BANK OF GEORGIA

Tbilisi, 29 December, 2011

JSC BANK OF GEORGIA ANNOUNCES Q3 2011 AND NINE MONTHS YTD 2011 RESULTS
Nine month Profits almost double, Fitch and S&P raise credit rating

Bank of Georgia (LSE: BGEO, GSE: GEB) (the "Bank"), Georgia's leading bank, announced today its Q3 2011 and nine months 2011 (year-to-date, YTD) consolidated results (IFRS based, derived from management accounts), reporting a Q3 2011 Profit of GEL 37.6 million, or GEL 1.25 per share and nine months 2011 Profit From Continuing Operations of GEL 113.6 million, or GEL 3.83 per share.

Financial Highlights

- Q3 2011 Profit From Continuing Operations of GEL 37.6 million, up by 80.4% y-o-y; Nine months 2011 Profit From Continuing Operations of GEL 113.6 million, up 98.6% y-o-y

- Strong operational leverage has continued as a result of broadly stable net interest margins and good levels of balance sheet growth
    - Revenue increased by GEL 17.2 million, or 19.1% y-o-y, to GEL 107.4 million in Q3 2011
    - Other Operating Non-Interest Expenses decreased by 2.9% y-o-y to GEL 55.3 million in Q3 2011

- Efficiency improvements continue as the Bank maintains rigorous financial management and continues to implement cost control measures
    - Cost to Income ratio declined to 51.5% in Q3 2011 from 63.1% in Q3 2010
    - Return on Average Assets (ROAA[1]) in Q3 2011 amounted to 3.52% compared to 2.39% in Q3 2010

- Improving asset quality resulting from the strengthened operating environment:
    - Cost of credit risk decreased by GEL 5.2 million, or 50.1% y-o-y to GEL 5.2 million in Q3 2011

- Strong capital and liquidity position has been maintained
    - Net loans to amounts due to customers ratio improved significantly to 107.5%, reflecting continued strong deposit growth
    - BIS tier 1 capital adequacy ratio remained strong at 17.9%
    - Book Value per Share increased by 16.1% to GEL 25.94 (US$15.62)

"In the third quarter we continued to deliver strong ROAE of approximately 20% and strong loan book and deposit growth rates of circa 5% and 4%, respectively. At the same time, we have benefitted from robust economic growth in Georgia with 7.5% preliminary real GDP growth in the third quarter, bringing nine months preliminary GDP growth rate to 6.2%. Due to the strong macro factors, Georgia's sovereign credit rating was upgraded by both Fitch and S&P to BB- in December 2011. I am also pleased to report to our shareholders that both of these rating agencies raised their respective long-term ratings on Bank of Georgia to 'BB-'," commented ***Irakli Gilauri***, Chief Executive Officer.

[1] ROAA is calculated by dividing Net Profit From Continuing Operations for the period by average total assets (average of beginning and end of the period)

1.661 GEL/US$ 30 September 2011
1.806 GEL/US$ 30 September 2010

Financial Summary

Millions, unless otherwise noted	Q3 2011		Growth y-o-y[1]
Bank of Georgia (Consolidated, Unaudited, IFRS-based)	**US$**	**GEL**	
Revenue[2]	64.6	107.4	19.1%
Operating Income Before Cost of Credit Risk	31.4	52.1	56.8%
Cost of Credit Risk[3]	(3.1)	(5.2)	-50.1%
Net Operating Income	28.3	47.0	105.0%
Profit For the Period From Continuing Operations	22.6	37.6	80.4%
EPS (Basic)[4]	0.76	1.25	80.1%
EPS (Diluted)[5]	0.72	1.19	73.0%

