

JSC Bank of Georgia and Subsidiaries
Consolidated Financial Statements

31 December 2025

Together with Independent Auditor's Report

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Independent auditor's report

To the Shareholder and Supervisory Board of JSC Bank of Georgia

Opinion

We have audited the consolidated financial statements of JSC Bank of Georgia and its subsidiaries (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Georgia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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Key audit matter	How our audit addressed it
<i>Allowance for expected credit losses on loans to customers</i>	
<p>The allowance for expected credit losses ("ECL") under IFRS 9, Financial Instruments ("IFRS 9"), is estimated using a combination of a collective provisioning model and specific loan provisions based on discounted cash flow analyses and regression-based forward-looking estimates.</p> <p>The ECL estimation is highly judgemental and changes in assumptions could have a material impact on the reported profits.</p> <p>Both collective and specific provisioning depend on a number of assumptions and judgements including:</p> <ul style="list-style-type: none"> ▶ allocation of loans to stage 1, 2, 3 or Purchased and Originated Credit-Impaired ('POCI') using criteria set in accordance with IFRS 9 'Financial Instruments'; ▶ accounting interpretations and modelling assumptions used to build and run the models for calculating the ECL; ▶ inputs and assumptions used to estimate the impact of multiple economic scenarios, including weightings applied; ▶ estimation of probability of default ('PD'), loss given default ('LGD') and exposure at default ('EAD'), including the valuation of collateral; and ▶ measurement of individually assessed provisions, including expected future cash flows and the valuation of collateral. <p>There are also risks related to:</p> <ul style="list-style-type: none"> ▶ the accuracy and completeness of underlying loan data used in the ECL model; and ▶ the accuracy and adequacy of financial statement disclosures. 	<p>We obtained an understanding and evaluated the design and operating effectiveness of the key controls across the processes relevant to the ECL estimation. 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.</p> <p>Using our IFRS 9 specialists, we assessed and challenged the Group's IFRS 9 provisioning methodology.</p> <p>Using our modelling and IT specialists, we tested the assumptions, inputs and formulae used in the ECL model. This included assessing the appropriateness of the model design and formulae used, and recalculating the PD, LGD and EAD, on a sample basis.</p> <p>We engaged specialists to perform a review and testing of the changes made in the models in the current period. We performed a recalculation of the ECL on a sample basis, including procedures over staging and underlying risk parameters.</p> <p>We assessed the macroeconomic scenarios used by management and tested their application in the ECL calculations.</p> <p>We tested the key data inputs used in the ECL model. We reconciled loans and advances between the underlying source systems and the ECL model.</p> <p>We challenged the criteria used to allocate assets to stage 1, 2, 3 or POCI in accordance with IFRS 9, to determine SICR and staging. For a sample of loans, we independently assessed their allocation to the appropriate stage. We considered indicators of significant increase in credit risk or default and challenged management as to the rationale for movements between stages.</p>

Key audit matter	How our audit addressed it
<p>As a consequence of the judgement involved in establishing the allowance, there is a greater risk of misstatement in ECL charges, either by fraud or error, including through the potential override of controls by management.</p> <p>Information on the impairment of loans to customers is included in Note 4, <i>Significant accounting judgements and estimates</i>, Note 9, <i>Loans to Customers</i> and Note 27, <i>Risk Management</i>, to the consolidated financial statements.</p>	<p>We performed procedures to address the existence and valuation of collateral for loans where expected cash flows from the realization of collateral were impacting the estimation of loan losses. Involving our valuation specialists, we assessed the valuation of collateral.</p> <p>We evaluated the disclosures related to ECL.</p>

Other information included in the Group's 2025 Management Report

Other information consists of the information included in the Group's 2025 Management Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Management Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon in our report on the audit of the consolidated financial statements.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the Audit Committee for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Dmytro Iurjevych.

A handwritten signature in blue ink, consisting of a stylized, cursive script that is difficult to decipher but appears to be the name of the partner in charge.

Dmytro Iurjevych (SARAS-A-644274)

On behalf of EY LLC (SARAS-F-855308)

8 April 2026

Tbilisi, Georgia

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	3,583,149	2,278,476	3,042,832
Amounts due from credit institutions	7	2,160,748	2,456,690	1,752,658
Investment securities	8	8,358,483	7,826,790	4,880,815
Investment securities measured at amortised cost		1,993,151	1,910,479	524,108
Investment securities measured at fair value through other comprehensive income		6,365,332	5,916,311	4,356,707
Investment securities pledged under sale and repurchase agreements and securities lending	8	-	138,945	-
Investment securities pledged under sale and repurchase agreements and securities lending measured at fair value through other comprehensive income		-	138,945	-
Loans to customers, factoring and finance lease receivables	9	28,252,485	24,316,155	20,248,067
Accounts receivable and other loans	10	7,506	2,790	3,530
Prepayments		39,745	39,136	32,032
Foreclosed assets	12	568,691	572,577	271,712
Right-of-use assets	10	230,121	163,104	134,422
Investment properties	11	113,777	140,737	127,924
Property and equipment	10	492,785	441,399	404,303
Assets held for sale		15,644	20,007	27,589
Intangible assets	10	186,948	172,567	144,357
Income tax assets	15	41	46,058	464
Other assets	16	316,168	255,342	280,615
Investments in associates	14	723,429	569,137	9,537
Goodwill	13	33,453	33,453	33,453
Total assets		44,883,173	39,273,163	31,394,110
Liabilities				
Client deposits and notes	17	29,158,752	25,341,733	20,776,816
Amounts owed to credit institutions	18	6,605,935	6,710,494	5,133,029
Debt securities issued	19	1,813,393	1,099,337	421,359
Lease liability	10	239,572	177,365	137,554
Accruals and deferred income		161,183	143,353	124,397
Income tax liabilities	15	28,700	21,054	199,058
Other liabilities	16	359,275	149,329	149,847
Total liabilities		38,366,810	33,642,665	26,942,060
Equity				
Share capital	21	27,994	27,994	27,994
Additional paid-in capital		171,434	140,779	151,336
Treasury shares		(11)	(11)	(11)
Other reserves		7,816	51,452	2,087
Retained earnings		6,309,130	5,410,284	4,270,644
Total equity attributable to shareholders of the Group		6,516,363	5,630,498	4,452,050
Non-controlling interests		-	-	-
Total equity		6,516,363	5,630,498	4,452,050
Total liabilities and equity		44,883,173	39,273,163	31,394,110

Signed and authorised for release on behalf of the Management Board and the Supervisory Board:

Archil Gachechiladze

Chief Executive Officer

Giorgi Shagidze

Chief Financial Officer

Mel Carvill

Supervisory Board Chairman

8 April 2026

The accompanying Notes on pages 10 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**For the year ended 31 December 2025***(Thousands of Georgian Lari)*

	<i>Notes</i>	2025	2024	2023
Assets				
Cash and cash equivalents	6	3,583,149	2,278,476	3,042,832
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Investment properties	11	113,777	140,737	127,924
Property and equipment	10	492,785	441,399	404,303
Assets held for sale		15,644	20,007	27,389
Intangible assets	10	186,948	172,367	144,357
Income tax assets	15	41	46,058	464
Other assets	16	316,168	255,342	280,615
Investments in associates	14	723,429	569,137	9,537
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Amounts owed to credit institutions	18	6,605,935	6,710,494	5,133,029
Debt securities issued	19	1,813,393	1,099,337	421,359
Lease liability	10	239,572	177,365	137,554
Accruals and deferred income		161,183	143,353	124,397
Income tax liabilities	15	28,700	21,054	199,058
Other liabilities	16	359,275	149,329	149,847
Total liabilities		38,366,810	33,642,665	26,942,060
Equity				
Share capital	21	27,994	27,994	27,994
Additional paid-in capital		171,434	140,779	151,336
Treasury shares		(11)	(11)	(11)
Other reserves		7,816	51,452	2,087
Retained earnings		6,309,130	5,410,284	4,270,644
Total equity attributable to shareholders of the Group		6,516,363	5,630,498	4,452,050
Non-controlling interests		-	-	-
Total equity		6,516,363	5,630,498	4,452,050
Total liabilities and equity		44,883,173	39,273,163	31,394,110

Signed and authorised for release on behalf of the Management Board and the Supervisory Board:

Archil Gachechiladze

Chief Executive Officer

Giorgi Shagidze

Chief Financial Officer

Mel Carvill

Supervisory Board Chairman

8 April 2026

The accompanying Notes on pages 10 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT**For the year ended 31 December 2025***(Thousands of Georgian Lari)*

	<i>Notes</i>	2025	2024	2023
Interest income calculated using EIR method		4,009,779	3,329,299	2,715,232
Other interest income		12,216	9,142	14,053
Interest income		4,021,995	3,338,441	2,729,285
Interest expense		(1,835,012)	(1,464,937)	(1,123,038)
Deposit insurance fees		(36,870)	(30,757)	(20,247)
Net interest income	22	2,150,113	1,842,747	1,586,000
Fee and commission income		881,667	786,447	669,536
Fee and commission expense		(431,221)	(398,639)	(328,864)
Net fee and commission income	23	450,446	387,808	340,672
Net foreign currency gain		458,492	446,719	370,847
Net gains/(losses) on extinguishment of debt		(281)	12	564
Net other gains/(losses)	26	45,784	49,443	114,546
Operating income		3,104,554	2,726,729	2,412,629
Salaries and other employee benefits	24	(571,289)	(455,912)	(379,716)
Administrative expenses	24	(223,113)	(210,073)	(184,857)
Depreciation, amortisation and impairment	10	(144,197)	(118,144)	(110,740)
Other operating expenses		(24,341)	(6,034)	(3,642)
Operating expenses		(962,940)	(790,163)	(678,955)
Profit from associates	4	154,800	293,070	984
Operating income before cost of risk		2,296,414	2,229,636	1,734,658
Expected credit loss on loans to customers and factoring receivables	25	(127,019)	(83,675)	(124,009)
Expected credit loss on finance lease receivables	25	(809)	1,055	(2,762)
Other expected credit recovery / (loss)	25	(7,058)	(5,161)	3,117
Impairment charge on other assets and provisions		(11,320)	(14,383)	(18,317)
Cost of risk		(146,206)	(102,164)	(141,971)
Profit before income tax expense		2,150,208	2,127,472	1,592,687
Income tax expense	15	(297,124)	(289,573)	(258,968)
Profit for the year		1,853,084	1,837,899	1,333,719

The accompanying Notes on pages 10 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2025***(Thousands of Georgian Lari)*

	<i>Notes</i>	2025	2024	2023
Profit for the year		1,853,084	1,837,899	1,333,719
Other comprehensive income/(loss)				
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent years:</i>				
– Net change in fair value on investments in debt instruments measured at fair value through other comprehensive income (FVOCI)	8	(39,472)	20,845	26,381
– Realised gain on financial assets measured at FVOCI		(1,910)	(1,631)	(14,322)
– Change in allowance for expected credit losses on investments in debt instruments measured at FVOCI reclassified to the consolidated income statement		(722)	2,513	1,041
– Gain (loss) from currency translation differences		16,267	9,266	(37,259)
– Equity-accounted investees – share of OCI	4	570	17,526	-
Income tax impact		(219)	-	-
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent years		(25,486)	48,519	(24,159)
<i>Other comprehensive gain/(loss) not to be reclassified to profit or loss in subsequent years:</i>				
– Revaluation of property and equipment reclassified to investment property		-	1,144	-
– Net gain/(loss) on investments in equity instruments designated at FVOCI		168	911	1,775
Net other comprehensive gain/(loss) not to be reclassified to profit or loss in subsequent years		168	2,055	1,775
Other comprehensive income/(loss) for the year		(25,318)	50,574	(22,384)
Total comprehensive income for the year		1,827,766	1,888,473	1,311,335

The accompanying Notes on pages 10 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2025***(Thousands of Georgian Lari)*

	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Treasury shares</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity</i>
31 December 2022	27,994	190,033	(10)	(4,304)	3,573,655	3,787,368
Profit for the year	-	-	-	-	1,333,719	1,333,719
Other comprehensive income for the year	-	-	-	6,391	(28,775)	(22,384)
Total comprehensive income for the year	-	-	-	6,391	1,304,944	1,311,335
Increase in equity arising from share-based payments	-	70,970	-	-	-	70,970
Purchase of treasury shares	-	-	(1)	-	-	(1)
Dividends to shareholders of the Bank (Note 21)	-	-	-	-	(607,955)	(607,955)
Contributions under share-based payment plan (Note 27)	-	(109,667)	-	-	-	(109,667)
31 December 2023	27,994	151,336	(11)	2,087	4,270,644	4,452,050
Profit for the year	-	-	-	-	1,837,899	1,837,899
Other comprehensive income for the year	-	-	-	49,365	1,209	50,574
Total comprehensive income for the year	-	-	-	49,365	1,839,108	1,888,473
Increase in equity arising from share-based payments	-	66,820	-	-	-	66,820
Dividends to shareholders of the Bank (Note 21)	-	-	-	-	(699,468)	(699,468)
Contributions under share-based payment plan (Note 27)	-	(77,377)	-	-	-	(77,377)
31 December 2024	27,994	140,779	(11)	51,452	5,410,284	5,630,498
Profit for the year	-	-	-	-	1,853,084	1,853,084
Other comprehensive income for the year	-	-	-	(40,217)	14,899	(25,318)
Total comprehensive income for the year	-	-	-	(40,217)	1,867,983	1,827,766
Increase in equity arising from share-based payments	-	122,525	-	-	-	122,525
Net amount reclassified to retained earnings on sale of equity instruments at FVOCI	-	-	-	(3,419)	3,419	-
Dividends to shareholders of the Bank (Note 21)	-	-	-	-	(972,556)	(972,556)
Contributions under share-based payment plan (Note 27)	-	(91,870)	-	-	-	(91,870)
31 December 2025	27,994	171,434	(11)	7,816	6,309,130	6,516,363

The accompanying Notes on pages 10 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended 31 December 2025***(Thousands of Georgian Lari)*

<i>Notes</i>	2025	2024 (Reclassified)	2023 (Reclassified)
Cash flows from operating activities			
Interest received	3,959,016	3,215,331	2,692,111
Interest paid	(1,841,039)	(1,440,028)	(1,074,119)
Fees and commissions received	897,492	796,894	575,226
Fees and commissions paid	(506,030)	(398,639)	(291,356)
Net realised gain from foreign currencies	466,130	429,585	355,436
Recoveries of loans to customers previously written off	9	39,137	46,530
Other income received	9,660	18,792	14,006
Salaries and other employee benefits paid	(444,834)	(374,118)	(308,746)
General and administrative and operating expenses paid	(227,800)	(208,201)	(186,357)
Cash flows from operating activities before changes in operating assets and liabilities	2,351,732	2,086,146	1,823,230
<i>Net (increase) decrease in operating assets</i>			
Amounts due from credit institutions	248,557	(668,366)	608,407
Loans to customers, factoring and finance lease receivables	(4,148,471)	(4,056,899)	(3,697,647)
Prepayments and other assets	13,454	8,970	14,692
Foreclosed assets	143,140	68,181	159,204
<i>Net increase (decrease) in operating liabilities</i>			
Amounts due to credit institutions	(108,955)	1,515,518	(51,309)
Debt securities issued	218,680	24,787	(45,673)
Client deposits and notes	3,830,556	4,116,402	2,455,281
Other liabilities	44,638	17,928	(44,500)
Net cash flows from operating activities before income tax	2,593,331	3,112,667	1,221,685
Income tax paid	(243,680)	(513,171)	(159,043)
Net cash flows from operating activities	2,349,651	2,599,496	1,062,642
Cash flows (used in) from investing activities			
Acquisition of investment securities measured at fair value through other comprehensive income	3	(5,801,969)	(11,335,114)
Proceeds from sale and maturity of investment securities measured at fair value through other comprehensive income	3	5,390,318	9,837,562
Acquisition of investment securities carried at amortised cost	3	(935,694)	(1,616,193)
Proceeds from sale and maturity of investment securities carried at amortised cost	3	848,164	258,425
Purchase of investments in associates	4	-	(249,805)
Proceeds from sale of investment properties and assets held for sale	-	52,644	35,031
Proceeds from sale of property and equipment and intangible assets	-	13,811	164
Purchase of property and equipment and intangible assets	-	(181,417)	(156,974)
Dividends received	-	1,078	802
Net cash flows used in investing activities	(613,065)	(3,226,102)	(588,596)
Cash flows (used in) from financing activities			
Repurchase of debt securities issued	19	(45,766)	-
Repayment of the principal portion of the debt securities issued	19	-	(283,570)
Proceeds from Eurobonds and notes issued	19	450,000	-
Proceeds from Tier 2 notes issued	19	87,857	51,126
Proceeds from local bonds issued	19	49,596	-
Proceeds from Additional Tier 1	18	-	800,970
Cash payments for the principal portion of the lease liability	19	(48,066)	(36,340)
Dividends paid	-	(839,424)	(697,960)
Contributions under share-based payment plan	27	(91,870)	(77,377)
Purchase of treasury shares	-	-	(1)
Net cash used in financing activities	(437,673)	(243,151)	(921,107)
Effect of exchange rates changes on cash and cash equivalents	6,064	105,149	(5,653)
Effect of expected credit losses on cash and cash equivalents	(304)	252	(182)
Net (decrease) increase in cash and cash equivalents	1,304,673	(764,356)	(452,896)
Cash and cash equivalents, beginning of the year	2,278,476	3,042,832	3,495,728
Cash and cash equivalents, end of the year	3,583,149	2,278,476	3,042,832

The accompanying Notes on pages 10 to 117 are an integral part of these consolidated financial statements.

1. Principal activities

JSC Bank of Georgia (the “Bank”) was established on 21 October 1994 as a joint stock company (“JSC”) under the laws of Georgia. The Bank operates under a general banking licence issued by the National Bank of Georgia (“NBG”; the Central Bank of Georgia) on 15 December 1994.

The Bank 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, the Bank had 200 operating outlets in all major cities of Georgia (31 December 2024: 189, 31 December 2023: 189). The Bank’s registered legal address is 29a Gagarini Street, Tbilisi 0160, Georgia. The Bank’s identification number is 204378869.

As at 31 December 2025 Lion Finance Group PLC represented the ultimate parent company of the Bank. As at 31 December 2025, JSC Georgia Capital was the only shareholder of Lion Finance Group PLC holding more than 10% of the shares, with a stake of 16.88% (31 December 2024: 19.23%, 31 December 2023: 19.71%).

The Bank, its subsidiaries and a material associate operating in Armenia make up a group of companies (the “Group”) mainly incorporated in Georgia, Belarus and Armenia. Primary business activities include providing banking services to corporate and individual customers. The Bank is the Group’s main operating unit and accounts for most of the Group’s activities.

On 25 March 2025, JSC BGEO repurchased 0.44% non-controlling interest in JSC Bank of Georgia increasing its ownership to 100%. As at 31 December 2025, 31 December 2024 and 31 December 2023, JSC BGEO Group (“JSC BGEO”) was the principal shareholder of the Bank:

Shareholder	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
JSC BGEO Group	100.00%	99.56%	99.56%
Others*	0.00%	0.44%	0.44%
Total	100.00%	100.00%	100.00%

* Shares listed on the Georgian Stock Exchange.

2. Basis of preparation

General

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued by the International Accounting Standards Board (“IASB”) effective for 2025 reporting.

The Bank and its Georgian-based subsidiaries are required to maintain their records and prepare their financial statements for regulatory purposes in Georgian Lari, while the Bank’s subsidiaries established outside of Georgia are in their respective local currencies. 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 Management Board has considered the Group’s business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance. The Management Board has 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 Management Board confirms that they have a reasonable expectation that the Bank and the Group, as a whole, have adequate resources to continue in operational existence for the 12-month 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.

2. Basis of preparation (continued)

Subsidiaries, associates and corporate shares with shareholdings above 10%

The consolidated financial statements as at 31 December 2025, 31 December 2024 and 31 December 2023 include the following subsidiaries, associates and corporate shares with shareholdings above 10%:

Subsidiaries	Proportion of voting rights and ordinary share capital held			Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition	Legal form / Status
	31 December 2025	31 December 2024	31 December 2023						
Bank of Georgia Representative Office UK Limited	100.00%	100.00%	100.00%	United Kingdom	42 Brook Street, London, W1K 5DB	Information Sharing and Market Research	17/8/2010	—	Limited Liability Company
Tree of Life Foundation NPO (former Bank of Georgia Future Foundation, NPO)	100.00%	100.00%	100.00%	Georgia	3 Pushkin Street, Tbilisi 0105	Charitable activities	25/8/2008	—	Non-profit Organization
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	—	Representative Office
Representative Office of JSC Bank of Georgia in Turkey*	N/A	N/A	100.00%	Turkey	Süleyman Seha Caddesi No:48 A Blok Daire 82 Akaretler Beğlik, 34357 Istanbul	Representative Office	25/12/2013	—	Representative Office
Georgia Financial Investments, LLC	100.00%	100.00%	100.00%	Israel	7 Menahem Begin, Ramat Gan 52681, Israel	Information Sharing and Market Research	9/2/2009	—	Limited Liability Company
Benderlock Investments Limited	100.00%	100.00%	100.00%	Cyprus	Ard. Makanton II 58, TRIS TOWER, 8th floor, Flat/Office 702 P.C. 1075, Nicosia	Investments	12/5/2009	13/10/2009	Limited Liability Company
▮ JSC Belaruskly Narodny Bank***	99.98%	99.98%	99.98%	Belarus	Nezavisimosty Ave. 87A, room 3, Minsk, 220012	Banking	16/4/1992	3/6/2008	Joint Stock Company
▮ BNB Leasing, LLC	99.90%	99.90%	99.90%	Belarus	Nezavisimosty Ave. 87A, room 3, Minsk, 220012	Leasing	30/3/2006	3/6/2008	Limited Liability Company
Georgian Leasing Company, LLC	100.00%	100.00%	100.00%	Georgia	3-5 Kazbegi Str., Tbilisi	Leasing	29/10/2001	31/12/2004	Limited Liability Company
▮ Prime Leasing	100.00%	100.00%	100.00%	Georgia	Didube-Chugureti district, №114, Ak. Tsereteli Ave., Tbilisi	Leasing	27/1/2012	21/1/2015	Limited Liability Company

Associates	Proportion of voting rights and			Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition	Legal form / Status
	31 December 2025	31 December 2024	31 December 2023						
JSC Credit info	21.08%	21.08%	21.08%	Georgia	2 Tarkhnishvili St., Tbilisi, Georgia	Financial intermediation	14/2/2005	14/2/2005	Joint Stock Company
CJSC AMERIABANK	30.00%	30.00%	N/A	Armenia	2 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia	Banking	8/12/1992	31/3/2024	Closed Joint Stock Company

Investment securities, corporate shares	Proportion of voting rights and			Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition	Legal form / Status
	31 December 2025	31 December 2024	31 December 2023						
JSC United Cleaning Center	16.67%	16.67%	16.67%	Georgia	5/1 Sulikhan-Saba St., Tbilisi, Georgia	Electronic payment services	22/07/2008	15/09/2008	Joint Stock Company

*JSC Bank of Georgia closed Representative office in Turkey on 24 August 2024.

**JSC Bank of Georgia closed Representative office of bank of Georgia in Hungary on 13 February 2025.

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

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized 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 reassesses 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 recognized 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 recognized in profit or loss.

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 higher of cost and the Group's share in identifiable net assets and liabilities. If the share in identifiable net assets and liabilities is higher than consideration at acquisition, the excess is recognized in the consolidated income statement in 'Profit from associates' line. 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 equal 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.

3. Material accounting policy information (continued)

Fair value measurement

The Group measures certain investment securities, derivative financial assets and liabilities, investment properties and certain other financial assets, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 29.

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 re-assessing 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.

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 (FVPL);
- fair value through other comprehensive income (FVOCI) with recycling to income statement upon disposal for debt instruments;
- FVOCI without recycling to profit or loss for equity instruments; and
- amortised cost.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL 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 FVPL.

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;
- 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.

3. Material accounting policy information (continued)

Financial assets and liabilities (continued)

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 payment 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 from 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.

Solely Payments of Principal and Interest (SPPI)

If a financial asset is held in either to 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.

3. Material accounting policy information (continued)

Financial assets and liabilities (continued)

Subsequent measurement of financial instruments (continued)

Financial instruments measured at amortised cost (continued)

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 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 profit or loss.

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 investment in equity instruments as equity instrument 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.

Non-financial guarantees

The Group enters into non-financial guarantee contracts whereby it’s 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, amortized 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 expected credit loss (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.

3. Material accounting policy information (continued)

Financial assets and liabilities (continued)

Subsequent measurement of financial instruments (continued)

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 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 Bank 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 Bank'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 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 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.

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 twenty years. Lease payments are fixed in most cases. The contracts don't 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 recognizes 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 the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

3. Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

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 present 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 FVPL, 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.

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.

3. Material accounting policy information (continued)

Derecognition of financial assets and liabilities (continued)

Derecognition and modification of financial assets (continued)

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.

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 forbore 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 forbore, the assets are classified in Stage 3. The decision as to how long the asset remains in the forbore 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 re-assess 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 realizations 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 recognize the options separately in the consolidated financial statements but considers the exercise price in measurement of NRV where relevant.

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.

3. Material accounting policy information (continued)

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 the Group 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.

