

CAPTURING GROWTH OPPORTUNITIES

Investor Presentation: 4Q17 & full year 2017 results



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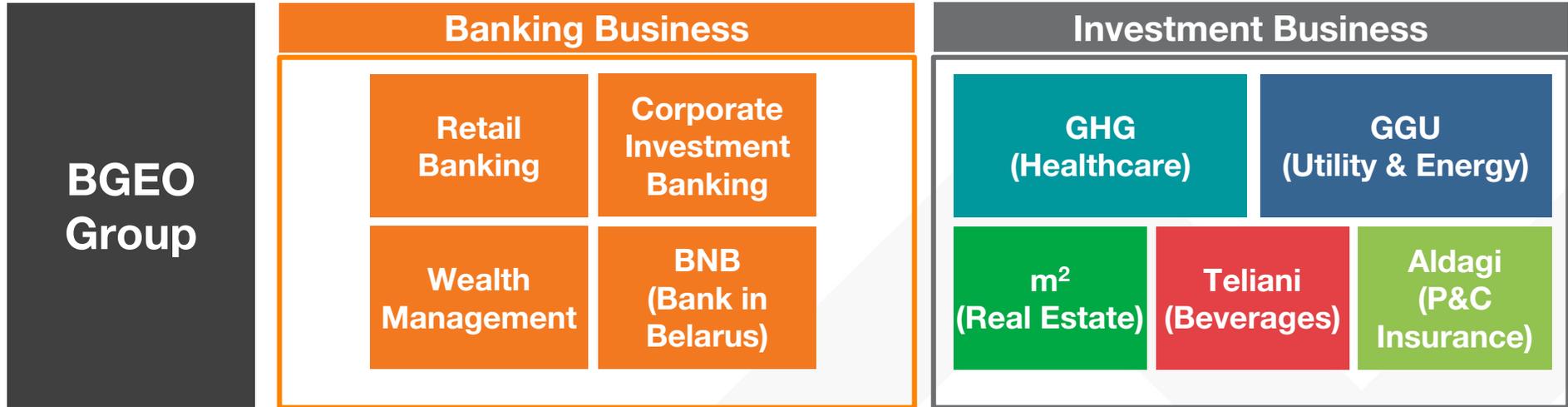


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This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although BGEO Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; corporate loan portfolio exposure risk; regional tensions; regulatory risk; cyber security, information systems and financial crime risk; investment business strategy risk; and other key factors that we have indicated could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports, including the 'Principal Risks and Uncertainties' included in BGEO Group PLC's Annual Report and Accounts 2016 and in its Half Year 2017 Results announcement. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in BGEO Group PLC or any other entity, including any future entity such as Georgia Capital PLC or Bank of Georgia Group PLC, and must not be relied upon in any way in connection with any investment decision. BGEO Group PLC undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.

CONTENT

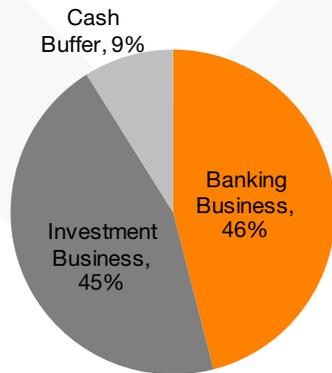
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Capital Allocation¹ (2017, GELmIn)

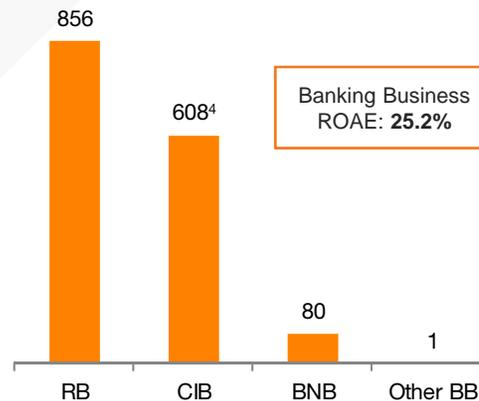
Total Capital – GEL 3,337mIn

GEL 310mIn at 31 December 2017

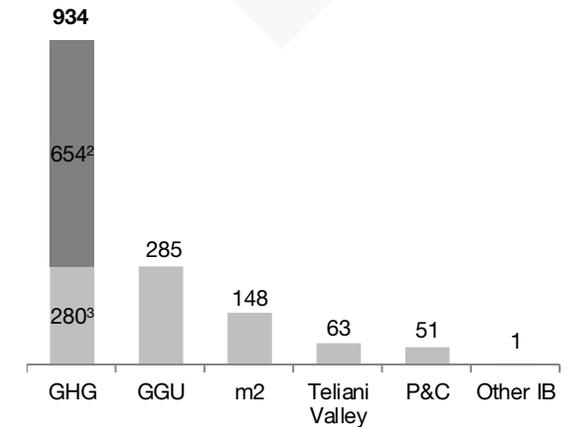


Capital allocated to BB – GEL 1,545mIn

2017 ROAE: 31.6%, 17.6%, 14.6%, n.m.



Capital allocated to IB – GEL 1,482mIn



1. Comprises the sum of the following items: a book value of equity attributable to shareholders of BGEO Group of GEL 2,421mIn, GEL 654mIn market value adjustment to GHG's equity's book value and long term borrowing of GEL 262mIn.
2. Market value of BGEO Group's equity interests in GHG as of 31 December 2017.
3. Book value of GHG's equity attributable to shareholders of the BGEO Group.
4. Corporate Investment Banking and Wealth Management are presented together under CIB

BGEO GROUP PROFIT CONTRIBUTION



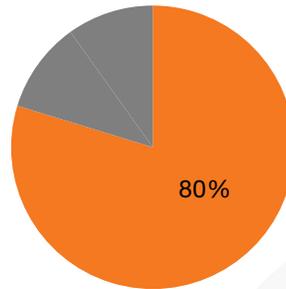
Data for FY17
unless otherwise stated

At a glance

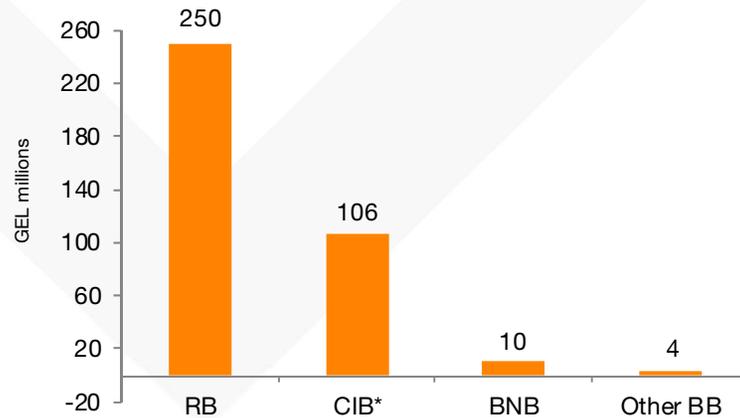
By businesses

FY 2017 Profit - GEL 463mIn

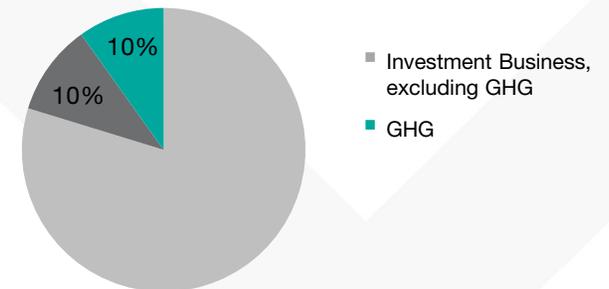
Banking Business



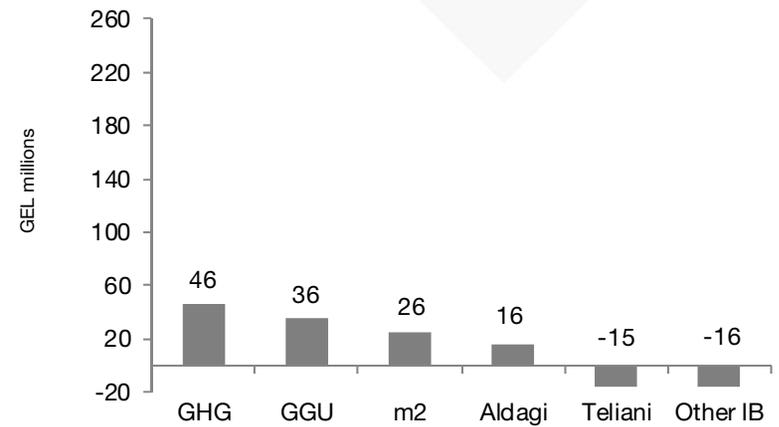
GEL 370mIn



Investment Business



GEL 93mIn

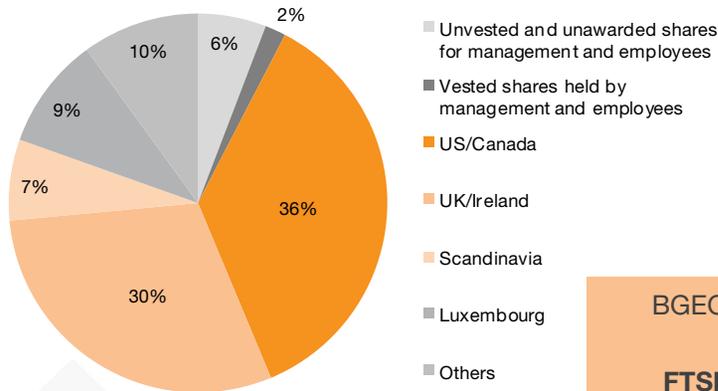


* Corporate Investment Banking and Wealth Management are presented together under CIB

BGEO SHAREHOLDER STRUCTURE AND SHARE PRICE

BGEO shareholder structure

As of 29 December 2017



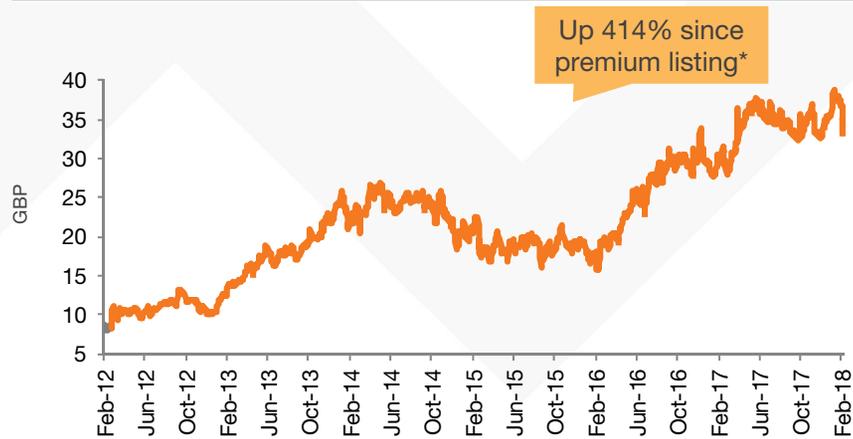
BGEO has been included in the **FTSE 250** and **FTSE All-share Index Funds** since 18 June 2012

BGEO top shareholders

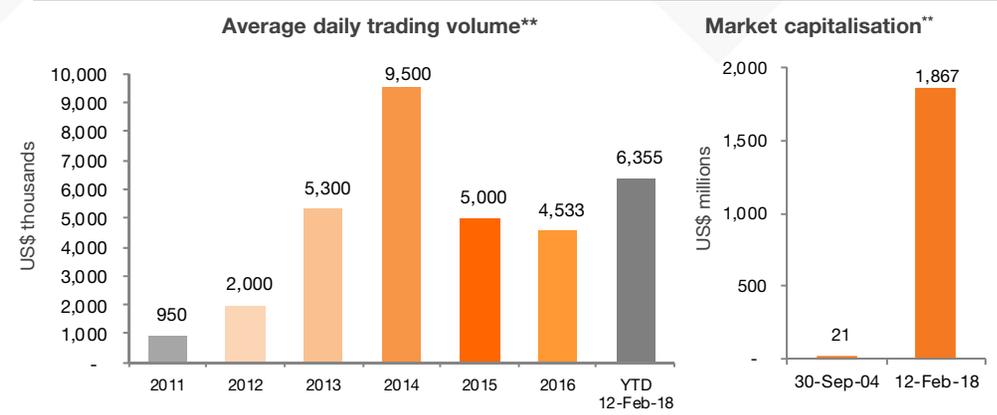
As of 29 December 2017

Rank	Shareholder name	Ownership
1	Harding Loevner LP	8.32%
2	Schroder Investment Management	4.86%
3	LGM Investments Ltd	3.28%
4	Norges Bank Investment Management	3.11%

BGEO share price performance



x89 growth in market capitalisation



Note*: Share price change calculated from the last price of BGEO LI on 27 February 2012 to the price of BGEO LN on 12 February 2018

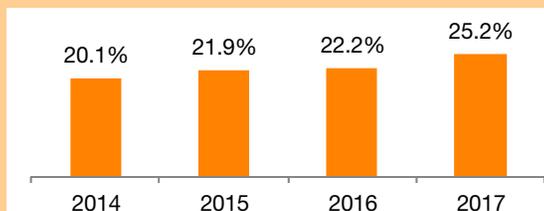
Note**: Source: Bloomberg

Successful track record of delivering strong results

Banking Business

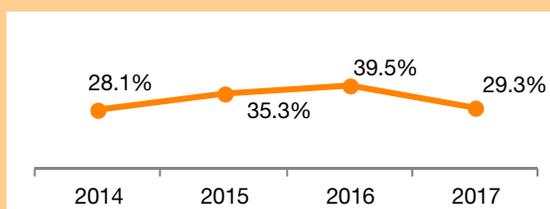
1

**ROAE
20%+**



2

**Retail loan
book growth
20%+**



Investment Business

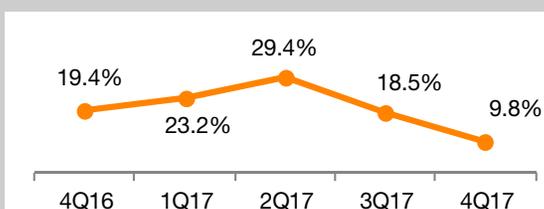
3

**Min. IRR
of 20%**

**121% IRR from GHG IPO
74% IRR from m² Real Estate
projects**

4

**Profit
up to 20%***



Solid Capital Return Track Record



Regular Dividends

- **Regular dividends:** linked to recurring profit from Banking Business. Aiming 25-40% dividend payout ratio
- **GEL 435.2mln** cash dividend paid since 2010 resulting in **DPS CAGR'10-16 of 43.3%** and **payout ratio above 30%** over past 5 years



Management trust buybacks

- **GEL 177.9mln** share buy-backs since 2015
- In 2017YTD, we repurchased GEL88.4mln



Share Buyback & Cancellation

- Existing **US\$50mln** share buy back program to be implemented over 2 years is in place with no changes
- In 2017YTD, we repurchased US\$ 5.0mln

* The quarterly profit percentages for 4Q16 – 4Q17 period include Aldagi's results

BGEO GROUP RESULTS HIGHLIGHTS

Quarterly Income Statement

GEL thousands unless otherwise noted	BGEO Consolidated					Banking Business					Investment Business				
	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q
Net banking interest income	183,498	155,052	18.3%	168,603	8.8%	183,124	157,611	16.2%	167,788	9.1%	-	-	-	-	-
Net fee and commission income	36,483	35,196	3.7%	32,754	11.4%	36,738	36,769	-0.1%	33,141	10.9%	-	-	-	-	-
Net banking foreign currency gain	28,139	34,956	-19.5%	20,436	37.7%	27,464	27,707	-0.9%	19,614	40.0%	-	-	-	-	-
Net other banking income	12,708	1,704	NMF	2,375	NMF	12,986	2,138	NMF	2,653	NMF	-	-	-	-	-
Gross insurance profit	6,328	6,223	1.7%	6,862	-7.8%	-	-	-	-	-	6,306	6,255	0.8%	6,846	-7.9%
Gross real estate profit	5,544	979	NMF	3,922	41.4%	-	-	-	-	-	5,773	1,560	NMF	4,179	38.1%
Gross utility and energy profit	22,777	21,600	5.4%	25,853	-11.9%	-	-	-	-	-	22,868	21,671	5.5%	25,942	-11.8%
Gross other investment profit	9,621	9,974	-3.5%	11,800	-18.5%	-	-	-	-	-	9,611	9,758	-1.5%	11,792	-18.5%
Revenue	305,098	265,684	14.8%	272,605	11.9%	260,312	224,225	16.1%	223,196	16.6%	44,558	39,244	13.5%	48,759	-8.6%
Operating expenses	(121,146)	(95,035)	27.5%	(104,197)	16.3%	(99,742)	(83,840)	19.0%	(85,354)	16.9%	(22,676)	(12,812)	77.0%	(20,135)	12.6%
Operating income before cost of credit risk / EBITDA	183,952	170,649	7.8%	168,408	9.2%	160,570	140,385	14.6%	137,842	16.5%	21,882	26,432	-17.2%	28,624	-23.6%
Profit from associates	255	-	NMF	147	73.5%	255	-	NMF	147	73.5%	-	-	-	-	-
Depreciation and amortisation of investment business	(9,056)	(4,501)	101.2%	(7,275)	24.5%	-	-	-	-	-	(9,056)	(4,501)	101.2%	(7,275)	24.5%
Net foreign currency loss from investment business	(5,797)	(1,905)	NMF	(3,941)	47.1%	-	-	-	-	-	(5,797)	(1,905)	NMF	(3,941)	47.1%
Interest income from investment business	1,691	1,830	-7.6%	959	76.3%	-	-	-	-	-	4,088	1,175	NMF	3,595	13.7%
Interest expense from investment business	(8,862)	(4,654)	90.4%	(6,961)	27.3%	-	-	-	-	-	(8,969)	(6,523)	37.5%	(7,049)	27.2%
Operating income before cost of credit risk	162,183	161,419	0.5%	151,337	7.2%	160,825	140,385	14.6%	137,989	16.5%	2,148	14,678	-85.4%	13,954	-84.6%
Cost of credit risk	(43,045)	(70,023)	-38.5%	(37,900)	13.6%	(42,428)	(70,608)	-39.9%	(36,832)	15.2%	(617)	585	NMF	(1,068)	-42.2%
Profit before non-recurring items and income tax	119,138	91,396	30.4%	113,437	5.0%	118,397	69,777	69.7%	101,157	17.0%	1,531	15,263	-90.0%	12,886	-88.1%
Net non-recurring items	(673)	(1,324)	-49.2%	(1,441)	-53.3%	(213)	(1,055)	-79.8%	(1,376)	-84.5%	(460)	(269)	71.0%	(65)	NMF
Profit before income tax (expense)/benefit	118,465	90,072	31.5%	111,996	5.8%	118,184	68,722	72.0%	99,781	18.4%	1,071	14,994	-92.9%	12,821	-91.6%
Income tax (expense)/benefit	(12,716)	(871)	NMF	(10,096)	26.0%	(11,050)	2,782	NMF	(7,850)	40.8%	(1,666)	(3,653)	-54.4%	(2,246)	-25.8%
Profit from continuing operations	105,749	89,201	18.6%	101,900	3.8%	107,134	71,504	49.8%	91,931	16.5%	(595)	11,341	NMF	10,575	NMF
Profit from discontinued operations	13,060	(458)	NMF	10,941	19.4%	-	-	-	-	-	12,270	5,898	108.0%	10,335	18.7%
Profit	118,809	88,743	33.9%	112,841	5.3%	107,134	71,504	49.8%	91,931	16.5%	11,675	17,239	-32.3%	20,910	-44.2%
Earnings per share (basic)	3.05	2.29	33.2%	2.82	8.2%	2.86	1.89	51.1%	2.43	17.8%	0.19	0.40	-52.3%	0.39	-51.7%
Earnings per share (diluted)	2.90	2.21	31.2%	2.70	7.4%	2.72	1.83	48.9%	2.33	17.0%	0.18	0.38	-53.0%	0.37	-52.0%

* Note: Banking Business and Investment Business financials do not include interbusiness eliminations. Detailed financials, including interbusiness eliminations are provided in annex on pages 120-121.

BGEO GROUP RESULTS HIGHLIGHTS

Full Year Income Statement

GEL thousands unless otherwise noted	BGEO Consolidated			Banking Business			Investment Business		
	2017	2016	Change y-o-y	2017	2016	Change y-o-y	2017	2016	Change y-o-y
Net banking interest income	672,535	548,121	22.7%	672,100	553,611	21.4%	-	-	-
Net fee and commission income	130,050	122,477	6.2%	131,474	124,910	5.3%	-	-	-
Net banking foreign currency gain	79,106	89,480	-11.6%	86,060	83,203	3.4%	-	-	-
Net other banking income	18,645	10,667	74.8%	19,701	12,183	61.7%	-	-	-
Gross insurance profit	27,265	24,569	11.0%	-	-	-	27,049	25,256	7.1%
Gross real estate profit	34,390	18,485	86.0%	-	-	-	35,367	19,066	85.5%
Gross utility and energy profit	88,010	38,541	128.4%	-	-	-	88,370	38,680	128.5%
Gross other investment profit	30,630	21,288	43.9%	-	-	-	30,583	21,334	43.4%
Revenue	1,080,631	873,628	23.7%	909,335	773,907	17.5%	181,369	104,336	73.8%
Operating expenses	(413,045)	(322,806)	28.0%	(342,936)	(291,548)	17.6%	(74,792)	(35,893)	108.4%
Operating income before cost of credit risk / EBITDA	667,586	550,822	21.2%	566,399	482,359	17.7%	106,577	68,443	55.7%
Profit from associates	1,311	4,074	-67.8%	1,311	-	NMF	-	4,074	NMF
Depreciation and amortisation of investment business	(28,235)	(10,062)	NMF	-	-	-	(28,235)	(10,062)	NMF
Net foreign currency loss from investment business	(4,937)	(3,134)	57.5%	-	-	-	(4,937)	(3,134)	57.5%
Interest income from investment business	5,415	3,745	44.6%	-	-	-	12,970	4,144	NMF
Interest expense from investment business	(29,660)	(11,220)	NMF	-	-	-	(30,014)	(13,410)	123.8%
Operating income before cost of credit risk	611,480	534,225	14.5%	567,710	482,359	17.7%	56,361	50,055	12.6%
Cost of credit risk	(170,711)	(168,756)	1.2%	(167,296)	(167,752)	-0.3%	(3,415)	(1,004)	NMF
Profit before non-recurring items and income tax	440,769	365,469	20.6%	400,414	314,607	27.3%	52,946	49,051	7.9%
Net non-recurring items	(4,923)	(12,682)	-61.2%	(4,300)	(45,355)	-90.5%	(623)	32,673	NMF
Profit before income tax (expense)/benefit	435,846	352,787	23.5%	396,114	269,252	47.1%	52,323	81,724	-36.0%
Income tax (expense)/benefit	(32,340)	17,500	NMF	(26,592)	26,444	NMF	(5,748)	(8,944)	-35.7%
Profit from continuing operations	403,506	370,287	9.0%	369,522	295,696	25.0%	46,575	72,780	-36.0%
Profit from discontinued operations	59,943	58,289	2.8%	-	-	-	47,352	60,100	-21.2%
Profit	463,449	428,576	8.1%	369,522	295,696	25.0%	93,927	132,880	-29.3%
Earnings per share (basic)	11.61	10.41	11.5%	9.76	7.66	27.4%	1.85	2.75	-32.7%
Earnings per share (diluted)	11.07	10.09	9.7%	9.30	7.42	25.4%	1.77	2.67	-33.8%

* Note: Banking Business and Investment Business financials do not include interbusiness eliminations. Detailed financials, including interbusiness eliminations are provided in annex on pages 120-121.

BGEO GROUP RESULTS HIGHLIGHTS

Balance Sheet

GEL thousands unless otherwise noted	BGEO Consolidated					Banking Business					Investment Business				
	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Liquid assets	4,373,251	3,914,596	11.7%	4,128,332	5.9%	4,346,509	3,705,171	17.3%	4,068,147	6.8%	445,501	584,066	-23.7%	439,616	1.3%
Cash and cash equivalents	1,582,435	1,573,610	0.6%	1,721,811	-8.1%	1,516,401	1,480,783	2.4%	1,648,098	-8.0%	374,301	401,969	-6.9%	345,137	8.4%
Amounts due from credit institutions	1,225,947	1,054,983	16.2%	985,120	24.4%	1,216,349	940,485	29.3%	950,775	27.9%	38,141	178,425	-78.6%	60,565	-37.0%
Investment securities	1,564,869	1,286,003	21.7%	1,421,401	10.1%	1,613,759	1,283,903	25.7%	1,469,274	9.8%	33,059	3,672	NMF	33,914	-2.5%
Loans to customers and finance lease receivables	7,690,450	6,648,482	15.7%	6,917,211	11.2%	7,741,420	6,681,672	15.9%	6,951,493	11.4%	-	-	-	-	-
Property and equipment	988,436	1,288,594	-23.3%	1,501,735	-34.2%	322,925	296,791	8.8%	309,769	4.2%	661,176	991,803	-33.3%	1,187,631	-44.3%
Assets of disposal group held for sale	1,136,417	-	NMF	-	NMF	-	-	-	-	-	1,165,182	-	NMF	-	NMF
Total assets	15,168,669	12,954,176	17.1%	13,927,773	8.9%	12,907,678	11,123,358	16.0%	11,779,718	9.6%	2,763,913	2,307,069	19.8%	2,573,427	7.4%
Client deposits and notes	6,712,482	5,382,698	24.7%	6,252,228	7.4%	7,078,058	5,755,767	23.0%	6,549,904	8.1%	-	-	-	-	-
Amounts due to credit institutions	3,155,839	3,470,091	-9.1%	2,774,525	13.7%	2,778,338	3,067,651	-9.4%	2,350,438	18.2%	377,501	435,630	-13.3%	459,158	-17.8%
Borrowings from DFI	1,624,347	1,403,120	15.8%	1,435,236	13.2%	1,297,749	1,281,798	1.2%	1,172,530	10.7%	326,598	121,323	NMF	262,707	24.3%
Short-term loans from NBG	793,528	1,085,640	-26.9%	590,014	34.5%	793,528	1,085,640	-26.9%	590,014	34.5%	-	-	-	-	-
Loans and deposits from commercial banks	737,964	981,331	-24.8%	749,275	-1.5%	687,061	700,213	-1.9%	587,894	16.9%	50,903	314,307	-83.8%	196,451	-74.1%
Debt securities issued	1,709,152	1,255,643	36.1%	1,691,260	1.1%	1,386,412	858,036	61.6%	1,298,641	6.8%	357,442	404,450	-11.6%	479,142	-25.4%
Liabilities of disposal group held for sale	516,663	-	NMF	-	NMF	-	-	-	-	-	619,026	-	NMF	-	NMF
Total liabilities	12,436,299	10,565,963	17.7%	11,299,090	10.1%	11,354,976	9,770,856	16.2%	10,292,672	10.3%	1,584,245	1,271,358	24.6%	1,431,790	10.6%
Total equity	2,732,370	2,388,213	14.4%	2,628,683	3.9%	1,552,702	1,352,502	14.8%	1,487,046	4.4%	1,179,668	1,035,711	13.9%	1,141,637	3.3%

Key Ratios*

BANKING BUSINESS RATIOS

	4Q17	4Q16	3Q17	2017	2016
ROAA	3.4%	2.8%	3.2%	3.2%	3.1%
ROAE	27.8%	20.0%	25.1%	25.2%	22.2%
Net Interest Margin	7.3%	7.6%	7.3%	7.3%	7.4%
Loan Yield	14.3%	14.4%	14.3%	14.2%	14.2%
Liquid assets yield	3.4%	3.3%	3.5%	3.4%	3.2%
Cost of Funds	4.8%	4.6%	4.8%	4.7%	4.7%
Cost of Client Deposits and Notes	3.5%	3.6%	3.5%	3.5%	3.8%
Cost of Amounts Due to Credit Institutions	6.5%	6.4%	6.5%	6.4%	6.2%
Cost of Debt Securities Issued	7.8%	6.1%	7.9%	7.4%	6.8%
Cost / Income	38.3%	37.4%	38.2%	37.7%	37.7%
NPLs to Gross Loans to Clients	3.8%	4.2%	4.1%	3.8%	4.2%
NPL Coverage Ratio**	92.7%	86.7%	93.6%	92.7%	86.7%
NPL Coverage Ratio, Adjusted for discounted value of collateral	130.6%	132.1%	132.8%	130.6%	132.1%
Cost of Risk	2.1%	4.2%	2.0%	2.2%	2.7%
NBG (Basel II) Tier I Capital Adequacy Ratio	10.3%	9.1%	11.1%	10.3%	9.1%
NBG (Basel II) Total Capital Adequacy Ratio	14.8%	14.4%	16.2%	14.8%	14.4%
NBG (Basel III) Tier I Capital Adequacy Ratio	12.4%	n/a	n/a	12.4%	n/a
NBG (Basel III) Total Capital Adequacy Ratio	17.9%	n/a	n/a	17.9%	n/a

* For the definitions of Key ratios, refer to page 132

** NPL Coverage Ratio adjusted for IFRS 9 was 102.9% at 31 December 2017

Board of Directors of BGEO Group PLC

7 non-executive Board of Director members; 7 Independent members, including the Chairman and the Vice Chairman



Neil Janin, Chairman of the Board; Chairman of the Nomination Committee, 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 the 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, 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; Non-Executive Director of PJSC Rosbank previously: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB



David Morrison, Senior Independent Director, Chairman of the Audit Committee
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



Jonathan Muir, Independent Director
experience: formerly Board Advisor of BGEO, CEO of LetterOne Holdings SA and a CEO of LetterOne Investment Holdings; previously: CFO and Vice President of Finance and Control of TNK-BP; Partner at Ernst & Young

BGEO Robust corporate governance compliant with UK Corporate Governance Code

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, Group Legal Counsel
Previously partner at Begiashvili & Co, law firm in Georgia; LLM from CEU, Hungary



Ekaterina Shavgulidze, Head of Business Development
Previously Head of Investor Relations and Funding at BGEO; Supervisory Board Member and Chief Executive Officer of healthcare services business; Associate Finance Director at AstraZeneca, UK; MBA from Wharton Business School



Giorgi Alpaidze, Group CFO
Previously Head of the Group Finance, Funding and Investor Relations, Senior manager at Ernst & Young LLP (USA). BBA from the European School of Management in Georgia.



Kaha Kiknavelidze, CEO of Bank of Georgia
Previously managing partner of Rioni Capital, London based fund; prior to this, Executive Director at UBS; Over 15 years experience in the equity markets

GHG



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

GGU



Archil Gachechiladze, CEO, Georgia Global Utilities
With the Group since 2009. Previously Deputy CEO of the Bank, BGEO Group CFO, Deputy CEO of TBC Bank; Lehman Brothers Private Equity, London; MBA from Cornell University

m²



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

Teliani



Shota Kobelia, CEO, 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

Aldagi



Giorgi Baratashvili, CEO, Aldagi
With the Group since 2004. Previously Head of Corporate Clients Division of Aldagi, Deputy CEO of Aldagi in charge of strategic management for corporate sales and corporate account management. Masters degree in International Law

JSC Bank of Georgia



Kaha Kiknavelidze, CEO of Bank of Georgia
Previously managing partner of Rioni Capital, London based fund; prior to this, Executive Director at UBS; Over 15 years experience in the equity markets



David Tsiklauri, Deputy CEO, CFO
Previously Deputy CEO in charge of Corporate Investment Banking at BOG and TBC Bank, Vice President of the Capital Markets and Treasury Solutions team at Deutsche Bank; MBA degree from London Business School



Levan Kulijanishvili, Deputy CEO, COO
With the Group since 1997. 20 years of experience at BOG. Formerly Group CFO, Deputy CEO, Finance, Head of Security and Internal Audit at Bank of Georgia; Holds MBA from Grenoble School of Business, in Grenoble, France



Mikheil Gomarteli, Deputy CEO, Emerging and Mass Retail Banking.
With the Group since 1997. 20 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



Ramaz Kukuladze, Deputy CEO, SOLO and MSME Banking
Previously Deputy CEO of Bank Republic Société Générale, Deputy CEO of Silknet (telecommunications company), Deputy CEO of the Bank, CEO of BCI, insurance company; Executive MBA degree from IE Business School



Vasil Khodeli, Deputy CEO, Corporate Investment Banking
With the Group since 1998. Previously head of Corporate Banking, Bank since 2004. More than 20 years of banking experience. Holds an MBA degree from Grenoble School of Business, in Grenoble, France



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

JSC Bank of Georgia

TRANSACTION SUMMARY

On the 3rd of July, 2017 we announced our **intention to demerge** BGEO Group PLC (“BGEO Group”) into two entities

Demerger

1. London-listed banking business (Bank of Georgia Group PLC – “Bank of Georgia” or “Bank”)

Bank of Georgia will continue to be a fully-licensed and regulated, systemically important, universal banking business focused on Georgia with industry-leading characteristics

2. London-listed investment business (Georgia Capital PLC – “Georgia Capital”)

Georgia Capital will be the only professionally managed publicly listed Georgia-focused investment platform with over 10-year track record of successfully investing in growing companies in the Georgian economy

The implementation of the demerger is subject to shareholder approval and is expected to be completed in 1H 2018

Rationale

Clear play from investor and execution perspective

- Optionality for investors to make own choice when taking investment decisions:
 - Pure play banking story in Georgia
 - Diversified investment vehicle in Georgia
- Separate management teams with sharpened focus and more aligned incentives

More business opportunities as a result of more flexibility in strategy and execution, whilst avoiding the potential for conflicts of interest between the respective businesses

Regulatory clarity and flexibility – as a separate entity, Georgia Capital would not be subject to the banking regulatory regime thereby improving its ability and flexibility to allocate capital, take advantage of various investment opportunities and better execute its growth strategy

Both strategies remain largely unchanged

Bank of Georgia strategy is expected to remain largely unchanged:

- A return on average equity of over 20%
- Growth of banking business customer lending by 15%-20%
- Maintaining a strong capital base and liquidity position
- An unchanged dividend policy, targeting a dividend payout in the 25-40% of earnings range

Georgia Capital will continue to pursue the same dividend and capital returns policy as the Investment Business of BGEO Group:

- Strive to capitalise on Georgia’s fast-growing economy, which provides opportunities in a number of underdeveloped sectors;
- Target a minimum IRR of 25%;
- Retain its current capital return policy, whereby Georgia Capital expects to buyback and cancel its shares and/or pay special dividends linked to exits from its investments; and
- Consider potential exits, starting with its already announced plan to IPO GGU in 2-3 years’ time

Both will maintain strong corporate governance standards

Bank of Georgia

Kaha Kiknavelidze as CEO will continue to lead Bank of Georgia and Neil Janin, currently the Non-Executive Chairman of BGEO Group, will become the Non-Executive Chairman of Bank of Georgia

Georgia Capital

The senior management team of Georgia Capital will be led by Irakli Gilauri as Chairman and CEO. The Board of Georgia Capital will maintain strong corporate governance standards and a talented team of high calibre independent directors

Full separation to unlock additional long-term value for shareholders

Bank of Georgia

More business:

- Enhanced flexibility and stronger focus on further expansion of corporate franchise, regaining corporate clients
- Opportunity to gain access to Georgia Capital's portfolio companies

Higher efficiency:

- More efficient capital structure, financing and balance sheet
- Less regulatory scrutiny and disclosure requirements

Georgia Capital

- **Will be the only professionally managed publicly listed investment company** in Georgia benefiting from scarcity of competitors
- **Wider access to investment opportunities:** ability to establish more efficient and direct dialogue with Georgian corporates
- Opportunity to cooperate with leading Georgian banks which can be another channel of bringing new deals
- Enhanced flexibility to allocate capital and pursue growth strategy more effectively
- As a separate entity, Georgia Capital would not be subject to the banking regulatory regime thereby improving its ability and flexibility to allocate capital, take advantage of various investment opportunities and better execute its growth strategy

Overall

Clear play

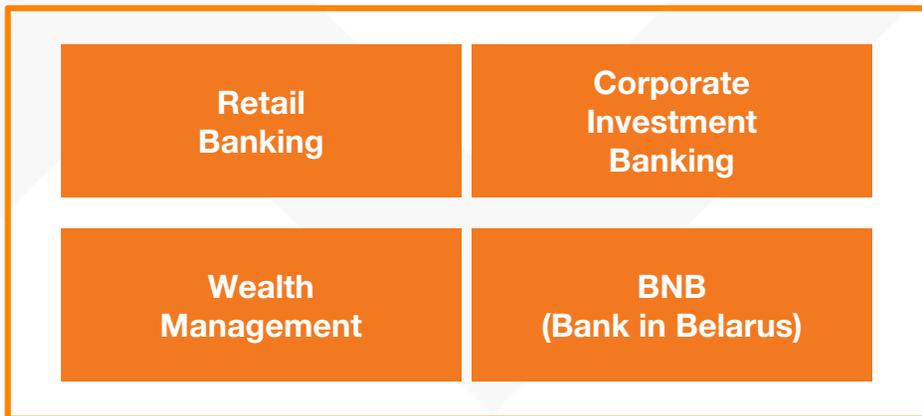
- Two leaders in their respective sectors which are strongly positioned to pursue significant growth opportunities coming from rapidly growing Georgian economy
- Independent and more focused management teams with management rewards more directly aligned with business and stock market performance
- Separate and more focused companies with clearer strategy and separate market valuations
- Optionality for investors to make own choice when taking investment decisions:
 - Pure play banking story in Georgia
 - Diversified investment vehicle in Georgia
- Potential for cost of equity decrease

STRUCTURE AFTER DEMERGER

- Georgia Capital to hold 19.9% shares in Bank of Georgia
- Creation of two distinct London-listed entities
- Strong management team: Kaha Kiknavelidze as CEO will continue to lead Bank of Georgia and Irakli Gilauri as Chairman and CEO to lead Georgia Capital
- Both entities will maintain strong corporate governance standards



Bank of Georgia



Georgia Capital

LSE listed	Private	
57% GHG (Healthcare)	100% m ² (Real Estate)	100% GGU (Utility & Energy)
19.9% Bank of Georgia	100% Aldagi (P&C Insurance)	76% Teliani (Beverages)

BGEO – RATIONALE FOR DEMERGER

Two distinct entities to unlock additional long-term value for shareholders

Structure post demerger



Bank of Georgia

Retail
Banking

Corporate
Investment
Banking

Wealth
Management

BNB
(Bank in Belarus)



Georgia Capital

Private companies

100%
GGU
(Utility & Energy)

100%
Aldagi
(P&C Insurance)

76%
Teliani Valley
(Beverages)

100%
m²
(Real Estate)

Public companies

57%
GHG
(Healthcare)

19.9%
Bank of Georgia

Benefits of the demerger

Business flexibility

Growth opportunities

Regulatory clarity and flexibility

Efficient capital structure

Improved management focus

Alignment of incentives

Investor clarity and understanding

Demerger is progressing

Timeline

- In February 2018, the Board has approved the implementation of the demerger
- AGM expected in April 2018
- Completion is expected by 30 June 2018

Tax Impact

- Targeting tax efficient structure for shareholders, including UK and the US
- Engaged with HMRC on the demerger related taxation matters
- Positive response from HMRC to statutory clearance application
- Based on the opinion of US tax counsel, a) shareholders of the BGEO Group should not recognise gain or loss as a result of the demerger and b) investment business is not expected to have PFIC status

Listing and Indexation

- Bank of Georgia expected to remain in FTSE 250 post demerger
- Relevant listing procedures for Georgia Capital to be listed on LSE are in process

Corporate Governance

- Key Board positions settled, no cross-directorships post demerger
- Strong corporate governance based on heritage of BGEO as a long-standing premium listed financial institution

Eurobond

- In December 2017, BGEO received approval from Noteholders on US\$350mln bond push down to Bank of Georgia, which is expected to become effective within next 180 days

MANAGEMENT – BANK OF GEORGIA AND GEORGIA CAPITAL

Bank of Georgia Management



Kaha Kiknavelidze, CEO of Bank of Georgia

With the Group since 2008. Originally joined as member of the Bank's Supervisory Board and Audit Committee. Kaha founded and managed Rioni Capital Partners LLP, a London-based investment management company until his appointment as a CEO of the Bank. Kaha has served in a number of roles at UBS and Troika Dialog. Holds an MBA from Emory University.



David Tsiklauri, Deputy CEO, CFO

Joined the Group as Deputy CEO in charge of Corporate Investment Banking in 2017 from TBC, where he was a Deputy CEO in charge of Corporate Banking since 2014. Before joining TBC Bank, David served as the Vice President of the Capital Markets and Treasury Solutions team at Deutsche Bank. Holds an MBA from London Business School.



Levan Kulijanishvili, Deputy CEO, Chief Operating Officer

With the Group since 1997. Joined as a Junior Financial Analyst of the Bank. Held various senior positions, including Deputy CEO in charge of finance, Head of Internal Audit, Head of Financial Monitoring, Head of Strategy and Planning, and Head of the Financial Analysis. Holds an MBA from Grenoble Graduate School of Business.



Mikheil Gomarteli, Deputy CEO, Emerging and Mass Retail Banking

With the Group since 1997. Mikheil is a textbook professional growth story made possible in our Group – he developed his way from selling debit cards door-to-door to successfully leading our Retail Banking franchise for over ten years now. Holds an undergraduate degree in Economics from Tbilisi State University.



Ramaz Kukuladze, Deputy CEO, SOLO and MSME Banking

With the Group since 2006. Joined as Deputy CEO, Corporate Banking. Left the Group in 2009 and rejoined the Group in February 2017. Prior to rejoining the Group, Ramaz held the role of Chief Commercial Officer and Deputy CEO at Bank Republic since 2013. Holds an MBA from IE Business School.



Vasil Khodeli, Deputy CEO, Corporate Investment Banking

With the Group since 1998. Previously served as Head of Corporate Banking of the Bank since 2004. He has more than 20 years of banking experience and has held various roles with the. Holds an MBA degree from Grenoble Business School.



George Chiladze, Deputy CEO, Chief Risk Officer

With the Group since 2008. Joined as a Deputy CEO in charge of finance at the Bank. Left the Group in 2011 and rejoined in 2013 as Deputy CEO, Chief Risk Officer. Prior to rejoining the Group, he was Deputy CEO at the Partnership Fund. Prior to returning to Georgia in 2003, he worked at the programme trading desk at Bear Stearns in New York City. Holds a PhD in physics from Johns Hopkins University in Baltimore, Maryland.

Georgia Capital Management



Irakli Gilauri, Chairman & CEO

With the Group since 2004. Formerly an EBRD (European Bank for Reconstruction and Development) banker, joined the Bank as CFO. Over the last decade, Irakli's leadership has been instrumental in creating major players in a number of Georgian industries, including banking, healthcare, utilities and energy, real estate, insurance and wine. Holds an MS in banking from CASS Business School.



Avto Namicheishvili, Group Legal Counsel

With the Group since 2007. Joined as a General Counsel at the Bank, and has since played a key role in all of the Group's equity and debt raises on the capital markets, and over 25 mergers and acquisitions. Prior, was a Partner at a leading Georgian law firm. Holds LLM in international business law from Central European University, Hungary.



Ekaterina Shavgulidze, Head of Business Development

With the Group since 2011. Joined as a CEO of healthcare services business. Most recently Eka played a key role in the GHG IPO as a Group Head of IR. Prior, she was an Associate Finance Director at AstraZeneca, UK. Holds an MBA from Wharton Business School.



Giorgi Alpaidze, Group CFO

With Group since 2016. Previously Head of the Group's Finance, Funding and Investor Relations. He has extensive international experience in banking, accounting and finance. He joined the Group from Ernst & Young LLP's Greater New York City's assurance practice, where he was a senior manager. BBA from the European School of Management in Georgia.



Nikoloz Gamkrelidze, CEO, Georgia Healthcare Group

With the Group since 2005. Our healthcare business story starts with Nick, who started it in 2006, and has successfully led it through outstanding growth and most recently the IPO on the London Stock Exchange. Holds an MA in international healthcare management from the Tanaka Business School of Imperial College London.



Archil Gachechiladze, CEO, Georgia Global Utilities

With the Group since 2009. Joined as a Deputy CEO in charge of corporate banking. He launched the Bank's industry and macro research, brokerage, and advisory businesses, as well as leading investments in GGU and launched Hydro Investments. Prior, he was an Associate at Lehman Brothers Private Equity in London, and worked at Salford Equity Partners, EBRD, KPMG, Barents, and the World Bank. Holds MBA with distinction from Cornell University and is CFA charterholder.



Irakli Burdiladze, CEO, m² Real Estate

With the Group since 2006. Joined as a CFO at the Bank. Before taking leadership of real estate business in 2010, he served as the COO of the Bank. Prior he was a CFO at a leading real estate developer and operator in Georgia. Holds a graduate degree in International Economics and International Relations from the Johns Hopkins University School of Advanced International Studies.



Shota Kobelia, CEO, Teliani Valley

With the Group since 2009. Having previously worked at Pernod Ricard in the USA and Easter Europe, joined Teliani to build up Ukrainian distribution. In 2010, became CEO for Teliani Valley and developed it from a small and loss-making winery into a major beverage group with own distribution channels on the main markets. Holds MS in Sales & Marketing from Bordeaux Business School.



Giorgi Baratashvili, CEO, Aldagi

With the Group since 2004. Joined as the Head of Corporate Clients Division of Aldagi. Before taking the leadership of our P&C insurance business in 2014, he served as Deputy CEO of Aldagi in charge of strategic management for corporate sales and corporate account management. Holds the Master Diploma in International Law.

