



BANK OF GEORGIA
HOLDINGS PLC

Bank of Georgia 9M 2014 Results Presentation

November 2014

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The leading bank in Georgia

Leading market position: No. 1 bank in Georgia by assets (31.6%), loans (32.0%), client deposits (27.5%) and equity (32.3%)¹

Underpenetrated market with stable growth perspectives: Real GDP average growth rate of 5.9% for 2004-2013. Geostat estimates 3.2% GDP growth in 2013 and 5.9% in 9M 2014. Loans/GDP grew from 9.1% to 39.4% from 2003-2013, still below regional average; Deposits/GDP grew from 8.6% to 38.4% 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 217 branches, 521 ATMs and 2,217 Express Pay Terminals to c.1.4 million customers as of 30 September 2014

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: The only entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012. LSE listed through GDRs since 2006.

Only private entity to issue Eurobonds from the Caucasus: US\$400 million Eurobonds outstanding including US\$150 raised through a tap issue in November 2013. The bonds are currently trading at a historical low yield of c.5.3%

Sustainable growth combined with strong capital, liquidity and robust profitability

US\$ mln ²	9M 2014	2013	2012	2011	Change
					2013/2012 ³
Total assets	3,889.3	3,755.7	3,413.8	2,793.1	15.3%
Loans to customers, net	2,184.2	2,029.0	1,866.6	1,566.4	13.9%
Customer funds ⁴	1,762.3	1,795.6	1,625.5	1,637.6	15.8%
Total equity	758.0	714.8	639.5	486.5	17.1%
Revenue ⁵	249.3	313.5	298.5	244.7	9.4%
Profit	99.5	120.6	108.4	81.2	16.6%

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

	30 Sep 2014	30 Sep 2004	Change
Market capitalisation (US\$ mln)	1,425.5*	20.7	68.9x
Total assets (US\$ mln)	3,889.3	151.8	25.6x
Market share by total assets	32%	18%	14pts

*Market capitalisation for Bank of Georgia Holdings PLC, the Bank's holding company, as of 29 October 2014, GBP/USD exchange rate of 1.6005

¹ Market data based on standalone accounts as published by the National Bank of Georgia (NBG) as of 30 September 2014 www.nbg.gov.ge

² US\$/GEL 1.7524, 1.7363, 1.6567 and 1.6703 as at 30 September 2014, 31 December 2013, 31 December 2012 and 31 December 2011, respectively

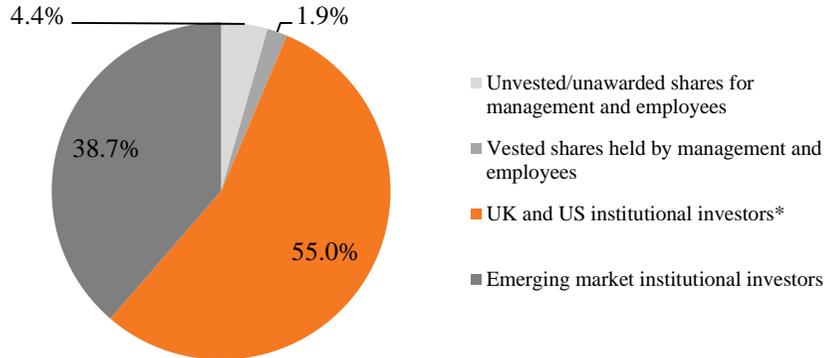
³ Changes in GEL

⁴ Amounts due to customers

⁵ 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 Sep 2014, BGH's shareholder structure was as follows:

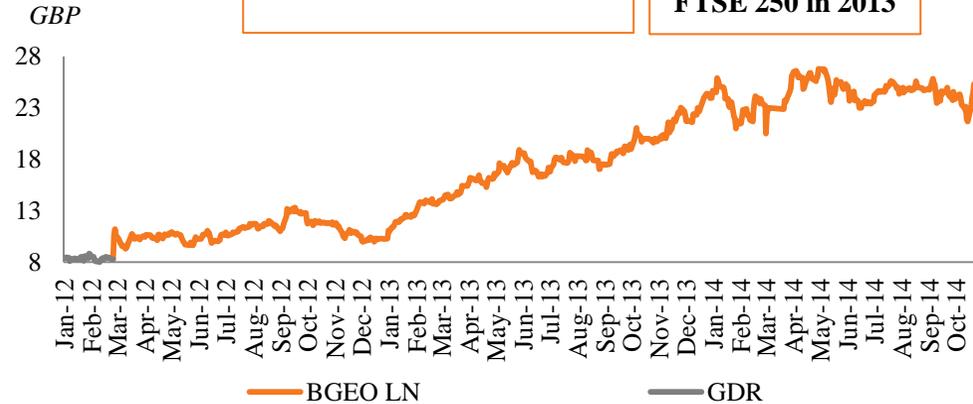


- BGEO is included in the FTSE 250 and FTSE All Share Index Funds as of 18 June 2012

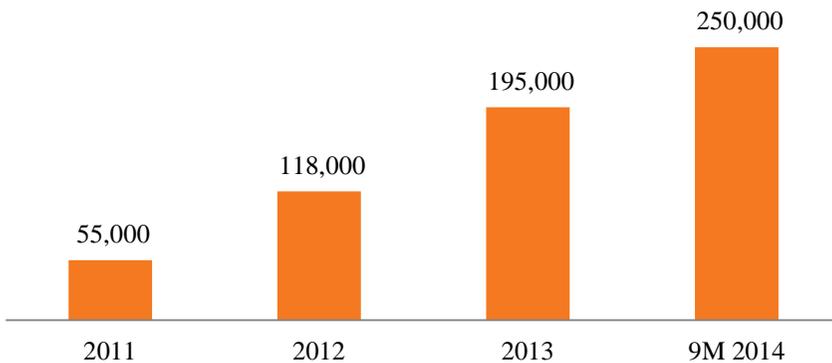
Share price performance

Up 213% since premium listing**

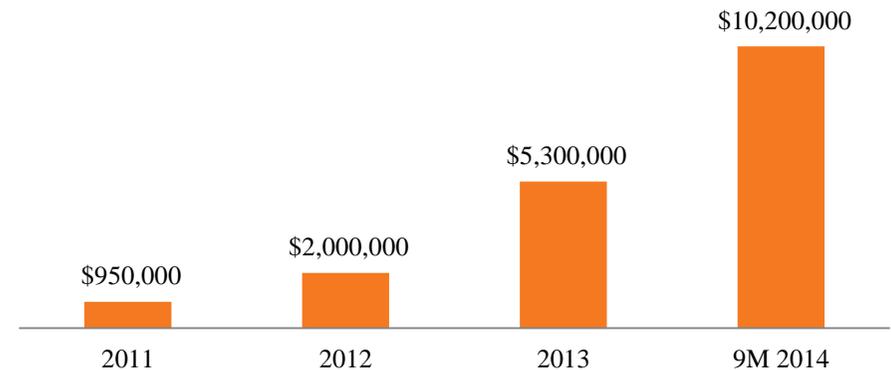
Third largest growth stock in FTSE 250 in 2013



Average daily number of shares traded



Average daily trading volume



*Mostly non-emerging market shareholders since premium listing; management estimates

**Share price change calculated from the last price of BGEO LN on 27 February 2012 to the price of BGEO LN on 29 October 2014

3x20%: Growth story over time with dividends

UK corporate governance

FTSE 250

ROE c.20%

-  Record profitability:
 - Revenue up 9.0% y-o-y to GEL 436.9 mln in 9M 2014 and up 12.4% y-o-y to GEL 155.4 mln in Q3 2014
 - Profit up 13.4% y-o-y to GEL 174.3 mln in 9M 2014, up 6.3% y-o-y to GEL 62.3 mln in Q3 2014
 - Non-interest income increased by 11.7% y-o-y to GEL 190.1 mln in 9M 2014 and in Q3 2014 increased by 18.2% y-o-y to GEL 68.9 mln
 - Adjusted ROAE¹ stood at 18.9% in 9M 2014 and at 19.2% in Q3 2014
-  Operational efficiency and scale:
 - Cost to Income ratio at 43.3% in 9M '14, Q3 '14 Cost to Income of 42.5%
 - Positive q-o-q operating leverage in Q3 2014 of 5.1 pts
-  Prudent risk management:
 - Cost of Risk² of 1.2% in 9M 2014, compared to 1.5% in 9M 2013. Cost of Risk stood at 1.6% in Q3 2014 compared to 1.6% in Q3 2013 and 0.9% in Q2 2014

TIER I c.20%

-  Conservative National Bank of Georgia (NBG) regulation:
 - Risk weighting of FX assets at 175%. Bank's leverage stayed largely flat year-to-date at 4.1x as of 30 September 2014
-  Strong internal cash generation to support loan growth without compromising capital ratios:
 - BIS Tier I Capital Adequacy Ratio (CAR) of 22.7% and BIS Total CAR of 26.4% as of 30 September 2014
 - NBG (Basel 2/3) Tier I CAR and Total CAR stood at 11.2% and 14.2% as of 30 September 2014

Growth c.20%

-  Net loan book³ grew 16.6% y-o-y to GEL 3,827.6 million, while client deposits increased 7.4% y-o-y to GEL 3,060.8 million
-  Cost of client deposits declined to 4.3% in 9M 2014 from 5.8% in 9M 2013. RB Cost of Client Deposits: 3.9% in 9M 2014 vs 5.4% in 9M 2013; CB Cost of Client Deposits: 2.9% in 9M 2014 vs 5.0% in 9M 2013
-  Consumer driven franchise with robust sales force
 - Strong growth across the board supported by synergistic businesses
 - Increase in contribution from synergistic business in the group's profit. Healthcare, P&C Insurance and real estate businesses contributed 14.1% to the Group's revenue and 14.2% to profit in 9M 2014

Dividends

-  Two types of dividends are targeted:
 - Recurring - linked to recurring profit
 - One-off(s) – linked to divestments & de-dollarisation
-  An annual dividend of GEL 2.0 per share was paid for 2013, up 33% y-o-y translating into a payout ratio of 33.7% and dividend yield of 2.7%
-  The Board will aim to maintain a dividend payout ratio in the 25%-40% range

¹Adjusted for one-off impairment of available-for-sale investments in BG Bank in Ukraine in Q2 2014

²Equals 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

³Including finance lease receivables

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

Bank of Georgia is a uniquely placed growth bank in an underpenetrated, highly capitalised and profitable banking market, which has been growing in terms of assets at 30% CAGR 2003-2013

Strategic business

Well established brand

Retail Banking

- Largest retail franchise: c.1.4 million Retail Banking clients, 217 branches, 521 ATMs, 1,103,066 cards outstanding as of 30 September 2014
- Market shares of 28.8% by individual loans and 30.1% by individual deposits as of 30 September 2014

Corporate Banking

- Largest corporate bank with c.7,100 corporate clients; 24.9% market share by corporate deposits and 35.0% by corporate loans as of 30 September 2014

Investment Management

- Investment Management AUM* grew by 20.4% y-o-y to GEL 932.7 million
- International representative office network in Israel, UK, Hungary and Turkey

*Includes AUM of BG Capital and Aldagi Pension Fund

Synergistic business

Growth opportunities to support strategic business

Healthcare Business¹

- Strongly positioned to benefit from the growth of the healthcare sector and recent universal healthcare reform
- Market share in healthcare grew to 22.5% as of September 2014 from 14.3% as of 31 December 2013 based on hospital beds. Health insurance market share stood at 37.0% as of 30 September 2014
- The largest healthcare provider in Georgia with 38 healthcare facilities and 2,140 hospital beds as of 30 September 2014
- Contributed 8.4% to BGH revenues and 7.6% to BGH profit in 9M 2014

P&C Insurance(Aldagi)¹

- Largest P&C insurer in Georgia with a market share of 36.8% as of 30 September 2014
- Contributed 3.2% to BGH revenues and 3.4% to BGH profit in 9M 2014

Affordable Housing

- Positioned to stimulate mortgage lending and improve liquidity of repossessed real estate assets through housing development
- Completed 2 projects and construction of 4 projects is underway. 26% of apartments have been sold in the project launched in Sep '14. 39% in the project launched in July '14. 81% and 59% respectively sold in two projects launched in Dec' 13. Number of mortgages sold in all m2 Real Estate projects totalled 449 amounting to GEL 47.0 million
- Posted profit of GEL 6.8 million in 9M 2014

Non-core business

Intention to exit from non-core business over time

BNB

- Belarus banking operation accounting for 5.1% of total assets as of 30 September 2014
- The Bank owns 80%, the remainder owned by IFC/World Bank
- Assets of US\$197.5 mln and equity of US\$37.2 mln as of 30 September 2014

¹On 1 August 2014, the Group announced the split of Aldagi into two separate business units. One business unit is JSC Georgia Healthcare Group, a pure play healthcare business that will provide healthcare services (through Evex Medical Corporation) and health insurance products (through Imedi L) in Georgia. The second unit is JSC Insurance Company Aldagi, a P&C insurance business that will continue providing life and non-life business insurance products and services in Georgia, it will also retain the brand name of Aldagi.

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*

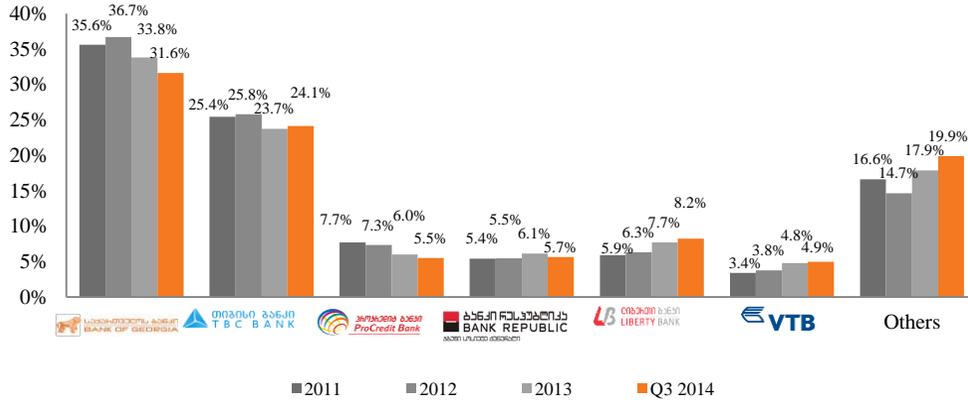
Members of management boards of JSC Bank of Georgia and major subsidiaries

- 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, Investment 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*
- Sulkhan 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 John 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*
- Sascha Ternes, Deputy CEO, Special Projects; *previously CEO at Procredit Bank; Honorary doctorate, affirmed by the German Ministry of Education & Science*
- Murtaz Kikoria, CEO Group's healthcare business (CEO of GHG); *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.*

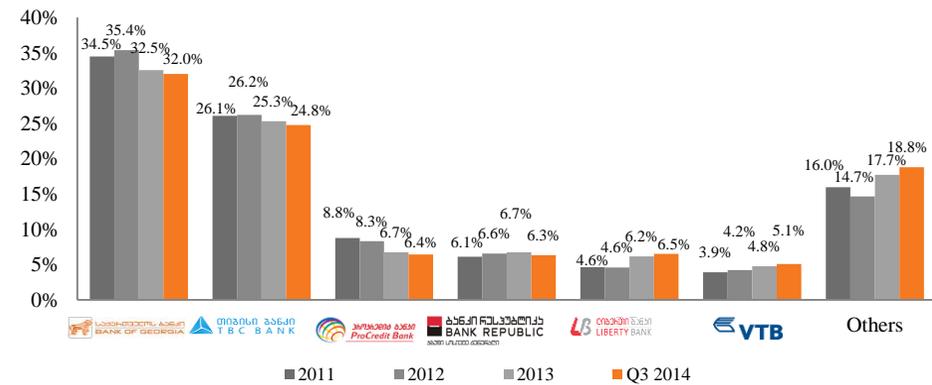
Senior Executive Compensation Policy applies to top executives and envisages long-term deferred and discretionary awards of securities and no cash bonuses to be paid to such executives

Competitive landscape

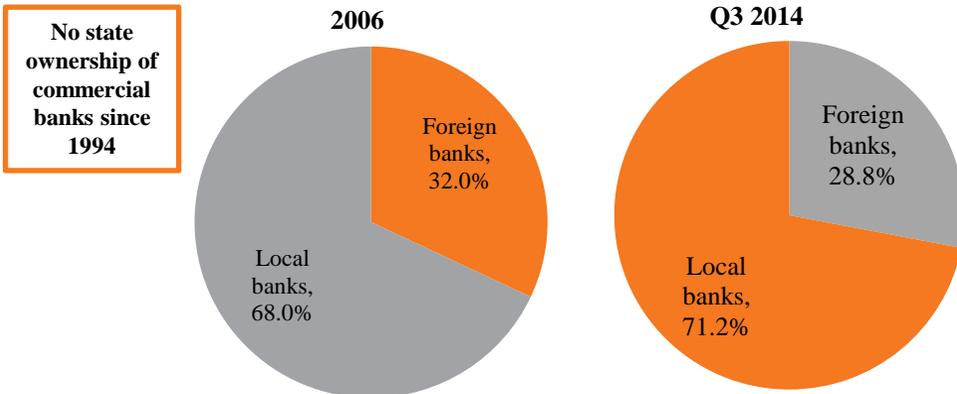
Peer group's market share in total assets



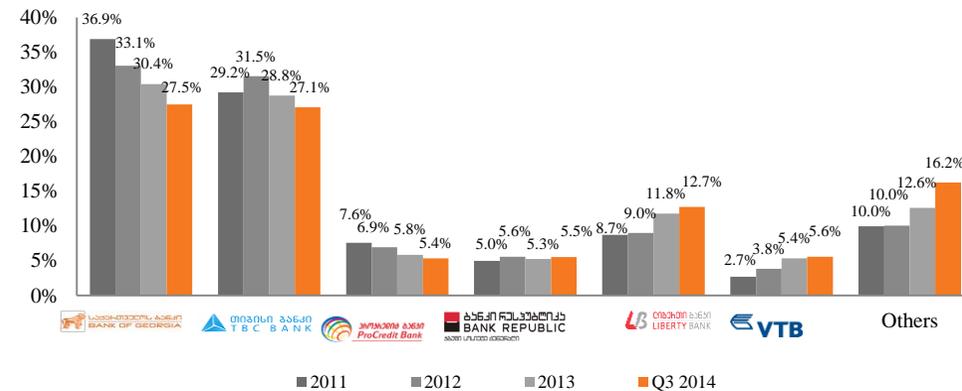
Peer group's market share in gross loans



Foreign banks market share by assets



Peer group's market share in client 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 (Geostat): 2013E GEL 26.8 bn (US\$16.1 bn)
- GDP growth rate 2011: 7.2%, 2012: 6.2%, 2013E: 3.2%
- GDP growth rate Q1 2014P: 7.1%, Q2 2014P 5.2% Q3 2014 5.5% (9M 2014E 5.9%)
- Real GDP average 10 yr growth rate: 6.0%
- GDP per capita 2014F (PPP) per IMF: US\$7,665.6
- Inflation rate (e-o-p) 2013 2.4%
- External public debt to GDP 2013E: 27.0%
- Sovereign ratings:

S&P BB-/B/Stable, affirmed in May 2014

Moody's Ba3/NP/Positive, affirmed in September 2014 with upgraded outlook

Fitch BB-/B/Positive, affirmed in October 2014 with upgraded outlook



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

Georgia's key economic drivers

Liberal economic policy

- Liberty Act, which became effective in January 2014 ensures a credible fiscal and monetary framework:
 - Government expenditure/GDP capped at 30%
 - Budget deficit/GDP capped at 3%
 - Government debt/GDP capped at 60%

Regional logistics and tourism hub

- Proceeds from foreign tourism estimated at US\$1,720 mln in 2013 up 22% y-o-y, 5.4 million visitors in 2013, up 22% y-o-y; 4.2 million visitors in 9M '14, up 2% 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

- Strong FDI inflows diversified across different sectors (2013: US\$942 mln, 2012: US\$912, 2011: US\$1,117 mln), US\$265 mln in Q1 2014 and US\$151 in Q2 2014
- Net remittances of US\$1,322 mln in 2013, up 8% y-o-y; US\$955 mln in 9M 2014
- FDI averaged 10% of GDP in 2003-2013

Support from international community

- Georgia and the EU signed an Association Agreement in June 2014 and Georgia's parliament ratified the agreement in July 2014. The deal includes a DCFTA, which is the major vehicle for Georgia's economic integration with the EU
- 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
- Diversified trade structure across countries and products

Cheap electricity

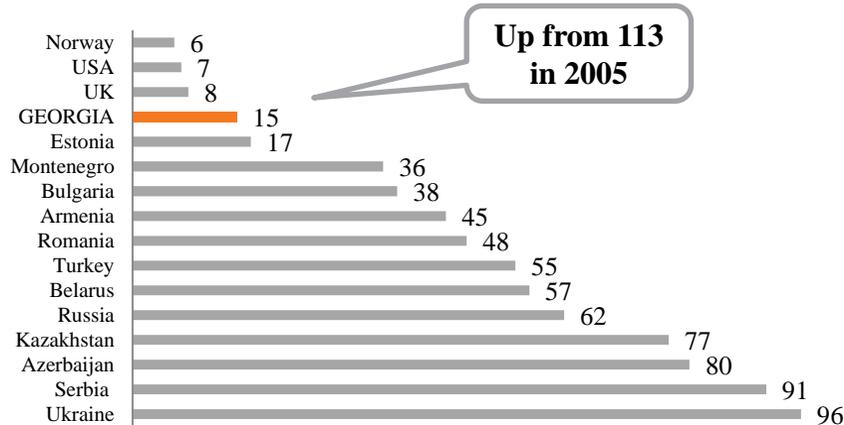
- Only 18% of hydropower capacity utilized; 40 hydropower stations are being built/developed
- Net electricity exporter from 2007-2011 (net importer in 2012 and 2013 due to low precipitation), net electricity importer for more than a decade before 2007
- Significantly boosted transmission capacity in recent years, having rehabilitated a 500kV line to Azerbaijan and built a 500/400 kV line to Turkey. Another 500 kV line to Armenia is under construction and Georgia's transmission capacity to Russia is expected to rise 1.7x to 1,480 MW by 2016 after a new 500 kV line becomes operational

Political environment stabilised

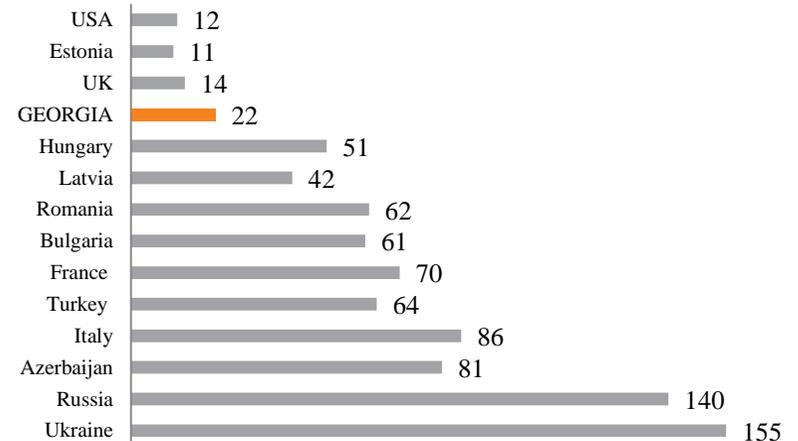
- Healthy operating environment for business and low tax regime
- Parliamentary elections in 2012 led to a democratic transition of power giving victory to Georgian Dream coalition and the subsequent presidential elections in October 2013 gave victory to the candidate of the ruling Georgian Dream coalition
- New constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency
- Continued economic relationship with Russia
 - Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians
 - Direct flights between the two countries resumed in January 2010
 - Member of WTO since 2000, allowed Russia's access to WTO
 - In 2013 trade restored with Russia

Growth oriented reforms

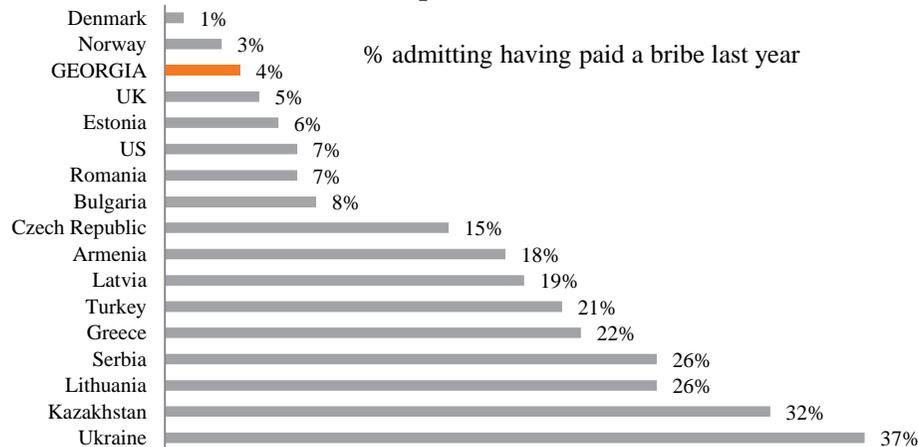
Ease of Doing Business, 2015 (WB-IFC Doing Business Report)



