



BANK OF GEORGIA
HOLDINGS PLC

Bank of Georgia Q1 2014 Results Presentation

July 2014

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The leading bank in Georgia

Leading market position: No. 1 bank in Georgia by assets (34.1%), loans (31.7%), client deposits (30.2%) and equity (35.1%)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. Loans/GDP grew from 8.8% to 39.1% from 2003-2013, still below regional average; Deposits/GDP grew from 8.4% to 36.1% 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 203 branches, 497 ATMs and 1,423 Express Pay Terminals to c.1.3 million customers as of 31 March 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: First entity from Georgia to list on the London Stock Exchange (in the form of GDRs since 2006 and premium listing since February 2012)

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.5.6%

Sustainable growth combined with strong capital, liquidity and strong profitability

US\$ mln ²	Q1 2014	2013	2012	2011	Change 2013/2012 ³
Total assets	3,787.7	3,755.7	3,413.8	2,793.1	15.3%
Loans to customers, net	1,996.5	2,029.0	1,866.6	1,566.4	13.9%
Customer funds ⁴	1,754.0	1,795.6	1,625.5	1,637.6	15.8%
Total equity	736.4	714.8	639.5	486.5	17.1%
Revenue ⁵	78.7	314.1	299.0	244.7	10.1%
Profit	30.7	120.6	108.4	81.2	16.6%

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

	31 Mar 2014	30 Sep 2004	Change
Market capitalisation (US\$ mln)	1,447.2*	20.7	69.9x
Total assets (US\$ mln)	3,787.7	151.8	23.6x
Market share by total assets	34%	18%	16ppts

*Market capitalisation for Bank of Georgia Holdings PLC, the Bank's holding company, as of 10 July 2014, GBP/USD exchange rate of 1.7027

¹ Market data based on standalone accounts as published by the National Bank of Georgia (NBG) as of 31 March 2014 www.nbg.gov.ge

² US\$/GEL 1.7477, 1.7363, 1.6567 and 1.6703 as at 31 March 2014, 31 December 2013, 31 December 2012 and 31 December 2011, respectively

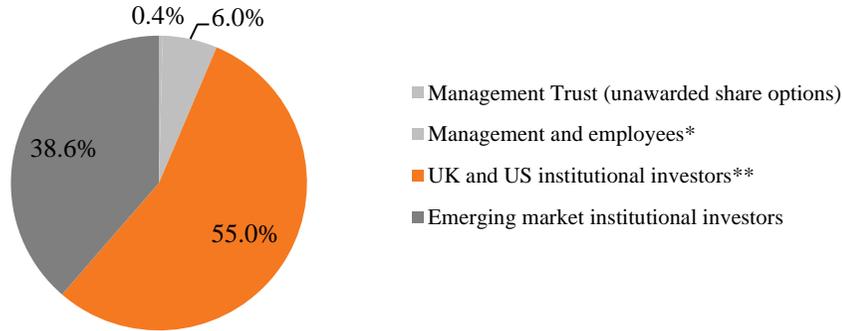
³ Changes in GEL

⁴ Amounts due to customers

⁵ Revenue adjusted for one-off currency gain by BNB in 2012 and one-off BYR hedge in 2011

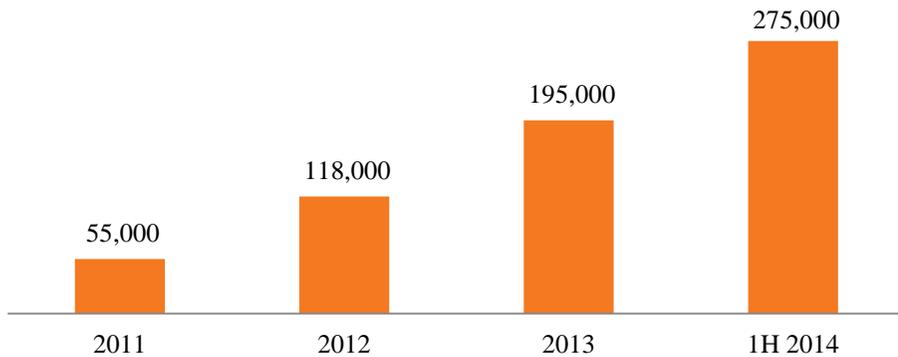
Shareholder structure and share price

Bank of Georgia Holdings PLC (BGH) (LSE: BGEO) a UK-incorporated holding company of JSC Bank of Georgia. As of 31 March 2014, BGH's shareholder structure was as follows:



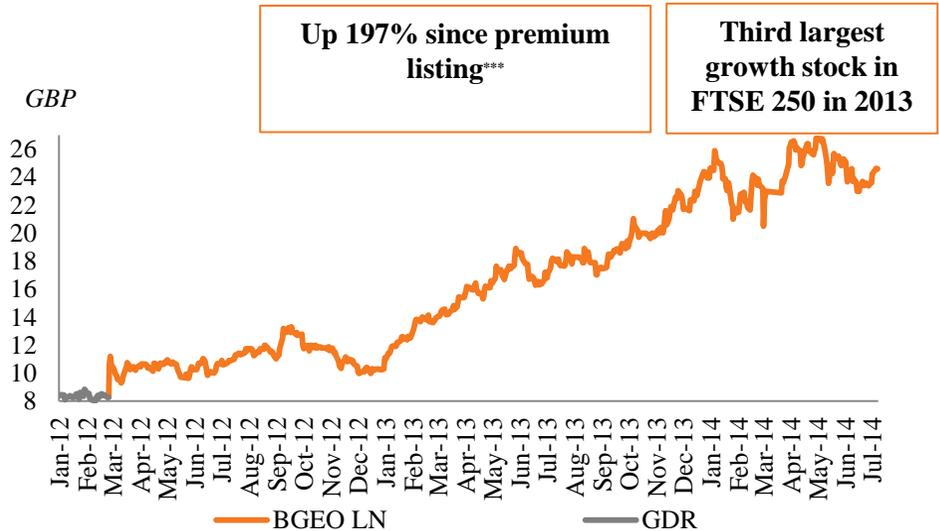
- BGEO is included in the FTSE 250 and FTSE All Share Index Funds as of 18 June 2012, as announced by FTSE on 6 June 2012

Average daily number of shares traded

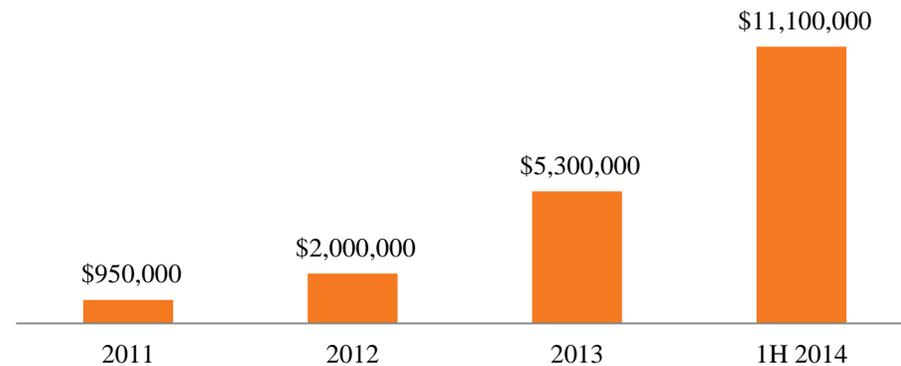


*Includes shares held, shares vested awarded and unvested of the Management Board, Supervisory board and other employees of the Bank and its subsidiaries
 **Mostly non-emerging market shareholders since premium listing; management estimates
 ***Share price change calculated from the last price of BGEO LI on 27 February 2012 to the price of BGEO LN on 10 July 2014

Share price performance



Average daily trading volume



3x20%: Growth story over time with dividends

UK corporate governance

FTSE 250

ROE c.20%

-  Record profitability:
 - Revenue up 11.8% y-o-y to GEL 137.5 mln in Q1 2014 and up 10.1% to GEL 545.5 mln in 2013
 - Profit up 27.8% y-o-y to GEL 53.7 mln in Q1 2014, up 16.6% y-o-y to GEL 209.3 mln in 2013
 - Non-interest income increased by 8.0% y-o-y to GEL 231.4 mln in 2013 and in Q1 2014 increased by 14.7% to GEL 57.8 mln
 - ROAE stood at 18.6% in 2013 and at 17.7% in Q1 2014
-  Operational efficiency and scale:
 - Cost to Income ratio at 41.4% in 2013 compared to 44.4% in 2012. Q1 2014 Cost to Income of 43.1% compared to 43.8% in Q1 2013
-  Prudent risk management:
 - Cost of Risk¹ of 1.0% in Q1 2014, compared to 0.9% in Q4 2013 and 1.4% in Q1 2013. Cost of Risk stood at 1.4% in 2013 compared to 1.3% in 2012

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 31 March 2014
-  Strong internal cash generation to support loan growth without compromising capital ratios:
 - BIS Tier I ratio of 23.8% and BIS Total Capital ratio of 27.8% as of 31 March 2014
 - NBG Tier I ratio of 16.4% and NBG Total Capital of 15.5% as of 31 March 2014

Growth c.20%

-  Net loan book² grew 18.1% y-o-y to GEL 3,489.3 million
-  Client deposits as at 31 March 2014 increased 8.2% y-o-y and decreased 2.3% YTD to GEL 3,037.1 million. Cost of client deposits declined to 4.6% in Q1 2014 from 4.8% in Q4 2013 and 6.4% in Q1 2013
-  Consumer driven franchise with robust sales force to increase cross selling with synergistic businesses
-  Strong growth across the board supported by synergistic businesses
- Increase in contribution from synergistic business in the group's profit. Aldagi, insurance and healthcare business subsidiary contributed 11.3% to the Group's revenue and 11.2% to profit in Q1 2014

Dividends

-  At the 2014 AGM, the Board intends to recommend a dividend of GEL 2.0 per share for 2013, up 33% y-o-y translating into a payout ratio of 33.7% and dividend yield of 2.7%
-  An annual dividend of GEL 1.5 per share for 2012 and GEL 0.7 per share for 2011
-  Going forward, the Board will aim to maintain a dividend payout ratio in the 25%-40% range

¹Equals 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

²Including finance lease receivables

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, which has been growing in terms of assets at 30% CAGR 2003-2013

Strategic business

Well established brand

Retail Banking

- Largest retail franchise: c.1.3 million retail clients, 203 branches, 497 ATMs, 1,015,702 cards outstanding as of 31 March 2014
- Market shares of 28.4% by retail loans and 30.1% by retail deposits as of 31 March 2014

Corporate Banking

- Largest corporate bank with c.7,100 corporate clients; 30.4% market share by corporate deposits and 34.6% by corporate loans as of 31 March 2014

Investment Management

- Investment Management client deposits have growth at a CAGR of 49.7% over the last five years; Outstanding client deposits of GEL 702.7 mln as of 31 March 2014
- International representative office network in Israel, UK, Hungary and Turkey

Synergistic business

Growth opportunities to support strategic business



Insurance and Healthcare (Aldagi)

- Strongly positioned to benefit from the growth of the insurance and healthcare sectors through insurance subsidiary Aldagi, one of the leading providers of life and non-life insurance in Georgia with 30.0%* market share by gross insurance premium revenue
- Aldagi Healthcare is the largest healthcare provider in Georgia with 36 healthcare facilities and 1,907 hospital beds as of 31 March 2014
- Aldagi contributed 11.3% to BGH revenues and 11.2% to BGH profit in Q1 2014



Affordable Housing

- Positioned to 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 near completion with 96% of apartments sold. The project has a planned IRR of 40%
- Two new projects commenced in December 2013, with more than 50% apartments sold with an aggregate worth of US\$24.4 million

Non-core business

Intention to exit from non-core business over time



BNB

- Belarus banking operation accounting for 5.0% of total assets as of 31 December 2013
- The Bank owns 80%, the remainder owned by IFC/World Bank
- Assets of US\$171.9 mln and equity of US\$34.8 mln as of 31 March 2014
- Fully written off goodwill (GEL 23.4 mln)

* As of 31 December 2013 per Insurance Supervisory Agency

Robust corporate governance compliant with UK Corporate Governance Code

Board of Directors of Bank of Georgia Holdings PLC

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

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

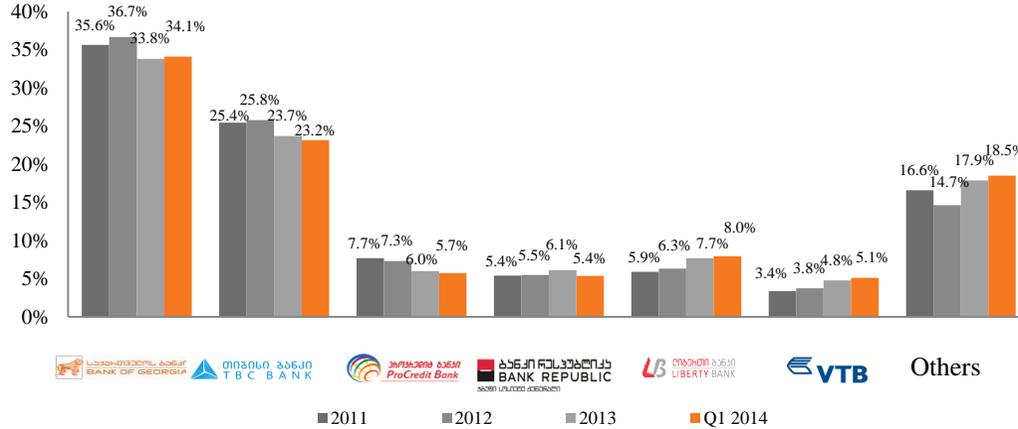
Members of management boards of JSC Bank of Georgia and major subsidiaries

- 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 of Aldagi; *c.20 years banking experience including various senior positions at Bank of Georgia Group, Senior Banker at EBRD and Head of Banking Supervision at the National Bank of Georgia.*

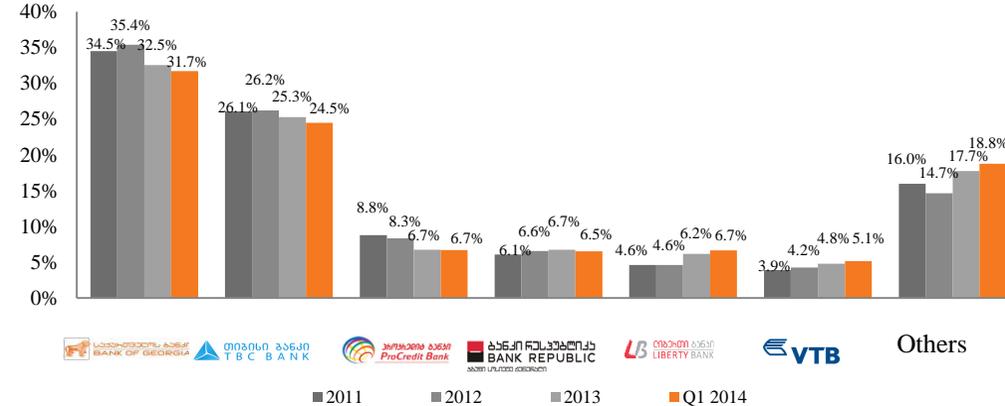
Senior Executive Compensation Policy applies to top eight executives and envisages long-term deferred and discretionary awards of securities and no cash bonuses to be paid to such executives

Competitive landscape

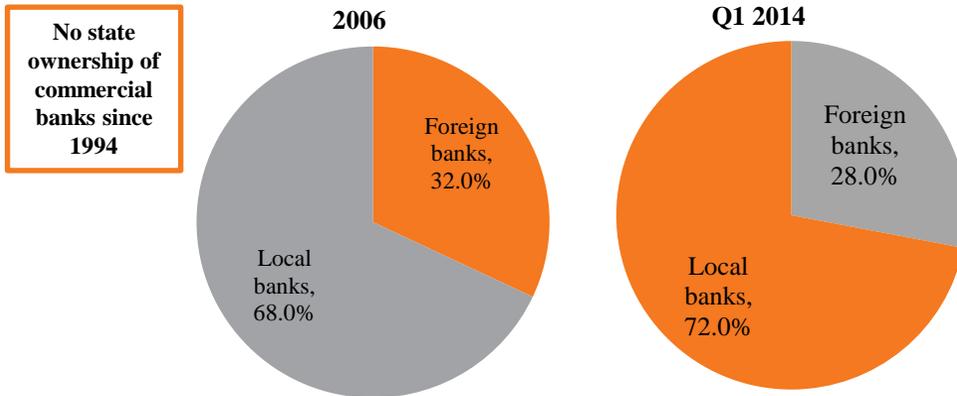
Peer group's market share in total assets



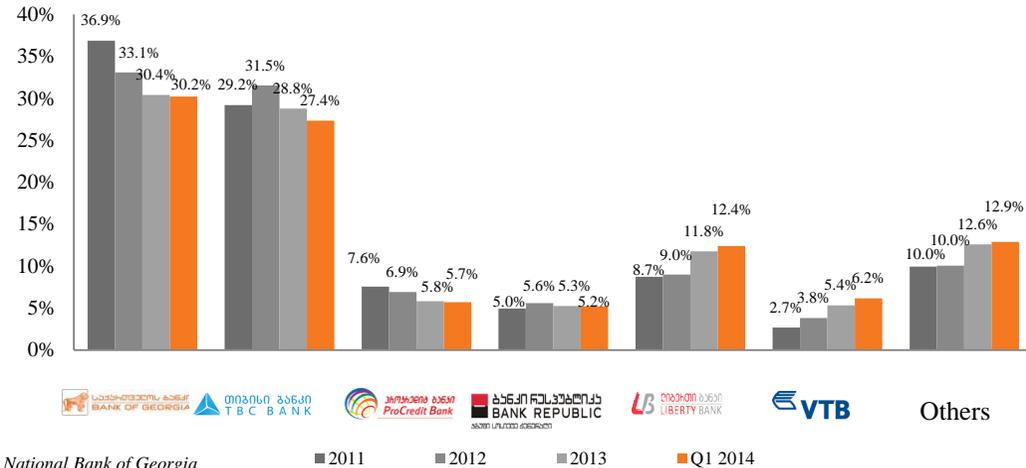
Peer group's market share in gross loans



Foreign banks market share by assets



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
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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 2012: GEL 26.2 bn (US\$15.8 bn)
-  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 2014E: 7.4%
-  Real GDP average 10 yr growth rate: 6.0%
-  GDP per capita 2013E (PPP) per IMF: US\$6,145
-  Inflation rate (e-o-p) 2013 2.4%
-  External public debt to GDP 2013E: 27.0%
-  Sovereign ratings:
 - S&P** BB-/B/Stable/ *upgraded in November 2011*
 - Moody's** Ba3/NP/Stable
 - Fitch** BB-/B/Stable *upgraded in December 2011*



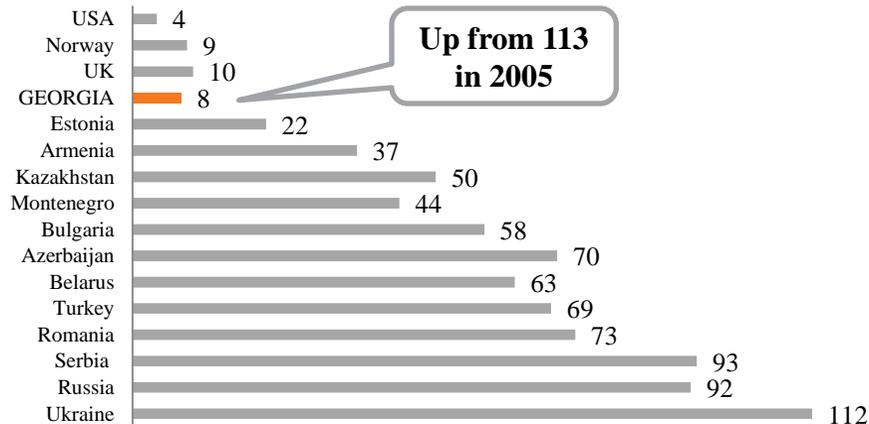
Sources: Ministry of Finance of Georgia, Geostat, IMF, Government of Georgia Presentation (Georgia.gov.ge)

Georgia's key economic drivers

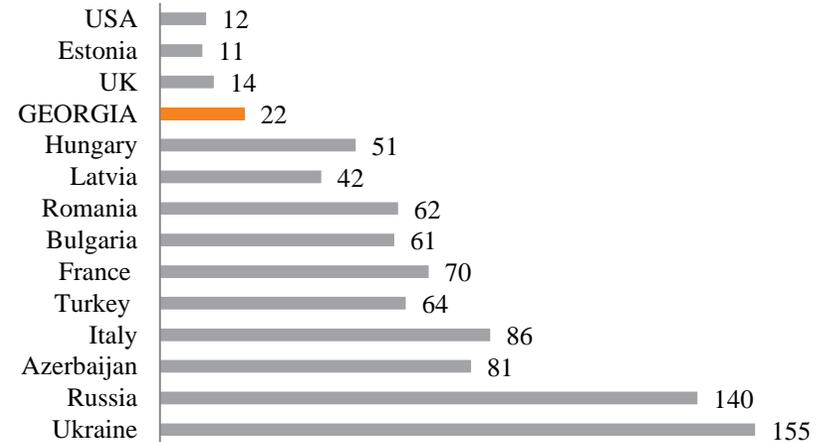
Liberal economic policy	<ul style="list-style-type: none"> ■ Liberty Act, which became effective in January 2014 ensures a credible fiscal and monetary framework: <ul style="list-style-type: none"> – Government expenditure/GDP capped at 30% – Budget deficit/GDP capped at 3% – Government debt/GDP capped at 60%
Regional logistics and tourism hub	<ul style="list-style-type: none"> ■ Proceeds from foreign tourism estimated at \$1,720 mln in 2013 up 22% y-o-y, 5.4 million visitors in 2013, up 22% y-o-y; 1.8 million visitors in 5M 2014, up 5% y-o-y ■ Regional energy transit corridor with approx. 1.6% of world's oil production and diversified gas supply passing through the country
Strong FDI	<ul style="list-style-type: none"> ■ Strong FDI inflows diversified across different sectors (2013E: US\$914 mln, 2012: US\$912, 2011: US\$1,117 mln) ■ Net remittances of US\$1,322 mln in 2013, up 8% y-o-y; US\$504 mln in 5M 2014, up 3% y-o-y ■ FDI averaged 10% of GDP in 2003-2013
Support from international community	<ul style="list-style-type: none"> ■ In November 2013, Georgia's Association Agreement with the EU, which includes Deep and Comprehensive Trade Treaty (DCFTA) was initialled at the Eastern Partnership summit in Vilnius and signed on 27 June 2014 ■ 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Healthy operating environment for business and low tax regime ■ Parliamentary elections in 2012 led to a democratic transition of power giving victory to Georgian Dream coalition and the subsequent presidential elections in October 2013 gave victory to the candidate of the ruling Georgian Dream coalition ■ New constitution amendments passed in 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 restored with Russia

Growth oriented reforms

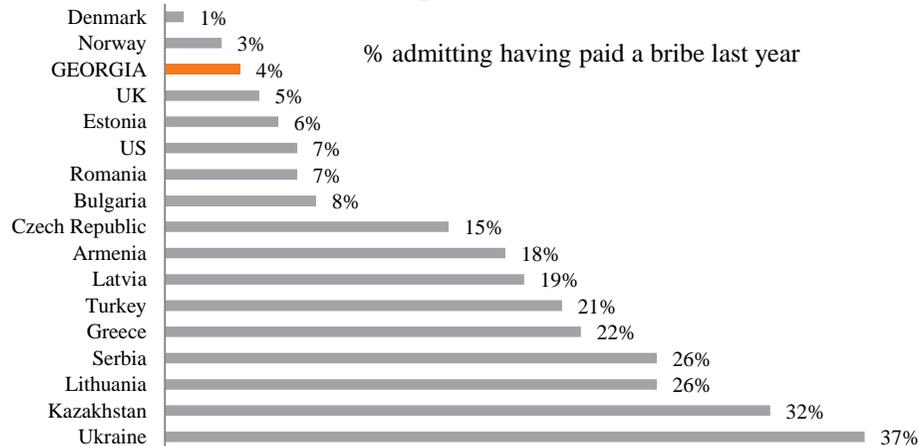
Ease of Doing Business, 2014 (WB-IFC Doing Business Report)



Economic Freedom Index, 2014 (Heritage Foundation)



