



BANK OF GEORGIA
HOLDINGS PLC

*Bank of Georgia Q2 2013 and 1H 2013 Results
Presentation*

October 2013

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The leading bank in Georgia

- Leading market position:** No. 1 bank in Georgia by assets (34.7%), loans (34.0%), deposits (31.4%) and equity (36.6%)¹
- Underpenetrated market with stable growth perspectives:** Nominal GDP growth for 2004-2012 of 13.0% CAGR. IMF estimates 4.0% real GDP growth for 2013. Gross loans/GDP grew from 9.6% to 33.4% from 2004-2012, still below regional average; Total deposits/GDP grew from 10.0% to 31.3% 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 197 branches, 481 ATMs and 870 Express pay terminals to more than one million customers as of 30 June 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 July 2013 issued US\$250 million Eurobonds, which are currently trading at a historical low yield of c.6%

Sustainable growth combined with strong capital, liquidity and strong profitability

US\$ mln ²	1H 2013	2012	2011	2010	Change 2012/2011
Total assets	3,435.5	3,413.8	2,793.1	2,259.1	22.2%
Loans to customers, net	1,891.6	1,866.6	1,566.4	1,334.7	19.2%
Customer funds ³	1,726.5	1,625.5	1,637.6	1,143.0	-0.7%
Total equity	635.2	639.5	486.5	391.1	31.5%
Revenue ⁴	159.1	299.0	244.7	194.6	22.9%
Profit	57.6	108.4	81.2	46.6	33.4%

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

	30 Jun 2013	30 Sep 2004	Change
Market capitalisation (US\$ mln)	1,047.4*	20.7	50.6x
Total assets (US\$ mln)	3,435.5	151.8	23.0x
Market share by total assets	35%	18%	17ppts

^{*}Market capitalisation for Bank of Georgia Holdings PLC, the Bank's holding company, as of 26 September 2013, GBP/USD exchange rate of 1.6041

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

² US\$/GEL 1.6509, 1.6567, 1.6703 and 1.7728 as at 30 June 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

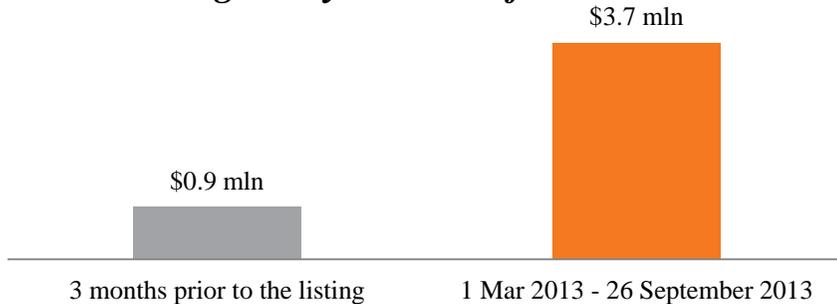
Shareholder structure and share price

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



- 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

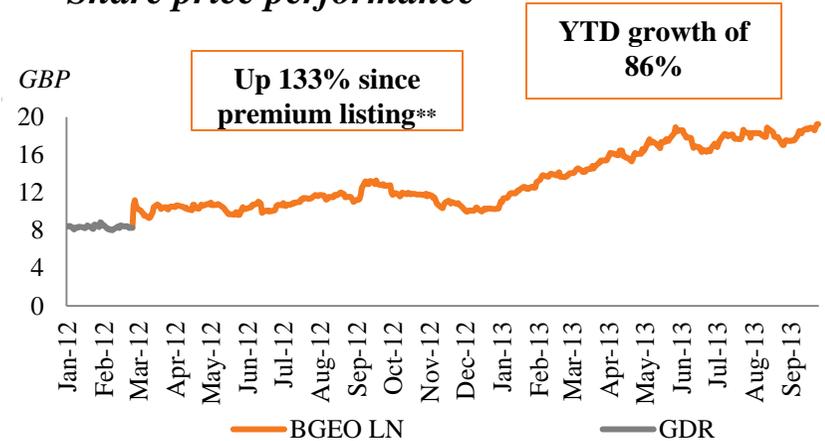
Average daily number of shares traded



Average daily trading volume



Share price performance



*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 LI on 27 February 2012 to the price of BGE0 LN on 26 September 2013

3x20%: Growth story over time with dividends

UK corporate governance

FTSE 250

ROE c.20%

- Revenue up 13.6% q-o-q to GEL 139.7 mln in Q2 2013, in 1H 2013 up 11.3% ¹ to GEL 262.7 mln
- Profit up 26.4% q-o-q to GEL 53.1 mln in Q2 2013, up 10.5% y-o-y to GEL 95.1 mln in 1H 2013
- Non-interest income increased by 22.7% q-o-q to GEL 61.8 mln in Q2 2013 and in 1H 2013 increased by 10.7% to GEL 112.2 mln
- Operational efficiency/scale:
 - Cost to income ratio improved to 39.9% in Q2 2013 compared to 43.8% Q1 2013 and 45.5% in Q2 2012. 1H 2013 cost to income at 41.7% compared to 45.6% in 1H 2012.
- Prudent risk management:
 - Cost of risk ² of 1.5% in Q2 2013 compared to 1.4% in Q1 2013
- Q2 2013 ROAE of 19.3%, compared to 15.9 in Q1 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 June 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 22.9% and BIS Total Capital ratio of 27.8% as of 30 June 2013
 - NBG Tier I 15.4% and NBG Total Capital of 16.3% as of 30 June 2013

Growth c.20%

- Strong growth across the board supported by synergistic business
 - Net loan book ³ grew 6.8% y-o-y to GEL 3,122.9 million
 - Client deposits in Q2 2013 increased 3.5% y-o-y and 8.2% year-to-date to GEL 2,838.2 million despite sharp decrease in cost of deposits. Cost of client deposits declined to 5.9% in Q2 2013 from 6.4% in Q1 2013 and 7.4% in Q2 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 12.0% to the Group's profit in 1H 2013 compared to 6.3% in 1H 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: 1,172,652 retail clients, 197 branches, 481 ATMs, 909,309 cards outstanding as of 30 June 2013
 - Market shares of c.31.0% by retail loans and c.29.7% by retail deposits as of 30 June 2013
-  Corporate
 - Largest corporate bank with c.7,700 corporate clients; 34.4% market share by corporate deposits as of 30 June 2013
-  Investment Management
 - Investment Management client deposits 2009-2012 CAGR growth of 54.8%; Outstanding client deposits of GEL 624.2 mln at 30 June 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 31.8%* 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 12.0% of BGH profit in 1H 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, 68% pre-sold since June 2012
 - Mortgages with a total value of GEL 22.5 mln sold

Non-core business

Intention to exit from non-core business over time

-  BNB
 - Belarus banking operation accounting for 4.1% total assets as of 30 June 2013
 - The Bank owns 80%, the remainder owned by IFC/World Bank
 - Assets of US\$139.5mln and equity of US\$30.0 mln as of 30 June 2013
 - Fully written off goodwill (GEL 23.4 mln)

*Based on insurance revenues as of 31 December 2012 per NBG. Includes market share of newly acquired insurance company Imedi L International

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, Vice Chairman of the Supervisory Board, Independent Director *experience: senior partner at Sullivan & Cromwell LLP prior to retirement*
- Allan Hirst, Chairman of the Audit Committee, Independent Director *experience: 25 years at Citibank, including CEO of Citibank, Russia; various senior capacities at Citibank*
- 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*
- Ian Hague, Representative of Firebird, Managing partner and co-founder of Firebird Management LLC, EM hedge fund manager, c. US\$1.0 bn AUM
- Hanna Loikkanen, Representative of East Capital, Sweden-based asset manager focusing on Eastern Europe & China, EUR 3.4 bn AUM

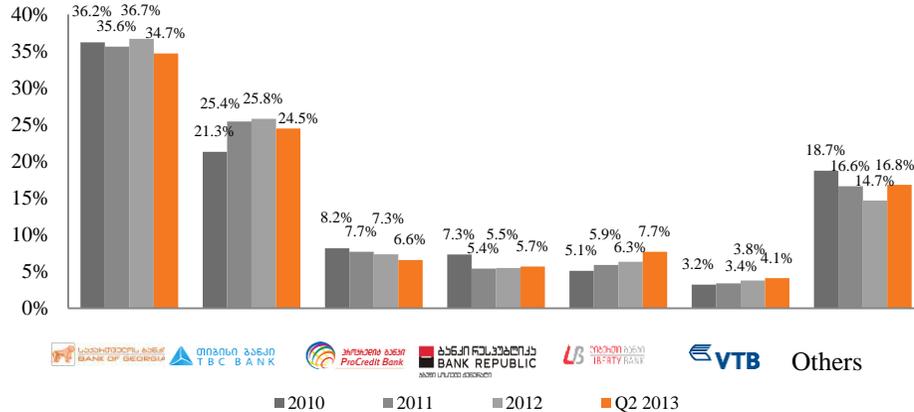
Members of management boards of JSC Bank of Georgia and major subsidiaries

- 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*
- 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*
- Murtaz Kikoria, CEO of Aldagi BCI; *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.*

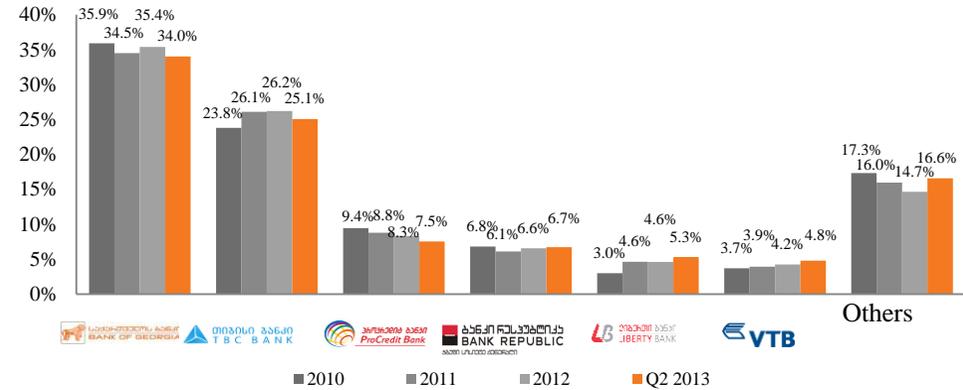
Senior Executive Compensation Policy applies to top eight executives and envisages long-term deferred and discretionary awards of securities and no cash bonuses to be paid to such executives

Competitive landscape

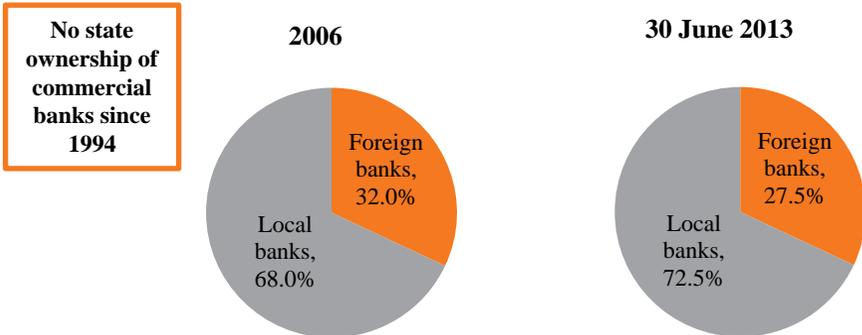
Peer group's market share in total assets



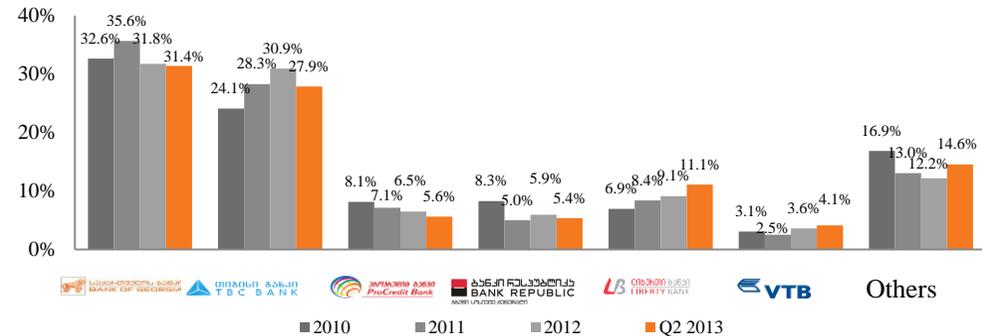
Peer group's market share in gross loans



Foreign banks market share by assets



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: 75 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: 4.0%
- Nominal GDP CAGR '04 -'12 (E): 13.0%
- GDP per capita 2012E (PPP) per IMF: US\$5,908
- Inflation rate (e-o-p) 2012: -1.4%
- 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

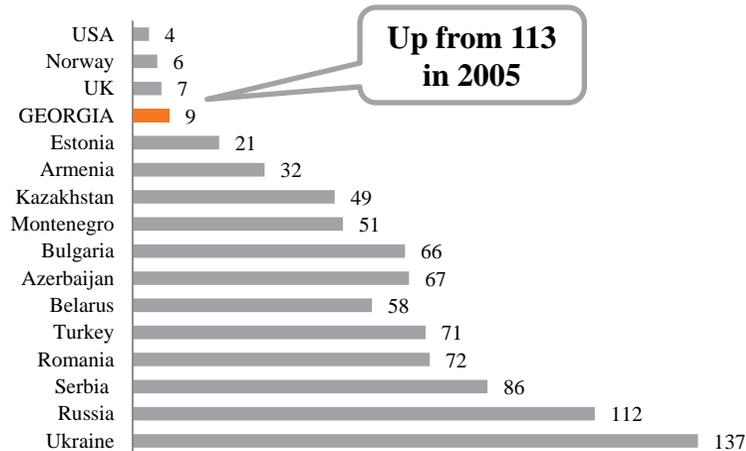
<p>Liberal economic policy</p>	<ul style="list-style-type: none"> ■ Liberty Act, enshrined in the constitution and effective starting 2014 ensures a credible fiscal and monetary framework: <ul style="list-style-type: none"> – Government expenditure/GDP capped at 30% – Budget deficit/GDP capped at 3% – Government debt/GDP capped at 60%
<p>Regional logistics and tourism hub</p>	<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 (3.6 million visitors in 8M 2013, up 26% y-o-y) ■ Regional energy transit corridor with approx. 1.6% of world's oil production and diversified gas supply passing through the country
<p>Strong FDI</p>	<ul style="list-style-type: none"> ■ Strong FDI inflows diversified across different sectors (1H 2013: US\$459 mln, 2012E: US\$865, 2011: US\$1,117 mln) ■ Net remittances of US\$1,226 mln in 2012, up 5% y-o-y, US\$838 mln in 1H 2013, up 6% y-o-y ■ FDI averaged 10% of GDP in 2003-2012
<p>Support from international community</p>	<ul style="list-style-type: none"> ■ Free Trade Agreements (To be agreed with the EU in November 2013 and formally signed after technical procedures are completed; 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
<p>Cheap electricity</p>	<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
<p>Political environment stabilized</p>	<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, presidential elections are scheduled for 2013 ■ 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, first cargo has already shipped

*Apart from 2012

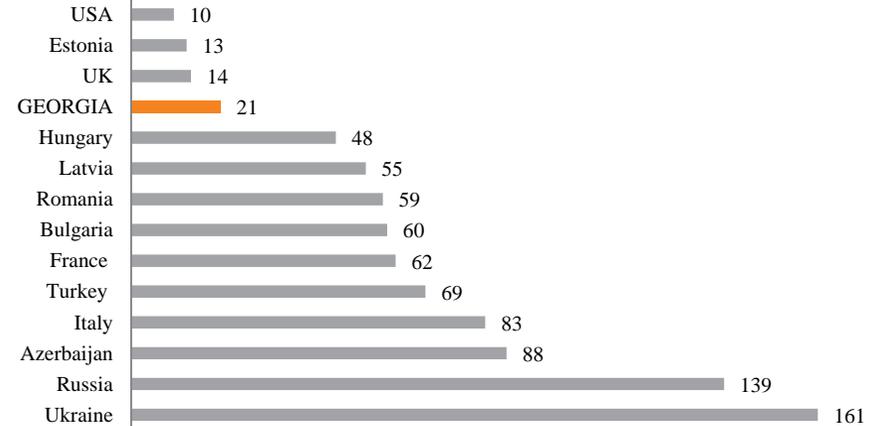
Sources: Geostat, IMF, National Bank of Georgia, Government of Georgia Presentation (Georgia.gov.ge)

Growth oriented reforms

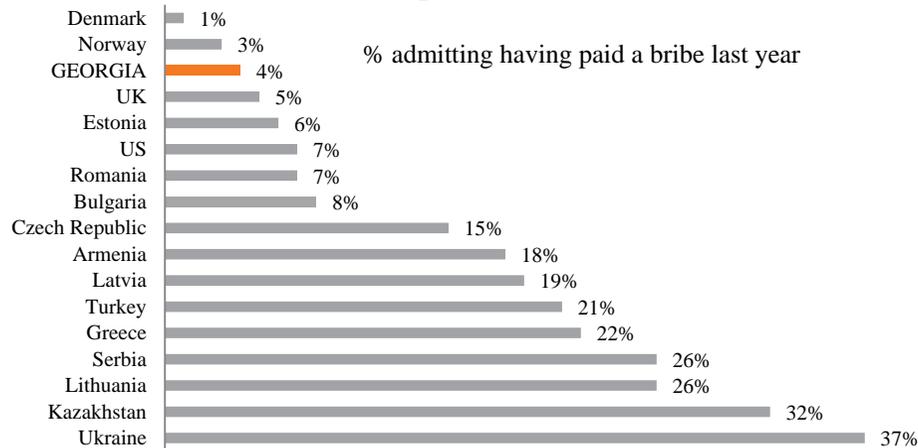
Ease of Doing Business, 2013 (WB-IFC Doing Business Report)



Economic Freedom Index, 2013 (Heritage Foundation)



TI 2013 Global Corruption Barometer

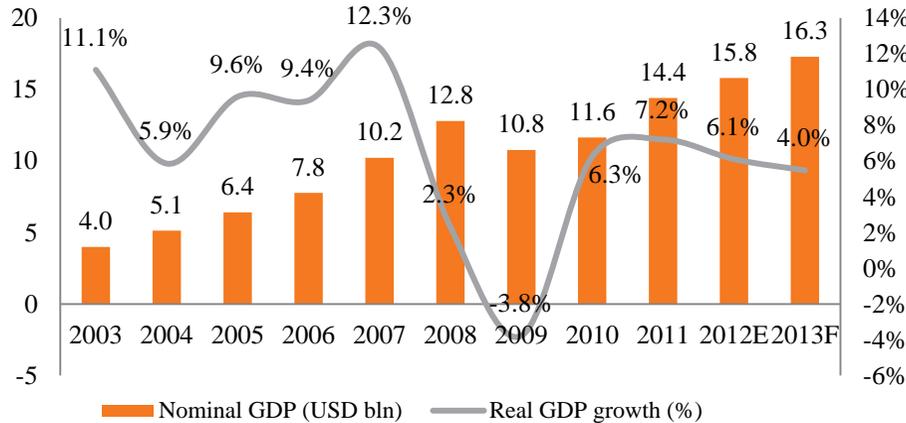


**GEORGIA - No 1 Reformer
2005-2012**
(WB-IFC Doing Business Report)

Sources: Transparency International, Heritage Foundation, World Bank

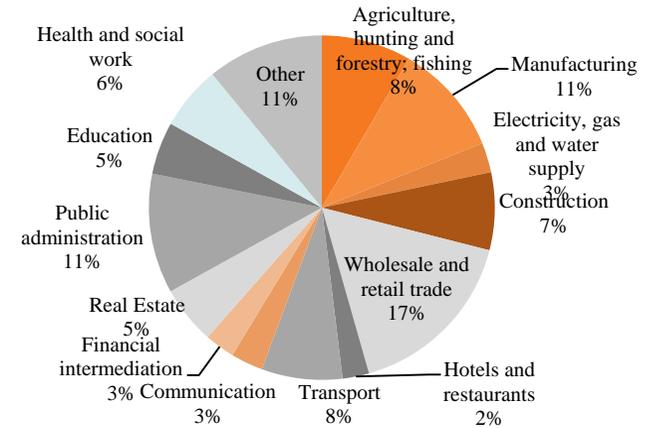
Positive economic outlook

Gross domestic product



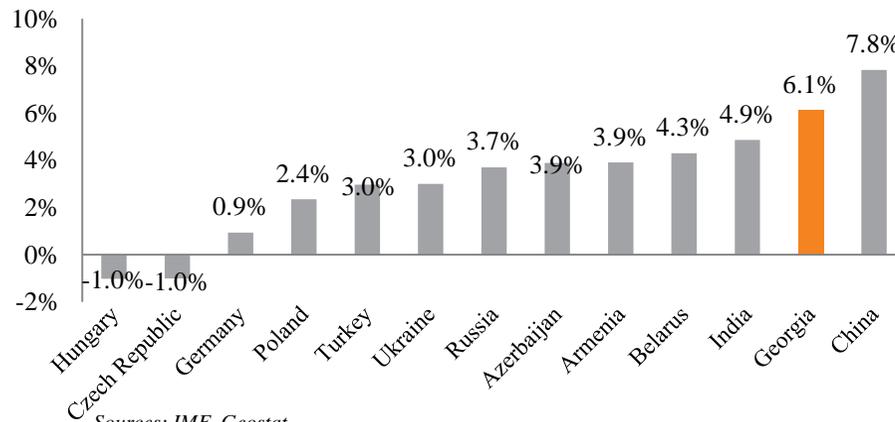
Sources: Geostat, 2013 forecast by IMF

GDP composition*, 2012



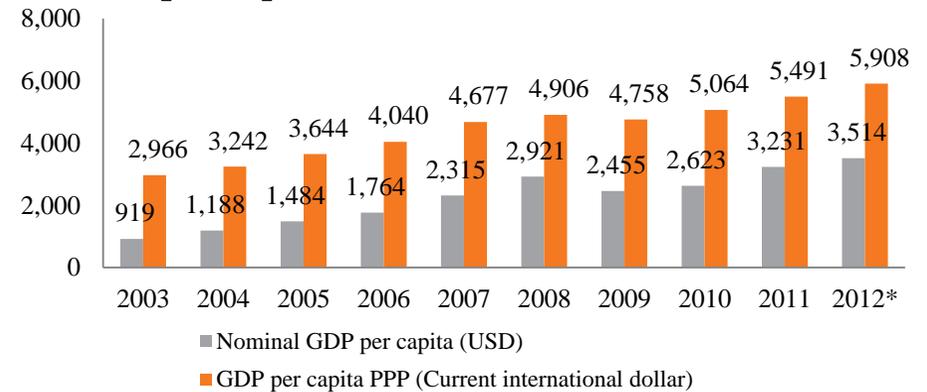
Source: National Bank of Georgia

Real GDP growth in 2012 (estimate)