Economic Freedom Index, 2014 (Heritage Foundation)



TI 2013 Global Corruption Barometer



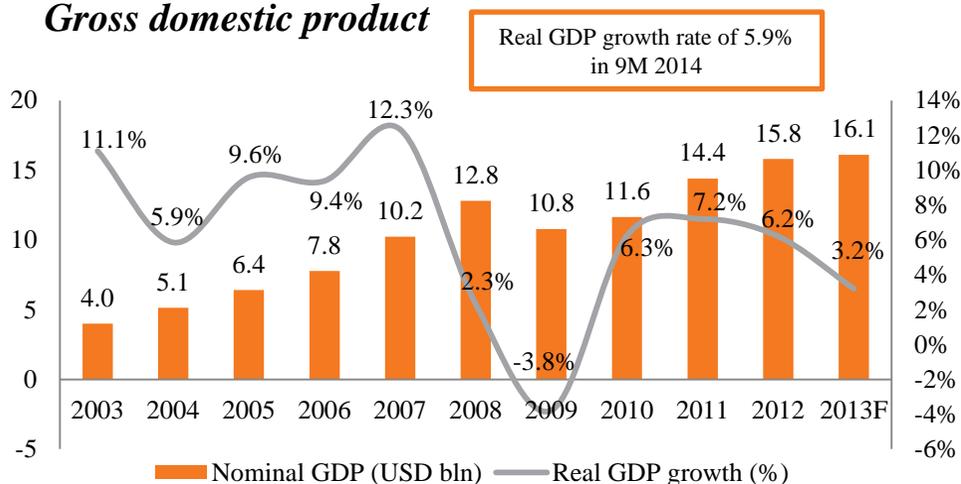
**GEORGIA - No 1 Reformer
2005-2012**

(WB-IFC Doing Business Report)

Sources: Transparency International, Heritage Foundation, World Bank

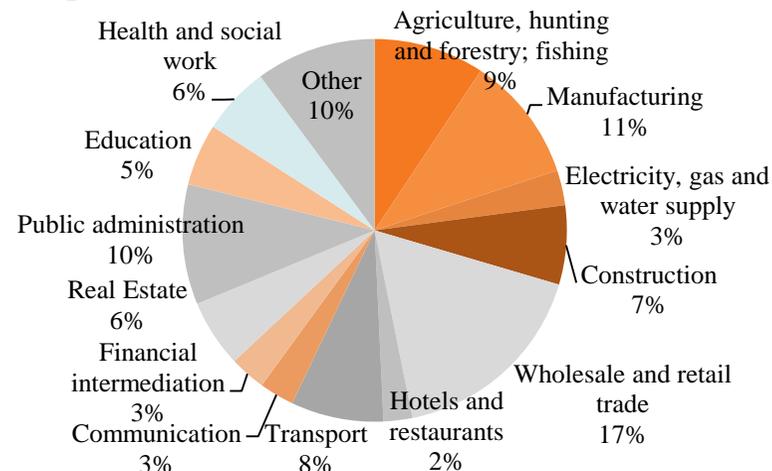
Positive economic outlook

Gross domestic product



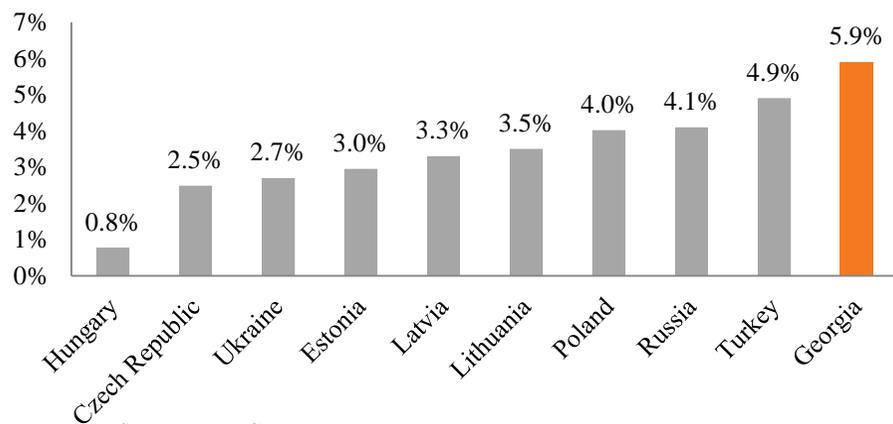
Sources: Geostat

GDP composition, FY 2013



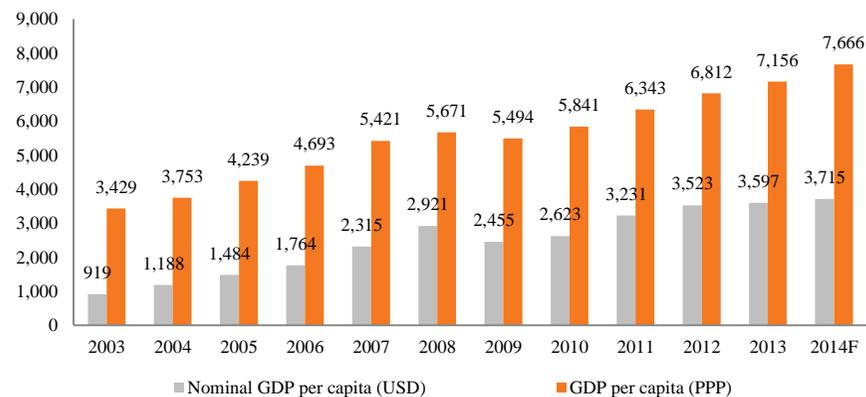
Source: Geostat

Comparative real GDP growth rates, % (2004-2013)



Sources: IMF, Geostat

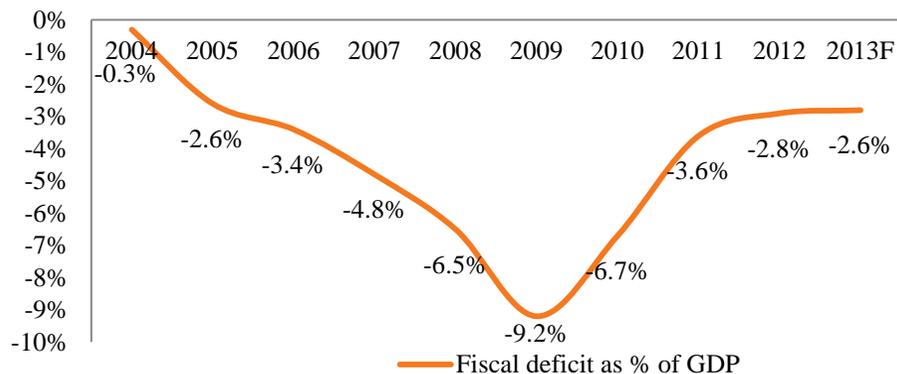
GDP per capita



Sources: IMF

Demonstrated fiscal discipline and low public debt

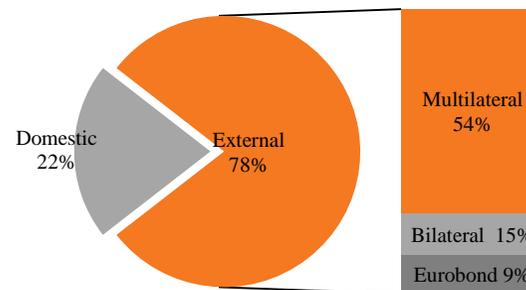
Fiscal deficit as % of GDP



Source: Ministry of Finance of Georgia

Breakdown of public debt

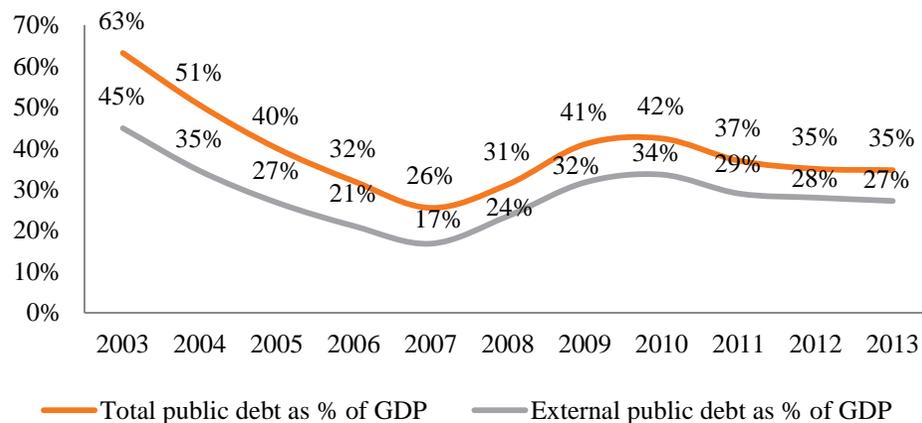
Affordable public debt stock and very low interest rate on external public debt



External public debt portfolio weighted average interest rate as 1.9% (contractual maturity 25 years)

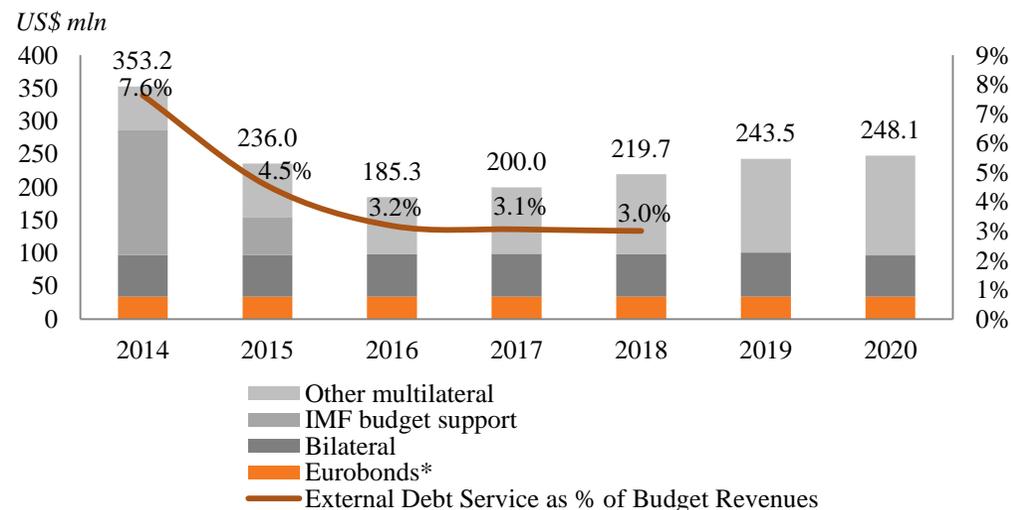
Source: Ministry of Finance of Georgia

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

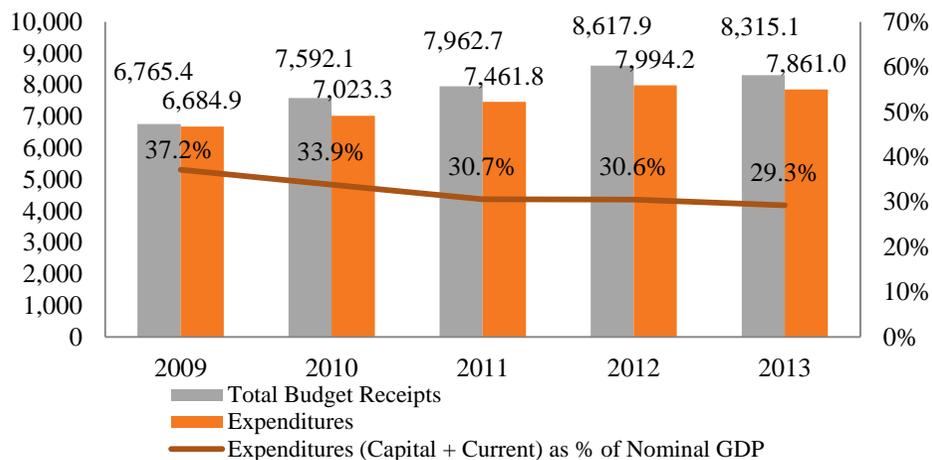
Government external debt service



Source: Ministry of Finance of Georgia, IMF *Coupon payments only, Eurobonds mature in 2021

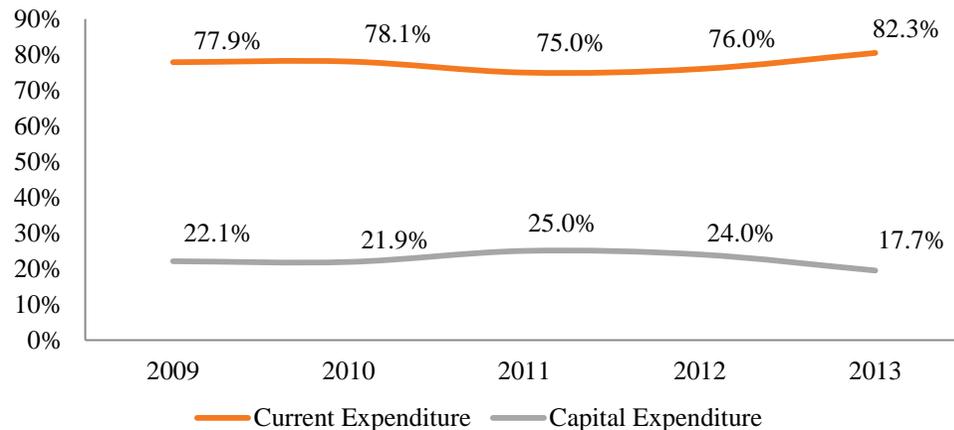
Revenues and expenditures dynamics

Revenues and expenditures



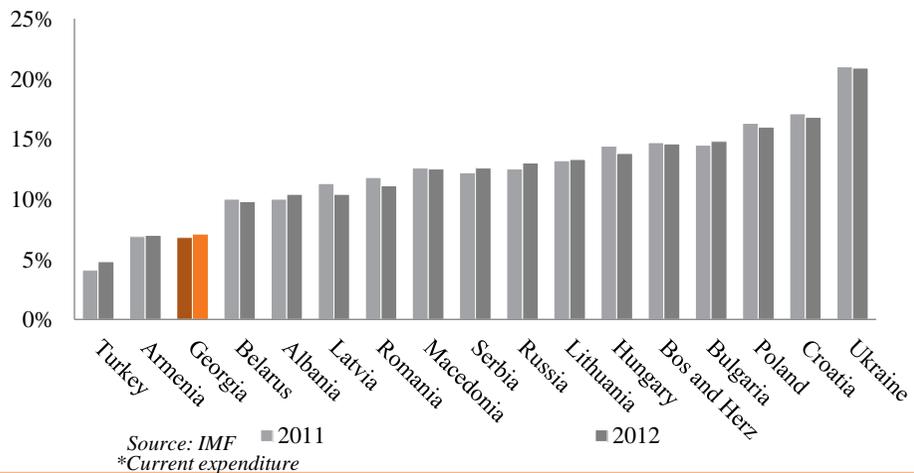
Source: Ministry of Finance

Current and capital expenditure



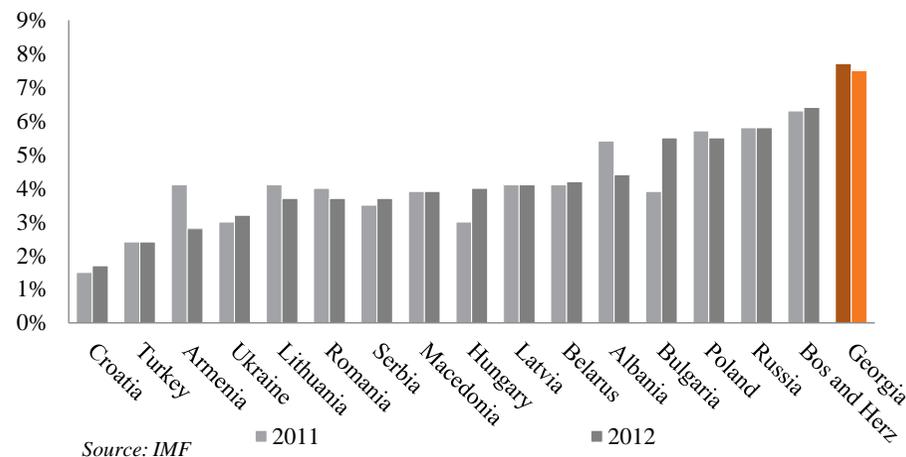
Sources: Ministry of Finance

Government social expenditure as % of GDP



Source: IMF
 ■ 2011
 ■ 2012
 *Current expenditure

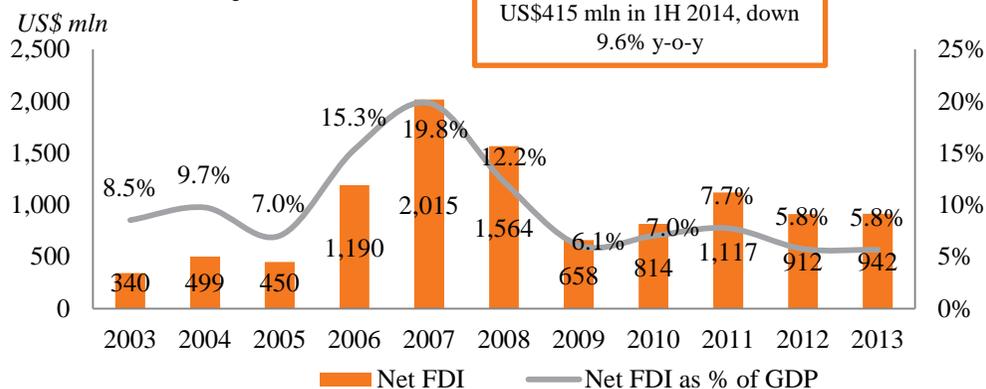
Government capital expenditure as % of GDP



Source: IMF
 ■ 2011
 ■ 2012

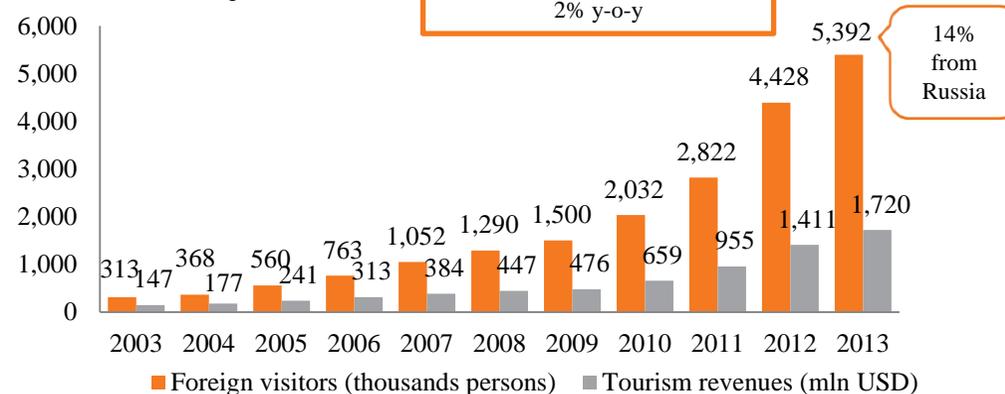
Main sources of capital inflow

FDI inflows



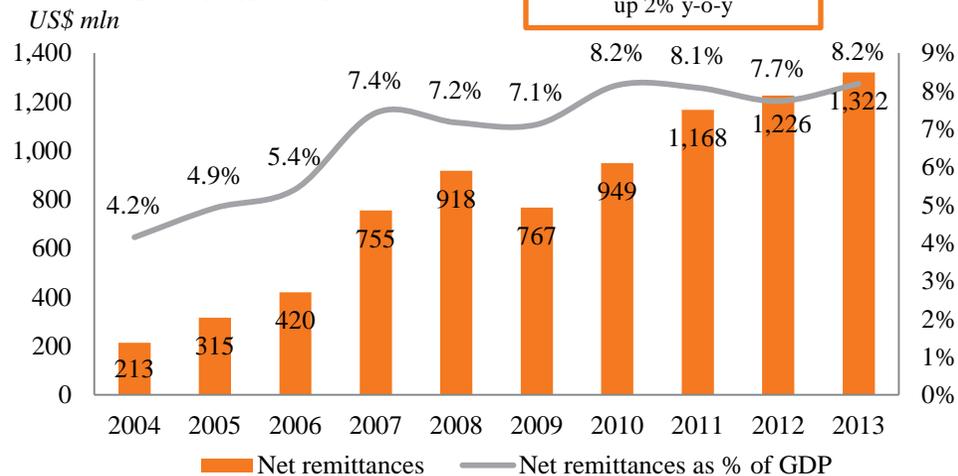
Sources: Geostat, Bank of Georgia

Number of tourists



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

Net remittances



Source: National Bank of Georgia, Bank of Georgia

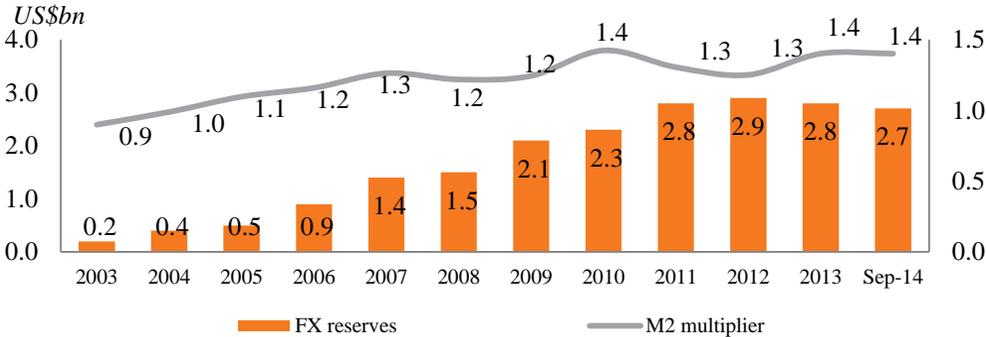
Controllable CAD and strong FDI

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

FX reserves

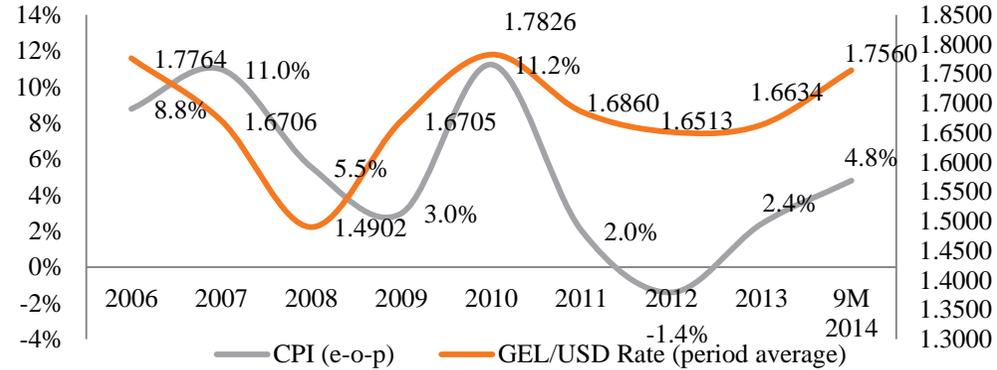
In 9M 2014 NBG was net seller of US\$20 mln

In Q3 2014 NBG was net buyer of US\$120 mln



Source: National Bank of Georgia

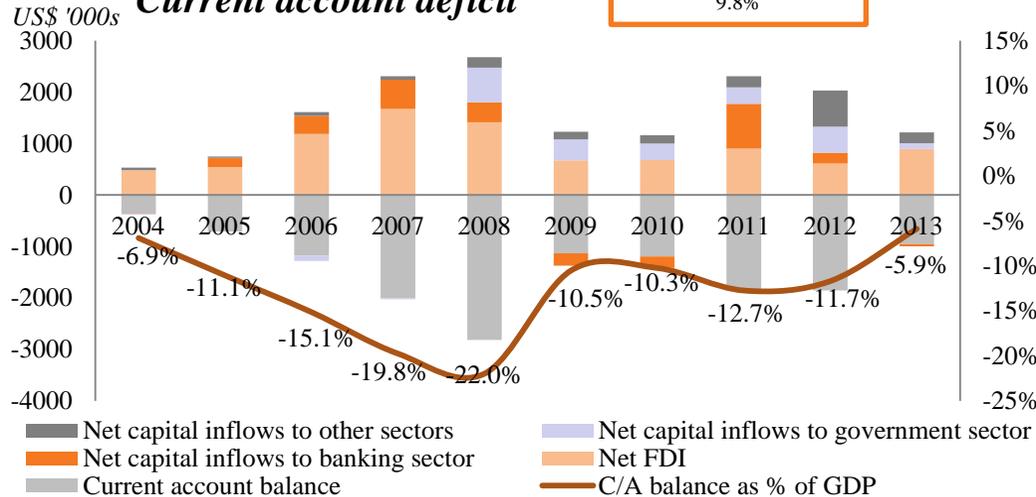
FX rate (GEL/US\$) and CPI



Source: National Bank of Georgia

Current account deficit

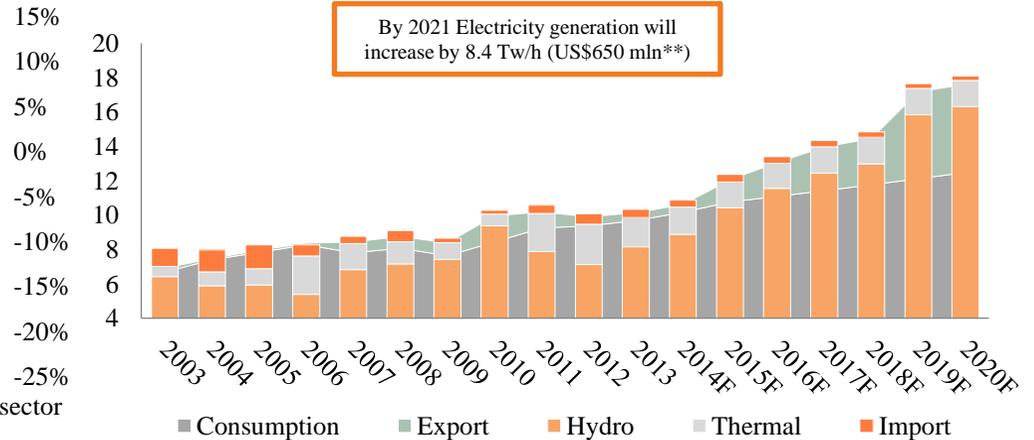
6M 2014 c/a balance of 9.8%



Source: National Bank of Georgia

Electricity generation

By 2021 Electricity generation will increase by 8.4 Tw/h (US\$650 mln**)