TI 2013 Global Corruption Barometer



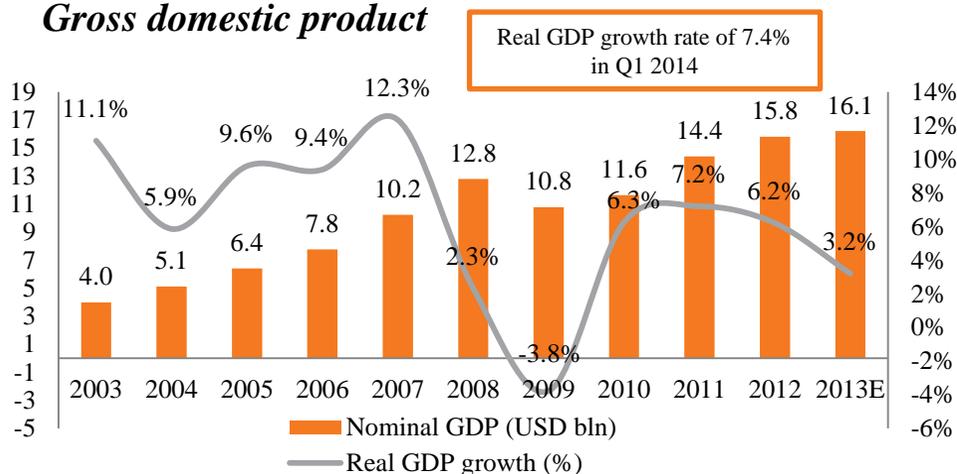
**GEORGIA - No 1 Reformer
2005-2012**

(WB-IFC Doing Business Report)

Sources: Transparency International, Heritage Foundation, World Bank

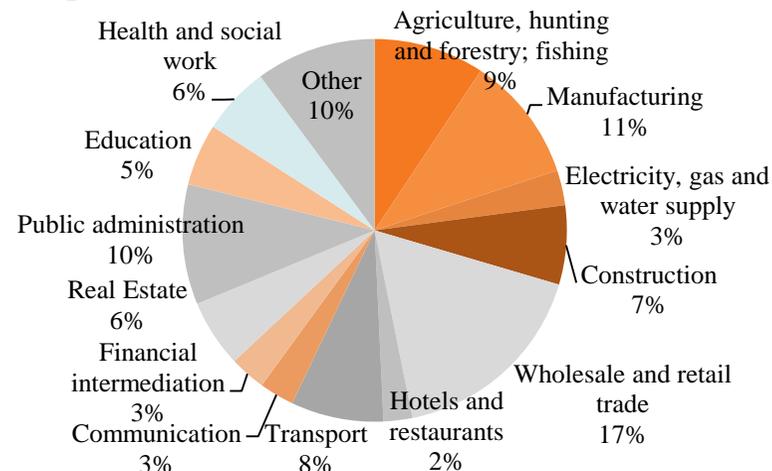
Positive economic outlook

Gross domestic product



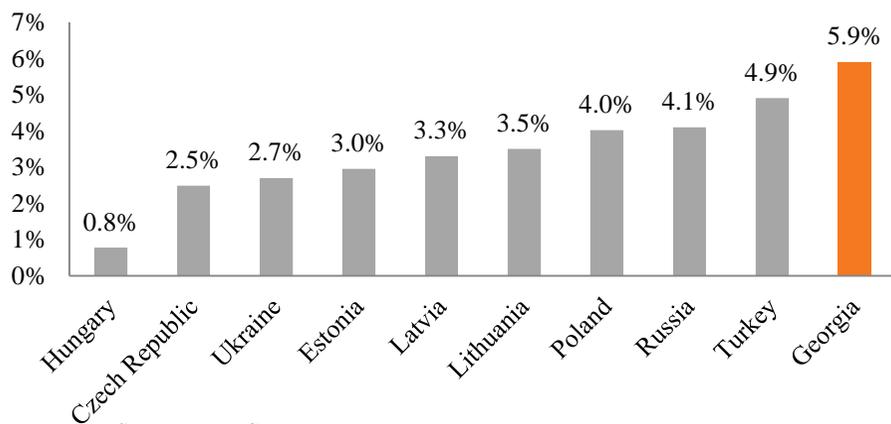
Sources: Geostat

GDP composition, FY 2013



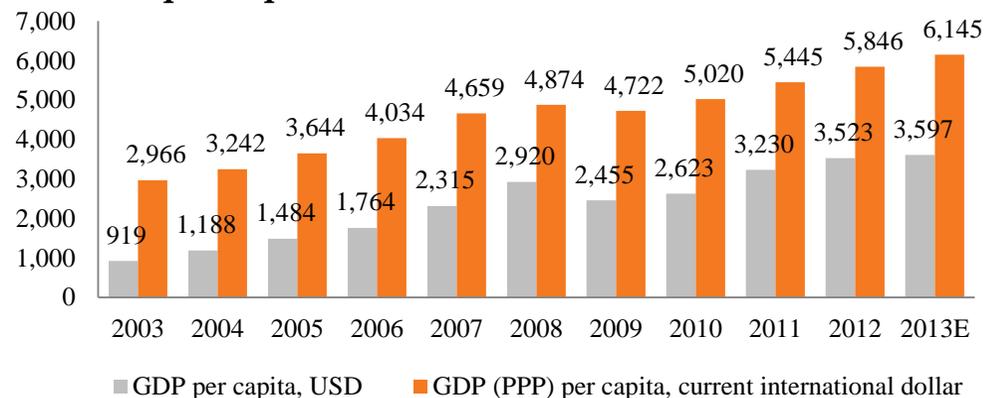
Source: Geostat

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



Sources: IMF, Geostat

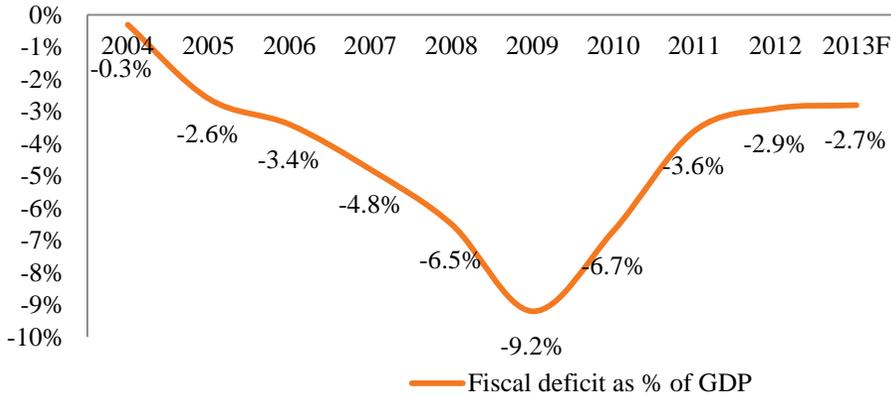
GDP per capita



Sources: IMF

Demonstrated fiscal discipline and low public debt

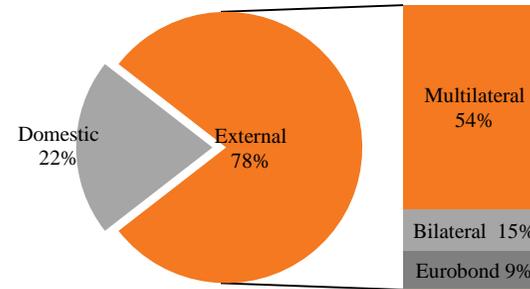
Fiscal deficit as % of GDP



Source: Ministry of Finance of Georgia

Breakdown of public debt

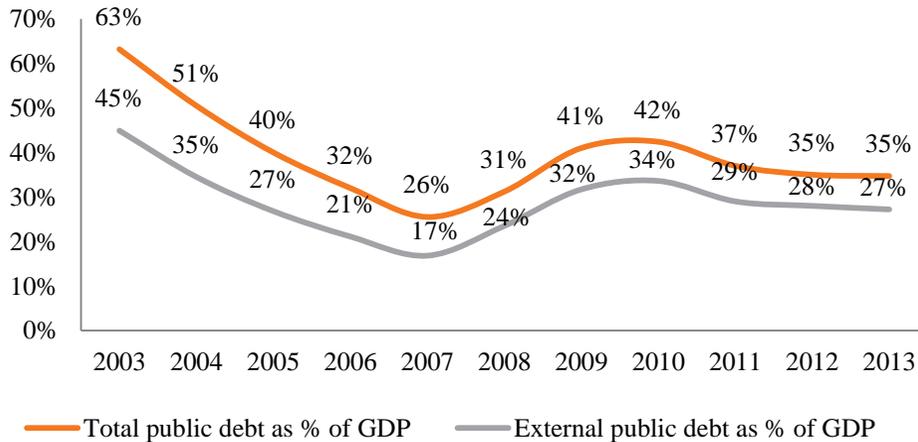
Affordable public debt stock and very low interest rate on external public debt



External public debt portfolio weighted average interest rate as 1.9%

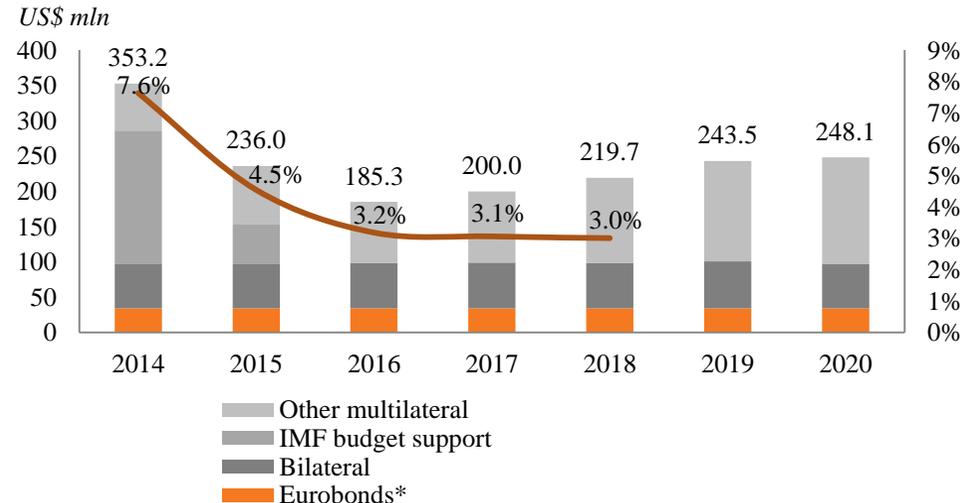
Source: Ministry of Finance of Georgia

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

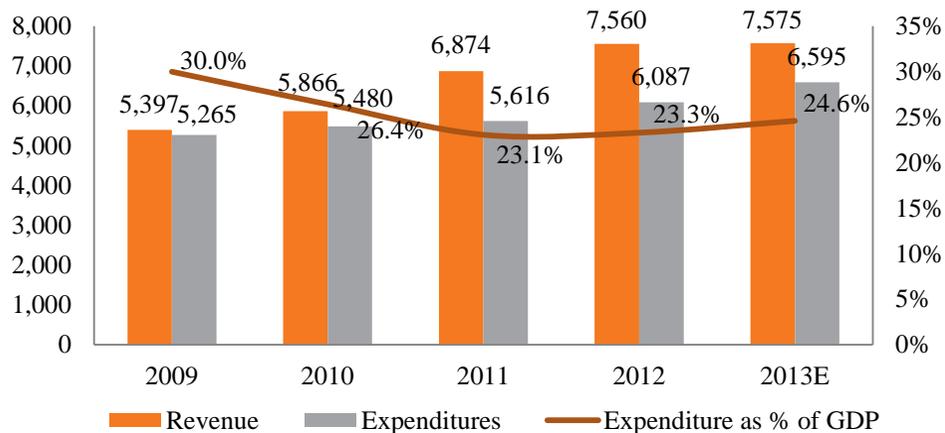
Government external debt service



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

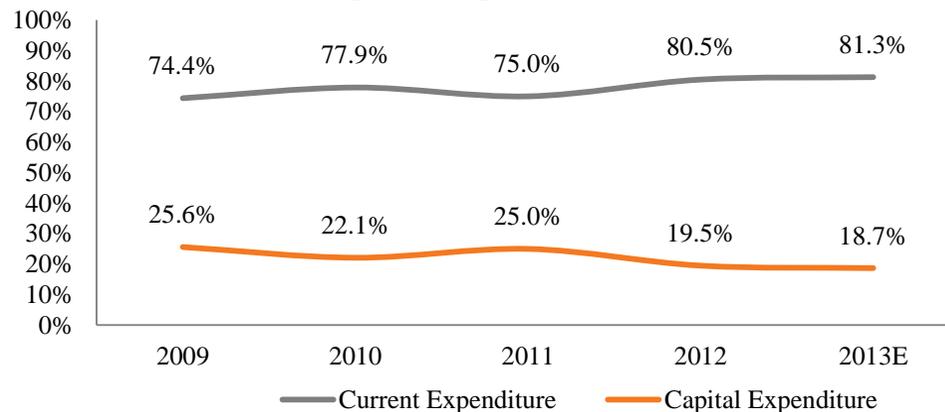
Revenues and expenditures dynamics

Revenues and Expenditures*



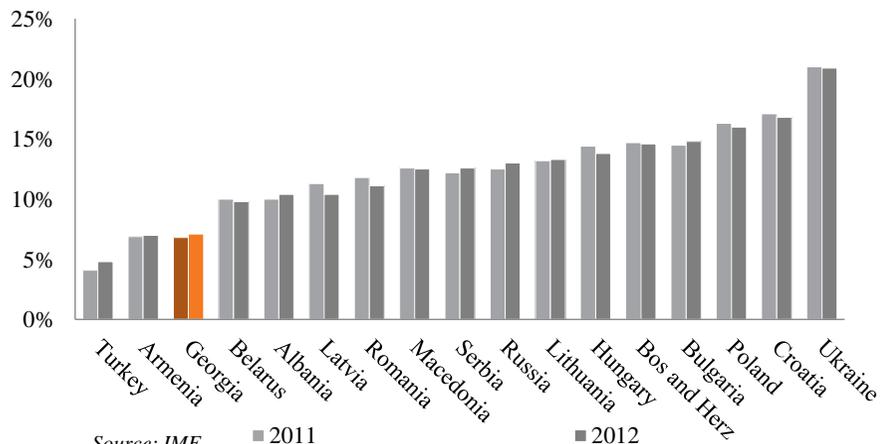
Source: Ministry of Finance

Current and Capital Expenditure



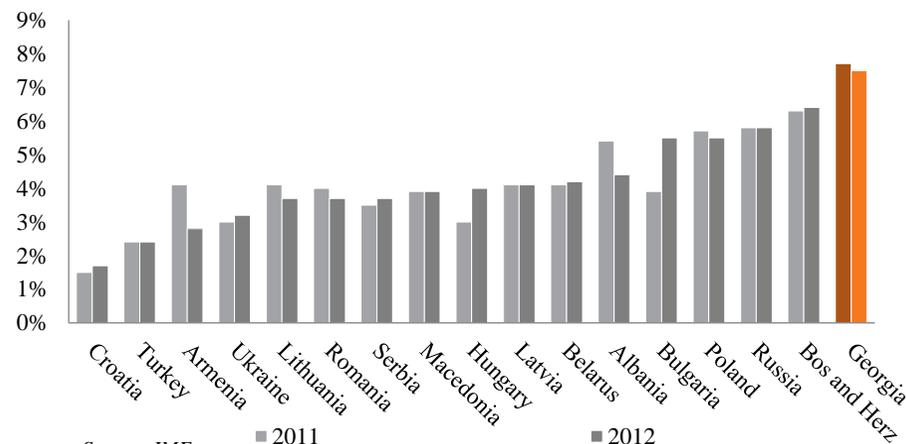
Sources: Ministry of Finance, NBG

Government social expenditure as % of GDP



Source: IMF
*Current expenditure

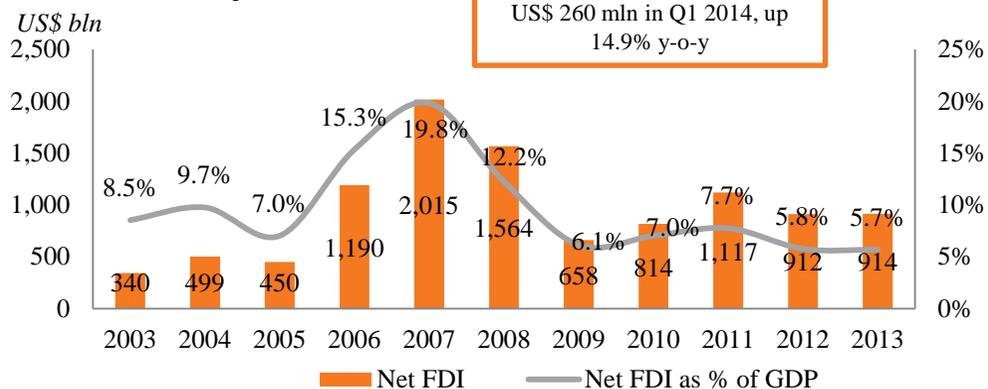
Government capital expenditure as % of GDP



Source: IMF

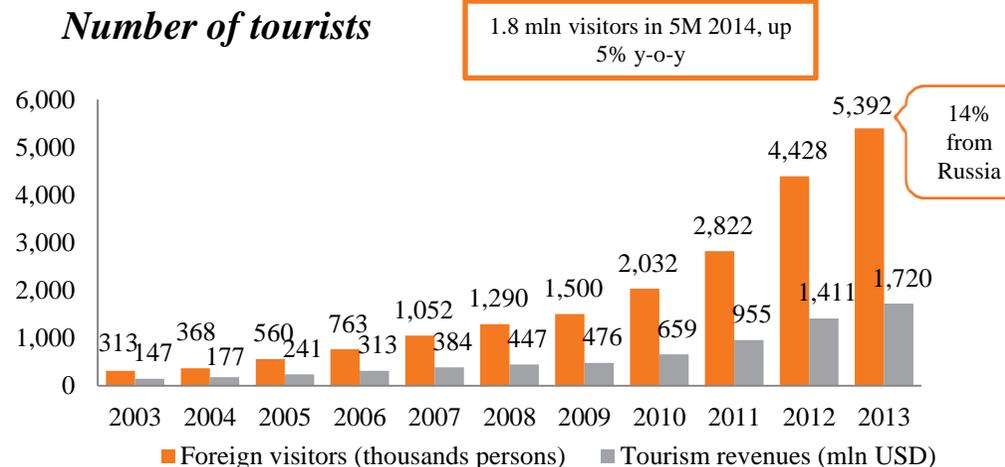
Four main sources of capital inflow

FDI inflows



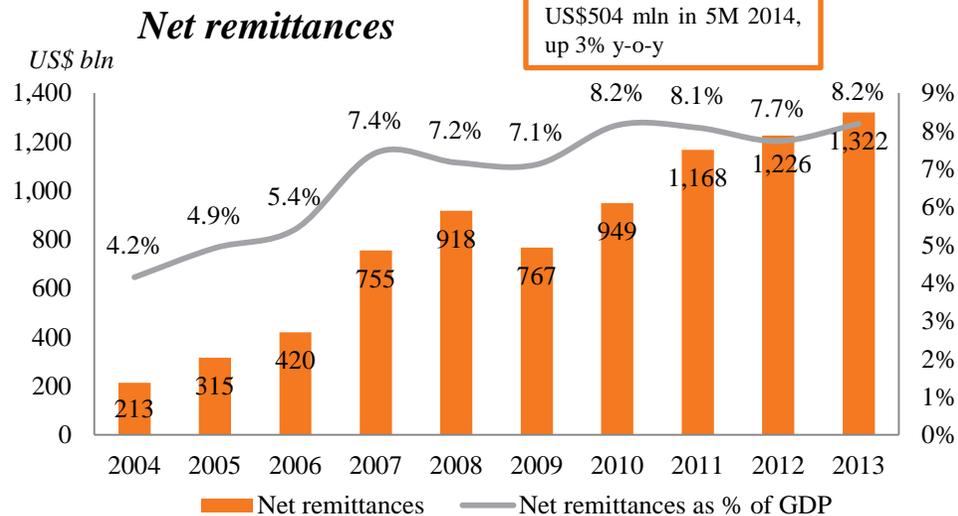
Sources: National Bank of Georgia, Ministry of Finance of Georgia, Bank of Georgia Research

Number of tourists



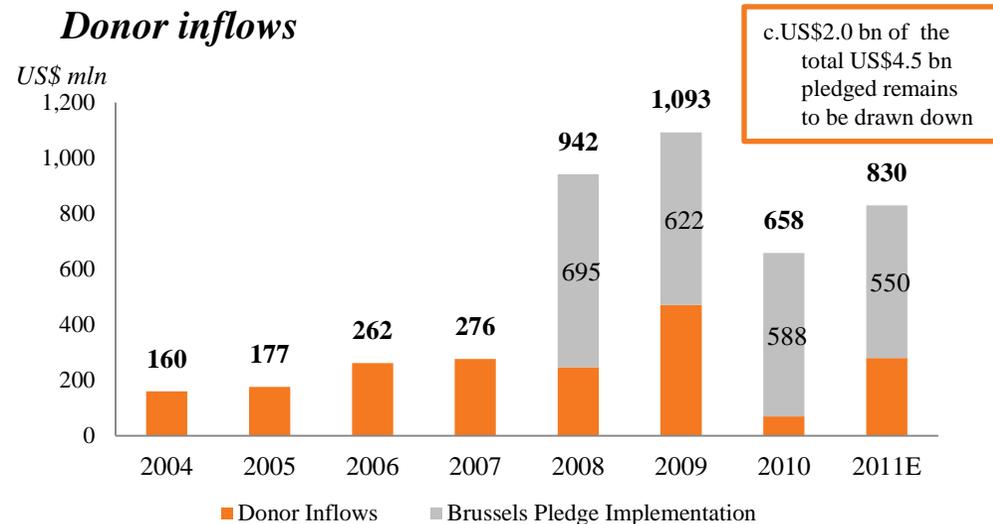
Sources: Georgian National Tourism Agency, National Bank of Georgia, Bank of Georgia estimates

Net remittances



Source: National Bank of Georgia, Bank of Georgia

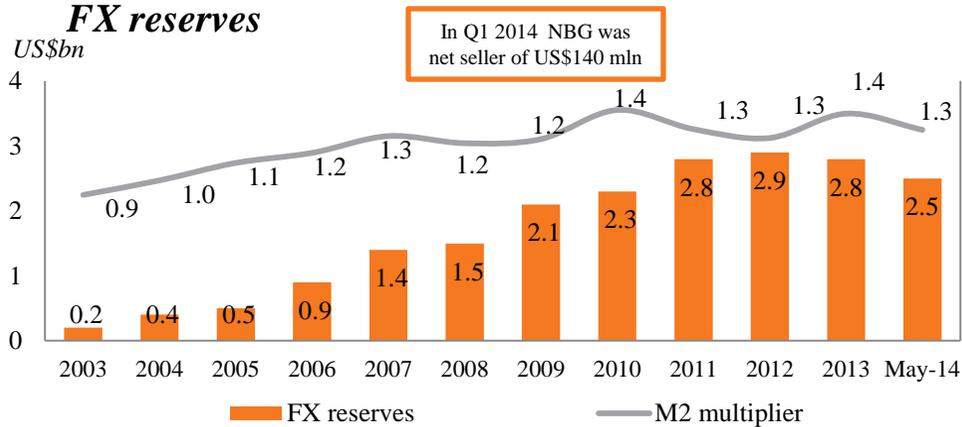
Donor inflows



Sources: Ministry of Finance, Bank of Georgia estimates

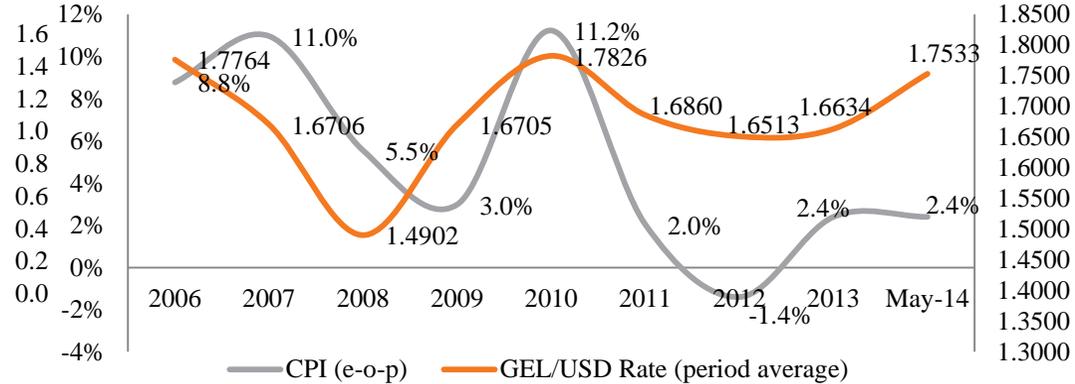
Controllable CAD and strong FDI

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



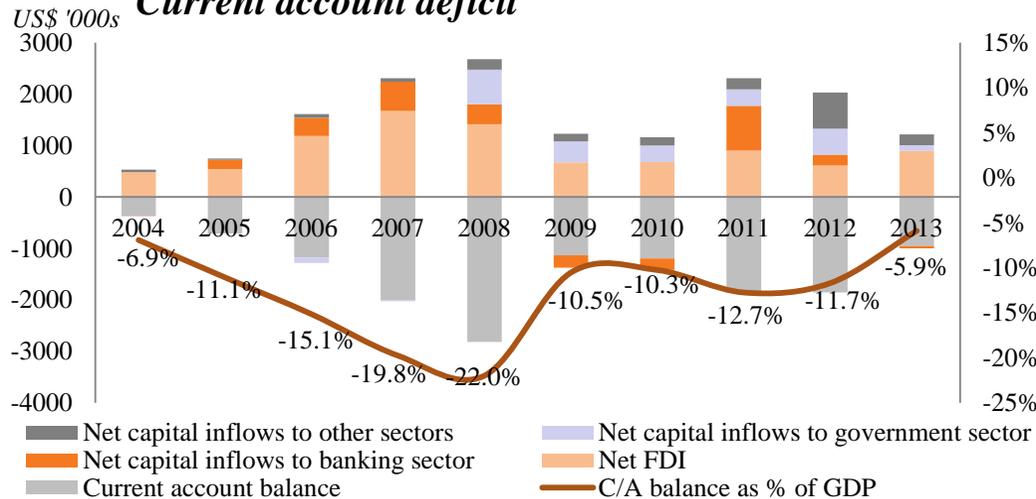
Source: National Bank of Georgia

FX rate (GEL/US\$) and CPI



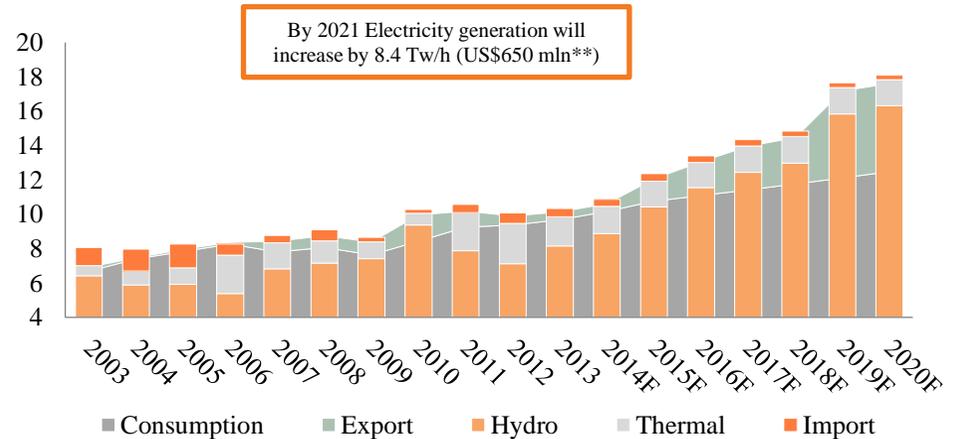
Source: National Bank of Georgia

Current account deficit



Source: National Bank of Georgia

Electricity generation



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 2012
- High level of liquidity requirements from NBG at 30% of liabilities, resulting in banking sector liquid assets to client deposits of 56% as of 31 March 2014