Georgia 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.

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).

3. Material accounting policy information (continued)

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:

	<u>Years</u>
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, or groups of cash-generating units, 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.

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 a provision when 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 Lion Finance Group PLC ("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 the Group purchase its own 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.

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 effective interest rate (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 program

Customer loyalty program points accumulated in the business are treated as deferred revenue and recognised in revenues gradually as they are earned. The Group recognizes gross revenue earned from customer loyalty program 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.

3. Material accounting policy information (continued)

Functional, reporting currencies and foreign currency translation

The Consolidated Financial Statements are presented in Georgian Lari, which is the Group's presentation currency. The JSC Bank of Georgia's functional currency is Georgian Lari, while the functional currency of JSC Belaruskyy Narodny bank's 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.

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 profit or loss, 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:

	<u>Lari to GBP</u>	<u>Lari to USD</u>	<u>Lari to EUR</u>	<u>Lari to BYN</u>
31 December 2025	3.6446	2.6951	3.1737	0.9318
31 December 2024	3.5349	2.8068	2.9306	0.8594
31 December 2023	3.4228	2.6894	2.9753	0.8162

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.

3. Material accounting policy information (continued)

Reclassifications

To improve the quality and understandability of its consolidated statement of cash flows, the Group has revisited the presentation of net purchases/sales of investment securities measured at amortized cost and FVOCI (from previously presented on net basis to currently presented on gross basis). Comparative amounts were reclassified in line with the updated presentation.

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:

	<i>As previously reported</i>	<i>Reclassification</i>	<i>As reclassified</i>
Consolidated statement of cash flows for the year ended 31 December 2024			
Cash flows from/(used in) investing activities			
Net purchases/sales of investment securities measured at amortised cost and FVOCI	(2,855,320)	2,855,320	-
Acquisition of investment securities measured at fair value through other comprehensive income	-	(11,335,114)	(11,335,114)
Proceeds from sale and maturity of investment securities measured at fair value through other comprehensive income	-	9,837,562	9,837,562
Acquisition of investment securities carried at amortised cost	-	(1,616,193)	(1,616,193)
Proceeds from sale and maturity of investment securities carried at amortised cost.	-	258,425	258,425
Net cash from / (used in) investing activities	(2,808,177)	-	(2,808,177)
Consolidated statement of cash flows for the year ended 31 December 2023			
Cash flows from/(used in) investing activities			
Net purchases/sales of investment securities measured at amortised cost and FVOCI	(497,814)	497,814	-
Acquisition of investment securities measured at fair value through other comprehensive income	-	(6,248,531)	(6,248,531)
Proceeds from sale and maturity of investment securities measured at fair value through other comprehensive income	-	5,888,458	5,888,458
Acquisition of investment securities carried at amortised cost	-	(543,626)	(543,626)
Proceeds from sale and maturity of investment securities carried at amortised cost.	-	405,885	405,885
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 IAS 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 derecognized 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 derecognize 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 fair value through other comprehensive income (FVTOCI).

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.

3. Material accounting policy information (continued)

Standards issued but not yet effective (continued)

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
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows

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 statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss 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 realizable values of foreclosed assets is determined by independent, professionally qualified appraisers. Fair value is determined using a combination of the internal capitalisation method (also known as the discounted future cash flow method) and the sales comparison method.

The Group performs valuation 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 11, while valuation inputs and techniques are presented in Note 29. 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. A summary of the key judgements made by management is set out below.

Definition of default, credit-impaired and cure (Note 28)

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, insolvency proceedings or 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.

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.

Once a credit-impaired financial asset meets default exit criteria, it remains in Stage 2 at least for the next 12 consecutive months. In case no default status is assigned during the 12 consecutive months, it is transferred to Stage 1 if its credit risk is not significantly higher than at origination date.

4. Significant accounting judgements and estimates (continued)

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. 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 and 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

- Existence of 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 the 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 been increased significantly since origination.

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: The Group 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. 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, credit lines and financial guarantees, the Group estimates the forward-looking EAD using the limit utilisation approach. Under the above approach EAD is calculated using the expected utilization rate based on historical data of actual draw-down amounts.

4. Significant accounting judgements and estimates (continued)

Measurement of ECLs (continued)

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 expected credit losses 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 expected credit losses, the Group uses the macroeconomic forecasts provided by the NBG for Group companies operating in Georgia, while data used by Belarusky Narodny Bank ("BNB") is provided by a non-governmental research centre operating in Belarus. Macroeconomic variables covered by these forecasts and which the Group incorporated in its ECL assessment model include GDP growth, foreign exchange rate and inflation rate. These forward-looking macroeconomic variables are generally updated on a semi-annual basis for Georgian companies and on a quarterly basis for BNB.

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.

The Group considers these forecasts to represent its best estimate of the possible outcomes, based on reliable available information.

Forward-looking variable assumptions

The most significant period end assumptions used for ECL estimate 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%

4. Significant accounting judgements and estimates (continued)

Forward-looking variable assumptions (continued)

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	25.00%	3.39%	4.46%	25%	4.75%	4.62%	25%	3.77%	3.13%
	Base case	50.00%	1.56%	1.82%	50%	2.64%	1.90%	50%	1.95%	0.49%
	Downside	25.00%	-0.27%	-0.83%	25%	0.53%	-0.83%	25%	0.14%	-2.15%
BYN/USD exchange rate %	Upside	25.00%	1.73%	0.55%	25%	-0.24%	-0.08%	25%	0.66%	0.62%
	Base case	50.00%	4.19%	2.01%	50%	0.82%	1.64%	50%	1.00%	1.23%
	Downside	25.00%	6.55%	3.19%	25%	1.73%	2.98%	25%	1.31%	1.77%
CPI inflation rate in %	Upside	25.00%	-0.45%	-0.74%	25%	-0.38%	-0.45%	25%	-0.09%	-0.52%
	Base case	50.00%	1.63%	1.66%	50%	1.61%	1.91%	50%	1.94%	1.82%
	Downside	25.00%	3.59%	3.90%	25%	3.50%	4.12%	25%	3.86%	4.01%

All other parameters held constant, increase in GDP growth and decrease in foreign exchange rate and inflation would result in decrease in ECL, with opposite changes resulting in ECL increase. GDP growth input has the most significant impact on ECL, followed by foreign exchange rate and inflation. Retail portfolio ECL is less affected by foreign exchange rate inputs due to larger share of GEL-denominated exposures. However, retail portfolio ECL is affected by inflation, which does not have a significant impact on corporate ECL.

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 recalculated.

Sensitivity of ECL to forward looking assumptions

Key drivers	As at 31 December 2025				
	Reported ECL	Reported ECL coverage	ECL coverage by scenarios		
			Upside	Base case	Downside
Commercial loans	150,792	1.51%	1.50%	1.50%	1.54%
Residential mortgage loan:	5,668	0.10%	0.10%	0.10%	0.10%
Micro and SME loans	81,307	1.70%	1.68%	1.69%	1.72%
Consumer loans	138,044	1.79%	1.75%	1.77%	1.86%
Gold – pawn loans	1,196	0.50%	0.50%	0.50%	0.50%

Key drivers	As at 31 December 2024				
	Reported ECL	Reported ECL coverage	ECL coverage by scenarios		
			Upside	Base case	Downside
Commercial loans	130,218	1.49%	1.47%	1.48%	1.51%
Residential mortgage loan:	10,498	0.21%	0.21%	0.21%	0.21%
Micro and SME loans	77,958	1.76%	1.73%	1.75%	1.79%
Consumer loans	136,987	2.21%	2.14%	2.18%	2.36%
Gold – pawn loans	1,013	0.66%	0.66%	0.66%	0.66%

Key drivers	As at 31 December 2023				
	Reported ECL	Reported ECL coverage	ECL coverage by scenarios		
			Upside	Base case	Downside
Commercial loans	98,359	1.41%	1.37%	1.40%	1.44%
Residential mortgage loan:	22,748	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	1,389	0.92%	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.

4. Significant accounting judgements and estimates (continued)

Forward-looking variable assumptions (continued)

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, 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. 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.

Back testing of ECL calculation model

In order to monitor the quality and reliability of the Group's ECL calculation model, the Group periodically performs back testing 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 back testing 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 back testing procedures are accounted as changes in accounting estimates with prospective application.

5. Segment information

For management purposes, the Group is organised into the following business lines and respective operating segments:

Georgian Financial Services business division:

- RB - Retail Banking (excluding Retail Banking of BNB) – 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 (excluding SME Banking of BNB) – 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.
- CB - 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.
- CC - Corporate center – comprises mainly treasury and custody operations.

Other businesses:

- Other - Mainly comprising JSC Belarusky Narodny Bank, principally providing retail and SME banking services in Belarus, gain from associate operating in Armenia and respective 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.

The Group's operations are primarily concentrated in Georgia, except for BNB, which operates in Belarus and associate that operates in Armenia.

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.

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	Other businesses	Group Total
Interest Income	1,836,771	624,905	1,113,361	328,935	-	3,903,972	118,023	4,021,995
Interest expense	(749,070)	(134,183)	(593,960)	(328,324)	-	(1,805,537)	(66,345)	(1,871,882)
Inter-segment interest income/(expense)	(16,960)	(159,564)	183,578	(7,054)	-	-	-	-
Net interest income	1,070,741	331,158	702,979	(6,443)	-	2,098,435	51,678	2,150,113
Fee and commission income	671,830	61,674	75,104	10,665	-	819,271	62,396	881,667
Card operations	359,687	14,725	2,721	-	-	377,133	29,821	406,954
Account services	148,214	31,507	17,792	4,817	-	202,330	11,196	213,526
Settlements operations	101,549	118	121	-	-	101,788	14,729	116,517
Currency conversion operations	48,494	2,049	3,885	-	-	54,428	75	54,503
Guarantees and letters of credit	88	7,915	45,209	-	-	53,212	665	53,877
Cash operations	5,842	5,328	4,729	1,069	-	16,968	5,187	22,155
Brokerage service fees	14	21	140	215	-	390	-	390
Other	7,942	11	507	4,562	-	13,022	723	13,745
Fee and commission expense	(351,636)	(18,364)	(12,162)	(5,154)	-	(387,316)	(43,905)	(431,221)
Card operations	(244,756)	(9,225)	(846)	-	-	(254,827)	(18,620)	(273,447)
Settlements operations	(72,054)	(6,960)	(5,208)	-	-	(84,222)	(20,216)	(104,438)
Currency conversion operations	(10,535)	(449)	(854)	-	-	(11,838)	(711)	(12,549)
Guarantees and letters of credit	(1)	(21)	(292)	-	-	(314)	(4)	(318)
Cash operations	(6,785)	(1,107)	(3,077)	(5,160)	-	(16,129)	(4,353)	(20,482)
Brokerage service fees	(1,345)	(602)	(644)	7	-	(2,584)	-	(2,584)
Other	(16,160)	-	(1,241)	(1)	-	(17,402)	(1)	(17,403)
Net fee and commission income	320,194	43,310	62,942	5,509	-	431,955	18,491	450,446
Net foreign currency gain	191,099	33,059	76,265	60,459	-	360,882	97,610	458,492
Net gains/(losses) on extinguishment of debt	-	3	10	-	-	13	(294)	(281)
Net other gains/(losses)	11,037	2,788	28,475	2,007	(47)	44,260	1,524	45,784
Operating income	1,593,071	410,318	870,671	61,532	(47)	2,935,545	169,009	3,104,554
Operating expenses	(565,762)	(124,388)	(118,540)	(55,320)	47	(863,963)	(98,977)	(962,940)
Profit from associates	-	-	-	1,256	-	1,256	153,544	154,800
Operating income before cost of risk	1,027,309	285,930	752,131	7,468	-	2,072,838	223,576	2,296,414
Cost of risk	(77,789)	(21,393)	(40,799)	(1,302)	-	(141,283)	(4,923)	(146,206)
Profit before income tax	949,520	264,537	711,332	6,166	-	1,931,555	218,653	2,150,208
Income tax expense	(161,796)	(45,041)	(121,226)	48,721	-	(279,342)	(17,782)	(297,124)
Profit for the year	787,724	219,496	590,106	54,887	-	1,652,213	200,871	1,853,084
Assets and liabilities								
Total assets	18,856,153	6,364,443	12,752,012	4,079,031	(31)	42,051,608	2,831,565	44,883,173
Total liabilities	16,533,421	5,490,181	10,519,390	3,982,620	(31)	36,525,581	1,841,229	38,366,810
Other segment information								
Property and equipment	110,931	9,592	3,093	77	-	123,693	6,624	130,317
Intangible assets	36,818	6,743	2,530	232	-	46,323	10,656	56,979
Capital expenditure	147,749	16,335	5,623	309	-	170,016	17,280	187,296
Depreciation, amortisation and impairment	(110,813)	(16,822)	(6,097)	(352)	-	(134,084)	(10,113)	(144,197)

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	Other businesses	Group Total
Interest Income	1,523,883	554,087	927,582	248,621	-	3,254,173	84,268	3,338,441
Interest expense	(614,146)	(130,780)	(476,927)	(242,621)	-	(1,464,474)	(31,220)	(1,495,694)
Inter-segment interest income/(expense)	46,352	(149,307)	98,775	4,180	-	-	-	-
Net interest income	956,089	274,000	549,430	10,180	-	1,789,699	53,048	1,842,747
Fee and commission income	598,958	59,915	68,655	8,830	-	736,358	50,089	786,447
Card operations	331,482	13,498	2,080	-	-	347,060	22,963	370,023
Account services	121,238	30,017	12,357	5,104	-	168,716	7,973	176,689
Settlements operations	87,139	150	95	-	-	87,384	12,363	99,747
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	704	55,049
Cash operations	7,431	5,857	4,446	584	-	18,318	5,637	23,955
Brokerage service fees	3	224	162	-	-	389	-	389
Other	3,872	10	828	3,142	-	7,852	448	8,300
Fee and commission expense	(323,448)	(16,383)	(13,280)	(4,006)	-	(357,117)	(41,522)	(398,639)
Card operations	(230,400)	(8,693)	(725)	-	-	(239,818)	(17,537)	(257,355)
Settlements operations	(64,577)	(5,634)	(4,326)	-	-	(74,537)	(18,388)	(92,925)
Currency conversion operations	(8,694)	(320)	(585)	-	-	(9,599)	(554)	(10,153)
Guarantees and letters of credit	(5)	(11)	(217)	-	-	(233)	(5)	(238)
Cash operations	(6,744)	(1,326)	(5,996)	(3,999)	-	(18,065)	(5,039)	(23,104)
Brokerage service fees	(864)	(399)	(432)	(7)	-	(1,702)	-	(1,702)
Other	(12,164)	-	(999)	-	-	(13,163)	1	(13,162)
Net fee and commission income	275,510	43,532	55,375	4,824	-	379,241	8,567	387,808
Net foreign currency gain	177,689	44,241	108,262	57,170	-	387,362	59,357	446,719
Net gains/(losses) on extinguishment of debt	-	2	8	-	-	10	2	12
Net other gains/(losses)	21,901	7,145	17,106	2,137	(78)	48,211	1,232	49,443
Operating income	1,431,189	368,920	730,181	74,311	(78)	2,604,523	122,206	2,726,729
Operating expenses	(463,418)	(108,562)	(117,379)	(25,614)	78	(714,895)	(75,268)	(790,163)
Profit from associates	-	-	-	1,347	-	1,347	291,723	293,070
Operating income before cost of risk	967,771	260,358	612,802	50,044	-	1,890,975	338,661	2,229,636
Cost of risk	(44,458)	(16,782)	(35,126)	(1,949)	-	(98,315)	(3,849)	(102,164)
Profit before income tax	923,313	243,576	577,676	48,095	-	1,792,660	334,812	2,127,472
Income tax expense	(161,298)	(42,429)	(98,160)	26,335	-	(275,552)	(14,021)	(289,573)
Profit for the year	762,015	201,147	479,516	74,430	-	1,517,108	320,791	1,837,899
Assets and liabilities								
Total assets	16,070,301	5,771,629	11,070,966	4,570,475	(509)	37,482,862	1,790,301	39,273,163
Total liabilities	13,976,374	4,955,018	9,124,047	4,308,976	(509)	32,363,906	1,278,759	33,642,665
Other segment information								
Property and equipment	83,285	8,174	3,067	63	-	94,589	2,928	97,517
Intangible assets	41,258	7,929	2,535	250	-	51,972	7,702	59,674
Capital expenditure	124,543	16,103	5,602	313	-	146,561	10,630	157,191
Depreciation, amortisation and impairment	(91,120)	(13,198)	(4,996)	(219)	-	(109,533)	(8,611)	(118,144)

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 2023:

	Retail Banking	SME	Corporate Investment Banking	Corporate center	Eliminations	Georgian Financial Services	Other businesses	Group Total
Interest Income	1,243,950	505,719	744,824	163,421	-	2,657,914	71,371	2,729,285
Interest expense	(460,026)	(109,876)	(393,373)	(155,200)	-	(1,120,475)	(22,810)	(1,143,285)
Inter-segment interest income/(expense)	(8,823)	(126,741)	135,075	489	-	-	-	-
Net interest income	775,101	269,102	484,526	8,710	-	1,537,439	48,561	1,586,000
Fee and commission income	507,838	51,080	55,999	8,041	-	622,958	46,578	669,536
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
Settlements operations	78,653	253	81	-	-	78,987	13,075	92,062
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
Cash operations	10,931	5,918	3,665	1,016	-	21,530	6,405	27,935
Brokerage service fees	-	405	211	-	-	616	-	616
Other	5,322	100	1,146	1,631	-	8,199	363	8,562
Fee and commission expense	(264,157)	(17,566)	(6,196)	(1,747)	-	(289,666)	(39,198)	(328,864)
Card operations	(191,841)	(6,145)	(455)	-	-	(198,441)	(13,269)	(211,710)
Settlements operations	(49,786)	(9,652)	-	-	-	(59,438)	(19,957)	(79,395)
Currency conversion operations	(7,851)	(302)	(424)	-	-	(8,577)	(394)	(8,971)
Guarantees and letters of credit	(2)	(15)	(212)	-	-	(229)	(10)	(239)
Cash operations	(6,817)	(1,035)	(4,309)	(1,744)	-	(13,905)	(5,568)	(19,473)
Brokerage service fees	(823)	(416)	(357)	(4)	-	(1,600)	-	(1,600)
Other	(7,037)	(1)	(439)	1	-	(7,476)	-	(7,476)
Net fee and commission income	243,681	33,514	49,803	6,294	-	333,292	7,380	340,672
Net foreign currency gain (loss)	153,269	37,263	90,758	47,954	-	329,244	41,603	370,847
Net gains/(losses) on extinguishment of debt	-	81	262	-	-	343	221	564
Net other gains/(losses)	7,022	3,127	84,101	18,562	(83)	112,729	1,817	114,546
Operating income	1,179,073	343,087	709,450	81,520	(83)	2,313,047	99,582	2,412,629
Operating expenses	(396,841)	(95,219)	(104,684)	(16,737)	83	(613,398)	(65,557)	(678,955)
Profit from associates	-	-	-	984	-	984	-	984
Operating income before cost of risk	782,232	247,868	604,766	65,767	-	1,700,633	34,025	1,734,658
Cost of risk	(83,491)	(33,035)	(28,826)	732	-	(144,620)	2,649	(141,971)
Profit before income tax	698,741	214,833	575,940	66,499	-	1,556,013	36,674	1,592,687
Income tax expense	(125,455)	(37,676)	(97,705)	10,346	-	(250,490)	(8,478)	(258,968)
Profit for the year	573,286	177,157	478,235	76,845	-	1,305,523	28,196	1,333,719
Assets and liabilities								
Total assets	13,600,818	5,224,194	8,498,832	2,811,590	(880)	30,134,554	1,259,556	31,394,110
Total liabilities	11,964,056	4,541,098	7,000,703	2,328,184	(880)	25,833,161	1,108,899	26,942,060
Other segment information								
Property and equipment	75,475	8,487	2,574	-	-	86,536	5,273	91,809
Intangible assets	32,443	6,261	2,191	-	-	40,895	7,031	47,926
Capital expenditure	107,918	14,748	4,765	-	-	127,431	12,304	139,735
Depreciation, amortisation and impairment	(84,189)	(12,411)	(4,880)	-	-	(101,480)	(9,260)	(110,740)

6. Cash and cash equivalents

	2025	2024	2023
Cash on hand	1,123,507	1,105,924	966,670
Current accounts with credit institutions	1,084,348	675,438	650,630
Current accounts with central banks	1,049,020	189,410	713,212
Placements with and receivables from credit institutions with maturities of up to 90 days	326,820	307,938	712,786
Cash and cash equivalents, gross	3,583,695	2,278,710	3,043,298
Less – Allowance for expected credit loss	(546)	(234)	(466)
Cash and cash equivalents, net	3,583,149	2,278,476	3,042,832

As at 31 December 2025, GEL 870,546 (2024: GEL 711,548, 2023: GEL 974,224) 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 between 0.00%-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.

Current accounts with central banks include mandatory reserves relating to GEL-denominated liabilities, which are maintained as an average balance over a 14-day maintenance period on the Bank of Georgia's correspondent account with the NBG. These balances form part of the Bank's current account with the NBG and 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	2,144,162	2,440,549	1,746,289
Placements with and receivables from credit institutions with maturities of more than 90 days	12,823	-	-
Restricted cash	4,203	3,209	7,263
Receivables from reverse REPO operations	-	13,423	-
Amounts due from credit institutions, gross	2,161,188	2,457,181	1,753,552
Less – Allowance for expected credit loss	(440)	(491)	(894)
Amounts due from credit institutions, net	2,160,748	2,456,690	1,752,658

Obligatory reserves with central banks represent amounts deposited with the NBG and National Bank of the Republic of Belarus (the "NBRB"). Credit institutions are required to maintain cash deposits (obligatory reserve) with the NBG and with 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 NBG (31 December 2024: 4.00%, 31 December 2023: 0.00%), 0.00% with NBRB (31 December 2024: 0.00%, 31 December 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]	6,363,772	5,907,282	4,349,609
Investment securities designated as at FVOCI - equity investments	1,560	9,029	7,098
Investment securities measured at FVOCI	6,365,332	5,916,311	4,356,707
Investment securities measured at amortized cost [2]	1,994,282	1,910,870	524,433
Less: allowance for credit losses	(1,131)	(391)	(325)
Investment securities measured at amortized cost, net	1,993,151	1,910,479	524,108

[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
US treasury bills	1,912,095	1,283,392	1,621,219
Ministry of Finance of Georgia treasury bills	59,065	106,139	155,955
Foreign treasury bills	57,913	61,354	-
Certificates of deposit of central banks	9,893	27,630	10,855
US treasury bonds	-	310,718	-
Foreign treasury bonds	-	-	54,151
Other debt instruments [1.1]	123,063	781,182	615,745
Investment securities measured at FVOCI - debt instruments	6,363,772	5,907,282	4,349,609

8. Investment securities and Investment securities pledged under sale and repurchase agreements and securities lending (continued)

Investment securities (continued)

[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
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	-	75,552	-
Other debt instruments	30,935	161,872	54,618
Investment securities measured at FVOCI - other debt instruments	123,063	781,182	615,745

[2] Investment securities measured at amortised cost - debt instruments comprise:

	2025	2024	2023
Ministry of Finance of Georgia treasury bonds	8,853	58,393	-
US treasury bonds	256,911	263,212	-
Other debt instruments [2.1]	1,728,518	1,589,265	524,433
Investment securities measured at amortized cost - debt instruments, gross	1,994,282	1,910,870	524,433
Less: allowance for credit losses	(1,131)	(391)	(325)
Investment securities measured at amortized cost, net	1,993,151	1,910,479	524,108

[2.1] 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 Bonds	133,246	115,630	96,163
Investment securities measured at amortized cost - other debt instruments	1,728,518	1,589,265	524,433

Investment securities pledged for short-term loans from the central banks

	2025	2024	2023
Georgian Ministry of Finance treasury bonds	1,175,413	1,336,096	1,375,687
Other debt instruments	-	541,939	127,685
Total	1,175,413	1,878,035	1,503,372
Out of which:			
<i>Measured at FVOCI</i>	1,175,413	1,336,096	1,375,687
<i>Measured at amortised cost</i>	-	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:			
<i>Measured at FVOCI</i>	109,233	300,256	-
<i>Measured at amortised cost</i>	106,164	543,513	-

For the period ended 31 December 2025 net gains on derecognition of investment securities comprised GEL 1,910 (2024: GEL 1,631, 2023: GEL 18,512) which is included in net other income.

As at 31 December 2025, allowance for expected credit loss on investment securities measured at FVOCI comprised GEL 9,346 (2024: GEL 10,811, 2023: GEL 7,673).

8. Investment securities and Investment securities pledged under sale and repurchase agreements and securities lending (continued)

Investment securities (continued)

During 2025 the 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 401,418) and recognised a gain/(loss) of GEL 463 (2024: GEL 122, 2023: GEL 4,467).

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	-	138,945	-
Investment securities pledged under sale and repurchase agreements and securities lending measured at FV	-	138,945	-

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.

