

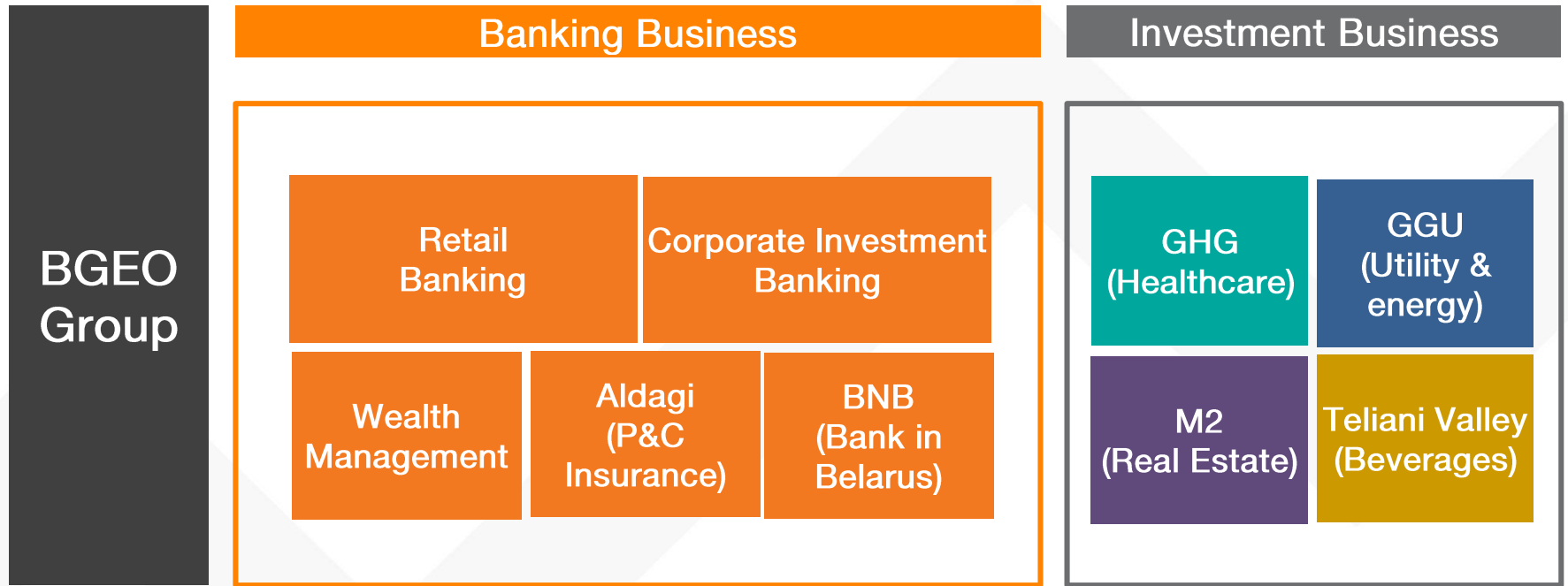
CAPTURING GROWTH OPPORTUNITIES

Investor Presentation: 3Q16 & 9M16 results

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 similar meaning. Undue reliance should not be placed on any such statement 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 BGEO Group plc and its subsidiaries (the "BGEO Group")'s plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

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

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business	48
Georgian Macro Overview	81
Appendices	102



Data as of 30 September, 2016
unless otherwise stated

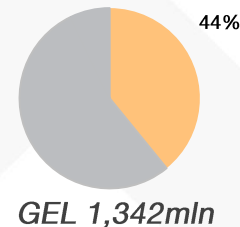
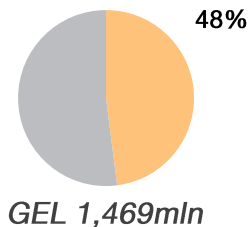
GEL 3,060mln¹

Banking Business

Investment Business

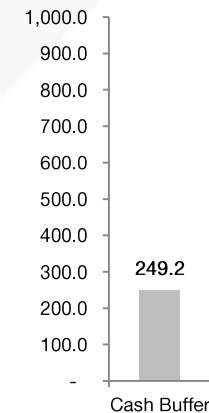
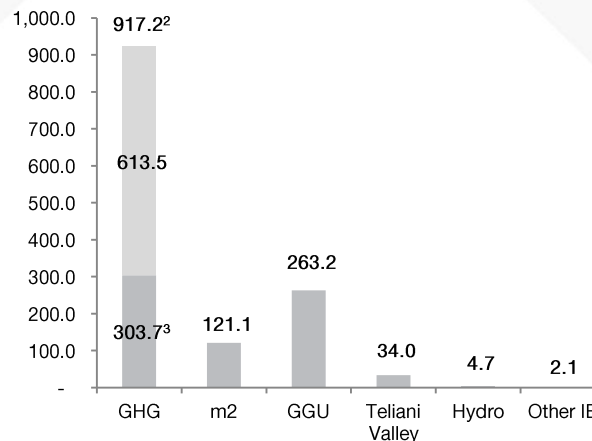
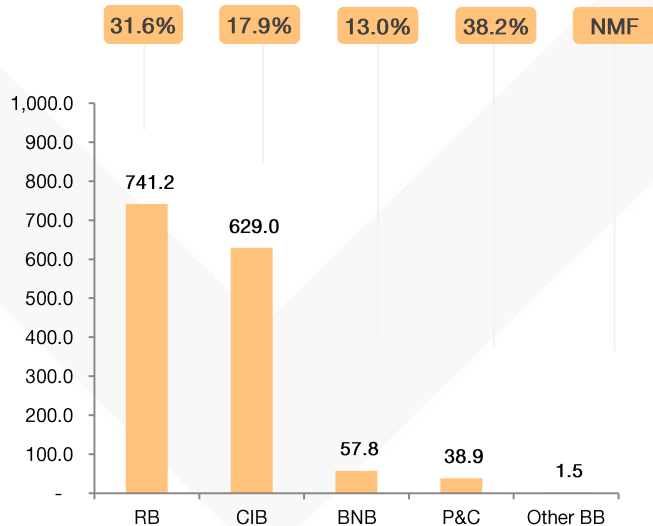
Cash buffer

At a glance



Capital allocation

3Q ROAE
Amount (GEL millions)



1) Comprises the sum of the following three items: the equity attributable to shareholders of BGEO of GEL 2,142.6mln, GHG market value adjustment of GEL 613.5mln and long term financing of GEL 303.9mln
 2) GHG market value as of November 8, 2016
 3) GHG Equity attributable to shareholders of the BGEO Group

BGEO PROFIT CONTRIBUTION



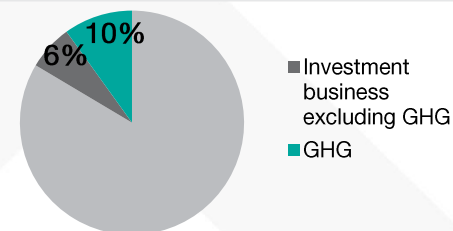
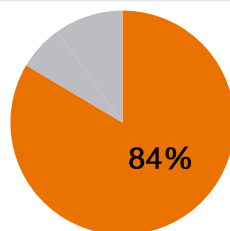
Data as of 30 September, 2016
unless otherwise stated

At a glance

GEL 280.2mln

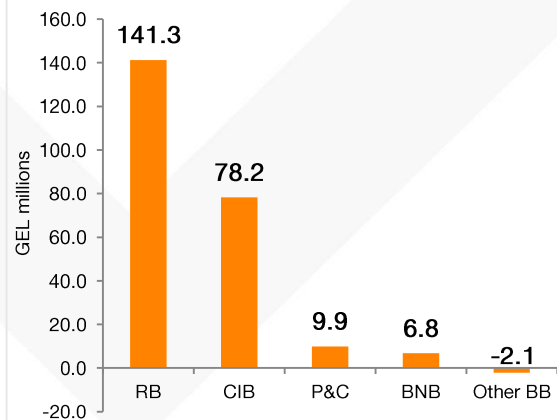
Banking Business

Investment Business

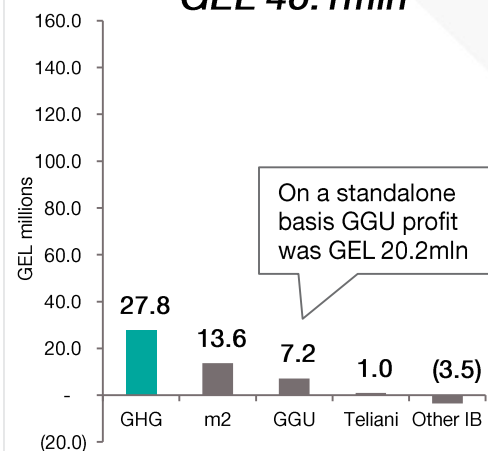


By businesses

GEL 234.1mln

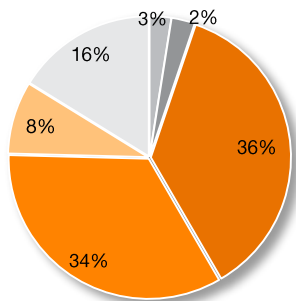


GEL 46.1mln



BGEO shareholder structure

As of 30 September 2016



- Unvested and unawarded shares for management and employees
- Vested shares held by management and employees
- UK/Ireland
- US/Canada
- Scandinavia
- Others

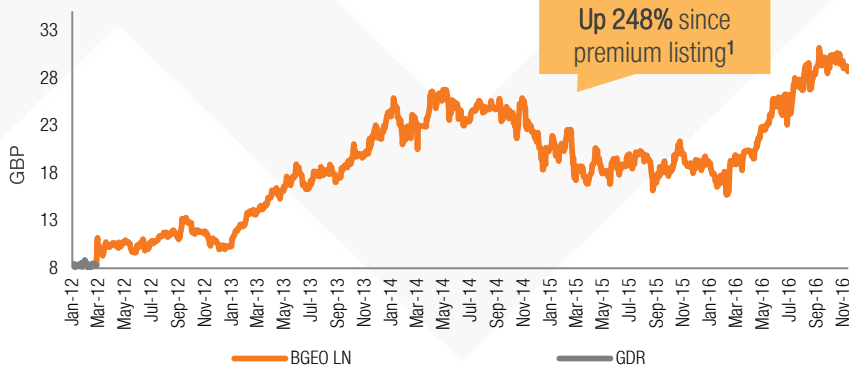
BGEO has been included in the FTSE 250 and FTSE All-share Index Funds since 18 June 2012

BGEO top shareholders

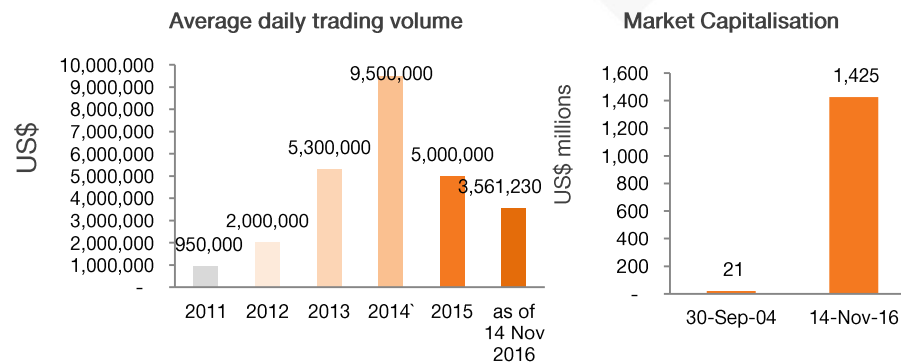
As of 30 September 2016

Rank	Shareholder name	Ownership %
1	Harding Loevner Management LP	9.68
2	Schroders Investment Management	6.16
3	Artemis Investment Management	4.69
4	Westwood International Advisors	3.63
5	JP Morgan Asset Management	3.02

BGEO share price performance



X62 growth in market capitalisation²



¹Share price change calculated from the last price of BGEO LI on 27 February 2012 to the price of BGEO LN on 14th November 2016

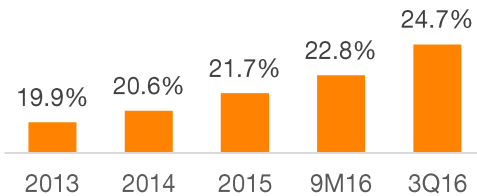
²Market capitalisation for BGEO Group PLC, the Bank's holding company, as of 9th August 2016, GBP/USD exchange rate of 1.3073

We are a Georgia Focused INVESTMENT PLATFORM

Banking Business

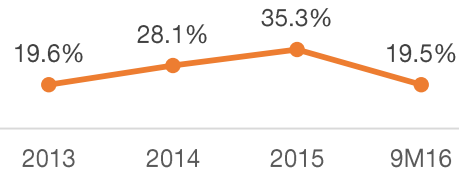
1

ROE
20%+



2

Retail loan
book growth
20%+



Investment Business

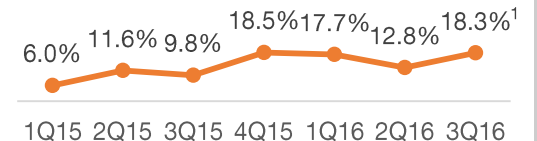
3

Min. IRR
of 20%

121% IRR from GHG IPO
75% IRR from m2 Real Estate projects

4

Profit
up to 20%

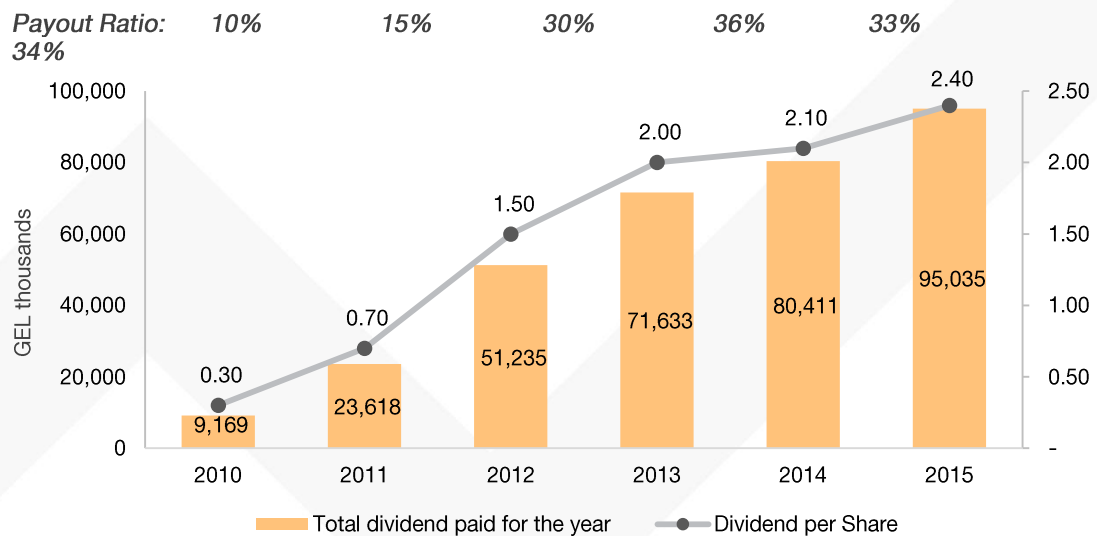


¹ Excluding deferred tax adjustments, gain from bargain purchase of GGU and other net non-recurring items. Including the deferred tax adjustments and other net non-recurring items, the Investment Business contributed GEL 51.8mln or 36.6% to the Group's profit in 3Q16, up from GEL 7.5mln and GEL 36.5mln in 3Q15 and 2Q16, respectively. For the nine month, the contribution was GEL 105.7mln or 31.1% to the Group's profits, up from GEL 21.6mln in 9M15

Solid regular dividend and capital return track record

Regular dividends

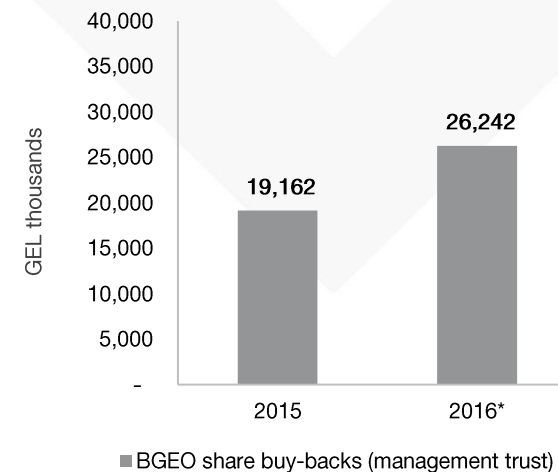
Regular dividends: GEL 331.1mln cash dividend paid since 2010
DPS CAGR'10-15: 51.6%



Capital return

Capital return: GEL 45.4mln share buy-backs since 2015

Crystallised value: BGEO holds GEL 917.2mln worth of GHG shares¹

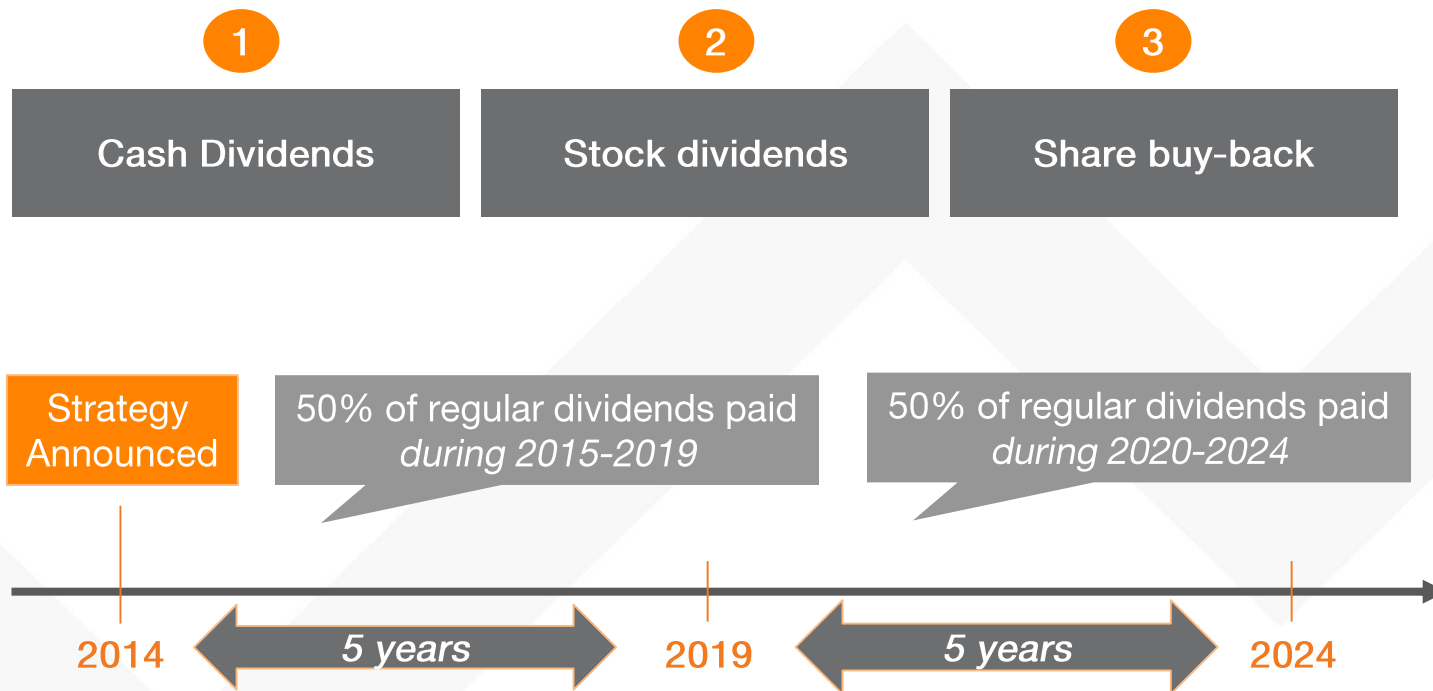


* Data for the period ended 8 November 2016

Capital Returns: 3-forms, 5-year cycle

3-forms
of
capital
return

5-year
cycle for
capital
return



Board of Directors of BGEO Group PLC

7 non-executive Supervisory Board members; 7 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



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



Irakli Gilauri, BGEO Group PLC and JSC BGEO Group CEO
experience: formerly EBRD banker; MS in banking from CASS Business School, London; BBS from University of Limerick, Ireland



Hanna Loikkanen, Independent Director
experience: Currently advisor to East Capital Private Equity AB; previously: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB



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



Tamaz Georgadze, Independent Director
experience: Partner at McKinsey & Company in Berlin, Founded SavingGlobal GmbH, aide to President of Georgia



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

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

BGEO Group PLC



Irakli Gilauri, Group CEO, formerly EBRD banker; MS in banking from CASS Business School, London; BBS from University of Limerick, Ireland



Avto Namicheishvili, Deputy CEO, Group Legal Counsel; previously partner at Begiashvili & Co, law firm in Georgia; LLM from CEU, Hungary



Levan Kulijanishvili, Deputy CEO and CFO at BOG, Group CFO. With the Group since 1997. Formerly Head of Security and Internal Audit at Bank of Georgia; Holds MBA from Grenoble School of Business, in Grenoble, France



Ekaterina Shavgulidze Head of Investor Relations and Funding at BGEO Group, previously Supervisory Board Member and Chief Executive Officer of healthcare services business. Before joining the Group she was an Associate Finance Director at AstraZeneca, UK. Holds MBA from Wharton Business School

JSC Bank of Georgia



Kaha kiknavelidze, CEO of Bank of Georgia. Previously managing partner of Rioni Capital, London based fund; prior to this, Kaha was Executive Director of Oil and Gas research team for UBS. He has over 15 years experience in the equity markets.

Georgia Healthcare Group



Nikoloz Gamkrelidze, CEO, Georgia Healthcare Group; previously Group CFO, 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

m2 Real Estate



Irakli Burdiladze, CEO, m2 Real Estate; previously CFO at GMT Group, Georgian real estate developer; Masters degree from John Hopkins University

Teliani Valley



Shota Kobelia, CEO of Teliani Valley. With the Group since 2009. Previously Chief Commercial Officer in Pernod Ricard Georgia; Masters degree in international sales marketing from Bordeaux Business School, France.

JSC Bank of Georgia



Kaha kiknavelidze, CEO of Bank of Georgia. Previously managing partner of Rioni Capital, London based fund; prior to this, Kaha was Executive Director of Oil and Gas research team for UBS. He has over 15 years experience in the equity markets.



Levan Kulijanishvili, Deputy CEO, CFO. With the Group since 1997. 15 year of experience at BOG. Formerly Head of Security and Internal Audit at Bank of Georgia; Holds MBA from Grenoble School of Business, in Grenoble, France



Mikheil Gomarteli, Deputy CEO, Retail Banking. With the Group since 1997. 15 years work experience at BOG, including co-head of retail banking, head of business development and head of strategy and planning; Undergraduate degree in economics from Tbilisi State University



Archil Gachechiladze, Deputy CEO, Corporate Investment Banking. With the Group since 2009. Formerly BGEO Group CFO, Deputy CEO of TBC Bank, Georgia; Lehman Brothers Private Equity, London; MBA from Cornell University



George Chiladze, Deputy CEO, Chief Risk Officer. With the Group since 2008. 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



Tornike Gogichaishvili, Deputy CEO, Chief Operating Officer. With the Group since 2006. Previously CEO of Aldagi and CFO of BG Bank, Ukraine; Prior to joining the bank, CFO of UEDC PA consulting; Holds Executive Diploma from Said Business School, Oxford



Alexander Katsman, Deputy CEO, HRM and Branding. With the Group since 2010. Previously Head of Branding Department at the Bank. Before joining the bank he was a partner at Sarke, the largest communications' group in Georgia. Holds EMBA from the Berlin School of Creative Leadership

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business	48
Georgian Macro Overview	81
Appendices	102

Quarterly P&L

INCOME STATEMENT <i>GEL thousands unless otherwise noted</i>	BGEO Consolidated					Banking Business					Investment Business				
	3Q16	3Q15	Change Y-O-Y	2Q16	Change Q-O-Q	3Q16	3Q15	Change Y-O-Y	2Q16	Change Q-O-Q	3Q16	3Q15	Change Y-O-Y	2Q16	Change Q-O-Q
Net banking interest income	136,624	126,178	8.3%	128,527	6.3%	138,615	129,249	7.2%	129,522	7.0%	-	-	-	-	-
Net fee and commission income	30,431	30,791	-1.2%	29,343	3.7%	30,651	31,061	-1.3%	29,639	3.4%	-	-	-	-	-
Net banking foreign currency gain	21,497	18,675	15.1%	15,506	38.6%	21,497	18,675	15.1%	15,506	38.6%	-	-	-	-	-
Net other banking income	4,077	4,938	-17.4%	2,630	55.0%	4,269	5,231	-18.4%	2,824	51.2%	-	-	-	-	-
Gross insurance profit	9,687	9,783	-1.0%	8,409	15.2%	6,816	5,829	16.9%	6,496	4.9%	3,610	4,498	-19.7%	2,565	40.7%
Gross healthcare profit	35,517	22,118	60.6%	30,832	15.2%	-	-	-	-	-	35,517	22,118	60.6%	30,832	15.2%
Gross real estate profit	10,032	751	NMF	2,419	314.7%	-	-	-	-	-	10,032	751	1235.8%	2,419	314.7%
Gross utility profit	16,942	-	-	-	-	-	-	-	-	-	17,011	-	-	-	-
Gross other investment profit	4,821	3,373	42.9%	2,804	71.9%	-	-	-	-	-	4,927	3,229	52.6%	2,810	75.3%
Revenue	269,628	216,607	24.5%	220,470	22.3%	201,848	190,045	6.2%	183,987	9.7%	71,097	30,596	132.4%	38,626	84.1%
Operating expenses	(101,553)	(77,562)	30.9%	(88,637)	14.6%	(75,375)	(66,167)	13.9%	(69,919)	7.8%	(27,349)	(12,244)	123.4%	(19,730)	38.6%
Operating income before cost of credit risk / EBITDA	168,075	139,045	20.9%	131,833	27.5%	126,473	123,878	2.1%	114,068	10.9%	43,748	18,352	138.4%	18,896	131.5%
Profit from associates	256	1,444	-82.3%	1,952	-86.9%	-	-	-	-	-	256	1,444	-82.3%	1,952	-86.9%
Depreciation and amortization of investment business	(9,566)	(4,227)	126.3%	(4,775)	100.3%	-	-	-	-	-	(9,566)	(4,227)	126.3%	(4,775)	100.3%
Net foreign currency loss from investment business	(1,221)	(2,311)	-47.2%	(1,597)	-23.5%	-	-	-	-	-	(1,221)	(2,311)	-47.2%	(1,597)	-23.5%
Interest income from investment business	1,930	499	NMF	(283)	NMF	-	-	-	-	-	1,667	719	131.8%	60	NMF
Interest expense from investment business	(8,876)	(2,080)	NMF	(2,497)	NMF	-	-	-	-	-	(10,759)	(5,485)	96.2%	(3,971)	170.9%
Operating income before cost of credit risk	150,598	132,370	13.8%	124,633	20.8%	-	-	-	-	-	24,125	8,492	184.1%	10,565	128.3%
Cost of credit risk	(35,591)	(35,647)	-0.2%	(29,387)	21.1%	(34,525)	(34,752)	-0.7%	(28,151)	22.6%	(1,066)	(895)	19.1%	(1,236)	-13.8%
Net non-recurring items	35,156	(5,489)	NMF	(48,744)	NMF	3,474	(4,967)	NMF	(46,350)	NMF	31,682	(522)	NMF	(2,394)	NMF
Income tax (expense) benefit	(8,614)	(10,329)	-16.6%	64,735	NMF	(5,665)	(10,757)	-47.3%	35,139	NMF	(2,949)	428	NMF	29,596	NMF
Profit	141,549	80,905	75.0%	111,237	27.2%	89,757	73,402	22.3%	74,706	20.1%	51,792	7,503	590.3%	36,531	41.8%
Earning per share (basic)	3.55	2.04	74.0%	2.46	44.3%	2.32	1.87	23.8%	1.91	21.3%	1.23	0.17	643.8%	0.55	124.9%

* Note: Banking Business and Investment Business financials do not include interbusiness eliminations. Detailed financials, including interbusiness eliminations are provided in annexes.

Nine-months P&L

	BGEO Consolidated			Banking Business			Investment Business		
	9M16	9M15	Change Y-O-Y	9M16	9M15	Change Y-O-Y	9M16	9M15	Change Y-O-Y
INCOME STATEMENT									
<i>GEL thousands unless otherwise noted</i>									
Net banking interest income	394,004	369,956	6.5%	398,357	378,710	5.2%	-	-	-
Net fee and commission income	87,588	86,767	0.9%	88,305	89,324	-1.1%	-	-	-
Net banking foreign currency gain	54,393	57,401	-5.2%	54,393	57,401	-5.2%	-	-	-
Net other banking income	9,574	9,209	4.0%	10,260	10,137	1.2%	-	-	-
Gross insurance profit	24,512	23,174	5.8%	18,655	14,606	27.7%	7,898	9,990	-20.9%
Gross healthcare profit	92,641	57,094	62.3%	-	-	-	92,641	57,094	62.3%
Gross real estate profit	18,429	1,919	860.3%	-	-	-	18,429	1,919	860.3%
Gross utility profit	16,942	-	-	-	-	-	17,011	-	-
Gross other investment profit	11,228	9,506	18.1%	-	-	-	11,409	9,481	20.3%
Revenue	709,311	615,026	15.3%	569,970	550,178	3.6%	147,388	78,484	87.8%
Operating expenses	(273,430)	(230,470)	18.6%	(215,157)	(196,687)	9.4%	(61,486)	(36,282)	69.5%
Operating income before cost of credit risk / EBITDA	435,881	384,556	13.3%	354,813	353,491	0.4%	85,902	42,202	103.5%
Profit from associates	4,074	2,112	92.9%	-	-	-	4,074	2,112	92.9%
Depreciation and amortization of investment business	(19,250)	(9,494)	102.8%	-	-	-	(19,250)	(9,494)	102.8%
Net foreign currency gain (loss) from investment business	(3,584)	4,067	NMF	-	-	-	(3,584)	4,067	NMF
Interest income from investment business	2,603	1,738	49.8%	-	-	-	2,691	2,381	13.0%
Interest expense from investment business	(12,757)	(7,171)	77.9%	-	-	-	(17,679)	(18,951)	-6.7%
Operating income before cost of credit risk	406,967	375,808	8.3%	354,813	353,491	0.4%	52,154	22,317	133.7%
Cost of credit risk	(101,121)	(119,356)	-15.3%	(97,687)	(116,287)	-16.0%	(3,434)	(3,069)	11.9%
Net non-recurring items	(12,222)	(8,349)	46.4%	(44,296)	(10,543)	NMF	32,074	2,194	1361.9%
Income tax (expense) benefit	46,210	(32,829)	NMF	21,296	(32,995)	NMF	24,914	166	NMF
Profit	339,834	215,274	57.9%	234,126	193,666	20.9%	105,708	21,608	389.2%
Earnings per share (basic)	8.12	5.51	47.4%	6.02	4.98	21.0%	2.10	0.53	294.7%

* Note: Banking Business and Investment Business financials do not include interbusiness eliminations. Detailed financials, including interbusiness eliminations are provided in annexes.

Balance Sheet

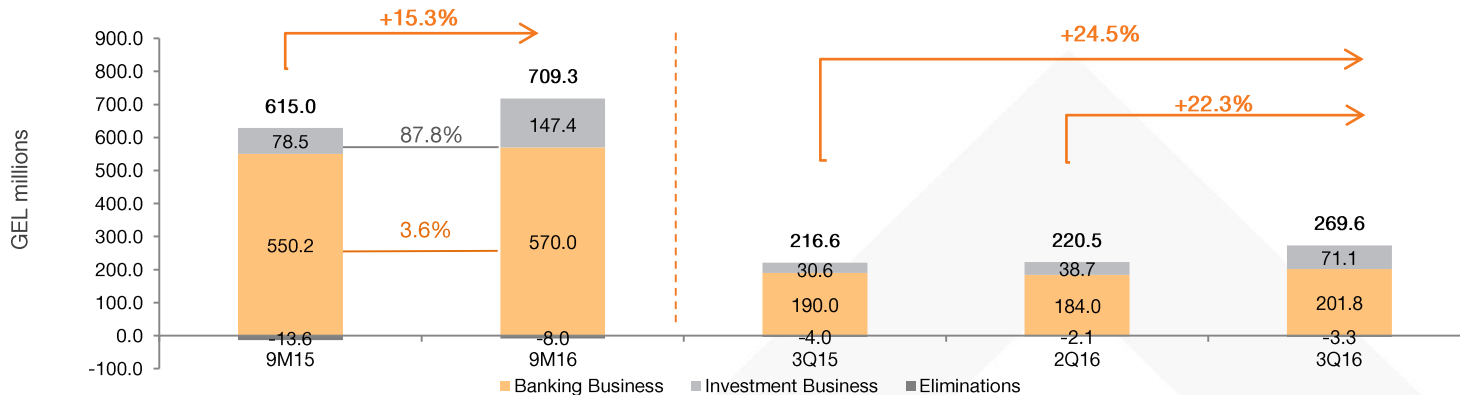
BALANCE SHEET <i>GEL thousands unless otherwise noted</i>	BGEO Consolidated					Banking Business					Investment Business				
	Sep-16	Sep-15	Change Y-O-Y	Jun-16	Change Q-O-Q	Sep-16	Sep-15	Change Y-O-Y	Jun-16	Change Q-O-Q	Sep-16	Sep-15	Change Y-O-Y	Jun-16	Change Q-O-Q
Liquid assets	3,313,188	2,924,784	13.3%	2,925,345	13.3%	3,111,521	2,913,651	6.8%	2,887,978	7.7%	380,568	186,812	103.7%	277,116	37.3%
<i>Cash and cash equivalents</i>	1,197,687	1,320,319	-9.3%	1,059,359	13.1%	1,090,511	1,314,696	-17.1%	1,034,062	5.5%	237,426	166,031	43.0%	245,595	-3.3%
<i>Amounts due from credit institutions</i>	944,061	706,500	33.6%	876,655	7.7%	848,185	698,110	21.5%	863,791	-1.8%	140,635	19,628	616.5%	28,949	385.8%
<i>Investment securities</i>	1,171,440	897,965	30.5%	989,331	18.4%	1,172,825	900,845	30.2%	990,125	18.5%	2,507	1,153	117.4%	2,572	-2.5%
Loans to customers and finance lease receivables	5,676,225	5,266,125	7.8%	5,469,120	3.8%	5,715,737	5,367,311	6.5%	5,507,414	3.8%	-	-	0.0%	-	0.0%
<i>Loans to customers</i>	5,433,593	5,229,830	3.9%	5,423,794	0.2%	5,473,105	5,331,016	2.7%	5,462,088	0.2%	-	-	-	-	-
<i>Finance lease receivables</i>	242,632	36,295	568.5%	45,326	435.3%	242,632	36,295	568.5%	45,326	435.3%	-	-	-	-	-
Property and equipment	1,224,620	775,599	57.9%	852,680	43.6%	338,455	339,300	-0.2%	336,013	0.7%	886,165	436,299	103.1%	516,667	71.5%
Total assets	11,286,088	9,937,889	13.6%	10,323,223	9.3%	9,654,646	9,140,036	5.6%	9,171,034	5.3%	1,875,062	1,094,685	71.3%	1,437,232	30.5%
Client deposits and notes	4,700,324	4,477,908	5.0%	4,554,012	3.2%	4,878,171	4,649,572	4.9%	4,791,979	1.8%	-	-	0.0%	-	0.0%
Amounts due to credit institutions	2,740,926	2,115,859	29.5%	1,892,437	44.8%	2,396,969	2,011,801	19.1%	1,766,999	35.7%	380,745	209,898	81.4%	163,730	132.5%
<i>Borrowings from DFIs</i>	1,280,795	949,915	34.8%	991,054	29.2%	1,188,544	949,915	25.1%	957,227	24.2%	92,251	-	-	33,827	172.7%
<i>Short-term loans from central banks</i>	604,608	620,846	-2.6%	278,500	117.1%	604,608	620,846	-2.6%	278,500	117.1%	-	-	-	-	-
<i>Loans and deposits from commercial banks</i>	855,523	545,098	56.9%	622,883	37.3%	603,817	441,040	36.9%	531,272	13.7%	288,494	209,898	37.4%	129,903	122.1%
Debt securities issued	1,036,086	1,076,137	-3.7%	1,065,516	-2.8%	722,088	999,959	-27.8%	990,370	-27.1%	320,128	83,549	283.2%	81,088	294.8%
Total liabilities	8,897,339	8,179,930	8.8%	8,113,842	9.7%	8,138,685	7,891,998	3.1%	7,773,056	4.7%	1,002,274	584,764	71.4%	625,829	60.2%
Total equity	2,388,749	1,757,959	35.9%	2,209,381	8.1%	1,515,961	1,248,038	21.5%	1,397,978	8.4%	872,788	509,921	71.2%	811,403	7.6%

Key Ratios¹

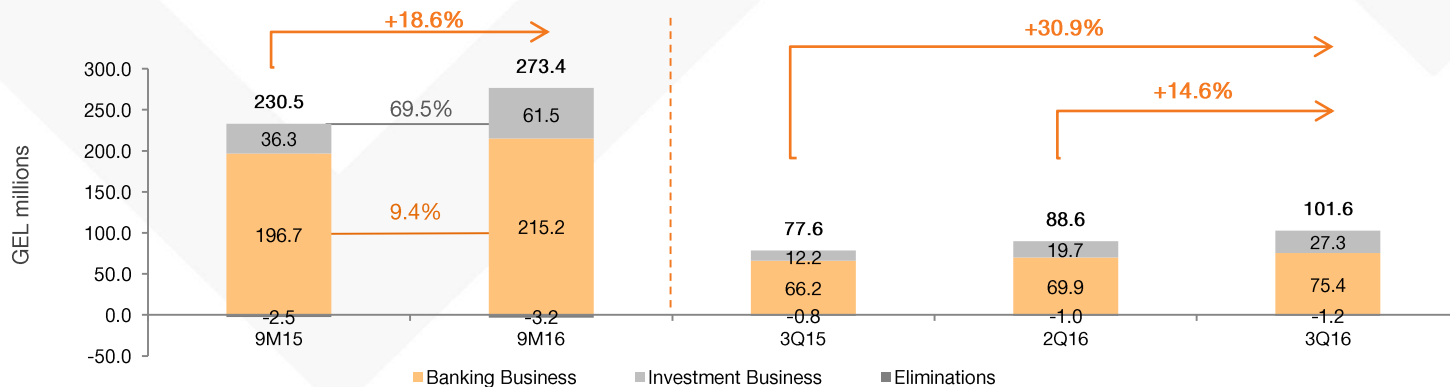
Banking Business Ratios	3Q16	3Q15	2Q16	9M16	9M15
ROAA	3.7%	3.3%	3.4%	3.4%	3.1%
ROAE	24.7%	23.3%	22.5%	22.8%	20.6%
Net Interest Margin	7.3%	7.6%	7.5%	7.4%	7.7%
Loan Yield	14.1%	14.7%	14.1%	14.2%	14.7%
Liquid assets yield	3.2%	3.1%	3.3%	3.2%	3.2%
Cost of Funds	4.7%	5.1%	4.8%	4.8%	5.1%
Cost of Client Deposits and Notes	3.6%	4.1%	4.0%	4.0%	4.3%
Cost of Amounts Due to Credit Institutions	6.5%	6.3%	5.9%	6.1%	5.7%
Cost of Debt Securities Issued	6.6%	7.3%	7.0%	7.0%	7.3%
Cost / Income	37.3%	34.8%	38.0%	37.7%	35.7%
NPLs To Gross Loans To Clients	4.4%	4.0%	4.4%	4.4%	4.0%
NPL Coverage Ratio	86.5%	82.1%	85.8%	86.5%	82.1%
NPL Coverage Ratio, Adjusted for discounted value of collateral	131.1%	121.9%	129.7%	131.1%	121.9%
Cost of Risk	2.3%	2.5%	2.0%	2.2%	2.8%
New NBG (Basel II) Tier I Capital Adequacy Ratio	11.0%	10.2%	10.2%	11.0%	10.2%
New NBG (Basel II) Total Capital Adequacy Ratio	16.2%	15.8%	15.5%	16.2%	15.8%

¹Note: for the description of Key ratios, refer to slide 118

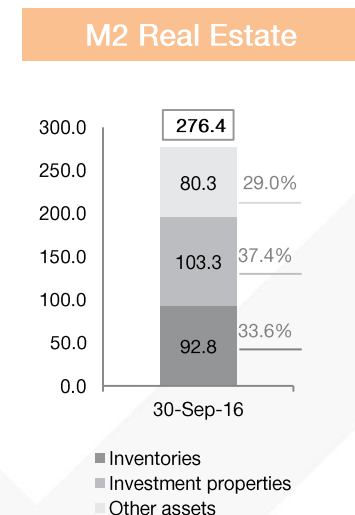
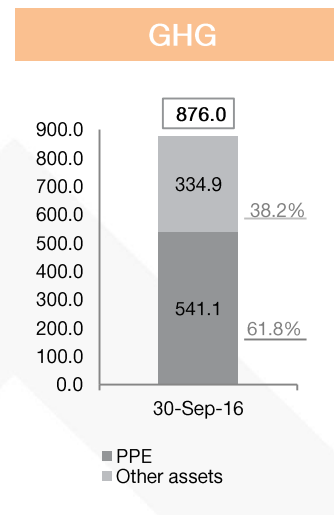
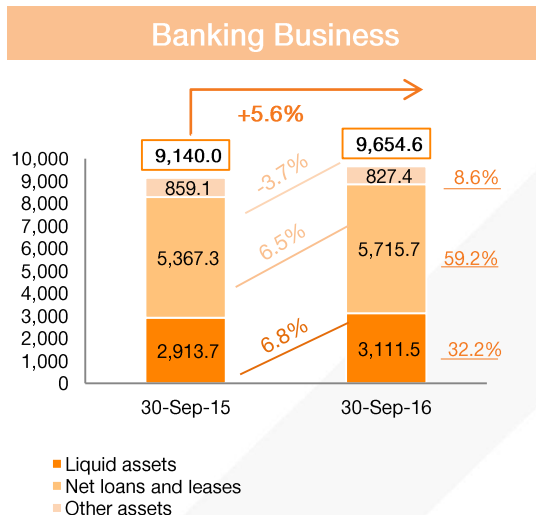
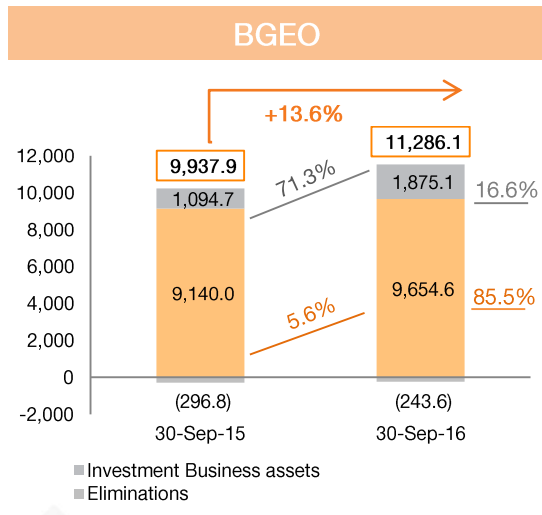
Revenues