Sources: IMF, Geostat
*estimates

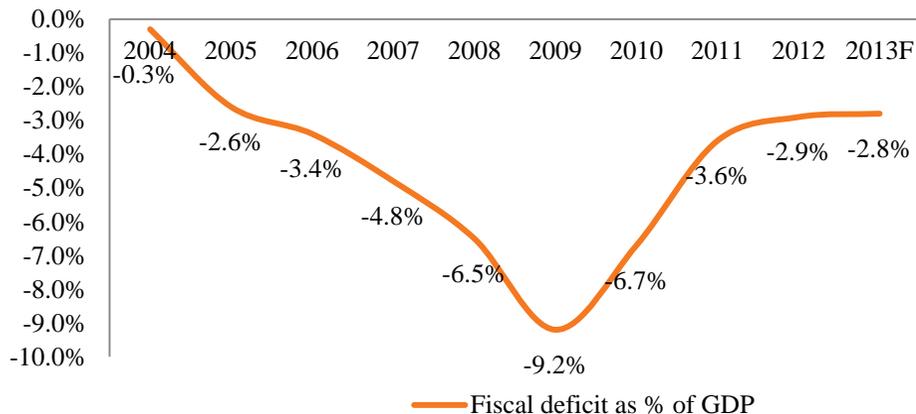
GDP per capita



Sources: IMF

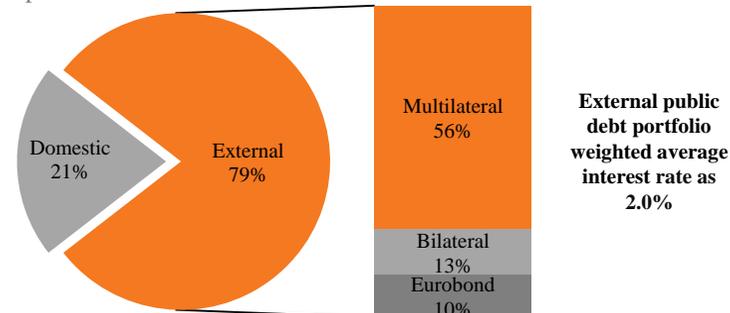
Demonstrated fiscal discipline and low public debt

Fiscal deficit as % of GDP



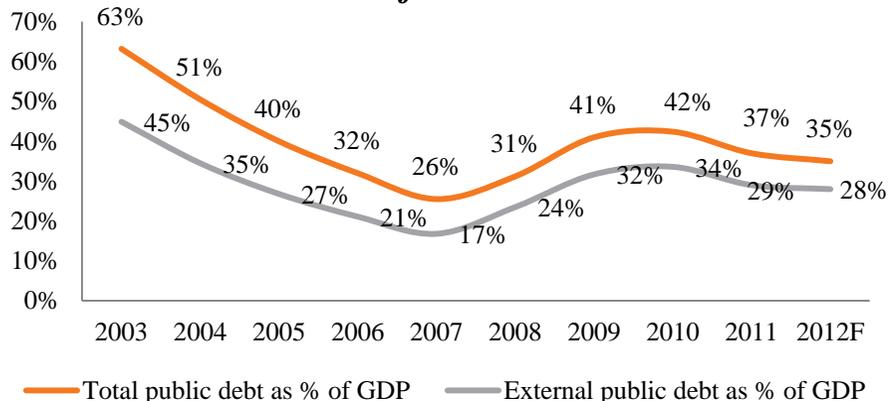
Breakdown of public debt

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



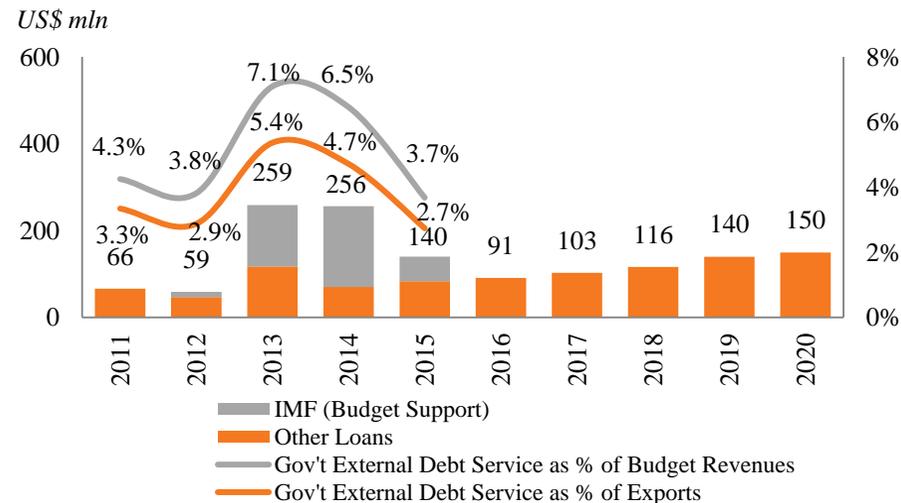
Source: Ministry of Finance of Georgia

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

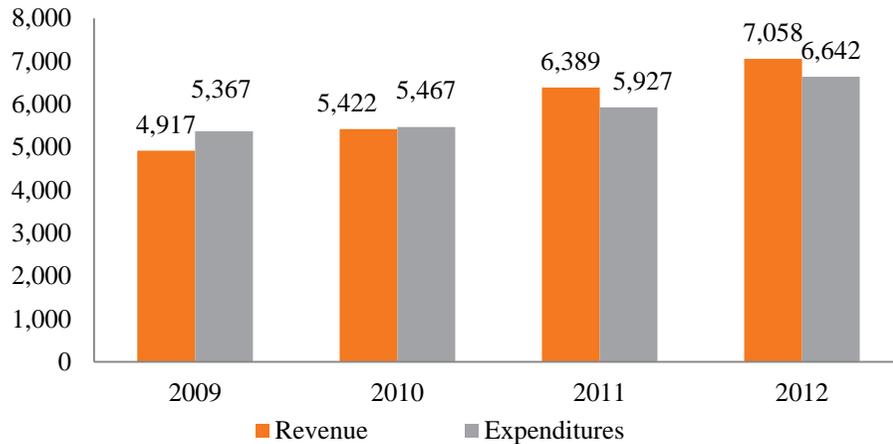
Government external debt service



Source: Ministry of Finance of Georgia

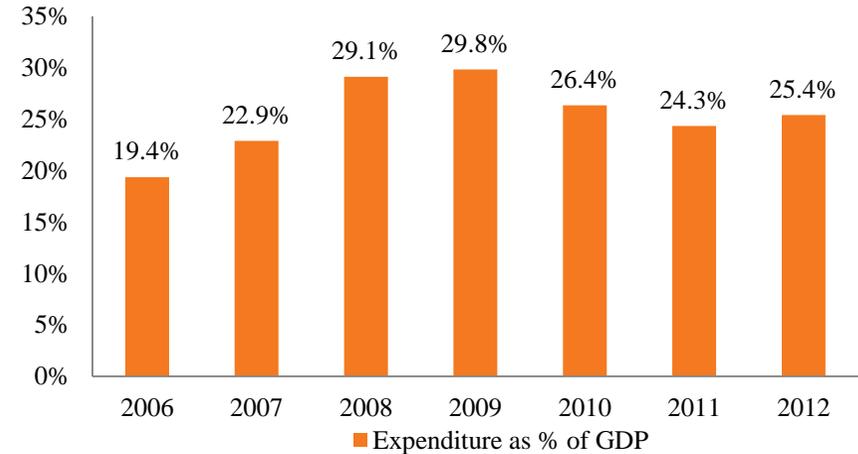
Revenues and expenditures dynamics

Revenues to Expenditures



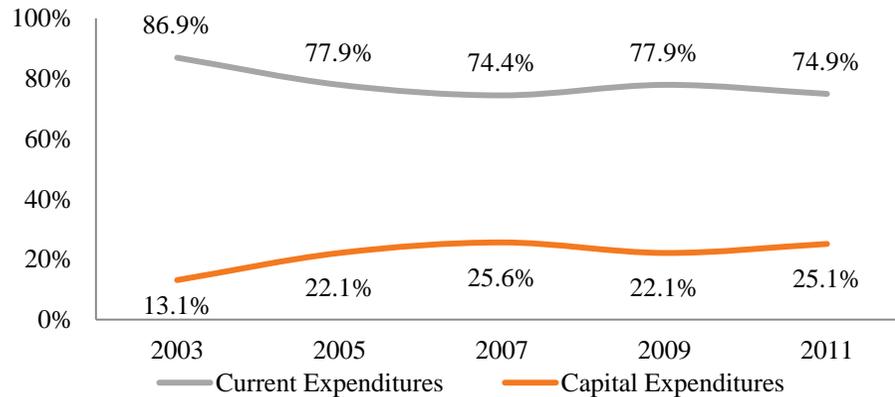
Source: Ministry of Finance

Expenditure as % of GDP



Sources: Ministry of Finance, NBG

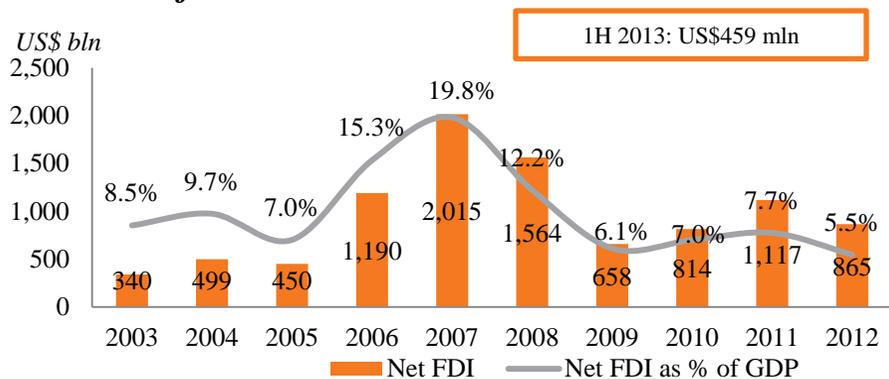
Capital vs. current expenditures



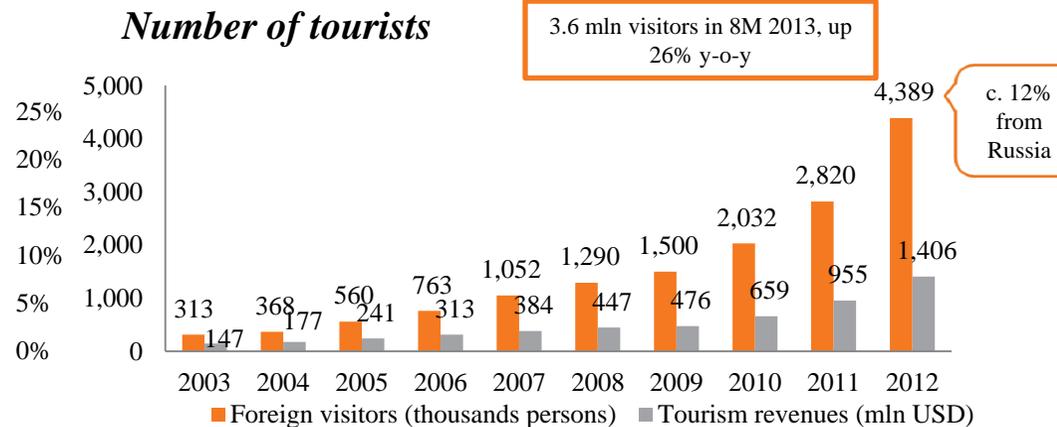
Source: Ministry of Finance

Four main sources of capital inflow

FDI inflows



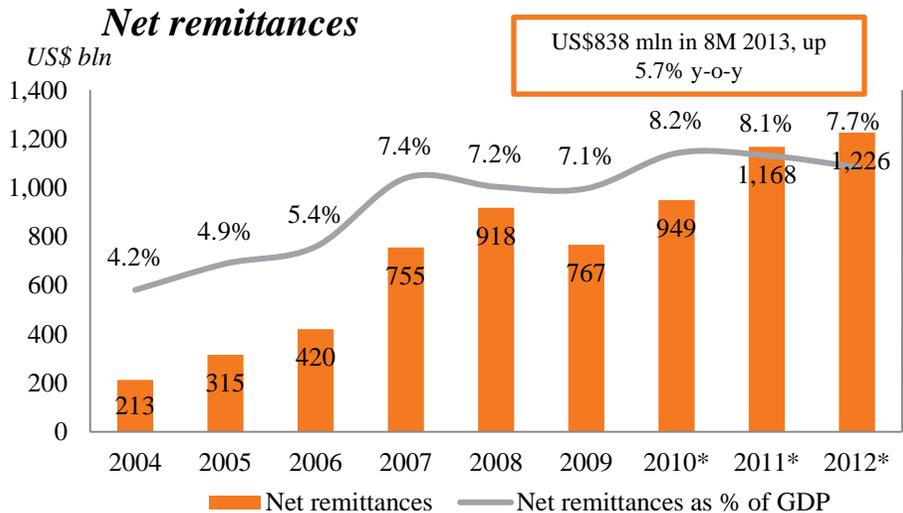
Number of tourists



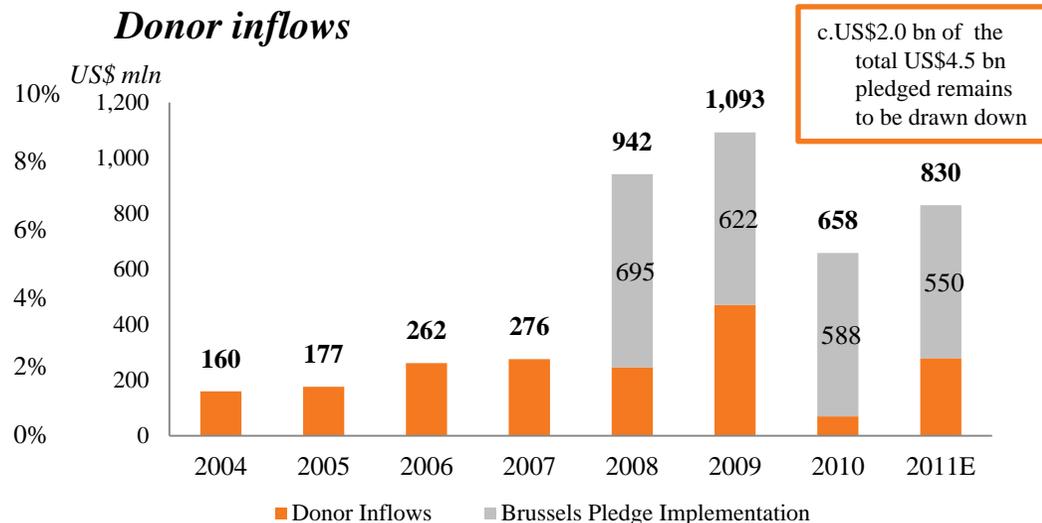
Sources: National Bank of Georgia, Ministry of Finance of Georgia

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

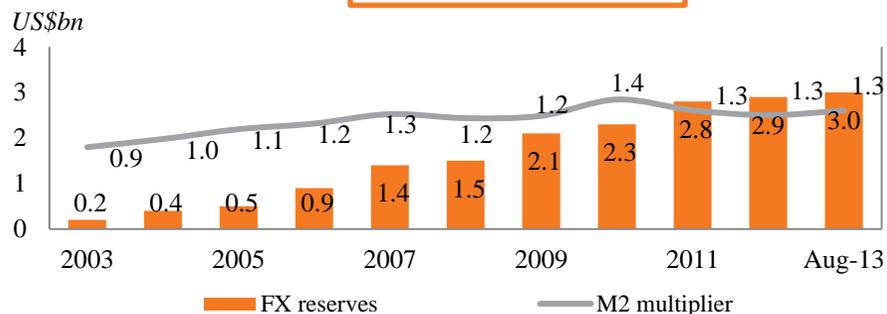
Sources: Ministry of Finance, Bank of Georgia estimates

Controllable CAD and strong FDI & donor inflows

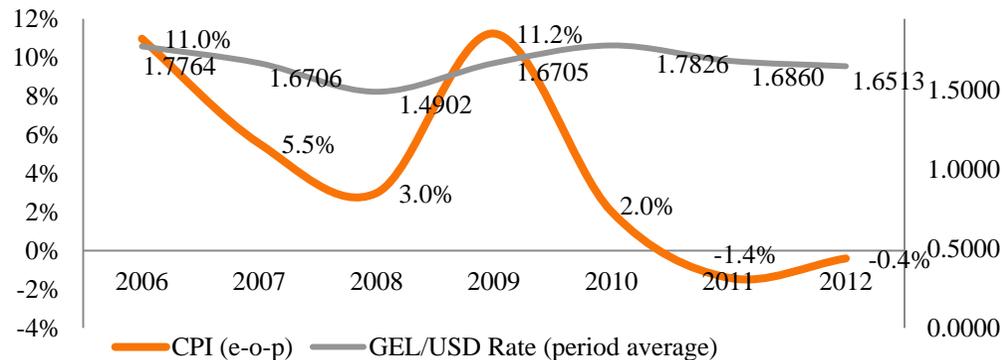
High, but well capitalised CAD. Remittances and FDI cover CAD.

