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BANK OF GEORGIA

Tbilisi, 8 May 2012

BANK OF GEORGIA ANNOUNCES Q1 2012 RESULT; PROFIT INCREASES 135%

Bank of Georgia Holdings plc (LSE: BGEO LN), the holding company of JSC Bank of Georgia and its subsidiaries (the "Bank"), Georgia's leading bank, announced today the Bank's Q1 2012 consolidated results (IFRS based, derived from management accounts), reporting a Q1 2012 profit from continuing operations for the quarter of GEL 39.7 million (US$ 23.9 million/GBP 14.9 million), or GEL 1.23 per share (US$0.74 per share/GBP0.46 per share). Unless otherwise mentioned, all comparisons are with the first quarter of 2011.

Strong earnings momentum in the first quarter of 2012

- **Positive operating leverage maintained with strong profitability**
  - Net interest margin of 7.3%, compared to 6.8% in Q4 2011
  - Revenue increased by GEL 26.2 million, or 29%, y-o-y, to GEL 116.9 million
  - Operating expenses increased at less than half the rate of revenue growth; up 14% y-o-y to GEL 57.3 million
  - Cost to Income ratio improved to 49.1%, from 55.5%
  - Q1 2012 profit before tax from continuing operations of GEL 47.7 million, up by GEL 12.9 million, or 37%
  - Profit for the period increased by GEL 22.9 million, or 135.9%, to GEL 39.8 million
  - Earnings per share (basic) increased by 26.8% to GEL 1.23, compared to GEL 0.97
  - Return on Average Assets (ROAA) increased to 3.5%, compared to 2.9%
  - Return on Average Equity (ROAE) declined to 18.9%, from 22.8%, reflecting the significant increase in equity in Q1 2012

- **Prudent asset quality with further strengthening of the Bank's conservative balance sheet and capital position**
  - Cost of risk increased to 1.0% from 0.7%. In absolute terms, cost of credit risk increased by GEL 2.0 million, or 36% y-o-y to GEL 7.4 million
  - Non-performing loans (NPLs) declined to GEL 94.3, or by 2.9%, compared to Q4 2011. NPLs accounted for 3.3% of gross loan book in Q1 2012 and 3.6% of the loan book in Q4 2011
  - High provisions coverage of non-performing loans at 126.8%
  - Net loan book increased by 21.0% y-o-y (3.7% year-to-date), while customer funds increased 26.6% y-o-y (declined 4.0% year-to-date);
  - Excellent funding position with a Net Loans to Customer Funds ratio of 103.4% down from 108.1% twelve months ago

About Bank of Georgia Holdings plc
Bank of Georgia is the leading Georgian bank, based on total assets (with a 34% market share), total loans (with a 35% market share) and client deposits (with a 34% market share) as of 31 March 2012, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor's	'BB-/B'
FitchRatings	'BB-/B'
Moody's	'B1/NP' (FC) & 'Ba3/NP' (LC)

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  - BIS Tier 1 capital adequacy ratio improved significantly to 21.5%
  - Book Value per Share increased by 13.0% to GEL 26.78 (US$16.13/GBP10.08)
  - Balance Sheet leverage reduced to 3.7 times, compared to 4.5 times

- **Business highlights**
  - Strong performances from each of the Bank's strategic businesses in Georgia – Corporate Banking, Retail Banking and Wealth Management
  - Excellent progress in developing the Bank's synergistic businesses: Insurance and Healthcare and Affordable Housing, including the acquisition in May 2012 of Imedi L, the third largest insurance business in Georgia

"In what is usually a seasonally quiet period of the year, I am delighted with the Bank's progress in the first quarter of 2012 and to be able to report a strong set of results reflecting continued excellent performances in all of our core businesses during the quarter. Revenue growth of 28.9% more than doubled expense growth of 13.9% which, when combined with strong asset quality metrics, led to a 36.9% increase in profit before tax from continuing operations, compared to the first quarter of last year.

Compared to the first quarter of 2011 we have continued to make strong balance sheet progress with customer lending growing by 21.0% and customer funds by 26.6%. This however masks the significant efforts we have made during the first few months of the year to improve the quality and cost of our deposit funding. In the last quarter of 2011 we experienced very significant inflows of costly corporate deposits in Georgian Lari (GEL). As a result in Q4 2011 cutomer funds grew by 17.7% compared to Q3 2011, which led to a reduction in the net interest margin to 6.8% in Q4 2011. In order to normalise our NIM, we signficantly decreased our GEL and US$ deposit rates, which led to the decline of customer fund balances by 4.0% year-to-date, subsequently achieving our aim to decrease our abnormally high excess liquidity. The proportion of costly GEL client deposits as percentage of total client deposits decreased from 40.8% in Q4 2011 to 36.0% in Q1 2012. These actions resulted in an increase in the NIM by 50 basis ponts to 7.3% in Q1 2012 from 6.8% in Q4 2011. The decline in cost of funds by 20 basis point to 8.3% and increased loan yield by 30 basis points to 18.0% also contributed to sharp increase in NIM in Q1 2012. We continue to expect deposit growth for the full year to match our expected growth of approximately 20% in customer lending during the year. Pleasingly, we also grew our net interest income by 1.8% over the same period whilst repositioning the Bank's balance sheet.

Profitability has continued to remain strong with a post-tax Return on Average Equity of 18.9%, notwithstanding the significant increase in equity during the quarter, and Earnings per Share growing by 26.8% to GEL 1.23. At the end of March 2012, the Bank's NBG Tier 1 capital ratio was 15.2% (BIS 21.5%), compared to 10.5% (BIS 19.9%) on 31 December 2011, largely reflecting the inclusion of 2011 profit in Tier I capital as of 1 January 2012, per National Bank of Georgia regulations, and the conversion of the EBRD/IFC convertible loans in February 2012. Our Balance Sheet leverage reduced to 3.7 times, compared to 4.5 times twelve months ago.

The macroeconomic performance of Georgia continues to exceed expectations in all key areas of the economy, with expectations continuing to increase with regard to the economy's key growth drivers. Georgia has continued to experience strong levels of inward investment as well as high levels of tourist revenues and net remittances, and we expect this trend to continue over the next few years. As a result, I am confident that Bank of Georgia will continue to go from strength to strength and remain well positioned to further improve its performance throughout 2012 and over the next few years," commented ***Irakli Gilauri*****,** Chief Executive Officer of Bank of Georgia Holdings plc. and JSC Bank of Georgia.

1.6600 GEL/US$ 31 March 2012
1.6703 GEL/US$ 31 December 2011
1.7059 GEL/US$ 31 March 2011
2.6578 GEL/GBP 31 March 2012
2.5776 GEL/GBP 31 December 2011
2.7402 GEL/GBP 31 March 2011

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Financial Summary

Millions, unless otherwise noted	Q1 2012			Q1 2011				Q4 2011			
Bank of Georgia (Consolidated, Unaudited, IFRS-based)	**US$**	**GBP**	**GEL**	**US$**	**GBP**	**GEL**	***Change [1] Y-O-Y***	**US$**	**GBP**	**GEL**	***Change [1] Q-O-Q***
Revenue[2]	70.4	44.0	116.9	53.1	33.1	90.7	*28.9%*	71.3	46.2	119.1	*-1.8%*
Operating costs[3]	34.5	21.6	57.3	29.5	18.4	50.3	*13.9%*	34.4	22.3	57.5	*-0.3%*
Operating income before cost of credit risk	35.9	22.4	59.5	23.6	14.7	40.3	*47.6%*	36.9	23.9	61.6	*-3.4%*
Cost of credit risk[4]	4.4	2.8	7.4	3.2	2.0	5.4	*37.0%*	5.3	3.4	8.8	*-15.9%*
Net operating income	31.4	19.6	52.1	20.5	12.7	34.9	*49.3%*	31.6	20.5	52.8	*-1.3%*
Net non-operating expenses, including goodwill impairment	2.7	1.7	4.4	-	-	0.1	*NMF[10]*	5.8	3.8	9.7	*-54.6%*
Profit for the period from continuing operations	23.9	14.9	39.7	17.1	10.6	29.1	*36.4%*	22.3	14.5	37.3	*6.4%*
EPS (Basic)	0.74	0.46	1.23	0.57	0.35	0.97	*26.8%*	0.71	0.46	1.18	*4.2%*
Consolidated Balance Sheet Summary											
Total assets	2,704.9	1,689.4	4,490.2	2,373.7	1,477.7	4,049.2	*10.9%*	2,793.1	1,809.9	4,665.3	*-3.8%*
Net loans[5]	1,634.8	1,021.1	2,713.8	1,314.2	818.2	2,241.9	*21.0%*	1,566.4	1,015.0	2,616.4	*3.7%*
Customer funds[6]	1,581.5	987.7	2,625.2	1,215.4	756.7	2,073.4	*26.6%*	1,637.6	1,061.2	2,735.2	*-4.0%*
Tier I Capital Adequacy Ratio (BIS)[7]			21.5%			18.0%				19.9%	
Total Capital Adequacy Ratio (BIS)[7]			28.0%			28.8%				28.5%	
NBG Tier I Capital Adequacy Ratio[8]			15.2%			12.7%				10.5%	
NBG Total Capital Adequacy Ratio[8]			18.2%			15.6%				16.2%	
Leverage (times)[9]			3.7			4.5	-17.8%			4.7	-21.3%

[1] Compared to the respective period in 2011; growth calculations based on GEL values
[2] Revenue includes net interest income, net fee and commission income, net insurance revenue and other operating non-Interest Income
[3] Operating Expenses equal other operating non-interest expenses
[4] Cost of credit risk includes impairment charge (reversal of impairment) on: loans to customers, finance lease receivables and other assets
[5] Net loans equal to net loans to customers and finance lease receivables
[6] Customer funds equal amounts due to customers
[7] BIS Tier I Capital Adequacy Ratio equals consolidated Tier I capital as of the period end divided by Total consolidated risk weighted assets as of the same date. BIS total capital equals total consolidated capital as of the period divided by total consolidated risk weighted assets. Both ratios calculated in accordance with the requirements of Basel Accord I
[8] NBG Tier I Capital and Total Capital Adequacy ratios calculated in accordance with the requirements of the National Bank of Georgia (NBG)
[9] Leverage (Times) equals Total Liabilities divided by Total Equity
[10] No Meaningful Figure

