



BANK OF GEORGIA
HOLDINGS PLC

*Bank of Georgia Q3 2013 and 9M 2013 Results
Presentation*

January 2014

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The leading bank in Georgia

Leading market position: No. 1 bank in Georgia by assets (34.1%), loans (33.8%), deposits (30.4%) and equity (35.5%)¹

Underpenetrated market with stable growth perspectives: Real GDP growth for 2004-2012 of 6.1% CAGR. IMF estimates 2.5% real GDP growth for 2013. Gross loans/GDP grew from 9.6% to 33.7% from 2004-2012, still below regional average; Total deposits/GDP grew from 10.0% to 31.4% over the period

Strong brand name recognition and retail banking franchise: Offers the broadest range of financial products to the retail market through a branch network of 199 branches, 486 ATMs and 893 Express pay terminals to more than one million customers as of 30 September 2013

The only Georgian company with credit ratings from all three global rating agencies: S&P: 'BB-', Moody's: 'B1/Ba3' (foreign and local currency), Fitch Ratings: 'BB-'; outlooks are 'Stable'

High standards of transparency and governance: First and still the only entity from Georgia to list on the London Stock Exchange since 2006 (in the form of GDRs since 2006 and premium listing since February 2012)

Only private entity to issue Eurobonds from the Caucasus: In November 2013 issued US\$150 mln Eurobonds, which were consolidated forming a single series with the US\$250 mln Eurobonds issued in July 2012. The bonds are currently trading at a historical low yield of c.6%

Sustainable growth combined with strong capital, liquidity and strong profitability

| US\$ mln ² | 9M 2013 | 2012 | 2011 | 2010 | Change 2012/2011 |
|-----------------------------|---------|---------|---------|---------|------------------|
| Total assets | 3,577.5 | 3,413.8 | 2,793.1 | 2,259.1 | 22.2% |
| Loans to customers, net | 1,972.8 | 1,866.6 | 1,566.4 | 1,334.7 | 19.2% |
| Customer funds ³ | 1,719.8 | 1,625.5 | 1,637.6 | 1,143.0 | -0.7% |
| Total equity | 703.5 | 639.5 | 486.5 | 391.1 | 31.5% |
| Revenue ⁴ | 240.9 | 299.0 | 244.7 | 194.6 | 22.2% |
| Profit | 92.3 | 108.4 | 81.2 | 46.6 | 33.4% |

Experienced management with deep understanding of local market and a strong track record:

| | 30 Sep 2013 | 30 Sep 2004 | Change |
|----------------------------------|-------------|-------------|--------|
| Market capitalisation (US\$ mln) | 1,331.5* | 20.7 | 64.3x |
| Total assets (US\$ mln) | 3,577.5 | 151.8 | 23.0x |
| Market share by total assets | 34% | 18% | 16ppts |

*Market capitalisation for Bank of Georgia Holdings PLC, the Bank's holding company, as of 17 January 2014, GBP/USD exchange rate of 1.6898

¹ Market data based on standalone accounts as published by the National Bank of Georgia (NBG) as of 30 September 2013 www.nbg.gov.ge

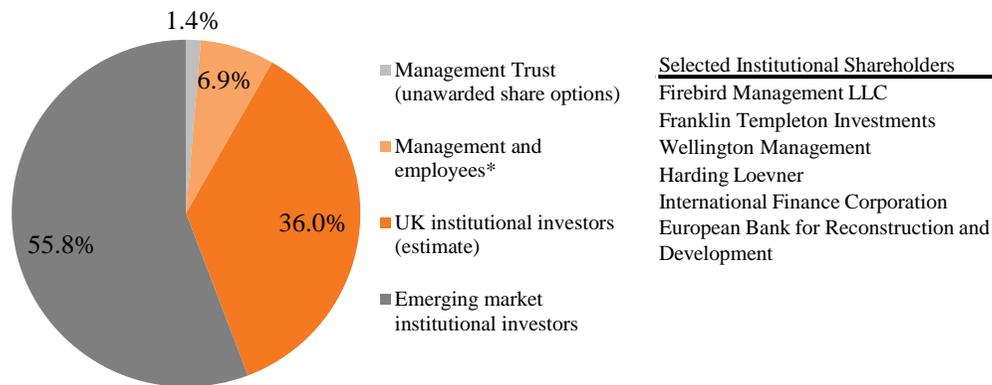
² US\$/GEL 1.6644, 1.6567, 1.6703 and 1.7728 as at 30 September 2013, 31 December 2012, 31 December 2011 and 31 December 2010, respectively

³ Amounts due to customers

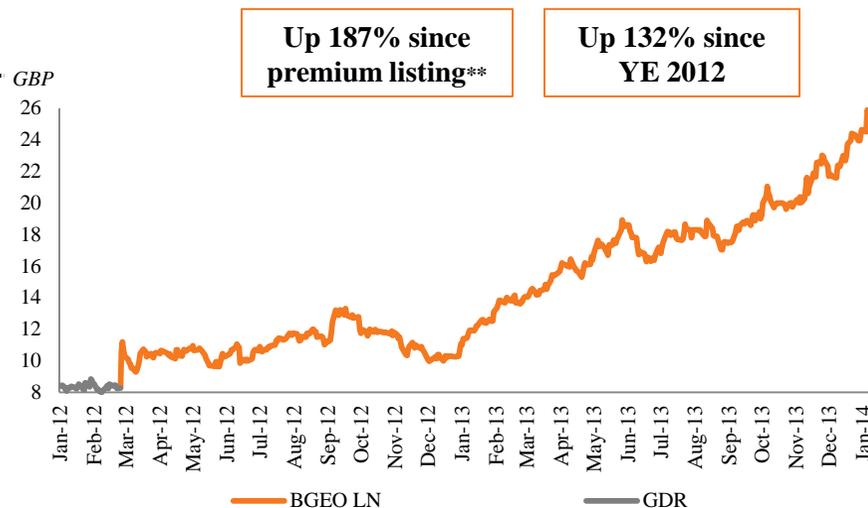
⁴ Revenue adjusted for one-off currency gain by BNB in 2012 and one-off BYR hedge in 2011

Shareholder structure and share price

Bank of Georgia Holdings PLC (BGH) (LSE: BGEO) a UK-incorporated holding company of JSC Bank of Georgia. As of 30 September 2013, BGH's shareholder structure was as follows:

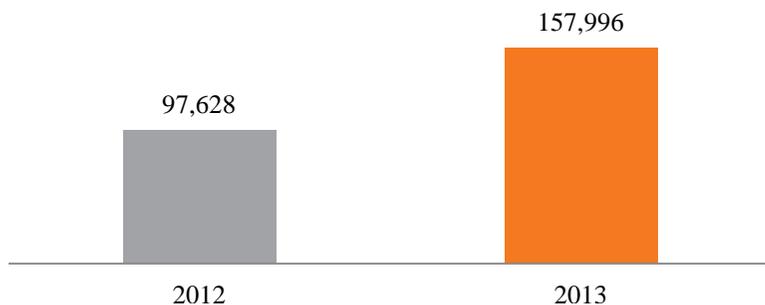


Share price performance

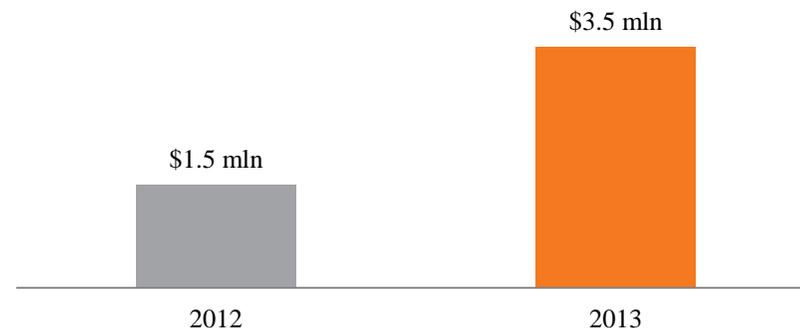


- BGEO is included in FTSE 250 and FTSE All Share Index Funds as of 18 June 2012, as announced by FTSE on 6 June 2012

Average daily number of shares traded



Average daily trading volume



*Includes shares held, shares vested awarded and unvested of the Management Board, Supervisory board and other employees of the Bank and its subsidiaries

**Share price change calculated from the last price of BGE0 LN on 27 February 2012 to the price of BGE0 LN on 17 January 2014

3x20%: Growth story over time with dividends

UK corporate governance

FTSE 250

ROE c.20%

- Revenue up 5.6% y-o-y to GEL 138.3 mln in Q3 2013, in 9M 2013 up 9.3% ¹ to GEL 401.0 mln
- Profit up 25.6% y-o-y to GEL 58.6 mln in Q3 2013, up 15.8% y-o-y to GEL 153.7 mln in 9M 2013
- Non-interest income decreased by 4.5% y-o-y to GEL 58.3 mln in Q3 2013 and in 9M 2013 increased by 6.9% ¹ to GEL 170.5 mln
- Operational efficiency/scale:
 - Cost to income ratio improved to 39.7% in Q3 2013 compared to 39.9% Q2 2013 and 44.4% in Q3 2012. 9M 2013 cost to income at 41.0% compared to 45.2% in 9M 2012.
- Prudent risk management:
 - Cost of risk ² of 1.6% in Q3 2013 compared to 1.5% in Q2 2013
- Q3 2013 ROAE of 20.6%, compared to 19.3% in Q2 2013

TIER I c.20%

- Conservative National Bank of Georgia (NBG) regulation
 - Risk weighting of FX assets at 175%, Bank's leverage at 4.1x as of 30 September 2013 and 4.3x as of 31 December 2012
- Strong internal cash generation to support loan growth without compromising capital ratios
 - BIS Tier I of 23.7% and BIS Total Capital ratio of 28.6% as of 30 September 2013
 - NBG Tier I 15.4% and NBG Total Capital of 16.6% as of 30 September 2013

Growth c.20%

- Strong growth across the board supported by synergistic business
 - Net loan book ³ grew 7.2% y-o-y to GEL 3,283.5 million
 - Client deposits in Q3 2013 increased 6.0% y-o-y and 8.7% year-to-date to GEL 2,850.0 million despite sharp decrease in cost of deposits. Cost of client deposits declined to 5.2% in Q3 2013 from 5.9% in Q2 2013 and 7.1% in Q3 2012
- Consumer driven franchise with robust sales force to increase cross selling with synergistic businesses
- Increase in contribution from synergistic business in the group's profit. Insurance and healthcare business contributed 11.9% to the Group's profit in 9M 2013 compared to 6.7% in 9M 2012

Dividends

- An annual dividend of GEL 1.5 per share for 2012 was paid in June 2013
- Dividend of GEL 0.7/27p per share for 2011
- Going forward, the Board will aim to maintain a dividend payout ratio in the 25%-40% range

¹ Excluding one-off fx gain for BNB

³Including finance lease receivables

² Equals impairment charge for loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period

Leveraged play on the growing Georgian economy through an LSE premium listed company

With one third of the Georgian market by assets, loans and client deposits, Bank of Georgia is a uniquely placed growth bank in an underpenetrated, highly capitalised and profitable banking market that has been growing in terms of assets at 30% CAGR 2003-2012

Strategic business

Well established brand

-  Retail
 - Largest retail franchise: 1,190,255 retail clients, 199 branches, 486 ATMs, 926,646 cards outstanding as of 30 September 2013
 - Market shares of 30.2% by retail loans and c.29.6% by retail deposits as of 30 September 2013
-  Corporate
 - Largest corporate bank with c.7,200 corporate clients; 31.2% market share by corporate deposits as of 30 September 2013
-  Investment Management
 - Investment Management client deposits 2009-2012 CAGR growth of 54.8%; Outstanding client deposits of GEL 614.6 mln at 30 September 2013
 - International representative office network in Israel, UK and Hungary

Synergistic business

Growth opportunities to support strategic business

-  Insurance and Healthcare (Aldagi)
 - Strongly positioned to benefit from the growth of insurance and healthcare sectors through insurance subsidiary Aldagi, one of the leading providers of life and non-life insurance in Georgia with 30%* market share by gross insurance premium revenue
 - Vertical integration with healthcare business to boost insurance business growth and its contribution to the Bank's income
 - Approximately 11.1% of BGH revenues and 11.9% of BGH profit in 9M 2013
-  Affordable Housing
 - Stimulate mortgage lending and improve liquidity of repossessed real estate assets through housing development; completed pilot project of 123 apartment building.
 - 522 apartment building project in progress, 77% pre-sold since June 2012
 - Mortgages with a total value of GEL 23.5 mln sold

Non-core business

Intention to exit from non-core business over time

-  BNB
 - Belarus banking operation accounting for 4.6% total assets as of 30 September 2013
 - The Bank owns 80%, the remainder owned by IFC/World Bank
 - Assets of US\$163.8 mln and equity of US\$31.3 mln as of 30 September 2013
 - Fully written off goodwill (GEL 23.4 mln)

*Based on insurance revenues as of 30 June 2013 per Insurance Supervisory Agency

Robust corporate governance compliant with UK Corporate Governance Code

Board of Directors of Bank of Georgia Holdings PLC

7 non-executive Supervisory Board members; 5 Independent members, including the Chairman and Vice Chairman

- Neil Janin, Chairman of the Supervisory Board, Independent Director *experience: formerly director at McKinsey & Company in Paris; formerly co-chairman of the commission of the French Institute of Directors (IFA); formerly Chase Manhattan Bank (now JP Morgan Chase) in New York and Paris; Procter & Gamble in Toronto*
- Irakli Gilauri, formerly EBRD banker; MS in banking from CASS Business School, London; BBS from University of Limerick, Ireland
- David Morrison, Chairman of the Audit Committee, Vice Chairman of the Supervisory Board, Independent Director *experience: senior partner at Sullivan & Cromwell LLP prior to retirement*
- Kim Bradley*, Chairman of Risk Committee, Independent Director *experience: Goldman Sachs AM, Senior Executive at GE Capital, President of Societa Gestione Crediti, Board Chairman at Archon Capital Deutschland*
- Kaha Kiknavelidze, Independent Director *currently managing partner of Rioni Capital, London based investment fund; experience: previously Executive Director of Oil and Gas research team for UBS*
- Al Breach, Chairman of the Remuneration Committee, Independent Director *experience: Head of Research, Strategist & Economist at UBS: Russia and CIS economist at Goldman Sachs*
- Bozidar Djelic*, Independent Director *experience: EBRD's 'Transition to Transition' senior advisory group, Deputy Prime Minister of Serbia, Governor of World Bank Group and Deputy Governor of EBRD, Director at Credit Agricole*
- Tamaz Georgadze*, Independent Director *experience: Partner at McKinsey & Company in Berlin, Founded SavingGlobal GmbH, aide to President of Georgia*

*Kim Bradley, Bozidar Djelic and Tamaz Georgadze replaced Ian Hague, Hanna Loikannen and Alan Hirst in December 2013

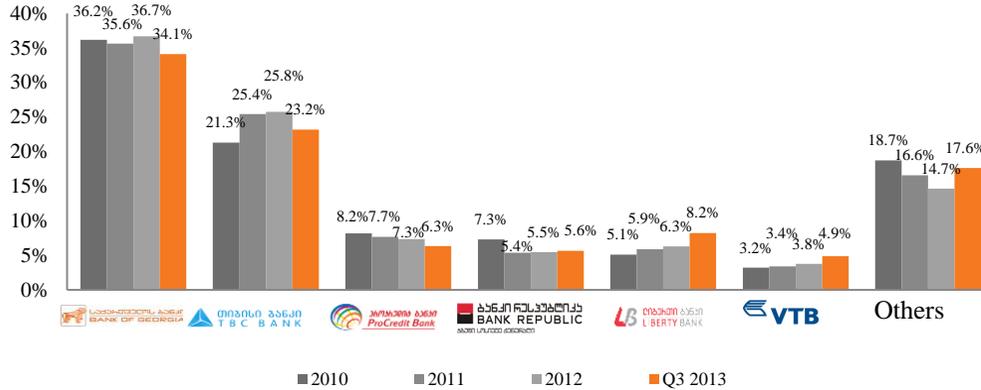
Members of management boards of JSC Bank of Georgia and major subsidiaries

- Irakli Gilauri, CEO; *formerly EBRD banker; MS in banking from CASS Business School, London; BBS from University of Limerick, Ireland*
- Nikoloz Gamkrelidze, Group CFO; *previously CEO of Aldagi BCI and JSC My Family Clinic; World Bank Health Development Project; Masters degree in International Health Management from Imperial College London, Tanaka Business School*
- Archil Gachechiladze, Deputy CEO, Asset and Wealth Management; *formerly Deputy CEO in charge of Corporate Banking, Deputy CEO of TBC Bank, Georgia; Lehman Brothers Private Equity, London; MBA from Cornell University*
- Mikheil Gomarteli, Deputy CEO, Retail Banking; *15 years work experience at BOG*
- Sul Khan Gvalia, Deputy CEO, Corporate Banking; *formerly Chief Risk Officer, c.20 years banking experience founder of TUB, Georgian bank acquired by BOG in 2004*
- Avto Namicheishvili, Deputy CEO, Group Legal Counsel; *previously partner at Begiashvili & Co, law firm in Georgia; LLM from CEU, Hungary*
- George Chiladze, Deputy CEO, Chief Risk Officer; *formerly Deputy CEO in Finance, Deputy CEO at Partnership Fund, Programme trading desk at Bear Stearns NY, Ph.D. in physics from Johns Hopkins University in Baltimore*
- Irakli Burdiladze, Deputy CEO, Affordable Housing; *previously CFO at GMT Group, Georgian real estate developer; Masters degree from Johns Hopkins University*
- Murtaz Kikoria, CEO of Aldagi; *c.20 years banking experience including various senior positions at Bank of Georgia Group, Senior Banker at EBRD and Head of Banking Supervision at the National Bank of Georgia.*

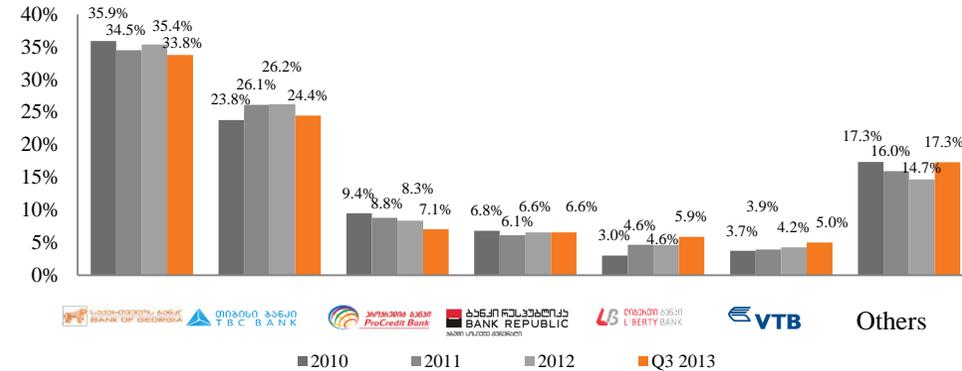
Senior Executive Compensation Policy applies to top eight executives and envisages long-term deferred and discretionary awards of securities and no cash bonuses to be paid to such executives

Competitive landscape

Peer group's market share in total assets

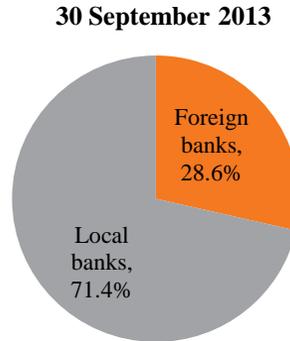
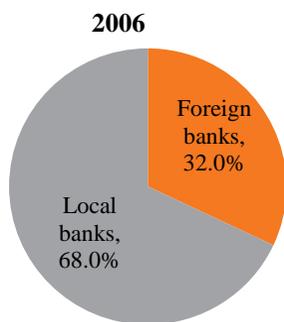


Peer group's market share in gross loans

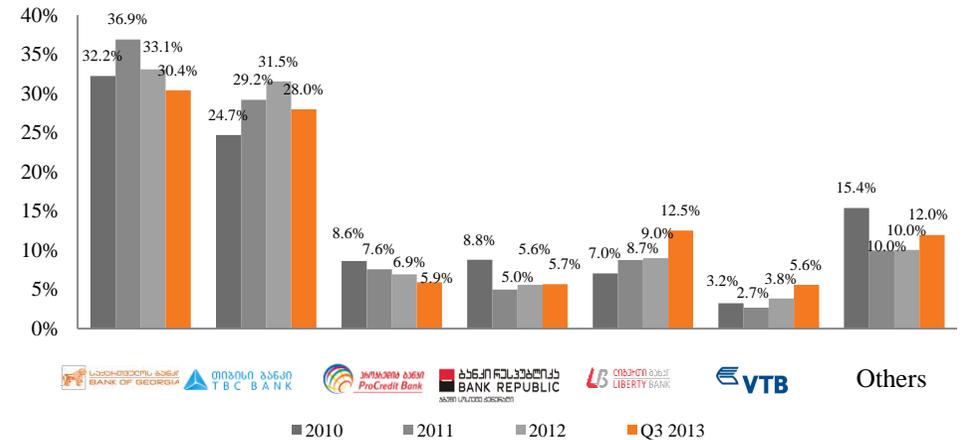


Foreign banks market share by assets

No state ownership of commercial banks since 1994



Peer group's market share in deposits



Note: all data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia
www.nbg.gov.ge

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Country overview

-  Area: 69,700 sq km
-  Population (2012): 4.5 mln
-  Life expectancy: 77 years
-  Official language: Georgian
-  Literacy: 100%
-  Capital: Tbilisi
-  Currency (code): Lari (GEL)
-  GDP 2011: GEL 24.3 bn (US\$14.4 bn)
-  GDP 2012E: GEL 26.1 bn (US\$15.8 bn)
-  GDP growth rate 2011: 7.2%, 2012E: 6.1%
-  GDP growth rate per IMF 2013E: 2.5%
-  GDP growth rate (Geostat estimates):
Q1 13: 2.4%, Q2 13: 1.5%, Q3 13: 1.4% Oct: 3.9% Nov: 7.8%
-  Real GDP CAGR '04 - '12 (E): 6.1%
-  GDP per capita 2012E (PPP) per IMF: US\$5,842
-  Inflation rate (e-o-p) 2013: 2.4%
-  External Public debt to GDP 2012E: 27.6%
-  Sovereign ratings:
 - S&P** BB-/B/Stable/ *upgraded in November 2011*
 - Moody's** Ba3/NP/Stable
 - Fitch** BB-/B/Stable *upgraded in December 2011*



Sources: Ministry of Finance of Georgia, Geostat, IMF, Government of Georgia Presentation (Georgia.gov.ge)

Georgia's key economic drivers

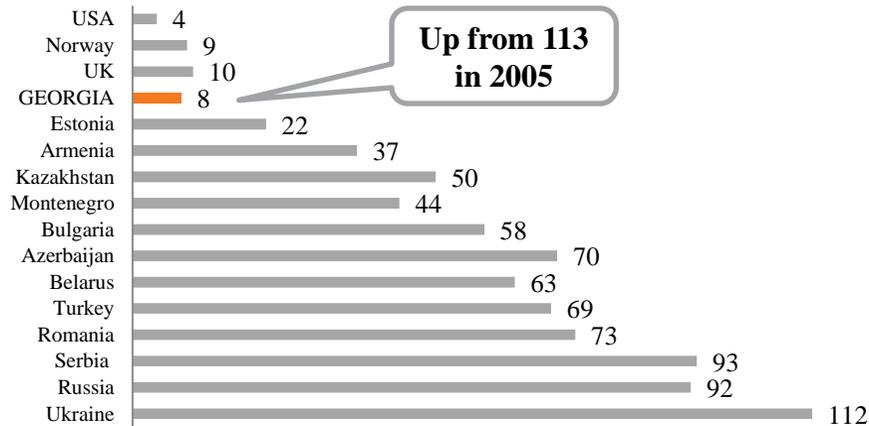
| | |
|---|--|
| Liberal economic policy | <ul style="list-style-type: none"> ■ Liberty Act, enshrined in the constitution and effective starting 2014 ensures a credible fiscal and monetary framework: <ul style="list-style-type: none"> – Government expenditure/GDP capped at 30% – Budget deficit/GDP capped at 3% – Government debt/GDP capped at 60% |
| Regional logistics and tourism hub | <ul style="list-style-type: none"> ■ Proceeds from foreign tourism estimated at \$1,411 mln in 2012 up 48% y-o-y, 4.4 million visitors in 2012 up 56% y-o-y (5.0 million visitors in 11M 2013, up 23% y-o-y) ■ Regional energy transit corridor with approx. 1.6% of world's oil production and diversified gas supply passing through the country |
| Strong FDI | <ul style="list-style-type: none"> ■ Strong FDI inflows diversified across different sectors (9M 2013: US\$697 mln, 2012E: US\$912, 2011: US\$1,117 mln) ■ Net remittances of US\$1,226 mln in 2012, up 5% y-o-y, US\$956 mln in 9M 2013, up 6% y-o-y ■ FDI averaged 10% of GDP in 2003-2012 |
| Support from international community | <ul style="list-style-type: none"> ■ In November 2013, Georgia's Association Agreement with the EU, which includes Deep and Comprehensive Trade Treaty (DCFTA) was initialled at the Eastern Partnership summit in Vilnius ■ Discussions commenced with the USA to drive inward investments and exports ■ Strong political support from NATO, EU, US, UN and member of WTO since 2000 ■ Substantial support from DFIs, the US and EU: US\$2.5bn already disbursed out of the US\$4.5bn Brussels pledge ■ Diversified trade structure across countries and products |
| Cheap electricity | <ul style="list-style-type: none"> ■ Net electricity exporter since 2007*, net electricity importer for more than a decade before 2007; Over last six years, exported on average 0.8 TWh electricity annually ■ Only 18% of hydropower capacity utilized; 40 hydropower stations are being built/developed ■ Black Sea Transmission Network project envisages construction of new 500kV/400kV line connecting to Turkey. Project commenced in 2009 and is expected to become operational in 2013. BSTN to significantly boost export potential to Turkey, up by 750MW from current capacity |
| Political environment stabilized | <ul style="list-style-type: none"> ■ Healthy operating environment for business and low tax regime ■ Parliamentary elections in 2012 led to a democratic transition of power giving victory to Georgian Dream coalition and the subsequent presidential elections in October 2013 gave victory to the candidate of the ruling Georgian Dream coalition ■ New constitution amendments passed in Q1 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency ■ Continued economic relationship with Russia <ul style="list-style-type: none"> – Russia began issuing visas to Georgians in March 2009; Georgia abolishes visa requirements for Russians – Direct flights between the two countries resumed in January 2010 – WTO negotiations successfully completed; Georgia, a member of WTO since 2000, allows Russia's access to WTO – In 2013 trade begins with Russia |