FX reserves

In 8M 2013 NBG net buyer of US\$475 mln



FX rate (GEL/US\$) and CPI

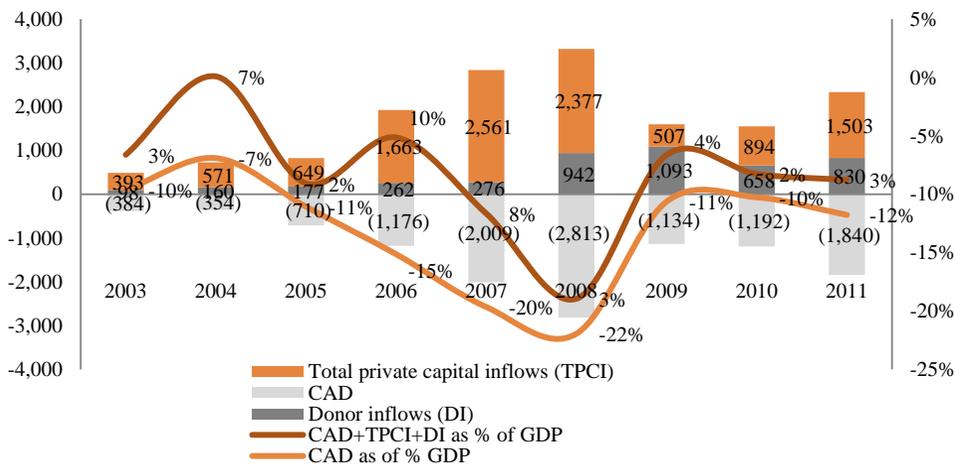


Source: National Bank of Georgia

Source: National Bank of Georgia

Current account deficit

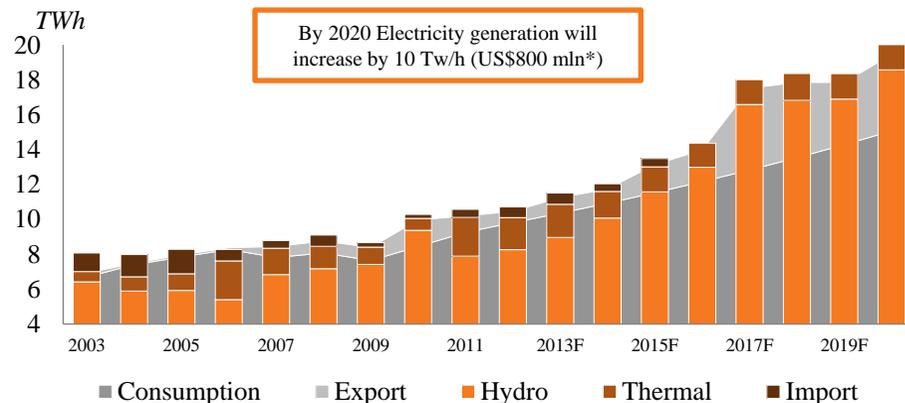
CAD
2012: US\$1,769 mln, 11.1% of GDP
2013E: US\$1,908 mln, 11.0% of GDP



Source: National Bank of Georgia, Ministry of Finance

Electricity generation

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



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

Growing and well capitalised banking sector

Summary

■ Prudent regulation ensuring financial stability

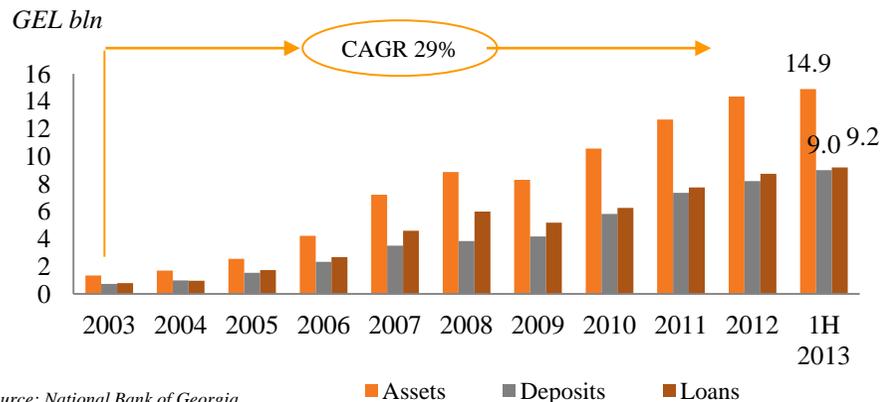
- Sector total capital ratio (NBG standards) –17% in 2012
- High level of liquidity requirements from NBG at 30% of liabilities, resulting in banking sector liquid assets to client deposits of 53% as of May 2013

■ 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

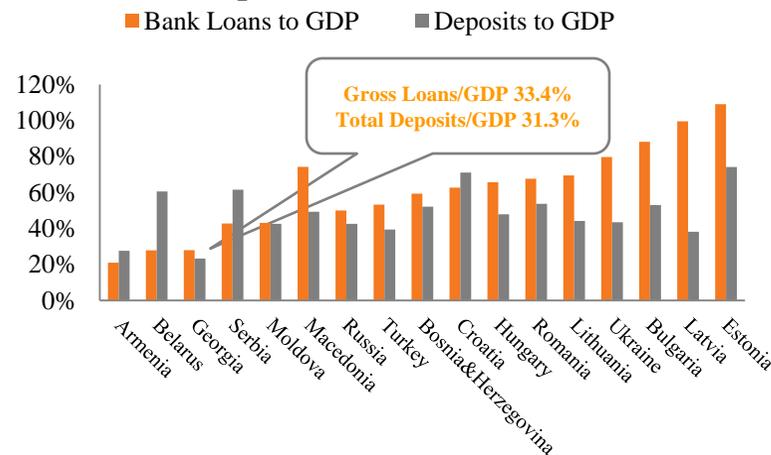
Source: National Bank of Georgia, Geostat

Banking sector assets, loans and deposits



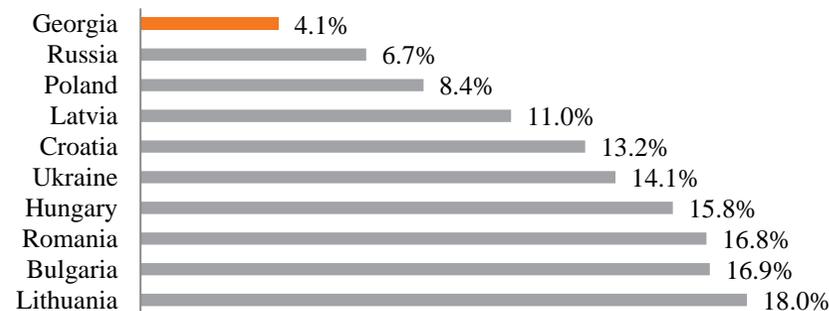
Source: National Bank of Georgia

Bank debt and deposits to GDP



Source: National Bank of Georgia, Geostat

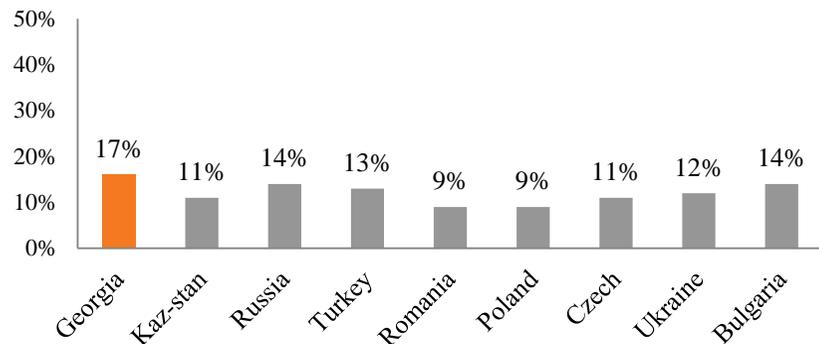
NPLs as % of total gross loans according to the IMF, lower than the banking sector NIM of c.7% as of YE2012



Source: World Bank

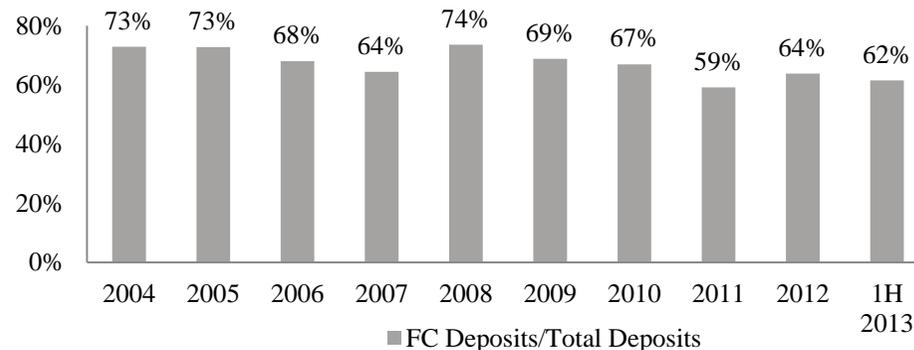
One of the highest level of capital and low debt level compared to other frontier markets

Equity /Assets



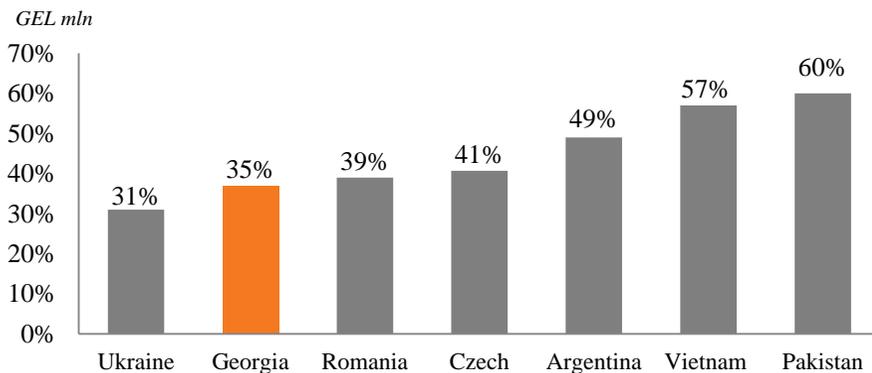
Source: National Bank of Georgia, Citi

Dollarisation



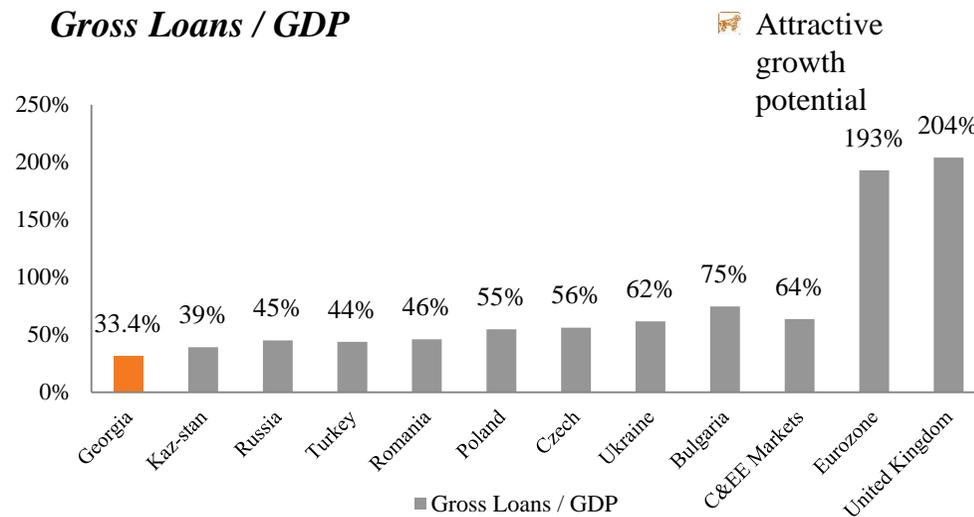
Source: National Bank of Georgia

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>	1H 2013 Unaudited	1H 2012 Unaudited	Change Y-O-Y	Q2 2013 Unaudited	Q2 2012 Unaudited	Change Y-O-Y	Q1 2013 Unaudited	Change Q-O-Q
Net interest income	150,494	137,662	9.3%	77,898	76,501	1.8%	72,596	7.3%
Net fee and commission income	42,276	41,534	1.8%	21,779	21,818	-0.2%	20,496	6.3%
Net insurance revenue	22,724	11,957	90.0%	10,998	7,283	51.0%	11,726	-6.2%
Net healthcare revenue	8,991	9,196	-2.2%	5,100	4,419	15.4%	3,891	31.1%
Other operating non-interest income	38,191	38,637	-1.2%	23,925	19,121	25.1%	14,267	67.7%
<i>Other operating non-interest income adjusted for one off gain from BNB FX</i>	<i>38,191</i>	<i>35,687</i>	<i>7.0%</i>	<i>23,925</i>	<i>19,121</i>	<i>25.1%</i>	<i>14,267</i>	<i>67.7%</i>
Revenue adjusted for one-off FX gain from BNB	262,676	236,037	11.3%	139,700	129,142	8.2%	122,976	13.6%
Revenue	262,676	238,986	9.9%	139,700	129,142	8.2%	122,976	13.6%
Operating expenses	(109,621)	(109,064)	0.5%	(55,740)	(58,754)	-5.1%	(53,880)	3.5%
Operating income before cost of credit risk	153,055	129,914	17.8%	83,960	70,388	19.3%	69,096	21.5%
Cost of credit risk	(36,261)	(13,947)	160.0%	(18,984)	(6,568)	189.0%	(17,278)	9.9%
Net operating income	116,794	115,974	0.7%	64,976	63,820	1.8%	51,818	25.4%
Net non-operating expense*	(5,453)	(12,393)	-56.0%	(4,089)	(7,994)	-48.8%	(1,365)	199.6%
Profit for the period	95,102	86,039	10.5%	53,105	46,276	14.8%	41,997	26.4%
Earnings per share (basic)	2.70	2.57	5.1%	1.51	1.33	13.5%	1.19	26.9%

*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>	Q2 2013 Unaudited	Q2 2012 Unaudited	Change Y-O-Y	Q1 2013 Unaudited	Change Q-O-Q
Net loans to customers*	3,122,916	2,923,140	6.8%	2,954,724	5.7%
Total assets	5,671,694	4,935,014	14.9%	5,533,858	2.5%
Liquid assets	1,520,214	1,132,508	34.2%	1,558,685	-2.5%
Liquid assets as percent of total assets	26.8%	22.9%		28.2%	
Liquid assets as percent of total liabilities	33.3%	28.5%		35.2%	
Amounts due to customers, of which:	2,850,234	2,846,263	0.1%	2,817,677	1.2%
<i>Client deposits, of which:</i>	2,838,153	2,742,601	3.5%	2,807,064	1.1%
<i>CDs</i>	114.0	-	NMF	-	NMF
<i>Promissory notes</i>	12,081	103,662	-88.3%	10,613	13.8%
Amounts due to credit institutions, of which	1,475,686	875,928	68.5%	1,355,027	8.9%
<i>Eurobonds</i>	424,854	-	NMF	418,353	1.6%
<i>Subordinated debt</i>	208,236	235,701	-11.7%	206,947	0.6%
<i>Loans and deposits from other banks</i>	842,596	640,227	31.6%	729,727	15.5%
Total liabilities	4,568,789	3,977,620	14.9%	4,424,043	3.3%
Total equity	1,102,905	957,394	15.2%	1,109,815	-0.6%
Book value per share (basic)	30.90	27.37	12.9%	31.04	-0.5%
Net loans/customer funds	109.6%	102.7%		104.9%	
Net loans/customer funds +DFIs	90.0%	86.5%		85.2%	
Excess liquidity	491,666	171,799	186.2%	475,708	3.4%
NBG liquidity ratio	44.8%	35.2%		44.1%	
BIS Tier I Capital Adequacy Ratio	22.9%	21.9%		23.2%	
BIS Total Capital Adequacy Ratio	27.8%	28.1%		28.2%	
NBG Tier I Capital Adequacy Ratio	15.4%	15.0%		16.8%	
NBG Total Capital Adequacy Ratio	16.3%	17.8%		17.1%	

KEY RATIOS

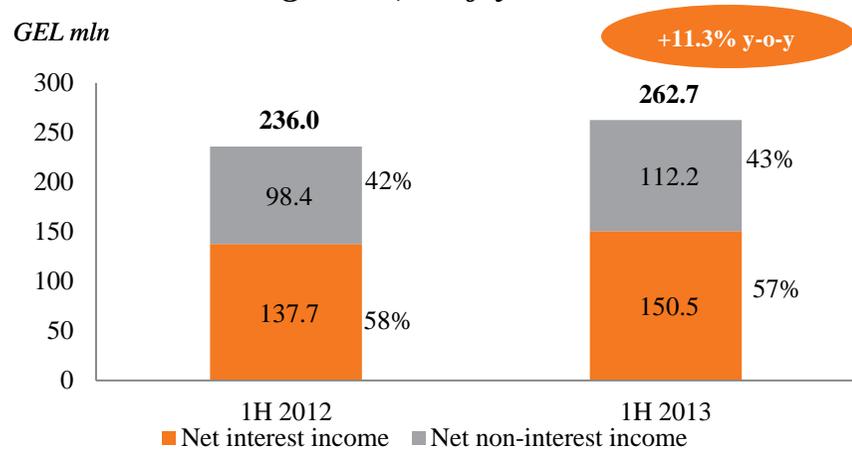
	Q2 2013	Q2 2012	Q1 2013
ROAE	19.3%	20.0%	15.9%
ROAA	3.8%	4.0%	3.1%
Cost/Income	39.9%	45.5%	43.8%
NIM	7.9%	9.0%	7.6%
Loan yield	16.9%	18.0%	16.9%
Cost of client deposits	5.9%	7.4%	6.4%
Cost of funds	6.2%	7.5%	6.7%
Cost of risk	1.5%	0.9%	1.4%
NPL coverage	89.1%	115.2%	86.5%
NPL coverage ratio adjusted for discounted value of collateral	117.4%	148.0%	111.1%
	1H 2013	1H 2012	
ROAE	17.6%	19.6%	
ROAA	3.4%	3.7%	
Cost/Income	41.7%	45.6%	
Cost/Income**	41.7%	46.2%	
NIM	7.7%	8.2%	
Loan yield	16.8%	17.8%	
Cost of client deposits	6.2%	7.7%	
Cost of funds	6.4%	7.9%	
Cost of risk	1.5%	0.9%	
NPL coverage	89.1%	115.2%	

*includes finance lease receivables

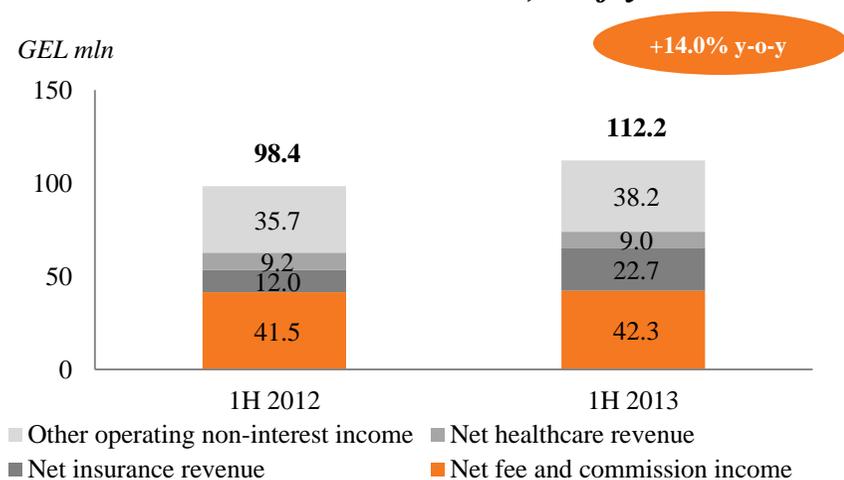
**excluding effect of one-off fx currency gain for BNB

