



BANK OF GEORGIA

BANK OF GEORGIA GROUP PLC

Investor Presentation

3Q18 & 9M18 Financial Results

www.bankofgeorgiagroup.com

DISCLAIMER – FORWARD LOOKING STATEMENTS



This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Bank of Georgia Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; regional tensions and instability; loan portfolio quality; regulatory risk; liquidity risk; operational risk, cyber security, information systems and financial crime risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports of the Group, including the 'Principal Risks and Uncertainties' included in Bank of Georgia Group PLC 2Q18 and 1H18 results announcement and in BGEO Group PLC's Annual Report and Accounts 2017. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Bank of Georgia Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Bank of Georgia Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.





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BANK OF GEORGIA GROUP OVERVIEW



BANK OF GEORGIA
GROUP PLC

Banking Business

**Retail
Banking**

**Corporate
Investment
Banking**

**Wealth
Management**

**BNB
(Bank in Belarus)**

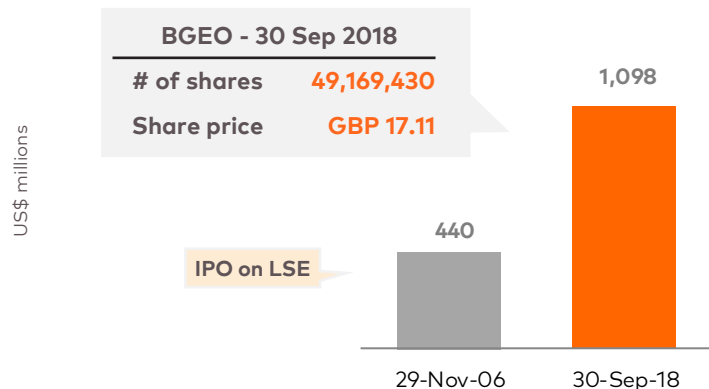
Top shareholders

As of 30 September 2018

Rank	Shareholder name	Ownership
1	JSC Georgia Capital*	19.90%
2	Harding Loevner LP	7.09%
3	Schroder Investment Management	3.14%

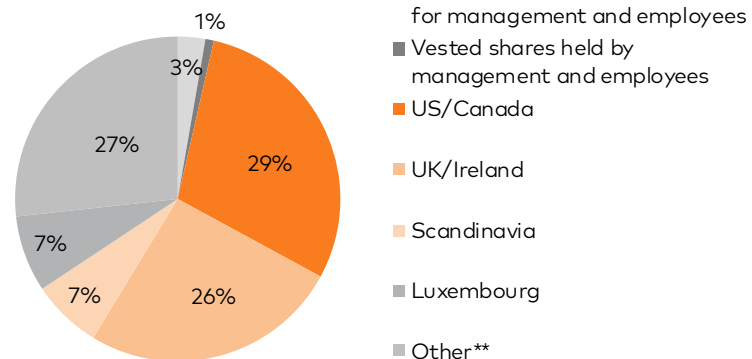
The Group has been included
in the **FTSE 250** and
FTSE All-share Index Funds
since 18 June 2012

Solid growth in market capitalisation



Shareholder structure

As of 30 September 2018



BANK OF GEORGIA

* JSC Georgia Capital will exercise its voting rights at the Group's general meetings in accordance with the votes cast by all other Group Shareholders, as long as JSC Georgia Capital's percentage holding in Bank of Georgia Group PLC is greater than 9.9%.

** Includes 19.9% shareholding of JSC Georgia Capital

DELIVERING ON GROUP STRATEGY

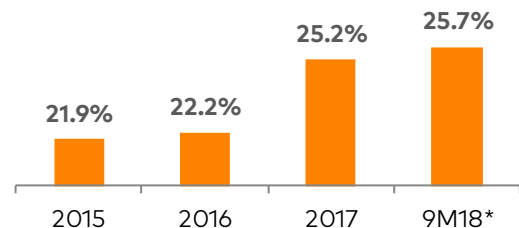


SUCCESSFUL TRACK RECORD OF DELIVERING STRONG RESULTS

BANKING BUSINESS KEY TARGETS

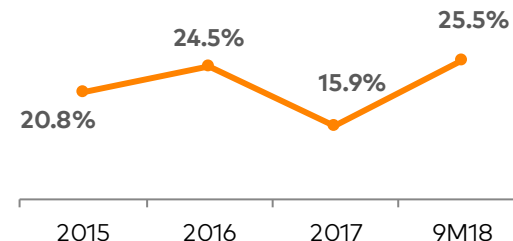
1

ROAE
20%+



2

Loan book
growth
15%-20%



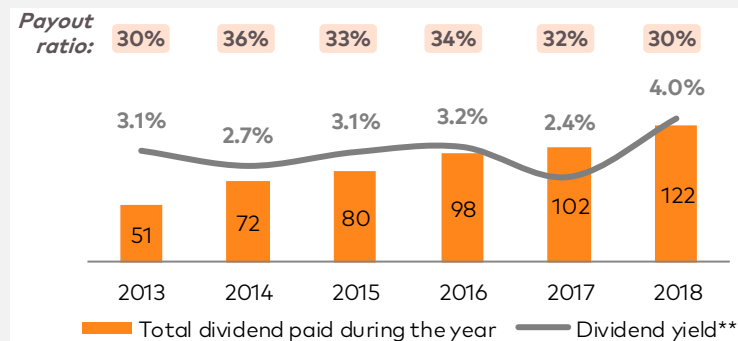
3

Solid Capital
Return Track
Record



Regular Dividends

- **Regular dividends:** linked to recurring profit from Banking Business. Aiming **25-40%** dividend payout ratio
- **GEL 500mIn+** cash dividend paid since 2013, with **payout ratio above 30%** over past 6 years
- **Management trust buybacks:** GEL 50.2mIn share buy-backs in 9M18





BANK OF GEORGIA GROUP RESULTS HIGHLIGHTS

Income Statement | Quarterly

<i>GEL thousands unless otherwise noted</i>	Bank of Georgia Group Consolidated					Banking Business*					Discontinued Operations*				
	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q
Net interest income	184,831	168,603	9.6%	187,488	-1.4%	184,831	167,788	10.2%	186,330	-0.8%	-	-	-	-	-
Net fee and commission income	39,481	32,754	20.5%	37,652	4.9%	39,481	33,141	19.1%	37,847	4.3%	-	-	-	-	-
Net foreign currency gain	34,856	20,436	70.6%	25,004	39.4%	34,856	19,614	77.7%	24,577	41.8%	-	-	-	-	-
Net other income	7,437	2,377	NMF	3,380	120.0%	7,437	2,653	NMF	3,706	100.7%	-	-	-	-	-
Revenue	266,605	224,170	18.9%	253,524	5.2%	266,605	223,196	19.4%	252,460	5.6%	-	-	-	-	-
Operating expenses	(97,137)	(84,257)	15.3%	(92,580)	4.9%	(97,137)	(85,355)	13.8%	(93,145)	4.3%	-	-	-	-	-
Profit from associates	326	147	121.8%	376	-13.3%	326	147	121.8%	376	-13.3%	-	-	-	-	-
Operating income before cost of credit risk	169,794	140,060	21.2%	161,320	5.3%	169,794	137,988	23.0%	159,691	6.3%	-	-	-	-	-
Cost of credit risk	(52,736)	(36,833)	43.2%	(39,670)	32.9%	(52,736)	(36,833)	43.2%	(39,670)	32.9%	-	-	-	-	-
Profit before non-recurring items and income tax	117,058	103,227	13.4%	121,650	-3.8%	117,058	101,155	15.7%	120,021	-2.5%	-	-	-	-	-
Net non-recurring items	(3,747)	(1,376)	NMF	(43,875)	-91.5%	(3,747)	(1,376)	NMF	(44,047)	-91.5%	-	-	-	-	-
Profit before income tax expense	113,311	101,851	11.3%	77,775	45.7%	113,311	99,779	13.6%	75,974	49.1%	-	-	-	-	-
Income tax expense	(8,763)	(7,850)	11.6%	(27,507)	-68.1%	(8,763)	(7,850)	11.6%	(27,507)	-68.1%	-	-	-	-	-
Profit from continuing operations	104,548	94,001	11.2%	50,268	108.0%	104,548	91,929	13.7%	48,467	115.7%	-	-	-	-	-
Profit from discontinued operations	-	18,838	NMF	78,961	NMF	-	-	-	-	-	-	20,910	NMF	80,762	NMF
Profit	104,548	112,839	-7.3%	129,229	-19.1%	104,548	91,929	13.7%	48,467	115.7%	-	20,910	NMF	80,762	NMF
Earnings per share (basic)	2.18	2.82	-22.7%	2.77	-21.3%	2.18	2.49	-12.4%	1.13	92.9%					
Earnings per share (diluted)	2.18	2.70	-19.3%	2.74	-20.4%	2.18	2.38	-8.4%	1.12	94.6%					
Earnings per share (basic) adjusted**						2.18	2.49	-12.4%	2.31	-5.6%					
Earnings per share (diluted) adjusted**						2.18	2.38	-8.4%	2.29	-4.8%					



BANK OF GEORGIA GROUP RESULTS HIGHLIGHTS

Income Statement | nine-months

<i>GEL thousands unless otherwise noted</i>	Bank of Georgia Group Consolidated			Banking Business*			Discontinued Operations*		
	9M18	9M17	Change y-o-y	9M18	9M17	Change y-o-y	9M18	9M17	Change y-o-y
Net interest income	553,433	489,037	13.2%	551,284	488,976	12.7%	-	-	-
Net fee and commission income	111,318	93,567	19.0%	111,838	94,736	18.1%	-	-	-
Net foreign currency gain	74,773	50,967	46.7%	75,448	58,596	28.8%	-	-	-
Net other income	16,334	5,937	NMF	16,887	6,715	151.5%	-	-	-
Revenue	755,858	639,508	18.2%	755,457	649,023	16.4%	-	-	-
Operating expenses	(275,995)	(240,185)	14.9%	(277,660)	(243,193)	14.2%	-	-	-
Profit from associates	1,021	1,055	-3.2%	1,021	1,055	-3.2%	-	-	-
Operating income before cost of credit risk	480,884	400,378	20.1%	478,818	406,885	17.7%	-	-	-
Cost of credit risk	(130,549)	(124,869)	4.5%	(130,549)	(124,869)	4.5%	-	-	-
Profit before non-recurring items and income tax	350,335	275,509	27.2%	348,269	282,016	23.5%	-	-	-
Net non-recurring items	(50,570)	(4,087)	NMF	(50,742)	(4,087)	NMF	-	-	-
Profit before income tax expense	299,765	271,422	10.4%	297,527	277,929	7.1%	-	-	-
Income tax expense	(45,328)	(15,541)	NMF	(45,328)	(15,541)	NMF	-	-	-
Profit from continuing operations	254,437	255,881	-0.6%	252,199	262,388	-3.9%	-	-	-
Profit from discontinued operations	107,899	88,758	21.6%	-	-	-	110,137	82,251	33.9%
Profit	362,336	344,639	5.1%	252,199	262,388	-3.9%	110,137	82,251	33.9%
Earnings per share (basic)	7.93	8.56	-7.4%	5.86	6.73	-12.9%	-	-	-
Earnings per share (diluted)	7.84	8.20	-4.4%	5.79	6.45	-10.2%	-	-	-
Earnings per share (basic) adjusted**	-	-	-	7.07	6.73	5.1%	-	-	-
Earnings per share (diluted) adjusted**	-	-	-	6.99	6.45	8.4%	-	-	-

BANK OF GEORGIA GROUP RESULTS HIGHLIGHTS



Balance Sheet

<i>GEL thousands unless otherwise noted</i>	Bank of Georgia Group Consolidated					Banking Business**					Discontinued Operations**				
	Sep-18	Sep-17	Change y-o-y	Jun-18	Change q-o-q	Sep-18	Sep-17	Change y-o-y	Jun-18	Change q-o-q	Sep-18	Sep-17	Change y-o-y	Jun-18	Change q-o-q
Liquid assets	4,696,808	4,128,332	13.8%	4,266,417	10.1%	4,696,808	4,068,147	15.5%	4,266,417	10.1%	-	439,616	NMF	-	-
Cash and cash equivalents	1,237,867	1,721,811	-28.1%	1,546,863	-20.0%	1,237,867	1,648,098	-24.9%	1,546,863	-20.0%	-	345,137	NMF	-	-
Amounts due from credit institutions	1,398,061	985,120	41.9%	993,862	40.7%	1,398,061	950,775	47.0%	993,862	40.7%	-	60,565	NMF	-	-
Investment securities	2,060,880	1,421,401	45.0%	1,725,692	19.4%	2,060,880	1,469,274	40.3%	1,725,692	19.4%	-	33,914	NMF	-	-
Loans to customers and finance lease receivables	8,724,825	6,917,211	26.1%	8,078,132	8.0%	8,724,825	6,951,493	25.5%	8,078,132	8.0%	-	-	-	-	-
Property and equipment	315,980	1,501,735	-79.0%	313,627	0.8%	315,980	309,769	2.0%	313,627	0.8%	-	1,187,631	NMF	-	-
Total assets	14,277,343	13,927,773	2.5%	13,208,821	8.1%	14,277,343	11,779,718	21.2%	13,208,821	8.1%	-	2,573,427	NMF	-	-
Client deposits and notes	7,932,536	6,252,228	26.9%	7,174,234	10.6%	7,932,536	6,549,904	21.1%	7,174,234	10.6%	-	-	-	-	-
Amounts due to credit institutions	3,006,739	2,774,525	8.4%	2,740,595	9.7%	3,006,739	2,350,438	27.9%	2,740,595	9.7%	-	459,158	NMF	-	-
Borrowings from DFI	1,261,960	1,435,236	-12.1%	1,161,120	8.7%	1,261,960	1,172,530	7.6%	1,161,120	8.7%	-	262,707	NMF	-	-
Short-term loans from NBG	1,016,431	590,014	72.3%	556,834	82.5%	1,016,431	590,014	72.3%	556,834	82.5%	-	-	-	-	-
Loans and deposits from commercial banks	728,348	749,275	-2.8%	1,022,641	-28.8%	728,348	587,894	23.9%	1,022,641	-28.8%	-	196,451	NMF	-	-
Debt securities issued	1,578,532	1,691,260	-6.7%	1,527,452	3.3%	1,578,532	1,298,641	21.6%	1,527,452	3.3%	-	479,142	NMF	-	-
Total liabilities	12,643,995	11,299,090	11.9%	11,571,235	9.3%	12,643,995	10,292,672	22.8%	11,571,235	9.3%	-	1,431,790	NMF	-	-
Total equity	1,633,348	2,628,683	-37.9%	1,637,586	-0.3%	1,633,348	1,487,046	9.8%	1,637,586	-0.3%	-	1,141,637	NMF	-	-
Book value per share	34.12	62.06	-45.0%	34.12	0.0%										

Key Ratios*

	3Q18	3Q17	2Q18	9M18	9M17
ROAA**	3.0%	3.2%	3.1%	3.1%	3.2%
ROAE**	25.8%	25.1%	25.2%	25.7%	24.3%
Net Interest Margin	6.4%	7.3%	6.9%	6.8%	7.3%
Loan Yield	13.5%	14.3%	14.0%	13.8%	14.2%
Liquid assets yield	3.8%	3.5%	3.8%	3.7%	3.4%
Cost of Funds	5.0%	4.8%	5.0%	5.0%	4.7%
Cost of Client Deposits and Notes	3.6%	3.5%	3.6%	3.5%	3.5%
Cost of Amounts Due to Credit Institutions	7.4%	6.5%	7.2%	7.1%	6.4%
Cost of Debt Securities Issued	7.8%	7.9%	7.7%	7.8%	7.2%
Cost / Income	36.4%	38.2%	36.9%	36.8%	37.5%
NPLs to Gross Loans to Clients	3.0%	4.1%	3.0%	3.0%	4.1%
NPL Coverage Ratio	102.9%	93.6%	110.5%	102.9%	93.6%
NPL Coverage Ratio, Adjusted for discounted value of collateral	141.4%	132.8%	147.2%	141.4%	132.8%
Cost of Risk	2.2%	2.0%	1.7%	2.0%	2.2%
NBG (Basel III) Tier I Capital Adequacy Ratio	11.0%	n/a	12.5%	11.0%	n/a
NBG (Basel III) Total Capital Adequacy Ratio	15.9%	n/a	17.5%	15.9%	n/a

* For the definition of Key Ratios, refer to page 70

** Banking Business and Discontinued Operations financials do not include inter-business eliminations. Detailed financials, including inter-business eliminations are provided on pages 58, 59 and 60

*** 2Q18 and 9M18 results adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, and GEL 30.3mln one-off impact of re-measurement of deferred tax balances



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THE LEADING BANK IN GEORGIA

Sustainable growth combined with strong capital, liquidity and robust profitability



BOG – Leading Bank in Attractive Banking Sector

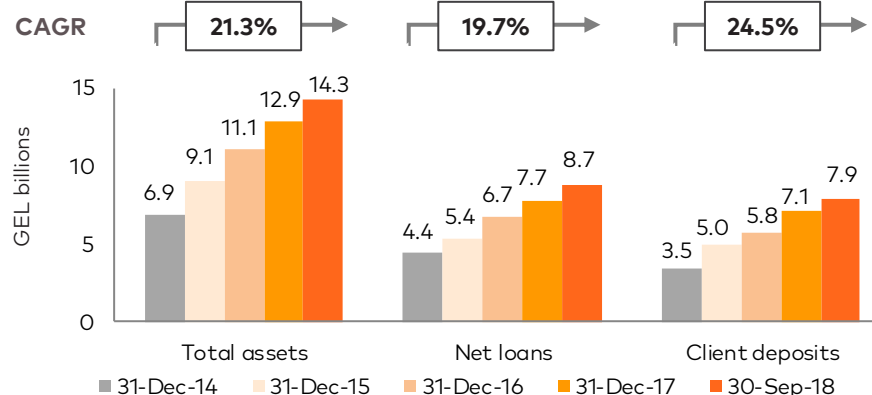
- **Top Systemically important financial institution in Georgia**
- **Market position in Georgia** by assets (35.1%), loans (33.1%), client deposits (34.5%) and equity (27.8%) as of 30 September 2018*
- **Market with stable growth perspectives:** Real GDP average annual growth rate of 4.5 % for 2007-2017; 4.9% real GDP growth in 9M18 according to Geostat. Loans/GDP grew from 8.8% to 61.1% in the period of 2003-3Q18; Deposits/GDP grew from 8.4% to 53.9% over the same period
- **Strong brand name recognition and retail banking franchise:** Offers the broadest range of financial products to the retail market through a network of 280 branches, 858 ATMs, 3,054 Express Pay Terminals and more than 2.4 million customers as of 30 September 2018
- **Sustainable high profitability** with average ROAE of c.20% over the last three years on the back of strong NIM, low cost of risk and stringent cost control
- **Resilient credit profile:** Well-capitalised, diversified and high quality loan book and strong liquidity profile
- **High standards of transparency and governance:** The first entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012. LSE listed through GDRs since 2006

Credit ratings from global rating agencies

Rating Agency	Rating	Outlook	Affirmed
MOODY'S	Ba3/Ba2	Stable	14-Aug-18
FitchRatings	BB-	Positive	23-Apr-18

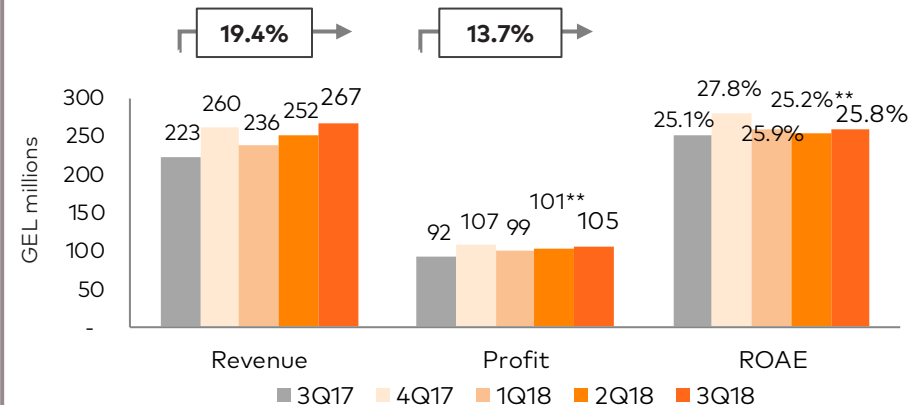
Balance Sheet Highlights

Banking Business



Income Statement Highlights

Banking Business



BANK OF GEORGIA

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

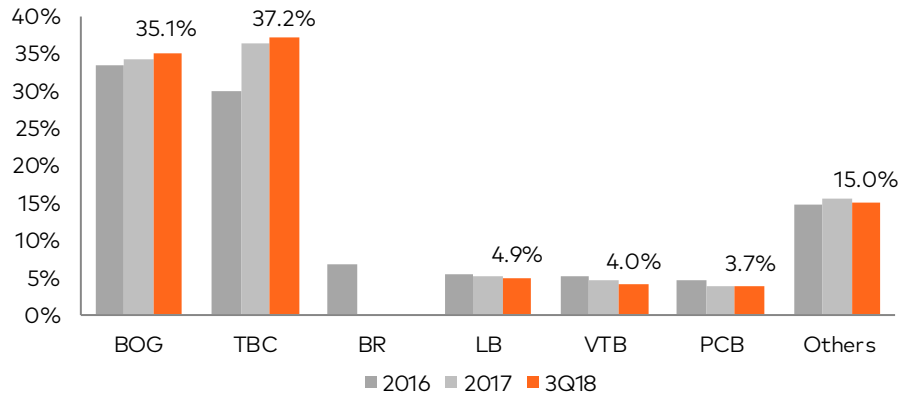
** 2Q18 results adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, and GEL 30.3mln one-off impact of re-measurement of deferred tax balances

THE COMPETITION

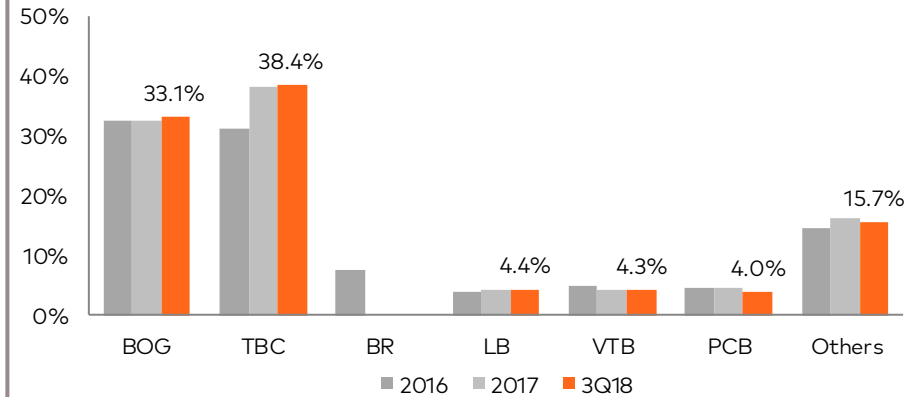
Leading market position in Georgia by assets (35.1%), loans (33.1%), client deposits (34.5%) and equity (27.8%)



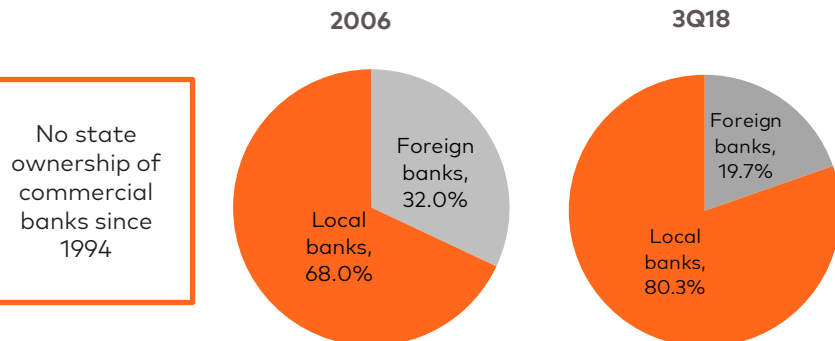
Peer group's market share in total assets



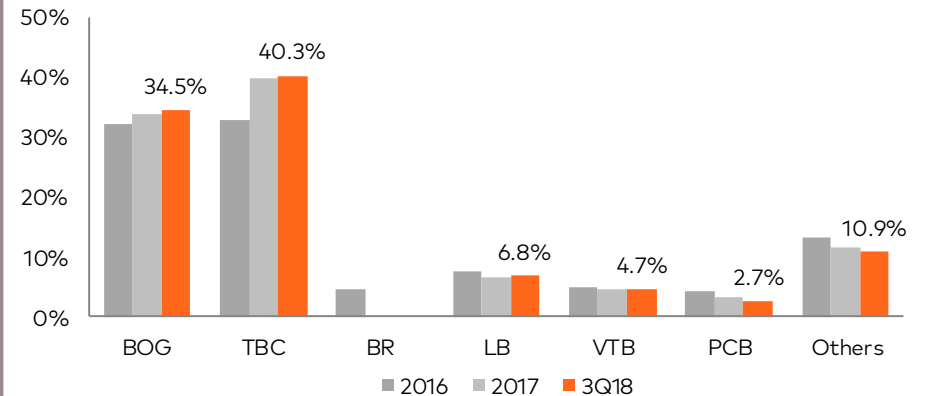
Peer group's market share in gross loans