*Apart from 2012

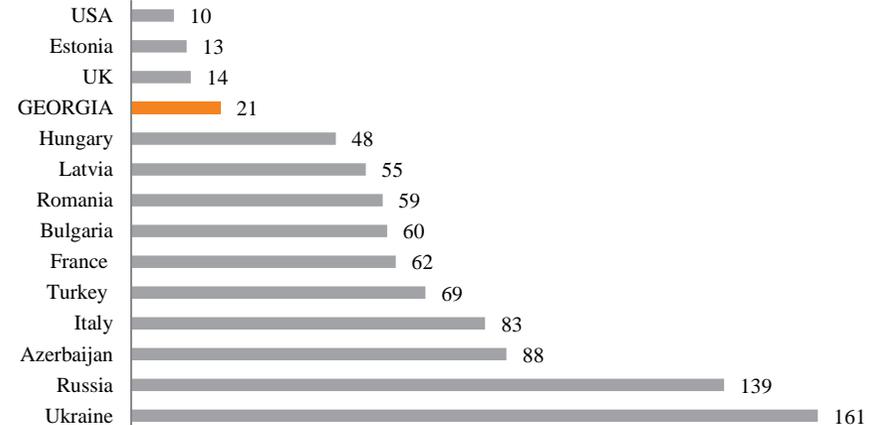
Sources: Geostat, IMF, National Bank of Georgia, Government of Georgia Presentation (Georgia.gov.ge)

Growth oriented reforms

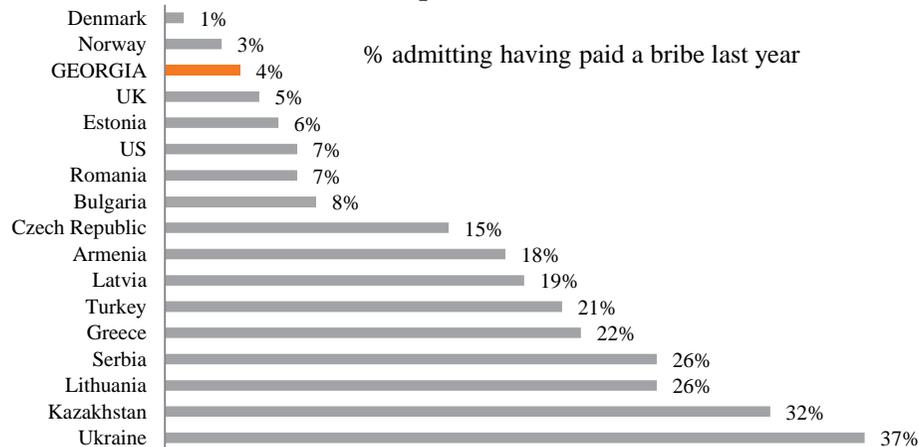
Ease of Doing Business, 2014 (WB-IFC Doing Business Report)



Economic Freedom Index, 2013 (Heritage Foundation)



TI 2013 Global Corruption Barometer



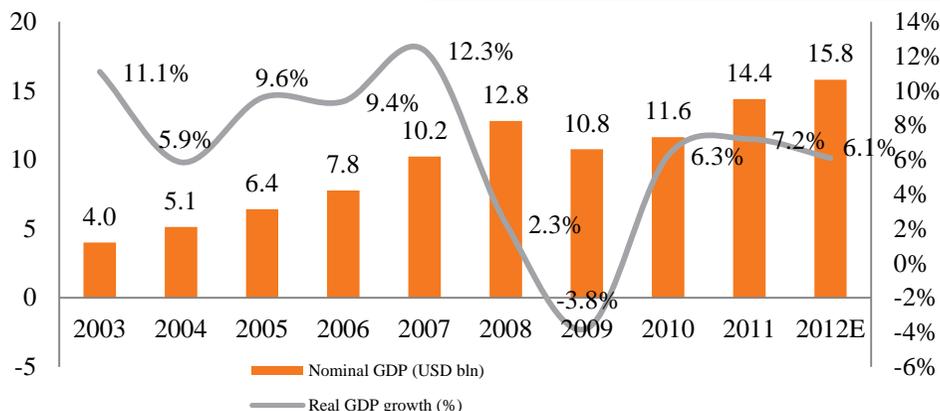
**GEORGIA - No 1 Reformer
2005-2012**
(WB-IFC Doing Business Report)

Sources: Transparency International, Heritage Foundation, World Bank

Positive economic outlook

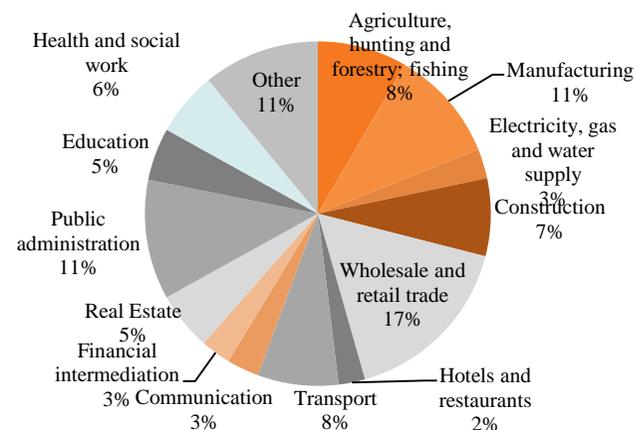
Gross domestic product

9M 2013: 1.7% (Oct: 3.9%, Nov: 7.8% (estimate by Geostat))
2013: 2.5% (estimate by IMF)



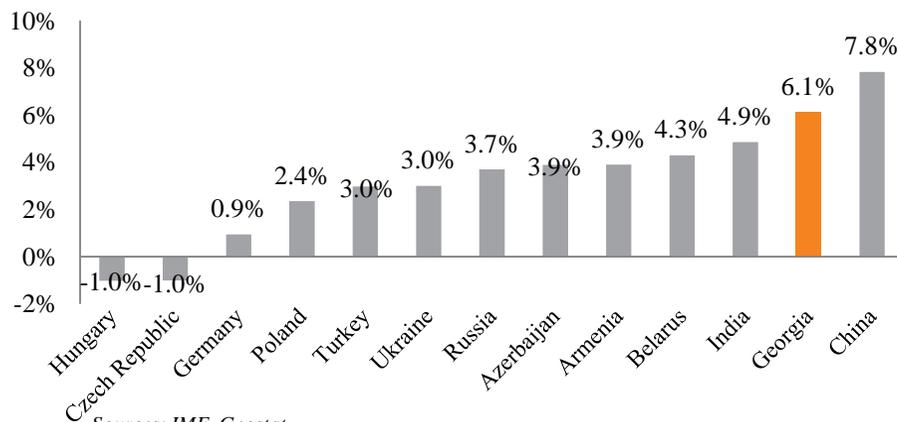
Sources: Geostat

GDP composition*, 2012



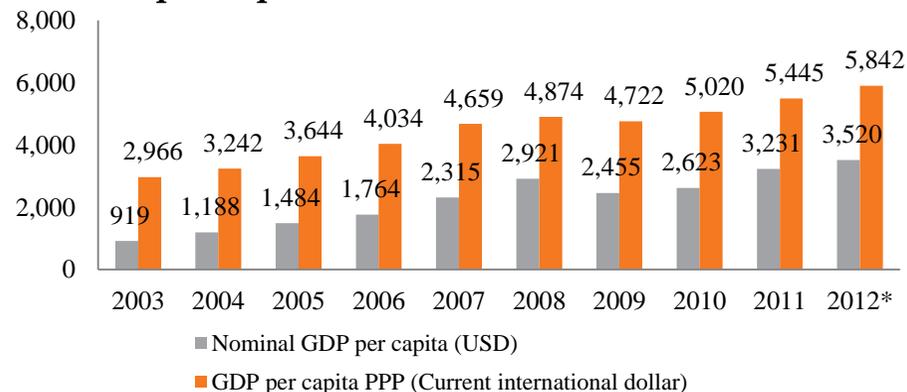
Source: National Bank of Georgia

Real GDP growth in 2012 (estimate)



Sources: IMF, Geostat
*estimates

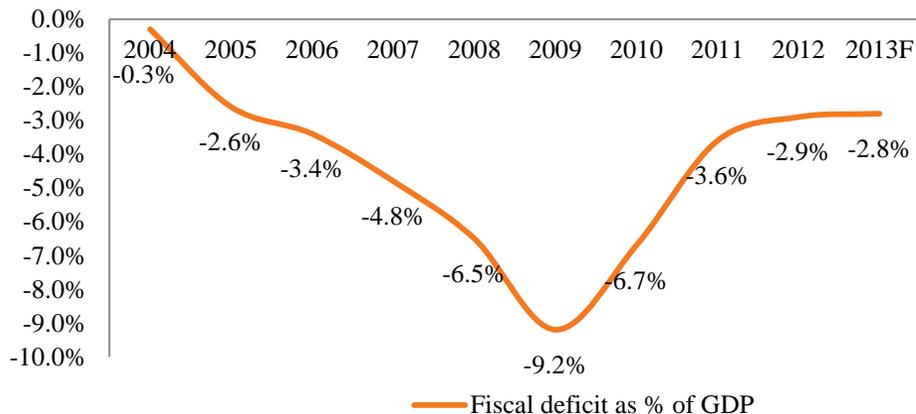
GDP per capita



Sources: IMF, Geostat

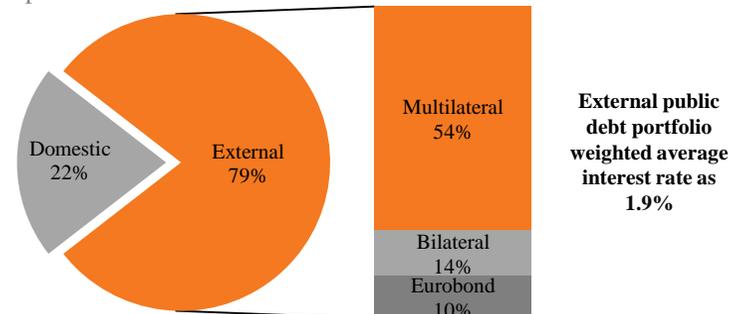
Demonstrated fiscal discipline and low public debt

Fiscal deficit as % of GDP



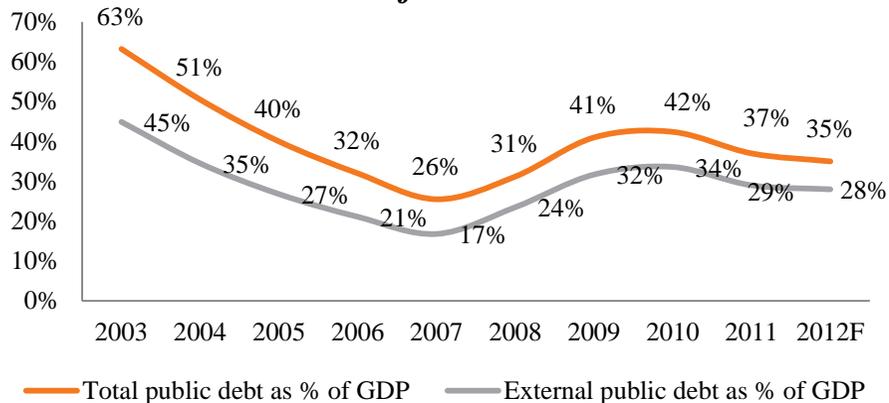
Breakdown of public debt

Affordable public debt stock and very low interest rate on external public debt



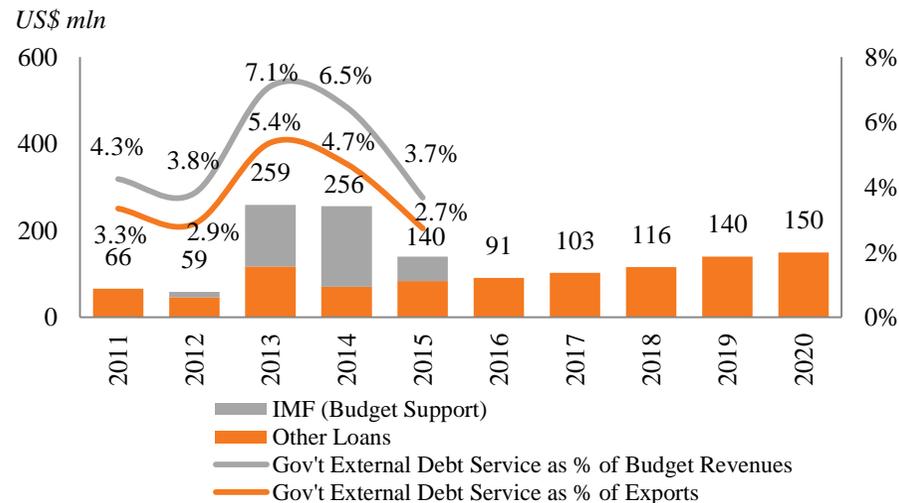
Source: Ministry of Finance of Georgia

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

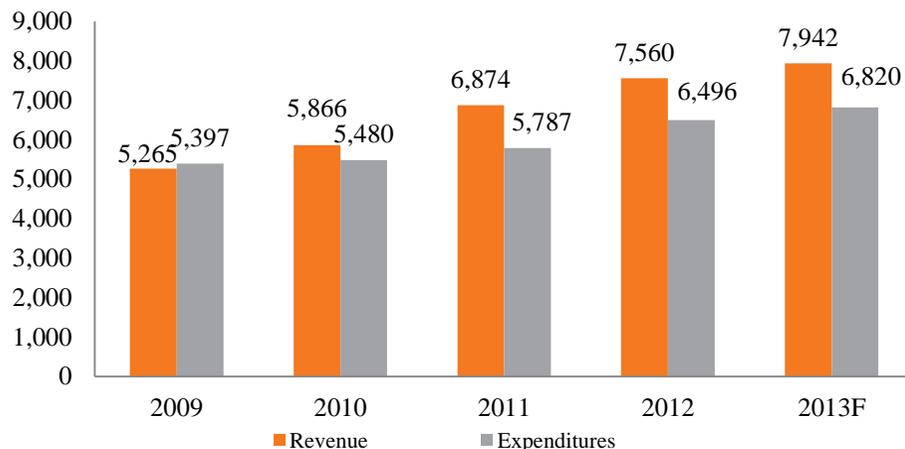
Government external debt service



Source: Ministry of Finance of Georgia

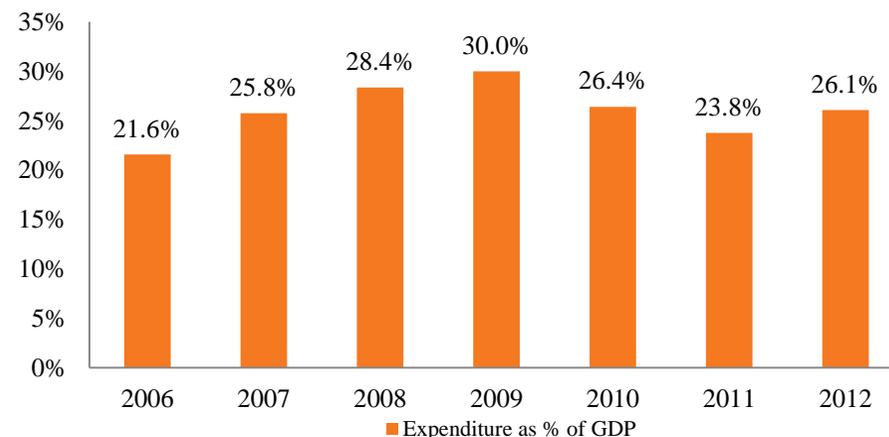
Revenues and expenditures dynamics

Revenues to Expenditures



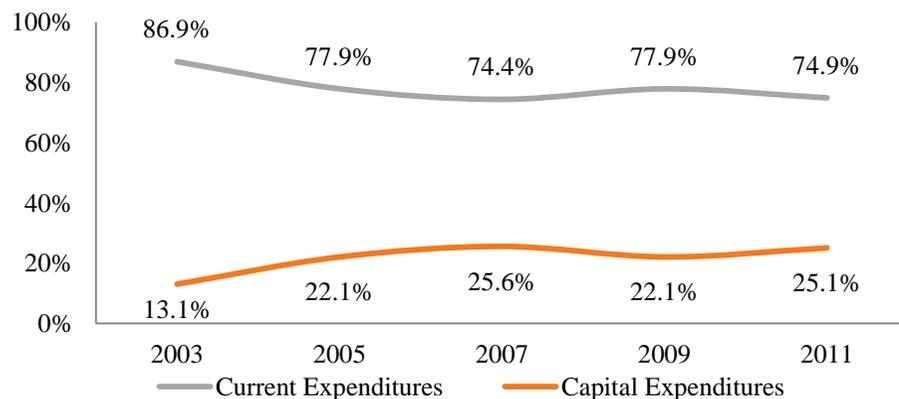
Source: Ministry of Finance

Expenditure as % of GDP



Sources: Ministry of Finance, NBG

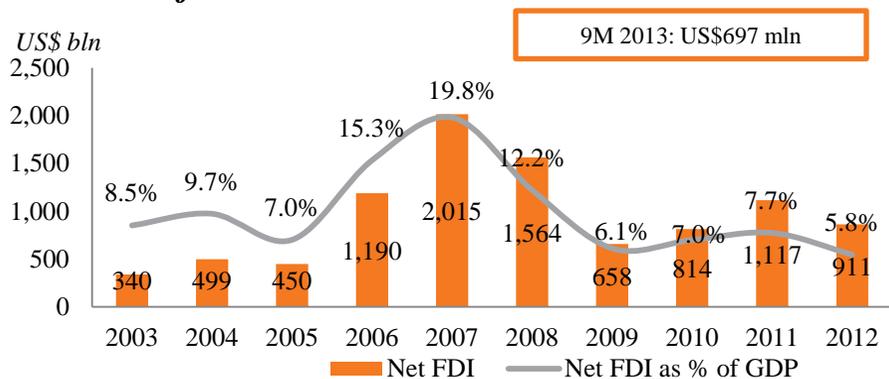
Capital vs. current expenditures



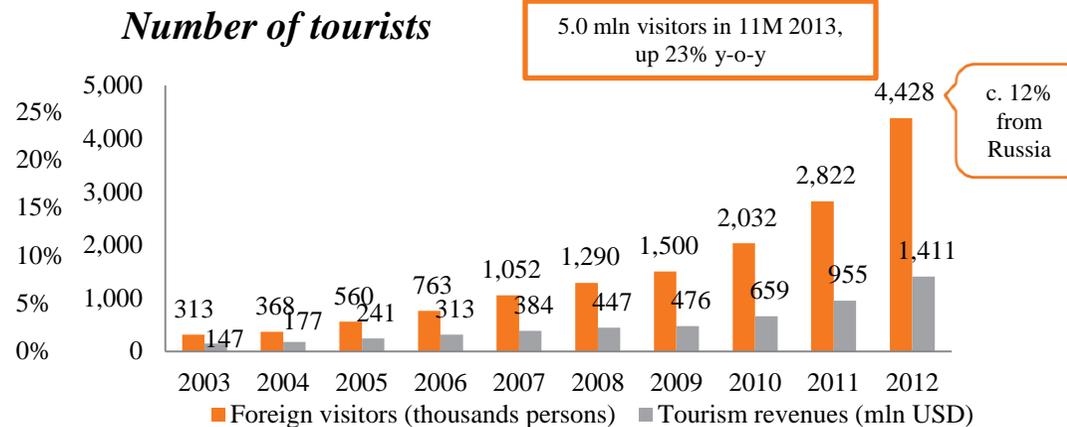
Source: Ministry of Finance

Four main sources of capital inflow

FDI inflows



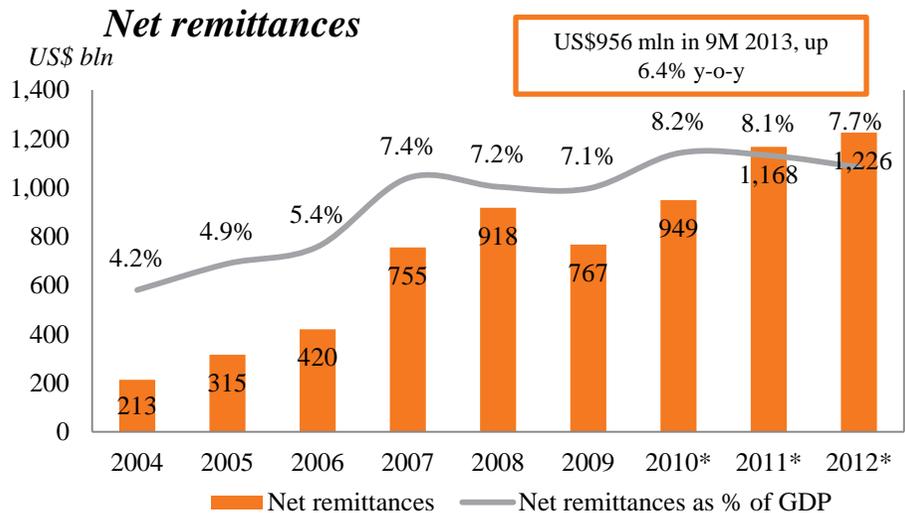
Number of tourists



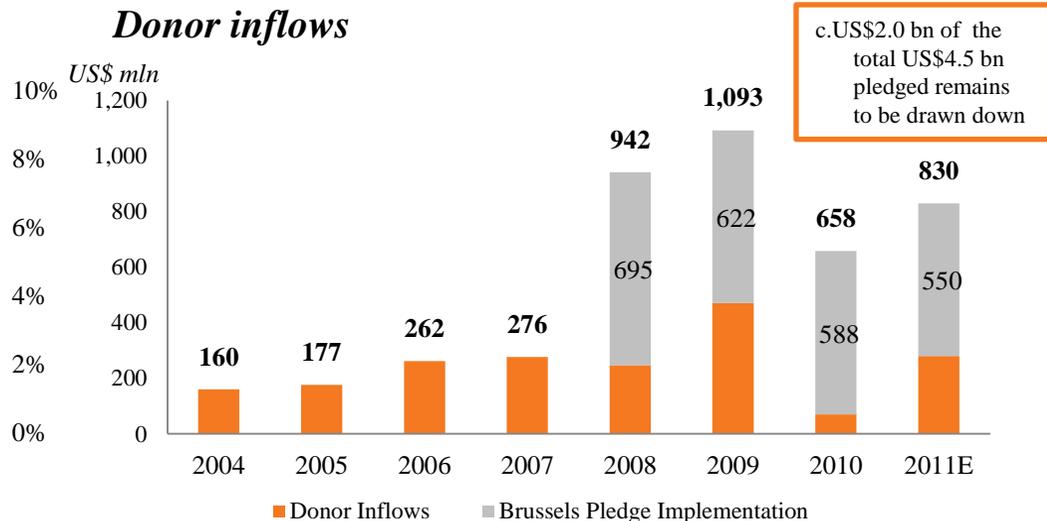
Sources: National Bank of Georgia, Ministry of Finance of Georgia

Sources: Georgian National Tourism Agency, National Bank of Georgia, Bank of Georgia estimates

Net remittances



Donor inflows



Source: National Bank of Georgia * including remittances through micro finance institutions

Sources: Ministry of Finance, Bank of Georgia estimates

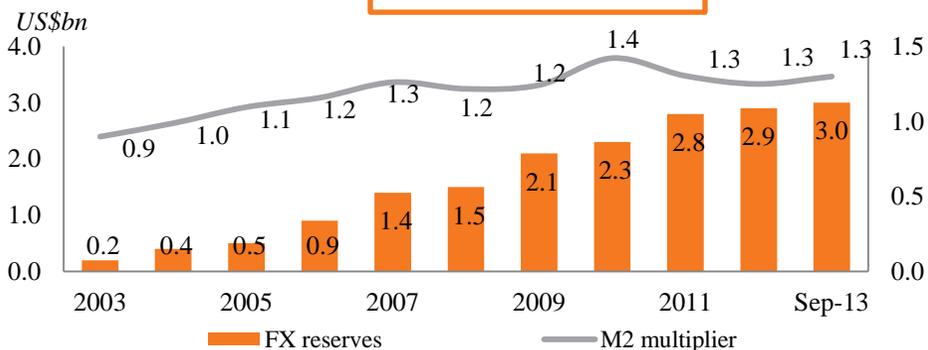
Controllable CAD and strong FDI & donor inflows

High, but well capitalised CAD. Remittances and FDI cover CAD.