9. Loans to customers, factoring and finance lease receivables

	2025	2024	2023
Commercial loans	9,984,725	8,762,318	6,979,330
Consumer loans	7,707,757	6,187,049	4,699,969
Residential mortgage loans	5,705,370	5,032,418	4,557,525
Micro and SME loans	4,795,339	4,441,390	4,073,022
Gold – pawn loans	240,532	154,242	150,228
Loans to customers at amortised cost, gross	28,433,723	24,577,417	20,460,074
Less – Allowance for expected credit loss	(377,007)	(356,674)	(325,790)
Loans to customers at amortised cost, net	28,056,716	24,220,743	20,134,284
Finance lease receivables, gross	83,295	68,998	70,091
Less – Allowance for expected credit loss	(3,275)	(9,754)	(11,208)
Finance lease receivables, net	80,020	59,244	58,883
Factoring receivables, gross	115,918	36,180	55,027
Less – Allowance for expected credit loss	(169)	(12)	(127)
Factoring receivables, net	115,749	36,168	54,900
Total loans to customers, factoring and finance lease receivables	28,252,485	24,316,155	20,248,067

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 expected credit loss / impairment of loans to customers by class are provided in the table below, within which the new financial assets 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)

Expected credit loss (continued)

Loans to customer at amortised cost, gross:					
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	23,121,704	867,616	503,295	84,802	24,577,417
New financial asset originated or purchased	19,780,479	81,056	33,276	50,532	19,945,343
Transfer to Stage 1	710,791	(710,763)	(28)	-	-
Transfer to Stage 2	(2,173,030)	2,242,644	(69,614)	-	-
Transfer to Stage 3	(33,962)	(374,215)	408,177	-	-
Assets repaid	(15,385,767)	(420,707)	(263,490)	(34,604)	(16,104,568)
Impact of modifications	1,073	(584)	(7,533)	139	(6,905)
Foreign exchange movement	(40,379)	435	(3,426)	41	(43,329)
Net other changes	201,152	(166,903)	65,475	10,013	109,737
Write-offs	-	(4)	(123,189)	(38,739)	(161,932)
Recoveries of amounts previously written off	-	-	38,944	193	39,137
Unwind of discount	-	-	12,143	842	12,985
Currency translation differences	61,862	1,143	2,833	-	65,838
Balance at 31 December 2025	26,243,923	1,519,718	596,863	73,219	28,433,723
Individually assessed	-	-	246,969	20,550	267,519
Collectively assessed	26,243,923	1,519,718	349,894	52,669	28,166,204
Balance at 31 December 2025	26,243,923	1,519,718	596,863	73,219	28,433,723
Loans to customer at amortised cost, ECL:					
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	81,912	35,230	218,603	20,929	356,674
New financial asset originated or purchased	113,199	4,217	4,815	16,099	138,330
Transfer to Stage 1	30,281	(30,280)	(1)	-	-
Transfer to Stage 2	(45,148)	67,538	(22,390)	-	-
Transfer to Stage 3	(409)	(22,875)	23,284	-	-
Impact on ECL of exposures transferred between stages during the year	(17,190)	33,440	102,498	-	118,748
Assets repaid	(79,496)	(30,360)	(116,175)	(5,576)	(231,607)
Impact of modifications	(168)	20	(2,829)	17	(2,960)
Foreign exchange movement	213	275	450	151	1,089
Net other measurement of ECL	(11,408)	13,236	102,840	2,141	106,809
Income statement (releases)/charges	(10,126)	35,211	92,492	12,832	130,409
Write-offs	-	(4)	(123,186)	(38,742)	(161,932)
Recoveries of amounts previously written off	-	-	38,944	193	39,137
Unwind of discount	-	-	12,143	842	12,985
Currency translation differences	278	21	(565)	-	(266)
Balance at 31 December 2025	72,064	70,458	238,431	(3,946)	377,007
Individually assessed	-	-	117,251	1,442	118,693
Collectively assessed	72,064	70,458	121,180	(5,388)	258,314
Balance at 31 December 2025	72,064	70,458	238,431	(3,946)	377,007

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Commercial loans at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	8,297,769	278,071	173,730	12,748	8,762,318
New financial asset originated or purchased	7,416,861	53,439	23,199	34,733	7,528,232
Transfer to Stage 1	30,394	(30,394)	-	-	-
Transfer to Stage 2	(798,477)	798,477	-	-	-
Transfer to Stage 3	(68)	(95,215)	95,283	-	-
Assets repaid	(6,093,286)	(188,742)	(88,839)	(14,405)	(6,385,272)
Resegmentation	66,079	-	-	-	66,079
Impact of modifications	56	(875)	(1,383)	298	(1,904)
Foreign exchange movement	(56,863)	(1,618)	(2,532)	(577)	(61,590)
Net other changes	64,586	(2,637)	(1,650)	98	60,397
Write-offs	-	-	(3,715)	(17,046)	(20,761)
Recoveries of amounts previously written off	-	-	3,969	10	3,979
Unwind of discount	-	-	7,582	491	8,073
Currency translation differences	23,291	526	1,357	-	25,174
Balance at 31 December 2025	8,950,342	811,032	207,001	16,350	9,984,725
Individually assessed	-	-	202,963	15,452	218,415
Collectively assessed	8,950,342	811,032	4,038	898	9,766,310
Balance at 31 December 2025	8,950,342	811,032	207,001	16,350	9,984,725

Commercial loans at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	14,056	6,469	103,960	5,733	130,218
New financial asset originated or purchased	15,524	863	3,270	13,834	33,491
Transfer to Stage 1	1,151	(1,151)	-	-	-
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	(7,219)	(2,684)	(27,938)	(1,766)	(39,607)
Resegmentation	104	-	-	-	104
Impact of modifications	3	(12)	(426)	6	(429)
Foreign exchange movement	148	240	175	(218)	345
Net other measurement of ECL	(892)	9,060	157	(2,220)	6,105
Income statement (releases)/charges	2,751	22,430	(4,584)	9,636	30,233
Write-offs	-	-	(3,712)	(17,049)	(20,761)
Recoveries of amounts previously written off	-	-	3,969	10	3,979
Unwind of discount	-	-	7,582	491	8,073
Currency translation differences	89	(23)	(1,016)	-	(950)
Balance at 31 December 2025	16,896	28,876	106,199	(1,179)	150,792
Individually assessed	-	-	104,676	(356)	104,320
Collectively assessed	16,896	28,876	1,523	(823)	46,472
Balance at 31 December 2025	16,896	28,876	106,199	(1,179)	150,792

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Residential mortgage loans at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	4,810,998	137,822	52,284	31,314	5,032,418
New financial asset originated or purchased	1,909,782	-	367	4,895	1,915,044
Transfer to Stage 1	205,918	(205,918)	-	-	-
Transfer to Stage 2	(265,179)	279,680	(14,501)	-	-
Transfer to Stage 3	(4,286)	(25,568)	29,854	-	-
Assets repaid	(1,160,436)	(30,106)	(28,983)	(9,611)	(1,229,136)
Resegmentation	(69)	-	-	-	(69)
Impact of modifications	1,791	90	(49)	(80)	1,752
Foreign exchange movement	8,699	176	(230)	(67)	8,578
Net other changes	(8,581)	(19,785)	5,727	4,198	(18,441)
Write-offs	-	-	(2,660)	(5,563)	(8,223)
Recoveries of amounts previously written off	-	-	765	25	790
Unwind of discount	-	-	(26)	(214)	(240)
Currency translation differences	2,834	25	38	-	2,897
Balance at 31 December 2025	5,501,471	136,416	42,586	24,897	5,705,370
Individually assessed	-	-	4,581	-	4,581
Collectively assessed	5,501,471	136,416	38,005	24,897	5,700,789
Balance at 31 December 2025	5,501,471	136,416	42,586	24,897	5,705,370

Residential mortgage loans at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	1,203	582	5,897	2,816	10,498
New financial asset originated or purchased	1,415	-	226	528	2,169
Transfer to Stage 1	1,011	(1,011)	-	-	-
Transfer to Stage 2	(548)	1,755	(1,207)	-	-
Transfer to Stage 3	(7)	(253)	260	-	-
Impact on ECL of exposures transferred between stages during the year	(596)	(180)	2,730	-	1,954
Assets repaid	(294)	(250)	(5,043)	(1,247)	(6,834)
Impact of modifications	10	1	82	33	126
Foreign exchange movement	2	3	27	(16)	16
Net other measurement of ECL	(552)	551	4,596	804	5,399
Income statement (releases)/charges	441	616	1,671	102	2,830
Write-offs	-	-	(2,660)	(5,563)	(8,223)
Recoveries of amounts previously written off	-	-	765	25	790
Unwind of discount	-	-	(26)	(214)	(240)
Currency translation differences	1	-	12	-	13
Balance at 31 December 2025	1,645	1,198	5,659	(2,834)	5,668
Individually assessed	-	-	297	-	297
Collectively assessed	1,645	1,198	5,362	(2,834)	5,371
Balance at 31 December 2025	1,645	1,198	5,659	(2,834)	5,668

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Micro and SME loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	4,062,959	192,350	171,732	14,349	4,441,390
New financial asset originated or purchased	2,799,121	941	2,561	5,429	2,808,052
Transfer to Stage 1	114,637	(114,637)	-	-	-
Transfer to Stage 2	(287,093)	305,055	(17,962)	-	-
Transfer to Stage 3	(20,090)	(111,035)	131,125	-	-
Assets repaid	(2,290,355)	(64,963)	(69,343)	(1,570)	(2,426,231)
Resegmentation	(70,455)	(3,288)	-	-	(73,743)
Impact of modifications	(24)	(91)	(539)	(2)	(656)
Foreign exchange movement	6,855	1,537	(836)	631	8,187
Net other changes	43,227	(5,848)	4,383	1,739	43,501
Write-offs	-	-	(19,257)	(9,927)	(29,184)
Recoveries of amounts previously written off	-	-	7,394	69	7,463
Unwind of discount	-	-	2,166	661	2,827
Currency translation differences	12,356	450	927	-	13,733
Balance at 31 December 2025	4,371,138	200,471	212,351	11,379	4,795,339
Individually assessed	-	-	28,804	5,098	33,902
Collectively assessed	4,371,138	200,471	183,547	6,281	4,761,437
Balance at 31 December 2025	4,371,138	200,471	212,351	11,379	4,795,339
Micro and SME loans at amortised cost, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	11,146	4,315	54,397	8,100	77,958
New financial asset originated or purchased	14,968	5	271	1,070	16,314
Transfer to Stage 1	2,749	(2,749)	-	-	-
Transfer to Stage 2	(3,162)	5,892	(2,730)	-	-
Transfer to Stage 3	(100)	(3,859)	3,959	-	-
Impact on ECL of exposures transferred between stages during the year	(1,486)	1,821	22,069	-	22,404
Assets repaid	(5,970)	(1,519)	(22,494)	(187)	(30,170)
Resegmentation	(104)	(3)	-	-	(107)
Impact of modifications	(1)	29	(140)	(1)	(113)
Foreign exchange movement	46	23	112	400	581
Net other measurement of ECL	(5,045)	1,840	14,473	1,880	13,148
Income statement (releases)/charges	1,895	1,480	15,520	3,162	22,057
Write-offs	-	-	(19,257)	(9,927)	(29,184)
Recoveries of amounts previously written off	-	-	7,394	69	7,463
Unwind of discount	-	-	2,166	661	2,827
Currency translation differences	44	(1)	143	-	186
Balance at 31 December 2025	13,085	5,794	60,363	2,065	81,307
Individually assessed	-	-	8,007	1,798	9,805
Collectively assessed	13,085	5,794	52,356	267	71,502
Balance at 31 December 2025	13,085	5,794	60,363	2,065	81,307

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Consumer loans at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	5,804,112	253,724	102,822	26,391	6,187,049
New financial asset originated or purchased	7,194,789	26,676	2,352	5,475	7,229,292
Transfer to Stage 1	351,211	(351,183)	(28)	-	-
Transfer to Stage 2	(796,620)	832,269	(35,649)	-	-
Transfer to Stage 3	(7,991)	(139,853)	147,844	-	-
Assets repaid	(5,480,438)	(124,009)	(70,922)	(9,018)	(5,684,387)
Resegmentation	4,445	3,288	-	-	7,733
Impact of modifications	(750)	292	(5,562)	(77)	(6,097)
Foreign exchange movement	933	340	172	54	1,499
Net other changes	101,053	(138,761)	56,898	3,978	23,168
Write-offs	-	(4)	(97,553)	(6,203)	(103,760)
Recoveries of amounts previously written off	-	-	26,813	89	26,902
Unwind of discount	-	-	2,420	(96)	2,324
Currency translation differences	23,381	142	511	-	24,034
Balance at 31 December 2025	7,194,125	362,921	130,118	20,593	7,707,757
Individually assessed	-	-	10,621	-	10,621
Collectively assessed	7,194,125	362,921	119,497	20,593	7,697,136
Balance at 31 December 2025	7,194,125	362,921	130,118	20,593	7,707,757

Consumer loans at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	55,495	23,859	53,353	4,280	136,987
New financial asset originated or purchased	81,287	3,349	882	667	86,185
Transfer to Stage 1	25,368	(25,367)	(1)	-	-
Transfer to Stage 2	(36,368)	54,796	(18,428)	-	-
Transfer to Stage 3	(302)	(17,733)	18,035	-	-
Impact on ECL of exposures transferred between stages during the year	(14,107)	19,746	58,451	-	64,090
Assets repaid	(66,009)	(25,905)	(60,551)	(2,376)	(154,841)
Resegmentation	-	3	-	-	3
Impact of modifications	(180)	2	(2,345)	(21)	(2,544)
Foreign exchange movement	17	9	136	(15)	147
Net other measurement of ECL	(4,919)	1,787	83,521	1,677	82,066
Income statement (releases)/charges	(15,213)	10,687	79,700	(68)	75,106
Write-offs	-	(4)	(97,553)	(6,203)	(103,760)
Recoveries of amounts previously written off	-	-	26,813	89	26,902
Unwind of discount	-	-	2,420	(96)	2,324
Currency translation differences	144	45	296	-	485
Balance at 31 December 2025	40,426	34,587	65,029	(1,998)	138,044
Individually assessed	-	-	4,271	-	4,271
Collectively assessed	40,426	34,587	60,758	(1,998)	133,773
Balance at 31 December 2025	40,426	34,587	65,029	(1,998)	138,044

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (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	12	5	996	-	1,013
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	12	3	1,181	-	1,196
Collectively assessed	12	3	1,181	-	1,196
Balance at 31 December 2025	12	3	1,181	-	1,196

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Loans to customer at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	18,815,629	1,124,296	432,677	87,472	20,460,074
New financial asset originated or purchased	17,629,729	110,176	8,469	25,224	17,773,598
Transfer to Stage 1	819,501	(819,442)	(59)	-	-
Transfer to Stage 2	(1,402,676)	1,491,215	(88,539)	-	-
Transfer to Stage 3	(23,566)	(358,528)	382,094	-	-
Assets repaid	(13,020,005)	(568,606)	(239,213)	(39,697)	(13,867,521)
Impact of modifications	201	(1,360)	(5,270)	(73)	(6,502)
Foreign exchange movement	214,626	11,415	5,217	880	232,138
Net other changes	53,092	(122,269)	59,632	12,860	3,315
Write-offs	-	(4)	(105,773)	(2,961)	(108,738)
Recoveries of amounts previously written off	-	-	45,697	427	46,124
Unwind of discount	-	-	6,776	670	7,446
Currency translation differences	35,173	723	1,587	-	37,483
Balance at 31 December 2024	23,121,704	867,616	503,295	84,802	24,577,417
Individually assessed	-	-	197,737	21,884	219,621
Collectively assessed	23,121,704	867,616	305,558	62,918	24,357,796
Balance at 31 December 2024	23,121,704	867,616	503,295	84,802	24,577,417

Loans to customer at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	71,062	58,835	173,490	22,403	325,790
New financial asset originated or purchased	110,952	2,390	3,330	11,860	128,532
Transfer to Stage 1	28,404	(28,375)	(29)	-	-
Transfer to Stage 2	(40,884)	75,185	(34,301)	-	-
Transfer to Stage 3	(1,218)	(53,580)	54,798	-	-
Impact on ECL of exposures transferred between stages during the year	(14,951)	6,239	97,562	-	88,850
Assets repaid	(78,444)	(37,416)	(127,695)	(13,808)	(257,363)
Impact of modifications	(468)	18	(2,480)	78	(2,852)
Foreign exchange movement	113	94	1,386	139	1,732
Net other measurement of ECL	7,311	11,846	103,509	2,121	124,787
Income statement (releases)/charges	10,815	(23,599)	96,080	390	83,686
Write-offs	-	(4)	(105,773)	(2,961)	(108,738)
Recoveries of amounts previously written off	-	-	45,697	427	46,124
Unwind of discount	-	-	6,776	670	7,446
Currency translation differences	35	(2)	2,333	-	2,366
Balance at 31 December 2024	81,912	35,230	218,603	20,929	356,674
Individually assessed	-	-	110,412	12,847	123,259
Collectively assessed	81,912	35,230	108,191	8,082	233,415
Balance at 31 December 2024	81,912	35,230	218,603	20,929	356,674

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Commercial loans at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	6,342,245	515,789	97,721	23,575	6,979,330
New financial asset originated or purchased	7,088,579	79,500	1,810	3,307	7,173,196
Transfer to Stage 1	95,934	(95,934)	-	-	-
Transfer to Stage 2	(240,626)	244,577	(3,951)	-	-
Transfer to Stage 3	(767)	(126,968)	127,735	-	-
Assets repaid	(5,257,895)	(347,114)	(53,554)	(14,261)	(5,672,824)
Resegmentation	64,659	(1,644)	(3,641)	-	59,374
Impact of modifications	(373)	(1,176)	(92)	(24)	(1,665)
Foreign exchange movement	134,832	9,108	2,520	656	147,116
Net other changes	51,803	1,607	3,303	(1,311)	55,402
Write-offs	-	-	(3,121)	-	(3,121)
Recoveries of amounts previously written off	-	-	1,797	129	1,926
Unwind of discount	-	-	2,331	677	3,008
Currency translation differences	19,378	326	872	-	20,576
Balance at 31 December 2024	8,297,769	278,071	173,730	12,748	8,762,318
Individually assessed	-	-	165,081	11,194	176,275
Collectively assessed	8,297,769	278,071	8,649	1,554	8,586,043
Balance at 31 December 2024	8,297,769	278,071	173,730	12,748	8,762,318

Commercial loans at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	14,098	33,193	42,127	8,941	98,359
New financial asset originated or purchased	19,837	724	760	2,071	23,392
Transfer to Stage 1	2,537	(2,537)	-	-	-
Transfer to Stage 2	(4,559)	4,559	-	-	-
Transfer to Stage 3	(263)	(26,706)	26,969	-	-
Impact on ECL of exposures transferred between stages during the year	(1,557)	5,205	47,622	-	51,270
Assets repaid	(11,052)	(12,717)	(17,522)	(5,014)	(46,305)
Resegmentation	162	(84)	(1,667)	-	(1,589)
Impact of modifications	(2)	9	78	(10)	75
Foreign exchange movement	64	97	818	301	1,280
Net other measurement of ECL	(5,112)	4,813	1,989	(1,362)	328
Income statement (releases)/charges	55	(26,637)	59,047	(4,014)	28,451
Write-offs	-	-	(3,121)	-	(3,121)
Recoveries of amounts previously written off	-	-	1,797	129	1,926
Unwind of discount	-	-	2,331	677	3,008
Currency translation differences	(97)	(87)	1,779	-	1,595
Balance at 31 December 2024	14,056	6,469	103,960	5,733	130,218
Individually assessed	-	-	99,430	5,719	105,149
Collectively assessed	14,056	6,469	4,530	14	25,069
Balance at 31 December 2024	14,056	6,469	103,960	5,733	130,218

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (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	1,576,144	1	235	6,028	1,582,408
Transfer to Stage 1	252,566	(252,566)	-	-	-
Transfer to Stage 2	(286,243)	304,904	(18,661)	-	-
Transfer to Stage 3	(5,106)	(30,102)	35,208	-	-
Assets repaid	(1,025,579)	(37,326)	(28,048)	(13,080)	(1,104,033)
Impact of modifications	1,242	71	897	12	2,222
Foreign exchange movement	27,934	560	539	418	29,451
Net other changes	(31,591)	(21,795)	11,933	7,249	(34,204)
Write-offs	-	-	(4,109)	(1,425)	(5,534)
Recoveries of amounts previously written off	-	-	3,385	(67)	3,318
Unwind of discount	-	-	(49)	(10)	(59)
Currency translation differences	1,293	23	8	-	1,324
Balance at 31 December 2024	4,810,998	137,822	52,284	31,314	5,032,418
Individually assessed	-	-	3,704	-	3,704
Collectively assessed	4,810,998	137,822	48,580	31,314	5,028,714
Balance at 31 December 2024	4,810,998	137,822	52,284	31,314	5,032,418

Residential mortgage loans at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	3,970	2,036	11,867	4,875	22,748
New financial asset originated or purchased	2,303	-	16	933	3,252
Transfer to Stage 1	2,374	(2,374)	-	-	-
Transfer to Stage 2	(1,229)	4,476	(3,247)	-	-
Transfer to Stage 3	(18)	(469)	487	-	-
Impact on ECL of exposures transferred between stages during the year	(1,459)	(1,572)	2,484	-	(547)
Assets repaid	(713)	(707)	(9,286)	(3,604)	(14,310)
Impact of modifications	11	4	240	106	361
Foreign exchange movement	5	3	20	45	73
Net other measurement of ECL	(4,043)	(814)	4,084	1,963	1,190
Income statement (releases)/charges	(2,769)	(1,453)	(5,202)	(557)	(9,981)
Write-offs	-	-	(4,109)	(1,425)	(5,534)
Recoveries of amounts previously written off	-	-	3,385	(67)	3,318
Unwind of discount	-	-	(49)	(10)	(59)
Currency translation differences	2	(1)	5	-	6
Balance at 31 December 2024	1,203	582	5,897	2,816	10,498
Individually assessed	-	-	141	-	141
Collectively assessed	1,203	582	5,756	2,816	10,357
Balance at 31 December 2024	1,203	582	5,897	2,816	10,498

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (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	2,692,833	967	1,407	12,237	2,707,444
Transfer to Stage 1	144,721	(144,721)	-	-	-
Transfer to Stage 2	(288,337)	311,055	(22,718)	-	-
Transfer to Stage 3	(9,747)	(97,127)	106,874	-	-
Assets repaid	(2,140,954)	(60,408)	(84,365)	(1,337)	(2,287,064)
Resegmentation	(60,042)	1,644	3,641	-	(54,757)
Impact of modifications	82	(283)	(1,257)	29	(1,429)
Foreign exchange movement	39,474	1,508	1,966	(282)	42,666
Net other changes	(29,726)	(12,114)	5,270	441	(36,129)
Write-offs	-	-	(20,130)	(90)	(20,220)
Recoveries of amounts previously written off	-	-	9,366	124	9,490
Unwind of discount	-	-	2,746	30	2,776
Currency translation differences	4,785	299	507	-	5,591
Balance at 31 December 2024	4,062,959	192,350	171,732	14,349	4,441,390
Individually assessed	-	-	23,093	10,690	33,783
Collectively assessed	4,062,959	192,350	148,639	3,659	4,407,607
Balance at 31 December 2024	4,062,959	192,350	171,732	14,349	4,441,390

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	11,277	2	293	7,924	19,496
Transfer to Stage 1	4,270	(4,270)	-	-	-
Transfer to Stage 2	(3,589)	8,771	(5,182)	-	-
Transfer to Stage 3	(757)	(5,102)	5,859	-	-
Impact on ECL of exposures transferred between stages during the year	(2,331)	(51)	19,218	-	16,836
Assets repaid	(5,400)	(2,044)	(33,809)	(281)	(41,534)
Resegmentation	(161)	84	1,667	-	1,590
Impact of modifications	4	4	(462)	21	(433)
Foreign exchange movement	44	(15)	475	(224)	280
Net other measurement of ECL	(3,283)	1,335	19,634	(237)	17,449
Income statement (releases)/charges	74	(1,286)	7,693	7,203	13,684
Write-offs	-	-	(20,130)	(90)	(20,220)
Recoveries of amounts previously written off	-	-	9,366	124	9,490
Unwind of discount	-	-	2,746	30	2,776
Currency translation differences	68	63	436	-	567
Balance at 31 December 2024	11,146	4,315	54,397	8,100	77,958
Individually assessed	-	-	7,641	7,128	14,769
Collectively assessed	11,146	4,315	46,756	972	63,189
Balance at 31 December 2024	11,146	4,315	54,397	8,100	77,958

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Consumer loans at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	4,325,760	234,229	111,469	28,511	4,699,969
New financial asset originated or purchased	6,072,381	29,708	4,132	3,652	6,109,873
Transfer to Stage 1	317,072	(317,013)	(59)	-	-
Transfer to Stage 2	(573,696)	615,638	(41,942)	-	-
Transfer to Stage 3	(6,832)	(102,783)	109,615	-	-
Assets repaid	(4,419,207)	(116,406)	(69,282)	(11,019)	(4,615,914)
Resegmentation	(4,686)	-	-	-	(4,686)
Impact of modifications	(750)	28	(4,818)	(90)	(5,630)
Foreign exchange movement	12,382	239	192	88	12,901
Net other changes	71,971	(89,988)	38,793	6,481	27,257
Write-offs	-	(3)	(78,373)	(1,446)	(79,822)
Recoveries of amounts previously written off	-	-	31,146	241	31,387
Unwind of discount	-	-	1,749	(27)	1,722
Currency translation differences	9,717	75	200	-	9,992
Balance at 31 December 2024	5,804,112	253,724	102,822	26,391	6,187,049
Individually assessed	-	-	5,859	-	5,859
Collectively assessed	5,804,112	253,724	96,963	26,391	6,181,190
Balance at 31 December 2024	5,804,112	253,724	102,822	26,391	6,187,049