Georgia Capital

GHG

GGU

m²

Teliani

Aldagi

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BANKING BUSINESS RESULTS VS. OUR TARGETS & PRIORITIES IN 2017

		Targets	2017	2016	Progress
KEY TARGETS	1 ROAE	20%+	25.2%	22.2%	✓
	2 Retail Banking Growth	20%+	29.3%	39.5%	✓
PRIORITIES	1 Grow RB's share in loan book	65%	68.0%	60.9%	✓
	2 Increase Mass Retail Product to Client Ratio	3.0	1.8	1.7	➔
	3 Increase number of Solo clients	To 40,000	32,104	19,267	✓
	4 De-concentrate Corporate Loan Book	Top 10 borrowers: 10%	10.7%	11.8%	✓
	5 Become a regional private banking hub	AUM: GEL 2.5bln	GEL 1.9bln	GEL 1.6bln	➔
FINANCIAL METRICS	1 NIM	7.25% - 7.75%	7.3%	7.4%	✓
	2 Cost / Income	c. 35%	37.7%	37.7%	➔
	3 NPL coverage ratio	80-120%	92.7%	86.7%	✓
	4 Cost of Risk	c.2.0%	2.2%	2.7%	✓

BANKING BUSINESS – UPDATED GUIDANCE

			Targets
KEY TARGETS	1	ROAE	20%+
	2	Total Banking Business loan book growth	15% - 20%
PRIORITIES	1	Increase Mass Retail product to client ratio	3.0
	2	Increase number of Solo clients	To 40,000
	3	Become a regional private banking hub	AUM: GEL 2.5bln
FINANCIAL METRICS	1	NIM	7%+
	2	Cost / income	c.35%
	3	NPL coverage ratio	80-120%
	4	Cost of risk (through the cycle)	c.2.0%
	5	Dividend payout ratio	25-40%

BANKING BUSINESS RESULTS HIGHLIGHTS

Income Statement Highlights

<i>GEL thousands unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Net banking interest income	183,124	157,611	16.2%	167,788	9.1%	672,100	553,611	21.4%
Net fee and commission income	36,738	36,769	-0.1%	33,141	10.9%	131,474	124,910	5.3%
Net banking foreign currency gain	27,464	27,707	-0.9%	19,614	40.0%	86,060	83,203	3.4%
Net other banking income	12,986	2,138	NMF	2,653	NMF	19,701	12,183	61.7%
Revenue	260,312	224,225	16.1%	223,196	16.6%	909,335	773,907	17.5%
Operating expenses	(99,742)	(83,840)	19.0%	(85,354)	16.9%	(342,936)	(291,548)	17.6%
Operating income before cost of credit risk / EBITDA	160,570	140,385	14.6%	137,842	16.5%	566,399	482,359	17.7%
Profit from associates	255	-	NMF	147	73.5%	1,311	-	NMF
Operating income before cost of credit risk	160,825	140,385	14.6%	137,989	16.5%	567,710	482,359	17.7%
Cost of credit risk	(42,428)	(70,608)	-39.9%	(36,832)	15.2%	(167,296)	(167,752)	-0.3%
Profit before non-recurring items and income tax	118,397	69,777	69.7%	101,157	17.0%	400,414	314,607	27.3%
Net non-recurring items	(213)	(1,055)	-79.8%	(1,376)	-84.5%	(4,300)	(45,355)	-90.5%
Profit before income tax (expense)/benefit	118,184	68,722	72.0%	99,781	18.4%	396,114	269,252	47.1%
Income tax (expense)/benefit	(11,050)	2,782	NMF	(7,850)	40.8%	(26,592)	26,444	NMF
Profit	107,134	71,504	49.8%	91,931	16.5%	369,522	295,696	25.0%
Earnings per share (basic)	2.86	1.89	51.1%	2.43	17.8%	9.76	7.66	27.4%
Earnings per share (diluted)	2.72	1.83	48.9%	2.33	17.0%	9.30	7.42	25.4%

Balance Sheet Highlights

<i>GEL thousands unless otherwise noted</i>	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Liquid assets	4,346,509	3,705,171	17.3%	4,068,147	6.8%
Cash and cash equivalents	1,516,401	1,480,783	2.4%	1,648,098	-8.0%
Amounts due from credit institutions	1,216,349	940,485	29.3%	950,775	27.9%
Investment securities	1,613,759	1,283,903	25.7%	1,469,274	9.8%
Loans to customers and finance lease receivables	7,741,420	6,681,672	15.9%	6,951,493	11.4%
Property and equipment	322,925	296,791	8.8%	309,769	4.2%
Total assets	12,907,678	11,123,358	16.0%	11,779,718	9.6%
Client deposits and notes	7,078,058	5,755,767	23.0%	6,549,904	8.1%
Amounts due to credit institutions	2,778,338	3,067,651	-9.4%	2,350,438	18.2%
Borrowings from DFI	1,297,749	1,281,798	1.2%	1,172,530	10.7%
Short-term loans from NBG	793,528	1,085,640	-26.9%	590,014	34.5%
Loans and deposits from commercial banks	687,061	700,213	-1.9%	587,894	16.9%
Debt securities issued	1,386,412	858,036	61.6%	1,298,641	6.8%
Total liabilities	11,354,976	9,770,856	16.2%	10,292,672	10.3%
Total equity	1,552,702	1,352,502	14.8%	1,487,046	4.4%

Key Ratios*

	4Q17	4Q16	3Q17	2017	2016
ROAA	3.4%	2.8%	3.2%	3.2%	3.1%
ROAE	27.8%	20.0%	25.1%	25.2%	22.2%
Net Interest Margin	7.3%	7.6%	7.3%	7.3%	7.4%
Loan Yield	14.3%	14.4%	14.3%	14.2%	14.2%
Liquid assets yield	3.4%	3.3%	3.5%	3.4%	3.2%
Cost of Funds	4.8%	4.6%	4.8%	4.7%	4.7%
Cost of Client Deposits and Notes	3.5%	3.6%	3.5%	3.5%	3.8%
Cost of Amounts Due to Credit Institutions	6.5%	6.4%	6.5%	6.4%	6.2%
Cost of Debt Securities Issued	7.8%	6.1%	7.9%	7.4%	6.8%
Cost / Income	38.3%	37.4%	38.2%	37.7%	37.7%
NPLs to Gross Loans to Clients	3.8%	4.2%	4.1%	3.8%	4.2%
NPL Coverage Ratio**	92.7%	86.7%	93.6%	92.7%	86.7%
NPL Coverage Ratio, Adjusted for discounted value of collateral	130.6%	132.1%	132.8%	130.6%	132.1%
Cost of Risk	2.1%	4.2%	2.0%	2.2%	2.7%
NBG (Basel II) Tier I Capital Adequacy Ratio	10.3%	9.1%	11.1%	10.3%	9.1%
NBG (Basel II) Total Capital Adequacy Ratio	14.8%	14.4%	16.2%	14.8%	14.4%
NBG (Basel III) Tier I Capital Adequacy Ratio	12.4%	n/a	n/a	12.4%	n/a
NBG (Basel III) Total Capital Adequacy Ratio	17.9%	n/a	n/a	17.9%	n/a

* For the definitions of Key ratios, refer to page 132

** NPL Coverage Ratio adjusted for IFRS 9 was 102.9% at 31 December 2017

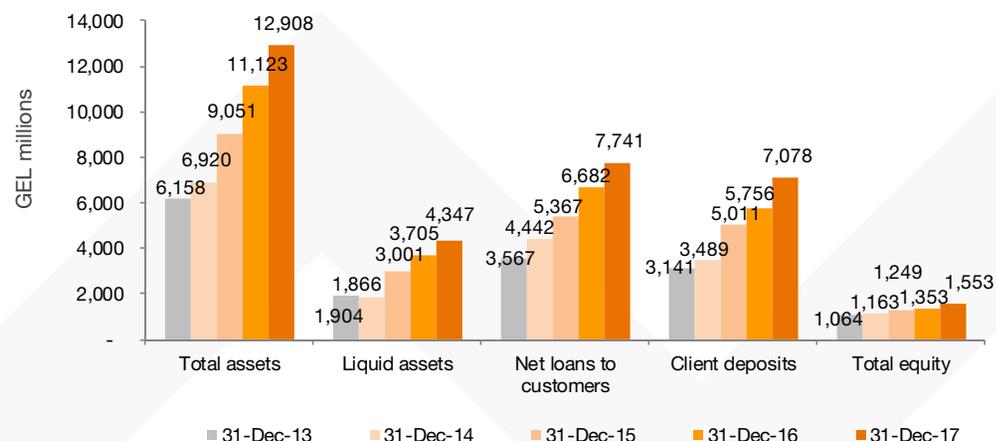
BOG - THE LEADING BANK IN GEORGIA

- Leading market position¹** in Georgia by **assets** (34.4%), **loans** (32.4%), **client deposits** (33.9%) and **equity** (29.3%)
- Underpenetrated market with stable growth perspectives:** Real GDP average annual growth rate of 4.5 % for 2007-2017; 2.8% real GDP growth in 2016 and 4.8% growth in 2017 according to Geostat. Loans/GDP grew from 9.0% to 54.8% in the period of 2003-2017; Deposits/GDP grew from 8.0% to 52.1% over the same period
- Strong brand name recognition and retail banking franchise:** Offers the broadest range of financial products to the retail market through a network of 281 branches, 850 ATMs, 2,842 Express Pay Terminals and 2.3 million customers as of 31 December 2017
- Georgian company with credit ratings from global rating agencies:** Moody's: 'Ba3/Ba2' (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 5.110%² on 12 February 2018
- In June 2017,** BOG issued 3 year, GEL 500mln local currency international bonds with 11.00% coupon. The Issuance, described as a landmark transaction for Georgia, was the first international local currency bond offering from the wider CIS region (excluding Russia) in the past ten years. Bonds were trading at 10.482%² on 12 February 2018
- Sustainable growth combined with strong capital, liquidity and robust profitability**

Balance Sheet

Banking Business

CAGR 2013-2017: **+20.3%** **+22.9%** **+21.4%** **+22.5%** **+9.9%**



Income Statement

Banking Business

4Q17 change y-o-y: **+16.1%** **+49.8%**

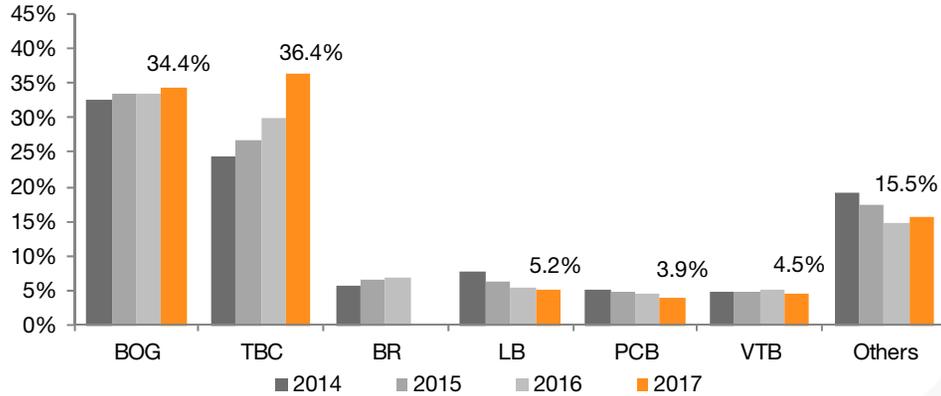


¹ Market data based on standalone accounts as published by the National Bank of Georgia (NBG) as of 31 December 2017 www.nbg.gov.ge

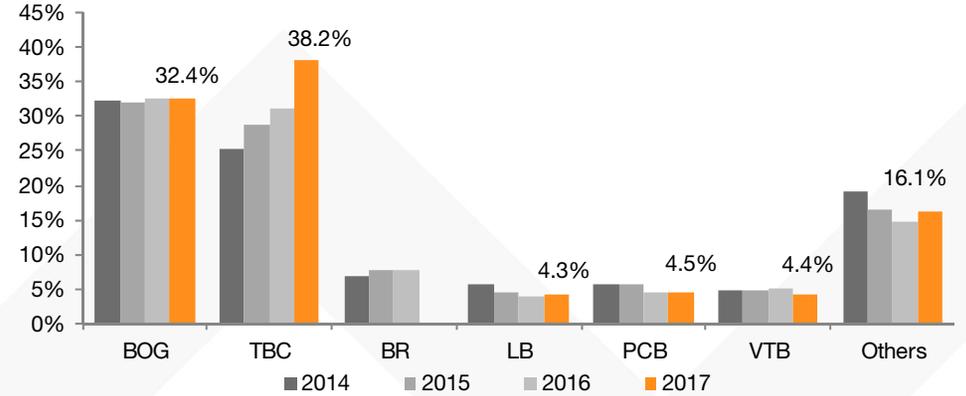
² Source: Bloomberg

BOG - THE COMPETITION

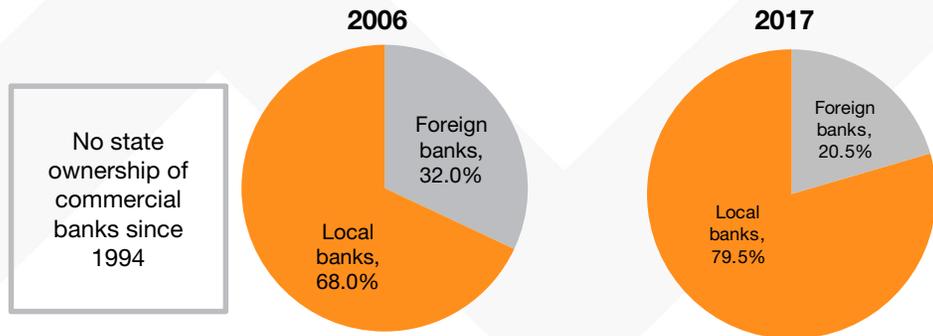
Peer group's market share in total assets



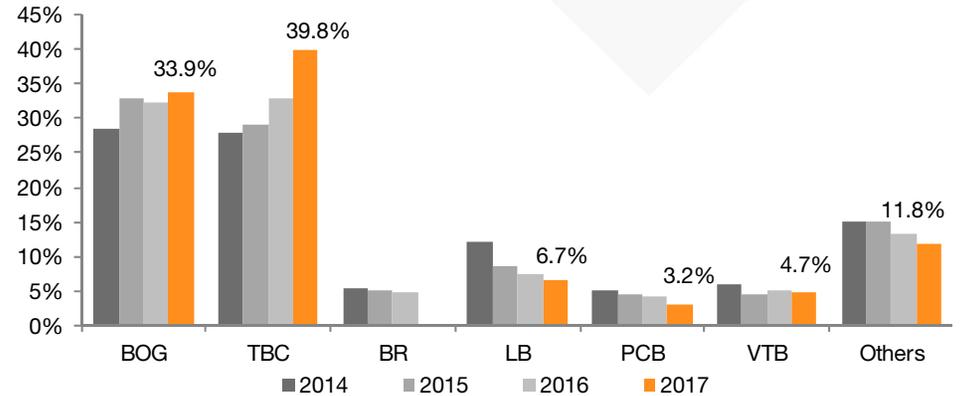
Peer group's market share in gross loans



Foreign banks market share by assets



Peer group's market share in client deposits



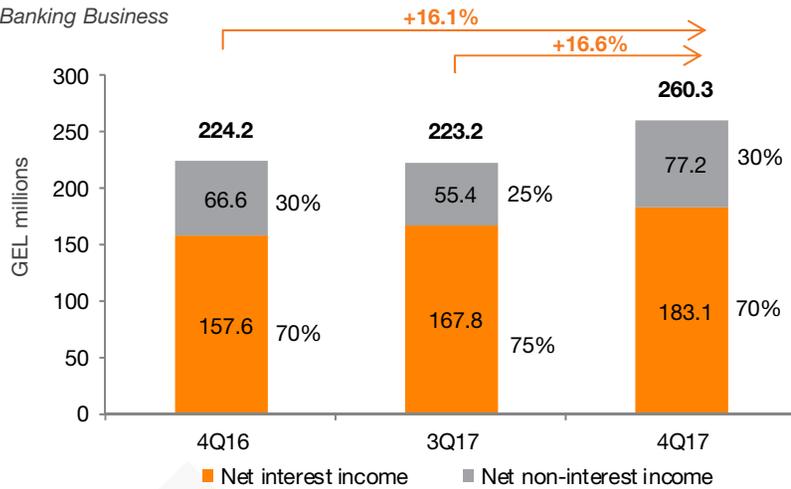
(1) All data based on standalone accounts as reported to the NBG and as published by the NBG www.nbg.gov.ge as of 31 December 2017

(2) TBC's market shares for 2017 include Bank Republic numbers

BANKING BUSINESS - STRONG UNDERLYING PERFORMANCE

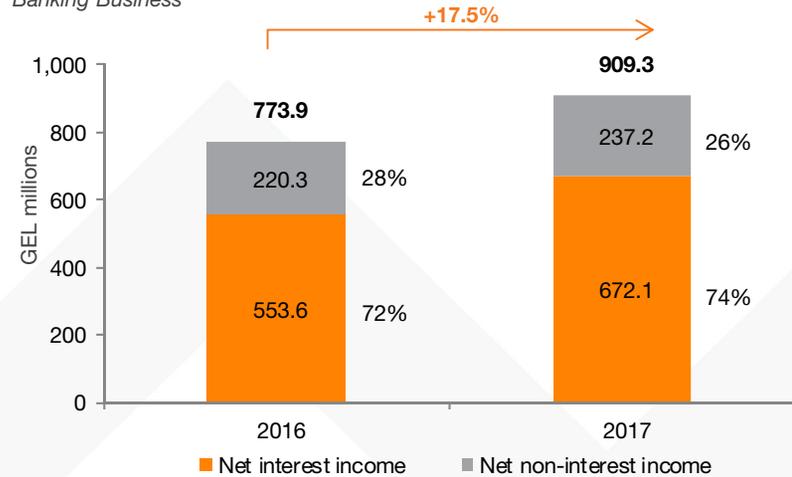
Revenue growth | quarterly

Banking Business



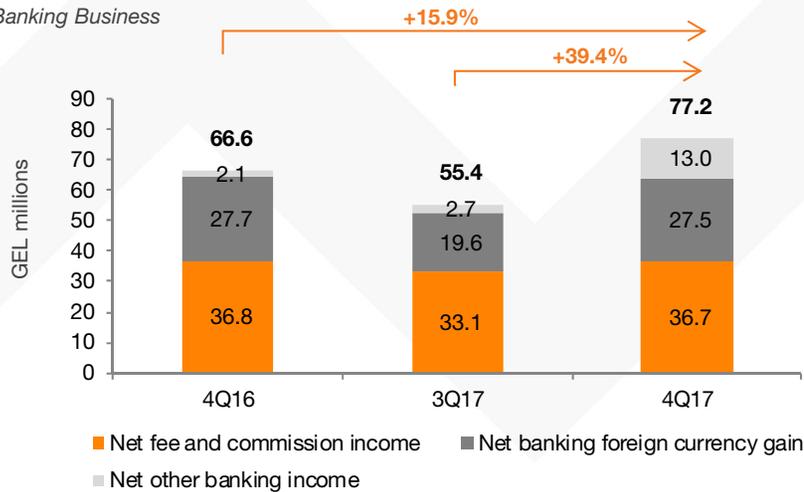
Revenue growth | full year

Banking Business

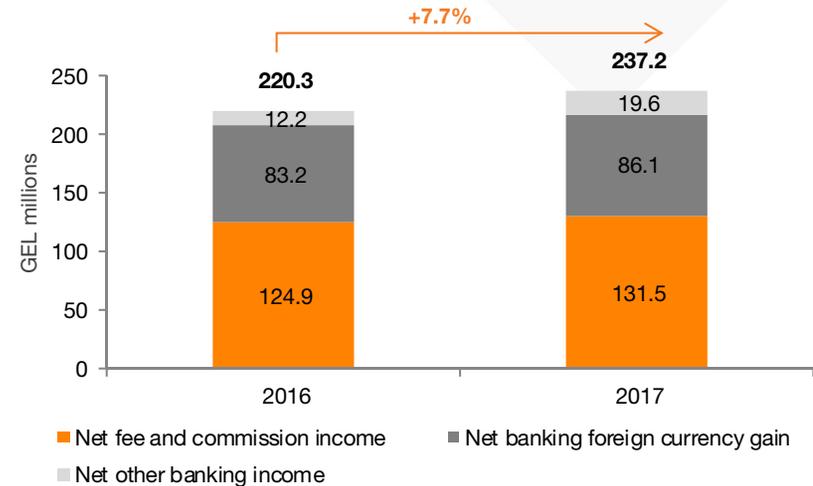


Net non-interest income | quarterly

Banking Business



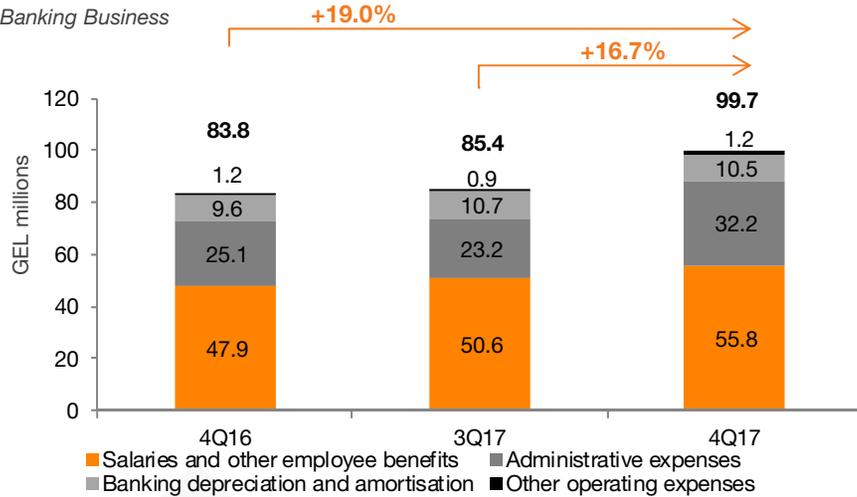
Net non-interest income | full year



BANKING BUSINESS - STRONG UNDERLYING PERFORMANCE

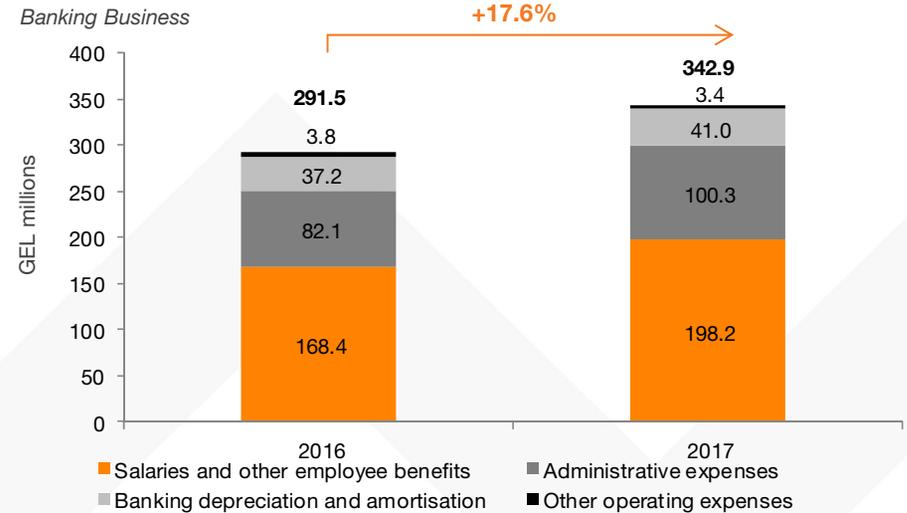
Operating expenses | quarterly

Banking Business



Operating expenses | full year

Banking Business



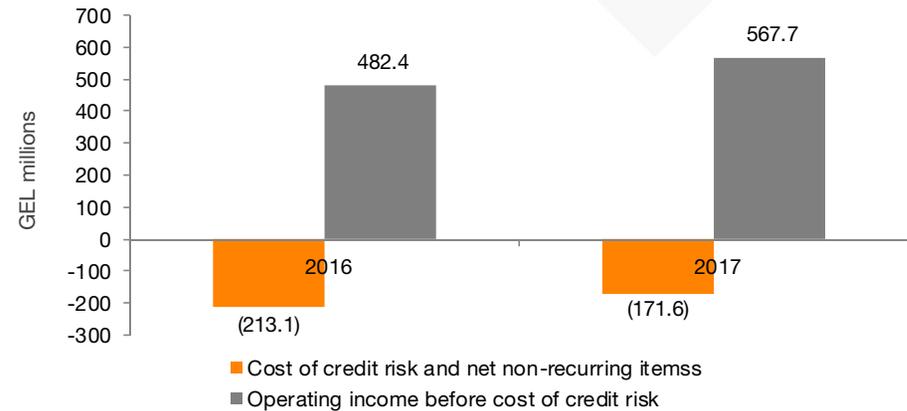
Operating income before cost of credit risk | quarterly

Banking Business



Operating income before cost of credit risk | full year

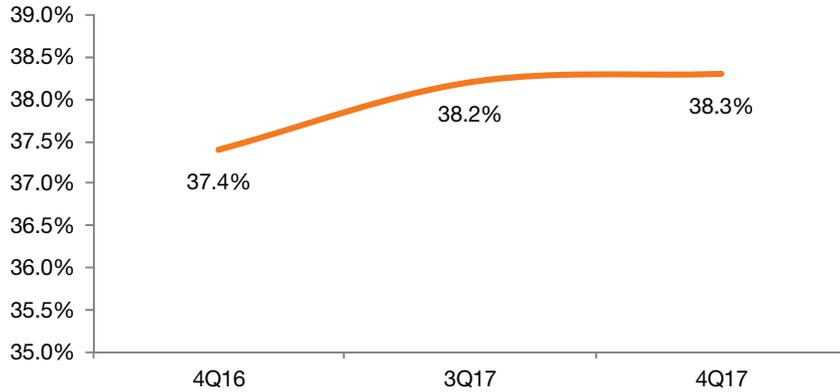
Banking Business



BANKING BUSINESS - FOCUS ON EFFICIENCY

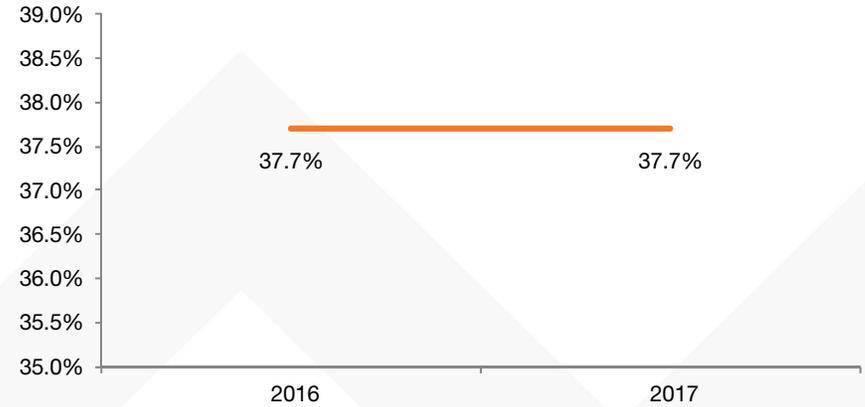
Cost / Income | *quarterly*

Banking Business



Cost / Income | *full year*

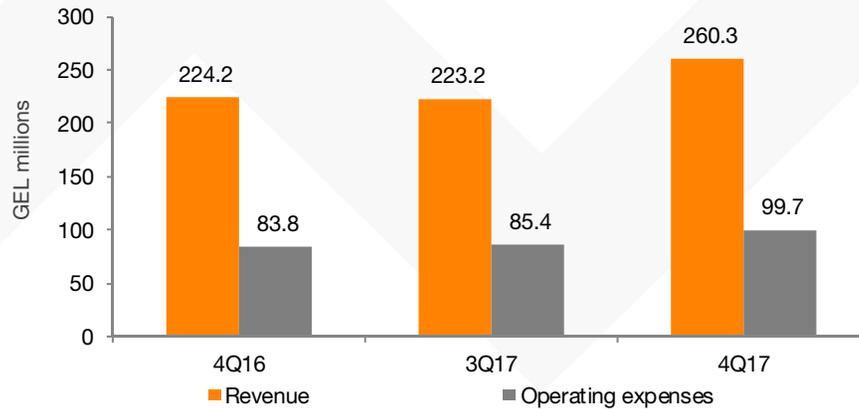
Banking Business



Revenue and operating expenses | *quarterly*

Banking Business

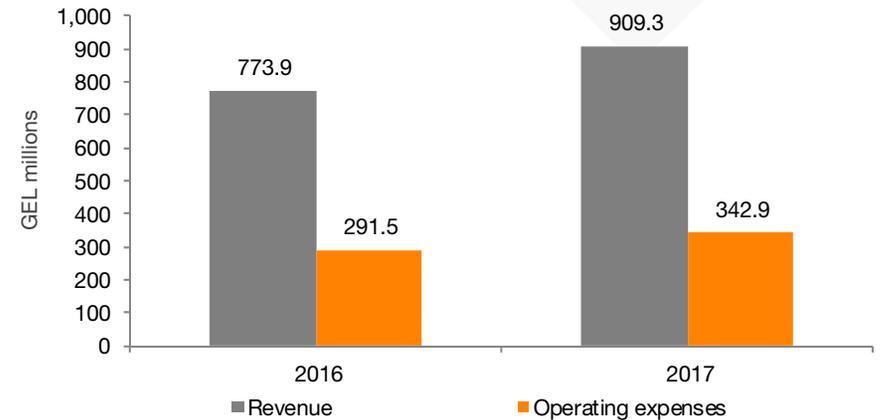
**Operating Leverage: -2.9% y-o-y
-0.2% q-o-q**



Revenue and operating expenses | *full year*

Banking Business

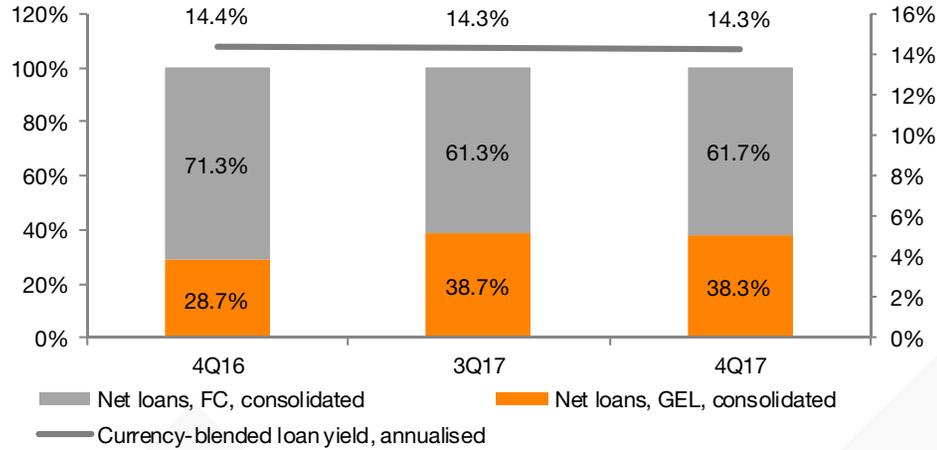
Operating Leverage: -0.1% y-o-y



BANKING BUSINESS - GROWING INCOME NOTWITHSTANDING THE PRESSURE ON YIELDS

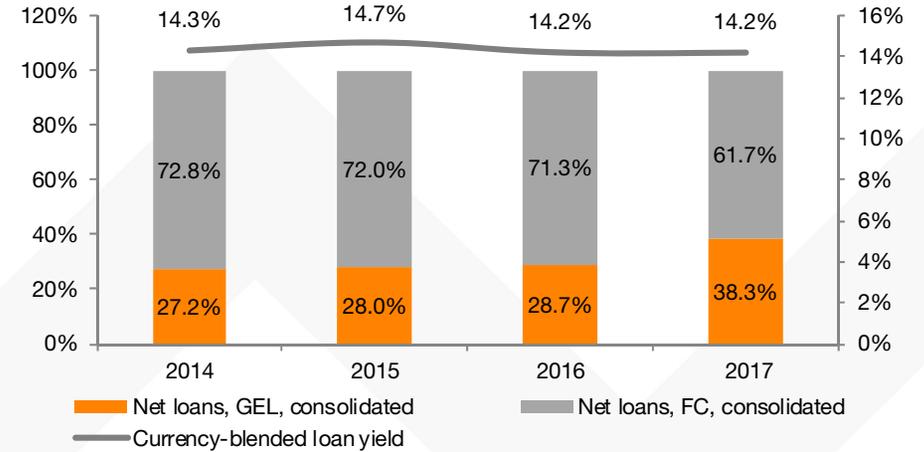
Loan Yields | quarterly

Banking Business



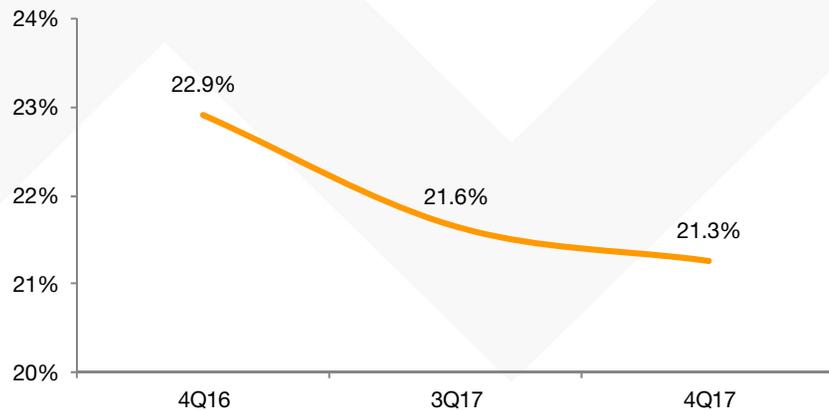
Loan Yields | full year

Banking Business



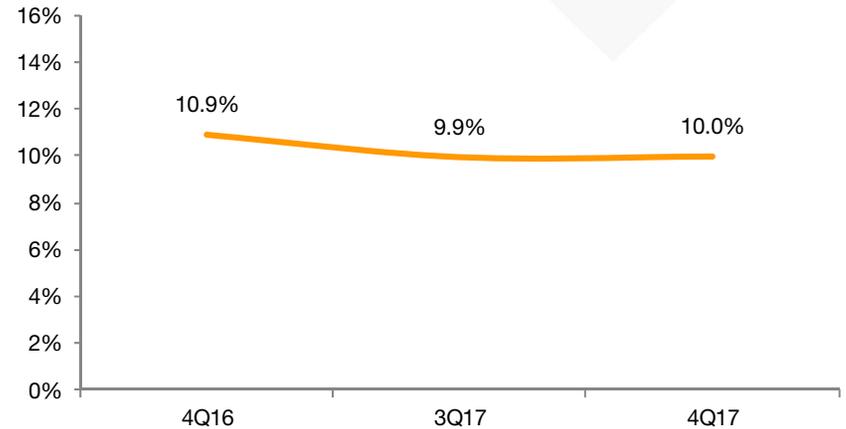
Loan Yields, Local currency | quarterly

Banking Business



Loan Yields, Foreign currency | quarterly

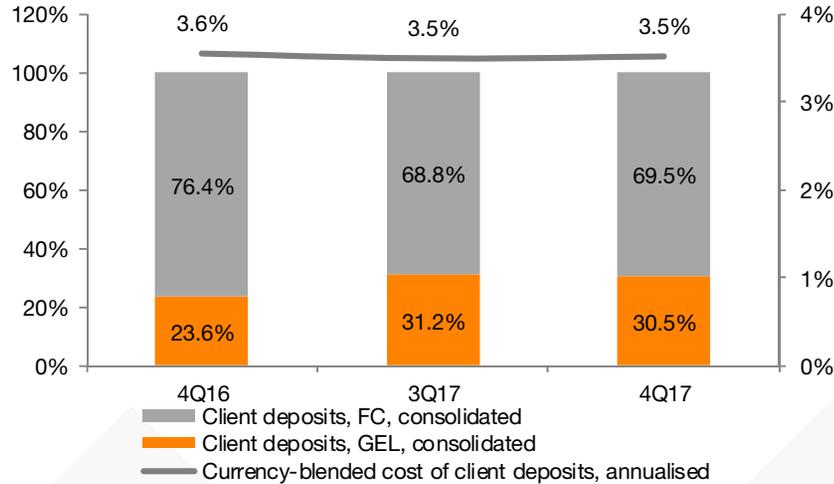
Banking Business



BANKING BUSINESS - STABLE COST OF FUNDING

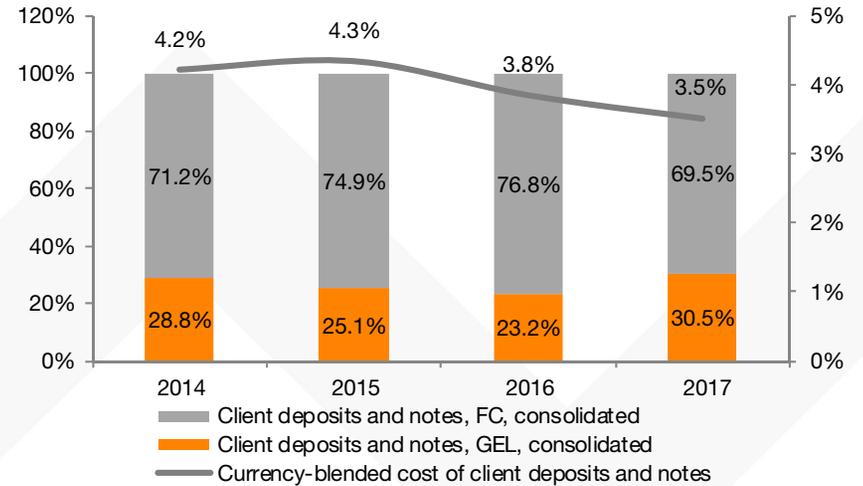
Cost of Customer Funds | *quarterly*

Banking Business



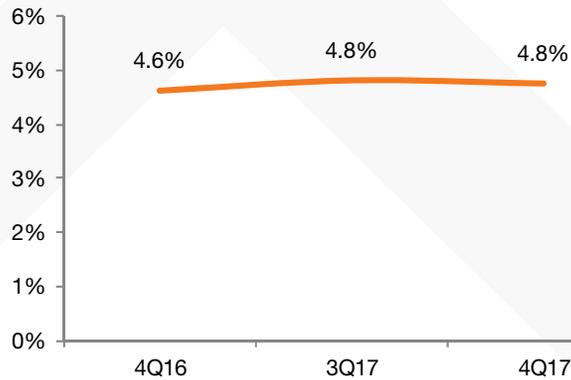
Cost of Customer Funds | *full year*

Banking Business



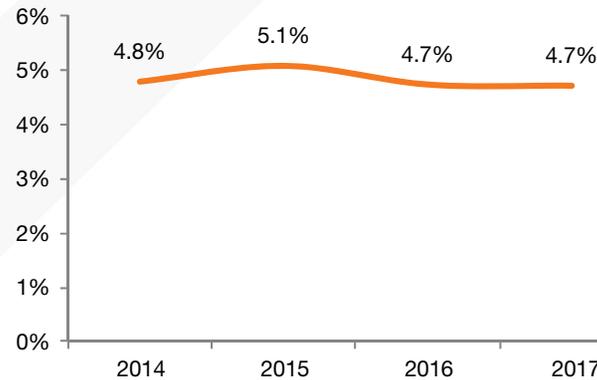
Cost of Funds | *quarterly*

Banking Business



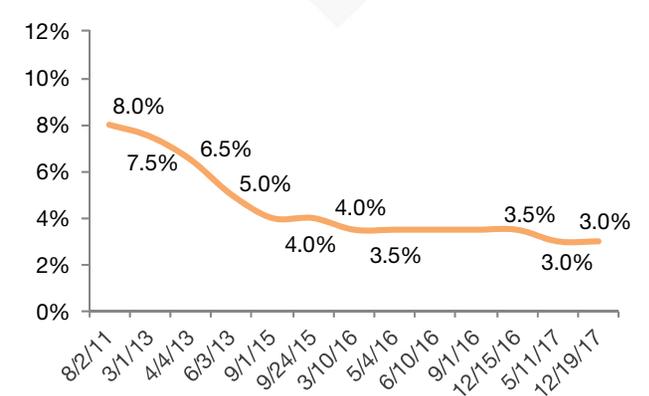
Cost of Funds | *full year*

Banking Business



One year US\$ deposit rate *

Banking Business

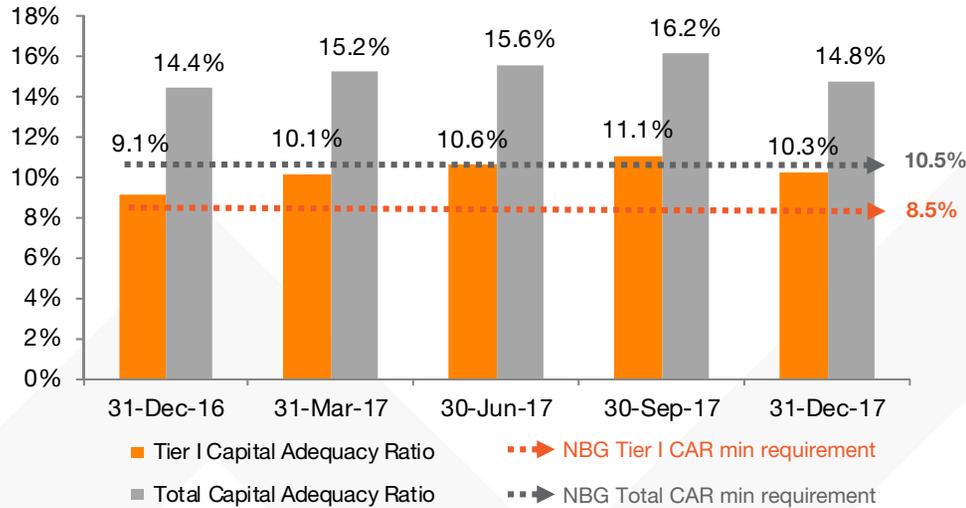


Note*: One year US\$ deposit rates in retail segment

BANKING BUSINESS - (BASEL II) CAPITAL ADEQUACY POSITION

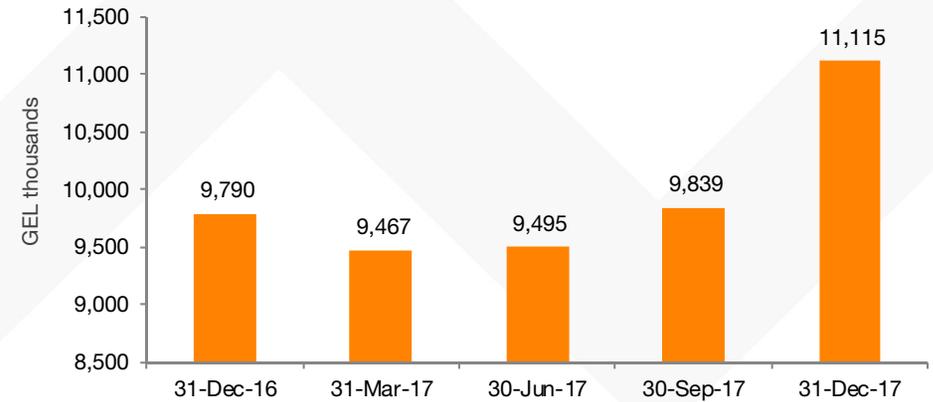
NBG (Basel II), capital adequacy ratios

JSC Bank of Georgia standalone



Risk Weighted Assets NBG (Basel II)

JSC Bank of Georgia standalone (BIS III/III)



BANKING BUSINESS – (BASEL III) CAPITAL ADEQUACY REQUIREMENTS

New capital adequacy requirements introduced by National Bank of Georgia in December 2017

- Transition to Basel III standards;
 - Systemic capital surcharge: 2.5% of risk weighted assets to be phased-in during the next four years as per below schedule:

	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Systemic Buffer	0%	1.0%	1.5%	2.0%	2.5%

- General Risk Assessment Program (“GRAPE”) for individual banks: GRAPE buffer, which includes Credit Portfolio Concentration buffer and Net Stress Test buffer is expected to be set at 2.2%. GRAPE buffer will be reviewed annually and will be phased-in on different levels of capital according to the below schedule:

	Feb-18	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
CET 1	0%	15%	30%	45%	56%
Tier 1	0%	20%	40%	60%	75%
Total Capital	100%	100%	100%	100%	100%

- Currency induced credit risk (“CICR”) buffer was introduced instead of current additional 75% weighting of FX denominated loans. 56% of CICR buffer should be held on CET1 level, 75% on Tier 1 level and 100% on total capital
- In the view of the above, the following overall capital requirements apply to Bank of Georgia at 31 December 2017:
 - CET 1 ratio 8.1%, expected to increase to 9.5%* on 31 December 2018
 - Tier 1 ratio 9.9%, expected to increase to 11.4%* on 31 December 2018
 - Total Capital ratio 12.4%, expected to increase to 15.6%* on 31 December 2018

Bank of Georgia’s capital ratios as of 31 December 2017 were at 12.4% CET1 and Tier 1 and 17.9% Total capital

Transition to Basel III is not expected to affect Bank of Georgia’s growth prospects or its ability to maintain dividends distribution within the existing dividend policy payout range

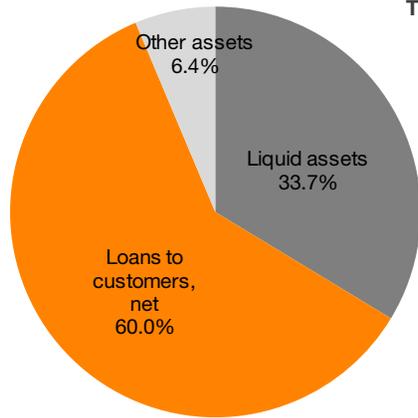
* Indicated minimum capital adequacy ratio contains CICR buffer estimate for 31 December 2018

BANKING BUSINESS - DIVERSIFIED ASSET STRUCTURE AND LOAN PORTFOLIO

Total asset structure | 31 December 2017

Banking Business

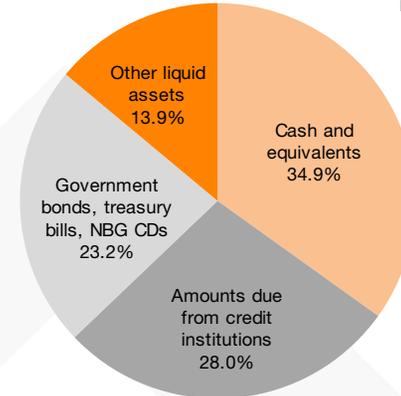
Total: GEL 12.9bln



Liquid assets | 31 December 2017

Banking Business

Total: GEL 4.3bln



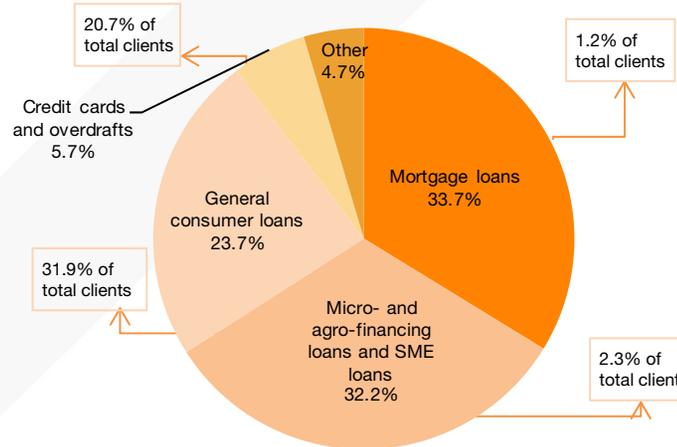
Loans breakdown | 31 December 2017

Banking Business
(excluding BNB)

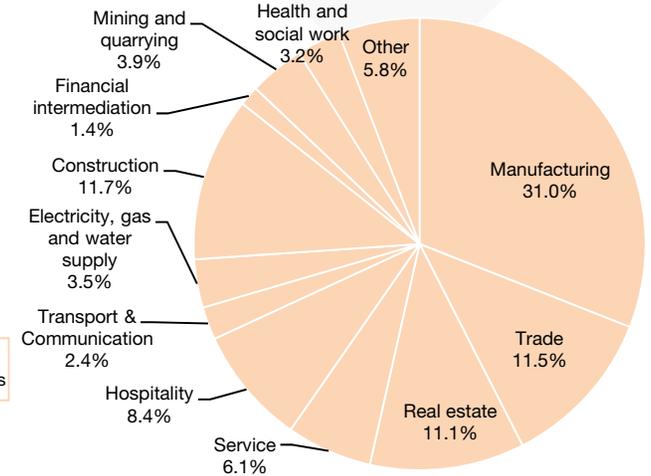
Total Gross Loans
breakdown by segments
Total: GEL 7.5bln



Retail Banking Net Loans breakdown by product
Total: GEL 5.0bln



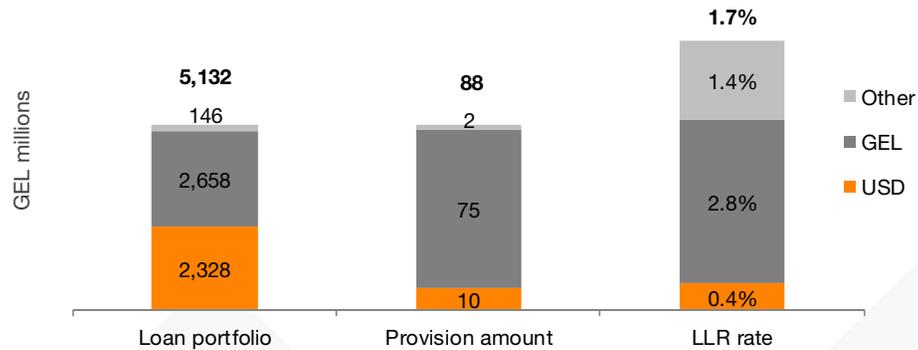
Corporate Investment Banking Gross Loans breakdown by sectors
Total: GEL 2.4bln



BANKING BUSINESS - US\$ LOAN PORTFOLIO BREAKDOWN

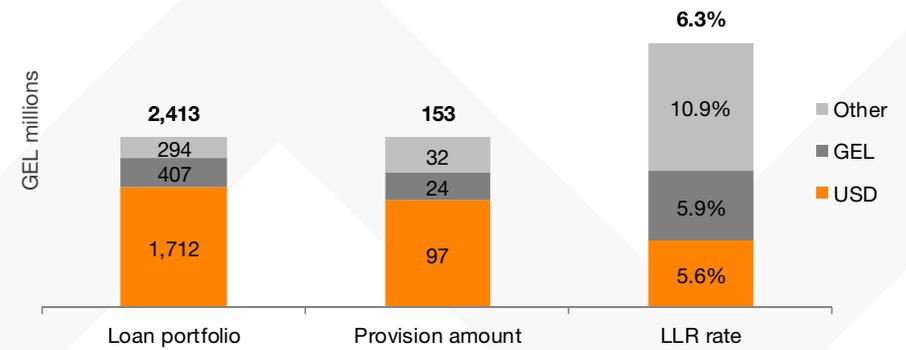
Retail Banking | 31 December 2017

Banking Business



Corporate Investment Banking | 31 December 2017

Banking Business



Amounts in GEL millions	RB Loan portfolio	% of total RB loan portfolio	Mortgages	Consumer loans*	SME & Micro
GEL and other currency loans*	2,804	54.6%	447	1,536	821
USD loans with USD income	489	9.5%	304	47	138
USD loans with non-USD income	1,839	35.8%	955	206	678
Total	5,132	100.0%	1,706	1,789	1,637

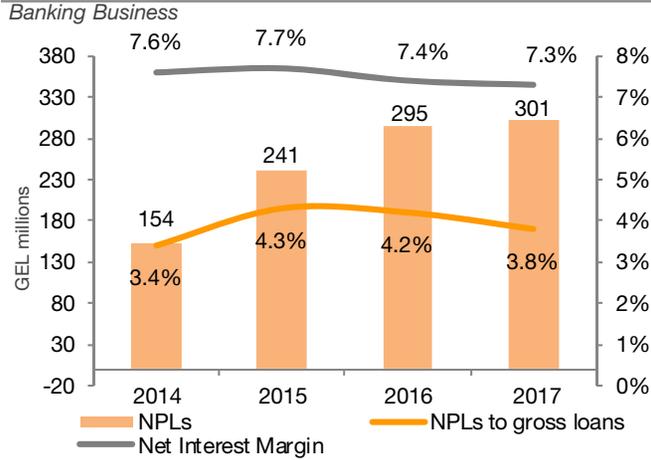
* Includes credit cards

Amounts in GEL millions	CB & WM Loan portfolio	% of total CB loan portfolio
GEL and other currency loans*	701	29.0%
USD loans with USD income	1,041	43.1%
USD loans with non-USD income	671	27.8%
Total	2,413	100.0%

