustainability into our core financial practices.

Employee empowerment

Nurturing a culture of excellence and strengthening our position as an employer of choice by providing equitable opportunities for development and fostering a positive employee experience.

Governance and integrity

Conducting our business in accordance with the highest standards of governance and ethical principles, ensuring accountability, transparency, and fairness guide every decision.

Key medium-term Group targets

Loan book growth	ROAE	Capital distribution payout ratio
c.15%	20%+	30-50%

1 Brand awareness results are based on surveys conducted by a third party, IPM Georgia.
2 Based on the latest result of external survey conducted by Invia.

Key performance indicators

The Group evaluates its performance through two categories of KPIs: financial KPIs, and strategic and ESG KPIs.

These performance measures are selected to consider the interests of all our stakeholders – including employees, customers, investors, and communities. This approach ensures our decision-making and strategic priorities create sustainable value for everyone connected to our business. The Board regularly reviews both financial and non-financial KPIs to ensure their continued relevance and alignment with the Group's strategic priorities and medium-term targets.

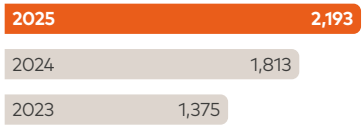
Financial KPIs are assessed at the Group level, and for 2025, they remained unchanged from the previous year. Strategic and ESG KPIs continued to evolve in 2025. Following the acquisition of Ameriabank in March 2024, we have expanded the scope of certain strategic KPIs to include Ameriabank's metrics. Specifically, we have incorporated key performance indicators including Monthly Active Customers (MAC), Digital Monthly Active Users (Digital MAU), Net Promoter Score (NPS), Employee Net Promoter Score (eNPS) and green portfolio metrics into our reporting framework. Tracking these metrics is important given Ameriabank's strategic priorities and its focus on expanding its retail customer base.

For definitions of all performance metrics included in this section, please refer to the Glossary from page 333.

Financial KPIs

Profit (before one-offs)[1]

GEL m



Performance in 2025

In 2025, the Group reported a 20.9% year-on-year increase in profit before one-off items. Georgian Financial Services contributed 78% of the full-year profit before one-offs, while Armenian Financial Services accounted for 21%.

ROAE (adjusted for one-offs)[1]

%



Performance in 2025

Adjusted ROAE stood at 28.4% in FY25 (30.0% in FY24), well above the 20%+ medium-term target.

Net interest margin (NIM)[2]

%

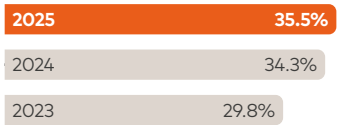


Performance in 2025

NIM stood at 6.1% in FY25 (down 0.2 percentage points (pp) year-on-year).

Cost:income ratio (adjusted for one-off items)[1]

%

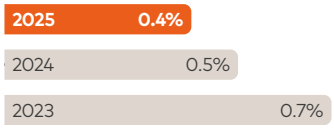


Performance in 2025

In 2025, the Group delivered adjusted cost:income ratio of 35.5%, versus 34.3% for the full year of 2024.

Cost of credit risk ratio[2]

%



Performance in 2025

The cost of credit risk ratio stood at 0.4% in FY25 versus 0.5% in FY24.

1 FY25 figures exclude a one-off GEL 29.6m expense related to revised Employee Stock Ownership Plan (ESOP) accounting treatment, which accelerated expense recognition for services rendered before official grant dates. Reported profit was GEL 2,163.2m, with an ROAE of 28.0%, and a cost:income ratio of 36.2% The 2024 figure excludes a one-off GEL 672.2m item, comprising a gain on bargain purchase and acquisition-related costs in Armenian Financial Services. Reported profit was GEL 2,485.2m, with an ROAE of 41.2%. The 2023 figure excludes a one-off GEL 22.6m from a legacy claim settlement. Reported profit was GEL 1,397.3m, with an ROAE of 30.4% and a cost:income ratio of 29.5%.

2 For FY24, net interest margin and cost of credit risk ratio were adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.

Net loan book growth in constant currency[3]

%

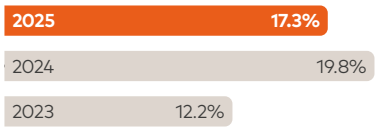


Performance in 2025

Net loans and finance lease receivables totalled GEL 40,065.7 million as of 31 December 2025, reflecting a 19.7% year-on-year increase on a constant currency basis, well above the Group's c.15% net loan book growth medium-term target.

Deposit growth in constant currency[3]

%



Performance in 2025

Client deposits and notes amounted to GEL 38,630.0 million as at 31 December 2025, up 17.3% y-o-y on a constant currency basis.

Strategic and ESG KPIs – Bank of Georgia standalone

Net promoter score (NPS) (latest)[4]



Performance in 2025

NPS remained strong throughout 2025, consistently staying above 70 and reaching 76 in December 2025.

Employee net promoter score (eNPS) (latest)[5]

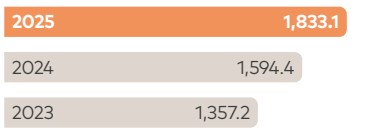


Performance in 2025

Engaged and committed employees are critical to the Group's success. The Bank's eNPS score increased to 59 by year-end (from 54 at end-2024), exceeding our target of 54.

Retail digital monthly active users (Digital MAU) (period-end)

'000

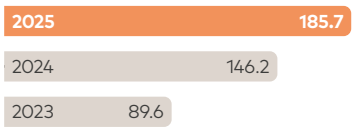


Performance at Dec 2025

This metric reflects growing adoption of the Bank's digital channels. In December 2025, Digital MAU increased 15.0% year-on-year to over 1.8 million individuals, with 54.2% engaging daily, up 4.0pp y-o-y.

sCoolApp monthly active users (MAU) (period-end)

'000

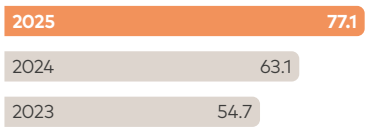


Performance at Dec 2025

We surpassed the 2025 year-end target of sCoolApp MAU of 185,000, having reached 185,700 school students by December 2025.

Number of self-employed borrowers (period-end)

'000

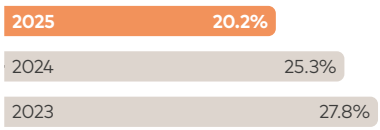


Performance at Dec 2025

The loan portfolio of self-employed borrowers amounted to GEL 994.7 million as at 31 December 2025, up 42.0% y-o-y.

Cash withdrawals in total transactions (%) by volume (December)

'000



Performance in 2025

This KPI was introduced in 2024. The figure stood at 20.2% in Dec-25, down 5.1pp y-o-y.

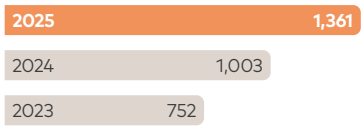
3 Dec-24 year-on-year loan and deposit growth in constant currency (CC) is calculated using exchange rates as at 31 December 2023 for all segments except AFS. Given AFS was consolidated at the end of March 2024 following the acquisition of Ameriabank CJSC, its CC loan growth was measured from end-of-March to end-of-December. For GFS and other businesses, the standard December-to-December approach applies.

4 Based on external research by IPM Georgia in December 2025.

5 Based on internal survey.

Strategic and ESG KPIs – Bank of Georgia standalone continued

Green portfolio, gross (period-end)[6]
GEL m



Performance at Dec 2025
Represents the total value of loans and financial products classified as green under the NBG's Sustainable Finance Taxonomy, measured in millions at year-end. In 2025, we exceeded our green portfolio gross target of GEL 1.2 billion.

Strategic and ESG KPIs – Ameriabank standalone

Given that Ameriabank CJSC was acquired by the Group in early 2024, strategic and ESG KPIs are presented for 2024 and 2025 only.

Net promoter score (NPS) (12-month average)[7]



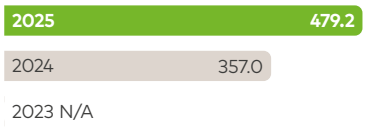
Performance in 2025
Ameriabank measures NPS internally on a monthly basis; for FY25, NPS reached 80, up from 77 in FY24.

Employee net promoter score (eNPS) (latest)[8]



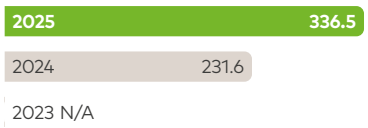
Performance in 2025
Ameriabank's eNPS score decreased to 51 by year-end (from 57 at the end of 2024). See details on page 100.

Retail monthly active customers (MAC) (period-end)
'000



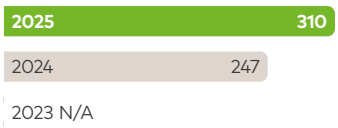
Performance at Dec 2025
In December 2025, MAC was up 34.3% y-o-y to 479,200 individuals. Of monthly active users, 70.2% engage digitally on a monthly basis, up 5.3pp y-o-y.

Retail digital monthly active users (Digital MAU) (period-end)
'000



Performance at Dec 2025
In December 2025, Digital MAU was up 45.3% y-o-y to 336,500 individuals. Of the digitally active users, 43.6% engage on a daily basis, up 0.5pp y-o-y.

Green portfolio, gross (period-end)
GEL m

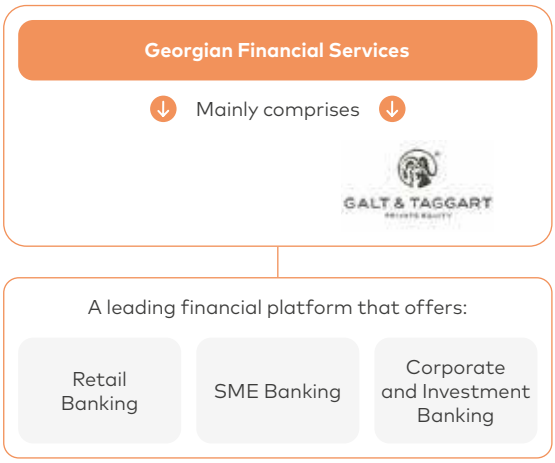


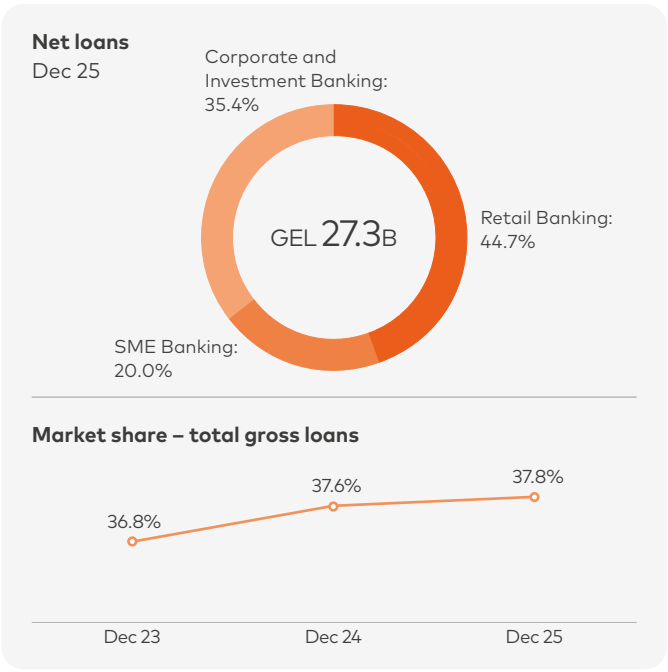
Performance at Dec 2025
In 2025, we exceeded our green portfolio gross target of GEL 285 million.

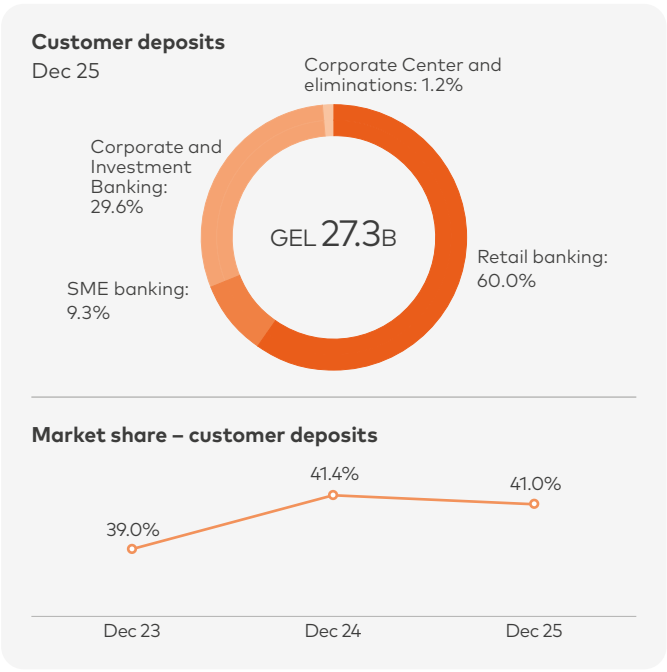
6 The 2025 green portfolio KPI was expanded to include Retail exposures alongside SME and CIB segments, whereas 2024 and earlier calculations included only SME and CIB. For proper comparison, the equivalent 2024 figure including all three segments was GEL 1,024m (Sustainability Report 2024).
7 Ameriabank measures its NPS score internally each month; the figure shown reflects the average of the monthly scores for FY25.
8 Based on internal survey.

Georgian Financial Services (GFS)

GFS represents the Group's operations in Georgia and serves as its largest Business Division, anchored by JSC Bank of Georgia at the core of its operations. Alongside the banking business, GFS encompasses JSC Galt & Taggart, the Group's investment banking and brokerage subsidiary (see page 38), as well as a number of smaller entities that contribute to the Business Division's comprehensive financial offerings.







Delivering on our strategic objectives

Digital MAU (retail)
1.8M
+15.0% y-o-y

Digital MAU (legal entities)
111.2K
+19.0% y-o-y

NPS (period-end 2025)[1]
76
+9pp from Sept-24 (latest)

Driving profitable growth

Profit (before one-offs)[2]
GEL 1.7B
+9.8% y-o-y

ROAE (adjusted for one-offs)[2]
32.0%
-1.5pp y-o-y

Cost:income ratio (adjusted for one-offs)[2]
29.8%
+1.1pp y-o-y

View a comprehensive overview of GFS financial performance: pages 125-126

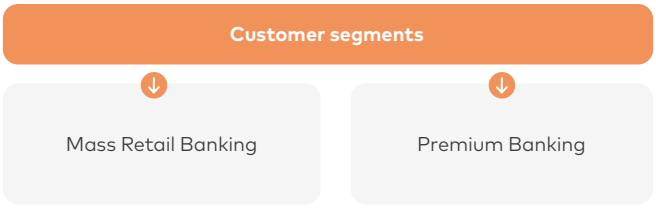
1 Figure based on external research by IPM Georgia.
2 In 2025, a GEL 29.1m one-off item at GFS reflected revised accounting for Employee Stock Ownership Plan (ESOP) awards, accelerating expense recognition for services and resulting in a one-off ESOP catch-up expense in 4Q25. Salaries, operating expenses, ROAA, ROAE and Cost:income were adjusted accordingly. Before adjustments, 2025 profit was GEL 1,679.6m with an ROAE of 31.5% and cost:income of 30.8%.

Empowering individuals – our retail banking offering

JSC Bank of Georgia is Georgia's top-of-mind and most trusted bank, serving more than 2 million monthly active retail customers with a 46% market share in individuals' deposits[1]

Customer segments

The Retail Banking business is structured into two segments: Mass Retail and Premium Banking, with the latter including SOLO (mass affluent banking) and Wealth Management divisions (for high-net-worth individuals).



A year in review

By the end of 2025, our Monthly Active Customer (MAC) base grew to 2.2 million, a 9.8% increase year-on-year, reflecting our success in customer acquisition and retention across all segments. Digital engagement showed exceptional momentum, with Digital MAU reaching 1.8 million – up 15.0% from 2024. Notably, 54.2% of these digital customers engaged with our platforms daily, demonstrating the growing integration of our services into their everyday lives.

Beyond growth metrics, we closely track customer satisfaction through Net Promoter Score (NPS), which has shown remarkable improvement over time. We have consistently maintained an NPS above 70 throughout 2025, culminating in a score of 76 in the fourth quarter. This represents a significant evolution in customer sentiment – for reference, our NPS was in the mid-40s just five years ago. This transformation reflects our sustained focus on customer experience and the success of our customer-centric business model.

Customer deposits are a primary indicator of customer trust and given our dominance in retail banking in Georgia, represent one of our key differentiators. Customer deposits in the Retail Banking segment stood at GEL 16,385.0 million as at 31 December 2025, up 14.8% year-on-year in constant currency. This resulted in a market share of 46.1% in individuals' deposits (up 0.7pp y-o-y), underpinning the strength of our customer franchise. Furthermore, net loans reached GEL 12,190.2 million as at 31 December 2025, up 19.4% year-on-year in constant currency.

Monthly active customers

2.2M

+9.8% y-o-y



Digital monthly active users

1.8M

+15.0% y-o-y



Net loans

GEL 12.2B

+19.4% y-o-y in constant currency



Customer deposits

GEL 16.4B

+14.8% y-o-y in constant currency





1. Brand awareness results are based on surveys conducted by a third party, IPM Georgia.

Our product and service ecosystem

At the core of our Retail Banking success is an integrated ecosystem where digital channels, payment solutions and loyalty mechanisms work together to create a comprehensive customer experience that serves as both our competitive advantage and the foundation for sustained relationships.

Our digital channels function as the primary interface between customers and our services, facilitating transactions and product activations while delivering personalised offers based on customer behavior patterns. Built on this foundation, our payments business creates valuable daily touchpoints with customers. These transactions provide insights into financial habits, enabling more relevant product development while generating fee and commission income. By providing a rewarding payment experience, we foster deeper customer relationships that naturally extend to other financial services we offer.

Our loyalty programme strengthens customer connections by rewarding payment transactions with points, creating a positive reinforcement cycle that encourages cashless payments.

The following sections examine our digital channels, payments business and loyalty programme in greater detail.



BOG App: Our mobile-first approach to retail banking

The BOG App stands as Georgia's leading financial superapp, combining essential banking services with personalised lifestyle offerings as well as beyond-banking solutions, including insurance marketplace and retail brokerage.

Our financial superapp: What's new in 2025

Key digital solutions

- **Fully remote mortgage process**
  We launched a comprehensive end-to-end remote mortgage solution, eliminating the need for branch visits. Customers can either apply with a pre-approved credit limit or request one at the beginning of the application. The system performs automated income, liability and credit checks, considering existing credit limits where available. Customers identify properties through property codes and select collateral, with existing properties automatically retrieved from the National Registry. Property valuations are scheduled remotely when needed. After processing, the system generates a tailored loan offer which customers and co-borrowers can sign directly in-app. Property registration with the National Registry is completed remotely via a video conference call.
- **Digital loan signing**
  We introduced in-app loan signing for branch-initiated loans, allowing customers to review details and terms digitally. Once the customer provides consent, the loan is immediately activated without paperwork.
- **Cross-border card-to-card transfers**
  We expanded our digital payment capabilities with a P2P cross-border transfer feature, enabling customers to transfer funds from their own card to another card they own in a different country.

Specialised customer spaces

- **Home space**
  A dedicated Home space was created as a central hub for property-related finances. This feature combines utility payments, bill management, payment reminders, direct debit controls and merchant offers in one location. Additional features include shared household access and spending analytics to simplify financial management for property owners.
- **sCoolApp integration for parents**
  We created a dedicated space within the BOG App for parents to easily monitor their children's sCoolApp accounts (our banking app for school children – see pages 28 to 29). Parents can view balances, transaction histories, activate templates, receive and approve money requests, and manage other aspects of their children's banking activities in one dedicated space.

Enhanced user experience

- **In-app PIN changes**
  Addressing a significant customer pain point, we introduced the ability to change card PINs directly in the app, eliminating the need to visit ATMs for this function.
- **Advanced search functionality**
  We implemented a unified search bar that combines contacts, templates, transactions, products and offers in a single interface. Results can be filtered by categories, significantly improving navigation efficiency within the app.



- **Investment portfolio**
  We added a portfolio summary widget to the main page, allowing real-time monitoring of investment performance without navigating to a special section within the app.



A year in review:

The evolution of our digital platforms reflects a deeply customer-centric approach, with feedback mechanisms and Net Promoter Score (NPS) measurements embedded directly into our digital interfaces and cascaded as key performance indicators throughout the organisation.

Our product development cycle is anchored in customer insight. We systematically gather feedback through multiple research methodologies including focus groups, surveys, usability testing and tree testing to ensure our innovations address genuine customer needs. In 2025, to enhance our digital channels we conducted 145+ research studies involving more than 40,000 participants.

More than 99% of all transactions now take place outside branches, demonstrating the comprehensive shift in customer behavior. More product sales have also migrated to digital channels, with 71% of all products sold digitally in the fourth quarter of 2025 – an increase of 10pp year-on-year. This represents a remarkable evolution from just three years ago, when digital sales accounted for approximately 45% of total sales at year-end 2022.

Share of products sold digitally (4Q25)

71%

+10pp y-o-y

Loans (4Q25)

87% +3.3 pp y-o-y 13%

Deposits (4Q25)

74% +6.5 pp y-o-y 26%

Digital
Human-assisted/branch

Payments ecosystem

Developing our payments business remains a key strategic objective, supporting our position as the main bank in customers' daily lives. This ecosystem delivers multiple advantages: card transactions provide valuable insights into spending patterns, enabling more relevant products and personalised offers, while generating significant fee and commission income that complements our interest revenue.

Our customers benefit substantially from our payment solutions through PLUS programme loyalty points, American Express Membership Rewards, merchant cashback and discounts across Georgia, and improved financial visibility via the Personal Finance Manager in our BOG App.

In 2025, we launched several significant enhancements to our payments ecosystem:

- **Cross-border P2P capabilities**
  We introduced instant cross-border person-to-person transfers, enabling seamless card-to-card transactions in both directions. This feature allows customers to instantly send and receive funds internationally between their own cards, providing a secure way to manage personal cross-border finances.
- **Interbank instant transfers**
  Bank of Georgia signed a memorandum of cooperation with partner banks to implement an innovative instant transfer system between banks. This pioneering solution – the first of its kind in Georgia – enables individuals to transfer funds between participating Georgian banks using only a mobile phone number, eliminating the complexity of traditional bank transfers and accelerating the movement of money within the country's financial system. Four banks have already been integrated into the instant payment network, with plans for further expansion. Building on this initiative, we signed a memorandum with ArCa ("Armenian Card" CJSC) to extend similar instant transfer functionality to Armenia.

We view cash as our primary competitor in the payments business and measure our success through two key metrics:

Payment monthly active users (MAU) (Dec-25):

1.6M

+13.0% y-o-y

Share of cash withdrawals in total transactions (Dec-25):

20.2%

-5.1pp y-o-y

Loyalty ecosystem

Our loyalty programme, PLUS, continues to be a cornerstone of our customer engagement strategy, built on the twin pillars of tiered membership and tier-linked benefits. Customers advance through tiers based on their activity, with each tier offering enhanced rewards and privileges.

Customers accumulate PLUS points with every debit card payment made at Bank of Georgia point of sale terminals. These points function as a virtual currency and can be redeemed for purchases at participating merchants throughout Georgia. Complementing PLUS, our second loyalty programme, Membership Rewards (MR), is exclusively linked to American Express credit cards. Customers earn MR points for every Georgian Lari spent via these credit cards, which can either be redeemed directly for payments or exchanged for PLUS points.

Following the 2024 revamp of the PLUS programme – which simplified the tier structure with monthly cycles and introduced clearly defined tiers offering progressively more points per transaction – we have observed increasingly sophisticated customer behavior in 2025. A notable trend has emerged in how customers manage their PLUS points: many customers strategically retain their points until the annual PLUS birthday celebration, when point values double. This behavior demonstrates a growing understanding of programme mechanics and optimisation of rewards value. The significance of the PLUS birthday event continues to grow. In our most recent celebration, up to 95,000 (up 60.4% year-on-year) unique clients exchanged PLUS points in a single day, conducting over 169,000 transactions – a clear indication of how deeply integrated our loyalty programme has become in customers' financial lives.

Unique customers who exchanged PLUS points at least once during the year (2025)

1.1M

+26.3% y-o-y

The PLUS programme provides multiple benefits to our broader banking strategy. It encourages card payments over cash, provides valuable spending pattern data, and significantly enhances customer retention. The emotional connection fostered through rewards and special events like the PLUS birthday creates a meaningful differentiation in Georgia's competitive banking landscape.

As we continue to refine our loyalty offerings, we remain focused on enhancing simplicity, deepening integration with key products, delivering value-based rewards and ensuring ease of use for all customers across our retail banking segments.



Mass retail banking

Our mass retail strategy is built on delivering a seamless, customer-centric experience, providing relevant solutions to a broad spectrum of the population we serve. The strength of our offering rests on our robust position in everyday banking, supported by our digital excellence – recognised as the world's best digital bank for two consecutive years by Global Finance (2024-2025) – complemented by our comprehensive loyalty programme and leadership in payment solutions (read more on our product and service ecosystem on pages 24 to 26).

We take a granular segmentation approach to mass retail banking, with financial inclusion at the core of our strategy. By identifying distinct customer groups, we gain deeper insights into their unique needs, allowing us to develop tailored solutions for all subsegments. Some of the subsegments we look at closely are self-employed individuals, ethnic minorities in Georgia, Georgian emigrants abroad, and the youth (school and university students).

Looking ahead to 2026, we will maintain focus on reaching underpenetrated and underbanked populations, ensuring broader access to the financial tools and support needed for individuals and communities to thrive.

For more information about Bank of Georgia's initiatives in financial inclusion and education, please refer to the separate Sustainability Report.

Self-employed borrowers (Dec-25)

77.1K

+22.2% y-o-y

Loan portfolio of self-employed borrowers (Dec-25)

GEL 994.7M

+42.0% y-o-y

Self-employed individuals

Previously, verifying income for self-employed clients required on-site visits to their place of business, creating operational bottlenecks and limiting efficiency. To address these challenges and advance our digital transformation, we introduced a remote income validation process in 2025. This enabled fully remote income assessments, enhancing both operational efficiency and service accessibility.

Simultaneously, we expanded digital capabilities for this segment by allowing customers to recalculate their applications through digital channels, offering greater flexibility, convenience and a more seamless experience.

As a result, the number of self-employed borrowers increased by 22.2% year-on-year, surpassing 77,000 as at 31 December 2025 versus our KPI of 69,000. The loan portfolio for self-employed borrowers stood at GEL 994.7m as at 31 December 2025, marking a 42.0% year-on-year increase.

Our strategic priority for 2026 is to maintain focus on identifying and onboarding self-employed individuals while offering them a more streamlined digital experience. We see substantial growth potential in this area, which aligns with our commitment to financial inclusion.

Ethnic minorities

Our commitment to financial inclusion extends to all of Georgia's diverse communities, which we view as a vital part of the country's social fabric. The latest census shows that ethnic minorities comprise approximately 13% of Georgia's population, underscoring the importance of advancing financial inclusion across all segments of society. Recognising that language barriers have historically posed challenges for some ethnic minority groups, we continued our focused efforts in 2025 to make our services more accessible.

Building on the integration of Turkish, Azeri and Armenian language options into the BOG App in 2024, we further enhanced accessibility by tailoring our self-service terminals for these communities. Additionally, we expanded our physical presence by opening four new branches in the heart of regions predominantly populated by Armenian and Azerbaijani communities, providing access to banking services for residents in the towns and their 10-15 surrounding villages.

Furthermore, these branches have become a source of local employment, and we have equipped our new employees with professional training to enhance their skills and serve their communities effectively.

Throughout 2025, we eliminated language barriers across all customer touchpoints:

- Extended Armenian and Azerbaijani language options to our Self-Service Terminals and integrated these languages, along with Turkish, across our entire nationwide ATM network;
- Pioneered bilingual SMS alerts, push notifications, and newsletters (Georgian-Azerbaijani/Georgian-Armenian) – a first in Georgian banking – ensuring critical information is always understood;
- Engaged with local Armenian and Azerbaijani-language media outlets while empowering customers to provide feedback through satisfaction surveys in their native languages;
- Additionally, we launched targeted cashback campaigns with local retailers in ethnic minority regions, promoting cashless payments in communities still heavily reliant on cash transactions.

Emigrants

Georgian emigrants represent a vital segment of our customer base, with remittances constituting approximately 10% of Georgia's GDP. This significant economic contribution underscores the importance of developing tailored financial solutions that address their unique needs.

Money transfers market share (2025)

50.9%

+6.6pp y-o-y

The primary challenge for this segment is geographical distance, requiring comprehensive banking services that can be accessed entirely remotely. In 2024, we began the journey of developing a fully remote mortgage process, which we further refined in 2025. This innovation allows emigrants to purchase property in their homeland without returning to Georgia.

We expanded our digital offerings in 2025 with the introduction of instant cross-border card-to-card transfers to personal accounts, enabling quick and convenient fund movements across borders. Our digital suite for emigrants now includes mortgage loans, remittance solutions, loans based on remittance history and consumer loans – all accessible from anywhere in the world.

While all retail customers benefit from these remote capabilities, they are particularly valuable for emigrants who rely exclusively on digital channels for their banking needs. By developing these specialised solutions, we strengthen ties between emigrants and their home country while facilitating their continued participation in Georgia's economy.

Youth

The youth segment comprises two primary target groups: school-age children and university students.

Students

The Student Card is our specialised banking product for university students, offering a range of benefits tailored to their lifestyle needs. Students can order both physical and digital versions of the card, with design options that reflect their personal interests.

Cardholders earn enhanced rewards through our PLUS loyalty programme and receive discounted public transportation in major Georgian cities including Tbilisi, Batumi, Rustavi and Zugdidi. In 2024, we launched the Students Healthcare Programme, providing special pricing and discounts on medical services for Student Cardholders. We expanded this initiative in 2025 to include additional healthcare providers, pharmacies and dental services, creating a more comprehensive health benefits package for students.

As of 31 December 2025, we had 242,000 active Student Card holders. Digital engagement has been strong, with up to 239,000 monthly active users accessing their cards through digital channels and over 192,000 students making regular payments with their cards each month.

These specialised banking solutions address the unique financial needs of university students while helping them manage everyday expenses in areas that matter most to them – transportation, healthcare and retail purchases.

Active student card holders (Dec-25)

242.0K

+10.1% y-o-y

Student card Digital MAU (Dec-25)

238.9K

+10.6% y-o-y

Student card payment MAU (Dec-25)

192.0K

+9.5% y-o-y

School student segment

Financial education is most effective when it begins in childhood. Our sCoolApp, launched in October 2022 as Georgia's first financial application for children, continues to evolve as a cornerstone of youth financial literacy. These specialised banking solutions represent an important segment in our retail banking portfolio, addressing specific needs while contributing to our customer acquisition and retention strategy. In 2024, we set a target of reaching 185,000 monthly active users for our sCoolApp. By 31 December 2025, we achieved up to 186,000 MAU, reflecting our dual strategy of expanding user acquisition while deepening daily engagement.

The application combines essential banking features with age-appropriate design elements that appeal to its young user base. Comprehensive security measures – including spending alerts, customisable limits and in-app parental card controls – create a protected environment where children can develop financial skills under appropriate parental supervision.

The system is integrated with our main banking application, allowing parents to set spending limits, manage card security, approve money requests and monitor transaction history. This structure ensures appropriate oversight while giving children valuable experience with financial management.

sCoolApp MAU (Dec-25)

185.7K

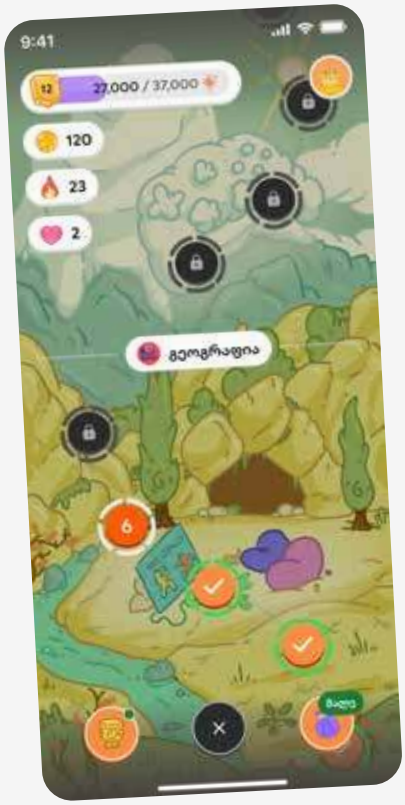
+27.0% y-o-y





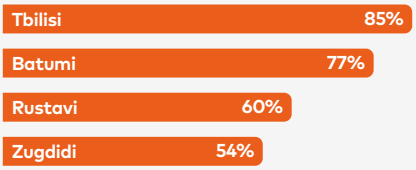
sCool Card and sCool loyalty system

The sCool Card enables students to make everyday purchases, pay for transportation with discounted fares across multiple Georgian cities, and collect loyalty points redeemable at student-relevant merchants. By the end of 2025, over 263,000 active sCool Card holders were using the service, with up to 204,000 students making regular payments monthly.



We have built a network of over 200 partners offering exclusive deals on everything from educational supplies to entertainment. In 2025, responding directly to user feedback, we introduced the ability to instantly convert sCool Points into mobile balance – enhancing the practical value of loyalty.

We monitor sCool Card penetration across Georgia's key cities to ensure broad geographical adoption. As of December 2025, the **share of pupils holding a sCool Card in selected cities is as follows:**



Active sCool Card holders:

263.2K

+35.5% y-o-y

sCool Card Payment MAU:

203.9K

+23.5% y-o-y



Digital Piggy Bank

The sCoolApp features a Digital Piggy Bank where young users take their first steps toward building saving habits. In 2025, we enhanced this feature with personalised goals and interactive progress trackers, allowing users to name specific aspirations, visualise their progress, and celebrate milestones – transforming abstract saving concepts into concrete plans.

Active sCoolApp users with an active piggy bank account:

83.6K

+20.8% y-o-y

Educational 'Stories'

Our weekly 'Stories' feature provides engaging narratives designed to build healthy financial habits by making learning part of users' daily routine. In 2025, we delivered educational stories covering essential topics including cybersecurity, banking products, saving strategies, investing concepts, card security and responsible spending.



Gamification

In 2025, we relaunched our 'TRIVIA' gamification feature inspired by Georgian fairy tales. This game invites students on a journey guided by modern interpretations of classic Georgian heroes. Players complete daily missions, answering age-appropriate questions across subjects ranging from pop culture to STEM and history.

By answering correctly, they collect stars, advance through levels and earn in-game coins, creating an engaging learning experience. Several weeks of 'TRIVIA' were dedicated to our core mission of financial empowerment, making complex topics like saving, cybersecurity and responsible spending accessible and fun.

Over 122,000 sCoolApp users completed at least one mission in 2025, demonstrating strong engagement with this educational approach.

Through this comprehensive ecosystem combining practical banking tools with educational content, we are fostering financial literacy among young people in Georgia while building relationships with the next generation of banking customers.

Premium Banking

Within our retail segment, we offer distinct premium banking services to affluent customers seeking enhanced financial solutions. Premium Banking provides a comprehensive suite of services combining traditional banking products, personalised financial solutions and exclusive lifestyle benefits – including invitation-only events and special partner offers.

This segment is structured into two key divisions: SOLO, which serves mass affluent clients, and Wealth Management (WM), which caters to high-net-worth individuals with tailored financial support and wealth management.

Premium Banking served more than 181,000 monthly active customers as at 31 December 2025, representing 19.0% year-on-year growth. Digital engagement within this segment is particularly strong, with 94.7% of Premium Banking customers using our digital platforms on a monthly basis.

SOLO

SOLO represents our premium banking service for mass affluent customers, structured across three distinct packages to ensure personalised experiences aligned with client expectations: SOLO X, SOLO Premium and SOLO Club.

SOLO members enjoy access to a range of exclusive benefits, including special offers from premium partners, invitation-only events and a dedicated premium shopping experience through exclusive boutique. SOLO Club members receive additional privileges including concierge services.

All SOLO packages include premium debit and credit cards with enhanced benefits such as airport lounge access, fast-track security clearance, and "more points" in our PLUS loyalty programme. The digital banking experience for SOLO members features a distinctive user interface with a dedicated section highlighting membership benefits and offers.

A significant addition to our physical footprint was the opening of a new SOLO Business lounge in Batumi. SOLO Business is the first-ever collaboration between our SOLO and SME segments.

This initiative addresses a significant cross-selling opportunity we identified – many SOLO customers are SME business owners, while many SME business owners qualify for SOLO membership. The new concept creates a shared lounge space that caters to both personal premium banking and business banking needs simultaneously.

While our SOLO customer base continued to grow in 2025, we observed a parallel increase in digital engagement, with Digital MAU/MAC ratio increasing by 1.0 percentage point year-on-year to 94.9%. In line with this shift toward digital servicing, we strategically closed two SOLO lounges, focusing instead on maintaining flagship premium locations while enhancing digital accessibility and relevance.

We continued to refine SOLO Events programme, with weekly activities spanning diverse interests through formats such as SOLO Talks, SOLO Hobby, and SOLO Tours.

Number of clients who used SOLO-specific offers

136.6K

+56.3% y-o-y

Number of SOLO-specific offers

1,379

+25.4% y-o-y

Wealth management

Our Wealth Management division serves high-net-worth individuals and their families with sophisticated financial solutions and personalised service.

The Wealth Management service suite encompasses comprehensive financial solutions including tailored financing options, asset management strategies focused on capital preservation and growth, and premium card products that provide exclusive privileges and enhanced convenience. Our clients benefit from specialised investment services including brokerage, research and financial consulting.

Beyond financial services, Wealth Management clients enjoy lifestyle benefits including personal concierge assistance and access to curated events and premium offers. This holistic approach addresses both the financial objectives and lifestyle aspirations of our most discerning clients, cementing our position as a trusted advisor.

Through our Wealth Management offering, we create lasting relationships with high-net-worth clients by understanding their unique circumstances, anticipating their needs and delivering bespoke solutions that reflect their individual priorities and goals.

Assets under management[1]

GEL 5.8B

+25.7% y-o-y

1 Includes bank deposits, assets placed by clients in our brokerage accounts, and client securities held in our custody.

AI at Bank of Georgia: Driving real business value in 2025

In 2025, we transitioned from foundational AI capabilities to enterprise-wide employee empowerment, integrating AI into daily workflows to boost productivity, enhance customer experience, and accelerate sales growth.

Enterprise-wide AI enablement

Democratising AI across the organisation

We enabled non-technical teams to automate tasks and unlock efficiencies through our enterprise AI platform.

Weekly adoption rate increased **from 10% to**

56% **in six months**

(80% in back-office roles)

Employees built

300+

custom AI assistants, freeing up **6,600 hours per month** for higher-value work

42%

efficiency improvement in Quality Management

40%

reduction in document analysis time

31%

increase in IT throughput

Customer Experience

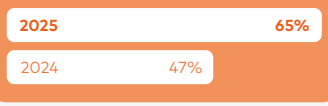
Next-generation AI chatbot

We upgraded to a sophisticated Georgian-language Generative AI chatbot, delivering intelligent, personalised interactions.

Industry leading performance

65%

Full-Service Rate
(up from 47% in 2024)



310,000+

monthly interactions

91%

customer satisfaction rate

Sales & customer acquisition

AI-Powered Sales Growth

We continued to drive more effective product cross-selling in 2025 by refining our AI-enabled targeted recommendation engine, resulting in another year of significant, measurable growth.

4%

increase in combined digital and branch sales

=

290,000+

additional products sold annually

Our globally recognised solution, named the **"World's Best AI for Private Banking"** by Global Finance, drove

29%

of non-primary client[1] acquisitions in affluent segment in 2025 through advanced AI targeting

1 Customers whose primary banking relationship is maintained outside Bank of Georgia.

Empowering businesses – our SME and Corporate banking offerings

We provide banking services to up to 133 thousand monthly active legal entities (that is businesses), encompassing individual entrepreneurs, small and medium-sized enterprises, and large corporate clients across the Georgian market. We support business growth and economic development through comprehensive financial solutions, digital platforms, and a wide range of value-added services.

Our business banking operations are structured into two distinct segments:
While these clients are segmented based on size and specific requirements, they all access the same digital channels and payment acquiring solutions developed by Bank of Georgia to meet the financial and daily banking needs of businesses across all segments.



Our product and service ecosystem

Our Corporate and SME Banking proposition is anchored by best-in-class digital channels, with our mobile and web platforms serving as the primary interface for businesses managing their financial operations. These digital channels form the cornerstone of our service delivery, providing secure, real-time access to comprehensive banking functionality tailored to business needs. Complementing this digital foundation, our payments business and merchant solutions create an ecosystem that enables companies to not only manage transactions but to also drive commercial operations through advanced payment acceptance, customer insights and business analytics.

BOG Business mobile app: our digital approach to businesses

By the end of 2025, our digital platforms for business clients demonstrated robust growth in user engagement. As of 31 December 2025, digital MAU increased to over 111 thousand, a y-o-y growth of 19.0%. This user base now constitutes 83.9% of all our active business clients, indicating a high level of digital channel adoption.

Our strategic focus is on the parallel development of our mobile application and internet banking platforms to serve the distinct needs of various business roles. We observe that small business owners mainly use the mobile app, whereas medium-sized enterprises and corporate clients typically employ both channels.

A significant segment of our corporate clients relies exclusively on the web platform. In response to the popularity of both mobile and web access, we are committed to the continuous enhancement of both channels.

Digital adoption continues to increase, with 99.5% of all business transactions now conducted through digital channels.



What's new in 2025

In 2025, significant improvements were implemented within our mobile application and digital channels. Key enhancements were rolled out across digital lending, B2B services, user experience, and operational workflows.

Digital lending and guarantees:

- Enhanced the user experience in the loan issuance process with digital solutions for adding co-borrowers, using pre-approved limits, and managing secured and conditional loans.
- Introduced fully digital performance and tender guarantees.

User experience and interface enhancements:

- Rolled out a new business homepage and improved in-app communication.
- Redesigned statement views and improved platform navigation for easier access.



B2B offers and marketing suite:

- Launched a comprehensive set of tools for business offers, including one-click activation, B2B offer capabilities and new targeting options.
- Enhanced analytics with features for custom groups, offer impressions and manually created offer analysis.
- Redesigned the ad creation flow for a more intuitive experience.

Operational and document management:

- Enabled digital invoicing and accountant referral functionalities.
- Simplified document handling with features for creating and editing documents online before signing.
- Introduced AI-driven transfers that extract invoice data and automatically create ready payment transfers.

Merchant solutions

Bank of Georgia maintains its position as the country's leading payments acquirer, driving the adoption of digital payments through enhanced user experience and service quality. Our comprehensive merchant ecosystem combines robust payment acceptance with powerful business tools, creating a compelling value proposition for businesses of all sizes.

We maintain a leading position in both issuing and acquiring sides of the payments ecosystem. Our payment infrastructure and customer journey support merchant services across multiple channels. By integrating payment capabilities with streamlined onboarding, we provide businesses with the tools they need to thrive in the digital economy.

Our payment ecosystem offers comprehensive solutions, from traditional POS terminals to modern digital methods including Apple Pay, Google Pay and BNPL. This infrastructure, alongside analytics and integrated accounting solutions, enables merchants to optimise operations and focus on growth.

We have made significant investments in merchant-focused infrastructure to enhance service quality and reliability. A major upgrade for Georgian Card – our subsidiary and Georgia's leading payment system operator, was successfully completed with the integration of a Tier 3 data centre. This enterprise-grade infrastructure provides enhanced availability and security, ensuring minimal disruptions for merchants relying on our payment processing.

Acquiring market share by volume (Dec-25)[1]

55.8%

-0.2pp y-o-y

Volume of transactions in Bank of Georgia's acquiring (2025)

GEL 22.7B

+22.5% y-o-y

Active merchants (Dec-25)

26.5K

+18.2% y-o-y

1 Acquiring volume figures exclude P2P transactions. Previously, P2P was included within e-commerce volumes; however, we consider these transactions not representative of our acquiring activity and therefore exclude them to better reflect the performance of our payments business. Figures for prior periods have been corrected accordingly for consistency and comparability.

Additionally, we are developing a proprietary point of sale (POS) system in partnership with Georgian Card, the group's fully owned payment processing subsidiary. This initiative will migrate our existing POS terminals to the new in-house platform, significantly accelerating the timeline for future product development and enabling us to respond more quickly to merchant needs.

To improve merchant satisfaction, we fundamentally revised our POS terminal delivery process. Our objective is to reduce delivery time from the previous 24-hour service level agreement to same-day delivery. Additionally, we introduced a new self-service option, allowing merchants to collect terminals from branches and perform on-site activation with guided instructions.

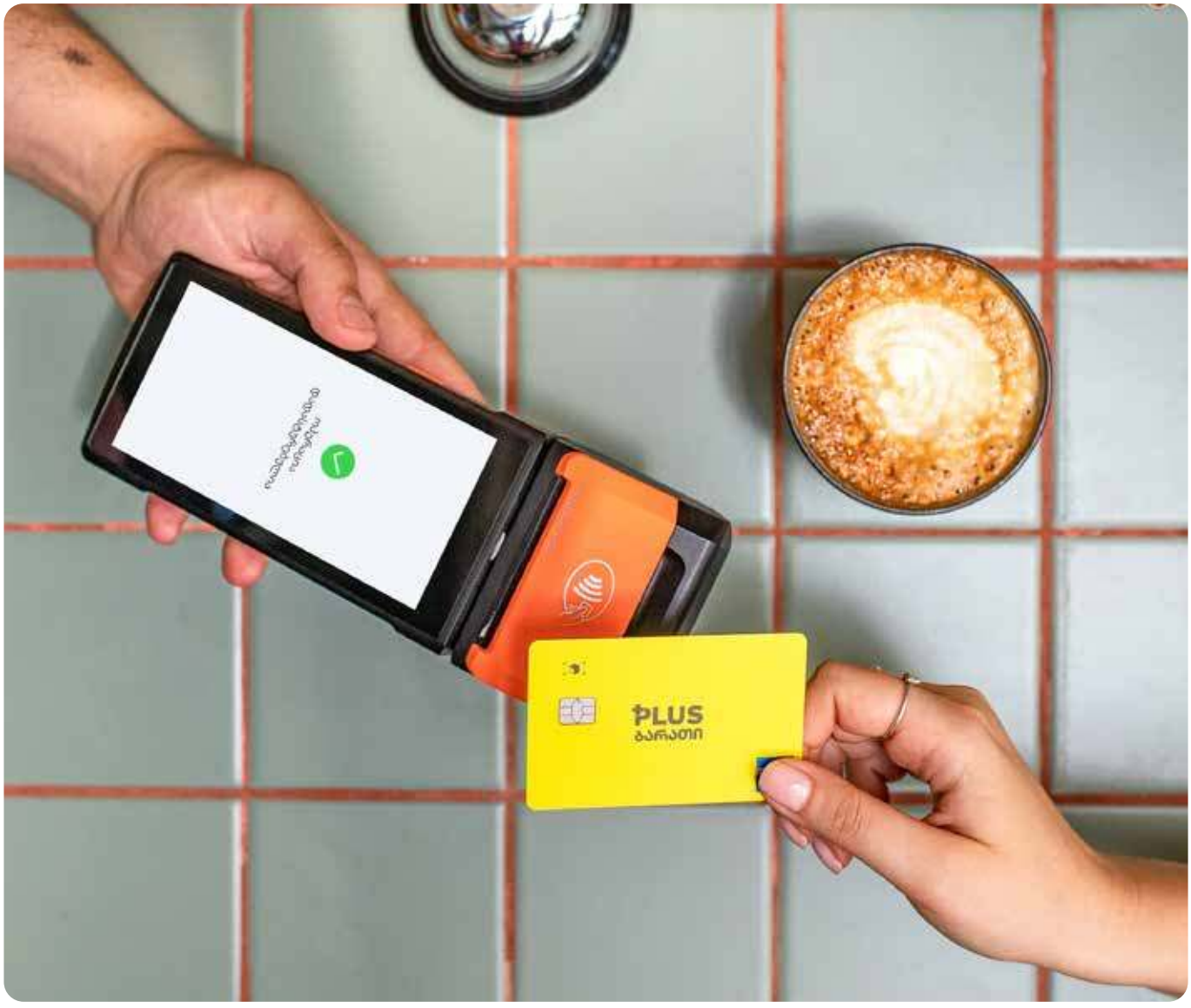
Complementing our POS infrastructure, the Business Manager platform demonstrated solid growth throughout 2025. Launched in 2023 and integrating Ads Manager, Payment Manager and API Manager, the platform enhanced its analytical capabilities to deliver automated data insights and upgraded self-service settings to reduce merchant reliance on support. AI-driven tools in Ads Manager simplified targeted offer creation for retail and business clients, resulting in a 108.5% y-o-y increase in offer volume.

Merchant offers launched

1,201

+108.5% y-o-y

- Our payment infrastructure was strategically upgraded through an enhanced integration with the CyberSource platform. This now enables our corporate clients to expand their e-commerce reach by accepting a wider variety of global and alternative payment methods.
- This integrated approach – combining sophisticated payment infrastructure with frictionless onboarding – positions our merchants for success from day one, providing them with the comfort and confidence to grow their businesses in an increasingly digital marketplace.



SME Banking

Our SME strategy centres on two fundamental objectives: accelerating client access to financing through digital innovation, and building long-term partnerships with our business customers by supporting their everyday banking and operational needs.

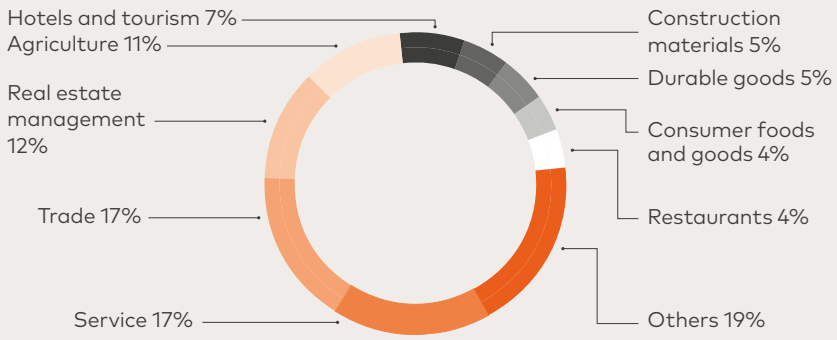
Monthly active customers
127.0K
+14.0% y-o-y

Digital monthly active users
106.1K
+19.2% y-o-y

Net loans
GEL 5.4B
+8.2% y-o-y in constant currency

Customer deposits
GEL 2.5B
+17.9% y-o-y in constant currency

SME gross loans by sector



A year in review

Our SME loan portfolio remains well-diversified, with exposure spanning all major sectors of the Georgian economy, particularly within the trade and service sectors, which continue to demonstrate strong performance.

Our SME segment continued to grow faster than the market in 2025, with net loans reaching GEL 5,447.3 million as at 31 December 2025, up 8.2% year-on-year in constant currency. Customer deposits stood at GEL 2,526.8 million, reflecting +17.9% year-on-year growth in constant currency.

Digital transformation, with a particular focus on digital lending, is ongoing and gradually reshaping how SME clients access financing. While digital lending is still in its early stages and represents a small share of SME lending, we are building on the foundation of our end-to-end digital unsecured consumer loan and have introduced a digital secured loan option for existing customers. In 2025, we launched a fully end-to-end digital secured loan, leveraging pre-approved limits to enable proactive sales and immediate access to financing, and enhanced the unsecured loan product by allowing clients to add co-borrowers entirely through digital channels.

To support businesses, we now have end-to-end digital processing for performance and tender guarantees, allowing fully online application, issuance and management. Clients can now secure tender guarantees through our business internet or mobile banking platforms without needing to visit a branch.

Recognising that logistical complexity may create barriers to business formation, we introduced a streamlined registration service enabling entrepreneurs to complete official registration as individual entrepreneurs or limited liability companies directly within select bank branches in the capital and the regions. This approach unified business registration and bank account opening into a single, streamlined journey, allowing entrepreneurs to complete all key start-up formalities within one space through a coordinated process.

As part of our strategic pillar focused on the digitalisation of SMEs, we launched a new phase of automated customer communications designed to strengthen engagement and accelerate digital adoption. During the year, we introduced several fully automated, end-to-end customer journeys, marking the beginning of a structured and scalable communication automation framework within the SME segment.

Recognising that timely and relevant communication plays a critical role in business growth, we shifted from campaign-based outreach to behaviour-triggered engagement. These journeys are powered by transactional, behavioural and lifestyle data, enabling us to deliver personalised offers and advisory messages at the right moment in each client's business journey.

Lending products sold digitally (Dec-25)
8.4%
+4.1pp y-o-y

Non-lending products sold digitally[1] (Dec-25)
48.2%
+4.7pp y-o-y

1 Non-lending products consist of deposits, cards, and subscription packages.

2025, we launched SOLO Business-a premium service of Bank of Georgia designed for founders and directors of medium-sized, growing enterprises. SOLO & SOLO Business combines the Bank's SOLO affluent banking offering for retail clients with business banking services, providing a unified solution for entrepreneurs to manage both their personal and business financial needs. The first SOLO Business location opened in Batumi, featuring a sophisticated lounge that integrates SOLO and SOLO Business services. This allows clients to address both personal and business banking needs in a single premium environment while creating cross-selling opportunities. Beyond financial solutions, SOLO Business also supports Georgia's entrepreneurial ecosystem through networking sessions, closed-door meetings and exclusive 'SOLO Business Talks,' which connect entrepreneurs with business leaders.



Value-added services: supporting businesses on every step of the journey

Beyond traditional financing, we provide businesses with access to strategic information, professional networks and advisory services that strengthen their operational capabilities and long-term competitiveness. In 2025, over 10,000 businesses benefited from our comprehensive value-added offerings.

Advisory support

Through our digital channels (Business mBank and iBank), we operate a B2B marketplace connecting SME clients with third-party partner firms offering professional services in marketing, accounting, tax assurance, HR, and business consulting at discounted rates. In 2025, 550 clients benefitted from these services. Additionally, in collaboration with the Swiss Agency for Development and Cooperation (SDC), we supported 120 regional SMEs across regions with comprehensive consulting including financial assessments, cost analysis and operational recommendations.

Empowering women entrepreneurs

In line with our commitment to fostering financial inclusion and removing barriers for women in business, we have implemented targeted programmes to support 500 female entrepreneurs across Georgia. In 2025, we delivered 11 workshops in partnership with the EFSE Entrepreneurship Academy, reaching female participants. These sessions covered topics such as organisational development, financial management and opportunities in artificial intelligence.

Our flagship "School of Women Entrepreneurs," launched in collaboration with the United Nations Development Programme (UNDP), continues to be a cornerstone of our support strategy. This programme, which combines theoretical knowledge with practical skills and professional networking, received over 1,200 applications for its 2025 cohort and provided intensive training for 90 female entrepreneurs.

Business knowledge and insights

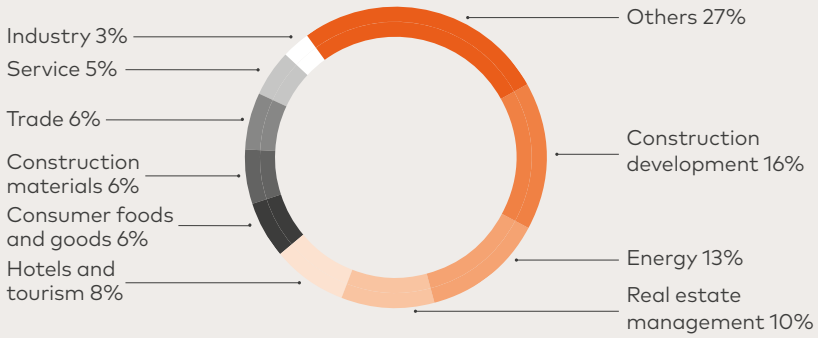
To empower entrepreneurs and support decision-making, we provide a wealth of educational resources and market intelligence, accessible to all businesses. Our free online platform, BusinessCourse.ge, offers courses covering topics essential for modern business, including ESG, digital marketing, finance and artificial intelligence. In 2025, participants accumulated 61,000 training hours, with 90 individuals successfully completing the rigorous full-course programmes.

We organised targeted webinars on entrepreneurial legislation and digital tools, and delivered masterclasses on financial literacy to 200 businesses. Recognising that supporting agricultural ventures is one of our key strategic priorities, we partnered with the Georgian Farmers' Association to hold sessions across three regions, focusing on addressing technological challenges and providing practical solutions for our clients in the agro-business sector.

Corporate and Investment Banking

Our Corporate and Investment Banking division serves Georgia's largest enterprises with sophisticated financing solutions, transactional banking services, and dedicated support. This segment plays a vital role in supporting infrastructure development, sectoral growth and economic advancement.

CIB gross loans by sector



Net loans

GEL 9.7B

+16.8% y-o-y in constant currency

Customer deposits

GEL 8.1B

+23.4% y-o-y in constant currency

A year in review

As at 31 December 2025, net loans to corporate customers reached GEL 9,651.1 million, representing a 16.8% year-on-year increase in constant currency. This growth reflects our continued commitment to supporting large-scale enterprises across strategic sectors of the Georgian economy.

The CIB loan portfolio remains well-diversified, with exposure spanning all major sectors of the Georgian economy including real estate, construction and energy.

Customer deposits in the CIB segment reached GEL 8,081.1 million as at 31 December 2025, up 23.4% year-on-year.

We have identified the energy sector as an area with significant growth potential, driven by increasing global demand and Georgia's strategic positioning in regional energy infrastructure. Our financing supports both traditional and renewable energy projects, contributing to energy security and sustainability objectives.

Significant upside remains in expanding automation ratio, and internal process improvements are underway to achieve this goal. Reducing time-to-money continues to be a key strategic priority in this segment, where larger ticket sizes make efficiency gains particularly impactful for both clients and the bank.

ESG integration

Bank of Georgia holds the leading position in green financing within the Georgian banking sector, ranking first in green lending according to the National Bank of Georgia's (NBG) definition. This achievement reflects our ongoing commitment to environmental sustainability and responsible lending practices.

We have proactively aligned our operations with forthcoming ESG regulations by integrating ESG risk assessment directly into our credit approval processes. Every sustainable component is systematically evaluated and documented prior to loan issuance, ensuring both regulatory compliance and advancement of our sustainable finance objectives.
Our green portfolio is strategically concentrated in the corporate segment, where we can deliver the most significant environmental impact. Renewable energy represents 58% of our total green portfolio, reflecting our focus on supporting Georgia's clean energy transition through investment in solar, wind and hydro power projects. These initiatives reduce carbon emissions, enhance energy independence and advance the country's climate objectives.

Energy efficiency projects account for 1% of our green portfolio, encompassing initiatives that improve performance across industrial and commercial sectors. Green buildings constitute 31% of the portfolio, where we finance sustainable infrastructure projects that meet international environmental standards.

For a comprehensive overview of our sustainable financing strategy and performance, please refer to our separate Sustainability Report.

Looking ahead to 2026, our strategic priorities centre on automation and digitisation to enhance operational efficiency and deliver elevated client experiences.

Galt & Taggart

JSC Galt & Taggart (G&T) is the Group's investment banking arm, operating across Capital Markets, Corporate Advisory, Brokerage and Research. The company is consistently recognised as Georgia's leading investment bank.

In 2025, G&T received recognition from Euromoney as **Georgia's Best Investment Bank** and **Best Broker** for the year.

Capital markets dominance

During 2025, the Georgian debt capital market was exceptionally active, and Galt & Taggart played a leading role. The firm acted as Lead Arranger on 17 bond transactions with total issuance volume of approximately GEL 3.2 billion, of which around GEL 1.7 billion was issued in the local market, while GEL 1.5 billion was placed offshore in Eurobond format.

Galt & Taggart maintained its position as the market leader

Debt capital market share*

47.8%

* Market share is calculated by dividing the total value of public debt securities arranged by Galt & Taggart by the total value of public debt securities issued on the local market. On joint deals where more than one arranger is involved, the calculation is based on distributed amount for each arranger.

Major landmark transactions included:

- Joint Lead Manager on Silk Road Group Holding's USD 400 million Eurobond, the largest Eurobond ever issued by a privately owned Georgian corporate.
- Joint Lead Manager for Georgia Healthcare Group's GEL 350 million social bond issuance, the largest GEL-denominated corporate bond issuance in the local market.
- Exclusive Lead Manager for IG Development Georgia's USD 82 million green bond programme, the largest green bond transaction ever arranged in the local market and the first of its kind in the commercial real estate sector.
- Exclusive Joint Lead Manager from local market on Bank of Georgia's GEL 450 million Eurobond, a landmark transaction that was executed in local currency; G&T also led the process of securing anchor participation from IFC on the transaction.

Corporate advisory and regional expansion

Galt & Taggart remained Georgia's leading M&A and financial advisory firm, carrying out mandates across commercial real estate, energy and regional expansion projects.

The firm leads the EU-funded, EBRD-executed Capital Market Support (CMS) Program in Armenia, implemented with Ameria Management Advisory. The programme provides IPO and bond readiness support, ESG guidance, credit rating advisory, and access to grant financing. Following the successful pilot in Georgia, this represents Galt & Taggart's first advisory mandate in Armenia and a strategic step in regional expansion.

Brokerage platform transformation

During 2025, Galt & Taggart completed a major transformation of the G&T Trader platform by migrating to Global Trading Network (GTN), significantly enhancing platform capabilities including access to over 50 stock exchanges and more than 60,000 instruments, fractional trading in stocks and bonds, access to mutual funds, 24-hour US market trading, and enhanced analytical tools.

As of year-end 2025, Galt & Taggart served over 65,000 client accounts. The firm launched Non-Discretionary Portfolio Management Services tailored for Wealth Management and High Net Worth Individuals, including personalised portfolio construction, quarterly rebalancing ideas, corporate action management and direct access to capital markets research analysts, administering above USD 50 million as of year-end 2025.

Research excellence and market intelligence

In 2025, Galt & Taggart reinforced its position as a leader in market intelligence, driven by proprietary datasets, AI-enhanced analysis, and significant expansion of its research coverage and client engagement.

2025 highlights

Broader research scope

Expanded coverage across key sectors including logistics, energy, and e-commerce, supported by proprietary surveys.

High-impact outreach

Produced over **200 publications**, hosted **6 conferences**, and delivered **50 private presentations**.

Global visibility

Distributed insights through premier financial platforms like Bloomberg, Thomson Reuters, S&P Capital IQ and FactSet.

Looking ahead to 2026, our strategy is to further deepen Georgia's capital markets by expanding ESG-labelled issuance, attracting offshore investors and introducing innovative frameworks. We will simultaneously enhance our digital capabilities and scale our advisory, portfolio management and brokerage services across all client segments.

Armenian Financial Services (AFS)

AFS represents the Group's operations in Armenia and is its second-largest Business Division. At its core is Ameriabank, acquired in March 2024. The fast-growing Armenian market offers significant potential, especially in the retail segment. AFS leverages Ameriabank's established position and the broader market's untapped opportunities to strengthen the Group's regional presence and drive sustainable growth.

Armenian Financial Services

Comprises

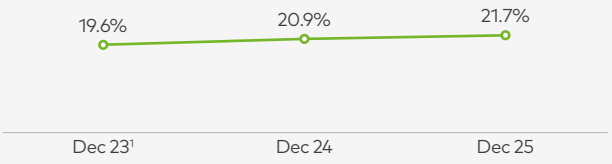
A leading universal bank that offers:

- Retail Banking
- Corporate and Investment Banking

Net loans
Dec 25



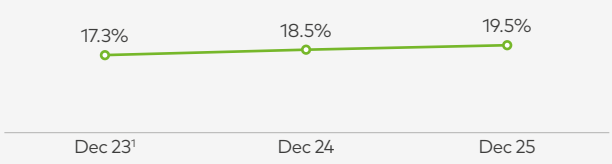
Market share – loans to customers



Customer deposits
Dec 25



Market share – customer deposits[2]



Delivering on our strategic objectives

Digital MAU (retail)
336.5K
+45.3% y-o-y

Digital MAU (legal entities)
31.2K
+23.5% y-o-y

NPS (12-month average)[3]
80
+3pp y-o-y

Driving profitable growth

Profit
GEL 452.4M
NMF[4]

ROAE
22.6%
+2.0pp y-o-y[5]

Cost:income ratio
46.2%
-3.5pp y-o-y[5]

View a comprehensive overview of AFS financial performance: pages 126-128

1 Ameriabank's 2023 figures are given for informational purposes only as it was not part of the Group as at 31 December 2023.
2 Including issued local bonds.
3 Ameriabank measures its NPS internally each month; the figure shown reflects the average of the monthly scores for FY25.
4 AFS's and hence the Group's consolidated profit for the full-year 2024 (FY24) is not fully representative of AFS's full-year performance, as Ameriabank's income statement was consolidated into the Group from 1 April 2024. Ameriabank's standalone profit grew by 23.6% year-on-year on a comparable full-year basis.
5 For full-year 2024, GEL 672.2 million was recorded as a one-off item comprising a one-off gain on bargain purchase and acquisition-related costs in Armenian Financial Services. Operating income before cost of risk and subsequent lines in the income statement as well as ROAA and ROAE were adjusted for these one-off items. Reported profit for full-year 2024 was GEL 902.3m, with an ROAE of 80.7%.

Ameriabank integration update

Following our acquisition of Ameriabank CJSC in March 2024, we have maintained a thoughtful approach to integration that respects the bank's distinct market position while aligning key functions with Group standards. Throughout 2024 and 2025, the integration process has been a regular topic on the Board's agenda, ensuring appropriate oversight of this significant strategic initiative.

Ameriabank continues to operate as a standalone bank with its local brand identity unchanged. Our integration philosophy centres on preserving the bank's operational autonomy while facilitating knowledge exchange and implementing Group policies in critical areas. We have established several workstreams across finance, risk, legal and compliance, anti-money laundering (AML) and sanctions, human resources, and information technology to ensure alignment on key Group policies and processes.

Knowledge exchange and capability building

The integration has created valuable opportunities for cross-market knowledge sharing, particularly in retail banking and technology areas. Key collaboration areas include:

Retail banking experience: Significant knowledge exchange has occurred in payments systems, loyalty programme development and digital banking for specialised segments. The successful launch of Ameriabank's loyalty programme and MyAmeria Star application for children benefited from Bank of Georgia's expertise in these domains.

Technology and data capabilities: Collaboration in data management and information security has been particularly productive. Ameriabank has established a Data Management & Enabling Tribe structure with specialised squads covering data platform, enabling, quality, metadata management and machine learning operations. This initiative will continue into 2026 with the development of a comprehensive data management strategy and implementation roadmap.

This balanced approach to integration enables both banks to maintain their distinct market positions while benefiting from shared expertise and aligned governance standards. As we move forward, we will continue to identify opportunities for knowledge exchange that strengthen both institutions while preserving their unique customer value propositions in their respective markets.

Empowering individuals – our retail banking offering in Armenia

Ameriabank stands as Armenia's leading financial institution with its customer-centric approach and well-established banking franchise, ranking first in total loans while uniquely positioned to capture significant untapped potential in the mass retail segment.

Retail Banking

Mass retail
Mass affluent: Persona package
Affluent: Premium package and Partner package.

SME

A year in review

Our retail banking performance in Armenia shows promising momentum as we continue to build on Ameriabank's established position. Our MAC base surpassed 479 thousand by the end of 2025, representing a 34.3% increase y-o-y. This growth reflects our successful customer acquisition strategy across key segments, particularly in previously underserved areas.

Digital engagement has been a central focus since Ameriabank joined the Group in 2024. MAU in our digital channels surpassed 336 thousand, up 45.3% compared to 2024, while our DAU to MAU ratio improved to 43.6%. These metrics demonstrate growing customer comfort with our digital offerings, though we recognise significant upside potential remains as we continue investing in user interface optimisation and customer education initiatives.

Monthly active customers
479.2K
+34.3% y-o-y

Digital monthly active users
336.5K
+45.3% y-o-y

Net loans
GEL 5.3B
+26.4% y-o-y in constant currency

Customer deposits
GEL 5.2B
+21.4% y-o-y in constant currency

Regional engagement outside major urban centres continues to develop positively, with customer acquisition in provincial areas showing consistent progress. This geographic diversification supports our strategy to tap into underserved markets while maintaining our strong presence in major cities.

From a market position perspective, Ameriabank maintained its #1 ranking in total loans with 21.7% market share (up 0.9pp year-on-year). As at 31 December 2025, net loans in retail segment reached GEL 5.3B, up 26.4% year-on-year in constant currency. The growth was broad-based across loan types, mainly driven by consumer loans, followed by mortgages. Our mortgage business delivered strong growth throughout the year, strengthening our position as one of Armenia's leading mortgage providers. Mortgages now comprise 52.2% of our retail loan book, and our leadership was recognised by Euromoney, which named us the Best Real Estate Bank in Armenia for the second consecutive year.

We continue to strengthen our position in deposits, where we hold the #2 position with 19.5% market share (up 1.0pp year-on-year). As at 31 December 2025, retail customer deposits reached GEL 5.2B, up 21.4% year-on-year in constant currency. The growth was broad-based across deposit types, mainly driven by time deposits, followed by current accounts. Closing this gap in deposit market share remains a strategic priority as we expand our retail franchise.

Customer satisfaction metrics have also shown positive trends, with our Net Promoter Score (NPS) reached 80 in 2025 (12-month average), up from 77 in 2024. This improvement reflects our commitment to enhancing customer experience across all touchpoints while integrating best practices from across the Group.

Our product and service ecosystem

Ameriabank's strategic vision centres on building a comprehensive ecosystem that positions us as the main bank in our customers' daily lives. This approach is particularly crucial as we focus on expanding our mass retail presence, where we see significant untapped potential. By integrating digital channels, payment solutions and loyalty mechanisms, our strategy is to create multiple daily touchpoints that drive engagement and deepen customer relationships in a market where digital banking adoption continues to evolve.

Payments ecosystem

Expanding payment capabilities forms a crucial pillar in our strategy. Our initiatives in 2025 focused on both expanding acceptance infrastructure and creating compelling reasons for customers to choose digital payments:

- The **TeamPay cooperation** extends our reach through partnership with Team Pay CJSC (the E-Wallet of Telecom Armenia), enabling co-branded digital card issuance through the TeamPay app. This integration allows seamless use across digital wallets including ApplePay, GPay and GarminPay, strategically positioning us within a complementary ecosystem.
- Our implementation of **unified QR integration** across 5,000+ Ameriabank terminals supports Armenia's initiative to develop domestic payment infrastructure less dependent on international networks. This system enables account-to-merchant transactions through simple QR code scanning in mobile banking, creating a frictionless payment experience.
- The **Visa transportation campaign** addresses the high-frequency use case of public transport payments. This strategic programme offers compelling incentives including free rides and cashback rewards, specifically targeting both new customer acquisition and increased engagement from existing customers.

Our Payment MAU surpassed 314K in 2025, demonstrating progress in our priority to shift customer behavior toward cashless transactions, though significant growth potential remains as we continue expanding acceptance points and use cases.

Loyalty ecosystem

In November 2025, Ameriabank launched loyalty platformme – a strategic initiative designed to reward engagement and create additional motivation for customers to choose Ameriabank for their daily transactions:

- **MyPoints** is fully integrated into the MyAmeria app, allowing customers to track points earned, view their current balance, and redeem rewards through QR payments at partner merchants without switching applications.
- The initial implementation features a straightforward accumulation mechanism where points are automatically earned on transactions made through Ameriabank's physical and online payment terminal network, creating immediate value for customers already using our payment services.
- Available to both personal and business customers, this points-based service uses a simple calculation system that rewards non-cash transactions across the Bank's terminal network, with redemption managed through user-friendly QR payment solutions.
- The platform's roadmap includes significant enhancements planned for 2026, including tier-based benefits, targeted promotional campaigns and more sophisticated point calculation methods that will further differentiate our offering.

Beyond the points-based loyalty programme, we introduced the **"My Ameria, My Family"** umbrella marketing campaign. This initiative provides over 15 banking product and transaction benefits, along with more than 300 prizes distributed to clients and their family members. The campaign reinforces our commitment to building long-term relationships with entire families through value-added and lifestyle-focused offerings. This approach is expected to not only enhance loyalty among existing customers, but to also serve as an effective customer acquisition tool by extending our relationship across family units. Special welcome and informative messages highlight refinancing opportunities and exclusive benefits available to family members of existing Ameriabank clients.

MyAmeria App: our digital-first approach to retail banking

The comprehensive redesign of MyAmeria in 2025 represents a pivotal step in our journey from a traditional banking app toward a true super app ecosystem. This transformation supports our customer acquisition strategy by creating a platform that appeals to digitally-oriented segments while providing expanded value to existing customers.

The redesign delivered substantial improvements to the core experience:

- Complete visual refresh with a modern, intuitive interface.
- Customisable dashboard allowing users to personalise their experience.
- Streamlined login flow with trusted device registration and biometric authentication.
- Enhanced transaction history with advanced filtering capabilities.
- Pre-approved overdraft functionality enabling instant access to credit.

Beyond these core enhancements, we've strategically expanded the app's capabilities through specialised modules:



MyCar has become a comprehensive vehicle management hub where users can handle car-related needs – from paying parking fees and traffic penalties to managing vehicle taxes and insurance – consolidating previously fragmented services into a single convenient location.



MyEventHub integration brings cultural and entertainment opportunities directly into the banking app, allowing users to browse events, purchase tickets and plan their social activities seamlessly alongside their financial management.

The new **Stories section** serves as both an engagement and educational tool, providing timely updates on products and services while helping customers discover features that enhance their banking experience.



Our expanded **Utilities integration** addresses a critical daily need, offering comprehensive management of periodic payments including utilities, garbage collection, condominium fees, insurance premiums and other recurring expenses, along with automated notifications for pending bills.





A standout component of our digital ecosystem is **MyInvest**– our in-house retail brokerage platform fully embedded within a banking app. This module provides seamless access to over 20,000 securities across more than 30 global markets, representing a significant competitive advantage in serving our mass affluent and high-net-worth segments.

In 2025, we substantially enhanced MyInvest with features that bring enhanced investment capabilities to retail investors:

- Expanding investment access through expert-designed ready-made portfolios that enable more Armenians to participate in financial markets with professionally diversified strategies, regardless of prior investment experience.
- Elevating investor education with our MyInvest Academy, providing structured learning resources and our investment vlog series to build financial literacy directly within the platform.
- Transforming trading experience with real-time market data, personalised watchlists, enhanced notifications for market movements and a completely revamped history page for comprehensive tracking of orders and trades.
- Streamlining market access through fully automated Direct Market Access to the Armenian Securities Exchange, creating an end-to-end trading process from order initiation to final settlement.
- Expanding investment horizons with new product offerings including Cryptocurrency Exchange-Traded Funds (ETFs) and Leveraged ETFs, providing exposure to emerging asset classes and strategies.

The success of these enhancements is reflected in strong user growth, with monthly active users conducting transactions through MyInvest more than doubling year-on-year. While this reflects the nascent stage of retail investment activity in the Armenian market, the momentum is encouraging. We recognise that building an investment culture requires sustained educational efforts and growing financial confidence among the population. As such, we are heavily focused on financial education initiatives and creating accessible entry points that help customers become more comfortable with investment products as their incomes grow.

Our **digital mortgage platform** exemplifies our approach to digitalising complex financial journeys. With 40.8% of primary-market mortgages now processed online, we've created a comprehensive real estate ecosystem featuring:

- Expanded geographical coverage.
- Private-seller onboarding capabilities.
- Rental and foreign property listings.
- Specialised tools including renovation cost calculators and construction progress tracking.
- Integration with housing-related service providers.

Customer segments

Ameriabank's retail banking operates through a segmentation model designed to deliver tailored value propositions across distinct customer groups. The primary segmentation framework is based on assets under management (AUM), credit turnover and loan volumes, enabling differentiated service levels and product offerings aligned with each segment's financial profile and needs.

Mass retail

Our foundational customer segment offering essential banking services including a free debit card, MyAmeria Online/Mobile Banking access and free AMD account opening with no minimum balance requirements.

Mass affluent: Persona package

Launched in 2025, this mid-tier segment bridges mass retail and premium banking. Persona clients receive complimentary status and package benefits, including access to a dedicated Telegram channel and Chatbot providing benefits and lifestyle content.

Affluent: Premium package and Partner package

Our highest-value segments feature personalised service through dedicated relationship managers in exclusive Premium Service Halls. Clients enjoy premium banking cards, priority service across branches and Contact Center, comprehensive travel benefits (lounge access, insurance, eSIM, concierge services), and preferential terms on multiple banking products.

Beyond our traditional AUM-based segmentation, Ameriabank takes a holistic approach to mass retail banking, recognising that diverse customer groups require tailored strategies for acquisition, retention and satisfaction. We have identified several key segments that present significant growth opportunities and require specialised approaches:

Regional customers: our strategy for serving customers outside major urban centres combines digital advancement with strategic physical presence. In 2025, we opened four new branches, three of them in Yerevan and 1 in the region, with five additional locations planned. This dual approach addresses both accessibility needs and the varying financial literacy levels in rural areas, where digital adoption presents unique challenges but offers substantial long-term growth potential.

Self-employed individuals: historically underserved by traditional banking models, self-employed customers often find employment-based financial products unsuitable for their needs. We're developing specialised offerings that acknowledge their unique income patterns and financial requirements, moving beyond conventional lending criteria to provide relevant solutions for this growing segment of Armenia's economy. For 2026, we're working to introduce clearly differentiated, simplified packages tailored to their specific needs, creating more accessible banking solutions that acknowledge their unique financial circumstances while enabling stronger adoption and engagement.

Students: The student segment demonstrates particularly strong digital engagement and payment adoption rates. As a market leader in this segment, we have enhanced our student-focused products to position Ameriabank as the bank of choice during this formative period when financial relationships are first established. Building on our strong market penetration, we are developing a differentiated student package for the 2026/2027 academic year that will better address students' evolving needs and engagement expectations, recognising that today's students represent tomorrow's mass affluent customers.

Banking for youth: In 2025, we launched MyAmeria Star, Armenia's first banking application designed specifically for children aged 6-18. This platform introduces children to financial concepts through an engaging, age-appropriate interface while providing comprehensive parental controls through integration with the main MyAmeria app.

MyAmeria Star features Armenia's first children's payment card (Visa Star), along with daily banking functions including mobile top-ups, money requests, video game replenishment, and both card and QR payments. For teenagers 13 and older, digital wallet integration with Apple Pay and Google Pay is available. Parents maintain full oversight of transaction history and can set custom daily transaction limits through their MyAmeria app.

Beyond payments, the platform promotes early saving habits through a specially designed kid's term deposit launched in May 2025. An engaging educational interface with lessons on saving, budgeting and responsible spending is currently being developed to further enhance financial literacy from an early age.

This approach to children's banking not only addresses a previously unserved segment but creates a pathway for young customers to grow naturally into the broader MyAmeria ecosystem as they mature.













SME Banking

Our SME Banking division focuses on accessible financing solutions designed to meet the evolving needs of growing businesses. Our tiered segmentation approach (Standard, Plus, and Prime packages) ensures businesses receive solutions aligned with their scale and goals, creating a tailored experience that evolves with client growth.

In 2025, we enhanced our product offering with several innovative solutions:

- POS/Account revolving business overdraft: This collateral-free financing option is based on transaction volumes or account turnover, processed entirely online with no early repayment fees.
- Supplementary secured lending: Existing customers with secured business loans can access additional financing without further business analysis or collateral requirements.
- Salary project overdraft: Businesses participating in our Salary Project can access overdraft facilities based on the project's volume, provided without collateral or additional analysis.

Merchant Payment Solutions

Ameriabank expanded its merchant payment infrastructure in 2025, offering a digital onboarding journey with analytical tools. Our ecosystem includes traditional POS terminals, virtual POS (vPOS) for online transactions, PhonePOS services enabling smartphones as payment terminals and integration with cash register systems.

More than a quarter of POS setup is now fully digitalised and activated through the platform. We enhanced our e-commerce capabilities by enabling Apple Pay acceptance for vPOS clients, allowing SMEs to offer secure checkout options to their customers.

Based on customer feedback, we've identified demand for integrated payroll services within the MyBusiness platform, which will be developed as we continue to expand our digital capabilities for Armenian businesses.

Empowering businesses – our Corporate and Investment Banking offering

Through our business banking offering, we serve:

- Corporate SMEs
- Large corporate clients

A year in review

Ameriabank serves the diverse needs of legal entities across Armenia through our SME and CIB divisions, providing financial solutions tailored to businesses of all sizes. As of December 2025, we served over 37,000 monthly active business clients, representing 15.8% growth year-on-year. Our business digital platforms have shown strong adoption, with digital monthly active users surpassing 31,000, an increase of 23.5% compared to 2024.

Our business loan portfolio demonstrates well-balanced diversification across key sectors of the Armenian economy. The largest exposure is to Construction at 24.3%, followed by Trade at 20.4% and Agriculture at 19.4%. This strategic diversification helps maintain portfolio resilience while supporting critical industries driving Armenia's economic development.

In 2025, our business loan book grew by 29.4% year-on-year in constant currency to reach GEL 6.5 billion, reflecting strong demand across both corporate and SME segments. Deposits increased by 22.4% year-on-year in constant currency to GEL 4.4 billion, reinforcing our position as a trusted financial partner for Armenian businesses.

Ameriabank offers an integrated ecosystem, which combines digital platforms, payment infrastructure and specialised financial services to support businesses at every stage of growth.

In 2025, we completed a significant redesign of the MyBusiness platform's authentication flows, enhancing security and user experience. Key improvements included streamlined sign-up processes, integration with Keycloak for future Single Sign-On capabilities and centralised user profiles with reusable data across applications. We also introduced Digital Business Cards – the first in Armenia – enabling faster access to payment capabilities without waiting for physical card delivery. This digital foundation supports our strategy of providing end-to-end digital journeys for business clients.

Monthly active customers

37.3K

+15.8% y-o-y

Digital monthly active users

31.2K

+23.5% y-o-y

Net loans

GEL 6.5B

+29.4% y-o-y in constant currency

Customer deposits

GEL 4.4B

+22.4% y-o-y in constant currency

Investment Banking

Our Investment Banking division maintained its position as Armenia's leading provider of sophisticated financial solutions for the country's largest companies and strategic projects in 2025. As the leading corporate bank in the market, we offer a suite of lending, transactional and trade finance products, complemented by expert advisory services for managing and structuring complex transactions.

Leveraging our sector-specific expertise, we supported major corporate clients across key industries while contributing to Armenia's economic development. The division maintained a well-diversified portfolio with strong performance primarily driven by the Construction, Agriculture and Trade sectors.

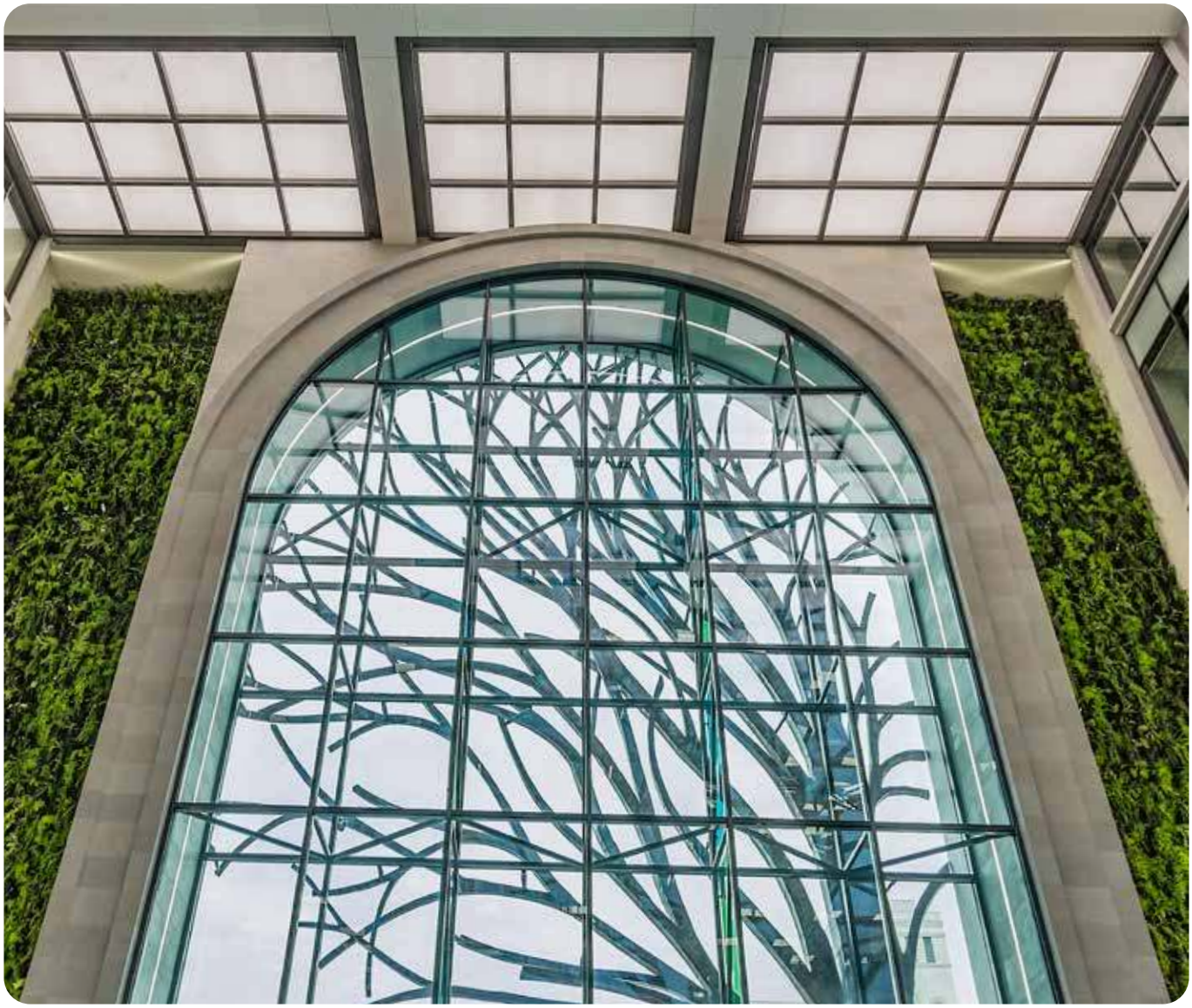
Our coverage model, refined in 2024, continues to enhance our client relationships by enabling closer engagement, better identification of specific needs, and increased product penetration – maximising our share of each client's financial activities. This approach, supported by advanced analytical tools for client data analysis and accelerated decision-making, has strengthened our ability to deliver tailored solutions.

The division remains focused on capturing a larger share of our clients' financial activity, diversifying revenue streams through non-interest income, expanding our presence in specialised segments including trade finance and leasing, and continuously developing relevant digital solutions that address the evolving needs of Armenia's enterprises.

Ameriabank's Investment Banking activities reached new milestones in 2025, highlighted by several significant transactions:

- **Record-breaking bond issuance:** We arranged the placement of USD 80 million in bonds for Viva Armenia CJSC – one of the largest capital market transactions in the Armenian market.
- **Sector diversification:** We successfully completed the first-ever bond offering in Armenia's pharmaceutical sector through a AMD 1.5 billion issuance for the country's largest pharmacy chain.
- **Product innovation:** We expanded our derivatives offering by introducing Non-Deliverable Forward (NDF) contracts to our corporate client base, providing new hedging instruments for managing currency exposures.

These developments reflect our commitment to supporting Armenian businesses at every stage of growth, from emerging SMEs to established corporations requiring sophisticated financial solutions.



Other Businesses

The Other Businesses Business Division includes JSC Belarusky Narodny Bank (BNB), a provider of retail and SME banking services in Belarus, and JSC Digital Area, a Georgia-based digital ecosystem offering integrated solutions including an e-commerce platform, ticketing services and cloud-based inventory management tools for commercial clients.

BNB

JSC Belarusky Narodny Bank provides banking services to SMEs and middle-income retail customers in Belarus.

For the full year of 2025, BNB reported a profit of GEL 62.9 million, up 52.3% y-o-y. As at 31 December 2025, BNB's equity amounted to GEL 257.9 million, up 42.5% y-o-y.

As at the same date, BNB's Tier 1 and Total capital adequacy ratios were 9.1% and 14.7%, respectively – exceeding the National Bank of the Republic of Belarus' (the 'NBRB') minimum requirements of 7.0% and 12.5%, respectively.

Digital Area

JSC Digital Area is a holding company that develops a portfolio of customer-focused digital businesses. It provides strategic and operational guidance, fostering collaboration between its companies to improve efficiency. The ecosystem features the following business verticals:

Optimo:
A streamlined POS and inventory management SaaS solution

Extra.ge:
A leading e-commerce marketplace in Georgia

Biletebi.ge:
A lifestyle and events ticketing marketplace in Georgia

500 Georgia:
A programme dedicated to accelerating early-stage startups

Optimo

Since 2024, Optimo has shifted its focus to expanding its offline (physical) point-of-sale network while maintaining a stable online presence of 1,740 points. As a result, its key operational metric – the number of offline points of sale – increased by 24.9% year-on-year, reaching 2,500 locations across Georgia and Uzbekistan by the end of 2025.

A significant development was the year-end acquisition of FINA, a business management and accounting provider. With approximately 15,000 active sales points, FINA holds a strong position in the SME and hospitality sectors. This acquisition enhances Digital Area's SME software ecosystem, creating cross-selling opportunities with Optimo.

Points of sale (physical presence)
(Georgia and Uzbekistan)
2,500
+24.9% y-o-y

Extra

Extra is a leading e-commerce platform in Georgia connecting merchants with a broad consumer base. By the end of 2025, it hosted 300+ active sellers and featured 60,000 active offers across 20 categories.

In 2025, Extra began a strategic transition to a traditional marketplace model with its partner, Mirakl. This change shifts responsibility for fulfilment and returns to merchants, enabling Extra to focus on traffic generation and platform governance. The new model is designed to reduce overheads, improve scalability, and align with global best practices.

Priorities for 2026 include completing this transition, acquiring more local sellers, and optimising logistics through strategic partnerships.

Biletebi.ge

Acquired in 2023, Biletebi.ge is a leading Georgian platform for ticketing across sports, culture and transport.
In 2025, the company onboarded 300+ event organisers and secured exclusive partnerships, including for Georgia's national football team matches and intercity bus travel. A key product enhancement was the introduction of a 'Seat View' feature.

Digital Area is now working to transform Biletebi.ge into a leading lifestyle platform by adding services such as curated event recommendations and exclusive offers.

500 Georgia

500 Georgia is a partnership between Lion Finance Group PLC, 500 Global, and Georgia's Innovation and Technology Agency (GITA) to develop an innovation hub across Eurasia, promoting entrepreneurial culture and supporting Georgian and international early-stage startups.

In November 2022, Digital Area committed USD 5 million to the USD 20 million 500 Georgia Fund to support the development of up to 120 nascent startups – with all funding to be raised by the end of 2026. Since inception, 104 startup companies participated in 500 Georgia. In 2025, while no full exits were completed, five portfolio companies successfully raised funding rounds exceeding USD 1 million each, demonstrating continued progress and the portfolio's ability to attract institutional and strategic follow-on investment.

Startup participants since inception
104
In 2025 – 18

Section 172(1) statement

In accordance with Section 172(1) of the Companies Act 2006, this statement explains how the Directors have performed their duty to the Company while having due regard to the factors set out in Section 172(1)(a) to (f). It provides an overview of how these considerations have informed key decisions and shaped the Company's strategy in the interest of long-term success.

S172 factor	Relevant disclosures
The likely consequences of any long-term decision	**Strategic focus** pages 17 to 21, 134 **Succession planning** pages 134, 139 to 140 and 150 to 155 **Governance changes** pages 135
The interests of the Company's employees	**Culture** pages 138 to 139 **Diversity, equity and inclusion** pages 94 to 96, 132, 139 to 140 and 155 to 156 **Workforce engagement** pages 49, 94 to 101 and 154 **Workforce remuneration** pages 91 and 177 to 178
The need to foster the Company's business relationships with suppliers, customers and others	**Engagement with stakeholders** pages 135 and 141 **Meetings with the auditors** page 166 **External auditor effectiveness** page 166 **Working with suppliers** page 63 **Empowering individuals** pages 23 and 30 and 40 to 44 **Empowering businesses** pages 32 to 37 and 44 to 45 **Our culture** pages 138 to 139
The impact of the Company's operations on the community and the environment	**Governance** pages 56 to 57 **Sustainable finance** pages 65 to 68 **Financial inclusion** pages 57 and 117 **Engagement with stakeholders** pages 135 and 138
The desirability of the Company maintaining a reputation for high standards of business conduct	**Culture** pages 138 to 139 **Whistleblowing** pages 63 and 167 **Risk Report** pages 169 to 175 **Conflicts of interest** pages 154 and 199 **Code of Conduct and Ethics** page 200 **Internal performance review** pages 156 to 158 **Statement of Code compliance** page 135
The need to act fairly as between members of the Company	**Strategic focus** page 134 **Share capital and rights attaching to the shares** page 198 to 199 **Results and dividends** page 199

How the Board fulfils its Section 172 duties

The Board is responsible for the long-term success of the Company, recognising that effective stakeholder engagement is essential for building a resilient and sustainable organisation. By understanding and addressing stakeholder priorities through our various engagement channels, we make more informed strategic decisions that balance competing interests while creating long-term value.

In performing their duties during 2025, the Directors have had regard to the matters set out in Section 172 of the Companies Act 2006. The Board considers potential risks and opportunities regarding each stakeholder group as part of our overall risk assessment framework, described on pages 108 to 122.

Stakeholder engagement

The Board and the Group work hard to understand and meet the needs of different stakeholder groups, and to take them into account when setting strategy, making decisions and overseeing the Company. The Board engages with and receives feedback from stakeholders, both directly and indirectly via management, and the following pages detail the specific engagement methods employed in 2025, material topics raised, and how the resulting insights influenced our strategic priorities and operational decisions to enhance long-term sustainability.

While some stakeholder engagement is conducted at the Group level, we recognise that the stakeholders based in the Group's core markets of Georgia and Armenia require a tailored approach. Accordingly, Bank of Georgia and Ameriabank address some specific customer, employee and community concerns locally, ensuring their strategies for engaging at a local level are relevant and responsive to their markets and report to the Board accordingly.

Who are our key stakeholders?

Employees

Our employees are fundamental to our success. We prioritise their wellbeing and actively seek their feedback to continuously improve our workplace. By fostering an inclusive environment where diverse perspectives are valued, we aim to attract, develop and retain talented individuals who feel heard and empowered. Our commitment extends beyond competitive compensation to comprehensive development opportunities and support systems that enable our people to thrive.

2025 key highlights

Bank of Georgia's eNPS stood at 59 at year-end 2025 (versus 54 at year-end 2024). Ameriabank's eNPS stood at 51 at year-end 2025 (versus 57 at year-end 2024).

Customers

Our core banking subsidiaries – Bank of Georgia and Ameriabank – place customers at the centre of their strategic vision. Customer feedback mechanisms are embedded within service platforms, with insights cascaded as key performance indicators throughout each organisation, beginning with executive management. This comprehensive feedback system enables our subsidiaries to continuously enhance offerings, develop innovative solutions and anticipate customers' evolving needs. By supporting customer-centric approaches that create meaningful value through tailored financial solutions, we strengthen market positions and drive sustainable growth for the Group.

2025 key highlights

Bank of Georgia's NPS (measured externally) stood at 76 at year-end 2025 (versus 67 at year-end 2024). Ameriabank's NPS (measured internally) stood at 80 in 2025 (monthly average for FY25) (versus 77 monthly average in 2024).

Investors

Attracting and retaining long-term investment is essential to our success and sustainability. We engage transparently with our diverse investor base through regular reporting, presentations, meetings and our investor relations platform. By upholding high standards of corporate governance, operating ethically and delivering consistent performance, we maintain investor trust while ensuring access to capital that supports our strategic objectives. As at 31 December 2025, some of our top institutional shareholders included Dimensional Fund Advisors (DFA) LP, J.P. Morgan Asset Management (UK) Ltd, Vanguard Group Inc., BlackRock Investment Management (UK), among others.

2025 key highlights

The Board implemented a quarterly capital return schedule. In respect of 2025, our dividends totalled GEL 10.50 per share, and we further distributed GEL 203 through the share buyback and cancellation programme, resulting in the 2025 payout ratio of 30%. The total shareholder return for 2025 was 107.1% as our share price rose 97.5% from GBP 47.10 to GBP 93.00 by year-end.

Communities

We are dedicated to supporting the wellbeing of communities in our operating markets, primarily through Bank of Georgia in Georgia and Ameriabank in Armenia. Engaging with local stakeholders helps us understand specific needs and contribute effectively to regional development. Our subsidiaries implement targeted programmes focused on financial inclusion, education and environmental sustainability, fostering stronger, more resilient communities while upholding our values as a responsible business partner committed to positive social impact.

2025 key highlights

Through Bank of Georgia and Ameriabank, our educational initiatives reached communities across Georgia and Armenia, supporting over 378,000 students, and engaging 89,000+ participants in STEM programmes to foster future innovation.

Governments and regulators

We operate in a highly regulated environment, with the Group as a UK-based holding company accountable to UK regulatory authorities, while our core subsidiaries – Bank of Georgia and Ameriabank – are also accountable to their respective national regulators. We maintain open dialogue across all regulatory relationships to ensure compliance, uphold high governance standards and act ethically in all jurisdictions where we operate.

2025 key highlights

We maintained productive engagement with regulators across all levels – from Board-level formal meetings to active participation in policy dialogues through industry associations in both Georgia and Armenia.

Suppliers

While the Group does not consider suppliers to be one of its principal stakeholders, Directors acknowledge their relevance to the business and take their interests into account where appropriate. The Board receives reporting from management on supplier-related matters, which supports oversight and awareness of supply chain developments. Our engagement with suppliers is guided by principles of fairness and sustainability. We carry out environmental and social due diligence on key suppliers, and promote responsible engagement with non-employee workers. Further details are available in the Working with suppliers section from page 63 to page 64 of this Report's Sustainability Review.

Employees

Engagement

- Employee Net Promoter Score (eNPS) and engagement surveys.
- 360° performance evaluations and competency assessments.
- Independent whistleblowing system with direct reports to the Audit Committee.
- Town halls and live Q&A sessions with senior management and CEO.
- Employee Voice meetings for workforce engagement with the Board, facilitated by Mariam Megvinetukhutsesi, Non-executive Director (more on page 154).
- Regular email newsletters and digital workplace communications.
- One-on-one meetings with managers and career development discussions.
- Quarterly product milestone reviews.
- Personal interviews with employees, including exit interviews.

Performance information provided to Directors

- eNPS results and trends across locations and departments.
- Employee engagement survey findings, highlighting strengths and areas for improvement.
- Market compensation trends and competitive positioning analysis.
- Employee turnover with underlying factors and proposed solutions.
- Diversity metrics including gender, age and other demographic representations across roles.
- Gender pay gap analysis.
- Whistleblowing reports with summaries to the Audit Committee.

Who engages?

- Human capital/HR functions within each subsidiary of the Group are responsible for overseeing the employee experience and feedback gathering and reporting.
- The CEO and other members of Executive Management at Bank of Georgia and Ameriabank hold town hall meetings and engage with managers and other employees.
- Senior Independent Non-executive Director and other Non-executive Directors attend Employee Voice meetings in Georgia and Armenia.

What they tell us matters to them

- Development opportunities.
- Recognition and appreciation.
- Competitive and fair compensation.
- Teamwork.
- A positive workplace culture.

How we delivered on their feedback this year

- **Maintaining competitive compensation practices:** We place great importance on employee feedback and are committed to ensuring our compensation practices are fair, competitive and aligned with market standards. Throughout 2025, both Bank of Georgia and Ameriabank implemented salary increases across various employee groups based on comprehensive market benchmarking. We recognise that fair and transparent compensation is an important factor in employee satisfaction and retention and remain committed to benchmarking against industry standards to maintain our competitive position in our respective markets.
- **Professional development programmes:** In response to feedback highlighting the importance of growth opportunities, Bank of Georgia implemented several initiatives to enhance professional development. We updated manager training curriculum with increased focus on constructive dialogue, feedback skills and leadership effectiveness, and also introduced tailored career development pathways for key positions throughout the organisation, providing clearer progression routes. At Ameriabank, we implemented targeted learning agendas designed for reskilling and upskilling our workforce. Throughout 2025, we strengthened technology capabilities through specialised bootcamps and AI training programmes.
- **Enhanced collaboration and knowledge-sharing:** To foster cross-functional collaboration, Bank of Georgia launched the MindShare Series, enabling colleagues to share experience and build broader organisational awareness through structured knowledge-sharing sessions. Similarly, Ameriabank organised a comprehensive engagement framework in 2025, conducting 26 team-building events spanning nearly all departments. We established five professional communities (Business Analysis, Product Ownership, Quality Assurance, Engineering, and Entrepreneurship) and facilitated approximately 20 community-led events. These initiatives have fostered knowledge exchange, strengthened our collaborative culture, and created valuable connections across the organisation.
- **Strengthening whistleblowing framework:** Ameriabank implemented an anonymous whistleblowing system for employees, aligning with Bank of Georgia's established approach. This enhancement supports our commitment to ethical practices and transparent communication.

Customers

Engagement

- Net Promoter Score (NPS) and customer satisfaction surveys, both internal and third-party.
- Digital and in-branch feedback collection at service touchpoints.
- Brand research and targeted focus groups.
- Direct feedback through relationship managers, bankers and contact centres.
- Comprehensive complaints management system with resolution tracking.
- Analysis of customer service call centre interactions for pattern insights.

Performance information provided to Directors

- Customer satisfaction metrics including NPS scores and trends.
- Quarterly reports on information security and data protection.
- Quarterly whistleblowing reports to the Audit Committee.
- Competitive positioning and market differentiation insights.
- Customer retention indicators and loyalty drivers.

Who engages?

- The Board reviews customer satisfaction measures quarterly and discusses how they compare against key competitors.
- Data and information security is a key responsibility of the Group, therefore key metrics regarding performance are discussed quarterly at the Risk Committee.
- Customer relationships are primarily managed by business units within our core subsidiaries, with customer satisfaction metrics embedded in their performance reviews and incentive structures.

What they tell us matters to them

- Simple, intuitive digital banking experience with minimal friction.
- Responsive customer service and fast resolution of issues across all channels.
- Competitive rates and transparent fees.
- Strong data security and privacy protection.
- Personalised offerings and rewards that recognise their loyalty.

How we delivered on their feedback this year

- **Enhancing digital banking capabilities:** At Bank of Georgia, a significant volume of customer requests highlighted the inconvenience of changing a card's PIN code, which previously required a visit to an ATM. In response, we introduced a feature within BOG App allowing customers to set a desired PIN directly from the app.
- Furthermore, Bank of Georgia digitalised the process for changing a loan payment date.
  This update, which was highly requested by customers, removes the need for a branch visit and provides our clients with greater flexibility in managing their loan obligations through our digital channels
- Ameriabank enhanced settlement times for card-to-card transfers, enabling quicker access to funds and improving overall mobile banking reliability.
- **Addressing ATM-related concerns:** Bank of Georgia implemented automatic SMS notifications when cards are captured by ATMs, along with an option to generate a digital card instantly to ensure uninterrupted access to funds. The Bank also improved ATM usability by displaying maximum banknote and transaction amount information.
- Ameriabank optimised the process for reviewing ATM cash-in and cash-out transaction claims by bringing log-level investigation capabilities in-house, significantly reducing resolution times.
- **Streamlining product access:** The application process for credit cards was digitalised at Bank of Georgia, enabling customers to apply directly through our digital channels without needing a pre-approved offer.
  To improve transparency in our lending process, we introduced an SMS notification for instances where a loan application is declined. These messages provide customers with general information on potential reasons for refusal and offer helpful tips for future applications.
- **Enhancing loyalty recognition:** Ameriabank launched its loyalty points-based rewards system, allowing customers to collect points through everyday payments for use at partner merchants.
- **Meeting specialised customer needs:** Recognising the unique needs of our younger customers at Bank of Georgia, we reintroduced offline functionality for the sCoolApp. This ensures that students have consistent access to their banking application, even without internet connection.

Investors

Engagement

- Quarterly results announcements and conference calls with investors and analysts.
- Annual Report and sustainability disclosures.
- Regular announcements via Regulatory News Service (RNS).
- Nine investor roadshows, with four led by the CEO.
- Participation in eleven investor conferences.
- Individual investor meetings, both virtual and face-to-face (including site visits in Georgia and Armenia).
- Perception studies conducted by the Investor Relations team.
- Engagement with proxy agencies and responses to their reports.
- Annual General Meeting with opportunity for shareholder questions.
- Dedicated shareholder consultations on the Remuneration Policy passed at the 2025 AGM.
- Regular updates to the investor relations website and social media channels.

Performance information provided to Directors

- Quarterly Investor Relations updates, including detailed investor feedback and analysis of significant shareholder movements.
- Assessments and recommendations from proxy advisors (ISS, Glass Lewis, IVIS and PIRC).
- Feedback from the Remuneration Policy review meetings and consultations.
- Share price performance relative to indices and peer group.
- Analyst consensus.

Who engages?

- This is a shared responsibility for all Directors of the Board. Engagement is predominantly led by the CEO, supported by the Investor Relations team. The whole board attends the AGM as well as some meetings during roadshows, and the Chairs of the Committees make themselves available to meet investors upon request, or if needed.
- Following the 77.89% approval of our Remuneration Policy at the 2025 AGM, the Remuneration Committee Chair engaged with over 60% of our shareholder base, focusing on our largest investors and on those who voted against the resolution to ensure their perspectives were fully understood.

What they tell us matters to them

- Macroeconomic, political and geopolitical risks.
- Capital return policy.
- Strategy and business model, particularly regarding future growth opportunities and customer franchise development.
- Strategic vision in Armenia and growth opportunities.
- Future M&A strategy.

How we delivered on their feedback this year

- **Demonstrating strategic alignment:** The Group delivered exceptional business performance, exceeding our 20%+ ROAE target with an adjusted figure of 28.4% for full-year 2025, while achieving solid loan book growth of 19.7% in constant currency, well above our c.15% target. The Group also announced plans to host an Investor Day in June 2026 in Tbilisi, Georgia, where executive leadership and senior representatives from Bank of Georgia and Ameriabank will present the Group's strategic framework, financial results, medium-term outlook, and discuss the core factors driving sustained performance across key markets.
- **Balancing growth with capital returns:** Investors expect us to balance sustainable growth with strong profitability and a robust capital return policy. Over the last few years, we have specifically engaged our shareholders on how we should return excess capital to them, leading to our combination of regular cash dividends coupled with a share buyback and cancellation programme. Throughout 2025, we maintained our commitment to our payout policy, while transitioning to quarterly dividend payments to provide our shareholders with a more consistent schedule of distributions. The 2025 payout ratio stood at 30.0%, within our 30-50% medium-term target range.
- **Delivering shareholder value:** Share price performance was outstanding in 2025, rising 97.5% from GBP 47.10 in 31 December 2024 to GBP 93.00 in 31 December 2025, resulting in total shareholder return of 107.1%, materially in excess of the wider equity market (FTSE 250: 12.9%).
- **Enhancing investor communications:** We launched a Perception Study targeting our top 40 shareholders (representing c.50% combined ownership), which led to including Ameriabank's CFO in earnings calls to provide deeper coverage of our Armenian operations. We also published a comprehensive "Top Q&A on Georgian Macro" document addressing investors' most frequent questions about Georgia's economic outlook, sovereign risk factors and growth drivers.
- **Strengthening proactive engagement:** We introduced same-day results walkthroughs for analysts and top investors immediately following releases, while implementing structured post-results outreach to gather feedback, align on consensus and manage expectations.

Communities

Engagement

- Involvement in community activities and the development of social impact programmes with charity partners.
- Attendance and participation at key sustainability events.
- Interviews with community partners and impact analysis.

Performance information provided to Directors

- ESG topics and feedback are regularly discussed at Board meetings.
- Sustainability sections of the Annual Report and the standalone Sustainability Report are reviewed and approved by the Board.

Who engages?

- Engagement is delegated to the CEO and Executive Management in local markets. Bank of Georgia and Ameriabank both have a dedicated function engaging with third parties for a variety of community outreach and philanthropic initiatives.

What they tell us matters to them

- Business support.
- Education.
- Responsible giving/charity.
- Protection of the environment.
- Children's healthcare.

How we delivered on their feedback this year

- **Expanding educational opportunities:** We continued to invest in educational infrastructure and programmes across our operating markets. Bank of Georgia expanded its "Ideatecas" initiative, adding 5 new multifunctional, modern educational libraries in 2025, bringing the total to 25 locations across 11 regions of Georgia and reaching over 18,000 students.
- Ameriabank made significant investments in upgrading facilities and laboratories at 8 universities and 7 schools in Armenia, modernising learning environments and strengthening their research capacity.
- **Supporting STEM education:** Bank of Georgia's STEM School programme, in partnership with a leading STEM school in Tbilisi, continued to provide quality science, technology, engineering, and mathematics education. Since 2023, over 2,000 students have completed the programme – approximately 64% from regional areas – with 300 receiving full scholarships.
- **Investing in children's health and community priorities:** Through its "My Ameria, My Armenia" campaign, Ameriabank allocated c. GEL 708,000[1] to community-selected priorities, with children's health and education receiving the highest public support (54.9% and 19.5% of over 55,000 votes, respectively). From more than 80 applications, 15 programmes were selected focusing on medication for children with chronic illnesses, improving quality of life for children with special needs, equipping schools with technology and providing specialised healthcare services.
- **Protecting biodiversity and natural heritage:** Bank of Georgia contributed USD 30,000 in 2025 to support 18 protected areas through its long-standing partnership with the Caucasus Nature Fund and the Agency of Protected Areas. This funding, totaling GEL 1.3 million since 2010, supports park maintenance, biodiversity protection and ranger operations. The Bank also expanded its educational outreach initiatives, partnering with 9 companies to raise awareness about environmental protection.
- **Fostering innovation ecosystems:** Ameriabank became the first bank to join FinTech Armenia Association as a Founding Member, committing to support the development of Armenia's fintech sector. The Bank's leadership teams are engaged in key institutional working groups focused on banking transformation, startups and ventures, regulatory sandboxes, and education, helping to shape the future of financial technology in Armenia.

Governments and regulators

Engagement

- To deepen Board-level understanding of our regulators, our Chair formally meets with the NBG and CBA during the year.
- Regular meetings with the NBG and the CBA happen at the Executive Management level, with the CEO engaging directly on key matters.
- The CEO participated in the policy dialogue in Georgia through different avenues, including the Banking Association of Georgia and the Business Association of Georgia. In these matters, the CEO is often assisted by other Executive Management members.
- The CEO of Ameriabank also participated in the policy dialogue in Armenia through different avenues, including the Banking Association of Armenia.

Performance information provided to Directors

- Regulatory matters are regularly discussed by the Board. Legal and regulatory updates including major changes or issues are presented quarterly to the Board by the Group's Chief Legal Officer (CLO).
- Directors are informed of all material litigation and significant regulatory engagement via reporting from the Group's CLO.

Who engages?

Engagement is delegated to the CEO and Executive Management in the local markets. The Board usually engages with the NBG and the CBA, if and when needed, and during their visits to Georgia and Armenia.

How we delivered on their feedback this year

- The Audit Committee and Risk Committee received regular updates on sanctions compliance and AML, and oversaw enhancements in these areas.
- The Directors received updates and oversaw continued adherence to legal and regulatory requirements.
- The Risk Committee considered the General Risk Assessment (GRAPE) assessment from the NBG and discussed progress against the matters raised by the NBG.

1 In 2025, Ameriabank committed AMD 100 million (c. GEL 708K at the 2025 full-year average exchange rate of GEL 7.0821 per 1000 AMD) from its corporate social responsibility budget.

Principal decisions

Principal decisions are those taken by the Board that are material, have strategic importance to the Group, or are significant to the Company's key stakeholders.

This statement describes two examples of sets of principal decisions taken by the Board during 2025.

Capital Return

Stakeholders impacted

What were the decisions?

During 2025, the Board made several principal decisions relating to capital returns, balancing shareholder expectations with the need to maintain a strong capital base and financial flexibility to support future growth.

Dividends: The Board recommended a final dividend for the financial year 2024 and approved a new quarterly interim dividend schedule in respect of the periods ended 31 March 2025, 30 June 2025, 30 September 2025, and 31 December 2025.

Share buyback programmes: In February 2025, the Board approved an extension of up to GEL 107.7 million in its share buyback and cancellation programme. This was followed by approval in August 2025 to launch a GEL 98.0 million share buyback and cancellation programme. In November 2025, the Board approved a further extension of up to GEL 51.5 million, and in February 2026, a further extension of GEL 53.5 million, bringing the total buyback for FY25 to GEL 203 million.

Capital Return Policy update: In August 2025, the Board approved changes to the Capital Return Policy. Under the updated policy, the Company moved to distributing dividends on a quarterly basis under normal circumstances, reflecting a desire to deliver regular, and predictable returns to shareholders while maintaining a disciplined approach to capital allocation. The Group's total capital distribution policy target of 30-50% of annual profits remained unchanged.

A key priority for the Board throughout the year was the management of excess capital, balancing shareholder returns through dividends and buybacks whilst maintaining flexibility to fund future growth, support customers and maintain financial resilience.

How were stakeholders engaged and their interests considered?

In determining its approach to capital return through the payment of quarterly dividends and the continuation of a regular share buyback and cancellation programme, the Board considered the interests of shareholders alongside those of other key stakeholders, consistent with its duties under section 172 of the Act and the Principles of the Code.

Shareholder expectations were informed by ongoing Board and management engagement with institutional investors. These stakeholders consistently emphasised the importance of clear, sustainable, and predictable capital return policies. The Adviser to the CEO provided quarterly updates to the Board on market sentiment and the Group's performance relative to peers, ensuring the Board remained attuned to investor expectations and market dynamics.

Regulatory expectations and supervisory guidance were carefully considered to ensure that capital return remained prudent and aligned with the Group's risk appetite and regulatory obligations. The Board reviewed detailed analysis of the capital requirements and ratios for Bank of Georgia and Ameriabank, alongside capital return scenarios and regular macroeconomic updates. On Ameriabank's side, the Board welcomed the Bank's decision and the progress in the placement of new subordinated debt and Additional Tier 1 instruments, which will further strengthen its capital position and support their capacity for sustainable growth. The Board also considered Bank of Georgia's capital adequacy ratios as at 31 December 2025, noting that all were comfortably above the minimum regulatory requirements.

Long-term strategic interests were considered through assessment of the potential impact on the Group's ability to invest in its strategy, support customers and maintain financial resilience in a dynamic operating environment.

The Board remains confident that the dividend and buyback payout ratio in the targeted 30-50% range is appropriate and sustainable, allowing the Group to return surplus capital to shareholders while retaining sufficient resources to fund growth initiatives, technological investments and emerging opportunities in Georgia and Armenia.

Actions and outcomes

The Board's decisions resulted in substantial returns to shareholders during 2025, while maintaining a robust capital position:

Dividend payments:

- On 10 October 2025, the Company paid a cumulative interim dividend of GEL 5.10 per ordinary share in respect of the periods ended 31 March 2025 and 30 June 2025.
- On 9 January 2026, the Company paid an interim dividend of GEL 2.65 per ordinary share in respect of the period ended 30 September 2025.
- On 25 February 2026, the Company announced that it will pay an interim dividend of GEL 2.75 per ordinary share in respect of the period ended 31 December 2025, on 14 April 2026, bringing the total dividend paid in respect of the Group's 2025 earnings to GEL 10.50 per share.

Share buyback programmes:

- In July 2025, the Company completed its GEL 107.7 million share buyback and cancellation programme, having repurchased and cancelled 487,974 ordinary shares.
- In November 2025, the Company completed its GEL 98.0 million share buyback and cancellation programme, having repurchased and cancelled 349,887 ordinary shares.
- As at 31 December 2025, 57,356 ordinary shares had been repurchased as part of the GEL 51.5 million programme, of which 18,000 were awaiting cancellation.
- As announced on 25 February 2026, the Board approved a GEL 53.5 million extension to its share buyback and cancellation programme which commenced on 2 March 2026.

These combined distributions resulted in a total 2025 payout ratio of 30%, in line with our distribution policy. This disciplined approach to capital return provided shareholders with consistent and transparent returns of surplus capital, while maintaining a strong capital base, robust balance sheet, and financial flexibility to support the Group's strategic ambitions.

The quarterly dividend framework introduced during the year has been well-received by investors and enhances the predictability and transparency of shareholder returns.

The Board continues to monitor capital levels, regulatory requirements, market conditions and stakeholder feedback closely to ensure that the approach to capital return remains appropriate, sustainable and aligned with the Group's long-term strategy and commitment to all stakeholders.

Further information on capital management and distributions can be found in the Strategic Report on pages 114 to 115 and in the Financial Review on page 326.

Updates to Board and Committee Composition and Director Responsibilities

Stakeholders impacted

What were the decisions?

During the year, the Board undertook a review of its composition and committee structure in accordance with succession planning, ensuring it remained well-balanced, effective and aligned with the Group's strategic priorities and regulatory requirements. Following this review, the Board approved the following key appointments and structural enhancements:

- **Appointment of Karine Hirn** as an independent Non-executive Director, bringing extensive experience in sustainability, international investment, investor relations, corporate governance and stakeholder management.
- **Introduction of cross-committee membership** for the Chairs of the Audit and Risk Committees to enhance collaboration, information flow and oversight.
- **Appointment of Véronique McCarroll** as Senior Independent Non-executive Director (SID) to provide independent challenge and support to the Chair of the Board.
- **Appointment of Mariam Megvinetukhutsesi** as the designated Non-executive Director for workforce engagement, ensuring employee perspectives are represented at Board level.
- **Appointment of Andrew McIntyre** as Chair of the Audit Committee in accordance with the Company's succession planning procedures.

How were stakeholders engaged and their interests considered?

In reaching these decisions, the Board considered the interests and perspectives of a broad range of stakeholders through systematic engagement and careful analysis.

Shareholders and investors were informed by ongoing engagement led by the Chair and the management team, as well as by feedback from proxy advisory agencies. The appointment of Karine Hirn directly reflected investor and broader stakeholder interest in enhanced sustainability expertise at Board level, as well as through the Board skills matrix which had identified this gap.

Regulatory requirements were carefully considered, particularly in relation to Board independence, committee effectiveness, and risk oversight. The decision to introduce cross-committee membership between the Audit and Risk Committee Chairs was informed by evolving best practice within the banking sector. The Board considered that appointing Andrew McIntyre as Chair of the Audit Committee would strengthen the Committee's ability to deliver on its objectives, leveraging his extensive international experience and expertise in audit, accountancy and financial services.

Workforce perspectives were considered through existing employee engagement mechanisms, including Employee Voice forums and regular workforce reporting to the Board. The appointment of Mariam Megvinetukhutsesi as designated Non-executive Director for workforce engagement ensured continuity of workforce representation at Board level following the retirement of her predecessor. Her local background, regional experience, and native fluency in Georgian were considered important factors in supporting direct, open and culturally inclusive engagement with employees across the Group's principal markets.

Customers and communities benefit indirectly from enhanced Board effectiveness and sustainability expertise, which support the Group's ability to deliver responsible, sustainable banking services aligned with evolving societal expectations.

Actions and outcomes

Following implementation, the refreshed Board and committee structure operated effectively throughout the remainder of the year.

Karine Hirn integrated quickly into the Board, contributing insight on sustainability matters and providing additional depth to Board discussions on long-term value creation and stakeholder expectations.

The introduction of cross-committee membership between the Audit and Risk Committee Chairs has enhanced the flow of information, improved consistency of oversight and strengthened the Board's ability to identify and respond to emerging risks in a timely and coherent manner. This structural enhancement supports more effective oversight of financial reporting, internal controls, and the Group's risk profile, and will inform the Board's assessment of the effectiveness of the risk management and internal control framework going forward.

Since his appointment as Chair of the Audit Committee, Andrew McIntyre has continued to provide strong guidance to the Audit Committee and the Board, bringing valuable insight from his international financial services experience and his professional background. The Committee performance review noted positive feedback on his leadership, oversight, and effectiveness in delivering the Committee's objectives.

Véronique McCarroll's appointment as SID ensured continuity in this critical role following her predecessor's retirement. She has reinforced the Board's governance framework, providing a clear point of contact for shareholders and serving as a trusted adviser to the Chair on matters of board effectiveness and stakeholder relations.

In her role as designated Non-executive Director for workforce engagement, Mariam Megvinetukhutsesi hosted Employee Voice meetings in both Georgia and Armenia during 2025 which were also attended by other members of the Board. These sessions have deepened the Board's understanding of employee perspectives, supported more informed decision-making on people-related matters, and strengthened the Board's connection to the workforce across the Group's key markets.

Collectively, these actions have strengthened the Board's effectiveness, diversity of experience and alignment with the Group's strategy and stakeholder expectations, supporting robust governance and sustainable long-term performance.

Further information regarding the Board and Committee structure can be found in the Directors' Governance Statement on page 136 and in the Nomination Committee Report on pages 152 to 153.

Creating sustainable opportunities: our sustainability review

At Lion Finance Group PLC, we are committed to integrating sustainability into our operations to secure long-term value creation.

Our approach to assessing performance extends beyond financial metrics to embrace a holistic perspective, integrating sustainability into our business model to mitigate negative impacts on people and the planet while contributing to the development of the communities we serve. We are committed to transparent reporting and accountability as we work to create sustainable opportunities.

Unless stated otherwise, this Sustainability Review primarily covers JSC Bank of Georgia and Ameriabank CJSC, the Group's two principal operating entities. While Ameriabank had established ESG management processes prior to its acquisition by Lion Finance Group, we continue to integrate its information into Group reporting and are advancing data collection and best-practice sharing across the Group.

This is the first year the Group has published a standalone Sustainability Report, covering the period from 1 January to 31 December 2025 and aligned with the Group's financial reporting calendar to ensure consistency and comparability between financial and sustainability disclosures. The Sustainability Report provides comprehensive information on topics identified as material to the Group's operations and has been prepared in full compliance with the Global Reporting Initiative (GRI) Standards, with climate-related disclosures aligned with IFRS S2. This ensures consistency with internationally recognised sustainability and climate reporting frameworks. The Sustainability Review included in this Annual Report provides a high-level summary of the most significant developments and outcomes for 2025. For detailed information on processes, data and performance, please refer to the standalone Sustainability Report on the Groups' website.

For the 2025 reporting period external assurance has been obtained for the Group's Greenhouse Gas (GHG) emissions data. Further details are provided on pages 89 to 90.

Our material topics

In 2023, Bank of Georgia conducted a materiality reassessment to identify its most significant impacts on the economy, environment and people, in line with GRI best practice. The process involved analysing the organisational context, identifying potential impacts through stakeholder and policy reviews, assessing their significance and prioritising them for reporting, with validation from Executive Management. Following the acquisition of Ameriabank in 2024, a review confirmed that the material topics underpinning our strategy are highly relevant to Ameriabank's operations, enabling our ESG strategy to be extended across the entire Group. We have idenfitied 14 material topics, prioritised by stakeholders as follows:

1. Business ethics
2. Customer protection and product responsibility
3. Data security and privacy
4. Local economic development
5. Sustainable finance
6. Product and service innovation
7. Financial inclusion and empowerment
8. Fair working conditions and employee well-being
9. Human capital development
10. Diversity, inclusion and equality
11. Gender equality
12. Engagement with communities and the environment
13. Responsible supply chain
14. Internal environmental management

ESG strategy

Building on insights from our materiality assessment, we have developed a structured ESG strategy that addresses our most significant impacts on the economy, environment and people. The strategy organises material topics into four key focus areas, each with clear objectives to guide business decisions and sustainability initiatives.

Our ESG strategy goes beyond a commitment to responsible business practices; it serves as a roadmap for creating shared value for stakeholders and contributing to sustainable development. By embedding these priorities into our business model and operations, sustainability considerations are integrated across the organisation, from governance to community engagement.

The four pillars reflect both our responsibilities and our ambition to drive positive change in the markets we serve. Each focus area addresses specific material topics identified through stakeholder engagement, while collectively supporting our contribution to the UN Sustainable Development Goals.

ESG governance

The Board of Directors holds overall responsibility for the Group's ESG strategy and performance, with oversight of key topics allocated to its specialised committees:

- **Risk Committee:** Oversees the management of sustainability-related risks, including climate change.
- **Audit Committee:** Ensures the integrity and transparency of sustainability reporting.
- **Remuneration Committee:** Aligns executive incentives with sustainability goals.
- **Nomination Committee:** Ensures the Board has the appropriate skills and experience to lead the sustainability strategy.



At Bank of Georgia, ESG matters are managed by the Executive Management Team, supported by the CEO-chaired Environmental and Social Impact (ESI) Committee, which oversees the Bank's climate, environmental, and social impacts.

At Ameriabank, non-lending ESG issues are overseen by individual members of the Executive Management Team, while lending-related ESG and climate risks are handled by the Environmental and Climate Risk Management unit within the ESG and Sustainability Direction.

At both banks, day-to-day management of lending-related ESG risks is carried out by dedicated units within the Risk function.

A multi-faceted information flow, including direct reporting from the ESI Committee Chair and quarterly risk reports, ensures the Board maintains ultimate oversight of the organisation's impacts.

Enhancing board sustainability knowledge

The Board ensures its composition includes members with relevant experience in sustainable development. The appointment of Karine Hirn as an independent Non-executive Director has enhanced the Board's ESG capabilities, drawing on her extensive background as a Chief Sustainability Officer and international commentator on sustainability. To maintain up-to-date knowledge, the Group provides ongoing training for its Directors, including a dedicated session in 2025 focused on climate change and transition planning.

2025 performance and outlook

Key developments in 2025

1. Set Bank of Georgia's first operational GHG emission reduction target.
2. Developed Climate Transition Plan[1].
3. 88% of Bank of Georgia's regional offices' electricity is now sourced from solar energy.
4. Developed a solar panel calculator for customers[2].
5. Completed a formal review and Board-level approval of all ESG-related policies.

Sustainability KPIs

	2025 target	2025 result	2026 target
Green portfolio (BOG)	GEL 1.2B	GEL 1.4B	1.5B
Green portfolio (Ameriabank)	GEL 285M	GEL 310	GEL 353
Number of self-employed borrowers (BOG)	69,000	77,100	N/A
sCoolApp MAU (BOG)	185,000	185,700	N/A
eNPS (BOG)	54	59	54

1 CTP will be adopted in 2026.
2 The calculator is planned to be published on Bank of Georgia's website in 2026.

ESG ratings and memberships

Ratings (as of 2025):



In 2026, Lion Finance Group PLC received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

* For more information on the ISS ESG Corporate Rating, please visit **https://www.issgovernance.com/sustainability/ratings/**

FTSE4Good*

* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Lion Finance Group PLC has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



As of December 2025, Lion Finance Group PLC has achieved 'Prime' status in the ISS ESG Corporate Rating.

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Memberships:

- UN Global Compact (BOG)
- UN Women's Empowerment Principles (BOG)
- Banking Association of Georgia (chairing the ESG Committee)
- Business Association of Georgia

Selected 2025 awards:

- Bank of Georgia and Ameriabank were named the "Best Bank for Sustainable Finance" in Georgia and Armenia, respectively, by Global Finance.
- Bank of Georgia was honored with the "Green Deal of the Year Renewable Energy Hydro" award from the EBRD.
- Bank of Georgia won the BARTA 2025 Best Sustainability Reporting award.
- Bank of Georgia was honored with Euromoney's Best Bank for Environmental, Social & Governance award in 2025.
- Bank of Georgia was honored with a "Sector Excellence Commended" award at the 2025 INSEAD Alumni Balance in Business Awards.

Governance and integrity

We maintain a comprehensive governance and integrity framework. Our policies and systems are designed to address a range of risks including financial crime, information security threats, data protection challenges and customer fairness considerations.

This section outlines our approach to key governance areas, detailing the structures, controls and outcomes that support our operations while meeting regulatory requirements and stakeholder expectations. We focus on practical measures in financial crime prevention, information security, data privacy, customer protection, supplier management and environmental responsibility – all essential components of responsible financial services. By documenting these practices transparently, we provide stakeholders with visibility into how we manage important non-financial aspects of our business that support long-term sustainability and trust.

Prevention of financial crime

We are committed to safeguarding the integrity of the financial system and protecting our customers from illicit activities that can undermine trust and economic stability.

AML/CFT and sanctions compliance

The Group complies with all applicable local and foreign laws across its operating jurisdictions. We maintain robust policies and procedures to meet international sanctions requirements enforced by key jurisdictions and bodies such as the US (OFAC), EU, UK (HM Treasury), and the UN Security Council. Our compliance measures include continuous screening of customers, transactions, and counterparties, alongside regular reviews of internal controls to identify and manage sanctions-related risks.

Our AML/CFT framework follows a risk-based approach supported by a three-lines-of-defense governance model and advanced monitoring systems. Dedicated assurance units at Bank of Georgia and Ameriabank conduct independent testing and periodic reviews to ensure effective oversight and consistent standards across the Group.