Millions, unless otherwise noted	Nine Months 2011		Growth y-o-y[1]
Bank of Georgia (Consolidated, Unaudited IFRS-based)	**US$**	**GEL**	
Revenue	194.6	323.2	28.8%
Operating income before cost of credit risk	97.5	162.0	67.6%
Cost of Credit Risk	8.1	13.4	-55.7%
Net Operating Income	89.4	148.6	124.0%
Profit For the Period From Continuing Operations	68.4	113.6	98.6%
EPS (Basic)	2.31	3.83	100.2%
EPS (Diluted)	2.17	3.61	89.9%
Total Assets	2,624.6	4,359.4	24.2%
Net Loans and finance lease receivables	1,541.7	2,560.7	25.8%
Amounts due to customers	1,398.5	2,322.9	41.8%
Tier I Capital Adequacy Ratio (BIS)[6]		17.9%	
Total Capital Adequacy Ratio (BIS)[7]		26.1%	
NBG Tier I Capital Adequacy Ratio		10.8%	
NBG Total Capital Adequacy Ratio		15.0%	

Book Value per Share (Basic)	**US$15.62**	**GEL 25.94**	**16.1%**
Book Value per Share (Diluted)	**US$15.46**	**GEL 25.66**	**14.4%**

Interim Condensed Consolidated Financial Statements of JSC Bank of Georgia and its subsidiaries for three months and nine months ended 30 September 2011 are available on www.bankofgeorgia.ge./ir

[1] Compared to the respective period in 2010; 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] Cost of Credit Risk includes impairment charge (reversal of impairment) on: loans to customers, finance lease receivables and other assets
[4] EPS (Basic) equals profit for the period divided by weighted average number of outstanding shares for the period
[5] EPS (Diluted) Diluted shares equals weighted average number of outstanding shares for the period plus approximately 3.5 million shares allocated for the conversion of the convertible loans of EBRD and IFC
[6] 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, both calculated in accordance with the requirements of Basel Accord I.
[7] BIS Total Capital Adequacy Ratio equals Total Consolidated Capital as of the period end divided by Total Consolidated Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I

About Bank of Georgia

Bank of Georgia is the leading Georgian bank, based on total assets (with a 36% market share), total loans (with a 36% market share) and client deposits (with a 34% market share) as of 30 June 2011, 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)

For further information, please visit www.bog.ge/ir or contact:

Irakli Gilauri
Chief Executive Officer
+995 32 2 444 109
igilauri@bog.ge

Giorgi Chiladze
Deputy CEO, Finance
+995 32 2 444 249
gchiladze@bog.ge

Macca Ekizashvili
Head of Investor Relations
++995 32 2 444 256
ir@bog.ge

David Westover/Justin Griffiths
Citigate Dewe Rogerson
+44 (0) 207 638 9571
bog@citigatgdr.co.uk

The financial information as of Q3 2011, nine months ended 30 September 2011, Q3 2010 and nine months ended 30 September 2010 contained in this news report is unaudited, derived from IFRS-based management reports and reflects the best estimates of management. The Bank's actual results may differ from the amounts reflected herein as a result of various factors.

Discussion of Results

Revenue

GEL millions, unless otherwise noted	Q3 2011	Q3 2010	Change y-o-y
Interest income	128.7	106.6	20.7%
Interest expense	68.0	46.1	47.4%
Net interest income	**60.8**	**60.5**	**0.4%**
Fee and commission income	23.7	20.4	16.4%
Fee and commission expense	4.5	3.2	37.7%
Net fee and commission income	**19.3**	**17.1**	**12.4%**
Net insurance premiums earned	11.8	11.8	-0.3%
Net insurance claims incurred	6.7	7.7	-13.2%
Net insurance revenue	**5.1**	**4.1**	**24.0%**
Other operating non-interest income	22.3	8.4	165.0%
Revenue	**107.4**	**90.1**	**19.1%**

In Q3 2011, the Bank's Revenue increased to GEL 107.4 million, or 19.1% growth year-on-year, a result of an increase in all revenue items.

The Bank's interest income growth of 20.7% y-o-y to GEL 128.7 million was primarily attributable to the increase in interest income from loans to customers by GEL 12.9 million, or 13.1% y-o-y a result of the increase in the Bank's loan book. The currency-blended loan yields of the Bank were 17.9% and 17.3%, for the three months ended 30 September 2010 and 2011, respectively. The growth of the average outstanding amounts of interest earning investment securities resulted in the 65.7% y-o-y, or GEL 3.8 million increase in interest income from investment securities to GEL 9.6 million, while the increases in average volumes of inter-bank deposits prompted the increase in interest income from amounts due from credit institutions from GEL 1.0 million in Q3 2010 to GEL 5.7 million in Q3 2011.