Foreign banks market share by assets



Peer group's market share in client deposits

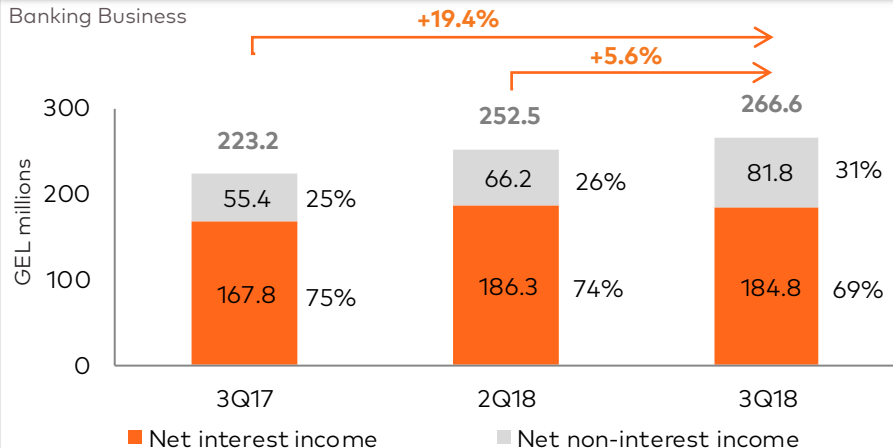


STRONG UNDERLYING PERFORMANCE



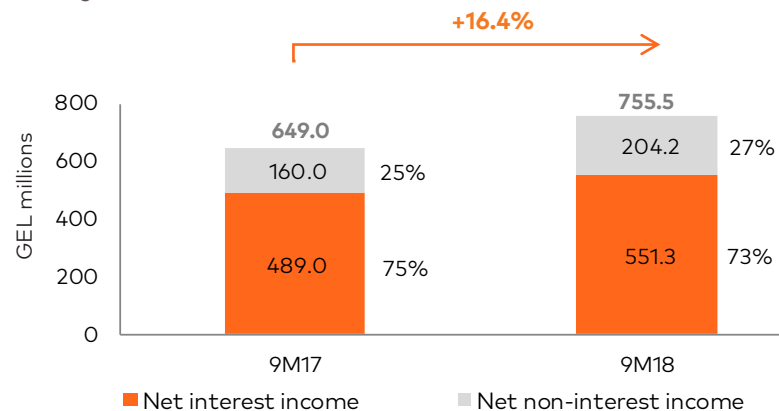
Revenue growth | quarterly

Banking Business



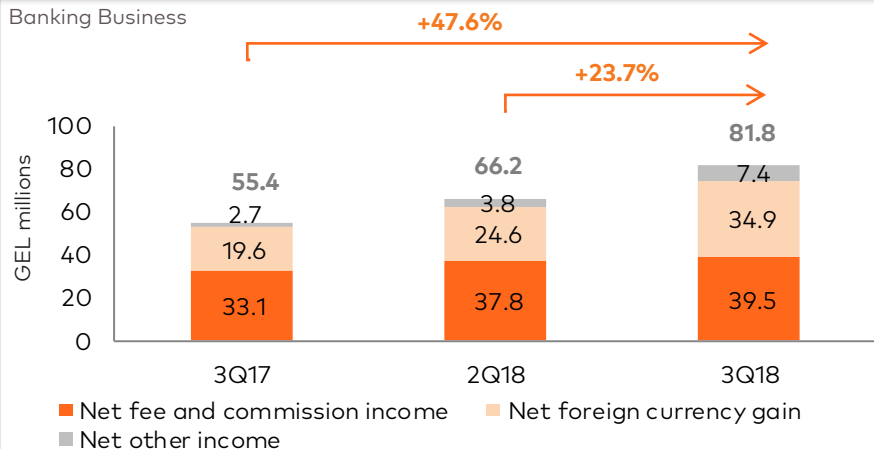
Revenue growth | nine-months

Banking Business



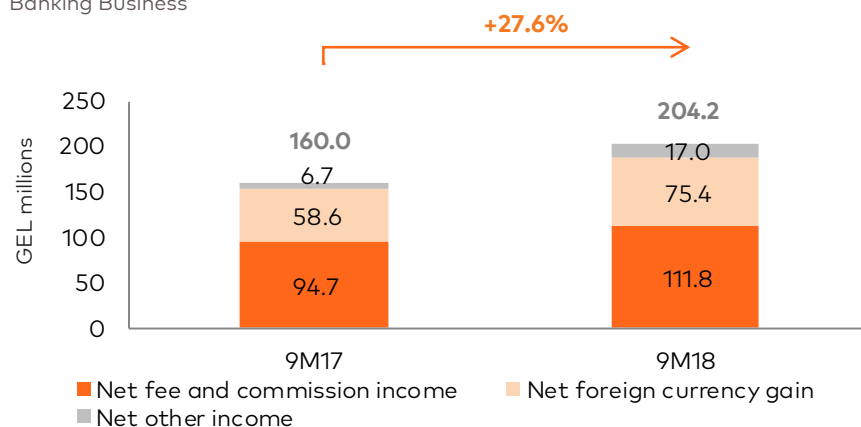
Net non-interest income | quarterly

Banking Business



Net non-interest income | nine-months

Banking Business

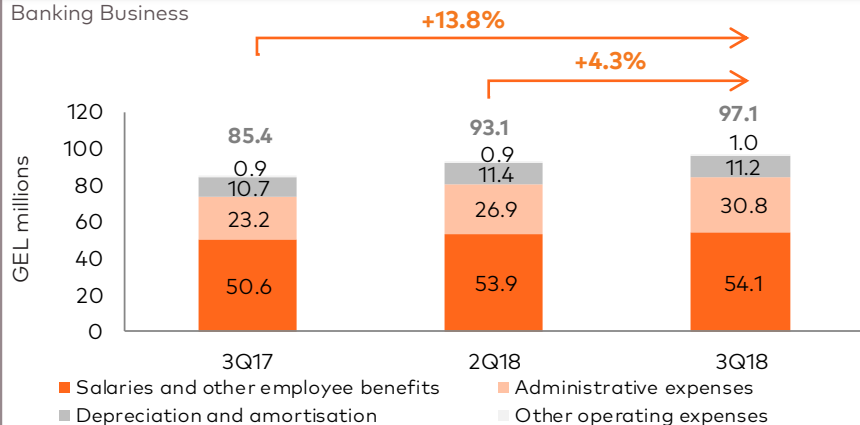


STRONG UNDERLYING PERFORMANCE



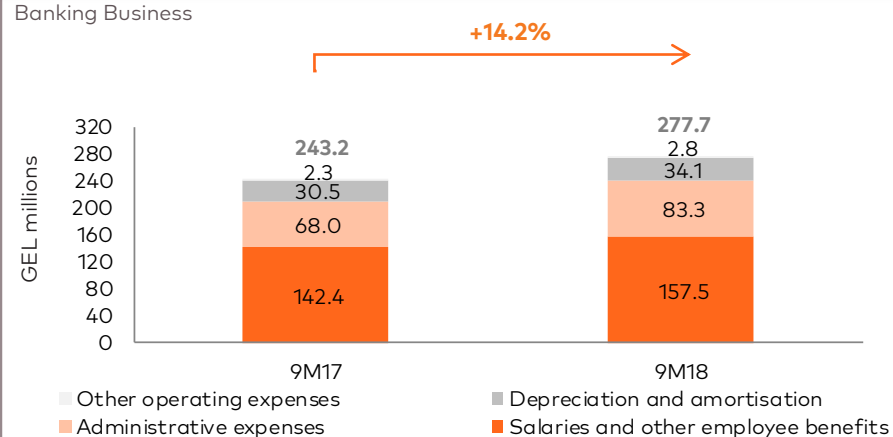
Operating expenses | quarterly

Banking Business



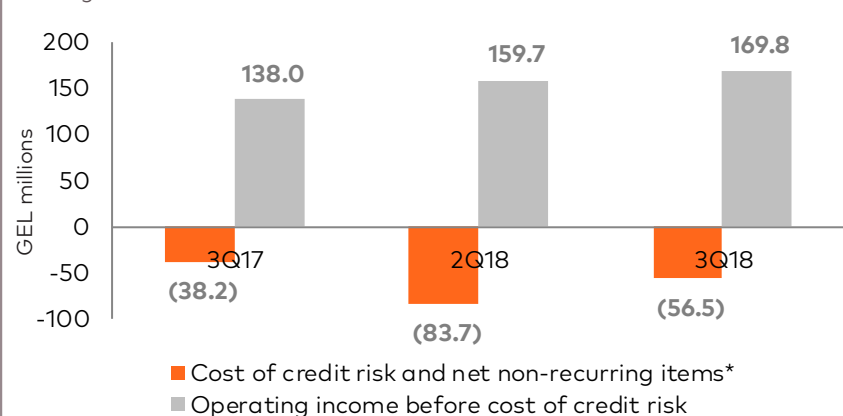
Operating expenses | nine-months

Banking Business



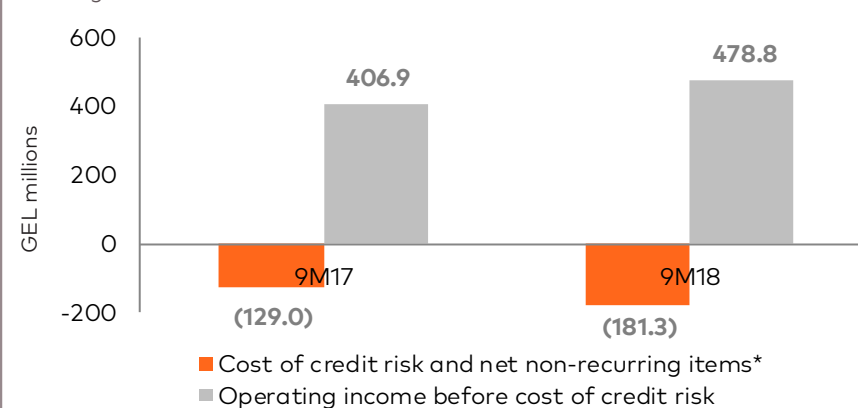
Operating income before cost of credit risk | quarterly

Banking Business



Operating income before cost of credit risk | nine-months

Banking Business



BANK OF GEORGIA

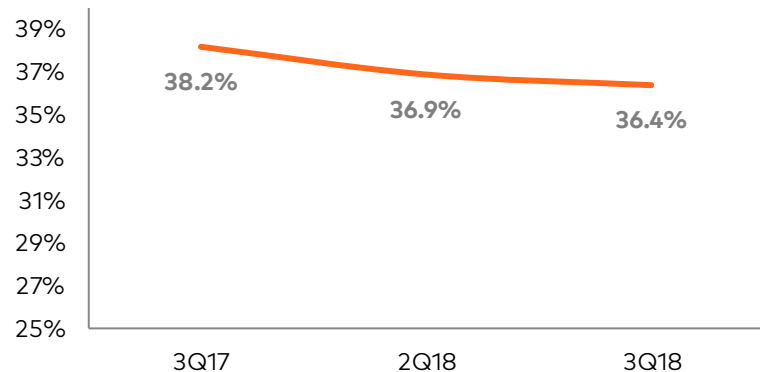
* 2Q18 and 9M18 net non-recurring items include GEL 30.3mln demerger related costs

FOCUS ON EFFICIENCY



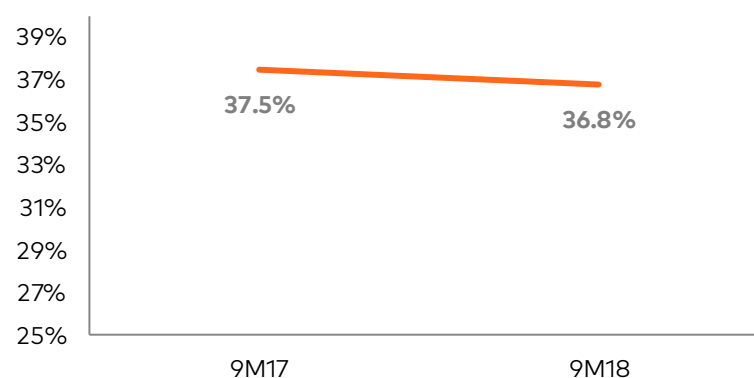
Cost / Income | quarterly

Banking Business



Cost / Income | nine-months

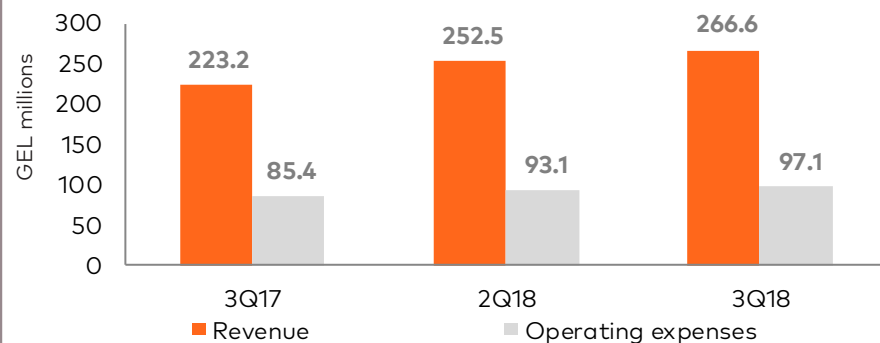
Banking Business



Revenue and operating expenses | quarterly

Banking Business

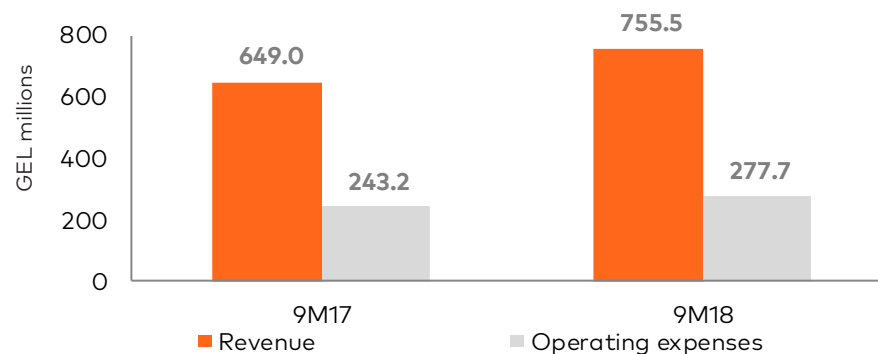
**Operating Leverage: +5.6% y-o-y
+1.3% q-o-q**



Revenue and operating expenses | nine-months

Banking Business

Operating Leverage: +2.2% y-o-y

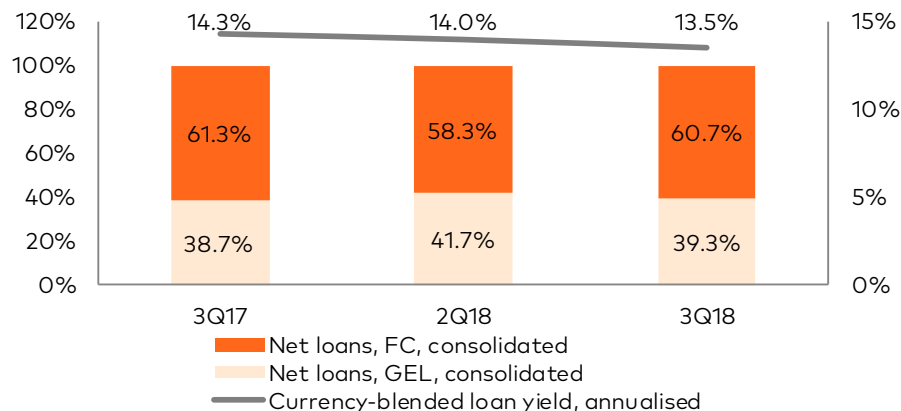


GROWING INCOME NOTWITHSTANDING THE PRESSURE ON YIELDS



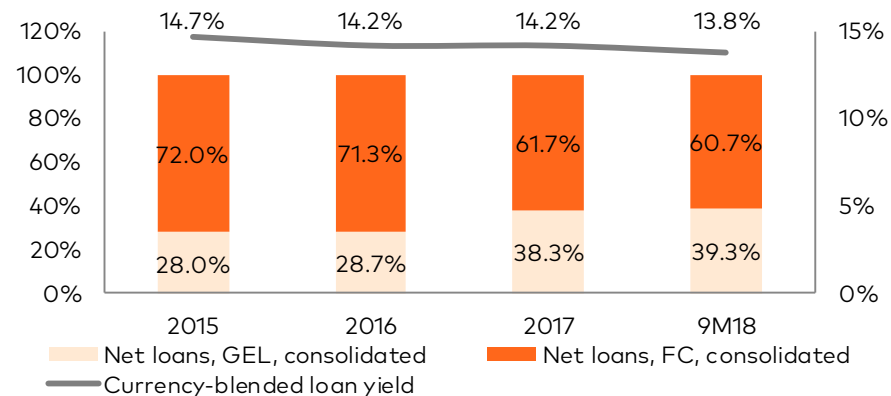
Loan Yields | quarterly

Banking Business



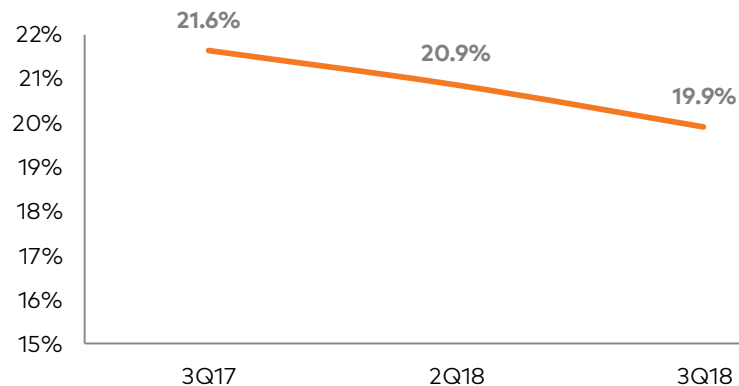
Loan Yields | nine-months

Banking Business



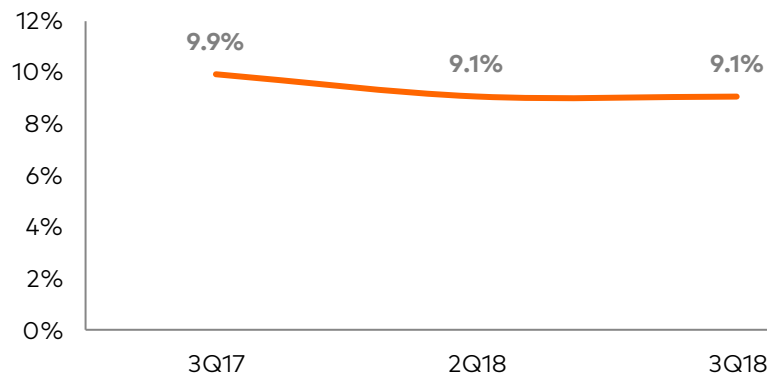
Loan Yields, Local currency | quarterly

Banking Business



Loan Yields, Foreign currency | quarterly

Banking Business

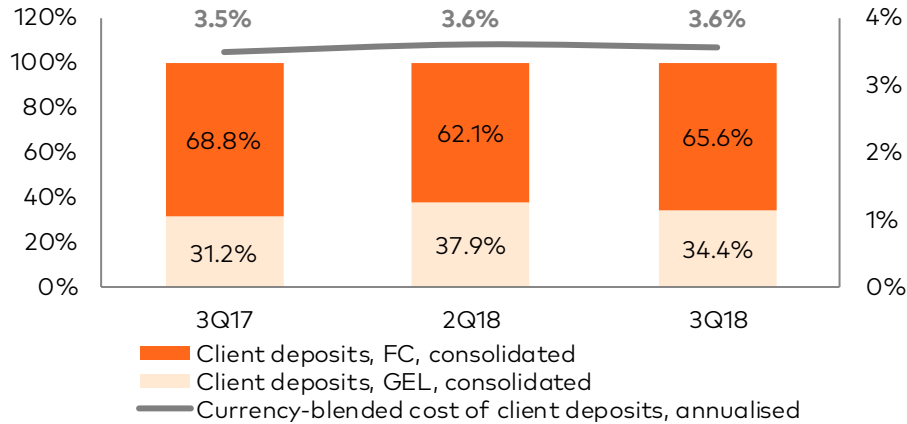


STABLE COST OF FUNDING



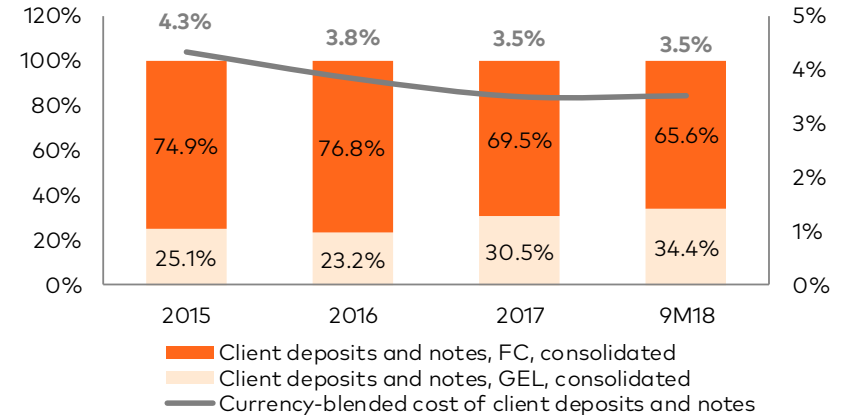
Cost of Customer Funds | quarterly

Banking Business



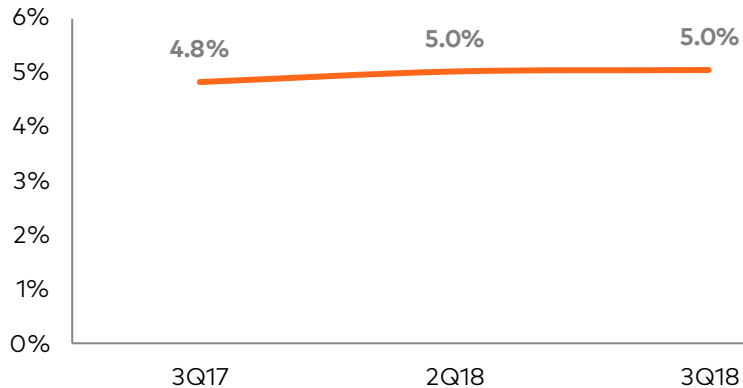
Cost of Customer Funds | nine-months

Banking Business



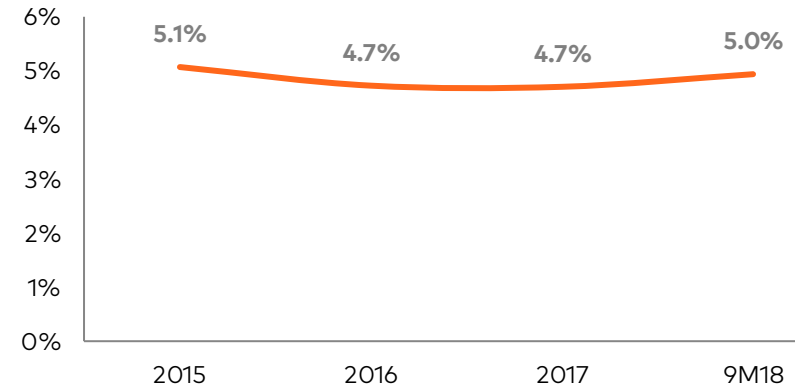
Cost of Funds | quarterly

Banking Business



Cost of Funds | nine-months

Banking Business



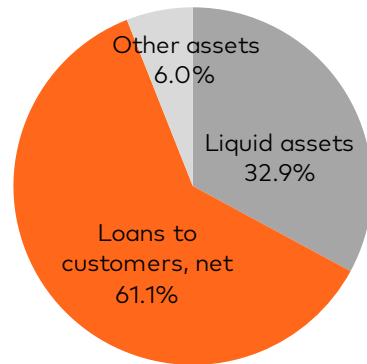
DIVERSIFIED ASSET STRUCTURE AND LOAN PORTFOLIO



Total asset structure | 30 September 2018

Banking Business

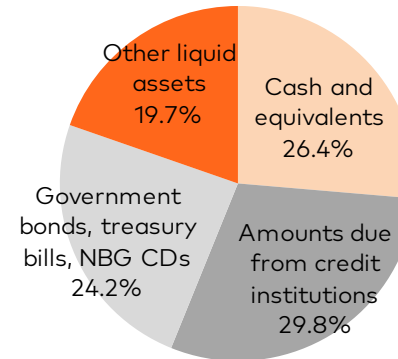
Total: **GEL 14.3bln**



Liquid assets | 30 September 2018

Banking Business

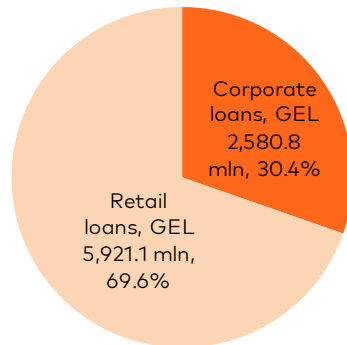
Total: **GEL 4.7bln**



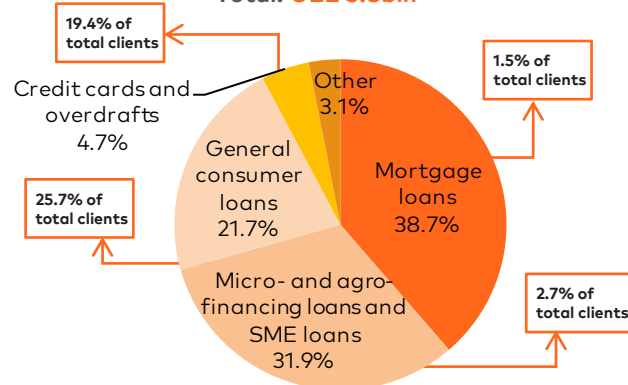
Loans breakdown | 30 September 2018

Banking Business
(excluding BNB)

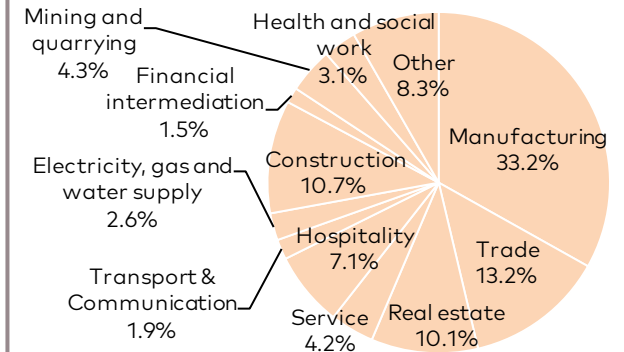
**Total Gross Loans
breakdown by segments**
Total: **GEL 8.5bln**



Retail Banking Net Loans breakdown by product
Total: **GEL 5.8bln**



**Corporate Investment Banking Gross Loans
breakdown by sectors**
Total: **GEL 2.6bln**

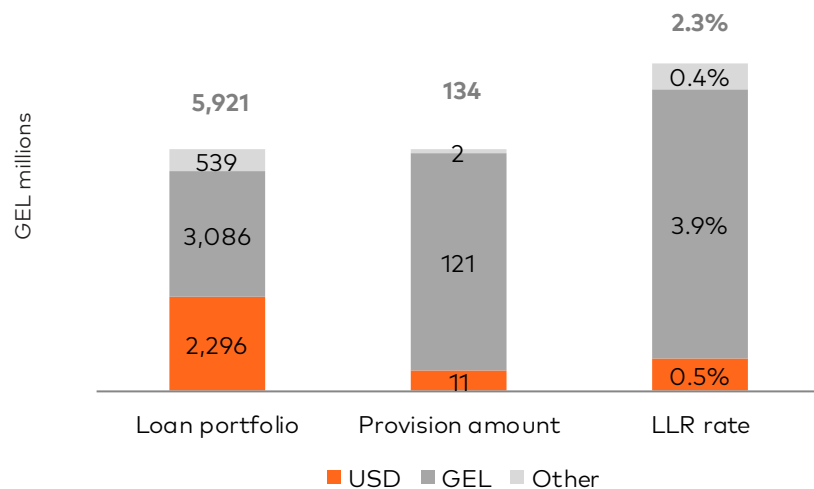


LOAN PORTFOLIO BREAKDOWN



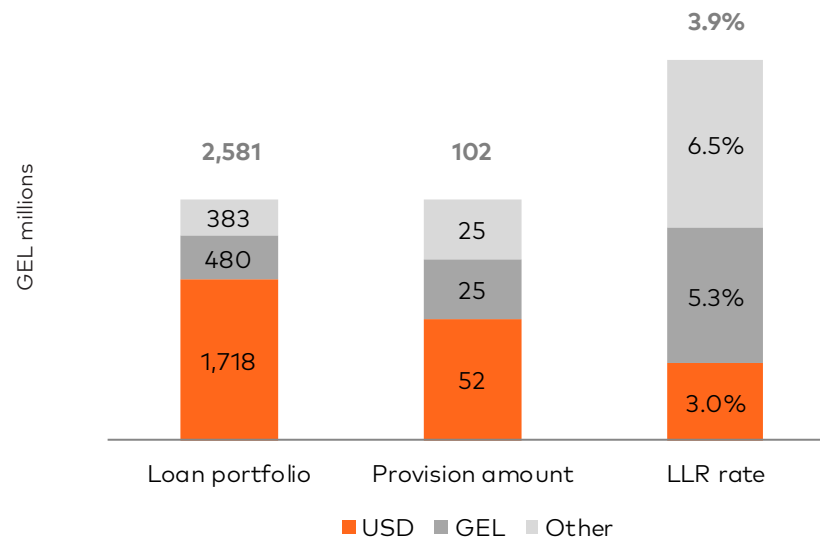
Retail Banking | 30 Sep 2018

Banking Business



Corporate Investment Banking | 30 Sep 2018

Banking Business



Amounts in GEL millions	RB Loan portfolio	% of total RB loan portfolio	Mortgages	Consumer loans*	SME & Micro
GEL and other currency loans*	3,625	61.2%	964	1,583	1,078
USD loans with USD income	367	6.2%	291	54	22
USD loans with non-USD income	1,929	32.6%	987	175	767
Total	5,921	100.0%	2,242	1,812	1,867

* Includes credit cards

Amounts in GEL millions	CB & WM Loan portfolio	% of total CB loan portfolio
GEL and other currency loans*	863	33.4%
USD loans with USD income	1,083	42.0%
USD loans with non-USD income	635	24.6%
Total	2,581	100.0%

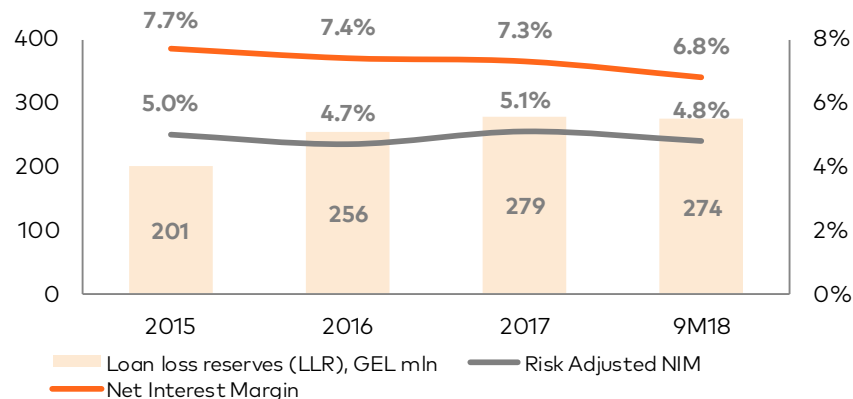
Note: Standalone figures derived from management accounts