Discussion of Results

Revenue

GEL millions, unless otherwise noted	Q1 2012	Q1 2011	*Change Y-O-Y*	Q4 2011	*Change Q-O-Q*
Loans to customers	118.4	105.0	*12.8%*	115.8	*2.2%*
Investment securities: available-for-sale*	9.8	8.8	*11.4%*	9.8	*0.0%*
Amounts due from credit institutions	4.2	2.9	*44.8%*	4.7	*-10.6%*
Finance lease and receivables	2.0	0.8	*NMF*	3.1	*-35.5%*
Interest income	**134.4**	**117.5**	***14.4%***	**133.4**	***0.7%***
Amounts due to customers	53.8	35.8	*50.3%*	49.7	*8.2%*
Amounts due to credit institutions	18.7	25.3	*-26.1%*	23.5	*-20.4%*
Interest expense	**72.5**	**61.1**	***18.7%***	**73.2**	***-1.0%***
Net (losses) gains from derivative financial instruments	(0.7)	0.5	*NMF*	(0.1)	*NMF*
Net interest income	**61.2**	**56.9**	***7.6%***	**60.1**	***1.8%***
Fee and commission income	24.1	19.9	*21.1%*	26.2	*-8.0%*
Fee and commission expense	4.4	4.4	-	4.1	*7.3%*
Net fee and commission income	**19.7**	**15.5**	***27.1%***	**22.1**	***-10.9%***
Net insurance premiums earned	12.5	11.6	*7.8%*	11.5	*8.7%*
Net insurance claims incurred	8.7	6.9	*26.1%*	7.9	*10.1%*
Net insurance revenue	**3.8**	**4.7**	***-19.1%***	**3.6**	***5.6%***
Other operating non-interest income	32.2	13.6	*136.8%*	33.3	*-3.3%*
Revenue	**116.9**	**90.7**	***28.9%***	**119.1**	***-1.8%***

**primarily consist of Georgian government treasury bills and bonds and National Bank of Georgia's Certificats of deposits*

The Bank's Q1 2012 revenue increased to GEL 116.9 million, or 28.9% growth year-on-year, an increase driven by a 136.3% y-o-y increase in other operating non-interest income to GEL 32.2 million, reflecting increased gains from foreign currencies, and continued strong customer lending growth which led to a GEL 4.3 million increase in net interest income to GEL 61.2 million. Compared to Q4 2011, total revenue decreased by GEL 2.3 million reflecting the decline in gains on the Belarusian currency (Belarusian Ruble or BYR) hedge from the unusually high gains of GEL 4.8 million in Q4 2011 to the loss on the Belarusian currency hedge of GEL 0.4 million in Q1 2012.

Net Interest Margin

GEL millions, unless otherwise noted	Q1 2012	Q1 2011	*Change Y-O-Y*	Q4 2011	*Change Q-O-Q*
Net interest income	61.2	56.9	*7.5%*	60.1	*1.8%*
Net Interest Margin	**7.3%**	**7.0%**	***3.9%***	**6.8%**	***7.6%***
Average interest earning assets*	3,365.4	3,251.3	*3.5%*	3,563.3	*-5.6%*
Average interest bearing liabilities*	3,550.6	3,204.8	*10.8%*	3,458.8	*2.7%*

**monthly averages are used for calculation of average interest earning assets and average interest bearing liabilities*

In Q1 2012, the Bank's interest income growth of 14.4% y-o-y to GEL 134.4 million was primarily attributable to the continued growth in the Bank's balance sheet. The Bank's interest income growth more than offset the increase in interest expense which was up by GEL 11.4 million, or 18.7%, to GEL 72.5 million. This interest expense growth largely reflects the strong deposit inflow during the last twelve months as customer funds (client deposits and promissory notes issued) totaled GEL 2,625 million, up 26.6% y-o-y. The currency-blended loan yields of the Bank were 18.0% and 17.4% in the first quarters of 2012 and 2011 respectively, while the currency-blended customer deposit cost totalled 8.0% and 7.0% during the same respective periods. In the first quarter of 2012, the increase in deposit costs year-on-year was attributed to the growth of the share of the more costly GEL denominated client deposits in total client deposits for the period from 32.5% at the end of Q1 2011 to 36.0% at the end of Q1 2012.

Compared to the fourth quarter of 2011, net interest income increased by GEL 1.1 million, or 1.8%. This reflects the significant efforts the Bank has made during the first few months of the year to improve the quality and cost of our deposit funding. In the last quarter of 2011 we experienced very significant inflows of costly corporate GEL deposits; in the first quarter of 2012 we addressed this issue by substantially reducing the interest rate on client deposits across the board.

These actions started to contribute to the decline of our cost of deposits, reflected in the decrease of the cost of deposits by 30 basis points from 8.3% in Q4 2011 to 8.0% in Q1 2012.

Overall, the Bank's net interest income increased by 7.5% y-o-y to GEL 61.2 million in Q1 2012. Correspondingly, the Q1 2012 net interest margin was 7.3% compared to 7.0% in Q1 2011 and 6.8% in Q4 2011. The change in margin over the last twelve months was primarily attributable to the increase in the loan yield from 17.4% to 18.0%. The increase in margin in Q1 2012 compared to the Q4 2011 was largely a result of decreased excess liquidity, increase in the loan yield quarter-on-quarter and lower deposit funding costs.

Net fee and commission income, net insurance revenue and other operating non-interest income

GEL millions, unless otherwise noted	Q1 2012	Q1 2011	*Change Y-O-Y*	Q4 2011	*Change Q-O-Q*
Fee and commission income	24.1	19.9	*21.1%*	26.2	*-8.0%*
Fee and commission expense	4.4	4.4	*0.0%*	4.1	*7.3%*
Net fee and commission income	**19.7**	**15.5**	***27.1%***	**22.1**	***-10.9%***
Net insurance premiums earned	12.5	11.6	*7.8%*	11.5	*8.7%*
Net insurance claims incurred	8.7	6.9	*26.1%*	7.9	*10.1%*
Net insurance revenue	**3.8**	**4.7**	***-19.1%***	**3.6**	***5.6%***

Net fee and commission income grew GEL 4.2 million, or 27.1%, to GEL 19.7 million, reflecting the overall improvement of the economic environment in Georgia and increased foreign trade turnover of Georgian businesses. Good levels of growth were achieved in the Bank's settlements operations, guarantees and letters of credit, and cash operations businesses.

Net insurance revenues declined by GEL 0.9 million as a result of a higher level of claims compared to the first quarter 2011. Net insurance premiums earned increased by 7.8% y-o-y. Compared to Q4 2011, net insurance revenue increased by 8.7%.

Other operating non-interest income

GEL millions, unless otherwise noted	Q1 2012	Q1 2011	*Change Y-O-Y*	Q4 2011	*Change Q-O-Q*
Net gains from trading securities and investment securities available-for-sale	0.8	0.1	*NMF*	0.9	*-11.1%*
Net gains from revaluation of investment property	-	-	*NMF*	2.0	*-100.0%*
Net gains from foreign currencies	14.8	7.4	*NMF*	16.1	*-8.1%*
Other operating income, of which:	17.0	6.1	*NMF*	9.5	*78.9%*
- Income from healthcare services	*12.7*	*2.1*	*NMF*	*4.7*	*NMF*
- Other	*4.3*	*4.0*	*NMF*	*4.8*	*-10.4%*
Other operating non-interest income adjusted for foreign currency (losses) gains from the BYR hedge	**32.6**	**13.6**	***139.7%***	**28.5**	***14.4%***
Foreign currencies (losses) gains from BYR hedge	(0.4)	-	*NMF*	4.8	*NMF*
Other operating non-interest income	**32.2**	**13.6**	***136.8%***	**33.3**	***-3.3%***

Other operating non-interest income adjusted for foreign currency gains, increased by GEL 19.0 million, or 139.7%, to GEL 32.6 million, largely reflecting strong gains in earnings from foreign currencies and the rise in other operating income, reflecting the increased healthcare revenue following the merger of Aldagi BCI's healthcare subsidiary with Block Georgia (a leading healthcare provider in Georgia) group of entities. Compared to the fourth quarter of 2011, other operating non-interest revenue reduced by GEL 1.1 million, or 3.3%, reflecting the impact in Q4 2011 of a GEL 4.8 million gain on a Belarusian currency hedge.

Net operating income, cost of credit risk, profit for the period

GEL millions, unless otherwise noted	Q1 2012	Q1 2011	*Change Y-O-Y*	Q4 2011	*Change Q-O-Q*
Salaries and other employee benefits	31.2	27.2	*14.7%*	30.7	*1.6%*
General and administrative expenses	15.8	15.6	*1.3%*	16.2	*-2.5%*
Depreciation and amortization	6.8	6.1	*11.5%*	7.7	*-11.7%*
Other operating expenses	3.5	1.4	*150.0%*	2.9	*20.7%*
Other operating non-interest expenses	**57.3**	**50.3**	***13.9%***	**57.5**	***-0.3%***
Operating income before cost of credit risk	**59.6**	**40.4**	***47.5%***	**61.6**	***-3.2%***
Cost of credit risk	7.4	5.4	*37.0%*	8.8	*-15.9%*
Net operating income	**52.2**	**35.0**	***49.1%***	**52.8**	***-1.1%***
Impairment of goodwill, property and equipment	0.3	-	*NMF*	10.4	*-97.1%*
Net other non-operating expenses	4.2	0.1	*NMF*	(0.7)	*NMF*
Profit before income tax expense from continuing operations	**47.7**	**34.9**	***36.7%***	**43.1**	***10.7%***
Income tax expense	8.0	5.8	*NMF*	5.8	*37.9%*
Profit for the period from continuing operations	**39.7**	**29.1**	***36.4%***	**37.3**	***6.4%***
Net loss from discontinued operations	0.1	(12.2)	*NMF*	(2.9)	*NMF*
Profit for the period	**39.8**	**16.9**	***135.5%***	**34.4**	***15.7%***

In the first quarter of 2012, the Bank's other operating non-interest expenses increased by GEL 7.0 million, or 13.9%, to GEL 57.3 million. This compares to a 28.9% growth in revenues over the same period and reflects the Bank's focus on delivering positive operating leverage on an ongoing basis. The increase in expenses primarily reflected a 14.7% increase in salaries and other employee benefits as the Bank's headcount increased to reflect the growth of Bank of Georgia's and its subsidiaries' businesses over the last twelve months. General and administrative expenses for the quarter grew modestly by 1.3% to GEL 15.8 million, reflecting ongoing cost efficiency measures undertaken by the Bank. As a result, the Cost to Income ratio of the Bank improved to 49.1% in Q1 2012 from 55.5% in Q1 2011.

