



საქართველოს ეროვნული ბანკი
National Bank of Georgia

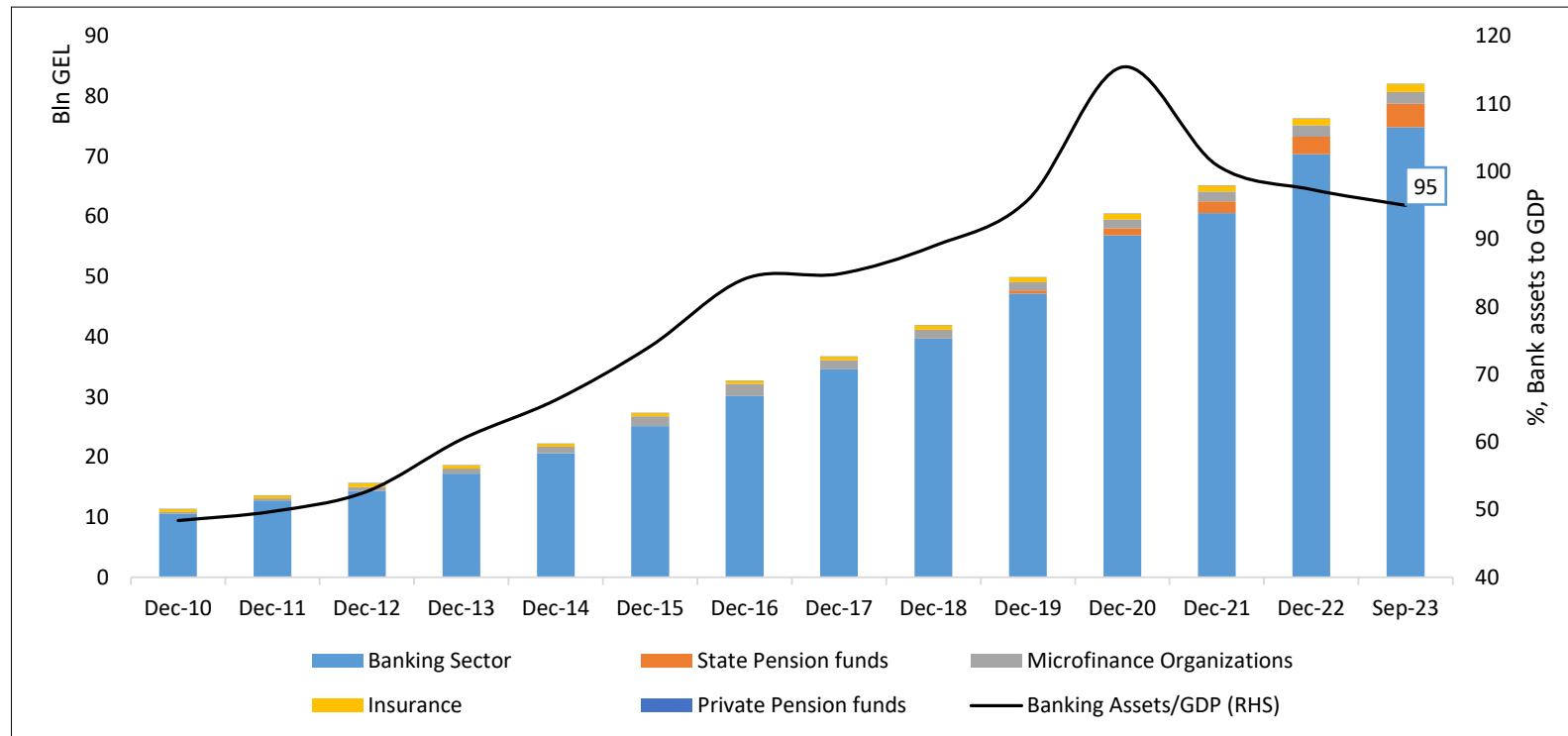
Georgia: Outlook for the development of covered bond market

May 16 2024

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Banking Sector's Dominance in the Financial Market