RESILIENT LOAN PORTFOLIO QUALITY



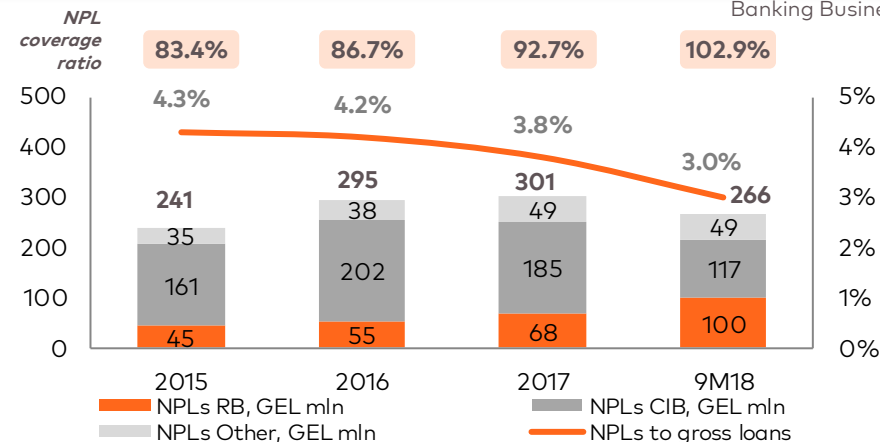
Loan loss reserve and NIM

Banking Business



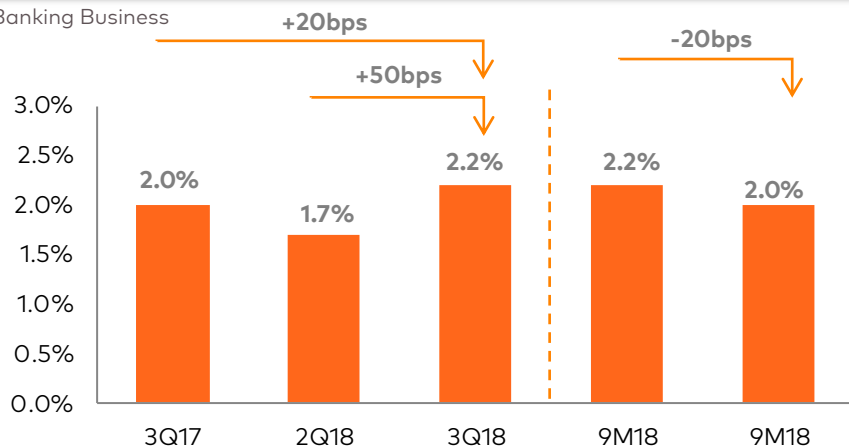
NPL composition

Banking Business



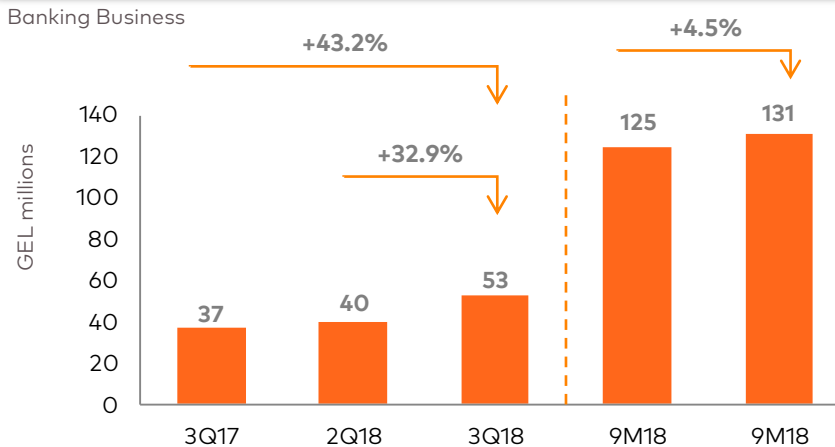
Cost of Risk

Banking Business



Cost of Credit risk

Banking Business

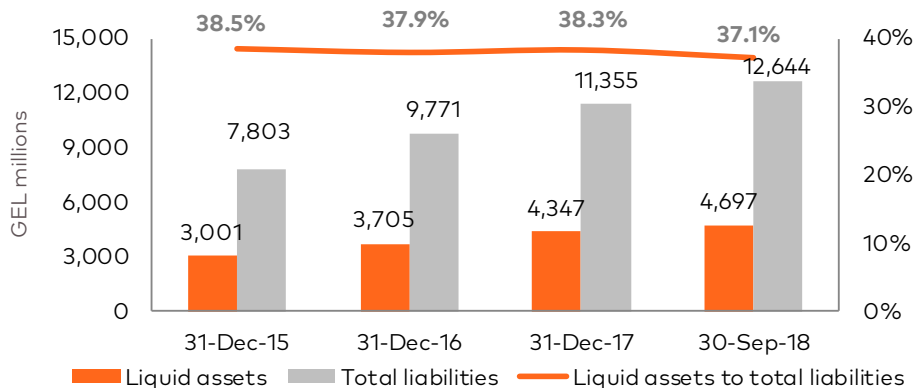


STRONG LIQUIDITY



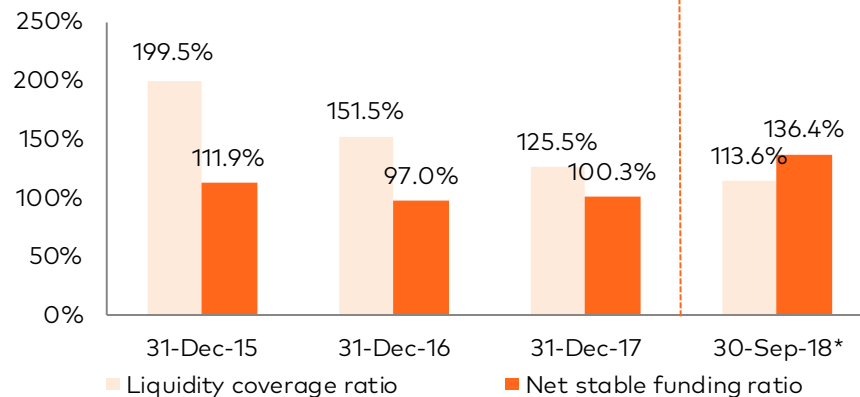
Liquid assets to total liabilities

Banking Business



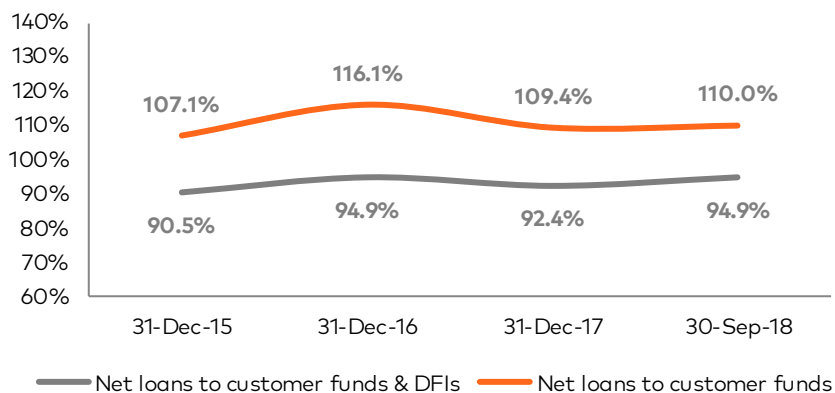
Liquidity coverage ratio & net stable funding ratio

JSC Bank of Georgia standalone (Basel III Liquidity)



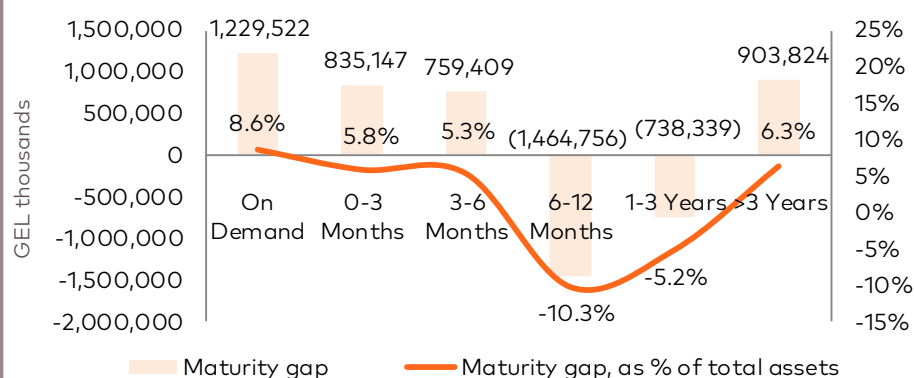
Net loans to customer funds & DFI

Banking Business



Cumulative maturity gap | 30 September 2018

Banking Business



NBG (BASEL III) CAPITAL ADEQUACY POSITION



Capital adequacy requirements introduced by National Bank of Georgia in December 2017

Transition to Basel III Standards:

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

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

- Currency induced credit risk ("CICR") buffer** was introduced instead of current additional 75% weighting of FX denominated loans. 56% of CICR buffer should be held on CET1 level, 75% on Tier 1 level and 100% on total capital
- General Risk Assessment Program ("GRAPE")** for individual banks: GRAPE buffer is set at 2.2%. GRAPE buffer will be reviewed annually and will be phased-in on different levels of capital according to the below schedule:

	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
CET 1	0%	15%	30%	45%	56%
Tier 1	0%	20%	40%	60%	75%
Total Capital	0%	100%	100%	100%	100%

- Credit Portfolio Concentration buffer**, effective from 1 April 2018 and phased in over the four year period on different levels of capital according to the above schedule
- Net Stress Test buffer** effective from 1 January 2020

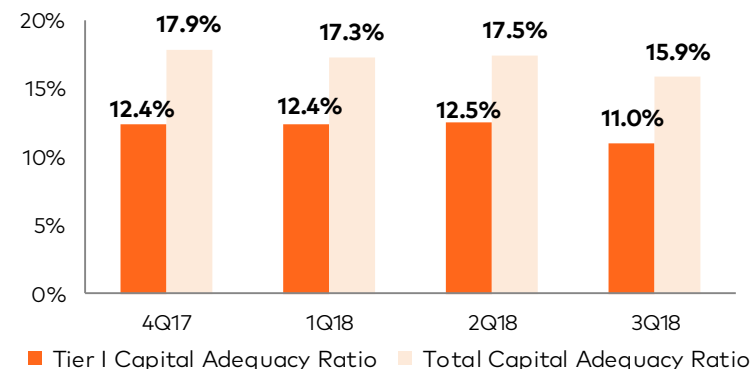
- In the view of above, Bank of Georgia became subject to the following minimum capital requirements:

	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18 Expected
CET 1	8.1%	8.0%	8.0%	8.0%	9.5%*
Tier 1	9.9%	9.8%	9.9%	9.9%	11.4%*
Total Capital	12.4%	14.4%	15.0%	14.9%	16.0%*

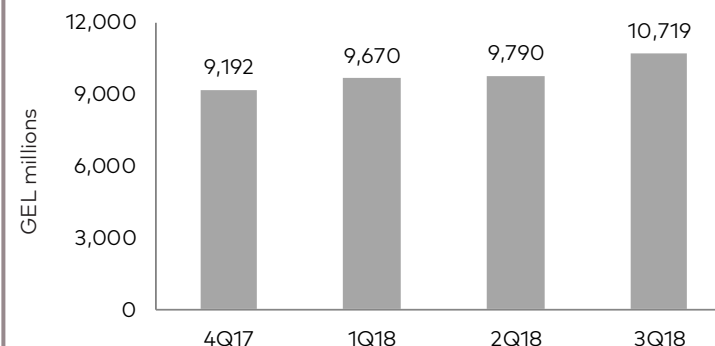
* Indicated minimum capital adequacy ratio contains CICR and Credit Portfolio Concentration buffers estimate for 31 December 2018

Transition to Basel III is not expected to affect the Bank's growth prospects or its ability to maintain dividend distributions within the existing dividend policy payout range

Capital Adequacy Ratios



Risk Weighted Assets



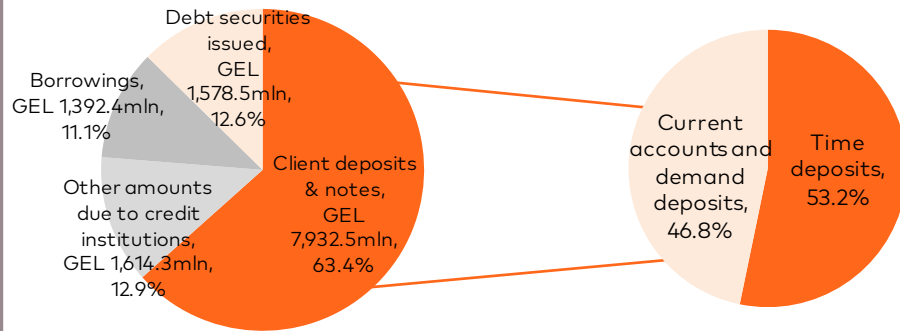
WELL-ESTABLISHED FUNDING STRUCTURE



Interest Bearing Liability structure | 30 September 18

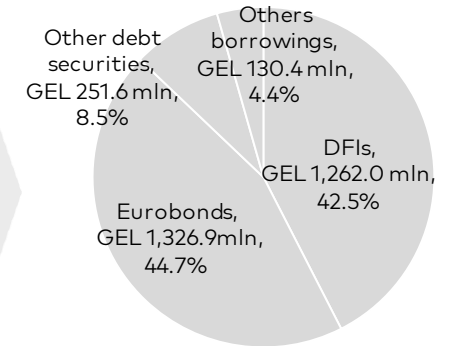
Banking Business

Interest Bearing Liabilities **GEL 12.5bn**



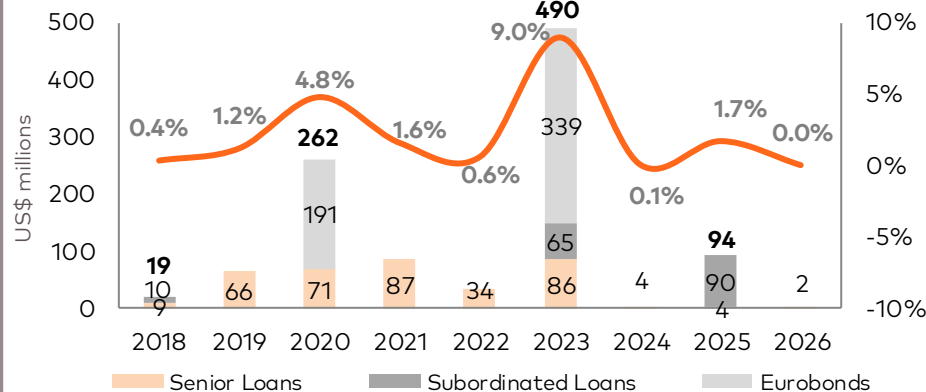
Well diversified international borrowings | 3Q18

Banking Business



Borrowed funds maturity breakdown*

Banking Business



Highlights for 9M18

- Banking Business has a well-balanced funding structure with 63.4% of interest bearing liabilities coming from client deposits and notes, 10.1% from Developmental Financial Institutions (DFIs) and 10.6% from Eurobonds and notes issued, as of 30 September 2018
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, EFSE, BSTDB, etc.
- As of 30 September 2018, GEL 147 million undrawn facilities from DFIs with up to eight years maturity
- In July 2016, BGEO Group issued 7 year, US\$ 350m Eurobonds with 6.00% coupon (bonds were pushed down to BOG in March 2018). Bonds were trading at 6.406%** on 12 November 2018
- In June 2017, BOG issued 3 year, GEL 500m local currency international bonds with 11.00% coupon. Bonds were trading at 10.991%** on 12 November 2018



BANK OF GEORGIA

* converted at GEL/US\$ exchange rate of 2.6151 as of 30 September 2018

** source: Bloomberg

RETAIL BANKING HIGHLIGHTS



Data as at 30 September 2018 for JSC Bank of Georgia standalone

	1  BANK OF GEORGIA EXPRESS	2  BANK OF GEORGIA	3  SOLO	4  BANK OF GEORGIA BUSINESS
Segments	Emerging Retail	Mass Retail	Mass Affluent	MSME
Clients	536 _k	1,644 _k	42 _k	187 _k
Loans	GEL 292 _{mln}	GEL 2,001 _{mln}	GEL 1,617 _{mln}	GEL 2,011 _{mln}
Deposits	GEL 193 _{mln}	GEL 1,604 _{mln}	GEL 1,547 _{mln}	GEL 686 _{mln}
9M18 Profit*	GEL 29 _{mln}	GEL 84 _{mln}	GEL 39 _{mln}	GEL 51 _{mln}
Profit per client (annualised)*	GEL 74	GEL 69	GEL 1,386	GEL 383
P/C ratio	3.3	1.6	5.4	1.4
Branches	169	99	12	n/a



RETAIL BANKING HIGHLIGHTS

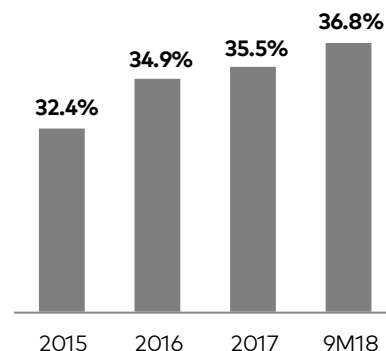


Income Statement Highlights

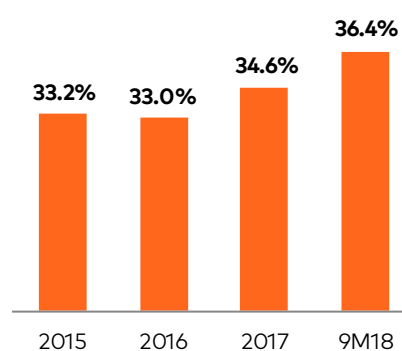
GEL thousands unless otherwise noted	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	9M18	9M17	Change y-o-y
Net interest income	135,535	122,352	10.8%	138,234	-2.0%	409,095	346,437	18.1%
Net fee and commission income	30,651	25,064	22.3%	29,152	5.1%	85,943	71,279	20.6%
Net foreign currency gain	15,410	7,979	93.1%	10,158	51.7%	31,679	20,531	54.3%
Net other income	2,023	366	NMF	1,664	21.6%	6,791	498	NMF
Revenue	183,619	155,761	17.9%	179,208	2.5%	533,508	438,745	21.6%
Salaries and other employee benefits	(34,830)	(32,262)	8.0%	(34,640)	0.5%	(101,582)	(89,890)	13.0%
Administrative expenses	(22,619)	(17,084)	32.4%	(20,542)	10.1%	(62,703)	(50,003)	25.4%
Depreciation and amortisation	(9,556)	(9,087)	5.2%	(9,818)	-2.7%	(29,276)	(25,721)	13.8%
Other operating expenses	(592)	(595)	-0.5%	(602)	-1.7%	(1,696)	(1,435)	18.2%
Operating expenses	(67,597)	(59,028)	14.5%	(65,602)	3.0%	(195,257)	(167,049)	16.9%
Profit from associate	326	147	121.8%	376	-13.3%	1,021	1,055	0.0%
Operating income before cost of credit risk	116,348	96,880	20.1%	113,982	2.1%	339,272	272,751	24.4%
Cost of credit risk	(39,784)	(22,099)	80.0%	(31,762)	25.3%	(104,328)	(87,678)	19.0%
Profit before non-recurring items and income tax	76,564	74,781	2.4%	82,220	-6.9%	234,944	185,073	26.9%
Net non-recurring items	(1,947)	(1,041)	87.0%	(27,099)	-92.8%	(31,022)	(2,284)	NMF
Profit before income tax	74,617	73,740	1.2%	55,121	35.4%	203,922	182,789	11.6%
Income tax expense	(5,445)	(5,342)	1.9%	(18,237)	-70.1%	(29,518)	(10,710)	NMF
Profit	69,172	68,398	1.1%	36,884	87.5%	174,404	172,079	1.4%

Market Position*

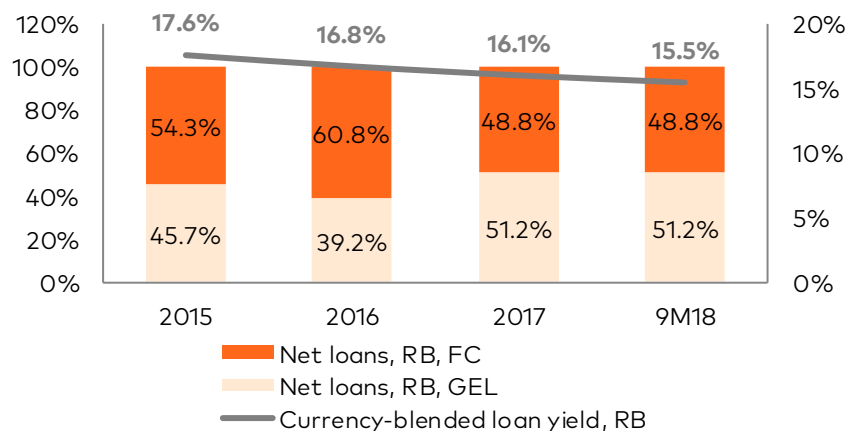
Market Share by Loans



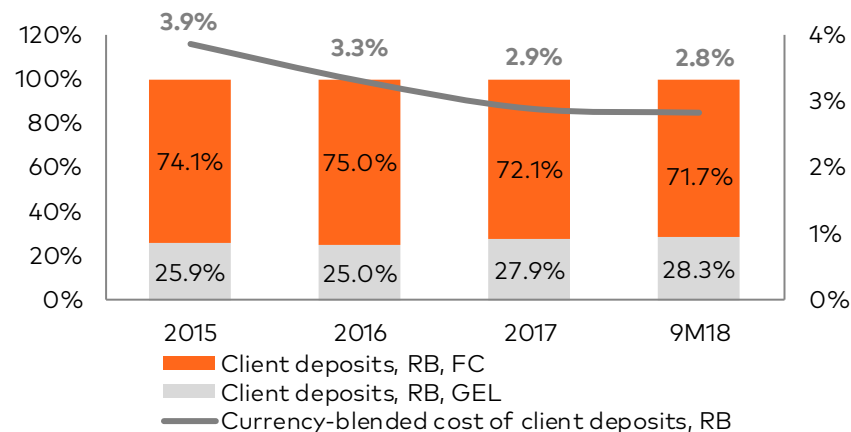
Market Share by Deposits



Loan Yield



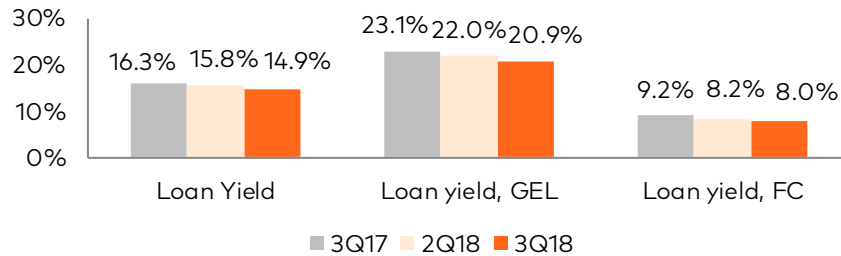
Deposit Cost



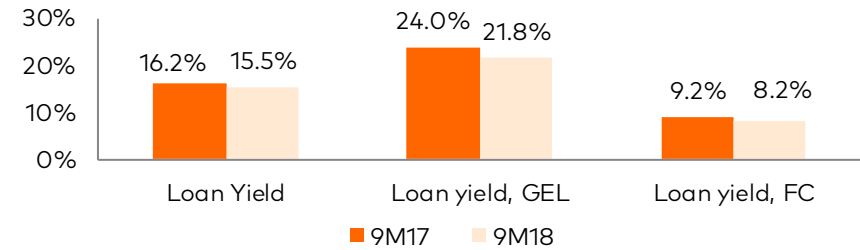
RETAIL BANKING LOAN YIELD, COST OF DEPOSITS & NIM



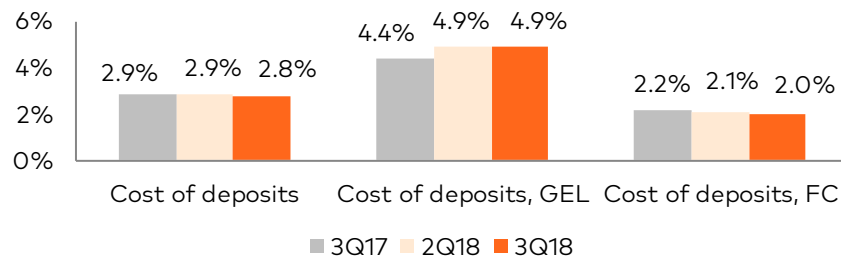
RB Loan Yield I quarterly



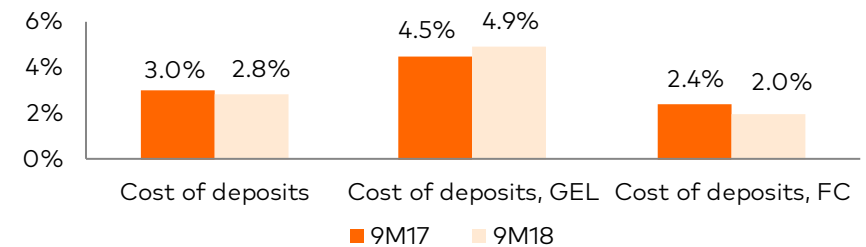
RB Loan Yield I nine-months



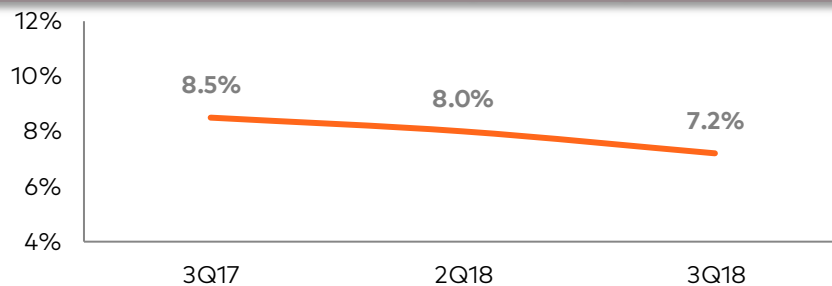
RB Cost of Deposit I quarterly



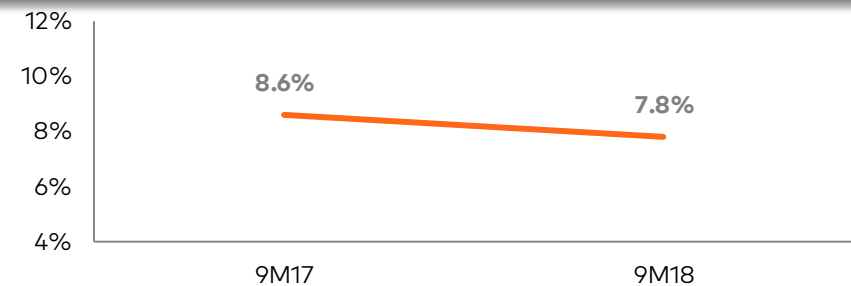
RB Cost of Deposit I nine-months



RB NIM I quarterly



RB NIM I nine-months



RETAIL BANKING - LEADING RETAIL BANK IN GEORGIA



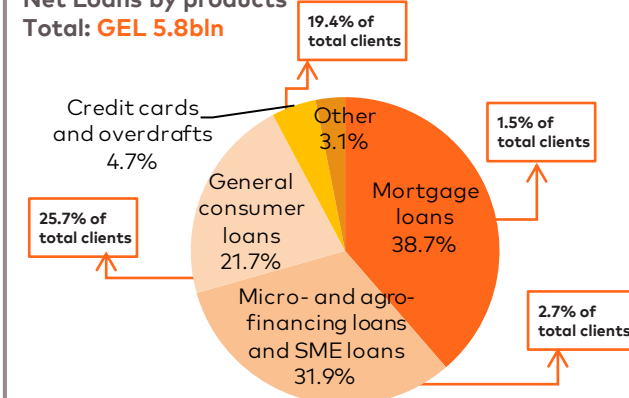
RB Client Data

Operating Data, GEL mln	3Q18	% of clients	2017	2016	2015
Number of total Retail clients, of which:	2,408,223		2,315,038	2,141,229	1,999,869
Number of Solo clients	41,723	1.7%	32,104	19,267	11,869
Consumer loans & other outstanding, volume	1,510		1,480	1,104	836
Consumer loans & other outstanding, number	617,899	25.7%	738,694	647,441	625,458
Mortgage loans outstanding, volume	2,242		1,706	1,228	809
Mortgage loans outstanding, number	36,757	1.5%	26,643	16,300	12,857
Micro & SME loans outstanding, volume	1,867		1,637	1,346	904
Micro & SME loans outstanding, number	64,514	2.7%	53,732	36,379	19,045
Credit cards and overdrafts outstanding, volume	302		308	291	306
Credit cards and overdrafts outstanding, number	467,727	19.4%	480,105	442,487	435,010
Credit cards outstanding, number, of which:	588,910	24.5%	673,573	800,621	754,274
American Express cards	106,611	4.4%	97,178	79,567	100,515