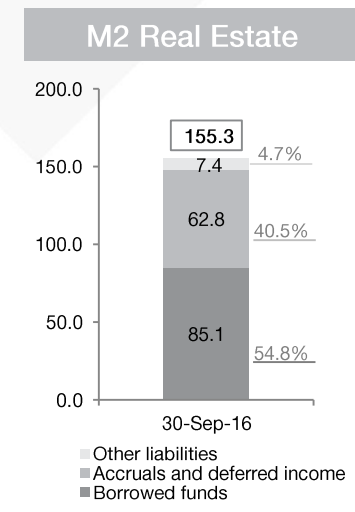
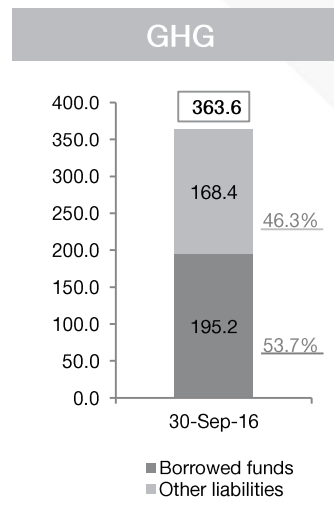
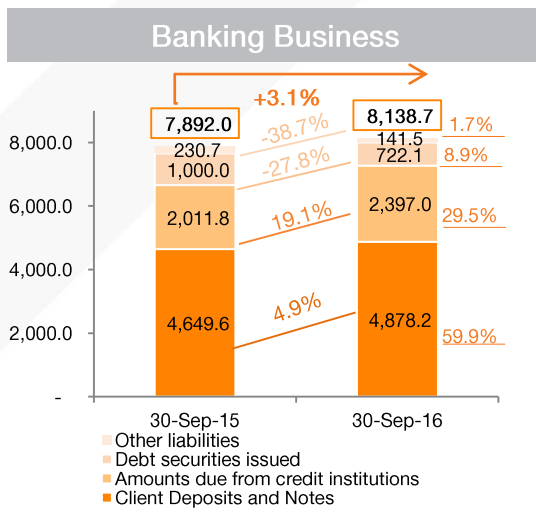
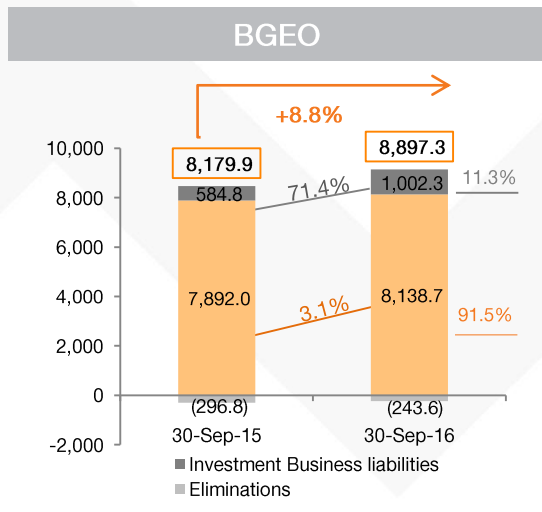
Operating expenses



**Assets
Gel
Millions**



**Liabilities
Gel
Millions**

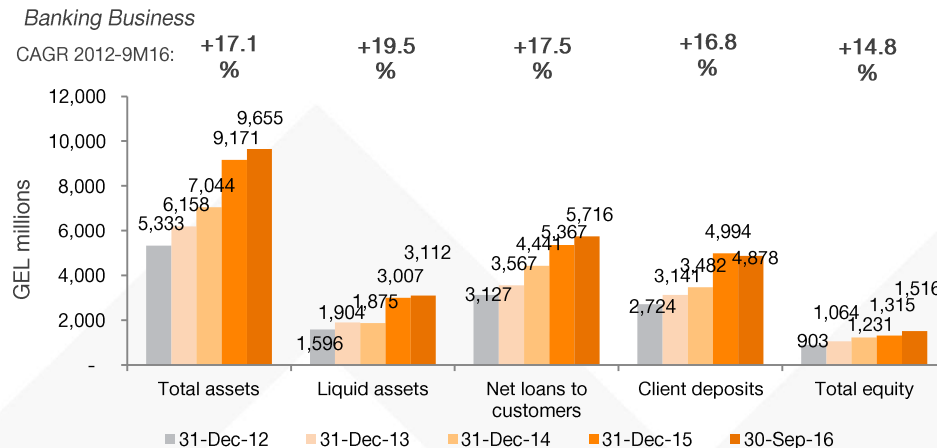




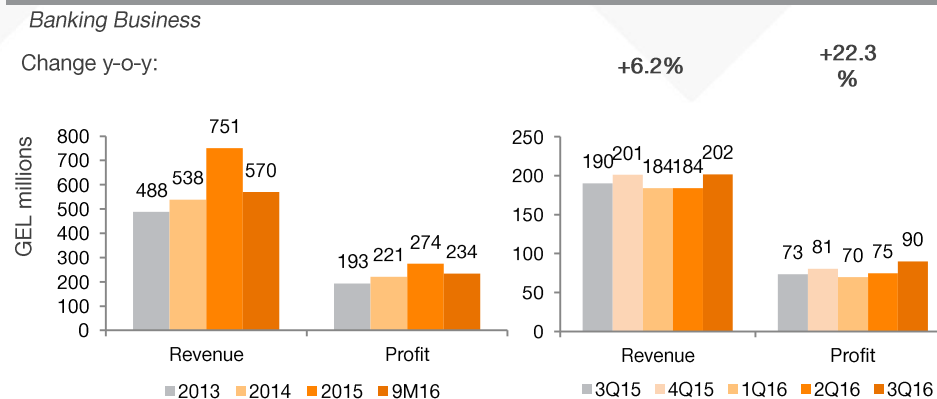
BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business	48
Georgian Macro Overview	81
Appendices	102

- **Leading market position** in Georgia by *assets* (33.2%), *loans* (31.9%), *client deposits* (31.2%) and *equity* (28.5%)¹
- **Underpenetrated market with stable growth perspectives:** Real GDP average growth rate of 5.1 % for 2005-2015. 2.8% Real GDP growth in 2015 from Geostat . Loans/GDP grew from 9% to 50% in the period of 2003-2015, still below regional average; Deposits/GDP grew from 8% to 40% over the period
- **Strong brand name recognition and retail banking franchise:** Offers the broadest range of financial products to the retail market through a network of 276 branches, 772 ATMs, 2,697 Express Pay Terminals and c.2.1 million customers as of 30 September 2016
- **The only Georgian company with credit ratings from all three global rating agencies:** Moody's: 'B1/Ba3' (foreign and local currency), Fitch Ratings: 'BB-'; outlooks are 'Stable'
- **High standards of transparency and governance:** The first entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012. LSE listed through GDRs since 2006
- **In August 2016,** BOG completed its liability management exercise and redeemed its 2017 Eurobonds outstanding in the amount of US\$ 362mln
- **In July 2016,** BGEO Group issued 7 year, US\$ 350mln Eurobonds with 6.00% coupon. Bonds were trading at 5.4%² on 28 October 2016
- **Sustainable growth** combined with strong capital, liquidity and robust profitability

Balance Sheet



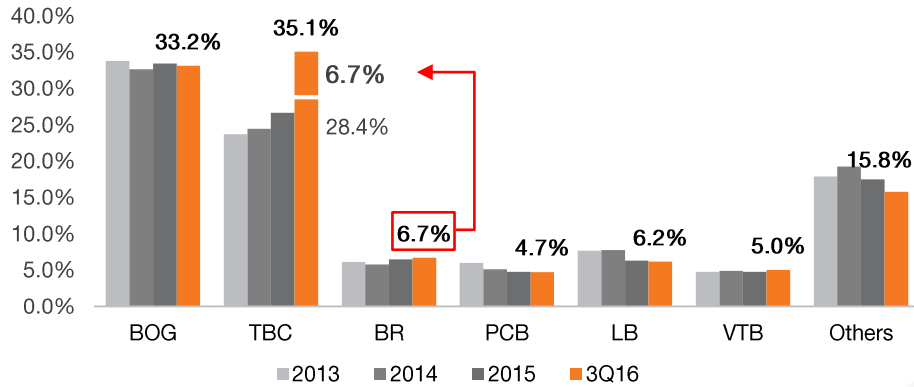
Income Statement



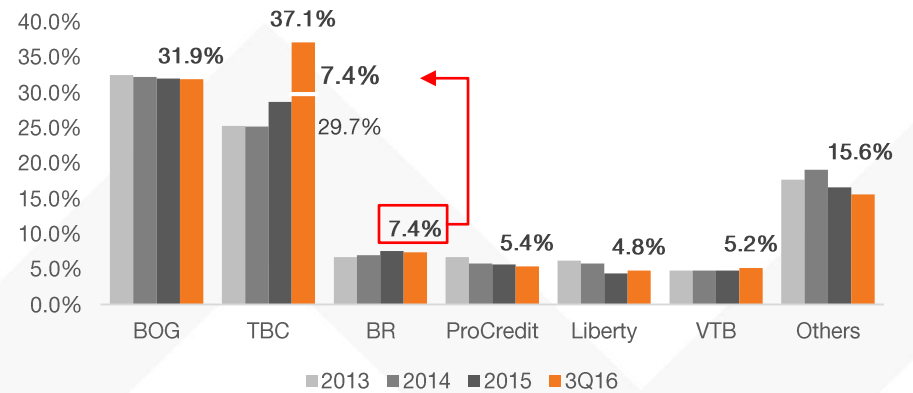
¹ Market data based on standalone accounts as published by the National Bank of Georgia (NBG) as of 30 September 2016 www.nbg.gov.ge

² as of 28 October 2016 – source: bloomberg.com

Peer group's market share in total assets



Peer group's market share in gross loans

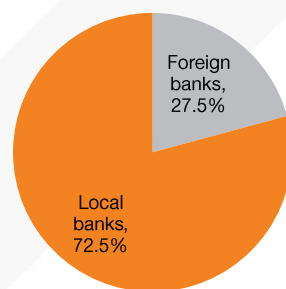
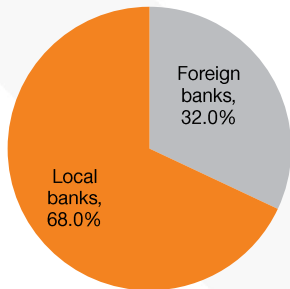


Foreign banks market share by assets

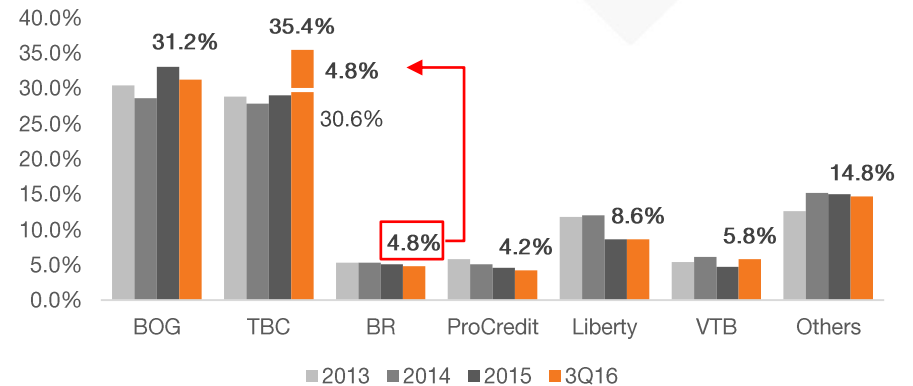
2006

3Q16

No state ownership of commercial banks since 1994



Peer group's market share in client deposits



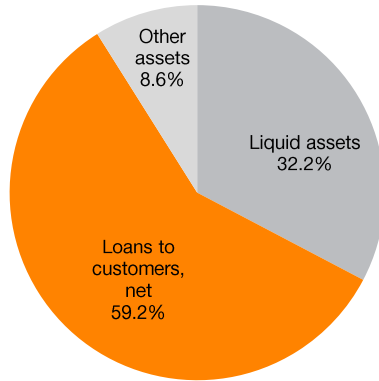
Note:

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

Total asset structure | 30 September 2016

Banking Business

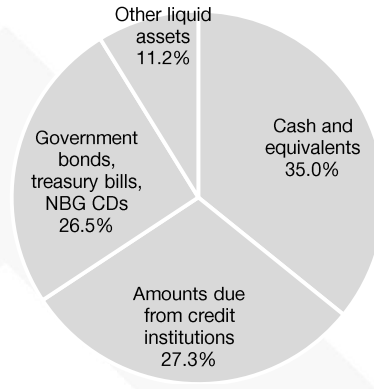
Total: GEL 9.7bln



Liquid assets | 30 September 2016

Banking Business

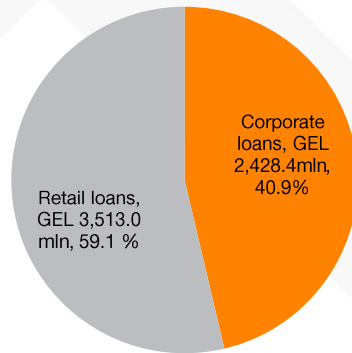
Total: GEL 3.1bln



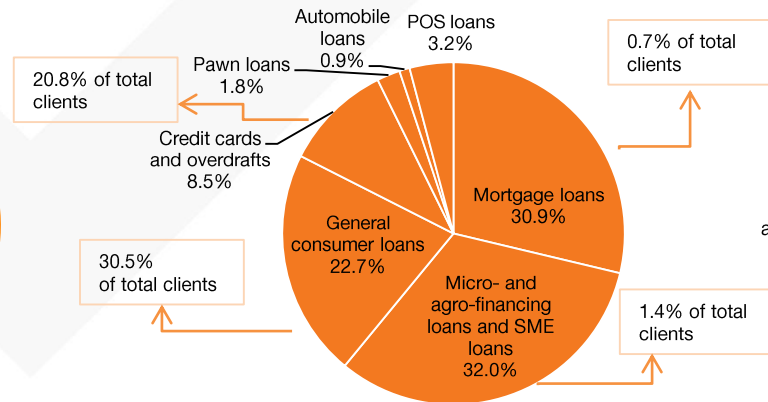
Loans breakdown | 30 September 2016

Banking Business

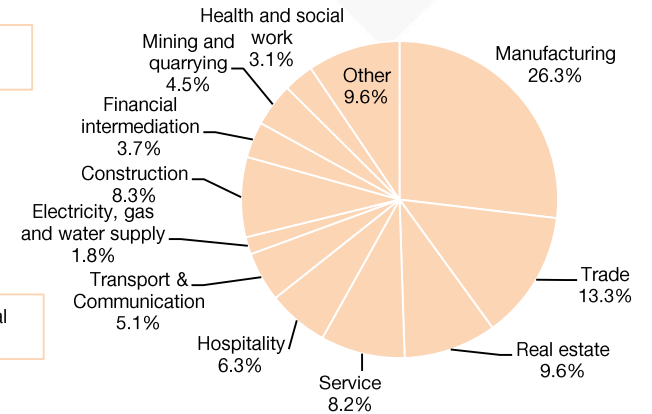
Total Loans
breakdown by segments
Total: GEL 5.9bln



Retail Banking Loans breakdown by product
Total: GEL 3.3bln



Corporate Investment Banking Loans breakdown by sectors
Total: GEL 2.2bln

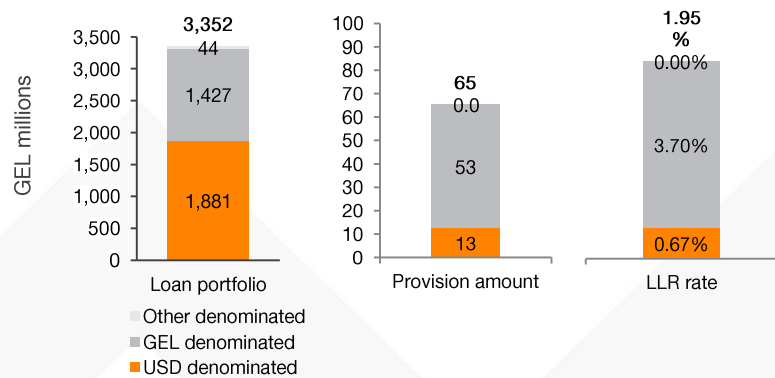


Highlights

- 44.4% of Retail Banking loans were denominated in USD with non-USD income*
- For RB: Loans 15 days past due were 1.2% as of 30 September 2016, compared to 1.4% a year ago and 1.2% as of 30 June 2016
- 31.8% of Corporate Investment Banking Loans denominated in USD with non-USD income

Retail Banking | 30 September 2016

Banking Business

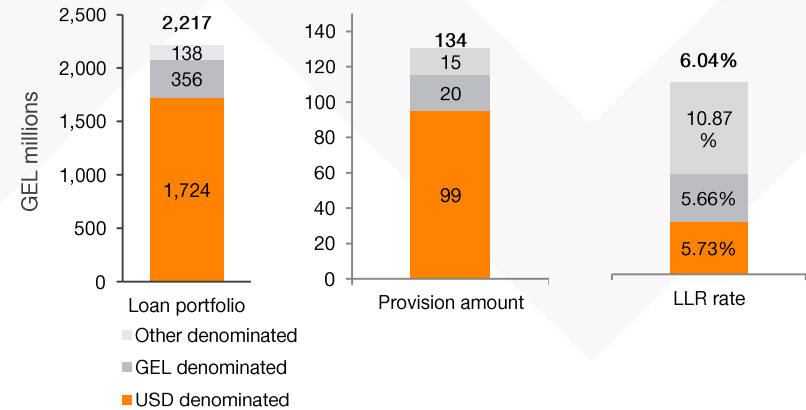


Amounts in GEL millions	RB Loan portfolio	% of total RB loan portfolio	Mortgages	Consumer loans*	SME & Micro
GEL and other currency loans*	1,471	43.9%	69	1,012	390
USD loans with USD income	393	11.7%	194	46	153
USD loans with non-USD income	1,488	44.4%	759	217	513
Total	3,352	100.0%	1,022	1,275	1,056

* includes credit cards

Corporate Investment Banking | 30 September 2016

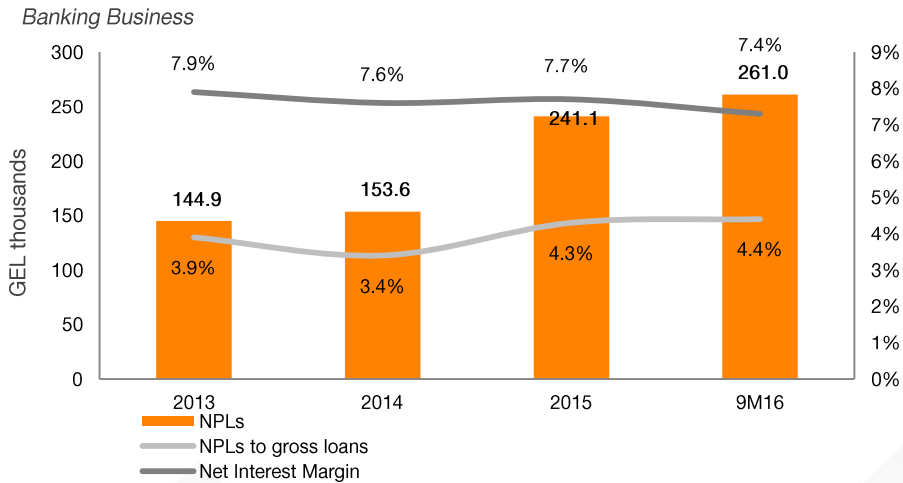
Banking Business



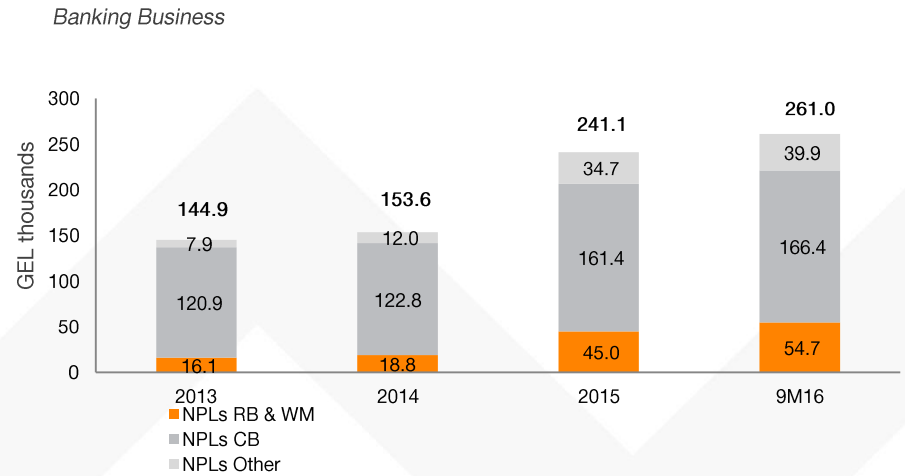
Amounts in GEL millions	CB Loan portfolio	% of total CB loan portfolio
GEL and other currency loans*	494	22.3%
USD loans with USD income	1,018	45.9%
USD loans with non-USD income	705	31.8%
Total	2,217	100.0%

Note: standalone BOG figures from management accounts

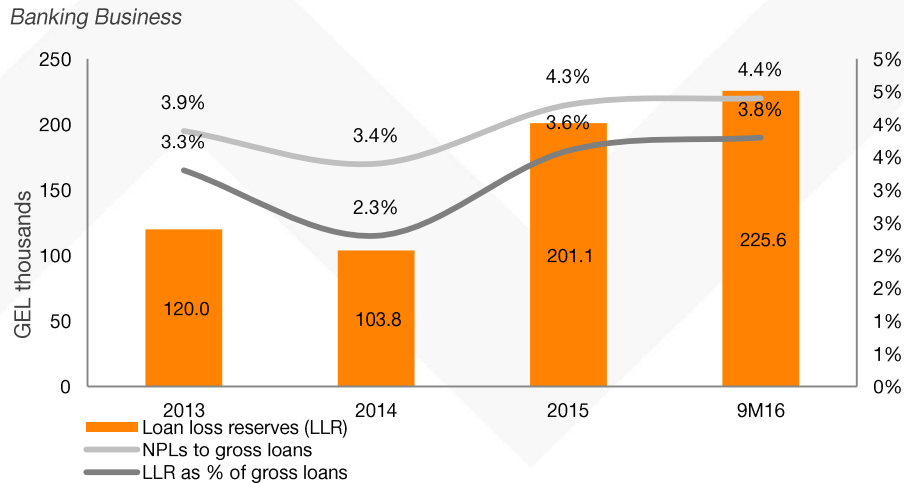
NPLs and NIM



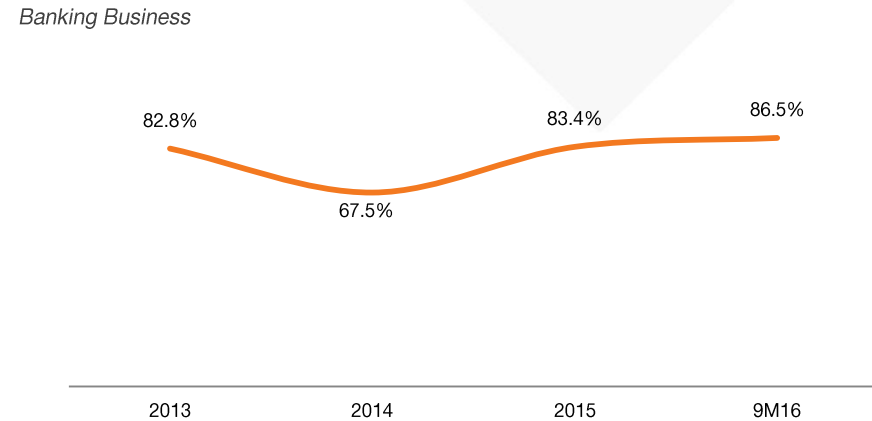
NPL composition



Loan loss reserve

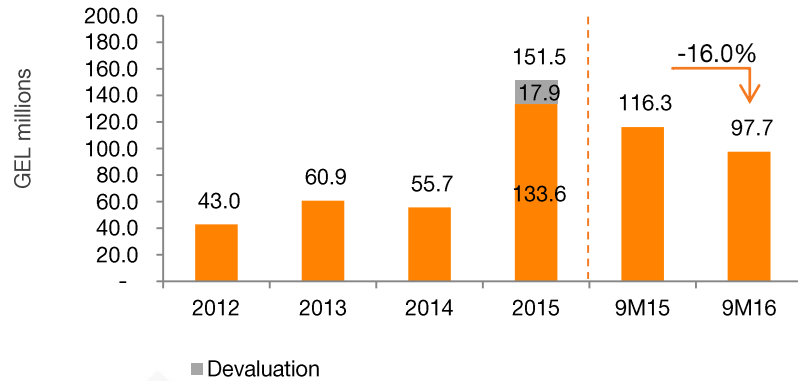


NPL coverage ratio



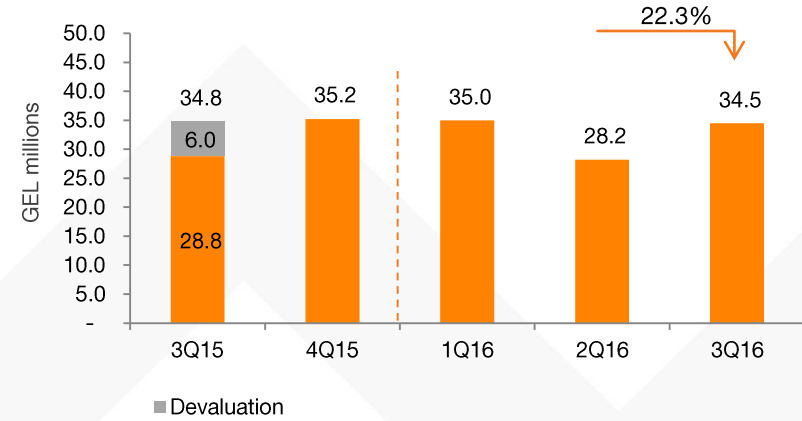
Cost of Credit risk | *nine-months 2016*

Banking Business



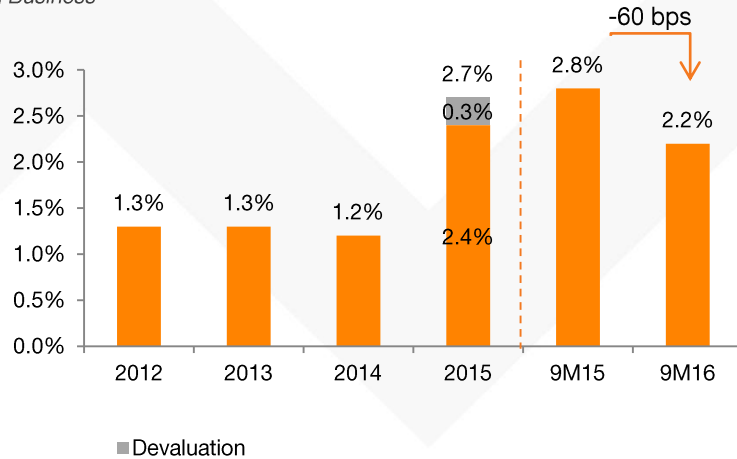
Cost of Credit risk | *quarterly*

Banking Business



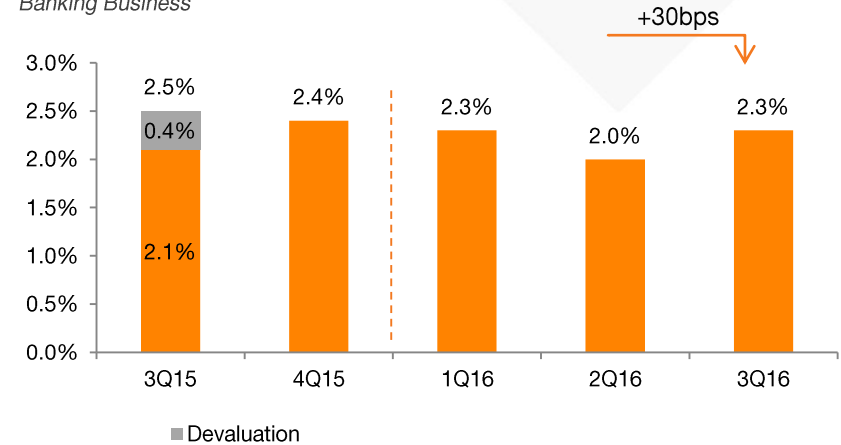
Cost of Risk | *nine-months 2016*

Banking Business

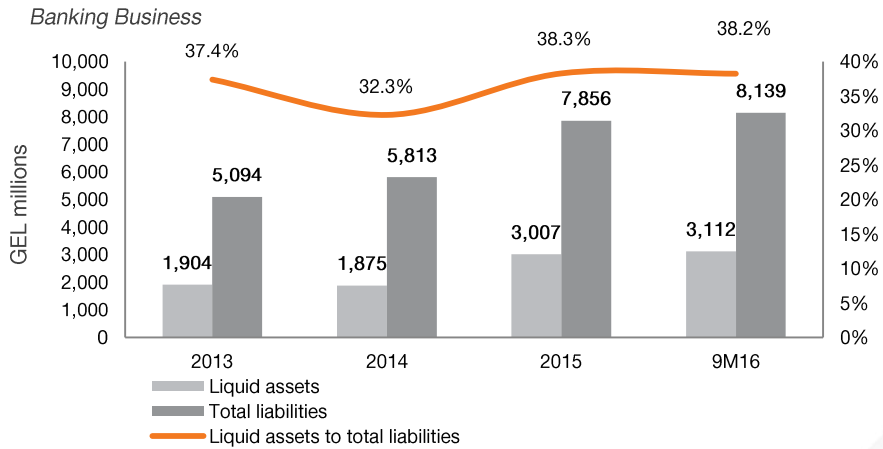


Cost of Risk | *quarterly*

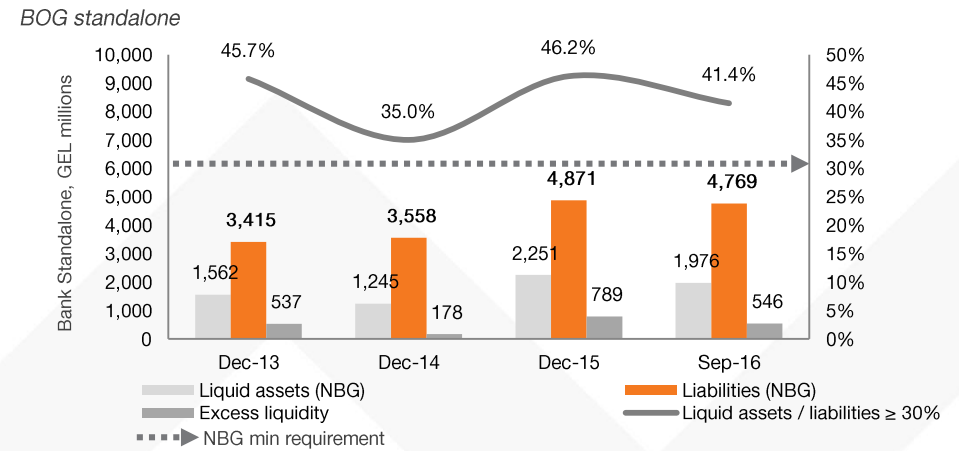
Banking Business



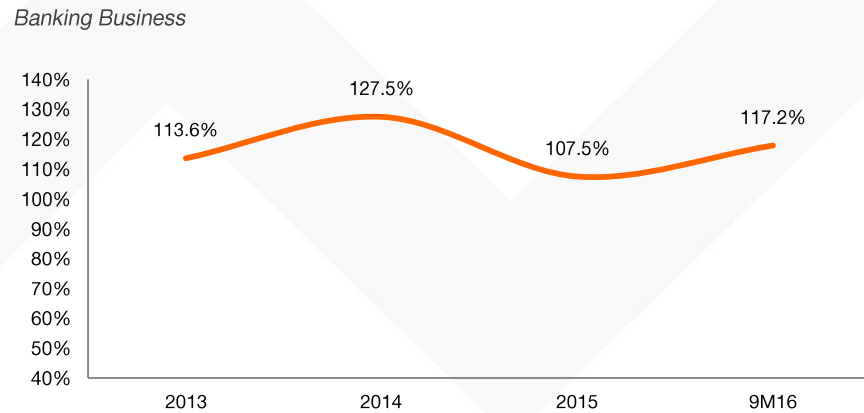
Liquid assets to total liabilities



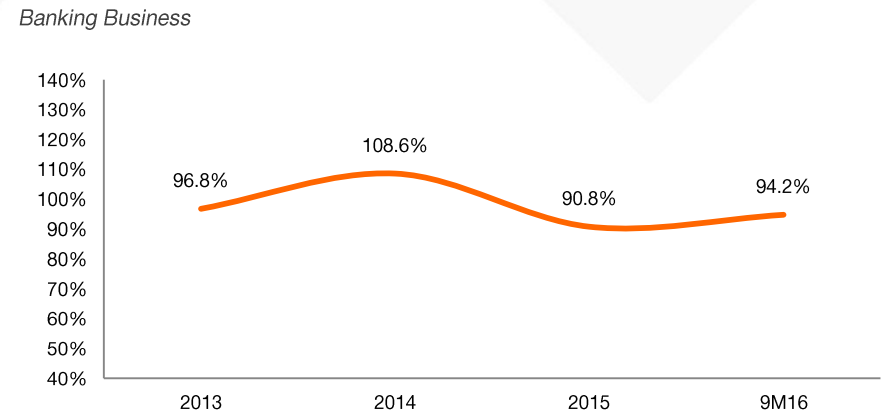
NBG liquidity ratio



Net loans to customer funds

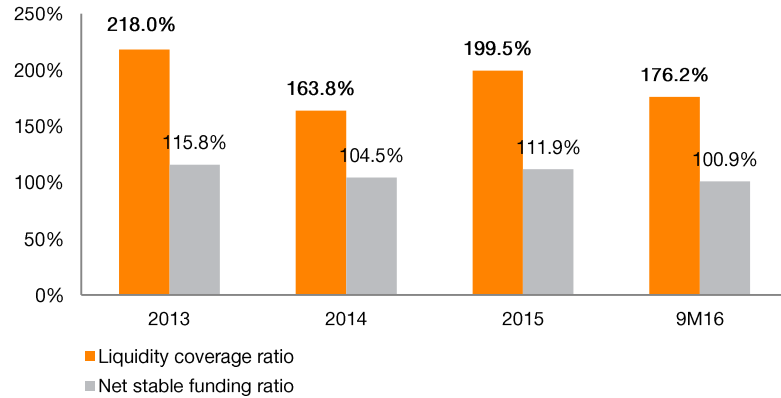


Net loans to customer funds & DFI



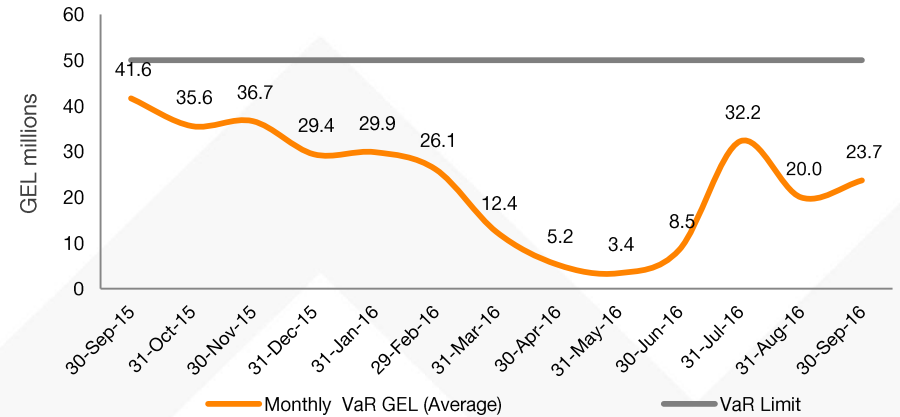
Liquidity coverage ratio & net stable funding ratio

JSC Bank of Georgia standalone



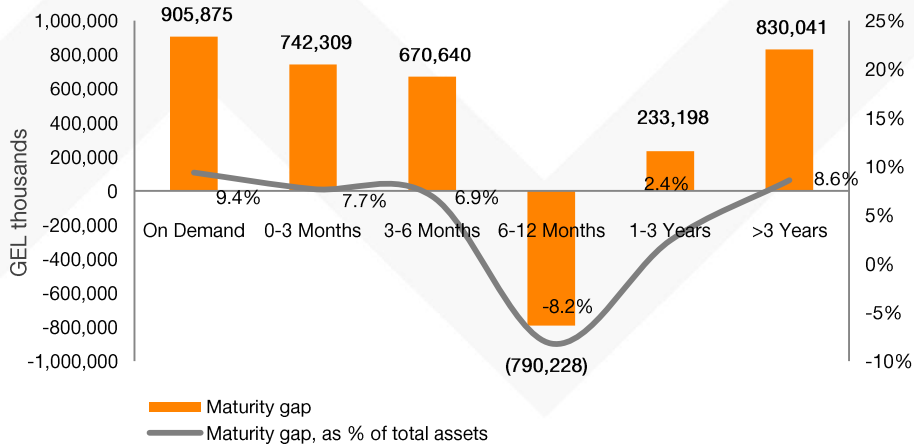
Foreign currency VaR analysis*

JSC Bank of Georgia standalone



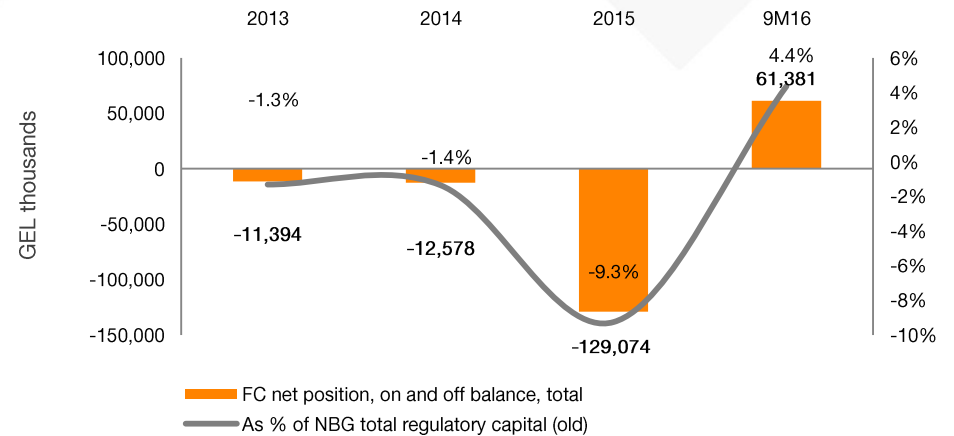
Cumulative maturity gap, 30 September 2016

Banking Business



Open currency position

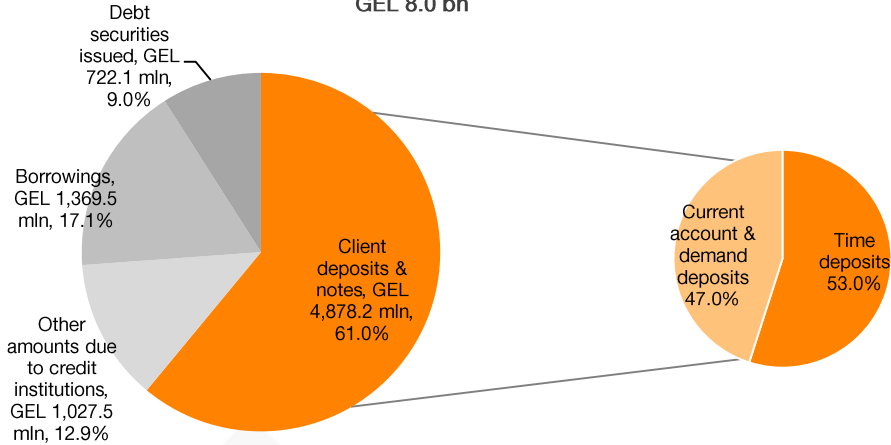
JSC Bank of Georgia standalone



*Daily VaR time series averaged for each respective months

Interest Bearing Liability structure | 30 Sep 16

Banking Business Interest Bearing Liabilities
GEL 8.0 bn



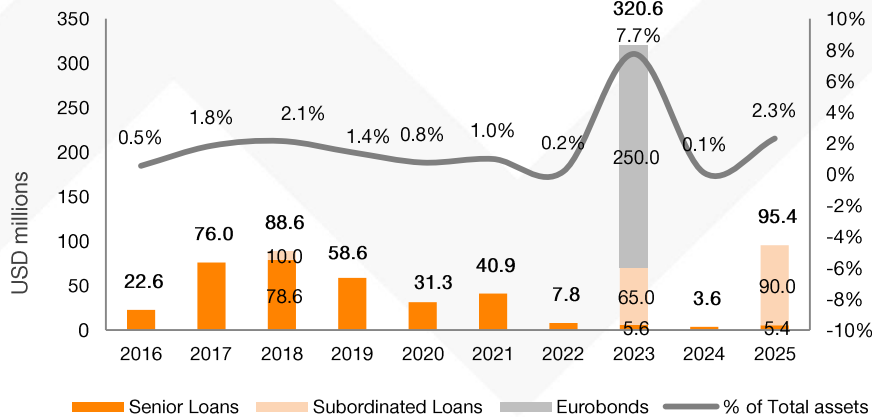
Well diversified international borrowings | 3Q16