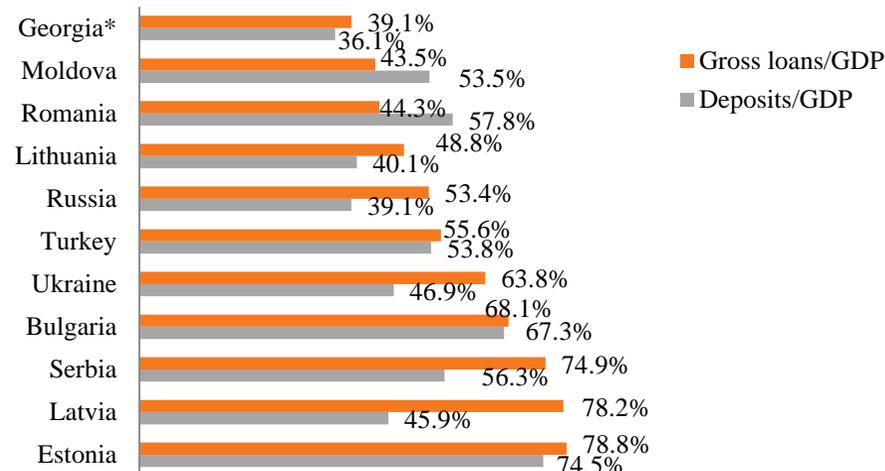
■ Resilient banking sector

- *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

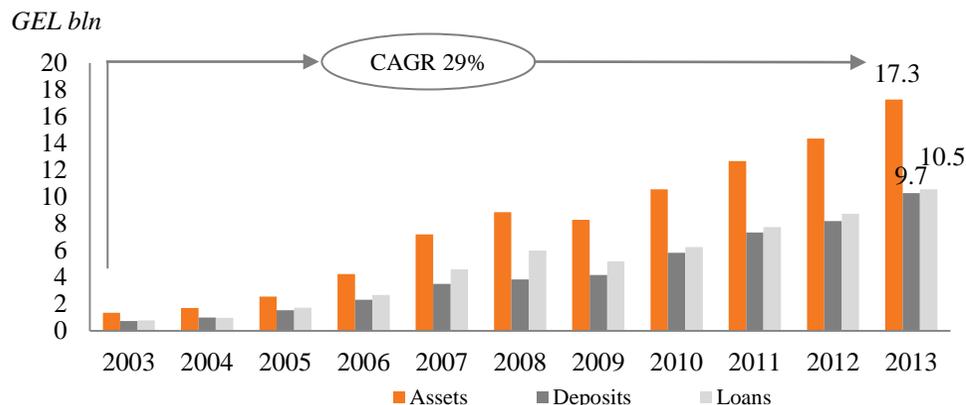
Source: National Bank of Georgia, Geostat

Source: NBG, Central Banks

Banking Sector loans and deposits YE 2013

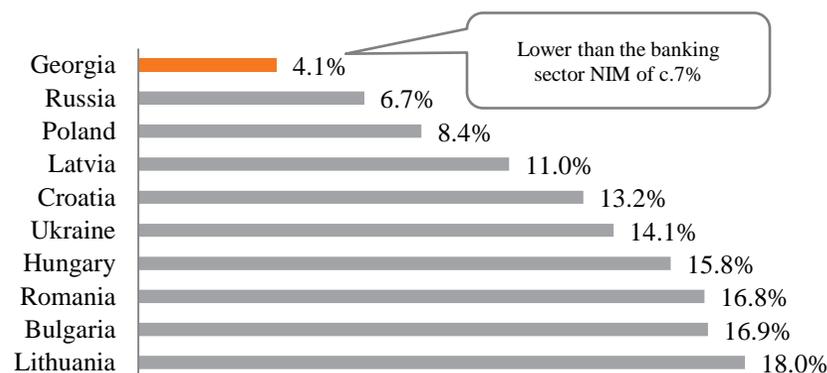


Banking sector assets, loans and deposits



Source: National Bank of Georgia

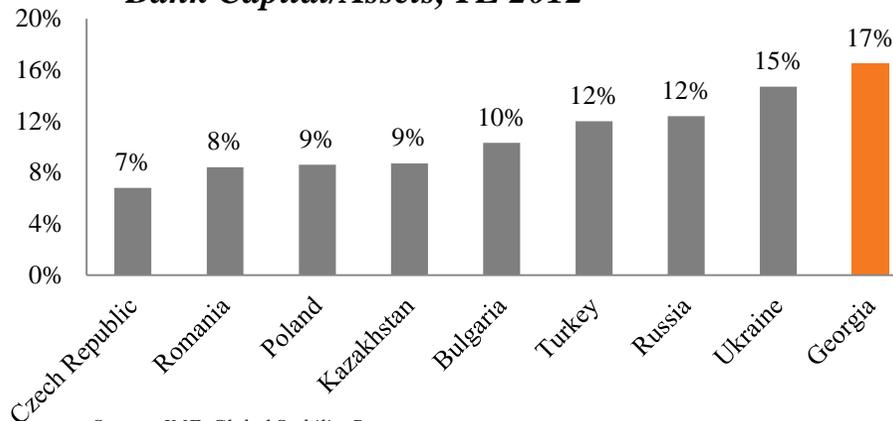
NPLs as % of total gross loans, YE 2012



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

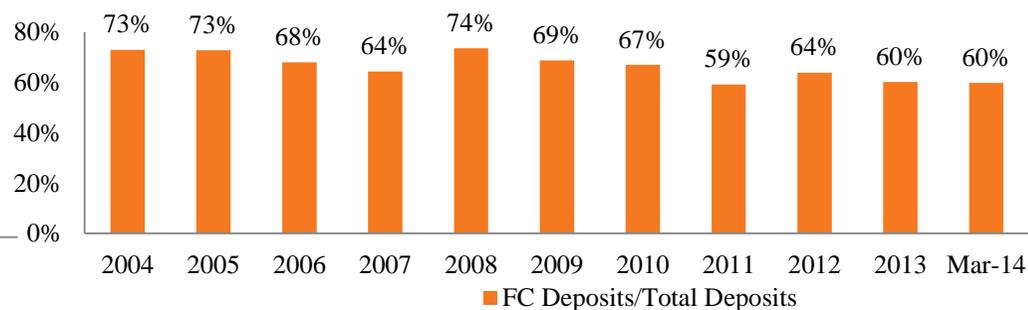
One of the highest level of capital and low debt level compared to other frontier markets

Bank Capital/Assets, YE 2012



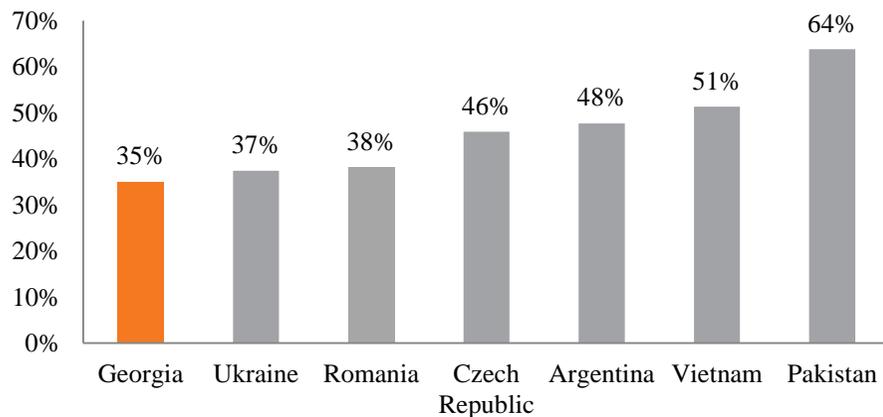
Source: IMF, Global Stability Report

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>	Q1 2014 Unaudited	Q1 2013 Unaudited	Change Y-O-Y	Q4 2013 Unaudited	Change Q-O-Q	2013 Audited	2012 Audited	Change Y-O-Y
Net interest income	79,704	72,596	9.8%	83,567	-4.6%	314,096	284,117	10.6%
Net fee and commission income	19,920	20,496	-2.8%	23,101	-13.8%	86,896	86,487	0.5%
Net insurance revenue	9,706	11,726	-17.2%	10,213	-5.0%	45,333	34,138	32.8%
Net healthcare revenue	7,797	3,891	100.4%	8,353	-6.7%	22,369	23,346	-4.2%
Other operating non-interest income	20,353	14,267	42.7%	19,207	6.0%	76,760	70,167	9.4%
Revenue	137,480	122,976	11.8%	144,441	-4.8%	545,454	498,255	9.5%
Operating expenses	(59,186)	(53,880)	9.8%	(60,998)	-3.0%	(225,565)	(221,152)	2.0%
Operating income before cost of credit risk	78,294	69,096	13.3%	83,443	-6.2%	319,889	277,103	15.4%
Cost of credit risk	(13,316)	(17,278)	-22.9%	(9,999)	33.2%	(61,802)	(44,717)	38.2%
Net operating income	64,978	51,818	25.4%	73,444	-11.5%	258,087	232,386	11.1%
Net non-operating expense*	(1,120)	(1,365)	-17.9%	(5,960)	-81.2%	(12,831)	(19,634)	-34.6%
Profit for the period	53,664	41,997	27.8%	55,644	-3.6%	209,343	179,552	16.6%
Earnings per share (basic)	1.51	1.19	26.9%	1.58	-4.4%	5.93	5.22	13.6%

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

Balance Sheet results highlights and key ratios

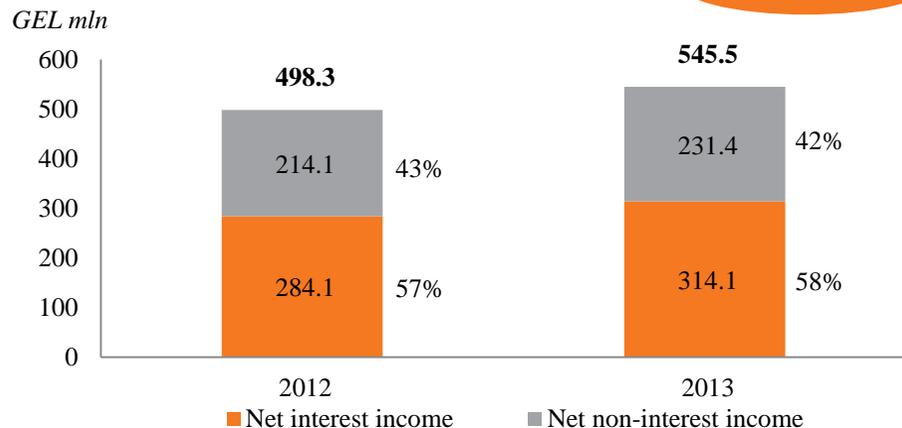
<i>GEL thousands unless otherwise noted</i>	Q1 2014	Q1 2013	Change	Q4 2013	Change	KEY RATIOS	Q1 2014	Q1 2013	Q4 2013
	Unaudited	Unaudited	Y-O-Y	Unaudited	Q-O-Q				
Net loans to customers*	3,489,252	2,954,724	18.1%	3,522,915	-1.0%	ROAE	17.7%	15.9%	18.6%
Total assets	6,619,775	5,533,858	19.6%	6,520,969	1.5%	ROAA	3.3%	3.1%	3.6%
Liquid assets	1,960,973	1,558,685	25.8%	1,921,704	2.0%	Cost/Income	43.1%	43.8%	42.2%
Liquid assets as percent of total assets	29.6%	28.2%	1.4%	29.5%	0.1%	NIM	7.3%	7.6%	7.9%
Liquid assets as percent of total liabilities	36.8%	35.2%	1.6%	36.4%	0.4%	Loan yield	14.8%	16.9%	15.6%
Customer Funds, of which:	3,065,536	2,817,677	8.8%	3,117,732	-1.7%	Cost of client deposits	4.6%	6.4%	4.8%
Client deposits , of which	3,037,120	2,807,064	8.2%	3,107,209	-2.3%	Cost of funds	5.1%	6.7%	5.3%
CDs	273,948	47,806	NMF	221,539	23.7%	Cost of risk	1.0%	1.4%	0.9%
Promissory notes	28,416	10,613	167.7%	10,523	170.0%	NPL coverage	92.0%	86.5%	83.8%
NPL coverage ratio adjusted for discounted value of collateral							121.4%	111.1%	110.6%
Amounts due to credit institutions, of which:	1,206,818	936,673	28.8%	1,157,979	4.2%	2013	18.6%	19.1%	
Subordinated debt	131,175	206,947	-36.6%	168,710	-22.2%	ROAE	18.6%	19.1%	
Other amounts due to credit institutions	1,075,643	729,726	47.4%	989,269	8.7%	ROAA	3.6%	3.5%	
Debt securities issued, of which:	734,771	418,353	75.6%	728,117	0.9%	Cost/Income	41.4%	44.4%	
Eurobonds	718,495	418,353	71.7%	728,117	-1.3%	NIM	7.8%	7.9%	
Other	16,276	-	-	-	-	Loan yield	16.2%	17.5%	
Total liabilities	5,332,748	4,424,043	20.5%	5,279,915	1.0%	Cost of client deposits	5.6%	7.3%	
Total equity	1,287,027	1,109,815	16.0%	1,241,054	3.7%	Cost of funds	5.9%	7.3%	
Book value per share (basic)	35.35	31.04	13.9%	34.85	1.4%	Cost of risk	1.4%	1.3%	
Net loans/customer funds	113.8%	104.9%		113.0%		NPL coverage	83.8%	87.5%	
Net loans/customer funds +DFIs	96.4%	85.2%		96.2%		NPL coverage ratio adjusted for discounted value of collateral	110.6%	112.7%	
Excess liquidity	439,436	475,708	-7.6%	537,107	-18.2%				
NBG liquidity ratio	43.5%	44.1%		45.7%					
BIS Tier I Capital Adequacy Ratio	23.8%	23.2%		23.0%					
BIS Total Capital Adequacy Ratio	27.8%	28.2%		27.1%					
NBG Tier I Capital Adequacy Ratio	16.4%	16.8%		14.4%					
NBG Total Capital Adequacy Ratio	15.5%	17.1%		15.4%					

*includes finance lease receivables

Strong revenue growth

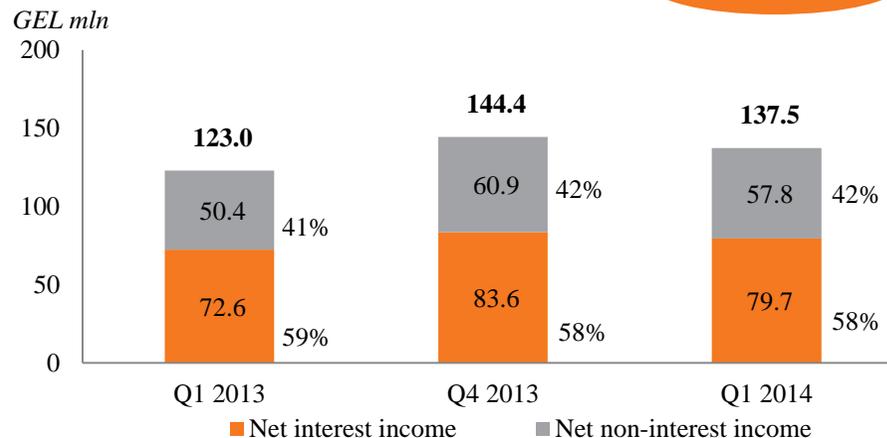
Revenue growth, annual

+9.5% y-o-y



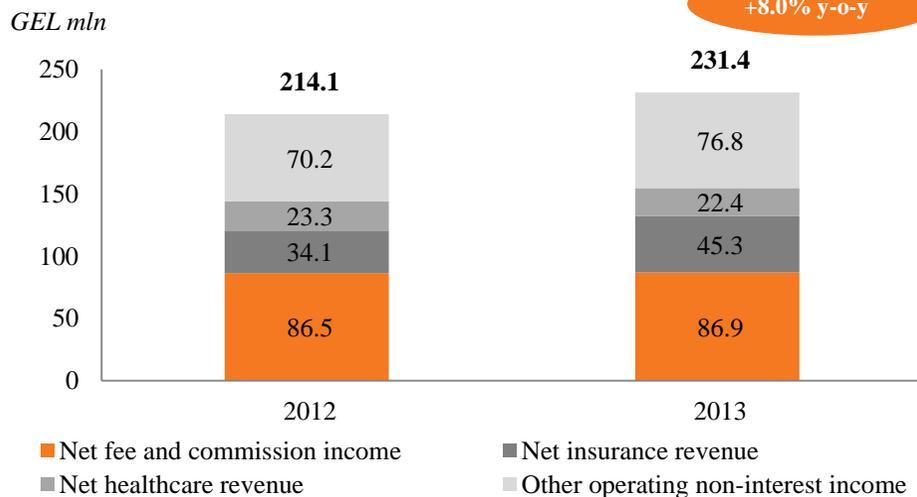
Revenue growth, quarterly

+11.8% y-o-y



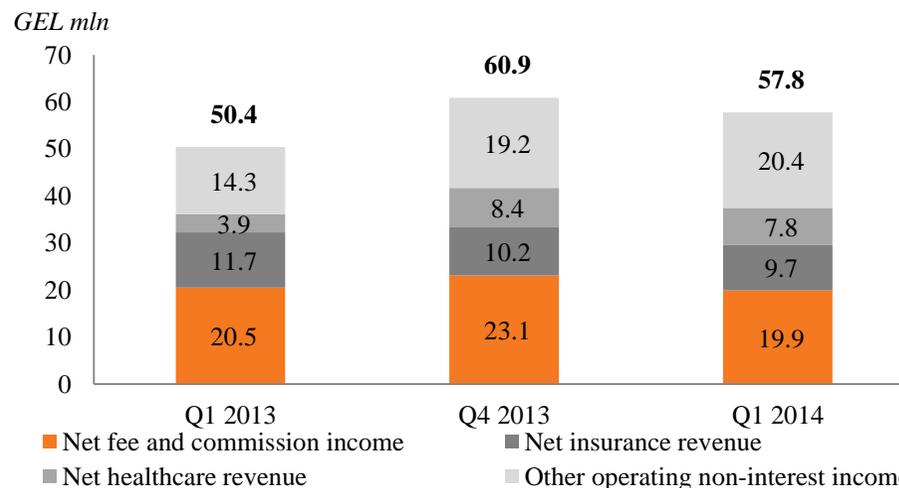
Net non-interest income, annual

+8.0% y-o-y



Net non-interest income, quarterly

+14.7% y-o-y

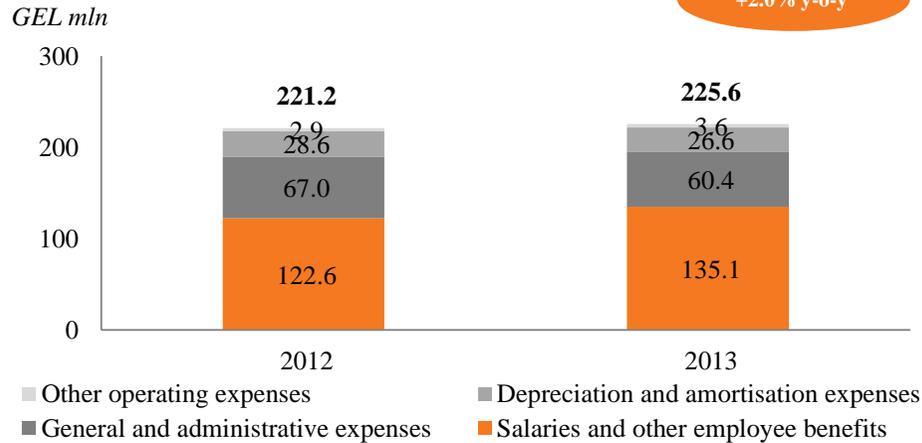


Net healthcare revenue in 2013 includes additional depreciation and utility expenses, which were presented in operating expenses in 2012

Positive operating leverage maintained

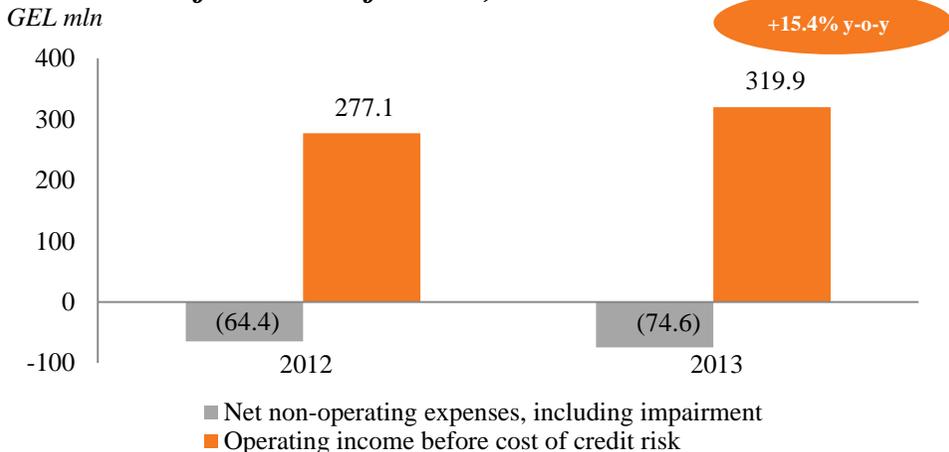
Operating expenses, annual

+2.0% y-o-y



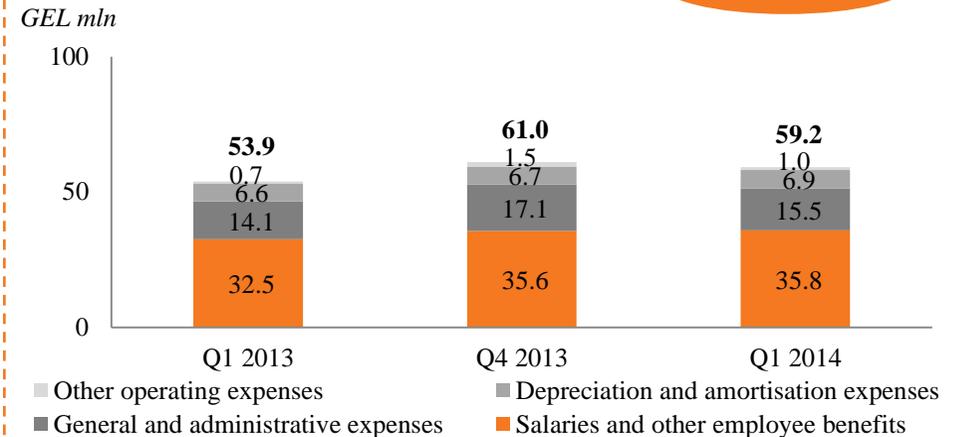
Net non-operating expenses, operating income before cost of credit, annual