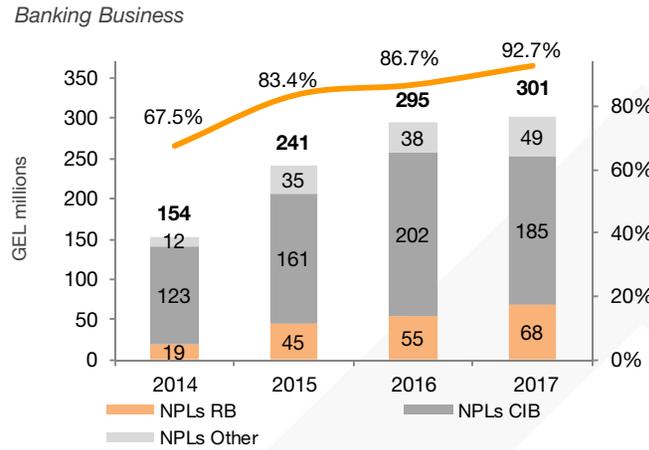
Note: standalone figures received from management accounts

BANKING BUSINESS - RESILIENT LOAN PORTFOLIO QUALITY

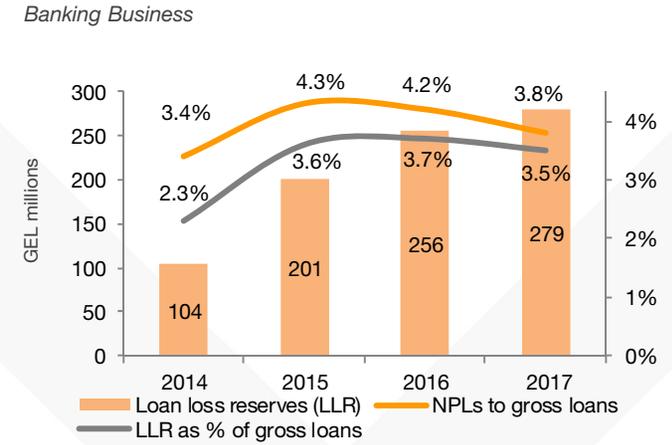
NPLs and NIM



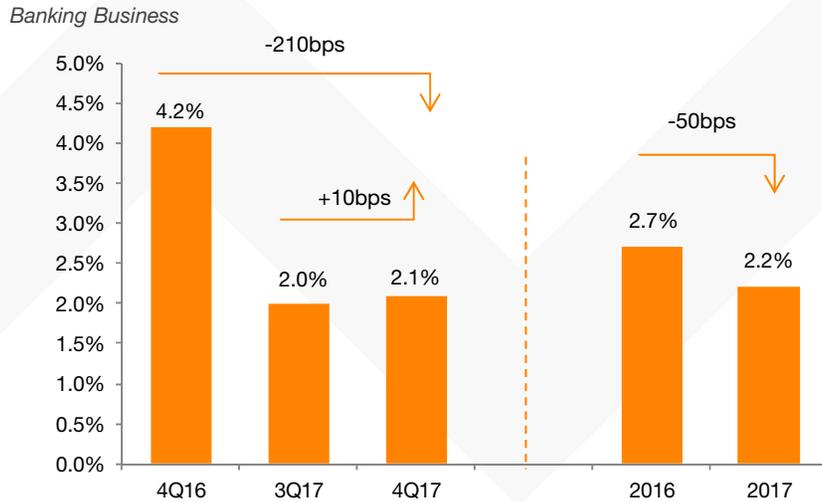
NPL composition



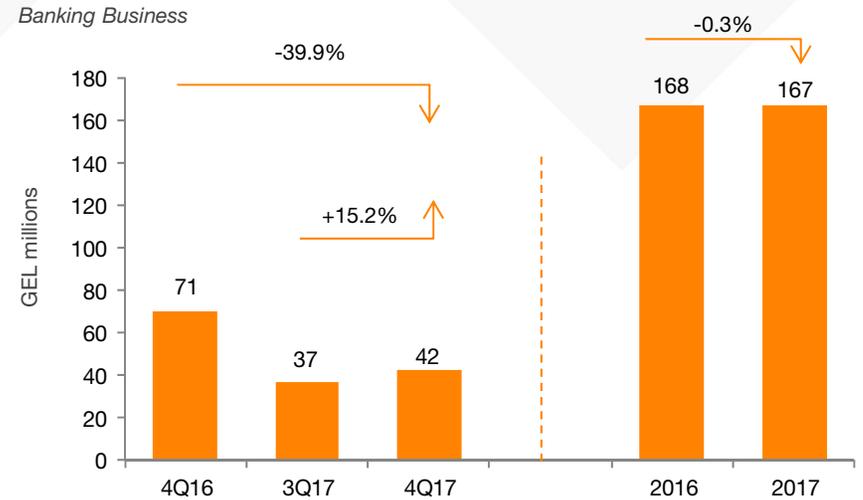
Loan loss reserve



Cost of Risk

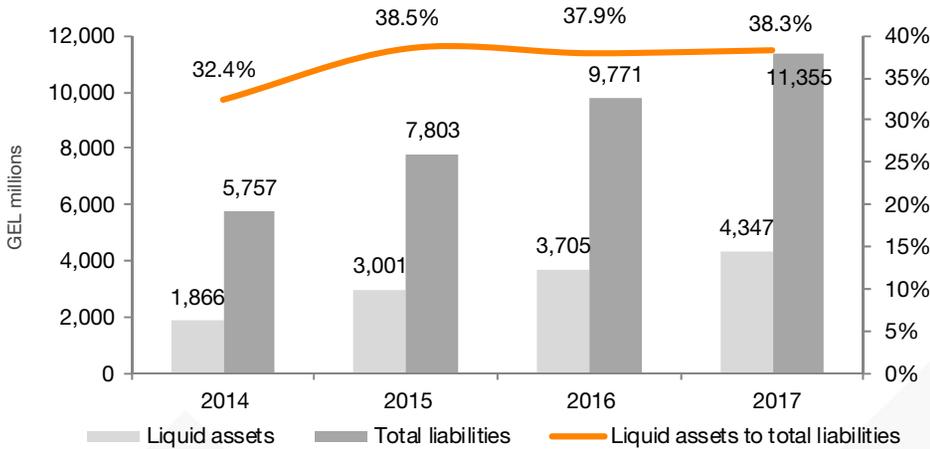


Cost of Credit risk



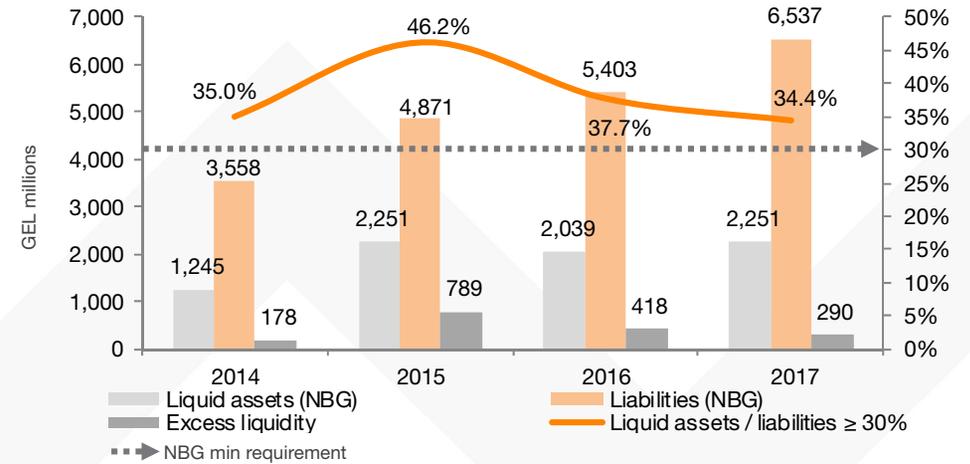
Liquid assets to total liabilities

Banking Business



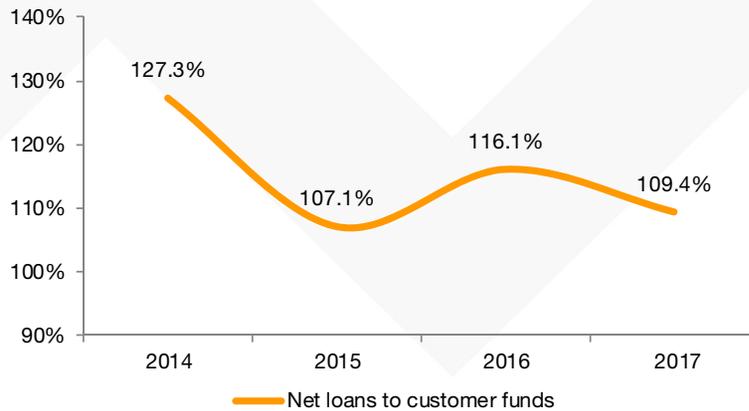
NBG liquidity ratio

BOG standalone



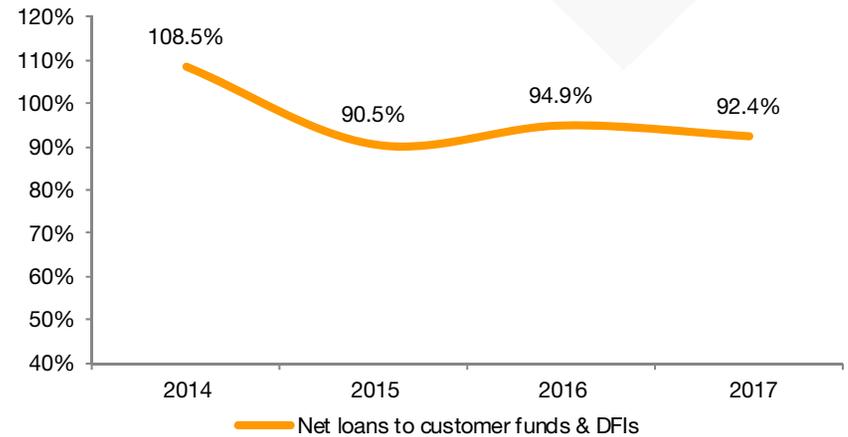
Net loans to customer funds

Banking Business



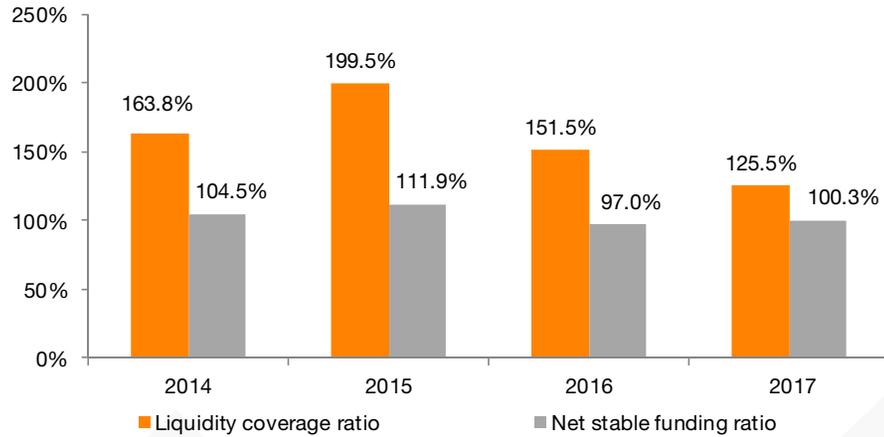
Net loans to customer funds & DFI

Banking Business



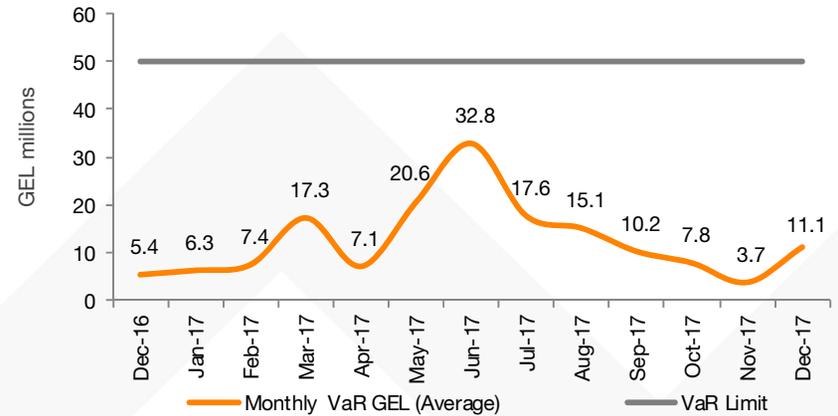
Liquidity coverage ratio & net stable funding ratio

JSC Bank of Georgia standalone (Basel III Liquidity)



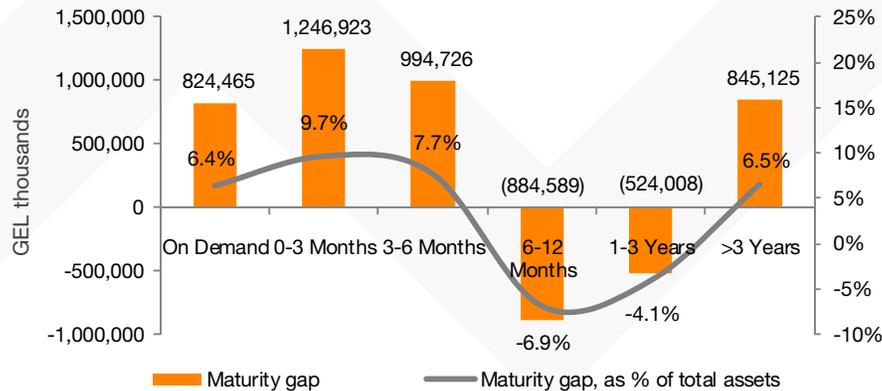
Foreign currency VAR analysis*

JSC Bank of Georgia standalone



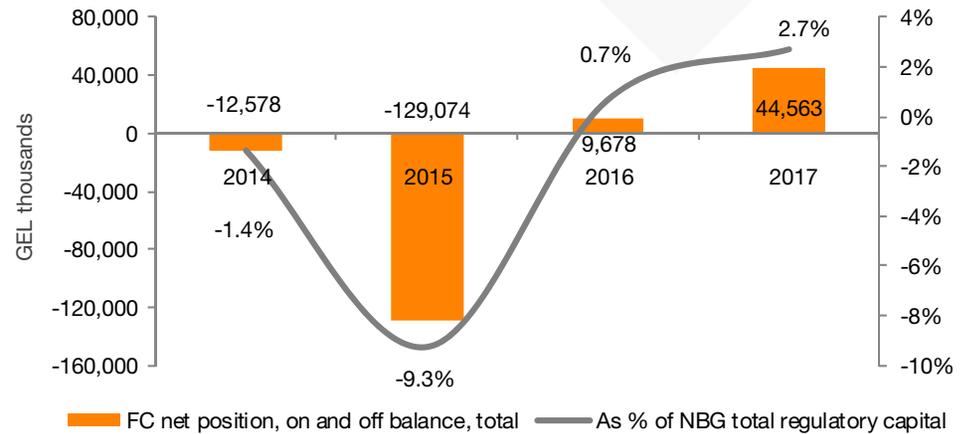
Cumulative maturity gap, 31 December 2017

Banking Business



Open currency position

JSC Bank of Georgia standalone



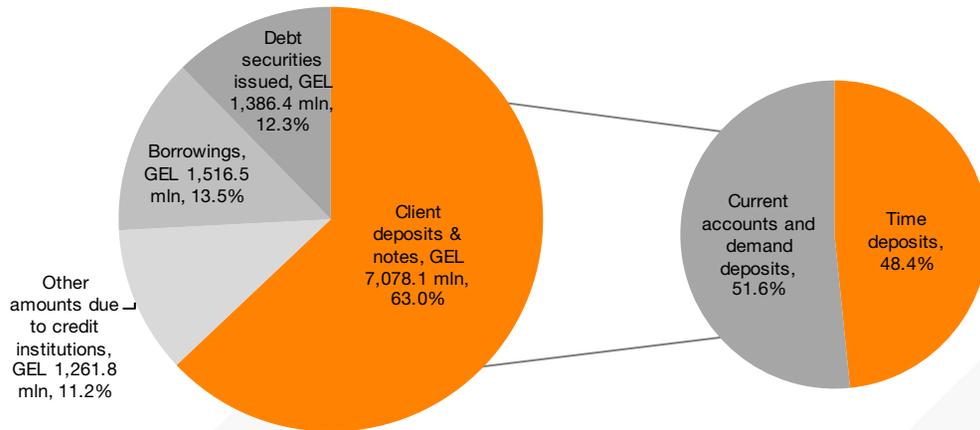
Note*: Daily VaR time series averaged for each respective months

BANKING BUSINESS - WELL ESTABLISHED FUNDING STRUCTURE

Interest Bearing Liability structure | 31 December 17

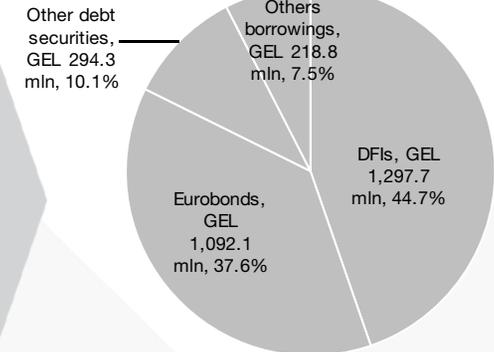
Banking Business

Interest Bearing Liabilities GEL 11.2bn



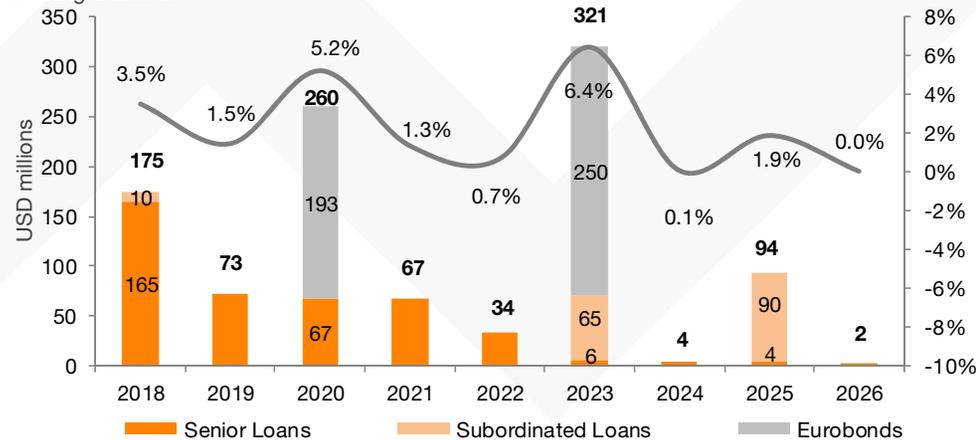
Well diversified international borrowings | 2017

Banking Business



Borrowed funds maturity breakdown*

Banking Business



Highlights for 2017

- **Banking Business has a well-balanced funding structure** with 63.0% of interest bearing liabilities coming from client deposits and notes, 11.5% from Developmental Financial Institutions (DFIs) and 12.3% from Eurobonds and notes issued, as of 31 December 2017
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, EFSE, etc.
- As of 31 December 2017, EUR 13.7million undrawn facilities from DFIs with up to ten year maturity
- **In July 2016**, BGEO Group issued 7 year, US\$ 350mln Eurobonds with 6.00% coupon. Bonds were trading at 5.110%** on 12 February 2018
- **In June 2017**, BOG issued 3 year, GEL 500mln local currency international bonds with 11.00% coupon. Bonds were trading at 10.482%** on 12 February 2018

Note*: converted at GEL/US\$ exchange rate of 2.5922 as of 31 December 2017

Note**: as of 12 February 2018 – source: Bloomberg

RETAIL BANKING

Data as at 31 December 2017 for JSC Bank of Georgia standalone

Segments	1  Emerging Retail	2  Mass Retail	3  SOLO Mass Affluent	4 MSME Micro, Small and Medium Business
Clients	524 k	1,593 k	32 k	166 k
Loans	GEL 280 mln	GEL 1,868 mln	GEL 1,245 mln	GEL 1,739 mln
Deposits	GEL 157 mln	GEL 1,452 mln	GEL 1,222 mln	GEL 436 mln
FY17 Profit	GEL 39 mln	GEL 110 mln	GEL 43 mln	GEL 50 mln
Profit per client (annualised)	GEL 78	GEL 71	GEL 1,704	GEL 343
P/C ratio	3.4	1.8	6.1	1.4
Branches	156	113	12	n/a

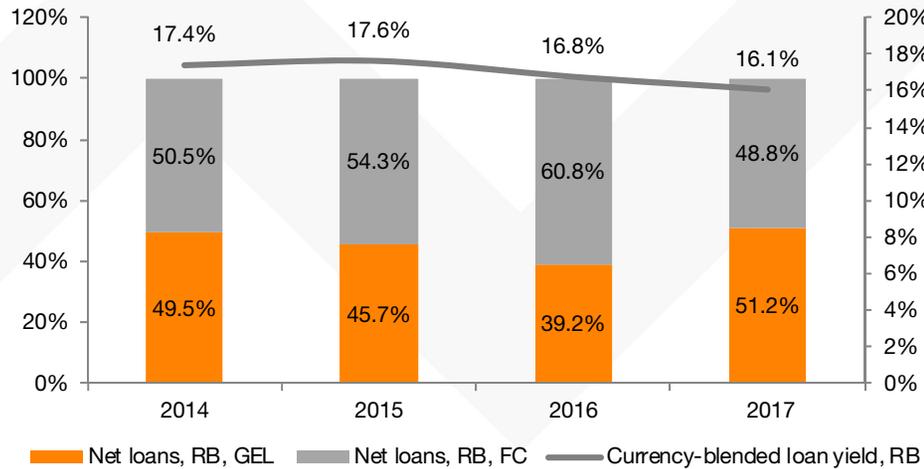
RETAIL BANKING FINANCIAL DATA

Income Statement

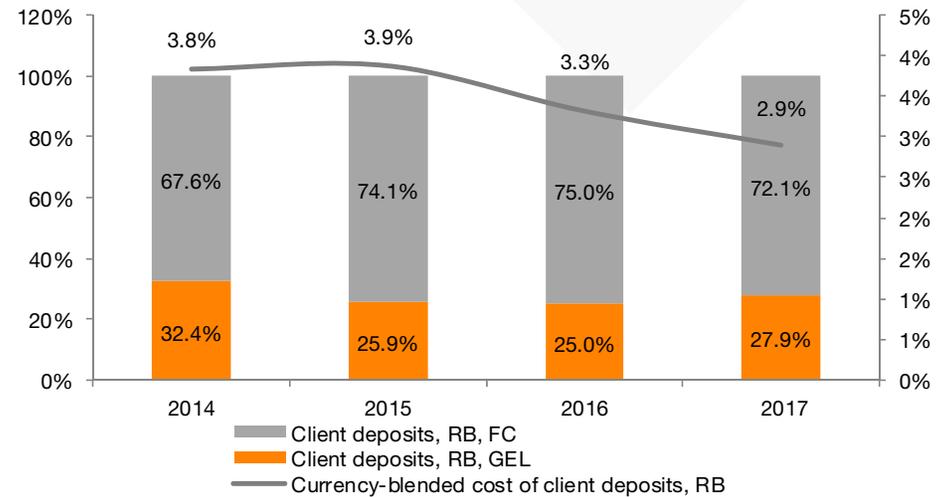
GEL thousands unless otherwise noted

	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Net banking interest income	134,517	111,109	21.1%	122,352	9.9%	480,955	374,022	28.6%
Net fee and commission income	28,511	26,810	6.3%	25,064	13.8%	99,790	90,193	10.6%
Net banking foreign currency gain	8,407	8,825	-4.7%	7,979	5.4%	28,937	26,086	10.9%
Net other banking income	4,531	989	NMF	366	NMF	5,029	3,833	31.2%
Revenue	175,966	147,733	19.1%	155,761	13.0%	614,711	494,134	24.4%
Salaries and other employee benefits	(35,778)	(31,149)	14.9%	(32,262)	10.9%	(125,668)	(106,396)	18.1%
Administrative expenses	(22,461)	(17,287)	29.9%	(17,084)	31.5%	(72,464)	(57,743)	25.5%
Banking depreciation and amortisation	(9,020)	(8,052)	12.0%	(9,087)	-0.7%	(34,741)	(30,943)	12.3%
Other operating expenses	(843)	(818)	3.1%	(448)	88.2%	(2,279)	(2,545)	-10.5%
Operating expenses	(68,102)	(57,306)	18.8%	(58,881)	15.7%	(235,152)	(197,627)	19.0%
Profit from associate	255	-	NMF	147	73.5%	1,311	-	NMF
Operating income before cost of credit risk	108,119	90,427	19.6%	97,027	11.4%	380,870	296,507	28.5%
Cost of credit risk	(23,122)	(19,272)	20.0%	(22,246)	3.9%	(110,800)	(75,690)	46.4%
Profit before non-recurring items and income tax	84,997	71,155	19.5%	74,781	13.7%	270,070	220,817	22.3%
Net non-recurring items	(74)	(1,921)	-96.1%	(1,041)	-92.9%	(2,358)	(32,002)	-92.6%
Profit before income tax	84,923	69,234	22.7%	73,740	15.2%	267,712	188,815	41.8%
Income tax (expense)/benefit	(7,335)	(1,235)	NMF	(5,342)	37.3%	(18,046)	20,475	NMF
Profit	77,588	67,999	14.1%	68,398	13.4%	249,666	209,290	19.3%

Loan Yield

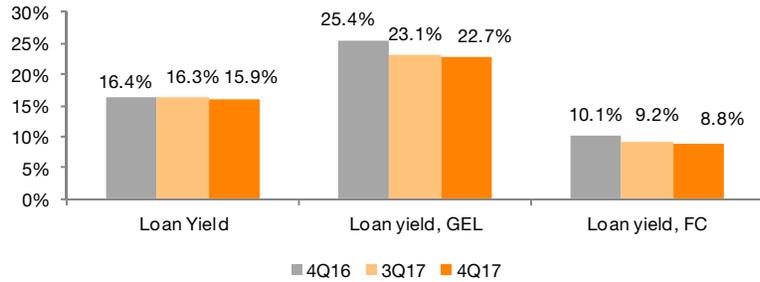


Deposit Cost

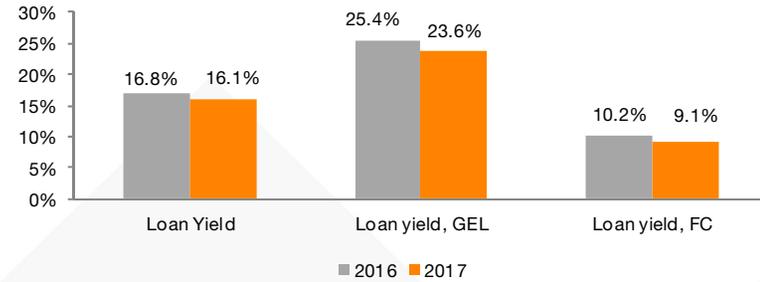


RETAIL BANKING - LOAN YIELD, COST OF DEPOSITS & NIM

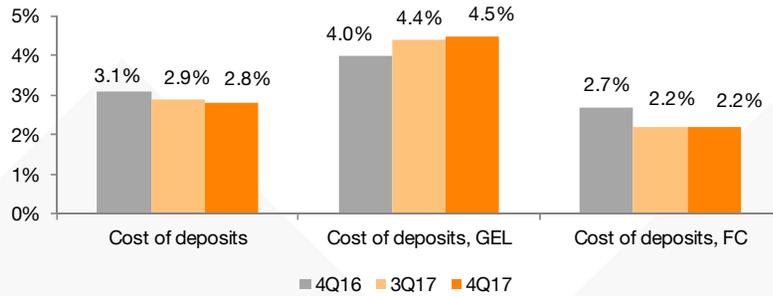
RB Loan Yield | quarterly



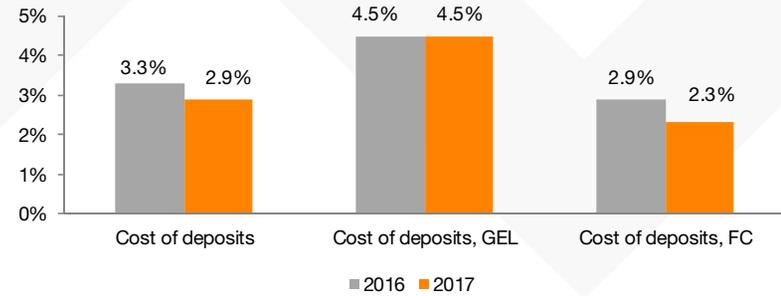
RB Loan Yield | full year



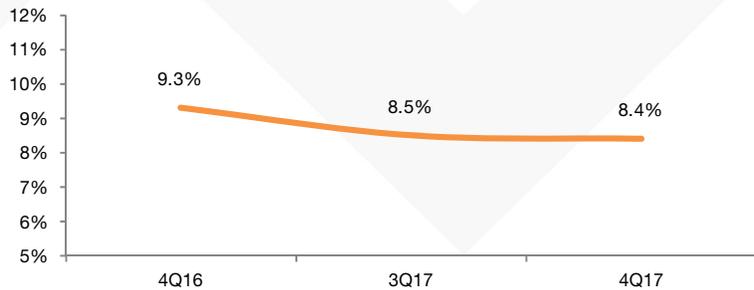
RB Cost of Deposit | quarterly



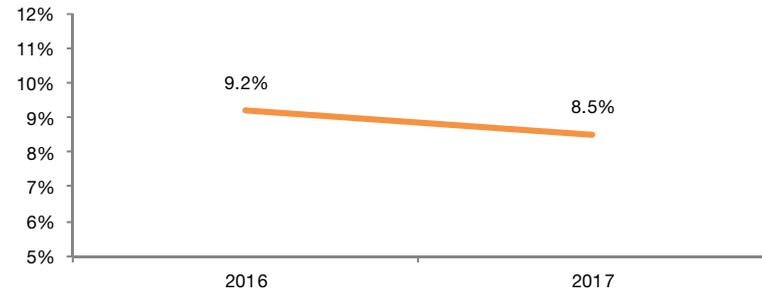
RB Cost of Deposit | full year



RB NIM | quarterly



RB NIM | full year

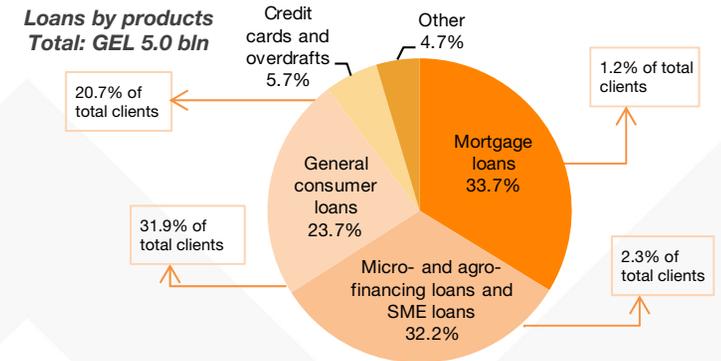


RETAIL BANKING - LEADING RETAIL BANK IN GEORGIA

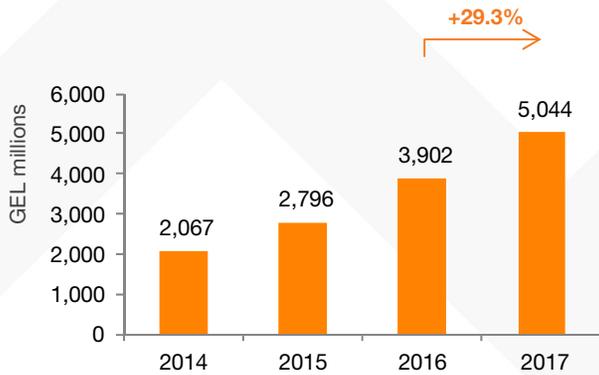
RB Client Data

Operating Data, GEL mln	2017	% of clients	2016	2015	2014
Number of total Retail clients, of which:	2,315,038		2,141,229	1,999,869	1,451,777
<i>Number of Solo clients</i>	32,104	1.4%	19,267	11,869	7,971
Consumer loans & other outstanding, volume	1,480		1,104	836	692
Consumer loans & other outstanding, number	738,694	31.9%	647,441	625,458	526,683
Mortgage loans outstanding, volume	1,706		1,228	809	609
Mortgage loans outstanding, number	26,643	1.2%	16,300	12,857	11,902
Micro & SME loans outstanding, volume	1,637		1,346	904	666
Micro & SME loans outstanding, number	53,732	2.3%	36,379	19,045	16,246
Credit cards and overdrafts outstanding, volume	308		291	306	135
Credit cards and overdrafts outstanding, number	480,105	20.7%	442,487	435,010	199,543
Credit cards outstanding, number, of which:	673,573	29.1%	800,621	754,274	116,615
<i>American Express cards</i>	97,178	4.2%	9,567	100,515	110,362

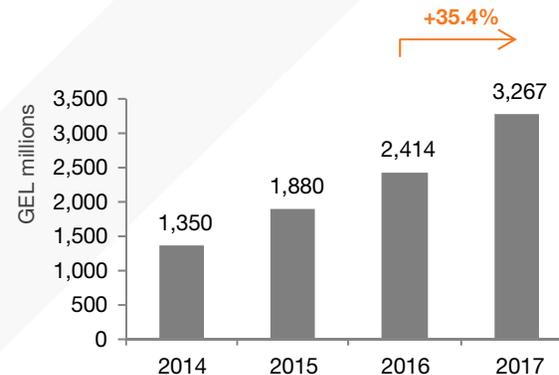
RB Portfolio breakdown



RB Loans

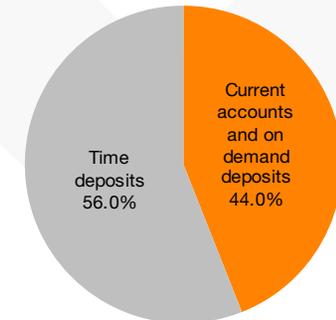


RB Deposits



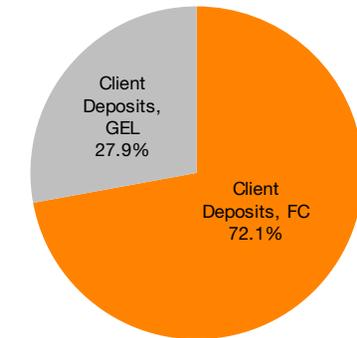
Deposits by category

Total: GEL 3.3 bln



Deposits by currency

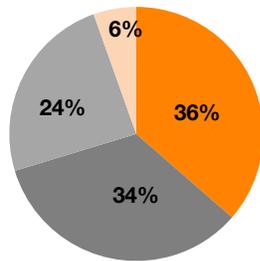
Total: GEL 3.3 bln



RETAIL BANKING FINANCIAL DATA

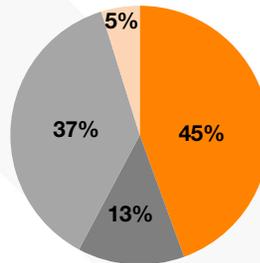
Balance Sheet

JSC Bank of Georgia Standalone



Total Loans
GEL 5,132mln

- Mass Retail (GEL 1,868mln)
- MSME (GEL 1,739mln)
- Solo (GEL 1,245mln)
- Express Bank (GEL 280mln)

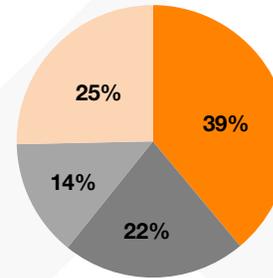


Total Deposits
GEL 3,267mln

- Mass Retail (GEL 1,452mln)
- MSME (GEL 436mln)
- Solo (GEL 1,222mln)
- Express Bank (GEL 157mln)

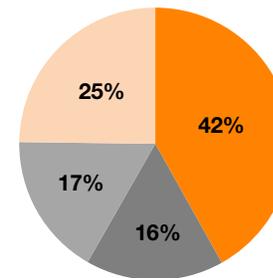
Income Statement

JSC Bank of Georgia Standalone



Net Interest Income
GEL 479mln

- Mass Retail (GEL 187mln)
- MSME (GEL 105mln)
- Solo (GEL 67mln)
- Express Bank (GEL 121mln)



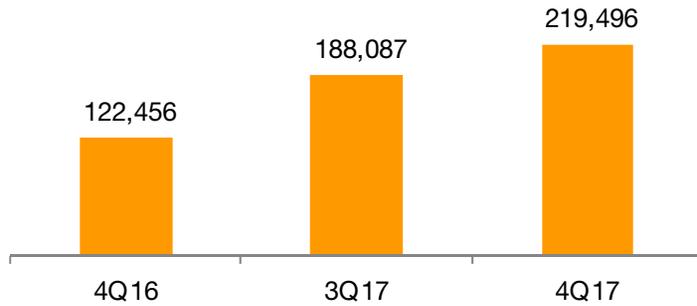
Net Fee & Commission Income
GEL 85mln

- Mass Retail (GEL 36mln)
- MSME (GEL 14mln)
- Solo (GEL 14mln)
- Express Bank (GEL 21mln)

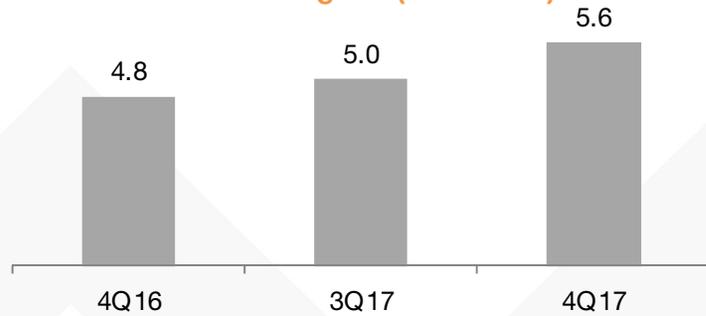
RETAIL BANKING - DIGITAL PENETRATION

Internet Banking

Number of Active Users



Number of log-ins (in millions)



Number of transactions

1,668,037

1,430,048

1,513,437

Volume of transactions (GEL '000)

330,530

321,297

425,930

4Q16

3Q17

4Q17

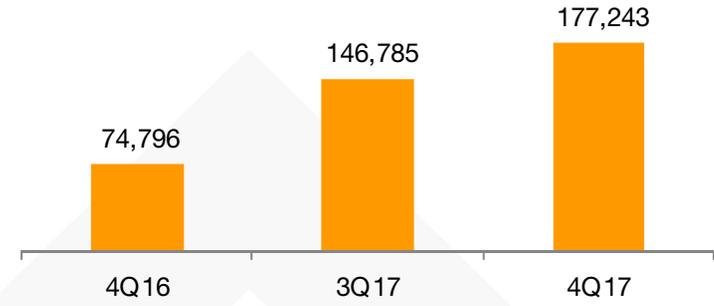
4Q16

3Q17

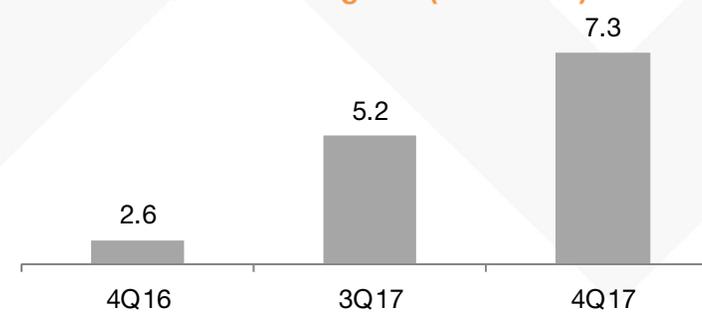
4Q17

Mobile Banking

Number of Active Users



Number of log-ins (in millions)



Number of transactions

855,025

1,812,353

2,323,573

Volume of transactions (GEL '000)

89,598

190,020

278,856

4Q16

3Q17

4Q17

4Q16

3Q17

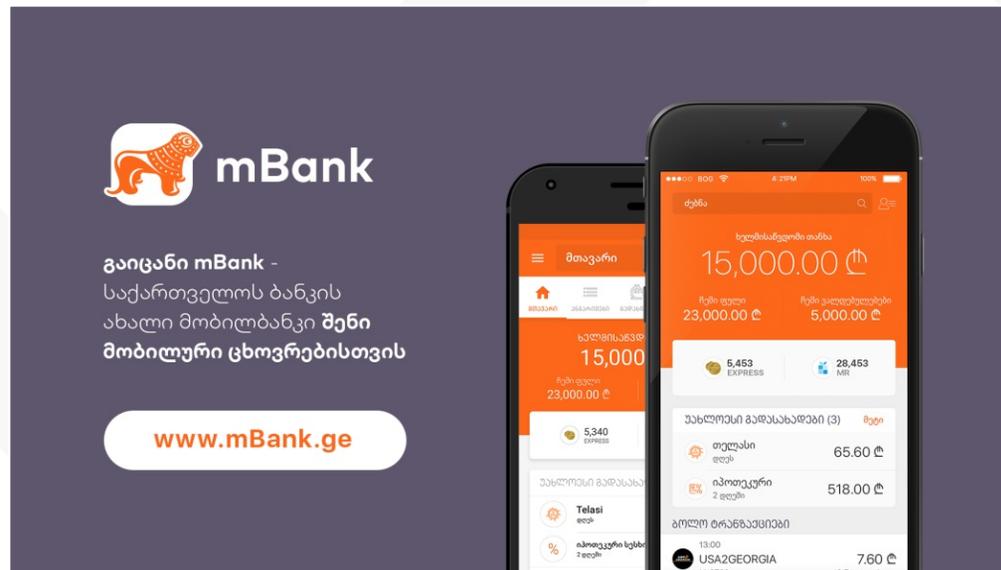
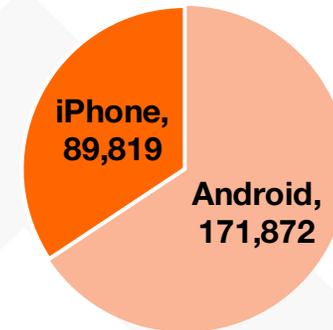
4Q17

RETAIL BANKING - MBANK, NEW MOBILE BANKING APPLICATION

- Launched on 29 May 2017
- **3,878,568** transactions executed since launch (including transfers and currency exchanges)
 - **2,792,366** payments made by logged-in clients
 - **43,928** payments made on pre-login page; 8% made with non-BOG cards
 - **1,042,274** transfers and currency exchanges

mBank downloads since 29 May 2017

261,691



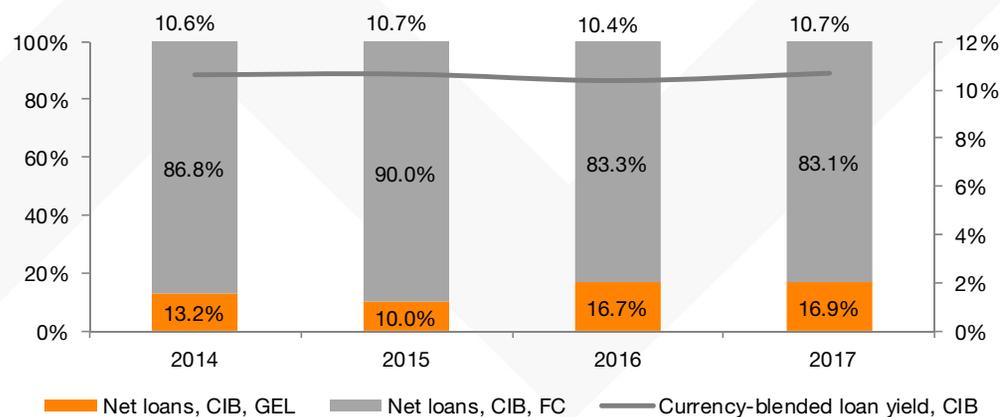
CORPORATE INVESTMENT BANKING FINANCIAL DATA

Income Statement

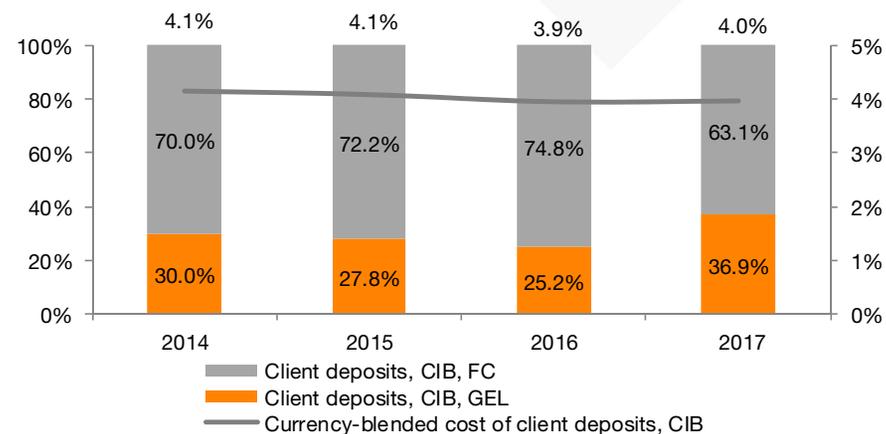
GEL thousands unless otherwise noted

	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Net banking interest income	42,539	39,168	8.6%	38,550	10.3%	156,171	147,108	6.2%
Net fee and commission income	5,859	8,133	-28.0%	5,891	-0.5%	22,717	27,963	-18.8%
Net banking foreign currency gain	15,585	16,158	-3.5%	8,852	76.1%	46,276	48,643	-4.9%
Net other banking income	7,710	2,518	NMF	2,359	NMF	14,256	10,170	40.2%
Revenue	71,693	65,977	8.7%	55,652	28.8%	239,420	233,884	2.4%
Salaries and other employee benefits	(15,271)	(12,368)	23.5%	(13,982)	9.2%	(54,573)	(47,731)	14.3%
Administrative expenses	(5,439)	(4,943)	10.0%	(3,699)	47.0%	(16,190)	(15,214)	6.4%
Banking depreciation and amortisation	(1,316)	(1,262)	4.3%	(1,339)	-1.7%	(5,134)	(5,124)	0.2%
Other operating expenses	(228)	(330)	-30.9%	(187)	21.9%	(761)	(1,031)	-26.2%
Operating expenses	(22,254)	(18,903)	17.7%	(19,207)	15.9%	(76,658)	(69,100)	10.9%
Operating income before cost of credit risk	49,439	47,074	5.0%	36,445	35.7%	162,762	164,784	-1.2%
Cost of credit risk	(18,788)	(42,172)	-55.4%	(14,887)	26.2%	(47,403)	(76,266)	-37.8%
Profit before non-recurring items and income tax	30,651	4,902	NMF	21,558	42.2%	115,359	88,518	30.3%
Net non-recurring items	(134)	2,267	NMF	(334)	-59.9%	(1,882)	(11,934)	-84.2%
Profit before income tax	30,517	7,169	NMF	21,224	43.8%	113,477	76,584	48.2%
Income tax (expense)/benefit	(2,840)	2,885	NMF	(1,780)	59.6%	(7,584)	11,698	NMF
Profit	27,677	10,054	175.3%	19,444	42.3%	105,893	88,282	19.9%

Loan Yield



Deposit Cost



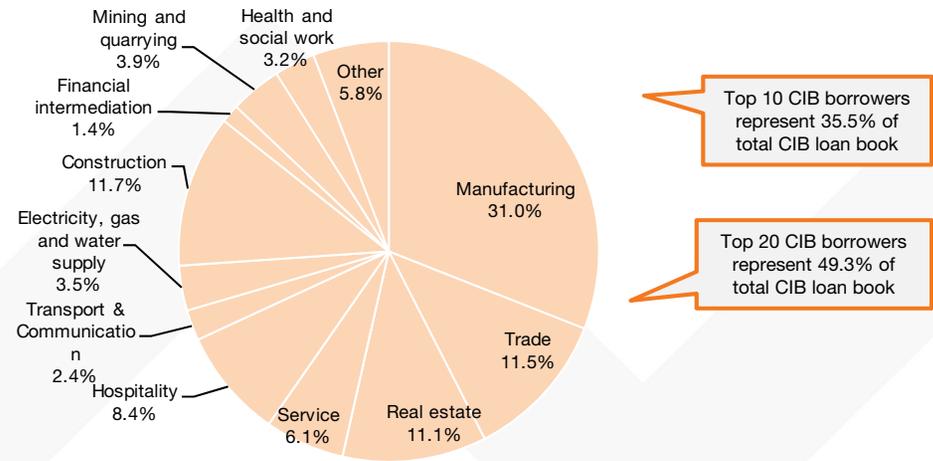
CORPORATE INVESTMENT BANKING LOAN BOOK & DEPOSITS