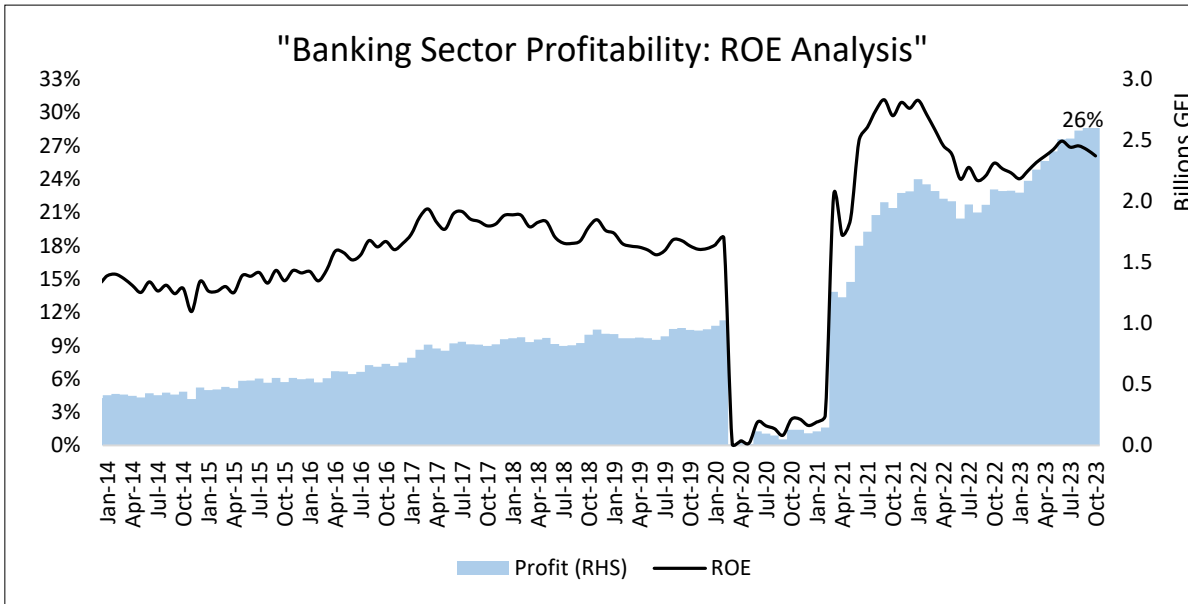


Banking Sector: Assets over 90% of financial market, asset-to-GDP ratio consistently above 95%.

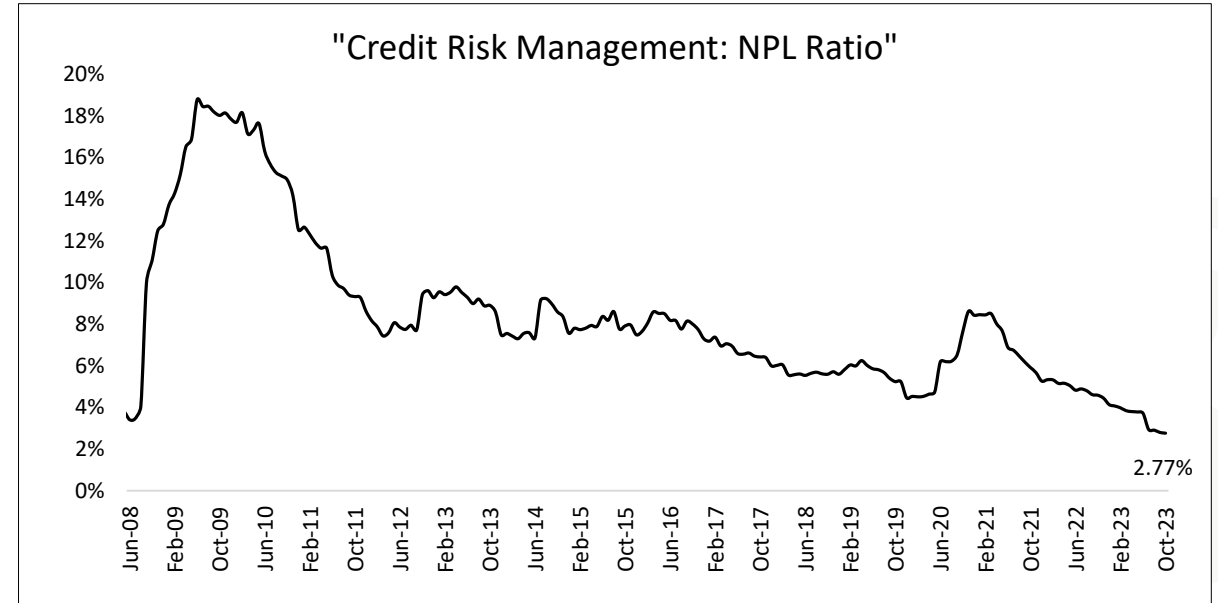
Source: National Bank of Georgia; National Statistics Office of Georgia; World Bank