GEL millions, unless otherwise noted	Q3 2011	Q3 2010	Change y-o-y
Loans to customers	111.7	98.8	13.1%
Investment securities - available-for-sale	9.6	0.3	NMF
Amounts due from credit institutions	5.7	1.0	NMF
Finance lease receivables	1.7	1.1	61.3%
Investment securities - held-to-maturity	-	5.4	NMF
Interest income	**128.7**	**106.6**	**20.7%**

In Q3 2011, interest expense increased by 47.4% to GEL 68.0 million, with growth largely attributed to the 51.7% increase in interest expense on amounts due to customers (client deposits and promissory notes issued) to GEL 41.9 million. Foreign currency amounts due to customers accounted for 68.9% of amounts due to customers as at 30 September 2011 compared to 73.6% as of 30 September 2010. Currency-blended customer deposit yields comprised 7.3% and 7.0% in Q3 2011 and Q3 2010, respectively.

GEL millions, unless otherwise noted	Q3 2011	Q3 2010	Change y-o-y
Amounts due to customers	41.9	27.6	51.7%
Amounts due to credit institutions	26.0	18.4	41.0%
Interest expense	**68.0**	**46.1**	**47.4%**
Net gains / (losses) from derivative financial instruments	2.6	(4.2)	NMF
Interest expense adjusted for Net gains from derivative financial instruments	**65.4**	**50.2**	**30.3%**

In Q3 2011, interest expense on amounts due to credit institutions grew by 41.0% to GEL 26.0 million. For the consistent economic analysis of total interest costs the Bank combines net gains (losses) from derivative financial instruments *(see Other Operating Non-Interest Income)* with total interest expense. Net gains (losses) from derivative financial instruments comprise net gains (losses) from revaluation of the interest rate swap agreements entered by the Bank to hedge its variable interest rate risk. Decline in the fair value of the derivative financial liability recognised by the Bank on the basis of these swap agreements caused the net gain from derivative financial instruments in Q3 2011, compared to the loss from the same agreements during the similar period in 2010, caused by appreciation of the same derivative financial liability. Interest expense combined with the net gains (losses) from derivative financial instruments ("Adjusted Interest Expense") comprised GEL 65.4 million and GEL 50.2 million in Q3 2011 and Q3 2010, respectively. As a result, the Adjusted Interest Expense increased by GEL 15.2 million, or 30.3% y-o-y, due to the increased average outstanding balances on client's time deposit accounts.

As a result of the foregoing, the Bank's Net Interest Income increased by 0.4% y-o-y, to GEL 60.8 million in Q3 2011. The Bank's Adjusted Net Interest Income, calculated as the difference between interest income and the Adjusted Interest Expense, increased by GEL 6.9 million, or 12.4% y-o-y to GEL 63.4 million. Correspondingly, the Q3 2011 Net Interest Margin (NIM) was 7.4% compared to 9.0% in Q3 2010, while Q3 2011 Adjusted Net Interest Margin stood at 7.7% compared to the Q2 2010 Adjusted Net Interest Margin of 8.4%. The decline was primarily attributable to the increased liquidity and growth of interest-bearing liabilities.

The increase in overall business activity in Georgia drove the growth of the non- interest revenue items. Net fee and commission income grew 12.4% y-o-y to GEL 19.3 million, reflecting the overall improvement of the economic environment in Georgia and increased foreign trade turnover of Georgian businesses. Reflecting the continued improvements in claims management, Net insurance claims incurred by the Bank's insurance business declined by 13.2% y-o-y, compared to 0.3% y-o-y decline in the Net insurance premiums earned, resulting in Net Insurance Revenue growth of 24.0% y-o-y in Q3 2011.