Zero-tolerance policy

The Group enforces a zero-tolerance policy regarding sanctioned individuals and activities. This includes any funds linked directly or indirectly to sanctioned parties, as well as clients or transactions associated with the Russian military-industrial base. We prohibit all forms of international sanctions evasion and circumvention.

Know Your Client and customer due diligence

We manage customer risks throughout the relationship lifecycle through automated risk assessments and regular due diligence. Information on ownership, ultimate beneficial owners and source of funds is collected at onboarding, while high-risk clients and politically exposed persons undergo enhanced due diligence.

The Group operates in full compliance with international sanctions frameworks. It applies enhanced due diligence measures to transactions and client relationships connected to the Russian Federation/ Belarus, while also, conducting its overall operations in strict adherence to applicable local regulations.

Communication and training on AML policies

AML, CFT and sanctions topics are reviewed quarterly by the Audit and Risk Committees, which monitor the effectiveness of controls and key metrics.

Mandatory AML/CFT training was completed by 100% of Bank of Georgia and Ameriabank employees, ensuring their continued awareness of current policies and procedures.

Incidents of money laundering

There were no confirmed cases of money laundering during the reporting period and, consequently, no related employee dismissals or public cases involving the Group or its employees.

Anti-Bribery and Anti-Corruption

We uphold a zero-tolerance stance towards bribery and corruption in all forms, aligning our approach with international standards such as the OECD Anti-Bribery Convention and the UN Global Compact's 10th Principle against corruption. This commitment is integral to our business strategy, safeguarding assets and stakeholder trust.

Governance and policies

The Group's integrity is safeguarded by a comprehensive framework, including the Group-wide Code of Conduct and Ethics, the Anti-bribery, Anti-corruption and Anti-fraud Policy (ABCF), the Conflict of Interest (COI) Policy, as well as Know Your Employee procedures at Bank of Georgia and Employees Integrity Check at Ameriabank.

Oversight for ABCF efforts is integrated across various internal functions:

Leadership	Executive Management teams and Supervisory Boards set the "tone at the top," actively supporting all anti-corruption initiatives.
Committee oversight	At Bank of Georgia, the Human Rights and Ethics Committee handles ethics-related concerns, including the review of investigations and whistleblowing protocols. At Ameriabank, the Human Resources Committee is responsible for embedding corporate culture, ethical norms, and ensuring the fair resolution of employee issues.
Second-line defence	Functions such as the Corporate Security and Internal Control departments examine high-risk scenarios and conduct monitoring to identify potential policy violations.
Managerial roles	Managers are essential in recognising corruption risks and maintaining ethical standards across their teams.

Management approach

Our comprehensive programme is built on several key measures:

Risk assessment: A comprehensive and periodic ABCF risk assessment underpins the Group's compliance framework. Through systematic evaluation of operations, we identify and assess potential bribery and corruption risks across all business activities, ensuring the framework remains effective and aligned with evolving regulatory requirements.

Third-party due diligence: All potential business partners undergo thorough due diligence to ensure compliance with anti-bribery laws. When concerns are identified, we evaluate the potential impact and take appropriate action, which can range from implementing enhanced controls and ongoing monitoring up to and including terminating the business relationship if risks cannot be adequately mitigated. The scope of due diligence varies by relationship type and risk level.

Training: At Bank of Georgia, mandatory biennial ABCF training is required for all employees, covering bribery risks, gift policies and whistleblowing procedures. In the last cycle, 100% of eligible employees completed this training. At Ameriabank, the HR department conducts planned awareness campaigns every trimester through internal channels, focusing on ABCF principles, and communicates the Gift Policy to new employees during onboarding. In the reporting period, 88% of Ameriabank's frontline employees participated in the ABC training.

Record-keeping: We make and keep books, records and accounts that accurately, fairly and in reasonable detail reflect all payments, expenses, transactions and disposition of assets.

Effectiveness and results

In 2025, there were no incidents of bribery or corruption, no public cases related to corruption involving the organisation or its employees, and no fines or legal cases incurred in relation to these issues.

Information security

Recognising the growing global information security threats, we have made strong information security a core pillar of our corporate strategy. We are committed to continuously and proactively strengthening our defence systems to protect our customers, employees, and partners, and to uphold our role within the nation's critical infrastructure.

Commitment to international standards

Our dedication to rigorous security management is demonstrated by our adherence to international standards. Bank of Georgia successfully achieved ISO 27001 certification in 2025. Ameriabank has maintained its ISO 27001 certification since 2019, achieving a successful recertification in January 2026, effective from March 2026.

Information security management system

A clear governance framework ensures direct lines of accountability. At Bank of Georgia, the Chief Information Security Officer (CISO) reports to the Deputy CEO for Data and Information Technology, while Ameriabank's CISO is accountable to the Director of the Internal Control department. Material incidents are reported quarterly to the Risk Committee, with periodic in-depth reviews for the Board of Directors.

Proactive defence and incident response

In 2025, our operations experienced no significant negative impacts from security events. We maintain a robust Information Security Incident Response Policy and conduct a range of annual security assurance activities, including penetration testing, breach and attack simulations, DDoS attack simulations, and self-assessments, to validate the effectiveness of our defences.

Employee training

We view our workforce as a 'human firewall' and invest in continuous training to strengthen employee capabilities. In 2025, 100% of Bank of Georgia and 98% of Ameriabank's new hires completed information security training. The effectiveness of this training is regularly measured through internal phishing simulations to ensure our staff can identify and respond to threats appropriately.

Information security metrics

Bank of Georgia	Metrics	Ameriabank
35	**Cross-functional team of employees**	27
64	**Active professional certifications**	10
4	**Internal phishing campaigns conducted**	3
98%	**Employees not deceived by a phishing campaign**	95%
9	**Independent internal audit engagements**	7
1	**Third-party penetration testing (external assurance)**	1
2	**Cybersecurity programme assessment (third-party/regulatory)**	2

Throughout the reporting period, no material data breaches were recorded. This result reflects our consistent commitment to maintaining robust data security and protecting client information.

0
Material data breaches

0
Security breaches

Data privacy

Customer trust is fundamental to modern banking and rests on the assurance that personal data is protected. At Lion Finance Group PLC, data privacy is a core element of our business strategy and is essential to resilience, effective risk management and the delivery of innovative services.

Our privacy management framework integrates the EU GDPR, the Georgian Law on Personal Data Protection, and international best practices, ensuring consistent and accountable data management. Unless otherwise stated, this chapter outlines how Bank of Georgia's robust framework protects customer data and reinforces the confidence they place in us. By embedding a culture of data responsibility from board-level governance to ethical AI development, we support sustainable growth while balancing innovation with ethical data use.

Our privacy governance framework

A strong and transparent governance structure is the foundation of our data privacy programme, ensuring clear lines of accountability. Our framework distributes responsibility throughout the organisation while maintaining centralised oversight through a three lines of defence model.

First line	Business units are responsible for ownership of day-to-day privacy compliance and the implementation of policies and procedures.
Second line	The Privacy Office oversees compliance, supports business units, develops and maintains policies, and implements training and awareness programmes.
Third line	Internal Audit provides independent assurance on the effectiveness of privacy controls.

Our commitment to data protection is driven from the top, with the Board of Directors actively engaged through quarterly reports to the Audit Committee and an annual comprehensive privacy programme review.

Responsible and ethical use of AI

Our strategy for leveraging AI to improve services and efficiency is founded on a commitment to responsible and ethical governance. Every AI platform we deploy must be secure, transparent and operate in a manner that reinforces customer trust and respects individual rights.

The cornerstone of our approach is the comprehensive Generative AI (GenAI) policy established in 2025, which looks to ensures all applications of this technology are safe and ethical. This policy governs all aspects of AI deployment, aligning with our established frameworks such as the Bank's Privacy Policy, Data Protection Impact Assessment (DPIA) procedures, and third-party risk management standards.

AI systems undergo DPIAs prior to implementation to ensure privacy, security, and ethical standards are upheld. This proactive risk assessment approach enables potential issues to be identified and addressed before deployment. In 2025, 100% of high-risk AI systems were subject to enhanced assessment and ongoing monitoring, supporting early risk identification and mitigation.

Employee training and awareness

We focus on employee awareness and training as a critical element of our data protection programme. Our approach includes e-learning modules successfully completed by 100% of employees, alongside specialised, interactive face-to-face training sessions delivered to 130 employees who handle high volumes of sensitive data.

Data subject rights

The Bank has established robust procedures enabling individuals to exercise their data protection rights easily. These procedures guide employees in accurately identifying, registering and escalating requests to the appropriate teams, ensuring correct handling from the first point of contact.

In 2025, no regulatory breaches related to the exercise of data subject rights were identified, demonstrating the effectiveness of our procedures.

Identified leaks, thefts, or losses of data

0

Critical vendors assessed

17

Privacy training completion rate

100%

Complaints substantiated and resolved

15

Customer protection

Customer centricity is a core value and a key driver of long-term trust and performance. We are committed to treating customers fairly, transparently and responsibly at every stage of the customer relationship, in line with the Group's Code of Conduct and Ethics and Bank of Georgia's Customer Protection Standard and Ameriabank's Service Quality Instruction.

We aim to ensure that customers are informed, confident and protected when making financial decisions by providing clear information about our products, services and available protection mechanisms. Poor customer outcomes may arise from unclear communication, delays in service delivery, inadequate data protection, or ineffective complaint handling, and we actively work to prevent these risks.

Responsible customer treatment begins with our people. All customer-facing employees complete mandatory training on ethical conduct, customer fairness, and transparent communication. As of year-end 2025, 100% of Bank of Georgia's and 99% of Ameriabank's new frontline hires had completed this training, reinforcing a strong culture of accountability and customer care.

Product design and sales

Customer centricity is embedded throughout the product lifecycle – from design and approval to distribution and ongoing monitoring. Our internal product frameworks ensure that products are aligned with customer needs, supported by clear disclosures and compliant with regulatory and ethical standards. In 2025, we further strengthened our focus on customer experience by simplifying processes and enhancing product clarity.

Customer complaints and feedback

Customer feedback, including complaints, is a critical input to our continuous improvement. Complaints can be submitted through multiple channels and are handled in line with clear procedures to ensure consistency, transparency and fair outcomes. All incoming claims are managed by the Customer Claims Management and Support Centre at Bank of Georgia and the Service Quality Assurance team at Ameriabank.

We conduct regular root-cause analysis of complaints to identify systemic issues and drive process improvements.

Preventive actions and service improvements

Preventing complaints is a key priority. In 2025, Bank of Georgia focused on reducing recurring issues by:

- Digitalising routine service requests to minimise branch visits and waiting times
- Expanding first-line authority to resolve common requests immediately
- Strengthening fraud-prevention measures, including proactive detection and customer outreach

These actions contributed to a measurable reduction in complaint volumes, particularly in loans and fees.

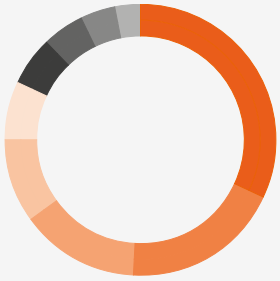
At Ameriabank, improvements focused on strengthening internal claims-handling capabilities, reducing reliance on third parties, and accelerating resolution times. Ameriabank also introduced AI-powered voice identification in 2025 – the first in the Armenian market – improving security, shortening call handling and enhancing overall customer experience.

Continuous improvement

We continue to invest in digital tools and data-driven approaches to improve complaint handling, service speed, and transparency. Insights from customer feedback are systematically used to enhance products, processes, and communication. Our objective remains clear: to ensure that every customer feels heard, treated fairly, and supported strengthening trust and long-term relationships.

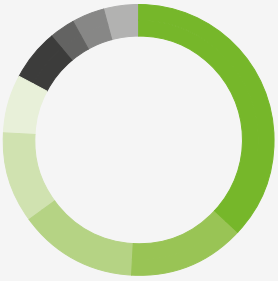
Registered complaints by category

Bank of Georgia



- Plastic cards Loans **32%**
- Loans **19%**
- Customer service **14%**
- Phishing **10%**
- Transactions **7%**
- Digital channel and service **6%**
- Money retained at the ATM **5%**
- Accounts, deposits **4%**
- Other **3%**

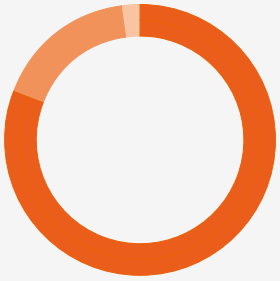
Ameriabank



- Chargeback/dispute **37%**
- Distance services **14%**
- Cards **14%**
- Service **11%**
- Process **7%**
- Loans **6%**
- Accounts **3%**
- Transfers **4%**
- Other **4%**

Resolution outcomes

Bank of Georgia



- In favour of the Bank **81%**
- In favour of the customer **17%**
- Consultation **2%**

Ameriabank[1]



- Satisfied **62%**
- Refused **30%**
- Partially satisfied **8%**

1 In accordance with the requirements of the Central Bank of Armenia, Ameriabank classifies claim resolutions based on the extent to which the client's expectations are met. "Satisfied" indicates that the resolution fully meets the client's expectations, "Partially Satisfied" means the expectations are only partially met, and "Refused" indicates that the bank has declined the requested resolution.

Whistleblowing

To foster a culture where employees and other stakeholders feel secure in raising concerns, the Group maintains confidential and anonymous whistleblowing channels. Bank of Georgia operates an externally managed whistleblowing mechanism through NAVEX, while Ameriabank has an established whistleblowing channel administered via Qualtrics. Our Whistleblowing Policy is a cornerstone of our speak-up culture, allowing for the reporting of potentially unethical practices without fear of reprisal.

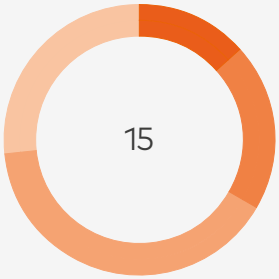
The Board holds ultimate responsibility for the Whistleblowing Policy, with the Audit Committee conducting quarterly reviews of its operation. In recent years, the whistleblowing platform has been redesigned to improve its effectiveness, efficiency and visibility. These enhancements have led to a notable improvement in reporting statistics with a greater focus on potential breaches of the Code of Conduct and Ethics or other policies.

Insights from whistleblowing and grievance reports drive continuous improvement. We conduct an annual review of trends and investigation outcomes to enhance our internal processes and the overall effectiveness of the whistleblowing framework. Our commitment to transparency ensures all concerns are heard and appropriately addressed, which helps strengthen our organisational culture and ethical standards.

The figures below are given for JSC Bank of Georgia standalone.

Reports received

- Dissatisfaction with working conditions **2**
- Breach of confidentiality **3**
- Unfavourable work environment **6**[1]
- Breach of code of conduct ethics **4**



Resolution outcomes

- Substantiated **6**
- Unsubstantiated **9**

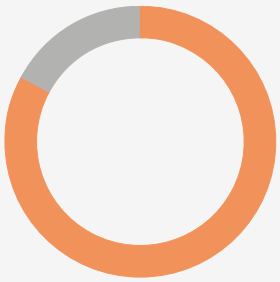


Working with suppliers

As prominent financial institutions in Georgia and Armenia, we view our procurement practices as a key means of promoting sustainability and supporting local economic development. We are committed to maintaining a transparent and responsible supply chain, with a strong emphasis on supporting local enterprises and fostering collaborative partnerships. Reflecting our dedication to strengthening national economies, a substantial portion of our 2025 procurement budget was allocated to local suppliers.

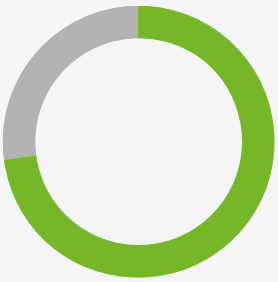
Total spend on suppliers

Bank of Georgia



- Local suppliers **83%**
- Other **17%**

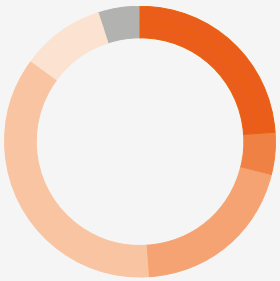
Ameriabank



- Local suppliers **73%**
- Other **27%**

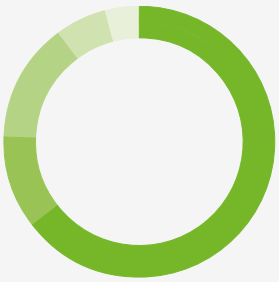
Largest categories of suppliers by spend

Bank of Georgia



- Professional services **24%**
- Banking products **5%**
- IT **20%**
- Rent **36%**
- Renovation **10%**
- Office supplies **5%**

Ameriabank



- IT **64%**
- Professional services **11%**
- Rent **14%**
- Banking products **6%**
- Office supplies **5%**

1 One of these reports included six similar messages, pertaining to the same case.

Supplier environmental & social (E&S) due diligence

To ensure a responsible supply chain, Bank of Georgia has implemented a robust Environmental and Social (E&S) due diligence process for its suppliers, guided by our Supplier Code of Conduct. In 2025, the Bank enhanced its risk management capabilities by developing a standardised set of due diligence documents to systematise risk identification and mitigation across its supply chain.

Our approach utilises a risk-based classification system, categorising suppliers into three tiers:

- **Low-risk suppliers:** Exempt from in-depth E&S assessment but monitored by operational teams to ensure ongoing adherence to our Supplier Code of Conduct.
- **Medium-risk suppliers:** Subject to targeted E&S assessment. If deficiencies are identified, a corrective action plan is developed and monitored.
- **High-risk suppliers:** Undergo mandatory comprehensive E&S due diligence review annually, including on-site inspections. In cases of significant non-compliance, a formal action plan with strict deadlines is required.

In 2025, Bank of Georgia conducted detailed E&S assessments of 35 suppliers, which revealed no significant risks.

Operational environmental footprint

We are committed to systematically measuring, monitoring and reducing the direct environmental footprint of our operations, arising from energy consumption, resource use, and waste generation. While these operational emissions represent a relatively small share of our overall environmental impact compared with our financed emissions, we view managing them carefully as an important part of our sustainability efforts and our responsibility to contribute positively.

Energy consumption and management

Our main environmental impacts come from the energy needed for daily operations, which generates greenhouse gas emissions affecting climate change and can harm community well-being. To manage this, Bank of Georgia combines preventive and corrective measures, such as installing energy-efficient LED lighting, upgrading equipment and optimising HVAC systems to reduce energy demand. In 2025, we introduced an after-hours energy-saving practice, switching off non-essential lighting during non-operational hours, now implemented in over half of our offices. Outside Tbilisi, 88% of the electricity consumed by our regional offices now comes from solar energy. This initiative not only significantly reduces our operational carbon footprint but also supports Georgia's transition to a low-carbon economy.

Energy consumption overview[1]

	2022	2023	2024		2025	
	Bank of Georgia	Bank of Georgia	Bank of Georgia	Ameriabank	Bank of Georgia	Ameriabank
Total energy consumption (kWh)	30,441,526	33,182,334	35,475,155	3,691,734	39,048,211	4,273,598
Floor area (m^2)	96,849	106,232	112,591	16,075	153,343	22,908
Energy intensity ratio (kWh/m^2)	314	312	315	230	255	187

Waste management

As part of its commitment to environmental responsibility, Bank of Georgia follows a structured framework for waste management. Although non-industrial operations generate a limited amount of waste, we prioritise recycling and safe disposal through partnerships with certified third-party handlers who ensure full compliance with national standards. This approach covers all waste streams:

- **Recyclable waste:** A comprehensive segregation system in back-offices ensures materials such as paper, glass and plastic are separated for recycling.
- **Hazardous waste:** Batteries and electronic waste are collected separately and sent to specialised, licensed recyclers.
- **Non-recyclable waste:** Materials that cannot be recycled, including mixed stationery and office supplies, are sent to specialised enterprises for safe disposal.

In 2025, our waste management initiatives proved highly effective, diverting 85 tonnes of waste from disposal through recycling. We will continue to strengthen our waste management practices to minimise environmental impact and encourage responsible use of materials.

1 To enhance the accuracy and comparability of our environmental reporting, certain data from prior years has been restated. This restatement is due to enhancements in our data consolidation and calculation methodologies to ensureconsistency with current reporting standards.

A responsible approach to tax

We manage our tax affairs responsibly across all operating jurisdictions. This means paying our fair share of tax, ensuring our services are not used for tax avoidance, and adhering to both the letter and spirit of tax laws.

Tax affairs are handled by local in-house teams who implement appropriate policies and controls. In the UK, we work with experienced external advisors to ensure compliance with UK requirements. Our Board-approved Tax Strategy guides this work.

We maintain professional and transparent relationships with tax authorities and participate in public policy discussions through industry associations in Georgia and Armenia. The Group's profits are taxed according to the rates applicable in each jurisdiction, contributing to the economic development of our core markets. We also collect and pay withholding and indirect taxes as required.

Taxes paid in the main jurisdictions during 2025

	Profit tax (GEL)	Other tax (GEL)	Total tax (GEL)
Armenia	105,825,346	99,259,731	205,085,077
Belarus	11,844,965	18,952,123	30,797,088
Georgia	231,976,870	208,653,173	440,630,043
UK	–	3,572,665	3,572,665

Sustainable finance

Environmental and social risk management

Effective management of environmental and social (E&S) risks is crucial for a resilient and responsible financial system. Recognising that these risks can impact business viability and market stability, we have integrated E&S risk management into the core of our lending practices at both Bank of Georgia and Ameriabank.

Environmental and Social Risk Management System (ESMS) at Bank of Georgia and Ameriabank facilitates the systematic identification, assessment, and monitoring of potential E&S risks throughout the credit lifecycle. This process is embedded in the underwriting for business clients and includes early client engagement, thorough project evaluation, and the implementation of mitigation measures.

To enhance our risk management framework, Bank of Georgia has instituted sector-specific E&S policies for high-risk industries such as heavy industry, mining, and agriculture. Concurrently, Ameriabank has bolstered its approach by introducing a supply chain risk management protocol for solar power projects to better evaluate risks associated with contractors and suppliers.

This approach is supported by strong governance and clear accountability. The ESMS is subject to regular review and approval by the ESI Committee and the Supervisory Board at Bank of Georgia, and by the Management Board at Ameriabank. In 2025, Ameriabank's Management Board approved a revised ESMS, incorporating recommendations from internal audit and IFIs, new elements such as an incident reporting mechanism and a climate risk assessment checklist.

At Bank of Georgia, the Supervisory Board reviews E&S risk assessments for all large credit requests, ensuring senior-level oversight. By integrating these considerations into our decision-making, we mitigate financial and reputational risks for the Bank and support our clients in enhancing their own operational sustainability. This disciplined approach contributes to long-term value creation and promotes positive environmental and social outcomes.



The E&S risk management frameworks at Bank of Georgia and Ameriabank are founded upon the following standards, regulations and policies:

	Bank of Georgia	Ameriabank
1	IFC Performance Standards	
2	EBRD Performance Requirements	
3	Local environmental, climate, social, health and safety, and labour laws on regulations	
4	Applicable international environmental, health and safety (EHS) conventions to which Georgia and Armenia are signatories	
5	ESMS	
6	International Labour Organization Core Labour Standards	Asian Development Bank's Safeguard Policy Statement
7	Sectoral E&S policies; heavy industry; mining; oil and gas; waste; agriculture; forest resources; and biodiversity	FMO Sectorial Guidelines

How ESMS is done

Environmental and Social Management System (ESMS) at Bank of Georgia and Ameriabank is implemented through a clear, multi-step process:

- **Screening:** All proposed transactions are first assessed against internal policies and publicly available Exclusion Lists to filter out prohibited activities. We do not finance business activities that are environmentally or socially sensitive, non-compliant with our policies and regulations, or included on the Exclusion List. The list of Bank of Georgia's excluded activities is publicly available in Annex 1 of the Bank's Environmental and Social Management System (ESMS). Ameriabank's list of excluded activities is publicly available on Ameriabank's website.
- **Risk categorisation:** Eligible transactions are then assigned an E&S risk category. Bank of Georgia uses Georgia's Environment Permit Code and the IFI's Combined E&S Risk Categorisation List, while Ameriabank uses the EBRD's categorisation list.
- **Due diligence:** A proportionate E&S assessment is conducted based on the risk category. This evaluates the client's activities against applicable laws and international standards to establish necessary mitigation and monitoring requirements.
- **Capacity building:** In 2025, Bank of Georgia and Ameriabank delivered specialised E&S risk management training to front-office staff and loan officers to ensure consistent and effective implementation of the ESMS framework.

Bank of Georgia applies enhanced due diligence and monitoring to specific high-risk areas. For instance, IFC-triggered transactions require clients to submit annual Environmental and Social (E&S) performance reports, supplemented by the Bank's own monitoring visits to ensure risks are adequately addressed in line with IFC Performance Standards. Furthermore, our E&S due diligence process incorporates a heightened assessment of labor risks, including sexual exploitation, abuse, and harassment (SEAH), with particular attention given to the hospitality sector.

E&S risk categorisation

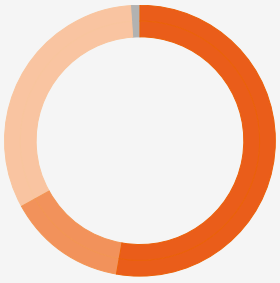
The charts to the right present the E&S risk profile of the screened portfolios at both Banks as at 31 December 2025. Category A projects constituted 1.3% of Bank of Georgia's gross SME Banking and Corporate and Investment Banking loan portfolio, and 0.7% of Bank of Georgia's total gross loan portfolio. Ameriabank's Category A projects constituted 4.2% of the Bank's gross Corporate loan portfolio and 2.5% of the Bank's total gross loan portfolio.

In addition, we engage with our customers and provide information on relevant laws and regulations during our E&S due diligence processes. Our aim is to increase awareness of E&S risks and impacts and support the capacity building in these matters.

To support clients in strengthening their environmental and social management practices, Ameriabank has developed specialised methodological guidelines and a comprehensive E&S manual both in Armenian and English.

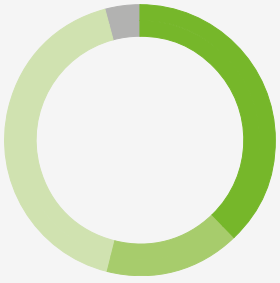
These resources are aligned with IFC Performance Standards and national legislative requirements, serving as a strategic toolkit to help clients successfully integrate robust E&S systems into their own operations.

Bank of Georgia



- Low **53%**
- Medium **14%**
- High **32%**
- Category A **1%**

Ameriabank



- Low **38%**
- Medium **16%**
- High **42%**
- Category A **4%**

Sustainable portfolio

Our sustainable portfolio, which integrates our green and social lending, is central to our business strategy. Through this portfolio, we direct capital towards projects that support a greener, more resilient and inclusive economy. By prioritising environmentally responsible investments and socially impactful initiatives, we aim to create long-term value not only for our stakeholders but also for the broader community.

This approach reflects our commitment to responsible finance and underpins the way we conduct our business. As a leading financial institution, we play an active role in supporting the development of the national economy and strengthening local communities through our financing activities. We continuously refine our sustainability framework to align with evolving international standards and best practices, ensuring that our impact remains measurable and meaningful.

Growth of Bank of Georgia's green lending is a key performance indicator (KPI) for Executive Management. In parallel, our social lending activities enable us to support projects that promote socioeconomic development across the country. Together, these efforts reinforce our commitment to sustainable finance and position us as a key partner in driving positive change.

Green Finance Framework

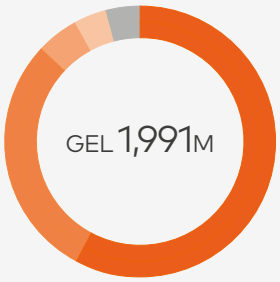
To integrate our sustainability goals into day-to-day operations, we implemented two key initiatives:

- **Internal initiatives:** We have introduced programmes to empower our bankers to proactively identify green financing opportunities, further embedding sustainability into lending decisions.
- **Green Finance Framework (GFF):** Developed in 2024 and approved in 2025, the GFF formalised our approach to green finance. It establishes clear eligibility criteria, evaluation processes and monitoring requirements for green loans, ensuring transparency and consistency.

As part of the Group's GFF, we established a Green Asset Pool to centralise the management of green financing. This pool consolidates the green portfolios of Bank of Georgia, aligned with NBG and partner IFI criteria, and Ameriabank's, which has aligned its practices with the Group's GFF.

The Group's GFF serves as the primary standard for Ameriabank. It will be updated to incorporate Armenia's national green taxonomy, introduced in 2025, ensuring continued regulatory alignment and transparent reporting across the Group.

Green Asset Pool (Dec-25)



- Renewable energy **58%**
- Green buildings **29%**
- Climate smart agriculture **5%**
- Green transport **4%**
- Other **4%**

Green portfolio at Bank of Georgia (Dec-25)



- Renewable energy **58%**
- Green buildings **28%**
- Climate smart agriculture **7%**
- Other **7%**

Since 2022, Bank of Georgia has disclosed and steadily expanded its Green Portfolio, which includes all lending activities fully aligned with the NBG Green Taxonomy.

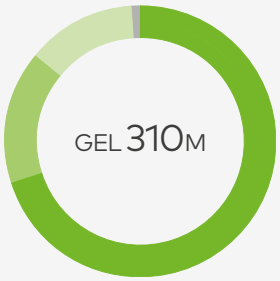
Green portfolio dynamics at Bank of Georgia (2022-2025)



In 2025, Bank of Georgia's green portfolio demonstrated strong growth, reaching GEL 1,361 million by year-end. This performance substantially surpassed the initial target of GEL 1.2 billion and the aspirational goal of GEL 1.3 billion.

This achievement marks a 32.8% year-on-year increase, consequently elevating the green portfolio's share of the Bank's gross loan portfolio from 4.3% in 2024 to 4.9% as of 31 December 2025.

Green portfolio at Ameriabank (Dec-25)

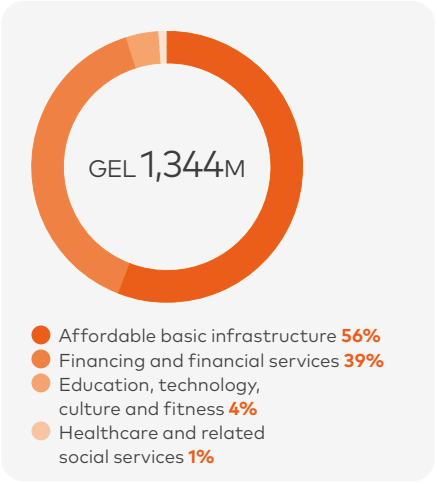


- Solar power stations **70%**
- Small hydropower plant **16%**
- Electric vehicles **13%**
- Energy efficiency **1%**

To enhance its sustainable finance capabilities, Ameriabank adopted a new Green Finance Framework (GFF) in 2025 for the systematic identification and classification of green loans. Under this framework, the Bank's green loan portfolio increased to GEL 310 million by year-end, representing a 25.5% growth from GEL 247 million in 2024 and exceeding the target of GEL 285 million. Looking ahead, Ameriabank aims to expand the portfolio to GEL 353 million in 2026.

Social portfolio at Bank of Georgia

Complementing its environmental focus, Bank of Georgia's Social Portfolio finances projects with a positive social impact. Established in 2024 based on the NBG's Social Taxonomy, the portfolio expanded in 2025 by directing capital towards essential services like finance, healthcare and education for underserved groups. This approach supports social inclusion and aligns with the UN Sustainable Development Goals (SDGs).



The social portfolio accounted for 4.9% of Bank of Georgia's standalone gross loan portfolio at end-2025 (3.9% at end-2024) and 8.7% of its business portfolio at end-2025 (up from 6.8% at end-2024).

Climate-related financial disclosure

Climate change presents both risks and opportunities for people, companies and the financial services sector. The Group recognises its role in addressing this global challenge and initiated its climate action strategy in 2021.

The Group has considered its climate-related reporting obligations and confirms that its climate-related disclosures are consistent with recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD) within the UK Financial Conduct Authority's Listing Rules LR 6.6.6R(8) and sections 414CA and 414CB of the UK Companies Act 2006.

This section has been prepared with the intention of early preparedness and future compliance with the International Sustainability Standards Board's (ISSB) IFRS S2 Climate-related Disclosures, which build on the Task Force on Climate-related Financial Disclosures (TCFD) framework by requiring more detailed and decision-useful information. Although IFRS S2 is not yet mandatory for London-listed companies, the Group continues to refer to the disclosure guidance in IFRS S2 to enhance transparency, anticipate future regulatory developments, and align with global best practice. The Group continues to monitor the UK's expected adoption of IFRS Sustainability Disclosure Standards through the UK Sustainability Reporting.

The Group has not applied IFRS S1 General Requirements for Disclosure of Sustainabilityrelated Financial Information in full. However, the preparation of these climate-related disclosures has been informed by relevant concepts and principles set out in IFRS S1, including fair presentation, materiality, connected information, and consistency with financial reporting. The Group is progressing its broader alignment with IFRS S1 and expects to further develop its sustainability-related disclosures over time.

Fair presentation and materiality

These disclosures have been prepared to achieve fair presentation. The Group reports information that is material, defined as information that could reasonably be expected to influence decisions made by primary users of general-purpose financial reports in relation to the entity's enterprise value.

The Group has conducted an ESG materiality assessment (see the IFRS Readiness section on page 69 for further details). This assessment currently forms the basis for identifying and prioritising sustainability-related risks and opportunities disclosed in this section. The Group applies both quantitative and qualitative criteria in determining the materiality of climate-related risks and opportunities.

Judgements, estimates and uncertainties

The preparation of these disclosures involves the use of significant judgement, particularly in identifying material climate-related topics, defining time horizons, and selecting methodologies for climate scenario analysis and emissions estimation. Where forward-looking information is presented, including emissions forecasts or scenario-based risk estimates, these are based on reasonable and supportable assumptions available at the time of reporting. Estimation techniques, key assumptions and related uncertainties are explained in the relevant sections of this report.

Scope and boundary

This report covers the Group and its principal subsidiaries, JSC Bank of Georgia and Ameriabank CJSC, which accounted for 69.7% and 27.2% of the Group's total assets as at 31 December 2025, respectively. Together, these entities represent the vast majority of the Group's operations and therefore form the primary scope of the Group's climate-related disclosures. Other subsidiaries are significantly smaller and are not considered material in the context of climate-related risks and opportunities; however, their greenhouse gas (GHG) emissions are included in the Group's total emissions figures to ensure completeness of reporting.

Sources of guidance

This report has been prepared with reference to IFRS S2 and informed by complementary frameworks and standards, including:

- TCFD
- UK Financial Conduct Authority's UK Listing Rules (UKLRs)
- UK Companies Act 2006 (sections 414CA and 414CB)
- Greenhouse Gas (GHG) Protocol
- Partnership for Carbon Accounting Financials (PCAF) Standard for financed emissions

Connected information

The report is structured to reflect the interconnections across governance, strategy, risk management, and metrics and targets, helping users understand how climate-related issues influence the Group's business model and financial performance.

Comparative information

Where prior-year information is available and comparable, it is included to support year-on-year analysis. Where data is unavailable or newly introduced, current-year figures are presented together with explanations of the methodology.

Timing and frequency of reporting

These disclosures align with the Group's financial reporting calendar and are provided annually. This report covers the financial year ended 31 December 2025.

Statement of compliance

The Group confirms that its climate-related disclosures are consistent with the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD), in accordance with the UK Financial Conduct Authority's Listing Rules LR 6.6.6R(8). These climate-related disclosures have been prepared with reference to IFRS S2. In preparing these disclosures, the Group has applied relevant general requirements of IFRS S1 that underpin IFRS S2, including concepts relating to fair presentation, materiality, connected information and consistency with financial reporting. Disclosures relating to sustainability-related risks and opportunities other than climate are not yet presented. The Group continues to develop its sustainability-related reporting capabilities and expects to expand its reporting to cover sustainability-related risks and opportunities beyond climate in future reporting periods.

IFRS S1 readiness

In 2025, the Group initiated steps to enhance alignment with IFRS S1 requirements. This included beginning a review of existing sustainability-related processes and identifying areas for further development to strengthen the integration of sustainability-related risks and opportunities into governance, risk management and disclosure practices.

An ESG materiality reassessment was conducted (see page 56), resulting in the identification of fourteen material ESG topics that underpin the Group's strategy, risk framework, and reporting (for more information see our separate Sustainability Report).

Looking ahead, the Group plans to conduct a new Group-wide materiality assessment, including Ameriabank, to further strengthen alignment with IFRS S1 and ensure consistent identification and disclosure of material sustainability-related matters affecting enterprise value. Please refer to the separate Sustainability Report for an overview of the identified material topics, their descriptions and the corresponding disclosures.

IFRS S2 cross-reference table

Pillar	IFRS S2 recommended disclosures	Equivalent disclosure under TCFD and CA 2006	Summary of progress	Page
Governance The Group's governance processes controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities	a) The governance body(s) responsible for oversight of climate-related risks and opportunities.	• TCFD: Governance (a) • CA 2006: section 414CB(2A)(a)	Sustainability responsibilities are ultimately overseen by the Board. In 2025, the Group appointed Karine Hirn as an Independent Non-executive Director, who brings expertise in responsible investment, sustainability integration and emerging-market risk assessment, strengthening climate oversight at Board level.	71-74
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	• TCFD: Governance (b) • CA 2006: section 414CB(2A)(a)	At Bank of Georgia, climate matters are overseen by the ESI Committee. At Ameriabank, a dedicated Climate Competence Center is under development to enhance technical expertise and governance of climate-related risks.	74

Pillar	IFRS S2 recommended disclosures	Equivalent disclosure under TCFD and CA 2006	Summary of progress	Page
Strategy The Group's strategy for managing climate-related risks and opportunities	a) The climate-related risks and opportunities that could reasonably expect to affect the entity's prospects.	• TCFD: Strategy (a) • CA 2006: section 414CB(2A)(d)	Key climate-related risks and opportunities were identified across the Group that could reasonably affect the business model, value chain and long-term prospects.	76-78
	b) The effects of climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	• TCFD: Strategy (b) • CA 2006: section 414CB(2A)(e)	The Group is progressing the development of its climate transition plan to support strategic alignment.	79
	c) Effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flow.	• TCFD: Strategy (b) • CA 2006: section 414CB(2A)(e)	Climate stress testing was enhanced in 2025; no material financial impacts were identified.	80
	d) The Group's assessment of its climate resilience.	• TCFD: Strategy (c) • CA 2006: section 414CB(2A)(f)	Climate resilience was assessed through scenario analysis and evaluation of impacts on capital and liquidity ratios, with no material effect observed.	84-88
Risk management The Group's processes to identify, assess, prioritise and monitor climate-related risks and opportunities.	a) The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities.	• TCFD: Risk Management (a) • CA 2006: section 414CB(2A)(b)	The Group enhanced its materiality assessment and strengthened processes for identifying and managing climate-related risks and opportunities.	81-88
	b) The extent to which – and how – the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the Group's overall risk management process.	• TCFD: Risk Management (c) • CA 2006: section 414CB(2A)(c)	The Group progressively embeds climate-related considerations into the Enterprise Risk Management (ERM) framework.	81-88
Metrics and targets The Group's performance in relation to its climate-related risks and opportunities	a) Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions.	• TCFD: Metrics and Targets (b) • CA 2006: N/A	The Group discloses Scope 1, 2 and relevant Scope 3 emissions at consolidated level. In 2025, Bank of Georgia set its first operational emissions reduction target.	89-90
	b) Metrics used by the Group to assess climate-related risks and opportunities in line with its strategy and risk management processes.	• TCFD: Metrics and Targets (a) • CA 2006: section 414CB(2A)(h) although we acknowledge that this requirement focusses more on the application of KPIs which we have detailed in this report	Physical and transition risk-related metrics, including exposures to carbon related assets, as well as climate opportunity metrics, such as green portfolio volumes are monitored in line with the Group's strategy and risk framework.	91
	c) Climate-related targets to monitor progress towards achieving the Group's strategic goals.	• TCFD: Metrics and Targets (c) • CA 2006: section 414CB(2A)(g)	The Group monitors climate-related targets, with further target development planned as data quality and coverage improve.	91-93

Governance

Given the strategic importance of our sustainability ambitions in managing climate-related impacts and broader societal issues, the Group has established a clear and robust governance structure that ensures effective oversight, accountability and coordinated action.

Sustainability responsibilities are ultimately overseen by the Board. Board Committees also oversee areas and interactions appropriate to their remit: the Audit Committee reviews the quality of climate data and disclosures; the Risk Committee monitors climate change as an emerging risk; and the Remuneration Committee aligns executive incentives with long-term sustainability objectives.

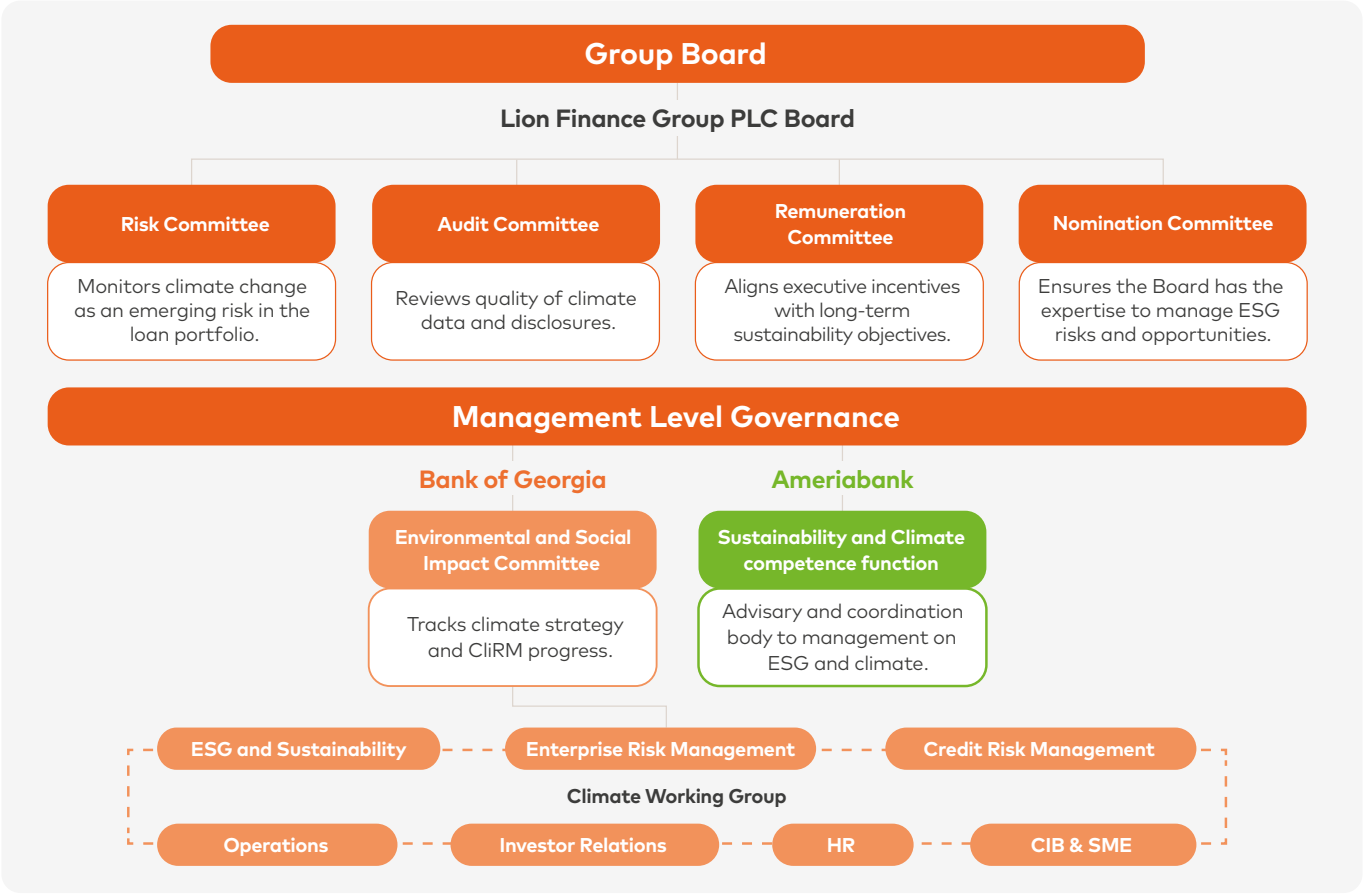
Within Bank of Georgia, at the management level, climate-related risks and opportunities are governed through Bank of Georgia's ESI Committee, which oversees implementation of the Climate Strategy and monitors progress under the Climate Risk Management (CliRM) Framework. The ESI Committee is further supported by the cross-functional Climate Working Group to coordinate risk assessment and guide execution across the Bank. This structure ensures consistent, enterprise-wide management of climate-related risks and opportunities, supported by clear lines of responsibility and strong functional collaboration.

Within Ameriabank, governance arrangements are evolving as part of the Group's integration process. In 2025, Ameriabank initiated the development of a dedicated Sustainability and Climate Competence (SCC) function, intended to serve[1] as an advisory and coordination body supporting management in the identification, assessment and monitoring of sustainability and climate-related risks and opportunities. The SCC function will provide analytical input into strategic and risk-related decision-making and support the continued development of sustainability governance capabilities and disclosure processes.

The Group's sustainability governance model ensures that the Board and its Committees have the necessary information for effective decision-making and oversight. It also facilitates the Executive Management's active involvement in assessing and managing climate-related risks and opportunities as detailed in the graph below.

1 The Sustainability and Climate Competence Function at Ameriabank was initiated in 2025 and is currently under development. It is expected to become fully operational in 2026 as part of the Bank's strengthened ESG and climate governance framework.

How the Group's climate strategy is cascaded



Board oversight

The Board of Directors integrates climate-related risks and opportunities into its overall governance and oversight framework, ensuring that climate considerations are embedded across the Group's strategy, decision-making and risk Group's management processes. Since 2022, the Board has taken an active role in shaping and reviewing the Group's climate agenda, with a specific focus on the robustness, credibility and effectiveness of its approach to managing climate-related risks and capturing emerging opportunities:

Oversight of the entity's strategy	The Board holds overall responsibility for the Group's ESG strategy and has retained primary oversight responsibilities on environmental and social matters since December 2021. In 2025, climate topics were discussed at quarterly Board meetings, focusing on global trends, regulatory developments and emerging market practices to assess their relevance and potential strategic implications. The Board also reviewed climate-related feedback from proxy reports to identify gaps against market expectations and inform disclosure alignment. Implementation of the Group's sustainability strategy is supported through subsidiary-level governance structures aligned with Group principles. Management committees within Bank of Georgia and Ameriabank oversee execution at entity level, ensuring consistency with Group strategy while reflecting different stages of sustainability governance maturity across subsidiaries. The Board retains ultimate responsibility for overseeing the establishment of climate-related targets and ensuring their alignment with the Group's strategy and risk appetite. Since 2024, green loan portfolio targets have been embedded in Bank of Georgia's Executive Management KPIs and linked to remuneration. Additionally, in 2025, Bank of Georgia set its first operational footprint reduction target. As part of its oversight, the Board will receive annual updates on progress against the new target. Climate performance at Bank of Georgia is further supported by the ESI Committee and Climate Working Group, which provide analysis and recommendations to inform Board oversight.
Oversight of risk management processes	The Board approves Climate Risk Management Framework, which guides the identification, assessment, and monitoring of climate-related risks. It also receives quarterly reports on the green portfolio to monitor sustainable investments and alignment with climate objectives.
Oversight of climate-related policies	The Board is responsible for overseeing the Group's key climate-related policies, including: • Climate Risk Management Framework • Environmental Policy • Green Finance Framework The Board ensures these policies are consistent, regularly updated and aligned with evolving regulatory expectations and best practices.
Decisions on major transactions	The Board, as part of the Group's wider strategy, also considers climate-related risks and opportunities arising from major transactions. In 2025, no major transactions were executed that required such assessment. Additionally, the Board has responsibility for large credit decisions, which incorporate climate and ESG considerations.

Governance and accountability structure

The Board's Committees are actively involved in overseeing climate-related risks. The Board and its Committees meet regularly to address climate-related issues, ensuring continuous oversight of risks and opportunities.

Lion Finance Group PLC

The Board

The Board is responsible for ensuring the Group's long-term success and sustainable value creation for shareholders. It oversees operations to ensure they remain aligned with the Group's strategic priorities and targets, and it also approves all climate-related financial disclosures. The Board comprises all Directors and meets at least quarterly.

Risk Committee	Audit Committee	Remuneration Committee	Nomination Committee
Mandate/scope: Primary responsibility for risk management at the Board level, including overseeing climate change as an emerging risk in the Group's loan portfolio.	**Mandate/scope:** Assesses the quality of the Company's disclosures, including the quality of data and whether the information provided is sufficient for stakeholders to assess how the Group is managing climate-related matters.	**Mandate/scope:** Sets climate-related targets for the CEO and considers how Executive Management performs against climate-related objectives and targets.	**Mandate/scope:** Responsibility for succession planning and recruitment of the Board. Ensures the Board as a whole has appropriate ESG skills.
Membership: At least three Independent Non-executive Directors. The CRO attends all meetings. Other members of Executive Management attend as and when required.	**Membership:** At least three Independent Non-executive Directors. Attended by Internal Audit and the External Auditor. Attended by Executive Management members and senior managers as and when required.	**Membership:** At least three Independent Non-executive Directors.	**Membership:** Majority of the Committee should be independent non-executive directors
Meeting frequency: At least four times a year.	**Meeting frequency:** At least four times a year.	**Meeting frequency:** At least twice a year.	**Meeting frequency:** At least twice a year.

Key sustainability topics discussed at the Board Committee meetings in 2025

Topics discussed: Considered climate change as an emerging risk, including its potential implications for the Group's risk profile and risk management framework.	**Topics discussed:** Reviewed climate-related disclosures, including TCFD-aligned information, as part of the FY2024 Annual Report.	**Topics discussed:** Reviewed ESG-related KPIs for the CEO, including the setting of threshold, target, and maximum performance levels, cascading these KPIs across senior management, and assessing performance against these targets.	**Topics discussed:** After identifying a need for additional ESG expertise via the skills matrix, the Committee recruited Karine Hirn as non-executive director in April 2025, given her extensive sustainability experience.

Skills and competencies

The Board believes its members have the expertise to support the Group's climate strategy.

In 2025, Karine Hirn joined as an Independent Non-executive Director and member of the Audit, Risk, and Nomination Committees. With over 30 years of experience in financial services, including responsible investment and sustainability integration, she brings strong expertise in emerging markets, ESG strategy, and climate risk oversight.

To further strengthen oversight, Board members completed dedicated climate training in 2025 focused on transition planning, regulatory developments, and climate-related financial risks. Periodic climate training will continue to ensure the Board remains well equipped to oversee climate strategy and emerging risks.

Management's role

Executive management plays a central role in implementing the Group's sustainability governance framework and ensuring the effective integration of climate-related risks and opportunities into day-to-day decision-making, risk management processes, and strategic execution across the Group. Management is responsible for operationalising Board-approved strategies, policies and targets, and for maintaining governance processes, controls and procedures that support monitoring, assessment and management of sustainability-related risks and opportunities across subsidiaries.

Bank of Georgia

In 2022, the Supervisory Board of Bank of Georgia established a management-level Environmental and Social Impact (ESI) Committee to embed climate and sustainability considerations into day-to-day decision-making. Chaired by the CEO and composed of Executive Management and senior leaders, the Committee meets at least twice a year to review progress and guide strategic actions. The ESI Committee oversees the management of climate risks and opportunities across lending and operations, driving implementation of the Bank's climate strategy in line with Board-approved priorities and regulatory expectations. It reports directly to the Board, which receives regular updates on progress, key risks, and emerging issues.

The Committee's work is supported by the cross-functional Climate Working Group, established in 2021. The Group brings together representatives from the ESG and Sustainability direction, Enterprise Risk Management, CIB and SME Banking, Credit Risk Management, Operational Support, Investor Relations and HR, ensuring coordinated implementation across functions. Further details on the roles and responsibilities of each body are provided in the separate Sustainability Report.

Ameriabank

In 2025, Ameriabank initiated the development of a Sustainability and Climate Competence (SCC) function to strengthen coordination, analytical support and integration of sustainability into risk management and strategy.

Management activities currently focus on integrating sustainability considerations into core processes, including credit risk assessment, strategic planning and internal monitoring, through existing risk management and decision-making frameworks. These practices are informed by materiality assessments, due diligence, and forward-looking scenario analysis, supporting the progressive integration of sustainability factors into business operations and risk evaluation.

Performance targets

Management is responsible for establishing and monitoring climate-related targets and ensuring they align with strategic objectives and regulatory requirements. Performance against selected indicators is tracked through governance structures and tied to executive accountability frameworks, including incorporation into Executive Management KPIs.

Strategy

Climate materiality assessment

Climate-related risks and opportunities are integrated into the Group's strategic planning, risk management and decision-making processes as part of its broader ESG framework. The Group identifies, assesses and monitors both physical and transition climate risks, while evaluating opportunities arising from the transition toward a low-carbon economy.

Climate considerations are assessed through defined time horizons and integrated into strategic analysis to support resilience, capital allocation decisions and portfolio positioning. Environmental risks are primarily assessed through two interconnected channels: physical risks and transition risks:

- **Physical risks** relate to potential adverse impacts of climate change on assets, infrastructure, operations, and the broader economic environment in which the Group and its clients operate.
- **Transition risks** reflect financial and operational impacts associated with the shift toward a lower-carbon economy.

To translate these risk dimensions into actionable insights, the Group applies a structured risk pathway methodology for exposure mapping, complemented by forward-looking scenario analysis. This approach evaluates how key risk drivers, including emissions exposure, capital expenditure requirements and revenue dynamics, may influence financial outcomes under different transition scenarios.

For a comprehensive overview of our assessment of physical and transition climate-related risks, please refer to the Risk Management section on pages 84 to 87.

Time horizons considered

To ensure a consistent and forward-looking assessment of climate-related risks and opportunities, the Group applies clearly defined time horizons aligned with its strategic planning, risk management and financial decision-making processes. Climate-related risks and opportunities that are material to the Group's five-year financial planning horizon are classified as short-term. Medium-term impacts are those expected to arise over the next five to fifteen years, while long-term impacts are anticipated beyond a fifteen-year timeframe:

Short term (2030)

Supports operational and tactical decision-making, focusing on emerging regulatory requirements, evolving market expectations and near-term climate impacts relevant to portfolio management and business activities.

Medium term (2040)

Captures structural shifts in economic and sector dynamics, including the acceleration of transition pathways, technological adoption and broader climate-related transformations affecting clients and markets.

Long term (2050)

Addresses long-term structural risks and opportunities, including chronic climate impacts and broader climate trends that may influence strategic positioning, capital allocation and business model resilience.

Climate-related risks and opportunities

Climate-related risks and opportunities are assessed as part of the Group's integrated climate risk management approach, with focus on potential impacts on the business model, portfolio performance, and long-term strategic positioning across defined time horizons. The tables on the next page highlight potential exposures and identify opportunities for the Group to enhance risk management and drive growth.

As Bank of Georgia and Ameriabank operate in different markets and have distinct portfolio compositions, client segments and sector exposures, the materiality assessment may result in certain climate-related risks and opportunities being assigned different time horizons for each entity. These differences reflect specific characteristics of each bank's operating environment and the way climate-related matters are expected to materialise across their respective portfolios.

In the table below, BOG refers to Bank of Georgia and AMB refers to Ameriabank

Climate-related risks and business model effects

Risk	Type	Description	Term	Current effects	Anticipated effects
Drought	Physical risk	Risks arising from prolonged dry periods leading to water shortages, impacting agriculture and its value chain, as well as other water-dependent industries.	**BOG:** Medium- to long-term **AMB:** Short- to medium-term	Limited direct impact but sectors such as agriculture may face localised disruptions.	As climate change progresses, droughts could increase operational disruptions for water intensive industries – affecting credit risk. The Banks may need to adjust risk models to account for sectors vulnerable to water scarcity – especially those in agriculture, electricity, gas, steam and air conditioning supply, construction, wholesale and retail trade.
Heatwave	Physical risk	Risks arising from extreme heat events, leading to increased energy consumption, strain on cooling systems, operational disruptions, and increased costs.	**BOG:** Medium- to long-term **AMB:** Medium- to long-term	Limited direct impact on Bank of Georgia's and Ameriabank's operations but may cause disruptions to key industries in the region, such as construction.	More frequent heatwaves could disrupt operations, increase costs and affect productivity in vulnerable sectors. Potential risks may arise in agriculture, manufacturing, electricity, gas, steam and air conditioning supply and construction. The Banks will need to account for these effects in their risk management frameworks and adjust sectoral strategies accordingly.
Floods	Physical risk	Extreme weather events such as flooding that could damage infrastructure, disrupt supply chains and affect real estate values.	**BOG:** Medium- to long-term **AMB:** Medium- to long-term	Minimal direct impact but may affect loan performance in flood-prone regions or sectors with significant infrastructure exposure, such as real estate and construction.	Increased flooding risks could lead to asset impairments and higher recovery costs, particularly in flood-prone areas. Adjustments to credit risk models will be required for sectors and regions highly vulnerable to flooding, particularly real estate, agriculture and infrastructure sectors.
Direct GHG emissions	Transition risk	Risks stemming from direct emissions generated by a company's own operations (Scope 1). These may incur increased costs due to carbon taxes, carbon pricing or compliance with emission regulations.	**BOG:** Medium-to long-term **AMB:** Medium- to long-term	Both Georgia and Armenia lack carbon pricing, so direct emissions do not yet significantly impact the Banks' operations.	While Georgia and Armenia lack carbon markets, the implementation of Carbon Border Adjustment Mechanism (CBAM) in the European Union from 2026 – a policy that places a carbon price on certain imported goods to align them with the EU's climate standards – will increase costs for sectors with high direct emissions, particularly for companies exporting emissions-intensive goods to the EU. This creates credit risks for the Banks as clients in these sectors may face financial strain from adapting operations, implementing decarbonisation strategies and preparing for potential future carbon pricing. These pressures could lead to reduced profitability, liquidity challenges and a heightened risk of default, impacting the Banks' credit portfolio.

Risk	Type	Description	Term	Current effects	Anticipated effects
Indirect GHG emissions	Transition risk	Risks related to emissions from a company's value chain (Scope 3). This includes upstream emissions from suppliers and downstream emissions from products in use or disposal. For a bank, this risk is relevant primarily through financed emissions, as clients' exposure to value-chain emissions may translate into higher transition risk within the lending and investment portfolio.	**BOG:** Medium- to long-term **AMB:** Medium- to long=term	Limited immediate impact, as most clients do not yet track or manage upstream emissions from suppliers.	As carbon regulation evolves, including full implementation of the Carbon Border Adjustment Mechanism (CBAM) in 2026, carbon-intensive sectors may face higher compliance costs, supply-chain pressures, and stronger expectations to measure and reduce Scope 3 emissions. For the Banks, these risks may arise through lending to high-emitting clients. Such clients may face margin pressure, weaker profitability, liquidity strain, operational disruption, or reduced competitiveness, potentially increasing credit risk, probability of default, and non-performing loans.
Investments	Transition risk	Risks related to capital expenditures required to transition towards more sustainable, low-carbon technologies and financial exposure linked to green investments.	**BOG:** Medium- to long-term **AMB:** Medium- to long-term	Clients may not yet be fully aware of possible transition risks due to limited knowledge of international and national regulations.	CBAM and indirect carbon pricing will heavily impact carbon intensive sectors. Businesses will need to reassess low-carbon investments and significantly increase green transition efforts. For the Banks, this could increase credit risk, as clients may face financial pressures, strained cash flows, and regulatory challenges, potentially leading to debt repayment difficulties and weaker credit profiles.

For a detailed assessment of inherent sector-based climate physical and transition risks, please refer to the heatmaps on pages 84 to 85.



In the table below, BOG refers to Bank of Georgia and AMB refers to Ameriabank

Climate-related opportunities and business model effects

Risk	Type	Description	Term	Current effects	Anticipated effects
Water-efficient technologies	Physical opportunity	Financing for water efficient technologies such as irrigation systems, water recycling solutions and flood-resistant infrastructure, especially in water stressed sectors.	**BOG:** Medium- to long-term **AMB:** Short- to medium-term	Provides opportunities for financing water efficient solutions in agriculture and manufacturing sectors.	Increased drought conditions will create greater demand for water saving investments. The Banks can capitalise by offering tailored green financing solutions.
Energy-efficient cooling and renewable energy	Physical opportunity	Supporting investment in cooling systems, energy-efficient buildings and renewable energy solutions to combat rising temperatures and heatwaves.	**BOG:** Short- to medium-term[2] **AMB:** Medium- to long-term	Heatwaves provide immediate demand for energy-efficient solutions and cooling systems.	As heatwaves intensify, the Banks can broaden their green finance offerings through loans for energy-efficient buildings and renewable energy systems.
Flood resilience infrastructure	Physical opportunity	Financing flood resilience projects, such as flood barriers and resilient building materials to mitigate physical risks from flooding.	**BOG:** Medium- to long-term **AMB:** Medium- to long-term	Opportunities to finance flood-resilient infrastructure in high-risk regions, including drainage systems, flood defenses, and elevated roads	Increased flooding risks will lead to long-term demand for flood resilience projects, enabling the Banks to support long-term adaptation strategies for clients in affected sectors.
Low-carbon technologies	Transition opportunity	Providing financing for businesses investing in low-carbon technologies like renewables, energy efficiency upgrades, electrification of transport and sustainable farming practices.	**BOG:** Short- to medium-term **AMB:** Short- to medium-term	Renewable energy investments are progressing, but adoption of broader low-carbon solutions (transport, efficiency, sustainable farming) is still limited, creating early entry financing opportunities for the Banks.	The rise of carbon pricing and CBAM will drive demand for green technologies, boosting a market for green loans and financing options.
Supply chain decarbonisation	Transition opportunity	Financing to help clients reduce indirect emissions in their supply chains, such as transitioning to renewable energy or improving energy efficiency across their value chain.	**BOG:** Medium- to long-term **AMB:** Medium- to long-term	With ongoing pressure for industries to address indirect emissions, the Banks can support clients in decarbonising their supply chains through tailored financing solutions.	As CBAM regulations come into full force, growing pressure from global buyers on Scope 3 disclosure will increase demand for financing cleaner supply chains covering renewable energy sourcing, supplier decarbonisation and low-carbon logistics.
Assisting clients with transition plans and low-carbon investments	Transition opportunity	Supporting clients in developing transition plans to decarbonise in line with future regulations, ensuring they meet relevant regulatory requirements on the markets they operate in.	**BOG:** Short- to medium-term[1] **AMB:** Medium- to long-term	While action on direct emissions remains limited, awareness is rising in energy-intensive sectors. This creates an opportunity for the Banks to position themselves as trusted financing partners, supporting clients in developing transition plans and offering tailored advisory and financial solutions.	Regulatory and market pressures will boost demand for transition finance, allowing the Banks to support clients in cutting emissions, improving credit quality and strengthening resilience.

For further details on our approach to climate-related opportunities, please refer to page 88.

2 Originally, the time horizon of opportunities was aligned directly with underlying risks. In practice, however, w observe a distinction between when risks are expected to fully materialise and when related opportunities can be captured. Accordingly, we maintain a medium- to long-term horizon for risks, reflecting their gradual build-up and crystallisation, while positioning opportunities on a short- to medium-term horizon. This is because (i) sustainable finance regulations are already incentivising climate-aligned activities, and (ii) the Group has already made concrete investments in green products and capabilities. As a result, the potential to scale opportunities is expected to materialise earlier, even though associated risks are anticipated primarily in the medium to long term.

Our Climate Transition Plans

In 2025, we actively worked on developing the Group's comprehensive Climate Transition Plan Framework. This strategic initiative will establish a structured and forward-looking plan to support the Group's transition towards a low-carbon and climate-resilient business model.

The Plan draws on international guidance, including the Transition Plan Taskforce (TPT) framework, while being tailored to the Georgian and Armenian market context, where climate-related regulatory requirements and transition finance frameworks are still at an early stage. The Group's Climate Transition Plan will serve as the primary strategic reference for climate-related action. The Plan is expected to be approved and published in due course and will be reviewed annually and updated as needed to reflect evolving market conditions, regulatory developments and progress achieved. We have organised our Transition Plan around four strategic pillars of action. These pillars represent the core areas where the Group can drive long-term climate impact across risk management, financing, direct and indirect processes and client engagement. More information on each pillar can be found in our separate Sustainability Report.

Figure 1: Our Climate Transition Plan Framework



Our climate mitigation and adaptation efforts

Direct operations

Although the Group's direct footprint is modest compared to its financed impact, we are committed to reducing operational emissions and strengthening our resilience. At Bank of Georgia, mitigation efforts focus on energy efficiency, renewable energy integration and improved waste management. As at 31 December 2025, 88% of electricity consumed across regional offices was sourced from solar energy. Additionally, in 2025, Bank of Georgia set its first Scope 1 and Scope 2 emissions reduction target, supported by increased renewable electricity use, targeted efficiency measures and ongoing emissions monitoring (please see more information on targets on page 91). Ameriabank has established a framework to measure Scope 1, Scope 2, and relevant Scope 3 emissions, forming the basis for future reduction targets and its operational decarbonisation pathway. Both Banks also continue to strengthen climate awareness and preparedness across their workforce.

Indirect operations

The Group's largest climate impact arises through its lending activities. We support clients' transition through green finance, prioritising high-emission and climate-sensitive sectors, while helping address barriers such as data gaps, financing constraints, and limited technical capacity.

In 2025, based on financed emissions and climate risk exposure, Bank of Georgia identified priority sectors: power generation, iron and steel, cement, and transport. Client engagement in these sectors will focus on supporting energy efficiency, renewable energy adoption, and cleaner technologies. While sector-wide adaptation guidance remains limited, we continue to monitor regulatory developments and raise client awareness of physical and transition risks. Ameriabank is integrating climate risks into credit and portfolio management and deepening engagement in emissions-intensive sectors to support climate-aligned and resilient investments.

Stress testing and resilience of our business model

The Group applies climate stress testing within its broader climate risk management framework to assess resilience under forward-looking physical and transition risk scenarios. These exercises inform strategic planning, risk management and capital assessment across defined time horizons. The approach combines scenario analysis with targeted portfolio assessments, focusing on climate-sensitive sectors. While core principles are aligned at Group level, implementation differs between Bank of Georgia and Ameriabank, reflecting variations in portfolio structure, data availability and methodological maturity.

Bank of Georgia:

In 2025, Bank of Georgia implemented a forward-looking climate stress testing framework covering physical and transition risks. Risks are assessed independently, focusing on the most materially exposed sectors. Physical risks are assessed under the assumption that the given hazard would occur across all regions of Georgia. Transition risks are assessed under different climate scenarios reflecting potential changes in emissions-related policies. Probabilities are assigned to each scenario based on current trends, and impacts are evaluated at the client level, focusing on those most exposed to the transition risk.

Physical risk methodology and results:
Physical risk stress testing evaluates exposure to acute and chronic hazards that may adversely affect borrowers' creditworthiness and negatively impact the Bank's financial position. This includes drought, heat, flooding, wildfire, and landslides. Based on the physical risk heatmap (please refer to physical risk heatmap on page 84), drought was identified as the most material risk in 2025. The scenario assumed a drought event occurring simultaneously across all regions of Georgia. The analysis applied a top-down approach, focusing on the agricultural portfolio further segmented into sub-sector, to model potential deterioration in borrower creditworthiness and the resulting additional Expected Credit Loss (ECL) provision. The stress test was conducted incorporating the adverse impact of the drought on collateral values. To assess the resilience of the Bank's financial position, the outcomes of the climate stress test were translated into impacts on regulatory capital and liquidity ratios under the physical risk scenario. The resulting impacts on capital and liquidity ratios were limited and immaterial, indicating resilience under the assessed scenario.

Transition risk methodology and results:
Transition risk stress testing evaluates the potential impact of climate-related policy changes on the Bank's position, with a particular focus on the potential effect of introduction of a carbon tax in Georgia. Client-level stress testing targeted high-emitting borrowers under three scenarios: Net Zero Transition, Delayed Transition, and Current Policies, each assigned probability weights, with greater weight given to less ambitious transition pathways.

The stress test evaluated how changes in carbon-related policies could affect the financial performance of the most exposed group of clients, with the resulting deterioration in creditworthiness translated into additional Expected Credit Loss (ECL) provisions. A weighted-average impact across scenarios was then calculated to estimate the potential effect on the Bank's position.

Impacts were translated into additional ECL provisions and assessed against capital and liquidity ratios. Results showed limited and immaterial financial impact, confirming resilience under the assessed transition scenarios and horizon.

Ameriabank:

In 2025, Ameriabank conducted its first exploratory top-down climate stress test to assess potential physical and transition risk impacts on its loan portfolio. Due to data limitations, the exercise relied on assumptions and proxies. Results indicated limited or no material short- to medium-term credit risk impact; however, findings are considered directional and not yet embedded into the formal risk framework.

The Bank plans to refine and repeat the exercise using improved bottom-up data, greater sectoral differentiation, and stronger client-level analysis. As methodologies mature, results may inform adjustments to risk management, portfolio steering, client engagement, and capital planning. Over time, climate stress testing is expected to become a core forward-looking input into Ameriabank's strategy.

Business planning and adaptation to climate risks and opportunities

Business planning across the Group integrates climate-related risks and opportunities into strategy and risk management processes to support long-term resilience. Forward-looking analysis is used to identify sector-specific risk hotspots and emerging opportunities.

A consistent methodology is applied across entities, combining enhanced due diligence, sector analysis, and structured scorecards, while reflecting differences in maturity. In 2026, Bank of Georgia plans to expand climate-adjusted due diligence to borrowers with exposures above GEL 1 million and introduce climate scorecards for priority sectors, generating Transition Risk (TR) and Physical Risk (PR) scores to support a high-level assessment of climate risks, guiding engagement priorities and informing discussions on potential support.

Ameriabank is applying the same framework, with calibration and thresholds under development as integration progresses. Over time, these tools will support more structured portfolio alignment, capital allocation, and development of climate-aligned financing solutions, alongside continued strengthening of internal climate-related capabilities.

Risk management

Embedding climate risks into ERM

Across the Group, climate-related risks are progressively embedded into the Enterprise Risk Management (ERM) framework, ensuring structured identification, assessment and monitoring alongside traditional risk categories (credit, market, operational, liquidity, and reputational).

The Group applies a unified Climate Risk Management (CIRM) framework, combining qualitative materiality insights with quantitative tools such as scenario analysis, stress testing and climate risk heatmaps informed by NGFS and IPCC pathways. At Bank of Georgia, the CIRM framework is more fully operationalised, enabling annual portfolio-level monitoring of climate-sensitive exposures. At Ameriabank, implementation is at an earlier stage, with ongoing efforts to strengthen methodologies, improve data availability and align practices with the Group-wide ERM approach. This evolving framework enhances resilience to both near-term disruptions and long-term transition risks.

The table below illustrates the current operational implementation of climate risk integration within ERM, reflecting practices currently embedded at Bank of Georgia and serving as a reference for the ongoing rollout across the Group.

Climate risks integrated within ERM

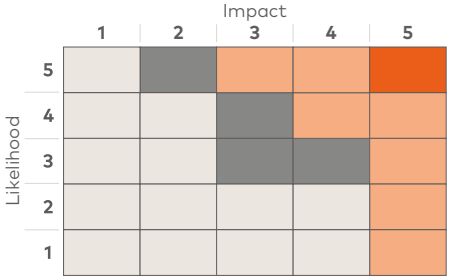
Drivers key
Transition: Policy and legal | Transition: Technology | Transition: Market | Physical: Acute | Physical: Chronic

					Risk score 2040		
Principal risk	**Risk description**	**Drivers**	**Potential effects**	**Management**	**Net Zero**	**Delayed Transition**	**Current Policies**
Credit	The risk that the Bank incurs a loss because its customers fail to fulfil their contractual obligations.		Both climate policy (transition risks) and climate change (physical risks) can negatively affect borrowers' repayment capacity and the value of collateral. Risks are more pronounced in certain sectors and geographies (see Heatmaps on pages 84 to 85). At the same time, we expect positive credit enhancements from clients already aligned to the low-carbon transition (see our NBG Taxonomy-aligned portfolio on page 91) or resilient to physical risks.	Conducting stress tests, scenario analyses, monitoring climate sensitive sectors, incorporating climate variables into internal models via climate scorecards, and setting risk limits.	Low/ Medium	Low/medium for many sectors but high for others (such as manufacturing and agriculture – see heatmap on the next page)	Low/ Medium
Liquidity	The risk that the Bank is unable to meet its payment obligations when they fall due under normal and stress circumstances.		Affected borrowers cannot pay back loans, or they withdraw deposits – reducing the Bank's liquidity. If sovereign or bank credit ratings are downgraded, the availability of wholesale funding decreases and cost of funding increases.	Monitoring counterparties, instruments and fund usage while implementing emergency action and funding plans.	Low	Medium	Medium
Capital	The risk that the Bank fails to meet the minimum capital adequacy requirements set by the regulator.		Borrowers' repayment issues can negatively affect the credit quality of the Bank's portfolio, requiring increased loan loss provision and adjusted risk-weighted assets.	Conducting bottom-up climate stress testing, assessing climate risk through the credit risk transmission channel over time, supporting capital planning, customer engagement and risk management interventions. Identifying longterm climate risks for a subset of clients, informing policy adjustments, and guiding further actions as needed.	Low	Medium	Medium/ High

Principal risk	Risk description	Drivers	Potential effects	Management	Risk score 2040 Net Zero	Risk score 2040 Delayed Transition	Risk score 2040 Current Policies
Market	The risk that can manifest through transition risk channels through market value loss, asset and liability management impact due to societal, legal and technological response to climate change, particularly affecting loans and equities. Physical risk channels can also result in market value loss and asset liability management impact due to weather impacts, particularly affecting property and real estate.		The Bank is primarily exposed to FX and interest rate risks. Climate change and climate policies can drive global downturns and market volatility, impacting FX rates and interest rates. While ambitious climate policies may pose short-term economic challenges, effective policies – such as public investment in technology – could also spur growth. Climate change is currently low on Georgia's agenda but may impact the economy over time. Long-term downturns could weaken the Lari, especially compared to less affected countries. Climate-related FX and interest rate fluctuations may adversely impact the Bank's financial position, given its open currency position and interest rate gap. Additionally, traditional market risk models, like Value at Risk (VaR), struggle to capture climate-related shocks due to limited historical data.	Continuously monitoring market dynamics such as commodity prices, exchange rates and stock valuations to identify early indicators of climate-related impacts.	Low	Medium	Medium
Operations	The risk of loss arising from systems failure, human error, fraud or external events.		Climate change can interrupt the Bank's regular operations and increase the cost of maintaining effective business resilience – especially regarding back-office processes and data centres). Affected borrowers could potentially conduct fraud.	Establishing contingency plans, enhancing business continuity systems and conducting cost-impact assessments.	Low	Low/Medium	Medium
Reputation	The risk of damage occurring due to failure to meet stakeholders' expectations		Lack of meaningful climate action could affect the Bank's reputation among investors and customers. Reputation could also suffer if the Bank struggles with other climate-induced challenges that affect the continuity and quality of its services	Developing engagement strategies, tracking climate transitions, offering new green and transition finance opportunities and enhancing stakeholder communication	Medium	High	Medium

Notes on methodology:
In 2025, climate-related risks were assessed by answering the following questions:

1. Identification of risk drivers and transmission channels: How does climate change interrelate with and increase existing banking risks?
2. Assessment of impact: How strongly will Bank of Georgia be affected by the identified risk drivers if they emerge?
3. Assessment of likelihood: How likely is it that the identified risk drivers emerge under the three scenarios?



Impact and likelihood values range from one (insignificant/ remote) to five (critical/ almost certain), with the definition of values differing between risk types. The resulting risk scores can be low, medium, high or critical, as shown above. In some cases, risk scores can lie between these categories (low/medium, medium/high, high/critical), because the risk is judged to be right on the border between two categories, for example, or to illustrate that different risk drivers lead to different risk scores under the same scenario. Theoretically, an important driver of the likelihood of climate-related risks is the likelihood of the scenario that is being used. The likelihood of certain scenarios to materialise of course changes over time, as decisions are made and assumptions become true or false. In our analysis of non-credit risks, we found no significant differences in risk exposure across the defined short- (2030), medium- (2040), and long-term (2050) timeframes. In the medium run, we do not anticipate major shifts in policy or technology trends that would pose substantial risks, nor do we expect the current assessment of physical risk impacts to deviate meaningfully from business as usual. To reflect this, we have chosen to present results under a consolidated <2040 timeframe, aligning with the maximum maturity of our portfolio and providing a practical medium-term risk assessment. We will continue refining our methodology for a comprehensive, Bank-wide climate-related risk evaluation.

Climate Risk Management Framework

In 2025, Bank of Georgia enhanced its approach through more refined methodologies and advanced quantitative analysis, leading to approval of an updated CliRM framework. The framework systematically addresses physical and transition risks across the credit lifecycle, embedding climate considerations into risk management, lending, and strategic decision-making.

Ameriabank adapted and contextualised Bank of Georgia's approach to reflect the specific characteristics of its business model and portfolio. While the underlying methods and structure remain aligned, the approach was adjusted to account for data availability constraints, including the use of proxies and top-down assumptions where client-level information was limited. Its Climate Risk Management framework, aligned with Group principles, is scheduled for approval in 2026 and will be implemented in phases to progressively strengthen climate risk integration within credit and strategic processes.

Figure 4: Group's Climate Risk Management Framework



Risk identification

Materiality assessment lies at the core of our climate risk identification process. It serves as the foundation for advanced analyses, including stress testing and scenario analysis, ensuring a structured approach to climate risk management. As part of this process, we apply the Climate Value-at-Risk (Climate VaR) methodology to quantify potential financial losses stemming from climate risks. By translating climate uncertainties into actionable financial metrics, Climate VaR helps us assess the impact of specific climate risks under various scenarios. To evaluate risks under different climate pathways, we leverage globally recognised frameworks such as NGFS and CMIP6.

NGFS

- Net Zero 2050 – Early, ambitious transition; low physical risk; high transition cost
- Delayed Transition – Policies delayed until 2030; higher transition and moderate physical risks
- Current Policies – Only existing policies persist; severe physical risks

CMIP6

- SSP1-2.6 – Sustainable pathway with early and ambitious climate policy; lower physical risks; higher transition requirements
- SSP2-4.5 – Middle-of-the-road world with uneven policy adoption and moderate physical and transition risks
- SSP5-8.5 – Fossil-fuel-intensive, high-emission pathway resulting in severe physical risks

The table below links IPCC technical definitions to NGFS scenario names and their financial interpretations:

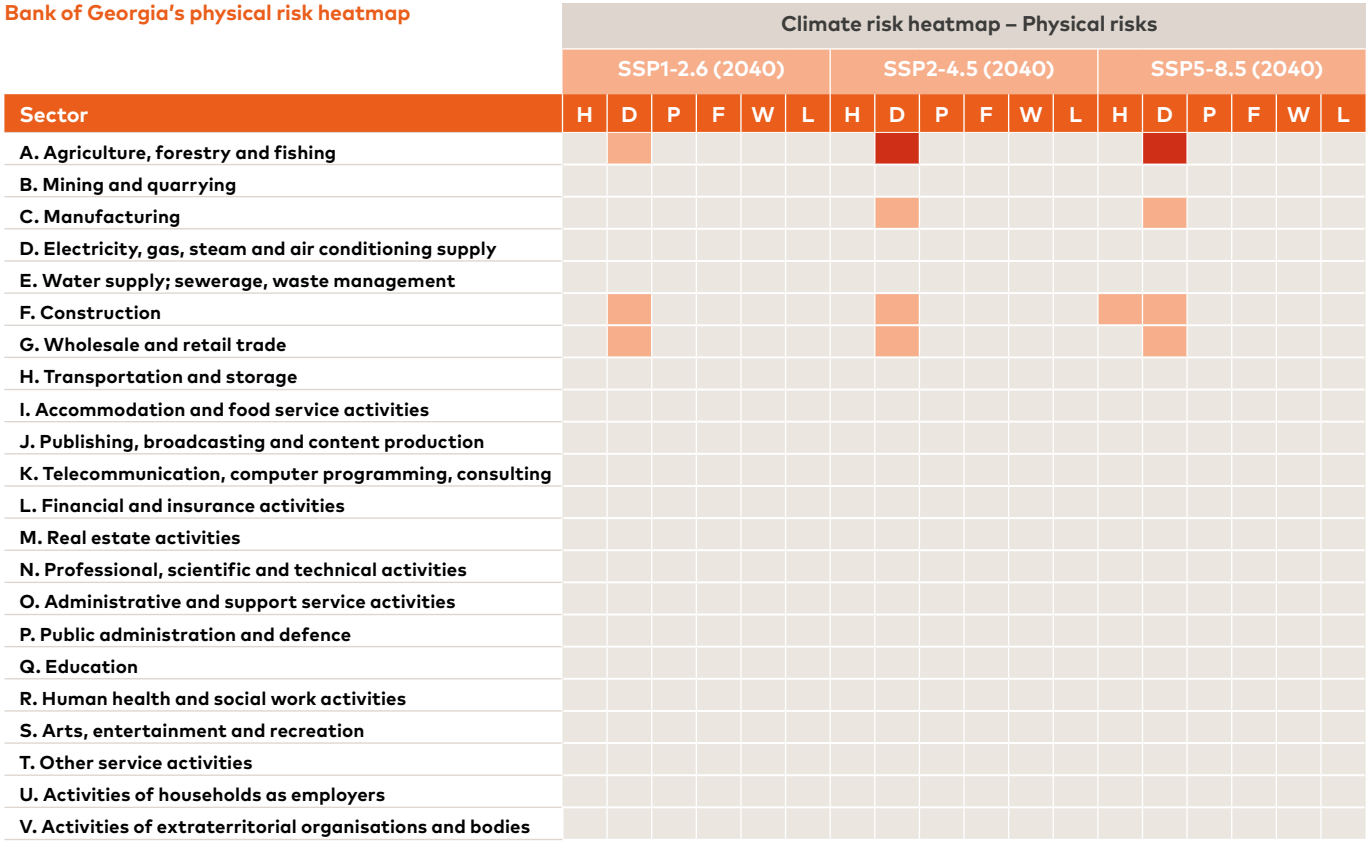
Illustrative mapping

Temperature target	IPCC technical scenario name	NGFS scenario name	Transition risk scenario
~ +1.5°C	SSP1 RCP2.6	Orderly	Net Zero 2050
~ +2.0°C	SSP2 RCP4.5	Disorderly	Delayed Transition
~ +3.0°C	SSP5 RCP8.5	Hot-house world	Current Policies

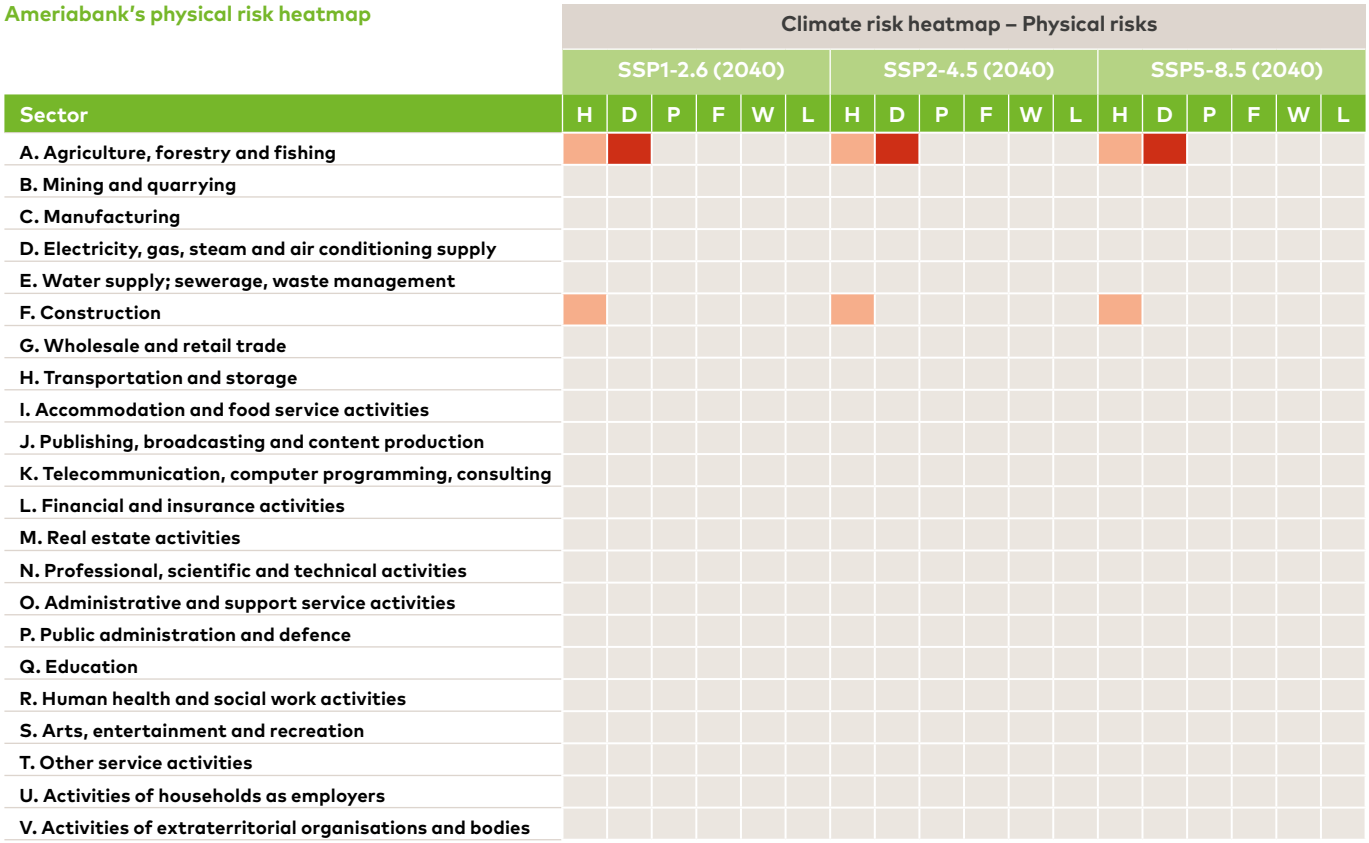
Our heatmaps for assessing inherent sector-based climate risk exposure

Hazard and risk types
H Heatwave **D** Drought **P** Precipitation **F** Flood **W** Wildfire **L** Landslide **DE** Direct Emissions **IDE** Indirect Emissions **I** Investments **R** Revenues

Bank of Georgia's physical risk heatmap



Ameriabank's physical risk heatmap



Bank of Georgia's transition risk heatmap

	Climate risk heatmap – Transition risks											
	Net Zero (2040)				Delayed Transition (2040)				Current Policy (2040)			
Sector	DE	IDE	R	I	DE	IDE	R	I	DE	IDE	R	I
A. Agriculture, forestry and fishing												
B. Mining and quarrying												
C. Manufacturing												
D. Electricity, gas, steam and air conditioning supply												
E. Water supply; sewerage, waste management												
F. Construction												
G. Wholesale and retail trade												
H. Transportation and storage												
I. Accommodation and food service activities												
J. Publishing, broadcasting and content production												
K. Telecommunication, computer programming, consulting												
L. Financial and insurance activities												
M. Real estate activities												
N. Professional, scientific and technical activities												
O. Administrative and support service activities												
P. Public administration and defence												
Q. Education												
R. Human health and social work activities												
S. Arts, entertainment and recreation												
T. Other service activities												
U. Activities of households as employers												
V. Activities of extraterritorial organisations and bodies												

High Medium Low

Ameriabank's transition risk heatmap

	Climate risk heatmap – Transition risks											
	Net Zero (2040)				Delayed Transition (2040)				Current Policy (2040)			
Sector	DE	IDE	R	I	DE	IDE	R	I	DE	IDE	R	I
A. Agriculture, forestry and fishing												
B. Mining and quarrying												
C. Manufacturing												
D. Electricity, gas, steam and air conditioning supply												
E. Water supply; sewerage, waste management												
F. Construction												
G. Wholesale and retail trade												
H. Transportation and storage												
I. Accommodation and food service activities												
J. Publishing, broadcasting and content production												
K. Telecommunication, computer programming, consulting												
L. Financial and insurance activities												
M. Real estate activities												
N. Professional, scientific and technical activities												
O. Administrative and support service activities												
P. Public administration and defence												
Q. Education												
R. Human health and social work activities												
S. Arts, entertainment and recreation												
T. Other service activities												
U. Activities of households as employers												
V. Activities of extraterritorial organisations and bodies												

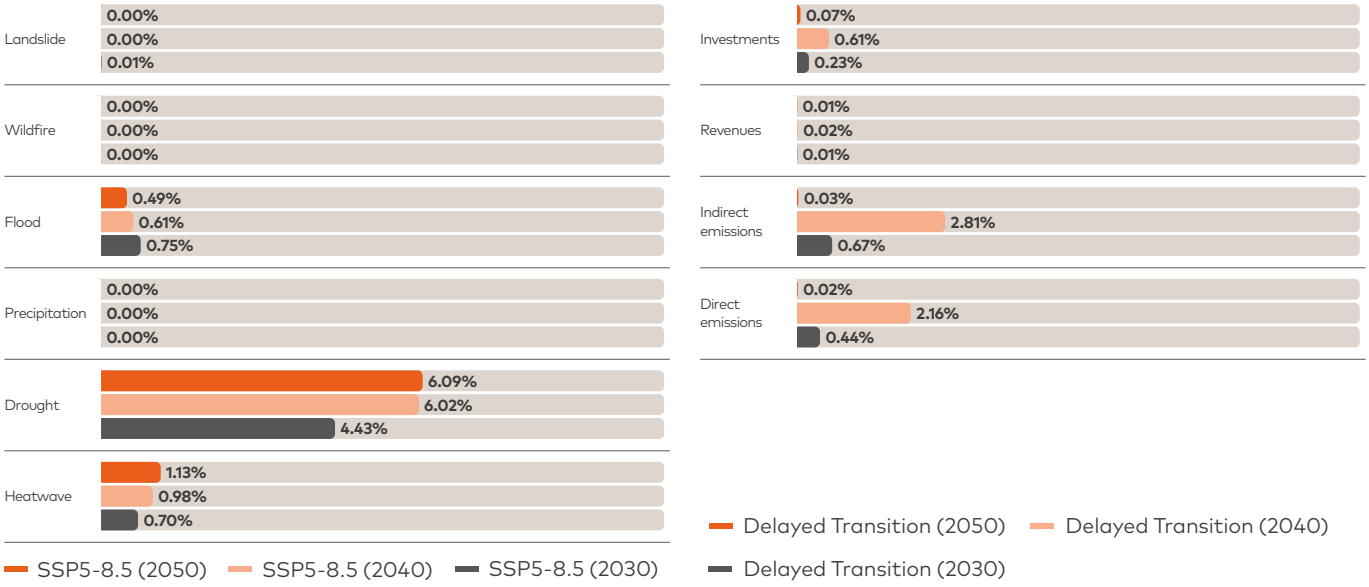
High Medium Low

Exposure against climate risks

We assessed our portfolio's exposure to physical and transition risks as at 31 December 2025, focusing on a medium-term horizon (2040) aligned with current loan maturities.

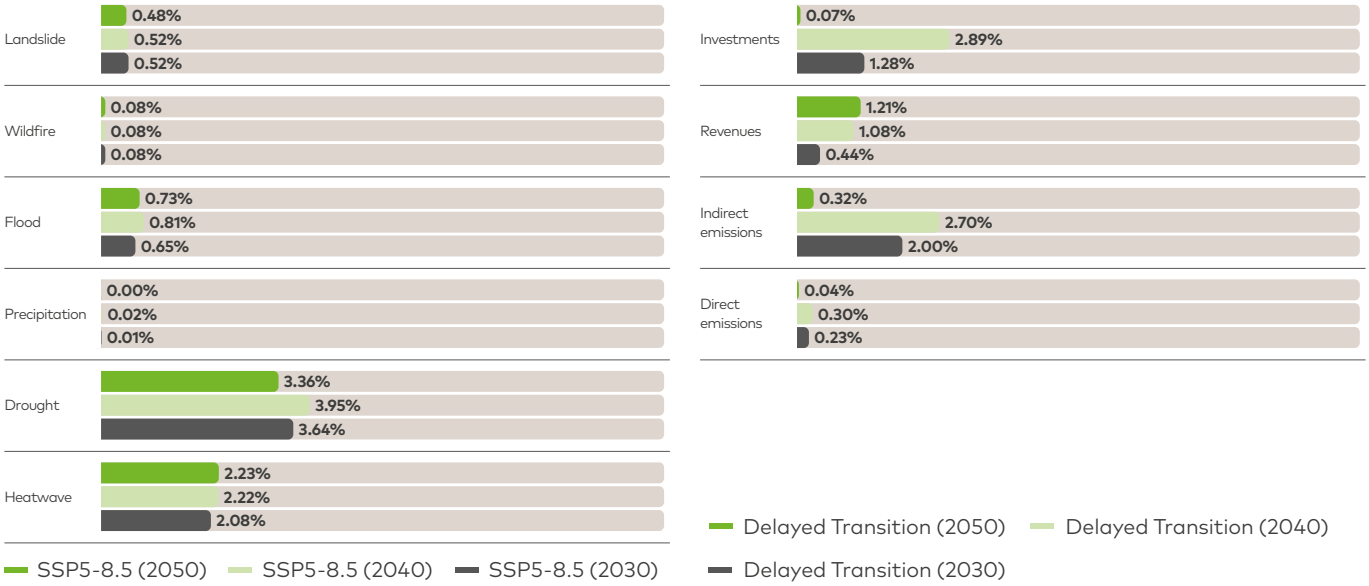
Bank of Georgia's exposure against climate risks across 3 scenarios (mid-term)

% of asset exposure to physical risks across three scenarios (2040)
% of asset exposure to transition risks across three scenarios (2040)



Ameriabank's exposure against climate risks across 3 scenarios (mid-term)

% of asset exposure to physical risks across three scenarios (2040)
% of asset exposure to transition risks across three scenarios (2040)



The findings indicate that Bank of Georgia's portfolio is primarily exposed to drought, with the highest exposure under SSP5-8.5, followed by heatwaves and floods. For transition risks, the greatest exposures arise from indirect (IDE) and direct emissions (DE) under the Delayed Transition scenario, reflecting abrupt policy shifts and rising carbon costs. Exposure is moderate under Net Zero (gradual transition) and limited under Current Policy (no significant policy change). Similarly, Ameriabank's portfolio is most exposed to drought, with peak exposure under SSP2-4.5, followed by heatwaves and floods. For transition risks, the highest exposures relate to investments (I) and indirect emissions (IDE) under the Delayed Transition scenario, with moderate exposure under Net Zero and limited exposure under Current Policy.

Notes on methodology: Our physical risk assessment evaluates the potential financial impacts of climate related hazards, including heatwaves, droughts, floods, extreme rainfall, wildfires and landslides. This analysis combines hazard probabilities with sector-specific vulnerabilities to assess exposure across geographic locations and economic sectors. Probabilities for chronic and acute risks are calculated using scientifically validated thresholds, such as the number of days exceeding 35°C for heatwaves or SPEI6 for drought severity. Where applicable, historical data, satellite observations and advanced modelling approaches are employed to refine risk estimates. While the methodology incorporates best practices, uncertainties remain, particularly for flood risks and model-specific variations.

Our transition risk assessment employs the Risk Factor Pathway (RFP) approach to quantify potential financial impacts under varying transition scenarios, such as NGFS's 'Net Zero' and 'Delayed Transition'. Using sector-specific vulnerability levels, derived from characteristics like emissions intensity and regulatory exposure, we evaluate risks across four RFPs: direct emissions; indirect emissions; investments; and revenues. The assessment integrates the REMIND-MAgPIE model and NGFS scenarios to simulate economic, energy and land-use interactions, providing granular insights into policy, market and technological shifts. Climate VaR is calculated by combining exposure, impact factors, vulnerability levels and scenario probabilities, enabling a comprehensive evaluation of potential financial losses and opportunities.

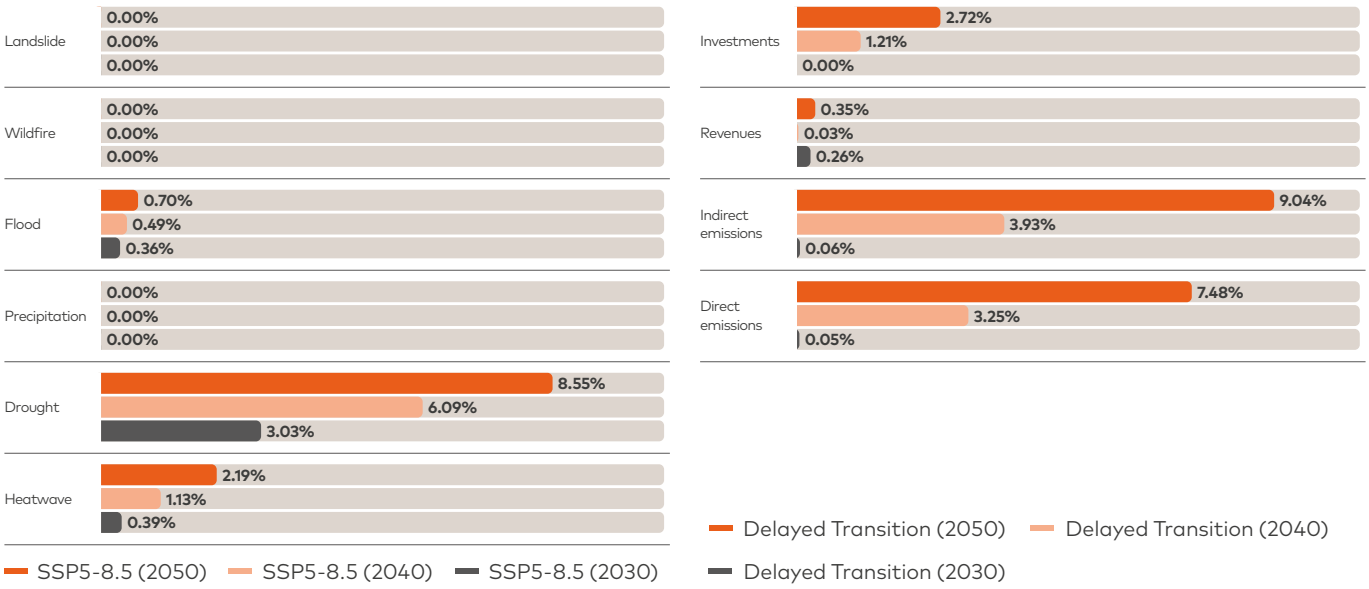
Detailed analysis of the exposures in a given scenario

To assess how climate risks may evolve over time at Group level, the most relevant scenarios – based on the initial exposure screening – were selected for deeper analysis.

For Bank of Georgia, SSP5-8.5 was selected for physical risks and Delayed Transition for transition risks, assessed across the short- (2030), medium- (2040) and long-term (2050) horizons. Results indicate that physical risks remain limited in the near-term but increase significantly over the longer term, driven primarily by drought and heatwaves. Under Delayed Transition scenario, transition risks rise sharply in the long term due to stricter policies to meet the 2050 target, with minimal short-term impacts.

Bank of Georgia's exposure over short-, mid- and long-term for SSP5-8.5 and Delayed Transition scenario

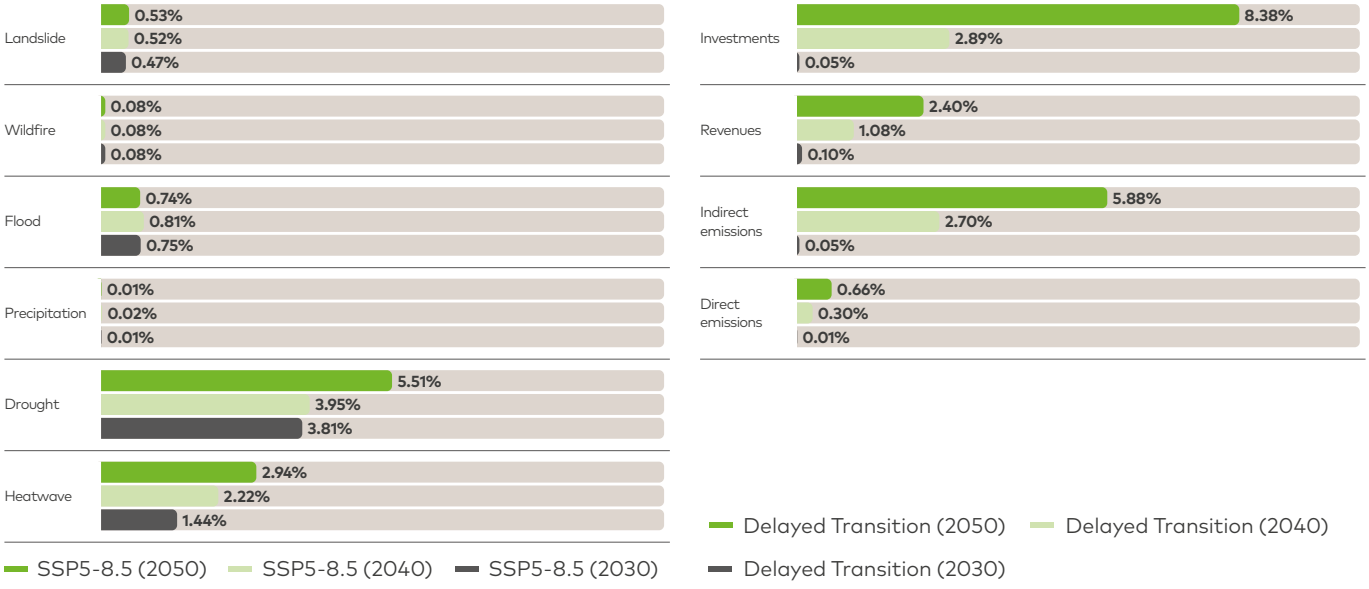
% of asset exposure to physical risks – SSP 5-8.5 via three time horizons
% of asset exposure to transition risks – Delayed Transition via three time horizons



Ameriabank's exposure over short-, mid- and long-term for SSP2-4.5 and Delayed Transition scenario

Selected scenarios for Selected scenarios for Ameriabank are SSP2-4.5, for physical risks, and Delayed Transition, for transition risks to be evaluated across short-(2030), mid-(2040) and long-term (2050). For physical risks, near-term physical risks remain relatively limited while risks increase significantly over the longer term, driven primarily by drought and heatwaves. For transition risks, the Delayed Transition scenario indicates a sharp rise in exposure to I and IDE RFPs over the long term due to strict transition policies and technological advancements needed to achieve 2050 target, with minimal impacts observed in the short term.

% of asset exposure to physical risks – SSP 5-8.5 via three time horizons
% of asset exposure to transition risks – Delayed Transition via three time horizons



Our detailed analysis clearly demonstrates that long-term physical and transition risks are unavoidable. As a result, the Group will further strengthen its climate risk management practices, using insights from this analysis to enhance risk identification, portfolio monitoring and client engagement practices. By developing these risk assessment capabilities today, we aim to support both our own and our clients' long-term resilience while positioning ourselves ahead of evolving regulatory and market developments.

Risk assessment

The Group uses climate stress testing as a core tool to assess the financial impacts of physical and transition risks under forward-looking scenarios. As detailed on page 80, climate stress testing provides key insights into the potential impacts of physical and transition risks on financial performance under a range of forward-looking scenarios.

In 2025, Bank of Georgia enhanced its climate stress testing capabilities, embedding results into strategic and risk management decisions. Looking ahead, the Bank will continue exploring portfolio alignment and decarbonisation pathways in material sectors, including power generation, iron and steel, automotive, and cement.

In parallel, Ameriabank conducted its first top-down climate stress test in 2025 and plans to progressively strengthen its capabilities, including developing bottom-up approaches aligned with the Group framework as data availability improves.

Risk management

The Group's robust climate risk management approach relies on a structured climate due diligence process, enabling us to identify and assess material physical and transition risks at loan origination and renewal.

In 2025, Bank of Georgia made significant enhancements to its due diligence process, embedding climate-related considerations into its lending practices. These updates are aligned with the NBG's Green Taxonomy and new ESG Guidelines and will ensure climate risks and opportunities are thoroughly assessed across all lending decisions – supporting the transition to a low-carbon economy. For Ameriabank, the focus in 2026 will be to align with the Group's climate risk management approach by developing and embedding a structured climate due diligence process within credit origination, renewal and monitoring. This will include integrating physical and transition risk screening into existing workflows, defining escalation triggers and decision criteria, and strengthening data and documentation requirements to support consistent application across relevant portfolios.

More information on updated due diligence can be found in our separate Sustainability Report.

Risk monitoring

At Group level, we are strengthening our climate risk monitoring framework by prioritising carbon-intensive and climate-sensitive sectors and enhancing data-driven portfolio analysis.

Following the climate materiality assessment, Bank of Georgia identified power generation, transportation, iron & steel, and cement as priority sectors due to their exposure to transition and physical risks. In 2025, we began developing sector-specific Key Risk Indicators (KRIs), engaging clients to collect activity data and estimate emissions intensities, benchmarked against credible transition pathways such as the IEA B2DS. This work supports assessment of portfolio alignment and transition gaps, although progress remains constrained by limited mandatory climate data disclosure in Georgia.

Looking ahead, we aim to strengthen structured client engagement, integrate climate-related data requests into credit processes, and enhance internal methodologies. As the regulatory framework evolves, we will reassess the feasibility of portfolio-level alignment or intensity targets.

At Ameriabank, climate risk monitoring is at an earlier stage. Following its materiality assessment and initial financed emissions analysis, mining, transport, and building management were identified as priority sectors. Current efforts focus on improving data collection, developing sector-specific indicators, and progressively introducing emissions-intensity and transition risk metrics aligned with the Group's framework.

Climate opportunity approach

Our approach to climate-related opportunities is governed by the Green Finance Framework (GFF), which provides a structured process for identifying, assessing, and monitoring environmentally sustainable financing opportunities.

Under the GFF, Bank of Georgia has developed an Opportunity Screening Tool that scans the market for new green entry points and assesses the greening potential of existing clients. This enables the Bank to identify high-impact opportunities and prioritise the development of suitable green financial products.

The GFF comprises four key pillars that guide the allocation of funds toward environmentally sustainable initiatives while ensuring transparency and accountability:

Use of proceeds | **Green loan evaluation and selection** | **Management of proceeds** | **Reporting**

More information on GGF and relevant metrics can be found in our separate Sustainability Report.

Metrics and targets

Climate-related metrics

Although the Group's direct footprint is modest compared to its impact through lending activities, we remain committed to leading by example. We systematically measure and manage emissions across our operations while implementing targeted actions to reduce them. At the same time, our greatest impact lies within our lending portfolio. By strengthening financed emissions measurement, enhancing client data collection, prioritising high-emission sectors, and scaling climate-aligned lending, we aim to progressively reduce portfolio carbon intensity and support clients in adopting cleaner technologies and credible transition pathways.

To measure and manage our greenhouse gas emissions, we follow the guidelines of the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition 2016), which identifies three scopes of emissions.

- **Scope 1** represents direct emissions we create.
- **Scope 2** represents indirect emissions resulting from the use of electricity and energy to run a business.
- **Scope 3** represents indirect emissions attributed to upstream and downstream activities. Our upstream activities include business travel and emissions from our supply chain including transport, distribution and waste. Our downstream activities include those related to investments, including financed emissions.

Our GHG emissions

The below data covers the Group, including emissions from ten subsidiaries of Lion Finance Group PLC (Bank of Georgia, BNB Bank, Georgian Leasing Company, Georgian Card, Ameriabank, Bank of Georgia Representative Office UK Limited, BGEO Group Limted, Bank of Georgia Group Limited, Galt & Taggart and Digital Area). Three of Lion Finance Group PLC's subsidiaries as at 31 December 2025 are UK-based: (1) BGEO Group Limited; (2) Bank of Georgia Representative Office UK Limited; and (3) Bank of Georgia Group Limited. These three subsidiaries, together with Lion Finance Group PLC itself, represent the Group's limited presence in the UK and use a small shared leased office space in the UK. Accordingly, the total annual energy consumption for our UK businesses, all of which is electricity, was 6.6 MWh for 2025 and 4.8 MWh for 2024. Accordingly, as the Group consumed less than 40,000 kWh of energy during the financial year in the UK, in line with para 15(5)(a), Part 7, Sch 7 LMCGAR 2008, the Group's energy and carbon emissions data does not specifically call out energy consumed in the UK. For information on energy efficiency actions taken by the Group, please refer to page 64. Energy consumption is already de minimis in the UK given we occupy one room of a leased office. While no energy efficiencies were explicitly identified for our UK companies, the landlord has sustainability policies and has a net zero carbon route map.

Easier to influence / Partially influenceable / Harder to influence	2023	2024	2025
		tCO_2	
Scope 1 and Scope 2 operational emissions			
Scope 1	2,311.72	3,119.21	4,216.29
Scope 2 (location-based)	2,572.41	3,523.47	4,045.41
Total Scope 1 and Scope 2 (location-based)	**4,468.22**	**6,642.69**	**8,261.70**
Scope 3 operational emissions categories relevant to Lion Finance Group			
1. Purchased goods and services	4,463.30	6,936.51	8,092.05
2. Capital goods	–	–	740.90
3. Fuel- and energy-related activities	1,014.65	1,022.52	1,543.15
4. Upstream transportation and distribution	–	52.73	14.47
5. Waste and water	41.11	106.50	110.39
6. Business travel	930.17	939.33	868.43
7. Employee commuting	973.30	1,188.83	1,359.05
8. Leased assets (upstream)	–	–	–
Total Scope 3 operational emissions categories	**7,422.54**	**10,409.33**	**12,552.64**
Total Scope 1 + Scope 2 + Scope 3	**11,890.76**	**17,052.02**	**19,655.36**
Scope 3 category 15: Estimated financed emissions of Group*			
15. Estimated financed emissions: Lending	N/A**	N/A**	5,385,952
Total Scope 3 category 15: Estimated financed emissions of Group	**N/A****	**N/A****	**5,385,952**

* Includes Bank of Georgia and Ameriabank only.

** In 2023 and 2024, Bank of Georgia's financed emissions were estimated using a bottom-up methodology, with results disclosed in the respective Annual Reports. In 2025, the Group transitioned to a top-down approach for financed emissions calculation.

At Bank of Georgia, tCO_2e per employee (Scope 1 & 2) was 0.73 in 2025, compared to 0.65 in 2024. In 2025, Bank of Georgia set its first operational emissions reduction target: a 25% reduction in Scope 1 and 2 emissions intensity per employee by 2030, relative to the 2025 baseline.

Our operational footprint

Since 2012, the Group has reported GHG emissions and energy use in compliance with the Companies Act 2006 and related regulations. For the 2025 reporting year, our greenhouse gas (GHG) emissions inventory has been calculated using the most recent data available from the UK Department for Environment, Food & Rural Affairs (DEFRA). The "Greenhouse gas reporting: conversion factors 2025" have been applied to all relevant activities from this year forward. The use of these annually updated factors ensures our reporting reflects the latest scientific understanding and changes in the carbon intensity of the energy grids and other sources.

While we continue to prioritise the reduction of our environmental footprint, total operational emissions (Scope 1 and 2) increased by 24% in 2025. This increase is primarily attributable to organisational growth across the Group. Furthermore, at Bank of Georgia, cash collection operations, which were outsourced in the previous reporting period, were brought fully in-house in 2025. As a result, the associated fuel consumption is now accounted for directly by the Bank. This led to a 34% increase in the Group's reported Scope 1 emissions, driven significantly by the growth in the "Mobile combustion of vehicles" category.

Further details on the emissions calculation methodology are provided in the separate Sustainability Report.

Statement on assurance provider

We are pleased to report that the GHG Statement, which reported total emissions of 20,990.14 tonnes of CO_2 equivalent, was audited for the second time in 2025, by Moore abc, an internationally recognised audit firm. The assurance engagement was conducted in accordance with ISAE 3410 and provided limited assurance over the Group's GHG emissions, including Scope 1, Scope 2 and Scope 3 emissions (excluding financed emissions) for the reporting period. The independent assurance provider concluded that the report was prepared, in all material respects, in line with the stated methodology. The total emissions remain reasonably low, reflecting the Group's low-emission operational profile and ongoing efforts to improve energy efficiency.

Energy consumption data

Lion Finance Group	2024*	2025
Total energy consumption (kWh)	40,324,400	48,364,952

* To enhance the accuracy of our environmental reporting, the total energy consumption figure for 2024 has been corrected. The previously published figure did not incorporate the conversion of certain fuel sources into kilowatt-hours (kWh). The restated 2024 and new 2025 data now includes this conversion, aligning the methodology with the current reporting period.

Our financed emissions

The Group's approach to estimating financed emissions is aligned with the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry. Financed emissions represent one of the core components of the Group's climate risk management and transition strategy, supporting the assessment of portfolio exposure to carbon-intensive activities and informing strategic decision-making, risk monitoring and client engagement.

To ensure both robustness and appropriate portfolio coverage, the Group applies a combination of bottom-up and top-down methodologies, selected based on data availability, portfolio characteristics and the maturity of internal systems. Where reliable borrower-level emissions data is available, more granular bottom-up approaches are prioritised. Where data remains limited, sector-based estimation techniques consistent with PCAF guidance are applied. The Group continues to enhance data quality and expand borrower-level emissions coverage over time.

Bank of Georgia

Bank of Georgia has progressively developed its financed emissions framework. In 2025, it transitioned its primary calculation approach to a PCAF-aligned top-down methodology using the National Bank of Georgia Financed Emissions Tool to enhance portfolio coverage. Bottom-up methodologies continue to be applied for climate stress testing and targeted portfolio analysis.

Ameriabank

Ameriabank is at an earlier stage of financed emissions development. Current estimates rely primarily on a PCAF-aligned top-down methodology based on national inventory and macroeconomic data. The Bank intends to progressively enhance borrower-level data collection and transition towards more granular bottom-up approaches over time.

More information on methodologies and a detailed breakdown of financed emissions by industries is available in the separate Sustainability Report.

Climate risk and opportunity metrics

The table below sets out climate-related metrics with reference to IFRS S2.

Transition risks		
% of assets vulnerable to climate-related transition risks	**Bank of Georgia** **2.8%** Indirect emissions (Delayed Transition, 2040)	**Ameriabank** **2.9%** Investments (Delayed Transition, 2040)
% exposure to carbon-related assets in the Bank's gross loan portfolio	**Bank of Georgia** **18.9%**[1] 2024: 16.1%	**Ameriabank** **20.7%**[2]
% exposure to fossil fuel – and coal-related assets in the Bank's gross loan portfolio[3]	**Bank of Georgia** **3.3%** 2024: 3.5%	**Ameriabank** **1.7%**
Exposure to fossil fuel and coal exploration and mining assets in the Bank's gross loan portfolio[4]	**Bank of Georgia** **0%**	**Ameriabank** **0.01%**
Physical risks		
% of assets vulnerable to climate-related physical risks	**Bank of Georgia** **6.1%** Drought (Current Policy, 2040)	**Ameriabank** **4.0%** Drought (Delayed Transition, 2040)
Climate opportunity and capital deployment		
Total outstanding green finance as at 31 December 2025	**Bank of Georgia** **GEL 1,361M** + 32.8% y-o-y	**Ameriabank** **GEL 310M** + 25.5% y-o-y

Remuneration

Across the Group, climate-related considerations are progressively integrated into governance and incentive structures to strengthen accountability for environmental objectives and long-term value creation. At Bank of Georgia, green lending KPIs were introduced for executives in 2024, with 1% of executive compensation linked to green finance performance in 2025. At Ameriabank, the integration of climate-related KPIs into remuneration is under assessment and is expected to advance as sustainability governance and climate risk management frameworks further mature.

Climate-related targets

Setting clear, measurable sustainability and climate-related targets is essential to strengthening the Group's long-term resilience, enhancing transparency and supporting the transition to a low-carbon economy. At Lion Finance Group PLC, we are committed to progressively embedding quantitative climate objectives into our strategy aligned with evolving regulatory expectations and international climate frameworks.

In 2025, Bank of Georgia set its first operational emissions-reduction target, committing to achieve a 25% reduction in Scope 1 and 2 operational emissions intensity per employee by 2030, relative to a 2025 baseline.The objective of this target is to strengthen our direct mitigation efforts by systematically reducing the emissions generated through our operations, while aligning with emerging science-based expectations and global decarbonisation pathways. More information on the target and planned actions can be found in our separate Sustainability Report.

Looking ahead, Ameriabank will work towards establishing its own operational emissions-reduction targets, reflecting its evolving data maturity and implementation roadmap, and ensuring progressive alignment at Group level over time.

1 As at 31 December 2025 this amounted to GEL 2,159 million (GEL 3,839 million in 2024). We define 'carbon-related assets' as those tied to the following industries: oil and gas, coal, electric utilities, air freight, passenger air transportation, maritime transportation, trucking services, automobiles and components, metals and mining, chemicals, construction materials, real estate management, beverages, agriculture and food, paper and forest products.
2 As at 31 December 2025 this amounted to GEL 1,506 million. We define 'carbon-related assets' as those tied to the following industries: oil and gas extraction and distribution, coal, electric utilities, air freight, passenger air transportation, water transportation, trucking services, automobiles and components, metals and mining, chemicals, construction materials, real estate management and development, paper and agriculture and forestry.
3 As at 31 December 2025 Bank of Georgia's figure amounted to GEL 908 million (GEL 840 million in 2024) while Ameriabank's figure amounted to GEL 126 million. This number includes exposures to wholesale of solid, liquid and gaseous fuels and related products, retail sale of automotive fuel, electricity production from natural gas, and cement production which uses coal as a fuel.
4 As at 31 December 2025 Bank of Georgia's figure amounted to GEL 0. The Bank has no exposure to prospection, exploration and mining of fossil fuels or electric utilities using coal. Ameriabank's figure amounted to GEL 546 thousand. The Bank has minimal exposure to mining of hard coal.

Other climate-related targets

The targets below apply to both Bank of Georgia and Ameriabank, which represented 69.7% and 27.2% of total Group assets as of 31 December 2025 respectively.

Climate-related risks

Metrics	Definition	Why it's a KPI	Progress to date	Forward-looking targets	Link to transition plan action pillars
Measure operational GHG emissions	Measure total greenhouse gas emissions arising from the Bank's own operations, covering Scope 1 and Scope 2, and selected Scope 3 categories.	Provides a clear measure of the Group's operational carbon footprint and progress in managing and reducing emissions from its own activities.	**Bank of Georgia:** The Bank set its first operational emissions reduction target in 2025. Progress will be shown in 2026 Sustainability and Annual reports. **Ameriabank** has established a structured approach to measuring its operational greenhouse gas emissions across Scope 1, 2 and relevant Scope 3 and will disclose these emissions on an annual basis.	**Bank of Georgia:** Achieve a 25% reduction in Scope 1 and 2 operational emissions intensity per employee by 2030, relative to a 2025 baseline. As prior efforts focused on strengthening measurement processes, the 2026 target marks the introduction of quantified reduction commitments.	Operational and portfolio decarbonisation
Financed emissions coverage (PCAF aligned)	Annual measurement of financed emissions using PCAF methodology across corporate lending portfolio. Further details on the financed emissions calculation approach are provided on page 90.	Enables understanding of portfolio-level climate impact and supports transition risk management and portfolio alignment.	**Bank of Georgia** expanded financed emissions coverage to 46.7% of corporate portfolio in 2025, however transitioned to NBG Financed Emissions Tool to enable broader portfolio coverage amid data gaps. Bank will continue bottom-up analysis for stress testing and alignment monitoring with the aim of progressively increasing coverage over time. **Ameriabank** initiated financed emissions measurement in 2025, covering 27.3% of corporate portfolio at NACE Level 2 using proxy-based methodology reflecting current data availability.	**Bank of Georgia:** Expand coverage to 50–55% of corporate portfolio by 2026, with ambition to extend beyond this threshold as data improves. This represents a progressive increase from 2025 coverage levels and reflects the continued expansion of portfolio measurement.	Operational and portfolio decarbonisation
Exposure to climate-related risks (physical & transition)	Annual assessment of portfolio exposure to climate-related risks through materiality analysis and risk categorisation. Further details on the Group's climate materiality assessment and the calculation of exposure to climate-related risks are provided on pages 86 to 88.	Supports proactive risk management and alignment with ERM integration and supervisory expectations.	**Bank of Georgia** categorised portfolio exposures based on inherent climate risks and integrated outputs into climate risk framework. **Ameriabank** initiated climate risk and opportunity analysis and is developing methodologies aligned with Group approach.	While the regulatory framework for climate risk integration continues to evolve, the Group aims to progressively incorporate climate risk assessment results into portfolio steering and risk appetite frameworks as supervisory expectations further develop.	Climate risk management

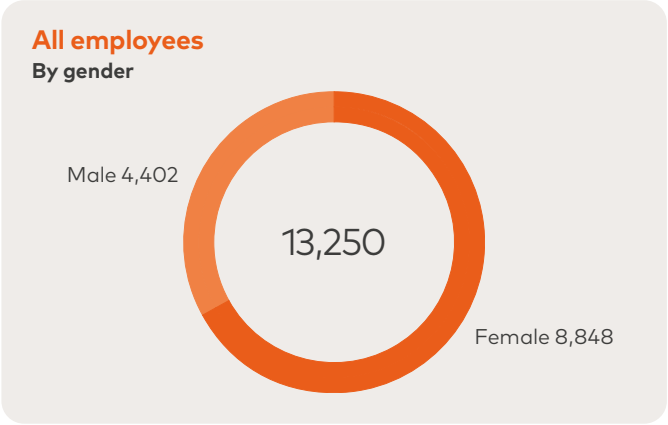
Metrics	Definition	Why it's a KPI	Progress to date	Forward-looking targets	Link to transition plan action pillars
Carbon-related assets share	Track proportion of assets allocated to carbon-intensive sectors as proxy for transition exposure. For the definition of carbon-related assets, please refer to page 91.	Helps monitor transition risk exposure and supports portfolio steering decisions.	**Bank of Georgia** 2024: 16.1% 2025: 18.9% **Ameriabank** 2025: 20.7%	Although no specific regulatory requirements currently exist in Georgia and Armenia supporting carbon-related asset reduction, the Group aims to gradually reduce exposure through portfolio rebalancing and growth of green assets.	Operational and portfolio decarbonisation; Sustainable finance
Client engagement for material climate risk exposures	Track and document structured engagement with clients identified as having material long-term climate-related risks or opportunities, focusing on transition strategies, risk mitigation actions and resilience planning.	Active client engagement supports risk mitigation, improves data quality, and enables financing solutions aligned with transition and adaptation pathways.	**Bank of Georgia:** In 2025, engagement was initiated with all clients identified within high-risk categories (2% high physical risk, 5.6% very high transition risk, 39.7% high transition risk). Clients received targeted information on climate risks and opportunities. All CIB and SME clients signed E&S covenant acknowledging climate-related risks. Priority sectors were identified and engagement strategy is being developed. **Ameriabank:** Initial climate risk analysis completed; structured client engagement framework under development aligned with Group methodology.	Previously, no formal client engagement strategy was in place. Going forward, we plan to implement a comprehensive client engagement strategy focused on improving climate awareness, strengthening data availability and supporting client transition efforts.	Stakeholder engagement; climate risk management; Sustainable Finance

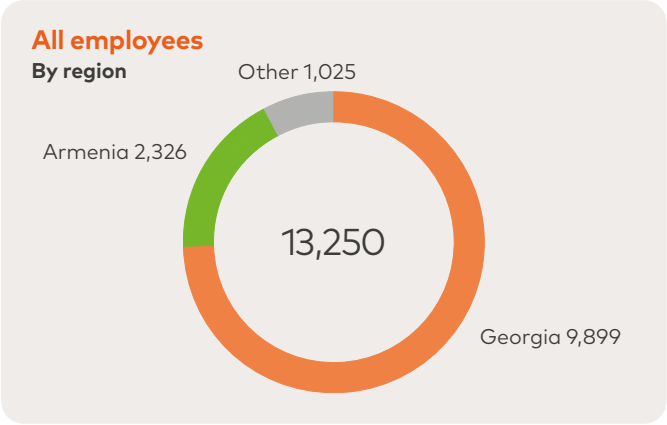
Empowering our employees

The Group's success depends on its people. We are committed to attracting and retaining talented individuals, fostering an inclusive culture and supporting professional development.

More than 13,000 employees contribute to our performance each day. We invest in their development and wellbeing, with Human Capital Management led by our banking subsidiaries and ultimately overseen by the Group Board.

Our employees at a glance





As at the reporting date, 99.8% of Group employees were on permanent contracts, reflecting our focus on long-term employment.

All employees by age

	Executive Management			Senior Management			Middle Management			All other employees[1]		
	BOG	AMB	Other	BOG	AMB	Other	BOG	AMB	Other	BOG	AMB	Other
<30	-	-	1	3	2	7	43	26	8	4,093	1,040	882
30-50	14	9	21	104	37	90	348	256	83	3,715	880	984
>50	1	7	2	2	9	7	27	18	5	278	42	206

All employees by gender

	Executive Management			Senior Management			Middle Management			All other employees[1]		
	BOG	AMB	Other	BOG	AMB	Other	BOG	AMB	Other	BOG	AMB	Other
Female	4	3	7	47	16	63	238	166	62	5,606	1,359	1,277
Male	11	13	17	62	32	41	180	134	34	2,480	603	795

1 Excluding Middle, Senior and Executive Management.



Strategic priorities in human capital development

Our human capital approach develops the skills, leadership and culture required for long-term performance. By aligning talent and employee experience with our strategy, we enable our people to perform effectively and build sustainable careers.

Our human capital strategy focuses on:

1 **Strengthening organisational culture to foster high-performing teams.**

2 **Attracting and developing talent to build a strong leadership pipeline.**

3 **Providing positive employee experiences to drive engagement and retention.**

1 Strengthening organisational culture to foster high-performing teams

High-performing teams require strong governance and ethical leadership. All employees adhere to our Code of Conduct and Ethics, which sets clear standards for lawful, ethical and transparent behaviour, supported by handbooks and training.

Our culture is underpinned by the following principles:

Anti-discrimination and anti-harassment: We apply a zero-tolerance approach to all forms of discrimination and harassment. These commitments are embedded in the Code of Conduct and Ethics, employee handbooks and dedicated policies covering anti-discrimination, diversity and equity, and human rights.

Freedom of association and collective bargaining: We uphold employees' right to freedom of association and collective bargaining, as set out in our Human Rights Policy. No Group operations have been identified as posing risks to these rights.

Zero-tolerance for forced labour, child labour, modern slavery and human trafficking: We maintain fair labour practices through clear policies, regular audits and awareness programmes. Across our supply chain, we conduct risk assessments, enforce contractual prohibitions and monitor compliance.

Diversity, equity and inclusion (DEI): DEI is central to creating a workplace where all employees feel valued and empowered. We monitor key diversity metrics, including gender, age, education and role. In 2024, Bank of Georgia expanded data collection to include ethnicity, religion and language, in compliance with Georgian data protection laws. Our efforts were recognised at the INSEAD Alumni Balance in Business Awards 2025, where Bank of Georgia received a Sector Excellence Commended award for advancing inclusion and diversity in people operations.

Advancing gender equality: Gender equality is a key DEI priority. We monitor pay and career progression to ensure gender does not influence outcomes. Gender pay ratios are presented in the table below.

	Women to men ratio of basic salary[2]		Women to men ratio of remuneration[3]	
	Bank of Georgia	Ameriabank	Bank of Georgia	Ameriabank
Executive Management	98%	86%	68%	87%
Senior Management	88%	102%	67%	131%
Middle Management	97%	72%	94%	71%

In 2025, at Bank of Georgia the ratio of women's to men's basic salaries improved at the Executive and Senior Management levels to 97.5% and 87.6%, respectively. Conversely, the ratio for Middle Management declined to 97.0%, influenced by structural changes, including an increased number of female managers in roles within the lower tiers of this level.

2 Includes only cash salary.
3 Includes total compensation and benefits.

Gender Pay Gap[4]

Gender Equal Pay Gap (GEPG)

Bank of Georgia	Ameriabank
3%	6%
(2024: 4%)	(2024: 8%)

Raw Gender Pay Gap (GPG)

Bank of Georgia	Ameriabank
39%	39%
(2024: 42%)	(2024: 46%)

Bank of Georgia reports an Equal Pay Gap of 3.4%, affirming equitable pay for similar roles. The 38.7% Raw Pay Gap is attributable to workforce structure, including the growth of front-line positions and employee distribution across various functions and seniority levels.

Our promotion data demonstrates meaningful progress: in 2025, women represented 71% of all promoted employees. Of 60 employees appointed to managerial positions for the first time, 60% were women. These results reflect our focused investment in talent development and leadership programmes designed to build a balanced leadership pipeline.