Source: Bank of Georgia Research
**Assuming price of US\$0.075 per Kw/h

Growing and well capitalised banking sector

Summary

■ Prudent regulation ensuring financial stability

- Sector total capital ratio (NBG standards) –17% in 2013
- High level of liquidity requirements from NBG at 30% of liabilities, resulting in banking sector liquid assets to client deposits of 56% as of 30 Sep 2014

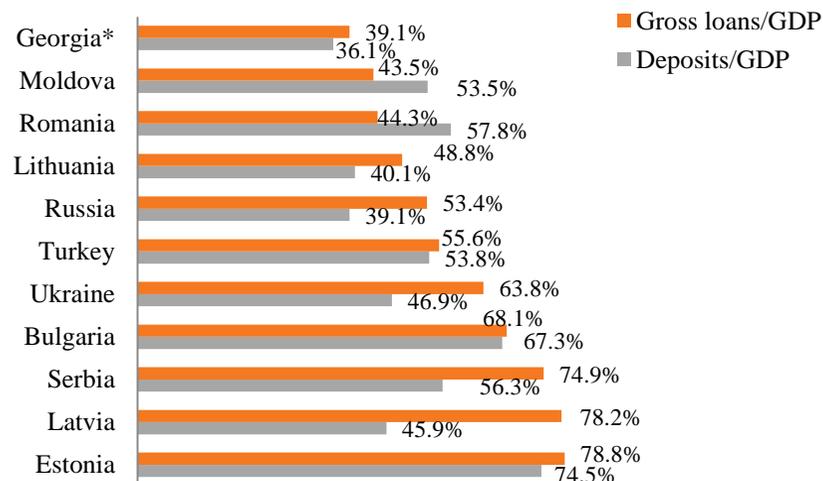
■ Resilient banking sector

- *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 18.0% of GDP and total loans at 39.1% of GDP as at 31 December 2013 resulting in low number of defaults during the global crisis

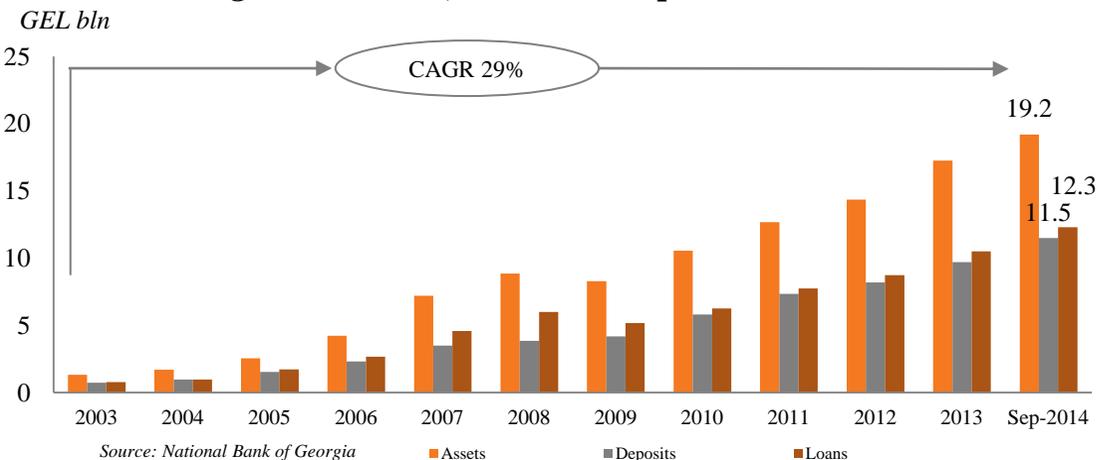
Source: National Bank of Georgia, Geostat

Source: NBG, Central Banks

Banking Sector loans and deposits YE 2013

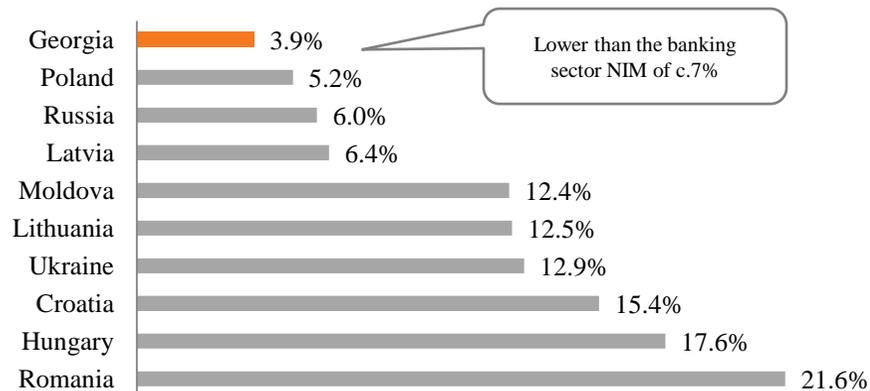


Banking sector assets, loans and deposits



Source: National Bank of Georgia

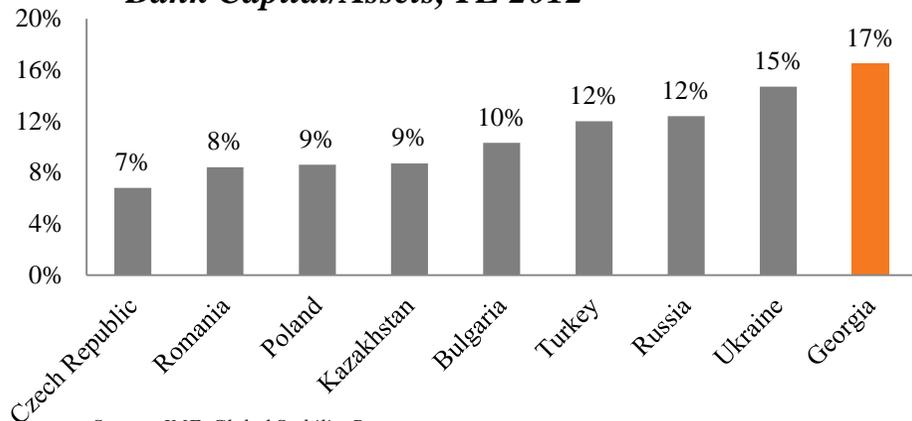
NPLs as % of total gross loans, YE 2013



Source: IMF, Global Financial Stability Report, National Bank of Georgia

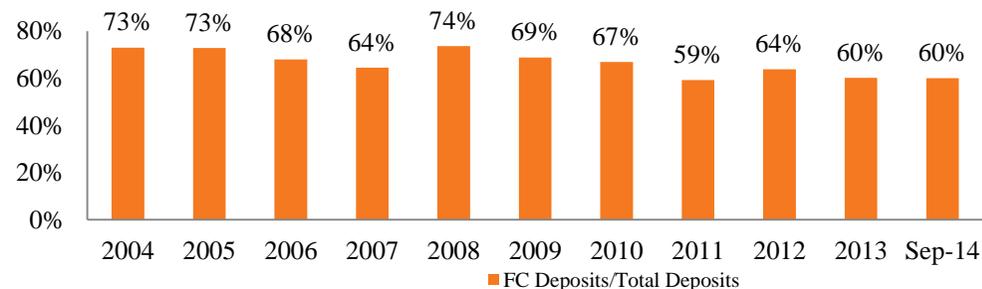
One of the highest level of capital and low debt level compared to other frontier markets

Bank Capital/Assets, YE 2012



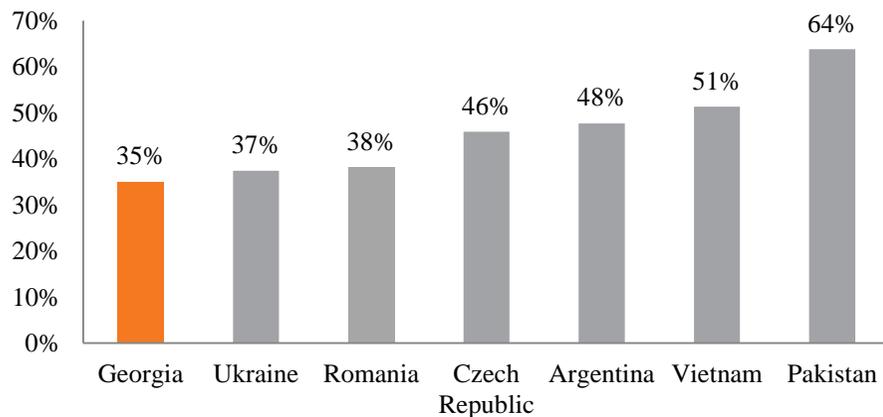
Source: IMF, Global Stability Report

Dollarisation



Source: National Bank of Georgia

Public debt / GDP, frontier markets, YE 2012



Sources: IMF, Ministry of Finance

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P&L results highlights

<i>GEL thousands unless otherwise noted</i>	Q3 2014 Unaudited	Q3 2013 Unaudited	Change Y-O-Y	Q2 2014 Unaudited	Change Q-O-Q	9M 2014 Unaudited	9M 2013 Unaudited	Change Y-O-Y
Net interest income	86,512	80,035	8.1%	80,554	7.4%	246,770	230,529	7.0%
Net fee and commission income	27,315	21,519	26.9%	26,127	4.5%	73,362	63,795	15.0%
Net insurance revenue	9,685	12,396	-21.9%	6,352	52.5%	25,742	35,120	-26.7%
Net healthcare revenue	12,524	5,024	149.3%	11,939	4.9%	32,261	14,015	130.2%
Other operating non-interest income	19,327	19,305	0.1%	19,203	0.6%	58,740	57,239	2.6%
Revenue	155,363	138,279	12.4%	144,175	7.8%	436,875	400,698	9.0%
Operating expenses	(65,956)	(54,889)	20.2%	(64,270)	2.6%	(189,270)	(164,252)	15.2%
Operating income before cost of credit risk	89,407	83,390	7.2%	79,905	11.9%	247,605	236,446	4.7%
Cost of credit risk	(15,306)	(15,540)	-1.5%	(13,847)	10.5%	(42,468)	(51,803)	-18.0%
Net operating income before non-recurring items	74,101	67,850	9.2%	66,058	12.2%	205,137	184,643	11.1%
Net non-recurring items*	(727)	(1,418)	-48.7%	(7,077)	-89.7%	(8,924)	(6,871)	29.9%
Profit for the period	62,308	58,597	6.3%	58,318	6.8%	174,289	153,699	13.4%
Earnings per share (basic)	1.74	1.65	5.5%	1.64	6.1%	4.89	4.35	12.4%

*Includes full impairment of BG Bank ,Ukraine in Q2 2014

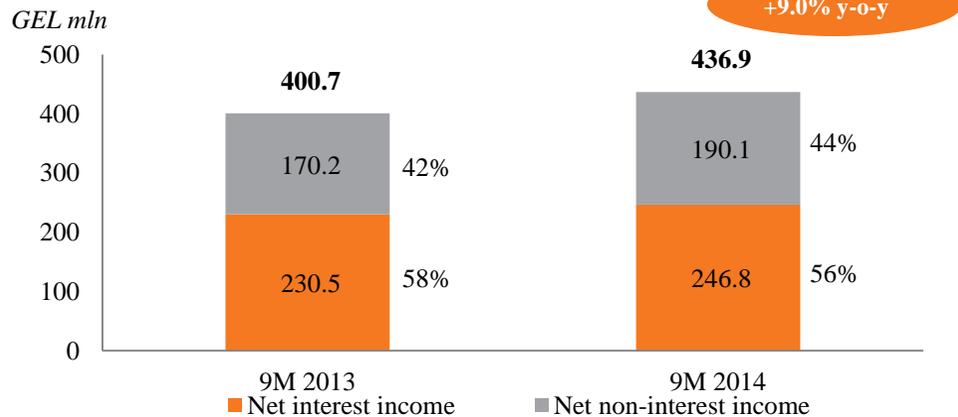
Balance Sheet results highlights and key ratios

GEL thousands unless otherwise noted	Sep 2014	Sep 2013	Change	Jun 2014	Change	KEY RATIOS	Q3 2014	Q3 2013	Q2 2014
	Unaudited	Unaudited	Y-O-Y	Unaudited	Q-O-Q				
Net loans to customers*	3,827,556	3,283,508	16.6%	3,659,427	4.6%	ROAA	3.7%	4.0%	3.5%
Total assets	6,815,668	5,954,347	14.5%	6,667,681	2.2%	ROAE	19.2%	20.6%	18.6%
Liquid assets , Currency Blended	1,750,417	1,580,926	10.7%	1,838,181	-4.8%	ROAA, adjusted	3.7%	4.0%	3.7%
Liquid assets, GEL	854,270	821,994	3.9%	756,939	12.9%	ROAE, adjusted	19.2%	20.6%	19.7%
Liquid assets, FC	896,147	758,932	18.1%	1,081,242	-17.1%	Cost/Income	42.5%	39.7%	44.6%
Liquid assets as percent of total assets	25.7%	26.6%		27.6%		NIM	7.4%	7.7%	7.3%
Liquid assets as percent of total liabilities	31.9%	33.1%		34.0%		Loan Yield	14.3%	15.8%	14.5%
Customer Funds, of which:	3,088,254	2,862,512	7.9%	3,074,710	0.4%	Cost of Client Deposits	4.2%	5.2%	4.3%
Client deposits , of which	3,060,784	2,850,000	7.4%	3,046,845	0.5%	Cost of Funding	4.8%	5.6%	4.8%
CDs	442,808	144,056	NMF	366,212	20.9%	Cost of Risk	1.6%	1.6%	0.9%
Promissory notes	27,470	12,512	119.5%	27,865	-1.4%	NPL coverage	78.5%	86.2%	74.5%
NPL coverage ratio adjusted for discounted value of collateral							112.4%	111.8%	116.8%
Amounts due to credit institutions, of which:	1,264,299	1,216,719	3.9%	1,240,128	1.9%				
Subordinated debt	133,883	208,414	-35.8%	132,800	0.8%				
Other amounts due to credit institutions	1,130,416	1,008,305	12.1%	1,107,328	2.1%				
Debt securities issued, of which:	794,952	419,543	89.5%	786,432	1.1%				
Eurobonds	719,184	419,543	71.4%	740,246	-2.8%				
Other	75,768	-	-	46,186	64.0%				
Total liabilities	5,487,436	4,783,411	14.7%	5,410,805	1.4%				
Total equity	1,328,232	1,170,936	13.4%	1,256,876	5.7%				
Book value per share (basic)	36.97	32.83	12.6%	34.95	5.8%				
Net loans/customer funds	123.9%	114.7%		119.0%					
Net loans/customer funds +DFIs	103.9%	96.1%		100.3%					
Excess liquidity (NBG)	245,941	240,332	2.3%	255,123	-3.6%				
NBG liquidity ratio	37.8%	37.5%		38.1%					
Tier I Capital Adequacy Ratio (NBG)	14.5%	15.4%		14.8%					
Total Capital Adequacy Ratio (NBG)	14.1%	16.6%		13.8%					
Tier I Capital Adequacy Ratio (NBG Basel 2/3)	11.2%	N/A		10.8%					
Total Capital Adequacy Ratio (NBG Basel 2/3)	14.2%	N/A		14.0%					
Tier I Capital Adequacy Ratio (BIS)	22.7%	23.7%		22.5%					
Total Capital Adequacy Ratio (BIS)	26.4%	28.6%		26.3%					

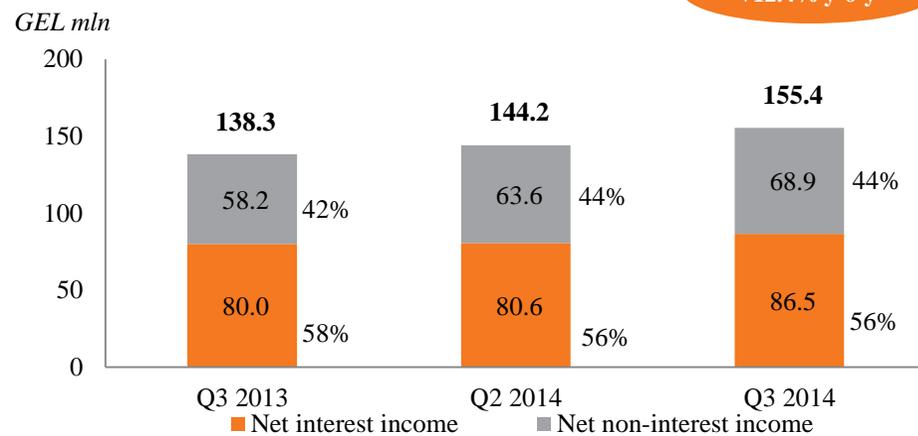
*includes finance lease receivables

Strong revenue growth

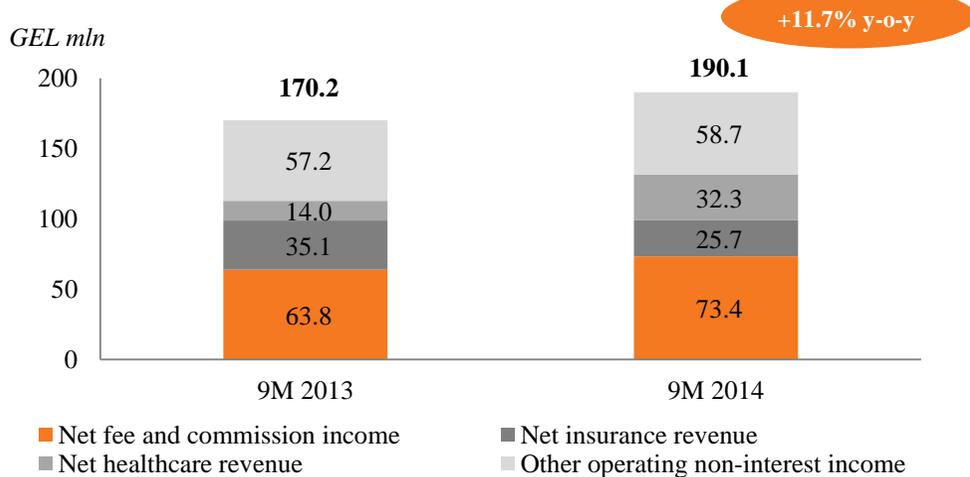
Revenue growth, nine-month



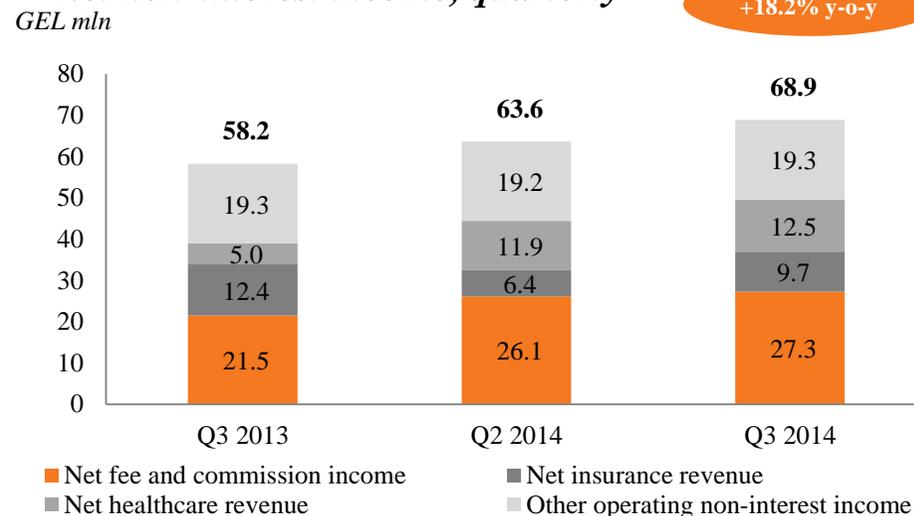
Revenue growth, quarterly



Net non-interest income, nine-month

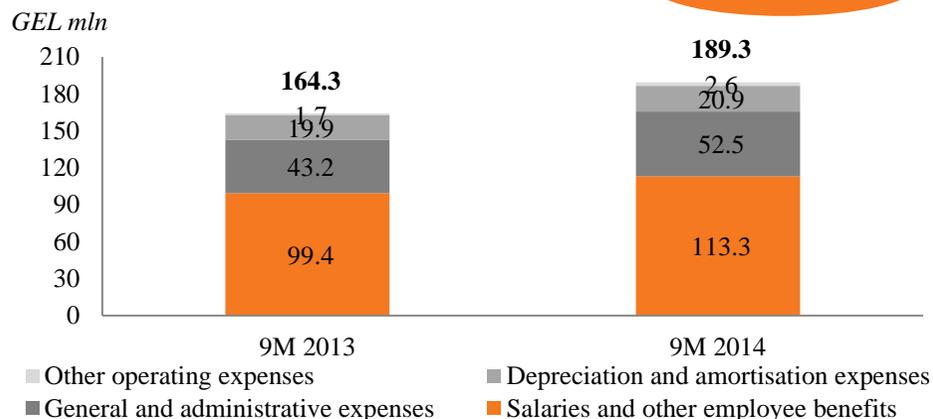


Net non-interest income, quarterly

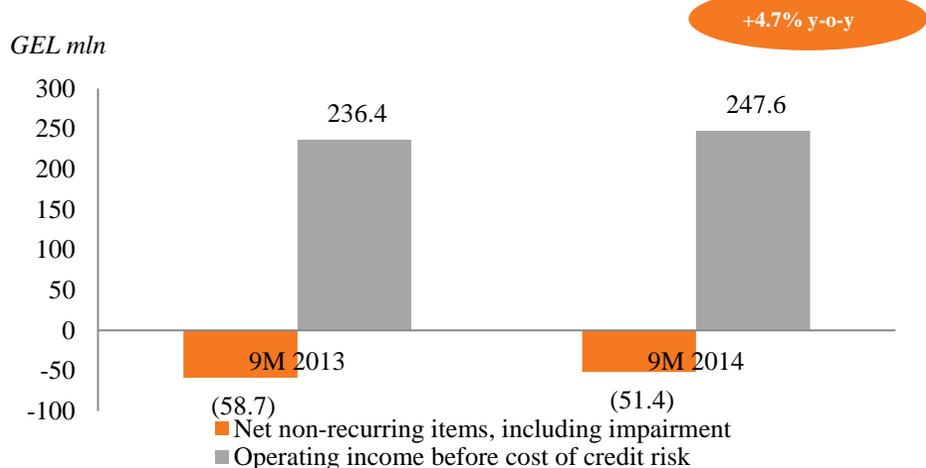


Expenses

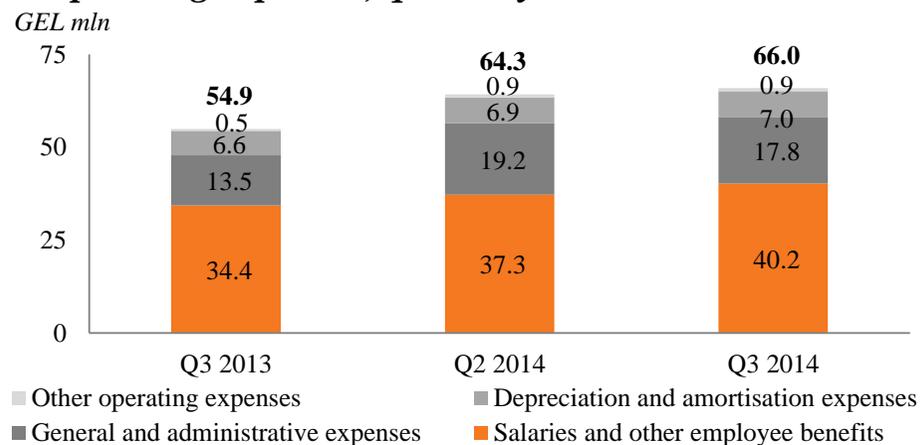
Operating expenses, nine-month



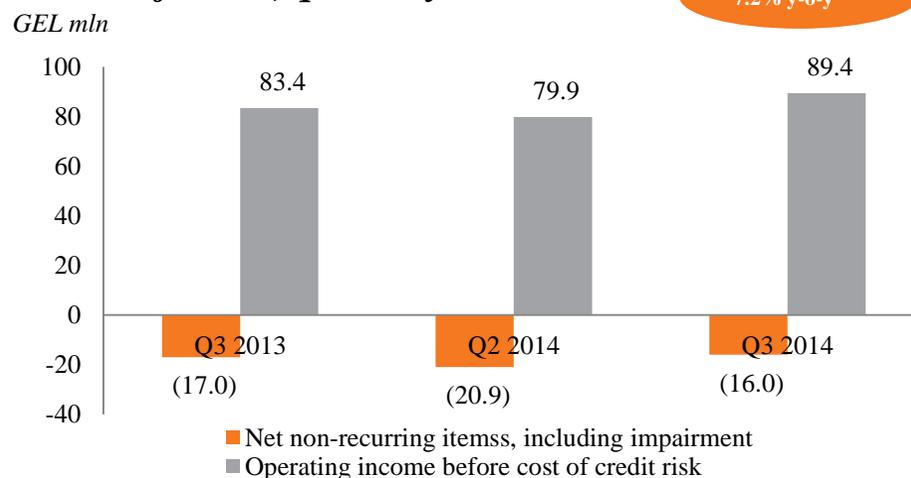
Net non-recurring items, operating income before cost of credit, nine-month