Banking Business



Borrowed funds maturity breakdown*

Banking Business

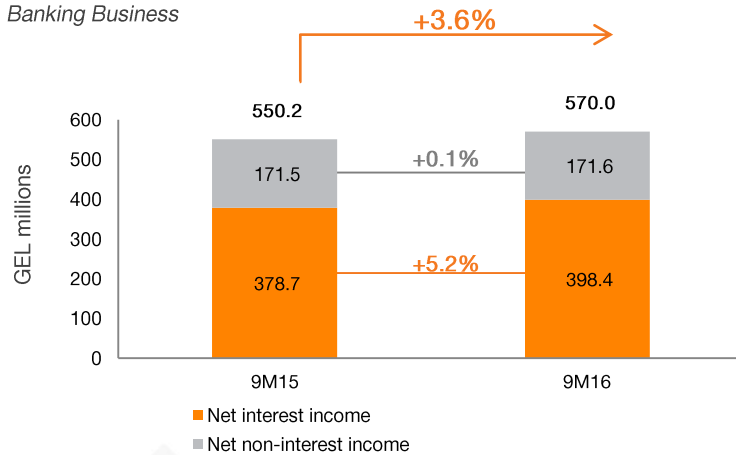


Highlights for 9M16

- Banking Business has a well-balanced funding structure with 61.0% of interest bearing liabilities coming from client deposits and notes, 14.9% from Developmental Financial Institutions (DFIs) and 7.3% from Eurobonds, as of 30 September 2016
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, DEG, Asian Development Bank, etc.
- As of 30 September 2016, US\$ 103.1 million undrawn facilities from DFIs with up to seven year maturity
- In July 2016, BGEO Group issued 7 year, US\$ 350mln Eurobonds with 6.00% coupon. Bonds were trading at 5.4% on 28 October 2016

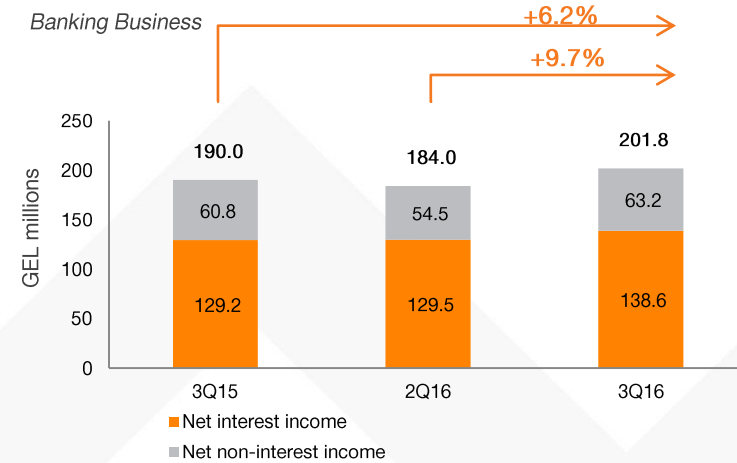
Revenue growth | nine months 2016

Banking Business



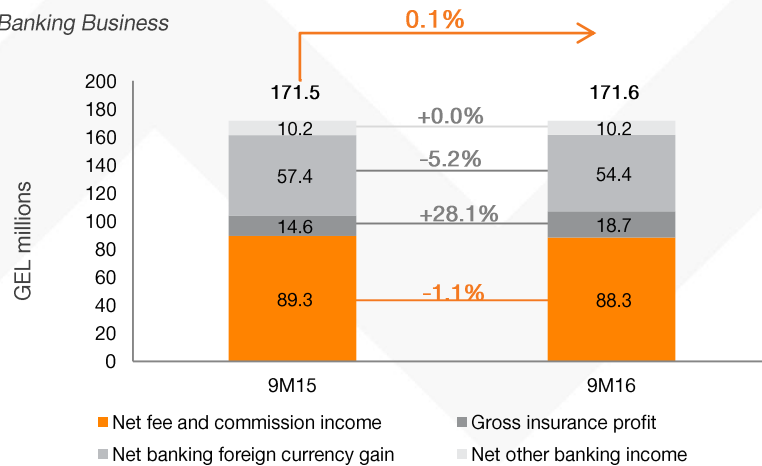
Revenue growth | quarterly

Banking Business



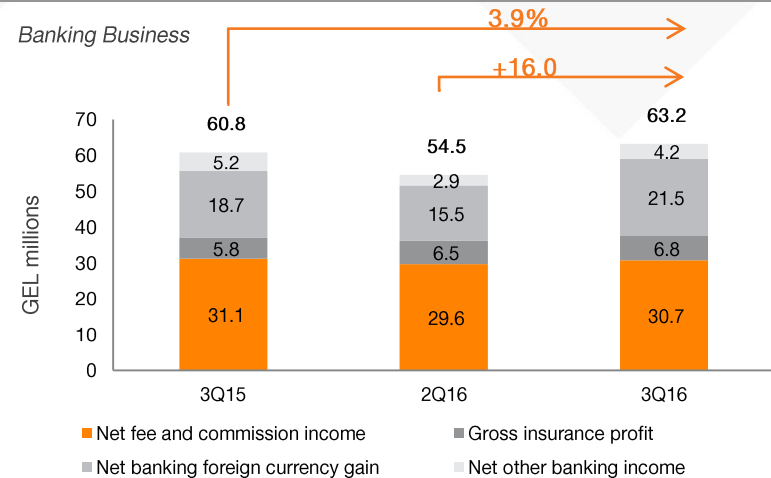
Net non-interest income | nine months 2016

Banking Business



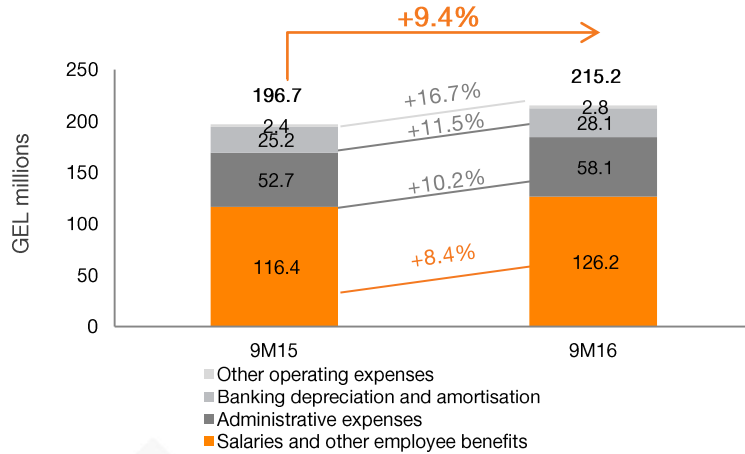
Net non-interest income | quarterly

Banking Business



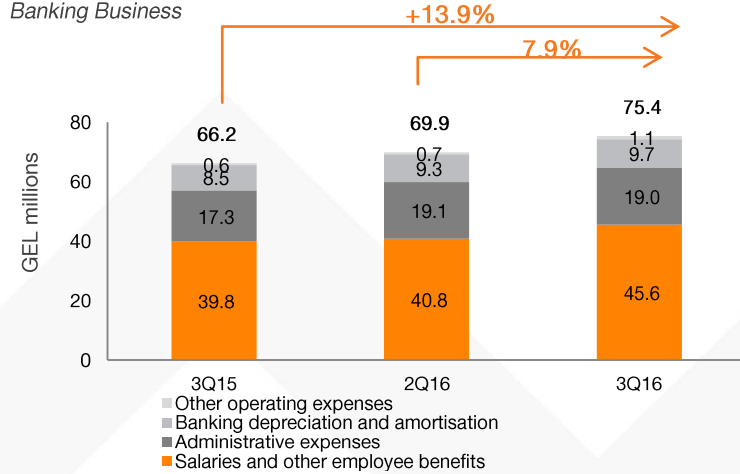
Operating expenses | *nine months 2016*

Banking Business



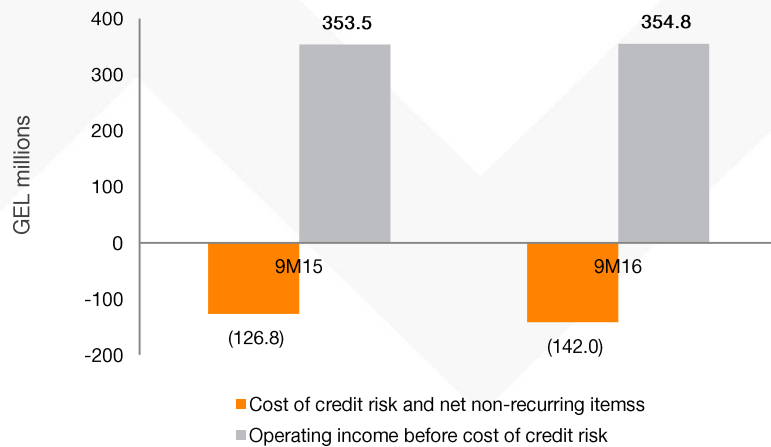
Operating expenses | *quarterly*

Banking Business



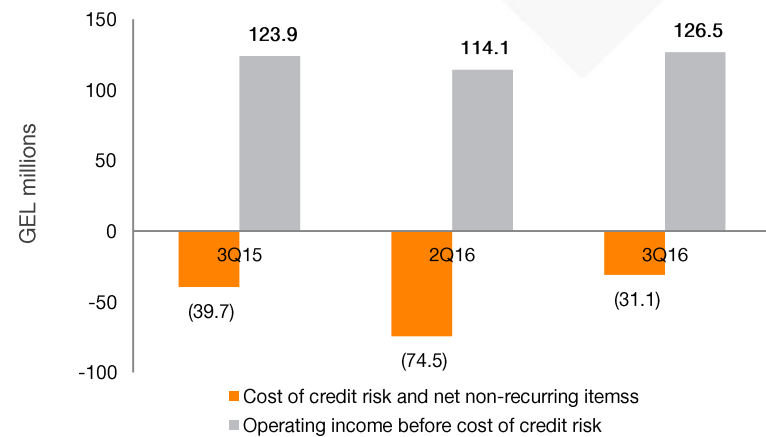
Operating income before cost of credit risk | *nine months 2016*

Banking Business



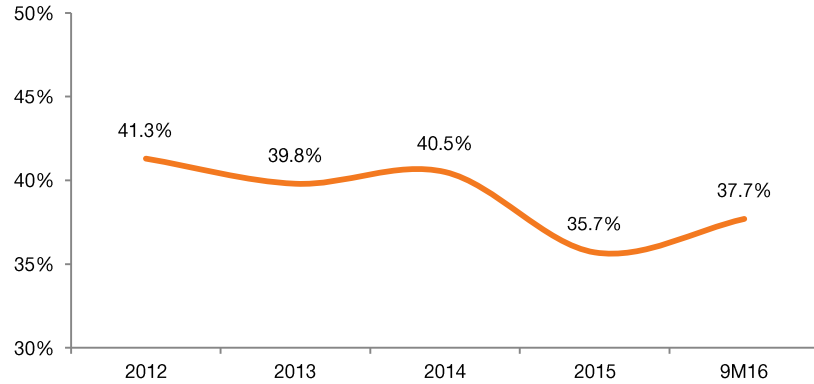
Operating income before cost of credit risk | *quarterly*

Banking Business



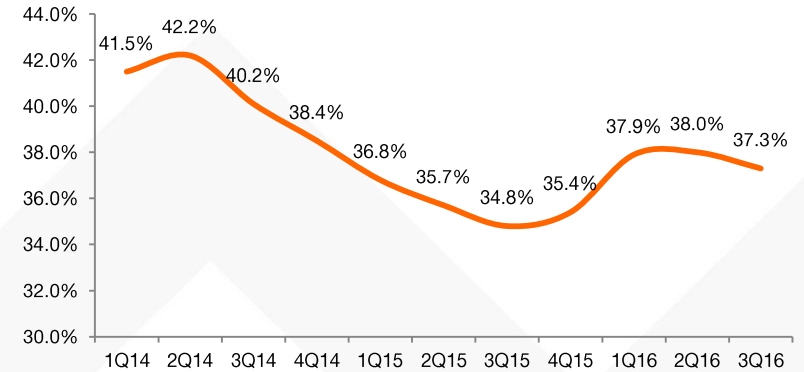
Cost / Income | nine months 2016

Banking Business



Cost / Income | quarterly

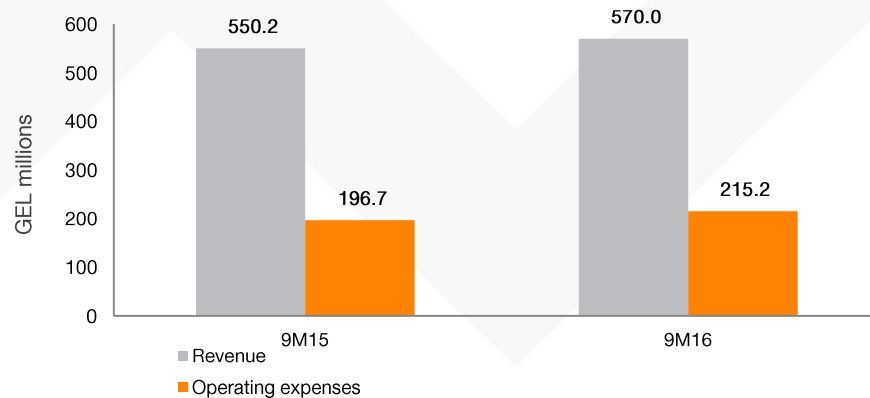
Banking Business



Revenue and operating expenses | nine months 2016

Banking Business

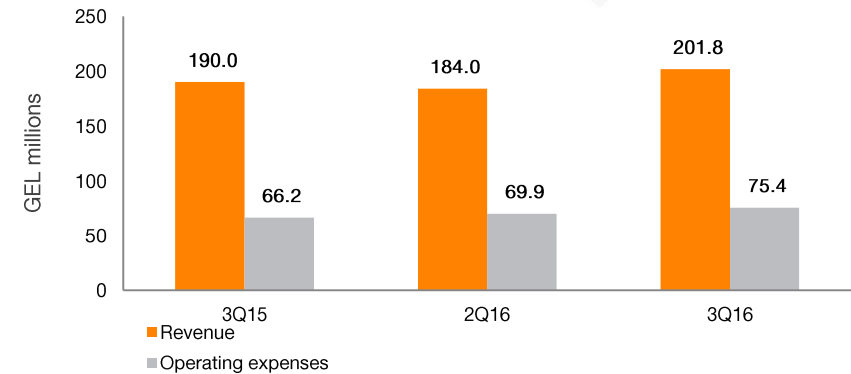
Operating Leverage: -5.8% y-o-y



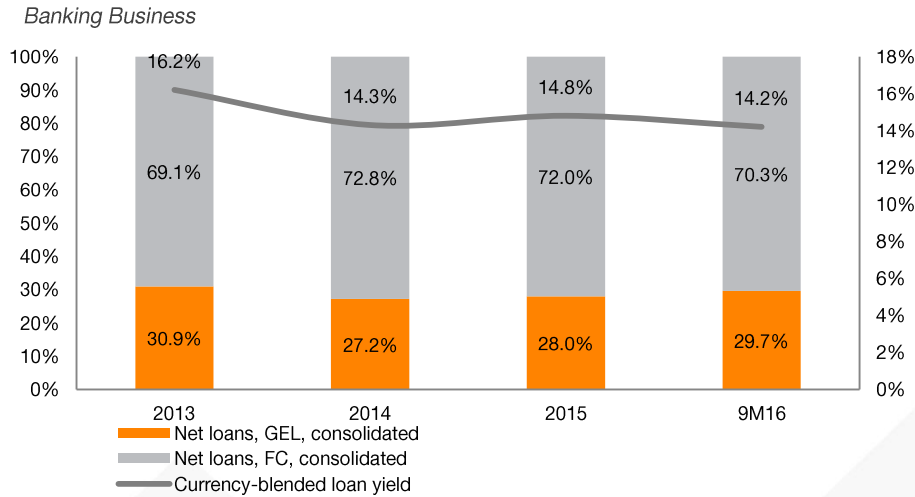
Revenue and operating expenses | quarterly

Banking Business

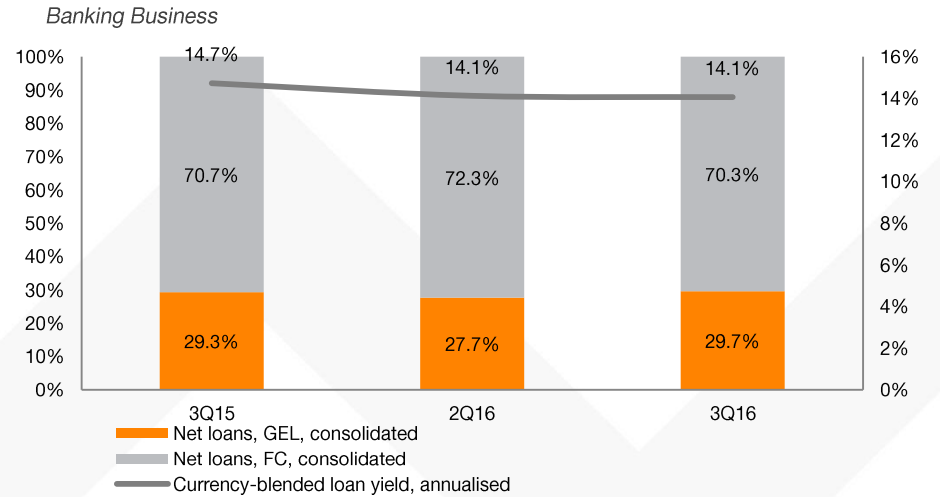
**Operating Leverage: +1.9% q-o-q
- 7.7% y-o-y**



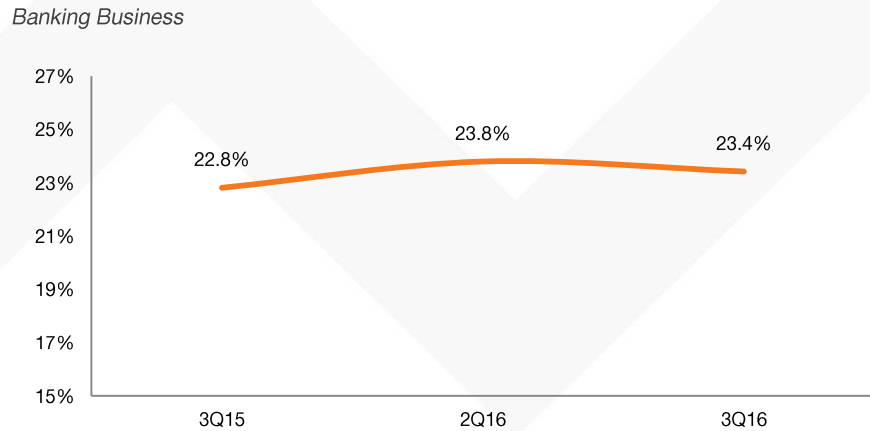
Loan Yields | nine month 2016



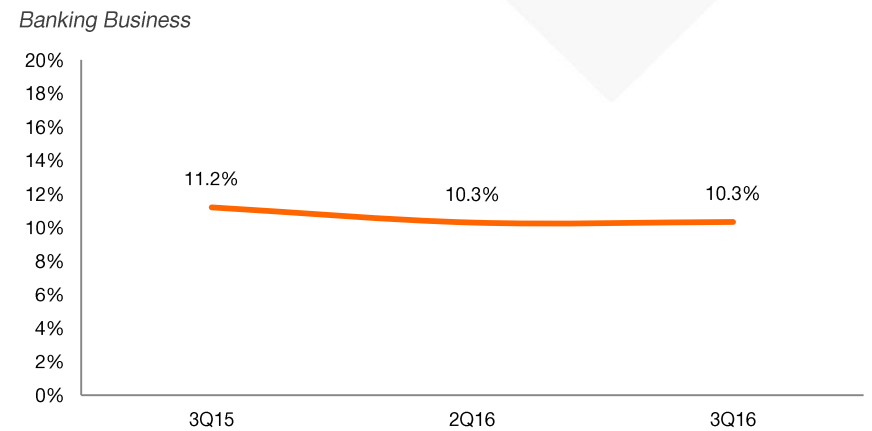
Loan Yields | quarterly



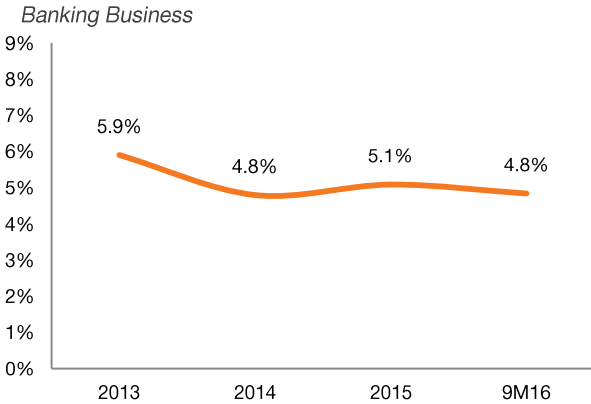
Loan Yields, GEL | quarterly



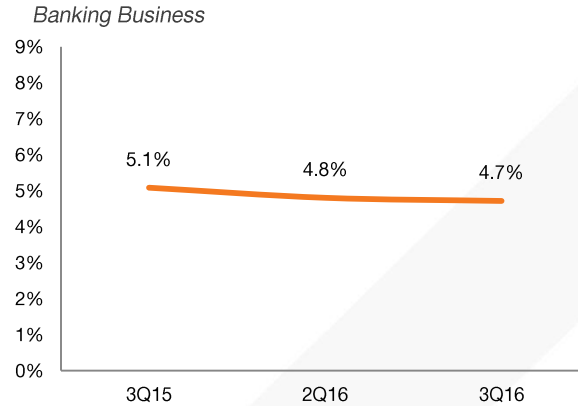
Loan Yields, Foreign currency | quarterly



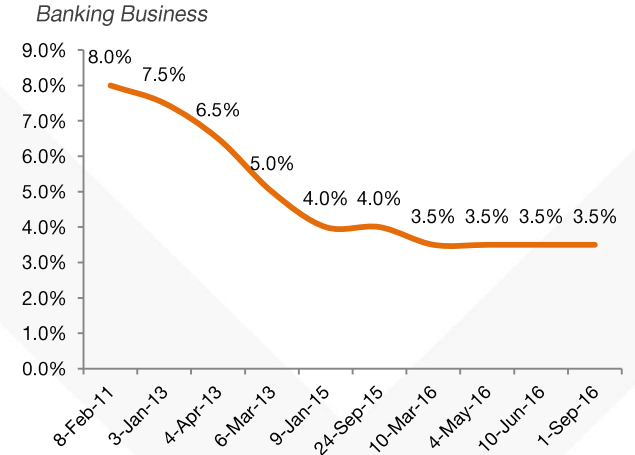
Cost of Funds | *nine month 2016*



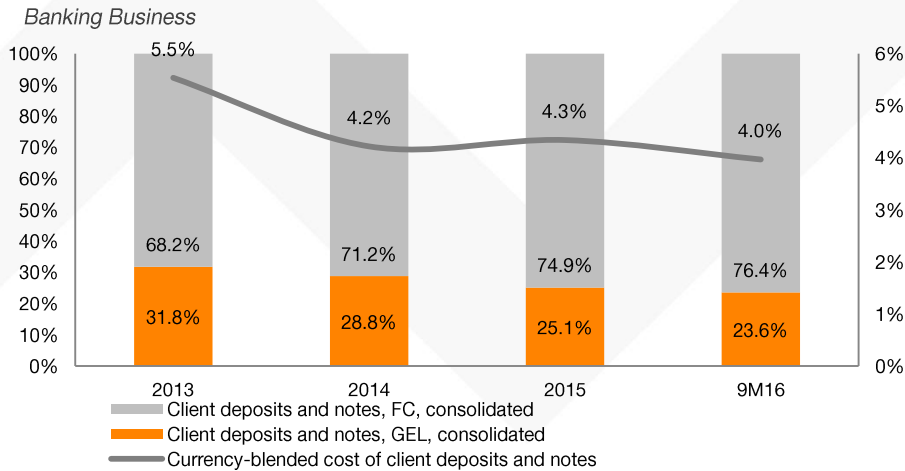
Cost of Funds | *quarterly*



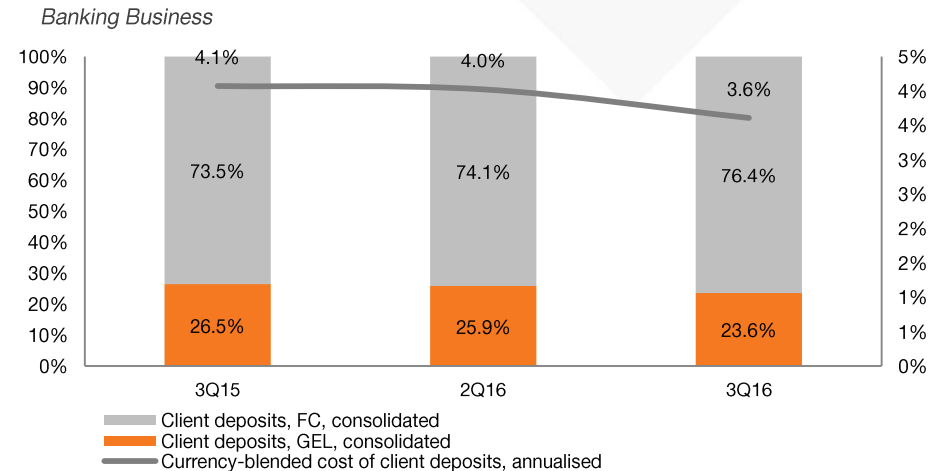
One year US\$ deposit rate¹



Cost of Customer Funds | *nine month 2016*



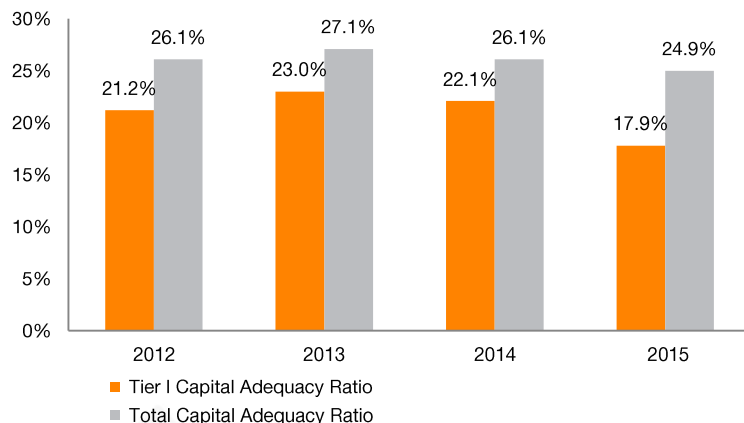
Cost of Customer Funds | *quarterly*



1) One year US\$ deposit rates in retail segment

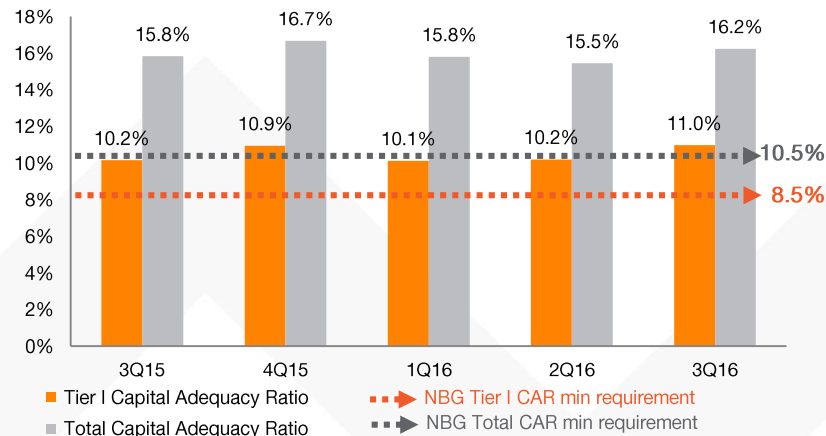
Basel I capital adequacy ratios

JSC Bank of Georgia consolidated



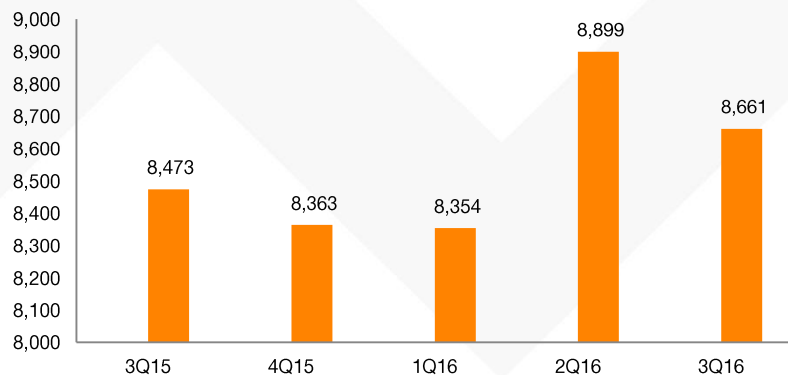
NBG (Basel 2/3), capital adequacy ratios

JSC Bank of Georgia standalone



Risk Weighted Assets NBG (Basel 2/3)

standalone (BIS 2/3)



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

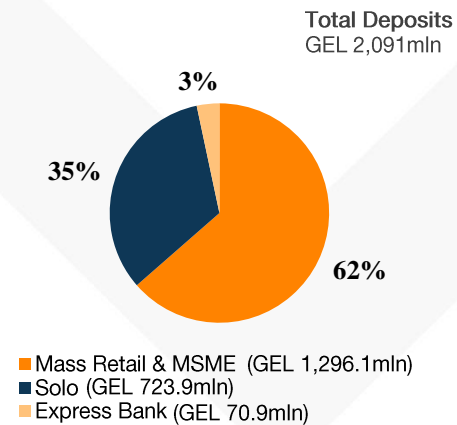
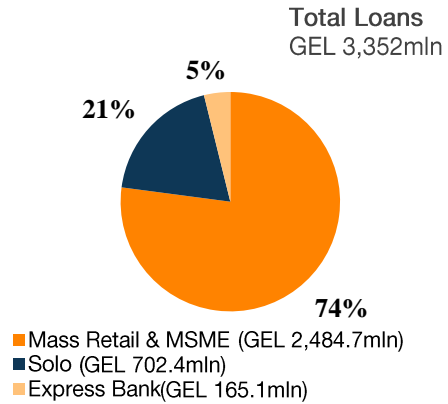
JSC Bank of Georgia standalone

GEL '000	Sep 2016	Dec 2015	Sep 2015	Jun 2015	Mar 2015	Dec 2014
Tier I Capital (Core)	951.5	914.8	860.2	869.4	727.3	800.5
Tier 2 Capital (Supplementary)	454.6	479.2	482.1	458.7	252.0	217.1
Total Capital	1,406.1	1,394.0	1,342.3	1,328.1	979.3	1,017.6
Risk weighted assets	8,661.0	8,363.4	8,473.1	8,350.5	7,951.9	7,204.1
Tier 1 Capital ratio	11.00%	10.9%	10.2%	10.4%	9.1%	11.1%
Total Capital ratio	16.20%	16.7%	15.8%	15.9%	12.3%	14.1%

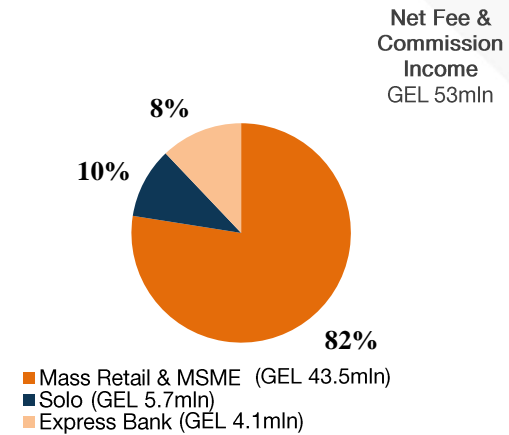
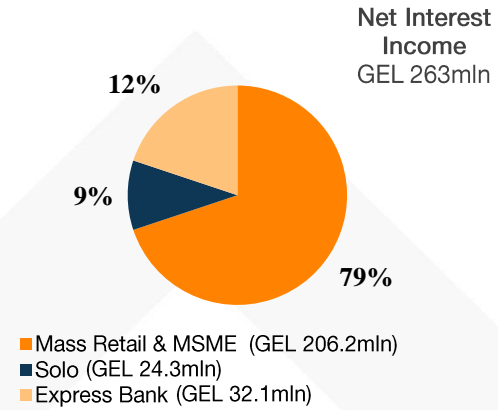
Retail Banking

segments	1 EXPRESS BANK Emerging Retail	2 საქართველოს ბანკი BANK OF GEORGIA Mass Retail	3 SOLO Mass Affluent	4 MSME Micro, Small and Medium Business
Clients	446.2 _k	1,486.0 _k	17.0 _k	123.0 _k
Loans	GEL 165.1 _{mln}	GEL 1,429.1 _{mln}	GEL 702.4 _{mln}	GEL 1,055.6 _{mln}
Deposits	GEL 70.9 _{mln}	GEL 1,063.3 _{mln}	GEL 723.9 _{mln}	GEL 226.3 _{mln}
9m profit	GEL 17.8 _{mln}	GEL 75.2 _{mln}	GEL 16.8 _{mln}	GEL 32.7 _{mln}
Profit per client (annualised)	GEL 54	GEL 61	GEL 1,606	GEL 373
P/C ratio	3.1	1.7	7.0	1.1
Branches	122	144	10	n/a

Balance sheet data



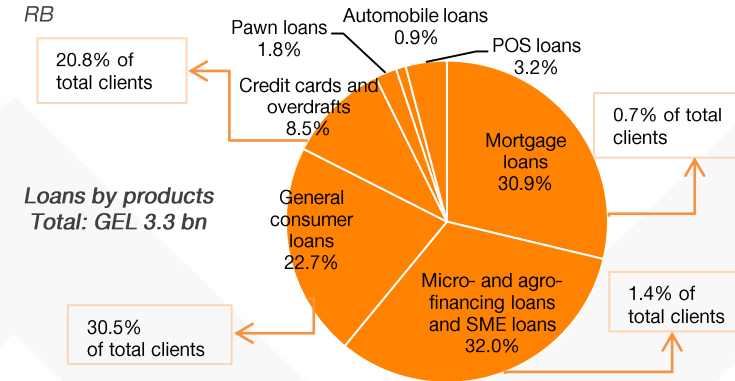
Income statement data



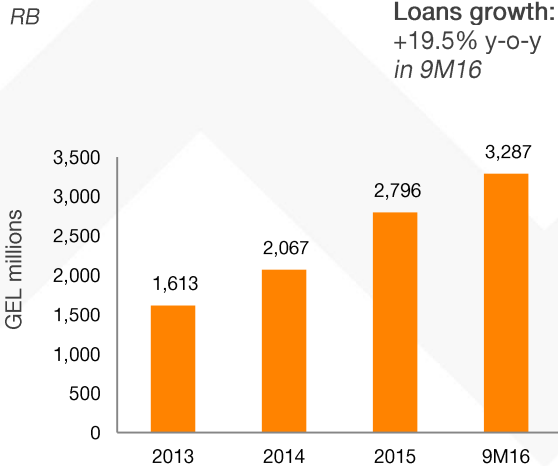
Client Data

RB					
Operating Data, GEL mln	9M16	% of clients	2015	2014	2013
Number of total Retail clients, of which:	2,072,188		1,999,869	1,451,777	1,245,048
Number of Solo clients ("Premier Banking")	16,964	0.8%	11,869	7,971	6,810
Consumer loans & other outstanding, volume	976.1		835.6	691.8	560.2
Consumer loans & other outstanding, number	631,022	30.5%	625,458	526,683	455,557
Mortgage loans outstanding, volume	1,022.1		809.0	600.9	441.4
Mortgage loans outstanding, number	15,376	0.7%	12,857	11,902	10,212
Micro & SME loans outstanding, volume	1,055.6		903.9	666.0	497.0
Micro & SME loans outstanding, number	28,982	1.4%	19,045	16,246	13,317
Credit cards and overdrafts outstanding, volume	298.5		305.7	135.0	142.4
Active credit cards and overdrafts outstanding, number	431,044	20.8%	435,010	199,543	174,570
Total credit cards outstanding, number, of which:	811,503	39.2%	754,274	116,615	117,913
American Express cards	82,361	4.0%	100,515	110,362	108,608

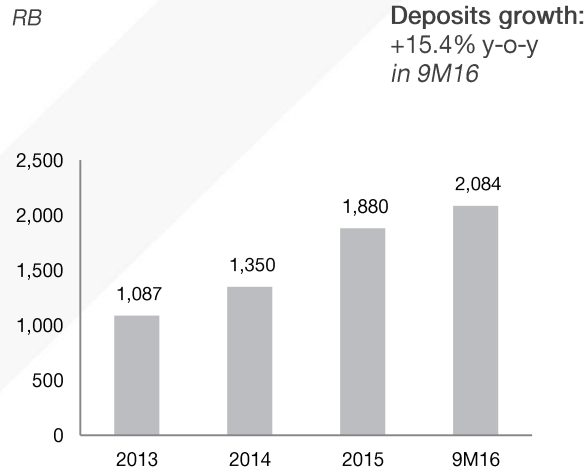
Portfolio breakdown



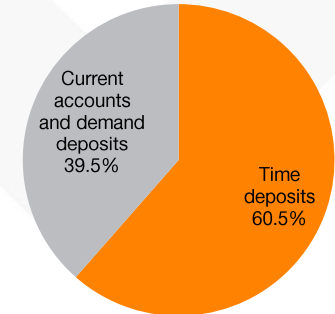
RB Loans



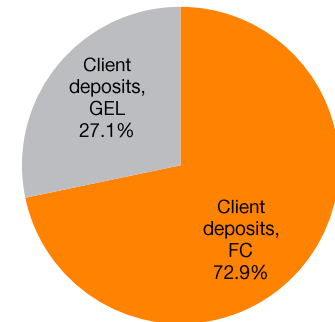
RB Deposits



Deposits by category
Total: GEL 2.1 bn



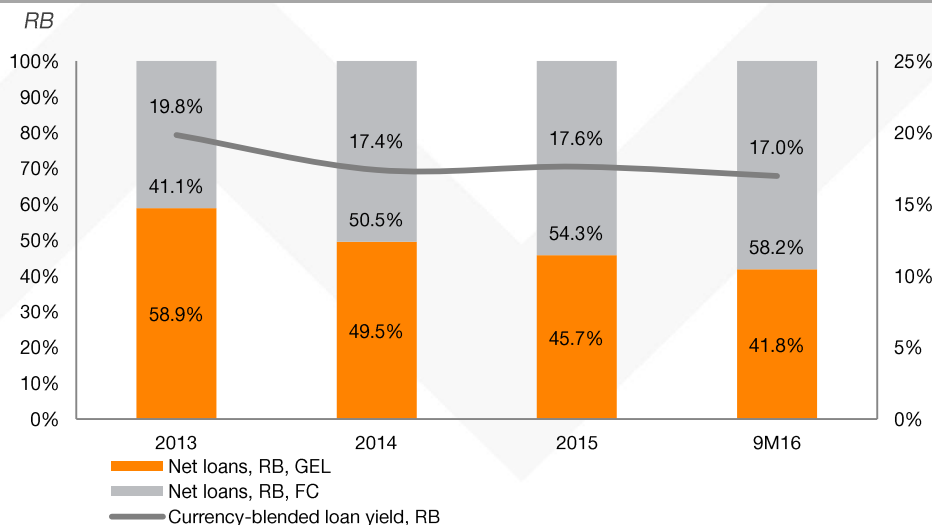
Deposits by currency
Total: GEL 2.1 bn



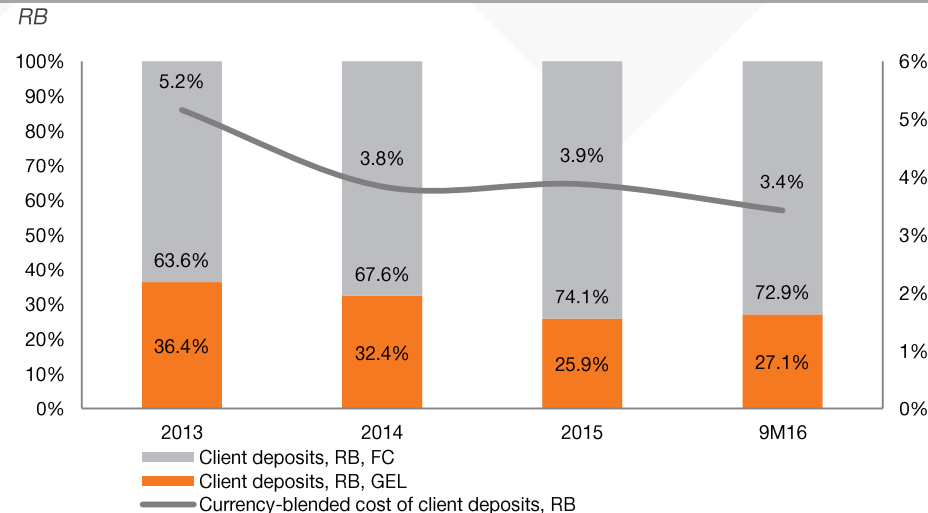
P&L

RB	GEL thousands, unless otherwise noted	3Q16	3Q15	Change y-o-y	2Q16	Change q-o-q	9M16	9M15	Change y-o-y
INCOME STATEMENT HIGHLIGHTS									
Net banking interest income		95,507	83,141	14.9%	84,574	12.9%	262,913	237,560	10.7%
Net fee and commission income		22,402	19,982	12.1%	21,742	3.0%	63,383	56,954	11.3%
Net banking foreign currency gain		8,198	5,202	57.6%	5,473	49.8%	17,261	13,412	28.7%
Net other banking income		1,097	2,861	-61.7%	1,035	6.0%	2,843	5,209	-45.4%
Revenue		127,204	111,186	14.4%	112,824	12.7%	346,400	313,135	10.6%
Salaries and other employee benefits		(27,315)	(22,466)	21.6%	(24,325)	12.3%	(75,247)	(68,478)	9.9%
Administrative expenses		(13,179)	(12,081)	9.1%	(12,756)	3.3%	(40,456)	(35,953)	12.5%
Banking depreciation and amortisation		(7,910)	(6,806)	16.2%	(7,597)	4.1%	(22,890)	(20,455)	11.9%
Other operating expenses		(837)	(353)	137.1%	(393)	113.0%	(1,727)	(1,312)	31.6%
Operating expenses		(49,241)	(41,706)	18.1%	(45,071)	9.3%	(140,320)	(126,198)	11.2%
Operating income before cost of credit risk		77,963	69,480	12.2%	67,753	15.1%	206,080	186,937	10.2%
Cost of credit risk		(20,691)	(22,713)	-8.9%	(17,543)	17.9%	(56,417)	(60,035)	-6.0%
Net non-recurring items		2,297	(3,128)	NMF	(31,819)	NMF	(30,082)	(6,451)	NMF
Profit before income tax		59,569	43,639	36.5%	18,391	223.9%	119,581	120,451	-0.7%
Income tax (expense) benefit		(3,147)	(4,747)	-33.7%	28,702	NMF	21,710	(16,386)	NMF
Profit		56,422	38,892	45.1%	47,093	19.8%	141,291	104,065	35.8%