Strong revenue growth

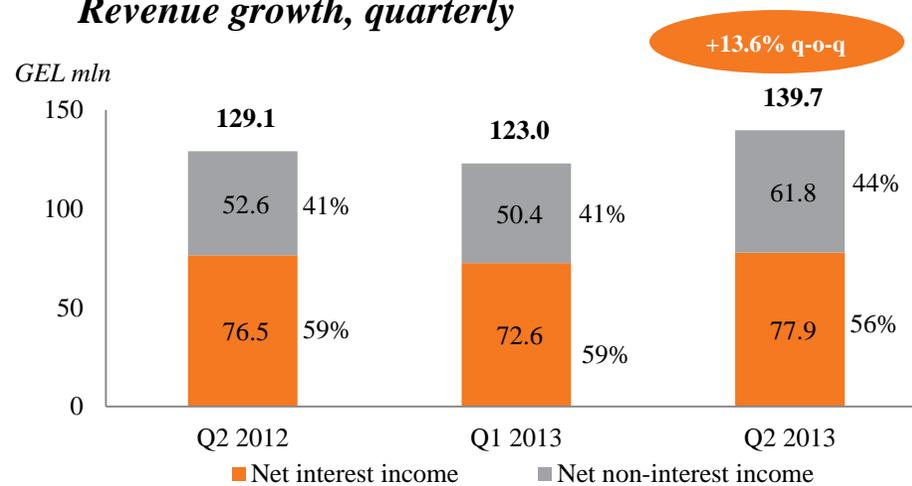
Revenue growth, half-year



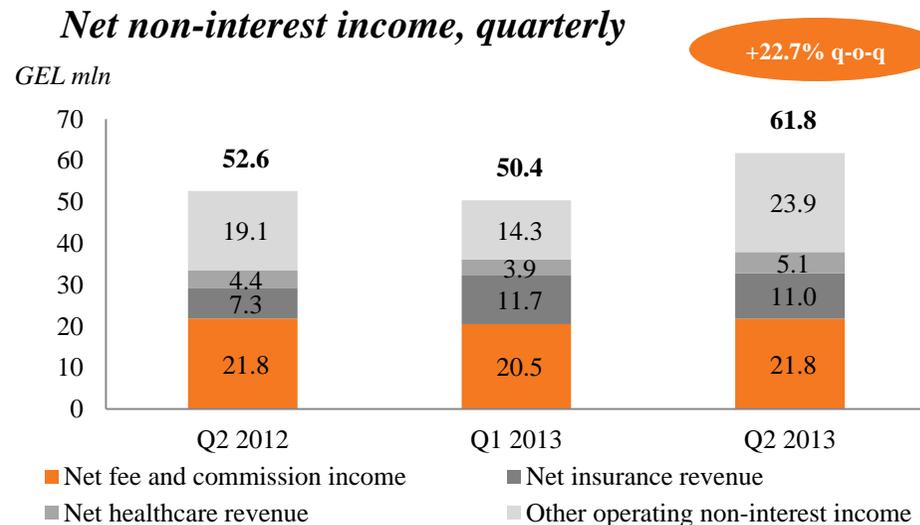
Net non-interest income, half-year



Revenue growth, quarterly



Net non-interest income, quarterly

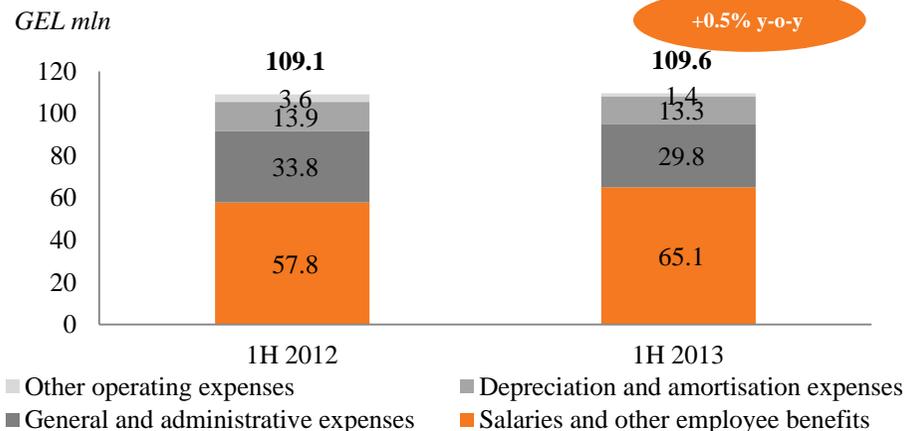


Excluding one-off currency gain for BNB in 1H 2012

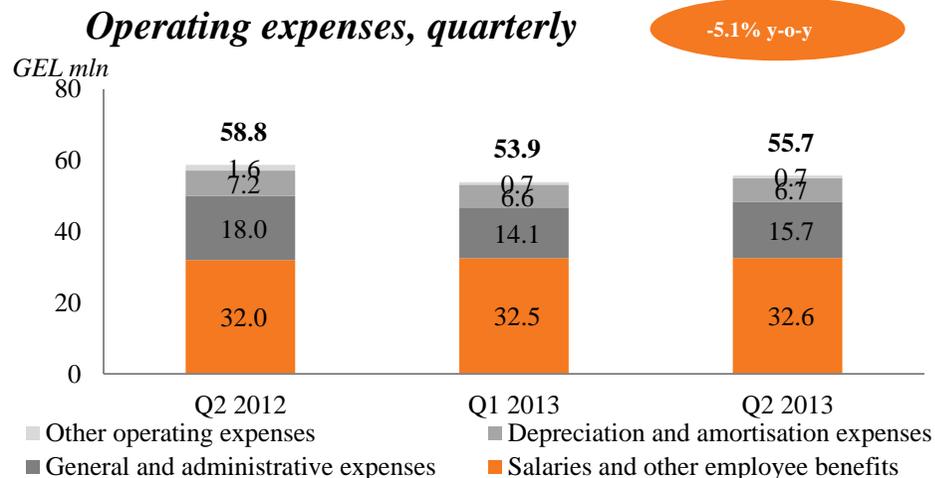
Cost of healthcare services in Q2 2013, Q1 2013 and 1H 2013 includes additional depreciation and utility expenses, which were presented in operating expenses in 2012

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

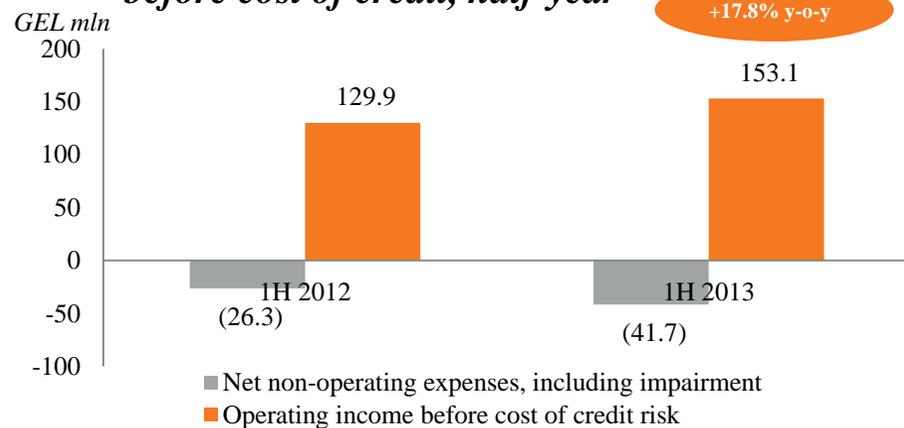
Operating expenses, half-year



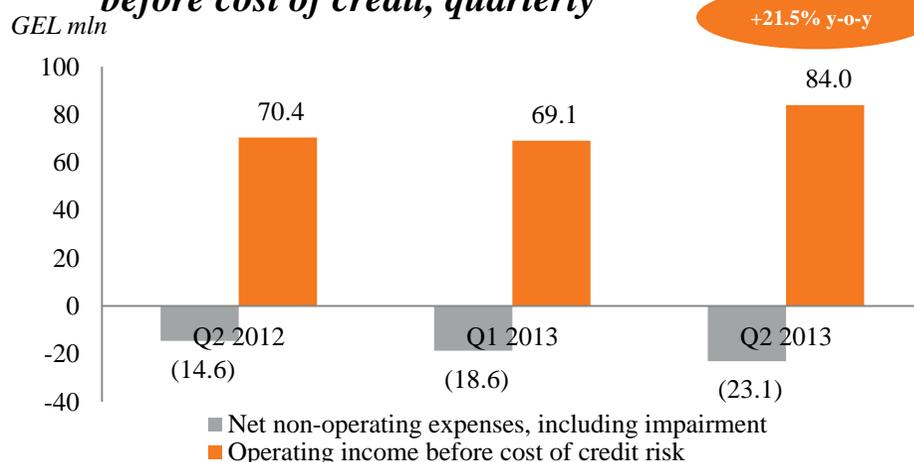
Operating expenses, quarterly



Net non-operating expenses, operating income before cost of credit, half-year

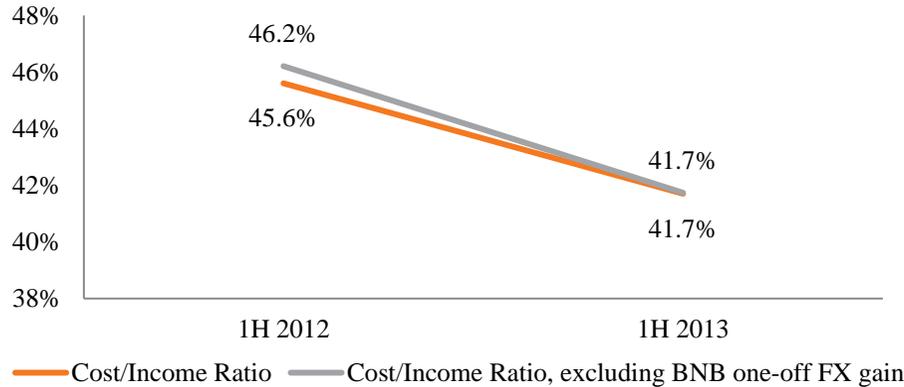


Net non-operating expenses, operating income before cost of credit, quarterly

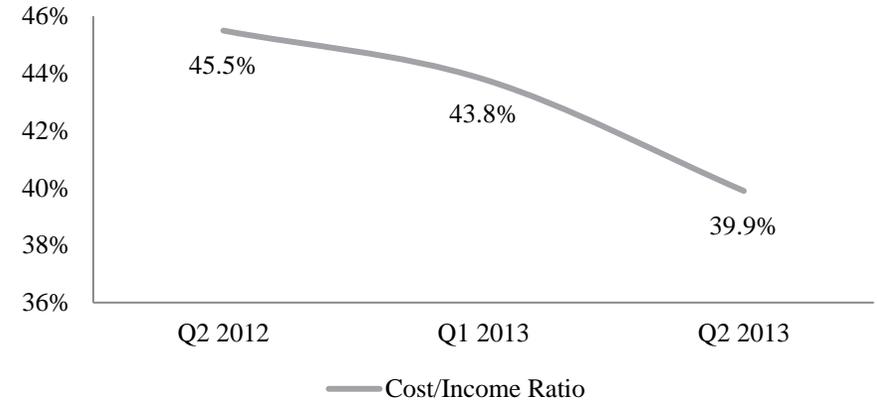


Improving efficiency

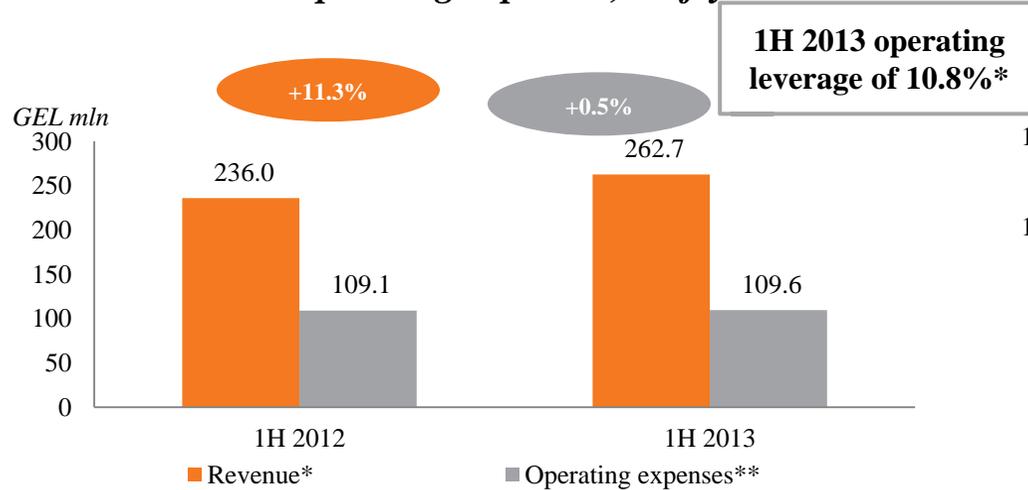
Cost / Income ratio, half-year



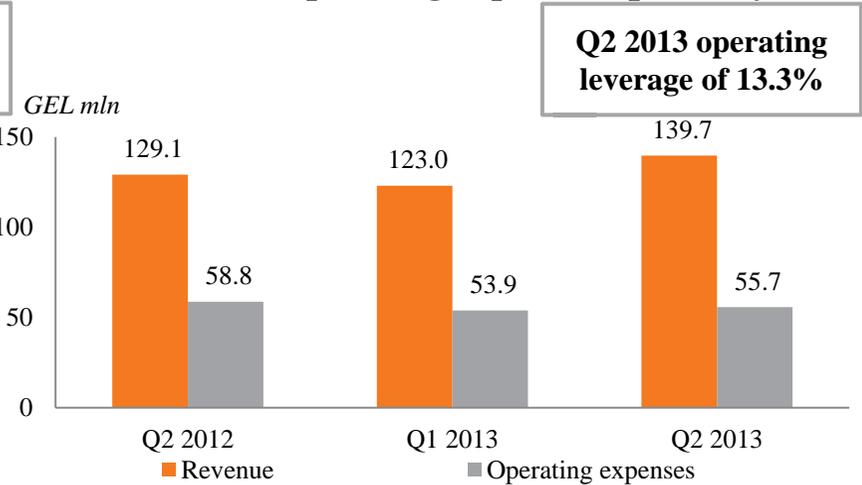
Cost / Income ratio, quarterly



Revenue and operating expenses, half-year



Revenue and operating expenses, quarterly

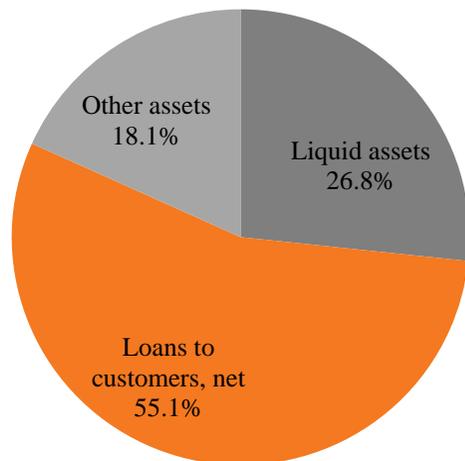


*Excluding one-off fx gain from BNB **Operating non-interest expenses

Diversified asset structure, consolidated

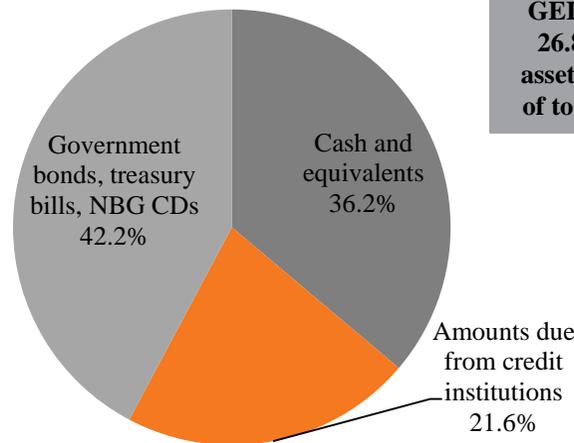
Total asset structure, 30 June 2013

**Total assets:
GEL 5,672 mln**



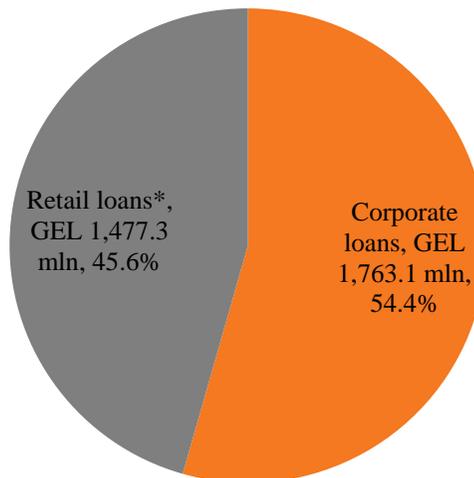
Liquid assets, 30 June 2013

**Liquid assets
GEL 1,520 mln,
26.8% of total
assets and 33.3%
of total liabilities**

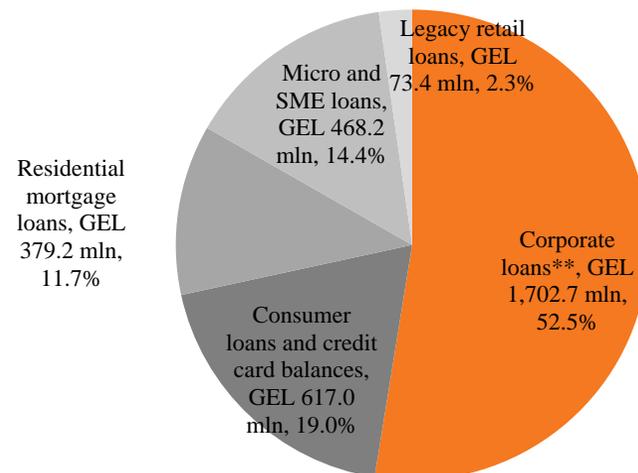


Gross loans breakdown, 30 June 2013

**Total gross
loans:
GEL 3,240 mln**



Gross loan portfolio structure, 30 June 2013



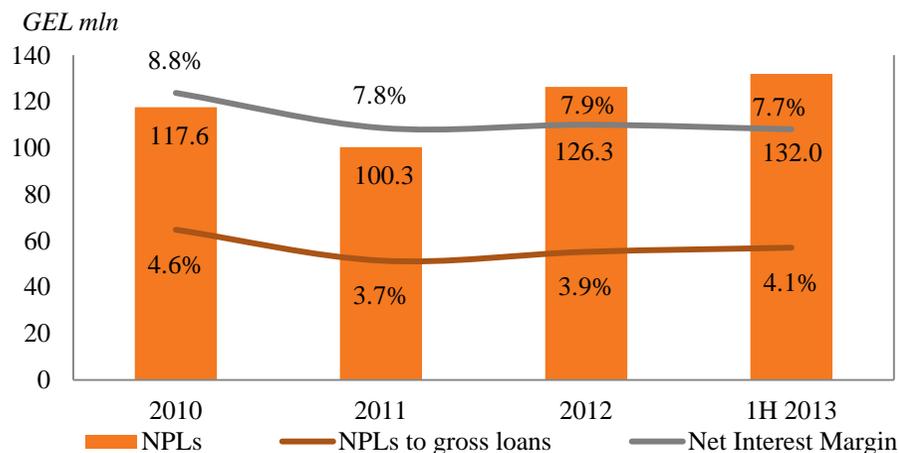
* Retail loans include consumer loans, residential mortgage loans, micro and SME loans, legacy retail loans and credit card balances

**includes BNB loans and finance lease receivable

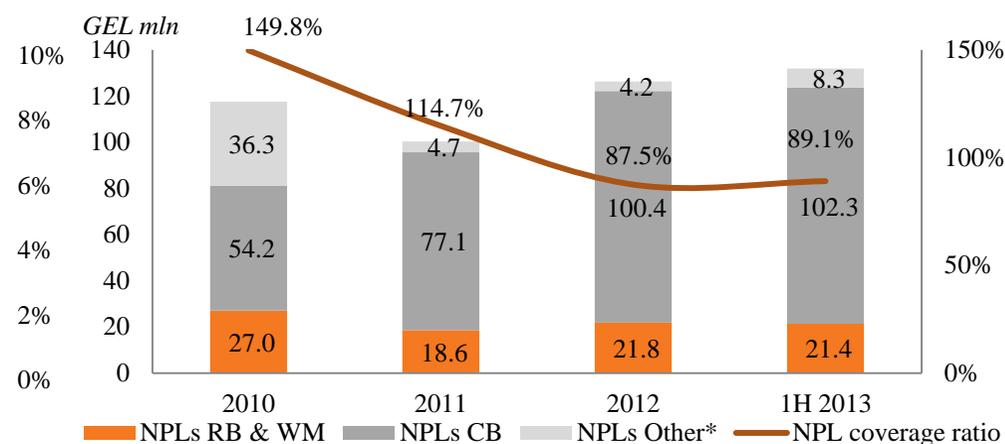
*** Credit card balances of GEL 131.2 million included, 4.0% of total loan book

Loan portfolio quality

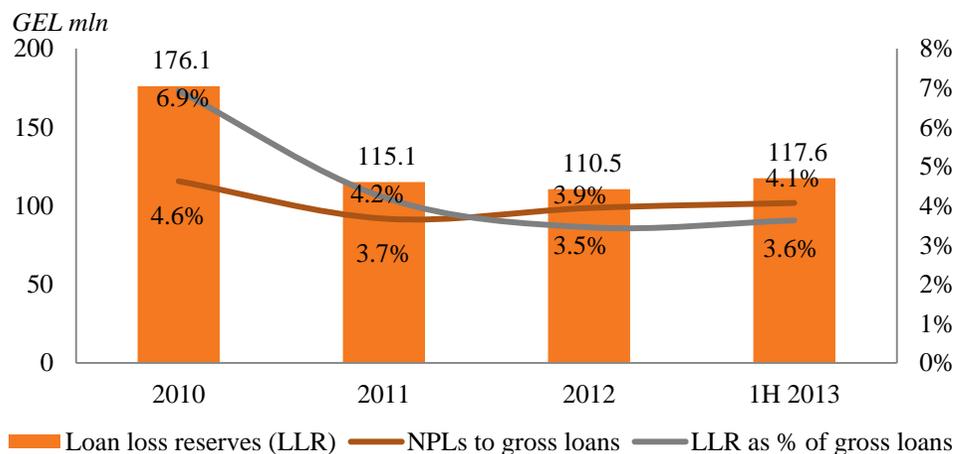
Consolidated NPLs



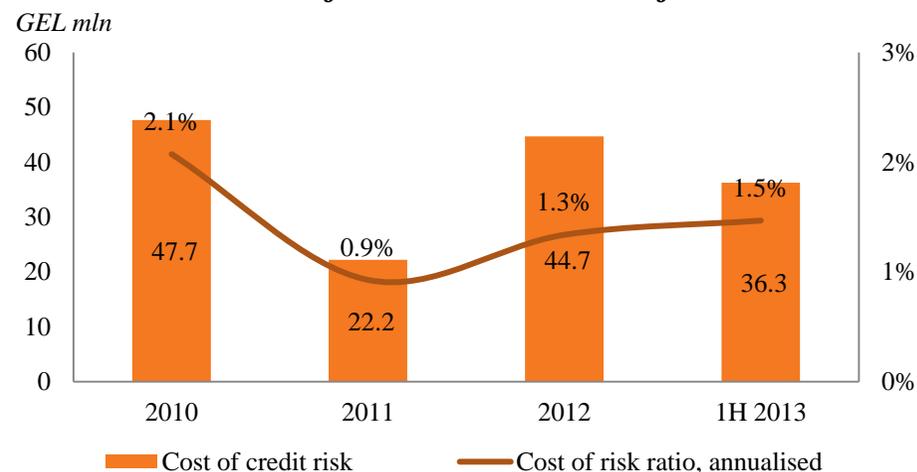
Consolidated NPL composition & coverage ratio