Banking Sector Health and Stability

- **Profit Structure:** High ROA, mainly from net interest income.
- **Profitability Trends:** Increasing ROE, reaching 26% in 2023.
- **Credit Risk:** Declining NPL ratio, down to 2.27% in 2023.

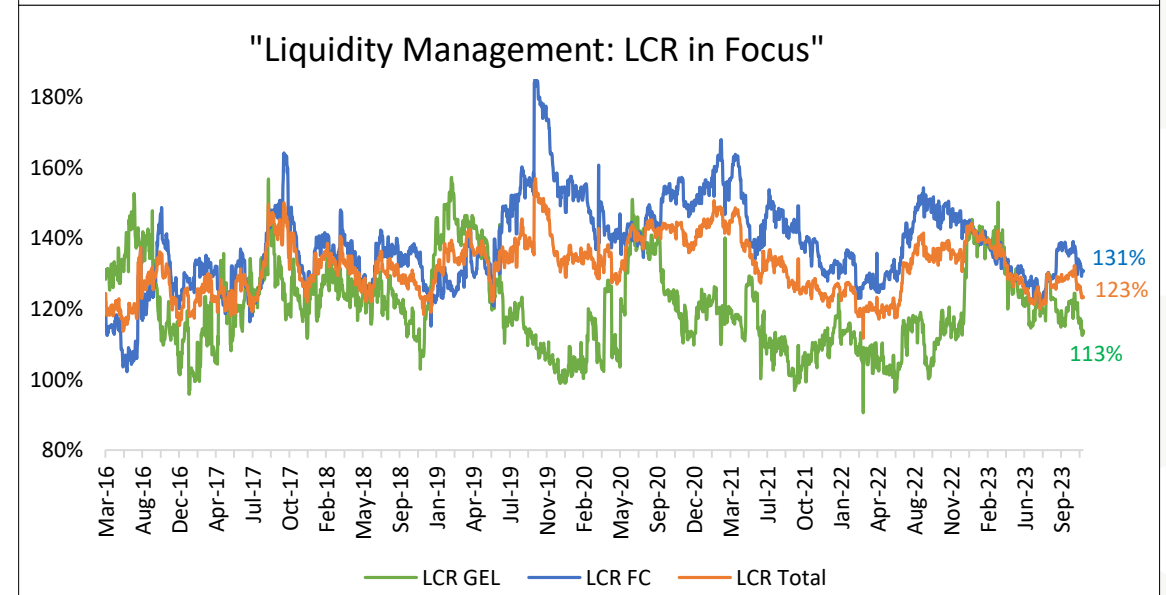
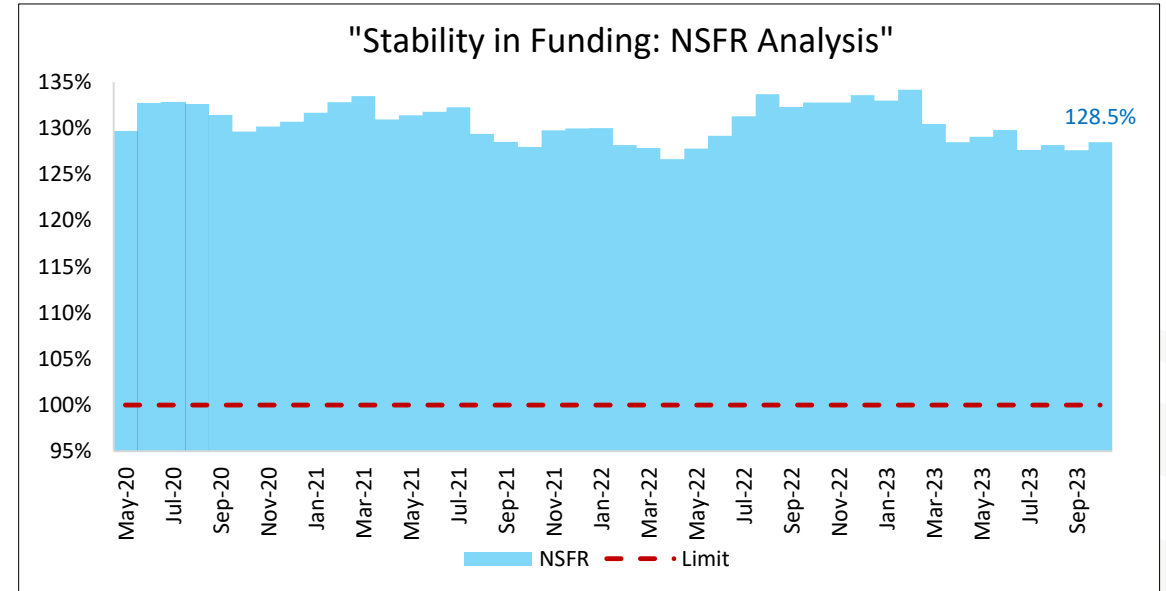
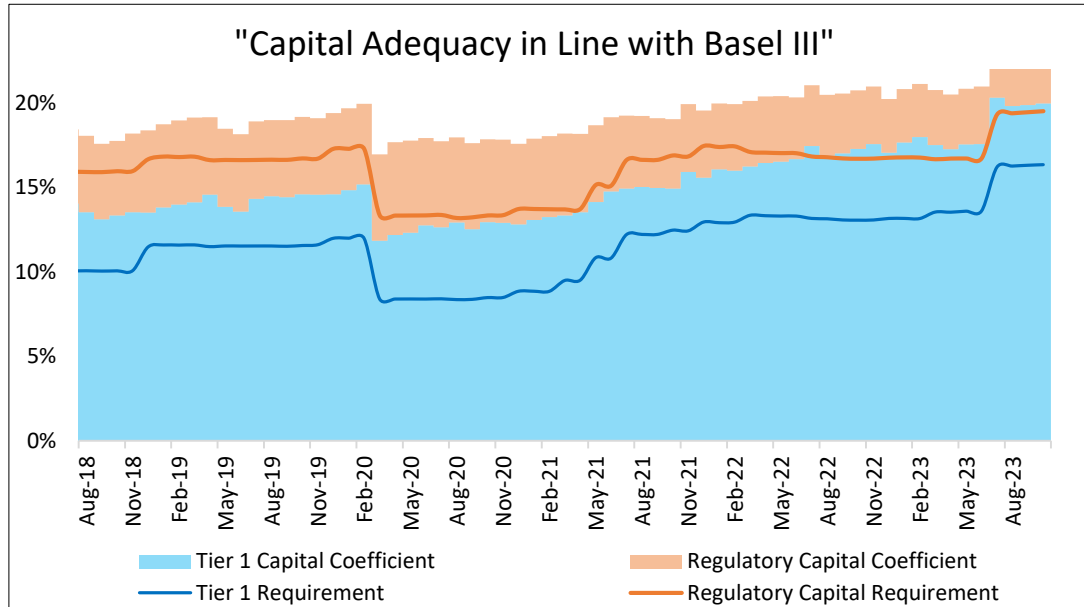