71%
of all promotions were women
Bank of Georgia

60%
of first-time managerial appointments were women
Bank of Georgia

At Ameriabank, the Raw Pay Gap of 39% is reflective of the workforce structure, with notable variations in employee distribution across different job levels and functions, particularly in specialised technology roles.

In 2025, women represented 40% of all promotions, demonstrating measurable progress in the cultivation of a diverse leadership team.

Both banks continue to invest in leadership development programmes and career progression initiatives aimed at strengthening representation at senior levels (for more information, please see the section below).

Bank of Georgia became a signatory of the UN Women's Empowerment Principles in 2022 and maintains its 2XChallenge status, reinforcing our commitment to advancing gender equality across the organisation.

2 Attracting and developing talent to build a strong leadership pipeline

In developing and implementing our talent strategy, we focus on:

Attracting, developing and retaining highly qualified talents

Placing the right talents in the right roles

Aligning our talent strategy with business goals by anticipating skill gaps and future needs

We are committed to inclusive and transparent hiring. Our recruitment process includes panel interviews, robust controls and an applicant tracking system. We provide clear feedback, particularly to internal candidates, and aim to maintain positive relationships throughout.

4 GEPG: Percentage difference in average pay between women and men in same or equivalent roles, adjusted for role. GPG: Percentage difference between average earnings of women and men across the organisation, without adjustment for role.

Talent acquisition

Our subsidiaries engage students and professionals via universities, job fairs, alumni networks and community events. In 2025, Bank of Georgia held 22 and Ameriabank 29 such activities to build long-term talent relationships.

With 46% of employees under 30, early-career talent is central to our succession pipeline. Structured onboarding and mentoring ensure effective integration.

Group new hires

	New hires	Rate of new hires
By gender:		
Female	2,085	24%
Male	1,272	30%
By age:		
<30 years old	2,455	41%
30-50 years old	823	13%
>50 years old	79	14%
By location:		
Georgia	2,508	26%
Armenia	432	19%
Other	417	45%

Internship programmes

Our flagship internship programmes are designed to attract and develop early-career talent.

Leaderator – Leaderator remains one of Bank of Georgia's most effective early-career talent initiatives. The 2025 cohort attracted up to 3,500 applications from nearly all Georgian universities. Since 2017, the programme has supported more than 490 undergraduates, with 78% of those hired through Leaderator continuing their careers at the Bank.

The 2025 programme welcomed 48 students (54% women) who gained hands-on experience across more than 30 departments through two to three rotations. Of these students, 96% completed the full programme, with a post-internship hire rate of 80%.

Summer internship – Introduced in 2021, the Summer Internship programme connects us with high-achieving Georgian students from leading global universities. The programme provides four-to-eight-week placements across Bank of Georgia and Galt & Taggart. Since inception, it has supported 72 students. The 2025 programme hosted 30 interns (33% women).

Ameria Generation is Ameriabank's flagship early-career talent initiative, designed to identify and cultivate the next generation of professionals. In 2025, the programme marked its 21st cycle. Since its inception in 2012, it has become a cornerstone of the Bank's human capital strategy, attracting over 16,340 applicants and supporting more than 1,300 graduates.

The programme continues to attract a significant volume of high-calibre candidates. In 2025, it drew 3,030 applications from 15 universities. From this large applicant pool, 72 students successfully completed the programme. Of these graduates, 67 received job offers, resulting in an 87% post-internship hire rate. The programme demonstrates strong long-term value, maintaining a 57% retention rate for its alumni. Many graduates have progressed into specialist, team lead and senior management roles, underscoring Ameria Generation's importance in strengthening Ameriabank's internal leadership pipeline.

Advancing talent through internal development

We invest in developing internal talent to strengthen our leadership pipeline and support career growth. Internal candidates are prioritised for managerial and leadership roles, promoting continuity, rewarding performance and enabling merit-based career paths.

High-potential employees are supported through development reviews, individual plans, coaching and leadership programmes. In 2025, internal mobility filled 62% of roles at Bank of Georgia and 31% at Ameriabank.

Promotion rate

	BOG	AMB
Female	21%	36%
Male	19%	44%
Overall	**20%**	**39%**

Average tenure (years)

	BOG	AMB
Female	6	5
Male	5	5
Overall	**5**	**5**

Retention and turnover

International benchmarks indicate employee turnover rates in the mid-to-high 20% range across developed markets, with financial and professional services typically reporting lower rates. The Group turnover of 17% reflects a relatively stable workforce and supports continuity of organisational knowledge.

Group turnover

	Number of employee turnover	Rate of employee turnover
By age:		
<30 years old	1,417	24%
30-50 years old	752	12%
>50 years old	39	8%
By gender:		
Female	1,362	16%
Male	846	20%
By company:		
Bank of Georgia	1,457	18%
Ameriabank	155	7%

Learning and development programmes

Employee development is a core component of our human capital strategy, with a structured learning ecosystem supporting employees throughout their careers.

In 2025, we delivered over 600 distinct programmes at Bank of Georgia and 300 at Ameriabank. Voluntary training was completed by 8,397 and 1,531 employees, respectively. These programmes achieved an average employee satisfaction score of 91% at both banks, reflecting strong engagement in professional development.

Our key development pillars include:

Core foundational and role-specific trainings
Structured onboarding programmes introducing new team members to the company culture and equipping them with role-specific knowledge.

Career development and future skills trainings
Programmes enhancing professional competencies, critical soft skills and technical capabilities.

Leadership pipeline development programmes
Dedicated high-potential talent and leadership programmes, coaching and executive education opportunities.

Core foundational and role-specific training

We provide essential skills through structured onboarding and mandatory compliance programmes. In 2025, Bank of Georgia held 277 new employee onboarding sessions and delivered a comprehensive compliance programme. At Ameriabank, over 1,500 regulatory and compliance sessions were completed, and professional development constituted 49% of all training.

Career development and future skills training

To build future-ready capabilities, Bank of Georgia launched an AI Awareness Programme and a gamified Business Principles programme. At Ameriabank, nearly 30% of training focused on data, AI and technology (66% women). Employees also spent almost 2,000 hours on professional certifications (83% women) and over 3,500 hours on language and soft skills training (78% women).

Leadership pipeline development programmes

Developing resilient leaders from within is central to our strategy. We focus on cultivating leaders who possess deep institutional knowledge and are aligned with our culture and values.

Bank of Georgia

In 2025, we offered tailored leadership development across all career stages:

Individual coaching: Nearly 200 leaders (64% women) received one-on-one coaching, achieving a 91% Net Promoter Score.

Foundational leadership programmes: Our Team Leaders and Frontline Managers Programme delivered 37 hours of intensive training to over 550 participants (58% women). We also provided targeted support for first-time managers in back-office roles (42% women) and delivered continuous development workshops for experienced line managers (73% women participants).

Senior and executive development: We implemented specialised programmes focusing on strategic leadership, change management, and innovation. We strengthened our MBA Sponsorship Programme, with women comprising 63% of sponsored employees.

High-potential programmes: Our Back-Office Talent Development Programme integrates strategic learning with future-oriented skills, including GenAI training. Within the first year, 42% of participants (54% women) were promoted. Our Front-Office High-Potential Programme, launched in 2024 with 94% women participants, saw 47% advance through promotions or strategic moves within the first year (89% women).

Technology leadership: We launched development programmes for Product Owners and Tech Leads, engaging over 100 employees (50% women) through customised training and coaching.

Ameriabank

In 2025, employees participated in management development training and leadership conferences, with 70% of participants being women, supporting the Bank's focus on building a capable and inclusive leadership pipeline.

Average hours of training per employee

Female		Male		Overall average	
BOG	AMB	BOG	AMB	BOG	AMB
51	26	38	27	47	27

Performance, development and career progression

We are committed to building employees' skills and strategically identifying and placing the right talent in the right roles. Our performance management framework fosters continuous professional development and ensures individual contributions align with the Group's strategic objectives.

Our framework is built on two core pillars:

- **A 360° evaluation process** focused on individual development. This evaluation provides employees with balanced, multi-perspective feedback from managers, peers, direct reports and colleagues, with optional self-assessments. Colleagues' and direct reports' feedback remains anonymous. Managers follow up with individual sessions to discuss strengths, areas for growth and annual development plans. Insights inform key talent decisions, including promotions, mobility, leadership development and succession planning.
- **A robust Annual KPI and KBO Management framework** designed to drive business results and align individual and team objectives with the strategic priorities. The annual performance management process encompasses up to 20% of employees at Bank of Georgia and 83% at Ameriabank who participate in formal KPI assessments, alongside those evaluated based on performance indicators translated into sales metrics or managerial assessments.

Percentage of employees who received a performance review

	Bank of Georgia	Ameriabank
By gender:		
Female	96%	92%
Male	97%	99%
By position:		
Middle management	94%	97%
Senior management	96%	100%
Executive management	100%	100%

This approach ensures performance is managed holistically and fairly, creating clear pathways for career advancement based on measurable performance and demonstrated capabilities.

3 Providing positive employee experiences to drive engagement and retention

Creating a positive employee experience is central to building motivated, high-performing teams. We gather insights through structured feedback, open communication and recognition to foster a culture where employees feel valued and empowered.

Key pillars:
Employee experience management: We enhance the employee experience through onboarding support, focus groups, interviews and surveys to identify improvement areas.

Transparent communication and engagement: We encourage open dialogue via individual and team interviews, entry and exit interviews, leadership sessions and Employee Voice meetings with the Board. These forums strengthen motivation, trust and engagement.

Regular updates and recognition: Employees receive updates on strategy, performance, risks and policies, with advance notice for significant operational changes. Recognition is embedded in our culture, with awards for outstanding contributions and milestone celebrations for long service.

Employee engagement and culture: We continuously measure and act on employee feedback to improve engagement and maintain a positive workplace culture.

At Bank of Georgia, we have conducted external engagement surveys with Korn Ferry since 2019. Early 2025 results (64% Engagement, 72% Enablement) prompted targeted improvement initiatives. Our current eNPS score of 59 represents a 5-pp increase from year-end 2024, reflecting effective actions taken in response to employee feedback (see page 49). We will conduct the next Korn Ferry survey in early 2026.

At Ameriabank, employee experience is assessed through eNPS alongside Staff Satisfaction and Motivation surveys conducted twice annually. In 2025, employee satisfaction reached 81%, satisfaction with leadership and management stood at 88%, and the eNPS score was 51 at year-end 2025 (57 at year-end 2024). A slight decrease primarily reflects feedback from teams involved in transformation initiatives and affected by structural changes during the period.

Fair reward, wellbeing and performance management

Fair and competitive compensation

We continuously track market trends to ensure our compensation remains competitive and fair. Our approach is guided by data-driven insights, including monitoring average monthly earnings and national labour market statistics.

Our remuneration policies align with the Group's strategy, culture and risk appetite whilst adhering to local regulatory requirements. Key principles include competitiveness and fairness – ensuring salaries align with market standards and are gender-neutral and bias-free. Local Supervisory Boards, advised by the Remuneration Committees, approve policies applicable to all employees. The policies combine fixed salaries with performance-based variable pay.

We maintain clear frameworks for performance evaluation and compensation through standardised grading systems that link rewards to measurable KPIs and Key Business Objectives.

Benefits supporting employee wellbeing

Our employee value proposition supports wellbeing, stability and work-life balance. All employees, regardless of employment status, receive the same benefits, including:

- **Additional paid leave:** Five days for any reason and five days for illness without medical certificate (Bank of Georgia); 40-64 hours annually depending on role (Ameriabank).
- **Health benefits:** Fully funded health insurance for employees and families (Bank of Georgia); co-financed health and travel insurance (Ameriabank).
- **Family welfare:** Up to 200 calendar days of paid parental leave; financial assistance for childbirth, adoption, marriage or bereavement; flexible arrangements for caregivers.
- **Other benefits:** Free 24/7 legal assistance, financial support for serious illness or hardship, preferential conditions on banking products.

	% employees entitled to parental leave		Employees who took parental leave		Employees returned from parental leave		Employees still employed 12 months after returning from parental leave		Returned to work rate		Retention rate	
	BOG	AMB	BOG	AMB	BOG	AMB	BOG	AMB	BOG	AMB	BOG	AMB
Female	100%	100%	310	106	223	82	182	68	83%	95%	82%	96%
Male	100%	100%	2	57[1]	2	57	1	29	100%	100%	100%	100%

1 This refers to the five working days of paternity leave employees are entitled to within a month following childbirth according to Armenian law.

Whistleblowing and grievance

We maintain an open-door policy for raising concerns, supported by a strict no-retaliation policy. Our grievance mechanisms align with the highest ethical standards and global best practices.

Bank of Georgia uses NAVEX, an independent reporting tool, for anonymous or confidential reporting. In 2025, 24 cases were reported under the Grievance Policy. Eight cases were substantiated and resolved, whilst 16 were investigated but found unsubstantiated. Enhanced mandatory compliance training significantly raised employee awareness regarding available mechanisms for raising concerns, resulting in a notable increase in grievances reported during 2025.

At Ameriabank, an enhanced reporting mechanism was introduced in 2025 through the Qualtrics platform. In 2025, Ameriabank received five grievance cases, while no anonymous whistleblowing cases were reported. All cases were investigated and resolved.

For comprehensive details on compensation frameworks, employee benefits, work-life balance programmes and grievance mechanisms, please refer to our Sustainability Report.

Occupational Health and Safety Management System

A safe and healthy working environment supports employee wellbeing, operational resilience and service delivery. While banking activities present lower risk than industrial sectors, issues like strain, stress or minor physical injuries can still affect employee wellbeing.

Bank of Georgia maintains an Occupational Health and Safety (OHS) Management System compliant with Georgian law, covering occupational safety, hazard management, accident prevention, employee training and information sharing. Although local regulations do not require a standalone OHS system, Ameriabank has integrated OHS practices into its management processes. This section therefore focuses on Bank of Georgia's standalone OHS system.

Bank of Georgia's OHS system is guided by the following policies and standards:

Hazard identification and risk assessment

Our Labour Safety team, certified in occupational safety and Institution of Occupational Safety and Health (IOSH) 'Managing Safely', identifies workplace hazards, assesses risks and implements preventive measures according to our OHS Risk Assessment Standard. This standard defines protocols for evaluating risks and guides employees on avoiding potentially harmful situations.

We conduct semi-annual safety inspections across all facilities and require all employees to complete an online labour safety training module during onboarding, with refresher courses every two years. In 2025, we conducted 81 fire and emergency drills and provided First Aid training to employees from major branches. Our risk management approach includes tailored training, hierarchical controls and appropriate Personal Protective Equipment (PPE).

We conduct periodic or ad hoc risk reviews to manage non-standard work processes. When new threats arise, risk assessments are updated and employees are informed and trained. All risk assessment data is periodically reviewed and updated to comply with legal requirements.

Occupational health services

The Labour Safety team assesses workplace physical factors biannually, including temperature, humidity, airflow and lighting. In 2025, these measurements covered all branches.

Worker participation, consultation and communication

Our Security department meets frontline staff twice a year to address security issues. During these sessions, we share information on preventive measures, including advanced security and fire protection systems in branches, and bulletproof glass and alarm buttons in cash operating units with prompt responses from security police teams. These meetings gather employee feedback to improve processes and refine procedures. Following feedback, we plan to increase the number and responsibilities of fire coordinators to strengthen fire safety participation.

Employees can report security or safety concerns through a 24-hour monitoring hotline, email group or intranet platform. The Bank has a strict no-retaliation policy to ensure employees can report hazards or concerns without fear of reprisal. Bank of Georgia also offers 'My Lawyer', an initiative providing legal protection for employees and their families.

Work-related incidents

There were no fatalities or high-consequence work-related injuries in 2025.

Contractor safety management

Contractor safety compliance is regulated through service contracts. In 2025, we strengthened monitoring by requiring verification of all mandatory safety documentation before performing high-risk work.

Security practices

Our security personnel follow our Human Rights Policy and Code of Conduct and Ethics to ensure responsible behavior and human rights compliance. These frameworks establish our zero-tolerance stance on human rights abuse and set standards for professional conduct. All security personnel receive training on human rights and anti-discrimination, with 100% coverage achieved in 2025. The Human Rights and Ethics Committee investigates any complaints and ensures appropriate remedial actions. Effectiveness is tracked through complaint monitoring, incident reviews and training assessment, measured against internal standards and compliance objectives.

Empowering communities: building a sustainable future together

We recognise that our long-term success is inseparably linked to the social and economic well-being of the communities we serve. Through the principal members of our Group, Bank of Georgia and Ameriabank, we do not just provide financial services – we actively participate in community development, executing projects that support local economies.

Our community impact approach

As major employers, significant taxpayers, and responsible corporate citizens, we invest in initiatives that strengthen and empower Georgian and Armenian communities – a core commitment that reflects our broader responsibility to generate lasting value for the people we serve.

Our community investments address the most pressing social and developmental priorities in our operating markets through an integrated approach that recognises the interconnected nature of societal challenges. While education forms the cornerstone of our strategy as a fundamental enabler of progress, we maintain substantial initiatives across healthcare, cultural preservation and environmental protection – understanding that true community resilience requires attention to all these dimensions of wellbeing.

These priorities emerged from rigorous analysis, including BOG's proprietary Pulse Research, and align with leading global frameworks such as the UN Global Compact and the Sustainable Development Goals.

In 2024, Ameriabank took community engagement to a new level with its "My Ameria, My Armenia" campaign, inviting over 55,000 clients and citizens to directly shape its community investment priorities through open voting. The results identified children's health and education as the community's most valued focus areas.

Measuring what matters

To ensure our initiatives create meaningful change, we use different impact measurement approaches:

Bank of Georgia applies a Phased Impact Measurement Framework with two distinct levels:

- **Foundational tracking:** For high-volume activities, capturing outputs like participant numbers, training hours and materials distributed.
- **Advanced measurement:** For strategic initiatives, employing in-depth assessment through surveys, case studies and outcome indicators that track changes in academic performance, interest development and career choices.

Ameriabank implements a results-orientated monitoring framework combining quantitative metrics (beneficiary numbers, training sessions) with qualitative tools (feedback surveys, stakeholder consultations and pre/post assessments). For multi-year programmes, the Bank conducts comprehensive evaluations to assess sustained behavioral change and improved access for vulnerable groups.



Our community support focus areas

Our community investment focuses on transformative areas that address the most pressing social and developmental priorities in Georgia and Armenia: education, healthcare, cultural heritage and environmental sustainability. While our most extensive programmes centre on education, we maintain meaningful initiatives across all these interconnected dimensions of community wellbeing.

Impact in 2025

Georgia

300K+

individuals reached through educational initiatives across 11 regions

Armenia

78K+

people engaged through educational programmes in all regions

Education: Unlocking human potential

Across all our educational initiatives, we concentrate on three strategic priorities that address critical needs in both Georgian and Armenian societies. By investing in **improving educational infrastructure,** we create inspiring physical and digital environments where learning can flourish – from modern multifunctional educational spaces in rural Georgian schools to smart classrooms and upgraded university facilities in Armenia.

Through **programmes increasing access to quality education,** we remove financial barriers with comprehensive scholarship systems that support students from diverse backgrounds, ensuring talent – not circumstances – determines educational opportunity. Our emphasis on **promoting STEM education** reflects our commitment to building future-ready workforces, with initiatives spanning from coding bootcamps and cybersecurity training to nationwide competitions that spark early interest in science and technology.

Finally, by **enhancing financial literacy,** we equip individuals with essential money management skills that support lifelong financial wellbeing and independence. These interconnected focus areas form a holistic approach to education that supports individual development, strengthens national talent pools and helps build more resilient, innovative economies in both countries.

Creating modern learning environments

Since 2019, Bank of Georgia, in partnership with the Georgian Book Institute, has established 25 Ideathecas – multifunctional, technology-rich educational spaces – in schools across 11 regions of Georgia, providing over 18,000 students access to modern books and educational resources. Most Ideathecas are located in rural regions with higher poverty rates or ethnically diverse populations, ensuring educational opportunities reach underserved populations. Some Ideathecas also feature STEM corners for hands-on learning.

In Armenia, Ameriabank has enhanced classroom experiences through multiple initiatives. In partnership with Visual Armenia, the Bank has helped integrate the Brainograph interactive learning system into classrooms, making subjects like history and geography more engaging and accessible. The Bank has also funded smart boards in both urban and rural communities, enabling teachers to deliver a more dynamic and interactive learning experience.

Additionally, Ameriabank made targeted investments to improve infrastructure at major Armenian universities, tailoring support to each institution's specific needs – from modernising labs to upgrading student spaces. These improvements create well-equipped academic environments that strengthen teaching quality, research capacity and student experience. Beyond improving learning conditions, these investments contribute to Armenia's broader socioeconomic development by cultivating skilled professionals, fostering innovation and boosting universities' competitiveness.



8

Universities supported through infrastructure projects by Ameriabank in 2025

7

Schools supported through infrastructure projects by Ameriabank in 2025

Opening doors through scholarships

We view education as a powerful equaliser – removing financial barriers, rewarding excellence, and nurturing leadership skills. Our scholarship initiatives ensure promising students can pursue their ambitions regardless of background, contributing to a more inclusive knowledge economy in both countries. Both Bank of Georgia and Ameriabank continue comprehensive scholarship programmes that create transformative opportunities for talented students while strengthening local talent pools.

Local scholarships

Our local scholarships enable students to pursue quality education within their home countries. Through partnerships with leading universities across Georgia and Armenia, we support diverse students in developing market-relevant skills while creating equal opportunities for academic advancement.

In Georgia, we offer four distinct scholarships:

- **Bank of Georgia Scholarship:** Has provided full or partial funding to 350+ high-performing undergraduates across 21 partner universities throughout the years.
- **Giorgi Chakhava Scholarship:** Supports 15 architecture students, honoring the renowned architect who designed Bank of Georgia headquarters.
- **Professional Scholarship Programme:** Funds short-term vocational courses at seven leading academies, helping individuals transition to in-demand careers.
- **AI Scholarship for Women:** Partnership with UN Women and Mastercard providing women with specialised AI training to close the tech gender gap.

In Armenia, the My Ameria, My Future scholarship contest, delivered in partnership with VISA, will support 200 high-achieving students with a monthly stipend of AMD 50,000.

International scholarships

Bank of Georgia provides Georgian students opportunities to study at prestigious international institutions. These merit-based programmes ensure participants return with world-class expertise to strengthen Georgia's development:

- **Fulbright:** Since 2014, Bank of Georgia has supported 16 Georgian students pursuing graduate studies in the US with full funding for tuition, travel and living expenses.
- **Chevening:** Partnership with the UK Government has enabled 34 students to pursue postgraduate studies at British universities since 2013.
- **Miami Ad School Europe:** Annual scholarship honoring former deceased Bank of Georgia employee Nika Gujejiani supports creative talent with full tuition and stipend for this hybrid programme in Berlin.

Nurturing innovators

We invest in STEM education to cultivate the next generation of scientists, engineers, and innovators essential for Georgia and Armenia's knowledge-based, competitive future. Our initiatives foster critical thinking and problem-solving skills while ensuring equitable access to quality STEM education across all regions.

Flagship STEM initiatives in Georgia

Bank of Georgia partners with Komarovi School, Georgia's leading STEM-focused school, on two cornerstone programmes that expand high-quality education nationwide:

STEM Olympiad

STEM Olympiad strengthens Georgia's innovation ecosystem through nationwide competitions that develop problem-solving capabilities. The competition features separate tracks for physics-focused and other schools, ensuring inclusive participation across all regions. Through theoretical and practical rounds, students apply scientific concepts to real-world engineering challenges, with finalists receiving training from Komarovi School experts, and the winning team receiving a monetary prize.

Since 2023, over

1,200

students have participated (30% from regions).

STEM School

delivers comprehensive science and technology education to students in grades 7-11 through a fully online one-year curriculum combining academic theory with practical application. Students master physics, chemistry, biology, programming, engineering and algorithm design while developing hands-on skills using Tinkercad and Arduino microcontrollers. The programme's fully digital format ensures students from all regions can participate. Bank of Georgia awards 90 scholarships annually to high-performing students outside the capital, including 60 full scholarships and 30 partial scholarships.

Since 2023, over

2,000

students have completed the programme (64% from regions) with 300 receiving full scholarships.

Flagship STEM initiatives in Armenia

Ameriabank also focuses on promoting STEM education among young people through several key programmes:

As inovation partner for **Science Week 2025**, a six-day science and innovation festival followed by year-round events in Yerevan and regions, Ameriabank helped engage **approximately 20,000 visitors.** The initiative promoted scientific engagement across three dimensions: youth career orientation, public awareness of scientific achievements and creative exploration through science fiction.

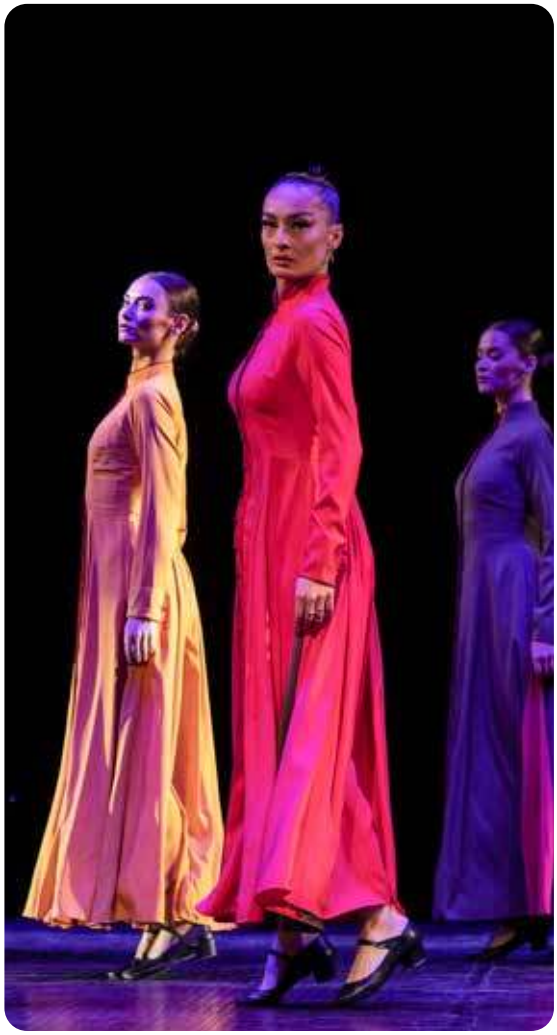
Around

7,000

students participated in AI4All in 2025.

In partnership with Enterprise Incubator Foundation, Ameriabank delivered **AI4All,** a 10-month programme introducing 14–18-year-olds to artificial intelligence and machine learning through a curriculum blending theory with hands-on projects.





Health, culture and environment

During 2025, we also focused on initiatives that foster community wellbeing, celebrate cultural identity and protect the environment across Armenia and Georgia. Our approach recognises that true progress encompasses the health, resilience, and vibrancy of the communities we serve.

In Armenia, Ameriabank supported critical healthcare initiatives, with a focus on enhancing care for children. This included support for specialised rehabilitation services in Syunik, the financing of an innovative "Robin Robot" to comfort young cardiology patients and the funding of a state-of-the-art intensive care ambulance for remote regions.

In Georgia, Bank of Georgia encouraged healthy living and national pride through its long-standing support for sports, serving as general sponsor and key partner for the nation's premier sporting bodies, including the national football and basketball teams, and the Olympic and Paralympic Committees.

Beyond health and sport, the Group made significant investments in the cultural and ecological heritage of both nations. Bank of Georgia proudly celebrated the 80th anniversary of the Sukhishvilebi national ballet, a global symbol of Georgian dance. Simultaneously, Ameriabank worked to make classical arts more accessible in Armenia through a new partnership with the State Philharmonia and by supporting the Kapan International Music Festival.

Our environmental stewardship continued through Bank of Georgia's long-term collaboration to preserve 18 of Georgia's protected areas and Ameriabank's forward-looking reforestation initiative with My Forest Armenia, a project that will culminate in the transfer of newly created forests back to local communities, ensuring a legacy of environmental stewardship for generations to come.

You can read more about the Group's initiatives and projects in our Sustainability Report.

Non-financial and sustainability information statement

The Non-Financial Reporting requirements in Sections 414CA, 414CB and 414C(7)(b)(i)-(iii) of Companies Act 2006 are addressed within this section. The table below reflects our commitment, and activity relating to employees, communities, the environment, human rights, anti-bribery and anti-corruption during FY25, and cross-references in which part of the Group's reporting the respective requirements are embedded.

Our commitment	Further detail	Page reference in this report	Relevant policy or document available at lionfinancegroup.com
Business model			
We strive to deliver relevant banking products and services as part of a seamless digital experience and aim to be the main bank in our customers' daily lives by leveraging digital and payments ecosystems, anticipating customers' needs and wants and providing best-in-class customer care and service.	• Our strategy framework • Our business model • Empowering individuals at Bank of Georgia • Empowering individuals at Ameriabank • Empowering businesses at Bank of Georgia • Empowering businesses at Ameriabank • Financial overview	17-18 3-6 23 40 32 44 124-129	
Climate and environment			
We continue to make progress in understanding climate related risks and opportunities, and putting in place practices to identify, assess, monitor and manage climate-related issues, focusing on the Bank's loan portfolio, as the main risks and impacts are associated with lending.	• Sustainable finance • TCFD report • Climate-related financial disclosures (a) The Group's governance around climate-related risks and opportunities (b) how climate-related risks are identified, assessed and managed (c) how processes for identifying, assessing and managing climate-related risks are integrated within the Group's overall risk management framework (d) impact of climate-related risks and opportunities on the Group's business, strategy and financial planning (e) Targets used by the Group to assess climate-related risks and opportunities • Our operational footprint	65-68 68-93 69 -70 71-74 75-88 75-88 75-88 89-93 90	We have policies and reporting in place that support our work on the climate and environment, including the Group Environmental Policy and the Sustainability Report. Under the Environmental Policy we are committed to taking meaningful action towards environmental sustainability – during FY25 we developed the Climate Transition Plan, to be adopted in 2026 and set Bank of Georgia's first operational GHG emission reduction target.

Our employees

We focus on empowering our employees by fostering a high-trust, diverse environment and a strong feedback culture, equipping employees with the skills and capabilities for the future. We are committed to providing our colleagues with a safe and healthy working environment and an organisational culture which promotes inclusivity, diversity, equal opportunities, personal development and mutual respect. We want people to enjoy coming to work and for the workplace to be free from discrimination, harassment and victimisation.

- Key enablers 18
- s. 172 statement 47
- Empowering our employees 94-101

Our Code of Conduct and Ethics sets out clear standards for behaviour in the workplace. The Group's Human Rights Policy and Diversity, Equity and Inclusion Policy uphold employee rights and ensures all employees are valued. Our Anti-discrimination and Anti-harassment Policy and Whistleblowing Policy are part of our robust employee protection framework. See also our Sustainability Report.

Social matters

We are committed to being a significant contributor to the local communities where we operate, by not only creating innovative products and services, but also by driving positive impact through various community projects and initiatives beyond our core business.

- Key enablers 18
- s. 172 statement 47
- Empowering our communities 102-105

Social matters are addressed through several dedicated policies, including the Environmental Policy, Human Rights Policy, Diversity, Equity and Inclusion Policy and Anti-discrimination and Anti-harassment Policy. See also our Sustainability Report.

Respect for human rights

We are committed to respecting human rights wherever we do business and believe that we are well-positioned to contribute to building communities where human rights are valued. We support the Universal Declaration of Human Rights and the ILO's Core Labour Standards.

- Working with our suppliers 63-64
- Sustainable finance 65-68
- Empowering our employees 94-101

Human rights are embedded through our Code of Conduct and Ethics and are reinforced by our Anti-discrimination and Anti-harassment, Diversity, Equity and Inclusion and Human Rights Policies. Our Environmental and Supplier Code of Conduct Policies enshrine our commitment to human rights external to the Group. See also our Sustainability Report.

Anti-Bribery and Anti-Corruption

We are committed to zero tolerance towards bribery and corruption. We have in place written policies, procedures and internal controls to comply with antibribery and anti-corruption laws.

- Anti-bribery and anti-corruption 59

The Group's integrity is safeguarded by a comprehensive framework, including the Groupwide Code of Conduct and Ethics and the Anti-bribery, Anti-corruption and Anti-fraud Policy, while the Whistleblowing Policy signposts how employees and other stakeholders can raise concerns in confidence. See also our Sustainability Report.

Risk management

- Risk management 108-122
- Principal risks and uncertainties 111-122

Strategic and ESG KPIs

- Key performance indicators 20-21

Our approach to risk management

We recognise the importance of a strong risk culture – the shared attitudes, beliefs, values and standards that shape behaviours related to risk awareness, risk-taking and risk management. All employees are responsible for risk management, with ultimate supervisory oversight residing with the Board.

Bank of Georgia and Ameriabank are the Group's principal operating entities, driving the majority of revenue. Throughout this section and in the Principal risks and uncertainties section, Bank of Georgia and Ameriabank are collectively referred to as 'Group Companies'.

Following the acquisition of Ameriabank, the Enterprise Risk Management (ERM) function has expanded to oversee Group-wide risk governance. This includes gathering and consolidating risk data, monitoring risk levels, enhancing risk management processes using a risk-based approach and ensuring effective communication.

The Group employs a comprehensive risk management approach across its subsidiaries. The Group's risk management framework defines the key principles and practices it uses for managing material risks, both financial and non-financial.

Key components of the ERM framework

Risk governance

Non-executive risk governance
The Board reviews and approves risk appetite limits annually. The Board sets the tone 'from the top' and is advised by the Risk Committee.

Executive risk governance
Executive Management assesses the effectiveness of risk management and internal control policies and procedures.

Processes and tools

Risk appetite, active risk management: identification, measurement, mitigation and reporting
The Group has processes in place to identify, assess, measure, manage and report risks to ensure it remains within its risk appetite.

Roles and responsibilities

'Three lines of defence' model
The Group's ERM framework is based on the industry-standard 'three lines of defence' model for risk management.

Internal controls

Policies and procedures, control activities
The Group continuously develops the control environment in business processes, including through segregation of duties, preventive tools integrated into systems and restriction of user rights.

Risk management process

1

Identify

Risk identification is performed regularly as a joint effort between business (the first line of defence) and Risk Management functions (the second line of defence). The main goal is to detect potential risks in a timely manner and avoid or mitigate the potential harm those risks would bring. In the event of material internal or external change, additional ad hoc risk identification can be performed. The Board regularly discusses key risks and management's mitigation strategies and actions.

2

Assess and measure

Each identified risk is assessed based on its likelihood and potential financial and non-financial impacts before being compared to the risk appetite and specific limits or triggers. Risks are prioritised, necessary responses are determined, and exposures are aligned with risk tolerances.

3

Mitigate

Risk-mitigating activities are developed and implemented to lessen potential negative impacts. When evaluating these actions, costs, benefits, residual risks and secondary risks are also considered. All key controls are recorded and regularly reviewed. If a control is ineffective, root causes are analysed and action plans are developed to improve the control design.

4

Monitor and report

Risk-mitigating actions are monitored for timeliness, consistency and systematic execution. Key risks are escalated as appropriate. Significant risk changes and mitigation measures are reviewed by the Audit and Risk Committees quarterly (or more frequently if required) and reported to the Board. Monthly risk reports support senior management's risk management decisions.

Risk appetite

The risk appetite framework is a key component of the Group's ERM framework, and it has been enhanced to include Group-wide risk appetite limits for key risk metrics, which are monitored by the Risk Committee.

Under this Group-wide framework, each principal operating entity develops and maintains its own specific Risk Appetite Statement (RAS). The RAS translates the Group's strategic objectives into a tangible set of limits and tolerances for the subsidiary, informing its financial planning and guiding its strategic decisions.

Each RAS is approved annually at the institution's subsidiary level and is subject to oversight by the Group's Board. Performance against these individual RASs is reviewed quarterly by the respective Board Risk Committees and is monitored monthly by respective Executive Management to ensure risks are promptly identified and mitigated.

Risk culture

Risk culture is at the heart of the Group's risk management practices. A strong culture, starting with the Board, supports ethical business operations and ensures performance, risk and reward are aligned. To develop this, Group Companies focus on giving employees the awareness and capabilities to manage risk. This includes providing a wide range of training programmes – some mandatory for all employees, others role-specific or part of individual development plans. Mandatory training programmes are accessible online and ensure Group Companies keep their customers, employees and the organisation safe.

Risk governance and internal controls

The Board has ultimate supervisory responsibility for risk management. The Group CRO is responsible for the Group's risk management framework – including establishing policy, monitoring risk profiles of principal operating entities, and identifying and managing risk. Subsidiary CROs manage day-to-day risks in their respective businesses. Group Companies operate based on the industry-standard three lines of defence model.

First line of defence

Owns risks and is responsible for identifying, recording, reporting and managing them in line with risk appetite, complying with policies and regulations, and ensuring appropriate mitigation controls are in place.

Second line of defence

Develops policies, methods and procedures, and establishes the risk appetite framework, including limits. It challenges the first line on effective risk management, provides advice and offers assurance on compliance and risk management effectiveness.

Third line of defence

Is the Internal Audit function, which provides independent assurance that risk management approaches and processes are designed and operating effectively. Group Companies maintain local Internal Audit functions, with dual reporting lines to both local Supervisory Board Audit Committees and the Board Audit Committee, ensuring appropriate oversight within principal operating entities.

All roles below the CEO within Group Companies fall within one of the three lines. All employees are responsible for managing risks in their roles.

The Board reviews the Group's internal control systems and confirms their adequacy and effectiveness. Certain matters – including approval of major capital expenditures, significant acquisitions or disposals and major contracts – are reserved exclusively for the Board. The full Schedule of Matters Reserved for the Board can be found on the Group's website at https://lionfinancegroup.uk/leadershipand-governance/documents. For other matters, the Board is assisted by its Risk and Audit Committees, which assess the strength and effectiveness of risk management and internal control systems. Committee reports can be found from page 169 (Risk Committee) and page 159 (Audit Committee).

The Group's financial procedures include a range of system, transactional and management oversight controls over financial reporting and consolidation. Each quarter, Group CFO and Group Finance team discuss financial reporting and associated internal controls with the Audit Committee, which reports significant findings to the Board. The Audit Committee also reviews quarterly, half-year and full-year financial statements and results announcements and provides recommendations to the Board.

At the subsidiary level, local Supervisory Boards hold responsibility for risk oversight, assisted by their respective Risk and Audit Committees. Complementing this, the Group's Board maintains ultimate oversight of the subsidiaries' performance, receiving direct reports from each entity's CRO to inform its assessments. As a significant process enhancement, the Board instituted a quarterly review of a consolidated, Group-wide risk dashboard, effective from the start of 2025.

At the Executive Management/ Management Board levels, several committees steer effective risk management, including:

- **Asset and Liability Management Committees (ALCOs):** manage financial risk, establish policies on capital adequacy, market risk, funding and liquidity risk, interest rate and prepayment risks, and set associated limits. ALCOs review scenario analyses and stress tests, monitor compliance with risk limits and approve treasury deals.
- **Credit Committees:** manage risk across loan portfolios in all business segments.
- **Environmental and Social Impact (ESI) Committee at Bank of Georgia:** develops and implements ESG strategy, including climate risk and opportunity management. The Committee manages the Bank's climate, environmental and social impacts, focusing primarily on lending activities.
- **Disclosure Committee at Ameriabank:** ensures compliance with the Bank's Disclosure Policy, providing stakeholders with clear, timely access to consistent and credible information.

The Group External Auditor and Chief Internal Auditors of the Group's principal operating subsidiaries attend quarterly Audit Committee meetings. The Audit Committee meets respective auditors regularly, both with and without Executive Management present. The Group's Audit and Risk Committees monitor internal controls over operational and compliance risks.

The UK Corporate Governance Code 2024 (the "2024 Code") applies to the Group for the financial year ended 31 December 2025, with the exception of Provision 29, which is effective for financial years beginning on or after 1 January 2026. The Group will report against Provision 29 in its Annual Report and Accounts for the year ending 31 December 2026, including a formal declaration on the effectiveness of the Group's material controls as at year end.

Following the revised Code, the Group has established a dedicated working group led by a steering committee under the CFO. The Internal Controls over Financial Reporting (ICFR) team ensures compliance with requirements by 2026. The Audit Committee receives quarterly updates on progress towards Code compliance, including advancements in identifying, assessing and documenting key risks and controls.

During 2025, the Board and the Audit Committee oversaw management's preparations for compliance with Provision 29. This included reviewing and challenging the proposed framework for identifying and assessing material controls and considering whether the approach is appropriately aligned to the Group's principal risks, governance structure and risk management processes.

The Group has established a framework for determining material controls in accordance with the Code. Material controls are those controls that the Board considers critical to mitigating the Group's principal risks and supporting the reliability and integrity of key financial and regulatory disclosures. The identification process is risk-based and anchored in the Group's principal risk assessment and governance arrangements. The Board, supported by the Audit Committee, reviewed and endorsed management's approach to ensure that the resulting scope is proportionate and focused on those controls most significant to the Group's risk profile. For commercial and security reasons, the Group does not publicly disclose the detailed list of material controls.

In line with the Code, the Board is responsible for monitoring the effectiveness of the Group's risk management and internal control framework and will undertake an annual review of the effectiveness of material controls in 2026. Throughout 2025, the Board and its Committees received updates on progress, key judgements and readiness milestones, and provided challenge where appropriate. The Board is satisfied that the governance, oversight and assurance arrangements supporting the material controls framework are appropriate to enable it to make the required declaration in 2026.

Viability statement

The Board assessed the Group's prospects to meet its liabilities by considering its current financial position and principal risks. The Group's going concern and viability statements are on page 123.

Principal and emerging risks

Each business line within Group Companies identifies key risks that could impact its performance or outlook. Information from all business units is analysed to identify, assess and manage emerging risks. At Group level, identified risks are analysed and consolidated to determine principal risks and uncertainties. Additionally, the Group monitors broader macroeconomic risks and escalates them to the Supervisory Boards or the Board through regular presentations.

The Group proactively identifies and manages emerging risks – newly developing or evolving risks that could materially impact the Group in future but remain uncertain in timing and effect. The Board reviews these alongside principal risks to assess potential implications and ensure proactive mitigation strategies are developed as risks become more defined.

A description of these principal risks and uncertainties, including outlook, recent drivers and mitigation efforts, can be found on pages 111 to 122. The order in which the principal risks and uncertainties appear does not denote their priority. It is not possible to fully mitigate all risks. Any risk management and internal control system is designed to manage – rather than eliminate – the risk of failure to achieve business objectives, and can provide only reasonable, not absolute, assurance against material misstatement or loss. The Group is also exposed to risks wider than those listed. Additional risks and uncertainties – including those the Group is currently unaware of or deems immaterial – may also result in decreased revenues, incurred expenses or other events that could result in a decline in the value of the Group's assets. The Group discloses the risks it believes are likely to have the greatest impact on its business, which have been discussed in depth at Board, Audit Committee or Risk Committee meetings.

The Group has identified climate risk as an emerging risk and continues to assess climate-related risks, both transition and physical, for its client base and determine potential impacts on the Group. The Group describes and manages climate-related risks in line with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). Further details on the Group's planned actions can be found from page 121.

Stress testing

Stress testing and scenario analysis are important risk management tools that inform strategic decision-making and planning. They enable assessment of the impact of plausible but severe stress scenarios on liquidity and capital positions. Group Companies regularly assess portfolio vulnerabilities to adverse macroeconomic factors, financial market stresses and geopolitical developments. Portfolio sensitivities feed into impact assessments of profit and loss, liquidity and capital.

Group Companies perform different types of stress tests:

- **ICAAP/ILAAP stress testing:** The Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) estimate and maintain an adequate level of internal capital and liquidity to cover all key risks the banks face or might face in the future, including under stress scenarios. ICAAP and ILAAP stress-testing results are reviewed by the Risk Committee and the Board of Directors.
- **Viability stress testing:** Assesses the impact of plausible but severe stress scenarios on the Group's financial position. Scenario assumptions for all relevant macroeconomic and financial market variables are set, and potential impacts are assessed against the Group's viability. Viability stress tests are performed at least annually and reported to the Audit Committee and the Board of Directors.
- **Reverse stress testing:** Assesses the level of disruption that might cause the Group to fail. Failure is defined as the level of loss that would lead to breach of core capital ratios.
- **Ad hoc stress testing:** Captures current economic conditions, specific exposures facing the banks and updated analysis of potential future extreme events related to macroeconomic factors. The frequency of stress testing depends on material changes in the operating environment.
- **Regulatory stress testing:** Mandated by local banking regulators, providing the context and methodology for stress tests. Stress-test methodologies vary by type and objective. Depending on the risk type, risk management units perform the analysis. If unacceptably high risks are identified, risk units adopt mitigation measures and reflect them in strategic plans.
- **Recovery Plan stress testing:** Mandated by local regulators, evaluating the banks' ability – along with their chosen recovery measures – to overcome extreme stress situations that result in breach of certain indicator threshold levels.

Review of the effectiveness of risk management and internal controls

The Group reviews the effectiveness of its risk management processes and internal controls annually, with assistance from the Audit and Risk Committees, covering all material systems including financial, operational and compliance controls. The latest review covered the financial year ended 31 December 2025 and obtained assurance from Executive Management and Internal and External Audits. The Board concludes with reasonable assurance that appropriate internal controls and risk management systems were maintained and operated effectively during 2025, and continued to operate effectively up to the date of approval of this Annual Report. The review identified no significant weaknesses or failures. The Group is satisfied that its risk management processes and internal control systems for the year ended 31 December 2025, complied with all Provisions of the Code applicable during the year. We note Provision 29 will apply from the financial year beginning 1 January 2026, and the Group has been preparing accordingly. The Group is also satisfied that its risk management processes and internal control systems comply with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Principal risks and uncertainties

Macro and geopolitical risks

Macro and geopolitical risks are the risks of adverse changes in macroeconomic parameters and/or the geopolitical environment that may result in the deteriorated performance and position of the Group.

Key drivers and developments

The Group's asset base is geographically concentrated in Georgia and Armenia, where its principal banking subsidiaries operate. Key macro risks for Georgia and Armenia include changes in GDP growth, inflation, interest rates, exchange rates and political developments. Despite robust economic performance recently, both countries continue to face downside risks stemming from regional geopolitical instability, global trade tensions and country-specific challenges.

The unresolved war in Ukraine and escalating tensions in the Middle East remain primary sources of geopolitical risk in the wider region. The Georgian and Armenian economies are particularly exposed to these risks due to their reliance on imports, foreign direct investment, and external inflows from exports, international tourism and remittances.

As both economies have benefited from inflows of migrants and capital following the onset of the Russia–Ukraine war, there is a risk that these inflows could partially reverse once the conflict ends. However, the persistence of these inflows, coupled with elevated uncertainty surrounding the timing and nature of any potential resolution, makes an abrupt reversal less likely. Based on recent inflow dynamics, a gradual normalisation with limited adverse impact on the domestic economies appears more plausible.

Escalations involving Iran in mid-2025 and early 2026 have contributed to increased volatility in global energy markets and disruptions to regional transport routes. Uncertainty regarding the duration and scale of the recent military escalations remains elevated. The Georgian and Armenian economies have limited direct exposure to Iran. In 2025, inflows from merchandise exports, tourism, remittances, and foreign direct investment from Iran accounted for a small fraction of their respective GDPs. Nevertheless, both economies could be adversely affected if instability spreads to other Middle Eastern countries. In such a scenario, economic disruptions in affected countries, along with broader transportation disturbances, could weaken external inflows to Georgia and Armenia. This would adversely affect economic activity and put pressure on exchange rates. Furthermore, a sustained increase in oil prices, combined with local currency depreciation, could generate domestic inflationary pressures and prompt central banks to tighten monetary policy. A prolonged and widespread conflict could also have adverse indirect effects through weaker external demand. However, diversified sources of foreign currency inflows, including from energy-exporting countries, could help to limit the negative impact. Moreover, amidst protracted tensions in the Middle East, the redirection of tourism and relocation of capital cannot be ruled out, which could provide additional support to the domestic economies.

In early 2025, U.S. import tariffs and retaliatory measures by major trading partners increased global trade-policy uncertainty, amplifying concerns about slower global growth and tighter financial conditions. While Georgia and Armenia have limited direct trade exposure to the United States, weaker economic performance among key partner economies – particularly, the EU and China – may reduce external demand for both countries. Furthermore, a potential deterioration in investor sentiment could trigger capital outflows from developing economies such as Georgia and Armenia, placing depreciation pressure on local currencies and potentially increasing inflation and foreign-currency debt service costs.

In addition to these shared risks, both countries face several country-specific challenges. In Georgia, persistent political turbulence following the October 2024 Parliamentary elections may weigh on consumer and business confidence, as well as investor sentiment. This, in turn, could translate into prolonged weakness in FDI inflows, with adverse effects on the local currency and productivity.

In Armenia, a narrow export base and high dependence on a single trading partner heighten vulnerability to external shocks, while rising public spending pressures could lead to elevated budget deficits and government debt. In addition, the U.S.-mediated Armenia-Azerbaijan peace framework signed in August 2025 may intensify geopolitical frictions due to the increased U.S. presence in the region. The parliamentary elections scheduled for June 2026 may also elevate political tensions, potentially weighing on economic performance.

The proximity of Georgia and Armenia to Russia presents heightened sanctions evasion risks for financial institutions operating in these countries. Group Companies have strengthened compliance and due diligence measures to mitigate these risks. Further details on actions taken to mitigate financial crime risk can be found from page 116.

Mitigation

Governance: The Board receives quarterly updates on global, regional and country-specific macroeconomic conditions from economic specialists and regularly discusses major political and geopolitical developments affecting the Group's operating subsidiaries.

Monitoring and reporting: Group Companies continuously monitor macroeconomic developments and incorporate adverse economic and geopolitical conditions in stress and scenario analyses, including portfolio-level sensitivity analysis – enabling local Executive Management to take proactive actions, including adjustment of operational risk limits during underwriting when necessary.

Other mitigants: Georgian legislation (effective 1 August 2025) requires loans up to GEL 750,000 be issued only in GEL if borrower income is also in GEL. The NBG has established a currency-induced credit risk (CICR) capital buffer to reduce dollarisation risks. Armenian legislation requires that mortgages and consumer loans to residents of Armenia be granted only in local currency.

For individual loans, NBG's payment-to-income (PTI) and loan-to-value (LTV) requirements are more conservative for foreign currency loans to mitigate borrower-level credit risk: PTI requirements for foreign currency loans are 5 ppts higher for monthly income below GEL 1,500 and 20 ppts higher for income above GEL 1,500; and the LTV requirement for foreign currency mortgage loans is 20 ppts tighter (effective 26 February 2025).

Ameriabank assesses borrower creditworthiness in line with its internal standards by incorporating stressed exchange rates into key metrics, including the obligations-to-income ratio for individuals, the debt service coverage ratio for business loans, and the LTV ratio.

Furthermore, both Group Companies manage their currency exposure through internal limits on open currency positions, which are set by their respective Supervisory Boards and are currently tighter than the regulatory requirements.

Credit risk

Credit risk is the risk that the Group will incur a financial loss due to customers or counterparties failing to meet their contractual obligations, arising primarily from lending activities.

Key drivers and developments

The Group's Expected Credit Loss (ECL) is affected by both idiosyncratic and sectoral/systemic risk factors. Increased ECL charges may result from portfolio growth, higher default rates, adverse portfolio quality shifts due to rating downgrades and/or changes in portfolio structure. The Group's cost of credit risk ratio was 0.4% for the full year 2025.

Mitigation

Governance: The Board receives quarterly updates on the Group's credit risk profile during regular Board and Risk Committee meetings as well as quarterly results discussions.

Across Group Companies, dedicated credit risk management functions are structured to ensure independent oversight of, and provide challenge to, frontline activities.

Dedicated credit risk management functions are established within Group Companies to directly oversee and challenge the credit risk activities of the frontline business units. In addition, each subsidiary has a centralised, enterprise-level risk management function responsible for overall credit risk management from a bank-wide perspective. Key responsibilities of these functions include overseeing aggregate credit risk assessment processes, developing and managing portfolio-wide policies, monitoring overall credit quality and conducting comprehensive stress testing and scenario analysis to assess the impact of adverse scenarios on the credit portfolio and capital adequacy.

Risk appetite: Group Companies have established credit risk appetites, including quantitative limits, to mitigate excessive credit risk and concentration at various levels. Credit risk profiles are monitored quarterly against this appetite and reported to the respective Supervisory Boards.

Credit assessment and approval: Across the Group, credit assessment processes are tailored to specific client segments and product types to ensure the level of review is appropriate for the associated risk.

Larger and more complex exposures, particularly within the Corporate Banking segment, are subject to a detailed individual underwriting process. For the SME and Retail Banking segments, a hybrid approach is used, combining individual assessments with automated, model-driven decisioning. The specific method used is determined by factors such as product type, exposure size and the subsidiary's operating model.

Automated, model-driven decisioning is a key component of the Group's credit assessment framework, particularly within retail lending, and is used to drive efficiency and consistency. The performance of all credit assessment models is regularly monitored in line with established model risk management frameworks to ensure their ongoing accuracy and effectiveness.

To ensure a robust credit-granting process, Group Companies have implemented several measures and frameworks:

- Well-defined lending standards: Group Companies maintain clear standards for granting credit, which outline borrower requirements. These standards serve as the benchmark for evaluating creditworthiness of customers and enable the identification and assessment of potential risks.
- Segregation of duties: A clear segregation of duties exists between credit analysis and approval functions. While credit analysts and business bankers prepare client presentations, these are independently reviewed by a risk manager. This review ensures that all risks and mitigating factors are identified and addressed, and that the loan is structured appropriately.
- Multi-tiered loan approval committees: Exposures are reviewed and approved by multi-tiered Credit Committees. Each committee has a specific approval limit, ensuring that the level of review is appropriate for the size and risk profile of the proposed loan.

Beyond these frameworks, climate and Environmental, Social, and Governance (ESG) risks are formally considered in the lending process. Across the Group, credit risk managers integrate the assessment of these risks into their analysis and conclusions, which are subsequently discussed with the relevant credit committees.

Loan portfolio quality monitoring and reporting: Timely identification of macro and micro-level developments is ensured through established processes and controls. This monitoring includes a comprehensive assessment against risk appetite limits, supported by key risk and early warning indicators to identify areas of the portfolio with potentially increasing credit risk. The Chief Risk Officers and Credit Risk Management departments review the portfolio's credit quality monthly. The Supervisory Board Risk Committees periodically review these analyses within the context of the broader macroeconomic environment.

Group Companies adhere to the customer exposure limits for corporate loans set by their respective regulators, as well as to internally established limits. They actively monitor concentration levels within the loan portfolio and the financial performance of the largest borrowers to maintain a well-diversified loan book. Bank of Georgia's top 10 borrowers accounted for 6.6% of its gross loans to customers, factoring and finance lease receivables as at 31 December 2025 (6.8% as at 31 December 2024). Ameriabank's top 10 borrowers accounted for 12.0% of its gross loans, factoring and finance lease receivables as at 31 December 2025 (12.4% as at 31 December 2024).

Collateral valuation: Property and other types of security are used to mitigate credit risk. In Corporate and SME Banking, collateral primarily includes liens over real estate, property, plant and equipment, as well as inventory, transportation equipment, corporate guarantees, deposits and securities. In Retail Banking, loans to individuals are primarily secured by residential property. At 31 December 2025, 79.8% of Bank of Georgia's and 81.0% of Ameriabank's gross loans, finance and factoring lease receivables were collateralised.

Group Companies monitor the market value of collateral during reviews of the adequacy of the allowance for ECL. For provisioning purposes, a discount to the current market value of assets is applied to reflect the liquidation value of collateral. Collateral is appraised either by reputable third-party firms or, in the case of Bank of Georgia, by a dedicated internal Asset Evaluation department. The appraisal report is submitted to the relevant Credit Committee as part of the loan application package, which also includes a report from the Credit Risk Officer.

Restructuring and collections: Group Companies assist borrowers facing financial difficulty by offering tailored solutions, such as loan restructuring, to help them meet their obligations and return to a performing status. As part of their overall collection activities, Group Companies also utilise certain measures for managing delinquencies at an early stage. For instance, Bank of Georgia has developed a process where automated restructuring offers are proactively delivered to clients for certain products that reach a defined delinquency threshold through digital channels. If no agreement is reached, banks initiate collateral repossession through court, arbitration or notary procedures.

ECL measurement: The Group determines Expected Credit Loss (ECL) allowances in accordance with the IFRS 9 framework, which incorporates forward-looking macroeconomic scenarios to estimate credit losses. Under this framework, financial instruments that are credit-impaired on initial recognition are classified as Purchased or Originated Credit-Impaired (POCI). These assets retain their POCI classification until derecognition, and a lifetime ECL is recognised for them throughout this period, regardless of subsequent improvements in credit quality. For all other financial instruments, the Group applies the following three-stage approach to measure ECL:

Stage 1

At the reporting date, if the exposure is not credit-impaired and there has been no significant increase in credit risk since initial recognition, the Group recognises a credit loss allowance equal to the 12-month ECL.

Stage 2

At the reporting date, if the exposure is not credit-impaired but there has been a significant increase in credit risk since initial recognition, the Group recognises a credit loss allowance equal to the lifetime ECL.

Stage 3

At the reporting date, if the exposure is credit-impaired, the Group recognises a loss allowance equal to the lifetime ECL, assuming a Probability of default (PD) of 100% for such financial instruments.

The Group calculates Expected Credit Losses (ECL) based on the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), following standard practice. LGD is estimated either collectively or individually, based on the client's exposure size. For collective assessments, the portfolio is segmented into homogeneous groups to improve accuracy. ECL is the probability-weighted sum of outcomes under baseline, upside, and downside economic scenarios. Staging and ECL incorporate both internal and external information, including credit ratings, financial statements, days past due, and economic forecasts. If credit risk improves and ECL decreases, previously recognised losses are reversed accordingly.

Counterparty risk: The Group is exposed to counterparty credit risk – the risk of loss from a counterparty failing to meet its contractual obligations – through activities including inter-bank lending, foreign exchange settlements, trade finance, and investments in securities. To manage this risk, Group Companies establish individual counterparty limits based on credit ratings and risk profiles, alongside country limits to control concentration. Exposures are monitored daily, and breaches are escalated to Executive Management. Reflecting this prudent management, as at 31 December 2025, 94.9% of Bank of Georgia's and 96.9% of Ameriabank's inter-bank exposure was to investment-grade counterparties.

Liquidity and funding risks

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal or stressed circumstances.

Funding risk is the risk that the Group will not be able to access stable and diversified funding sources at an acceptable cost.

Key drivers and developments

Funding availability in emerging markets is subject to shifts in investor confidence, which can affect both pricing and access for the Group. Unfavourable market conditions may exert pressure on liquidity, particularly if liquid assets become illiquid or lose value. In such cases, alternative funding options can be limited in the Georgian and Armenian inter-bank markets and may involve additional pricing risks. The Group also faces risks from the potential for rapid, large-scale deposit outflows or the utilisation of off-balance-sheet commitments during periods of significant political or economic instability.

The Group maintains a diverse funding base comprising short-term sources (including retail and corporate deposits, as well as inter-bank and central bank borrowings) and longer-term sources (including retail and corporate term deposits, borrowings from International Financial Institutions (IFIs) and issued debt securities). Client deposits and notes remain the key sources of funding for Group Companies. In November 2025, Bank of Georgia successfully issued GEL 450 million of 11.5% senior unsecured notes, denominated in GEL, which further contributed to funding diversification. As at 31 December 2025, the Group's long-term funding comprised 44.1% deposits, 35.6% amounts owed to credit institutions, and 20.3% debt securities.

Group Companies maintain strong relationships with and benefit from the support of IFIs and private asset managers, ensuring a solid funding pipeline for the next 12 months.

Liquidity and funding positions of Group Companies remained strong throughout the period, the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for Bank of Georgia and Ameriabank exceeding the 100% regulatory minimum. In response to political tensions, Bank of Georgia proactively increased its liquidity buffers in the fourth quarter of 2024, maintaining these elevated levels during 2025. As at 31 December, Bank of Georgia's LCR stood at 147.7% and its NSFR at 134.1%, while Ameriabank's LCR stood at 249.9% and its NSFR at 127.3%.

Mitigation

Governance: The Board receives regular updates on the Group's liquidity and funding position during its scheduled meetings and as part of the quarterly results approval process.

At a committee level, funding and liquidity risk management is governed by the Asset-Liability Committees (ALCOs) of the respective Group Companies. The ALCOs approve the liquidity risk management frameworks and oversee their implementation. The risk appetite limits defined within these frameworks require ultimate approval from the respective Supervisory Boards.

This governance is supported by a clear segregation of duties within Group Companies. The Finance function acts as the first line of defence, responsible for the day-to-day management of liquidity and funding positions, and managing the liquidity buffer. The Risk function serves as the second line of defence, providing independent oversight by developing policies, standards and guidelines, defining risk appetite, and reporting on the risk profile to the ALCOs.

Monitoring and reporting: Group companies perform daily monitoring of market and internal early-warning indicators to detect signs of liquidity stress. The liquidity position is reported monthly to Executive Management and the respective Asset-Liability Committees (ALCOs). Furthermore, the Board's Risk Committee reviews the liquidity risk profile on a quarterly basis as part of its comprehensive risk dashboard review.

Risk appetite: The risk appetite framework defines tolerance for liquidity risk, in line with established liquidity adequacy principles. This tolerance is quantified through specific metrics that are approved by the respective Supervisory Boards and subject to annual review. This process enables the timely identification of potential deviations from the desired risk profile, thereby triggering proactive risk management actions.

Funding and liquidity management: Liquidity risk is managed through comprehensive frameworks, approved by the respective ALCOs, which model the ability to meet payment obligations under both normal and stressed conditions. Bank of Georgia has also developed a detailed liquidity contingency plan, which defines specific risk indicators and mitigation actions to enable the early detection of, and response to, liquidity pressures.

Liquidity stress testing: Both Bank of Georgia and Ameriabank have developed Internal Liquidity Adequacy Assessment Processes (ILAAP), incorporating stress testing to evaluate the adequacy of liquidity buffers under idiosyncratic, systemic, and combined stress scenarios. These scenarios cover all key liquidity drivers and are regularly reviewed to ensure their continued relevance.

Capital risk

Capital risk is the risk of failure to deliver business objectives, meet regulatory requirements, and/or meet market expectations due to insufficient capital.

Key drivers and developments

Bank of Georgia adheres to the NBG's capital adequacy regulation based on Basel III guidelines with regulatory discretion. Requirements include Pillar 1, a combined buffer (systemic, countercyclical, conservation), and Pillar 2 buffers (concentration, General Risk Assessment Programme (GRAPE), Currency-Induced Credit Risk (CICR), Credit Risk Adjustment (CRA), stress-test). Ameriabank is subject to Pillar 1 requirements, with the CBA planning to introduce Pillar 2 in the future.

Since March 2023, Bank of Georgia has been accumulating a neutral countercyclical capital buffer as follows: 0.25% by 15 March 2024; 0.5% by 15 March 2025; 0.75% by 15 March 2026; and 1% by 15 March 2027.

The successful USD 300 million placement of 9.5% perpetual Additional Tier 1 (AT1) notes in April 2024 demonstrate Bank of Georgia's strong capital position and internal capital generation.

Following a decision by the CBA on 23 September 2025 (published on 6 October and effective from 15 October 2025), the regulatory framework was expanded to recognise Additional Tier 1 (AT1) capital instruments as an eligible component of bank capital. Consequently, in February 2026 Ameriabank enhanced its capital position by successfully placing inaugural USD 50m 8.5% Additional Tier 1 capital notes.

Group Companies maintained capital adequacy ratios above their minimum regulatory requirements as at 31 December 2025 (see pages 126 and 127).

Mitigation

Governance: The Board maintains oversight of the capital positions of Group Companies through regular quarterly updates. It also reviews the potential impact of various scenarios to inform capital return decisions.

Day-to-day capital risk management is handled by the Finance departments as the first line of defence, while Risk Management units serve as the second line, setting capital risk frameworks and ensuring their effective implementation within Group Companies.

Risk appetite: Group Companies manage capital risk through a framework of bank-level limits aligned with defined risk appetites, which are approved by the respective ALCOs and Supervisory Boards. Monitoring occurs at multiple levels: monthly reviews by the ALCOs are complemented by quarterly reviews at both the local Supervisory Board and the Board's Risk Committee levels. Demonstrating this prudent approach, each Group Company maintains a distinct capital management policy aligned with its strategic objectives. This governance includes the monitoring of key capital adequacy metrics by the respective ALCOs and Supervisory Boards, including the level of internal capital buffers held above regulatory minimums.

Capital management: Both Bank of Georgia and Ameriabank maintain an Internal Capital Adequacy Assessment Process (ICAAP), approved by their respective Supervisory Boards and overseen by their ALCOs. Through this process, which includes annual risk assessments, the banks ensure they hold sufficient capital to cover material risks from a normative (supervisory) perspective. Bank of Georgia's ICAAP also incorporates an economic (internal) capital perspective.

These capital adequacy assessments are complemented by regulatory recovery plans at each Group Company. These plans establish a framework of early-warning indicators to enable the proactive identification of capital concerns and ensure timely mitigation.

Capital stress testing: Group Companies conduct capital stress tests using a range of diverse but plausible adverse scenarios. The design and calibration of these scenarios are tailored to the objective of each test, whether for internal capital planning, strategic decision-making or regulatory compliance.

Planning and forecasting: Capital forecasts are updated fortnightly at Bank of Georgia and monthly at Ameriabank. Both updates incorporate key inputs such as business expectations, portfolio quality forecasts, market conditions, emerging trends, and anticipated strategic changes.

Market risk

Market risk is the risk of financial loss resulting from movements in market variables that affect the fair value or future cash flows of financial instruments. This risk primarily arises from mismatches in the maturity, currency or interest rate characteristics of assets and liabilities, all of which are exposed to market fluctuations.

Key drivers and developments

Volatility in the GEL and AMD can expose the Group to foreign currency risk, which can adversely affect its financial position. This risk is managed by controlling the size of net open currency positions. For Bank of Georgia, this position is capped by the National Bank of Georgia (NBG) at 20% of its regulatory capital. For Ameriabank, the corresponding limit set by the Central Bank of Armenia (CBA) is 10% of its regulatory capital.

The Group is also exposed to interest rate risk which arises from mismatches in the repricing tenors of its fixed and floating-rate assets and liabilities. Consequently, changes in market interest rates can impact the Group's net interest income by widening or narrowing interest margins.

Mitigation

Governance: Within Group Companies, market risk governance is provided by the respective ALCOs and Supervisory Boards, which approve the risk appetite and oversee its implementation. This is supported by the Risk functions, acting as the second line of defence. Its responsibilities include developing the risk management framework and policies, defining the risk appetite, and conducting independent risk profile reviews, with its findings reported to the ALCOs.

Risk appetite: Group Companies manage currency and interest rate risk through an appetite framework defined by quantitative limits. These limits are approved by the respective ALCOs and Supervisory Boards, and compliance is monitored via risk profile reviews conducted at least quarterly.

Market risk management: The respective ALCOs set market risk exposure limits by currency and monitor compliance with the approved risk appetite frameworks. As part of this process, exposures and key metrics are regularly tested against a range of plausible adverse scenarios.

Currency risk is actively managed through the allocation of risk appetite limits for open currency positions. To measure and monitor these exposures, Group Companies employ Value at Risk (VaR) analysis based on historical simulation. This methodology assesses the potential impact of adverse market movements, providing a key input for managing foreign exchange risk within the established limits.

Interest rate risk is managed through policies approved by the respective Supervisory Boards, which aim to protect capital and earnings from adverse rate movements. This involves setting limits on the sensitivity of Net Interest Income (NII) and Economic Value of Equity (EVE) as well as on negative mark-to-market revaluations for trading book exposures, The ALCOs monitor these metrics to manage the Net Interest Margin (NIM), translating the approved risk appetite into operational limits and early-warning indicators for proactive management.

Compliance and conduct risks

Compliance risk is the risk of legal and/or regulatory sanctions and/or damage to the Group's reputation as a result of its failure to identify, assess, correctly interpret, comply with and/or manage regulatory and/or legal requirements.

Conduct risk is the risk that the conduct of the Group and its employees towards customers will lead to unethical and/or unfair customer outcomes and/or adversely affect market integrity, damaging the Group's reputation and competitive position.

Key drivers and developments

The Group operates across multiple jurisdictions, facing evolving and sometimes unpredictable legal and regulatory requirements. As a company listed on the Main Market of the London Stock Exchange, the Group adheres to the regulations of the UK Financial Conduct Authority and the Listing Rules. In their respective countries of operation, the Group's principal operating subsidiaries are supervised by their local central banks: Bank of Georgia is regulated by the National Bank of Georgia (NBG), and Ameriabank is regulated by the Central Bank of Armenia (CBA).

Mitigation

Governance: The second line of defence within Group Companies comprises Bank of Georgia's Legal and Compliance function units under the CLO, and Ameriabank's Operational Control under CEO supervision. These units challenge first-line compliance risk management, establish compliance policies and coordinate risk identification, assessment, documentation, reporting and mitigation for processes and products.

Compliance risk management framework: Group Companies follow established policies and procedures that define principles, standards, roles and responsibilities for independent compliance functions. Internal Audit provides oversight through regular reviews of frameworks and policies. During the reporting period, the Group updated its Anti-bribery and Anti-corruption (ABC Policy) Policy to the revised Anti-bribery, Anti-corruption and Anti-fraud Policy (ABCF Policy), to reflect the legislative changes enacted by the Economic Crime and Corporate Transparency Act 2023.

Following a bank-wide Anti-bribery and Corruption (ABC) risk assessment, Bank of Georgia updated its corresponding policy to incorporate the findings. To embed these enhancements across the organisation, mandatory employee training modules on Ethics, ABC and Conflict of Interest (COI) were revised. The Bank also modernised its digital Gift Declaration Portal to strengthen its internal control framework.

Monitoring and reporting compliance risk: The Group prioritises compliance risk measurement and management through ongoing monitoring, assessment and reporting by Compliance and Legal Risk Management (Bank of Georgia) and Operational Control Service (Ameriabank). The Group Chief Legal Officer (CLO) reports significant regulatory and legal changes and material regulatory inspections to the Board quarterly.

Regulatory change management: As part of its integrated control framework, the Group systematically assesses the impact of legislative and regulatory changes during formal risk assessments. A dedicated change management system enables timely identification of legal amendments and facilitates appropriate departmental responses. The Group implements changes through formal action plans with structured follow-up.

Effective regulatory engagement is ensured through direct dialogue with regulators or via Banking Association channels – primarily the NBG for Bank of Georgia and the CBA for Ameriabank.

The Group CLO provides quarterly updates to the Board on regulatory developments and implementation progress across key jurisdictions.

Conduct risk management framework: The Group upholds a Code of Conduct and Ethics applicable to all subsidiaries, which was updated during the reporting period. At Bank of Georgia, the Customer Protection Standard covers all stages of the product and services lifecycle, requiring transparent product offerings and clear, accurate communications to support informed customer decisions. Bank of Georgia's Customer Claims Management procedure handles customer complaints, and the Legal Consulting unit serves as the second line of defence – ensuring that complaint management is undertaken effectively and in compliance with applicable customer protection laws, regulations and internal policies and procedures. Claims related to the Code of Conduct and Ethics violations are reviewed by the bank-level Human Rights and Ethics Committee to ensure they are properly handled and remediation plans are established.

At Ameriabank, an independent Service Quality Assurance department manages customer claims, oversees the entire process, and initiates process improvements. As the second line of defence, it also reviews proposed changes to products, services and tariffs to prevent adverse client impacts.

Recurring claims potentially indicating a systemic issue, as well as whistleblower reports, are investigated and reported quarterly to the Audit Committee. In 2025, Ameriabank launched a new anonymous tool designed as an early warning mechanism to facilitate the early identification and resolution of potential risks.

Group Companies ensure that related party transactions follow the "arm's length" principle as defined by their respective regulators. Transaction terms are pre-determined under special internal acts, with deviations requiring Supervisory Board approval. At Bank of Georgia, certain cases – such as aggregate risk positions exceeding GEL 500,000 with respect to a single related party, or collateral replacement – also require Supervisory Board approval. The Supervisory Board receives quarterly reports to monitor these transactions.

Financial crime risk

Financial crime risk is the risk of knowingly or unknowingly facilitating illegal activity, including money laundering, fraud, bribery and corruption, tax evasion, sanctions evasion, the financing of terrorism and/or proliferation, through the Group.

Key drivers and developments

Financial crime risks continue evolving globally, with the Group facing stringent regulatory and supervisory requirements. The Group is committed to protecting financial system integrity, safeguarding customers, and combating financial crime through ongoing investments in expertise, tools and systems.

Georgia and Armenia's geographical location and regional geopolitical context necessitate an elevated focus on sanctions compliance for financial institutions. This proximity increases the potential for sanctioned entities to attempt to exploit Georgian and Armenian financial systems to circumvent international restrictions. Consequently, Group Companies have strengthened compliance frameworks and enhanced due diligence measures to proactively identify, manage and mitigate these risks.

Mitigation

Governance: Within Group Companies, the second line of defence, comprising risk management units, develops policies, standards, guidelines and compliance systems; monitors sanctions evasion and money laundering/terrorist financing (ML/TF) risks; and oversees related risk management processes. Within each principal subsidiary, the Anti-money Laundering (AML) and Sanctions Compliance department includes a dedicated assurance unit responsible for regularly assessing the effectiveness of the bank-wide controls. The third line of defence – Internal Audit functions – independently assesses AML and sanctions compliance to ensure regulatory adherence and safeguard financial integrity.

Bank of Georgia has also established an AML/Sanctions Compliance Committee to provide ongoing oversight of ML, TF and sanctions risks.

Tax risk is managed by dedicated tax functions across Group Companies. Lion Finance Group PLC has adopted a Tax Strategy applicable to itself and its UK subsidiaries, with its principles consistently applied throughout the Group.

Risk appetite: The Group operates a comprehensive financial crime risk management programme designed to prevent its use for criminal and terrorist activities and to protect its reputation.

This programme is operationalised at the subsidiary level through defined risk appetites, which are approved by the respective Supervisory Boards. This ensures that all business units, support functions and subsidiaries assess the impact of their activities on the Group's risk profile and act in line with its established principles.

Monitoring and reporting: Active monitoring and timely reporting of financial crime risks are central to the effectiveness of the programme. Key risk exposures related to AML/CFT and sanctions are reported monthly to Executive Management. Formal reports are also presented quarterly to both the Audit Committee and the Risk Committee, ensuring robust Board-level oversight. These reports utilise both quantitative and qualitative dashboards to track the effectiveness of controls and inform timely risk mitigation actions.

Anti-money laundering: Group Companies maintain risk-based AML/CFT frameworks aligned with local and relevant foreign legislation, incorporating international standards and recommendations set by the Financial Action Task Force and other relevant global bodies.

The Group has deployed significant resources to enhance its ML/TF risk management capabilities, including the use of advanced analytics and transaction monitoring tools, as well as enhancements to offline reporting mechanisms. The reporting processes for Cash Transaction Reports and Suspicious Transaction Reports are fully automated.

Mandatory employee training programmes have been intensified to improve awareness and understanding of AML/CFT obligations. AML risk appetite metrics are closely monitored and regularly reviewed within Group Companies to ensure alignment with their defined risk tolerance.

Bribery and corruption: The Group is committed to preventing bribery and corruption through robust policies, processes and controls, maintaining a zero-tolerance approach to non-compliance with its ABC policies. Beyond ABC compliance, the Group also follows a Code of Conduct and Ethics, serving as an employee reference. To uphold these standards, Group Companies ensure that all employees complete mandatory training on Anti-Bribery and Corruption. As a minimum requirement across the Group, this training is completed during the employee onboarding process, establishing a baseline of understanding and accountability from the outset of employment. At Bank of Georgia, this framework is further strengthened by biennial refresher training, which includes a comprehension test and a signed acknowledgment to reinforce accountability.

Sanctions compliance: The Group maintains comprehensive policies, procedures and risk mitigation measures to comply with international sanctions frameworks enforced by key jurisdictions and bodies such as the US Office of Foreign Assets Control (OFAC), the EU, the UK (HM Treasury) and UN Security Council. These protocols undergo routine evaluations to ensure alignment with current sanctions regimes. The Group upholds a stringent zero-tolerance policy towards sanctioned individuals, transactions and funds associated with sanctioned entities, and any clients or transactions connected to the Russian military-industrial base.

The Group has enhanced due diligence processes to address rapidly evolving sanctions regimes, strengthening transaction screening, monitoring, onboarding and documentation review. The Group's technology-driven approach includes an online solution that fully automates the screening of all transactions against sanctions lists from OFAC, the EU, the UK, the UN and other global databases.

Due diligence: The Group continuously improves customer due diligence and transaction monitoring, encompassing risk-based scenario monitoring, alert handling and suspicious activity reporting. Group-wide AML/CFT and sanctions risk assessments evaluate inherent risk, control effectiveness and residual risk. Automated customer risk assessment ensures comprehensive risk management throughout the business relationship lifecycle. Group Companies conduct rigorous, periodic due diligence on their existing client base. During onboarding, detailed information on corporate clients' ownership structures, ultimate beneficial owners, and sources of funds and wealth is gathered.

High-risk clients, including politically exposed persons and virtual asset service providers, those subject to adverse media coverage or performing unusual or cryptocurrency-related transactions, or those living and working in countries or sectors with an inherently higher risk of financial crime, undergo enhanced due diligence. To mitigate risks associated with cryptocurrency, the Group has restricted international transactions involving virtual assets or virtual asset service providers.

Fraud risk: To mitigate fraud risk, the Group implements:

- Know Your Employee procedures, including screening requirements at recruitment, employment and departure stages, providing a clear understanding of an employee's background and actual or potential conflicts of interest.
- Mandatory training for all new employees to increase awareness.
- Communication channels informing customers about fraud risks.

Information security and data protection risks

Information security risk is the risk of loss of confidentiality, integrity, and/or availability of information, data, and/or information systems.

Data protection risk is the risk presented by personal data processing – such as accidental and/or unlawful destruction, loss, alteration, unauthorised disclosure of, and/or access to, personal data stored and/or otherwise processed.

Both risks may lead to financial loss, reputational damage, or other significant adverse economic or social impacts.

Key drivers and developments

Information security risks are a growing global threat, particularly for the financial services sector. Successful attacks could impact the Group's customers, employees, subsidiaries, and partners. Potential negative impacts include data breaches, financial losses, regulatory penalties and reputational damage.

Malicious actors focus on:

- Zero-day attacks exploiting previously unknown vulnerabilities.
- Sophisticated brand impersonation attacks.
- Targeting systems where the Group lacks direct cybersecurity control (customer and third-party systems).
- Employee non-compliance with policies, procedures and technical controls.

Due to Bank of Georgia's role as part of Georgia's critical infrastructure and Ameriabank's leading position in Armenia, attacks could have national-level impacts. The Group's relationships with international customers and partners mean these risks could extend beyond Georgia and Armenia, resulting in regulatory and contractual liabilities, reputational damage and financial losses. Positively, the Group's robust practices protect customers' rights and build trust, contributing to greater financial inclusion and digital security.

Group Companies successfully completed their ISO 27001 certification journey (an international standard for information security management) and acquired the certificate in 2025, demonstrating their strong commitment to robust information security management practices.

Data protection is driven by regulatory requirements, the imperative to maintain customer trust, and the commitment to responsible innovation. Key developments include rising stakeholder expectations for transparency and the emergence of new risks associated with advancing technologies like Artificial Intelligence (AI). In response, the Group continually refines data protection practices to address the evolving risk landscape.

Mitigation

Governance: Within Group Companies, Information Security functions serve as the first line of defence. They adhere to internal policies and procedures, conducting routine risk assessments, vulnerability scans and penetration tests to identify system and infrastructure vulnerabilities. This work prevents unauthorised access and enables real-time monitoring for prompt detection and response to security incidents. The Risk functions act as the second line of defense, regularly assessing the design and operational effectiveness of security controls. Risk units provide oversight, guidance and support to business units, ensuring information security risks are effectively identified, assessed and managed, and monitoring compliance with internal policies and external regulations.

Data protection governance is driven from the highest levels across the Group, with established processes for ensuring Board-level oversight. While the principle is consistent, the specific reporting structures are tailored to each

subsidiary's governance model. At Bank of Georgia, this involves dedicated quarterly reporting to the Audit Committee and a comprehensive annual review of the privacy programme by the Supervisory Board. At Ameriabank, oversight is achieved through quarterly reports to respective Supervisory Board as part of the broader IT and Information Security risk overview.

The day-to-day responsibility for implementing privacy policies is also clearly defined within each Group Company. Bank of Georgia employs a distinct three lines of defense model, where business units act as the first line, supported by a specialised Privacy Office, led by the Data Protection Officer (DPO), which functions as the second line. At Ameriabank, these responsibilities are collectively managed by the Information Security, Technical Security and Legal departments, which oversee the implementation and updating of privacy policies.

Risk appetite: Information security risk is measured against predefined risk appetite metrics and thresholds to minimise data and security breach exposure. Risk profiles are monitored monthly against appetite and reported to local Executive Management on at least a quarterly basis, and quarterly to Supervisory Boards.

Monitoring and reporting: Internal Audit functions provide risk-based independent assurance on risk management adequacy and effectiveness. Information security appears regularly on Risk Committee agendas, and Group Companies engage external parties for regular cybersecurity audits and penetration tests.

Zero-day attacks: Group Companies monitor zero-day vulnerability announcements affecting their systems, addressing them promptly when detected. They employ a "defense in depth" approach with multiple complementary security layers that activate when others fail. Bank of Georgia has a dedicated team for threat intelligence sharing and building external relationships. As a member of the Financial Services Information Sharing and Analysis Centre, it accesses a threat intelligence platform and a trusted network of experts to anticipate and respond to threats, strengthening its cybersecurity posture and reflecting a proactive approach to managing risks.

Customer-targeted phishing: Malicious actors may carry out successful customer-targeted phishing attacks through fake websites, social networks, emails and other channels. Group Companies enhance information security controls to detect unauthorised account access and run awareness campaigns helping customers and the public recognise and respond to phishing attempts.

Supply chain cyber attack: Group Companies perform third-party provider due diligence, ensuring security and data protection controls before engagement and conducting annual compliance monitoring. Exit procedures protect information confidentiality, integrity and availability.

Employee policy adherence: Annual mandatory information security training for all employees includes tailored remote work security courses. Group Companies conduct quarterly phishing campaigns testing employee detection and response capabilities.

Access management: Group Companies implement role-based access control, automating employee onboarding and rotation processes while restricting network access based on least privilege principles. Semi-annual privileged user evaluations and annual access rights reviews occur in each department. Third parties receive privileged access only with justified business needs, requiring multi-factor authentication and privileged access management monitoring.

Information security incident response: To mitigate key risks, Group Companies have aligned their incident response plans with industry standards – following the National Institute of Standards and Technology (NIST) Computer Security Incident Handling Guide. Group Companies have strengthened their defences with vandal-resistant backup storage to protect core database backups from internal and external threats.

Annually, Bank of Georgia and Ameriabank each undergo at least ten security assessments to evaluate actions and manage risks, including:

- Penetration testing
- Breach and Attack Simulation
- DDoS attack simulation
- Self-assessments
- Internal and external audits

These assessments give insight into how effectively the policies and processes have been implemented.

Personal data protection: Group Companies have responded to changes in respective jurisdictions by implementing enhanced data protection measures, including policy updates, process reviews, training programmes and customer communication. To ensure compliance and adherence, Group Companies regularly consult with respective supervisory authorities regarding these obligations. These actions have significantly mitigated data processing risks and enhanced data security standards, ensuring robust personal data protection.

Operational risk

Operational risk is the risk of financial and/or non-financial loss from inadequate and/or failed internal processes, people, systems, or from external events. This includes human capital risk: the potential for ineffective human capital policies or processes to cause operational disruption, financial loss and reputational damage, and hinder the delivery of strategic objectives.

Operational losses may result from:

- Internal fraud
- External fraud
- Business disruption and system failures
- Employment practices and workplace safety
- Clients, products and business practices
- Physical asset damage
- Execution, delivery and process management
- Third party risks

Key drivers and developments

Evolving customer expectations and new technologies compel banks to adapt business models and address new operational risks. The rapid pace of change and the need for innovation demand new technologies and careful management of technology deployment.

As major business processes digitise, operational resilience becomes increasingly critical. Significant disruptions to vital services can cause material business impacts, including financial loss, reputational damage and business continuity threats. External factors such as cyberattacks and dependencies on critical vendors and outsourced services can drive vulnerabilities. Operational resilience will continue to gain importance as technology increasingly shapes financial service provision.

Employees remain crucial to the Group's success, supporting innovation and growth. To bolster digital capabilities and AI-driven decision-making, the Group prioritises attracting and retaining skilled talent and developing leaders for succession planning.

Mitigation

Governance: For Group Companies, the first line of defence consists of structural units responsible for identifying and assessing operational risks and establishing appropriate controls to mitigate them. Operational risk management units form the second line of defence, providing oversight and risk guidance. Internal Audit functions serve as the third line, independently assessing operational risk and events in business processes.

Human Capital Management functions within Group Companies develop policies and frameworks for risk management and legal compliance, monitoring and reporting human capital risks to the respective Executive Management and Supervisory Boards as well as to the Group's Board of Directors.

Risk appetite: Group Companies have established operational risk appetites. Bank of Georgia also has a Supervisory Board-approved human capital risk appetite at the bank level. Risk profiles are monitored against these appetites and reported to local Executive Management on at least a quarterly basis, and quarterly to the respective Supervisory Boards.

Monitoring and reporting: Group Companies monitor operational risks ongoing basis using a range of quantitative and qualitative indicators, including key risk indicators (KRIs), operational loss data, risk and control self-assessments, scenario analysis and third-party risk information. Regular stand-alone reports are provided to Group Companies' respective senior management and relevant governance bodies to support oversight of operational risk profile, facilitate the timely escalation of material incidents and emerging risks, and assess compliance with the risk appetite and tolerance framework.

Within this broad category, a dedicated focus is placed on human capital risk. This is monitored through its own set of quantitative and qualitative indicators, including employee interviews, eNPS, engagement scores, internal mobility, and retention and employee turnover measures. The results of different surveys and measures are used to design action plans.

Operational risk framework: Group Companies implement policies, procedures, and frameworks to anticipate, mitigate, control, and communicate operational risks and internal control effectiveness. Operational risk management units maintain frameworks and policies, reviewed and approved by relevant governance bodies, to ensure alignment with recognised industry standards such as Basel and NIST.

Various policies, processes and procedures are in place to control and mitigate operational risks, including but not limited to:

- Risk and control self-assessment (RCSA) programme – to identify and assess operational risks in business processes and products.
- New products assessment – to identify and assess potential operational risks related to new products before launch, offering recommendations for risk mitigation during the product design phase.
- Third-party risk management programme – to identify and manage risks arising from third-party and outsourcing arrangements through risk-based vendor onboarding and due diligence, ongoing risk assessment and monitoring, and enhanced oversight of critical service providers, including business continuity and disaster recovery coverage.
- Scenario analysis programme – to identify, analyse, and measure a range of scenarios, including low-probability and high-severity events.
- Incident management, monitoring and reporting – operational risk incidents and near misses are identified, assessed and remediated, with ongoing monitoring and regular reporting by the Risk function to support oversight of operational risk profile against its risk appetite and tolerance framework.
- Business continuity management programme, which represents business continuity and disaster recovery plans for each critical business process – a combination of procedures and arrangements to make sure critical business processes are uninterrupted.
- Risk awareness and training programmes, including awareness campaigns and mandatory training – to help employees identify existing and potential risks.

Group Companies also employ several measures to manage human capital risk:

- Multiple recruitment channels and university collaborations, with internship programmes offering project experience, mentorship and career paths.
- Succession planning and leadership pipeline development, with annual employee development plans and internal mobility encouragement.
- Competitive compensation and benefits with work-life balance, using industry surveys to determine position-based pay, and regular job structure updates for clearer career paths.
- Transparent communication with grievance policies for prompt issue resolution, and Employee Voice meetings with the Board to exchange ideas and concerns.
- Hybrid working arrangements for most back-office employees.

Model risk

Model risk arises from decisions based on incorrect model results due to inaccurate assumptions, inappropriate variables, low-quality data, or inadequacies in model design, implementation or usage.

Key drivers and developments

As banking operations become more complex and digital, the adoption of statistical models, machine learning and artificial intelligence enhances decision-making and provides competitive intelligence. To sustain these benefits, sound model risk assessment frameworks and validation practices are essential.

The NBG's regulation – Managing Risks for Data-based Statistical, Artificial Intelligence and Machine Learning Models – sets additional requirements for model development, validation, monitoring and application. The regulation requires that all relevant new and existing models be in line with regulatory requirements.

Given the increasing use of AI-driven models at Bank of Georgia, particular attention is paid to the oversight and mitigation of AI-related risks. To ensure effective oversight of AI, Bank of Georgia maintains internal policies and procedures governing AI usage, which outline clear guidelines for model development, validation, implementation, monitoring and compliance with regulatory standards.

In 2025, Bank of Georgia expanded its use of artificial intelligence by beginning to implement generative AI and Large Language Models (LLMs). The introduction of these advanced models is conducted under the Bank's robust model risk management framework. This ensures that each model undergoes thorough validation and is subject to stringent controls, in full compliance with the established principles. While the current framework provides a solid foundation, the Bank is working on its further enhancement to specifically address the unique characteristics and risks of generative models.

The CBA's regulation regarding model risk management requires banks to have procedures and processes covering the full lifecycle of internal models, including evaluation, development, validation, approval, performance monitoring and adjustments, as needed.

Mitigation

Group Companies have their Model Risk Management Frameworks (MRM) continuously reviewed and refined to address key model risks effectively. The MRM Policies outline:

- Three lines of defence: A clear segregation of roles and responsibilities throughout the model lifecycle and model inventory governance among model owners (first line), an independent MRM function (second line) and Internal Audit (third line).
- Key controls: Standards covering model development, documentation, validation, monitoring, revalidation, backtesting, as well as comprehensive model risk assessment and reporting. They also encompass the critical areas of model inventory management and data integrity, with the specific implementation and level of centralisation tailored to each subsidiary's current operational model.

Bank of Georgia has enhanced its MRM framework in collaboration with McKinsey & Company, aligning it with industry best practices and evolving regulatory requirements.

Governance: Within Group Companies, model owners within the first line of defence are responsible for the development, implementation, operation and continuous monitoring of models.

The second line of defence – independent from the units that develop or use the models – is responsible for model validation, performance oversight, independent challenge of model adequacy and ensuring compliance with regulatory requirements.

Clearly defined roles and the existence of independent validation functions within Group Companies ensure effective risk mitigation.

Monitoring and reporting: Material model-related issues within Group Companies are subject to a robust oversight process, requiring approval from the respective Chief Risk Officers (CROs) before being reported to the Supervisory Boards.

Group Companies conduct continuous monitoring of model performance. Bank of Georgia has automated processes that generate notifications for relevant stakeholders on a regular basis (monthly, quarterly and ad hoc), with model owners overseeing performance and model validators supervising the process.

Model risk mitigation: Group Companies employ similar strategies for model risk mitigation:

- Model redevelopment: Models are refined or redeveloped in response to changes in market conditions, business assumptions or processes, to maintain accuracy and relevance.
- Adjustments to model outputs: Adjustments, including expert-opinion-based revisions or the application of new restrictions, are made to improve model accuracy and address biases or limitations.
- Process enhancements: Additional controls or validation measures are introduced to further reduce model risk.

Strategic risk

Strategic risk is the risk that the Group will be unable to execute its business strategy and create stakeholder value due to poor decision making, ineffective resource allocation, and/or a delayed and/or ineffective response to changes in the external environment.

Key drivers and developments

The Group faces strategic risks from changes in legal, regulatory, macroeconomic and competitive environments. Economic uncertainty, the rise of global fintech, and increased competition in financial services have altered stakeholder expectations, necessitating forward-looking strategic risk management.

The Group's expansion into Armenia in 2024 through its subsidiary Ameriabank has added a new geographic dimension to its operational footprint. This diversification introduces additional risks that require proactive monitoring and mitigation. Moreover, integrating a major subsidiary carries inherent strategic risks, including the potential failure to successfully integrate operations or realise anticipated synergies. Accordingly, the integration process remains a key focus of the Group's Executive Management and a regular topic of discussion at the Board level.

Mitigation

Strategic planning: The Group's Executive Management runs an annual strategic planning process to review its performance against targets, discuss the internal and external environment affecting the Group's subsidiaries, and develop short- and medium-term strategic plans considering potential financial and non-financial risks. This process is supported by risk appetite framework, capital plans and a recovery plan. The Group's strategy is ultimately approved by the Group's Board of Directors.

Focus on customers and innovation: The Group mitigates strategic risks by incorporating customer feedback in decision-making and scanning global competitive landscape to ensure relevant, innovative products and offerings, addressing current needs while creating foundations for future client growth.

Monitoring: The Group's Executive Management holds regular meetings to discuss the performance of the Group's core subsidiaries, the competitive landscape, and their competitive positions, including any changes versus prior periods and any actions required. Key strategic areas and/or projects are periodically discussed in working groups comprising executive, senior and middle management.

Strategic objectives and/or decisions, including major organisational changes and initiatives, are regularly discussed with and challenged by the Board, including during the quarterly Board meetings and the Board's strategy sessions. The Board receives quarterly updates on market environment and competitive positioning of principal operating entities in Georgia and Armenia and challenges management's tactical or strategic actions.

The Group has a dedicated International Banking function with executive responsibility over monitoring and coordination of activities with the operating entities outside of Georgia. The International Business function does not replace or interfere in day-to-day executive management of the Group's subsidiaries, other than as necessary for meeting either legal and regulatory, or internal policy requirements applicable to the Group as a whole or on a consolidated basis.

Reputational risk

Reputational risk is the risk of damage to stakeholder trust and/or brand image due to negative consequences arising from internal actions and/or external events.

Key drivers and developments

The Group's operations face inherent reputational risk, primarily driven by internal execution failures, cyber and phishing case mismanagement, and misalignment between Group values and public perceptions/opinions.

Mitigation

Risk appetite: Group Companies manage reputational risk within a defined risk appetite that is articulated through quantitative measures. The reputational risk profile is subject to quarterly review and oversight by the Supervisory Boards of the respective Group Companies.

Mitigation: Effective systems and controls ensure high customer service levels and compliance. Material risks at any business level are measured, mitigated and monitored according to Group policies and procedures.

To protect brand strength, marketing/PR teams within Group Companies monitor daily media coverage. Legal teams ensure marketing communications comply with internal policies and review product/service compliance. Group Companies regularly measure customer satisfaction and perception through internal and external surveys and monitor risk appetite compliance with performance reported to Executive Management on at least a quarterly basis.

Group Companies also engage with customers on information security matters, disseminating content including articles, direct emails, interactive games, and questionnaires through various media. Bank of Georgia and Ameriabank contribute to the development of information security in Georgia and Armenia respectively by regularly participating in collaborative efforts with financial industry peers, law enforcement authorities, regulatory bodies and the governments, sharing knowledge and preventing negative impacts.

To prevent inaccurate or misleading reporting that could damage the Group's reputation, well-documented reporting processes with strong controls ensure fairness and transparency. Oversight from the Board as well as the External Auditor ensures the Group's financial and narrative reporting is trustworthy.

Climate-related risk

The Group has identified climate risk as an emerging risk and continues to assess climate-related risks, both transition and physical, for its client base, and determines potential impacts on the Group.

Climate-related risk is the risk of financial loss and/or damage to the Group's reputation as a result of the accelerating transition to a lower-carbon economy and/or the materialisation of actual physical damage as a result of acute and/or chronic weather events.

Transition and physical risks may impact the performance and financial position of the Group's customers and, hence, their ability to repay loans.

Key drivers and developments

The Group's stakeholders, including investors and lenders, are increasingly demanding more climate-related disclosures – including climate risk assessments and GHG emissions reporting – as well as actions to address climate-related risks.

The Group is subject to climate reporting obligations under both the UK Financial Conduct Authority's Listing Rules and Sections 414CA and 414 CB of the UK Companies Act 2006.

In 2020, the Group identified climate change as an emerging risk and incorporated it into its risk inventory. Since then, significant progress has been made in developing the management framework for this risk. Notably, Bank of Georgia has developed a climate scenario analysis toolkit to model the impact of climate risks on its credit portfolio and has continued to strengthen climate-related considerations within its credit risk management processes.

Both Georgia and Armenia have submitted their NDCs as part of the Paris Agreement. Georgia's NDC includes an unconditional target to reduce total domestic GHG emissions by 35% below 1990 levels by 2030, while Armenia targets a 40% reduction by the same year, using the same baseline. Georgia has adopted a long-term low-emissions development strategy, declaring carbon neutrality by 2050 as an important goal. The country is currently developing its next Nationally Determined Contribution (NDC), which will outline its post-2025 commitments.

In March 2025, the National Bank of Georgia (NBG) launched the second phase of its Sustainable Finance Roadmap (2025–2028), introducing several updates to the country's sustainable finance framework. Bank of Georgia has already implemented a number of the roadmap's initiatives and continues to align its practices with the planned measures to support their full implementation by 2028.

Mitigation

Governance: The Group's Board of Directors has ultimate responsibility for overseeing climate-related risks and opportunities and ensuring their integration into the strategy and risk management of the Group Companies. Since 2022, the Board and its committees – including the Risk, Audit and Remuneration Committees – have regularly reviewed climate-related issues, ensuring ongoing and effective oversight.

The ESI Committee at Bank of Georgia, comprising executive and senior management, is responsible for overseeing the Bank's climate, environmental and social impacts – focusing mainly on those arising from its lending activities. It holds overall responsibility for designing climate, environmental and social strategies and policies, and setting and monitoring targets. The final responsibility for decisions made by the ESI Committee rests with the Supervisory Board.

Centralised teams of Environmental, Social and Climate Risk specialists within Group Companies' Risk functions are responsible for:

- Conducting research on climate, environmental, and social-related matters (policies, risk mitigation and assessment methods, etc.)
- Implementing and updating environmental and social policies, procedures and methods.
- Identifying, assessing, managing and mitigating climate, environmental and social risks for the Group Companies' clients, based on a standardised due diligence process.
- Identifying climate-related opportunities and classifying green loans.
- Calculating financed emissions and supporting other departments to implement environmental and climate-related tasks.
- Preparing environmental and climate-related disclosures.

Climate-related risks mitigation: Group Companies have adopted following mitigating activities for climate-related risk management framework:

- Identifying and addressing sector- and location-specific climate risks for business clients, as part of loan appraisal and origination processes, as well as the environmental and social risk management process.
- Expanding our climate scenario analysis toolkit and deepening our knowledge of climate change and climate policy in Georgia and the global implications.
- Assessing the materiality of climate risks on the banks' portfolios against selected climate change scenarios; developing a climate risk stress-testing framework and conducting high-level climate stress -testing to assess potential climate-related vulnerabilities across portfolio and to support the bank's understanding of climate risks.
- Facilitating climate-related disclosure.
- Raising climate finance awareness among clients and implementing training for employees.

Moreover, Bank of Georgia has integrated climate-related risks into its risk management framework and business resilience assessments. Its mitigating activities also include:

- Collecting relevant data, including on output produced and energy consumed, and calculating Scope 3 financed emissions for some GHG-intensive corporate clients.
- Identifying and reporting on transactions aligned with the NBG's Green Taxonomy (from January 2023).
- Developing sectoral E&S policies to address specific high-risk industries which may have high adverse impact on people and/or the environment. We are committed to working closely with clients, especially those in high-emission industries, to support their shift towards sustainable practices by tackling issues like data limitations, technical capacity and access to funding.

Ameriabank contributes to a sustainable economy through three core activities: implementing robust Environmental and Social (E&S) risk management processes for clients in line with IFI standards; ensuring transparency through public reporting; and financing a dedicated portfolio of green assets.

Historically, Ameriabank applied its Green Bond Framework to identify and assess green loans in accordance with international standards. Following the adoption of the Group Green Finance Framework (GFF), this now serves as the primary basis for identifying and reporting green financing activities.

In 2025, Armenia introduced a national green taxonomy, which is not yet mandatory for financial institutions. The GFF will be updated to reflect this taxonomy and related legislative developments, ensuring continued regulatory alignment, transparency and consistency across the Group.



Going concern and Viability Statement

Going Concern Statement

In adopting the going concern basis for preparing the consolidated financial statements, the Directors have considered the Group's business activities, strategy and objectives, principal risks and uncertainties, and performance as set out on pages 3 to 4, 17 to 18, 111 to 122, and 19 to 21. The Directors have performed a robust assessment of the Group's financial forecasts across a range of scenarios over a 12-month period from the date the financial statements are authorised for issue. This assessment included stress testing incorporating severe downside scenarios, as well as reverse stress testing, which examined the level of disruption that could cause the Group to fail.

The Directors confirm that they have a reasonable expectation that the Group, as a whole, has adequate resources to continue in operation for at least 12 months from the date the financial statements are authorised for issue. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying consolidated financial statements.

Viability Statement

Provision 31 of the 2024 UK Corporate Governance Code requires the Board to make a statement in the Annual Report and Accounts regarding the viability of the Group, including an explanation of how they assessed the prospects of the Group, the period for which they have made the assessment and why they consider that period to be appropriate.

Assessment period

The Directors have determined that a three-year period to 31 December 2028 is appropriate for the viability assessment. This period aligns with the Group's strategic planning horizon and the timeframe over which the Board has reasonable visibility of the Group's business model and operating environment. While the Directors have no reason to believe the Group will not be viable over a longer period, the inherent uncertainty in forecasting beyond three years makes this timeframe most appropriate for a robust assessment.

Assessment process

In making its assessment, the Board has considered the potential impact of severe but plausible scenarios over the review period, reflecting combinations of the Group's principal risks across its main operating business divisions: Georgian Financial Services (GFS) and Armenian Financial Services (AFS). The Board also reviewed the results of reverse stress testing, which assessed the level of disruption that could cause the Group to fail.

In particular, the Board considered the potential impact of several key risks over the assessment period, including:

- A severe contraction of the Georgian and Armenian economies, simulated through global, regional and country specific economic shocks.
- A substantial depreciation of the Georgian Lari and the Armenian Dram against the US dollar.
- Increased unemployment rates in Georgia and Armenia.
- Elevated and sustained inflation, alongside rising interest rates, including those set by the NBG, the CBA and the US Federal Reserve Bank.
- A significant decline in real estate prices in Georgia and Armenia.
- Liquidity risks arising from a potential large-scale, one-off withdrawal of customer funds in Georgia and Armenia.
- Increased operational losses, including those resulting from cybersecurity incidents or regulatory penalties.
- Heightened risks related to the Group's operations in Belarus, potentially resulting in a full write-off of BNB.
- Potential capital outflow required from GFS to support potential strategic or contingency needs.

Applying these stress testing scenarios did not result in a breach of capital or liquidity regulatory requirements for either GFS or AFS. This stress testing also considered the availability and likely effectiveness of mitigating actions that could be taken to reduce the impact or likelihood of the underlying risks to which the Group is exposed. These actions included a reduction in lending activity, the temporary use of the capital conservation buffer by Bank of Georgia and a combination of buffers by Ameriabank, a partial suspension of share buybacks related to the share-based compensation scheme, a temporary halt to capital distributions, and reductions in operating expenses.

Reverse stress testing

The Directors also considered reverse stress scenarios, which identify the level of disruption that would cause the Group to breach its core capital ratios. These extreme scenarios involved identifying the total loss amount the business could withstand, including events such as a catastrophic write-off of assets and severe runs on customer funds. The Directors consider the circumstances that would lead to such outcomes to be remote and outside the scope of plausible scenarios.

Conclusion

The Directors have also confirmed that sufficient evidence exists to support their statement regarding the effectiveness of the Group's risk management framework and internal control processes designed to mitigate risk. Based on these assessments, the Directors confirm they have a reasonable expectation that the Group will be able to continue its operations and meet its liabilities as they become due over the three-year period to 31 December 2028.

Overview of financial results

Income Statement highlights

GEL thousands	FY25	FY24[1]	Change y-o-y
Net interest income	2,971,741	2,360,847	25.9%
Net fee and commission income	657,487	561,662	17.1%
Net foreign currency gain	601,003	571,799	5.1%
Net other income	73,025	68,320	6.9%
Operating income	**4,303,256**	**3,562,628**	**20.8%**
Operating expenses (2025: adjusted)	(1,526,497)*	(1,222,904)	24.8%
Gain on bargain purchase[2]	1,488	–*	NMF
Profit from associates	1,316	1,347	-2.3%
Operating income before cost of risk (2024 & 2025: adjusted)	**2,779,563***	**2,341,071***	**18.7%**
Cost of risk	(169,497)	(165,253)	2.6%
Out of which initial ECL related to assets acquired in business combination[3]	–	*(49,157)*	*NMF*
Profit before income tax expense and one-off items (2024 & 2025: adjusted)	**2,610,066***	**2,175,818***	**20.0%**
Income tax expense	(417,245)	(362,796)	15.0%
Profit before one-off items	**2,192,821***	**1,813,022***	**20.9%**
One-off items[4]	(29,590)	672,173	NMF
Profit	**2,163,231**	**2,485,195**	**-13.0%**
Basic earnings per share	**50.27**	**56.91**	**-11.7%**
Diluted earnings per share	**49.52**	**55.75**	**-11.2%**
Basic earnings per share adjusted for one-offs	**50.96**	**41.46**	**22.9%**
Diluted earnings per share adjusted for one-offs	**50.19**	**40.62**	**23.6%**

* These figures differ from the audited consolidated financial statements as they exclude one-off items to better illustrate underlying performance. The excluded items are GEL 29.6m in FY25 and GEL 672.2m in FY24 (see endnote 4). The FY24 figure primarily consists of a significant one-off gain on bargain purchase associated with the acquisition of Ameriabank, which boosted reported earnings in 2024. For the full audited consolidated financial information, please refer to pages starting on 210.

Balance Sheet highlights

	Dec-25	Dec-24	Change y-o-y
Liquid assets	18,318,956	16,484,035	11.1%
Cash and cash equivalents	*4,572,046*	*3,753,183*	*21.8%*
Amounts due from credit institutions	*3,552,257*	*3,278,465*	*8.4%*
Investment securities	*10,194,653*	*9,452,387*	*7.9%*
Loans to customers, finance lease and factoring receivables	40,065,664	33,558,874	19.4%
Property and equipment	616,839	550,097	12.1%
All remaining assets	1,868,397	1,614,882	15.7%
Total assets	**60,869,856**	**52,207,888**	**16.6%**
Client deposits and notes	38,629,974	33,202,010	16.3%
Amounts owed to credit institutions	9,499,106	8,680,233	9.4%
Borrowings from DFIs	*3,708,770*	*3,301,249*	*12.3%*
Short-term loans from the National Bank of Georgia	*2,667,471*	*2,546,574*	*4.7%*
Short-term loans from the Central Bank of Armenia	*136,912*	*153,588*	*-10.9%*
Loans and deposits from commercial banks	*2,985,953*	*2,678,822*	*11.5%*
Debt securities issued	2,999,871	2,255,016	33.0%
All remaining liabilities	1,318,662	1,055,402	24.9%
Total liabilities	**52,447,613**	**45,192,661**	**16.1%**
Total equity	**8,422,243**	**7,015,227**	**20.1%**
Book value per share	**197.85**	**162.77**	**21.6%**

Key ratios

	FY25	FY24
ROAA (adjusted for one-off items)[4,5]	4.0%	4.3%
ROAE (adjusted for one-off items)[4,5]	28.4%	30.0%
Net interest margin[5]	6.1%	6.3%
Loan yield[5,6]	12.3%	12.4%
Liquid assets yield[5]	5.1%	5.1%
Cost of funds[5]	5.1%	5.0%
Cost of client deposits and notes[5]	4.4%	4.1%
Cost of amounts owed to credit institutions[5]	7.3%	7.9%
Cost of debt securities issued[5]	7.5%	8.2%
Cost:income ratio (adjusted for one-off items)[4]	35.5%	34.3%
NPLs to gross loans	2.1%	2.0%
NPL coverage ratio	57.8%	63.0%
NPL coverage ratio adjusted for the discounted value of collateral	116.3%	119.6%
Cost of credit risk ratio[5]	0.4%	0.5%

Non-performing loans ratio

GEL thousands	Dec-25	Dec-24	Change y-o-y
Group (consolidated)			
NPLs (in GEL thousands)	869,446	666,859	30.4%
NPLs to gross loans	2.1%	2.0%	
NPL coverage ratio	57.8%	63.0%	
NPL coverage ratio adjusted for the discounted value of collateral	116.3%	119.6%	
Georgian Financial Services (GFS)			
NPLs to gross loans	2.1%	2.2%	
NPL coverage ratio	54.8%	62.1%	
NPL coverage ratio adjusted for the discounted value of collateral	114.6%	115.1%	
Ameriabank (standalone figures)			
NPLs to gross loans	2.1%	1.4%	
NPL coverage ratio	68.5%	69.1%	
NPL coverage ratio adjusted for the discounted value of collateral	125.5%	137.3%	

Performance highlights

The Group delivered robust results in FY25, with a record profit before one-off items of GEL 2,192.8m (up 20.9% y-o-y) and an ROAE (adjusted for one-off items) of 28.4%, driven by strong loan book expansion, customer franchise growth, and sustained profitability across its core business divisions.

The Group's loan book reached GEL 40,065.7m as at 31 December 2025, up 19.7% y-o-y in constant currency (cc). The growth was fuelled by strong loan book expansion across both the Georgian (GFS) and Armenian (AFS) operations, which recorded year-on-year constant currency increases of 16.1% and 28.0%, respectively.

Client deposits and notes totalled GEL 38,630.0m as at 31 December 2025, reflecting a 17.3% y-o-y increase in constant currency (cc). GFS deposits rose by 14.3% y-o-y, while AFS deposits increased by 21.9% y-o-y. This balanced growth in both assets and liabilities underscored the Group's strong market position and its ability to maintain a stable and diversified funding base while supporting loan portfolio expansion.

Asset quality remained robust across the Group, with the Group cost of credit risk ratio at 0.4% for the full year of 2025 (0.5% FY24) and the NPL ratio broadly stable at 2.1% as at 31 December 2025 (2.0% as at 31 December 2024).

The Group's consolidated performance for the full year of 2024 included only nine months of Ameriabank's performance as its income statement was consolidated from 1 April 2024. Therefore, to see the underlying full-year performance and growth trends of Ameriabank, see Ameriabank's unaudited standalone financial information on page 128.

Business Division results

Following the acquisition of Ameriabank in March 2024, the Group results are presented by the following Business Divisions: 1) Georgian Financial Services (GFS), 2) Armenian Financial Services (AFS), and 3) Other Businesses.

Georgian Financial Services (GFS)

Georgian Financial Services (GFS) mainly comprises JSC Bank of Georgia and investment bank JSC Galt and Taggart.

Income Statement highlights

GEL thousands	FY25	FY24	Change y-o-y
Interest income	3,907,286	3,261,442	19.8%
Interest expense	(1,804,626)	(1,463,591)	23.3%
Net interest income	**2,102,660**	**1,797,851**	**17.0%**
Net fee and commission income	529,209	465,614	13.7%
Net foreign currency gain	360,878	386,797	-6.7%
Net other income	50,834	53,428	-4.9%
Operating income	**3,043,581**	**2,703,690**	**12.6%**
Salaries and other employee benefits (2025: adjusted)	(516,693)*	(443,347)	16.5%
Administrative expenses	(215,390)	(204,383)	5.4%
Depreciation, amortisation and impairment	(148,485)	(121,983)	21.7%
Other operating expenses	(26,355)	(5,744)	NMF
Operating expenses (2025: adjusted)	**(906,923)***	**(775,457)**	**17.0%**
Profit from associates	1,316	1,347	-2.3%
Operating income before cost of risk (2025: adjusted)	**2,137,974***	**1,929,580**	**10.8%**
Cost of risk	(141,510)	(98,099)	44.3%
Profit before income tax expense (2025: adjusted)	**1,996,464***	**1,831,481**	**9.0%**
Income tax expense	(287,781)	(275,557)	4.4%
Profit before for one-off items	**1,708,683***	**1,555,924**	**9.8%**
One-off items[4]	(29,094)	–	NMF
Profit	**1,679,589**	**1,555,924**	**7.9%**

* These figures exclude a one-off item of GEL 29.1m in FY25 to better illustrate underlying performance (see endnote 4).

Balance Sheet highlights

	Dec-25	Dec-24	Change y-o-y
Cash and cash equivalents	2,720,691	1,832,228	48.5%
Amounts due from credit institutions	2,139,551	2,423,723	-11.7%
Investment securities	8,236,145	7,886,960	4.4%
Loans to customers, finance lease and factoring receivables	27,288,607	23,539,328	15.9%
Loans to customers, finance lease and factoring receivables, LC	*15,822,353*	*13,580,484*	*16.5%*
Loans to customers, finance lease and factoring receivables, FC	*11,466,254*	*9,958,844*	*15.1%*
Property and equipment	519,892	462,037	12.5%
All remaining assets	1,225,254	1,170,001	4.7%
Total assets	**42,130,140**	**37,314,277**	**12.9%**
Client deposits and notes	27,312,550	24,052,164	13.6%
Client deposits and notes, LC	*14,595,833*	*11,355,443*	*28.5%*
Client deposits and notes, FC	*12,716,717*	*12,696,721*	*0.2%*
Amounts owed to credit institutions	6,562,242	6,712,420	-2.2%
Debt securities issued	1,800,502	1,082,831	66.3%
All remaining liabilities	769,455	475,032	62.0%
Total liabilities	**36,444,749**	**32,322,447**	**12.8%**
Total equity	**5,685,391**	**4,991,830**	**13.9%**
Risk-weighted assets (JSC Bank of Georgia standalone)	32,187,358	29,080,593	10.7%

Key ratios

	FY25	FY24
ROAA (adjusted for one-off items)[4]	4.3%	4.7%
ROAA (unadjusted)	4.3%	4.7%
ROAE (adjusted for one-off items)[4]	32.0%	33.5%
ROAE (unadjusted)	31.5%	33.5%
Net interest margin	5.9%	6.0%
Loan yield	12.7%	12.5%
Loan yield, GEL	*15.3%*	*15.0%*
Loan yield, FC	*9.1%*	*9.3%*
Cost of funds	5.4%	5.2%
Cost of client deposits and notes	4.7%	4.4%
Cost of client deposits and notes, GEL	*7.9%*	*7.8%*
Cost of client deposits and notes, FC	*1.5%*	*1.2%*
Cost of time deposits	7.0%	6.8%
Cost of time deposits, GEL	*10.3%*	*10.6%*
Cost of time deposits, FC	*2.7%*	*2.3%*
Cost of current accounts and demand deposits	2.6%	2.3%
Cost of current accounts and demand deposits, GEL	*5.2%*	*4.9%*
Cost of current accounts and demand deposits, FC	*0.6%*	*0.4%*
Cost:income ratio (adjusted for one-off items)[4]	29.8%	28.7%
Cost:income ratio (unadjusted)	30.8%	28.7%
Cost of credit risk ratio	0.5%	0.4%

Cost of credit risk ratio

	FY25	FY24
Total GFS	**0.5%**	**0.4%**
Retail	0.6%	0.4%
SME	0.4%	0.3%
CIB	0.3%	0.4%

Performance highlights

In FY25, GFS delivered a year of resilient and profitable growth, successfully navigating a dynamic operating environment. Operating income grew by a solid 12.6% y-o-y to reach GEL 3,043.6m, demonstrating the fundamental strength of its core business.

The performance was primarily driven by solid growth in core revenue streams. Net interest income was the main engine, surging by 17.0% y-o-y to GEL 2,102.7m, fuelled by an expanding loan portfolio. This was complemented by a solid showing in net fee and commission income, which rose 13.7% y-o-y to GEL 529.2m. Notably, this fee growth was enhanced by the successful renegotiation of more favorable terms with international payment systems for all of 2025 and going forward. However, the overall top-line was partly offset by a decline in net foreign currency gains, reflecting lower market volatility during the year. Net interest margin for the full year remained broadly stable at 5.9%, representing a modest 10 bps y-o-y decline, as higher loan yields were largely offset by an increase in the cost of funds.

On the expense side, operating expenses (adjusted for a one-off item) increased by 17.0% y-o-y to GEL 906.9m. During 2025, Bank of Georgia posted quarterly GEL 4.4m contribution to the Resolution Fund, a regulatory requirement introduced by the NBG for all commercial banks effective from January 2025[7]. Additionally, 2025 saw several executive manager departures which accelerated recognition of unvested share-based awards. Excluding the Resolution Fund payments and the effect of executive departures, operating expenses at GFS would have increased by 13.1% y-o-y.

Overall, GFS reported profit before one-off items of GEL 1,708.7m, marking a 9.8% y-o-y increase. Profitability remained strong, with an ROAE (adjusted for one-off items) of 32.0% for the full year of 2025.

Portfolio highlights

	Portfolio highlights: loans to customers, finance lease and factoring receivables			Change y-o-y (constant currency)
	Dec-25	Dec-24	Change y-o-y	
Total GFS	**27,288,607**	**23,539,328**	**15.9%**	**16.1%**
Retail	12,190,163	10,203,425	19.5%	19.4%
Mortgages	*5,139,094*	*4,498,321*	*14.2%*	*14.2%*
Consumer loans	*6,190,599*	*4,987,399*	*24.1%*	*24.4%*
Other loans	*860,470*	*717,705*	*19.9%*	*17.8%*
SME	5,447,299	5,011,108	8.7%	8.2%
CIB	9,651,145	8,324,795	15.9%	16.8%

	Portfolio highlights: customer deposits and notes			Change y-o-y (constant currency)
	Dec-25	Dec-24	Change y-o-y	
Total GFS	**27,312,550**	**24,052,164**	**13.6%**	**14.3%**
Retail	16,385,011	14,422,359	13.6%	14.8%
SME	2,526,790	2,146,585	17.7%	17.9%
CIB	8,081,092	6,578,858	22.8%	23.4%
Corporate Center	421,957	971,961	-56.6%	
Eliminations	(102,300)	(67,599)	51.3%	

Throughout 2025, GFS maintained its growth trajectory, delivering a strong and balanced expansion of its balance sheet. GFS's loan portfolio reached GEL 27,288.6m as at 31 December 2025. This represents a 16.1% y-o-y increase on a constant currency basis. As at 31 December 2025, 58.0% of the loan book was denominated in GEL (57.7% as at 31 December 2024).

On the funding side, GFS also recorded a strong increase in its deposit base. Client deposits reached GEL 27,312.6m as at 31 December 2025, representing a 14.3% y-o-y growth on a constant currency basis. Notably, 53.4% of deposits were denominated in GEL as at 31 December 2025 (47.2% as at 31 December 2024).

Liquidity

	Dec-25	Dec-24
IFRS-based NBG Liquidity Coverage Ratio (Bank of Georgia)	147.7%	138.6%
IFRS-based NBG Net Stable Funding Ratio (Bank of Georgia)	134.1%	130.7%

Bank of Georgia's liquidity and funding profile remained robust throughout the period. The NBG LCR and NSFR were maintained at levels comfortably above the 100% minimum regulatory requirements.

Capital position

At 31 December 2025, Bank of Georgia's Basel III CET1, Tier 1, and Total capital ratios stood at 17.6%, 20.5%, and 22.0%, respectively, all comfortably above the minimum requirements of 15.2%, 17.3%, and 20.2%, respectively.

Armenian Financial Services (AFS)

Armenian Financial Services (AFS) comprises Ameriabank CJSC

Income Statement highlights

GEL thousands	FY25	FY24[1]	Change y-o-y
Interest income	1,348,723	794,616	69.7%
Interest expense	(530,468)	(287,585)	84.5%
Net interest income	**818,255**	**507,031**	**61.4%**
Net fee and commission income	115,091	89,922	28.0%
Net foreign currency gain	145,340	128,032	13.5%
Net other income	12,132	3,927	NMF
Operating income	**1,090,818**	**728,912**	**49.7%**
Salaries and other employee benefits	(369,010)	(268,547)	37.4%
Administrative expenses	(71,415)	(47,737)	49.6%
Depreciation, amortisation and impairment	(59,887)	(40,818)	46.7%
Other operating expenses	(3,186)	(5,400)	-41.0%
Operating expenses	**(503,498)**	**(362,502)**	**38.9%**
Operating income before cost of risk (2024: adjusted)	**587,320**	**366,410***	**60.3%**
Cost of risk	(22,982)	(63,182)	-63.6%
Out of which initial ECL related to assets acquired in business combination[3]	–	*(49,157)*	*NMF*
Profit before income tax expense (2024: adjusted)	**564,338**	**303,228***	**86.1%**
Income tax expense	(111,974)	(73,072)	53.2%
Profit before one-off items	**452,364**	**230,156***	**96.5%**
One-off items[4]	–	672,173	NMF
Profit	**452,364**	**902,329**	**-49.9%**

* These figures exclude a one-off item of GEL 672.2m in FY24 to better illustrate underlying performance (see endnote 4).

Balance Sheet highlights

	Dec-25	Dec-24	Change y-o-y
Cash and cash equivalents	950,577	1,409,223	-32.5%
Amounts due from credit institutions	1,389,444	821,779	69.1%
Investment securities	1,794,826	1,447,558	24.0%
Loans to customers, finance lease and factoring receivables	11,818,695	9,265,005	27.6%
Loans to customers, finance lease and factoring receivables, LC	*6,770,754*	*5,457,699*	*24.1%*
Loans to customers, finance lease and factoring receivables, FC	*5,047,941*	*3,807,306*	*32.6%*
Property and equipment	78,285	74,671	4.8%
All remaining assets	520,441	352,476	47.7%
Total assets	**16,552,268**	**13,370,712**	**23.8%**
Client deposits and notes	9,630,051	7,949,083	21.1%
Client deposits and notes, LC	*5,832,351*	*4,527,568*	*28.8%*
Client deposits and notes, FC	*3,797,700*	*3,421,515*	*11.0%*
Amounts owed to credit institutions	2,909,876	1,956,445	48.7%
Debt securities issued	1,186,478	1,155,679	2.7%
All remaining liabilities	496,458	541,068	-8.2%
Total liabilities	**14,222,863**	**11,602,275**	**22.6%**
Total equity	**2,329,405**	**1,768,437**	**31.7%**
Risk-weighted assets (Ameriabank CJSC standalone)	15,054,624	11,685,845	28.8%

Key ratios

	FY25	FY24
ROAA (adjusted for one-off items)[4]	3.2%	2.9%
ROAA (unadjusted)	3.2%	11.4%
ROAE (adjusted for one-off items)[4]	22.6%	20.6%
ROAE (unadjusted)	22.6%	80.7%
Net interest margin	6.4%	7.3%
Loan yield	11.5%	12.5%
Loan yield, AMD	*14.0%*	*15.0%*
Loan yield, FC	*8.1%*	*8.9%*
Cost of funds	4.5%	4.4%
Cost of client deposits and notes	3.6%	3.3%
Cost of client deposits and notes, AMD	*5.2%*	*5.1%*
Cost of client deposits and notes, FC	*1.5%*	*1.5%*
Cost of time deposits	6.4%	6.0%
Cost of time deposits, AMD	*9.8%*	*10.0%*
Cost of time deposits, FC	*2.5%*	*2.5%*
Cost of current accounts and demand deposits	1.7%	1.6%
Cost of current accounts and demand deposits, AMD	*2.3%*	*2.3%*
Cost of current accounts and demand deposits, FC	*0.7%*	*0.8%*
Cost:income ratio	46.2%	49.7%
Cost of credit risk ratio[3]	0.2%	1.2%

Cost of credit risk ratio

	FY25	FY24
Total AFS	**0.2%**	**1.2%**
Retail	0.8%	0.9%
Corporate	-0.3%	1.3%

Performance highlights

AFS' performance for the full year of 2024 included only nine months of Ameriabank's performance as its income statement was consolidated from 1 April 2024. Therefore, to see the underlying full-year performance and growth trends of Ameriabank, see Ameriabank's unaudited standalone financial information on page 128.

On a more comparable standalone basis, Ameriabank's standalone profit amounted to GEL 514.2m in FY25, representing a 23.6% y-o-y increase. Notably, AFS' prior year's result was negatively impacted by a GEL 49.2m initial ECL charge related to the acquisition.

Portfolio highlights[8]

	Portfolio highlights: loans to customers, finance lease and factoring receivables			Change y-o-y (constant currency)
	Dec-25	Dec-24	Change y-o-y	
Total AFS	**11,818,695**	**9,265,005**	**27.6%**	**28.0%**
Retail	5,281,641	4,193,063	26.0%	26.4%
Mortgages	*2,759,125*	*2,461,083*	*12.1%*	*12.5%*
Consumer loans	*1,862,265*	*1,180,493*	*57.8%*	*57.9%*
Retail SME	*660,251*	*551,487*	*19.7%*	*20.8%*
Corporate	6,537,054	5,071,942	28.9%	29.4%

	Portfolio highlights: customer deposits and notes			Change y-o-y (constant currency)
	Dec-25	Dec-24	Change y-o-y	
Total AFS	**9,630,051**	**7,949,083**	**21.1%**	**21.9%**
Retail	5,183,973	4,298,868	20.6%	21.4%
Corporate	4,446,078	3,650,215	21.8%	22.4%

In 2025, AFS further cemented its leadership position in the Armenian market. The loan portfolio recorded a 28.0% y-o-y expansion in constant currency, driven by broad-based demand across both corporate and retail segments. This performance expanded Ameriabank's leading market share in loans to 21.7%, up 0.9pp y-o-y, reinforcing its standing as the number one lender in the country.

This significant asset growth was well-supported by a robust expansion of the funding base, as client deposits grew by a strong 21.9% y-o-y in constant currency, lifting the bank's market share in deposits to 19.5%, up 1.0pp y-o-y. AFS maintains a diversified funding structure with customer deposits and local debt securities representing 76.1% of total liabilities, and the ratio of net loans, factoring and finance lease receivables to customer deposits and notes, local debt securities and DFI funding standing at 97.5% as at 31 December 2025.

Liquidity

Ameriabank has maintained a strong liquidity position, having CBA LCR of 249.9% and CBA NSFR of 127.3% as at 31 December 2025, well above the minimum regulatory requirements of 100%.

Capital position

As at 31 December 2025, Ameriabank maintained a solid capital position, with its CET 1, Tier 1, and Total capital ratios standing at 14.4%, 14.4%, and 17.0%, respectively, all above the minimum regulatory requirements of 12.0%, 14.1% and 16.8%, respectively.

This capital base was enhanced in the beginning of 2026. Following regulatory approval in January, a EUR 30 million subordinated debt facility was formally recognised, which increased the Total capital ratio to 17.5% at the end of January 2026.

Additionally, in February 2026 Ameriabank successfully placed its inaugural USD 50m Additional Tier 1 capital notes. These perpetual notes, which carry an 8.5% coupon rate, have added approximately 0.86pp to both Tier 1 and Total capital ratios.

Ameriabank: unaudited standalone financial information (not included in the consolidated results)

The following table is presented for information purposes only to show the performance of Ameriabank. It has been prepared consistently with the accounting policies adopted by the Group in preparing its consolidated financial statements.

