



BANK OF GEORGIA
HOLDINGS PLC

Capturing Growth Opportunities

Investor Presentation: 2Q15 & 1H15 results

Disclaimer

Forward Looking Statements

This presentation contains forward-looking statements that are based on current beliefs or expectations, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and JSC Bank of Georgia and/or the Bank of Georgia Holdings' plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

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

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Bank of Georgia Holdings PLC | Overview

Results Discussion | Bank of Georgia Holdings PLC

Results Discussion | Banking Business

Results Discussion | Segments

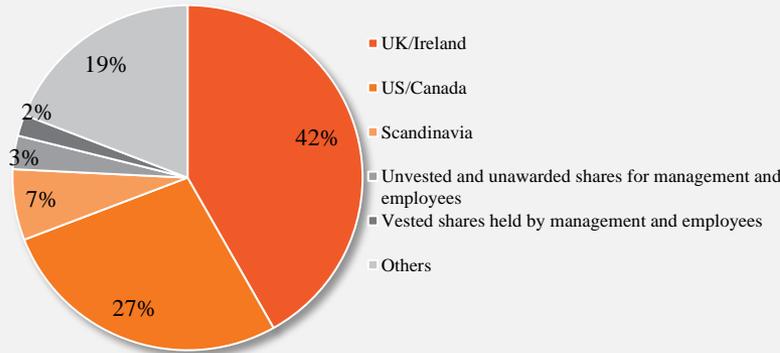
Georgian Macro Overview

Appendices

BGH | Shareholder structure and share price

▶ BGH shareholder structure

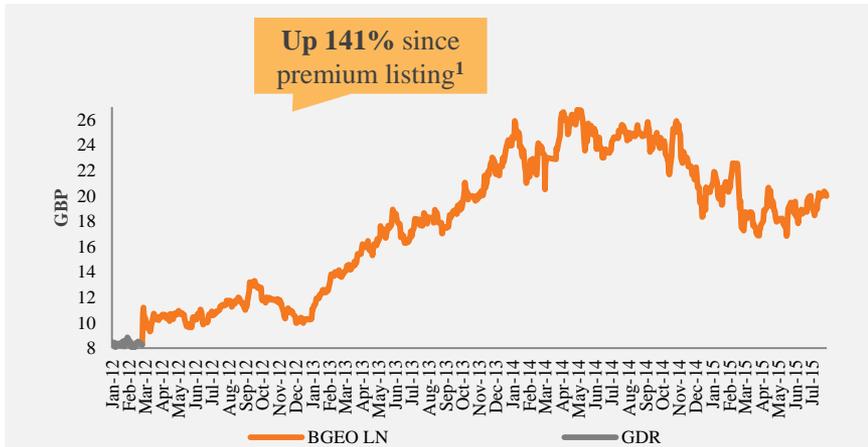
As of 30 June 2015



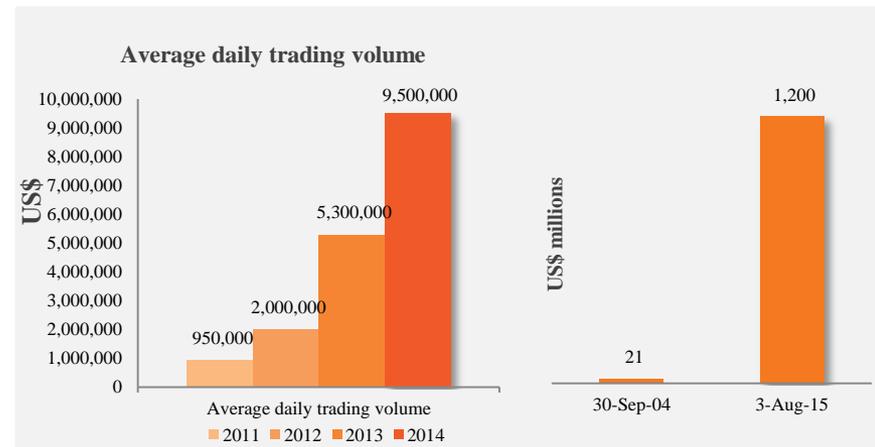
Note: Bank of Georgia Holdings PLC (BGH) (LSE: BGEO) is a UK-incorporated holding company of JSC Bank of Georgia

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

▶ Share price performance



▶ x50 growth in market capitalisation



BGH at a glance

Group Structure



In August Bank of Georgia completed its legal restructuring in accordance with the National Bank of Georgia's intention to regulate banks in Georgia on a standalone basis and thereby limit investments in non-banking subsidiaries by locally regulated banking entities.

Banking Business



Retail Banking

#1 Retail Bank in Georgia

- 1.9mln retail clients
- 246 branches
- 685 ATMs
- 2,284 Express Pay terminals
- 7,668 POS terminals
- 928,999 Express cards
- 1.9mln cards
- GEL 2,623.6mln net loans
- GEL 1,736.5mln client deposits

Corporate Banking

#1 Corporate Bank in Georgia

- 5k clients
- GEL 2,174.1mln loans
- GEL 1,371.9mln client deposits

Investment Management

- Wealth management, research, advisory, brokerage, private equity
- AUM of GEL 1,231.4mln
- WM client deposits GEL 904.8mln

Other Banking Businesses

P&C Insurance

Leasing

Payment Services

IB

BNB

Plans to divest from BNB

Investment Business



Healthcare Business

#1 Healthcare company in Georgia

- Revenue oGEL 107.4mln in 1H15
- EBITDA 23.1mln

Healthcare services

- 41 healthcare facilities
- 2,220 beds
- Over 2/3 of population covered
- Market share of 22.1% by beds, HTMC acquisition increased to 26.6%

Health insurance

- 38.3% market share
- Insuring 256k people



Real Estate Business

#1 Real Estate company in Georgia

- 2 completed projects and 4 under construction
- Total sales of 1,376 apartments US\$115.8mln since 2011, of which US\$58.9 mln to be recognised upon completion of projects
- 99% sale in completed projects
- 72% pre-sales for ongoing 4 projects
- Total BOG mortgages sold GEL 66.3mln



Utilities (GGU)

Major player on the market

- Provides water and wastewater services to 1.4mln people (1/3 of Georgia)
- Operates 3 hydro facilities with 143MW capacity
- Acquired 25% share with an option to acquire additional 24.9%
- 2014 EBITDA of GEL51.6mln¹
- GGU profit (BOG share) of GEL 2.0 mln in 2Q15 and GEL 0.7 mln in 1H15

BGH | Updated our strategy from 3x20 to 4x20

Earlier Strategy

Leading Georgian bank with investments in non-core sectors with a divestment strategy

1 ROAE c.20%

2 TIER I c.20%

3 Growth c.20%

Dividend Policy:

- Payout Ratio 25-40%
- One-off dividends from divestments over time

Capital Allocation, 1H15 (GELm)

21.6%

14.2%

557

544

RB

CB

RoAE

Underpenetrated Retail Banking Sector Provides Room for Further Growth¹

21.0%

19.6%

21.8%

Retail Loans / GDP

Corporate Loans / GDP

External corporate indebtedness

Current Strategy – Georgia Focused Banking Group with an Investment Arm

Banking Business

1 ROE c.20%

- ROAE of 19.3% in 2Q15
- ROAE of 19.3% in 1H15

2 Tier I c.20%

- Strong internal cash generation to support loan growth without compromising capital ratios
- Tier I ratio of 20.4% as of 30 Jun 2015

3 Growth c.20%

- Aiming 20% growth in retail banking business
- 19.8% y-o-y constant currency growth excluding Privatbank as of 30 Jun 2015

Investment Business

4 Min. IRR of 20%

- Target investments with min. 20% IRR and partial or full exit in max 6 years

Investment Approach

Highly disciplined approach to unlock value through selective investments in Georgia, which have a well defined exit path

- Opportunistic investments
- Staging and small capital commitments
- EBITDA potential of at least GEL60m (c.US\$30m) in 3-4 years
- Clear exit path

	Target	Current contribution	Target	Current contribution
Profit Contribution	At least 80%	2Q15: GEL 61mln or 85%	Up to 20%	2Q15: GEL 11mln or 15%

Ongoing Dividends

For 2014, paid dividend of GEL 2.10 per share, a 5.0% y-o-y increase implying 31.2% payout ratio

- **Recurring:** linked to recurring profit from banking business
- Aiming 25-40% dividend payout ratio

- Aiming for at least 3 **special dividends** in next 5 years, representing at least 50% of regular dividend from banking business

BGH | Robust corporate governance compliant with UK Corporate Governance Code

Board of Directors of Bank of Georgia Holdings PLC

8 non-executive Supervisory Board members; 8 Independent members, including the Chairman and Vice Chairman



- **Neil Janin**, Chairman of the Supervisory Board, Independent Director
experience: formerly director at McKinsey & Company in Paris; formerly co-chairman of the commission of the French Institute of Directors (IFA); formerly Chase Manhattan Bank (now JP Morgan Chase) in New York and Paris; Procter & Gamble in Toronto