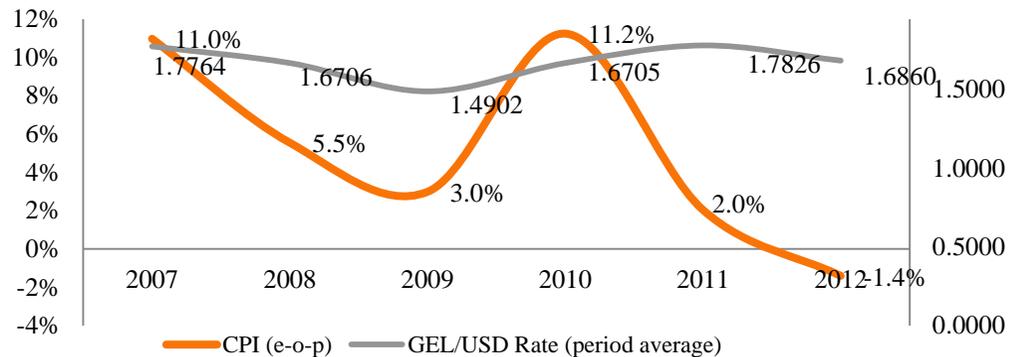
October CPI (e-o-p): 0.2%
10M '13 avg GEL/USD rate: 1.6569

FX reserves

In 9M 2013 NBG net buyer of US\$555 mln



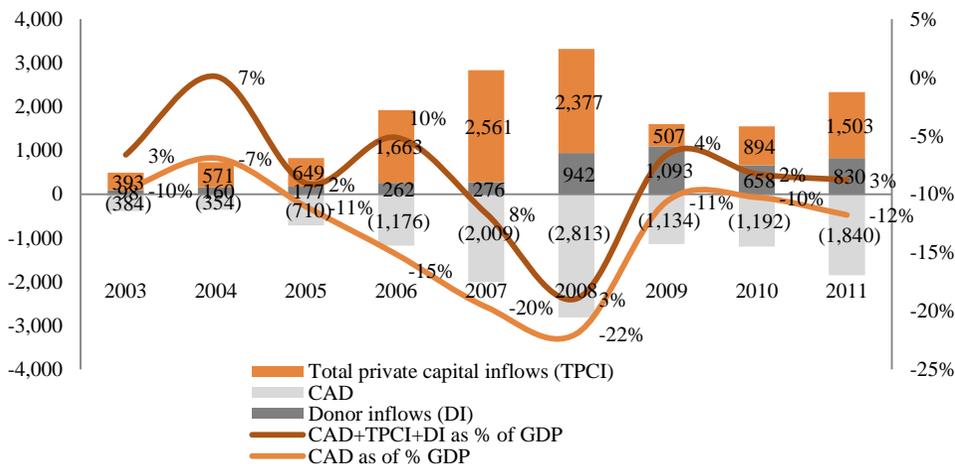
FX rate (GEL/US\$) and CPI



Source: National Bank of Georgia

Current account deficit

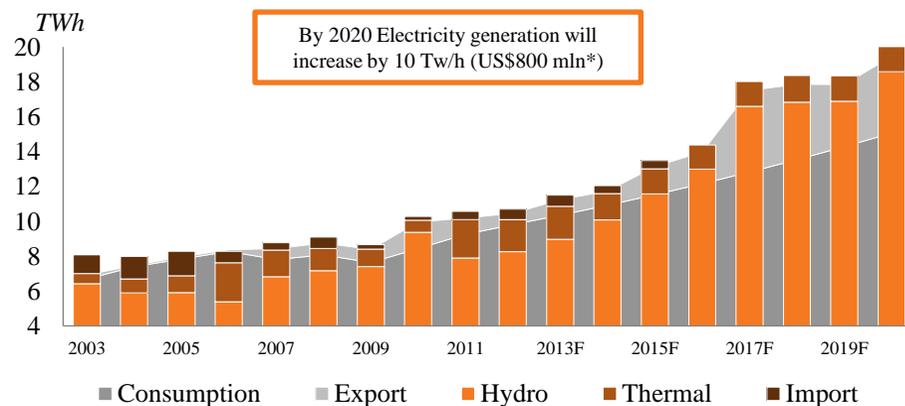
CAD
2012: US\$1,764 mln, 11.1% of GDP
2013E: US\$1,652 mln, 9.5% of GDP



Source: National Bank of Georgia

Electricity generation

By 2020 Electricity generation will increase by 10 Tw/h (US\$800 mln*)



Source: National Bank of Georgia, Ministry of Finance

*Assuming price of US\$0.08 per Kw/h

Growing and well capitalised banking sector

Summary

■ Prudent regulation ensuring financial stability

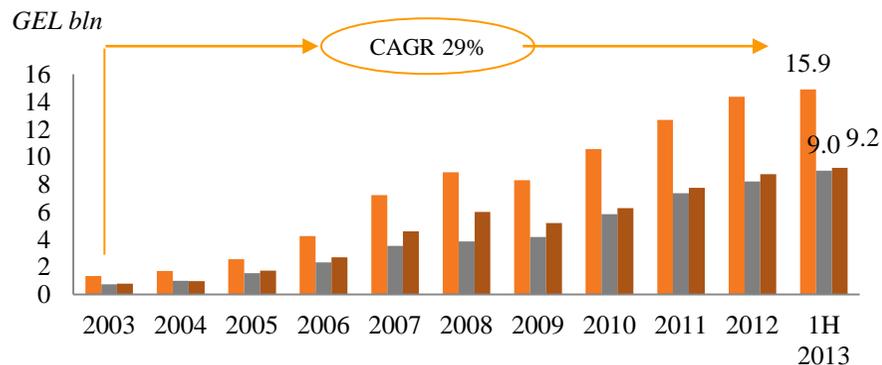
- Sector total capital ratio (NBG standards) –17% in 2012
- High level of liquidity requirements from NBG at 30% of liabilities, resulting in banking sector liquid assets to client deposits of 56% as of September 2013

■ Resilient banking sector

- *Demonstrated strong resilience towards both domestic and external shocks* without single bank going bankrupt
- *No nationalization of the banks* and no government ownership since 1994
- *Excess liquidity and excess capital* accumulated by the banking sector to help boost the financing of the economic growth
- *Very low leverage* with retail loans c. 14.7% of GDP and total loans at c. 33.4% of GDP as at 31 December 2012 resulting in low number of defaults during the global crisis

Source: National Bank of Georgia, Geostat

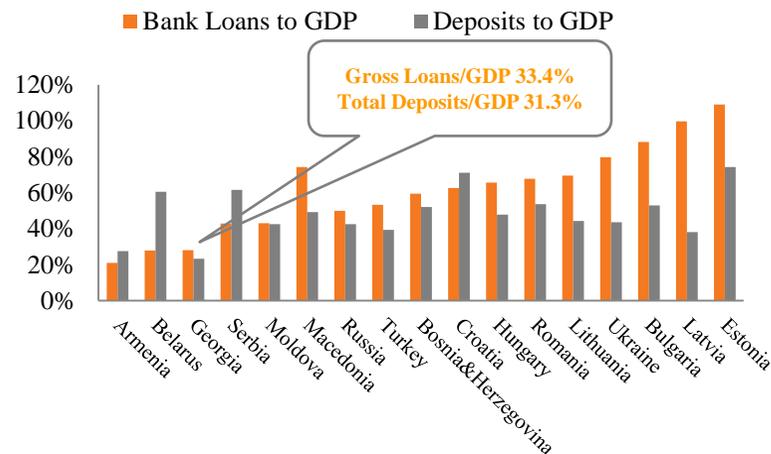
Banking sector assets, loans and deposits



Source: National Bank of Georgia

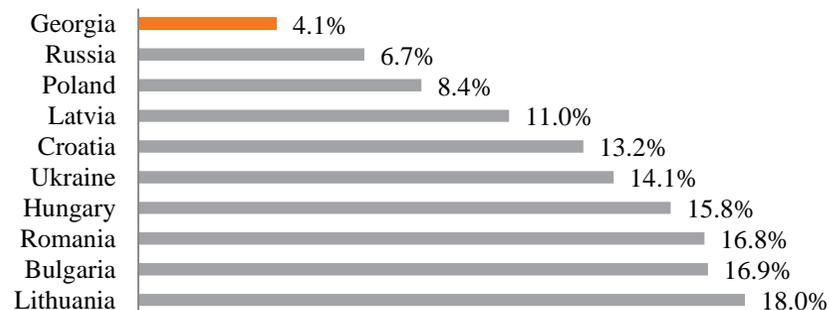
■ Assets ■ Deposits ■ Loans

Bank debt and deposits to GDP



Source: National Bank of Georgia, Geostat

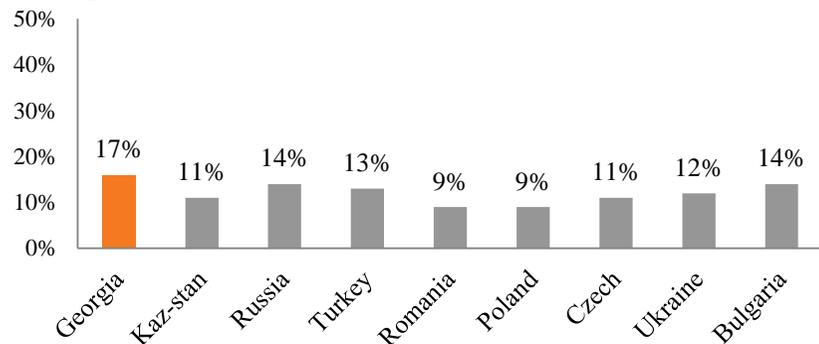
NPLs as % of total gross loans according to the IMF, lower than the banking sector NIM of c.7% as of YE2012



Source: World Bank

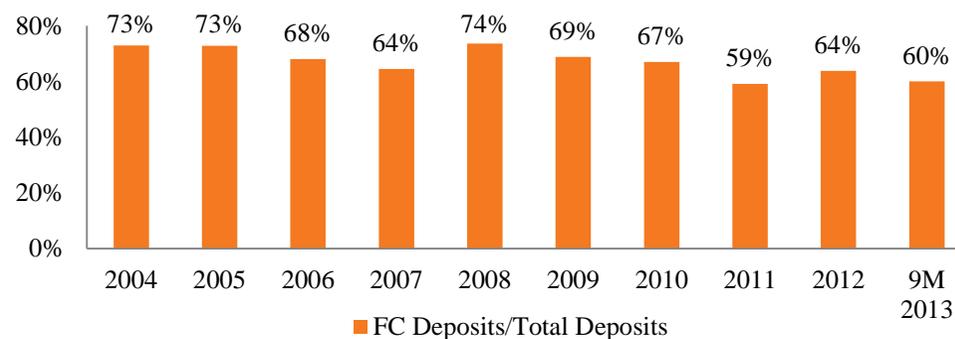
One of the highest level of capital and low debt level compared to other frontier markets

Equity /Assets



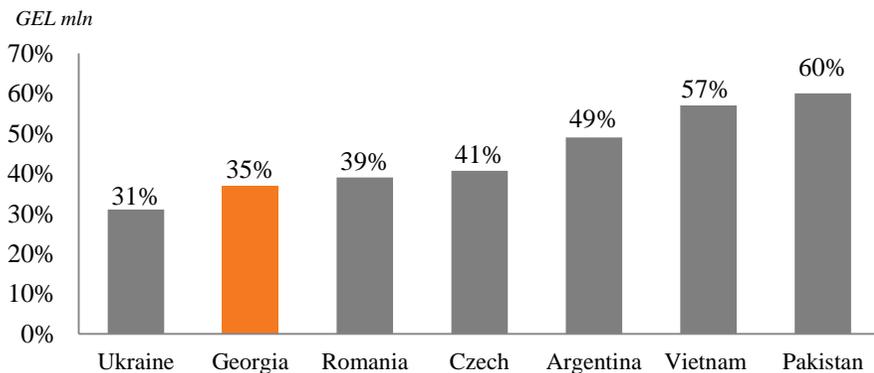
Source: National Bank of Georgia, Citi

Dollarisation



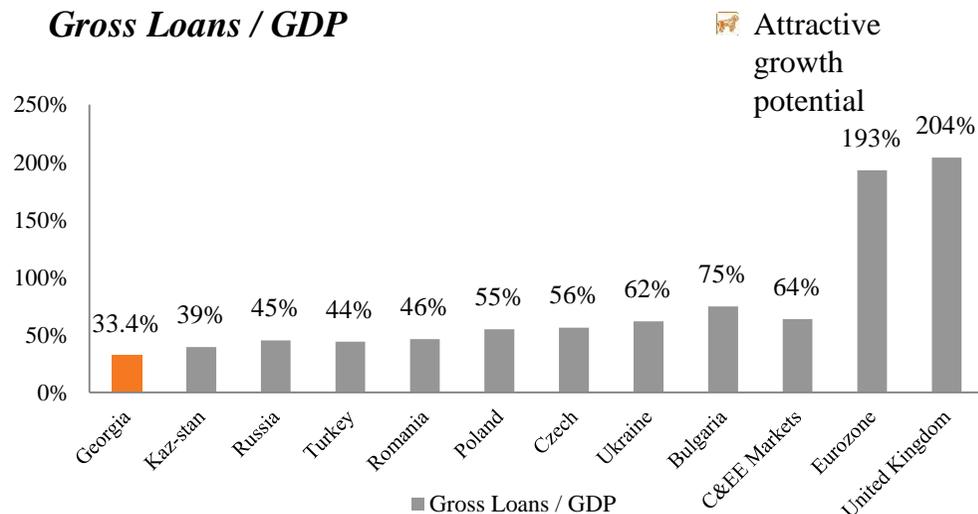
Source: National Bank of Georgia

Public debt / GDP, frontier markets



Sources: Citi, National Bank of Georgia, CIA

Gross Loans / GDP



Sources: National Bank of Georgia, World Bank, Business Monitor

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P&L results highlights

| <i>GEL thousands unless otherwise noted</i> | 9M 2013 Unaudited | 9M 2012 Unaudited | Change Y-O-Y | Q3 2013 Unaudited | Q3 2012 Unaudited | Change Y-O-Y | Q2 2013 Unaudited | Change Q-O-Q |
|--|----------------------|----------------------|-----------------|----------------------|----------------------|-----------------|----------------------|-----------------|
| Net interest income | 230,529 | 207,578 | 11.1% | 80,035 | 69,916 | 14.5% | 77,898 | 2.7% |
| Net fee and commission income | 63,795 | 65,365 | -2.4% | 21,519 | 23,831 | -9.7% | 21,779 | -1.2% |
| Net insurance revenue | 35,120 | 21,880 | 60.5% | 12,396 | 9,922 | 24.9% | 10,998 | 12.7% |
| Net healthcare revenue | 14,015 | 16,221 | -13.6% | 5,024 | 7,025 | -28.5% | 5,100 | -1.5% |
| Other operating non-interest income | 57,555 | 58,923 | -2.3% | 19,364 | 20,287 | -4.5% | 23,925 | -19.1% |
| <i>Other operating non-interest income adjusted for one off gain from BNB FX</i> | 57,555 | 55,974 | 2.8% | 19,364 | 20,287 | -4.5% | 23,925 | -19.1% |
| Revenue adjusted for one-off FX gain from BNB | 401,014 | 367,018 | 9.3% | 138,338 | 130,981 | 5.6% | 139,700 | -1.0% |
| Revenue | 401,014 | 369,967 | 8.4% | 138,338 | 130,981 | 5.6% | 139,700 | -1.0% |
| Operating expenses | (164,568) | (167,186) | -1.6% | (54,948) | (58,114) | -5.4% | (55,740) | -1.4% |
| Operating income before cost of credit risk | 236,446 | 202,781 | 16.6% | 83,390 | 72,867 | 14.4% | 83,960 | -0.7% |
| Cost of credit risk | (51,803) | (28,593) | 81.2% | (15,540) | (14,645) | 6.1% | (18,984) | -18.1% |
| Net operating income | 184,643 | 174,188 | 6.0% | 67,850 | 58,222 | 16.5% | 64,976 | 4.4% |
| Net non-operating expense* | (6,871) | (15,445) | -55.5% | (1,419) | (3,051) | -53.5% | (4,089) | -65.3% |
| Profit for the period | 153,699 | 132,677 | 15.8% | 58,597 | 46,643 | 25.6% | 53,105 | 10.3% |
| Earnings per share (basic) | 4.35 | 3.94 | 10.4% | 1.65 | 1.35 | 22.2% | 1.51 | 9.3% |

*Includes impairment of property and intangible assets, BGH IPO costs, impairment of investment, etc

Balance Sheet results highlights and key ratios

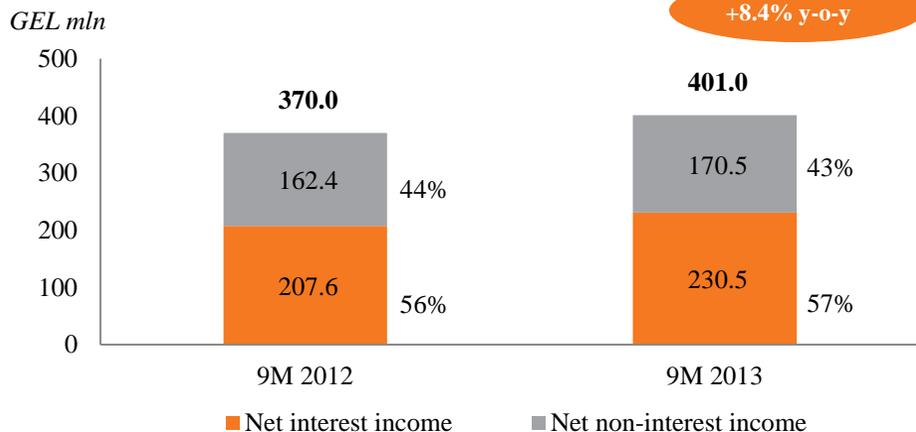
| <i>GEL thousands unless otherwise noted</i> | Q3 2013 | Q3 2012 | Change | Q2 2013 | Change | KEY RATIOS | | Q3 2013 | Q3 2012 | Q2 2013 |
|---|-----------|-----------|--------|-----------|--------|--|--------|----------------|----------------|---------|
| | Unaudited | Unaudited | Y-O-Y | Unaudited | Q-O-Q | | | | | |
| Net loans to customers* | 3,283,508 | 3,063,390 | 7.2% | 3,122,916 | 5.1% | ROAE | | 20.6% | 19.2% | 19.3% |
| Total assets | 5,954,347 | 5,530,517 | 7.7% | 5,671,694 | 5.0% | ROAA | | 4.0% | 3.4% | 3.8% |
| Liquid assets | 1,580,926 | 1,530,830 | 3.3% | 1,520,214 | 4.0% | Cost/Income | | 39.7% | 44.4% | 39.9% |
| Liquid assets as percent of total assets | 26.6% | 27.7% | -1.1% | 26.8% | -0.2% | NIM | | 7.7% | 7.3% | 7.9% |
| Liquid assets as percent of total liabilities | 33.1% | 33.8% | -0.7% | 33.3% | -0.2% | Loan yield | | 15.7% | 17.0% | 16.9% |
| Amounts due to customers, of which: | 2,862,512 | 2,795,794 | 2.4% | 2,850,234 | 0.4% | Cost of client deposits | | 5.2% | 7.1% | 5.9% |
| <i>Client deposits, of which:</i> | 2,850,000 | 2,688,540 | 6.0% | 2,838,153 | 0.4% | Cost of funds | | 5.6% | 7.1% | 6.2% |
| <i>CDs</i> | 144,056 | - | - | 114,086 | 26.3% | Cost of risk | | 1.6% | 1.6% | 1.5% |
| <i>Promissory notes</i> | 12,512 | 107,254 | -88.3% | 12,081 | 3.6% | NPL coverage | | 86.2% | 105.2% | 89.1% |
| Amounts due to credit institutions, of which | 1,636,263 | 1,454,045 | 12.5% | 1,475,686 | 10.9% | NPL coverage ratio adjusted for discounted value of collateral | 111.8% | 134.9% | 117.4% | |
| <i>Eurobonds</i> | 420,441 | 380,063 | 10.6% | 424,854 | -1.0% | | | 9M 2013 | 9M 2012 | |
| <i>Subordinated debt</i> | 208,414 | 236,518 | -11.9% | 208,236 | 0.1% | ROAE | | 18.6% | 19.4% | |
| <i>Loans and deposits from other banks</i> | 1,007,408 | 837,464 | 20.3% | 842,596 | 19.6% | ROAA | | 3.6% | 3.6% | |
| Total liabilities | 4,783,411 | 4,522,569 | 5.8% | 4,568,789 | 4.7% | Cost/Income | | 41.0% | 45.2% | |
| Total equity | 1,170,936 | 1,007,948 | 16.2% | 1,102,905 | 6.2% | Cost/Income** | | 41.0% | 45.6% | |
| Book value per share (basic) | 32.83 | 28.81 | 14.0% | 30.90 | 6.2% | NIM | | 7.7% | 7.8% | |
| Net loans/customer funds | 114.7% | 109.6% | | 109.6% | | Loan yield | | 16.4% | 17.6% | |
| Net loans/customer funds +DFIs | 96.1% | 90.8% | | 90.0% | | Cost of client deposits | | 5.8% | 7.5% | |
| Excess liquidity | 240,332 | 417,779 | -42.5% | 491,666 | -51.1% | Cost of funds | | 6.2% | 7.5% | |
| NBG liquidity ratio | 37.5% | 42.0% | | 44.8% | | Cost of risk | | 1.5% | 1.2% | |
| BIS Tier I Capital Adequacy Ratio | 23.7% | 20.3% | | 22.9% | | NPL coverage | | 86.2% | 105.2% | |
| BIS Total Capital Adequacy Ratio | 28.6% | 25.8% | | 27.8% | | NPL coverage ratio adjusted for discounted value of collateral | 111.8% | 134.9% | | |
| NBG Tier I Capital Adequacy Ratio | 15.4% | 13.4% | | 15.4% | | | | | | |
| NBG Total Capital Adequacy Ratio | 16.6% | 15.9% | | 16.3% | | | | | | |

*includes finance lease receivables

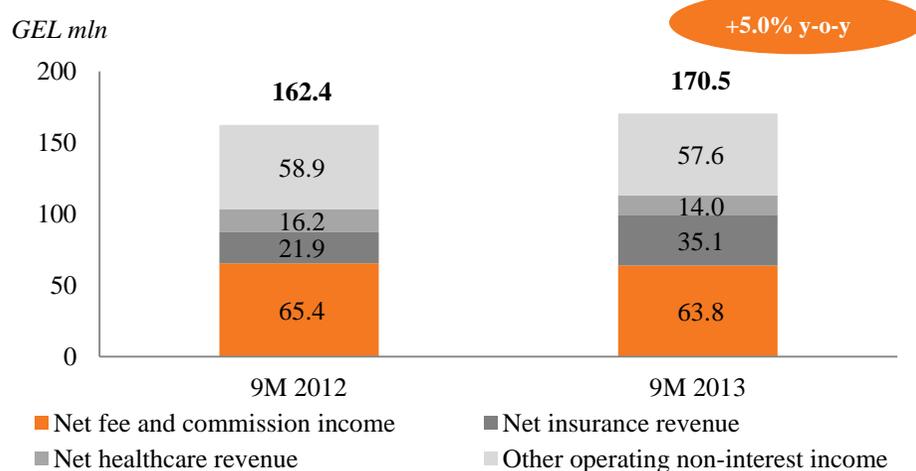
**excluding effect of one-off fx currency gain for BNB

Strong revenue growth

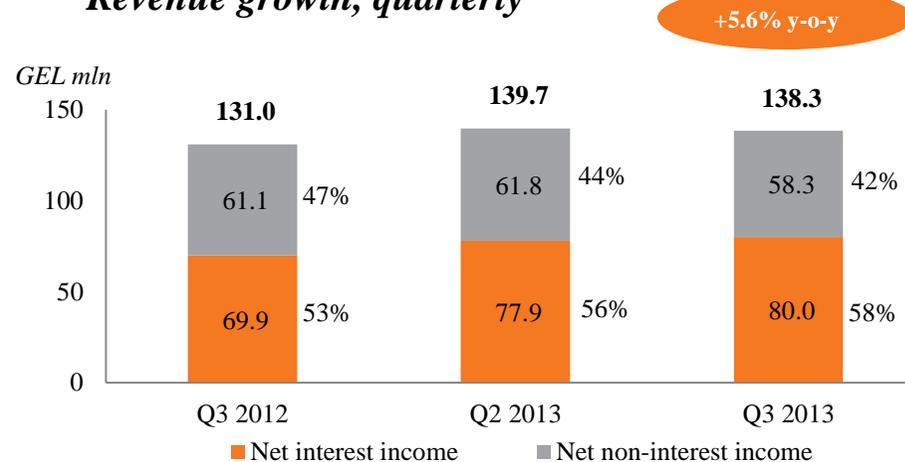
Revenue growth, nine-month



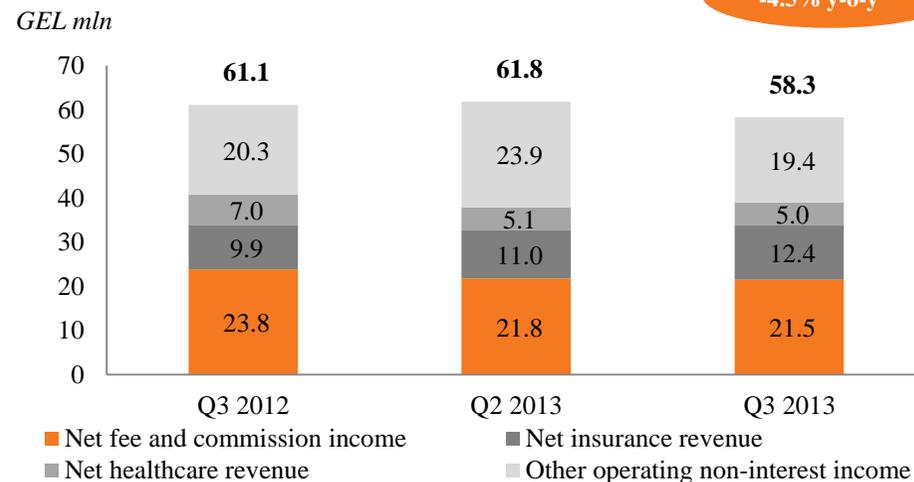
Net non-interest income, nine-month



Revenue growth, quarterly



Net non-interest income, quarterly

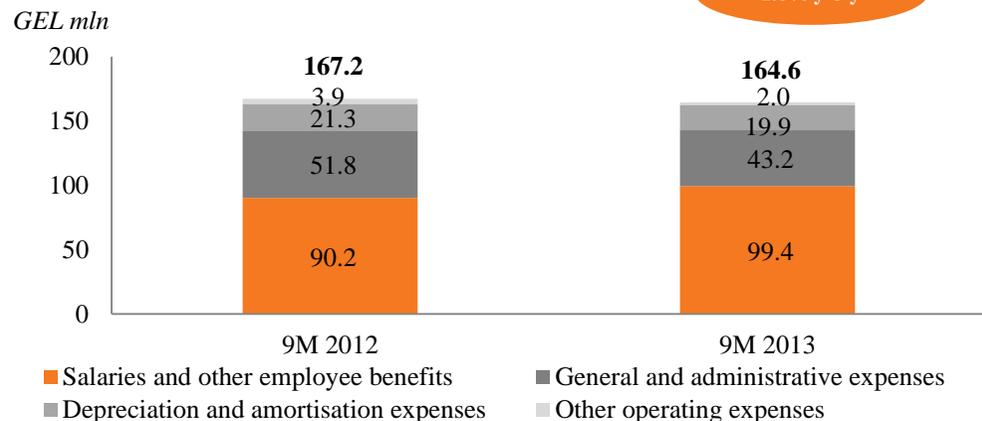


Net healthcare revenue in 2013 includes additional depreciation and utility expenses, which were presented in operating expenses in 2012

Strengthening operating leverage as operating expenses grow at half the rate of revenue