Income Statement highlights

GEL thousands	FY25	FY24	Change y-o-y
Interest income	1,344,486	992,762	35.4%
Interest expense	(518,874)	(354,468)	46.4%
Net interest income	**825,612**	**638,294**	**29.3%**
Net fee and commission income	115,092	108,282	6.3%
Net foreign currency gain	141,610	162,184	-12.7%
Net other income	12,131	5,423	123.7%
Operating income	**1,094,445**	**914,183**	**19.7%**
Salaries and other employee benefits	(316,089)	(290,364)	8.9%
Administrative expenses	(69,638)	(59,212)	17.6%
Depreciation, amortisation and impairment	(47,609)	(35,831)	32.9%
Other operating expenses	(3,186)	(6,421)	-50.4%
Operating expenses	**(436,522)**	**(391,828)**	**11.4%**
Operating income before cost of risk	657,923	522,355	26.0%
Cost of risk	(28,485)	(9,842)	189.4%
Profit before income tax expense	**629,438**	**512,513**	**22.8%**
Income tax expense	(115,216)	(96,383)	19.5%
Profit	**514,222**	**416,130**	**23.6%**

Balance Sheet highlights

	Dec-25	Dec-24	Change y-o-y
Liquid assets	4,134,847	3,678,577	12.4%
Cash and cash equivalents	*950,577*	*1,409,223*	*-32.5%*
Amounts due from credit institutions	*1,389,444*	*821,795*	*69.1%*
Investment securities	*1,794,826*	*1,447,559*	*24.0%*
Loans to customers, finance lease and factoring receivables	11,822,756	9,278,814	27.4%
Property and equipment	78,285	66,857	17.1%
All remaining assets	468,808	310,311	51.1%
Total assets	**16,504,696**	**13,334,559**	**23.8%**
Client deposits and notes	9,630,051	7,949,083	21.1%
Amounts owed to credit institutions	2,916,753	1,966,451	48.3%
Debt securities issued	1,186,478	1,155,679	2.7%
All remaining liabilities	389,494	447,950	-13.0%
Total liabilities	**14,122,776**	**11,519,163**	**22.6%**
Total equity	**2,381,920**	**1,815,396**	**31.2%**

Key ratios[9]

	FY25	FY24
ROAA	3.6%	3.8%
ROAE	24.9%	26.5%
Net interest margin	6.4%	6.7%
Loan yield	11.4%	11.2%
Cost of funds	4.3%	3.9%
Cost:income ratio	39.9%	42.9%
Cost of credit risk ratio	0.2%	0.2%

Other Businesses

*The Business Division '**Other Businesses**' includes JSC Belarusky Narodny Bank (BNB) serving retail and SME clients in Belarus, JSC Digital Area – a digital ecosystem in Georgia including e-commerce, ticketing and inventory management SaaS, Lion Finance Group PLC – the holding company, and other small entities and intragroup eliminations.*

Income Statement highlights

GEL thousands	FY25	FY24	Change y-o-y
Interest income	115,106	83,842	37.3%
Interest expense	(64,280)	(27,877)	130.6%
Net interest income	**50,826**	**55,965**	**-9.2%**
Net fee and commission income	13,187	6,126	115.3%
Net foreign currency gain	94,785	56,970	66.4%
Net other income	10,059	10,965	-8.3%
Operating income	**168,857**	**130,026**	**29.9%**
Salaries and other employee benefits (2025: adjusted)	(63,090)*	(46,096)	36.9%
Administrative expenses	(38,354)	(27,077)	41.6%
Depreciation, amortisation and impairment	(13,280)	(10,336)	28.5%
Other operating expenses	(1,352)	(1,436)	-5.8%
Operating expenses (2025: adjusted)	**(116,076)***	**(84,945)**	**36.6%**
Gain on bargain purchase[2]	1,488	–	NMF
Operating income before cost of risk (2025: adjusted)	**54,269***	**45,081**	**20.4%**
Cost of risk	(5,005)	(3,972)	26.0%
Profit before income tax expense (2025: adjusted)	**49,264***	**41,109**	**19.8%**
Income tax expense	(17,490)	(14,167)	23.5%
Profit before one-off items	**31,774***	**26,942**	**17.9%**
One-off items[4]	(496)	–	NMF
Profit	**31,278**	**26,942**	**16.1%**

* These figures exclude a one-off item of GEL 0.5m in FY25 (see endnote 4), to better illustrate underlying performance.

Balance Sheet highlights

	Dec-25	Dec-24	Change y-o-y
Cash and cash equivalents	900,778	511,732	76.0%
Amounts due from credit institutions	23,262	32,963	-29.4%
Investment securities	163,682	117,869	38.9%
Loans to customers, finance lease and factoring receivables	958,362	754,541	27.0%
Property and equipment	18,662	13,389	39.4%
All remaining assets	122,702	92,405	32.8%
Total assets	**2,187,448**	**1,522,899**	**43.6%**
Client deposits and notes	1,687,373	1,200,763	40.5%
Amounts owed to credit institutions	26,988	11,368	137.4%
Debt securities issued	12,891	16,506	-21.9%
All remaining liabilities	52,749	39,302	34.2%
Total liabilities	**1,780,001**	**1,267,939**	**40.4%**
Total equity	**407,447**	**254,960**	**59.8%**

In FY25, Other Businesses delivered a solid performance, with operating income rising 29.9% y-o-y to GEL 168.9m. This top-line growth was driven by in non-interest income streams, including a 66.4% y-o-y increase in net foreign currency gains and a 115.3% y-o-y surge in net fee and commission income. The strength in these areas offset a 9.2% y-o-y decline in net interest income. These combined factors drove a 16.1% y-o-y increase in profit to GEL 31.3m.

Capital position

BNB's capital ratios, calculated in accordance with the National Bank of the Republic of Belarus' standards, were above the minimum requirements as at 31 December 2025: Tier 1 capital adequacy ratio at 9.1% (minimum requirement of 7.0%) and Total capital adequacy ratio at 14.7% (minimum requirement of 12.5%).

1 AFS's and hence the Group's consolidated profit for the full-year 2024 (FY24) is not fully representative of AFS's full-year performance, as Ameriabank's income statement was consolidated into the Group from 1 April 2024. To review the underlying full-year performance of Ameriabank, see Ameriabank's unaudited standalone financial information on page 128.
2 Other Businesses recorded a GEL 1.5m gain on bargain purchase following Digital Area's acquisition of Fina Ltd., an ERP and business management platform.
3 In FY24, cost of credit risk included a GEL 49.2m initial ECL charge related to the acquisition of Ameriabank. The initial ECL charge was posted in accordance with IFRS accounting rules relevant for business combinations, requiring the Group to treat the newly acquired portfolio as if it was a new loan issuance, thus necessitating a forward-looking ECL charge on Day 2 of the combination, even though there has been no actual deterioration in credit quality.
4 In FY25, a one-off item totalling GEL 29.6m was recorded, relating to the Group's revised accounting treatment of annual discretionary share-based awards (Employee Stock Ownership Plan, or ESOP), accelerating expense recognition to reflect services rendered prior to the official grant date and resulting in a one-off ESOP catch-up recognised in 4Q25. As a result, a one-off expense of GEL 29.1m was recognised in GFS and GEL 0.5m in Other businesses allocated proportionally based on the respective service contributions. Salaries and other employee benefits, operating expenses and all subsequent lines, as well as ROAA, ROAE and Cost:income ratio were adjusted for this one-off in FY25.
In FY24, one-off items comprising a gain on bargain purchase and acquisition-related costs related to the Ameriabank acquisition, totalling GEL 672.2 million, were recorded in AFS. Operating income before cost of risk and subsequent lines, as well as ROAA and ROAE, were adjusted for these one-offs in FY24.
5 For FY24, ROAE, ROAA, net interest margin, loan yield, liquid assets yield, cost of funds, cost of client deposits and notes, cost of amounts owed to credit institutions, cost of debt securities issued and cost of credit risk ratio were adjusted to exclude the effect of Ameriabank's consolidation at the end of March on average balances.
6 Throughout this announcement, gross loans to customers and the related allowance for impairment are presented net of expected credit loss (ECL) on contractually accrued interest income. These do not have an effect on the net loans to customers' balance. Management believes that netted-off balances provide the best representation of the loan portfolio position.
7 The National Bank of Georgia (NBG) administers a Resolution Fund, designed to bolster financial stability during crises. Starting in 2025, commercial banks are required to make ex-ante contributions proportionate to their asset share and risk profile, targeting a fund equal to 3% of insured deposits within eight years (time frame may be changed if the amount in the fund is used or the deposit insurance limit is increased). For more information, visit: https://nbg.gov.ge/en/page/resolution-funds.
8 As per Ameriabank's internal classification, the Retail segment includes all individuals and those legal entities serviced by the bank's branches. The Corporate segment includes all legal entities not serviced by the branches.
9 Ratios are calculated based on quarterly averages.



Governance

In this section

2025 key highlights	131
Board diversity, independence and tenure	132
Board skills and experience	133
Directors' Governance Statement	134
Board of Directors	143
Group Management Team	147
Subsidiary Management	148
Nomination Committee Report	149
Audit Committee Report	159
Risk Committee Report	169
Directors' Remuneration Report	176
Statement of Directors' Responsibilities	196
Directors' Report	197

We maintain a strong and independent governance framework that drives accountability, effective oversight, and long-term value creation.

Read more: pages 131-201

Governance Report

2025 key highlights

Oversight of the integration of Ameriabank CJSC ('Ameriabank')

During 2025, the Board continued to oversee the integration of Ameriabank into the Group following its acquisition in March 2024. Integration efforts progressed across six core workstreams: (i) finance; (ii) risk management and financial crime; (iii) legal; (iv) investor relations; (v) human resources; and (vi) information technology.

Throughout the year, the Board received regular updates on each workstream, providing strategic oversight and guidance to ensure alignment with Group standards and objectives. While work continues, key milestones included the further alignment of financial reporting systems, the embedding of Group-wide risk and compliance frameworks and the consolidation of IT infrastructure. The Board also monitored cultural integration, recognising its importance to long-term success.

Further details can be found on page 40 and in our Section 172 statement which can be found on pages 47 to 52.

Approval of Directors' Remuneration Policy

A new Directors' Remuneration Policy was approved by shareholders with 77.89% votes in favour at the 2025 Annual General Meeting (AGM), following careful consideration of regulatory requirements and extensive shareholder and stakeholder engagement. Since the AGM proactive engagement has continued, focused in particular on our largest shareholders and those shareholders who were unable to support the policy, to understand and address their concerns.

Further information can be found in the Remuneration Committee Report on pages 176 to 195.

Progression of Board succession planning and diversity

Succession planning remained a strategic priority for the Board throughout 2025. A significant milestone was the appointment of Karine Hirn as a Non-executive Director in April 2025, bringing valuable expertise and joining the Audit, Nomination, and Risk Committees. During the year, Hanna Loikkanen and Jonathan Muir stepped down from the Board, reflecting the Board's commitment to proactive succession planning and maintaining a balanced mix of skills and experience. Andrew McIntyre succeeded Jonathan as Chair of the Audit Committee, and Véronique McCarroll was appointed as the Senior Independent Non-executive Director. The Board is pleased to have maintained its diversity target, with women representing over 40% of its membership at the end of the financial year.

Further information on succession planning and diversity can be found on pages 134, 139 to 140 and 150 to 158.

Enhanced risk monitoring and internal controls

During the year, the Board focused on strengthening risk governance and preparing for upcoming regulatory changes. The Audit Committee, on behalf of the Board, continued to oversee the mapping of material controls that underpin the Group's reporting, to ensure readiness for the additional disclosure requirements and statements required under Provision 29 of the UK Corporate Governance Code 2024 (the "Code"). In addition, efforts continued to further align risk management processes between Ameriabank and Bank of Georgia, supporting consistency and resilience across the Group.

Further information can be found on pages 108 to 111, 161 and 167.

Engaged with stakeholders

Board members undertook numerous engagement activities with our stakeholders, including:

- AGM held on 16 June 2025;
- multiple investor roadshows including conferences, one-to-one, and group meetings;
- Employee Voice meetings;
- meetings with the National Bank of Georgia (NBG) and other local Georgian stakeholders;
- meetings with the Central Bank of Armenia (CBA) and other local Armenian stakeholders;
- Remuneration Policy consultation with shareholders and stakeholders;
- quarterly earnings calls; and
- meetings with corporate customers.

Further details can be found on pages 47 to 55, and 138.

Updated Capital Distribution Policy

On 19 August 2025, the Board approved changes to the Capital Distribution Policy, designed to enhance capital management and provide greater predictability for shareholders. Under this policy, the Company now aims to pay dividends in cash on a quarterly basis, reflecting a commitment to delivering regular returns while maintaining a disciplined approach to capital allocation.

Board diversity, independence and tenure

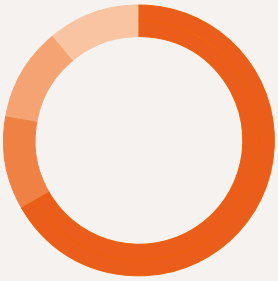
We believe that a Board enriched by diverse backgrounds, perspectives and experiences is essential to driving innovation, informed decision-making, and the Company's long-term success.

2025 in numbers

Composition of the Board

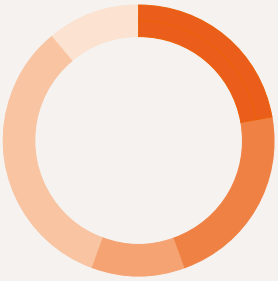
as at 31 December 2025

Composition



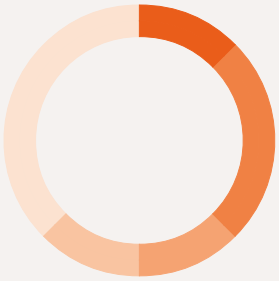
- Independent Non-executive Directors **6**
- Chairman (independent upon appointment) **1**
- Senior Independent Non-executive Director **1**
- Executive Director **1**

Age diversity



- 45-49 **2**
- 50-54 **2**
- 55-59 **1**
- 60-64 **3**
- 65-69 **1**

Non-executive Director tenure



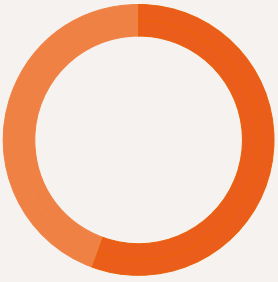
- less than 1 year **1**
- 1-2 years **2**
- 3-4 years **1**
- 5-6 years **1**
- 7-8 years **3**

Ethnic diversity



- White British or Other White **6**
- Other **3**

Gender diversity of the Board



- Male **5**
- Female **4**

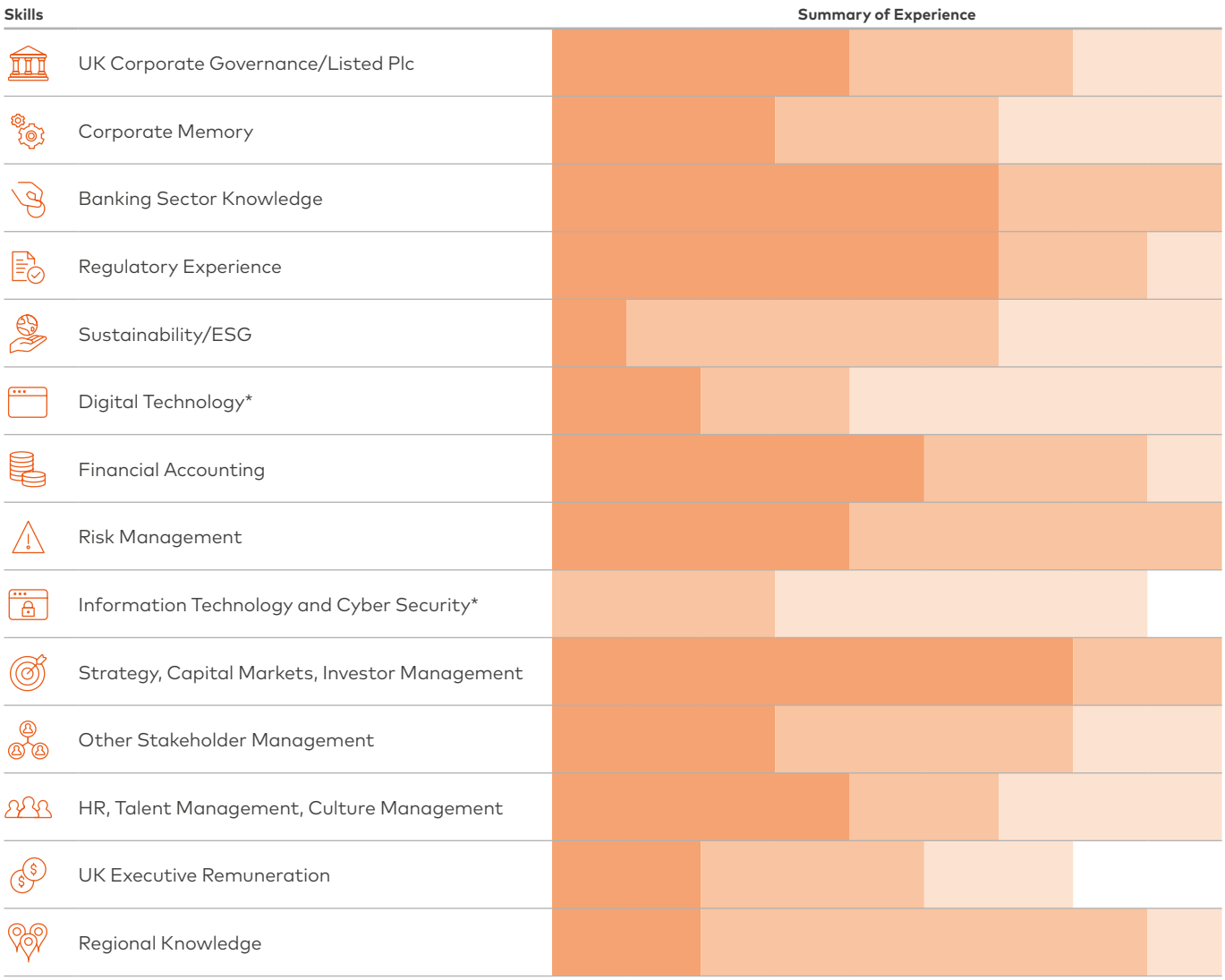
Board meeting attendance

Members	No. of meetings attended in 2025 Scheduled	Ad hoc****
Mel Carvill†	8/8	5/5
Archil Gachechiladze	8/8	5/5
Tamaz Georgadze†	8/8	5/5
Maria Gordon†	8/8	3/5
Hanna Loikkanen†*	2/2	2/3
Véronique McCarroll†	8/8	5/5
Andrew McIntyre†	8/8	5/5
Mariam Megvinetukhutsesi†	8/8	4/5
Jonathan Muir†**	2/2	3/3
Cecil Quillen†	8/8	5/5
Karine Hirn†***	6/6	4/4

† Denotes Independent Director.
* Hanna Loikkanen retired on 16 June 2025.
** Jonathan Muir retired on 26 June 2025.
*** Karine Hirn was appointed on 7 April 2025.
**** Ad hoc meetings are arranged at short notice and although we endeavour to ensure that all Directors are available to attend these meetings, this is not always possible due to existing engagements. Directors unable to attend had access to all relevant materials prior to the meetings and provided comments to the Chairman as appropriate.

Board skills and experience

The Board continues to have a strong mix of experienced individuals able to constructively challenge and provide an external perspective on the business. The biographies of each Director can be found on pages 143 to 146 and a summary of the skills matrix can be found below. The skills matrix provides an overview of each Director's self-assessment of their level of experience in respect of each key skill as at 31 December 2025.



* The Board notes that Artificial Intelligence (AI) capabilities are considered within the broader skills above and recognises the increasing importance of AI considerations in its strategy and risk oversight.

Further information regarding the skills matrix, including how it has informed Non-executive Director recruitment and how the Board intends to continue enhancing its collective skills, can be found on page 152 of the Nomination Committee Report.



"The Board remains committed to its responsibility to provide transparent, effective governance, ensuring that our decisions are informed and support long-term value for all stakeholders."

Mel Carvill
Chair of the Board

Dear Shareholders,

On behalf of the Board, I am pleased to present the Company's Governance Report for the year ended 31 December 2025.

Strategic focus

During the year, we continued to focus on the Company's strategic agenda and business growth.

A key priority has been the integration of Ameriabank into the Group – a significant and carefully managed process aimed at aligning operations and strategy while respecting and preserving the unique character and culture of both organisations and maintaining awareness of the unique market environments in which these two banks operate.

We have approached integration not as a one-size-fits-all exercise, but as a collaborative effort, recognising that the strength of each bank lies in its distinct identity, values, and ways of working. This approach has fostered a shared sense of purpose while maintaining the diversity that drives innovation and resilience across the Group.

With a strengthened presence in both Georgia and Armenia, the Group is well-positioned to pursue new opportunities for growth and value creation. Alongside integration, we have continued to prioritise digital innovation, enhancing the customer experience through advanced digital banking solutions and technological improvements, including a greater focus on AI.

Succession planning and appointments

During 2025, we continued to implement our Board succession plans to ensure strong governance and continuity of leadership. Jonathan Muir stepped down as a Director and as Chair of the Audit Committee on 26 June 2025, and we extend our sincere thanks to him for his leadership and significant contribution to the Company. Andrew McIntyre assumed the role of Audit Committee Chair, following a period of close collaboration with Jonathan and the wider Committee since his appointment in 2024.

We were also pleased to welcome Karine Hirn to the Board, who was appointed as an Independent Non-executive Director on 7 April 2025. Karine brings extensive international experience and has joined the Audit, Risk, and Nomination Committees, further strengthening the Board's expertise in these key areas.

As planned, Hanna Loikkanen retired from the Board following the conclusion of the 2025 AGM. We are grateful to Hanna for her long-standing service and valuable contributions, particularly in her role as Senior Independent Director (SID). Véronique McCarroll was then appointed as SID, bringing deep knowledge of the business and the necessary experience to support the Chairman and act as a sounding board for fellow Directors.

In addition, Mariam Megvinetukhutsesi has stepped into the role of designated Non-executive Director for workforce engagement, ensuring continued focus on employee voice and engagement at Board level.

More recently, we are pleased to have welcomed Armen Orujyan to the Board, who was appointed as an Independent Non-executive Director on 9 March 2026. Armen brings executive expertise in deep-tech innovation, venture scaling and global digital policy, and has joined the Risk and Nomination Committees, further strengthening the Board's expertise in these key areas.

These changes reflect our ongoing commitment to thoughtful succession planning, Board diversity, and strong governance. I am pleased to welcome Karine and Armen to the Board, and invite you to read more about them in their biographies on pages 145 and 146. Further details on the appointment process and Board and Committee composition can be found in the Nomination Committee Report on pages 152 to 153.

Board performance review

We are committed to the highest standards of governance, reflecting the excellence that defines our wider business. As Chair, my priority is to ensure the Board remains strong, effective, and diverse, bringing together the wealth of professional backgrounds, skills, and experiences that drive the Company's success.

Continuous improvement is central to how we operate. This year, we undertook our annual performance review internally, assessing the Board, its Committees, individual Directors, and the Chair. The review delivered valuable insights, confirmed strong performance while highlighting opportunities for further enhancement. In response, we have developed a clear action plan to track progress and ensure recommendations are implemented. Further, in accordance with the Code, a Board performance review will be externally facilitated during 2026.

The 2025 review demonstrated that the successful adoption of recommendations from the 2024 evaluation has already strengthened the way the Board and its Committees function. Building on this, this Annual Report includes details of the 2025 internal performance review, the associated action plan, and progress against last year's recommendations. These can be found in the Nomination Committee Report on pages 157 to 158.

Governance framework in action

We work closely with the Nomination, Audit, Risk and Remuneration Committees to ensure successful fulfilment of our responsibilities. Notable activities and collaboration during 2025 included the development of the new Directors' Remuneration Policy, the enhancement of the risk management framework and internal controls and the updates to the Company's Capital Distribution Policy.

We received updates from the Remuneration Committee regarding the proposed changes to the Remuneration Policy, including consideration of relevant regulation, benchmarking and the views of key stakeholders. Following the Remuneration Committee's recommendation, we implemented the new Directors' Remuneration Policy, which was approved at the 2025 AGM.

In conjunction with the Risk Committee, we undertook a comprehensive review of risk scenarios in response to political developments in Georgia to assess the resilience of Bank of Georgia, particularly in respect of sanctions risk, credit risk, capital and liquidity and business continuity. In addition, we strengthened our oversight of Ameriabank's risk management processes to ensure alignment with the Group's risk management standards. This includes monitoring the integration of Ameriabank into the Group-wide risk framework, receiving updates on the development of the consolidated Risk Register, and overseeing risk workstreams designed to establish consistent controls and reporting across the enlarged Group.

Engagement with stakeholders

We understand the importance of listening to all stakeholders, ensuring their views are heard and acted upon. We have continued to engage with our employees through the Employee Voice initiative and continued to receive regular updates on eNPS, values, and culture.

While visiting Georgia and Armenia, I took every opportunity to meet with both internal and external stakeholders including Executive Management, employees, customers, regulators and senior government figures and advisors.

During the year, I engaged directly with shareholders at the Company's AGM, providing an opportunity for open dialogue and for shareholders to raise questions with the Board. In addition, the Board received regular updates from the investor relations team, encompassing feedback and themes emerging from investor meetings, roadshows and conferences.

The investor perception study undertaken by the investor relations team during the year offered further insight into shareholders' views on the Company's performance, strategy and communication. The findings, together with the actions taken in response to the feedback received, were presented to the Board to ensure that Directors remained fully informed of shareholder priorities and expectations.

Responding to feedback from previous engagement activity, the Chief Financial Officer of Ameriabank joined the Group's quarterly earnings calls during the year. This provided investors with greater visibility of Ameriabank and improved access to the wider C-suite, supporting shareholders' requests for enhanced transparency beyond the Chief Executive Officer.

Notable engagement during 2025 included consultation with key stakeholders on the new Directors' Remuneration Policy. Further information regarding the consultation and the policy can be found on pages 176 to 195.

We receive regular market and shareholder updates at Board meetings, and as a Board we acknowledge that any opportunity to meet with stakeholders helps inform our decisions and shape the business as we move forward. As always, my fellow Directors and I look forward to engaging with more stakeholders during 2026.

More information on our stakeholder engagement when making key decisions can be found on pages 47 to 55.

Looking ahead

2026 will be an important year as we continue to oversee the successful integration of Ameriabank into the Group, embed succession planning, oversee the transition to a new External Auditor and continue to engage proactively with local regulatory authorities to ensure full compliance with applicable statutory and regulatory obligations.

The Board will continue to focus on ensuring compliance with the Code, which applies to the Company's reporting period starting on 1 January 2025, excluding Provision 29, which relates to the effectiveness of the risk management and internal control framework and will apply to the financial year beginning on 1 January 2026. As a Board, we received updates from management, the Company Secretary and the Company's External Auditor regarding the changes to the Code and have undertaken steps to prepare for the changes coming into effect. In particular, the Audit Committee has undertaken substantial work to ensure we are well positioned, and, where needed, continued to take external advice to ensure we are well prepared, and started to implement documentation and process changes. We will continue to oversee the application of the Code during 2026.

Statement of compliance with the 2024 UK Corporate Governance Code

This is our first year reporting against the 2024 UK Corporate Governance Code (the "Code"), which applies to financial years beginning on or after 1 January 2025. The Board firmly believes that good governance enhances performance, reduces risk, and promotes the long-term success of the Company for the benefit of our stakeholders. The Board is committed to maintaining high standards of corporate governance, and the Company continues to enhance and evolve its governance framework and underlying governance structure in line with best practice.

This Governance report, which forms part of the Directors' Report, along with the reports of the Board Committees, describes how the Company applied the main Principles and complied with the relevant Provisions of the Code during 2025.

The Code is publicly available on the FRC's website: https://www.frc.org.uk/.

The Board confirms that, for the year ended 31 December 2025, the Company has complied with all Provisions of the Code applicable during the year. We note Provision 29, will apply from the financial year beginning 1 January 2026, and the Group has been preparing accordingly. Further information on Code Provision 29 readiness can be found on page 167.

Section 172 statement

In discharging its duty to act in good faith and in a way that is most likely to promote the long-term success of the Company, Directors consider the interests of the Company's various stakeholders. Throughout this Report, we detail how we have identified and considered our various stakeholders.

See pages 47 to 52 for our Section 172 statement (which is incorporated into the Strategic Report).

Over the coming period, the Board will continue to evaluate and, where appropriate, execute the Company's succession plans, ensuring that future appointments align with the long-term strategic needs of the business. The Board will also maintain its ongoing review of the skills matrix to identify areas for further development and to ensure that the Board's collective capabilities remain aligned to the evolving regulatory and operational landscape.

I would like to take this opportunity to thank the Directors for their support during 2025.

Mel Carvill
Chair of the Board
24 March 2026

Division of responsibilities

Governance structure

As at 31 December 2025 the Board comprised nine Directors, eight of whom are Independent Non-executive Directors. The Board is assisted in fulfilling its responsibilities by four principal Committees: Nomination, Audit, Risk and Remuneration. Their terms of reference are reviewed at least annually to ensure they are aligned with the Code and function effectively. The relevant Committee recommends any amendments to the Board. The current terms of reference for each Committee are available at https://lionfinancegroup.uk/leadership-and-governance/documents/.



Roles and responsibilities

The roles of Chair, Senior Independent Director and CEO are held by separate individuals. Their clearly defined responsibilities, as well as those of Non-executive Directors, are set out in writing and regularly reviewed by the Board. The division of responsibilities can be found on our website under Roles and responsibilities at lionfinancegroup.uk/leadership-and-governance/documents/.

Leadership and purpose

The role of the Board

The Board is responsible for promoting the long-term, sustainable success of the Group, and provides strong leadership and support to Executive Management to deliver the Group's strategic aims. The Board ensures management strikes the right balance between delivering on short-term objectives and ensuring sustainable, long-term growth.

The Board is responsible for creating and delivering shareholder value through the effective oversight of the Company's business. The Board recognises its duties under the UK Companies Act 2006 to promote the long-term success of the Company, considering not only the views and interests of our shareholders but also our various stakeholders – including our employees, customers, investors, regulators, suppliers and communities as a whole. Each Director understands their statutory duty to consider and represent the Company's various stakeholders in deliberations and decision-making. Further details about how the Directors have fulfilled their duties under Section 172 of the Companies Act 2006 can be found on pages 47 to 55.

The Board retains a schedule of matters reserved for its decisions, to safeguard the areas material to the delivery of the Company's strategy. This ensures the necessary framework and resources are in place for the Group to meet its stated objectives. The Schedule of Matters Reserved for the Board is available on our website at lionfinancegroup.uk/leadership-and-governance/documents/.

Operation of the Board

The Board, led by the Chair, fosters a culture of openness and transparent decision-making. This is supported by clearly defined roles and open communication channels, both in and outside of Board meetings.

Meeting agendas are developed in conjunction with the Chair, the CEO, the Company Secretary, the UK General Counsel, Investor Relations, Directors, and Senior Management, ensuring adequate time is allocated to all items to support effective and constructive discussion. The Chair and CEO receive regular input from the Non-executive Directors ahead of Board meetings to ensure any matters raised by them are included on the agenda.

A key responsibility of the Non-executive Directors is to challenge and provide counsel to management. Board meetings are chaired efficiently and effectively to allow the views of all Directors to be considered. The Non-executive Directors review and challenge proposals and recommendations presented by management and share their ideas by drawing on experience gained outside the Company, providing alternative suggestions to management where suitable. To maximise efficiency and the opportunity for adequate discussion and challenge, Directors ensure written materials submitted through the electronic meeting portal are thoroughly reviewed in advance, and presenters are available for questions and further discussion on key matters both before, during and after the meeting.

The Board invites Executive Management, internal and external subject matter experts, and representatives from key teams to attend Board meetings to present important matters, answer questions and provide further detail. This strengthens the Board's knowledge and understanding of the Group, the sector, and the macroeconomic environment.

The Senior Independent Director supports the Chair by acting as an intermediary for other Non-executive Directors and liaises with the Non-executive Directors outside of the Board and Committee meetings. The Chair meets with the Non-executive Directors without the CEO present as required. The Independent Directors meet at least once a year without the Chair present to appraise the Chair's performance.

Key activities of the Board during 2025

During the year the Board held eight scheduled meetings and five ad hoc meetings. Two sets of Board meetings were held in Georgia and one set in Armenia, with the others held in London and via video conference where appropriate. Directors' meeting attendance is set out on page 132.

At each quarterly meeting the Board receives updates from the CEO, its Committees, and the Company Secretary, and is presented with local and regional macroeconomic and geopolitical updates, finance reports, and competitor analysis. The Board also reviews the minutes of previous meetings and receives updates on matters raised or outstanding. Throughout the year the Board discusses and closely monitors the financial performance and strategic direction of the Group.

During 2025, the Board received presentations and deep-dive sessions in key business areas, including the following topics:

- Artificial Intelligence (AI).
- Ameriabank integration.
- Armenian banking regulatory landscape.
- Board performance review.
- Environmental, Social, and Governance (ESG).
- Human capital developments.
- Legal and regulatory changes.
- Risk scenarios.
- Culture, Values and Principles.
- International Business.

A non-exhaustive list of the matters considered, reviewed, and monitored during the year is set out below.

Strategy

- Reviewed the Group's strategy and the purposes and values of the Group's principal operating subsidiaries.
- Reviewed performance against strategy.
- Received regular updates from key areas of the Group's operations.
- Received updates on key projects.

Financial performance

- Reviewed and approved quarterly, half-year and full-year results.
- Received quarterly Group financial performance updates.
- Reviewed and approved the Company's Capital Distribution Policy to reflect the Board's intention that dividends could be paid by the Company on a quarterly basis, effective from Q3 2025, subject to confirmation that those dividends were justified by the profits of the Company being available for distribution.
- Declared interim dividends in respect of the periods ended 31 March 2025 and 30 June 2025 of GEL 5.10 per ordinary share, and GEL 2.65 per ordinary share in respect of the period ended 30 September 2025, in line with the Company's Capital Distribution Policy.
- In February 2025, the Board approved an increase of up to GEL 107.7 million to the Company's share buyback and cancellation programme.
- In August 2025, the Board approved a new GEL 98 million buyback and cancellation programme, which was subsequently extended by GEL 51.5 million in November 2025. This programme is scheduled to conclude no later than the Company's 2026 Annual General Meeting.

Board meetings, shareholder meetings, and stakeholder snapshot for 2025

February 2025

- Ad hoc meeting
- 4Q24 and FY24 preliminary results
- GEL 107.7 million share buyback and cancellation extension programme approved

March 2025

- Board meetings in Georgia

April 2025

- Ad hoc meeting
- Cross appointment of Mr McIntyre to the Risk Committee and Ms McCarroll to the Audit Committee
- Appointment of Ms Hirn to the Board and Audit, Risk and Nomination Committees
- Approval of FY24 Annual Report
- Recommendation of final dividend

May 2025

- Ad hoc meeting
- 1Q25 Results
- Approval of the Notice of Annual General Meeting

June 2025

- Board meetings in Georgia
- Annual General Meeting in London – all resolutions were passed with the requisite majority
- Appointment of Ms McCarroll as Senior Independent Director
- Appointment of Ms Megvinetukhutsesi as designated Non-executive Director for workforce engagement
- Appointment of Mr McIntyre as Chair of the Audit Committee
- Employee Voice Meeting

August 2025

- Ad hoc meeting
- Approval of interim dividend
- Launch of GEL 98 million share buyback and cancellation programme
- Update to Capital Distribution Policy to allow dividends to be paid by the Company on a quarterly basis effective 3Q25
- 2Q25 and HY25 results

September 2025

- Board meetings in Armenia
- Employee Voice Meeting

November 2025

- Ad hoc meeting
- 3Q25 results
- Approval of interim dividend
- GEL 51.5 million share buyback and cancellation extension programme approved

December 2025

- Board meetings online

- Reviewed key financial metrics including the annual budget and quarterly forecasts.
- Reviewed and approved the Group's Annual Report and Accounts.
- Reviewed and approved the Notice of Annual General Meeting.

Governance, compliance, and risk management

- Conducted an internally facilitated performance review of the Board, its Committees, individual Directors and the Chair of the Board.
- Discussed Board succession planning.
- Approved the appointment of a further Non-executive Director.
- Discussed and approved the Group's corporate governance structure and procedures following the acquisition of Ameriabank.
- Received governance updates and considered legislative and governance developments and their impact on the Company.
- Reviewed conflicts of interest.
- Reviewed and approved amended governance documents including Terms of Reference, Schedule of Matters Reserved for the Board and other Board-owned policies.
- Reviewed ESG oversight.
- Reviewed and enhanced the risk management framework.
- Reviewed risk management in light of the political developments.

Culture and engagement with stakeholders

- Received reports about engagement with shareholders and other stakeholders.
- Received the results of employee and customer surveys.
- Discussed employee retention strategies.
- Received reports on engagement with the NBG and the CBA.
- Received reports from the designated Non-executive Director for workforce engagement.
- Reviewed the findings of the employee values and culture survey noting areas of opportunity.
- Reviewed the Group's values and principles.
- Discussed engagement with stakeholders regarding the Director's Remuneration Policy.

Our culture

Culture is fundamental to creating value for our stakeholders, attracting and retaining top talent, and enabling the achievement of our strategic priorities.

In 2024, the Group expanded significantly through the acquisition of Ameriabank in Armenia. This prompted the Board to review and reaffirm the distinct brand identities and purposes of its principal operating subsidiaries, Bank of Georgia and Ameriabank.

The Board recognised that both banks are systemically important institutions with well-established brands and thus should maintain their unique identities to reflect the specific needs and cultural nuances of their communities.

Bank of Georgia is guided by the working principles of Fairness, Customer-Centricity, Teamwork, Development, Innovation, and Operational Excellence. These principles, established through collaborative consultation incorporating employee feedback and culture assessments, align with the bank's overarching mission "to be the leading bank of a successful Georgia".

Ameriabank's mission, "To improve the quality of lives", is supported by its values of Effectiveness, Focus on People and Change. These values were also developed collaboratively, ensuring ongoing relevance to Ameriabank's strategic direction as it expands its mass retail offerings and implements comprehensive digital transformation, delivering innovative, accessible digital solutions that empower customers.

Having reviewed the purpose and values of both banks, the Board confirmed their alignment with each business and with the Company's overarching strategy and purpose of "Helping People Achieve More of their Potential".

In 2025, Group management conducted a strategy session, bringing together Executive Management teams from Bank of Georgia and Ameriabank to align on the Group's overarching purpose and values that would guide all Group Companies moving forward. Following discussions, it was agreed that while local banks would maintain local brands and locally-tied purposes, the overarching mission statement of Lion Finance Group would be "Empowering Potential, Improving Lives", echoing the role that leading customer-centric banks play in their communities and economies, empowering people and improving lives through access to tools and resources that enable growth and progress.

It was also agreed that each bank will maintain its set of business values, which are already integrated into business processes including 360-degree assessments of employees, and that a dedicated workstream will be conducted to align on a few core values that would be applicable to all subsidiaries within the Group.

The Board recognises that each Director must lead by example. We strive to cultivate a culture of transparency, collaboration and feedback, and promote this throughout the Group by setting the tone at the top. Culture is seen as one of leadership's key priorities, with diversity, inclusion and equal opportunities actively promoted as cornerstones of the desired culture. During the year diversity overviews were presented to the Nomination Committee, in September 2025 for Bank of Georgia, and in December 2025 for Ameriabank. These included reports on the composition of the workforce, covering areas such as gender, ethnicity, age profiles, and representation across senior leadership levels. The Committee reviewed these reports alongside the Board and Committee composition, assessing progress against the Company's established diversity objectives and its wider inclusion commitments.

To encourage all employees to participate in the development of the Group's culture, the CEO and other members of Executive Management at Bank of Georgia and Ameriabank hold town hall meetings and engage with managers and other employees.

Mariam Megvinetukhutsesi serves as the designated Non-executive Director for workforce engagement, facilitating Employee Voice meetings that provide employees with direct dialogue with the Board. These meetings enable meaningful exchanges of opinion and information, helping the Board better understand what matters to employees while demonstrating the Board's commitment to employee engagement and culture. More information on employee engagement initiatives can be found on pages 49, 94 to 101, and 154.

In June 2025, an Employee Voice meeting was held at Bank of Georgia where employees highlighted the positive workplace atmosphere and culture as key areas they valued. It was also noted that some attendees expressed a desire for increased engagement with management. Measures were implemented to support this, including the delivery of CEO and management town halls across a wider range of locations, and we will keep this updated approach for further meetings.

In September 2025, an Employee Voice meeting at Ameriabank yielded valuable feedback on the post-acquisition experience, with employees expressing appreciation that Ameriabank's cultural significance was being valued and considered during integration. Closer collaboration between the Ameriabank and Bank of Georgia risk teams and second-line functions had been identified as an area requiring further enhancement. The Risk Committee was pleased to note that progress had already been made in strengthening this cooperation, as reported at the December 2025 Risk Committee meeting.

Several Board members mentor members of the Executive Management Team on leadership, employee engagement, and culture creation. Board members also regularly attend social gatherings with mid- and senior-level employees to better understand the cultural context and how strategy is executed day to day.

Embedding our culture throughout the Group

The Board dedicates significant time to assessing the Group's culture and engaging with people at all levels to understand how culture is demonstrated throughout the Group.

During 2025, the Board continued to monitor and assess the Group's culture by receiving regular updates from internal eNPS and Employee Engagement surveys, as well as reports on human capital management strategy, key initiatives, and indicators including diversity, gender pay gaps and remuneration practices.

We were pleased to see high levels of engagement with the eNPS surveys at Bank of Georgia. eNPS stood at 59 at year-end 2025 (a rise of 5 ppts from year-end 2024). We recognise that there are other opportunities for further improvements and in 2026 will focus on enhancements to HR processes and continued emphasis on leadership development.

During 2025, the Board dedicated significant time to understanding Ameriabank's culture, its cultural fit with the Group, and the potential impact of the acquisition on employees. Following this review, it was determined that Ameriabank demonstrated strong cultural alignment with the Group. In September 2025, the Board convened in Yerevan, Armenia for the second time, visiting Ameriabank and spending time with local management and employees.

The Board will continue to engage with our employees in 2026, including the Ameriabank workforce, monitoring outputs from employee surveys and other relevant metrics that provide insight into our evolving culture.

Board oversight of ESG

As reported in the 2024 Annual Report, the members of the Nomination Committee undertook a detailed review of ESG oversight, considering industry and market best practice, together with the approach adopted by the Company's regional peers. The Committee presented its findings in December 2024. Following discussion, the Nomination Committee concluded that the establishment of a designated ESG Committee was not required at this time and that ESG matters should continue to be overseen by the Board and its existing Committees.

Oversight of the Company's material ESG topics and their associated impacts on the economy, people, and the environment is undertaken by the Board through its established Committee structure. In April 2025, the Terms of Reference for the Audit Committee and the Risk Committee, as well as the Schedule of Matters Reserved for the Board, were updated to provide increased clarity regarding ESG and sustainability oversight responsibilities.

Responsibility for discrete ESG-related matters is delegated to the Risk, Audit, Nomination and Remuneration Committees, each of which oversees ESG considerations relevant to its remit. The Board retains primary accountability for the Group's overarching ESG strategy, ensuring that it is aligned with the Group's business strategy and structured around the material ESG topics identified by the Company. The Board receives regular updates on progress against the key pillars of the ESG strategy and oversees the Group's external communications on ESG matters and impacts. The Board also retains overall responsibility for the oversight of climate-related risks and opportunities, and it supervises the management of wider environmental and social risks and opportunities arising within the Group Companies' loan portfolio.

In April 2025, Karine Hirn joined the Board following a comprehensive search for a Non-executive Director with ESG expertise. Further, in September 2025, the Board participated in an ESG training session delivered by an external provider to strengthen the Board's skills and knowledge in this area and support their oversight of environmental and social issues in regard to the Company. More information on the training session is set out on page 141. Updates on material ESG topics are regularly reported to the full Board or respective Committees.

Additional details on the Company's ESG and sustainability activities can be found in the Company's Sustainability Review on pages 56 to 107. Additional information on the Company's ESG governance can be found in the Company's Diversity, Equity and Inclusion Policy, which is available on the Company's website at **lionfinancegroup.uk/leadership-and-governance/documents/**.

Composition, succession and evaluation

When considering succession planning and appointments, we remain aware of the importance of achieving the right blend of skills, experience and diversity to ensure we provide the appropriate level of oversight, challenge and corporate knowledge. The Board and its Nomination Committee believe that a diverse mix of skills, backgrounds, knowledge, experiences, geographic locations, nationalities and gender is important for effective governance of the business.

The Board considers its diversity targets when reviewing Board composition, drawing on the FTSE Women Leaders Review, the Parker Review, the UK Listing Rules, and Disclosure Guidance and Transparency Rules. The Board is pleased to confirm that, as at 31 December 2025, the Company has achieved its diversity targets. Compliance with these targets and UK Listing Rule 6.6.6R(9) can be found in the Nomination Committee Report on page 151.

As part of the ongoing succession cycle, the Board considers all aspects of diversity during the recruitment process for new Non-executive Directors. Our approach to diversity is balanced with the need to appoint Directors who can best serve the interests of the Company and shareholders, and who have relevant experience for a banking business substantially based in Georgia and Armenia.

Further information on the composition, evaluation and succession of the Board can be found in the Nomination Committee Report on pages 150 to 156.

Diversity, Equity and Inclusion Policy

The Group's Diversity, Equity and Inclusion Policy outlines the principles and commitments to promoting diversity across all levels. The policy applies to all employees, functions, and subsidiaries within the Group, with regard to age, gender, ethnicity, sexual orientation, disability and socioeconomic background.

The policy emphasises the importance of gender equality, cultural diversity, and non-discrimination. By fostering such diversity, we aim to enhance our decision-making processes and better reflect the varied perspectives of our stakeholders.

The Board and its Committees have regard for the Diversity, Equity and Inclusion Policy when reviewing their composition, succession planning and future appointments.

As part of the annual review of Board-owned policies, in December 2025 the Board approved the following policies:

- Diversity, Equity and Inclusion Policy.
- Anti-discrimination and Anti-harassment Policy.
- Human Rights Policy.

These policies are clear and based on international best practice.

More information on the Group's Diversity, Equity and Inclusion Policy can be found in the Nomination Committee Report on page 155.

Composition and independence

The Board's composition is formally reviewed annually to ensure it remains appropriate. We believe that the overall size and composition of the Board is suitable, considering the independence of character and integrity of all Directors. Each of our Non-executive Directors holds, or has previously held, senior positions across a broad range of relevant sectors. This diverse experience brings valuable insights to Board discussions and significantly contributes to informed decision-making. It is ensured that no individual or group of individuals can dominate the decision-making process and that there is no undue reliance on any single individual.

The Board has conducted a thorough assessment of the independence of the Chair and each of the Non-executive Directors, in accordance with Principle G and Provisions 9 and 10 of the Code. The Board considers that the Chair and each Non-executive Director act independently and objectively, and that our Non-executive Directors are free from any business interests or relationships that could materially interfere with their ability to exercise independent judgement, in accordance with the Code.

Further details on the review of Board and Committee compositions can be found on pages 54 to 55.

Time commitment

The Board is satisfied that each Non-executive Director commits the necessary time and effort to effectively fulfil their responsibilities, including attending meetings, participating in discussions, and staying informed about the Company's operations and market developments.

In certain circumstances, such as pre-existing business or personal commitments, it is recognised that Directors may be unable to attend meetings. In such cases, Directors receive relevant papers and, wherever possible, communicate any comments and observations in advance for consideration during the meeting. They are updated on any developments after the meeting by the Chair or relevant Committee Chair.

Given these considerations, the Board believes that the Non-executive Directors have retained their independence, free from any conflicts of interest or undue influence, and that it is appropriate to put them forward for election or re-election at the AGM.

Further information regarding time commitment considerations can be found in the Nomination Committee Report on page 154.

Succession planning

The succession plan for the Board and its Committees is a continuous process, considering both short- and long-term plans for the refreshment and retirement of Directors.

In line with the Board's succession plan, Jonathan Muir stepped down as a Non-executive Director, Chair of the Audit Committee, and member of the Nomination Committee on 26 June 2025. Andrew McIntyre succeeded Jonathan as Chair of the Audit Committee. Andrew brings substantial financial expertise to the Board, underpinned by a strong background in accounting and auditing. Earlier in the year, we completed a search for an additional Non-executive Director with the skills, knowledge and experience to complement the existing Board. As outlined in the 2024 Annual Report, Karine Hirn was appointed on 7 April 2025 as a Non-executive Director and joined the Audit, Nomination and Risk Committees.

In addition, on 7 April 2025, we announced that Hanna Loikkanen would step down from the Board at the conclusion of the 2025 AGM, relinquishing her roles as Senior Independent Director and member of the Audit, Remuneration and Nomination Committees. Following the AGM, Véronique McCarroll succeeded Hanna Loikkanen as Senior Independent Director.

More recently, we are pleased to have welcomed Armen Orujyan to the Board, he was appointed as an Independent Non-executive Director on 9 March 2026. Armen brings executive expertise in deep-tech innovation, venture scaling and global digital policy, and has joined the Risk and Nomination Committees, strengthening the Board's expertise in these key areas.

The Board considered succession planning for the CEO, including both contingency measures and long-term strategies. This process involved evaluating potential internal candidates and identifying any training or development needs. These plans are regularly reviewed and updated to ensure the leadership pipeline remains robust and capable of meeting the Company's evolving needs and future challenges.

Succession planning for the Executive Management Team was also considered, to ensure a strong, resilient leadership pipeline capable of meeting future challenges and driving the Group forward. As announced on 15 January 2026, Sulkhan Gvalia, the Group's and Bank of Georgia's CFO, stepped down from the executive role in March 2026 and we are very pleased to welcome Giorgi Shagidze to succeed him in line with the Company's succession planning.

Further information on succession planning and the Director appointment process can be found in the Nomination Committee Report on pages 152 to 153.

Internal performance review

In line with best practice and in accordance with the Code and the FRC Guidance on Board Effectiveness, the performance of the Board, its Committees, the Chair and individual Directors is assessed annually.

The 2023 performance review was externally facilitated by Clare Chalmers Ltd, and progress against the resulting action plan was monitored throughout 2024 and 2025. In compliance with the Code, external evaluations are conducted on a three-year cycle. Accordingly, the next external review will take place during 2026 and will again be facilitated by Clare Chalmers Ltd to ensure continuity and robust analysis. Preparations for this review are currently underway.

In 2025, the Board undertook an internal performance review, coordinated by the Company Secretary, using a structured questionnaire. Information on the 2025 performance review, key outcomes, and progress against the action plan can be found in the Nomination Committee Report on page 158.

Board induction, training, professional development and independent advice

Upon appointment, each Director engages in a comprehensive induction programme. This includes meetings with Executive Management and provides detailed information on the roles and responsibilities of the Board, individual Directors, and each Board Committee, along with their respective delegated authorities. The Senior Independent Director and UK General Counsel monitor the induction process to ensure robust and effective onboarding. Additionally, the UK General Counsel and Company Secretary brief Directors on their legal and regulatory obligations as Directors of a company listed on the main market of the London Stock Exchange (LSE).

Induction sessions are interactive and tailored to each individual based on their previous experience and knowledge. Directors are informed of the Company's structure, strategy, and business operations. We are dedicated to the ongoing development of our Directors, enabling them to enhance their expertise and gain a deeper understanding of the business and the markets in which Group companies operate.

As part of her onboarding, Karine Hirn completed a comprehensive induction programme; further information can be found in the Nomination Committee Report on page 154. The induction programme for Armen Orujyan will be a key focus for 2026, and we look forward to drawing on his regional knowledge and IT expertise.

Throughout 2025, all Directors engaged in continuous training and professional development, including briefings and presentations by the UK General Counsel, Company Secretary, members of management, and professional advisors. During the year, Directors received updates on regulatory and legislative changes, including:

- the Code;
- the UK Listing Regime;
- the UK Economic Crime and Corporate Transparency Act 2023 (ECCTA);
- proxy advisor voting guidelines;
- internal audit global standards;
- the macroeconomic environment;
- AI; and
- the Armenian banking environment.

Audit Committee members also received updates on developments in audit and accounting, including changes to the Code relating to audit, risk, and internal controls, and the implications of ECCTA.

In September 2025, the Board received an ESG training session delivered by an external third party. The training covered the strategic importance of transition planning, foundational analysis, transition implementation strategy, stakeholder engagement with a focus on client engagement approaches and metrics and target setting.

All Directors received training materials on directors' duties and have access to the advice of the UK General Counsel and Company Secretary. Directors may also obtain independent professional advice at the Company's expense on any matter relating to their responsibilities.

In December, the Chair held individual one-to-one appraisal meetings with each of the Non-executive Directors. These sessions were designed to support personal development and enhance individual effectiveness within the Board. Discussions focused on each Director's contribution during the year, areas for growth and opportunities to strengthen skills and knowledge relevant to the Company's strategic priorities. The process also encouraged reflection on future aspirations and identified tailored development actions to ensure continued high performance and engagement, reinforcing the Board's commitment to continuous improvement and professional development at the highest level of governance.

Audit, risk and internal controls

The Group operates a comprehensive system of risk management and internal controls designed to identify, assess, and mitigate risks, ensuring the Group's objectives are attained. The Board believes risk culture is at the heart of the Group's risk management framework. Further information on risk management and the Group's risk culture is available on pages 108 to 111.

The Board recognises its responsibility to present a fair, balanced, and understandable assessment of the Group's position and prospects. The Board has overseen the process for determining whether the Annual Report and Accounts present a fair, balanced, and understandable assessment of the Group's position and performance, business model, and strategy. A statement on this is made on page 196.

During the year, the Audit Committee actively monitored the integrity of the financial statements, ensured robust internal financial controls and oversaw the effectiveness of internal and external audits. The Audit Committee's work in reviewing and challenging financial reporting, significant judgements, and accounting policies is detailed in the Audit Committee Report on pages 161 to 168.

The Board is accountable for reviewing and approving the effectiveness of the internal controls operated by the Group, including financial, operational and compliance controls, as well as risk management systems. During 2025, the Board received updates on the Group's preparations for Provision 29 of the Code and the development of the material controls framework that will underpin the first formal declaration in 2026. The Board is satisfied that appropriate governance and oversight arrangements are in place and will continue to monitor progress throughout 2026. Further information on the Group's internal controls framework and the effectiveness review is available on pages 109 to 111.

The Board oversees the activities of the Group's External Auditor and Risk Management function, supported by the Audit and Risk Committees, ensuring robust governance and independent challenge.

During the year, the Risk Committee focused on enhancing the risk management framework, including stress testing, risk appetite assessments, and the introduction of a Group-wide Risk Register. It also worked to promote a culture of risk awareness and good conduct throughout the organisation, overseeing the implementation of strategies for managing market, credit, operational, and reputational risks.

The Group's risk management approach is discussed in detail in the Risk management section of the Strategic Report on pages 108 to 122. For information on the management of principal risks and uncertainties, please refer to pages 111 to 122. Further details on the roles of the Audit Committee and Risk Committee can be found on pages 159 to 162 and pages 169 to 172 respectively.

Remuneration

The Remuneration Committee plays a crucial role in ensuring remuneration policies and practices align with the Company's strategic goals and promote long-term, sustainable success.

Directors exercise independent judgement and discretion when authorising remuneration outcomes, considering Company and individual performance alongside wider circumstances.

The Committee is responsible for setting incentive targets and determining incentive outcomes for Executive Directors and Executive Management. It operates a formal and transparent procedure for developing executive remuneration policy and determining remuneration for Directors and Executive Management. No Director is involved in deciding their own remuneration outcome.

During the year, the Remuneration Committee engaged with institutional investors and proxy advisor agencies regarding the new Directors' Remuneration Policy, which was approved at the Company's 2025 AGM.

Detailed information regarding the Director's Remuneration Policy and remuneration arrangements can be found in the Directors' Remuneration Report on pages 176 to 195.

Board of Directors

Committee membership

- Re Remuneration Committee
- A Audit Committee
- Chair of Committee
- Ri Risk Committee
- N Nomination Committee



Mel Carvill
Chairman

N Re

Appointed: March 2022

Skills and experience
Mel has extensive international experience across a broad range of companies in the financial sector. He qualified as a Chartered Accountant at Coopers & Lybrand and is a Fellow of the Institute of Chartered Accountants in England and Wales. He holds an Advanced Diploma in Corporate Finance, is a Chartered Insurer and an Associate of the Chartered Insurance Institute, as well as a Fellow of the Chartered Institute for Securities and Investment.

Career
Mel worked at the Generali Group from 1985 until 2009, including as Chief Risk Officer, Head of Corporate Finance and M&A, Head of Strategic Planning and latterly Head of Western Europe, Americas and Middle East. In 2009 he joined PPF Partners, a private equity fund investing in Central Eastern Europe and Asia, where he was President until 2014, when he joined the wider PPF Group, latterly acting as an advisor. Mel has served on company boards in European, American and Asian markets.

Other appointments
- Vice-chairman of Aviva-Cofco Life Insurance Company Ltd
- Director of Clearbank Group Holdings Ltd
- Chairman of Climate-KIC



Archil Gachechiladze
Chief Executive Officer

Appointed: January 2019

Skills and experience
Archil has over 20 years of experience in financial services in both local and international organisations. He received his undergraduate degree in Economics from Tbilisi State University and holds his MBA with distinction from Cornell University. He is also a CFA charterholder and a member of the CFA Society in the United Kingdom.

Career
Archil held senior positions between 1998 and 2009 at Salford Equity Partners, The European Bank for Reconstruction and Development (EBRD), KPMG Barents and Lehman Brothers Private Equity (currently Trilantic Capital Partners). In 2009, he joined Bank of Georgia as Deputy CEO, Corporate Banking and has since held various roles with the Bank and the Group, such as Deputy CEO, Investment Management, CFO of BGEO Group and Deputy CEO, Corporate and Investment Banking. Prior to his appointment as CEO, Archil served as the CEO of Georgian Global Utilities (formerly part of BGEO Group PLC).

Board of Directors continued

Committee membership

- Re Remuneration Committee
- A Audit Committee
- Chair of Committee
- Ri Risk Committee
- N Nomination Committee



Andrew McIntyre

Independent Non-executive Director

A Ri N

Appointed: March 2024

Skills and experience

Andrew is a qualified Chartered Accountant with broad experience of financial services businesses operating around the world. He holds a master's degree from Cambridge University in Medical Sciences and Music.

Career

Andrew was a partner at Ernst & Young from 1988 to 2016, specialising in international financial services and was predominantly based in the firm's London offices, apart from the period 2004 to 2010, which was spent in the Zurich office. He acted for some of the firm's largest financial services clients and held various management positions, including as a member of the UK firm's board. Andrew previously held board positions at C. Hoare & Co, National Bank of Greece S.A., Ecclesiastical Insurance Group plc and the Centre for Economic Policy Research.

Other appointments

- Non-executive director of Lloyds Bank Corporate Markets plc
- Non-executive director of EFG Private Bank Ltd
- Non-executive director of Target Group Ltd



Véronique McCarroll

Senior Independent Non-executive Director

Ri A N

Appointed: October 2018

Skills and experience

Véronique has 40 years' experience in financial services, with a focus on corporate and investment banking, risk management and digital banking. She graduated from École Supérieure des Sciences Économiques et Commerciales (ESSEC) in 1985 and holds a NED certificate from Sciences Politiques Paris (2019).

Career

Véronique started her career with Banque Indosuez in Capital Markets from 1986 to 1996. She then spent 19 years in international consulting firms, including 15 as partner in Financial Services, at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young. She was subsequently a Bank Executive at CACIB, heading Strategy and Digital Transformation, and Deputy CEO of Orange Bank until the end of 2025. She teaches Finance at Paris Dauphine University.

Other appointments

- Non-executive director of Moonstone Lending Fund
- Non-executive director of AFL (Agence France Locale)
- Non-executive director of Spendesk Financial Services



Mariam Megvinetukhutsesi

Independent Non-executive Director

Ri N

Appointed: March 2021

Skills and experience

Mariam has extensive governance and financial experience. She received her undergraduate degree in Banking and Finance from Tbilisi State University and holds an MSc in Finance and Investments from the University of Edinburgh.

Career

Mariam provides consulting services to businesses on governance and financial management. She has 20 years' prior experience in financial services, including in banking appointments at the European Bank for Reconstruction and Development from 1997 to 2007 and as Deputy CEO at TBC Bank from 2009 to 2014. Previously she served as Head of Georgia's Investors Council Secretariat from 2015 to 2019, promoting reforms for improvement of Georgia's investment climate.

Committee membership

Re Remuneration Committee
A Audit Committee
Chair of Committee
Ri Risk Committee
N Nomination Committee



Karine Hirn

Independent Non-executive Director

Ri A N

Appointed: April 2025

Skills and experience

Karine has broad international investment experience, with a strong insight into trends, industries and capital markets. She holds an MSc in Management from EM Lyon in France, a Post Graduate Degree in Eastern European Studies from Sciences Po Paris and studied at Moscow Academy of Finance and Hanken School of Economics in Helsinki.

Career

Karine has over 30 years' experience in financial services, with a focus on asset management and responsible investment. Based in Hong Kong since 2013, she is a partner, co-founder and Chief Sustainability Officer of East Capital Group and Chairperson of the Group's Luxembourg domiciled management company and fund structures. Previously, she was China Chief Representative in Shanghai and CEO of East Capital in Sweden. Currently a French Trade Advisor and honorary member of the Swedish Chamber of Commerce in Hong Kong, Karine is also an advisor to the Center for Emerging Markets at Northeastern University in Boston and is a frequent commentator on emerging markets and sustainable investing at international conferences and in the media.

Other appointments

- Chair of East Capital Asset Management S.A.



Tamaz Georgadze

Independent Non-executive Director

Re Ri N

Appointed: February 2018

Skills and experience

Tamaz has extensive experience with a wide range of international companies. He holds PhDs in Economics from Tbilisi State University and in Agricultural Economics from Justus-Liebig Universitat Giesen in Germany; he also studied Law at the latter, graduating with honours.

Career

Tamaz is the CEO of Raisin, which he founded in 2013, launching the first global deposit platform in Europe. Previously, Tamaz worked as an aide to the President of Georgia in the Foreign Relations Department, from 1994 to 1995. He had a ten-year career at McKinsey & Company in Berlin, where he served as a partner from 2009 to 2013, conducting engagements with banks in Germany, Switzerland, Russia, Georgia and Vietnam, with a focus on strategy, risk identification and management, deposit and investment products, operations and sales. Tamaz was previously an Independent Non-executive director of BGEO Group PLC, including holding positions on its Audit, Nomination and Risk Committees.

Other appointments

- General Director at Raisin GmbH



Maria Gordon

Independent Non-executive Director

Re N A

Appointed: September 2024

Skills and experience

Maria is a seasoned independent director and accomplished senior finance executive with broad international experience. She holds a BA in Political Science from the University of Wisconsin, an MA in Law and Diplomacy from Tufts University, is a CFA Chartered Financial Analyst and holds a Corporate Director Certificate from Harvard Business School.

Career

Maria has strong governance experience, having served as chair, director and committee member of various public companies. Maria currently serves as Non-executive chair of the board of Capricorn Energy PLC, which is listed on the London Stock Exchange, and as Non-executive chair of Constellation Oil Services. She has two decades' direct investment experience in senior roles, including as Head of Emerging Markets Equity Strategy at Goldman Sachs and PIMCO, and brings considerable expertise in portfolio management and equity and debt capital markets, including in emerging markets.

Other appointments

- Non-executive chair of Capricorn Energy Plc
- Non-executive chair of Constellation Oil Services

Board of Directors continued

Committee membership

- Re Remuneration Committee
- A Audit Committee
- Chair of Committee
- Ri Risk Committee
- N Nomination Committee



Cecil Quillen

Independent Non-executive Director

Re N

Appointed: February 2018

Skills and experience

Cecil has extensive legal and commercial experience in Europe and the US, particularly with respect to regulated financial institutions and emerging markets. He received his undergraduate degree from Harvard and his law degree from the University of Virginia.

Career

Cecil, a US lawyer with nearly 38 years of practical experience, became a partner in the New York office of global law firm Linklaters LLP in 1996 before transferring in 2000 to its London office, where he is a leading US capital markets practitioner. He works on a broad spectrum of securities and finance matters with a focus on transactions involving financial institutions and those in central and eastern Europe. He is admitted to practice in New York and the District of Columbia and is a registered foreign lawyer in England and Wales.

Other appointments

- Partner at Linklaters LLP



Armen Orujyan

Independent Non-executive Director

Ri N

Appointed: March 2026

Skills and experience

Armen brings executive expertise in deep-tech innovation, venture scaling, and global digital policy. With a proven track record of catalysing national technology ecosystems and cultivating international entrepreneurship, he provides strategic governance informed by decades of high-level policy advising and operational leadership. He holds a PhD from Claremont Graduate University, where he received the Distinguished Alumni Award, and a BA with honors from UCLA.

Career

Armen currently serves as the Founder and CEO of Curio Ventures, where he leads the firm in ventures that address critical global challenges through deep-tech innovation and growth-focused business models. Previously, as the Founding CEO of the Foundation for Armenian Science and Technology, he significantly elevated Armenia's standing in the international innovation landscape, particularly within AI, biotechnology and other STEM fields. He founded Athgo Corporation, a UN-recognised global entrepreneurship platform that cultivated over 10,000 young innovators across 80 nations, and has served as a founding member and co-chairman of the UN's Global Alliance for ICT and Development and as a commissioner on the UN's Broadband Commission for Digital Development. He has held prominent advisory roles at Rice University's Baker Institute for Public Policy and the Asia Society Global Council.

Group Management Team



Archil Gachechiladze
Executive Director and CEO of Lion Finance Group PLC and CEO of Bank of Georgia

Appointed: January 2019

See page 143 for his biography



Giorgi Shagidze
Deputy CEO, Chief Financial Officer

Appointed: March 2026[1]

Skills and experience
Giorgi was appointed as the Group and Bank of Georgia's CFO, effective March 2026. He joins from his recent role as CEO of maib, Moldova's largest bank (2021-2025), where he led a bank-wide agile and digital transformation. Previously, he also served as Deputy CEO and CFO at TBC Bank Group and as Global Operations Executive at Barclays PLC.

Education
MBA, University of Cambridge;
CFA charterholder;
Graduate of the Stanford Executive Program, Stanford Graduate School of Business.



David Chkonia
Deputy CEO, Chief Risk Officer

Appointed: July 2022

Skills and experience
David has held key positions including senior advisor and Director of International Business at JSC Bank of Georgia (2021-2022), deputy CEO and CRO at TBC Bank (2017-2020), and senior roles at BlackRock (London) and PIMCO in risk management and advisory. He also worked at European Resolution Capital between 2009-2011.

Education
MBA, Wharton School, University of Pennsylvania;
Bachelor's degree, Finance, San Jose State University.



Ana Kostava
Deputy CEO, Chief Legal Officer

Appointed: As CLO: June 2020;
As Deputy CEO:January 2025

Skills and experience
Ana joined the Group in April 2018 as Senior Group Lawyer, a position she held until 2020. Previously, she was an Associate at Dechert LLP (2015- 2018), and worked at the World Trade Organization Appellate Body Secretariat and European Court of Human Rights. Ana began her career at Legal Partners Associated LLC in 2010 and has been an associate lecturer at Free University of Tbilisi since 2015.

Education
LLM, University of Cambridge;
LLB, Caucasus University.



Nutsiko Gogilashvili
Head of International Business

Appointed: May 2025

Skills and experience
Nutsiko joined the Group in 2016 and most recently served as Deputy CEO, Mass Retail Banking (2022-2025) at Bank of Georgia. Previously, she was Head of Strategic Processes for Corporate and Investment Banking (2016-2017) and later Head of Customer Experience. Before joining the Group, Nutsiko was head of strategic planning and budgeting at TBC Bank and an analyst at J.P. Morgan in London (2011-2014).

Education
MSc, Finance, Bayes Business School;
BSc, Economics, Moscow State Institute of International Relations.

1. Giorgi was appointed as CFO of the Group and Bank of Georgia effective March 2026. He succeeds Sulkhan Gvalia, who decided to step down from the executive role to transition to a new stage in his life, following a 20-year tenure with the Group.

Subsidiary Management

Executive Management at Bank of Georgia



Archil Gachechiladze
Chief Executive Officer



Giorgi Shagidze[1]
Deputy CEO (subject to regulatory approval), Chief Financial Officer



David Chkonia
Deputy CEO, Chief Risk Officer



Etuna Iremadze
Deputy CEO, Premium Banking



Zurab Kokosadze
Deputy CEO, Corporate and Investment Banking



David Davitashvili
Deputy CEO, Data and Information Technology



Levan Gomshiashvili
Deputy CEO, Chief Marketing, Digital and Customer Experience Officer



Ana Kostava
Deputy CEO, Chief Legal Officer



Giorgi Gureshidze
Deputy CEO (subject to regulatory approval), Head of Mass Retail



Tornike Kuprashvili
Head of SME Business



Elene Okromchedlishvili
Head of Human Capital Management



Zurab Alpaidze
Director of Infrastructure Operations



Nino Khorguani
Director of Banking Operations



Levan Kobakhidze
Head of Payments

Executive Management at Ameriabank



Artak Hanesyan
CEO, Chairman of the Management Board



Hovhannes Toroyan
Chief Financial Officer



Armine Ghazaryan
Chief People and Services Officer



Gagik Sahakyan
Corporate and Investment Banking Director



Andranik Barseghyan
Risk Management Director



Arman Barseghyan
Retail Banking Director

To learn more about the teams that manage our subsidiaries, please scan the following code:

1 Giorgi was appointed as CFO of the Group and Bank of Georgia effective March 2026. He succeeds Sulkhan Gvalia, who decided to step down from the executive role to transition to a new stage in his life, following a 20-year tenure with the Group.

Nomination Committee Report

Enhancing long-term stability through strategic Board composition and comprehensive oversight of Executive Management succession.

Membership of Nomination Committee and meeting attendance

		No. of meetings attended	
Committee membership	**Date of membership**	**Scheduled**	**Ad hoc**
Mel Carvill (Chair)	10 March 2022	4/4	1/1
Tamaz Georgadze	24 February 2018	4/4	1/1
Hanna Loikkanen*	24 February 2018	1/1	1/1
Jonathan Muir**	24 February 2018	1/1	1/1
Cecil Quillen	24 February 2018	4/4	1/1
Véronique McCarroll	1 October 2018	4/4	1/1
Mariam Megvinetukhutsesi	12 March 2021	4/4	1/1
Andrew McIntyre	15 March 2024	4/4	1/1
Maria Gordon	20 September 2024	4/4	1/1
Karine Hirn***	7 April 2025	3/3	–

* Hanna Loikkanen resigned as an Independent Non-executive Director and as a member of the Committee at the conclusion of the 2025 Annual General Meeting on 16 June 2025.
** Jonathan Muir resigned as an Independent Non-executive Director and as a member of the Committee on 26 June 2025.
*** Karine Hirn was appointed as an Independent Non-executive Director and as a member of the Committee on 7 April 2025.

The skills and experience contributed by each member can be found on pages 133 and 143 to 146.

All members of the Committee are Independent Non-executive Directors of the Board. The CEO and other members of management may be invited to meetings to provide insight into key developments. The CEO, UK General Counsel and Company Secretary are regular attendees.

Key objectives of the Committee

The Nomination Committee focuses on:

Board leadership
Identifying skills, knowledge and experience required for effective leadership, managing the balance of the Board through effective succession planning.

Board Committees
Monitoring the size, structure and composition of the Board's Committees.

Succession planning
Ensuring appropriate Board skills, knowledge, experience and independence.

Talent pipeline
Monitoring the senior leadership pipeline and initiatives to develop and promote internal talent.

Diversity and inclusion
Considering, in accordance with the Diversity, Equity and Inclusion Policy, the perspectives and attributes of the Board and the executive leadership.

The Committee's Terms of Reference set out its role and authority and can be found on our website at https://lionfinancegroup.uk/leadership-and-governance/documents.

Focus of future activities

In the coming year the main areas of focus for the Committee will be:

- Implementation of a Group-wide governance structure.
- Executive Management succession planning.
- Non-executive Director succession planning.
- Executive Management induction and training.
- Director induction and training.
- Progression of internal Board and Committee performance review actions.
- Leading the external Board and Committee performance review.
- Composition of the Supervisory Board.



"We remain focused on aligning Board composition with the Company's evolving needs, ensuring the right balance of skills, experience, knowledge and diversity to deliver our strategy and support long-term sustainable success."

Mel Carvill
Chair of the Nomination Committee

Dear Shareholders,

I am pleased to present the Nomination Committee (the "Committee") Report, which provides an overview of the Committee's key responsibilities and the significant work undertaken during the year.

Our work in 2025 was anchored in supporting the Group's strategic ambitions. Navigating an increasingly complex operating environment across our markets, the Committee prioritised ensuring the Board possesses the diverse skills, international experience, and forward-looking perspective essential for effective oversight. This includes guiding the Group through evolving regulatory landscapes, accelerating technological transformation, heightened stakeholder expectations around sustainability, and rapidly changing customer expectations.

Non-executive Directors' succession and appointments

2025 was an active year for the Committee as we advanced key elements of our Non-executive Director succession plan. During the year, we oversaw several changes to the composition of the Board, including the planned retirements of Hanna Loikkanen on 16 June 2025 and Jonathan Muir on 26 June 2025, both of whom had served as Directors since 24 February 2018.

Karine Hirn was appointed as an Independent Non-executive Director and as a member of the Audit, Nomination and Risk Committees on 7 April 2025. Karine's appointment followed a comprehensive search for a new Non-executive Director with ESG expertise; an area previously identified in the Board skills matrix as requiring enhancement. Following a detailed review of Karine's credentials and references, the Committee concluded that she possesses extensive experience in sustainability, international investment, investor relations, corporate governance, and stakeholder management. I invite you to read more about Karine in her biography found on page 145.

Information on the Non-executive Director appointment process can be found on pages 153 to 155.

On behalf of the Committee, I would like to welcome Karine and acknowledge the meaningful contributions she has made to the Board to date. I also extend our thanks to Hanna Loikkanen and Jonathan Muir for their immense contributions and significant dedication to the Company over the years.

As announced on 9 March 2026, following a further comprehensive search during 2025 for a new Non-executive Director with regional expertise in Armenia, we are delighted that Armen Orujyan has been appointed as an Independent Non-executive Director and as a member of the Risk and Nomination Committees with effect from 9 March 2026. Armen also brings executive expertise in deep-tech innovation, venture scaling and global digital policy, further strengthening the Board's expertise in these key areas.

When considering succession planning, we ensure that retirements are managed in an orderly way, in line with NBG requirements where applicable and the Code's independence provisions. We remain focused on aligning Board composition with the Company's evolving needs, ensuring the right balance of skills, experience, knowledge, and diversity to deliver our strategy and support long-term sustainable success. To this end, during the year we reviewed succession plans and recent developments relating to Non-executive Director appointments. To ensure compliance with regulatory obligations and best governance practices, two policies were reviewed and updated during the year:

- **JSC Bank of Georgia Administrators Nomination Policy** – applies to the process of nomination and appointment of the administrators of JSC Bank of Georgia.
- **JSC Bank of Georgia Supervisory Board Members Nomination and Appointment Policy** – applies to the process of nomination and appointment of the Supervisory Board members of JSC Bank of Georgia.

Operating in markets with specific regulatory requirements limits the available pool of qualified candidates. We mitigate this through proactive talent development and international search capabilities, enabled through engagement with our talent acquisition partner, Korn Ferry. Further information regarding talent development can be found on pages 141 and 152.

Further information regarding Board composition, succession planning, and Board and Committee changes can be found on pages 150 to 153.

Executive Management talent pipeline

During the year we received regular updates from the CEO on succession plans for the Executive Management Team and reviewed the competencies of potential internal candidates for critical roles.

I worked closely with the CEO to design tailored development plans, equipping key potential successors for critical roles with

the skills required for future leadership. These plans are reviewed and updated regularly to reflect the Group's evolving needs and to ensure a strong, resilient leadership pipeline capable of meeting future challenges and driving the Group forward.

As announced on 15 January 2026, Sulkhan Gvalia, the Group and Bank of Georgia's Chief Financial Officer (CFO), stepped down from the executive role in March 2026 following a 20-year tenure with the Group. Sulkhan remains a non-executive member on the supervisory boards of the Group's various subsidiaries, including Ameriabank. Following Sulkhan's departure, and after a comprehensive recruitment process that included interviews with both myself and Andrew McIntyre, Chair of the Audit Committee, Giorgi Shagidze was appointed to succeed Sulkhan with effect from March 2026.

We are pleased to welcome Giorgi Shagidze to the Group. Giorgi will have responsibility for Group finance and international growth, and also takes the roles of Deputy CEO and CFO of Bank of Georgia (subject to regulatory approval). Giorgi brings extensive experience in driving ambitious digital transformations and developing customer-focused banking. In his new role, he will focus on strengthening our finance function and advancing the Group's international growth opportunities.

We would also like to extend our sincere thanks to Sulkhan for his dedicated service and invaluable contributions to the Group's success. As a pivotal member of the executive team, he has led our finance function with distinction and played a key role in shaping both our business and our culture. We are delighted that he will continue to support the Group in a non-executive capacity.

Diversity, equity and inclusion

We are pleased that the Board continues to comply with the targets outlined within the UK Listing Rules, with over 40% of the Board Directors being women, the senior position of Senior Independent Director held by a woman, and four members of our Board from minority ethnic backgrounds. Further details regarding our compliance with the UK Listing Rule 6.6.6R(9) and our commitment to diversity can be found on pages 155 to 156.

Board and Committee performance reviews

We recognise the importance of reviewing our performance and identifying opportunities to enhance Board effectiveness. The 2025 internal performance review, facilitated by the Company Secretary, confirmed that the Board and its Committees continue to operate effectively. The review also highlighted areas for improvement and key priorities, and the Committee agreed on actions that will be monitored throughout 2026.

Information regarding the 2024 and 2025 reviews can be found on pages 156 to 158.

In compliance with the Code, external performance reviews are conducted on a three-year cycle. Accordingly, the next external review is scheduled for 2026.

Looking ahead

In 2026, we will continue to strengthen succession planning for the Board, Executive Management, and senior leadership, ensuring the Group maintains an effective structure and balanced composition. The induction of Armen Orujyan will be a key focus, and we look forward to drawing on his regional knowledge and IT expertise to enhance our decision-making. We will also guide the onboarding of our new CFO, Giorgi Shagidze, and are confident his leadership and expertise will enrich both the Board and the executive team.

Tailored training will continue to be prioritised for Directors to deepen their knowledge of key topics aligned with the Group's evolving needs and their responsibilities. Further details of our work are set out in the following report.

Mel Carvill
Chair of the Nomination Committee
24 March 2026

Key activities during the year

Topic	Summary of activity	Find out more
Succession planning	Discussed and developed succession plans for the Board and Executive Management.	Pages 134, 139 to 140, 150, and 152 to 154.
Non-executive Director appointment	Appointed a new Non-executive Director who is an ESG expert.	Pages 150 and 153.
Skills matrix	Reviewed and updated the skills matrix to better understand the competencies and experience of each Non-executive Director.	Pages 133 and 152.
Board and Committee performance review	Conducted an internally facilitated performance review of the Board, its Committees, individual Directors and the Chair of the Board. The outcomes of this assessment were considered and actions agreed. The Chair of the Board also met individually with each Non-executive Director to discuss their review and to allow for further discussion and feedback.	Pages 156 to 158.
Workforce engagement	Received updates on workforce diversity and engagement.	Pages 94 to 100, and 154 to 156.

Board skills and experience

The Committee maintains a skills matrix mapping the Board's skills against the evolving needs of the business. The skills matrix reflects a three-point rating system for each skill to help identify Directors' respective levels of experience – enabling better assessment of the balance and level of skills, and identification of areas that need to be strengthened through additional training, recruitment or the engagement of an independent specialist or consultant. A summary of the skills matrix can be found on page 133.

During the year, the skills matrix served as a tool in guiding the Non-executive Director recruitment processes. By systematically identifying desirable skills and expertise that would complement the Board's existing knowledge and competencies, the Committee ensured a strategic and targeted approach to Board composition.

The appointment of Karine Hirn has strengthened the overall capability of the Board. In addition to other key areas, Karine brings expertise in sustainability, an area in which she is recognised as a leading authority. Her addition enhances the Board's capacity to address critical ESG matters, aligning with our commitment to responsible and sustainable business practices. Her full biography can be found on page 145.

Recognising that sustainability and ESG represented areas for development within the Board's collective expertise, the Directors also undertook targeted ESG and climate training to deepen its knowledge and understanding of these critical issues. This commitment to continuous learning ensures that the Board is well-equipped to oversee the Company's sustainability strategy and address emerging environmental and social risks.

The Committee also considered that experience in digital technology, information technology and cyber security, while present, remained an opportunity for further development across the broader Board composition. The Committee notes that AI capabilities are considered within the broader domains of the above, and recognises the increasing importance of AI considerations in its strategic and risk oversight.

The Board included three Directors who are experienced in Information Technology and Cyber Technology. It was nevertheless agreed that, should complex issues arise requiring specialist input, the Board could seek support from an independent expert or consultant to support informed and effective decision-making. The Committee also noted that Tamaz Georgadze, Andrew McIntyre, and Archil Gachechiladze are recognised as "experts" in digital technology, while Mel Carvill, Tamaz Georgadze, and Andrew McIntyre hold "experienced" proficiency ratings in information technology and cyber security within the Boards skills matrix.

In light of this existing expertise and the appointment of Armen Orujyan to the Board on 9 March 2026, as well as the Board's access to external specialists as needed, the Committee does not consider it necessary to recruit a dedicated cyber security specialist to the Board at this time.

Board composition and succession planning

During 2025 the Committee reviewed the composition of the Board and its Committees as part of its succession planning activities. In doing so, the Committee considered the size and structure of the Board, the tenure and diversity of its members, and the skills and experience contributed by each Director.

Following this review, and having regard to the Code's independence requirements, the Board agreed to initiate a search for external candidates with the requisite skills, knowledge and experience. The process maintained a strong emphasis on diversity and prioritised individuals with demonstrable regional expertise in Armenia, and ideally with experience in technology and digital transformation, to support the Company's needs and strategy. Following this search, the Board appointed Armen Orujyan to the Board on 9 March 2026. His full biography can be found on page 146.

The Committee remains committed to ensuring that we have a well-balanced Board with the appropriate skills, knowledge, experience and diversity to support the continued growth of the Group. All changes to the Board and its Committees are overseen by the Committee and strong succession planning remains a key focus.

Executive Management and talent pipeline

We continue to be committed to talent development programmes and initiatives across the Group. We actively invest in developing the skills of our existing Executive Managers while building a robust pipeline of new executive, senior, and middle managers through structured coaching, mentoring and leadership programmes. The Group continues to expand its programmes to include employees at all levels. Further information on talent management can be found in the 'Empowering our employees' section on pages 94 to 101.

During 2025, the Committee received reports on the talent management and leadership development programmes and has, alongside the Board, dedicated considerable time to strengthening the Executive Management Team as part of the wider strategic development of the Group. The Committee received updates on members of the Executive Management Team, including proposed promotions and organisational changes designed to optimise leadership effectiveness.

The Committee worked closely with the CEO to review the Executive Management Team succession plans. Particular attention was given to succession planning for critical roles, including the CEO, CFO and Chief Risk Officer (CRO). This process encompassed both contingency measures for unforeseen circumstances and long-term strategic succession planning to ensure continuity and stability. The review involved an evaluation of potential internal candidates, assessment of their readiness, and identification of any training or development needs to prepare them for future leadership responsibilities.

These succession plans are regularly reviewed and updated to reflect the evolving needs of the Group and to ensure that the leadership pipeline remains robust, diverse, and capable of meeting future challenges and opportunities.

To support the Group's long-term leadership needs, the Committee supported a thorough search for the CFO role. This resulted in the appointment of Giorgi Shagidze, an external candidate, who commenced his role in March 2026. A structured and thorough handover took place between Sulkhan and Giorgi, including Giorgi's shadowing of Sulkhan. Prior to his appointment, Giorgi also met with members of management and the Finance teams. The Committee will continue to oversee the transition and support Giorgi's onboarding throughout 2026.

Board and Committee changes

In line with our succession plan, Jonathan Muir stepped down as a Non-executive Director, Chair of the Audit Committee, and member of the Nomination Committee on 26 June 2025. Andrew McIntyre formally assumed the role of Audit Committee Chair, following a period

of close collaboration with Jonathan and the wider Committee since his appointment in 2024.

During the year, we completed a search for an additional Non-executive Director with the skills, knowledge, and experience to complement the existing Board. Karine Hirn was appointed on 7 April 2025 as an Independent Non-executive Director and joined the Audit, Nomination and Risk Committees.

Hanna Loikkanen stepped down from the Board, as Senior Independent Director, and as a member of the Audit, Remuneration and Nomination Committees at the conclusion of the 2025 AGM. Véronique McCarroll succeeded Hanna Loikkanen as Senior Independent Director with effect from the same date.

To enhance information sharing between the Audit and Risk Committees, with effect from 7 April 2025, Andrew McIntyre, Chair of the Audit Committee, was appointed as a member of the Risk Committee; and Véronique McCarroll, Chair of the Risk Committee, was appointed as a member of the Audit Committee. In addition, Cecil Quillen stepped down as a member of the Audit Committee with effect from the same date.

Since year-end, and in accordance with the Company's succession plans, Armen Orujyan was appointed as an Independent Non-executive Director and member of the Risk and Nomination Committees with effect from 9 March 2026. The appointment of Armen follows a comprehensive, independent recruitment process led by the Nomination Committee and supported by an executive search firm. The 'Board appointment process' section in this report provides details of the external recruitment search process for Karine's and Armen's appointments.

Board appointment process

External recruitment advisor: Korn Ferry (independent, with no other connection to the Company or its Directors beyond providing employee engagement research).

Key search criteria: Successful senior executive career; relevant geographic experience; appropriate characteristics, traits, and leadership qualities; compliance with the Diversity, Equity and Inclusion Policy and diversity targets; and potential alignment with the JSC Bank of Georgia Nomination Policy and Georgian Regulatory Framework for administrators of commercial banks and/or Armenian regulations and requirements. The Committee agreed on the required skills, experience, independence, and diversity for any new appointment.

Additional specific search criteria for Non-executive Director appointment (Karine Hirn): ESG experience ideally including stakeholder perspectives.

Additional specific search criteria for Non-executive Director appointment (Armen Orujyan): expertise in Armenian economy, financial markets, geopolitics and stakeholders; experience in technology and digital transformation beneficial.

The Committee, with support from the UK General Counsel and Company Secretary:

Evaluated Board skills and requirements

The Committee reviewed Board knowledge, skills, experience, tenure and independence requirements under both the NBG and the Code. The 2025 skills matrix identified opportunities to further enhance Sustainability/ESG, UK executive remuneration, digital technology, and information technology/cyber security expertise, with consideration being given on how these needs could be met through a combination of recruitment, training or the use of external expertise.

Further information on the Board's skills can be found on page 133 and information on Board independence can be found on pages 154 to 155.

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Candidate search

Korn Ferry was engaged to conduct a search focused on diverse candidates matching the required skills and experience.

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Reviewed candidates

The Chair and UK General Counsel met with Korn Ferry to create a shortlist. The Committee reviewed the shortlist and established an interview panel consisting of the Chair and members of the Board.

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Interviewed candidates

The interview panel met with candidates and narrowed the search. The Committee reviewed candidates' knowledge, skills, and experience.

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Recommendation for Board approval

The Committee recommended the preferred candidate to the Board. Following Board approval, a market announcement was released.

Terms of appointment

Non-executive Directors receive a letter of appointment outlining terms, fees, and expected time commitment (minimum 25-35 days per year, plus additional time for Committee roles). The Committee is satisfied all Non-executive Directors dedicate sufficient time to the role.

Election and re-election by shareholders

All Non-executive Directors serve a three-year fixed term, subject to annual re-election by shareholders. Terms may be extended but generally do not exceed nine years, consistent with best practice, and subject to defined circumstances as identified by the Committee.

Following the Board performance review, and with careful consideration of a range of factors including Directors' other commitments, the Committee recommended to the Board and at the 2026 AGM the re-election of Mel Carvill, Archil Gachechiladze, Tamaz Georgadze, Maria Gordon, Karine Hirn, Véronique McCarroll, Andrew McIntyre, Mariam Megvinetukhutsesi and Cecil Quillen. The Committee further recommended to the Board and at the 2026 AGM, the election of Armen Orujyan.

Board induction

Upon appointment, each Director receives a comprehensive induction to the Company, tailored to their existing expertise and Committee appointments. During the year, the General Counsel and Company Secretary briefed the new Non-executive Director, Karine Hirn on Company policies, Board and Committee procedures, and core governance practices including Directors' duties and Market Abuse Regulations and the Company's Share Dealing Code. She also received induction materials, including access to recent Board and Committee papers and minutes, policies, training materials, succession plans, information on the process for re-electing Directors according to the Code, the Schedule of Matters Reserved for the Board, the Roles and Responsibilities document and the Terms of Reference for each Committee. During Karine's visit to Georgia, the induction process continued with arrangements made for her to meet relevant members of Executive Management, key advisors, and representatives from various departments.

As part of her onboarding, Karine completed tailored one-to-one training on bank governance, key prudential requirements, and associated reporting obligations. The programme covered the respective roles of Executive and Non-executive Directors, fit and proper assessments, remuneration rules, and the responsibilities of Board Committees, with particular focus on the Audit and Risk Committees. Karine also undertook specialist training on the role of board members in UK listed companies, addressing board structure, directors' duties and liabilities, and the importance of effective corporate governance beyond compliance. The training outlined the key tasks, personal attributes, and skills required to discharge board responsibilities effectively. Following the appointment of Armen Orujyan to the Board on 9 March 2026, his induction will be a key focus for 2026.

Workforce engagement

Employee Voice, which aims to support the exchange of opinions, ideas and views between the Board and employees, is facilitated by Mariam Megvinetukhutsesi in her role as designated Non-executive Director for workforce engagement. Mel Carvill, the Chair, together with Mariam Megvinetukhutsesi, and other Non-executive members of the Board, attended two Employee Voice meetings during the year, engaging directly with employees from Bank of Georgia and Ameriabank. A translator was also available during the meetings to further support the engagement with employees.

Attendees discussed the current employee experience, challenges and opportunities. In June, an Employee Voice meeting was held at Bank of Georgia where it was noted that some attendees requested further interaction with management. Actions have since been put in place to assist with this, such as hosting management town halls at different locations, and further work is underway.

In September 2025, an Employee Voice meeting was held at Ameriabank, where positive feedback regarding the integration was received. Further collaboration between the Ameriabank and Bank of Georgia risk teams and second-line functions were identified as needing further improvement. The Committee was happy to note that improvements had already been made in this area, as noted in the December 2025 Risk Committee meeting. Further information on workforce engagement can be found in the 'Empowering our employees' section on pages 94 to 101, and 'Our Culture' on pages 138 to 139.

The Committee believes that the designated Non-executive Director for workforce engagement, with supplementary engagement from the wider Board as required, remains an appropriate and effective way for the Company to receive fair and balanced views across the Group and to monitor and assess opportunities to further enhance workforce engagement.

Time commitments and conflicts of interest

Prior to accepting any external appointments, Directors are required to seek the Board's consent. The Board believes other external directorships and positions provide the Directors with valuable expertise, enhancing their ability to act as Non-executive Directors of the Company. The number of external directorships and positions should, however, be limited, particularly for Executive Directors, to ensure they can dedicate the amount of time necessary to contribute effectively to the Board.

Although the Board does not maintain a formal policy on the maximum number of external appointments its Directors may hold, the Nomination Committee assesses the time commitments of all candidates before recommending any new appointments. During the year, the Committee also reviewed the time commitments and listed mandates of existing Directors to ensure that each Board member continues to have sufficient time and attention to devote to the Company's business. Further, the Chair held individual review meetings with the Directors in December 2025 where time commitment was reviewed.

The Committee acknowledged the increased time commitment required of the Directors following the continued integration of Ameriabank.

Independence, tenure and time commitments

During the Board effectiveness review, the Committee asks Board members to evaluate their own contribution. For each Non-executive Director, the Committee reviews the time commitment required, considering any external directorships, their length of service and their independence of character and integrity. Based on these reviews the Committee makes a recommendation to the Board regarding the suitability of each Non-executive Director for re-election.

The Board has assessed the independence of the Chair of the Board and each Non-executive Director in line with Principle G and Provisions 9 and 10 of the Code and is of the opinion that the Chair and each Non-executive Director acts in an independent and objective manner. We consider that, under the Code, all our Non-executive Directors are independent

and free from any relationship that could affect their judgement.

As part of its broader annual review of Directors' independence, the Committee considered Tamaz Georgadze's previous appointment as a director of BGEO Group Limited (BGEO), which is a separate legal entity from the Company.

Tamaz Georgadze was appointed to the Board on 24 February 2018 and meets the Code requirements in respect of independence. As part of a wider assessment, we also took into consideration the extent to which the length of time on the board of a predecessor company, BGEO, could impact his independence. Tamaz was previously appointed to the Board of BGEO on 19 December 2013.

Following this assessment, the Committee determined that this former appointment did not impair his independence. The Committee noted the following:

- Substantial changes occurred in the Executive Management following the demerger of BGEO in 2018 and in subsequent years. None of the Executive Managers of the Group have remained since 2018, and there have been two changes of CEO.
- The demerger resulted in substantial changes in the nature of the business and management personnel.
- No other factors were identified that could impinge on the independence of the Directors.

The Board also notes that, in respect of succession and the recruitment of appropriate members to the Board in our geographical, geopolitical and market environment:

- New Board members must clearly understand the operating, economic and political environment in the core markets in which the Group operates to provide effective oversight.
- Bank of Georgia, and Ameriabank are regulated entities in Georgia, and Armenia respectively, and given their supervisory-board structures, Board members must, where they will be appointed to a supervisory board, meet the local banking regulator's requirements for supervisory board membership.

Considering these matters, the Board is satisfied that all current Directors have retained their independence and strongly recommends their election or re-election by shareholders. The Committee notes that the tenure of both Tamaz Georgadze and Cecil Quillen are approaching a tenure of nine-years which would require additional consideration of their independence in accordance with Provision 10 of the Code. The Committee has taken, and will continue to take this into account when considering succession planning, Board composition and assessing the ongoing independence of both Directors.

The Board believes the board structure, in which members sit on the Board of the Company and where applicable on the Supervisory Boards of JSC Bank of Georgia and Ameriabank CJSC, remains an effective governance structure for the Group.

Diversity, equity and inclusion

The Board has adopted a Diversity, Equity and Inclusion Policy encompassing a wide range of factors including, but not limited to, race, ethnicity, gender, sexual orientation, disability and socioeconomic background. This policy, which reflects current best practice, was reviewed by the Board in December 2025.

The Board is committed to fostering a diverse and inclusive environment and continues to examine ways to enhance diversity across the Board and throughout the Group. The Committee monitors progress against the following targets, aligned with the FTSE Women Leaders Review, the Parker Review, and UK regulatory guidance:

- 40% of women on the Board and Leadership teams by the end of 2025;
- At least one woman in the Chair or Senior Independent Director role on the Board, and/or one woman as Chief Executive or Finance Director by the end of 2025; and
- One Director from a minority ethnic background on the Board by 2024.

The Committee is pleased to confirm that these targets have been successfully achieved. The Senior Independent Director of the Company is female. As at the end of 2025, 44.44% of the Board were women, and at the time of writing this figure is 40%. As at the end of 2025, 42.7% of the Executive Committee equivalent and their direct reports were women. Further details on equal opportunity and diversity are provided in the 'Empowering our employees' section on pages 94 to 101.

Four members of the Board are from a minority ethnic background: Archil Gachechiladze, Tamaz Georgadze, and Mariam Megvinetukhutsesi, who are Georgian, and Armen Orujyan who is Armenian. The Board recognises that minority ethnic background encompasses many aspects, including country of birth, nationality, language, skin colour and religion. Georgia has its own distinct language, script, religion (the Orthodox Church of Georgia) and unique geographic location at the intersection of Europe, Asia and the Middle East. Similarly, Ameriabank operates in Armenia, which has a strong cultural identity, an Indo-European language, and the Armenian Apostolic Church.

The Board considers diversity essential for business development and ensuring representation of the communities where the Group operates. The Committee continues to review diversity alongside merit and objective criteria.

In line with the Parker Review's recommendation for FTSE 350 companies, the Company has committed to achieving 15% ethnic minority representation within UK-based senior management by December 2027. While we have met this target with current 33.33% representation, with only three persons classified as members of the senior management executive team based in the UK, our UK presence is significantly smaller than those of many other listed companies, and is perhaps less important than for groups with a larger UK presence. The diversity evident across the Group globally better reflects the spirit of the Parker Review, with leadership teams worldwide representing a broad range of backgrounds and perspectives.

With the majority of the Group's workforce based in Georgia and Armenia, its ethnic composition differs from that of a UK-based group. The Board itself is highly diverse in nationality, and our Directors are citizens of seven different countries. The Committee continues to consider all diversity factors, including gender and ethnicity, in future appointments, alongside appropriate knowledge, skills and experience, in accordance with the Diversity, Equity and Inclusion Policy.

In December 2025, the Board also approved an updated Anti-discrimination and Anti-harassment Policy, which commits the Group to ensuring no discrimination or harassment occurs in any form. Both policies are aligned with relevant local legal requirements and international standards, including the UN Universal Declaration of Human Rights, ILO fundamental instruments, the UN Guiding Principles on Business and Human Rights, and IFC Performance Standards. These policies are kept under regular review.

The policies can be found on the Group's website at https://lionfinancegroup.uk/leadership-and-governance/documents.

In accordance with UK Listing Rule 6.6.6R(10), as at the reference date of 31 December 2025, the composition of the Board and Executive Management was as follows:

Board and Executive Management gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
Men	5	55.56%	2	15	75%
Women	4	44.44%	1	5	25%
Not specified/prefer not to say	–	–	–	–	–

Board and Executive Management ethnic representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	6	66.67%	2	1	5%
Mixed/ Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	3	33.33%	1	19	95%
Not specified/prefer not to say	–	–	–	–	–

The information presented in the above tables was collected on a self-reporting basis by the Directors, who were asked to confirm which of the categories specified in the prescribed tables were most applicable to them.

Board and Committee performance review cycle

In line with best corporate governance practice and in accordance with the Code and the FRC Guidance on Board Effectiveness, the performance of the Board, its Committees, the Chair of the Board and the individual Directors is reviewed annually.

The Committee has adopted a three-year assessment cycle.

Further information regarding the 2024 and 2025 internal performance reviews can be found on the next page of this report.



2024 internal performance review – key actions through 2025

In 2024, in compliance with the Code requirements, and following the externally facilitated performance review by Clare Chalmers Ltd in 2023, the Board undertook an internal review facilitated by the Company Secretary. Details of the process can be found on pages 133 and 134 of the Company's 2024 Annual Report.

At each quarterly meeting in 2025, the Committee reviewed the key actions arising from the 2024 internal performance review and monitored progress against each. The Committee is pleased to confirm that all actions identified have been completed as outlined below.

Opportunities	Actions	Outcomes and progress
ESG and sustainability oversight	Consider reviewing the Board and Committees' oversight of ESG and sustainability to ensure the Company's governance structure aligns with market and industry expectations. Consider the implementation of an ESG Committee or the appointment of an ESG-designated Director.	Members of the Nomination Committee conducted a comprehensive review of ESG oversight, examining industry best practice and regional peers, and presented their findings to the Nomination Committee in December 2024. The Committee concluded that appropriate oversight was already available to the Board and that a dedicated ESG Committee was not required at this time. ESG matters would therefore continue to be overseen by the Board and its existing Committees. In April 2025, the Terms of Reference for the Audit Committee and Risk Committee, as well as the Schedule of Matters Reserved for the Board, were enhanced to provide greater clarity regarding ESG and sustainability oversight and ownership.
Executive Management succession	Ensure the development of a succession plan for the Executive Management beyond the CEO.	In March 2025, the Nomination Committee received a presentation from the CEO on the development plan and skills analysis for each potential successor within the Executive Management Team.
Code compliance	Ensure sufficient dedicated resources are allocated to help actively manage Code compliance, particularly in relation to internal controls.	Throughout 2025, the Audit Committee received regular updates on the internal controls and Code compliance project. The Audit Committee is content that sufficient resources have been allocated to this project and that progress has been made. The Board also received updates on this matter.
Ameriabank integration	Continue to oversee the integration of Ameriabank to ensure benefits are gained, particularly in respect of finance, risk and audit functions. Ensure there is appropriate Group-level monitoring and reporting to the Board.	Regular updates on the integration and development of the Group structure were provided to the Board during the year. Regular reporting from Ameriabank's Head of Internal Audit and CRO to the Board was established, as well as detailed presentations from Ameriabank's senior management while the Board was in Armenia. Oversight of the integration will continue in 2026.
New Directors' Remuneration Policy	Oversee the development of a new Directors' Remuneration Policy fit for the evolving needs of the Company, and ensure effective management through engagement with key shareholders and proxy agencies.	During 2024 and early 2025, the Remuneration Committee extensively discussed and sought feedback on the renewed Directors' Remuneration Policy. Following AGM approval of less than 80%, Directors continued to engage with shareholders and proxy voting agencies to address concerns and enhance understanding. An update statement was provided on the Group website in December 2025.

2025 internal performance review

In 2025, the Board undertook an internal performance review facilitated by the Company Secretary:

1. Design and scope

In June 2025, the Nomination Committee approved an internal review by the Company Secretary via questionnaire, building on previous internal and external evaluations. The questionnaire was supplemented by interviews conducted by the Chair.

2. Questionnaire

The Company Secretary, in consultation with the Chair, Senior Independent Director and UK General Counsel, prepared tailored questionnaires for the Board, each Committee, the Chair, and individual Directors. All questionnaires were distributed electronically in July and August 2025, and all Directors completed the relevant questionnaires assigned to them.

3. Analysis

The Company Secretary created anonymised reports summarising key findings, which were discussed with the Chair, Senior Independent Director and UK General Counsel before presentation to the Board and Committees in September 2025.

4. Presentation and discussions

In September 2025, the Nomination Committee received a presentation on the review results. The Committee discussed strengths, opportunities, and key priorities for 2026. The Board and each Committee also reviewed their own performance.

5. Director appraisals

In December 2025, the Chair conducted one-to-one appraisal meetings with each Non-executive Director to discuss the results in further detail.

6. Actions

Key actions arising from the review were identified and a schedule was created to monitor their implementation:

Opportunities	Actions	Outcomes and progress
Group-level culture oversight	Enhance Board oversight of corporate culture and behaviours from a Group perspective.	Work is ongoing to ensure robust Board oversight, with suitable monitoring mechanisms currently being identified and assessed.
Director onboarding and development	Introduce coaching support for new and existing Directors to aid integration and ongoing leadership development. Provide regional regulatory training for new Directors where appropriate.	Newly appointed Directors have completed bespoke training programmes tailored to their individual requirements, ensuring they possess the requisite skills and resources to discharge their statutory and fiduciary responsibilities effectively.
Consolidated Group oversight	Consider how consolidated Group-wide oversight can be improved.	At Group level, work is ongoing to review processes and frameworks, with the Board assessing the level of oversight needed for current and future governance needs.

Directors' performance

The performance of the Directors was assessed via a questionnaire and individual appraisal meetings conducted by the Chair. Following careful consideration, the Committee determined that each Director continued to perform effectively and recommends those Directors detailed on page 154 for re-election by shareholders at the 2026 AGM.

Board Chair's performance

The Chair's performance was assessed via a questionnaire, and the SID led a discussion on the Chair's performance without the Chair present. Following careful consideration, the Committee determined that the Board Chair continued to perform effectively and recommends his re-election by shareholders at the 2026 AGM.

Committee's performance

The Committee reviewed its own performance, including that of its Chair, as part of the internal performance review, with findings considered at its September 2025 meeting. The Committee was satisfied with the results of the review and is confident it continues to operate appropriately and fulfil its responsibilities. The Committee noted that the Chair promoted effective and efficient meetings, encouraging open deliberation and positive dynamics. The Committee effectively addressed succession planning while remaining mindful of local regulatory requirements. Future focus will remain on Director training and onboarding.

Audit Committee Report

Enhancing trusted reporting and effective controls to support continued future growth

Membership of Audit Committee and meeting attendance

Committee membership	Date of membership	No. of meetings attended	
		Scheduled	Ad hoc
Andrew McIntyre (Chair)	15 March 2024 26 June 2025 (Chair)	4/4	6/6
Jonathan Muir*	24 February 2018	1/1	4/4
Hanna Loikkanen**	24 February 2018	1/1	3/4
Cecil Quillen***	24 February 2018	1/1	2/2
Maria Gordon****	20 September 2024	4/4	4/6
Karine Hirn*****	7 April 2025	3/3	4/4
Véronique McCarroll******	7 April 2025	3/3	4/4

* Jonathan Muir resigned as a Non-executive Director and as a member of the Committee on 26 June 2025.
** Hanna Loikkanen resigned as a Non-executive Director and as a member of the Committee on 16 June 2025. Hanna Loikkanen was unable to attend one ad hoc meeting during the year due to pre-existing commitments. Hanna had access to all relevant materials prior to the meeting and provided comments to the Chair as appropriate.
*** In accordance with succession plans, Cecil Quillen stepped down as a member of the Audit Committee with effect from 7 April 2025.
**** Maria Gordon was unable to attend two ad hoc meetings during the year due to pre-existing commitments. Maria had access to all relevant materials prior to the meeting and provided comments to the Chair as appropriate.
***** Karine Hirn was appointed as an Independent Non-executive Director and as a member of the Committee on 7 April 2025.
****** Véronique McCarroll was appointed as a member of the Committee on 7 April 2025.

The skills and experience each member contributes can be found on pages 144 to 146.

All members of the Committee are Independent Non-executive Directors of the Board. They, and all other Non-executive Directors of the Board, have the right to attend meetings. The CEO, CFO, CRO, Heads of Internal Audit, Chief Legal Officer, UK General Counsel, Company Secretary and representatives of the External Auditor are regular attendees who provide insight into key developments.

In accordance with the Code, we are pleased to confirm the Committee meets the requirements of comprising at least three Non-executive independent Directors. Furthermore, the Board is satisfied that Andrew McIntyre has recent and relevant financial experience and that the Committee as a whole has competence relevant to the sectors in which the Company operates, and holds the relevant combination of skills and experience to discharge its responsibilities.

Collaboration with the Risk Committee

The Committee works closely with the Risk Committee to ensure that both are updated and aligned on matters of common interest, maintaining a broad and full view of the Group's risk management and internal control matters.

The Terms of Reference of the Risk and Audit Committees were aligned in 2025 to ensure that there is a member of the Risk Committee on the Audit Committee and vice versa, and to ensure that the Audit Committee's Terms of Reference are clearly delineated on operational risk. A joint meeting of the Audit and Risk Committees was held on 13 March 2025, at which viability reporting and stress testing were discussed.

Key objectives

The Audit Committee is delegated by the Board to have overall non-executive responsibility for the oversight of audit-related matters. The Committee's key responsibilities include:

- Ensuring the integrity of the Company's financial and non-financial reporting.
- Ensuring disclosures are fair, balanced and understandable.
- Ensuring adequacy and effectiveness of our systems of internal controls.
- Ensuring appropriate compliance monitoring.
- Ensuring appropriate whistleblowing procedures and monitoring any developments.
- Reviewing procedures for detecting and reporting on fraud.
- Monitoring and reviewing the effectiveness of the Internal Audit functions.
- Approving the Internal Audit Plans.
- Considering an independent third-party review of the Internal Audit functions.
- Ensuring the Company complies with audit tender and rotation obligations.
- Determining the External Auditor's remuneration, terms of engagement, independence and conflicts, and ensuring it has appropriate qualifications, experience and resources.
- Reviewing the External Auditor's effectiveness.
- Monitoring, reviewing and approving any non-audit services and associated fees.

The Committee's Terms of Reference setting out its role and authority can be found at https://lionfinancegroup.uk/leadership-and-governance/documents/

Focus of future activities

The Committee's focus for 2026 will include:

- Approving the financial statements for the year ended 31 December 2025.
- Reviewing key areas of financial judgement and estimates used by management.
- Monitoring key areas of financial and control risk and ensuring adequate and effective controls are in place.
- Continuing to oversee management's preparations for the first formal declaration under Provision 29 of the Code, including monitoring the assessment of material controls and supporting assurance activities.
- Assisting the Board in reviewing the effectiveness of the Group's risk management and internal controls.
- Reviewing the performance of the External Auditor.
- Overseeing the full independent third-party review of the performance of the Internal Audit functions.
- Monitoring progress of the Internal Audit Plans.
- Overseeing the alignment of Bank of Georgia and Ameriabank Internal Audit and financial reporting functions and sharing of best practice.
- Participating in an external performance review of the Committee's performance.
- Monitoring the transition of External Auditor from EY to PricewaterhouseCoopers LLP (PwC).





> We have continued to review and challenge management across a number of areas during 2025, including the integration of Ameriabank into reporting processes and monitoring the control framework in the evolving operating environment."

Andrew McIntyre
Chair of the Audit Committee

Dear Shareholders,

I am delighted to present my first report on the activities of the Audit Committee throughout 2025. This report explains how the Committee operated and discharged its responsibilities during the year, considering matters in relation to financial reporting, the Group's internal control environment and the relationship with the Company's External Auditor and Internal Audit functions.

Committee composition

There were several changes to Committee composition. At the start of the year the Committee comprised Jonathan Muir (Chair), Hanna Loikkanen, Cecil Quillen, Maria Gordon and me.

On 7 April 2025 we welcomed Karine Hirn and Véronique McCarroll as members of the Committee while Hanna Loikkanen and Cecil Quillen stepped down. I was appointed as Chair upon Jonathan Muir's resignation from the Committee and the Board with effect from 26 June 2025. I would like to thank Hanna and Cecil for their commitment and contribution to the Committee, and particularly to Jonathan for chairing the Committee during a very demanding period of growth and change and facilitating a smooth transition.

To enhance information sharing between the Audit and Risk Committees, I was appointed as a member of the Risk Committee and Véronique McCarroll, Chair of the Risk Committee, was appointed as a member of the Audit Committee.

More information about the changes is available in the Nomination Committee Report on pages 152 to 153.

Financial statements

The Committee reviewed management's approach to financial reporting, including a thorough review of significant financial reporting and accounting policies and formal announcements and trading statements relating to the Company's financial performance. We continued to ensure the integrity of the Company's published financial information, and reviewed the judgements made by management and the assumptions and estimates on which they were based.

The Committee receives a report from the CFO each quarter on specific areas of accounting and quality of earnings, and where material judgement has been applied. These areas are discussed, challenged and the opinion of the External Auditor sought before final conclusions on appropriate treatment are reached. Such areas in 2025 included expected credit loss (ECL) provisions and impairments, the accounting treatment of the acquisition of Ameriabank, revenue recognition and the measurement of fair value of investment properties. The Committee heard how management assessed the ECL provision in light of current economic conditions, and challenged the assumptions and controls around the model used to assess their impact.

The Committee also assessed the appropriateness of the change in the Capital Distribution Policy to transition from semi-annual to quarterly dividends with effect from Q3 2025.

Internal controls and the 2024 UK Corporate Governance Code

Throughout 2025, the Committee received regular updates on the Group's preparations for compliance with Provision 29 of the Code. This included reviewing and challenging management's proposed framework for identifying and assessing material controls and considering the readiness of governance and assurance arrangements ahead of 2026 reporting. The Committee reviewed management's approach to material controls and monitored readiness milestones as part of its broader oversight of the Group's risk management and internal control framework.

The Committee is satisfied with the progress made and will continue to oversee this work during 2026. Further information can be found on pages 110 to 111 and 167.

Internal audit

During the year the Committee continued to oversee the role and effectiveness of the Internal Audit functions in both Bank of Georgia and Ameriabank ensuring that the Board received appropriate independent assurance over the course of the year.

The Committee approved the Internal Audit plans at the beginning of the year. At each meeting, the Committee reviewed key audit findings, challenging management where appropriate, and ensuring that remediation plans are in place and executed in a timely manner.

Further information on our work with Internal Audit is available on page 164.

Viability statement

The Committee received reports and held regular discussions regarding the ongoing viability of the Company and its liquidity status. The Committee continued to focus on the key issues relevant to the Group's financial reporting, and worked with management and EY to review any changes required in response to the introduction of new accounting or regulatory guidance.

Further information on our work and the assessment of the viability statement is available on page 123.

External audit

The Committee oversees the relationship with EY, the Group's External Auditor – reviewing its effectiveness, independence, objectivity and compliance with ethical, professional and regulatory requirements. The Committee reviewed and approved the 2025 audit plan and audit fees, and continue to monitor management's responsiveness to the External Auditor's findings and recommendations.

External audit tender

As detailed in last year's Annual Report, the Company's external audit was put out to competitive tender during 2024. An overview of the tender process through to the recommendation is described on pages 141-142 of the 2024 Annual Report, including adherence to the FRC Minimum Standard and to the Statutory Audit Services for Large Companies Market Investigation Order 2014, alongside stakeholder engagement. The result of the competitive tender was announced on 13 December 2024, and a resolution will be tabled at the 2026 AGM to appoint PwC to audit the Group's financial statements for the year ending 31 December 2026.

To ensure a smooth transition, PwC shadowed EY during the audit for the year ending 31 December 2025. I would like to thank Peter Wallace and his colleagues at EY for their support and service to the Group during the firm's tenure.

Throughout 2025 we monitored PwC's shadowing of EY and the effectiveness of EY as the External Auditor, and our findings for the financial year ending 31 December 2025 can be found on pages 165 to 166.

FRC Minimum Standard

I am satisfied that the activities the Committee undertook during 2025 as set out in this report have been performed in compliance with the requirements of the Minimum Standard for Audit Committees published by the FRC in 2023. The Audit Committee has also embedded the Standard within its Terms of Reference to further underpin its operating practices and governance framework, ensuring its activities are conducted in accordance with recognised best practice.

Further details of the Committee's work during the year are set out in the following report. My fellow Committee members and I would be happy to answer any questions about the work of the Committee at the forthcoming AGM.

Andrew McIntyre
Chair of the Audit Committee
24 March 2026



Key activities during the year

Topic	Summary of activity	Find out more (where applicable)
External audit	• Reviewed EY's audit plan, including its scope and methodology, ahead of the FY25 audit. • Discussing with EY its progress and findings throughout the audit. • Conducting a review on the effectiveness of EY and its audit process. • Reviewed any non-audit services and the related policy.	Pages 165 to 166.
Internal Audit functions	• Reviewed the Internal Audit function, plan, KPIs, progress, risk assessment, resourcing and follow-up methodology and structure for both Bank of Georgia and Ameriabank. • Oversaw the interaction between Internal Audit and management. • Reviewed the structures of the Bank of Georgia and Ameriabank Internal Audit teams. • Reviewed reports of internal audits and monitored follow-up actions. • Received a presentation of an internal audit automation tool for anti-money laundering at Bank of Georgia. • Approved the Bank of Georgia annual Internal Audit Plan and budget for 2026. • Approved Internal Audit function KPIs. • Reviewed the Internal Audit balanced scorecard and issues statistics. • Approved amendments to the Bank of Georgia Internal Audit Charter. • Approved Bank of Georgia's Chief Auditor job description. • Monitored and reviewed the effectiveness of the Internal Audit function, including preparing ground work for a gap analysis in preparation for a full independent third-party review. • Selected and engaged BDO to carry out the External Quality Assessment in 2026.	Page 164.
Capital distribution	• Reviewed the capital distribution proposals in relation to share buybacks and dividends. • Reviewed the transition from semi-annual to quarterly dividends.	-
AML and sanctions compliance risk management	• Oversaw the enhancement of the Group's AML and sanctions compliance risk management.	Page 174.
Governance	• Reviewed governance processes and policies and the Committee's Terms of Reference. • Reviewed the performance of the Committee and oversaw management's preparations for Provision 29 of the Code, including review of the material controls framework and consideration of the assurance approach intended to support the Board's future declarations.	Pages 167 to 168.
Financial reporting	• Reviewed the appropriateness and disclosure of accounting policies and practices. • Reviewed the 2025 Annual Report and Accounts content and advised the Board on whether it was fair, balanced and understandable. • Reviewed the ECL provisions for the acquisition of Ameriabank. • Reviewed the accounting treatment of a number of significant items, including allowance for expected credit loss and revenue recognition. • Reviewed the Company's annual and interim financial statements and quarterly accounts relating to the Company's financial performance, including a review of the significant financial reporting policies and judgements therein. • Reviewed the CFO's quarterly reports to the Committee. • Reviewed and recommended to the Board for approval the Going Concern and Viability Statements.	Pages 164 to 168.
Litigation	• Reviewed potentially material litigation and assessed whether provision should be made in respect of such cases.	Note 23 on page 289.

The Committee also received regular reports on information security strategy, cybersecurity risks, and data protection.

Significant issues considered by the Committee in relation to the financial statements

During the year, the Committee received detailed reporting from the CFO and the External Auditor regarding management's judgements, reporting and audit of the financial statements. The Committee and the External Auditor, without management present, discussed the key areas of audit focus, the suitability of the accounting policies adopted, and whether management's key reporting estimates and judgements were appropriate. Considering the External Auditor's assessment of risk, and drawing on its own independent knowledge of the Group, the Committee reviewed and challenged, where necessary, the actions, estimates and judgements of management in relation to the preparation of the financial statements.

The table below provides a summary of the significant issues discussed with the Committee in 2025:

Issue	How it was addressed
Acquisition of Ameriabank and related accounting treatment	The Committee reviewed and approved all significant accounting judgements and estimates related to Ameriabank business combination accounting, including among others: • Independent third-party involvement to estimate the fair values of the acquired assets and liabilities. • Obtaining external audit opinion on 'Day-2' ECL recognised and negative goodwill recorded on acquisition. • Obtaining external audit opinion on the subsequent accounting for business combination date adjustments.
ECL provisions	The Committee reviewed the controls around the development of the model used to assist in determining the appropriate provisions. Key inputs of the model, including economic scenarios and management overlays, were reviewed. The Committee assessed outputs against peers and industry, and sought external audit opinion and views on the model and its output. The Committee reviewed and challenged the judgements used and the resolution of any model deficiencies.
Revenue recognition	The Committee reviewed and challenged management's approach to revenue recognition, focusing on key income streams such as interest income, fee and commission income, and other income, and ensured compliance with applicable accounting standards. It evaluated the design and effectiveness of relevant internal controls and received updates from management, Internal Audit, and the external auditors on the integrity of revenue recognition processes. The Committee also considered areas involving significant judgement or estimation, including non-standard or complex transactions, and sought assurance that these were reasonable and consistently applied. In addition, it reviewed analytical trends to satisfy itself as to the completeness and accuracy of reported income.

For more information on the application of the Group's accounting policies see Note 3 on pages 222 to 234.

Internal audit

The Committee is responsible, on behalf of the Board, for overseeing the Group's Internal Audit function. Both of the Group's principal banking subsidiaries have fully resourced Internal Audit departments responsible for the third line of defence within that bank, and answerable to the Audit Committee of the subsidiary in question. In addition, the Group Audit Committee oversees internal audit for the entire Group, with direct reporting from the Head of Internal Audit of Bank of Georgia and the Director of Internal Audit of Ameriabank. The Group's Internal Audit functions provide independent assurance over the adequacy and effectiveness of the systems and processes of risk management and control across the Group's subsidiaries. The objective of Internal Audit is to strengthen the Group's ability to create, protect and sustain value by providing the Board and management with independent, risk-based and objective assurance, advice, insight and foresight.

One of the Committee's key priorities during the year was to monitor progress in aligning the Bank of Georgia's and Ameriabank's Internal Audit teams and to share best practice between the two departments, especially for emerging subjects and specialised areas, and where efficiencies can be gained from prior experience within one subsidiary or the other.

The Committee continues to monitor the scope, extent, and effectiveness of the Internal Audit functions within the Group's principal operating subsidiaries and receives regular updates on audit findings, corrective measures, and follow-ups. It reviews and approves Internal Audit policies and plans, which are designed using a risk-based approach and are aligned with the Group's overall strategy. In certain cases, the Committee invites heads of divisions and departments to present their responses to internal audit findings.

The effectiveness of the Internal Audit functions is continually monitored using a variety of inputs reported on a quarterly basis, including quality of reports, status of completion of audit plans, and execution of remediation actions.

The Committee has concluded that the Internal Audit functions are effective and retain appropriate independence.

Internal Audit tender for external quality assessment

In accordance with best practice under the Chartered Institute of Internal Auditors' Internal Audit Code of Practice, the Audit Committee determined that an independent third-party review of the Internal Audit function should take place in 2026.

The Committee invited three firms to present their proposals and teams and discussed their fit against predetermined criteria. The Committee was guided by the Global Internal Audit Standards as best practice and followed the process therein. The Committee selected BDO LLP as having sufficient experience alongside local expertise in the region, with the assessment to be carried out by a qualified, independent assessor (Certified Internal Auditor) in accordance with the Standards applicable from 2025. Consequently, BDO were engaged to carry out the External Quality Assessment in 2026.

External audit

The Committee oversees the external audit process on behalf of the Board. During its oversight and review the Committee:

- approved the annual external audit plan, which included setting the areas of responsibility, scope and key risks identified;
- oversaw the audit engagement, including the degree to which the External Auditor was able to assess key accounting and audit judgements;
- reviewed the findings of the external audit with the External Auditor, including the level of errors identified;
- monitored management's responsiveness to the External Auditor's findings and recommendations;
- reviewed the qualifications, expertise and resources of the External Auditor;
- monitored the External Auditor's independence, objectivity and compliance with ethical, professional and regulatory requirements;
- reviewed audit fees;
- conducted a review of the effectiveness of the External Auditor and the audit process;
- monitored the rotation of key partners in accordance with applicable legislation; and
- recommended the reappointment of the External Auditor.

External auditor fees

The total fees paid to EY for the year ended 31 December 2025 were GEL 4.638 million, of which:

Audit services

- GEL 1.824 million – audit of these financial statements
- GEL 1.564 million – audit of financial statements of subsidiaries

Non-audit services

- GEL 0.659 million – audit-related services
- GEL 0.591 million – non-audit services

Further disclosure on the remuneration paid to EY can be found in Note 27 on page 294.

Additional information regarding Non-audit services and auditor independence is detailed below.

Auditor independence

In accordance with the FRC Minimum Standard and the Code, the Committee is responsible for reviewing the independence of the Group's External Auditor and satisfying itself as to its continued independence.

EY has provided confirmation that it remains independent of the Group and its management. The Committee considered this matter and after reflecting on the scope of the work carried out by EY, its tenure as External Auditor, its demonstration of professional scepticism and its relationship with the Group and its team, concurred with that conclusion.

This included the review of a report from EY confirming its arrangements to identify, report and manage any conflicts of interest, its policies and procedures for maintaining independence and monitoring compliance with relevant requirements; and the review of the value of the non-audit services it provides.

The Committee also reviewed and discussed EY's independence in respect of the non-audit services provided during the year. The Committee received an update from EY confirming its continued independence, and agreed that it remained satisfied in this regard. EY has also confirmed its independence throughout the year within the meaning of the relevant regulations and in accordance with its professional standards.

As indicated in Note 27 to the Consolidated Financial Statements on page 294, the total fees paid to EY for the year ended 31 December 2025 were GEL 4.638 million, of which GEL 0.591 million, related to work other than the audit of year-end or review of the interim accounts.

The Committee asserts that occasionally engaging EY for non-audit work is the most efficient method of having those services delivered and does not consider that this work compromises EY's independence. Further information regarding non-audit services can be found below.

Non-audit services

The Committee's Non-audit Services Policy safeguards the auditor's independence and objectivity. This policy was reviewed and updated in December 2025 and confirmed to be in accordance with the FRC Ethical Standard issued in January 2024, which limits the non-audit services the External Auditor may provide.

The provision of non-audit services by our External Auditor aligns with the current EU Statutory Audit regime, the FRC Ethical Standard 2019 and 2024 (the 'Ethical Standard'), the International Accounting Standards, the UK Listing Rules and the Code. Except in very narrow circumstances, any work other than for the audit or review of interim statements to be undertaken by the External Auditor now requires authorisation by the Committee – which properly assesses potential threats to the independence of the External Auditor and the safeguards applied in the Ethical Standard. The policy is available on our website at https://lionfinancegroup.uk/leadership-and-governance/documents/

EY undertook non-audit services of direct benefit to shareholders of the Company, in the form of assurance work carried out in connection with the review of the Company's 2025 half-year results and the covenant compliance review. EY also undertook non-audit services in respect of the issuance of Eurobonds.

In 2025, EY informed the Committee that it identified that non-audit services prohibited under the FRC's Ethical Standard were provided by Kept Armenia to Belarusky Narodny Bank (BNB) during 2025. The service provided to BNB related to corporate governance assessments previously mandated by the National Bank of Belarus. This service has now been ceased. The Committee recognised that this was a minor breach and EY remains independent.

The Committee recognises and supports the importance of auditor independence. It reviewed EY's performance of non-audit services during 2025 and is satisfied that it did not, and will not, impair its independence.

The value of non-audit services work by EY was GEL 0.591 million in 2025 (2024: GEL 0.655 million), representing approximately 12.7% of the total fees paid to EY as set out in Note 27 to the Consolidated Financial Statements on page 294.

Audit tender and lead partner rotation

EY was appointed as Auditor of Lion Finance Group PLC in 2018 and reappointed by shareholders at the 2025 AGM. The Committee was authorised to set the remuneration of the auditor, with 98.45% and 99.95% of votes in favour for each resolution respectively.

In December 2024, the Company announced the result of the competitive tender, and of its intention to recommend the appointment of PwC as auditor for the year ending 31 December 2026. EY has continued in its role and undertook the audit of the Company for this financial year. The appointment of PwC will be recommended to the Company's shareholders for approval at the 2026 Annual General Meeting.

The external audit tender process was set out in detail in the Annual Report for the year ending 31 December 2024.

Since the most recent rotation of the audit partner in 2021, Peter Wallace has served as the lead audit partner for the Company.

PwC has shadowed EY during the 2025 audit as part of the transition of External Auditor. Additional time will be taken by the Committee and management during 2026 to ensure an orderly handover to our new auditors.

During 2025, the Company complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the External Auditor and the setting of a policy on the provision of non-audit services.

Auditor appointment

A resolution for the appointment of PwC will be put to shareholders at the Annual General Meeting in 2026. EY will cease to hold office following the completion of the audit of the Group's financial statements for the current year ended 31 December 2025. This recommendation to shareholders is free from influence from a third party, and no contractual term restricting the choice by the General Meeting of the Company's shareholders to certain categories or lists of statutory auditors or audit firms has been imposed on the Company. The Committee would like to thank EY for its service as the Group's auditors and for the professionalism during the tender process and handover to PwC.

Assessing the effectiveness of the external audit process and External Auditor

The Committee and members of management undertake a formal process to provide feedback via questionnaire on the external audit process. The Committee reviews the findings, including both qualitative and quantitative data and, where necessary, arranges follow-up sessions to obtain further information. In addition, the Committee has an established framework for assessing the effectiveness of the external audit process. This includes:

1. External Auditor

Assurance from the External Auditor covering independence (further information is available on pages 165 to 166), matters raised in the FRC's Annual Quality Review inspection reports, and remedial actions taken by EY.

2. Management

Management will take part in and receive the output from a survey of those involved in the external audit process. Assurance on the disclosure process from the provision of information to the auditors is sought from the CEO and CFO to ensure disclosures are appropriate.

3. Audit process

Delivery of the audit plan and Independent Auditor's Report, including the materiality level set by the External Auditor and the process to identify financial statement risk and key areas of focus, is assessed throughout the year. There are regular communications between the External Auditor and both the Committee and management, including discussion of regular papers prepared by management and EY. Assurance on the operation of the audit quality process at EY is received and reviewed by the Committee.

4. Audit Committee

The Committee assesses the output of the annual effectiveness evaluation to identify any opportunities for improvement or areas of concern. In addition, the Committee reviews the output from the survey on the external audit process and discusses findings with EY. A review of the final audit report is undertaken, noting key areas of auditor judgement and the reasoning behind them. The Committee has regular discussions with EY without management present, and with management without EY present, to discuss the external audit process.

Outcome

Following consideration of all elements of the external audit effectiveness review process, in addition to the engagement and communication between the Committee, management and the External Auditor, the Committee confirmed that it was satisfied that the external audit process provided by EY had been delivered effectively. The Committee concluded that EY had demonstrated a depth of knowledge and good discussion of critical accounting policies while providing constructive, independent and objective challenge to management. The Committee welcomed the findings and identified areas of opportunity and improvement for the 2025 audit.

The Committee is satisfied that the relationships between the External Auditor and management allow for scrutiny of views on both sides, and is pleased the evaluation highlighted the ability and willingness of the External Auditor to challenge management's views in a constructive and proportionate manner.

Meetings with the auditors

During the year the Committee met privately, without management present, with EY and the Heads of Internal Audit, and the Chair of the Committee held discussions with the lead audit partner in advance of such meetings. These private meetings encouraged discussion of any concerns in more detail, directly with the External Auditor and the Bank of Georgia Head of Internal Audit. The Chair of the Committee maintained regular dialogue with the External Auditor throughout the year.

Going concern

The Group prepared forecasts, including various sensitivities, taking into account the principal risks and uncertainties identified on pages 111 to 122. Having considered these forecasts, the Directors remain of the view that the Group has sufficient capital and access to capital to conduct its business for at least the next 12 months. The Committee reviewed the forecasts and the Directors' expectations based thereon, and agreed they were reasonable. Accordingly, the Consolidated Financial Statements have been prepared on a going concern basis.

Viability statement

In accordance with Provision 31 of the Code, the Board is required to make a statement in the Annual Report and Accounts regarding the Group's viability over a specified time horizon. Details on our work in developing and assessing the viability statement can be found below.

Developing a robust viability statement

In collaboration with the Risk Committee, and taking into account FRC guidance, the Committee considered the timeframe over which the viability statement should be made and assessed the period of coverage – which it agreed should be three years. This period is considered appropriate as the budget and business processes are based on a three-year horizon.

Assessing the Group's viability

In assessing the Group's viability over the three-year time horizon, the Committee considered different types of information, including:

- The Group's business model and strategic plans.
- Current capital position and projections over the relevant period.
- Liquidity and funding profile and projections over the relevant period.
- The Group's risk profile, including any breaches of risk appetite, and principal and emerging risks that could have a significant negative impact on the Group.

- The effectiveness of the Group's risk management framework and internal control processes.
- Stress testing and reverse stress testing.