+15.4% y-o-y



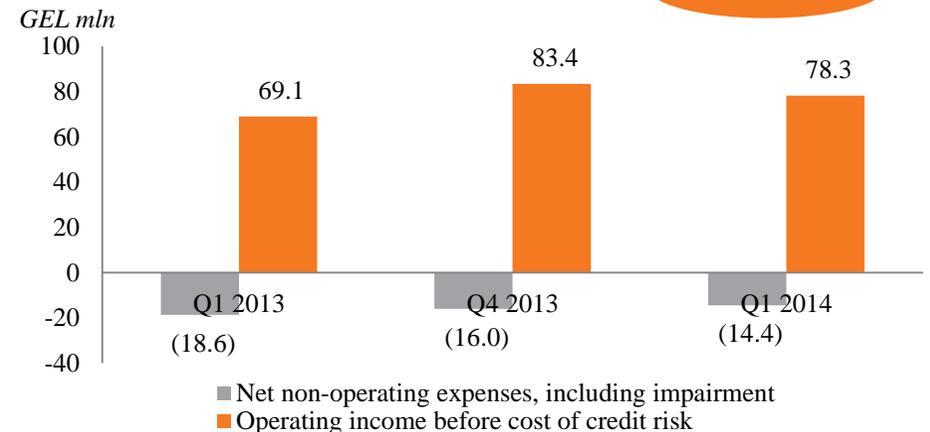
Operating expenses, quarterly

+9.8% y-o-y



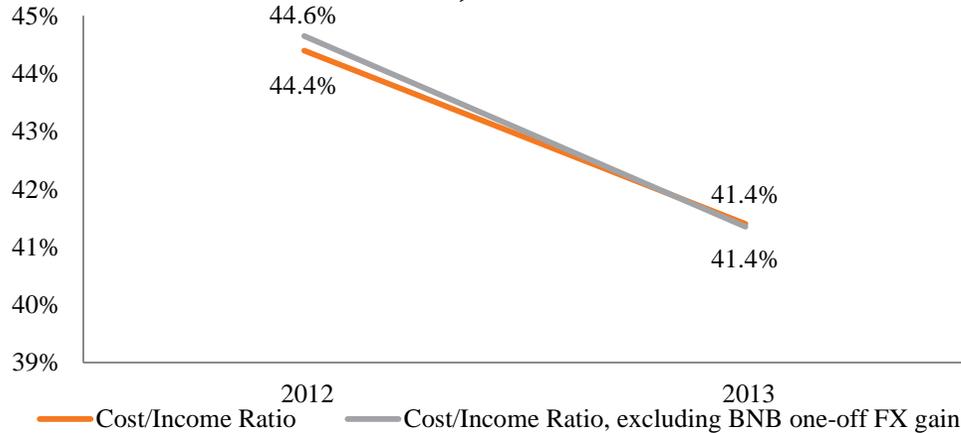
Net non-operating expenses, operating income before cost of credit, quarterly

+13.3% y-o-y

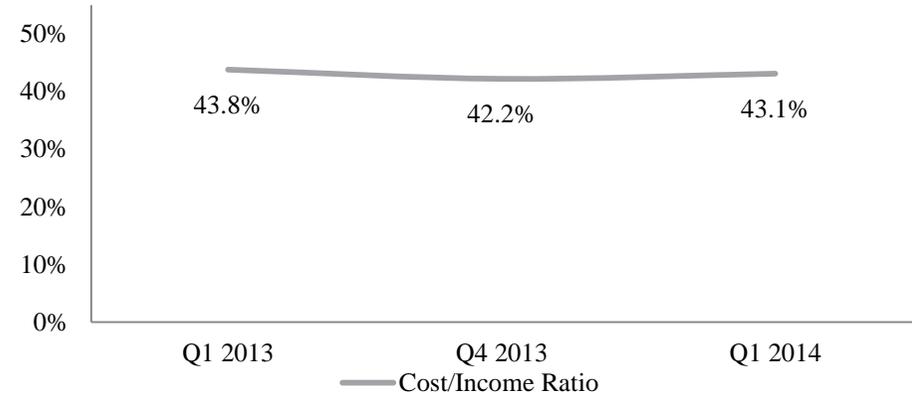


Improving efficiency

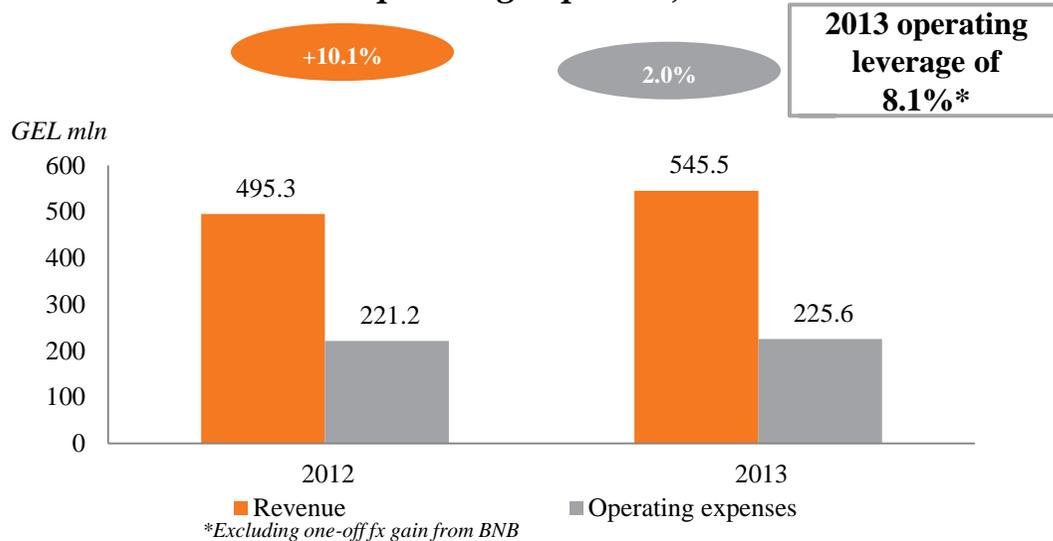
Cost / Income ratio, annual



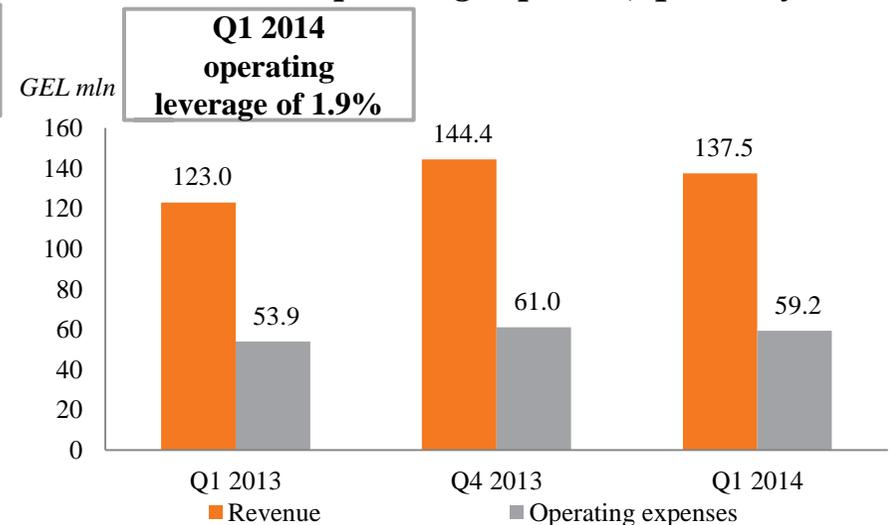
Cost / Income ratio, quarterly



Revenue and operating expenses, annual



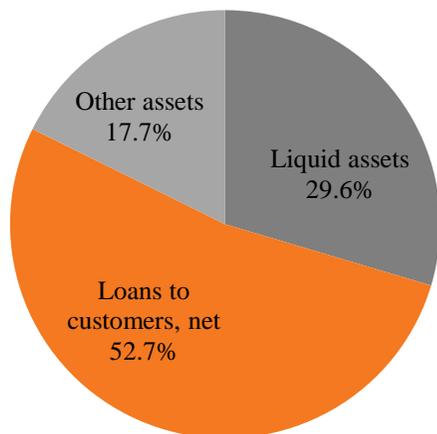
Revenue and operating expenses, quarterly



Diversified asset structure, consolidated

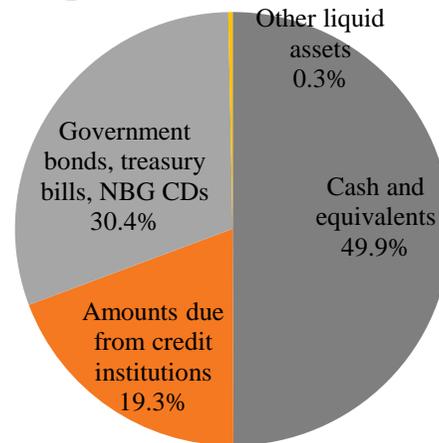
Total asset structure, 31 March 2014

**Total assets:
GEL 6,620 mln**



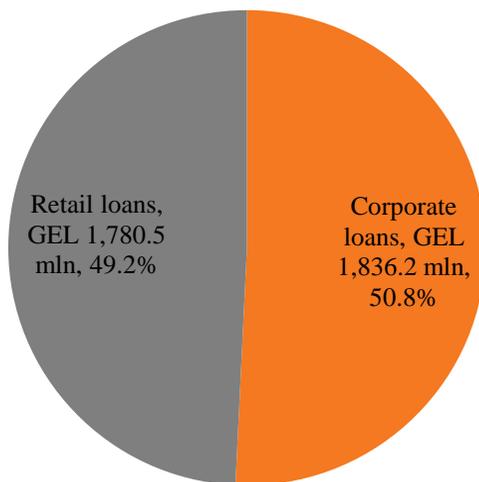
Liquid assets, 31 March 2014

**Liquid assets
GEL 1,961 mln,
29.6% of total
assets and 36.4%
of total liabilities**

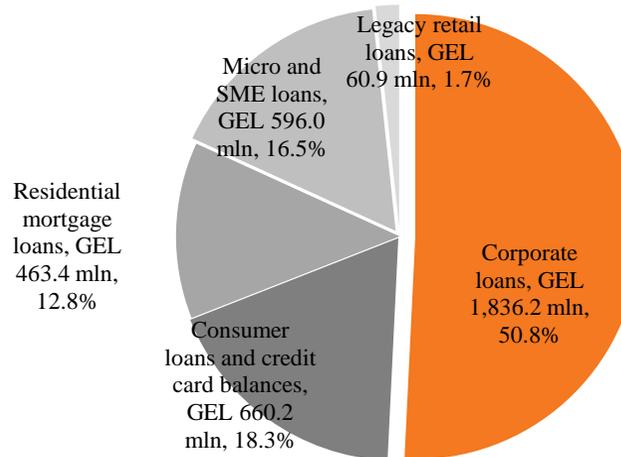


Gross loans breakdown*, 31 March 2014

**Total gross
loans:
GEL 3,617 mln**



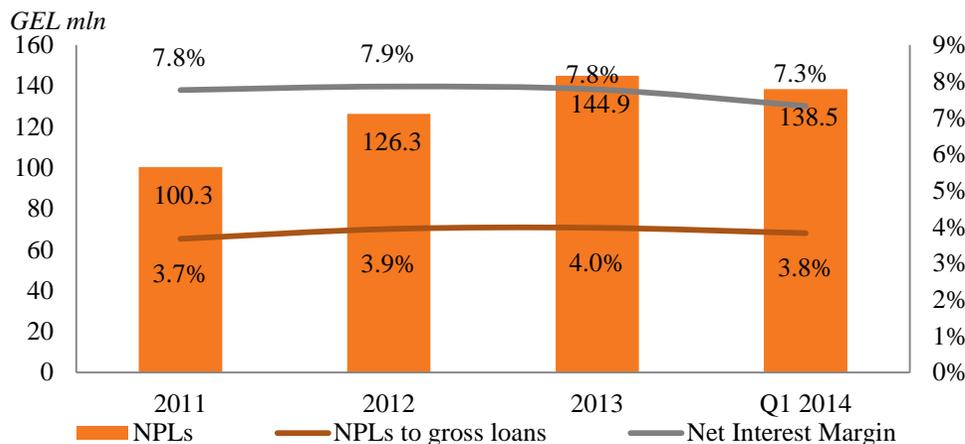
Gross loan portfolio structure, 31 March 2014



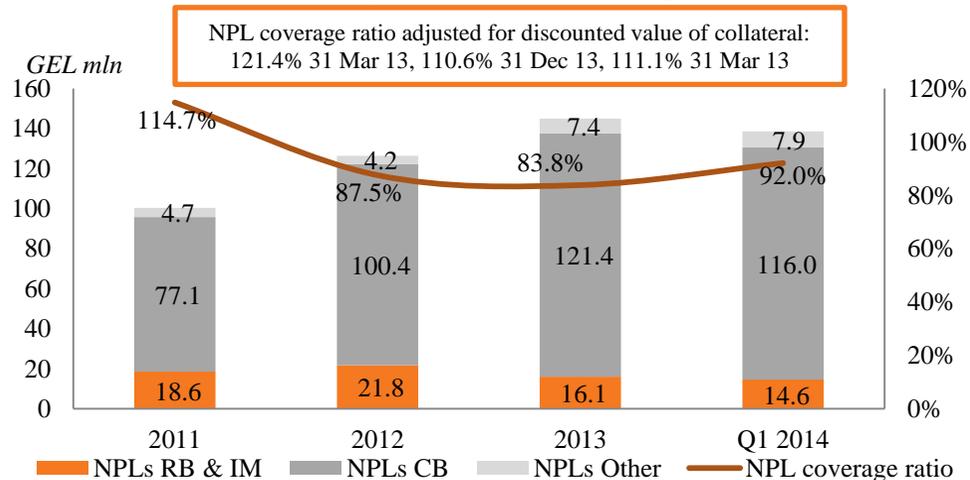
*Retail loans include loans of Retail Banking segment, BNB retail loans, Investment Management and Affordable Housing Mortgages, Corporate loans include Corporate Banking Segment and BNB Corporate loans

Loan portfolio quality

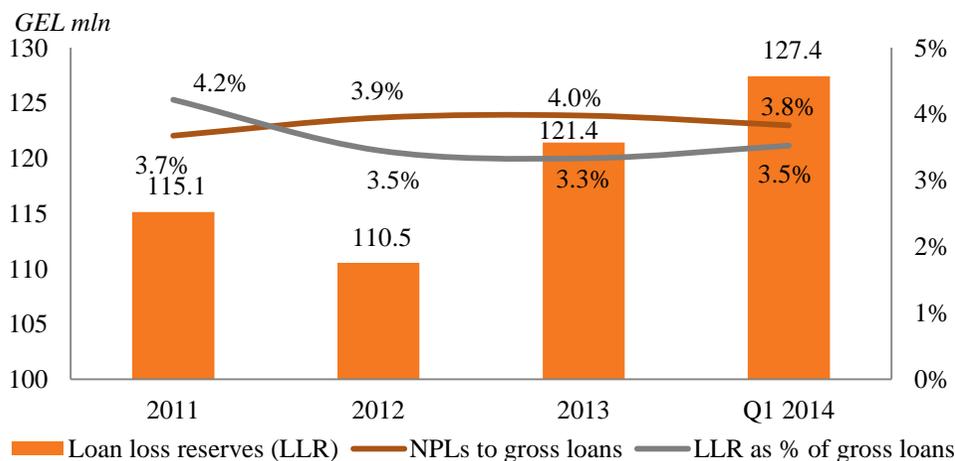
Consolidated NPLs



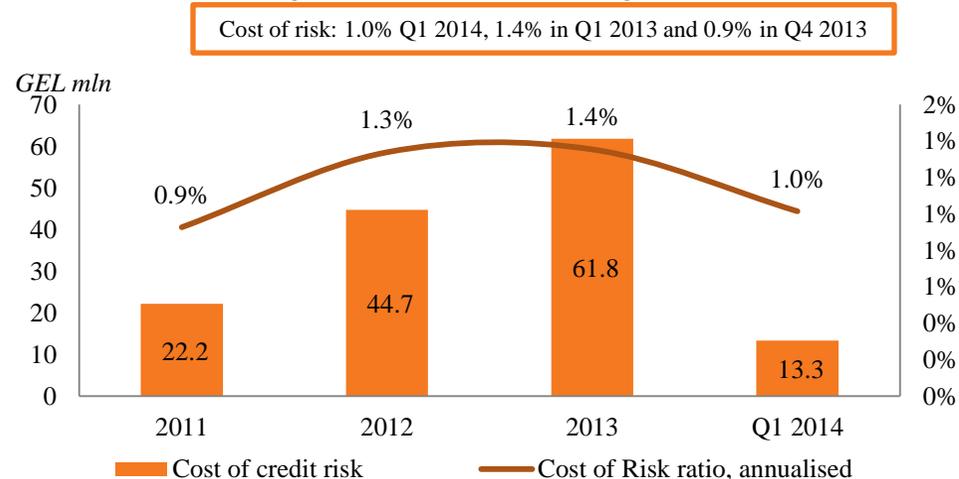
Consolidated NPL composition & coverage ratio



Consolidated loan loss reserve, NPLs to gross loans



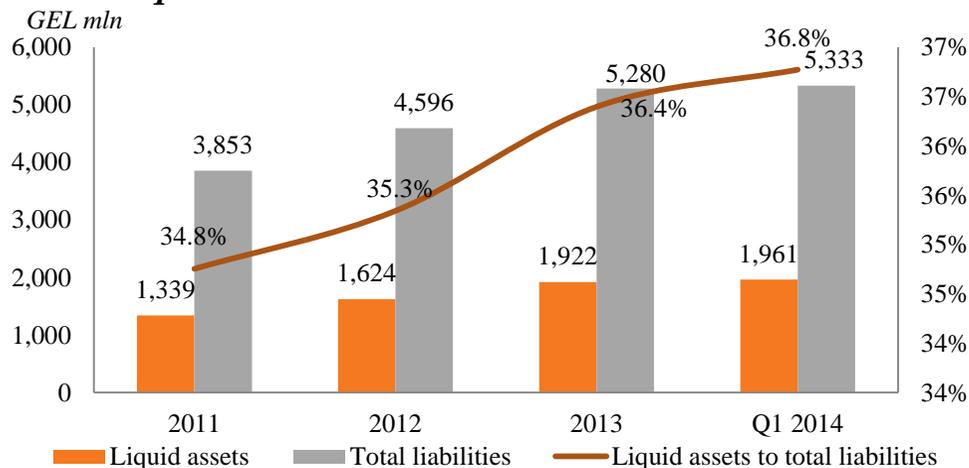
Consolidated cost of credit risk & cost of risk ratio



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

Strong liquidity

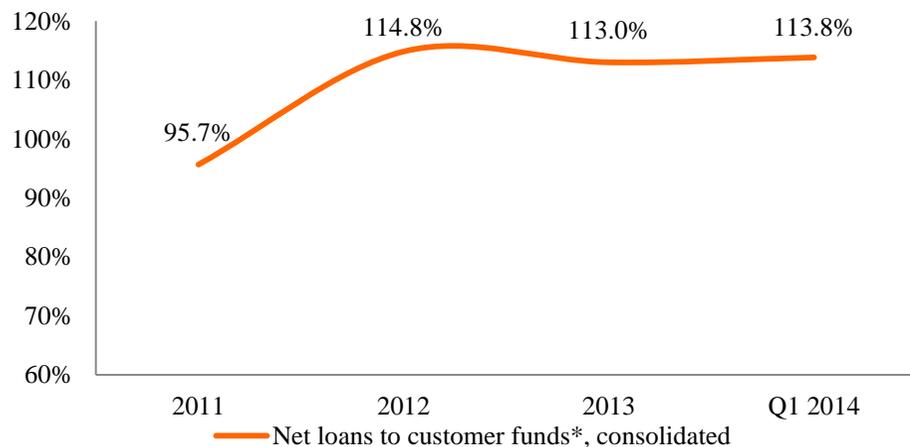
Liquid assets to total liabilities



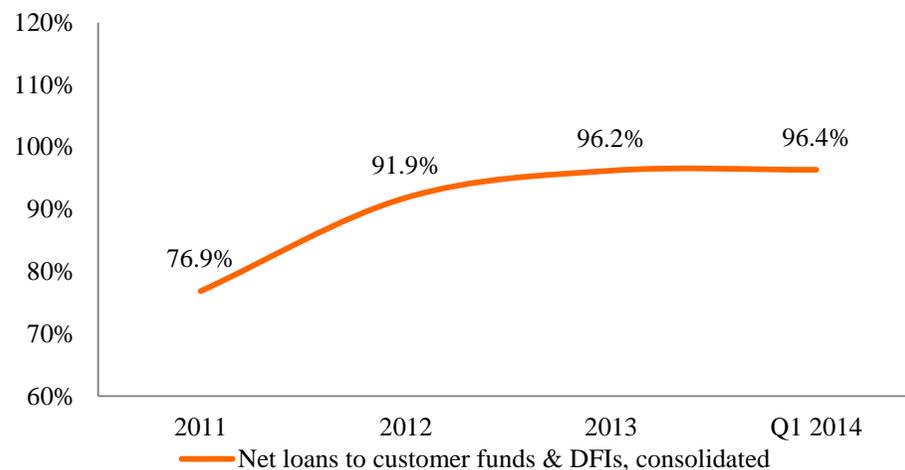
NBG liquidity ratio

Bank Standalone, GEL mln	Q1 2014	2013	2012	2011
Liquid Assets (NBG)	1,415	1,562	1,302	1,242
Liabilities (NBG)	3,252	3,415	3,166	3,286
Liquid Assets / Liabilities \geq 30%	43.5%	45.7%	41.1%	37.8%
Excess liquidity	439	537	353	256