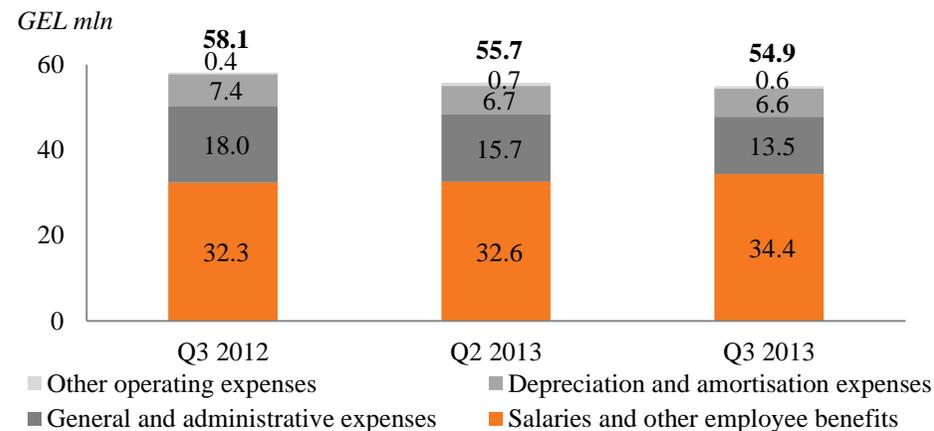
Operating expenses, nine-month

-1.6% y-o-y



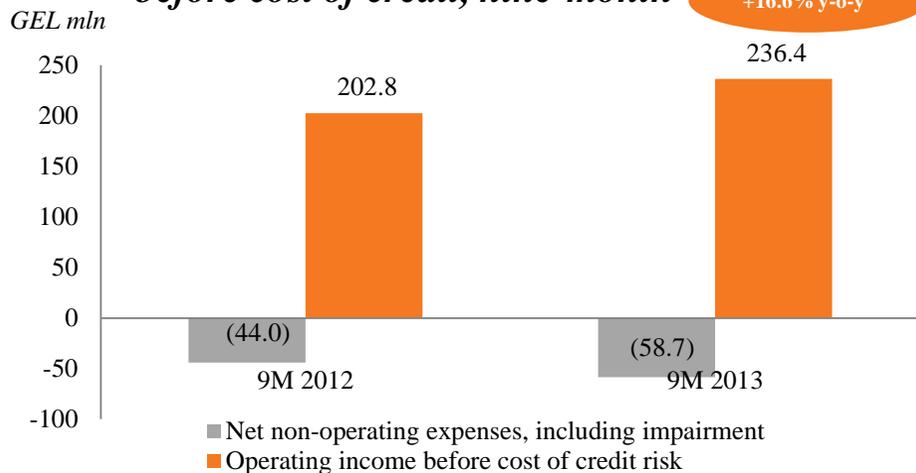
Operating expenses, quarterly

-5.4% y-o-y



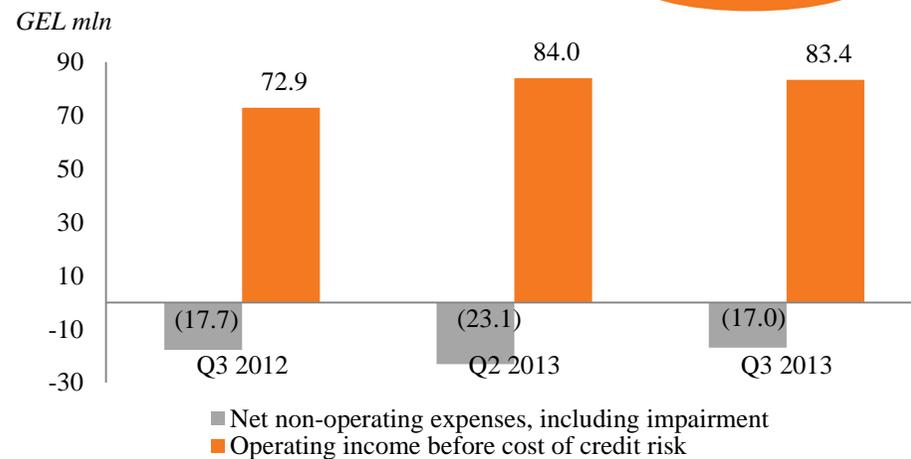
Net non-operating expenses, operating income before cost of credit, nine-month

+16.6% y-o-y



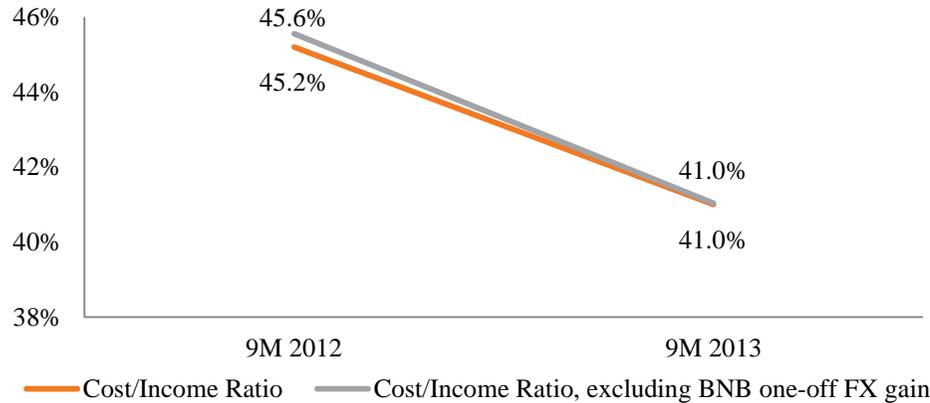
Net non-operating expenses, operating income before cost of credit, quarterly

+14.4% y-o-y

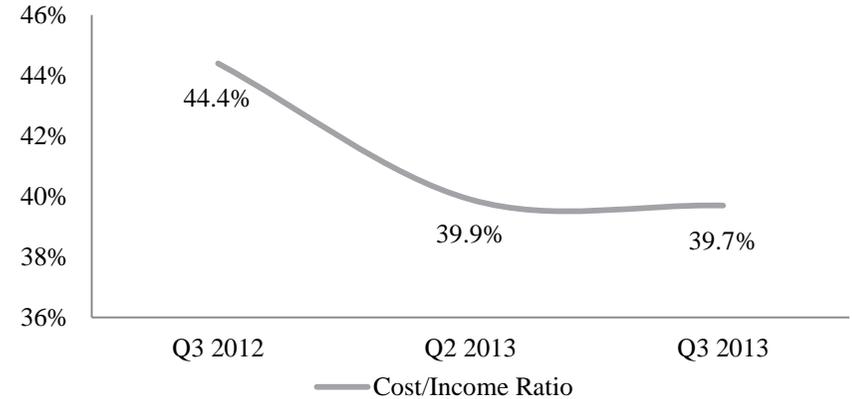


Improving efficiency

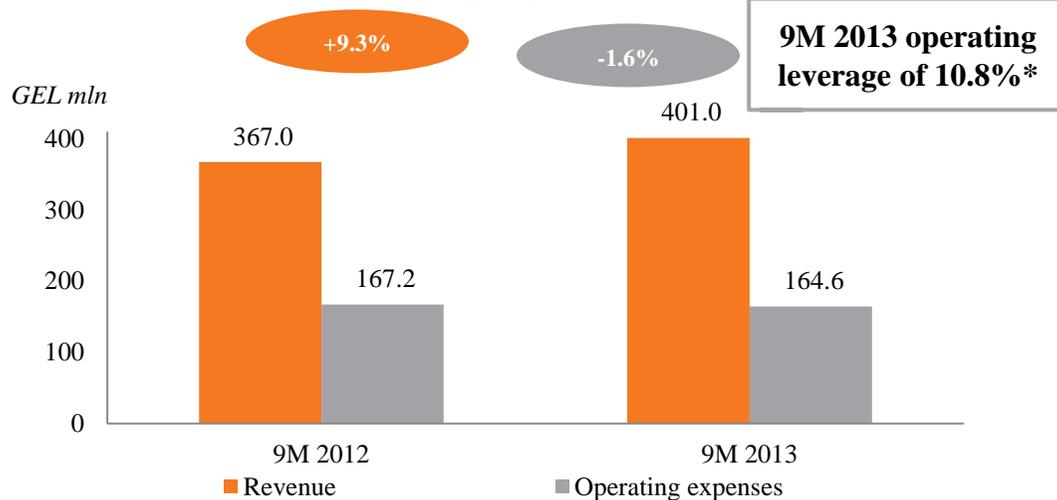
Cost / Income ratio, nine-month



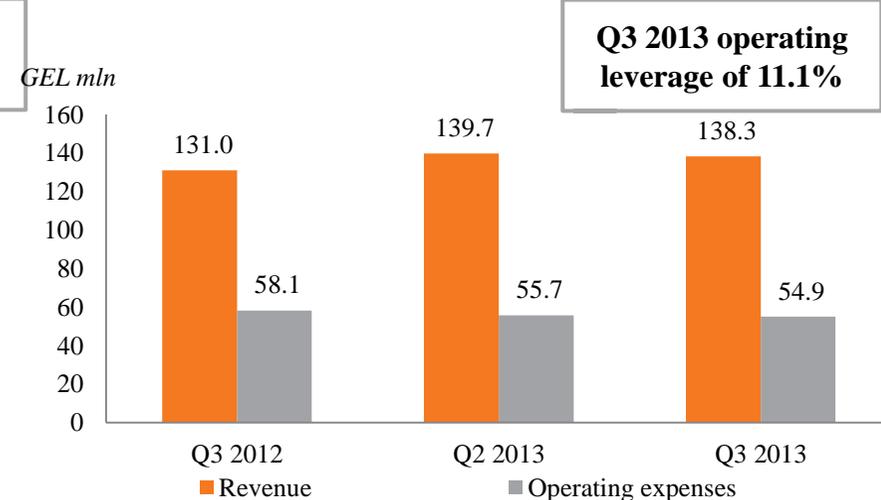
Cost / Income ratio, quarterly



Revenue and operating expenses, nine-month



Revenue and operating expenses, quarterly

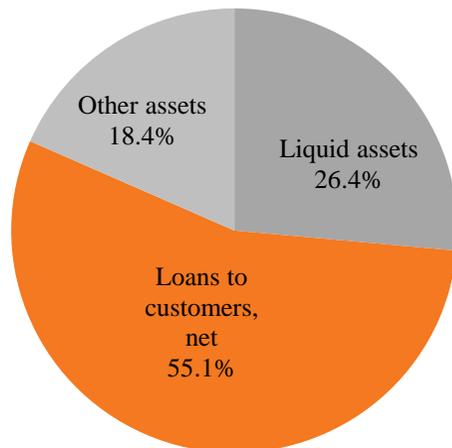


*Excluding one-off fx gain from BNB

Diversified asset structure, consolidated

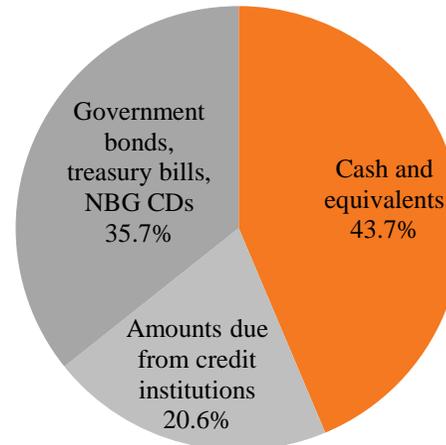
Total asset structure, 30 September 2013

**Total assets:
GEL 5,531 mln**



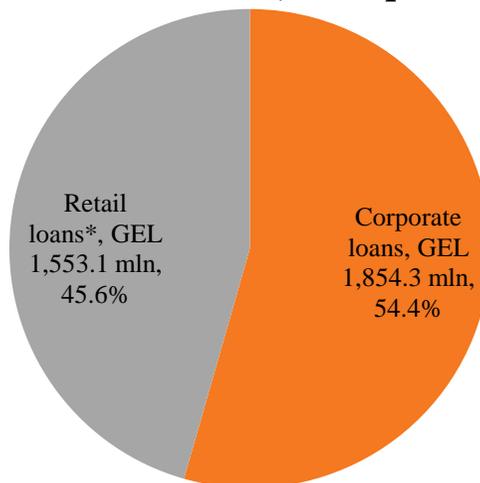
Liquid assets, 30 September 2013

**Liquid assets
GEL 1,581 mln,
26.6% of total
assets and 33.1%
of total liabilities**

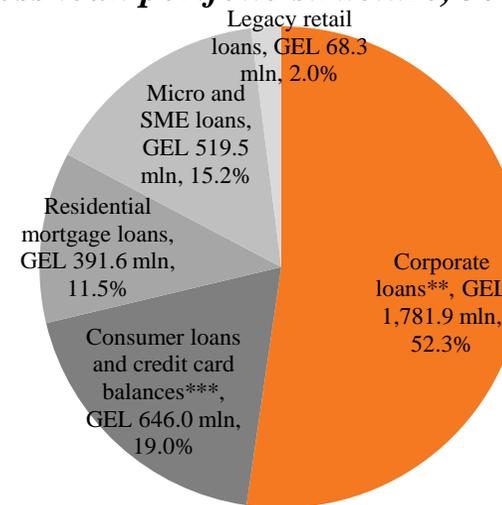


Gross loans breakdown, 30 September 2013

**Total gross
loans:
GEL 3,407 mln**



Gross loan portfolio structure, 30 September 2013



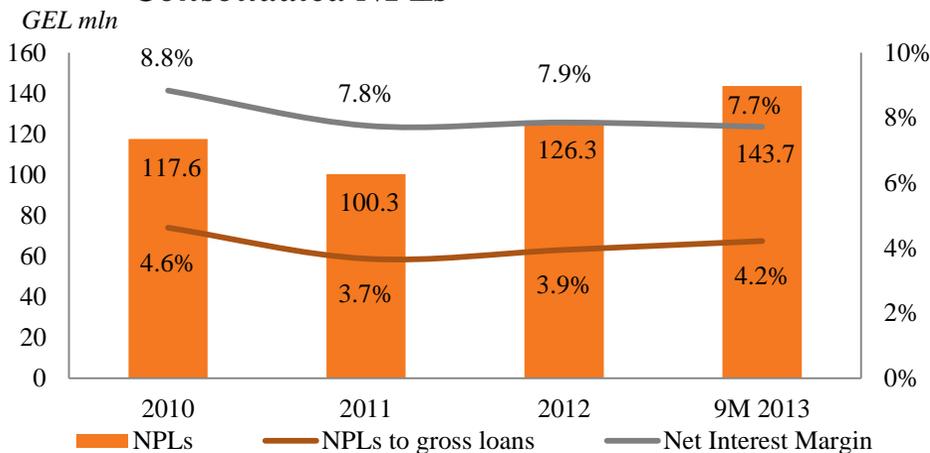
* Retail loans include consumer loans, residential mortgage loans, micro and SME loans, legacy retail loans and credit card balances

**includes BNB loans and finance lease receivable

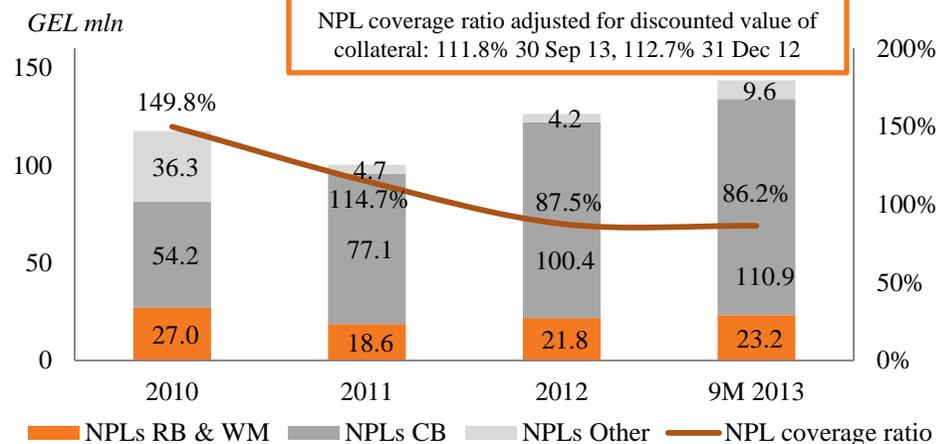
*** Credit card balances of GEL 133.2 million included, 3.9% of total loan book

Loan portfolio quality

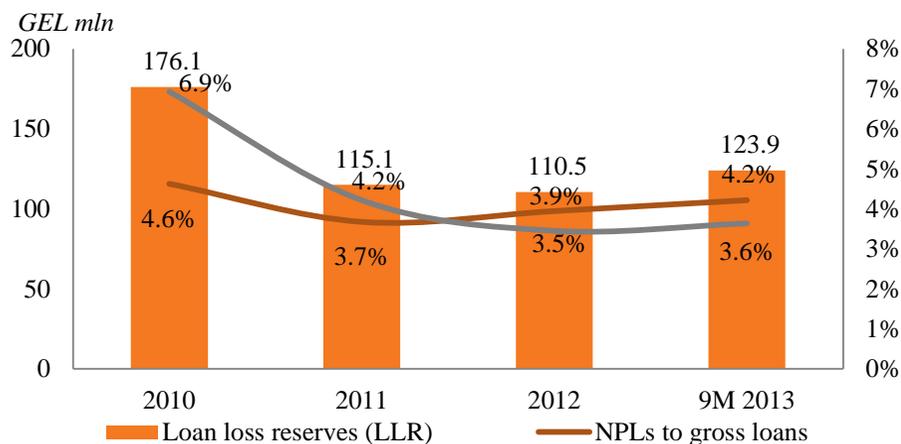
Consolidated NPLs



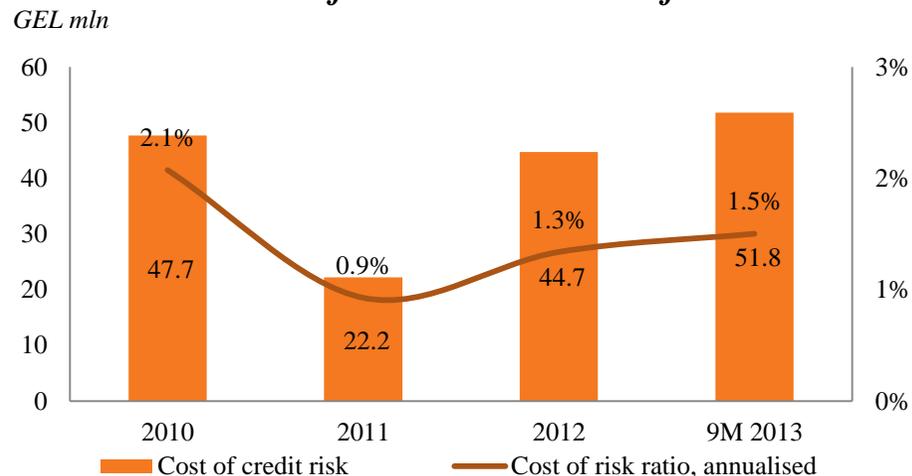
Consolidated NPL composition & coverage ratio



Consolidated loan loss reserve, NPLs to gross loans



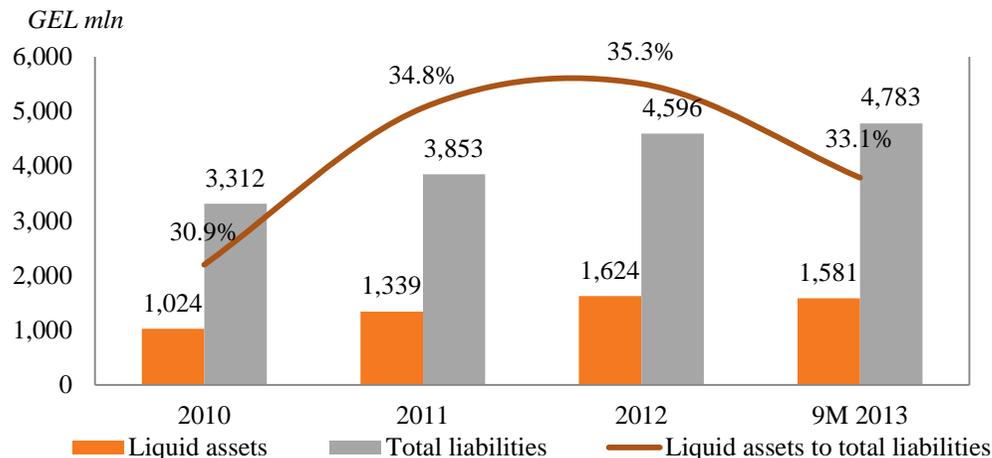
Consolidated cost of credit risk & cost of risk ratio



* Other NPLs include BG Bank (as 2010) and BNB

Strong liquidity

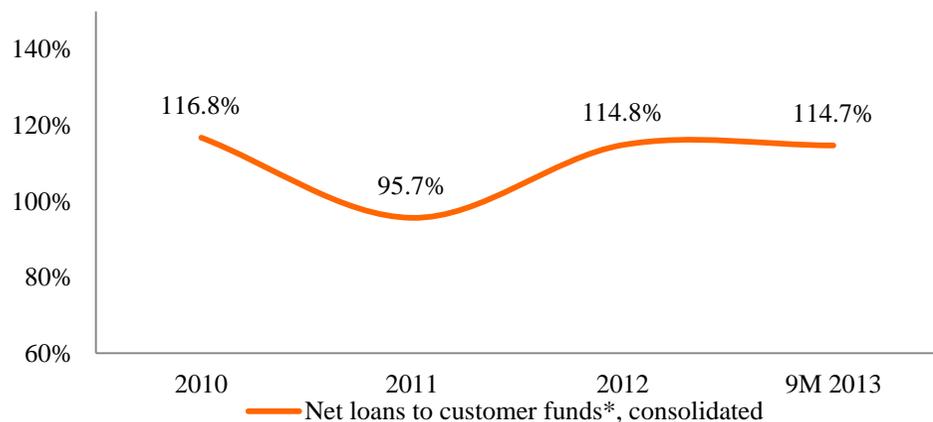
Liquid assets to total liabilities



NBG liquidity ratio

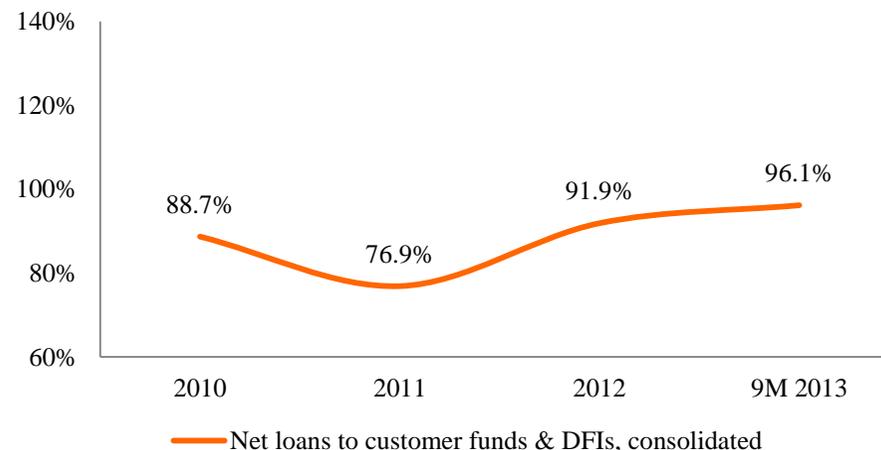
| Bank Standalone, GEL mln | 9M 2013 | 2012 | 2011 |
|--|---------|-------|-------|
| Liquid Assets (NBG) | 1,195 | 1,302 | 1,242 |
| Liabilities (NBG) | 3,185 | 3,166 | 3,286 |
| Liquid Assets / Liabilities \geq 30% | 37.5% | 41.1% | 37.8% |
| Excess liquidity | 240 | 353 | 256 |

Net loans to customer funds



*Customer funds includes client deposits, promissory notes and CDs issued

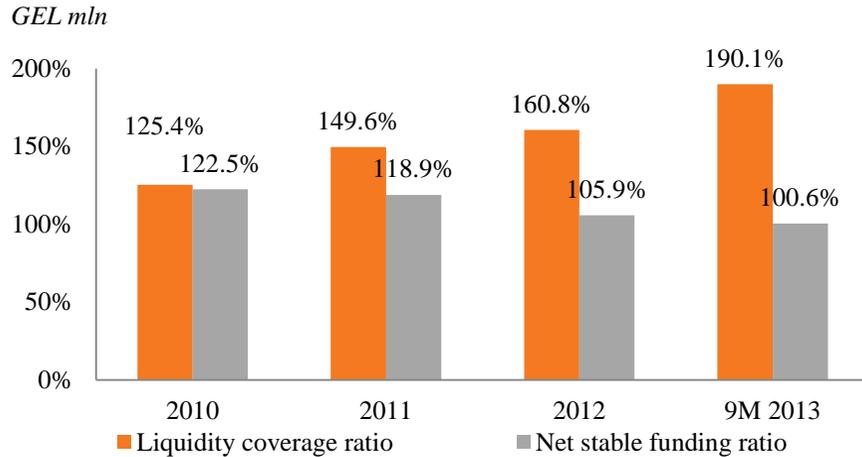
Net loans to customer funds & DFIs



Strong liquidity

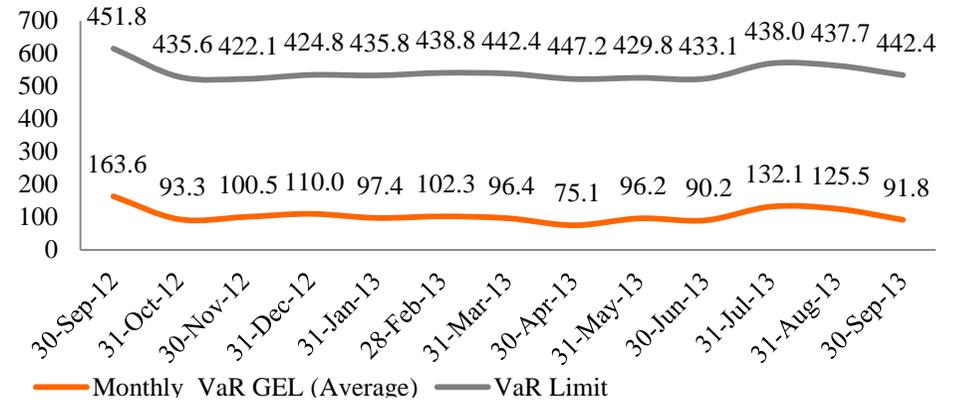
STANDALONE

Liquidity coverage ratio & net stable funding ratio



Foreign currency monthly VaR analysis

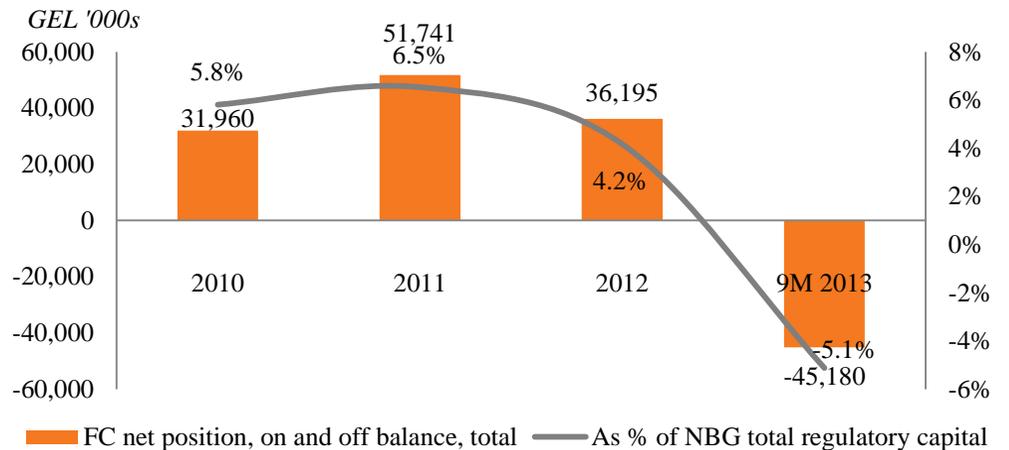
GEL mln, Daily VAR Analysis, Last 13 Months