Highlights

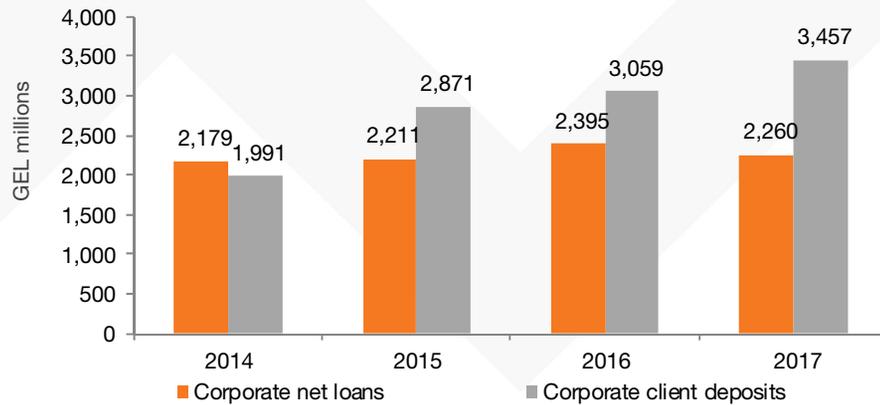
- Leading corporate bank in Georgia
- Integrated client coverage in key sectors
 - c. 2,584 clients served by dedicated relationship bankers

Portfolio breakdown, 31 December 2017

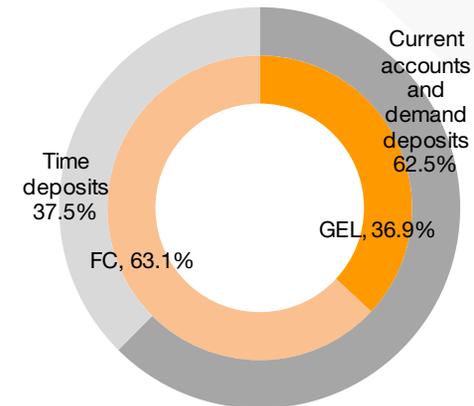
Loans by sectors



Loans & Deposits

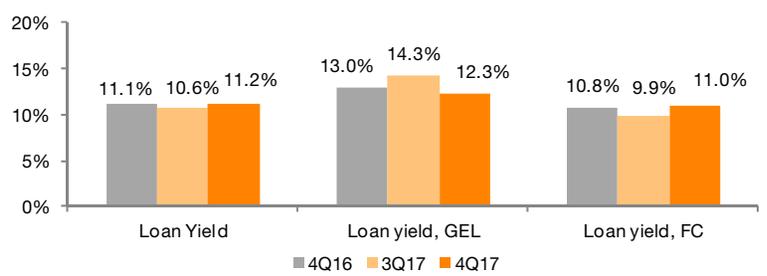


Deposits by category

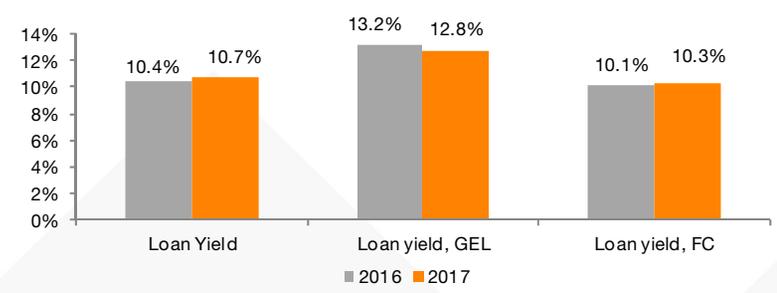


CORPORATE INVESTMENT BANKING - LOAN YIELD, COST OF DEPOSITS & NIM

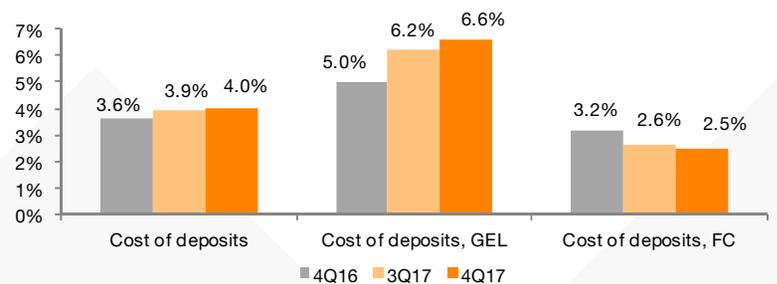
CIB Loan Yield | quarterly



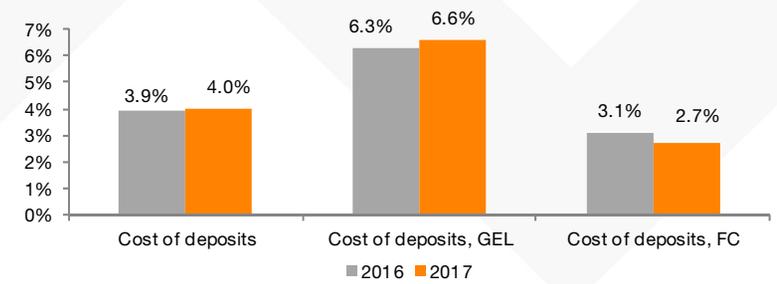
CIB Loan Yield | full year



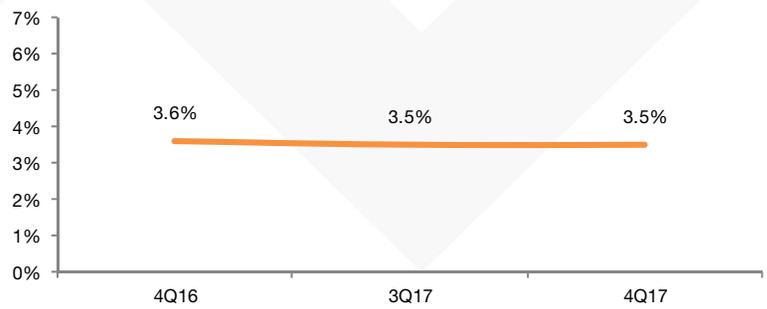
CIB Cost of Deposit | quarterly



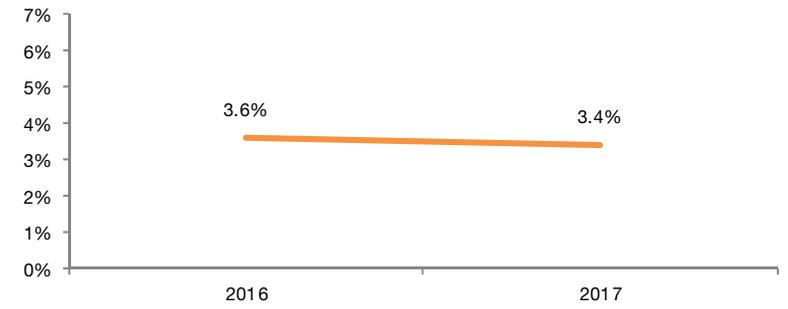
CIB Cost of Deposit | full year



CIB NIM | quarterly



CIB NIM | full year



INVESTMENT MANAGEMENT - UNRIVALLED PLATFORM FOR PROFITABLE GROWTH

1

Wealth Management

- **Strong international presence:** Israel (since 2008), UK (2010), Hungary (2012), Turkey (2013) and Cyprus (2017).
- **AUM of GEL 1,857 million**, up 17.9% y-o-y
- **Diversified funding sources:**
 - Georgia 35%
 - Israel 14%
 - UK 4%
 - Germany 2%
 - Other 45%

4

Brokerage

- **Wide product coverage**



- **Exclusive partner of SAXO Bank** via While Label structure, that provides highly adaptive trading platform with professional tools, insights and world-class execution

Investment Management

2

Research

- **Sector, macro and fixed income coverage**
- **International distribution**



3

Investment Banking

- **Bond placement in 4Q 2017**
 - In December 2017 Galt & Taggart acted as a lead manager of GEL 135mln local bonds due 2022 of European Bank for Reconstruction and Development
 - In December 2017 Galt & Taggart acted as a lead manager for JSC MFO Crystal, facilitating a public placement of GEL 10mln unsubordinated unsecured notes due 2019, in December 2017
- **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.

BECOME REGIONAL PRIVATE BANK

WM CLIENTS

BOG & GEORGIA

INTERNATIONAL ASSETS



GEORGIA

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

BANK OF GEORGIA

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

Eq	Eq	Eq	CFD	Fu	C	Fx	Fx	Bo
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- Equities
- Fixed Income
- CFDs
- Other



CONTENT

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Results Discussion Investment Business	51
Georgian Macro Overview	99
Appendices	120

INVESTMENT BUSINESS RESULTS HIGHLIGHTS

Income Statement Highlights

<i>GEL thousands unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Gross insurance profit	6,306	6,255	0.8%	6,846	-7.9%	27,049	25,256	7.1%
Gross real estate profit	5,773	1,560	NMF	4,179	38.1%	35,367	19,066	NMF
Gross utility and energy profit	22,868	21,671	5.5%	25,942	-11.8%	88,370	38,680	128.5%
Gross other investment profit	9,611	9,758	-1.5%	11,792	-18.5%	30,583	21,334	43.4%
Revenue	44,558	39,244	13.5%	48,759	-8.6%	181,369	104,336	73.8%
Operating expenses	(22,676)	(12,812)	77.0%	(20,135)	12.6%	(74,792)	(35,893)	108.4%
EBITDA	21,882	26,432	-17.2%	28,624	-23.6%	106,577	68,443	55.7%
Profit from associates	-	-	-	-	-	-	4,074	NMF
Depreciation and amortisation	(9,056)	(4,501)	101.2%	(7,275)	24.5%	(28,235)	(10,062)	180.6%
Net foreign currency loss	(5,797)	(1,905)	NMF	(3,941)	47.1%	(4,937)	(3,134)	57.5%
Interest income	4,088	1,175	NMF	3,595	13.7%	12,970	4,144	NMF
Interest expense	(8,969)	(6,523)	37.5%	(7,049)	27.2%	(30,014)	(13,410)	123.8%
Operating income before cost of credit risk	2,148	14,678	-85.4%	13,954	-84.6%	56,361	50,055	12.6%
Cost of credit risk	(617)	585	NMF	(1,068)	-42.2%	(3,415)	(1,004)	NMF
Profit before non-recurring items and income tax	1,531	15,263	-90.0%	12,886	-88.1%	52,946	49,051	7.9%
Net non-recurring items	(460)	(269)	71.0%	(65)	NMF	(623)	32,673	NMF
Profit before income tax	1,071	14,994	-92.9%	12,821	-91.6%	52,323	81,724	-36.0%
Income tax expense	(1,666)	(3,653)	-54.4%	(2,246)	-25.8%	(5,748)	(8,944)	-35.7%
(Loss)/profit from continuing operations	(595)	11,341	NMF	10,575	NMF	46,575	72,780	-36.0%
Profit from discontinued operations	12,270	5,898	108.0%	10,335	18.7%	47,352	60,100	-21.2%
Profit	11,675	17,239	-32.3%	20,910	-44.2%	93,927	132,880	-29.3%
Earnings per share (basic)	0.19	0.40	-52.3%	0.39	-51.7%	1.85	2.75	-32.7%
Earnings per share (diluted)	0.18	0.38	-53.0%	0.37	-52.0%	1.77	2.67	-33.8%

Balance Sheet Highlights

<i>GEL thousands unless otherwise noted</i>	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Liquid assets	445,501	584,066	-23.7%	439,616	1.3%
Cash and cash equivalents	374,301	401,969	-6.9%	345,137	8.4%
Amounts due from credit institutions	38,141	178,425	-78.6%	60,565	-37.0%
Investment securities	33,059	3,672	NMF	33,914	-2.5%
Property and equipment	661,176	991,803	-33.3%	1,187,631	-44.3%
Assets of disposal group held for sale	1,165,182	-	NMF	-	NMF
Total assets	2,763,913	2,307,069	19.8%	2,573,427	7.4%
Amounts due to credit institutions	377,501	435,630	-13.3%	459,158	-17.8%
Borrowings from DFI	326,598	121,323	NMF	262,707	24.3%
Loans and deposits from commercial banks	50,903	314,307	-83.8%	196,451	-74.1%
Debt securities issued	357,442	404,450	-11.6%	479,142	-25.4%
Liabilities of disposal group held for sale	619,026	-	NMF	-	NMF
Total liabilities	1,584,245	1,271,358	24.6%	1,431,790	10.6%
Total equity	1,179,668	1,035,711	13.9%	1,141,637	3.3%

GEORGIA CAPITAL VALUE PROPOSITION – THREE PILLARS

1

Superior access to capital

- Only investment company in Georgia
- Uniquely positioned given the access to capital in a small frontier economy, where access to capital is limited:
 - **C.US\$ 500 mln** raised in equity at LSE
 - Issued four Eurobonds totaling **US\$ 1.2 billion** (including Lari bonds)
 - **US\$ 3 billion+** raised from IFIs (EBRD, IFC etc.)
- **Flexibility to use own shares as acquisition currency**

2

Access to management

- Reputation among talented managers as the - **“best group to work for”**
- Attracted talent have demonstrated track record of successful delivery
- **Proven DNA in turning around the companies and growing them efficiently**
- **Strong skillset in company exits**
 - LSE IPO track record
 - Divestiture skills

3

Strong corporate governance

- **Outstanding track record in:**
 - institutionalising businesses, creating independently run/managed institutions
 - investor reporting transparency and granularity
- **Top class board and governance**
- **Aligned shareholders’ and management’s interests**
 - Management compensation linked to performance
 - Equity/performance dominating compensation structure

Georgia focused diversified investment company targeting minimum IRR of 25%

1

Capital allocations

2

Managing investments

- **Highly disciplined approach** to unlock value through opportunistic investments targeting:
 - greenfields through late stage
 - high-multiple, defensive industries – service, consumer
- **360° analysis to be performed** when evaluating capital returns, new investment opportunities or divestments:
 - Georgia Capital considered as an investment opportunity
 - Buy-backs when Georgia Capital trades cheap
 - Recycling of publicly traded investments into privately held ones
 - Use of Georgia Capital’s shares as acquisition currency
 - **Clear exit paths** through IPO or trade sale in 5-10 years

Institutionalised

- Attracting and developing talent is a top priority
- Advisory approach for management of more mature phase companies
- Board participation (if needed) in publicly listed companies

Non-institut.

- Attracting and developing talent is a top priority
- Hands-on management approach to the non-public portfolio companies at early stages of their development
- Board participation

GEORGIA CAPITAL AS AN INVESTMENT PLATFORM

Key to Success – Aligned shareholder and management interests

	Georgia Capital	Private Equity
2% Management Fee	x	✓
20% Success Fee	x	✓
c.2% Investment Co Operating Expenses	✓	n/a

- Cash preservation is a key target for Georgia Capital and therefore, two thirds of total operating expenses are related to share-based compensation
- Georgia Capital's senior management's compensation will be paid in long-vested shares only, with no cash component
- Portfolio company management will be paid in proxy shares of their respective companies

CONTENT

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Income Statement

GEL thousands, unless otherwise noted

	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Revenue from sale of apartments	30,788	9,356	NMF	27,530	11.8%	92,643	96,347	NMF
Cost of sold apartments	(26,890)	(7,811)	NMF	(25,532)	5.3%	(84,607)	(82,403)	NMF
Gross profit from sale of apartments	3,898	1,545	NMF	1,998	95.1%	8,036	13,944	NMF
Revenue from operating leases	986	859	14.8%	833	18.4%	3,599	2,778	29.6%
Cost of operating leases	(135)	(44)	NMF	(142)	-4.9%	(557)	(224)	148.7%
Gross profit from operating leases	851	815	4.4%	691	23.2%	3,042	2,554	19.1%
Revaluation of commercial property	(519)	1,430	-136.3%	1,297	-140.0%	22,563	2,381	NMF
Gross real estate profit	4,230	3,790	11.6%	3,986	6.1%	33,641	18,879	78.2%
Gross other profit	56	48	16.7%	163	-65.6%	277	29	NMF
Gross Profit	4,286	3,838	11.7%	4,149	3.3%	33,918	18,908	79.4%
Salaries and other employee benefits	(1,195)	(374)	NMF	(712)	67.8%	(2,818)	(1,498)	88.1%
Administrative expenses	(1,500)	(1,202)	24.8%	(1,784)	-15.9%	(5,761)	(4,364)	32.0%
Operating expenses	(2,695)	(1,576)	71.0%	(2,496)	8.0%	(8,579)	(5,862)	46.3%
EBITDA	1,591	2,262	-29.7%	1,653	-3.8%	25,339	13,046	94.2%
Depreciation and amortisation	(315)	(65)	NMF	(64)	NMF	(508)	(243)	109.1%
Net foreign currency gain / (loss)	94	(58)	NMF	73	28.8%	(117)	1,143	-110.2%
Interest income	145	410	-64.6%	192	-24.5%	816	715	14.1%
Interest expense	(47)	(30)	56.7%	(44)	6.8%	(186)	(210)	-11.4%
Net operating income before non-recurring items	1,468	2,519	-41.7%	1,810	-18.9%	25,344	14,451	75.4%
Net non-recurring items	(197)	(96)	105.2%	(48)	NMF	(128)	(73)	75.3%
Profit before income tax	1,271	2,423	-47.5%	1,762	-27.9%	25,216	14,378	75.4%
Income tax expense	(481)	(2,949)	-83.7%	(1,073)	-55.2%	(1,554)	(3,474)	-55.3%
Profit	790	(526)	NMF	689	14.7%	23,662	10,904	117.0%

1. Effective 1 January 2017, m², early adopted the new revenue recognition standard, IFRS 15, which requires revenue recognition according to the percentage of completion method. Prior to 1 January 2017, m² recognized revenues under IAS 18 upon completion and handover of the units to customers. As a result, the reported revenue figures for 2017 and 2016 are not comparable

Balance Sheet

GEL thousands, unless otherwise noted

	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Cash and cash equivalents	34,751	93,210	-62.7%	51,434	-32.4%
Amounts due from credit institutions	114	-	NMF	50	128.0%
Investment securities	3,329	2,842	17.1%	2,974	11.9%
Accounts receivable	1,338	703	90.3%	13,749	-90.3%
Prepayments	34,932	20,746	68.4%	35,265	-0.9%
Inventories	59,683	113,009	-47.2%	68,967	-13.5%
Investment property, of which:	150,143	113,829	31.9%	137,197	9.4%
<i>Land bank</i>	72,902	72,251	0.9%	64,868	12.4%
<i>Commercial real estate</i>	77,241	41,578	85.8%	72,329	6.8%
Property and equipment	49,641	7,050	NMF	22,429	121.3%
Other assets	16,898	20,839	-18.9%	23,683	-28.6%
Total assets	350,829	372,228	-5.7%	355,748	-1.4%
Amounts due to credit institutions	58,992	42,818	37.8%	59,643	-1.1%
Debt securities issued	65,122	103,077	-36.8%	63,288	2.9%
Deferred income	46,660	77,925	-40.1%	72,249	-35.4%
Other liabilities	15,425	14,725	4.8%	11,957	29.0%
Total liabilities	186,199	238,545	-21.9%	207,137	-10.1%
Share Capital	4,180	4,180	-	4,180	-
Additional paid-in capital	82,793	85,467	-3.1%	84,788	-2.4%
Other reserves	14,460	15,538	-6.9%	7,251	99.4%
Retained earnings	52,779	28,498	85.2%	52,392	0.7%
Total equity attributable to shareholders of the Group	154,212	133,683	15.4%	148,611	3.8%
Non-controlling interest	10,418	-	NMF	-	NMF
Total equity	164,630	133,683	23.1%	148,611	10.8%
Total liabilities and equity	350,829	372,228	-5.7%	355,748	-1.4%

Cash flow

<i>GEL thousands; unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Cash flows from operating activities								
Proceeds from sales of apartments	33,042	22,383	47.6%	33,553	-1.5%	112,215	80,710	39.0%
Cash outflows for development of apartments	(18,399)	(21,570)	-14.7%	(24,869)	-26.0%	(79,820)	(84,459)	-5.5%
Net proceeds from yielding assets	851	815	4.4%	691	23.2%	3,042	2,554	19.1%
Cash paid for operating expenses	(2,131)	(1,467)	45.2%	(2,061)	3.4%	(9,237)	(6,134)	50.6%
Interest paid	(5,030)	(1,619)	NMF	(44)	NMF	(10,681)	(6,782)	57.5%
Income tax paid	(890)	(344)	158.7%	(110)	NMF	(4,854)	(1,030)	NMF
Net cash flows from operating activities	7,444	(1,802)	NMF	7,160	4.0%	10,665	(15,141)	NMF
Cash flows from investing activities								
Capital Expenditure on property, plant and equipment and investment property	(9,800)	574	NMF	(7,978)	22.8%	(31,213)	(7,607)	NMF
Acquisition of subsidiaries	(10,562)	-	NMF	-	NMF	(10,562)	-	NMF
Net cash flows used in investing activities	(20,362)	574	NMF	(7,978)	155.2%	(41,775)	(7,607)	NMF
Cash flows from financing activities								
Proceeds from debt securities issued	-	58,815	NMF	-	-	-	58,815	NMF
Repayment of debt securities issued	-	(15,220)	NMF	-	-	(34,099)	(15,220)	124.0%
Contributions under share-based payment plan	(4,998)	-	NMF	(2,958)	69.0%	(7,956)	(2,613)	NMF
Proceeds from borrowings	12,696	-	NMF	-	NMF	32,117	39,724	-19.1%
Repayment of borrowings	(15,633)	(601)	NMF	(54)	NMF	(16,908)	(2,238)	NMF
Net cash flows from financing activities	(7,935)	42,994	-118.5%	(3,012)	163.4%	(26,846)	78,468	-134.2%
Effect of exchange rate changes on cash and cash equivalents	4,234	11,285	-62.5%	2,111	100.6%	(389)	9,501	-104.1%
Net increase in cash and cash equivalents	(16,619)	53,050	-131.3%	(1,719)	NMF	(58,345)	65,221	-189.5%
Cash and cash equivalents at the beginning of the period*	51,484	40,160	28.2%	53,203	-3.2%	93,210	27,989	NMF
Cash and cash equivalents at the end of the period*	34,865	93,210	-62.6%	51,484	-32.3%	34,865	93,210	-62.6%

* The balances include cash and cash equivalents and amounts due from credit institutions

m² AT A GLANCE – MAJOR PLAYER ON GEORGIAN REAL ESTATE MARKET

Key Segments	1 Residential Developments	2 Yielding Business	3 Fee Business
	Affordable housing	Commercial space (offices, industrial properties, high street retail)	Hotels
Market Size and Key Services	<p>Market: US\$ 1.0bn¹ 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\$ 3.5bn² 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\$ 2.7bn³ 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 base⁴ (as of FY7)	<p><i>Includes:</i> US\$ 74 million⁴</p> <ol style="list-style-type: none"> Inventory of residential real estate Land bank 	<p><i>Includes:</i> US\$ 30 million</p> <ol style="list-style-type: none"> High street retail Industrial properties: warehouses and logistics centers Offices <p>Dollar denominated, inflation hedged cash flow stream</p>	<p><i>Includes:</i> US\$ 18 million</p> <ol style="list-style-type: none"> Hotels (mixed use) Land bank
Track record	<ul style="list-style-type: none"> Generated IRR ranging from 31% to 329% on 7 completed residential projects Started operations in 2010 and since: <ul style="list-style-type: none"> Completed 7 projects – 1,691 apartments, 99% sold with 144mln US\$ sales value, land value unlocked 19mln US\$ Ongoing 4 projects – 1,202 apartments, 83% sold with 78mln US\$ sales value, land value to be unlocked 14mln US\$ All completed projects were on budget and on schedule Land bank of value 27.75mln US\$, with c.4,690⁵ apartments 	<ul style="list-style-type: none"> Generated annual yield of 9.1% in 2017 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 30% of total yielding portfolio Acquired opportunistically the commercial space. This constitutes over 70% of total yielding portfolio 	<ul style="list-style-type: none"> m² attained development agreement with Wyndham to develop Wyndham's 3-star brand Ramada Encore exclusively and 4-star brand Ramada 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"> 2 hotels in Tbilisi: <ul style="list-style-type: none"> Ramada Encore on Kazbegi Ave. is under construction with expected opening in Feb'18; Construction for Ramada Hotel on Melikishvili Ave. has started in Sep'17 with expected opening in 2019; 1 hotel in Kutaisi – land acquired, construction start date is planned to be May'18; Land bank of value 0.37mln US\$
			<p>Strategic goal to be achieved by 2020</p> <ul style="list-style-type: none"> Focus on franchising m² brand to develop third party land plots and generate fee income Increase awareness of m² franchise and its platform among the land owners <p>Track record contributing to m² strengths and opportunities</p> <ul style="list-style-type: none"> m² Brand name: 92% customer brand awareness among real estate developers in Georgia m² pricing power: <ol style="list-style-type: none"> m² apartments can sell at higher price than other brands; Extensive development expertise to increase efficiency in planning and design stages and drive revenues as well as margins; Knowledge of current market demand on pricing and on size and apartment mix m² sales: <ol style="list-style-type: none"> m² pre-sales power reduces equity needed to finance the projects; Top three banks in Georgia provide mortgages under m² completion guarantee; m² has ability to accomplish strong sales performance through dedicated sales personnel and access to finance m² execution: <ol style="list-style-type: none"> m² manages process from feasibility through apartment handover and property management; m² completed all projects on time and on budget; m² has discounts from contractors and can do development at much lower cost; m² can do turn-key

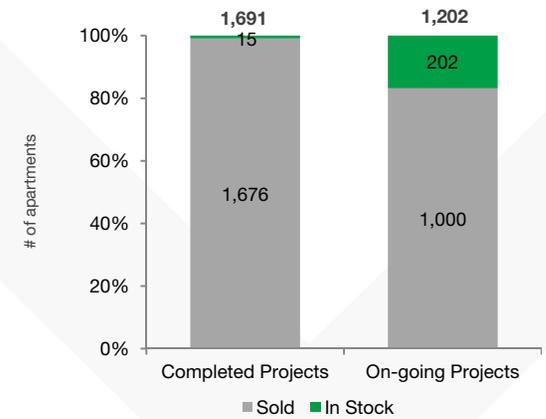
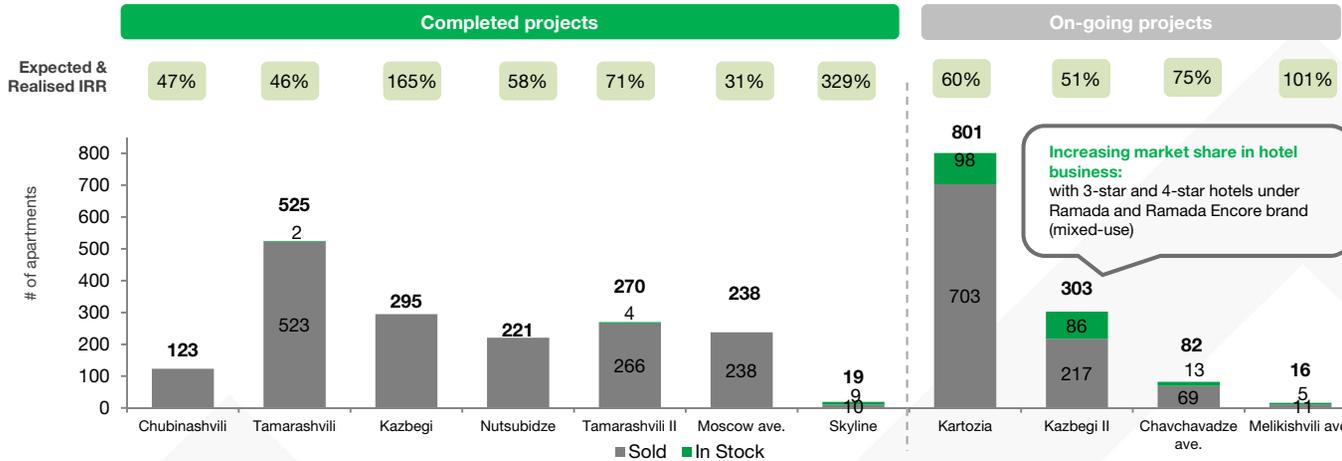
1 – US\$ value of annual transaction (incl. renovation/fit-out costs) in the capital city in 2015 (NPRG, Colliers, Company own data)
 2 – Retail trade volume in Georgia in 2016
 3 – Gross tourism inflows in 2017
 4 – Total Assets are US\$ 135mln. Pie charts do not sum-up to 100% due to Cash holdings of US\$ 13mln
 5 – Including 4,298 apartments of Digomi Project



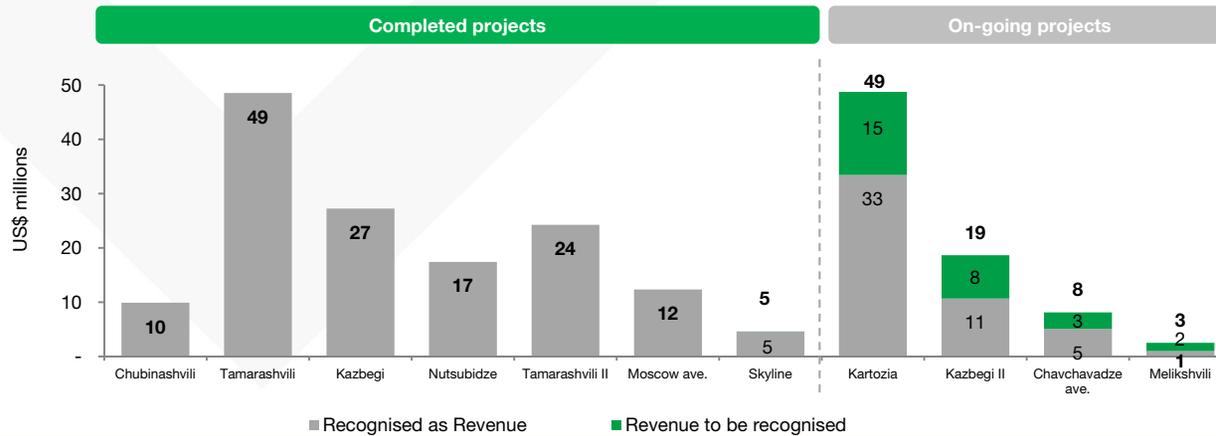
Strong sales performance

Residential projects are sold out

93% of apartments are sold-out



Revenue recognition on sold apartments as of 31 December 2017





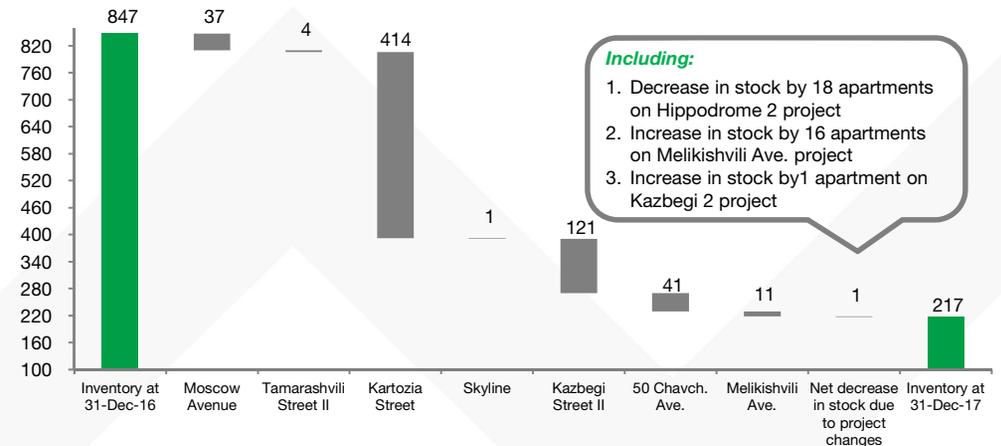
m² - RESIDENTIAL DEVELOPMENT PERFORMANCE HIGHLIGHTS AND TRACK RECORD

Strong sales performance

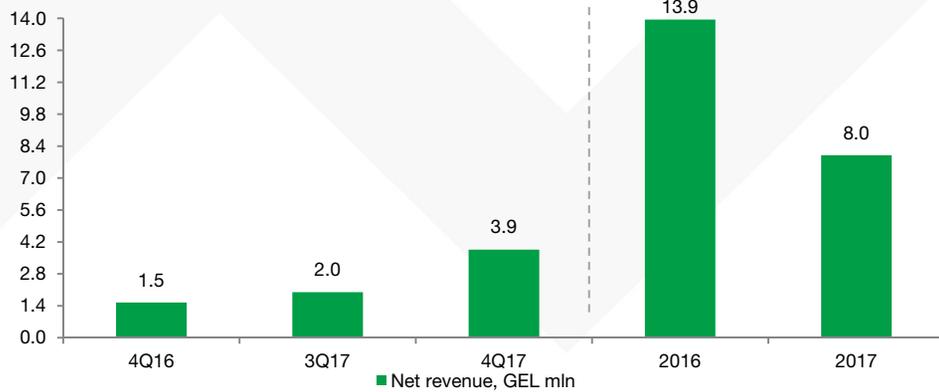
Apartments sales track record



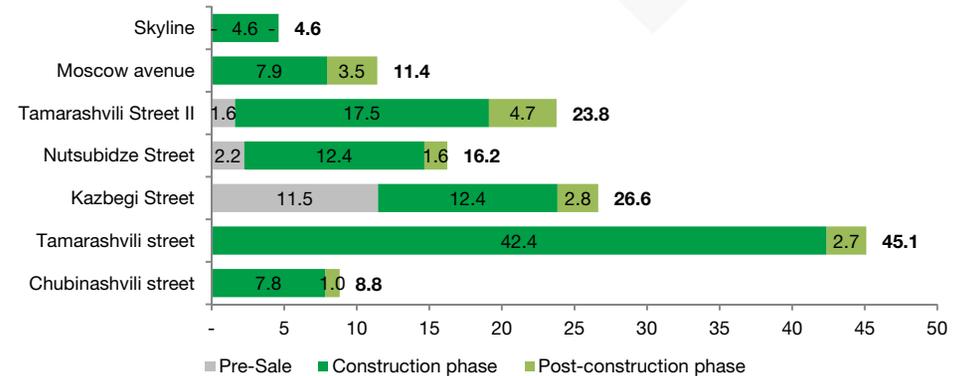
2017 apartments sales track record



Net revenue from sale of apartments¹



Sales track record in completed projects



1. Effective 1 January 2017, m², early adopted the new revenue recognition standard, IFRS 15, which requires revenue recognition according to the percentage of completion method. Prior to 1 January 2017, m² recognised revenues under IAS 18 upon completion and handover of the units to customers. IFRS 15 was adopted prospectively, as a result, the reported revenue figures for 2017 and 2016 are not comparable

m² - RESIDENTIAL DEVELOPMENT TRACK RECORD

All projects were completed on budget and on schedule

Operating data for completed and on-going projects as of 31 December 2017

#	Project name	Number of apartments	Number of apartments sold	Number of apartments sold as % of total	Number of apartments available for sale	Start date (construction)	Actual / Planned Completion date (construction)	Construction completed %
Completed projects		1,691	1,676	99.1%	15			
1	Chubinashvili Street	123	123	100.0%	-	Sep-10	Aug-12	100%
2	Tamarashvili Street	525	523	99.6%	2	May-12	Jun-14	100%
3	Kazbegi Street	295	295	100.0%	-	Dec-13	Feb-16	100%
4	Nutsubidze Street	221	221	100.0%	-	Dec-13	Sep-15	100%
5	Tamarashvili Street II	270	266	98.5%	4	Jul-14	Jun-16	100%
6	Moscow Avenue	238	238	100.0%	-	Sep-14	Jun-16	100%
7	Skyline	19	10	52.6%	9	Dec-15	Dec-17	100%
On-going projects		1,202	1000	83.2%	202			
8	Kartozia Street	801	703	87.8%	98	Nov-15	Oct-18	78%
9	Kazbegi Street II	303	217	71.6%	86	Jun-16	Nov-18	43%
10	50 Chavchavadze Ave.	82	69	84.1%	13	Oct-16	Oct-18	61%
11	Melikishvili ave.	16	11	68.8%	5	Sep-17	May-19	6%
Total		2,893	2,676	92.5%	217			

Completed projects

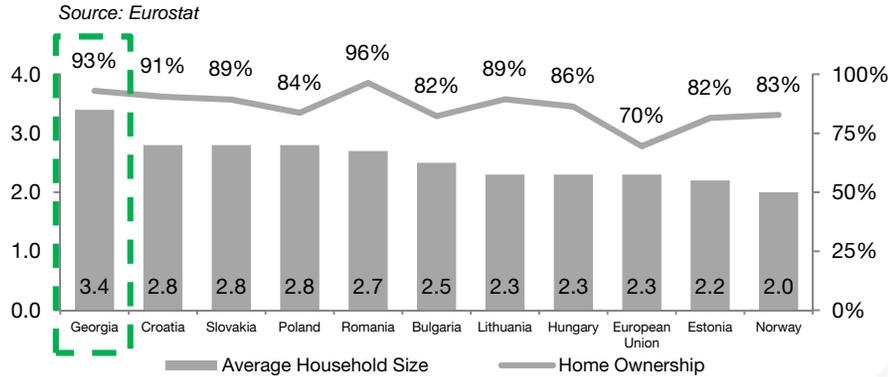


Financial data for completed and on-going projects as of 31 December 2017

#	Project name	Total Sales (US\$ mln)	Recognised as revenue (US\$ mln)	Deferred revenue (US\$ mln)	Deferred revenue expected to be recognised as revenue in 2018	Land value unlocked (US\$)	Realised & Expected IRR
Completed projects		144.3	144.3	0.0	0.0	19.5	
1	Chubinashvili street	9.9	9.9	-	-	0.9	47%
2	Tamarashvili street	48.6	48.6	-	-	5.4	46%
3	Kazbegi Street	27.2	27.2	-	-	3.6	165%
4	Nutsubidze Street	17.4	17.4	-	-	2.2	58%
5	Tamarashvili Street II	24.3	24.3	-	-	2.7	71%
6	Moscow avenue	12.3	12.3	-	-	1.6	31%
7	Skyline	4.6	4.6	0.0	0.0	3.1	329%
On-going projects		78.0	50.2	27.9	21.5	14.2	
8	Kartozia Street	48.8	33.4	15.3	13.0	5.8	60%
9	Kazbegi Street II	18.6	10.7	8.0	5.5	4.3	51%
10	50 Chavchavadze ave.	8.1	5.1	3.0	2.8	3.3	75%
11	Melikishvili ave.	2.5	1.0	1.5	0.2	0.8	101%
Total		222.3	194.5	27.9	21.5	33.7	

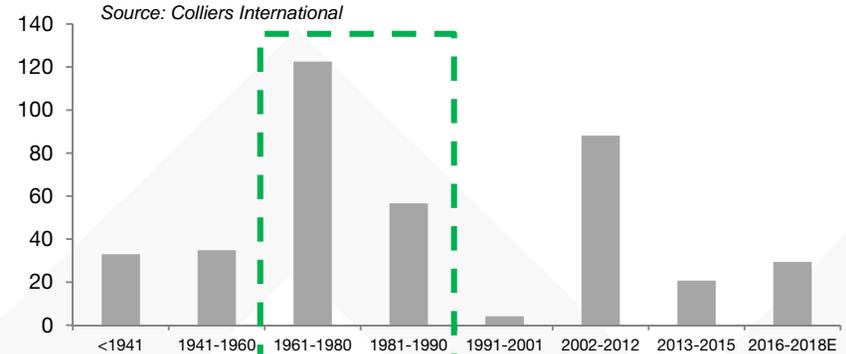
Significant growth potential in Georgian residential market

Average household size and home ownership



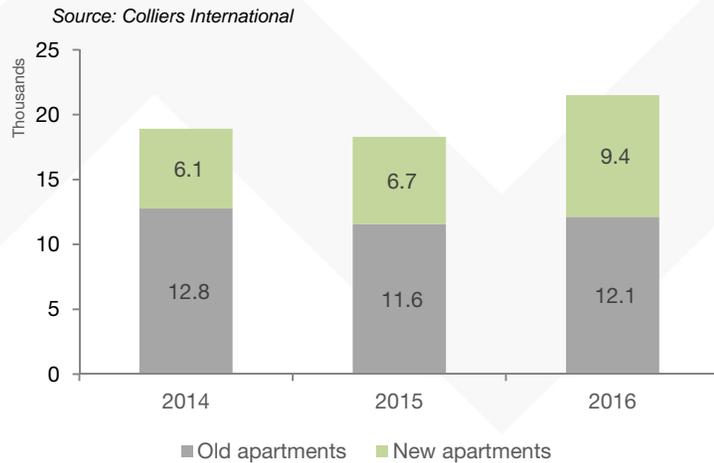
Georgia has one of the highest average household size of 3.4 people. Decrease in this number will increase the demand side for the real estate

of housing units developed by time periods

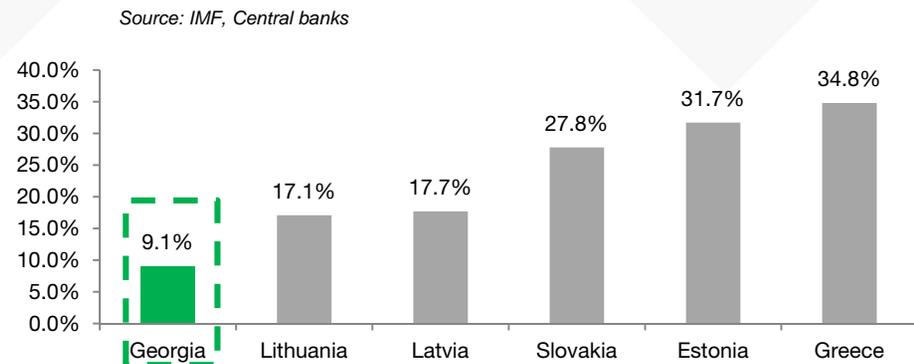


Around 120,000 (35%) of housing units in Tbilisi were built more than 40 years ago and are out of their usable lifecycle

Number of sales transactions / by unit types



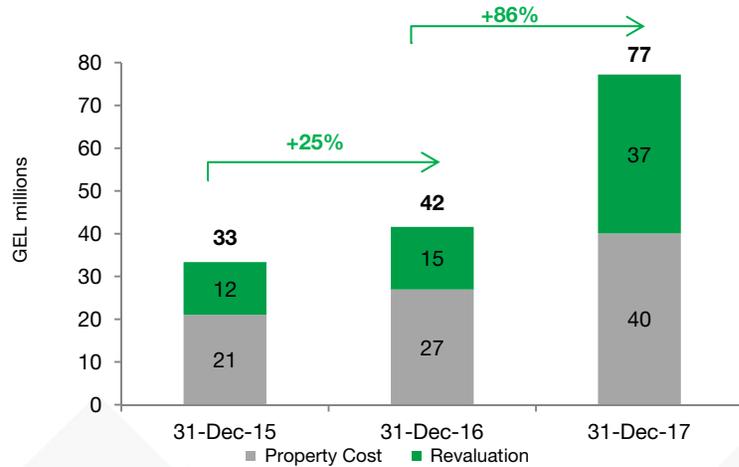
Mortgage loans as a % of GDP 2016



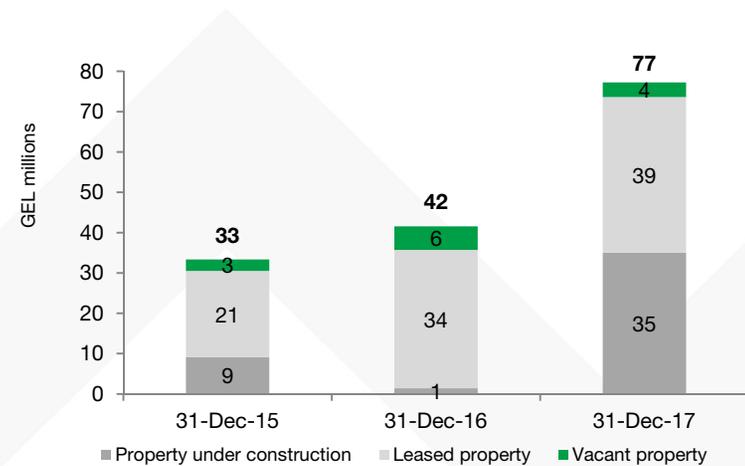
Compared to peers, Georgia has one of the lowest Mortgage Loan as a % of GDP ratio. Implies that there is a room for increase on the total value of outstanding mortgage loans.

Strong Performance

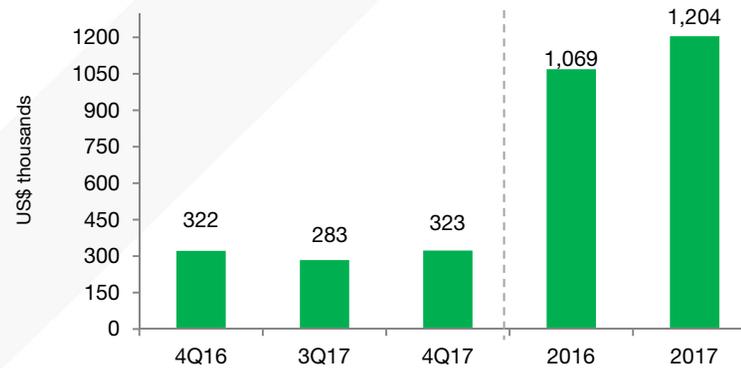
Yielding portfolio growth



Yielding portfolio composition



Net revenue from operating leases



Hotel opportunities

Develop 3 hotels during the next 3 years in Tbilisi catering to budget travelers – equity investment US\$ 16mln

Ramada (Melikishvili mixed use)



- **Hotel:** 125 rooms
- **IRR:** 23%, expected
- Start: Jun-17, Completion: Feb-19
- Total completion cost: US\$ 12.2mln
- Land value: US\$ 1.24mln
- Profit (stabilized year): US\$ 1.2mln
- ADR (stabilized year): US\$ 110
- Investment per room: US\$ 70k
- Occupancy rate: 65% (3rd year stabilised)
- ROE: 20%

Ramada Encore (Kazbegi str.15)



- **Hotel:** 152 rooms
- **IRR:** 25%, expected
- Start: Jun-16, Completion: Feb-18
- Total completion cost: US\$ 13.4mln
- Land value: US\$ 1.0mln
- Profit (stabilized year): US\$ 1.6mln
- ADR (stabilized year): US\$ 115
- Investment per room: US\$ 70k
- Occupancy rate: 69% (3rd year stabilised)
- ROE: 20%

Ramada Encore (Kutaisi hotel)

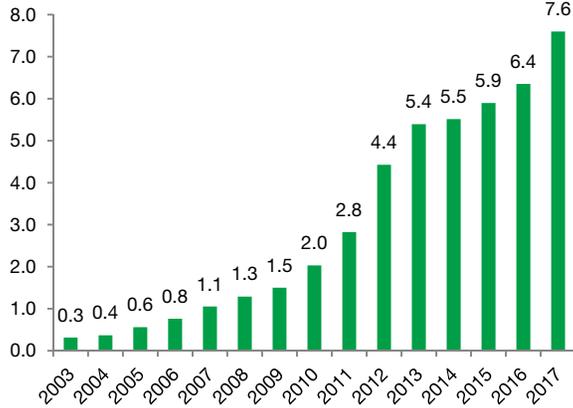


- **Hotel:** 121 rooms
- **IRR:** 22%, expected
- Start: May'18; Completion: Sep'19
- Total completion cost: US\$ 8.9mln
- Land value: US\$ 0.4mln
- Profit (stabilized year): US\$ 0.8mln
- ADR (stabilized year): US\$ 106
- Investment per room: US\$ 70k
- Occupancy rate: 65% (3rd year stabilised)
- ROE: 20%

m² - GEORGIAN HOTEL MARKET OVERVIEW

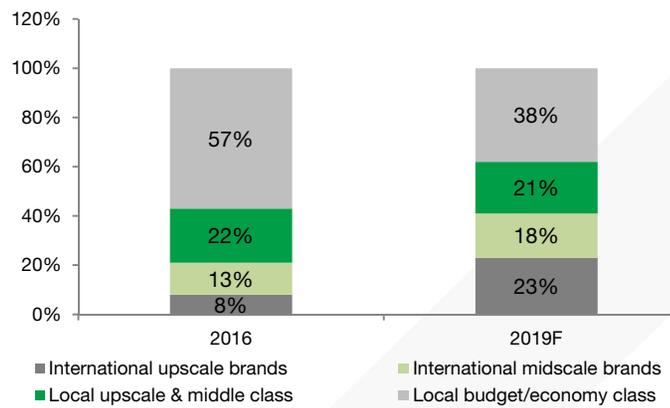
Arrivals of non-resident visitors (mln)

Source: Georgian National Tourism Administration



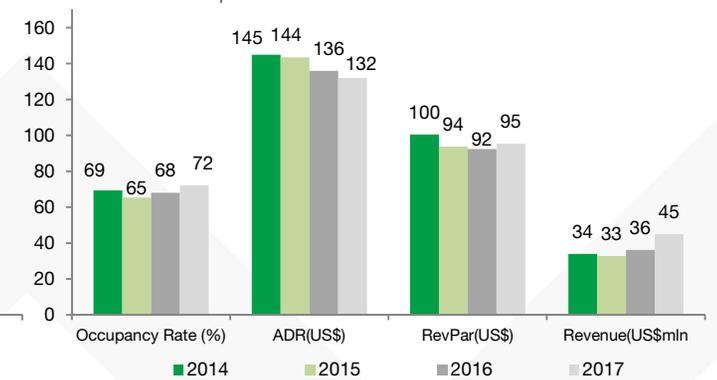
Hotel room supply | Tbilisi

Source: Colliers International



Comparison of key ratios | Tbilisi

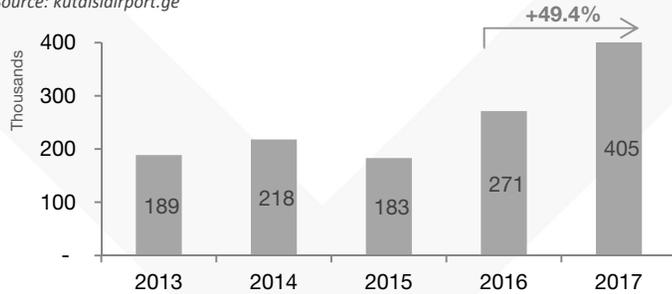
Source: STR Global Report



Occupancy rate of international branded hotels was 66% in November 2017, while YTD occupancy rate reached 74%, up 6% y-o-y

Number of passengers at Kutaisi International Airport

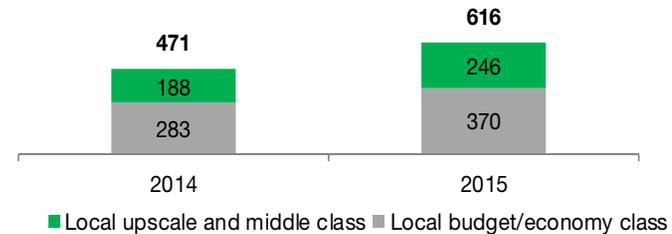
Source: kutaisiairport.ge



Kutaisi International Airport was opened in fall 2012 (with a total capacity of **600,000** passengers per year). Starting from April 2017, the Georgian citizens have visa-free travel access to EU countries. Since, Kutaisi airport services the budget flights, the number of guests in Kutaisi is expected to grow going forward.