GEL millions, unless otherwise noted	Q3 2011	Q3 2010	Change y-o-y
Net gains (losses) from trading securities and investment securities available-for-sale	(0.2)	0.4	NMF
Net gains (losses) from derivative financial instruments	2.6	(4.2)	NMF
Net gains from foreign currencies	12.1	9.9	22.6%
Other operating income	7.7	2.2	247.1%
Other Operating Non-Interest Income	**22.3**	**8.4**	**165.0%**
Other Operating Non-Interest Income adjusted for Net gains / (losses) from derivative financial instruments	**19.7**	**12.6**	**56.8%**

In Q3 2011, the Bank's Other Operating Non-Interest Income increased by GEL 13.9 million, or 165.0% y-o-y, to GEL 22.3 million. The Bank's Adjusted Other Operating Non-Interest Income, which excludes net gains (losses) from derivative financial instruments, increased by GEL 7.1 million, or 56.8% y-o-y, to GEL 19.7 million in Q3 2011. The increase was largely due to the 247.1% y-o-y increase in Other Operating Income, driven by the growth of the healthcare revenues as part of the Bank's insurance business and by the increase in revenues generated by the Bank's non-core subsidiaries. In addition, the increase in Adjusted Other Operating Non-Interest Income was in part due to a GEL 2.2 million, or 22.6% y-o-y, increase in net gains from foreign currencies, reflecting the increase in the volumes of foreign currency conversions by the Bank's clients.

Cost of Credit Risk, Net Operating Income, Profit for the period

GEL millions, unless otherwise noted	Q3 2011	Q3 2010	Change y-o-y
Salaries and other employee benefits	30.7	26.9	14.1%
General and administrative expenses	16.3	19.2	-14.9%
Depreciation and amortization	6.6	6.8	-3.4%
Other operating expenses	1.7	4.0	-58.9%
Other Operating Non-Interest Expenses	**55.3**	**56.9**	**-2.9%**
Operating Income Before Cost of Credit Risk	**52.1**	**33.2**	**56.8%**
Cost of credit risk	5.2	10.3	-50.1%
Net Operating Income	**47.0**	**22.9**	**105.0%**
Share of profit of associates	(0.1)	-	-
Other non-operating expense	1.0	-	-
Profit before income tax expense	**46.0**	**23.2**	**98.6%**
Income tax expense	8.4	2.3	262.2%
Profit for the period	**37.6**	**20.8**	**80.4%**

In Q3 2011, the Bank's Other Operating Non-Interest Expense decreased by GEL 1.6 million, or 2.9% y-o-y, to GEL 55.3 million. The decrease was primarily due to a GEL 2.9 million, or 14.9% y-o-y, decrease in general and administrative expenses, a GEL 2.4 million, or 58.9% y-o-y, decrease in other operating expenses and a GEL 0.2 million, or 3.4%, decrease in depreciation and amortisation expenses, which was partially offset by a GEL 3.8 million, or 14.1% y-o-y, increase in salaries and other employee benefits. The decrease in general and administrative, other operating and depreciation and amortisation expenses was a result of the continued cost efficiency measures undertaken by the Bank and the effect of disposal of BG Bank in the beginning of 2011. The increase in salaries and other employee benefits was primarily a result of the increase in headcount and the bonus pool in line with the overall growth of business.

As a result of the foregoing factors, the Bank's Operating Income Before Cost of Credit Risk increased by GEL 18.9 million, or 56.8% y-o-y, to GEL 52.1 million in Q3 2011.

Cost of credit risk decreased by GEL 5.2 million, or 50.1% y-o-y, to GEL 5.2 million in Q3 2011. The decrease was primarily the result of a 43.8% y-o-y decrease in impairment charge on loans to customers, a result of improvements in the economy generally reflected in the improvement of the Bank's loan portfolio quality, and the disposal of BG Bank in the beginning of 2011. Allowance for loan impairment was GEL 121.6 million or 4.6% of total gross loans as of 30 September 2011, compared to 8.7% as of same date last year.

The Bank’s gross loans to customers past due more than 90 days comprised GEL 99.6 million as of 30 September 2011 compared to GEL 131.5 million as of 30 September 2010, decreasing by 24.3% y-o-y. The Bank’s loans to customers (excluding finance lease receivables) past due more than 90 days to total gross loans ratio decreased from 6.0% as of 30 September 2010 to 3.8% as of 30 September 2011.