The process of assessing the Group's viability over the three-year time horizon included:

Stage 1

Risk identification

A review of the principal risks to viability over the period was undertaken, including those that would impact the solvency and liquidity of the Group either separately or jointly.

Stage 2

Risk assessment

Each identified risk was carefully reviewed in accordance with our risk appetite, existing control framework and the quantum of risk.

Stage 3

Scenario sensitivity analysis

Management undertook stress testing to review plausible adverse events and circumstances and how these may affect the business over the long term, as well as reverse stress testing to consider what level of disruption may cause the Company to fail.

Stage 4

Conclusions

The Committee considered the findings from the analysis. The conclusion was presented to the Board to provide the opportunity for review and challenge.

Our full viability statement can be found on page 123.

Whistleblowing, conflicts of interest, anti-bribery and anti-corruption, and data protection

The Committee ensures that effective whistleblowing procedures are in place. The Group Whistleblowing Policy is reviewed annually and allows employees and stakeholders to anonymously raise concerns without fear of recrimination and protection from retaliation. The Group uses independent whistleblowing reporting channels and case management tools and the Company continued to promote the importance of the whistleblowing processes and procedures to employees during the year.

In line with the Code, responsibility for the whistleblowing process sits with the Board. The Committee continues to monitor the use of the systems and receives quarterly updates on whistleblowing procedures; while reports on specific cases are reviewed. The Committee also received reports on any Code of Conduct and Ethics violations. Details of reports received through the whistleblowing platforms can be found on page 63.

The Committee annually reviews the Group's Anti-Bribery, Anti-Corruption and Anti-Fraud Policy (ABCF Policy) and procedures and receives reports from management on a regular basis in relation to any actual or potential wrongdoing. During this financial year, the ABCF Policy was updated to reflect the legislative changes enacted by the UK Economic Crime and Corporate Transparency Act 2023.

The Committee also continues to oversee compliance with GDPR and receives regular updates regarding data protection. The Committee noted the legislative changes to Georgia's data protection supervision and its implications for the business.

Risk management and internal controls

Although the Board assumes ultimate responsibility for the Group's risk management and internal control framework, its work is supported by the Risk and Audit Committees. The Audit Committee assists the Board in fulfilling its responsibility to review the adequacy and effectiveness of the controls over financial reporting.

The Committee is supported by a number of sources of assurance within the Group in order to discharge its responsibilities.

Risks are regularly reviewed and management provides updates to the Committee on how they are managed within particular business areas. It also receives reports from the Internal Audit team and reports on any compliance issues and litigation updates from the Group Chief Legal Officer.

The Internal Audit Plans for 2025 and 2026 included risk heatmaps. The Committee received updates on changes required to ensure compliance with the Global Internal Audit Standards.

With respect to external assurance, the Committee reviews the External Auditor's reports – which include observations on risk management and internal financial controls identified as part of its audit.

The Committee also monitors the Group's compliance with corporate governance policies and procedures related to anti-bribery and corruption, conflicts of interest and whistleblowing.

Further information on our risk governance, risk management and internal controls can be found on pages 108 to 111.

2024 UK Corporate Governance Code Provision 29 readiness

During 2025, the Committee received updates on the implementation of the revised Code requirements and on management's preparations for compliance with Provision 29. This included a review of the proposed approach to identifying material controls and consideration of the planned dry run of the assessment and reporting process ahead of 2026 implementation.

The Committee will continue to oversee progress during 2026, including monitoring readiness for the first formal Board declaration.

Fair, balanced and understandable reporting

The Committee reviewed this Annual Report and Accounts to consider whether, taken as a whole, it is fair, balanced and understandable, and whether it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Committee continued to gain assurance that there is a robust process of review and challenge at different levels within the Group to ensure balance and consistency. The Committee went through the following process in making its assessment:

1. Audit Committee review

The Committee reviewed the Annual Report throughout the process and actively provided input and challenge to ensure balance and consistency.

2. Report from the CFO

The Committee received a report from the CFO covering the financial statements within the Annual Report and Accounts, including any amendments to areas of focus and any new accounting standards during the period.

3. Fair, balanced and understandable assessment

A fair, balanced and understandable assessment was prepared by management and presented to the Committee. In addition, the overall message and tone of the Annual Report was discussed with the Group's CEO and CFO, and the Committee considered other information regarding performance presented to the Board during the period.

4. External audit review

The External Auditor presented the results of its audit work to the Committee.

5. Recommendation to the Board

The Board received and approved the Committee's recommendation that a fair, balanced and understandable statement could be made as detailed within the Directors' Responsibility Statement on page 196.

Outcome

Following this review, the Committee believes that the 2025 Annual Report and Accounts is representative of the year and provides an understandable overview, offering shareholders the necessary information to assess the Group's position, performance, business model, and strategy.

Committee performance review

As part of the wider Board and Committee performance review, the details of which can be found on pages 156 to 158 of the Nomination Committee Report, an internally facilitated review of the Committee's and the Committee Chair's effectiveness was undertaken during 2025 via a questionnaire. The findings were considered by the Committee at its September 2025 meeting.

The review concluded that the Committee functioned well and had the appropriate composition and competence to fulfil its duties. The interactions between the Committee and the Board, management, Internal Audit and the External Auditor were also considered appropriate. Key themes included the oversight and integration of Ameriabank and developing a consolidated view of Internal Audit and financial reporting. The Committee was pleased with the results of the performance review and will continue to consider areas in which it can improve in the future.

Risk Committee Report

Providing robust oversight of risk management to support the delivery of the Group's strategy within our defined risk appetite and regulatory framework

Membership of Risk Committee and meeting attendance

Committee membership	Date of membership	No. of meetings attended	
		Scheduled	Ad hoc
Véronique McCarroll (Chair)	1 October 2018 1 January 2022 (Chair)	4/4	N/A
Tamaz Georgadze	24 February 2018	4/4	N/A
Mariam Megvinetukhutsesi	12 March 2021	4/4	N/A
Karine Hirn*	7 April 2025	3/3	N/A
Andrew McIntyre**	7 April 2025	3/3	N/A

* Karine Hirn was appointed as an Independent Non-executive Director and as a member of the Committee on 7 April 2025.
** Andrew McIntyre was appointed as a member of the Committee on 7 April 2025.

The skills and experience each member contributes can be found on pages 143 to 146.

All members of the Risk Committee are independent Non-executive Directors of the Board. Committee members and any other Non-executive Directors of the Board have the right to attend Committee meetings. Other individuals – including the Chairman of the Board, Group CEO, CFO, CRO, other representatives of the Group's risk function, the CLO, Heads of Internal Audit and the External Auditor – may be invited to attend all or part of any meeting if deemed appropriate and necessary with the agreement of the Committee Chair.

Key objectives of the Committee

The Risk Committee, delegated by the Board, continues to have overall non-executive responsibility for the oversight of risk-related matters and the risks impacting the Group. Its key responsibilities include:

- Overseeing and advising the Board on all risk-related matters, including the ongoing development of risk management policies, framework and infrastructure.
- Providing guidance to the Board on all risk-appetite matters, ensuring alignment with strategic objectives, regulatory expectations and evolving best practice.
- Reviewing the effectiveness of the Group's risk management framework and internal controls systems (other than those overseen by the Audit Committee).
- Challenging and overseeing the Group's stress-testing exercises and approach to conduct, fairness, and financial crime prevention.
- Assessing and challenging principal and emerging risks facing the Company and reviewing related disclosures in the Half-year and Annual Report to ensure transparency and resilience.

The Committee's Terms of Reference set out its role and authority, and can be found on our website at https://lionfinancegroup.uk/leadership-and-governance/documents/

Focus of future activities

The Committee's focus for 2026 will include:

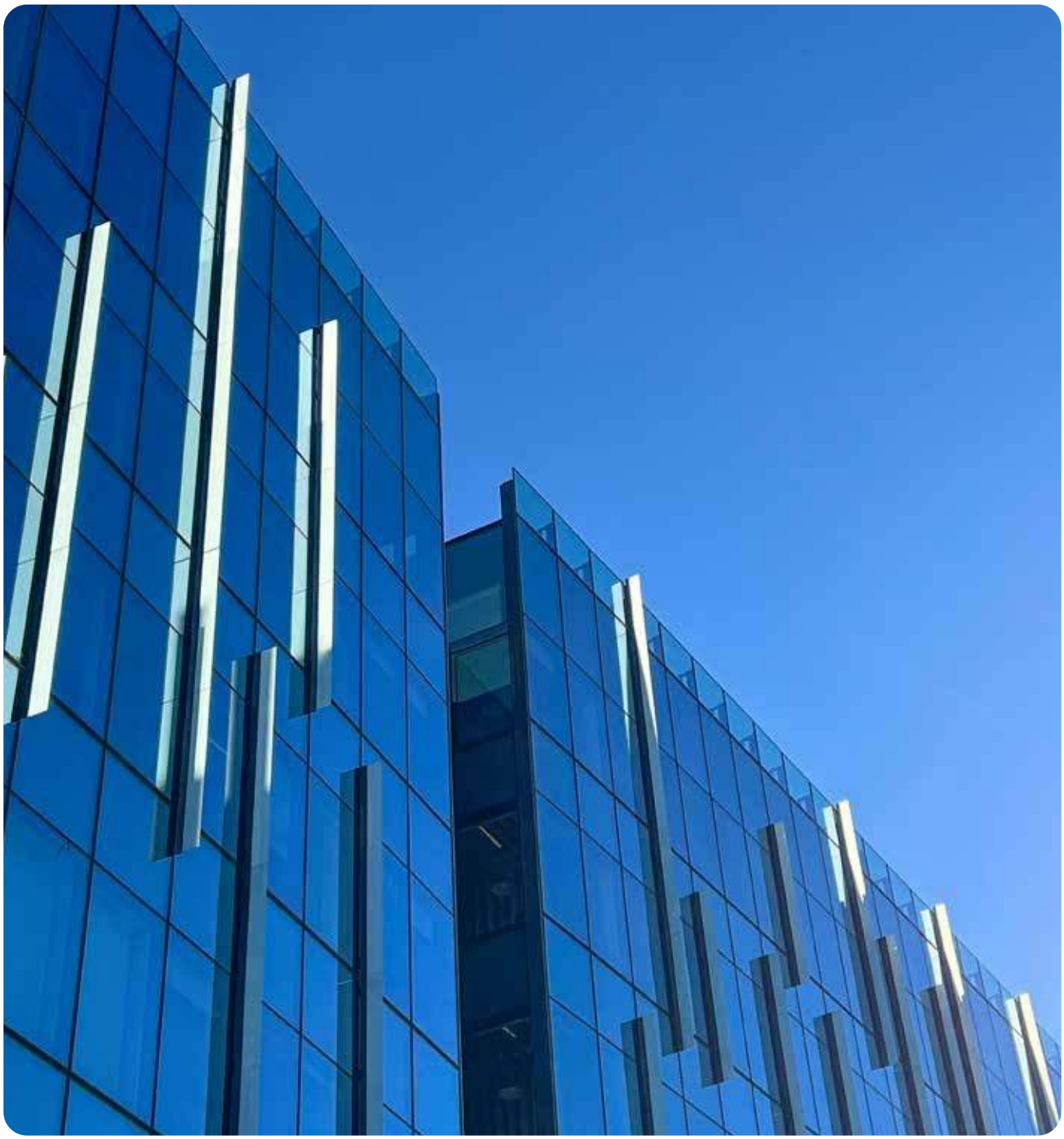
- Proactively monitoring critical risk exposures and emerging risks within a dynamic macroeconomic, geopolitical, and regulatory environment, with particular focus on sectoral credit risk, liquidity pressures, digital transformation and operational risks.
- Continued oversight of Ameriabank's integration into the Group's risk governance framework following significant progress in 2025.
- Continuing to work with the Audit Committee to advance the enhancement of the Group's Risk Register, ensuring it provides a comprehensive, integrated view of risks and associated controls.
- Supporting the Board, in conjunction with the Audit Committee, to review the effectiveness of the Group's internal non-financial controls and risk management framework, and consider whether the controls are effective and any remediation actions required.
- Participating in an external performance review of the Committee's performance.

Collaboration with the Audit Committee

Throughout 2025, the Risk Committee maintained close collaboration with the Audit Committee to ensure both Committees remained informed and aligned on areas of shared interest, supporting a comprehensive and integrated view of the Group's risk management and internal control environment.

A joint meeting of the Audit and Risk Committees was held on 13 March 2025, at which viability reporting and stress testing were discussed.

To further enhance information sharing between the two Committees, Andrew McIntyre, Chair of the Audit Committee, was appointed as a member of the Risk Committee from 7 April 2025, and Véronique McCarroll, Chair of the Risk Committee, was appointed as a member of the Audit Committee from the same date. This cross-membership has strengthened governance and enabled a more coherent approach to oversight of risk management and internal controls across the Group.





> We have continued to focus on maintaining a healthy risk culture and ensuring that the risk governance framework is consistently relevant, robust and transparent to support the long-term strategy and success of the Group."

Véronique McCarroll
Chair of the Risk Committee

Dear Shareholders,

As Chair of the Risk Committee (the 'Committee'), I am pleased to present our report for 2025. This report outlines the Committee's principal activities and areas of focus, and details how we discharged our responsibilities on behalf of the Board.

Group risk

A key area of focus for the Committee has been the integration of Ameriabank, ensuring consistency with the Group's risk management framework and policies, and robust Committee oversight. The integration has progressed well, and oversight has been strengthened through regular quarterly updates and the introduction of a consolidated Group risk dashboard. Presented to the Committee each quarter, this dashboard provides a holistic view of key risk areas across the Group's banking subsidiaries, enhancing transparency and decision-making.

The Committee also received updates from Ameriabank's CRO during the year, noting the strengthening collaboration between the Bank of Georgia and Ameriabank Risk teams and the progress of key joint initiatives, including a harmonised risk appetite framework and the Group risk register.

Geopolitical and macroeconomic risks

The geopolitical and macroeconomic environments in the Group's core markets remained a dominant theme in our 2025 discussions. In light of political developments in Georgia and Armenia, we closely assessed the potential implications for the Group and actively monitored mitigation strategies across different risk scenarios. To ensure robust oversight, the Committee held regular, in-depth sessions with the Group CRO throughout the year, receiving detailed updates on key risk areas, including international sanctions, liquidity risk, and credit exposures, particularly within vulnerable sectors of both economies.

Risk appetite and risk management

At each quarterly meeting, we reviewed the CRO's comprehensive Bank of Georgia risk report, which covered both financial and non-financial risks. Given the continued focus on macroeconomics, this report includes a newly developed dashboard of economic activity indicators, which serves as a valuable early-warning tool. The Committee noted with approval the continued improvements in the risk reports and dashboards presented.

Our annual review of the Bank of Georgia risk appetite framework confirmed our satisfaction with its ongoing implementation and continuous improvements. The risk appetite framework is regularly monitored in alignment with strategy, capital planning and regulatory requirements. Furthermore, we approved the addition of a new risk appetite metric specifically focused on fraud risk at Bank of Georgia. The Ameriabank risk appetite framework will be presented to the Committee in March 2026 to ensure its alignment with that of Bank of Georgia.

Throughout the year, we actively supported the CRO in driving enhancements to the risk management framework. Key initiatives included implementing the Group risk taxonomy, progressing the development of a Group risk register, and approving a renewed operational risk management framework.

The Committee also reviewed the latest stress testing results and the updated Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) for Bank of Georgia and Ameriabank.

The Committee was regularly updated on the impact of regulatory changes and significant compliance matters in Georgia and Armenia.

Working with the Audit Committee

We have continued to work closely with our colleagues on the Audit Committee on matters including liquidity, capital adequacy, the risk register, anti-money laundering and sanctions compliance, whistleblowing, information security, cyber security and overall compliance. A significant joint effort was overseeing the alignment of the Group's risk register with the internal control requirements of the Code. During 2026, the Committee will continue to play an active role alongside the Audit Committee in overseeing the development of the Group's risk management and internal control processes.

Committee review

In 2025, we conducted an internal review of the Committee's performance and were pleased with the outcome. We remain committed to continuous improvement and will take forward the recommendations from the review to further enhance our effectiveness during 2026. Further information on the review can be found on page 175 of this report.

Committee composition

To enhance information sharing between the Audit and Risk Committees, Andrew McIntyre, Chair of the Audit Committee, was appointed to the Risk Committee, and I was appointed to the Audit Committee, both with effect from 7 April 2025. This enhanced collaboration has strengthened our ability to identify and respond to emerging risks in a timely and coherent manner and will support the Board's assessment of the effectiveness of the risk management and internal controls framework.

Further detail of the Committee's work during the year is set out in the following report.

Véronique McCarroll
Chair of the Risk Committee
24 March 2026

Key activities and significant issues considered during 2025

During 2025, the Committee received updates and presentations from the Group CRO, Risk teams, and senior management. These sessions covered a wide range of risks facing the Group, risk culture, and risk appetite.

The Committee maintains a strong focus on key risk topics, using in-depth reviews where necessary to ensure a comprehensive understanding of specific risks and their associated mitigations. The Committee is satisfied with the ongoing improvements in the quality of risk reporting and the ongoing strengthening of the risk culture across the Group.

To inform the Company's Viability Report and Going Concern statements for the 2025 financial year, the Risk and Audit Committees jointly reviewed the stress testing and the reverse stress testing methodologies, including the underlying scenarios, metrics, and mitigating actions.

The table below provides an overview of the principal areas considered by the Committee during the year and further information regarding the Group's approach to risk management can be found on pages 108 to 111:

Risk areas	Actions and outcomes
Macroeconomic & geopolitical risks	Prior to each quarterly Committee meeting, the Board considers macroeconomic developments and the political and geopolitical risks affecting the Group's principal operating subsidiaries, providing context for the Committee's discussions on the Group's risk management. During the year, the Committee continued to discuss political and geopolitical events impacting the economies of Georgia and Armenia, the Company's core markets. Given geopolitical and macroeconomic risks, regulatory changes affecting the banking sector, and the indirect impact of global instability on credit quality, customer behaviour and liquidity conditions, these matters were discussed at each quarterly Committee meeting. A newly developed dashboard of economic activity indicators for Bank of Georgia was presented to the Committee to support regular monitoring of economic trends and to inform credit policy and risk appetite decisions. As part of regulatory stress testing, Bank of Georgia presented stress-testing scenarios assessing the potential impact of a severe economic downturn in Georgia. The results demonstrated that, despite the severity of the scenario, the Bank remained resilient, particularly with respect to sanctions risk, credit risk, capital, liquidity and business continuity. Geopolitical and macroeconomic developments and their impacts on the business will be closely monitored in 2026.
Risk appetite	In March 2025, the Committee reviewed and approved the updated risk appetite for Bank of Georgia. The proposed changes, presented by the CRO, included revised limits for capital adequacy and liquidity ratios to reflect the evolving operating environment. New metrics relating to fraud risk were added to the operational risk section, reflecting its growing significance as a key risk in digital banking. As the principal operating subsidiaries of the Group maintain their own risk appetite statements, the Committee also reviewed key internal risk metrics for Ameriabank during the year. Recognising the importance of a consistent approach across the Group, the Committee has requested the development of a harmonised risk appetite framework. This framework is expected to be presented to the Committee for review in the first quarter of 2026.

Risk areas	Actions and outcomes
Enterprise risk monitoring, including Group risk profile	The Group operates an Enterprise Risk Management (ERM) process to identify and assess principal risks and related controls. The Committee reviews the outputs of this process, assesses the effectiveness of the risk management system, and considers opportunities to enhance controls and assurance. ERM maintains comprehensive risk dashboards at both the Group and principal operating subsidiary levels, ensuring that key material issues, including the top 20 risks, are appropriately covered. ERM also provides updates on key risk-related initiatives, including risk register enhancements and regulatory change management. In 2025, management assessed the effectiveness of risk mitigation and control functions, with findings reported to both the Committee and Audit Committee. The Committee conducted a robust review of principal risk disclosures for the Half-year and Annual Reports and provided recommendations to the Board. It also received regular updates on the Ameriabank integration, with key risk matters escalated as appropriate. The Committee reviewed quarterly risk reports for Bank of Georgia, covering performance against risk appetite and key risk indicators (KRIs) across financial and non-financial risks, including operational, financial crime, cyber, model and ESG risks. In recognition of the Board's responsibility to make the necessary declarations regarding the effectiveness of material internal controls, with effect from the financial year ending 31 December 2026, as required by Provision 29 of the Code, the Committee discussed preparatory steps to aggregate and align inputs from Ameriabank and Bank of Georgia. This includes internal controls and risk management frameworks, with a view to developing a clearer and more streamlined Group-wide risk universe.
Integration of Ameriabank	During the year, the Committee received reports focused on the evolving risk profile of the Group, including both Bank of Georgia and Ameriabank, reflecting the ongoing integration process. As the year progressed, the scope of risk reporting was expanded to provide a more comprehensive view of the combined risk profile, enabling the Committee to review and assess risks across the Group. In the second half of the year, risk reporting and Committee discussions increasingly reflected Ameriabank's risk exposures, control environment, and alignment with Group risk frameworks. This evolution provided the Committee with enhanced visibility over integration progress and strengthened its oversight of risk across both principal operating subsidiaries of the Group. The introduction of consolidated Group risk dashboards further enhanced transparency and supported informed decision-making at the Group level. Furthermore, Ameriabank's CRO presented Ameriabank's risk report to the Committee twice during the second half of the year, covering a broad spectrum of principal risks and engaging with the Committee to answer questions.
Credit risk	The Committee received regular updates on the Group's credit risk profile, including key portfolio quality developments, cost of credit risk trends and detailed analyses of Stage 3 loans amid significant portfolio developments. These reports were discussed at scheduled quarterly meetings and, when necessary, during informal interim calls with management. The Committee continued to monitor segment-level, sectoral, and top borrower concentration risks. Throughout the year, the Committee received updates on the Georgian residential real estate development sector to ensure oversight of key risks and required actions.
Capital and liquidity risks	Together with the Audit Committee, the Committee received updates on Bank of Georgia's, and Ameriabank's, capital and liquidity positions, ensuring that all ratios remained above the minimum regulatory requirements and that compliance with internal limits was maintained. The Committee reviewed and approved the updated ICAAP and ILAAP for Bank of Georgia.
Risk Register	The ERM function has developed a comprehensive bank-wide Risk Register for Bank of Georgia, creating a detailed inventory of all principal risks. This initiative aims to establish a common risk taxonomy across key assurance functions, including Internal Audit and the Internal Control Over Financial Reporting function. The Committee monitors the Risk Register at each quarterly meeting to ensure its continued relevance and completeness. During 2025, Group ERM actively supported Ameriabank in developing its own Risk Register. This work contributes to the creation of a consolidated Group-level risk register, currently underway as part of the broader Group risk taxonomy project. The project is designed to support the Board's responsibilities under Provision 29 of the Code regarding internal controls..

Risk areas	Actions and outcomes
Risk culture	In 2025, the Committee reviewed the findings of a comprehensive risk culture assessment at Bank of Georgia. The results confirmed a strong level of risk awareness and accountability at managerial level, but also identified opportunities to enhance the culture of openness and communication among non-managerial employees. Key areas for improvement included encouraging the acknowledgement of mistakes, increasing awareness of the anonymous reporting line and providing clearer guidance on risk escalation channels. The Committee has endorsed targeted initiatives for 2026 to reinforce a 'speak-up' culture, raise the visibility of the Risk function and its tools, and clarify points of contact for employees. Progress against these initiatives will be monitored by the Committee throughout the year.
Operational risks	The Committee reviewed the operational risk profile of both Bank of Georgia and Ameriabank using comprehensive risk heat maps and descriptions of top incidents and key risk scenarios. Compliance and financial crime risks, including internal and external fraud, remain key areas of focus. The expansion of digital banking, alongside the emergence of AI-powered impersonation and social engineering techniques, has significantly increased the Group's exposure to fraud threats. Fraud schemes continue to evolve in both complexity and speed, requiring heightened vigilance and enhanced controls. In response, the Committee approved the introduction of a dedicated fraud risk appetite metric for Bank of Georgia, which will be reviewed and refined further in 2026. The Committee also reviewed Ameriabank's planned actions, including accelerated mitigation for business continuity, third-party, and data governance risks. Following a detailed presentation on Bank of Georgia's business continuity management framework, the Committee identified crisis management and third-party risk management as priority areas for enhanced oversight in the coming year. The Committee also reviewed and approved a renewed Operational Risk Management (ORM) framework for Bank of Georgia. The update was prompted by the significant transformation of the ORM function during 2025. The revised framework provides a more coherent and comprehensive structure for operational risk governance. Key enhancements include clarified roles and responsibilities, refined risk classifications, and formal integration of critical programmes such as Third-Party Risk Management, Business Continuity and Operational Resilience and Fraud Risk Management. Following a thorough review, the Committee was satisfied that the framework provides a robust foundation for managing operational risk.
Financial crime risks	In 2025, the Risk and Audit Committees maintained close oversight of AML and sanctions compliance risk management. The Committees dedicated significant time to reviewing the Group's AML processes and procedures to ensure they remained robust and effective. Attention was also given to the development of regular AML and sanctions risk reporting across the Group to monitor key risks. These ongoing efforts demonstrate a proactive approach to maintaining strong AML and sanctions compliance controls and ensuring full compliance with applicable international sanctions regimes, including those of the UN, US, UK, and EU.
IT, information and cyber security risks	The Committee received quarterly updates on information and cyber security within the Bank of Georgia and Ameriabank risk reports.
ESG and climate-related risks	The Committee monitored the environmental and social (E&S) risk profile of the Group's loan portfolio, including exposure dynamics and concentrations in high-risk sectors. In parallel, the Committee noted the continued expansion of the Group's Green Loan Portfolio. The Committee continues to monitor the Group's progress in developing its climate risk management capabilities and receives regular updates to support its oversight. While recognising the data limitations that currently constrain robust climate risk assessments and portfolio emissions monitoring, the Committee remains focused on driving improvements in this area across the Group.
Related-Party Transaction (RPT) Policy	The Committee reviewed the revised Related-Party Transactions (RPT) Policy, updated to reflect the integration of Ameriabank, and subsequently recommended it to the Board for approval.

2025 Committee performance review

In 2025, the Committee undertook an internal performance review, facilitated by the Company Secretary, with findings considered by the Committee at its September 2025 meeting.

The review methodology involved a detailed questionnaire, completed by each member, which assessed key aspects of the Committee's performance, including:

- Management and effectiveness of its annual work cycle and meeting agendas.
- Quality and timeliness of information provided.
- Effectiveness of its oversight of risk reporting, risk management policies and practices and internal controls.

The review concluded that the Committee continues to operate effectively. It affirmed that the Committee is appropriately composed, with a strong mix of skills and relevant experience. The effective leadership of the Chair and the strong working relationship with the Risk function were also highlighted. Based on these findings, the Committee determined that it had successfully fulfilled its responsibilities in accordance with its Terms of Reference during 2025.

The review also recognised the introduction of cross-committee membership between the Chairs of the Risk and Audit Committees as a notable success, which has enhanced governance and fostered positive change.

One area identified for continued focus is ensuring that briefing papers are targeted and clearly highlight matters requiring the Committee's attention. The Committee also reaffirmed that one of its priorities for 2026 will be the continued oversight of Ameriabank's integration into the Group's risk governance framework.

Looking ahead, the Committee remains committed to identifying opportunities for further improvement to strengthen governance and support the delivery of long-term value for the Company.



"Our distinctive remuneration framework, approved at the 2025 AGM, continues to drive exceptional performance and long-term shareholder value creation."

Cecil Quillen
Chair of the Remuneration Committee

Membership of Remuneration Committee and meeting attendance

	No. of meetings attended	
Committee membership	**Scheduled**	**Ad hoc**
Cecil Quillen (Chair)	4/4	2/2
Tamaz Georgadze	4/4	2/2
Hanna Loikkanen*	1/1	2/2
Mel Carvill	4/4	2/2
Maria Gordon	4/4	2/2

In addition to formal meetings held during the year, the Committee also participated in various telephone discussions. There is a standing invitation for other Board members to attend meetings. The CEO and other members of management may be invited to attend meetings to provide more insight into key issues and developments. Other attendees at Committee meetings who provided advice or assistance on remuneration matters from time to time include the CEO, the Head of Human Capital Management, the CLO and the UK General Counsel. Attendees at Committee meetings do not participate in discussions or decisions related to their own remuneration, which helps avoid conflicts of interest.

* Hanna Loikkanen stepped down as a member of the Board and Committees as at the conclusion of the AGM on 16 June 2025

Dear Shareholders,

As Chair of Lion Finance Group's Remuneration Committee (the "Committee"), I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2025. This report will be subject to an advisory vote at the 2026 AGM.

The Committee is principally responsible for establishing and implementing a Remuneration Policy (the 'Policy') that rewards fairly and responsibly and is designed to support the Company's strategy and promote its long-term sustainable success.

We are pleased that our approach to remuneration, including the implementation of our new Remuneration Policy during the year, continues to support outstanding levels of performance and growth for the benefit of all of our stakeholders.

Renewal of Remuneration Policy in 2025

In advance of seeking shareholder approval for the remodification and renewal of our Remuneration Policy at last year's AGM, the Committee conducted a comprehensive review of the executive pay framework, in the context of the Group's excellent performance and the unique talent markets in which we operate. As described in detail in last year's report, the key conclusion from our review was that we should retain our distinctive and shareholder-aligned framework, under which the majority of fixed pay and all variable pay is delivered in the form of long-term shares, with no cash bonus and no long-term incentive plan (LTIP).

We updated our Policy to introduce an exceptional maximum for the annual variable award (from 100% to 200% of fixed pay) and increase the shareholding guidelines (from 200% to 300% of fixed pay). The Policy was also amended to allow a one-off Retention & Recognition award of 100% of 2024 salary to the CEO in deferred shares, made to both ensure ongoing retention of the CEO in a highly competitive talent market and to appropriately recognise his contribution to the exceptional long-term performance delivered for stakeholders.

Ahead of the 2025 AGM and of the finalisation of the proposed Policy, the Committee undertook an extensive consultation exercise, engaging with shareholders representing approximately 63% of the register. We were pleased by the level of engagement and the opportunity to listen to our shareholders. We received strong support from those we engaged with, particularly in respect of the need to retain and fairly reward our CEO to continue the top-tier performance which has been delivered for shareholders. Proxy advisers also met with us and made suggestions on the Policy and on enhanced disclosure, which we took into account in the Policy itself and in the surrounding disclosure.

The Committee was pleased to see that the Policy was approved by shareholders at the 2025 AGM, although we acknowledge that just over 20% of those who voted did not support the resolution.

Since the 2025 AGM, the Remuneration Committee Chair reached out again to over 60% of our shareholder base, with a focus on our largest 20 shareholders and on those who voted against the resolution. We received a relatively small number of responses, and most of these responses reaffirmed their feedback made during the 2024-2025 extensive consultation, which had already been reflected in the final Remuneration Policy proposal.

Several shareholders who voted for the resolution reiterated their support of the Policy, noting in particular the strong link between pay and performance for the Executive Director, and we were pleased to listen to the feedback of all shareholders who responded. Based on overall levels of support received, the Committee was comfortable in implementing the Policy, including the grant of the one-off Retention and Recognition award which was made following the AGM.

Based on both our original engagement programme and further consultation since the AGM, the Remuneration Committee has a good understanding of why some shareholders (as well as one of the main proxy voting agencies) were not able to support the Policy. The primary area of focus was around the Retention and Recognition award granted to the CEO. This award, which was entirely in deferred shares, was conceptualised and granted in order to retain our CEO, whose leadership has underpinned our success and is expected to continue doing so following the renewal of his contract. In response to these concerns, we confirm that the Remuneration Policy aligns the CEO closely with shareholders and it is appropriate in order to fairly reward the exceptional financial, operational and strategic performance which underpinned our position as the number one performing stock in the FTSE 250 over our 2022 Remuneration Policy period (January 2022 to December 2024) with a TSR of 279%. However, the Committee acknowledges that not all shareholders are supportive of one-off awards and is grateful for the opportunity to consider these shareholders' views.

The underlying purpose of our Policy, including the one-off Retention & Recognition award, is to drive and reward high levels of performance and shareholder alignment. The Board is therefore pleased to note that the business has continued to perform strongly – since the 2025 AGM at which the Policy was approved, delivering upper decile TSR performance against the FTSE 250 and creating almost £2.5 billion of incremental shareholder value. In March 2026, as a result of our sustained share price growth, the Company's shares are to be promoted into the FTSE 100 index. This is testament to the top-tier performance of the CEO and wider team and provides the platform for continued growth in the years ahead.

A summary of the key sections of the Policy is set out on pages 192 to 195.

Overview of 2025 performance and outcomes

2025 was a year of strong performance for the Group, with profit (before one-offs) of GEL 2,193 million, up 20.9% year-on-year, and adjusted ROAE of 28.4%. The Group's loan book reached GEL 40,066 million, up 19.7% year-on-year in constant currency, driven by expansion across both Georgian and Armenian operations. Total client deposits totalled GEL 38,630 million, a 17.3% year-on-year in constant currency increase. The digital strategy of the Group saw Bank of Georgia's Retail Digital Monthly Active Users (Digital MAU) grow by 15.0% to surpass 1.8 million individuals, while Ameriabank's Retail Digital MAU reached 336,000 individuals, increasing by 45.3%. Bank of Georgia was named the World's Best Digital Bank 2025 by Global Finance for the second consecutive year. In February 2025, a GEL 107.7 million extension to the share buyback and cancellation programme was approved, with further extensions of GEL 98.0 million and GEL 51.5 million in August and November, respectively. The Company moved from a semi-annual to the more consistent quarterly schedule of dividends in August. An interim dividend of GEL 5.10 per share was paid for Q1 and Q2, and an interim dividend of GEL 2.65 per share was paid for Q3, and further as disclosed in the Preliminary Financial Results release, the Board has declared a dividend of GEL 2.75 per share for Q4 2025, bringing the total dividend for 2025 to GEL 10.50 per share – an increase of 16.7% year-on-year. In addition, the Board has also approved an extension of the buyback and cancellation programme by an additional GEL 53.5 million.

Over the course of 2025, we continued to deliver outstanding and sustained share price growth, as referred to above (and shown on page 179) ultimately securing our promotion to the FTSE 100 index in 2026.

The Committee set the KPIs for the CEO for 2025 early last year, including the stretching threshold, target and maximum levels and weightings for each KPI. Relevant shared KPIs were also cascaded to relevant members of senior management, who also had additional KPIs in accordance with their roles and responsibilities. The financial KPIs were selected to reflect key financial metrics for our investors and the sustainable health of our business – these are ROAE; cost: income ratio; cost of credit risk ratio; and profit before tax.

As explained more extensively in our Sustainability Report and in the Sustainability Review section on page 56, the Company identified financial inclusion and sustainable growth as two of the strategic pillars, given the scale and impact of our two main subsidiaries within their local economies. The CEO was also held accountable by the NPS and eNPS KPIs. The individual Key Business Objectives (KBOs) for the CEO focused on key strategy matters for 2025.

The KPI calculations and outcomes are disclosed in detail under 'Basis for determining Mr Gachechiladze's discretionary deferred share remuneration in respect of 2025' on pages 181 to 182 of this report. Each KPI result was considered against the threshold, target and maximum level and in accordance with these calculations Mr Gachechiladze was awarded 90.2% of his maximum standard opportunity (81.6% of fixed remuneration), paid solely in deferred shares in line with the Policy.

The Remuneration Committee considered this formulaic outcome in the context of Mr Gachechiladze's very strong performance against all KPIs, including financial metrics, strategic and ESG metrics, the value creation to shareholders through buybacks, dividends and considerable increase in market capitalisation and the wider stakeholder experience.

One of the changes introduced under our new Remuneration Policy provided the Committee with flexibility to make a discretionary deferred share award of up to 200% of fixed remuneration, in circumstances of exceptional performance and where TSR is in the upper quartile against the FTSE 250. Despite the continued exceptional performance during the year as described above, including significantly exceeding the TSR condition, the Committee decided against making use of this additional opportunity in respect of 2025. This provides a further illustration of the Committee's continued robust and responsible approach to the application of our Policy.

Workforce remuneration matters

During the year, the Committee discussed equal pay gap and gender pay gap raw data, including changes over the past two years. This was analysed using several methods, including comparing genders at similar positions and across defined levels, to provide a clearer picture of salary distribution. See Gender Equal Pay gap on page 96 and Empowering Employees section in the Sustainability Report.

The Committee also considered compensation in the Bank of Georgia against market rates for the major groups of front office non-managerial positions and back-office positions, IT jobs and managers. These included a breakdown by business line using compa-ratios (a metric value expressed as a percentage evaluating an individual against the market average). It also covered managers for the five business lines. It identified areas where market rates were not consistent along recommended changes, and the Committee approved the introduction of an intermediary package for management to capture this, to be applied on a case-by-case basis where appropriate. The review also noted the growth of non-financial sector competition for front-line talent.

As post-acquisition integration has continued, the compensation structure for Ameriabank was considered over the course of several meetings. This included a new structure for management, and evaluations against additional Key Performance Indicators with a 360-degree evaluation process. The Committee closely oversaw the design of Ameriabank's new remuneration policies for Ameriabank's management Directors and material risk-takers, which were adopted by Ameriabank's Supervisory Board and became effective as of 2025. Specifically, the Committee reviewed the general principles of the Ameriabank policies, the total annual reward pool and ensured that Ameriabank's remuneration policies are heavily share-based in order to ensure that the principle of shareholder alignment is paramount, both in fixed and variable pay for Directors and material risk-takers. More importantly, deferral and retention mechanisms were also introduced into these policies and malus and clawback standards were incorporated, to ensure the alignment with Group's remuneration principles and policies.

For the first half of 2025, Hanna Loikkanen was the designated Non-executive Director for engagement with the workforce; upon her departure from the Board in June 2025, Mariam Megvinetukhutsesi took over this position and facilitated 'Employee Voice' meetings, engaging with the workforce. All Board members are invited to participate in these meetings, which aim to facilitate the exchange of opinions, ideas and views between the Board and the workforce and allow the workforce to raise matters (including on remuneration). Attendees during the year included myself as Remuneration Committee Chair and, among others, Board Chair and Remuneration Committee member Mel Carvill. Further information can be found in the Directors' Governance Statement on page 134.

The Committee considered and approved employee bonuses for 2025. These are divided along business lines and comprise both cash and share bonuses. In 2025 the average employee cash salary increased by 17.3%, deferred share salary by 78.0% and bonus by 8.2%.

The Committee also considered the performance of Executive Management against each of their KPIs (which were each weighted) and their overall performance for 2025, and approved the discretionary awards. Remuneration for senior management is predominantly in deferred shares. Following previous feedback from a major shareholder, we also disclose the total shareholdings of Group executive management (see page 189).

Non-executive Director fees and subsidiary Supervisory Board fees

Taking into account the responsibilities and technical expectations of the Board and inflation in the UK and Georgia during 2025, the Company and JSC Bank of Georgia Board and Committee fees increased by 3%. In 2026, in line with UK CPI for 2025 an increase of 3.4% has been applied. Adhering to advice, no Director was involved in the discussion of their own fee increase.

As reported in the 2024 Annual Report, in accordance with the Group's governance structure, Tamaz Georgadze and Archil Gachechiladze were appointed to the Supervisory Board of Ameriabank CJSC in December 2024. Mr Georgadze was also appointed to its Risk and Audit Committees and Mr Gachechiladze to its Corporate Governance and Nominations Committee and its Remuneration Committee. The appointments have enabled a significant and constructive flow of information to, and supervision by, the PLC Board.

Ameriabank CJSC pays fees in accordance with positions on its Supervisory Board and its Committees, and Mr Georgadze is paid accordingly for these responsibilities and work. Ameriabank CJSC is legally obliged to offer payment to ensure minimum wage fulfilment and independence from a regulatory perspective. Consequently, Mr Gachechiladze is paid a de minimis amount for the role (USD 3,000 per annum), which is a reduction from the Ameriabank CJSC's normal Supervisory Board and Committee fees. Moreover, a corresponding deduction is made from his cash salary payment by the Company for this amount, so that the overall salary amount received by Mr Gachechiladze remains the same.

Looking forward to 2026

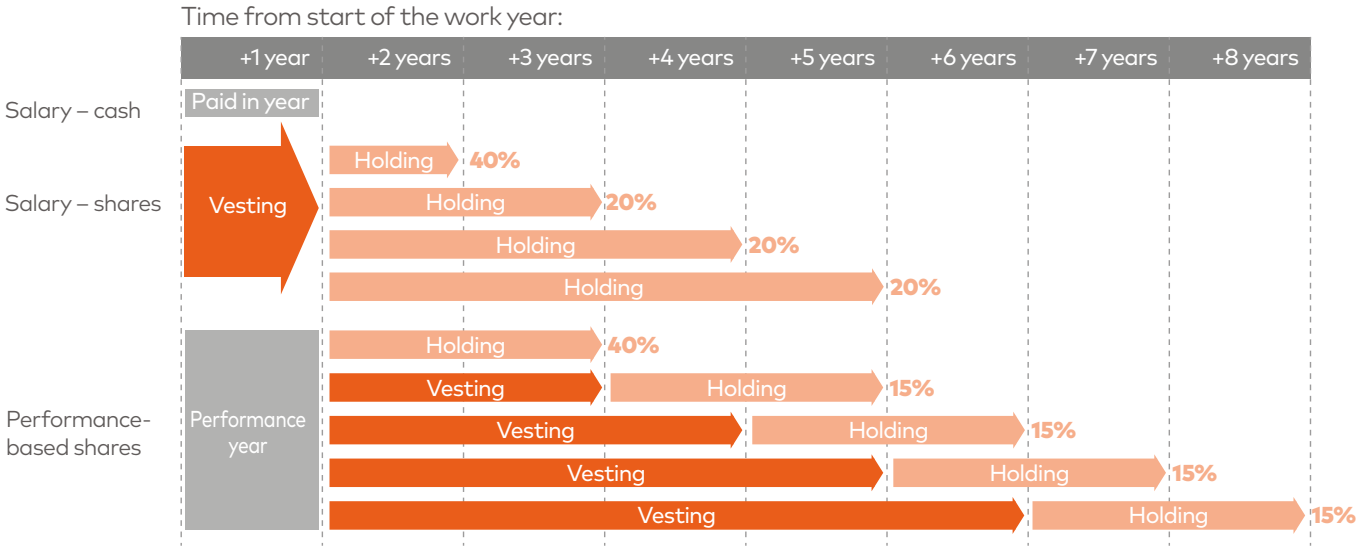
In 2026, the Committee will operate under the terms of the approved Remuneration Policy.

There will be no change to the CEO's fixed remuneration and no further awards will be made under the Retention and Recognition element of the Policy.

Cecil Quillen
Chair of the Remuneration Committee
24 March 2026

At a glance

Our distinctive and shareholder-aligned remuneration framework, with no cash bonus and a very significant proportion of the package delivered in long-term shares, is illustrated as follows:

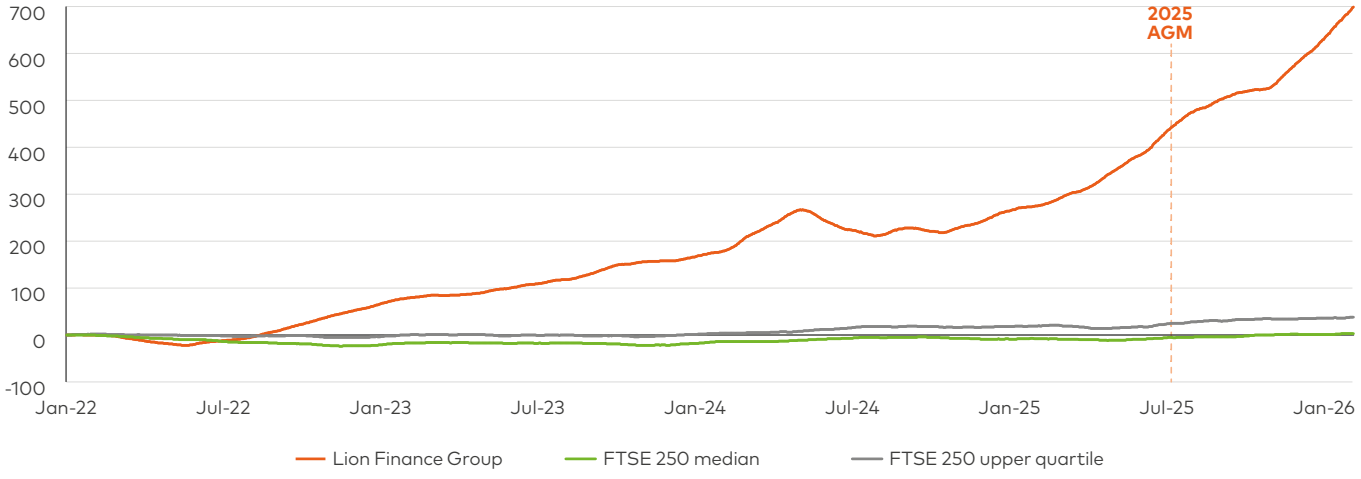


Exceptional TSR performance for shareholders

Our Remuneration Policy is designed to support the delivery of exceptional performance for our shareholders. Underpinning the Retention & Recognition award granted to the CEO during 2025, following shareholder approval at the 2025 AGM, was our observation that TSR performance over the 2022 Policy period (January 2022 to December 2024) had significantly outperformed the upper quartile of the market, such that Lion Finance Group was the best performing stock in the FTSE 250 over that period (the rank excluded those who delisted) with a total shareholder return of 279%.

Since the approval of our Policy at the 2025 AGM, our CEO has continued to lead the business through a period of sustained growth, creating almost £2.5 billion of incremental shareholder value over that period, and delivering upper decile TSR performance which has supported the Board's ambition of promotion into the FTSE 100.

TSR – #1 performing stock in the FTSE 250 (since January 2022)



TSR charts calculated using a standard three-month average and measured to 28 February 2026.

Malus and clawback

Last year we were recognised by the FRC's Annual Review of Corporate Reporting 2024 as an example of good practice for early compliance with the new Code provisions on malus and clawback. The Company's rules with respect to malus and clawback epitomise advanced pro-stakeholder actions, and have been ahead of market practice given the increased focus on these items in the changes to the Code. We are able to disclose again:

- Clawback applies for two years from the date of vesting, an increase from one year under the previous Policy.
- Additional 'bad leaver' provisions in the Executive Director's contract allow for the forfeiture of all unvested discretionary deferred shares in certain circumstances.

The period of two years is appropriate as it allows enough time for relevant matters to come to light and be considered. Malus and clawback were not utilised in the last reporting period. The Executive Director's contract includes malus and clawback provisions.

Single total figure of remuneration for the sole Executive Director (audited)

The table below sets out the remuneration earned by the Company's Executive Director, Archil Gachechiladze, in respect of his employment with the Company for the years ended 31 December 2025 and 31 December 2024.

For 2025, 90.9% of Mr Gachechiladze's remuneration as set out in the table below is in the form of deferred shares. Deferred shares will vest in tranches, with vesting and holding periods of up to eight years from the start of the work year, in accordance with the Policy and as illustrated in the diagram on page 179.

	Cash Salary[1]	Deferred share salary[2] (USD)	Taxable benefits[3] (USD)	Pension benefits[4] (USD)	Total fixed pay (USD)	Retention and recognition bonus[5] (USD)	Discretionary deferred share remuneration[6] (USD)	Total variable pay (USD)	Single total figure (USD)
2025	500,000	2,970,000	55,110	308,798	3,833,908	2,570,000	3,129,884	5,699,884	9,533,792
2024	370,000	2,200,000	54,586	234,867	2,859,453	–	2,418,353	2,418,353	5,277,806

1 Expressed in US Dollars but alternatively may be paid in British Pounds, Armenian Dram and Georgian Lari, as applicable, converted into the respective currency as at the date of payment. Accordingly, there may be variations in the numbers above and those provided in the accounts.

2 Deferred share salary. The figures show the value of the underlying nil-cost options over shares granted in respect of the 2025 and 2024 work years. For 2025, Mr Gachechildadze was awarded 50,415 shares. The number of shares was calculated by reference to a USD 58.9113 share price, which is the average share price of the five working days before 25 December 2024. For 2024, Mr Gachechiladze was awarded 45,785 shares. The number of shares was calculated by reference to a USD 48.0504 share price which is the average share price of the five working days before 25 December 2023. For each award, the shares vest on the first anniversary of the start of the work year but are subject to holding periods so that 40% is released on the second anniversary, and 20% is released on each of the third, fourth and fifth anniversaries, of the start of the work year, all subject to the terms of his service agreement.

3 Benefits. The figures show the gross taxable value of Mr Gachechiladze's health, life and personal accident insurance and tax equalisation payments.

4 Pensions. The figures include the aggregate employer contributions into the defined contribution pension scheme for the relevant years. Under the scheme, normal retirement age is 65. Mr Gachechiladze receives a 2% employer contribution in line with other Georgian employees. Pension is payable into the scheme upon exercise of shares, and the cash value of the contribution to the fund will naturally vary from year to year depending on the number of shares exercised and the value of the shares at point of exercise.

5 The figure shows the full value of the underlying nil-cost options over 43,625 shares granted in respect of the one-off Retention & Recognition award approved under the 2025 Remuneration Policy. The number of shares was calculated by reference to a USD 58.9113 share price which is the average share price of the five working days before 25 December 2024. This award will vest as follows: 40% vests immediately, and 15% will vest on each of the third, fourth, fifth and sixth anniversaries of the start of the work year; each tranche is subject to a further two-year holding period and so they are released on the fifth, sixth, seventh and eighth anniversaries of the start of the work year.

6 Discretionary deferred share remuneration. The figures show the value of the underlying nil-cost options over shares granted in respect of bonus awards in the relevant year. For 2025 Mr Gachechiladze was awarded 23,237 shares. The number of shares was calculated by reference to the closing share price on 11 February 2026 (the working day before the Remuneration Committee meeting), which was USD 134.6940 (based on the official share price of GBP 98.80 per share converted into US Dollars using an exchange rate of 1.3633, being the official exchange rate published by the Bank of England on the same date). For 2024 Mr Gachechiladze was awarded 41,816 shares. The number of shares was calculated by reference to the closing share price on 5 February 2025 (the working day before the meeting) which was USD 57.8332 (based on the official share price of GBP 46.20 per share converted into US Dollars using an exchange rate of 1.2518, being the official exchange rate published by the Bank of England on the same date). In each case the discretionary remuneration is deferred and any discretionary deferred shares will vest as follows: 40% vests immediately, and 15% will vest on each of the third, fourth, fifth and sixth anniversaries of the start of the work year; each tranche is subject to a further two-year holding period and so they are released on the fifth, sixth, seventh and eighth anniversaries of the start of the work year. The awards are subject to the leaver provisions as described in the Policy available at https://lionfinancegroup.uk/leadership-and-governance/ documents. The means of determining the number of shares underlying this remuneration and the terms and conditions are also described in the Policy, and the basis for determining Mr Gachechiladze's 2025 discretionary award is described on pages 181 to 182.

7 Mr Gachechiladze was reimbursed for reasonable business expenses on provision of valid receipts, in line with Company policy. No money or other assets are received or receivable by Mr Gachechiladze in respect of a period of more than one financial year as the Company does not operate an LTIP. The number of shares awarded pursuant to the deferred share salary and discretionary deferred share remuneration is fixed on grant. No discretion has been exercised as a result of share price appreciation or depreciation. Discretionary deferred shares are subject to one-year targets that are satisfied pre-grant. No amounts were recovered or withheld in 2024 or 2025. The values reported at grant are not attributable to share price appreciation.

As shown on page 192, the deferred share salary is released over a five-year period, and discretionary deferred share remuneration vests in tranches over a total vesting and holding period of eight years from the start of the relevant work year, illustrating the long-term and shareholder-aligned nature of the remuneration structure.

Basis for determining Mr Gachechiladze's discretionary deferred share remuneration in respect of 2025

Mr Gachechiladze's KPIs included both financial and non-financial components. They largely track our published KPIs as he is expected to deliver on the key strategic, financial and ESG priorities as CEO of the Group and of Bank of Georgia. The financial KPIs were selected to reflect key metrics that signal the financial health of our business. The Remuneration Committee ensures that targets are relevant drivers of required annual performance and are appropriately stretching. KPIs also consider the interests of the Group's stakeholders and its culture, alongside non-financial strategic outcomes. The CEO's individual KBOs for 2025 focused on key strategic priorities.

The following table sets out the KPIs for Mr Gachechiladze in respect of 2025, and his performance against them. The notes below the table provide further explanations for each KPI, corresponding to the numbering in the table.

KPI with weighting % in brackets (Numbering refers to the notes below the table)	Threshold (25%)	Target (70%)	Maximum (100%)	Achievement	Weighted performance outcome (see corresponding notes below for further explanation)
Financial KPIs					
1. ROAE (15%) 20%+ is the medium-term target, although the KPI has been made more challenging	24.3%	27.3%	30.3%	28.4%[1]	12.2%
2. Cost:income ratio (15%)	37.9%	35.9%	33.9%	35.5%[2]	11.4%
3. COR (15%) Cost of credit risk ratio	1.0%	0.7%	0.5%	0.4%[3]	15.0%
4. PBT (15%) Profit before tax	GEL 2,286M	GEL 2,486M	GEL 2,686M	GEL 2,610M[4]	13.3%
Non-financial KPIs (Bank of Georgia)					
5. NPS (6%) Net Promoter Score	55.0	60.0	65.0	75.7[5]	6.0%
6. eNPS (6%) Employee Net Promoter Score	44.0	54.0	64.0	59.3[6]	5.2%
7. GenAI engagement (2%)	40.0%	50.0%	70.0%	55.9%[7]	1.6%
8. Retail Digital MAU (2%)	1,650,000	1,750,000	1,850,000	1,833,116[8]	1.9%
9. ESG/impact (4%)					
– Cash withdrawals/total transactions (by volume)	25.0%	24.0%	22.0%	20.2%	1.0%
– sCoolApp MAU	165,000	185,000	205,000	185,700	0.7%
– Self-employed borrower clients	66,000	69,000	80,000	77,114	0.9%
– Green portfolio (GEL, millions)	1,000	1,200	1,300	1,361[9]	1.0%
Individual KPIs					
10. Individual Key Business Objectives (20%)	Below	Met	Exceeded	Exceeded[10]	20%
Total					**90.2%**

Further information on each KPI (corresponding to the numbering in the table above):

1. Return on average equity (ROAE): 28.4% achieved (adjusted for one-off items). Unadjusted ROAE for FY25 was 28.0%. ROAE is a key indicator of profitability for shareholders. Our communicated medium-term target for the Group remains 20%+. ROAE was 30.0% in 2024, 29.9% in 2023, 32.4% in 2022, 25.8% in 2021, 13.0% in 2020 and 26.1% in 2019 (adjusted for one-offs in 2024, 2023, 2022 and 2019). The Committee notes that the achievement of 28.4% ROAE represents a high result.
2. Cost:income ratio: 35.5% achieved (adjusted for one-off items). Unadjusted cost:income for FY25 was 36.2%. Cost:income was 34.3% in 2024, 29.8% in 2023, 32.0% in 2022, 37.2% in 2021, 39.7% in 2020 and 37.8% in 2019 (adjusted for one-offs in 2023 and 2019).
3. Cost of credit risk ratio (COR): 0.4% achieved. The Group has maintained strong loan portfolio quality, and its cost of credit risk ratio was well below its guided through-the-cycle normalised range of 0.8-1.0%. Cost of credit risk ratio was 0.5% in 2024, 0.7% in 2023, 0.8% in 2022, 0.0% in 2021, 1.8% in 2020 and 0.9% in 2019.
4. Profit before tax (PBT) and one-off items: GEL 2,610 million achieved. Reported PBT was GEL 2,580 million. PBT was GEL 2,176 million in 2024, GEL 1,634 million in 2023, GEL 1,244 million in 2022, GEL 802 million in 2021, GEL 316 million in 2020 and GEL 573 million in 2019 (adjusted for one-offs in 2024, 2023, 2022 and 2019). PBT is an important measure of overall performance for any business.
5. Net Promoter Score (NPS): 75.7 achieved (latest in 2025). Bank of Georgia NPS is based on external research by IPM Georgia surveying a random sample of customers with face-to-face interviews and is one of the key metrics for measuring customer loyalty. We believe that customer loyalty impacts the sustainable profitability of our business. NPS was 67 in 2024, 59 in 2023, 58 in 2022, 55 in 2021, 46 in 2020 and 37 in 2019. 75.7 is considered a very high eNPS score for any universal bank and is our highest achieved.
6. Employee Net Promoter Score (eNPS): 59.3 achieved. Bank of Georgia Employee NPS is based on internal confidential surveys. eNPS was 54 in 2024, 56 in 2023, 53 in 2022, 61 in 2021, 58 in 2020 and 46 in 2019. Employee satisfaction feeds into profitability of the Group through higher retention rates and higher engagement levels. To ensure employee engagement and open lines of communication, the CEO held town halls and periodic live sessions with employees and maintained a CEO vlog on Workplace.
7. GenAI engagement: 55.9% achieved. This new KPI was introduced in 2025 to measure the weekly adoption of internal AI tools by employees at Bank of Georgia, reflecting the strategic priority of embedding this technology to enhance operational efficiency and foster innovation.
8. Retail Digital MAU: 1,833,116 achieved. This increase of 15.0% year-on-year for December 2025 helps measure the success of our digital strategy and rising digital engagement.
9. ESG/impact: Following a materiality assessment to gain a multi-stakeholder perspective and a subsequent mapping of topics based on their importance to both stakeholders and the business, financial inclusion is one of the strategic pillars, and the KPIs above reflect this focus. The green portfolio KPI is for increased accountability on sustainable finance for Bank of Georgia, which was added as a strategic pillar.

10. Individual Key Business Objectives (KBOs): Outperformance achieved (20.0% weighted performance outcome). The individual KBOs for the CEO were centred on pivotal strategic initiatives for 2025. The Remuneration Committee's assessment confirmed significant outperformance in each area. For Mr. Gachechiladze, these objectives were as follows:
    (i) Strategic integration of Ameriabank: a primary objective for the CEO was the successful integration of Ameriabank into the Group's structure following the acquisition in March 2024. This complex process was managed to ensure Ameriabank would operate as a stand-alone entity within the Group, retaining its established brand and corporate identity. A critical aspect of this integration was the retention of key personnel. The well-regarded and experienced management team of Ameriabank was retained post-acquisition to ensure continuity and leverage their local expertise. See Ameriabank: remarkable growth and retail franchise development (page 16), Key performance indicators (pages 20-22), Ameriabank integration update (page 40), Oversight of the integration of Ameriabank (page 134) and Strategic focus (page 137).
    (ii) Strengthening Bank of Georgia's Executive Management Team: Mr. Gachechiladze executed significant updates within the executive management team to align with the Group's strategic evolution. These included several key promotions and appointments during the year to strengthen leadership and operational capabilities. See announcements of Bank of Georgia's Executive Management team update of 27 January 2025 and Bank of Georgia Executive Management Updates on 30 December 2025.
    (iii) Maintaining constructive stakeholder relationships in the political climate: The CEO was tasked with navigating a particularly challenging post-election period in Georgia, following the parliamentary elections of October 2024. The beginning of the 2025 was marked by greater political turbulence that demanded adept leadership to maintain stability, employee morale, and constructive dialogue with key stakeholders. Mr. Gachechiladze successfully managed relationships with key stakeholders, including the regulator. The Group's ability to operate effectively and maintain its systemic importance in this climate demonstrates the CEO's proficient navigation of a politically volatile landscape, ensuring that both Bank of Georgia and Ameriabank remained stable pillars in their respective jurisdictions.
    (iv) Effective strategic communication with investors: A key deliverable for the CEO was the clear and effective communication of the Group's evolving strategy and the strength of its expanded franchise to the investment community. This was crucial for fostering a strong investor understanding following the Ameriabank acquisition. This objective was met through a consistent cadence of detailed quarterly earnings announcements and comprehensive investor presentations coupled with several investor roadshows and meetings attended by the CEO. These communications provided transparent updates on the Group's performance, the successful consolidation of the Armenian business, and the quality and resilience of the overall franchise. The testament to this effective communication strategy and the successful execution of the other KBOs was a significant appreciation in investor confidence, reflected in the 92.9% increase in the Group's market capitalisation over the course of 2025. For additional information see "Investors" on page 51.

Overall, the CEO outperformed his KPIs. The Committee considered the outstanding personal contribution of the CEO to the overall corporate performance and noted that the Group achieved excellent results under his leadership and in significant part through his initiatives. In addition to the stakeholder matters covered by the KPIs, the Committee also noted that the Board approved extensions to the share buyback and cancellation programme of GEL 107.7 million, GEL 98.0 million and GEL 51.5 million during 2025. Shareholders received a final dividend for 2024 in July 2025 following the 2025 AGM. An interim dividend of GEL 5.10 per share was paid in October 2025 for Q1 and Q2 2025, and an interim dividend of GEL 2.65 per share was paid in January 2026 for Q3. As disclosed in the Preliminary Financial Results, for the last quarter of 2025, a dividend of GEL 2.75 per share was announced, making a total dividend of GEL 10.50 per share, a 16.7% increase year-on-year. In addition, the Board has also approved an extension of the buyback and cancellation programme by an additional GEL 53.5 million. The Committee noted that the Company's market capitalisation increased from GBP 2.1 billion at year-end 2024 to GBP 4.0 billion as at year-end 2025.

The Committee noted the strength of the KPIs as well as the experience of shareholders in terms of value creation (through the buybacks, dividends and the increase in share price) and the positive outcomes for other stakeholders. The average employee cash salary increased by 17.3%, deferred share salary by 78.0% and the average employee bonus for 2025 increased by 8.2% year-on-year.

In accordance with the results of the KPIs as determined above, taking into account Mr Gachechiladze's outstanding performance, the Remuneration Committee awarded the CEO 90.2% of the maximum deferred share opportunity, paid in deferred shares. The Committee was comfortable that the formulaic outcome appropriately reflected performance, and therefore no discretion was applied.

One of the changes introduced under our new Remuneration Policy provided the Committee with flexibility to make a discretionary deferred share award of up to 200% of fixed remuneration, in circumstances of exceptional performance and where TSR is in the upper quartile against the FTSE 250. Despite the continued exceptional performance during the year as described above, including meeting the TSR condition, the Committee decided against making use of this additional opportunity in respect of 2025. This provides a further illustration of the Committee's continued robust and responsible approach to the application of our Policy.

Percentage change in remuneration of Directors and employees

The following table details the percentage change in the remuneration awarded to Directors, compared with the average percentage change in the per capita remuneration awarded to the Group's employees. Given the small number of employees employed by the Lion Finance Group PLC holding company itself (fewer than ten), comparisons are made against the Group as a whole. A comparison of full-time UK employees in compliance with the requirements of the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 is included in the notes to the table.

The notes to the 'Single total figure of remuneration for the sole Executive Director' table on page 180 include an explanation of cash salary, deferred share salary, taxable benefits and discretionary deferred remuneration of the Executive Director.

	Change in pay – FY2025				Change in pay – FY2024			
	Total cash salary	Total deferred share salary[1]	Taxable benefits	Total bonus[2]	Total cash salary	Total deferred share salary[1]	Taxable benefits	Total bonus[2]
Average employee	17.3%	78.0%	32.9%	8.2%	13.2%	(33.3)%	12.6%	54.5%
Executive Director								
Archil Gachechiladze[3]	35.1%	35.0%	1.0%	135.7%	0.0%	0.0%	(12.8)%	(3.0)%
Non-executive Directors								
Mel Carvill[4]	3.0%	–	–	–	6.0%	–	–	–
Hanna Loikkanen[5]	(49.9)%	–	–	–	6.0%	–	–	–
Jonathan Muir[6]	(49.7)%	–	–	–	6.0%	–	–	–
Tamaz Georgadze[8]	49.0%	–	–	–	11.5%	–	–	–
Cecil Quillen[9]	(7.5)%	–	–	–	6.0%	–	–	–
Véronique McCarroll[10]	27.8%	–	–	–	6.0%	–	–	–
Mariam Megvinetukhutsesi[11]	3.0%	–	–	–	6.0%	–	–	–
Andrew McIntyre[12]	49.0%	–	–	–	N/A	–	–	–
Maria Gordon[13]	265.0%	–	–	–	N/A	–	–	–
Karine Hirn[15]	N/A	–	–	–	N/A	–	–	–
Former Non-executive Directors								
Al Breach[7]	N/A	–	–	–	(79.4)%	–	–	–
Neil Janin[14]	N/A	–	–	–	N/A	–	–	–

	Change in pay – FY2023				Change in pay – FY2022			
	Total cash salary	Total deferred share salary[1]	Taxable benefits	Total bonus[2]	Total cash salary	Total deferred share salary[1]	Taxable benefits	Total bonus[2]
Average employee	23.5%	(5.2)%	0.5%	10.1%	26.3%	28.9%	14.1%	27.6%
Executive Director								
Archil Gachechiladze[3]	0.0%	0.0%	7.8%	0.1%	0.0%	30.5%	1,748.3%	39.0%
Non-executive Directors								
Mel Carvill[4]	29.9%	–	–	–	N/A	–	–	–
Hanna Loikkanen[5]	(3.6)%	–	–	–	0.0%	–	–	–
Jonathan Muir[6]	0.0%	–	–	–	0.0%	–	–	–
Tamaz Georgadze[8]	0.0%	–	–	–	(6.6)%	–	–	–
Cecil Quillen[9]	4.6%	–	–	–	0.0%	–	–	–
Véronique McCarroll[10]	0.0%	–	–	–	7.9%	–	–	–
Mariam Megvinetukhutsesi[11]	0.0%	–	–	–	41.6%	–	–	–
Andrew McIntyre[12]	N/A	–	–	–	N/A	–	–	–
Maria Gordon[13]	N/A	–	–	–	N/A	–	–	–
Karine Hirn[15]	N/A	–	–	–	N/A	–	–	–
Former Non-executive Directors								
Al Breach[7]	0.0%	–	–	–	0.0%	–	–	–
Neil Janin[14]	N/A	–	–	–	(77.0)%	–	–	–

	Change in pay – FY2021			
	Total cash salary	Total deferred share salary	Taxable benefits	Total bonus
Average employee	(5.7)%	89.9%	1.9%	66.0%
Executive Director				
Archil Gachechiladze[3]	20%	35%	229.2%	NMF
Non-executive Directors				
Mel Carvill[4]	N/A	–	–	–
Hanna Loikkanen[5]	2.7%	–	–	–
Jonathan Muir[6]	0.0%	–	–	–
Tamaz Georgadze[8]	0.0%	–	–	–
Cecil Quillen[9]	0.0%	–	–	–
Véronique McCarroll[10]	0.0%	–	–	–
Mariam Megvinetukhutsesi[11]	N/A	–	–	–
Andrew McIntyre[12]	N/A	–	–	–
Maria Gordon[13]	N/A	–	–	–
Karine Hirn[15]	N/A	–	–	–
Former Non-executive Directors				
Al Breach[7]	(3.4)%	–	–	–

1 The number of salary shares for Mr Gachechiladze was constant at 75,000 shares per annum for 2020 and 2021 share prices, with share prices at 31 December 2020 (USD 16.652) and 31 December 2021 (USD 22.480) used for the deferred shares salary comparison. In accordance with the Policy and the NBG requirements the deferred share salary is based on a fixed cash value for 2022 onwards.
2 Total bonus for Mr Gachechiladze in each case was discretionary deferred share remuneration; this was not granted for 2020 (hence No Meaningful Figure (NMF)). In the case of other employees of the Group, this was discretionary deferred share remuneration and/or any cash bonus.
3 Mr Gachechiladze's 2020 cash salary was voluntarily reduced by 20% from 1 March 2020 to 31 December 2020 (as was the cash salary of senior management). The amount contributed to charity by Mr Gachechiladze – half of the remaining cash salary for that period – has not been taken into account. The increase in cash salary in 2021 compared to 2020 is therefore fully attributable to the reinstatement of the normal cash salary. Mr Gachechiladze did not receive a bonus for FY2020 after the NBG informed the Remuneration Committee that, as Bank of Georgia had utilised the Pillar 2 or conservation buffers, no bonus should be granted – please see the Chair's Letter in the Directors' Remuneration Report of the Annual Report and Accounts 2021 for further information.
4 Mel Carvill was appointed to the PLC Board on 10 March 2022 and to the JSC Bank of Georgia Supervisory Board on 1 July 2022.
5 Hanna Loikkanen was appointed to the Remuneration Committee on 20 September 2019, and as its Chair on 26 September 2020. She stepped down as Chair on 1 January 2023 but remained a member of the Committee. She stepped down from the PLC Board on 16 June 2025 and from the JSC Bank of Georgia Board on 30 June 2025.
6 Jonathan Muir stepped down from the PLC and JSC Bank of Georgia Boards on 26 June 2025.
7 Al Breach stepped down as Chair of the Remuneration Committee on 26 September 2020 but remained a member of the Committee until he stepped down from the Board and Committees on 15 March 2024.
8 Tamaz Georgadze stepped down as Chair of the Risk Committee on 31 December 2021 but remained a member of the Risk Committee. He was appointed to the Supervisory Board of Ameriabank CJSC and its Risk and Audit Committees on 11 December 2024.
9 Cecil Quillen was appointed as Chair of the Remuneration Committee on 1 January 2023. He stepped down as a member of the Audit Committee on 7 April 2025.
10 Véronique McCarroll was appointed as Chair of the Risk Committee on 1 January 2022, as a member of the Audit Committee on 7 April 2025, as Senior Independent Director for the PLC on 16 June 2025 and as Senior Independent Director for JSC Bank of Georgia Supervisory Board on 1 July 2025.
11 Mariam Megvinetukhutsesi was appointed to the PLC Board, and as a member of the Risk and Nomination Committees, on 12 March 2021. She was appointed to the JSC Bank of Georgia Supervisory Board, and as a member of its Risk Committee and Nomination Committee, on 6 May 2021.
12 Andrew McIntyre was appointed to the PLC Board, and as a member of the Audit and Nomination Committees on 15 March 2024. He was appointed as a member of the Risk Committee on 7 April 2025, and as Chair of the Audit Committee on 26 June 2025. JSC Bank of Georgia fees include those paid for Supervisory Board members pending official approval from the NBG and technical registration, which was confirmed on 26 June 2025.
13 Maria Gordon was appointed to the PLC Board, and as a member of the Remuneration, Audit, and Nomination Committees on 20 September 2024. JSC Bank of Georgia fees include those paid for Supervisory Board members pending official approval from the NBG and technical registration, which was confirmed on 8 April 2025.
14 Neil Janin stepped down from the PLC Board on 10 March 2022 and from the JSC Bank of Georgia Board on 31 March 2022.
15 Karine Hirn was appointed to the PLC Board, and as a member of the Audit Committee, the Risk Committee and the Nomination Committee, on 7 April 2025. JSC Bank of Georgia fees include those paid for Supervisory Board members pending official approval from the NBG and technical registration.
16 The Company has fewer than ten UK (parent company) employees and the percentage changes could be considered distortive. Year-on-year changes for average UK employees from 2020 to 2021 for cash salary was (4.0)% and bonus was (2.9)%; year-on-year changes from 2021 to 2022 for cash salary was 12.2% and bonus was (4.4)%; year-on-year changes from 2022 to 2023 for cash salary was 7.1% and bonus was 10.0%; year-on-year changes from 2023 to 2024 for cash salary was 12.7% and bonus was 15.3%; year-on-year changes from 2024 to 2025 for cash salary was 35.7% and bonus was 108.1%. Deferred share salary and taxable benefits are not applicable for all years.

CEO pay comparators for a Group operating in a unique talent market

Executive remuneration at Lion Finance Group should be viewed in the specific context of the markets in which we compete for executive talent. These are unique to our business, and not directly comparable with other companies in the FTSE 250 index.

Our unique circumstances require a CEO with very specific skills and experience. The Group CEO must be of high overall calibre, with significant international training, experience and credibility, and the proven skills to manage a complex financial institution of our size, with expertise in key growth areas such as digital, payments and fintech. Furthermore, they require the banking expertise to effectively run systemically important financial institutions in our geopolitically challenged region.

Our CEO must be an internationally credible investor-facing figure who can lead a FTSE 250 constituent of the London Stock Exchange (LSE), and now promoted into the FTSE 100 index. At the same time, the CEO must be able to communicate with and lead Georgian and Armenian colleagues, interact effectively with Georgian and Armenian regulators and play a high-profile role in the wider national community, commensurate with the Group's significant role in the Georgian and Armenian economies, and in the Caucasus region generally.

The talent market impact of the above is that very few candidates globally can satisfy these criteria, particularly the essential credible combination of both international and South Caucasus perspectives. The small number of persons in the available talent pool who meet these criteria are in very high demand and therefore command highly competitive compensation. Our CEO is much sought after by competing organisations with similar requirements, particularly given his proven track record of exceptional performance as explained above, and replacing him would be challenging.

Robustly benchmarking CEO compensation in our talent markets is very challenging due to limited publicly available external reference points. Although we are a UK-listed company, market practices in the FTSE 250 are not fully applicable to the highly specialised talent markets in which we operate.

Notwithstanding the lack of direct comparability, the Committee considered the CEO's remuneration against various reference points such as FTSE 250 and FTSE small cap companies in financial services, noting financial services companies in emerging markets (in particular other former Soviet republics and South Africa), comparable listed companies in financial services in the UK, and all UK-listed companies based in Georgia. This group included Moneta Money Bank a.s.; Erste Group Bank AG; Capitec Bank Holdings; Investec Plc; FirstRand Ltd; One Savings Bank PLC; Close Brothers Group PLC; Nationwide Building Society; Georgia Capital PLC; TBC Bank Group PLC; Halyk Savings Bank of Kazakhstan JSC; Kaspi.kz JSC; Banca Transilvania; BAWAG Group AG; Nu Holdings Ltd (Nubank); DBS Group Holdings Ltd and IG Group PLC. The Committee assessed CEO compensation at comparable organisations, to the extent practicable, although relevant available information is limited and often non-public.

Given these data limitations, our understanding of relevant remuneration practices in our talent markets is therefore also informed by non-public information garnered during our operational activities (e.g. acquisitions, due diligence, recruitment approaches for our people made over the past few years from organisations in surrounding countries, and insights from our talent acquisition function and external agencies). Remuneration packages for senior financial roles with relevant experience in private companies located in neighbouring geographies can be significantly higher than in publicly listed companies.

The fintech market – a talent pool from which Bank of Georgia and its competitors are often now recruiting – also has executives who receive significantly higher compensation. Bank of Georgia is clearly recognised as one of the leading fintech organisations in the region – as recently confirmed by Global Finance, which named us as the World's Best Digital Bank for the second consecutive year. Our CEO is widely regarded as the architect of this market dominance and we are therefore clearly at risk of poaching.

We are aware that some comparable, albeit materially smaller, organisations offer very lucrative 'profit sharing' arrangements for senior management which can result in total compensation outcomes well in excess of our Group CEO's package, and we understand that some peer companies provide total compensation opportunities for their below-Board divisional heads that materially exceed that of our CEO. The reward pool at Ameriabank is a good example, as the bonus pool for employees, in the case of achievement of high RoE, refers to a percentage of net profit before tax. This structure is a well-established practice in the emerging-markets banking sector, in full compliance with the local regulatory framework and the CBA Code; Ameriabank's remuneration policies are considered to be relatively modest compared to its local peers.

Further, to highlight the risk of disparity between the markets we operate in and the compensation of our own CEO, following our expansion last year, even within our own Group, one employee received more total compensation for 2024 than our CEO. In all the above examples from the non-listed/non-public environment, incentives are often delivered solely in cash rather than deferred shares, increasing the certainty of value upon award for executives, unlike our Policy, which promotes shareholder value. The delayed receipt of the majority of salary and of all performance-based remuneration (in deferred shares vesting and being released across eight years) means the risk of salary and performance-based remuneration not vesting (due to malus but also shares lapsing in the event of early termination under certain circumstances), which our Policy factors in, are not relevant factors in the market landscape where our talent pool lies.

It is noted that the Group has fewer than 250 UK employees and is therefore not required to disclose ratios of the CEO's pay against UK pay – indeed, given that it has fewer than ten UK employees, to do so would not be meaningful.

Further details of fixed and discretionary deferred share compensation granted during 2025 (audited)

The following table details nil-cost options over Company shares granted to Mr Gachechiladze in 2025.

	Deferred share salary	Discretionary deferred share remuneration and retention and recognition bonus
Number of underlying shares and basis on which award was made	50,415 granted for the 2025 work year on the basis of the Policy available at https://lionfinancegroup.uk/leadership-and-governance/documents	85,441 (41,816 discretionary deferred share remuneration and 43,625 retention and recognition bonus) granted for the 2024 work year on the basis of the Policy available at https://lionfinancegroup.uk/leadership-and-governance/documents
Type of interest	Nil-cost option	Nil-cost option
Face value	USD 2,970,000 Cash payments equal to the dividends paid on the underlying shares will be made upon vesting (if applicable)	USD 4,988,353 Cash payments equal to the dividends paid on the underlying shares will be made upon vesting (if applicable)
Percentage of award receivable if minimum performance achieved	100% of the award will be receivable, since it is part of salary set out in the service contract and accordingly is not subject to performance measures or targets over the vesting period.	100% of the awards are receivable, since they are based on past performance (and are not an LTIP awards) and are not subject to any further performance measures or targets over the vesting period.
Vesting period	100% of the deferred share salary vests on the first anniversary of the start of the work year and is subject to holding periods so that 40% is released on the second anniversary, and 20% is released on each of the third, fourth and fifth anniversaries of the start of the work year.	40% vests immediately and 15% on each of the third, fourth, fifth and sixth anniversaries of the work year. Each tranche is subject to a further two-year holding period.
Performance measure	None. See the Policy available at https://lionfinancegroup.uk/leadership-and-governance/documents	See the Policy available at https://lionfinancegroup.uk/leadership-and-governance/documents

Notes: Figures calculated as described in Note 2 of the 'Single total figure of remuneration' for the Executive Director.

Single total figure of remuneration for Non-executive Directors (audited)

The table below sets out the remuneration received by each Non-executive Director for 2024 and 2025.

	Lion Finance Group Plc fees (USD)		JSC Bank of Georgia fees (USD)		Ameriabank CJSC fees (USD)		Pension-related benefits (USD)		Total (USD)	
	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**
Mel Carvill	109,802	**113,096**	222,932	**229,620**	–	**–**	–	**–**	332,734	**342,716**
Tamaz Georgadze[1]	56,609	**58,308**	102,174	**105,240**	8,203	**98,438**	–	**–**	166,986	**261,985**
Hanna Loikkanen[2]	72,627	**34,448**	132,430	**68,201**	–	**–**	–	**–**	205,057	**102,650**
Véronique McCarroll[3]	51,868	**68,075**	101,976	**128,539**	–	**–**	–	**–**	153,844	**196,614**
Mariam Megvinetukhutsesi[4]	49,645	**51,134**	92,889	**95,676**	–	**–**	1,858	**1,914**	144,392	**148,724**
Jonathan Muir[5]	56,609	**28,448**	102,174	**51,346**	–	**–**	–	**–**	158,783	**79,795**
Cecil Quillen[6]	63,109	**57,223**	110,841	**103,761**	–	**–**	–	**–**	173,950	**160,984**
Andrew McIntyre[7]	42,135	**61,639**	72,759	**109,523**	–	**–**	–	**–**	114,894	**171,162**
Maria Gordon[8]	16,769	**61,655**	30,177	**109,702**	–	**–**	–	**–**	46,946	**171,357**
Karine Hirn[9]	–	**45,157**	–	**80,347**	–	**–**	–	**–**	–	**125,504**
Total	530,269	**579,184**	988,045	**1,081,955**	8,203	**98,438**	1,858	**1,914**	1,528,375	**1,761,491**

1 Tamaz Georgadze was appointed to the Supervisory Board of Ameriabank CJSC and its Risk and Audit Committees on 11 December 2024.
2 Hanna Loikkanen stepped down as Chair of the Remuneration Committee on 1 January 2023 but remained a member of the Committee. She stepped down from the PLC Board on 16 June 2025 and the JSC Bank of Georgia Supervisory Board on 30 June 2025.
3 Véronique McCarroll was appointed as a member of the Audit Committees on 7 April 2025, as Senior Independent Director for the PLC Board on 16 June 2025 and as Senior Independent Director for JSC Bank of Georgia on 1 July 2025.
4 Georgian law requires that the JSC Bank of Georgia provides pension contributions for Mariam Megvinetukhutsesi, as a Georgian resident, into the mandatory Georgian Government pension scheme at a level of 2% of her fee. This pension scheme applies only to JSC Bank of Georgia and does not apply to Lion Finance Group PLC.
5 Jonathan Muir stepped down from the PLC Board and JSC Bank of Georgia Supervisory Board on 26 June 2025.
6 Cecil Quillen stepped down as a member of the Audit Committee on 7 April 2025.
7 Andrew McIntyre was appointed to the PLC Board, and as a member of the Audit and Nomination Committees on 15 March 2024. JSC Bank of Georgia fees include fees paid for Supervisory Board member services performed pending official approval from the NBG and technical registration, which was confirmed on 26 June 2025. He was appointed as a member of the Risk Committee on 7 April 2025, and as Chair of the Audit Committee on 26 June 2025.
8 Maria Gordon was appointed to the PLC Board, and as a member of the Remuneration, Audit and Nomination Committees on 20 September 2024. JSC Bank of Georgia fees include fees paid for Supervisory Board member services performed, pending official approval from the NBG and technical registration, which was confirmed on 8 April 2025.
9 Karine Hirn was appointed to the PLC Board, and as a member of the Audit Committee, the Risk Committee and the Nomination Committee on 7 April 2025. JSC Bank of Georgia fees include fees paid for Supervisory Board member services performed, pending official approval from the NBG and technical registration.
10 The maximum amount for Non-executive Director base fees, including the Chairman, as provided for in Lion Finance Group PLC's Articles of Association, is GBP 750,000. This does not affect JSC Bank of Georgia or Ameriabank CJSC fees. The Non-executive Directors do not receive taxable benefits or variable remuneration. The Non-executive Directors were reimbursed for reasonable business expenses on provision of valid receipts, in line with Company policy.

Total Shareholder Return ('TSR') and CEO remuneration

We note the Group demerged from its precedent parent relisted as a separate business with separate listed shares in May 2018. The following graph compares the TSR of Lion Finance Group PLC with the companies comprising the FTSE 250 index and the FTSE All Share index, for the period since Lion Finance Group's listing on the LSE on 21 May 2018 until 31 December 2025.



The following table sets out details of total remuneration for the CEO, Mr Gachechiladze, for the period from 28 January 2019 (effective date of appointment) to 31 December 2025, and his discretionary compensation as a percentage of maximum opportunity.

It was noted that Mr Gachechiladze was appointed on 28 January 2019 and so did not work a full financial year in 2019, that in 2020 part of his cash salary was voluntarily reduced, and that variations in share price affected the total figure of remuneration for 2019, 2020 and 2021 – these years used a share salary of 75,000 deferred shares for a complete year and a maximum discretionary opportunity of 75,000 deferred shares plus cash salary equivalent in deferred shares. The cash value of the maximum discretionary deferred remuneration varied according to the last closing share price before the date of relevant Remuneration Committee meeting.

	2019	2020	2021	2022	2023	2024	2025
Single total figure of remuneration (USD)	3,558,415[1]	1,561,020	3,886,930[3]	5,404,473[4]	6,019,070	5,277,806	9,533,792
Discretionary compensation as a percentage of maximum opportunity (%)	100%	0%[2]	97.0%	96.9%	97.0%	94.1%	90.2%

1 2019 was not a complete year as Mr Gachechiladze was appointed from 28 January 2019.
2 Mr Gachechiladze did not receive a bonus for the 2020 work year after the NBG informed the Remuneration Committee that, as Bank of Georgia had utilised the Pillar 2 or conservation buffers, no bonus should be granted – please see the Chair's Letter in the Directors' Remuneration Report of the Annual Report and Accounts 2021 for further information. For 2020, the approved discretionary deferred share award, which considered KPIs disclosed in the 2020 Directors' Remuneration Report and subsequently approved by shareholders, was 67% of maximum opportunity (but was not paid, as per the previous sentence). Mr Gachechiladze's 2020 cash salary (and that of Executive Management) was voluntarily reduced by 20% from 1 March 2020 to 31 December 2020, and the amount donated to charity by Mr Gachechiladze – half of the remaining cash salary for that period – has not been taken into account and has been retained in the above amount.
3 The increase in remuneration in 2021 compared to 2020 is attributable partly to the reinstatement of the normal cash salary as per Note 2, partly due to the bonus being paid, and partly due to variations in share price. Share salary and bonus were calculated in accordance with the share price at the time; for each of 2019, 2020 and 2021, share salary would have been 75,000 shares for a complete year, and for 2022, 2023, 2024 and 2025 was cash converted into deferred shares in accordance with the Policy and the NBG requirements.
4 Share salary and bonus for 2022 onwards were calculated using a cash value converted into deferred shares in accordance with the amounts in and terms of the relevant Policy and the NBG requirements. The Company does not operate an LTIP.

Consideration of employment conditions elsewhere in the Group

Remuneration packages for all Group employees comprise both fixed and variable elements. In accordance with prevailing commercial practice, the Remuneration Committee does not formally consult with employees in preparing the Remuneration Policy, but in determining an Executive Director's remuneration, the Committee considers:

(i) pay and employment conditions of senior management;
(ii) pay and employment conditions across the Group as a whole;
(iii) whether employees across the Group are personally satisfied with the way they are remunerated; and
(iv) feedback received from Human Resources and other employees in the executive remuneration structure.

Our employees' remuneration packages comprise cash salary, bonus opportunity, pension and benefits. For Group management, the policy is the same as for the Group CEO, whilst both in JSC Bank of Georgia and Ameriabank, the senior management remuneration packages are heavily weighted towards deferred shares in the form of nil-cost options, both for fixed and variable components, thus aligning their remuneration with shareholder interests. A similar approach is further cascaded down to other material risk-taker remuneration policies in both subsidiaries. The remuneration policies for other employees are designed to offer a competitive benefit package in line with Georgian and Armenian market practices.

All Georgian employees are entitled to participate in the national pension scheme on the same terms as applicable to Executive Directors, and the equivalent applies to Armenian employees in line with Armenian local legislation.

Other factors taken into consideration are competition in the marketplace, individual performance and competencies. Usually, exceptional personal performance is recognised through variable pay. The Company also operates an Employee Equity Compensation Plan on a discretionary basis.

The remuneration of employees in the Group, other than the Executive Director(s) and senior management, is benchmarked against the Georgian or Armenian labour market as the most relevant comparator. The Remuneration Committee is regularly informed by Human Resources of remuneration developments across the Group.

The compensation structure of Group management, Bank of Georgia senior management and Ameriabank senior management is set by the Remuneration Committee and is modelled on the Policy, but the Committee is not bound by it when setting senior management's remuneration and also takes into account local practices and the need to be competitive. The Committee generally awards members of senior management the majority of their discretionary award in discretionary deferred shares as a bonus, ensuring maximum alignment with shareholders and helping set the tone from the top.

Relative importance of spend on pay

The following table shows the difference in remuneration paid to all employees of the Group between 2024 and 2025, as well as the difference in value of distribution paid to shareholders by way of dividends and buybacks between 2024 and 2025.

	Remuneration paid to all employees of the Group	Distributions to shareholders by way of dividends and buybacks
Year ended 31 December 2025 (USD)	375,484,398	297,011,999
Year ended 31 December 2024 (USD)	302,134,386	212,449,616
	24.3%	39.8%

1 The Company did not make any other significant distributions in 2024 and 2025. In 2024 USD 75,557,807 was for buybacks and cancellation and USD 136,891,809 for dividends. In 2025 USD 83,069,217 was for buybacks and cancellation and USD 213,942,782 for dividends. Figures are converted into USD using an average USD/GEL exchange rate.

Directors' interests in shares (audited)

The following table sets out the respective holdings of the Company's shares of each Director in office in 2025 and their persons closely associated (PCAs) in the ordinary shares of the Company as at 31 December 2025 (or date of cessation, if earlier).

	As at 31 December 2025			
	Number of shares held directly/by PCAs	Number of vested but unexercised shares held under options with no performance conditions	Number of unvested and unexercised under options with no performance conditions	Total number of interests in shares
Mel Carvill	19,018	N/A	N/A	**19,018**
Archil Gachechiladze[1]	607,049	5,228	179,812	**792,089**
Tamaz Georgadze	5,000	N/A	N/A	**5,000**
Véronique McCarroll	–	N/A	N/A	–
Mariam Megvinetukhutsesi	4,102	N/A	N/A	**4,102**
Cecil Quillen	2,900	N/A	N/A	**2,900**
Andrew McIntyre	1,830	N/A	N/A	**1,830**
Maria Gordon	–	N/A	N/A	**–**
Karine Hirn[2]	2,750	N/A	N/A	**2,750**
Hanna Loikkanen[3]	–	N/A	N/A	**–**
Jonathan Muir[3]	–	N/A	N/A	**–**

1 On 2 January 2025, Mr Gachechiladze received 37,344 nil-cost options over ordinary shares in respect of the deferred salary shares for the 2025 work year. On 11 March 2025, Mr Gachechiladze received 41,816 nil-cost options over ordinary shares in respect of the discretionary deferred shares for the 2024 work year. On 19 March 2025, Mr Gachechiladze exercised options in respect of 165,837 shares, of which 35,821 were withheld to satisfy tax liabilities. The net gains of these options was USD 9,660,307. On 18 June 2025, Mr Gachechiladze received 13,071 nil-cost options over ordinary shares in respect of deferred salary shares for the 2025 work year and 43,625 nil cost options over ordinary shares in respect of the retention and recognition award. On 27 August 2025, Mr Gachechiladze exercised options in respect of 17,450 shares, of which 3,770 were withheld to satisfy tax liabilities. The net gains of these options was USD 1,366,265. Mr Gachechiladze sold 30,000 shares on 9 December 2025, 20,000 shares on 10 December 2025 and 30,000 shares on 11 December. On 2 January 2026, Mr Gachechiladze received 24,059 nil-cost options over ordinary shares in respect of deferred salary shares for the 2026 work year. On 13 March 2026, Mr Gachechiladze received 23,237 nil cost options over ordinary shares in respect of discretionary deferred shares for the 2025 work year. On 16 March 2026, Mr Gachechiladze exercised options in respect of 97,423 shares, of which 21,043 were withheld to satisfy tax liabilities. These will be reported in the 2026 Annual Report and Accounts and are not included in the table above. As at the last practicable date of 19 March 2026, Mr Gachechiladze's total number of share interests is 818,342.

2 On 25 February 2026 Karine Hirn's PCA Wedelian Ltd purchased 1,450 shares.

3 Hanna Loikkanen retired from the Board on 16 June 2025 and Jonathan Muir retired from the Board on 25 June 2025 and as a result their share interests are shown as at those dates. Armen Orujyan was appointed on 9 March 2026 and has no share interests.

As at 31 December 2025, Mr Gachechiladze's total vested and unvested and direct shareholding was 792,089 shares, representing approximately 1.8% of the share capital of the Company. Mr Gachechiladze's connected persons do not have any interests in the shares of the Company.

The Policy is heavily weighted towards remuneration in deferred salary shares and discretionary compensation in deferred shares. The Policy and the long vesting periods, even for salary shares, naturally results in the Executive Director and our Executive Management Team holding a significant number of unvested shares fostering long-term alignment with shareholders.

This is further reinforced by formal guidelines on shareholding and on post-employment shareholding in the Policy which is 300% of fixed remuneration to be built up within five years (an increase from 200% in the 2022 Policy). Further, Mr Gachechiladze is expressly contractually bound to build up and to hold this level for two years post-employment. Mr Gachechiladze's holding as at 31 December 2025 of 2,711% of fixed remuneration means that he has met the shareholding requirement.

There are no shareholding requirements for Non-executive Directors, and they are not awarded incentive shares. Changes in shareholding for Directors between 31 December 2025 and the last practicable date of 19 March 2026 are as shown in the notes to the table above.

Executives' interests in shares

In response to shareholder feedback requesting disclosure of our Executive Management team's total shareholding, to demonstrate their alignment with shareholders, we have provided the shareholdings of Bank of Georgia's Executive Management as at 31 December 2025. Unvested shares vest in tranches over several years:

	Total vested and unvested and direct shareholding in number of shares
Archil Gachechiladze	792,089
Sulkhan Gvalia	326,944
David Chkonia	120,876
Ana Kostava	26,992
Nutsa Gogilashvili	50,018

Service contracts and policy on payments for loss of office

No payments were made to former Directors or in respect of loss of office during the year ended 31 December 2025. Upon change of control, termination for good reason, or death, deferred shares may be allowed to vest in full. Further details of the Executive Director's service contracts are given in the Directors' Remuneration Policy which is available on the website as referenced above. Conversely, deferred shares may lapse for termination for cause, and malus and clawback may apply, or termination by the Executive Director without cause.

Equity compensation trusts and dilution limits

The Group operates two employee benefit trusts (EBTs), one for senior executives, and the other for employees below the executive level (the 'ESOPs'), which hold ordinary shares on trust for the benefit of employees and former employees of the Group, and their dependents, and which is used in conjunction with the Group's employee share schemes.

The Group has committed that new shares issued in satisfaction of share compensation from the time of the Company's listing on the LSE will not exceed 10% of the Company's ordinary share capital over any ten-year period. It should also be noted that all shares acquired by or awarded to participants are existing ordinary shares purchased in the market.

Details of Non-executive Directors' terms of appointment

The Company has entered into letters of appointment with each Non-executive Director requiring them to provide one month's notice prior to termination. For several of the current Non-executive Directors (Tamaz Georgadze and Cecil Quillen) these are effective from 24 February 2018, with Véronique McCarroll's letter of appointment effective from 1 October 2018, Mariam Megvinetukhutsesi's from 12 March 2021, Mel Carvill's from 10 March 2022, Andrew McIntyre's from 15 March 2024, Maria Gordon's from 20 September 2024 and Karine Hirn's from 7 April 2025 and Armen Orujyan's from 9 March 2026. Al Breach resigned on 15 March 2024, Hanna Loikkanen on 16 June 2025 and Jonathan Muir on 26 June 2025. Each Non-executive Director is put forward for election at each AGM following his or her appointment unless the Director or Company decides otherwise. Continuation of a Non-executive Director's employment is conditional on his or her continued satisfactory performance and re-election by shareholders at each AGM.

The Board succession plan provides for a standard tenure of six years for Non-executive Directors. Upon the expiry of this tenure, the Board will assess whether the appointment of the relevant Non-executive Director should cease at the next AGM. If the Board determines that retaining the Director is important to maintaining the appropriate balance of skills and experience, it may offer a one-year extension through a letter of appointment. This extension may be renewed no more than twice, allowing for a maximum tenure of nine years if circumstances warrant.

Implementation of Remuneration Policy for 2026

Details of how the current Policy will be implemented for the 2026 financial year are set out below.

For Archil Gachechiladze

Fixed Pay	
Total cash salary (combined Company, Bank of Georgia and Ameriabank)	USD 500,000 (0% increase from 2025)
Total deferred share salary (combined Company, Bank of Georgia and Ameriabank)	USD 2,970,000 in deferred shares (0% increase from 2025) The award vests during the year but is then released in tranches over a period of up to five years. See page 179 for an illustration of this vesting and release schedule.
Pension	The Executive Director and the Company each contribute 2% and the Georgian Government contributes 0-2% of total remuneration from Bank of Georgia, all in line with Georgian legislation and with the pension arrangements for the Georgian workforce.
Benefits	Details of the benefits received by Executive Director are on page 194.
Discretionary deferred share remuneration	
Opportunity	In line with the Policy, a maximum opportunity of 100% of total fixed remuneration or 200% as an exceptional maximum. There will be no Retention and Recognition award for 2026, as this was a one-off award in 2025 and no further awards can be made under the current Policy.
Deferral terms	If awarded, 40% will vest immediately and 15% will vest on each of the third, fourth, fifth and sixth anniversaries of the start of the work year. Each tranche will be subject to a further holding period of two years. See page 179 for an illustration of this vesting and release schedule.
Performance measures	The Remuneration Committee will determine whether an award is merited, based on the Executive Director's achievement of the KPIs and the performance of the Group during the work year. This decision will be set out in the 2026 Directors' Remuneration Report. Upon vesting, Mr Gachechiladze will also receive cash payments equal to the dividends paid (if any) on the underlying shares between the date the award was made and the vesting date. The Remuneration Committee has set Mr Gachechiladze's KPIs for 2026: • ROAE • Cost:income ratio • Cost of Risk • Profit before tax (PBT) • NPS – Bank of Georgia • GenAI engagement • Bank operational strategic projects • ESG/impact metrics • Individual KBOs The performance targets are currently commercially sensitive and cannot be disclosed. To the extent they are no longer commercially sensitive, they will be disclosed in next year's report.

See the Policy available at https://lionfinancegroup.uk/leadership-and-governance/documents/ for details of malus and clawback.

For Non-executive Directors:

The table below shows the fee structure for Non-executive Directors for 2026. Non-executive Directors' fees are determined by the Board.

Component	Purpose and link to strategy	Operation	Opportunity
Base cash fee	The fee for the Board is competitive enough to attract and retain individuals. The Chairman receives a fee that reflects the extra time committed and responsibility. The Senior Independent Non-executive Director receives a higher base fee reflecting the extra time commitment and responsibility. Additional fees are payable to compensate for time spent discharging Bank of Georgia and Ameriabank CJSC duties.	Cash payment on a quarterly basis.	The amount of remuneration may be reviewed from time to time by the Board. Fees may also be amended and varied if there are genuinely unforeseen and exceptional circumstances necessitating such review. In such circumstances, any significant increase shall be the minimum reasonably required. The maximum aggregate Lion Finance Group PLC fees for all Non-executive Directors which may be paid by the PLC itself is GBP 750,000, consistent with Lion Finance Group PLC's Articles of Association.
Cash fee for each Committee membership	Additional fee to compensate for additional time spend discharging Committee duties.	Cash payment on a quarterly basis.	The amount of remuneration for the membership may be reviewed from time to time by the Board. The Chairman does not receive Committee fees.

The Board intends to review the amount of remuneration during the year for Non-executive Directors.

Where required by Georgian Law, Non-executive Directors resident in Georgia will receive pension contributions of 2% of fees payable to the Georgian National Pension fund.

Operation of the Committee

The members of the Remuneration Committee during the year were as follows:

Committee	Date of membership
Cecil Quillen	24 February 2018; Chair since 1 January 2023
Tamaz Georgadze	24 February 2018
Hanna Loikkanen	20 September 2019 to 16 June 2025
Mel Carvill	10 March 2022
Maria Gordon	20 September 2024

All members of the Committee are independent Non-executive Directors of the Board. The skills and experience each member contributes can be found on pages 143 to 146.

The Remuneration Committee is principally responsible for establishing and implementing a Remuneration Policy that rewards fairly and responsibly and that is designed to support the Company's strategy and promote its long-term sustainable success. The Committee takes into account pay and employment conditions elsewhere in the Group, and oversees any major changes in employee remuneration structures.

The report complies with the provisions of the Companies Act 2006 and Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. It has been prepared in line with the recommendations of the UK Corporate Governance Code and the requirements of the UK Listing Rules.

The Committee considers outside guidelines, including the Investment Association Principles of Remuneration. The UK General Counsel attends events organised by investor bodies, proxy advisors, accountancy firms, law firms, regulatory bodies and similar organisations to keep the Committee up to date with developing market practice. Committee members also meet with stakeholders, including as detailed in this report in respect of the development of the new Policy.

In 2025, the Committee undertook an internal effectiveness review, facilitated by the Company Secretary, with the results considered and discussed during a Committee meeting. It was agreed that the Committee continued to operate and lead efficiently on remuneration matters, given the high level of expertise amongst its members. Continued oversight of talent management was noted as an area of opportunity.

The Committee reviewed its Terms of Reference during 2025 and made recommendations for changes to the Board, taking into account the Provisions on remuneration in the UK Corporate Governance Code. The Terms of Reference are available on our website at https://lionfinancegroup.uk/leadership-and-governance/documents.

Advisors

The Committee engaged specialist remuneration consultant Alvarez & Marsal to provide support and independent guidance on remuneration. Total fees paid to Alvarez & Marsal were GBP 23,700 (plus VAT) during the 2025 financial year, calculated on a time and advisory stage basis. Alvarez & Marsal has no other affiliations with the Group and the Committee is satisfied with its objectivity and independence. Alvarez & Marsal is a member of the Remuneration Consultants' Group and has signed their Code of Conduct on executive remuneration consulting.

The Committee received additional advice on compliance from Baker & McKenzie LLP, the Group's legal advisors, and is of the view that this advice was objective and independent.

Shareholder context

Below are the shareholder voting figures for the two remuneration related resolutions presented at our AGM on 16 June 2025:

Resolution	Votes for	%	Votes against	%	Total votes cast	Votes withheld
Approval of the Directors' Remuneration Report	29,859,122	92.63	2,376,508	7.37	32,235,630	582,293
Approval of the Directors' Remuneration Policy	25,535,020	77.89	7,249,594	22.11	32,784,614	33,308

In response to the significant minority of votes against the 2025 Policy, the Committee undertook an extensive shareholder engagement exercise as described in the Chair's Letter of the Directors' Remuneration Report.

Summary of Directors' Remuneration Policy

The Remuneration Policy was approved by shareholders at the 2025 AGM. The full policy is available at https://lionfinancegroup.uk/leadership-and-governance/documents/.

The tables in this section provide a summary of key components of the Directors' Remuneration Policy

Remuneration Policy table for Executive Directors

Salary in the form of cash and long-term deferred shares

Purpose and link to strategy	Operation	Opportunity
• To closely align Executive Directors' and shareholders' interests. To promote long-term value creation and share price growth. • To reflect the role and required duties, skills, experience and individual contribution to the Group. To encourage commitment to the Group and to recruit and retain high-calibre talent.	• 100% of the deferred share salary vests on the first anniversary of the start of the work year and is subject to holding periods so that 40% is released on the second anniversary, and 20% is released on each of the third, fourth and fifth anniversaries of the start of the work year. Upon vesting, the Executive Director also receives cash payments equal to the dividends paid on the underlying shares between the date the award was made and the vesting date.	• For current CEO and Executive Director, Mr Gachechiladze, cash salary is USD 500,000 per annum. • The value of deferred share salary for Mr Gachechiladze is fixed at the equivalent of USD 2,970,000 per annum, to be awarded in deferred shares. The number of shares are normally calculated using the average price of the shares over five working days prior to 25 December of the year immediately preceding the year of award.

Performance-based remuneration – discretionary deferred shares

Purpose and link to strategy	Operation	Opportunity
• In the context of overall Group performance, to motivate and reward an Executive Director in relation to their contribution to the achievement of the KPIs set by the Remuneration Committee towards the beginning of the year. • Performance-based remuneration solely in the form of deferred shares (no cash): – closely aligns the interests of an Executive Director with shareholders; – avoids inappropriate risk-taking for short-term gain; and – encourages long-term commitment to the Group.	• The Remuneration Committee determines annually the number of nil-cost options awarded based on the Executive Director's achievement of the KPIs set for the work year, and the performance of the Group during that year. • The Remuneration Committee has discretion to determine the Executive Director's performance-based remuneration on the basis of the 'exceptional maximum opportunity', in a year where extraordinary performance has resulted in significant growth of the business (which was not otherwise predetermined as a KPI (Key Performance Indicator) or KBO (of the Executive Director for that year), or in a one-off creation of significant additional shareholder value. • Discretionary deferred shares will vest as follows: 40% vests immediately, and 15% will vest on each of the third, fourth, fifth and sixth anniversaries of the start of the work year. Each tranche will be subject to a further holding period of two years as indicated in the notes to this Policy table (effectively, discretionary deferred shares are released over eight years from the beginning of the relevant work year). Upon vesting, the Executive Director also receives cash payments equal to the dividends paid on the underlying shares between the date the award was made and the vesting date. • Extended malus and clawback, in addition to lapse provisions (natural malus) apply as set out in the notes to this Policy table. • For the year 2025, in light of the renewal of his agreement and in recognition of his performance and as stated in the 2025 Policy, Mr Gachechiladze was granted a one-time Retention & Recognition award in the amount of 100% of his annual fixed remuneration for 2024, which is subject to the vesting and holding schedule applicable to discretionary deferred share remuneration.	• Two levels of maximum opportunity apply: (i) standard maximum opportunity and (ii) exceptional maximum opportunity. The maximum number of discretionary deferred shares that may be awarded in respect of standard maximum opportunity of the previous work year is capped at 100% of total salary (i.e. cash and deferred share salary), and the maximum number of discretionary deferred shares that may be awarded in respect of exceptional maximum opportunity of the previous work year is capped at 200% of total salary (including the standard maximum opportunity).

Pension

Purpose and link to strategy	Operation	Opportunity
• The Group is required to comply with pension requirements set by the Georgian Government.	• Pension provision will be in line with Georgian or other applicable pension legislation, which may change from time to time. There is no provision for the recovery or withholding of pension payments.	• In line with current Georgian legislation, the Executive Director and Bank of Georgia each contribute 2% of total remuneration from Bank of Georgia, and the Georgian Government may contribute a further small amount (0-2% depending on income levels). The same arrangement applies to employees across the Group in Georgia.

Benefits

Purpose and link to strategy	Operation	Opportunity
• Non-cash benefits are in line with Georgian market practice and are designed to be sufficient to attract and retain high-calibre talent.	• Benefits consist of: life insurance; health insurance; incapacity/disability insurance; Directors' and officers' liability insurance; physical examinations; tax gross-ups and tax equalisation payments; company car and driver; mobile phone costs; personal security arrangements (if requested by the Executive Director); assistance with completing tax returns (where required); relocation costs for the Executive Director and close family and legal costs • Other benefits may be provided from time to time if considered reasonable and appropriate.	• There is no prescribed maximum on the value of benefits payable to an Executive Director. The maximum amount payable depends on the cost of providing such benefits to an employee in the location at which the Executive Director is based.

Shareholding guidelines

Purpose and link to strategy	Operation	Opportunity
• To ensure Executive Directors build and hold a significant shareholding in the Group over the long term. • To align Executive Directors' interests with those of shareholders. • To ensure departing Executive Directors make long-term decisions and maintain an interest in the ongoing success of the Group post-employment.	• Executive Directors are required to build and then maintain a shareholding with a 300% equivalent of total salary (i.e. cash and deferred share salary), with such amount to be built up within a five-year period from appointment as an Executive Director (the 'Required Shareholding'). All beneficially owned shares, as well as unvested (net of tax) and vested deferred share salary and discretionary deferred shares will count towards the Required Shareholding (as such awards are not subject to any performance conditions after grant). • Executive Directors are to retain the lower of the Required Shareholding or the Executive Director's actual shareholding at the time employment ceases, for a period of two years from the date on which employment ceases, unless the Remuneration Committee determines otherwise. It is noted that a good leaver may hold substantially higher than this shareholding in unvested shares alone.	• Not applicable.

Malus and clawback, and shareholding guidelines

Discretionary deferred shares are subject to malus and clawback in the following circumstances:

- misconduct in the performance or substantial failure to perform duties by the Executive Director or material breach of applicable regulations and/or Bank of Georgia's internal policies;
- significant financial losses, serious failure of risk management or serious damage to the reputation of Lion Finance Group PLC or Bank of Georgia caused by misconduct or gross negligence (including inaction) of the Executive Director;
- material misstatement or material errors in the financial statements that relate to the area of responsibility of the Executive Director or can be attributed to action or inaction of the Executive Director's performance of their duties;
- deliberately misleading Lion Finance Group PLC or Bank of Georgia in relation to financial performance;
- failure to continue to meet the fitness and properness criteria for an Executive Director of Bank of Georgia;
- material increase with respect to the required regulatory capital of Bank of Georgia that can be attributed to the action or inaction of the Executive Director;
- misconduct that contributed to the imposition of material regulatory or other similar sanctions;
- payments based on erroneous or misleading data, for which malus and clawback apply to discretionary deferred remuneration awarded for the year in question; and
- significant increases in Bank of Georgia's regulatory capital requirements (for clawback to apply such failures/problems are to have been caused by or be attributable to the actions or inactions of the Executive Director).

The Remuneration Committee further has the right to withhold the release of already-awarded discretionary deferred share remuneration if such is mandated by the needs of preservation of Bank of Georgia's regulatory capital.

The above provisions will form part of Mr Gachechiladze's service contract. Further, the Group has amended the Executive Equity Compensation plan to allow shares to be lapsed, including to zero, or clawed back in accordance with the provisions in the Executive Director's contracts.

Clawback is for up to two years from vesting and for the Group's current Executive Director and CEO, Mr Gachechiladze, the Group also has unusually strong malus provisions where unvested discretionary deferred shares lapse when the service contract is terminated under certain circumstances, including for 'Cause' such as gross misconduct, failure to perform duties, material breach of obligations and unethical behaviour. This may be several years' worth of discretionary deferred shares.

Service agreements

At the date of this Annual Report, Mr Gachechiladze is the sole Executive Director of the Company. He has a service agreement with an effective date of 28 January 2019 with Lion Finance Group PLC for an indefinite term (subject to annual re-election at the AGM) which is terminable by either party on four months' notice unless for cause where notice served by LFG shall have immediate effect.

Mr Gachechiladze also has a service agreement with JSC Bank of Georgia with an effective date of 1 January 2025 (in accordance with the three-year cycle from 1 January 2022 arising from compliance with the NBG requirements) for an employment term of three years which is terminable by the Company with immediate effect and by the Executive Director on not less than four months' notice.

Mr Gachechiladze also has a letter of appointment as a Non-executive Director of Ameriabank CJSC from 27 November 2024, in standard format for a Non-executive Director of such bank, and in accordance with the regulations of the CBA. Monthly payment is the minimum possible, at USD 200 net monthly (with the equivalent gross amount deducted from payments made under his PLC contract so that the overall salary to Mr Gachechiladze remains no more than before). In summary, the agreement may be terminated at any time in accordance with the manner defined by the legislation of the Republic of Armenia, in the event of certain misconduct or similar, or by mutual consent. Termination and payments are described more fully in the letter of appointment.

The Directors' Remuneration Report was approved by the Board on 24 March 2026 and signed on its behalf by:

Cecil Quillen
Chair of the Remuneration Committee
24 March 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and consolidated and separate financial statements in accordance with applicable law and regulations.

Company law requires us to prepare financial statements for each financial year. As required, we have prepared the accompanying consolidated and separate statements in accordance with UK-adopted international accounting standards (IFRS).

Directors cannot approve the consolidated and separate financial statements contained within this Annual Report unless they are satisfied they are a true and fair reflection of the state of affairs of Lion Finance Group PLC (the 'Company') and the Group, and of the profit or loss of the Company and the Group for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group financial statements are required to be prepared in accordance with IFRS.

In preparing the accompanying consolidated and separate financial statements, Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

Directors are also responsible for keeping adequate accounting records that sufficiently show and explain the Company's and the Group's transactions, to disclose with reasonable accuracy at any time the financial position of the Company and the Group, and to enable us to ensure that the consolidated and separate financial statements comply with the Companies Act 2006. The Directors are responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking reasonable steps to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities. Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that each comply with that law and those regulations. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are also responsible for the maintenance and integrity of the Company's website.

Each of the Directors whose names and functions are listed in the section of the report headed Board of Directors on pages 143 to 146 confirm that, to the best of their knowledge:

- the consolidated and separate financial statements, prepared in accordance with UK-adopted international accounting standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole; and
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties they face.

The Directors consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and give shareholders the information needed to assess the Group's position and performance, business model and strategy.

By order of the Board

Mel Carvill
Chair
24 March 2026

Archil Gachechiladze
CEO
24 March 2026

Directors' Report

The Directors present their Annual Report and the audited Consolidated Financial Statements for the year ended 31 December 2025.

Strategic Report

The Strategic Report on pages 2 to 129 was approved by the Board of Directors on 24 March 2026 and signed on its behalf by Archil Gachechiladze, Chief Executive Officer.

Management Report

This Directors' Report, together with the Strategic Report on pages 2 to 129, forms the Management Report for the basis of the Disclosure Guidance and Transparency Rules 4.1.5R.

Information contained elsewhere in the Annual Report

Information required to be included in this Directors' Report can be found elsewhere in the Annual Report as indicated in the table below, and is incorporated into this report by reference:

Information	Location in the Annual Report
Future developments, including research and development activities	Pages 2 to 129
Going concern statement	Page 123
Viability statement	Page 123
Risk management	Pages 108 to 111
Principal risks and uncertainties	Pages 111 to 122
Compliance with the UK Corporate Governance Code 2024 and Directors' Governance Statement	Pages 131 to 142
Directors during the financial year	Page 132
The Board of Directors – biographies	Pages 143 to 146
Nomination Committee Report	Pages 149 to 158
Audit Committee Report	Pages 159 to 168
Risk Committee Report	Pages 169 to 175
Related-party disclosures	Note 34 on pages 325 to 326
Climate-related financial disclosures	Pages 68 to 93
GHG emissions	Pages 89 to 90
Energy consumption	Pages 64 and 90
Energy-efficient action	Page 64
Employee matters, including employee engagement	Pages 94 to 101
Environmental matters	Pages 56 to 105
Share capital	Pages 198 and Note 24 on pages 289 to 292
Engagement with suppliers, customers and others in a business relationship with the Company	Pages 47 to 55
Diversity Policy	Pages 139 to 140 and 155
Directors' agreements affected by a takeover	Page 189
Information on the Group's financial risk management objectives and policies, and its exposure to credit risk, foreign currency risk and financial instruments	Note 31 on pages 298 to 315

Non-financial and sustainability information statement

The Company complies with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. Details on where information can be found on non-financial and sustainability matters in the Annual Report are provided on pages 106 to 107.

Information to be disclosed in accordance with UK Listing Rule 6.6.1R

The following information, required to be disclosed in accordance with UK Listing Rule 6.6.1R, is not applicable unless stated otherwise:

- the amount of interest capitalised by the Group during the period under review and details of any related tax relief;
- information in relation to the publication of unaudited financial information required by UK Listing Rule 6.2.23R;
- any arrangements under which a Director has waived emoluments or agreed to waive any future emoluments from the Group;
- details of any contract for the provision of services to the Company or any of its subsidiary undertakings by a controlling shareholder, subsisting during the period under review;
- any non-pre-emptive issues of equity for cash by the Group or by any unlisted major subsidiary undertaking;
- parent participation in a placing by a listed subsidiary;
- any contract of significance in which a Director of the Company is or was materially interested; and
- any waiver of dividends by a shareholder.

Articles of Association

The Company's Articles of Association – available at https://lionfinancegroup.uk/leadership-and-governance/documents/ – may only be amended by a special resolution at a general meeting of the shareholders. The process for the appointment and removal of Directors is included in the Articles of Association.

Share capital and rights attaching to the shares

Details of the movements in share capital during the year are provided in Note 24 to the Consolidated Financial Statements on pages 289 to 292 of this Annual Report.

As at 31 December 2025, there was a single class of 43,474,333 ordinary shares of one pence each in issue, each with one vote – of which 18,000 ordinary shares were held in treasury pending cancellation. As of the latest practicable date of 19 March 2026 there was a single class of 43,365,907 ordinary shares, of which 136,477 ordinary shares were held in treasury pending cancellation.

The rights and obligations attaching to the Company's ordinary shares are set out in its Articles of Association. Holders of ordinary shares are entitled, subject to any applicable law and the Company's Articles of Association, to:

- have shareholder documents made available to them, including notice of any general meeting;
- attend, speak and exercise voting rights at general meetings, either in person or by proxy; and
- participate in any distribution of income or capital. Under the terms of a demerger agreement between the Company and Georgia Capital PLC, the latter has agreed that for so long as its percentage holding in the Company (directly or indirectly) is greater than 9.9% of the voting rights exercisable at the Company's general meetings, these voting rights will be exercised in general meetings of the Company in accordance with votes cast by all other shareholders.

This agreement was put in place to ensure that Georgia Capital PLC will not be able to influence the voting outcomes of the Company's shareholder resolutions at general meetings. Votes will be made in accordance with the following mechanism: on a resolution proposed to a general meeting, all shareholders of the Company (other than JSC Georgia Capital and its concert parties) will be entitled to vote at their discretion on a poll vote (each an 'Initial Vote'); and following the closing of the Initial Vote(s), the poll will reopen as soon as possible for the sole purpose of enabling the shares held by JSC Georgia Capital (or its concert parties) to be voted in each case proportionally (calculated to two decimal places) in accordance with the votes cast on each resolution on an Initial Vote (the 'Proportional Voting Mechanism').

As the latest practicable date before the publication of the Annual Report on 19 March 2026, the 'Effective Rule 9 Threshold' (as defined in the Company's 2018 listing prospectus and in summary being the level of holding of the Company's shares carrying voting rights above which a mandatory offer would be triggered under Rule 9 of the Takeover Code, once the shares held by Georgia Capital are removed from the denominator) is 10,833,803 shares – representing 24.98% of the Company's issued share capital.

The latest Effective Rule 9 Threshold is available on the FAQ section of our website. There are no other restrictions on exercising voting rights, except in situations where the Company is legally entitled to impose such a restriction – for example, under the Articles of Association where amounts remain unpaid in the shares after request, or the holder is otherwise in default of an obligation to the Company. The Company is not aware of any arrangements between shareholders that may result in restrictions on the transfer of securities or voting rights.

The Company is permitted to make market purchases of its own shares provided it is duly authorised by its members in a general meeting, and subject to and in accordance with section 701 of the Companies Act 2006. Authority was given by special resolution at the AGM of the Company on 16 June 2025 for the Group to purchase up to 4,411,570 shares – approximately 10% of the Group's shares. This authority will expire at the conclusion of the Company's AGM in 2026 or, if earlier, the close of business on 16 July 2026. As at 31 December 2025, 57,356 ordinary shares had been repurchased as part of the GEL 51.5 million share buyback and cancellation programme. Of the repurchased shares, 18,000 were awaiting cancellation as at 31 December 2025.

A renewal of the authority to make market purchases will be sought from shareholders at each AGM. Purchases of ordinary shares will be made within guidelines established from time to time by the Board. Any purchase of ordinary shares would be made only out of the Company's available cash resources. Ordinary shares purchased by the Company may be held in treasury or cancelled.

During 2025, Apex Group Fiduciary Services Limited, acting as a trustee of the Bank of Georgia Group Employee Trust, purchased 30,099 ordinary shares with a nominal value of one pence per share. As at 31 December 2025, the balance of the Bank of Georgia Group Employee Trust was 283,393 shares, representing 0.65% of the issued share capital. In addition, acting as a trustee of the Rubicon Executive Equity Compensation Trust, Apex Group Fiduciary Services Limited purchased 115,918 ordinary shares with a nominal value of one pence per share. The balance of the Rubicon Executive Equity Compensation Trust as at 31 December 2025 was 616,261 shares, representing 1.42% of the issued share capital. Together, the Bank of Georgia Group Employee Trust, and Rubicon Executive Equity Compensation Trust holdings as at 31 December 2025, represented 2.07% of the issued share capital. The trusts hold the shares for the purpose of satisfying awards to beneficiaries.

The Company is permitted to allot its own shares provided it is duly authorised by its members in a general meeting, and subject to and in accordance with section 551 of the Companies Act 2006. Authority was given by special resolution at the AGM of the Company on 16 June 2025 for the Board to (a) allot shares in the Company up to a maximum aggregate nominal value of £147,037.65 (representing 14,703,765 ordinary shares),

which represents approximately one third of the Company's issued ordinary share capital (excluding treasury shares) as at 14 April 2025; and (b) allot shares in the Company up to a further aggregate nominal amount of £ 147,037.65, in connection with a pre-emptive offer: (i) to holders of shares in proportion (as nearly as may be practicable) to their existing holdings; and (ii) to holders of other equity securities as required by the rights of those securities or, as the Board consider it necessary, as permitted by the rights of those securities, subject to the Board having the right to make such exclusions or other arrangements as they may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter. These authorities will apply (unless previously renewed, varied or revoked by the Company at a general meeting) until conclusion of the Company's AGM in 2026 – or, if earlier, at the close of business on 16 September 2026 – and approval will be sought at that meeting to renew a similar authority for a further year. None of the ordinary shares carry any special rights regarding control of the Company.

There are no restrictions on transfers of shares, other than:

- certain restrictions which may from time to time be imposed by law or regulations, such as those relating to insider dealing or pursuant to the Company's Inside Information Disclosure Policy;
- pursuant to the Company's Securities Dealing Policy and Code, whereby the Directors and designated employees require approval to deal in the Company's shares or cannot deal at certain times; and
- where a person with an interest in the Company's shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares.

Results and dividends

The Group made a profit before taxation and one-offs of GEL 2,610.0 million for the year ended 31 December 2025. The Group's profit after taxation for the year was GEL 2,163.2 million.

The Company may by ordinary resolution declare dividends, provided that no such dividend shall exceed the amount recommended by the Company's Directors. The Directors may also pay such interim dividends as appear to be justified by the profits of the Group available for distribution. As Lion Finance Group PLC is a holding company, the Group relies primarily on dividends and other statutorily (if any) and contractually permissible payments from its subsidiaries to generate the funds necessary to meet its obligations and pay dividends to its shareholders.

In February 2025, the Company announced a GEL 107.7 million extension of the share buyback and cancellation programme which was to end no later than the Company's AGM in 2025.

At the AGM held on 16 June 2025 shareholders approved the Board's recommendation of a final dividend of GEL 5.62 per ordinary share in respect of the period ended 31 December 2024, payable on 18 July 2025 to ordinary shareholders of the Group on the register as of 4 July 2025.

On 20 August 2025, the Board declared a cumulative interim dividend of GEL 5.10 in respect of the periods ended 31 March 2025 and 30 June 2025, payable on 10 October 2025 to ordinary shareholders of the Group on the register as of 26 September 2025.

In August 2025, the Company announced a GEL 98.0 million share buyback and cancellation programme, which was subsequently extended by GEL 51.5 million in November 2025. The Company also announced a change in the Capital Distribution Policy to transition from semi-annual to quarterly dividends with effect from Q3 2025.

On 20 November 2025, the Board declared an interim dividend of GEL 2.65 per ordinary share in respect of the period ended 30 September 2025, payable on 9 January 2026 to ordinary shareholders of the Group on the register as of 19 December 2025.

On 25 February 2026, the Board declared an interim dividend of GEL 2.75 per ordinary share in respect of the period ended 31 December 2025, payable on 14 April 2026 to ordinary shareholders of the Group on the register as of 27 March 2026.

On 25 February 2026, the Board approved a GEL 53.5 million extension to the share buyback and cancellation programme which commenced on 2 March 2026.

The distributions are consistent with the Group's Capital Distribution Policy to target a dividend/share buyback payout ratio in the range of 30-50% of annual profits. The Board believes these to be in the best interests of the Company and its shareholders.

Equity Settled Option Plan

The Group operates two employee benefit trusts (EBTs) – one for Executive Management and the other for employees below the executive level (the 'ESOP') – which hold ordinary shares on trust for the benefit of employees and former employees of the Group and their dependents, and which are used in conjunction with the Group's employee share schemes. While ordinary shares are held in the EBT, the voting rights in respect of these ordinary shares may be exercised by the trustees of the EBT.

The EBTs waive their right to receive any dividends. The Company has committed that new shares issued in satisfaction of deferred share compensation from the time of the Company's listing on the London Stock Exchange (LSE) will not exceed 10% of Lion Finance Group PLC's ordinary share capital over any ten-year period.

Powers of Directors

The Directors may exercise all powers of the Company subject to applicable legislation and regulations and the Company's Articles of Association.

Conflicts of interest

In accordance with the Companies Act 2006, the Directors have adopted a policy and procedure for the disclosure and authorisation (if appropriate) of conflicts of interest. These have been followed during 2025.

The Company's Articles of Association also contain provisions to allow the Directors to authorise potential conflicts of interest so that a Director is not in breach of their duty under Company Law.

No member of the Board had a material interest in any contract of significance with the Company, or any of its subsidiaries, at any time during the financial year.

Directors' remuneration

Directors' fees are determined by the Remuneration Committee from time to time and must be in accordance with the Directors' Remuneration Policy approved by shareholders at the AGM on 16 June 2025. The fees paid to the Non-executive Directors in 2025, pursuant to their letters of appointment, are shown on page 186. The fees paid to our sole Executive Director for the period 1 January 2025 to 31 December 2025, pursuant to his service agreements, are shown on page 180.

Directors' interests

The Directors' beneficial interests in ordinary shares of the Company as at 31 December 2025 are shown on page 188, together with any changes in those interests between the financial year-end and the date on which this Directors' Report was approved by the Board.

Company Secretary

Computershare Company Secretarial Services Limited – a global company delivering governance solutions to listed and private companies through professional expertise and innovative technologies – is the appointed Company Secretary.

Election and re-election of Directors

In line with the Code's recommendations all Directors seek re-election annually. Accordingly, all Directors who wish to remain on the Board will stand for election or re-election in 2026.

The Board will set out in its Notice of Annual General Meeting the qualifications of each Director and support for election and re-election as applicable.

Annual General Meeting

The AGM in 2026 is planned to be held in London, UK at 11:30am on Friday, 22 May 2026. Information on how to vote and participate, both in advance and on the day, can be found in the Notice of the 2026 AGM, which will be sent to shareholders on 15 April 2026 and will be available on https://lionfinancegroup.uk/investor-information/shareholder-meetings. Shareholders should monitor our website and announcements for any changes to these arrangements.

The Notice of Annual General Meeting is circulated to all shareholders at least 20 working days prior to such meetings. All shareholders are invited to attend the AGM, where there is an opportunity to put questions to the Board Chairman and the Chairs of the Board Committees.

Shareholders are also invited to submit questions ahead of the AGM by email and responses are provided ahead of the proxy voting deadline where practicable. As recommended by the Code, all resolutions proposed at the 2026 AGM will be voted on separately – and the voting results will be announced to the LSE and made available on the Company's website as soon as practicable after the meeting. These will include all votes cast for and against and those withheld, and all proxies lodged prior to the meeting.

For further information on shareholder and stakeholder engagement see pages 47 to 55.

Directors' responsibilities

Statements explaining the responsibilities of the Directors for preparing the Annual Report and consolidated and separate financial statements can be found on page 196 of this Annual Report.

A further statement is provided confirming that the Board considers the Annual Report, taken as a whole, to be fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Further information on the fair, balanced and understandable statement assessment can be found on page 168.

Indemnity

Subject to applicable legislation, every current and former Director or other officer of the Company (other than any person engaged by the Company as auditor) shall be indemnified by Lion Finance Group PLC against (broadly) any liability in relation to the Company, other than (broadly) any liability to the Company or a member of the Group, or any criminal or regulatory fine. In addition, the Company has put in place directors' and officers' indemnity insurance.

Significant agreements

The Company is not party to any significant agreements that take effect, alter or terminate upon a change of control of the Company, except that provisions of the Company's share schemes and plans may cause options and awards granted to employees under such schemes and plans to vest.

The Company is not aware of any agreements between holders of its ordinary shares that may result in restrictions on the transfer of its ordinary shares or on voting rights.

Locations

Our registered office is in London (see page 218) and we have an additional office in Tel Aviv, as well as BNB Bank in Belarus, JSC Bank of Georgia in Georgia and Ameriabank CJSC in Armenia.

Political donations

The Group did not make any political donations or expenditure during 2025. It is not the policy of the Company, or its subsidiaries, to make political donations as contemplated by the Companies Act 2006. However, the application of the relevant provisions of the Companies Act 2006 is very wide in nature and normal business activities of the Company, which might not be considered political donations or expenditure in the usual sense, may possibly be construed as political expenditure and fall within the restrictions of the Act. Accordingly, authority to make political donations and incur political expenditure will be put to shareholder vote at the 2026 AGM.

Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics relating to the lawful and ethical conduct of the business, supported by the Group's core values. The Code of Conduct and Ethics has been communicated to all Directors and employees, and they are expected to observe high standards of integrity and fair dealing in relation to customers, staff and regulators in the communities in which the Group operates.

Our Code of Conduct and Ethics is available at: https://lionfinancegroup.uk/leadership-and-governance/documents.

Independent auditors

The NBG granted an extension in respect of the local mandatory audit rotation to allow EY to continue as auditor of Lion Finance Group PLC for the 2025 audit.

EY will resign as auditor of the Group following the completion of the audit of the financial year ended 31 December 2025. Following a competitive tender process conducted during 2024, the Board will recommend to shareholders the approval of the appointment of PwC as auditor of Lion Finance Group PLC at the 2026 AGM. Further information on the tender process can be found on pages 162 and 165 to 166.

Major interests in shares

As at 31 December 2025 the following interests in the ordinary share capital of the Company have been notified to the Directors:

Shareholder	No. of voting rights	% of voting rights
JSC Georgia Capital	7,336,324	16.88%
Helikon Long Short Equity Fund Master ICAV	2,161,695	4.97%
Dimensional Fund Advisors (DFA) LP	2,067,425	4.76%
JP Morgan Asset Management (UK) Ltd	1,705,445	3.92%
Vanguard Group Inc	1,525,343	3.51%
BlackRock Investment Management (UK)	1,438,466	3.31%

Source: Georgeson, Computershare, and notifications of major holdings from shareholders

1. JSC Georgia Capital will exercise its voting rights at the Group's general meetings in accordance with the votes cast by all other Group shareholders, as long as JSC Georgia Capital's percentage holding in Lion Finance Group PLC is greater than 9.9%.