Number of rooms by hotel types in Kutaisi

As of today just one international brand (Best Western) is operating in Kutaisi



The number of hotel guests in Kutaisi has been growing since 2010. In 2014, number of hotel guests increased by 30% compared to 2013

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\$ 59.49mln*
- *Land bank – US\$ 28.12mln*
- *Yielding assets currently (excluding assets under construction) – US\$ 16.3mln*
- *Deferred revenue – US\$ 18.0mln (inc. VAT)*

Possibility to spin-off yielding properties as a listed REIT managed by m²

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GGU FINANCIAL HIGHLIGHTS

Income Statement

<i>GEL thousands; unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Revenue from water supply to legal entities	22,215	19,598	13.4%	24,840	-10.6%	85,983	78,140	10.0%
Revenue from water supply to individuals	8,529	8,636	-1.2%	8,340	2.3%	32,921	31,263	5.3%
Revenue from electric power sales	2,873	3,641	-21.1%	3,788	-24.2%	9,755	10,112	-3.5%
Revenue from technical support	396	2,056	-80.7%	796	-50.3%	2,604	4,571	-43.0%
Other income	1,887	2,312	-18.4%	757	149.3%	3,738	3,161	18.3%
Revenue	35,900	36,243	-0.9%	38,521	-6.8%	135,001	127,247	6.1%
Provisions for doubtful trade receivables	338	687	-50.8%	(888)	-138.1%	(1,675)	(2,198)	-23.8%
Salaries and benefits	(5,386)	(3,673)	46.6%	(3,880)	38.8%	(19,125)	(16,760)	14.1%
Electricity and transmission costs	(4,319)	(3,748)	15.2%	(5,099)	-15.3%	(18,303)	(17,746)	3.1%
Raw materials, fuel and other consumables	(910)	85	NMF	(940)	-3.2%	(3,077)	(2,856)	7.7%
Infrastructure assets maintenance expenditure	(803)	(402)	99.8%	(793)	1.3%	(2,254)	(2,402)	-6.2%
General and administrative expenses	(1,155)	(387)	NMF	(971)	18.9%	(3,881)	(3,125)	24.2%
Operating taxes	(1,312)	(1,168)	12.3%	(1,308)	0.3%	(4,457)	(3,312)	34.6%
Professional fees	(998)	(967)	3.2%	(641)	55.7%	(2,698)	(2,502)	7.8%
Insurance expense	(323)	(269)	20.1%	(252)	28.2%	(1,104)	(793)	39.2%
Other operating expenses	(2,043)	(2,119)	-3.6%	(1,989)	2.7%	(7,586)	(7,400)	2.5%
Operating expenses	(16,911)	(11,961)	41.4%	(16,761)	0.9%	(64,160)	(59,094)	8.6%
EBITDA	18,989	24,282	-21.8%	21,760	-12.7%	70,841	68,153	3.9%
<i>EBITDA Margin</i>	53%	67%		56%		52%	54%	
Depreciation and amortisation	(5,229)	(3,771)	38.7%	(5,299)	-1.3%	(20,419)	(17,911)	14.0%
EBIT	13,760	20,511	-32.9%	16,461	-16.4%	50,422	50,242	0.4%
<i>EBIT Margin</i>	38%	57%		43%		37%	39%	
Net interest expense	(3,718)	(2,616)	42.1%	(3,299)	12.7%	(12,354)	(10,201)	21.1%
Net non-recurring expenses	(579)	-	NMF	(501)	15.6%	(1,332)	-	NMF
Foreign exchange (loss) gain	(386)	(424)	-9.0%	276	NMF	(580)	(1,076)	-46.1%
EBT	9,077	17,471	-48.0%	12,937	-29.8%	36,156	38,965	-7.2%
Income tax expense	(210)	(1,565)	-86.6%	(334)	-37.1%	(934)	(3,671)	-74.6%
Profit	8,867	15,906	-44.3%	12,603	-29.6%	35,222	35,294	-0.2%
Attributable to:								
– Shareholders of the Group	8,484	15,705	-46.0%	12,701	-33.2%	35,306	35,275	0.1%
– Non-controlling interests	383	199	92.5%	(101)	NMF	(84)	18	NMF

Prior to 2Q17, GGU's standalone results excluded the Group's renewable energy business results due to its absence from GGU's legal structure and insignificant size. Effective from 2Q17, we are reporting GGU results on a pro-forma basis together with renewable energy business and have retrospectively revised the comparable information accordingly.

GGU FINANCIAL HIGHLIGHTS

Balance sheet

<i>GEL thousands; unless otherwise noted</i>	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Cash and cash equivalents	70,261	32,379	117.0%	30,657	129.2%
Trade and other receivables	23,754	26,402	-10.0%	25,176	-5.6%
Prepaid taxes other than income tax	4,053	3,115	30.1%	6,740	-39.9%
Prepayments	3,305	288	NMF	9,414	-64.9%
Inventories	3,787	3,048	24.2%	3,780	0.2%
Other current assets	4,339	240	NMF	1,694	156.1%
Current income tax prepayments	62	735	-91.6%	1,256	-95.1%
Total current assets	109,561	66,207	65.5%	78,717	39.2%
Property, plant and equipment	489,509	335,877	45.7%	410,835	19.1%
Investment Property	11,286	18,728	-39.7%	18,371	-38.6%
Intangible assets	2,222	1,383	60.7%	1,170	89.9%
Restructured trade receivables	133	307	-56.7%	141	-5.7%
Restricted Cash	7,657	5,094	50.3%	11,449	-33.1%
Other non-current assets	44,118	1,757	NMF	25,127	75.6%
Total non-current assets	554,925	363,146	52.8%	467,093	18.8%
Total assets	664,486	429,353	54.8%	545,810	21.7%
Current borrowings	3,832	22,617	-83.1%	62,498	-93.9%
Trade and other payables	33,618	25,625	31.2%	22,887	46.9%
Provisions for liabilities and charges	3,102	706	NMF	803	NMF
Other taxes payable	391	7,101	-94.5%	4,119	-90.5%
Total current liabilities	40,943	56,049	-27.0%	90,307	-54.7%
Long term borrowings	308,373	83,651	NMF	122,624	151.5%
Deferred income	20,753	-	NMF	18,290	13.5%
Total non-current liabilities	329,126	83,651	NMF	140,914	133.6%
Total liabilities	370,069	139,700	NMF	231,221	60.0%
Share capital	17,561	8,070	117.6%	15,873	10.6%
Additional paid-in-capital	(2,837)	(588)	NMF	1,623	NMF
Retained earnings	87,229	96,564	-9.7%	106,968	-18.5%
Other reserve	182,338	182,417	0.0%	181,735	0.3%
Total equity attributable to shareholders of the Group	284,291	286,463	-0.8%	306,199	-7.2%
Non-controlling interest	10,126	3,190	NMF	8,390	20.7%
Total equity	294,417	289,653	1.6%	314,589	-6.4%
Total liabilities and equity	664,486	429,353	54.8%	545,810	21.7%

Prior to 2Q17, GGU's standalone results excluded the Group's renewable energy business results due to its absence from GGU's legal structure and insignificant size. Effective from 2Q17, we are reporting GGU results on a pro-forma basis together with renewable energy business and have retrospectively revised the comparable information accordingly.

GGU FINANCIAL HIGHLIGHTS

Cash flow

<i>GEL thousands; unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	4Q17	Change q-o-q	2017	2016	Change y-o-y
Cash received from customers	44,768	41,042	9.1%	42,950	4.2%	153,937	139,886	10.0%
Cash paid to suppliers	(11,387)	(7,882)	44.5%	(12,901)	-11.7%	(46,069)	(46,106)	-0.1%
Cash paid to employees	(3,265)	(6,241)	-47.7%	(4,565)	-28.5%	(16,737)	(18,608)	-10.1%
Interest received	800	30	NMF	223	NMF	1,593	216	NMF
Interest paid	(4,486)	(2,653)	69.1%	(3,078)	45.7%	(12,831)	(10,388)	23.5%
Taxes paid	2,256	(2,072)	NMF	(2,944)	NMF	(6,272)	(11,087)	-43.4%
Restricted cash in Bank	(1,362)	(2,729)	-50.1%	-	NMF	-	(2,355)	NMF
Cash flow from operating activities	27,324	19,495	40.2%	19,685	38.8%	73,621	51,558	42.8%
Maintenance capex	(3,068)	(8,803)	-65.1%	(5,934)	-48.3%	(23,203)	(22,432)	3.4%
Operating cash flow after maintenance capex	24,256	10,692	126.9%	13,751	76.4%	50,418	29,126	73.1%
Purchase of PPE and intangible assets	(86,947)	(12,349)	NMF	(56,777)	53.1%	(190,169)	(35,552)	NMF
Restricted cash in Bank	5,876	-	NMF	3,974	47.9%	(2,399)	-	NMF
Total cash used in investing activities	(81,071)	(12,349)	NMF	(52,803)	53.5%	(192,568)	(35,552)	NMF
Proceeds from borrowings	226,572	27,341	NMF	19,462	NMF	314,284	45,226	NMF
Repayment of borrowings	(107,616)	(6,565)	NMF	(6,227)	NMF	(122,837)	(14,032)	NMF
Contributions under share-based payment plan	(2,596)	-	NMF	(2,345)	10.7%	(4,941)	-	NMF
Dividends paid	(28,244)	151	NMF	-	NMF	(28,244)	(13,008)	117.1%
Capital increase	2,653	2,394	10.8%	4,315	-38.5%	16,801	7,331	129.2%
Total cash flow from financing activities	90,769	23,321	NMF	15,205	NMF	175,063	25,517	NMF
Effect of exchange rates changes on cash	5,650	1,004	NMF	295	NMF	4,969	(69)	NMF
Total cash inflow/(outflow)	39,604	22,668	74.7%	(23,552)	NMF	37,882	19,022	99.1%
Cash balance								
Cash, beginning balance	30,657	9,711	NMF	54,209	-43.4%	32,379	13,357	142.4%
Cash, ending balance	70,261	32,379	117.0%	30,657	129.2%	70,261	32,379	117.0%

Prior to 2Q17, GGU's standalone results excluded the Group's renewable energy business results due to its absence from GGU's legal structure and insignificant size. Effective from 2Q17, we are reporting GGU results on a pro-forma basis together with renewable energy business and have retrospectively revised the comparable information accordingly.

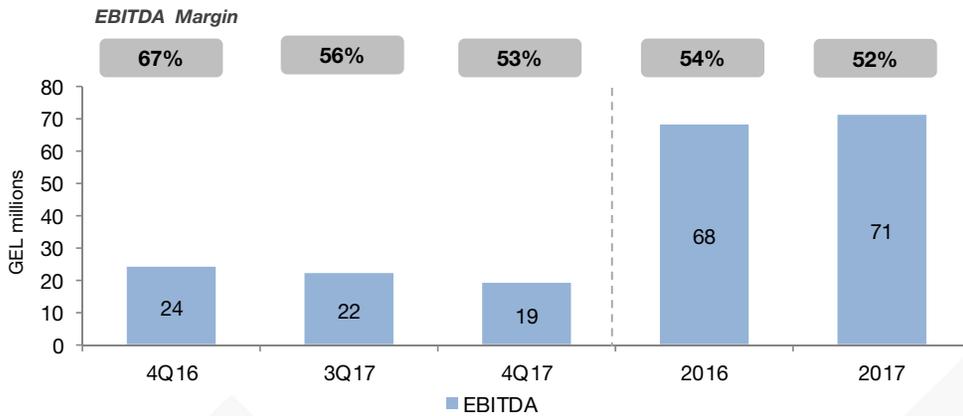
GGU BUSINESS OVERVIEW

Key Segments	Utility	Energy
Key Facts	<ul style="list-style-type: none"> ▪ Largest privately owned water utility company in Georgia with network for water supply and sanitation services - pumping stations, reservoirs, collectors, wastewater treatment plant and complementary infrastructural elements ▪ Supplier of more than 1/3 of the population with WSS services ▪ Company operates c.3,150km of water supply and c.2,000km of wastewater pipeline network ▪ Around 560mln m³ of potable water is supplied ▪ 374 sampling points for water quality measurement ▪ Transparent tariff methodology in line with international best practices and increased WACC starting from 2018 (15.99% from previous 13.54%) 	<ul style="list-style-type: none"> ▪ 3 HPPs under ownership and one under management with capacity of 149.3MW ▪ Generated power is primarily used by GGU's water business ▪ The excess amount of generated power is sold to the third party clients ▪ Investing in additional capacity for electricity generation with the goal to establish a renewable energy platform ▪ Cheap to develop – Up to US\$1.5mln for 1MW hydro and up to US\$1.3mln for wind development in Georgia ▪ Strategic partnership with RP Global (Austria) – Independent Power Producer with 30 years experience of developing, building, owning and operating renewable power plants globally
Current Standing	<p>REVENUE YE17: GEL 125.2mln EBITDA YE17: GEL 61.9mln c.70% water losses</p>	<p>REVENUE YE17: GEL 14.1mln EBITDA YE17: GEL 9.0mln 149.3MW existing capacity</p>
Strong track record	<ul style="list-style-type: none"> ▪ Management team with extensive experience in utility business ▪ “BB-” rating affirmed by Fitch Ratings to major subsidiary of GGU – Georgian Water and Power in 2016 (currently Georgia’s sovereign rating is “BB-” and the country ceiling is BB by Fitch) ▪ Several bond placements through Georgian Water and Power in 2015-2017, first utility company in Georgia to issue local currency bonds ▪ Long-term financing obtained from international financial institutions (EIB, FMO, DEG) in the total amount of up to EUR 81.5mln through Georgian Water and Power in 3Q17 to finance capital expenditures increasing efficiency. Around 40% of total financing denominated in local currency (remaining part – in Euro) ▪ New WSS tariffs set by GNERC for a 3-year regulatory period. The WSS tariffs in Tbilisi have increased by 23.8% for residential customers and decreased by 0.4% for legal entities, serving as a first step towards gradually unifying WSS tariffs. Increased tariff allows GGU to further continue investment in its infrastructure and gain efficiencies 	

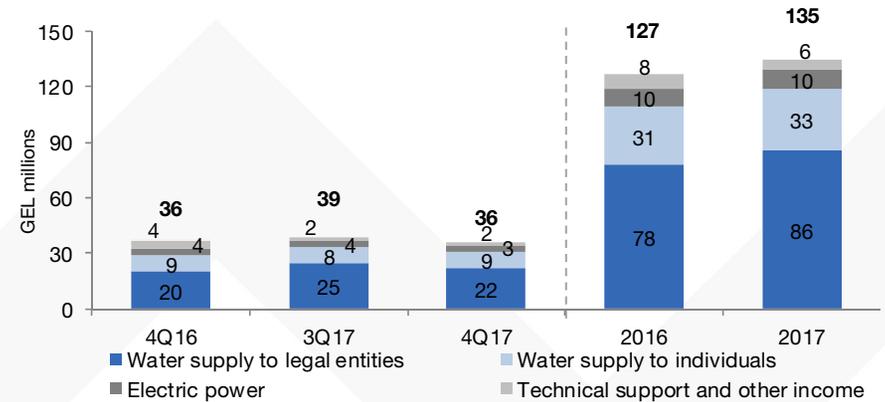
GGU PERFORMANCE HIGHLIGHTS

Strong performance

EBITDA

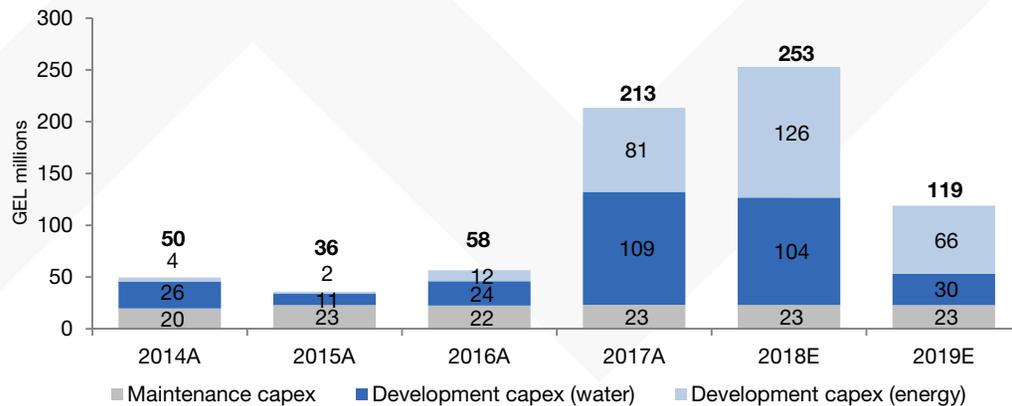


Revenue composition

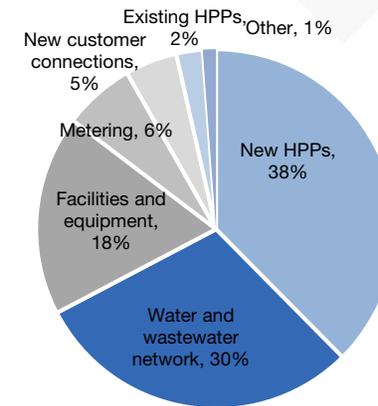


Capex

Capex¹ evolution 2014-2019E

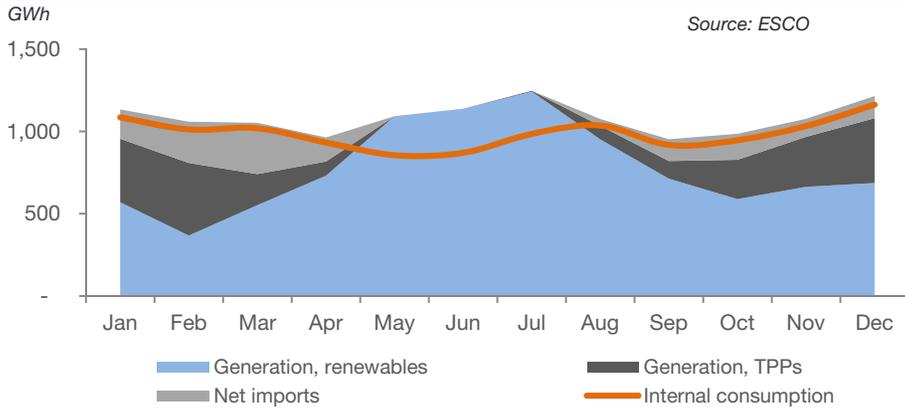


2017 Capex breakdown



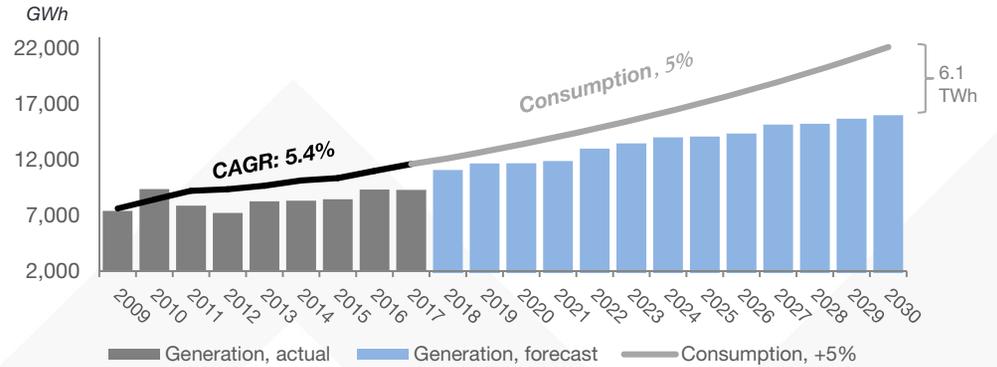
GGU - GEORGIAN ELECTRICITY MARKET OVERVIEW

Electricity supply and consumption, 2017



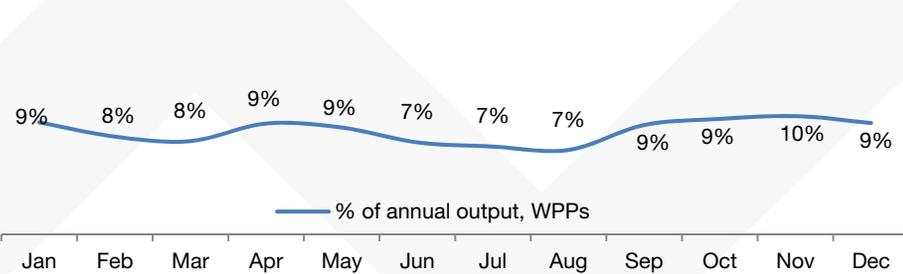
- Electricity deficit during Sep-Apr
- 8-month PPA policy in place
- 18.8% of total consumption produced by gas-fired TPPs, 12.6% - imported (2017 data)

Actual and forecasted consumption



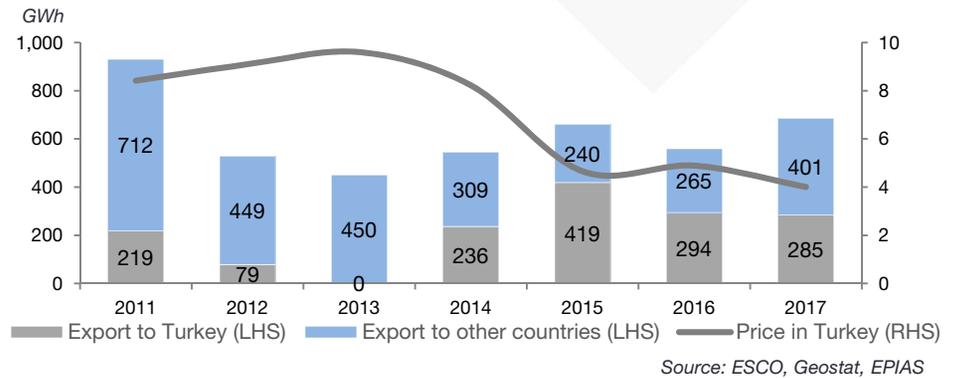
- 8% growth of internal consumption in 2017 (10% and 14% growth in Jul & Aug respectively)
- Consumption growth forecasted at 5% CAGR in coming 15 years
- Anticipated deficit of 6.1TWh by 2030

Distribution of windfarms annual generation¹



- Compared to HPPs, wind power plants (WPPs) have more even distribution throughout the year, adding more portion of output to domestic supply deficit
- Merchant risk is c. 30% in May-Aug, as opposed to 48% on average in run-of-river HPPs

Electricity exports and prices, 2011-2017



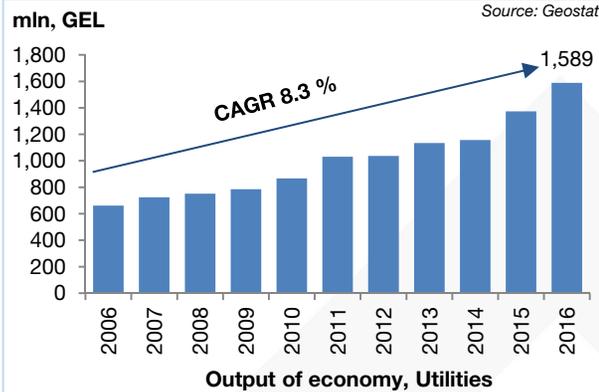
- Decreasing trend of electricity exports to Turkey since 2015 due to increased internal consumption

1. Based on preliminary measurement of GGU windfarm locations

GGU - GEORGIAN WATER SUPPLY AND SANITATION MARKET OVERVIEW

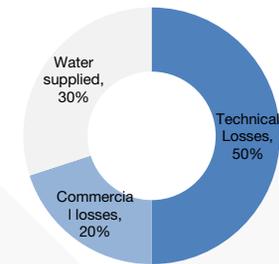
Largely privatised utility sector - high barriers to entry; reforms in progress for approximating the sector with the EU regulations

- Utilities sector represents ~3% of total economic output in Georgia and is constantly growing at a sustainable rate (CAGR 8.3% in 2006 – 2016)
- Bulk of sector players are natural monopolies and the barriers to entry are high
- Large part of the industry is privatized, except for the fraction of WSS utilities and irrigation
- Reforms are in progress in utilities sector to approximate the sector with EU energy regulations in accordance to Georgia's undertaking under the Association Agreement with the EU



Main challenge – water losses

Water losses still remain to be the main challenge in the sector. In 2016, 70% of water supplied to the network was lost, about 4-5 times higher rate than that in the Western Europe
Goal: to reduce the technical water loss rate substantially in 3 years



Independent regulator that sets tariffs, manages licenses, mediates disputes and imposes sanctions

- Georgian National Energy and Water Supply Regulatory Commission (GNERC) is an independent body that regulates the utilities market
- GNERC is independent from the Government of Georgia and has no direct supervision from any state authorities and its independence is guaranteed by a legally mandated, self-sufficient revenue stream from the regulation fees paid by utility market participants (0.3% of the utility revenues)
- The sector is regulated by the set of laws, by-laws and government decrees on tariff setting, utilities (*water, electricity, natural gas*) market rules, grid / network codes, legislation on licensing, resource extraction and environmental accountability

Elements of regulatory discretion

	GNERC	MoESD	MRDI	MEPA	NFA
Regulatory provisions and by-laws	[Bar]				
Environmental safety and sustainability	[Bar]				
Recovery of surface and underground waters		[Bar]			
WSS infrastructure planning and development			[Bar]		
WSS service licensing and regulation	[Bar]			[Bar]	
WSS services economic regulation	[Bar]				
Drinking water quality control					[Bar]
Dispute resolution	[Bar]				

MRDI – Ministry of Regional Development and Infrastructure
MoESD – Ministry of Economic and Sustainable Development
MEPA - Ministry of Environmental protection and agriculture
NFA – National Food Agency

GGU - A PRIVATELY-OWNED NATURAL MONOPOLY

Business strategy

1 UTILITY

CURRENT STANDING

REVENUE 2017: GEL 125.2mln
EBITDA 2017: GEL 61.9mln

MEDIUM TERM GOAL

EBITDA 2019: GEL 70mln+

TARGETING

DIVIDEND PROVIDER

2 ENERGY

REVENUE 2017: GEL 14.1mln
EBITDA 2017: GEL 9.0mln
149.3MW existing capacity

EBITDA 2019: GEL 45mln+

VALUE CREATION UPSIDE

IPO in 2-3 years time

Projects going forward and forecasted EBITDA

2017

Utility projects:

Infrastructure rehabilitation and development projects in 2017-2019. Investment of c. GEL 300mln

Energy projects:

50 MW HPP (Svaneti Hydro)
Status – Under construction
Project cost – US\$ 62.7mln
Completion – by the end of 2018

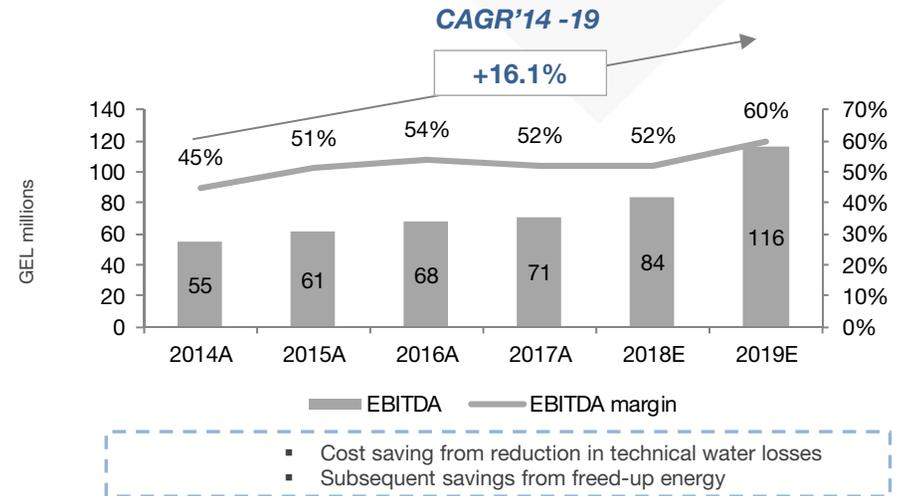
2018

44.3 MW HPP (Zoti Hydro)

Status – Under development
Project cost – c.US\$ 60mln
Completion – by the end of 2020

Up to 2023 in the pipeline

Hydro: Capacity – 100MW
Project cost per MW US\$ 1.2 - 1.5mln
Wind: Capacity – 100MW
Project cost per MW: up to US\$ 1.3mln
Solar: Capacity – 50MW
Project cost per MW: up to US\$ 1.1mln



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ALDAGI FINANCIAL HIGHLIGHTS

Income Statement

<i>GEL thousands, unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Gross premiums written	17,962	16,664	7.8%	21,322	-15.8%	88,474	75,379	17.4%
Earned premiums, gross	21,891	18,638	17.5%	24,610	-11.0%	85,922	70,937	21.1%
Earned premiums, net	16,578	13,811	20.0%	16,707	-0.8%	62,770	50,390	24.6%
Insurance claims expenses, gross	(13,452)	(6,848)	96.4%	(8,088)	66.3%	(40,652)	(25,227)	61.1%
Insurance claims expenses, net	(7,207)	(5,113)	41.0%	(6,348)	13.5%	(25,098)	(17,858)	40.5%
Acquisition costs, net	(2,662)	(2,221)	19.9%	(2,845)	-6.4%	(9,100)	(6,744)	34.9%
Net underwriting profit	6,709	6,477	3.6%	7,514	-10.7%	28,572	25,788	10.8%
Investment income	814	761	7.0%	786	3.6%	2,965	3,118	-4.9%
Net Fee and commission income	142	128	10.9%	171	-17.0%	525	436	20.4%
Net investment profit	956	889	7.5%	957	-0.1%	3,490	3,554	-1.8%
Salaries and other employee benefits	(2,258)	(2,170)	4.1%	(2,304)	-2.0%	(8,701)	(7,907)	10.0%
Selling, general and administrative expenses	(830)	(1,007)	-17.6%	(876)	-5.3%	(3,263)	(3,201)	1.9%
Depreciation & Amortisation	(135)	(202)	-33.2%	(245)	-44.9%	(855)	(774)	10.5%
Impairment charges	(82)	(265)	-69.1%	(157)	-47.8%	(671)	(808)	-17.0%
Net other operating income	163	225	-27.6%	144	13.2%	495	698	-29.1%
Operating profit	4,523	3,947	14.6%	5,033	-10.1%	19,067	17,350	9.9%
Foreign exchange gain / (loss)	452	809	-44.1%	327	38.2%	208	(294)	NMF
Pre-tax profit	4,975	4,756	4.6%	5,360	-7.2%	19,275	17,056	13.0%
Income tax expense	(806)	(952)	-15.3%	(819)	-1.6%	(2,975)	(3,318)	-10.3%
Net profit	4,169	3,804	9.6%	4,541	-8.2%	16,300	13,738	18.6%

ALDAGI FINANCIAL HIGHLIGHTS

Balance sheet

<i>GEL thousands, unless otherwise noted</i>	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Cash and cash equivalents	4,186	4,349	-3.7%	4,200	-0.3%
Amounts due from credit institutions	25,968	24,928	4.2%	24,989	3.9%
Investment securities: available-for-sale	4,180	3,389	23.3%	4,344	-3.8%
Insurance premiums receivable, net	28,491	22,997	23.9%	27,500	3.6%
Ceded share of technical provisions	20,671	13,161	57.1%	21,219	-2.6%
Premises and equipment, net	10,627	8,717	21.9%	9,309	14.2%
Intangible assets, net	1,272	1,409	-9.7%	1,363	-6.7%
Goodwill	13,051	13,051	0.0%	13,051	0.0%
Deferred acquisition costs	3,047	1,611	89.1%	1,906	59.9%
Pension fund assets	18,536	16,441	12.7%	17,808	4.1%
Other assets	5,129	4,867	5.4%	5,521	-7.1%
Total assets	135,158	114,920	17.6%	131,210	3.0%
Gross technical provisions	50,272	41,542	21.0%	52,567	-4.4%
Other insurance liabilities	11,147	8,612	29.4%	10,751	3.7%
Current income tax liabilities	30	1,273	-97.6%	110	-72.7%
Pension benefit obligations	18,536	16,441	12.7%	17,808	4.1%
Other Liabilities	6,426	7,611	-15.6%	5,395	19.1%
Total liabilities	86,411	75,479	14.5%	86,631	-0.3%
Share Capital	1,889	1,889	0.0%	1,889	0.0%
Additional paid-in capital	5,405	5,405	0.0%	5,405	0.0%
Retained earnings	25,153	18,409	36.6%	25,153	0.0%
Net profit	16,300	13,738	18.6%	12,132	34.4%
Total equity	48,747	39,441	23.6%	44,579	9.3%
Total liabilities and equity	135,158	114,920	17.6%	131,210	3.0%

ALDAGI FINANCIAL HIGHLIGHTS

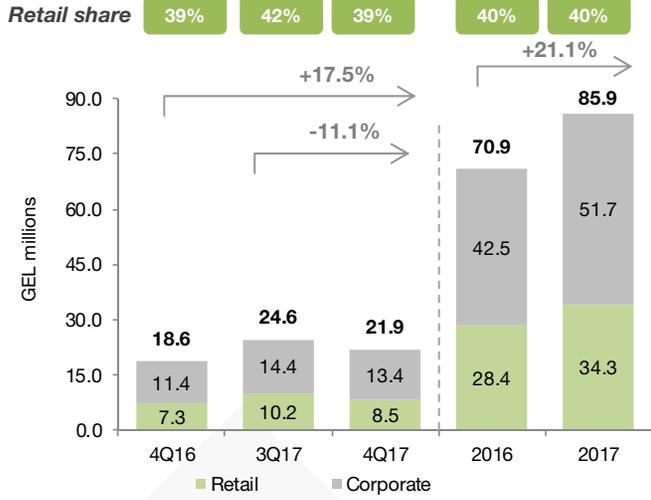
Cash flow

<i>GEL thousands; unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Cash flows from operating activities								
Insurance premium received	21,107	17,294	22.0%	20,007	5.5%	77,289	65,729	17.6%
Reinsurance premium paid	(2,952)	(3,039)	-2.9%	(7,189)	-58.9%	(15,796)	(14,346)	10.1%
Insurance benefits and claims paid	(11,910)	(6,779)	75.7%	(6,635)	79.5%	(32,896)	(25,031)	31.4%
Reinsurance claims received	1,616	496	NMF	1,037	55.9%	8,233	5,999	37.2%
Acquisition costs paid	(2,326)	(2,003)	16.1%	(1,805)	28.9%	(7,192)	(5,832)	23.3%
Salaries and benefits paid	(2,253)	(1,895)	18.9%	(2,201)	2.4%	(11,478)	(9,356)	22.7%
Interest received	158	462	-65.8%	637	-75.2%	2,035	1,334	52.5%
Net other operating expenses paid	(952)	(943)	1.0%	(981)	-2.9%	(3,624)	(2,464)	47.1%
Net cash flows from operating activities before income tax	2,489	3,594	-30.7%	2,870	-13.3%	16,571	16,034	3.3%
Income tax paid	(652)	(340)	91.8%	(1,304)	-50.0%	(3,884)	(2,129)	82.5%
Net cash flows from operating activities	1,837	3,254	-43.6%	1,566	17.3%	12,687	13,905	-8.8%
Cash flows from (used in) investing activities								
Purchase of property and equipment	(1,387)	(148)	NMF	(728)	90.5%	(2,421)	(1,040)	132.8%
Purchase of intangible assets	(50)	(38)	31.2%	(181)	-72.3%	(425)	(455)	-6.4%
Loan Issued	-	-	-	-	-	(100)	-	NMF
Proceeds from repayment of loan issued	-	-	-	-	-	-	1,901	NMF
Proceeds from / (placement of) bank deposits	(890)	(1,283)	-30.6%	(699)	27.4%	(211)	(4,833)	-95.6%
Purchase of available-for-sale assets	505	-	-	342	47.7%	(2,443)	(530)	NMF
Net cash flows from used in investing activities	(1,822)	(1,469)	24.0%	(1,266)	43.9%	(5,601)	(4,957)	-53.2%
Cash flows from financing activities								
Dividend Paid	-	-	-	-	-	(7,000)	(7,000)	-
Net cash flows from financing activities	-	-	-	-	-	(7,000)	(7,000)	-
Effect of exchange rates changes on cash and cash equivalents	(29)	37	NMF	-	NMF	(248)	22	NMF
Net decrease/(increase) in cash and cash equivalents	(14)	1,822	-100.8%	300	-104.7%	(162)	1,970	-108.2%
Cash and cash equivalents, beginning	4,201	2,527	66.2%	3,900	7.7%	4,349	2,379	82.8%
Cash and cash equivalents, ending	4,186	4,349	-3.7%	4,200	-0.3%	4,186	4,349	-3.7%

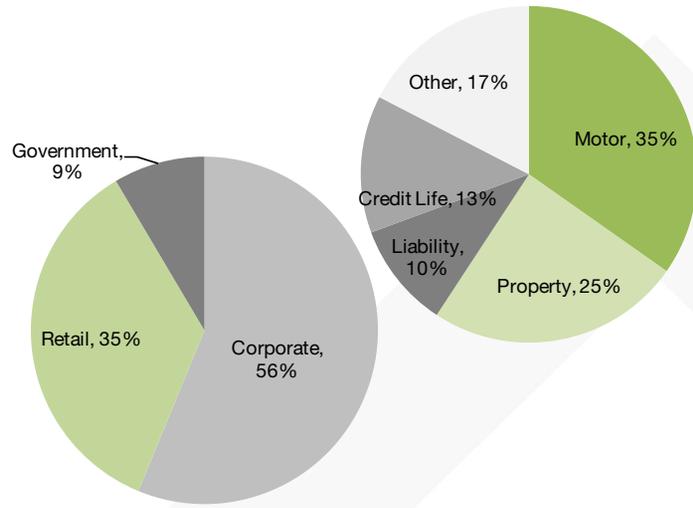
ALDAGI PERFORMANCE HIGHLIGHTS

Strong P&L performance

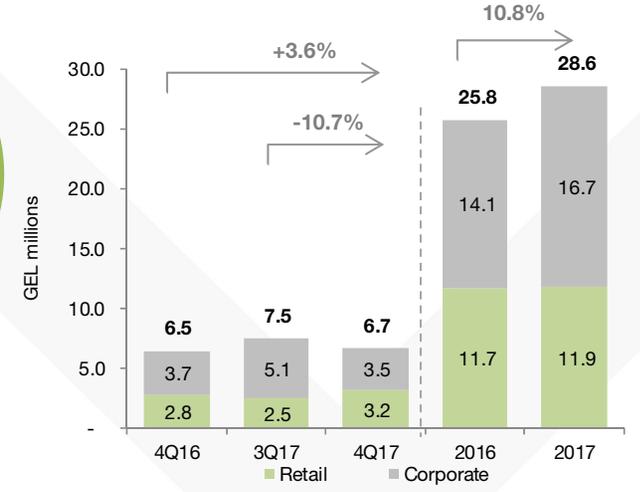
Earned premiums, gross



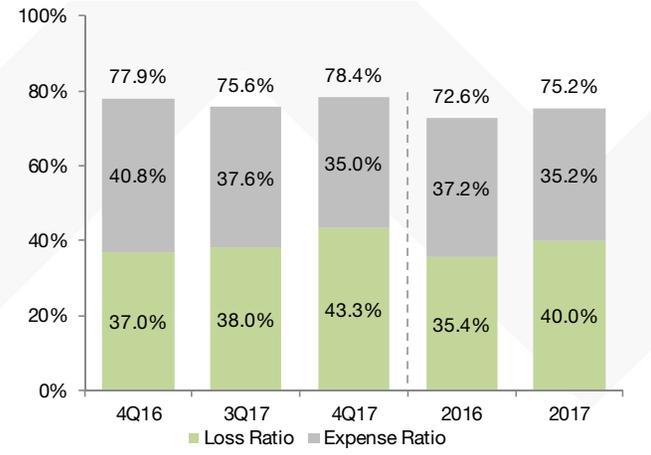
Earned premiums, gross | Composition



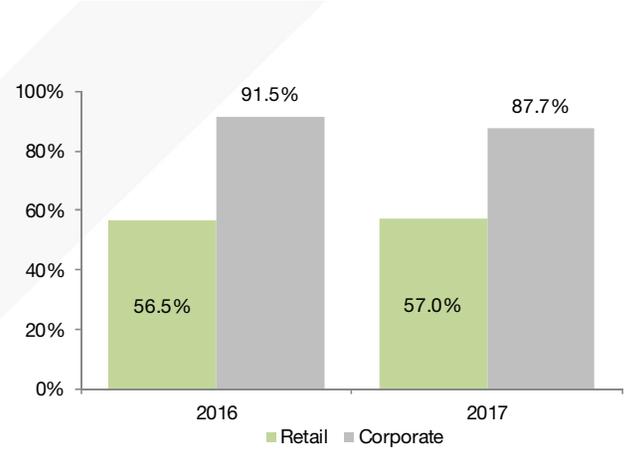
Net underwriting profit



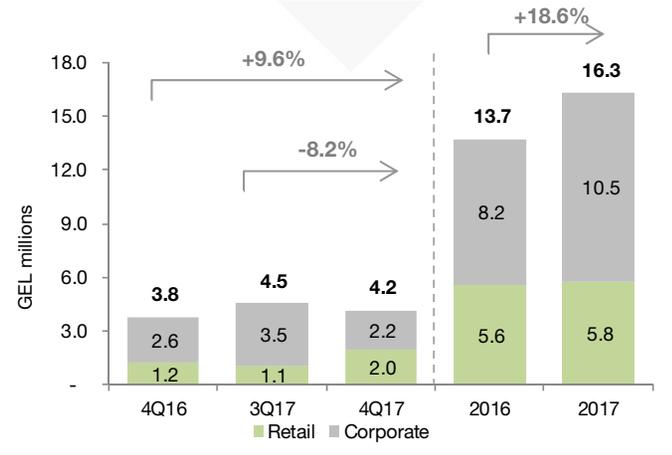
Combined ratio



Renewal ratio



Profit



ALDAGI BUSINESS OVERVIEW

Well-diversified business model

		Motor	Property	Credit Life	Liability	Other
Key Segments		Motor own damage, motor third party liability insurance	CAR ⁽²⁾ , Commercial property, Household Property, Machinery breakdowns insurance	Loan-linked life insurance	Financial risk, employer's liability, professional indemnity, GTPL ⁽³⁾ , FFL ⁽⁴⁾ , Household GTPL, Product liability insurance	Cargo, CPM ⁽⁵⁾ , Livestock, BBB ⁽⁶⁾ , D&O ⁽⁷⁾ , Agro insurance
Market Size⁽¹⁾ (2016)		GEL 65mln	GEL 57mln	GEL 26mln	GEL 27mln	GEL 28mln
Aldagi market share (by earned premiums, gross)		37%	37%	28%	38%	29%
# of Clients		Corporate - 1,097 Retail - 22,552	Corporate - 871 Retail - 11,450	Retail - 3 channels	Corporate - 511 Retail - 518	Corporate - 238 Retail - 13,078
Financials 2017	Earned Premiums, gross GEL 85.9mln	<p>2014-2017 CAGR 19% C: GEL 15.0 mln R: GEL 15.0 mln</p>	<p>2014-2017 CAGR 2% C: GEL 17.6 mln R: GEL 3.4 mln</p>	<p>2014-2017 CAGR 34% GEL 8.7 mln</p>	<p>2014-2017 CAGR 26% C: GEL 10.8 mln R: GEL 0.5 mln</p>	<p>2014-2017 CAGR 52% C: GEL 8.3 mln R: GEL 6.7 mln</p>
	Underwriting profit, net GEL 28.6mln	<p>2014-2017 CAGR 3% C: GEL 3.8 mln R: GEL 2.9 mln</p>	<p>2014-2017 CAGR 16% C: GEL 4.6 mln R: GEL 2.5 mln</p>	<p>2014-2017 CAGR 27% R: GEL 5.1 mln</p>	<p>2014-2017 CAGR 29% C: GEL 4.9 mln R: GEL 0.3 mln</p>	<p>2014-2017 CAGR 39% C: GEL 3.3 mln R: GEL 1.1 mln</p>
	Net profit GEL 16.3mln	<p>2014-2017 CAGR 4% C: GEL 1.9 mln R: GEL 0.1 mln</p>	<p>2014-2017 CAGR 19% C: GEL 2.6 mln R: GEL 1.5 mln</p>	<p>2014-2017 CAGR 31% R: GEL 3.6 mln</p>	<p>2014-2017 CAGR 41% C: GEL 3.4 mln R: GEL 0.2 mln</p>	<p>2014-2017 CAGR 60% C: GEL 2.5 mln R: GEL 0.3 mln</p>
Combined ratio: 75%		Corporate - 86% Retail - 99%	Corporate - 65% Retail - 57%	Retail - 55%	Corporate - 49% Retail - 60%	Corporate - 54% Retail - 89%

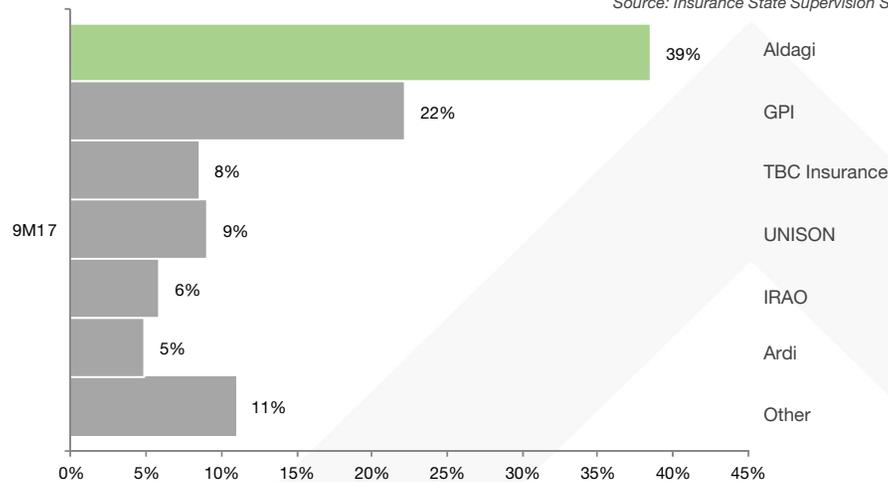
■ Corporate
■ Retail

ALDAGI - INSURANCE MARKET OVERVIEW

Georgian insurance market

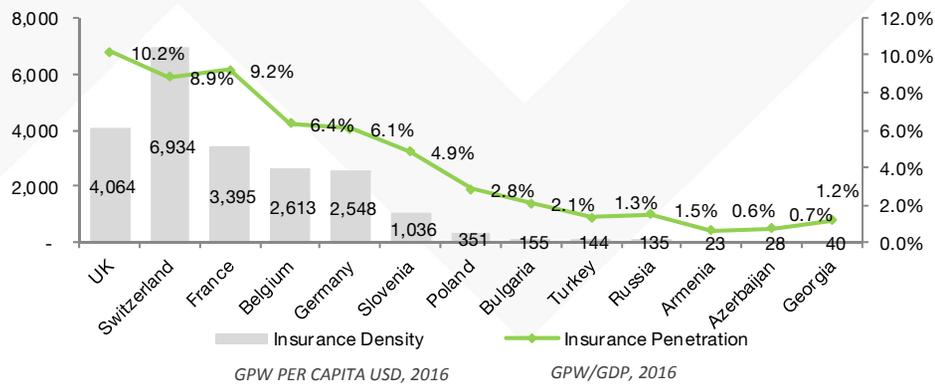
Market shares | Earned premiums, gross

Source: Insurance State Supervision Service of Georgia



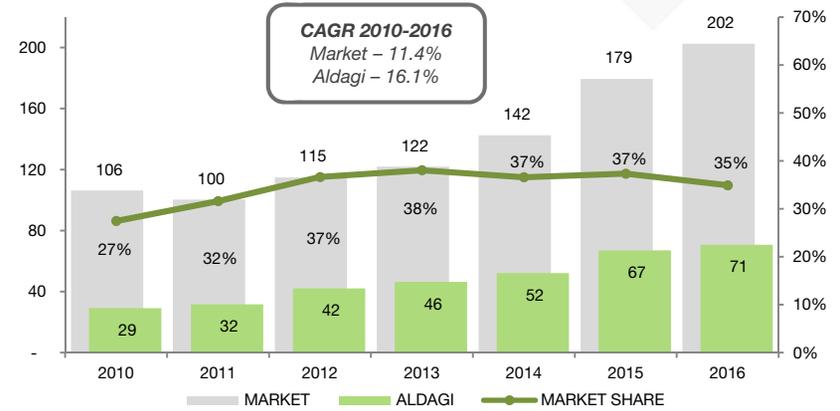
Insurance penetration & density

Source: Swiss Re Institute; Xprimm



Market & Aldagi Revenue

Source: Insurance State Supervision Service of Georgia



STRATEGIC TARGETS

c.16

MLN GEL

2017

Aldagi Profit

50

MLN GEL

2022

Retail | Penetration

SME | Penetration **Zero**

Corporate | ↑



3 BUSINESS DIRECTIONS

- No mandatory lines, border & local MTPL, also GTPL mandatory insurance to be introduced
- Develop simple products for mass retail
- Digitalization of all processes
- More partnership with financial institutions after demerger