RB Portfolio | 30 Sep 2018

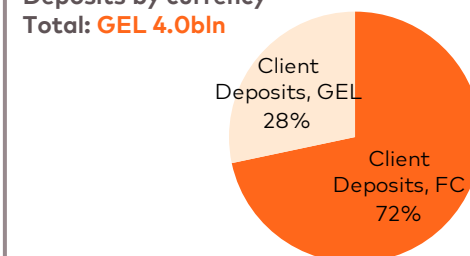
Net Loans by products

Total: **GEL 5.8bln**



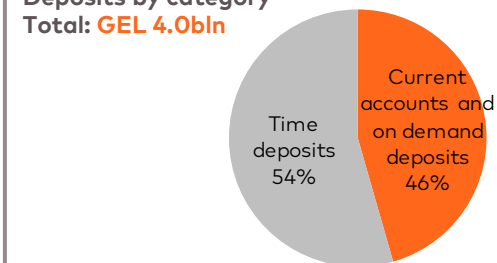
Deposits by currency

Total: **GEL 4.0bln**



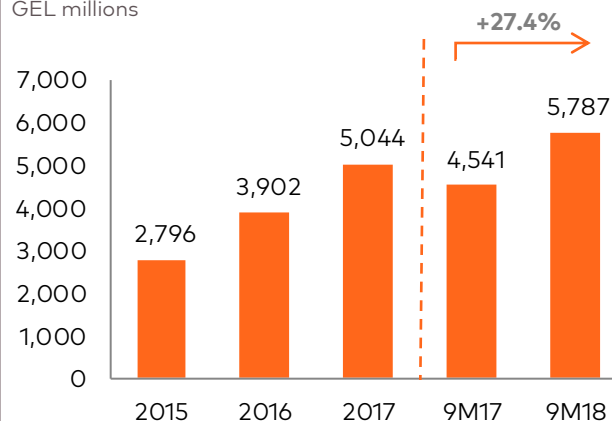
Deposits by category

Total: **GEL 4.0bln**



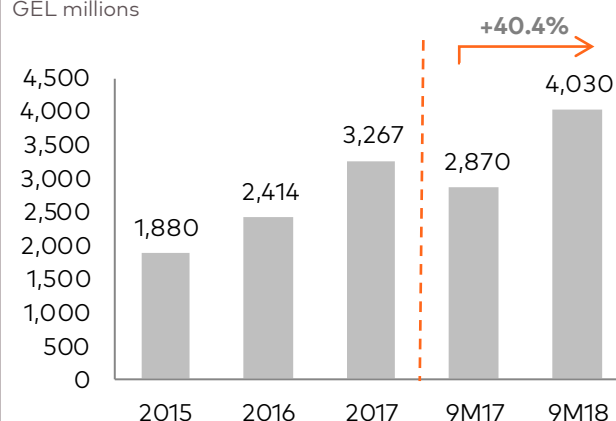
RB Loans

GEL millions



RB Deposits

GEL millions



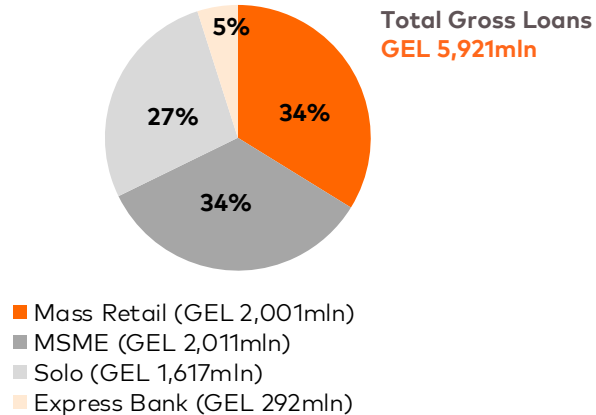
BANK OF GEORGIA

RETAIL BANKING FINANCIAL DATA



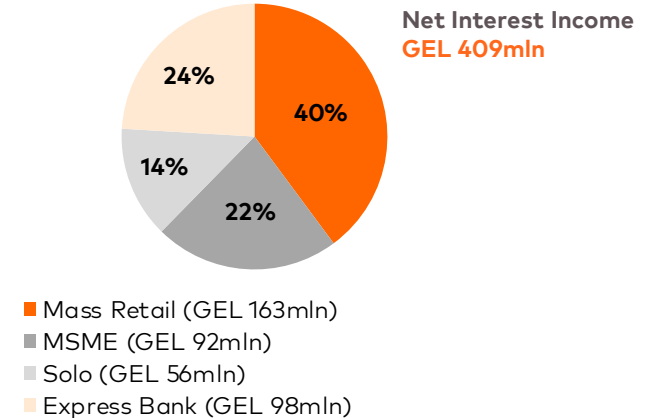
Balance Sheet | 30 September 2018

JSC Bank of Georgia Standalone

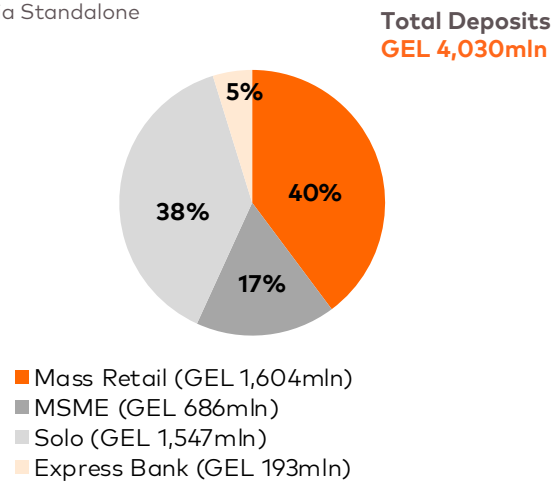


Income Statement | 9M18

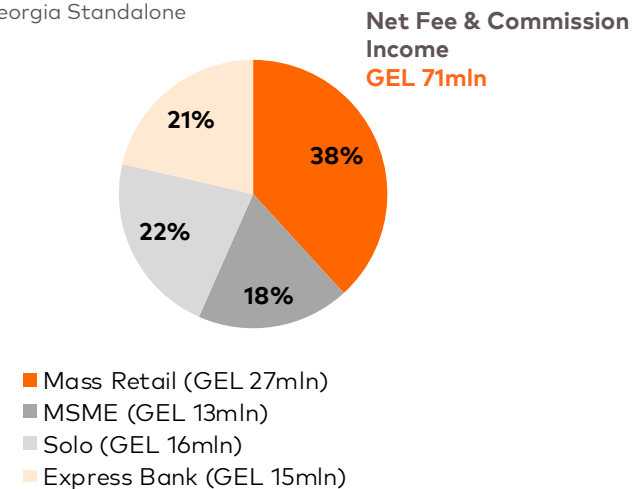
JSC Bank of Georgia Standalone



JSC Bank of Georgia Standalone



JSC Bank of Georgia Standalone

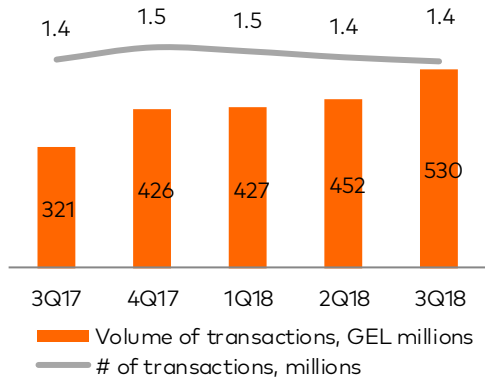


RETAIL BANKING – DIGITAL PENETRATION

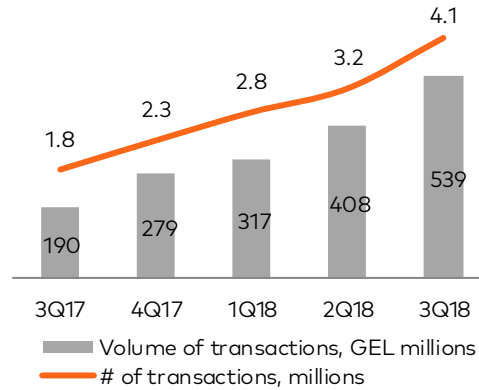


Digital Channel Statistics

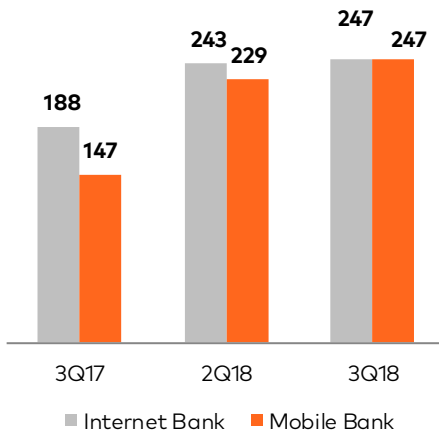
Internet Bank Transactions



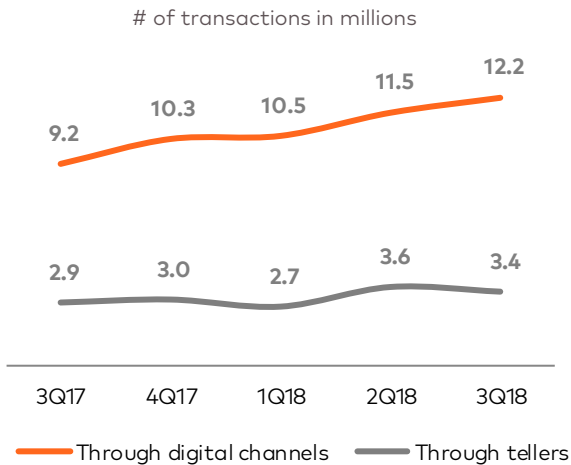
Mobile Bank Transactions



Number of Active Users | '000

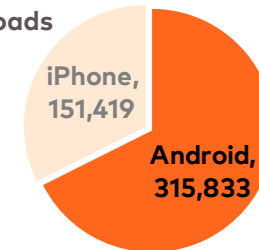


Digital vs. Non-digital Transactions



mBank Downloads

467,252 mBank downloads since May 2017



205,561 mBank downloads in 2018

CORPORATE INVESTMENT BANKING HIGHLIGHTS

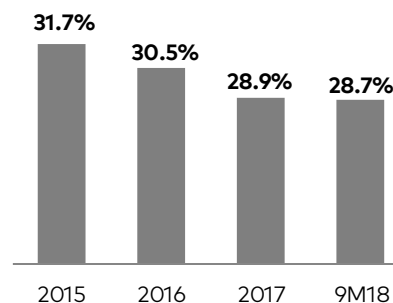


Income Statement Highlights

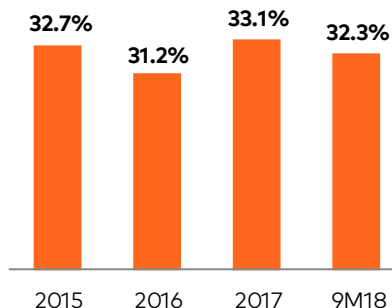
<i>GEL thousands unless otherwise noted</i>	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	9M18	9M17	Change y-o-y
Net interest income	42,076	38,550	9.1%	41,718	0.9%	122,027	113,632	7.4%
Net fee and commission income	7,187	5,891	22.0%	6,355	13.1%	19,741	16,857	17.1%
Net foreign currency gain	13,815	8,852	56.1%	10,259	34.7%	30,718	30,691	0.1%
Net other income	5,276	2,359	123.7%	2,078	153.9%	10,150	6,547	55.0%
Revenue	68,354	55,652	22.8%	60,410	13.2%	182,636	167,727	8.9%
Salaries and other employee benefits	(13,827)	(13,982)	-1.1%	(13,725)	0.7%	(40,147)	(39,302)	2.2%
Administrative expenses	(5,329)	(3,699)	44.1%	(3,700)	44.0%	(12,488)	(10,750)	16.2%
Depreciation and amortisation	(1,245)	(1,339)	-7.0%	(1,269)	-1.9%	(3,823)	(3,819)	0.1%
Other operating expenses	(431)	(187)	130.5%	(253)	70.4%	(828)	(532)	55.6%
Operating expenses	(20,832)	(19,207)	8.5%	(18,947)	9.9%	(57,286)	(54,403)	5.3%
Operating income before cost of credit risk	47,522	36,445	30.4%	41,463	14.6%	125,350	113,324	10.6%
Cost of credit risk	(12,235)	(14,887)	-17.8%	(5,603)	118.4%	(22,481)	(28,616)	-21.4%
Profit before non-recurring items and income tax	35,287	21,558	63.7%	35,860	-1.6%	102,869	84,708	21.4%
Net non-recurring items	(775)	(334)	132.0%	(10,871)	-92.9%	(11,919)	(1,748)	NMF
Profit before income tax	34,512	21,224	62.6%	24,989	38.1%	90,950	82,960	9.6%
Income tax expense	(2,434)	(1,780)	36.7%	(8,550)	-71.5%	(13,427)	(4,745)	NMF
Profit	32,078	19,444	65.0%	16,439	95.1%	77,523	78,215	-0.9%

Market Position*

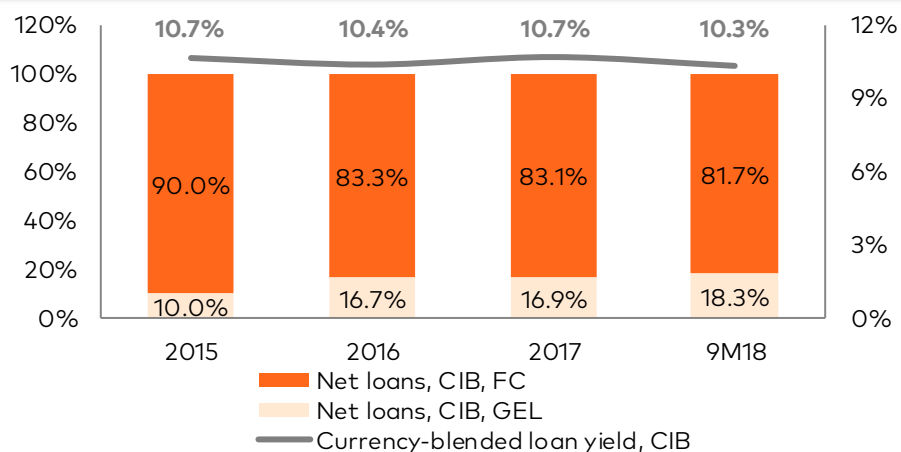
Market Share by Loans



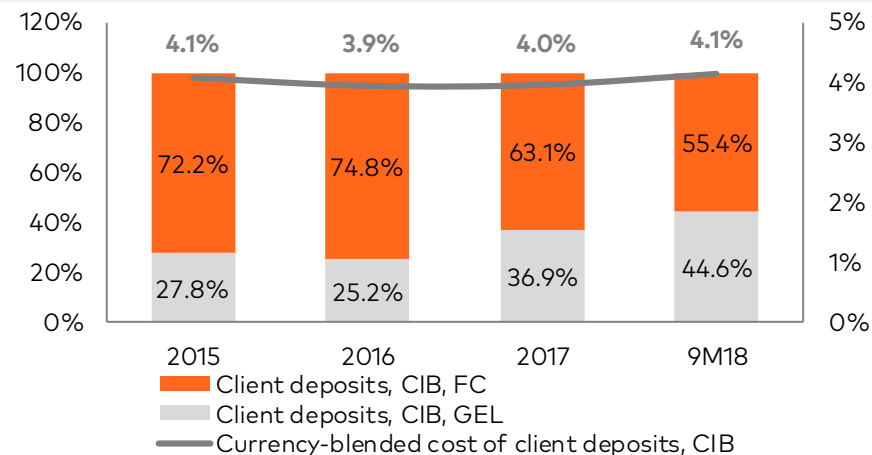
Market Share by Deposits



Loan Yield



Deposit Cost



CORPORATE INVESTMENT BANKING LOAN BOOK & DEPOSITS

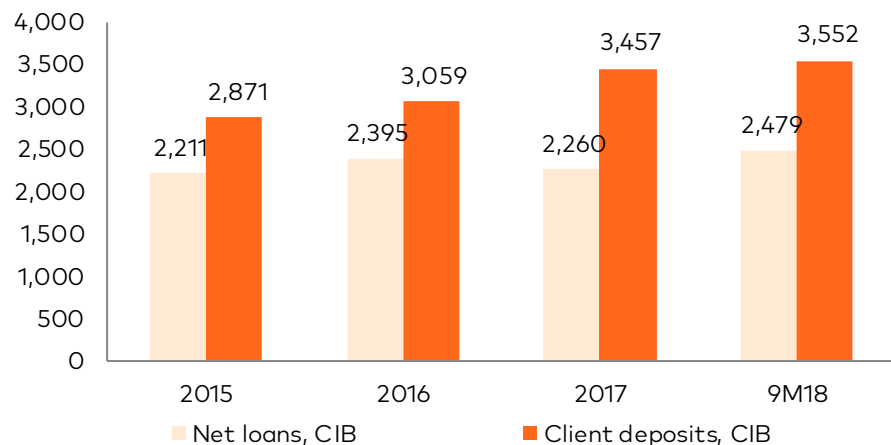


Highlights

- **Leading corporate bank in Georgia**
- Integrated client coverage in key sectors
- **c.2,700** corporate clients served by dedicated relationship bankers

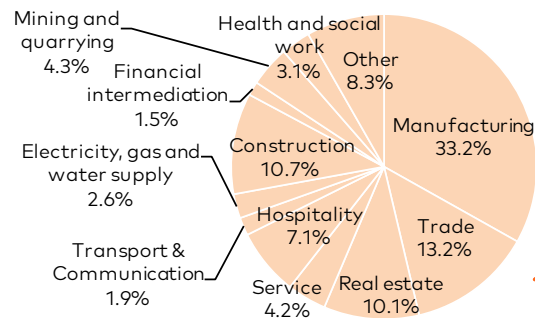
Loans & Deposits

GEL millions



Portfolio breakdown | 30 September 2018

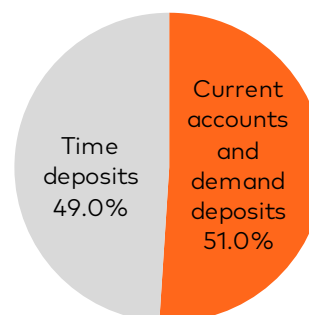
Loans by sectors



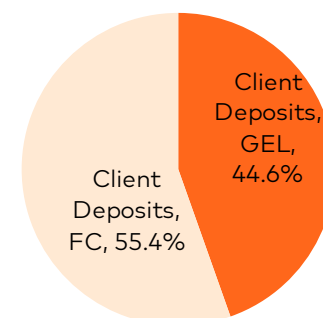
Top 10 CIB borrowers represent **34.5%** of total CIB loan book

Top 20 CIB borrowers represent **47.8%** of total CIB loan book

Deposits by category



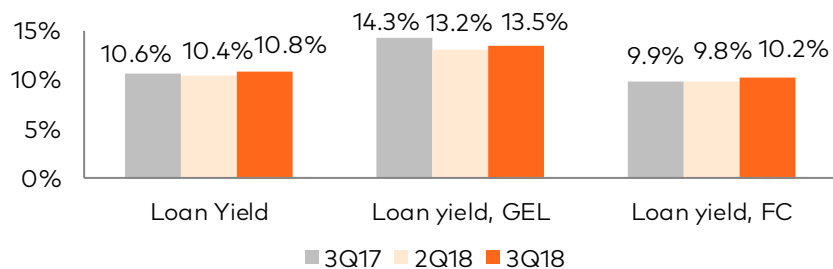
Deposits by currency



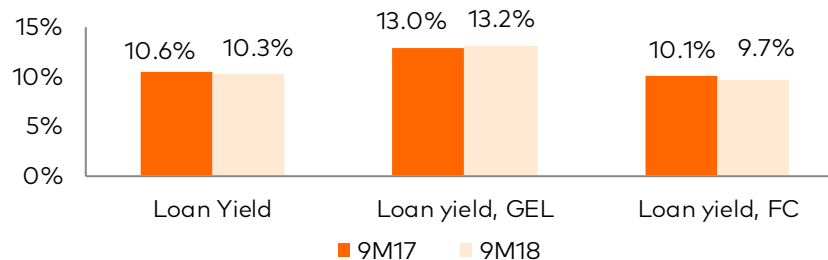
CIB LOAN YIELD, COST OF DEPOSITS & NIM



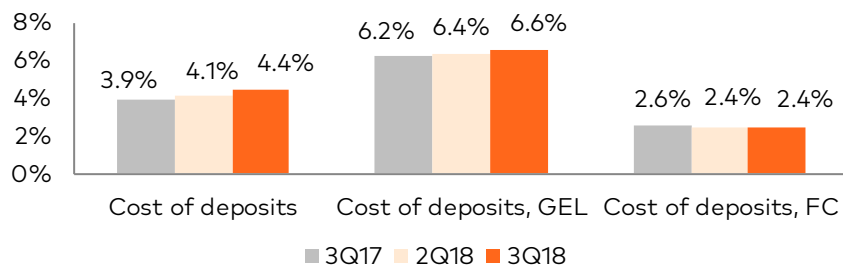
CIB Loan Yield I quarterly



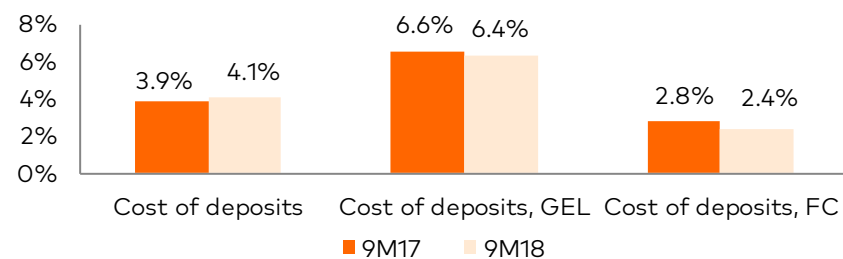
CIB Loan Yield I nine-months



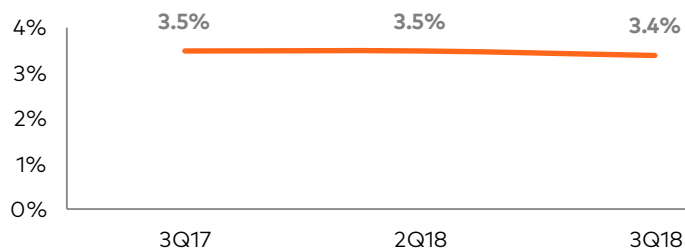
CIB Cost of Deposit I quarterly



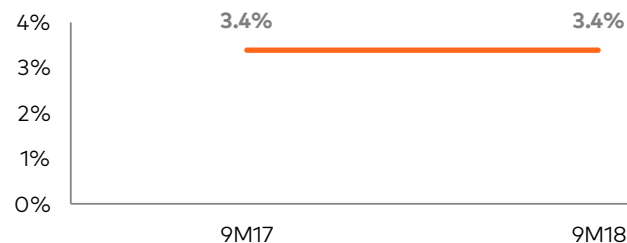
CIB Cost of Deposit I nine-months



CIB NIM I quarterly



CIB NIM I nine-months



BUILDING BLOCKS TO BECOME THE FINANCIAL SERVICES HUB



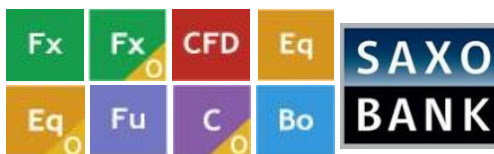
Wealth Management

- **Strong international presence:**
Israel (since 2008), UK (2010), Hungary (2012), Turkey (2013) and Cyprus (2017)
- **AUM of GEL 2,180 million**, up 20% y-o-y
- **Diversified funding sources:**
 - Georgia 33%
 - Israel 11%
 - UK 4%
 - Germany 2%
 - Other 50%
- **Wealth Management Vision – Become the regional hub for wealth management offering**
 - Invest globally
 - Superior service
 - Business friendly environment
 - Favorable tax regime
 - High level of banking secrecy



Brokerage & Corporate Advisory

- **The leading brokerage house** in the region
- **The only international sub-custodian** in the region
- **The leading investment bank** in the region
- **Wide product coverage** and **Exclusive partner of SAXO Bank** via White Label structure, that provides highly adaptive trading platform with professional tools, insights and world-class execution



- **Bond placements in 9M18**
 - Galt & Taggart acted as a co-manager of Georgia Capital's inaugural US\$ 300m international bond issuance due in 2024, in March 2018
 - Galt & Taggart acted as a lead manager for BSTDB, facilitating a public placement of GEL 75m local bonds in March and June 2018
 - Galt & Taggart acted as a lead manager for Georgian Leasing Company's US\$ 5m local public bond issuance due in 2021, in June 2018
 - Galt & Taggart acted as a lead manager for FMO, facilitating a public placement of GEL 160m local bonds in July 2018
- **Corporate advisory platform**
 - Team with sector expertise and international M&A experience
 - Proven track record of more than 30 completed transactions over the past 8 years



Research

- Sector, macro and fixed income coverage
- Georgian quarterly macroeconomic update
- International distribution





■ Group Overview	4
■ Results Discussion	10
■ Georgian Macro Overview	34
■ Appendices	56

GEORGIA AT A GLANCE



General Facts

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



Economy

- Nominal GDP (Geostat) 2017: GEL 38.0 bln (US\$15.2 bln)
- Real GDP growth rate 2014-2017: 4.6%, 2.9%, 2.8%, 5.0%
- Real GDP 2007-2017 annual average growth rate: 4.5%
- Real GDP growth rate 9M18 : 4.9%
- GDP per capita 2017 (PPP) per IMF: US\$ 10,742
- Annual inflation (e-o-p) 2017: 6.7%
- External public debt to GDP 2017: 35.3%

Sovereign Credit Ratings

Rating Agency	Rating	Outlook	Affirmed
Moody's	Ba2	Stable	September 2018
FitchRatings	BB-	Positive	August 2018
S&P Global	BB-	Stable	May 2018

GEORGIA'S KEY ECONOMIC DRIVERS



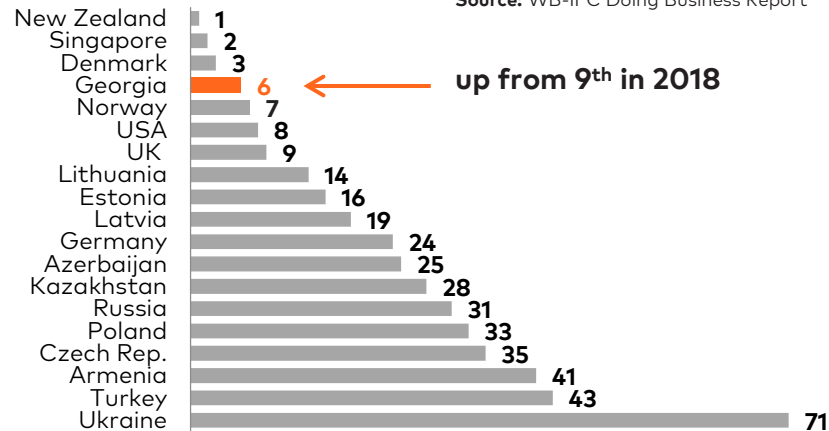
Liberal economic policy	<p>Top performer globally in WB Doing Business over the past 12 years</p> <ul style="list-style-type: none"> Liberty Act (effective January 2014) ensures a credible fiscal and monetary framework: Public expenditure/GDP capped at 30%; Fiscal deficit/GDP capped at 3%; Public debt/GDP capped at 60% Business friendly environment and low tax regime (attested by favourable international rankings)
Regional logistics and tourism hub	<p>A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west</p> <ul style="list-style-type: none"> Access to a market of 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS and Turkey, recently signed FTA with Hong Kong. The GSP with USA, Canada, Japan, Norway and Switzerland; FTA with India under consideration Tourism revenues on the rise: tourism inflows stood at 17.8% of GDP in 2017 and total arrivals reached 7.9mln visitors in 2017 (up 17.6% y-o-y), out of which tourist arrivals were up 23.4% y-o-y to 4.1mln visitors. Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes
Strong FDI	<p>An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth</p> <ul style="list-style-type: none"> FDI stood at US\$ 1.9bln (12.5% of GDP) in 2017, up 21.0% y-o-y FDI averaged 10.0% of GDP in 2007-2017
Support from international community	<p>Georgia and the EU signed an Association Agreement and DCFTA in June 2014</p> <ul style="list-style-type: none"> Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free entrance to the EU countries from 28 March 2017 Discussions commenced with the USA to drive inward investments and exports Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs, the US and EU
Electricity transit hub potential	<p>Developed, stable and competitively priced energy sector</p> <ul style="list-style-type: none"> Only 20% of hydropower capacity utilized; 145 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development Georgia imports natural gas mainly from Azerbaijan Significantly boosted transmission capacity in recent years, a new 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe
Political environment stabilised	<ul style="list-style-type: none"> Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU Constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency Continued economic relationship with Russia, although economic dependence is relatively low Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians -The Russian side announced to ease visa procedures for Georgians citizens effective December 23, 2015 Direct flights between the two countries resumed in January 2010 Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia In 2017, Russia accounted for 14.5% of Georgia's exports and 10.0% of imports; just 3.6% of cumulative FDI over 2003-17

GROWTH ORIENTED REFORMS



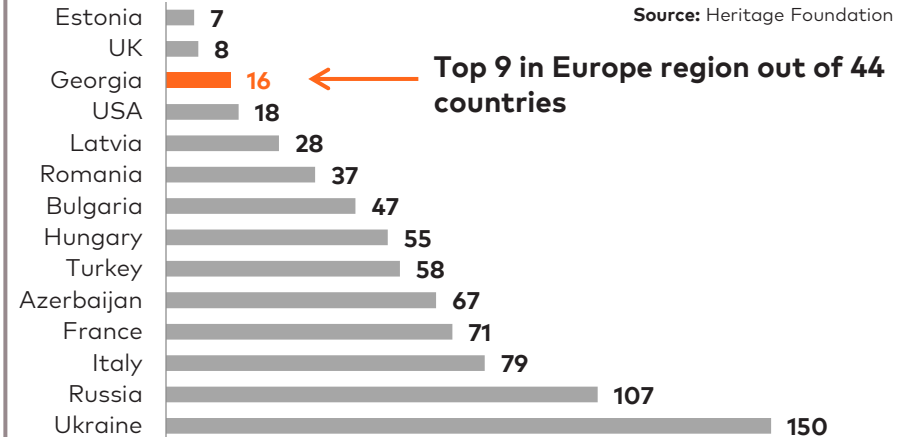
Ease of Doing Business | 2019

Source: WB-IFC Doing Business Report



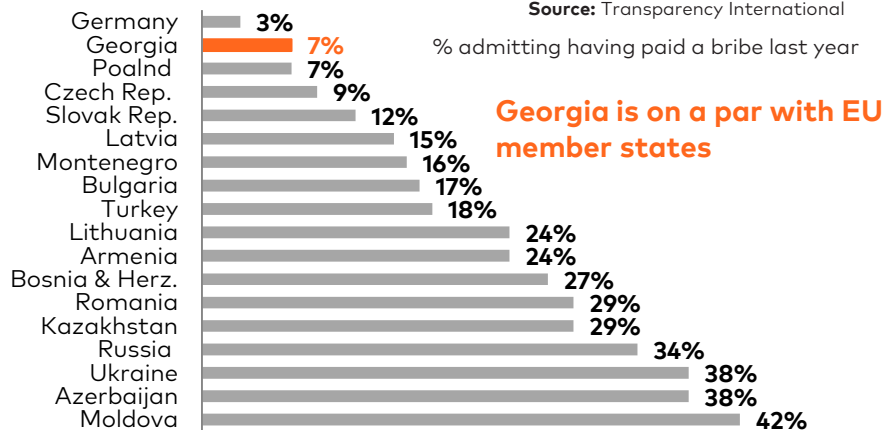
Economic Freedom Index | 2018

Source: Heritage Foundation



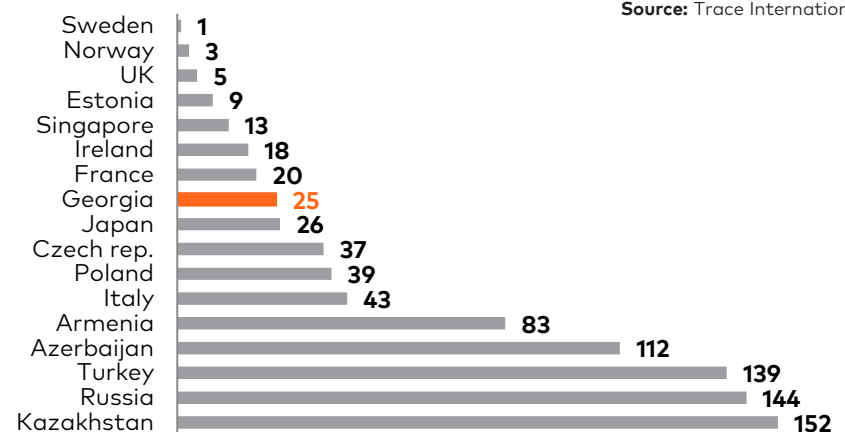
Global Corruption Barometer | 2017

Source: Transparency International



Business Bribery Risk | 2017

Source: Trace International





1 Structural Reforms

- **Tax Reform**
 - Corporate income tax reform
 - Enhancing easiness of tax compliance
- **Capital Market Reform**
 - Boosting stock exchange activities
 - Developing of local bond market
- **Pension Reform**
 - Introduction of private pension system
- **PPP Reform**
 - Introduction of transparent and efficient PPP framework
- **Public Investment Management Framework**
 - Improved efficiency of state projects
- **Deposit Insurance**
 - Boosting private savings
 - Enhancing trust to financial system
- **Accounting Reform**
 - Increased transparency and financial accountability
 - Enhanced protection of shareholder rights
- **Association Agreement Agenda**