Net loans to customer funds



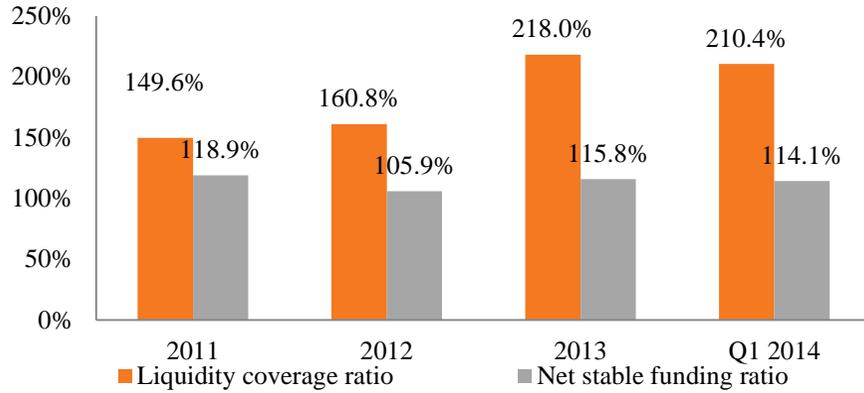
Net loans to customer funds & DFIs



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

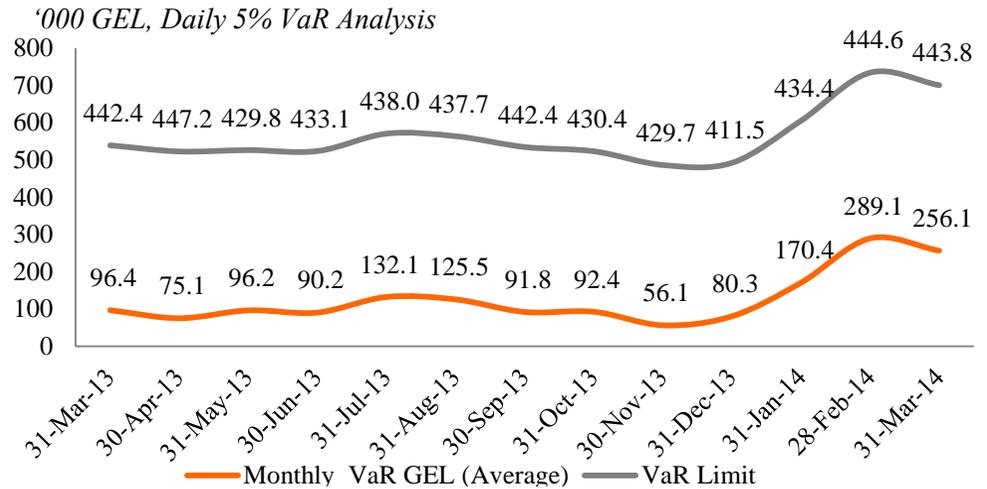
Strong liquidity

Liquidity coverage ratio & net stable funding ratio

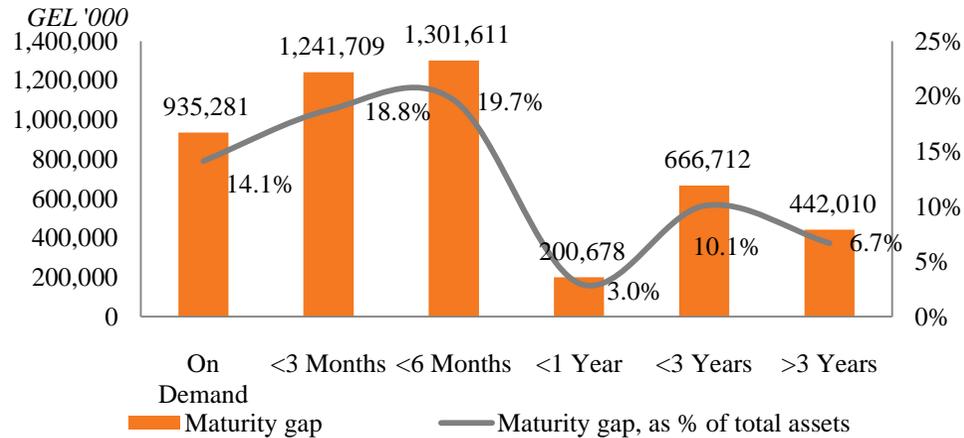


Foreign currency VaR analysis*

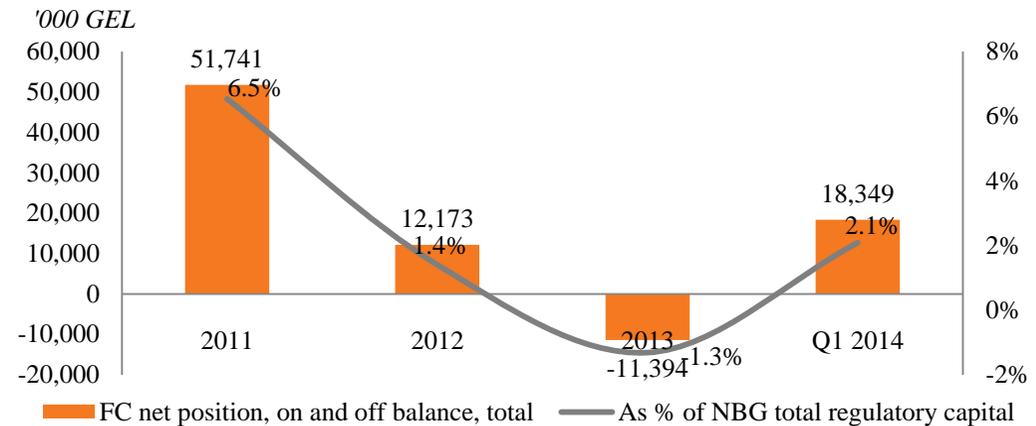
STANDALONE



Cumulative Maturity gap, 31 March 2014**



Open currency position

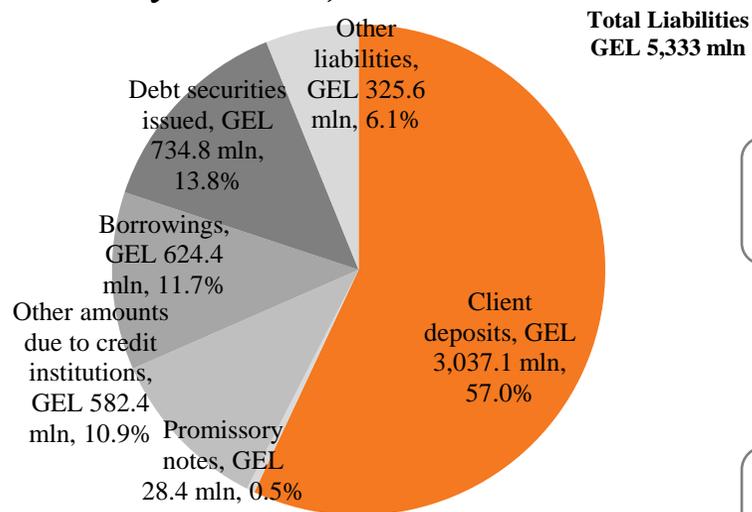


*Daily VaR time series averaged for each respective month

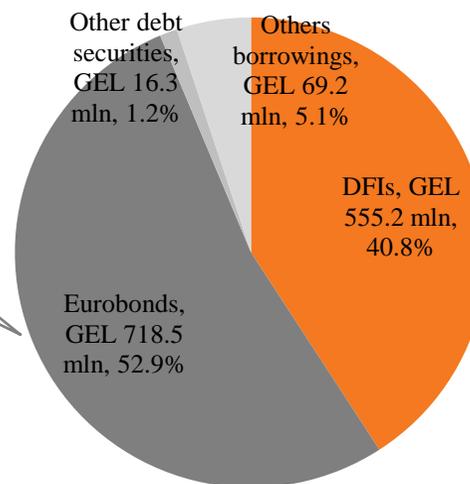
**GEL 1,230.9 mln of current accounts and demand deposits are placed in <1 year bucket

Funding structure is well-balanced

Liability structure, 31 March 2014



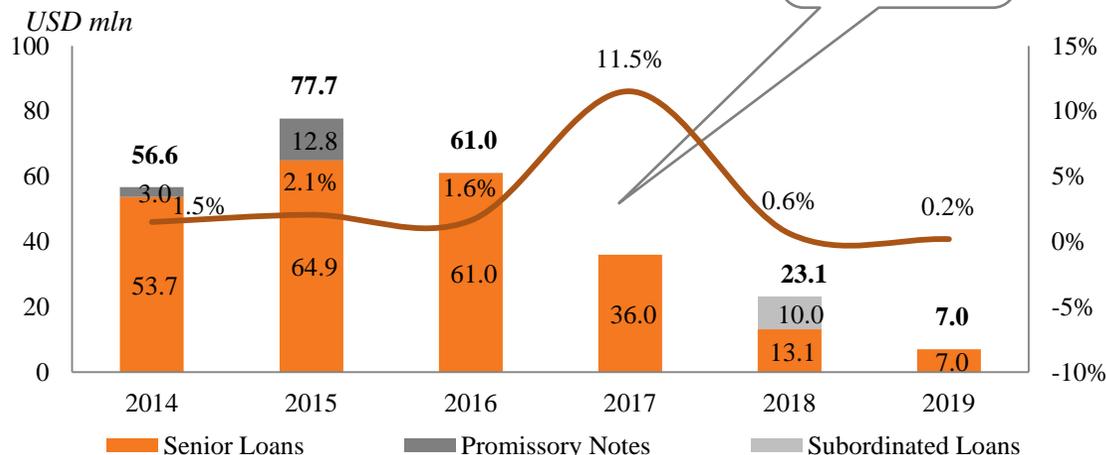
Well diversified international borrowings, 31 March 2014



US\$ 150 mln tap in November 2013

Excl. US\$ 400 mln Eurobonds maturing in 2017

Borrowed funds maturity breakdown*



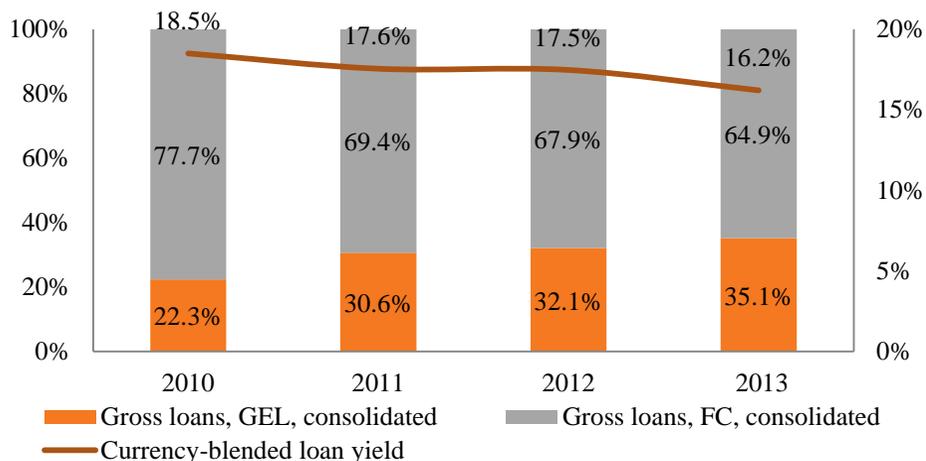
Amounts due to credit institutions

- The Bank has a well-balanced funding structure with 57.5% of total liabilities coming from customer funds, 10.4% from Developmental Financial Institutions (DFIs) and 13.5% from Eurobonds, as of 31 March 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 31 March 2014, US\$66.2 mln undrawn facilities from DFIs with two to nine year maturities

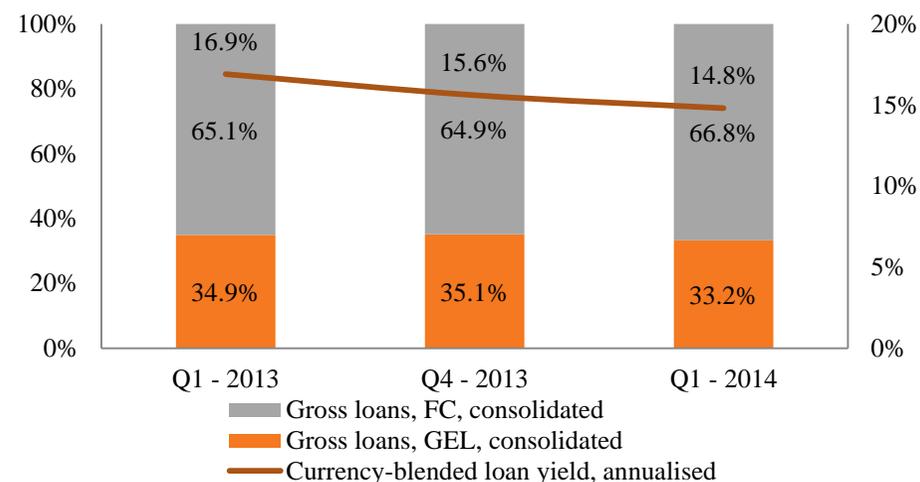
* Consolidated, converted at GEL/US\$ exchange rate of 1.7477 of 31 March 2014
 ** Total Assets as of 31 March 2014

Yield dynamics

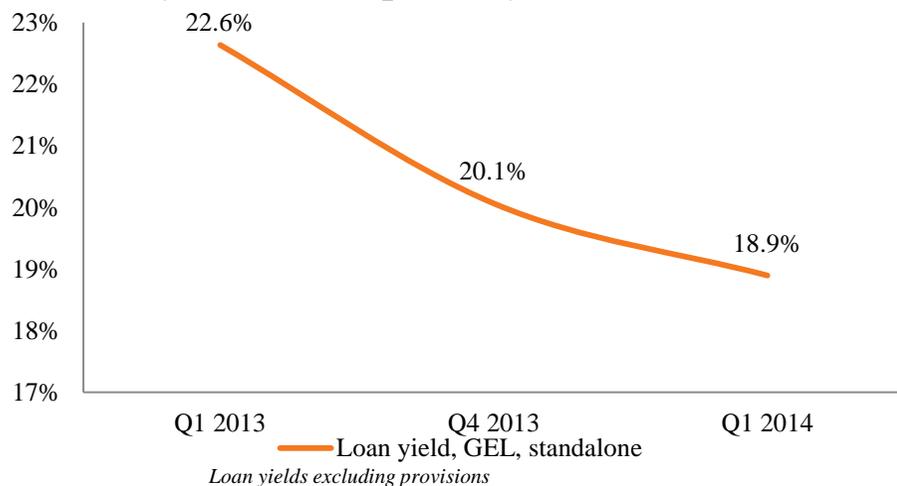
Loan yields, annual



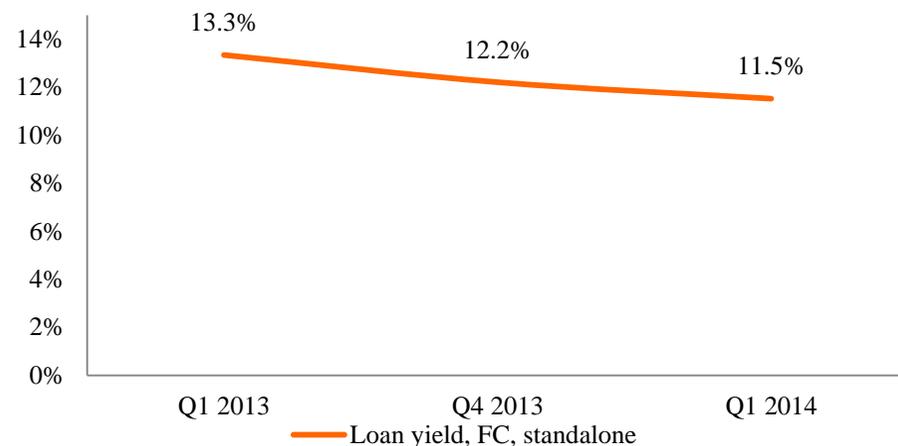
Loan yields, quarterly



Loan yields, GEL, quarterly

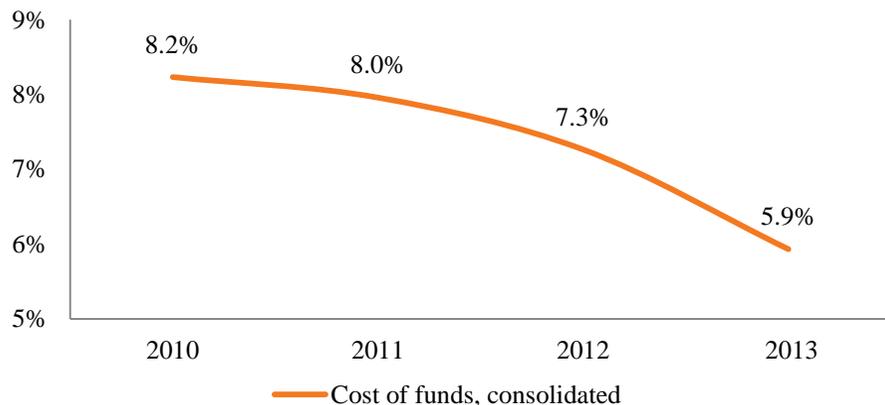


Loan yields, foreign currency, quarterly

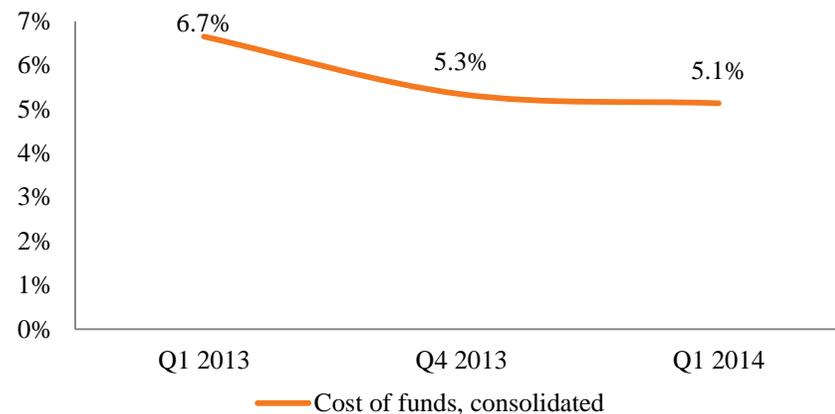


Cost of funds and loans to deposits

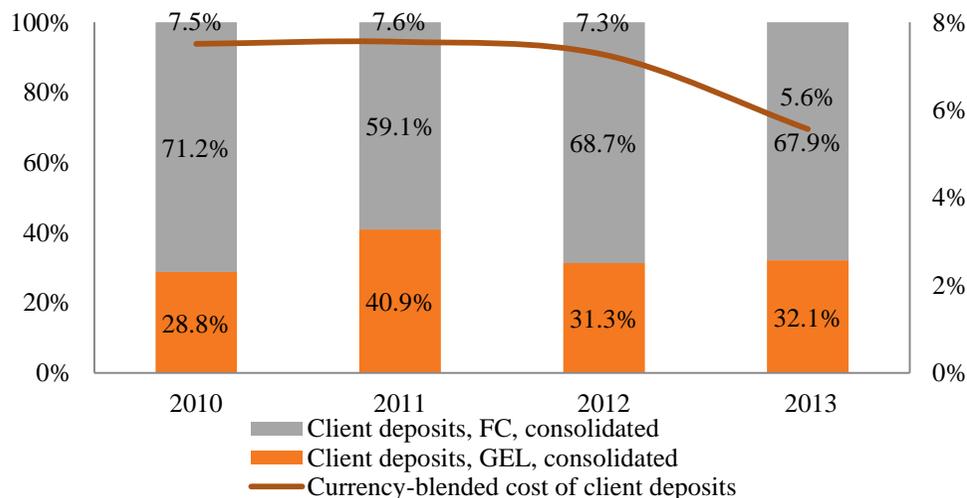
Cost of Funds, annual



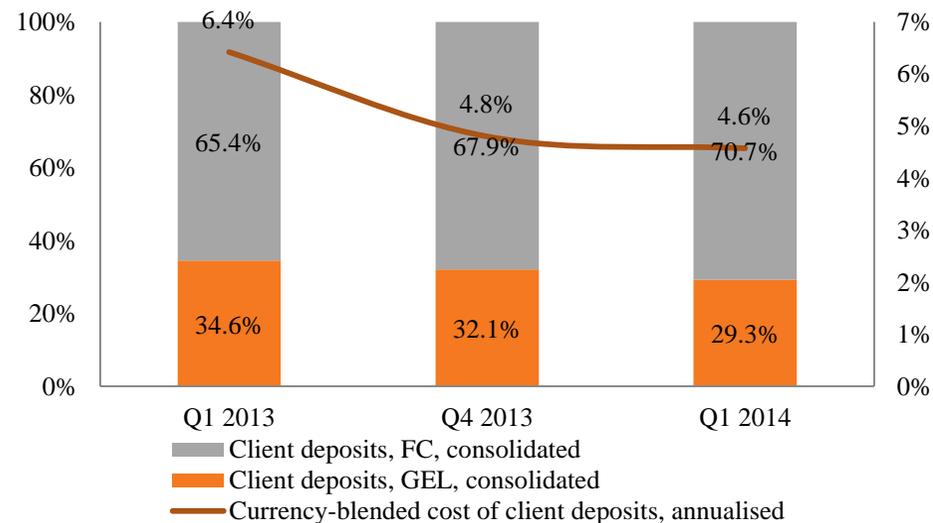
Cost of Funds, quarterly



Cost of Client Deposits, annual



Cost of Client Deposits, quarterly

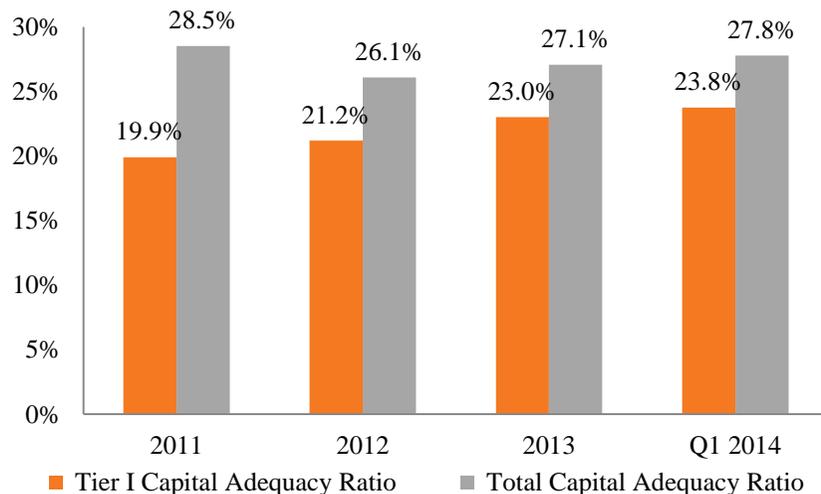


Excellent capital adequacy position

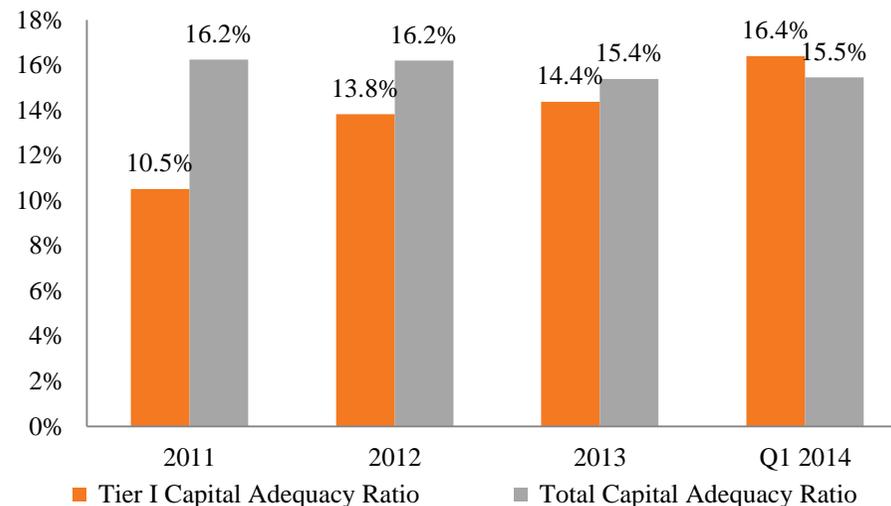
BIS capital adequacy ratios, consolidated

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

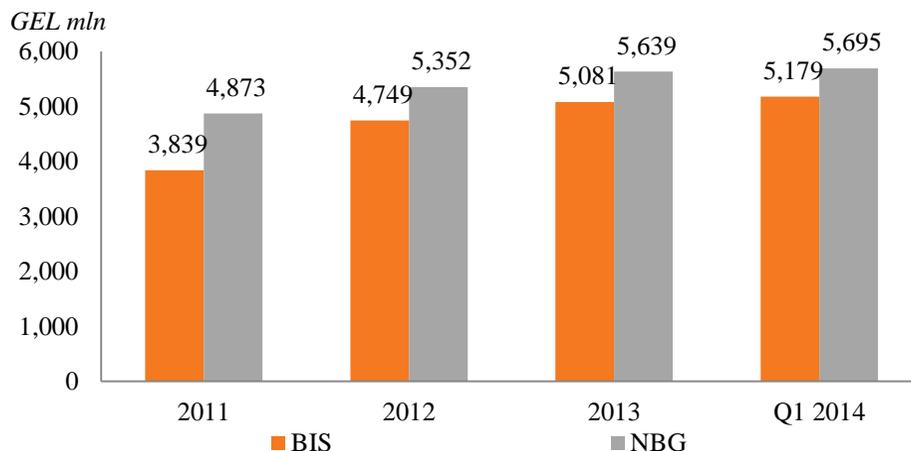
NBG requires that investments in subsidiaries of more than 50% to be deducted from Total Capital



NBG capital adequacy ratios, standalone



Risk-weighted assets BIS vs. NBG



NBG Tier I Capital and Total Capital

GEL mln	Q1 2014	2013	2012	2011
Tier I Capital (Core)	934.2	810.5	739.9	512.2
Tier 2 Capital (Supplementary)	237.0	313.2	389.7	463.8
Less: Deductions	(290.9)	(256.5)	(262.6)	(184.3)
Total Capital	880.3	867.3	867.0	791.7
Risk weighted assets	5,695.5	5,638.6	5,352.2	4,872.9
Tier 1 Capital ratio	16.4%	14.4%	13.8%	10.5%
Total Capital ratio	15.5%	15.4%	16.2%	16.2%
Tier 1 Capital ratio (Basel II/III)	12.9%			
Total Capital ratio (Basel II/III)	16.2%			

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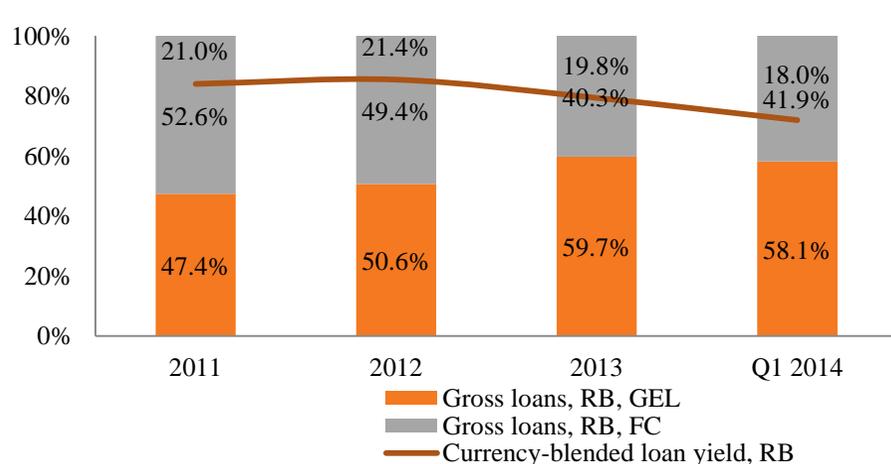
Appendices