Source: National Bank of Georgia



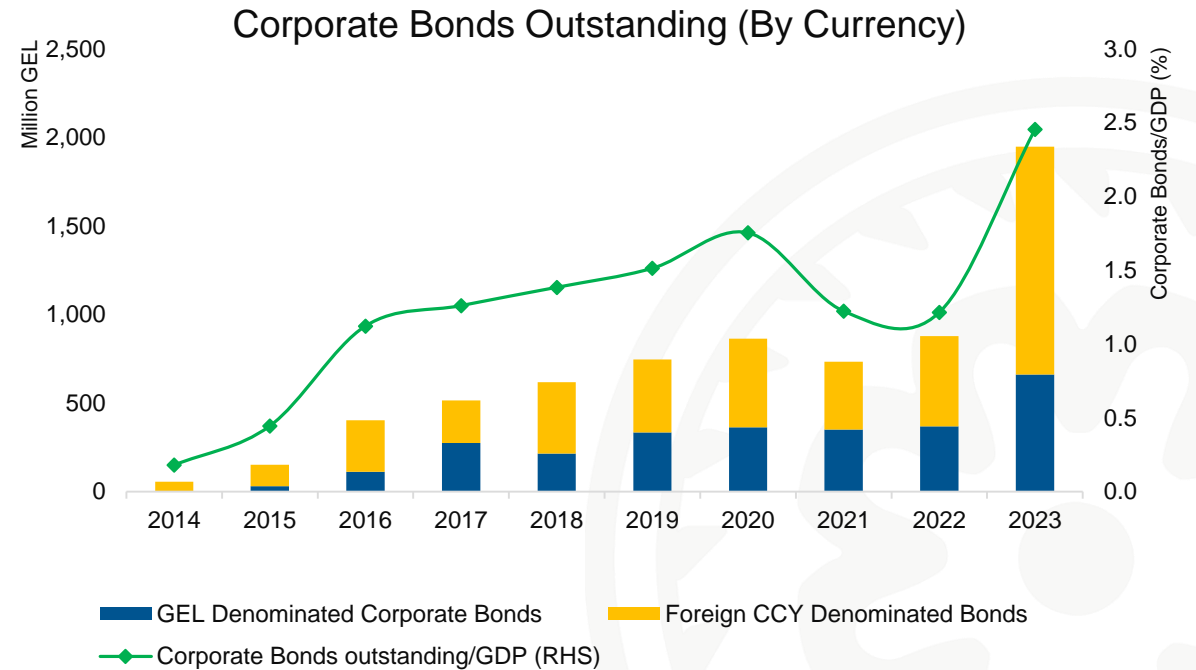
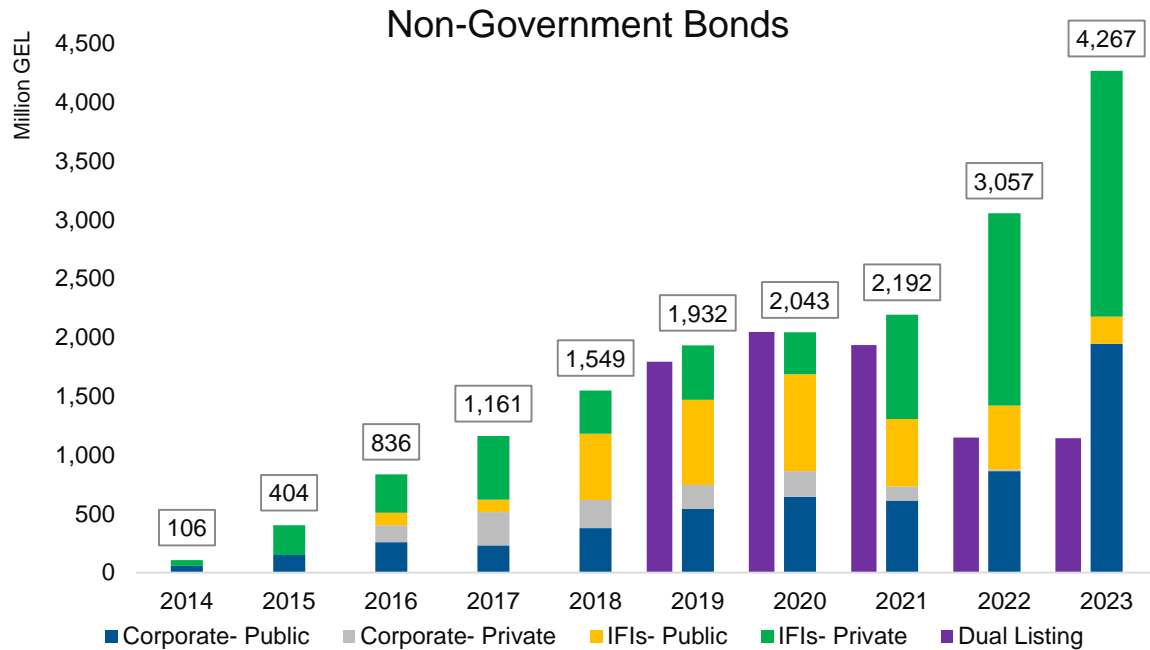
Source: National Bank of Georgia