2 Promoting Transit & Tourism Hub

- **Roads**
 - Plan to finish all spinal projects by 2020 – East-West Highway, other supporting infrastructure
- **Rail**
 - Baku – Tbilisi Kars new railroad line
 - Railway modernization project
- **Air**
 - Tbilisi International Airport
 - 2nd runway to be constructed
 - International Cargo terminal
- **Maritime**
 - Anaklia deep water Black Sea port
 - Strategic location
 - Capable of accommodating Panamax type cargo vessels
 - High capacity – up to 100mln tons turnover annually
- **Up to USD 1bln** for first phase (out of 9) in Georgia

3 Promoting Open Governance

- **Improvement of public services offered to the private sector**
 - Creation of "Front Office"
 - Application of "Single Window Principle"
- **Involvement of the private sector in legislative process**
 - Discussion of draft legislation at an early stage
- **Strict monitoring of implementation of government decisions**
 - Creation of a special unit for monitoring purposes

4 Education Reform

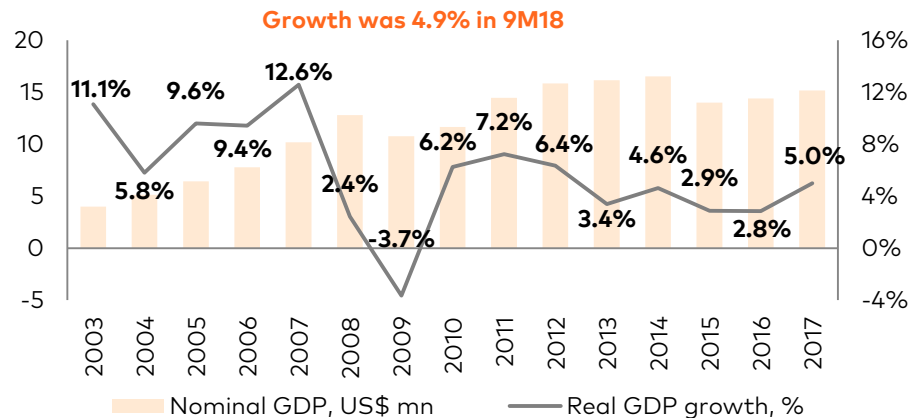
- **General Education Reform**
 - Maximising quality of teaching in secondary schools
- **Fundamental Reform of Higher Education**
 - Based on the comprehensive research of the labor market needs
- **Improvement of Vocational Education**
 - Increase involvement of the private sector in the professional education

DIVERSIFIED RESILIENT ECONOMY



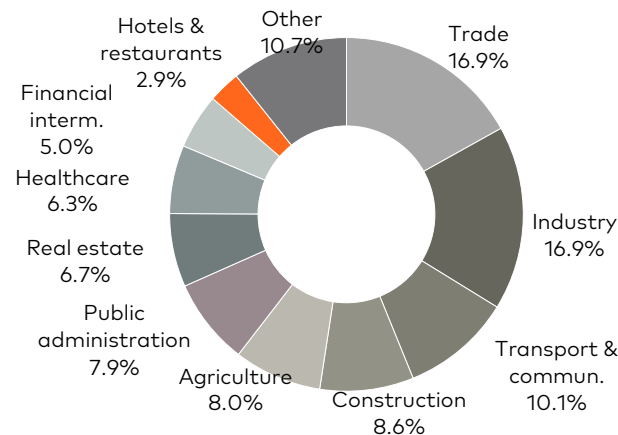
Gross domestic product

Source: Geostat



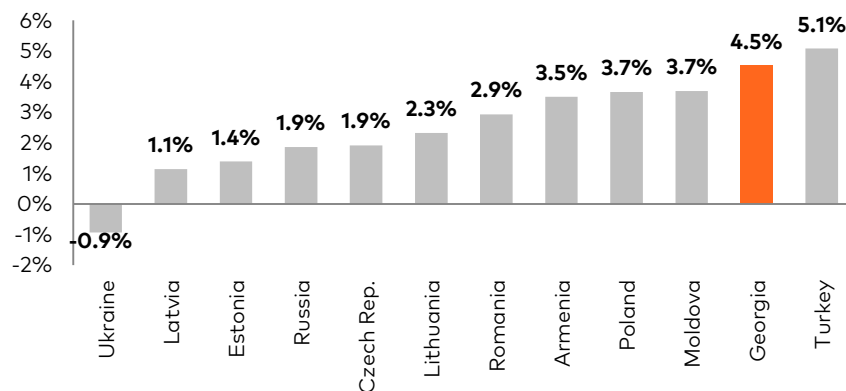
Diversified nominal GDP structure, 1H18

Source: Geostat



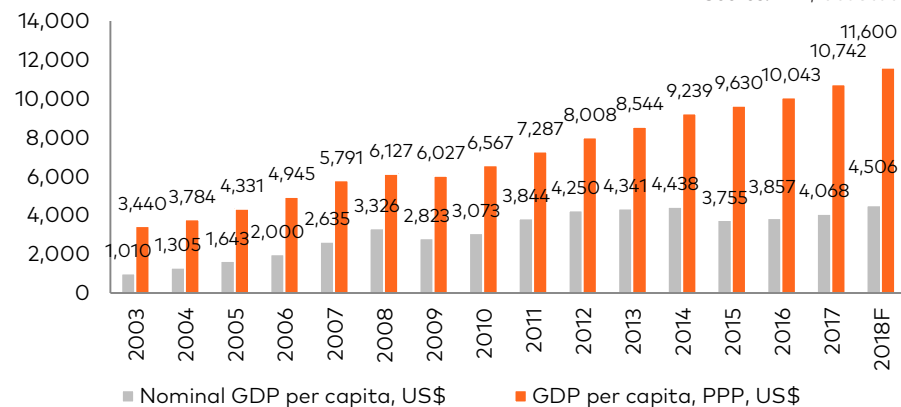
Comparative real GDP growth rates, % (2007-2017 average)

Source: IMF, GeoStat



GDP per capita

Source: IMF, GeoStat

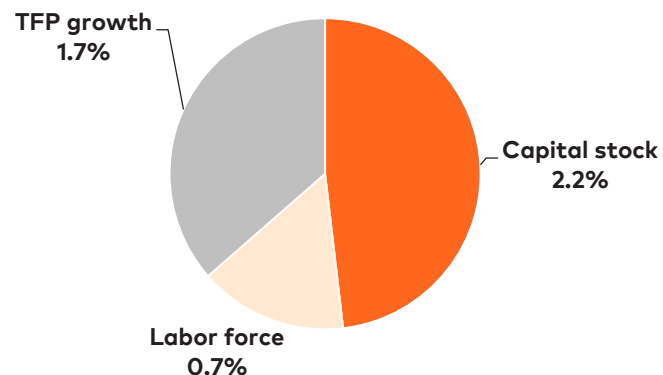


PRODUCTIVITY AND CAPITAL HAVE BEEN THE MAIN ENGINE OF GROWTH SINCE 2004



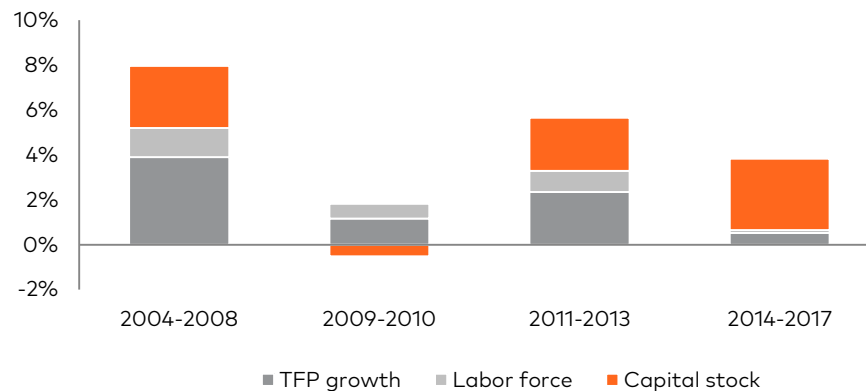
Overall contribution of capital, labour, and Total Factor Productivity (TFP) to growth, 2007-2017

Source: GeoStat, G&T calculation



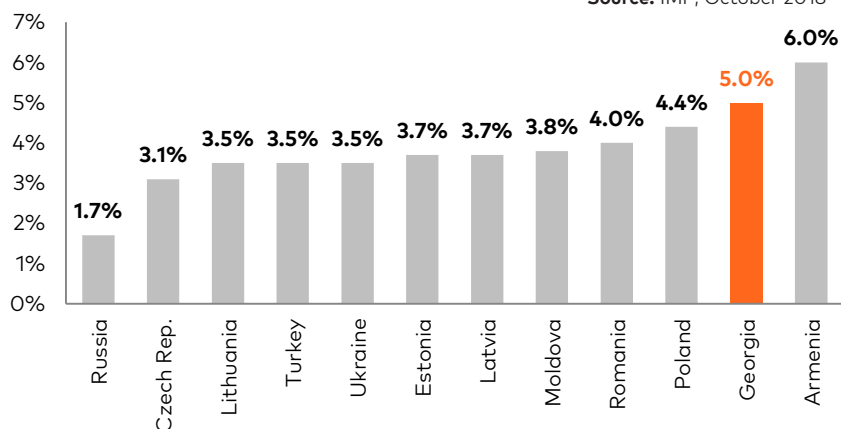
Contributions of capital, labour, and TFP to growth during periods

Source: GeoStat, G&T calculation



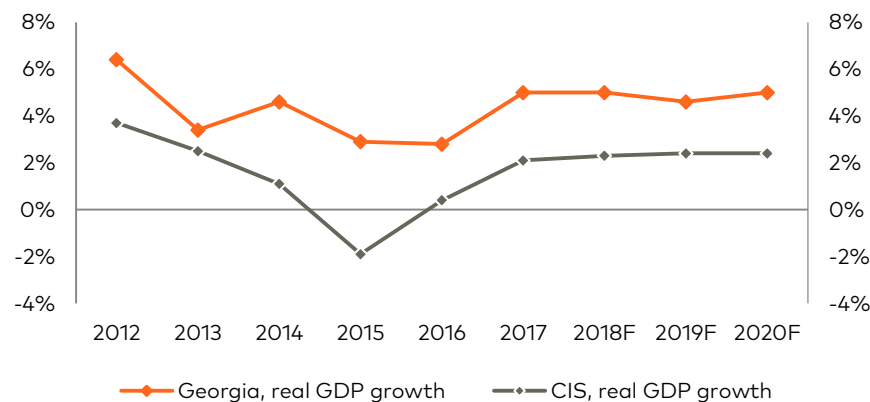
Real GDP growth projection, 2018

Source: IMF, October 2018



Georgia vs. CIS: GDP growth

Source: IMF, October 2018



FURTHER JOB CREATION IS ACHIEVABLE



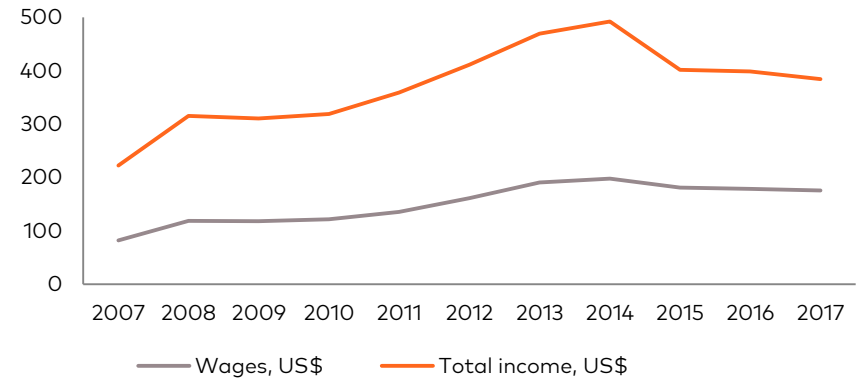
Unemployment rate down 0.1ppts y/y to 13.9% in 2017

Source: Geostat



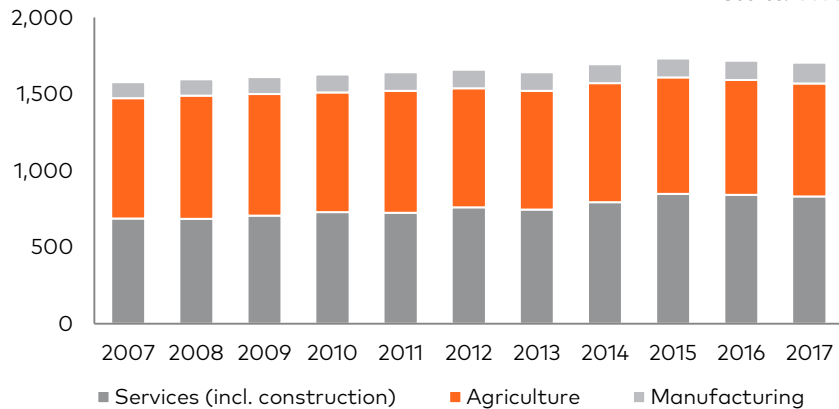
Average monthly wages and income per household

Source: GeoStat



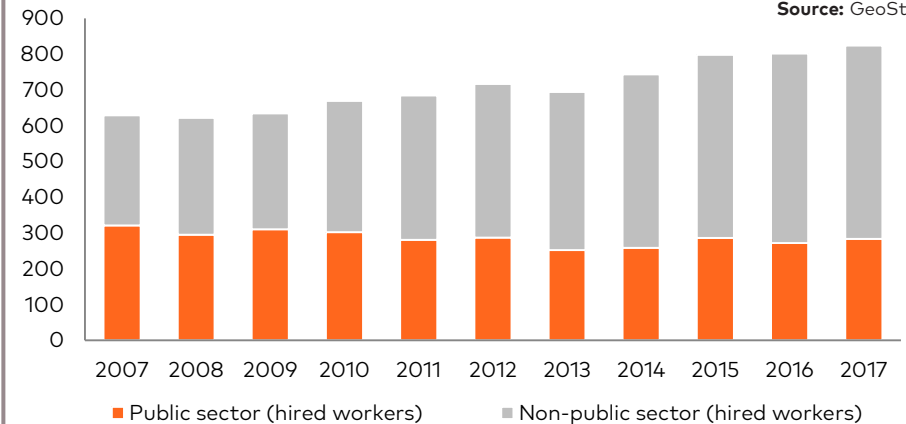
Share of services in total employment on the rise

Source: GeoStat



Hired workers accounted for 48.3% in total employment in 2017

Source: GeoStat

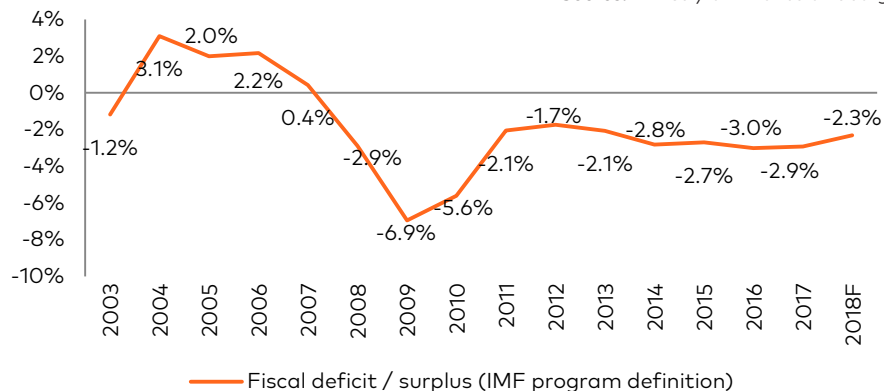


LOW PUBLIC DEBT



Fiscal deficit

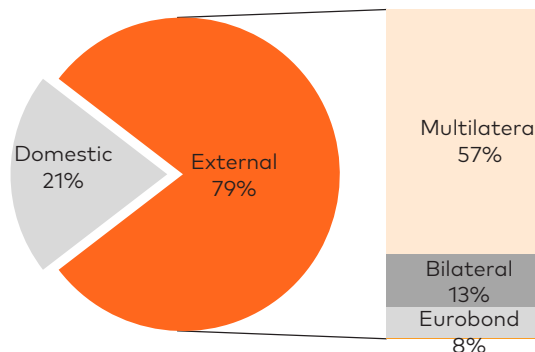
Source: Ministry of Finance of Georgia



Note: Deficit calculated as net lending / borrowing minus budget lending

Breakdown of public debt

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

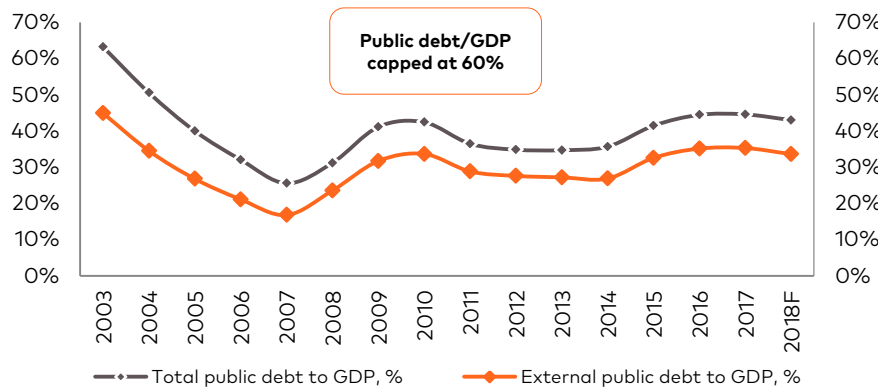


External public debt portfolio weighted average interest rate 2.01%

Contractual maturity 21 years

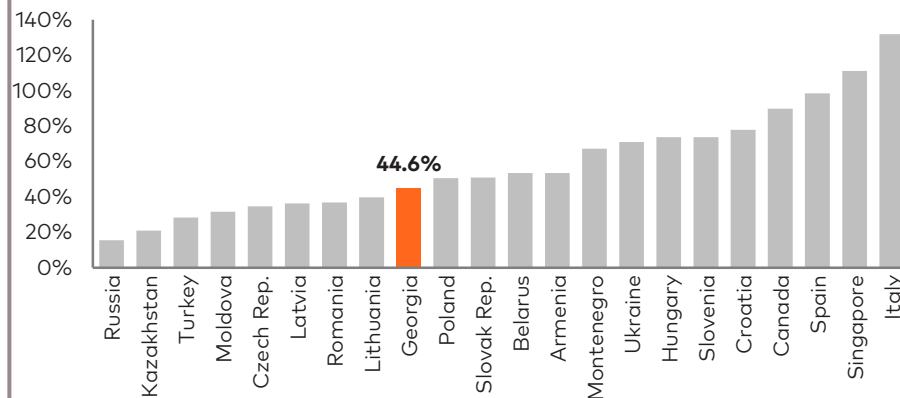
Public debt as % of GDP

Source: Ministry of Finance of Georgia, Geostat



Gross government debt/GDP, 2017

Source: IMF, MoF

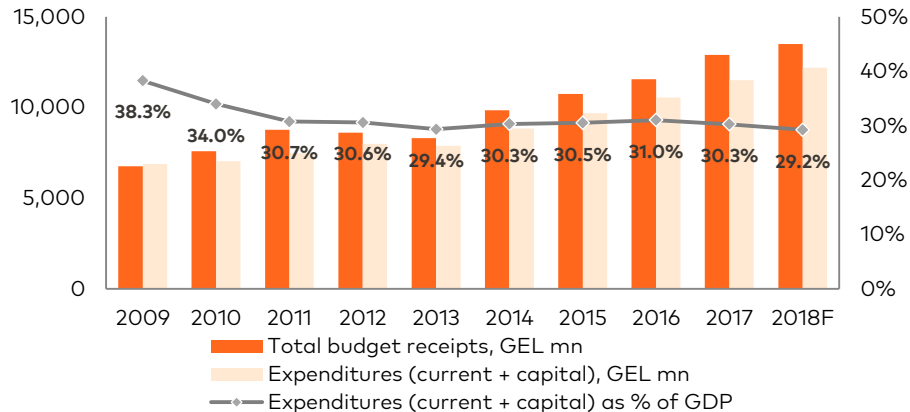


INVESTING IN INFRASTRUCTURE AND SPENDING LOW ON SOCIAL



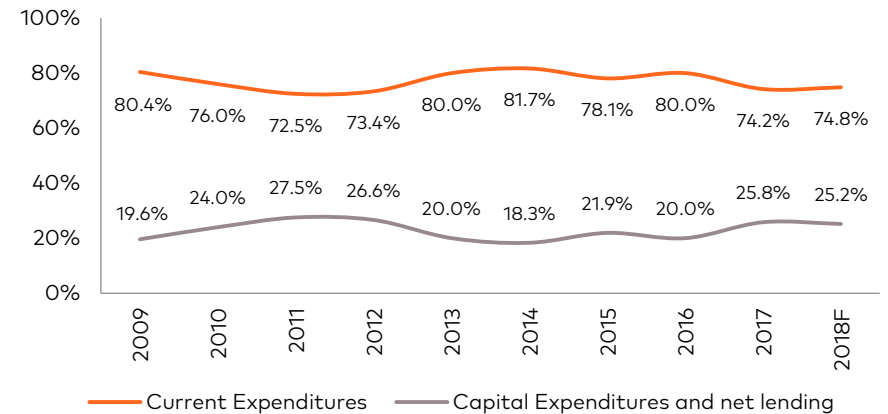
Revenues and expenditures, consolidated budget

Source: Ministry of Finance, GeoStat



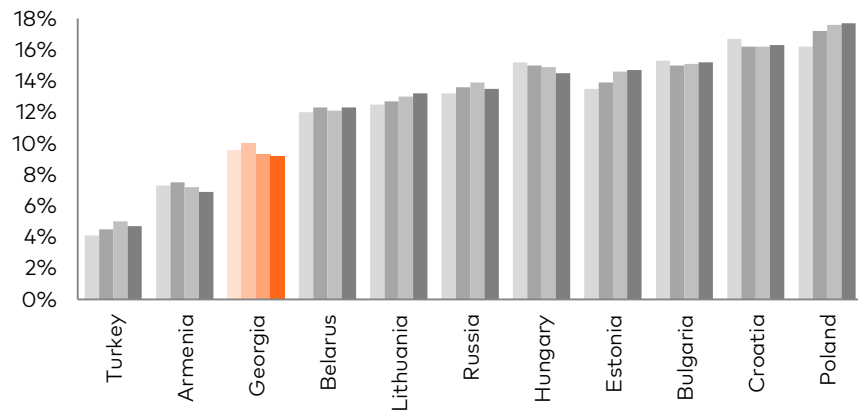
Current and capital expenditure

Source: Ministry of Finance



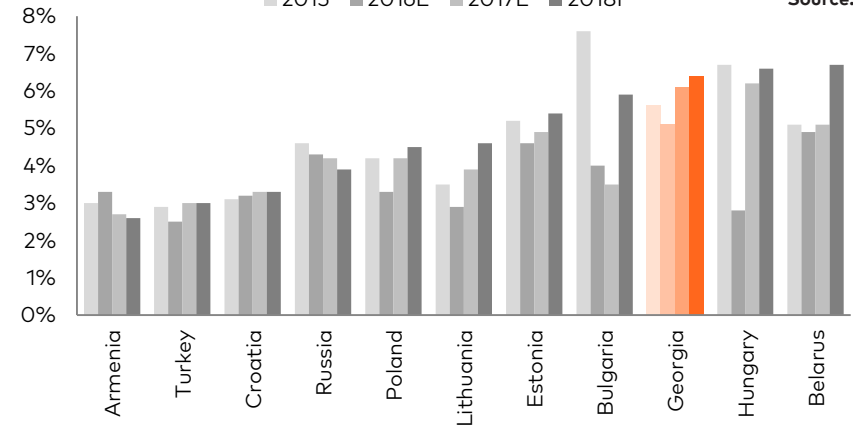
Government social expenditure as % of GDP

Source: IMF



Government capital expenditure as % of GDP

Source: IMF

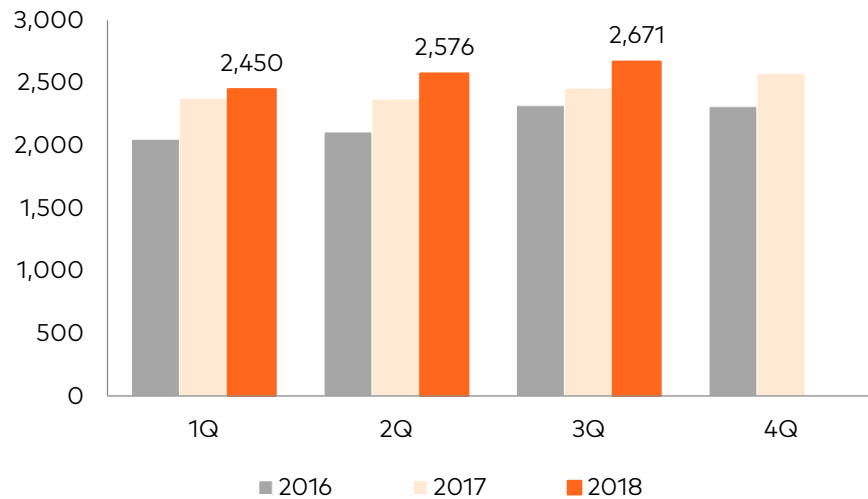


FISCAL PERFORMANCE



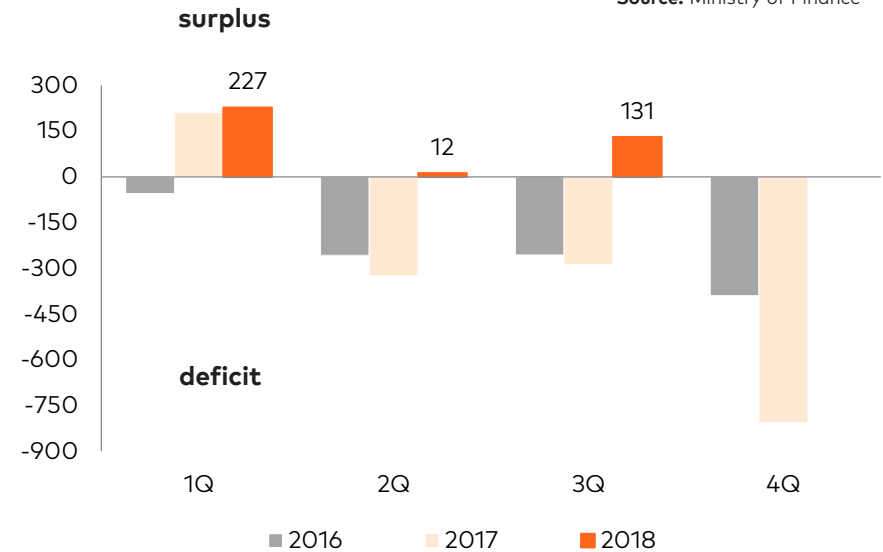
Consolidated budget tax revenues, GEL mln