Q3 2011 Net Operating Income amounted to GEL 47.0 million, up 105.0% y-o-y. The Bank’s Non-Operating Expense for the period amounted to GEL 0.9 million, resulting in Q3 2011 Profit Before Income Tax Expense From Continuing Operations of GEL 46.0 million, up 98.6% y-o-y. The Q3 2011 income tax expense reached GEL 8.4 million, an increase of 262.2% y-o-y. As a result, the Bank’s Q3 2011 Profit for the period stood at GEL 37.6 million, up by GEL 16.8 million, or 80.4% y-o-y.

Balance Sheet highlights

As of 30 September 2011, the Bank had total assets of GEL 4,359.4 million, a 5.7% increase compared to 30 June 2011 and 8.9% increase compared to 31 December 2010. On a quarterly basis, the GEL 236.1 million, or 5.7% q-o-q, increase in total assets was primarily due to a GEL 154.0 million, or 45.5%, increase in cash and cash equivalents and a GEL 122.2 million, or 5.1%, increase in loans to customers. On a year-to-date basis, the 8.9% YTD growth of the Bank’s total assets was attributed to the 6.2% YTD growth of the Bank’s net loan book, while the comparisons are impacted by the inclusion of BG Bank’s loan book in 2010 results.

As of 30 September 2011, the Bank had total liabilities of GEL 3,583.7 million, up 6.3% q-o-q and up 26.2% y-o-y. The increase in total liabilities on a quarterly basis was primarily due to a GEL 113.1 million, or 11.5% q-o-q, increase in amounts due to credit institutions, a GEL 94.4 million, or 4.2%, increase in amounts due to customers, to GEL 2,322.9 million. Client deposits grew by GEL 156.4 million to GEL 2,161.1 million, or 7.8% from 31 December 2010, when the results included client deposits of BG Bank. Amounts due to credit institutions declined by GEL 39.2 million, or 3.4% YTD.

Excluding BG Bank’s respective disclosures for 2010, the Bank’s net loan book and finance lease receivables grew 15.2% YTD, while amounts due to customers increased by 27.0% YTD as of 30 September 2011.

As of 30 September 2011, the Bank had shareholders' equity of GEL 775.7 million, as compared to shareholders' equity of GEL 751.8 million as of 30 June 2011 and GEL 693.3 million as of 31 December 2010. The Bank’s Book Value per share on 30 September 2011 stood at GEL 25.94 (US$15.62) compared to GEL 25.01 (US$ 15.01) as of 30 June 2011 and GEL 23.13 (US$13.05) as of 31 December 2010.