Maturity gap, September 2013

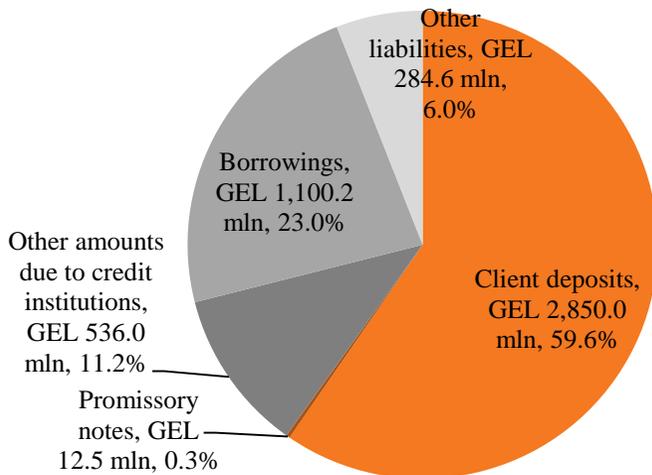


Open currency position



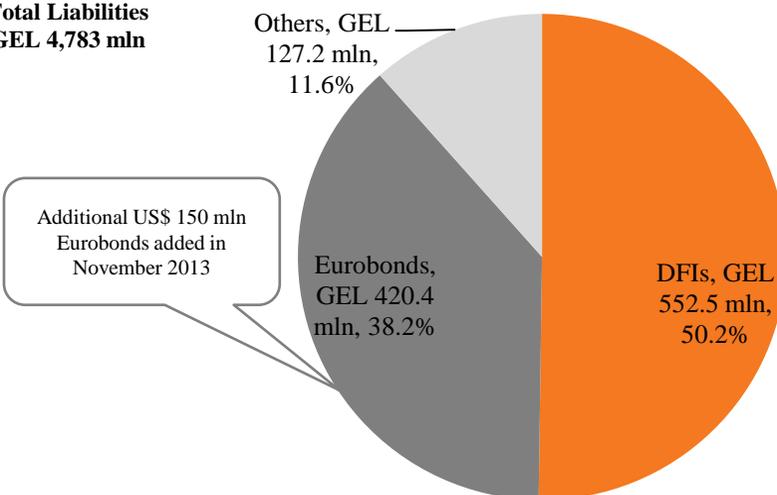
Funding structure is well-balanced

Liability structure

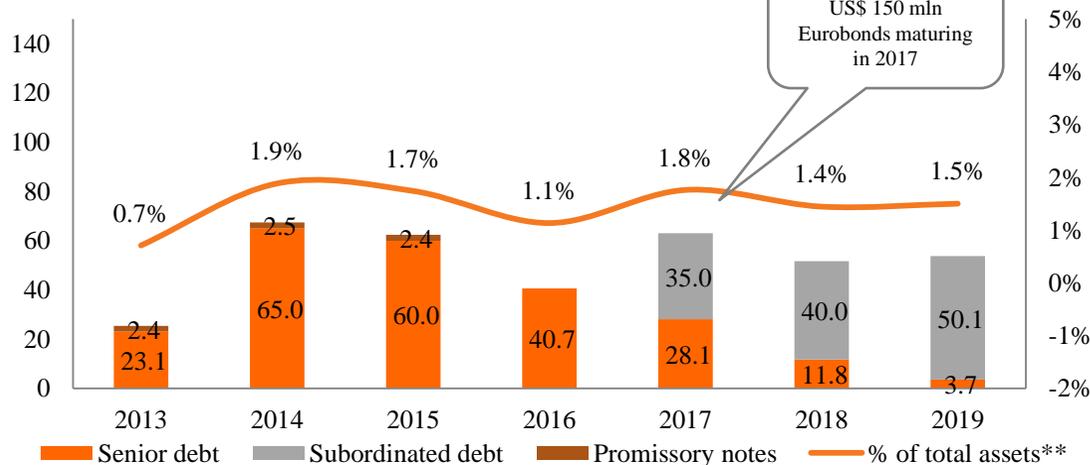


Total Liabilities
GEL 4,783 mln

Well diversified international borrowings



Borrowed funds maturity breakdown*



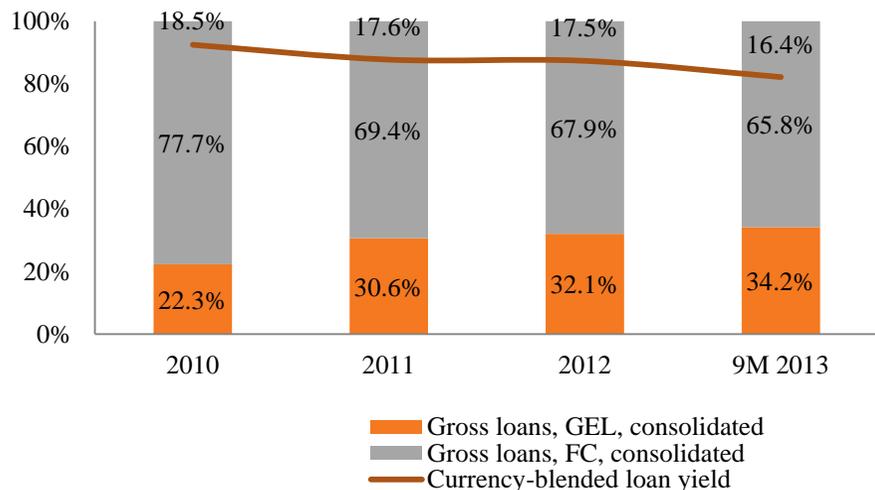
Amounts due to credit institutions

- The Bank has a well-balanced funding structure with 59.8% of total liabilities coming from customer funds, 11.6% from Developmental Financial Institutions (DFIs) and 8.8% from Eurobonds, as of 30 September 2013
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, DEG, Asian Development Bank, etc.
- As of 30 September 2013, US\$96.8 mln undrawn facilities from DFIs with three to nine year maturities

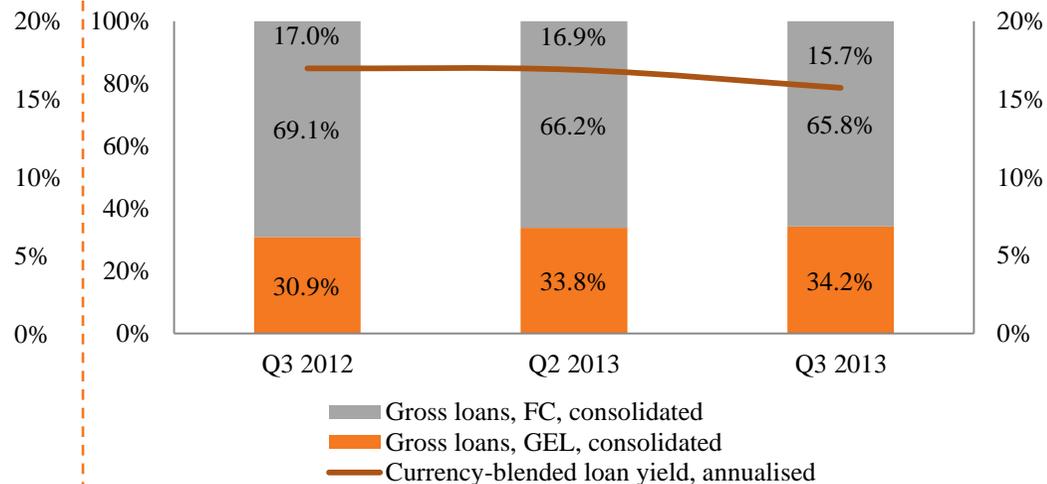
* Consolidated, converted at GEL/US\$ exchange rate of 1.6644 of 30 September 2013
** Total Assets as of 30 September 2013

Yield dynamics

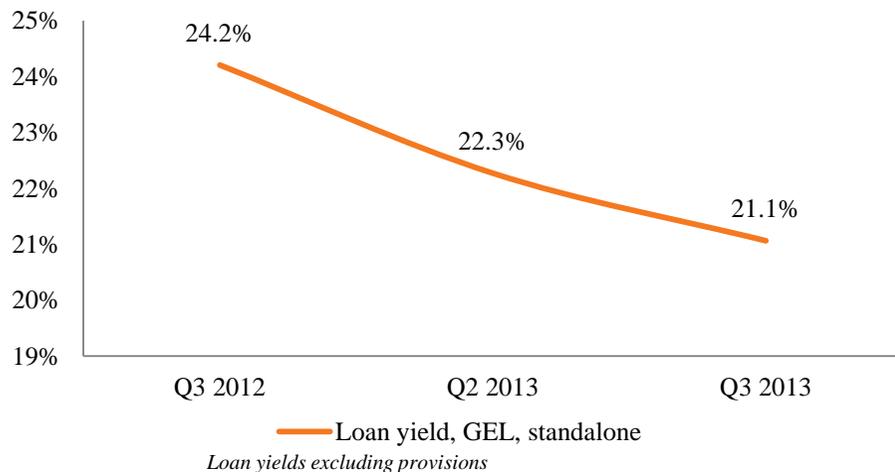
Loan yields, annual



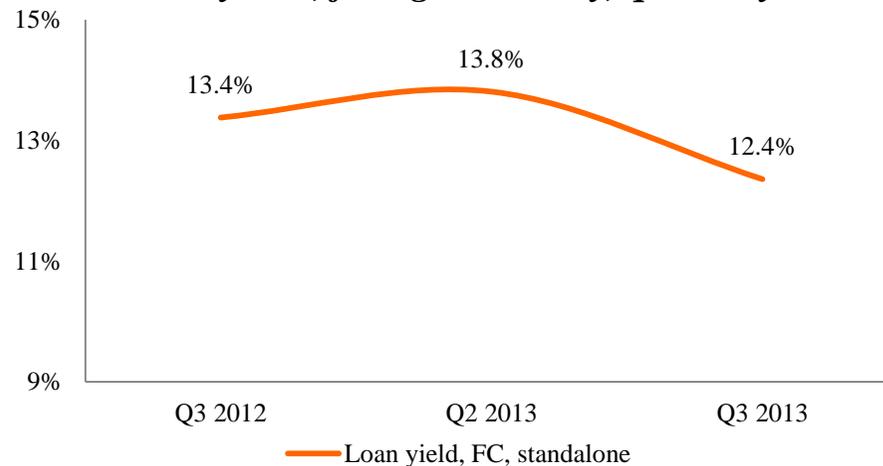
Loan yields, quarterly



Loan yields, GEL, quarterly

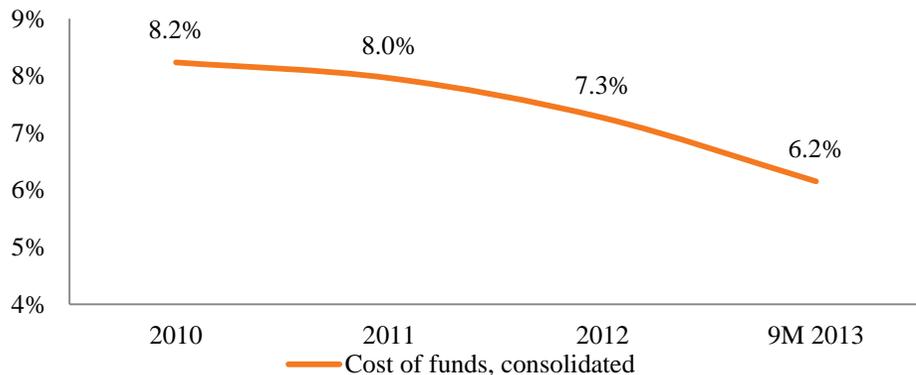


Loan yields, foreign currency, quarterly

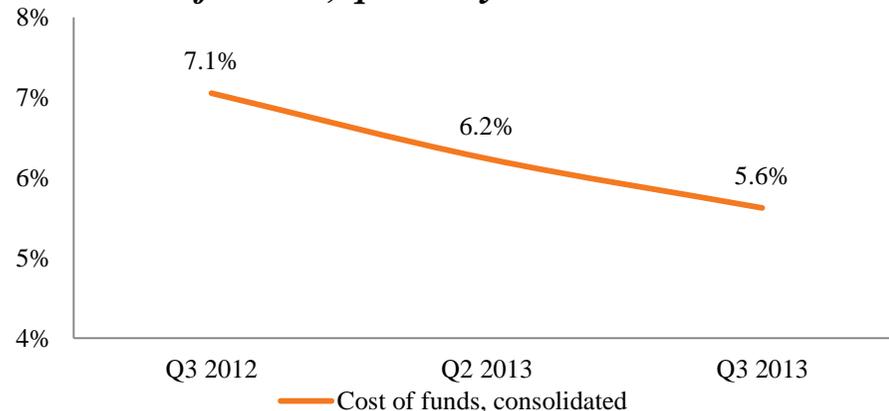


Cost of funds and loans to deposits

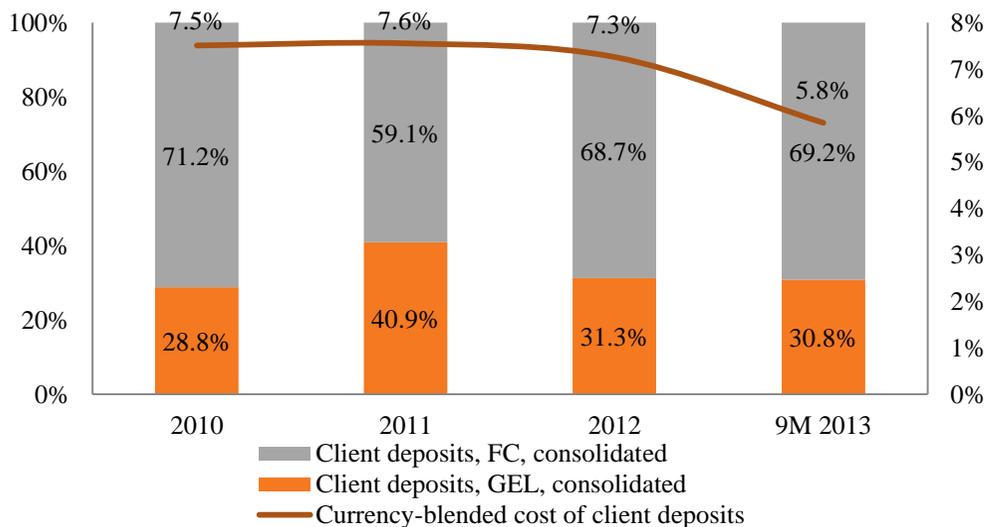
Cost of Funds



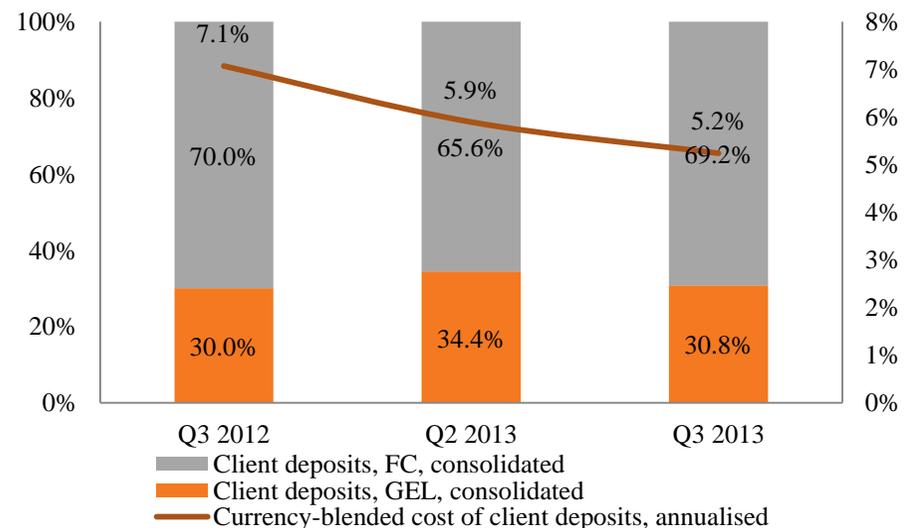
Cost of Funds, quarterly



Cost of client deposits

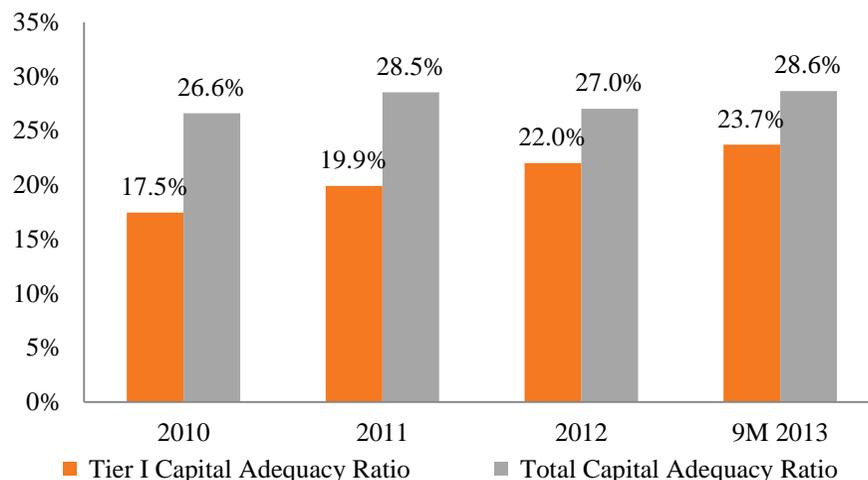


Cost of client deposits, quarterly

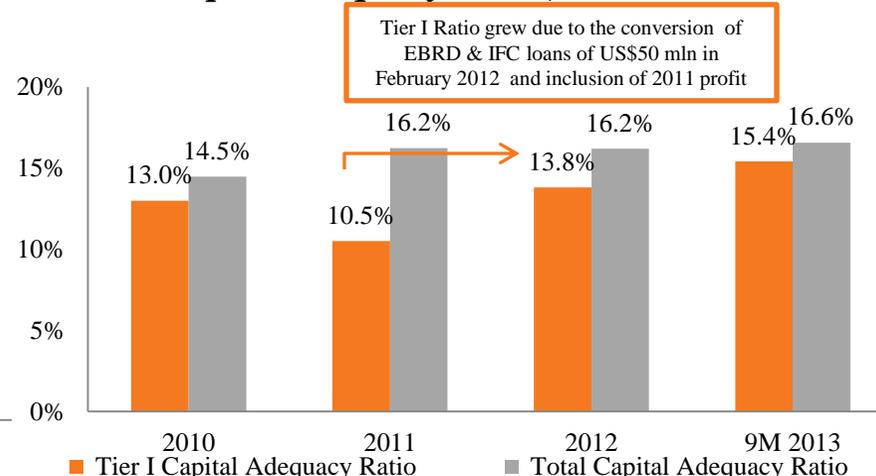


Excellent capital adequacy position

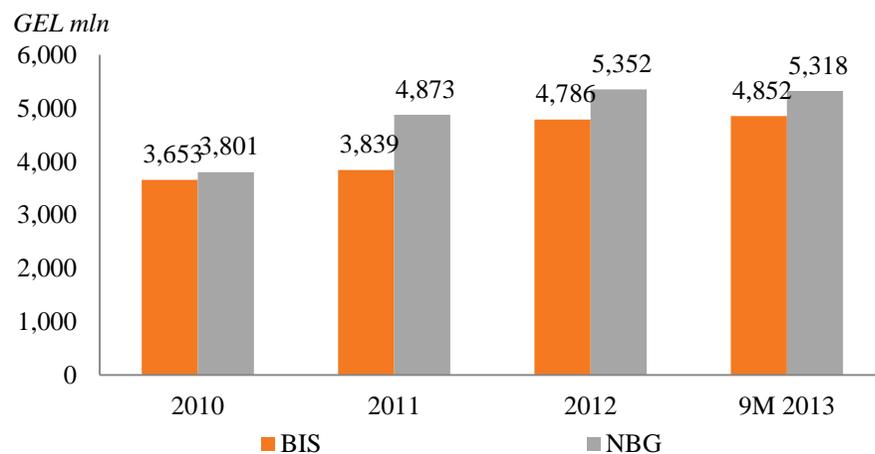
BIS capital adequacy ratios, consolidated



NBG capital adequacy ratios, standalone



Risk-weighted assets BIS vs. NBG



NBG Tier I Capital and Total Capital

| GEL mln | 9M 2013 | 2012 | 2011 |
|--------------------------------|----------------|----------------|----------------|
| Tier I Capital (Core) | 819.7 | 739.9 | 512.2 |
| Tier 2 Capital (Supplementary) | 325.4 | 389.7 | 463.8 |
| Less: Deductions | (263.1) | (262.6) | (184.3) |
| Total Capital | 882.0 | 866.9 | 791.7 |
| Risk weighted assets | 5,318.0 | 5,352.2 | 4,872.9 |
| Tier 1 Capital ratio | 15.4% | 13.8% | 10.5% |
| Total Capital ratio | 16.6% | 16.2% | 16.2% |

Risk weighting of FX denominated loans at 175% according to the National Bank of Georgia standards

NBG requires that investments in subsidiaries of more than 50% to be deducted from Total Capital

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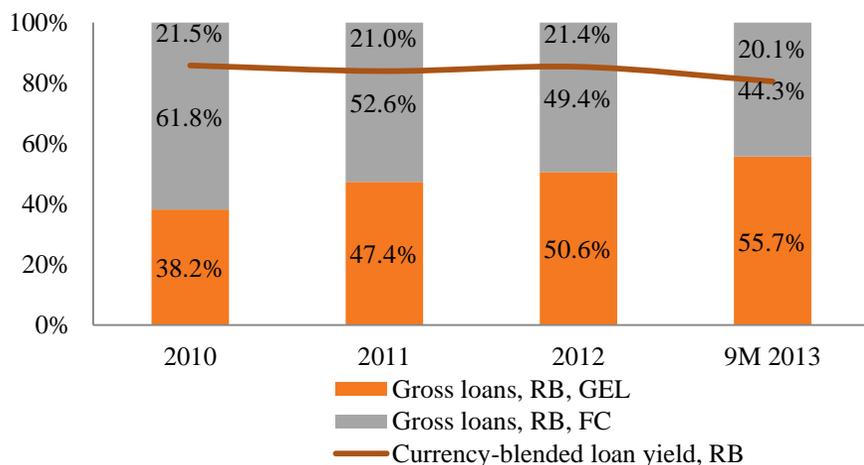
Appendices

Retail Banking (RB): Strong growth of deposits despite rate cuts

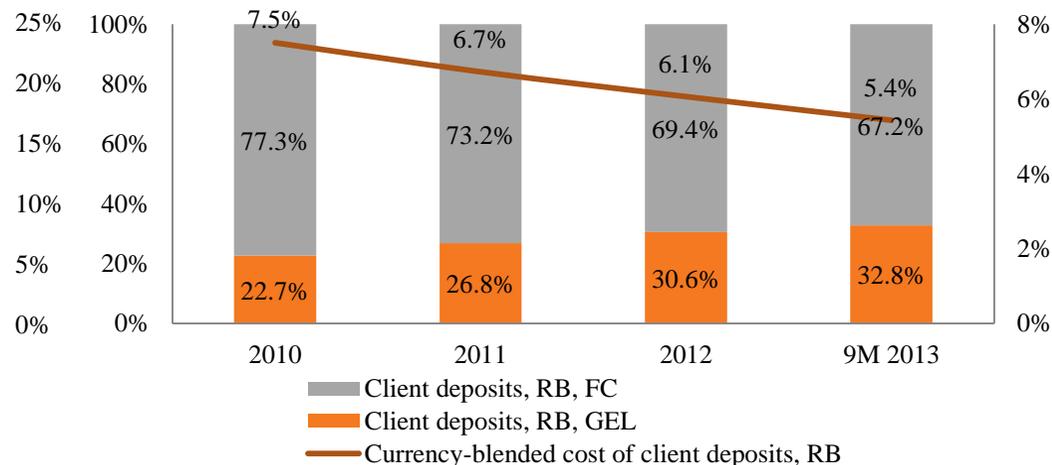
GEL thousands unless otherwise stated

| | 9M 2013 | 9M 2012 | Change Y-O-Y | Q3 2013 | Q3 2012 | Change Y-O-Y | Q2 2013 | Change Q-O-Q |
|--|----------------|----------------|-----------------|---------------|---------------|-----------------|---------------|-----------------|
| Net interest income | 141,008 | 126,312 | 11.6% | 49,942 | 43,086 | 15.9% | 48,077 | 3.9% |
| Net fee and commission income | 38,955 | 39,790 | -2.1% | 13,633 | 14,286 | -4.6% | 12,806 | 6.5% |
| Net gain from foreign currencies | 12,107 | 10,954 | 10.5% | 5,044 | 4,725 | 6.8% | 3,640 | 38.6% |
| Other operating non-interest income | 3,405 | 4,074 | -16.4% | 749 | 1,179 | -36.5% | 1,546 | -51.6% |
| Revenue | 195,475 | 181,130 | 7.9% | 69,368 | 63,276 | 9.6% | 66,069 | 5.0% |
| Operating expenses | (89,478) | (82,028) | 9.1% | (28,963) | (26,765) | 8.2% | (32,271) | -10.3% |
| Operating income before cost of credit risk | 105,997 | 99,102 | 7.0% | 40,405 | 36,511 | 10.7% | 33,798 | 19.5% |
| Cost of credit risk | (25,706) | (23,101) | 11.3% | (8,236) | (11,961) | -31.1% | (7,881) | 4.5% |
| Net non-operating expenses | (1,031) | (5,120) | -79.9% | (492) | (1,251) | -60.7% | (274) | 79.6% |
| Profit before income tax expense | 79,260 | 70,881 | 11.8% | 31,677 | 23,299 | 36.0% | 25,643 | 23.5% |
| Income tax expense | (9,443) | (10,901) | -13.4% | (3,428) | (3,512) | -2.4% | (2,675) | 28.1% |
| Profit from continuing operations | 69,817 | 59,980 | 16.4% | 28,249 | 19,787 | 42.8% | 22,968 | 23.0% |
| Net loss from discontinued operations | - | - | - | - | (3) | -100.0% | - | - |
| Profit | 69,817 | 59,980 | 16.4% | 28,249 | 19,784 | 42.8% | 22,968 | 23.0% |
| Net loans, standalone | 1,524,359 | 1,317,506 | 15.7% | 1,524,359 | 1,317,506 | 15.7% | 1,445,324 | 5.5% |
| Client deposits, standalone | 970,579 | 745,109 | 30.3% | 970,579 | 745,109 | 30.3% | 925,779 | 4.8% |
| Loan yield | 20.1% | 21.3% | | 19.6% | 21.7% | | 20.6% | |
| Cost of deposits | 5.4% | 6.2% | | 4.9% | 5.9% | | 5.4% | |