Consolidated loan loss reserve, NPLs to gross loans



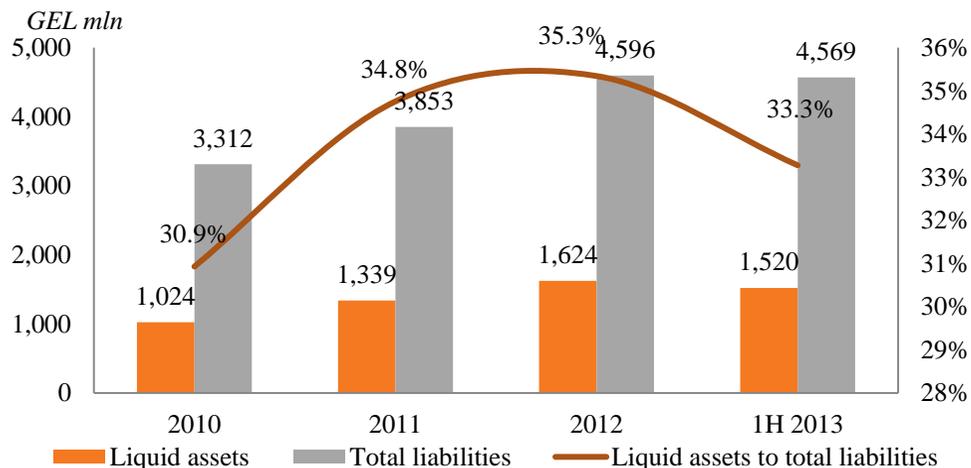
Consolidated cost of credit risk & cost of risk ratio



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

Strong liquidity

Liquid assets to total liabilities

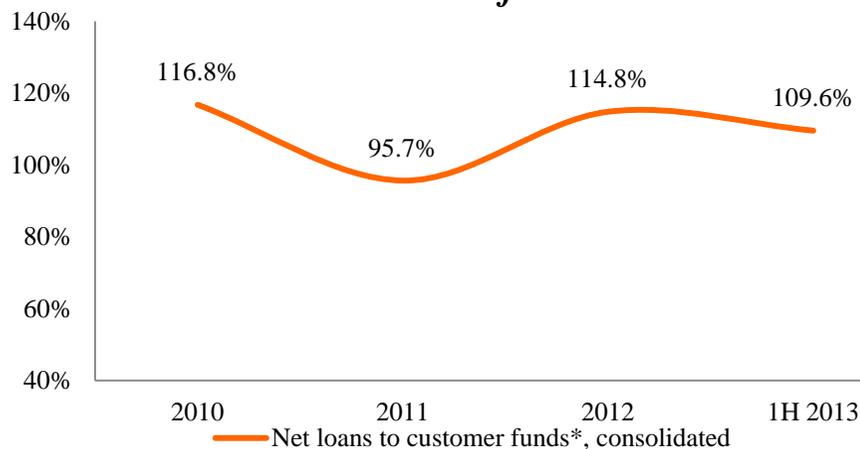


NBG liquidity ratio

Bank Standalone, GEL mln

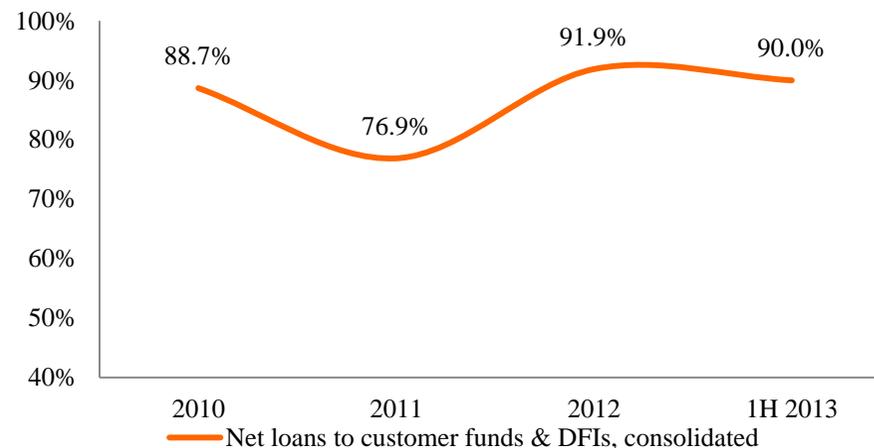
	1H 2013	2012	2011
Liquid Assets (NBG)	1,486	1,302	1,242
Liabilities (NBG)	3,315	3,166	3,286
Liquid Assets / Liabilities \geq 30%	44.8%	41.1%	37.8%
Excess liquidity	492	353	256

Net loans to customer funds



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

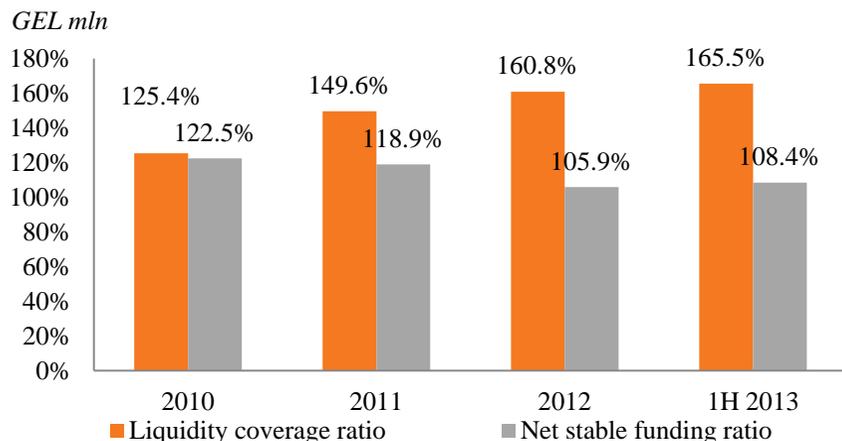
Net loans to customer funds & DFIs



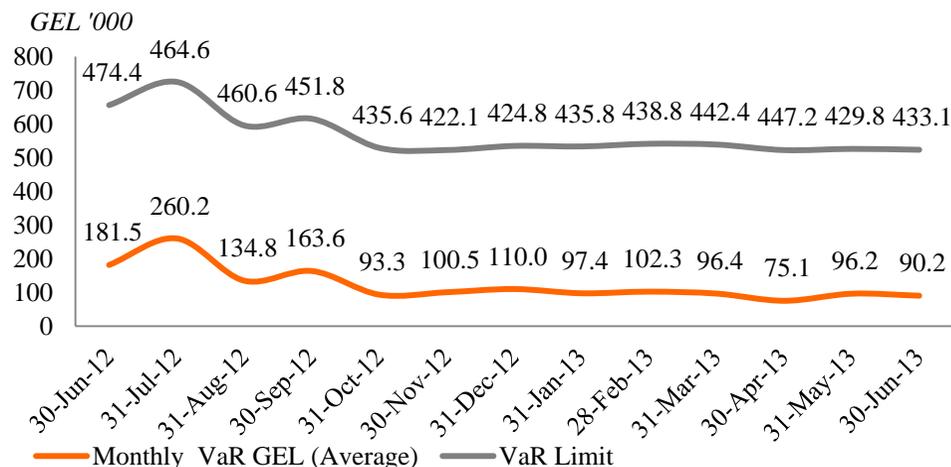
Strong liquidity

STANDALONE

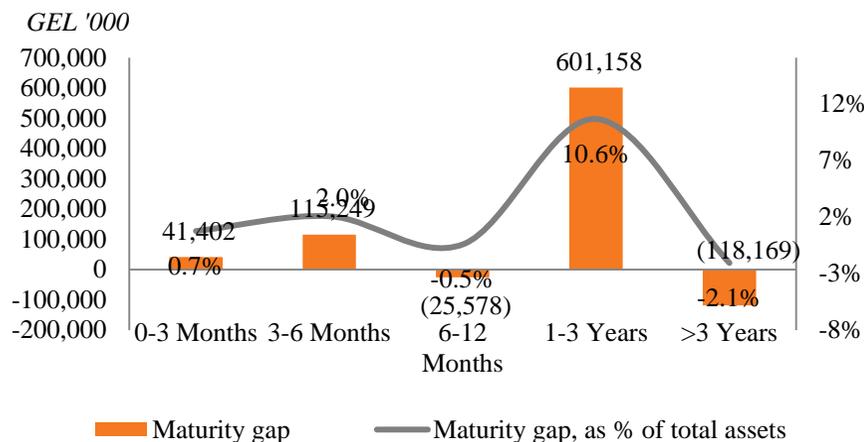
Liquidity coverage ratio & net stable funding ratio



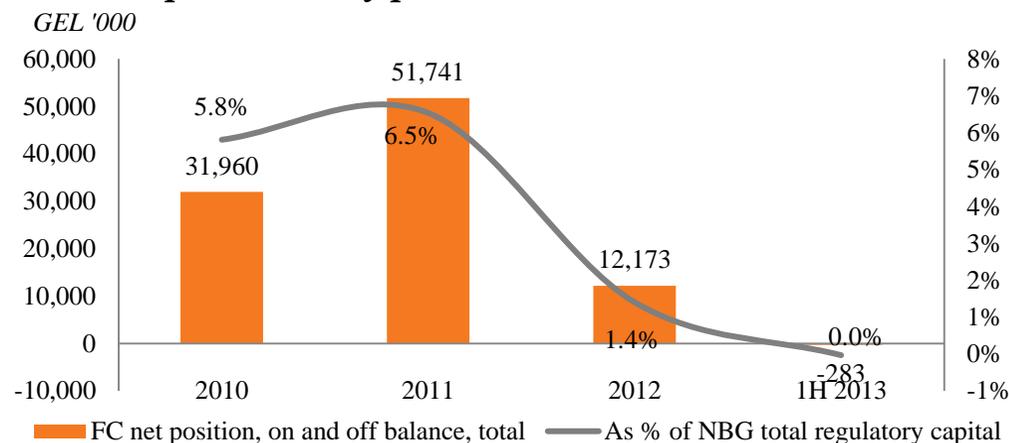
Foreign currency monthly VaR analysis



Maturity gap, June 2013

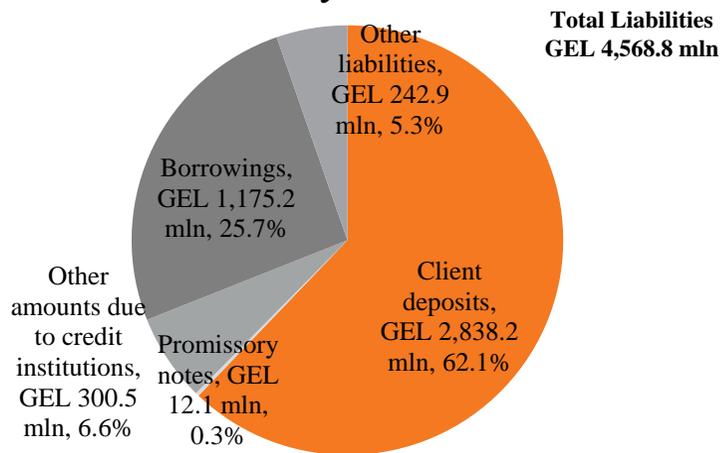


Open currency position

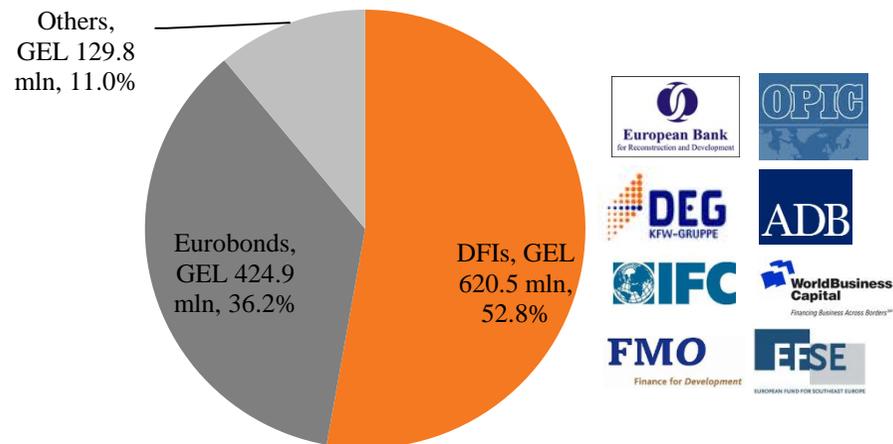


Funding structure is well-balanced

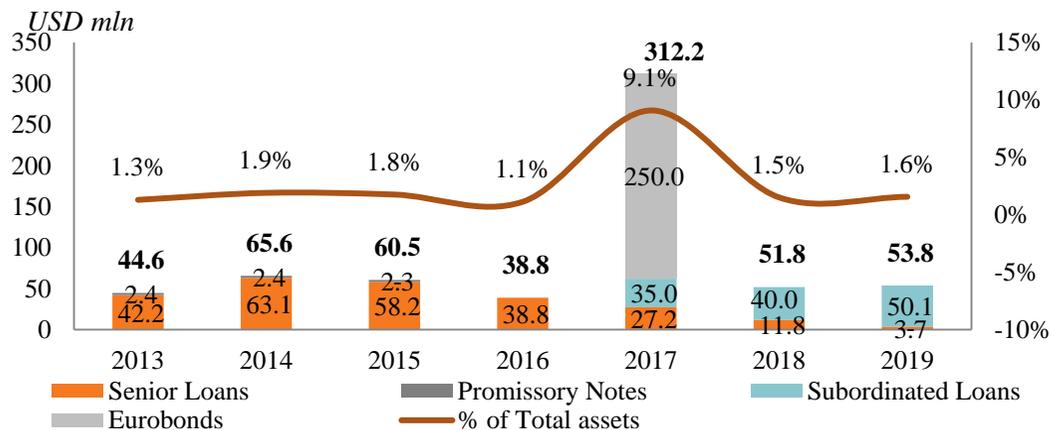
Liability structure



Well diversified international borrowings



Borrowed funds maturity breakdown*



Amounts due to credit institutions

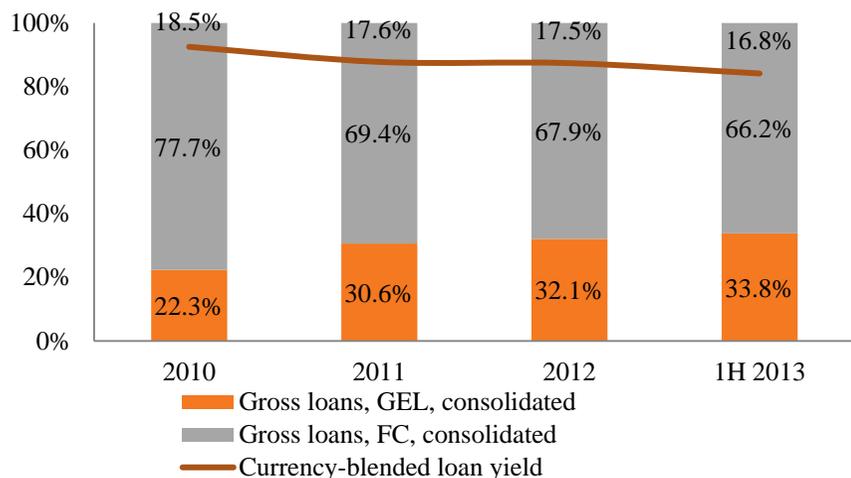
- The Bank has a well-balanced funding structure with 62% of total liabilities coming from customer funds, 14% from Developmental Financial Institutions (DFIs) and 9% from Eurobonds, as of 30 June
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, DEG, Asian Development Bank, etc.
- As of 30 June 2013, US\$98.2 mln undrawn facilities from DFIs with three to nine year maturities

* Consolidated, converted at GEL/US\$ exchange rate of 1.6509 of 30 June 2013

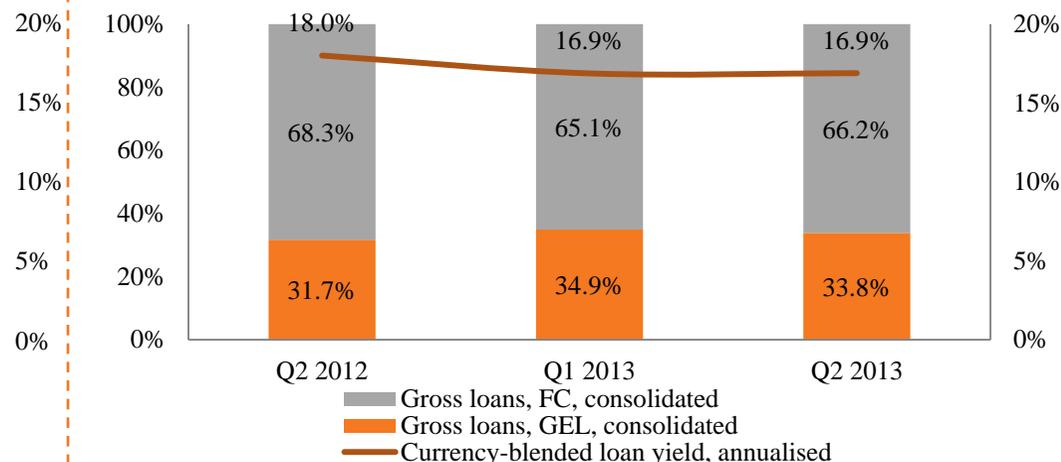
** Total Assets as of 30 June 2013

Yield dynamics

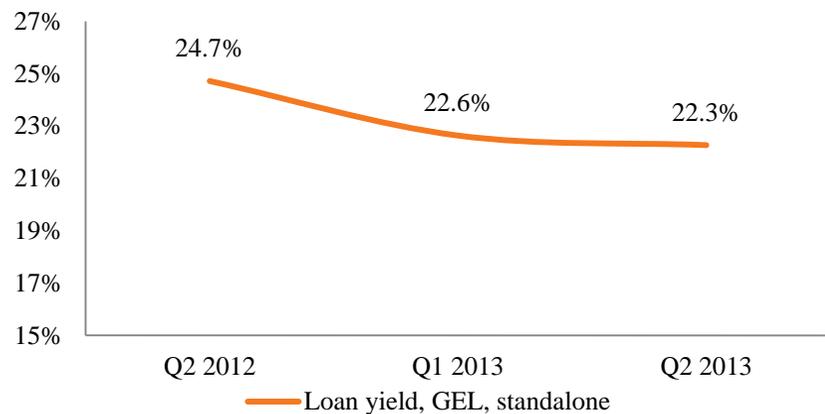
Loan yields



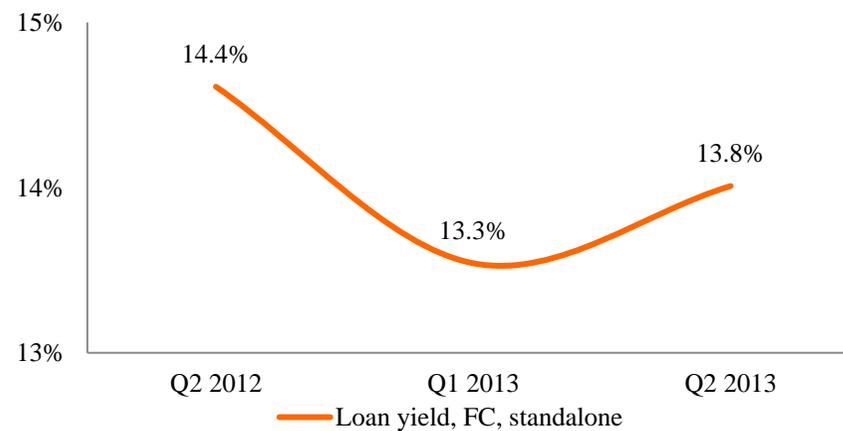
Loan yields, quarterly



Loan yields, GEL, quarterly



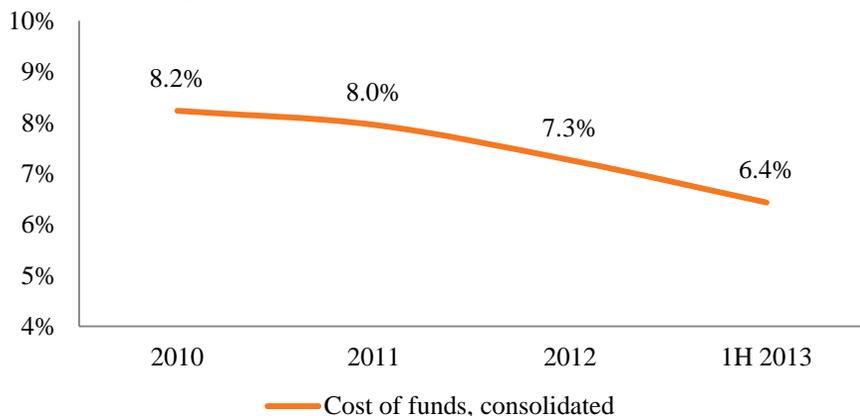
Loan yields, foreign currency, quarterly