For the period 1 January 2026 up to and including 19 March 2026 (the latest practicable date for inclusion in this report), there have been no further notifications pursuant to DTR 5.

It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

The respective regulatory filings by shareholders are available on the Company's website at https://lionfinancegroup.uk/news/regulatory-announcements and the LSE website at https://www.londonstockexchange.com

Post-balance-sheet events

On 12 February 2026, Lion Finance Group PLC's Armenian banking subsidiary, Ameriabank CJSC, placed USD 50 million 8.5% perpetual subordinated callable Additional Tier 1 capital notes.

On 25 February 2026, the Board approved a GEL 53.5 million extension to its share buyback and cancellation programme which commenced on 2 March 2026.

On 25 February 2026, the Board declared an interim dividend of GEL 2.75 per ordinary share in respect of the period ended 31 December 2025, payable on 14 April 2026 to ordinary shareholders of the Group on the register as of 27 March 2026.

Armen Orujyan was appointed as an Independent Non-executive Director and as a member of the Risk and Nomination Committees with effect from 9 March 2026.

Further information regarding the events after the reporting period can be found in Note 37 to the Consolidated Financial Statements on page 331.

Statement of disclosure of information to the External Auditor

We confirm that, so far as we are aware, there is no relevant audit information of which the Company's auditor is unaware – and we have taken all steps that we reasonably believe should be taken as Directors to make ourselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of such information.

The Directors' Report on pages 197 to 201 was approved by the Board of Directors on 24 March 2026 and signed on its behalf:

By order of the Board

Computershare Company Secretarial Services Limited
Company Secretary
24 March 2026

Independent Auditor's Report
to the Members of Lion Finance Group PLC

Opinion
In our opinion:
- Lion Finance Group PLC's Group Financial Statements and Parent Company Financial Statements (together the 'Financial Statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK adopted international accounting standards (UK IAS);
- the Parent Company Financial Statements have been properly prepared in accordance with UK IAS as applied in accordance with section 408 of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Lion Finance Group PLC (the 'Parent Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2025 which comprise:

Group	Parent Company
Consolidated Balance Sheet as at 31 December 2025	Separate Balance Sheet as at 31 December 2025
Consolidated Income Statement for the year then ended	Separate Statement of Changes in Equity for the year then ended
Consolidated Statement of Comprehensive Income for the year then ended	Separate Statement of Cash Flows for the year then ended
Consolidated Statement of Changes in Equity for the year then ended	Related notes 1 to 37 to the Financial Statements, including: material accounting policy information.
Consolidated Statement of Cash Flows for the year then ended	
Related notes 1 to 37 to the Financial Statements, including: material accounting policy information.	

The financial reporting framework that has been applied in their preparation is applicable law and UK IAS and as regards the Parent Company Financial Statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company, with the following inconsequential exception and we remain independent of the Group and Parent Company in conducting the audit.

During the performance of our independence procedures in January 2026, we identified that non-audit services prohibited under the FRC's Ethical Standard were provided by Kept Belarus to Belarusky Narodny Bank, a subsidiary of the Group, during 2025. These services are prohibited as Kept Belarus reports to us for a specific-scope component to support our opinion on the Group Financial Statements. The service related to a corporate governance gap analysis performed against local regulatory requirements and was not required by law or regulation. We note this is a breach under FRC's Ethical Standard 2024, as the service is not permitted under paragraph 5.40 of FRC's Ethical Standard 2024. The service concluded in December 2025 and is no longer being provided.

As a result of the breach we assessed the service provided to conclude on the extent of the issue. We considered that the provision of the service did not create a self-review threat as the prohibited service is not closely related to the financial statement audit and there was therefore no risk of self-review. Appropriate mitigations also existed as the individuals who performed the prohibited services were not part of the audit engagement team.

We informed the Audit Committee following identification of the matter in February 2026. We considered this to be an insignificant breach of the FRC's Ethical Standard 2024; that an objective, reasonable and informed third party would not conclude impaired our independence; and that we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of management's key assumptions made in the Group's forecasts. In assessing the reasonableness of management's assumptions, we incorporated consideration of the principal risks and uncertainties facing the Group, including the potential longer-term impacts of the various ongoing regional conflicts, as well as considering appropriate mitigating factors.
- Assessing the level of liquidity available to the Group to support its ongoing needs and projected compliance with capital requirements and external debt covenants for a period of 12 months from the date of authorisation of the Financial Statements.
- Evaluating the reasonableness of management's adverse forecast scenarios and associated stress testing, and their impact on the Group's liquidity and capital positions and compliance with external debt covenants.
- Obtaining the reverse stress test performed by management and assessing the plausibility of management actions available to mitigate the impact of the results of that test.
- Assessing the adequacy of the going concern disclosures provided within the Financial Statements by evaluating whether they were consistent with management's assessment and in compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of twelve months from 24 March 2026.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of four components and specified audit procedures on balances for two further components. • The components where we performed full, specific and centralised audit procedures accounted for 98% of absolute profit before tax, 98% of absolute revenue and 99% of absolute total assets.
Key audit matters	• Allowance for expected credit loss and application of IFRS 9 'Financial Instruments'.
Materiality	• Overall group materiality was established at GEL 120m (2024: GEL 106m) which represents approximately 5% of adjusted profit before tax.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, evaluation of materiality, and allocation of performance materiality determine the audit scope for each entity within the Group. Taken together, these assessments enable us to form an opinion on the Group Financial Statements.

In determining the level of work to be performed at each entity, we considered factors including size, risk profile, the Group's organisational structure, the effectiveness of group wide controls, changes in the business environment, the potential impact of climate change, and other external factors such as geopolitical risks.

In assessing the risk of material misstatement of the Group's Financial Statements and to ensure adequate quantitative coverage of significant accounts, we evaluated the Group's twenty seven reporting components. Of these, we selected eight components located in the United Kingdom, Georgia, Armenia, and Belarus as individually relevant to the Group. These components were identified due to either the presence of significant risks or areas of higher assessed risk of material misstatement, or due to their financial significance relative to the Group.

For individually relevant components, we identified the significant accounts requiring audit procedures by applying professional judgement. This assessment considered the Group's significant accounts subject to centralised audit procedures, the rationale for identifying the component as individually relevant, and the size of the component's account balances relative to the corresponding significant Group financial statement balances.

We then considered whether the remaining Group significant account balances not subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group Financial Statements. No additional audit scope was identified, as the residual risk was assessed as not being material. Having identified the components for which audit work was required, we determined the appropriate scope to assign to each component.

Of the eight components selected, we designed and performed audit procedures on the entire financial information of four components ('full scope components'). For two components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures ('specific scope components'). For the remaining two components, audit coverage was achieved through centrally performed procedures relating to the Group's consolidation and elimination adjustments.

	Group's Absolute PBT		Group's Absolute Total Assets		Group's Absolute Revenue	
	2025	2024	2025	2024	2025	2024
Full scope	89%	78%	85%	75%	89%	72%
Specific scope	3%	1%	3%	2%	4%	2%
Centralised procedures	7%	19%	11%	20%	5%	24%
Total	98%	98%	99%	97%	98%	98%

Of the remaining nineteen components that together represent 2% of the Group's absolute profit before tax, none are individually greater than 1% of that profit number. For these components, we performed other procedures and analytical reviews to respond to any potential risks of material misstatement to the Group Financial Statements.

Changes from the prior year

In the current year, we reclassified the Parent Companies of the Group and the Georgian subgroup as full-scope components, having been subject to centrally performed procedures in the prior year.

Consistent with the prior year, one component was subject to specific-scope audit procedures over cash and cash equivalents; however, the component to which these procedures were applied changed in the current year.

We also increased the scope of audit work performed for the specific-scope component in Belarus to include the loans and advances to customers and client deposits financial statement accounts, in addition to the existing specific-scope procedures over cash and amounts due from and owed to financial institutions balances and sanctions-related risks.

Involvement with component teams and primary team co-ordination

In establishing our overall approach to the Group audit, we determined the nature and extent of work to be performed either by the Primary Audit Team or by component auditors from other firms acting under our instructions.

The Primary Audit Team operated as an integrated team across EY network firms in the UK and Georgia. A programme of continuous engagement between the UK and Georgian teams was established to ensure appropriate oversight by the UK Senior Statutory Auditor. As a result, the audit work relating to three full scope components, one specific scope component, and the centrally performed procedures over group consolidation and eliminations was undertaken by the Primary Audit Team.

During 2025, members of the UK team visited Georgia four times. These visits included discussions with the Georgian team on the audit approach and issues arising from their work, meetings with Group management, attendance at planning and closing meetings, and reviews of relevant audit working papers in key risk areas. In addition to these site visits, the UK team maintained regular interaction with the Georgian team throughout the audit, reviewed relevant working papers and deliverables, and retained responsibility for the overall scope, direction, and supervision of the audit.

The Primary Audit Team also held video conference meetings with non-EY component auditors and local management in respect of a full-scope component in Armenia and a specific-scope component in Belarus. These meetings focused on discussing the audit approach, matters arising from component audit work, and performing remote reviews of key audit working papers.

This work, together with the additional procedures performed at Group level, provided sufficient appropriate audit evidence to support our opinion on the Group Financial Statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that climate-related risk is an emerging matter. This is explained on page 68 in the required Task Force On Climate Related Financial Disclosures as well as on pages 111 to 122 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited Financial Statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its Financial Statements.

There are no significant judgements or estimates relating to climate change in the notes to the Financial Statements.

Our audit effort in considering the impact of climate change on the Financial Statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of the material climate risks disclosed on pages 60 to 80 and the impact of the issue on Risk Management in Note 31. Further, we also considered whether these have been appropriately reflected in the asset values and liabilities recognised.

As part of this evaluation, we performed our own risk assessment, supported by our climate change specialists, to determine the risks of material misstatement in the financial statements from climate change.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the Financial Statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for Expected Credit Loss ('ECL') and application of IFRS 9 'Financial instruments'

Risk	Our response to the risk
The ECL provision is calculated using a combination of a collective provisioning model and specific loan provisions based on discounted cash flow analyses and regression-based forward-looking estimates. Determining the allowance for expected credit losses is highly judgemental and subjective and changes in the assumptions underpinning the estimation of expected credit losses could have a material impact on reported profits. Assumptions with increased complexity in respect of the timing and measurement of expected credit losses include: **Modelling and Data Flows –** Appropriateness of accounting interpretations, modelling assumptions, modelling techniques and the data used to determine the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) used to calculate the ECL. **Individual Impairment –** Measurement of individual provisions including the assessment of probability weighted recovery scenarios, existence and valuation of collateral, and expected future cashflows. There are also risks related to: **Forward Looking Information –** Determination of the appropriateness of economic variables, the future forecasting of these variables and the approach to determine both the base case forecast and plausibility, and probability of alternative scenarios in determining the ECL **Staging –** The determination of what constitutes a significant increase in credit risk and default and consequent complete and timely allocation of qualifying assets to the appropriate stage in accordance with IFRS 9. **Model & Post Model Adjustments –** Appropriateness, completeness and valuation of adjustments to modelled output, to address identified model deficiencies or risks not fully captured by the models and risks not identified by the credit impairment models or known model limitations. **IFRS 9 disclosures –** Accuracy and adequacy of financial statement disclosures. Information on the impairment of loans to customers is included in Note 9, *Loans to Customers* and Note 31, *Risk Management*, to the Consolidated Financial Statements.	In designing our procedures, we updated the precision and impact assessment of individual risk components. We considered the Group's current approach of the Group's management continuing to operate separate localised ECL models and credit risk oversight procedures for the CJSC Ameriabank component and involved and instructed the non-EY component auditor and their specialists as set out in this report. • We obtained an understanding, performed walkthroughs and evaluated the design and operating effectiveness of key controls across the processes relevant to the ECL. This includes controls over data accuracy and completeness, credit monitoring, allocation of borrowers into their respective impairment stages, individual provisioning and production of journal entries and disclosures. • Using our and the non EY-component auditor's credit risk specialists, we assessed and challenged the Group's IFRS 9 provisioning methodology to determine whether the accounting standard had been complied with consistently across the Group and any changes made to the methodology were appropriate. • Using our and the non EY-component auditor's credit risk specialists, we tested the assumptions, inputs and formulae used in the ECL model to confirm that the model was consistent with the stated methodology. This included assessing the appropriateness of the model design and formulae used, and recalculating the PD, LGD and EAD, on a sample basis. • Our and the non EY-component auditor's credit risk specialists performed a detailed review and testing of the changes made in the models. We performed a recalculation of the ECL on a sample basis, including procedures over staging and underlying risk parameters. • We assessed the appropriateness of the macroeconomic scenarios used by management and tested whether they had been properly applied in the ECL calculations. • We tested the completeness and accuracy of key data inputs used in the ECL model by reconciling loans and advances between the underlying source systems and the ECL model and back to source evidence. • We challenged the criteria used to allocate assets to stage 1, 2, 3 or POCI in accordance with IFRS 9, including management overlays applied specifically to determine significant increase in credit risk (SICR) and staging. For a sample of loans, we independently assessed whether they had been allocated to the appropriate stage, considering potential indicators of significant increase in credit risk or default and challenged management as to the rationale for movements between stages. • We performed procedures to address the existence and valuation of collateral for loans where expected cash flows from collateral were impacting the estimation of loan losses. Involving our and non EY-component auditor's valuation specialists, we assessed the reasonableness of valuation methodology of collaterals. • We evaluated the adequacy and appropriateness of disclosures related to ECL for compliance with the requirements of IFRS.

How we scoped our audit as an integrated audit team and responded to the risk and involvement of non-EY component team auditor

For the purposes of determining the scope of work to be conducted primarily by the integrated primary, or the non EY-component team, we considered the following:

- The nature of CJSC Ameriabank's audit for the Group.
- The Group's material IFRS 9 systems and processes, including modelled ECL, and where those systems and process were located.
- The Group's gross exposure and ECL by jurisdiction.

Based on this assessment, we determined that credit related procedures were required to be performed locally by the integrated primary team members based in Georgia and by the non EY-component auditor and their credit risk and valuation specialists. We also concluded that the evaluating the adequacy of the non EY-component auditor's work required both the UK and Georgian members of the integrated primary team. Furthermore, we also engaged local valuation and credit specialists for the Georgian component's exposures with close collaboration of the integrated primary team.

Other aspects of the Group audit team's involvement with the component teams and procedures performed are detailed in the 'Involvement with component teams and primary team co-ordination' section of our report.

Key observations communicated to the Audit Committee

We communicated that the Group's ECL provisions were reasonably estimated and materially in compliance with IFRS 9. We highlighted the following matters to the Audit Committee that contributed to our overall conclusion:

- Our procedures performed at the Group level addressed the Group's overall credit risk management framework and the allocation of audit work between the Group and component levels.
- We assessed the appropriateness of the Group's IFRS 9 ECL models, including model design, key assumptions and inputs (PD, LGD and EAD), and evaluated the completeness, accuracy and validity of data used across components.
- For individually assessed ECL allowances, we evaluated the overall reasonableness of provisions, including the assumptions applied, management's recovery strategies, cash flow forecasts and the valuation of collateral.
- We also evaluated other key aspects of IFRS 9 credit risk, including the appropriateness of SICR triggers and staging outcomes, the macroeconomic variables used for forecasting, and management's assessment regarding the absence of management overlay.

In the prior year, our auditor's report included a key audit matter in relation to the acquisition of CJSC Ameriabank and the related accounting treatment. Following a re-assessment, in the current year, we no longer consider it a key audit matter.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be GEL 120m (2024: GEL 106m), which is 5% (2024: 5%) of Group adjusted profit before tax. We believe that adjusted profit before tax provides us with the most appropriate measure for the users of the Financial Statements given the Group is profit making; it is consistent with the wider industry and is the standard for listed and regulated entities. We also believe it reflects the most useful measure for the users of the Financial Statements.

We determined materiality for the Parent Company to be GEL 114m (2024: GEL 106m), which is the lower of GEL 114m (2% of equity) and the Group materiality. We believe that equity reflects the most useful measure for users of the Financial Statements as the Parent Company's primary purpose is to act as a holding company with investments in the Group's subsidiaries, not to generate operating profits and therefore a profit-based measure is not relevant.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be set at 75% (2024: 75%) of our planning materiality, namely GEL 90m (2024: GEL 79.5m). We have set performance materiality at this percentage due to various considerations including the past history of misstatements, the effectiveness of the control environment and other factors affecting the entity and its financial reporting.

Audit work at component locations for the purpose of obtaining audit coverage over significant Financial Statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was GEL 15m to GEL 80.5m (2024: GEL 16.3m to GEL 65.2m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of GEL 6m (2024: GEL 5.4m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 3-201 other than the Financial Statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 219;
- Directors' explanation as to its assessment of the Parent Company's prospects, the period this assessment covers and why the period is appropriate set out on page 123;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 123;
- Directors' statement on fair, balanced and understandable set out on page 196;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 111-122;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 108-122; and
- The section describing the work of the Audit Committee set out on pages 159-168.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 196, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are relevant regulations of the UK Listing Authority, as well as the various Georgian legal and regulatory requirements applying to the components of the Group, of which the most material are the regulations of the National Bank of Georgia.
- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and its regulators; reviewed minutes of the Board and its committees; and gained an understanding of the Group's approach to governance, demonstrated by the Board's approval of the Group's governance framework and the Board's review of the Group's risk management framework and internal control processes.
- We assessed the susceptibility of the Group's Financial Statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment.
- Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk which included management, internal audit and legal enquiries, testing of internal control, journal entry testing, analytical procedures, tests of detail and focused testing as referred to in the Key Audit Matters section above. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- We assessed the susceptibility of the Group's Financial Statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment.
- Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk which included management, Internal Audit and legal enquiries, testing of internal control, journal entry testing, analytical procedures, tests of detail and focused testing as referred to in the Key Audit Matters section above. These procedures were designed to provide reasonable assurance that the Financial Statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of Group legal counsel, money laundering reporting officer, Internal Audit, certain senior management executives and focused testing. We also inspected key regulatory correspondence from the relevant regulatory authorities.
- The Group operates in the banking industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Independent Auditor's Report continued

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Parent Company on 25 January 2018 to audit the Financial Statements for the year ending 31 December 2017 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 9 years, covering the years ending 31 December 2017 to 31 December 2025.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Wallace (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
24 March 2026

Consolidated Statement of Financial Position

For the year ended 31 December 2025 (Thousands of Georgian Lari)

	Notes	2025	2024	2023
Assets				
Cash and cash equivalents	6	4,572,046	3,753,183	3,101,824
Amounts due from credit institutions	7	3,552,257	3,278,465	1,752,657
Investment securities	8	10,047,237	8,968,721	5,129,757
Investment securities measured at amortised cost		3,254,349	2,746,392	690,306
Investment securities measured at FVOCI		6,640,584	6,020,801	4,432,164
Investment securities measured at fair value through profit or loss		152,304	201,528	7,287
Investment securities pledged under sale and repurchase agreements and securities lending	8	147,416	483,666	–
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost		147,416	269,791	–
Investment securities pledged under sale and repurchase agreements and securities lending measured at FVOCI		–	186,670	–
Investment securities pledged under sale and repurchase agreements and securities lending measured at fair value through profit or loss		–	27,205	–
Loans to customers, factoring and finance lease receivables	9	40,065,664	33,558,874	20,232,721
Accounts receivable and other loans	10	11,470	8,811	47,562
Prepayments	18	200,767	88,950	37,511
Foreclosed assets	12	374,659	378,642	271,712
Right-of-use assets	11	332,630	257,896	138,695
Investment properties	15	107,573	134,338	124,068
Property and equipment	13	616,839	550,097	436,955
Assets held for sale		15,644	20,008	27,389
Intangible assets	14	376,402	322,250	167,862
Income tax assets	17	41	48,114	2,520
Other assets	18	407,958	314,620	245,072
Goodwill	16	41,253	41,253	41,253
Total assets		**60,869,856**	**52,207,888**	**31,757,558**
Liabilities				
Client deposits and notes	19	38,629,974	33,202,010	20,522,739
Amounts owed to credit institutions	20	9,499,106	8,680,233	5,156,009
Debt securities issued	21	2,999,871	2,255,016	421,359
Lease liability	11	348,114	274,435	141,934
Accruals and deferred income	22	301,067	338,734	129,355
Income tax liabilities	17	108,805	88,431	199,058
Other liabilities	18	560,676	353,802	167,268
Total liabilities		**52,447,613**	**45,192,661**	**26,737,722**
Equity	24			
Share capital		1,431	1,464	1,506
Additional paid-in capital		569,887	453,738	465,009
Treasury shares		(31)	(51)	(71)
Capital redemption reserve		187	154	112
Other reserves		72,048	110,786	21,385
Retained earnings		7,776,662	6,422,320	4,510,780
Total equity attributable to shareholders of the Group		**8,420,184**	**6,988,411**	**4,998,721**
Non-controlling interests		2,059	26,816	21,115
Total equity		**8,422,243**	**7,015,227**	**5,019,836**
Total liabilities and equity		**60,869,856**	**52,207,888**	**31,757,558**

The financial statements on pages 210 to 331 were approved by the Board of Directors on 24 March 2026 and signed on its behalf by:

Archil Gachechiladze
Chief Executive Officer
Lion Finance Group PLC
Registered No. 10917019

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Consolidated Income Statement

For the year ended 31 December 2025 (Thousands of Georgian Lari)

	Notes	2025	2024	2023
Interest income calculated using EIR method		5,287,275	4,093,368	2,734,208
Other interest income		83,840	46,532	14,053
Interest income		**5,371,115**	**4,139,900**	**2,748,261**
Interest expense		(2,351,767)	(1,741,396)	(1,112,568)
Deposit insurance fees		(47,607)	(37,657)	(20,247)
Net interest income	25	**2,971,741**	**2,360,847**	**1,615,446**
Fee and commission income		1,126,476	937,777	707,765
Fee and commission expense		(468,989)	(376,115)	(273,283)
Net fee and commission income	26	**657,487**	**561,662**	**434,482**
Net foreign currency gain		601,003	571,799	365,711
Net gains/(losses) on extinguishment of debt		(281)	12	564
One-off other income from settlement of legacy claim	10	–	–	22,585
Net other gains/(losses)	29	73,306	68,308	114,171
Operating income		**4,303,256**	**3,562,628**	**2,552,959**
Salaries and other employee benefits	27	(978,383)	(757,990)	(419,454)
Administrative expenses	27	(325,159)	(279,197)	(205,368)
Depreciation, amortisation and impairment	11, 13, 14	(221,652)	(173,137)	(124,723)
Other operating expenses		(30,893)	(12,580)	(4,508)
Operating expenses		**(1,556,087)**	**(1,222,904)**	**(754,053)**
Gain on bargain purchase	36	1,488	685,888	–
Acquisition related costs	36	–	(13,715)	–
Profit/(loss) from associates		1,316	1,347	1,456
Operating income before cost of risk		**2,749,973**	**3,013,244**	**1,800,362**
Expected credit loss on loans to customers and factoring receivables	28	(143,434)	(147,399)	(124,298)
Expected credit loss on finance lease receivables	28	(2,506)	(1,409)	(2,762)
Other expected credit loss	28	(12,091)	(1,866)	2,549
Impairment charge on other assets and provisions	28	(11,466)	(14,579)	(19,553)
Cost of risk		**(169,497)**	**(165,253)**	**(144,064)**
Profit before income tax expense		**2,580,476**	**2,847,991**	**1,656,298**
Income tax expense	17	(417,245)	(362,796)	(258,971)
Profit for the year		**2,163,231**	**2,485,195**	**1,397,327**
Total profit attributable to:				
– shareholders of the Group		2,161,329	2,476,943	1,391,277
– non-controlling interests		1,902	8,252	6,050
		2,163,231	**2,485,195**	**1,397,327**
Basic earnings per share:	24	50.2710	56.9057	31.2967
Diluted earnings per share:	24	49.5161	55.7509	30.4252

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025 (Thousands of Georgian Lari)

	2025	2024	2023
Profit for the year	**2,163,231**	**2,485,195**	**1,397,327**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to Income Statement in subsequent years:			
– Net change in fair value on investments in debt instruments measured at FVOCI (FVOCI)	(30,252)	23,769	25,000
– Realised gain on financial assets measured at FVOCI	(3,133)	(4,541)	(8,330)
– Change in allowance for expected credit losses on investments in debt instruments measured at FVOCI reclassified to the Consolidated Income Statement	(727)	1,785	1,046
– Gain (loss) from foreign currency translation differences	11,583	66,624	(41,176)
Income tax impact	(1,618)	–	–
Net other comprehensive income/(loss) to be reclassified to Income Statement in subsequent years	**(24,147)**	**87,637**	**(23,460)**
Other comprehensive gain/(loss) not to be reclassified to Income Statement in subsequent years:			
– Revaluation of property and equipment reclassified to investment property	–	1,144	–
– Net gain (loss) on investments in equity instruments designated at FVOCI	7,822	1,630	1,776
Net other comprehensive income/(loss) not to be reclassified to Income Statement in subsequent years	**7,822**	**2,774**	**1,776**
Other comprehensive income(loss) for the year	**(16,325)**	**90,411**	**(21,684)**
Total comprehensive income attributable to:			
– shareholders of the Group	2,145,038	2,567,833	1,369,869
– non-controlling interests	1,868	7,773	5,774
	2,146,906	**2,575,606**	**1,375,643**

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025 (Thousands of Georgian Lari)

	Attributable to shareholders of the Group								
	Share capital	Additional paid-in capital	Treasury shares	Other reserves	Capital redemption reserve	Retained earnings	Total	Non-controlling interests	Total equity
31 December 2022	**1,563**	**506,304**	**(83)**	**14,564**	**55**	**3,709,170**	**4,231,573**	**17,249**	**4,248,822**
Profit for the year	–	–	–	–	–	1,391,277	1,391,277	6,050	1,397,327
Other comprehensive income for the year	–	–	–	6,787	–	(28,195)	(21,408)	(276)	(21,684)
Total comprehensive income for the year	**–**	**–**	**–**	**6,787**	**–**	**1,363,082**	**1,369,869**	**5,774**	**1,375,643**
Increase in equity arising from share-based payments	–	72,009	46	–	–	–	72,055	518	72,573
Purchase of treasury shares under share-based payments	–	(106,295)	(32)	–	–	–	(106,327)	–	(106,327)
Dividends to shareholders of the Group (Note 24)	–	–	–	–	–	(396,627)	(396,627)	–	(396,627)
Increase in share capital of subsidiaries	–	–	–	34	–	–	34	38	72
Non-controlling interests arising on acquisition of subsidiary	–	–	–	–	–	–	–	241	241
Purchase of treasury shares	–	(7,009)	(164,847)	–	–	–	(171,856)	–	(171,856)
Cancellation of treasury shares	(57)	–	164,845	–	57	(164,845)	–	–	–
Dividends of subsidiaries to non-controlling shareholders	–	–	–	–	–	–	–	(2,705)	(2,705)
31 December 2023	**1,506**	**465,009**	**(71)**	**21,385**	**112**	**4,510,780**	**4,998,721**	**21,115**	**5,019,836**
Profit for the year	–	–	–	–	–	2,476,943	2,476,943	8,252	2,485,195
Other comprehensive income for the year	–	–	–	89,667	–	1,223	90,890	(479)	90,411
Total comprehensive income for the year	**–**	**–**	**–**	**89,667**	**–**	**2,478,166**	**2,567,833**	**7,773**	**2,575,606**
Increase in equity arising from share-based payments	–	68,712	33	–	–	–	68,745	463	69,208
Purchase of treasury shares under share-based payments	–	(68,579)	(12)	–	–	–	(68,591)	–	(68,591)
Dividends to shareholders of the Group (Note 24)	–	–	–	–	–	(372,454)	(372,454)	–	(372,454)
Increase in share capital of subsidiaries	–	–	–	(178)	–	–	(178)	(41)	(219)
Dilution of interests in subsidiaries	–	–	–	(88)	–	–	(88)	88	–
Non-controlling interests arising on acquisition of subsidiary	–	–	–	–	–	–	–	–	–
Purchase of treasury shares	–	(18,413)	(187,164)	–	–	–	(205,577)	–	(205,577)
Cancellation of treasury shares	(42)	7,009	187,163	–	42	(194,172)	–	–	–
Dividends of subsidiaries to non-controlling shareholders	–	–	–	–	–	–	–	(2,582)	(2,582)
31 December 2024	**1,464**	**453,738**	**(51)**	**110,786**	**154**	**6,422,320**	**6,988,411**	**26,816**	**7,015,227**
Profit for the year	–	–	–	–	–	2,161,329	2,161,329	1,902	2,163,231
Other comprehensive income for the year	–	–	–	(32,686)	–	16,395	(16,291)	(34)	(16,325)
Total comprehensive income for the year	**–**	**–**	**–**	**(32,686)**	**–**	**2,177,724**	**2,145,038**	**1,868**	**2,146,906**
Increase in equity arising from share-based payments	–	176,266	27	–	–	–	176,293	575	176,868
Purchase of treasury shares under share-based payments	–	(72,444)	(9)	–	–	–	(72,453)	–	(72,453)
Dividends to shareholders of the Group (Note 24)	–	–	–	–	–	(586,678)	(586,678)	–	(586,678)
Increase in share capital of subsidiaries	–	–	–	94	–	–	94	(94)	–
Net amount reclassified to retained earnings on sale of equity instruments at FVOCI	–	–	–	(3,419)	–	3,419	–	–	–
Acquisition of non-controlling interests in existing subsidiaries	–	–	–	(1,811)	–	–	(1,811)	(26,637)	(28,448)
Purchase of treasury shares	–	(6,062)	(221,732)	–	–	–	(227,794)	–	(227,794)
Cancellation of treasury shares	(33)	18,389	221,734	–	33	(240,123)	–	–	–
Dividends of subsidiaries to non-controlling shareholders	–	–	–	–	–	–	–	(469)	(469)
Other movement	–	–	–	(916)	–	–	(916)	–	(916)
31 December 2025	**1,431**	**569,887**	**(31)**	**72,048**	**187**	**7,776,662**	**8,420,184**	**2,059**	**8,422,243**

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025 (Thousands of Georgian Lari)

	Notes	2025	2024 (Reclassified)	2023 (Reclassified)
Cash flows from operating activities				
Interest received		5,294,614	4,016,790	2,711,087
Interest paid		(2,342,283)	(1,723,393)	(1,130,065)
Fees and commissions received		1,129,427	950,309	616,371
Fees and commissions paid		(548,133)	(376,115)	(235,775)
Net cash inflow from real estate		3,588	14,836	9,601
Net realised gain from foreign currencies		613,291	568,128	355,473
Recoveries of loans to customers previously written off	9	114,793	61,945	47,029
Other income received		19,581	13,377	381,746
Salaries and other employee benefits paid		(852,969)	(530,655)	(346,880)
General and administrative and operating expenses paid		(352,204)	(319,601)	(200,534)
Cash flows from operating activities before changes in operating assets and liabilities		**3,079,705**	**2,675,621**	**2,208,053**
Net (increase)/decrease in operating assets				
Amounts due from credit institutions		(364,390)	(750,720)	624,130
Investment securities measured at fair value through profit or loss (FVPTL)	3	77,530	(120,663)	–
Loans to customers, factoring and finance lease receivables		(7,030,746)	(6,283,422)	(3,662,487)
Prepayments and other assets		(109,972)	54,433	11,775
Foreclosed assets		149,781	69,827	159,204
Net increase/(decrease) in operating liabilities				
Amounts due to credit institutions		899,618	2,547,658	(103,488)
Debt securities issued		154,922	9,201	(45,504)
Client deposits and notes		5,583,237	5,413,726	2,213,868
Other liabilities		52,535	46,094	23,913
Net cash flows from operating activities before income tax		**2,492,220**	**3,661,755**	**1,429,464**
Income tax paid		(350,416)	(587,678)	(161,102)
Net cash flows from operating activities		**2,141,804**	**3,074,077**	**1,268,362**
Cash flows from/(used in) investing activities				
Acquisition of investment securities measured at fair value through other comprehensive income (FVOCI)	3	(5,979,164)	(11,259,682)	(6,273,118)
Proceeds from sale and maturity of investment securities measured at FVOCI	3	5,460,353	9,881,030	5,888,458
Acquisition of investment securities carried at amortised cost	3	(4,336,548)	(2,618,657)	(708,568)
Proceeds from sale and maturity of investment securities carried at amortised cost.	3	3,928,577	1,262,550	345,849
Purchase of investments in associates		–	–	(642)
Purchase of investments in subsidiaries, net of cash acquired	36	583	243,361	(3,716)
Proceeds from sale of investment properties and assets held for sale		52,645	33,843	47,950
Proceeds from sale of property and equipment and intangible assets		20,146	168	550
Purchase of property and equipment and intangible assets		(285,378)	(230,929)	(155,370)
Dividends received		1,078	802	232
Net cash flows used in investing activities		**(1,137,708)**	**(2,687,514)**	**(858,375)**
Cash flows (used in)/from financing activities				
Repurchase of debt securities issued	21	–	–	(20,980)
Repayment of the principal portion of the debt securities issued	21	(449,295)	(403,376)	(230,995)
Eurobonds and notes issued	21	450,000	–	–
Proceeds from Tier 2 notes issued	21	87,857	51,126	78,921
Proceeds from Additional Tier 1	21	–	800,970	–
Proceeds from local bonds issued	21	498,141	360,167	–
Cash payments for the principal portion of the lease liability	11	(67,579)	(50,271)	(32,151)
Dividends paid		(473,215)	(373,426)	(398,156)
Purchase of treasury shares under share-based payments		(72,453)	(68,591)	(106,327)
Acquisition of non-controlling interests in existing subsidiaries	24	(28,448)	–	–
Purchase of treasury shares		(227,794)	(205,577)	(171,856)
Net cash used in financing activities		**(282,786)**	**111,022**	**(881,544)**
Effect of exchange rates changes on cash and cash equivalents		97,856	153,524	(11,280)
Effect of expected credit losses on cash and cash equivalents		(303)	250	(182)
Net increase/(decrease) in cash and cash equivalents		**818,863**	**651,359**	**(483,019)**
Cash and cash equivalents, beginning of the year	6	**3,753,183**	**3,101,824**	**3,584,843**
Cash and cash equivalents, end of the year	6	**4,572,046**	**3,753,183**	**3,101,824**

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Separate Statement of Financial Position

As at 31 December 2025 (Thousands of Georgian Lari)

Lion Finance Group PLC has elected for the exemption not to present the separate Income Statement in accordance with section 408 of the Companies Act 2006. The Company's individual Statement of Financial Position shows the Company's profit and loss for the financial year determined in accordance with this Act.

In 2023 the Company completed an internal reorganisation process intended to optimise its subsidiaries' holding structure. The reorganisation resulted in the extinguishment of its outstanding loan towards the subsidiary as well as receipt of additional investment in the subsidiary through dividend in specie distribution recognised as part of Income Statement. The reorganisation did not have any economic substance and was accounted as a common control transaction with no effect on the Group's Consolidated Financial Statements.

	Notes	2025	2024	2023
Assets				
Cash and cash equivalents	6	31,944	12,510	50,970
Investment securities		19,481	13,387	–
Investments in subsidiaries	2	5,662,619	5,661,538	5,451,902
Other assets	18	179,387	8,362	8,426
Total assets		**5,893,431**	**5,695,797**	**5,511,298**
Liabilities				
Interest-bearing loans and borrowings		–	18,484	16,987
Current income tax liabilities		9,096	–	–
Other liabilities	18	115,550	1,259	5,748
Total liabilities		**124,646**	**19,743**	**22,735**
Equity				
Share capital	24	1,431	1,464	1,506
Additional paid-in capital		593,400	580,671	592,075
Treasury shares		(1)	(3)	(2)
Capital redemption reserve		187	154	112
Other reserves		6,094	–	–
Retained earnings		4,280,166	4,339,679	2,160,240
Net profit/(loss) for the period		887,508	754,089	2,734,632
Total equity		**5,768,785**	**5,676,054**	**5,488,563**
Total liabilities and equity		**5,893,431**	**5,695,797**	**5,511,298**

The financial statements on pages 210 to 331 were approved by the Board of Directors on 24 March 2026 and signed on its behalf by:

Archil Gachechiladze
Chief Executive Officer
Lion Finance Group PLC
Registered No. 10917019

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Separate Statement of Changes in Equity

For the year ended 31 December 2025 (Thousands of Georgian Lari)

	Share capital	Additional paid-in capital	Treasury shares	Other reserve	Capital redemption reserve	Retained earnings	Total equity
31 December 2022	**1,563**	**599,084**	**–**	**–**	**55**	**2,715,240**	**3,315,942**
Total comprehensive income	–	–	–	–	–	2,734,632	2,734,632
Dividends to shareholders of the Group (Note 24)	–	–	–	–	–	(390,155)	(390,155)
Purchase of treasury shares	–	(7,009)	(164,847)	–	–	–	(171,856)
Cancellation of treasury shares	(57)	–	164,845	–	57	(164,845)	–
31 December 2023	**1,506**	**592,075**	**(2)**	**–**	**112**	**4,894,872**	**5,488,563**
Total comprehensive income	–	–	–	–	–	754,088	754,088
Dividends to shareholders of the Group (Note 24)	–	–	–	–	–	(361,020)	(361,020)
Purchase of treasury shares	–	(18,413)	(187,164)	–	–	–	(205,577)
Cancellation of treasury shares	(42)	7,009	187,163	–	42	(194,172)	–
31 December 2024	**1,464**	**580,671**	**(3)**	**–**	**154**	**5,093,768**	**5,676,054**
Total comprehensive income	–	–	–	6,094	–	887,508	893,602
Dividends to shareholders of the Group (Note 24)	–	–	–	–	–	(573,479)	(573,479)
Increase in equity arising from share-based payments	–	402	–	–	–	–	402
Purchase of treasury shares	–	(6,062)	(221,732)	–	–	–	(227,794)
Cancellation of treasury shares	(33)	18,389	221,734	–	33	(240,123)	–
31 December 2025	**1,431**	**593,400**	**(1)**	**6,094**	**187**	**5,167,674**	**5,768,785**

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Separate Statement of Cash Flows

For the year ended 31 December 2025 (Thousands of Georgian Lari)

	Notes	2025	2024	2023
Net cash flows used in operating activities				
Interest income received		–	2,964	5,772
Interest paid		(2,011)	(3,049)	–
Fees and commissions paid		(1,269)	(1,250)	(750)
Salaries and other employee benefits paid		(31,705)	(28,656)	(2,785)
General and administrative expenses paid		(8,246)	(9,997)	(5,349)
Net cash flows from/(used in) operating activities before income tax		**(43,231)**	**(39,988)**	**(3,112)**
Income tax received/(paid)		2,345	–	(2,053)
Net cash flows used in operating activities		**(40,886)**	**(39,988)**	**(5,165)**
Net cash flows from/(used in) investing activities				
Dividends received		770,418	787,429	607,539
Purchase of investments in subsidiaries		–	(510,652)	–
Capital increase of subsidiaries		(1,081)	–	–
Capital reduction of subsidiaries		–	307,000	–
Acquisition of investment securities measured at FVOCI		–	(13,489)	–
Net cash flows from investing activities		**769,337**	**570,288**	**607,539**
Net cash (used in)/from financing activities				
Borrowings paid		(18,484)	–	–
Dividends paid		(459,407)	(361,020)	(390,155)
Purchase of treasury shares		(227,794)	(205,577)	(171,856)
Net cash flows (used in)/from financing activities		**(705,685)**	**(566,597)**	**(562,011)**
Effect of exchange rates changes on cash and cash equivalents		(3,332)	(2,163)	(243)
Net increase/(decrease) in cash and cash equivalents		**19,434**	**(38,460)**	**40,120**
Cash and cash equivalents, beginning of the year	6	**12,510**	**50,970**	**10,850**
Cash and cash equivalents, end of the year	6	**31,944**	**12,510**	**50,970**

The accompanying Notes on pages 218 to 331 are an integral part of these financial statements.

Notes to Consolidated Financial Statements
(Thousands of Georgian Lari)

1. Principal activities

On 6 February 2025 Bank of Georgia Group PLC changed its name to Lion Finance Group PLC. It is a public limited liability company incorporated in England and Wales with registered number 10917019. As at 31 December 2025 Lion Finance Group PLC held 100.00% of the share capital of JSC Bank of Georgia and 90% of CJSC Ameriabank (remaining 10% is consolidated through a put option), representing their ultimate parent company. Ameriabank was acquired as at 31 March 2024 (Note 36). Together with JSC Bank of Georgia, CJSC Ameriabank and other subsidiaries, the Group makes up a group of companies (the 'Group') and provides banking, leasing, brokerage and investment management services to corporate and individual customers. Lion Finance Group PLC is listed on the London Stock Exchange's main market in the Equity Shares (Commercial Companies) category and is a constituent of the FTSE 100 index. Ticker: BGEO, effective 21 May 2018. JSC Bank of Georgia and CJSC Ameriabank are the Group's main operating units and account for most of the Group's activities.

JSC Bank of Georgia was established on 21 October 1994 as a joint stock company (JSC) under the laws of Georgia. It operates under a general banking licence issued by the National Bank of Georgia ('NBG'; the Central Bank of Georgia) on 15 December 1994.

JSC Bank of Georgia accepts deposits from the public and extends credit, transfers payments in Georgia and internationally, and exchanges currencies. Its main office is in Tbilisi, Georgia. At 31 December 2025, it had 200 operating outlets in all major cities of Georgia (31 December 2024: 189, 31 December 2023: 189). JSC Bank of Georgia's registered legal address is 29a Gagarini Street, Tbilisi 0160, Georgia.

CJSC Ameriabank was established on 8 December 1992 under the laws of the Republic of Armenia. Its principal activities are deposit taking and customer account maintenance, lending, issuing guarantees, cash and settlement operations and operations with securities and foreign exchange. The activities of CJSC Ameriabank are regulated by the Central Bank of Armenia (the 'CBA').

As at 31 December 2025, CJSC Ameriabank had 29 (31 December 2024: 25) branches from which it conducted business throughout the Republic of Armenia. The registered address of the head office is 2 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia.

Lion Finance Group PLC's registered legal address is 29 Farm Street, London, W1J 5RL, England.

As at 31 December 2025, 31 December 2024 and 31 December 2023, the following shareholders owned more than 3% of the total outstanding shares of Lion Finance Group PLC. Other shareholders individually owned less than 3% of the outstanding shares.

Shareholder	31 December 2025	31 December 2024	31 December 2023
JSC Georgia Capital**	16.88%	19.23%	19.71%
Dimensional Fund Advisors (DFA) LP	4.76%	4.33%	4.11%
JP Morgan Asset Management	3.92%	4.68%	4.04%
Vanguard Group Inc	3.51%	3.78%	3.33%
BlackRock Investment Management (UK)	3.31%	4.19%	3.58%
M&G Investment Management Ltd	2.80%	3.28%	4.84%
Others	64.81%	60.51%	60.39%
Total*	**100.00%**	**100.00%**	**100.00%**

* For the purposes of calculating percentage of shareholding, the denominator includes total number of issued shares, which includes shares held in the trust for the share-based compensation purposes of the Group.

** JSC Georgia Capital will exercise its voting rights at the Group's general meetings in accordance with the votes cast by all other Group Shareholders, as long as JSC Georgia Capital's percentage holding in Lion Finance Group PLC is greater than 9.9%.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

1. Principal activities continued

As at 31 December 2025, the members of the Board of Directors of Lion Finance Group PLC owned 827,689 shares or 1.9% (31 December 2024: 807,823 shares or 1.8%, 31 December 2023: 779,227 shares or 1.7%) of Lion Finance Group PLC. The following table sets out the respective holdings of Lion Finance Group PLC's shares of each Director and their persons closely associated (PCAs):

Shareholder	31 December 2025, shares held directly/by PCAs	31 December 2024, shares held directly/by PCAs	31 December 2023, shares held directly/by PCAs
Mel Carvill	19,018	19,018	19,018
Archil Gachechiladze	792,089	775,823	718,207
Al Breach*	N/A	N/A	30,000
Tamaz Georgadze	5,000	5,000	5,000
Hanna Loikkanen****	N/A	–	–
Jonathan Muir*****	N/A	–	–
Cecil Quillen	2,900	2,900	2,900
Véronique McCarroll	–	–	–
Mariam Megvinetukhutsesi	4,102	4,102	4,102
Andrew McIntyre**	1,830	980	N/A
Maria Gordon***	–	–	N/A
Karine Hirn******	2,750	N/A	N/A
Total	**827,689**	**807,823**	**779,227**

* Al Breach stepped down from the Board of Directors and the Supervisory Board and their Committees on 15 March 2024.
** Andrew McIntyre was appointed as an Independent Non-Executive Director of Lion Finance Group PLC on 15 March 2024.
*** Maria Gordon was appointed as an Independent Non-Executive Director of Lion Finance Group PLC on 20 September 2024.
**** Hanna Loikkanen stepped down from the Board of Directors and its Committees on 16 June 2025 and the Supervisory Board and its Committees on 30 June 2025.
***** Jonathan Muir stepped down from the Board of Directors and the Supervisory Board and their Committees on 26 June 2025.
****** Karine Hirn was appointed as an Independent Non-Executive Director of Lion Finance Group PLC on 7 April 2025.

2. Basis of preparation

General

In accordance with the exemption permitted under section 408 of the Companies Act 2006, the separate Income Statement of Lion Finance Group PLC is not presented as part of these financial statements. Lion Finance Group PLC's income for the year is disclosed within the Separate Statement of Financial Position and the Separate Statement of Changes in Equity.

The financial statements of Lion Finance Group PLC are prepared in accordance with UK-adopted international accounting standards as at 31 December 2025.

These financial statements are prepared under the historical cost convention except for:
- the measurement at fair value of certain investment securities, derivative financial assets and liabilities, investment properties and certain other financial assets;
- the measurement of foreclosed assets at lower of cost and net realisable value; and
- the measurement of non-current assets classified as held for sale at lower of carrying amount and fair value less costs to sell.

The financial statements are presented in thousands of Georgian Lari (GEL), except per-share amounts and unless otherwise indicated.

Going concern

In adopting the going concern basis for preparing the Consolidated Financial Statements, the Directors have considered the Group's business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance. The Directors have performed a robust assessment of the Group's financial forecasts across a range of scenarios over 12 months from the date the financial statements are authorised for issue, by carrying out stress testing, incorporating extreme downside scenario and reverse stress testing, which involved examining the level of disruption that may cause the Group to fail. Based on this, the Directors confirm that they have a reasonable expectation that the Company and the Group, as a whole, have adequate resources to continue in operational existence for the 12-month period from the date the financial statements are authorised for issue. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern for the foreseeable future. Therefore, the financial statements continue to be prepared on the going concern basis.

Impact of climate-related risks on the Group's financial position and performance

As described in Note 31 to the financial statements, the Group has identified climate risk as an emerging risk. However, qualitative analysis of the impact of climate change and low-carbon transitions on traditional banking risk and on the sectors in which the Group's clients were active lead us to believe that there is currently no material short (less than two years) to medium (two to five years) term impact of climate change expected. The Group continues to refine its assessment of such risks and will re-assess whether the impact of climate-related risks on its financial position and performance need to be considered in future reporting periods.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

Subsidiaries and associates

The Consolidated Financial Statements as at 31 December 2025, 31 December 2024 and 31 December 2023 include the following subsidiaries and associates:

	Proportion of voting rights and ordinary share capital held							
Subsidiaries	**31 December 2025**	**31 December 2024**	**31 December 2023**	**Country of incorporation**	**Address**	**Industry**	**Date of incorporation**	**Date of acquisition**
BGEO Group Limited	100.00%	100.00%	100.00%	United Kingdom	29 Farm Street, London, W1J 5RL	Dormant entity	14/10/2011	–
Bank of Georgia Group Limited	100.00%	100.00%	N/A	United Kingdom	29 Farm Street, London, W1J 5RL	Dormant entity	2/12/2024	–
JSC BGEO Group	100.00%	100.00%	100.00%	Georgia	29a Gagarini Street, Tbilisi, 0160	Investment	28/5/2015	–
Þ JSC Idea	100.00%	100.00%	100.00%	Georgia	3 Pushkin Street, Tbilisi, 0160	Dormant entity	26/12/2018	–
Þ JSC Bank of Georgia	100.00%	99.56%	99.56%	Georgia	29a Gagarini Street, Tbilisi, 0160	Banking	21/10/1994	–
Þ Bank of Georgia Representative Office UK Limited	100.00%	100.00%	100.00%	United Kingdom	29 Farm Street, London, W1J 5RL	Information sharing and market research	17/8/2010	–
Þ Tree of Life Foundation NPO (former Bank of Georgia Future Foundation, NPO)	100.00%	100.00%	100.00%	Georgia	29a Gagarini Street, Tbilisi, 0160	Charitable activities	25/8/2008	–
Þ Bank of Georgia Representative Office Hungary*	N/A	100.00%	100.00%	Hungary	1054 Budapest, Szabadság tér 7; Bank Center	Representative office	18/6/2012	–
Þ Representative Office of JSC Bank of Georgia in Turkey**	N/A	N/A	100.00%	Turkey	Süleyman Seba Caddesi No:48 A Blok Daire 82 Akaretler Beşiktaş 34357 Istanbul	Representative office	25/12/2013	–
Þ Georgia Financial Investments, LLC	100.00%	100.00%	100.00%	Israel	7 Menahem Begin, Ramat Gan 5268102	Information sharing and market research	9/2/2009	–
Þ Benderlock Investments Limited	100.00%	100.00%	100.00%	Cyprus	Arch. Makariou III 58, IRIS TOWER, 8th floor, Flat/Office 702 P.C. 1075, Nicosia	Investments	12/5/2009	13/10/2009
Þ JSC Belarusky Narodny Bank	99.98%	99.98%	99.98%	Belarus	Nezavisimosty Avenue 87A, Minsk, 220012	Banking	16/4/1992	3/6/2008
Þ BNB Leasing, LLC	99.90%	99.90%	99.90%	Belarus	Nezavisimosty Avenue 87A, room 3, Minsk, 220012	Leasing	30/3/2006	3/6/2008
Þ Georgian Leasing Company, LLC	100.00%	100.00%	100.00%	Georgia	3-5 Kazbegi Street,Tbilisi	Leasing	29/10/2001	31/12/2004
Þ Prime Leasing	100.00%	100.00%	100.00%	Georgia	Didube-Chughureti district, Ak. Tsereteli Avenue №114, Tbilisi	Leasing	27/1/2012	21/1/2015
Þ JSC BG Financial	100.00%	100.00%	100.00%	Georgia	79 David Agmashenebeli Avenue, 0102, Tbilisi	Investment	7/8/2015	–
Þ BOG Asset Management LLC	100.00%	100.00%	100.00%	Georgia	Krtsanisi district, Pushkin street N3, Tbilisi	Asset management	22/9/2023	–
Þ JSC Galt & Taggart	100.00%	100.00%	100.00%	Georgia	Krtsanisi district, Pushkin street N3, Tbilisi	Brokerage and investment banking	19/12/1995	28/12/2004
Þ Branch Office of 'BG Kapital' JSC in Azerbaijan	100.00%	100.00%	100.00%	Azerbaijan	1C Mikayil Mushvig, Kempinski Hotel Badamdar, 6th floor, Yasamal. AZ1006, Baku	Representative office	28/12/2013	–
Þ Galt and Taggart Holdings Limited	100.00%	100.00%	100.00%	Cyprus	Arch. Makariou III 58, IRIS TOWER, 8th floor, Flat/Office 702 P.C. 1075, Nicosia	Investments	3/7/2006	–
Þ BG Capital (Belarus), LLC	100.00%	100.00%	100.00%	Belarus	5A-3H, K.Chornogo lane, Minsk, 220012	Brokerage	19/2/2008	–

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

2. Basis of preparation continued

Subsidiaries	Proportion of voting rights and ordinary share capital held 31 December 2025	31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
Þ JSC Digital Area (former JSC Polymath Group)	100.00%	100.00%	100.00%	Georgia	41, Pekini Street, Tbilisi, 0160	Digital	8/6/2018	–
Þ JSC Extra area	100.00%	100.00%	100.00%	Georgia	41, Pekini Street, Tbilisi, 0160	Digital	22/5/2019	–
Þ Easy Box LLC	100.00%	100.00%	100.00%	Georgia	41, Pekini Street, Tbilisi, 0160	Transportation	22/12/2020	–
Þ JSC Optimo Global	100.00%	100.00%	100.00%	Georgia	41, Pekini Street, Tbilisi, 0160	Digital	8/11/2022	–
Þ OPTIMO, FE LLC	100.00%	100.00%	100.00%	Uzbekistan	Mirabadski District, 81-38, Tashkent	Digital	31/8/2023	–
Þ Fina LLC***	77.50%	N/A	N/A	Georgia	Mtatsminda district, Parnaoz Lapiashvili street, N 2, b. 1, Tbilisi	Digital	14/09/2011	29/12/2025
Þ JSC Delivery	100.00%	100.00%	81.38%	Georgia	6 A. Andronikashvili Street II Dead End, Tbilisi	Digital	14/12/2017	8/11/2022
Þ El. Biletebi LLC	93.94%	80.00%	83.34%	Georgia	41, Pekini Street, Tbilisi, 0160	Digital	11/12/2008	29/9/2023
Þ Ticketing Area LLC	100.00%	100.00%	100.00%	Georgia	41, Pekini Street, Tbilisi, 0160	Digital	6/7/2023	–
Þ Optimo Sakartvelo LLC ****	100.00%	N/A	N/A	Georgia	41, Pekini Street, Tbilisi, 0160	Digital	4/12/2025	–
Þ Solo, LLC	100.00%	100.00%	100.00%	Georgia	79 David Agmashenebeli Avenue, 0102, Tbilisi	Trade	22/4/2015	–
Þ JSC United Securities Registrar of Georgia	100.00%	100.00%	100.00%	Georgia	74a Chavchavadze Avenue, Tbilisi, 0162	Registrar	29/5/2006	–
Þ JSC Express Technologies	100.00%	100.00%	100.00%	Georgia	1b, Budapest Street, Tbilisi, 0160	Investments	29/10/2007	–
Þ JSC Georgian Card	99.41%	99.41%	99.41%	Georgia	221 Nutsubidze Street, Tbilisi, 0168	Card processing	17/1/1997	20/10/2004
Þ Direct Debit Georgia, LLC	100.00%	100.00%	100.00%	Georgia	Beliashvili street 106, Tbilisi, 0159	Electronic payment services	7/3/2006	–
Þ LLC Didi Digomi Research Center	100.00%	100.00%	100.00%	Georgia	80-82, D.Agmashenebeli Street, Tbilisi, 0102	Communication services	23/4/2007	–
Þ Metro Service +, LLC	100.00%	100.00%	100.00%	Georgia	74a Chavchavadze Avenue, Tbilisi, 0162	Business servicing	10/5/2006	–
Premium Compliance Advisory, LLC*****	N/A	100.00%	100.00%	Georgia	Kazbegi Street 3-5, Tbilisi	Various	17/2/2012	–
CJSC Ameriabank	100.00%	100.00%	N/A	Armenia	2 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia	Banking	8/12/1992	29/3/2024
Þ Invia CJSC	100.00%	100.00%	N/A	Armenia	2 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia	Consulting	21/4/2023	29/3/2024
Þ Dinno CJSC	100.00%	100.00%	N/A	Armenia	2 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia	Digital	28/4/2023	29/3/2024

Associates	Proportion of voting rights and ordinary share capital held 31 December 2025	31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
JSC Credit info	21.08%	21.08%	21.08%	Georgia	2 Tarkhnishvili Street, Tbilisi	Financial intermediation	14/2/2005	14/2/2005
JSC Tbilisi Stock Exchange	24.04%	24.04%	24.04%	Georgia	72 Vazha-Pshavela Avenue, Tbilisi	Financial intermediation	8/5/2015	23/12/2016

* JSC Bank of Georgia closed Representative office of Bank of Georgia in Hungary on 13 February 2025.
** JSC Bank of Georgia closed Representative office of Bank of Georgia in Turkey on 24 August 2024.
*** JSC Optimo Global has purchased 77.5% of the Company LLC Fina on 29 December 2025 (Note 36).
**** On 4 December 2025, the reorganisation process of JSC 'Digital Area', specifically the spin-off of a new entrepreneurial entity, was completed, and LLC 'Optimo Sakartvelo' was registered. JSC 'BG Financial' owns 100% of the shares of the Company.
***** Premium Compliance Advisory LLC was liquidated on 4 December 2025.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

3. Material accounting policy information

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2025. The Group consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Business combinations and goodwill

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Income Statement.

Investments in associates

Associates are entities in which the Group generally has between 20% and 50% of the voting rights, or is otherwise able to exercise significant influence over, but which it does not control or jointly control. Investments in associates are accounted for under the equity method and are initially recognised at cost, including goodwill. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate. The Group's share of its associates' profits or losses is recognised in the Consolidated Income Statement, and its share of movements in reserves is recognised in other comprehensive income. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group is obliged to make further payments to, or on behalf of, the associate.

Investments in subsidiaries and associates in parent company financial statements

For the purposes of parent company financial statements, investments in subsidiaries and associates are accounted at cost less any impairment. Dividends from a subsidiary or an associate are recognised in the parent company financial statements when the parent's right to receive the dividend is established.

Fair value measurement

The Group measures financial instruments, such as trading and investment securities, derivatives and non-financial assets such as investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 32.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

3. Material accounting policy information continued

Financial assets and liabilities

Classification and measurement for financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI) with recycling to Income Statement upon disposal for debt instruments;
- FVOCI without recycling to Income Statement for equity instruments; or
- amortised cost.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL if they are held for trading.

Embedded derivatives are not separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms.

All derivative instruments are measured at FVTPL.

Measurement of financial instruments at initial recognition

When financial instruments are recognised initially, they are measured at fair value, adjusted, in the case of instruments not at FVTPL, for directly attributable fees and costs.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price. If the Group determines that the fair value at initial recognition differs from the transaction price, then:

- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss; and
- in all other cases, the initial measurement of the financial instrument is adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial instruments

Financial instruments measured at amortised cost

The Group measures amounts due from credit institutions, loans to customers and other financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios per instrument type and is based on the following observable factors:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- How financial assets held within particular business model are evaluated and reported to key management personnel.

The expected frequency, value and timing of sales are also important aspects of the assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

There are three business models available under IFRS 9:

- Hold to collect: It is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest form the counterparty.
- Hold to collect and sell: This model is similar to the 'hold to collect' model, except that the entity may elect to sell some or all of the assets before maturity as circumstances change or to hold the assets for liquidity purposes.
- Other: All those models that do not meet the 'hold to collect' or 'hold to collect and sell' qualifying criteria.

3. Material accounting policy information continued

Solely Payments of Principal and Interest (SPPI)

If a financial asset is held in either a 'hold to collect', or a 'hold to collect and sell' business model, then the Group assesses whether contractual cash flows are SPPI on the principal amount outstanding at initial recognition to determine the classification. The SPPI test is performed on an individual instrument basis.

Contractual cash flows that represent SPPI on the principal amount outstanding are consistent with basic lending arrangements. Interest is consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period of time. It can also include consideration for other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs) associated with holding the financial asset for a particular period of time, and a profit margin that is consistent with a basic lending arrangement.

In assessing whether the contractual cash flows are SPPI, the Group considers whether the contractual terms of the financial asset contain a term that could change the timing or amount of contractual cash flows arising over the life of the instrument which could affect whether the instrument is considered to meet the SPPI test.

If the SPPI test is failed, such financial assets are measured at FVTPL with interest earned recognised in other interest income.

Debt instruments at FVOCI

The Group measures debt investment securities at FVOCI when both of the following categories are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows, selling financial assets and holding such financial instruments for liquidity management purposes.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt investment securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognised in Income Statement in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to Income Statement.

Factoring receivables

Factoring receivables, presented as part of loans to customers, factoring and finance lease receivables, are measured at amortised cost. They are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

Equity instruments at FVOCI – option

Upon initial recognition, the Group may elect to classify irrevocably its investments in equity instruments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

The Group does not recycle gains and losses on these equity instruments to Income Statement nor does it make impairment assessment for these instruments. Dividends received are recognised in Income Statement.

Financial assets at FVTPL

Groups of financial assets for which the business model is other than 'hold to collect' and 'hold to collect and sell' are measured at FVTPL.

Derivatives recorded at FVTPL

The Group enters into derivative transactions with various counterparties. These include interest rate swaps, forwards and other similar instruments. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Net changes in the fair value of derivatives are included in Net other gains/(losses), excluding gain/loss on foreign exchange derivatives which are presented in net foreign currency gain. From the beginning of 2019, the Group enters into certain cross-currency swap agreements to match its funding costs in certain currencies with the income generated from lending activities in these currencies. As a result, the Group economically hedges the interest rate risk, however, no hedge accounting under IFRS 9 is applied. Net changes in the fair value of such derivative financial instruments, which are presented in net foreign currency gain, excludes unwinding of the locked-in interest differential which is presented as part of interest expense to reflect risk management objective of the Group.

Financial guarantees, letter of credits and other financial commitments

The Group enters into the financial guarantee contracts whereby it's required to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantees, letter of credits and other financial commitments are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised, less cumulative amortisation recognised in the Consolidated Income Statement and an expected credit loss (ECL) provision.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

3. Material accounting policy information continued

Non-financial guarantees

The Group enters into non-financial guarantee contracts whereby it is required to compensate to the holder in case another party fails to meet its contractual obligations. Non-financial guarantees are initially recognised in the financial statements at fair value, being the premium received, amortised on a straight-line basis over the life of the contract. Subsequent to initial recognition the Group's liability under non-financial guarantee is measured at ECL provision that takes into account the probability of another party defaulting on its obligations as well as available collateral under the guarantee contracts and is recognised in the Consolidated Income Statement as part of other expected credit loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, amounts due from central banks, excluding obligatory reserves with central banks, and amounts due from credit institutions that mature within 90 days of the date of origination, and are free from contractual encumbrances and readily convertible to known amounts of cash. The Group also holds cash in nominal ownership on behalf of its clients. The Group does not control this cash nor does it have the potential to produce economic benefits to the Group, therefore asset recognition criteria is not met in such cases. Respectively, the Group does not recognise these amounts in its Consolidated Statement of Financial Position.

Borrowings

The Group classifies issued financial instruments or their components as liabilities, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. Such instruments include amounts due to credit institutions and amounts due to customers (including promissory notes issued). The Group initially recognises these liabilities at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost, using the effective interest rate (EIR) method. Gains and losses are recognised in the Consolidated Income Statement when the borrowings are derecognised as well as through the amortisation process.

Issued Additional Tier 1 instruments with perpetual maturity and discretionary interest payments are classified as financial liabilities when the instruments are not convertible into equity and the Group does not have an unconditional right to avoid delivering cash upon a predetermined trigger event that is beyond the control of both the issuer and the holder of the instrument. Such instruments are measured at amortised cost with respective interest presented as part of interest expense in the Consolidated Income Statement.

If the Group purchases its own debt, it is removed from the Consolidated Statement of Financial Position and the difference between the carrying amount of the liability and the consideration paid is recognised in the Consolidated Income Statement.

Subordinated debt

Subordinated debt represents long-term funds attracted by the Group on the international financial markets or domestic market. The holders of subordinated debt would be subordinate to all other creditors to receive repayment of debt in case of the Group's liquidation. Subordinated debt is carried at amortised cost.

Securities lending and sale-and-repurchase transactions

Securities sold under sale and repurchase (repo) agreements are accounted for as secured financing transactions, with the securities retained in the Consolidated Statement of Financial Position and the counterparty liability included in amounts payable under repo transactions. The difference between the sale and repurchase prices represents interest expense and is recognised in Income Statement over the term of the repo agreement using the effective interest method. If the counterparty has the right to sell or pledge securities subject to the agreement, the Group reclassifies them on its Consolidated Statement of Financial Position as investment securities pledged under sale-and-repurchase agreements and securities lending.

Securities purchased under agreements to resell (reverse repo) are recorded as amounts receivable under reverse repo transactions. The difference between the purchase and resale prices represents interest income and is recognised in Income Statement over the term of the repo agreement using the effective interest method.

If assets purchased under an agreement to resell are sold to third parties, the obligation to return securities is recorded as a trading liability and measured at fair value.

3. Material accounting policy information continued

Leases

The Group as a lessee

The Group's main leasing activities include the leases of service centres, ATM spaces and warehouses. A non-cancellable lease period is up to 20 years. Lease payments are fixed in most cases. The contacts do not generally carry extension or termination options for the lease term and do not impose any covenants.

Recognition of right-of-use asset and lease liability

The Group recognises a right-of-use asset at the lease commencement date at an initial amount of the lease liability adjusted for lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term.

The lease liability is initially measured at the present value of the future lease payments excluding payments for VAT, discounted using the Group's incremental borrowing rate (IBR). The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Recognition exemptions

The Group applies the recognition exemptions on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value (less than USD 5,000). The Group recognises the lease payments associated with these leases as an occupancy and rent expense on a straight-line basis over the lease term and presents them as part of General and administrative expenses.

Modifications of lease contracts

If the lease contract is modified by either changing the scope of the lease, or the consideration for a lease that was not part of the original terms and conditions of the lease, the Group determines whether the modification results in:

- a separate lease; or
- a change in the accounting for the existing lease.

For the lease modifications that are not accounted as separate leases, the Group re-measures the lease liability either by recognising gain or loss relating to the partial or full termination of the lease or through adjusting respective right-of-use asset.

The Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease.

Finance lease

The Group classifies leases that transfer substantially all the risks and benefits incidental to ownership of the lease item to the lessee as finance leases. All other leases are classified as operating leases. The Group recognises finance lease receivables in the Consolidated Statement of Financial Position at a value equal to the net investment in the lease, starting from the date of commencement of the lease term. In calculating the present value of the minimum lease payments, the Group uses the interest rate implicit in the lease as a discount factor. Initial direct costs are included in the initial measurement of the finance lease receivables. Lease payments received are apportioned between the finance income and the reduction of the outstanding lease receivable. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

Operating lease

The Group presents assets subject to operating leases in the Consolidated Statement of Financial Position according to the nature of the asset. Lease income from operating leases is recognised in the Consolidated Income Statement on a straight-line basis over the lease term as net other gains/(losses).

Impairment of financial assets

Overview of the ECL principles

The Group records an allowance for ECL for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial assets'.

The allowance is based on the ECL associated with a probability of default (PD) in the next 12 months unless there has been a significant increase in credit risk since origination, in which case the allowance is based on the ECL over the life of the asset (lifetime ECL). If the financial asset meets the definition of purchased or originated credit-impaired (POCI), the allowance is based on the change in the lifetime ECL.

The Group applies the simplified approach for trade and other receivables and contract assets and records lifetime ECLs on them.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

3. Material accounting policy information continued

Staged approach to the determination of ECLs

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial asset's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: The Group recognises a credit loss allowance at an amount equal to 12-month ECL. This represents the portion of lifetime ECL from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after initial recognition. For those financial assets with a remaining maturity of less than 12 months, a PD is used that corresponds to the remaining maturity.
- Stage 2: The Group recognises a credit loss allowance at an amount equal to lifetime expected credit losses (LTECL) for those financial instruments which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on lifetime probability of default (LTPD) that represents the PD occurring over the remaining lifetime of the financial instrument. Allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared with 12 months in Stage 1. Financial instruments in Stage 2 are not yet deemed to be credit-impaired.
- Stage 3: If the financial instrument is credit-impaired, it is then moved to Stage 3. The Group recognises a loss allowance at an amount equal to lifetime ECL, reflecting a PD of 100% for those financial instruments that are credit-impaired.

Unless POCI, newly originated assets are classified as Stage 1 and remain in that stage unless there is considered to have been a significant increase in credit risk since initial recognition, at which point the asset is reclassified to Stage 2.

POCI assets are financial instruments that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR (CAEIR). CAEIR takes into account all contractual terms of the financial asset and ECLs. ECLs are only recognised or released to the extent that there is a subsequent change in the ECLs where ECLs are calculated based on lifetime ECL. Once the financial asset is recognised as POCI, it retains this status until derecognised.

Key judgements and estimates used in ECL calculation are disclosed in Note 4.

Derecognition of financial assets and liabilities

Derecognition of financial assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) where:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and
- the Group either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Derecognition and modification of financial assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of financial assets. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms, based on qualitative and quantitative criteria. The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, except in cases when renegotiation of contractual terms happens due to financial difficulties of the borrower. Once the financial asset is derecognised, the difference is recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

The Group applies derecognition of the financial asset if any of the following criteria are met:

- change in currency of the loan.
- change in interest rate type.
- introduction of an equity feature.
- change in counterparty.

If the terms are not substantially different, or the renegotiation is due to the financial difficulties of the borrower, such renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in interest income. The new gross carrying amount is calculated by discounting the modified cash flows at the original EIR.

3. Material accounting policy information continued

Forbearance and modified loans

The Group sometimes makes concessions or modifications to the original terms of the loans as a response to the borrower's financial difficulties, rather than taking possession or otherwise enforcing collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. Once the asset has been identified as forborne, the assets are classified in Stage 3. The decision as to how long the asset remains in the forborne category is determined on a case-by-case basis for commercial and SME loans, when a minimum six consecutive payments are required for the rest of the loans to exit from the forbearance category and transfer to Stage 2. Once the loan is transferred to Stage 2, the Group continues to reassess whether there has been a significant increase in credit risk; however, such assets remain in Stage 2 for a minimum 12-month probation period before being transferred to Stage 1.

Derecognition of financial liabilities

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Consolidated Income Statement.

Foreclosed assets

All repossessed land and buildings were previously classified as investment properties at initial recognition given these assets were managed with a view of capital appreciation or earning a rental income. Commencing from 2022, the Group updated its property management strategy and decided to move majority of the realisations of such properties at a quicker pace. Respectively, all repossessed collaterals, including land and buildings, are now classified either as Investment Properties or Foreclosed Assets depending the Group's intention in respect of recovery of these assets.

Foreclosed assets are valued at the lower of cost and net realisable value. For some of the assets the Group has granted to a previous owner a repurchase option with average period of 1-1.5 years. The Group is precluded from selling the repossessed asset during the option period. The Group does not recognise the options separately in the Consolidated Financial Statements but considers the exercise price in measurement of NRV where relevant.

The majority of the Group's foreclosed assets consists of the real estate assets repossessed during recovery of defaulted loans. Such assets are specific and not ordinarily interchangeable, respectively the Group applies specific identification of their individual costs. Realisation gain/loss from above assets are included under net other gains/(losses) in the Group's Consolidated Income Statement.

Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the statement of financial position.

Taxation

The Group calculates the current income tax expense in accordance with the regulations in force in the respective territories in which Lion Finance Group PLC and its subsidiaries operate.

Deferred tax assets and liabilities are calculated in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

The Group recognises a deferred tax asset only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group adopts mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

Georgia, Armenia and Belarus also have various operating taxes that are assessed on the Group's activities. These taxes are included as a component of other operating expenses.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

3. Material accounting policy information continued

Uncertain tax positions

The Group reassesses uncertain tax positions at the end of each reporting period. The assessment is based on the interpretation of the tax laws that have been enacted or substantively enacted by the end of reporting period and any known court or other rulings on such issues. Liabilities are recorded for income tax positions that are determined as more likely than not to result in additional tax levied if the positions were to be challenged by the tax authorities. Liabilities for penalties, interest and taxes other than on income are recognised based on the best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Investment properties

The Group recognises investment property initially at cost, including transaction costs, and subsequently re-measured at fair value reflecting market conditions at the end of the reporting period. Fair value of the Group's investment property is determined on the basis of various sources including reports of independent appraisers, who hold a recognised and relevant professional qualification and who have recent experience in valuation of property of similar location and category.

Gains and losses resulting from changes in the fair value of investment property as well as earned rental income are recorded in the Income Statement within net other gains/(losses).

Property and equipment

The Group records property and equipment at cost less accumulated depreciation and any accumulated impairment in value.

Depreciation of an asset commences from the date the asset is ready and available for use. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	Years
Office buildings and service centres	30-100
Furniture and fixtures	3-20
Computers and equipment	5-10
Motor vehicles	2-7

The assets' residual values, useful lives and methods are reviewed, and adjusted as appropriate, at each financial year-end.

Assets under construction are stated at cost and are not depreciated until the time they are available for use and reclassified to their respective group of property and equipment.

Leasehold improvements are depreciated over the shorter life of the related leased asset and the expected lease term.

Costs related to repairs and renewals are charged when incurred and included in other operating expenses, unless they qualify for capitalisation.

Goodwill impairment

Goodwill is reviewed for impairment, annually, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing goodwill, acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment as defined in IFRS 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Impairment losses cannot be reversed in future periods.

Intangible assets

The Group's intangible assets include computer software, licences, internally generated assets and other intangibles recognised on business combinations.

Intangible assets acquired separately are initially measured at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. The economic lives of intangible assets are assessed to be finite and amortised over four to 15 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets are reviewed at least at each financial year-end.

Costs associated with maintaining computer software programmes are recorded as an expense as incurred. Software development costs (relating to the design and testing of new or substantially improved software) are recognised as intangible assets.

3. Material accounting policy information continued

Provisions

The Group recognises provisions when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Share-based payment transactions

Employees (including senior executives) of the Group receive share-based remuneration, whereby they render services and receive equity instruments of the Group ('equity-settled transactions') as consideration for the services provided.

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The awards of shares in monetary terms are measured by reference to the monetary value (as awarded) adjusted for the time value of money where necessary.

The cost of equity-settled transactions is recognised together with the corresponding increase in equity as part of additional paid-in capital, over the period in which the performance and/or service conditions are fulfilled, ending on the date when the relevant employee is fully entitled to the award ('the vesting date'). The subsequent holding period does not imply any employment service provision from the share recipient side; therefore it does not affect the expense recognition period. The Consolidated Income Statement charge or credit for the period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Where the terms of an equity-settled award are modified, the Group recognises the minimum expense as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of the modification.

Where a new equity-settled award is designated as a replacement of a cancelled equity-settled award, the replacement of equity instruments are accounted for as a modification.

Where the Group cancels an equity-settled award, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as the replacement award on the date that it is granted, the cancelled and the new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Equity

Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity.

Additional paid-in capital

Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital. Further, the effects of share-based payments are also recognised as part of the additional paid-in capital.

Treasury shares

Where Lion Finance Group PLC or its subsidiaries purchase Lion Finance Group PLC's shares, the consideration paid, including any attributable transaction costs, net of income taxes, is deducted from total equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received is included in equity. Treasury shares are stated at par value, with adjustment of premiums against additional paid-in capital.

Dividends

The Group recognises dividends as liabilities and deducts them from equity at the reporting date only if they are declared before or on the reporting date and do not require further approval. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the Consolidated Financial Statements are authorised for issue. All expenses associated with dividend distribution are added to dividend amount and recorded directly through equity.

Retained earnings

As a result of the Ameriabank acquisition, retained earnings of the Group include:

- a general reserve which is a reserve required by Armenian law and is considered as a non-distributable reserve that can be used in case of the Ameriabank's bankruptcy; and
- a special reserve that can be used by Ameriabank as a safety buffer for capital against any fluctuations that may occur, further increase its statutory capital, further increase its general reserve, pay dividends to the shareholders, to finance projects with anticipated positive impact, or to finance other projects that do not conflict with Ameriabank's strategy, with legislation and with its charter.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

3. Material accounting policy information continued

Contingencies

Contingent liabilities are not recognised in the Consolidated Statement of Financial Position but are disclosed, unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the Consolidated Statement of Financial Position but disclosed when an inflow of economic benefits is probable.

Income and expense recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue and expense are recognised:

Interest and similar income and expense

For all financial instruments measured at amortised cost and interest-bearing securities, interest income or expense is recorded at the EIR.

For financial instruments in Stage 1 and Stage 2, the Group calculates interest income by applying the EIR to the gross carrying amount. Interest income for financial assets in Stage 3 is calculated by applying the EIR to the amortised cost (i.e. the gross carrying amount less credit loss allowance). For financial instruments classified as POCI only, interest income is calculated by applying a credit adjusted EIR to the amortised cost of these POCI assets. The Group presents interest revenue calculated using the EIR method separately in the Income Statement.

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee and commission income are recognised when the Group satisfies a performance obligation. Fee income can be divided into the following categories:

Fee income earned from services that are provided over a certain period of time

The Group recognises fees income for the provision of services over a period of time over that period. These fees include commission incomes and asset management, custody, package services on bundled products and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn-down and other credit-related fees are deferred (together with any incremental costs), and recognised as an adjustment to the EIR on the loan.

Customer loyalty programme

Customer loyalty programme points accumulated in the business are treated as deferred revenue and recognised in revenues gradually as they are earned. The Group recognises gross revenue earned from customer loyalty programme when the performance obligation is satisfied i.e. when the customer redeems the points or the points expire, where the Group acts as a principal. Conversely, the Group measures its revenue as the net amount retained on its account representing the difference between the consideration allocated to the award credits and the amount payable to the third party for supplying the awards as soon as the award credits are granted, where the Group acts as an agent.

Performance obligations satisfied at a point in time

Fees and commissions earned from providing transaction-type services such as settlement, brokerage, cash and currency conversion operations are recognised when the service has been completed, provided such fees and commissions are not subject to refund or another contingency beyond the control of the Group. Fees from currency conversion operations represent additional commission (other than currency dealing revenue recognised in net foreign currency gain) charged on currency conversion service provided to customers on cards used abroad.

Dividend income

Dividend revenue is recognised when the Group's right to receive the payment is established.

Functional, reporting currencies and foreign currency translation

The Consolidated Financial Statements are presented in Georgian Lari, which is the Group's presentation currency. Lion Finance Group PLC's and JSC Bank of Georgia's functional currency is Georgian Lari, while the functional currency of CJSC Ameriabank is Armenian Dram (AMD) and JSC Belarusky Narodny Bank is New Belarusian Ruble (BYN). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the functional currency rate of exchange ruling at the reporting date.

3. Material accounting policy information continued

Gains and losses resulting from the translation of foreign currency transactions are recognised in the Consolidated Income Statement as gains less losses from foreign currencies – translation differences. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the income statement, any exchange component of that gain or loss is recognised in the Income Statement.

Differences between the contractual exchange rate of a certain transaction and the NBG exchange rate on the date of the transaction are included in net foreign currency gain. The official NBG exchange rates at 31 December 2025, 31 December 2024 and 31 December 2023 were:

	Lari to GBP	Lari to USD	Lari to EUR	Lari to BYN	Lari to AMD
31 December 2025	**3.6446**	**2.6951**	**3.1737**	**0.9318**	**0.0071**
31 December 2024	3.5349	2.8068	2.9306	0.8594	0.0071
31 December 2023	3.4228	2.6894	2.9753	0.8162	0.0067

As at the reporting date, the assets and liabilities of the entities whose functional currency is different from the presentation currency of the Group are translated into Georgian Lari at the rate of exchange ruling at the reporting date and their Income Statements are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken to other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations, and translated at the rate at the reporting date.

Adoption of new or revised standards and interpretations

Amendments effective from 1 January 2025

Lack of Exchangeability (Amendments to IAS 21)

IASB has published 'Lack of Exchangeability' (Amendments to IAS 21) that contains guidance to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendment had no material impact on the Group's Consolidated Financial Statements.

Reclassifications

To align the presentation of its Consolidated Statement of Cash Flows with industry practice, the Group has revisited the presentation of net purchases/sales of investment securities measured at amortised cost and FVOCI (from previously presented on net basis to currently presented on gross basis) and changed the accounting policy for presentation of cash flows related to transactions with investment securities measured at FVTPL (from previously presented within investing cash flows to currently presented within operating cash flows). Comparative amounts were reclassified in line with the updated presentation.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

3. Material accounting policy information continued

The following reclassifications were made to year ended 31 December 2024 and 31 December 2023 Consolidated Statement of Cash Flows to conform to the year ended 31 December 2025 presentation requirements:

Consolidated Statement of Cash Flows for the year ended 31 December 2024	As previously reported	Reclassification	As reclassified
Net (increase) decrease in operating assets			
Investment securities measured at FVTPL	–	(120,663)	(120,663)
Net cash flows from operating activities before income tax	**3,782,418**	**(120,663)**	**3,661,755**
Net cash flows from operating activities	**3,194,740**	**(120,663)**	**3,074,077**
Cash flows from/(used in) investing activities			
Net purchases/sales of investment securities	(2,855,422)	2,855,422	–
Acquisition of investment securities measured at FVOCI	–	(11,259,682)	(11,259,682)
Proceeds from sale and maturity of investment securities measured at FVOCI	–	9,881,030	9,881,030
Acquisition of investment securities carried at amortised cost	–	(2,618,657)	(2,618,657)
Proceeds from sale and maturity of investment securities carried at amortised cost.	–	1,262,550	1,262,550
Net cash from/(used in) investing activities	**(2,808,177)**	**120,663**	**(2,687,514)**

Consolidated Statement of Cash Flows for the year ended 31 December 2023	As previously reported	Reclassification	As reclassified
Net (increase) decrease in operating assets			
Investment securities measured at FVTPL	–	–	–
Net cash flows from operating activities	**–**	**–**	**–**
Cash flows from/(used in) investing activities			
Net purchases/sales of investment securities	(747,379)	747,379	–
Acquisition of investment securities measured at FVOCI	–	(6,273,118)	(6,273,118)
Proceeds from sale and maturity of investment securities measured at FVOCI	–	5,888,458	5,888,458
Acquisition of investment securities carried at amortised cost	–	(708,568)	(708,568)
Proceeds from sale and maturity of investment securities carried at amortised cost.	–	345,849	345,849
Net cash from/(used in) investing activities	**(858,375)**	**–**	**(858,375)**

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Consolidated Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued 'Amendments to the Classification and Measurement of Financial Instruments' which amended IFRS 9 and IFRS 7. The amendments:

- Clarify that a financial liability is derecognised on the 'settlement date', i.e. when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- Clarify the treatment of non-recourse assets and contractually linked instruments (CLI).
- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at FVOCI.

The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

The Group is in the process of assessing the impact of the new amendments.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued 'Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity'. The amendments apply only to contracts that reference nature-dependent electricity.

The amendments:

- clarify the application of the 'own-use' requirements for in-scope contracts;
- amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
- add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

3. Material accounting policy information continued

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the Income Statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the Income Statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

4. Significant accounting judgements and estimates

Estimates involved in measurement of investment properties, assets held for sale and foreclosed assets

Fair values of investment properties, assets held for sale and net realisable values of foreclosed assets are determined by independent, professionally qualified appraisers. Fair value is determined using a combination of the internal capitalisation method (also known as the discounted cash flow method) and the sales comparison method.

The Group performs valuations of its investment properties, assets held for sale and foreclosed assets with a sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value and respective measurement principles at the end of the reporting period.

Considering the upward real estate market trend, the Group updated the valuation of its investment properties in 2024. The results of this valuation are presented in Note 15, while valuation inputs and techniques are presented in Note 32. The Group's properties are spread across the different parts of the country. While the secondary market in Georgia provides adequate market information for fair value measurements for small and medium-sized properties, the valuation of large properties involves application of various observable and unobservable inputs to determine adjustments to the available comparable sale prices. These estimates and assumptions are based on the best available information, however, actual results could be different. Last valuation was performed in 2024. In order to identify whether there was any significant change in the real estate market since last revaluation that could indicate that investment properties are not stated at fair value as at the reporting date, the Group hired an independent valuer to perform real estate market research, as well as valuation of individually material properties. Neither the research results, nor the valuation of individually material properties reveal any material changes in real estate prices in GEL equivalent terms since last valuation date.

Allowance for financial assets

IFRS 9 requires management to make a number of judgements, assumptions and estimates based on management's knowledge and historical experience that affect the allowance for ECL. Judgement was exercised to determine that different criteria for a significant increase in credit risk/default/cure are appropriate to be applied for JSC Bank of Georgia and CJSC Ameriabank considering different credit risk profile of respective portfolios. A summary of the key judgements made by management is set out below.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

4. Significant accounting judgements and estimates continued

Definition of default, credit-impaired and cure (Note 31)

The Group's definition of default is based on quantitative and qualitative criteria. The definition may differ across products. The definition is consistent with the definition used for internal credit risk management purposes and it corresponds with internal financial instrument risk classification rules. A counterparty is classified as defaulted at the latest when payments of interest, principal or fees are overdue for more than 90 days or when bankruptcy, fraud or insolvency proceedings of enforced liquidation have commenced, or there is other evidence that the payment obligations will not be fully met. The determination of whether a financial instrument is credit-impaired focuses on default risk, without taking into consideration the effects of credit risk mitigations such as collateral or guarantees.

An instrument is classified as credit-impaired if the counterparty has defaulted and/or the instrument is POCI.

Once the financial asset is classified as credit-impaired (except for POCIs) it remains as such unless all past due amounts have been rectified or there is general evidence of credit recovery.

For JSC Bank of Georgia a minimum period of six consecutive months' payment is applied as exit criteria to financial assets restructured due to credit risk other than corporate loan portfolio and debt instruments measured at FVOCI, where exit criteria are determined as exit from bankruptcy or insolvency status, disappearance of liquidity problems or existence of other general evidence of credit recovery assessed on individual basis.

For other credit-impaired financial instruments, exit criteria are determined as repayment of the entire overdue amount other than through refinancing or foreclosure.

For CJSC Ameriabank a minimum period of six consecutive months' payment or three consecutive payments and analysis based on debt service coverage ratio (DSCR) is applied for legal entities and three consecutive payments for individuals, unless the default is due to restructuring in which case the exit criterion is 12 consecutive payments and analysis based on DSCR.

Once a credit-impaired financial asset meets default exit criteria, in the case of JSC Bank of Georgia it remains in Stage 2 at least for the next 12 consecutive months, while in case of CJSC Ameriabank it remains in stage 2 at least for the next six consecutive months or three consecutive months and analysis based on DSCR after which the exposure is transferred to Stage 1 if its credit risk is not significantly higher than at origination date.

Significant increase in credit risk (SICR)

SICR is not a defined term per IFRS 9, and is determined by management, based on their experience and judgement. In assessing whether the credit risk has significantly increased, the Group has identified a series of qualitative and quantitative criteria based on undertaking the holistic analysis of various factors including those which are specific to a particular financial instrument or to a borrower as well as those applicable to particular sub-portfolios.

For JSC Bank of Georgia these criteria are:

- A significant increase in credit risk, expressed in the relative and/or absolute increase in the risk of default since initial recognition. SICR is determined based on comparison between credit risk ratings (internal or external) as of the origination date and credit risk ratings as of the reporting date for each financial asset individually. Thresholds are determined separately for corporate, retail, SME and other financial instrument portfolios, depending on initial grade assigned at origination. The threshold applied depends on the original credit quality of the borrowers. Higher threshold is set for those instruments with a low PD at origination.

  The table below summarises SICR thresholds (the actual thresholds are applied on a more granular level):

Loan portfolio type	Rating type	Initial rating	SICR threshold (notches)
Commercial loans	Internal	2-4+	5-12
Commercial loans	Internal	5-7+	1-5
Micro and SME loans	External	A-C	5-10
Mortgage loans	External	A-C	6-10
Consumer loans	External	A-C	4-10
Gold – pawn loans	External	A-C	6-10
Micro and SME loans, Mortgage, Consumer, Gold – pawn loans	External	D-E	1-5

- The existence of a forecast of adverse changes in commercial, financial or economic conditions that adversely affect the creditworthiness of the borrower.
- Modification of the contractual terms due to financial problems of the borrower other than default
- The days past due on counterparty level breached the threshold of 30 days.
- Other qualitative indicators, such as external market indicators of credit risk or general economic conditions, which indicate that the level of risk has increased significantly since origination.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

4. Significant accounting judgements and estimates continued

For CJSC Ameriabank these criteria are:

- The days past due on counterparty level breached the threshold of 30 days.
- Overdue days of the borrower in other financial institutions in Armenia.
- Difficulties in the financial conditions of the borrower.
- Renegotiation of the loan terms resulting from deterioration of the borrower's financial position.
- Deterioration of macroeconomic indicators and their possible effect on the borrower's financial performance.
- Adverse change of rating by three or more grades serves as an early warning indicator for CJSC Ameriabank to perform additional review and analysis of the borrower's financial position for identifying indicators of significant increase in credit risk.

The above noted SICR indicators are identified at financial instrument level in order to track changes in credit risk since initial recognition date.

Measurement of ECLs

ECL reflects an unbiased, probability-weighted estimate based on a combination of the following principal factors: PD, loss given default (LGD), and exposure at default (EAD), which are further explained below:

PD estimation:

JSC Bank of Georgia

JSC Bank of Georgia estimates PD based on a combination of rating model calibration results and a migration matrices approach which is further adjusted for macroeconomic expectations for a minimum three years onwards for all portfolios, to represent the forward-looking estimators of the PD parameters. The migration matrix is built in a way to reflect the weighted average yearly migration over the historical data period. The risk groups are determined in a way to ensure intra-group homogeneity and differentiation of expected PD levels. For loan portfolios other than corporate loans, PD is further adjusted considering time since financial instrument origination. The models incorporate both qualitative and quantitative information and, where practical, build on information from top rating agencies, Credit Bureau or internal credit rating systems.

CJSC Ameriabank

CJSC Ameriabank developed and implemented its own internal credit rating (ICR) model for individually significant large-scale Stage 1 loans, the latter consisting of approximately 60% of the total corporate loan portfolio. The model of choice is logistic regression where it models the probabilities of a binary response variable, the so-called target (indicator for an occurrence of a default event within a 12 month-long period) against several independent variables.

Within the scope of corporate PD model development three scorecards have been constructed:

- Behavioural – that includes scoring parameters constructed based on the behavioural/transactional data from CJSC Ameriabank's sources;
- Financial – that includes scoring parameters constructed based on the information from individual Consolidated Financial Statements provided to CJSC Ameriabank;
- Qualitative – that includes scoring parameters based on the qualitative and other quantitative information accumulated or produced within CJSC Ameriabank that reflect the credit risk of CJSC Ameriabank's creditors.

The above-mentioned three models are linked together to obtain a final score for every creditor included in the development sample as well as all the new creditors that will be included into the corporate portfolio of CJSC Ameriabank in the upcoming periods.

In addition, corporate clients are segregated in following PD based ratings:

Internal rating grades	External rating Moody's
1	Aaa1
2	Aa1-Aa3
3	A1-A3
4A	Baa1
4B	Baa2
4C	Baa3
5A	Ba1
5B	Ba2
5C	Ba3
6	B1-B3
7	CCC+-CCC-

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

4. Significant accounting judgements and estimates continued

Besides this, CJSC Ameriabank also segregates the following loan portfolios:
- corporate loans, for which PDs are not calculated based on ICR model;
- mortgages loans; and
- consumer loans.

PDs for loans and advances to customers are based on historic information and are calculated through probability transition matrices, based on historical information on the ageing of the loan portfolios. The probabilities are calculated as the share of loans transferring between overdue categories from the total number at the beginning of the period. Calculated PDs are further adjusted based on forward looking information.

Since Stage 3 financial instruments are defaulted, the PD in this case is equal to 100%.

EAD: The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial asset. It represents the cash flows outstanding at the time of default, considering expected repayments, interest payments and accruals discounted at the EIR. To calculate EAD for a Stage 1 financial instrument, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and POCI financial instruments, the EAD is considered for events over the lifetime of the instruments. The Group determines EAD differently for products with repayment schedules and those without repayment schedules. For financial instruments with repayment schedules, the Group estimates forward-looking EAD using the contractual cash flow approach with further corrections for expected prepayments and overdue days. For products without the repayment schedules such as credit cards and credit lines, the Group estimates the forward-looking EAD using the limit utilisation approach. Under the above approach EAD is calculated using the expected utilisation rate based on historical data of actual draw-down amounts.

LGD: LGD is defined as the likely loss in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. The determination of the LGD takes into account expected future cash flows from collateral and other credit enhancements, or expected payouts from bankruptcy proceedings for unsecured claims, and where applicable, time to realisation of collateral and the seniority of claims. The Group segments its financial instruments into homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g. product type, wider range of collateral types). Based on this information, the Group estimates the recovery rate (other than through collateral), cure rate and probability of re-default. Recovery through collateral is further considered in LGD calculations individually for each financial instrument.

Assets considered in the ECL calculations

IFRS 9 requires cash flows expected from collateral and other credit enhancements to be reflected in the ECL calculation. The treatment and reflection of collateral for IFRS 9 purposes is in line with general risk management principles, policies and processes of the Group. Collateral, unless repossessed, is not recorded on the Group's Statement of Financial Position. The fair value of collateral affects the calculation of ECLs. It is generally assessed at inception and reassessed on an annual basis for all material exposures.

Forward-looking information

Under IFRS 9, the allowance for ECLs is based on reasonable and supportable forward-looking information obtainable without undue cost or effort, which takes into consideration past events, current conditions and forecasts of future economic conditions.

To incorporate forward-looking information into the Group's allowance for credit losses, the Group uses the macroeconomic forecasts provided by National Bank of Georgia for Group companies operating in Georgia, third-party (Economic Intelligence Unit) data for companies operating in Armenia, while data used by JSC Belarusky Narodny Bank (BNB) is provided by a non-governmental research centre operating in Belarus. Macroeconomic variables covered by these forecasts, which the Group incorporated in its ECL model, include: GDP growth, foreign exchange rate, inflation rate, consumer price index, volumes of export, volumes of import, etc. (as disclosed below).

The determination of the probability-weighted ECL requires evaluating a range of diverse and relevant future economic conditions. To accommodate this requirement, the Group uses three different economic scenarios in the ECL calculation: an upside, a base case and a downside scenario relevant for each respective portfolio. A weight is calculated for each scenario by using a probabilistic economic model that considers recent information as well as historical data provided by the NBG in case of JSC Bank of Georgia.

The Group considers these forecasts to represent its best estimate of the possible outcomes, based on reliable available information.

4. Significant accounting judgements and estimates continued

Forward-looking variable assumptions

The most significant period end assumptions used for ECL estimates as at 31 December 2025 per geographical segments are set out below. The scenarios 'base', 'upside' and 'downside' were used for all portfolios.

Georgia

Key drivers	ECL scenario	Assigned weight	As at 31 December 2025			Assigned weight	As at 31 December 2024			Assigned weight	As at 31 December 2023		
			2026	2027	2028		2025	2026	2027		2024	2025	2026
GDP growth in %													
	Upside	25%	6.00%	5.50%	5.00%	25%	7.00%	6.00%	6.00%	25%	6.50%	5.50%	5.00%
	Base case	50%	4.90%	5.10%	5.00%	50%	4.90%	5.80%	5.70%	50%	5.00%	4.50%	5.00%
	Downside	25%	2.00%	4.00%	5.00%	25%	2.00%	3.00%	5.00%	25%	3.00%	4.00%	5.00%
GEL/USD exchange rate													
	Upside	25%	2.00%	3.00%	0.00%	25%	2.00%	3.00%	0.00%	25%	3.00%	2.00%	0.00%
	Base case	50%	0.00%	0.00%	0.00%	50%	0.00%	0.00%	0.00%	50%	0.00%	0.00%	0.00%
	Downside	25%	-20.00%	-10.00%	5.00%	25%	-15.00%	0.00%	5.00%	25%	-15.00%	0.00%	5.00%
CPI inflation rate in %													
	Upside	25%	3.00%	2.50%	3.00%	25%	3.00%	3.00%	3.00%	25%	3.25%	3.00%	3.00%
	Base case	50%	3.50%	2.80%	3.00%	50%	2.90%	3.60%	2.70%	50%	3.60%	3.10%	3.00%
	Downside	25%	8.00%	5.50%	3.00%	25%	8.00%	5.00%	3.00%	25%	5.00%	4.00%	3.00%

Armenia

Key drivers	ECL scenario	Assigned weight	As at 31 December 2025		Assigned weight	As at 31 December 2024	
			2026	2027		2025	2026
GDP growth in %							
	Upside	20%	9.76%	9.36%	20%	9.40%	9.11%
	Base case	60%	5.11%	4.76%	60%	4.86%	4.56%
	Downside	20%	0.46%	0.13%	20%	0.32%	0.02%
RUR/AMD exchange rate							
	Upside	20%	7.577	7.340	20%	7.255	7.305
	Base case	60%	4.540	4.303	60%	4.440	4.490
	Downside	20%	1.504	1.266	20%	1.625	1.675
CPI inflation rate in %							
	Upside	20%	0.46%	0.36%	20%	0.28%	-1.72%
	Base case	60%	3.50%	3.40%	60%	3.40%	1.40%
	Downside	20%	6.54%	6.44%	20%	6.52%	4.52%

Belarus

Key drivers	ECL scenario	Assigned weight	As at 31 December 2025		Assigned weight	As at 31 December 2024		Assigned weight	As at 31 December 2023	
			2026	2027		2025	2026		2024	2025
GDP growth in %										
	Upside	25%	3.39%	4.46%	25%	4.75%	4.62%	25%	3.77%	3.13%
	Base case	50%	1.56%	1.82%	50%	2.64%	1.90%	50%	1.95%	0.49%
	Downside	25%	-0.27%	-0.83%	25%	0.53%	-0.83%	25%	0.14%	-2.15%
BYN/USD exchange rate %										
	Upside	25%	1.73%	0.55%	25%	-0.24%	-0.08%	25%	0.66%	0.62%
	Base case	50%	4.19%	2.01%	50%	0.82%	1.64%	50%	1.00%	1.23%
	Downside	25%	6.55%	3.19%	25%	1.73%	2.98%	25%	1.31%	1.77%
CPI inflation rate in %										
	Upside	25%	-0.45%	-0.74%	25%	-0.38%	-0.45%	25%	-0.09%	-0.52%
	Base case	50%	1.63%	1.66%	50%	1.61%	1.91%	50%	1.94%	1.82%
	Downside	25%	3.59%	3.90%	25%	3.50%	4.12%	25%	3.86%	4.01%

If all other parameters held constant, an increase in GDP growth and a decrease in the foreign exchange rate and inflation would result in a decrease in ECL, with opposite changes resulting in an ECL increase. GDP growth input has the most significant impact on ECL, followed by foreign exchange rate and inflation. In Georgia, retail portfolio ECL is less affected by foreign exchange rate inputs due to a larger share of GEL-denominated exposures. However, retail portfolio ECL is affected by inflation, which does not have a significant impact on corporate ECL.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

4. Significant accounting judgements and estimates continued

The table below shows the sensitivity of the recognised ECL amounts to the forward-looking assumptions used in the model. For these purposes, 100% weight is assigned to each macroeconomic scenario separately and respective ECL is re-calculated.

Sensitivity of ECL to forward-looking assumptions:

	As at 31 December 2025				
			ECL coverage by scenarios		
Key drivers	Reported ECL	Reported ECL coverage	Upside	Base case	Downside
Commercial loans	181,670	1.26%	1.13%	1.25%	1.41%
Residential mortgage loans	24,661	0.29%	0.27%	0.28%	0.29%
Micro and SME loans	114,405	1.60%	1.50%	1.60%	1.71%
Consumer loans	203,656	2.11%	1.98%	2.09%	2.23%
Gold – pawn loans	1,197	0.50%	0.50%	0.50%	0.50%

	As at 31 December 2024				
			ECL coverage by scenarios		
Key drivers	Reported ECL	Reported ECL coverage	Upside	Base case	Downside
Commercial loans	157,734	1.30%	1.15%	1.29%	1.39%
Residential mortgage loans	14,625	0.20%	0.18%	0.20%	0.21%
Micro and SME loans	99,004	1.56%	1.46%	1.55%	1.68%
Consumer loans	157,935	2.14%	2.01%	2.11%	2.32%
Gold – pawn loans	1,014	0.66%	0.66%	0.66%	0.66%

	As at 31 December 2023				
			ECL coverage by scenarios		
Key drivers	Reported ECL	Reported ECL coverage	Upside	Base case	Downside
Commercial loans	100,358	1.44%	1.37%	1.40%	1.44%
Residential mortgage loans	22,750	0.50%	0.49%	0.50%	0.51%
Micro and SME loans	71,661	1.76%	1.74%	1.76%	1.78%
Consumer loans	131,633	2.80%	2.75%	2.79%	2.86%
Gold – pawn loans	1,390	0.93%	0.92%	0.92%	0.93%

Aggregation of financial instruments for collective assessment

For the purpose of a collective evaluation of impairment, financial instruments are grouped within homogeneous pools as follows: corporate loan portfolio is grouped on the basis of loan repayment source type; and retail loan portfolio is grouped on the basis of credit risk characteristics such as an asset type, collateralisation level, repayment source type and other relevant factors. As for SME and micro loan portfolios, financial instruments are grouped based on asset type, overdue buckets, collateralisation level and other relevant factors.

Determination of expected life for revolving facilities

For revolving products, the expected life of financial instruments is determined either with reference to the next renewal date or with reference to the behavioural expected life of the financial instrument estimated based on the empirical observation of the lifetime.

Write-offs

The Group writes off financial assets when there is no reasonable expectation of recovery. The need for write-off of corporate loans is assessed individually. In the case of JSC Bank of Georgia for mortgages and other loans secured by real estate, the number of overdue days after which the balances are considered to be irrecoverable and are to be written off is 1,460 days, while other non-secured portfolio is written-off after 150 days overdue. In case of CJSC Ameriabank, for collectively assessed loans the number of overdue days after which the balances are considered to be irrecoverable is 270 days overdue.

If the amount to be written off is greater than the accumulated loan loss allowance, the difference is first treated as an ECL expense. Any subsequent recoveries are credited to ECL expense.

4. Significant accounting judgements and estimates continued

Backtesting of ECL calculation model

In order to monitor the quality and reliability of the Group's ECL calculation model, the Group periodically performs backtesting and benchmarking procedures, whereby model outcomes are compared with actual results, based on internal experience as well as externally observed results. For PD, the Group uses statistical modelling to derive a predicted distribution of the number of defaults. The observed number of defaults is then compared with this distribution, allowing the Group to derive a statistical level of confidence in the model. For LGD, the backtesting compares observed losses with predicted LGDs. If any statistically significant deviations or shortcomings in parameterisations are observed, the relevant models are redefined and recalibrated. Any changes in the model as a result of backtesting procedures are accounted as changes in accounting estimates with prospective application.

Impact of climate-related risks on accounting judgements and estimates

Climate, and the impact of climate on the Group's balance sheet, is considered as an area of accounting estimate and judgement through the uncertainty of future events and the impact of that uncertainty on the Group's assets and liabilities. While the effects of climate change are a source of uncertainty, as at 31 December 2025 management does not consider climate to have a quantitatively material impact on its financial statements. The Group has assessed the impact of climate risk on its financial statements as disclosed below.

During 2025, JSC Bank of Georgia implemented a climate stress testing framework designed to evaluate the potential financial impact of climate-related risks. The methodology applies a forward-looking approach over a short-term time horizon and distinguishes between two primary risk categories: physical risks and transition risks, which are assessed separately.

The physical risk stress test assesses the Bank's exposure to acute and chronic climate hazards that could impair borrowers' financial position and, consequently, the Bank's financial performance. Stress testing is limited to those sector–hazard combinations identified as most material through the physical risk heatmap (refer to page 84).

For 2025, the Bank conducted a targeted stress test on drought risk, identified as the most material physical hazard. The scenario assumed a drought affecting all regions of Georgia and applied a top-down approach to the agricultural portfolio to estimate potential credit deterioration and the resulting increase in ECL provisions. The stress test was conducted incorporating the adverse impact of the drought on collateral values.

For stress test purposes, the impact of stressed ECL on regulatory capital and liquidity ratios was assessed. The results were limited and immaterial, indicating resilience of the Bank's capital and liquidity position under the assessed physical stress scenario and time horizon.

A transition risk stress test assesses the potential impact of climate-related policy changes on the Bank's financial position, with a particular focus on the possible introduction of a carbon tax in Georgia. The stress test was focused on clients with significant greenhouse gas emissions, as they were identified as most exposed to the given risk.

To assess transition risk, three climate scenarios were applied: net zero transition, delayed transition and current policies, reflecting varying levels of carbon tax implementation. Each scenario was probability-weighted based on prevailing policy trends. The analysis evaluated the impact of carbon-related policy changes on the most exposed clients, translating potential deterioration in creditworthiness into additional ECL provisions and calculating a weighted-average impact on the Bank's position.

For stress test purposes, the impact of stressed ECL on regulatory capital and liquidity ratios was assessed. The impact was limited and immaterial, indicating resilience of the Bank's capital and liquidity position under the assessed transition scenarios and time horizon.

In 2025, CJSC Ameriabank also performed an initial, top-down climate stress test covering physical and transition risks. Due to data limitations, the exercise was exploratory and relied on assumptions and proxies. Results indicated no material short to medium-term impact on credit risk; however, the findings are considered directional and are not yet embedded in the risk framework.

The Bank plans to enhance the methodology with improved data and sectoral analysis. As approaches mature, results may inform future risk management, portfolio steering and capital planning decisions.

More information on climate stress testing can be found in our IFRS S2 Report on page 80.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

5. Segment information

For management purposes, the Group is organised into the following business divisions and respective operating segments:

Georgian Financial Services business division:

RB – Retail Banking – principally provides consumer loans, mortgage loans, overdrafts, credit cards and other credit facilities, funds transfers and settlement services, and handling of customers' deposits for both individuals and legal entities. The Retail Banking business targets the mass retail, mass affluent and high-net-worth client segments.

SME – SME Banking – principally provides SME loans, micro loans, consumer and mortgage loans, funds transfers and settlement services, and handling of customers' deposits for legal entities. The SME Banking business targets small and medium-sized enterprises and micro businesses.

CIB – Corporate Investment Banking – comprises Corporate Banking and Investment Management operations in Georgia. Corporate Banking principally provides loans and other credit facilities, funds transfers and settlement services, trade finance services, documentary operations support and handles saving and term deposits for corporate and institutional customers. The Investment Management business principally provides brokerage services through Galt & Taggart.

CC – Corporate Center – comprises mainly treasury and custody operations.

Armenian Financial Services business division:

CJSC Ameriabank – comprises operations in the Group's Armenian subsidiary.

Other businesses:

Other – Mainly comprising JSC Belarusky Narodny Bank, principally providing retail and SME banking services in Belarus; JSC Digital area – a digital ecosystem in Georgia including e-commerce, ticketing, and inventory management SaaS; Lion Finance Group PLC – the holding company; and other small entities and intragroup eliminations.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained in the table below, is measured in the same manner as profit or loss in the Consolidated Income Statement.

Transactions between operating segments are on an arm's length basis in a similar manner to transactions with third parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's operating income in 2025, 2024 or 2023.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

5. Segment information continued

The following table presents the Income Statement and certain asset and liability information regarding the Group's operating segments as at and for the year ended 31 December 2025:

	Retail Banking	SME	Corporate Investment Banking	Corporate Center	Eliminations	Georgian Financial Services	Armenian Financial Services	Other businesses	Group Total
Interest income	1,839,436	624,905	1,118,199	328,603	(3,857)	3,907,286	1,348,723	115,106	5,371,115
Interest expense	(749,322)	(134,183)	(595,559)	(329,419)	3,857	(1,804,626)	(530,468)	(64,280)	(2,399,374)
Inter-segment interest income/(expense)	(16,960)	(159,564)	183,578	(7,054)	–	–	–	–	–
Net interest income	**1,073,154**	**331,158**	**706,218**	**(7,870)**	**–**	**2,102,660**	**818,255**	**50,826**	**2,971,741**
Fee and commission income	**667,591**	**61,674**	**105,193**	**10,663**	**(926)**	**844,195**	**222,498**	**59,783**	**1,126,476**
Settlements operations	*97,540*	*118*	*121*	*–*	*(55)*	*97,724*	*28,155*	*17,337*	*143,216*
Card operations	*359,687*	*14,725*	*2,721*	*–*	*–*	*377,133*	*123,741*	*29,821*	*530,695*
Account services	*148,214*	*31,507*	*17,792*	*4,817*	*–*	*202,330*	*7,784*	*11,196*	*221,310*
Currency conversion operations	*48,579*	*2,049*	*3,800*	*–*	*–*	*54,428*	*11,676*	*75*	*66,179*
Guarantees and letters of credit	*88*	*7,915*	*45,209*	*–*	*–*	*53,212*	*18,781*	*665*	*72,658*
Advisory	*–*	*–*	*7,932*	*–*	*–*	*7,932*	*13,676*	*–*	*21,608*
Cash operations	*982*	*5,328*	*4,729*	*1,069*	*(829)*	*11,279*	*5,920*	*5,188*	*22,387*
Brokerage service fees	*15*	*21*	*22,889*	*215*	*(43)*	*23,097*	*8,361*	*–*	*31,458*
Other	*12,486*	*11*	*–*	*4,562*	*1*	*17,060*	*4,404*	*(4,499)*	*16,965*
Fee and commission expense	**(269,921)**	**(18,364)**	**(21,935)**	**(5,721)**	**955**	**(314,986)**	**(107,407)**	**(46,596)**	**(468,989)**
Settlements operations	*(40,279)*	*(6,960)*	*(5,208)*	*–*	*875*	*(51,572)*	*(50,438)*	*(20,216)*	*(122,226)*
Card operations	*(193,415)*	*(9,225)*	*(846)*	*–*	*–*	*(203,486)*	*(47,691)*	*(18,620)*	*(269,797)*
Currency conversion operations	*(10,535)*	*(449)*	*(854)*	*–*	*–*	*(11,838)*	*(4,553)*	*(3,404)*	*(19,795)*
Guarantees and letters of credit	*(1)*	*(21)*	*(292)*	*–*	*–*	*(314)*	*(195)*	*(4)*	*(513)*
Advisory	*–*	*–*	*(372)*	*–*	*–*	*(372)*	*–*	*–*	*(372)*
Cash operations	*(8,184)*	*(1,107)*	*(3,077)*	*(5,160)*	*15*	*(17,513)*	*(913)*	*(4,353)*	*(22,779)*
Brokerage service fees	*(1,344)*	*(602)*	*(10,886)*	*(560)*	*21*	*(13,371)*	*(1,029)*	*(2)*	*(14,402)*
Other	*(16,163)*	*–*	*(400)*	*(1)*	*44*	*(16,520)*	*(2,588)*	*3*	*(19,105)*
Net fee and commission income	**397,670**	**43,310**	**83,258**	**4,942**	**29**	**529,209**	**115,091**	**13,187**	**657,487**
Net foreign currency gain	191,096	33,059	76,164	60,559	–	360,878	145,340	94,785	601,003
Net gains/(losses) on extinguishment of debt	–	3	10	–	–	13	–	(294)	(281)
Net other gains/(losses)	7,636	2,788	28,887	12,533	(1,023)	50,821	12,132	10,353	73,306
Operating income	**1,669,556**	**410,318**	**894,537**	**70,164**	**(994)**	**3,043,581**	**1,090,818**	**168,857**	**4,303,256**
Operating expenses	(625,948)	(120,076)	(135,259)	(55,728)	994	(936,017)	(503,498)	(116,572)	(1,556,087)
Gain on bargain purchase	–	–	–	–	–	–	–	1,488	1,488
Profit from associates	–	–	60	1,256	–	1,316	–	–	1,316
Operating income before cost of risk	**1,043,608**	**290,242**	**759,338**	**15,692**	**–**	**2,108,880**	**587,320**	**53,773**	**2,749,973**
Cost of risk	(77,818)	(21,393)	(41,014)	(1,285)	–	(141,510)	(22,982)	(5,005)	(169,497)
Profit before income tax	**965,790**	**268,849**	**718,324**	**14,407**	**–**	**1,967,370**	**564,338**	**48,768**	**2,580,476**
Income tax expense	(161,798)	(45,041)	(121,226)	40,284	–	(287,781)	(111,974)	(17,490)	(417,245)
Profit for the year	**803,992**	**223,808**	**597,098**	**54,691**	**–**	**1,679,589**	**452,364**	**31,278**	**2,163,231**
Assets and liabilities									
Total assets	18,994,006	6,363,741	12,760,315	4,249,427	(237,349)	42,130,140	16,552,268	2,187,448	60,869,856
Total liabilities	16,545,083	5,490,181	10,514,149	4,132,685	(237,349)	36,444,749	14,222,863	1,780,001	52,447,613
Other segment information									
Property and equipment	132,006	9,625	3,457	76	–	145,164	27,218	7,356	179,738
Intangible assets	40,414	6,743	2,910	232	–	50,299	42,489	15,951	108,739
Capital expenditure	**172,420**	**16,368**	**6,367**	**308**	**–**	**195,463**	**69,707**	**23,307**	**288,477**
Depreciation, amortisation and impairment	(124,662)	(16,822)	(6,649)	(352)	–	(148,485)	(59,887)	(13,280)	(221,652)

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

5. Segment information continued

The following table presents the Income Statement and certain asset and liability information regarding the Group's operating segments as at and for the year ended 31 December 2024:

	Retail Banking	SME	Corporate Investment Banking	Corporate Center	Eliminations	Georgian Financial Services	Armenian Financial Services	Other businesses	Group Total
Interest income	1,525,591	554,087	930,868	255,266	(4,370)	3,261,442	794,616	83,842	4,139,900
Interest expense	(614,491)	(130,780)	(478,147)	(244,543)	4,370	(1,463,591)	(287,585)	(27,877)	(1,779,053)
Inter-segment interest income/(expense)	46,352	(149,307)	98,775	4,180	–	–	–	–	–
Net interest income	**957,452**	**274,000**	**551,496**	**14,903**	**–**	**1,797,851**	**507,031**	**55,965**	**2,360,847**
Fee and commission income	**595,476**	**59,915**	**91,851**	**8,830**	**(830)**	**755,242**	**133,108**	**49,427**	**937,777**
Settlements operations	*88,456*	*150*	*95*	*–*	*(63)*	*88,638*	*16,286*	*11,702*	*116,626*
Card operations	*331,482*	*13,498*	*2,080*	*–*	*–*	*347,060*	*69,407*	*22,962*	*439,429*
Account services	*121,238*	*30,017*	*12,357*	*5,104*	*–*	*168,716*	*–*	*7,973*	*176,689*
Currency conversion operations	*47,387*	*1,722*	*3,185*	*–*	*–*	*52,294*	*–*	*1*	*52,295*
Guarantees and letters of credit	*406*	*8,437*	*45,502*	*–*	*–*	*54,345*	*10,227*	*704*	*65,276*
Advisory	*–*	*–*	*9,579*	*–*	*–*	*9,579*	*20,176*	*–*	*29,755*
Cash operations	*3,199*	*5,857*	*4,446*	*584*	*(759)*	*13,327*	*10,320*	*5,637*	*29,284*
Brokerage service fees	*3*	*224*	*14,830*	*–*	*–*	*15,057*	*5,003*	*–*	*20,060*
Other	*3,305*	*10*	*(223)*	*3,142*	*(8)*	*6,226*	*1,689*	*448*	*8,363*
Fee and commission expense	**(252,246)**	**(16,383)**	**(17,409)**	**(4,434)**	**844**	**(289,628)**	**(43,186)**	**(43,301)**	**(376,115)**
Settlements operations	*(35,733)*	*(5,634)*	*(4,326)*	*–*	*824*	*(44,869)*	*(37,484)*	*(18,388)*	*(100,741)*
Card operations	*(187,047)*	*(8,693)*	*(725)*	*–*	*–*	*(196,465)*	*(3,063)*	*(17,537)*	*(217,065)*
Currency conversion operations	*(8,694)*	*(320)*	*(585)*	*–*	*–*	*(9,599)*	*–*	*(2,329)*	*(11,928)*
Guarantees and letters of credit	*(5)*	*(11)*	*(217)*	*–*	*–*	*(233)*	*(56)*	*(5)*	*(294)*
Advisory	*–*	*–*	*(186)*	*–*	*–*	*(186)*	*–*	*–*	*(186)*
Cash operations	*(7,733)*	*(1,326)*	*(5,996)*	*(3,999)*	*13*	*(19,041)*	*(884)*	*(5,039)*	*(24,964)*
Brokerage service fees	*(864)*	*(399)*	*(4,375)*	*(435)*	*–*	*(6,073)*	*(936)*	*(8)*	*(7,017)*
Other	*(12,170)*	*–*	*(999)*	*–*	*7*	*(13,162)*	*(763)*	*5*	*(13,920)*
Net fee and commission income	**343,230**	**43,532**	**74,442**	**4,396**	**14**	**465,614**	**89,922**	**6,126**	**561,662**
Net foreign currency gain	177,347	44,241	108,447	56,762	–	386,797	128,032	56,970	571,799
Net gains/(losses) on extinguishment of debt	–	2	8	–	–	10	–	2	12
Other income from settlement of legacy claim									
Net other gains/(losses)	27,616	7,145	15,047	4,692	(1,082)	53,418	3,927	10,963	68,308
Operating income	**1,505,645**	**368,920**	**749,440**	**80,753**	**(1,068)**	**2,703,690**	**728,912**	**130,026**	**3,562,628**
Operating expenses	(510,892)	(107,104)	(132,433)	(26,096)	1,068	(775,457)	(362,502)	(84,945)	(1,222,904)
Gain on bargain purchase	–	–	–	–	–	–	685,888	–	685,888
Acquisition-related costs	–	–	–	–	–	–	(13,715)	–	(13,715)
Profit from associates	–	–	–	1,347	–	1,347	–	–	1,347
Operating income before cost of risk	**994,753**	**261,816**	**617,007**	**56,004**	**–**	**1,929,580**	**1,038,583**	**45,081**	**3,013,244**
Cost of risk	(44,468)	(16,782)	(35,377)	(1,472)	–	(98,099)	(63,182)	(3,972)	(165,253)
Profit before income tax	**950,285**	**245,034**	**581,630**	**54,532**	**–**	**1,831,481**	**975,401**	**41,109**	**2,847,991**
Income tax expense	(161,303)	(42,429)	(98,160)	26,335	–	(275,557)	(73,072)	(14,167)	(362,796)

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

5. Segment information continued

	Retail Banking	SME	Corporate Investment Banking	Corporate Center	Eliminations	Georgian Financial Services	Armenian Financial Services	Other businesses	Group Total
Profit for the year	**788,982**	**202,605**	**483,470**	**80,867**	**–**	**1,555,924**	**902,329**	**26,942**	**2,485,195**
Assets and liabilities									
Total assets	16,200,289	5,771,994	11,077,297	4,333,737	(69,040)	37,314,277	13,370,712	1,522,899	52,207,888
Total liabilities	13,988,963	4,955,018	9,122,546	4,324,960	(69,040)	32,322,447	11,602,275	1,267,939	45,192,661
Other segment information									
Property and equipment	91,298	8,191	3,285	62	–	102,836	11,491	3,778	118,105
Intangible assets	46,916	7,929	2,736	250	–	57,831	37,179	12,593	107,603
Capital expenditure	**138,214**	**16,120**	**6,021**	**312**	**–**	**160,667**	**48,670**	**16,371**	**225,708**
Depreciation, amortisation and impairment	(103,159)	(13,198)	(5,407)	(219)	–	(121,983)	(40,818)	(10,336)	(173,137)

The following table presents the Income Statement and certain asset and liability information regarding the Group's operating segments as at and for the year ended 31 December 2023:

	Retail Banking	SME	Corporate Investment Banking	Corporate Center	Eliminations	Georgian Financial Services	Armenian Financial Services	Other businesses	Group Total
Interest income	1,245,545	505,719	747,237	187,011	(8,150)	2,677,362	–	70,899	2,748,261
Interest expense	(460,126)	(109,876)	(395,701)	(159,306)	8,150	(1,116,859)	–	(15,956)	(1,132,815)
Inter-segment interest income/(expense)	(8,823)	(126,741)	135,075	489	–	–	–	–	–
Net interest income	**776,596**	**269,102**	**486,611**	**28,194**	**–**	**1,560,503**	**–**	**54,943**	**1,615,446**
Fee and commission income	**511,115**	**51,080**	**96,154**	**8,041**	**(5,203)**	**661,187**	**–**	**46,578**	**707,765**
Settlements operations	*82,301*	*253*	*81*	*–*	*(1,841)*	*80,794*	*–*	*13,075*	*93,869*
Card operations	*269,204*	*10,271*	*1,388*	*–*	*–*	*280,863*	*–*	*19,282*	*300,145*
Account services	*98,255*	*24,135*	*10,847*	*5,394*	*–*	*138,631*	*–*	*6,892*	*145,523*
Currency conversion operations	*45,252*	*1,690*	*2,421*	*–*	*–*	*49,363*	*–*	*7*	*49,370*
Guarantees and letters of credit	*221*	*8,308*	*36,240*	*–*	*–*	*44,769*	*–*	*554*	*45,323*
Advisory	*–*	*–*	*33,089*	*–*	*–*	*33,089*	*–*	*–*	*33,089*
Cash operations	*11,094*	*5,918*	*3,665*	*1,016*	*(3,308)*	*18,385*	*–*	*6,405*	*24,790*
Brokerage service fees	*–*	*405*	*8,389*	*–*	*(35)*	*8,759*	*–*	*–*	*8,759*
Other	*4,788*	*100*	*34*	*1,631*	*(19)*	*6,534*	*–*	*363*	*6,897*
Fee and commission expense	**(208,570)**	**(17,566)**	**(9,827)**	**(2,338)**	**5,459**	**(232,842)**	**–**	**(40,441)**	**(273,283)**
Settlements operations	*(28,036)*	*(9,652)*	*–*	*–*	*5,081*	*(32,607)*	*–*	*(19,957)*	*(52,564)*
Card operations	*(157,127)*	*(6,145)*	*(455)*	*309*	*(163,418)*	*–*	*(13,269)*	*(176,687)*	
Currency conversion operations	*(7,851)*	*(302)*	*(424)*	*–*	*–*	*(8,577)*	*–*	*(1,569)*	*(10,146)*
Guarantees and letters of credit	*(2)*	*(15)*	*(212)*	*–*	*–*	*(229)*	*–*	*(10)*	*(239)*
Advisory	*–*	*–*	*(301)*	*–*	*–*	*(301)*	*–*	*–*	*(301)*
Cash operations	*(7,673)*	*(1,035)*	*(4,309)*	*(1,744)*	*14*	*(14,747)*	*–*	*(5,568)*	*(20,315)*
Brokerage service fees	*(823)*	*(416)*	*(3,687)*	*(595)*	*–*	*(5,521)*	*–*	*(66)*	*(5,587)*
Other	*(7,058)*	*(1)*	*(439)*	*1*	*55*	*(7,442)*	*–*	*(2)*	*(7,444)*
Net fee and commission income	**302,545**	**33,514**	**86,327**	**5,703**	**256**	**428,345**	**–**	**6,137**	**434,482**
Net foreign currency gain	153,229	37,263	90,750	41,894	–	323,136	–	42,575	365,711
Net gains/(losses) on extinguishment of debt	1	81	261	–	–	343	–	221	564
Other income from settlement of legacy claim	–	–	–	22,585	–	22,585	–	–	22,585
Net other gains/(losses)	12,160	3,127	84,779	12,487	(1,026)	111,527	–	2,644	114,171

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

5. Segment information continued

	Retail Banking	SME	Corporate Investment Banking	Corporate Center	Eliminations	Georgian Financial Services	Armenian Financial Services	Other businesses	Group Total
Operating income	**1,244,531**	**343,087**	**748,728**	**110,863**	**(770)**	**2,446,439**	**–**	**106,520**	**2,552,959**
Operating expenses	(442,030)	(96,949)	(118,455)	(17,956)	770	(674,620)	–	(79,433)	(754,053)
Profit from associates	–	–	–	984	–	984	–	472	1,456
Operating income before cost of risk	**802,501**	**246,138**	**630,273**	**93,891**	**–**	**1,772,803**	**–**	**27,559**	**1,800,362**
Cost of risk	(83,498)	(33,035)	(29,869)	247	–	(146,155)	–	2,091	(144,064)
Profit before income tax	**719,003**	**213,103**	**600,404**	**94,138**	**–**	**1,626,648**	**–**	**29,650**	**1,656,298**
Income tax expense	(125,461)	(37,676)	(97,705)	10,346	–	(250,496)	–	(8,475)	(258,971)
Profit for the year	**593,542**	**175,427**	**502,699**	**104,484**	**–**	**1,376,152**	**–**	**21,175**	**1,397,327**
Assets and liabilities									
Total assets	13,722,966	5,224,582	8,503,677	3,226,674	(191,173)	30,486,726	–	1,270,832	31,757,558
Total liabilities	11,975,032	4,541,098	6,997,562	2,351,171	(191,173)	25,673,690	–	1,064,032	26,737,722
Other segment information									
Property and equipment	81,095	8,497	2,801	–	–	92,393	–	5,742	98,135
Intangible assets	36,675	6,261	2,473	–	–	45,409	–	11,159	56,568
Capital expenditure	**117,770**	**14,758**	**5,274**	**–**	**–**	**137,802**	**–**	**16,901**	**154,703**
Depreciation, amortisation and impairment	(96,560)	(12,411)	(5,308)	–	–	(114,279)	–	(10,444)	(124,723)

6. Cash and cash equivalents

	2025	2024	2023
Cash on hand	1,412,335	1,360,608	1,024,048
Current accounts with credit institutions	1,403,185	1,222,334	652,244
Current accounts with central banks	1,261,489	874,615	713,212
Placements with and receivables from credit institutions with maturities of up to 90 days	495,596	295,874	712,786
Cash and cash equivalents, gross	**4,572,605**	**3,753,431**	**3,102,290**
Less – Allowance for expected credit loss	(559)	(248)	(466)
Cash and cash equivalents, net	**4,572,046**	**3,753,183**	**3,101,824**

As at 31 December 2025, GEL 1,155,797 (2024: GEL 1,221,114, 2023: GEL 975,099) was placed on current and time deposit accounts with internationally recognised OECD banks and central banks that are the counterparties of the Group in performing international settlements. The Group earned up to 8.10% interest per annum on these deposits (2024: up to 4.60%, 2023: up to 10.35%). Management does not expect any losses from non-performance by the counterparties holding cash and cash equivalents, and there are no material differences between their book and fair values.

As at 31 December 2025, cash and cash equivalents held by Lion Finance Group PLC of GEL 31,944 (2024: GEL 12,510, 2023: GEL 50,970) is represented by placements on current accounts with Georgian and OECD banks.

Current accounts with central banks include mandatory reserves relating to GEL and AMD denominated liabilities, which are maintained as an average balance on correspondent accounts with the NBG and CBA. These balances remain operationally available, provided that the required average reserve balance is maintained throughout the maintenance period.

7. Amounts due from credit institutions

	2025	2024	2023
Obligatory reserves with central banks	3,108,019	3,044,526	1,746,288
Receivables from reverse REPO operations	394,325	217,146	–
Placements with and receivables from credit institutions with maturities of more than 90 days	34,157	1,322	–
Restricted cash	18,009	17,132	7,263
Amounts due from credit institutions, gross	**3,554,510**	**3,280,126**	**1,753,551**
Less – Allowance for expected credit loss	(2,253)	(1,661)	(894)
Amounts due from credit institutions, net	**3,552,257**	**3,278,465**	**1,752,657**

Obligatory reserves with central banks represent amounts deposited with the NBG, the CBA and the National Bank of the Republic of Belarus ('the NBRB'). Credit institutions are required to maintain cash deposits (obligatory reserve) with the NBG, the CBA and the NBRB, the amount of which depends on the level of funds attracted by the credit institution. The Group's ability to withdraw these deposits is restricted by regulation. For the years ended 31 December 2025 the Group earned up to 4.00% interest on obligatory reserves with the NBG (2024: 4.00%, 2023: 0.00%), 0.00% with CBA and NBRB (2024: 0.00%, 2023: 0.00%).