CONSOLIDATED Q3 2011 INCOME STATEMENT

	Q3 2011		Q3 2010		Change
	US$[1]	GEL	US$	GEL	Y-O-Y
		Unaudited			
Loans to customers	67,253	111,707	54,688	98,766	13.1%
Investment securities – available-for-sale	5,760	9,567	191	345	NMF
Amounts due from credit institutions	3,441	5,716	550	993	NMF
Finance lease receivables	1,050	1,744	599	1,081	61.3%
Investment securities – held-to-maturity	–	–	3,006	5,428	NMF
Interest income	**77,504**	**128,734**	**59,033**	**106,613**	**20.7%**
Amounts due to customers	(25,254)	(41,947)	(15,307)	(27,645)	51.7%
Amounts due to credit institutions	(15,660)	(26,012)	(10,214)	(18,447)	41.0%
Interest expense	**(40,915)**	**(67,959)**	**(25,522)**	**(46,092)**	**47.4%**
Net interest income	**36,589**	**60,775**	**33,511**	**60,521**	**0.4%**
Fee and commission income	14,279	23,717	11,280	20,372	16.4%
Fee and commission expense	(2,680)	(4,452)	(1,790)	(3,232)	37.7%
Net fee and commission income	**11,598**	**19,265**	**9,491**	**17,140**	**12.4%**
Net insurance premiums earned	7,079	11,758	6,532	11,796	-0.3%
Net insurance claims incurred	(4,030)	(6,694)	(4,271)	(7,713)	-13.2%
Net insurance revenue	**3,049**	**5,064**	**2,261**	**4,083**	**24.0%**
Net gains from trading securities and investment securities available-for-sale	(120)	(200)	235	424	NMF
Net gains (losses) from derivative financial instruments	1,556	2,584	(2,298)	(4,151)	NMF
dealing	7,580	12,590	5,064	9,145	37.7%
translation differences	(272)	(451)	418	755	NMF
Other operating income	4,662	7,744	1,235	2,231	247.1%
Other operating non-interest income	**13,406**	**22,267**	**4,653**	**8,404**	**165.0%**
Revenue	**64,642**	**107,371**	**49,916**	**90,148**	**19.1%**
Salaries and other employee benefits	(18,499)	(30,727)	(14,905)	(26,919)	14.1%
General and administrative expenses	(9,813)	(16,299)	(10,607)	(19,156)	-14.9%
Depreciation and amortization	(3,960)	(6,578)	(3,770)	(6,808)	-3.4%
Other operating expenses	(994)	(1,651)	(2,225)	(4,018)	-58.9%
Other operating non-interest expenses	**(33,266)**	**(55,255)**	**(31,507)**	**(56,901)**	**-2.9%**
Operating income before cost of credit risk	**31,376**	**52,116**	**18,409**	**33,247**	**56.8%**
Impairment charge on loans to customers	(3,426)	(5,691)	(5,610)	(10,131)	-43.8%
(Impairment charge) Reversal of impairment on finance lease receivables	30	49	(35)	(63)	NMF
Impairment reversal (charge) on other assets and provisions	287	477	(85)	(153)	NMF
Cost of credit risk	**(3,110)**	**(5,165)**	**(5,729)**	**(10,347)**	**-50.1%**
Net operating income	**28,267**	**46,951**	**12,680**	**22,900**	**105.0%**
Share of loss of associates	28	47	–	–	NMF
Non-operating income	–	–	150	271	NMF
Non-operating expenses	(586)	(974)	–	–	NMF
Other non-operating expense	(558)	**(927)**	150	**271**	NMF
Profit before income tax expense from continuing operations	**27,709**	**46,024**	**12,830**	**23,171**	**98.6%**
Income tax expense	(5,063)	(8,410)	(1,286)	(2,322)	262.2%
Profit for the period from continuing operations	**22,645**	**37,614**	**11,544**	**20,849**	**80.4%**
Attributable to:					
shareholders of the Bank	22,225	36,915	11,250	20,317	81.7%
non-controlling interests	421	699	295	532	31.4%

[1] Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.661 per US$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2011 and GEL 1.806 per US$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2010
[2] Growth calculations based on GEL values

CONSOLIDATED BALANCE SHEET

	30-Sep-2011		31-Dec-2010		Change
	US$[1]	GEL	US$	GEL	Y-O-Y[2]
		Unaudited			
Assets					
Cash and cash equivalents	296,479	492,452	344,943	611,584	-19.5%
Amounts due from credit institutions	161,552	268,338	65,690	116,469	130.4%
Investment securities:					
available-for-sale [3]	232,126	385,561	166,351	294,940	30.7%
held-to-maturity	13	21	12	21	0.0%
Loans to customers	1,503,512	2,497,334	1,326,394	2,351,697	6.2%
Finance lease receivables	38,147	63,362	8,133	14,419	339.4%
Investments in associates	2,371	3,938	3,177	5,632	-30.1%
Investment properties	63,016	104,669	64,014	113,496	-7.8%
Property and equipment	178,246	296,066	161,225	285,852	3.6%
Goodwill	33,842	56,212	39,037	69,212	-18.8%
Other intangible assets	12,631	20,980	12,628	22,390	-6.3%
Current income tax assets	4,595	7,632	1,267	2,247	239.7%
Deferred income tax assets	8,350	13,870	10,253	18,178	-23.7%
Prepayments	16,160	26,841	13,178	23,365	14.9%
Other assets	73,529	122,132	42,538	75,420	61.9%
Total assets	**2,624,568**	**4,359,408**	**2,258,839**	**4,004,922**	**8.9%**
Liabilities					
Amounts due to customers	1,398,516	2,322,935	1,142,870	2,026,308	14.6%
Amounts due to credit institutions	662,084	1,099,722	642,373	1,138,927	-3.4%
Current income tax liabilities	148	246	2,398	4,251	-94.2%
Deferred income tax liabilities	18,713	31,083	17,429	30,901	0.6%
Provisions	193	320	2,486	4,407	-92.7%
Other liabilities	77,924	129,432	60,230	106,787	21.2%
Total liabilities	**2,157,579**	**3,583,738**	**1,867,784**	**3,311,581**	**8.2%**
Equity					
Share capital	18,885	31,368	17,679	31,345	0.1%
Additional paid-in capital	285,771	474,665	269,196	477,285	-0.5%
Treasury shares	(964)	(1,602)	(852)	(1,510)	6.1%
Other reserves	15,724	26,117	15,125	26,816	-2.6%
Retained earnings	131,450	218,338	73,499	130,314	67.5%
Total equity attributable to shareholders of the Bank	**450,865**	**748,886**	**374,647**	**664,250**	**12.7%**
Non-controlling interests	16,125	26,784	16,408	29,091	-7.9%
Total equity	**466,990**	**775,670**	**391,055**	**693,341**	**11.9%**
Total liabilities and equity	**2,624,568**	**4,359,408**	**2,258,839**	**4,004,922**	**8.9%**