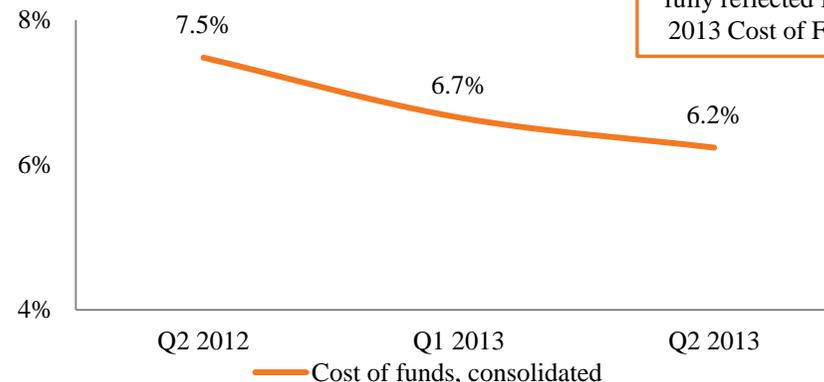
Loan yields excluding provisions

Cost of funds and loans to deposits

Cost of Funds

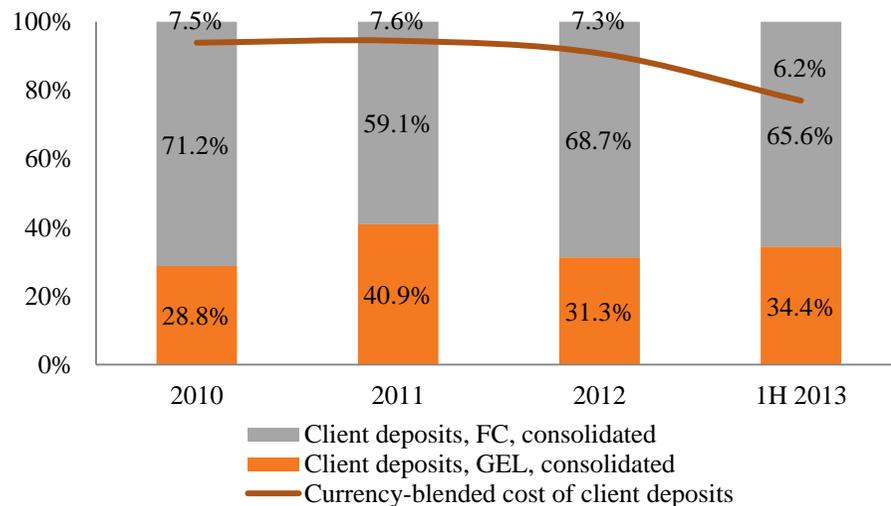


Cost of Funds, quarterly

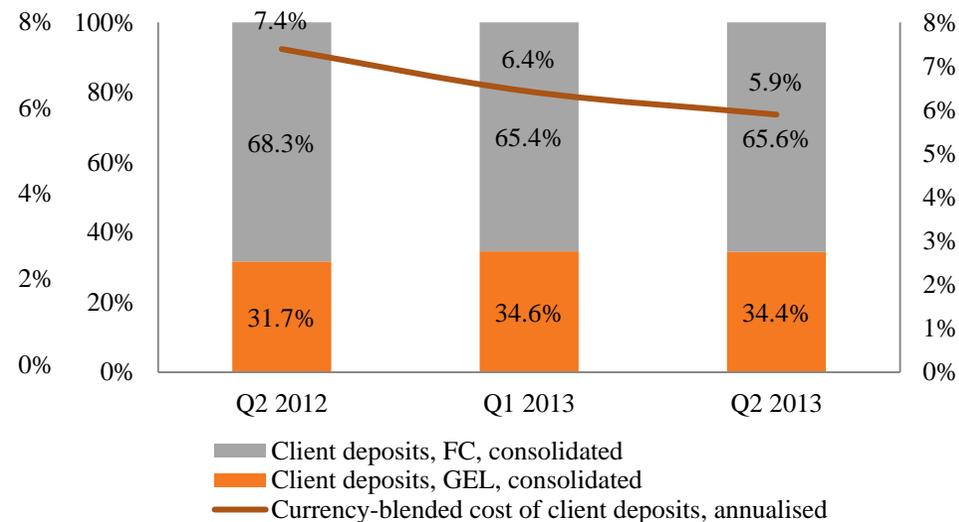


Deposit rate cuts have not yet been fully reflected in Q2 2013 Cost of Funds

Cost of client deposits



Cost of client deposits, quarterly

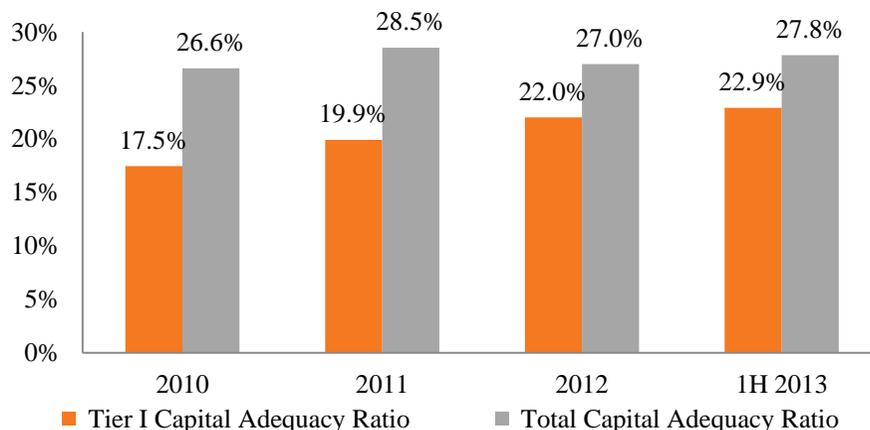


Excellent capital adequacy position

BIS capital adequacy ratios, consolidated

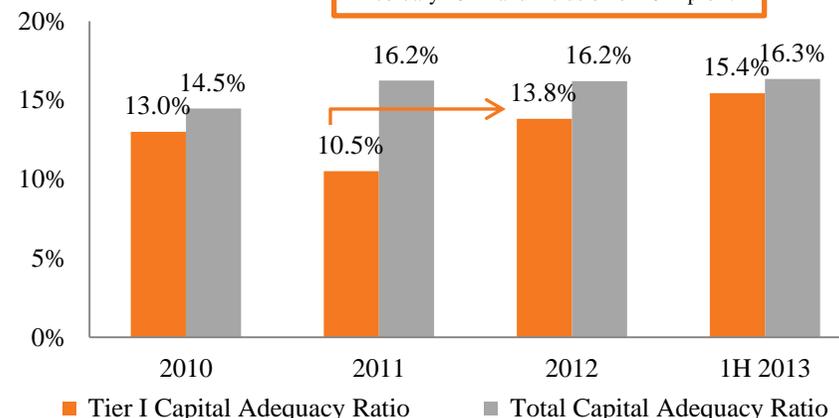
Risk weighting of FX denominated loans at 175% according to the National Bank of Georgia standards

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

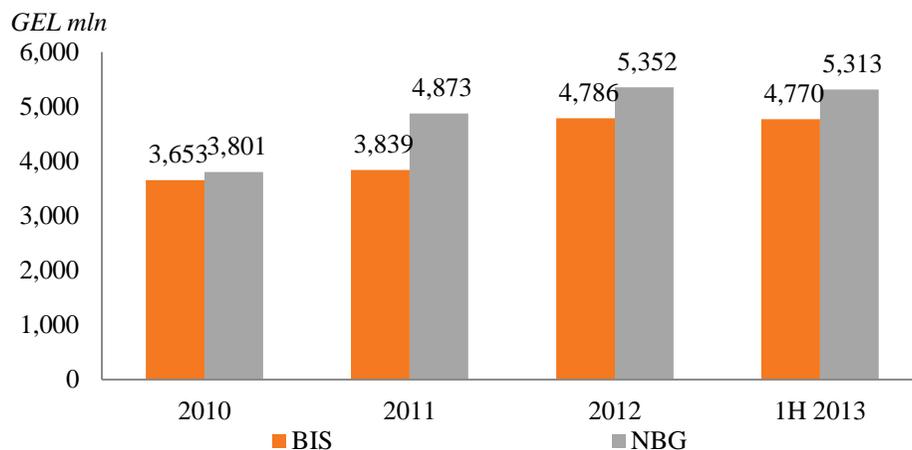


NBG capital adequacy ratios, standalone

Tier I Ratio grew due to the conversion of EBRD & IFC loans of US\$50 mln in February 2012 and inclusion of 2011 profit



Risk-weighted assets BIS vs. NBG



NBG Tier I Capital and Total Capital

GEL mln	1H 2013	2012	2011
Tier I Capital (Core)	820.6	739.9	512.2
Tier 2 Capital (Supplementary)	313.7	389.7	463.8
Less: Deductions	(265.8)	(262.6)	(184.3)
Total Capital	868.4	866.9	791.7
Risk weighted assets	5,313.0	5,352.2	4,872.9
Tier 1 Capital ratio	15.4%	13.8%	10.5%
Total Capital ratio	16.3%	16.2%	16.2%

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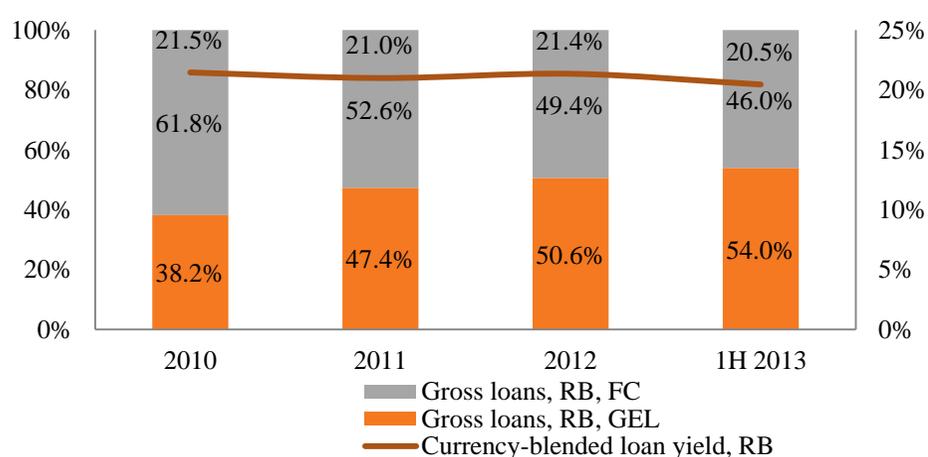
Appendices

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

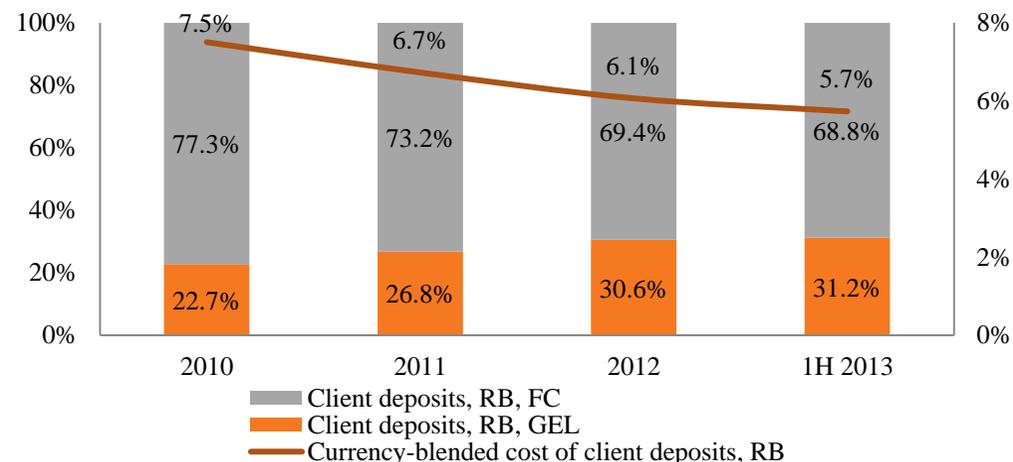
GEL thousands unless otherwise stated

	Jun-13	Jun-12	Change Y-O-Y	Q2 2013	Q2 2012	Change Y-O-Y	Q1 2013	Change Q-O-Q
Net interest income	91,065	83,226	9.4%	48,077	44,258	8.6%	42,989	11.8%
Net fee and commission income	25,321	25,504	-0.7%	12,806	13,799	-7.2%	12,516	2.3%
Net gain from foreign currencies	7,063	6,229	13.4%	3,640	3,271	11.3%	3,423	6.3%
Other operating non-interest income	2,657	2,895	-8.2%	1,546	1,640	-5.7%	1,110	39.3%
Revenue	126,106	117,854	7.0%	66,069	62,968	4.9%	60,038	10.0%
Operating expenses	(60,514)	(55,263)	9.5%	(32,271)	(28,910)	11.6%	(28,244)	14.3%
Operating income before cost of credit risk	65,592	62,591	4.8%	33,798	34,058	-0.8%	31,794	6.3%
Cost of credit risk	(17,470)	(11,139)	56.8%	(7,881)	(6,442)	22.3%	(9,589)	-17.8%
Net non-operating expenses	(539)	(3,869)	-86.1%	(274)	(2,159)	-87.3%	(264)	3.8%
Profit before Income tax expense	47,583	47,583	0.0%	25,643	25,457	0.7%	21,941	16.9%
Income tax expense	(6,015)	(7,389)	-18.6%	(2,675)	(3,991)	-33.0%	(3,341)	-19.9%
Profit from continuing operations	41,568	40,194	3.4%	22,968	21,466	7.0%	18,600	23.5%
Net loss from discontinued operations	-	2	-100.0%	-	(23)	-100.0%	-	-
Profit	41,568	40,196	3.4%	22,968	21,443	7.1%	18,600	23.5%
Net loans, standalone	1,445,324	1,260,715	14.6%	1,445,324	1,260,715	14.6%	1,371,948	5.3%
Client deposits, standalone	925,779	734,885	26.0%	925,779	734,885	26.0%	865,226	7.0%
Loan yield	20.5%	21.1%		20.6%	21.8%		20.3%	
Cost of deposits	5.7%	6.3%		5.4%	6.2%		6.1%	

Retail Banking loan yields



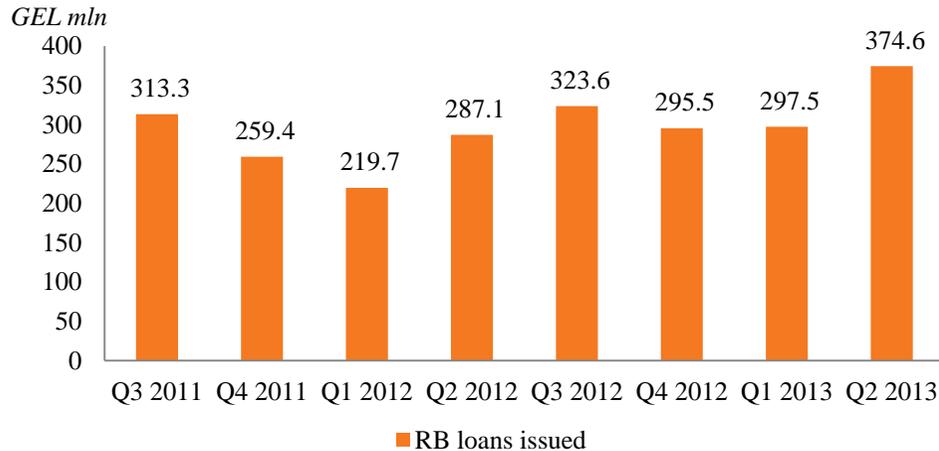
Retail Banking deposit costs



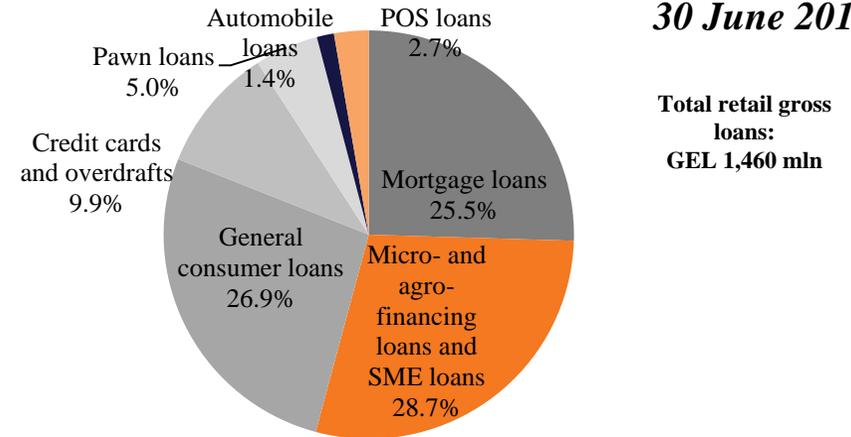
*The loss experience used to determine appropriate general risk provision was changed from seven to three years in Retail Banking in 2012

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

Retail Banking loans originated, standalone



Retail Banking gross loan portfolio consolidated, 30 June 2013



Retail Banking gross loans and deposits growth, consolidated



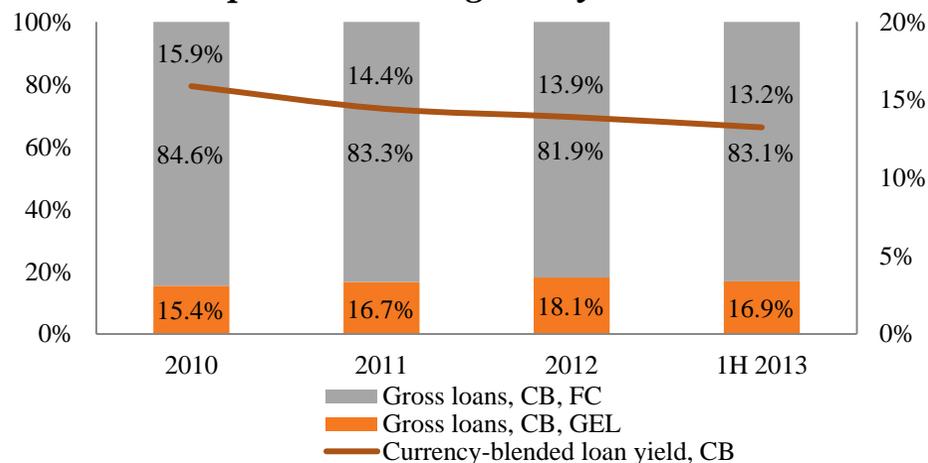
Volumes are in GEL millions	1H 2013	% of clients	2012	2011	2010
Number of total Retail clients, of which:	1,172,652		1,054,248	888,794	823,859
Number of Solo clients ("Premier Banking")	6,032	0.5%	5,413	3,728	2,303
Consumer loans & other outstanding, volume	525.1		480.0	428.2	285.4
Consumer loans & other outstanding, number	438,420	37.4%	406,213	342,652	265,212
Mortgage loans outstanding, volume	388.7		388.7	375.0	370.6
Mortgage loans outstanding, number	9,914	0.8%	9,850	9,162	8,434
Micro & SME loans outstanding, volume	419.0		364.4	318.5	238.3
Micro & SME loans outstanding, number	12,758	1.1%	11,136	9,860	8,360
Credit cards and overdrafts outstanding, volume	144.2		146.4	143.3	124.3
Credit cards and overdrafts outstanding, number	168,263	14.3%	142,072	131,119	121,444
Credit cards outstanding, number*, of which:	111,817	9.5%	107,261	127,820	106,809
American Express cards	100,660	8.6%	99,292	97,100	55,200

*definition changed in 2012 to include only active credit cards

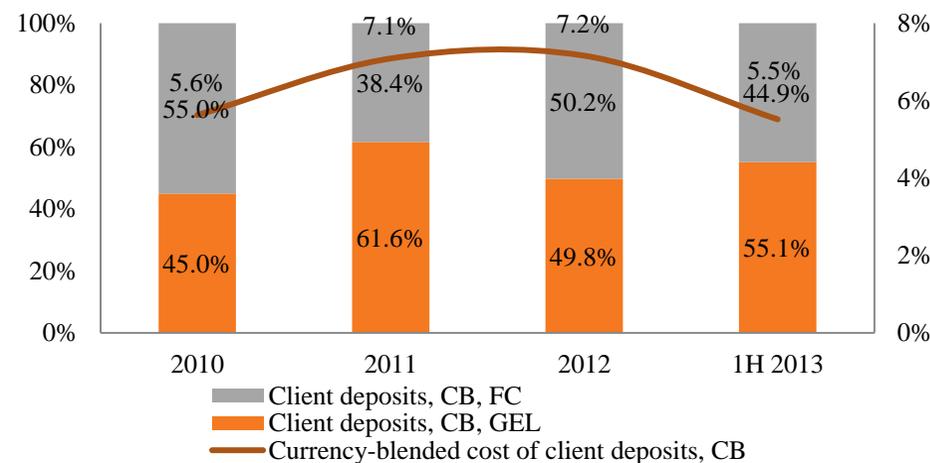
Corporate Banking (CB): Improved efficiency