Retail Banking loan yields



Retail Banking deposit costs



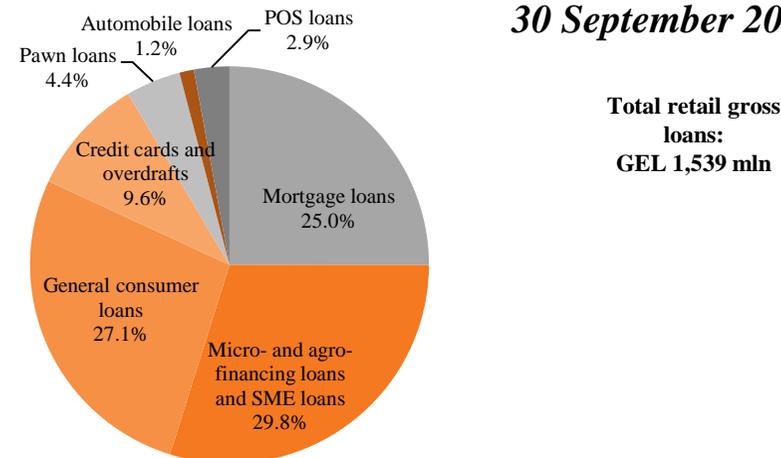
*The loss experience used to determine appropriate general risk provision was changed from seven to three years in Retail Banking in 2012

Retail Banking (RB) – No. 1 retail bank in Georgia

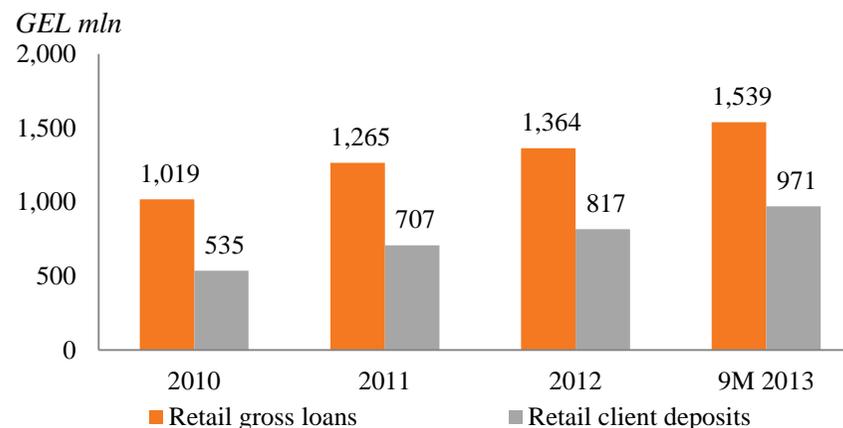
Retail Banking loans originated, standalone



Retail Banking gross loan portfolio consolidated, 30 September 2013



Retail Banking gross loans and deposits growth, consolidated



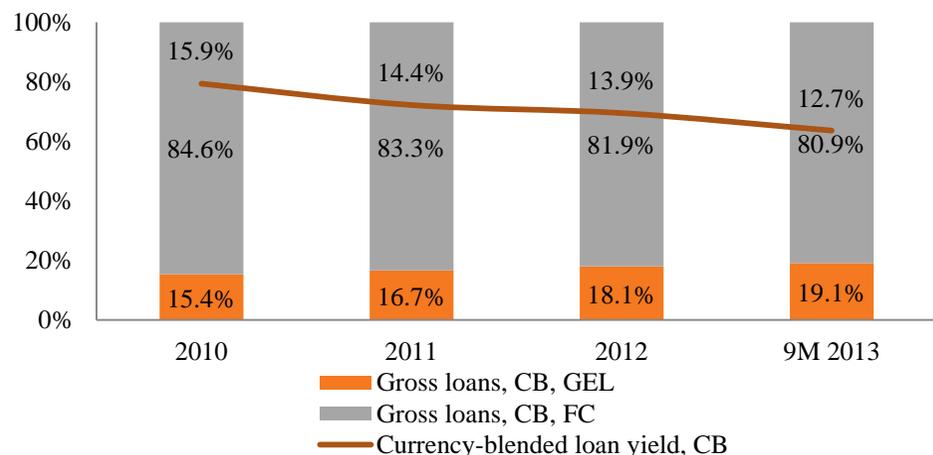
| Volumes are in GEL millions | 9M 2013 | % of clients | 2012 | 2011 | 2010 |
|---|-----------|--------------|-----------|---------|---------|
| Number of total Retail clients, of which: | 1,190,255 | | 1,054,248 | 888,794 | 823,859 |
| Number of Solo clients ("Premier Banking") | 6,305 | 0.5% | 5,413 | 3,728 | 2,303 |
| Consumer loans & other outstanding, volume | 547.4 | | 480.0 | 428.2 | 285.4 |
| Consumer loans & other outstanding, number | 441,724 | 37.1% | 406,213 | 342,652 | 265,212 |
| Mortgage loans outstanding, volume | 402.1 | | 388.7 | 375.0 | 370.6 |
| Mortgage loans outstanding, number | 10,007 | 0.8% | 9,850 | 9,162 | 8,434 |
| Micro & SME loans outstanding, volume | 458.8 | | 364.4 | 318.5 | 238.3 |
| Micro & SME loans outstanding, number | 13,248 | 1.1% | 11,136 | 9,860 | 8,360 |
| Credit cards and overdrafts outstanding, volume | 147.8 | | 146.4 | 143.3 | 124.3 |
| Credit cards and overdrafts outstanding, number | 176,679 | 14.8% | 142,072 | 131,119 | 121,444 |
| Credit cards outstanding, number*, of which: | 116,803 | 9.8% | 107,261 | 127,820 | 106,809 |
| American Express cards | 106,455 | 8.9% | 99,292 | 97,100 | 55,200 |

*definition changed in 2012 to include only active credit cards

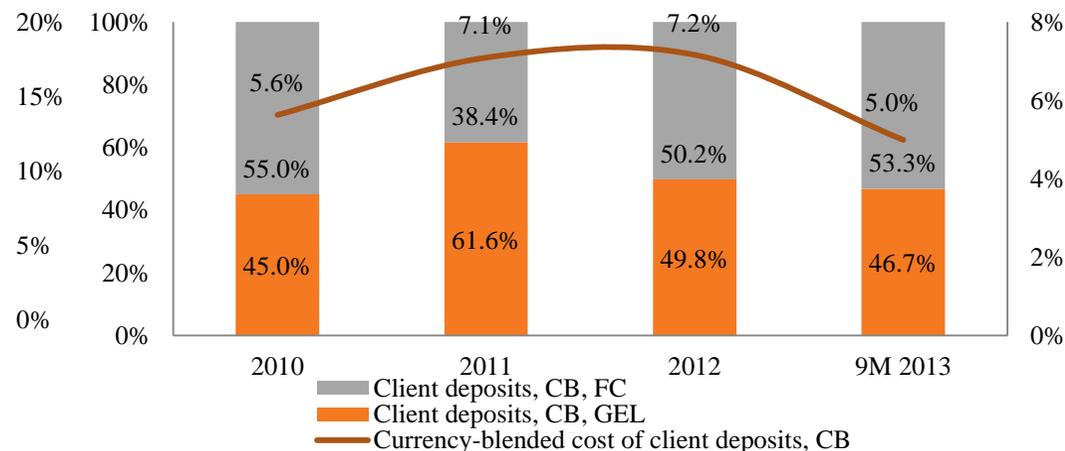
Corporate Banking (CB): Improved efficiency

| <i>GEL thousands unless otherwise stated</i> | 9M 2013 | 9M 2012 | Change Y-O-Y | Q2 2013 | Q2 2012 | Change Y-O-Y | Q1 2013 | Change Q-O-Q |
|--|-----------|-----------|-----------------|-----------|-----------|-----------------|-----------|-----------------|
| Net interest income | 76,244 | 67,080 | 13.7% | 25,785 | 21,412 | 20.4% | 25,282 | 2.0% |
| Net fee and commission income | 20,847 | 22,687 | -8.1% | 6,475 | 8,218 | -21.2% | 7,936 | -18.4% |
| Net gain from foreign currencies | 18,435 | 23,464 | -21.4% | 5,899 | 7,430 | -20.6% | 7,018 | -15.9% |
| Other operating non-interest income | 3,985 | 3,821 | 4.3% | 728 | 1,155 | -37.0% | 1,778 | -59.1% |
| Revenue | 119,511 | 117,052 | 2.1% | 38,887 | 38,215 | 1.8% | 42,014 | -7.4% |
| Operating expenses | (31,888) | (38,932) | -18.1% | (11,033) | (13,595) | -18.8% | (8,489) | 30.0% |
| Operating income before cost of credit risk | 87,623 | 78,120 | 12.2% | 27,854 | 24,620 | 13.1% | 33,525 | -16.9% |
| Cost of credit risk | (23,151) | (3,035) | NMF | (5,960) | (1,494) | NMF | (10,275) | -42.0% |
| Net non-operating expenses | (1,340) | (6,197) | -78.4% | (324) | (1,629) | -80.1% | (763) | -57.5% |
| Profit before Income tax expense | 63,132 | 68,888 | -8.4% | 21,570 | 21,497 | 0.3% | 22,487 | -4.1% |
| Income tax expense | (7,918) | (11,263) | -29.7% | (1,945) | (3,441) | -43.5% | (2,680) | -27.4% |
| Profit from continuing operations | 55,214 | 57,625 | -4.2% | 19,625 | 18,056 | 8.7% | 19,807 | -0.9% |
| Net loss from discontinued operations | - | - | - | - | 3 | -100.0% | - | - |
| Profit | 55,214 | 57,625 | -4.2% | 19,625 | 18,059 | 8.7% | 19,807 | -0.9% |
| Net loans, standalone | 1,674,763 | 1,709,096 | -2.0% | 1,674,763 | 1,709,096 | -2.0% | 1,668,041 | 0.4% |
| Client deposits, standalone | 1,190,121 | 1,327,008 | -10.3% | 1,190,121 | 1,327,008 | -10.3% | 1,234,963 | -3.6% |
| <i>Loan yield</i> | 12.7% | 14.2% | | 11.7% | 13.2% | | 13.0% | |
| <i>Cost of deposits</i> | 5.0% | 7.4% | | 3.9% | 6.8% | | 5.3% | |

Corporate Banking loan yields



Corporate Banking deposit costs



Corporate Banking (CB): Strong growth of the diversified CB loan book

Integrated client coverage in the following key sectors

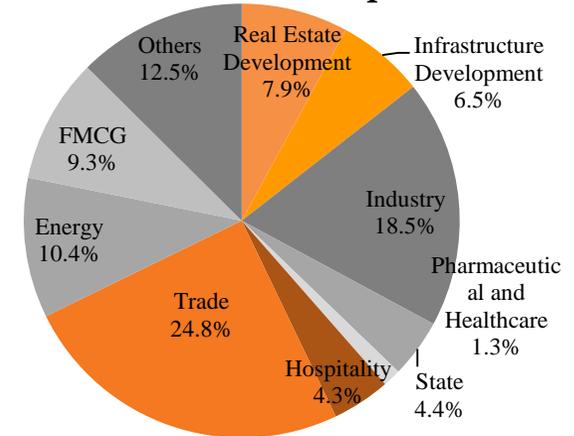
- Trade
- Energy
- Fast Moving Consumer Goods (FMCG)
- Real Estate
- Infrastructure
- Industry
- Pharmaceuticals & healthcare
- State
- Hospitality

Highlights

- No.1 corporate bank in Georgia
- Circa 31.2% market share based on client deposits¹ as of 30 September 2013
- Integrated client coverage in key sectors
- c.7,100 clients served by dedicated relationship bankers

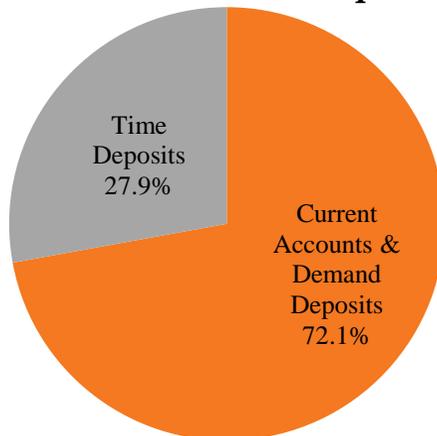
Corporate gross loan portfolio, standalone, 30 September 2013

Total gross loan portfolio
GEL 1,688 mln



Corporate banking client deposits standalone, 30 September 2013

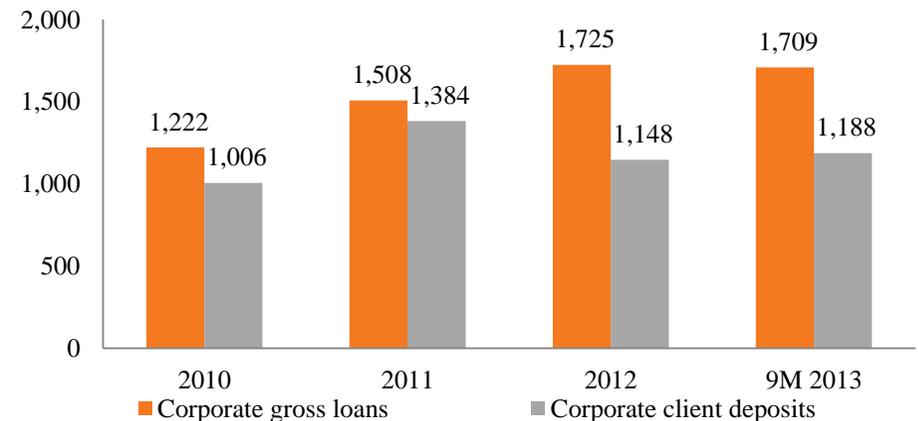
Total corporate deposits:
GEL 1,188 mln



¹ source: National Bank of Georgia, does not include interbank deposits

Corporate gross loan and deposit growth, consolidated

GEL mln



Investment Management results overview

GEL thousands unless otherwise stated

| | Sep-13 | Sep-12 | Change Y-O-Y | Q3 2013 | Q3 2012 | Change Y-O-Y | Q2 2013 | Change Q-O-Q |
|--|--------------|---------------|-----------------|--------------|--------------|-----------------|--------------|-----------------|
| Net interest income | 6,109 | 10,943 | -44.2% | 1,556 | 4,392 | -64.6% | 2,332 | -33.3% |
| Net fee and commission income | 389 | 362 | 7.5% | 105 | 132 | -20.5% | 154 | -31.8% |
| Net gain from foreign currencies | 1,041 | 550 | 89.3% | 267 | 170 | 57.1% | 391 | -31.7% |
| Other operating non-interest income | 32 | 67 | -52.2% | 4 | 28 | -85.7% | 11 | -63.6% |
| Revenue | 7,571 | 11,922 | -36.5% | 1,932 | 4,722 | -59.1% | 2,888 | -33.1% |
| Operating expenses | (4,640) | (3,585) | 29.4% | (1,981) | (1,660) | 19.3% | (1,682) | 17.8% |
| Operating income before cost of credit risk | 2,931 | 8,337 | -64.8% | (49) | 3,062 | NMF | 1,206 | NMF |
| Cost of credit risk | 120 | (254) | NMF | (142) | (254) | -44.1% | 140 | NMF |
| Net non-operating expenses | (40) | (174) | -77.0% | (13) | (50) | -74.0% | (21) | -38.1% |
| Profit before income tax expense | 3,011 | 7,909 | -61.9% | (204) | 2,758 | NMF | 1,325 | NMF |
| Income tax expense | (355) | (1,214) | -70.8% | 46 | (415) | NMF | (119) | NMF |
| Profit | 2,656 | 6,695 | -60.3% | (158) | 2,343 | NMF | 1,206 | NMF |
| Client deposits, standalone | 614,611 | 595,285 | 3.2% | 614,611 | 595,285 | 3.2% | 624,207 | -1.5% |
| Cost of deposits | 8.1% | 9.0% | -0.9% | 8.0% | 8.8% | -0.8% | 8.0% | 0.0% |

Investment Management client deposits growth

GEL mln



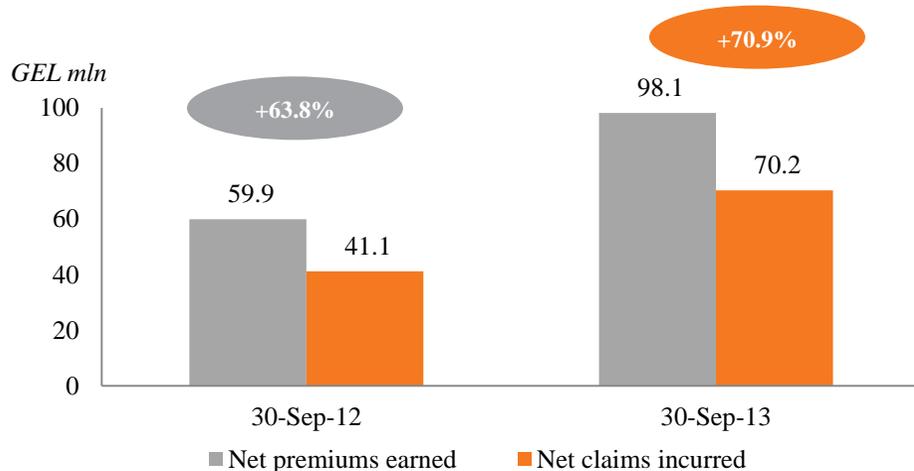
Change in internal transfer pricing rate within segments (from Investment Management to RB and CB)

Highlights

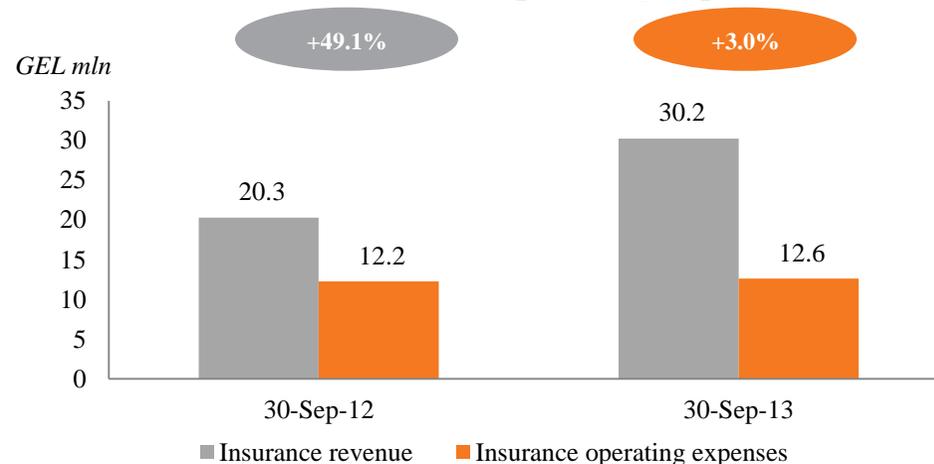
- Strengthening presence internationally through representative offices in Israel (since 2008), the UK (2010) and Hungary (2012).
- Preparing to launch local currency fixed income fund initially focusing on Caucasus region to allow investors access to fixed income instruments of these frontier markets that offer attractive risk return profile.
- Bank of Georgia Research unit, previously under Corporate Banking has moved under Investment Management. The unit has already initiated Macro Economic research as well as sector coverage of Energy, Tourism and Agricultural sectors and is gearing up for launching macro research.

Insurance & healthcare

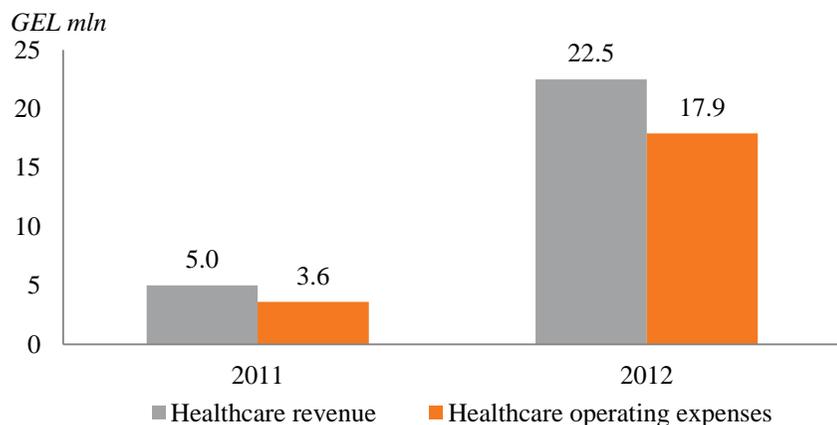
Net premiums earned & net claims incurred, 9M



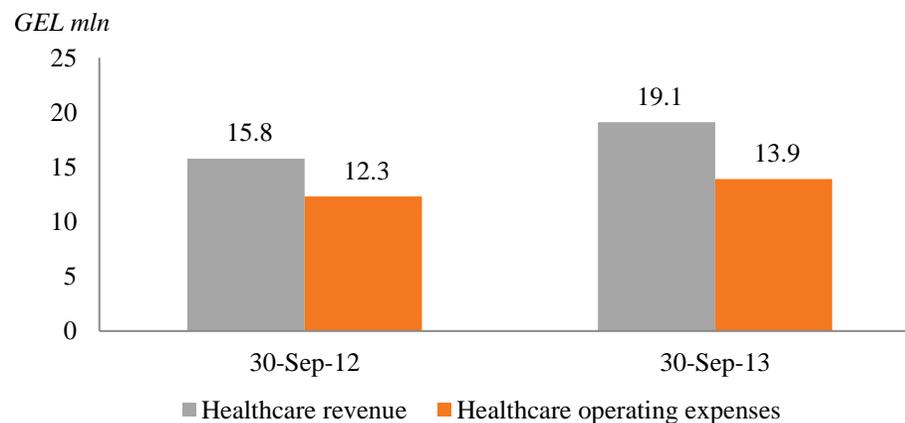
Insurance revenue and operating expenses, 9M



Healthcare revenue and costs, annual



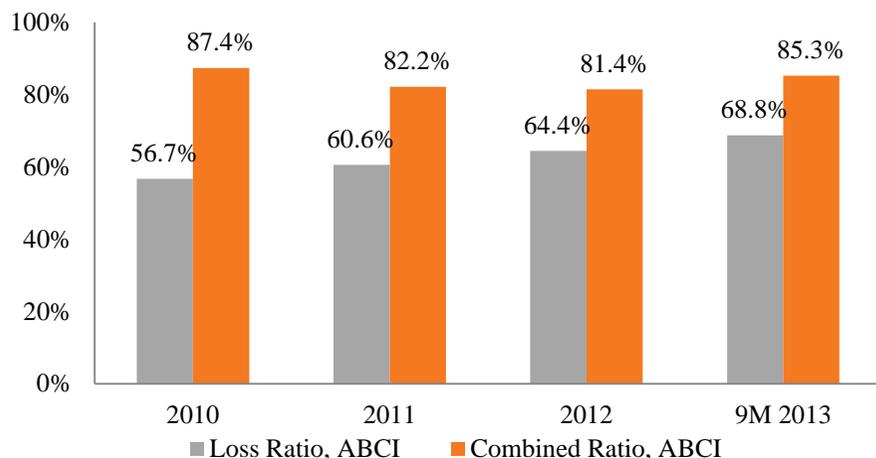
Healthcare revenue and costs, proforma*, 9M



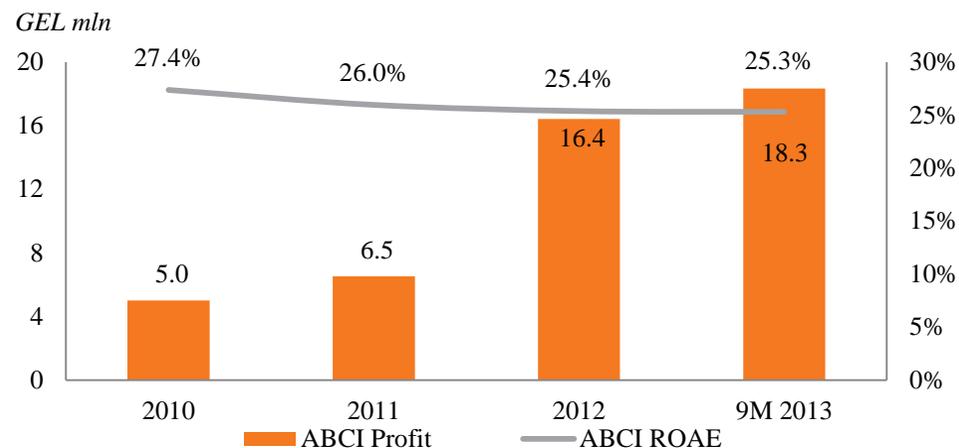
*Due to accounting reclassification, cost of healthcare services in 9M 2013 include additional depreciation and utility expenses, which were presented in operating expenses in 2012. In the pro-forma chart, 9M 2013 has been normalised for the additional net-offs.