- Underpenetrated market
- Developing tailored products
- Digital portal for SME

- Good investment climate
- Stable economic growth
- Increase in infrastructural projects

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TELIANI FINANCIAL HIGHLIGHTS

Income Statement***

<i>GEL thousands; unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Wine Business	8,193	6,013	36.3%	6,470	26.6%	24,297	17,675	37.5%
Beer Business*	5,280	-	NMF	11,156	-52.7%	19,002	-	NMF
Distribution Business**	5,967	3,308	80.4%	3,849	55.0%	17,031	12,118	40.5%
Revenue	19,440	9,321	108.6%	21,475	-9.5%	60,330	29,793	102.5%
Wine Business	(3,802)	(2,639)	44.1%	(1,866)	103.8%	(9,811)	(7,712)	27.2%
Beer Business*	(1,355)	-	NMF	(6,277)	-78.4%	(9,034)	-	NMF
Distribution Business**	(4,228)	(2,188)	93.2%	(2,533)	66.9%	(11,899)	(7,661)	55.3%
COGS	(9,385)	(4,827)	94.4%	(10,676)	-12.1%	(30,744)	(15,373)	100.0%
Gross Profit	10,055	4,494	123.7%	10,799	-6.9%	29,586	14,420	105.2%
<i>Gross Profit Margin</i>	<i>51.7%</i>	<i>48.2%</i>		<i>50.3%</i>		<i>49.0%</i>	<i>48.4%</i>	
Salaries and other employee benefits	(2,297)	(1,063)	116.1%	(2,787)	-17.6%	(7,784)	(3,531)	120.4%
Sales and marketing expenses	(3,183)	(1,187)	168.2%	(2,667)	19.3%	(9,777)	(4,375)	123.5%
General and administrative expenses	(2,320)	253	NMF	(1,613)	43.8%	(6,348)	(1,559)	NMF
Distribution expenses	(2,303)	(944)	144.0%	(1,266)	81.9%	(4,125)	(1,292)	NMF
Other operating expenses	94	(624)	-115.1%	(69)	NMF	25	(624)	-104.0%
EBITDA	46	929	-95.0%	2,397	-98.1%	1,577	3,039	-48.1%
Net foreign currency loss	(4,497)	(2,194)	105.0%	(2,761)	62.9%	(7,092)	(1,043)	NMF
Depreciation and amortisation	(3,319)	(403)	NMF	(1,697)	95.6%	(6,370)	(1,539)	NMF
Interest expense	(1,939)	(204)	NMF	(780)	148.6%	(3,323)	(886)	NMF
Interest income	44	74	-40.5%	71	-38.0%	189	99	90.9%
Net operating income before non-recurring items	(9,665)	(1,798)	NMF	(2,770)	NMF	(15,019)	(330)	NMF
Net non-recurring items	121	84	44.0%	708	-82.9%	700	(64)	NMF
Profit before income tax	(9,544)	(1,714)	NMF	(2,062)	NMF	(14,319)	(394)	NMF
Income tax (expense)/benefit	(169)	(14)	NMF	(30)	NMF	(235)	41	NMF
Loss	(9,713)	(1,728)	NMF	(2,092)	NMF	(14,554)	(353)	NMF

* Beer segment results include revenue and cost of goods sold from lemonade production

** Distribution segment results include revenue and cost of goods sold from distribution of 'Lavazza' coffee line

*** The results are presented excluding the IFRS 15 impact due to comparability purposes

TELIANI FINANCIAL HIGHLIGHTS

Balance sheet

GEL thousands, unless otherwise noted

	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Cash and cash equivalents	17,454	2,399	NMF	10,815	61.4%
Amounts due from credit institutions	4,400	17,034	-74.2%	4,302	2.3%
Trade and other receivables	12,181	6,755	80.3%	12,026	1.3%
Inventory	17,455	8,426	107.2%	20,423	-14.5%
PPE and intangible assets, net	104,535	68,355	52.9%	101,625	2.9%
Goodwill	2,836	-	NMF	2,836	-
Prepayments and other assets	4,460	4,851	-8.1%	4,577	-2.6%
Total assets	163,321	107,820	51.5%	156,604	4.3%
Trade and other payables	14,478	18,116	-20.1%	14,004	3.4%
Borrowings	71,430	46,223	54.5%	67,816	5.3%
Short Term Borrowings	10,727	38,612	-72.2%	8,848	21.2%
Long Term Borrowings	60,703	7,611	NMF	58,968	2.9%
Other liabilities	1,709	1,048	63.1%	1,796	-4.8%
Total liabilities	87,617	65,387	34.0%	83,616	4.8%
Share capital	5,200	2,771	87.7%	4,522	15.0%
Additional paid-in capital	84,465	38,846	117.4%	72,933	15.8%
Retained earnings	(12,187)	2,556	NMF	(2,686)	NMF
Revaluation and other reserves	(1,774)	(1,740)	2.0%	(1,781)	-0.4%
Total equity	75,704	42,433	78.4%	72,988	3.7%
Total liabilities and equity	163,321	107,820	51.5%	156,604	4.3%

TELIANI TARGETS & PRIORITIES (BEVERAGE BUSINESS)

Goal	Become leading beverages producer and distributor in Caucasus		
Business Segments	Wine business	Distribution business	Beer production business
			
	<ul style="list-style-type: none"> • c. 3.5 million bottles sold annually • GEL 24.3* mln revenue in 2017 • GEL 5.5* mln EBITDA in 2017 • 68%* of sales from export 	<ul style="list-style-type: none"> • C.5,000 sales points • New distribution lines – "LAVAZZA" coffee & Sparkling wine "BAGRATIONI 1882" • Exporting wine to 14 countries, including all FSU, Poland, Sweden, USA, Canada, China 	<ul style="list-style-type: none"> • Launched mainstream beer and lemonade production under ICY and Berika brands in June and August 2017, respectively • Beer and Lemonade sales amounted to GEL 17.5* mln and GEL 1.5* mln in 2017, respectively • C.6,700 sales points as of year end 2017 • 10 year exclusivity with Heineken to produce beer to be sold in Georgia, Armenia and Azerbaijan (c.17mln population)
	<ul style="list-style-type: none"> • Local market – market leader with 35% market share in premium HoReCa and modern trade segment based on bottle wine sales • Export sales – c.12% market share of exported wine from Georgia, excluding Russia 	<ul style="list-style-type: none"> • Wine distribution – market leader • Other products distribution – second largest distributor on the market • Lavazza coffee distribution – market leader in ground coffee and in HoReCa distribution 	<ul style="list-style-type: none"> • Local production – 12.4% market share at the end of 2017 since mainstream beer "ICY" launch in June'17 • Imported beer – 17% market share of the super premium beer market • Heineken is a highest equity valued brand in Georgia - 8.4 (out of 10)
<p>Priorities for 2018</p>	<ul style="list-style-type: none"> • Grow in line with market locally • Enhance exports 	<ul style="list-style-type: none"> • Enhance product portfolio, becoming the leading FMCG distributor in Georgia 	<ul style="list-style-type: none"> • Achieve 23% market share

Strategic sale

* The results are presented excluding the IFRS 15 impact

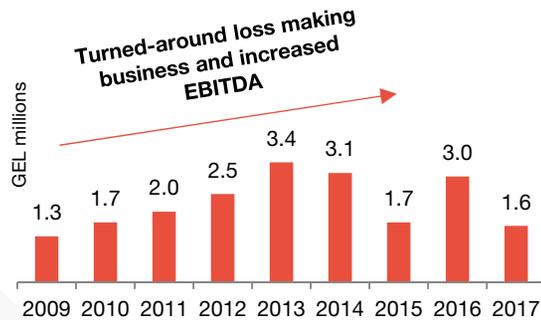
TELIANI - EXCLUSIVE HEINEKEN PRODUCER IN CAUCASUS

Investment Rationale

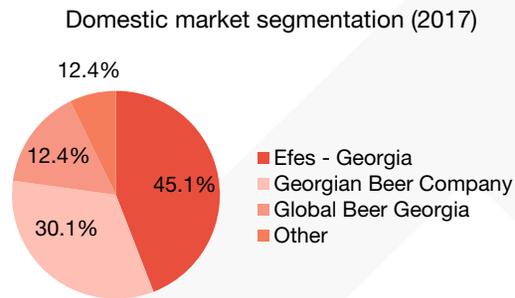


Exclusive Heineken producer in Caucasus

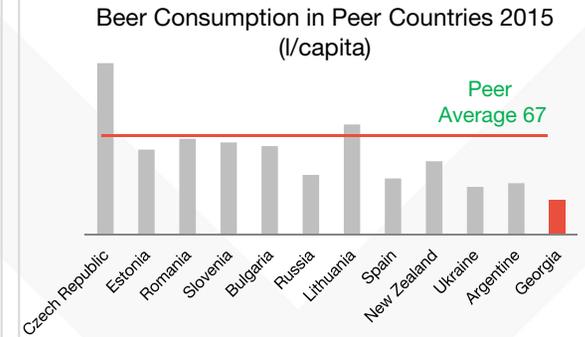
Strong management with proven track record



Highly concentrated market



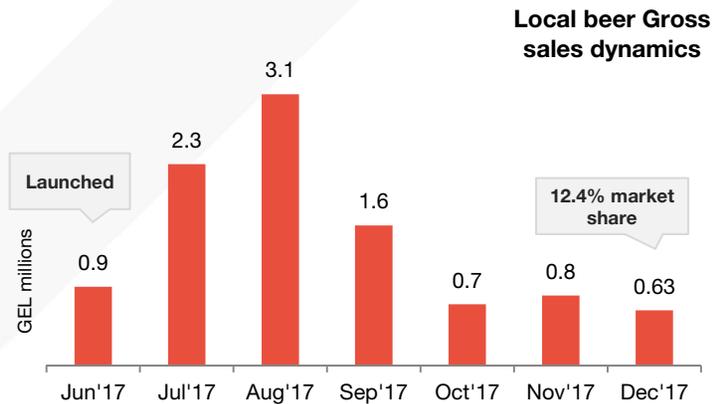
Low consumption per capita compared to peers



Financials

Strong performance of local beer brand

Local beer brand: ICY



Investment

Investment

- Total investment – \$ 49.3mln, of which \$ 29.5 mln is equity
- BGEO's investment – US\$ 23.3mln

Exit options

- Trade sale

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Income Statement

<i>GEL thousands; unless otherwise noted</i>	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
Revenue, gross	197,637	136,031	45.3%	179,065	10.4%	747,750	426,439	75.3%
Corrections & rebates	(349)	(790)	-55.8%	(407)	-14.3%	(2,039)	(2,686)	-24.1%
Revenue, net	197,288	135,241	45.9%	178,658	10.4%	745,711	423,753	76.0%
Revenue from healthcare services	68,094	66,814	1.9%	63,598	7.1%	263,357	243,453	8.2%
Revenue from pharmacy	121,367	56,586	114.5%	106,607	13.8%	450,315	133,002	NMF
Net insurance premiums earned	12,376	16,312	-24.1%	13,959	-11.3%	53,710	61,494	-12.7%
Eliminations	(4,549)	(4,471)	1.7%	(5,506)	-17.4%	(21,671)	(14,196)	52.7%
Costs of services	(134,252)	(89,626)	49.8%	(123,467)	8.7%	(517,712)	(277,735)	86.4%
Cost of healthcare services	(38,227)	(34,802)	9.8%	(36,916)	3.6%	(150,572)	(130,369)	15.5%
Cost of pharmacy	(90,743)	(44,498)	103.9%	(80,237)	13.1%	(340,210)	(105,472)	NMF
Cost of insurance services	(11,163)	(14,997)	-25.6%	(11,968)	-6.7%	(48,583)	(55,772)	-12.9%
Eliminations	5,882	4,671	25.9%	5,653	4.1%	21,653	13,878	56.0%
Gross profit	63,036	45,615	38.2%	55,191	14.2%	227,999	146,018	56.1%
Salaries and other employee benefits	(20,519)	(12,757)	60.8%	(18,759)	9.4%	(75,430)	(39,750)	89.8%
General and administrative expenses	(12,266)	(8,340)	47.1%	(11,600)	5.7%	(48,618)	(26,149)	85.9%
Impairment of receivables	(1,133)	56	NMF	(918)	23.4%	(4,175)	(2,332)	79.0%
Other operating income	1,761	(285)	NMF	2,200	-20.0%	8,372	240	NMF
EBITDA	30,879	24,289	27.1%	26,114	18.2%	108,148	78,027	38.6%
EBITDA healthcare services	18,341	21,538	-14.8%	16,616	10.4%	70,071	74,320	-5.7%
EBITDA pharmacy	12,430	3,394	NMF	8,817	41.0%	38,854	5,736	NMF
EBITDA insurance services	108	(643)	116.8%	681	NMF	(436)	(2,029)	-78.5%
Eliminations	-	-	-	-	-	(341)	-	NMF
<i>EBITDA Margin healthcare services</i>	<i>26.8%</i>	<i>31.9%</i>		<i>26.0%</i>		<i>26.4%</i>	<i>30.2%</i>	
<i>EBITDA Margin pharmacy</i>	<i>10.2%</i>	<i>6.0%</i>		<i>8.3%</i>		<i>8.6%</i>	<i>4.3%</i>	
Depreciation and amortisation	(6,967)	(5,316)	31.1%	(6,384)	9.1%	(25,704)	(19,577)	31.3%
Net interest expense	(8,303)	(4,773)	74.0%	(7,691)	8.0%	(30,941)	(13,736)	125.3%
Net (losses) from foreign currencies	(2,825)	(3,170)	-10.9%	(1,336)	NMF	(397)	(5,657)	NMF
Net non-recurring (expense)/ income	(638)	1,982	NMF	(872)	-26.8%	(4,780)	1,118	NMF
Profit before income tax expense	12,146	13,012	-6.7%	9,831	23.5%	46,326	40,175	15.3%
Income tax (expense)/ benefit	(187)	(6,682)	-97.2%	(92)	103.3%	(386)	21,156	NMF
<i>of which: Deferred tax adjustments</i>	<i>-</i>	<i>(5,319)</i>	<i>NMF</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>23,992</i>	<i>NMF</i>
Profit for the period	11,959	6,330	88.9%	9,739	22.8%	45,940	61,331	-25.1%
Attributable to:								
- shareholders of GHG	7,785	5,401	44.1%	6,261	24.3%	29,050	50,203	-42.1%
- non-controlling interests	4,174	929	349.3%	3,478	20.0%	16,890	11,128	51.8%
<i>of which: Deferred tax adjustments</i>	<i>-</i>	<i>(516)</i>	<i>NMF</i>	<i>-</i>	<i>NMF</i>	<i>-</i>	<i>4,541</i>	<i>NMF</i>

Balance Sheet

GEL thousands; unless otherwise noted

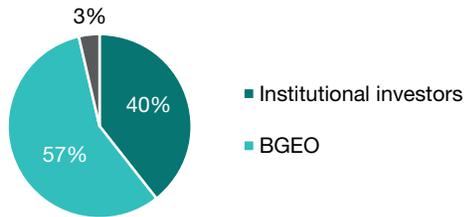
	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Total assets, of which:	1,167,800	915,357	27.6%	1,123,735	3.9%
Cash and bank deposits	63,608	47,115	35.0%	42,790	48.7%
Receivables from healthcare services	100,944	81,927	23.2%	99,387	1.6%
Receivables from sale of pharmaceuticals	19,798	4,925	NMF	20,224	-2.1%
Insurance premiums receivable	20,233	24,207	-16.4%	26,085	-22.4%
Property and equipment	642,859	574,972	11.8%	637,328	0.9%
Goodwill and other intangible assets	143,674	73,028	96.7%	125,550	14.4%
Inventory	118,811	54,920	116.3%	117,111	1.5%
Prepayments	30,354	30,803	-1.5%	34,118	-11.0%
Other assets	27,519	23,460	17.3%	21,142	30.2%
Total liabilities, of which:	619,400	373,325	65.9%	579,822	6.8%
Borrowed funds	360,503	223,581	61.2%	329,199	9.5%
Accounts payable	92,925	64,367	44.4%	92,597	0.4%
Insurance contract liabilities	20,953	26,787	-21.8%	25,128	-16.6%
Other liabilities	145,019	58,590	147.5%	132,898	9.1%
Total shareholders' equity attributable to:	548,400	542,032	1.2%	543,913	0.8%
Shareholders of the Company	483,684	485,888	-0.5%	479,854	0.8%
Non-controlling interest	64,716	56,144	15.3%	64,059	1.0%

GHG SHAREHOLDER STRUCTURE AND SHARE PRICE

Investors

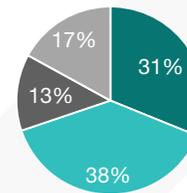
Strong support from institutional investors at IPO⁽¹⁾

Institutional Investors represent 40% of the shareholders



Geographically well-diversified institutional shareholder base⁽¹⁾

- USA & Canada
- UK & Ireland
- Luxemburg
- Other



Top Investors ⁽¹⁾

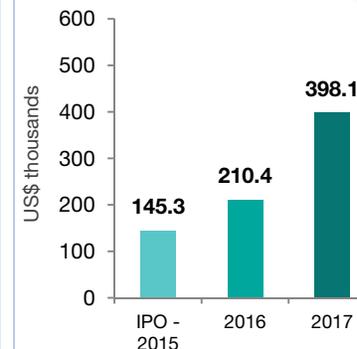
B GEO	57.0%
Wellington Management	7.4%
T – Rowe Price	6.1%

Stock trading performance

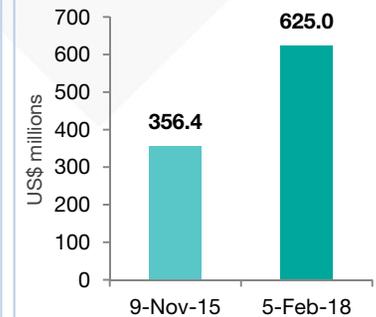
Stock Price Performance⁽²⁾



Average trading daily volume



Market Capitalisation⁽³⁾



(1) As of 29 December 2017

(2) Share price change calculated from the closing prices of GHG LN, starting from trading date 9 November 2015 to the price of GHG LN as of 5 February 2018

(3) Source: Bloomberg; Market Capitalisation of GHG of 5 February 2018, GBP/USD exchange rate 1.3959

GHG | GEORGIAN HEALTHCARE MARKET & GHG MARKET SHARE EVOLVEMENT



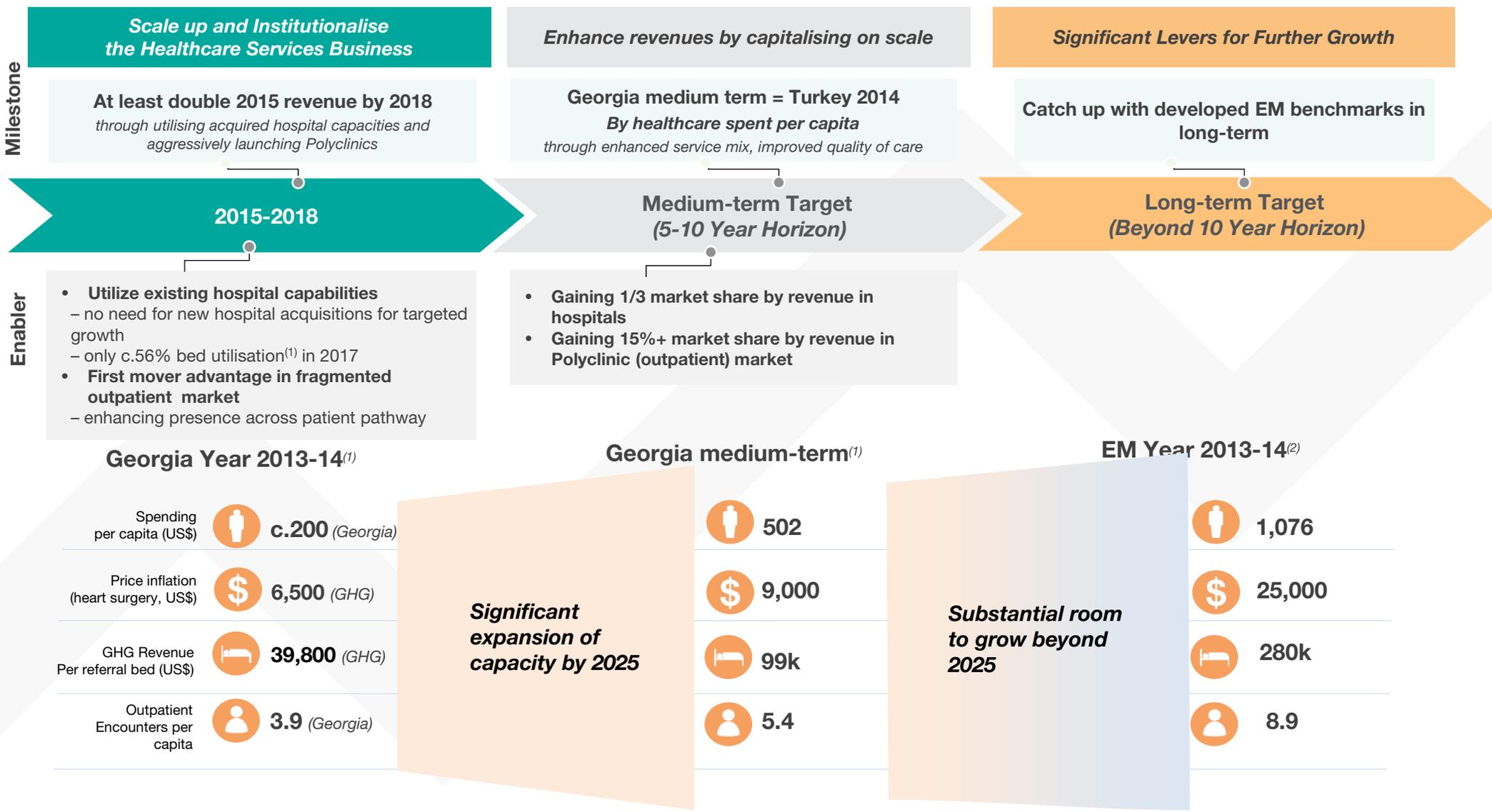
Georgia Healthcare Group

Key Segments	Healthcare services		Pharmacy	Medical insurance	
	Hospitals		Pharmacy	Medical Insurance	
	Referral Hospitals	Community Hospitals			
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 2017	GEL 1.2bln <i>addressable</i> ⁽¹⁾		GEL 0.7bln ⁽²⁾	GEL 1.5bln ⁽²⁾	GEL 0.2bln ⁽³⁾
Market Share	21% by revenue 24.5% by beds (total 3,014 beds)		2% by revenue	30% by revenue	29% by revenue
Selected Operating Data 2017	<p>84% 16 hospitals 2,519 beds</p>	<p>16% 21 hospitals 495 beds</p>	<p>12 clusters with 16 district Polyclinics 24 express outpatient clinic</p>	255 pharmacies in major cities	c.155,000 individuals insured as of January, 2018
Financials 2017	<p>Gross Revenue GEL 747.8mln⁽⁴⁾</p> <p>29% GEL 225.5 mln 2012-2017 CAGR 43%</p>	<p>3% GEL 22.1 mln 2012-2017 CAGR 12%</p>	<p>2% GEL 15.7 mln 2012-2017 CAGR 31%</p>	<p>59% GEL 450.3 mln 2012-2017 CAGR -5%</p>	<p>7% GEL 53.7 mln 2012-2017 CAGR -5%</p>
	<p>EBITDA GEL 108.1mln⁽⁴⁾</p> <p>62% GEL 67.6 mln 2012-2017 CAGR 51%</p>	<p>2% GEL 2.0 mln 2012-2017 CAGR 30%</p>	<p>36% GEL 38.9 mln 2012-2017 CAGR -1%</p>	<p>-1% GEL -0.4 mln 2012-2017 CAGR -1%</p>	
	EBITDA Margin: 27.4%		EBITDA Margin: 13.2%	EBITDA Margin: 8.6%	EBITDA Margin: -0.8%

Sources:

- (1) Frost & Sullivan analysis, 2017, adjusted by the company to exclude the revenue from speciality beds – addressable market
- (2) Frost & Sullivan analysis 2017 addressable market, for polyclinics excluding dental services
- (3) ISSSG, 9M17 annualised
- (4) Net of intercompany eliminations

GHG long-term, high-growth story



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	POLYCLINICS	PHARMACY	INSURANCE
Market Addressable (2017)	GEL 1.2bln	GEL 0.7bln	GEL 1.5bln	GEL 0.2bln*
Market shares	BY REVENUE BEDs	BY REVENUE	BY REVENUE	BY REVENUE
2017	21% 25%	2%	30%	29%
YE2018	c.25% 28%	c.5%	30%+	30%+
Long-term	30%+	c.15%+	30%+	30%+

GHG | LONG-TERM, HIGH-GROWTH PROSPECTS FOCUSED GROWTH STRATEGY IN 2018

Segment	Hospitals	Polyclinics	Pharmacy	Insurance
Market share Targets 2018	25% 28% by revenue by beds	c.5% by revenue	30%+ by revenue	30%+ by revenue
Medium to long term P&L targets	gradually improving to c.30% EBITDA margin		8.0%+ EBITDA margin	<ul style="list-style-type: none"> Combined ratio <97% Claims retained within GHG >50%
Key focus areas in medium-term	<ol style="list-style-type: none"> Enhancing footprint in Tbilisi Strengthening existing services in elective care (Investing in key doctors) Filling service gaps (Mental health, Home care, etc.) Developing fee business line Enhancing digital channels 	<ol style="list-style-type: none"> Accelerated footprint growth Increasing number of registered customers Sales growth through various channels (new services, corporates, state) Enhancing digital channels 	<ol style="list-style-type: none"> Enhancing retail footprint Enhancing retail margin (synergies; private label) Growing wholesale revenue Enhancing digital channels and customers loyalty 	<ol style="list-style-type: none"> Portfolio re-pricing and cost-efficiencies Redirecting more patients to GHG Polyclinics & pharmacies

CONTENT

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GEORGIA AT A GLANCE

General Facts

- Area: 69,700 sq km
- Population (2017): 3.7 mln
- Life expectancy: 77 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)

Economy

- Nominal GDP (Geostat, preliminary) 2017: GEL 38.0 bln (US\$15.1 bln)
- Real GDP growth rate 2013-2017: 3.4%, 4.6%, 2.9%, 2.8%, 4.8%
- Real GDP 2007-17 annual average growth rate: 4.5%
- GDP per capita 2017 (PPP) per IMF: US\$ 10,644
- Annual inflation (e-o-p) 2017: 6.7%
- External public debt to GDP 2017: 35.4%

- Sovereign credit ratings:
 - S&P BB-/Stable, affirmed in May 2017
 - Moody's Ba2/Stable, affirmed in September 2017
 - Fitch BB-/Stable, affirmed in September 2017



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 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS and Turkey and GSP with USA, Canada, Japan, Norway and Switzerland; FTA with Hong Kong to be signed shortly; FTA with India under consideration
- Tourism revenues on the rise: tourism inflows stood at 18.2% of GDP in 2017 and arrivals reached 7.6mln visitors in 2017 (up 18.8% y-o-y), out of which tourist arrivals were up 27.9% y-o-y to 3.5mln visitors.
- 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\$ 1.6bln (11.0% of GDP) in 2016; FDI stood at US\$ 1.4bln (12.1% of GDP) in 9M17
- FDI averaged 9.4% of GDP in 2007-2016

Support from international community

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

- Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free entrance to the EU countries from 28 March 2017
- 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

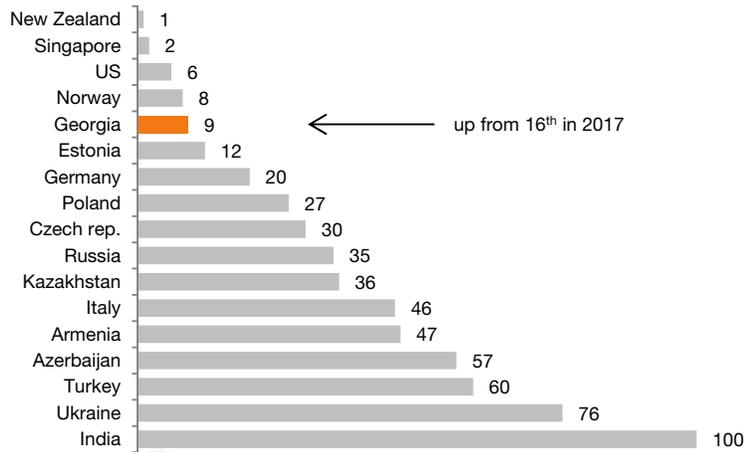
- Only 20% of hydropower capacity utilized; 145 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development
- Georgia imports natural gas mainly from Azerbaijan
- Significantly boosted transmission capacity in recent years, a new 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded
- Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe

Political environment stabilised

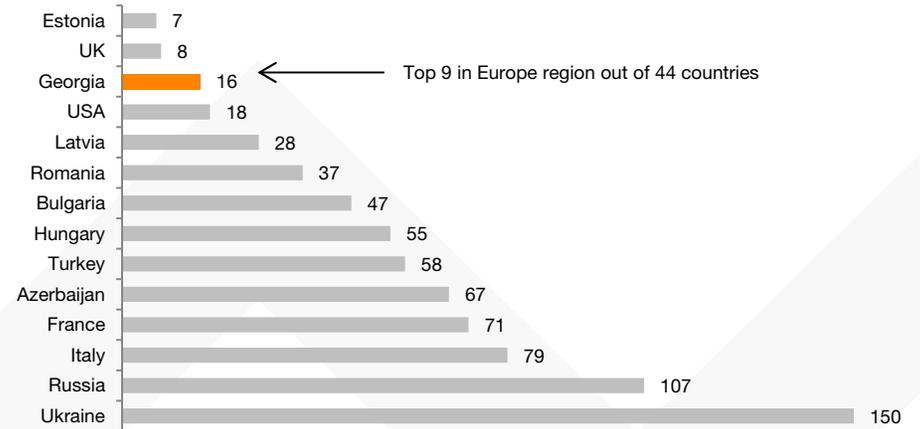
- Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU
- New constitution amendments passed in 2013 to enhance 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 2017, Russia accounted for 14.5% of Georgia's exports and 9.9% of imports; just 3.7% of cumulative FDI over 2003-2016

GROWTH ORIENTED REFORMS

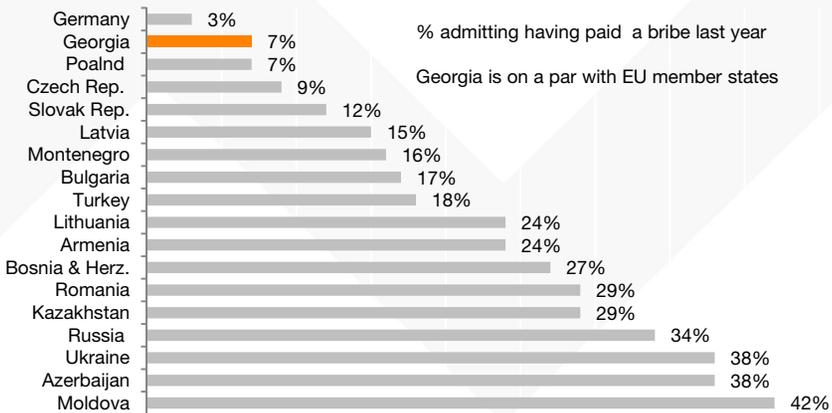
Ease of Doing Business | 2018 (WB-IFC Doing Business Report)



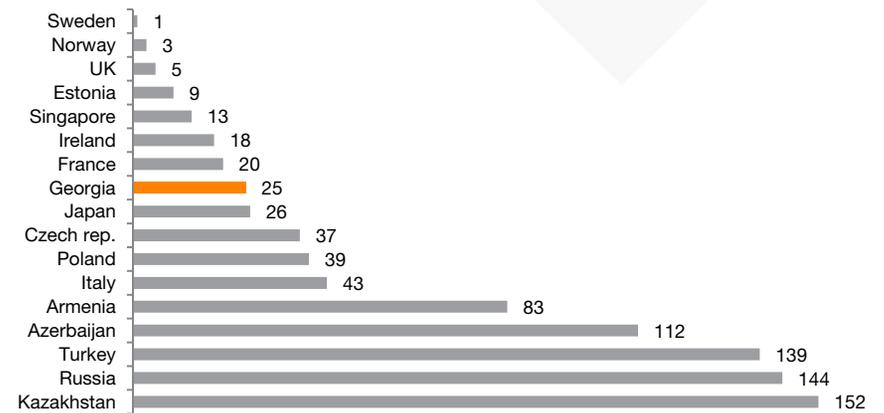
Economic Freedom Index | 2018 (Heritage Foundation)



Global Corruption Barometer | TI 2016



Business Bribery Risk, 2017 | Trace International



Sources: Transparency International, Heritage Foundation, World Bank, Trace International

GOVERNMENT 4-PILLAR OF REFORMS

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

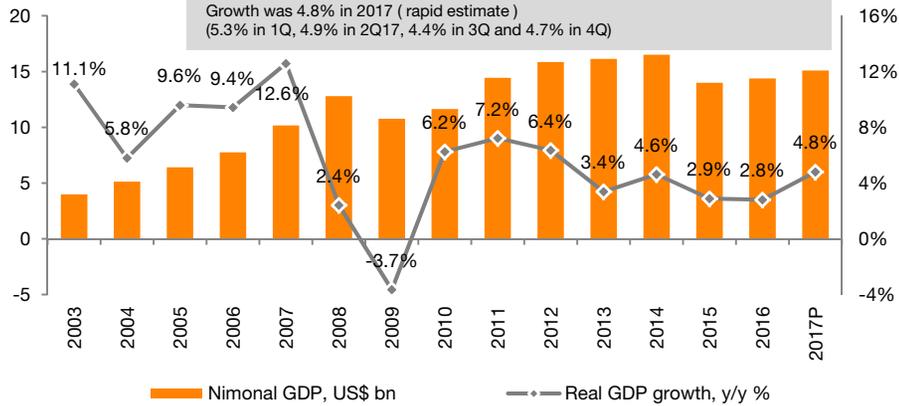
Roads	<ul style="list-style-type: none"> • Plan to finish all spinal projects by 2020 – East-West Highway, other supporting infrastructure
Rail	<ul style="list-style-type: none"> • Baku – Tbilisi Kars new railroad line • Railway modernization project
Air	<ul style="list-style-type: none"> • Tbilisi International 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

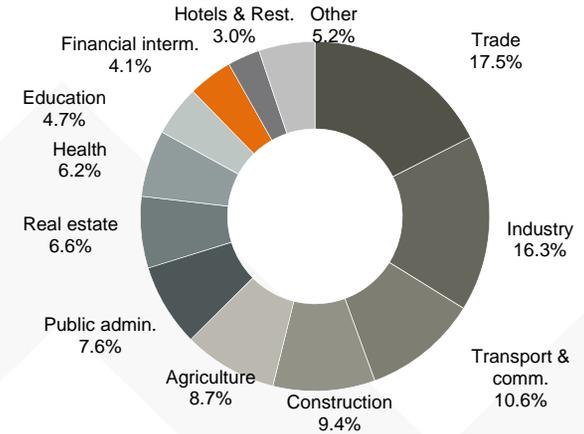
DIVERSIFIED RESILIENT ECONOMY

Gross domestic product



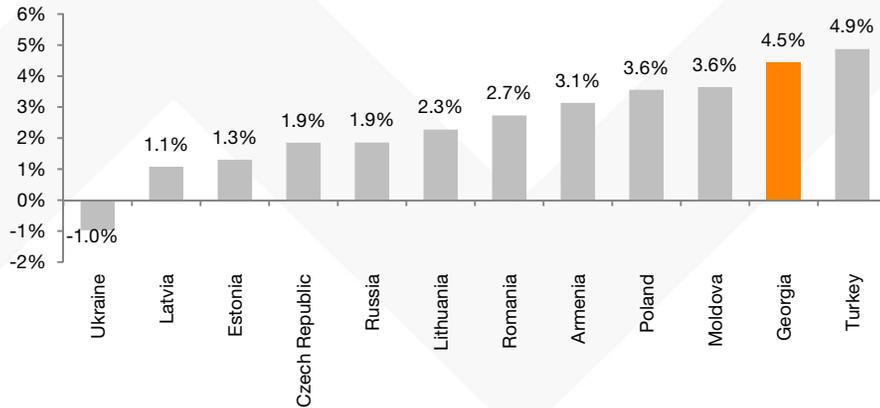
Source: Geostat

Diversified nominal GDP structure, 9M17



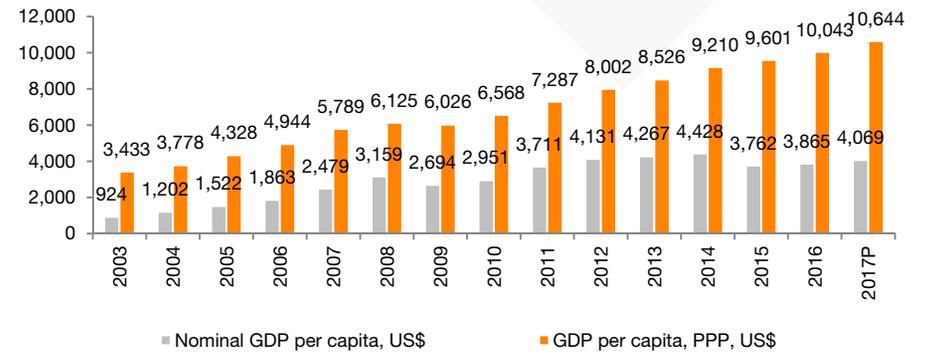
Source: Geostat

Comparative real GDP growth rates, % (2007-2017F average)



Sources: IMF, GeoStat

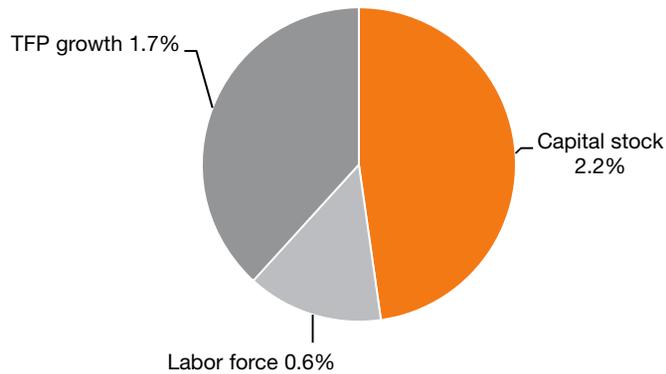
GDP per capita



Sources: IMF, GeoStat

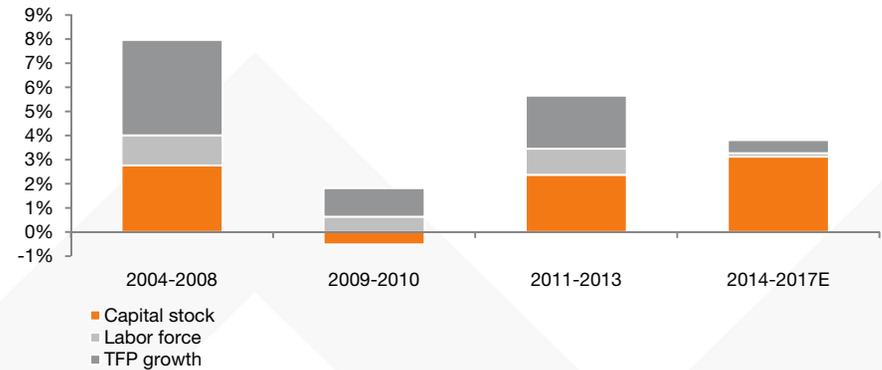
PRODUCTIVITY AND CAPITAL HAVE BEEN THE MAIN ENGINE OF GROWTH SINCE 2004

Overall contribution of capital, labour, and Total Factor Productivity (TFP) to growth, 2007-17



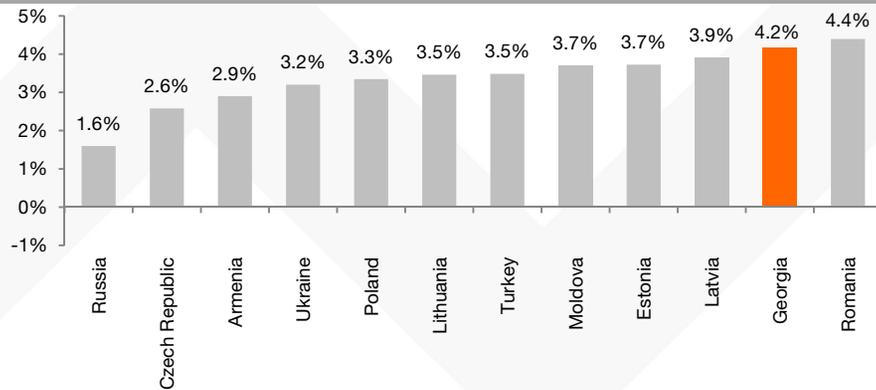
Source: GeoStat, G&T calculation

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



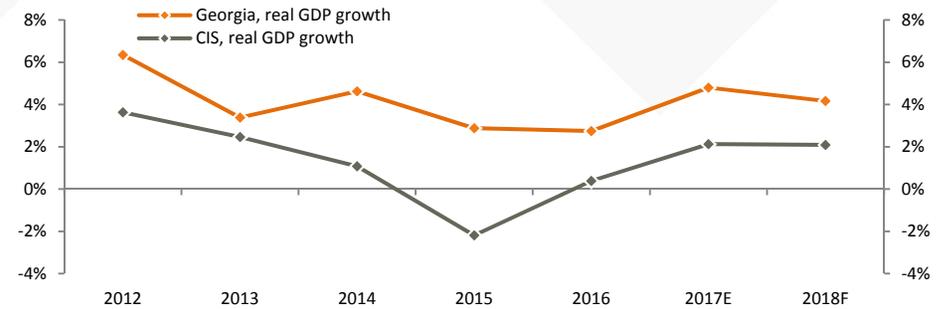
Source: GeoStat, G&T calculation

Real GDP growth projection, 2018



Sources: IMF, October 2017

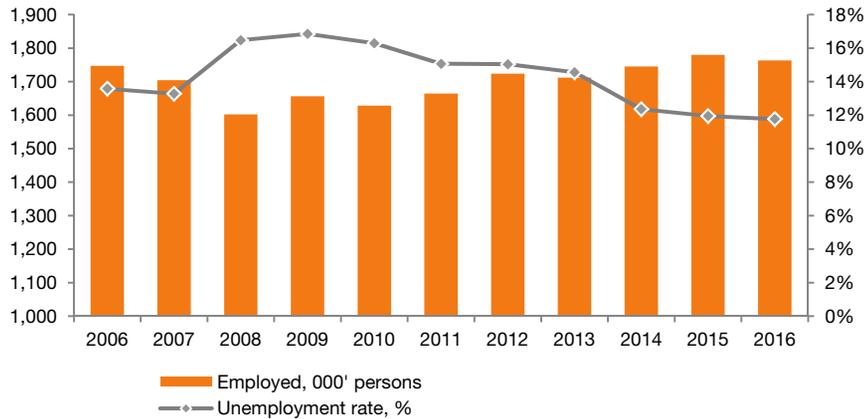
Georgia vs. CIS, effects of 2014-15 commodity price shock



Sources: IMF, October 2017

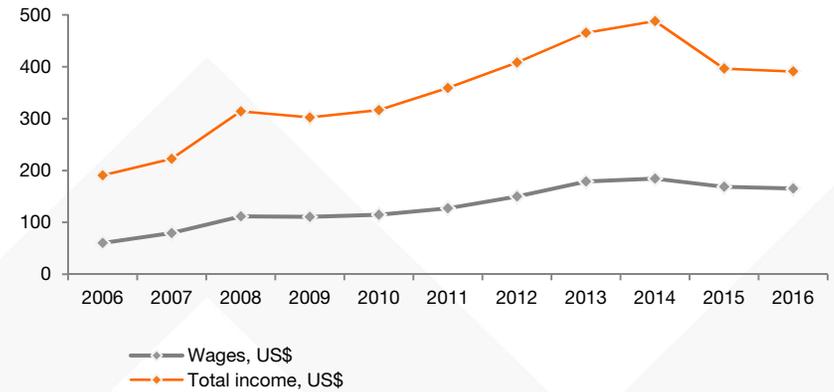
FURTHER JOB CREATION IS ACHIEVABLE

Unemployment rate down 0.2ppts y/y to 11.8% in 2016



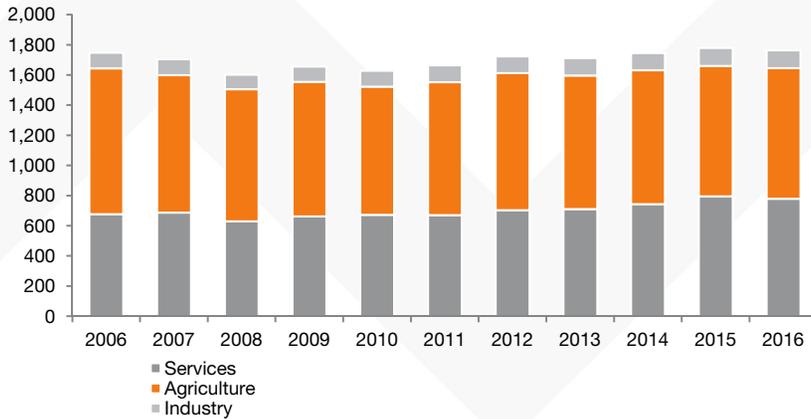
Sources: GeoStat

Average monthly wages and income per household



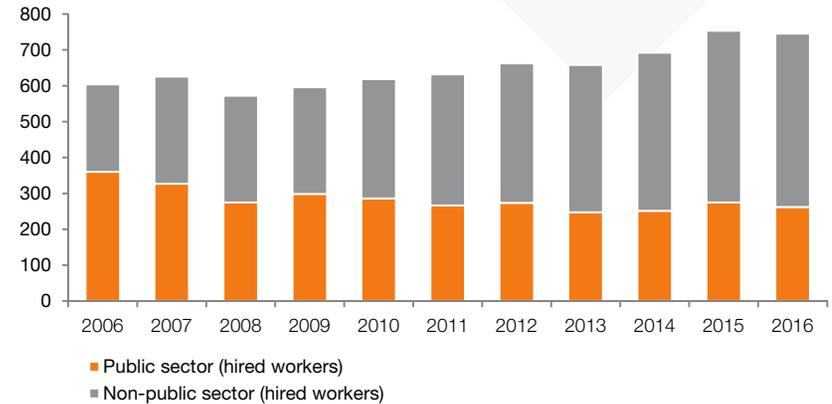
Sources: GeoStat

Share of services in total employment has increased



Source: GeoStat
Note: Services include construction

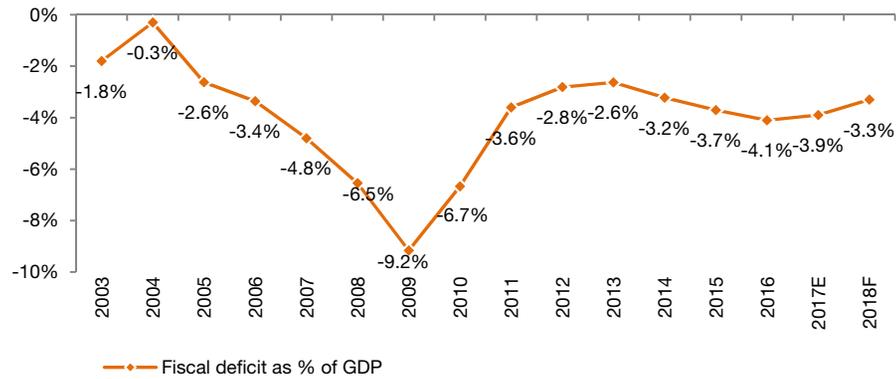
Hired workers accounted for 42.3% in total employment in 2016