<i>GEL thousands unless otherwise stated</i>	Jun-13	Jun-12	Change Y-O-Y	Q2 2013	Q2 2012	Change Y-O-Y	Q1 2013	Change Q-O-Q
Net interest income	50,460	45,668	10.5%	25,282	26,800	-5.7%	25,177	0.4%
Net fee and commission income	14,372	14,469	-0.7%	7,936	7,387	7.4%	6,436	23.3%
Net gain from foreign currencies	12,536	16,035	-21.8%	7,018	7,694	-8.8%	5,518	27.2%
Other operating non-interest income	3,256	2,665	22.2%	1,778	1,317	35.0%	1,479	20.2%
Revenue	80,624	78,837	2.3%	42,014	43,198	-2.7%	38,610	8.8%
Operating expenses	(20,854)	(25,337)	-17.7%	(8,489)	(14,158)	-40.0%	(12,366)	-31.4%
Operating income before cost of credit risk	59,770	53,500	11.7%	33,525	29,040	15.4%	26,244	27.7%
Cost of credit risk	(17,191)	(1,541)	NMF	(10,275)	(285)	NMF	(6,916)	48.6%
Net non-operating expenses	(1,017)	(4,568)	-77.7%	(763)	(2,655)	-71.3%	(253)	NMF
Profit before Income tax expense	41,562	47,391	-12.3%	22,487	26,100	-13.8%	19,075	17.9%
Income tax expense	(5,973)	(7,822)	-23.6%	(2,680)	(4,044)	-33.7%	(3,292)	-18.6%
Profit from continuing operations	35,589	39,569	-10.1%	19,807	22,056	-10.2%	15,783	25.5%
Net loss from discontinued operations	-	(3)	-100.0%	-	(31)	-100.0%	-	-
Profit	35,589	39,566	-10.1%	19,807	22,025	-10.1%	15,783	25.5%
Net loans, standalone	1,668,041	1,650,487	1.1%	1,668,041	1,650,487	1.1%	1,591,087	4.8%
Client deposits, standalone	1,234,963	1,467,251	-15.8%	1,234,963	1,467,251	-15.8%	1,274,621	-3.1%
<i>Loan yield</i>	<i>13.2%</i>	<i>14.7%</i>		<i>13.0%</i>	<i>14.9%</i>		<i>13.5%</i>	
<i>Cost of deposits</i>	<i>5.5%</i>	<i>7.7%</i>		<i>5.3%</i>	<i>7.3%</i>		<i>5.7%</i>	

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

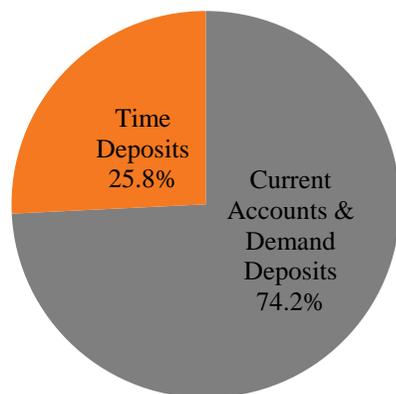
- Trade
- Energy
- Fast Moving Consumer Goods (FMCG)
- Real Estate
- Infrastructure
- Industry
- Pharmaceuticals & healthcare
- State
- Hospitality

Highlights

- 🏆 No.1 corporate bank in Georgia
- 🏆 Circa 34.4% market share based on client deposits¹ as of 30 June 2013
- 🏆 Integrated client coverage in key sectors
- 🏆 c.7,700 clients served by dedicated relationship bankers

Corporate banking client deposits standalone, 30 June 2013

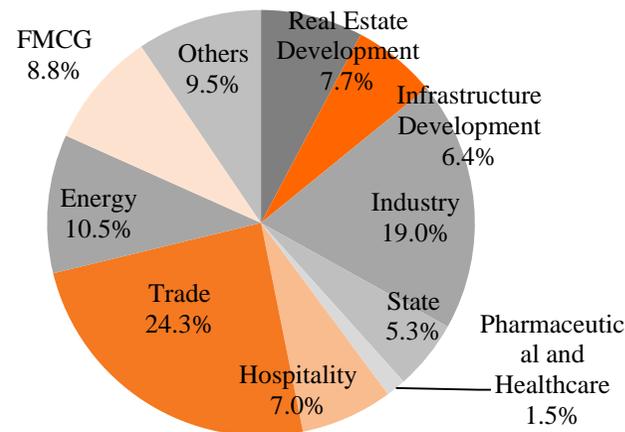
Total corporate deposits:
GEL 1,234 mln



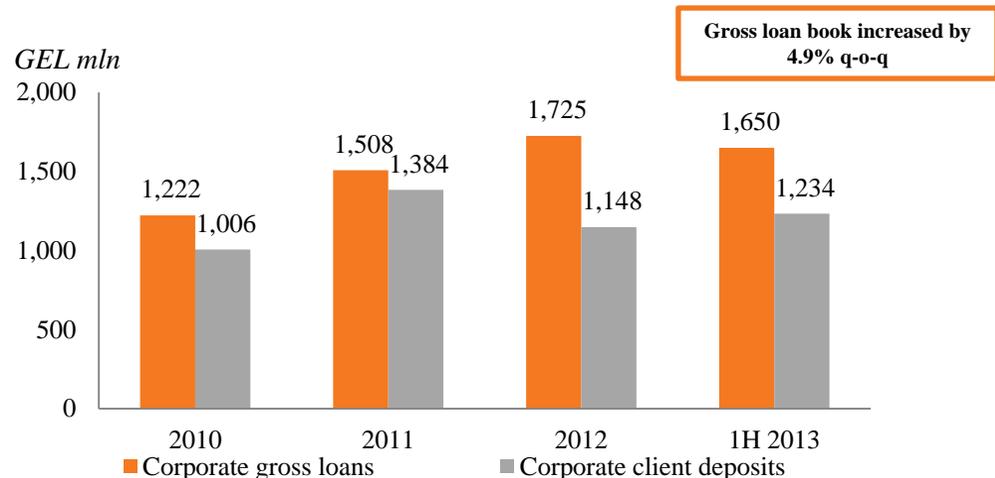
¹ source: National Bank of Georgia, does not include interbank deposits

Corporate gross loan portfolio, standalone, 30 June 2013

Total gross loan portfolio
GEL 1,688 mln



Corporate gross loan and deposit growth, consolidated



Investment Management results overview

GEL thousands unless otherwise stated

	Jun-13	Jun-12	Change Y-O-Y	Q2 2013	Q2 2012	Change Y-O-Y	Q1 2013	Change Q-O-Q
Net interest income	4,553	6,550	-30.5%	25,282	26,800	-5.7%	25,177	0.4%
Net fee and commission income	284	230	23.5%	7,936	7,387	7.4%	6,436	23.3%
Net gain from foreign currencies	774	380	103.7%	7,018	7,694	-8.8%	5,518	27.2%
Other operating non-interest income	28	40	-30.0%	1,778	1,317	35.0%	1,479	20.2%
Revenue	5,639	7,200	-21.7%	42,014	43,198	-2.7%	38,610	8.8%
Operating expenses	(2,659)	(1,924)	38.2%	(8,489)	(14,158)	-40.0%	(12,366)	-31.4%
Operating income before cost of credit risk	2,980	5,276	-43.5%	33,525	29,040	15.4%	26,244	27.7%
Cost of credit risk	262	1	NMF	(10,275)	(285)	NMF	(6,916)	48.6%
Net non-operating expenses	(26)	(126)	-79.4%	(763)	(2,655)	-71.3%	(253)	NMF
Profit before Income tax expense	3,216	5,151	-37.6%	22,487	26,100	-13.8%	19,075	17.9%
Income tax expense	(402)	(799)	-49.7%	(2,680)	(4,044)	-33.7%	(3,292)	-18.6%
Profit	2,814	4,352	-35.3%	19,807	22,025	-10.1%	15,783	25.5%
Net loans, standalone	16,698	47,219	-64.6%	1,668,041	1,650,487	1.1%	1,591,087	4.8%
Client deposits, standalone	624,207	528,882	18.0%	1,234,963	1,467,251	-15.8%	1,274,621	-3.1%
Cost of deposits	8.1%	9.1%		5.3%	7.3%		5.7%	

Investment Management client deposits growth

GEL mln



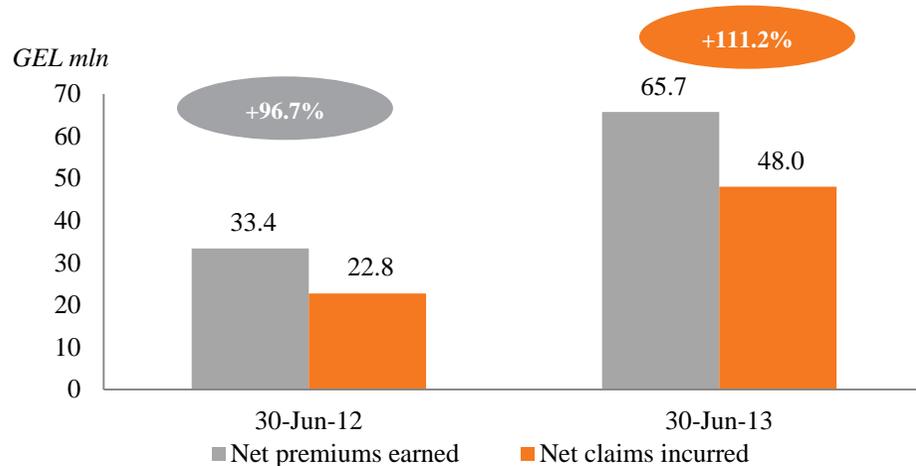
*Change in internal transfer pricing rate within segments (from Investment Management to RB and CB)

Highlights

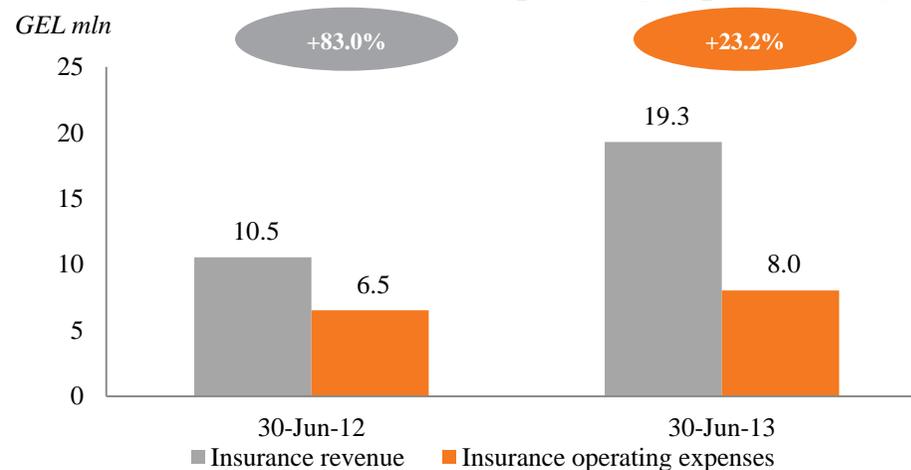
- Strengthening presence internationally through representative offices in Israel (since 2008), the UK (2010) and Hungary (2012).
- Preparing to launch local currency fixed income fund initially focusing on Caucasus region to allow investors access to fixed income instruments of these frontier markets 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 sector coverage of Energy, Tourism and Agricultural sectors and is gearing up for launching macro research.

Insurance & healthcare

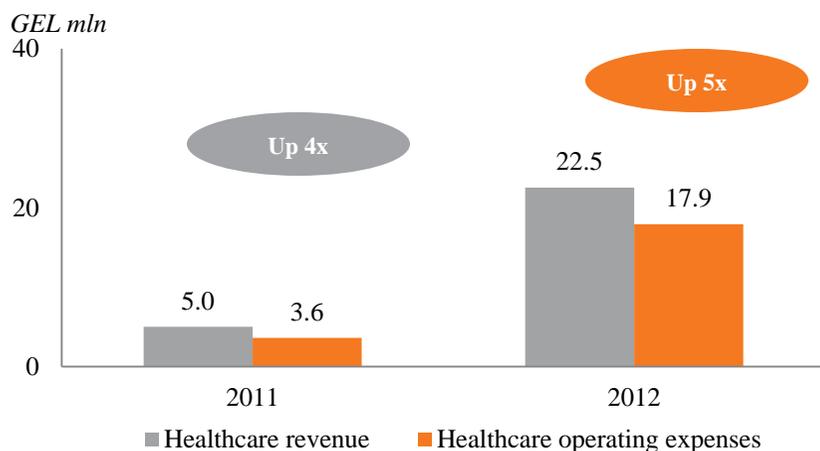
Net premiums earned & net claims incurred, half-year



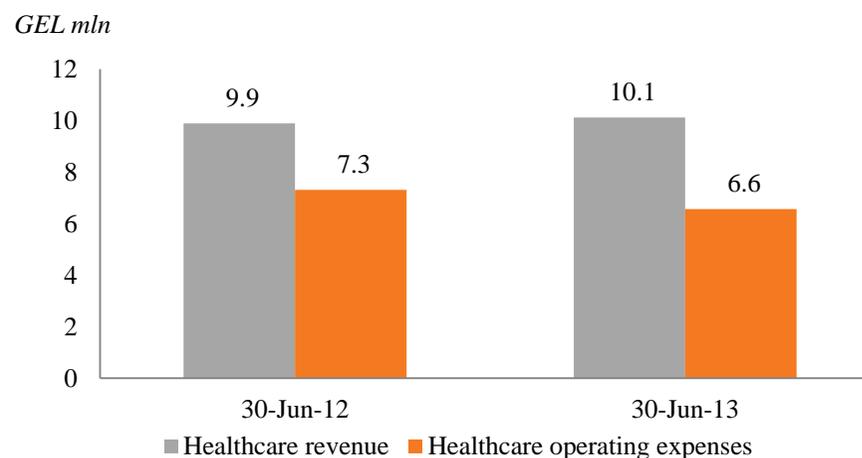
Insurance revenue and operating expenses, half-year



Healthcare revenue and costs, annual



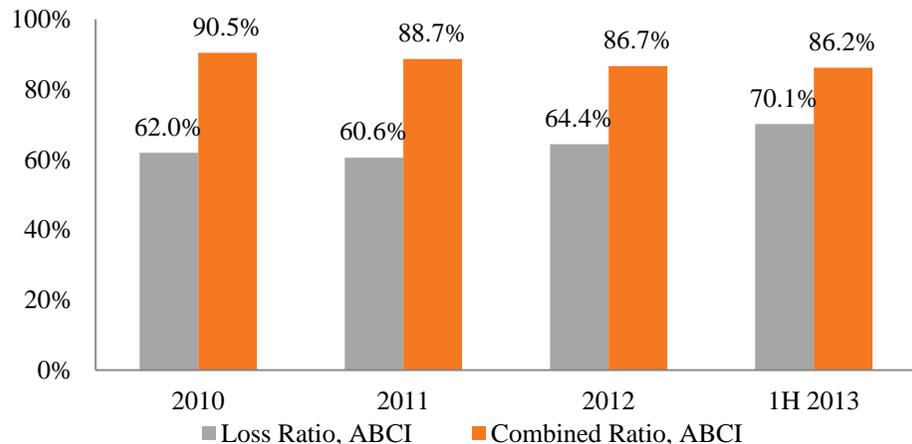
Healthcare revenue and costs*, quarterly



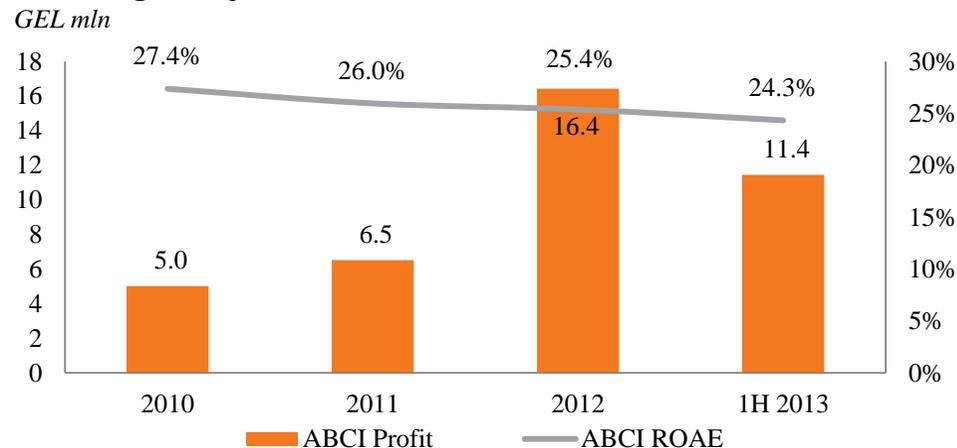
Cost of healthcare services in 1H 2013 include additional depreciation and utility expenses, which were presented in operating expenses in 2012

Insurance and Healthcare (Aldagi), cont'd

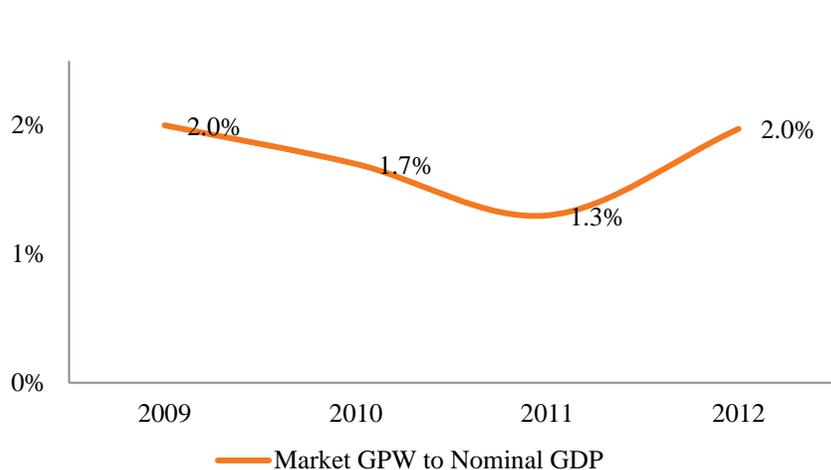
Loss ratio & combined ratio



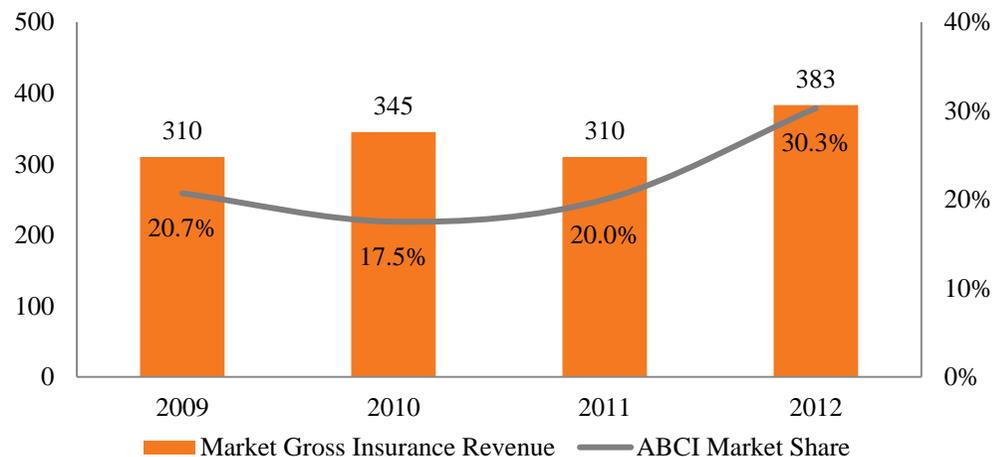
Aldagi Profits & ROAE



Market GPW to nominal GDP



Aldagi market share in total market

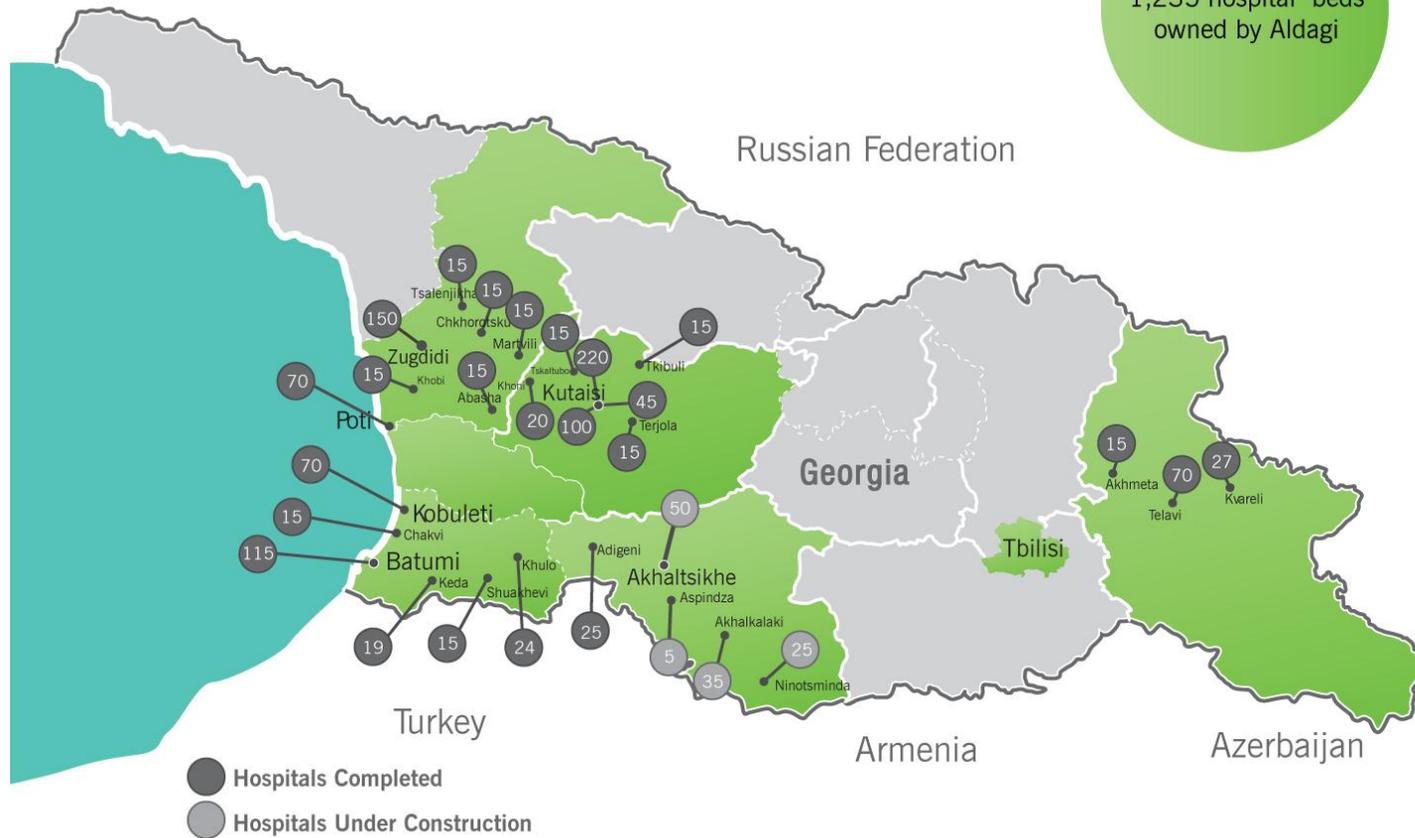


* The sum of incurred losses and expenses divided by earned premium

Aldagi healthcare

Aldagi Hospitals by Regions

1,235 hospital beds owned by Aldagi



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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 20.50