Operating expenses, quarterly

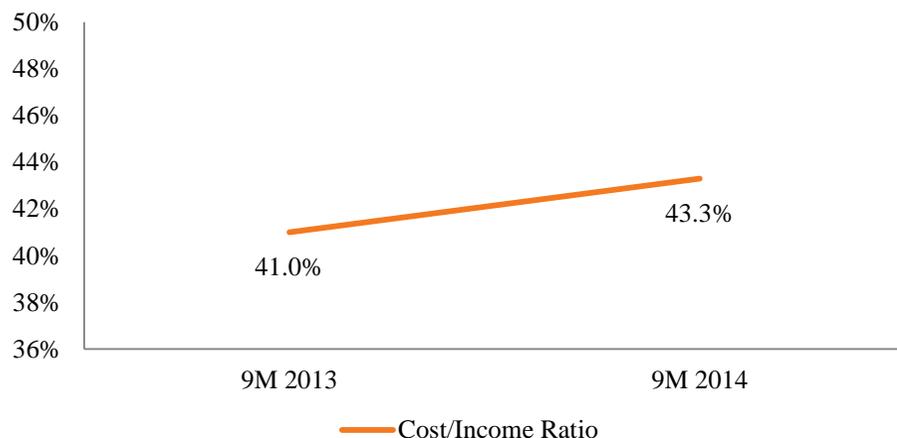


Net non-recurring items, operating income before cost of credit, quarterly

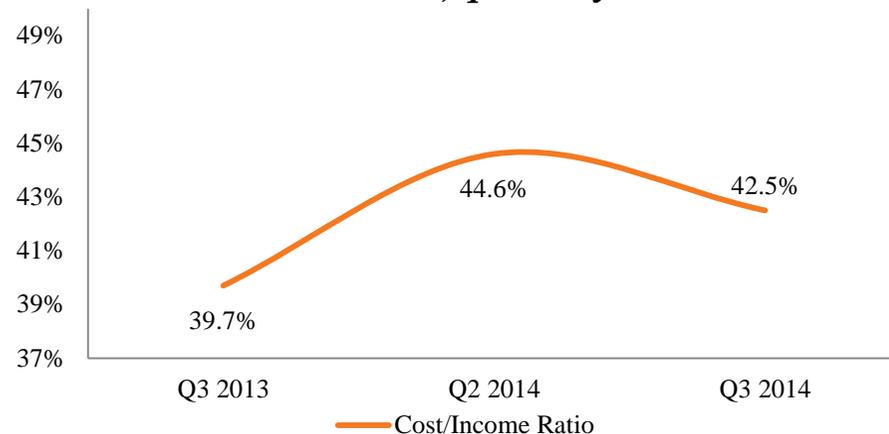


Efficiency

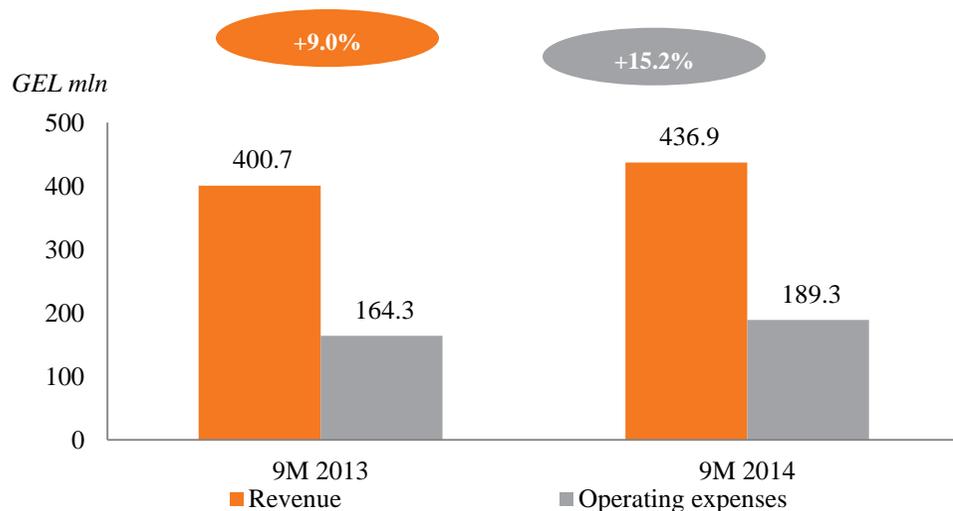
Cost / Income ratio, nine-month



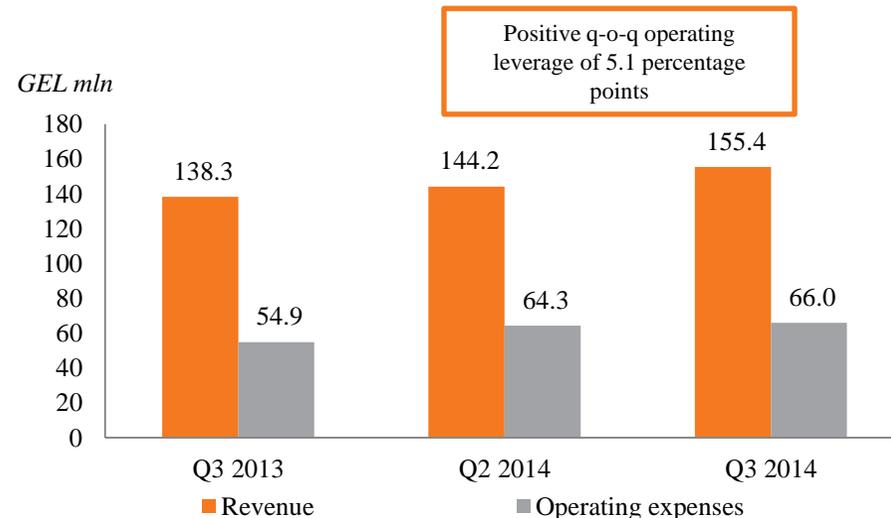
Cost / Income ratio, quarterly



Revenue and operating expenses, nine-month



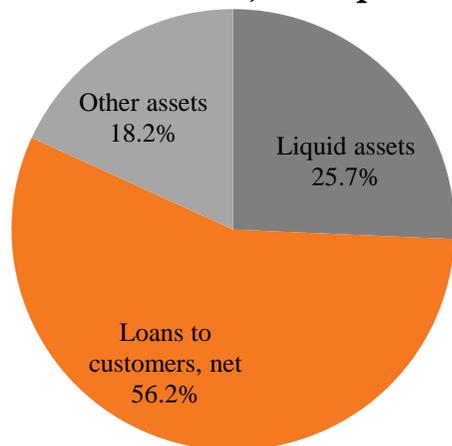
Revenue and operating expenses, quarterly



Diversified asset structure, consolidated

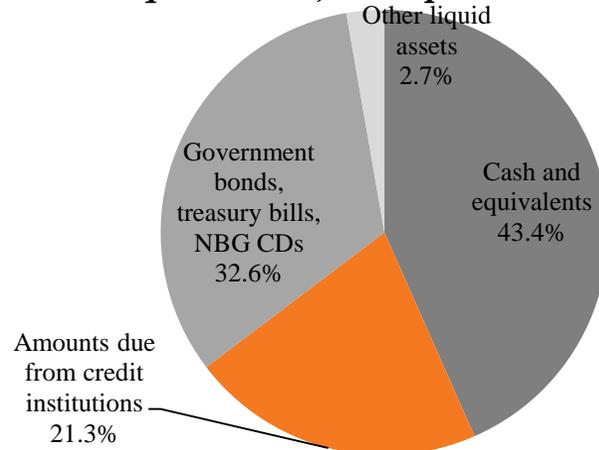
Total asset structure, 30 September 2014

**Total assets:
GEL 6,816 mln**



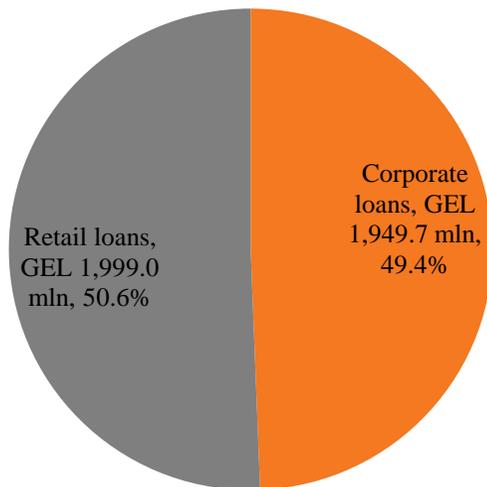
Liquid assets, 30 September 2014

**Liquid assets
GEL 1,750 mln,
25.7% of total
assets and 31.9%
of total liabilities**

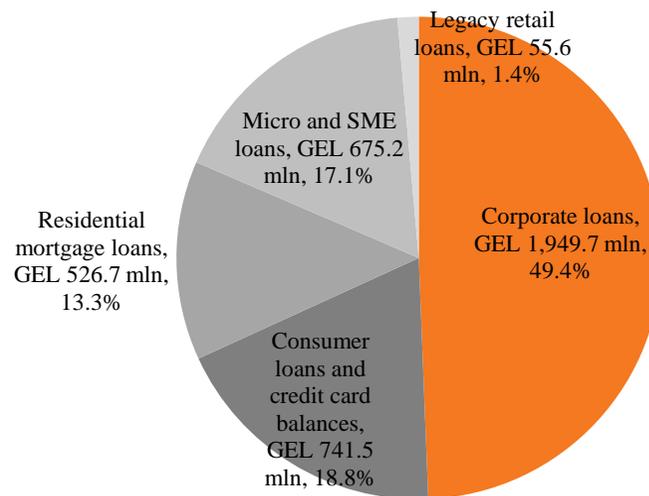


Gross loans breakdown*, 30 September 2014

**Total gross
loans:
GEL 3,949 mln**



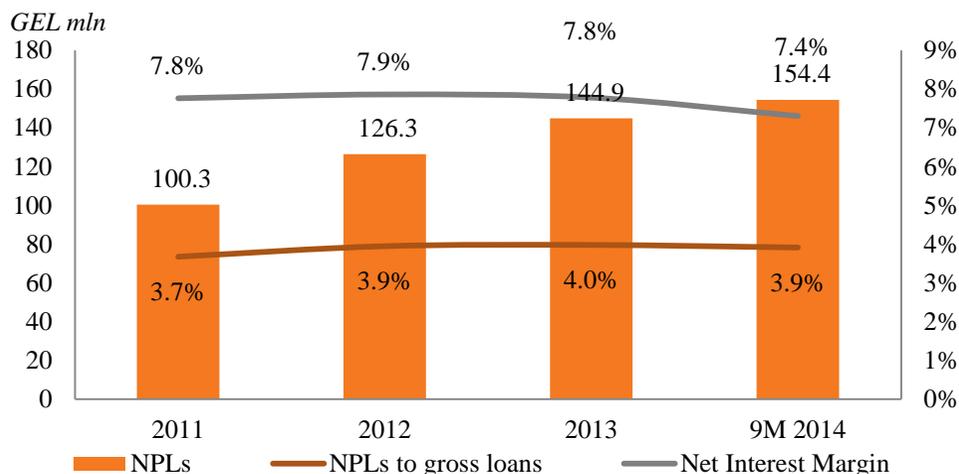
Gross loan portfolio structure, 30 September 2014



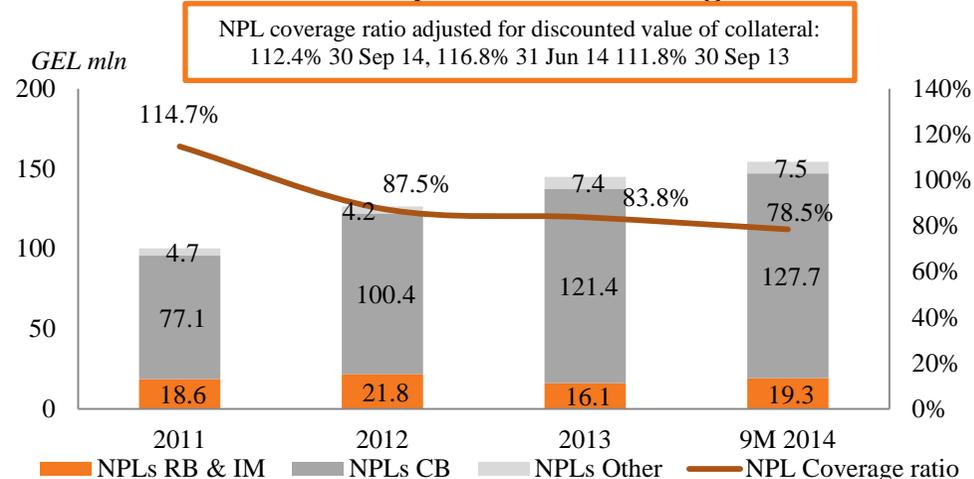
*Retail loans include loans of Retail Banking segment, BNB retail loans, Investment Management and Affordable Housing Mortgages, Corporate loans include Corporate Banking Segment and BNB Corporate loans

Loan portfolio quality

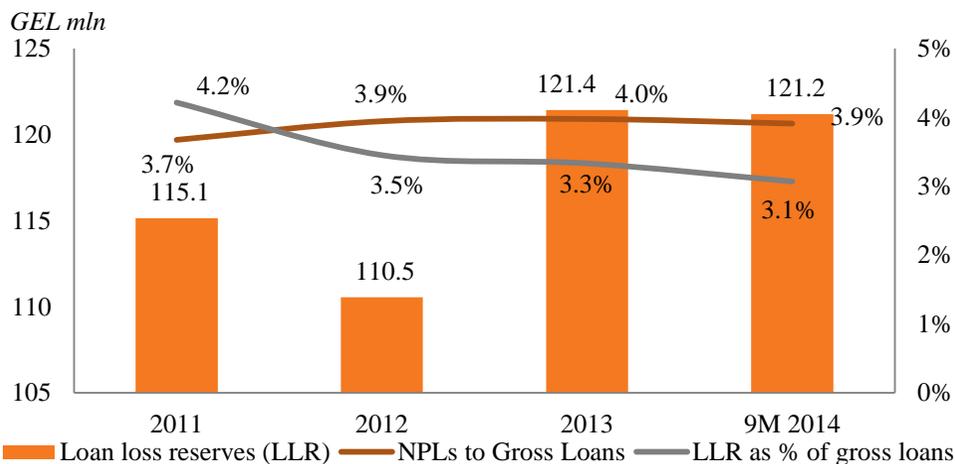
Consolidated NPLs



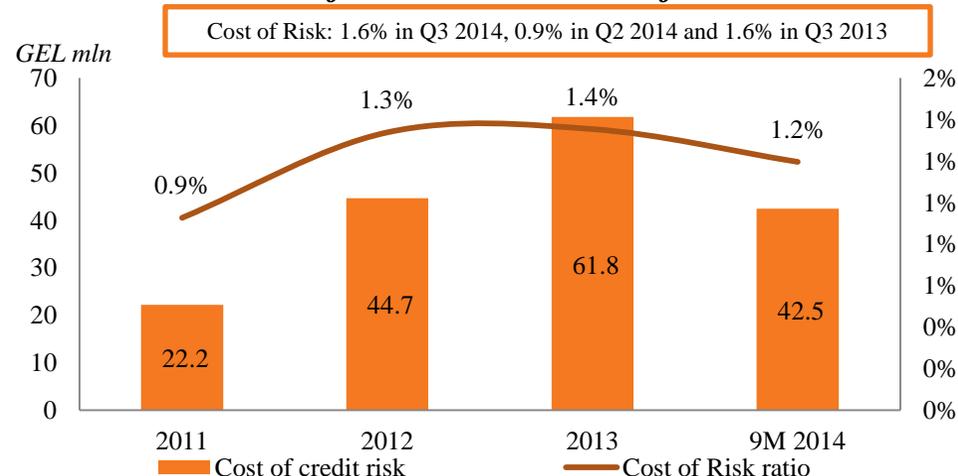
Consolidated NPL composition & coverage ratio



Consolidated loan loss reserve, NPLs to gross loans

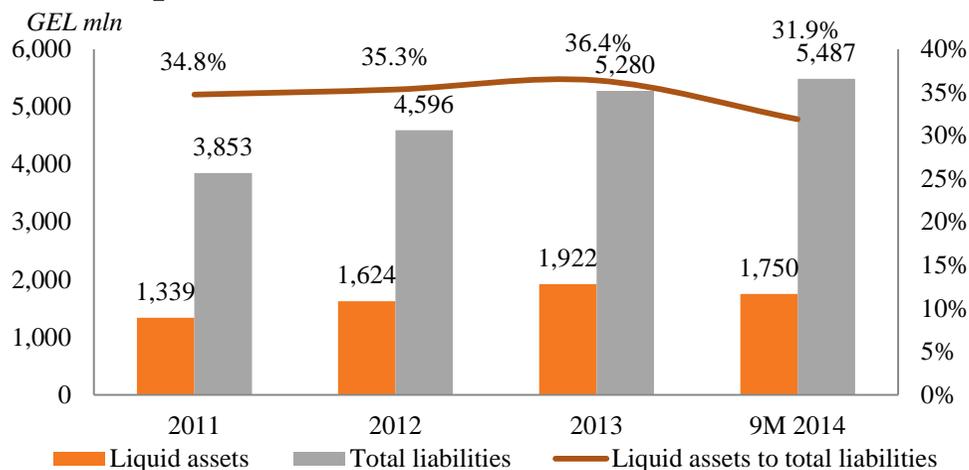


Consolidated cost of credit risk & cost of risk ratio



Strong liquidity

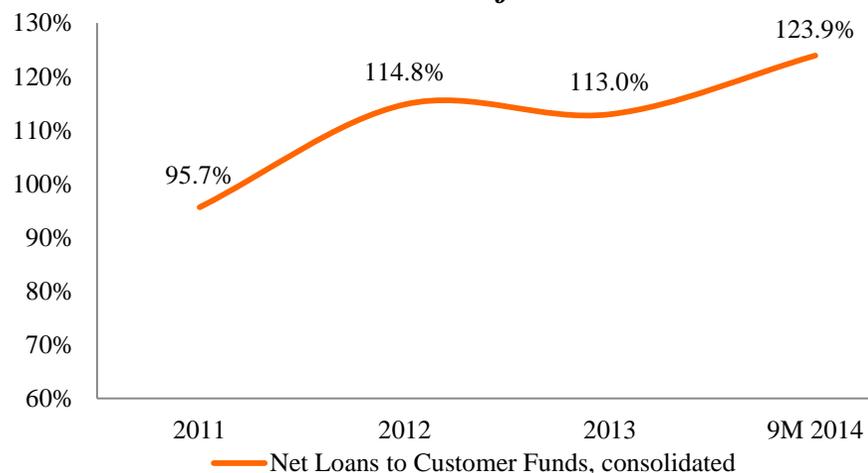
Liquid assets to total liabilities



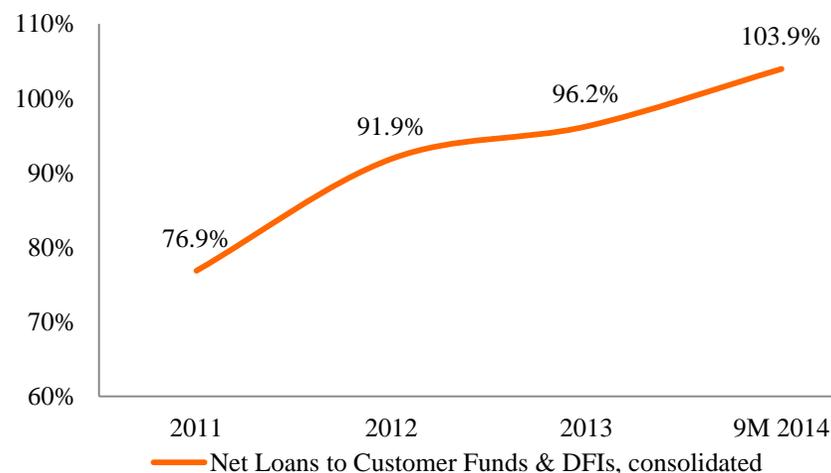
NBG liquidity ratio

Bank Standalone, GEL mln	Q3 2014	2013	2012	2011
Liquid Assets (NBG)	1,196	1,562	1,302	1,242
Liabilities (NBG)	3,167	3,415	3,166	3,286
Liquid Assets / Liabilities \geq 30%	37.8%	45.7%	41.1%	37.8%
Excess liquidity	246	537	353	256

Net loans to customer funds



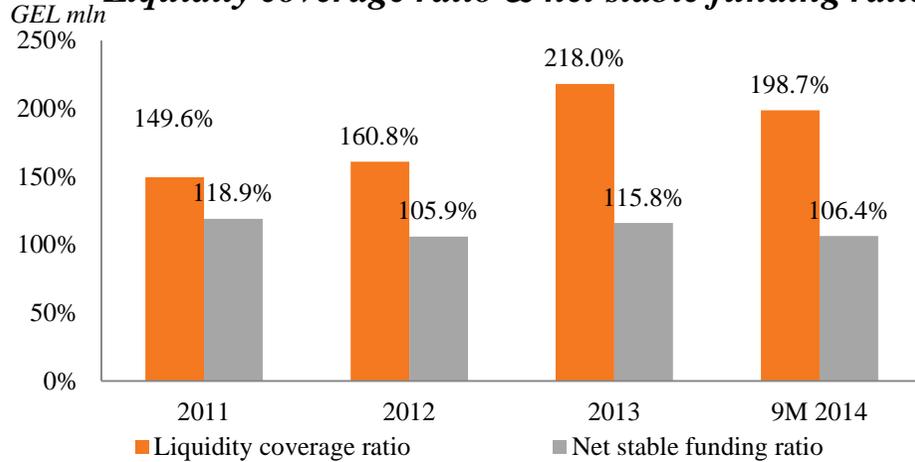
Net loans to customer funds & DFIs



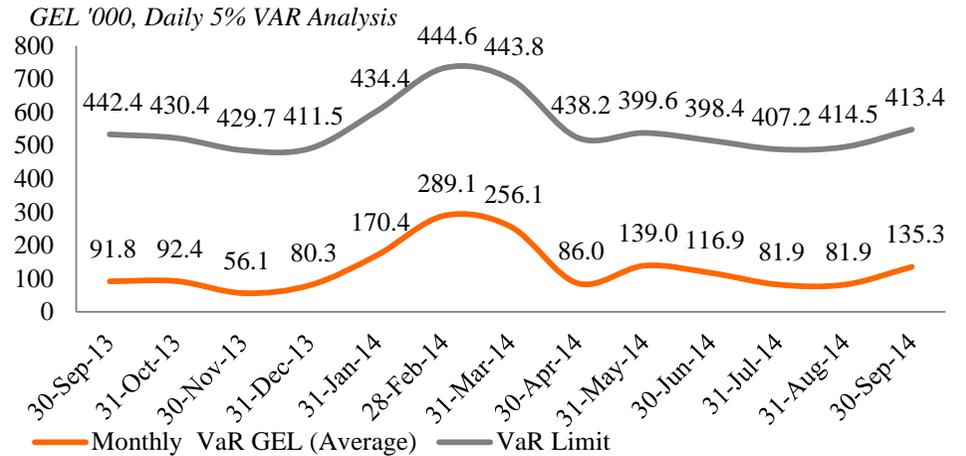
*Customer funds includes client deposits and promissory notes