Source: Ministry of Finance



Consolidated budget balance, GEL mln

Source: Ministry of Finance

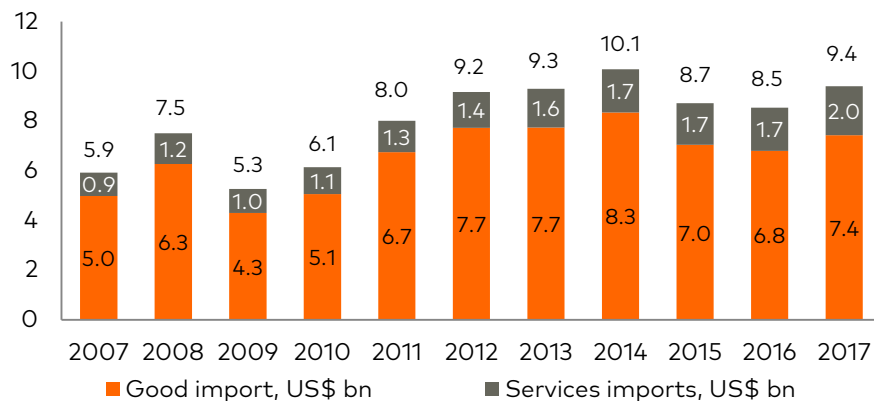


DIVERSIFIED FOREIGN TRADE



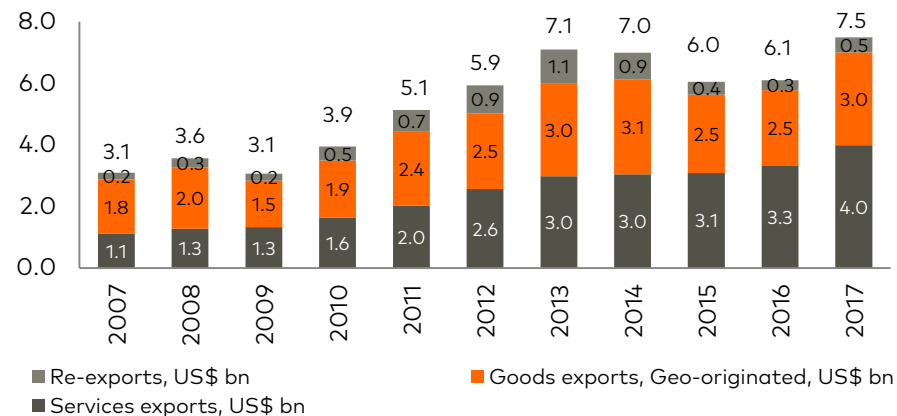
Imports of goods and services

Source: NBG – BOP statistics



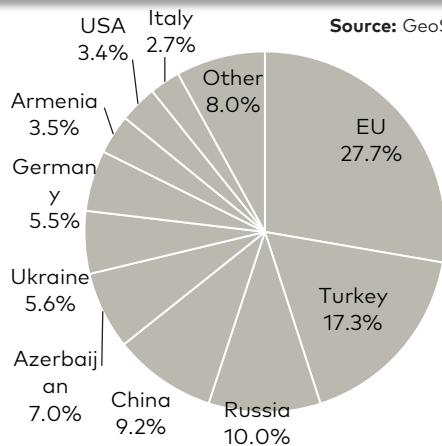
Exports of goods and services

Source: NBG – BOP statistics



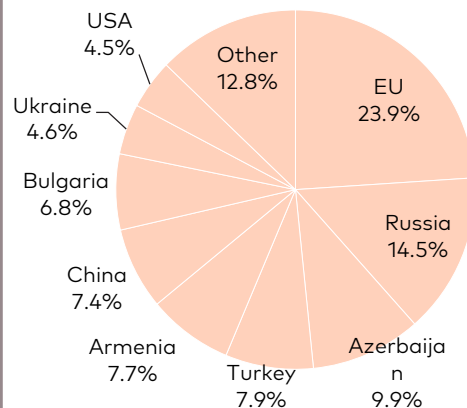
Imports, 2017

Source: GeoStat



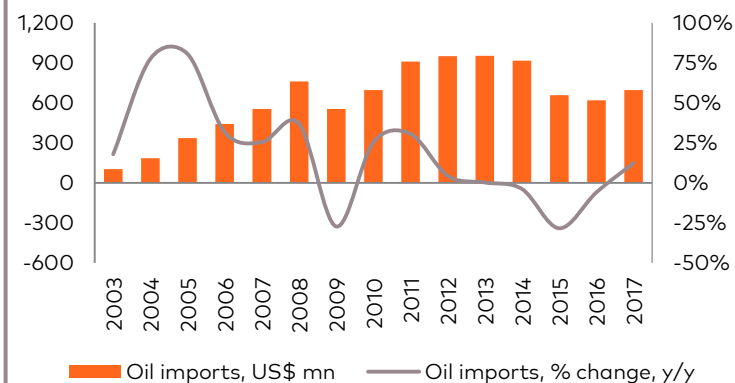
Exports, 2017

Source: GeoStat



Oil imports

Source: GeoStat

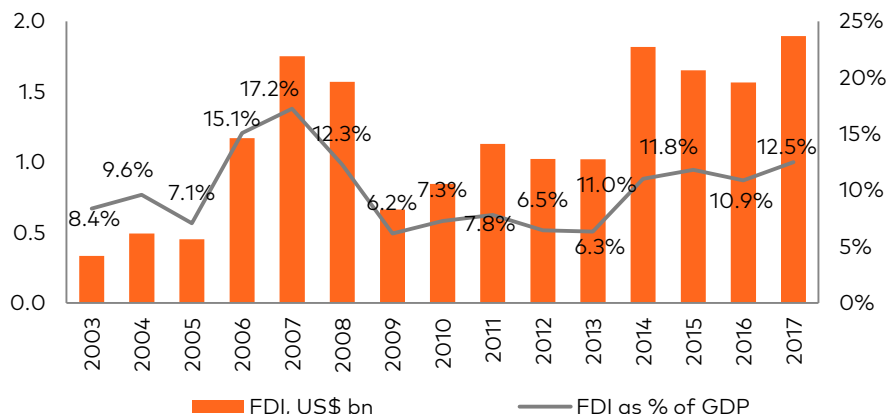


DIVERSIFIED SOURCES OF CAPITAL



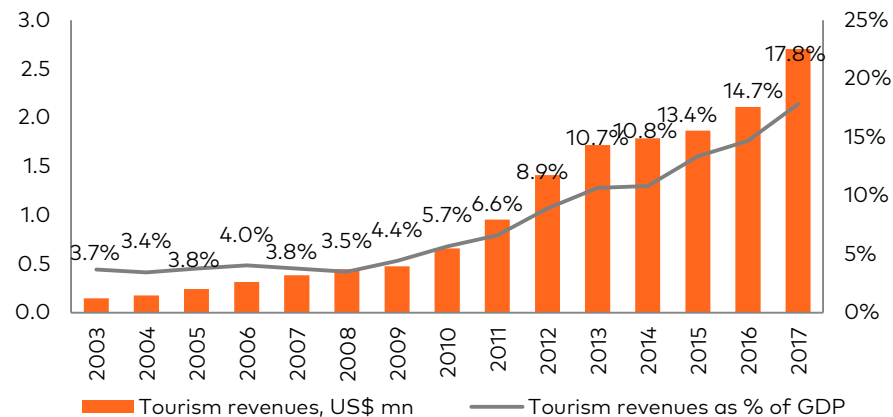
Strong foreign investor interest

Source: Geostat



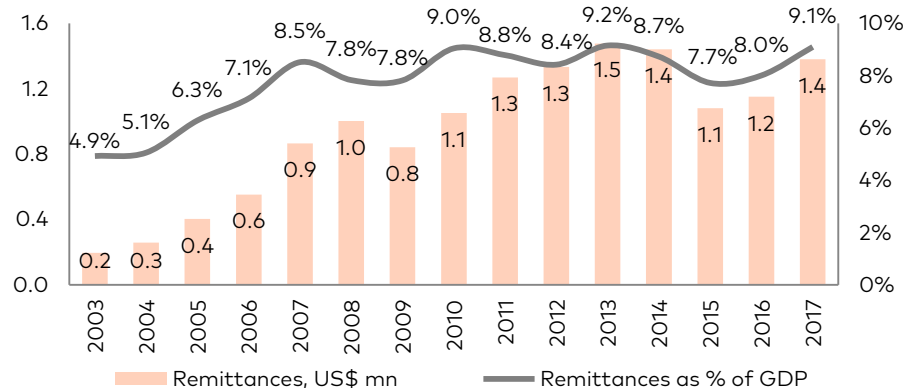
Tourist arrivals and revenues on the rise

Source: NBG



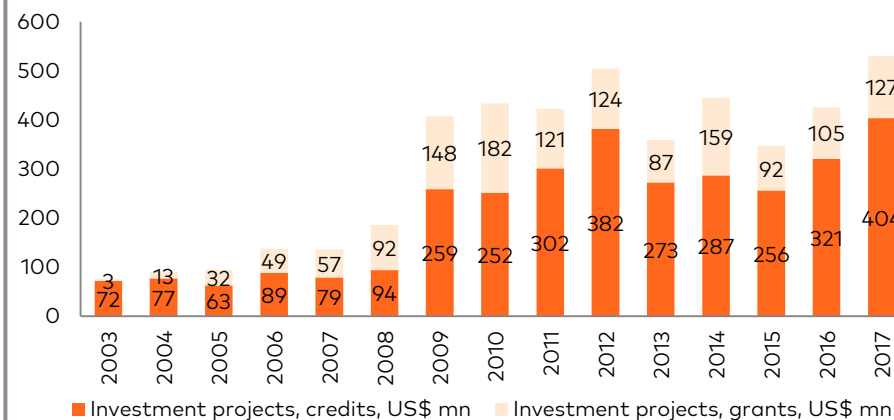
Remittances - steady source of external funding

Source: National Bank of Georgia



Donor funding for public infrastructure projects

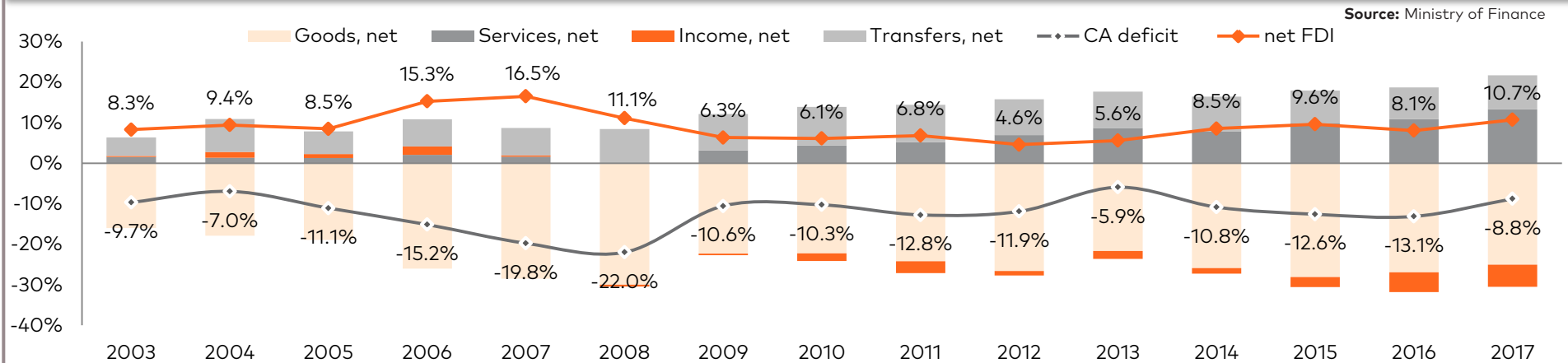
Source: Ministry of Finance of Georgia



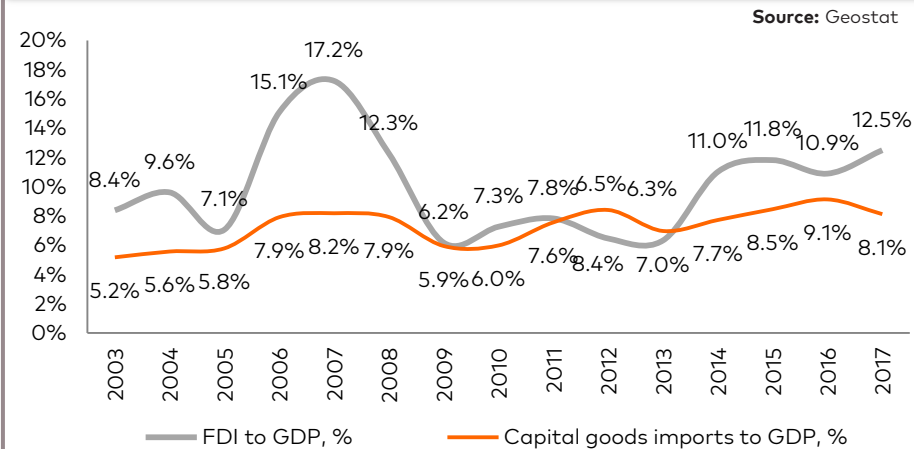
CURRENT ACCOUNT DEFICIT SUPPORTED BY FDI



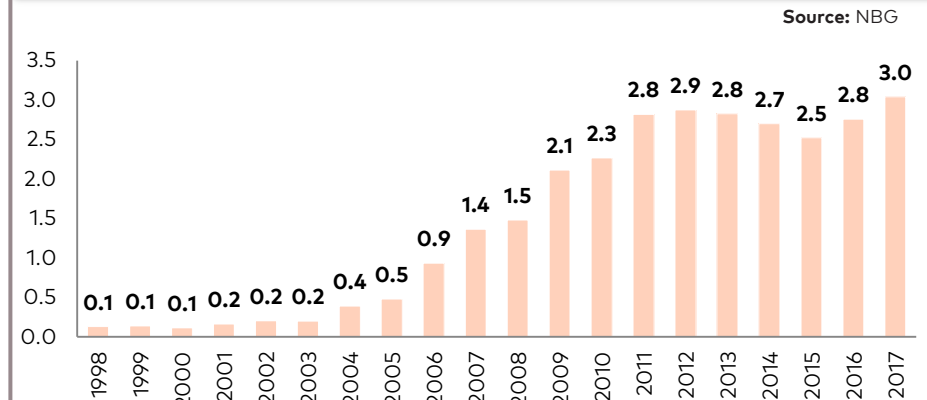
Current account balance (% of nominal GDP)



FDI and capital goods import



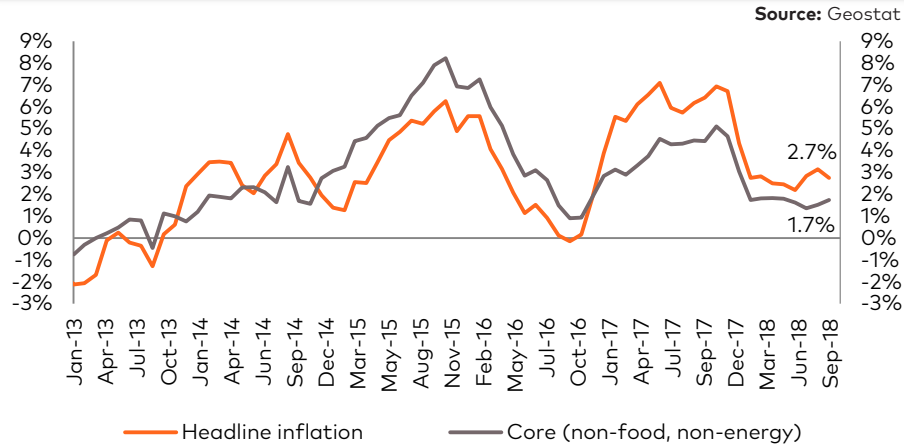
Building international reserves



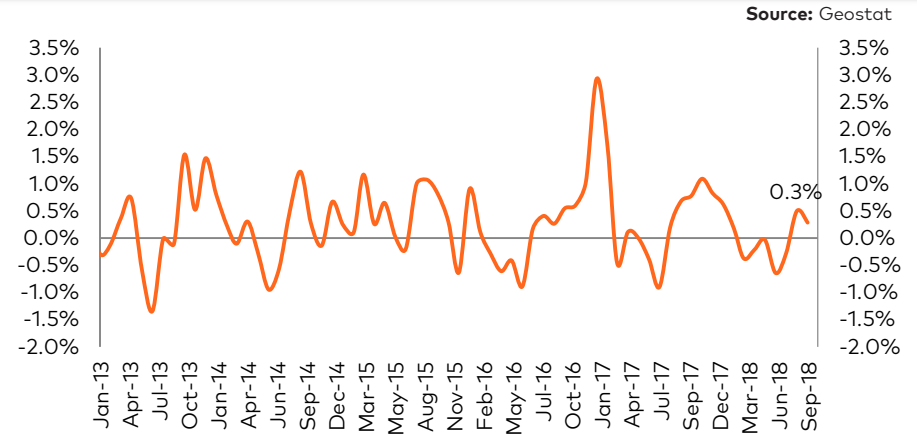
INFLATION TARGETING SINCE 2009



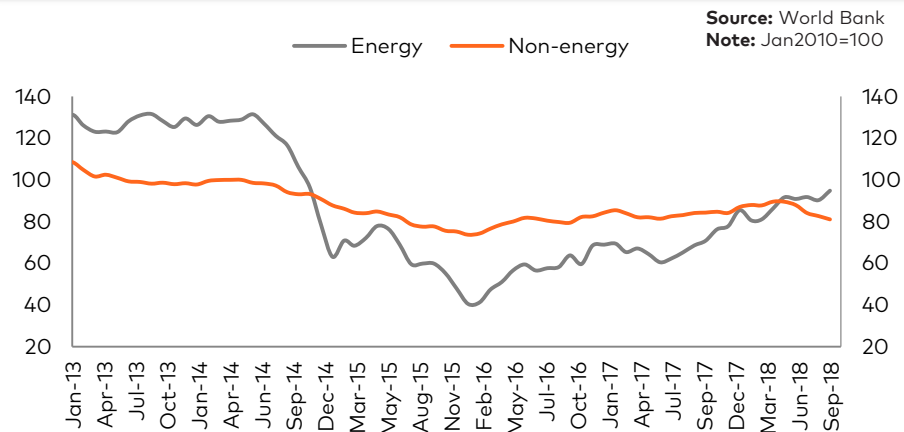
Annual Inflation



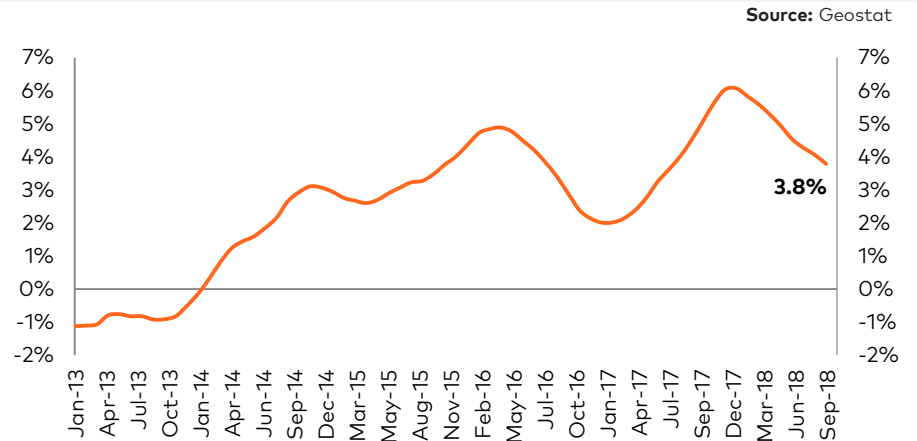
Monthly inflation



World commodity prices



Average inflation

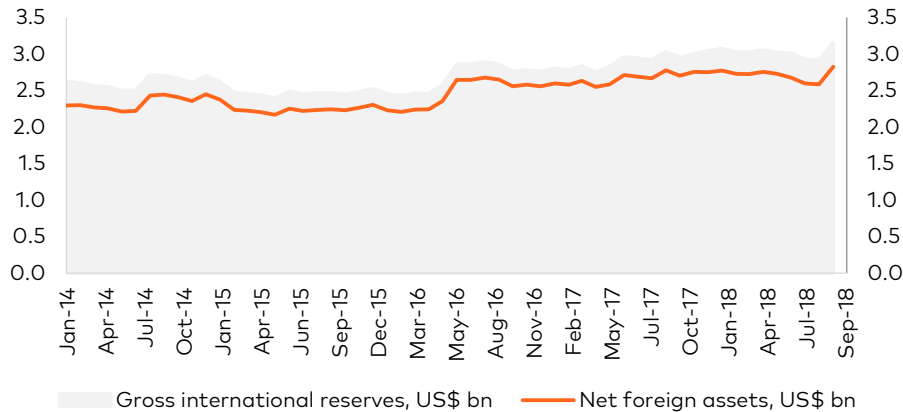


INTERNATIONAL RESERVES SUFFICIENT TO FINANCE MORE THAN 3 MONTHS OF IMPORTS



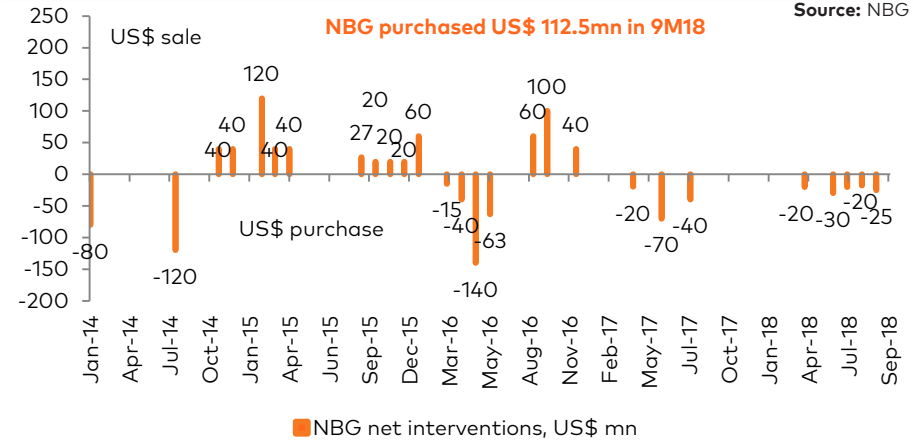
International reserves

Source: NBG



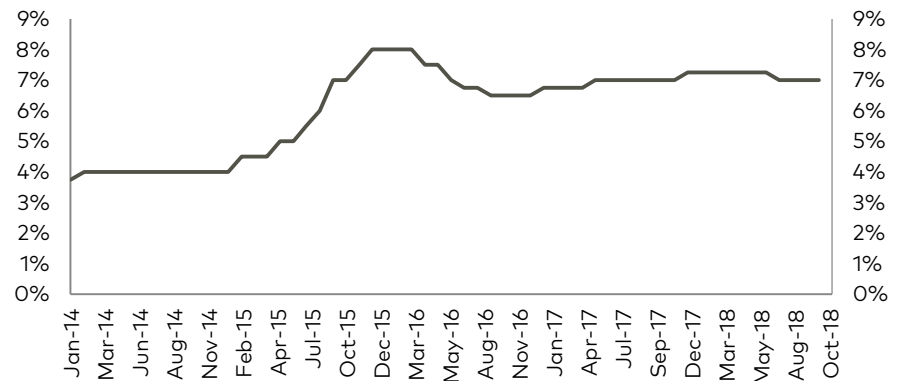
Central Bank's interventions

Source: NBG



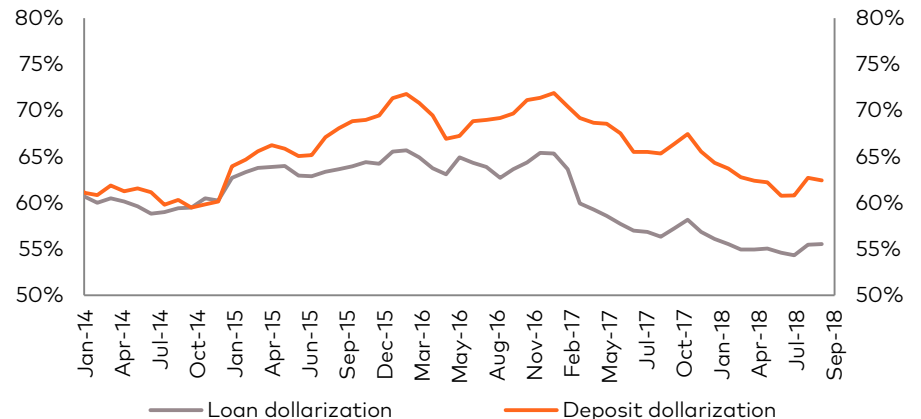
Monetary policy rate

Source: NBG



Dollarisation

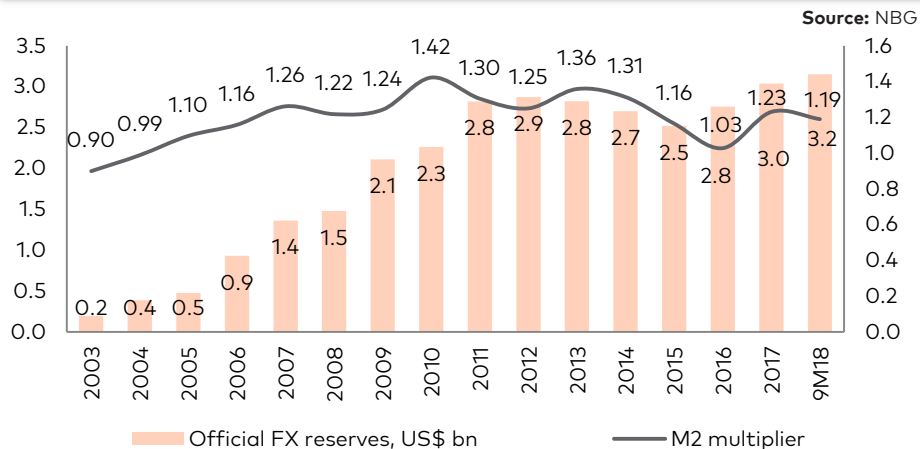
Source: NBG



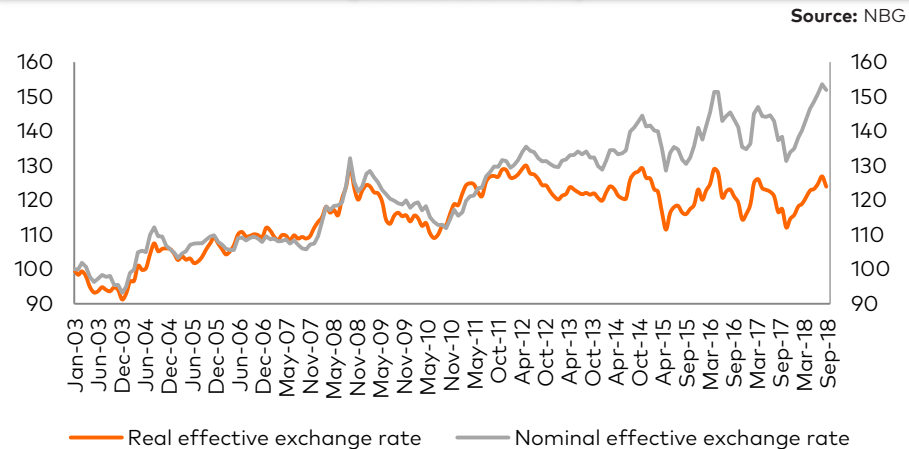
FLOATING EXCHANGE RATE - POLICY PRIORITY



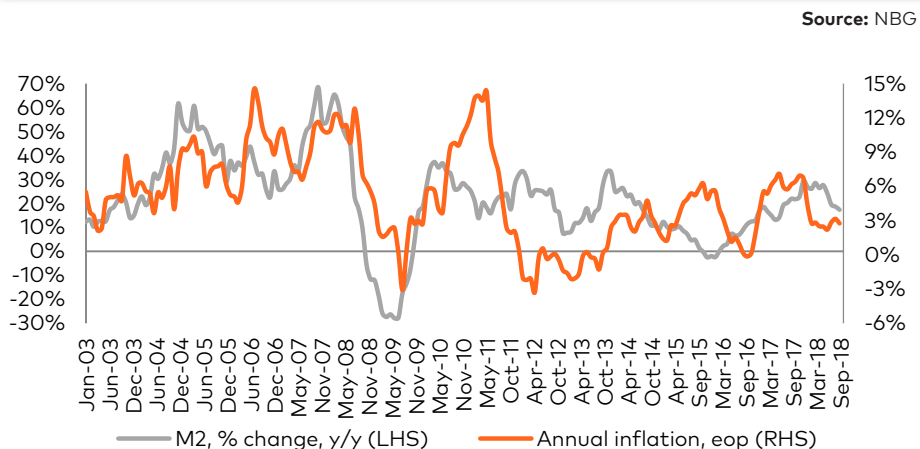
FX reserves



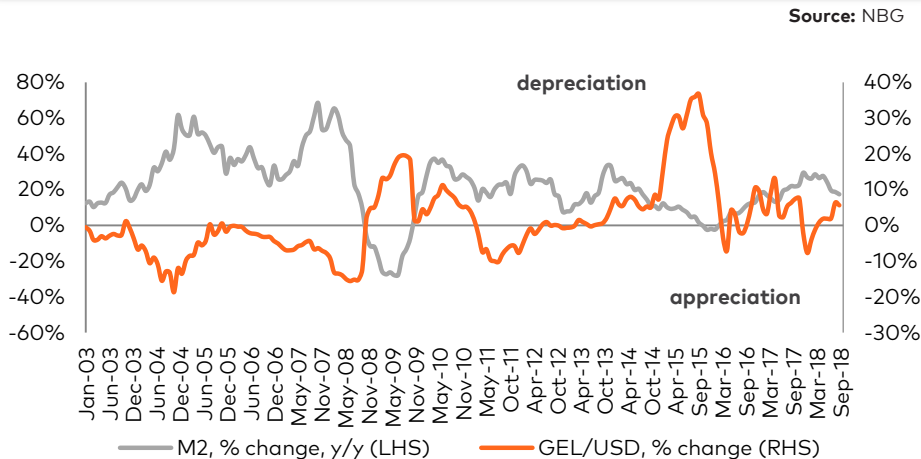
Nominal and Real effective exchange rate (Jan2003=100)