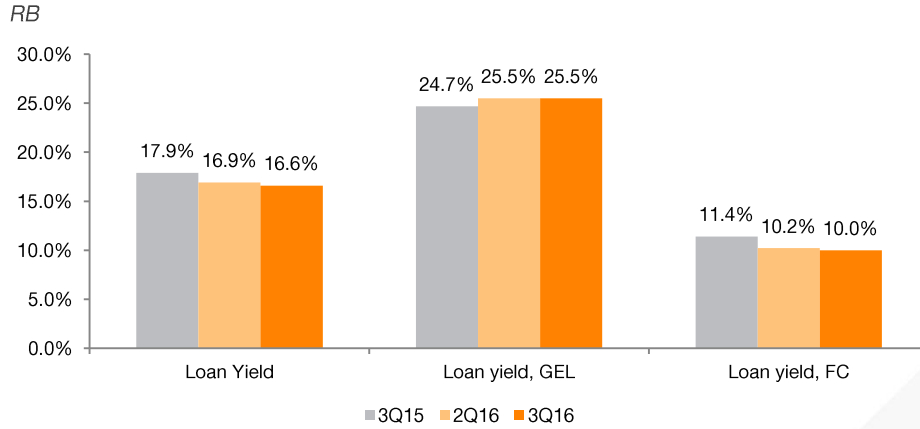
Loan Yield



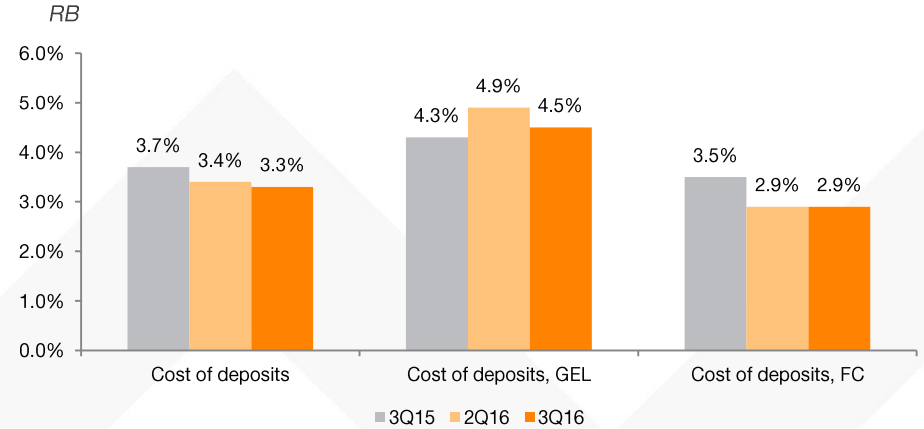
Deposit Cost



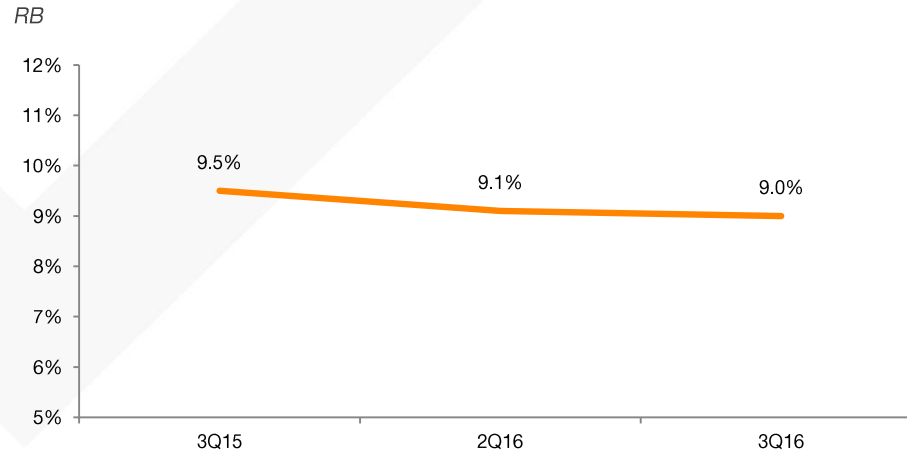
RB Loan Yield



RB Cost of Deposit



RB NIM



P&L

CIB

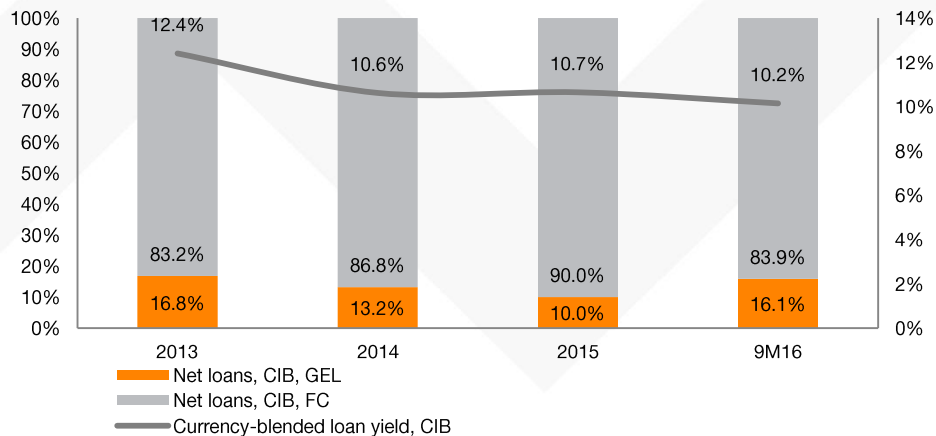
GEL thousands, unless otherwise noted

INCOME STATEMENT HIGHLIGHTS

	3Q16	3Q15	Change y-o-y	2Q16	Change q-o-q	9M16	9M15	Change y-o-y
Net banking interest income	34,457	37,829	-8.9%	35,233	-2.2%	107,940	116,686	-7.5%
Net fee and commission income	6,680	9,062	-26.3%	6,129	9.0%	19,830	25,554	-22.4%
Net banking foreign currency gain	12,196	8,216	48.4%	8,921	36.7%	32,485	27,822	16.8%
Net other banking income	3,244	2,447	32.6%	1,822	78.0%	7,652	5,783	32.3%
Revenue	56,577	57,554	-1.7%	52,105	8.6%	167,907	175,845	-4.5%
Salaries and other employee benefits	(12,851)	(12,142)	5.8%	(11,357)	13.2%	(35,363)	(33,351)	6.0%
Administrative expenses	(3,223)	(3,100)	4.0%	(3,692)	-12.7%	(10,270)	(10,343)	-0.7%
Banking depreciation and amortisation	(1,285)	(1,194)	7.6%	(1,304)	-1.5%	(3,862)	(3,370)	14.6%
Other operating expenses	(246)	(122)	101.6%	(226)	8.8%	(702)	(596)	17.8%
Operating expenses	(17,605)	(16,558)	6.3%	(16,579)	6.2%	(50,197)	(47,660)	5.3%
Operating income before cost of credit risk	38,972	40,996	-4.9%	35,526	9.7%	117,710	128,185	-8.2%
Cost of credit risk	(10,608)	(10,549)	0.6%	(9,347)	13.5%	(34,093)	(44,166)	-22.8%
Net non-recurring items	1,191	(1,516)	NMF	(14,538)	NMF	(14,202)	(2,354)	NMF
Profit before income tax	29,555	28,931	2.2%	11,641	153.9%	69,415	81,665	-15.0%
Income tax (expense) benefit	(1,308)	(3,161)	-58.6%	12,809	NMF	8,813	(11,840)	NMF
Profit	28,247	25,770	9.6%	24,450	15.5%	78,228	69,825	12.0%

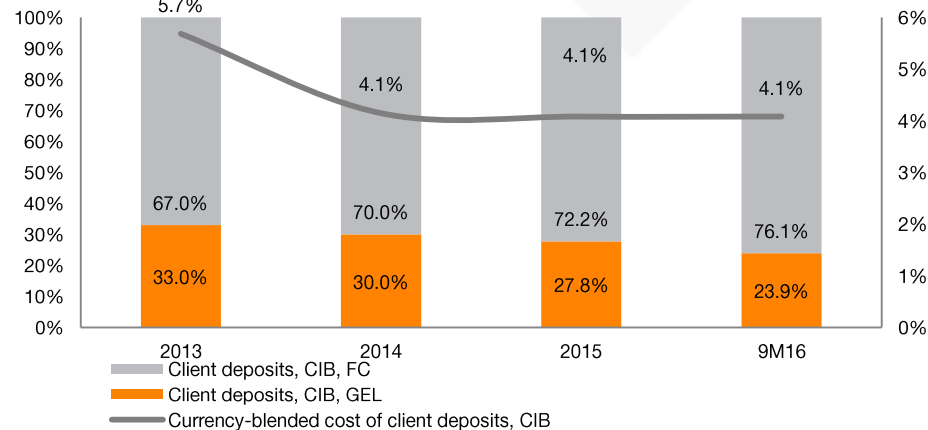
Loan Yield

CIB



Deposit Cost

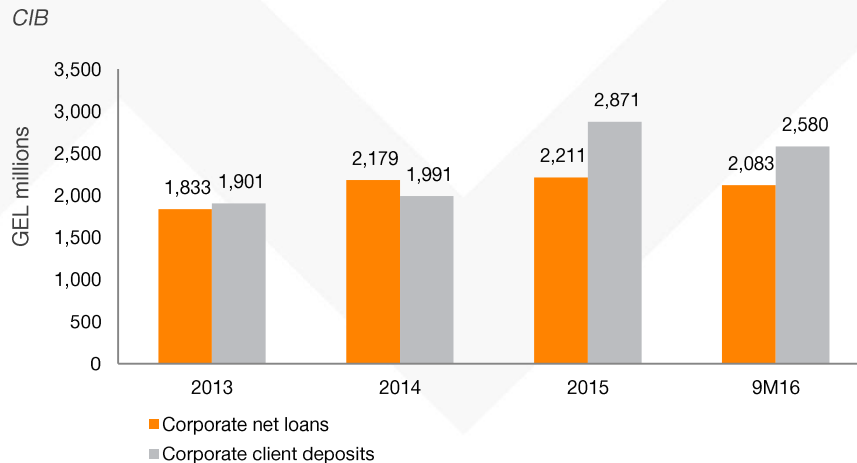
CIB



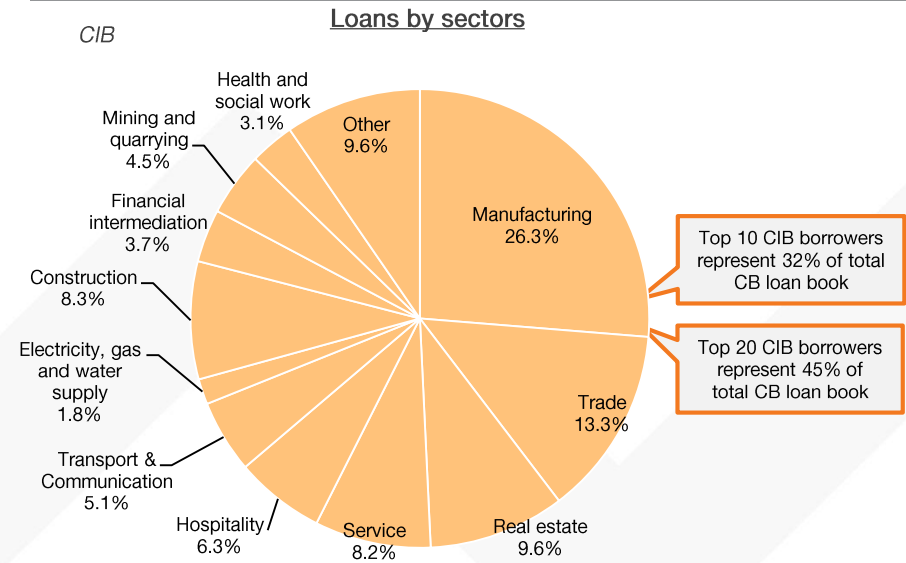
Highlights

- No.1 corporate bank in Georgia
- Integrated client coverage in key sectors
- c.3,000 clients served by dedicated relationship bankers

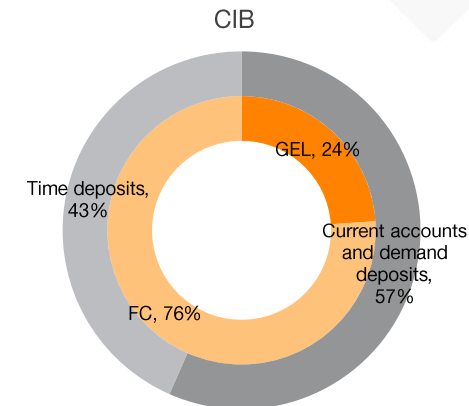
Loans & Deposits



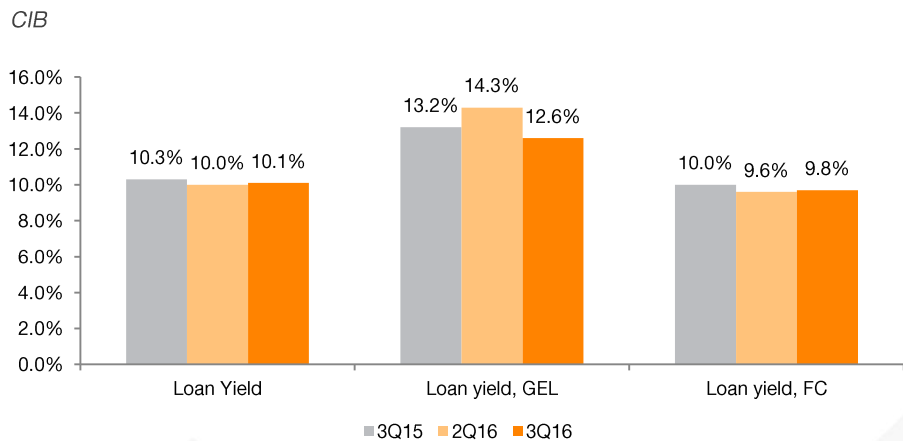
Portfolio breakdown, 30 September 2016



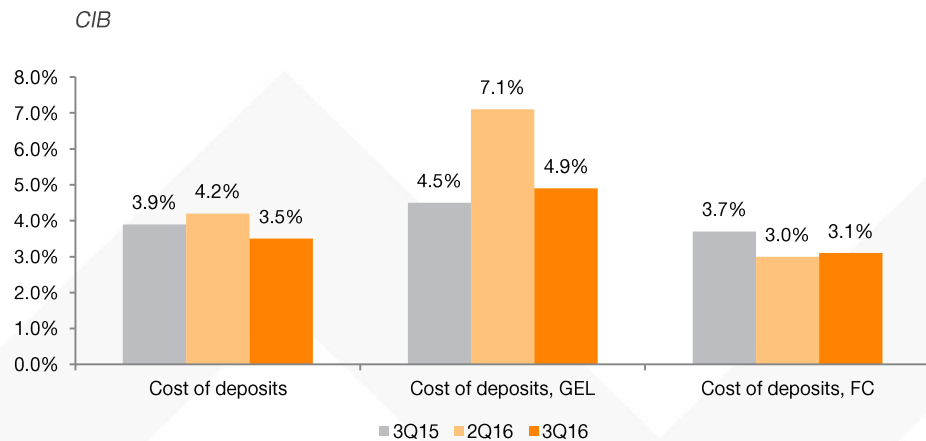
Deposits by category



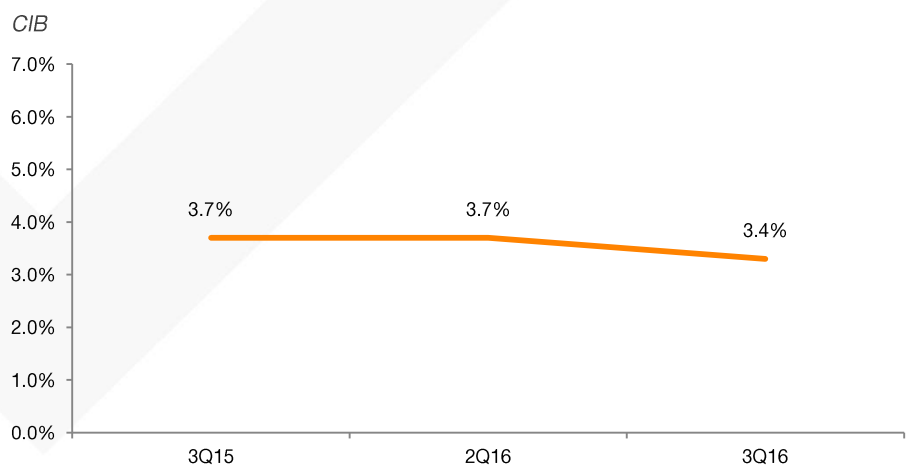
CIB Loan Yield



CIB Cost of Deposit



CIB NIM





1

Wealth Management

- **Strong international presence:** Israel (since 2008), UK (2010), Hungary (2012) and Turkey (2013). Planned expansion - Cyprus, Singapore, USA.
- **AUM of GEL 1,408 million**, up 4.5% y-o-y
- **Diversified funding sources:**
 - Georgia 37%
 - Israel 10%
 - UK 3%
 - Germany 2%
 - Other 48%

2

Research

- Sector, macro and fixed income coverage
- International distribution



4

Brokerage

- **Wide product coverage**
- | | | | |
|----|----|-----|----|
| Fx | Fx | CFD | Eq |
| Eq | Fu | C | Bo |
- **Exclusive partner of SAXO Bank** via While Label structure, that provides highly adaptive trading platform with professional tools, insights and world-class execution

3

Corporate Advisory

- **Bond placement**
 - In March 2016, G&T successfully placed a USD 5mn 2-year bond of a non-BGEO Group affiliated company, Nikora
 - In August 2016, G&T successfully placed the five-year, GEL denominated bond for Black Sea Trade and Development Bank
- **Corporate advisory platform**
 - Team with sector expertise and international M&A experience
 - Proven track record of more than 15 completed transactions over the past 8 years with an accumulated transaction value of more than GEL 200 million

WM CLIENTS



INVEST AND KEEP ASSETS VIA

BOG & GEORGIA

INTERNATIONAL ASSETS

GEORGIA

- ✓ Onshore economy with offshore benefits
- ✓ No capital gain tax on the internationally traded securities
- ✓ No accounts reporting liability
- ✓ High account safety
- ✓ Fast and easy way to open account and transfer in/out assets/funds

BANK OF GEORGIA



G&T TRADER
SAXO BANK

Trading and custody capabilities of international assets on all major international exchanges

Eq Eq Eq CFD Fu C Fx Fx Bo

→

- Equities
- Fixed Income
- CFDs

TARGETS & PRIORITIES NEXT 2-3 YEARS

PRIORITIES

1 Grow Retail Banking share in loan book

2 Increase Product to Client Ratio

3 De-concentrate Corporate Loan Book (Top 10 borrowers)

4 Develop regional private banking franchise (AUM, GEL mln)

STRATEGIC TARGETS

ROAE

Target: 20%+
9M16: 22.8%

Retail Banking Growth

Target: 20%+
9M16: 19.5%

		Targets	9M16	9M15
KEY targets	1 ROAE	20%+	22.8%	20.6%
	2 Retail Banking Growth	20%+	19.5%	48.0%
PRIORITIES	1 Grow Retail share in loan book	65%	60%	54%
	2 Increase Product to Client Ratio	3.0	2.0	1.7
	3 Increase number of Solo clients	To 40,000	16,964	10,328
	4 De-concentrate Corporate Loan Book	To 10 borrowers: 10%	11.9%	12.8%
	5 Become a regional private banking hub	AUM: GEL 2.5bln	GEL 1.4bln	GEL 1.3bln
Long-term outlook	1 NIM	7.25% - 7.75%	7.4%	7.7%
	2 Cost / Income	c. 35%	c. 38%	c. 36%
	3 NPL coverage ratio	80-120%	86.5%	82.1%
	4 Cost of Risk	c.2.0%	2.2%	2.8%

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business Georgia Healthcare Group (GHG)	48
• Georgia Healthcare Group (GHG)	
Georgian Macro Overview	81
Appendices	102





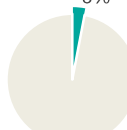
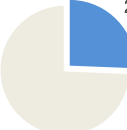
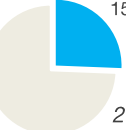


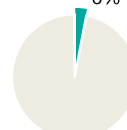
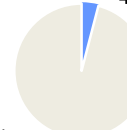



P&L

Income Statement

<i>GEL thousands; unless otherwise noted</i>	3Q16	3Q15	Change, Y-o-Y	2Q16	Change, Q-o-Q	9M16	9M15	Change, Y-o-Y
Revenue, gross	116,159	64,192	81.0%	101,673	14.2%	290,408	176,238	64.8%
Corrections & rebates	(762)	(680)	12.1%	(724)	5.2%	(1,896)	(2,522)	-24.8%
Revenue, net	115,397	63,512	81.7%	100,949	14.3%	288,512	173,716	66.1%
Revenue from healthcare services	58,542	50,451	16.0%	58,056	0.8%	176,639	137,028	28.9%
Revenue from pharma	45,725	n/a	n/a	30,691	49.0%	76,416	n/a	n/a
Net insurance premiums earned	16,054	15,196	5.6%	15,298	4.9%	45,182	43,010	5.0%
Eliminations	(4,925)	(2,135)	130.6%	(3,095)	59.1%	(9,725)	(6,322)	53.8%
Costs of services	(76,563)	(38,844)	97.1%	(67,395)	13.6%	(188,109)	(106,603)	76.5%
Cost of healthcare services	(31,170)	(28,821)	8.1%	(31,399)	-0.7%	(95,567)	(77,283)	23.7%
Cost of pharma	(35,915)	n/a	n/a	(25,059)	43.3%	(60,974)	n/a	n/a
Cost of insurance services	(13,939)	(12,123)	15.0%	(13,989)	-0.4%	(40,775)	(35,444)	15.0%
Eliminations	4,461	2,101	112.3%	3,052	46.2%	9,207	6,125	50.3%
Gross profit	38,834	24,668	57.4%	33,554	15.7%	100,403	67,113	49.6%
Salaries and other employee benefits	(10,841)	(7,104)	52.6%	(9,229)	17.5%	(26,993)	(19,706)	37.0%
General and administrative expenses	(8,423)	(2,510)	235.6%	(6,758)	24.6%	(18,383)	(7,460)	146.4%
Impairment of healthcare services, insurance premiums and other receivables	(172)	(990)	-82.6%	(1,236)	-86.1%	(2,388)	(2,836)	-15.8%
Other operating income	329	1,964	-83.2%	551	-40.3%	1,099	2,505	-56.1%
EBITDA	19,727	16,029	23.1%	16,882	16.9%	53,738	39,617	35.6%
Depreciation and amortisation	(5,215)	(3,482)	49.8%	(4,581)	13.8%	(14,261)	(8,371)	70.4%
Net interest expense	(3,838)	(4,786)	-19.8%	(3,469)	10.6%	(8,963)	(14,904)	-39.9%
Net gains/(losses) from foreign currencies	(263)	(1,759)	-85.1%	(1,964)	-86.6%	(2,487)	3,690	-167.4%
Net non-recurring income/(expense)	(48)	(722)	-93.4%	(586)	-91.8%	(864)	(1,489)	-42.0%
Profit before income tax expense	10,363	5,279	96.3%	6,282	65.0%	27,163	18,542	46.5%
Income tax benefit	(587)	(31)	NMF	26,920	NMF	27,538	22	NMF
<i>of which: Deferred tax adjustments</i>	-	-		27,113		29,311		
Profit for the period	9,776	5,248	86.3%	33,202	-70.6%	55,001	18,564	196.3%
Attributable to:								
- shareholders of the Company	7,125	3,973	79.3%	27,755	-74.3%	44,801	15,827	183.1%
- non-controlling interests	2,651	1,275	107.9%	5,447	-51.3%	10,200	2,737	272.7%
<i>of which: Deferred tax adjustments</i>	-	-		4,705		5,057	-	

- Organic growth of healthcare services revenue was 13.4% y-o-y in 9M16
- Healthcare services EBITDA margin was 29.6% in 9M16

Key Segments	Healthcare services			Pharma	Medical insurance	
	Referral Hospitals	Community Hospitals	Ambulatory Clinics	Pharma	Medical Insurance	
Key Services	General and specialty hospitals offering outpatient and inpatient services in Tbilisi and major regional cities	Basic outpatient and inpatient services in regional towns and municipalities	Outpatient diagnostic and treatment services in Tbilisi and major regional cities	Wholesaler and urban-retailer, with a countrywide distribution network	Range of private insurance products purchased by individuals and employers	
Market Size ⁽¹⁾	GEL 1.2bln (2015)			GEL 0.9bln (2015)	GEL 1.3bln (2015)	GEL 0.14bln (2015)
Market Share	18% by revenue ⁽²⁾ 23.0% by beds (2,474), which is expected to grow to c.27% as a result of renovation of recently acquired hospital facilities (additional c.600 beds);			1% by revenue ⁽²⁾	15% by revenue ⁽²⁾	35% by revenue
Selected Operating Data 9M16	 <p>81% 15 hospitals 2,012 beds</p>	 <p>19% 20 hospitals 462 beds</p>	<p><i>eight clusters with</i> 11 district ambulatory clinics 28 express ambulatory clinics</p>	112 pharmacies in major cities	208,000 individuals insured	
Financials 9M16	<p>Revenue GEL 288.5mln⁽³⁾</p>  <p>51% GEL 151.5 mln 2012-3Q16 CAGR 51%</p>	 <p>6% GEL 16.9 mln 2012-3Q16 CAGR 17%</p>	 <p>3% GEL 8.2 mln 2012-3Q16 CAGR 28%</p>	 <p>25% GEL 76.4 mln 2012-3Q16 CAGR 15%</p>	 <p>15% GEL 45.2 mln 2012-3Q16 CAGR 15%</p>	
	<p>EBITDA GEL 53.7mln</p>  <p>85% GEL 45.3 mln 2012-3Q16 CAGR 60%</p>	 <p>10% GEL 5.6 mln 2012-3Q16 CAGR 32%</p>	 <p>3% GEL 1.8 mln 2012-3Q16 CAGR 40%</p>	 <p>4% GEL 2.3 mln 2012-3Q16 CAGR -2%</p>	 <p>-2% GEL -1.4 mln 2012-3Q16 CAGR -2%</p>	
	EBITDA Margin ⁽⁴⁾ : 29.9%	EBITDA Margin ⁽⁴⁾ : 33.4%	EBITDA Margin ⁽⁴⁾ : 22.3%	EBITDA Margin ⁽⁴⁾ : 3.1%	EBITDA Margin ⁽⁴⁾ : -3.1%	

Sources:

- (1) Frost & Sullivan analysis, 2015
- (2) Market share for healthcare services and pharma business are for 2015 year
- (3) Revenue net of corrections&rebates and intercompany eliminations
- (4) EBITDA margins are based on gross of intercompany eliminations as well as gross of head office and management costs

2015-2018

Medium-term Target
(5-10 Year Horizon)

Long-term Target
(Beyond 10 Year Horizon)

Georgia 2014 or most recent year⁽¹⁾

Georgia medium-term⁽¹⁾


EM 2014 or most recent year⁽²⁾


Spending per capita (US\$)  217 (Georgia)

 502

 1,076


Price inflation (heart surgery, US\$)  6,500 (GHG)

 9,000

 25,000

GHG Revenue per bed (US\$)  39,000 (GHG)

 99k

 280k


Outpatient Encounters per capita  3.5 (Georgia)

 5.4

 8.9


Nurse to doctor ratio  1:1.3 (Georgia)

 4:1 (Georgia, WHO recommendation)

 3.4:1

Pharmaceuticals' share in total healthcare spending  38.4% (Georgia)

 25%

 15.4%

Significant expansion of capacity by 2025

Substantial room to grow beyond 2025

Sources:

(1) Bed utilisation for referral hospitals; World Bank; GHG internal reporting; Management Estimates; Ministry of Finance of Georgia; Frost & Sullivan 2015; NCDC healthcare statistical yearbook 2014

(2) WHO: Average of countries: Chile, Costa Rica, Czech Republic, Estonia, Croatia, Hungary, Lithuania, Latvia, Poland, Russian Federation, Slovak Republic; BAML Global Hospital Benchmark, August 2014

GHG HAS FULL PRESENCE IN GEORGIAN HEALTHCARE ECOSYSTEM

Segment	HOSPITALS	AMBULATORIES	PHARMA	INSURANCE
Market (2015)	GEL 1.2bln	GEL 0.9bln	GEL 1.3bln	GEL 0.17bln
Market shares	BY REVENUE BEDs	BY REVENUE	BY REVENUE	BY REVENUE
	In 2015	<1%	-	38%
	Now	1.5%	15%	35%
	YE2018	5%	30%+	30%+
Long-term	30%+	15%+	30%+	30%+

GHG HAS FULL PRESENCE IN GEORGIAN HEALTHCARE ECOSYSTEM

Segment	HOSPITALS	AMBULATORIES	PHARMA	INSURANCE
Market share Targets 2018 (BY REVENUE)	25%+	5%	30%+	30%+
P&L targets	<ul style="list-style-type: none"> • Doubling 2015 revenue by 2018 (2015 revenue was GEL 195.0mln) • With 30% EBITDA margin 		8.0%+ EBITDA margin	<ul style="list-style-type: none"> • Combined ratio <97% • Claims retained within GHG >50%



Segment	HOSPITALS	AMBULATORIES	PHARMA	INSURANCE
Market shares (now)	20%	1.5%	15%	35%
Progress toward strategic goals in 2016	<ul style="list-style-type: none"> • Renovations are on track for Deka & Sunstone (budget & schedule) • Launched 51 new services with target annual revenue of GEL 18.6mln 	<ul style="list-style-type: none"> • Launched 6 clusters • 2 more to be launched in 4Q16 	<ul style="list-style-type: none"> • Entered pharma segment by purchasing 3rd & 4th players • Successful GPC integration: synergies above initial guidance 	<ul style="list-style-type: none"> • Increased claims retained within the group from 17% to 20% • Turning the corner in profitability

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business	48
• m2 Real Estate	
Georgian Macro Overview	81
Appendices	102




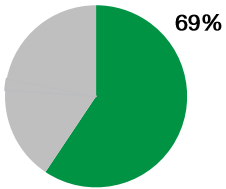
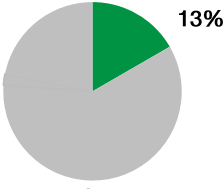
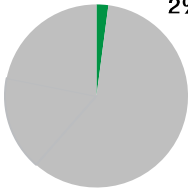
P&L

Income Statement Highlights	3Q16	3Q15	Change Y-O-Y	2Q16	Change Q-O-Q	9M16	9M15	Change Y-O-Y
<i>Gel thousands, unless otherwise stated</i>								
Revenue from sale of apartments	53,817	435	NMF	5,323	NMF	87,132	5,148	NMF
Cost of sale of apartments	(45,874)	(230)	NMF	(3,858)	NMF	(72,472)	(4,852)	NMF
Net revenue from sale of apartments	7,943	205	NMF	1,465	NMF	14,660	296	NMF
Revenue from operating lease	774	419	84.7%	641	20.7%	2,015	1,239	62.6%
Cost of operating leases	(59)	-	-	(47)	25.5%	(152)	-	-
Net revenue from operating leases	715	419	70.6%	594	20.4%	1,863	1,239	50.4%
Revaluation of commercial property	959	-	-	-	-	959	-	-
Gross real estate profit	9,617	624	NMF	2,059	NMF	17,482	1,535	NMF
Gross other investment profit	(105)	63	NMF	121	NMF	1,832	225	NMF
Revenue	9,512	687	NMF	2,180	NMF	19,314	1,760	NMF
Salaries and other employee benefits	(275)	(204)	34.8%	(433)	-36.5%	(1,028)	(794)	29.5%
Administrative expenses	(889)	(879)	1.1%	(1,472)	-39.6%	(3,450)	(3,195)	8.0%
Operating expenses	(1,164)	(1,083)	7.5%	(1,905)	-38.9%	(4,478)	(3,989)	12.3%
EBITDA	8,348	(396)	NMF	275	NMF	14,836	(2,229)	NMF
Depreciation and amortization of investment business	(64)	(51)	25.5%	(61)	4.9%	(178)	(136)	30.9%
Net foreign currency gain (loss) from investment business	205	(1,230)	NMF	697	-70.6%	1,288	(698)	NMF
Interest income from investment business	305	(6)	NMF	-	-	305	386	-21.0%
Interest expense from investment business	(93)	(155)	-40.0%	(103)	-9.7%	(321)	(1,393)	-77.0%
Net operating income before non-recurring items	8,701	(1,838)	NMF	808	NMF	15,930	(4,070)	NMF
Net non-recurring items	(91)	10	NMF	(135)	-32.6%	(249)	(130)	91.5%
Profit before income tax	8,610	(1,828)	NMF	673	NMF	15,681	(4,200)	NMF
Income tax (expense) benefit	(1,204)	274	NMF	23	NMF	(2,141)	630	NMF
Profit	7,406	(1,554)	NMF	696	NMF	13,540	(3,570)	NMF

Balance Sheet

Balance sheet	Sep-16	Sep-15	Change Y-O-Y	Jun-16	Change Q-O-Q
<i>GEL thousands, unless otherwise noted</i>					
Cash and cash equivalents	39,890	40,219	-0.8%	42,549	-6.2%
Amounts due from credit institutions	305	-	-	-	-
Investment securities	1,145	1,145	0.0%	1,145	0.0%
Accounts receivable	1,186	863	37.4%	824	43.9%
Prepayments	20,828	10,007	108.1%	18,741	11.1%
Inventories	92,790	114,983	-19.3%	116,891	-20.6%
Investment property, of which:	103,268	77,156	33.8%	107,303	-3.8%
<i>Land bank</i>	64,071	56,612	13.2%	71,244	-10.1%
<i>Commercial real estate</i>	39,197	20,544	90.8%	36,059	8.7%
Property and equipment	1,667	1,888	-11.7%	1,633	2.1%
Other assets	15,311	17,743	-13.7%	19,751	-22.5%
Total assets	276,390	264,004	4.7%	308,837	-10.5%
Amounts due to credit institutions	38,463	3,815	908.2%	36,039	6.7%
Debt securities issued	46,603	47,497	-1.9%	47,857	-2.6%
Accruals and deferred income	62,824	131,250	-52.1%	105,498	-40.5%
Other liabilities	7,388	3,845	92.1%	7,264	1.7%
Total liabilities	155,278	186,407	-16.7%	196,658	-21.0%
Additional paid-in capital	5,606	3,253	72.3%	6,008	-6.7%
Other reserves	(4,206)	(3,575)	17.7%	(4,206)	0.0%
Retained earnings	119,712	77,919	53.6%	110,377	8.5%
Total equity attributable to shareholders of the Group	121,112	77,597	56.1%	112,179	8.0%
Total equity	121,112	77,597	56.1%	112,179	8.0%
Total liabilities and equity	276,390	264,004	4.7%	308,837	-10.5%

Key Segments & market size

	1 Residential Developments	2 Yielding Business	
	Affordable housing	Commercial space (offices, industrial properties, high street retail)	Hotels
	<p>Market: US\$ 1.2bln¹ As a residential real estate developer, m² targets mass market customers by introducing high quality and comfortable living standards in Georgia and making them affordable.</p> 	<p>Market: US\$ 2.5bln² As a property manager, m² makes opportunistic investments and manages a well diversified portfolio of yielding assets, primarily consisting of high street real estate assets, and also including industrial and office space real estate assets.</p> 	<p>Market: US\$ 1.9bln³ As a hotel developer and operator, m² targets 3-star, mixed use hotels (residential combined with hotel development). m² finances equity needs of the hotel from the profits and land value unlocked through sale of the apartments in the same development.</p> 
Asset base (as of 3Q16)	<p><i>Includes:</i> 1. Inventory of residential real estate 2. Land bank</p> <p style="text-align: right;"><u>US\$ 81 million⁴</u></p>  <p style="text-align: right;">69%</p>	<p><i>Includes:</i> 1. High street retail 2. Industrial properties: warehouses and logistics centers 3. Offices</p> <p style="text-align: right;"><u>US\$ 16 million</u></p>  <p style="text-align: right;">13%</p> <p style="text-align: center;"><i>Dollar denominated, inflation hedged cash flow stream</i></p>	<p><i>Includes:</i> 1. Hotels (mixed use) 2. Land bank</p> <p style="text-align: right;"><u>US\$ 3 million</u></p>  <p style="text-align: right;">2%</p>
Track record	<ul style="list-style-type: none"> - Delivering average 75% IRR on residential projects - Started operations in 2010 and since: <ul style="list-style-type: none"> - Completed 6 projects – 1,672 apartments, 95% sold with US\$ 134.2mln sales value, land value unlocked US\$ 16.4mln - Ongoing 4 projects – 1,202 apartments, 29% sold with US\$ 30.2mln sales value, land value to be unlocked US\$ 16.5mln - All completed projects were on budget and on schedule - Land bank of value US\$ 25.0mln, with c.810 apartments 	<ul style="list-style-type: none"> • Generated annual yield of 9.7% in 2015 on portfolio rented out. Rent earning assets are with capital appreciation upside. • m² has developed its current yielding portfolio through: <ul style="list-style-type: none"> • m² retains commercial space (ground floor) at its own residential developments. This constitutes up to 25% of total yielding portfolio • Acquired opportunistically the commercial space. This constitutes over 75% of total yielding portfolio 	<ul style="list-style-type: none"> • m² attained exclusive development agreement with Wyndham to develop Wyndham’s 3-star brand Ramada Encore exclusively in Georgia. Plan is to build at least 3 hotels within next 7 years with minimum 370 rooms in total. • 3 projects in the pipeline: <ol style="list-style-type: none"> 1) 2 hotels in Tbilisi – land acquired, project design stage 2) 1 hotel in Kutaisi – searching for property

PROJECTS: RESIDENTIAL & HOTEL



Apartment building:
Chubinashvili street
Completion status: **100%**



Apartment building:
Tamarashvili street
Completion status: **100%**



Apartment building:
Kazbegi avenue
Completion status: **100%**



Apartment building:
Nutsubidze Street
Completion status: **100%**



Apartment building:
Tamarashvili Street II
Completion status: **100%**



Apartment building:
Moscow avenue
Completion status: **100%**



Apartment building: **Kartozia Street**
Completion status: **21%**
Construction start date: Nov 15



Apartment building: **Skyline Street**
Completion status: **56%**
Construction start date: Dec 15



Apartment building: **Kazbegi avenue II**
Completion status: **7%**
Construction start date: Jun 16

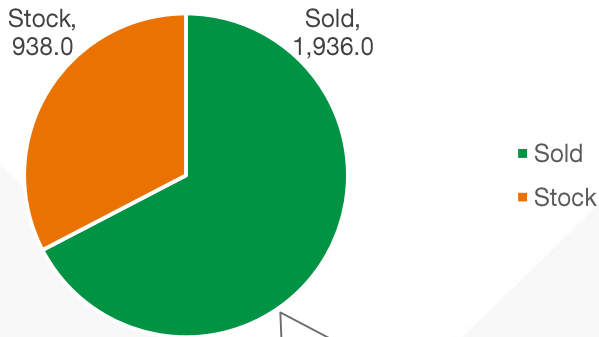


Apartment building:
Chavchavadze Avenue
Completion status: **1%**
Construction start date: Oct 16