Strong liquidity

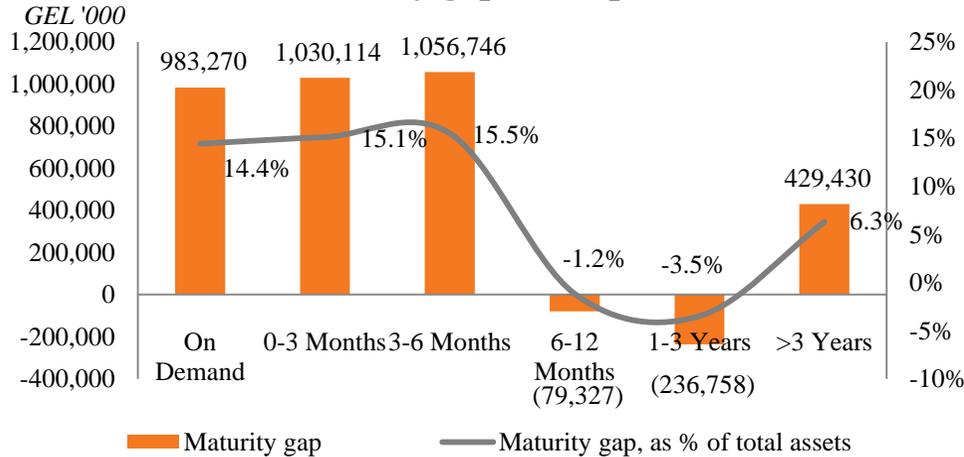
Liquidity coverage ratio & net stable funding ratio



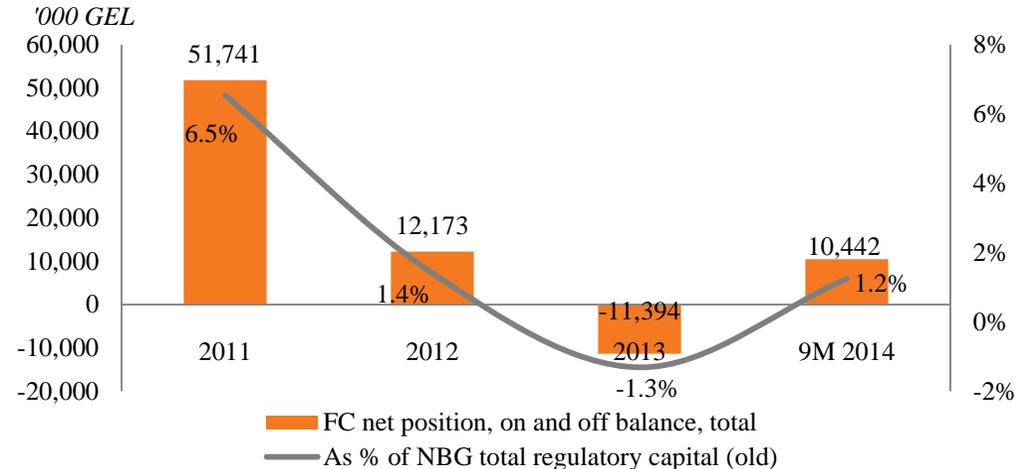
Foreign currency VaR analysis*



Cumulative Maturity gap, 30 September 2014**



Open currency position



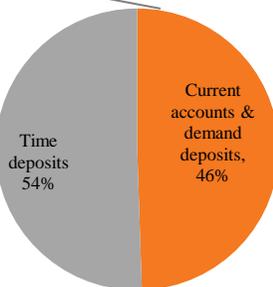
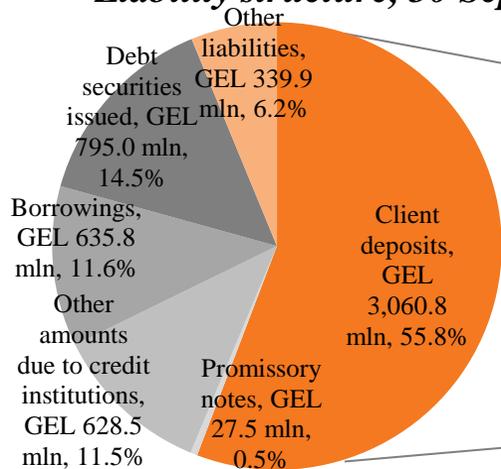
*Daily VaR time series averaged for each respective month

**GEL 1.168.4 mln of current accounts and demand deposits are placed in 6-12 months bucket

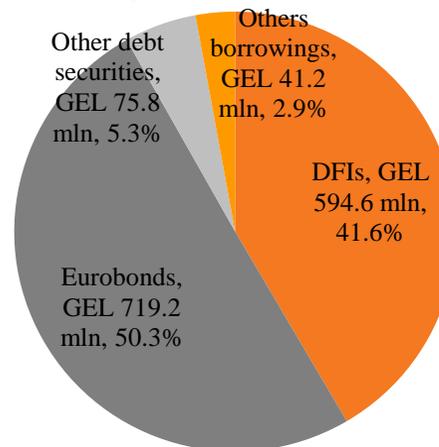
Funding structure is well-balanced

Liability structure, 30 September 2014

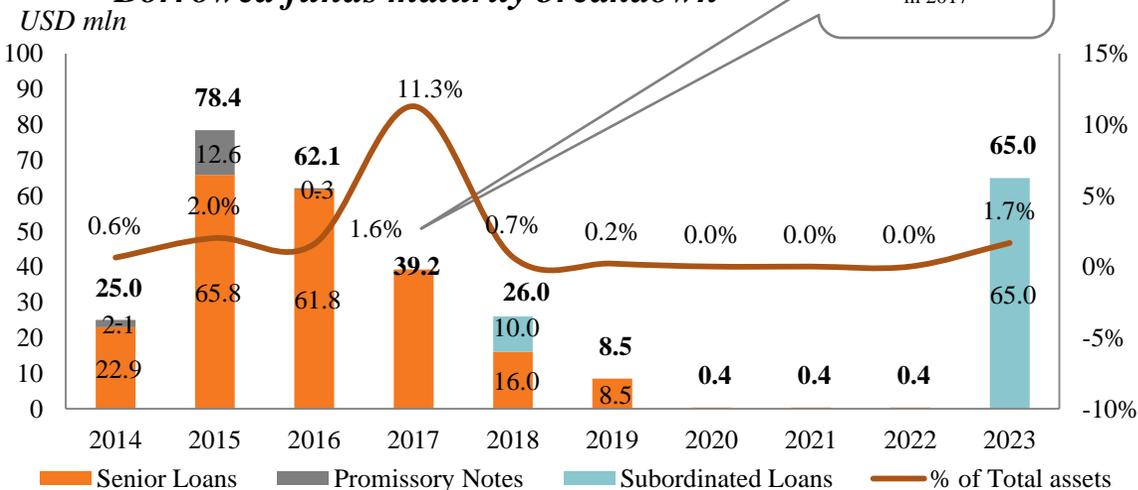
Total Liabilities
GEL 5,487 mln



Well diversified international borrowings, 30 June 2014



Borrowed funds maturity breakdown*



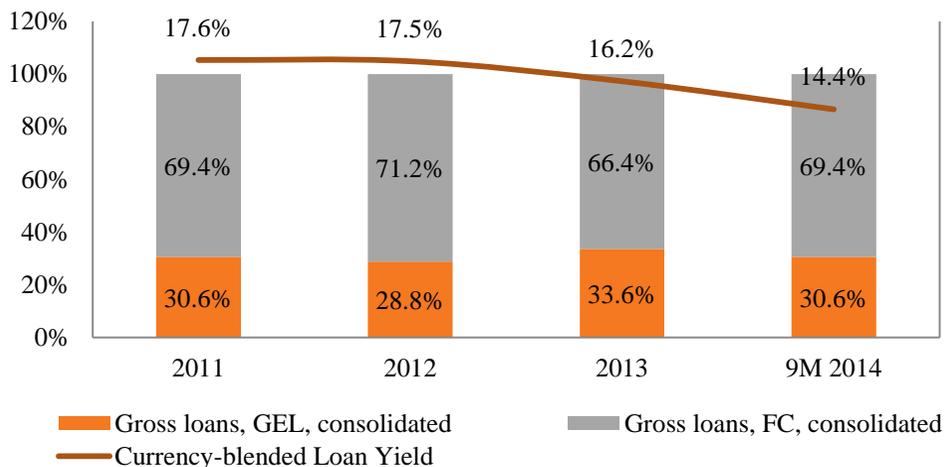
Amounts due to credit institutions

- The Bank has a well-balanced funding structure with 55.8% of total liabilities coming from client deposits, 10.8% from Developmental Financial Institutions (DFIs) and 14.5% from Eurobonds, as of 30 September 2014
- 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 2014, US\$65.2 mln undrawn facilities from DFIs with four to eight year maturities

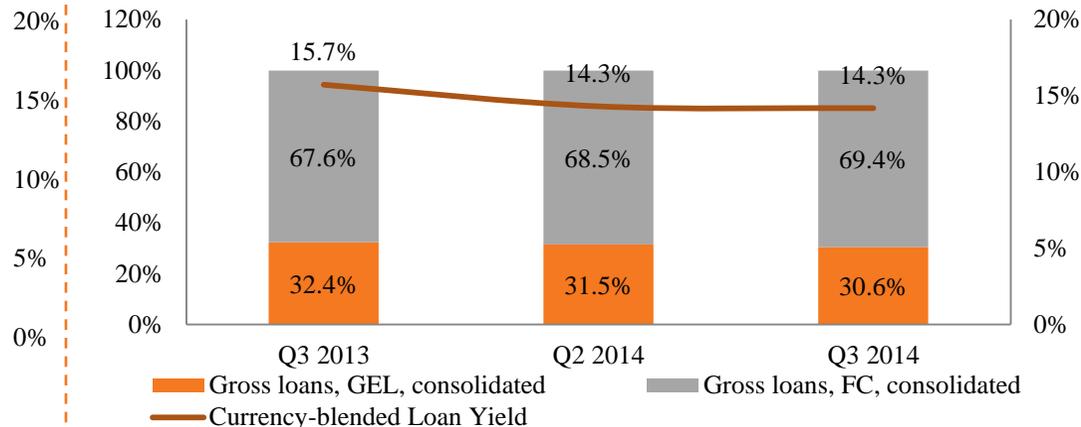
* Consolidated, converted at GEL/US\$ exchange rate of 1.7524 of 30 September 2014
** Total Assets as of 30 September 2014

Yield dynamics

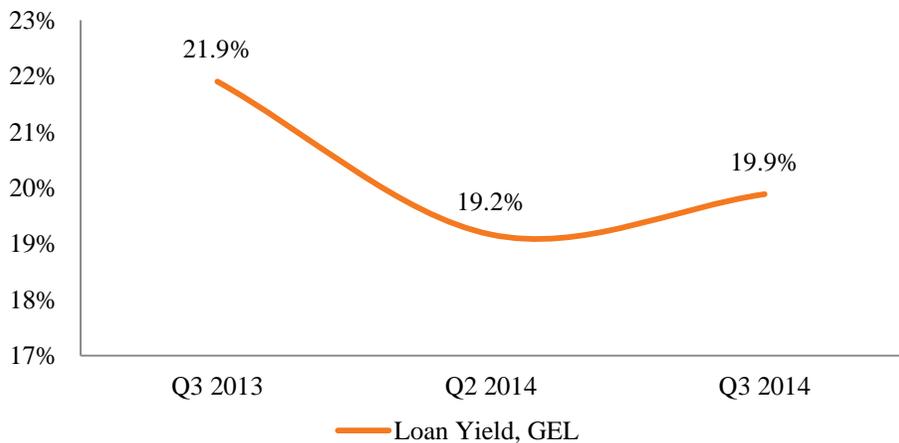
Loan Yields, annual



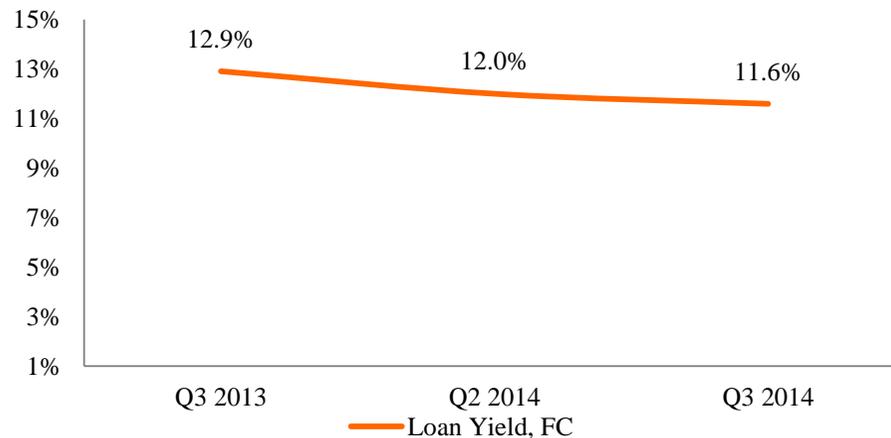
Loan Yields, quarterly



Loan Yields, GEL, quarterly



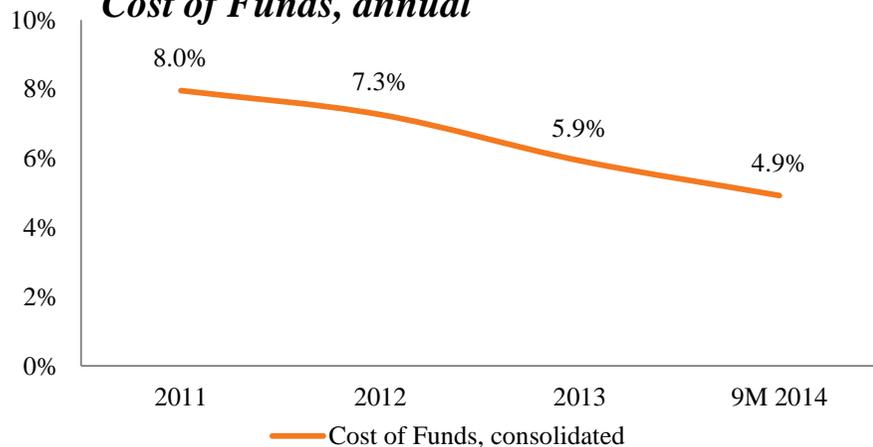
Loan Yields, foreign currency, quarterly



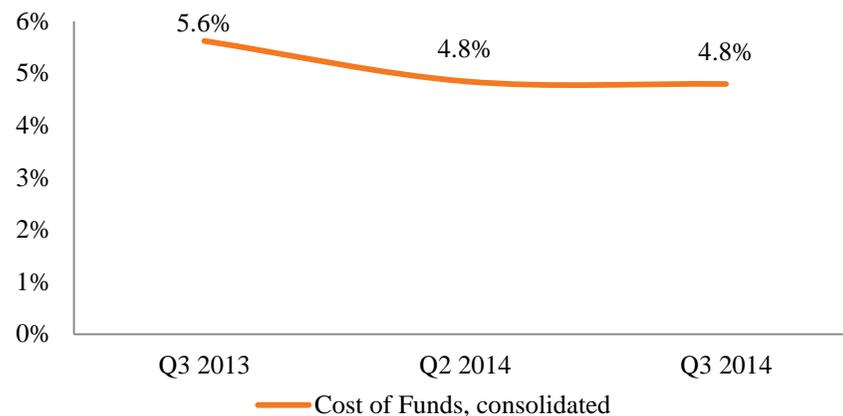
Loan yields excluding provisions

Cost of funds and loans to deposits

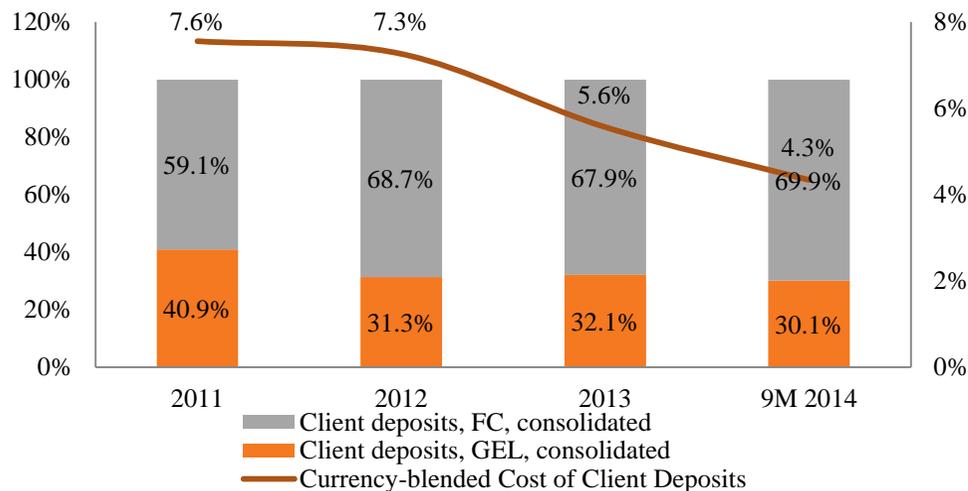
Cost of Funds, annual



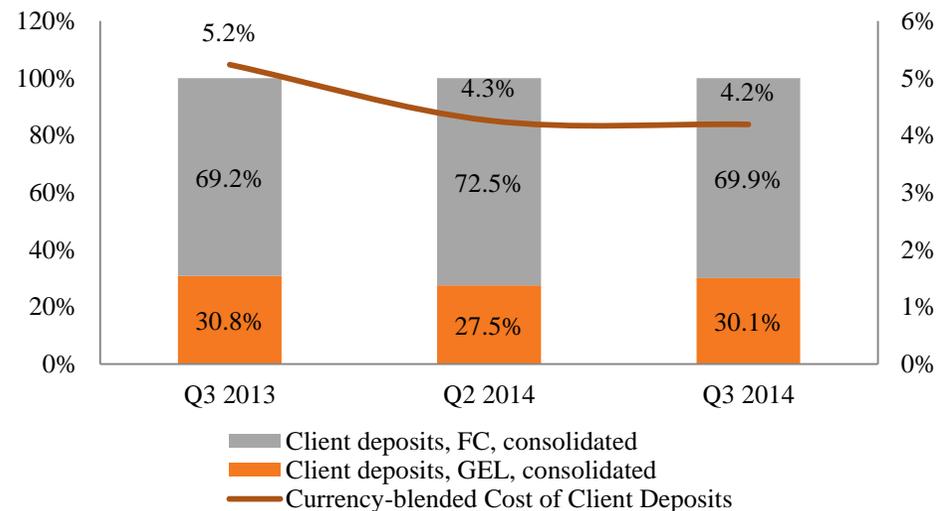
Cost of Funds, quarterly



Cost of Client Deposits, annual



Cost of Client Deposits, quarterly

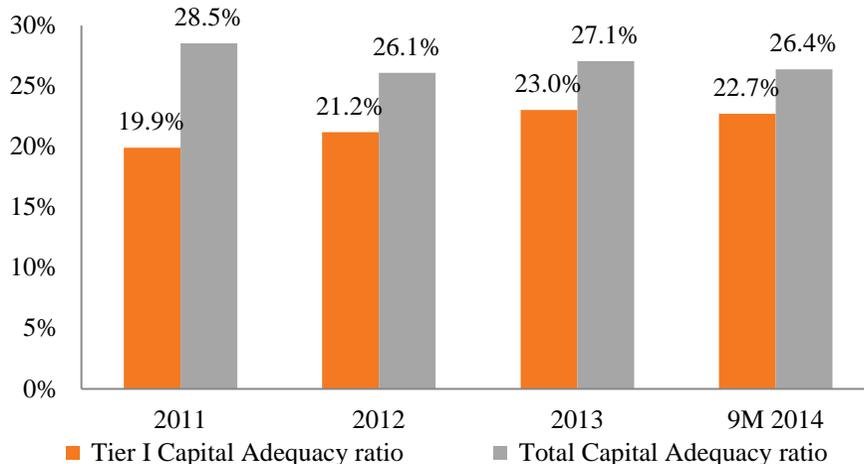


Excellent capital adequacy position

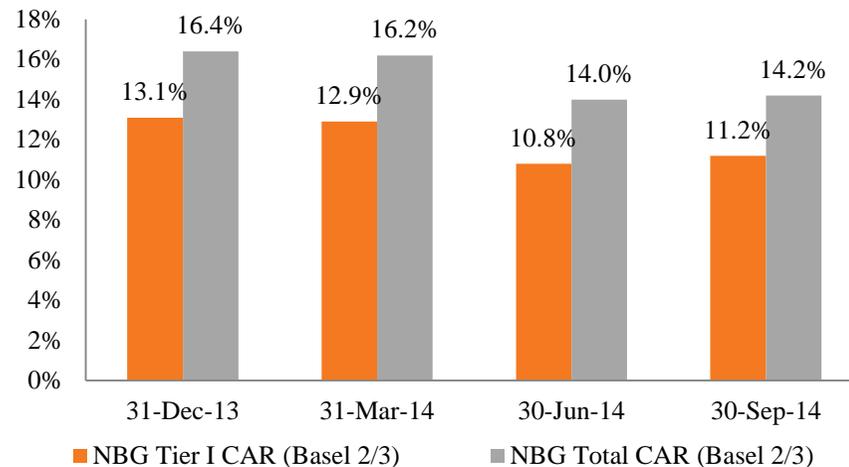
Basel I capital adequacy ratios, consolidated

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

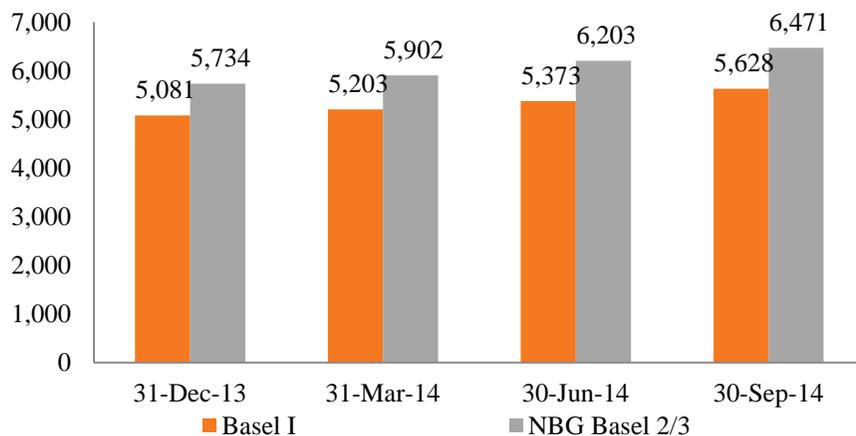
NBG requires that investments in subsidiaries of more than 50% to be deducted from Total Capital



NBG (Basel 2/3), capital adequacy ratios standalone



Risk Weighted Assets Basel I vs NBG (Basel 2/3)



NBG (Basel 2/3) Tier I Capital and Total Capital

GEL '000	Sep 2014	Jun 2014	Mar 2014	Dec 2013
Tier I Capital (Core)	723.2	669.9	764.2	748.3
Tier 2 Capital (Supplementary)	197.9	197.8	190.1	189.8
Total Capital	921.9	867.8	954.3	938.1
Risk weighted assets	6,470.6	6,202.9	5,901.9	5,733.7
Tier 1 Capital ratio	11.2%	10.8%	12.9%	13.1%
Total Capital ratio	14.2%	14.0%	16.2%	16.4%

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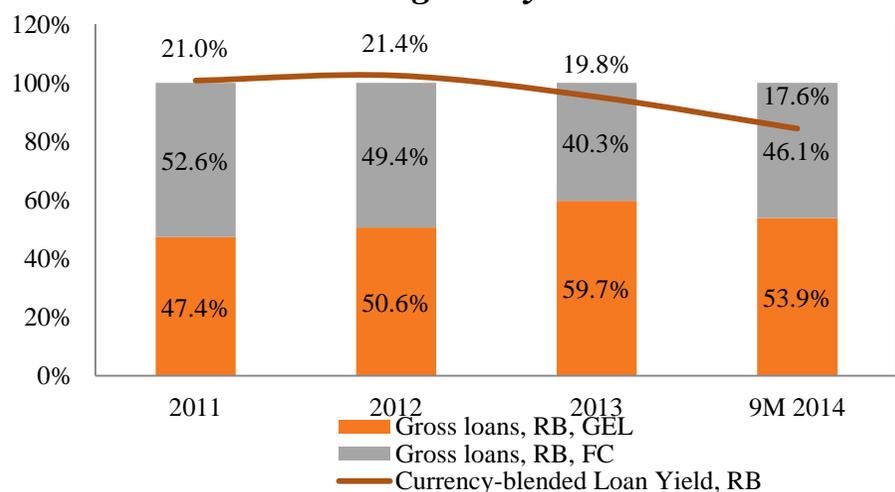
Business Segment Discussion