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

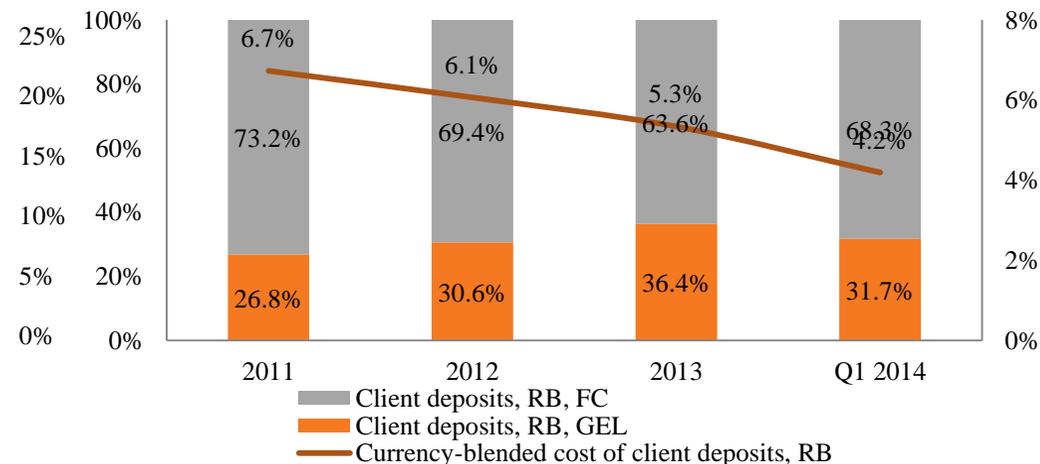
GEL thousands unless otherwise stated

	Q1 2014	Q1 2013	Change Y-O-Y	Q4 2013	Change Q-O-Q	2013	2012	Change Y-O-Y
Net interest income	48,878	42,989	13.7%	50,843	-3.9%	191,851	174,360	10.0%
Net fee and commission income	12,251	12,516	-2.1%	15,071	-18.7%	54,025	53,563	0.9%
Net gain from foreign currencies	4,227	3,423	23.5%	4,201	0.6%	16,308	14,985	8.8%
Other operating non-interest income	572	1,110	-48.5%	1,491	-61.6%	4,896	3,365	45.5%
Revenue	65,928	60,038	9.8%	71,606	-7.9%	267,080	246,273	8.4%
Operating expenses	(30,390)	(28,244)	7.6%	(30,845)	-1.5%	(120,322)	(109,041)	10.3%
Operating income before cost of credit risk	35,538	31,794	11.8%	40,761	-12.8%	146,758	137,232	6.9%
Cost of credit risk	1,949	(9,589)	NMF	(3,467)	NMF	(29,172)	(12,482)	133.7%
Net non-operating expenses	(392)	(264)	48.5%	(1,168)	-66.4%	(2,200)	(6,828)	-67.8%
Profit before income tax expense	37,095	21,941	69.1%	36,126	2.7%	115,386	117,922	-2.2%
Income tax expense	(5,617)	(3,341)	68.1%	(5,025)	11.8%	(14,468)	(16,392)	-11.7%
Profit	31,478	18,600	69.2%	31,101	1.2%	100,918	101,530	-0.6%
Net loans, standalone	1,661,076	1,371,948	21.1%	1,612,942	3.0%	1,612,942	1,348,331	19.6%
Client deposits, standalone	1,080,265	865,226	24.9%	1,086,607	-0.6%	1,086,607	816,709	33.0%
Loan yield	18.0%	20.3%		19.0%		19.8%	21.4%	
Cost of deposits	4.2%	6.1%		5.1%		5.3%	6.1%	

Retail Banking loan yields



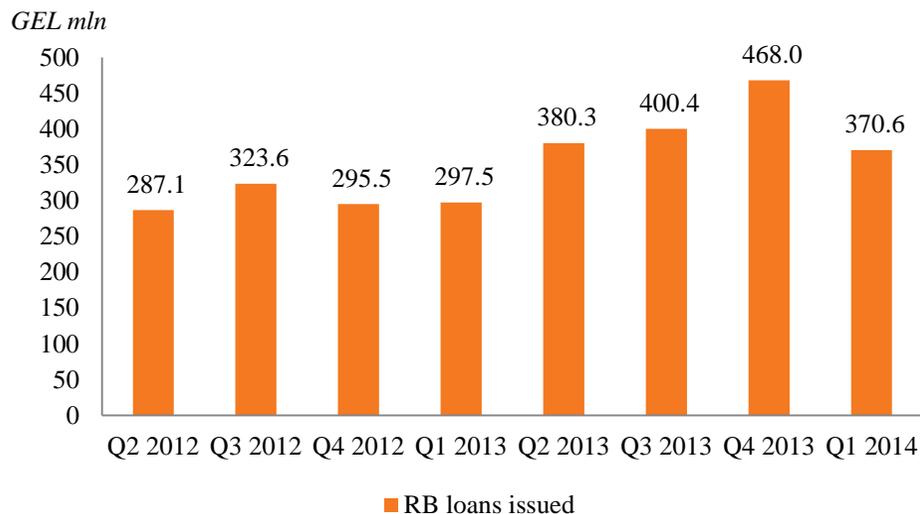
Retail Banking deposit costs



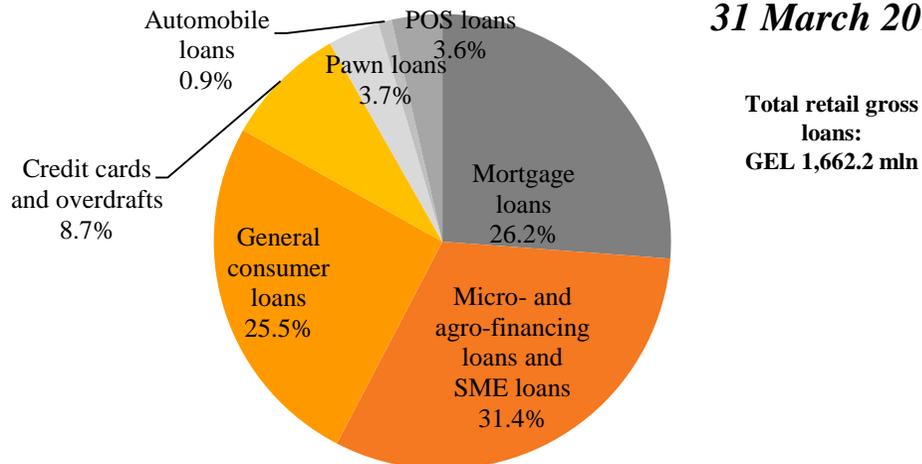
*The loss experience used to determine appropriate general risk provision was changed from seven to three years in Retail Banking in 2012

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

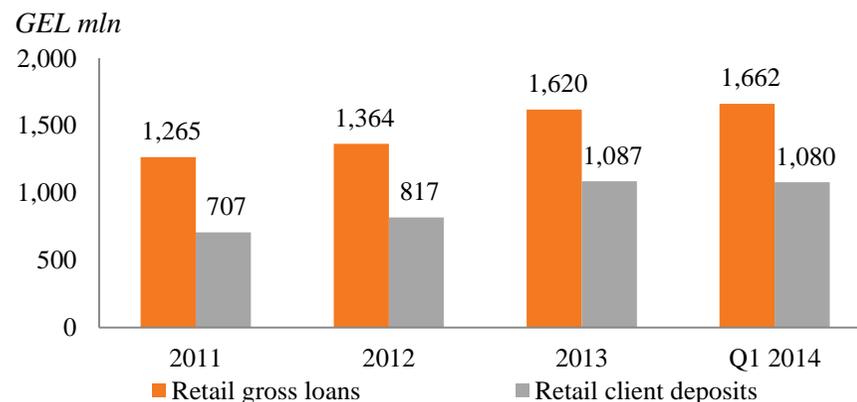
Retail Banking loans originated, standalone



Retail Banking gross loan portfolio consolidated, 31 March 2014



Retail Banking gross loans and deposits growth, consolidated



Volumes are in GEL millions	Q1 2014	% of clients	2013	2012	2011
Number of total Retail clients, of which:	1,285,957		1,245,048	1,054,248	888,794
<i>Number of Solo clients ("Premier Banking")</i>	6,993	0.5%	6,810	5,413	3,728
Consumer loans & other outstanding, volume	560.1		560.2	480.0	428.2
Consumer loans & other outstanding, number	480,035	37.3%	455,557	406,213	342,652
Mortgage loans outstanding, volume	458.6		441.4	388.7	375.0
Mortgage loans outstanding, number	10,421	0.8%	10,212	9,850	9,162
Micro & SME loans outstanding, volume	522.7		497.0	364.4	318.5
Micro & SME loans outstanding, number	13,731	1.1%	13,317	11,136	9,860
Credit cards and overdrafts outstanding, volume	144.1		142.4	146.4	143.3
Credit cards and overdrafts outstanding, number	187,547	14.6%	174,570	142,072	131,119
Credit cards outstanding, number*, of which:	117,846	9.2%	117,913	107,261	127,820
<i>American Express cards</i>	109,321	8.5%	108,608	99,292	97,100

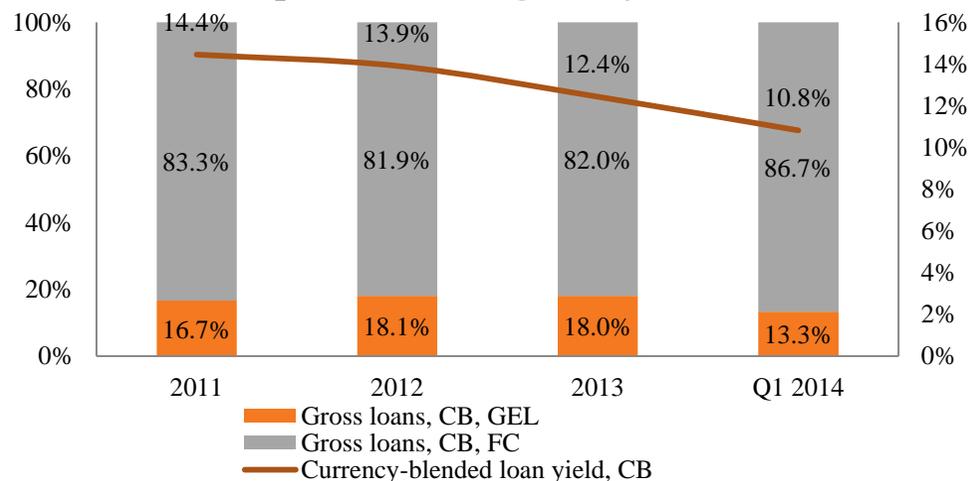
*definition changed in 2012 to include only active credit cards

Corporate Banking (CB): Improved efficiency

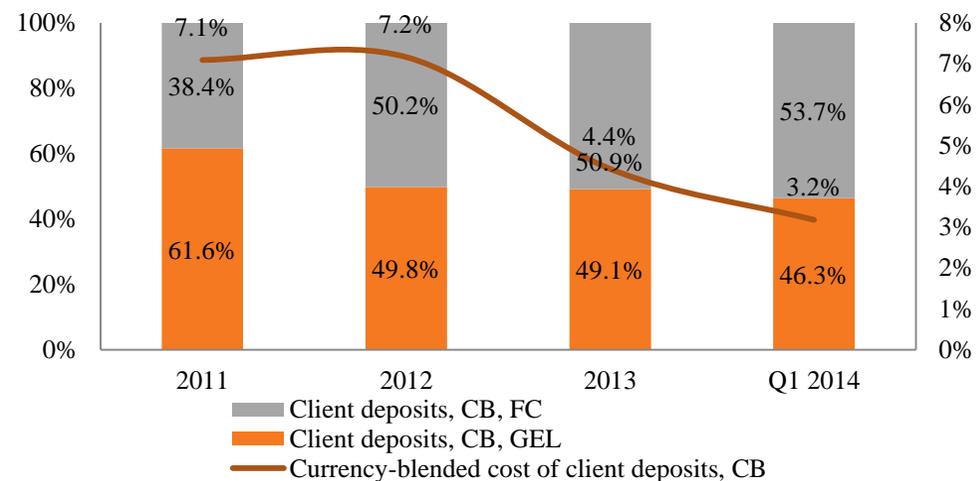
GEL thousands unless otherwise stated

	Q1 2014	Q1 2013	Change Y-O-Y	Q4 2013	Change Q-O-Q	2013	2012	Change Y-O-Y
Net interest income	24,607	25,177	-2.3%	27,723	-11.2%	103,967	92,276	12.7%
Net fee and commission income	5,722	6,436	-11.1%	6,470	-11.6%	27,318	28,701	-4.8%
Net gain from foreign currencies	6,326	5,518	14.6%	6,340	-0.2%	24,774	29,819	-16.9%
Other operating non-interest income	527	1,479	-64.4%	2,355	-77.6%	6,340	3,996	58.7%
Revenue	37,182	38,610	-3.7%	42,888	-13.3%	162,399	154,792	4.9%
Operating expenses	(11,468)	(12,366)	-7.3%	(12,314)	-6.9%	(44,202)	(51,323)	-13.9%
Operating income before cost of credit risk	25,714	26,244	-2.0%	30,574	-15.9%	118,197	103,469	14.2%
Cost of credit risk	(12,919)	(6,916)	86.8%	(7,902)	63.5%	(31,054)	(29,490)	5.3%
Net non-operating expenses	(223)	(253)	-11.9%	(1,351)	-83.5%	(2,690)	(8,415)	-68.0%
Profit before Income tax expense	12,572	19,075	-34.1%	21,321	-41.0%	84,453	65,564	28.8%
Income tax expense	(1,906)	(3,292)	-42.1%	(3,246)	-41.3%	(11,164)	(9,936)	12.4%
Profit	10,666	15,783	-32.4%	18,075	-41.0%	73,289	55,628	31.7%
Net loans, standalone	1,715,461	1,591,087	7.8%	1,819,171	-5.7%	1,819,171	1,696,325	7.2%
Letters of credit and guarantees, standalone	484,778	592,960	-18.2%	499,055	-2.9%	499,055	573,396	-13.0%
Client deposits, standalone	1,174,670	1,274,621	-7.8%	1,221,428	-3.8%	1,221,428	1,148,913	6.3%
Loan yield	10.8%	13.5%	-2.7%	11.6%	-0.8%	12.4%	13.9%	
Cost of deposits	3.2%	5.7%	-2.5%	2.7%	0.5%	4.4%	7.2%	

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

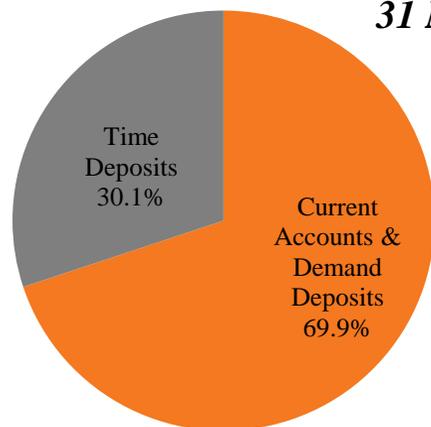
- Trade
- Energy
- Fast Moving Consumer Goods (FMCG)
- Real Estate
- Infrastructure
- Industry
- Pharmaceuticals & healthcare
- State
- Hospitality

Highlights

- ✦ No.1 corporate bank in Georgia
- ✦ Circa 30.4% market share based on client deposits¹ as of 31 March 2014
- ✦ Integrated client coverage in key sectors
- ✦ c.7,100 clients served by dedicated relationship bankers

Corporate banking client deposits consolidated, 31 March 2014

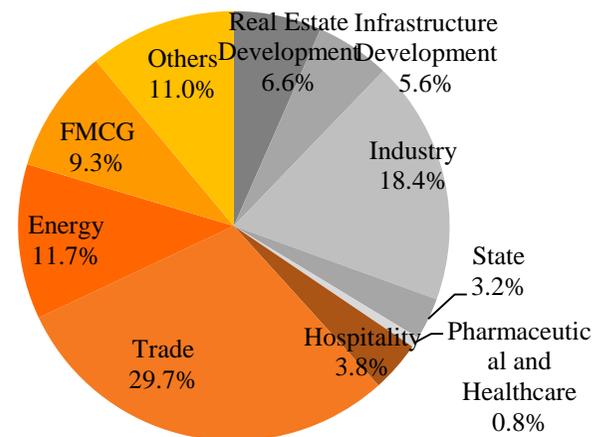
Total corporate deposits:
GEL 1,173.4



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

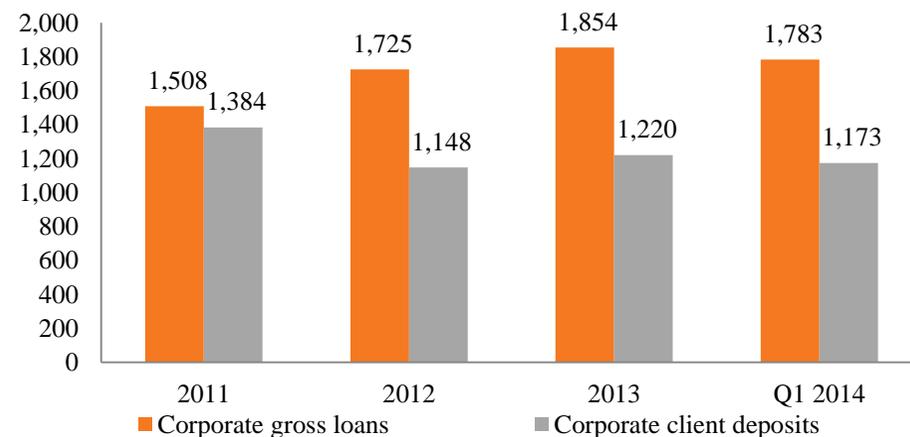
Corporate gross loan portfolio, standalone, 31 March 2014

Total gross loan portfolio
GEL 1,754 mln



Corporate gross loan and deposit growth, consolidated

GEL mln



Investment Management results overview

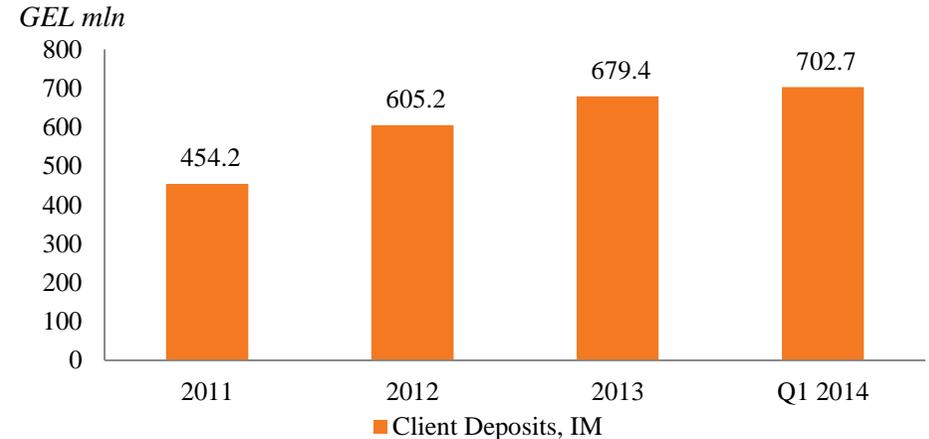
Highlights

- Strengthening presence internationally through representative offices in Israel (since 2008), the UK (2010) and Hungary (2012).
- Preparing to launch Mezzanine Fund, Renewable Energy Fund and Caucasus Money Market Fund
- Bank of Georgia Research unit, previously under Corporate Banking has moved under Investment Management. The unit has already initiated Macro Economic research as well as sector coverage of Energy, Tourism and Agricultural sectors and is gearing up for launching macro research.
- Successfully issued US\$8 million and EUR 8 million Euroclearable CDs in January 2014

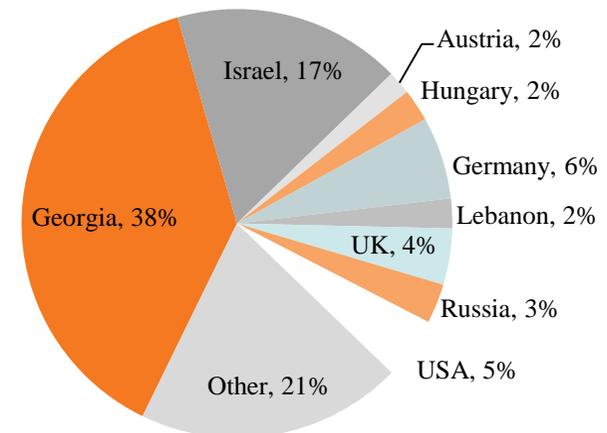
Bank of Georgia Research

- 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 impact of Russia-Ukraine standoff on the Georgian economy, the Georgian Wine Sector, Georgian Agricultural Sector, Georgian Electricity Sector, Georgian Oil and Gas Corporation, Georgian Railway, and issued notes on Georgian State Budget and the Tourism Sector as of the date of this report.

IM client deposits growth

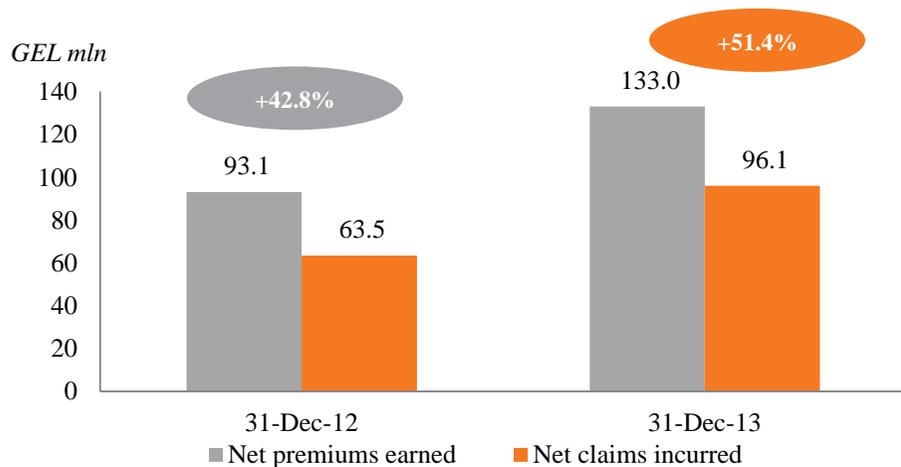


IM client geographical distribution

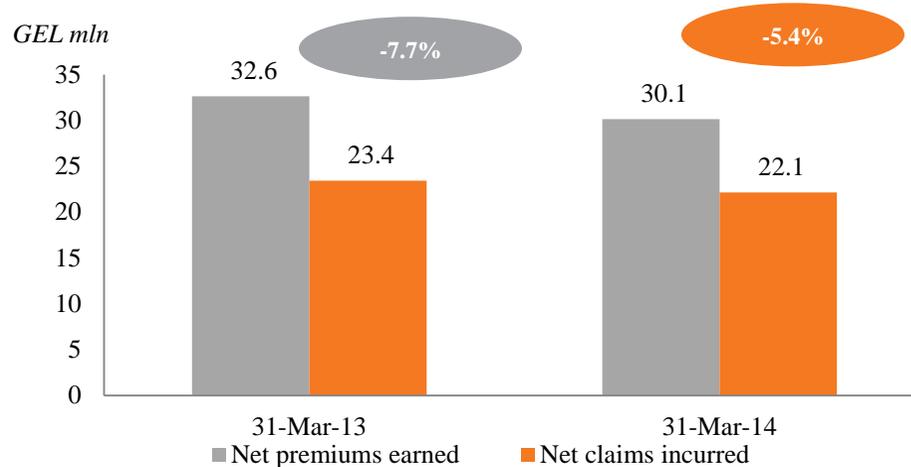


Insurance & healthcare

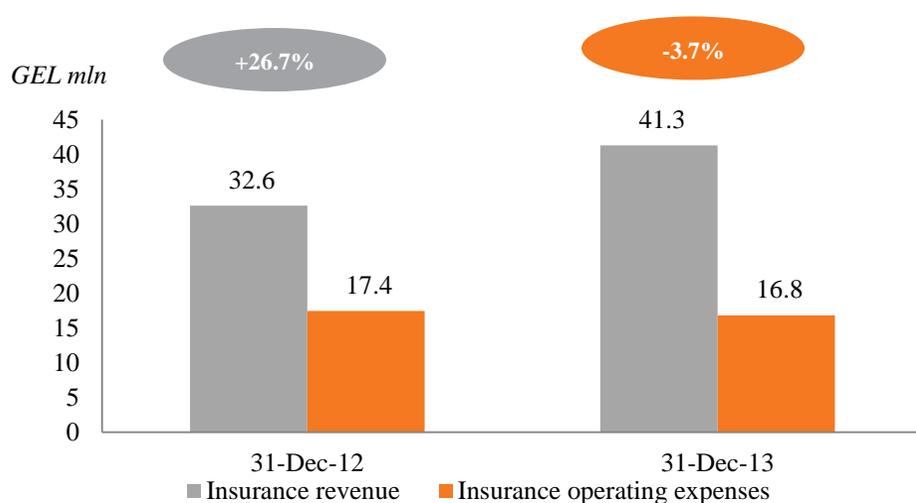
Net premiums earned & net claims incurred, annual