Restricted cash includes amounts placed with payment systems which serve as guarantee funds for card transaction settlements and are subject to withdrawal restrictions

8. Investment securities and investment securities pledged under sale-and-repurchase agreements and securities lending

Investment securities

	2025	2024	2023
Investment securities measured at FVOCI – debt instruments [1]	6,612,866	5,993,853	4,424,160
Investment securities measured at FVTPL – debt instruments [2]	134,695	184,788	435
Investment securities designated as at FVOCI – equity investments	27,718	26,948	8,004
Investment securities measured at FVTPL – equity instruments	17,609	16,740	6,852
Investment securities measured at FV	**6,792,888**	**6,222,329**	**4,439,451**

	2025	2024	2023
Investment securities measured at amortised cost [3]	3,257,320	2,748,054	691,119
Less: allowance for expected credit losses	(2,971)	(1,662)	(813)
Investment securities measured at amortised cost, net	**3,254,349**	**2,746,392**	**690,306**

[1] Investment securities measured at FVOCI – debt instruments comprise:

	2025	2024	2023
Ministry of Finance of Georgia treasury bonds	4,201,743	3,336,867	1,891,684
Ministry of Finance of Georgia treasury bills	59,065	106,139	155,955
US treasury bills	1,912,095	1,283,392	1,621,219
US treasury bonds	134,558	310,718	–
Foreign treasury bills	57,913	61,354	24,067
Foreign treasury bonds	–	–	54,151
Government securities of the Republic of Armenia	97,309	73,223	–
Certificates of deposit of central banks	9,893	27,630	10,855
Other debt instruments [1.1]	140,290	794,530	666,229
Investment securities measured at FVOCI – debt instruments	**6,612,866**	**5,993,853**	**4,424,160**

[1.1] Other debt instruments measured at FVOCI comprise:

	2025	2024	2023
European Bank for Reconstruction and Development	92,128	316,680	326,916
International Finance Corporation	–	116,089	203,617
Asian Development Bank	–	110,989	30,594
World Bank	–	85,363	–
Other debt instruments	48,162	165,409	105,102
Investment securities measured at FVOCI – other debt instruments	**140,290**	**794,530**	**666,229**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

8. Investment securities and investment securities pledged under sale-and-repurchase agreements and securities lending continued

[2] Investment securities measured at FVTPL – debt instruments comprise:

	2025	2024	2023
Government securities of the Republic of Armenia	38,431	114,594	–
Government Eurobonds of the Republic of Armenia	11,619	–	–
Other debt instruments	84,645	70,194	435
Investment securities measured at FVTPL – debt instruments	**134,695**	**184,788**	**435**

[3] Investment securities measured at amortised cost – debt instruments comprise:

	2025	2024	2023
Ministry of Finance of Georgia treasury bonds	10,836	65,557	77,367
US treasury bonds	499,263	515,240	–
Government securities of the Republic of Armenia	990,671	553,100	–
Other debt instruments [3.1]	1,756,550	1,614,157	613,752
Investment securities measured at amortised cost – debt instruments, gross	**3,257,320**	**2,748,054**	**691,119**
Less: allowance for expected credit losses	(2,971)	(1,662)	(813)
Investment securities measured at amortised cost – debt instruments, net	**3,254,349**	**2,746,392**	**690,306**

[3.1] Other debt instruments measured at amortised cost comprise:

	2025	2024	2023
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	460,167	100,267	100,297
European Bank for Reconstruction and Development	446,713	1,011,633	–
International Finance Corporation	263,199	–	–
Asian Development Bank	257,128	318,713	287,326
Georgia Healthcare Group JSC	142,623	–	–
Tegeta Motors LLC	25,442	43,022	40,647
Other debt instruments	161,278	140,522	185,482
Investment securities measured at amortised cost – other debt instruments, gross	**1,756,550**	**1,614,157**	**613,752**

Investment securities pledged were as follows:

Investment securities pledged for short-term loans from central banks	2025	2024	2023
Georgian Ministry of Finance treasury bonds	1,175,413	1,336,096	1,375,687
Government securities of the Republic of Armenia	12,887	–	–
Government securities and Eurobonds of the Republic of Armenia	134,525	–	–
Other debt instruments	–	541,939	127,685
Total	**1,322,825**	**1,878,035**	**1,503,372**
Out of which:			
Measured at FVOCI	*1,175,413*	*1,336,096*	*1,375,687*
Measured at amortised cost	*147,412*	*541,939*	*127,685*

Investment securities pledged for MOF	2025	2024	2023
Georgian Ministry of Finance treasury bonds	109,233	300,256	–
Other debt instruments	106,164	543,513	–
Total	**215,397**	**843,769**	**–**
Out of which:			
Measured at FVOCI	109,233	300,256	–
Measured at amortised cost	106,164	543,513	–

For the period ended 31 December 2025 net gains on derecognition of investment securities measured at FVOCI comprised GEL 4,563 (2024: GEL 4,541, 2023: GEL 12,520) which is included in net other gains/(losses).

As at 31 December 2025, allowance for ECL on investment securities measured at FVOCI comprised GEL 9,681 (2024: GEL 11,275, 2023: GEL 7,684).

During the 2025 reporting period, the Group sold investment securities measured at amortised cost with a total carrying amount of GEL 253,918 (2024: GEL 224,674, 2023: GEL 341,382) and recognised a gain/(loss) of GEL 463 (2024: GEL 122, 2023: GEL 4,467).

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

8. Investment securities and investment securities pledged under sale and repurchase agreements and securities lending continued

The disposals occurred on an infrequent basis and were incidental to the Group's business model. They do not represent a recurring or systematic activity and remain below the internally established threshold for assessing consistency with its business objective.

The Group's consistent practice remains to hold such instruments to collect contractual cash flows, and the observed sales do not indicate any change in the underlying business objective. The Group will continue to monitor the frequency and volume of such transactions going forward to ensure ongoing alignment with its business model.

Investment securities pledged under sale-and-repurchase agreements and securities lending

	2025	2024	2023
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at FVOCI – debt instruments [4]	–	186,670	–
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at FVTPL – debt instruments [5]	–	27,205	–
Investment securities pledged under sale and repurchase agreements and securities lending measured at FV	**–**	**213,875**	**–**

	2025	2024	2023
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at amortised cost [6]	147,631	270,199	–
Less: allowance for expected credit losses	(215)	(408)	–
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at amortised cost – debt instruments, net	**147,416**	**269,791**	**–**

[4] Investment securities pledged under sale-and-repurchase agreements and securities lending measured at FVOCI – debt instruments comprise:

	2025	2024	2023
US treasury bills	–	138,945	–
Government securities of the Republic of Armenia	–	47,725	–
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at FVOCI – debt instruments	**–**	**186,670**	**–**

[5] Investment securities pledged under sale-and-repurchase agreements and securities lending measured at FVTPL – debt instruments comprise:

	2025	2024	2023
Government securities of the Republic of Armenia	–	27,205	–
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at FVTPL – debt instruments	**–**	**27,205**	**–**

[6] Investment securities pledged under sale-and-repurchase agreements and securities lending measured at amortised cost – debt instruments comprise:

	2025	2024	2023
Government securities of the Republic of Armenia	12,911	270,199	–
Government Eurobonds of the Republic of Armenia	134,720	–	–
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at amortised cost – debt instruments, gross	**147,631**	**270,199**	**–**
Less: allowance for expected credit losses	(215)	(408)	–
Investment securities pledged under sale-and-repurchase agreements and securities lending measured at amortised cost – debt instruments, net	**147,416**	**269,791**	**–**

Investment securities are pledged as collateral as part of sales and repurchases and securities borrowing under terms that are usual and customary for such activities.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables

	2025	2024	2023
Commercial loans	14,462,893	12,112,671	6,965,986
Residential mortgage loans	8,483,490	7,497,628	4,557,525
Consumer loans	9,635,635	7,388,490	4,699,969
Micro and SME loans	7,152,602	6,347,982	4,073,022
Gold – pawn loans	240,532	154,242	150,228
Loans to customers at amortised cost, gross	**39,975,152**	**33,501,013**	**20,446,730**
Less – Allowance for expected credit loss	(525,589)	(430,312)	(327,792)
Loans to customers at amortised cost, net	**39,449,563**	**33,070,701**	**20,118,938**
Finance lease receivables, gross	**444,793**	**428,222**	**70,091**
Less – Allowance for expected credit loss	(6,026)	(10,485)	(11,208)
Finance lease receivables, net	**438,767**	**417,737**	**58,883**
Factoring receivables, gross	**177,756**	**70,458**	**55,027**
Less – Allowance for expected credit loss	(422)	(22)	(127)
Factoring receivables, net	**177,334**	**70,436**	**54,900**
Total loans to customers, factoring and finance lease receivables	**40,065,664**	**33,558,874**	**20,232,721**

As at 31 December 2025, loans to customers carried at GEL 1,965,789 (2024: GEL 1,044,929, 2023: GEL 954,695) were pledged for short-term loans from the NBG under terms that are usual and customary for such activities.

Expected credit loss

Movements of the gross loans and respective allowance for ECL/impairment of loans to customers by class are provided in the table below, within which the new financial asset originated or purchased and the assets repaid during the year include the effects from revolving loans and increase of exposure to clients, where existing loans have been repaid with new contracts issued during the year. All new financial assets are originated either in Stage 1 or POCI category. Utilisation of additional tranches on existing financial assets are reflected in Stage 2 or Stage 3 if the credit risk of the borrower has deteriorated since initiation. Currency translation differences relate to loans issued by the subsidiaries of the Group whose functional currency is different from the presentation currency of the Group, while foreign exchange movement relates to foreign currency denominated loans issued by the Group. Net other changes in gross loan balances includes the effects of changes in accrued interest. Net other measurement of ECL includes the effect of changes in ECL due to changes in PDs and other inputs, as well as the effect from ECL attributable to changes in accrued interest.

9. Loans to customers, factoring and finance lease receivables continued

Loans to customer at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**31,911,054**	**888,003**	**557,477**	**144,479**	**33,501,013**
New financial asset originated or purchased	25,002,565	81,056	33,276	50,532	25,167,429
Transfer to Stage 1	731,968	(713,492)	(18,476)	–	–
Transfer to Stage 2	(2,181,063)	2,251,307	(70,244)	–	–
Transfer to Stage 3	(163,874)	(389,127)	553,001	–	–
Assets repaid	(17,997,987)	(422,842)	(292,222)	(51,467)	(18,764,518)
Impact of modifications	1,073	(584)	(7,533)	139	(6,905)
Foreign exchange movement	(41,591)	409	(2,497)	(1,829)	(45,508)
Net other changes	233,255	(167,424)	52,836	11,884	130,551
Write-offs	–	(4)	(135,014)	(43,250)	(178,268)
Recoveries of amounts previously written off	–	–	91,560	22,808	114,368
Unwind of discount	–	–	14,091	(942)	13,149
Currency translation differences	40,346	519	3,091	(115)	43,841
Balance at 31 December 2025	**37,535,746**	**1,527,821**	**779,346**	**132,239**	**39,975,152**
Individually assessed	5,285,135	–	369,204	61,197	5,715,536
Collectively assessed	32,250,611	1,527,821	410,142	71,042	34,259,616
Balance at 31 December 2025	**37,535,746**	**1,527,821**	**779,346**	**132,239**	**39,975,152**

Loans to customer at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**127,572**	**39,361**	**238,222**	**25,157**	**430,312**
New financial asset originated or purchased	150,461	4,217	4,815	16,099	175,592
Transfer to Stage 1	36,006	(30,776)	(5,230)	–	–
Transfer to Stage 2	(45,253)	68,255	(23,002)	–	–
Transfer to Stage 3	(1,440)	(25,762)	27,202	–	–
Impact on ECL of exposures transferred between stages during the year	(17,190)	33,440	102,498	–	118,748
Assets repaid	(98,236)	(30,978)	(141,196)	(6,705)	(277,115)
Impact of modifications	(168)	20	(2,829)	17	(2,960)
Foreign exchange movement	216	273	704	95	1,288
Net other measurement of ECL	(11,784)	14,547	138,621	(10,357)	131,027
Income statement (releases)/charges	12,612	33,236	101,583	(851)	146,580
Write-offs	–	(4)	(135,011)	(43,253)	(178,268)
Recoveries of amounts previously written off	–	–	91,560	22,808	114,368
Unwind of discount	–	–	14,091	(942)	13,149
Currency translation differences	146	(582)	(102)	(14)	(552)
Balance at 31 December 2025	**140,330**	**72,011**	**310,343**	**2,905**	**525,589**
Individually assessed	33,851	–	144,048	3,150	181,049
Collectively assessed	106,479	72,011	166,295	(245)	344,540
Balance at 31 December 2025	**140,330**	**72,011**	**310,343**	**2,905**	**525,589**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Commercial loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**11,630,625**	**278,071**	**188,704**	**15,271**	**12,112,671**
New financial asset originated or purchased	9,362,592	53,439	23,199	34,733	9,473,963
Transfer to Stage 1	37,107	(30,394)	(6,713)	–	–
Transfer to Stage 2	(798,477)	798,477	–	–	–
Transfer to Stage 3	(68)	(95,215)	95,283	–	–
Assets repaid	(6,936,717)	(188,742)	(103,437)	(27,005)	(7,255,901)
Resegmentation	66,079	–	–	–	66,079
Impact of modifications	56	(875)	(1,383)	298	(1,904)
Foreign exchange movement	(35,871)	(1,618)	(3,033)	(577)	(41,099)
Net other changes	80,956	(2,637)	(1,167)	(306)	76,846
Write-offs	–	–	(4,053)	(18,181)	(22,234)
Recoveries of amounts previously written off	–	–	17,004	11,608	28,612
Unwind of discount	–	–	8,173	507	8,680
Currency translation differences	15,313	526	1,341	–	17,180
Balance at 31 December 2025	**13,421,595**	**811,032**	**213,918**	**16,348**	**14,462,893**
Individually assessed	4,329,761	–	209,881	15,452	4,555,094
Collectively assessed	9,091,834	811,032	4,037	896	9,907,799
Balance at 31 December 2025	**13,421,595**	**811,032**	**213,918**	**16,348**	**14,462,893**

Commercial loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**39,982**	**6,469**	**105,529**	**5,754**	**157,734**
New financial asset originated or purchased	28,111	863	3,270	13,834	46,078
Transfer to Stage 1	1,161	(1,151)	(10)	–	–
Transfer to Stage 2	(5,068)	5,068	–	–	–
Transfer to Stage 3	–	(1,029)	1,029	–	–
Impact on ECL of exposures transferred between stages during the year	(1,000)	12,075	19,149	–	30,224
Assets repaid	(12,766)	(2,684)	(40,744)	(1,766)	(57,960)
Resegmentation	104	–	–	–	104
Impact of modifications	3	(12)	(426)	6	(429)
Foreign exchange movement	282	240	86	(217)	391
Net other measurement of ECL	(4,914)	9,060	55	(12,721)	(8,520)
Income statement (releases)/charges	5,913	22,430	(17,591)	(864)	9,888
Write-offs	–	–	(4,050)	(18,184)	(22,234)
Recoveries of amounts previously written off	–	–	17,004	11,608	28,612
Unwind of discount	–	–	8,173	507	8,680
Currency translation differences	33	(23)	(1,020)	–	(1,010)
Balance at 31 December 2025	**45,928**	**28,876**	**108,045**	**(1,179)**	**181,670**
Individually assessed	28,038	–	106,522	(356)	134,204
Collectively assessed	17,890	28,876	1,523	(823)	47,466
Balance at 31 December 2025	**45,928**	**28,876**	**108,045**	**(1,179)**	**181,670**

9. Loans to customers, factoring and finance lease receivables continued

Residential mortgage loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**7,253,431**	**145,686**	**60,847**	**37,664**	**7,497,628**
New financial asset originated or purchased	2,573,951	–	367	4,895	2,579,213
Transfer to Stage 1	207,972	(207,577)	(395)	–	–
Transfer to Stage 2	(269,666)	284,771	(15,105)	–	–
Transfer to Stage 3	(58,939)	(31,091)	90,030	–	–
Assets repaid	(1,504,703)	(30,477)	(30,351)	(10,400)	(1,575,931)
Resegmentation	(69)	–	–	–	(69)
Impact of modifications	1,791	90	(49)	(80)	1,752
Foreign exchange movement	4,160	147	1,349	(593)	5,063
Net other changes	(3,844)	(20,065)	1,538	5,195	(17,176)
Write-offs	–	–	(5,403)	(6,000)	(11,403)
Recoveries of amounts previously written off	–	–	5,376	526	5,902
Unwind of discount	–	–	951	221	1,172
Currency translation differences	(2,579)	(589)	517	(10)	(2,661)
Balance at 31 December 2025	**8,201,505**	**140,895**	**109,672**	**31,418**	**8,483,490**
Individually assessed	1,224	–	66,590	3,997	71,811
Collectively assessed	8,200,281	140,895	43,082	27,421	8,411,679
Balance at 31 December 2025	**8,201,505**	**140,895**	**109,672**	**31,418**	**8,483,490**

Residential mortgage loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**2,745**	**1,157**	**7,865**	**2,858**	**14,625**
New financial asset originated or purchased	2,106	–	226	528	2,860
Transfer to Stage 1	1,171	(1,139)	(32)	–	–
Transfer to Stage 2	(554)	1,765	(1,211)	–	–
Transfer to Stage 3	(46)	(647)	693	–	–
Impact on ECL of exposures transferred between stages during the year	(596)	(180)	2,730	–	1,954
Assets repaid	(652)	(279)	(5,693)	(1,247)	(7,871)
Impact of modifications	10	1	82	33	126
Foreign exchange movement	(3)	1	401	(14)	385
Net other measurement of ECL	280	870	15,566	218	16,934
Income statement (releases)/charges	1,716	392	12,762	(482)	14,388
Write-offs	–	–	(5,403)	(6,000)	(11,403)
Recoveries of amounts previously written off	–	–	5,376	526	5,902
Unwind of discount	–	–	951	221	1,172
Currency translation differences	(5)	–	(18)	–	(23)
Balance at 31 December 2025	**4,456**	**1,549**	**21,533**	**(2,877)**	**24,661**
Individually assessed	23	–	13,956	(7)	13,972
Collectively assessed	4,433	1,549	7,577	(2,870)	10,689
Balance at 31 December 2025	**4,456**	**1,549**	**21,533**	**(2,877)**	**24,661**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Micro and SME loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**5,897,357**	**196,718**	**190,321**	**63,586**	**6,347,982**
New financial asset originated or purchased	3,993,452	941	2,561	5,429	4,002,383
Transfer to Stage 1	125,782	(114,688)	(11,094)	–	–
Transfer to Stage 2	(288,352)	306,319	(17,967)	–	–
Transfer to Stage 3	(38,661)	(114,384)	153,045	–	–
Assets repaid	(3,010,369)	(65,848)	(75,070)	(3,640)	(3,154,927)
Resegmentation	(70,455)	(3,288)	–	–	(73,743)
Impact of modifications	(24)	(91)	(539)	(2)	(656)
Foreign exchange movement	(11,136)	1,536	(1,157)	(648)	(11,405)
Net other changes	46,807	(5,890)	554	(657)	40,814
Write-offs	–	–	(22,808)	(12,791)	(35,599)
Recoveries of amounts previously written off	–	–	22,685	4,263	26,948
Unwind of discount	–	–	2,598	(843)	1,755
Currency translation differences	7,826	446	865	(87)	9,050
Balance at 31 December 2025	**6,652,227**	**201,771**	**243,994**	**54,610**	**7,152,602**
Individually assessed	954,025	–	48,202	41,345	1,043,572
Collectively assessed	5,698,202	201,771	195,792	13,265	6,109,030
Balance at 31 December 2025	**6,652,227**	**201,771**	**243,994**	**54,610**	**7,152,602**

Micro and SME loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**19,287**	**5,374**	**62,062**	**12,281**	**99,004**
New financial asset originated or purchased	23,630	5	271	1,070	24,976
Transfer to Stage 1	7,762	(2,760)	(5,002)	–	–
Transfer to Stage 2	(3,217)	5,951	(2,734)	–	–
Transfer to Stage 3	(461)	(4,683)	5,144	–	–
Impact on ECL of exposures transferred between stages during the year	(1,486)	1,821	22,069	–	22,404
Assets repaid	(11,192)	(1,820)	(27,487)	(543)	(41,042)
Resegmentation	(104)	(3)	–	–	(107)
Impact of modifications	(1)	29	(140)	(1)	(113)
Foreign exchange movement	(84)	22	(13)	347	272
Net other measurement of ECL	(4,517)	2,302	15,892	2,108	15,785
Income statement (releases)/charges	10,330	864	8,000	2,981	22,175
Write-offs	–	–	(22,808)	(12,791)	(35,599)
Recoveries of amounts previously written off	–	–	22,685	4,263	26,948
Unwind of discount	–	–	2,598	(843)	1,755
Currency translation differences	12	(2)	119	(7)	122
Balance at 31 December 2025	**29,629**	**6,236**	**72,656**	**5,884**	**114,405**
Individually assessed	5,784	–	12,174	3,478	21,436
Collectively assessed	23,845	6,236	60,482	2,406	92,969
Balance at 31 December 2025	**29,629**	**6,236**	**72,656**	**5,884**	**114,405**

9. Loans to customers, factoring and finance lease receivables continued

Consumer loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**6,983,775**	**261,879**	**114,878**	**27,958**	**7,388,490**
New financial asset originated or purchased	8,612,644	26,676	2,352	5,475	8,647,147
Transfer to Stage 1	352,476	(352,202)	(274)	–	–
Transfer to Stage 2	(798,907)	834,577	(35,670)	–	–
Transfer to Stage 3	(64,679)	(145,893)	210,572	–	–
Assets repaid	(6,184,946)	(124,888)	(77,961)	(10,422)	(6,398,217)
Resegmentation	4,445	3,288	–	–	7,733
Impact of modifications	(750)	292	(5,562)	(77)	(6,097)
Foreign exchange movement	1,259	344	344	(11)	1,936
Net other changes	108,469	(138,960)	51,794	7,652	28,955
Write-offs	–	(4)	(102,746)	(6,278)	(109,028)
Recoveries of amounts previously written off	–	–	46,492	6,411	52,903
Unwind of discount	–	–	2,368	(827)	1,541
Currency translation differences	19,786	136	368	(18)	20,272
Balance at 31 December 2025	**9,033,572**	**365,245**	**206,955**	**29,863**	**9,635,635**
Individually assessed	125	–	44,531	403	45,059
Collectively assessed	9,033,447	365,245	162,424	29,460	9,590,576
Balance at 31 December 2025	**9,033,572**	**365,245**	**206,955**	**29,863**	**9,635,635**

Consumer loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**65,545**	**26,356**	**61,770**	**4,264**	**157,935**
New financial asset originated or purchased	96,609	3,349	882	667	101,507
Transfer to Stage 1	25,910	(25,724)	(186)	–	–
Transfer to Stage 2	(36,412)	55,444	(19,032)	–	–
Transfer to Stage 3	(933)	(19,402)	20,335	–	–
Impact on ECL of exposures transferred between stages during the year	(14,107)	19,746	58,451	–	64,090
Assets repaid	(73,622)	(26,193)	(67,123)	(3,149)	(170,087)
Resegmentation	–	3	–	–	3
Impact of modifications	(180)	2	(2,345)	(21)	(2,544)
Foreign exchange movement	21	10	230	(21)	240
Net other measurement of ECL	(2,633)	2,317	107,015	38	106,737
Income statement (releases)/charges	(5,347)	9,552	98,227	(2,486)	99,946
Write-offs	–	(4)	(102,746)	(6,278)	(109,028)
Recoveries of amounts previously written off	–	–	46,492	6,411	52,903
Unwind of discount	–	–	2,368	(827)	1,541
Currency translation differences	106	(557)	817	(7)	359
Balance at 31 December 2025	**60,304**	**35,347**	**106,928**	**1,077**	**203,656**
Individually assessed	6	–	11,396	35	11,437
Collectively assessed	60,298	35,347	95,532	1,042	192,219
Balance at 31 December 2025	**60,304**	**35,347**	**106,928**	**1,077**	**203,656**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Gold – pawn loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**145,866**	**5,649**	**2,727**	**–**	**154,242**
New financial asset originated or purchased	459,926	–	4,797	–	464,723
Transfer to Stage 1	8,631	(8,631)	–	–	–
Transfer to Stage 2	(25,661)	27,163	(1,502)	–	–
Transfer to Stage 3	(1,527)	(2,544)	4,071	–	–
Assets repaid	(361,252)	(12,887)	(5,403)	–	(379,542)
Foreign exchange movement	(3)	–	–	–	(3)
Net other changes	867	128	117	–	1,112
Write-offs	–	–	(4)	–	(4)
Recoveries of amounts previously written off	–	–	3	–	3
Unwind of discount	–	–	1	–	1
Balance at 31 December 2025	**226,847**	**8,878**	**4,807**	**–**	**240,532**
Collectively assessed	226,847	8,878	4,807	–	240,532
Balance at 31 December 2025	**226,847**	**8,878**	**4,807**	**–**	**240,532**

Gold – pawn loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**13**	**5**	**996**	**–**	**1,014**
New financial asset originated or purchased	5	–	166	–	171
Transfer to Stage 1	2	(2)	–	–	–
Transfer to Stage 2	(2)	27	(25)	–	–
Transfer to Stage 3	–	(1)	1	–	–
Impact on ECL of exposures transferred between stages during the year	(1)	(22)	99	–	76
Assets repaid	(4)	(2)	(149)	–	(155)
Net other measurement of ECL	–	(2)	93	–	91
Income statement (releases)/charges	–	(2)	185	–	183
Write-offs	–	–	(4)	–	(4)
Recoveries of amounts previously written off	–	–	3	–	3
Unwind of discount	–	–	1	–	1
Balance at 31 December 2025	**13**	**3**	**1,181**	**–**	**1,197**
Collectively assessed	13	3	1,181	–	1,197
Balance at 31 December 2025	**13**	**3**	**1,181**	**–**	**1,197**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Loans to customer at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**18,798,640**	**1,124,296**	**436,321**	**87,473**	**20,446,730**
New financial asset originated or purchased	21,686,493	110,176	8,469	25,224	21,830,362
Transfer to Stage 1	819,501	(819,442)	(59)	–	–
Transfer to Stage 2	(1,422,913)	1,511,452	(88,539)	–	–
Transfer to Stage 3	(75,656)	(358,528)	434,184	–	–
Assets repaid	(14,881,175)	(568,606)	(239,213)	(64,051)	(15,753,045)
Impact of modifications	201	(1,360)	(5,270)	(73)	(6,502)
Business combination	6,373,243	–	–	77,075	6,450,318
Foreign exchange movement	194,783	11,457	5,611	1,437	213,288
Net other changes	137,045	(122,311)	58,057	8,643	81,434
Write-offs	–	(4)	(108,076)	(13,313)	(121,393)
Recoveries of amounts previously written off	–	–	45,697	15,716	61,413
Unwind of discount	–	–	8,325	3,716	12,041
Currency translation differences	280,892	873	1,970	2,632	286,367
Balance at 31 December 2024	**31,911,054**	**888,003**	**557,477**	**144,479**	**33,501,013**
Individually assessed	3,774,756	–	237,437	81,218	4,093,411
Collectively assessed	28,136,298	888,003	320,040	63,261	29,407,602
Balance at 31 December 2024	**31,911,054**	**888,003**	**557,477**	**144,479**	**33,501,013**

Loans to customer at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**71,067**	**58,833**	**175,492**	**22,400**	**327,792**
New financial asset originated or purchased	134,067	2,390	3,330	11,860	151,647
Transfer to Stage 1	28,404	(28,375)	(29)	–	–
Transfer to Stage 2	(44,984)	79,285	(34,301)	–	–
Transfer to Stage 3	(20,692)	(53,580)	74,272	–	–
Impact on ECL of exposures transferred between stages during the year	(14,951)	6,239	97,562	–	88,850
Assets repaid	(90,625)	(37,416)	(127,695)	(14,265)	(270,001)
Impact of modifications	(468)	18	(2,480)	78	(2,852)
Foreign exchange movement	(32)	106	1,474	185	1,733
Day 2 ECL on business combination	47,023	–	–	–	47,023
Net other measurement of ECL	18,380	11,835	102,173	(1,254)	131,134
Income statement (releases)/charges	56,122	(19,498)	114,306	(3,396)	147,534
Write-offs	–	(4)	(108,076)	(13,313)	(121,393)
Recoveries of amounts previously written off	–	–	45,697	15,716	61,413
Unwind of discount	–	–	8,325	3,716	12,041
Currency translation differences	383	30	2,478	34	2,925
Balance at 31 December 2024	**127,572**	**39,361**	**238,222**	**25,157**	**430,312**
Individually assessed	29,084	–	119,020	16,765	164,869
Collectively assessed	98,488	39,361	119,202	8,392	265,443
Balance at 31 December 2024	**127,572**	**39,361**	**238,222**	**25,157**	**430,312**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Commercial loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**6,325,257**	**515,789**	**101,365**	**23,575**	**6,965,986**
New financial asset originated or purchased	8,804,049	79,500	1,810	3,307	8,888,666
Transfer to Stage 1	95,934	(95,934)	–	–	–
Transfer to Stage 2	(240,626)	244,577	(3,951)	–	–
Transfer to Stage 3	(13,936)	(126,968)	140,904	–	–
Assets repaid	(6,094,187)	(347,114)	(53,554)	(31,922)	(6,526,777)
Resegmentation	64,659	(1,644)	(3,641)	–	59,374
Impact of modifications	(373)	(1,176)	(92)	(24)	(1,665)
Business combination	2,371,851	–	–	16,140	2,387,991
Foreign exchange movement	119,586	9,108	2,732	682	132,108
Net other changes	87,418	1,607	2,357	6,970	98,352
Write-offs	–	–	(5,424)	(7,430)	(12,854)
Recoveries of amounts previously written off	–	–	1,797	639	2,436
Unwind of discount	–	–	3,433	2,856	6,289
Currency translation differences	110,993	326	968	478	112,765
Balance at 31 December 2024	**11,630,625**	**278,071**	**188,704**	**15,271**	**12,112,671**
Individually assessed	3,118,611	–	180,055	13,718	3,312,384
Collectively assessed	8,512,014	278,071	8,649	1,553	8,800,287
Balance at 31 December 2024	**11,630,625**	**278,071**	**188,704**	**15,271**	**12,112,671**

Commercial loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**14,100**	**33,191**	**44,129**	**8,938**	**100,358**
New financial asset originated or purchased	33,130	724	760	2,071	36,685
Transfer to Stage 1	2,537	(2,537)	–	–	–
Transfer to Stage 2	(4,559)	4,559	–	–	–
Transfer to Stage 3	(1,820)	(26,706)	28,526	–	–
Impact on ECL of exposures transferred between stages during the year	(1,557)	5,205	47,622	–	51,270
Assets repaid	(17,487)	(12,717)	(17,522)	(5,160)	(52,886)
Resegmentation	162	(84)	(1,667)	–	(1,589)
Impact of modifications	(2)	9	78	(10)	75
Foreign exchange movement	(56)	98	835	300	1,177
Day 2 ECL on business combination	22,867	–	–	–	22,867
Net other measurement of ECL	(7,444)	4,813	1,171	3,546	2,086
Income statement (releases)/charges	25,771	(26,636)	59,803	747	59,685
Write-offs	–	–	(5,424)	(7,430)	(12,854)
Recoveries of amounts previously written off	–	–	1,797	639	2,436
Unwind of discount	–	–	3,433	2,856	6,289
Currency translation differences	111	(86)	1,791	4	1,820
Balance at 31 December 2024	**39,982**	**6,469**	**105,529**	**5,754**	**157,734**
Individually assessed	25,468	–	100,999	5,740	132,207
Collectively assessed	14,514	6,469	4,530	14	25,527
Balance at 31 December 2024	**39,982**	**6,469**	**105,529**	**5,754**	**157,734**

9. Loans to customers, factoring and finance lease receivables continued

Residential mortgage loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**4,300,338**	**174,052**	**50,946**	**32,189**	**4,557,525**
New financial asset originated or purchased	2,482,872	1	235	6,028	2,489,136
Transfer to Stage 1	252,566	(252,566)	–	–	–
Transfer to Stage 2	(294,049)	312,710	(18,661)	–	–
Transfer to Stage 3	(13,606)	(30,102)	43,708	–	–
Assets repaid	(1,180,353)	(37,326)	(28,048)	(14,132)	(1,259,859)
Impact of modifications	1,242	71	897	12	2,222
Business combination	1,639,127	–	–	7,144	1,646,271
Foreign exchange movement	30,463	554	516	401	31,934
Net other changes	(31,106)	(21,789)	11,903	3,948	(37,044)
Write-offs	–	–	(4,109)	(1,880)	(5,989)
Recoveries of amounts previously written off	–	–	3,385	3,486	6,871
Unwind of discount	–	–	4	218	222
Currency translation differences	65,937	81	71	250	66,339
Balance at 31 December 2024	**7,253,431**	**145,686**	**60,847**	**37,664**	**7,497,628**
Individually assessed	209	–	11,230	6,284	17,723
Collectively assessed	7,253,222	145,686	49,617	31,380	7,479,905
Balance at 31 December 2024	**7,253,431**	**145,686**	**60,847**	**37,664**	**7,497,628**

Residential mortgage loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**3,972**	**2,036**	**11,867**	**4,875**	**22,750**
New financial asset originated or purchased	2,875	–	16	933	3,824
Transfer to Stage 1	2,374	(2,374)	–	–	–
Transfer to Stage 2	(1,800)	5,047	(3,247)	–	–
Transfer to Stage 3	(1,971)	(469)	2,440	–	–
Impact on ECL of exposures transferred between stages during the year	(1,459)	(1,572)	2,484	–	(547)
Assets repaid	(811)	(707)	(9,286)	(3,611)	(14,415)
Impact of modifications	11	4	240	106	361
Foreign exchange movement	7	3	15	45	70
Day 2 ECL on business combination	872	–	–	–	872
Net other measurement of ECL	(1,336)	(814)	4,036	(1,314)	572
Income statement (releases)/charges	(1,238)	(882)	(3,302)	(3,841)	(9,263)
Write-offs	–	–	(4,109)	(1,880)	(5,989)
Recoveries of amounts previously written off	–	–	3,385	3,486	6,871
Unwind of discount	–	–	4	218	222
Currency translation differences	11	3	20	–	34
Balance at 31 December 2024	**2,745**	**1,157**	**7,865**	**2,858**	**14,625**
Individually assessed	–	–	1,860	42	1,902
Collectively assessed	2,745	1,157	6,005	2,816	12,723
Balance at 31 December 2024	**2,745**	**1,157**	**7,865**	**2,858**	**14,625**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Micro and SME loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**3,709,870**	**191,530**	**168,425**	**3,197**	**4,073,022**
New financial asset originated or purchased	3,421,215	967	1,407	12,237	3,435,826
Transfer to Stage 1	144,721	(144,721)	–	–	–
Transfer to Stage 2	(292,673)	315,391	(22,718)	–	–
Transfer to Stage 3	(28,200)	(97,127)	125,327	–	–
Assets repaid	(2,573,227)	(60,408)	(84,365)	(5,519)	(2,723,519)
Resegmentation	(60,042)	1,644	3,641	–	(54,757)
Impact of modifications	82	(283)	(1,257)	29	(1,429)
Business combination	1,476,893	–	–	50,215	1,527,108
Foreign exchange movement	31,127	1,562	2,199	270	35,158
Net other changes	7,242	(12,168)	4,671	(1,406)	(1,661)
Write-offs	–	–	(20,130)	(1,169)	(21,299)
Recoveries of amounts previously written off	–	–	9,366	3,647	13,013
Unwind of discount	–	–	3,112	295	3,407
Currency translation differences	60,349	331	643	1,790	63,113
Balance at 31 December 2024	**5,897,357**	**196,718**	**190,321**	**63,586**	**6,347,982**
Individually assessed	655,936	–	38,253	59,778	753,967
Collectively assessed	5,241,421	196,718	152,068	3,808	5,594,015
Balance at 31 December 2024	**5,897,357**	**196,718**	**190,321**	**63,586**	**6,347,982**

Micro and SME loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**11,004**	**5,538**	**54,286**	**833**	**71,661**
New financial asset originated or purchased	14,510	2	293	7,924	22,729
Transfer to Stage 1	4,270	(4,270)	–	–	–
Transfer to Stage 2	(4,640)	9,822	(5,182)	–	–
Transfer to Stage 3	(8,366)	(5,102)	13,468	–	–
Impact on ECL of exposures transferred between stages during the year	(2,331)	(51)	19,218	–	16,836
Assets repaid	(7,318)	(2,044)	(33,809)	(600)	(43,771)
Resegmentation	(161)	84	1,667	–	1,590
Impact of modifications	4	4	(462)	21	(433)
Foreign exchange movement	7	(2)	571	(177)	399
Day 2 ECL on business combination	14,006	–	–	–	14,006
Net other measurement of ECL	(1,825)	1,322	19,172	1,477	20,146
Income statement (releases)/charges	8,156	(235)	14,936	8,645	31,502
Write-offs	–	–	(20,130)	(1,169)	(21,299)
Recoveries of amounts previously written off	–	–	9,366	3,647	13,013
Unwind of discount	–	–	3,112	295	3,407
Currency translation differences	127	71	492	30	720
Balance at 31 December 2024	**19,287**	**5,374**	**62,062**	**12,281**	**99,004**
Individually assessed	3,616	–	12,740	11,090	27,446
Collectively assessed	15,671	5,374	49,322	1,191	71,558
Balance at 31 December 2024	**19,287**	**5,374**	**62,062**	**12,281**	**99,004**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Consumer loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**4,325,759**	**234,229**	**111,469**	**28,512**	**4,699,969**
New financial asset originated or purchased	6,778,565	29,708	4,132	3,652	6,816,057
Transfer to Stage 1	317,072	(317,013)	(59)	–	–
Transfer to Stage 2	(581,791)	623,733	(41,942)	–	–
Transfer to Stage 3	(18,800)	(102,783)	121,583	–	–
Assets repaid	(4,857,038)	(116,406)	(69,282)	(12,478)	(5,055,204)
Resegmentation	(4,686)	–	–	–	(4,686)
Impact of modifications	(750)	28	(4,818)	(90)	(5,630)
Business combination	885,372	–	–	3,576	888,948
Foreign exchange movement	13,603	233	164	84	14,084
Net other changes	82,856	(89,982)	38,793	(869)	30,798
Write-offs	–	(3)	(78,373)	(2,834)	(81,210)
Recoveries of amounts previously written off	–	–	31,146	7,944	39,090
Unwind of discount	–	–	1,777	347	2,124
Currency translation differences	43,613	135	288	114	44,150
Balance at 31 December 2024	**6,983,775**	**261,879**	**114,878**	**27,958**	**7,388,490**
Individually assessed	–	–	7,899	1,438	9,337
Collectively assessed	6,983,775	261,879	106,979	26,520	7,379,153
Balance at 31 December 2024	**6,983,775**	**261,879**	**114,878**	**27,958**	**7,388,490**

Consumer loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**41,947**	**18,044**	**63,888**	**7,754**	**131,633**
New financial asset originated or purchased	83,547	1,664	2,203	932	88,346
Transfer to Stage 1	19,210	(19,181)	(29)	–	–
Transfer to Stage 2	(33,979)	59,782	(25,803)	–	–
Transfer to Stage 3	(8,534)	(21,301)	29,835	–	–
Impact on ECL of exposures transferred between stages during the year	(9,597)	2,719	28,102	–	21,224
Assets repaid	(64,987)	(21,938)	(66,705)	(4,894)	(158,524)
Resegmentation	(1)	–	–	–	(1)
Impact of modifications	(481)	1	(2,336)	(39)	(2,855)
Foreign exchange movement	10	7	53	17	87
Day 2 ECL on business combination	9,278	–	–	–	9,278
Net other measurement of ECL	28,998	6,520	77,837	(4,963)	108,392
Income statement (releases)/charges	23,464	8,273	43,157	(8,947)	65,947
Write-offs	–	(3)	(78,373)	(2,834)	(81,210)
Recoveries of amounts previously written off	–	–	31,146	7,944	39,090
Unwind of discount	–	–	1,777	347	2,124
Currency translation differences	134	42	175	–	351
Balance at 31 December 2024	**65,545**	**26,356**	**61,770**	**4,264**	**157,935**
Individually assessed	–	–	3,421	(107)	3,314
Collectively assessed	65,545	26,356	58,349	4,371	154,621
Balance at 31 December 2024	**65,545**	**26,356**	**61,770**	**4,264**	**157,935**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Gold – pawn loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**137,416**	**8,696**	**4,116**	**–**	**150,228**
New financial asset originated or purchased	199,792	–	885	–	200,677
Transfer to Stage 1	9,208	(9,208)	–	–	–
Transfer to Stage 2	(13,774)	15,041	(1,267)	–	–
Transfer to Stage 3	(1,114)	(1,548)	2,662	–	–
Assets repaid	(176,370)	(7,352)	(3,964)	–	(187,686)
Resegmentation	69	–	–	–	69
Foreign exchange movement	4	–	–	–	4
Net other changes	(9,365)	21	333	–	(9,011)
Write-offs	–	(1)	(40)	–	(41)
Recoveries of amounts previously written off	–	–	3	–	3
Unwind of discount	–	–	(1)	–	(1)
Balance at 31 December 2024	**145,866**	**5,649**	**2,727**	**–**	**154,242**
Collectively assessed	145,866	5,649	2,727	–	154,242
Balance at 31 December 2024	**145,866**	**5,649**	**2,727**	**–**	**154,242**

Gold – pawn loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**44**	**24**	**1,322**	**–**	**1,390**
New financial asset originated or purchased	5	–	58	–	63
Transfer to Stage 1	13	(13)	–	–	–
Transfer to Stage 2	(6)	75	(69)	–	–
Transfer to Stage 3	(1)	(2)	3	–	–
Impact on ECL of exposures transferred between stages during the year	(7)	(62)	136	–	67
Assets repaid	(22)	(10)	(373)	–	(405)
Net other measurement of ECL	(13)	(6)	(43)	–	(62)
Income statement (releases)/charges	(31)	(18)	(288)	–	(337)
Write-offs	–	(1)	(40)	–	(41)
Recoveries of amounts previously written off	–	–	3	–	3
Unwind of discount	–	–	(1)	–	(1)
Balance at 31 December 2024	**13**	**5**	**996**	**–**	**1,014**
Collectively assessed	13	5	996	–	1,014
Balance at 31 December 2024	**13**	**5**	**996**	**–**	**1,014**

9. Loans to customers, factoring and finance lease receivables continued

Loans to customer at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**15,288,477**	**1,200,824**	**523,170**	**69,865**	**17,082,336**
New financial asset originated or purchased	15,205,096	68,636	2,744	50,265	15,326,741
Transfer to Stage 1	935,192	(935,156)	(36)	–	–
Transfer to Stage 2	(1,527,089)	1,641,335	(114,246)	–	–
Transfer to Stage 3	(121,870)	(298,107)	419,977	–	–
Assets repaid	(11,037,658)	(553,925)	(271,849)	(35,413)	(11,898,845)
Impact of modifications	388	1,475	(15,377)	(783)	(14,297)
Foreign exchange movement	148,377	6,082	2,332	344	157,135
Net other changes	78,104	(740)	18,015	1,840	97,219
Write-offs	–	–	(169,862)	(2,741)	(172,603)
Recoveries of amounts previously written off	–	–	43,963	3,000	46,963
Unwind of discount	–	–	5,055	1,096	6,151
Currency translation differences	(170,377)	(6,128)	(7,565)	–	(184,070)
Balance at 31 December 2023	**18,798,640**	**1,124,296**	**436,321**	**87,473**	**20,446,730**
Individually assessed	–	–	124,563	23,589	148,152
Collectively assessed	18,798,640	1,124,296	311,758	63,884	20,298,578
Balance at 31 December 2023	**18,798,640**	**1,124,296**	**436,321**	**87,473**	**20,446,730**

Loans to customer at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**88,682**	**50,859**	**168,944**	**17,318**	**325,803**
New financial asset originated or purchased	186,213	1,399	509	–	188,121
Transfer to Stage 1	31,988	(31,979)	(9)	–	–
Transfer to Stage 2	(37,323)	82,116	(44,793)	–	–
Transfer to Stage 3	(56,903)	(30,532)	87,435	–	–
Impact on ECL of exposures transferred between stages during the year	(5,784)	(30,945)	78,747	–	42,018
Assets repaid	(64,636)	(24,127)	(97,970)	(10,130)	(196,863)
Impact of modifications	33	34	(5,576)	(83)	(5,592)
Foreign exchange movement	127	253	526	150	1,056
Net other measurement of ECL	(70,648)	41,902	111,196	13,790	96,240
Income statement (releases)/charges	(16,933)	8,121	130,065	3,727	124,980
Write-offs	–	–	(169,862)	(2,741)	(172,603)
Recoveries of amounts previously written off	–	–	43,963	3,000	46,963
Unwind of discount	–	–	5,055	1,096	6,151
Currency translation differences	(682)	(147)	(2,673)	–	(3,502)
Balance at 31 December 2023	**71,067**	**58,833**	**175,492**	**22,400**	**327,792**
Individually assessed	–	–	55,237	9,207	64,444
Collectively assessed	71,067	58,833	120,255	13,193	263,348
Balance at 31 December 2023	**71,067**	**58,833**	**175,492**	**22,400**	**327,792**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Commercial loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**4,501,166**	**608,307**	**176,588**	**15,950**	**5,302,011**
New financial asset originated or purchased	6,307,552	62,180	8	15,820	6,385,560
Transfer to Stage 1	218,262	(218,262)	–	–	–
Transfer to Stage 2	(408,476)	413,729	(5,253)	–	–
Transfer to Stage 3	(9,314)	(35,720)	45,034	–	–
Assets repaid	(4,411,902)	(316,022)	(97,131)	(10,324)	(4,835,379)
Resegmentation	76,352	(56)	2,959	–	79,255
Impact of modifications	(755)	733	(143)	9	(156)
Foreign exchange movement	105,029	4,490	(375)	83	109,227
Net other changes	60,821	111	(10,563)	664	51,033
Write-offs	–	–	(11,502)	–	(11,502)
Recoveries of amounts previously written off	–	–	8,723	957	9,680
Unwind of discount	–	–	(2,224)	416	(1,808)
Currency translation differences	(113,478)	(3,701)	(4,756)	–	(121,935)
Balance at 31 December 2023	**6,325,257**	**515,789**	**101,365**	**23,575**	**6,965,986**
Individually assessed	–	–	92,801	21,497	114,298
Collectively assessed	6,325,257	515,789	8,564	2,078	6,851,688
Balance at 31 December 2023	**6,325,257**	**515,789**	**101,365**	**23,575**	**6,965,986**

Commercial loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**19,086**	**23,469**	**44,247**	**4,565**	**91,367**
New financial asset originated or purchased	31,952	697	1	–	32,650
Transfer to Stage 1	3,811	(3,811)	–	–	–
Transfer to Stage 2	(5,004)	6,393	(1,389)	–	–
Transfer to Stage 3	(994)	(1,406)	2,400	–	–
Impact on ECL of exposures transferred between stages during the year	(1,777)	4,522	17,549	–	20,294
Assets repaid	(13,682)	(11,978)	(29,709)	(1,325)	(56,694)
Resegmentation	1,102	(1,224)	870	–	748
Impact of modifications	(1)	17	(149)	3	(130)
Foreign exchange movement	(14)	103	(641)	127	(425)
Net other measurement of ECL	(20,107)	16,327	17,249	4,195	17,664
Income statement (releases)/charges	(4,714)	9,640	6,181	3,000	14,107
Write-offs	–	–	(11,502)	–	(11,502)
Recoveries of amounts previously written off	–	–	8,723	957	9,680
Unwind of discount	–	–	(2,224)	416	(1,808)
Currency translation differences	(272)	82	(1,296)	–	(1,486)
Balance at 31 December 2023	**14,100**	**33,191**	**44,129**	**8,938**	**100,358**
Individually assessed	–	–	39,561	8,936	48,497
Collectively assessed	14,100	33,191	4,568	2	51,861
Balance at 31 December 2023	**14,100**	**33,191**	**44,129**	**8,938**	**100,358**

9. Loans to customers, factoring and finance lease receivables continued

Residential mortgage loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**3,925,906**	**169,566**	**69,657**	**28,075**	**4,193,204**
New financial asset originated or purchased	1,527,164	32	–	14,796	1,541,992
Transfer to Stage 1	268,798	(268,798)	–	–	–
Transfer to Stage 2	(320,140)	352,400	(32,260)	–	–
Transfer to Stage 3	(17,355)	(33,670)	51,025	–	–
Assets repaid	(1,081,098)	(45,148)	(37,682)	(11,487)	(1,175,415)
Impact of modifications	530	137	(83)	(185)	399
Foreign exchange movement	11,210	(150)	(263)	165	10,962
Net other changes	(7,727)	(147)	1,571	451	(5,852)
Write-offs	–	–	(2,534)	(263)	(2,797)
Recoveries of amounts previously written off	–	–	1,385	543	1,928
Unwind of discount	–	–	215	94	309
Currency translation differences	(6,950)	(170)	(85)	–	(7,205)
Balance at 31 December 2023	**4,300,338**	**174,052**	**50,946**	**32,189**	**4,557,525**
Individually assessed	–	–	168	2,092	2,260
Collectively assessed	4,300,338	174,052	50,778	30,097	4,555,265
Balance at 31 December 2023	**4,300,338**	**174,052**	**50,946**	**32,189**	**4,557,525**

Residential mortgage loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**8,862**	**2,601**	**14,085**	**4,507**	**30,055**
New financial asset originated or purchased	8,396	–	–	–	8,396
Transfer to Stage 1	4,415	(4,415)	–	–	–
Transfer to Stage 2	(2,766)	9,962	(7,196)	–	–
Transfer to Stage 3	(3,612)	(1,152)	4,764	–	–
Impact on ECL of exposures transferred between stages during the year	(1,133)	(5,845)	5,016	–	(1,962)
Assets repaid	(1,516)	(747)	(8,701)	(3,395)	(14,359)
Impact of modifications	19	5	1,049	43	1,116
Foreign exchange movement	(1)	(3)	(46)	28	(22)
Net other measurement of ECL	(8,690)	1,632	3,842	3,318	102
Income statement (releases)/charges	(4,888)	(563)	(1,272)	(6)	(6,729)
Write-offs	–	–	(2,534)	(263)	(2,797)
Recoveries of amounts previously written off	–	–	1,385	543	1,928
Unwind of discount	–	–	215	94	309
Currency translation differences	(2)	(2)	(12)	–	(16)
Balance at 31 December 2023	**3,972**	**2,036**	**11,867**	**4,875**	**22,750**
Individually assessed	–	–	50	271	321
Collectively assessed	3,972	2,036	11,817	4,604	22,429
Balance at 31 December 2023	**3,972**	**2,036**	**11,867**	**4,875**	**22,750**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Micro and SME loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**3,470,689**	**200,463**	**146,517**	**2,844**	**3,820,513**
New financial asset originated or purchased	2,718,907	606	1,502	1,685	2,722,700
Transfer to Stage 1	147,013	(147,013)	–	–	–
Transfer to Stage 2	(308,398)	332,863	(24,465)	–	–
Transfer to Stage 3	(20,855)	(115,229)	136,084	–	–
Assets repaid	(2,258,325)	(81,221)	(65,159)	(1,572)	(2,406,277)
Resegmentation	(75,858)	88	(3,141)	–	(78,911)
Impact of modifications	(86)	616	(2,971)	(7)	(2,448)
Foreign exchange movement	27,031	1,678	2,494	7	31,210
Net other changes	25,537	677	6,187	130	32,531
Write-offs	–	–	(36,568)	(70)	(36,638)
Recoveries of amounts previously written off	–	–	7,998	124	8,122
Unwind of discount	–	–	2,316	56	2,372
Currency translation differences	(15,785)	(1,998)	(2,369)	–	(20,152)
Balance at 31 December 2023	**3,709,870**	**191,530**	**168,425**	**3,197**	**4,073,022**
Individually assessed	–	–	29,131	–	29,131
Collectively assessed	3,709,870	191,530	139,294	3,197	4,043,891
Balance at 31 December 2023	**3,709,870**	**191,530**	**168,425**	**3,197**	**4,073,022**

Micro and SME loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**20,066**	**5,448**	**37,317**	**659**	**63,490**
New financial asset originated or purchased	16,897	–	128	–	17,025
Transfer to Stage 1	4,627	(4,627)	–	–	–
Transfer to Stage 2	(5,665)	11,372	(5,707)	–	–
Transfer to Stage 3	(2,902)	(6,647)	9,549	–	–
Impact on ECL of exposures transferred between stages during the year	(754)	(4,692)	29,590	–	24,144
Assets repaid	(7,501)	(3,001)	(18,746)	(524)	(29,772)
Resegmentation	(1,093)	1,226	(868)	–	(735)
Impact of modifications	2	19	(1,241)	(7)	(1,227)
Foreign exchange movement	129	149	1,179	(1)	1,456
Net other measurement of ECL	(12,663)	6,463	30,543	596	24,939
Income statement (releases)/charges	(8,923)	262	44,427	64	35,830
Write-offs	–	–	(36,568)	(70)	(36,638)
Recoveries of amounts previously written off	–	–	7,998	124	8,122
Unwind of discount	–	–	2,316	56	2,372
Currency translation differences	(139)	(172)	(1,204)	–	(1,515)
Balance at 31 December 2023	**11,004**	**5,538**	**54,286**	**833**	**71,661**
Individually assessed	–	–	14,564	–	14,564
Collectively assessed	11,004	5,538	39,722	833	57,097
Balance at 31 December 2023	**11,004**	**5,538**	**54,286**	**833**	**71,661**

9. Loans to customers, factoring and finance lease receivables continued

Consumer loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**3,243,191**	**213,875**	**121,992**	**22,996**	**3,602,054**
New financial asset originated or purchased	4,547,920	5,818	833	17,964	4,572,535
Transfer to Stage 1	289,459	(289,423)	(36)	–	–
Transfer to Stage 2	(473,300)	524,075	(50,775)	–	–
Transfer to Stage 3	(72,199)	(110,688)	182,887	–	–
Assets repaid	(3,179,954)	(107,858)	(69,753)	(12,030)	(3,369,595)
Resegmentation	(494)	(32)	517	–	(9)
Impact of modifications	699	(11)	(12,180)	(600)	(12,092)
Foreign exchange movement	5,109	65	524	89	5,787
Net other changes	(508)	(1,333)	21,566	595	20,320
Write-offs	–	–	(113,820)	(2,408)	(116,228)
Recoveries of amounts previously written off	–	–	25,870	1,376	27,246
Unwind of discount	–	–	4,199	530	4,729
Currency translation differences	(34,164)	(259)	(355)	–	(34,778)
Balance at 31 December 2023	**4,325,759**	**234,229**	**111,469**	**28,512**	**4,699,969**
Individually assessed	–	–	2,463	–	2,463
Collectively assessed	4,325,759	234,229	109,006	28,512	4,697,506
Balance at 31 December 2023	**4,325,759**	**234,229**	**111,469**	**28,512**	**4,699,969**

Consumer loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**40,598**	**19,309**	**67,956**	**7,587**	**135,450**
New financial asset originated or purchased	128,968	702	380	–	130,050
Transfer to Stage 1	19,103	(19,094)	(9)	–	–
Transfer to Stage 2	(23,869)	54,205	(30,336)	–	–
Transfer to Stage 3	(49,393)	(21,319)	70,712	–	–
Impact on ECL of exposures transferred between stages during the year	(2,120)	(24,929)	26,592	–	(457)
Assets repaid	(41,913)	(8,393)	(41,821)	(4,886)	(97,013)
Resegmentation	(9)	(2)	(2)	–	(13)
Impact of modifications	13	(7)	(5,235)	(122)	(5,351)
Foreign exchange movement	13	4	34	(4)	47
Net other measurement of ECL	(29,175)	17,623	59,529	5,681	53,658
Income statement (releases)/charges	1,618	(1,210)	79,844	669	80,921
Write-offs	–	–	(113,820)	(2,408)	(116,228)
Recoveries of amounts previously written off	–	–	25,870	1,376	27,246
Unwind of discount	–	–	4,199	530	4,729
Currency translation differences	(269)	(55)	(161)	–	(485)
Balance at 31 December 2023	**41,947**	**18,044**	**63,888**	**7,754**	**131,633**
Individually assessed	–	–	1,062	–	1,062
Collectively assessed	41,947	18,044	62,826	7,754	130,571
Balance at 31 December 2023	**41,947**	**18,044**	**63,888**	**7,754**	**131,633**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Gold – pawn loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**147,525**	**8,613**	**8,416**	**–**	**164,554**
New financial asset originated or purchased	103,553	–	401	–	103,954
Transfer to Stage 1	11,660	(11,660)	–	–	–
Transfer to Stage 2	(16,775)	18,268	(1,493)	–	–
Transfer to Stage 3	(2,147)	(2,800)	4,947	–	–
Assets repaid	(106,379)	(3,676)	(2,124)	–	(112,179)
Resegmentation	–	–	(335)	–	(335)
Foreign exchange movement	(2)	(1)	(48)	–	(51)
Net other changes	(19)	(48)	(746)	–	(813)
Write-offs	–	–	(5,438)	–	(5,438)
Recoveries of amounts previously written off	–	–	(13)	–	(13)
Unwind of discount	–	–	549	–	549
Balance at 31 December 2023	**137,416**	**8,696**	**4,116**	**–**	**150,228**
Collectively assessed	137,416	8,696	4,116	–	150,228
Balance at 31 December 2023	**137,416**	**8,696**	**4,116**	**–**	**150,228**

Gold – pawn loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**70**	**32**	**5,339**	**–**	**5,441**
Transfer to Stage 1	32	(32)	–	–	–
Transfer to Stage 2	(19)	184	(165)	–	–
Transfer to Stage 3	(2)	(8)	10	–	–
Impact on ECL of exposures transferred between stages during the year	–	(1)	–	–	(1)
Assets repaid	(24)	(8)	1,007	–	975
Net other measurement of ECL	(13)	(143)	33	–	(123)
Income statement (releases)/charges	(26)	(8)	885	–	851
Write-offs	–	–	(5,438)	–	(5,438)
Recoveries of amounts previously written off	–	–	(13)	–	(13)
Unwind of discount	–	–	549	–	549
Balance at 31 December 2023	**44**	**24**	**1,322**	**–**	**1,390**
Collectively assessed	44	24	1,322	–	1,390
Balance at 31 December 2023	**44**	**24**	**1,322**	**–**	**1,390**

The contractual amounts outstanding on all loans to customers that have been written off during the reporting period but are still subject to enforcement activity was GEL 127,568 (2024: GEL 148,114, 2023: GEL 138,972).

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For commercial lending, charges over real estate properties, equipment and machinery, corporate shares, inventory, trade receivables, third-party corporate guarantees and personal guarantees of shareholders.
- For retail lending, mortgages over residential properties, cars, gold and jewellery, third-party corporate guarantees and personal guarantees of shareholders.

Management requests additional collateral in accordance with the underlying agreement and monitors the market value of collateral obtained during its review of the adequacy of the allowance for expected credit loss/impairment of loans.

It is the Group's policy to dispose of repossessed properties in an orderly fashion or to hold them for capital appreciation or earning rentals, as appropriate in each case. In general, the Group does not occupy repossessed properties for business use.

9. Loans to customers, factoring and finance lease receivables continued

Without taking into account the discounted value of collateral, the ECL for credit-impaired loans would be as follows:

2025	ECL for credit-impaired loans	ECL without taking into account the discounted value of collateral
Commercial loans	106,866	228,254
Residential mortgage loans	18,656	100,662
Micro and SME loans	78,540	264,505
Consumer loans	108,005	136,989
Gold – pawn loans	1,181	3,658
Total	**313,248**	**734,068**

2024	ECL for credit-impaired loans	ECL without taking into account the discounted value of collateral
Commercial loans	111,283	194,086
Residential mortgage loans	10,723	58,324
Micro and SME loans	74,343	220,310
Consumer loans	66,034	95,777
Gold – pawn loans	996	2,212
Total	**263,379**	**570,709**

2023	ECL for credit-impaired loans	ECL without taking into account the discounted value of collateral
Commercial loans	53,067	118,367
Residential mortgage loans	16,742	56,851
Micro and SME loans	55,119	152,430
Consumer loans	71,642	105,437
Gold – pawn loans	1,322	3,290
Total	**197,892**	**436,375**

Concentration of loans to customers

As at 31 December 2025, the concentration of loans granted by the Group to the ten largest third-party borrowers comprised GEL 2,216,210 accounting for 6% of the gross loan portfolio of the Group (2024: GEL 1,851,375 and 6% respectively, 2023: GEL 1,507,812 and 7% respectively). An allowance of ECL of GEL 7,595 (2024: GEL 6,803, 2023: GEL 13,524) was established against these loans.

As at 31 December 2025, the concentration of loans granted by the Group to the ten largest third-party group of borrowers (borrower and its related parties) comprised GEL 3,424,167 accounting for 9% of the gross loan portfolio of the Group (2024: GEL 3,175,091 and 9% respectively, 2023: GEL 2,414,054 and 12% respectively). An allowance of ECL of GEL 8,416 (2024: GEL 8,011, 2023: GEL 3,599) was established against these loans.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

As at 31 December 2025, 31 December 2024 and 31 December 2023, loans were principally issued within Georgia and Armenia, and their distribution by industry sector was as follows:

	2025	2024	2023
Individuals	20,695,873	17,190,045	11,445,733
Real estate	3,308,936	2,837,810	1,608,487
Trade	3,231,415	2,815,943	1,425,916
Agriculture	2,338,460	1,928,428	710,440
Construction	2,114,102	1,618,537	377,857
Electricity, gas and water supply	1,530,711	1,145,468	665,454
Manufacturing	1,195,557	1,441,527	1,475,982
Hospitality	1,055,365	991,169	975,621
Financial intermediation	812,231	587,106	401,116
Service	684,933	727,835	306,465
Mining and quarrying	664,843	552,872	160,261
Transport and communication	632,136	543,485	273,071
Other	1,710,590	1,120,788	620,327
Loans to customers, gross	**39,975,152**	**33,501,013**	**20,446,730**
Less – Allowance for expected credit loss	(525,589)	(430,312)	(327,792)
Loans to customers, net	**39,449,563**	**33,070,701**	**20,118,938**

As at 31 December 2025 the amount of loans to customers for which no ECL has been recognised due to the existence of high-quality collateral was GEL 511,044 (2024: GEL 553,177, 2023: GEL 6,096,377).

Finance lease receivables

	2025	2024	2023
Minimum lease payments receivable	592,350	561,788	86,839
Less – Unearned finance lease income	(147,557)	(133,566)	(16,748)
	444,793	**428,222**	**70,091**
Less – Allowance for expected credit loss/impairment loss	(6,026)	(10,485)	(11,208)
Finance lease receivables, net	**438,767**	**417,737**	**58,883**

The difference between the minimum lease payments to be received in the future and the finance lease receivables represents unearned finance income.

As at 31 December 2025 and 31 December 2024 no finance lease receivables were pledged for inter-bank loans received (2023: GEL 0).

As at 31 December 2025, the concentration of investment in the five largest lease receivables comprised GEL 51,577 or 12% of total finance lease receivables (2024: GEL 59,953 or 14%, 2023: GEL 18,436 or 25%) and finance income received from them for the year ended 31 December 2025 comprised GEL 7,454 or 12% of total finance income from lease (2024: GEL 6,080 or 16%, 2023: GEL 2,857 or 20%).

Future minimum lease payments to be received after 31 December 2025, 31 December 2024 and 31 December 2023 are as follows:

	2025	2024	2023
Within 1 year	222,344	195,319	46,531
From 1 to 2 years	124,629	122,348	9,203
From 2 to 3 years	92,860	88,789	7,288
From 3 to 4 years	48,857	48,084	1,894
From 4 to 5 years	33,506	29,743	2,913
More than 5 years	70,154	77,505	19,010
Minimum lease payment receivables	**592,350**	**561,788**	**86,839**

9. Loans to customers, factoring and finance lease receivables continued

Movements of the gross finance lease receivables and respective allowance for ECL/impairment of finance lease receivables are as follows:

Finance lease receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**400,515**	**956**	**9,300**	**17,451**	**428,222**
New financial asset originated or purchased	241,002	–	–	6,772	247,774
Transfer to Stage 1	272	(272)	–	–	–
Transfer to Stage 2	(4,390)	5,021	(631)	–	–
Transfer to Stage 3	(446)	(1,864)	2,310	–	–
Assets repaid	(197,766)	(972)	(2,147)	(7,823)	(208,708)
Impact of modifications	(23)	–	–	–	(23)
Foreign exchange movement	(2,527)	(204)	(132)	(636)	(3,499)
Net other changes	(17,110)	41	290	1,048	(15,731)
Write-offs	–	–	(4,420)	(2,832)	(7,252)
Recoveries of amounts previously written off	–	–	425	–	425
Unwind of discount	–	–	(5)	(174)	(179)
Currency translation differences	3,631	129	19	(15)	3,764
Balance at 31 December 2025	**423,158**	**2,835**	**5,009**	**13,791**	**444,793**
Individually assessed	136,703	–	1,600	276	138,579
Collectively assessed	286,455	2,835	3,409	13,515	306,214
Balance at 31 December 2025	**423,158**	**2,835**	**5,009**	**13,791**	**444,793**

Finance lease receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**1,064**	**177**	**7,512**	**1,732**	**10,485**
New financial asset originated or purchased	1,636	–	–	–	1,636
Transfer to Stage 1	30	(30)	–	–	–
Transfer to Stage 2	(21)	224	(203)	–	–
Transfer to Stage 3	(168)	(541)	709	–	–
Impact on ECL of exposures transferred between stages during the year	(28)	159	299	–	430
Assets repaid	(1,359)	(57)	(590)	(1,667)	(3,673)
Foreign exchange movement	–	–	(64)	–	(64)
Net other measurement of ECL	1,792	251	(96)	2,230	4,177
Income statement (releases)/charges	1,882	6	55	563	2,506
Write-offs	–	–	(4,420)	(2,832)	(7,252)
Recoveries of amounts previously written off	–	–	425	–	425
Unwind of discount	–	–	(5)	(174)	(179)
Currency translation differences	9	7	26	(1)	41
Balance at 31 December 2025	**2,955**	**190**	**3,593**	**(712)**	**6,026**
Individually assessed	1,040	–	200	14	1,254
Collectively assessed	1,915	190	3,393	(726)	4,772
Balance at 31 December 2025	**2,955**	**190**	**3,593**	**(712)**	**6,026**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Finance lease receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**33,899**	**5,048**	**12,063**	**19,081**	**70,091**
New financial asset originated or purchased	177,363	–	–	6,578	183,941
Transfer to Stage 1	1,994	(1,867)	(127)	–	–
Transfer to Stage 2	(4,109)	4,418	(309)	–	–
Transfer to Stage 3	(3,516)	(3,732)	7,248	–	–
Assets repaid	(121,642)	(3,119)	(5,988)	(8,708)	(139,457)
Impact of modifications	(13)	–	–	–	(13)
Business combination	298,683	–	–	273	298,956
Foreign exchange movement	2,069	26	(29)	(424)	1,642
Net other changes	2,816	109	171	169	3,265
Write-offs	–	–	(3,718)	(10)	(3,728)
Recoveries of amounts previously written off	–	–	1	531	532
Unwind of discount	–	–	30	(49)	(19)
Currency translation differences	12,971	73	(42)	10	13,012
Balance at 31 December 2024	**400,515**	**956**	**9,300**	**17,451**	**428,222**
Individually assessed	114,447	–	2,436	252	117,135
Collectively assessed	286,068	956	6,864	17,199	311,087
Balance at 31 December 2024	**400,515**	**956**	**9,300**	**17,451**	**428,222**

Finance lease receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**1,169**	**484**	**5,707**	**3,848**	**11,208**
New financial asset originated or purchased	600	–	–	–	600
Transfer to Stage 1	67	(61)	(6)	–	–
Transfer to Stage 2	(86)	90	(4)	–	–
Transfer to Stage 3	(1,880)	(485)	2,365	–	–
Impact on ECL of exposures transferred between stages during the year	2,395	191	322	–	2,908
Assets repaid	(281)	(149)	(1,631)	(3,239)	(5,300)
Foreign exchange movement	53	(2)	11	(6)	56
Day 2 ECL on business combination	2,134	–	–	–	2,134
Net other measurement of ECL	(2,285)	97	2,543	656	1,011
Income statement (releases)/charges	717	(319)	3,600	(2,589)	1,409
Write-offs	–	–	(1,873)	(10)	(1,883)
Recoveries of amounts previously written off	(851)	–	1	531	(319)
Unwind of discount	–	–	30	(49)	(19)
Currency translation differences	29	12	47	1	89
Balance at 31 December 2024	**1,064**	**177**	**7,512**	**1,732**	**10,485**
Individually assessed	283	–	648	4	935
Collectively assessed	781	177	6,864	1,728	9,550
Balance at 31 December 2024	**1,064**	**177**	**7,512**	**1,732**	**10,485**

9. Loans to customers, factoring and finance lease receivables continued

Finance lease receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**54,971**	**6,451**	**14,109**	**15,211**	**90,742**
New financial asset originated or purchased	24,001	–	–	10,525	34,526
Transfer to Stage 1	9,296	(8,702)	(594)	–	–
Transfer to Stage 2	(17,016)	21,008	(3,992)	–	–
Transfer to Stage 3	(1,291)	(10,139)	11,430	–	–
Assets repaid	(32,717)	(3,377)	(5,056)	(6,389)	(47,539)
Impact of modifications	(221)	–	138	–	(83)
Foreign exchange movement	2,285	198	117	(804)	1,796
Net other changes	992	(2)	(148)	(59)	783
Write-offs	–	–	(3,429)	313	(3,116)
Recoveries of amounts previously written off	–	–	66	–	66
Unwind of discount	–	–	23	284	307
Currency translation differences	(6,401)	(389)	(601)	–	(7,391)
Balance at 31 December 2023	**33,899**	**5,048**	**12,063**	**19,081**	**70,091**
Individually assessed	–	–	286	–	286
Collectively assessed	33,899	5,048	11,777	19,081	69,805
Balance at 31 December 2023	**33,899**	**5,048**	**12,063**	**19,081**	**70,091**

Finance lease receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**818**	**258**	**3,542**	**4,080**	**8,698**
New financial asset originated or purchased	964	–	–	–	964
Transfer to Stage 1	275	(262)	(13)	–	–
Transfer to Stage 2	(650)	769	(119)	–	–
Transfer to Stage 3	(236)	(434)	670	–	–
Impact on ECL of exposures transferred between stages during the year	(142)	234	291	–	383
Assets repaid	(538)	(170)	(2,816)	(2,394)	(5,918)
Impact of modifications	(2)	–	–	–	(2)
Foreign exchange movement	50	37	4	–	91
Net other measurement of ECL	425	(53)	5,307	1,565	7,244
Income statement (releases)/charges	146	121	3,324	(829)	2,762
Write-offs	–	–	(316)	313	(3)
Recoveries of amounts previously written off	–	–	66	–	66
Unwind of discount	–	–	23	284	307
Currency translation differences	205	105	(932)	–	(622)
Balance at 31 December 2023	**1,169**	**484**	**5,707**	**3,848**	**11,208**
Individually assessed	–	–	60	–	60
Collectively assessed	1,169	484	5,647	3,848	11,148
Balance at 31 December 2023	**1,169**	**484**	**5,707**	**3,848**	**11,208**

The Group writes off the finance lease receivable balance when it takes possession of the underlying asset. The difference between the gross and ECL balances at the time of write-off represents the value of the repossessed asset.

Factoring Receivables

	2025	2024	2023
Factoring receivables, gross	**177,756**	**70,458**	**55,027**
Less – Allowance for expected credit loss	(422)	(22)	(127)
Factoring receivables, net	**177,334**	**70,436**	**54,900**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

9. Loans to customers, factoring and finance lease receivables continued

Factoring receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**70,344**	**82**	**32**	**–**	**70,458**
New financial asset originated or purchased	256,061	–	–	–	256,061
Transfer to Stage 2	(231)	231	–	–	–
Assets repaid	(148,183)	(86)	(34)	–	(148,303)
Net other changes	(571)	–	–	–	(571)
Currency translation differences	105	4	2	–	111
Balance at 31 December 2025	**177,525**	**231**	**–**	**–**	**177,756**
Collectively assessed	177,525	231	–	–	177,756
Balance at 31 December 2025	**177,525**	**231**	**–**	**–**	**177,756**

Factoring receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	**22**	**–**	**–**	**–**	**22**
New financial asset originated or purchased	759	–	–	–	759
Assets repaid	(481)	–	–	–	(481)
Foreign exchange movement	(1)	1	–	–	–
Net other measurement of ECL	64	60	–	–	124
Income statement (releases)/charges	341	61	–	–	402
Currency translation differences	(2)	–	–	–	(2)
Balance at 31 December 2025	**361**	**61**	**–**	**–**	**422**
Collectively assessed	361	61	–	–	422
Balance at 31 December 2025	**361**	**61**	**–**	**–**	**422**

Factoring receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**54,749**	**180**	**98**	**–**	**55,027**
New financial asset originated or purchased	143,368	–	–	–	143,368
Transfer to Stage 2	(1,926)	1,926	–	–	–
Transfer to Stage 3	(205)	(147)	352	–	–
Assets repaid	(218,540)	(513)	(422)	–	(219,475)
Business combination	83,780	–	–	–	83,780
Foreign exchange movement	406	–	–	–	406
Net other changes	5,938	(1,371)	1	–	4,568
Currency translation differences	2,774	7	3	–	2,784
Balance at 31 December 2024	**70,344**	**82**	**32**	**–**	**70,458**
Individually assessed	–	–	32	–	32
Collectively assessed	70,344	82	–	–	70,426
Balance at 31 December 2024	**70,344**	**82**	**32**	**–**	**70,458**

Factoring receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	**28**	**1**	**98**	**–**	**127**
New financial asset originated or purchased	270	–	–	–	270
Transfer to Stage 2	(32)	32	–	–	–
Transfer to Stage 3	(205)	–	205	–	–
Assets repaid	(72)	(1)	(241)	–	(314)
Net other measurement of ECL	(96)	(31)	36	–	(91)
Income statement (releases)/charges	(135)	–	–	–	(135)
Currency translation differences	129	(1)	(98)	–	30
Balance at 31 December 2024	**22**	**–**	**–**	**–**	**22**
Collectively assessed	22	–	–	–	22
Balance at 31 December 2024	**22**	**–**	**–**	**–**	**22**

9. Loans to customers, factoring and finance lease receivables continued

Factoring receivables, gross	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**20,365**	**3,000**	**46**	**–**	**23,411**
New financial asset originated or purchased	89,935	–	–	–	89,935
Transfer to Stage 2	(765)	765	–	–	–
Transfer to Stage 3	(306)	(2)	308	–	–
Assets repaid	(53,456)	(3,546)	(231)	–	(57,233)
Net other changes	(5)	–	–	–	(5)
Currency translation differences	(1,019)	(37)	(25)	–	(1,081)
Balance at 31 December 2023	**54,749**	**180**	**98**	**–**	**55,027**
Individually assessed	–	–	98	–	98
Collectively assessed	54,749	180	–	–	54,929
Balance at 31 December 2023	**54,749**	**180**	**98**	**–**	**55,027**

Factoring receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	**175**	**61**	**46**	**–**	**282**
New financial asset originated or purchased	411	–	–	–	411
Transfer to Stage 2	(13)	13	–	–	–
Transfer to Stage 3	(306)	–	306	–	–
Impact on ECL of exposures transferred between stages during the year	–	4	1	–	5
Assets repaid	(245)	(75)	(307)	–	(627)
Net other measurement of ECL	32	(3)	–	–	29
Income statement (releases)/charges	(121)	(61)	–	–	(182)
Currency translation differences	(26)	1	52	–	27
Balance at 31 December 2023	**28**	**1**	**98**	**–**	**127**
Individually assessed	–	–	98	–	98
Collectively assessed	28	1	–	–	29
Balance at 31 December 2023	**28**	**1**	**98**	**–**	**127**

10. Accounts receivable and other loans

In 2016 the Group disbursed a loan to a client with the purpose to finance the purchase of an industrial asset from one of the Group's defaulted borrowers. As part of the overall financing package, the Group entered into a dual option agreement with the shareholders of the new borrower over the shares in the new borrower. A dispute arose over the terms of the concluded option agreement. The outstanding legacy claim was settled at the end of 2022 and the Group recognised GEL 391,100 one-off income with the respective receivable estimated at fair value in its Consolidated Financial Statements for 2022. On 9 January 2023 the Group received part of the settlement in the amount of GEL 371,922. As for the outstanding receivable, it has been remeasured at fair value (since the final amount to be received is based in part on profitability of the industrial asset) and the Group recognised additional GEL 22,585 one-off income in its Consolidated Financial Statements in 2023. The receivable was fully settled on 31 January 2024. The Group does not expect any material tax consequences from this settlement in the foreseeable future.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

11. Right-of-use assets and lease liabilities

	2025	2024	2023
Right-of-use assets	332,630	257,896	138,695
Lease liability	348,114	274,435	141,934

Administrative expenses include occupancy and rent expenses on lease contracts where the recognition exemptions have been applied:

	2025	2024	2023
Short-term leases	(10,513)	(7,479)	(4,872)
Leases of low-value assets	(1,586)	(2,436)	(2,264)
	(12,099)	**(9,915)**	**(7,136)**

	Movements in lease liabilities
Carrying amount at 1 January 2023	**114,470**
Cash payments for the principal portion of the lease liability	(32,151)
Change in accrued interest	(665)
Additions	64,120
Other movements*	(3,840)
Carrying amount at 31 December 2023	**141,934**
Cash payments for the principal portion of the lease liability	(50,271)
Change in accrued interest	8,269
Additions	75,391
Business combination	88,172
Other movements*	10,940
Carrying amount at 31 December 2024	**274,435**
Cash payments for the principal portion of the lease liability	(67,579)
Change in accrued interest	12,468
Additions	133,078
Other movements*	(4,288)
Carrying amount at 31 December 2025	**348,114**

The Group had total cash outflows for leases GEL 79,678 during 2025 (2024: GEL 60,186, 2023: GEL 39,287)

* Other movement mainly includes translation effect of foreign currency contracts and cancelled lease contracts.

The movements in right-of-use assets were as follows:

	Office buildings and service centres	Computers and equipment	Total
Cost			
31 December 2024	**370,420**	**6,369**	**376,789**
Additions	134,946	1,893	136,839
Disposals	(25,962)	–	(25,962)
Currency translation differences	1,631	149	1,780
31 December 2025	**481,035**	**8,411**	**489,446**
Accumulated depreciation			
31 December 2024	**116,672**	**2,221**	**118,893**
Depreciation charge	52,653	1,605	54,258
Disposals	(17,283)	–	(17,283)
Currency translation differences	815	133	948
31 December 2025	**152,857**	**3,959**	**156,816**
Net book value			
31 December 2024	**253,748**	**4,148**	**257,896**
31 December 2025	**328,178**	**4,452**	**332,630**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

11. Right-of-use assets and lease liabilities continued

	Office buildings and service centres	Computers and equipment	Total
Cost			
31 December 2023	**223,543**	**1,774**	**225,317**
Additions	73,950	690	74,640
Disposals	(16,454)	–	(16,454)
Transfers	–	–	–
Business combination	85,309	3,663	88,972
Currency translation differences	4,072	242	4,314
31 December 2024	**370,420**	**6,369**	**376,789**
Accumulated depreciation			
31 December 2023	**85,523**	**1,099**	**86,622**
Depreciation charge	44,499	1,056	45,555
Disposals	(13,648)	–	(13,648)
Transfers	–	–	–
Currency translation differences	298	66	364
31 December 2024	**116,672**	**2,221**	**118,893**
Net book value			
31 December 2023	**138,020**	**675**	**138,695**
31 December 2024	**253,748**	**4,148**	**257,896**

	Office buildings and service centres	Computers and equipment	Total
Cost			
31 December 2022	**181,227**	**2,333**	**183,560**
Additions	64,385	–	64,385
Disposals	(16,785)	–	(16,785)
Transfers	–	–	–
Currency translation differences	(5,284)	(559)	(5,843)
31 December 2023	**223,543**	**1,774**	**225,317**
Accumulated depreciation			
31 December 2022	**65,073**	**1,100**	**66,173**
Depreciation charge	32,601	315	32,916
Disposals	(11,100)	–	(11,100)
Transfers	–	–	–
Currency translation differences	(1,051)	(316)	(1,367)
31 December 2023	**85,523**	**1,099**	**86,622**
Net book value			
31 December 2022	**116,154**	**1,233**	**117,387**
31 December 2023	**138,020**	**675**	**138,695**

12. Foreclosed assets

	2025	2024	2023
At 1 January	**378,642**	**271,712**	**119,924**
Additions	149,942	177,908	239,872
Disposals	(146,122)	(67,730)	(77,324)
Write-down	(8,437)	(3,019)	(2,114)
Reversal of write-down	1,131	16	–
Transfers from/(to) property and equipment	34	(673)	(3,516)
Transfers to investment property	(711)	(5,359)	(3,428)
Business combination	–	5,453	–
Currency translation differences	180	334	(1,702)
At 31 December	**374,659**	**378,642**	**271,712**

Majority of the Group's foreclosed assets consist of the real estate assets repossessed during recovery of defaulted loans.

As at 31 December 2025, the carrying value of foreclosed assets subjected to the repurchase option was GEL 49,573 (2024: GEL 187,756; 2023: GEL 157,507).

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

13. Property and equipment

The movements in property and equipment were as follows:

	Office buildings and service centres	Furniture and fixtures	Computers and equipment	Motor vehicles	Leasehold improvements	Assets under construction	Total
Cost							
31 December 2024	**261,578**	**254,172**	**372,609**	**18,719**	**76,036**	**15,204**	**998,318**
Additions	12,668	21,614	93,311	12,259	7,072	32,814	179,738
Transfers	6,670	–	2,628	(150)	14,953	(24,101)	–
Transfers from investment properties	546	–	–	–	–	–	546
Transfers to foreclosed assets	–	(13)	–	(1,108)	–	–	(1,121)
Transfers to other assets	–	(3,847)	(22,408)	–	(62)	(3,345)	(29,662)
Disposals	(10,023)	(789)	(9,766)	(578)	(60)	(261)	(21,477)
Write-offs	(2,952)	(1,002)	(1,862)	(271)	(1,239)	–	(7,326)
Business combination	–	11	26	–	–	–	37
Currency translation differences	174	156	910	56	211	58	1,565
31 December 2025	**268,661**	**270,302**	**435,448**	**28,927**	**96,911**	**20,369**	**1,120,618**
Accumulated impairment							
31 December 2024	**2,267**	**12**	**16**	**–**	**–**	**–**	**2,295**
Impairment charge	77	6	(16)	–	–	–	67
31 December 2025	**2,344**	**18**	**–**	**–**	**–**	**–**	**2,362**
Accumulated depreciation							
31 December 2024	**37,324**	**143,182**	**233,319**	**7,607**	**24,494**	**–**	**445,926**
Depreciation charge	5,394	16,990	47,256	4,722	12,482	–	86,844
Transfers from investment properties	(426)	–	–	–	–	–	(426)
Transfers to foreclosed assets	–	(5)	–	(1,082)	–	–	(1,087)
Transfers to other assets	–	(1,898)	(17,912)	–	–	–	(19,810)
Disposals	(2,220)	(692)	(3,673)	(432)	(47)	–	(7,064)
Write-offs	(67)	(1,002)	(1,713)	(65)	(1,098)	–	(3,945)
Business combination	–	–	–	–	–	–	–
Currency translation differences	190	84	557	29	119	–	979
31 December 2025	**40,195**	**156,659**	**257,834**	**10,779**	**35,950**	**–**	**501,417**
Net book value							
31 December 2024	**221,987**	**110,978**	**139,274**	**11,112**	**51,542**	**15,204**	**550,097**
31 December 2025	**226,122**	**113,625**	**177,614**	**18,148**	**60,961**	**20,369**	**616,839**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

13. Property and equipment continued

	Office buildings and service centres	Furniture and fixtures	Computers and equipment	Motor vehicles	Leasehold improvements	Assets under construction	Total
Cost							
31 December 2023	**258,050**	**216,174**	**296,805**	**12,076**	**35,654**	**8,036**	**826,795**
Additions	7,574	29,530	43,069	6,033	889	31,010	118,105
Transfers	4,671	(1,225)	3,874	–	14,535	(21,855)	–
Transfers to investment properties	(9,669)	–	–	–	–	–	(9,669)
Transfers to assets held for sale	927	–	–	–	–	–	927
Transfers from foreclosed assets	673	–	–	–	–	–	673
Transfers (to) from other assets	(954)	(1,953)	(9,846)	–	–	(2,016)	(14,769)
Disposals	(44)	(339)	(518)	(508)	(296)	–	(1,705)
Write-offs	(1,342)	(36)	(1,312)	(120)	(2,392)	–	(5,202)
Business combination	–	11,534	38,609	1,167	26,705	–	78,015
Currency translation differences	1,692	487	1,928	71	941	29	5,148
31 December 2024	**261,578**	**254,172**	**372,609**	**18,719**	**76,036**	**15,204**	**998,318**
Accumulated impairment							
31 December 2023	**2,557**	**55**	**98**	**8**	**–**	**–**	**2,718**
Impairment charge	(290)	(43)	(82)	(8)	–	–	(423)
31 December 2024	**2,267**	**12**	**16**	**–**	**–**	**–**	**2,295**
Accumulated depreciation							
31 December 2023	**33,873**	**131,304**	**199,886**	**5,517**	**16,542**	**–**	**387,122**
Depreciation charge	5,126	14,468	42,508	2,583	10,252	–	74,937
Transfers	–	(970)	970	–	–	–	–
Transfers to investment properties	(2,037)	–	–	–	–	–	(2,037)
Transfers to other assets	–	(1,230)	(7,712)	–	–	–	(8,942)
Disposals	(1)	(275)	(462)	(406)	(287)	–	(1,431)
Write-offs	(276)	(160)	(2,066)	(99)	(2,053)	–	(4,654)
Currency translation differences	639	45	195	12	40	–	931
31 December 2024	**37,324**	**143,182**	**233,319**	**7,607**	**24,494**	**–**	**445,926**
Net book value							
31 December 2023	**221,620**	**84,815**	**96,821**	**6,551**	**19,112**	**8,036**	**436,955**
31 December 2024	**221,987**	**110,978**	**139,274**	**11,112**	**51,542**	**15,204**	**550,097**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

13. Property and equipment continued

	Office buildings and service centres	Furniture and fixtures	Computers and equipment	Motor vehicles	Leasehold improvements	Assets under construction	Total
Cost							
31 December 2022	**235,249**	**193,103**	**279,259**	**8,729**	**29,084**	**4,755**	**750,179**
Additions	20,485	25,363	28,301	4,573	1,644	17,769	98,135
Transfers	2,557	–	2,059	–	8,507	(13,123)	–
Transfers to investment properties	(641)	–	–	–	–	–	(641)
Transfers to assets held for sale	(1,363)	–	–	–	–	–	(1,363)
Transfers from foreclosed assets	3,516	–	–	–	–	–	3,516
Transfers to other assets	934	(1,421)	(7,714)	(207)	(29)	(243)	(8,680)
Disposals	(26)	(273)	(3,070)	(660)	(222)	–	(4,251)
Write-offs	–	(208)	(73)	(284)	(2,979)	(1,088)	(4,632)
Business combination	–	62	171	66	51	–	350
Currency translation differences	(2,661)	(452)	(2,128)	(141)	(402)	(34)	(5,818)
31 December 2023	**258,050**	**216,174**	**296,805**	**12,076**	**35,654**	**8,036**	**826,795**
Accumulated impairment							
31 December 2022	**2,557**	**36**	**98**	**8**	**–**	**–**	**2,699**
Impairment charge	–	19	–	–	–	770	789
31 December 2023	**2,557**	**55**	**98**	**8**	**–**	**770**	**3,488**
Accumulated depreciation							
31 December 2022	**31,325**	**121,415**	**177,260**	**4,615**	**14,010**	**–**	**348,625**
Depreciation charge	5,120	11,825	32,364	1,647	4,839	–	55,795
Transfers to investment properties	(225)	(1)	–	–	–	–	(226)
Transfers to assets held for sale	(1,065)	–	–	–	–	–	(1,065)
Transfers to other assets	–	(996)	(5,526)	(203)	–	–	(6,725)
Disposals	(10)	(199)	(2,465)	(443)	(217)	–	(3,334)
Write-offs	–	(542)	(812)	(85)	(1,967)	(770)	(4,176)
Business combination	–	13	31	15	42	–	101
Currency translation differences	(1,272)	(211)	(966)	(29)	(165)	–	(2,643)
31 December 2023	**33,873**	**131,304**	**199,886**	**5,517**	**16,542**	**(770)**	**386,352**
Net book value							
31 December 2022	**201,367**	**71,652**	**101,901**	**4,106**	**15,074**	**4,755**	**398,855**
31 December 2023	**221,620**	**84,815**	**96,821**	**6,551**	**19,112**	**8,036**	**436,955**

14. Intangible assets

The movements in intangible assets were as follows:

	Software and licence	Brand name and customer relations recognised at business combination	Other	Total
Cost				
31 December 2024	**435,924**	**54,445**	**27,261**	**517,630**
Additions	108,739	–	–	108,739
Disposals	(9,072)	–	–	(9,072)
Write-offs	(1,412)	–	–	(1,412)
Business combination	20,663	–	–	20,663
Currency translation differences	1,897	(109)	36	1,824
31 December 2025	**556,739**	**54,336**	**27,297**	**638,372**
Accumulated impairment				
31 December 2024	**4,559**	**–**	**–**	**4,559**
Impairment charge	–	–	–	–
31 December 2025	**4,559**	**–**	**–**	**4,559**
Accumulated amortisation				
31 December 2024	**180,510**	**3,920**	**6,391**	**190,821**
Amortisation charge	71,150	9,114	286	80,550
Disposals	(13,284)	–	–	(13,284)
Write-offs	(1,412)	–	–	(1,412)
Currency translation differences	736	(25)	25	736
31 December 2025	**237,700**	**13,009**	**6,702**	**257,411**
Net book value				
31 December 2024	**250,855**	**50,525**	**20,870**	**322,250**
31 December 2025	**314,480**	**41,327**	**20,595**	**376,402**

	Software and licence	Brand name and customer relations recognised at business combination	Other	Total
Cost				
31 December 2023	**291,341**	**–**	**27,480**	**318,821**
Additions	107,407	–	196	107,603
Disposals	(6,405)	–	–	(6,405)
Write-offs	(2,948)	–	–	(2,948)
Business combination	43,327	52,534	32	95,893
Currency translation differences	3,202	1,911	(447)	4,666
31 December 2024	**435,924**	**54,445**	**27,261**	**517,630**
Accumulated impairment				
31 December 2023	**4,559**	**–**	**–**	**4,559**
Impairment charge	–	–	–	–
31 December 2024	**4,559**	**–**	**–**	**4,559**
Accumulated amortisation				
31 December 2023	**140,258**	**–**	**6,142**	**146,400**
Amortisation charge	48,529	3,892	224	52,645
Disposals	(6,237)	–	–	(6,237)
Write-offs	(2,367)	–	(1)	(2,368)
Currency translation differences	327	28	26	381
31 December 2024	**180,510**	**3,920**	**6,391**	**190,821**
Net book value				
31 December 2023	**146,524**	**–**	**21,338**	**167,862**
31 December 2024	**250,855**	**50,525**	**20,870**	**322,250**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

14. Intangible assets continued

	Software and licence	Other	Total
Cost			
31 December 2022	**247,943**	**27,449**	**275,392**
Additions	56,537	31	56,568
Disposals	(8,321)	–	(8,321)
Write-offs	(1,258)	–	(1,258)
Currency translation differences	(3,560)	–	(3,560)
31 December 2023	**291,341**	**27,480**	**318,821**
Accumulated impairment			
31 December 2022	**2,358**	**–**	**2,358**
Impairment charge	2,201	–	2,201
31 December 2023	**4,559**	**–**	**4,559**
Accumulated amortisation			
31 December 2022	**117,629**	**5,964**	**123,593**
Amortisation charge	32,844	178	33,022
Disposals	(7,815)	–	(7,815)
Write-offs	(1,261)	–	(1,261)
Currency translation differences	(1,139)	–	(1,139)
31 December 2023	**140,258**	**6,142**	**146,400**
Net book value			
31 December 2022	**127,956**	**21,485**	**149,441**
31 December 2023	**146,524**	**21,338**	**167,862**

15. Investment properties

	2025	2024	2023
At 1 January	**134,338**	**124,068**	**166,546**
Additions	–	–	4,882
Disposals	(23,074)	(20,246)	(38,175)
Net gains from revaluation of investment property	(1,525)	19,053	756
Transfers to assets held for sale	(2,549)	(2,069)	(10,756)
Transfers (to)/from property and equipment	(972)	7,632	415
Transfers from foreclosed assets	711	5,359	3,428
Transfers to other assets – inventories	3	(14)	–
Currency translation differences	638	555	(3,028)
At 31 December	**107,573**	**134,338**	**124,068**

Investment properties are stated at fair value. The fair value represents the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair values of selected material properties as at 31 December 2025, as well as the fair values of the full portfolio as at 31 December 2024 are based on valuations performed by accredited independent valuers. Refer to Note 32 for details on fair value measurements of investment properties.

16. Goodwill

Movements in goodwill were as follows:

	2025	2024	2023
Cost			
1 January	**65,647**	**65,647**	**57,745**
Business combination	–	–	7,902
At 31 December	**65,647**	**65,647**	**65,647**
Accumulated impairment			
1 January	**24,394**	**24,394**	**24,394**
At 31 December	**24,394**	**24,394**	**24,394**
Net book value:			
1 January	**41,253**	**41,253**	**33,351**
Business combination	–	–	7,902
At 31 December	**41,253**	**41,253**	**41,253**

Impairment test for goodwill

Goodwill acquired through business combinations with indefinite lives have been allocated to the following cash-generating units (CGUs), for impairment testing: Corporate Banking, Retail Banking in Georgian Financial Services business division and Other in Other business.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	2025	2025	2024
Retail Banking	23,386	23,386	23,386
Corporate Banking	9,965	9,965	9,965
Other	7,902	7,902	7,902
Total	**41,253**	**41,253**	**41,253**

Key assumptions used in value-in-use calculations

The recoverable amounts of the CGUs have been determined based on a value-in-use calculation, using cash flow projections based on financial budgets approved by senior management covering a one to three-year period. Discount rates were not adjusted for either a constant or a declining growth rate beyond the three-year periods covered in financial budgets. For the purposes of the impairment test, a 3% permanent growth rate has been assumed when assessing the future operating cash flows of the CGU beyond the three-year period covered in financial budgets.

The following discount rates were used by the Group for Corporate Banking and Retail Banking:

	Corporate Banking			Retail Banking			Other		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Discount rate	5.5%	6.8%	5.3%	6.3%	6.2%	6.6%	30.0%	30.0%	30.0%

Discount rates

Discount rates reflect management's estimate of return required in each business. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. Discount rates are calculated by using pre-tax weighted average cost of capital (WACC).

For the Retail Banking and Corporate Banking CGUs, the following additional assumptions were made:

- stable, business as usual growth of loans and deposits;
- no material changes in cost/income structure or ratio; and
- stable, business as usual growth of trade finance, other documentary and payment businesses.

Sensitivity to changes in assumptions

Management believes that reasonable possible changes to key assumptions used to determine the recoverable amount for each CGU will not result in an impairment of goodwill. The excess of value-in-use over carrying value is determined by reference to the net book value as at 31 December 2025. Possible change was taken as +/-3% in discount rate and growth rate.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

17. Taxation

The corporate income tax expense in the Income Statement comprises:

	2025	2024	2023
Current income benefit/(expense)	(407,314)	(379,632)	(324,452)
Deferred income tax benefit/(expense)	(9,931)	16,836	65,481
Income tax expense	**(417,245)**	**(362,796)**	**(258,971)**

	2025	2024	2023
Net losses on investment securities	(1,618)	(345)	–
Income tax expense in other comprehensive income	**(1,618)**	**(345)**	**–**

The income tax rate applicable to most of the Group's income is the income tax rate applicable to subsidiaries' income, which ranges from 15% to 25% (2024: from 15% to 25%, 2023: from 15% to 25%).

The effective income tax rate differs from the statutory income tax rates. As at 31 December 2025, 31 December 2024 and 31 December 2023, a reconciliation of the income tax expense based on statutory rates with the actual expense is as follows:

	2025	2024	2023
Profit before income tax expense	**2,580,476**	**2,847,991**	**1,656,298**
Average tax rate	20%	20%	20%
Theoretical income tax expense at average tax rate	**(516,095)**	**(569,598)**	**(331,260)**
Non-taxable income	100,215	208,617	76,934
Non-deductible expenses	(16,824)	(15,168)	(4,520)
Correction of prior year declarations	–	910	(2,342)
Tax at the domestic rates applicable to profits in each country	12,453	7,086	(1,007)
Effects from changes in tax legislation	–	–	110
Tax deductible expenses	3,648	7,013	7,030
Other	(642)	(1,656)	(3,916)
Income tax expense	**(417,245)**	**(362,796)**	**(258,971)**

Applicable taxes in Georgia, Armenia and Belarus include corporate income tax (profit tax), individuals' withholding taxes, property tax and value added tax, among others. However, regulations are often unclear or non-existent and few precedents have been established. This creates tax risks in Georgia, Armenia and Belarus, substantially more significant than typically found in countries with more developed tax systems. Management believes that the Group is in substantial compliance with the tax laws affecting its operations. However, the risk remains that relevant authorities could take differing positions with regard to interpretative issues.

As at 31 December 2025, 31 December 2024 and 31 December 2023, income tax assets and liabilities consist of the following:

	2025	2024	2023
Current income tax assets	–	47,794	2,056
Deferred income tax assets	41	320	464
Income tax assets	**41**	**48,114**	**2,520**
Current income tax liabilities	76,468	67,342	185,440
Deferred income tax liabilities	32,337	21,089	13,618
Income tax liabilities	**108,805**	**88,431**	**199,058**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

17. Taxation continued

Deferred tax assets and liabilities as at 31 December 2025, 31 December 2024 and 31 December 2023, and their movements for the respective years, are as follows:

	Origination and reversal of temporary differences				Origination and reversal of temporary differences				Origination and reversal of temporary differences			
	2022	In the Income Statement	2023	Business Combination	In the Income Statement	In other comprehensive income	Currency translation	2024	In the Income Statement	In other comprehensive income	Currency translation	2025
Tax effect of deductible temporary differences:												
Amounts due to credit institutions	193	(30)	163	–	(72)	–	–	91	(10)	–	–	81
Investment securities	294	(489)	(195)	–	210	–	–	15	(5)	–	–	10
Investment securities pledged under sale and repurchase agreements and securities lending	–	–	–	48	743	(604)	3	190	(185)	–	–	5
Investment properties	2,121	(2,121)	–	–	328	–	–	328	(328)	–	–	–
Insurance premiums receivables	–	–	–	–	–	–	–	–	–	–	–	–
Allowances for impairment and provisions for other losses	–	–	–	–	–	–	–	–	–	–	–	–
Tax losses carried forward	–	–	–	–	–	–	–	–	–	–	–	–
Property and equipment	2,232	(1,072)	1,160	(2,313)	1,696	–	(73)	470	(205)	–	1	266
Intangible assets	–	–	–	–	114	–	–	114	(37)	–	–	77
Assets held for sale	465	(127)	338	–	73	–	–	411	113	–	–	524
Lease liability	23,159	5,012	28,171	15,871	7,955	–	573	52,570	12,951	–	(34)	65,487
Accruals and deferred income	38,132	5,393	43,525	–	3,173	–	–	46,698	7,308	–	–	54,006
Other assets and liabilities	4,280	1,439	5,719	9,170	23,724	–	517	39,130	(1,706)	–	(68)	37,356
Deferred tax assets	**70,876**	**8,005**	**78,881**	**22,776**	**37,944**	**(604)**	**1,020**	**140,017**	**17,896**	**–**	**(101)**	**157,812**
Tax effect of taxable temporary differences:												
Amounts due to credit institutions	3,947	(651)	3,296	2,829	684	–	99	6,908	(44)	–	(5)	6,859
Debt securities issued	1,951	(414)	1,537	–	1,062	–	–	2,599	796	–	–	3,395
Cash and cash equivalents	–	–	–	–	–	–	–	–	–	–	–	–
Investment securities	–	–	–	161	88	(259)	10	–	(1,610)	1,618	(8)	–
Loans to customers, factoring and finance lease receivables	60,571	(57,006)	3,565	18,818	7,820	–	718	30,921	11,513	–	(66)	42,368
Client deposits and notes	–	104	104	–	(77)	–	–	27	6	–	–	33
Property and equipment	43,242	4,309	47,551	–	3,509	–	–	51,060	3,661	–	–	54,721
Intangible assets	–	–	–	8,383	(1,071)	–	295	7,607	(1,499)	–	(13)	6,095
Right-of-use assets	23,822	3,719	27,541	16,015	4,444	–	574	48,574	12,979	–	(31)	61,522
Investment properties	8,787	(1,277)	7,510	–	3,144	–	–	10,654	(3,092)	–	–	7,562
Intangible assets	–	–	–	–	–	–	–	–	–	–	–	–
Assets held for sale	–	–	–	–	162	–	–	162	(162)	–	–	–
Accruals and deferred income	–	–	–	–	–	–	–	–	–	–	–	–
Other assets and liabilities	7,191	(6,260)	931	–	1,343	–	–	2,274	5,279	–	–	7,553
Deferred tax liabilities	**149,511**	**(57,476)**	**92,035**	**46,206**	**21,108**	**(259)**	**1,696**	**160,786**	**27,827**	**1,618**	**(123)**	**190,108**
Net deferred tax liabilities	**(78,635)**	**65,481**	**(13,154)**	**(23,430)**	**16,836**	**(345)**	**(676)**	**(20,769)**	**(9,931)**	**(1,618)**	**22**	**(32,296)**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

17. Taxation continued

The Group has not recognised a deferred tax liability at the end of 2022 for its receivable under settlement discussed in Note 10, as the receivable is originated in a subsidiary subject to income tax only on distributed profits and the Group does not expect to use these proceeds for distribution. The receivables were fully settled on 31 January 2024. The Group does not expect any material tax consequences from this settlement in the foreseeable future.

No deferred tax liability was recognised on a gain on bargain purchase arising from the business combination as the Group does not intend to either sell CJSC Ameriabank or distribute dividends from profits accumulated prior to business combination. The temporary differences associated with investments in the Group's subsidiaries, associate and joint ventures, for which a deferred tax liability has not been recognised as at 31 December 2025 amounted to GEL 1,657,957 (31 December 2024: GEL 1,093,923).

Pillar Two Tax

Pillar Two rules can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. This is done by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

The Group adopts mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

The Pillar Two model rules were adopted in UK on 11 July 2023 and are applicable to accounting periods beginning on or after 31 December 2023. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes for the constituent entities in the Group. The Pillar Two effective tax rates in most of the jurisdictions in which the Group operates is above 15%. However, the Group has recognised a Pillar Two current tax expense of GEL 8,437 in the parent company's financial statements that arises in Georgia for the tax year 2025 – which is not subject to the transitional safe harbour relief– because of low effective tax rates.

18. Other assets, prepayments and other liabilities

Other assets comprise:

	2025	2024	2023
Receivables from remittance operations	173,908	152,188	138,833
Other receivables	165,737	76,854	39,005
Inventories	22,946	26,876	20,969
Derivatives margin	19,788	11,199	12,129
Investments in associates	11,483	11,245	10,699
Operating tax assets	8,914	5,094	7,725
Derivative financial assets	8,438	25,000	10,942
Assets purchased for finance lease purposes	1,757	1,441	2,019
Precious metals	–	222	–
Other	15,277	19,698	18,220
Other assets, gross	**428,248**	**329,817**	**260,541**
Less – allowance for impairment of other assets	(20,290)	(15,197)	(15,469)
Other assets, net	**407,958**	**314,620**	**245,072**

Other receivables mainly include receivables from settlement operations, operating lease receivables and receivables from guarantees and letters of credit.

In 2025, the Group revisited classification of certain receivables recorded in other assets at the end of the reporting period. Based on the detailed assessment of the nature of these balances, to improve the presentation the Group reclassified these balances from 'Other' note line to 'Other receivables'. Prior period balances were reclassified respectively.

Other assets of Lion Finance Group recognised in the Separate Statement of Financial Position include dividend receivables and call and put option contract on the 10% shareholding of CJSC Ameriabank concluded at the time of business combination. The option is measured at fair value which, as at 31 December 2025, amounted to GEL 34,809 (2024: GEL 5,614, 31 December 2023: nil). Please see Note 36 for more details on the option terms. As at 31 December 2025, dividend receivables amounted to GEL 133,292 (31 December 24: nil, 31 December 2023: nil).

18. Other assets, prepayments and other liabilities continued

Other liabilities comprise:

	2025	2024	2023
Dividends payable to shareholders	119,097	5,165	3,555
Redemption liability for put option (Note 36)	100,765	91,927	–
Payables for remittance operations	98,133	84,446	59,079
Transfers in transit	82,797	31,991	–
Creditors	69,839	52,378	34,038
Other taxes payable	18,808	32,501	4,244
Amounts payable for share acquisitions (Note 36)	15,240	–	–
Derivative financial liabilities	10,692	9,083	25,779
Provisions	9,706	5,996	6,304
Accounts payable	5,805	5,725	12,731
Advances received	3,548	4,578	2,034
Derivatives margin	36	422	–
Other	26,210	29,590	19,504
Other liabilities	**560,676**	**353,802**	**167,268**

As at 31 December 2025, other liabilities of Lion Finance Group recognised in the Separate Statement of Financial Position include dividends payable in amount of GEL 114,072 (31 December 24: nil, 31 December 2023: nil).

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset or liability, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year-end and are not indicative of the credit risk.

	2025		
	Notional amount	Fair value	
		Asset	Liability
Foreign exchange contracts			
Forwards and swaps – domestic	1,353,888	2,431	2,486
Forwards and swaps – foreign	3,215,985	6,007	7,765
Interest rate contracts			
Forwards and swaps – foreign (IR)	13,500	–	441
Total derivative assets/liabilities	**4,583,373**	**8,438**	**10,692**

	2024			2023		
	Notional amount	Fair value		Notional amount	Fair value	
		Asset	Liability		Asset	Liability
Foreign exchange contracts						
Forwards and swaps – domestic	942,183	1,170	6,649	1,099,787	2,703	3,712
Forwards and swaps – foreign	4,120,612	23,830	2,434	3,776,221	8,239	22,067
Total derivative assets/liabilities	**5,062,795**	**25,000**	**9,083**	**4,876,008**	**10,942**	**25,779**

For the period ended 31 December 2025 GEL 25,444 was recognised as net foreign currency loss from derivative financial instruments (2024: gain GEL 135,543, 2023: gain GEL 59,662).

Prepayments comprise:

	2025	2024	2023
Prepayments to finance lease suppliers	144,399	36,012	3,043
Prepayments for non-current assets	16,630	23,289	18,373
Other prepayments	39,738	29,649	16,095
Prepayments	**200,767**	**88,950**	**37,511**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

19. Client deposits and notes

The amounts due to customers include the following:

	2025	2024	2023
Current accounts	21,936,533	18,778,650	12,198,454
Time deposits	16,693,441	14,423,360	8,324,285
Client deposits and notes	**38,629,974**	**33,202,010**	**20,522,739**
Held as security against letters of credit and guarantees (Note23)	**286,687**	**290,692**	**334,092**

At 31 December 2025, amounts due to customers of GEL 4,159,325 (11%) were due to the ten largest customers (2024: GEL 3,619,228 (11%), 2023: GEL 1,955,839 (10%)).

Amounts due to customers include accounts with the following types of customers:

	2025	2024	2023
Individuals	22,173,536	18,857,874	12,907,914
Private enterprises	15,556,236	12,881,843	7,120,507
State and state-owned entities	900,202	1,462,293	494,318
Client deposits and notes	**38,629,974**	**33,202,010**	**20,522,739**

The breakdown of customer accounts by industry sector is as follows:

	2025	2024	2023
Individuals	22,173,536	18,857,874	12,907,914
Financial intermediation	3,052,585	2,496,389	1,451,014
Trade	2,894,910	2,098,291	1,367,858
Construction	2,177,952	2,241,261	1,140,925
Transport and communication	1,461,423	1,139,254	639,882
Service	950,356	982,174	822,284
Manufacturing	841,430	652,652	492,647
Government services	675,956	1,271,027	445,880
Real estate	584,124	437,257	344,279
Mining and quarrying	580,307	243,755	53,808
Electricity, gas and water supply	511,874	576,555	76,384
Agriculture	399,043	232,894	37,337
Hospitality	225,985	122,682	108,103
Other	2,100,493	1,849,945	634,424
Client deposits and notes	**38,629,974**	**33,202,010**	**20,522,739**

20. Amounts owed to credit institutions

Amounts due to credit institutions comprise:

	2025	2024	2023
Borrowings from international credit institutions	4,566,961	3,446,611	1,794,696
Short-term loans from central banks	2,804,383	2,700,162	2,101,653
Time deposits and inter-bank loans	812,537	715,178	130,382
Correspondent accounts	455,791	621,182	431,232
Payables under REPO Operations	165,172	319,212	–
Other borrowings	12,392	–	–
	8,817,236	**7,802,345**	**4,457,963**
Non-convertible subordinated debt	546,126	736,455	562,520
Additional Tier 1	135,744	141,433	135,526
Amounts due to credit institutions	**9,499,106**	**8,680,233**	**5,156,009**

During the year ended 31 December 2025, the Group paid up to 8.29% and 10.99% on USD and EUR, respectively, borrowings from international credit institutions (2024: up to 13.76% and 11.12%, 2023: up to 9.36% and nil). During the year ended 31 December 2025, the Group paid up to 10.78% and 8.52% on USD and EUR, respectively, subordinated debt (2024: up to 12.25% and 9.22%, 2023: up to 11.82% and 9.22%).

Some long-term borrowings from international credit institutions are received upon certain conditions (the 'Lender Covenants') that the Group maintains different limits for capital adequacy, liquidity, currency positions, credit exposures, leverage and others. At 31 December 2025, 31 December 2024 and 31 December 2023, the Group complied with all material Lender Covenants of the borrowings from international credit institutions.

21. Debt securities issued

Debt securities issued comprise:

	2025	2024	2023
Local bonds	1,207,673	1,048,876	–
Additional Tier 1 capital notes issued	817,800	850,397	267,112
Eurobonds and notes issued	449,496	–	–
Certificates of deposit	300,219	91,814	64,279
Tier 2 notes issued	224,683	140,620	83,158
Bonds issued to international financial institutions to finance green projects	–	123,309	–
Other instruments	–	–	6,810
Debt securities issued	**2,999,871**	**2,255,016**	**421,359**

On 10 November 2025, the Group's subsidiary, JSC Bank of Georgia, issued GEL 450 million Eurobonds denominated in GEL with interest rate 11.50% due on 17 November 2028.

As at 31 December, 2024 the Group's subsidiary, CJSC Ameriabank, had bonds issued to international financial institutions to finance green projects in the amount of EUR 42 million with interest rate 3.05% maturing on 26 November 2025. The bonds were issued in 2020.

Changes in liabilities arising from financing activities

	Eurobonds and notes issued	Additional Tier 1 capital notes issued	Tier 2 notes issued	Local bonds	Bonds issued to international financial institutions to finance green projects
Carrying amount at 31 December 2022	**226,725**	**267,702**	**–**	**–**	**–**
Repurchase of debt securities issued	(20,980)	–	–	–	–
Repayment of the principal portion of the debt securities issued	(230,995)	–	–	–	–
Proceeds from Tier 2 notes issued	–	–	78,921	–	–
Foreign exchange movements	(860)	–	1,428	–	–
Other movements	26,110	(590)	2,809	–	–
Carrying amount at 31 December 2023	**–**	**267,112**	**83,158**	**–**	**–**
Repayment of the principal portion of the debt securities issued	–	(283,570)	–	(119,806)	–
Proceeds from Additional Tier 1 notes		800,970	–	–	–
Proceeds from Tier 2 notes issued	–	–	51,126	–	–
Proceeds from local bonds issued	–	–	–	360,167	–
Business combination	–	–	–	764,018	122,844
Foreign exchange movements	–	40,881	5,120	36,049	1,333
Other movements	–	25,004	1,216	8,448	(868)
Carrying amount at 31 December 2024	**–**	**850,397**	**140,620**	**1,048,876**	**123,309**
Repayment of the principal portion of the debt securities issued	–	–	–	(318,341)	(130,954)
Eurobonds and notes issued	450,000	–	–	–	–
Proceeds from Tier 2 notes issued	–	–	87,857	–	–
Proceeds from local bonds issued	–	–	–	498,141	–
Foreign exchange movements	–	(34,108)	(5,444)	(20,197)	8,109
Other movements	(504)	1,511	1,650	(806)	(464)
Carrying amount at 31 December 2025	**449,496**	**817,800**	**224,683**	**1,207,673**	**–**

In April 2024, JSC Bank of Georgia issued USD 300 million (GEL 800,970) 9.5% perpetual subordinated callable Additional Tier 1 notes.

In June 2024, JSC Bank of Georgia fully repaid USD 100 million (GEL 283,570) additional tier 1 notes issued in 2019.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

22. Accruals and deferred income

Accruals and deferred income comprise:

	2025	2024	2023
Accruals for employee compensation	219,730	271,184	65,870
Deferred income	77,123	65,021	60,167
Other accruals	4,214	2,529	3,318
Total accruals and deferred income	**301,067**	**338,734**	**129,355**

23. Commitments and contingencies

Legal

Sai-invest

As at 31 December 2025, JSC Bank of Georgia was engaged in litigation with Sai-Invest LLC ("Sai-Invest") in relation to a deposit pledge in the amount of EUR 7 million for the benefit of LTD Sport Invest's loans owing to JSC Bank of Georgia. Sai-Invest LLC has challenged the validity of the deposit pledge in the Georgian courts, and its challenge has been substantially sustained in the Court of Appeal, a determination which JSC Bank of Georgia believes to be erroneous and without merit, and which it has appealed to the Supreme Court. The matter is currently under review by the Supreme Court, and the timeline as to when the judgement has to be expected is not available. JSC Bank of Georgia's management is of the opinion that the probability of incurring material losses on this claim is low, and, accordingly, no provision has been made in these Consolidated Financial Statements.

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group or Lion Finance Group PLC.

Financial commitments and contingencies

As at 31 December 2025, 31 December 2024 and 31 December 2023, the Group's financial commitments and contingencies comprised the following:

	2025	2024	2023
Credit-related commitments			
Financial and performance guarantees issued*	2,945,640	2,605,426	1,918,997
Undrawn loan facilities	1,894,567	1,393,229	1,014,951
Letters of credit	65,505	83,771	77,545
	4,905,712	**4,082,426**	**3,011,493**
Less – cash held as security against letters of credit and guarantees (Note 19)	(286,687)	(290,692)	(334,092)
Less – provisions	(9,706)	(5,996)	(6,304)
Capital expenditure commitments	4,717	15,232	7,559
Total commitments	**4,614,036**	**3,800,970**	**2,678,656**

Guarantees issued

* Out of total guarantees issued as at 31 December 2025, financial and performance guarantees of the Group comprised GEL 1,411,647 (31 December 2024: GEL 1,269,368, 31 December 2023: GEL 1,162,825) and GEL 1,533,993, (31 December 2024: GEL 1,336,058, 31 December 2023: GEL 756,172), respectively.

The Group discloses its undrawn loan facility balances based on the contractual terms and existing practice in regards to disbursement of these amounts. The balances are disclosed as commitments if the Group has an established practice of disbursing undrawn amounts without any subsequent approval.

24. Equity

Share capital

As at 31 December 2025, issued share capital comprised 43,474,333 (31 December 2024: 44,498,147, 31 December 2023: 45,766,293) common shares of Lion Finance Group PLC, all of which were fully paid. Each share has a nominal value of one (1) British penny. Shares issued and outstanding as at 31 December 2025 are described below:

	Number of ordinary shares	Share Capital
31 December 2022	**47,498,982**	**1,563**
Buyback and cancellation of own shares	(1,732,689)	(57)
31 December 2023	**45,766,293**	**1,506**
Buyback and cancellation of own shares	(1,268,146)	(42)
31 December 2024	**44,498,147**	**1,464**
Buyback and cancellation of own shares	(1,023,814)	(33)
31 December 2025	**43,474,333**	**1,431**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

24. Equity continued

On 20 November 2025, the Group's Board of Directors approved a GEL 51,500 extension to its buyback and cancellation programme which was completed in February 2026.

On 20 August 2025, the Group's Board of Directors approved a GEL 98,700 extension to its buyback and cancellation programme which was completed in November 2025.

On 25 February 2025, the Group's Board of Directors approved a GEL 107,700 extension to its buyback and cancellation programme which was completed in July 2025.

On 22 August 2024, the Group's Board of Directors approved a GEL 73,400 share buyback and cancellation programme which was completed in January 2025.

On 15 March 2024, the Group's Board of Directors approved a GEL 100,000 extension of the share buyback and cancellation programme which was completed in July 2024.

On 17 August 2023, the Group's Board of Directors approved a GEL 62,000 share buyback and cancellation programme which was completed in April 2024.

On 16 February 2023, the Group's Board of Directors approved a GEL 147,984 share buyback and cancellation programme. The share buyback and cancellation programme was completed by June 2023 with purchased and cancelled ordinary shares of 1,584,259.

Treasury shares

Treasury shares are held by the Group solely for the purpose of future employee share-based compensation.

The number of treasury shares held by the Group, as at 31 December 2025, comprised 916,570 (31 December 2024: 1,562,586, 31 December 2023: 2,155,535), with a nominal amount of GEL 31 (31 December 2024: GEL 51, 31 December 2023: GEL 71).

Dividends

Shareholders are entitled to dividends in pounds sterling.

On 20 November 2025, the Board of Directors of Lion Finance Group PLC declared an interim dividend for 2025 of Georgian Lari 2.65 per share. The currency conversion period was set to be for the period 15 December to 19 December 2025, with the official GEL:GBP exchange rate of 3.6074, resulting in a GBP-denominated final dividend of 0.73 per share. Payment of the total GEL 112,851 interim dividends was received by shareholders on 9 January 2026.

On 20 August 2025, the Board of Directors of Lion Finance Group PLC declared an interim dividend for 2025 of Georgian Lari 5.10 per share. The currency conversion period was set to be for the period 22 September to 26 September 2025, with the official GEL:GBP exchange rate of 3.6687, resulting in a GBP-denominated final dividend of 1.39 per share. Payment of the total GEL 218,496 interim dividends was received by shareholders on 10 October 2025.

On 16 June 2025, the shareholders of Lion Finance Group PLC approved a final dividend for 2024 of Georgian Lari 5.62 per share. The currency conversion period was set to be for the period 30 June to 4 July 2025, with the official GEL:GBP exchange rate of 3.7322, resulting in a GBP-denominated final dividend of 1.51 per share. Payment of the total GEL 242,132 final dividends was received by shareholders on 18 July 2025.

On 21 August 2024, the Board of Directors of Lion Finance Group PLC declared an interim dividend for 2024 of Georgian Lari 3.38 per share. The currency conversion period was set to be for the period 23 September to 27 September 2024, with the official GEL:GBP exchange rate of 3.6380, resulting in a GBP-denominated final dividend of 0.93 per share. Payment of the total GEL 146,234 interim dividends was received by shareholders on 11 October 2024.

On 17 June 2024, the shareholders of Lion Finance Group PLC approved a final dividend for 2023 of Georgian Lari 4.94 per share. The currency conversion period was set to be for the period 1 July to 5 July 2024, with the official GEL:GBP exchange rate of 3.5495, resulting in a GBP-denominated final dividend of 1.3917 per share. Payment of the total GEL 214,786 final dividends was received by shareholders on 19 July 2024.

On 16 August 2023, the Board of Directors of Lion Finance Group PLC approved an interim dividend for 2023 of Georgian Lari 3.06 per share. The currency conversion period was set to be for the period 2 October to 6 October 2023, with the official GEL:GBP exchange rate of 3.2559, resulting in a GBP-denominated final dividend of 0.9398 per share. Payment of the total GEL 134,078 interim dividends was received by shareholders on 27 October 2023.

On 19 May 2023, the shareholders of Lion Finance Group PLC declared a final dividend for 2022 of Georgian Lari 5.80 per share. The currency conversion period was set to be for the period 26 June to 30 June 2023, with the official GEL:GBP exchange rate of 3.3360, resulting in a GBP-denominated final dividend of 1.7386 per share. Payment of the total GEL 256,077 final dividends was received by shareholders on 14 July 2023.

The Group also distributed dividends on shares awarded under the terms of share-based payments programme vested and exercised in 2025 amounting to GEL 13,199 (2024: GEL 11,434, 2023: GEL 6,472).

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

24. Equity continued

Nature and purpose of other reserves

Unrealised gains and losses on investment securities

This reserve records fair value and ECL changes on investment securities.

Unrealised gains and losses from dilution or sale/acquisition of shares in existing subsidiaries

This reserve records unrealised gains and losses from dilution or sale/acquisition of shares in existing subsidiaries.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries with functional currency other than GEL. Movements on this account during the years ended 31 December 2025, 31 December 2024 and 31 December 2023, are presented in the statements of other comprehensive income.

The movements in other reserves were as follows:

	Unrealised gains (losses) on investment securities	Unrealised gains (losses) from dilution or sale/ acquisition of shares in existing subsidiaries	Currency translation reserves		
			Ameriabank	Other	Other
31 December 2022	**20,531**	**63,910**	**–**	**(70,276)**	**399**
Net change in FV on investments in debt securities measured at FVOCI	25,000	–	–	–	–
Net gain (loss) on investments in equity instruments designated at FVOCI	1,776	–	–	–	–
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the Consolidated Income Statement	1,046	–	–	–	–
Realised loss on financial assets measured at FVOCI	(8,330)	–	–	–	–
Loss from currency translation differences	(4,360)	–	–	(8,344)	–
Increase in share capital of subsidiaries	–	34	–	–	–
Other movement	(1.00)	–	–	–	–
31 December 2023	**35,662**	**63,944**	**–**	**(78,620)**	**399**
Net change in FV on investments in debt securities measured at FVOCI	23,769	–	–	–	–
Net gain (loss) on investments in equity instruments designated at FVOCI	1,630	–	–	–	–
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the Consolidated Income Statement	1,785	–	–	–	–
Realised loss on financial assets measured at FVOCI	(4,541)	–	–	–	–
Gain from currency translation differences	1,332	–	54,729	9,824	(5)
Increase in share capital of subsidiaries	–	(178)	–	–	–
Dilution of interests in subsidiaries	–	(88)	–	–	–
Other movement	–	–	–	–	1,144
31 December 2024	**59,637**	**63,678**	**54,729**	**(68,796)**	**1,538**
Net change in FV on investments in debt securities measured at FVOCI	(30,252)	–	–	–	–
Net gain (loss) on investments in equity instruments designated at FVOCI	7,822	–	–	–	–
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the Consolidated Income Statement	(727)	–	–	–	–
Realised loss on financial assets measured at FVOCI	(3,133)	–	–	–	–
Gain from currency translation differences	(1,041)	–	(4,108)	371	–
Increase in share capital of subsidiaries	–	94	–	–	–
Acquisition of non-controlling interests in existing subsidiaries	–	(1,811)	–	–	–
Net amount reclassified to retained earnings on sale of equity instruments at FVOCI	(3,419)	–	–	–	–
Other movement	(1,618)	–	–	–	(916)
31 December 2025	**27,269**	**61,961**	**50,621**	**(68,425)**	**622**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

24. Equity continued

Earnings per share

	2025	2024	2023
Basic earnings per share			
Profit for the year attributable to ordinary shareholders of the Group	2,161,329	2,476,943	1,391,277
Weighted average number of ordinary shares outstanding during the year	42,993,565	43,527,114	44,454,395
Basic earnings per share	50.2710	56.9057	31.2967

	2025	2024	2023
Diluted earnings per share			
Effect of dilution on weighted average number of ordinary shares:			
Dilutive unvested share options	655,452	901,624	1,273,359
Weighted average number of ordinary shares adjusted for the effect of dilution	43,649,017	44,428,738	45,727,754
Diluted earnings per share	49.5161	55.7509	30.4252

Acquisition of NCI

In March 2025, the Group acquired an additional 0.44% interest in JSC Bank of Georgia, increasing its ownership from 99.56% to 100%.

The following table summarises the effect of changes in the Group's ownership interest in JSC Bank of Georgia:

Carrying amount of NCI acquired	26,637
Considerations paid to NCI in cash	28,448
A decrease in equity attributable to the shareholders of the Group	(1,811)

25. Net interest income

	2025	2024	2023
Interest income calculated using EIR method	5,287,275	4,093,368	2,734,208
From loans to customers	4,465,163	3,427,246	2,314,552
From investment securities	686,443	552,448	356,945
From amounts due from credit institutions	129,685	109,124	76,633
From factoring receivables	12,912	11,065	458
Net (losses)/gains on modification of financial assets	(6,928)	(6,515)	(14,380)
Other interest income	83,840	46,532	14,053
From finance lease receivable	64,544	38,430	13,962
From investments securities measured at FVTPL	19,296	8,102	–
From other assets	–	–	91
Interest income	**5,371,115**	**4,139,900**	**2,748,261**
Interest expense calculated using EIR method	(2,344,963)	(1,739,767)	(1,132,227)
On client deposits and notes	(1,506,059)	(1,122,508)	(796,724)
On amounts owed to credit institutions	(643,592)	(472,570)	(290,198)
On debt securities issued	(186,831)	(136,096)	(45,305)
Other	(8,481)	(8,593)	–
Other interest expense	(6,804)	(1,629)	19,659
Interest element of cross-currency swaps	11,806	11,838	25,276
On lease liability	(18,610)	(13,467)	(5,617)
Interest expense	**(2,351,767)**	**(1,741,396)**	**(1,112,568)**
Deposit insurance fees	(47,607)	(37,657)	(20,247)
Net interest income	**2,971,741**	**2,360,847**	**1,615,446**

For the period ended 31 December 2025 the Group recognised GEL 440,671 (2024: GEL 419,060, 2023: GEL 297,662) interest income from investment securities measured at FVOCI.

The Group is required to make regular contributions to the Deposit Insurance Agencies, calculated based on its deposit portfolio. In the Consolidated Income Statement, these contributions are presented as deposit insurance fees under net interest income, as they are directly related to deposit acceptance activities.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

26. Net fee and commission income

	2025	2024	2023
Card operations	530,695	439,429	300,145
Account services	221,310	176,689	145,523
Settlements operations	143,216	116,626	93,869
Guarantees and letters of credit	72,658	65,276	45,323
Currency conversion operations	66,179	52,295	49,370
Brokerage service fees	31,458	20,060	8,759
Cash operations	22,387	29,284	24,790
Advisory	21,608	29,755	33,089
Other	16,965	8,363	6,897
Fee and commission income	**1,126,476**	**937,777**	**707,765**
Card operations	(269,797)	(217,065)	(176,687)
Settlements operations	(122,226)	(100,741)	(52,564)
Cash operations	(22,779)	(24,964)	(20,315)
Currency conversion operations	(19,795)	(11,928)	(10,146)
Brokerage service fees	(14,402)	(7,017)	(5,587)
Guarantees and letters of credit	(513)	(294)	(239)
Advisory	(372)	(186)	(301)
Other	(19,105)	(13,920)	(7,444)
Fee and commission expense	**(468,989)**	**(376,115)**	**(273,283)**
Net fee and commission income	**657,487**	**561,662**	**434,482**

Composition of fee and commission income and expense has been disaggregated in 2025 and comparatives restated accordingly.

Contract assets and liabilities

As at 31 December 2025, the Group has recognised GEL 77,123 revenue-related contract liabilities (2024: GEL 65,021, 2023: GEL 60,165). Accounts receivable is recognised when the right to consideration becomes unconditional. Deferred revenue is recognised as revenue as the Group performs under the contract.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

In 2025, the Group recognised GEL 61,091 revenue (2024: GEL 54,996, 2023: GEL 48,303) that relates to carried-forward contract liabilities and was previously included in the deferred income.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied at the reporting date:

	In 1 year	In 2 years	In 3 years	In 3 to 5 years	In 5 to 10 years	Total
As at 31 December 2025	75,016	1,165	888	41	13	77,123
As at 31 December 2024	61,453	1,509	1,917	38	104	65,021
As at 31 December 2023	55,733	2,428	1,325	594	87	60,167

27. Salaries and other employee benefits, and general and administrative expenses

Salaries and other employee benefits

	2025	2024	2023
Salaries and bonuses	(956,246)	(742,452)	(405,764)
Social security costs	(11,344)	(8,343)	(7,899)
Pension costs	(10,793)	(7,195)	(5,791)
Salaries and other employee benefits	**(978,383)**	**(757,990)**	**(419,454)**

In 2025, salaries and bonuses include GEL 176,868 of the Equity Compensation Plan costs (2024: GEL 66,820, 2023: GEL 72,055), associated with the existing share-based compensation scheme approved by the Group (Note 30).