Appendices

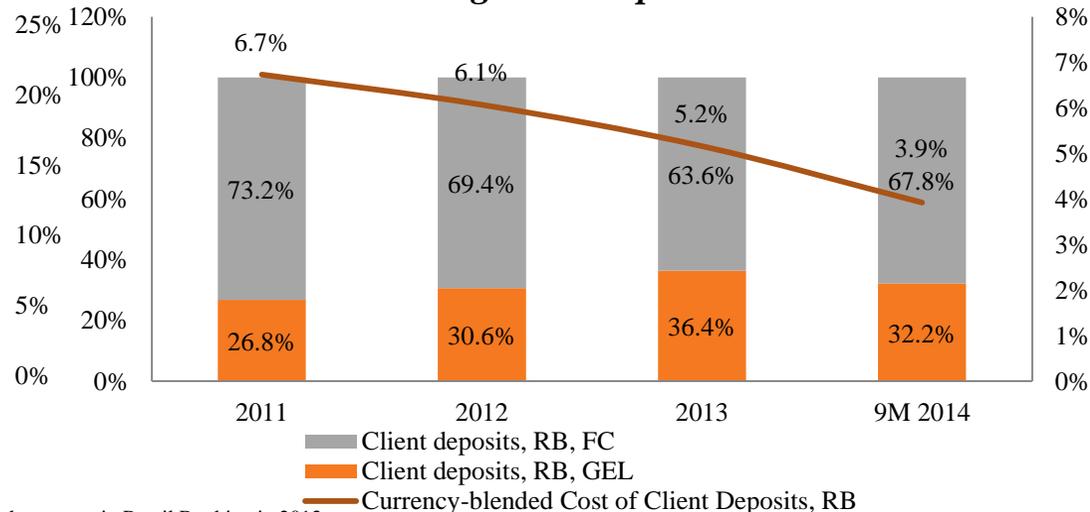
Retail Banking (RB): Strong growth of deposits despite rate cuts

<i>GEL thousands unless otherwise stated</i>	Q3 2014	Q3 2013	Change Y-O-Y	Q2 2014	Change Q-O-Q	9M 2014	9M 2013	Change Y-O-Y
Net interest income	54,079	49,942	8.3%	51,342	5.3%	154,299	141,008	9.4%
Net fee and commission income	14,955	13,633	9.7%	14,309	4.5%	41,515	38,955	6.6%
Net gain from foreign currencies	4,125	5,044	-18.2%	4,392	-6.1%	12,744	12,107	5.3%
Other operating non-interest income	927	720	28.8%	1,386	-33.1%	2,790	3,236	-13.8%
Revenue	74,086	69,339	6.8%	71,429	3.7%	211,348	195,306	8.2%
Operating expenses	(32,321)	(28,934)	11.7%	(31,672)	2.0%	(94,288)	(89,309)	5.6%
Operating income before cost of credit risk	41,765	40,405	3.4%	39,757	5.1%	117,060	105,997	10.4%
Cost of credit risk	(6,604)	(8,236)	-19.8%	(2,291)	188.3%	(6,946)	(25,706)	-73.0%
Net non-recurring items	(284)	(492)	-42.3%	(4,375)	-93.5%	(5,051)	(1,031)	NMF
Profit before income tax expense	34,877	31,677	10.1%	33,091	5.4%	105,063	79,260	32.6%
Income tax expense	(5,620)	(3,428)	63.9%	(641)	NMF	(11,878)	(9,443)	25.8%
Profit	29,257	28,249	3.6%	32,450	-9.8%	93,185	69,817	33.5%

Retail Banking loan yields



Retail Banking client deposit costs

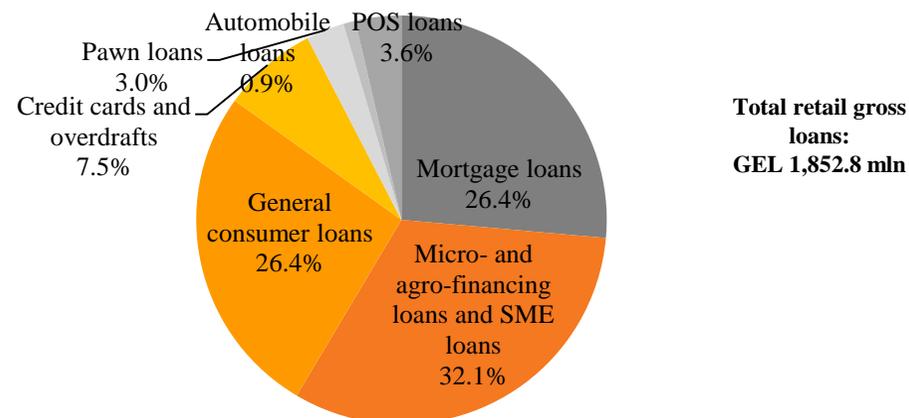


*The loss experience used to determine appropriate general risk provision was changed from seven to three years in Retail Banking in 2012

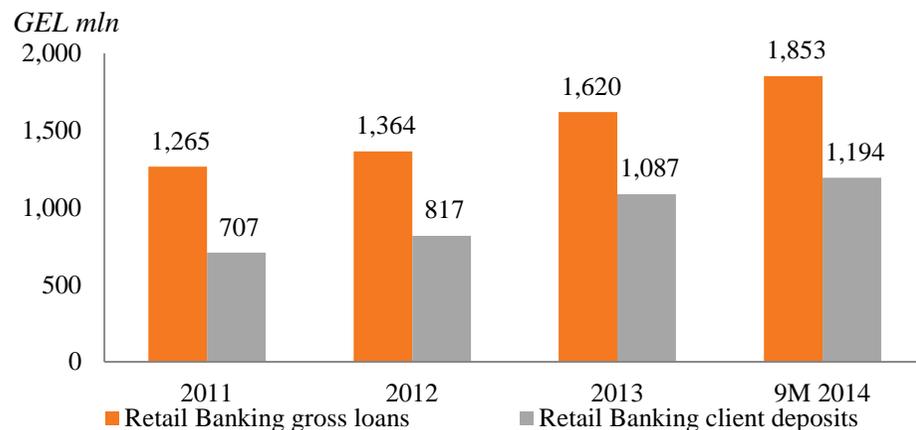
Retail Banking (RB) – No. 1 retail bank in Georgia

Volumes are in GEL millions	9M 2014	% of clients	2013	2012	2011
Number of total Retail clients, of which:	1,378,473		1,245,048	1,054,248	888,794
Number of Solo clients ("Premier Banking")	7,513	0.5%	6,810	5,413	3,728
Consumer loans & other outstanding, volume	629.0		560.2	480.0	428.2
Consumer loans & other outstanding, number	486,804	35.3%	455,557	406,213	342,652
Mortgage loans outstanding, volume*	522.5		441.4	388.7	375.0
Mortgage loans outstanding, number*	11,238	0.8%	10,212	9,850	9,162
Micro & SME loans outstanding, volume	595.0		497.0	364.4	318.5
Micro & SME loans outstanding, number	15,294	1.1%	13,317	11,136	9,860
Credit cards and overdrafts outstanding, volume	139.4		142.4	146.4	143.3
Credit cards and overdrafts outstanding, number	198,519	14.4%	174,570	142,072	131,119
Credit cards outstanding, number, of which:	116,589	8.5%	117,913	107,261	127,820
American Express cards	109,539	7.9%	108,608	99,292	97,100

RB gross loan portfolio consolidated, 30 Sep 2014

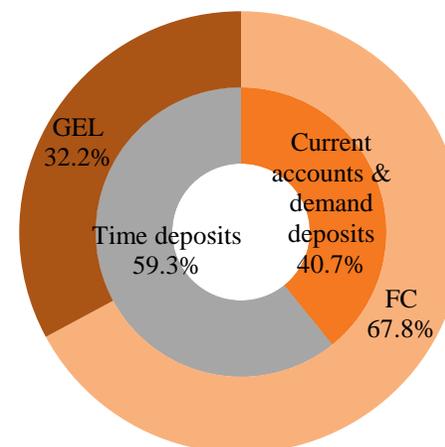


RB gross loans and deposits, consolidated



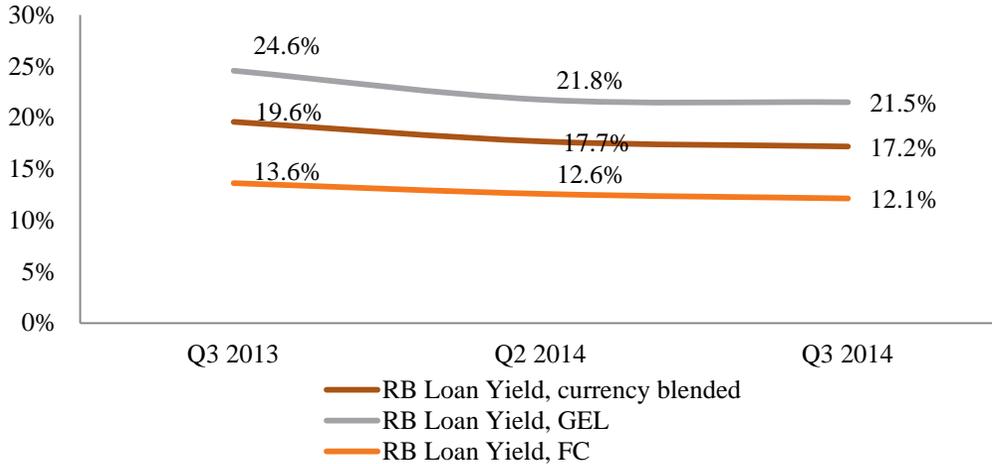
*Includes m2 mortgages

RB client deposits, 30 Sep 2014

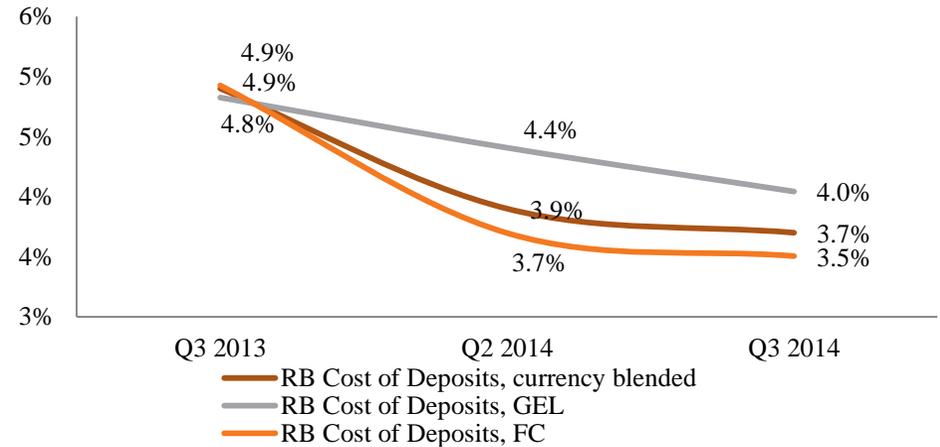


Retail Banking

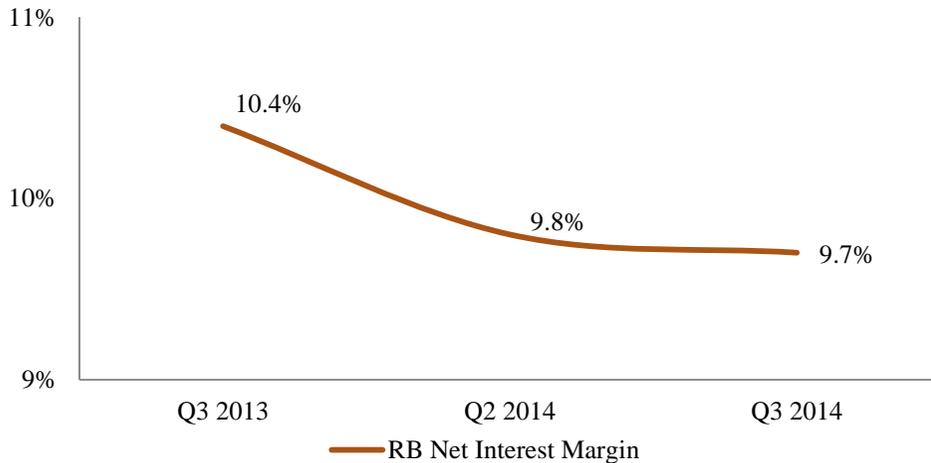
Loan Yield, quarterly



Cost of Deposits, quarterly



NIM, quarterly

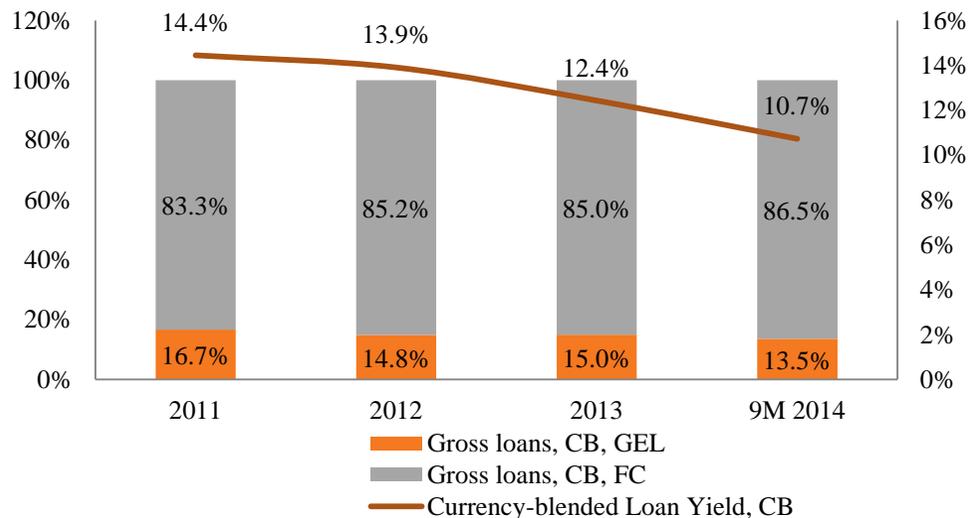


Corporate Banking (CB)

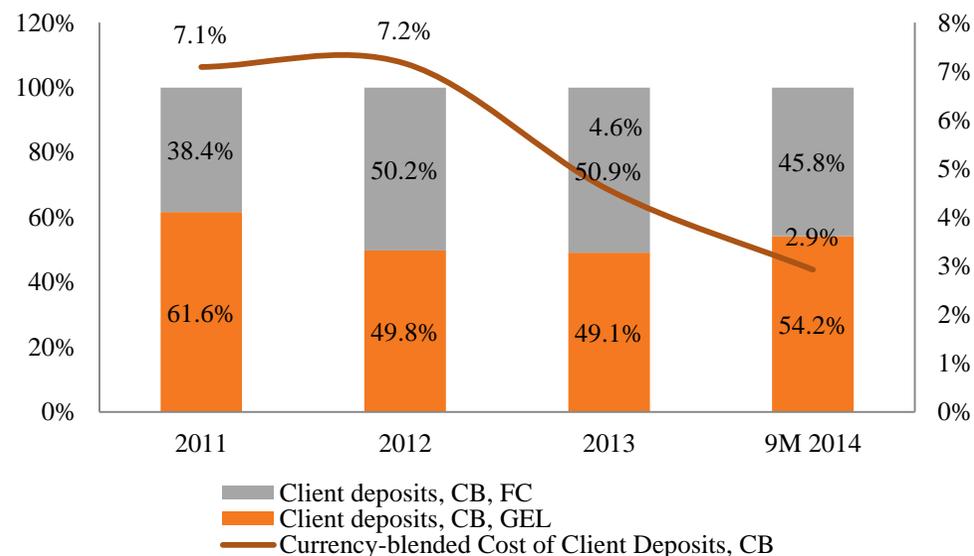
GEL thousands unless otherwise stated

	Q3 2014	Q3 2013	Change Y-O-Y	Q2 2014	Change Q-O-Q	9M 2014	9M 2013	Change Y-O-Y
Net interest income	26,068	25,785	1.1%	23,904	9.1%	74,579	76,244	-2.2%
Net fee and commission income	6,197	6,475	-4.3%	6,292	-1.5%	18,211	20,847	-12.6%
Net gain from foreign currencies	6,402	5,899	8.5%	5,216	22.7%	17,945	18,435	-2.7%
Other operating non-interest income	715	721	-0.8%	1,046	-31.6%	2,245	3,874	-42.0%
Revenue	39,382	38,880	1.3%	36,458	8.0%	112,980	119,400	-5.4%
Operating expenses	(12,409)	(11,026)	12.5%	(12,528)	-0.9%	(36,363)	(31,777)	14.4%
Operating income before cost of credit risk	26,973	27,854	-3.2%	23,930	12.7%	76,617	87,623	-12.6%
Cost of credit risk	(7,092)	(5,960)	19.0%	(10,737)	-33.9%	(30,748)	(23,151)	32.8%
Net non-recurring items	(116)	(324)	-64.2%	(2,229)	-94.8%	(2,568)	(1,340)	91.6%
Profit before income tax expense	19,765	21,570	-8.4%	10,964	80.3%	43,301	63,132	-31.4%
Income tax expense	(2,936)	(1,945)	51.0%	(416)	NMF	(5,258)	(7,918)	-33.6%
Profit	16,829	19,625	-14.2%	10,548	59.5%	38,043	55,214	-31.1%

Corporate Banking Loan Yields



Corporate Banking Deposit Costs

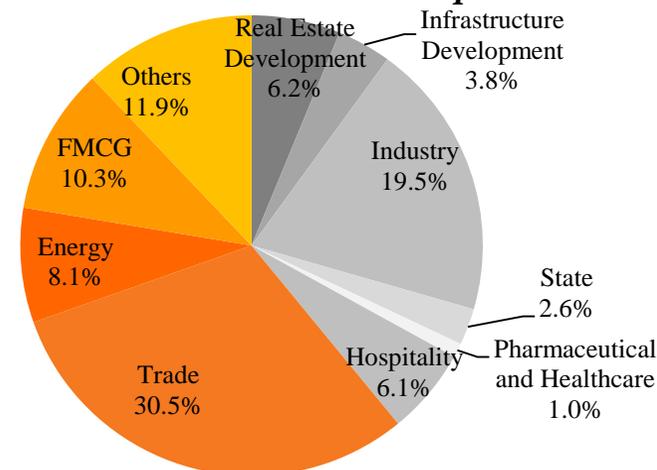


Corporate Banking (CB)

Highlights

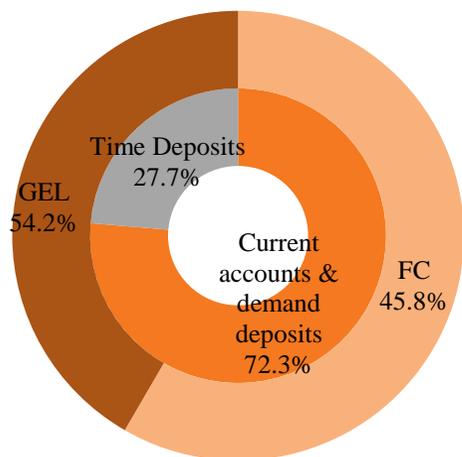
- 🏆 No.1 corporate bank in Georgia
- 🏆 Circa 24.9% market share based on client deposits¹ as of 30 September 2014
- 🏆 Integrated client coverage in key sectors
- 🏆 c.7,100 clients served by dedicated relationship bankers

Corporate gross loan portfolio, consolidated, 30 Sep 2014
Total gross loan portfolio GEL 1,884 mln



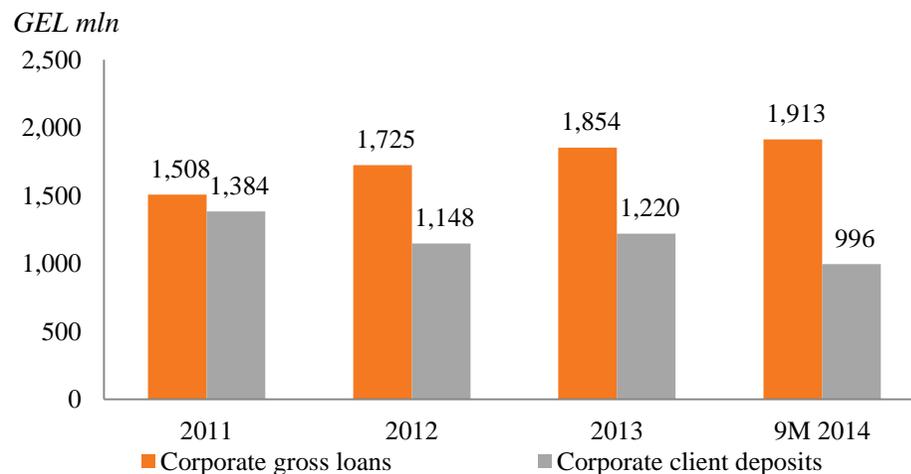
Corporate banking client deposits consolidated, 30 Sep 2014

Total corporate deposits: GEL 996



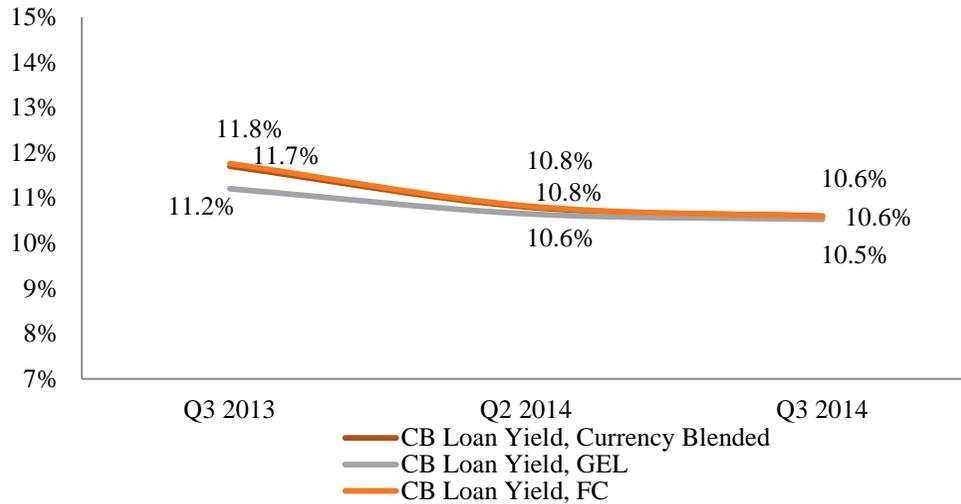
¹ source: National Bank of Georgia, does not include interbank deposits

Corporate gross loan and deposit growth, consolidated

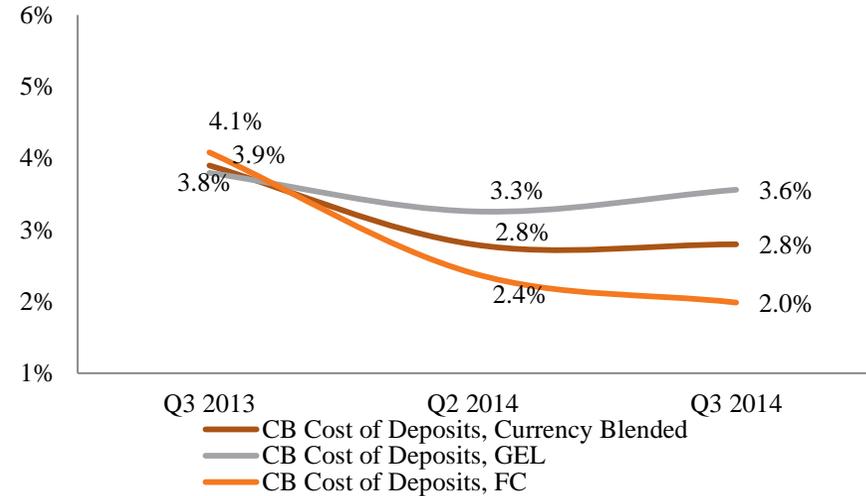


Corporate banking

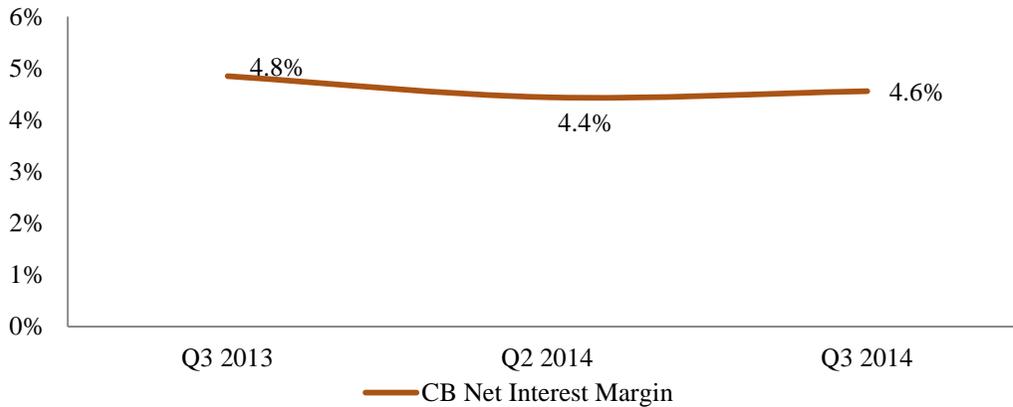
Loan Yield, quarterly



Cost of deposits, quarterly



NIM, quarterly



Investment Management results overview

Highlights

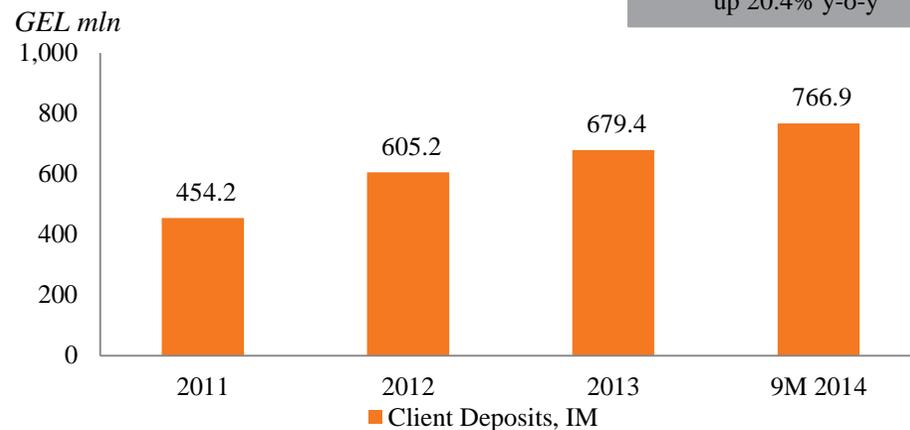
- ☞ Strengthening presence internationally through representative offices in Israel (since 2008), the UK (2010), Hungary (2012) and Turkey (2013).
- ☞ Preparing to launch Mezzanine Fund, Renewable Energy Fund and Caucasus Money Market Fund
- ☞ Executed its first sizeable M&A deal and received a success fee. IM segment's fee and commission income totalled GEL 8.5 mln in 9M 2014 (GEL 1.0 mln in 9M 2013)
- ☞ Successfully placed US\$8 million, EUR 8 million and GBP 5 million Euroclearable CDs. CDs issued to IM clients stood at GEL376.2 million.
- ☞ Galt & Taggart (the Bank's brokerage subsidiary) acted as lead arranger for two bond offerings for m2 issued in June 2014. A US\$10 million 1-year bond placement at par with a coupon rate of 8.42% and a US\$5 million 1 year bond with a coupon rate of 9.5%
- ☞ Galt & Taggart hosted first investor conference dedicated to the equity and bond market development in the region. The conference brought together 60 institutional investors and analysts and more than 100 one-on-one meetings were held with Georgian and Azeri companies