- **Hanna Loikkanen**, Independent Director
experience: Currently advisor to Representative office of East Capital international; previously: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB



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



- **Kaha Kiknavelidze**, Independent Director
experience: currently managing partner of Rioni Capital, London based investment fund; previously Executive Director of Oil and Gas research team for UBS



- **David Morrison**, Chairman of the Audit Committee, Vice Chairman of the Supervisory Board, Independent Director
experience: senior partner at Sullivan & Cromwell LLP prior to retirement



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



- **Al Breach**, Chairman of the Remuneration Committee, Independent Director
experience: Head of Research, Strategist & Economist at UBS; Russia and CIS economist at Goldman Sachs



- **Bozidar Djelic**, Independent Director
experience: EBRD's 'Transition to Transition' senior advisory group, Deputy Prime Minister of Serbia, Governor of World Bank Group and Deputy Governor of EBRD, Director at Credit Agricole



- **Kim Bradley**, Chairman of Risk Committee, Independent Director
experience: Goldman Sachs AM, Senior Executive at GE Capital, President of Societa Gestione Crediti, Board Chairman at Archon Capital Deutschland

BGH | New Management Structure

▶ Bank of Georgia Holdings PLC – No changes

New Holding Company – BGEO group



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



Archil Gachechiladze, Group CFO and Deputy CEO, Investment Management of JSC Bank of Georgia; *formerly Deputy CEO in charge of Corporate Banking, Deputy CEO of TBC Bank, Georgia; Lehman Brothers Private Equity, London; MBA from Cornell University*



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

▶ Georgia Healthcare Group



Nikoloz Gamkrelidze, CEO, Georgia Healthcare Group; *previously Group CFO, CEO of Aldagi BCI and JSC My Family Clinic; World Bank Health Development Project; Masters degree in International Health Management from Imperial College London, Tanaka Business School*

▶ m2 Real Estate



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

▶ JSC Bank of Georgia



Murtaz Kikoria, CEO of Bank of Georgia; *previously CEO of Group's healthcare business; c.20 years banking experience including various senior positions at Bank of Georgia Group, Senior Banker at EBRD and Head of Banking Supervision at the National Bank of Georgia*



Mikheil Gomarteli, Deputy CEO, Retail Banking; *15 years work experience at BOG*



Sulkhvan Gvalia, Deputy CEO, Corporate Banking; *formerly Chief Risk Officer, c.20 years banking experience founder of TUB, Georgian bank acquired by BOG in 2004*



George Chiladze, Deputy CEO, Chief Risk Officer; *formerly Deputy CEO in Finance, Deputy CEO at Partnership Fund, Programme trading desk at Bear Stearns NY, Ph.D. in physics from John Hopkins University in Baltimore*



Levan Kulijanishvili, Chief Financial Officer *15 year of experience at BOG. Formerly Head of Security and Internal Audit at Bank of Georgia; Holds MBA from Grenoble School of Business, in Grenoble, France*



Tornike Gogichaishvili, Chief Operating Officer *Previously CEO of Aldagi and CFO of BG Bank, Ukraine; Holds Executive Diploma from Said Business School, Oxford*

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

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2Q15 P&L

QUARTERLY INCOME STATEMENT <i>GEL thousands</i>	BGH Consolidated					Banking Business*					Investment Business*				
	2Q15	2Q14	Change Y-O-Y	1Q15	Change Q-O-Q	2Q15	2Q14	Change Y-O-Y	1Q15	Change Q-O-Q	2Q15	2Q14	Change Y-O-Y	1Q15	Change Q-O-Q
Net banking interest income	122,789	82,513	48.8%	120,989	1.5%	126,403	83,779	50.9%	123,058	2.7%	-	-	-	-	-
Net fee and commission income	29,121	26,228	11.0%	26,854	8.4%	30,172	27,080	11.4%	28,090	7.4%	-	-	-	-	-
Net banking foreign currency gain	19,765	11,395	73.5%	18,962	4.2%	19,765	11,395	73.5%	18,962	4.2%	-	-	-	-	-
Net other banking income	2,481	2,241	10.7%	1,790	38.6%	2,810	2,433	15.5%	2,095	34.1%	-	-	-	-	-
Gross insurance profit	5,817	6,352	-8.4%	7,574	-23.2%	3,473	3,931	-11.7%	5,306	-34.5%	2,799	2,827	-1.0%	2,691	4.0%
Gross healthcare profit	18,099	13,627	32.8%	16,877	7.2%	-	-	-	-	-	18,099	13,627	32.8%	16,877	7.2%
Gross real estate profit	(41)	3,476	NMF	1,209	NMF	-	-	-	-	-	(41)	3,476	NMF	1,209	NMF
Gross other investment profit	4,734	3,498	35.3%	1,398	NMF	-	-	-	-	-	4,709	3,437	37.0%	1,543	NMF
Revenue	202,765	149,330	35.8%	195,653	3.6%	182,623	128,618	42.0%	177,511	2.9%	25,566	23,367	9.4%	22,320	14.5%
Operating expenses	(76,848)	(63,948)	20.2%	(76,058)	1.0%	(65,244)	(54,260)	20.2%	(65,277)	-0.1%	(12,381)	(10,333)	19.8%	(11,654)	6.2%
Operating income before cost of credit risk / EBITDA	125,917	85,382	47.5%	119,595	5.3%	117,379	74,358	57.9%	112,234	4.6%	13,185	13,034	1.2%	10,666	23.6%
Profit from associates	1,979	-	-	(1,310)	NMF	1,979	-	-	-	-	1,979	-	-	(1,310)	NMF
Depreciation and amortization of investment business	(2,579)	(2,256)	14.3%	(2,688)	-4.1%	-	-	-	-	-	(2,579)	(2,256)	14.3%	(2,688)	-4.1%
Net foreign currency gain (loss) from investment business	2,689	(1,433)	NMF	3,690	-27.1%	-	-	-	-	-	2,689	(1,433)	NMF	3,690	-27.1%
Interest income from investment business	622	(71)	NMF	617	0.8%	-	-	-	-	-	844	195	NMF	818	3.2%
Interest expense from investment business	(2,632)	(1,718)	53.2%	(2,463)	6.9%	-	-	-	-	-	(7,501)	(3,994)	87.8%	(5,969)	25.7%
Cost of credit risk	(41,867)	(13,846)	NMF	(41,841)	0.1%	(40,764)	(13,279)	NMF	(40,771)	0.0%	(1,103)	(567)	94.5%	(1,070)	3.1%
Profit	72,030	58,317	23.5%	62,339	15.5%	61,453	53,617	14.6%	58,810	4.5%	10,577	4,700	125.0%	3,529	199.7%
Earnings per share (basic, diluted)	1.84	1.64	12.2%	1.63	12.9%										

1H15 P&L

HALF-YEAR INCOME STATEMENT <i>GEL thousands</i>	BGH Consolidated			Banking Business*			Investment Business*		
	1H15	1H14	Change Y-O-Y	1H15	1H14	Change Y-O-Y	1H15	1H14	Change Y-O-Y
Net banking interest income	243,778	163,448	49.1%	249,461	166,231	50.1%	-	-	-
Net fee and commission income	55,975	46,062	21.5%	58,262	47,292	23.2%	-	-	-
Net banking foreign currency gain	38,727	22,700	70.6%	38,727	22,700	70.6%	-	-	-
Net other banking income	4,272	3,107	37.5%	4,906	3,420	43.5%	-	-	-
Gross insurance profit	13,391	16,058	-16.6%	8,777	8,190	7.2%	5,492	8,727	-37.1%
Gross healthcare profit	34,975	22,938	52.5%	-	-	-	34,975	22,938	52.5%
Gross real estate profit	1,168	9,579	-87.8%	-	-	-	1,168	9,659	-87.9%
Gross other investment profit	6,133	5,861	4.6%	-	-	-	6,253	5,741	8.9%
Revenue	398,419	289,753	37.5%	360,133	247,833	45.3%	47,888	47,065	1.7%
Operating expenses	(152,908)	(122,203)	25.1%	(130,520)	(103,775)	25.8%	(24,038)	(19,735)	21.8%
Operating income before cost of credit risk / EBITDA	245,511	167,550	46.5%	229,613	144,058	59.4%	23,850	27,330	-12.7%
Profit from associates	668	-	-	-	-	-	668	-	-
Depreciation and amortization of investment business	(5,266)	(4,485)	17.4%	-	-	-	(5,266)	(4,485)	17.4%
Net foreign currency gain (loss) from investment business	6,379	(1,849)	NMF	-	-	-	6,379	(1,849)	NMF
Interest income from investment business	1,239	732	69.3%	-	-	-	1,662	980	69.6%
Interest expense from investment business	(5,094)	(3,749)	35.9%	-	-	-	(13,469)	(7,835)	71.9%
Cost of credit risk	(83,708)	(27,163)	NMF	(81,536)	(26,080)	NMF	(2,172)	(1,083)	100.6%
Profit	134,369	111,982	20.0%	120,264	99,893	20.4%	14,105	12,089	16.7%
Earnings per share (basic)	3.47	3.15	10.2%						