STRONG SALES PERFORMANCE

67% of total apartments are sold

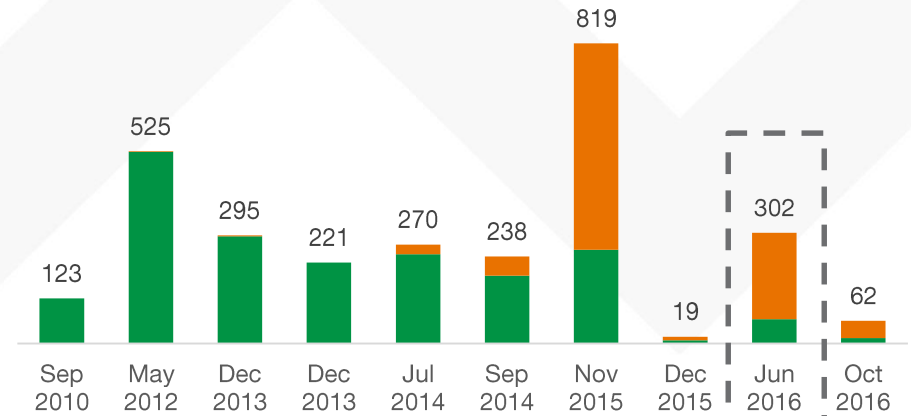
2,874 apartments in total
Number of apartments



Financed with BOG mortgages:
917 apartments, GEL 105.6mln

Completed projects are sold out

Completed apartments: 5% in stock
Ongoing apartments: 71% in stock
Number of apartments by projects



Entering hotel business:
In 2016, launched construction of our first 3-star hotel (mixed-use)

STRONG SALES PERFORMANCE

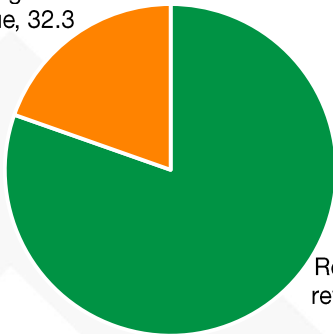
US\$ 164.3mln sales in total

US\$ 32.3mln to be recognized as revenue

Sales by revenue recognition status

US\$ millions

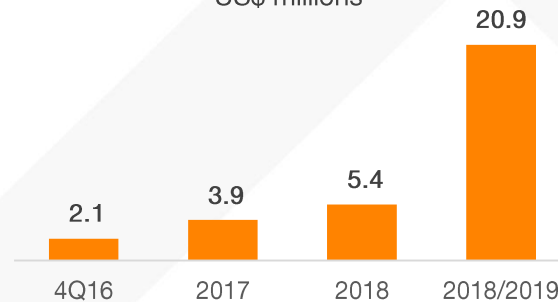
To be recognised as revenue, 32.3



Recognised as revenue, 132.0

Recognition timeline For US\$ 32.2mln

US\$ millions



- 10 projects started (2 in 2016)
- 6 completed (3 in 2016)
- 4 is ongoing

SOLID AND WELL MANAGED BALANCE SHEET

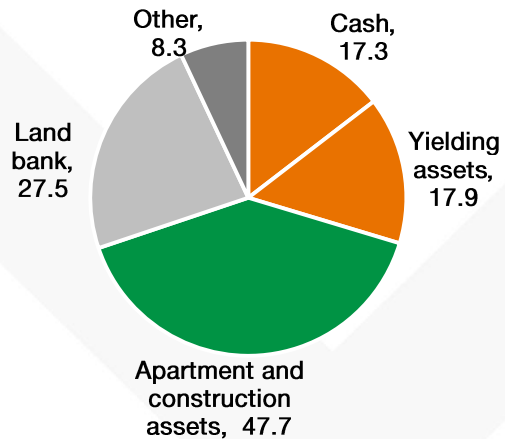
Growing share of yielding assets

Breakdown of total assets

NAV is US\$ 51mln

US\$ millions

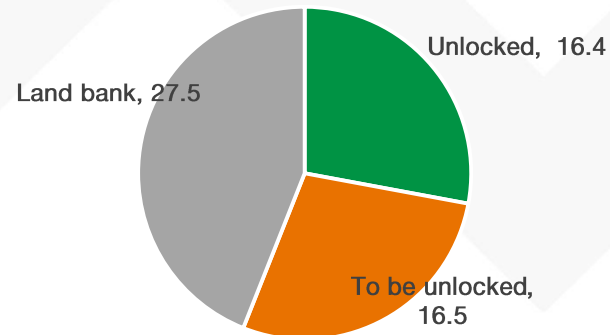
NAV is US\$ 51mln



Unlocking the land value

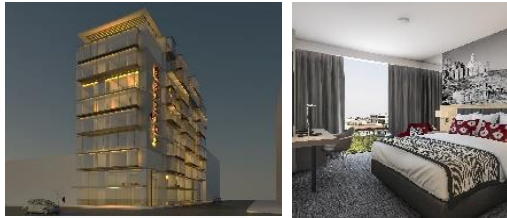
Land bank down to US\$ 27.5mln

US\$ millions



3-star hotel opportunity in Tbilisi

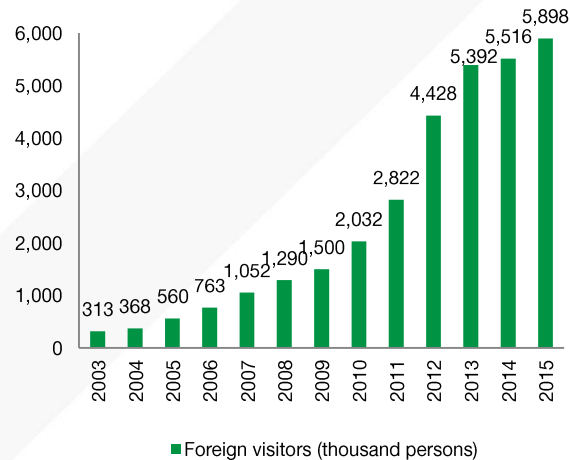
Develop 3 hotels in next 7 years in Tbilisi catering to budget travelers



- Wyndham Ramada Anchor exclusivity for 7 years
- Equity investment US\$ 7 million
- Number of rooms – 370
- Investment per room – US\$ 70k
- Occupancy rate – 65% (3rd year stabilised)
- ADR – US\$ 100
- ROE – 20%

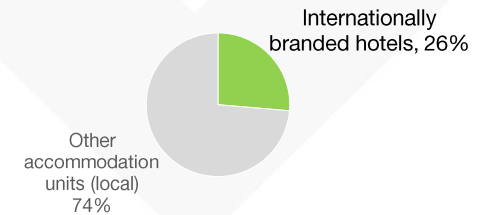
Visitors in Georgia 25% CAGR'03-15

4.9mln visitors for 9M16, up 8.6% y-o-y



Limited supply

Distribution of rooms in Tbilisi by accommodation type, 2011



- Occupancy rate of international branded hotels was 75% in September 2016, while YTD occupancy rate reached 71.8%, up 9.1% y-o-y
- September 2016 ADR – US\$ 147, up 2% y-o-y. YTD ADR of US\$ 137, down 5% y-o-y

TARGETS & PRIORITIES NEXT 2-3 YEARS

1 Unlocking land value by developing housing projects. Buy land opportunistically

2 Start developing 3rd party lands

3 Accumulate yielding assets from own-developed projects :

- *Mainly retain commercial real estate in residential buildings*
- *Develop hotels and apartments (mixed-use) to increase yielding business*

- *NAV (Net Asset Value) – US\$ 51.1mln*
- *Land bank – US\$ 27.5mln*
- *Yielding assets currently – US\$ 17.9mln*
- *Sales to be recognized as revenue – US\$ 32.3mln*

- **Capital management discipline – pay US\$ 20-25mln dividends to BGEO in 2019**
- **Possibility to establish m2 as a REIT**

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business	48
• GGU – Georgian Global Utilities	
Georgian Macro Overview	81
Appendices	102

P&L

INCOME STATEMENT

<i>GEL thousands; unless otherwise noted</i>	3Q16	3Q15	Change y-o-y	2Q16	Change q-o-q	9M16	9M15	Change y-o-y
Revenue from water supply to legal entities	22,203	21,850	1.6%	19,353	14.7%	58,589	57,094	2.6%
Revenue from water supply to individuals	7,735	7,716	0.2%	7,295	6.0%	22,867	21,950	4.2%
Revenue from electric power sales	2,309	1,649	40.0%	895	158.0%	6,471	8,823	-26.7%
Revenue from technical support	1,319	477	176.5%	454	190.5%	2,110	2,655	-20.5%
Other income	648	356	82.0%	230	181.7%	1,146	839	36.6%
Revenue	34,214	32,048	6.8%	28,227	21.2%	91,183	91,361	-0.2%
Provisions for doubtful trade receivables	(1,412)	(10)	NMF	(727)	94.2%	(2,885)	(313)	NMF
Salaries and benefits	(4,566)	(5,480)	-16.7%	(4,319)	5.7%	(13,171)	(16,544)	-20.4%
Electricity and transmission costs	(4,575)	(2,878)	59.0%	(4,702)	-2.7%	(13,635)	(8,293)	64.4%
Raw materials, fuel and other consumables	(958)	(1,323)	-27.6%	(1,090)	-12.1%	(2,930)	(3,802)	-22.9%
Infrastructure assets maintenance expenditure	(788)	(1,082)	-27.2%	(546)	44.3%	(2,000)	(2,678)	-25.3%
General and administrative expenses	(700)	(707)	-1.0%	(899)	-22.1%	(2,285)	(2,033)	12.4%
Taxes other than income tax	(806)	(715)	12.7%	(734)	9.8%	(2,363)	(2,423)	-2.5%
Professional fees	(523)	(302)	73.2%	(400)	30.8%	(1,531)	(1,158)	32.2%
Insurance expense	(258)	(69)	NMF	(199)	29.6%	(524)	(248)	111.3%
Other operating expenses	(1,869)	(1,095)	70.7%	(2,155)	-13.3%	(5,547)	(3,474)	59.7%
Operating expenses	(16,455)	(13,661)	20.5%	(15,771)	4.3%	(46,871)	(40,966)	14.4%
EBITDA	17,759	18,387	-3.4%	12,456	42.6%	44,312	50,395	-12.1%
<i>EBITDA Margin</i>	52%	57%		44%		49%	55%	
Depreciation and amortisation	(4,457)	(4,592)	-2.9%	(4,240)	5.1%	(12,842)	(13,184)	-2.6%
EBIT	13,302	13,795	-3.6%	8,216	61.9%	31,470	37,211	-15.4%
<i>EBIT Margin</i>	39%	43%		29%		35%	41%	
Net interest expense	(2,822)	(1,826)	54.5%	(2,525)	11.8%	(7,715)	(5,034)	53.3%
Foreign exchange gains(losses)	(131)	(1,809)	-92.8%	(472)	-72.2%	(666)	(13,973)	-95.2%
EBT	10,349	10,160	1.9%	5,219	98.3%	23,089	18,204	26.8%
Income tax (expense)/benefit	(1,168)	(1,785)	-34.6%	355	NMF	(2,920)	(5,193)	-43.8%
Profit	9,181	8,375	9.6%	5,574	64.7%	20,169	13,011	55.0%

- GGU recorded revenue of GEL 34.2m in 3Q16 and GEL 91.2m in 9M16. Revenue from water sales represented c.90% of total revenue.
- GGU reported EBITDA of GEL 17.8m for 3Q16 and GEL 44.3m for 9M16. The lower electricity sales and higher transmission costs have impacted the EBITDA growth dynamics. Excluding these two line items, EBITDA grew 3.2% y-o-y for the nine-month period
- GGU recorded profit of GEL 20.2m for 9M16, reflecting a 55.0% growth y-o-y

Sources: GGU internal reporting, financials are for 3Q16

Cash flow

STATEMENT OF CASH FLOW

<i>GEL thousands; unless otherwise noted</i>	3Q16	3Q15	Change y-o-y	2Q16	Change q-o-q	9M16	9M15	Change y-o-y
Cash receipt from customers	36,652	36,979	-0.9%	33,004	11.1%	98,844	101,721	-2.8%
Cash paid to suppliers	(13,231)	(8,629)	53.3%	(13,418)	-1.4%	(37,792)	(25,614)	47.5%
Cash paid to employees	(4,454)	(5,562)	-19.9%	(4,610)	-3.4%	(11,880)	(15,191)	-21.8%
Interest received	19	7	171.4%	61	-68.9%	186	125	48.8%
Interest paid	(2,776)	(1,885)	47.3%	(2,449)	13.4%	(7,735)	(5,330)	45.1%
Taxes paid	(2,540)	(6,768)	-62.5%	(3,468)	-26.8%	(8,885)	(15,754)	-43.6%
Restricted cash in Bank	235	-	-	713	-67.0%	374	-	-
Cash flow from operating activities	13,905	14,142	-1.7%	9,833	41.4%	33,112	39,957	-17.1%
Maintenance Capex	(4,549)	(4,165)	9.2%	(5,756)	-21.0%	(13,629)	(9,220)	47.8%
Operating cash flow after maintenance capex	9,356	9,977	-6.2%	4,077	129.5%	19,483	30,737	-36.6%
Purchase of PPE and intangible assets	(7,266)	(6,976)	4.2%	(9,195)	-21.0%	(21,769)	(15,051)	44.6%
Proceeds from PPE sale	-	4	NMF	-	-	-	4	NMF
Total cash flow used in investing activities	(7,266)	(6,972)	4.2%	(9,195)	-21.0%	(21,769)	(15,047)	44.7%
Proceeds from borrowings	14,923	1,014	1371.7%	2,583	477.7%	17,885	1,120	1496.9%
Repayment of borrowings	(2,175)	(1,662)	30.9%	(2,791)	-22.1%	(7,467)	(18,269)	-59.1%
Dividends paid out	(13,055)	(75)	NMF	(50)	NMF	(13,159)	(187)	NMF
Total cash flow used in financing activities	(307)	(723)	-57.5%	(258)	19.0%	(2,741)	(17,336)	-84.2%
Exchange gains/(losses) on cash equivalents	(144)	38	NMF	(981)	-85.3%	(1,208)	(226)	NMF
Total cash inflow/(outflow)	1,639	2,320	-29.4%	(6,357)	NMF	(6,235)	(1,872)	NMF
Cash balance								
Cash, beginning balance	3,760	9,047	-58.4%	10,117	-62.8%	11,634	13,239	-12.1%
Cash, ending balance	5,399	11,367	-52.5%	3,760	43.6%	5,399	11,367	-52.5%

- GGU has good receivables collection rates within 95-98% range. During 9M16, collection rate for legal entities was 92%, while for households it stood at 94%. As a result, GGU had GEL 7.4mn of overdue receivables
- Currently there are 1.17 million people living in Tbilisi while GGU only has 1.04 million of registered customers.

Balance sheet

BALANCE SHEET

GEL thousands; unless otherwise noted

	Sep-16	Sep-15	Change y-o-y	Jun-16	Change q-o-q
Cash and cash equivalents	5,399	11,367	-52.5%	3,760	43.6%
Trade and other receivables	27,125	29,123	-6.9%	25,551	6.2%
Inventories	3,727	4,264	-12.6%	4,429	-15.9%
Current income tax prepayments	591	840	-29.6%	1,013	-41.7%
Total current assets	36,842	45,594	-19.2%	34,753	6.0%
Property, plant and equipment	312,295	283,970	10.0%	304,898	2.4%
Investment Property	19,417	19,417	0.0%	19,417	0.0%
Other non-current assets	4,689	4,802	-2.4%	5,025	-6.7%
Total non-current assets	336,401	308,189	9.2%	329,340	2.1%
Total assets	373,243	353,783	5.5%	364,093	2.5%
Current borrowings	19,855	12,255	62.0%	25,186	-21.2%
Trade and other payables	20,363	22,106	-7.9%	20,087	1.4%
Provisions for liabilities and charges	848	1,406	-39.7%	2,133	-60.2%
Other taxes payable	4,338	767	NMF	2,045	112.1%
Total current liabilities	45,404	36,534	24.3%	49,451	-8.2%
Long term borrowings	64,388	63,024	2.2%	46,445	38.6%
Deferred income tax liability	260	27,483	-99.1%	390	-33.3%
Total non-current liabilities	64,648	90,507	-28.6%	46,835	NMF
Total liabilities	110,052	127,041	-13.4%	96,286	14.3%
Share capital	2	2	0.0%	2	0.0%
Retained earnings	83,149	72,761	14.3%	87,765	-5.3%
Revaluation reserve	180,040	153,979	16.9%	180,040	0.0%
Total equity	263,191	226,742	16.1%	267,807	-1.7%
Total liabilities and equity	373,243	353,783	5.5%	364,093	2.5%

- GGU balance sheet is characterised with low leverage and modest foreign exchange risk exposure
- Currently 99.6% of GGU's borrowings are denominated in local currency. The plan is to further reduce foreign-currency-denominated borrowings.

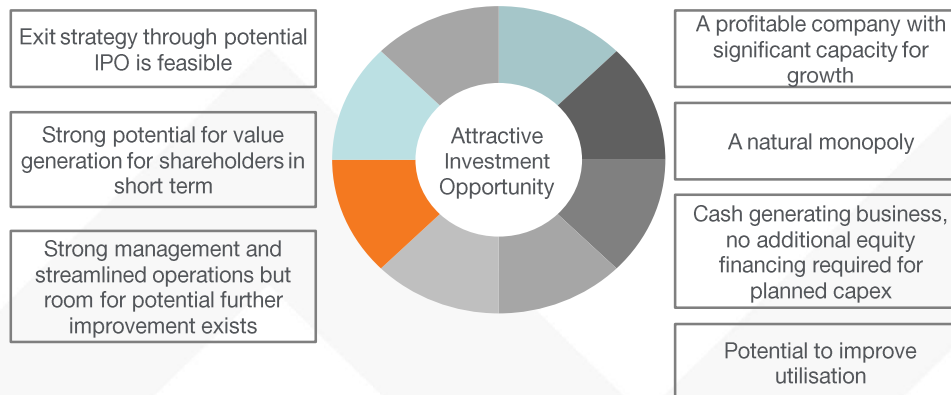
Acquired remaining 75% interest in GGU

- Acquired remaining 75% equity stake in GGU
- The settlement of the cash consideration of US\$ 70.0 million
- The transaction values GGU's enterprise value at GEL 287.5 million, or 4.2x EV / EBITDA 2016E
- GGU distributed dividends in the aggregate amount of GEL 13.1 million to the existing shareholders before BGEO completed acquisition in July 2016
- The transaction is both, P/E and B/V accretive from day one
- BGEO funded the acquisition through a combination of the BGEO's existing unallocated cash and additional debt
- GGU's existing senior management team continues to lead the business following the buy-out

Overview of 25% acquisition in 2014

- Transaction was structured in several steps:
 - Acquisition of 25% shareholding for GEL49.4m (US\$26m)
 - Option to acquire an additional 24.9% within 10 months for GEL47.6m (US\$26m), plus 20% per annum accrued on the call option consideration over the period from closing date to exercise date less any dividends distributed through the call option period. Subsequently, BGEO did not exercise the call option
- Attractive valuation with GGU valued at EV / EBITDA 2014E deal multiple of 4.7x, while industry peers were trading at 8.5x average EV / EBITDA 2014E multiple⁽¹⁾
- BGEO also provided a US\$25mn loan to GGU with proceeds paid as dividend to the selling shareholders
- The transaction was earnings accretive

Transaction Rationale



GGU's strategy

GGU is an established business, targeting further EBITDA growth as a result of its strategy, which implies strong cash flow generation post prudent capital expenditures.

- **Stable cash collection rate.** Average collection rates at only 65% in major cities. And average collection rates from households in Georgia only 45%⁽²⁾. GGU's collection rates are currently 96%.
- **Increase of the energy efficiency and water loss reduction.** Cost saving from reduction in water delivery losses to 40%, from current 50%. Existing high level of water losses is about 4-5 times higher than that in the Western Europe, creating an opportunity for efficiency gains. There is dual-effect from water delivery loss reduction, as freed-up energy can be sold to third parties.
- **Generation of additional income streams.** This implies utilizing GGU's existing infrastructure and developing hydropower plants to increase electricity sales to third parties; installing turbinators to achieve more efficient water supply.

GGU is the only profitable water-utilities player in Georgia with plenty of efficiency rooms

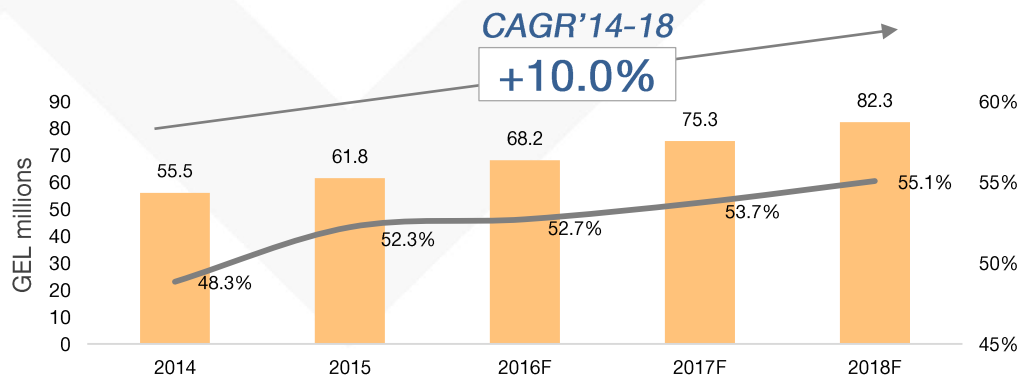
GGU is the largest privately owned water utility company in Georgia

- 2 core activities:
 - Water supply and sanitation** (including wastewater collection and processing) – Provides water to 1.4mln people (1/3 of Georgia) 2015A: 520M m³
 - Generation of electric power** – Owns 3 HPPs and has 1 HPP under management with total installed capacity of 149.1MW. **Generated power is primarily used by GGU's water business.** The excess amount of generated power is sold to the third party clients every year
 - Revenue of GEL 91.2mln in 9M16, -0.2% y-o-y
 - EBITDA of GEL 44.3mln in 9M16, -12.1% y-o-y

Company has strong execution track record & financial strength

- Management team with extensive experience in utility business
- “BB-” rating assigned by Fitch Ratings to major subsidiary of GGU – Georgian Water and Power in 2015 (currently Georgia's sovereign rating is “BB-” and the country ceiling is BB by Fitch)
- First bond placement by utility company in Georgia (GEL 8.6mln) through Georgian Water and Power in 2015
- Strong EBITDA growth in 2015 of 11.2% y-o-y
- Low leverage (2015A Debt/EBITDA: 1.2x)

EBITDA (in GEL mln) & EBITDA margin (in %)



EBITDA growth drivers:

- Cost saving from reduction in water delivery losses to 40%, from current 50%
- Double effect from water delivery loss reduction – selling freed-up energy

TARGETS & PRIORITIES NEXT 2-3 YEARS

- 1 WATER LOSS REDUCTION** From current 50% to 30%. Installing turbinators to achieve more efficient water supply.
- 2 SELLING FREED-UP ENERGY** Double effect from water loss reduction by selling freed-up energy.
- 3 STABLE CASH COLLECTION** Maintain stable cash collection rate. GGU's collection rates are currently 96%.
- 4 ADDITIONAL INCOME STREAMS** Generation of additional income streams by utilizing existing water infrastructure and developing hydropower plants to increase electricity sales to third parties.
- 5 ACCELERATE ENERGY CAPACITY** Accelerate energy capacity build up. Complete 50MW HPP in svaneti (mestiachala) by YE 2018, launch 55MW HPP construction in guria (zoti) by 2017. Start development of wind and solar energy sources in 2017 based on the outcomes of 1000MW wind and solar R&D

Opportunities

1

Underpenetrated industry

Only 20-25% of Georgia's hydro resources utilised

2

Cheap to develop

US\$ 1.5mln for 1MW development in Georgia

3

Strategic partnership



Strategic partnership with industry specialists – RP Global (Austria)

4

Small investment to date

Only US 1mln invested during first 1.5 years of due-diligence and planning

5

BGEO planned investment in ongoing projects

BGEO investment – US\$ 28mln
 Total investment – US\$ 43mln (*partnership: 65% BGEO – 35% RP Global*)
 Expected IRR – 25%+

Goal

Establish renewable energy platform,
targeting 100MW+ in 4 medium size hydro power plants by 2019

Development

2 ongoing projects – 105MW, 4 HPPs

Pipeline

Projects	Mestiachala 1 & 2	Zoti 1 & 2
Estimated Capacity 100 MW	50MW	55MW
Estimated Project Timeline ²	2017-2018	2017-2019

Note: Project timeline includes only construction period. In general construction period is preceded by a 1-2 year pre-construction period. On average 5% of total project cost is spent during this period on due diligence

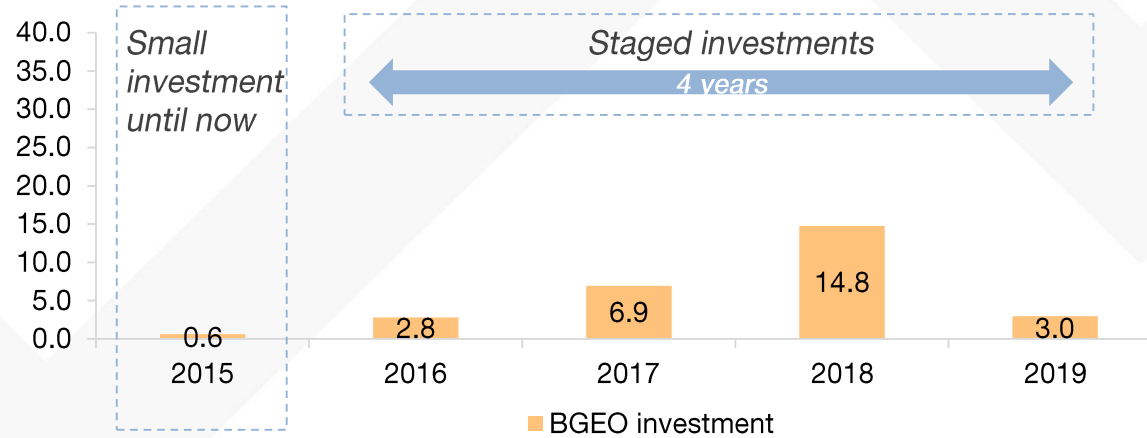
Goal

Establish renewable energy platform,
targeting 100MW+ in 4 medium size hydro power plants by 2019

Financing

BGEO contribution US\$ 28mln over next 4 years
(estimated total equity US\$ 43mln)

Pipeline



Goal	Expected IRR 25%+	
Math	Total	BGEO share
EBITDA (run rate)	US\$ 15.9mln	US\$ 10.3mln
Equity contribution	US\$ 43mln	US\$ 28mln
Exit opportunities	1 Sale in parts	
	2 Scale up (2 nd stage) and public listing or strategic sale	

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business <ul style="list-style-type: none">• Teliani Valley	48
Georgian Macro Overview	81
Appendices	102

Goal

Become leading beverages producer and distributor in Caucasus

Business Segments

Wine production



- 3.5 million bottles sold annually
- GEL 20.5mln revenue in 9M16
- GEL 1.6mln EBITDA in 9M16
- 80% of sales from export

Distribution



- 4,400 sales points
- Exporting wine to 26 countries, including all FSU, Poland, Sweden, Finland, USA, Canada, Brazil, China, Thailand, Singapore

Beer production



- Launch beer production facility in Georgia
- 10 year exclusivity with Heineken to sell in Georgia, Armenia and Azerbaijan (17mln population)

Priorities By 2018

- Grow in line with market locally
- Enhance exports

- Enhance product portfolio, becoming the leading FMCG distributor in Georgia

- Achieve 10% market share

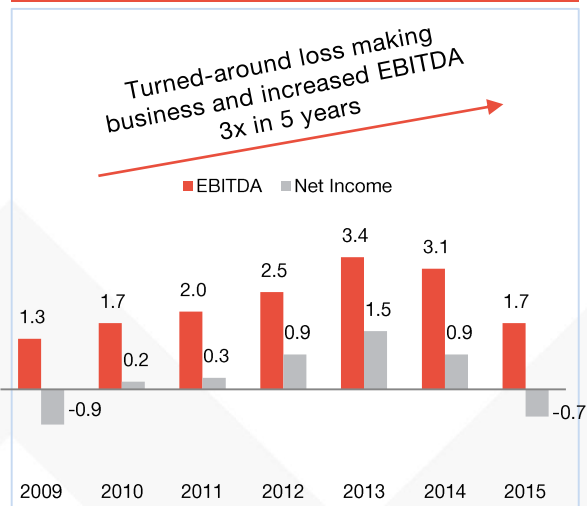
Strategic sale



Investment Rationale

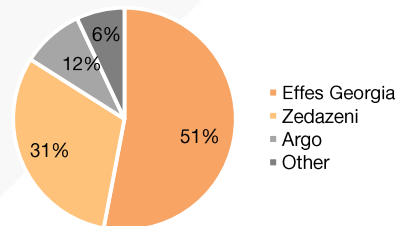
Exclusive Heineken producer in Caucasus

Strong management with proven track record



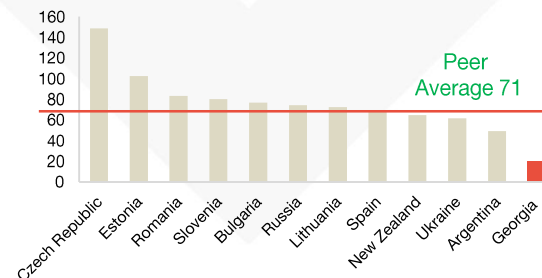
Highly concentrated market

Domestic market segmentation (Q3 2015)



Low consumption per capita compared to peers

Beer Consumption in Peer Countries 2014 (l/capita)





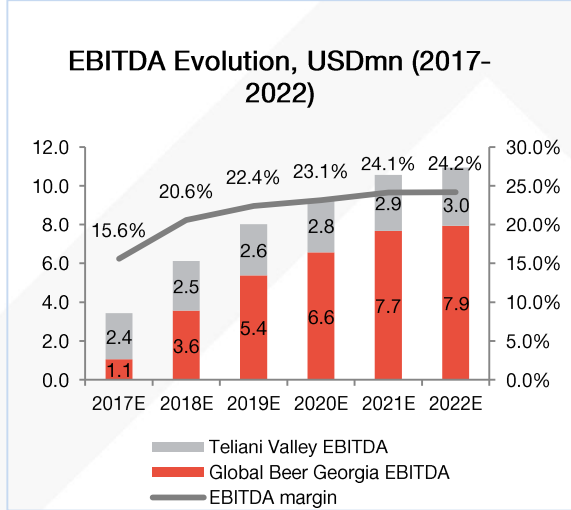
Financials

Exclusive Heineken producer in Caucasus

Investment

- Total investment – USD 40.6mln, of which USD 15.3mln is equity
- BGEO to invest – USD 9.8mln in total, amounting to 64% of shares of Teliani

EBITDA projection



Exit options

- Trade sale

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business	48
Georgian Macro Overview	81
Appendices	102

General Facts

- Area: 69,700 sq km
- Population (2015): 3.7 mln
- Life expectancy: 77 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)

Economy

- Nominal GDP (Geostat) 2015: GEL 31.7 bn (US\$14.0 bn)
- Real GDP growth rate 2011-2015: 7.2%, 6.4%, 3.4%, 4.6%, 2.8%
- Real GDP average 10 year growth rate: 5.1%
- GDP per capita 2015 (PPP) per IMF: US\$ 9,591
- Annual inflation (e-o-p) 2015: 4.9%
- External public debt to GDP 2015: 32.6%

- Sovereign ratings:
 - S&P BB-/B/Stable, affirmed in May 2016
 - Moody's Ba3/NP/Stable, affirmed in March 2016
 - Fitch BB-/B/Stable, affirmed in September 2016



Georgia's key economic drivers

Liberal economic policy

Top performer globally in WB Doing Business over the past 12 years

- Liberty Act (effective January 2014) ensures a credible fiscal and monetary framework:
- Public expenditure/GDP capped at 30%; Fiscal deficit/GDP capped at 3%; Public debt/GDP capped at 60%
- Business friendly environment and low tax regime (attested by favourable international rankings)

Regional logistics and tourism hub

A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west

- Access to a market of 900mn customers without customs duties: Free trade agreements with EU, CIS and Turkey and GSP with USA, Canada, Japan, Norway and Switzerland, negotiations ongoing on Georgia-China free trade agreement
- Tourism revenues on the rise: tourism inflows stood at 13.9% of GDP in 2015 and arrivals reached 5.9mln visitors in 2015 (up 6.9% y-o-y)
- Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes

Strong FDI

An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth

- FDI at US\$1,565mln (11.2% of GDP) in 2015 (down 11.0% y-o-y), FDI at US\$ 834mln in 1H16 (up 10.6% y/y)
- FDI averaged 10.2% of GDP in 2006-2015
- Productivity gains accounted for 66% of the annual average 5.6% growth over 1999-2012, according to the World Bank

Support from international community

Georgia and the EU signed an Association Agreement and DCFTA in June 2014

- Progress in achieving visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders are expected to start free entrance to the EU countries at end 2016
- 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

Electricity transit hub potential

Developed, stable and competitively priced energy sector

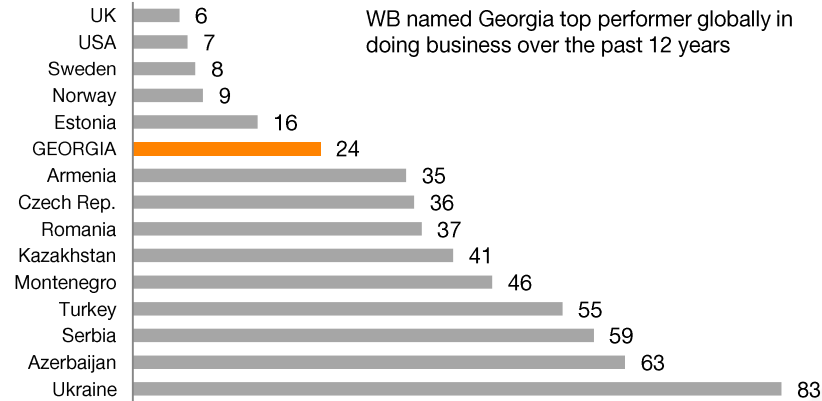
- Only 20% of hydropower capacity utilized; 88 hydropower plants are in various stages of construction or development
- Georgia imports natural gas mainly from Azerbaijan
- Significantly boosted transmission capacity in recent years, a new 400 kV line to Turkey built, other transmission lines to Armenia and Russia upgraded
- Additional 5,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe

Political environment stabilised

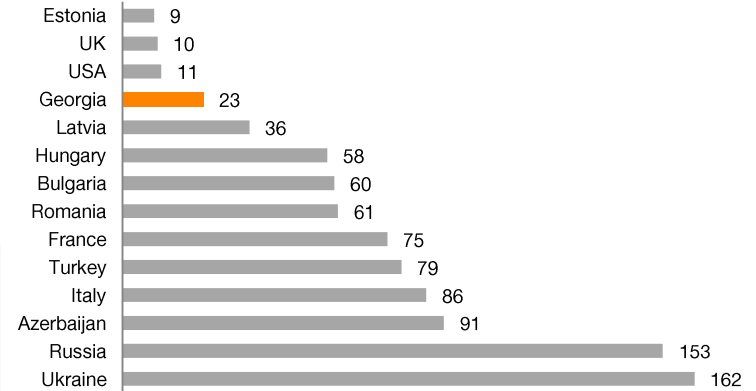
- Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU
- New constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency
- Continued economic relationship with Russia, although economic dependence is relatively low
- Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians -The Russian side announced to ease visa procedures for Georgians citizens effective December 23, 2015
- Direct flights between the two countries resumed in January 2010
- Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia
- In 2015, Russia and Ukraine together accounted for 10.1% of Georgia's exports and 14.0% of imports; just 4.1% of cumulative FDI over 2004-2015

Growth oriented reforms

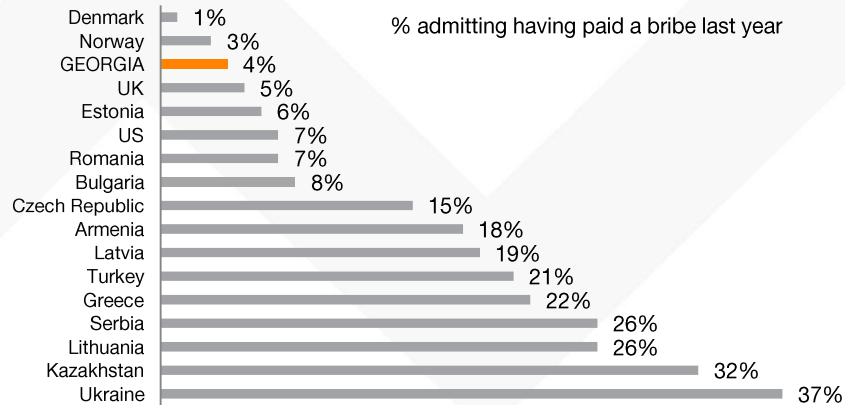
Ease of Doing Business | 2016 (WB-IFC Doing Business Report)



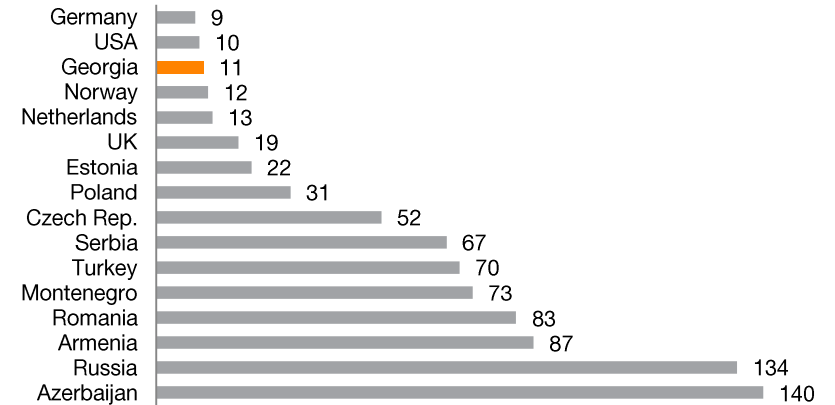
Economic Freedom Index | 2016 (Heritage Foundation)



Global Corruption Barometer | TI 2013



Business Bribery Risk, 2014 | Trace International



Sources: Transparency International, Heritage Foundation, World Bank

Government 4-pillar of reform

Structural Reforms

Tax Reform	<ul style="list-style-type: none"> • Corporate income tax reform • Enhancing easiness of tax compliance
Capital Market Reform	<ul style="list-style-type: none"> • Boosting stock exchange activities • Developing of local bond market
Pension Reform	<ul style="list-style-type: none"> • Introduction of private pension system
PPP Reform	<ul style="list-style-type: none"> • Introduction of transparent and efficient PPP framework
Public Investment Management Framework	<ul style="list-style-type: none"> • Improved efficiency of state projects
Deposit Insurance	<ul style="list-style-type: none"> • Boosting private savings • Enhancing trust to financial system
Accounting Reform	<ul style="list-style-type: none"> • Increased transparency and financial accountability • Enhanced protection of shareholder rights
Association Agreement Agenda	

Promoting Open Governance

Improvement of public services offered to the private sector	<ul style="list-style-type: none"> • Creation of “Front Office” • Application of “Single Window Principle”
Involvement of the private sector in legislative process	<ul style="list-style-type: none"> • Discussion of draft legislation at an early stage
Strict monitoring of implementation of government decisions	<ul style="list-style-type: none"> • Creation of a special unit for monitoring purposes

Promoting Transit & Tourism Hub

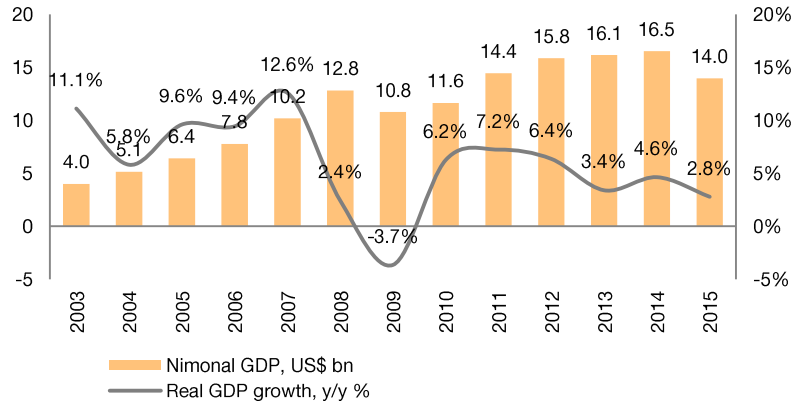
Roads	<ul style="list-style-type: none"> • Plan to finish all spinal projects by 2020 – East-West Highway, other supporting infrastructure
Rail	<ul style="list-style-type: none"> • Baku – Tbilisi Kars new railroad line • Railway modernization project
Air	<ul style="list-style-type: none"> • Tbilisi International Airport <ul style="list-style-type: none"> • 2nd runway to be constructed • International Cargo terminal
Maritime	<ul style="list-style-type: none"> • Anaklia deep water Black Sea port <ul style="list-style-type: none"> • Strategic location • Capable of accommodating Panamax type cargo vessels • High capacity – up to 100mln tons turnover annually • Up to USD 1bln for first phase (out of 9) in Georgia

Education Reform

General Education Reform	<ul style="list-style-type: none"> • Maximising quality of teaching in secondary schools
Fundamental Reform of Higher Education	<ul style="list-style-type: none"> • Based on the comprehensive research of the labor market needs
Improvement of Vocational Education	<ul style="list-style-type: none"> • Increase involvement of the private sector in the professional education