M2 and annual inflation



M2 and USD/GEL



GROWING AND WELL-CAPITALISED BANKING SECTOR

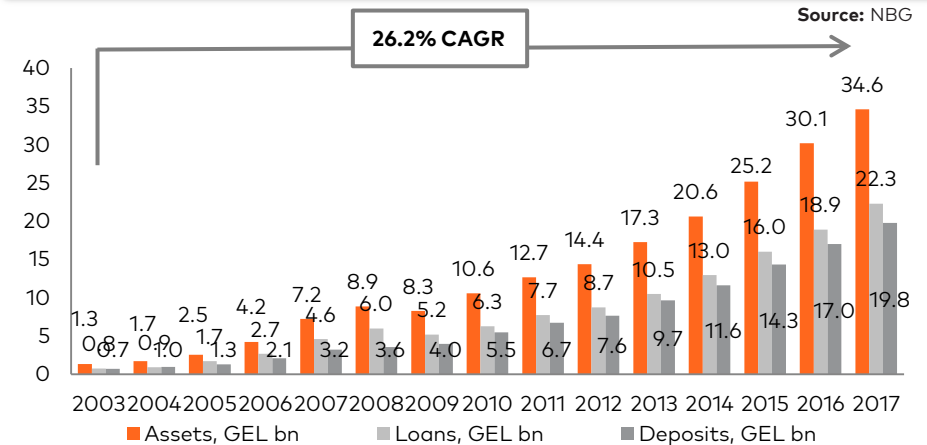


Summary

- Prudent regulation and oversight ensuring financial stability
- Demonstrated strong resilience towards both domestic and external shocks **without single bank going bankrupt**
- **No nationalization** of the banks and no government ownership since 1994
- **Low leverage** with retail loans estimated at 32% of GDP and total loans at 58.6% of GDP as of 2017 resulting in low number of defaults in face of different shocks to the economy

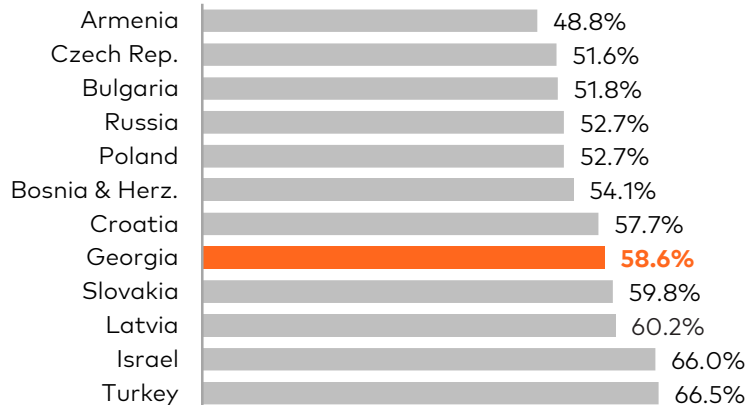
Source: National Bank of Georgia, GeoStat

Banking sector assets, loans and deposits



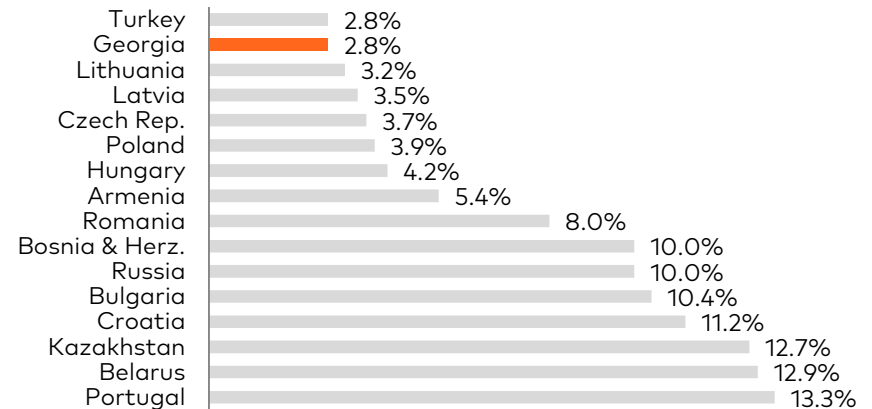
Banking Sector loans to GDP, 2017

Source: IMF, WB, NBG



Non-performing loans, 2017

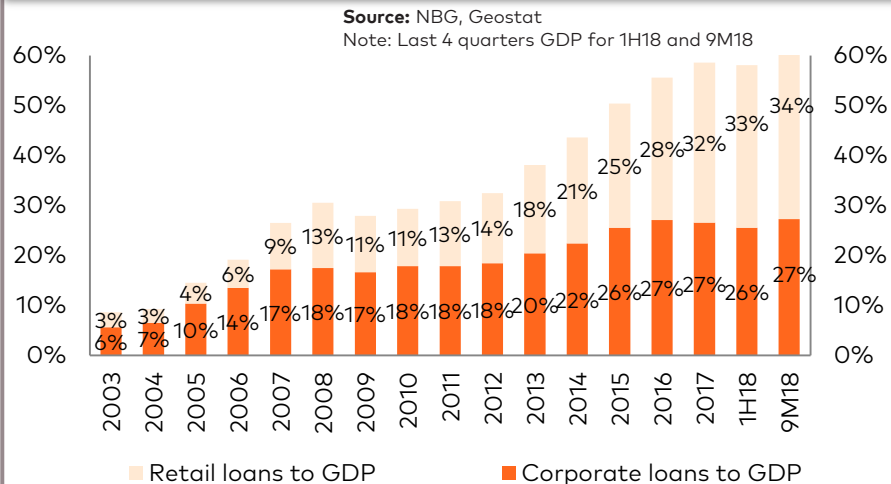
Source: IMF, WB, NBG



GROING ECONOMY SUPPORTS HEALTHY CREDIT GROWTH

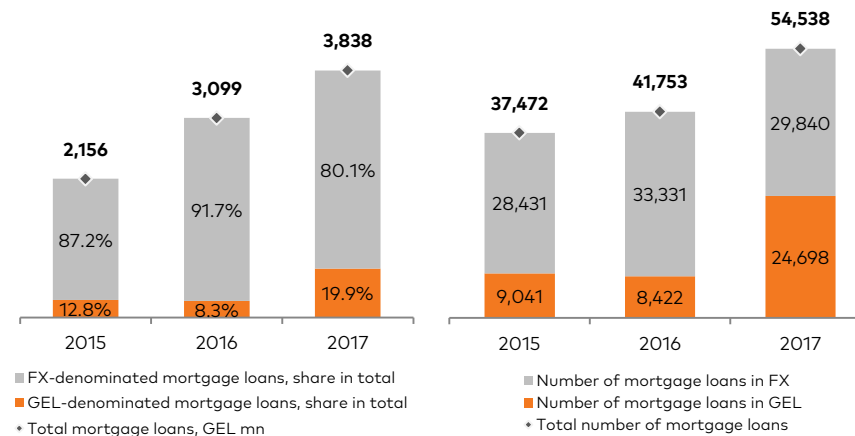


Banking sector corporate & retail loans to GDP

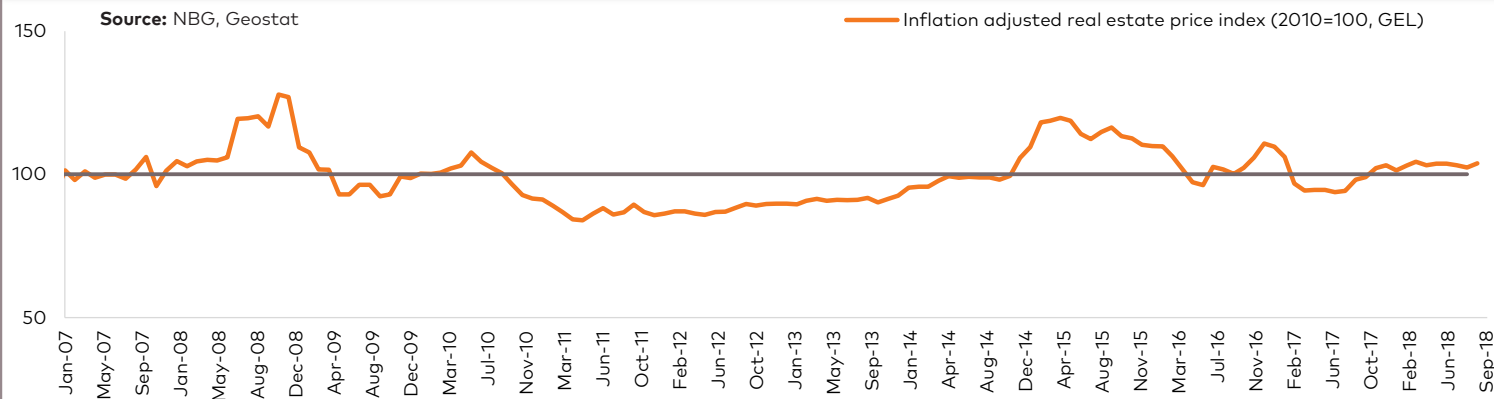


Mortgage loans

Source: NBG



Real estate price index



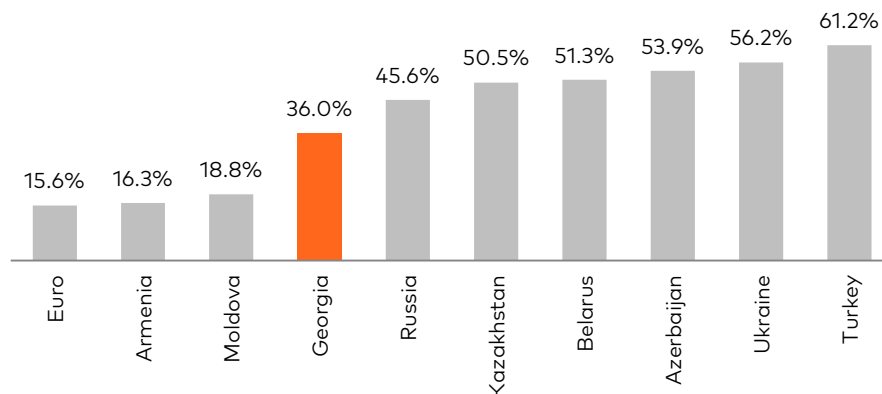
FLEXIBLE FX REGIME SUPPORTS TO MACRO STABILITY



Currency weakening vs. US\$

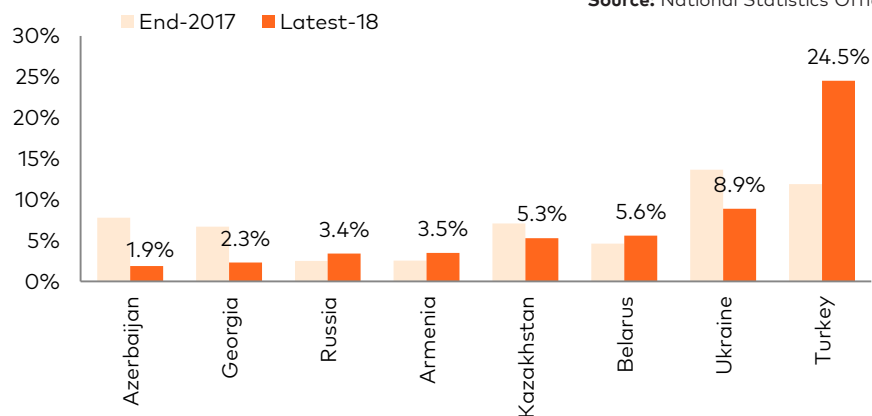
Source: Bloomberg

Note: US\$ per unit of national currency, period 1-Aug-2014 – 31-October-2018



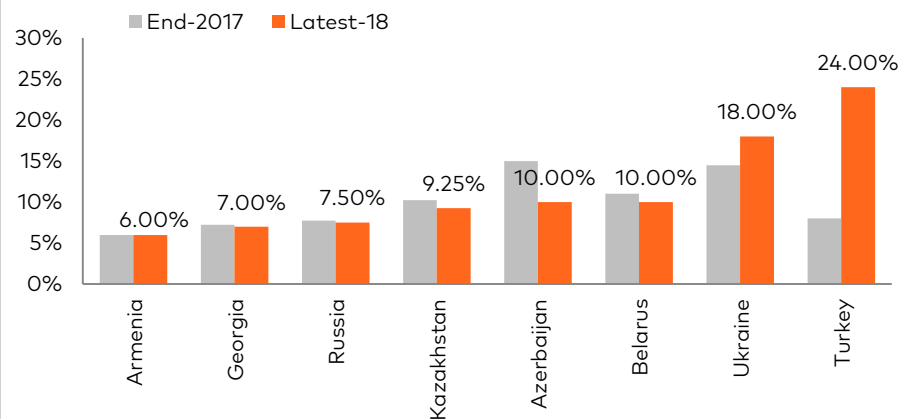
Inflation close to the target in Georgia

Source: National Statistics Offices



Monetary policy rate remains low vs. peers

Source: Central banks

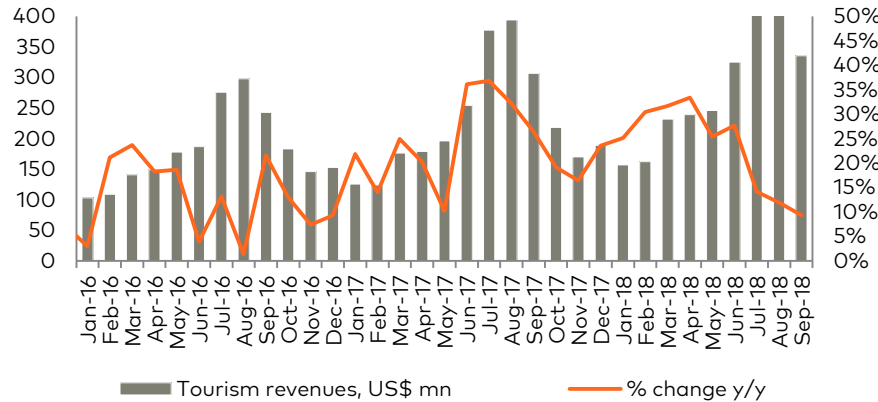


RECENT TREND – TOURIST ARRIVALS, EXPORTS AND REMITTANCES UP



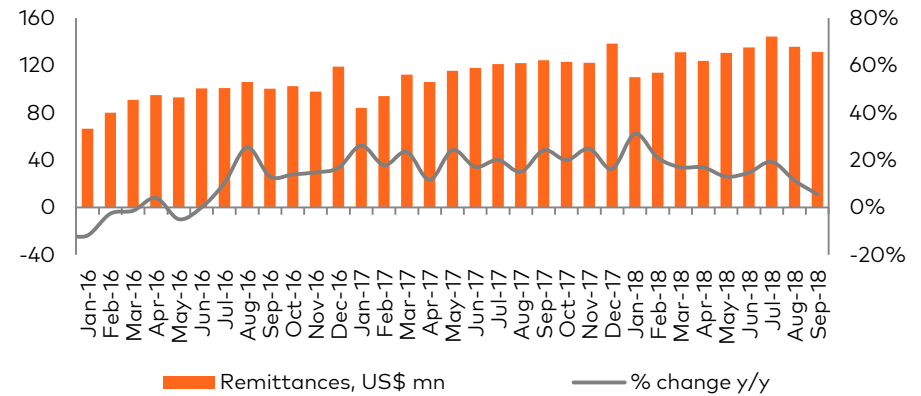
Tourism revenues up 20.3% y/y in 9M18

Source: NBG



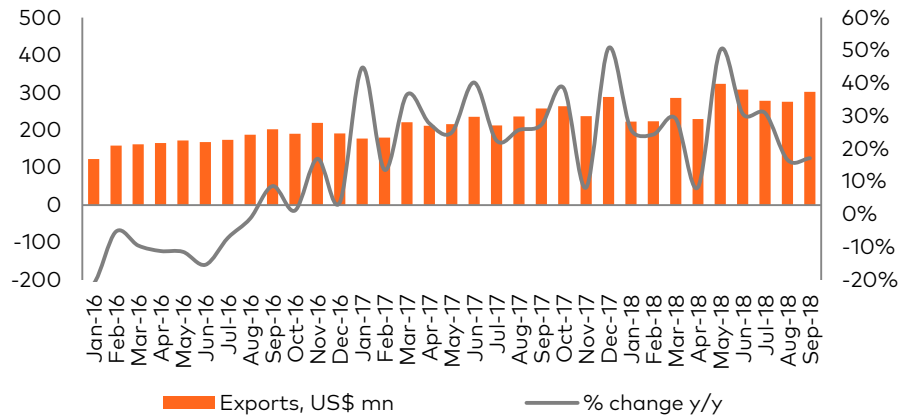
Remittances up 16.0% y/y in 9M18

Source: NBG



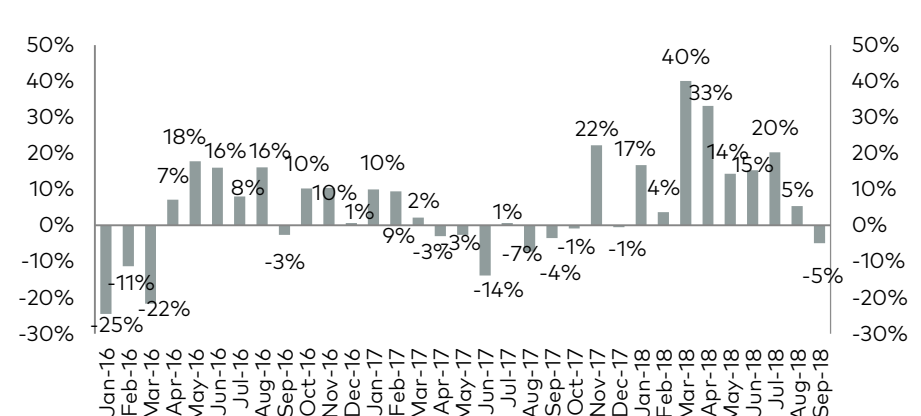
Exports up 25.7% y/y in 9M18

Source: Geostat



Trade deficit up 15.5% y/y in 9M18

Source: Geostat



GEORGIA ABSORBS NEGATIVE SHOCK FROM TURKEY



Summary

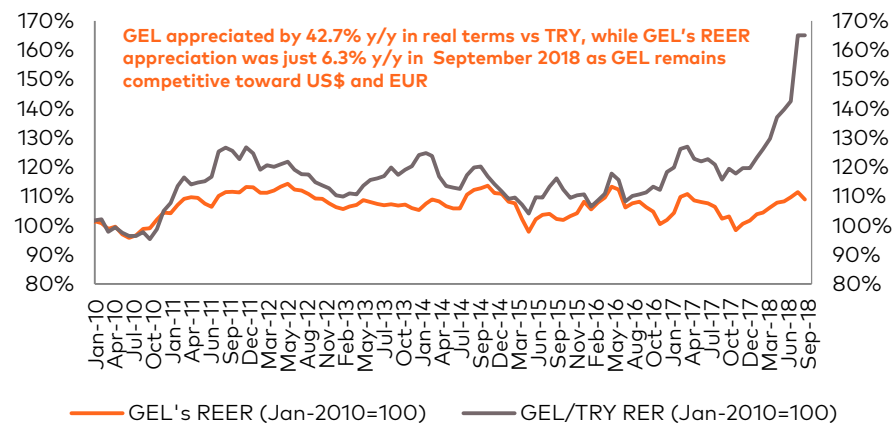
- Diversified economic linkages serve Georgia well, minimising negative impact from Turkey
- Exports, remittances and tourism arrivals from Turkey were on the rise in 7M18, however, currency crisis in Turkey affected these flows negatively in August-September 2018
- Total exports, remittances and tourist arrivals continue to grow strongly, as growth from other countries fully compensated decline from Turkey

Georgia's exposure to Turkey, 9M18

	Turkey, US\$ mn	Turkey, % change y/y	Total excluding Turkey, US\$ mn	Total excluding Turkey, % change y/y	Turkey's share in total, %
Exports	194.6	17.6%	2,253.5	26.5%	7.9%
Tourism	342.4	17.2%	2,217.5	20.4%	13.4%
Remittances	82.8	3.7%	1,072.6	17.1%	7.2%
Import	1,059.3	11.4%	5,617.4	20.6%	15.9%
Trade deficit	864.7	10.0%	3,364.0	17.0%	20.4%

Source: Geostat, NBG, GNTA, G&T

GEL's real exchange rate vs. TRY and GEL's REER



Source: NBG

Note: Index growth means GEL's appreciation and decline means GEL's depreciation



■ Group Overview	4
■ Results Discussion	10
■ Georgian Macro Overview	34
■ Appendices	56



Robust Corporate Governance based on UK Corporate Governance Code



Neil Janin, Independent Non-Executive Chairman

Experience: formerly Director at McKinsey & Company in Paris; formerly co-chairman of the commission of the French Institute of Directors (IFA); formerly Chase Manhattan Bank in New York and Paris



Kaha Kiknavelidze, Chief Executive Officer

Experience: with the Group since 2008; originally joined as member of the Bank's Supervisory Board and Audit Committee; formerly: managing partner of Rioni Capital, Executive Director at UBS



Hanna Loikkanen, Senior Independent Non-Executive Director

Experience: currently advisor to East Capital Private Equity AB; Non-Executive Director of PJSC Rosbank; formerly: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB



Al Breach, Independent Non-Executive Director

Experience: Director of Gemsstock Ltd, The Browser and Furka Holdings AG, and advisor to East Capital; formerly: Head of Research, Strategist & Economist at UBS Russia and CIS, economist at Goldman Sachs



Tamaz Georgadze, Independent Non-Executive Director

Experience: Executive Director and founder of Raisin GmbH (formerly SavingGlobal GmbH); formerly: Partner at McKinsey & Company in Berlin, aide to President of Georgia



Jonathan Muir, Independent Non-Executive Director

Experience: CEO of LetterOne Holdings SA and of LetterOne Investment Holdings; formerly: CFO and Vice President of Finance and Control of TNK-BP, Partner at Ernst & Young



Cecil Quillen, Independent Non-Executive Director

Experience: Partner at Linklaters LLP with nearly 29 years of experience in working on a broad spectrum of securities and finance matters



Andreas Wolf, Independent Non-Executive Director

Experience: Head of Strategy and Business Development for MHB-Bank AG in Germany and an advisor to Raisin, a European deposit brokerage marketplace; formerly: Partner at McKinsey & Company in Frankfurt



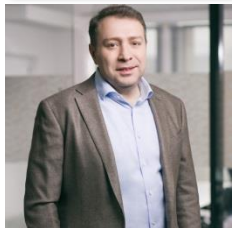
Véronique McCarroll, Independent Non-Executive Director

Experience: 30 years' experience in Financial Services; formerly: Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young

HIGHLY EXPERIENCED MANAGEMENT TEAM

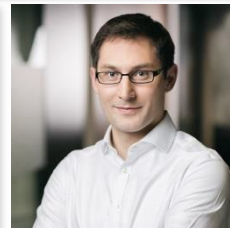


Senior Executive Compensation Policy applies to top executives and envisages long-term deferred and discretionary awards of securities and no cash bonuses to be paid to such executives



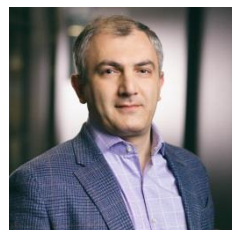
Kaha Kiknavelidze, Chief Executive Officer

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



David Tsiklauri, Chief Financial Officer

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



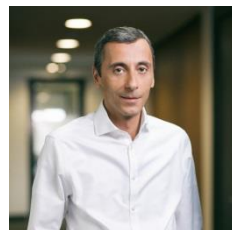
Levan Kulijanishvili, Deputy CEO, Operations

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



George Chiladze, Deputy CEO, Chief Risk Officer

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



Mikheil Gomarteli, Deputy CEO, Emerging and Mass Retail Banking

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



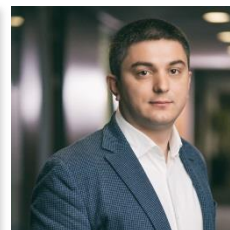
Ramaz Kukuladze, Deputy CEO, SOLO and MSME Banking

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



Vasil Khodeli, Deputy CEO, Corporate Investment Banking

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



Vakhtang Bobokhidze, Deputy CEO, Information Technologies

With the Group since 2005. Joined as Quality Control Manager. Left the Group in 2010 and rejoined the Group in December 2010. Prior to being appointed as Deputy CEO, served as Head of IT Department since 2016. Holds an MBA from Tbilisi State University.



BANK OF GEORGIA GROUP INCOME STATEMENT



GEL thousands, unless otherwise noted	Bank of Georgia Group Consolidated					Banking Business					Discontinued Operations					Eliminations		
	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	3Q18	3Q17	2Q18
Interest income	337,261	284,988	18.3%	327,244	3.1%	337,261	287,274	17.4%	329,628	2.3%	-	-	-	-	-	-	(2,286)	(2,384)
Interest expense	(152,430)	(116,385)	31.0%	(139,756)	9.1%	(152,430)	(119,486)	27.6%	(143,298)	6.4%	-	-	-	-	-	-	3,101	3,542
Net interest income	184,831	168,603	9.6%	187,488	-1.4%	184,831	167,788	10.2%	186,330	-0.8%	-	-	-	-	-	-	815	1,158
Fee and commission income	60,413	48,594	24.3%	55,332	9.2%	60,413	49,155	22.9%	55,693	8.5%	-	-	-	-	-	-	(561)	(361)
Fee and commission expense	(20,932)	(15,840)	32.1%	(17,680)	18.4%	(20,932)	(16,014)	30.7%	(17,846)	17.3%	-	-	-	-	-	-	174	166
Net fee and commission income	39,481	32,754	20.5%	37,652	4.9%	39,481	33,141	19.1%	37,847	4.3%	-	-	-	-	-	-	(387)	(195)
Net foreign currency gain	34,856	20,436	70.6%	25,004	39.4%	34,856	19,614	77.7%	24,577	41.8%	-	-	-	-	-	-	822	427
Net other income	7,437	2,377	NMF	3,380	120.0%	7,437	2,653	NMF	3,706	100.7%	-	-	-	-	-	-	(276)	(326)
Revenue	266,605	224,170	18.9%	253,524	5.2%	266,605	223,196	19.4%	252,460	5.6%	-	-	-	-	-	-	974	1,064
Salaries and other employee benefits	(54,107)	(50,054)	8.1%	(53,505)	1.1%	(54,107)	(50,638)	6.9%	(53,925)	0.3%	-	-	-	-	-	-	584	420
Administrative expenses	(30,759)	(22,727)	35.3%	(26,717)	15.1%	(30,759)	(23,241)	32.3%	(26,862)	14.5%	-	-	-	-	-	-	514	145
Depreciation and amortisation	(11,162)	(10,738)	3.9%	(11,392)	-2.0%	(11,162)	(10,738)	3.9%	(11,392)	-2.0%	-	-	-	-	-	-	-	-
Other operating expenses	(1,109)	(738)	50.3%	(966)	14.8%	(1,109)	(738)	50.3%	(966)	14.8%	-	-	-	-	-	-	-	-
Operating expenses	(97,137)	(84,257)	15.3%	(92,580)	4.9%	(97,137)	(85,355)	13.8%	(93,145)	4.3%	-	-	-	-	-	-	1,098	565
Profit from associates	326	147	121.8%	376	-13.3%	326	147	121.8%	376	-13.3%	-	-	-	-	-	-	-	-
Operating income before cost of credit risk	169,794	140,060	21.2%	161,320	5.3%	169,794	137,988	23.0%	159,691	6.3%	-	-	-	-	-	-	2,072	1,629
Expected credit loss / impairment charge on loans to customers	(48,134)	(34,202)	40.7%	(35,678)	34.9%	(48,134)	(34,202)	40.7%	(35,678)	34.9%	-	-	-	-	-	-	-	-
Expected credit loss / impairment charge on finance lease receivables	(426)	(781)	-45.5%	(266)	60.2%	(426)	(781)	-45.5%	(266)	60.2%	-	-	-	-	-	-	-	-
Other expected credit loss / impairment charge on other assets and provisions	(4,176)	(1,850)	125.7%	(3,726)	12.1%	(4,176)	(1,850)	125.7%	(3,726)	12.1%	-	-	-	-	-	-	-	-
Cost of credit risk	(52,736)	(36,833)	43.2%	(39,670)	32.9%	(52,736)	(36,833)	43.2%	(39,670)	32.9%	-	-	-	-	-	-	-	-
Profit before non-recurring items and income tax	117,058	103,227	13.4%	121,650	-3.8%	117,058	101,155	15.7%	120,021	-2.5%	-	-	-	-	-	-	2,072	1,629
Net non-recurring items	(3,747)	(1,376)	NMF	(43,875)	-91.5%	(3,747)	(1,376)	NMF	(44,047)	-91.5%	-	-	-	-	-	-	-	172
Profit before income tax	113,311	101,851	11.3%	77,775	45.7%	113,311	99,779	13.6%	75,974	49.1%	-	-	-	-	-	-	2,072	1,801
Income tax expense	(8,763)	(7,850)	11.6%	(27,507)	-68.1%	(8,763)	(7,850)	11.6%	(27,507)	-68.1%	-	-	-	-	-	-	-	-
Profit from continuing operations	104,548	94,001	11.2%	50,268	108.0%	104,548	91,929	13.7%	48,467	115.7%	-	-	-	-	-	-	2,072	1,801
Profit from discontinued operations	-	18,838	NMF	78,961	NMF	-	-	-	-	-	-	20,910	NMF	80,762	NMF	-	(2,072)	(1,801)
Profit	104,548	112,839	-7.3%	129,229	-19.1%	104,548	91,929	13.7%	48,467	115.7%	-	20,910	NMF	80,762	NMF	-	-	-
Attributable to:																		
- shareholders of the Group	104,100	106,276	-2.0%	123,078	-15.4%	104,100	91,543	13.7%	48,324	115.4%	-	14,733	NMF	74,754	NMF	-	-	-
- non-controlling interests	448	6,563	-93.2%	6,151	-92.7%	448	386	16.1%	143	NMF	-	6,177	NMF	6,008	NMF	-	-	-
Profit from continuing operations attributable to:																		
- shareholders of the Group	104,100	93,615	11.2%	50,125	107.7%	104,100	91,543	13.7%	48,324	115.4%	-	-	-	-	-	-	2,072	1,801
- non-controlling interests	448	386	16.1%	143	NMF	448	386	16.1%	143	NMF	-	-	-	-	-	-	-	-
Profit from discontinued operations attributable to:																		
- shareholders of the Group	-	12,661	NMF	72,953	NMF	-	-	-	-	-	-	14,733	NMF	74,754	NMF	-	(2,072)	(1,801)
- non-controlling interests	-	6,177	NMF	6,008	NMF	-	-	-	-	-	-	6,177	NMF	6,008	NMF	-	-	-
Earnings per share (basic)	2.18	2.82	-22.7%	2.77	-21.3%													
- earnings per share from continuing operations	2.18	2.49	-12.4%	1.13	92.9%													
- earnings per share from discontinued operations	-	0.33	NMF	1.64	NMF													
Earnings per share (diluted)	2.18	2.70	-19.3%	2.74	-20.4%													
- earnings per share from continuing operations	2.18	2.38	-8.4%	1.12	94.6%													
- earnings per share from discontinued operations	-	0.32	NMF	1.62	NMF													