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	77,530	1,664	2,203	932	82,329
Transfer to Stage 1	19,210	(19,181)	(29)	-	-
Transfer to Stage 2	(31,501)	57,304	(25,803)	-	-
Transfer to Stage 3	(179)	(21,301)	21,480	-	-
Impact on ECL of exposures transferred between stages during the year	(9,597)	2,719	28,102	-	21,224
Assets repaid	(61,257)	(21,938)	(66,705)	(4,909)	(154,809)
Resegmentation	(1)	-	-	-	(1)
Impact of modifications	(481)	1	(2,336)	(39)	(2,855)
Foreign exchange movement	-	9	73	17	99
Net other measurement of ECL	19,762	6,518	77,845	1,757	105,882
Income statement (releases)/charges	13,486	5,795	34,830	(2,242)	51,869
Write-offs	-	(3)	(78,373)	(1,446)	(79,822)
Recoveries of amounts previously written off	-	-	31,146	241	31,387
Unwind of discount	-	-	1,749	(27)	1,722
Currency translation differences	62	23	113	-	198
Balance at 31 December 2024	55,495	23,859	53,353	4,280	136,987
Individually assessed	-	-	3,200	-	3,200
Collectively assessed	55,495	23,859	50,153	4,280	133,787
Balance at 31 December 2024	55,495	23,859	53,353	4,280	136,987

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (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	43	24	1,322	-	1,389
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	12	5	996	-	1,013
Collectively assessed	12	5	996	-	1,013
Balance at 31 December 2024	12	5	996	-	1,013

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Loans to customer at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	15,270,028	1,200,824	519,565	69,864	17,060,281
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	(11,002,864)	(553,925)	(271,849)	(35,413)	(11,864,051)
Impact of modifications	388	1,475	(15,377)	(783)	(14,297)
Foreign exchange movement	148,377	6,082	2,342	344	157,145
Net other changes	78,939	(740)	17,726	1,840	97,765
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	(170,568)	(6,128)	(7,325)	-	(184,021)
Balance at 31 December 2023	18,815,629	1,124,296	432,677	87,472	20,460,074
Individually assessed	-	-	120,921	23,589	144,510
Collectively assessed	18,815,629	1,124,296	311,756	63,883	20,315,564
Balance at 31 December 2023	18,815,629	1,124,296	432,677	87,472	20,460,074

Loans to customer at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	88,683	50,859	166,989	17,320	323,851
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	110,907	13,790	95,951
Income statement (releases)/charges	(16,933)	8,121	129,776	3,727	124,691
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	(688)	(145)	(2,431)	1	(3,263)
Balance at 31 December 2023	71,062	58,835	173,490	22,403	325,790
Individually assessed	-	-	53,235	9,207	62,442
Collectively assessed	71,062	58,835	120,255	13,196	263,348
Balance at 31 December 2023	71,062	58,835	173,490	22,403	325,790

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (continued)

Commercial loans at amortised cost, gross:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	4,482,716	608,307	172,983	15,950	5,279,956
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	(4,377,108)	(316,022)	(97,131)	(10,324)	(4,800,585)
Resegmentation	76,352	(56)	2,959	-	79,255
Impact of modifications	(755)	733	(143)	9	(156)
Foreign exchange movement	105,029	4,490	(365)	83	109,237
Net other changes	61,656	111	(10,852)	664	51,579
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	(113,669)	(3,701)	(4,516)	-	(121,886)
Balance at 31 December 2023	6,342,245	515,789	97,721	23,575	6,979,330
Individually assessed	-	-	89,158	21,497	110,655
Collectively assessed	6,342,245	515,789	8,563	2,078	6,868,675
Balance at 31 December 2023	6,342,245	515,789	97,721	23,575	6,979,330

Commercial loans at amortised cost, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	19,090	23,469	42,292	4,567	89,418
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	16,960	4,195	17,375
Income statement (releases)/charges	(4,714)	9,640	5,892	3,000	13,818
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	(278)	84	(1,054)	1	(1,247)
Balance at 31 December 2023	14,098	33,193	42,127	8,941	98,359
Individually assessed	-	-	37,559	8,936	46,495
Collectively assessed	14,098	33,193	4,568	5	51,864
Balance at 31 December 2023	14,098	33,193	42,127	8,941	98,359

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (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	8,860	2,601	14,085	4,507	30,053
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	3,970	2,036	11,867	4,875	22,748
Individually assessed	-	-	50	271	321
Collectively assessed	3,970	2,036	11,817	4,604	22,427
Balance at 31 December 2023	3,970	2,036	11,867	4,875	22,748

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (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)

Expected credit loss (continued)

Consumer loans at amortised cost, gross:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	3,243,192	213,875	121,992	22,995	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	4,325,760	234,229	111,469	28,511	4,699,969
Individually assessed	-	-	2,464	-	2,464
Collectively assessed	4,325,760	234,229	109,005	28,511	4,697,505
Balance at 31 December 2023	4,325,760	234,229	111,469	28,511	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

9. Loans to customers, factoring and finance lease receivables (continued)

Expected credit loss (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	69	32	5,339	-	5,440
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	43	24	1,322	-	1,389
Collectively assessed	43	24	1,322	-	1,389
Balance at 31 December 2023	43	24	1,322	-	1,389

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 111,435 (2024: GEL 97,660, 2023: GEL 138,972).

9. Loans to customers, factoring and finance lease receivables (continued)

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.

Without taking into account the discounted value of collateral, the ECL for credit-impaired loans would be as follows:

2025	<i>ECL for credit-impaired loans</i>	<i>ECL without taking into account the discounted value of collateral</i>
Commercial loans	105,020	223,064
Residential mortgage loans	2,825	45,281
Micro and SME loans	62,428	212,732
Consumer loans	63,031	107,425
Gold – pawn loans	1,181	3,658
Total	234,485	592,160
2024	<i>ECL for credit-impaired loans</i>	<i>ECL without taking into account the discounted value of collateral</i>
Commercial loans	109,693	177,215
Residential mortgage loans	8,713	46,174
Micro and SME loans	62,497	165,347
Consumer loans	57,633	91,720
Gold – pawn loans	996	2,212
Total	239,532	482,668
2023	<i>ECL for credit-impaired loans</i>	<i>ECL without taking into account the discounted value of collateral</i>
Commercial loans	51,068	116,365
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	195,893	434,373

9. Loans to customers, factoring and finance lease receivables (continued)

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 1,813,472 accounting for 6% of the gross loan portfolio of the Group (2024: GEL 1,622,915 and 7% respectively, 2023: GEL 1,507,812 and 7% respectively). An allowance of expected credit loss of GEL 4,736 (2024: GEL 1,596, 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 3,121,990 accounting for 11% of the gross loan portfolio of the Group (2024: GEL 2,823,628 and 11% respectively, 2023: GEL 2,414,054 and 12% respectively). An allowance of GEL 7,059 (2024: GEL 3,667, 2023: GEL 3,599) was established against these loans.

As at 31 December 2025, 31 December 2024 and 31 December 2023, loans were principally issued within Georgia, and their distribution by industry sector was as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Individuals	15,989,876	13,523,394	11,445,733
Real estate	2,956,521	2,462,948	1,608,487
Trade	1,838,923	1,769,292	1,422,273
Electricity, gas and water supply	1,278,007	914,765	665,454
Manufacturing	1,077,572	1,359,028	1,475,982
Agriculture	1,008,015	867,671	710,440
Hospitality	942,694	874,530	975,621
Financial intermediation	703,643	566,457	418,103
Construction	452,157	410,076	377,857
Service	413,143	495,904	306,465
Transport & communication	338,713	313,881	273,071
Mining and quarrying	46,875	152,050	160,261
Other	1,387,584	867,421	620,327
Loans to customers, gross	28,433,723	24,577,417	20,460,074
Less – Allowance for expected credit loss	(377,007)	(356,674)	(325,790)
Loans to customers, net	28,056,716	24,220,743	20,134,284

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Minimum lease payments receivable	126,143	97,070	86,839
Less – Unearned finance lease income	(42,848)	(28,072)	(16,748)
	83,295	68,998	70,091
Less – Allowance for expected credit loss / impairment loss	(3,275)	(9,754)	(11,208)
Finance lease receivables, net	80,020	59,244	58,883

The difference between the minimum lease payments to be received in the future and the finance lease receivables represents unearned finance income.

9. Loans to customers, factoring and finance lease receivables (continued)

Finance lease receivables (continued)

As at 31 December 2025, 31 December 2024 and 31 December 2023 no finance lease receivables were pledged for inter-bank loans received.

As at 31 December 2025, the concentration of investment in the five largest lease receivables comprised GEL 14,901 or 18% of total finance lease receivables (2024: GEL 14,112 or 20%, 2023: GEL 18,436 or 25%) and finance income received from them for the year ended 31 December 2025 comprised GEL 2,296 or 19% of total finance income from lease (2024: GEL 2,123 or 23%, 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	74,369	56,247	46,531
From 1 to 2 years	11,623	7,203	9,203
From 2 to 3 years	16,098	9,776	7,288
From 3 to 4 years	4,809	1,925	1,894
From 4 to 5 years	5,474	4,120	2,913
More than 5 years	13,770	17,799	19,010
Minimum lease payment receivables	126,143	97,070	86,839

Movements of the gross finance lease receivables and respective allowance for expected credit loss/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	43,018	955	7,828	17,197	68,998
New financial asset originated or purchased	51,244	-	-	6,772	58,016
Transfer to Stage 1	272	(272)	-	-	-
Transfer to Stage 2	(4,390)	5,021	(631)	-	-
Transfer to Stage 3	(236)	(1,864)	2,100	-	-
Assets repaid	(30,616)	(972)	(962)	(7,800)	(40,350)
Impact of modifications	(23)	-	-	-	(23)
Foreign exchange movement	(2,527)	(204)	(132)	(636)	(3,499)
Net other changes	2,163	41	96	759	3,059
Write-offs	-	-	(4,352)	(2,832)	(7,184)
Unwind of discount	-	-	4	(155)	(151)
Currency translation differences	4,232	129	68	-	4,429
Balance at 31 December 2025	63,137	2,834	4,019	13,305	83,295
Individually assessed	-	-	697	-	697
Collectively assessed	63,137	2,834	3,322	13,305	82,598
Balance at 31 December 2025	63,137	2,834	4,019	13,305	83,295
Finance lease receivables, ECL:					
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	337	176	7,513	1,728	9,754
New financial asset originated or purchased	345	-	-	-	345
Transfer to Stage 1	30	(30)	-	-	-
Transfer to Stage 2	(21)	224	(203)	-	-
Transfer to Stage 3	(92)	(541)	633	-	-
Impact on ECL of exposures transferred between stages during the year	(28)	159	299	-	430
Assets repaid	(222)	(57)	(334)	(1,657)	(2,270)
Foreign exchange movement	-	-	(60)	-	(60)
Net other measurement of ECL	44	251	(11)	2,080	2,364
Income statement (releases)/charges	56	6	324	423	809
Write-offs	-	-	(4,352)	(2,832)	(7,184)
Unwind of discount	-	-	4	(155)	(151)
Currency translation differences	13	7	27	-	47
Balance at 31 December 2025	406	189	3,516	(836)	3,275
Individually assessed	-	-	194	-	194
Collectively assessed	406	189	3,322	(836)	3,081
Balance at 31 December 2025	406	189	3,516	(836)	3,275

9. Loans to customers, factoring and finance lease receivables (continued)

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	12,064	19,080	70,091
New financial asset originated or purchased	28,652	-	-	6,578	35,230
Transfer to Stage 1	1,994	(1,867)	(127)	-	-
Transfer to Stage 2	(4,109)	4,418	(309)	-	-
Transfer to Stage 3	(179)	(3,732)	3,911	-	-
Assets repaid	(23,975)	(3,119)	(5,988)	(8,642)	(41,724)
Impact of modifications	(13)	-	-	-	(13)
Foreign exchange movement	1,165	26	(33)	(424)	734
Net other changes	3,751	109	175	268	4,303
Write-offs	-	-	(1,845)	-	(1,845)
Recoveries of amounts previously written off	-	-	1	405	406
Unwind of discount	-	-	30	(67)	(37)
Currency translation differences	1,833	72	(51)	(1)	1,853
Balance at 31 December 2024	43,018	955	7,828	17,197	68,998
Individually assessed	-	-	962	-	962
Collectively assessed	43,018	955	6,866	17,197	68,036
Balance at 31 December 2024	43,018	955	7,828	17,197	68,998
Finance lease receivables, ECL:					
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	1,169	484	5,706	3,849	11,208
New financial asset originated or purchased	299	-	-	-	299
Transfer to Stage 1	67	(61)	(6)	-	-
Transfer to Stage 2	(86)	90	(4)	-	-
Transfer to Stage 3	(4)	(485)	489	-	-
Impact on ECL of exposures transferred between stages during the year	(53)	191	322	-	460
Assets repaid	(83)	(149)	(1,631)	(3,238)	(5,101)
Foreign exchange movement	11	(2)	15	-	24
Net other measurement of ECL	(153)	97	2,540	779	3,263
Income statement (releases)/charges	(2)	(319)	1,725	(2,459)	(1,055)
Recoveries of amounts previously written off	(851)	-	1	405	(445)
Unwind of discount	-	-	30	(67)	(37)
Currency translation differences	21	11	51	-	83
Balance at 31 December 2024	337	176	7,513	1,728	9,754
Individually assessed	-	-	645	-	645
Collectively assessed	337	176	6,868	1,728	9,109
Balance at 31 December 2024	337	176	7,513	1,728	9,754

9. Loans to customers, factoring and finance lease receivables (continued)

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	14,110	15,210	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	12,064	19,080	70,091
Individually assessed	-	-	286	-	286
Collectively assessed	33,899	5,048	11,778	19,080	69,805
Balance at 31 December 2023	33,899	5,048	12,064	19,080	70,091

Finance lease receivables, ECL:	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2022	818	258	3,541	4,081	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	51	37	3	-	91
Net other measurement of ECL	425	(53)	5,307	1,565	7,244
Income statement (releases) / charges	147	121	3,323	(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	204	105	(931)	-	(622)
Balance at 31 December 2023	1,169	484	5,706	3,849	11,208
Individually assessed	-	-	60	-	60
Collectively assessed	1,169	484	5,646	3,849	11,148
Balance at 31 December 2023	1,169	484	5,706	3,849	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	115,918	36,180	55,027
Less – Allowance for expected credit loss	(169)	(12)	(127)
Factoring receivables, net	115,749	36,168	54,900

9. Loans to customers, factoring and finance lease receivables (continued)

Factoring receivables (continued)

Factoring receivables, gross

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	36,066	82	32	-	36,180
New financial asset originated or purchased	115,666	-	-	-	115,666
Assets repaid	(36,017)	(86)	(34)	-	(36,137)
Net other changes	(31)	-	-	-	(31)
Currency translation differences	234	4	2	-	240
Balance at 31 December 2025	115,918	-	-	-	115,918
Collectively assessed	115,918	-	-	-	115,918
Balance at 31 December 2025	115,918	-	-	-	115,918

Factoring receivables, ECL:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	12	-	-	-	12
New financial asset originated or purchased	184	-	-	-	184
Assets repaid	(22)	-	-	-	(22)
Net other measurement of ECL	(4)	-	-	-	(4)
Income statement (releases)/charges	158	-	-	-	158
Currency translation differences	(1)	-	-	-	(1)
Balance at 31 December 2025	169	-	-	-	169
Collectively assessed	169	-	-	-	169
Balance at 31 December 2025	169	-	-	-	169

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	47,606	-	-	-	47,606
Transfer to Stage 2	(1,926)	1,926	-	-	-
Transfer to Stage 3	(205)	(147)	352	-	-
Assets repaid	(64,697)	(513)	(422)	-	(65,632)
Foreign exchange movement	406	-	-	-	406
Net other changes	-	(1,371)	1	-	(1,370)
Currency translation differences	133	7	3	-	143
Balance at 31 December 2024	36,066	82	32	-	36,180
Collectively assessed	36,066	82	32	-	36,180
Balance at 31 December 2024	36,066	82	32	-	36,180

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	243	-	-	-	243
Transfer to Stage 2	(32)	32	-	-	-
Transfer to Stage 3	(205)	-	205	-	-
Assets repaid	(28)	(1)	(241)	-	(270)
Net other measurement of ECL	11	(31)	36	-	16
Income statement (releases)/charges	(11)	-	-	-	(11)
Currency translation differences	(5)	(1)	(98)	-	(104)
Balance at 31 December 2024	12	-	-	-	12
Collectively assessed	12	-	-	-	12
Balance at 31 December 2024	12	-	-	-	12

9. Loans to customers, factoring and finance lease receivables (continued)

Factoring 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. Right-of-use assets, lease liabilities, property and equipment, and intangible assets

	2025	2024	2023
Right-of-use assets	230,121	163,104	134,422
Lease liability	239,572	177,365	137,554

Administrative expenses include occupancy and rent expenses on lease contracts where the recognition exemptions have been applied:

	2025	2024	2023
Short-term leases	(5,074)	(4,323)	(4,601)
Leases of low-value assets	(1,317)	(1,519)	(1,665)
	(6,391)	(5,842)	(6,266)

	Movements in lease liabilities
Carrying amount at 1 January 2023	112,624
Cash payments for the principal portion of the lease liability	(31,606)
Change in accrued interest	(743)
Additions	59,709
Other movements*	(2,430)
Carrying amount at 31 December 2023	137,554
Cash payments for the principal portion of the lease liability	(36,340)
Change in accrued interest	677
Additions	67,873
Other movements*	7,601
Carrying amount at 31 December 2024	177,365
Cash payments for the principal portion of the lease liability	(48,066)
Change in accrued interest	2,074
Additions	115,946
Other movements*	(7,747)
Carrying amount at 31 December 2025	239,572

The Group had total cash outflows for leases of GEL 54,457 during 2025 (2024: GEL 42,182; 2023: GEL 37,872).

*Other movement mainly includes translation effect of foreign currency contracts and cancelled lease contracts.

10. Right-of-use assets, lease liabilities, property and equipment, and intangible assets (continued)

The movements in right-of-use assets were as follows:

	<i>Office buildings & service centres</i>	<i>Computers & equipment</i>	<i>Total</i>
Cost			
31 December 2024	270,635	1,868	272,503
Additions	115,919	-	115,919
Disposals	(17,669)	-	(17,669)
Currency translation differences	1,784	158	1,942
31 December 2025	370,669	2,026	372,695
Accumulated depreciation			
31 December 2024	107,967	1,432	109,399
Depreciation charge	41,039	288	41,327
Disposals	(8,991)	-	(8,991)
Currency translation differences	708	131	839
31 December 2025	140,723	1,851	142,574
Net book value			
31 December 2024	162,668	436	163,104
31 December 2025	229,946	175	230,121
	<i>Office buildings & service centres</i>	<i>Computers & equipment</i>	<i>Total</i>
Cost			
31 December 2023	217,675	1,774	219,449
Additions	66,766	-	66,766
Disposals	(14,783)	-	(14,783)
Currency translation differences	977	94	1,071
31 December 2024	270,635	1,868	272,503
Accumulated depreciation			
31 December 2023	83,928	1,099	85,027
Depreciation charge	35,818	267	36,085
Disposals	(12,078)	-	(12,078)
Currency translation differences	299	66	365
31 December 2024	107,967	1,432	109,399
Net book value			
31 December 2023	133,747	675	134,422
31 December 2024	162,668	436	163,104

10. Right-of-use assets, lease liabilities, property and equipment, and intangible assets (continued)

	<i>Office buildings & service centres</i>	<i>Computers & equipment</i>	<i>Total</i>
Cost			
31 December 2022	177,533	2,333	179,866
Additions	59,974	-	59,974
Disposals	(14,548)	-	(14,548)
Currency translation differences	(5,284)	(559)	(5,843)
31 December 2023	217,675	1,774	219,449
Accumulated depreciation			
31 December 2022	63,362	1,100	64,462
Depreciation charge	31,782	315	32,097
Disposals	(10,164)	-	(10,164)
Currency translation differences	(1,052)	(316)	(1,368)
31 December 2023	83,928	1,099	85,027
Net book value			
31 December 2022	114,171	1,233	115,404
31 December 2023	133,747	675	134,422

The movements in property and equipment were as follows:

	<i>Office buildings & service centres</i>	<i>Furniture & fixtures</i>	<i>Computers & equipment</i>	<i>Motor vehicles</i>	<i>Leasehold improvements</i>	<i>Assets under construction</i>	<i>Total</i>
Cost							
31 December 2024	254,435	238,104	256,541	12,514	46,421	12,761	820,776
Additions	9,753	18,057	58,623	10,207	1,205	32,472	130,317
Transfers	6,670	-	699	-	14,953	(22,322)	-
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)	(297)	(868)	(68)	(7)	(8)	(11,271)
Write-offs	(2,952)	(1,002)	(1,848)	(271)	(1,239)	-	(7,312)
Currency translation differences	171	167	968	58	237	58	1,659
31 December 2025	258,600	251,169	291,707	21,332	61,508	19,616	903,932
Accumulated impairment							
31 December 2024	2,267	12	16	-	-	-	2,295
Currency translation differences	77	6	(16)	-	-	-	67
31 December 2025	2,344	18	-	-	-	-	2,362
Accumulated depreciation							
31 December 2024	35,592	139,645	176,785	5,471	19,589	-	377,082
Depreciation charge	5,135	14,312	27,859	3,374	8,685	-	59,365
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)	(238)	(771)	(59)	(7)	-	(3,295)
Write-offs	(67)	(1,002)	(1,699)	(65)	(1,098)	-	(3,931)
Currency translation differences	206	84	468	27	102	-	887
31 December 2025	38,220	150,898	184,730	7,666	27,271	-	408,785
Net book value							
31 December 2024	216,576	98,447	79,740	7,043	26,832	12,761	441,399

10. Right-of-use assets, lease liabilities, property and equipment, and intangible assets (continued)

	Office buildings & service centres	Furniture & fixtures	Computers & equipment	Motor vehicles	Leasehold improvements	Assets under construction	Total
Cost							
31 December 2023	251,904	213,526	234,269	8,032	33,811	6,480	748,022
Additions	6,532	27,891	30,472	4,589	416	27,617	97,517
Transfers	4,671	(1,225)	1,368	-	14,535	(19,349)	-
Revaluation	1,144	-	-	-	-	-	1,144
Transfers to investment properties	(9,669)	-	-	-	-	-	(9,669)
Transfers from assets held for sale	927	-	-	-	-	-	927
Transfers to other assets	(281)	(1,953)	(9,846)	-	-	(2,016)	(14,096)
Disposals	-	(213)	(108)	(25)	(53)	-	(399)
Write-offs	(1,342)	(11)	(56)	(107)	(2,392)	-	(3,908)
Currency translation differences	549	89	442	25	104	29	1,238
31 December 2024	254,435	238,104	256,541	12,514	46,421	12,761	820,776
Accumulated impairment							
31 December 2023	2,557	36	98	8	-	-	2,699
Currency translation differences	(290)	(24)	(82)	(8)	-	-	(404)
31 December 2024	2,267	12	16	-	-	-	2,295
Accumulated depreciation							
31 December 2023	32,277	129,561	160,103	4,041	15,038	-	341,020
Depreciation charge	4,979	12,608	24,130	1,534	6,611	-	49,862
Transfers	-	(970)	970	-	-	-	-
Transfers to investment properties	(2,037)	-	-	-	-	-	(2,037)
Transfers to other assets	-	(1,230)	(7,712)	-	-	-	(8,942)
Disposals	-	(210)	(100)	(26)	(49)	-	(385)
Write-offs	(276)	(134)	(814)	(85)	(2,053)	-	(3,362)
Currency translation differences	649	20	208	7	42	-	926
31 December 2024	35,592	139,645	176,785	5,471	19,589	-	377,082
Net book value							
31 December 2023	217,070	83,929	74,068	3,983	18,773	6,480	404,303
31 December 2024	216,576	98,447	79,740	7,043	26,832	12,761	441,399