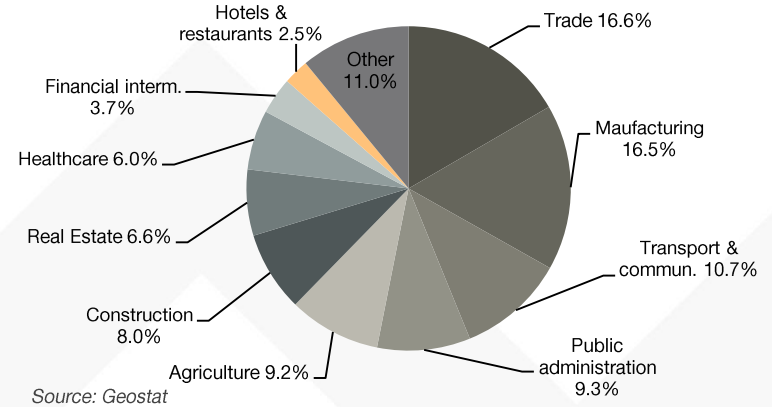
Diversified resilient economy

Gross domestic product



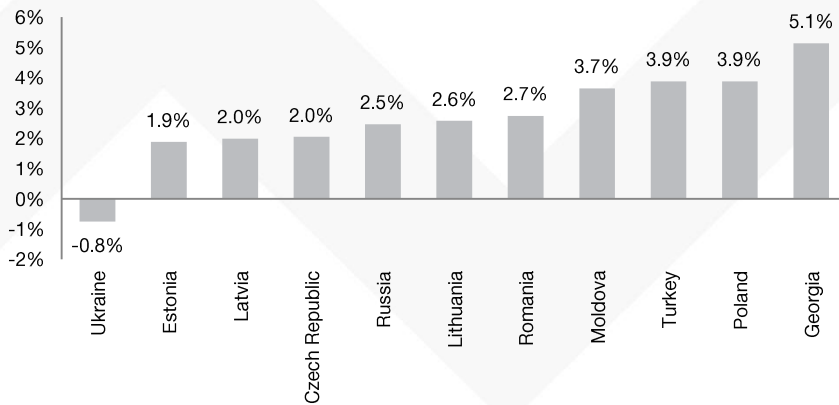
Source: Geostat

Nominal GDP structure, 2015



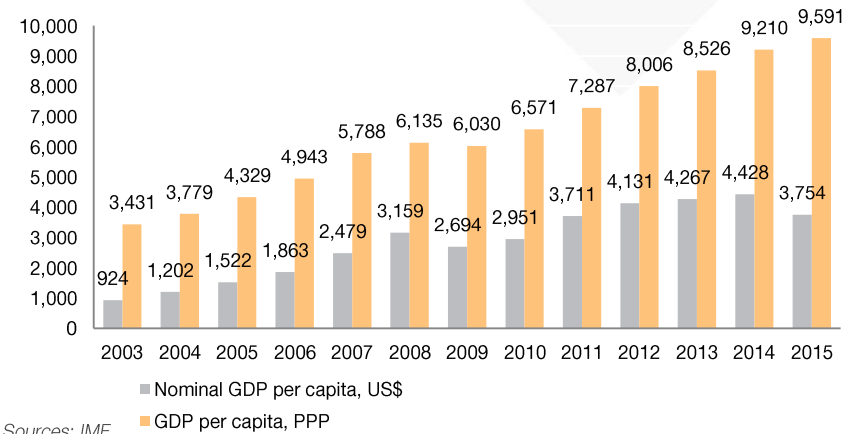
Source: Geostat

Comparative real GDP growth rates, % (2006-2015 average)



Sources: IMF, Geostat

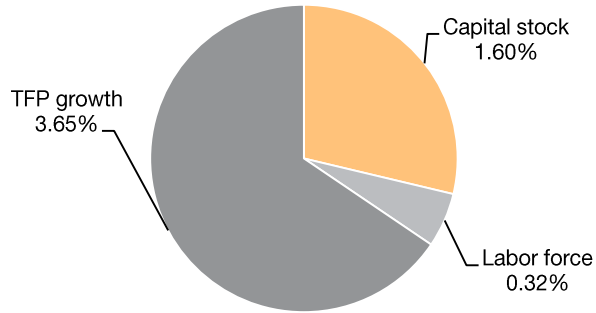
GDP per capita



Sources: IMF

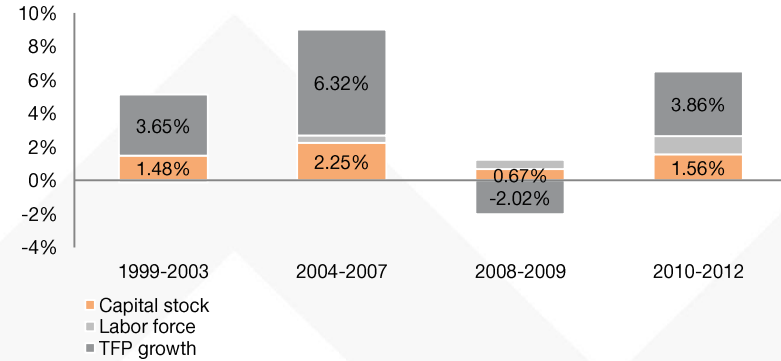
Productivity gains have been the main engine of growth since 2004

Overall contribution of capital, labour, and Total Factor Productivity (TFP) to growth, 1999-2012



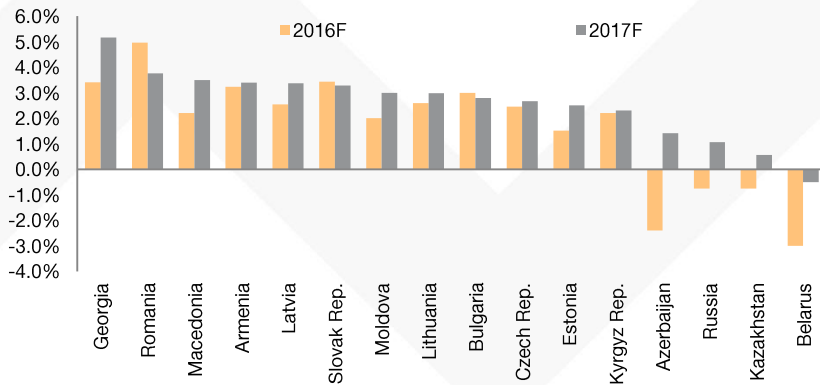
Source: Georgia Rising (2013), WB

Contributions of capital, labour, and TFP to growth during periods



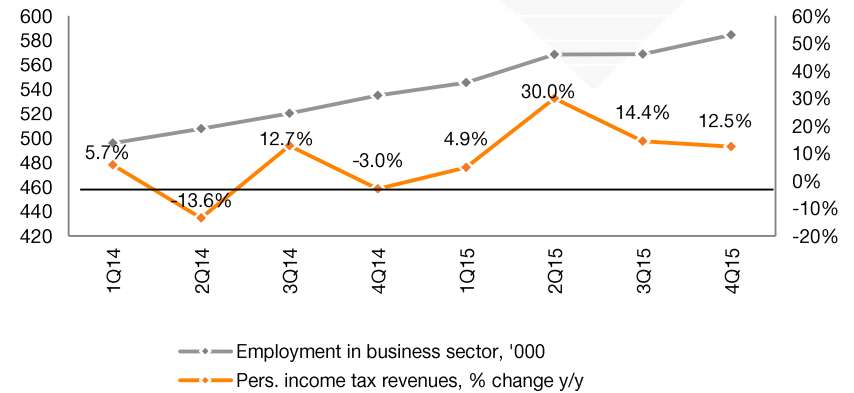
Source: Georgia Rising (2013), WB

Real GDP growth projection, 2016-2017



Sources: IMF, October 2016

Employed persons in business sector



Source: GeoStat, MOF

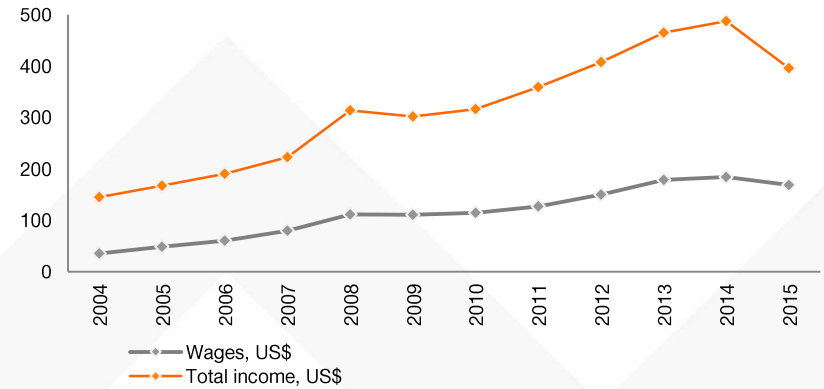
Further job creation is achievable

Unemployment rate down 0.4ppts y/y to 12.0% in 2015



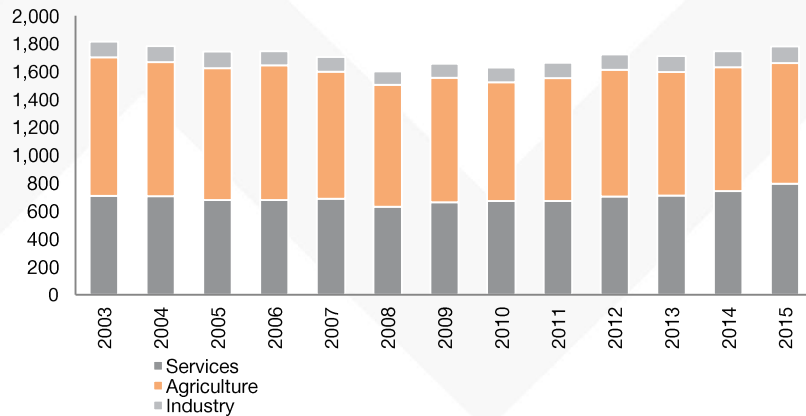
Sources: GeoStat

Average monthly wages and income per household



Sources: GeoStat

Share of services in total employment has increased



Source: GeoStat

Note: services include construction

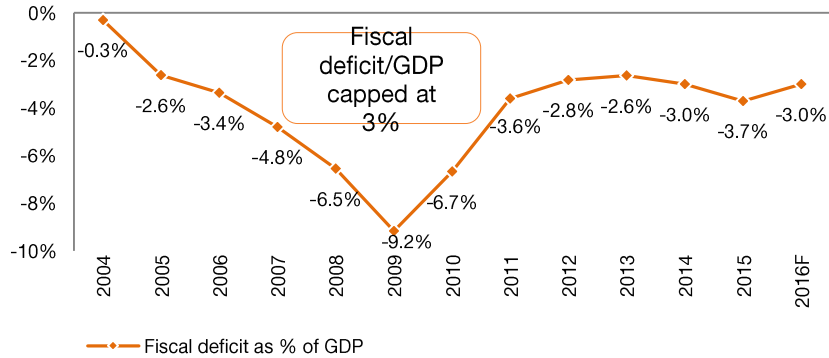
Hired workers account for 42.3% in total employment in 2015



Sources: GeoStat

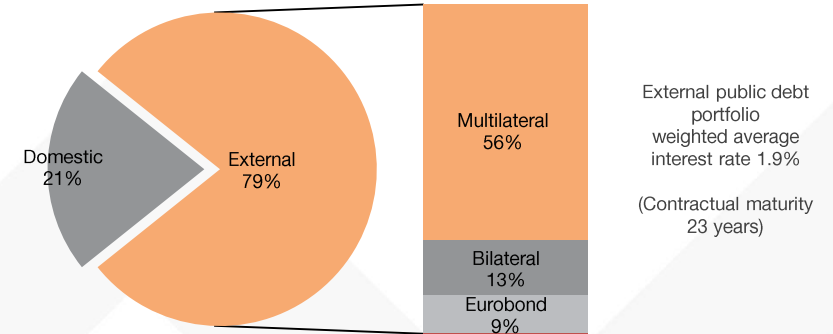
Demonstrated fiscal discipline and low public debt

Fiscal deficit as % of GDP



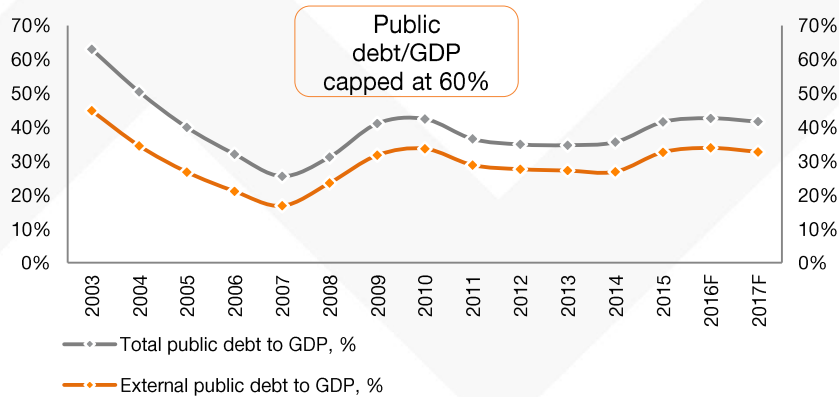
Source: Ministry of Finance of Georgia

Breakdown of public debt



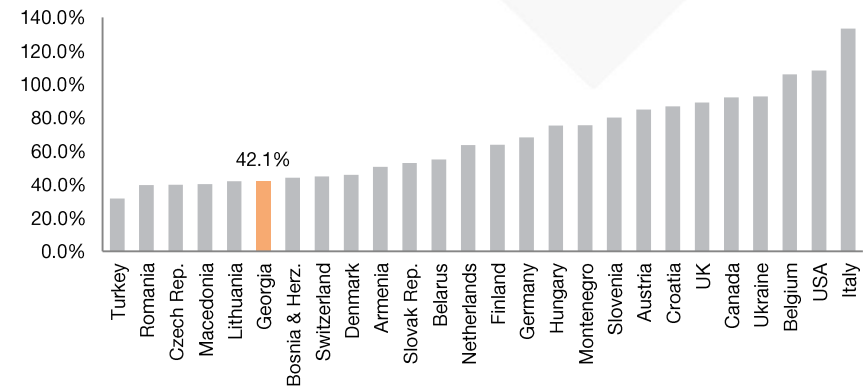
Source: Ministry of Finance of Georgia, as of end-2015

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

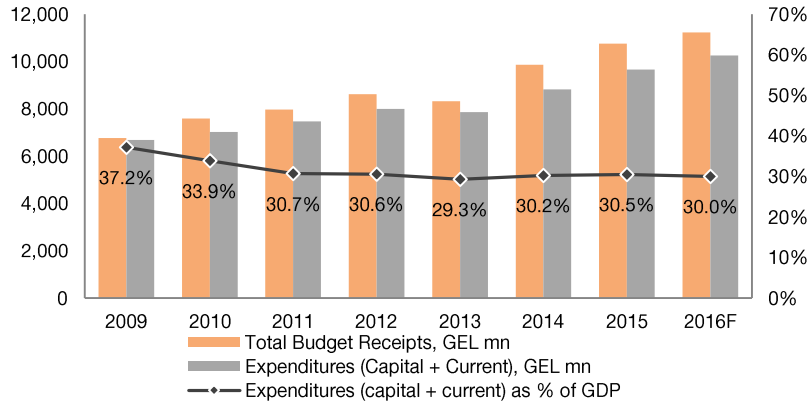
Gross government debt/GDP, 2016



Source: IMF

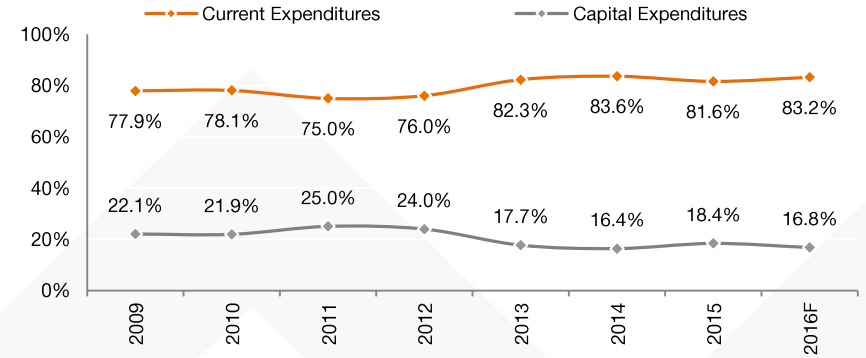
Investing in infrastructure and spending low on social

Revenues and expenditures



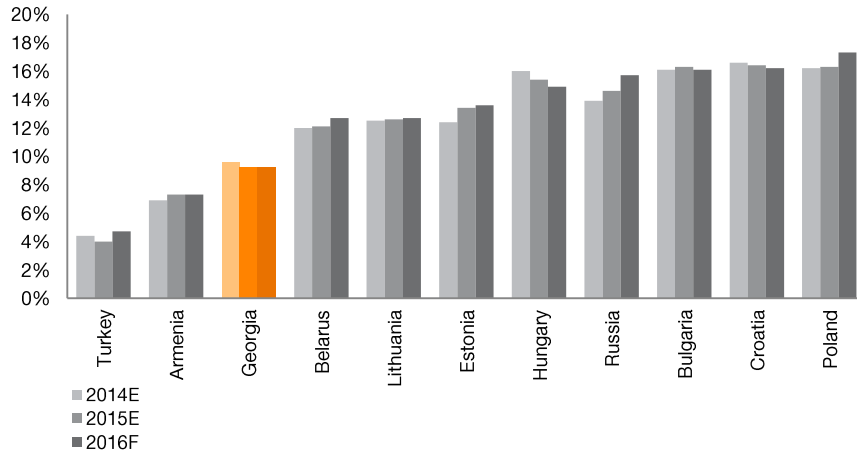
Source: Ministry of Finance, GeoStat

Current and capital expenditure



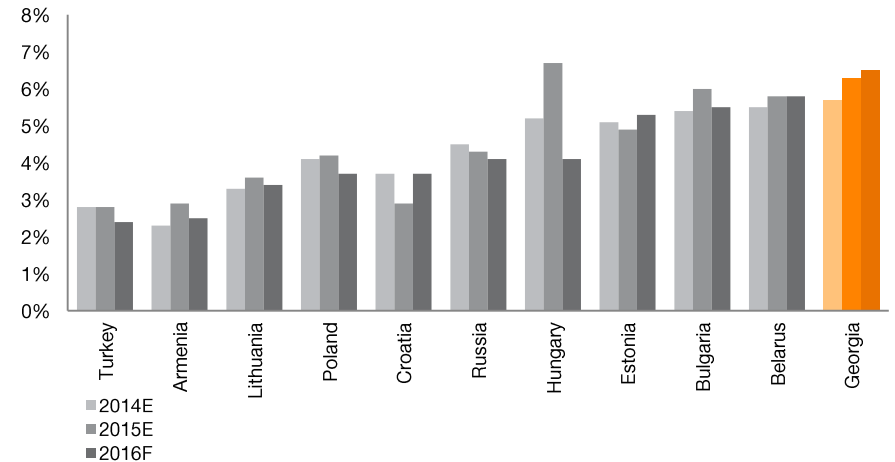
Sources: Ministry of Finance

Government social expenditure as % of GDP

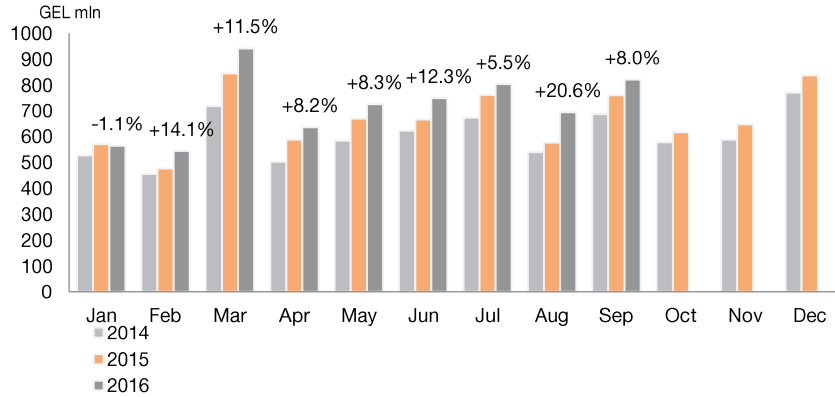


Source: IMF

Government capital expenditure as % of GDP

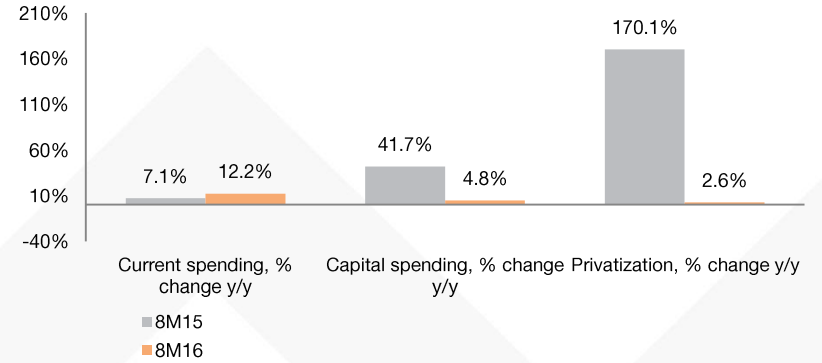


Consolidated budget tax revenues



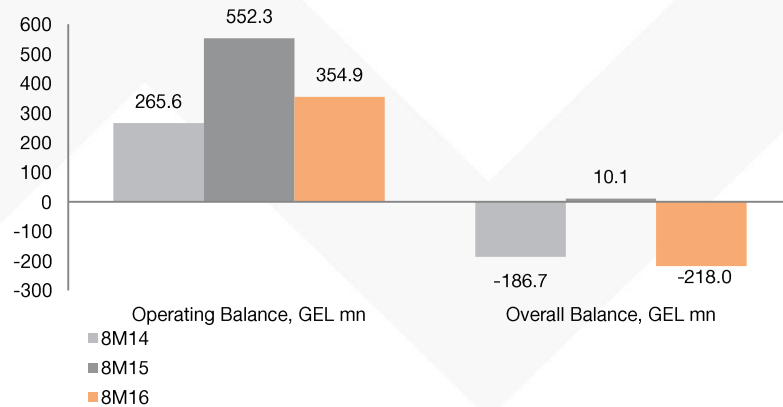
Source: Ministry of Finance

Consolidated budget - expenditures and privatization



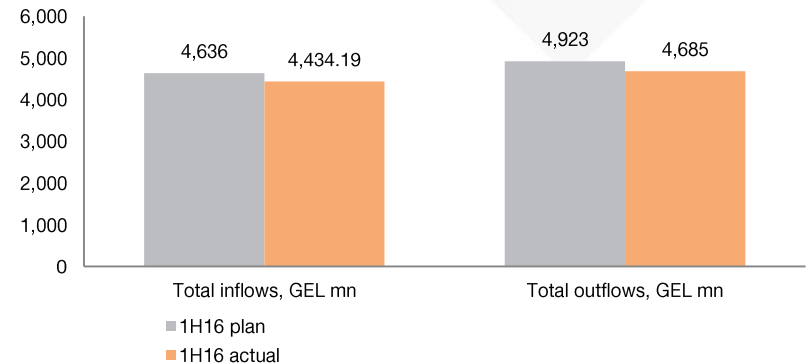
Sources: Ministry of Finance

Consolidated budget balance



Source: Ministry of Finance

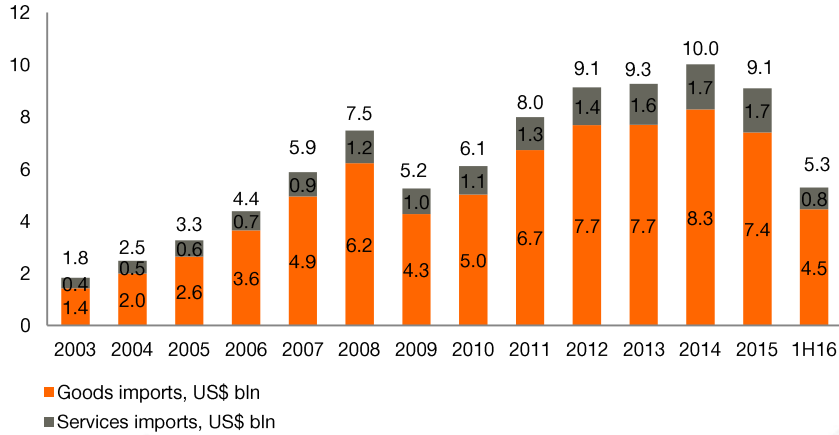
State budget - revenues/expenditures below budgeted in 1H16



Source: Ministry of Finance

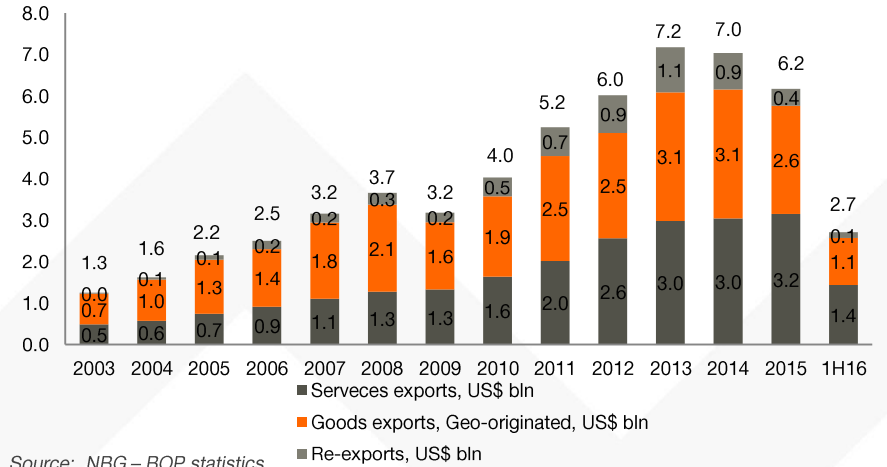
Diversified foreign trade

Imports of goods and services



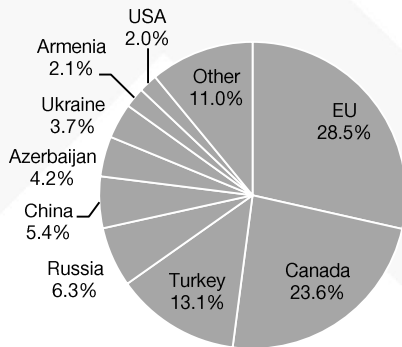
Source: NBG – BOP statistics

Exports of goods and services



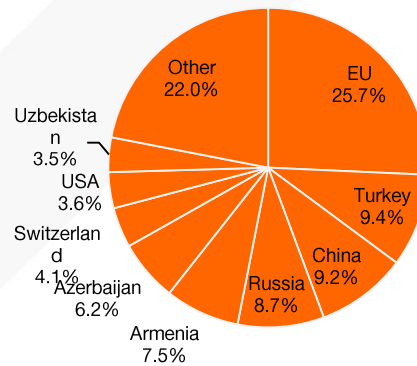
Source: NBG – BOP statistics

Imports, 9M16



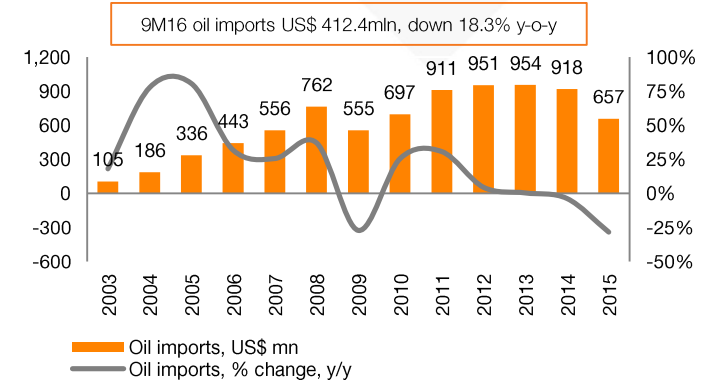
Sources: Geostat

Exports, 9M16



Sources: Geostat

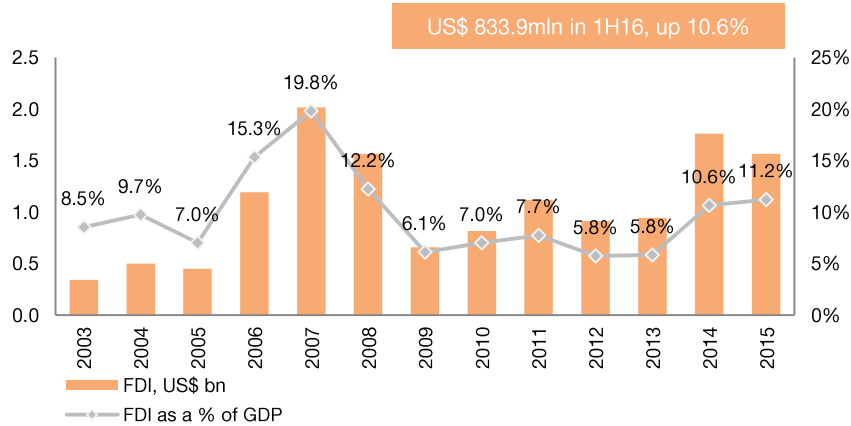
Oil imports



Sources: GeoStat

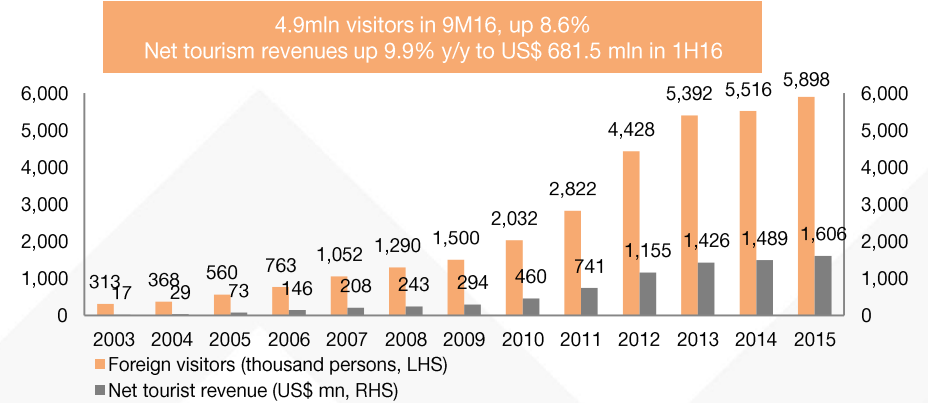
Diversified sources of capital

Strong foreign investor interest



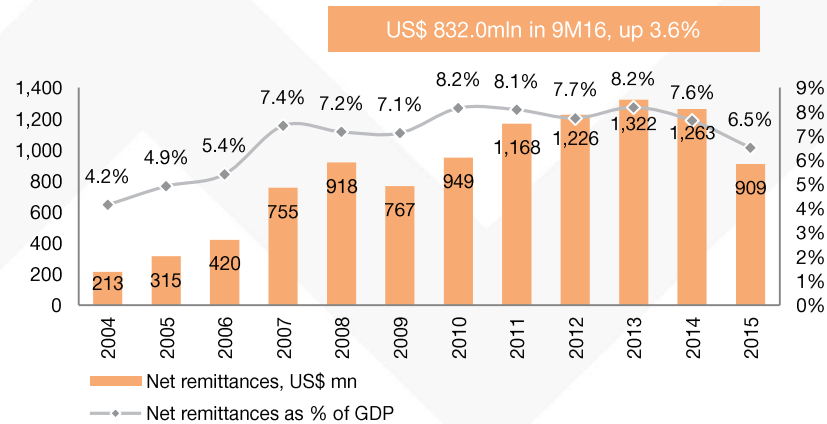
Sources: Geostat

Tourist arrivals and revenues on the rise



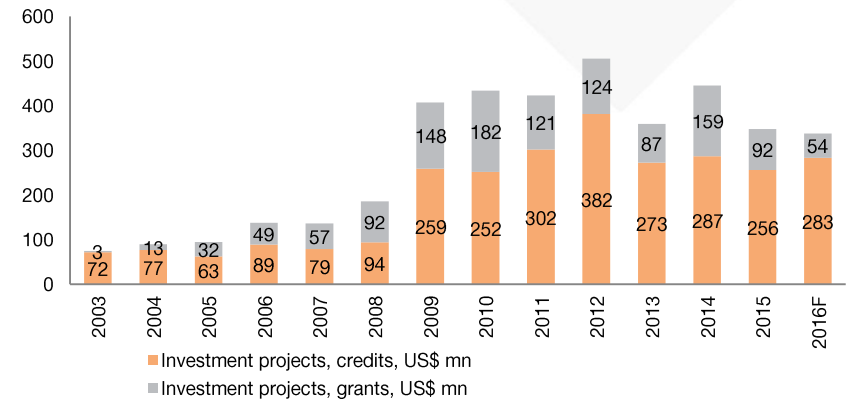
Sources: Georgian National Tourism Agency, National Bank of Georgia

Remittances - steady source of external funding



Source: National Bank of Georgia

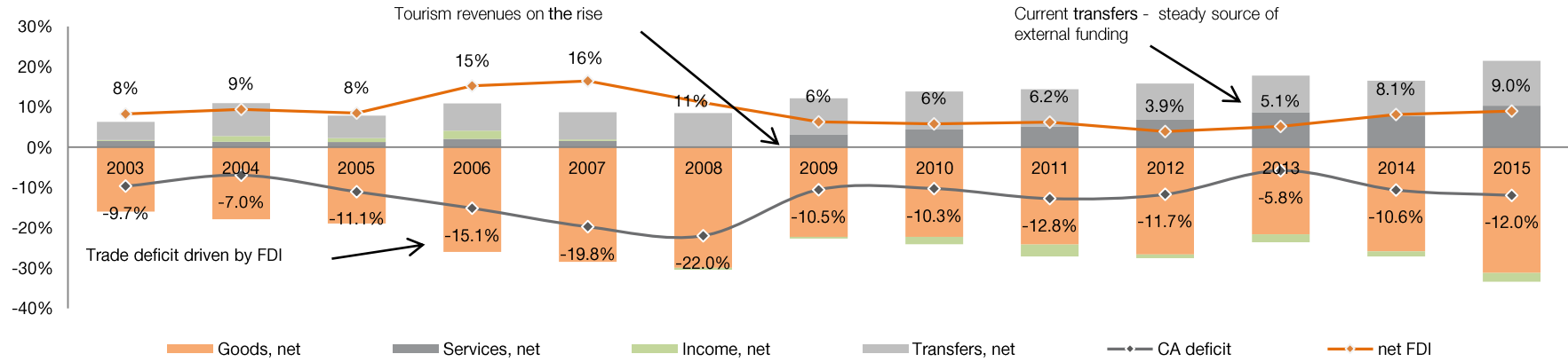
Donor funding for public infrastructure projects



Source: Ministry of Finance of Georgia

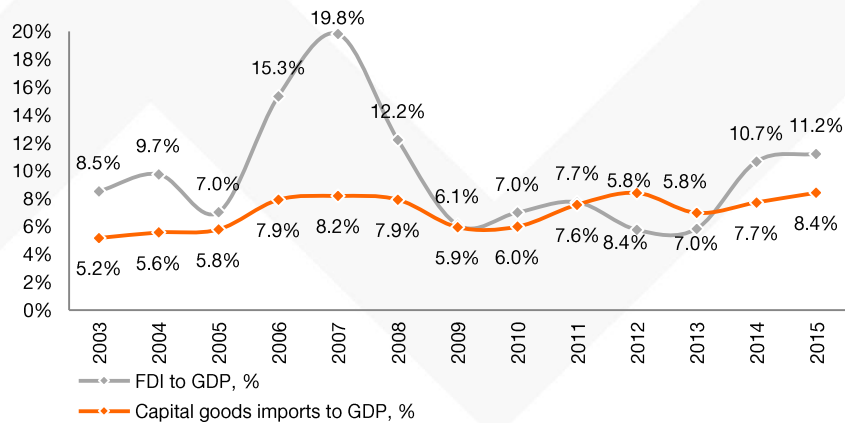
Current account deficit supported by FDI

Current account balance (% of nominal GDP)



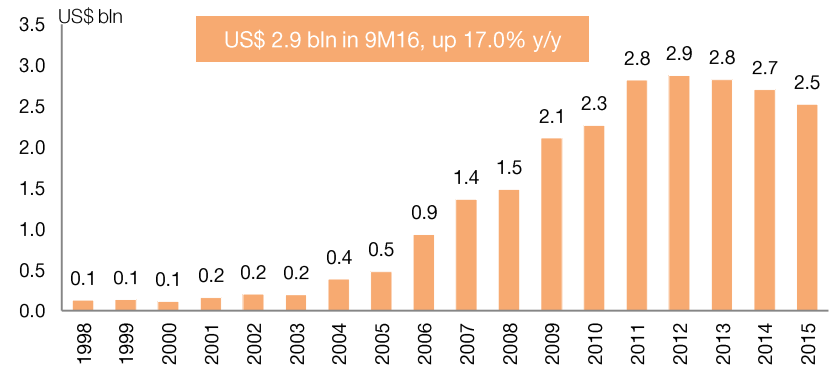
Sources: Geostat, NBG

FDI and capital goods import



Source: Geostat,

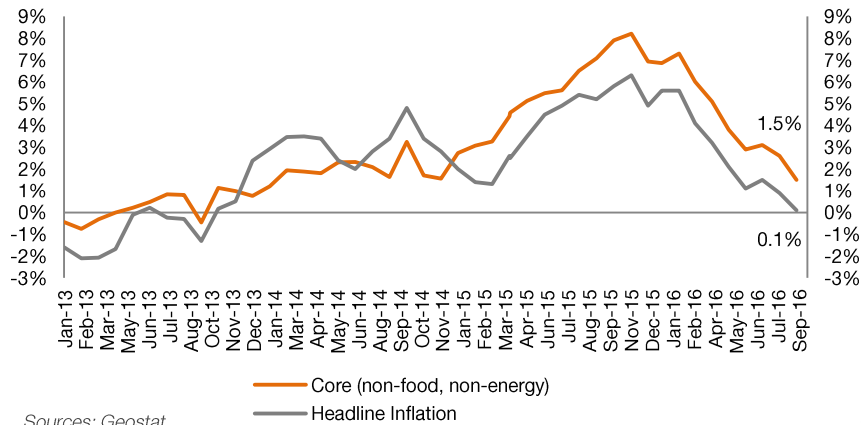
Building international reserves



Source: NBG

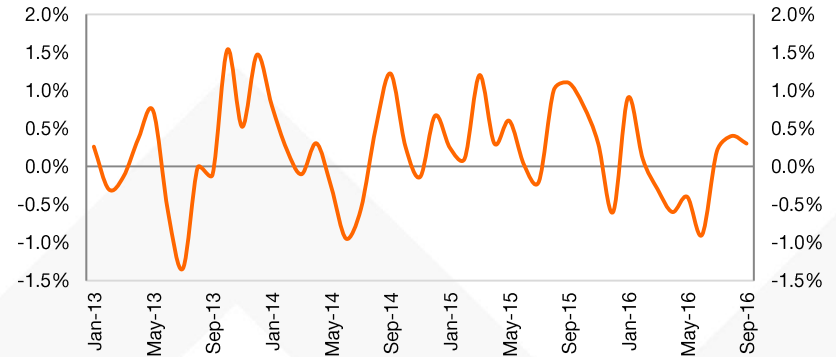
Inflation target - 5% for 2016 and 4% for 2017

Annual inflation



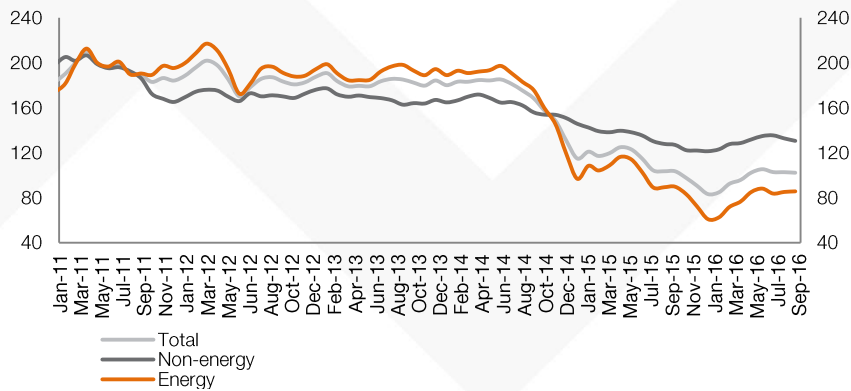
Sources: Geostat

Monthly inflation rate



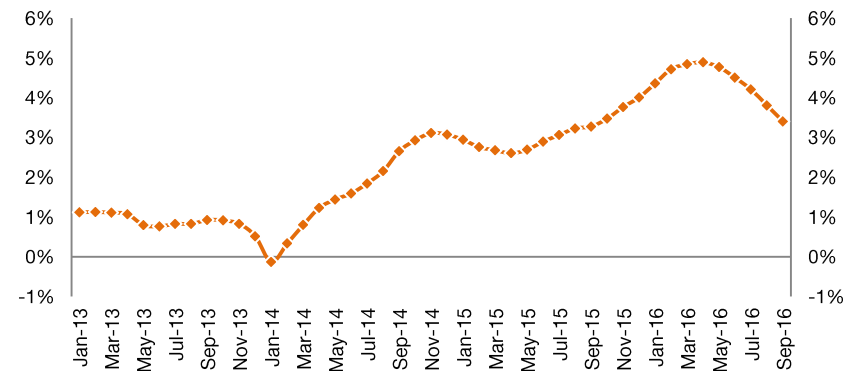
Sources: Geostat

World commodity prices indices



Source: IMF
Note: Jan2005=100

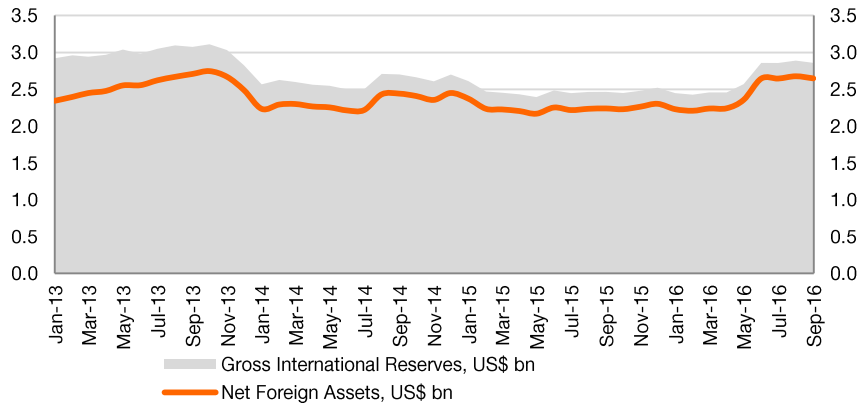
Average inflation rate



Source: GeoStat

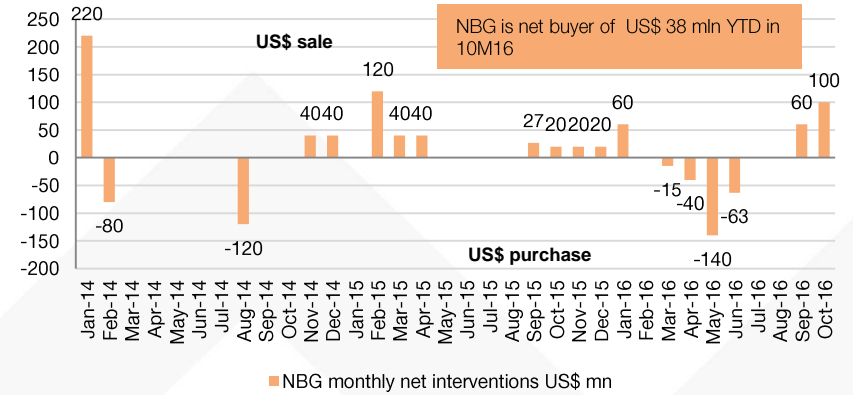
International reserves-sufficient to finance more than 3 months of imports