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

BGH | Balance sheet highlights

30 June 2015 Balance Sheet

Balance Sheet	Bank of Georgia Holdings PLC					Banking Business					Investment Business				
	Jun-15	Jun-14	Change	Mar-15	Change	Jun-15	Jun-14	Change	Mar-15	Change	Jun-15	Jun-14	Change	Mar-15	Change
			Y-O-Y		Q-O-Q			Y-O-Y		Q-O-Q			Y-O-Y		Q-O-Q
Liquid assets	2,741,533	1,837,139	49.2%	2,427,226	12.9%	2,726,749	1,817,630	50.0%	2,402,308	13.5%	127,508	92,605	37.7%	199,209	-36.0%
Loans to customers and finance lease receivables	5,052,752	3,650,791	38.4%	5,156,386	-2.0%	5,142,221	3,714,213	38.4%	5,248,559	-2.0%	-	-	-	-	-
Accounts receivable and other loans	77,866	60,677	28.3%	73,315	6.2%	15,474	9,622	60.8%	13,063	18.5%	70,343	51,903	35.5%	64,947	8.3%
Insurance premiums receivable	58,142	52,043	11.7%	58,816	-1.1%	26,519	14,728	80.1%	22,337	18.7%	32,023	37,436	-14.5%	37,205	-13.9%
Prepayments	52,145	28,188	85.0%	42,748	22.0%	30,779	18,417	67.1%	24,969	23.3%	21,366	9,771	118.7%	17,779	20.2%
Inventories	131,534	90,489	45.4%	113,322	16.1%	10,379	6,689	55.2%	7,697	34.8%	121,155	83,800	44.6%	105,625	14.7%
Investment property	221,506	152,292	45.4%	194,623	13.8%	143,873	127,374	13.0%	128,376	12.1%	77,633	24,918	211.6%	66,247	17.2%
Property and equipment	669,153	534,289	25.2%	618,474	8.2%	338,858	293,626	15.4%	334,516	1.3%	330,295	240,663	37.2%	283,958	16.3%
Total assets	9,375,059	6,667,683	40.6%	9,030,053	3.8%	8,712,710	6,232,720	39.8%	8,447,951	3.1%	883,373	573,326	54.1%	864,053	2.2%
Client deposits and notes	4,104,417	3,074,710	33.5%	4,099,029	0.1%	4,212,822	3,148,729	33.8%	4,271,854	-1.4%	-	-	-	-	-
Amounts due to credit institutions	2,139,517	1,240,128	72.5%	1,780,636	20.2%	2,045,093	1,145,875	78.5%	1,694,668	20.7%	189,124	156,753	20.7%	181,773	4.0%
Debt securities issued	1,063,123	786,432	35.2%	1,026,689	3.5%	990,257	760,144	30.3%	962,587	2.9%	79,894	26,690	199.3%	66,964	19.3%
Accruals and deferred income	132,832	83,784	58.5%	124,344	6.8%	14,369	9,917	44.9%	20,949	-31.4%	118,463	73,867	60.4%	103,395	14.6%
Insurance contracts liabilities	73,001	60,537	20.6%	70,156	4.1%	42,910	25,890	65.7%	34,685	23.7%	30,091	34,647	-13.1%	35,471	-15.2%
Total liabilities	7,719,116	5,410,807	42.7%	7,329,905	5.3%	7,463,969	5,213,131	43.2%	7,163,763	4.2%	476,171	336,039	41.7%	448,093	6.3%
Total equity	1,655,943	1,256,876	31.8%	1,700,148	-2.6%	1,248,741	1,019,589	22.5%	1,284,188	-2.8%	407,202	237,287	71.6%	415,960	-2.1%
Book value per share	41.74	34.95	19.4%	42.71	-2.3%										

Key Ratios

Banking Business Ratios	2Q15	1Q15	2Q14	1H15	1H14
Profitability					
ROAA	2.9%	3.0%	3.5%	2.9%	3.3%
ROAE	19.3%	19.2%	21.0%	19.3%	19.3%
Net Interest Margin	7.6%	7.8%	7.4%	7.8%	7.5%
Loan Yield	14.6%	14.5%	14.3%	14.6%	14.5%
Cost of Funds	5.0%	5.0%	4.7%	5.0%	4.9%
Cost of Customer Funds	4.4%	4.4%	4.2%	4.4%	4.4%
Cost of Amounts Due to Credit Institutions	5.3%	5.2%	4.7%	5.3%	4.8%
Cost / Income	35.7%	36.8%	42.2%	36.2%	41.9%
NPLs To Gross Loans To Clients	4.1%	3.5%	3.8%	4.1%	3.8%
NPL Coverage Ratio	82.2%	74.2%	73.8%	82.2%	73.8%
NPL Coverage Ratio, adjusted for discounted value of collateral	115.1%	118.0%	116.1%	115.1%	116.1%
Cost of Risk	2.7%	3.1%	0.9%	2.9%	0.9%
Tier I capital adequacy ratio (BIS)	20.4%	19.9%	22.5%	20.4%	22.5%
Total capital adequacy ratio (BIS)	26.7%	23.9%	26.3%	26.7%	26.3%
Tier I capital adequacy ratio (New NBG, Basel II)	10.4%	9.8%	10.8%	10.4%	10.8%
Total capital adequacy ratio (New NBG, Basel II)	15.9%	12.9%	14.0%	15.9%	14.0%

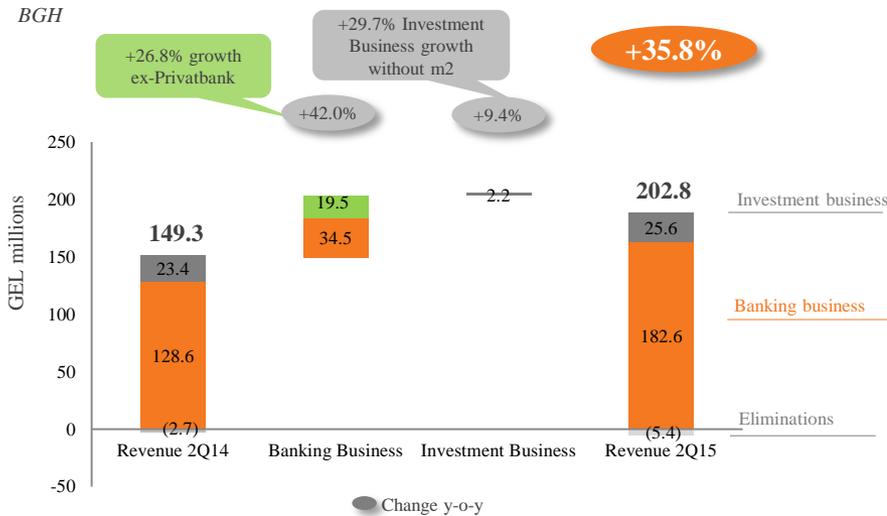
Note reporting format change

Effective 1Q15, we have changed our reporting format to reflect our recently updated strategy. As a result, we now present our consolidated Group financial statements as a combination of our Banking Business and Investment Business, with corresponding interbusiness eliminations.

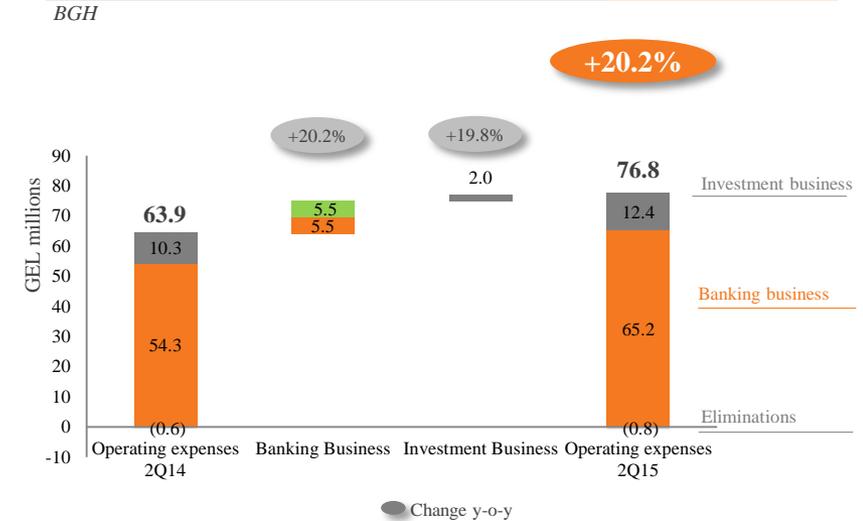
- Banking Business** comprises: Retail Banking, Corporate Banking, Investment Management, P&C insurance, and Belarusky Narodny Bank ("BNB")
- Investment Business** comprises: Healthcare Business (GHG) including healthcare services ("Evex") and health insurance ("Imedi L"), Real Estate Business (m² Real Estate), Water & Utility Business (GGU) other legacy investments (including wine subsidiary Teliani Valley)