Sources: GeoStat

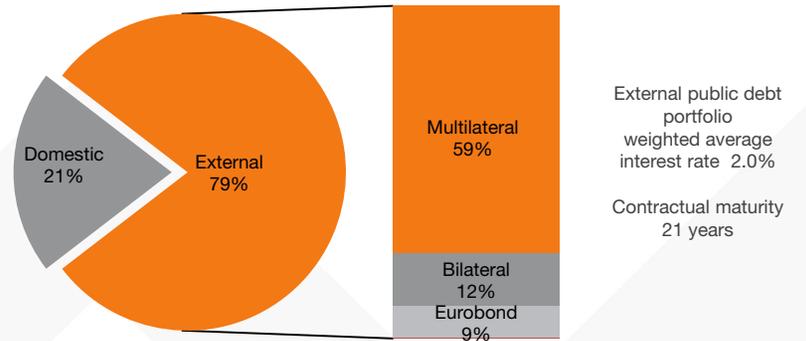
LOW PUBLIC DEBT

Fiscal deficit



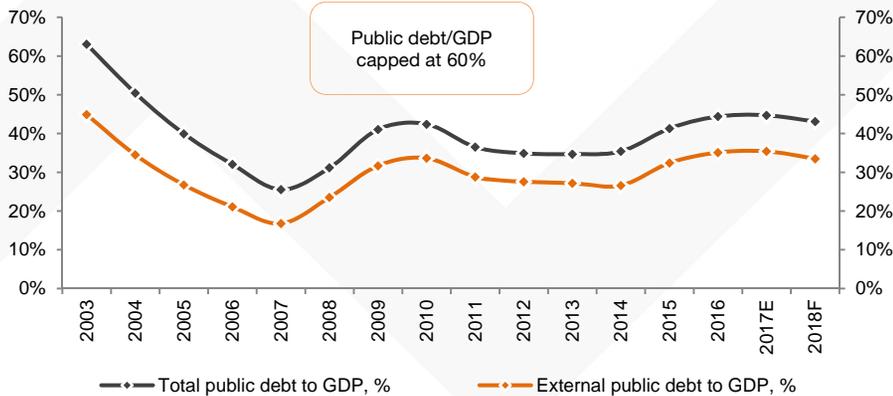
Source: Ministry of Finance of Georgia
 Note: Deficit calculated based on IMF's GFSM-1986 methodology

Breakdown of public debt



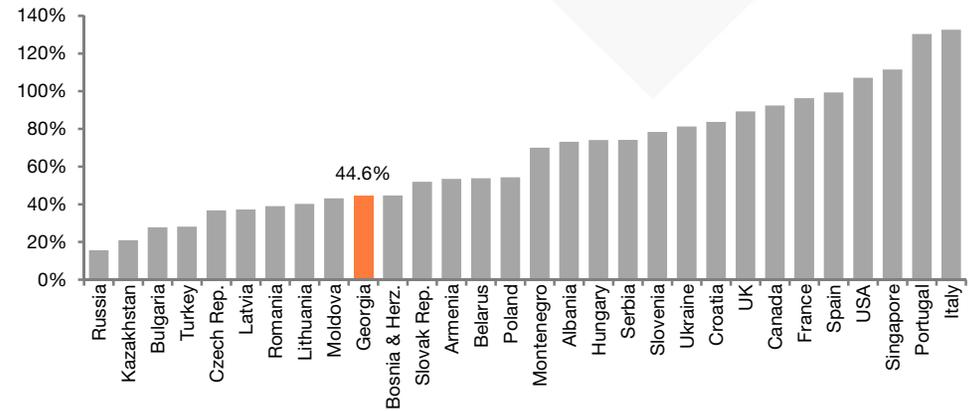
Source: Ministry of Finance of Georgia, as of Dec-2017

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

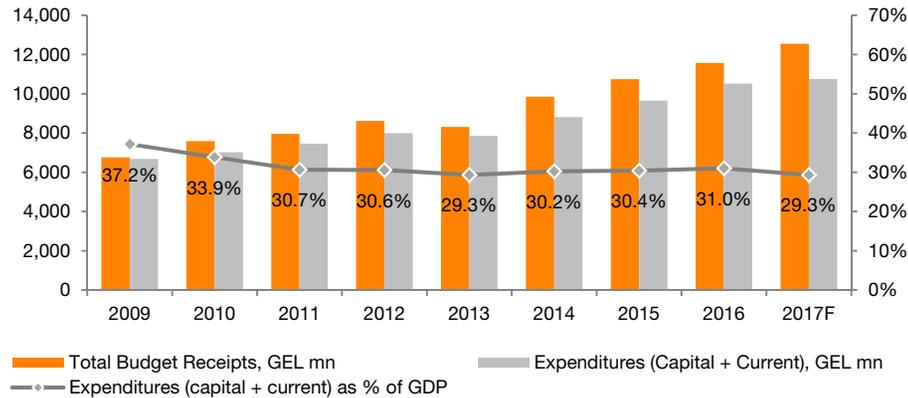
Gross government debt/GDP, 2016



Source: IMF

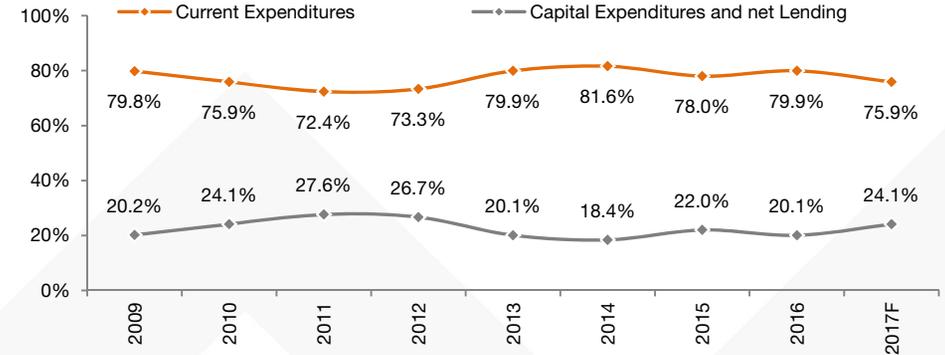
INVESTING IN INFRASTRUCTURE AND SPENDING LOW ON SOCIAL

Revenues and expenditures, consolidated budget



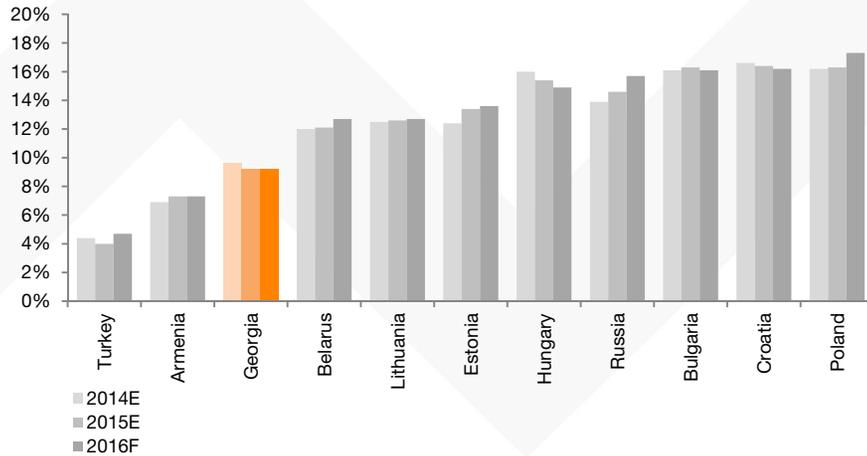
Source: Ministry of Finance, GeoStat

Current and capital expenditure



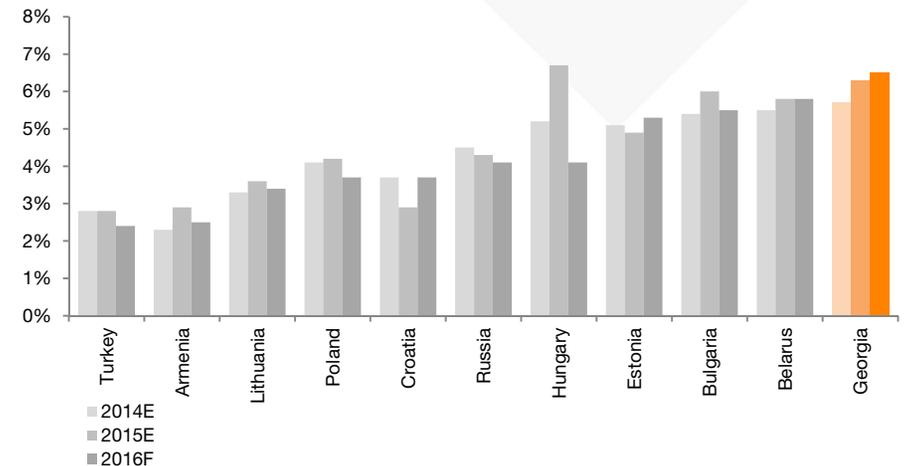
Sources: Ministry of Finance

Government social expenditure as % of GDP



Source: IMF

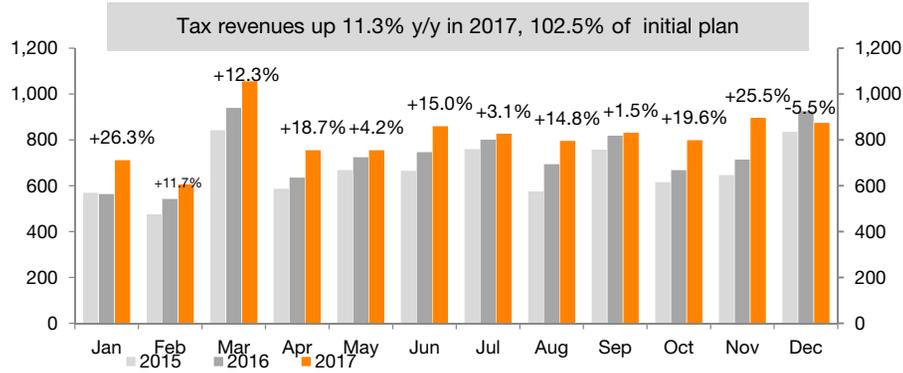
Government capital expenditure as % of GDP



Source: IMF

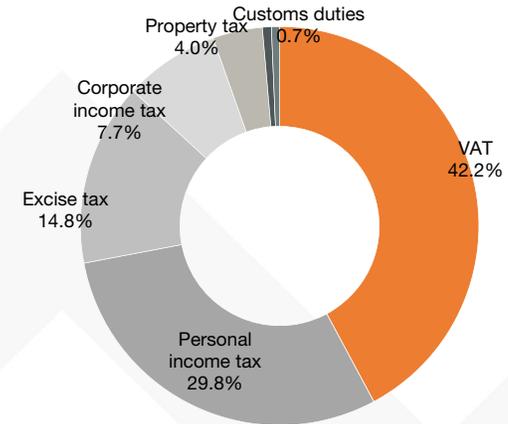
FISCAL PERFORMANCE

Consolidated budget tax revenues, GEL mn



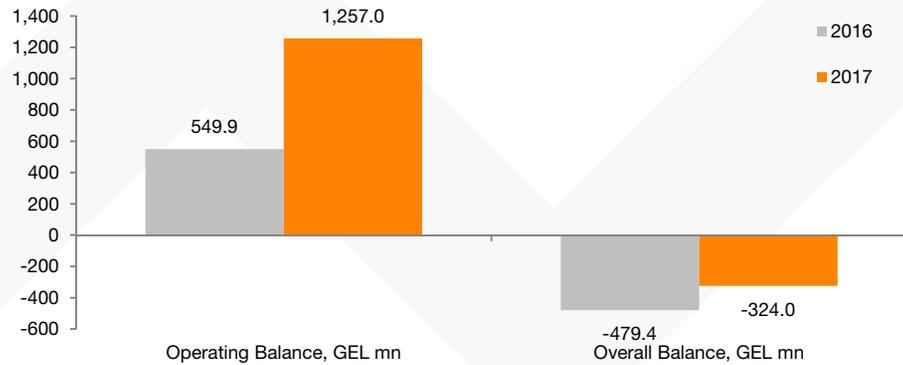
Source: Ministry of Finance

Consolidated budget tax revenues breakdown, 2017



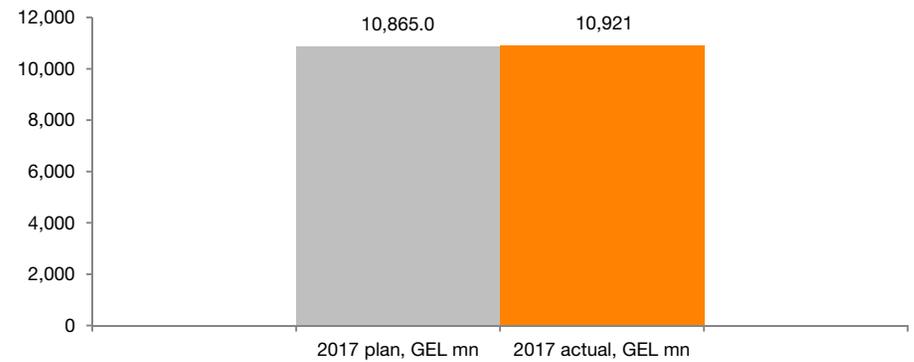
Sources: Ministry of Finance

Consolidated budget balance



Source: Ministry of Finance

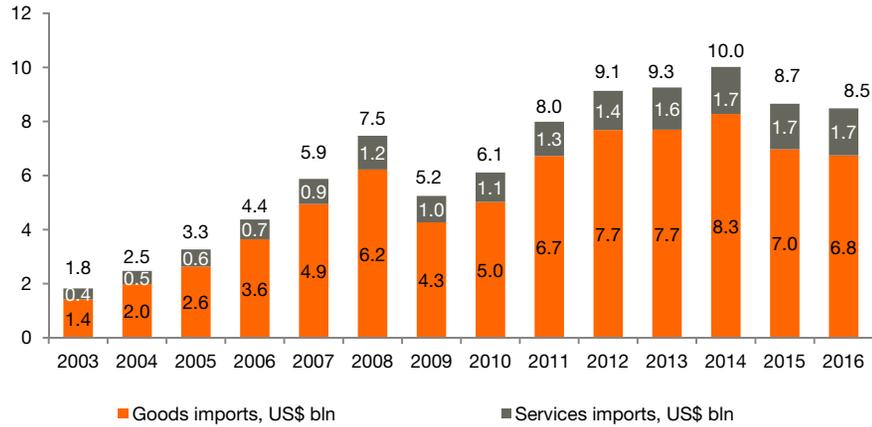
Consolidated budget revenues above budgeted in 2017



Source: Ministry of Finance

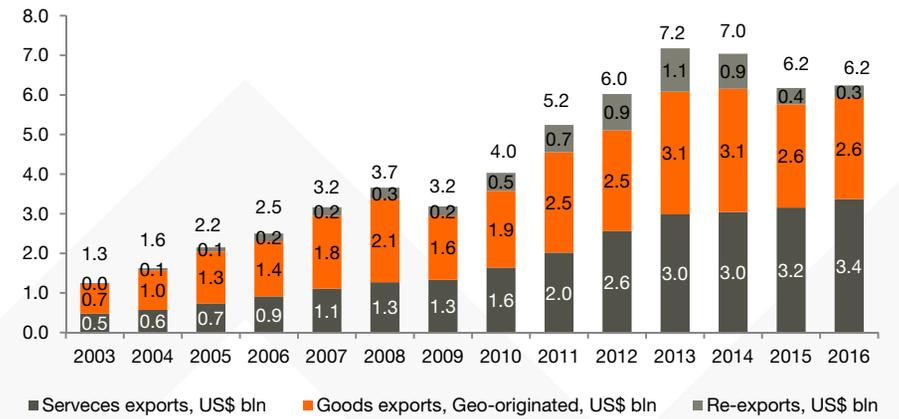
DIVERSIFIED FOREIGN TRADE

Imports of goods and services



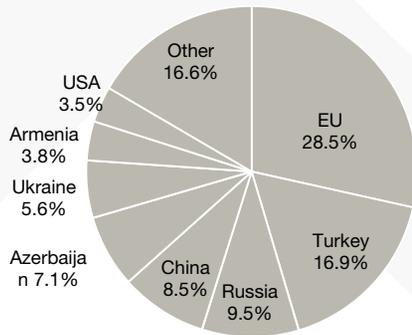
Source: NBG – BOP statistics

Exports of goods and services



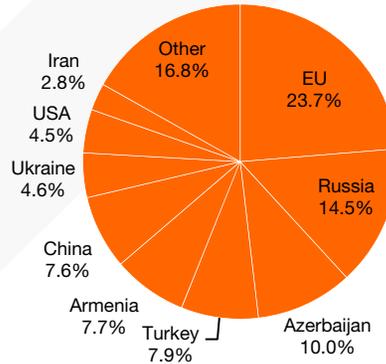
Source: NBG – BOP statistics

Imports, 2017



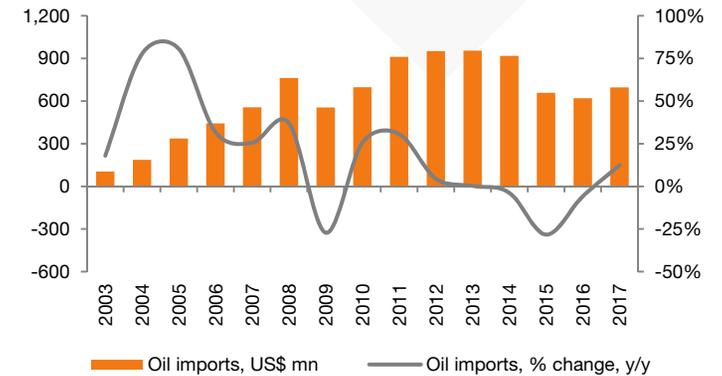
Sources: GeoStat

Exports, 2017



Sources: GeoStat

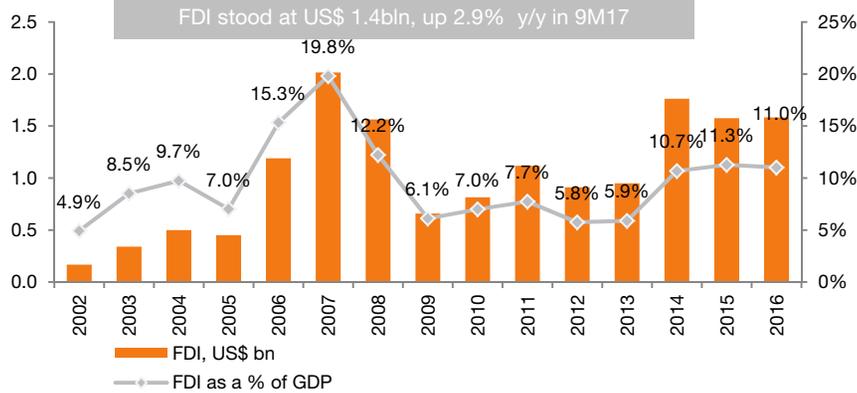
Oil imports



Sources: GeoStat

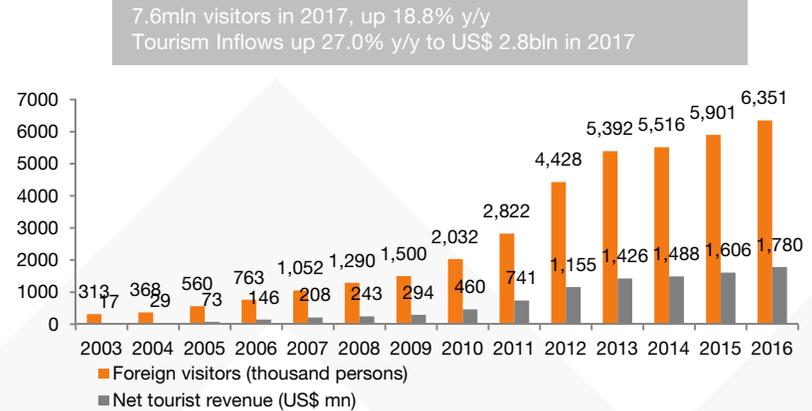
DIVERSIFIED SOURCES OF CAPITAL

Strong foreign investor interest



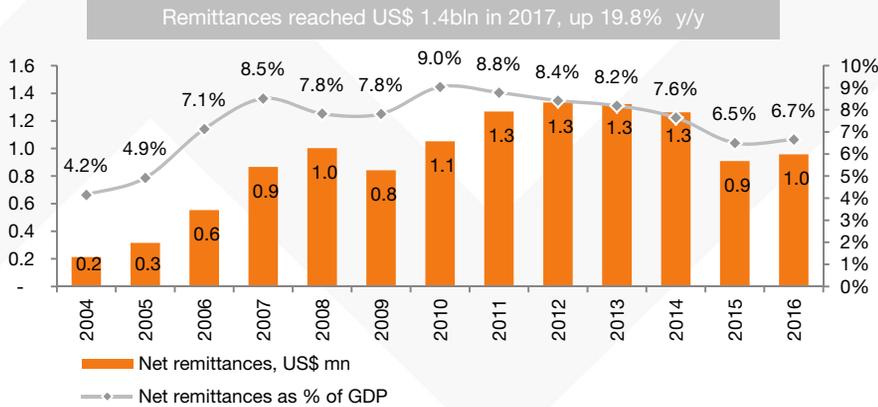
Sources: GeoStat

Tourist arrivals and revenues on the rise



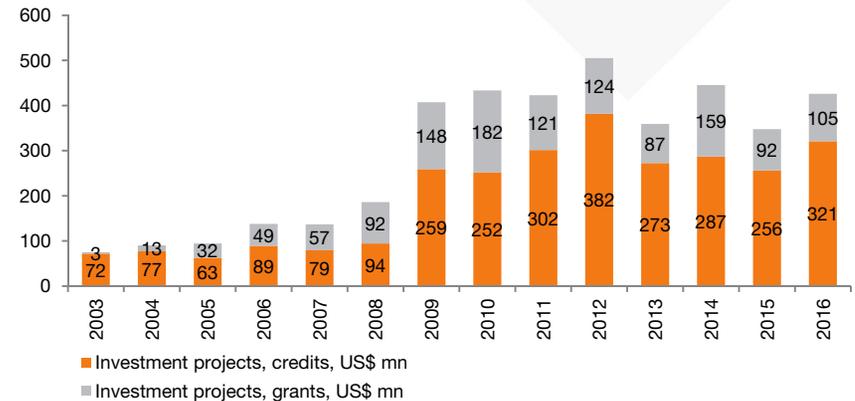
Sources: Georgian National Tourism Agency, National Bank of Georgia

Remittances - steady source of external funding



Source: National Bank of Georgia

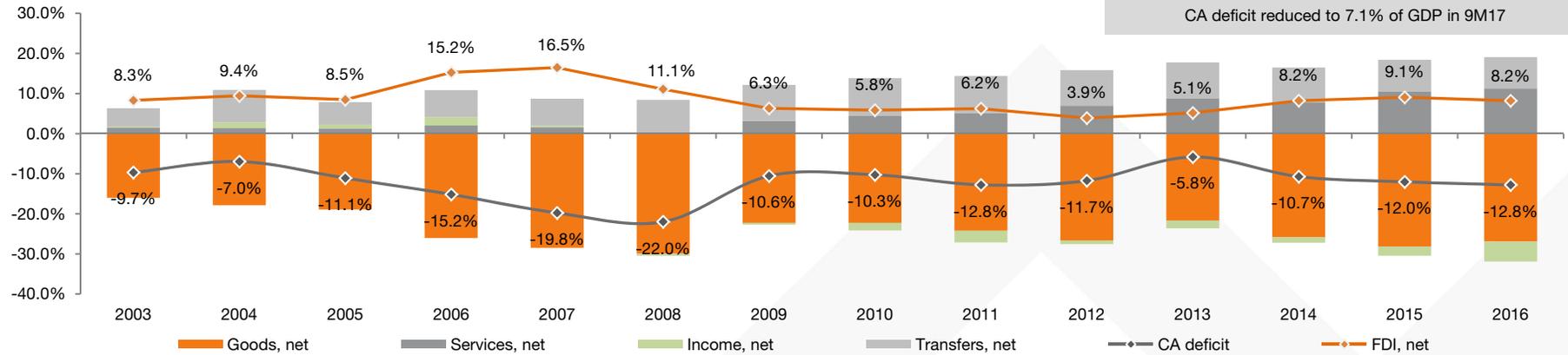
Donor funding for public infrastructure projects



Source: Ministry of Finance of Georgia

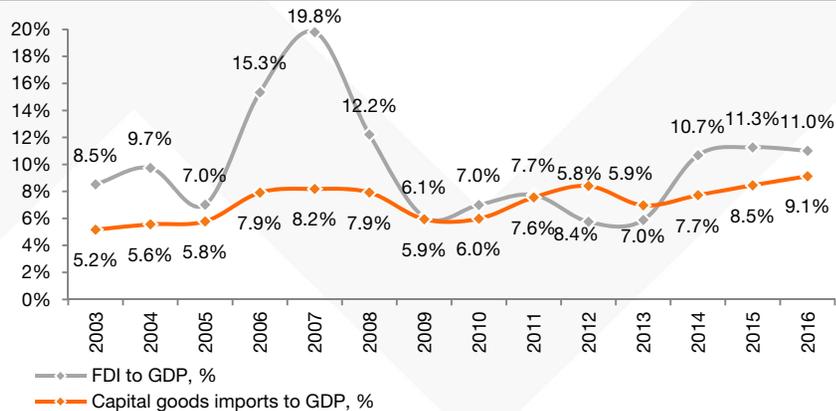
CURRENT ACCOUNT DEFICIT SUPPORTED BY FDI

Current account balance (% of nominal GDP)



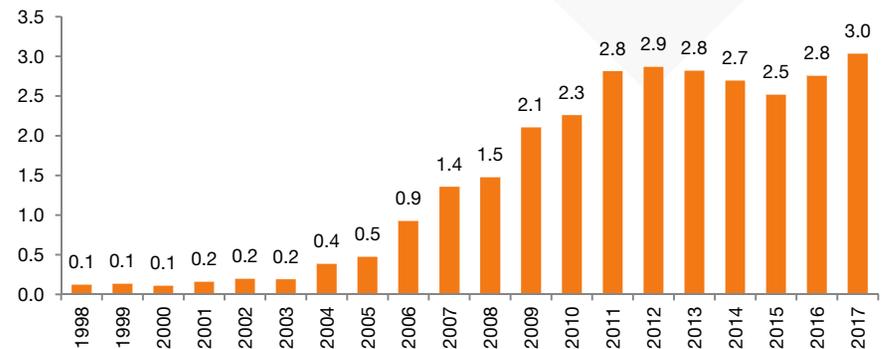
Sources: GeoStat, NBG

FDI and capital goods import



Source: GeoStat

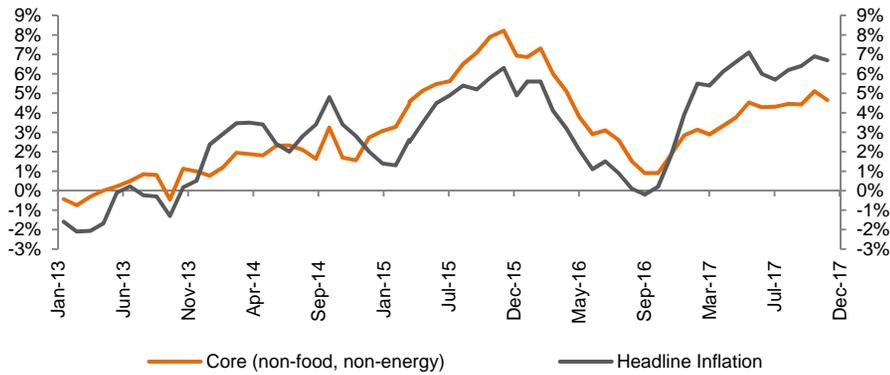
Building international reserves



Source: NBG

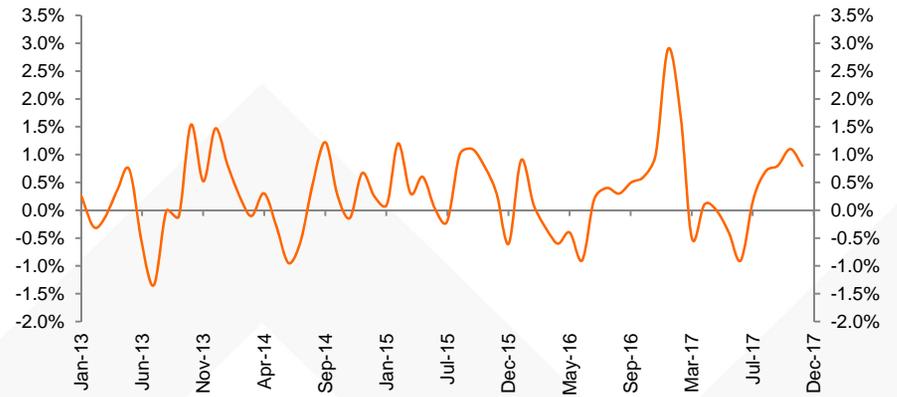
INFLATION TARGETING SINCE 2009

Annual inflation



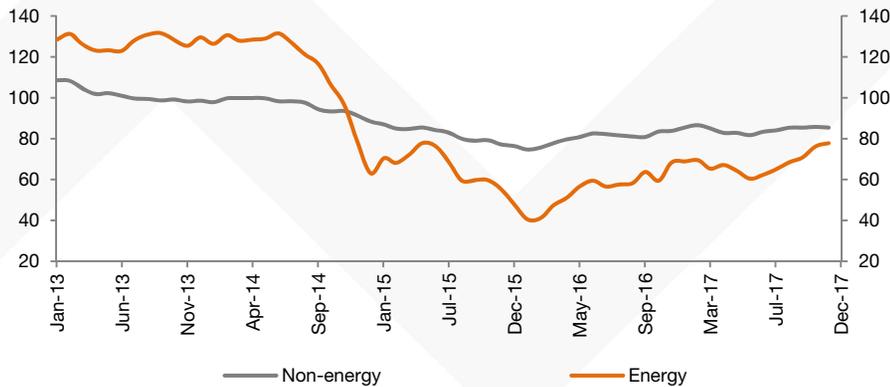
Sources: GeoStat

Monthly inflation rate



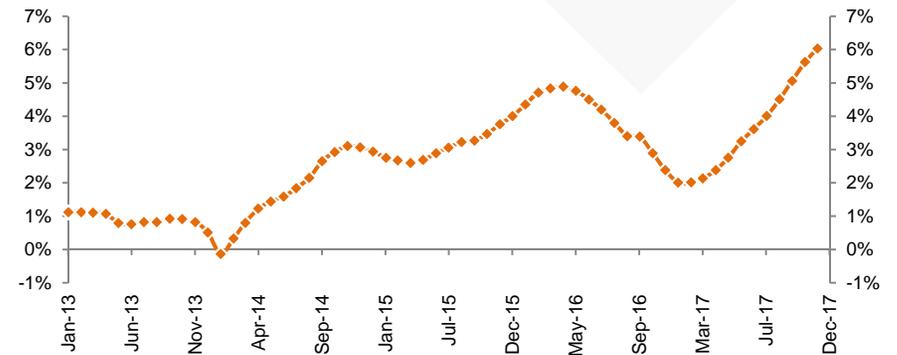
Sources: GeoStat

World commodity prices indices



Source: World Bank
Note: Jan2010=100

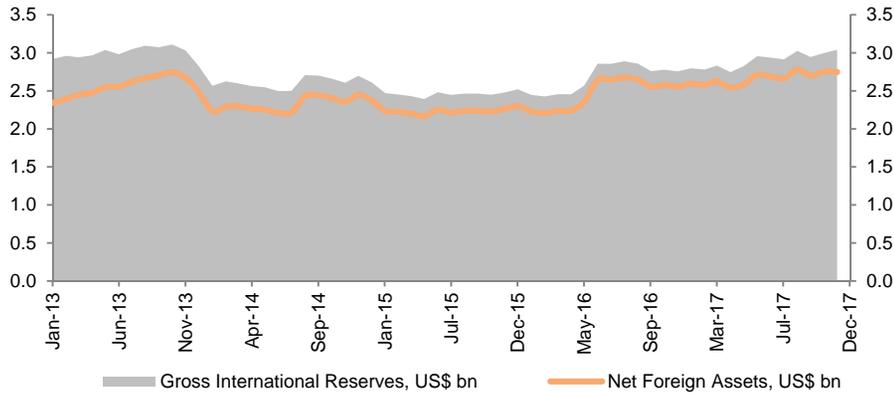
Average inflation rate



Source: GeoStat

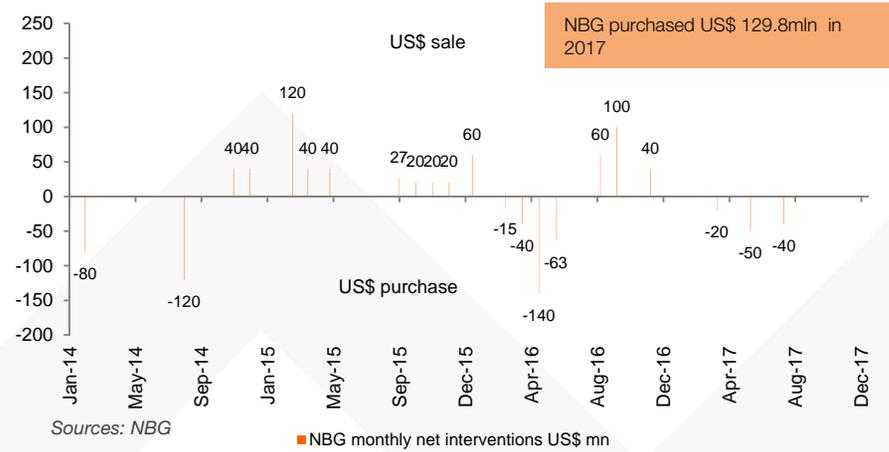
INTERNATIONAL RESERVES SUFFICIENT TO FINANCE MORE THAN 3 MONTHS OF IMPORTS

International reserves



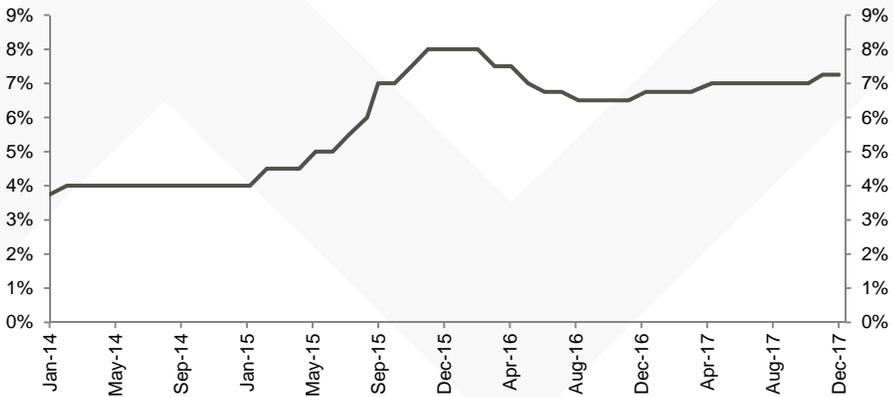
Sources: NBG

Central Bank's interventions



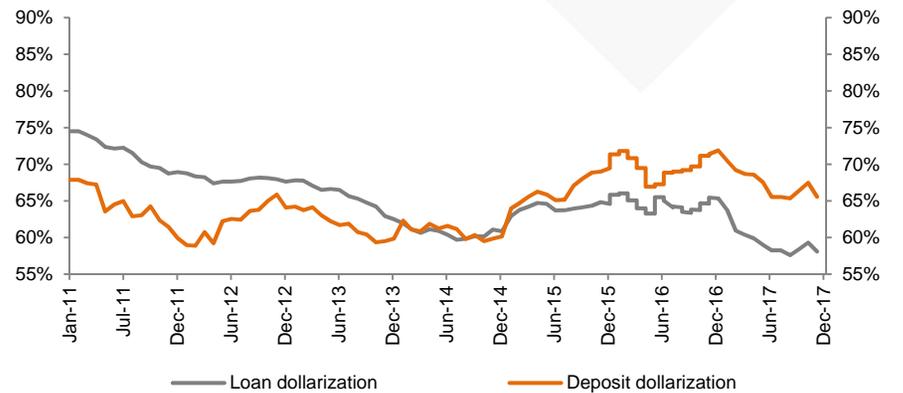
Sources: NBG

Monetary policy rate



Source: NBG

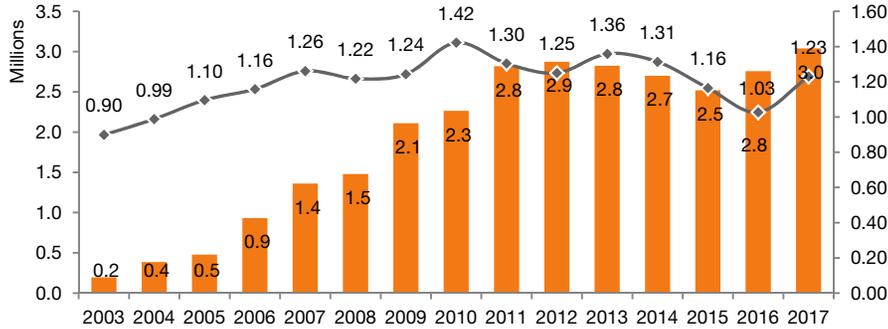
Dollarization



Source: NBG

FLOATING EXCHANGE RATE - POLICY PRIORITY

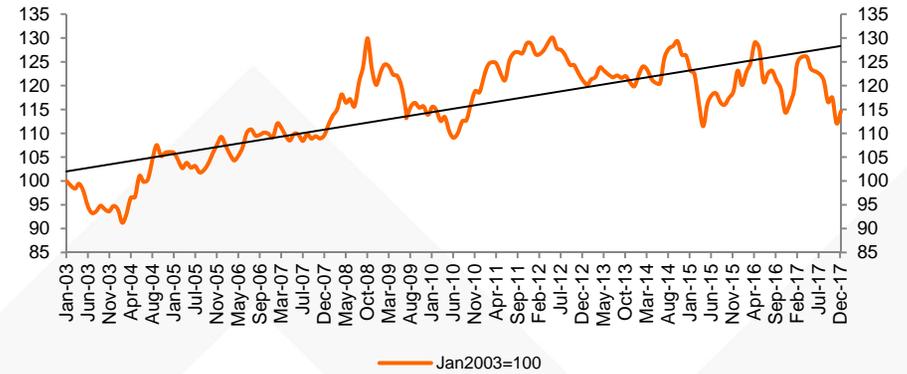
FX reserves



Sources: NBG

Official FX reserves, US\$ bn —◆— M2 multiplier

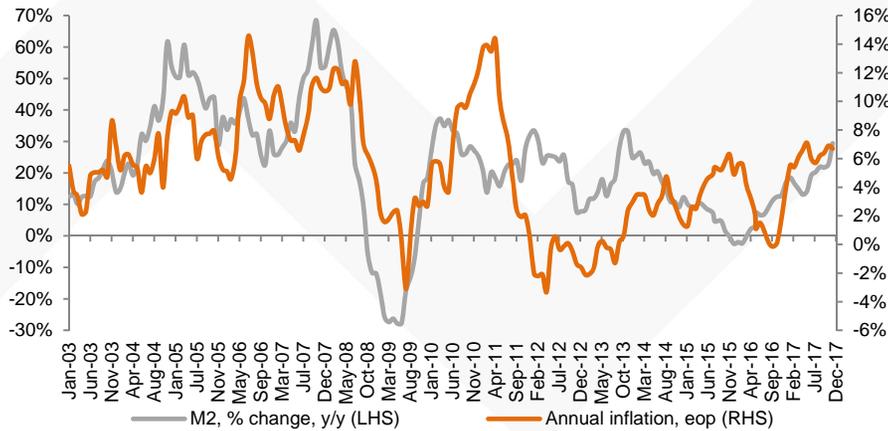
Real effective exchange rate (REER)



Sources: NBG

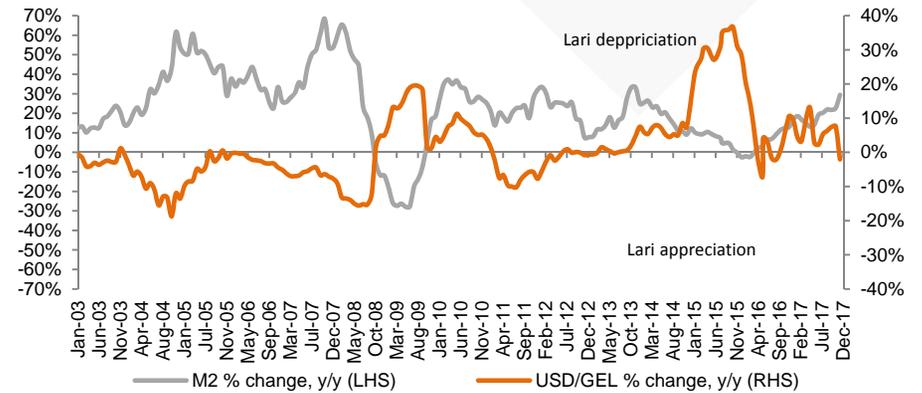
Jan2003=100

M2 and annual inflation



Source: NBG

M2 and USD/GEL



Source: NBG

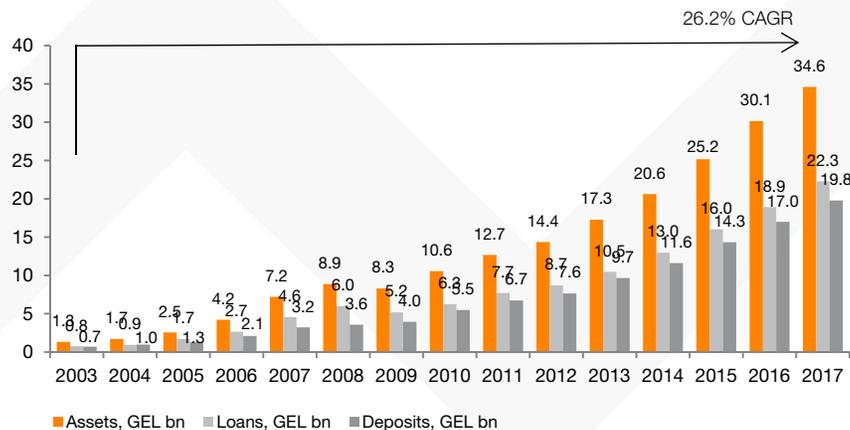
GROWING AND WELL CAPITALIZED BANKING SECTOR

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 40% as of Dec 2016
- **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 estimated at 29.6% of GDP and total loans at 54.8% of GDP as of 2017 resulting in low number of defaults in face of different shocks to the economy

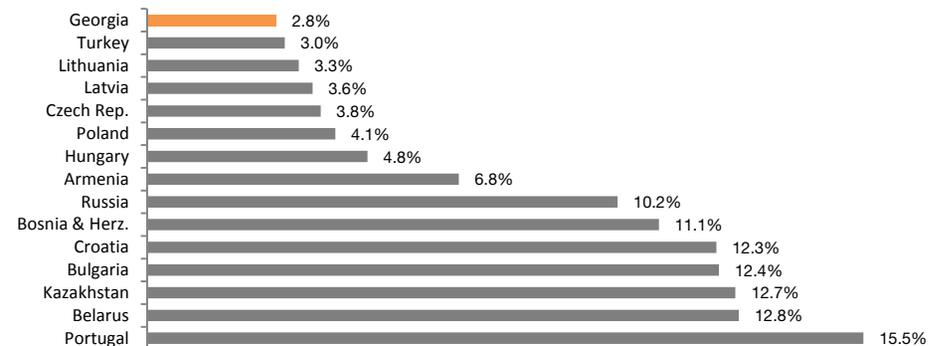
Source: National Bank of Georgia, GeoStat

Banking sector assets, loans and deposits



Source: NBG

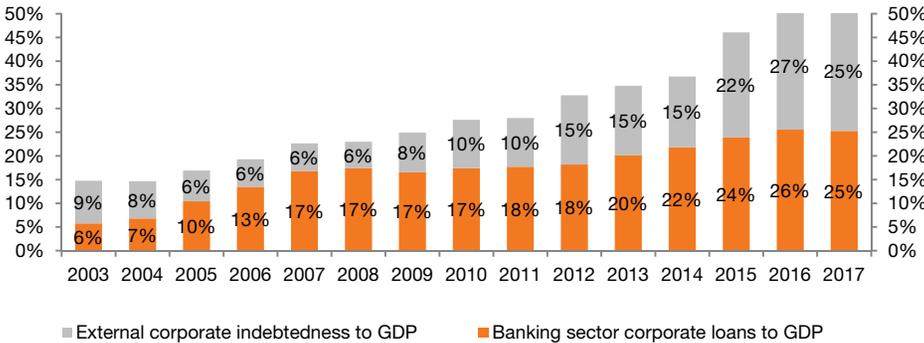
NPLs to Gross loans (%), latest 2017 data



Source: IMF, NBG

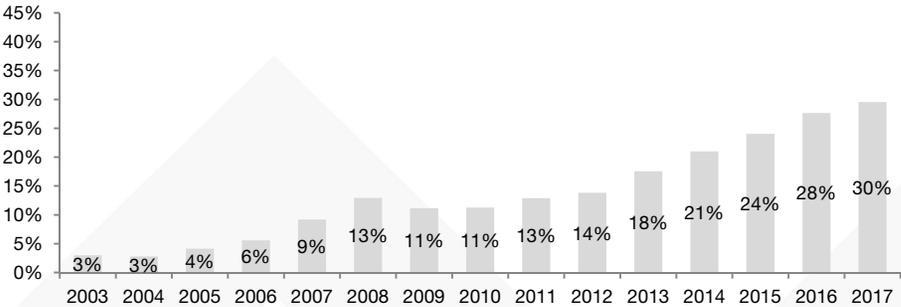
UNDERPENETRATED RETAIL BANKING SECTOR PROVIDES ROOM FOR FURTHER GROWTH

Corporate loans to GDP



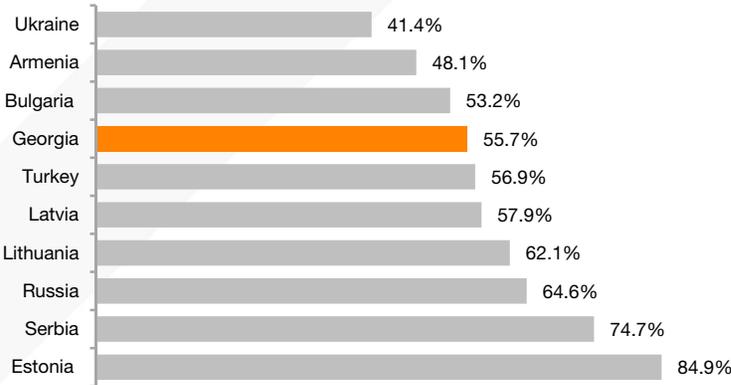
Source: NBG, GeoStat

Households loans to GDP



Source: NBG, GeoStat

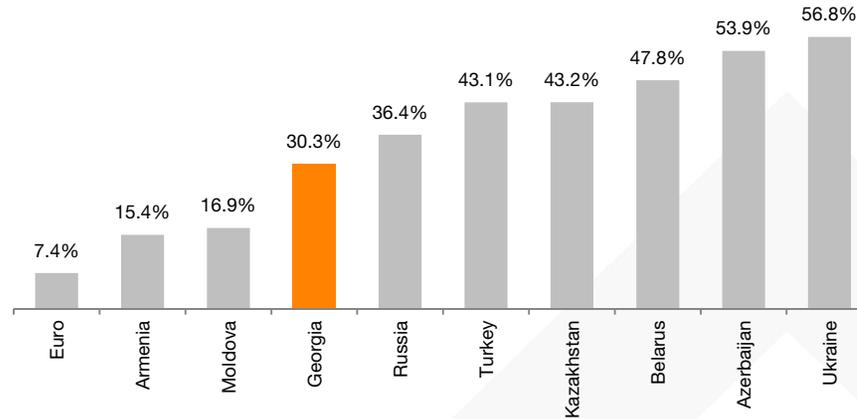
Banking Sector loans to GDP, 2016



Source: IMF, Central Banks

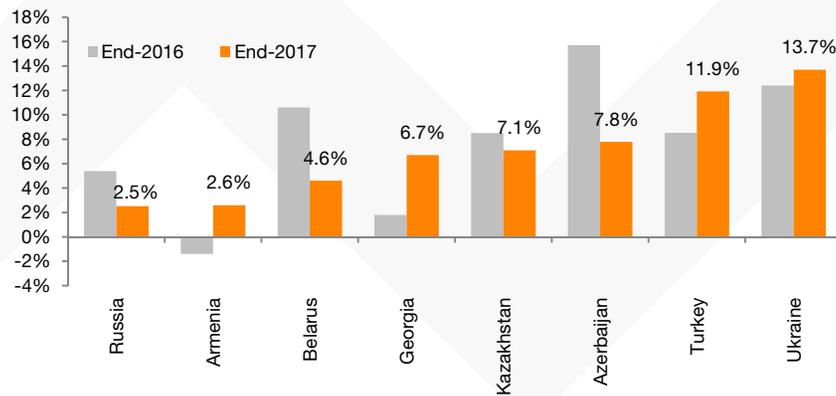
FLEXIBLE FX REGIME SUPPORTS TO MACRO STABILITY