Bank of Georgia Research

- ☞ The Bank of Georgia Research Department was launched in June 2012 with a view of supporting Investment Management and Corporate Banking businesses to attract more clients and investments into Georgia through Bank of Georgia.
- ☞ Bank of Georgia Research has initiated research coverage of the Georgian economy and Azeri economies, including a report analysing the impact of Russia-Ukraine standoff on the Georgian economy, the Georgian Retail Real Estate Market, the Georgian Wine Sector, Georgian Agricultural Sector, Georgian Electricity Sector, Georgian Oil and Gas Corporation, Georgian Railway, and has issued notes on Georgian State Budget and the Tourism Sector

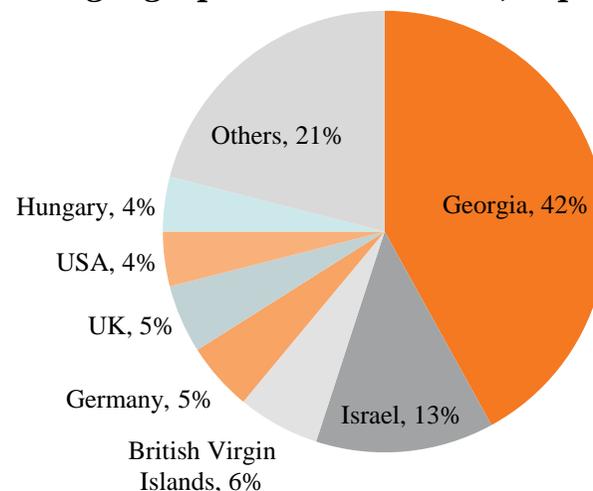
* Includes AUM of Galt & Taggart and Aldagi Pension Fund

IM client deposits growth



IM AUM* of GEL 933 mln as of 30 September 2014, up 20.4% y-o-y

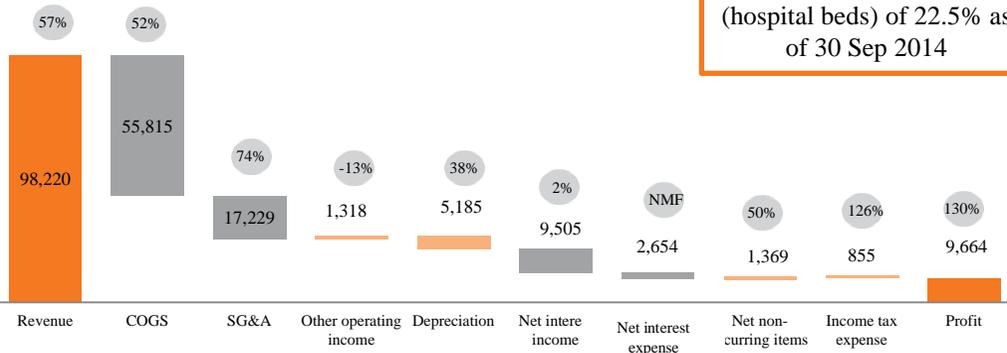
IM client geographical distribution, Sep 2014



Healthcare Business

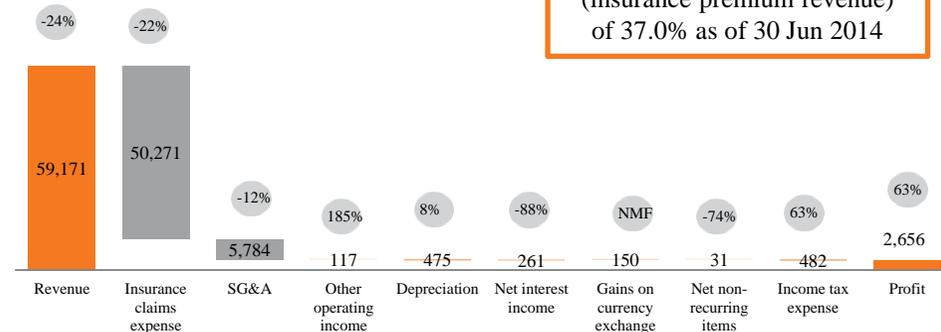
● y-o-y changes

Healthcare Services Income Statement



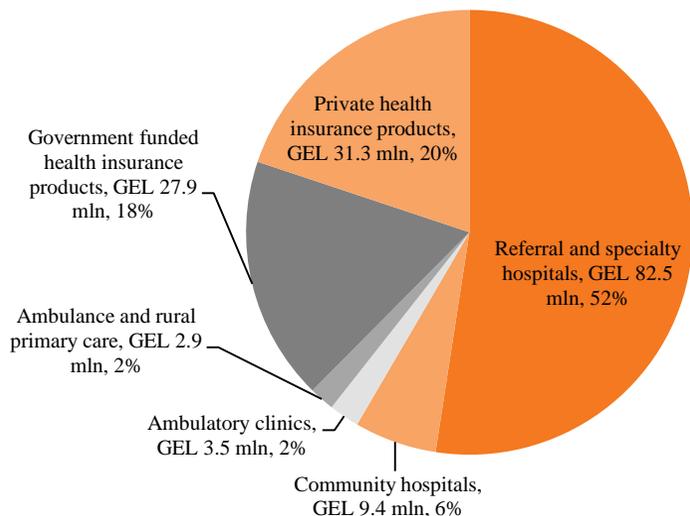
Healthcare market share (hospital beds) of 22.5% as of 30 Sep 2014

Health Insurance Income Statement



Health insurance market share (insurance premium revenue) of 37.0% as of 30 Jun 2014

Healthcare business revenue breakdown



Clinics and beds by regions, September 2014

Region	Geography	Population mln persons	TOTAL		Referral & Specialty Hospitals		Community Clinic		Ambulatory Clinic
			Hospitals & clinics	Beds	Hospitals	Beds	Hospitals	Bed	
Tbilisi	Capital	1.22	7	730	6	730	-	-	1
Imereti	West	0.67	7	454	3	389	4	65	-
Adjara	West	0.40	8	384	2	254	4	130	2
Samegrelo	West	0.36	8	331	1	186	6	145	1
Kakheti	East	0.39	4	110	1	70	2	40	1
Samtskhe	South-East	0.20	4	131	1	50	3	81	
		3.24	38	2,140	14	1,679	19	461	5

*Insurance revenue is calculated as gross insurance premium revenue less premiums ceded to reinsurers and commission expenses

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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



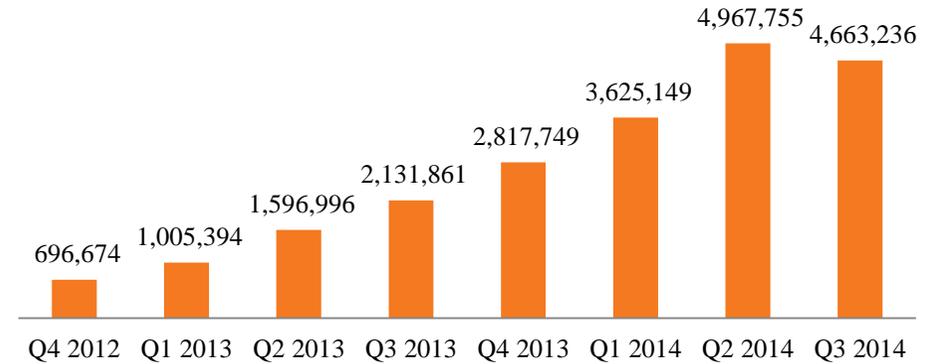
- Payments via cards and Express points
- P2P transactions between merchant and supplier
- Credit limit with 0% interest rate

Express Card

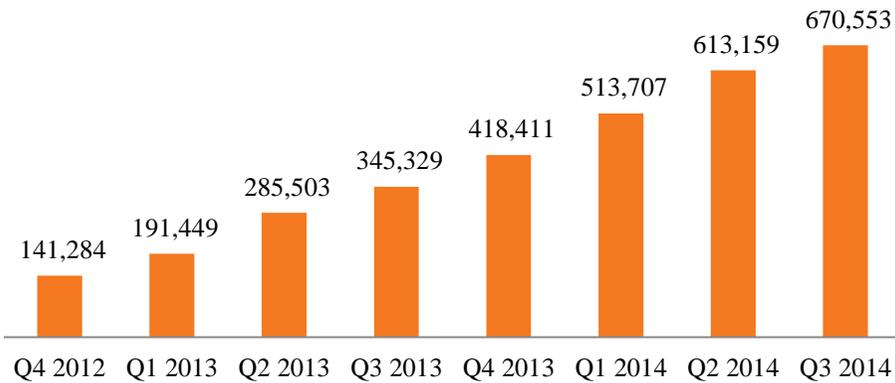


- 670,553 cards outstanding
- > 10 mln payments in transport per month

Number of transactions

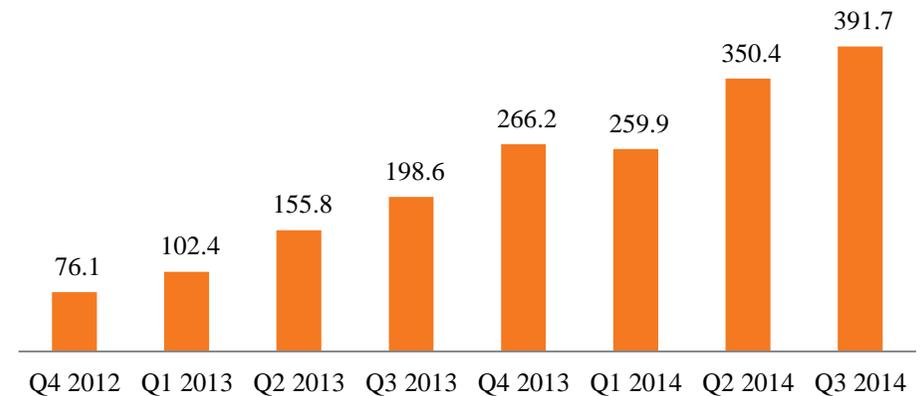


Number of cards outstanding



Volume of transactions

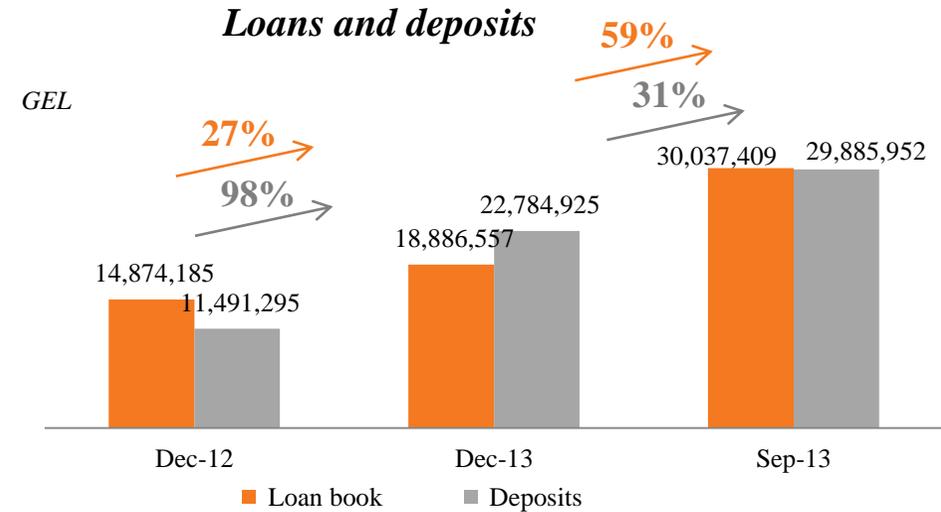
GEL mln



Express Branch

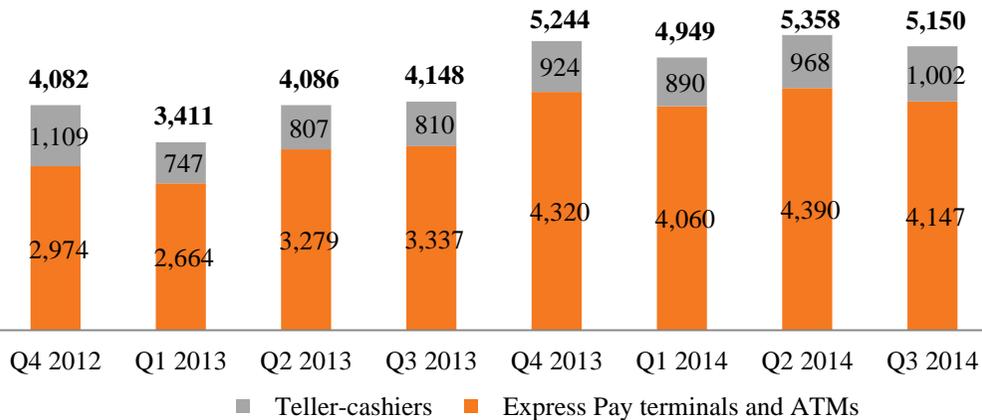


- 83 small format branches
- GEL 1.5 mln net profit per month
- Average capex per one express branch: US\$50K



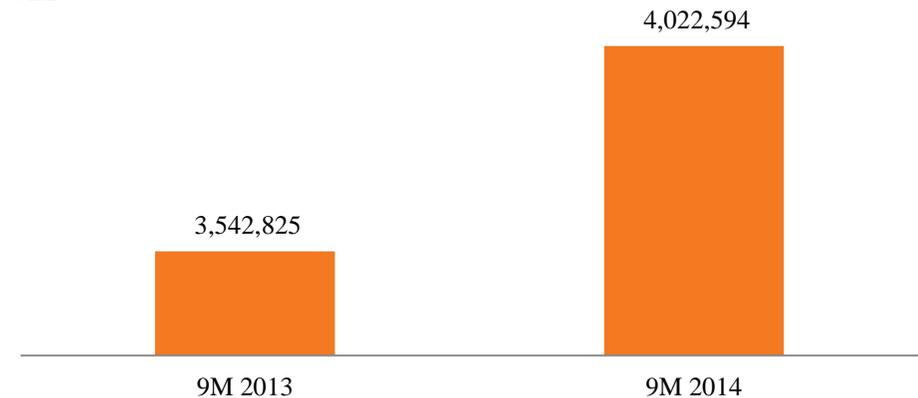
Number of transactions

Thousands



Fee income*

GEL



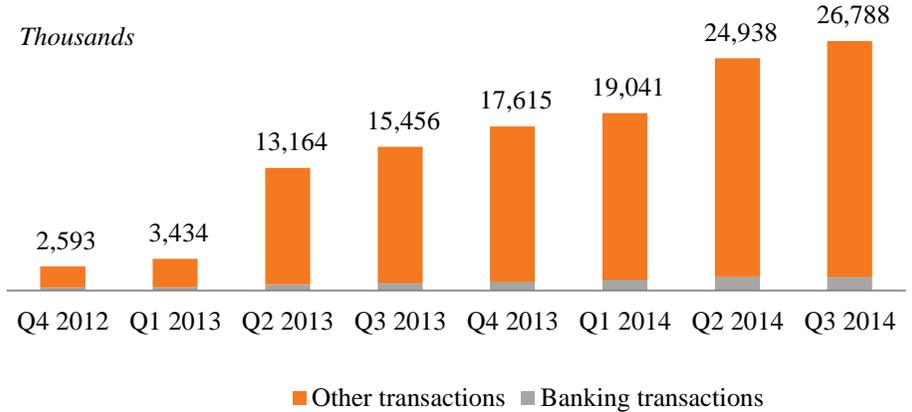
*Includes net income from currency conversions

Express Pay Terminal

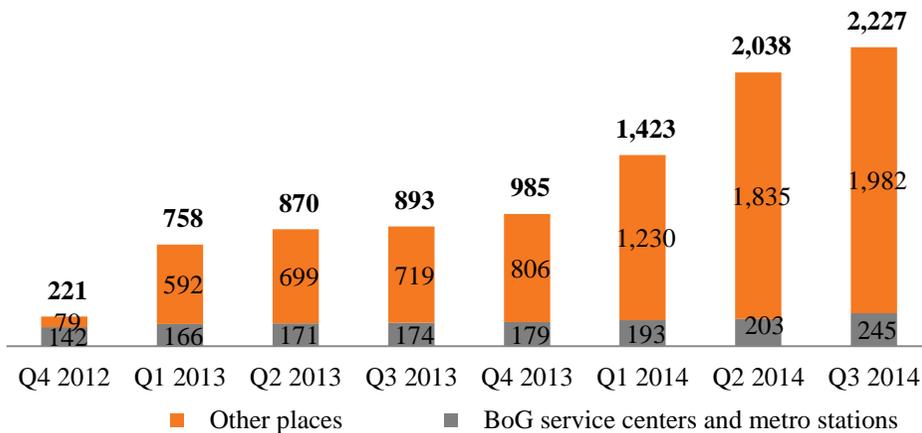


-  2,227 terminals
-  131 merchants and 202 services
-  Cost of one Express Pay Terminal: US\$2,500

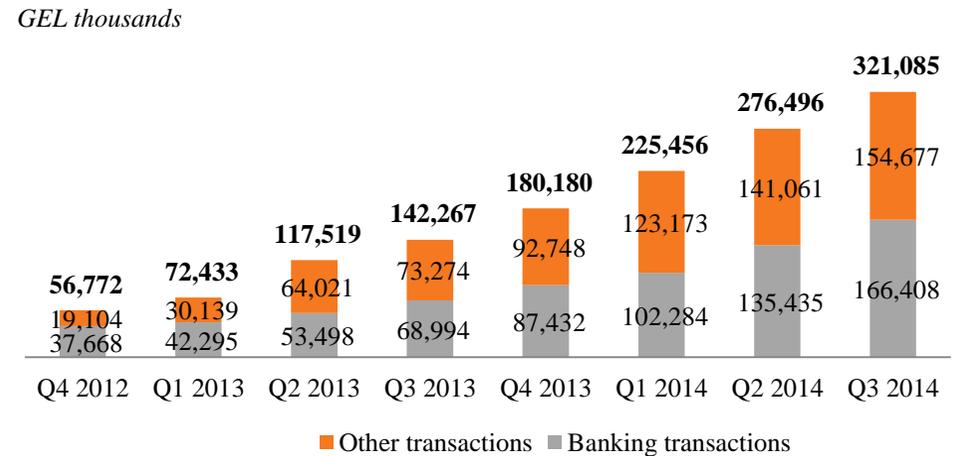
Number of transactions



Number of Express Pay Terminals



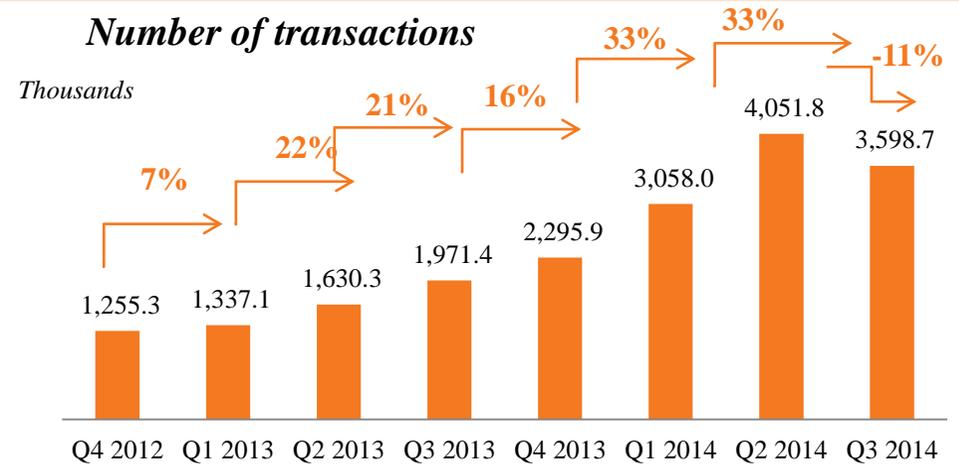
Volume of transactions



Express Merchant

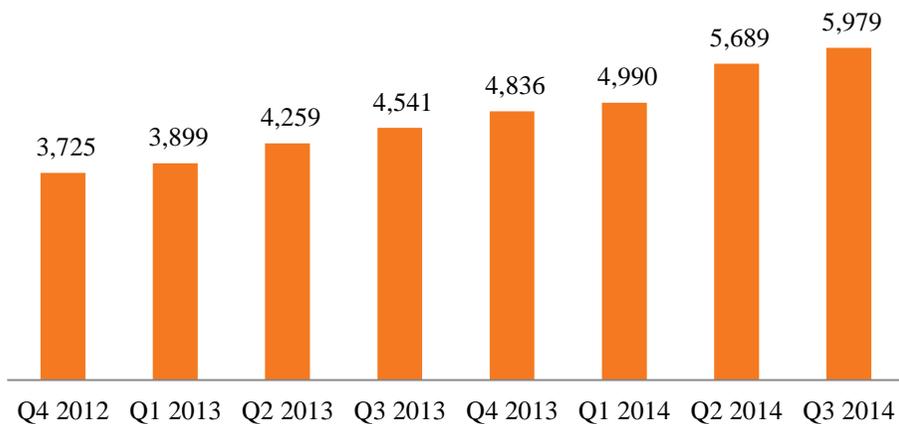


-  5,979 POS Terminals
-  >50% Market Share
-  Market Size – 10,000 Merchants

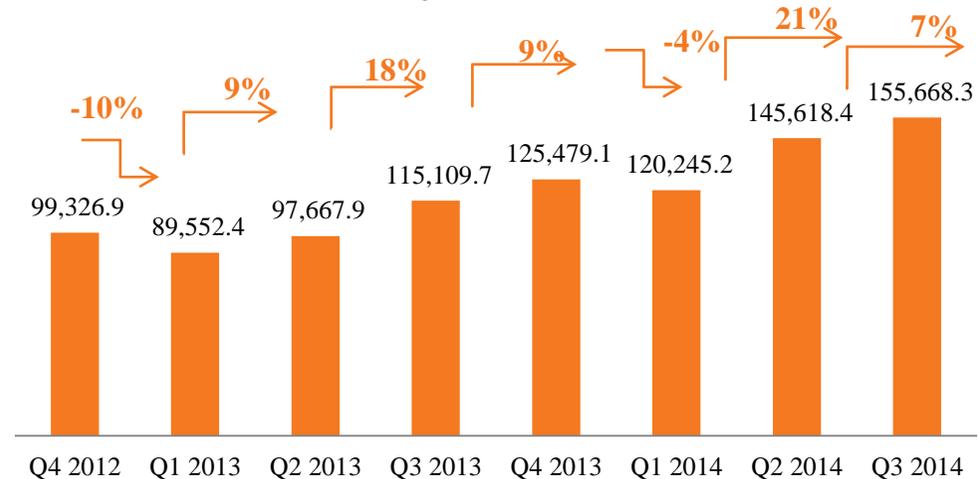


GEL mln

Number of POS Terminals



Volume of transactions

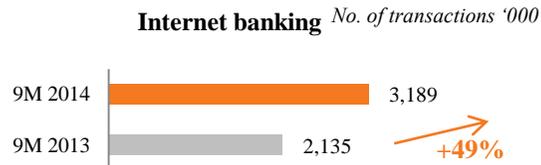




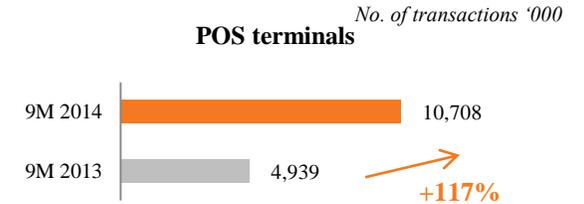
470,000+

A rise of distance channels

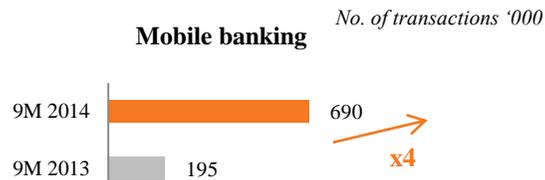
Internet banking: 60,000 active users



POS terminals: 6.0K throughout Georgia



Mobile banking: 23,000 active users

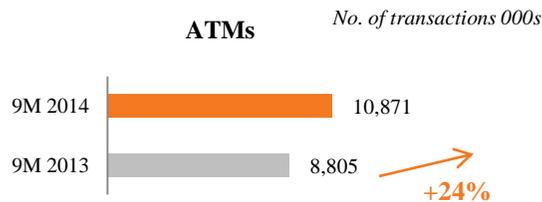


Digital corners



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

ATMs: 521 throughout Georgia



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Analyst coverage of Bank of Georgia Holdings PLC