BGH | Strong revenue growth, with positive operating leverage

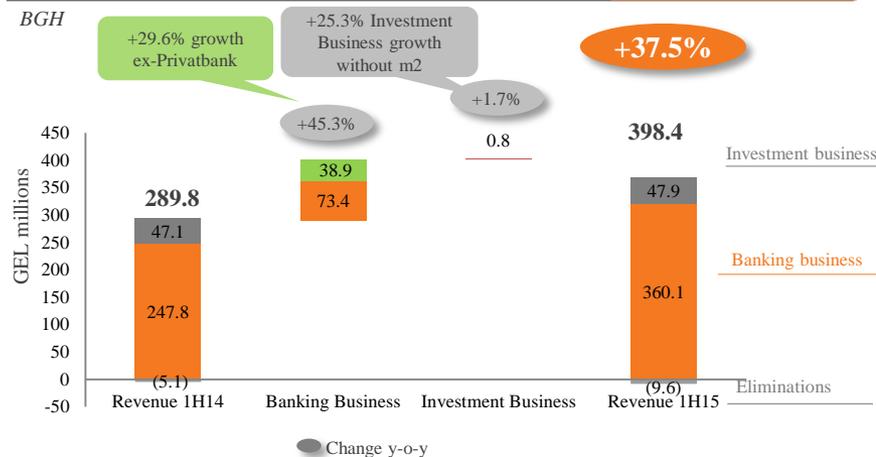
Revenue, quarterly



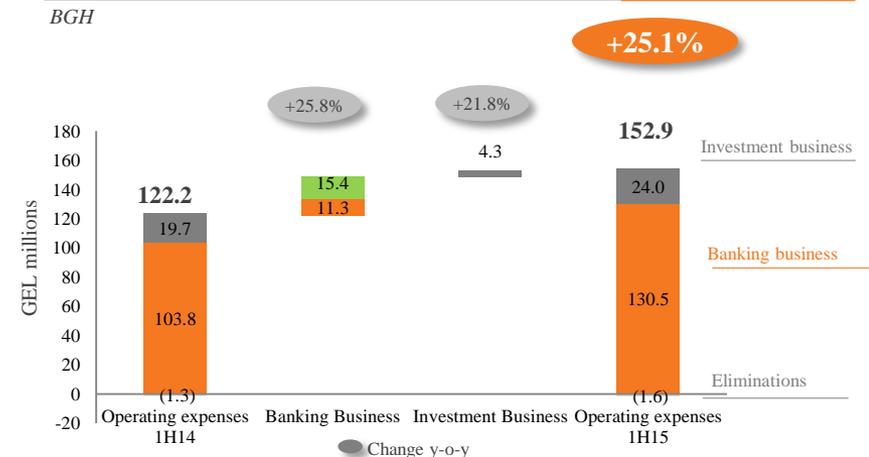
Operating Expenses, quarterly



Revenue, half-year



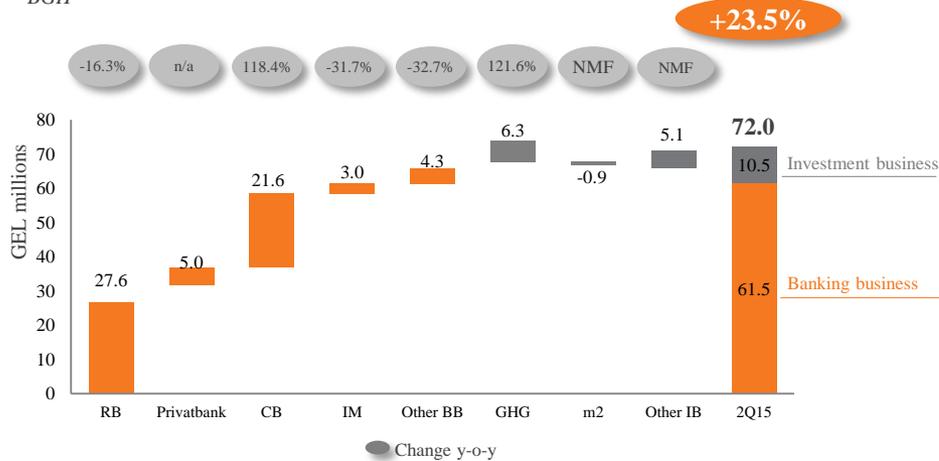
Operating Expenses, half-year



BGH | Strong profitability

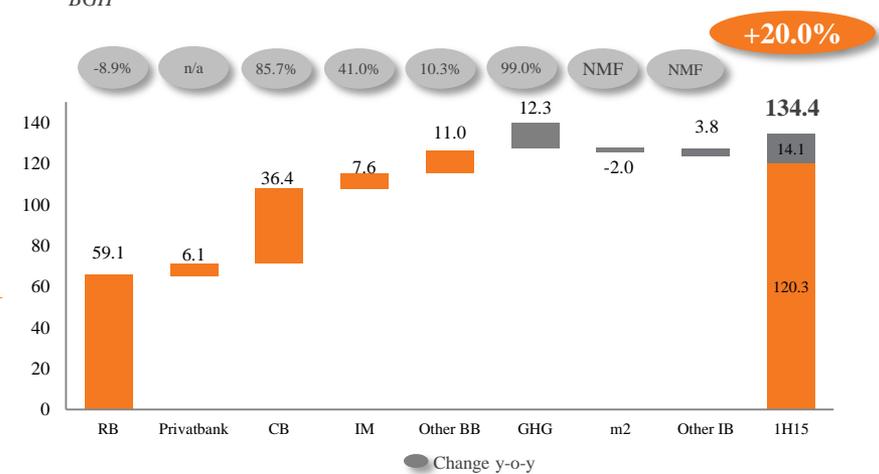
Profit, quarterly

BGH



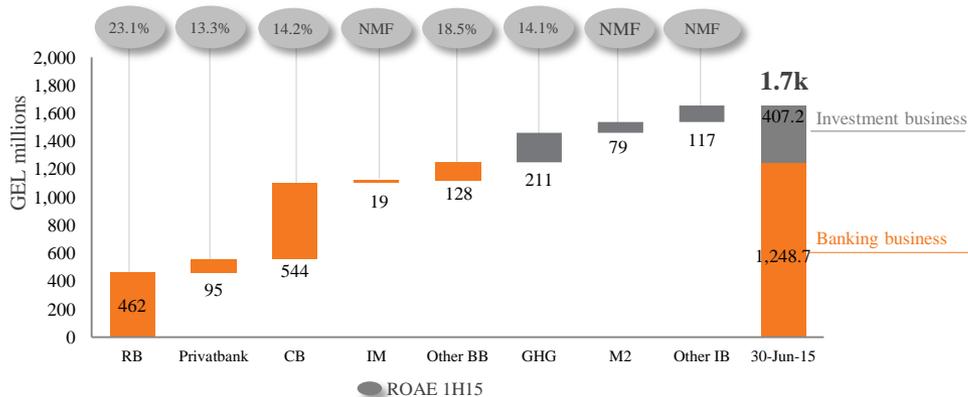
Profit, half-year

BGH



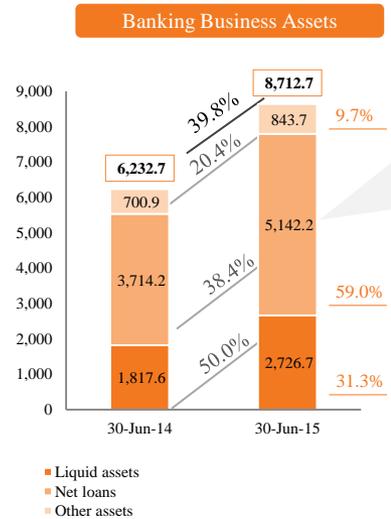
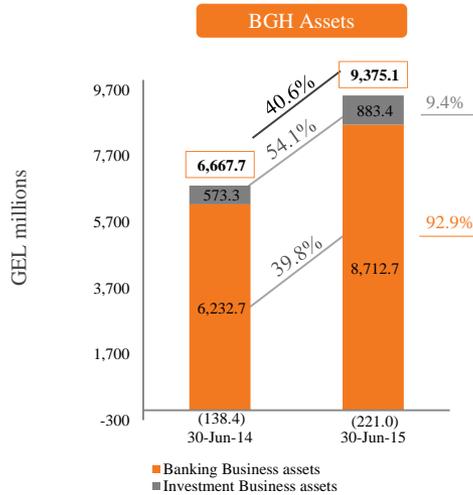
Equity