	Office buildings & service centres	Furniture & fixtures	Computers & equipment	Motor vehicles	Leasehold improvements	Assets under construction	Total
Cost							
31 December 2022	229,184	190,730	219,231	6,063	26,574	1,346	673,128
Additions	20,379	24,936	25,362	2,795	1,544	16,793	91,809
Transfers	2,557	-	-	-	8,507	(11,064)	-
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) from other assets	934	(1,421)	(7,714)	(207)	(29)	(243)	(8,680)
Disposals	-	(267)	(480)	(194)	(222)	-	(1,163)
Write-offs	-	-	(2)	(284)	(2,161)	(318)	(2,765)
Currency translation differences	(2,662)	(452)	(2,128)	(141)	(402)	(34)	(5,819)
31 December 2023	251,904	213,526	234,269	8,032	33,811	6,480	748,022
Accumulated impairment							
31 December 2022	2,557	36	98	8	-	-	2,699
31 December 2023	2,557	36	98	8	-	-	2,699
Accumulated depreciation							
31 December 2022	29,859	119,721	141,695	3,556	11,992	-	306,823
Depreciation charge	4,947	11,583	26,109	910	4,576	-	48,125
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	-	(194)	(445)	(112)	(217)	-	(968)
Write-offs	-	(354)	(745)	(85)	(1,147)	-	(2,331)
Currency translation differences	(1,239)	(198)	(985)	(25)	(166)	-	(2,613)
31 December 2023	32,277	129,561	160,103	4,041	15,038	-	341,020
Net book value							
31 December 2022	196,768	70,973	77,438	2,499	14,582	1,346	363,606
31 December 2023	217,070	83,929	74,068	3,983	18,773	6,480	404,303

10. Right-of-use assets, lease liabilities, property and equipment, and intangible assets (continued)

The movements in intangible assets were as follows:

	<i>Software and licence</i>	<i>Other</i>	<i>Total</i>
Cost			
31 December 2024	302,258	26,449	328,707
Additions	56,979	-	56,979
Disposals	(9,378)	-	(9,378)
Currency translation differences	2,319	-	2,319
31 December 2025	352,178	26,449	378,627
Accumulated impairment			
31 December 2024	2,201	-	2,201
31 December 2025	2,201	-	2,201
Accumulated amortisation			
31 December 2024	148,667	5,472	154,139
Amortisation charge	43,473	32	43,505
Disposals	(8,882)	-	(8,882)
Currency translation differences	716	-	716
31 December 2025	183,974	5,504	189,478
Net book value			
31 December 2024	151,390	20,977	172,367
31 December 2025	166,003	20,945	186,948
	<i>Software and licence</i>	<i>Other</i>	<i>Total</i>
Cost			
31 December 2023	248,157	26,253	274,410
Additions	59,478	196	59,674
Disposals	(6,397)	-	(6,397)
Currency translation differences	1,020	-	1,020
31 December 2024	302,258	26,449	328,707
Accumulated impairment			
31 December 2023	2,201	-	2,201
31 December 2024	2,201	-	2,201
Accumulated amortisation			
31 December 2023	122,399	5,453	127,852
Amortisation charge	32,178	19	32,197
Disposals	(6,233)	-	(6,233)
Currency translation differences	323	-	323
31 December 2024	148,667	5,472	154,139
Net book value			
31 December 2023	123,557	20,800	144,357
31 December 2024	151,390	20,977	172,367

10. Right-of-use assets, lease liabilities, property and equipment, and intangible assets (continued)

	<i>Software and licence</i>	<i>Other</i>	<i>Total</i>
Cost			
31 December 2022	212,765	26,253	239,018
Additions	47,926	-	47,926
Disposals	(8,320)	-	(8,320)
Currency translation differences	(4,214)	-	(4,214)
31 December 2023	248,157	26,253	274,410
Accumulated impairment			
31 December 2022	-	-	-
Impairment charge	2,201	-	2,201
31 December 2023	2,201	-	2,201
Accumulated amortisation			
31 December 2022	103,273	5,438	108,711
Amortisation charge	28,302	15	28,317
Disposals	(7,814)	-	(7,814)
Write-offs	(4)	-	(4)
Currency translation differences	(1,358)	-	(1,358)
31 December 2023	122,399	5,453	127,852
Net book value			
31 December 2022	109,492	20,815	130,307
31 December 2023	123,557	20,800	144,357

11. Investment properties

	<i>2025</i>	<i>2024</i>	<i>2023</i>
At 1 January	140,737	127,924	170,629
Additions	-	-	4,882
Disposals	(23,074)	(20,246)	(38,175)
Net (losses)/gains from revaluation of investment	(1,720)	21,595	579
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	5,346	3,428
Currency translation differences	644	555	(3,078)
At 31 December	113,777	140,737	127,924

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 29 for details on fair value measurements of investment properties.

12. Foreclosed Assets

	<i>2025</i>	<i>2024</i>	<i>2023</i>
At 1 January	372,577	271,712	119,924
Additions	146,074	176,310	239,872
Disposals	(141,940)	(66,528)	(77,324)
Write-down	(8,437)	(3,019)	(2,114)
Transfers from/(to) property and equipment	34	(673)	(3,516)
Transfers to Investment property	(711)	(5,359)	(3,428)
Currency translation differences	189	134	(1,702)
At 31 December	368,691	372,577	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).

13. Goodwill

Movements in goodwill were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cost			
1 January	57,209	57,209	57,209
At 31 December	<u>57,209</u>	<u>57,209</u>	<u>57,209</u>
Accumulated impairment			
1 January	23,756	23,756	23,756
At 31 December	<u>23,756</u>	<u>23,756</u>	<u>23,756</u>
Net book value:			
1 January	33,453	33,453	33,453
At 31 December	<u>33,453</u>	<u>33,453</u>	<u>33,453</u>

Impairment test for goodwill

Goodwill acquired through business combinations with indefinite lives have been allocated to two individual cash-generating units (CGUs), for impairment testing: Corporate Banking and Retail Banking in Georgian Financial Services business division.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Retail Banking	23,488	23,488	23,488
Corporate Banking	9,965	9,965	9,965
Total	<u>33,453</u>	<u>33,453</u>	<u>33,453</u>

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:

	<u>Corporate Banking</u>			<u>Retail Banking</u>		
	<u>2025, %</u>	<u>2024, %</u>	<u>2023, %</u>	<u>2025, %</u>	<u>2024, %</u>	<u>2023, %</u>
Discount rate	5.5%	6.8%	5.3%	6.3%	6.2%	6.6%

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.

14. Investments in associates

Acquisition of an investment in associate

On 31 March 2024, with reference to Share Purchase Agreement (SPA) dated 18 February 2024, JSC Bank of Georgia acquired 30% of the share capital of Ameriabank CJSC, one of the leading banks operating in Armenia. Consideration transferred for the investment was GEL 248,859 which was fully settled by the end of 2024. The fair value of the net assets acquired attributable to the Bank was GEL 454,624. The acquisition-related costs capitalized to cost of investments in 2024 was GEL 946. The Group accounts investment in Ameriabank CJSC as an investment in associate under IAS 28 applying equity method.

During the year ended 31 December 2024, the Group recognized a gain of GEL 205,765 from a bargain purchase related to acquisition its 30% investment in Ameriabank CJSC, being the difference between consideration payable and the Group's share in the net assets acquired.

The results from the associate recognized in profit or loss and other comprehensive income comprises:

	2025	2024
Share of post-acquisition profit or loss of associates	153,544	85,958
Bargain purchase gain at acquisition of associate	-	205,765
Total profit from associate	153,544	291,723
Share of OCI of associate	570	17,526
Total comprehensive income from associate	154,114	309,249

The carrying value of investment in Ameriabank CJSC as at 31 December 2025 and 31 December 2024 amounted to GEL 713,167 and GEL 559,054, respectively.

Below table provides summarised financial information of Ameriabank and a reconciliation to the carrying amount of the investment in associate:

	Ameriabank's Statement of Financial Position as at 31 December 2025	Ameriabank's Statement of Financial Position as at 31 December 2024
Cash and cash equivalents	950,577	1,409,223
Amounts due from credit institutions	1,389,444	821,780
Investment Securities	1,794,826	1,447,557
Loans to customers, factoring and finance lease receivables	11,818,696	9,265,003
Property and equipment	78,285	74,671
Intangibles	137,906	121,175
Right-of-use assets	98,559	89,178
Other Assets	283,973	142,121
Total Assets	16,552,266	13,370,708
Client deposits and notes	9,630,051	7,949,083
Amounts owed to credit institutions	2,909,876	1,956,445
Debt securities issued	1,186,478	1,155,679
Other liabilities	401,465	449,140
Total Liabilities	14,127,870	11,510,347
Net Assets of Ameriabank:	2,424,396	1,860,361
Increase in equity arising from share-based payments	50,324	-
Net Assets of Ameriabank, excluding increase in equity arising from share-based payments:	2,374,072	1,860,361
Group's share of net assets, excluding increase in equity arising from share-based payments:	712,222	558,108
Acquisition-related costs capitalized to cost of investment	946	946
Carrying amount of investment in Ameriabank	713,168	559,054

	Ameriabank's Statement of Comprehensive Income for the year ended 2025	Ameriabank's Statement of Comprehensive Income for the year ended 2024
Interest Income	1,348,724	794,616
Interest Expense	(521,988)	(278,991)
Fee Income	222,497	133,108
Fee Expense	(107,405)	(43,185)
Depreciation, amortization and impairment	(59,886)	(40,818)
Income tax expense	(111,973)	(73,073)
Profit or loss	511,814	286,528
Group's share of Profit or loss	153,544	85,958
Other comprehensive income	1,899	58,419
Group's share of other comprehensive income:	570	17,526
Total comprehensive income	513,713	344,947
Group's share of Total comprehensive income:	154,114	103,484

15. Taxation

The corporate income tax expense in income statement comprises:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current income benefit (expense)	(296,597)	(283,148)	(324,449)
Deferred income tax benefit (expense)	(527)	(6,425)	65,481
Income tax expense	<u>(297,124)</u>	<u>(289,573)</u>	<u>(258,968)</u>
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net losses on investment securities	(219)	-	-
Income tax expense in other comprehensive income	<u>(219)</u>	<u>-</u>	<u>-</u>

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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Profit before income tax expense	2,150,208	2,127,472	1,592,687
Statutory tax rate in Georgia	20%	20%	20%
Theoretical income tax expense at average tax rate	(430,042)	(425,494)	(318,537)
Non-taxable income	143,482	135,972	61,739
Non-deductible expenses	(13,718)	(4,121)	(2,086)
Correction of prior year deductions	-	910	(2,342)
Tax at the domestic rates applicable to profits in each country	148	(2,725)	(965)
Effects from changes in tax legislation	-	-	110
Expenses recognised for tax purposes only	3,648	7,013	7,030
Other	(642)	(1,128)	(3,917)
Income tax expense	<u>(297,124)</u>	<u>(289,573)</u>	<u>(258,968)</u>

Non-taxable income primarily comprises the tax effect on bargain purchase gain at acquisition of associate, share of post-acquisition profit or loss of associates and interest income from investment securities which are exempt from current income tax.

Applicable taxes in Georgia 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 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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current income tax assets	-	45,738	-
Deferred income tax assets	41	320	464
Income tax assets	<u>41</u>	<u>46,058</u>	<u>464</u>
Current income tax liabilities	8,334	1,155	185,440
Deferred income tax liabilities	20,366	19,899	13,618
Income tax liabilities	<u>28,700</u>	<u>21,054</u>	<u>199,058</u>

15. 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:

	<i>Origination and reversal of temporary differences</i>		<i>Origination and reversal of temporary differences</i>		<i>Origination and reversal of temporary differences In other comprehensive income</i>		2025
	2022	<i>In the income statement</i>	2023	<i>In the income statement</i>	2024	<i>In the income statement</i>	
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 properties	2,121	(2,121)	-	328	328	(328)	-
Property and equipment	2,232	(1,072)	1,160	298	1,458	(730)	728
Intangible assets	-	24	24	(24)	-	-	-
Assets held for sale	465	(127)	338	73	411	113	524
Lease liability	23,159	5,012	28,171	8,028	36,199	12,535	48,734
Accruals and deferred income	38,132	5,393	43,525	3,173	46,698	7,308	54,006
Other assets and liabilities	4,280	1,415	5,695	(1,233)	4,462	(241)	4,221
Deferred tax assets	70,876	8,005	78,881	10,781	89,662	18,642	- 108,304
Tax effect of taxable temporary differences:							
Amounts due to credit institutions	3,947	(651)	3,296	1,119	4,415	74	4,489
Debt securities issued	1,951	(414)	1,537	1,062	2,599	796	3,395
Cash and cash equivalents	-	240	240	(240)	-	-	-
Loans to customers, factoring and finance lease receivables	60,571	(57,006)	3,565	2,697	6,262	2,791	9,053
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
Right-of-use assets	23,822	3,719	27,541	4,981	32,522	13,516	46,038
Investment properties	8,787	(1,277)	7,510	3,144	10,654	(3,092)	7,562
Assets held for sale	-	-	-	162	162	(162)	-
Other assets and liabilities	7,191	(6,500)	691	849	1,540	1,579	3,338
Deferred tax liabilities	149,511	(57,476)	92,035	17,206	109,241	19,169	219 128,629
Net deferred tax liabilities	(78,635)	65,481	(13,154)	(6,425)	(19,579)	(527)	(219) (20,325)

No deferred tax liability was recognised on a gain on bargain purchase arising from acquisition of interest in the associate as the Group together with its ultimate parent who is controlling investor in Ameriabank does not intend to either sell Ameriabank or distribute dividends from profits accumulated prior to acquisition. 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 462,417 (31 December 2024: 308,303).

16. Other assets and other liabilities

Other assets comprise:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Other receivables	191,793	109,550	93,611
Receivables from remittance operations	99,270	96,210	138,833
Derivatives margin	19,033	11,199	12,129
Inventory	10,294	12,296	13,756
Operating tax assets	6,341	3,876	6,219
Derivative financial assets	5,725	24,186	10,942
Assets purchased for finance lease purposes	1,757	1,441	2,019
Other	1,112	10,952	17,902
Other assets, gross	335,325	269,710	295,411
Less – Allowance for impairment of other assets	(19,157)	(14,368)	(14,796)
Other assets, net	316,168	255,342	280,615

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 liabilities comprise:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Dividends payable	138,162	5,030	3,522
Transfers in transit	82,797	31,991	-
Creditors	59,134	43,269	36,878
Payables for remittance operations	40,292	33,060	59,079
Derivative financial liabilities	10,594	5,633	25,779
Other taxes payable	9,254	5,628	3,926
Provisions	4,160	4,321	6,304
Accounts payable	1,445	1,282	1,469
Advances received	857	2,460	629
Derivatives margin	36	419	-
Other	12,544	16,236	12,261
Other liabilities	359,275	149,329	149,847

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.

	<u>2025</u>		
	<u>Notional amount</u>	<u>Fair value</u>	
		<u>Asset</u>	<u>Liability</u>
Foreign exchange contracts			
Forwards and swaps – domestic	1,165,820	2,314	2,486
Forwards and swaps – foreign	2,594,205	3,411	7,667
Interest rate contracts			
Forwards and swaps - foreign (IR)	13,500	-	441
Total derivative assets / liabilities	3,773,525	5,725	10,594

16. Other assets and other liabilities (continued)

	2024			2023		
	Notional amount	Fair value		Notional amount	Fair value	
		Asset	Liability		Asset	Liability
Foreign exchange contracts						
Forwards and swaps – domestic	874,302	1,170	3,923	1,099,787	2,703	3,712
Forwards and swaps – foreign	3,885,120	23,016	1,710	3,776,221	8,239	22,067
Total derivative assets / liabilities	4,759,422	24,186	5,633	4,876,008	10,942	25,779

For the period ended 31 December 2025 GEL 39,759 was recognised as net foreign currency loss from derivative financial instruments (2024: gain GEL 136,058, 2023: gain GEL 59,662).

17. Client deposits and notes

The amounts due to customers include the following:

	2025	2024	2023
Current accounts	16,424,468	13,890,159	12,445,328
Time deposits	12,734,284	11,451,574	8,331,488
Client deposits and notes	29,158,752	25,341,733	20,776,816
Held as security against letters of credit and	86,535	285,428	334,092

At 31 December 2025, amounts due to customers of GEL 3,745,862 (13%) were due to the ten largest customers (2024: GEL 3,503,756 (14%), 2023: GEL 2,042,323 (10%)).

Amounts due to customers include accounts with the following types of customers:

	2025	2024	2023
Individuals	17,467,367	14,990,138	12,883,062
Private enterprises	10,936,801	8,999,812	7,399,436
State and state-owned entities	754,584	1,351,783	494,318
Client deposits and notes	29,158,752	25,341,733	20,776,816

The breakdown of customer accounts by industry sector is as follows:

	2025	2024	2023
Individuals	17,467,367	14,990,138	12,883,062
Financial intermediation	2,650,047	2,243,039	1,716,673
Trade	2,140,081	1,495,994	1,367,950
Construction	1,233,482	1,238,856	1,140,925
Transport & communication	1,055,256	798,335	621,322
Service	912,110	938,882	862,354
Manufacturing	763,229	580,349	492,516
Government services	675,956	1,271,027	445,880
Real estate	566,057	419,687	346,751
Electricity, gas and water supply	407,836	440,015	76,384
Agriculture	232,192	63,475	37,337
Hospitality	205,877	107,778	108,103
Other	849,262	754,158	677,559
Client deposits and notes	29,158,752	25,341,733	20,776,816

18. Amounts owed to credit institutions

Amounts due to credit institutions comprise:

	2025	2024	2023
Borrowings from international credit institutions	2,757,791	2,467,757	1,771,716
Short-term loans from National Bank of Georgia	2,667,471	2,546,574	2,101,653
Correspondent accounts	411,354	541,352	431,232
Time deposits and inter-bank loans	341,490	465,227	130,382
	6,178,106	6,020,910	4,434,983
Non-convertible subordinated debt	292,085	548,151	562,520
Additional Tier 1	135,744	141,433	135,526
Amounts due to credit institutions	6,605,935	6,710,494	5,133,029

During the year ended 31 December 2025, the Group paid up to 8.29% and 4.85% 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 and it does not identify any significant risk of being not in compliance with the covenants over next 12 months.

Subordinated debt contracts details (more than 10% of total subordinated debt, on a contract basis):

Facility provider	Commencement date	Maturity date	Interest rate	Currency	Original contractual value	Carrying value as at 31 December 2025	Carrying value as at 31 December 2024	Carrying value as at 31 December 2023
European Bank for Reconstruction and Development	7-Jun-22	10-Jun-27	12.6%	USD	35,000	95,021	99,003	94,868
GREEN FOR GROWTH FUND, SOUTHEAST EUROPE S.A SICAV	27-Dec-23	15-Dec-33	7.5%	EUR	25,000	78,656	72,642	74,459
THE EUROPEAN FUND FOR SOUTHEAST EUROPE S.A	27-Dec-23	27-Dec-33	7.4%	EUR	20,000	63,901	59,276	59,567
FMO - Dutch entrepreneurial development bank	20-Dec-19	20-Dec-29	9.8%	USD	20,000	54,010	359,183	345,364
						291,588	590,104	574,258
						427,829	689,584	698,046

19. Debt securities issued

Debt securities issued comprise:

	2025	2024	2023
Additional Tier 1 capital notes issued	817,800	850,397	267,113
Eurobonds and notes issued	449,496	-	-
Certificates of deposit	300,219	91,814	64,278
Tier 2 notes issued	224,683	140,620	83,158
Local bonds	21,195	16,506	6,810
Debt securities issued	1,813,393	1,099,337	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.

19. Debt securities issued (continued)

With respect to any additional tier 1 instrument of the Bank, no event of default may be declared and, thus, no acceleration may be triggered thereunder.

Furthermore, the payment obligations of the Bank under any additional tier 1 instrument constitute direct, unsecured and subordinated obligations of the Bank, but subject to any other ranking that may apply as a result of any mandatory provision of the laws of Georgia, and upon the insolvency or the liquidation of the Bank, rank:

- a. Pari passu and without any preference with (A) any claims for principal in respect of other contractually subordinated obligations of the Bank qualifying as additional tier 1 instruments, and (B) any other subordinated obligations of the Bank which by law and/or by their terms, to the extent permitted by the laws of Georgia, rank pari passu with the Bank's obligations under the additional tier 1 instrument;
- b. Junior to (A) any claims for principal in respect of unsubordinated obligations of the Bank, (B) any subordinated obligations of the Bank qualifying as tier 2 instruments, (C) any claims in respect of other contractually subordinated obligations of the Bank not qualifying as additional tier 1 instruments and which do not fall within item (i) above or item (ii) below, and (D) any other subordinated obligations of the Bank which by law and/or by their terms, to the extent permitted by the laws of Georgia, rank senior to the Bank's obligations under the additional tier 1 instrument; and
- c. Senior to (A) any claims for the liquidation amount of the ordinary shares in the capital of the Bank, and (B) any other subordinated obligations of the Bank which by law and/or by their terms, to the extent permitted by the laws of Georgia, rank junior to the Bank's obligations under the additional tier 1 instrument.

No terms for conversion into capital or conversion into other obligations are prescribed under additional tier 1 instruments of the Bank.

With respect to any tier 2 instrument of the Bank, an event of default may be declared and, thus, acceleration may be triggered thereunder only in case of the insolvency or the liquidation of the Bank.

Furthermore, the payment obligations of the Bank under any tier 2 instrument constitute direct, unsecured and subordinated obligations of the Bank, but subject to any other ranking that may apply as a result of any mandatory provision of the laws of Georgia, and upon the insolvency or the liquidation of the Bank, rank:

- a. Pari passu and without any preference with (A) any claims for principal in respect of other contractually subordinated obligations of the Bank qualifying as tier 2 instruments, and (B) any other subordinated obligations of the Bank which by law and/or by their terms, to the extent permitted by the laws of Georgia, rank pari passu with the Bank's obligations under the tier 2 instrument;
- b. Junior to (A) any claims for principal in respect of unsubordinated obligations of the Bank, (B) any claims in respect of other contractually subordinated obligations of the Bank not qualifying as tier 2 instruments and which do not fall within item (i) above or item (ii) below, and (C) any other subordinated obligations of the Bank which by law and/or by their terms, to the extent permitted by the laws of Georgia, rank senior to the Bank's obligations under the tier 2 instrument; and
- c. Senior to (A) any claims for the liquidation amount of the ordinary shares in the capital of the Bank, (B) any additional tier 1 instruments of the Bank, and (C) any other subordinated obligations of the Bank which by law and/or by their terms, to the extent permitted by the laws of Georgia, rank junior to the Bank's obligations under the tier 2 instrument.

No terms for conversion into capital or conversion into other obligations are prescribed under tier 2 instruments of the Bank.

19. Debt securities issued (continued)

Changes in liabilities arising from financing activities

	Eurobonds and notes issued	Additional Tier 1 capital notes issued	Tier 2 notes issued
Carrying amount at 31 December 2022	226,857	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	25,978	(589)	2,809
Carrying amount at 31 December 2023	-	267,113	83,158
Repayment of the principal portion of the debt securities issued	-	(283,570)	-
Proceeds from Additional Tier 1 notes	-	800,970	-
Proceeds from Tier 2 notes issued	-	-	51,126
Foreign exchange movements	-	40,881	5,120
Other movements	-	25,003	1,216
Carrying amount at 31 December 2024	-	850,397	140,620
Eurobonds and notes issued	450,000	-	-
Proceeds from Tier 2 notes issued	-	-	87,857
Foreign exchange movements	-	(34,108)	(5,444)
Other movements	(504)	1,511	1,650
Carrying amount at 31 December 2025	449,496	817,800	224,683

20. Commitments and contingencies

Legal

Sai-invest

As at 31 December 2025, the Bank 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 the Bank believes to be erroneous and without merit, and which the Bank has appealed to the Supreme Court. The matter is currently under review by the Supreme Court, and the timeline as to when the judgment has to be expected is not available. The Bank’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

20. Commitments and contingencies (continued)

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*	2,030,734	1,953,802	1,918,997
Undrawn loan facilities	1,221,949	1,009,437	1,014,951
Letters of credit	60,547	82,400	77,545
	3,313,230	3,045,639	3,011,493
Less – Cash held as security against letters of credit and guarantees (Note 17)	(86,535)	(285,428)	(334,092)
Less – Provisions	(4,160)	(4,321)	(6,304)
Capital expenditure commitments	4,159	11,123	7,559
Total commitments	3,226,694	2,767,013	2,678,656

* Out of total guarantees issued as at 31 December 2025 financial and performance guarantees of the Group comprised GEL 1,041,178 (31 December 2024: GEL 1,067,216, 31 December 2023: GEL 1,162,825) and GEL 989,556 (31 December 2024: GEL 886,586, 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.

21. Equity

Share capital

As at 31 December 2025, 31 December 2024 and 31 December 2023, authorised common capital comprised 43,308,125 common shares. As at 31 December 2025, 31 December 2024 and 31 December 2023, issued share capital comprised 27,993,660 common shares, all of which were fully paid. Each share has a nominal value of one (1) Georgian Lari. Shares issued and outstanding as at 31 December 2025 are described below:

	<i>Number of ordinary shares</i>	<i>Amount of ordinary shares</i>
31 December 2022	27,993,660	27,994
31 December 2023	27,993,660	27,994
31 December 2024	27,993,660	27,994
31 December 2025	27,993,660	27,994

Treasury shares

The number of treasury shares held by the Group as at 31 December 2025, comprised 11,366 (31 December 2024: 11,366, 31 December 2023: 11,366), with nominal amount of GEL 11 (31 December 2024: GEL 11, 31 December 2023: GEL 11).

21. Equity (continued)

Dividends

Shareholders are entitled to dividends in Georgian Lari.

On 3 December 2025, the Board of JSC Bank of Georgia declared an interim dividend for 2025 of Georgian Lari 6.6 per share. Payment of the total GEL 184,792 interim dividends was received by shareholders on 5 January 2026.