The Bank's operating income before the cost of credit risk increased by GEL 19.2 million, or 47.5%, to GEL 59.6 million in the first quarter of 2012.

The cost of credit risk increased by GEL 2.0 million, or 37.0%, to GEL 7.4 million in the first quarter of 2012. This represents an annualised cost of risk of just 1.0%, reflecting the high quality of the Bank's loan portfolio and the robust health of the Georgian economy. Compared to Q4 2011, the cost of credit risk reduced by GEL 1.4 million. The allowance for loan impairment was GEL 119.7 million or 4.2% of total gross loans as of 31 March 2012, compared to 5.1% as of 31 March 2011.

The Bank's non-performing loans (NPLs) totaled GEL 94.3 million as of 31 March 2012 compared to GEL 90.3 million as of 31 March 2011, up by 4.5% y-o-y, and down from GEL 97.2 million as of 31 December 2011, a reduction of GEL 2.9 million in the first quarter of 2012. The Bank's NPLs to total gross loans ratio improved to 3.3% in Q1 2012 from 3.8% as of 31 March 2011 and 3.6% as of 31 December 2011. NPL Coverage ratio stood at 126.8% compared to 132.2% in Q1 2011 and 118.5% in Q4 2011.

In Q1 2012, the Bank's net operating income totaled GEL 52.2 million, up GEL 17.2 million, or 49.1% year-on-year. The Bank's net non-operating expense for the period totaled GEL 4.5 million, largely reflecting expenses incurred for the purposes of the tender offer and premium listing that was successfully completed in February 2012. Profit before income tax from continuing operations in the first quarter of 2012 therefore totaled GEL 47.7 million, an increase of GEL 12.8 million, or 36.4%. After income tax expense of GEL 8.0 million, the Bank's Q1 2012 profit for the period stood at GEL 39.8 million, up by GEL 22.9 million, or 135.5% compared to the first quarter of 2011 which contained a loss of GEL 12.2 million from discontinued operations.

Balance Sheet highlights

As of 31 March 2012, the Bank had total assets of GEL 4,490.2 million, a 10.9% increase compared to 31 March 2011 and a 3.8% decrease compared to 31 December 2011. Over the last twelve months, the net loan book grew by GEL 471.8 million, or 21.0%, to GEL 2,713.8 million. This customer lending growth was more than sufficiently funded by a GEL 551.8 milllion growth in customer funds. The Bank's investment securities available-for-sale portfolio, which consists of NBG Certificates of Deposit and Georgian Government treasury bills and bonds, was broadly stable at GEL 357.5 million. Loans denominated in foreign currencies (primarily in US$) accounted for 66.7% of the Bank's net loan book as of 31 March 2012, compared to 75.6% as of 31 March 2011, and 70.4% as of 31 December 2011.

Over the last twelve months, customer deposit inflows have been strong, particularly in December 2011, and have enabled the Bank to further enhance its general funding and liquidity position. Customer funds stood at GEL 2,625.2 million, up 26.6% year-on-year. In addition to client deposits, customer funds include promissory notes, which totalled GEL 183.2 million as of 31 March 2012. This healthy deposit growth allowed the Bank decrease its reliance on more expensive borrowed funds as amounts due to credit institutions declined from GEL 1,102.1 million at the end of March 2011 to GEL 753.8 million at the end of March 2012. The decline is mostly due to the repayment of GEL 92.6 million outstanding Eurobonds upon maturity in February 2012 and the conversion of the EBRD and IFC loan note into equity during the quarter. As a result of the foregoing, customer funds represented 74.1% of total liabilities as of 31 March 2012, an improvement from 62.6% as of 31 March 2011. On 31 March 2012, the Bank's Net Loan to Customer Funds ratio improved to 103.4% from 108.1% compared to twelve months ago, reflecting stronger deposit growth than customer lending growth over the period. Client deposits denominated in foreign currencies accounted for 64.0% of the Bank's client deposits as of 31 March 2012, compared to 67.5% as of 31 March 2011. As of 31 March 2012, the Bank had total liabilities of GEL 3,541.6 million, up 6.9% over the last twelve months.

Compared to 31 December 2011, total assets decreased by 3.8%, total liabilities decreased by 8.1% and shareholders' equity increased by 15.1%. This reflects the Bank's attempt to reposition its balance sheet and cost of deposit funding following exceptionally high GEL corporate deposit inflows during 2011 and in the fourth quarter of 2011 in particular. As a result, customer funds were reduced by GEL 110.0 million during Q1 2012 compared to Q4 2011. Shareholders' equity increased by GEL 116.3 million over the same period. The reduction in customer deposits and increase in shareholders' equity also resulted in the reduction of GEL 247.3 in the Bank's cash and cash equivalents held. Customer lending increased by GEL 97.4 million, or 3.7%, in the quarter. This balance sheet repositioning was largely responsible for the 30 basis point reduction in the cost of deposit funding and consequent increase of 50 basis points in the net interest margin during the quarter.

Liquidity and Funding position

GEL millions, unless otherwise noted	**Q1 2012**	**Q1 2011**	***Change Y-O-Y***	**Q4 2011**	***Change Q-O-Q***
Amounts due to credit institutions, of which:	753.8	1,102.1	*-31.6%*	921.2	*-18.2%*
- Borrowed funds	*666.9*	*956.1*	*-30.2%*	*863.0*	*-22.7%*
- Inter-bank loans and deposits	*86.9*	*146.0*	*-40.5%*	*58.2*	*49.3%*
Customer funds	2,625.2	2,073.4	*26.6%*	2,735.2	*-4.0%*
Net Loans / Customer Funds	**103.4%**	**108.1%**		**95.7%**	
Liquid assets	**1,027.6**	**1,193.2**	***-13.9%***	**1,326.3**	***-22.5%***
Liquid assets as percent of total assets	22.9%	29.5%		28.4%	
Liquid assets as percent of total liabilities	29.0%	36.0%		34.8%	
NBG liquidity ratio	36.0%	44.5%		37.8%	

Shareholders' equity grew by GEL 179.7 million, or 25.3%, over the last twelve months, to GEL 888.8 million. This substantial increase reflects both the inclusion of retained profits, the conversion of loan notes by EBRD and IFC into shareholders' equity in February 2012 and reclassification of GEL 24.0 million of ESOP liabilities into equity of the Bank.

The Bank continues to maintain a strong liquidity position, considerably in excess of the conservative regulatory requirements. The liquidity ratio, as per NBG requirements, stood at 36.0% against the required minimum of 30%, while liquid assets accounted to 22.9% of total assets and 29.0% of total liabilities as of the end of March 2012. The Bank's Book Value per share on 31 March 2012 stood at GEL 26.78 (US$16.13/GBP10.08) compared to GEL 23.69 (US$13.89/GBP8.65) as of 31 March 2011.

Strategic Businesses Segment Result Discussion

Segment result discussion is presented for the Bank of Georgia's retail banking (RB), corporate banking (CB) and wealth management (WM) operations in Georgia, excluding inter-company eliminations.

Retail banking

GEL millions, unless otherwise noted	**Q1 2012**	**Q1 2011**	***Change Y-O-Y***	**Q4 2011**	***Change Q-O-Q***
Net interest income	39.0	31.4	*24.2%*	38.0	*2.6%*
Net fees and commission income	11.7	9.7	*20.6%*	13.9	*-15.8%*
Net gains from foreign currencies	3.0	2.0	*50.0%*	2.7	*11.1%*
Other operating non-interest income	1.0	0.6	*66.7%*	1.8	*-44.4%*
Operating income from other segments	0.3	0.3	*0.0%*	0.4	*-25.0%*
Revenue	**55.0**	**44.0**	***25.0%***	**56.8**	***-3.2%***
Other operating non-interest expenses	26.4	24.3	*8.6%*	28.5	*-7.4%*
Operating income before cost of credit risk	**28.6**	**19.7**	***45.2%***	**28.3**	***1.1%***
Cost of credit risk	4.6	(4.4)	*NMF*	(0.4)	*NMF*
Profit before income tax expense	**22.1**	**23.0**	***-3.9%***	**29.3**	***-24.6%***
Net loans, standalone	1,225.0	969.6	*26.3%*	1,221.4	*0.3%*
Client deposits, standalone	713.3	609.5	*17.0%*	707.1	*0.9%*
Loan yield	*20.5%*	*21.2%*		*20.4%*	
Cost of deposits	*6.5%*	*7.2%*		*6.8%*	

Retail banking provides consumer loans, mortgage loans, overdrafts, credit card facilities and other credit facilities as well as funds transfer and settlement services and handling customer deposits for both individuals and legal entities, encompassing the mass affluent segment, retail mass markets, SME and micro businesses.

In Q1 2012 retail banking revenue grew 25.0% y-o-y to GEL 55.0 million, the growth driven by a 24.2% increase in net interest income to GEL 39.0 million reflecting the strong growth of retail net loan book by GEL 255.4 million, or 26.3% y-o-y, to GEL 1,225.0 million as of 31 March 2012. Net fees and commission income increased 20.6% y-o-y to GEL 11.7 million, while net gains from foreign currencies amounted to GEL 3.0 million, up 50.0% y-o-y.