BGH



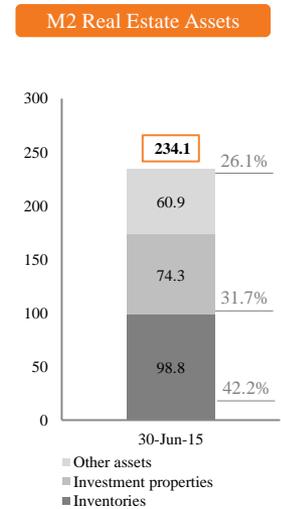
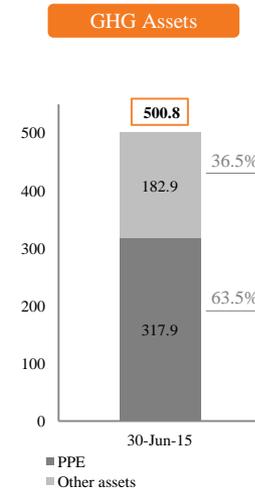
BGH | Balance Sheet, 30 June 2015

Assets

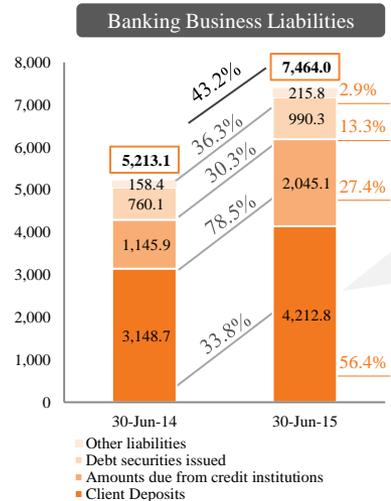
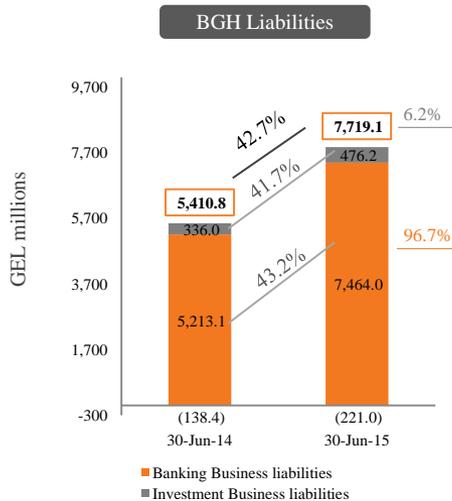


Loan book growth:

- Privatbank loans GEL 245.6mln
- 31.8% growth ex-Privatbank
- 11.2% growth of loans on constant currency basis, ex-Privatbank

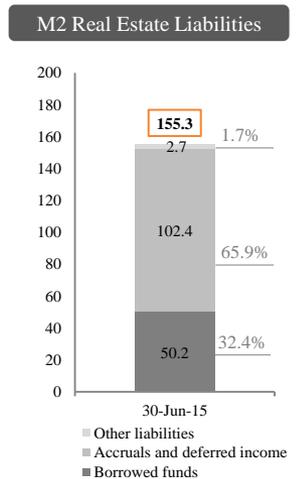
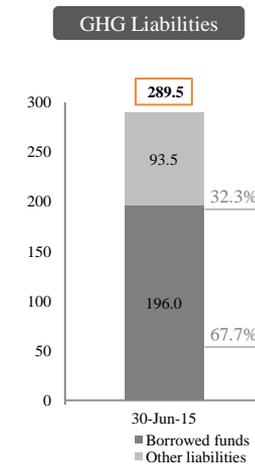


Liabilities



Deposits growth:

- Privatbank deposits GEL 267mln
- 25.3% growth ex-Privatbank
- 5.1% growth of deposits on constant currency basis, ex-Privatbank



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Appendices

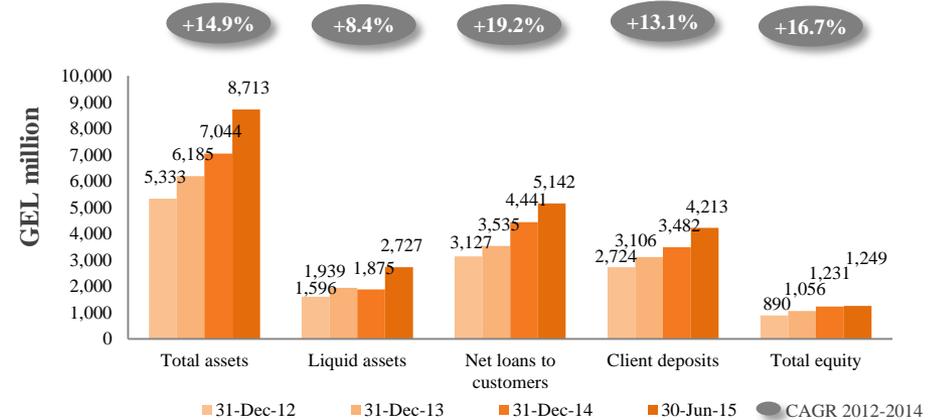
BOG | The leading bank in Georgia

- Leading market position: No. 1 bank** in Georgia by *assets* (36.0%), *loans* (33.4%), *client deposits* (31.6%) and *equity* (34.7%)¹
- Underpenetrated market with stable growth perspectives:** Real GDP average growth rate of 5.8% for 2004-2014. Geostat estimates 4.8% GDP growth in 2014. Loans/GDP grew from 9% to 44% in the period of 2003-2014, still below regional average; Deposits/GDP grew from 8% to 40% over the period
- Strong brand name recognition and retail banking franchise:** Offers the broadest range of financial products to the retail market through a network of 246 branches, 658 ATMs, 2,284 Express Pay Terminals and c.1.9 million customers (including c.400,000 Privatbank customers) as of 30 June 2015
- The only Georgian company with credit ratings from all three global rating agencies:** S&P: 'BB-', Moody's: 'B1/Ba3' (foreign and local currency), Fitch Ratings: 'BB-'; outlooks are 'Stable'
- High standards of transparency and governance:** The only 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
- Only private entity to issue Eurobonds from the Caucasus:** US\$400 million Eurobonds outstanding including US\$150 raised through a tap issue in November 2013. The bonds are currently trading at a yield of c.5.4%

- Sustainable growth** combined with strong capital, liquidity and robust profitability