On 19 August 2025, the Board of JSC Bank of Georgia declared an interim dividend for 2025 of Georgian Lari 11.88 per share. Payment of the total GEL 332,662 interim dividends was received by shareholders on 23 October 2025.

On 7 May 2025, the Board of JSC Bank of Georgia declared a final dividend for 2024 of Georgian Lari 12.67 per share. Payment of the GEL 55,000 and GEL 299,769 final dividends were received by shareholders on 14 May 2025 and 3 July, respectively.

On 7 February 2025, the Board of JSC Bank of Georgia declared a dividend for 2024 of Georgian Lari 3.58 per share. Payment of the total GEL 100,333 final dividends was received by shareholders on 12 February 2025.

On 26 August 2024, the Board of JSC Bank of Georgia declared an interim dividend for 2024 of Georgian Lari 8.62 per share. Payment of the total GEL 241,297 interim dividends was received by shareholders on 23 September 2024.

On 26 June 2024, the Board of JSC Bank of Georgia declared a final dividend for 2023 of Georgian Lari 9.73 per share. Payment of the total GEL 272,171 final dividends was received by shareholders on 2 July 2024.

On 13 February 2024, the Board of JSC Bank of Georgia declared a dividend for 2023 of Georgian Lari 6.65 per share. Payment of the total GEL 186,000 final dividends was received by shareholders on 1 March 2024.

On 23 August 2023, the Board of JSC Bank of Georgia declared an interim dividend for 2023 of Georgian Lari 7.04 per share. Payment of the total GEL 196,956 interim dividends was received by shareholders on 26 September 2023.

On 1 May 2023, the Board of JSC Bank of Georgia declared a final dividend for 2022 of Georgian Lari 14.69 per share. Payment of the total GEL 410,999 final dividends was received by shareholders on 8 May 2023.

Nature and purpose of other reserves

Unrealised gains (losses) on investment securities

This reserve records fair value and ECL changes on investment securities.

Unrealised gains (losses) from dilution or sale / acquisition of shares in existing subsidiaries

This reserve records unrealised gains (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 reserve reserves were as follows:

	<i>Unrealised gains (losses) on investment securities</i>	<i>Unrealised gains (losses) from dilution or sale / acquisition of shares in existing subsidiaries</i>	<i>Currency Translation Reserves</i>	<i>Other</i>
31 December 2022	21,444	(7,956)	(14,748)	(3,044)
Net change in FV on investments in debt securities measured at FVOCI	26,381	-	-	-
Net gain (loss) on investments in equity instruments designated at FVOCI	1,775	-	-	-
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the consolidated income statement	1,041	-	-	-
Realised loss on financial assets measured at FVOCI	(14,322)	-	-	-
Loss from currency translation differences	(108)	-	(8,376)	-
Other movement	-	-	-	-
31 December 2023	36,211	(7,956)	(23,124)	(3,044)
Net change in FV on investments in debt securities measured at FVOCI	20,845	-	-	-
Net gain (loss) on investments in equity instruments designated at FVOCI	911	-	-	-
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the consolidated income statement	2,513	-	-	-
Realised loss on financial assets measured at FVOCI	(1,631)	-	-	-
Gain from currency translation differences	303	-	7,754	-
Equity-accounted investees – share of OCI	-	-	-	17,526
Other movement	-	-	-	1,144
31 December 2024	59,152	(7,956)	(15,370)	15,626
Net change in FV on investments in debt securities measured at FVOCI	(39,472)	-	-	-
Net gain (loss) on investments in equity instruments designated at FVOCI	168	-	-	-
Change in allowance for ECL investments in debt instruments measured at FVOCI reclassified to the consolidated income statement	(722)	-	-	-
Realised loss on financial assets measured at FVOCI	(1,910)	-	-	-
Gain from currency translation differences	(1,045)	-	2,413	-
Equity-accounted investees – share of OCI	-	-	-	570
Net amount reclassified to retained earnings on sale of equity instruments at FVOCI	(3,419)	-	-	-
Other movement	(219)	-	-	-
31 December 2025	12,533	(7,956)	(12,957)	16,196

21. Equity (continued)

The "share capital" indicated in the bank's consolidated statement of financial position constitutes the "subscribed capital" as defined under the Law of Georgia on Entrepreneurs. Accordingly, it is subject to the requirements established under Article 169 of the Law of Georgia on Entrepreneurs concerning dividend distribution and capital reduction. Specifically, the restrictions established by the Law, which apply to the bank due to the existence of "subscribed capital" (hereinafter referred to in this document as "share capital"), are as follows:

- Payment of funds to shareholders resulting from the reduction of subscribed capital, or releasing shareholders wholly or partially from making contributions to the subscribed capital, is permissible only not earlier than six months after the publication of the decision on the reduction of subscribed capital, provided that the company has satisfied or secured the claims of creditors that arose prior to the publication of the decision on the reduction of subscribed capital, or if such claims have been denied by a court.
- Such satisfaction or security must be provided to creditors if they notify the company of their claims within six months after the publication of the decision, except where, considering the company's assets, creditor protection is unnecessary. Creditors have the right to demand security if their claims against the company are not yet due.
- The published decision on the reduction of subscribed capital must include information about the creditors' rights to demand satisfaction or security.

Note: The requirements of the Law of Georgia on Entrepreneurs regarding subscribed capital (referred to in this document as "share capital") particularly the protective mechanisms associated with the distribution of dividends and reduction of capital under Article 169 of the Law of Georgia on Entrepreneurs—do not apply to other capital instruments defined in this document.

22. Net interest income

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Interest income calculated using EIR method	4,009,779	3,329,299	2,715,232
From loans to customers	3,332,256	2,763,346	2,314,972
From investment securities	582,356	480,306	339,520
From amounts due from credit institutions	94,714	85,695	74,662
From factoring receivables	7,381	6,467	458
Net gain (loss) on modification of financial assets	(6,928)	(6,515)	(14,380)
Other interest income	12,216	9,142	14,053
From finance lease receivable	12,216	9,142	13,962
From other assets	-	-	91
Interest income	<u>4,021,995</u>	<u>3,338,441</u>	<u>2,729,285</u>
On client deposits and notes	(1,211,973)	(969,144)	(811,254)
On amounts owed to credit institutions	(514,409)	(414,948)	(286,093)
On debt securities issued	(111,859)	(85,990)	(45,480)
Other interest expenses	(506)	(921)	-
Interest element of cross-currency swaps	11,806	11,838	25,276
On lease liability	(8,071)	(5,772)	(5,487)
Interest expense	<u>(1,835,012)</u>	<u>(1,464,937)</u>	<u>(1,123,038)</u>
Deposit insurance fees	(36,870)	(30,757)	(20,247)
Net interest income	<u><u>2,150,113</u></u>	<u><u>1,842,747</u></u>	<u><u>1,586,000</u></u>

For the period ended 31 December 2025 the Group recognised GEL 429,330 (2024: GEL 417,927, 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.

23. Net fee and commission income

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Card operations	406,954	370,023	300,145
Account services	213,526	176,689	145,523
Settlements operations	116,517	99,747	92,062
Currency conversion operations	54,503	52,295	49,370
Guarantees and letters of credit	53,877	55,049	45,323
Cash operations	22,155	23,955	27,935
Brokerage service fees	390	389	616
Other	13,745	8,300	8,562
Fee and commission income	<u>881,667</u>	<u>786,447</u>	<u>669,536</u>
Card operations	(273,447)	(257,355)	(211,710)
Settlements operations	(104,438)	(92,925)	(79,395)
Cash operations	(20,482)	(23,104)	(19,473)
Currency conversion operations	(12,549)	(10,153)	(8,971)
Brokerage service fees	(2,584)	(1,702)	(1,600)
Guarantees and letters of credit	(318)	(238)	(239)
Other	(17,403)	(13,162)	(7,476)
Fee and commission expense	<u>(431,221)</u>	<u>(398,639)</u>	<u>(328,864)</u>
Net fee and commission income	<u><u>450,446</u></u>	<u><u>387,808</u></u>	<u><u>340,672</u></u>

Composition of fee and commission income and expense has been disaggregated in 2025 and comparatives restated accordingly.

23. Net fee and commission income (continued)

Contract assets and liabilities

As at 31 December 2025, the Group has recognised GEL77,099 revenue-related contract liabilities (2024: GEL 64,936, 2023: GEL 60,151). 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) mainly from Georgia 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	74,992	1,165	888	41	13	77,099
As at 31 December 2024	61,370	1,508	1,916	38	104	64,936
As at 31 December 2023	55,724	2,425	1,324	593	87	60,153

24. Salaries and other employee benefits, and general and administrative expenses

Salaries and other employee benefits

	2025	2024	2023
Salaries and bonuses	(549,666)	(440,809)	(366,362)
Social security costs	(11,305)	(8,318)	(7,877)
Pension costs	(10,318)	(6,785)	(5,477)
Salaries and other employee benefits	(571,289)	(455,912)	(379,716)

In 2025, salaries and bonuses include GEL 122,525 of the Equity Compensation Plan costs (2024: GEL 66,820, 2023: GEL 70,970), associated with the existing share-based compensation scheme approved in the Group (Note 27).

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
The Bank	8,285	7,740	6,981
BNB	916	814	802
Other	2	17	32
Average total number of staff employed	9,203	8,571	7,815

24. Salaries and other employee benefits, and general and administrative expenses (continued)

Salaries and other employee benefits (continued)

Average number of employees for the year:	2025	2024	2023
Permanent employment:			
<i>Top management</i>	22	21	15
<i>Middle management</i>	162	156	148
<i>Other employees</i>	9,014	8,388	7,633
	<u>9,198</u>	<u>8,565</u>	<u>7,796</u>
Temporary employment:			
<i>Other employees</i>	5	6	19
Total	<u>9,203</u>	<u>8,571</u>	<u>7,815</u>

General and administrative expenses

	2025	2024	2023
Repairs and maintenance	(76,247)	(65,360)	(53,374)
Marketing and advertising	(46,669)	(51,185)	(45,348)
Legal and other professional services	(17,728)	(21,439)	(19,447)
Operating taxes	(16,673)	(14,337)	(11,846)
Corporate hospitality and entertainment	(10,734)	(6,103)	(7,021)
Office supplies	(9,726)	(8,742)	(9,208)
Communication	(9,490)	(8,452)	(6,787)
Personnel training and recruitment	(9,369)	(8,609)	(6,888)
Travel expenses	(8,303)	(6,594)	(7,005)
Occupancy and rent	(6,391)	(5,842)	(6,266)
Insurance	(3,706)	(3,259)	(3,242)
Security	(2,485)	(4,380)	(4,303)
Other	(5,592)	(5,771)	(4,122)
General and administrative expenses	<u>(223,113)</u>	<u>(210,073)</u>	<u>(184,857)</u>

Auditor remuneration

Auditor remuneration comprises:

	2025	2024	2023
Fees for the audit of the Bank's annual financial statements	1,347	985	771
Expenditures for other assurance services	380	362	471
Expenditures for other professional services	-	-	9
Transaction-related fees	591	655	-
Total fees	<u>2,318</u>	<u>2,002</u>	<u>1,251</u>

The figures shown in the above table relate to fees of EY LLC ("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 231 (2024: GEL 197, 2023: GEL 719), and in respect of other services of the Group were GEL 18 (2024: GEL 750, 2023: GEL 230).

25. Cost of risk

The table below shows ECL charges on financial instruments for the year recorded in the income statement:

	Stage 1		Stage 2		Stage 3		POCI		Total
	Collective	Collective	Individual	Collective	Individual	Collective	Individual	Collective	
Cash and cash equivalents	(304)	-	-	-	-	-	-	-	(304)
Amounts due from credit institutions	45	-	-	-	-	-	-	-	45
Investment securities measured at amortised cost - debt instruments	(741)	-	-	-	-	-	-	-	(741)
Investment securities measured at FVOCI - debt instruments	1,288	-	-	-	-	-	-	-	1,288
Loans to customers at amortised cost	10,126	(35,211)	(7,994)	(80,950)	11,406	(24,238)	-	-	(126,861)
Factoring receivables	(158)	-	-	-	-	-	-	-	(158)
Finance lease receivables	(56)	(6)	(139)	(185)	-	(423)	-	-	(809)
Accounts receivable and other loans	212	-	-	-	-	-	-	-	212
Other financial assets	-	-	(7,481)	-	-	-	-	-	(7,481)
Financial guarantees	594	436	(13)	-	-	-	-	-	1,017
Letter of credit to customers	(22)	-	-	-	-	-	-	-	(22)
Other financial commitments	(948)	(124)	-	-	-	-	-	-	(1,072)
For the year ended 31 December 2025	10,036	(34,905)	(15,627)	(81,135)	11,406	(24,661)	-	-	(134,886)

	Stage 1		Stage 2		Stage 3		POCI		Total
	Collective	Collective	Individual	Collective	Individual	Collective	Individual	Collective	
Cash and cash equivalents	252	-	-	-	-	-	-	-	252
Amounts due from credit institutions	335	-	-	-	-	-	-	-	335
Investment securities measured at amortised cost - debt instruments	(142)	-	-	-	-	-	-	-	(142)
Investment securities measured at FVOCI - debt instruments	(2,695)	-	-	-	-	-	-	-	(2,695)
Loans to customers at amortised cost	(10,815)	23,599	(57,717)	(38,363)	(3,640)	3,250	-	-	(83,686)
Factoring receivables	11	-	-	-	-	-	-	-	11
Finance lease receivables	2	319	(416)	(1,309)	-	2,459	-	-	1,055
Accounts receivable and other loans	(323)	-	-	-	-	-	-	-	(323)
Other financial assets	-	-	(1,572)	-	-	-	-	-	(1,572)
Financial guarantees	(609)	(457)	195	4	-	-	-	-	(867)
Letter of credit to customers	(68)	-	-	-	-	-	-	-	(68)
Other financial commitments	(138)	57	-	-	-	-	-	-	(81)
For the year ended 31 December 2024	(14,190)	23,518	(59,510)	(39,668)	(3,640)	5,709	-	-	(87,781)

	Stage 1		Stage 2		Stage 3		POCI		Total
	Collective	Collective	Individual	Collective	Individual	Collective	Individual	Collective	
Cash and cash equivalents	(182)	-	-	-	-	-	-	-	(182)
Amounts due from credit institutions	4,260	-	-	-	-	-	-	-	4,260
Investment securities measured at amortised cost - debt instruments	3,766	-	-	-	-	-	-	-	3,766
Investment securities measured at FVOCI - debt instruments	(1,932)	-	-	-	-	-	-	-	(1,932)
Loans to customers at amortised cost	16,933	(8,121)	(157)	(129,119)	-	(3,727)	-	-	(124,191)
Factoring receivables	121	61	-	-	-	-	-	-	182
Finance lease receivables	(147)	(121)	(92)	(3,231)	-	829	-	-	(2,762)
Other financial assets	-	-	(3,855)	-	-	-	-	-	(3,855)
Financial 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	23,839	(8,170)	(4,080)	(132,345)	-	(2,898)	-	-	(123,654)

Impairment charge on other assets and provisions comprise:

	2025	2024	2023
Impairment charge on assets held for sale	(142)	(1,309)	(4,550)
Litigation provision charge	(385)	(713)	(2,388)
Other impairment charge	(10,793)	(12,361)	(11,379)
Impairment charge on other assets and provisions	(11,320)	(14,383)	(18,317)

26. Net other gains/(losses)

	2025	2024	2023
Net real estate gains / (losses)	40,623	22,400	92,520
Net (losses)/gains from revaluation of investment property	(1,720)	21,595	579
Net gains / (losses) on derecognition of financial assets measured at fair value through other comprehensive income	1,910	1,631	18,512
Net (losses)/gains on financial assets at fair value through profit or loss	(902)	223	-
Net other gains / (losses)	5,873	3,594	2,935
Net other gains / (losses)	45,784	49,443	114,546

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 realizable value. The Group managed to realize 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.

27. Share-based payments

Executives' Equity Compensation Plan ("EECP") and Employees' Equity Compensation Plan ("EECP")

In 2015, the Group set up 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"). The Group makes contributions to the Trustee in respect of the awards granted within EECP. JSC BGEO Group has the legal obligation to settle the awards. In granting the awards, the Bank acts as the agent of the parent.

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 the Group's Employees' Equity Compensation Plan ("EECP").

In 2025, the Group contributed GEL 91,870 (2024: GEL 77,377, 2023: GEL 109,667) as intra-group recharge under share-based compensation schemes described above.

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. 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 holding period of up to the 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 the executive management board and 57,386 ordinary shares of Lion Finance Group PLC to the Group's 17 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 17 other management members are subject to three-year vesting periods with continuous employment being the only vesting condition for both awards. The Group considers 31 January 2025, 5 February 2025, 16 June 2025 and 31 December 2025 as the grant date, respectively. The Group estimates that the fair values of the shares awarded on 31 January 2025, 5 February 2025, 16 June 2025 and 31 December 2025, respectively, were Georgian Lari 170.11, 162.79, 160.80 and 338.95 per share, respectively.

In 2024, Lion Finance Group PLC's Remuneration Committee resolved to award 193,767 ordinary shares of Lion Finance Group PLC to the members of the 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.

27. 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 the 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 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 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, 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, 1 May 2025 and 16 June 2025 as the grant dates for the awards, respectively. The Group estimated the value of the shares were Georgian Lari 165.76, 161.96 and 160.80 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, the Group'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, respectively. 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 2024, 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 were 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 are subject to one-year vesting and four-year holding periods.

In 2024, the Group'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 are subject to one-year vesting and three-year holding periods.

In 2023, 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 were 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 three-year holding periods.

In 2023, the Group'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.

The Bank grants share compensation to its non-executive employees. In 2025, 2024 and 2023, the Supervisory Board of the Bank resolved to award 117,271, 123,762 and 127,676 ordinary shares, respectively, to its certain non-executive employees. All these awards are subject to three-year vesting, with continuous employment being the only vesting condition for all awards. The Group considers 5 February 2025, 12 February 2024 and 09 February 2023 as the grant dates of these awards, respectively. The Group estimates that the fair values of the shares awarded on 5 February 2025, 12 February 2024 and 09 February 2023 were Georgian Lari 162.79, 128.47 and 87.65 per share, respectively.

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 comprised Georgian Lari 165.12 per share in year ended 31 December 2025 (31 December 2024: Georgian Lari 128.72 per share, 31 December 2023: Georgian Lari 88.47).

27. Share-based payments (continued)

The Group's total share-based payment expenses for the year ended 31 December 2025 comprised GEL 122,525 (31 December 2024: GEL 66,820, 31 December 2023: GEL 70,970) 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	646,656	524,210	694,826
– Among them, to the Executive management board	434,784	315,858	437,461
Weighted average value at grant date, per share (GEL in full amount)	165.12	128.72	88.47
Value at grant date, total (GEL)	106,776	67,476	61,469
Total expense recognised during the year (GEL)	(122,525)	(66,820)	(70,970)

28. 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 is exposed to financial risks (including credit risk, capital and liquidity risk and market risk) as well as non-financial risks.

Risk Management structure

The Bank'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 Code adopted by the NBG. The three lines of defence model enhances the understanding of risk management and control by clarifying roles and responsibilities within the Bank's different risk management bodies and business units in order to increase the effective management of risk and control.

Committees operating under the Supervisory Board:

Audit Committee

The Audit Committee assists the Supervisory Board in relation to the oversight of the Group's financial and reporting processes. It monitors the integrity of the financial statements and is responsible for governance around both the Internal Audit function and external auditor, reporting back to the Supervisory Board. It reviews 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 works closely with the Risk Committee in connection with assessing the effectiveness of the risk management and internal control framework.

Risk Committee

The Risk Committee assists the Supervisory Board in relation to the oversight of risk. It reviews the Group's risk appetite in line with strategy, identifies and monitors risk exposure and the risk management infrastructure, oversees the implementation of strategy to address risk, and in conjunction with the Audit Committee, assesses the strength and effectiveness of the risk management and internal control framework.

Other risk management bodies:

Management Board

The Management Board has overall responsibility for the Bank's asset, liability and risk Management activities, policies and procedures. In order to effectively implement the risk Management system, the Management Board delegates individual risk Management functions to each of the various decision-making and execution bodies within the Bank.

28. Risk management (continued)

Introduction (continued)

Bank Asset and Liability Management Committee

The Bank's Asset and Liability Management Committee ("ALCO") is the core risk Management body that establishes policies and guidelines with respect to capital adequacy, market risks, liquidity and funding risks, interest rate and prepayment risks and respective limits, money market general terms and credit exposure limits, The ALCO reviews scenario analyses and stress tests, regularly monitors compliance with the pre-set risk limits and approves treasury deals.

Internal Audit

The Internal Audit department is responsible for the audit of the Group's Risk Management, internal control and corporate governance processes, with the aim of reducing the levels of operational and other risks, auditing the Group's internal control systems and detecting any infringements or errors on the part of the Group's departments and divisions. It examines both the adequacy and the Group's compliance with those procedures. The Group's Internal Audit department discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

Risk measurement and reporting systems

Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Management Board and to the head of each business division. The reports include aggregate credit exposures and their limits, exceptions to those limits, liquidity ratios and liquidity limits, market risk ratios and their limits, and changes to the risk profile. The Management Board receives a comprehensive credit risk report and ALCO report. These reports are designed to provide all the necessary information to assess and conclude on the risks of the Group.

For all levels throughout the Group, 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 its overall risk Management, the Group uses 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 actively uses collateral to reduce its credit risks (see below for more detail).

28. Risk management (continued)

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 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, the Group's policies and procedures 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.

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 the 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 its corporate loan portfolios, the Group utilizes an internal rating model that synthesizes both qualitative and quantitative information. This model integrates borrower-specific data with supplemental external information that may influence a borrower's credit profile.

The Group's policy is to ensure that risk ratings are accurate and consistent across the entire credit portfolio. This approach facilitates the targeted management of applicable risks and enables a comparative analysis of credit exposures across all lines of business, geographic regions, and products. The rating system is underpinned by a range of financial analytics, which serve as the primary inputs for measuring counterparty risk.

All internal risk ratings are tailored to distinct portfolio categories and are determined in accordance with the Group's established rating policy. The assigned risk ratings are subject to regular assessment and revision to ensure their continued accuracy.

For Retail, Micro and SME loans, the Group uses external ratings provided by Credit Bureau.

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 Group Risk function uses such external ratings. For those where external ratings are not available internal ratings are assigned.

28. Risk management (continued)

Credit risk (continued)

The table below shows internal and external grades used in ECL calculating.

Internal Rating Description*	Internal Rating Grades		External Rating Grades	
			Credit Bureau	Standard & Poor's
High grade				
	Aa1	2+	B	AA+
	Aa2	2	C1	AA
	Aa3	2-	C2	AA-
	A1	3+	C3	A+
	A2	3	0	A
	A3	3-		A-
	Baa1	4+		BBB+
	Baa2	4		BBB
	Baa3	4-		BBB-
Standard grade				
	Ba1	5+	D1	BB+
	Ba2	5	D2	BB
	Ba3	5-		BB-
	B1	6+		B+
	B2	6		B
Low grade				
	B3	6-	E1	B-
	Caa1	7+	E2	CCC+
	Caa2	7		CCC
	Caa3			CCC-
	Ca			CC
				C

*Grades are not supposed to be corresponded to each other across the rating categories above.