Deposits from retail clients increased by GEL 103.8 million, or 17.0% y-o-y, to GEL 713.3 million as of 31 March 2012. On a quarter-on-quarter basis, deposits from retail clients grew by 0.9%, despite interest rate cuts that led to the decrease of cost of retail deposits from 6.8% in Q4 2011 to 6.5% in Q1 2012.

Highlights

- Increased its branch network, adding six Express branches bringing the total Express branches and Metro branches to 36 (of which 24 Metro branches) as of the date of this report.
- Issued 102,091 debit cards in Q1 2012 bringing the total debit cards outstanding to 568,209 up 11.5% y-o-y and (up 6.1% year-to-date).
- Issued 12,471 credit cards of which 10,226 were American Express cards in 2011. A total of 115,358 American Express cards have been issued since the launch in November 2009. The total number of credit cards outstanding amounted to 135,750 (of which 105,973 American Express Cards), up 28.9% since March 2011 and up 6.2% since December 2011.
- Outstanding number of Retail Banking clients reached 926,813 up 9.6% y-o-y and 4.3% year-to-date.
- Acquired 362 new clients in Solo business line, the Bank's mass affluent sub-brand, in 2011. As of 31 March 2012, the number of Solo clients reached 4,041.

- Increased Point of Sales (POS) footprint: as of 31 March 2012, 186 desks at 390 contracted merchants, up from 106 desks and 133 merchant as of 31 March 2011. GEL 10.8 million POS loans were issued in Q1 2012, compared to GEL 3.7 million POS loans issued in Q1 2011. POS loans outstanding amounted to GEL 24.0 million, up from GEL 7.4 million at of 31 March 2011.
- POS terminals outstanding reach 2,940, up 22.3% y-o-y. The volume of transactions through the Banks' POS terminals grew 48.6% y-o-y to GEL 65.7 million, while number of POS transactions increased from 0.55 million in Q1 2011 to 0.93 million in Q1 2012.
- RB loan yield amounted to 20.5% in Q1 2012 (21.2% in Q1 2011 and 20.4% in Q4 2011) and RB deposit cost amounted to 6.5% in Q1 2012 (7.2% in Q1 2011 and 6.8% in Q4 2011).
- Consumer loan originations of GEL 84.1 million (up 28.7% y-o-y) resulted in consumer loans outstanding in the amount of GEL 296.7 million as of 31 March 2012, up 75.6% y-o-y and up 2.9% year-to-date.
- Micro and SME loan originations of GEL 106.8 million (up 14.2% y-o-y) resulted in micro and SME loans outstanding in the amount of GEL 323.6 million as of 31 March 2012, up 30.1% y-o-y and up 1.6% year-to-date.
- Mortgage loans originations of GEL 15.3 million (down 44.8% y-o-y) resulted in mortgage loans outstanding in the amount of GEL 363.9 million as of 31 December 2011, up 4.9% y-o-y and down 3.0% year-to-date.

Corporate banking

GEL millions, unless otherwise noted	**Q1 2012**	**Q1 2011**	***Change Y-O-Y***	**Q4 2011**	***Change Q-O-Q***
Net interest income	17.8	20.7	*-14.0%*	16.7	*6.6%*
Net fees and commission income	7.1	4.6	*54.3%*	6.1	*16.4%*
Net gains from foreign currencies	8.4	4.8	*75.0%*	8.3	*1.2%*
Other operating non-interest income	1.2	0.6	*100.0%*	1.1	*9.1%*
Operating income from other segments	2.8	2.1	*33.3%*	(0.6)	*NMF*
Revenue	**37.3**	**32.8**	***13.7%***	**31.6**	***18.0%***
Other operating non-interest expenses	11.2	11.9	*-5.9%*	14.5	*-22.8%*
Operating income before cost of credit risk	**26.1**	**20.9**	***24.9%***	**17.1**	***52.6%***
Cost of credit risk	1.3	9.2	*-85.9%*	5.9	*-78.0%*
Profit before income tax expense	**21.2**	**10.0**	***112.0%***	**12.9**	***64.3%***
Net loans, standalone	1,454.9	1,209.5	*20.3%*	1,378.1	*5.6%*
Client deposits, standalone	1,247.0	1,066.2	*17.0%*	1,384.0	*-9.9%*
Loan yield	*14.5%*	*15.0%*		*14.2%*	
Cost of deposits	*8.3%*	*6.1%*		*7.7%*	

Corporate banking business in Georgia comprises of loans and other credit facilities to the country's large corporate clients as well as other legal entities, excluding SME and micro businesses. The services include fund transfers and settlements services, currency conversion operations, trade finance service, currency conversion operations, trade finance services and documentary operations as well as handling savings and term deposits for corporate and institutional customers. Corporate banking business also includes finance lease facility provided by the Bank's leasing operations (Georgian Leasing Company).

The 13.7% y-o-y growth of corporate banking revenue in Q1 2012 was driven by non-interest income growth during the year. Net fees and commission income grew 54.3% y-o-y to GEL 7.1 million, while net gains from foreign currencies rose to GEL 8.4 million, or 75.0% y-o-y, reflecting the increase in volumes of foreign currency conversions by the Bank's corporate clients. The 14.0% y-o-y decline of net interest income of corporate banking was predominantly attributable to the additional carrying cost of the 2011 deposit inflows, mostly GEL deposits, on the Bank's corporate client accounts, which rose by 17.0% y-o-y, or by GEL 180.8 million, to GEL 1,247.0 million as of 31 March 2012. On a quarterly basis,the reduction of costly GEL corporate deposits starting from March 2012, prompted by signficiantly reduced interest rates on GEL deposits in Q1 2012, more than offset the increased deposit costs that the Bank carried on high levels of GEL deposits in the first two months of the quarter. As a result, the net interest income of corporate banking grew 6.6% compared to the previous quarter. However, reduced interest rate on corporate deposits has not yet been reflected in cost of deposits as the significant inflow of costly corporate GEL deposits took place in December 2011 and the outflow of such deposits started in March 2012. Corporate Banking standalone net loans increased by GEL 245.4 million, or 20.3% y-o-y, to GEL 1,454.9 million during the period. Impairment charge on interest earning corporate banking assets declined to GEL 1.3 million in Q1 2012 from GEL 9.2 million in Q1 2011 and GEL 5.9 million in Q4 2011. The corporate banking profit for the period more than doubled to GEL 21.2 million.

Highlights

- CB loan yield amounted to 14.5% in Q1 2012 (15.0% in Q1 2011 and 14.2% in Q4 2011) and CB deposit cost amounted to 8.3% in Q1 2012 (6.1% in Q1 2011 and 7.7% in Q4 2011). The year-on-year increase in CB deposit cost was predominantly attributed to the significant growth of the share the costly GEL denominated CB client deposits in total CB client deposits from 46.9% as of March 2011 to 61.6% as of December 2011. The sharp reduction of interest rates on GEL deposits in Q1 2012 prompted the outflow of costly GEL corporate deposit starting in March 2012, bringing the share of GEL denominated CB client deposits in total CB deposits to 55.3% as of 31 March 2012. Deposit rate cuts on CB deposits have not yet been reflected in Q1 2012 cost of deposits of CB.
- Increased the number of corporate clients using the Bank's payroll services from 2,387 as of 31 December 2011 to 2,603 as of 31 March 2012. As of 31 March 2012, the number of individual clients serviced through the corporate payroll programs administered by the Bank amounted to 185,811.
- Number of corporate banking accounts opened increased from 515 in Q1 2011 to 1,131 corporate banking accounts opened in Q1 2012.

Wealth Management

GEL millions, unless otherwise noted	**Q1 2012**	**Q1 2011**	***Change Y-O-Y***	**Q4 2011**	***Change Q-O-Q***
Net interest income	2.9	1.7	*70.6%*	1.9	*52.6%*
Net fees and commission income	0.1	0.1	*0.0%*	0.2	*-50.0%*
Net gains from foreign currencies	0.2	0.1	*100.0%*	0.5	*-60.0%*
Other operating non-interest income	-	-	*NMF*	0.1	*-100.0%*
Revenue	**3.2**	**1.9**	***68.4%***	**2.7**	***18.5%***
Other operating non-interest expenses	0.9	1.0	*-10.0%*	1.1	*-18.2%*
Operating income before cost of credit risk	**2.3**	**0.9**	***155.6%***	**1.6**	***43.8%***
Cost of credit risk	-	(0.3)	*-100.0%*	1.0	*-100.0%*
Profit before income tax expense	**2.3**	**1.0**	***130.0%***	**0.6**	***283.3%***
Net loans, standalone	43.6	36.1	*20.8%*	35.8	*21.8%*
Client deposits, standalone	490.1	290.8	*68.5%*	454.2	*7.9%*
Loan yield	*11.4%*	*12.7%*		*12.6%*	
*Cost of deposits**	*9.2%*	*9.6%*		*9.4%*	

**includes the overhead costs associated with wealth management international business*

The Bank's wealth management business provides private banking services to resident and non-resident clients by ensuring an individual approach and exclusivity in providing banking services such as holding the clients' savings and term deposits, fund transfers, currency exchange and settlement operations. In addition, wealth management involves providing wealth and asset management services to its clients through a wide range investment opportunities and specifically designed investment products.

In Q4 2012, wealth management revenue grew by 68.4% y-o-y to GEL 3.2 million, a result of the 70.6% y-o-y growth of the net interest income to GEL 2.9 million in Q1 2012. Profit of the wealth management business grew from GEL 1.0 million in Q1 2011 to GEL 2.3 million in Q1 2012, reflecting the strong revenue growth during the quarter and the decline in operating costs by 10.0% y-o-y to GEL 0.9 million. Client deposits of the wealth management business grew by GEL 199.3 million, or 68.5% y-o-y, to GEL 490.1 million, despite the interest rate cuts that led to the decrease of cost of deposits to 9.2% in Q1 2012 from 9.6% in Q1 2011 and 9.4% in Q4 2011.