2013 Net Profit Consensus: GEL 201 mln

PANMURE GORDON & CO

GBP 22.00



GBP 23.50

Numis

GBP 21.01

VTB Capital

GBP 18.50

Bank of America Merrill Lynch

GBP 21.50

Renaissance Capital

GBP 22.90

citi

GBP 20.20

VisorCapital

GBP 15.26

CANTOR Fitzgerald

GBP 22.88

CANACCORD Genuity

GBP 16.10

RBC Capital Markets

GBP 21.50

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1H 2013- Income Statement

GEL thousands, unless otherwise noted	1H 2013 Unaudited	1H 2012 Unaudited	Change Y-O-Y
Loans to customers	260,047	244,965	6.2%
Investment securities	17,642	17,806	-0.9%
Amounts due from credit institutions	4,945	9,624	-48.6%
Finance lease receivables	3,208	4,133	-22.4%
Interest income	285,842	276,528	3.4%
Amounts due to customers	(85,538)	(103,765)	-17.6%
Amounts due to credit institutions	(49,625)	(34,047)	45.8%
Interest expense	(135,163)	(137,812)	-1.9%
Net interest income before interest rate swaps	150,679	138,716	8.6%
Net loss from interest rate swaps	(185)	(1,053)	-82.4%
Net interest income	150,494	137,663	9.3%
Fee and commission income	54,898	51,477	6.6%
Fee and commission expense	(12,622)	(9,944)	26.9%
Net fee and commission income	42,276	41,533	1.8%
Net insurance premiums earned	64,289	32,383	98.5%
Net insurance claims incurred	(41,565)	(20,426)	103.5%
Net insurance revenue	22,724	11,957	90.0%
Healthcare revenue	27,489	22,587	21.7%
Cost of healthcare services	(18,498)	(13,391)	38.1%
Net healthcare revenue	8,991	9,196	-2.2%
Net gain from trading and investment securities	2,590	953	171.8%
Net gain from revaluation of investment property	4,842	-	-
Net gain from foreign currencies	21,677	26,191	-17.2%
Other operating income	9,082	11,492	-21.0%
Other operating non-interest income	38,191	38,636	-1.2%
Revenue	262,676	238,985	9.9%
Salaries and other employee benefits	(65,077)	(57,829)	12.5%
General and administrative expenses	(29,764)	(33,762)	-11.8%
Depreciation and amortization expenses	(13,339)	(13,919)	-4.2%
Other operating expenses	(1,441)	(3,554)	-59.5%
Operating expenses	(109,621)	(109,064)	0.5%
Operating income before cost of credit risk	153,055	129,921	17.8%
Cost of credit risk	(36,261)	(13,947)	160.0%
Net operating income	116,794	115,974	0.7%
Net non-operating expense	(5,453)	(12,393)	-56.0%
Profit before income tax expense	111,341	103,581	7.5%
Income tax expense	(16,239)	(17,542)	-7.4%
Profit	95,102	86,039	10.5%
Attributable to:			
– shareholders of the Group	91,735	84,212	8.9%
– non-controlling interests	3,367	1,827	85.1%
Earnings per share (basic)	2.70	2.57	5.1%
Earnings per share (diluted)	2.70	2.52	7.1%

Q2 2013 Income Statement

GEL thousands, unless otherwise noted	Q2 2013 Unaudited	Q2 2012 Unaudited	Change Y-O-Y	Q1 2013 Unaudited	Change Q-O-Q
Loans to customers	130,589	126,541	3.2%	129,458	0.9%
Investment securities	9,634	7,983	20.7%	8,007	20.3%
Amounts due from credit institutions	2,330	5,411	-56.9%	2,615	-10.9%
Finance lease receivables	1,709	2,120	-19.4%	1,500	13.9%
Interest income	144,262	142,055	1.6%	141,580	1.9%
Amounts due to customers	(41,620)	(49,931)	-16.6%	(43,918)	-5.2%
Amounts due to credit institutions	(24,636)	(15,339)	60.6%	(24,990)	-1.4%
Interest expense	(66,255)	(65,269)	1.5%	(68,908)	-3.9%
Net interest income before interest rate swaps	78,007	76,786	1.6%	72,672	7.3%
Net loss from interest rate swaps	(109)	(285)	-61.8%	(76)	43.4%
Net interest income	77,898	76,501	1.8%	72,596	7.3%
Fee and commission income	28,337	27,355	3.6%	26,562	6.7%
Fee and commission expense	(6,558)	(5,537)	18.4%	(6,066)	8.1%
Net fee and commission income	21,779	21,818	-0.2%	20,496	6.3%
Net insurance premiums earned	32,545	19,896	63.6%	31,744	2.5%
Net insurance claims incurred	(21,547)	(12,613)	70.8%	(20,018)	7.6%
Net insurance revenue	10,998	7,283	51.0%	11,726	-6.2%
Healthcare revenue	14,419	12,327	17.0%	13,070	10.3%
Cost of healthcare services	(9,319)	(7,908)	17.8%	(9,179)	1.5%
Net healthcare revenue	5,100	4,419	15.4%	3,891	31.1%
Net gain from trading and investment securities	1,306	157	NMF	1,284	1.7%
Net gain from revaluation of investment property	4,842	-	-	-	-
Net gain from foreign currencies	12,225	11,833	3.3%	9,452	29.3%
Other operating income	5,552	7,131	-22.1%	3,531	57.2%
Other operating non-interest income	23,925	19,121	25.1%	14,267	67.7%
Revenue	139,700	129,142	8.2%	122,976	13.6%
Salaries and other employee benefits	(32,575)	(32,000)	1.8%	(32,501)	0.2%
General and administrative expenses	(15,707)	(17,997)	-12.7%	(14,057)	11.7%
Depreciation and amortization expenses	(6,747)	(7,155)	-5.7%	(6,593)	2.3%
Other operating expenses	(711)	(1,602)	-55.6%	(729)	-2.5%
Operating expenses	(55,740)	(58,754)	-5.1%	(53,880)	3.5%
Operating income before cost of credit risk	83,960	70,388	19.3%	69,096	21.5%
Cost of credit risk	(18,984)	(6,568)	189.0%	(17,278)	9.9%
Net operating income	64,976	63,820	1.8%	51,818	25.4%
Net non-operating expense	(4,089)	(7,994)	-48.8%	(1,365)	199.6%
Profit before income tax expense	60,887	55,826	9.1%	50,453	20.7%
Income tax expense	(7,782)	(9,495)	-18.0%	(8,456)	-8.0%
Profit from continuing operations	53,105	46,331	14.6%	41,997	26.4%
Net loss from discontinued operations	-	(55)	-100.0%	-	-
Profit	53,105	46,276	14.8%	41,997	26.4%
Attributable to:					
– shareholders of the Group	51,138	45,072	13.5%	40,597	26.0%
– non-controlling interests	1,967	1,204	63.4%	1,400	40.5%
	130,589	126,541	3.2%	129,458	0.9%
Earnings per share (basic)	9,634	7,983	20.7%	8,007	20.3%
Earnings per share (diluted)	2,330	5,411	-56.9%	2,615	-10.9%

30 June 2013 – Balance Sheet

GEL thousands, unless otherwise noted	Jun 13 Unaudited	Jun 12 Unaudited	Change Y-O-Y	Mar 13 Unaudited	Change Q-O-Q
Cash and cash equivalents	547,404	374,995	46.0%	696,590	-21.4%
Amounts due from credit institutions	326,537	342,145	-4.6%	349,196	-6.5%
Investment securities	644,237	414,584	55.4%	511,450	26.0%
Loans to customers and finance lease receivables	3,122,916	2,923,140	6.8%	2,954,724	5.7%
Investments in associates	-	2,865	-100.0%	2,441	-100.0%
Investment property	169,722	138,639	22.4%	163,458	3.8%
Property and equipment	447,205	407,428	9.8%	439,941	1.7%
Goodwill	45,657	45,291	0.8%	45,657	0.0%
Intangible assets	24,039	20,313	18.3%	22,916	4.9%
Income tax assets	15,941	23,889	-33.3%	17,889	-10.9%
Prepayments	30,205	36,321	-16.8%	32,219	-6.3%
Other assets	297,831	205,404	45.0%	297,377	0.2%
Total assets	5,671,694	4,935,014	14.9%	5,533,858	2.5%
Amounts due to customers, of which:	2,850,234	2,846,263	0.1%	2,817,677	1.2%
Client deposits	2,838,153	2,742,601	3.5%	2,807,064	1.1%
Promissory notes	12,081	103,662	-88.3%	10,613	13.8%
Amounts due to credit institutions	1,475,686	875,928	68.5%	1,355,027	8.9%
Income tax liabilities	57,411	55,762	3.0%	55,447	3.5%
Provisions	483	460	5.0%	991	-51.3%
Other liabilities	184,975	199,207	-7.1%	194,901	-5.1%
Total liabilities	4,568,789	3,977,620	14.9%	4,424,043	3.3%
Share capital	903	922	-2.1%	905	-0.2%
Additional paid-in capital	19,645	-	-	19,765	-0.6%
Treasury shares	(50)	(66)	-24.2%	(47)	6.4%
Other reserves	39,209	11,511	NMF	14,421	171.9%
Retained earnings	988,885	899,934	9.9%	1,022,301	-3.3%
Total equity attributable to shareholders of the Group	1,048,592	912,301	14.9%	1,057,345	-0.8%
Non-controlling interests	54,313	45,093	20.4%	52,470	3.5%
Total equity	1,102,905	957,394	15.2%	1,109,815	-0.6%
Total liabilities and equity	5,671,694	4,935,014	14.9%	5,533,858	2.5%
Book Value per share	30.90	27.37	12.9%	31.04	-0.5%

Aldagi BCI Income Statement

GEL thousands, unless otherwise noted	1H 2013	1H 2012	Change
	Unaudited	Unaudited	Y-O-Y
Gross premiums written (GPW)	64,588	48,829	32.3%
Gross premiums earned	72,549	41,540	74.6%
Net insurance premiums earned	65,556	33,387	96.4%
Net insurance claims incurred	(41,565)	(20,426)	103.5%
Net insurance revenue	23,991	12,961	85.1%
Healthcare revenue	27,489	22,587	21.7%
Cost of healthcare services	(18,498)	(13,391)	38.1%
Net healthcare revenue	8,991	9,196	-2.2%
Net interest expense and other	(3,713)	(400)	NMF
Revenue	29,269	21,757	34.5%
Operating expenses	(14,444)	(13,835)	4.4%
Operating income before cost of credit risk	14,825	7,922	87.1%
Cost of credit risk	(1,420)	(237)	NMF
Profit before Income tax expense	13,405	7,685	74.4%
Income tax expense	(1,958)	(1,153)	69.8%
Profit	11,447	6,532	75.2%

Key Ratios

KEY RATIOS	IH 2013	IH 2012
Profitability		
ROAA, Annualised ¹	3.4%	3.7%
ROAE, Annualised ²	17.6%	19.6%
Net Interest Margin, Annualised ³	7.7%	8.2%
Loan Yield, Annualised ⁴	16.8%	17.8%
Cost of Funds, Annualised ⁵	6.4%	7.9%
Cost of Client Deposits, Annualised	6.2%	7.7%
Cost of Amounts Due to Credit Institutions, Annualised	7.0%	8.5%
Operating Leverage, Y-O-Y ⁶	9.4%	6.6%
Efficiency		
Cost / Income ⁷	41.7%	45.6%
Liquidity		
NBG Liquidity Ratio ⁸	44.8%	35.2%
Liquid Assets To Total Liabilities ⁹	33.3%	28.5%
Net Loans To Customer Funds	109.6%	102.7%
Net Loans To Customer Funds + DFIs	90.0%	86.5%
Leverage (Times) ¹⁰	4.1	4.2
Asset Quality:		
NPLs (in GEL)	131,960	100,121
NPLs To Gross Loans To Clients	4.1%	3.3%
NPL Coverage Ratio ¹¹	89.1%	115.2%
NPL Coverage Ratio (adjusted for discounted value of collateral) ¹²	117.4%	148.0%
Cost of Risk, Annualised ¹³	1.5%	0.9%
Capital Adequacy:		
BIS Tier I Capital Adequacy Ratio, Consolidated ¹⁴	22.9%	21.9%
BIS Total Capital Adequacy Ratio, Consolidated ¹⁵	27.8%	28.1%
NBG Tier I Capital Adequacy Ratio ¹⁶	15.4%	15.0%
NBG Total Capital Adequacy Ratio ¹⁷	16.3%	17.8%
Per Share Values:		
Basic EPS (GEL) ¹⁸	2.70	2.57
Diluted EPS (GEL)	2.70	2.52
Book Value per share (GEL) ¹⁹	30.90	27.37
Ordinary Shares Outstanding - Weighted Average, Basic ²⁰	34,030,799	32,807,562
Ordinary Shares Outstanding - Weighted Average, Diluted ²¹	34,030,799	33,866,108
Ordinary Shares Outstanding - Period End, Basic ²²	33,936,007	33,332,636
Treasury Shares Outstanding - Period End ²³	(1,973,376)	(2,576,747)
Selected Operating Data:		
Full Time Employees, Group, Of Which:	11,507	10,538
- Full Time Employees, BOG Stand-Alone	3,692	3,533
- Full Time Employees, Aldagi Insurance	617	656
- Full Time Employees, Aldagi Healthcare	6,027	5,318
- Full Time Employees, BNB	365	280
- Full Time Employees, Other	806	751
Total Assets Per FTE, BOG Stand-Alone (in GEL thousands)	1,536	1,397
Number Of Active Branches, Of Which:	197	179
- Flagship Branches	34	34
- Standard Branches	100	95
- Express Branches (including Metro)	63	50
Number Of ATMs	481	459
Number Of Cards Outstanding, Of Which:	909,309	745,295
- Debit cards	797,492	600,431
- Credit cards	111,817	144,864
Number Of POS Terminals	4,259	3,233
KEY RATIOS ALDAGI		
ROAA, Annualised	6.9%	6.2%
ROAE, Annualised	24.3%	25.6%
Loss Ratio ²⁷	70.1%	63.8%
Combined Ratio ²⁸	86.3%	89.5%

Q2 2013 - Key Ratios

KEY RATIOS	Q2 2013	Q2 2012	Q1 2013
Profitability			
ROAA, Annualised ¹	3.8%	4.0%	3.1%
ROAE, Annualised ²	19.3%	20.0%	15.9%
Net Interest Margin, Annualised ³	7.9%	9.0%	7.6%
Loan Yield, Annualised ⁴	16.9%	18.0%	16.9%
Cost of Funds, Annualised ⁵	6.2%	7.5%	6.7%
Cost of Client Deposits, Annualised	5.9%	7.4%	6.4%
Cost of Amounts Due to Credit Institutions, Annualised	6.9%	7.7%	7.1%
Operating Leverage, Y-O-Y ⁶	13.3%	-3.6%	4.9%
Efficiency			
Cost / Income ⁷	39.9%	45.5%	43.8%
Liquidity			
NBG Liquidity Ratio ⁸	44.8%	35.2%	44.1%
Liquid Assets To Total Liabilities ⁹	33.3%	28.5%	35.2%
Net Loans To Customer Funds	109.6%	102.7%	104.9%
Net Loans To Customer Funds + DFIs	90.0%	86.5%	85.2%
Leverage (Times) ¹⁰	4.1	4.2	4.0
Asset Quality:			
NPLs (in GEL)	131,960	100,121	131,631
NPLs To Gross Loans To Clients	4.1%	3.3%	4.3%
NPL Coverage Ratio ¹¹	89.1%	115.2%	86.5%
NPL Coverage Ratio (adjusted for discounted value of collateral) ¹²	117.4%	148.0%	111.1%
Cost of Risk, Annualised ¹³	1.5%	0.9%	1.4%
Capital Adequacy:			
BIS Tier I Capital Adequacy Ratio, Consolidated ¹⁴	22.9%	21.9%	23.2%
BIS Total Capital Adequacy Ratio, Consolidated ¹⁵	27.8%	28.1%	28.2%
NBG Tier I Capital Adequacy Ratio ¹⁶	15.4%	15.0%	16.8%
NBG Total Capital Adequacy Ratio ¹⁷	16.3%	17.8%	17.1%
Per Share Values:			
Basic EPS (GEL) ¹⁸	1.51	1.33	1.19
Diluted EPS (GEL)	1.51	1.33	1.19
Book Value per share (GEL) ¹⁹	30.90	27.37	31.04
Ordinary Shares Outstanding - Weighted Average, Basic ²⁰	33,829,260	33,829,260	34,061,344
Ordinary Shares Outstanding - Weighted Average, Diluted ²¹	33,829,260	33,829,260	34,061,344
Ordinary Shares Outstanding - Period End, Basic ²²	33,936,007	33,332,636	34,061,344
Treasury Shares Outstanding - Period End ²³	(1,973,376)	(2,576,747)	(1,848,039)
Selected Operating Data:			
Full Time Employees, Group, Of Which:			
- Full Time Employees, BOG Stand-Alone	3,692	3,533	3,750
- Full Time Employees, Aldagi Insurance	617	656	625
- Full Time Employees, Aldagi Healthcare	6,027	5,318	6,013
- Full Time Employees, BNB	365	280	332
- Full Time Employees, Other	806	751	795
Total Assets Per FTE, BOG Stand-Alone (in GEL thousands)	1,536	1,397	1,476
Number Of Active Branches, Of Which:			
- Flagship Branches	34	34	34
- Standard Branches	100	95	98
- Express Branches (including Metro)	63	50	62
Number Of ATMs	481	459	479
Number Of Cards Outstanding, Of Which:			
- Debit cards	909,309	745,295	838,610
- Credit cards	797,492	600,431	727,019
Number Of POS Terminals	111,817	144,864	111,591
	4,259	3,233	3,899
KEY RATIOS ALDAGI			
ROAA, Annualised	7.4%	6.3%	6.4%
ROAE, Annualised	24.9%	23.9%	23.8%
Loss Ratio ²⁷	71.5%	62.4%	68.8%
Combined Ratio ²⁸	85.8%	88.6%	82.0%

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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