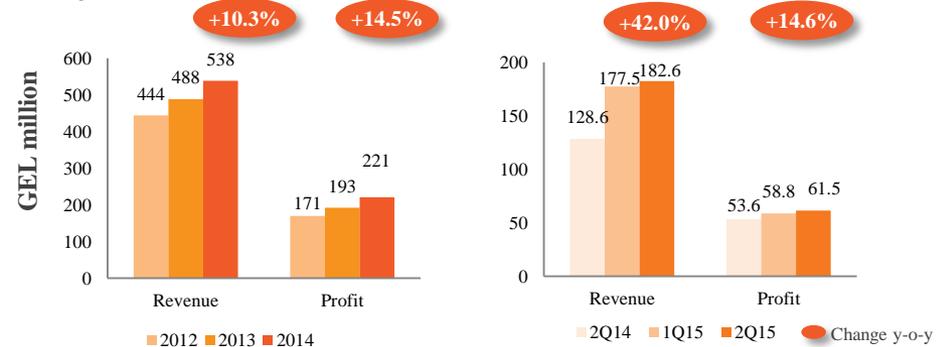
Balance Sheet

Banking Business



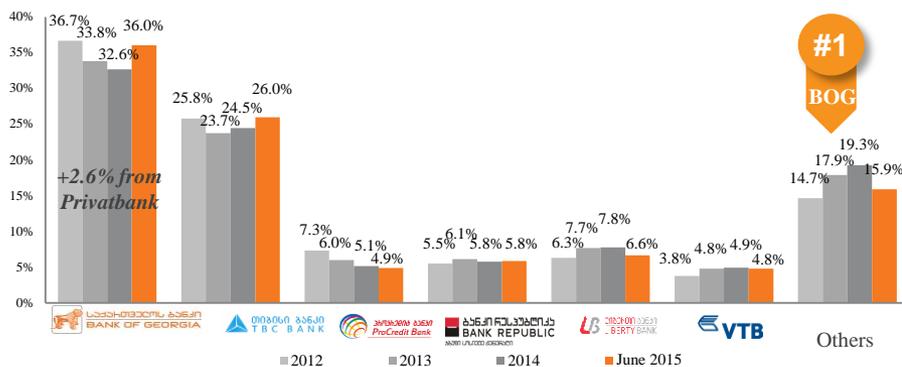
Income Statement

Banking Business

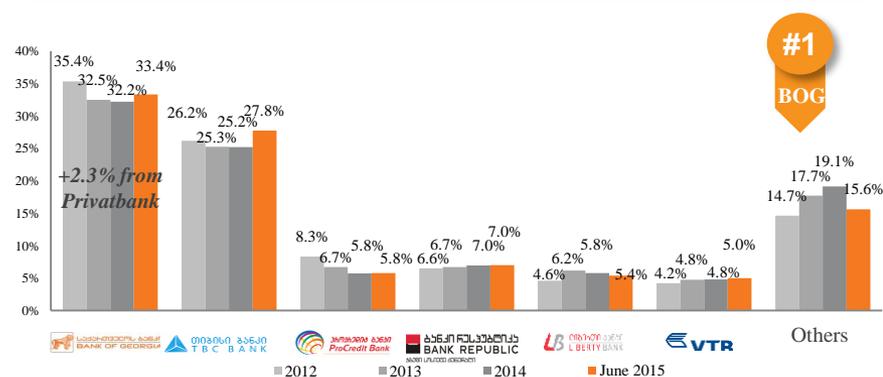


BOG | Leading the competition across the board

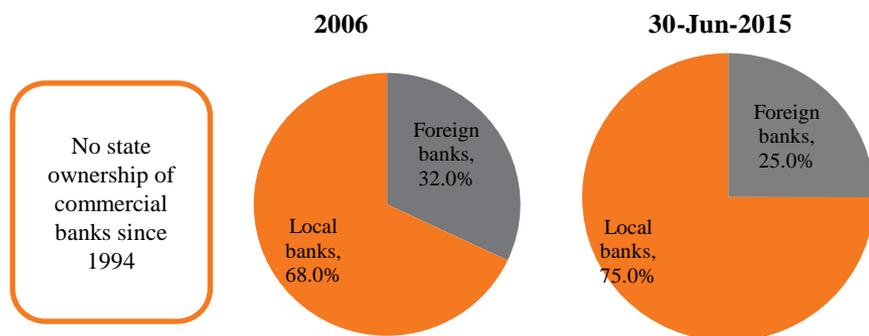
▶ Peer group's market share in total assets



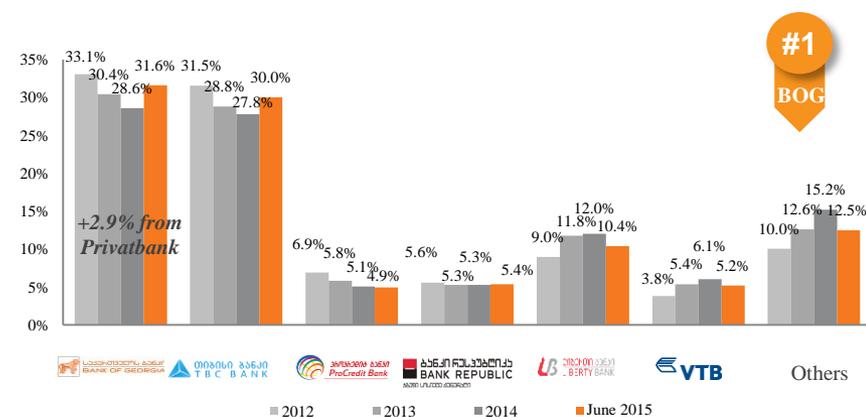
▶ Peer group's market share in gross loans



▶ Foreign banks market share by assets



▶ Peer group's market share in client deposits

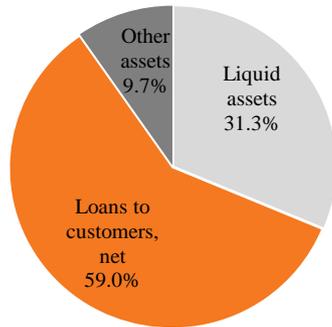


Banking Business | Diversified asset structure

Total asset structure | 30 June 2015

Banking Business

Total: GEL 8.7 bn

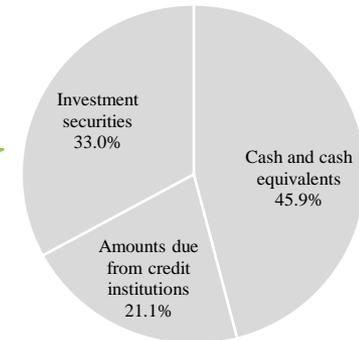


Includes: Privatbank total assets of GEL 416.2mln, of which 59% loans

Liquid assets | 30 June 2015

Banking Business

Total: GEL 2.7 bn



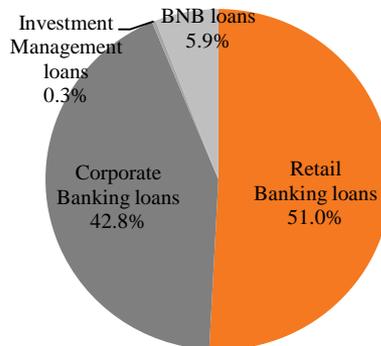
Includes: Privatbank liquid assets of GEL 147.4mln (5.4% of total liquid assets)

* Amounts due from credit institutions consists of obligatory reserves with central banks (NBG & NBRB), time deposits with credit institutions with original maturities of over 90 days and interbank loans receivable

Loans breakdowns | 30 June 2015

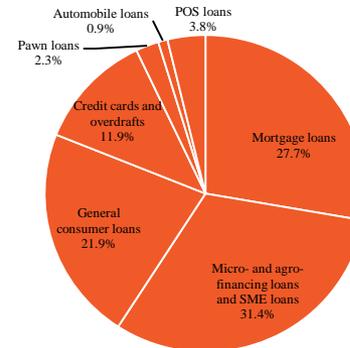
Banking Business

Total Loans breakdown by segments
Total: GEL 5.1bn

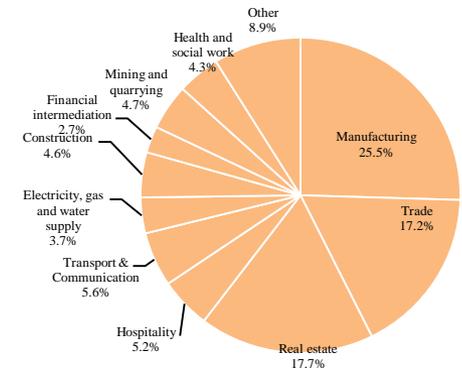


Includes Privatbank GEL 245.6 mln loans, predominantly consumer loans and credit card loans

Retail Banking Loans breakdown by product
Total: GEL 2.6bn



Corporate Banking Loans breakdown by sectors
Total: GEL 2.2bn



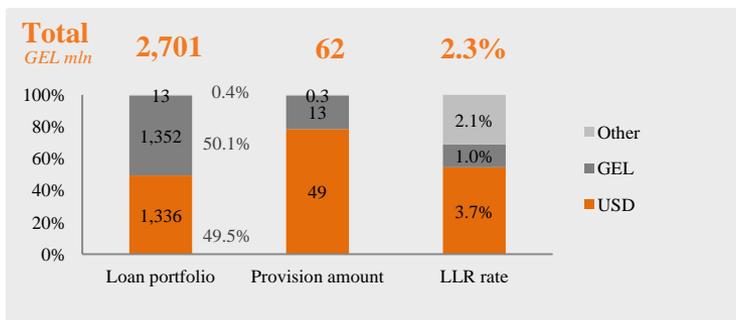
Banking Business | US\$ loan portfolio breakdown

Highlights

- **44.8% of Retail Banking Loans were denominated in USD loans with non-USD income**
 - We offered re-profiling* in Feb-2015. Since, 810 loans (out of 14,000) were re-profiled, with total value of US\$28.9mln
 - For RB: Loans 15 days past due were 1.4% at 30 June 2015, compared to 1.6% a year ago and 1.0% as of 31 March 2015
- **33.9% of Corporate Banking Loans denominated in USD loans with non-USD income**

Retail Banking and Wealth Management | 30 June 15

Banking Business



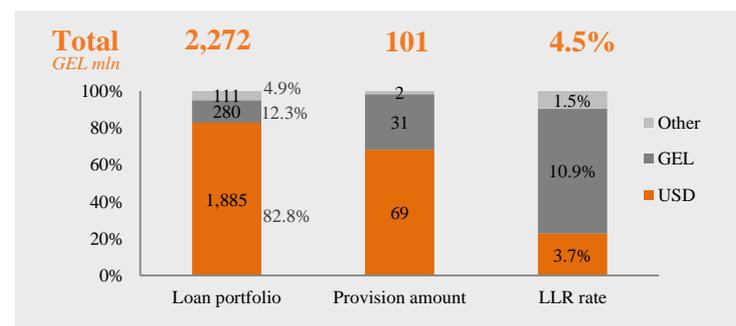
Amounts in GEL million	RB Loan Portfolio	% of total RB Loan portfolio ²	Mortgages	Consumer loans (incl Credit Cards)	SME & Micro
GEL and other currency loans ¹	1,349	49.9%	77	968	304
USD loans with USD income	143	5.3%	110	26	7
USD loans with non-USD income	1,209	44.8%	550	142	518
Total	2,701	100.0%	737	1,136	828