Insurance and Healthcare (Aldagi), cont'd

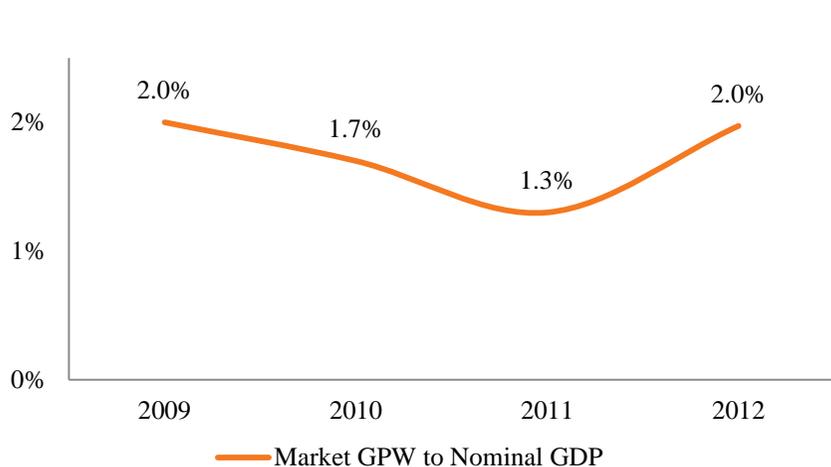
Loss ratio & combined ratio



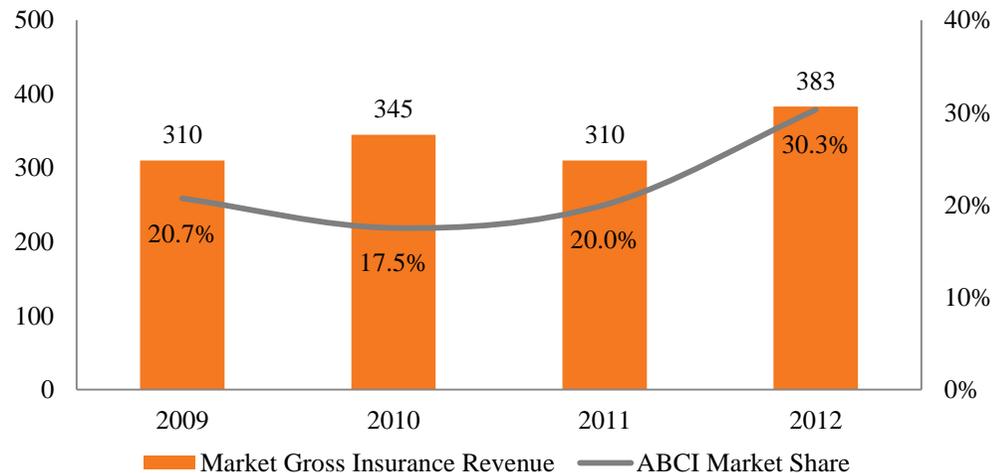
Aldagi Profits & ROAE



Market GPW to nominal GDP



Aldagi market share in total market

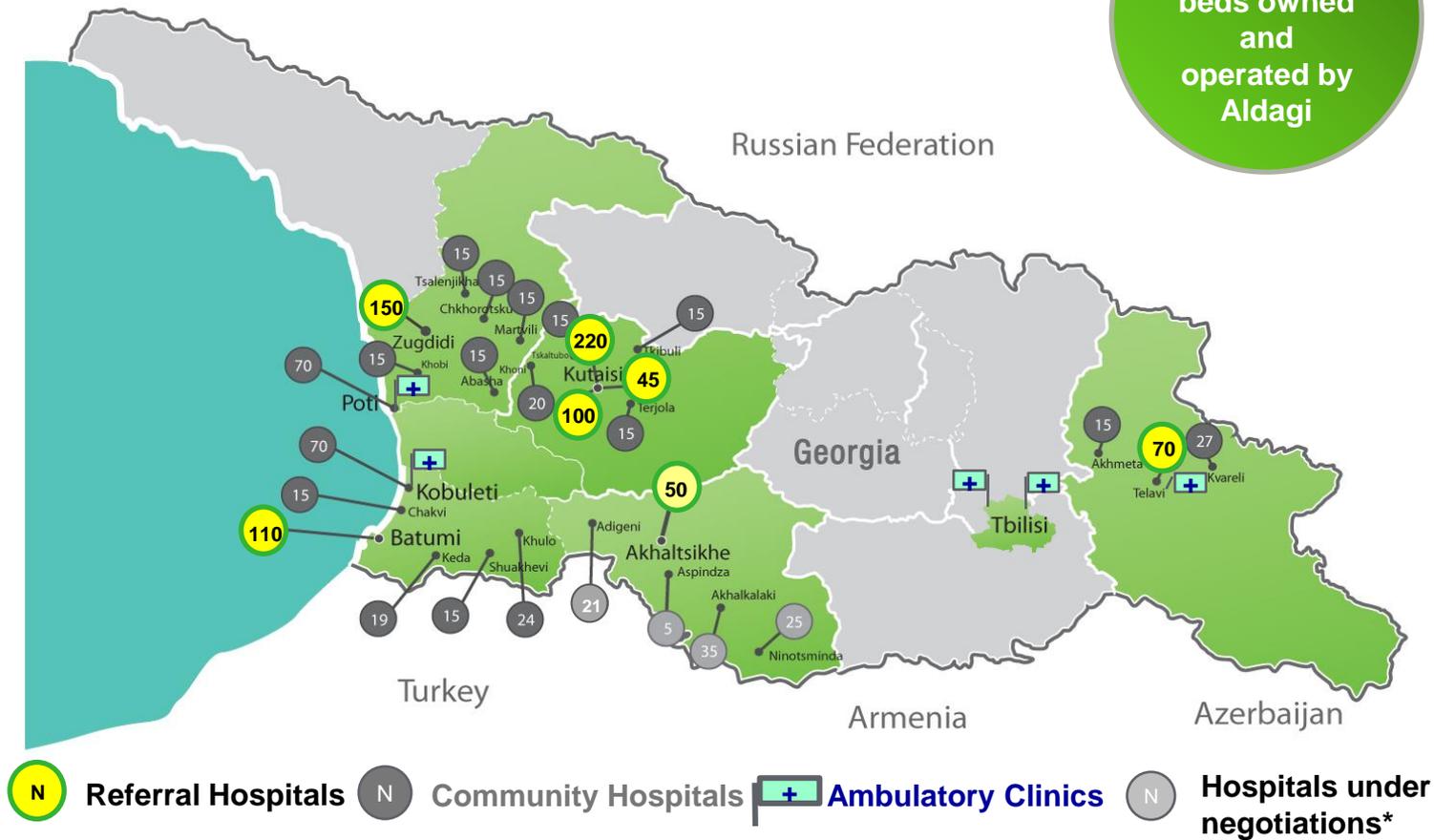


* The sum of incurred losses and expenses divided by earned premium

Aldagi healthcare

Aldagi Hospitals by Regions

1,221 hospital beds owned and operated by Aldagi



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How Express works

Express Branch



- Opening accounts and deposits
- Issuing loans and credit cards
- Credit card and loan repayments
- Cash deposit into accounts
- Money transfers
- Utility and other payments

Express Pay



- Credit card repayments
- Loan repayments
- Cash deposit into accounts
- Loan activation
- Utility and other payments
- Mobile top-ups
- MetroMoney top-ups



Transport



- Acts as payments card in metro, buses and mini-buses

10 Payments



1 Free Ride on Bus or Metro

Express Merchant



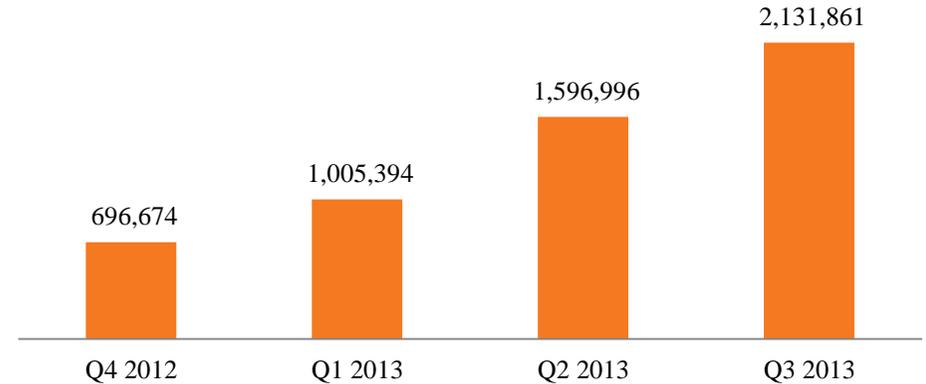
- Payments via cards and Express points
- P2P transactions between merchant and supplier
- Credit limit with 0% interest rate

Express Card

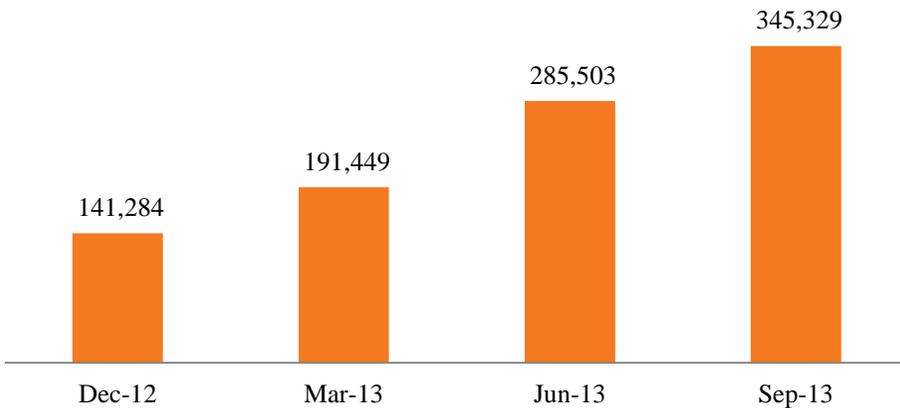


-  345K cards outstanding
-  Balance of GEL 39 mln
-  > 1 mln payments in transport per month
-  C. GEL 1 bn card payment and GEL 20 bn. cash payments

Number of transactions



Number of cards outstanding



Volume of transactions



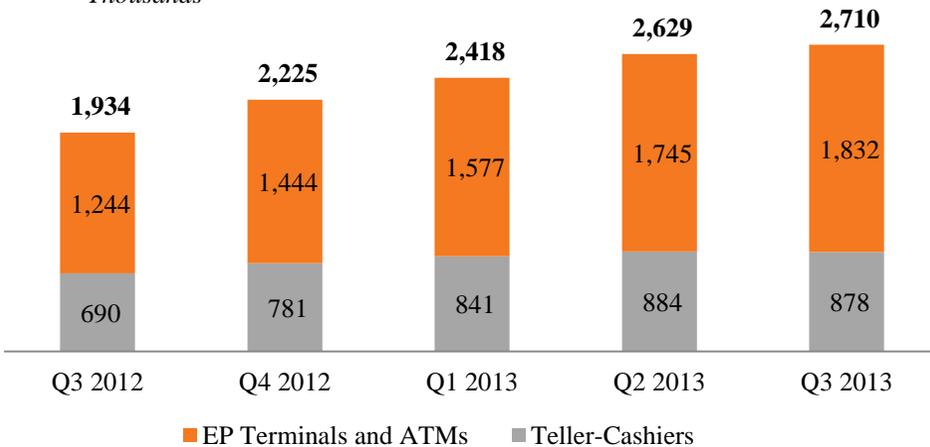
Express Branch



- 65 small format branches
- GEL 1 mln net profit per month
- 575K + banking transactions per month, up 51% y-o-y
- Average capex per one express branch: US\$50K

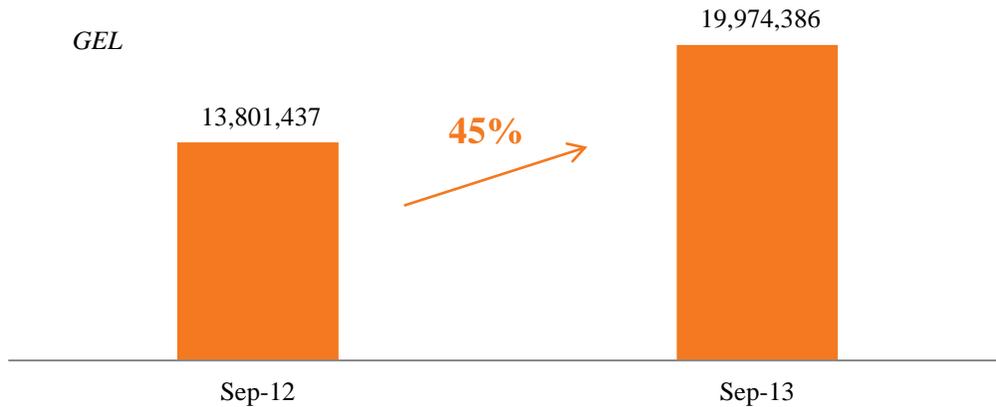
Number of transactions

Thousands



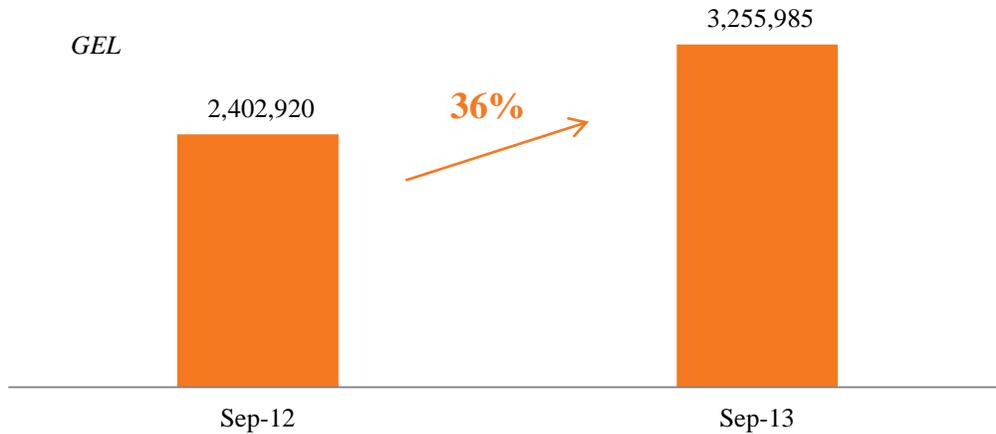
Loan book

GEL



Fee income

GEL

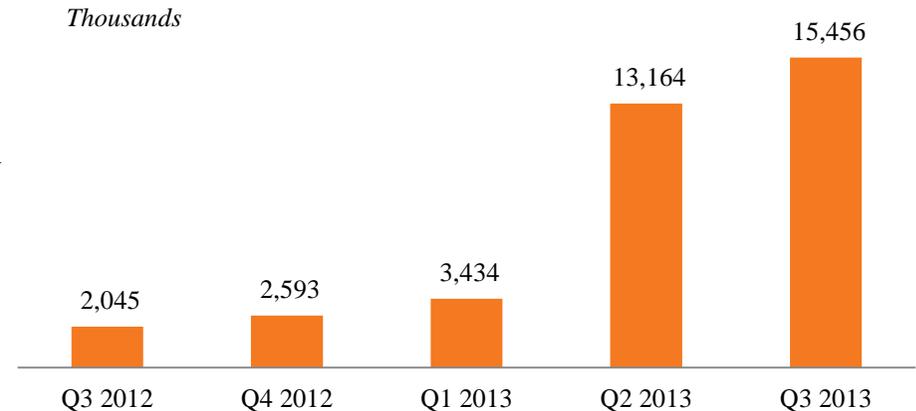


Express Pay Terminal

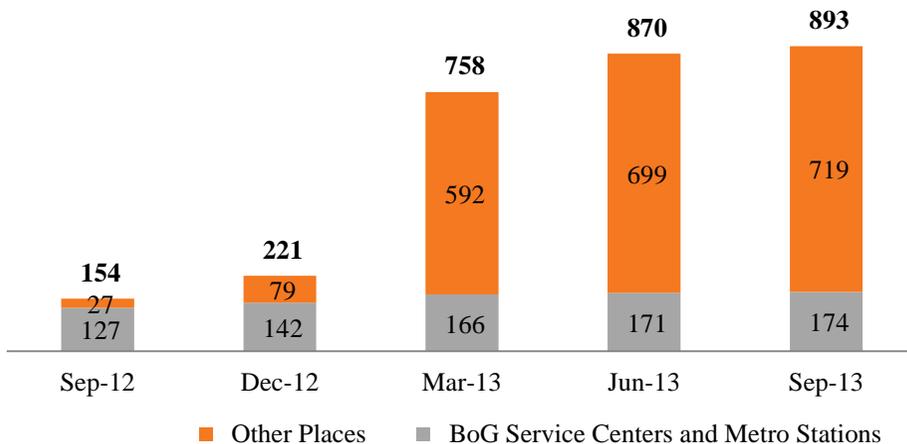


- 893 terminals
- 87 merchants and 131 services
- GEL 50 mln monthly transactions, up 422% y-o-y
- GEL 18 mln banking transactions, up 238% y-o-y
- Cost of one Express Pay Terminal: US\$2,500

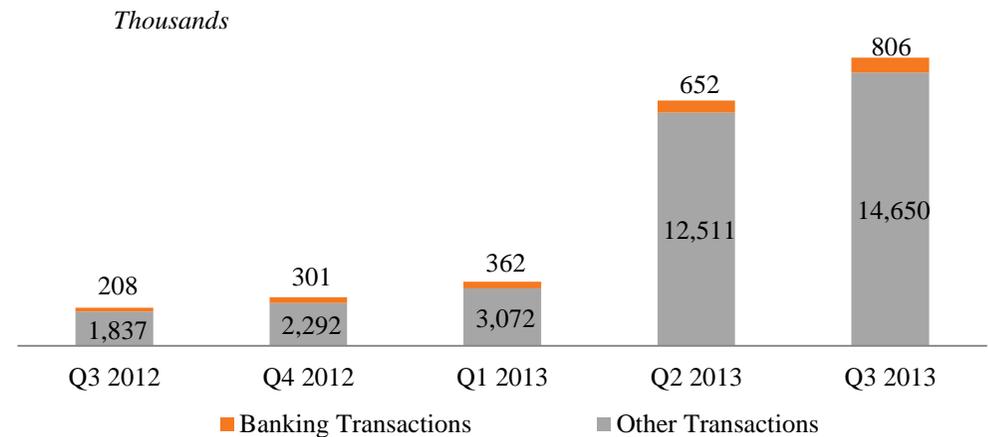
Number of transactions



Number of Express Pay Terminals



Number of banking transactions

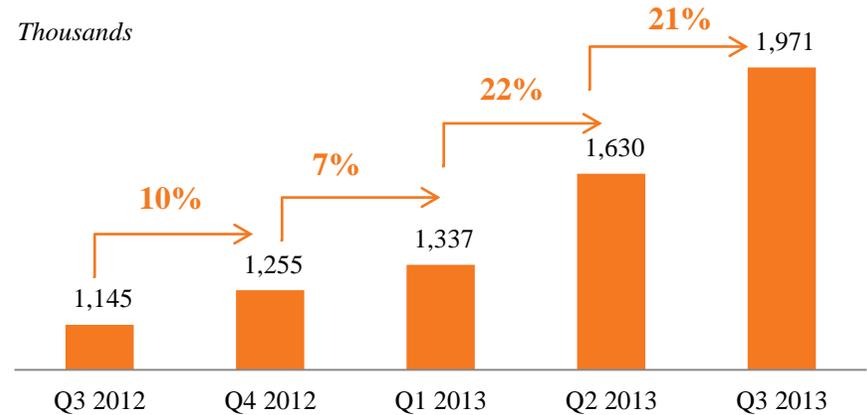


Express Merchant

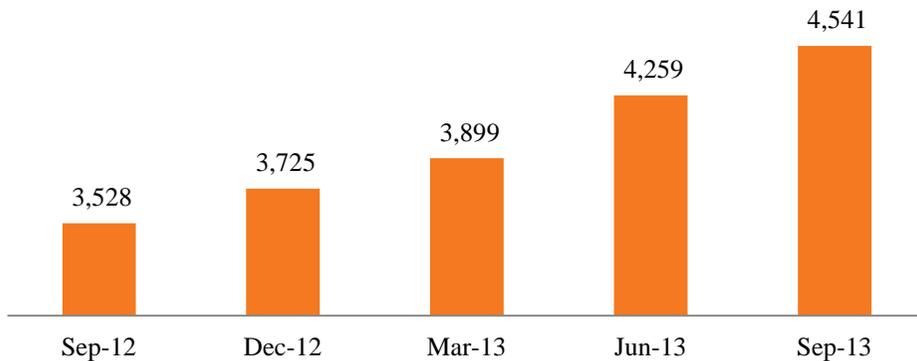


-  4.5K POS Terminals
-  >50% Market Share
-  Market Size – 10,000 Merchants

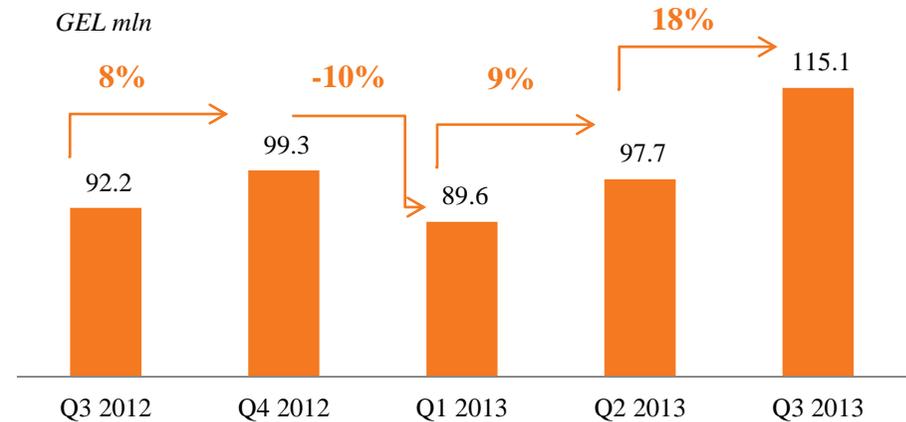
Number of transactions



Number of POS Terminals



Volume of transactions

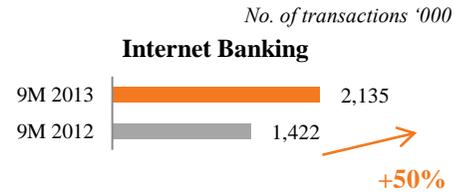




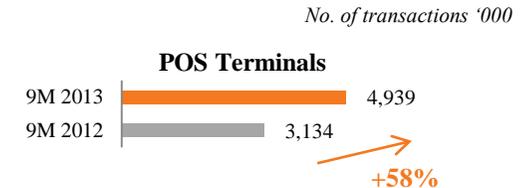
426,000+

A rise of distance channels

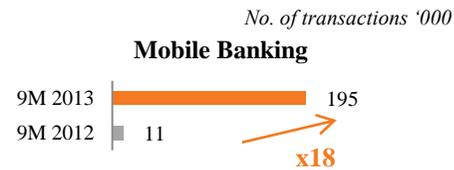
Internet banking: 40,000 active users



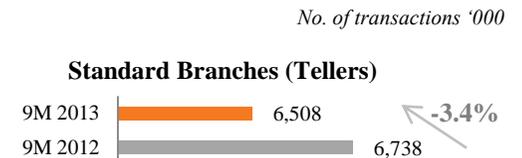
POS terminals: 4.5K throughout Georgia



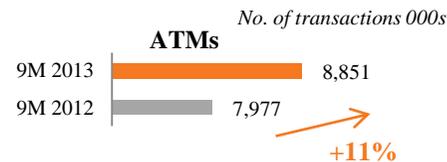
Mobile banking: 10,000 active users



Standard Branches (tellers): 134 branches



ATMs: 486 throughout Georgia



Digital corners



- 🏠 Digital corners provide free tutorials for internet and mobile banking services
- 🏠 Uniquely placed to benefit from internet and mobile banking's huge upside potential

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Analyst coverage of Bank of Georgia Holdings PLC

- Citi and Bank of America Merrill Lynch initiated coverage in May 2012 and September 2012, respectively
- BGEO becomes first Georgian stock to be covered by “bulge bracket” investment banks