Consensus Target Price: GBP 27.70



GBP 30.00



GBP 24.69

PANMURE GORDON & CO

GBP 30.00



GBP 24.50



GBP 27.45



GBP 31.60



GBP 28.20



GBP 25.77



GBP 28.50



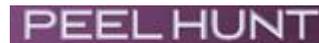
GBP 27.20



GBP 28.20



GBP 27.50



GBP 26.00

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9M 2014 - Income Statement

GEL thousands, unless otherwise noted	Nine months ended		Change Y-O-Y
	30 Sep 2014	30 Sep 2013	
Loans to customers	393,188	389,493	0.9%
Investment securities	28,401	27,223	4.3%
Amounts due from credit institutions	5,263	6,678	-21.2%
Finance lease receivables	6,378	4,896	30.3%
Interest income	433,230	428,290	1.2%
Amounts due to customers	(99,749)	(123,404)	-19.2%
Amounts due to credit institutions, of which:	(46,734)	(49,650)	-5.9%
Subordinated debt	(8,654)	(16,938)	-48.9%
Loans and deposits from other banks	(38,080)	(32,712)	16.4%
Debt securities issued, of which:	(39,977)	(24,404)	63.8%
Eurobonds	(38,994)	(24,404)	59.8%
Other	(983)	-	-
Interest expense	(186,460)	(197,458)	-5.6%
Net interest income before interest rate swaps	246,770	230,832	6.9%
Net loss from interest rate swaps	-	(303)	-100.0%
Net interest income	246,770	230,529	7.0%
Fee and commission income	97,974	83,906	16.8%
Fee and commission expense	(24,612)	(20,111)	22.4%
Net fee and commission income	73,362	63,795	15.0%
Net insurance premiums earned	77,950	95,982	-18.8%
Net insurance claims incurred	(52,208)	(60,862)	-14.2%
Net insurance revenue	25,742	35,120	-26.7%
Healthcare revenue	85,681	41,745	105.2%
Cost of healthcare services	(53,420)	(27,730)	92.6%
Net healthcare revenue	32,261	14,015	130.2%
Real estate income	14,001	3,973	NMF
Net gain from trading and investment securities	310	2,818	-89.0%
Net gain from revaluation of investment property	586	7,710	-92.4%
Net gain from foreign currencies, of which:	34,002	33,881	0.4%
Other operating income	9,841	8,857	11.1%
Other operating non-interest income	58,740	57,239	2.6%
Revenue	436,875	400,698	9.0%
Salaries and other employee benefits	(113,254)	(99,438)	13.9%
General and administrative expenses	(52,525)	(43,222)	21.5%
Depreciation and amortisation expenses	(20,854)	(19,889)	4.9%
Other operating expenses	(2,637)	(1,703)	54.8%
Operating expenses	(189,270)	(164,252)	15.2%
Operating income before cost of credit risk	247,605	236,446	4.7%
Cost of credit risk	(42,468)	(51,803)	-18.0%
Net operating income before non-recurring items	205,137	184,643	11.1%
Net non-recurring items	(8,924)	(6,871)	29.9%
Profit before income tax expense	196,213	177,772	10.4%
Income tax expense	(21,924)	(24,073)	-8.9%
Profit	174,289	153,699	13.4%
Attributable to:			
- shareholders of the Group	168,284	147,845	13.8%
- non-controlling interests	6,005	5,854	2.6%
Earnings per share (basic, diluted), GEL	4.89	4.35	12.4%

Q3 2014 Income Statement

GEL thousands, unless otherwise noted	Quarter ended		Change Y-O-Y	Quarter ended	
	Q3 2014	Q3 2013		Q2 2014	Q-O-Q
Loans to customers	134,617	129,445	4.0%	128,157	5.0%
Investment securities	10,330	9,581	7.8%	9,552	8.1%
Amounts due from credit institutions	1,758	1,733	1.4%	1,467	19.8%
Finance lease receivables	1,880	1,688	11.4%	2,238	-16.0%
Interest income	148,585	142,447	4.3%	141,414	5.1%
Amounts due to customers	(32,762)	(37,866)	-13.5%	(32,603)	0.5%
Amounts due to credit institutions, of which:	(15,764)	(16,215)	-2.8%	(14,726)	7.0%
Subordinated debt	(2,665)	(5,794)	-54.0%	(2,633)	1.2%
Loans and deposits from other banks	(13,099)	(10,421)	25.7%	(12,093)	8.3%
Debt securities issued, of which:	(13,547)	(8,213)	64.9%	(13,531)	0.1%
Eurobonds	(13,027)	(8,213)	58.6%	(13,233)	-1.6%
Other	(520)	-	-	(298)	74.5%
Interest expense	(62,073)	(62,294)	-0.4%	(60,860)	2.0%
Net interest income before interest rate swaps	86,512	80,153	7.9%	80,554	7.4%
Net loss from interest rate swaps	-	(118)	-100.0%	-	-
Net interest income	86,512	80,035	8.1%	80,554	7.4%
Fee and commission income	35,159	29,008	21.2%	34,737	1.2%
Fee and commission expense	(7,844)	(7,489)	4.7%	(8,610)	-8.9%
Net fee and commission income	27,315	21,519	26.9%	26,127	4.5%
Net insurance premiums earned	23,332	31,693	-26.4%	25,228	-7.5%
Net insurance claims incurred	(13,647)	(19,297)	-29.3%	(18,876)	-27.7%
Net insurance revenue	9,685	12,396	-21.9%	6,352	52.5%
Healthcare revenue	33,090	14,256	132.1%	29,843	10.9%
Cost of healthcare services	(20,566)	(9,232)	122.8%	(17,904)	14.9%
Net healthcare revenue	12,524	5,024	149.3%	11,939	4.9%
Real estate income	2,209	1,373	60.9%	5,098	-56.7%
Net gain from trading and investment securities	125	228	-45.2%	97	28.9%
Net gain from revaluation of investment property	586	2,868	-79.6%	-	-
Net gain from foreign currencies, of which:	13,150	12,203	7.8%	9,963	32.0%
Other operating income	3,257	2,633	23.7%	4,045	-19.5%
Other operating non-interest income	19,327	19,305	0.1%	19,203	0.6%
Revenue	155,363	138,279	12.4%	144,175	7.8%
Salaries and other employee benefits	(40,196)	(34,361)	17.0%	(37,251)	7.9%
General and administrative expenses	(17,837)	(13,458)	32.5%	(19,198)	-7.1%
Depreciation and amortisation expenses	(7,047)	(6,550)	7.6%	(6,932)	1.7%
Other operating expenses	(876)	(520)	68.5%	(889)	-1.5%
Operating expenses	(65,956)	(54,889)	20.2%	(64,270)	2.6%
Operating income before cost of credit risk	89,407	83,390	7.2%	79,905	11.9%
Cost of credit risk	(15,306)	(15,540)	-1.5%	(13,847)	10.5%
Net operating income before non-recurring items	74,101	67,850	9.2%	66,058	12.2%
Net non-recurring items	(727)	(1,418)	-48.7%	(7,077)	-89.7%
Profit before income tax expense	73,374	66,432	10.4%	58,981	24.4%
Income tax expense	(11,066)	(7,835)	41.2%	(663)	NMF
Profit	62,308	58,597	6.3%	58,318	6.8%
Attributable to:					
- shareholders of the Group	59,937	56,110	6.8%	56,422	6.2%
- non-controlling interests	2,371	2,487	-4.7%	1,896	25.1%
Earnings per share (basic, diluted), GEL	1.74	1.65	5.5%	1.64	6.1%

30 Sep 2014 – Balance Sheet

GEL thousands, unless otherwise noted	As at		Change Y-O-Y	As at	
	30 Sep 2014	30 Sep 2013		30 Jun 2014	Change Q-O-Q
Cash and cash equivalents	759,639	687,396	10.5%	903,734	-15.9%
Amounts due from credit institutions	372,042	324,825	14.5%	363,468	2.4%
Investment securities	617,700	567,598	8.8%	569,937	8.4%
Loans to customers and finance lease receivables	3,827,556	3,283,508	16.6%	3,659,427	4.6%
Investment property	185,316	163,092	13.6%	152,292	21.7%
Property and equipment	562,342	455,089	23.6%	534,289	5.3%
Goodwill	49,794	45,657	9.1%	48,720	2.2%
Intangible assets	30,019	24,540	22.3%	28,490	5.4%
Income tax assets	39,999	26,542	50.7%	32,204	24.2%
Prepayments	34,945	27,986	24.9%	28,188	24.0%
Other assets	336,316	348,114	-3.4%	346,932	-3.1%
Total assets	6,815,668	5,954,347	14.5%	6,667,681	2.2%
Amounts due to customers, of which:	3,088,254	2,862,512	7.9%	3,074,710	0.4%
Client deposits	3,060,784	2,850,000	7.4%	3,046,845	0.5%
Promissory notes	27,470	12,512	119.5%	27,865	-1.4%
Amounts due to credit institutions	1,264,299	1,216,719	3.9%	1,240,128	1.9%
Debt securities issued	794,952	419,543	89.5%	786,432	1.1%
Income tax liabilities	104,692	69,355	51.0%	92,617	13.0%
Provisions	3,765	407	NMF	6,047	-37.7%
Other liabilities	231,474	214,875	7.7%	210,871	9.8%
Total liabilities	5,487,436	4,783,411	14.7%	5,410,805	1.4%
Share capital	1,024	961	6.6%	1,081	-5.3%
Additional paid-in capital	40,909	24,496	67.0%	33,409	22.4%
Treasury shares	(43)	(53)	-18.9%	(46)	-6.5%
Other reserves	(47,298)	10,177	NMF	(82,318)	-42.5%
Retained earnings	1,276,801	1,078,645	18.4%	1,249,580	2.2%
Total equity attributable to shareholders of the Group	1,271,393	1,114,226	14.1%	1,201,706	5.8%
Non-controlling interests	56,839	56,710	0.2%	55,170	3.0%
Total equity	1,328,232	1,170,936	13.4%	1,256,876	5.7%
Total liabilities and equity	6,815,668	5,954,347	14.5%	6,667,681	2.2%
Book value per share	36.97	32.83	12.6%	34.95	5.8%

Healthcare Business Income Statement

Thousands, unless otherwise noted	Nine months ended		Change Y-O-Y
	30 Sep 2014	30 Sep 2013	
Gross premiums written (GPW)	36,039	90,593	-60.2%
Gross premiums earned	60,887	79,320	-23.2%
Net insurance premiums earned	58,888	77,250	-23.8%
Net insurance claims incurred	(43,771)	(54,656)	-19.9%
Net insurance revenue	15,117	22,594	-33.1%
Healthcare revenue	85,681	41,746	105.2%
Cost of healthcare services	(53,421)	(27,731)	92.6%
Net healthcare revenue	32,260	14,015	130.2%
Net interest expense and other	(11,465)	(7,018)	63.4%
Revenue	35,912	29,591	21.4%
Operating expenses	(22,197)	(15,582)	42.5%
Operating income before cost of credit risk	13,715	14,009	-2.1%
Cost of credit risk	(1,460)	(1,061)	37.6%
Net non-recurring items	1,375	-	-
Profit before income tax expense	13,630	12,948	5.3%
Income tax expense	(1,307)	(1,673)	-21.9%
Profit	12,323	11,275	9.3%

Thousands, unless otherwise noted	Quarter ended		Change Y-O-Y	Quarter ended		Change Q-O-Q
	30 Sep 2014	30 Sep 2013		30 Jun 2014	30 Jun 2014	
Gross premiums written (GPW)	3,286	44,588	-92.6%	11,532	-71.5%	
Gross premiums earned	17,063	25,245	-32.4%	19,428	-12.2%	
Net insurance premiums earned	16,430	24,694	-33.5%	18,791	-12.6%	
Net insurance claims incurred	(10,054)	(17,583)	-42.8%	(15,950)	-37.0%	
Net insurance revenue	6,376	7,111	-10.3%	2,841	124.4%	
Healthcare revenue	33,090	14,256	132.1%	29,843	10.9%	
Cost of healthcare services	(20,566)	(9,232)	122.8%	(17,904)	14.9%	
Net healthcare revenue	12,524	5,024	149.3%	11,939	4.9%	
Net interest expense and other	(2,969)	(3,139)	-5.4%	(5,386)	-44.9%	
Revenue	15,931	8,996	77.1%	9,394	69.6%	
Operating expenses	(8,676)	(4,655)	86.4%	(7,140)	21.5%	
Operating income before cost of credit risk	7,255	4,341	67.1%	2,254	NMF	
Cost of credit risk	(377)	(56)	NMF	(568)	-33.6%	
Net non-recurring items	-	-	-	829	-100.0%	
Profit before Income tax expense	6,878	4,285	60.5%	2,515	173.5%	
Income tax expense	(702)	(521)	34.7%	(146)	NMF	
Profit	6,176	3,764	64.1%	2,369	160.7%	

Key Ratios

KEY RATIOS	Currency Blended		GEL		FC	
	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
Profitability						
ROAA, annualised ¹	3.5%	3.6%				
ROAE, annualised ²	18.5%	18.6%				
Net Interest Margin, annualised ³	7.4%	7.7%	12.6%	13.4%	4.0%	4.2%
Loan Yield, annualised ⁴	14.6%	16.5%	19.8%	23.0%	12.1%	13.7%
Cost of Funding, annualised ⁵	4.9%	6.2%	4.1%	5.3%	5.2%	6.5%
Cost of Customer Funds, annualised	4.3%	5.8%	3.8%	5.4%	4.6%	6.1%
Cost of Client Deposits, annualised	4.3%	5.8%	3.8%	5.4%	4.5%	6.1%
Cost of Amounts Due to Credit Institutions, annualised	5.1%	6.3%	4.5%	4.9%	5.4%	6.7%
Cost of Debt Securities Issued	7.1%	7.8%				
Operating Leverage, Y-O-Y ⁶	-6.2%	10.1%				
Efficiency						
Cost / Income ⁷	43.3%	41.0%				
Liquidity						
NBG Liquidity ratio ⁸	37.8%	37.5%				
Liquid Assets to Total Liabilities ⁹	31.9%	33.1%				
Net Loans to Customer Funds	123.9%	114.7%				
Net Loans to Customer Funds + DFIs	103.9%	96.1%				
Gross Loan Dollarisation Rate	69.4%	67.6%				
Customer Funds Dollarisation Rate	70.2%	69.3%				
Client Deposits Dollarisation Rate	69.9%	69.2%				
Leverage (times) ¹⁰	4.1	4.1				
Asset Quality:						
NPLs (GEL)	154,417	143,663				
NPLs to Gross Loans to Clients	3.9%	4.2%				
NPL Coverage ratio ¹¹	78.5%	86.2%				
NPL Coverage ratio, adjusted for discounted value of collateral ¹²	112.4%	111.8%				
Cost of Risk, annualised ¹³	1.2%	1.5%				
Capital Adequacy:						
BIS Tier I Capital Adequacy ratio, consolidated ¹⁴	22.7%	23.7%				
BIS Total Capital Adequacy ratio, consolidated ¹⁵	26.4%	28.6%				
New NBG (Basel II) Tier I Capital Adequacy ratio ¹⁶	11.2%	0.0%				
New NBG (Basel II) Total Capital Adequacy ratio ¹⁷	14.2%	0.0%				
Old NBG Tier I Capital Adequacy ratio ¹⁸	14.5%	15.4%				
Old NBG Total Capital Adequacy ratio ¹⁹	14.1%	16.6%				
Per Share Values:						
Basic and Diluted EPS (GEL) ²⁰	4.89	4.35				
Book Value Per Share (GEL) ²¹	36.97	32.83				
Ordinary Shares Outstanding - Weighted Average, Basic ²²	34,423,740	33,998,855				
Ordinary Shares Outstanding - Weighted Average, Diluted ²³	34,423,740	33,998,855				
Ordinary Shares Outstanding - Period End, Basic	34,387,198	33,936,007				
Treasury Shares Outstanding - Period End	(1,522,185)	(1,973,376)				
Selected Operating Data:						
Full Time Employees (FTEs), Group, of Which:	13,182	11,571				
- Full Time Employees, BOG Standalone	3,649	3,662				
- Full Time Employees, Aldagi Insurance	n/a	598				
- Full Time Employees, Aldagi Healthcare	n/a	6,105				
- Full Time Employees, Evex	7,642	n/a				
- Full Time Employees, Imedi L	384	n/a				
- Full Time Employees, Aldagi	240	n/a				
- Full Time Employees, BNB	455	388				
- Full Time Employees, Other	812	818				
Total Assets Per FTE, BOG standalone (GEL thousands)	1,868	1,626				
Number of Active Branches, of Which:	217	199				
- Flagship Branches	34	34				
- Standard Branches	100	100				
- Express Branches (including Metro)	83	65				
Number of ATMs	521	486				
Number of Cards Outstanding, of Which:	1,103,066	926,646				
- Debit cards	986,477	809,843				
- Credit cards	116,589	116,803				
Number of POS Terminals	5,979	4,541				

Q3 2014 - Key Ratios

KEY RATIOS	Currency Blended				GEL			FC	
	30 Sep 2014	30 Sep 2013	30 Jun 2014	30 Sep 2014	Quarter ended 30 Sep 2013	30 Jun 2014	30 Sep 2014	30 Sep 2013	30 Jun 2014
Profitability									
ROAA, annualised ¹	3.7%		4.0%	3.5%					
ROAE, annualised ²	19.2%		20.6%	18.6%					
Net Interest Margin, annualised ³	7.4%		7.7%	7.3%	12.6%	13.2%	12.4%	4.2%	4.1%
Loan Yield, annualised ⁴	14.3%		15.8%	14.5%	19.9%	22.1%	19.4%	11.8%	12.9%
Cost of Funding, annualised ⁵	4.8%		5.6%	4.8%	4.0%	4.6%	4.0%	5.1%	6.0%
Cost of Customer Funds, annualised	4.2%		5.2%	4.3%	3.8%	4.3%	3.9%	4.4%	5.7%
Cost of Client Deposits, annualised	4.2%		5.2%	4.3%	3.8%	4.3%	3.9%	4.4%	5.7%
Cost of Amounts Due to Credit Institutions, annualised	5.0%		5.8%	4.9%	4.4%	5.3%	4.1%	5.4%	6.0%
Cost of Debt Securities Issued	6.9%		7.8%	7.1%					
Operating Leverage, Y-O-Y ⁶	-7.8%		11.1%	-12.2%					
Efficiency									
Cost / Income ⁷	42.5%		39.7%	44.6%					
Liquidity									
NBG Liquidity Ratio ⁸	37.8%		37.5%	38.1%					
Liquid Assets To Total Liabilities ⁹	31.9%		33.1%	34.0%					
Net Loans To Customer Funds	123.9%		114.7%	119.0%					
Net Loans To Customer Funds + DFIs	103.9%		96.1%	100.3%					
Gross Loan Dollarisation Rate	69.4%		67.6%	68.5%					
Customer Funds Dollarisation Rate	70.2%		69.3%	72.7%					
Client Deposits Dollarisation Rate	69.9%		69.2%	72.5%					
Leverage (times) ¹⁰	4.1		4.1	4.3					
Asset Quality:									
NPLs (GEL)	154,417		143,663	145,590					
NPLs to Gross Loans To Clients	3.9%		4.2%	3.9%					
NPL Coverage ratio ¹¹	78.5%		86.2%	74.5%					
NPL Coverage ratio, adjusted for discounted value of collateral ¹²	112.4%		111.8%	116.8%					
Cost of Risk, Annualised ¹³	1.6%		1.6%	0.9%					
Capital Adequacy:									
BIS Tier I Capital Adequacy ratio, consolidated ¹⁴	22.7%		23.7%	22.5%					
BIS Total Capital Adequacy ratio, consolidated ¹⁵	26.4%		28.6%	26.3%					
New NBG (Base I) Tier I Capital Adequacy ratio ¹⁶	11.2%		0.0%	10.8%					
New NBG (Base II) Total Capital Adequacy ratio ¹⁷	14.2%		0.0%	14.0%					
Old NBG Tier I Capital Adequacy ratio ¹⁸	14.5%		15.4%	14.8%					
Old NBG Total Capital Adequacy ratio ¹⁹	14.1%		16.6%	13.8%					
Per Share Values:									
Basic and diluted EPS (GEL) ²⁰	1.74		1.65	1.64					
Book Value Per Share (GEL) ²¹	36.97		32.83	34.95					
Ordinary shares outstanding - weighted average, basic ²²	34,387,198		33,936,007	34,414,605					
Ordinary shares outstanding - weighted average, diluted ²³	34,387,198		33,936,007	34,414,605					
Ordinary shares outstanding - period end, basic	34,387,198		33,936,007	34,387,198					
Treasury shares outstanding - period end	(1,522,185)		(1,973,370)	(1,522,185)					
Selected Operating Data:									
Full Time Employees, Group, Of Which:	13,182		11,571	12,267					
- Full Time Employees, BOG Stand-Alone	3,649		3,662	3,629					
- Full Time Employees, Aldagi Insurance	n/a		598	590					
- Full Time Employees, Aldagi Healthcare	n/a		6,105	6,753					
- Full Time Employees, Evex	7,642		n/a	n/a					
- Full Time Employees, Imedi L	384		n/a	n/a					
- Full Time Employees, Aldagi	240		n/a	n/a					
- Full Time Employees, BNB	455		388	439					
- Full Time Employees, Other	812		818	856					
Total Assets Per FTE, BOG Standalone (GEL thousands)	1,868		1,626	1,837					
Number of Active Branches, of which:	217		199	206					
- Flagship Branches	34		34	34					
- Standard Branches	100		100	100					
- Express Branches (including Metro)	83		65	72					
Number Of ATMs	521		486	510					
Number Of Cards Outstanding, of which:	1,103,066		926,646	1,075,134					
- Debit cards	986,477		809,843	957,386					
- Credit cards	116,589		116,803	117,748					
Number Of POS Terminals	5,979		4,541	5,689					

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 derivatives) divided by monthly Average Interest Earning Assets Excluding Cash for the same period (daily averages are used for Bank of Georgia standalone Average Interest Earning assets); Interest Earning Assets Excluding Cash comprise: Amounts Due From Credit Institutions, Investment Securities (but excluding corporate shares and other equity instruments) and net Loans To Customers And 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; (daily averages are used for Bank of Georgia standalone 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 derivatives) 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 Other operating expenses;
- 7 Cost / Income Ratio equals other 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-statement of financial position commitments (both as defined by NBG);
- 9 Liquid assets include: cash and cash equivalents, amounts due from credit institutions and investment securities;
- 10 Leverage (Times) equals total liabilities divided by total equity;
- 11 NPL Coverage Ratio equals allowance for impairment of loans and finance lease receivables divided by NPLs;
- 12 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)
- 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 BIS Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements of Basel Accord I;
- 15 BIS Total Capital Adequacy ratio equals total capital divided by total risk weighted assets, both calculated in accordance with the requirements of Basel Accord I;
- 16 New NBG (Basel 2/3) Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements the National Bank of Georgia instructions;
- 17 New NBG (Basel 2/3) Total Capital Adequacy ratio equals total capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- 18 Old NBG Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements the National Bank of Georgia instructions;
- 19 Old NBG Total Capital Adequacy ratio equals total capital divided by total risk weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- 20 Basic EPS equals Profit for the period from continuing operations attributable to shareholders of the Bank divided by the weighted average number of outstanding ordinary shares over the same period;
- 21 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;
- 22 Weighted average number of ordinary shares equal average of daily outstanding number of shares less daily outstanding number of treasury shares;
- 23 Weighted average diluted number of ordinary shares equals weighted average number of ordinary shares plus weighted average dilutive number of shares known to the management during the same period;
- 24 Average Interest Earning Assets are calculated on a monthly basis; interest earning assets excluding cash include: investment securities (but excluding corporate shares and other equity instruments) and loans to customers and finance lease receivables;
- 25 Recurring Earning Power equals operating income before cost of credit risk for the period divided by monthly average total assets of the same period;
- 26 Operating cost equals other operating expenses;
- 27 Reserve for Loan Losses to Gross Loans equals allowance for impairment of loans and finance lease receivables divided by gross loans and finance lease receivables.

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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.