Corporate Center

Corporate center provides back office services to all segments of the Bank and investments in subsidiaries.

Highlights

- Amounts due to credit institutions in Q1 2012 declined by GEL 348.3 million, or 31.6% y-o-y to GEL 753.8 million, with long-term IFI (International Financial Institutions, including EBRD, IFC, DEG among others) funding accounting for 72.2% of total amounts due as of 31 March 2012. The Bank completed the full repayment, upon maturity, of Eurobonds totalling GEL 92.6 million (US$ 55.5 million) on 8 February 2012 and the conversion into shareholders' equity of the EBRD and IFC convertible loans with nominal values totalling GEL 80.8 million (US$ 49.9 million) in February 2012.

- Murtaz Kikoria, was appointed Deputy CEO, Finance in March 2012, replacing Giorgi Chiladze, who stepped down from his position and resigned from the Management Board of Bank of Georgia.

Insurance and Healthcare (Aldagi BCI)

GEL thousands	Q1 2012			Q1 2011			Change Y-O-Y		
	Insurance	**Healthcare**	**Insurance and Healthcare**	**Insurance**	**Healthcare**	**Insurance and Healthcare**	**Insurance**	**Healthcare**	**Insurance and Healthcare**
Gross premiums written	**19,892**	**-**	**19,892**	**18,734**	**-**	**18,734**	***60.4%***	**-**	***6.2%***
Net insurance revenue	3,788	-	3,788	4,659	-	4,659	*5.9%*	*NMF*	*-18.7%*
Net interest income	(62)	(707)	(769)	224	70	295	*NMF*	*NMF*	*NMF*
Net (losses) gains from foreign currencies	(113)	(84)	(197)	(359)	42	(317)	*-53.7%*	*NMF*	*-37.9%*
Other operating non-interest income	(97)	12,692	12,595	(93)	2,078	1,984	*3.6%*	*NMF*	*NMF*
Revenue	**3,516**	**11,901**	**15,417**	**4,431**	**2,190**	**6,621**	***-18.9%***	***149.0%***	***132.9%***
Other operating non-interest expenses	2,662	10,800	13,462	3,022	1,941	4,963	*-9.7%*	*121.4%*	*171.2%*
Operating income before cost of credit risk	**854**	**1,101**	**1,955**	**1,409**	**249**	**1,658**	***-39.4%***	***NMF***	***17.9%***
Profit before income tax expense	**782**	**1,101**	**1,883**	**1,187**	**249**	**1,436**	***-34.1%***	***NMF***	***31.1%***

Aldagi BCI, the Bank's wholly-owned subsidiary provides life and non-life insurance and healthcare products and services in Georgia. A leader in the Georgian life and non-life insurance markets, based on a market share of 19.5% of the life and 16.8% of the non-life insurance markets (based on gross premiums written), Aldagi BCI cross-sells its insurance products with the Bank's retail and corporate banking products. Aldagi BCI's healthcare business consists of My Family Clinic, Georgia's leading healthcare provider, operating a chain of healthcare centers in Georgia, in line with the Bank's strategy of vertically integrating its insurance and healthcare businesses.

In Q1 2012, insurance and healthcare revenue increased to GEL 15.4 million from GEL 6.6 million in Q1 2011, the growth attributed to the non-interest income generated by the healthcare business, which reached GEL 11.9 million in Q1 2012 up from GEL 2.2 million healthcare revenue generated in Q1 2011, reflecting the expansion of Aldagi BCI's healthcare operations by both organic growth and through merger with Block Georgia in December 2011, which is in line with the Bank's strategy of vertical integrating its health insurance and healthcare businesses. The net insurance revenue declined by 18.7% y-o-y due to higher claims in Q1 2011, as discussed above.

Highlights

- On 3 May 2012, BGH announced that Aldagi BCI acquired 85% of Imedi L, the third largest insurance and healthcare company in Georgia. As of 30 September 2011, Aldagi BCI had a market share of 17.1 % (Gross Written Premiums: GEL 45.0 million in the first nine months of 2011) of the Georgian insurance market and Imedi L had a market share of 16.3% (Gross Written Premiums: GEL 42.8 million in the first nine months of 2011). The combined business, with a market share of 33.4 % will be the clear leader in the Georgian insurance market, with a substantial increase in its retail client base of approximately 220,000 clients to a combined total of 420,000 retail clients. By the end of 2012, the combined Aldagi BCI and Imedi L healthcare businesses are expected to own hospitals with a total of nearly 1,200 beds, an increase of approximately 400 beds during 2012.

Affordable Housing

The Affordable Housing business consists of the Bank's wholly-owned subsidiary SBRE, which holds investment properties repossessed by the Bank from defaulted borrowers. With the aim to improve liquidity of these repossessed real estate assets and stimulate the Bank's mortgage lending business capitalizing on the market opportunity in the affordable housing segment in Georgia, the Bank develops, sells and/or leases such real estate assets through SBRE. SBRE outsources the construction and architecture works and focuses on project managements and sales of apartments and mortgages through its well-established branch network and sales force, thus representing a synergistic business for the Bank's mortgage business.

Highlights

- Drew down US$5 million of the US$20 million financing raised from FMO for the development of a new housing project of circa 525 apartments to be launched in Q2 2012

Non-Core Businesses

The Bank's non-core businesses that accounted for 3.2% of total assets and 7.3% of total revenue in Q1 2012, comprise BNB, Belarus banking operation and Liberty Consumer, a Georgia focused investment company in which the Bank holds a 65% stake. In order for the Bank to focus on its strategic businesses, the Bank has announced its intention to exit from its non-core operations.

To this end, in February 2011, the Bank sold 80% equity interest in BG Bank, its subsidiary in Ukraine. The Bank's 2011 consolidated results include results of operation of BG Bank for one month ended 31 January 2011.

BNB

GEL millions, unless otherwise noted	**Q1 2012**	**Q1 2011**	***Change Y-O-Y***	**Q4 2011**	***Change Q-O-Q***
Net interest income	2.3	2.7	*-14.8%*	2.9	*-22.2%*
Net fees and commission income	0.6	0.5	*21.8%*	1.1	*-44.1%*
Other operating non-interest income	3.2	1.0	*NMF*	3.4	*-4.2%*
Revenue	**6.2**	**4.2**	***47.8%***	**7.5**	***-17.4%***
Other operating non-interest expenses	2.3	3.1	*-26.9*	2.7	*-14.2%*
Operating income before cost of credit risk	**3.9**	**1.1**	***NMF***	**4.8**	***-19.2%***
Cost of credit risk	1.1	0.1	*NMF*	0.4	*NMF*
Profit before income tax expense	**2.0**	**0.8**	***NMF***	**9.3**	***NMF***

Through BNB, the banking subsidiary, the Bank provides retail banking and corporate banking services in Belarus. BNB reported strong results in Q1 2012, despite weakened economic environment and hyperinflation in Belarus in 2011. In the seasonally weak first quarter of the year, the revenue growth of 47.8% y-o-y to GEL 6.2 million was mostly due to the increase in other operating non-interest income from GEL 1.0 million in Q1 2011 to GEL 3.2 million in Q1 2012, predominantly reflecting the increased gains from foreign currencies. Profit for the period increased from GEL 0.8 million in Q1 2011 to GEL 2.0 million in Q1 2012, as the 26.9% y-o-y decline in other non-interest expenses, reflecting improved efficiency at BNB, more than offset the increase in cost of risk from GEL 0.1 million to GEL 1.1 million during the period.

CONSOLIDATED INCOME STATEMENT

GEL thousands, unless otherwise noted and except for per share values	Q1 2012	Q1 2011	Change % Y-O-Y *(Unaudited)*	Q4 2011	Change % Q-O-Q
Loans to customers	118,425	105,012	12.8%	115,816	2.3%
Investment securities: available-for-sale	9,824	8,840	11.1%	9,782	0.4%
Amounts due from credit institutions	4,212	2,872	46.7%	4,718	-10.7%
Finance lease receivables	2,012	797	152.4%	3,099	-35.1%
Interest income	**134,473**	**117,521**	**14.4%**	**133,415**	**0.8%**
Amounts due to customers	(53,834)	(35,809)	50.3%	(49,719)	8.3%
Amounts due to credit institutions	(18,709)	(25,335)	-26.2%	(23,536)	-20.5%
Interest expense	**(72,543)**	**(61,144)**	**18.6%**	**(73,255)**	**-1.0%**
Net interest income before net (losses) gains from derivative financial instruments	**61,930**	**56,377**	**9.8%**	**60,160**	**2.9%**
Net (losses) gains from derivative financial instruments	(768)	516	NMF	(92)	NMF
Net interest income	**61,162**	**56,893**	**7.5%**	**60,068**	**1.8%**
Fee and commission income	24,122	19,853	21.5%	26,188	-7.9%
Fee and commission expense	(4,406)	(4,361)	1.0%	(4,086)	7.8%
Net fee and commission income	**19,716**	**15,492**	**27.3%**	**22,102**	**-10.8%**
Net insurance premiums earned	12,487	11,573	7.9%	11,515	8.4%
Net insurance claims incurred	(8,699)	(6,914)	25.8%	(7,937)	9.6%
Net insurance revenue	**3,788**	**4,659**	**-18.7%**	**3,578**	**5.9%**
Net gains from trading securities and investment securities	796	121	NMF	850	-6.4%
Net gains from revaluation of investment property	-	-	NMF	1,984	-100.0%
Net gains from foreign currencies, of which:	14,359	7,432	93.2%	20,891	-31.3%
– dealing	*9,844*	*8,298*	*18.6%*	*11,992*	*-17.9%*
– translation differences	*4,515*	*(866)*	*NMF*	*8,899*	*-49.3%*
Other operating income	17,034	6,067	180.8%	9,654	76.4%
Other operating non-interest income	**32,189**	**13,620**	**136.3%**	**33,379**	**-3.6%**
Revenue	**116,855**	**90,664**	**28.9%**	**119,127**	**-1.9%**
Salaries and other employee benefits	(31,220)	(27,217)	14.7%	(30,662)	1.8%
Selling and administrative expenses	(15,764)	(15,557)	1.3%	(16,169)	-2.5%
Depreciation and amortization	(6,764)	(6,109)	10.7%	(7,735)	-12.6%
Other operating expenses	(3,580)	(1,443)	148.1%	(2,972)	20.5%
Other operating non-interest expenses	**(57,328)**	**(50,326)**	**13.9%**	**(57,538)**	**-0.4%**
Operating income before cost of credit risk	**59,527**	**40,338**	**47.6%**	**61,589**	**-3.3%**
Impairment charge on loans to customers	6,859	3,942	74.0%	6,194	10.7%
Impairment charge on finance lease receivables	110	76	44.7%	195	-43.6%
Impairment charge on other assets and provisions	411	1,393	-70.5%	2,380	-82.7%
Cost of credit risk	**7,380**	**5,411**	**36.4%**	**8,769**	**-15.8%**
Net operating income	**52,147**	**34,927**	**49.3%**	**52,820**	**-1.3%**
Net non-operating expense	**(4,400)**	**(59)**	**NMF**	**(9,707)**	**-54.7%**
Profit before income tax expense from continuing operations	**47,747**	**34,868**	**36.9%**	**43,113**	**10.7%**
Income tax expense	8,043	5,770	39.4%	5,789	38.9%
Profit for the period from continuing operations	**39,704**	**29,098**	**36.4%**	**37,324**	**6.4%**
Net gain (loss) from discontinued operations	54	(12,247)	NMF	(2,972)	NMF
Profit for the period	**39,758**	**16,851**	**135.9%**	**34,352**	**15.7%**
Attributable to:					
– shareholders of the Bank	39,143	17,111	128.8%	31,972	22.4%
– non-controlling interests	615	(260)	NMF	2,380	-74.2%
Earnings per share (basic)	**1.23**	**0.97**	**26.8%**	**1.18**	**4.2%**
Earnings per share (diluted)	**1.19**	**0.93**	**28.0%**	**1.12**	**6.2%**