27. Salaries and other employee benefits, and general and administrative expenses continued

The average number of staff employed by the Group for the years ended 31 December 2025, 31 December 2024 and 31 December 2023, comprised:

	2025	2024	2023
JSC Bank of Georgia	8,285	7,733	6,981
CJSC Ameriabank	2,178	1,941	–
BNB	916	814	802
Other	1,268	1,220	1,072
Average total number of staff employed	**12,647**	**11,708**	**8,855**

General and administrative expenses

	2025	2024	2023
Repairs and maintenance	(104,132)	(83,620)	(56,343)
Marketing and advertising	(66,800)	(63,421)	(44,645)
Legal and other professional services	(33,131)	(34,445)	(31,551)
Operating taxes	(23,074)	(18,909)	(13,397)
Corporate hospitality and entertainment	(16,755)	(7,070)	(7,361)
Communication	(14,531)	(11,610)	(7,808)
Office supplies	(13,206)	(10,021)	(10,097)
Occupancy and rent	(12,099)	(9,915)	(7,136)
Travel expenses	(11,098)	(8,256)	(7,093)
Personnel training and recruitment	(10,827)	(12,265)	(6,956)
Security	(5,709)	(6,517)	(4,369)
Insurance	(4,924)	(4,068)	(3,553)
Other	(8,873)	(9,080)	(5,059)
General and administrative expenses	**(325,159)**	**(279,197)**	**(205,368)**

Auditor remuneration

Auditor remuneration comprises:

	2025	2024	2023
Fees payable for the audit of the Company's current year Annual Report	1,824	1,341	971
Fees payable for other services:			
Audit of the Company's subsidiaries	1,564	1,192	1,048
Total audit fees	**3,388**	**2,533**	**2,019**
Audit-related assurance services:			
Review of the Company's and subsidiaries' interim accounts	610	564	539
Other assurance services	49	42	32
Total audit-related fees	**659**	**606**	**571**
Non-audit services:			
Other assurance services	–	–	4,620
Services related to corporate finance transactions not covered above	591	655	–
Total other services fees	**591**	**655**	**4,620**
Total fees	**4,638**	**3,794**	**7,210**

In 2025, 2024 and 2023 other non-audit services were related to the issuance of Eurobonds, issuance of Additional Tier 1 bonds and acquisition of Ameriabank, respectively.

The figures shown in the above table relate to fees of Ernst & Young LLP ("EY") and its associates. In 2025, fees paid to other auditors not associated with EY in respect of the audit of the Parent and Group's subsidiaries were GEL 1,148 (2024: GEL 1,236, 2023: GEL 1,031), and in respect of other services of the Group were GEL 1,492 (2024: GEL 2,455, 2023: GEL 1,605).

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

28. Cost of risk

The table below shows ECL charges on financial instruments and provision for guarantees for the year recorded in the Income Statement:

	Stage 1		Stage 2		Stage 3		POCI		
	Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective	Total
Cash and cash equivalents	–	(303)	–	–	–	–	–	–	(303)
Amounts due from credit institutions	–	(597)	–	–	–	–	–	–	(597)
Investment securities measured at amortised cost – debt instruments	–	(1,078)	–	–	–	–	–	–	(1,078)
Investment securities measured at FVOCI – debt instruments	–	1,690	–	–	–	–	–	–	1,690
Investment securities pledged under sale and repurchase agreements and securities lending at amortised cost – debt instruments	–	(42)	–	–	–	–	–	–	(42)
Loans to customers at amortised cost	(6,589)	(6,023)	–	(33,236)	(8,868)	(89,167)	17,271	(16,420)	(143,032)
Factoring receivables	–	(341)	–	(61)	–	–	–	–	(402)
Finance lease receivables	(693)	(1,189)	–	(6)	106	(161)	(80)	(483)	(2,506)
Accounts receivable and other loans	(81)	837	–	1	–	(1,079)	–	–	(322)
Other financial assets	–	–	–	–	(7,481)	–	–	–	(7,481)
Financial and performance guarantees	–	(1,981)	–	438	(13)	–	–	–	(1,556)
Letter of credit to customers	–	(42)	–	–	–	–	–	–	(42)
Other financial commitments	–	(2,213)	–	(117)	–	(30)	–	–	(2,360)
For the year ended 31 December 2025	**(7,363)**	**(11,282)**	**–**	**(32,981)**	**(16,256)**	**(90,437)**	**17,191**	**(16,903)**	**(158,031)**

	Stage 1		Stage 2		Stage 3		POCI		
	Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective	Total
Cash and cash equivalents	–	250	–	–	–	–	–	–	250
Amounts due from credit institutions	–	489	–	–	–	–	–	–	489
Investment securities measured at amortised cost – debt instruments	–	408	–	–	–	–	–	–	408
Investment securities measured at FVOCI – debt instruments	–	(2,595)	–	–	–	–	–	–	(2,595)
Investment securities pledged under sale and repurchase agreements and securities lending at amortised cost – debt instruments	–	24	–	–	–	–	–	–	24
Investment securities pledged under sale and repurchase agreements and securities lending at FVOCI – debt instruments	–	55	–	–	–	–	–	–	55
Loans to customers at amortised cost	(26,783)	(29,339)	–	19,498	(67,159)	(47,147)	(277)	3,673	(147,534)
Factoring receivables	–	135	–	–	–	–	–	–	135
Finance lease receivables	(230)	(487)	–	319	(2,292)	(1,308)	130	2,459	(1,409)
Accounts receivable and other loans	(58)	(235)	–	(3)	–	(63)	–	–	(359)
Other financial assets	–	–	–	–	(1,571)	–	–	–	(1,571)
Financial and performance guarantees	–	1,055	–	(457)	195	4	–	–	797
Letter of credit to customers	–	(68)	–	–	–	–	–	–	(68)
Other financial commitments	–	658	–	46	–	–	–	–	704
For the year ended 31 December 2024	**(27,071)**	**(29,650)**	**–**	**19,403**	**(70,827)**	**(48,514)**	**(147)**	**6,132**	**(150,674)**

	Stage 1		Stage 2		Stage 3		POCI		
	Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective	Total
Cash and cash equivalents	–	(182)	–	–	–	–	–	–	(182)
Amounts due from credit institutions	–	4,260	–	–	–	–	–	–	4,260
Investment securities measured at amortised cost – debt instruments	–	3,284	–	–	–	–	–	–	3,284
Investment securities measured at FVOCI – debt instruments	–	(1,937)	–	–	–	–	–	–	(1,937)
Loans to customers at amortised cost	–	16,933	–	(8,121)	(446)	(129,119)	–	(3,727)	(124,480)
Loans to customers at FVTPL	–	–	–	–	–	–	–	–	–
Factoring receivables		121		61	–	–	–	–	182
Finance lease receivables	–	(146)	–	(121)	(92)	(3,232)	–	829	(2,762)
Accounts receivable and other loans	–	–	–	–	(81)	–	–	–	(81)
Other financial assets	–	–	–	–	(3,854)	(1)	–	–	(3,855)
Financial and performance guarantees	–	284	–	(2)	24	5	–	–	311
Letter of credit to customers	–	15	–	–	–	–	–	–	15
Other financial commitments	–	721	–	13	–	–	–	–	734
For the year ended 31 December 2023	**–**	**23,353**	**–**	**(8,170)**	**(4,449)**	**(132,347)**	**–**	**(2,898)**	**(124,511)**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

28. Cost of risk continued

Impairment charge on other assets and provisions comprise:

	2025	2024	2023
Litigation provision (charge)/reversal	(385)	(713)	(2,946)
Impairment (charge) on assets held for sale	(142)	(1,309)	(4,550)
Other impairment (charge)	(10,939)	(12,557)	(12,057)
	(11,466)	**(14,579)**	**(19,553)**

29. Net other gains/(losses)

	2025	2024	2023
Net real estate gains	41,108	22,409	91,868
Net (losses)/gains from revaluation of investment property	(1,525)	19,053	756
Net gains/(losses) on financial assets at fair value through profit or loss	9,116	8,928	(660)
Net gains on derecognition of financial assets measured at FVOCI	4,563	4,541	12,520
Net other gains	20,044	13,377	9,687
Net other gains/(losses)	**73,306**	**68,308**	**114,171**

During 2021-2023, the Group repossessed significant movable and immovable assets from a defaulted group of borrowers via the public auction at a deep discount. The properties were classified as Foreclosed Assets and measured at the lower of cost and net realisable value. The Group managed to realise various properties at then current market prices in 2023 and recorded respective real estate gain in an amount of GEL 81,327 in its Consolidated Financial Statements.

30. Share-based payments

Executives' Equity Compensation Plan (EECP) and Employees' Equity Compensation Plan

In 2015, the Group set up the Executive Equity Compensation Trustee – Apex Group Fiduciary Limited (formerly Sanne Fiduciary Services Limited) (the "Trustee") which acts as the trustee of the Group's EECP. In 2025, the Trustee has repurchased 115,918 shares (2024: 53,114 shares and, 2023: 585,864 shares).

In 2019, the Group set up the Group's Employee Equity Compensation Trustee – Apex Group Fiduciary Services Limited (formerly Sanne Fiduciary Services Limited) (the 'Trustee') which acts as the trustee of Employees' Equity Compensation Plan. In 2025, the Trustee has repurchased 30,099 shares (2024: 135,674 shares and, 2023: 172,951 shares).

Share-based payment transactions fixed in monetary terms

In 2022, the Group introduced the new remuneration policy for the Executive management board and Key Material Risk Taker (MRT) employees for JSC Bank of Georgia. In 2025, similar scheme was introduced to CJSC Ameriabank employees. Under the new policy, part of the fixed component of the remuneration is fixed in monetary terms at the date of the contract and shall be paid by award of the number of shares equivalent to the fixed monetary value as at the date of the award. Such awards vest immediately following the award year and are subject to a holding period of up to four years. For the CEO, annual remuneration paid in shares is fixed every three years, whereas for other members of the Executive management board and MRTs the remuneration is set annually. As for the variable share remuneration, it is awarded annually in the form of nil-cost options over the shares of Lion Finance Group PLC and is also fixed in monetary terms at the date of the contract. Such awards are subject to vesting and holding periods.

The awards of shares in monetary terms are accounted as equity-settled transactions and are measured by reference to the monetary value (as awarded) adjusted for the time value of money where necessary. The cost of equity-settled transactions is recognised together with the corresponding increase in equity as part of additional paid-in capital, over the period in which the service conditions are fulfilled, ending on the date when the relevant employee is fully entitled to the award (the 'vesting date').

In 2025, Lion Finance Group PLC's Remuneration Committee resolved to award 196,727 ordinary shares of Lion Finance Group PLC to the members of JSC Bank of Georgia's executive management Board and 62,279 ordinary shares of Lion Finance Group PLC to JSC Bank of Georgia's 18 other management members. Shares awarded to the Executive management board are subject to five-year vesting and two-year holding periods, while those awarded to the 18 other management members are subject to three-year vesting periods with continuous employment being the only vesting condition for both awards. The Group considers 5 February 2025, 17 January 2025, 31 January 2025, 16 June 2025 and 31 December 2025 as the grant date. The Group estimates that the fair value of the shares awarded on 5 February 2025, 17 January 2025, 31 January 2025, 16 June 2025 and 31 December 2025 was Georgian Lari 162.79, 157.95, 170.11, 160.80 and 338.95 per share.

In February 2024, Lion Finance Group PLC's Remuneration Committee resolved to award 193,767 ordinary shares of Lion Finance Group PLC to the members of JSC Bank of Georgia's executive management board and 46,186 ordinary shares of Lion Finance Group PLC to the Group's 16 other management members. Shares awarded to the Executive management board are subject to five-year vesting and two-year holding periods, while those awarded to the 16 other management members are subject to three-year vesting periods with continuous employment being the only vesting condition for both awards. The Group considers 12 February 2024 as the grant date. The Group estimates that the fair value of the shares awarded on 12 February 2024 was Georgian Lari 128.47 per share.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

30. Share-based payments continued

In 2023, Lion Finance Group PLC's Remuneration Committee resolved to award 241,500 ordinary shares of Lion Finance Group PLC to the members of JSC Bank of Georgia's executive management board and 74,520 ordinary shares of Lion Finance Group PLC to the Group's 18 other management members. Shares awarded to the Management Board are subject to five-year vesting and two-year holding periods, while those awarded to the 18 other management members are subject to three-year vesting periods with continuous employment being the only vesting condition for both awards. The Group considers 9 February, 10 May and 20 October 2023 as the grant date. The Group estimates that the fair value of the shares awarded on 9 February, 10 May and 20 October 2023 was Georgian Lari 87.65, 99.04 and 106.31 per share.

In 2025, JSC Bank of Georgia's executive management board members signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 39,214. The Group considers 1 January 2025, 16 June 2025 and 1 May 2025 as the grant dates for the awards. The Group estimated the value of the shares was Georgian Lari 165.76, 160.80 and 161.96 per share respectively, based on the five working day average share price before the 25 December 2024 and using the grant date exchange rates, respectively. The awards are subject to one-year vesting and four-year holding periods.

In 2025, JSC Bank of Georgia's other management members signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 6,145. The Group considers 1 January 2025, 1 March 2025, 1 May 2025, 1 September 2025, 1 November 2025 and 1 December 2025 as the grant dates for the awards. The Group estimated the value of the shares were Georgian Lari 165.76, 164.39, 161.96, 158.74, 159.81 and 159.23 per share respectively, based on the five working day average share price before the 25 December 2024 and using grant date exchange rates, respectively. The awards are subject to one-year vesting and three-year holding periods.

In 2025, Ameria's executive management board members signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 16,122. The Group considers 1 January 2025, as the grant date for the awards. The Group estimated the value of the shares were Georgian Lari 165.73 per share, based on the five working day average share price before the 25 December 2024 and using grant date exchange rates. The awards are subject to one-year vesting.

In 2025, Ameria's non-executive employees signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 4,670. The Group considers 1 January 2025 as the grant date for the awards. The Group estimated the value of the shares were Georgian Lari 165.73 per share, based on the five working day average share price before the 25 December 2024 and using grant date exchange rates. The awards are subject to one-year vesting.

In 2024, JSC Bank of Georgia's executive management board members signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 15,777. The Group considers 1 January 2024 as the grant dates for the awards. The Group estimated the value of the shares was Georgian Lari 129.23 per share respectively, based on the five working day average share price before the 25 December 2023 and using the grant date exchange rates, respectively. The awards will be subject to one-year vesting and four-year holding periods.

In 2024, JSC Bank of Georgia's other management members signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 4,973. The Group considers 1 January 2024 and 1 July 2024 as the grant dates for the awards. The Group estimated the value of the shares were Georgian Lari 129.23 and 135.03 per share respectively, based on the five working day average share price before the 25 December 2023 and using grant date exchange rates, respectively. The awards will be subject to one-year vesting and three-year holding periods.

In 2023, JSC Bank of Georgia's executive management board members signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 16,248. The Group considers 1 January 2023 as the grant dates for the awards. The Group estimated the value of the shares was Georgian Lari 82.91 per share respectively, based on the five working day average share price before the 25 December 2022, respectively. The awards are subject to one-year vesting and four-year holding periods.

In 2023, JSC Bank of Georgia's other management members signed fixed contingent share-based compensation agreements, with fixed contract value of GEL 4,149. The Group considers 1 January 2023, 1 April 2023, 27 April 2023, 1 May 2023 and 1 June 2023 as the grant dates for the awards. The Group estimated the value of the shares were Georgian Lari 82.91, 78.44, 76.77, 76.61 and 79.99 per share respectively, based on the five working day average share price before the 25 December 2022, respectively. The awards are subject to one-year vesting and three-year holding periods.

JSC Bank of Georgia grants share compensation to its non-executive employees. In 2025, 2024 and 2023, the Supervisory Board of the Group resolved to award 128,906, 139,461 and 157,146 ordinary shares, respectively, to its certain non-executive employees. All these awards are subject to three-year vesting periods, with continuous employment being the only vesting condition for all awards. The Group considers 5 February 2025, 12 February 2024 and 9 February 2023 as the grant dates of these awards, respectively. The Group estimated that the fair values of the shares awarded on 5 February 2025, 12 February 2024 and 9 February 2023 were Georgian Lari 162.79, 128.47 and 87.65 per share, respectively.

30. Share-based payments continued

Summary

Fair value of the shares granted at the measurement date is determined based on available market quotations.

The weighted average fair value of share-based awards at the grant date amounted to Georgian Lari 165.15 per share in year ended 31 December 2025 (31 December 2024: Georgian Lari 128.71 per share, 31 December 2023: Georgian Lari 84.87).

The Group's total share-based payment expenses for the year ended 31 December 2025 amounted to GEL 176,868 (31 December 2024: GEL 66,820, 31 December 2023: GEL 72,055) and are included in 'salaries and other employee benefits', as 'salaries and bonuses'. Below is the summary of the share-based payments-related data:

	2025	2024	2023
Total number of equity instruments awarded	788,645	539,909	724,296
– Among them, to the Executive management board	*532,067*	*315,858*	*437,461*
Weighted average value at grant date, per share (GEL in full amount)	165.15	128.71	84.87
Value at grant date, total (GEL)	**130,242**	**69,493**	**61,469**
Total expense recognised during the year (GEL)	**(176,868)**	**(66,820)**	**(72,055)**

During 2025 Lion Finance Group PLC Directors exercised 183,287 (2024: 179,031, 2023: 242,707) shares with fair value of GEL 39,102 (2024: 29,374, 2023: 20,827). Weighted average share price was GEL 213.34 per share (2024: 164.07, 2023: 85.81).

31. Risk management

Introduction

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group faces various financial risks (including credit risk, capital and liquidity risks, and market risk), as well as non-financial risks. For a comprehensive discussion of the Group's principal and emerging risks, please refer to pages 111 to 122.

Risk management structure

The Group's risk management framework and risk appetite framework policies are based on the three lines of defence model and reflect the requirements of the corporate governance codes adopted by the NBG and the CBA. The three lines of defence model enhances the understanding of risk management and control by clarifying roles and responsibilities within the Group's different risk management bodies and business units in order to increase the effective management of risk and control.

Audit Committees

The Audit Committees assist the Supervisory Boards in relation to the oversight of the Group's respective principal operating subsidiaries' financial and reporting processes. They monitor the integrity of the financial statements and are responsible for governance around both the internal audit functions and external auditor, reporting back to the respective Boards. They review the effectiveness of the policies, procedures and systems in place related to, among others, operational risks, compliance, IT and internal security (including cyber-security), and work closely with the Risk Committees in connection with assessing the effectiveness of the risk management and internal control framework.

Risk Committees

The Risk Committees assist the Supervisory Boards in relation to the oversight of risk. They review the Group's principal operating subsidiaries' risk appetites in line with strategy, identify and monitor risk exposure and the risk management infrastructure, oversee the implementation of strategy to address risk, and in conjunction with the Audit Committees, assess the strength and effectiveness of the risk management and internal control frameworks within the entities.

Management Boards

Management Boards of the Group's principal operating subsidiaries have overall responsibility for the respective entity's asset, liability and risk management activities, and policies and procedures. In order to effectively implement the risk management system, the Management Boards delegate individual risk management functions to each of the various decision-making and execution bodies within the entities.

Credit Committees

The Group's principal operating subsidiaries have several Credit Committees, each responsible for supervising and managing the entity's credit risks in respect of loans and counterparty credit exposures. For detailed information on the Credit Committees within the Group's principal operating subsidiaries, please refer to page 112.

Asset and Liability Management Committees

Principal operating subsidiaries have Asset and Liability Management Committees ("ALCOs") that are responsible for establishing policies and guidelines with respect to capital adequacy, market risks, liquidity and funding risk, interest rate and prepayment risks and respective limits, money market general terms and credit exposure limits. The ALCOs review scenario analyses and stress tests, regularly monitor compliance with the pre-set risk limits, and approve treasury deals.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Internal Audit

The Group's principal operating subsidiaries have internal audit functions acting as the third line of defence and are responsible for providing independent and objective assurance on the effectiveness of internal control, risk management, and governance processes within the entities. They evaluate and improve the effectiveness of risk management procedures and control systems through systematic, disciplined reviews of key business processes and controls within the entity.

Internal audit functions within the Group's principal operating subsidiaries have a dual-reporting lines to both the local Supervisory Board Audit Committees as well as the Board of Directors' Audit Committee at the Group level.

Risk measurement and reporting systems

The Group's principal operating subsidiaries apply a variety of risk metrics to measure their exposures, ranging from operational indicators to forward looking/statistical model-based approaches and stress scenarios.

The Group's principal operating subsidiaries have established risk appetite limits for their principal risks, which are approved by their Supervisory Boards. Monitoring and controlling of these risks are performed with reference to these limits. Risk appetites stem from the Group's strategic objectives and market environments in which the subsidiaries operate and they set the boundaries for the level of risk the Group is willing to take. Market landscape is monitored continuously to ensure that any significant changes in the underlying assumptions and/or conditions are identified and adapted in a timely manner.

Information compiled from all the businesses within the Group's operating subsidiaries is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the respective Management Board, and the heads of each business division. The reports include aggregate credit exposures, liquidity ratios and changes to the risk profile. Risk appetite statements are reviewed and approved by the respective Supervisory Boards annually and performance against RAS is reported to the respective Risk Committees quarterly.

For all levels throughout the Group's principal operating subsidiaries, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, relevant and up-to-date information.

Risk mitigation

As part of their overall risk management, the Group's principal operating subsidiaries use derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies, equity risks, credit risks and exposures arising from expected future transactions. While these are intended for hedging, they do not qualify for hedge accounting.

The Group' principal operating subsidiaries actively use collateral to reduce credit risks (see below for more detail).

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or these counterparties represent related parties to each other, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations also involve combined, aggregate exposures of large and significant credits compared with the total outstanding balance of the respective financial instrument. Concentrations indicate the relative sensitivity of the Group's Principal Operating Subsidiaries' performance to developments affecting a particular industry, geographical location or financial solvency of parties with similar economic features.

In order to avoid excessive concentrations of risks, policies and procedures within the Group principal operating subsidiaries include specific guidelines to focus on, maintaining a diversified portfolio of financial assets. Identified concentrations of credit risks or liquidity/repayment risks are controlled and managed accordingly.

Credit risk

Credit risk is the risk that the Group will incur a loss because its customers fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical, industry, product and currency concentrations, and by monitoring exposures in relation to such limits.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.

The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action. The maximum credit exposure is limited to the carrying value of respective instruments and notional amounts of guarantees and commitments provided.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the Statement of Financial Position.

Credit-related commitment risks

The Group makes available to its customers guarantees and letters of credit which may require that the Group make payments on their behalf. Such payments are collected from customers based on the terms of the guarantee and letter of credit. They expose the Group to similar risks to loans and these are mitigated by the same control processes and policies.

Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group through internal and external credit ratings used in ECL calculations.

For corporate loan portfolios, the Group companies run internal rating models which incorporate both qualitative and quantitative information and, in addition to information specific to each borrower, utilising supplemental external information that could affect the borrower's behaviour. It is the Group's approach to maintain accurate and consistent risk ratings across the credit portfolio with its policies. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating systems are supported by a variety of financial analytics to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Group's rating policies. Attributable risk ratings are assessed and updated regularly.

JSC Bank of Georgia also uses external ratings provided by Credit Bureau for Retail, Micro and SME loans.

The Group's treasury, trading and inter-bank relationships and counterparties comprise financial services institutions, banks and broker-dealers. For these, where external ratings provided by rating agencies are available, the Risk functions within the Group's principal operating subsidiaries use such external ratings. For those where external ratings are not available internal ratings are assigned.

The table below shows internal and external grades used in ECL calculating.

			External rating grades		
Internal rating description*	**Internal rating grades**		**Credit Bureau**	**Standard & Poor's**	**Moody's**
High grade	Aaa	1	A	AAA	Aaa1-AA3
	Aa1	2+	B	AA+	Aa1
	Aa2	2	C1	AA	Aa2
	Aa3	2-	C2	AA-	Aa3
	A1	3+	C3	A+	A1
	A2	3		A	A2
	A3	3-		A-	A3
	Baa1	4+		BBB+	Baa1
	Baa2	4		BBB	Baa2
	Baa3	4-		BBB-	Baa3
Standard grade	Ba1	5+	D1	BB+	Ba1
	Ba2	5	D2	BB	Ba2
	Ba3	5-	D3	BB-	Ba3
	B1	6+		B+	B1
	B2	6		B	B2
Low grade	B3	6-	E1	B-	B3
	Caa1	7+	E2	CCC+	Caaa
	Caa2	7	E3	CCC	Ca
	Caa3	7-		CCC-	CCC+-
	Ca			CC	CCC
				C	CCC-

* Grades are not supposed to be linked to each other across the rating categories above.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

The table below shows the credit quality by class of asset in the Statement of Financial Position, presented in gross amounts, based on the Group's credit rating system.

A defaulted financial asset that is past due more than 90 days is assessed as a non-performing loan or as determined on individual basis based on other available information regarding financial difficulties of the borrower.

Other financial assets include receivables from remittance operations and other receivables.

Cash and cash equivalents, excluding cash on hand	Stage 1	Total
High grade	1,132,983	1,132,983
Standard grade	1,225,898	1,225,898
Low grade	15,026	15,026
Not rated	786,363	786,363
Balance at 31 December 2025	**3,160,270**	**3,160,270**

Amounts due from credit institutions	Stage 1	Total
High grade	24,718	24,718
Standard grade	3,123,104	3,123,104
Not rated	406,688	406,688
Balance at 31 December 2025	**3,554,510**	**3,554,510**

Investment securities measured at FVOCI – debt instruments	Stage 1	Total
High grade	2,141,570	2,141,570
Standard grade	4,294,500	4,294,500
Not rated	176,796	176,796
Balance at 31 December 2025	**6,612,866**	**6,612,866**

Investment securities measured at amortised cost – debt instruments	Stage 1	Total
High grade	1,926,755	1,926,755
Standard grade	154,462	154,462
Not rated	1,176,103	1,176,103
Balance at 31 December 2025	**3,257,320**	**3,257,320**

Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost – debt instruments	Stage 1	Total
Standard grade	134,720	134,720
Not rated	12,911	12,911
Balance at 31 December 2025	**147,631**	**147,631**

Commercial loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	7,328,743	140,860	–	–	7,469,603
Standard grade	4,967,196	198,837	–	438	5,166,471
Low grade	573,441	441,648	–	7	1,015,096
Not rated	552,215	29,687	–	–	581,902
Defaulted					
Non-performing	–	–	213,918	15,903	229,821
Balance at 31 December 2025	**13,421,595**	**811,032**	**213,918**	**16,348**	**14,462,893**

Residential mortgage loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	4,275,936	6,515	–	2,611	4,285,062
Standard grade	885,261	18,593	–	3,905	907,759
Low grade	135,052	110,722	–	6,435	252,209
Not rated	2,905,256	5,065	–	124	2,910,445
Defaulted					
Non-performing	–	–	109,672	18,343	128,015
Balance at 31 December 2025	**8,201,505**	**140,895**	**109,672**	**31,418**	**8,483,490**

Micro and SME loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	2,199,383	19,386	–	370	2,219,139
Standard grade	2,348,427	67,682	–	452	2,416,561
Low grade	474,363	105,341	–	290	579,994
Not rated	1,630,054	9,362	6	–	1,639,422
Defaulted					
Non-performing	–	–	243,988	53,498	297,486
Balance at 31 December 2025	**6,652,227**	**201,771**	**243,994**	**54,610**	**7,152,602**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Consumer loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	3,303,374	5,612	–	858	3,309,844
Standard grade	2,839,354	35,670	–	2,521	2,877,545
Low grade	619,403	319,565	–	6,023	944,991
Not rated	2,271,441	4,398	97	–	2,275,936
Defaulted					
Non-performing	–	–	206,858	20,461	227,319
Balance at 31 December 2025	**9,033,572**	**365,245**	**206,955**	**29,863**	**9,635,635**

Gold – pawn loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	120,993	171	–	–	121,164
Standard grade	66,253	515	–	–	66,768
Low grade	38,921	8,131	–	–	47,052
Not rated	680	61	1	–	742
Defaulted					
Non-performing	–	–	4,806	–	4,806
Balance at 31 December 2025	**226,847**	**8,878**	**4,807**	**–**	**240,532**

Finance lease receivables	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	11,813	–	–	2,473	14,286
Standard grade	102,725	–	–	1,764	104,489
Low grade	22,165	–	–	3,106	25,271
Not rated	286,455	2,835	–	37	289,327
Defaulted					
Non-performing	–	–	5,009	6,411	11,420
Balance at 31 December 2025	**423,158**	**2,835**	**5,009**	**13,791**	**444,793**

Factoring receivables	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	107,276	–	–	–	107,276
Standard grade	18,421	–	–	–	18,421
Low grade	35,579	–	–	–	35,579
Not rated	16,249	231	–	–	16,480
Balance at 31 December 2025	**177,525**	**231**	**–**	**–**	**177,756**

Accounts receivable	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	5,925	–	–	–	5,925
Not rated	10,841	–	–	–	10,841
Balance at 31 December 2025	**16,766**	**–**	**–**	**–**	**16,766**

Other financial assets	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	173,529	–	–	–	173,529
Not rated	143,383	4	22,729	–	166,116
Balance at 31 December 2025	**316,912**	**4**	**22,729**	**–**	**339,645**

Financial and performance guarantees issued	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	1,398,394	1,068	–	–	1,399,462
Standard grade	183,262	3,463	–	–	186,725
Low grade	72,753	65,288	–	–	138,041
Not rated	1,217,566	208	–	–	1,217,774
Other	–	–	3,638	–	3,638
Balance at 31 December 2025	**2,871,975**	**70,027**	**3,638**	**–**	**2,945,640**

Letters of credit	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	52,963	–	–	–	52,963
Standard grade	5,666	–	–	–	5,666
Low grade	50	–	–	–	50
Not rated	6,826	–	–	–	6,826
Balance at 31 December 2025	**65,505**	**–**	**–**	**–**	**65,505**

Undrawn loan facilities	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	909,254	1,102	–	–	910,356
Standard grade	138,828	20,345	–	–	159,173
Low grade	25,104	9,837	–	1	34,942
Not rated	789,516	116	–	–	789,632
Other	–	–	457	7	464
Balance at 31 December 2025	**1,862,702**	**31,400**	**457**	**8**	**1,894,567**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Cash and cash equivalents, excluding cash on hand	Stage 1	Total
High grade	1,267,348	1,267,348
Standard grade	701,956	701,956
Low grade	57,095	57,095
Not rated	366,424	366,424
Balance at 31 December 2024	**2,392,823**	**2,392,823**

Amounts due from credit institutions	Stage 1	Total
High grade	7,425	7,425
Standard grade	3,035,912	3,035,912
Not rated	236,789	236,789
Balance at 31 December 2024	**3,280,126**	**3,280,126**

Investment securities measured at FVOCI – debt instruments	Stage 1	Total
High grade	2,365,268	2,365,268
Standard grade	3,544,491	3,544,491
Not rated	84,094	84,094
Balance at 31 December 2024	**5,993,853**	**5,993,853**

Investment securities measured at amortised cost – debt instruments	Stage 1	Total
High grade	1,951,318	1,951,318
Standard grade	658,350	658,350
Not rated	138,386	138,386
Balance at 31 December 2024	**2,748,054**	**2,748,054**

Investment securities pledged under sale and repurchase agreements and securities lending measured at FVOCI – debt instruments	Stage 1	Total
High grade	138,945	138,945
Standard grade	47,725	47,725
Balance at 31 December 2024	**186,670**	**186,670**

Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost – debt instruments	Stage 1	Total
Standard grade	270,199	270,199
Balance at 31 December 2024	**270,199**	**270,199**

Commercial loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	6,273,922	42,973	–	389	6,317,284
Standard grade	3,933,578	65,195	–	425	3,999,198
Low grade	651,221	162,971	–	–	814,192
Not rated	771,904	6,932	–	–	778,836
Defaulted					
Non-performing	–	–	188,704	14,457	203,161
Balance at 31 December 2024	**11,630,625**	**278,071**	**188,704**	**15,271**	**12,112,671**

Residential mortgage loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	3,736,156	10,808	–	4,601	3,751,565
Standard grade	717,635	24,055	–	4,960	746,650
Low grade	97,729	101,558	–	6,958	206,245
Not rated	2,701,911	9,265	–	116	2,711,292
Defaulted					
Non-performing	–	–	60,847	21,029	81,876
Balance at 31 December 2024	**7,253,431**	**145,686**	**60,847**	**37,664**	**7,497,628**

Micro and SME loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	2,309,395	25,236	–	346	2,334,977
Standard grade	1,428,020	59,770	–	149	1,487,939
Low grade	252,065	80,133	–	345	332,543
Not rated	1,907,877	31,579	91	171	1,939,718
Defaulted					
Non-performing	–	–	190,230	62,575	252,805
Balance at 31 December 2024	**5,897,357**	**196,718**	**190,321**	**63,586**	**6,347,982**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Consumer loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	3,503,803	10,343	–	1,879	3,516,025
Standard grade	1,532,755	41,342	–	3,455	1,577,552
Low grade	370,633	199,161	–	6,755	576,549
Not rated	1,576,584	11,033	–	–	1,587,617
Defaulted					
Non-performing	–	–	114,877	15,869	130,746
Other	–	–	1	–	1
Balance at 31 December 2024	**6,983,775**	**261,879**	**114,878**	**27,958**	**7,388,490**

Gold – pawn loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	70,790	113	–	–	70,903
Standard grade	49,746	516	–	–	50,262
Low grade	21,442	5,001	–	–	26,443
Not rated	3,888	19	–	–	3,907
Defaulted					
Non-performing	–	–	2,727	–	2,727
Balance at 31 December 2024	**145,866**	**5,649**	**2,727**	**–**	**154,242**

Finance lease receivables	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	9,308	366	–	3,781	13,455
Standard grade	101,504	58	–	2,870	104,432
Low grade	3,815	16	–	3,894	7,725
Not rated	285,888	516	–	–	286,404
Defaulted					
Non-performing	–	–	9,300	6,559	15,859
Other	–	–	–	347	347
Balance at 31 December 2024	**400,515**	**956**	**9,300**	**17,451**	**428,222**

Factoring receivables	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	31,947	–	–	–	31,947
Standard grade	3,936	–	–	–	3,936
Not rated	34,461	82	–	–	34,543
Defaulted					
Non-performing	–	–	32	–	32
Balance at 31 December 2024	**70,344**	**82**	**32**	**–**	**70,458**

Accounts receivable	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	3,524	–	–	–	3,524
Standard grade	91	–	–	–	91
Not rated	11,272	–	–	–	11,272
Balance at 31 December 2024	**14,887**	**–**	**–**	**–**	**14,887**

Other financial assets	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	33,060	–	–	–	33,060
Not rated	195,982	–	–	–	195,982
Balance at 31 December 2024	**229,042**	**–**	**–**	**–**	**229,042**

Financial and performance guarantees issued	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	764,670	–	–	–	764,670
Standard grade	319,599	8,167	–	–	327,766
Low grade	37,929	28,374	–	–	66,303
Not rated	1,440,810	5,623	–	–	1,446,433
Other	–	–	254	–	254
Balance at 31 December 2024	**2,563,008**	**42,164**	**254**	**–**	**2,605,426**

Letters of credit	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	78,830	–	–	–	78,830
Standard grade	3,328	–	–	–	3,328
Not rated	1,613	–	–	–	1,613
Balance at 31 December 2024	**83,771**	**–**	**–**	**–**	**83,771**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Undrawn loan facilities	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	776,482	168	–	–	776,650
Standard grade	163,806	5,784	–	–	169,590
Low grade	3,877	3,474	–	1	7,352
Not rated	438,736	166	30	–	438,932
Defaulted					
Non-performing	–	–	14	–	14
Other	–	–	677	14	691
Balance at 31 December 2024	**1,382,901**	**9,592**	**721**	**15**	**1,393,229**

Cash and cash equivalents, excluding cash on hand	Stage 1	Total
High grade	1,097,876	1,097,876
Standard grade	654,907	654,907
Low grade	32,398	32,398
Not rated	293,061	293,061
Balance at 31 December 2023	**2,078,242**	**2,078,242**

Amounts due from credit institutions	Stage 1	Total
High grade	1,734,224	1,734,224
Not rated	19,327	19,327
Balance at 31 December 2023	**1,753,551**	**1,753,551**

Investment securities measured at FVOCI – debt instruments	Stage 1	Total
High grade	2,277,147	2,277,147
Standard grade	2,058,495	2,058,495
Not rated	88,518	88,518
Balance at 31 December 2023	**4,424,160**	**4,424,160**

Investment securities measured at amortised cost – debt instruments	Stage 1	Total
High grade	415,713	415,713
Standard grade	160,758	160,758
Not rated	114,648	114,648
Balance at 31 December 2023	**691,119**	**691,119**

Commercial loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	4,338,469	68,175	–	339	4,406,983
Standard grade	1,389,524	58,796	–	755	1,449,075
Low grade	132,265	372,006	–	–	504,271
Not rated	464,999	16,812	1	–	481,812
Defaulted					
Non-performing	–	–	101,364	22,481	123,845
Balance at 31 December 2023	**6,325,257**	**515,789**	**101,365**	**23,575**	**6,965,986**

Residential mortgage loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	3,346,499	11,608	–	4,209	3,362,316
Standard grade	714,568	45,712	–	3,689	763,969
Low grade	86,008	116,000	–	6,839	208,847
Not rated	153,263	732	–	131	154,126
Defaulted					
Non-performing	–	–	37,771	16,214	53,985
Other	–	–	13,175	1,107	14,282
Balance at 31 December 2023	**4,300,338**	**174,052**	**50,946**	**32,189**	**4,557,525**

Micro and SME loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	2,480,970	29,931	–	316	2,511,217
Standard grade	1,012,833	73,925	–	228	1,086,986
Low grade	75,930	76,380	–	242	152,552
Not rated	140,137	11,294	48	–	151,479
Defaulted					
Non-performing	–	–	167,506	2,364	169,870
Other	–	–	871	47	918
Balance at 31 December 2023	**3,709,870**	**191,530**	**168,425**	**3,197**	**4,073,022**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Consumer loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	2,693,767	7,996	–	2,406	2,704,169
Standard grade	1,179,793	50,968	–	3,069	1,233,830
Low grade	233,382	173,992	–	4,607	411,981
Not rated	218,817	1,273	90	–	220,180
Defaulted					
Non-performing	–	–	91,584	16,090	107,674
Other	–	–	19,795	2,340	22,135
Balance at 31 December 2023	**4,325,759**	**234,229**	**111,469**	**28,512**	**4,699,969**

Gold – pawn loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	65,002	48	–	–	65,050
Standard grade	40,495	733	–	–	41,228
Low grade	17,381	7,915	–	–	25,296
Not rated	14,538	–	273	–	14,811
Defaulted					
Non-performing	–	–	2,566	–	2,566
Other	–	–	1,277	–	1,277
Balance at 31 December 2023	**137,416**	**8,696**	**4,116**	**–**	**150,228**

Finance lease receivables	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	5,832	80	–	4,274	10,186
Standard grade	2,731	381	–	1,697	4,809
Low grade	475	1,261	–	2,161	3,897
Not rated	24,861	3,326	–	–	28,187
Defaulted					
Non-performing	–	–	12,063	10,392	22,455
Other	–	–	–	557	557
Balance at 31 December 2023	**33,899**	**5,048**	**12,063**	**19,081**	**70,091**

Factoring receivables	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	50,112	–	–	–	50,112
Standard grade	297	–	–	–	297
Low grade	1,222	–	–	–	1,222
Not rated	3,118	180	–	–	3,298
Defaulted					
Non-performing	–	–	98	–	98
Balance at 31 December 2023	**54,749**	**180**	**98**	**–**	**55,027**

Accounts receivable	Stage 1	Stage 2	Stage 3	POCI	Total
Not rated	52,696	–	–	–	52,696
Balance at 31 December 2023	**52,696**	**–**	**–**	**–**	**52,696**

Other financial assets	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	23,073	–	–	–	23,073
Not rated	154,765	–	–	–	154,765
Balance at 31 December 2023	**177,838**	**–**	**–**	**–**	**177,838**

Financial and performance guarantees issued	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	997,529	–	–	–	997,529
Standard grade	347,015	257	–	–	347,272
Low grade	264,715	161,350	–	–	426,065
Not rated	140,467	8	–	–	140,475
Defaulted					
Non-performing	–	–	1,915	–	1,915
Other	–	–	5,741	–	5,741
Balance at 31 December 2023	**1,749,726**	**161,615**	**7,656**	**–**	**1,918,997**

Letters of credit	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	69,260	–	–	–	69,260
Standard grade	7,546	–	–	–	7,546
Low grade	307	–	–	–	307
Not rated	432	–	–	–	432
Balance at 31 December 2023	**77,545**	**–**	**–**	**–**	**77,545**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Undrawn loan facilities	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	668,644	215	12	–	668,871
Standard grade	240,974	1,203	–	–	242,177
Low grade	23,791	6,757	–	1	30,549
Not rated	71,305	278	–	–	71,583
Defaulted					
Non-performing	–	–	1,764	7	1,771
Balance at 31 December 2023	**1,004,714**	**8,453**	**1,776**	**8**	**1,014,951**

Types of collateral the Group accepts include real estate, movable properties, financial assets (deposits, shares and guarantees) and other registered liens. Measurement and processing of collateral is governed by generally acceptable standards and collateral-specific instructions. These transactions are structured under legally verified standard agreements where the pledges are secured through public registry where eligible. The following table shows the ratio of the loan portfolio to the market value of collateral held by the Group in respect of the portfolio. As at 31 December 2025, up to 81.2% of the collateral held has been revalued within the last two years (2024: 81.9%, 2023: 80.1%).

	As at 31 December 2025									
			Loan-to-value %							
	Total gross carrying amount	Unsecured	Less than 50%	50-80%	80-90%	90-100%	100-200%	200-300%	300-400%	More than 400%
Commercial loans	14,462,893	2,284,019	3,307,299	2,848,623	810,070	603,107	2,584,944	731,010	217,579	1,076,242
ECL coverage	1.26%	0.56%	0.45%	1.10%	0.33%	1.60%	3.01%	1.04%	1.24%	2.06%
Residential mortgage loans	8,483,490	110,004	2,381,918	3,614,381	1,643,920	400,887	240,706	26,548	14,028	51,098
ECL coverage	0.29%	0.52%	-0.07%	0.11%	0.24%	2.20%	2.52%	7.00%	0.98%	1.55%
Micro and SME loans	7,152,602	320,516	2,215,802	2,569,198	614,950	443,225	795,804	65,419	39,610	88,078
ECL coverage	1.60%	5.65%	0.43%	0.94%	2.11%	2.53%	4.11%	3.02%	3.38%	2.77%
Consumer loans	9,635,635	5,360,913	1,762,702	1,768,133	407,157	218,163	91,025	10,877	3,769	12,896
ECL coverage	2.11%	3.43%	0.04%	0.33%	0.50%	1.59%	4.92%	17.76%	2.60%	8.63%
Gold – pawn loans	240,532	–	19,614	48,108	46,282	96,495	28,572	40	1,421	–
ECL coverage	0.50%	N/A	0.01%	0.00%	0.00%	0.04%	0.41%	67.50%	N/A	n/a
Loans to customers at amortised cost, gross	**39,975,152**	**8,075,452**	**9,687,335**	**10,848,443**	**3,522,379**	**1,761,877**	**3,741,051**	**833,894**	**276,407**	**1,228,314**

	As at 31 December 2024									
			Loan-to-value %							
	Total gross carrying amount	Unsecured	Less than 50%	50-80%	80-90%	90-100%	100-200%	200-300%	300-400%	More than 400%
Commercial loans	12,112,671	1,782,121	2,815,826	2,328,356	883,509	628,231	2,054,038	437,380	376,188	807,022
ECL coverage	1.30%	0.65%	0.52%	1.05%	0.48%	0.35%	3.47%	1.06%	1.54%	2.34%
Residential mortgage loans	7,497,628	120,289	2,097,089	3,340,173	1,135,344	511,073	226,744	15,082	8,287	43,547
ECL coverage	0.20%	0.85%	0.03%	0.14%	0.21%	0.32%	1.72%	1.51%	0.39%	0.26%
Micro and SME loans	6,347,982	269,388	2,054,887	2,221,069	613,817	394,142	690,978	37,233	15,191	51,277
ECL coverage	1.56%	4.65%	0.41%	0.99%	1.27%	2.71%	4.98%	4.78%	5.18%	1.54%
Consumer loans	7,388,490	3,767,633	1,494,713	1,610,804	258,056	186,421	59,485	4,769	2,491	4,118
ECL coverage	2.14%	3.75%	0.14%	0.45%	0.80%	0.69%	5.25%	4.30%	11.08%	3.74%
Gold – pawn loans	154,242	–	14,273	56,400	27,234	39,053	16,041	13	1,228	–
ECL coverage	0.66%	N/A	0.01%	0.02%	0.01%	0.06%	0.27%	69.23%	N/A	n/a
Loans to customers at amortised cost, gross	**33,501,013**	**5,939,431**	**8,476,788**	**9,556,802**	**2,917,960**	**1,758,920**	**3,047,286**	**494,477**	**403,385**	**905,964**

31. Risk management continued

	As at 31 December 2023									
			Loan-to-value %							
	Total gross carrying amount	Unsecured	Less than 50%	50-80%	80-90%	90-100%	100-200%	200-300%	300-400%	More than 400%
Commercial loans	6,965,986	785,473	1,235,492	1,618,714	297,635	370,658	1,454,192	531,632	133,244	538,946
ECL coverage	1.44%	0.66%	0.55%	0.42%	0.21%	2.63%	2.11%	4.45%	2.41%	2.54%
Residential mortgage loans	4,557,525	105,607	1,097,126	1,997,629	613,407	533,097	175,455	9,783	5,224	20,197
ECL coverage	0.50%	2.22%	0.00%	0.24%	0.73%	0.78%	3.56%	1.23%	2.28%	2.09%
Micro and SME loans	4,073,022	241,068	885,575	1,131,643	358,909	314,671	981,784	82,058	26,254	51,060
ECL coverage	1.76%	6.03%	0.01%	0.57%	0.79%	1.23%	3.85%	3.02%	4.57%	4.75%
Consumer loans	4,699,969	2,266,702	815,573	919,577	330,004	257,059	87,651	8,396	4,722	10,285
ECL coverage	2.80%	5.16%	0.01%	0.38%	0.83%	1.10%	5.61%	3.85%	4.36%	1.62%
Gold – pawn loans	150,228	–	4,362	49,324	93,706	1,083	790	941	–	22
ECL coverage	0.93%	N/A	0.02%	0.06%	0.24%	16.25%	27.72%	76.09%	N/A	81.82%
Loans to customers at amortised cost, gross	**20,446,730**	**3,398,850**	**4,038,128**	**5,716,887**	**1,693,661**	**1,476,568**	**2,699,872**	**632,810**	**169,444**	**620,510**

Carrying amount per class of financial assets whose terms have been renegotiated

During the year, the Group modified the contractual cash flows on certain loans and advances to customers. All such loans had previously been transferred to at least Stage 2, with a loss allowance measured at an amount equal to lifetime ECLs.

The following table provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime ECL:

Financial assets modified during 2025:	Amortised cost before modification	Net gain/(loss) arising from modification
Commercial loans	659,813	(1,960)
Residential mortgage loans	66,141	(39)
Micro and SME loans	334,760	(632)
Consumer loans	502,207	(5,347)
Loans to customers	**1,562,921**	**(7,978)**
Total loans to customers, factoring and finance lease receivables	**1,562,921**	**(7,978)**

Financial assets modified during 2024:	Amortised cost before modification	Net gain/(loss) arising from modification
Commercial loans	595,934	(1,292)
Residential mortgage loans	52,254	980
Micro and SME loans	228,178	(1,511)
Consumer loans	330,820	(4,880)
Loans to customers	**1,207,186**	**(6,703)**
Total loans to customers, factoring and finance lease receivables	**1,207,186**	**(6,703)**

Financial assets modified during 2023:	Amortised cost before modification	Net gain/(loss) arising from modification
Commercial loans	710,073	599
Residential mortgage loans	44,848	(131)
Micro and SME loans	168,593	(2,362)
Consumer loans	287,667	(12,791)
Loans to customers	**1,211,181**	**(14,685)**
Finance lease receivables	839	138
Total loans to customers, factoring and finance lease receivables	**1,212,020**	**(14,547)**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

The gross carrying value of loans that have previously been modified (when they were in Stage 2 or 3) which are now categorised as Stage 1, with loss allowance measured at an amount equal to 12 months expected losses, are shown in the table below:

Financial assets modified since initial recognition, as at 31 December 2025	Gross carrying amount	Corresponding ECL
Commercial loans	39,015	(221)
Residential mortgage loans	58,324	(30)
Micro and SME loans	29,188	(144)
Consumer loans	11,368	(153)
Loans to customers	**137,895**	**(548)**
Total loans to customers, factoring and finance lease receivables	**137,895**	**(548)**

Financial assets modified since initial recognition, as at 31 December 2024	Gross carrying amount	Corresponding ECL
Commercial loans	49,381	(369)
Residential mortgage loans	53,534	(19)
Micro and SME loans	35,161	(169)
Consumer loans	10,132	(109)
Loans to customers	**148,208**	**(666)**
Total loans to customers, factoring and finance lease receivables	**148,208**	**(666)**

Financial assets modified since initial recognition, as at 31 December 2023	Gross carrying amount	Corresponding ECL
Commercial loans	96,127	(255)
Residential mortgage loans	63,193	(51)
Micro and SME loans	39,912	(98)
Consumer loans	14,217	(49)
Loans to customers	**213,449**	**(453)**
Total loans to customers, factoring and finance lease receivables	**213,449**	**(453)**

The geographical concentration of the Group's assets and liabilities is set out below:

	2025				
	Georgia	Armenia	OECD	Other foreign countries	Total
Assets:					
Cash and cash equivalents	1,836,773	618,393	1,155,797	961,083	4,572,046
Amounts due from credit institutions	2,140,187	1,363,950	24,716	23,404	3,552,257
Investment securities	4,253,191	1,247,783	4,139,149	407,114	10,047,237
Investment securities pledged under sale and repurchase agreements and securities lending	–	147,416	–	–	147,416
Loans to customers, factoring and finance lease receivables	27,283,931	11,701,861	27,658	1,052,214	40,065,664
Accounts receivables and other loans	10,635	–	–	835	11,470
All other assets	1,678,640	475,225	206,854	113,047	2,473,766
	37,203,357	**15,554,628**	**5,554,174**	**2,557,697**	**60,869,856**
Liabilities:					
Client deposits and notes	21,887,677	8,469,270	1,814,182	6,458,845	38,629,974
Amounts owed to credit institutions	2,935,010	231,574	5,499,274	833,248	9,499,106
Debt securities issued	1,609,484	1,002,851	275,237	112,299	2,999,871
Lease liability	227,900	103,861	–	16,353	348,114
All other liabilities	512,548	290,843	139,877	27,280	970,548
	27,172,619	**10,098,399**	**7,728,570**	**7,448,025**	**52,447,613**
Net balance sheet position	**10,030,738**	**5,456,229**	**(2,174,396)**	**(4,890,328)**	**8,422,243**

31. Risk management continued

	2024					2023			
	Georgia	Armenia	OECD	Other foreign countries	Total	Georgia	OECD	Other foreign countries	Total
Assets:									
Cash and cash equivalents	1,026,987	874,811	1,221,114	630,271	3,753,183	1,523,046	975,099	603,679	3,101,824
Amounts due from credit institutions	2,424,248	813,763	7,423	33,031	3,278,465	1,733,898	–	18,759	1,752,657
Investment securities	3,675,246	832,241	3,835,143	626,091	8,968,721	2,368,874	2,332,754	428,129	5,129,757
Investment securities pledged under sale and repurchase agreements and securities lending	–	344,721	138,945	–	483,666	–	–	–	–
Loans to customers, factoring and finance lease receivables	23,534,771	9,194,547	25,638	803,918	33,558,874	19,532,803	–	699,918	20,232,721
Accounts receivables and other loans	7,643	–	–	1,168	8,811	–	–	–	–
All other assets	1,520,692	426,332	135,249	73,895	2,156,168	1,314,511	150,031	76,057	1,540,599
	32,189,587	**12,486,415**	**5,363,512**	**2,168,374**	**52,207,888**	**26,473,132**	**3,457,884**	**1,826,542**	**31,757,558**
Liabilities:									
Client deposits and notes	19,073,711	6,858,108	1,505,925	5,764,266	33,202,010	14,880,493	1,138,532	4,503,714	20,522,739
Amounts owed to credit institutions	2,987,091	363,586	4,454,019	875,537	8,680,233	2,369,365	2,257,129	529,515	5,156,009
Debt securities issued	979,869	843,281	317,500	114,366	2,255,016	273,923	147,436	–	421,359
Lease liability	168,948	90,949	–	14,538	274,435	128,725	–	13,209	141,934
All other liabilities	278,063	354,351	37,749	110,804	780,967	396,104	87,254	12,323	495,681
	23,487,682	**8,510,275**	**6,315,193**	**6,879,511**	**45,192,661**	**18,048,610**	**3,630,351**	**5,058,761**	**26,737,722**
Net balance sheet position	**8,701,905**	**3,976,140**	**(951,681)**	**(4,711,137)**	**7,015,227**	**8,424,522**	**(172,467)**	**(3,232,219)**	**5,019,836**

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's Statement of Financial Position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Statement of Financial Position.

The similar agreements include derivative agreements, global master repurchase agreements and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the table below unless they are offset in the Statement of Financial Position.

The Group receives and accepts collateral in the form of marketable securities in respect of sale and repurchase, and reverse sale and repurchase agreements. Such collateral is subject to the standard industry terms. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but must be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions upon the counterparty's failure to post collateral. The above arrangements do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2025 and 31 December 2024:

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

	At 31 December 2025					
	Amounts subject to enforceable netting arrangements					
				Collateral received/pledged		
Types of financial assets/liabilities	Gross amounts of recognised financial asset/ liability	Amounts offset	Net amount of financial assets/liabilities presented in the Statement of Financial Position	Financial instruments, including non-cash collateral*	Cash collateral	Financial assets/ liabilities after consideration of netting potential
Receivables from REPO operations	394,325	–	394,325	(394,325)	–	–
Derivative financial assets	8,438	–	8,438	(36)	–	8,402
Total financial assets	**402,763**	**–**	**402,763**	**(394,361)**	**–**	**8,402**
Payables under REPO Operations	165,172	–	165,172	(147,416)	–	17,756
Derivative financial liabilities	10,692	–	10,692	(10,692)	–	–
Total financial liabilities	**175,864**	**–**	**175,864**	**(158,108)**	**–**	**17,756**

	At 31 December 2024					
	Amounts subject to enforceable netting arrangements					
				Collateral received/pledged		
Types of financial assets/liabilities	Gross amounts of recognised financial asset/ liability	Amounts offset	Net amount of financial assets/liabilities presented in the Statement of Financial Position	Financial instruments, including non-cash collateral*	Cash collateral	Financial assets/ liabilities after consideration of netting potential
Receivables from REPO operations	217,146	–	217,146	(217,146)	–	–
Derivative financial assets	25,000	–	25,000	(422)	–	24,578
Total financial assets	**242,146**	**–**	**242,146**	**(217,568)**	**–**	**24,578**
Payables under REPO Operations	319,212	–	319,212	(319,212)	–	–
Derivative financial liabilities	9,083	–	9,083	(9,083)	–	–
Total financial liabilities	**328,295**	**–**	**328,295**	**(328,295)**	**–**	**–**

* The collateral amounts are limited to net balance sheet exposure so as to not include overcollateralisation

Liquidity risk and funding management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Group also has committed lines of credit that it can access to meet liquidity needs. In addition, the Group maintains a cash deposit (obligatory reserve) with the NBG and CBA, the amount of which depends on the level of customer funds attracted.

The liquidity position is assessed and managed by the Group primarily on a standalone JSC Bank of Georgia and CJSC Ameriabank basis, based on certain liquidity ratios established by the NBG and the CBA, respectively. The banks in Georgia and Armenia, absent a stress-period, are required to maintain a liquidity coverage ratio no lower than 100%. The liquidity coverage ratio of JSC Bank of Georgia and CJSC Ameriabank as at 31 December 2025 was 147.7% and 249.9% (2024: 138.6% and 195.7%, 2023: JSC Bank of Georgia 125.2%).

JSC Bank of Georgia and CJSC Ameriabank hold a comfortable buffer on top of Net Stable Funding Ratio (NSFR) requirement of 100%. A solid buffer over NSFR provides stable funding sources over a longer time span. This approach is designed to ensure that the funding framework is sufficiently flexible to secure liquidity under a wide range of market conditions. NSFR of JSC Bank of Georgia and CJSC Ameriabank as at 31 December 2025 was 134.1% and 127.3%, (2024:130.7% and 128.8%, 2023: JSC Bank of Georgia 130.4%), all comfortably above the NBG's and the CBA's minimum regulatory requirements.

The Group also matches the maturity of financial assets and financial liabilities and regularly monitors negative gaps compared with JSC Bank of Georgia's and CJSC Ameriabank's standalone total regulatory capital calculated per the NBG and the CBA regulations.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations, expect for other liabilities, which are presented at carrying amounts due to the short-term nature of these liabilities. Repayments that are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay, and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

Financial liabilities As at 31 December 2025	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Client deposits and notes	16,829,293	18,670,972	4,208,921	186,153	39,895,339
Amounts owed to credit institutions	4,137,293	1,966,997	4,486,743	1,375,366	11,966,399
Debt securities issued	30,800	793,358	2,508,085	266,334	3,598,577
Lease liability	18,448	54,240	212,384	186,299	471,411
Net settled derivative financial liabilities	1,371	108	–	–	1,479
Gross settled derivative financial liabilities	2,359	378	2,590	–	5,327
– Inflow	(624,702)	(18,344)	(28,867)	–	(671,913)
– Outflow	627,061	18,722	31,457	–	677,240
Other liabilities	538,922	4,470	6,468	124	549,984
Total undiscounted financial liabilities	**21,558,256**	**21,490,523**	**11,425,191**	**2,014,276**	**56,488,516**

Financial liabilities As at 31 December 2024	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Client deposits and notes	15,042,587	15,869,646	3,143,839	79,730	34,135,802
Amounts owed to credit institutions	4,364,016	1,128,148	3,411,160	719,638	9,622,962
Debt securities issued	143,273	489,974	1,958,194	186,547	2,777,988
Lease liability	15,550	46,089	171,473	118,769	351,881
Net settled derivative financial liabilities	3,299	–	–	–	3,299
Gross settled derivative financial liabilities	2,320	2,100	1,364	–	5,784
– Inflow	(594,702)	(69,205)	(16,856)	–	(680,763)
– Outflow	597,022	71,305	18,220	–	686,547
Other liabilities	338,527	4,802	1,281	109	344,719
Total undiscounted financial liabilities	**19,909,572**	**17,540,759**	**8,687,311**	**1,104,793**	**47,242,435**

Financial liabilities As at 31 December 2023	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Client deposits and notes	8,491,287	10,559,684	1,963,380	73,382	21,087,733
Amounts owed to credit institutions	2,777,202	569,441	1,773,329	836,493	5,956,465
Debt securities issued	406	204,747	452,747	83,158	741,058
Lease liability	9,077	27,435	100,420	26,499	163,431
Gross settled derivative financial liabilities	12,300	12,618	861	–	25,779
– Inflow	(1,049,223)	(690,666)	(11,679)	–	(1,751,568)
– Outflow	1,061,523	703,284	12,540	–	1,777,347
Other liabilities	139,434	730	1,192	133	141,489
Total undiscounted financial liabilities	**11,429,706**	**11,374,655**	**4,291,929**	**1,019,665**	**28,115,955**

The table below shows the contractual expiry by maturity of the Group's financial commitments and contingencies which can contractually be called within three months.

	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
31 December 2025	2,147,745	1,375,510	1,218,360	168,814	4,910,429
31 December 2024	1,704,714	1,223,799	1,125,875	43,270	4,097,658
31 December 2023	1,349,928	634,601	1,006,963	27,560	3,019,052

The Group expects that not all guarantees or commitments will be drawn before expiry of the commitment.

The maturity analysis does not reflect the historical stability of current accounts. Their liquidation has historically taken place over a longer period than indicated in the tables above. These balances are included in amounts due in less than three months in the tables above.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchanges and equity prices. The Group classifies exposures to market risk into either trading or non-trading portfolios. Trading and non-trading positions are managed and monitored using sensitivity analyses.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's Consolidated Income Statement.

The sensitivity of the Consolidated Income Statement is the effect of the assumed changes in interest rates on the net interest income for the year, based on the floating rate non-trading financial assets and financial liabilities held at 31 December 2025. Changes in basis points are calculated as standard deviations of daily changes in floating rates over the last month multiplied by respective floating rates. During the years ended 31 December 2025, 2024 and 2023, sensitivity analysis did not reveal any significant potential effect on the Group's equity.

Currency	Increase in basis points 2025	Sensitivity of net interest income 2025	Sensitivity of other comprehensive income 2025
GEL	3	967	30
EUR	11	(51)	(744)
USD	13	1,985	459

Currency	Decrease in basis points 2025	Sensitivity of net interest income 2025	Sensitivity of other comprehensive income 2025
GEL	3	(967)	(30)
EUR	11	51	744
USD	13	(1,985)	(459)

Currency	Increase in basis points 2024	Sensitivity of net interest income 2024	Sensitivity of other comprehensive income 2024
GEL	21	5,116	3,933
EUR	10	218	–
USD	11	449	2,565

Currency	Decrease in basis points 2024	Sensitivity of net interest income 2024	Sensitivity of other comprehensive income 2024
GEL	21	(5,116)	(3,933)
EUR	10	(218)	–
USD	11	(449)	(2,565)

Currency	Increase in basis points 2023	Sensitivity of net interest income 2023	Sensitivity of other comprehensive income 2023
GEL	22	6,541	2,289
EUR	8	707	2
USD	12	813	101

Currency	Decrease in basis points 2023	Sensitivity of net interest income 2023	Sensitivity of other comprehensive income 2023
GEL	22	(6,541)	(2,289)
EUR	8	(707)	(2)
USD	12	(813)	(101)

31. Risk management continued

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Management Board has set limits on positions by currency based on the NBG regulations. Positions are monitored daily.

The tables below indicate the currencies to which the Group had significant exposure at 31 December 2025 on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Georgian Lari and Armenian Dram, with all other variables held constant on the Income Statement. The reasonably possible movement of the currency rate against the Georgian Lari and Armenian Dram are calculated as a standard deviation of daily changes in exchange rates over the 12 months. A negative amount in the table reflects a potential net reduction in Income Statement or equity, while a positive amount reflects a potential net increase. During the years ended 31 December 2025, 31 December 2024 and 31 December 2023, sensitivity analysis did not reveal any significant potential effect on the Group's equity.

	2025		2024		2023	
Currency	Change in currency rate in %	Effect on profit before tax	Change in currency rate in %	Effect on profit before tax	Change in currency rate in %	Effect on profit before tax
EUR	9.2%	(3,909)	8.7%	(2,213)	8.8%	(323)
USD	3.4%	(4,684)	6.8%	(6,410)	4.9%	14,415

	CJSC Ameriabank			
	2025		2024	
Currency	Change in currency rate in %	Effect on profit before tax	Change in currency rate in %	Effect on profit before tax
EUR	8.5%	1,585	6.2%	2,335
USD	1.5%	(401)	2.8%	4,206
GBP	7.9%	(1,280)	6.7%	(5,267)

Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected, such as fixed rate mortgages when interest rates fall, or other credit facilities, for similar reasons.

The Group calculates the effect of early repayments by calculating the weighted average rates of early repayments across each loan product individually, applying these historical rates to the outstanding carrying amounts of respective products as at the reporting date and multiplying by the weighted average effective annual interest rates for each product. The model does not make a distinction between different reasons for repayment (e.g. relocation, refinancing or renegotiation) and takes into account the effect of any prepayment penalties on the Group's income.

The estimated effect of prepayment risk on net interest income of the Group for the years ended 31 December 2025, 31 December 2024 and 31 December 2023, is as follows:

	Effect on net interest income
2025	(392,334)
2024	(221,242)
2023	(71,177)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls are ineffective, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of Internal Audit.

Operating environment

The Group's principal subsidiaries operate in Georgia and Armenia. Both countries, as developing economies, lack the well-established business and regulatory infrastructure typically found in more mature markets. Consequently, operations in these regions involve risks not generally encountered in developed economies. These include the limited convertibility of the Georgian Lari and Armenian Dram and underdeveloped debt and equity markets. Moreover, as Georgia and Armenia are small open economies, they are significantly exposed to global and regional disruptions. Political uncertainty, such as the one following Georgia's October 2024 parliamentary elections, could impact consumer and business sentiment, potentially leading to weaker economic growth and GEL depreciation. Armenia also faces several country-specific challenges, including geopolitical frictions related to the U.S-mediated Armenia-Azerbaijan peace framework, and domestic political tension ahead of the June 2026 elections, which further complicate the operating environment.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

31. Risk management continued

Despite these risks, both Georgia and Armenia have improved their investment climates over the past decade. Key reforms in banking, judicial, taxation and regulatory systems, including updated tax codes and procedural laws, have contributed to a more favourable business environment. The Board views these reforms as reducing the risks of operating in these countries. Furthermore, both countries have demonstrated sound macroeconomic management, with prudent monetary policies and fiscal discipline in place to mitigate potential adverse effects.

The trend of improving business conditions is expected to continue, with the future stability of the economies relying on effective government policies and reforms, alongside regional and global developments.

Emerging risks

The Group continues to monitor and assess emerging risks, with climate risk remaining a key focus since its identification in 2020. Recognising the evolving and complex nature of climate-related risks, the Group enhanced its assessment approach in 2024, transitioning from qualitative to quantitative analysis, with a particular emphasis on credit risk. This year's focus was on understanding inherent risks from both physical and transition factors and evaluating potential financial impacts across the Group's portfolio. For the remaining prudential risk categories – liquidity, capital, market, operational, and reputational – JSC Bank of Georgia conducted qualitative analyses to explore how climate change could drive risks under different scenarios. This approach will serve as a reference framework for CJSC Ameriabank as it advances its own climate risk assessment processes.

The Group's materiality analysis on credit risk, completed as of 31 December 2025, assessed exposures to physical and transition risks over a medium-term horizon (2040), aligned with loan maturities. For JSC Bank of Georgia, the findings highlighted drought as the most significant physical risk under the SSP5-8.5 scenario, particularly impacting agriculture clients. Heatwaves and floods also emerged as notable risks, though with less severity. On the transition risk side, considering scenario probability weightings, the Delayed Transition scenario revealed the highest exposures, primarily concentrated in the manufacturing and transportation and storage sectors, driven by potential direct and indirect emission costs. High-emitting sectors are particularly vulnerable under this scenario due to abrupt policy shifts that could lead to substantial increases in carbon costs.

CJSC Ameriabank's portfolio is predominantly exposed to drought risk, with the highest level of exposure observed under the SSP2-4.5 scenario. This exposure is primarily concentrated in the agriculture sector, reflecting its sensitivity to changing precipitation patterns and water availability. Secondary physical risk exposures include heatwaves and floods, though to a lesser extent compared to drought.

With respect to transition risks, the most significant exposures arise under the Delayed Transition scenario, particularly in relation to investments (I) and indirect emissions (IDE). Exposure levels are moderate under the Net Zero scenario and remain limited under the Current Policy scenario, reflecting a comparatively lower sensitivity to transition-related policy and market shifts in the absence of accelerated decarbonisation measures.

To better understand how these risks may evolve, the Group conducted scenario analyses focusing on SSP5-8.5 and Delayed Transition pathways for JSC Bank of Georgia and SSP2-4.5 and Delayed Transition pathways for CJSC Ameriabank. Physical risks under SSP5-8.5 and SSP2-4.5 were assessed for both short-term (2030) and long-term (2050) horizons, revealing a significant escalation over time, primarily due to increasing drought and heatwave events. Transition risks under the Delayed Transition scenario are expected to rise sharply over the long term, while short-term impacts remain limited.

While climate change is not currently considered a material factor in the credit assessment of individual clients, the Group plans to expand climate data collection, particularly for high-carbon-intensive sectors. This includes gathering information on GHG emissions, decarbonisation plans, and asset-level location data to enhance future risk analysis.

Retail client exposure to climate-related risks was not included in this year's materiality analysis. Assessments for this segment are planned for future analysis to better understand potential exposures to both physical and transition risks.

As of 31 December 2025, management does not consider climate-related risks to have a material impact on the Group's critical judgements and estimates in the short to medium term. Consequently, no adjustments have been made to provisions related to climate risk. The Group will continue its analysis through ongoing climate stress testing to further refine risk assessments and evaluate future adjustments as necessary.

The Group has disclosed climate-related risks in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, detailed on page 68.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

32. Fair value measurements

Fair value hierarchy

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability. The following tables show analysis of assets and liabilities measured at fair value or for which fair values are disclosed by level of the fair value hierarchy:

At 31 December 2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Total investment properties	–	–	107,573	107,573
Land	–	–	2,901	2,901
Residential properties	–	–	77,412	77,412
Non-residential properties	–	–	27,260	27,260
Investment securities measured at FVOCI and FVTPL	2,086,103	4,666,192	40,593	6,792,888
Investment securities pledged under sale and repurchase agreements and securities lending measured at FVOCI and FVTPL	–	–	–	–
Other assets – derivative financial assets	–	8,438	–	8,438
Assets for which fair values are disclosed				
Investment securities measured at amortised cost – debt instruments	654,601	2,682,281	–	3,336,882
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost – debt instruments	139,661	13,379	–	153,040
Loans to customers, factoring and finance lease receivables at amortised cost	–	61,585	39,379,468	39,441,053
Accounts receivables and other loans	–	9,197	2,273	11,470
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	–	10,692	–	10,692
Liabilities for which fair values are disclosed				
Client deposits and notes	–	28,951,638	9,753,900	38,705,538
Amounts owed to credit institutions	–	5,385,695	4,142,420	9,528,115
Debt securities issued	–	2,494,176	547,662	3,041,838

At 31 December 2024	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Total investment properties	–	–	134,338	134,338
Land	–	–	13,204	13,204
Residential properties	–	–	86,388	86,388
Non-residential properties	–	–	34,746	34,746
Investment securities measured at FVOCI and FVTPL	1,742,883	4,446,192	33,254	6,222,329
Investment securities pledged under sale and repurchase agreements and securities lending measured at FVOCI and FVTPL	–	213,875	–	213,875
Other assets – derivative financial assets	–	25,000	–	25,000
Assets for which fair values are disclosed				
Investment securities measured at amortised cost – debt instruments	251,470	2,518,426	–	2,769,896
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost – debt instruments	–	267,327	–	267,327
Loans to customers, factoring and finance lease receivables at amortised cost	–	34,268	32,597,338	32,631,606
Accounts receivables and other loans	–	5,355	3,456	8,811
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	–	9,083	–	9,083
Liabilities for which fair values are disclosed				
Client deposits and notes	–	25,238,507	7,988,086	33,226,593
Amounts owed to credit institutions	–	5,513,290	3,139,345	8,652,635
Debt securities issued	–	1,855,757	372,793	2,228,550

At 31 December 2023	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Total investment properties	–	–	124,068	124,068
Land	–	–	4,844	4,844
Residential properties	–	–	87,758	87,758
Non-residential properties	–	–	31,466	31,466
Investment securities measured at FVOCI and FVTPL	7,726	4,424,206	7,519	4,439,451
Other assets – derivative financial assets	–	10,942	–	10,942
Assets for which fair values are disclosed				
Investment securities measured at amortised cost – debt instruments	–	692,781	–	692,781
Loans to customers, factoring and finance lease receivables at amortised cost	–	–	19,476,015	19,476,015
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	–	25,779	–	25,779
Liabilities for which fair values are disclosed				
Client deposits and notes	–	20,469,692	72,620	20,542,312
Amounts owed to credit institutions	–	3,735,221	1,416,771	5,151,992
Debt securities issued	–	270,524	148,134	418,658

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

32. Fair value measurements continued

The description of the valuation technique and the description of inputs used in the fair value measurement for level 2 measurements:

	Fair value at 31 December				
Assets carried at fair value	**2025**	**2024**	**2023**	**Valuation technique**	**Inputs used**
Investment securities – debt instruments	4,666,192	4,446,192	4,424,206	Discounted cash flows ('DCF')	Government bonds yield curve, Tbilisi interbank interest rate ('TIBR Index')
Investment securities pledged under sale and repurchase agreements and securities lending – debt instruments	–	213,875	–	Discounted cash flows ('DCF')	Government bonds yield curve, Tbilisi interbank interest rate ('TIBR Index')
Derivative financial assets	8,438	25,000	10,942	Forward pricing and swap models, using present value calculations and standard option pricing models	Credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities
Total assets recurring fair value measurements at Level 2	4,674,630	4,685,067	4,435,148		
Liabilities carried at fair value					
Derivative financial liabilities	10,692	9,083	25,779	Forward pricing and swap models, using present value calculations and standard option pricing models	Credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities
Total liabilities recurring fair value measurements at Level 2	**10,692**	**9,083**	**25,779**		

The description of the valuation technique and the description of inputs used in the fair value measurement for Level 3 measurements:

	Fair value at 31 December					
Assets carried at fair value	**2025**	**2024**	**2023**	**Valuation technique**	**Inputs used**	**Unobservable inputs**
Investment securities – equity instruments	40,593	33,254	7,519	Discounted cash flows ('DCF')	Cash flow; Discount rate	Cash flow; Discount rate
Total assets recurring fair value measurements at Level 3	**40,593**	**33,254**	**7,519**			

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Derivative financial instruments

Derivative financial instruments valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps, forward foreign exchange contracts and option contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations, as well as standard option pricing models. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities.

Investment securities

Investment securities consist of equity and debt securities and are valued using a valuation technique or pricing models. These securities are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. For quoted investments, respective quoted prices from Bloomberg or other relevant sources are used, when for unquoted investments fair value is calculated based on future cash flow expected discounted at current rate for new instruments with similar credit risk, remaining maturity and other characteristics.

Assets and liabilities not measured at fair value but for which fair value is disclosed

The fair values in the Level 2 and Level 3 of the fair value hierarchy are estimated using the discounted cash flows valuation technique. Current interest rates for new instruments with similar credit risk, currency and remaining maturity is used as discount rate in the valuation model.

Transfer to Level 1

There were no transfers from Level 2 to Level 1.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

32. Fair value measurements continued

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value:

	At 31 December 2022	Purchase of securities	At 31 December 2023	Business combination	Revaluation	Purchase of securities	At 31 December 2024	Revaluation recognised in other comprehensive income	Revaluation recognised in the Income Statement	Revaluation recognised in the Income Statement	At 31 December 2025
Level 3 financial assets											
Equity investment securities	5,547	1,972	7,519	3,528	6,909	15,298	33,254	6,094	856	389	40,593

Movements in Level 3 non-financial assets measured at fair value

All investment properties are Level 3. Reconciliations of their opening and closing amounts are provided in Note 15.

Impact on fair value of Level 3 financial instruments measured at fair value of changes to key assumptions

The following table shows the impact on the fair value of Level 3 instruments of using reasonably possible alternative assumptions:

	2025		2024		2023	
	Carrying amount	Effect of reasonably possible	Carrying amount	Effect of reasonably possible	Carrying amount	Effect of reasonably possible
Level 3 financial assets						
Equity investment securities	40,593	+/- 6046	33,254	+/- 4953	7,519	+/- 1120

In order to determine reasonably possible alternative assumptions, the Group's adjusted key unobservable model inputs are as follows:

For equities, the Group adjusted the price-over-book-value multiple by increasing and decreasing the ratio by 10%, which is considered by the Group to be within a range of reasonably possible alternatives based on the price-over-book-value multiples used across peers within the same geographic area of the same industry.

Description of significant unobservable inputs to valuations of non-financial assets

The following tables show descriptions of significant unobservable inputs to Level 3 valuations of investment properties:

	2025	Valuation technique	Significant unobservable inputs	MIN	MAX	Weighted average	Other key information	MIN	MAX	Weighted average
Investment property	**107,573**									
Land	2,901									
Development land	2,161	Market approach	Price per square metre	0.033	0.845	0.422	Square metres, land	32	1,614	1,059
Agricultural land	740	Market approach	Price per square metre	0.024	0.096	0.052	Square metres, land	768	3,075	2,459
Residential properties	77,412	Market approach	Price per square metre	0.056	6.575	1.277	Square metres, building	18	989	209
Non-residential properties	27,260									
	13,036	Market approach	Price of the property	39	3,199	1,654	Square metres, land	249	23,884	1,663
							Square metres, building	17	2,626	1,466
	10,348	Income approach	Rent per square metre	0.0106	0.0396	0.0303	Square metres, building	226	300	253
			Occupancy rate	70.0%	90.0%	81.7%				
	3,876	Cost approach	Depreciated replacement cost per square metre	0.084	3.973	0.974	Square metres, building	112	1,736	936

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

32. Fair value measurements continued

	2024	Valuation technique	Significant unobservable inputs	MIN	MAX	Weighted average	Other key information	MIN	MAX	Weighted average
Investment property	**134,338**									
Land	13,204									
Development land	12,766	Market approach	Price per square metre	0.033	2.859	2.214	Square metres, land	32	3,808	3,080
Agricultural land	438	Market approach	Price per square metre	0.012	0.096	0.046	Square metres, land	768	4,451	2,774
Residential properties	86,388	Market approach	Price per square metre	0.028	6.575	0.956	Square metres, building	18	989	205
Non-residential properties	34,746									
	13,206	Market approach	Price of the property	10	3,822	2,033	Square metres, land	50	23,884	1,876
							Square metres, building	17	2,626	1,528
	17,685	Income approach	Rent per square metre	0.0105	0.0680	0.0629	Square metres, building	226	1,084	972
			Occupancy rate	70.0%	90.0%	83.8%				
	3,855	Cost approach	Depreciated replacement cost per square metre	0.084	3.973	0.981	Square metres, building	54	1,736	918

	2023	Valuation technique	Significant unobservable inputs	MIN	MAX	Weighted average	Other key information	MIN	MAX	Weighted average
Investment property	**124,068**									
Land	4,844									
Development land	4,505	Market approach	Price per square metre	0.012	2.220	1.033	Square metres, land	32	20,000	4,026
Agricultural land	339	Market approach	Price per square metre	0.001	0.709	0.337	Square metres, land	310	140,000	19,296
Residential properties	87,758	Market approach	Price per square metre	0.049	5.466	1.004	Square metres, building	18	3,170	225
Non-residential properties	31,466									
	31,466	Market approach	Price of the property	22.870	3,838.861	1,321.071	Square metres, land	50	23,884	2,684
							Square metres, building	32	3,000	984

* Price, rate and cost of unobservable inputs in this table are presented in Georgian Lari ('GEL'), unless otherwise indicated.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

32. Fair value measurements continued

Set out below is an overview by measurement categories of financial instruments held by the Group as at 31 December 2025, 31 December 2024 and 31 December 2023:

	At 31 December 2025			
	Amortised cost	FVOCI	Mandatory FVTPL	Total
Financial assets				
Loans to customers and factoring receivables	39,626,897	–	–	39,626,897
Accounts receivable and other loans	11,470	–	–	11,470
Investment securities – equity instruments	–	27,718	17,609	45,327
Investment securities – debt instruments	3,254,354	6,612,865	134,691	10,001,910
Investment securities pledged under sale and repurchase agreements and securities lending – debt instruments	147,416	–	–	147,416
Foreign currency derivative financial instruments	–	–	8,438	8,438
Total financial assets subject to IFRS 9 measurement categories	**43,040,137**	**6,640,583**	**160,738**	**49,841,458**
Finance lease receivables	–	–	–	438,767
Financial liabilities				
Client deposits and notes	38,629,974	–	–	38,629,974
Amounts owed to credit institutions	9,499,106	–	–	9,499,106
Debt securities issued	2,999,871	–	–	2,999,871
Trade and other payables (in other liabilities)	427,687	–	–	427,687
Interest rate contracts	78	–	363	441
Foreign currency derivative financial instruments	–	–	10,251	10,251
Total	**51,556,716**	**–**	**10,614**	**51,567,330**

	At 31 December 2024				At 31 December 2023			
	Amortised cost	FVOCI	Mandatory FVTPL	Total	Amortised cost	FVOCI	Mandatory FVTPL	Total
Financial assets								
Loans to customers and factoring receivables	33,141,137	–	–	33,141,137	20,173,838	–	–	20,173,838
Accounts receivable and other loans	8,811	–	–	8,811	47,562	–	–	47,562
Investment securities – equity instruments	–	26,900	16,788	43,688	–	7,880	6,976	14,856
Investment securities – debt instruments	2,746,392	5,993,853	184,788	8,925,033	690,306	4,424,160	435	5,114,901
Investment securities pledged under sale and repurchase agreements and securities lending – debt instruments	269,791	186,670	27,205	483,666	–	–	–	–
Foreign currency derivative financial instruments	–	–	25,000	25,000	–	–	10,942	10,942
Total financial assets subject to IFRS 9 measurement categories	**36,166,131**	**6,207,423**	**253,781**	**42,627,335**	**20,911,706**	**4,432,040**	**18,353**	**25,362,099**
Finance lease receivables	–	–	–	417,737	–	–	–	58,883
Financial liabilities								
Client deposits and notes	33,202,010	–	–	33,202,010	20,522,739	–	–	20,552,739
Amounts owed to credit institutions	8,680,233	–	–	8,680,233	5,156,009	–	–	5,156,009
Debt securities issued	2,255,016	–	–	2,255,016	421,359	–	–	421,359
Trade and other payables (in other liabilities)	272,142	–	–	272,142	113,647	–	–	113,647
Foreign currency derivative financial instruments	–	–	9,083	9,083	–	–	25,779	25,779
Total	**44,409,401**	**–**	**9,083**	**44,418,484**	**26,213,754**	**–**	**25,779**	**26,239,533**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

32. Fair value measurements continued

Fair value of financial instruments that are carried in the financial statements not at fair value

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements. The table does not include the fair values of non-financial assets and non-financial liabilities, fair values of other smaller financial assets and financial liabilities fair values of which are materially close to their carrying values.

	At 31 December 2025		
	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets			
Investment securities measured at amortised cost – debt instruments	3,254,349	3,336,882	82,533
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost-debt instruments	147,416	153,040	5,624
Loans to customers, factoring and finance lease receivables	40,065,664	39,441,053	(624,611)
Financial liabilities			
Client deposits and notes	38,629,974	38,705,538	(75,564)
Amounts owed to credit institutions	9,499,106	9,528,115	(29,009)
Debt securities issued	2,999,871	3,041,838	(41,967)
Total unrecognised change in unrealised fair value			**(682,994)**

	At 31 December 2024			At 31 December 2023		
	Carrying value	Fair value	Unrecognised gain/(loss)	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets						
Investment securities measured at amortised cost – debt instruments	2,746,392	2,769,896	23,504	690,306	692,781	2,475
Investment securities pledged under sale and repurchase agreements and securities lending measured at amortised cost-debt instruments	269,791	267,327	(2,464)	–	–	–
Loans to customers, factoring and finance lease receivables	33,558,874	32,631,606	(927,268)	20,232,721	19,476,015	(756,706)
Financial liabilities						
Client deposits and notes	33,202,010	33,226,593	(24,583)	20,522,739	20,542,312	(19,573)
Amounts owed to credit institutions	8,680,233	8,652,635	27,598	5,156,009	5,151,992	4,017
Debt securities issued	2,255,016	2,228,550	26,466	421,359	418,658	2,701
Total unrecognised change in unrealised fair value			**(876,747)**			**(767,086)**

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the Consolidated Financial Statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For financial assets and financial liabilities maturing in less than a year, it is assumed that the carrying amounts approximate to their fair value.

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

33. Maturity analysis of financial assets and liabilities

The table below shows an analysis of financial assets and liabilities according to their contractual maturities, except for current accounts and credit card loans as described below. See Note 31 'Risk management' for the Group's contractual undiscounted repayment obligations.

	At 31 December 2025								
	On demand	Up to 3 months	Up to 6 months	Up to 1 year	Up to 3 years	Up to 5 years	Over 5 years	No maturity	Total
Financial assets									
Cash and cash equivalents	4,110,611	461,435	–	–	–	–	–	–	4,572,046
Amounts due from credit institutions	915	429,368	12,816	–	–	68	–	3,109,090	3,552,257
Investment securities	5,854,649	2,152,125	733,889	621,778	216,385	380,145	43,223	45,043	10,047,237
Investment securities pledged under sale and repurchase agreements and securities lending	–	147,416	–	–	–	–	–	–	147,416
Loans to customers, factoring and finance lease receivables	–	5,825,705	2,853,643	5,312,103	11,877,572	6,354,308	7,842,333	–	40,065,664
Accounts receivable and other loans	–	4,720	420	6,329	1	–	–	–	11,470
Other financial assets	1,019	240,185	411	105,702	893	41	3	–	348,254
Total	**9,967,194**	**9,260,954**	**3,601,179**	**6,045,912**	**12,094,851**	**6,734,562**	**7,885,559**	**3,154,133**	**58,744,344**
Financial liabilities									
Client deposits and notes	8,197,345	6,395,230	3,218,663	16,028,719	3,191,948	1,176,686	421,383	–	38,629,974
Amounts owed to credit institutions	488,059	3,650,655	654,890	844,701	1,998,336	1,042,303	820,162	–	9,499,106
Debt securities issued	–	30,521	384,275	385,011	1,183,432	761,572	255,060	–	2,999,871
Lease liability	–	17,852	16,702	33,950	108,418	66,860	104,332	–	348,114
Other financial liabilities	58,590	288,458	45,917	19,567	108,651	29	–	–	521,212
Total	**8,743,994**	**10,382,716**	**4,320,447**	**17,311,948**	**6,590,785**	**3,047,450**	**1,600,937**	**–**	**51,998,277**
Net	**1,223,200**	**(1,121,762)**	**(719,268)**	**(11,266,036)**	**5,504,066**	**3,687,112**	**6,284,622**	**3,154,133**	**6,746,067**
Accumulated gap	**1,223,200**	**101,438**	**(617,830)**	**(11,883,866)**	**(6,379,800)**	**(2,692,688)**	**3,591,934**	**6,746,067**	

	At 31 December 2024								
	On demand	Up to 3 months	Up to 6 months	Up to 1 year	Up to 3 years	Up to 5 years	Over 5 years	No maturity	Total
Financial assets									
Cash and cash equivalents	3,472,205	280,978	–	–	–	–	–	–	3,753,183
Amounts due from credit institutions	–	218,959	–	–	–	–	15,074	3,044,432	3,278,465
Investment securities	3,205,881	3,738,256	703,349	400,226	223,461	476,265	177,595	43,688	8,968,721
Investment securities pledged under sale and repurchase agreements and securities lending	–	455,949	27,717	–	–	–	–	–	483,666
Loans to customers, factoring and finance lease receivables	108	4,895,349	2,455,068	4,319,400	9,672,567	5,131,394	7,084,988	–	33,558,874
Accounts receivable and other loans	1,553	6,672	280	306	–	–	–	–	8,811
Other financial assets	26,300	208,217	6,200	10,001	–	–	–	–	250,718
Total	**6,706,047**	**9,804,380**	**3,192,614**	**4,729,933**	**9,896,028**	**5,607,659**	**7,277,657**	**3,088,120**	**50,302,438**
Financial liabilities									

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

33. Maturity analysis of financial assets and liabilities continued

	At 31 December 2024								
	On demand	Up to 3 months	Up to 6 months	Up to 1 year	Up to 3 years	Up to 5 years	Over 5 years	No maturity	Total
Client deposits and notes	7,396,955	6,195,347	2,644,642	13,804,248	2,108,432	989,853	62,533	–	33,202,010
Amounts owed to credit institutions	637,215	3,747,974	372,289	691,977	1,706,145	1,082,747	441,886	–	8,680,233
Debt securities issued	–	141,930	89,019	384,150	668,508	799,138	172,271	–	2,255,016
Lease liability	–	15,622	14,929	30,385	94,874	52,000	66,625	–	274,435
Other financial liabilities	51,386	97,613	27,476	137,163	–	–	–	–	313,638
Total	**8,085,556**	**10,198,486**	**3,148,355**	**15,047,923**	**4,577,959**	**2,923,738**	**743,315**	**–**	**44,725,332**
Net	**(1,379,509)**	**(394,106)**	**44,259**	**(10,317,990)**	**5,318,069**	**2,683,921**	**6,534,342**	**3,088,120**	**5,577,106**
Accumulated gap	**(1,379,509)**	**(1,773,615)**	**(1,729,356)**	**(12,047,346)**	**(6,729,277)**	**(4,045,356)**	**2,448,986**	**5,577,106**	

	At 31 December 2023								
	On demand	Up to 3 months	Up to 6 months	Up to 1 year	Up to 3 years	Up to 5 years	Over 5 years	No maturity	Total
Financial assets									
Cash and cash equivalents	2,417,513	684,311	–	–	–	–	–	–	3,101,824
Amounts due from credit institutions	–	–	–	–	–	–	6,559	1,746,098	1,752,657
Investment securities	1,484,457	2,661,776	462,614	228,000	242,779	32,823	2,452	14,856	5,129,757
Loans to customers, factoring and finance lease receivables	1,190	2,870,703	1,353,016	2,754,708	5,372,193	2,964,992	4,915,919	–	20,232,721
Accounts receivable and other loans	1,546	45,630	184	202	–	–	–	–	47,562
Other financial assets	12,441	163,993	543	1,031	2,864	–	–	–	180,872
Total	**3,917,147**	**6,426,413**	**1,816,357**	**2,983,941**	**5,617,836**	**2,997,815**	**4,924,930**	**1,760,954**	**30,445,393**
Financial liabilities									
Client deposits and notes	5,306,925	3,164,462	1,509,643	8,895,604	1,075,055	517,532	53,518	–	20,522,739
Amounts owed to credit institutions	476,646	2,297,284	87,969	424,409	810,610	554,167	504,924	–	5,156,009
Debt securities issued	–	406	25,135	13,388	294,075	5,197	83,158	–	421,359
Lease liability	–	9,024	8,855	16,762	55,277	31,107	20,909	–	141,934
Other financial liabilities	495	94,620	27,265	17,046	–	–	–	–	139,426
Total	**5,784,066**	**5,565,796**	**1,658,867**	**9,367,209**	**2,235,017**	**1,108,003**	**662,509**	**–**	**26,381,467**
Net	**(1,866,919)**	**860,617**	**157,490**	**(6,383,268)**	**3,382,819**	**1,889,812**	**4,262,421**	**1,760,954**	**4,063,926**
Accumulated gap	**(1,866,919)**	**(1,006,302)**	**(848,812)**	**(7,232,080)**	**(3,849,261)**	**(1,959,449)**	**2,302,972**	**4,063,926**	

33. Maturity analysis of financial assets and liabilities continued

The Group's capability to discharge its liabilities relies on its ability to realise equivalent assets within the same period of time. In the Georgian and Armenian marketplace, where most of the Group's business is concentrated, many short-term credits are granted with the expectation of renewing the loans at maturity. As such, the ultimate maturity of assets may be different from the analysis presented above. To reflect the historical stability of current accounts, the Group calculates the minimal daily balance of current accounts over the past two years and includes the amount in the 'Up to 1 year' category in the table above. The remaining current accounts are included in the 'On demand' category. Pledged Investment Securities are distributed into maturity buckets based on the contractual maturity of the agreement they are pledged for. Securities which can be pledged but are not pledged fall into 'On demand' category. Considering credit cards have no contractual maturities, the above allocation per category is done based on the statistical coverage rates observed.

The Group's principal sources of liquidity are as follows:

- deposits;
- borrowings from international credit institutions;
- inter-bank deposit agreements;
- debt issues;
- proceeds from sale of securities;
- principal repayments on loans;
- interest income; and
- fees and commissions income.

As at 31 December 2025, client deposits and notes amounted to GEL 38,629,974 (2024: GEL 33,202,010, 2023: GEL 20,522,739) and represented 74% (2024: 73%, 2023: 77%) of the Group's total liabilities. These funds continue to provide a majority of the Group's funding and represent a diversified and stable source of funds. As at 31 December 2025, amounts owed to credit institutions amounted to GEL 9,499,106 (2024: GEL 8,680,233, 2023: GEL 5,156,009) and represented 18% (2024: 19%, 2023: 19%) of total liabilities. As at 31 December 2025, debt securities issued amounted to GEL 2,999,871 (2024: GEL 2,255,016, 2023: GEL 421,359) and represented 6% (2024: 5%, 2023: 2%) of total liabilities.

In the Board's opinion, liquidity is sufficient to meet the Group's present requirements.

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled, except for current accounts which are included in 'Up to 1 year' category in the table above, noting that respective contractual maturity may expand over significantly longer periods:

	At 31 December 2025			
	Less than 1 year	More than 1 year	No maturity	Total
Cash and cash equivalents	4,572,046	–	–	4,572,046
Amounts due from credit institutions	443,099	68	3,109,090	3,552,257
Investment securities	9,362,441	639,753	45,043	10,047,237
Investment securities pledged under sale and repurchase agreements and securities lending	147,416	–	–	147,416
Loans to customers, factoring and finance lease receivables	13,991,451	26,074,213	–	40,065,664
Accounts receivable and other loans	11,469	1	–	11,470
Prepayments	23,724	177,043	–	200,767
Foreclosed assets	–	–	374,659	374,659
Right-of-use assets	–	–	332,630	332,630
Investment properties	–	–	107,573	107,573
Property and equipment	–	–	616,839	616,839
Goodwill	–	–	41,253	41,253
Intangible assets	–	–	376,402	376,402
Income tax assets	–	41	–	41
Other assets	395,044	2,104	10,810	407,958
Assets held for sale	15,644	–	–	15,644
Total assets	**28,962,334**	**26,893,223**	**5,014,299**	**60,869,856**
Client deposits and notes	33,839,957	4,790,017	–	38,629,974
Amounts owed to credit institutions	5,638,305	3,860,801	–	9,499,106
Debt securities issued	799,807	2,200,064	–	2,999,871
Lease liability	68,504	279,610	–	348,114
Accruals and deferred income	301,067	–	–	301,067
Income tax liabilities	76,468	32,337	–	108,805
Other liabilities	452,150	108,526	–	560,676
Total liabilities	**41,176,258**	**11,271,355**	**–**	**52,447,613**
Net	**(12,213,924)**	**15,621,868**	**5,014,299**	**8,422,243**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

33. Maturity analysis of financial assets and liabilities continued

	At 31 December 2024				At 31 December 2023			
	Less than 1 year	More than 1 year	No maturity	Total	Less than 1 year	More than 1 year	No maturity	Total
Cash and cash equivalents	3,753,183	–	–	3,753,183	3,101,824	–	–	3,101,824
Amounts due from credit institutions	218,959	15,074	3,044,432	3,278,465	–	6,559	1,746,098	1,752,657
Investment securities	8,047,712	877,321	43,688	8,968,721	4,836,847	278,054	14,856	5,129,757
Investment securities pledged under sale and repurchase agreements and securities lending	483,666	–	–	483,666	–	–	–	–
Loans to customers, factoring and finance lease receivables	11,669,925	21,888,949	–	33,558,874	6,979,617	13,253,104	–	20,232,721
Accounts receivable and other loans	8,811	–	–	8,811	47,562	–	–	47,562
Prepayments	82,989	5,961	–	88,950	30,633	6,878	–	37,511
Foreclosed assets	–	–	378,642	378,642	–	–	271,712	271,712
Right-of-use assets	–	–	257,896	257,896	–	–	138,695	138,695
Investment properties	–	–	134,338	134,338	–	–	124,068	124,068
Property and equipment	–	–	550,097	550,097	–	–	436,955	436,955
Goodwill	–	–	41,253	41,253	–	–	41,253	41,253
Intangible assets	–	–	322,250	322,250	–	–	167,862	167,862
Income tax assets	47,794	320	–	48,114	2,520	–	–	2,520
Other assets	303,890	10,730	–	314,620	238,560	6,512	–	245,072
Assets held for sale	20,008	–	–	20,008	–	–	27,389	27,389
Total assets	**24,636,937**	**22,798,355**	**4,772,596**	**52,207,888**	**15,237,563**	**13,551,107**	**2,968,888**	**31,757,558**
Client deposits and notes	30,041,192	3,160,818	–	33,202,010	18,876,634	1,646,105	–	20,522,739
Amounts owed to credit institutions	5,449,455	3,230,778	–	8,680,233	3,286,308	1,869,701	–	5,156,009
Debt securities issued	615,099	1,639,917	–	2,255,016	38,929	382,430	–	421,359
Lease liability	60,936	213,499	–	274,435	34,641	107,293	–	141,934
Accruals and deferred income	295,783	42,951	–	338,734	90,762	38,593	–	129,355
Income tax liabilities	67,342	21,089	–	88,431	185,440	13,618	–	199,058
Other liabilities	353,802	–	–	353,802	167,268	–	–	167,268
Total liabilities	**36,883,609**	**8,309,052**	**–**	**45,192,661**	**22,679,982**	**4,057,740**	**–**	**26,737,722**
Net	**(12,246,672)**	**14,489,303**	**4,772,596**	**7,015,227**	**(7,442,419)**	**9,493,367**	**2,968,888**	**5,019,836**

34. Related party disclosures

In accordance with IAS 24 'Related Party Disclosures', parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be affected on the same terms, conditions and amounts as transactions between unrelated parties.

The volumes of related party transactions, outstanding balances at the year-end, and related expenses and income for the year are as follows:

	At 31 December 2025		At 31 December 2024		At 31 December 2023	
	Associates	Key management personnel*	Associates	Key management personnel*	Associates	Key management personnel*
Loans outstanding at 31 December	**–**	**10,254**	**–**	**30,455**	**–**	**10,926**
Interest income on loans	–	1,325	–	2,323	–	556
Expected credit recovery/(loss)	–	153	–	81	–	(40)
Deposits at 31 December	**–**	**30,333**	**3,741**	**27,774**	**2,039**	**13,351**
Interest expense on deposits	(105)	(1,176)	(194)	(2,329)	–	(863)
Debt securities issued at 31 December	**–**	**13,572**	**–**	**10,574**	**–**	**–**
Interest expense on debt securities issued	–	(902)	–	(427)	–	–

* Key management personnel include members of Lion Finance Group PLC's Board of Directors, key executives of the Group and key subsidiaries.

34. Related party disclosures continued

Details of Directors' emoluments are included in the Remuneration Report on pages 176 to 195. Compensation of key management personnel comprised the following:

	2025	2024	2023
Salaries and other benefits	23,630	19,585	17,824
Cash compensation	20,908	45,266	–
Share-based payments compensation (Note 30)	94,426	44,341	44,503
Termination costs	11,778	–	6,358
Total key management compensation	**150,742**	**109,192**	**68,685**

The number of key management personnel at 31 December 2025 was 31 (31 December 2024: 30, 31 December 2023: 23).

As at 31 December 2025 interest rates on loans issued to key management personnel comprised 16.8% and 5.8% (31 December 2024: 10.7% and 5.9%, 31 December 2023: 16.8% and 4.5%) for loans denominated in local and FC currency, respectively. As at 31 December 2025 interest rates on deposits placed by key management personnel comprised 13.5% and 0.0% (as at 31 December 24: 12.7% and 0.0%, as at 31 December 23: 13.5% and 0.0%) for deposits denominated in local and FC currency, respectively.

35. Capital adequacy

The Group maintains an actively managed capital base to cover risks inherent to the business. The adequacy of the Group's capital is monitored using, among other measures, the ratios established by the NBG and the CBA in supervising JSC Bank of Georgia and CJSC Ameriabank, respectively.

During the year ended 31 December 2025, the Group complied in full with all its externally imposed capital requirements.

The primary objectives of the Group's capital management are to ensure that the banks comply with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

The group bases this disclosure on the information provided internally to key management personnel.

NBG (Basel III) capital adequacy ratio

In December 2017, the NBG adopted amendments to the regulations relating to capital adequacy requirements, including amendments to the regulation on capital adequacy requirements for commercial banks, and introduced new requirements on the determination of the countercyclical buffer rate, on the identification of systematically important banks, on determining systemic buffer requirements and on additional capital buffer requirements for commercial banks within Pillar 2. The NBG requires JSC Bank of Georgia to maintain a minimum total capital adequacy ratio of risk-weighted assets, computed based on its standalone special-purpose financial statements prepared in accordance with NBG regulations and pronouncements, based on Basel III requirements.

In January 2023, the NBG transitioned to IFRS-based accounting and introduced a new Pillar 2 buffer – Credit Risk Adjustment (CRA) buffer, to account for the difference between the NBG-based and the IFRS-based provision levels (higher in the former case).

As at 31 December 2025, 31 December 2024 and 31 December 2023 JSC Bank of Georgia's capital adequacy ratio on this basis was as follows:

IFRS-Based NBG (Basel III) capital adequacy ratio	31 December 2025	31 December 2024	31 December 2023
Tier 1 capital	6,605,754	5,957,405	4,603,352
Tier 2 capital	487,614	462,428	499,018
Total capital	**7,093,368**	**6,419,833**	**5,102,370**
Risk-weighted assets	**32,187,358**	**29,080,593**	**23,061,905**
Tier 1 capital ratio	**20.5%**	**20.5%**	**20.0%**
Total capital ratio	**22.0%**	**22.1%**	**22.1%**
Min. requirement for Tier 1 capital ratio	**17.3%**	**17.0%**	**16.7%**
Min. requirement for total capital ratio	**20.2%**	**19.9%**	**19.6%**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

35. Capital adequacy continued

The CJSC Ameriabank defines as capital those items defined by statutory regulation as capital for credit institutions. Under the current capital requirements set by the Central Bank of Armenia, which are based on Basel Accord principles, banks have to maintain a ratio of capital to risk weighted assets (statutory capital ratio) above the prescribed minimum level. The information is based on internal information provided to key management.

As at 31 December 2025 and the CJSC Ameriabank's capital adequacy ratio was as follows:

Armenia Capital adequacy ratio	31 December 2025	31 December 2024
Tier 1 capital	2,164,680	1,686,547
Tier 2 capital	390,199	252,573
Total capital	**2,554,879**	**1,939,120**
Risk-weighted assets	**15,054,624**	**11,703,258**
Tier 1 capital ratio	**14.4%**	**14.4%**
Total capital ratio	**17.0%**	**16.6%**
Min. requirement for Tier 1 capital ratio	**14.1%**	**13.8%**
Min. requirement for total capital ratio	**16.8%**	**16.5%**

36. Business combinations

Business Combinations (2025)

On 29 December 2025, the Group acquired 77.5% of Fina LLC, business management and accounting software company with the purpose of achieving operational synergies and expanding the existing software business portfolio.

The remaining 22.5% of share capital retained by the owner is subject to a put/call option. Price of the put/call option is determined based on last financial year Profit Before Tax (PBT) multiplied by three.

The Group has concluded that the shares subject to option shall not be accounted for as acquired and NCI should be recognised at the acquisition date. The Group has elected to measure the remaining non-controlling interests in the acquiree at proportionate share of the net assets acquired.

At the end of each reporting period the Group determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in other comprehensive income (OCI) and dividends declared for the reporting period as required by IFRS 10 and derecognises the NCI as if it was acquired at that date. The Group recognises a financial liability at the present value of the amount payable on exercise of the NCI put in accordance with IFRS 9.

The total purchase consideration for the acquisition of 77.5% represents deferred consideration payable that has been fully repaid as of the date the financial statements are authorised for issue.

The purchase consideration is based on the book value of Fina LLC based on its balance sheet as at acquisition date.

The difference between the fair values of acquired assets and liabilities and respective book values is recognised in the Consolidated Income Statement for the year (gain on bargain purchase arising from the acquisition).

Details of the assets and liabilities acquired and are as follows:

In thousands of GEL	Carrying value in Fina's accounts	Fair value adjustments	Total fair value recognised
Cash and cash equivalents	583	–	583
Prepayments	3	–	3
Inventories	123	–	123
Property and equipment	37	–	37
Intangible assets	2,135	18,528	20,663
Other assets	200	–	200
Advances received	(24)	–	(24)
Trade payables	(11)	–	(11)
Total:	**3,046**	**18,528**	**21,574**
Total purchase consideration			15,240
Non-controlling interests measured at proportion share of net assets			4,846
Gain on bargain purchase arising from the acquisition			**1,488**

36. Business combinations continued

The Group applied the relief from royalty method to measure the fair value of acquired intangible assets. The principle behind this method is that the value of intangible asset is equal to the present value of the after-tax cash flows attributable to the intangible asset only.

The amounts of revenue* and Income Statement of Fina LLC since the acquisition date included in the Consolidated Statement of Comprehensive Income for the reporting period are nil. The revenue and Income Statement of the combined entity for the current reporting period as though the acquisition date had been as of the beginning of the reporting period would be GEL 6,497,591 and GEL 2,164,862 respectively.

* Revenue includes interest income and fee and commission income

Ameriabank acquisition (2024)

On 31 March 2024, with reference a Share Purchase Agreement ('SPA') dated 18 February 2024, the Group acquired 90% of the share capital of CJSC Ameriabank, one of the leading banks operating in Armenia, from selling shareholders IMAST Group (CY) Limited (owning 48.82% shares in CJSC Ameriabank), European Bank for Reconstruction and Development (owning 17.71% shares in CJSC Ameriabank out of which 7.71% shares were acquired and the remaining 10% is subject to put/call option), Asian Development Bank (owning 13.92% shares in CJSC Ameriabank), ESPS Holding Limited (owning 12.05% shares in CJSC Ameriabank) and Afeyan Foundation for Armenia Inc. (owning 7.5% shares in CJSC Ameriabank). The acquisition was financed by cash consideration of US$ 276,989 (GEL 746,569) out of which US$ 21,031 (GEL 56,686), was deferred and was due in six months after the completion date (deferred consideration was fully settled as at 31 December 2024). The remaining 10% of share capital retained by European Bank for Reconstruction and Development is subject to a put/call option. Price of the put/call option is US$ 30,777 (GEL 82,955) with interest accrued till the exercise date at a rate of six-month SOFR + 3.5% p.a. subject to offset by any dividends paid to EBRD till exercise date. The Group can exercise the call option anytime up to three years after completion, while the put option can be exercised by EBRD in the three years after completion. As at 31 December 2025 carrying amount of put/call option is GEL 100,765 (31 December 2024: GEL 91,927).

The Group analysed the terms of the put/call option to assess whether the Group has obtained present ownership rights over the shares subject to option at the acquisition date. The Group has concluded that the shares subject to option shall be accounted for as acquired (no NCI to be recognised) and the option shall be recorded as a financial liability (presented as part of Other Liabilities) forming a part of the consideration transferred. As a result, the Group accounts for the entire issued share capital of CJSC Ameriabank, with ownership split between JSC Bank of Georgia with a 30% shareholding and Lion Finance Group PLC a 70% shareholding (including the present ownership of 10% shares subject to the put/call) as acquired.

The acquisition will enable the Group's expansion in the Armenian market and is expected to provide significant strategic, commercial and financial benefits to the Group as outlined below:

- The Armenian economy and banking sector have certain attractive characteristics similar to those in the Group's principal operating country, Georgia, and the Board considers this as an attractive market for expansion that fits very well with the current footprint. Armenia is a neighbouring country with a high-growth economy of similar size to Georgia. The overall Armenian economy is less leveraged compared with the Georgian economy, creating a supportive environment for further banking sector growth in coming years. The Armenian banking sector is financially prudent with low market share concentration levels offering scope for further consolidation.
- CJSC Ameriabank is one of the leading universal banks in Armenia with prudent risk policies and a strong profitability track record and has an attractive franchise with significant upside potential from leveraging the Group's customer focus and digital capabilities. CJSC Ameriabank has a leading market position in Armenia based on the loan portfolio size and a particularly strong foothold in the corporate segment. The market share in retail segment is also increasing boosted by improving digital offerings. The Group believes that CJSC Ameriabank has significant growth potential and further scope to improve commercial performance, particularly in retail. This is expected to be achieved by combining CJSC Ameriabank's existing franchise strengths with the Group's expertise. Besides, CJSC Ameriabank has a well-regarded and experienced management team who agreed to stay on after the acquisition (for at least 24 months).
- The acquisition offers multiple strategic benefits to the Group allowing it to diversify its revenue streams, unlock further growth potential and increase scale. Considering the Group has achieved leading market shares in Georgia, an expansion geographically unlocks further growth potential beyond the local Georgian market. The acquisition also has strong financial rationale that fulfils strict internal financial criteria set by the Group and is expected to result in significant value creation for shareholders.

The acquisition-date fair value of the total purchase consideration and its components are as follows:

In thousands of GEL	
Cash consideration payment	689,883
Deferred consideration	56,686
Present value of redemption liability for put option	82,955
Total purchase consideration	**829,524**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

36. Business combinations continued

Acquisition-related transaction costs of GEL 6,965 were expensed in 2023. Additionally, GEL 13,715 acquisition-related costs were expensed in 2024.

The purchase consideration is based on the book value of CJSC Ameriabank based on its balance sheet as at 30 October 2023. However, in accordance with IFRS 3 'Business Combinations', the Group must account for business acquisitions based on fair values of the identifiable assets acquired, and liabilities assumed. These two different approaches can lead to differences; and, as set out in the table below, the excess of the net fair value of the acquiree's identifiable assets and liabilities over cost ('gain on bargain purchase') is immediately recorded in Income Statement for the year.

Details of the assets and liabilities acquired and gain on bargain purchase arising from the acquisition are as follows:

In thousands of GEL	Carrying value in CJSC Ameriabank's accounts	Fair value adjustments	Total fair value recognised
Cash and cash equivalents	989,930	–	989,930
Amounts due from credit institutions	707,851	–	707,851
Investment securities	1,084,296	–	1,084,296
Investment securities pledged under sale and repurchase agreements and securities lending	87,063	–	87,063
Loans to customers, factoring and finance lease receivables	6,811,477	21,430	6,832,907
Foreclosed assets	5,453	–	5,453
Right-of-use assets	77,162	11,811	88,973
Property and equipment	63,346	14,669	78,015
Intangible assets	47,958	47,925	95,883
Prepayments	41,935	–	41,935
Other assets	41,176	–	41,176
Client deposits and notes	(6,522,822)	–	(6,522,822)
Amounts owed to credit institutions	(851,401)	11,921	(839,480)
Debt securities issued	(886,862)	–	(886,862)
Lease liability	(88,172)	–	(88,172)
Accruals and deferred income	(47,406)	–	(47,406)
Income tax liabilities	(49,265)	(19,396)	(68,661)
Other liabilities	(84,667)	–	(84,667)
Total:	**1,427,052**	**88,360**	**1,515,412**
Total purchase consideration			829,524
Gain on bargain purchase arising from the acquisition			**685,888**

The fair values of assets and liabilities were determined with the involvement of third-party experts. The valuations were based on discounted cash flow models.

Based on the appraisal report, the following intangible assets are included in the purchase price allocation:
- brand name valued at GEL 27,424; and
- customer relationships valued at GEL 25,110.

Brand name and customer relationships are amortised over the estimated life of eight and five years, respectively. Other fair value adjustments are amortised over the remaining contractual or useful life of respective assets and liabilities.

The gain on bargain purchase is recognised in the Consolidated Income Statement and separately presented as a gain from bargain purchase. It is primarily attributable to the scarcity of potential buyers in the Armenian market considering the value of the net assets acquired. Additionally, the Group is a UK listed financial institution which provided further incentive for CJSC Ameriabank shareholders and management to sell.

No deferred tax liability was recognised on a gain on bargain purchase arising from the business combination as the Group does not intend to either sell CJSC Ameriabank or distribute dividends from profits accumulated prior to business combination.

At acquisition, the carrying amount of loans to customers and finance lease receivables classified as POCI by the Group in the Consolidated Financial Statement was GEL 77,348. The remaining amount of GEL 6,755,559 represented the gross carrying amount of Stage 1 loans to customers and finance lease receivables. Gross contractual amounts receivable under loans to customers and finance lease receivables was GEL 6,916,868.

The amounts of revenue and Income Statement of CJSC Ameriabank since the acquisition date included in the Consolidated Statement of Comprehensive Income for the reporting period is GEL 740,987 and GEL 286,528, respectively. The revenue* and Income Statement of the combined entity for the current reporting period as though the acquisition date had been as of the beginning of the reporting period would be GEL 5,325,520 and GEL 2,569,453, respectively.

* Revenue includes interest income and fee and commission income

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

36. Business combinations continued

Business Combinations (2023)

On 25 May 2023, the Group acquired 45.63% of the voting shares in JSC Delivery, an online grocery shopping platform in Georgia. The Group had previously held 34.37% shares in the company and accounted for the shareholding as an investment in associate. Following the above transaction, the shareholding was increased to 80% resulting in the Group obtaining control over the entity. The company was acquired with the purposes of entering quick-commerce market.

The Group has simultaneously formed an agreement with one of the non-controlling interests (NCI) whereby the parties agreed on the sale/purchase of the additional 15.58% shareholding held by the NCI. As a result, the Group has recognised respective liability for NCI forward at the date of business combination.

The Group has elected to measure the remaining non-controlling interests in the acquiree at proportionate share of the net assets acquired.

Assets acquired and liabilities assumed.

The fair values of the identifiable assets and liabilities of JSC Delivery as at the date of acquisition were:

	Fair value recognised on acquisition
Assets	
Cash and cash equivalents	468
Inventories	302
Property and equipment	263
Intangible assets	182
Other assets	64
	1,279
Liabilities	
Trade payables	(353)
Other liabilities	(1)
	(354)
Total identifiable net assets at fair value	**925**
Non-controlling interest measured at proportionate share of net assets	(41)
Fair value of investment in associate derecognised	(2,309)
NCI forward liability	(1,270)
Goodwill arising on acquisition	5,765
Purchase consideration	**3,070**

On 29 September 2023, the Group additionally acquired 80% of El.Biletebi LLC, an e-tickets selling platform with the purpose to enter the e-tickets market. The Group has elected to measure the remaining non-controlling interests in the acquiree at the proportionate share of the net assets acquired.

Assets acquired and liabilities assumed.

The fair values of the identifiable assets and liabilities of El.Biletebi LLC as at the date of acquisition were:

	Fair value recognised on acquisition
Assets	
Cash and cash equivalents	595
Property and equipment	19
Intangible assets	745
Other assets	582
	1,941
Liabilities	
Advances received	(706)
Trade payables	(31)
	(737)
Total identifiable net assets at fair value	**1,204**
Non-controlling interest measured at proportionate share of net assets	(241)
Goodwill arising on acquisition	2,137
Purchase consideration	**3,100**

Notes to Consolidated Financial Statements continued
(Thousands of Georgian Lari)

37. Events after the reporting period

On 12 February 2026, Lion Finance Group PLC's Armenian banking subsidiary, CJSC Ameriabank, placed USD 50,000 (GEL 134,150) 8.5% perpetual subordinated callable Additional Tier 1 (AT1) capital notes.

On 25 February 2026, the Group's Board of Directors approved a GEL 53.5 million extension to its buyback and cancellation programme. The programme commenced on 2 March 2026 and will end no later than the Lion Finance Group PLC's Annual General Meeting 2026 (expected to be in May 2026) and the shares will be purchased in the open market. The purpose of the buyback is to reduce the Group's share capital, and the cancellation of the treasury shares repurchased will be executed on a monthly basis.

On 25 February 2026, the Board of Directors of Lion Finance Group PLC declared an interim dividend for 2025 of Georgian Lari 2.75 per share.

References

The Group	Lion Finance Group PLC and its group companies as a whole
The Company	Lion Finance Group PLC
Group Companies	JSC Bank of Georgia and Ameriabank CJSC
Principal operating subsidiaries	JSC Bank of Georgia or Ameriabank CJSC
The Bank	JSC Bank of Georgia or Ameriabank CJSC, depending on the context
BOG, or Bank of Georgia	JSC Bank of Georgia
AMB, or Ameriabank	Ameriabank CJSC
BNB, or Belarusky Narodny Bank	JSC Belarusky Narodny Bank
The Board	The Board of Directors of Lion Finance Group PLC
The Management Board	For JSC Bank of Georgia, refers to the CEO and Deputy CEOs. For Ameriabank CJSC, refers to the CEO and Management Board members, as outlined on the Group website: https://lionfinancegroup.uk/leadership-and-governance/subsidiary-management/.
The Code	The UK Corporate Governance Code published in 2024
The Directors	Members of the Board of Directors
Supervisory Board	The Supervisory Board of JSC Bank of Georgia or the Supervisory Board of Ameriabank CJSC, depending on the entity being discussed.
Executive Management Team	Executive Management and Executive Management Team are used interchangeably throughout this report. Both represent the Management Team of the Group as presented on the Group's website at https://lionfinancegroup.uk/leadership-and-governance/group-management; In some contexts related to Bank of Georgia or Ameriabank, Executive Management refers to a local definition that includes the Management Board and other key executives.
We/our/us	References to 'we', 'our' or 'us' throughout this report primarily refer to the Group as a whole, unless otherwise specified. The Group functions through a number of subsidiaries, each operating as a separate legal entity with its own distinct legal and governance structure. For reporting purposes, these subsidiaries are organised into the following Business Divisions: Georgian Financial Services (GFS), Armenian Financial Services (AFS), and Other Businesses, as described in the relevant sections of this report. Accordingly, and unless stated otherwise: • References to 'we', 'our' or 'us' in the context of operations in Georgia refer to Georgian Financial Services (GFS), which primarily comprises JSC Bank of Georgia (banking operations) and JSC Galt & Taggart (capital markets and investment banking). • References to 'we', 'our' or 'us' in the context of operations in Armenia refer to Armenian Financial Services (AFS), which primarily comprises Ameriabank CJSC. • References to 'we', 'our' or 'us' in the context of other businesses refer to the Group's other operations, including JSC Belarusky Narodny Bank (banking business), JSC Digital Area, and Lion Finance Group PLC holding company.

Glossary

Alternative performance measures (APMs)

These are financial metrics used by Group management to provide additional insight into the Group's performance. These APMs are not defined by International Financial Reporting Standards (IFRS), and also may not be directly comparable with other companies who use similar measures. We believe that these APMs provide the best representation of our financial performance as these measures are used by the management to evaluate the Group's operating performance and make day-to-day operating decisions.

Regulatory and institutional terms

CBA

Central Bank of Armenia.

GRI

Global Reporting Initiative.

IFIs

International Financial Institutions.

NBG

National Bank of Georgia.

NBRB

National Bank of the Republic of Belarus.

Strategic terms and ESG performance indicators

Active merchant

A merchant that has executed at least one transaction within the past month.

Ameriabank's green portfolio

The total outstanding balance of loans assessed as green under the Group-level Green Finance Framework (GFF).

Cash withdrawals in total transactions (volume) – Bank of Georgia

The percentage of cash withdrawal transactions relative to total transactions obtained by dividing cash withdrawals by total transactions and multiplying by 100.

Digital daily active user (Digital DAU)

Average daily number of retail customers who logged into our mobile or internet banking channels within a given month.

Monthly active customer – retail or business (MAC)

Number of customers who satisfied pre-defined activity criteria within the past month.

eNPS

eNPS asks: on a scale of 0-10, how likely is it that you would recommend an entity as a place to work to a friend or a colleague? The responses: 9 and 10 – are promoters; 7 and 8 – are neutral; 1 to 6 – are detractors. The final score equals the percentage of the promoters minus the percentage of the detractors.

Gender equal pay gap

The difference in average salary between male and female employees in the same job or position, expressed as a percentage of the male salary.

Green Asset Pool

Bank of Georgia's green loan portfolio fully aligned with the NBG's Green Taxonomy and loans identified in line with partner IFIs' eligibility criteria where these fall outside the NBG taxonomy, along with Ameriabank's green portfolio.

Monthly active digital user (Digital MAU)

Number of retail customers who logged into our mobile or internet banking channels at least once within a given month; when referring to business customers, Digital MAU means number of business customers who logged into our business mobile or internet banking channels at least once within a given month.

NBG-aligned Green portfolio (gross) – Bank of Georgia

The total outstanding balance of loans classified as green according to the National Bank of Georgia's Green Taxonomy (available at https://nbg.gov.ge/en/page/sustainable-finance-taxonomy).

NBG's Green Taxonomy

A classification system listing activities that aim to achieve environmental objectives and contribute to the development of a green economy (available at https://nbg.gov.ge/en/page/sustainable-finance-taxonomy).

NBG's Social Taxonomy

A classification system proposing categories focused on achieving social objectives, primarily but not exclusively for a target population (available at https://nbg.gov.ge/en/page/sustainable-finance-taxonomy).

NBG's Sustainable Finance Taxonomy

A classification system identifying activities that deliver on key climate, green, social or sustainability objectives, consisting of Green and Social Taxonomies (available at https://nbg.gov.ge/en/page/sustainable-finance-taxonomy).

Net Promoter Score (NPS)

NPS asks: on a scale of 0-10, how likely is it that you would recommend an entity to a friend or a colleague? The responses: 9 and 10 – are promoters; 7 and 8 – are neutral; 1 to 6 – are detractors. The final score equals the percentage of the promoters minus the percentage of the detractors.

Number of self-employed borrowers

Number of individuals with a Bank of Georgia credit, whose income from self-employment exceeds 50% of their total income and whose business is not conducted in a legal entity form.

Payment MAU

Number of retail customers who made at least one payment with a Bank of Georgia card within the past month.

Percentage of employees who received a performance review

The percentage of employees eligible for performance reviews (excluding those on maternity leave) who received one.

Rate of employee turnover

The percentage of employees who left the organisation during 2025, calculated by dividing the number of leavers by the average number of employees during 2025, and multiplying by 100.

Rate of new hires

The percentage of employees hired by the organisation during 2025, calculated by dividing the number of new hires by the average number of employees during 2025, and multiplying by 100.

Raw gender pay gap

The unadjusted difference in average salary between male and female employees in the organisation, expressed as a percentage of the male salary.

Glossary continued

Retention rate
The proportion of employees who returned from parental leave in 2024 who were still employed at least 12 months after their return.

Return to work rate
The proportion of employees who returned from parental leave in 2025, out of those whose parental leave ended in 2025.

sCoolApp MAU
The number of unique individuals who logged into sCoolApp at least once within the past month.

Social portfolio
The total outstanding balance of loans classified as social according to the National Bank of Georgia's Social Taxonomy (available at https://nbg.gov.ge/en/page/sustainable-finance-taxonomy).

Sustainable portfolio
The sum of the green and social portfolios, including social loans fully aligned with the NBG Social Taxonomy, green loans fully aligned with the NBG Green Taxonomy, as well as green loans identified in line with partner IFIs' eligibility criteria where these fall outside the NBG taxonomy (The NBG's Social Taxonomy can be accessed via https://nbg.gov.ge/en/page/sustainable-finance-taxonomy).

Women to men ratio of basic salary
A comparison of the average basic salary earned by women to the average basic salary earned by men, where basic salary is the fixed, minimum amount paid to an employee (excluding bonuses, benefits or other compensation).

Women to men ratio of remuneration
A comparison of the average total remuneration earned by women to the average total remuneration earned by men, where remuneration includes basic salary plus additional payments.

Financial performance indicators

Basic earnings per share
Profit for the year attributable to shareholders of the Group divided by the weighted average number of outstanding ordinary shares over the same year.

Book value per share
Total equity attributable to shareholders of the Group divided by the number of ordinary shares outstanding at year-end. Ordinary shares outstanding at year-end equals number of ordinary shares at year-end less number of treasury shares at year-end.

CBA Common Equity Tier 1 (CET 1) capital adequacy ratio
Common Equity Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the CBA. Calculations are made for Ameriabank standalone.

CBA liquidity coverage ratio (LCR)
High-quality liquid assets (as defined by the CBA) divided by net cash outflows over the next 30 days (as defined by the CBA). Calculations are made for Ameriabank standalone.

CBA net stable funding ratio (NSFR)
Available amount of stable funding (as defined by the CBA) divided by the required amount of stable funding (as defined by the CBA). Calculations are made for Ameriabank standalone.

CBA Tier 1 capital adequacy ratio
Tier 1 capital divided by total risk weighted assets, both calculated in accordance with the requirements of the CBA. Calculations are made for Ameriabank standalone.

CBA Total capital adequacy ratio
Total regulatory capital divided by total risk-weighted assets, both calculated in accordance with the requirements of the CBA. Calculations are made for Ameriabank standalone.

Constant currency basis (CC)
To eliminate the impact of foreign exchange fluctuations, constant currency growth for loans and deposits was calculated using the exchange rates as at 31 December 2024 for year-over-year growth. These calculations were performed separately for the GFS and AFS segments.

Cost of credit risk ratio
Expected loss on loans to customers, factoring and finance lease receivables for the year divided by monthly average gross loans to customers, factoring and finance lease receivables over the same year.

Cost of deposits
Interest expense on client deposits and notes for the year divided by monthly average client deposits and notes over the same year.

Cost of funds
Interest expense for the year divided by monthly average interest-bearing liabilities over the same year.

Cost:income ratio
Operating expenses divided by operating income.

Gross loans to customers
Presented net of expected credit loss on contractually accrued interest income throughout this Annual Report.

Interest-bearing liabilities
Amounts owed to credit institutions, client deposits and notes, and debt securities issued.

Interest earning assets (excluding cash)
Amounts due from credit institutions, investment securities (but excluding corporate shares), and loans to customers, factoring and finance lease receivables.

Leverage (times)
Total liabilities divided by total equity.

Liquid assets
Cash and cash equivalents, amounts due from credit institutions, and investment securities.

Loan yield
Interest income from loans to customers, factoring and finance lease receivables for the year divided by monthly average gross loans to customers, factoring and finance lease receivables over the same year.

NBG (Basel III) Common Equity Tier 1 (CET 1) capital adequacy ratio
Common Equity Tier 1 capital divided by total risk-weighted assets, both calculated in accordance with the NBG requirements. Calculated for Bank of Georgia standalone, based on IFRS.

NBG (Basel III) Tier 1 capital adequacy ratio
Tier 1 capital divided by total risk-weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS.

NBG (Basel III) Total capital adequacy ratio
Total regulatory capital divided by total risk-weighted assets, both calculated in accordance with the requirements of the NBG. Calculations are made for Bank of Georgia standalone, based on IFRS.

NBG liquidity coverage ratio (LCR)
High-quality liquid assets (as defined by the NBG) divided by net cash outflows over the next 30 days (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS.

NBG net stable funding ratio (NSFR)
Available amount of stable funding (as defined by the NBG) divided by the required amount of stable funding (as defined by the NBG). Calculations are made for Bank of Georgia standalone, based on IFRS.

Net interest margin (NIM)
Net interest income for the year divided by monthly average interest-earning assets, excluding cash and cash equivalents and corporate shares over the same year.

Net loans
Defined as gross loans to customers, factoring and finance lease receivables less allowance for expected credit loss, except in the consolidated audited financial statements.

NMF
Not meaningful; used when percentage changes are distorted by zero or missing comparatives, or when the resulting change is above 200 percent.

Non-performing loans (NPLs)
The principal and/or interest payments on loans overdue for more than 90 days; or the exposures experiencing substantial deterioration of their creditworthiness and the debtors assessed as unlikely to pay their credit obligation(s) in full without realisation of collateral.

NPL coverage ratio
Allowance for expected credit loss for loans to customers, factoring and finance lease receivables divided by NPLs.

NPL coverage ratio adjusted for discounted value of collateral
Allowance for expected credit loss on loans to customers, factoring and finance lease receivables, plus the discounted value of collateral for the NPL portfolio (capped at the respective loan amount), divided by total NPLs.

One-off items
Significant items that do not arise during the ordinary course of business.

Operating leverage
Percentage change in operating income less percentage change in operating expenses.

Return on average total assets (ROAA)
Profit for the year divided by monthly average total assets for the same year.

Return on average total equity (ROAE)
Profit for the year attributable to shareholders of the Group divided by monthly average equity attributable to shareholders of the Group for the same year.

Weighted average number of ordinary shares
The average daily number of shares outstanding, less daily number of treasury shares outstanding.

Weighted average diluted number of ordinary shares
The weighted average number of ordinary shares plus the weighted average number of potentially dilutive shares known to management during the same year.

Executive management functions

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CLO
Chief Legal Officer

CRO
Chief Risk Officer

Our website

All shareholders and potential shareholders can gain access to the Annual Report, presentations to investors, key financial information, regulatory news, share and dividend data, AGM documentation and other significant information about Lion Finance Group PLC at https://lionfinancegroup.uk.

Our registered address

Lion Finance Group PLC
29 Farm Street
London W1J 5RL
United Kingdom

Annual General Meeting

The Annual General Meeting of Lion Finance Group PLC (the 'AGM') will be held at Baker & McKenzie LLP, 280 Bishopsgate, London EC2M 4RB. Details of the date, time and business to be conducted at the AGM is contained in the Notice of AGM, which will be available on the Group's website: https://lionfinancegroup.uk/investor-information/shareholder-meetings.

Shareholder enquiries

Lion Finance Group PLC's share register is maintained by Computershare Investor Services PLC. Any queries about the administration of holdings of ordinary shares, such as change of address or change of ownership, should be directed to the address or telephone number immediately below. Holders of ordinary shares may also check details of their shareholding, subject to passing an identity check, by visiting the Registrar's website: www.investorcentre.co.uk or by calling the Shareholder Helpline on +44 (0)370 873 5866.

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

Contact information

Lion Finance Group PLC Investor Relations
E-mail: ir@lfg.uk

Forward-looking statements

Certain statements in this Annual Report and Accounts contain forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Lion Finance Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, and certain of which include, among other things, those described in 'Principal risks and uncertainties' included in this Annual Report and Accounts, see pages 111 to 122. No part of these results or report constitutes, or shall be taken to constitute, an invitation or inducement to invest in Lion Finance Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Lion Finance Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast.

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