[1] Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.661 per US$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2011 and GEL 1.773 per US$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2010
[2] Growth calculations based on GEL values
[3] Available-for-sale investment securities mostly comprise of Treasury Bills issued by Ministry of Finance of Georgia and Certificates of Deposits issued by the NBG

KEY RATIOS

Ratios presented on a consolidated basis, unless otherwise noted

	Q3 2011	Q3 2010
Profitability ratios:		
ROAA[1]	3.52%	2.39%
ROAE[2]	19.84%	12.68%
Interest expense to interest income	52.8%	43.2%
Interest income to average interest earning assets	15.6%	15.9%
Cost of funds[3]	7.9%	6.8%
Net spread[4]	7.7%	9.1%
Net interest margin[5]	7.4%	9.0%
Net interest margin, adjusted [6]	7.7%	8.4%
Currency-blended loan yield[7]	17.3%	17.9%
Currency-blended deposit yield[8]	7.3%	7.0%
Net fee and commission income to revenue[9]	17.9%	19.0%
Net non-interest income to revenue[10]	43.4%	32.9%
Efficiency ratios:		
Cost to income ratio[11]	51.5%	63.1%
Other operating non-interest expense to average total assets	5.2%	6.5%
Salaries and other employee benefits to total operating income[12]	28.6%	29.9%
Salaries and other employee benefits to other operating non-interest expense12)	55.6%	47.3%
Liquidity ratios (at period end):		
Net loans to total assets	57.3%	57.5%
Net loans to amounts due to customers	107.5%	123.1%
Net loans to total deposits[13]	95.2%	111.2%
Net loans to total liabilities	69.7%	71.0%
Interest earnings assets[5] to total assets	76.5%	77.1%
Liquid assets to total assets[14]	26.3%	24.0%
Total deposits to total assets[13]	60.2%	51.7%
Amounts due to customers to total deposits	88.6%	90.3%
Amounts due to customers to total equity (times)	3.0	2.4
Amounts due from credit institutions to amounts due to credit institutions, except for borrowings from	89.4%	90.9%
Total equity to net loans	31.1%	33.2%
Leverage, (times)[15]	4.6	4.2
Asset quality:		
Allowance at period end for loan impairment to gross loans[16]	4.6%	8.7%
Impairment of interest earning assets for the period to average interest earning assets (Cost of risk)	0.7%	1.5%
Impairment charge on loans to customers to gross loans to customers	0.9%	1.8%
Capital adequacy (at period end):		
BIS Tier I Capital Adequacy Ratio[17]	17.9%	20.2%
BIS Total Capital Adequacy Ratio[18]	26.1%	31.6%
NBG Tier I Capital Adequacy Ratio [19]	10.8%	15.2%
NBG Total Capital Adequacy Ratio [20]	15.0%	15.7%
Per Share Values:		
Basic EPS (GEL) [21]	1.25	0.70
Basic EPS (US$)	0.76	0.39
Diluted EPS (GEL) [22]	1.19	0.69
Diluted EPS (US$)	0.72	0.38
Book Value Per Share (GEL) [23]	25.94	22.35
Book Value Per Share (US$)	$15.62	$12.37
Ordinary Shares Outstanding - Weighted Average, Basic [24]	29,982,199	29,934,398
Ordinary Shares Outstanding - Period End	29,897,082	29,927,658
Ordinary Shares Outstanding - Diluted [22]	33,456,812	33,409,012

NOTES TO KEY RATIOS

(1) Return on average total assets: profit (loss) for the period from continuing operations divided by average totals assets of the period.