CONSOLIDATED BALANCE SHEET

GEL thousands, unless otherwise noted and except for per share values	Q1 2012	Q1 2011	Change Y-O-Y	Q4 2011	Change Q-O-Q
	(Unaudited)		%	*(Audited)*	%
Assets					
Cash and cash equivalents	381,386	432,350	-11.8%	628,731	-39.3%
Amounts due from credit institutions	287,915	397,430	-27.6%	289,530	-0.6%
Investment securities	357,517	360,775	-0.9%	419,576	-14.8%
Loans to customers and finance lease receivables	2,713,752	2,241,929	21.0%	2,616,361	3.7%
Investments in associates	3,032	5,723	-47.0%	3,014	0.6%
Investment properties	125,104	101,324	23.5%	101,686	23.0%
Property and equipment	339,078	282,986	19.8%	348,110	-2.6%
Goodwill	45,831	69,248	-33.8%	46,195	-0.8%
Other intangible assets	20,658	23,074	-10.5%	21,222	-2.7%
Current income tax assets	7,592	15,626	-51.4%	8,487	-10.5%
Deferred income tax assets	33,819	25,271	33.8%	29,929	13.0%
Prepayments	14,972	7,448	101.0%	14,852	0.8%
Other assets	159,501	86,065	85.3%	137,568	15.9%
Total assets	**4,490,157**	**4,049,249**	**10.9%**	**4,665,261**	**-3.8%**
Liabilities					
Amounts due to customers, of which:	2,625,228	2,073,395	26.6%	2,735,222	-4.0%
Client deposits	*2,442,007*	*1,976,887*	*23.5%*	*2,554,084*	*-4.4%*
Promissory notes	*183,221*	*96,508*	*89.9%*	*181,138*	*1.1%*
Amounts due to credit institutions	753,821	1,102,079	-31.6%	921,172	-18.2%
Current income tax liabilities	638	95	571.6%	1,174	-45.7%
Deferred income tax liabilities	45,044	24,520	83.7%	36,242	24.3%
Provisions	429	5,866	-92.7%	386	11.1%
Other liabilities	116,460	105,720	10.2%	158,462	-26.5%
Total liabilities	**3,541,620**	**3,311,675**	**6.9%**	**3,852,658**	**-8.1%**
Equity					
Share capital	954	31,353	-97.0%	32,878	-97.1%
Additional paid-in capital	579,137	478,850	20.9%	473,732	22.2%
Treasury shares	(72)	(1,413)	-94.9%	(3,146)	-97.7%
Other reserves	18,355	60,657	-69.7%	14,478	26.8%
Retained earnings	290,475	139,709	107.9%	254,588	14.1%
Total equity attributable to shareholders of the Bank	**888,849**	**709,156**	**25.3%**	**772,530**	**15.1%**
Non-controlling interests	59,688	28,418	110.0%	40,073	48.9%
Total equity	**948,537**	**737,574**	**28.6%**	**812,603**	**16.7%**
Total liabilities and equity	**4,490,157**	**4,049,249**	**10.9%**	**4,665,261**	**-3.8%**
Book value per share (basic)	**26.78**	**23.69**	**13.0%**	**26.09**	**2.6%**
Book value per share (diluted)	**24.75**	**20.36**	**21.6%**	**23.15**	**6.9%**

CONSOLIDATED INCOME STATEMENT in US$ and GBP

Thousands, unless otherwise noted and except for per share values	**Q1 2012**	**Q1 2011**	**Change**	**Q4 2011**	**Change**	**Q1 2012**	**Q1 2011**	**Change**	**Q4 2011**	**Change**
	US$	**US$**	**Y-O-Y**	**US$**	**Q-O-Q**	**GBP**	**GBP**	**Y-O-Y**	**GBP**	**Q-O-Q**
			%		%			%		%
					(Unaudited)					
Loans to customers	71,340	61,558	15.9%	69,338	2.9%	44,558	38,323	16.3%	44,932	-0.8%
Investment securities: available-for-sale	5,918	5,182	14.2%	5,856	1.1%	3,696	3,226	14.6%	3,795	-2.6%
Amounts due from credit institutions	2,537	1,684	50.7%	2,825	-10.2%	1,585	1,048	51.2%	1,830	-13.4%
Finance lease receivables	1,212	467	159.5%	1,855	-34.7%	757	291	160.1%	1,202	-37.0%
Interest income	**81,007**	**68,891**	**17.6%**	**79,874**	**1.4%**	**50,596**	**42,888**	**18.0%**	**51,759**	**-2.2%**
Amounts due to customers	(32,430)	(20,991)	54.5%	(29,767)	8.9%	(20,255)	(13,068)	55.0%	(19,289)	5.0%
Amounts due to credit institutions	(11,270)	(14,851)	-24.1%	(14,091)	-20.0%	(7,039)	(9,246)	-23.9%	(9,131)	-22.9%
Interest expense	**(43,700)**	**(35,842)**	**21.9%**	**(43,858)**	**-0.4%**	**(27,294)**	**(22,314)**	**22.3%**	**(28,420)**	**-4.0%**
Net interest income before net (losses) gains from derivative financial instruments	**37,307**	**33,049**	**12.9%**	**36,016**	**3.6%**	**23,302**	**20,574**	**13.3%**	**23,339**	**-0.2%**
Net (losses) gains from derivative financial instruments	(463)	302	NMF	(55)	NMF	(289)	188	NMF	(36)	NMF
Net interest income	**36,844**	**33,351**	**10.5%**	**35,961**	**2.5%**	**23,013**	**20,762**	**10.8%**	**23,303**	**-1.2%**
Fee and commission income	14,531	11,638	24.9%	15,679	-7.3%	9,076	7,245	25.3%	10,160	-10.7%
Fee and commission expense	(2,654)	(2,556)	3.8%	(2,446)	8.5%	(1,658)	(1,591)	4.2%	(1,585)	4.6%
Net fee and commission income	**11,877**	**9,082**	**30.8%**	**13,233**	**-10.2%**	**7,418**	**5,654**	**31.2%**	**8,575**	**-13.5%**
Net insurance premiums earned	7,522	6,784	10.9%	6,894	9.1%	4,698	4,223	11.2%	4,467	5.2%
Net insurance claims incurred	(5,240)	(4,053)	29.3%	(4,752)	10.3%	(3,273)	(2,523)	29.7%	(3,079)	6.3%
Net insurance revenue	**2,282**	**2,731**	**-16.4%**	**2,142**	**6.5%**	**1,425**	**1,700**	**-16.2%**	**1,388**	**2.7%**
Net gains from trading securities and investment securities	480	71	576.1%	509	-5.7%	299	44	579.5%	330	-9.4%
Net gains from revaluation of investment property	-	-	NMF	1,188	-100.0%	-	-	NMF	770	-100.0%
Net gains from foreign currencies, of which:	8,650	4,356	*98.6%*	12,508	*-30.8%*	5,403	2,712	*99.2%*	8,104	*-33.3%*
– dealing	*5,930*	*4,864*	*21.9%*	*7,180*	*-17.4%*	*3,704*	*3,028*	*22.3%*	*4,652*	*-20.4%*
– translation differences	*2,720*	*(508)*	*NMF*	*5,328*	*-48.9%*	*1,699*	*(316)*	*NMF*	*3,452*	*-50.8%*
Other operating income	10,261	3,556	188.6%	5,780	77.5%	6,409	2,214	189.5%	3,745	71.1%
Other operating non-interest income	**19,391**	**7,983**	**142.9%**	**19,985**	**-3.0%**	**12,111**	**4,970**	**143.7%**	**12,949**	**-6.5%**
Revenue	**70,394**	**53,147**	**32.5%**	**71,321**	**-1.3%**	**43,967**	**33,086**	**32.9%**	**46,215**	**-4.9%**
Salaries and other employee benefits	(18,807)	(15,955)	17.9%	(18,357)	2.5%	(11,747)	(9,932)	18.3%	(11,896)	-1.3%
General and administrative expenses	(9,496)	(9,120)	4.1%	(9,680)	-1.9%	(5,931)	(5,677)	4.5%	(6,273)	-5.5%
Depreciation and amortization	(4,075)	(3,581)	13.8%	(4,631)	-12.0%	(2,545)	(2,229)	14.2%	(3,001)	-15.2%
Other operating expenses	(2,157)	(846)	155.0%	(1,779)	21.2%	(1,347)	(527)	155.6%	(1,153)	16.8%
Other operating non-interest expenses	**(34,535)**	**(29,502)**	**17.1%**	**(34,447)**	**0.3%**	**(21,570)**	**(18,365)**	**17.5%**	**(22,323)**	**-3.4%**
Operating income before cost of credit risk	**35,859**	**23,645**	**51.7%**	**36,874**	**-2.8%**	**22,397**	**14,721**	**52.1%**	**23,892**	**-6.3%**
Impairment charge on loans to customers	4,132	2,311	78.8%	3,708	11.4%	2,581	1,439	79.4%	2,403	7.4%
Impairment charge of impairment on finance lease receivables	66	45	46.7%	117	-43.6%	41	28	46.4%	76	-46.1%
Impairment charge on other assets and provisions	248	817	-69.6%	1,425	-82.6%	155	508	-69.5%	923	-83.2%
Cost of credit risk	**4,446**	**3,173**	**40.1%**	**5,250**	**-15.3%**	**2,777**	**1,975**	**40.6%**	**3,402**	**-18.4%**
Net operating income	**31,413**	**20,472**	**53.4%**	**31,624**	**-0.7%**	**19,620**	**12,746**	**53.9%**	**20,490**	**-4.2%**
Net non-operating expense	**(2,650)**	**(33)**	**NMF**	**(5,813)**	**-54.4%**	**(1,655)**	**(21)**	**NMF**	**(3,764)**	**-56.0%**
Profit before income tax expense from continuing operations	**28,763**	**20,439**	**40.7%**	**25,811**	**11.4%**	**17,965**	**12,725**	**41.2%**	**16,726**	**7.4%**
Income tax expense	4,845	3,382	43.3%	3,466	39.8%	3,026	2,106	43.7%	2,246	34.7%
Profit for the period from continuing operations	**23,918**	**17,057**	**40.2%**	**22,345**	**7.0%**	**14,939**	**10,619**	**40.7%**	**14,480**	**3.2%**
Net gain (loss) from discontinued operations	33	(7,179)	NMF	(1,779)	NMF	20	(4,469)	NMF	(1,153)	NMF
Profit for the period	**23,951**	**9,878**	**142.5%**	**20,566**	**16.5%**	**14,959**	**6,150**	**143.2%**	**13,327**	**12.2%**
Attributable to:										
– shareholders of the Bank	23,581	10,030	135.1%	19,141	23.2%	14,728	6,245	135.8%	12,404	18.7%
– non-controlling interests	370	(152)	NMF	1,425	-74.0%	231	(95)	NMF	923	-75.0%
Earnings per share (basic)	**0.74**	**0.57**	**29.8%**	**0.71**	**4.2%**	**0.46**	**0.35**	**31.4%**	**0.46**	**-**
Earnings per share (diluted)	**0.72**	**0.55**	**30.9%**	**0.67**	**7.5%**	**0.45**	**0.34**	**32.4%**	**0.43**	**4.7%**