¹includes credit cards

²includes Privatbank loans of which 87% is denominated in GEL

Corporate Banking | 30 June 15

Banking Business

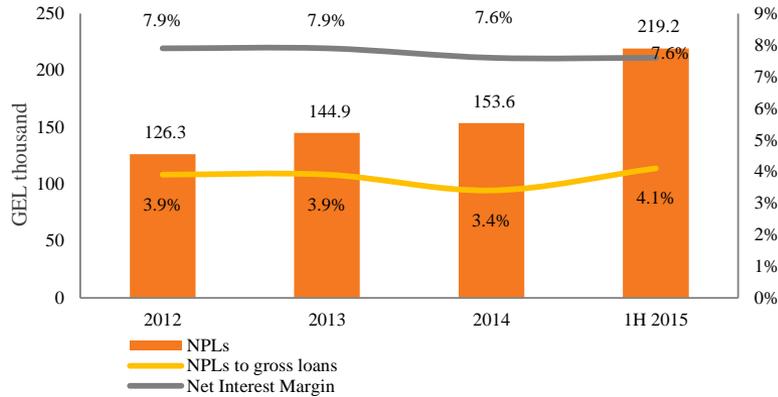


Amounts in GEL million	CB Loan Portfolio	% of total CB Loan portfolio
GEL and other currency loans	390	17.2%
USD loans with USD income	1,113	48.9%
USD loans with non-USD income	772	33.9%
Total	2,272	100.0%

Note: standalone BOG figures from management accounts (non-IFRS)