Consensus Target Price: GBP 25

2013 Net Profit Consensus: GEL 201 mln

PANMURE GORDON & CO

GBP 30.00



GBP 23.00



GBP 26.62



GBP 24.00



GBP 21.50



GBP 28.00



GBP 24.50



GBP 18.25



GBP 30.00



GBP 30.00



GBP 27.00

PEEL HUNT

GBP 21.55

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9M 2013- Income Statement

| GEL thousands, unless otherwise noted | 9M 2013 Unaudited | 9M 2012 Unaudited | Change Y-O-Y |
|--|----------------------|----------------------|-----------------|
| Loans to customers | 389,493 | 374,888 | 3.9% |
| Investment securities | 27,223 | 25,931 | 5.0% |
| Amounts due from credit institutions | 6,678 | 13,672 | -51.2% |
| Finance lease receivables | 4,896 | 6,375 | -23.2% |
| Interest income | 428,290 | 420,866 | 1.8% |
| Amounts due to customers | (123,404) | (156,199) | -21.0% |
| Amounts due to credit institutions, of which: | (74,054) | (55,551) | 33.3% |
| Interest expense | (197,458) | (211,750) | -6.7% |
| Net interest income before interest rate swaps | 230,832 | 209,116 | 10.4% |
| Net loss from interest rate swaps | (303) | (1,538) | -80.3% |
| Net interest income | 230,529 | 207,578 | 11.1% |
| Fee and commission income | 83,906 | 81,251 | 3.3% |
| Fee and commission expense | (20,111) | (15,886) | 26.6% |
| Net fee and commission income | 63,795 | 65,365 | -2.4% |
| Net insurance premiums earned | 95,982 | 58,220 | 64.9% |
| Net insurance claims incurred | (60,862) | (36,340) | 67.5% |
| Net insurance revenue | 35,120 | 21,880 | 60.5% |
| Healthcare revenue | 41,745 | 38,625 | 8.1% |
| Cost of healthcare services | (27,730) | (22,404) | 23.8% |
| Net healthcare revenue | 14,015 | 16,221 | -13.6% |
| Net gain from trading and investment securities | 2,818 | 2,235 | 26.1% |
| Net gain from revaluation of investment property | 7,710 | - | - |
| Net gain from foreign currencies, of which: | 33,881 | 38,694 | -12.4% |
| Other operating income | 13,146 | 17,994 | -26.9% |
| Other operating non-interest income | 57,555 | 58,923 | -2.3% |
| Revenue | 401,014 | 369,967 | 8.4% |
| Salaries and other employee benefits | (99,438) | (90,173) | 10.3% |
| General and administrative expenses | (43,222) | (51,763) | -16.5% |
| Depreciation and amortisation expenses | (19,889) | (21,303) | -6.6% |
| Other operating expenses | (2,019) | (3,947) | -48.8% |
| Operating expenses | (164,568) | (167,186) | -1.6% |
| Operating income before cost of credit risk | 236,446 | 202,781 | 16.6% |
| Cost of credit risk | (51,803) | (28,593) | 81.2% |
| Net operating income | 184,643 | 174,188 | 6.0% |
| Net non-operating expenses | (6,871) | (15,445) | -55.5% |
| Profit before Income tax expense | 177,772 | 158,743 | 12.0% |
| Income tax expense | (24,073) | (26,066) | -7.6% |
| Profit | 153,699 | 132,677 | 15.8% |
| Attributable to: | | | |
| – shareholders of the Group | 147,845 | 129,209 | 14.4% |
| – non-controlling interests | 5,854 | 3,468 | 68.8% |
| Earnings per share (basic) | 4.35 | 3.94 | 10.4% |
| Earnings per share (diluted) | 4.35 | 3.92 | 11.0% |

Q3 2013 Income Statement

| GEL thousands, unless otherwise noted | Q3 2013 Unaudited | Q3 2012 Unaudited | Change Y-O-Y | Q2 2013 Unaudited | Change Q-O-Q |
|--|----------------------|----------------------|-----------------|----------------------|-----------------|
| Loans to customers | 129,445 | 129,923 | -0.4% | 130,589 | -0.9% |
| Investment securities | 9,581 | 8,125 | 17.9% | 9,634 | -0.6% |
| Amounts due from credit institutions | 1,733 | 4,049 | -57.2% | 2,330 | -25.6% |
| Finance lease receivables | 1,688 | 2,241 | -24.7% | 1,709 | -1.2% |
| Interest income | 142,447 | 144,338 | -1.3% | 144,262 | -1.3% |
| Amounts due to customers | (37,866) | (52,435) | -27.8% | (41,620) | -9.0% |
| Amounts due to credit institutions, of which: | (24,429) | (21,502) | 13.6% | (24,636) | -0.8% |
| Interest expense | (62,294) | (73,937) | -15.7% | (66,255) | -6.0% |
| Net interest income before interest rate swaps | 80,153 | 70,401 | 13.9% | 78,007 | 2.8% |
| Net loss from interest rate swaps | (118) | (485) | -75.7% | (109) | 8.3% |
| Net interest income | 80,035 | 69,916 | 14.5% | 77,898 | 2.7% |
| Fee and commission income | 29,008 | 29,773 | -2.6% | 28,337 | 2.4% |
| Fee and commission expense | (7,489) | (5,942) | 26.0% | (6,558) | 14.2% |
| Net fee and commission income | 21,519 | 23,831 | -9.7% | 21,779 | -1.2% |
| Net insurance premiums earned | 31,693 | 25,837 | 22.7% | 32,545 | -2.6% |
| Net insurance claims incurred | (19,297) | (15,915) | 21.3% | (21,547) | -10.4% |
| Net insurance revenue | 12,396 | 9,922 | 24.9% | 10,998 | 12.7% |
| Healthcare revenue | 14,256 | 16,038 | -11.1% | 14,419 | -1.1% |
| Cost of healthcare services | (9,232) | (9,013) | 2.4% | (9,319) | -0.9% |
| Net healthcare revenue | 5,024 | 7,025 | -28.5% | 5,100 | -1.5% |
| Net gain from trading and investment securities | 228 | 1,282 | -82.2% | 1,306 | -82.5% |
| Net gain from revaluation of investment property | 2,868 | - | - | 4,842 | -40.8% |
| Net gain from foreign currencies, of which: | 12,203 | 12,502 | -2.4% | 12,225 | -0.2% |
| Other operating income | 4,065 | 6,503 | -37.5% | 5,552 | -26.8% |
| Other operating non-interest income | 19,364 | 20,287 | -4.5% | 23,925 | -19.1% |
| Revenue | 138,338 | 130,981 | 5.6% | 139,700 | -1.0% |
| Salaries and other employee benefits | (34,361) | (32,340) | 6.2% | (32,575) | 5.5% |
| General and administrative expenses | (13,458) | (18,002) | -25.2% | (15,707) | -14.3% |
| Depreciation and amortisation expenses | (6,550) | (7,384) | -11.3% | (6,747) | -2.9% |
| Other operating expenses | (579) | (388) | 49.2% | (711) | -18.6% |
| Operating expenses | (54,948) | (58,114) | -5.4% | (55,740) | -1.4% |
| Operating income before cost of credit risk | 83,390 | 72,867 | 14.4% | 83,960 | -0.7% |
| Cost of credit risk | (15,540) | (14,645) | 6.1% | (18,984) | -18.1% |
| Net operating income | 67,850 | 58,222 | 16.5% | 64,976 | 4.4% |
| Net non-operating expenses | (1,419) | (3,051) | -53.5% | (4,089) | -65.3% |
| Profit before Income tax expense | 66,431 | 55,171 | 20.4% | 60,887 | 9.1% |
| Income tax expense | (7,834) | (8,528) | -8.1% | (7,782) | 0.7% |
| Profit | 58,597 | 46,643 | 25.6% | 53,105 | 10.3% |
| Attributable to: | | | | | |
| – shareholders of the Group | 56,110 | 44,994 | 24.7% | 51,138 | 9.7% |
| – non-controlling interests | 2,487 | 1,649 | 50.8% | 1,967 | 26.4% |
| Earnings per share (basic) | 1.65 | 1.35 | 22.2% | 1.51 | 9.3% |
| Earnings per share (diluted) | 1.65 | 1.35 | 22.2% | 1.51 | 9.3% |

30 September 2013 – Balance Sheet

| GEL thousands, unless otherwise noted | Sep-13 Unaudited | Sep-12 Unaudited | Change Y-O-Y | Jun-13 Unaudited | Change Q-O-Q |
|--|---------------------|---------------------|-----------------|---------------------|-----------------|
| Cash and cash equivalents | 687,396 | 666,896 | 3.1% | 547,404 | 25.6% |
| Amounts due from credit institutions | 324,825 | 487,275 | -33.3% | 326,537 | -0.5% |
| Investment securities | 567,598 | 375,853 | 51.0% | 644,237 | -11.9% |
| Loans to customers and finance lease receivables | 3,283,508 | 3,063,390 | 7.2% | 3,122,916 | 5.1% |
| Investments in associates | - | 3,020 | -100.0% | - | - |
| Investment property | 163,092 | 149,904 | 8.8% | 169,722 | -3.9% |
| Property and equipment | 455,089 | 412,487 | 10.3% | 447,205 | 1.8% |
| Goodwill | 45,657 | 45,463 | 0.4% | 45,657 | 0.0% |
| Intangible assets | 24,540 | 20,667 | 18.7% | 24,039 | 2.1% |
| Income tax assets | 26,542 | 23,883 | 11.1% | 15,941 | 66.5% |
| Prepayments | 27,986 | 47,748 | -41.4% | 30,205 | -7.3% |
| Other assets | 348,114 | 233,931 | 48.8% | 297,831 | 16.9% |
| Total assets | 5,954,347 | 5,530,517 | 7.7% | 5,671,694 | 5.0% |
| Amounts due to customers, of which: | 2,862,512 | 2,795,794 | 2.4% | 2,850,234 | 0.4% |
| Client deposits | 2,850,000 | 2,688,540 | 6.0% | 2,838,153 | 0.4% |
| Promissory notes | 12,512 | 107,254 | -88.3% | 12,081 | 3.6% |
| Amounts due to credit institutions | 1,636,263 | 1,454,045 | 12.5% | 1,475,686 | 10.9% |
| Income tax liabilities | 69,355 | 61,646 | 12.5% | 57,411 | 20.8% |
| Provisions | 407 | 603 | -32.5% | 483 | -15.7% |
| Other liabilities | 214,874 | 210,481 | 2.1% | 184,975 | 16.2% |
| Total liabilities | 4,783,411 | 4,522,569 | 5.8% | 4,568,789 | 4.7% |
| Share capital | 961 | 965 | -0.4% | 903 | 6.4% |
| Additional paid-in capital | 24,496 | - | - | 19,645 | 24.7% |
| Treasury shares | (53) | (68) | -22.1% | (50) | 6.0% |
| Other reserves | 10,177 | 15,980 | -36.3% | 39,209 | -74.0% |
| Retained earnings | 1,078,645 | 945,006 | 14.1% | 988,885 | 9.1% |
| Non-controlling interests | 56,710 | 46,065 | 23.1% | 54,313 | 4.4% |
| Total equity | 1,170,936 | 1,007,948 | 16.2% | 1,102,905 | 6.2% |
| Total liabilities and equity | 5,954,347 | 5,530,517 | 7.7% | 5,671,694 | 5.0% |
| Book value per share | 32.83 | 28.81 | 14.0% | 30.90 | 6.2% |

Aldagi BCI Income Statement

| | Sep-13 | Sep-12 | Change Y-O-Y | | |
|---|-------------------|-------------------|-----------------|-------------------|-----------------|
| Gross premiums written (GPW) | 119,871 | 105,169 | 14.0% | | |
| Gross premiums earned | 108,280 | 73,240 | 47.8% | | |
| Net insurance premiums earned | 97,827 | 59,835 | 63.5% | | |
| Net insurance claims incurred | (60,862) | (36,341) | 67.5% | | |
| Net insurance revenue | 36,965 | 23,494 | 57.3% | | |
| Healthcare revenue | 41,745 | 38,625 | 8.1% | | |
| Cost of healthcare services | (27,730) | (22,404) | 23.8% | | |
| Net healthcare revenue | 14,015 | 16,221 | -13.6% | | |
| Net interest expense and other Revenue | (6,696) 44,284 | (2,339) 37,376 | 186.3% 18.5% | | |
| Operating expenses | (21,419) | (24,536) | -12.7% | | |
| Operating income before cost of credit risk | 22,865 | 12,840 | 78.1% | | |
| Cost of credit risk | (1,464) | (1,096) | 33.6% | | |
| Profit before Income tax expense | 21,401 | 11,744 | 82.2% | | |
| Income tax expense | (3,069) | (1,728) | 77.6% | | |
| Profit | 18,332 | 10,016 | 83.0% | | |
| | Q3 2013 | Q3 2012 | Change Y-O-Y | Q2 2013 | Change Q-O-Q |
| Gross premiums written (GPW) | 55,283 | 56,340 | -1.9% | 26,761 | 106.6% |
| Gross premiums earned | 35,731 | 31,700 | 12.7% | 36,338 | -1.7% |
| Net insurance premiums earned | 32,271 | 26,448 | 22.0% | 33,042 | -2.3% |
| Net insurance claims incurred | (19,297) | (15,915) | 21.3% | (21,547) | -10.4% |
| Net insurance revenue | 12,974 | 10,533 | 23.2% | 11,495 | 12.9% |
| Healthcare revenue | 14,256 | 16,038 | -11.1% | 14,419 | -1.1% |
| Cost of healthcare services | (9,232) | (9,013) | 2.4% | (9,319) | -0.9% |
| Net healthcare revenue | 5,024 | 7,025 | -28.5% | 5,100 | -1.5% |
| Net interest expense and other Revenue | (2,983) 15,015 | (1,939) 15,619 | 53.8% -3.9% | (1,724) 14,871 | 73.0% 1.0% |
| Operating expenses | (6,976) | (10,701) | -34.8% | (7,060) | -1.2% |
| Operating income before cost of credit risk | 8,039 | 4,918 | 63.5% | 7,811 | 2.9% |
| Cost of credit risk | (44) | (859) | -94.9% | (561) | -92.2% |
| Profit before income tax expense | 7,996 | 4,059 | 97.0% | 7,250 | 10.3% |
| Income tax expense | (1,111) | (576) | 92.9% | (1,031) | 7.8% |
| Profit | 6,885 | 3,483 | 97.7% | 6,219 | 10.7% |

Key Ratios

| KEY RATIOS | Sep-13 | Sep-12 |
|---|-------------|-------------|
| Profitability | | |
| ROAA, Annualised ¹ | 3.6% | 3.6% |
| ROAE, Annualised ² | 18.6% | 19.4% |
| Net Interest Margin, Annualised ³ | 7.7% | 7.8% |
| Loan Yield, Annualised ⁴ | 16.4% | 17.6% |
| Cost of Funds, Annualised ⁵ | 6.2% | 7.5% |
| Cost of Client Deposits, annualised | 5.8% | 7.5% |
| Cost of Amounts Due to Credit Institutions, annualised | 6.7% | 7.6% |
| Operating Leverage, Y-O-Y ⁶ | 10.0% | 9.3% |
| Efficiency | | |
| Cost / Income ⁷ | 41.0% | 45.2% |
| Liquidity | | |
| NBG Liquidity Ratio ⁸ | 37.5% | 42.0% |
| Liquid Assets To Total Liabilities ⁹ | 33.1% | 33.8% |
| Net Loans To Customer Funds | 114.7% | 109.6% |
| Net Loans To Customer Funds + DFIs | 96.1% | 90.8% |
| Leverage (Times) ¹⁰ | 4.1 | 4.5 |
| Asset Quality: | | |
| NPLs (in GEL) | 143,663 | 102,719 |
| NPLs To Gross Loans To Clients | 4.2% | 3.2% |
| NPL Coverage Ratio ¹¹ | 86.2% | 105.2% |
| Cost of Risk, Annualised ¹² | 1.5% | 1.2% |
| Capital Adequacy: | | |
| BIS Tier I Capital Adequacy Ratio, Consolidated ¹³ | 23.7% | 20.3% |
| BIS Total Capital Adequacy Ratio, Consolidated ¹⁴ | 28.6% | 25.8% |
| NBG Tier I Capital Adequacy Ratio ¹⁵ | 15.4% | 13.4% |
| NBG Total Capital Adequacy Ratio ¹⁶ | 16.6% | 15.9% |
| Per Share Values: | | |
| Basic EPS (GEL) ¹⁷ | 4.35 | 3.94 |
| Diluted EPS (GEL) | 4.35 | 3.92 |
| Book Value Per Share (GEL) | 32.83 | 28.81 |
| Ordinary Shares Outstanding - Weighted Average, Basic ¹⁹ | 33,998,855 | 32,830,379 |
| Ordinary Shares Outstanding - Weighted Average, Diluted ²⁰ | 33,998,855 | 33,241,639 |
| Ordinary Shares Outstanding - Period End, Basic | 33,936,007 | 33,388,904 |
| Treasury Shares Outstanding - Period End | (1,973,376) | (2,520,479) |
| Selected Operating Data: | | |
| Full Time Employees, Group, Of Which: | 11,571 | 10,537 |
| - Full Time Employees, BOG Stand-Alone | 3,662 | 3,635 |
| - Full Time Employees, Aldagi BCI Insurance | 598 | 509 |
| - Full Time Employees, Aldagi BCI Healthcare | 6,105 | 5,328 |
| - Full Time Employees, BNB | 388 | 309 |
| - Full Time Employees, Other | 818 | 756 |
| Total Assets Per FTE, BOG Stand-Alone (in GEL thousands) | 1,626 | 1,521 |
| Number Of Active Branches, Of Which: | 199 | 187 |
| - Flagship Branches | 34 | 34 |
| - Standard Branches | 100 | 95 |
| - Express Branches (including Metro) | 65 | 58 |
| Number Of ATMs | 486 | 468 |
| Number Of Cards Outstanding, Of Which: | 926,646 | 896,234 |
| - Debit cards | 809,843 | 766,132 |
| - Credit cards | 116,803 | 130,102 |
| Number Of POS Terminals | 4,541 | 3,528 |
| Aldagi Ratios: | | |
| ROAA, Annualised | 7.3% | 5.5% |
| ROAE, Annualised | 25.3% | 21.7% |
| Loss Ratio | 68.8% | 64.3% |
| Combined Ratio | 85.3% | 88.3% |

Q3 2013 - Key Ratios

| KEY RATIOS | Q3 2013 | Q3 2012 | Q2 2013 |
|---|-------------|-------------|-------------|
| Profitability | | | |
| ROAA, Annualised ¹ | 4.0% | 3.4% | 3.8% |
| ROAE, Annualised ² | 20.6% | 19.2% | 19.3% |
| Net Interest Margin, Annualised ³ | 7.7% | 7.3% | 7.9% |
| Loan Yield, Annualised ⁴ | 15.7% | 17.0% | 16.9% |
| Cost of Funds, Annualised ⁵ | 5.6% | 7.1% | 6.2% |
| Cost of Client Deposits, annualised | 5.2% | 7.1% | 5.9% |
| Cost of Amounts Due to Credit Institutions, annualised | 6.4% | 6.7% | 6.9% |
| Operating Leverage, Y-O-Y ⁶ | 11.1% | 14.8% | 13.3% |
| Efficiency | | | |
| Cost / Income ⁷ | 39.7% | 44.4% | 39.9% |
| Liquidity | | | |
| NBG Liquidity Ratio ⁸ | 37.5% | 42.0% | 44.8% |
| Liquid Assets To Total Liabilities ⁹ | 33.1% | 33.8% | 33.3% |
| Net Loans To Customer Funds | 114.7% | 109.6% | 109.6% |
| Net Loans To Customer Funds + DFIs | 96.1% | 90.8% | 90.0% |
| Leverage (Times) ¹⁰ | 4.1 | 4.5 | 4.1 |
| Asset Quality: | | | |
| NPLs (in GEL) | 143,663 | 102,719 | 131,960 |
| NPLs To Gross Loans To Clients | 4.2% | 3.2% | 4.1% |
| NPL Coverage Ratio ¹¹ | 86.2% | 105.2% | 89.1% |
| Cost of Risk, Annualised ¹² | 1.6% | 1.6% | 1.5% |
| Capital Adequacy: | | | |
| BIS Tier I Capital Adequacy Ratio, Consolidated ¹³ | 23.7% | 20.3% | 22.9% |
| BIS Total Capital Adequacy Ratio, Consolidated ¹⁴ | 28.6% | 25.8% | 27.8% |
| NBG Tier I Capital Adequacy Ratio ¹⁵ | 15.4% | 13.4% | 15.4% |
| NBG Total Capital Adequacy Ratio ¹⁶ | 16.6% | 15.9% | 16.3% |
| Per Share Values: | | | |
| Basic EPS (GEL) ¹⁷ | 1.65 | 1.35 | 1.51 |
| Diluted EPS (GEL) | 1.65 | 1.35 | 1.51 |
| Book Value Per Share (GEL), Basic ¹⁸ | 32.83 | 28.81 | 30.90 |
| Book Value Per Share (GEL), Diluted | 31.03 | 26.79 | 29.20 |
| Ordinary Shares Outstanding - Weighted Average, Basic ¹⁹ | 33,936,007 | 33,350,984 | 33,829,260 |
| Ordinary Shares Outstanding - Weighted Average, Diluted ²⁰ | 33,936,007 | 33,350,984 | 33,829,260 |
| Ordinary Shares Outstanding - Period End, Basic | 33,936,007 | 33,388,904 | 33,936,007 |
| Treasury Shares Outstanding - Period End | (1,973,376) | (2,520,479) | (1,973,376) |
| Selected Operating Data: | | | |
| Full Time Employees, Group, Of Which: | 11,571 | 10,537 | 11,507 |
| - Full Time Employees, BOG Stand-Alone | 3,662 | 3,635 | 3,692 |
| - Full Time Employees, Aldagi BCI Insurance | 598 | 509 | 617 |
| - Full Time Employees, Aldagi BCI Healthcare | 6,105 | 5,328 | 6,027 |
| - Full Time Employees, BNB | 388 | 309 | 365 |
| - Full Time Employees, Other | 818 | 756 | 806 |
| Total Assets Per FTE, BOG Stand-Alone (in GEL thousands) | 1,626 | 1,521 | 1,536 |
| Number Of Active Branches, Of Which: | 199 | 187 | 197 |
| - Flagship Branches | 34 | 34 | 34 |
| - Standard Branches | 100 | 95 | 100 |
| - Express Branches (including Metro) | 65 | 58 | 63 |
| Number Of ATMs | 486 | 468 | 481 |
| Number Of Cards Outstanding, Of Which: | 926,646 | 896,234 | 909,309 |
| - Debit cards | 809,843 | 766,132 | 797,492 |
| - Credit cards | 116,803 | 130,102 | 111,817 |
| Number Of POS Terminals | 4,541 | 3,528 | 4,259 |
| Aldagi Ratios: | | | |
| ROAA, Annualised | 8.2% | 4.3% | 7.4% |
| ROAE, Annualised | 27.1% | 16.3% | 24.9% |
| Loss Ratio | 66.0% | 64.9% | 71.5% |
| Combined Ratio | 83.4% | 82.0% | 85.8% |

Notes to Key Ratios

NOTES TO KEY RATIOS

- 1 Return On Average Total Assets (ROAA) equals Profit for the period divided by monthly Average Total Assets for the same period;
- 2 Return On Average Total Equity (ROAE) equals Profit for the period attributable to shareholders of the Bank divided by monthly Average Equity attributable to shareholders of the Bank for the same period;
- 3 Net Interest Margin equals Net Interest Income of the period (adjusted for the gains or losses from revaluation of interest rate swaps) divided by monthly Average Interest Earning Assets Excluding Cash for the same period; Interest Earning Assets Excluding Cash include: Amounts Due From Credit Institutions, Debt Investment and Trading Securities and Net Loans To Customers And Net Finance Lease Receivables;
- 4 Loan Yield equals Interest Income From Loans To Customers And Finance Lease Receivables divided by monthly Average Gross Loans To Customers And Finance Lease Receivables;
- 5 Cost Of Funds equals Interest Expense of the period (adjusted for the gains or losses from revaluation of interest rate swaps) divided by monthly Average Interest Bearing Liabilities; Interest Bearing Liabilities Include: Amounts Due To Credit Institutions and Amounts Due To Customers;
- 6 Operating Leverage equals percentage change in Revenue less percentage change in Operating expenses;
- 7 Cost / Income Ratio equals Operating expenses divided by Revenue;
- 8 Average liquid assets during the month (as defined by NBG) divided by selected average liabilities and selected average off-balance sheet commitments (both as defined by NBG);
- 9 Liquid Assets include: Cash And Cash Equivalents, Amounts Due From Credit Institutions, Investment Securities and Trading Securities;
- 10 Net loans divided by Customer Funds and Amounts Owned to Developmental Financial Institutions
- 11 Leverage (Times) equals Total Liabilities divided by Total Equity;
- 12 NPL Coverage Ratio equals Allowance For Impairment Of Loans And Finance Lease Receivables divided by NPLs;
- 13 Cost Of Risk equals Impairment Charge for Loans To Customers And Finance Lease Receivables for the period divided by monthly average Gross Loans To Customers And Finance Lease Receivables over the same period;
- 14 NPL Coverage Ratio equals Allowance For Impairment Of Loans And Finance Lease Receivables divided by NPLs (Discounted value of collateral is added back to allowance for impairment);
- 15 BIS Tier I Capital Adequacy Ratio equals Tier I Capital divided by Risk Weighted Assets, both calculated in accordance with the requirements of Basel Accord I;
- 16 BIS Total Capital Adequacy Ratio equals Total Capital divided by Risk Weighted Assets, both calculated in accordance with the requirements of Basel Accord I;
- 17 NBG Tier I Capital Adequacy Ratio equals Tier I Capital divided by Risk Weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia;
- 18 NBG Total Capital Adequacy Ratio equals Total Capital divided by Risk Weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia;
- 19 Basic EPS equals Profit for the period attributable to shareholders of the Bank divided by the weighted average number of outstanding ordinary shares, net of treasury shares over the same period;
- 20 Book Value per share equals Total Equity attributable to shareholders of the Bank divided by Net Ordinary Shares Outstanding at period end; Net Ordinary Shares Outstanding equals total number of Ordinary Shares Outstanding at period end less number of Treasury Shares at period end;
- 21 Weighted average number of ordinary shares equal average of monthly outstanding number of shares less monthly outstanding number of treasury shares;
- 22 Weighted average number of diluted ordinary shares equals weighted average number of ordinary shares plus weighted average number of dilutive shares during the same period;
- 23 Number of outstanding ordinary shares at period end;
- 24 Number of outstanding ordinary shares at period end less number of treasury shares;
- 25 Average Interest Earning Assets are calculated on a monthly basis; Interest Earning Assets Excluding Cash include: Amounts Due From Credit Institutions, Debt Investment and Trading Securities and Net Loans To Customers And Net Finance Lease Receivables;
- 26 Recurring Earning Power equals Operating Income Before Cost of Credit Risk for the period divided by monthly average Total Assets of the same period;
- 27 Reserve For Loan Losses To Gross Loans equals Allowance For Impairment Of Loans To Customers And Finance Lease Receivables divided by Gross Loans And Finance Lease Receivables;
- 28 Loss ratio is defined as net insurance claims incurred divided by net insurance premiums earned;
- 29 Combined ratio is sum of net insurance claims incurred and operating expenses divided by net insurance premiums earned.

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Forward Looking Statements

This presentation contains forward-looking statements that are based on current beliefs or expectations, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and JSC Bank of Georgia and/or the Bank of Georgia Holdings' plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are various factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, legal, business and social environment. The forward-looking statements in this presentation speak only as of the date of this presentation. JSC Bank of Georgia and Bank of Georgia Holdings undertake no obligation to revise or update any forward-looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.