28. Risk management (continued)

Credit risk (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	<i>Stage 1</i>	<i>Total</i>
High grade	825,546	825,546
Standard grade	844,429	844,429
Low grade	14,864	14,864
Not rated	775,349	775,349
Balance at 31 December 2025	<u>2,460,188</u>	<u>2,460,188</u>
Amounts due from credit institutions	<i>Stage 1</i>	<i>Total</i>
Standard grade	2,137,892	2,137,892
Not rated	23,296	23,296
Balance at 31 December 2025	<u>2,161,188</u>	<u>2,161,188</u>
Investment securities measured at FVOCI - debt instruments	<i>Stage 1</i>	<i>Total</i>
High grade	2,007,011	2,007,011
Standard grade	4,271,118	4,271,118
Not rated	85,643	85,643
Balance at 31 December 2025	<u>6,363,772</u>	<u>6,363,772</u>
Investment securities measured at amortized cost - debt instruments	<i>Stage 1</i>	<i>Total</i>
High grade	1,684,117	1,684,117
Standard grade	8,853	8,853
Not rated	301,312	301,312
Balance at 31 December 2025	<u>1,994,282</u>	<u>1,994,282</u>

28. Risk management (continued)

Credit risk (continued)

Commercial loans at amortised cost	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
High grade	6,539,609	140,860	-	-	6,680,469
Standard grade	2,055,384	198,837	-	438	2,254,659
Low grade	54,252	441,648	-	9	495,909
Not rated	301,097	29,687	-	-	330,784
Defaulted					
Non-performing	-	-	207,001	15,903	222,904
Balance at 31 December 2025	8,950,342	811,032	207,001	16,350	9,984,725
Residential mortgage loans at amortised cost	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
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	205,222	586	-	124	205,932
Defaulted					
Non-performing	-	-	42,586	11,822	54,408
Balance at 31 December 2025	5,501,471	136,416	42,586	24,897	5,705,370
Micro and SME loans at amortised cost	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
High grade	2,149,290	19,386	-	370	2,169,046
Standard grade	1,796,351	67,682	-	452	1,864,485
Low grade	133,452	105,341	-	290	239,083
Not rated	292,045	8,062	6	-	300,113
Defaulted					
Non-performing	-	-	212,345	10,267	222,612
Balance at 31 December 2025	4,371,138	200,471	212,351	11,379	4,795,339
Consumer loans at amortised cost	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
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	-	6,021	944,989
Not rated	431,994	2,074	97	-	434,165
Defaulted					
Non-performing	-	-	130,021	11,193	141,214
Balance at 31 December 2025	7,194,125	362,921	130,118	20,593	7,707,757
Gold – pawn loans at amortised cost	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
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	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
High grade	-	-	-	2,473	2,473
Standard grade	-	-	-	1,764	1,764
Low grade	-	-	-	3,106	3,106
Not rated	63,137	2,834	-	37	66,008
Defaulted					
Non-performing	-	-	4,019	5,925	9,944
Balance at 31 December 2025	63,137	2,834	4,019	13,305	83,295

28. Risk management (continued)

Credit risk (continued)

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Factoring receivables					
High grade	105,805	-	-	-	105,805
Standard grade	6,542	-	-	-	6,542
Not rated	3,571	-	-	-	3,571
Balance at 31 December 2025	115,918	-	-	-	115,918
Accounts receivable					
High grade	5,925	-	-	-	5,925
Not rated	6,276	-	-	-	6,276
Balance at 31 December 2025	12,201	-	-	-	12,201
Other financial assets					
High grade	173,529	-	-	-	173,529
Not rated	94,801	4	22,729	-	117,534
Balance at 31 December 2025	268,330	4	22,729	-	291,063
Financial and performance guarantees issued					
High grade	1,360,349	1,068	-	-	1,361,417
Standard grade	183,262	3,463	-	-	186,725
Low grade	72,753	65,288	-	-	138,041
Not rated	340,705	208	-	-	340,913
Defaulted					
Other	-	-	3,638	-	3,638
Balance at 31 December 2025	1,957,069	70,027	3,638	-	2,030,734
Letters of credit					
High grade	52,963	-	-	-	52,963
Standard grade	5,666	-	-	-	5,666
Low grade	50	-	-	-	50
Not rated	1,868	-	-	-	1,868
Balance at 31 December 2025	60,547	-	-	-	60,547
Undrawn loan facilities					
High grade	902,399	1,102	-	-	903,501
Standard grade	138,828	20,345	-	-	159,173
Low grade	25,104	9,837	-	1	34,942
Not rated	123,753	116	-	-	123,869
Defaulted					
Other	-	-	457	7	464
Balance at 31 December 2025	1,190,084	31,400	457	8	1,221,949

28. Risk management (continued)

Credit risk (continued)

	<i>Stage 1</i>	<i>Total</i>
Cash and cash equivalents, excluding cash on hand		
High grade	752,962	752,962
Standard grade	16,377	16,377
Low grade	57,053	57,053
Not rated	346,394	346,394
Balance at 31 December 2024	<u>1,172,786</u>	<u>1,172,786</u>

	<i>Stage 1</i>	<i>Total</i>
Amounts due from credit institutions		
Standard grade	2,424,181	2,424,181
Not rated	33,000	33,000
Balance at 31 December 2024	<u>2,457,181</u>	<u>2,457,181</u>

	<i>Stage 1</i>	<i>Total</i>
Investment securities measured at FVOCI - debt instruments		
High grade	2,365,268	2,365,268
Standard grade	3,471,050	3,471,050
Not rated	70,964	70,964
Balance at 31 December 2024	<u>5,907,282</u>	<u>5,907,282</u>

	<i>Stage 1</i>	<i>Total</i>
Investment securities measured at amortized cost - debt instruments		
High grade	1,693,825	1,693,825
Standard grade	85,725	85,725
Not rated	131,320	131,320
Balance at 31 December 2024	<u>1,910,870</u>	<u>1,910,870</u>

	<i>Stage 1</i>	<i>Total</i>
Investment securities pledged under sale and repurchase agreements and securities lending measured at FVOCI - debt instruments		
High grade	138,945	138,945
Balance at 31 December 2024	<u>138,945</u>	<u>138,945</u>

28. Risk management (continued)

Credit risk (continued)

Commercial loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	6,020,499	42,973	-	389	6,063,861
Standard grade	1,796,116	65,195	-	425	1,861,736
Low grade	93,300	162,971	-	-	256,271
Not rated	387,854	6,932	-	-	394,786
Defaulted					
Non-performing	-	-	173,730	11,934	185,664
Balance at 31 December 2024	8,297,769	278,071	173,730	12,748	8,762,318
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	259,478	1,401	-	116	260,995
Defaulted					
Non-performing	-	-	52,284	14,679	66,963
Balance at 31 December 2024	4,810,998	137,822	52,284	31,314	5,032,418
Micro and SME loans at amortised cost	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	2,258,340	25,236	-	346	2,283,922
Standard grade	985,952	59,770	-	149	1,045,871
Low grade	89,252	80,133	-	345	169,730
Not rated	729,415	27,211	91	171	756,888
Defaulted					
Non-performing	-	-	171,641	13,338	184,979
Balance at 31 December 2024	4,062,959	192,350	171,732	14,349	4,441,390
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	370,635	199,161	-	6,754	576,550
Not rated	396,919	2,878	-	-	399,797
Defaulted					
Non-performing	-	-	102,821	14,303	117,124
Other	-	-	1	-	1
Balance at 31 December 2024	5,804,112	253,724	102,822	26,391	6,187,049
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	87	366	-	3,781	4,234
Standard grade	-	58	-	2,870	2,928
Low grade	92	16	-	3,894	4,002
Not rated	42,839	515	-	-	43,354
Defaulted					
Non-performing	-	-	7,828	6,305	14,133
Other	-	-	-	347	347
Balance at 31 December 2024	43,018	955	7,828	17,197	68,998
Factoring receivables	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	31,947	-	-	-	31,947
Standard grade	1,500	-	-	-	1,500
Not rated	2,619	82	-	-	2,701
Defaulted					
Non-performing	-	-	32	-	32
Balance at 31 December 2024	36,066	82	32	-	36,180

28. Risk management (continued)

Credit risk (continued)

Accounts receivable	Stage 1	Total
Not rated	8,339	8,339
Balance at 31 December 2024	8,339	8,339

Other financial assets	Stage 1	Total
High grade	33,060	33,060
Not rated	172,700	172,700
Balance at 31 December 2024	205,760	205,760

Financial and performance guarantees issued	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	756,235	-	-	-	756,235
Standard grade	319,599	8,167	-	-	327,766
Low grade	37,929	28,374	-	-	66,303
Not rated	797,621	5,623	-	-	803,244
Defaulted					
Other	-	-	254	-	254
Balance at 31 December 2024	1,911,384	42,164	254	-	1,953,802

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	242	-	-	-	242
Balance at 31 December 2024	82,400	-	-	-	82,400

Undrawn loan facilities	Stage 1	Stage 2	Stage 3	POCI	Total
High grade	755,232	168	-	-	755,400
Standard grade	163,806	5,784	-	-	169,590
Low grade	3,877	3,474	-	1	7,352
Not rated	76,194	166	30	-	76,390
Defaulted					
Non-performing	-	-	14	-	14
Other	-	-	677	14	691
Balance at 31 December 2024	999,109	9,592	721	15	1,009,437

Cash and cash equivalents, excluding cash on hand	Stage 1	Total
High grade	1,097,398	1,097,398
Standard grade	654,810	654,810
Low grade	32,372	32,372
Not rated	292,048	292,048
Balance at 31 December 2023	2,076,628	2,076,628

Amounts due from credit institutions	Stage 1	Total
High grade	1,734,224	1,734,224
Not rated	19,328	19,328
Balance at 31 December 2023	1,753,552	1,753,552

Investment securities measured at FVOCI - debt instruments	Stage 1	Total
High grade	2,202,596	2,202,596
Standard grade	2,058,495	2,058,495
Not rated	88,518	88,518
Balance at 31 December 2023	4,349,609	4,349,609

Investment securities measured at amortized cost - debt instruments	Stage 1	Total
High grade	387,623	387,623
Standard grade	25,101	25,101
Not rated	111,709	111,709
Balance at 31 December 2023	524,433	524,433

28. Risk management (continued)

Credit risk (continued)

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Commercial loans at amortised cost					
High grade	4,338,469	68,175	-	339	4,406,983
Standard grade	1,389,524	58,796	-	755	1,449,075
Low grade	132,266	372,006	-	-	504,272
Not rated	481,986	16,812	-	-	498,798
Defaulted					
Non-performing	-	-	97,721	22,481	120,202
Balance at 31 December 2023	6,342,245	515,789	97,721	23,575	6,979,330
Residential mortgage loans at amortised cost					
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					
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
Consumer loans at amortised cost					
High grade	2,693,768	7,996	-	2,405	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	4,325,760	234,229	111,469	28,511	4,699,969
Gold – pawn loans at amortised cost					
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					
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	-	-	12,064	10,391	22,455
Other	-	-	-	557	557
Balance at 31 December 2023	33,899	5,048	12,064	19,080	70,091
Factoring receivables					
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

28. Risk management (continued)

Credit risk (continued)

Accounts receivable	Stage 1		Total	
Not rated	8,277		8,277	
Balance at 31 December 2023	8,277		8,277	

Other financial assets	Stage 1		Total	
High grade	23,073		23,073	
Not rated	209,371		209,371	
Balance at 31 December 2023	232,444		232,444	

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

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

28. Risk management (continued)

Credit risk (continued)

Types of collateral the Group accepts include real estate, movable properties as well as 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 re-valued within the last two years (31 December 2024: 81.9%, 31 December 2023: 80.1%).

As at 31 December 2025										
Total gross carrying amount	Unsecured	Loan-to-value %								
		Less than 50%	50%-80%	80% - 90%	90%-100%	100%-200%	200%-300%	300%-400%	More than 400%	
Commercial loans	9,984,725	1,540,612	2,316,140	2,209,685	581,008	472,099	1,909,455	325,148	90,397	540,181
ECL Coverage	1.51%	0.61%	0.53%	1.36%	0.29%	1.43%	3.78%	1.15%	0.46%	2.64%
Residential mortgage loans	5,705,370	98,111	2,065,829	2,736,075	516,073	182,310	81,023	7,598	3,623	14,728
ECL Coverage	0.10%	0.57%	-0.10%	0.08%	0.34%	0.51%	1.79%	3.25%	3.51%	1.99%
Micro and SME loans	4,795,339	166,033	1,646,076	1,657,135	460,660	335,787	486,571	22,067	4,742	16,268
ECL Coverage	1.70%	3.67%	0.34%	1.07%	2.49%	2.75%	5.83%	2.69%	5.00%	12.77%
Consumer loans	7,707,757	4,079,126	1,565,233	1,475,525	343,181	176,204	58,342	3,700	3,337	3,109
ECL Coverage	1.79%	3.12%	-0.01%	0.30%	0.48%	0.79%	3.11%	8.22%	2.16%	34.83%
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%	0.04%	0.41%	0.41%	67.50%	N/A	n/a
Loans to customers at amortised cost, gross	28,433,723	5,883,882	7,612,892	8,126,528	1,947,204	1,262,895	2,563,963	358,553	103,520	574,286

As at 31 December 2024										
Total gross carrying amount	Unsecured	Loan-to-value %								
		Less than 50%	50%-80%	80% - 90%	90%-100%	100%-200%	200%-300%	300%-400%	More than 400%	
Commercial loans	8,762,318	1,306,721	2,206,591	1,531,706	832,829	462,629	1,634,381	345,196	139,753	302,512
ECL Coverage	1.49%	0.57%	0.59%	1.36%	0.50%	0.24%	4.20%	0.87%	0.32%	3.79%
Residential mortgage loans	5,032,418	113,721	1,843,223	2,590,036	305,081	96,232	59,997	8,268	1,662	14,198
ECL Coverage	0.21%	0.89%	0.03%	0.13%	0.56%	1.26%	3.83%	2.62%	1.32%	0.63%
Micro and SME loans	4,441,390	136,894	1,619,172	1,588,667	400,201	278,311	392,381	14,100	6,849	4,815
ECL Coverage	1.76%	5.50%	0.28%	0.99%	1.57%	3.37%	8.33%	2.16%	11.27%	14.72%
Consumer loans	6,187,049	3,020,236	1,365,128	1,383,584	205,634	171,729	31,049	3,657	2,228	3,804
ECL Coverage	2.21%	4.08%	0.10%	0.41%	0.89%	0.71%	9.66%	5.50%	12.34%	4.02%
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	24,577,417	4,577,572	7,048,387	7,150,393	1,770,979	1,047,954	2,133,849	371,234	151,720	325,329

As at 31 December 2023										
Total gross carrying amount	Unsecured	Loan-to-value %								
		Less than 50%	50%-80%	80% - 90%	90%-100%	100%-200%	200%-300%	300%-400%	More than 400%	
Commercial loans	6,979,330	802,460	1,235,492	1,618,714	297,635	370,658	1,450,549	531,632	133,244	538,946
ECL Coverage	1.41%	0.65%	0.55%	0.42%	0.21%	2.63%	1.98%	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	0.92%	N/A	0.00%	0.06%	0.24%	16.25%	27.72%	76.09%	N/A	81.82%
Loans to customers at amortised cost, gross	20,460,074	3,415,837	4,038,128	5,716,887	1,693,661	1,476,568	2,696,229	632,810	169,444	620,510

Carrying amount per class of financial assets whose terms have been renegotiated

28. Risk management (continued)

Credit risk (continued)

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:

	Amortised cost before modification	Net gain (loss) arising from modification
Financial assets modified during 2025:		
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)

	Amortised cost before modification	Net gain (loss) arising from modification
Financial assets modified during 2024:		
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)

	Amortised cost before modification	Net gain (loss) arising from modification
Financial assets modified during 2023:		
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)

28. Risk management (continued)

Credit risk (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)

28. Risk management (continued)

Credit risk (continued)

The geographical concentration of the Group's assets and liabilities is set out below:

	2025			
	Georgia	OECD	Other foreign countries	Total
Assets:				
Cash and cash equivalents	1,775,710	870,546	936,893	3,583,149
Amounts due from credit institutions	2,137,351	-	23,397	2,160,748
Investment securities	4,538,422	3,435,399	384,662	8,358,483
Loans to customers, factoring and finance lease receivables	27,288,604	-	963,881	28,252,485
Accounts receivables and other loans	6,671	-	835	7,506
All other assets	1,622,560	109,495	788,747	2,520,802
	37,369,318	4,415,440	3,098,415	44,883,173
Liabilities:				
Client deposits and notes	22,008,911	1,537,146	5,612,695	29,158,752
Amounts owed to credit institutions	2,934,831	2,965,368	705,736	6,605,935
Debt securities issued	1,575,819	224,683	12,891	1,813,393
Lease Liability	223,219	-	16,353	239,572
All other liabilities	474,240	48,531	26,387	549,158
	27,217,020	4,775,728	6,374,062	38,366,810
Net balance sheet position	10,152,298	(360,288)	(3,275,647)	6,516,363

	2024				2023			
	Georgia	OECD	Other foreign countries	Total	Georgia	OECD	Other foreign countries	Total
Assets:								
Cash and cash equivalents	959,205	711,548	607,723	2,278,476	1,465,026	974,224	603,582	3,042,832
Amounts due from credit institutions	2,423,727	-	32,963	2,456,690	1,733,899	-	18,759	1,752,658
Investment securities	3,650,495	3,569,057	607,238	7,826,790	2,194,483	2,258,203	428,129	4,880,815
Investment securities pledged under sale and repurchase agreements and securities lending	-	138,945	-	138,945	-	-	-	-
Loans to customers, factoring and finance lease receivables	23,537,615	18,484	760,056	24,316,155	19,531,162	16,987	699,918	20,248,067
Accounts receivables and other loans	1,622	-	1,168	2,790	-	-	-	-
All other assets	1,494,430	126,009	632,878	2,253,317	1,246,815	146,974	75,949	1,469,738
	32,067,094	4,564,043	2,642,026	39,273,163	26,171,385	3,396,388	1,826,337	31,394,110
Liabilities:								
Client deposits and notes	19,138,210	1,212,819	4,990,704	25,341,733	15,083,091	1,189,517	4,504,208	20,776,816
Amounts owed to credit institutions	2,981,341	2,963,364	765,789	6,710,494	2,369,365	2,234,149	529,515	5,133,029
Debt securities issued	942,211	140,620	16,506	1,099,337	273,923	147,436	-	421,359
Lease Liability	162,827	-	14,538	177,365	124,345	-	13,209	137,554
All other liabilities	261,672	33,311	18,753	313,736	381,722	79,352	12,228	473,302
	23,486,261	4,350,114	5,806,290	33,642,665	18,232,446	3,650,454	5,059,160	26,942,060
Net balance sheet position	8,580,833	213,929	(3,164,264)	5,630,498	7,938,939	(254,066)	(3,232,823)	4,452,050

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 transaction 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.

28. Risk management (continued)

Offsetting financial assets and financial liabilities (continued)

The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2025, 31 December 2024 and 31 December 2023:

Types of financial assets/liabilities	Amounts subject to enforceable netting arrangements					
	Gross amounts of recognised financial asset/liability	Amounts offset	Net amount of financial assets/liabilities presented in the statement of financial position	Collateral received/pledged		Financial assets/liabilities after consideration of netting potential
				Financial instruments, including non-cash collateral*	Cash collateral	
Derivative financial assets	5,725	-	5,725	(36)	-	5,689
Total financial assets	5,725	-	5,725	(36)	-	5,689
Derivative financial liabilities	10,594	-	10,594	(10,594)	-	-
Total financial liabilities	10,594	-	10,594	(10,594)	-	-
Types of financial assets/liabilities	Amounts subject to enforceable netting arrangements					
	Gross amounts of recognised financial asset/liability	Amounts offset	Net amount of financial assets/liabilities presented in the statement of financial position	Collateral received/pledged		Financial assets/liabilities after consideration of netting potential
				Financial instruments, including non-cash collateral*	Cash collateral	
Receivables from REPO operations	13,423	-	13,423	(13,423)	-	-
Derivative financial assets	24,186	-	24,186	(419)	-	23,767
Total financial assets	37,609	-	37,609	(13,842)	-	23,767
Derivative financial liabilities	5,633	-	5,633	(5,633)	-	-
Total financial liabilities	5,633	-	5,633	(5,633)	-	-
Types of financial assets/liabilities	Amounts subject to enforceable netting arrangements					
	Gross amounts of recognised financial asset/liability	Amounts offset	Net amount of financial assets/liabilities presented in the statement of financial position	Collateral received/pledged		Financial assets/liabilities after consideration of netting potential
				Financial instruments, including non-cash collateral*	Cash collateral	
Derivative financial assets	10,942	-	10,942	-	-	10,942
Total financial assets	10,942	-	10,942	-	-	10,942
Derivative financial liabilities	25,779	-	25,779	(12,129)	-	13,650
Total financial liabilities	25,779	-	25,779	(12,129)	-	13,650

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, the management has arranged diversified funding sources in addition to its core deposit base, it 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, 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 Bank basis, based on certain liquidity ratios established by the NBG. The banks are required to maintain a liquidity coverage ratio, which is defined as the ratio of high-quality liquid assets to net cash outflow over the next 30 days. The order requires that, absent a stress-period, the value of the ratio be no lower than 100%. The liquidity coverage ratio as at 31 December 2025 was 147.7% (2024: 138.6%, 2023: 125.2%).

The Bank holds a comfortable buffer on top of Net Stable Funding Ratio (NSFR) requirement of 100%, which came into effect on 1 September 2019. 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 as at 31 December 2025 was 134.1%, (2024: 130.7%, 2023: 130.4%), all comfortably above the NBG's minimum regulatory requirements.

The Group also matches the maturity of financial assets and financial liabilities and regularly monitors negative gaps compared with the Bank's standalone total regulatory capital calculated per NBG regulation.

28. Risk management (continued)

Liquidity risk and funding management (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations, except 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 Bank could be required to pay, and the table does not reflect the expected cash flows indicated by the Bank'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	10,590,023	16,237,201	3,182,089	91,298	30,100,611
Amounts owed to credit institutions	3,539,556	1,034,629	2,088,962	575,171	7,238,318
Debt securities issued	10,382	403,737	1,628,471	224,683	2,267,273
Lease liability	13,198	38,747	143,145	89,513	284,603
Net settled derivative financial liabilities	111	108	-	-	219
Gross settled derivative financial liabilities	2,435	378	2,590	-	5,403
- Inflow	(624,624)	(18,344)	(28,867)	-	(671,835)
- Outflow	627,059	18,722	31,457	-	677,238
Other liabilities	347,063	798	696	124	348,681
Total undiscounted financial liabilities	14,502,768	17,715,598	7,045,953	980,789	40,245,108

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	9,504,361	14,107,535	2,422,975	79,685	26,114,556
Amounts owed to credit institutions	3,703,132	962,480	2,277,150	403,458	7,346,220
Debt securities issued	13,744	157,020	1,181,070	140,620	1,492,454
Lease liability	11,026	32,495	106,325	40,522	190,368
Net settled derivative financial liabilities	491	-	-	-	491
Gross settled derivative financial liabilities	2,320	1,458	1,364	-	5,142
- Inflow	(594,702)	(55,802)	(16,856)	-	(667,360)
- Outflow	597,022	57,260	18,220	-	672,502
Other liabilities	141,582	724	1,281	109	143,696
Total undiscounted financial liabilities	13,376,656	15,261,712	5,990,165	664,394	35,292,927

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	8,744,192	10,559,751	1,964,484	73,382	21,341,809
Amounts owed to credit institutions	2,777,141	560,049	1,756,366	836,493	5,930,049
Debt securities issued	406	40,986	374,564	83,158	499,114
Lease liability	8,990	26,372	96,425	26,499	158,286
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	122,013	730	1,192	133	124,068
Total undiscounted financial liabilities	11,665,042	11,200,506	4,193,892	1,019,665	28,079,105

The table below shows the contractual expiry by maturity of the Group's financial commitments and contingencies which can contractually be called within 3 months.

	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
31 December 2025	1,435,925	939,339	775,272	166,853	3,317,389
31 December 2024	1,283,060	771,430	960,099	42,173	3,056,762
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.

28. 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 analysis.

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.

	<i>Increase in basis points</i>	<i>Net exposure to risk</i>	<i>Sensitivity of net interest income</i>	<i>Sensitivity of other comprehensive income</i>
<i>Currency</i>	<i>2025</i>	<i>2025</i>	<i>2025</i>	<i>2025</i>
GEL	3	2,927,027	967	30
EUR	6	406,816	237	-
USD	6	1,856,861	1,103	1,144
	<i>Decrease in basis points</i>	<i>Net exposure to risk</i>	<i>Sensitivity of net interest income</i>	<i>Sensitivity of other comprehensive income</i>
<i>Currency</i>	<i>2025</i>	<i>2025</i>	<i>2025</i>	<i>2025</i>
GEL	3	2,927,027	(967)	(30)
EUR	6	406,816	(237)	-
USD	6	1,856,861	(1,103)	(1,144)
	<i>Increase in basis points</i>	<i>Net exposure to risk</i>	<i>Sensitivity of net interest income</i>	<i>Sensitivity of other comprehensive income</i>
<i>Currency</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>
GEL	21	2,455,385	5,116	3,933
EUR	10	357,920	358	-
USD	14	860,148	1,179	2,565
	<i>Decrease in basis points</i>	<i>Net exposure to risk</i>	<i>Sensitivity of net interest income</i>	<i>Sensitivity of other comprehensive income</i>
<i>Currency</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>
GEL	21	2,455,385	(5,116)	(3,933)
EUR	10	357,920	(358)	-
USD	14	860,148	(1,179)	(2,565)
	<i>Increase in basis points</i>	<i>Net exposure to risk</i>	<i>Sensitivity of net interest income</i>	<i>Sensitivity of other comprehensive income</i>
<i>Currency</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>
GEL	22	2,953,734	6,541	2,289
EUR	8	907,306	707	2
USD	12	701,534	813	101
	<i>Decrease in basis points</i>	<i>Net exposure to risk</i>	<i>Sensitivity of net interest income</i>	<i>Sensitivity of other comprehensive income</i>
<i>Currency</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>
GEL	22	2,953,734	(6,541)	(2,289)
EUR	8	907,306	(707)	(2)
USD	12	701,534	(813)	(101)

28. Risk management (continued)

Market risk (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, with all other variables held constant on the income statement. The reasonably possible movement of the currency rate against the Georgian Lari is 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 net potential increase. During the year ended 31 December 2025, year ended 31 December 2024 and year ended 31 December 2023, sensitivity analysis did not reveal any significant potential effect on the Group's equity.

Currency	Change in currency rate in %	2025		2024		2023		Effect on profit before tax
		Net position	Effect on profit before tax	Net position	Effect on profit before tax	Net position	Effect on profit before tax	
EUR	9.2%	(40,644)	(3,723)	(25,373)	(2,213)	(4,548)	(400)	
USD	3.4%	(91,784)	(3,154)	(94,545)	(6,410)	31,108	1,511	

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 amount 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 and 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:

	<i>Effect on net interest income</i>
2025	(137,975)
2024	(115,232)
2023	(71,177)

28. Risk management (continued)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, 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.