Currency weakening vs. US\$



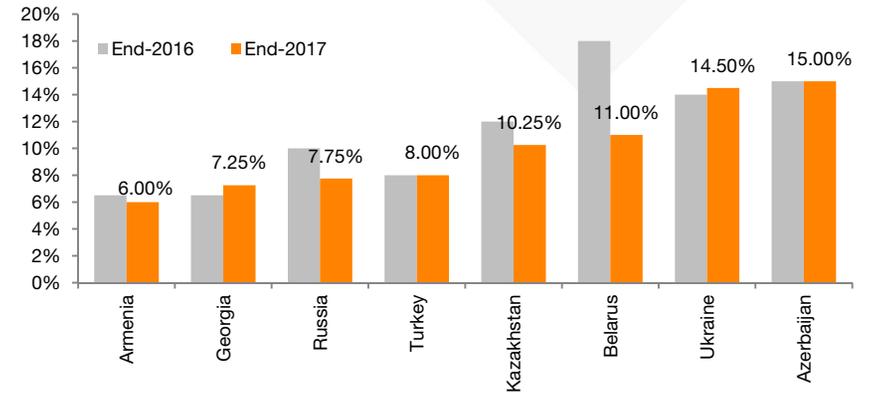
Source: Bloomberg
 Note: US\$ per unit of national currency, period 1-Aug-2014 – 29-Jan-2018

Inflation increased due to one-offs in Georgia



Source: National Statistics Offices

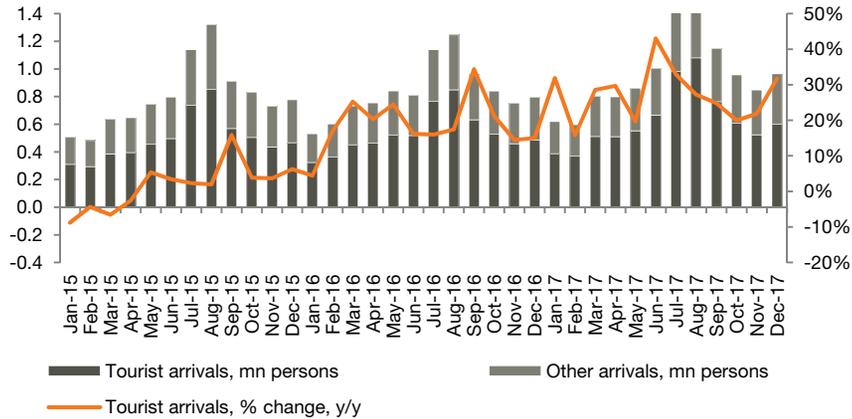
Monetary policy rate remains low vs. peers



Source: Central banks

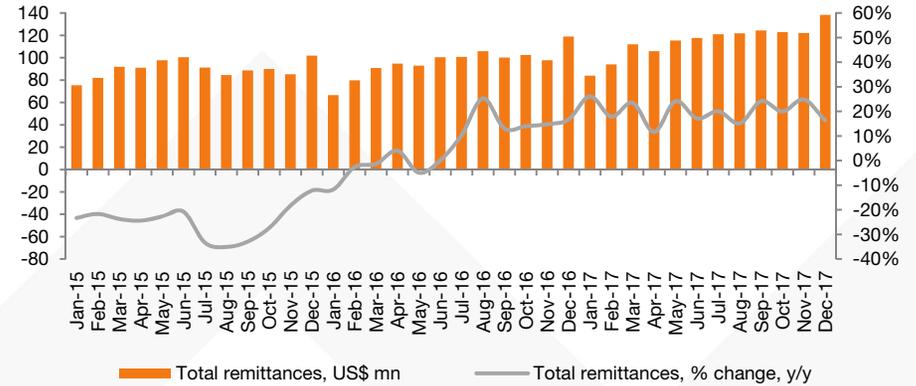
RECENT TREND- TOURIST ARRIVALS/REVENUES, EXPORTS, AND REMITTANCES UP

Tourist arrivals continue strong growth



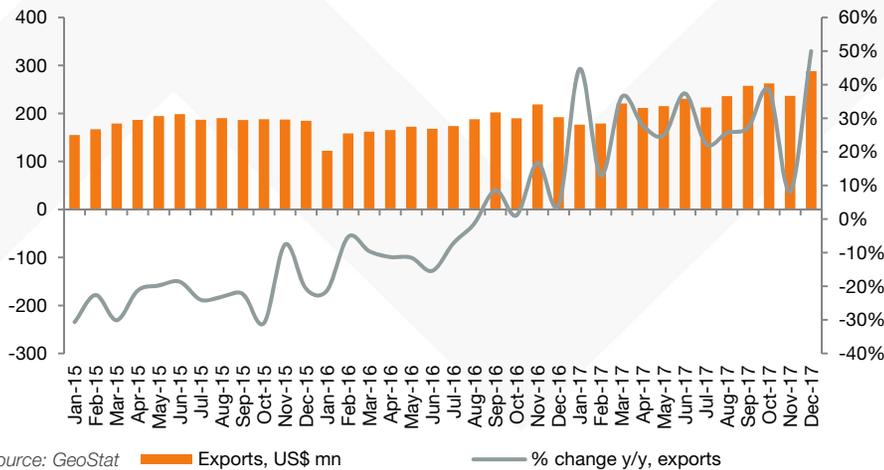
Source: GNTA

Remittances up from all major countries



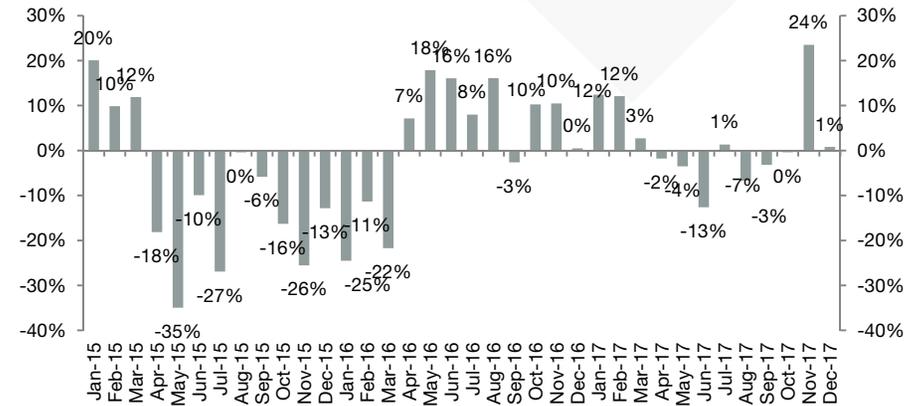
Source: NBG

Exports surged in 2017



Source: GeoStat

Trade deficit up 1.3% in 2017



Source: GeoStat

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BGEO INCOME STATEMENT – QUARTERLY

GEL thousands, unless otherwise noted	BGEO Consolidated					Banking Business					Investment Business					Eliminations		
	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	4Q17	4Q16	3Q17
Banking interest income	310,589	256,106	21.3%	284,988	9.0%	312,950	258,010	21.3%	287,274	8.9%	-	-	-	-	-	(2,361)	(1,904)	(2,286)
Banking interest expense	(127,091)	(101,054)	25.8%	(116,385)	9.2%	(129,826)	(100,399)	29.3%	(119,486)	8.7%	-	-	-	-	-	2,735	(655)	3,101
Net banking interest income	183,498	155,052	18.8%	168,603	8.8%	183,124	157,611	16.2%	167,788	9.1%	-	-	-	-	-	374	(2,559)	815
Fee and commission income	53,290	48,447	10.0%	48,594	9.7%	53,739	50,248	6.9%	49,155	9.3%	-	-	-	-	-	(449)	(1,801)	(561)
Fee and commission expense	(16,807)	(13,251)	26.8%	(15,840)	6.1%	(17,001)	(13,479)	26.1%	(16,014)	6.2%	-	-	-	-	-	194	228	174
Net fee and commission income	36,483	35,196	3.7%	32,754	11.4%	36,738	36,769	-0.1%	33,141	10.9%	-	-	-	-	-	(255)	(1,573)	(387)
Net banking foreign currency gain	28,139	34,956	-19.5%	20,436	37.7%	27,464	27,707	-0.9%	19,614	40.0%	-	-	-	-	-	675	7,249	822
Net other banking income	12,708	1,704	NMF	2,375	NMF	12,986	2,138	NMF	2,653	NMF	-	-	-	-	-	(279)	(433)	(278)
Net insurance premiums earned	13,535	11,316	19.6%	13,210	2.5%	-	-	-	-	-	13,513	11,348	19.1%	13,194	2.4%	22	(32)	16
Net insurance claims incurred	(7,207)	(5,093)	41.5%	(6,348)	13.5%	-	-	-	-	-	(7,207)	(5,093)	41.5%	(6,348)	13.5%	-	-	-
Gross insurance profit	6,328	6,223	1.7%	6,862	-7.8%	-	-	-	-	-	6,306	6,255	0.8%	6,846	-7.9%	22	(32)	16
Real estate revenue	32,753	9,453	NMF	29,710	10.2%	-	-	-	-	-	32,982	10,034	NMF	29,967	10.1%	(229)	(581)	(257)
Cost of real estate	(27,209)	(8,474)	NMF	(25,788)	5.5%	-	-	-	-	-	(27,209)	(8,474)	NMF	(25,788)	5.5%	-	-	-
Gross real estate profit	5,544	979	NMF	3,922	41.4%	-	-	-	-	-	5,773	1,560	NMF	4,179	38.1%	(229)	(581)	(257)
Utility revenue	33,195	31,608	5.0%	36,526	-9.1%	-	-	-	-	-	33,286	31,679	5.1%	36,615	-9.1%	(91)	(71)	(89)
Cost of utility	(10,418)	(10,008)	4.1%	(10,673)	-2.4%	-	-	-	-	-	(10,418)	(10,008)	4.1%	(10,673)	-2.4%	-	-	-
Gross utility profit	22,777	21,600	5.4%	25,853	-11.9%	-	-	-	-	-	22,868	21,671	5.5%	25,942	-11.8%	(91)	(71)	(89)
Gross other investment profit	9,621	9,974	-3.5%	11,800	-18.5%	-	-	-	-	-	9,611	9,758	-1.5%	11,792	-18.5%	11	215	8
Revenue	305,098	265,684	14.8%	272,605	11.9%	260,312	224,225	16.1%	223,196	16.6%	44,558	39,244	13.5%	48,759	-8.6%	228	2,215	650
Salaries and other employee benefits	(65,570)	(52,213)	25.6%	(59,051)	11.0%	(55,789)	(47,883)	16.5%	(50,638)	10.2%	(10,426)	(4,827)	116.0%	(8,997)	15.9%	645	497	584
Administrative expenses	(43,443)	(31,383)	38.4%	(33,227)	30.7%	(32,245)	(25,096)	28.5%	(23,240)	38.7%	(11,824)	(7,407)	59.6%	(10,695)	10.6%	626	1,120	708
Banking depreciation and amortisation	(10,514)	(9,639)	9.1%	(10,738)	-2.1%	(10,514)	(9,639)	9.1%	(10,738)	-2.1%	-	-	-	-	-	-	-	-
Other operating expenses	(1,619)	(1,800)	-10.1%	(1,181)	37.1%	(1,194)	(1,222)	-2.3%	(738)	61.8%	(426)	(578)	-26.3%	(443)	-3.8%	1	-	-
Operating expenses	(121,146)	(95,035)	27.5%	(104,197)	16.3%	(99,742)	(83,840)	19.0%	(85,354)	16.9%	(22,676)	(12,812)	77.0%	(20,135)	12.6%	1,272	1,617	1,292
Operating income before cost of credit risk / EBITDA	183,952	170,649	7.8%	168,408	9.2%	160,570	140,385	14.4%	137,842	16.5%	21,882	26,432	-17.2%	28,624	-23.6%	1,500	3,832	1,942
Profit from associates	255	-	NMF	147	73.5%	255	-	NMF	147	73.5%	-	-	-	-	-	-	-	-
Depreciation and amortisation of investment business	(9,056)	(4,501)	101.2%	(7,275)	24.5%	-	-	-	-	-	(9,056)	(4,501)	101.2%	(7,275)	24.5%	-	-	-
Net foreign currency loss from investment business	(5,797)	(1,905)	NMF	(3,941)	47.1%	-	-	-	-	-	(5,797)	(1,905)	NMF	(3,941)	47.1%	-	-	-
Interest income from investment business	1,691	1,830	-7.6%	959	76.3%	-	-	-	-	-	4,088	1,175	NMF	3,595	13.7%	(2,397)	655	(2,636)
Interest expense from investment business	(8,862)	(4,654)	90.4%	(6,961)	27.3%	-	-	-	-	-	(8,969)	(6,523)	37.5%	(7,049)	27.2%	107	1,869	88
Operating income before cost of credit risk	162,183	161,419	0.5%	151,337	7.2%	160,825	140,385	14.6%	137,989	16.5%	2,148	14,678	-85.4%	13,954	-84.6%	(790)	6,356	(606)
Impairment charge on loans to customers	(41,911)	(69,920)	-40.1%	(34,202)	22.5%	(41,911)	(69,920)	-40.1%	(34,202)	22.5%	-	-	-	-	-	-	-	-
Impairment charge on finance lease receivables	492	3,124	-84.3%	(781)	NMF	492	3,124	-84.3%	(781)	NMF	-	-	-	-	-	-	-	-
Impairment charge on other assets and provisions	(1,626)	(3,227)	-49.6%	(2,917)	-44.3%	(1,009)	(3,812)	-73.5%	(1,849)	-45.4%	(617)	585	NMF	(1,068)	-42.2%	-	-	-
Cost of credit risk	(43,045)	(70,023)	-38.5%	(37,900)	13.6%	(42,428)	(70,608)	-39.9%	(36,832)	15.2%	(617)	585	NMF	(1,068)	-42.2%	-	-	-
Profit before non-recurring items and income tax	119,138	91,396	30.4%	113,437	5.0%	118,397	69,777	69.7%	101,157	17.0%	1,531	15,263	-90.0%	12,886	-88.1%	(790)	6,356	(606)
Net non-recurring items	(673)	(1,324)	-49.2%	(1,441)	-53.3%	(213)	(1,055)	-79.8%	(1,376)	-84.5%	(460)	(269)	71.0%	(65)	NMF	-	-	-
Profit before income tax	118,465	90,072	31.5%	111,996	5.8%	118,184	68,722	72.0%	99,781	18.4%	1,071	14,994	-92.9%	12,821	-91.6%	(790)	6,356	(606)
Income tax (expense) benefit	(12,716)	(871)	NMF	(10,096)	26.0%	(11,050)	2,782	NMF	(7,850)	40.8%	(1,666)	(3,653)	-54.4%	(2,246)	-25.8%	-	-	-
Profit from continuing operations	105,749	89,201	18.6%	101,900	3.8%	107,134	71,504	49.8%	91,931	16.5%	(595)	11,341	NMF	10,575	NMF	(790)	6,356	(606)
Profit from discontinued operations	13,060	(458)	NMF	10,941	19.4%	-	-	-	-	-	12,270	5,898	108.0%	10,335	18.7%	790	(6,356)	606
Profit	118,809	88,743	33.9%	112,841	5.3%	107,134	71,504	49.8%	91,931	16.5%	11,675	17,239	-32.3%	20,910	-44.2%	-	-	-
Attributable to:																		
- shareholders of BGEO	113,729	87,136	30.5%	106,278	7.0%	106,687	72,060	48.1%	91,545	16.5%	7,042	15,076	-53.3%	14,733	-52.2%	-	-	-
- non-controlling interests	5,080	1,607	NMF	6,563	-22.6%	447	(556)	NMF	386	15.8%	4,633	2,163	114.2%	6,177	-25.0%	-	-	-
Profit from continuing operations attributable to:																		
- shareholders of BGEO	108,042	90,166	19.8%	101,327	6.6%	106,687	72,060	48.1%	91,545	16.5%	2,145	11,750	-81.7%	10,388	-79.4%	(790)	6,356	(606)
- non-controlling interests	(2,293)	(965)	137.6%	573	NMF	447	(556)	NMF	386	15.8%	(2,740)	(409)	NMF	187	NMF	-	-	-
Profit from discontinued operations attributable to:																		
- shareholders of BGEO	5,687	(3,030)	NMF	4,951	14.9%	-	-	-	-	-	4,897	3,326	47.2%	4,345	12.7%	790	(6,356)	606
- non-controlling interests	7,373	2,572	NMF	5,990	23.1%	-	-	-	-	-	7,373	2,572	NMF	5,990	23.1%	-	-	-
Earnings per share (basic)	3.05	2.29	33.2%	2.82	8.2%	-	-	-	-	-	-	-	-	-	-	-	-	-
- earnings per share from continuing operations	2.90	2.37	22.4%	2.69	7.8%	-	-	-	-	-	-	-	-	-	-	-	-	-
- earnings per share from discontinued operations	0.15	(0.08)	NMF	0.13	15.4%	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings per share (diluted)	2.90	2.21	31.2%	2.70	7.4%	-	-	-	-	-	-	-	-	-	-	-	-	-
- earnings per share from continuing operations	2.76	2.28	21.1%	2.58	7.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
- earnings per share from discontinued operations	0.14	(0.07)	NMF	0.12	16.7%	-	-	-	-	-	-	-	-	-	-	-	-	-

BGEO INCOME STATEMENT – FULL YEAR

GEL thousands, unless otherwise noted	BGEO Consolidated			Banking Business			Investment Business			Eliminations		
	2017	2016	Change y-o-y	2017	2016	Change y-o-y	2017	2016	Change y-o-y	2017	2016	Change y-o-y
Banking interest income	1,131,914	926,029	22.2%	1,140,292	932,063	22.30%	-	-	-	(8,378)	(6,034)	38.8%
Banking interest expense	(459,379)	(377,908)	21.6%	(468,192)	(378,452)	23.70%	-	-	-	8,813	544	NMF
Net banking interest income	672,535	548,121	22.7%	672,100	553,611	21.4%	-	-	-	435	(5,490)	NMF
Fee and commission income	190,392	169,581	12.3%	192,499	172,630	11.5%	-	-	-	(2,107)	(3,049)	-30.9%
Fee and commission expense	(60,342)	(47,104)	28.1%	(61,025)	(47,720)	27.9%	-	-	-	683	616	10.9%
Net fee and commission income	130,050	122,477	6.2%	131,474	124,910	5.3%	-	-	-	(1,424)	(2,433)	-41.5%
Net banking foreign currency gain	79,106	89,480	-11.6%	86,060	83,203	3.4%	-	-	-	(6,954)	6,277	NMF
Net other banking income	18,645	10,667	74.8%	19,701	12,183	61.7%	-	-	-	(1,056)	(1,516)	-30.3%
Net insurance premiums earned	52,363	42,407	23.5%	-	-	-	52,147	43,094	21.0%	216	(687)	NMF
Net insurance claims incurred	(25,098)	(17,838)	40.7%	-	-	-	(25,098)	(17,838)	40.7%	-	-	-
Gross insurance profit	27,265	24,569	11.0%	-	-	-	27,049	25,256	7.1%	216	(687)	NMF
Real estate revenue	120,155	99,583	20.7%	-	-	-	121,132	100,164	20.9%	(977)	(581)	68.2%
Cost of real estate	(85,765)	(81,098)	5.8%	-	-	-	(85,765)	(81,098)	5.8%	-	-	-
Gross real estate profit	34,390	18,485	86.0%	-	-	-	35,367	19,066	85.5%	(977)	(581)	68.2%
Utility revenue	127,208	56,347	125.8%	-	-	-	127,568	56,486	125.8%	(360)	(139)	159.0%
Cost of utility	(39,198)	(17,806)	120.1%	-	-	-	(39,198)	(17,806)	120.1%	-	-	-
Gross utility profit	88,010	38,541	128.4%	-	-	-	88,370	38,680	128.5%	(360)	(139)	159.0%
Gross other investment profit	30,630	21,288	43.9%	-	-	-	30,583	21,334	43.4%	47	(46)	NMF
Revenue	1,080,631	873,628	23.7%	909,335	773,907	17.5%	181,369	104,336	73.8%	(10,073)	(4,615)	118.3%
Salaries and other employee benefits	(230,542)	(182,853)	26.1%	(198,213)	(168,374)	17.7%	(34,548)	(16,279)	112.2%	2,219	1,800	23.3%
Administrative expenses	(136,177)	(97,029)	40.3%	(100,291)	(82,113)	22.1%	(38,350)	(17,751)	116.0%	2,464	2,835	-13.1%
Banking depreciation and amortisation	(40,974)	(37,207)	10.1%	(40,974)	(37,207)	10.1%	-	-	-	-	-	-
Other operating expenses	(5,352)	(5,717)	-6.4%	(3,458)	(3,854)	-10.3%	(1,894)	(1,863)	1.7%	-	-	-
Operating expenses	(413,045)	(322,806)	28.0%	(342,936)	(291,548)	17.6%	(74,792)	(35,893)	108.4%	4,683	4,635	1.0%
Operating income before cost of credit risk / EBITDA	667,586	550,822	21.2%	566,399	482,359	17.4%	106,577	68,443	55.7%	(5,390)	20	NMF
Profit from associates	1,311	4,074	-67.8%	1,311	-	NMF	-	4,074	NMF	-	-	-
Depreciation and amortisation of investment business	(28,235)	(10,062)	NMF	-	-	-	(28,235)	(10,062)	NMF	-	-	-
Net foreign currency loss from investment business	(4,937)	(3,134)	57.5%	-	-	-	(4,937)	(3,134)	57.5%	-	-	-
Interest income from investment business	5,415	3,745	44.6%	-	-	-	12,970	4,144	NMF	(7,555)	(399)	NMF
Interest expense from investment business	(29,660)	(11,220)	NMF	-	-	-	(30,014)	(13,410)	123.8%	354	2,190	-83.8%
Operating income before cost of credit risk	611,480	534,225	14.5%	567,710	482,359	17.7%	56,361	50,055	12.6%	(12,591)	1,811	NMF
Impairment charge on loans to customers	(155,210)	(158,892)	-2.3%	(155,210)	(158,892)	-2.3%	-	-	-	-	-	-
Impairment charge on finance lease receivables	(496)	(777)	-36.2%	(496)	(777)	-36.2%	-	-	-	-	-	-
Impairment charge on other assets and provisions	(15,005)	(9,087)	65.1%	(11,590)	(8,083)	43.4%	(3,415)	(1,004)	NMF	-	-	-
Cost of credit risk	(170,711)	(168,756)	1.2%	(167,296)	(167,752)	-0.3%	(3,415)	(1,004)	NMF	-	-	-
Profit before non-recurring items and income tax	440,769	365,469	20.6%	400,414	314,607	27.3%	52,946	49,051	7.9%	(12,591)	1,811	NMF
Net non-recurring items	(4,923)	(12,682)	-61.2%	(4,300)	(45,355)	-90.5%	(623)	32,673	NMF	-	-	-
Profit before income tax	435,846	352,787	23.5%	396,114	269,252	47.1%	52,323	81,724	-36.0%	(12,591)	1,811	NMF
Income tax (expense)/benefit	(32,340)	17,500	NMF	(26,592)	26,444	NMF	(5,748)	(8,944)	-35.7%	-	-	-
Profit from continuing operations	403,506	370,287	9.0%	369,522	295,696	25.0%	46,575	72,780	-36.0%	(12,591)	1,811	NMF
Profit from discontinued operations	59,943	58,289	2.8%	-	-	-	47,352	60,100	-21.2%	12,591	(1,811)	NMF
Profit	463,449	428,576	8.1%	369,522	295,696	25.0%	93,927	132,880	-29.3%	-	-	-
Attributable to:												
- shareholders of BGEO	437,615	398,538	9.8%	367,832	293,173	25.5%	69,783	105,365	-33.8%	-	-	-
- non-controlling interests	25,834	30,038	-14.0%	1,690	2,523	-33.0%	24,144	27,515	-12.3%	-	-	-
Profit from continuing operations attributable to:												
- shareholders of BGEO	405,626	367,625	10.3%	367,832	293,173	25.5%	50,385	72,641	-30.6%	(12,591)	1,811	NMF
- non-controlling interests	(2,120)	2,662	NMF	1,690	2,523	-33.0%	(3,810)	139	NMF	-	-	-
Profit from discontinued operations attributable to:												
- shareholders of BGEO	31,989	30,913	3.5%	-	-	-	19,398	32,724	-40.7%	12,591	(1,811)	NMF
- non-controlling interests	27,954	27,376	2.1%	-	-	-	27,954	27,376	2.1%	-	-	-
Earnings per share (basic)	11.61	10.41	11.5%									
- earnings per share from continuing operations	10.76	9.61	12.0%									
- earnings per share from discontinued operations	0.85	0.80	6.2%									
Earnings per share (diluted)	11.07	10.09	9.7%									
- earnings per share from continuing operations	10.26	9.31	10.2%									
- earnings per share from discontinued operations	0.81	0.78	3.8%									

BGEO BALANCE SHEET – 31 DECEMBER 2017

STATEMENT OF FINANCIAL POSITION	BGEO Consolidated					Banking Business					Investment Business					Eliminations		
	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q	Dec-17	Dec-16	Sep-17
Cash and cash equivalents	1,582,435	1,573,610	0.6%	1,721,811	-8.1%	1,516,401	1,480,783	2.4%	1,648,098	-8.0%	374,301	401,969	-6.9%	345,137	8.4%	(308,267)	(309,142)	(271,424)
Amounts due from credit institutions	1,225,947	1,054,983	16.2%	985,120	24.4%	1,216,349	940,485	29.3%	950,775	27.9%	38,141	178,425	-78.6%	60,565	-37.0%	(28,543)	(63,927)	(26,220)
Investment securities	1,564,869	1,286,003	21.7%	1,421,401	10.1%	1,613,759	1,283,903	25.7%	1,469,274	9.8%	33,059	3,672	NMF	33,914	-2.5%	(81,949)	(1,572)	(81,787)
Loans to customers and finance lease receivables	7,690,450	6,648,482	15.7%	6,917,211	11.2%	7,741,420	6,681,672	15.9%	6,951,493	11.4%	-	-	-	-	-	(50,970)	(33,190)	(34,282)
Accounts receivable and other loans	38,944	128,506	-69.7%	177,658	-78.1%	3,572	55,377	-93.5%	7,681	-53.5%	35,446	125,962	-71.9%	174,493	-79.7%	(74)	(52,833)	(4,516)
Insurance premiums receivable	30,573	46,423	-34.1%	53,998	-43.4%	-	-	-	-	-	30,854	48,390	-36.2%	54,326	-43.2%	(281)	(1,967)	(328)
Prepayments	149,558	76,277	96.1%	164,911	-9.3%	61,501	18,716	NMF	54,808	12.2%	88,057	58,161	51.4%	110,135	-20.0%	-	(600)	(32)
Inventories	100,194	188,344	-46.8%	230,661	-56.6%	20,086	8,809	128.0%	20,893	-3.9%	80,108	179,535	-55.4%	209,768	-61.8%	-	-	-
Investment property	353,565	288,227	22.7%	319,059	10.8%	202,533	152,597	32.7%	175,071	15.7%	155,367	135,630	14.6%	148,323	4.7%	(4,335)	-	(4,335)
Property and equipment	988,436	1,288,594	-23.3%	1,501,735	-34.2%	322,925	296,791	8.8%	309,769	4.2%	661,176	991,803	-33.3%	1,187,631	-44.3%	4,335	-	4,335
Goodwill	55,276	106,986	-48.3%	159,570	-65.4%	33,351	33,453	-0.3%	33,351	0.0%	21,925	73,533	-70.2%	126,219	-82.6%	-	-	-
Intangible assets	60,980	58,907	3.5%	79,573	-23.4%	55,525	39,941	39.0%	53,939	2.9%	5,455	18,966	-71.2%	25,634	-78.7%	-	-	-
Income tax assets	2,293	24,043	-90.5%	6,826	-66.4%	919	19,325	-95.2%	1,582	-41.9%	1,374	4,718	-70.9%	5,244	-73.8%	-	-	-
Other assets	188,732	184,791	2.1%	188,239	0.3%	119,337	111,506	7.0%	102,984	15.9%	73,468	86,305	-14.9%	92,038	-20.2%	(4,073)	(13,020)	(6,783)
Assets of disposal group held for sale	1,136,417	-	NMF	-	NMF	-	-	-	-	-	1,165,182	-	NMF	-	NMF	(28,765)	-	-
Total assets	15,168,669	12,954,176	17.1%	13,927,773	8.9%	12,907,678	11,123,358	16.0%	11,779,718	9.6%	2,763,913	2,307,069	19.8%	2,573,427	7.4%	(502,922)	(476,251)	(425,372)
Client deposits and notes	6,712,482	5,382,698	24.7%	6,252,228	7.4%	7,078,058	5,755,767	23.0%	6,549,904	8.1%	-	-	-	-	-	(365,576)	(373,069)	(297,676)
Amounts due to credit institutions	3,155,839	3,470,091	-9.1%	2,774,525	13.7%	2,778,338	3,067,651	-9.4%	2,350,438	18.2%	377,501	435,630	-13.3%	459,158	-17.8%	-	(33,190)	(35,071)
Debt securities issued	1,709,152	1,255,643	36.1%	1,691,260	1.1%	1,386,412	858,036	61.6%	1,298,641	6.8%	357,442	404,450	-11.6%	479,142	-25.4%	(34,702)	(6,843)	(86,523)
Accruals and deferred income	132,669	130,319	1.8%	160,530	-17.4%	42,207	21,778	93.8%	31,332	34.7%	90,462	161,893	-44.1%	132,783	-31.9%	-	(53,352)	(3,585)
Insurance contracts liabilities	46,402	67,871	-31.6%	77,695	-40.3%	-	-	-	-	-	46,402	67,871	-31.6%	77,695	-40.3%	-	-	-
Income tax liabilities	20,959	27,718	-24.4%	16,166	29.6%	20,100	22,528	-10.8%	14,697	36.8%	859	5,190	-83.4%	1,469	-41.5%	-	-	-
Other liabilities	142,133	231,623	-38.6%	326,686	-56.5%	49,861	45,096	10.6%	47,660	4.6%	92,553	196,324	-52.9%	281,543	-67.1%	(281)	(9,797)	(2,517)
Liabilities of disposal group held for sale	516,663	-	NMF	-	NMF	-	-	-	-	-	619,026	-	NMF	-	NMF	(102,363)	-	-
Total liabilities	12,436,299	10,565,963	17.7%	11,299,090	10.1%	11,354,976	9,770,856	16.2%	10,292,672	10.3%	1,584,245	1,271,358	24.6%	1,431,790	10.6%	(502,922)	(476,251)	(425,372)
Share capital	1,151	1,154	-0.3%	1,151	0.0%	1,151	1,154	-0.3%	1,151	0.0%	-	-	-	-	-	-	-	-
Additional paid-in capital	106,086	183,872	-42.3%	138,144	-23.2%	-	45,072	NMF	-	-	106,086	138,800	-23.6%	138,144	-23.2%	-	-	-
Treasury shares	(66)	(54)	22.2%	(54)	22.2%	(66)	(54)	22.2%	(54)	22.2%	-	-	-	-	-	-	-	-
Other reserves	122,082	74,399	64.1%	124,092	-1.6%	(74,046)	(57,485)	28.8%	(49,407)	49.9%	196,128	131,884	48.7%	173,499	13.0%	-	-	-
Retained earnings	2,180,415	1,872,496	16.4%	2,065,239	5.6%	1,618,775	1,344,144	20.4%	1,528,751	5.9%	561,640	528,352	6.3%	536,488	4.7%	-	-	-
Reserves of disposal group held for sale	10,934	-	NMF	-	NMF	-	-	-	-	-	10,934	-	NMF	-	NMF	-	-	-
Total equity attributable to shareholders of the Group	2,420,602	2,131,867	13.5%	2,328,572	4.0%	1,545,814	1,332,831	16.0%	1,480,441	4.4%	874,788	799,036	9.5%	848,131	3.1%	-	-	-
Non-controlling interests	311,768	256,346	21.6%	300,111	3.9%	6,888	19,671	-65.0%	6,605	4.3%	304,880	236,675	28.8%	293,506	3.9%	-	-	-
Total equity	2,732,370	2,388,213	14.4%	2,628,683	3.9%	1,552,702	1,352,502	14.8%	1,487,046	4.4%	1,179,668	1,035,711	13.9%	1,141,637	3.3%	-	-	-
Total liabilities and equity	15,168,669	12,954,176	17.1%	13,927,773	8.9%	12,907,678	11,123,358	16.0%	11,779,718	9.6%	2,763,913	2,307,069	19.8%	2,573,427	7.4%	(502,922)	(476,251)	(425,372)
Book value per share	65.22	56.61	15.2%	62.06	5.1%	-	-	-	-	-	-	-	-	-	-	-	-	-

BNB - BELARUSKY NARODNY BANK FINANCIAL HIGHLIGHTS

INCOME STATEMENT, HIGHLIGHTS

	4Q17	4Q16	Change y-o-y	3Q17	Change q-o-q	2017	2016	Change y-o-y
<i>GEL thousands, unless otherwise stated</i>								
Net banking interest income	6,021	8,043	-25.1%	6,729	-10.5%	29,397	30,773	-4.5%
Net fee and commission income	2,421	1,993	21.5%	2,287	5.9%	9,336	7,462	25.1%
Net banking foreign currency gain	3,457	2,696	28.2%	2,780	24.4%	10,852	8,452	28.4%
Net other banking income	1,295	(1,064)	NMF	212	NMF	1,773	(738)	NMF
Revenue	13,194	11,668	13.1%	12,008	9.9%	51,358	45,949	11.8%
Operating expenses	(8,185)	(6,483)	26.3%	(7,845)	4.3%	(29,664)	(20,905)	41.9%
Operating income before cost of credit risk	5,009	5,185	-3.4%	4,163	20.3%	21,694	25,044	-13.4%
Cost of credit risk	(518)	(9,163)	-94.3%	299	NMF	(9,093)	(15,797)	-42.4%
Net non-recurring items	(4)	(1,402)	-99.7%	-	NMF	(60)	(1,418)	-95.8%
Profit before income tax	4,487	(5,380)	NMF	4,462	0.6%	12,541	7,829	60.2%
Income tax (expense)/benefit	(876)	1,289	NMF	(728)	20.3%	(2,256)	(5,141)	-56.1%
Profit	3,611	(4,091)	NMF	3,734	-3.3%	10,285	2,688	NMF

BALANCE SHEET, HIGHLIGHTS

GEL thousands, unless otherwise stated

	Dec-17	Dec-16	Change y-o-y	Sep-17	Change q-o-q
Cash and cash equivalents	104,309	70,211	48.6%	105,475	-1.1%
Amounts due from credit institutions	10,499	3,560	NMF	10,146	3.5%
Investment securities	73,415	84,725	-13.3%	120,521	-39.1%
Loans to customers and finance lease receivables	399,516	362,100	10.3%	380,326	5.0%
Other assets	37,096	24,131	53.7%	28,468	30.3%
Total assets	624,835	544,727	14.7%	644,936	-3.1%
Client deposits and notes	310,050	233,501	32.8%	316,413	-2.0%
Amounts due to credit institutions	202,492	212,495	-4.7%	221,712	-8.7%
Debt securities issued	28,512	24,126	18.2%	29,685	-4.0%
Other liabilities	4,261	5,134	-17.0%	4,828	-11.7%
Total liabilities	545,315	475,256	14.7%	572,638	-4.8%
Total equity attributable to shareholders of the Group	79,520	55,736	42.7%	72,298	10.0%
Non-controlling interests	-	13,735	NMF	-	-
Total equity	79,520	69,471	14.5%	72,298	10.0%
Total liabilities and equity	624,835	544,727	14.7%	644,936	-3.1%

BANKING BUSINESS KEY RATIOS

	4Q17	4Q16	3Q17	Dec-17	Dec-16
Profitability					
ROAA, Annualised	3.4%	2.8%	3.2%	3.2%	3.1%
ROAE, Annualised	27.8%	20.0%	25.1%	25.2%	22.2%
<i>RB ROAE</i>	36.6%	36.5%	34.1%	31.6%	31.2%
<i>CIB ROAE</i>	18.1%	6.2%	13.3%	17.6%	14.7%
Net Interest Margin, Annualised	7.3%	7.6%	7.3%	7.3%	7.4%
<i>RB NIM</i>	8.4%	9.3%	8.5%	8.5%	9.2%
<i>CIB NIM</i>	3.5%	3.6%	3.5%	3.4%	3.6%
Loan Yield, Annualised	14.3%	14.4%	14.3%	14.2%	14.2%
<i>RB Loan Yield</i>	15.9%	16.4%	16.3%	16.1%	16.8%
<i>CIB Loan Yield</i>	11.2%	11.1%	10.6%	10.7%	10.4%
Liquid Assets Yield, Annualised	3.4%	3.3%	3.5%	3.4%	3.2%
Cost of Funds, Annualised	4.8%	4.6%	4.8%	4.7%	4.7%
Cost of Client Deposits and Notes, Annualised	3.5%	3.6%	3.5%	3.5%	3.8%
<i>RB Cost of Client Deposits and Notes</i>	2.8%	3.1%	2.9%	2.9%	3.3%
<i>CIB Cost of Client Deposits and Notes</i>	4.0%	3.6%	3.9%	4.0%	3.9%
Cost of Amounts Due to Credit Institutions, Annualised	6.5%	6.4%	6.5%	6.4%	6.2%
Cost of Debt Securities Issued	7.8%	6.1%	7.9%	7.4%	6.8%
Operating Leverage, Y-O-Y	-2.9%	-7.3%	-2.6%	-0.1%	-6.4%
Operating Leverage, Q-O-Q	-0.2%	0.0%	-0.4%	0.0%	0.0%
Efficiency					
Cost / Income	38.3%	37.4%	38.2%	37.7%	37.7%
<i>RB Cost / Income</i>	38.7%	38.8%	37.8%	38.3%	40.0%
<i>CIB Cost / Income</i>	31.0%	28.7%	34.5%	32.0%	29.5%
Liquidity					
NBG Liquidity Ratio	34.4%	37.7%	44.4%	34.4%	37.7%
Liquid Assets To Total Liabilities	38.3%	37.9%	39.5%	38.3%	37.9%
Net Loans To Client Deposits and Notes	109.4%	116.1%	106.1%	109.4%	116.1%
Net Loans To Client Deposits and Notes + DFIs	92.4%	94.9%	90.0%	92.4%	94.9%
Leverage (Times)	7.3	7.2	6.9	7.3	7.2
Asset Quality:					
NPLs (in GEL)	301,268	294,787	297,134	301,268	294,787
NPLs To Gross Loans To Clients	3.8%	4.2%	4.1%	3.8%	4.2%
NPL Coverage Ratio	92.7%	86.7%	93.6%	92.7%	86.7%
NPL Coverage Ratio, Adjusted for discounted value of collateral	130.6%	132.1%	132.8%	130.6%	132.1%
Cost of Risk, Annualised	2.1%	4.2%	2.0%	2.2%	2.7%
<i>RB Cost of Risk</i>	1.8%	2.0%	2.0%	2.5%	2.3%
<i>CIB Cost of Risk</i>	3.2%	6.6%	2.3%	1.5%	3.1%
Capital Adequacy:					
NBG (Basel II) Tier I Capital Adequacy Ratio	10.3%	9.1%	11.1%	10.3%	9.1%
NBG (Basel II) Total Capital Adequacy Ratio	14.8%	14.4%	16.2%	14.8%	14.4%
NBG (Basel III) Tier I Capital Adequacy Ratio	12.4%	n/a	n/a	12.4%	n/a
NBG (Basel III) Total Capital Adequacy Ratio	17.9%	n/a	n/a	17.9%	n/a

For the description of Key ratios, refer to page 132

KEY OPERATING DATA

	4Q17	4Q16	3Q17	Dec-17	Dec-16
Selected Operating Data:					
Total Assets Per FTE	1,832	1,730	1,732	1,832	1,730
Number Of Active Branches, Of Which:	286	278	283	286	278
- Express Branches (including Metro)	156	128	153	156	128
- Bank of Georgia Branches	118	139	119	118	139
- Solo Lounges	12	11	11	12	11
Number Of ATMs	850	801	829	850	801
Number Of Cards Outstanding, Of Which:	2,227,000	2,056,258	2,176,761	2,227,000	2,056,258
- Debit cards	1,553,427	1,255,637	1,431,859	1,553,427	1,255,637
- Credit cards	673,573	800,621	744,902	673,573	800,621
Number Of POS Terminals	13,216	10,357	11,997	13,216	10,357
FX Rates:					
GEL/US\$ exchange rate (period-end)	2.5922	2.6468	2.4767		
GEL/GBP exchange rate (period-end)	3.5005	3.2579	3.3158		
Full Time Employees, Group, Of Which:					
Total Banking Business Companies, of which:	Dec-17	Dec-16	Sep-17		
- Full Time Employees, BOG Standalone	25,795	22,080	25,425		
- Full Time Employees, BNB	7,045	6,431	6,801		
- Full Time Employees, BB other	5,501	5,016	5,293		
Total Investment Business Companies, of which:	Dec-17	Dec-16	Sep-17		
- Full Time Employees, Georgia Healthcare Group	18,750	15,649	18,624		
- Full Time Employees, Aldagi	15,070	12,720	15,075		
- Full Time Employees, GGU	328	289	319		
- Full Time Employees, m ²	2,631	2,379	2,501		
- Full Time Employees, IB Other	156	80	115		
	565	181	614		
Shares Outstanding					
Ordinary Shares Outstanding	Dec-17	Dec-16	Sep-17		
Treasury Shares Outstanding	37,116,399	37,657,229	37,520,410		
Total Shares Outstanding	2,268,313	1,843,091	1,864,302		
	39,384,712	39,500,320	39,384,712		

EXPRESS BANKING

1

156 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

2,842 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

1,258,940 Express Cards for Transport payments



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

4

13,291 POS Terminals at 5,341 Merchants

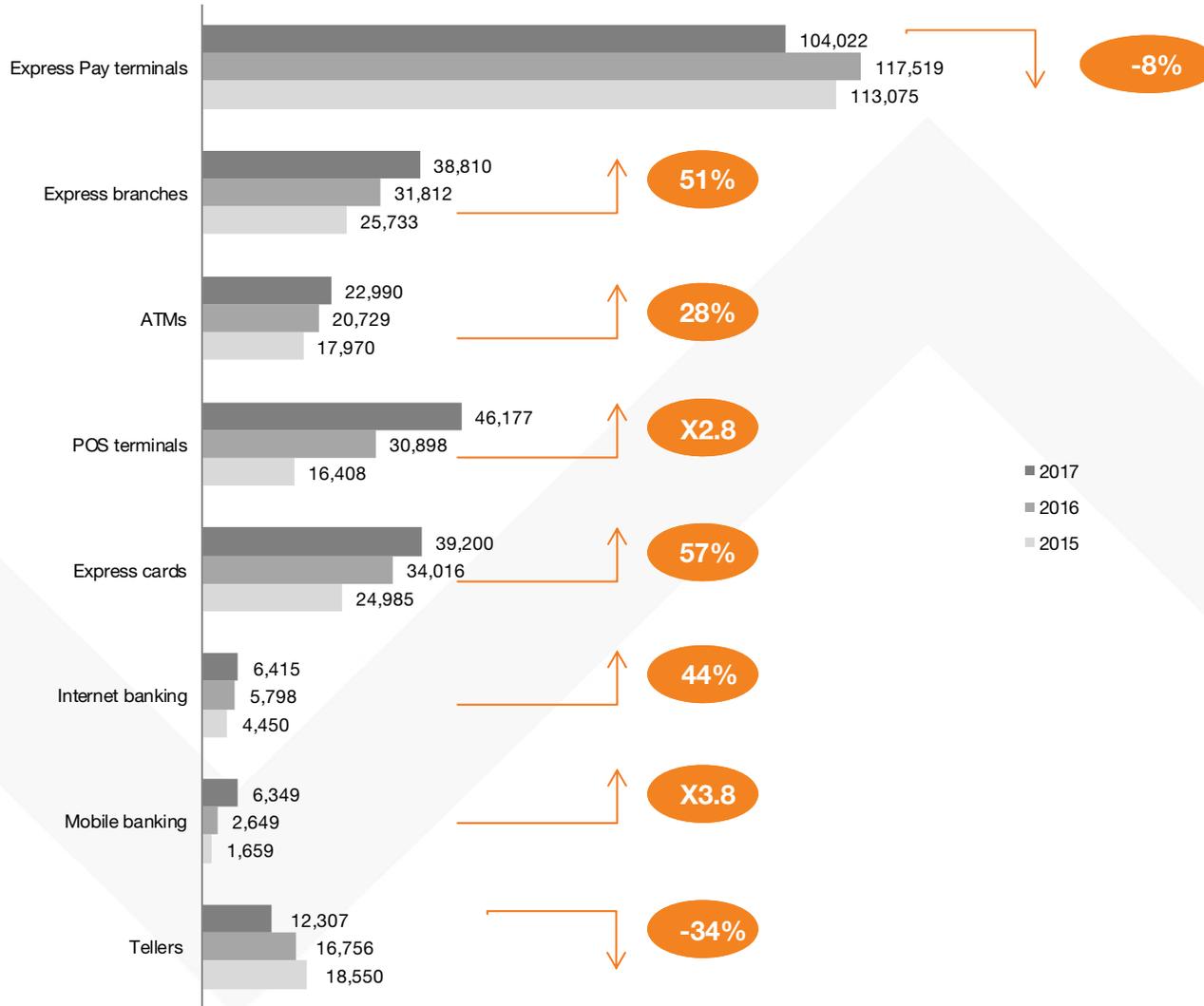


- Payments via cards and Express points
- P2P transactions between merchant and supplier
- Credit limit with 0% interest rate



EXPRESS - CAPTURING EMERGING MASS MARKET CUSTOMERS

No. of transactions '000s



SOLO - A FUNDAMENTALLY DIFFERENT APPROACH TO PREMIUM BANKING

Through Solo, we target to **attract new clients** (currently 32,104) 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 the same period last year

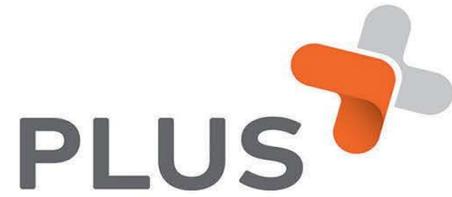
RETAIL BANKING TRANSFORMATION

- The transformation of retail banking operations from the product-based model into the client-centric model complete
- The implementation of the client-centric model completed in 86 branches as of 31 December 2017
- Outstanding growth in sales volumes and the number of products sold to clients in transformed branches



RETAIL BANKING - LOYALTY PROGRAM

LOGO:



KEY VISUALS:



WEB:



CARDS:

Express



Plus Classic



Plus Silver



Plus Gold



RETAIL BANKING - LOYALTY PROGRAM PARTNERS

Points exchange

Pharmacy



Gas station



Supermarkets



Fast food



Status benefits

Health care benefits



Insurance benefit



NOTES TO KEY RATIOS

- 1 Return on average total assets (ROAA) equals Banking Business Profit for the period divided by monthly average total assets for the same period;
- 2 Return on average total equity (ROAE) equals Banking Business 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 NBG liquidity ratio equals 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 Liquidity Coverage Ratio equals high quality liquid assets (as defined by NBG) divided by net cash outflow over the next 30 days (as defined by NBG)
- 11 Leverage (Times) equals total liabilities divided by total equity;
- 12 NPL Coverage Ratio equals allowance for impairment of loans and finance lease receivables divided by NPLs;
- 13 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)
- 14 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;
- 15 NBG (Basel II) 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;
- 16 NBG (Basel II) 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;
- 17 NBG (Basel III) 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;
- 18 NBG (Basel III) 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;
- 19 Loss ratio equals net insurance claims expense divided by net earned premiums
- 20 Expense ratio equals sum of acquisition costs and operating expenses divided by net earned premiums
- 21 Combined ratio equals sum of the loss ratio and the expense ratio
- 22 NMF – Not meaningful

BGEO GROUP - COMPANY INFORMATION

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

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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