(2) Return on average total equity: profit (loss) for the period from continuing operations attributable to Bank Shareholders divided by average total equity of the period attributable to Bank Shareholders.

(3) Cost of funds equals interest expense divided by average interest bearing liabilities of the period. Interest bearing liabilities include amounts due to credit institutions and amounts due to customers.

(4) Net spread is calculated as the difference between cost of funds and interest income to average interest-earning assets.

(5) Net interest income divided by average interest-earning assets of the period. Interest-earning assets include time deposits with credit institutions with effective maturity up to 90 days, amounts due from credit institutions, loans to customers (net), finance lease receivables (net) and investment securities (interest-earning securities only).

(6) Adjusted net interest margin equals adjusted net interest income divided by average interest-earning assets for the period. Adjusted net interest income equals the difference between interest income and the adjusted interest expense. Adjusted interest expense is a combined amount of interest expense and net gains (losses) from derivative financial instruments.

(7) The currency-blended loan yield equals total interest income from loans for the period divided by the average total gross loans for the same period.

(8) The currency-blended customer deposit yield equals total interest expense from amounts due to customers for the period divided by the average total amounts due to customers for the same period.

(9) Revenue includes net interest income, net fee and commission income, net insurance revenue and other operating non-interest income.

(10) Net non-interest income is the sum of net fee and commission income, net insurance revenue and other operating non-interest income.

(11) Cost to income ratio equals other operating non-interest expense divided by revenue of the period.

(12) Salaries and other employee benefits amounted to GEL 30.7 million and GEL 26.9 million for the three months ended 30 September 2011 and 2010, respectively.

(13) Total deposits include amounts due to customers and amounts due to credit institutions except for the borrowings from credit institutions.

(14) Liquid assets include cash and cash equivalents, amounts due from credit institutions and investment securities. Liquid assets amounted to GEL 843.5 million and GEL 1,146.4 million as of 30 September 2010 and 2011, respectively.

(15) Total liabilities divided by total equity.

(16) Allowance for loan impairment amounted to GEL 191.2 million and GEL 121.6 million as of 30 September 2010 and 2011, respectively.

(17) The consolidated Tier I capital adequacy ratio calculated in accordance with Basel I. The consolidated Tier I capital adequacy ratio of the Group equals the consolidated Tier I capital divided by the consolidated risk weighted assets. The consolidated Tier I capital amounted to GEL 600.9 million and GEL 725.2 million as of 30 September2010 and 2011, respectively. The consolidated risk weighted assets amounted to GEL 2,977.9 million and GEL 4,045.6 million as of 30 September 2010 and 2011, respectively.

(18) The consolidated total capital adequacy ratio calculated in accordance with Basel I. The consolidated total capital adequacy ratio of the Group equals total consolidated regulatory capital (Tier I + Tier II - deductions) divided by consolidated risk weighted assets. The consolidated regulatory capital (Tier I + Tier II - deductions) amounted to GEL 941.3 million and GEL 1,055.3 million as of 30 September 2010 and 2011, respectively.

(19) NBG Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements the National Bank of Georgia. The NBG Tier I capital amounted to GEL515.6 million as of 30 September 2011 and the risk weighted assets amounted to GEL 4,777.9 million as of 30 September 2011.

(20) NBG Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements the National Bank of Georgia. The NBG total capital amounted to GEL 718.5 million as of 30 September 2011.

(21) EPS (Basic) equals profit for the period divided by weighted average number of outstanding shares for the period

(22) Diluted shares equals weighted average number of outstanding shares for the period plus approximately 3.5 million shares allocated for the conversion of the convertible loans of EBRD and IFC

(23) Book Value per Share (Basic) equals total equity divided by outstanding number of shares minus Treasury Shares at the end of the period.

(24) Does not include Treasury Shares