Converted to U.S. dollars for the convenience using an exchange rate of GEL 1.6600 per US$1.00 as of 31 March 2012, GEL 1.6703 per US$1.00 as of 31 December 2011 and 1.7059 as of 31 March 2011, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia.

Converted to GBP for the convenience using an exchange rate of GEL 2.6578 per GBP1.00 as of 31 March 2012, GEL 2.5776 per GBP1.00 as of 31 December 2011 and 2.7402 as of 31 March 2011, such exchange rates being the official Georgian Lari to GBP dollar period-end exchange rates as reported by the National Bank of Georgia.

CONSOLIDATED BALANCE SHEET in US$ and GBP

Thousands, unless otherwise noted and except for per share values	Q1 2012 US$	Q1 2011 US$	Change Y-O-Y %	Q4 2011 US$	Change Q-O-Q %	Q1 2012 GBP	Q1 2011 GBP	Change Y-O-Y %	Q4 2011 GBP	Change Q-O-Q %
Assets					*(Unaudited)*					
Cash and cash equivalents	229,751	253,444	-9.3%	376,418	-39.0%	143,497	157,780	-9.1%	243,921	-41.2%
Amounts due from credit institutions	173,443	232,974	-25.6%	173,340	0.1%	108,328	145,037	-25.3%	112,325	-3.6%
Investment securities	215,372	211,487	1.8%	251,198	-14.3%	134,516	131,660	2.2%	162,778	-17.4%
Loans to customers and finance lease receivables	1,634,790	1,314,221	24.4%	1,566,402	4.4%	1,021,052	818,163	24.8%	1,015,038	0.6%
Investments in associates	1,827	3,355	-45.5%	1,804	1.3%	1,141	2,089	-45.4%	1,169	-2.4%
Investment properties	75,364	59,396	26.9%	60,879	23.8%	47,071	36,977	27.3%	39,450	19.3%
Property and equipment	204,264	165,887	23.1%	208,412	-2.0%	127,578	103,272	23.5%	135,052	-5.5%
Goodwill	27,609	40,593	-32.0%	27,657	-0.2%	17,244	25,271	-31.8%	17,922	-3.8%
Other intangible assets	12,445	13,526	-8.0%	12,706	-2.1%	7,773	8,421	-7.7%	8,233	-5.6%
Current income tax assets	4,573	9,160	-50.1%	5,081	-10.0%	2,856	5,703	-49.9%	3,293	-13.3%
Deferred income tax assets	20,373	14,814	37.5%	17,918	13.7%	12,724	9,222	38.0%	11,611	9.6%
Prepayments	9,019	4,366	106.6%	8,892	1.4%	5,633	2,718	107.2%	5,762	-2.2%
Other assets	96,085	50,451	90.5%	82,361	16.7%	60,012	31,408	91.1%	53,371	12.4%
Total assets	**2,704,915**	**2,373,674**	**14.0%**	**2,793,068**	**-3.2%**	**1,689,425**	**1,477,721**	**14.3%**	**1,809,925**	**-6.7%**
Liabilities										
Amounts due to customers, of which:	1,581,463	1,215,426	30.1%	1,637,563	-3.4%	987,745	756,658	30.5%	1,061,151	-6.9%
- Client deposits	*1,471,089*	*1,158,853*	*26.9%*	*1,529,117*	*-3.8%*	*918,808*	*721,439*	*27.4%*	*990,877*	*-7.3%*
- Promissory notes	*110,374*	*56,573*	*95.1%*	*108,446*	*1.8%*	*68,937*	*35,219*	*95.7%*	*70,274*	*-1.9%*
Amounts due to credit institutions	454,109	646,040	-29.7%	551,501	-17.7%	283,626	402,189	-29.5%	357,376	-20.6%
Current income tax liabilities	384	56	585.7%	703	-45.4%	240	35	585.7%	455	-47.3%
Deferred income tax liabilities	27,135	14,374	88.8%	21,698	25.1%	16,948	8,948	89.4%	14,060	20.5%
Provisions	258	3,439	-92.5%	231	11.7%	161	2,141	-92.5%	150	7.3%
Other liabilities	70,157	61,972	13.2%	94,870	-26.0%	43,816	38,582	13.6%	61,478	-28.7%
Total liabilities	**2,133,506**	**1,941,307**	**9.9%**	**2,306,566**	**-7.5%**	**1,332,536**	**1,208,553**	**10.3%**	**1,494,670**	**-10.8%**
Equity										
Share capital	575	18,379	-96.9%	19,684	-97.1%	359	11,442	-96.9%	12,755	-97.2%
Additional paid-in capital	348,878	280,702	24.3%	283,621	23.0%	217,901	174,750	24.7%	183,788	18.6%
Treasury shares	(43)	(828)	-94.8%	(1,883)	-97.7%	(27)	(516)	-94.8%	(1,221)	-97.8%
Other reserves	11,057	35,557	-68.9%	8,668	27.6%	6,906	22,136	-68.8%	5,617	22.9%
Retained earnings	174,985	81,898	113.7%	152,421	14.8%	109,292	50,985	114.4%	98,769	10.7%
Total equity attributable to shareholders of the Bank	**535,452**	**415,708**	**28.8%**	**462,511**	**15.8%**	**334,431**	**258,797**	**29.2%**	**299,708**	**11.6%**
Non-controlling interests	35,957	16,659	115.8%	23,991	49.9%	22,458	10,371	116.5%	15,547	44.5%
Total equity	**571,409**	**432,367**	**32.2%**	**486,502**	**17.5%**	**356,889**	**269,168**	**32.6%**	**315,255**	**13.2%**
Total liabilities and equity	**2,704,915**	**2,373,674**	**14.0%**	**2,793,068**	**-3.2%**	**1,689,425**	**1,477,721**	**14.3%**	**1,809,925**	**-6.7%**
Book value per share (basic)	**16.13**	**13.89**	**16.1%**	**15.62**	**3.3%**	**10.08**	**8.65**	**16.5%**	**10.12**	**-0.4%**
Book value per share (diluted)	**14.91**	**11.94**	**24.9%**	**13.86**	**7.6%**	**9.31**	**7.43**	**25.3%**	**8.98**	**3.7%**

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Converted to GBP for the convenience using an exchange rate of GEL 2.6578 per GBP1.00 as of 31 March 2012, GEL 2.5776 per GBP1.00 as of 31 December 2011 and 2.7402 as of 31 March 2011, such exchange rates being the official Georgian Lari to GBP dollar period-end exchange rates as reported by the National Bank of Georgia.