Cyber risk, AML and compliance risk

Information-security threats have continued to increase over the past few years and the Group has seen a number of major organisations subject to cyber-attacks. Fortunately, the Group's operations have not been materially affected and the Group has not suffered a data breach. Over the past few years, as the Group's operations have expanded and the focus has been directed towards more digitalisation of banking products and services, there has been seen an increase in electronic crimes, including fraud, although losses have not been significant. Money laundering (ML) and Terrorism financing (TF) risks, which the Bank has measures in place to guard against, continue to evolve globally. The Bank continues to face stringent regulatory and supervisory requirements related to the fight against ML/TF. Failure to comply with these requirements may lead to enforcement action by the regulator, which can result in a pecuniary penalty and negatively impact the Group's reputation.

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

Most of the Group's business is concentrated in Georgia which, as developing economy lacks the well-established business and regulatory infrastructure typically found in more mature markets. Consequently, operations in this region involves risks not generally encountered in developed economies. These include the limited convertibility of the Georgian Lari and underdeveloped debt and equity markets. Moreover, as Georgia is small open economy, it is 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.

Despite these risks, Georgia has improved its investment climate over the past decade. Key reforms in banking, judicial, taxation, and regulatory systems, including updated tax codes and procedural laws, has contributed to a more favourable business environment. The Board views these reforms as reducing the risks of operating in this country.

The trend of improving business conditions is expected to continue, with the future stability of the economy relying on effective government policies and reforms, alongside regional and global developments. Domestic political tensions following the October 2024 parliamentary elections have contributed to elevated uncertainty. However, Georgia has demonstrated sound macroeconomic management, with prudent monetary policy and fiscal discipline in place to mitigate potential adverse effects.

Regional instability

The Georgian economy is well-diversified, with no significant reliance on a single sector or country. However, it remains exposed to developments in the region, particularly in Russia, Turkey, Azerbaijan and Armenia, which are key trading partners. Ongoing geopolitical tensions, political and economic instability, and military conflicts in the region, may adversely affect the Group's business and financial position.

The Group actively monitors regional and local market conditions and risks related to political instability, and the Georgian Government's response thereto. It performs stress and scenario tests in order to assess the impact on its financial position, and develops responsive strategies and action plans. Although financial market turbulence and geopolitical tensions may disrupt regional trade and investment, Georgia's preferential trading regimes and well-diversified economic structure supports its resilience to external shocks.

28. Risk management (continued)

Capital risk

The Bank faces the risk of not meeting the minimum capital adequacy requirements set by the NBG. The Bank, like all regulated financial institutions in Georgia, is required to comply with certain capital adequacy ratios set by the NBG. The failure to maintain the minimum capital adequacy requirements may have a material adverse effect on the Group and may compromise its strategic targets.

The Group maintains an actively managed capital base to cover risks inherent to its business. As part of its capital adequacy management framework, the Group continuously monitors market conditions and review market changes, and performs stress and scenario testing to test its position under adverse economic conditions, market and regulatory developments. Capital position is continuously monitored by the management, as well as the Board, to ensure prudent management and timely actions, when necessary. For further details, please refer to Note 32.

29. 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	-	-	113,777	113,777
<i>Land</i>	-	-	2,901	2,901
<i>Residential properties</i>	-	-	77,412	77,412
<i>Non-residential properties</i>	-	-	33,464	33,464
Investment securities measured at FVOCI	1,913,494	4,451,730	108	6,365,332
Other assets – derivative financial assets	-	5,725	-	5,725
Assets for which fair values are disclosed				
Investment securities measured at amortised cost - debt instruments	265,210	1,764,516	-	2,029,726
Loans to customers, factoring and finance lease receivables at amortised cost	-	-	27,576,992	27,576,992
Accounts receivables and other loans	-	7,506	-	7,506
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	10,594	-	10,594
Liabilities for which fair values are disclosed				
Client deposits and notes	-	29,217,443	-	29,217,443
Amounts owed to credit institutions	-	5,410,076	1,180,861	6,590,937
Debt securities issued	-	1,293,854	547,662	1,841,516
At 31 December 2024				
Assets measured at fair value				
Total investment properties	-	-	140,737	140,737
<i>Land</i>	-	-	13,204	13,204
<i>Residential properties</i>	-	-	86,388	86,388
<i>Non-residential properties</i>	-	-	41,145	41,145
Investment securities measured at FVOCI	1,741,927	4,174,276	108	5,916,311
Investment securities pledged under sale and repurchase agreements and securities lending measured at FVOCI	-	138,945	-	138,945
Other assets – derivative financial assets	-	24,186	-	24,186
Assets for which fair values are disclosed				
Investment securities measured at amortised cost - debt instruments	-	1,919,326	-	1,919,326
Loans to customers, factoring and finance lease receivables at amortised cost	-	-	23,378,952	23,378,952
Accounts receivables and other loans	-	2,790	-	2,790
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	5,633	-	5,633
Liabilities for which fair values are disclosed				
Client deposits and notes	-	25,362,177	-	25,362,177
Amounts owed to credit institutions	-	5,534,464	1,151,799	6,686,263
Debt securities issued	-	823,608	249,641	1,073,249

29. Fair value measurements (continued)

Fair value hierarchy (continued)

At 31 December 2023	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets measured at fair value				
Total investment properties	-	-	127,924	127,924
<i>Land</i>	-	-	4,844	4,844
<i>Residential properties</i>	-	-	87,758	87,758
<i>Non-residential properties</i>	-	-	35,322	35,322
Investment securities measured at FVOCI	6,944	4,349,655	108	4,356,707
Other assets – derivative financial assets	-	10,942	-	10,942
Assets for which fair values are disclosed				
Investment securities measured at amortised cost - debt instruments	-	528,032	-	528,032
Loans to customers, factoring and finance lease receivables at amortised cost	-	-	19,491,361	19,491,361
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	-	20,796,389	-	20,796,389
Amounts owed to credit institutions	-	3,752,208	1,376,804	5,129,012
Debt securities issued	-	270,524	148,134	418,658

The description of the valuation technique and the description of inputs used in the fair value measurement for level 2 measurements:

<i>Assets carried at fair value</i>	Fair value at 31 December			<i>Valuation technique</i>	<i>Inputs used</i>
	2025	2024	2023		
Investment securities - Debt instruments	4,451,730	4,174,276	4,349,655	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	-	138,945	-	Discounted cash flows ("DCF")	Government bonds yield curve, Tbilisi interbank interest rate ("TIBR Index")
derivative financial assets	5,725	24,186	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	4,457,455	4,337,407	4,360,597		
Liabilities carried at fair value					
derivative financial liabilities	10,594	5,633	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	10,594	5,633	25,779		

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.

29. Fair value measurements (continued)

Fair value hierarchy (continued)

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 FV 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.

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 11.

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:

	31 December 2025	Valuation technique	Significant unobservable inputs	MIN	MAX	Weighted average	Other key information	MIN	MAX	Weighted Average
Investment property	113,777									
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	33,464									
14,494	Market approach	Price of the property	39	3,199	1,654	Square metres, Land	249	23,884	1,663	
15,094	Income approach	Rent per square metre	0.0106	0.0686	0.0624	Square metres, Building	17	2,626	1,466	
3,876	Cost approach	Occupancy rate	70.0%	90.0%	83.8%	Square metres, Building	226	837	744	
3,876	Cost approach	Depreciated replacement cost per square metre	0.08	3.97	0.974	Square metres, building	112	1,736	936	
Investment property	140,737									
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	41,145									
19,605	Market approach	Price of the property	10	3,822	2,033	Square metres, Land	50	23,884	1,876	
17,685	Income approach	Rent per square metre	0.0105	0.0680	0.0629	Square metres, Building	17	2,626	1,528	
3,855	Cost approach	Occupancy rate	70.0%	90.0%	83.8%	Square metres, Building	226	1,084	972	
3,855	Cost approach	Depreciated replacement cost per square metre	0.08	3.97	0.981	Square metres, building	54	1,736	918	
Investment property	127,924									
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	35,322									
35,322	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.

29. Fair value measurements (continued)

Financial instruments overview

Set out below is an overview 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	28,172,465	-	-	28,172,465
Accounts receivable and other loans	7,506	-	-	7,506
Investment securities - equity instruments	-	1,560	-	1,560
Investment securities - debt instruments	1,993,151	6,363,772	-	8,356,923
Foreign currency derivative financial instruments	-	-	5,725	5,725
Total financial assets subject to IFRS 9 measurement categories	30,173,122	6,365,332	5,725	36,544,179
Finance lease receivables	-	-	-	80,020
Financial liabilities				
Client deposits and notes	29,158,752	-	-	29,158,752
Amounts owed to credit institutions	6,605,935	-	-	6,605,935
Debt securities issued	1,813,393	-	-	1,813,393
Trade and other payables (in other liabilities)	248,287	-	-	248,287
Interest rate contracts	-	-	441	441
Foreign currency derivative financial instruments	-	-	10,153	10,153
Total	37,826,367	-	10,594	37,836,961

	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	24,256,911	-	-	24,256,911	20,189,184	-	-	20,189,184
Accounts receivable and other loans	2,790	-	-	2,790	3,530	-	-	3,530
Investment securities - equity instruments	-	9,029	-	9,029	-	7,098	-	7,098
Investment securities - debt instruments	1,910,479	5,907,282	-	7,817,761	524,108	4,349,609	-	4,873,717
Investment securities pledged under sale and repurchase agreements and securities lending - debt instruments	-	138,945	-	138,945	-	-	-	-
Foreign currency derivative financial instruments	-	-	24,186	24,186	-	-	10,942	10,942
Total financial assets subject to IFRS 9 measurement categories	26,170,180	6,055,256	24,186	32,249,622	20,716,822	4,356,707	10,942	25,084,471
Finance lease receivables	-	-	-	59,244	-	-	-	58,883
Financial liabilities								
Client deposits and notes	25,341,733	-	-	25,341,733	20,776,816	-	-	20,776,816
Amounts owed to credit institutions	6,710,494	-	-	6,710,494	5,133,029	-	-	5,133,029
Debt securities issued	1,099,337	-	-	1,099,337	421,359	-	-	421,359
Trade and other payables (in other liabilities)	88,269	-	-	88,269	104,874	-	-	104,874
Foreign currency derivative financial instruments	-	-	5,633	5,633	-	-	25,779	25,779
Total	33,239,833	-	5,633	33,245,466	26,436,078	-	25,779	26,461,857

29. Fair value measurements (continued)

Financial instruments overview (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			At 31 December 2024			At 31 December 2023		
	Carrying value	Fair value	Unrecognised gain (loss)	Carrying value	Fair value	Unrecognised gain (loss)	Carrying value	Fair value	Unrecognised gain (loss)
Financial assets									
Investment securities measured at amortised cost - debt instruments	1,993,151	2,029,726	36,575	1,910,479	1,919,326	8,847	524,108	528,032	3,924
Loans to customers, factoring and finance lease receivables at amortised cost	28,252,485	27,576,992	(675,493)	24,316,155	23,378,952	(937,203)	20,248,067	19,491,361	(756,706)
Financial liabilities									
Client deposits and notes	29,158,752	29,217,443	(58,691)	25,341,733	25,362,177	(20,444)	20,776,816	20,796,389	(19,573)
Amounts owed to credit institutions	6,605,935	6,590,937	14,998	6,710,494	6,686,263	24,231	5,133,029	5,129,012	4,017
Debt securities issued	1,813,393	1,841,516	(28,123)	1,099,337	1,073,249	26,088	421,359	418,658	2,701
Total unrecognised change in unrealised fair value			(710,734)			(898,481)			(765,637)

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.

30. 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 28 “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	3,298,493	284,656	-	-	-	-	-	-	3,583,149
Amounts due from credit institutions	914	-	12,816	-	-	-	-	2,147,018	2,160,748
Investment securities	4,390,838	2,108,189	724,027	615,875	145,065	337,979	35,003	1,507	8,358,483
Loans to customers, factoring and finance lease receivables	-	4,994,585	2,101,650	3,824,811	7,508,869	3,982,055	5,840,515	-	28,252,485
Accounts receivable and other loans	-	864	354	6,288	-	-	-	-	7,506
Other financial assets	61,787	128,464	269	105,482	662	-	-	-	296,664
Total	7,752,032	7,516,758	2,839,416	4,552,456	7,654,596	4,320,034	5,875,518	2,148,525	42,659,035
Financial liabilities									
Client deposits and notes	5,406,300	5,065,648	2,421,521	13,596,719	2,108,384	494,068	66,112	-	29,158,752
Amounts owed to credit institutions	443,622	3,093,934	304,539	672,090	1,230,535	503,010	358,205	-	6,605,935
Debt securities issued	-	10,320	199,920	195,855	540,176	642,439	224,683	-	1,813,393
Lease liability	-	12,519	12,027	23,707	75,617	48,067	67,635	-	239,572
Other financial liabilities	15	279,785	34,843	19,311	7,731	29	-	-	341,714
Total	5,849,937	8,462,206	2,972,850	14,507,682	3,962,443	1,687,613	716,635	-	38,159,366
Net	1,902,095	(945,448)	(133,734)	(9,955,226)	3,692,153	2,632,421	5,158,883	2,148,525	4,499,669
Accumulated gap	1,902,095	956,647	822,913	(9,132,313)	(5,440,160)	(2,807,739)	2,351,144	4,499,669	

	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	1,997,498	280,978	-	-	-	-	-	-	2,278,476
Amounts due from credit institutions	-	-	-	-	-	-	16,230	2,440,460	2,456,690
Investment securities	2,543,048	3,702,713	698,220	385,733	169,982	291,347	26,718	9,029	7,826,790
Investment securities pledged under sale and repurchase agreements	-	111,228	27,717	-	-	-	-	-	138,945
Loans to customers, factoring and finance lease receivables	108	4,194,642	1,827,228	3,221,976	6,382,200	3,427,788	5,262,213	-	24,316,155
Accounts receivable and other loans	-	2,785	-	5	-	-	-	-	2,790
Other financial assets	26,300	184,765	6,010	9,702	-	-	-	-	226,777
Total	4,566,954	8,477,111	2,559,175	3,617,416	6,552,182	3,719,135	5,305,161	2,449,489	37,246,623
Financial liabilities									
Client deposits and notes	4,173,222	5,283,691	2,141,956	11,800,831	1,186,632	696,799	58,602	-	25,341,733
Amounts owed to credit institutions	557,385	3,145,071	332,163	597,838	1,148,681	689,786	239,570	-	6,710,494
Debt securities issued	-	13,733	38,907	114,017	134,693	657,367	140,620	-	1,099,337
Lease liability	-	10,878	10,685	21,296	65,382	33,393	35,731	-	177,365
Other financial liabilities	-	85,419	17,147	23,746	-	-	-	-	126,312
Total	4,730,607	8,538,792	2,540,858	12,557,728	2,535,388	2,077,345	474,523	-	33,455,241
Net	(163,653)	(61,681)	18,317	(8,940,312)	4,016,794	1,641,790	4,830,638	2,449,489	3,791,382
Accumulated gap	(163,653)	(225,334)	(207,017)	(9,147,329)	(5,130,535)	(3,488,745)	1,341,893	3,791,382	

	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	2,358,521	684,311	-	-	-	-	-	-	3,042,832
Amounts due from credit institutions	-	-	-	-	-	-	18,759	1,733,899	1,752,658
Investment securities	1,485,215	2,587,018	374,800	227,208	165,913	31,111	2,452	7,098	4,880,815
Loans to customers, factoring and finance lease receivables	1,190	2,870,703	1,353,016	2,771,695	5,370,552	2,964,992	4,915,919	-	20,248,067
Accounts receivable and other loans	463	2,963	13	91	-	-	-	-	3,530
Other financial assets	72,287	163,993	543	3,896	-	-	-	-	240,719
Total	3,917,676	6,308,988	1,728,372	3,002,890	5,536,465	2,996,103	4,937,130	1,740,997	30,168,621
Financial liabilities									
Client deposits and notes	5,553,799	3,164,093	1,509,258	8,902,129	1,080,299	513,720	53,518	-	20,776,816
Amounts owed to credit institutions	476,646	2,297,284	84,200	420,567	795,241	554,167	504,924	-	5,133,029
Debt securities issued	-	406	25,135	13,388	294,075	5,197	83,158	-	421,359
Lease liability	-	8,783	8,535	16,287	53,705	29,335	20,909	-	137,554
Other financial liabilities	-	86,342	27,265	17,046	-	-	-	-	130,653
Total	6,030,445	5,556,908	1,654,393	9,369,417	2,223,320	1,102,419	662,509	-	26,599,411
Net	(2,112,769)	(752,080)	(73,979)	(6,366,527)	3,313,145	1,893,684	4,274,621	1,740,997	3,569,210
Accumulated gap	(2,112,769)	(1,360,689)	(1,286,710)	(7,653,237)	(4,340,092)	(2,446,408)	1,828,213	3,569,210	

30. 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 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 29,158,752 (2024: GEL 20,776,816, 2023: GEL 18,274,061) and represented 76% (2024: 77%, 2023: 74%) 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 6,605,935 (2024: GEL 5,133,029, 2023: GEL 5,191,494) and represented 17% (2024: 19%, 2023: 21%) of total liabilities. As at 31 December 2025, debt securities issued amounted to GEL 1,813,393 (2024: GEL 421,359, 2023: GEL 646,137) and represented 5% (2024:2%, 2023: 3%) 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 of client deposits and notes which are included in 'Up to 1 year' category, noting that respective contractual maturity may expand over significantly longer periods:

	At 31 December 2025			Total
	Less than 1 year	More than 1 year	No maturity	
Cash and cash equivalents	3,583,149	-	-	3,583,149
Amounts due from credit institutions	13,730	-	2,147,018	2,160,748
Investment securities	7,838,929	518,047	1,507	8,358,483
Loans to customers, factoring and finance lease receivables	10,921,046	17,331,439	-	28,252,485
Accounts receivable and other loans	7,506	-	-	7,506
Prepayments	14,464	25,281	-	39,745
Foreclosed Assets	-	-	368,691	368,691
Right-of-use assets	-	-	230,121	230,121
Investment properties	-	-	113,777	113,777
Property and equipment	-	-	492,785	492,785
Investments in associates	-	-	723,429	723,429
Goodwill	-	-	33,453	33,453
Intangible assets	-	-	186,948	186,948
Income tax assets	-	41	-	41
Other assets	315,306	662	-	316,168
Assets held for sale	15,644	-	-	15,644
Total assets	22,709,974	17,875,470	4,297,729	44,883,173
Client deposits and notes	26,490,188	2,668,564	-	29,158,752
Amounts owed to credit institutions	4,514,185	2,091,750	-	6,605,935
Debt securities issued	406,095	1,407,298	-	1,813,393
Lease liability	48,253	191,319	-	239,572
Accruals and deferred income	161,183	-	-	161,183
Income tax liabilities	8,334	20,366	-	28,700
Other liabilities	351,515	7,760	-	359,275
Total liabilities	31,979,753	6,387,057	-	38,366,810
Net	(9,269,779)	11,488,413	4,297,729	6,516,363

30. 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	2,278,476	-	-	2,278,476	3,042,832	-	-	3,042,832
Amounts due from credit institutions	-	16,230	2,440,460	2,456,690	-	18,759	1,733,899	1,752,658
Investment securities	7,329,714	488,047	9,029	7,826,790	4,674,241	199,476	7,098	4,880,815
Investment securities pledged under sale and repurchase agreements and securities lending	138,945	-	-	138,945	-	-	-	-
Loans to customers, factoring and finance lease receivables	9,243,954	15,072,201	-	24,316,155	6,996,604	13,251,463	-	20,248,067
Accounts receivable and other loans	2,790	-	-	2,790	3,530	-	-	3,530
Prepayments	33,175	5,961	-	39,136	25,154	6,878	-	32,032
Foreclosed Assets	-	-	372,577	372,577	-	-	271,712	271,712
Right-of-use assets	-	-	163,104	163,104	-	-	134,422	134,422
Investment properties	-	-	140,737	140,737	-	-	127,924	127,924
Property and equipment	-	-	441,399	441,399	-	-	404,303	404,303
Investments in associates	-	-	569,137	569,137	-	-	9,537	9,537
Goodwill	-	-	33,453	33,453	-	-	33,453	33,453
Intangible assets	-	-	172,367	172,367	-	-	144,357	144,357
Income tax assets	45,738	320	-	46,058	-	464	-	464
Other assets	255,342	-	-	255,342	280,615	-	-	280,615
Assets held for sale	20,007	-	-	20,007	27,389	-	-	27,389
Total assets	19,348,141	15,582,759	4,342,263	39,273,163	15,050,365	13,477,040	2,866,705	31,394,110
Client deposits and notes	23,399,700	1,942,033	-	25,341,733	19,129,279	1,647,537	-	20,776,816
Amounts owed to credit institutions	4,632,457	2,078,037	-	6,710,494	3,278,697	1,854,332	-	5,133,029
Debt securities issued	166,657	932,680	-	1,099,337	38,929	382,430	-	421,359
Lease liability	42,859	134,506	-	177,365	33,605	103,949	-	137,554
Accruals and deferred income	100,406	42,947	-	143,353	85,809	38,588	-	124,397
Income tax liabilities	1,155	19,899	-	21,054	185,440	13,618	-	199,058
Other liabilities	149,329	-	-	149,329	149,847	-	-	149,847
Total liabilities	28,492,563	5,150,102	-	33,642,665	22,901,606	4,040,454	-	26,942,060
Net	(9,144,422)	10,432,657	4,342,263	5,630,498	(7,851,241)	9,436,586	2,866,705	4,452,050

31. 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 2024				At 31 December 2024				At 31 December 2023					
	The parent	Entities under common control	Associates	Key management personnel*	Other related party	The parent	Entities under common control	Associates	Key management personnel*	Other related party	The parent	Entities under common control	Key management personnel*	Other related party
Loans outstanding at 31 December, gross	-	5,496	-	2,892	2,838	18,484	5,817	-	4,880	9,484	-	16,987	-	7,112
Less: allowance for impairment at 31 December	-	-	-	(17)	-	-	-	-	(15)	-	-	-	-	(110)
Loans outstanding at 31 December, net	-	5,479	-	2,875	2,838	18,484	5,817	-	4,865	9,484	-	16,987	-	7,002
Interest income on loans	-	972	-	439	345	868	238	-	864	310	-	868	-	398
Expected credit loss	-	-	-	(17)	-	-	-	-	80	-	-	-	-	(40)
Deposits at 31 December	57,001	199,685	15,183	12,078	8,141	19,018	104,452	3,741	9,843	3,053	185,864	142,768	12,548	1,761
Interest expense on deposits	(1,201)	(5,120)	(105)	(337)	(287)	(4,609)	(3,701)	(97)	(429)	(334)	(12,437)	(4,623)	(817)	(47)
Debt securities at 31 December	-	-	-	-	-	-	-	-	-	-	-	797	-	-
Commitments, financial and performance guarantees issued	-	-	-	-	-	-	-	-	176	-	-	-	-	176

* Key management personnel includes members of BOG’s Supervisory Board, BOG’s Management Board and key executives of the Group.

31. Related party disclosure (continued)

Compensation of key management comprised the following:

	2025	2024	2023
Salaries and other benefits	10,420	10,345	10,624
Share-based payments compensation	70,406	44,341	44,480
Cash compensations	688	-	-
Termination costs	11,778	-	6,358
Total key management compensation	93,292	54,686	61,462

Key management personnel do not receive cash-settled compensation, except for fixed salaries. The major part of the total compensation is share-based (Note 27). The number of key management personnel at 31 December 2025 was 23 (31 December 2024: 21, 31 December 2023: 22).

As at 31 December 2025 interest rates on loans issued to key management personnel were within 5.9% and 16.8% (31 December 2024: 5.9% and 10.7%, 31 December 2023: 4.5% and 16.8%) for FC and GEL denominated loans, respectively. As at 31 December 2025 interest rates on deposits placed by key management personnel were within 0.0% and 12.3% (31 December 2024: 0.0% and 12.7%, 31 December 2023: 0.0% and 13.5%) for FC and GEL denominated deposits, respectively.

32. 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 in supervising the Bank.

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 Bank complies 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 these disclosures on the information provided internally to key management personnel.

IFRS-Based 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 the Bank to maintain a minimum total capital adequacy ratio of risk-weighted assets, computed based on the Bank's standalone special-purpose financial statements prepared in accordance with NBG regulations and pronouncements, based on Basel III requirements.

32. Capital adequacy (continued)

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, the Bank's capital adequacy ratio on this basis was as follows:

IFRS-Based NBG (Basel III) capital adequacy ratio

	2025	2024	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	<u>22.0%</u>	<u>22.1%</u>	<u>22.1%</u>
Min. requirement for Tier 1 capital ratio	17.3%	17.0%	16.7%
Min. requirement for Total capital ratio	<u>20.2%</u>	<u>19.9%</u>	<u>19.6%</u>

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% (2024: 10.7%, 2023: 9.9%) (minimum requirement of 7.0%) and Total capital adequacy ratio at 14.7% (2024: 17.2%, 2023: 13.8%) (minimum requirement of 12.5%).

33. Events after the reporting period

On 26 February 2026, the Board of JSC Bank of Georgia declared a final dividend for 2025 of Georgian Lari 6.76 per share. Payment of the total GEL 189,127 final dividends was received by shareholders on 5 March 2026.