International reserves



Sources: NBG

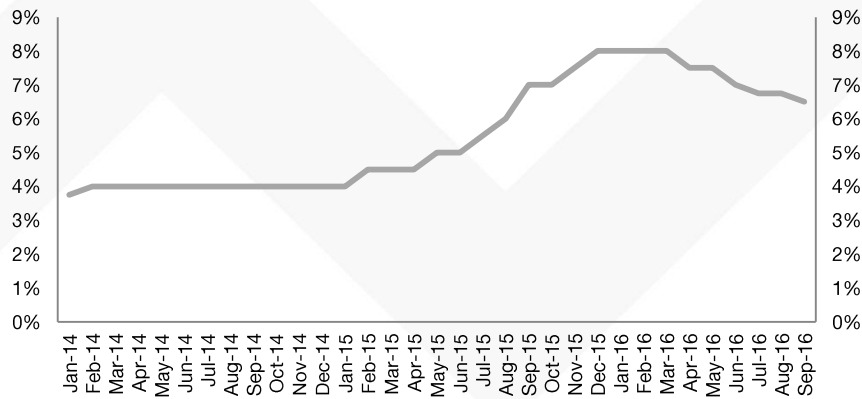
Central Bank's interventions



Sources: NBG

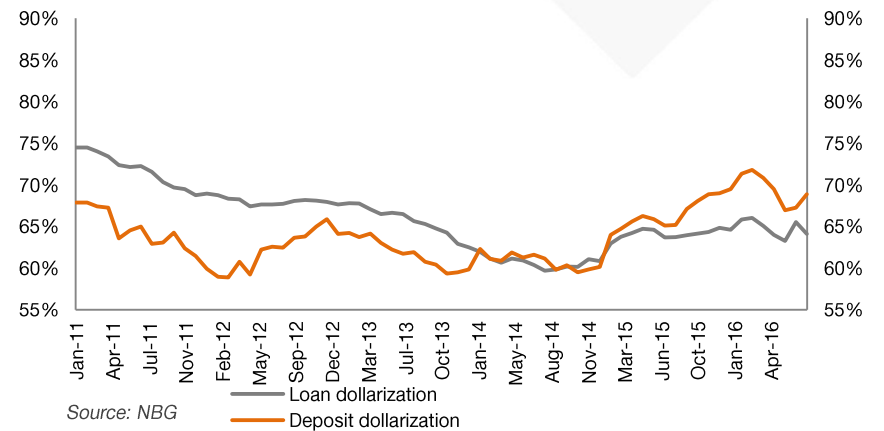
Note: October 2016 data provided as of 18 Oct 2016

Monetary policy rate



Source: NBG

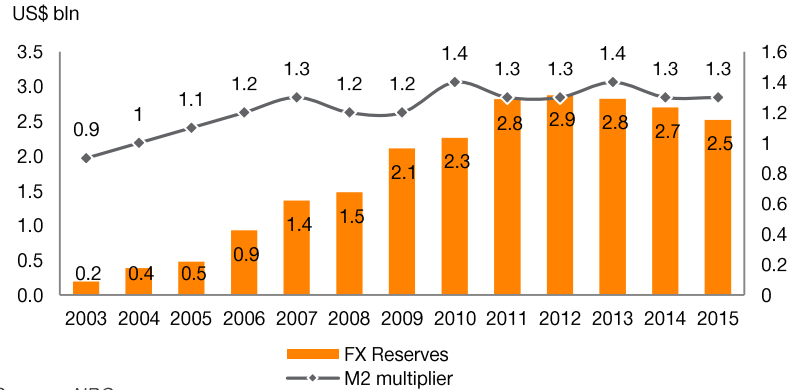
Dollarization



Source: NBG

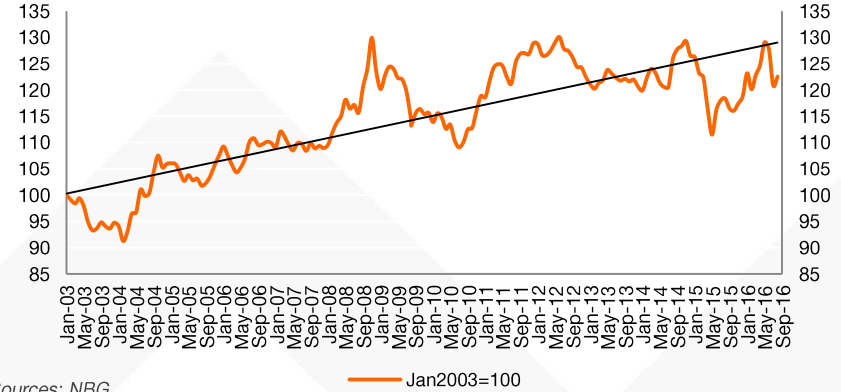
Floating exchange rate - Policy priority

FX reserves



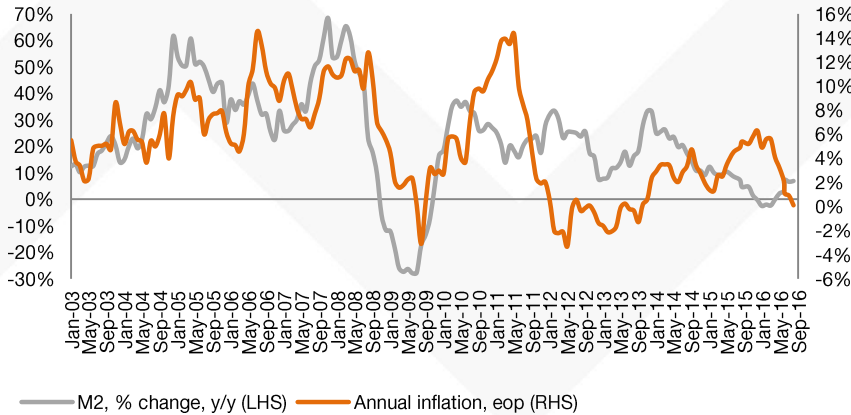
Sources: NBG

Real effective exchange rate (REER)



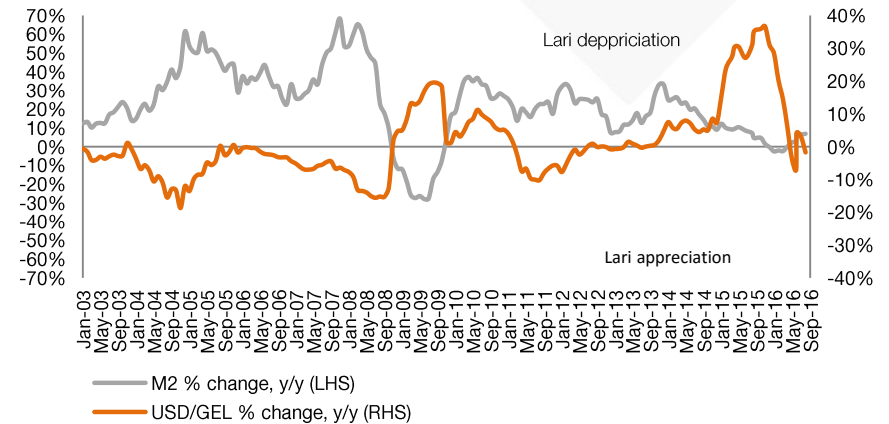
Sources: NBG

M2 and annual inflation



Source: NBG

M2 and USD/GEL



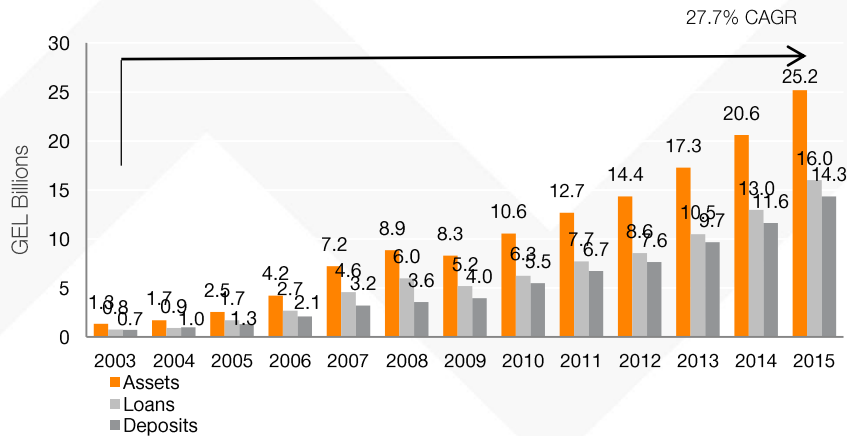
Source: NBG

Summary

- **Prudent regulation ensuring financial stability**
 - High level of liquidity requirements from NBG at 30% of liabilities, resulting in banking sector liquid assets to client deposits of 41% as of Dec 2015
- **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
 - *Very low leverage* with retail loans at 25% of GDP and total loans at 50% of GDP as of 2015 resulting in low number of defaults during the global crisis

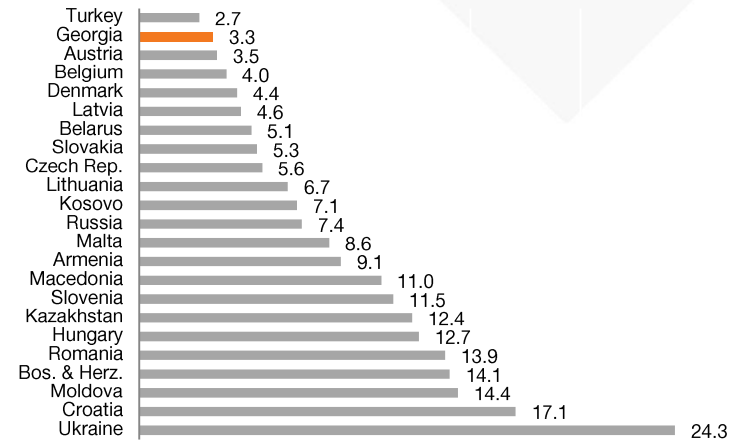
Source: National Bank of Georgia, Geostat

Banking sector assets, loans and deposits



Source: NBG

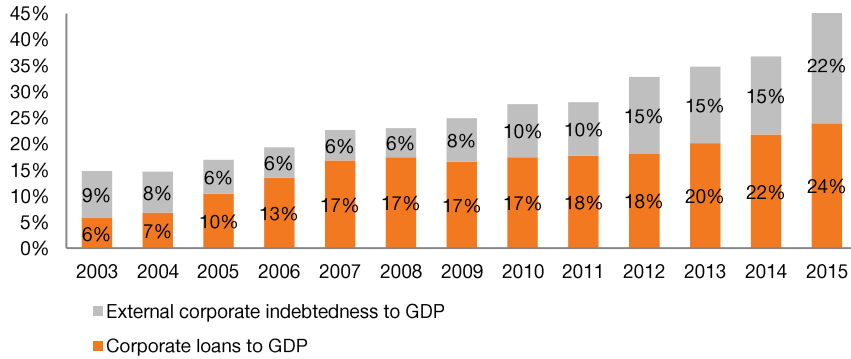
NPLs to Gross loans (%), 2015



Source: WB

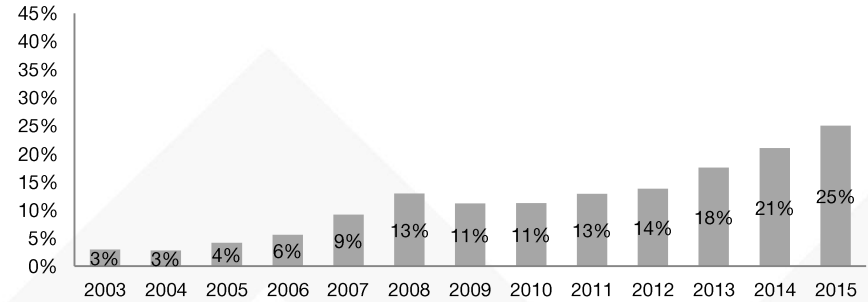
Underpenetrated retail banking sector provides room for further growth

Corporate loans to GDP



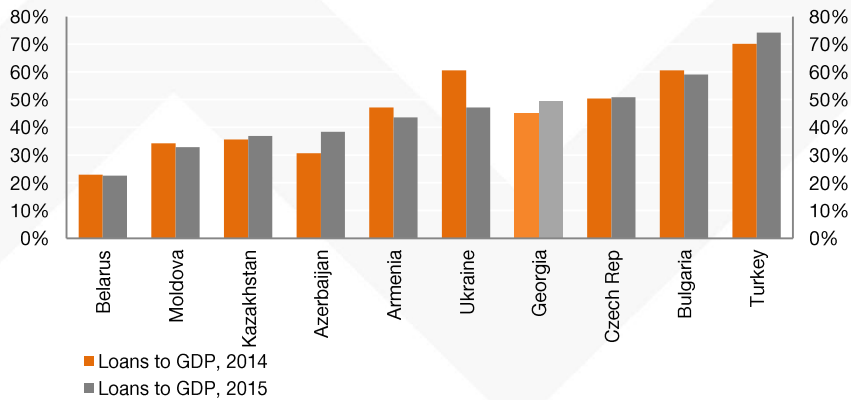
Source: NBG, GeoStat

Households loans to GDP



Source: NBG, GeoStat

Banking Sector loans to GDP



Source: IMF

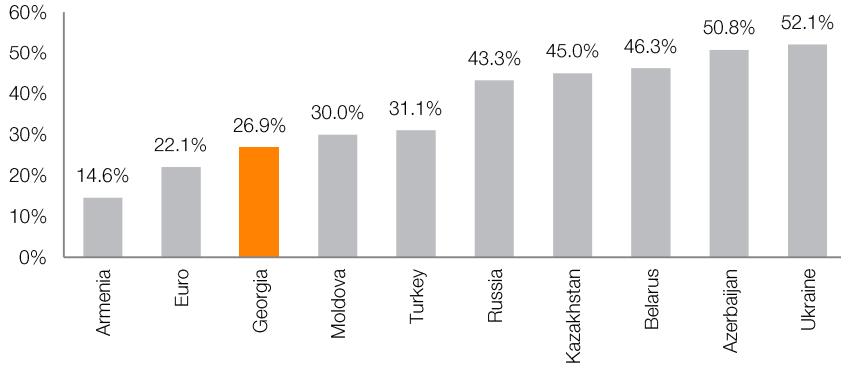
Georgian banks better placed due to sound financials

Country	Fitch	Rating Outlook	Sector Outlook
Armenia	B+	Stable	Negative
Azerbaijan	BB+	Negative	Negative
Belarus	B-	Stable	Negative
Georgia	BB-	Stable	Stable
Kazakhstan	BBB	Stable	Negative
Russia	BBB-	Stable	Negative
Ukraine	CCC	None	Negative

Source: Fitch

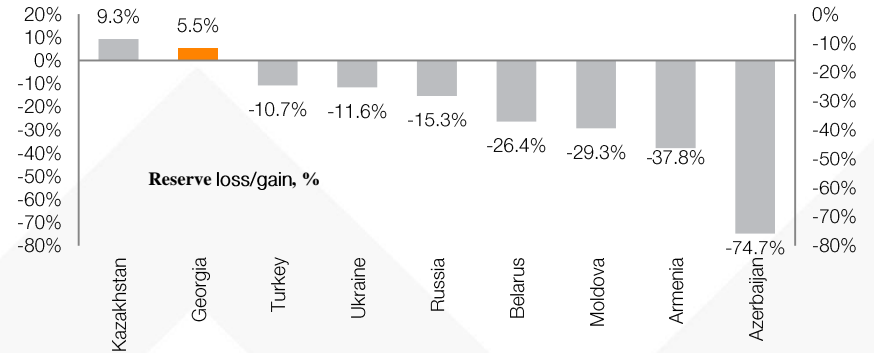
Flexible FX regime shielded reserves and supported to macro stability

Currency weakening vs. US\$



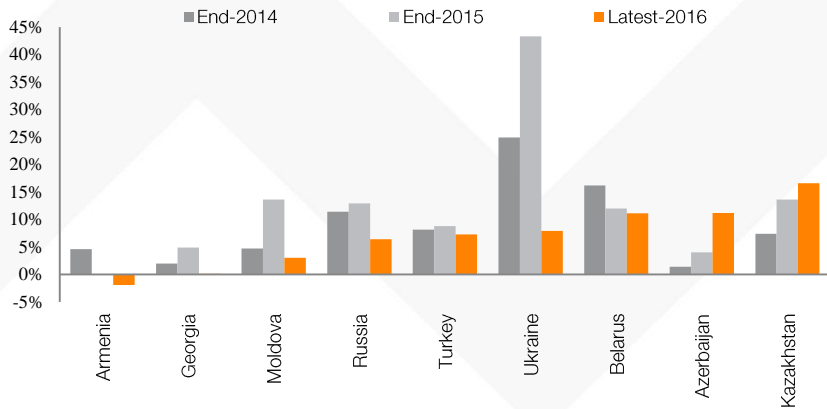
Source: Bloomberg
Note: US\$ per unit of national currency, period 1-Aug-2014 – 17-Oct-2016

Georgia used less reserves to support GEL



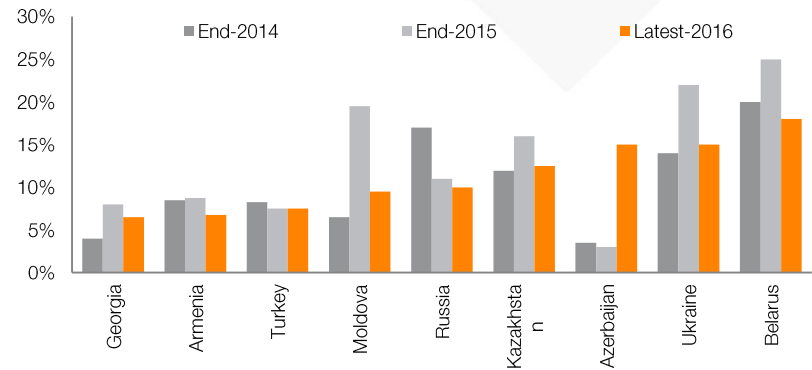
Source: IMF
Note: Jul-2016 vs Aug-2014; Armenia's reserves exclude a US\$ 500mn Eurobond issued in March 2015

Inflation remains low in Georgia...



Source: National Statistics Offices

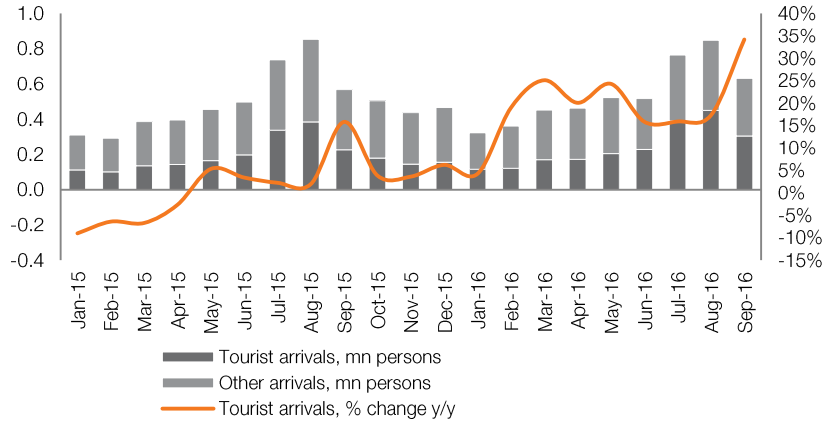
... and monetary policy rate was cut



Source: Central banks

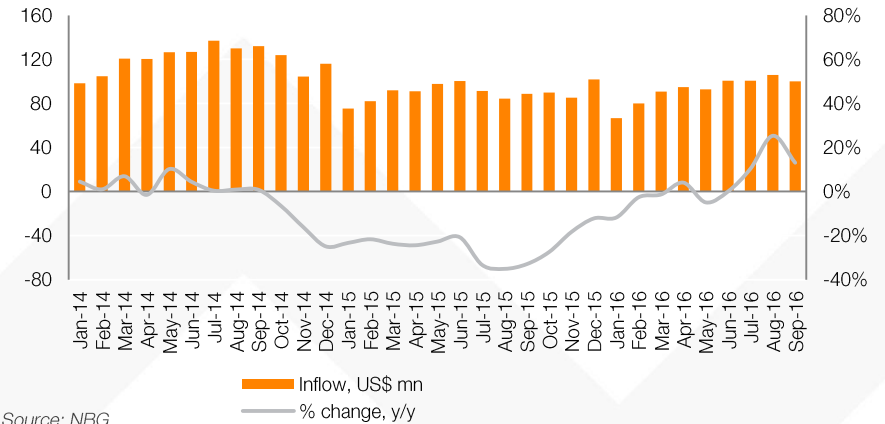
Recent trends – Tourist arrivals/revenues, exports, and remittances up

Tourist arrivals continue strong growth



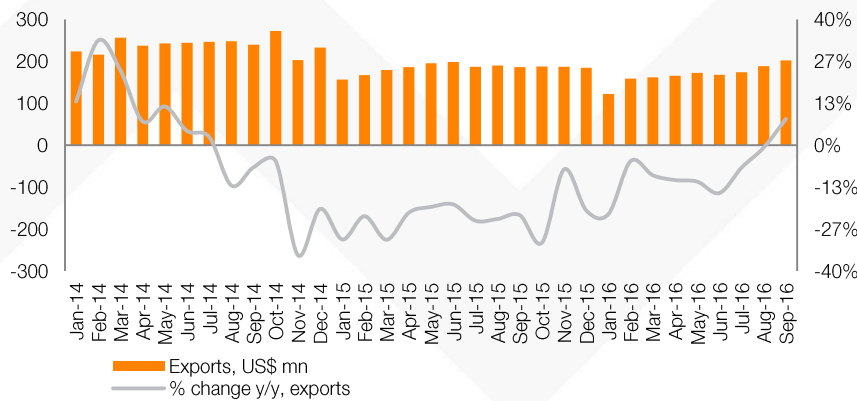
Source: GNTA

Remittances up from all major countries except Russia



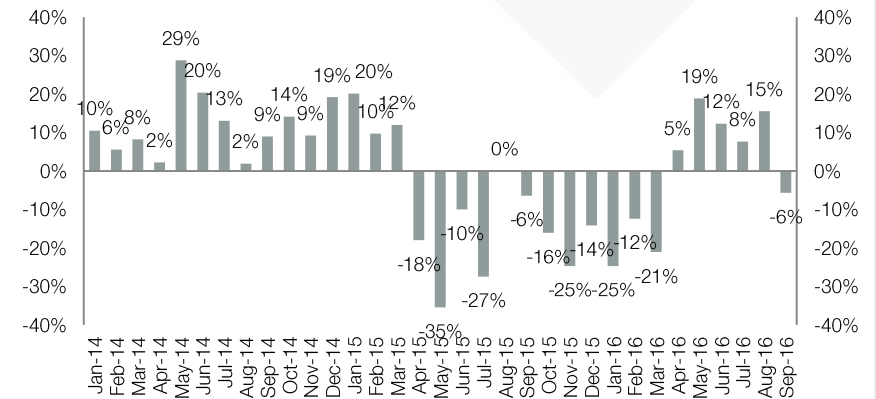
Source: NBS

Exports increased in September 2016



Source: GeoStat

Trade deficit up since Apr-16 due to capital goods imports



Source: GeoStat

Note: Excluding one-offs

BGEO Group Overview	4
Results Discussion BGEO Group	14
Results Discussion Banking Business	20
Results Discussion Investment Business	48
Georgian Macro Overview	81
Appendices	102

Income Statement, quarterly

GEL thousands, unless otherwise noted

	BGEO Consolidated					Banking Business					Investment Business					Eliminations		
	3Q16	3Q15	Change	2Q16	Change	3Q16	3Q15	Change	2Q16	Change	3Q16	3Q15	Change	2Q16	Change	3Q16	3Q15	2Q16
			Y-O-Y		Q-O-Q			Y-O-Y		Q-O-Q			Y-O-Y	Q-O-Q				
Banking interest income	230,154	219,999	4.6%	215,895	6.6%	231,849	223,800	3.6%	217,234	6.7%	-	-	-	-	-	(1,695)	(3,801)	(1,339)
Banking interest expense	(93,530)	(93,821)	-0.3%	(87,368)	7.1%	(93,234)	(94,551)	-1.4%	(87,712)	6.3%	-	-	-	-	-	(296)	730	344
Net banking interest income	136,624	126,178	8.3%	128,527	6.3%	138,615	129,249	7.2%	129,522	7.0%	-	-	-	-	-	(1,991)	(3,071)	(995)
Fee and commission income	41,114	41,114	4.8%	40,250	7.0%	43,421	41,532	4.5%	40,675	6.8%	-	-	-	-	-	(344)	(418)	(425)
Fee and commission expense	(12,646)	(10,323)	22.5%	(10,907)	15.9%	(12,770)	(10,471)	22.0%	(11,036)	15.7%	-	-	-	-	-	124	148	129
Net fee and commission income	30,431	30,791	-1.2%	29,343	3.7%	30,651	31,061	-1.3%	29,639	3.4%	-	-	-	-	-	(220)	(270)	(296)
Net banking foreign currency gain	21,497	18,675	15.1%	15,506	38.6%	21,497	18,675	15.1%	15,506	38.6%	-	-	-	-	-	-	-	-
Net other banking income	4,077	4,938	-17.4%	2,630	55.0%	4,269	5,231	-18.4%	2,824	51.2%	-	-	-	-	-	(192)	(293)	(194)
Net insurance premiums earned	25,360	24,151	5.0%	23,854	6.3%	11,616	10,332	12.4%	10,235	13.5%	14,483	14,363	0.8%	14,271	1.5%	(739)	(544)	(652)
Net insurance claims incurred	(15,673)	(14,368)	9.1%	(15,445)	1.5%	(4,800)	(4,503)	6.6%	(3,739)	28.4%	(10,873)	(9,865)	10.2%	(11,706)	-7.1%	-	-	-
Gross insurance profit	9,687	9,783	-1.0%	8,409	15.2%	6,816	5,829	16.9%	6,496	4.9%	3,610	4,498	-19.7%	2,565	40.7%	(739)	(544)	(652)
Healthcare revenue	99,745	49,670	100.8%	85,694	16.4%	-	-	-	-	-	99,745	49,670	100.8%	85,694	16.4%	-	-	-
Cost of healthcare services	(64,228)	(27,562)	133.1%	(54,862)	17.1%	-	-	-	-	-	(64,228)	(27,562)	133.1%	(54,862)	17.1%	-	-	-
Gross healthcare profit	35,517	22,118	60.6%	30,832	15.2%	-	-	-	-	-	35,517	22,118	60.6%	30,832	15.2%	-	-	-
Real estate revenue	55,965	981	5604.9%	6,324	785.0%	-	-	-	-	-	55,965	981	5604.9%	6,324	785.0%	-	-	-
Cost of real estate	(45,933)	(230)	NMF	(3,905)	NMF	-	-	-	-	-	(45,933)	(230)	NMF	(3,905)	NMF	-	-	-
Gross real estate profit	10,032	751	1235.8%	2,419	314.7%	-	-	-	-	-	10,032	751	1235.8%	2,419	314.7%	-	-	-
Utility revenue	24,738	-	-	-	-	-	-	-	-	-	24,807	-	-	-	-	(69)	-	-
Cost of utility	(7,796)	-	-	-	-	-	-	-	-	-	(7,796)	-	-	-	-	-	-	-
Gross utility profit	16,942	-	-	-	-	-	-	-	-	-	17,011	-	-	-	-	(69)	-	-
Gross other investment profit	4,821	3,373	42.9%	2,804	71.9%	-	-	-	-	-	4,927	3,229	52.6%	2,810	75.3%	(106)	144	(6)
Revenue	269,628	216,607	24.5%	220,470	22.3%	201,848	190,045	6.2%	183,987	9.7%	71,097	30,596	132.4%	38,626	84.1%	(3,317)	(4,034)	(2,143)
Salaries and other employee benefits	(58,773)	(47,385)	24.0%	(50,875)	15.5%	(45,575)	(39,768)	14.6%	(40,847)	11.6%	(13,892)	(8,143)	70.6%	(10,685)	30.0%	694	526	657
Administrative expenses	(30,701)	(21,044)	45.9%	(27,865)	10.2%	(18,970)	(17,320)	9.5%	(19,051)	-0.4%	(12,207)	(4,047)	NMF	(9,169)	33.1%	476	323	355
Banking depreciation and amortisation	(9,665)	(8,505)	13.6%	(9,337)	3.5%	(9,665)	(8,505)	13.6%	(9,337)	3.5%	-	-	-	-	-	-	-	-
Other operating expenses	(2,414)	(628)	NMF	(560)	NMF	(1,165)	(574)	103.0%	(684)	70.3%	(1,250)	(54)	NMF	124	NMF	1	-	-
Operating expenses	(101,553)	(77,562)	30.9%	(88,637)	14.6%	(75,375)	(66,167)	13.9%	(69,919)	7.8%	(27,349)	(12,244)	123.4%	(19,730)	38.6%	1,171	849	1,012
Operating income before cost of credit risk / EBITDA	168,075	139,045	20.9%	131,833	27.5%	126,473	123,878	2.1%	114,068	10.9%	43,748	18,352	138.4%	18,896	131.5%	(2,146)	(3,185)	(1,131)
Profit from associates	256	1,444	-82.3%	1,952	-86.9%	-	-	-	-	-	256	1,444	-82.3%	1,952	-86.9%	-	-	-
Depreciation and amortization of investment business	(9,566)	(4,227)	126.3%	(4,775)	100.3%	-	-	-	-	-	(9,566)	(4,227)	126.3%	(4,775)	100.3%	-	-	-
Net foreign currency loss from investment business	(1,221)	(2,311)	-47.2%	(1,597)	-23.5%	-	-	-	-	-	(1,221)	(2,311)	-47.2%	(1,597)	-23.5%	-	-	-
Interest income from investment business	1,930	499	NMF	(283)	NMF	-	-	-	-	-	1,667	719	131.8%	60	NMF	263	(220)	(343)
Interest expense from investment business	(8,876)	(2,080)	NMF	(2,497)	NMF	-	-	-	-	-	(10,759)	(5,485)	96.2%	(3,971)	170.9%	1,883	3,405	1,474
Operating income before cost of credit risk	150,598	132,370	13.8%	124,633	20.8%	126,473	123,878	2.1%	114,068	10.9%	24,125	8,492	184.1%	10,565	128.3%	-	-	-
Impairment charge on loans to customers	(29,936)	(34,857)	-14.1%	(26,819)	11.6%	(29,936)	(34,857)	-14.1%	(26,819)	11.6%	-	-	-	-	-	-	-	-
Impairment charge on finance lease receivables	(3,258)	156	NMF	(130)	NMF	(3,258)	156	NMF	(130)	NMF	-	-	-	-	-	-	-	-
Impairment charge on other assets and provisions	(2,397)	(946)	153.4%	(2,438)	-1.7%	(1,331)	(51)	NMF	(1,202)	10.7%	(1,066)	(895)	19.1%	(1,236)	-13.8%	-	-	-
Cost of credit risk	(35,591)	(35,647)	-0.2%	(29,387)	21.1%	(34,525)	(34,752)	-0.7%	(28,151)	22.6%	(1,066)	(895)	19.1%	(1,236)	-13.8%	-	-	-
Net operating income before non-recurring items	115,007	96,723	18.9%	95,246	20.7%	91,948	89,126	3.2%	85,917	7.0%	23,059	7,597	203.5%	9,329	147.2%	-	-	-
Net non-recurring items	35,156	(5,489)	NMF	(48,744)	NMF	3,474	(4,967)	NMF	(46,350)	NMF	31,682	(522)	NMF	(2,394)	NMF	-	-	-
Profit before income tax	150,163	91,234	64.6%	46,502	222.9%	95,422	84,159	13.4%	39,567	141.2%	54,741	7,075	673.7%	6,935	689.3%	-	-	-
Income tax expense	(8,614)	(10,329)	-16.6%	64,735	NMF	(5,665)	(10,757)	-47.3%	35,139	NMF	(2,949)	428	NMF	29,596	NMF	-	-	-
Profit	141,549	80,905	75.0%	111,237	27.2%	89,757	73,402	22.3%	74,706	20.1%	51,792	7,503	590.3%	36,531	41.8%	-	-	-
Attributable to:																		
- shareholders of the Group	135,924	78,167	73.9%	94,642	43.6%	88,827	71,830	23.7%	73,600	20.7%	47,097	6,337	643.2%	21,042	123.8%	-	-	-
- non-controlling interests	5,625	2,738	105.4%	16,595	-66.1%	930	1,572	-40.8%	1,106	-15.9%	4,695	1,166	NMF	15,489	-69.7%	-	-	-
Earnings per share (basic & diluted)	3.55	2.04	74.0%	2.46	44.3%													

Income Statement, nine months 2016
GEL thousands, unless otherwise noted

	BGEO Consolidated			Banking Business			Investment Business			Eliminations		
	9M16	9M15	Change Y-O-Y	9M16	9M15	Change Y-O-Y	9M16	9M15	Change Y-O-Y	9M16	9M15	Change Y-O-Y
Banking interest income	670,859	631,566	6.2%	675,301	641,466	5.30%	-	-	-	(4,442)	(9,900)	-55.1%
Banking interest expense	(276,855)	(261,610)	5.8%	(276,944)	(262,756)	5.40%	-	-	-	89	1,146	-92.2%
Net banking interest income	394,004	369,956	6.5%	398,357	378,710	5.2%	-	-	-	(4,353)	(8,754)	-50.3%
Fee and commission income	121,475	116,049	4.7%	122,580	119,036	3.0%	-	-	-	(1,105)	(2,987)	-63.0%
Fee and commission expense	(33,887)	(29,282)	15.7%	(34,275)	(29,712)	15.4%	-	-	-	388	430	-9.8%
Net fee and commission income	87,588	86,767	0.9%	88,305	89,324	-1.1%	-	-	-	(717)	(2,557)	-72.0%
Net banking foreign currency gain	54,393	57,401	-5.2%	54,393	57,401	-5.2%	-	-	-	-	-	-
Net other banking income	9,574	9,209	4.0%	10,260	10,137	1.2%	-	-	-	(686)	(928)	-26.1%
Net insurance premiums earned	71,038	68,426	3.8%	31,401	29,351	7.0%	41,678	40,497	2.9%	(2,041)	(1,422)	43.5%
Net insurance claims incurred	(46,526)	(45,252)	2.8%	(12,746)	(14,745)	-13.6%	(33,780)	(30,507)	10.7%	-	-	-
Gross insurance profit	24,512	23,174	5.8%	18,655	14,606	27.7%	7,898	9,990	-20.9%	(2,041)	(1,422)	43.5%
Healthcare revenue	243,787	130,904	86.2%	-	-	-	243,787	130,904	86.2%	-	-	-
Cost of healthcare services	(151,146)	(73,810)	104.8%	-	-	-	(151,146)	(73,810)	104.8%	-	-	-
Gross healthcare profit	92,641	57,094	62.3%	-	-	-	92,641	57,094	62.3%	-	-	-
Real estate revenue	91,053	6,771	1244.7%	-	-	-	91,053	6,771	1244.7%	-	-	-
Cost of real estate	(72,624)	(4,852)	NMF	-	-	-	(72,624)	(4,852)	NMF	-	-	-
Gross real estate profit	18,429	1,919	860.3%	-	-	-	18,429	1,919	860.3%	-	-	-
Utility revenue	24,738	-	-	-	-	-	24,807	-	-	(69)	-	-
Cost of utility	(7,796)	-	-	-	-	-	(7,796)	-	-	-	-	-
Gross utility profit	16,942	-	-	-	-	-	17,011	-	-	(69)	-	-
Gross other investment profit	11,228	9,506	18.1%	-	-	-	11,409	9,481	20.3%	(181)	25	NMF
Revenue	709,311	615,026	15.3%	569,970	550,178	3.6%	147,388	78,484	87.8%	(8,047)	(13,636)	-41.0%
Salaries and other employee benefits	(157,061)	(138,171)	13.7%	(126,228)	(116,440)	8.4%	(32,827)	(23,134)	41.9%	1,994	1,403	42.1%
Administrative expenses	(83,582)	(64,203)	30.2%	(58,078)	(52,724)	10.2%	(26,723)	(12,575)	112.5%	1,219	1,096	11.2%
Banking depreciation and amortisation	(28,140)	(25,216)	11.6%	(28,140)	(25,216)	11.6%	-	-	-	-	-	-
Other operating expenses	(4,647)	(2,880)	61.4%	(2,711)	(2,307)	17.5%	(1,936)	(573)	NMF	-	-	-
Operating expenses	(273,430)	(230,470)	18.6%	(215,157)	(196,687)	9.4%	(61,486)	(36,282)	69.5%	3,213	2,499	28.6%
Operating income before cost of credit risk / EBITDA	435,881	384,556	13.3%	354,813	353,491	0.4%	85,902	42,202	103.5%	(4,834)	(11,137)	-56.6%
Profit from associates	4,074	2,112	92.9%	-	-	-	4,074	2,112	92.9%	-	-	-
Depreciation and amortization of investment business	(19,250)	(9,494)	102.8%	-	-	-	(19,250)	(9,494)	102.8%	-	-	-
Net foreign currency loss from investment business	(3,584)	4,067	NMF	-	-	-	(3,584)	4,067	NMF	-	-	-
Interest income from investment business	2,603	1,738	49.8%	-	-	-	2,691	2,381	13.0%	(88)	(643)	-86.3%
Interest expense from investment business	(12,757)	(7,171)	77.9%	-	-	-	(17,679)	(18,951)	-6.7%	4,922	11,780	-58.2%
Operating income before cost of credit risk	406,967	375,808	8.3%	354,813	353,491	0.4%	52,154	22,317	133.7%	-	-	-
Impairment charge on loans to customers	(88,972)	(108,890)	-18.3%	(88,972)	(108,890)	-18.3%	-	-	-	-	-	-
Impairment charge on finance lease receivables	(3,901)	(1,742)	123.9%	(3,901)	(1,742)	123.9%	-	-	-	-	-	-
Impairment charge on other assets and provisions	(8,248)	(8,724)	-5.5%	(4,814)	(5,655)	-14.9%	(3,434)	(3,069)	11.9%	-	-	-
Cost of credit risk	(101,121)	(119,356)	-15.3%	(97,687)	(116,287)	-16.0%	(3,434)	(3,069)	11.9%	-	-	-
Net operating income before non-recurring items	305,846	256,452	19.3%	257,126	237,204	8.4%	48,720	19,248	153.1%	-	-	-
Net non-recurring items	(12,222)	(8,349)	46.4%	(44,296)	(10,543)	NMF	32,074	2,194	1361.9%	-	-	-
Profit before income tax	293,624	248,103	18.3%	212,830	226,661	-6.1%	80,794	21,442	276.8%	-	-	-
Income tax benefit	46,210	(32,829)	NMF	21,296	(32,995)	NMF	24,914	166	14908.4%	-	-	-
Profit	339,834	215,274	57.9%	234,126	193,666	20.9%	105,708	21,608	389.2%	-	-	-
Attributable to:												
- shareholders of the Group	311,403	211,408	47.3%	231,047	191,041	20.9%	80,356	20,367	294.5%	-	-	-
- non-controlling interests	28,431	3,866	635.4%	3,079	2,625	17.3%	25,352	1,241	1942.9%	-	-	-
Earnings per share (basic & diluted)	8.12	5.51	47.4%									