Banking Sector Health and Stability (cont'd)



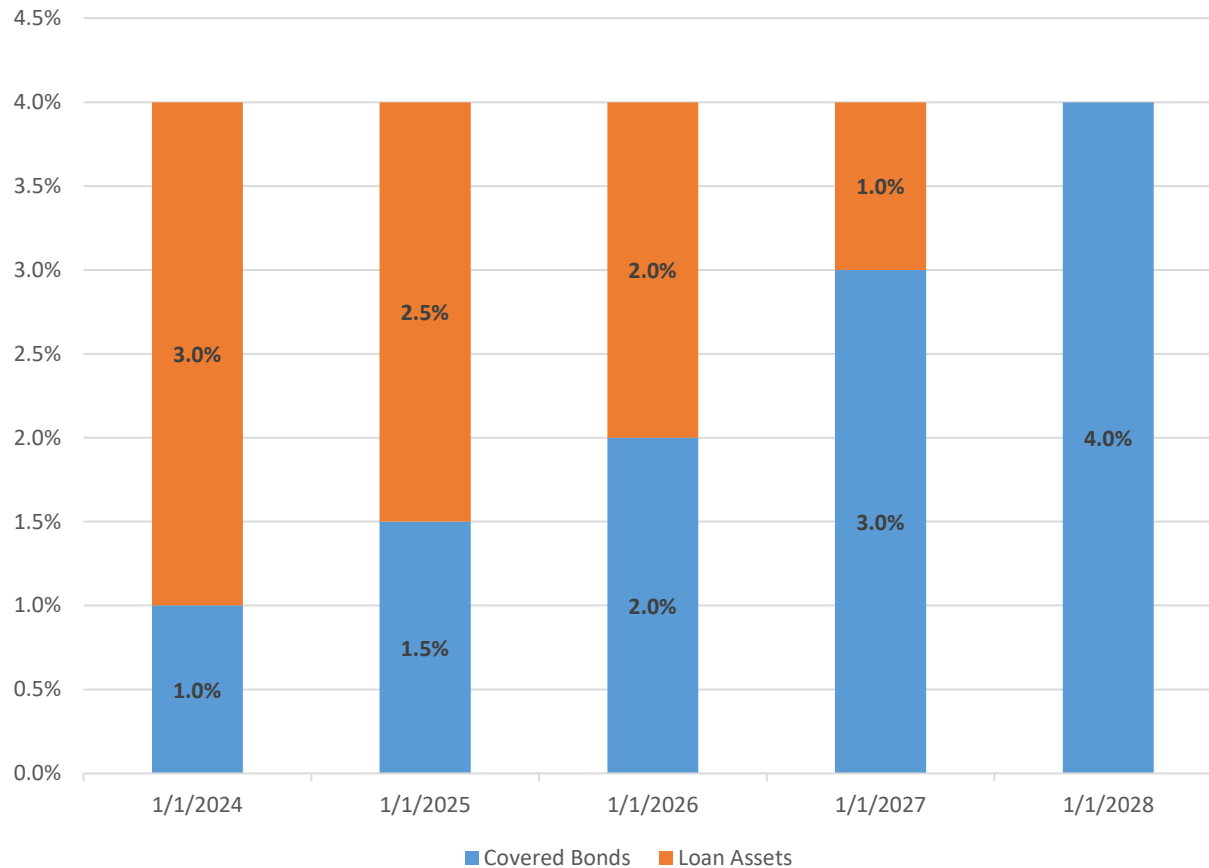
Source: National Bank of Georgia

Insights into the Georgian Capital Market



Source: National Bank of Georgia.

Strategy of Replacement of Mortgages by CBs as Eligible Collateral for Monetary Operations with NBG



- Gradual replacement of mortgage collateral to take place until 2028;
- Total amount of outstanding covered bonds capped at 4% of bank's total assets;
- Own-name covered bonds to be allowed as eligible collateral

Thank You!