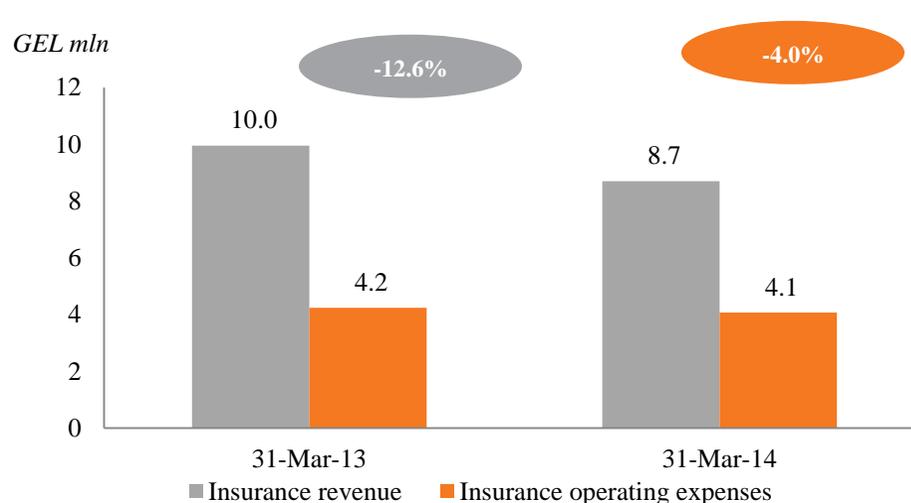
Net premiums earned & net claims incurred, quarterly



Insurance revenue and operating expenses, annual

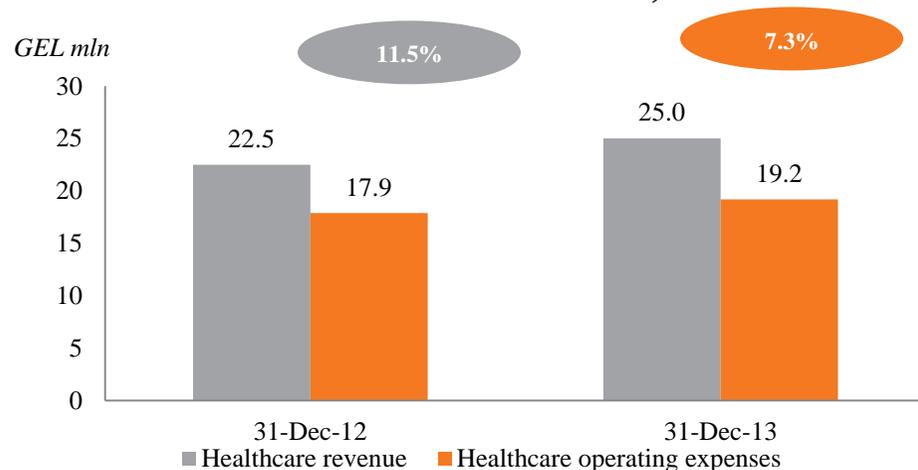


Insurance revenue and operating expenses, quarterly

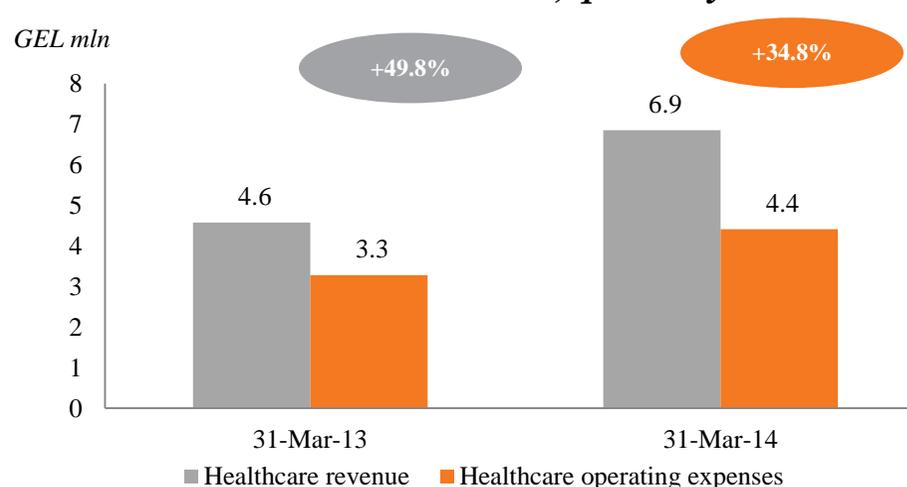


Insurance & healthcare

Healthcare revenue and costs*, annual



Healthcare revenue and costs, quarterly



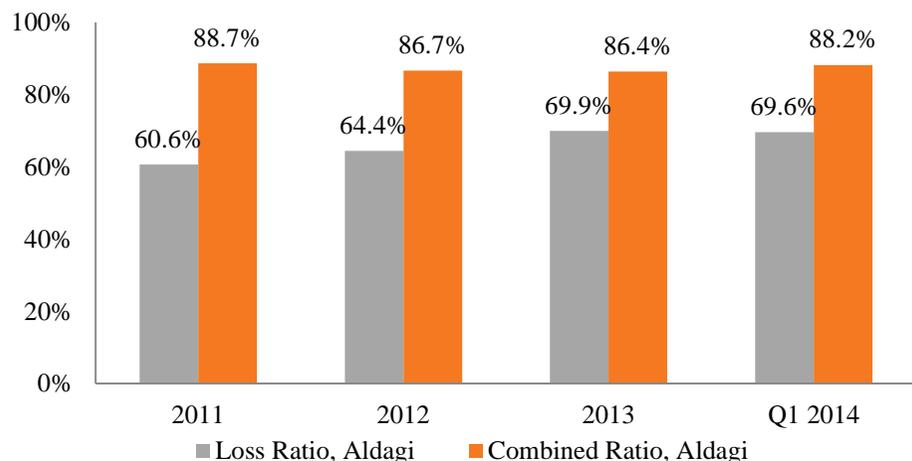
Clinics and beds by regions, March 2014

Region	Geography	Population mln persons	TOTAL Hospitals & Clinics		Referral & Specialty Hospitals		Community Clinic		Ambulatory
			Clinics	Beds	Hospitals	Beds	Hospitals	Bed	Clinic
Tbilisi	Capital	1.14	5	518	4	518	-	-	1
Imereti	West Georgia	0.69	7	454	3	389	4	65	-
Adjara	West Georgia	0.38	8	399	2	254	5	145	1
Samegrelo	West Georgia	0.47	8	295	1	150	6	145	1
Kakheti	East Georgia	0.40	4	110	1	70	2	40	1
Samtskhe	South-East Georgia	0.16	4	131	1	50	3	81	-
		3.24	36	1,907	12	1,431	20	476	4

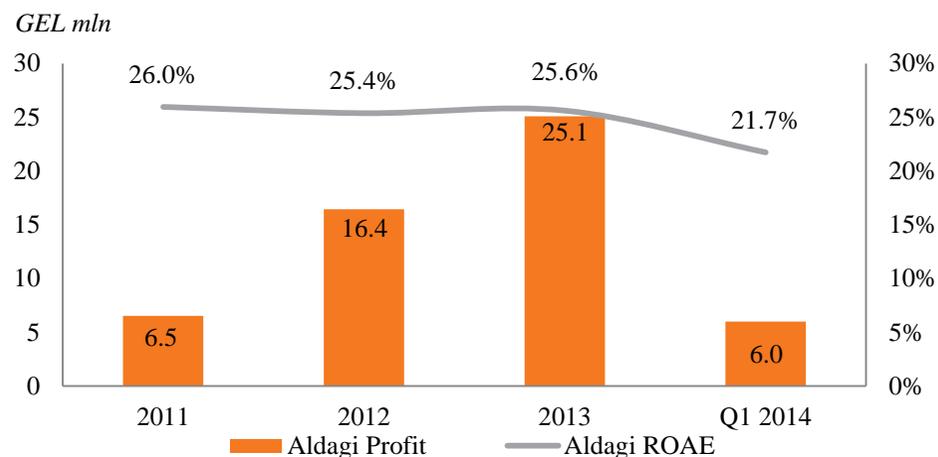
*Due to accounting reclassification, cost of healthcare services in 2013 include additional depreciation and utility expenses, which were presented in operating expenses in 2012. In the pro-forma chart, 2013 has been normalised for the additional net-offs.

Insurance and Healthcare (Aldagi), cont'd

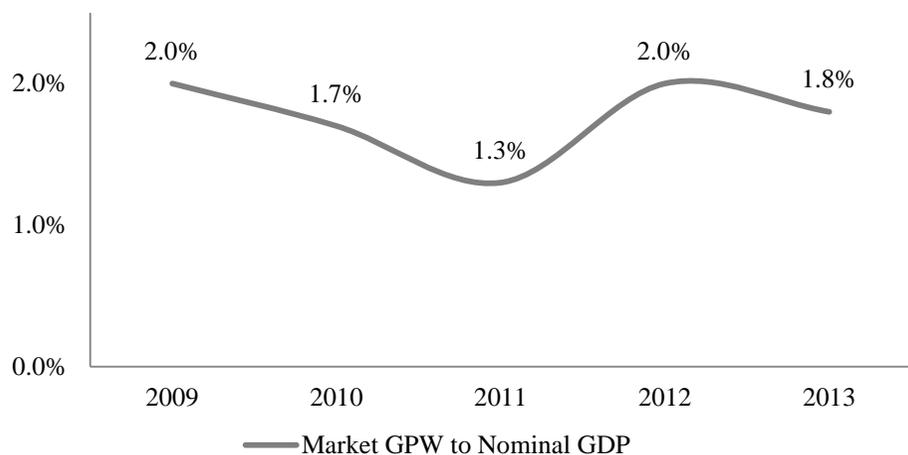
Loss ratio & combined ratio



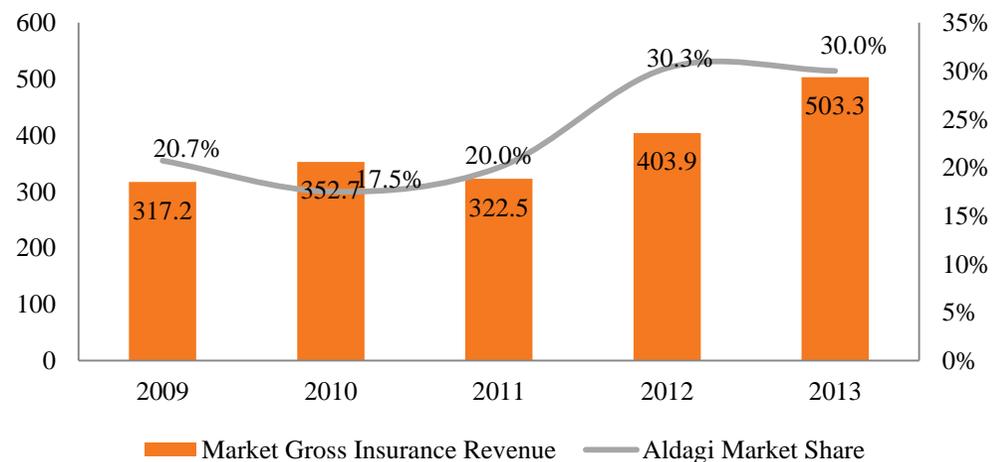
Aldagi Profits & ROAE



Market GPW to nominal GDP



Aldagi market share in total market*



* 2012 Aldagi market share includes Imedi L, which was acquired by Aldagi in 2012

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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



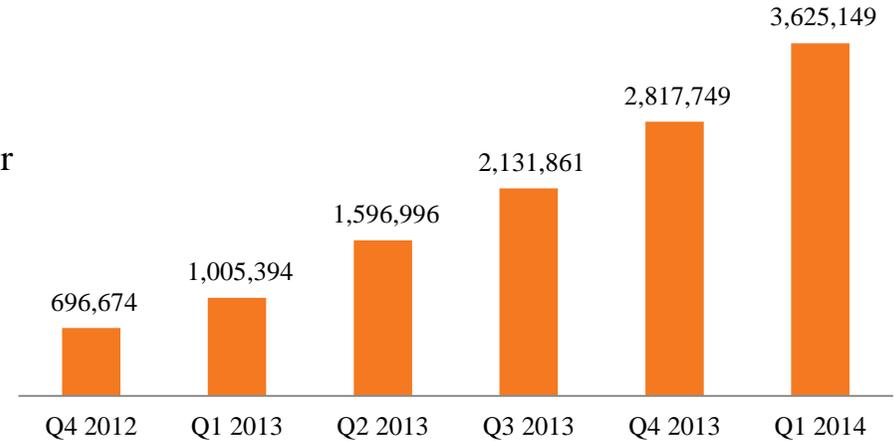
- Payments via cards and Express points
- P2P transactions between merchant and supplier
- Credit limit with 0% interest rate

Express Card

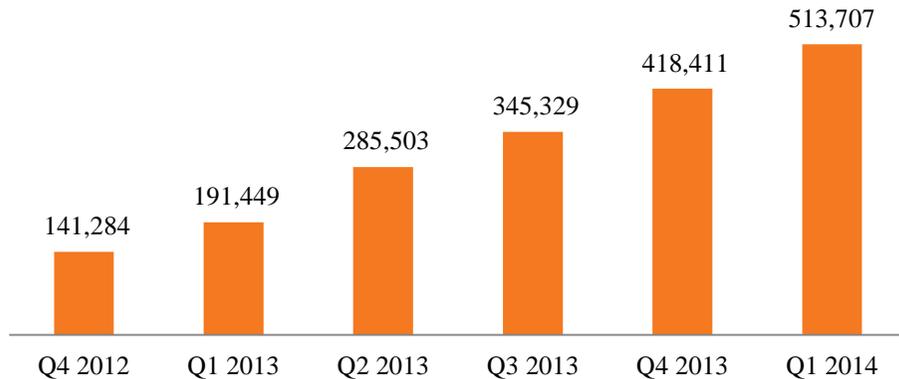


-  514K cards outstanding
-  Balance of GEL 49 mln
-  > 10 mln payments in transport per month

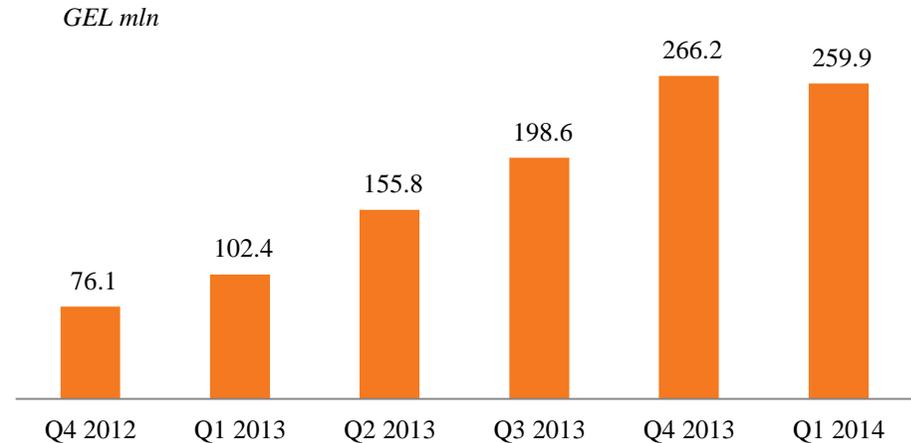
Number of transactions



Number of cards outstanding



Volume of transactions

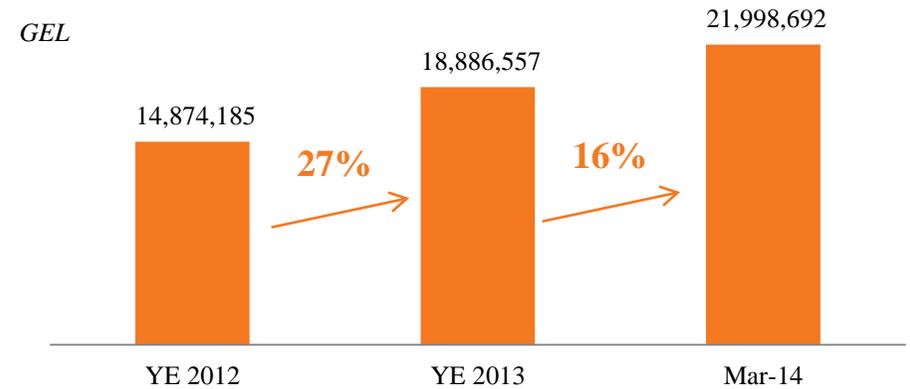


Express Branch



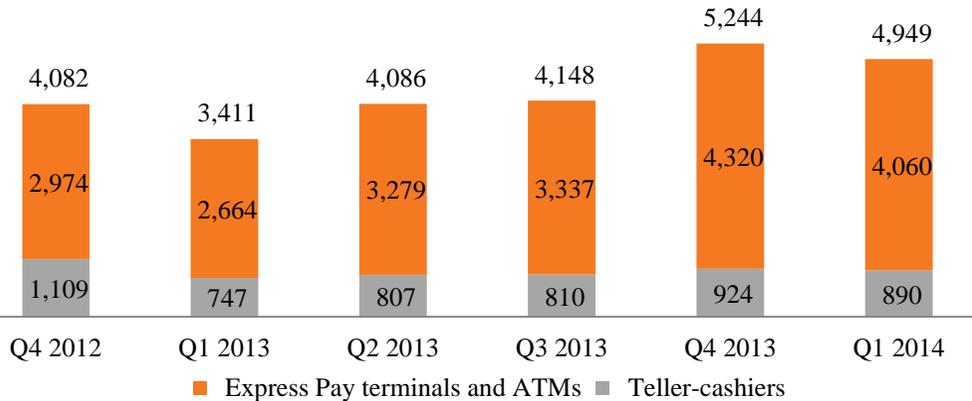
- 70 small format branches
- GEL 1.5 mln net profit per month
- Average capex per one express branch: US\$50K

Loan book



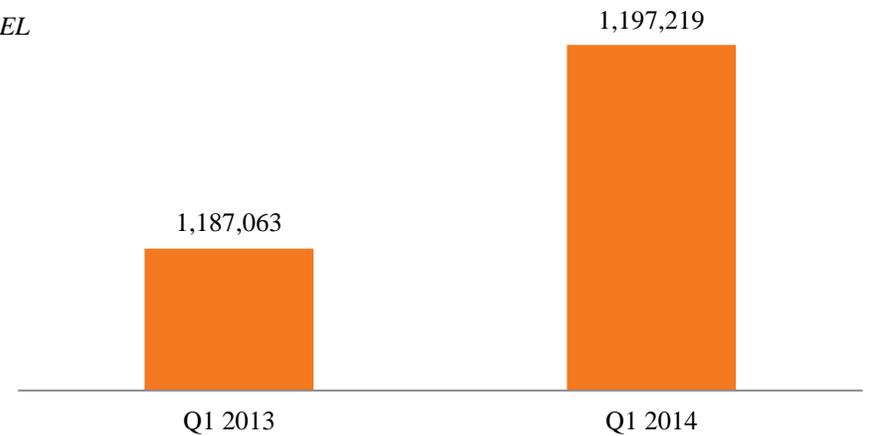
Number of transactions

Thousands



Fee income

GEL

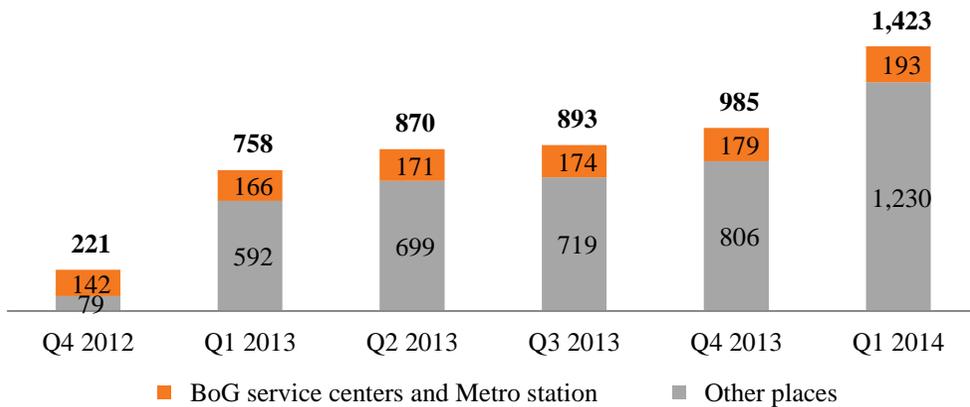


Express Pay Terminal

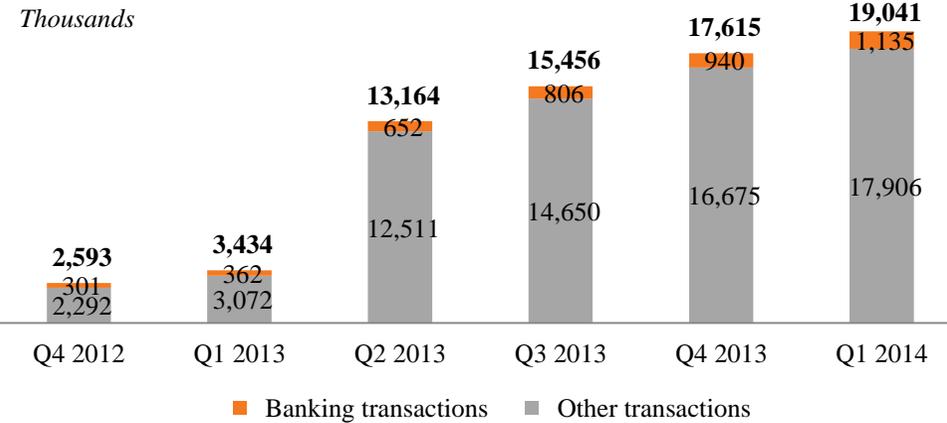


-  1,423 terminals
-  106 merchants and 182 services
-  Cost of one Express Pay Terminal: US\$2,500

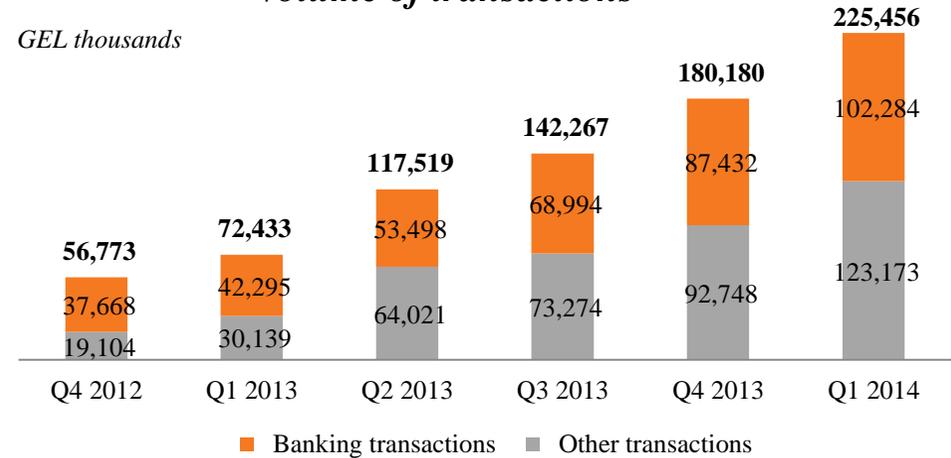
Number of Express Pay Terminals



Number of transactions



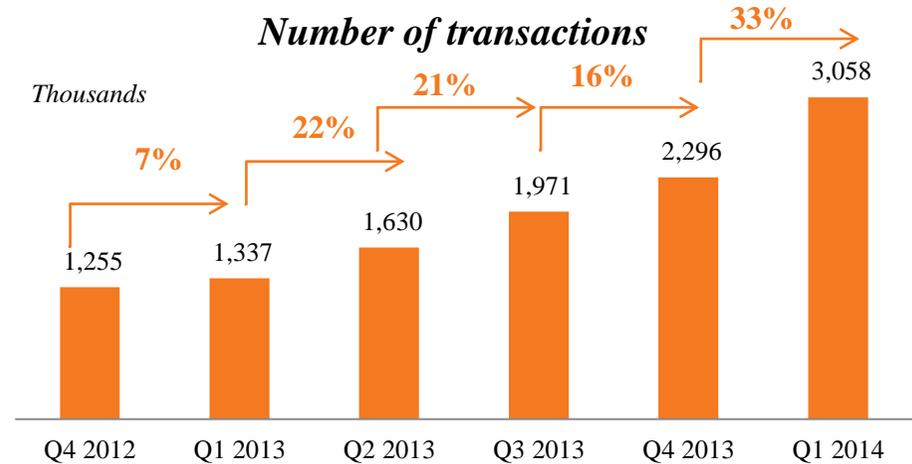
Volume of transactions



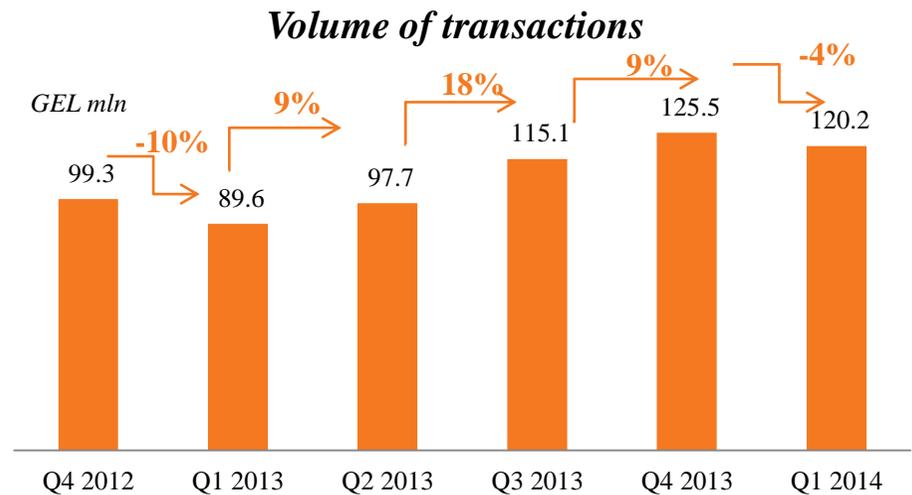
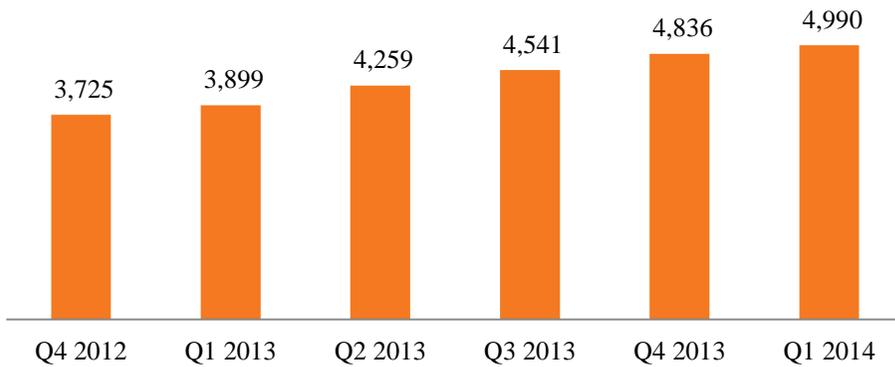
Express Merchant