BANK OF GEORGIA GROUP INCOME STATEMENT



<i>GEL thousands, unless otherwise noted</i>	Bank of Georgia Group Consolidated			Banking Business			Discontinued Operations			Eliminations		
	9M18	9M17	Change y-o-y	9M18	9M17	Change y-o-y	9M18	9M17	Change y-o-y	9M18	9M17	Change y-o-y
Interest income	975,654	821,325	18.8%	980,442	827,342	18.50%	-	-	-	(4,788)	(6,017)	-20.4%
Interest expense	(422,221)	(332,288)	27.1%	(429,158)	(338,366)	26.80%	-	-	-	6,937	6,078	14.1%
Net interest income	553,433	489,037	13.2%	551,284	488,976	12.7%	-	-	-	2,149	61	NMF
Fee and commission income	166,418	137,102	21.4%	167,319	138,760	20.6%	-	-	-	(901)	(1,658)	-45.7%
Fee and commission expense	(55,100)	(43,535)	26.6%	(55,481)	(44,024)	26.0%	-	-	-	381	489	-22.1%
Net fee and commission income	111,318	93,567	19.0%	111,838	94,736	18.1%	-	-	-	(520)	(1,169)	-55.5%
Net foreign currency gain	74,773	50,967	46.7%	75,448	58,596	28.8%	-	-	-	(675)	(7,629)	-91.2%
Net other income	16,334	5,937	NMF	16,887	6,715	151.5%	-	-	-	(553)	(778)	-28.9%
Revenue	755,858	639,508	18.2%	755,457	649,023	16.4%	-	-	-	401	(9,515)	NMF
Salaries and other employee benefits	(156,430)	(140,850)	11.1%	(157,485)	(142,424)	10.6%	-	-	-	1,055	1,574	-33.0%
Administrative expenses	(82,644)	(66,612)	24.1%	(83,254)	(68,046)	22.3%	-	-	-	610	1,434	-57.5%
Depreciation and amortisation	(34,077)	(30,460)	11.9%	(34,077)	(30,460)	11.9%	-	-	-	-	-	-
Other operating expenses	(2,844)	(2,263)	25.7%	(2,844)	(2,263)	25.7%	-	-	-	-	-	-
Operating expenses	(275,995)	(240,185)	14.9%	(277,660)	(243,193)	14.2%	-	-	-	1,665	3,008	-44.6%
Profit from associates	1,021	1,055	-3.2%	1,021	1,055	-3.2%	-	-	-	-	-	-
Operating income before cost of credit risk	480,884	400,378	20.1%	478,818	406,885	17.7%	-	-	-	2,066	(6,507)	NMF
Expected credit loss / impairment charge on loans to customers	(124,818)	(113,299)	10.2%	(124,818)	(113,299)	10.2%	-	-	-	-	-	-
Expected credit loss / impairment charge on finance lease receivables	(678)	(988)	-31.4%	(678)	(988)	-31.4%	-	-	-	-	-	-
Other expected credit loss / impairment charge on other assets and provisions	(5,053)	(10,582)	-52.2%	(5,053)	(10,582)	-52.2%	-	-	-	-	-	-
Cost of credit risk	(130,549)	(124,869)	4.5%	(130,549)	(124,869)	4.5%	-	-	-	-	-	-
Profit before non-recurring items and income tax	350,335	275,509	27.2%	348,269	282,016	23.5%	-	-	-	2,066	(6,507)	NMF
Net non-recurring items	(50,570)	(4,087)	NMF	(50,742)	(4,087)	NMF	-	-	-	172	-	-
Profit before income tax	299,765	271,422	10.4%	297,527	277,929	7.1%	-	-	-	2,238	(6,507)	NMF
Income tax expense	(45,328)	(15,541)	NMF	(45,328)	(15,541)	NMF	-	-	-	-	-	-
Profit from continuing operations	254,437	255,881	-0.6%	252,199	262,388	-3.9%	-	-	-	2,238	(6,507)	NMF
Profit from discontinued operations	107,899	88,758	21.6%	-	-	-	110,137	82,251	33.9%	(2,238)	6,507	NMF
Profit	362,336	344,639	5.1%	252,199	262,388	-3.9%	110,137	82,251	33.9%	-	-	-
Attributable to:												
– shareholders of the Group	343,130	323,885	5.9%	251,208	261,146	-3.8%	91,922	62,739	46.5%	-	-	-
– non-controlling interests	19,206	20,754	-7.5%	991	1,242	-20.2%	18,215	19,512	-6.6%	-	-	-
Profit from continuing operations attributable to:												
– shareholders of the Group	253,446	254,639	-0.5%	251,208	261,146	-3.8%	-	-	-	2,238	(6,507)	NMF
– non-controlling interests	991	1,242	-20.2%	991	1,242	-20.2%	-	-	-	-	-	-
Profit from discontinued operations attributable to:												
– shareholders of the Group	89,684	69,246	29.5%	-	-	-	91,922	62,739	46.5%	(2,238)	6,507	NMF
– non-controlling interests	18,215	19,512	-6.6%	-	-	-	18,215	19,512	-6.6%	-	-	-
Earnings per share (basic)	7.93	8.56	-7.4%									
– earnings per share from continuing operations	5.86	6.73	-12.9%									
– earnings per share from discontinued operations	2.07	1.83	13.1%									
Earnings per share (diluted)	7.84	8.20	-4.4%									
– earnings per share from continuing operations	5.79	6.45	-10.2%									
– earnings per share from discontinued operations	2.05	1.75	17.1%									



BANK OF GEORGIA GROUP BALANCE SHEET



<i>GEL thousands, unless otherwise noted</i>	Bank of Georgia Group Consolidated					Banking Business					Discontinued Operations					Eliminations		
	Sep-18	Sep-17	Change y-o-y	Jun-18	Change q-o-q	Sep-18	Sep-17	Change y-o-y	Jun-18	Change q-o-q	Sep-18	Sep-17	Change y-o-y	Jun-18	Change q-o-q	Sep-18	Sep-17	Jun-18
Cash and cash equivalents	1,237,867	1,721,811	-28.1%	1,546,863	-20.0%	1,237,867	1,648,098	-24.9%	1,546,863	-20.0%	-	345,137	NMF	-	-	-	(271,424)	-
Amounts due from credit institutions	1,398,061	985,120	41.9%	993,862	40.7%	1,398,061	950,775	47.0%	993,862	40.7%	-	60,565	NMF	-	-	-	(26,220)	-
Investment securities	2,060,880	1,421,401	45.0%	1,725,692	19.4%	2,060,880	1,469,274	40.3%	1,725,692	19.4%	-	33,914	NMF	-	-	-	(81,787)	-
Loans to customers and finance lease receivables	8,724,825	6,917,211	26.1%	8,078,132	8.0%	8,724,825	6,951,493	25.5%	8,078,132	8.0%	-	-	-	-	-	-	(34,282)	-
Accounts receivable and other loans	3,256	177,658	-98.2%	4,878	-33.3%	3,256	7,681	-57.6%	4,878	-33.3%	-	174,493	NMF	-	-	-	(4,516)	-
Insurance premiums receivable	-	53,998	NMF	-	-	-	-	-	-	-	-	54,326	NMF	-	-	-	(328)	-
Prepayments	48,444	164,911	-70.6%	74,238	-34.7%	48,444	54,808	-11.6%	74,238	-34.7%	-	110,135	NMF	-	-	-	(32)	-
Inventories	18,598	230,661	-91.9%	11,085	67.8%	18,598	20,893	-11.0%	11,085	67.8%	-	209,768	NMF	-	-	-	-	-
Investment property	216,715	319,059	-32.1%	218,224	-0.7%	216,715	175,071	23.8%	218,224	-0.7%	-	148,323	NMF	-	-	-	(4,335)	-
Property and equipment	315,980	1,501,735	-79.0%	313,627	0.8%	315,980	309,769	2.0%	313,627	0.8%	-	1,187,631	NMF	-	-	-	4,335	-
Goodwill	33,351	159,570	-79.1%	33,351	0.0%	33,351	33,351	0.0%	33,351	0.0%	-	126,219	NMF	-	-	-	-	-
Intangible assets	85,247	79,573	7.1%	61,462	38.7%	85,247	53,939	58.0%	61,462	38.7%	-	25,634	NMF	-	-	-	-	-
Income tax assets	28,237	6,826	NMF	21,792	29.6%	28,237	1,582	NMF	21,792	29.6%	-	5,244	NMF	-	-	-	-	-
Other assets	105,882	188,239	-43.8%	125,615	-15.7%	105,882	102,984	2.8%	125,615	-15.7%	-	92,038	NMF	-	-	-	(6,783)	-
Total assets	14,277,343	13,927,773	2.5%	13,208,821	8.1%	14,277,343	11,779,718	21.2%	13,208,821	8.1%	-	2,573,427	NMF	-	-	-	(425,372)	-
Client deposits and notes	7,932,536	6,252,228	26.9%	7,174,234	10.6%	7,932,536	6,549,904	21.1%	7,174,234	10.6%	-	-	-	-	-	-	(297,676)	-
Amounts due to credit institutions	3,006,739	2,774,525	8.4%	2,740,595	9.7%	3,006,739	2,350,438	27.9%	2,740,595	9.7%	-	459,158	NMF	-	-	-	(35,071)	-
Debt securities issued	1,578,532	1,691,260	-6.7%	1,527,452	3.3%	1,578,532	1,298,641	21.6%	1,527,452	3.3%	-	479,142	NMF	-	-	-	(86,523)	-
Accruals and deferred income	35,977	160,530	-77.6%	33,397	7.7%	35,977	31,332	14.8%	33,397	7.7%	-	132,783	NMF	-	-	-	(3,585)	-
Insurance contracts liabilities	-	77,695	NMF	-	-	-	-	-	-	-	-	77,695	NMF	-	-	-	-	-
Income tax liabilities	37,716	16,166	133.3%	43,326	-12.9%	37,716	14,697	156.6%	43,326	-12.9%	-	1,469	NMF	-	-	-	-	-
Other liabilities	52,495	326,686	-83.9%	52,231	0.5%	52,495	47,660	10.1%	52,231	0.5%	-	281,543	NMF	-	-	-	(2,517)	-
Total liabilities	12,643,995	11,299,090	11.9%	11,571,235	9.3%	12,643,995	10,292,672	22.8%	11,571,235	9.3%	-	1,431,790	NMF	-	-	-	(425,372)	-
Share capital	1,618	1,151	40.6%	1,790	-9.6%	1,618	1,151	40.6%	1,790	-9.6%	-	-	-	-	-	-	-	-
Additional paid-in capital	464,960	138,144	NMF	463,130	0.4%	464,960	-	-	463,130	0.4%	-	138,144	NMF	-	-	-	-	-
Treasury shares	(44)	(54)	-18.5%	(41)	7.3%	(44)	(54)	-18.5%	(41)	7.3%	-	-	-	-	-	-	-	-
Other reserves	34,282	124,092	-72.4%	26,268	30.5%	34,282	(49,407)	NMF	26,268	30.5%	-	173,499	NMF	-	-	-	-	-
Retained earnings	1,125,385	2,065,239	-45.5%	1,139,285	-1.2%	1,125,385	1,528,751	-26.4%	1,139,285	-1.2%	-	536,488	NMF	-	-	-	-	-
Total equity attributable to shareholders of the Group	1,626,201	2,328,572	-30.2%	1,630,432	-0.3%	1,626,201	1,480,441	9.8%	1,630,432	-0.3%	-	848,131	NMF	-	-	-	-	-
Non-controlling interests	7,147	300,111	-97.6%	7,154	-0.1%	7,147	6,605	8.2%	7,154	-0.1%	-	293,506	NMF	-	-	-	-	-
Total equity	1,633,348	2,628,683	-37.9%	1,637,586	-0.3%	1,633,348	1,487,046	9.8%	1,637,586	-0.3%	-	1,141,637	NMF	-	-	-	-	-
Total liabilities and equity	14,277,343	13,927,773	2.5%	13,208,821	8.1%	14,277,343	11,779,718	21.2%	13,208,821	8.1%	-	2,573,427	NMF	-	-	-	(425,372)	-
Book value per share	34.12	62.06	-45.0%	34.12	0.0%													



BNB FINANCIAL HIGHLIGHTS



INCOME STATEMENT, HIGHLIGHTS

GEL thousands, unless otherwise stated

	3Q18	3Q17	Change y-o-y	2Q18	Change q-o-q	9M18	9M17	Change y-o-y
Net interest income	6,525	6,729	-3.0%	6,354	2.7%	19,423	23,376	-16.9%
Net fee and commission income	1,669	2,287	-27.0%	2,503	-33.3%	6,449	6,915	-6.7%
Net foreign currency gain	3,885	2,780	39.7%	4,182	-7.1%	11,344	7,396	53.4%
Net other income	105	212	-50.5%	192	-45.3%	414	478	-13.4%
Revenue	12,184	12,008	1.5%	13,231	-7.9%	37,630	38,165	-1.4%
Operating expenses	(7,571)	(7,846)	-3.5%	(8,184)	-7.5%	(23,476)	(21,480)	9.3%
Operating income before cost of credit risk	4,613	4,162	10.8%	5,047	-8.6%	14,154	16,685	-15.2%
Cost of credit risk	(718)	300	NMF	(2,305)	-68.9%	(3,740)	(8,575)	-56.4%
Net non-recurring items	(3)	-	NMF	(5)	-40.0%	(709)	(55)	NMF
Profit before income tax	3,892	4,462	-12.8%	2,737	42.2%	9,705	8,055	20.5%
Income tax expense	(885)	(728)	21.6%	(721)	22.7%	(2,383)	(1,381)	72.6%
Profit	3,007	3,734	-19.5%	2,016	49.2%	7,322	6,674	9.7%

BALANCE SHEET, HIGHLIGHTS

GEL thousands, unless otherwise stated

	Sep-18	Sep-17	Change y-o-y	Jun-18	Change q-o-q
Cash and cash equivalents	65,808	105,475	-37.6%	86,932	-24.3%
Amounts due from credit institutions	11,469	10,146	13.0%	10,719	7.0%
Investment securities	109,798	120,521	-8.9%	38,815	NMF
Loans to customers and finance lease receivables	394,749	380,326	3.8%	394,502	0.1%
Other assets	42,038	28,468	47.7%	40,833	3.0%
Total assets	623,862	644,936	-3.3%	571,801	9.1%
Client deposits and notes	363,233	316,414	14.8%	297,756	22.0%
Amounts due to credit institutions	146,932	221,712	-33.7%	161,332	-8.9%
Debt securities issued	28,825	29,685	-2.9%	32,453	-11.2%
Other liabilities	4,433	4,827	-8.2%	3,723	19.1%
Total liabilities	543,423	572,638	-5.1%	495,264	9.7%
Total equity	80,439	72,298	11.3%	76,537	5.1%
Total liabilities and equity	623,862	644,936	-3.3%	571,801	9.1%



BANKING BUSINESS KEY RATIOS



	3Q18	3Q17	2Q18	9M18	9M17
Profitability					
ROAA, Annualised **	3.0%	3.2%	3.1%	3.1%	3.2%
ROAE, Annualised **	25.8%	25.1%	25.2%	25.7%	24.3%
<i>RB ROAE **</i>	29.4%	34.1%	30.5%	30.5%	29.7%
<i>CIB ROAE **</i>	22.5%	13.3%	20.0%	20.8%	17.4%
Net Interest Margin, Annualised	6.4%	7.3%	6.9%	6.8%	7.3%
<i>RB NIM</i>	7.2%	8.5%	8.0%	7.8%	8.6%
<i>CIB NIM</i>	3.4%	3.5%	3.5%	3.4%	3.4%
Loan Yield, Annualised	13.5%	14.3%	14.0%	13.8%	14.2%
<i>RB Loan Yield</i>	14.9%	16.3%	15.8%	15.5%	16.2%
<i>CIB Loan Yield</i>	10.8%	10.6%	10.4%	10.3%	10.6%
Liquid Assets Yield, Annualised	3.8%	3.5%	3.8%	3.7%	3.4%
Cost of Funds, Annualised	5.0%	4.8%	5.0%	5.0%	4.7%
Cost of Client Deposits and Notes, Annualised	3.6%	3.5%	3.6%	3.5%	3.5%
<i>RB Cost of Client Deposits and Notes</i>	2.8%	2.9%	2.9%	2.8%	3.0%
<i>CIB Cost of Client Deposits and Notes</i>	4.4%	3.9%	4.1%	4.1%	3.9%
Cost of Amounts Due to Credit Institutions, Annualised	7.4%	6.5%	7.2%	7.1%	6.4%
Cost of Debt Securities Issued	7.8%	7.9%	7.7%	7.8%	7.2%
Operating Leverage, Y-O-Y	5.6%	-2.6%	3.8%	2.2%	1.0%
Operating Leverage, Q-O-Q	1.3%	-0.4%	0.2%	0.0%	0.0%
Efficiency					
Cost / Income	36.4%	38.2%	36.9%	36.8%	37.5%
<i>RB Cost / Income</i>	36.8%	37.8%	36.6%	36.6%	38.1%
<i>CIB Cost / Income</i>	30.5%	34.5%	31.4%	31.4%	32.4%
Liquidity					
NBG Liquidity Ratio	32.5%	44.4%	30.2%	32.5%	44.4%
Liquid Assets To Total Liabilities	37.1%	39.5%	36.9%	37.1%	39.5%
Net Loans To Client Deposits and Notes	110.0%	106.1%	112.6%	110.0%	106.1%
Net Loans To Client Deposits and Notes + DFIs	94.9%	90.0%	96.9%	94.9%	90.0%
Leverage (Times)	7.7	6.9	7.1	7.7	6.9
Asset Quality:					
NPLs (in GEL)	265,875	297,134	247,861	265,875	297,134
NPLs To Gross Loans To Clients	3.0%	4.1%	3.0%	3.0%	4.1%
NPL Coverage Ratio	102.9%	93.6%	110.5%	102.9%	93.6%
NPL Coverage Ratio, Adjusted for discounted value of collateral	141.4%	132.8%	147.2%	141.4%	132.8%
Cost of Risk, Annualised	2.2%	2.0%	1.7%	2.0%	2.2%
<i>RB Cost of Risk</i>	2.7%	2.0%	2.2%	2.5%	2.8%
<i>CIB Cost of Risk</i>	1.5%	2.3%	0.6%	1.2%	1.0%
Capital Adequacy:					
NBG (Basel III) Tier I Capital Adequacy Ratio	11.0%	n/a	12.5%	11.0%	n/a
NBG (Basel III) Total Capital Adequacy Ratio	15.9%	n/a	17.5%	15.9%	n/a

KEY OPERATING DATA



	Sep-18	Sep-17	Jun-18
Selected Operating Data:			
Total Assets Per FTE	1,956	1,732	1,817
Number Of Active Branches, Of Which:	285	283	284
- Express Branches (including Metro)	169	153	168
- Bank of Georgia Branches	104	119	104
- Solo Lounges	12	11	12
Number Of ATMs	858	829	856
Number Of Cards Outstanding, Of Which:	2,192,870	2,176,761	2,235,122
- Debit cards	1,603,960	1,431,859	1,607,087
- Credit cards	588,910	744,902	628,035
Number Of POS Terminals	13,419	11,997	12,816
FX Rates:			
GEL/US\$ exchange rate (period-end)	2.6151	2.4767	2.4516
GEL/GBP exchange rate (period-end)	3.4130	3.3158	3.2209
	Sep-18	Sep-17	Jun-18
Full Time Employees, Group, Of Which:	7,300	6,801	7,270
- Full Time Employees, BOG Standalone	5,709	5,293	5,689
- Full Time Employees, BNB	705	679	699
- Full Time Employees, BB other	886	829	882
	Sep-18	Sep-17	Jun-18
Shares Outstanding			
Ordinary Shares	47,656,452	37,520,410	47,779,684
Treasury Shares	1,512,978	1,864,302	1,389,746
Total Shares Outstanding	49,169,430	39,384,712	49,169,430

EXPRESS BANKING



1 169 Express Branches



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

3 3,054 Express Pay Terminals



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



2 989,171 Express Cards for Transport payments



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

4 13,418 POS Terminals at 5,357 Merchants

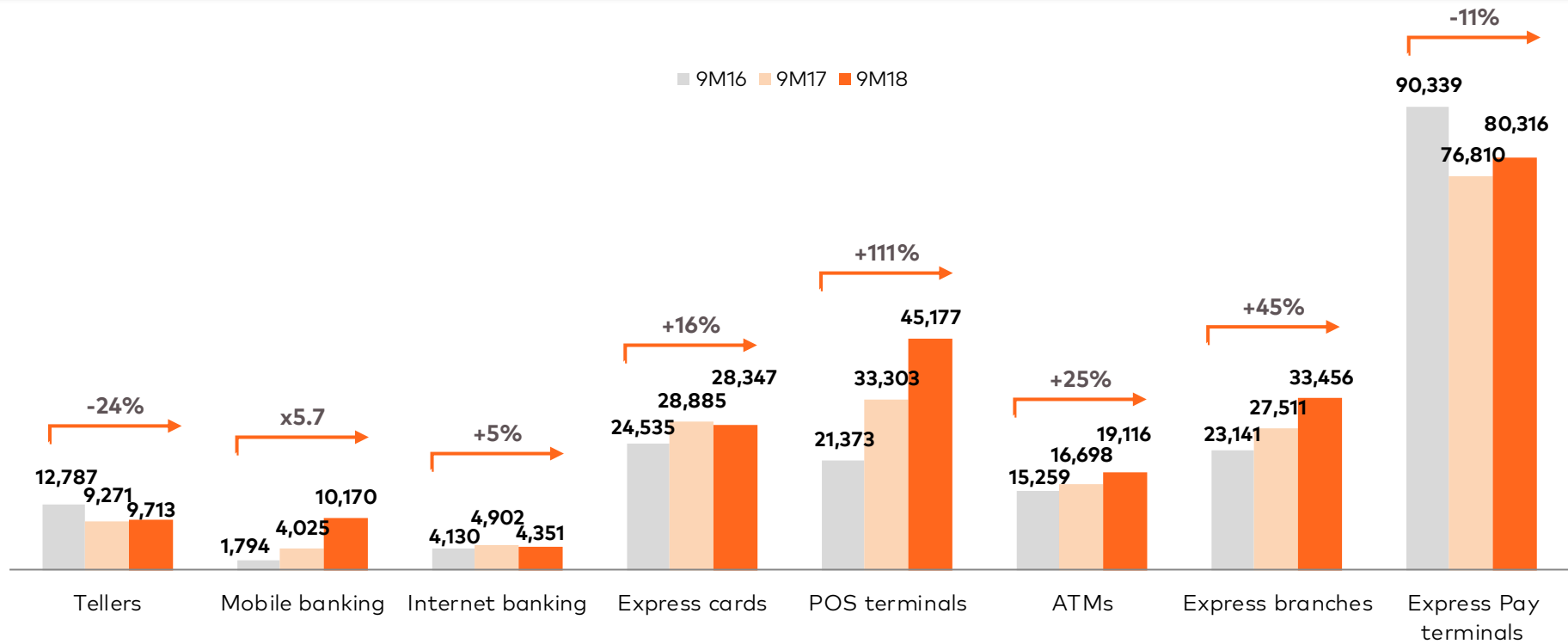


- Payments via cards and Express points
- P2P transactions between merchant and supplier
- Credit limit with 0% interest rate

EXPRESS - CAPTURING EMERGING MASS MARKET CUSTOMERS



Number of Transactions '000s



SOLO - A FUNDAMENTALLY DIFFERENT APPROACH TO PREMIUM BANKING



The target of **40,000 Solo clients** (currently 41,720) already achieved ahead of time. We target growth through increasing engagement of existing clients and maximising the **Profit per client** and **Product per client** measures.

SOLO Lounges



New Solo offers:

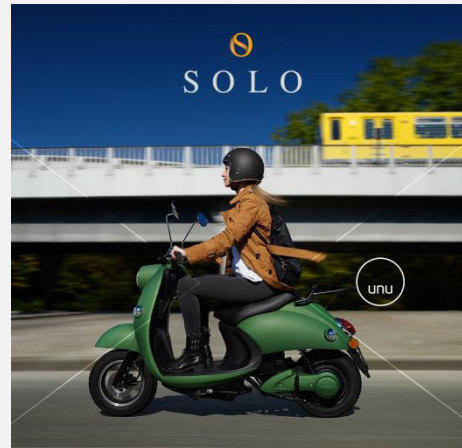
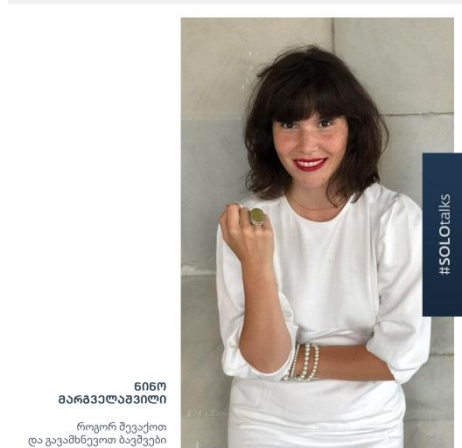
- Tailor made banking solutions
- New financial products such as bonds
- Concierge-style environment
- Access to exclusive products and events
- Lifestyle opportunities



Solo Club

Launched in 2Q17, a membership group within Solo, which offers exclusive access to Solo products and offers ahead of other Solo clients, continues to increase its client base. At 30 September 2018, Solo Club had 3,552 members, up 10.3% q-o-q

SOLO – EDUCATION, TRAVEL, HEALTH, ENTERTAINMENT



RETAIL BANKING – CLIENT-CENTRIC MODEL



- As of 30 September 2018, we have 82 branches operating on our client-centric model
- Outstanding growth in sales volumes and the number of products sold to clients in transformed client-centric branches



LOALTY PROGRAMME

Relationship brings a PLUS⁺

- **Status levels** can be achieved by using multiple banking products
- **Points** are collected through different interactions with the bank
- Status level qualifies clients for **exclusive benefits**
- Points can be **easily redeemed** for specific rewards

Programme
members
1.3mln

Programme
partners
121

Social
campaigns
per month
5

Active
special
offers
364

Transactions
with
Plus points
120k

Partners:



NOTES TO KEY RATIOS



- **Return on average total assets (ROAA)** equals Banking Business Profit for the period divided by monthly average total assets for the same period;
- **Return on average total equity (ROAE)** equals Banking Business Profit for the period attributable to shareholders of the Group divided by monthly average equity attributable to shareholders of the Group for the same period;
- **Net Interest Margin** equals Net Banking Interest Income for the period divided by monthly Average Interest Earning Assets Excluding Cash for the same period; Interest Earning Assets Excluding Cash comprise: Amounts Due From Credit Institutions, Investment Securities (but excluding corporate shares) and net Loans To Customers And Finance Lease Receivables;
- **Loan Yield** equals Banking Interest Income From Loans To Customers And Finance Lease Receivables divided by monthly Average Gross Loans To Customers And Finance Lease Receivables;
- **Cost of Funds** equals Banking interest expense of the period divided by monthly average interest bearing liabilities; interest bearing liabilities include: amounts due to credit institutions, client deposits and notes and debt securities issued;
- **Operating Leverage** equals percentage change in revenue less percentage change in operating expenses;
- **Cost / Income Ratio** equals operating expenses divided by revenue;
- **NBG liquidity ratio** equals daily average liquid assets (as defined by NBG) during the months divided by daily average liabilities (as defined by NBG) during the months;
- **Liquid assets** include: cash and cash equivalents, amounts due from credit institutions and investment securities;
- **Liquidity Coverage Ratio** equals high quality liquid assets (as defined by NBG) divided by net cash outflow over the next 30 days (as defined by NBG);
- **Leverage (Times)** equals total liabilities divided by total equity;
- **NPL Coverage Ratio** equals allowance for impairment of loans and finance lease receivables divided by NPLs;
- **NPL Coverage Ratio adjusted for discounted value of collateral** equals allowance for impairment of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for impairment);
- **Cost of Risk** equals expected loss/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;
- **NBG (Basel III) Tier I Capital Adequacy ratio** equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **NBG (Basel III) Total Capital Adequacy ratio** equals total regulatory capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **NMF** – Not meaningful



BANK OF GEORGIA GROUP PLC COMPANY INFORMATION



Registered Address

84 Brook Street
London W1K 5EH
United Kingdom

Registered under number 10917019 in England and Wales

Secretary

Link Company Matters Limited
65 Gresham Street
London EC2V 7NQ
United Kingdom

Stock Listing

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

Contact Information

Bank of Georgia Group PLC Investor Relations
Telephone: +44 (0) 203 178 4052; +995 322 444444 (9282)
E-mail: ir@bog.ge
www.bankofgeorgiagroup.com

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY
United Kingdom

Registrar

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

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

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

Share price information

Shareholders can access both the latest and historical prices via the website,
www.bankofgeorgiagroup.com