KEY RATIOS AND SELECTED OPERATING DATA	**Q1 2012**	**Q1 2011**	**Q4 2011**
Profitability			
ROAA, Annualised[1]	3.5%	2.9%	3.4%
ROAE, Annualised[2]	18.9%	22.8%	18.3%
Net Interest Margin, Annualised[3]	7.3%	7.0%	6.8%
Loan Yield, Annualised[4]	18.0%	17.4%	17.7%
Cost of Funds, Annualised[5]	8.3%	7.6%	8.5%
Cost of Deposits, Annualised	8.0%	7.0%	8.3%
Cost of Borrowed Funds, Annualised	9.2%	8.5%	9.2%
Operating Leverage, Y-O-Y[6]	15.0%	17.9%	-2.2%
Efficiency			
Cost / Income[7]	49.1%	55.5%	48.3%
Liquidity			
NBG Liquidity Ratio[8]	36.0%	44.5%	37.8%
Liquid Assets To Total Liabilities[9]	29.0%	36.0%	34.8%
Net Loans To Customer Funds	103.4%	108.1%	95.7%
Leverage (Times)[10]	3.7	4.5	4.7
Asset Quality:			
NPLs (in GEL thousands)	94,344	90,303	97,191
NPLs To Gross Loans To Clients	3.3%	3.8%	3.6%
NPL Coverage Ratio[11]	126.8%	132.2%	118.5%
Cost of Risk, Annualised[12]	1.0%	0.7%	1.0%
Capital Adequacy:			
BIS Tier I Capital Adequacy Ratio, Consolidated[13]	21.5%	18.0%	19.9%
BIS Total Capital Adequacy Ratio, Consolidated[14]	28.0%	28.8%	28.5%
NBG Tier I Capital Adequacy Ratio[15]	15.2%	12.7%	10.5%
NBG Total Capital Adequacy Ratio[16]	18.2%	15.6%	16.2%
Per Share Values:			
Basic EPS (GEL)[17]	**1.23**	**0.97**	**1.18**
Diluted EPS (GEL)	**1.19**	**0.93**	**1.12**
Book Value Per Share (GEL), Basic[18]	**26.78**	**23.69**	**26.09**
Book Value Per Share (GEL), Diluted	**24.75**	**20.36**	**23.15**
Ordinary Shares Outstanding - Weighted Average, Basic[19]	31,776,406	30,264,755	29,734,272
Ordinary Shares Outstanding - Weighted Average, Diluted[20]	33,858,565	33,739,369	33,369,272
Ordinary Shares Outstanding - Period End, Basic	35,909,383	31,353,349	32,877,547
Treasury Shares Outstanding - Period End	(2,724,582)	(1,413,000)	(3,146,140)
Selected Operating Data:			
Full Time Employees, Group, Of Which:	7,393	5,313	7,301
- Full Time Employees, BOG Stand-Alone	*3,401*	*3,206*	*3,364*
- Full Time Employees, Aldagi BCI Insurance	*323*	*308*	*338*
- Full Time Employees, Aldagi BCI Healthcare	*2,740*	*729*	*2,573*
- Full Time Employees, BNB	*271*	*281*	*260*
- Full Time Employees, Other	*658*	*789*	*766*
Total Assets Per FTE, BOG Stand-Alone (in GEL thousands)	1,303	1,227	1,347
Number Of Active Branches, Of Which:	164	143	158
- Flagship Branches	*34*	*34*	*34*
- Standard Branches	*94*	*85*	*91*
- Express Branches (including Metro)	*36*	*24*	*33*
Number Of ATMs	431	408	426
Number Of Cards Outstanding, Of Which:	703,959	614,990	663,205
- Debit cards	568,209	509,636	535,385
- Credit cards	135,750	105,354	127,820
Number Of POS Terminals	2,940	2,404	2,828

OTHER RATIOS	Q1 2012	Q1 2011	Q4 2011
Profitability Ratios:			
ROE, Annualised	17.6%	22.0%	18.0%
Interest Income / Average Int. Earning Assets Excl. Cash, Annualised[21]	17.5%	17.9%	18.1%
Interest Income / Average Int. Earning Assets Incl. Cash, Annualised	16.0%	14.5%	15.0%
Net F&C Inc. To Av. Int. Earn. Ass., Annualised	2.3%	1.9%	2.0%
Net Fee And Commission Income To Revenue	16.9%	17.1%	18.6%
Operating Leverage, Q-O-Q	-1.5%	4.4%	5.8%
Revenue to Total Assets, Annualised	10.4%	9.0%	10.2%
Recurring Earning Power, Annualised[22]	5.2%	4.0%	5.9%
Profit To Revenue	34.0%	32.1%	31.3%
Efficiency Ratios:			
Operating Cost to Av. Total Ass., Annualised[23]	5.0%	5.0%	5.5%
Cost to Average Total Assets, Annualised	5.4%	5.0%	6.1%
Personne Cost to Revenue	26.7%	30.0%	27.0%
Personnel Cost to Operating Cost	54.5%	54.1%	54.7%
Personnel Cost to Average Total Assets, Annualised	2.8%	2.7%	2.8%
Liquidity Ratios:			
Liquid Assets To Total Assets	22.9%	29.5%	28.4%
Net Loans to Total Assets	60.4%	55.4%	56.1%
Average Net Loans to Average Total Assets	57.2%	56.3%	58.2%
Interest Earning Assets to Total Assets	74.8%	74.2%	80.7%
Avererage Interest Earning Assets/Average Total Assets	73.2%	80.0%	80.7%
Net Loans to Client Deposits	111.1%	113.4%	102.4%
Average Net Loans to Av. Client Deposits	104.3%	115.1%	113.3%
Net Loans to Total Deposits	107.5%	106.1%	100.2%
Net Loans to (Total Deposits + Equity)	78.1%	78.6%	76.4%
Net Loans to Total Liabilities	76.6%	67.7%	67.9%
Total Deposits to Total Liabilities	71.3%	63.8%	67.8%
Client Deposits to Total Deposits	96.8%	93.5%	97.8%
Client Deposits to Total Liabilties	69.0%	59.7%	66.3%
Total Deposits to Total Assets	56.2%	52.2%	56.0%
Client Deposits to Total Assets	54.4%	48.8%	54.7%
Client Deposits to Total Equity (Times)	2.6	2.7	3.1
Total Equity to Net Loans	35.0%	32.9%	31.1%
Asset Quality:			
Reserve For Loan Losses to Gross Loans to Clients[24]	4.2%	5.1%	4.2%
% of Loans to Clients collateralised	87.6%	90.1%	87.0%
Equity to Average Net Loans to Clients	36.1%	32.2%	31.7%

NOTES TO KEY RATIOS

1 Return On Average Total Assets (ROAA) equals Profit for the period from continuing operations divided by monthly Average Total Assets for the same period;
2 Return On Average Total Equity (ROAE) equals Profit for the period from continuing operations attributable to shareholders of the Bank divided by monthly Average Equity attributable to shareholders of the Bank for the same period;
3 Net Interest Margin equals Net Interest Income of the period (adjusted for the gains or losses from revaluation of interest rate derivatives) divided by monthly Average Interest Earning Assets Including Cash for the same period; Interest Earning Assets Including Cash include: Amounts Due From Credit Institutions, Investment Securities (but excluding corporate shares and other equity instruments) and Loans To Customers And Finance Lease Receivables;
4 Loan Yield equals Interest Income From Loans To Customers And Finance Lease Receivables divided by monthly Average Gross Loans To Customers And Finance Lease Receivables;
5 Cost Of Funds equals Interest Expense of the period (adjusted for the gains or losses from revaluation of interest rate derivatives) divided by monthly Average Interest Bearing Liabilities; Interest Bearing Liabilities Include: Amounts Due To Credit Institutions and Amounts Due To Customers;
6 Operating Leverage equals percentage change in Revenue less percentage change in Other Operating Non-Interest Expenses;
7 Cost / Income Ratio equals Other Operating Non-Interest Expenses divided by Revenue;
8 Average liquid assets during the month (as defined by NBG) divided by selected average liabilities and selected average off-balance sheet commitments (both as defined by NBG);
9 Liquid Assets include: Cash And Cash Equivalents, Amounts Due From Credit Institutions and Investment Securities;
10 Leverage (Times) equals Total Liabilities divided by Total Equity;
11 NPL Coverage Ratio equals Allowance For Impairment Of Loans And Finance Lease Receivables divided by NPLs;
12 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;
13 BIS Tier I Capital Adequacy Ratio equals Tier I Capital divided by Total Risk Weighted Assets, both calculated in accordance with the requirements of Basel Accord I;
14 BIS Total Capital Adequacy Ratio equals Total Capital divided by Total Risk Weighted Assets, both calculated in accordance with the requirements of Basel Accord I;
15 NBG Tier I Capital Adequacy Ratio equals Tier I Capital a divided by Total Risk Weighted Assets, both calculated in accordance with the requirements the National Bank of Georgia instructions;
16 NBG Total Capital Adequacy Ratio equals Total Capital divided by Total Risk Weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
17 Basic EPS equals Profit for the period from continuing operations attributable to shareholders of the Bank divided by the weighted average number of outstanding ordinary shares over the same period;
18 Book Value Per Share equals Total Equity attributable to shareholders of the Bank divided by Net Ordinary Shares Outstanding at period end; Net Ordinary Shares Outstanding equals total number of Ordinary Shares Outstanding at period end less number of Treasury Shares at period end;
19 Weighted average number of ordinary shares equal average of daily outstanding number of shares less daily outstanding number of treasury shares;
20 Weighted average diluted number of ordinary shares equals weighted average number of ordinary shares plus weighted average dilutive number of shares known to the management during the same period;
21 Average Interest Earning Assets are calculated on a monthly basis; Interest Earning Assets Excluding Cash include: Investment Securities (but excluding corporate shares and other equity instruments) and Loans To Customers And Finance Lease Receivables;;
22 Recurring Earning Power equals Operating Income Before Cost of Credit Risk for the period divided by monthly average Total Assets of the same period;
23 Operating Cost equals Other Operating Non-Interest Expenses;
24 Reserve For Loan Losses To Gross Loans equals Allowance For Impairment Of Loans And Finance Lease Receivables divided by Gross Loans And Finance Lease Receivables.