-  4.8K POS Terminals
-  123 Tablet POS Terminals
-  >50% Market Share
-  Market Size – 10,000 Merchants



Number of POS Terminals

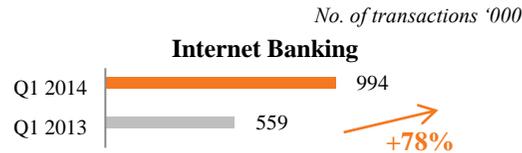




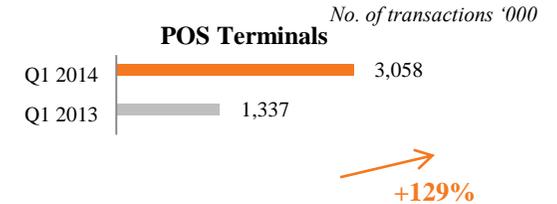
470,000+

A rise of distance channels

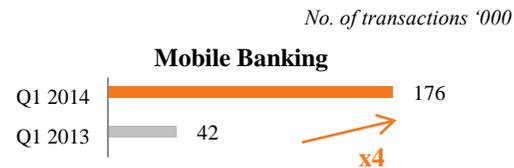
Internet banking: 57,500 active users



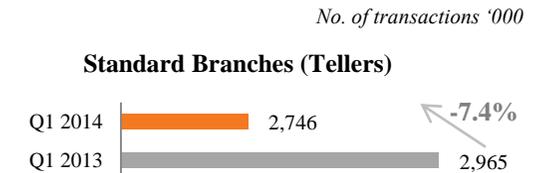
POS terminals: 5K throughout Georgia



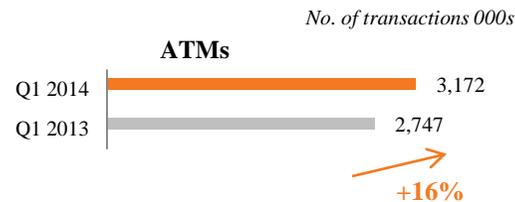
Mobile banking: 18,000 active users



Standard Branches (tellers): 203 branches



ATMs: 497 throughout Georgia



Digital corners



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

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Analyst coverage of Bank of Georgia Holdings PLC

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

Consensus Target Price: GBP 25

 HSBC	GBP 27.20	 Oriental Securities	GBP 23.00
 PANMURE GORDON & CO	GBP 30.00	 VTB Capital	GBP 24.50
 Numis	GBP 27.08	 Renaissance Capital	GBP 27.00
 Bank of America Merrill Lynch	GBP 21.50	 Visor Capital	GBP 19.77
 citi	GBP 24.50	 CANACCORD Genuity	GBP 24.00
 RBC Capital Markets	GBP 27.00	 PEEL HUNT	GBP 24.16

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2013- Income Statement

GEL thousands, unless otherwise noted	Dec-13	Dec-12	Change Y-O-Y
Loans to customers	522,847	509,339	2.7%
Investment securities	35,371	33,950	4.2%
Amounts due from credit institutions	8,423	15,813	-46.7%
Finance lease receivables	7,466	8,701	-14.2%
Interest income	574,107	567,803	1.1%
Amounts due to customers	(159,028)	(202,484)	-21.5%
Amounts due to credit institutions, of which:	(100,585)	(79,492)	26.5%
Eurobonds	(35,424)	(16,010)	121.3%
Subordinated debt	(22,394)	(21,883)	2.3%
Loans and deposits from other banks	(42,767)	(41,599)	2.8%
Interest expense	(259,613)	(281,976)	-7.9%
Net interest income before interest rate swaps	314,494	285,827	10.0%
Net loss from interest rate swaps	(398)	(1,710)	-76.7%
Net interest income	314,096	284,117	10.6%
Fee and commission income	115,106	109,278	5.3%
Fee and commission expense	(28,210)	(22,791)	23.8%
Net fee and commission income	86,896	86,487	0.5%
Net insurance premiums earned	129,993	91,176	42.6%
Net insurance claims incurred	(84,660)	(57,038)	48.4%
Net insurance revenue	45,333	34,138	32.8%
Healthcare revenue	60,013	54,376	10.4%
Cost of healthcare services	(37,644)	(31,030)	21.3%
Net healthcare revenue	22,369	23,346	-4.2%
Net gain from trading and investment securities	3,097	2,308	34.2%
Net gain from revaluation of investment property	9,788	-	-
Net gain from foreign currencies	43,512	49,571	-12.2%
Other operating income	20,363	18,288	11.3%
Other operating non-interest income	76,760	70,167	9.4%
Revenue	545,454	498,255	9.5%
Salaries and other employee benefits	(135,065)	(122,556)	10.2%
General and administrative expenses	(60,364)	(67,041)	-10.0%
Depreciation and amortisation expenses	(26,572)	(28,606)	-7.1%
Other operating expenses	(3,564)	(2,949)	20.9%
Operating expenses	(225,565)	(221,152)	2.0%
Operating income before cost of credit risk	319,889	277,103	15.4%
Cost of credit risk	(61,802)	(44,717)	38.2%
Net operating income	258,087	232,386	11.1%
Net non-operating expenses	(12,831)	(19,634)	-34.6%
Profit before Income tax expense	245,256	212,752	15.3%
Income tax expense	(35,913)	(33,200)	8.2%
Profit	209,343	179,552	16.6%
Attributable to:			
- shareholders of the Group	201,490	174,437	15.5%
- non-controlling interests	7,853	5,115	53.5%
Earnings per share (basic)	5.93	5.22	13.6%
Earnings per share (diluted)	5.93	5.17	14.7%

Q1 2014 Income Statement

GEL thousands, unless otherwise noted	Q1 2014 Unaudited	Q1 2013 Unaudited	Change Y-O-Y	Q4 2013 Unaudited	Change Q-O-Q
Loans to customers	130,414	129,458	0.7%	133,354	-2.2%
Investment securities	8,519	8,007	6.4%	8,148	4.6%
Amounts due from credit institutions	2,038	2,615	-22.1%	1,745	16.8%
Finance lease receivables	2,260	1,500	50.7%	2,570	-12.1%
Interest income	143,231	141,580	1.2%	145,817	-1.8%
Amounts due to customers	(34,384)	(43,918)	-21.7%	(35,624)	-3.5%
Amounts due to credit institutions, of which:	(16,244)	(17,013)	-4.5%	(15,511)	4.7%
Subordinated debt	(3,356)	(6,220)	-46.0%	(5,456)	-38.5%
Loans and deposits from other banks	(12,888)	(10,793)	19.4%	(10,055)	28.2%
Debt securities issued, of which:	(12,899)	(7,977)	61.7%	(11,020)	17.1%
Eurobonds	(12,734)	(7,977)	59.6%	(11,020)	15.6%
Other	(165)	-	-	-	-
Interest expense	(63,527)	(68,908)	-7.8%	(62,155)	2.2%
Net interest income before interest rate swaps	79,704	72,672	9.7%	83,662	-4.7%
Net loss from interest rate swaps	-	(76)	-100.0%	(95)	-100.0%
Net interest income	79,704	72,596	9.8%	83,567	-4.6%
Fee and commission income	28,078	26,562	5.7%	31,200	-10.0%
Fee and commission expense	(8,158)	(6,066)	34.5%	(8,099)	0.7%
Net fee and commission income	19,920	20,496	-2.8%	23,101	-13.8%
Net insurance premiums earned	29,390	31,744	-7.4%	34,012	-13.6%
Net insurance claims incurred	(19,684)	(20,018)	-1.7%	(23,799)	-17.3%
Net insurance revenue	9,706	11,726	-17.2%	10,213	-5.0%
Healthcare revenue	22,748	13,070	74.0%	18,268	24.5%
Cost of healthcare services	(14,951)	(9,179)	62.9%	(9,915)	50.8%
Net healthcare revenue	7,797	3,891	100.4%	8,353	-6.7%
Net gain from trading and investment securities	88	1,284	-93.1%	279	-68.5%
Net gain from revaluation of investment property	-	-	-	2,078	-100.0%
Net gain from foreign currencies	10,889	9,452	15.2%	9,631	13.1%
Other operating income	9,376	3,531	165.5%	7,219	29.9%
Other operating non-interest income	20,353	14,267	42.7%	19,207	6.0%
Revenue	137,480	122,976	11.8%	144,441	-4.8%
Salaries and other employee benefits	(35,808)	(32,501)	10.2%	(35,627)	0.5%
General and administrative expenses	(15,490)	(14,057)	10.2%	(17,142)	-9.6%
Depreciation and amortisation expenses	(6,874)	(6,593)	4.3%	(6,682)	2.9%
Other operating expenses	(1,014)	(729)	39.1%	(1,547)	-34.5%
Operating expenses	(59,186)	(53,880)	9.8%	(60,998)	-3.0%
Operating income before cost of credit risk	78,294	69,096	13.3%	83,443	-6.2%
Cost of credit risk	(13,316)	(17,278)	-22.9%	(9,999)	33.2%
Net operating income	64,978	51,818	25.4%	73,444	-11.5%
Net non-operating expenses	(1,120)	(1,365)	-17.9%	(5,960)	-81.2%
Profit before income tax expense	63,858	50,453	26.6%	67,484	-5.4%
Income tax expense	(10,194)	(8,456)	20.6%	(11,840)	-13.9%
Profit	53,664	41,997	27.8%	55,644	-3.6%
Attributable to:					
– shareholders of the Group	51,925	40,597	27.9%	53,645	-3.2%
– non-controlling interests	1,739	1,400	24.2%	1,999	-13.0%
Earnings per share (basic, diluted)	1.51	1.19	26.9%	1.58	-4.4%

31 March 2014 – Balance Sheet

GEL thousands, unless otherwise noted	Mar-14 Unaudited	Mar-13 Audited	Change Y-O-Y	Dec-13 Unaudited	Change Q-O-Q
Cash and cash equivalents	979,498	696,590	40.6%	1,053,671	-7.0%
Amounts due from credit institutions	379,255	349,196	8.6%	347,261	9.2%
Investment securities	601,128	511,450	17.5%	519,623	15.7%
Loans to customers and finance lease receivables	3,489,252	2,954,724	18.1%	3,522,915	-1.0%
Investments in associates	-	2,441	-100.0%	-	-
Investment property	154,847	163,458	-5.3%	157,707	-1.8%
Property and equipment	516,731	439,941	17.5%	470,669	9.8%
Goodwill	48,720	45,657	6.7%	48,720	0.0%
Intangible assets	27,873	22,916	21.6%	26,434	5.4%
Income tax assets	27,772	17,889	55.2%	19,096	45.4%
Prepayments	35,735	32,219	10.9%	25,534	40.0%
Other assets	358,964	297,377	20.7%	329,339	9.0%
Total assets	6,619,775	5,533,858	19.6%	6,520,969	1.5%
Amounts due to customers, of which:	3,065,536	2,817,677	8.8%	3,117,732	-1.7%
Client deposits	3,037,120	2,807,064	8.2%	3,107,209	-2.3%
Promissory notes	28,416	10,613	167.7%	10,523	170.0%
Amounts due to credit institutions	1,206,818	936,673	28.8%	1,157,979	4.2%
Debt securities issued	734,771	418,353	75.6%	728,117	0.9%
Income tax liabilities	96,384	55,447	73.8%	69,030	39.6%
Provisions	2,289	991	131.0%	481	NMF
Other liabilities	226,950	194,902	16.4%	206,576	9.9%
Total liabilities	5,332,748	4,424,043	20.5%	5,279,915	1.0%
Additional paid-in capital	26,827	19,765	35.7%	23,843	12.5%
Treasury shares	(42)	(47)	-10.6%	(56)	-25.0%
Other reserves	(39,222)	14,421	NMF	(16,399)	139.2%
Retained earnings	1,229,995	1,022,301	20.3%	1,174,124	4.8%
Total equity attributable to shareholders of the Group	1,218,601	1,057,345	15.3%	1,182,540	3.0%
Non-controlling interests	68,426	52,470	30.4%	58,514	16.9%
Total equity	1,287,027	1,109,815	16.0%	1,241,054	3.7%
Total liabilities and equity	6,619,775	5,533,858	19.6%	6,520,969	1.5%
Book value per share	35.35	31.04	13.9%	34.85	1.4%

Aldagi Income Statement

GEL thousands, unless otherwise noted	Q1 2014	Q1 2013	Change, Y-O-Y	Q4 2013	Change, Q-O-Q
Revenue, Gross	58,456	49,281	18.6%	60,377	-3.2%
Insurance premiums revenue ceded to reinsurers	(3,964)	(2,294)	72.8%	(7,003)	-43.4%
Net Revenue	54,492	46,987	16.0%	53,374	2.1%
Net insurance claims expenses / COGS	(33,126)	(28,035)	18.2%	(32,310)	2.5%
Net commission expense	(1,674)	(1,403)	19.3%	(1,841)	-9.1%
Net underwriting profit / gross profit	19,692	17,549	12.2%	19,223	2.4%
Other operating income	370	640	-42.2%	575	-35.7%
Total recurring operating expenses	(8,774)	(7,934)	10.6%	(6,679)	31.4%
EBITDA	11,288	10,255	10.1%	13,119	-14.0%
Foreign exchange loss	(297)	(424)	-30.0%	(2,588)	-88.5%
Depreciation and amortization expenses	(1,905)	(1,430)	33.2%	(1,816)	4.9%
Net interest expense	(2,743)	(2,219)	23.6%	(2,465)	11.3%
Non-recurring income (expense)	545	(27)	NMF	1,653	-67.0%
Pre-tax income	6,888	6,155	11.9%	7,903	-12.8%
Income tax expense	(899)	(926)	-2.9%	(1,145)	-21.5%
Net income	5,989	5,229	14.5%	6,758	-11.4%
Attributable to:					
- shareholders of the Company	5,313	4,386	21.1%	6,038	-12.0%
- non-controlling interest	676	843	-19.8%	720	-6.1%

Key Ratios

	Dec-13	Dec-12
Profitability		
ROAA, ¹	3.6%	3.5%
ROAE, ²	18.6%	19.1%
Net Interest Margin, ³	7.8%	7.9%
Loan Yield, ⁴	16.2%	17.5%
Cost of Funds, ⁵	5.9%	7.3%
Cost of Client Deposits,	5.6%	7.3%
Cost of Amounts Due to Credit Institutions,	6.6%	7.2%
Operating Leverage, Y-O-Y ⁶	7.5%	9.6%
Efficiency		
Cost / Income ⁷	41.4%	44.4%
Liquidity		
NBG Liquidity Ratio ⁸	45.7%	41.1%
Liquid Assets To Total Liabilities ⁹	36.4%	35.3%
Net Loans To Customer Funds	113.0%	114.8%
Net Loans To Customer Funds + DFIs	96.2%	91.9%
Leverage (Times) ¹⁰	4.3	4.3
Asset Quality:		
NPLs (in GEL)	144,917	126,337
NPLs To Gross Loans To Clients	4.0%	3.9%
NPL Coverage Ratio ¹¹	83.8%	87.5%
NPL Coverage Ratio, Adjusted for discounted value of collateral ¹²	110.6%	112.7%
Cost of Risk, ¹³	1.4%	1.3%
Capital Adequacy:		
BIS Tier I Capital Adequacy Ratio, Consolidated ¹⁴	23.0%	21.2%
BIS Total Capital Adequacy Ratio, Consolidated ¹⁵	27.1%	26.2%
NBG Tier I Capital Adequacy Ratio ¹⁶	14.4%	13.8%
NBG Total Capital Adequacy Ratio ¹⁷	15.4%	16.2%
Per Share Values:		
Basic EPS (GEL) ¹⁸	5.93	5.22
Diluted EPS (GEL)	5.93	5.17
Book Value Per Share (GEL) ¹⁹	34.85	30.33
Ordinary Shares Outstanding - Weighted Average, Basic ²⁰	33,983,014	33,405,181
Ordinary Shares Outstanding - Weighted Average, Diluted ²¹	33,983,014	33,931,562
Ordinary Shares Outstanding - Period End, Basic	33,936,007	33,332,636
Treasury Shares Outstanding - Period End	(1,973,376)	(2,576,747)
Selected Operating Data:		
Full Time Employees, Group, Of Which:	11,711	11,095
- Full Time Employees, BOG Stand-Alone	3,574	3,734
- Full Time Employees, Aldagi BCI Insurance	579	515
- Full Time Employees, Aldagi BCI Healthcare	6,316	5,749
- Full Time Employees, BNB	392	323
- Full Time Employees, Other	850	774
Total Assets Per FTE, BOG Stand-Alone (in GEL thousands)	1,825	1,515
Number Of Active Branches, Of Which:	202	194
- Flagship Branches	34	34
- Standard Branches	100	97
- Express Branches (including Metro)	68	63
Number Of ATMs	496	478
Number Of Cards Outstanding, Of Which:	975,647	825,500
- Debit cards	857,734	718,239
- Credit cards	117,913	107,261
Number Of POS Terminals	4,836	3,725

Q1 2014 - Key Ratios

	Q1 2014	Q1 2013	Q4 2013
Profitability			
ROAA, Annualised ¹	3.3%	3.1%	3.6%
ROAE, Annualised ²	17.7%	15.9%	18.6%
Net Interest Margin, Annualised ³	7.3%	7.6%	7.9%
Loan Yield, Annualised ⁴	14.8%	16.9%	15.6%
Cost of Funds, Annualised ⁵	5.1%	6.7%	5.3%
Cost of Client Deposits, annualised	4.6%	6.4%	4.8%
Cost of Amounts Due to Credit Institutions, annualised	5.3%	6.8%	5.6%
Cost of Debt Securities Issued	7.1%	7.8%	7.7%
Operating Leverage, Y-O-Y ⁶	1.9%	4.9%	-0.4%
Efficiency			
Cost / Income ⁷	43.1%	43.8%	42.2%
Liquidity			
NBG Liquidity Ratio ⁸	43.5%	44.1%	45.7%
Liquid Assets To Total Liabilities ⁹	36.8%	35.2%	36.4%
Net Loans To Customer Funds	113.8%	104.9%	113.0%
Net Loans To Customer Funds + DFIs ¹⁰	96.4%	85.2%	96.2%
Leverage (Times) ¹¹	4.1	4.0	4.3
Asset Quality:			
NPLs (in GEL)	138,477	131,631	144,917
NPLs To Gross Loans To Clients	3.8%	4.3%	4.0%
NPL Coverage Ratio ¹²	92.0%	86.5%	83.8%
NPL Coverage Ratio, Adjusted for discounted value of collateral ¹³	121.4%	111.1%	110.6%
Cost of Risk, Annualised ¹⁴	1.0%	1.4%	0.9%
Capital Adequacy:			
BIS Tier I Capital Adequacy Ratio, Consolidated ¹⁵	23.8%	23.2%	23.0%
BIS Total Capital Adequacy Ratio, Consolidated ¹⁶	27.8%	28.2%	27.1%
NBG Tier I Capital Adequacy Ratio ¹⁷	16.4%	16.8%	14.4%
NBG Total Capital Adequacy Ratio ¹⁸	15.5%	17.1%	15.4%
Per Share Values:			
Basic EPS (GEL) ¹⁹	1.51	1.19	1.58
Diluted EPS (GEL)	1.51	1.19	1.58
Book Value Per Share (GEL) ²⁰	35.35	31.04	34.85
Ordinary Shares Outstanding - Weighted Average, Basic ²¹	34,470,332	34,061,344	33,940,021
Ordinary Shares Outstanding - Weighted Average, Diluted ²²	34,470,332	34,061,344	33,940,021
Ordinary Shares Outstanding - Period End, Basic ²³	34,470,332	34,061,344	33,936,007
Treasury Shares Outstanding - Period End ²⁴	(1,439,051)	(1,848,039)	(1,973,376)
Selected Operating Data:			
Full Time Employees, Group, Of Which:	13,612	11,515	11,711
- Full Time Employees, BOG Stand-Alone	3,561	3,750	3,574
- Full Time Employees, Aldagi BCI Insurance	573	625	579
- Full Time Employees, Aldagi BCI Healthcare	8,227	6,013	6,316
- Full Time Employees, BNB	410	332	392
- Full Time Employees, Other	841	795	850
Total Assets Per FTE, BOG Stand-Alone (in GEL thousands)	1,859	1,476	1,825
Number Of Active Branches, Of Which:	203	194	202
- Flagship Branches	34	34	34
- Standard Branches	99	98	100
- Express Branches (including Metro)	70	62	68
Number Of ATMs	497	479	496
Number Of Cards Outstanding, Of Which:	1,015,702	838,610	975,647
- Debit cards	897,856	727,019	857,734
- Credit cards	117,846	111,591	117,913
Number Of POS Terminals	4,990	3,899	4,836

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 derivatives) divided by monthly average interest-earning assets for the same period
- 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 the National Bank of Georgia;
- 18 NBG Total Capital Adequacy Ratio equals Total Capital divided by Risk Weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia;
- 19 Basic EPS equals Profit for the period attributable to shareholders of the Bank divided by the weighted average number of outstanding ordinary shares, net of treasury shares over the same period;
- 20 Book Value per share equals Total Equity attributable to shareholders of the Bank divided by Net Ordinary Shares Outstanding at period end; Net Ordinary Shares Outstanding equals total number of Ordinary Shares Outstanding at period end less number of Treasury Shares at period end;
- 21 Weighted average number of ordinary shares equal average of monthly outstanding number of shares less monthly outstanding number of treasury shares;
- 22 Weighted average number of diluted ordinary shares equals weighted average number of ordinary shares plus weighted average number of dilutive shares during the same period;
- 23 Number of outstanding ordinary shares at period end;
- 24 Number of outstanding ordinary shares at period end less number of treasury shares;
- 25 Average Interest Earning Assets are calculated on a monthly basis; Interest Earning Assets Excluding Cash include: Amounts Due From Credit Institutions, Debt Investment and Trading Securities and Net Loans To Customers And Net Finance Lease Receivables;
- 26 Recurring Earning Power equals Operating Income Before Cost of Credit Risk for the period divided by monthly average Total Assets of the same period;
- 27 Reserve For Loan Losses To Gross Loans equals Allowance For Impairment Of Loans To Customers And Finance Lease Receivables divided by Gross Loans And Finance Lease Receivables;
- 28 Loss ratio is defined as net insurance claims incurred divided by net insurance premiums earned;
- 29 Combined ratio is sum of net insurance claims incurred and operating expenses divided by net insurance premiums earned.

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Forward Looking Statements

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

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