STATEMENT OF FINANCIAL POSITION	BGEO Consolidated					Banking Business					Investment Business					Eliminations		
	Sep-16	Sep-15	Change Y-O-Y	Jun-16	Change Q-O-Q	Sep-16	Sep-15	Change Y-O-Y	Jun-16	Change Q-O-Q	Sep-16	Sep-15	Change Y-O-Y	Jun-16	Change Q-O-Q	Sep-16	Sep-15	Jun-16
Cash and cash equivalents	1,197,687	1,320,319	-9.3%	1,059,359	13.1%	1,090,511	1,314,696	-17.1%	1,034,062	5.5%	237,426	166,031	43.0%	245,595	-3.3%	(130,250)	(160,408)	(220,298)
Amounts due from credit institutions	944,061	706,500	33.6%	876,655	7.7%	848,185	698,110	21.5%	863,791	-1.8%	140,635	19,628	616.5%	28,949	385.8%	(44,759)	(11,238)	(16,085)
Investment securities	1,171,440	897,965	30.5%	989,331	18.4%	1,172,825	900,845	30.2%	990,125	18.5%	2,507	1,153	117.4%	2,572	-2.5%	(3,892)	(4,033)	(3,366)
Loans to customers and finance lease receivables	5,676,225	5,266,125	7.8%	5,469,120	3.8%	5,715,737	5,367,311	6.5%	5,507,414	3.8%	-	-	-	-	-	(39,512)	(101,186)	(38,294)
<i>Loans to customers</i>	5,433,593	5,229,830	3.9%	5,423,794	0.2%	5,473,105	5,331,016	2.7%	5,462,088	0.2%	-	-	-	-	-	(39,512)	(101,186)	(38,294)
<i>Finance lease receivables</i>	242,632	36,295	568.5%	45,326	435.3%	242,632	36,295	568.5%	45,326	435.3%	-	-	-	-	-	-	-	-
Accounts receivable and other loans	119,381	87,348	36.7%	89,162	33.9%	25,004	13,291	88.1%	5,262	375.2%	116,123	79,989	45.2%	86,748	33.9%	(21,746)	(5,932)	(2,848)
Insurance premiums receivable	52,842	55,700	-5.1%	58,667	-9.9%	22,493	28,413	-20.8%	24,013	-6.3%	31,224	29,165	7.1%	35,993	-13.2%	(875)	(1,878)	(1,339)
Prepayments	91,578	40,330	127.1%	103,842	-11.8%	22,420	21,374	4.9%	22,461	-0.2%	69,158	18,956	264.8%	81,381	-15.0%	-	-	-
Inventories	164,567	148,777	10.6%	178,534	-7.8%	9,635	10,929	-11.8%	9,559	0.8%	154,932	137,848	12.4%	168,975	-8.3%	-	-	-
Investment property	264,790	224,028	18.2%	245,849	7.7%	142,105	143,469	-1.0%	138,546	2.6%	122,685	80,559	52.3%	107,303	14.3%	-	-	-
Property and equipment	1,224,620	775,599	57.9%	852,680	43.6%	338,455	339,300	-0.2%	336,013	0.7%	886,165	436,299	103.1%	516,667	71.5%	-	-	-
Goodwill	107,298	70,876	51.4%	106,134	1.1%	49,592	49,592	0.0%	49,592	0.0%	57,706	21,284	171.1%	56,542	2.1%	-	-	-
Intangible assets	50,745	38,438	32.0%	49,617	2.3%	39,311	34,390	14.3%	38,314	2.6%	11,434	4,048	182.5%	11,303	1.2%	-	-	-
Income tax assets	22,874	38,666	-40.8%	26,585	-14.0%	13,840	30,938	-55.3%	19,614	-29.4%	9,034	7,728	16.9%	6,971	29.6%	-	-	-
Other assets	197,980	267,218	-25.9%	217,688	-9.1%	164,533	187,378	-12.2%	132,268	24.4%	36,033	91,997	-60.8%	88,233	-59.2%	(2,586)	(12,157)	(2,813)
Total assets	11,286,088	9,937,889	13.6%	10,323,223	9.3%	9,654,646	9,140,036	5.6%	9,171,034	5.3%	1,875,062	1,094,685	71.3%	1,437,232	30.5%	(243,620)	(296,832)	(285,043)
Client deposits and notes	4,700,324	4,477,908	5.0%	4,554,012	3.2%	4,878,171	4,649,572	4.9%	4,791,979	1.8%	-	-	-	-	-	(177,847)	(171,664)	(237,967)
Amounts due to credit institutions	2,740,926	2,115,859	29.5%	1,892,437	44.8%	2,396,969	2,011,801	19.1%	1,766,999	35.7%	380,745	209,898	81.4%	163,730	132.5%	(36,788)	(105,840)	(38,292)
Debt securities issued	1,036,086	1,076,137	-3.7%	1,065,516	-2.8%	722,088	999,959	-27.8%	990,370	-27.1%	320,128	83,549	283.2%	81,088	294.8%	(6,130)	(7,371)	(5,942)
Accruals and deferred income	107,974	166,435	-35.1%	137,967	-21.7%	17,824	16,629	7.2%	13,084	36.2%	110,627	149,806	-26.2%	124,883	-11.4%	(20,477)	-	-
Insurance contracts liabilities	70,840	66,608	6.4%	80,643	-12.2%	43,665	40,369	8.2%	47,701	-8.5%	27,175	26,239	3.6%	32,942	-17.5%	-	-	-
Income tax liabilities	28,678	127,490	-77.5%	44,510	-35.6%	26,044	96,214	-72.9%	42,916	-39.3%	2,634	31,276	-91.6%	1,594	65.2%	-	-	-
Other liabilities	212,511	149,493	42.2%	338,757	-37.3%	53,924	77,454	-30.4%	120,007	-55.1%	160,965	83,996	91.6%	221,592	-27.4%	(2,378)	(11,957)	(2,842)
Total liabilities	8,897,339	8,179,930	8.8%	8,113,842	9.7%	8,138,685	7,891,998	3.1%	7,773,056	4.7%	1,002,274	584,764	71.4%	625,829	60.2%	(243,620)	(296,832)	(285,043)
Share capital	1,154	1,154	0.0%	1,154	0.0%	1,154	1,154	0.0%	1,154	0.0%	-	-	-	-	-	-	-	-
Additional paid-in capital	245,317	252,090	-2.7%	228,679	7.3%	105,293	40,622	159.2%	88,253	19.3%	140,024	211,468	-33.8%	140,426	-0.3%	-	-	-
Treasury shares	(37)	(36)	2.8%	(35)	5.7%	(37)	(36)	2.8%	(35)	5.7%	-	-	-	-	-	-	-	-
Other reserves	108,442	(74,266)	NMF	88,226	22.9%	6,159	(64,648)	NMF	(9,549)	NMF	102,283	(9,618)	NMF	97,775	4.6%	-	-	-
Retained earnings	1,787,743	1,488,963	20.1%	1,652,868	8.2%	1,382,256	1,252,178	10.4%	1,298,592	6.4%	405,487	236,785	71.2%	354,276	14.5%	-	-	-
Total equity attributable to shareholders of the Group	2,142,619	1,667,905	28.5%	1,970,892	8.7%	1,494,825	1,229,270	21.6%	1,378,415	8.4%	647,794	438,635	47.7%	592,477	9.3%	-	-	-
Non-controlling interests	246,130	90,054	173.3%	238,489	3.2%	21,136	18,768	12.6%	19,563	8.0%	224,994	71,286	215.6%	218,926	2.8%	-	-	-
Total equity	2,388,749	1,757,959	35.9%	2,209,381	8.1%	1,515,961	1,248,038	21.5%	1,397,978	8.4%	872,788	509,921	71.2%	811,403	7.6%	-	-	-
Total liabilities and equity	11,286,088	9,937,889	13.6%	10,323,223	9.3%	9,654,646	9,140,036	5.6%	9,171,034	5.3%	1,875,062	1,094,685	71.3%	1,437,232	30.5%	(243,620)	(296,832)	(285,043)
Book value per share	56.03	43.60	28.5%	51.46	8.9%													

Income statement, quarterly

GEL thousands; unless otherwise noted

	Healthcare services					Medical insurance					Pharma		Eliminations			GHG				
	3Q16	3Q15	Change Y-o-Y	2Q16	Change Q-o-Q	3Q16	3Q15	Change, Y-o-Y	2Q16	Change Q-o-Q	3Q16	May-June 2016	3Q16	3Q15	2Q16	3Q16	3Q15	Change Y-o-Y	2Q16	Change Q-o-Q
Revenue, gross	59,305	51,131	16.0%	58,779	0.9%	16,054	15,196	5.6%	15,298	4.9%	45,725	30,691	(4,925)	(2,135)	(3,095)	116,159	64,192	81.0%	101,673	14.2%
Corrections & rebates	(762)	(680)	12.1%	(724)	5.2%	-	-	-	-	-	-	-	-	-	-	(762)	(680)	12.1%	(724)	5.2%
Revenue, net	58,543	50,451	16.0%	58,055	0.8%	16,054	15,196	5.6%	15,298	4.9%	45,725	30,691	(4,925)	(2,135)	(3,095)	115,397	63,512	81.7%	100,949	14.3%
Costs of services	(31,170)	(28,821)	8.1%	(31,399)	-0.7%	(13,939)	(12,123)	15.0%	(13,989)	-0.4%	(35,915)	(25,059)	4,461	2,101	3,052	(76,563)	(38,844)	97.1%	(67,395)	13.6%
Cost of salaries and other employee benefits	(19,746)	(18,748)	5.3%	(19,857)	-0.6%	-	-	-	-	-	-	-	1,569	794	1,094	(18,177)	(17,953)	1.2%	(18,763)	-3.1%
Cost of materials and supplies	(8,602)	(7,486)	14.9%	(9,228)	-6.8%	-	-	-	-	-	-	-	704	317	514	(7,898)	(7,169)	10.2%	(8,714)	-9.4%
Cost of medical service providers	(463)	(852)	-45.7%	(401)	15.5%	-	-	-	-	-	-	-	35	37	23	(428)	(815)	-47.5%	(378)	13.2%
Cost of utilities and other	(2,359)	(1,736)	35.9%	(1,913)	23.3%	-	-	-	-	-	-	-	193	72	122	(2,166)	(1,664)	30.2%	(1,791)	20.9%
Net insurance claims incurred	-	-	-	-	-	(12,834)	(11,286)	13.7%	(13,003)	-1.3%	-	-	1,960	880	1,299	(10,874)	(10,406)	4.5%	(11,704)	-7.1%
Agents, brokers and employee commissions	-	-	-	-	-	(1,105)	(837)	32.0%	(986)	12.1%	-	-	-	-	-	(1,105)	(837)	32.0%	(986)	12.1%
Cost of pharma - wholesale	-	-	-	-	-	-	-	-	-	-	(10,086)	(6,545)	-	-	-	(10,086)	-	-	(6,545)	-
Cost of pharma - retail	-	-	-	-	-	-	-	-	-	-	(25,829)	(18,514)	-	-	-	(25,829)	-	-	(18,514)	-
Gross profit	27,373	21,630	26.6%	26,656	2.7%	2,115	3,073	-31.2%	1,309	61.6%	9,810	5,632	(464)	(34)	(43)	38,834	24,668	57.4%	33,554	15.7%
Salaries and other employee benefits	(6,003)	(6,060)	-0.9%	(5,254)	14.3%	(1,196)	(1,078)	11.0%	(1,328)	-9.9%	(4,106)	(2,690)	464	34	43	(10,841)	(7,104)	52.6%	(9,229)	17.5%
General and administrative expenses	(3,708)	(1,954)	89.8%	(3,517)	5.4%	(649)	(558)	16.3%	(708)	-8.3%	(4,066)	(2,533)	-	2	-	(8,423)	(2,510)	235.6%	(6,758)	24.6%
Impairment of healthcare services, insurance premiums and other receivables	(48)	(943)	-94.9%	(1,120)	-95.7%	(124)	(47)	164.9%	(116)	6.9%	-	-	-	-	-	(172)	(990)	-82.6%	(1,236)	-86.1%
Other operating income	180	1,970	-90.9%	395	-54.4%	(1)	(4)	-71.7%	10	110.0%	150	145	-	(2)	-	329	1,964	-83.2%	550	-40.2%
EBITDA	17,794	14,642	21.5%	17,160	3.7%	145	1,387	-89.5%	(832)	117.4%	1,788	554	-	-	-	19,727	16,029	23.1%	16,882	16.9%
EBITDA margin	30.0%	28.6%		29.2%		0.9%	9.1%		-5.4%		3.9%	1.8%	-	-	-	17.0%	25.0%		16.6%	
Depreciation and amortisation	(4,613)	(3,327)	38.7%	(4,121)	11.9%	(211)	(155)	36.4%	(202)	4.5%	(391)	(258)	-	-	-	(5,215)	(3,482)	49.8%	(4,581)	13.8%
Net interest income (expense)	(3,125)	(4,733)	-34.0%	(2,999)	4.2%	(86)	(53)	62.5%	(43)	NMF	(627)	(427)	-	-	-	(3,838)	(4,786)	-19.8%	(3,469)	10.6%
Net gains/(losses) from foreign currencies	(95)	(1,982)	NMF	(1,711)	-94.4%	(91)	223	-140.9%	19	578.9%	(77)	(272)	-	-	-	(263)	(1,759)	NMF	(1,964)	-86.6%
Net non-recurring income/(expense)	22	(676)	NMF	387	-94.3%	-	(46)	-	(973)	-	(71)	-	-	-	-	(49)	(722)	NMF	(586)	-91.6%
Profit before income tax expense	9,983	3,923	154.5%	8,716	14.5%	(243)	1,356	NMF	(2,031)	-88.0%	622	(403)	-	-	-	10,362	5,279	96.3%	6,282	64.9%
Income tax benefit/(expense)	(612)	(196)	NMF	26,619	NMF	25	164	-84.8%	301	-91.7%	-	-	-	-	-	(587)	(31)	NMF	26,920	NMF
of which: Deferred tax adjustments	-	-	-	27,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,113	-
Profit for the period	9,371	3,728	151.4%	35,335	-73.5%	(218)	1,520	NMF	(1,730)	-87.4%	622	(403)	-	-	-	9,775	5,248	86.3%	33,202	-70.6%
Attributable to:																				
- shareholders of the Company	6,721	2,453	174.0%	29,888	-77.5%	(218)	1,520	NMF	(1,730)	-87.4%	622	(403)	-	-	-	7,125	3,973	79.3%	27,755	-74.3%
- non-controlling interests	2,650	1,275	107.8%	5,447	-51.3%	-	-	-	-	-	-	-	-	-	-	2,650	1,275	107.8%	5,447	-51.3%
of which: Deferred tax adjustments	-	-	-	4,705	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,705	-

Income Statement, 9M16

	Healthcare services			Medical insurance			Pharma	Eliminations		GHG		
<i>GEL thousands; unless otherwise noted</i>	9M16	9M15	Change, Y-o-Y	9M16	9M15	Change, Y-o-Y	YTD16	9M16	9M15	9M16	9M15	Change, Y-o-Y
Revenue, gross	178,535	139,550	27.9%	45,182	43,010	5.0%	76,416	(9,725)	(6,322)	290,408	176,238	64.8%
Corrections & rebates	(1,896)	(2,522)	-24.8%	-	-	-	-	-	-	(1,896)	(2,522)	-24.8%
Revenue, net	176,639	137,028	28.9%	45,182	43,010	5.0%	76,416	(9,725)	(6,322)	288,512	173,716	66.1%
Costs of services	(95,567)	(77,283)	23.7%	(40,775)	(35,444)	15.0%	(60,974)	9,207	6,125	(188,109)	(106,603)	76.5%
Cost of salaries and other employee benefits	(59,355)	(49,759)	19.3%	-	-	-	-	3,228	2,236	(56,127)	(47,522)	18.1%
Cost of materials and supplies	(27,443)	(20,226)	35.7%	-	-	-	-	1,493	909	(25,950)	(19,317)	34.3%
Cost of medical service providers	(1,292)	(1,830)	-29.4%	-	-	-	-	70	82	(1,222)	(1,748)	-30.1%
Cost of utilities and other	(7,477)	(5,469)	36.7%	-	-	-	-	407	246	(7,070)	(5,223)	35.4%
Net insurance claims incurred	-	-	-	(37,790)	(33,158)	14.0%	-	4,009	2,651	(33,781)	(30,507)	10.7%
Agents, brokers and employee commissions	-	-	-	(2,985)	(2,286)	30.6%	-	-	-	(2,985)	(2,286)	30.6%
Cost of pharma - wholesale	-	-	-	-	-	-	(16,631)	-	-	(16,631)	-	-
Cost of pharma - retail	-	-	-	-	-	-	(44,343)	-	-	(44,343)	-	-
Gross profit	81,072	59,745	35.7%	4,407	7,566	-41.8%	15,442	(518)	(197)	100,403	67,113	49.6%
Salaries and other employee benefits	(17,372)	(16,897)	2.8%	(3,343)	(3,006)	11.2%	(6,796)	518	197	(26,993)	(19,706)	37.0%
General and administrative expenses	(9,708)	(5,641)	72.1%	(2,076)	(1,821)	14.0%	(6,599)	-	2	(18,383)	(7,460)	146.4%
Impairment of receivables	(2,026)	(2,680)	-24.4%	(362)	(156)	132.3%	-	-	-	(2,388)	(2,836)	-15.8%
Other operating income	816	2,461	-66.8%	(12)	46	NMF	295	-	(2)	1,099	2,505	-56.1%
EBITDA	52,782	36,987	42.7%	(1,386)	2,630	NMF	2,342	-	-	53,738	39,617	35.6%
EBITDA margin	29.6%	26.5%	-3.1%	-3.1%	6.1%	-3.1%	3.1%	-	-	18.5%	22.5%	-3.1%
Depreciation and amortisation	(12,995)	(7,927)	63.9%	(617)	(444)	39.1%	(649)	-	-	(14,261)	(8,371)	70.4%
Net interest income (expense)	(8,383)	(14,817)	-43.4%	474	(87)	NMF	(1,054)	-	-	(8,963)	(14,904)	-39.9%
Net gains/(losses) from foreign currencies	(2,217)	2,898	NMF	79	792	-90.0%	(349)	-	-	(2,487)	3,690	NMF
Net non-recurring income/(expense)	179	(1,443)	NMF	(973)	(46)	NMF	(71)	-	-	(864)	(1,489)	NMF
Profit before income tax expense	29,366	15,697	87.1%	(2,423)	2,845	NMF	219	-	-	27,163	18,542	46.5%
Income tax benefit/(expense)	27,493	512	NMF	345	(491)	NMF	-	-	-	27,838	22	NMF
<i>of which: Deferred tax adjustments</i>	<i>29,311</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>29,311</i>	<i>-</i>	<i>-</i>
Profit for the period	56,859	16,210	250.8%	(2,078)	2,354	NMF	219	-	-	55,001	18,564	196.3%
Attributable to:												
- shareholders of the Company	46,660	13,473	246.3%	(2,078)	2,354	NMF	219	-	-	44,801	15,827	183.1%
- non-controlling interests	10,199	2,737	272.6%	-	-	-	-	-	-	10,200	2,737	272.6%
<i>of which: Deferred tax adjustments</i>	<i>5,057</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5,057</i>	<i>-</i>	<i>-</i>

INCOME STATEMENT, HIGHLIGHTS

GEL thousands, unless otherwise stated

	3Q16	3Q15	Change y-o-y	2Q16	Change q-o-q	9M16	9M15	Change y-o-y
Net banking interest income	7,830	7,650	2.4%	6,997	11.9%	22,730	21,717	4.7%
Net fee and commission income	1,739	2,149	-19.1%	1,868	-6.9%	5,469	7,065	-22.6%
Net banking foreign currency gain	1,175	6,340	-81.5%	2,100	-44.0%	5,756	15,025	-61.7%
Net other banking income	79	190	-58.4%	80	-1.3%	326	424	-23.1%
Revenue	10,823	16,329	-33.7%	11,045	-2.0%	34,281	44,231	-22.5%
Operating expenses	(4,982)	(4,722)	5.5%	(4,950)	0.6%	(14,422)	(13,664)	5.5%
Operating income before cost of credit risk	5,841	11,607	-49.7%	6,095	-4.2%	19,859	30,567	-35.0%
Cost of credit risk	(3,043)	(1,292)	135.5%	(1,075)	183.1%	(6,634)	(11,619)	-42.9%
Net non-recurring items	(4)	(323)	-98.8%	(8)	-50.0%	(15)	(1,739)	-99.1%
Profit before income tax	2,794	9,992	-72.0%	5,012	-44.3%	13,210	17,209	-23.2%
Income tax (expense) benefit	(441)	(2,342)	-81.2%	(4,845)	-90.9%	(6,431)	(4,554)	41.2%
Profit	2,353	7,650	-69.2%	167	NMF	6,779	12,655	-46.4%

BALANCE SHEET, HIGHLIGHTS

GEL thousands, unless otherwise stated

	30-Sep-16	30-Sep-15	Change Y- O-Y	30-Jun-16	Change Q-O-Q
Cash and cash equivalents	67,096	95,395	-29.7%	75,561	-11.2%
Amounts due from credit institutions	3,292	3,769	-12.7%	3,366	-2.2%
Loans to customers and finance lease receivables	327,170	315,006	3.9%	310,546	5.4%
Other assets	96,177	67,328	42.8%	43,036	123.5%
Total assets	493,735	481,498	2.5%	432,509	14.2%
Client deposits and notes	200,742	270,548	-25.8%	202,382	-0.8%
Amounts due to credit institutions	198,446	120,115	65.2%	141,577	40.2%
Debt securities issued	15,484	-	-	15,416	0.4%
Other liabilities	6,978	8,974	-22.2%	6,070	15.0%
Total liabilities	421,650	399,637	5.5%	365,445	15.4%
Total equity attributable to shareholders of the Group	57,826	67,989	-14.9%	53,810	7.5%
Non-controlling interests	14,259	13,872	2.8%	13,254	7.6%
Total equity	72,085	81,861	-11.9%	67,064	7.5%
Total liabilities and equity	493,735	481,498	2.5%	432,509	14.2%

INCOME STATEMENT HIGHLIGHTS

GEL thousands, unless otherwise stated

	3Q16	3Q15	Change y-o-y	2Q16	Change q-o-q	9M16	9M15	Change y-o-y
Net banking interest income	862	628	37.3%	770	11.9%	2,357	1,741	35.4%
Net fee and commission income	104	80	30.0%	104	0.0%	308	223	38.1%
Net banking foreign currency gain	(70)	(1,096)	-93.6%	(986)	-92.9%	(1,103)	1,119	NMF
Net other banking income	255	254	0.4%	223	14.3%	610	641	-4.8%
Gross insurance profit	6,836	6,297	8.6%	6,811	0.4%	19,311	15,757	22.6%
Revenue	7,987	6,163	29.6%	6,922	15.4%	21,483	19,481	10.3%
Operating expenses	(3,102)	(2,959)	4.8%	(2,774)	11.8%	(8,644)	(8,453)	2.3%
Operating income before cost of credit risk and non-recurring items	4,885	3,204	52.5%	4,148	17.8%	12,839	11,028	16.4%
Cost of credit risk	(185)	(199)	-7.0%	(186)	-0.5%	(543)	(466)	16.5%
Net non-recurring items	3	-	-	-	-	3	-	-
Profit before income tax	4,703	3,005	56.5%	3,962	18.7%	12,299	10,562	16.4%
Income tax (expense) benefit	(812)	(503)	61.4%	(1,009)	-19.5%	(2,365)	(265)	NMF
Profit	3,891	2,502	55.5%	2,953	31.8%	9,934	10,297	-3.5%

Banking Business Key ratios

BANKING BUSINESS KEY RATIOS¹

	3Q16	3Q15	2Q16	Sep-16	Sep-15
Profitability					
ROAA, Annualised	3.7%	3.3%	3.4%	3.4%	3.1%
ROAE, Annualised	24.7%	23.3%	22.5%	22.8%	20.6%
<i>RB ROAE</i>	31.6%	27.5%	29.2%	28.4%	23.4%
<i>CIB ROAE</i>	17.9%	18.6%	17.2%	17.5%	17.4%
Net Interest Margin, Annualised	7.3%	7.6%	7.5%	7.4%	7.7%
<i>RB NIM</i>	9.0%	9.5%	9.1%	9.1%	9.6%
<i>CIB NIM</i>	3.4%	3.7%	3.7%	3.6%	3.9%
Loan Yield, Annualised	14.1%	14.7%	14.1%	14.2%	14.7%
<i>RB Loan Yield</i>	16.6%	17.9%	16.9%	17.0%	17.5%
<i>CIB Loan Yield</i>	10.1%	10.3%	10.0%	10.2%	10.6%
Liquid assets yield, Annualised	3.2%	3.1%	3.3%	3.2%	3.2%
Cost of Funds, Annualised	4.7%	5.1%	4.8%	4.8%	5.1%
Cost of Client Deposits and Notes, annualised	3.6%	4.1%	4.0%	4.0%	4.3%
<i>RB Cost of Client Deposits and Notes</i>	3.3%	3.7%	3.4%	3.4%	4.0%
<i>CIB Cost of Client Deposits and Notes</i>	3.5%	3.9%	4.2%	4.1%	3.9%
Cost of Amounts Due to Credit Institutions, annualised	6.5%	6.3%	5.9%	6.1%	5.7%
Cost of Debt Securities Issued	6.6%	7.3%	7.0%	7.0%	7.3%
Operating Leverage, Y-O-Y	-7.7%	18.7%	-6.4%	-5.8%	19.2%
Operating Leverage, Q-O-Q	1.9%	2.7%	-0.2%	0.0%	0.0%
Efficiency					
Cost / Income	37.3%	34.8%	38.0%	37.7%	35.7%
<i>RB Cost / Income</i>	38.7%	37.5%	39.9%	40.5%	40.3%
<i>CIB Cost / Income</i>	31.1%	28.8%	31.8%	29.9%	27.1%
Liquidity					
NBG Liquidity Ratio	41.4%	40.5%	43.5%	41.4%	40.5%
Liquid Assets To Total Liabilities	38.2%	36.9%	37.2%	38.2%	36.9%
Net Loans To Client Deposits and Notes	117.2%	115.4%	114.9%	117.2%	115.4%
Net Loans To Client Deposits and Notes + DFIs	94.2%	95.9%	95.8%	94.2%	95.9%
Leverage (Times)	5.4	6.3	5.6	5.4	6.3
Asset Quality:					
NPLs (in GEL)	260,963	221,590	251,383	260,963	221,590
NPLs To Gross Loans To Clients	4.4%	4.0%	4.4%	4.4%	4.0%
NPL Coverage Ratio	86.5%	82.1%	85.8%	86.5%	82.1%
NPL Coverage Ratio, Adjusted for discounted value of collateral	131.1%	121.9%	129.7%	131.1%	121.9%
Cost of Risk, Annualised	2.3%	2.5%	2.0%	2.2%	2.8%
<i>RB Cost of Risk</i>	2.4%	3.2%	2.3%	2.4%	2.8%
<i>CIB Cost of Risk</i>	1.9%	1.9%	1.5%	1.8%	2.4%
Capital Adequacy:					
New NBG (Basel 2/3) Tier I Capital Adequacy Ratio	11.0%	10.2%	10.2%	11.0%	10.2%
New NBG (Basel 2/3) Total Capital Adequacy Ratio	16.2%	15.8%	15.5%	16.2%	15.8%
Old NBG Tier I Capital Adequacy Ratio	10.0%	9.2%	10.0%	10.0%	9.2%
Old NBG Total Capital Adequacy Ratio	16.6%	16.0%	16.4%	16.6%	16.0%

¹Note: for the description of Key ratios, refer to slide 118

Key operating data

Selected Operating Data:	3Q16	3Q15	2Q16	Sep-16	Sep-15
Total Assets Per FTE, BOG Standalone	1,984	2,060	1,954	1,984	2,060
Number Of Active Branches, Of Which:	276	260	273	276	260
- Express Branches (including Metro)	122	110	119	122	110
- Bank of Georgia Branches	144	148	144	144	148
- Solo Lounges	10	2	10	10	2
Number Of ATMs	772	703	763	772	703
Number Of Cards Outstanding, Of Which:	1,996,836	1,940,627	1,946,828	1,996,836	1,940,627
- Debit cards	1,185,333	1,210,914	1,152,319	1,185,333	1,210,914
- Credit cards	811,503	729,713	794,509	811,503	729,713
Number Of POS Terminals	10,017	7,685	9,044	10,017	7,685

Full Time Employees, Group, Of Which:	30 Sep 2016	30 Sep 2015
Total Banking Business Companies, of which:	21,441	15,624
- Full Time Employees, BOG Standalone	6,536	5,961
- Full Time Employees, BNB	4,866	4,436
- Full Time Employees, BNC	598	537
- Full Time Employees, Aldagi	280	246
- Full Time Employees, BB other	792	742
Total Investment Business Companies, of which:	14,905	9,663
- Full Time Employees, Georgia Healthcare Group	12,360	9,434
- Full Time Employees, GGU	2,311	-
- Full Time Employees, m2	62	59
- Full Time Employees, IB Other	172	170

Shares Outstanding	Sep-16	Sep-15	Jun-16
Ordinary Shares Outstanding	38,238,796	38,257,793	38,299,053
Treasury Shares Outstanding	1,261,524	1,242,527	1,201,267

Risk Weighted Assets breakdown	Risk Weighted Assets			Change	
	30-Sep-16	30-Jun-16	30-Sep-15	Y-O-Y, %	Q-O-Q, %
Credit risk weighting	5,995,672	6,133,678	6,001,552	-0.1%	-2.2%
FX induced credit risk (market risk)	1,925,748	2,025,952	1,846,755	4.3%	-4.9%
Operational risk weighting	739,547	739,547	624,825	18.4%	0.0%
Total RWA under NBG Basel 2/3	8,660,967	8,899,177	8,473,132	2.2%	-2.7%

Share price consensus – GBP 29.76

<u>Bank</u>	<u>Target Price (GBP)</u>	<u>Analyst report Date</u>
UBS	31.00	16-Aug-16
Panmure Gordon	24.00	23-May-16
Numis	29.21	17-Aug-16
BoAML	22.66	25-Feb-15
Citi	27.90	23-May-15
HSBC	33.00	2-Sep-16
VTB	32.00	28-Oct-16
RenCap	33.60	29-Aug-16
Sberbank	28.00	7-Jun-16
Peel Hunt	26.00	16-Feb-16
Jefferies	40.00	22-Aug-16

1

122 Express Branches



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

3

2,697 Express Pay Terminals



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



2

1,559,885 Express Cards for Transport payments



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

4

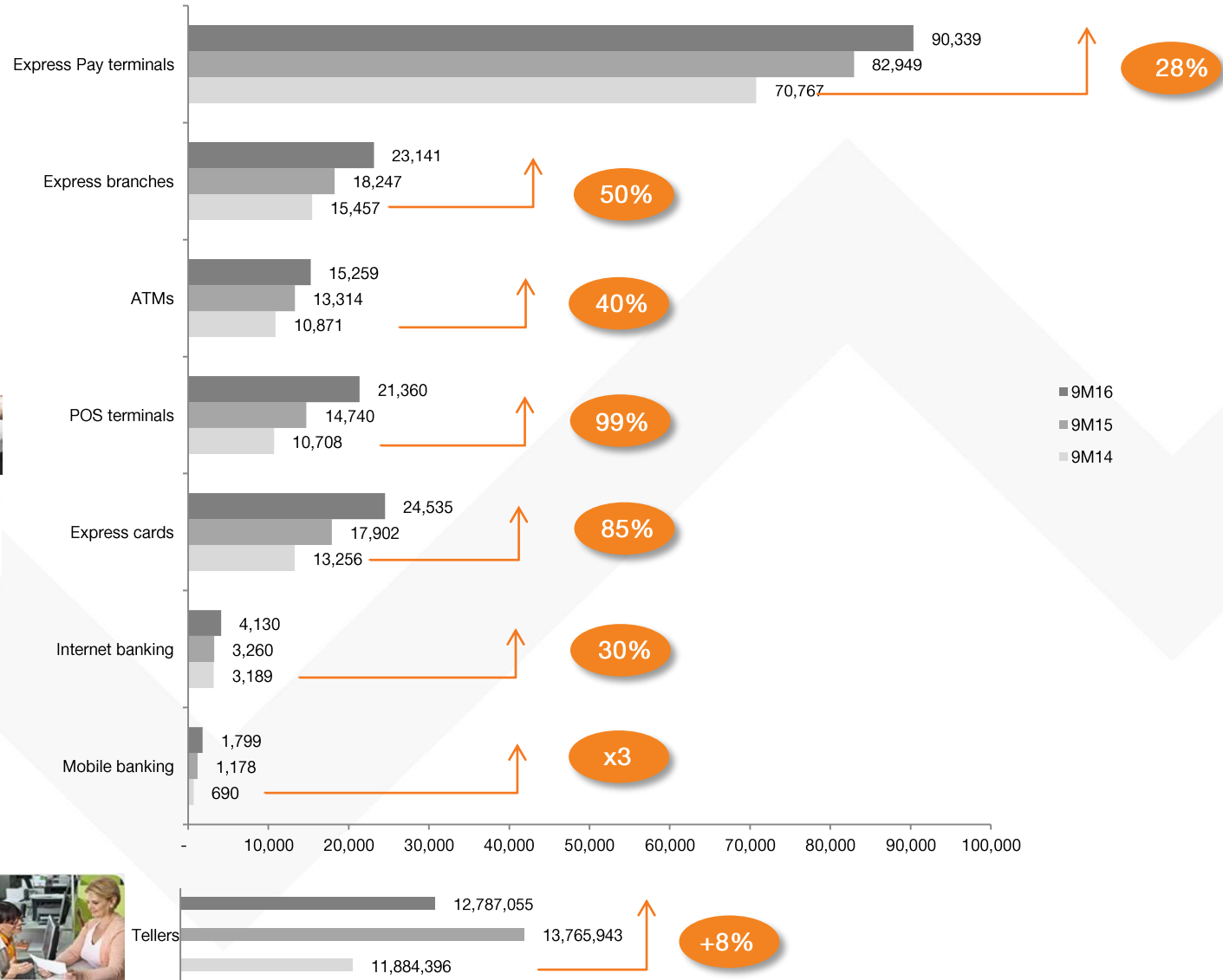
10,017 POS Terminals at 4,290 Merchants



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

Capturing Emerging Mass Market Customers

No. of transitions '000s



A fundamentally different approach to premium banking

Through the recently launched Solo, we target to **attract new clients** (currently 16,964) to significantly **increase market share** in **premium banking** from c.13% at the beginning of 2015

SOLO Lounges



New Solo offers:

- Tailor made banking solutions
- New financial products such as bonds
- Concierge-style environment
- Access to exclusive products and events
- Lifestyle opportunities



3x higher new clients attracted per banker ratio, compared to same period last year

GHG roadmap Creating single largest healthcare player

Year	Milestone	EV/EBITDA Investment per bed	BGH Investment GEL mln	Facilities & beds
2011	State infrastructure reform starts			6 145
	Started investing in hospitals			
2012	Merged with Block Georgia (<i>non-cash</i>)	3.1x, GEL 74k	0	9 530
	Imedi L acquisition	4.9x, GEL 47k	9.6	8 206
2013	Investment to support organic growth	GEL 56k	22.9	11 425
	State Universal Healthcare Program starts			
2014	Acquired Caraps	6.0x, GEL 142k	0	1 60
			32.5	
2015	Acquired Avante	3.7x, GEL 73k	82.4	4 578
	Acquired Sunstone	GEL 99k		1 152
	Acquired Traumatology	3.9x, GEL 134k		1 60
	Acquired Block minority			
2015	Acquired HTMC	6.4x, GEL 206k	27.5	1 450
	Acquired Deka	GEL 183k		1 80
	Launched ambulatory expansion strategy			3
	IPO-ed			
			110.0	
Total (as of Dec 2015)			142.5	46 2,686

Decision to invest

Institutionalising the business

Accelerate growth

Expanding into Tbilisi

Completed projects: All projects were completed on budget and on schedule

Project timeline

Start date:



1,672 apartments completed with 95% sales

Project highlights

<p>1</p> <p>Chubinishvili street</p> <ul style="list-style-type: none"> • 123 apartments • IRR: 47% • Equity multiple: x1.8 • Apartments sold: 123/123, 100% • Pre-sales¹ was: 92% • Start date: Sep'2010 • Completion: Aug'2012 • Sales: US\$ 9.9mln • Land value unlocked: US\$ 0.9mln 	<p>2</p> <p>Tamarashvili street</p> <ul style="list-style-type: none"> • 525 apartments • IRR: 46% • Equity multiple: x2.4 • Apartments sold: 523/525, 100% • Pre-sales was: 97% • Start date: May'2012 • Completion: Jun'2014 • Sales: US\$ 48.4mln • Land value unlocked: US\$ 5.4mln 	<p>3</p> <p>Nutsubidze street</p> <ul style="list-style-type: none"> • 221 apartments • IRR: 58% • Equity multiple: x1.5 • Apartments sold: 221/221, 100% • Pre-sales: 89% • Start date: Dec'2013 • Completion: Sep'2015 • Sales: US\$ 17.4mln • Land value unlocked: US\$ 2.2mln
<p>4</p> <p>Kazbegi Street</p> <ul style="list-style-type: none"> • 295 apartments • IRR: 165% • Equity multiple: x2.3 • Apartments sold: 293/295, 99% • Pre-sales: 90% • Start date: Dec'2013 • Completion: Feb'2016 • Sales: US\$ 27.1mln • Land value unlocked: US\$ 3.6mln 	<p>5</p> <p>Tamarashvili Street II</p> <ul style="list-style-type: none"> • 270 apartments • IRR: 71% • Equity multiple: x2.1 • Apartments sold: 244/270, 90% • Pre-sales: 76% • Start date: Jul'2014 • Completion: Jun'2016 • Sales: US\$ 22.2mln • Land value unlocked: US\$ 2.7mln 	<p>6</p> <p>Moscow avenue</p> <ul style="list-style-type: none"> • 238 apartments • IRR: 31% • Equity multiple: x1.5 • Apartments sold: 185/238, 78% • Pre-sales: 69% • Start date: Sep'2014 • Completion: Jun'2016 • Sales: US\$ 9.1mln • Land value unlocked: US\$ 1.6mln

N Completed projects Note 1: Pre-sales is defined as sales before project completion

Project timeline

Ongoing projects: All projects are within the schedule



Project highlights

1,202 apartments under construction with 29% pre-sales

<p>1 Kartozia Street</p> <ul style="list-style-type: none"> 819 apartments IRR: 60% Equity multiple: x1.7 Pre-sales: 256/819, 31% Pre-sales: US\$ 18.6mln Start date: Nov'2015 Completion exp.: Sep'2018 Construction progress: 19% completed Land value to be unlocked: US\$ 5.8mln 	<p>2 Skyline</p> <ul style="list-style-type: none"> 19 apartments IRR: 329% Equity multiple: x1.1 Pre-sales: 9/19, 47% Pre-sales: US\$ 3.9mln Start date: Dec'2015 Completion expected: Dec'2016 Construction progress: 45% completed Land value to be unlocked: US\$ 3.1mln 	<p>3 Kazbegi Street II</p> <p>Residential</p> <ul style="list-style-type: none"> 302 apartments IRR: 51% Equity multiple: x2.5 Pre-sales: 67/302, 22% Pre-sales: US\$ 5.4mln Start date: Jun'2016 Completion expected: Nov'2018 Construction progress: 6% completed Land value to be unlocked: US\$ 4.3mln <p>Ramada Encore (Hotel)</p> <ul style="list-style-type: none"> 152 rooms, 7000 sqm (gross) Start: June-16 Completion: Nov-17 Total completion cost: US\$ 13.2mln Profit stabilized year: US\$ 1.6mln ADR (stabilized year): US\$ 115 	<p>4 50 Chavchavadze ave.</p> <ul style="list-style-type: none"> 62 apartments IRR: 75% Equity multiple: x1.6 Pre-sales: 15/62, 24% Pre-sales: US\$ 2.2mln Start date: Oct'2016 Completion exp.: Dec'2017 Construction progress: 0% completed Land value to be unlocked: US\$ 3.3mln
--	--	--	--

- 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 BGEO divided by monthly average equity attributable to shareholders of BGEO for the same period;
- 3 Net Interest Margin equals Net Banking Interest Income of the period divided by monthly Average Interest Earning Assets Excluding Cash for the same period; Interest Earning Assets Excluding Cash comprise: Amounts Due From Credit Institutions, Investment Securities (but excluding corporate shares) and net Loans To Customers And Finance Lease Receivables;
- 4 Loan Yield equals Banking 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 banking interest expense of the period divided by monthly average interest bearing liabilities; interest bearing liabilities include: amounts due to credit institutions, client deposits and notes and debt securities issued;
- 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 Daily average liquid assets (as defined by NBG) during the months divided by daily average liabilities (as defined by NBG) during the months;
- 9 Liquid assets include: cash and cash equivalents, amounts due from credit institutions and investment securities;
- 10 Leverage (Times) equals total liabilities divided by total equity;
- 11 NPL Coverage Ratio equals allowance for impairment of loans and finance lease receivables divided by NPLs;
- 12 NPL Coverage Ratio adjusted for discounted value of collateral equals allowance for impairment of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for impairment)
- 13 Cost of Risk equals impairment charge for loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period;
- 14 New NBG (Basel 2/3) Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements the National Bank of Georgia instructions;
- 15 New NBG (Basel 2/3) Total Capital Adequacy ratio equals total capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- 16 Old NBG Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements the National Bank of Georgia instructions;
- 17 Old NBG Total Capital Adequacy ratio equals total capital divided by total risk weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- 18 NMF – Not meaningful
- 19 Constant currency basis – changes assuming constant exchange rate

Registered Address

84 Brook Street
London W1K 5EH
United Kingdom
www.bgeo.com

Registered under number 7811410 in England and Wales
Incorporation date: 14 October 2011

Stock Listing

London Stock Exchange PLC's Main Market for listed securities
Ticker: "BGEO.LN"

Contact Information

BGEO Group Investor Relations
Telephone: +44 (0) 20 3178 4052
E-mail: ir@bog.ge
www.bgeo.com

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF
United Kingdom

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol BS13 8AE
United Kingdom

Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.

Investor Centre Web Address - www.investorcentre.co.uk
Investor Centre Shareholder Helpline - +44 (0)370 873 5866

Share price information

BGEO Group shareholders can access both the latest and historical prices via our website, www.bgeo.com

www.bgeo.com