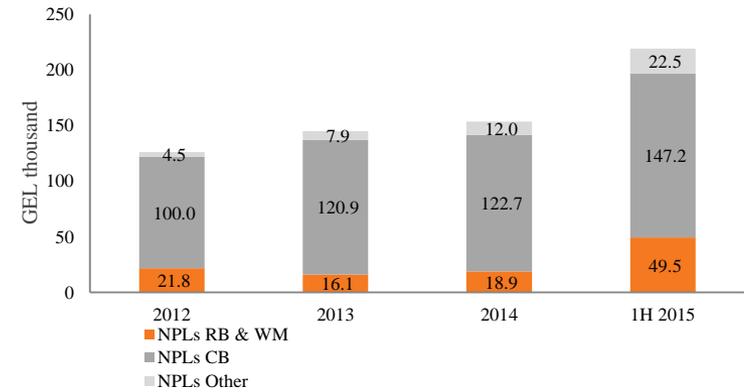
NPLs

Banking Business



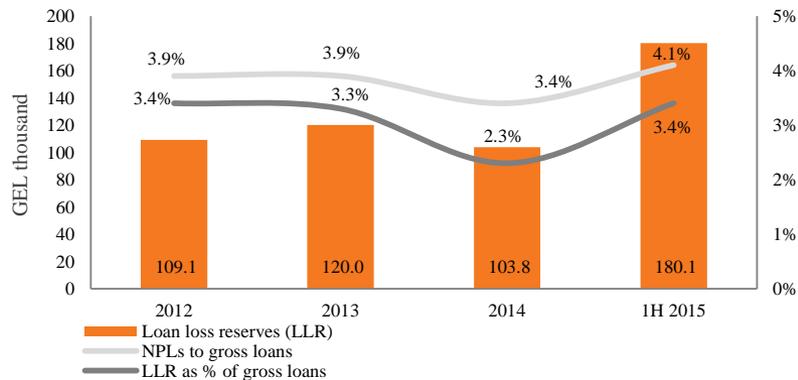
NPL composition

Banking Business



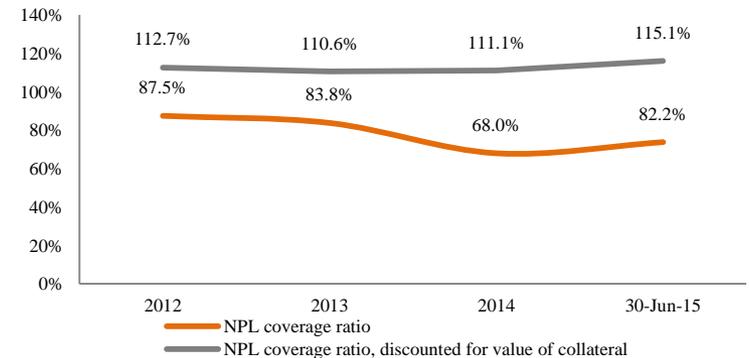
Loan loss reserve

Banking Business



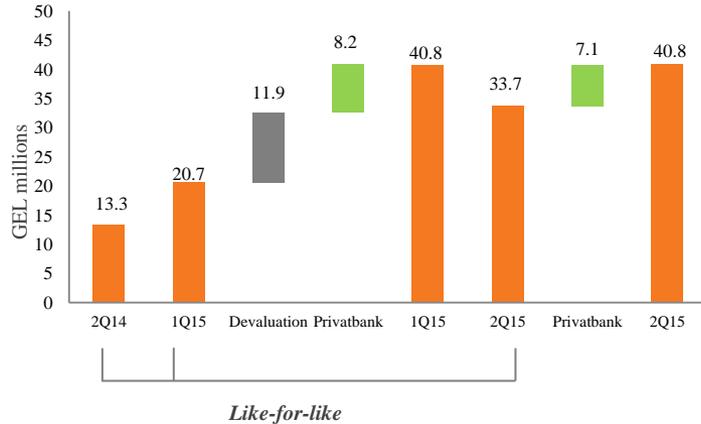
NPL coverage ratio

Banking Business



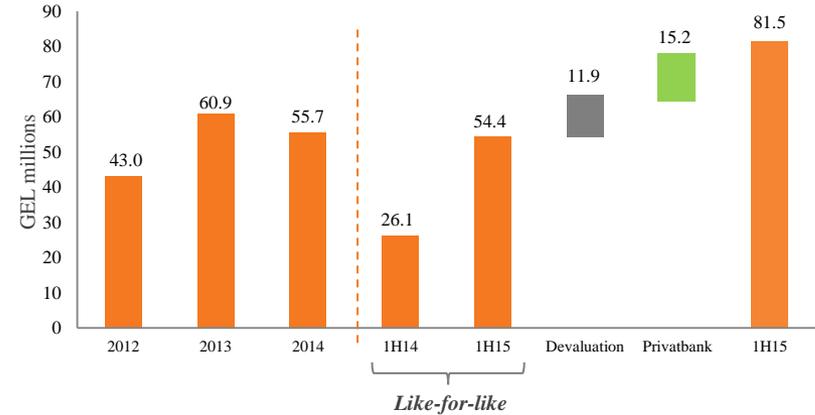
▶ Cost of Credit Risk, quarterly

Banking Business



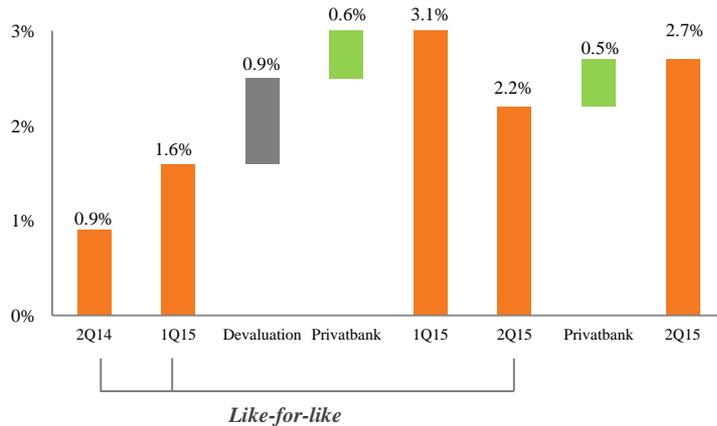
▶ Cost of Credit Risk, half year

Banking Business



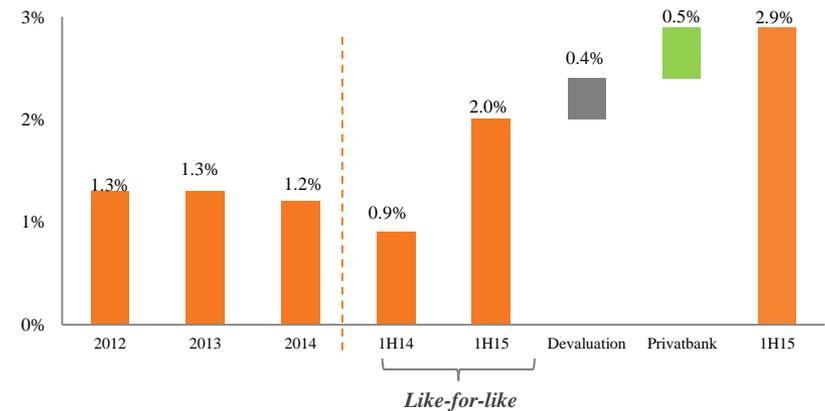
▶ Cost of Risk ratio, quarterly

Banking Business



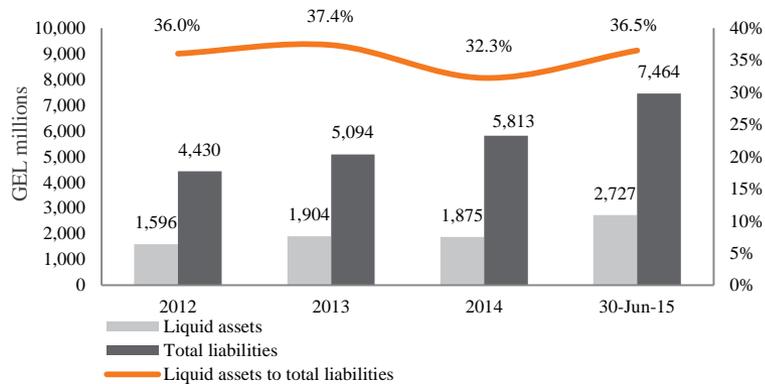
▶ Cost of Risk ratio, half-year

Banking Business



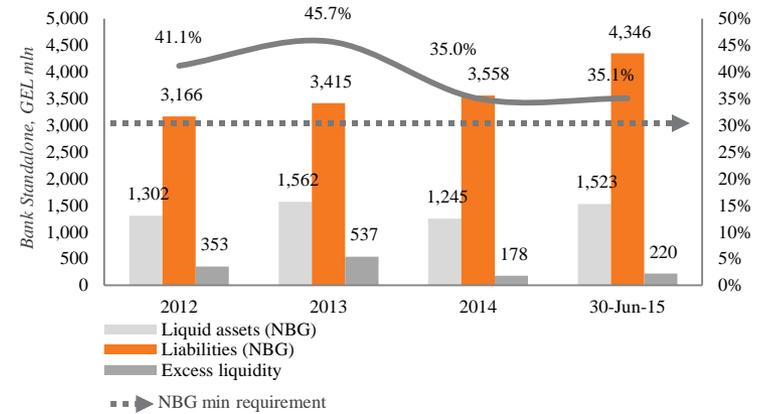
Liquid assets to total liabilities

Banking Business



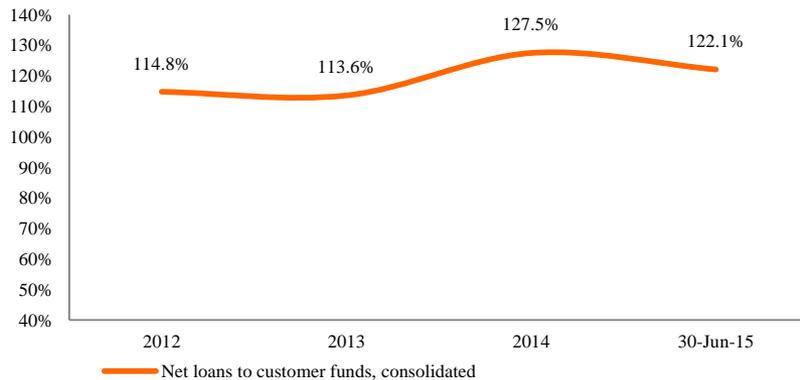
NBG liquidity ratio

Banking Business



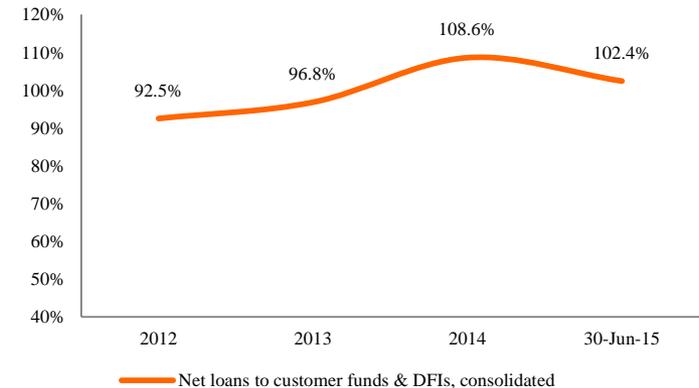
Net loans to customer funds

Banking Business



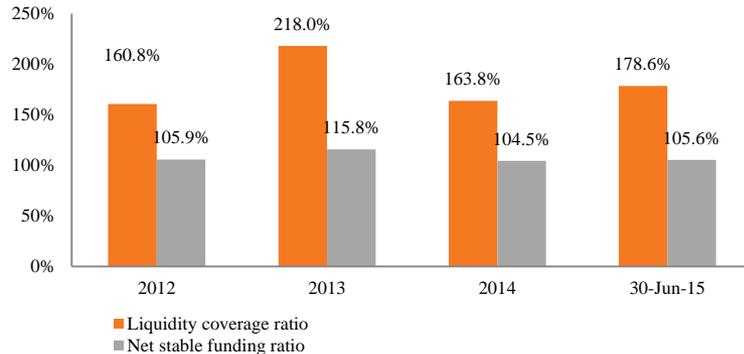
Net loans to customer funds & DFIs

Banking Business



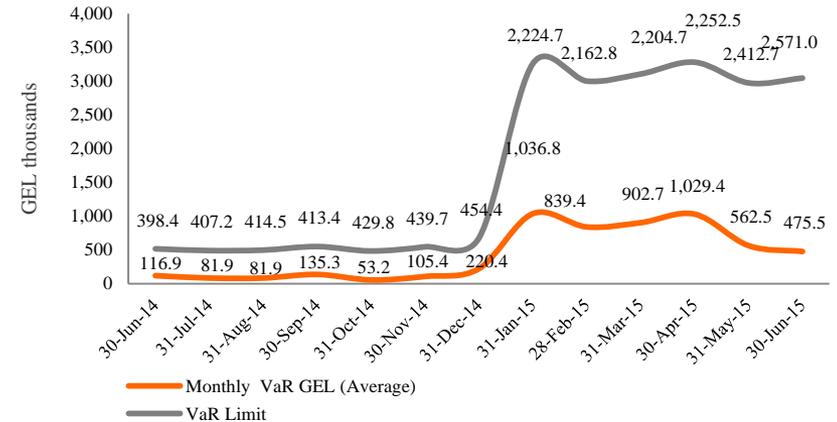
Liquidity coverage ratio & net stable funding ratio

JSC Bank of Georgia standalone



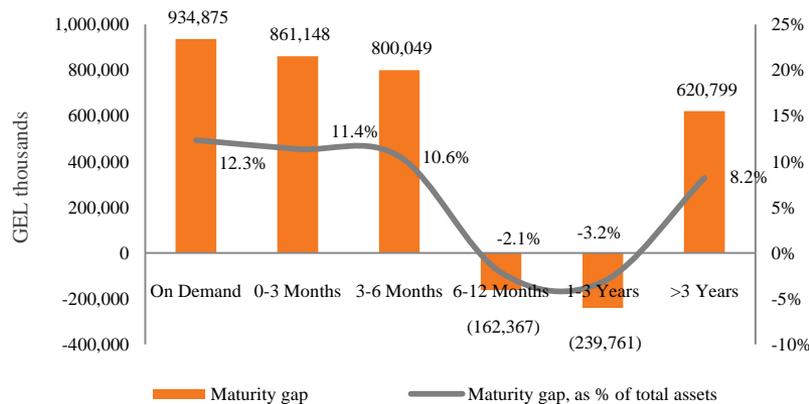
Foreign currency VaR analysis*

JSC Bank of Georgia standalone



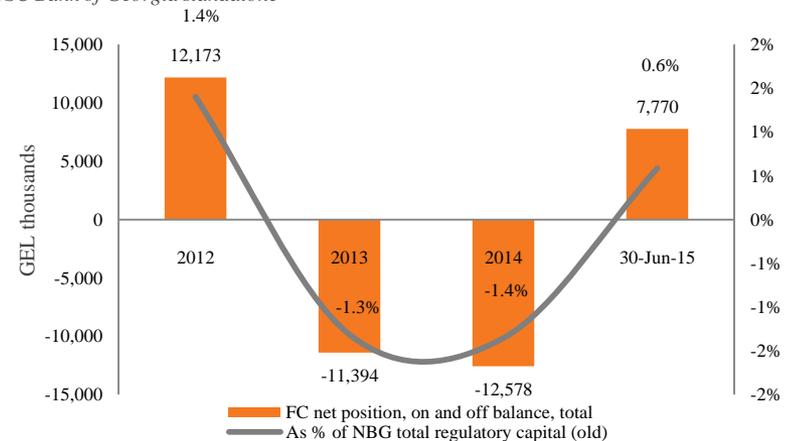
Cumulative maturity gap, 30 June 2015**

Banking Business



Open currency position

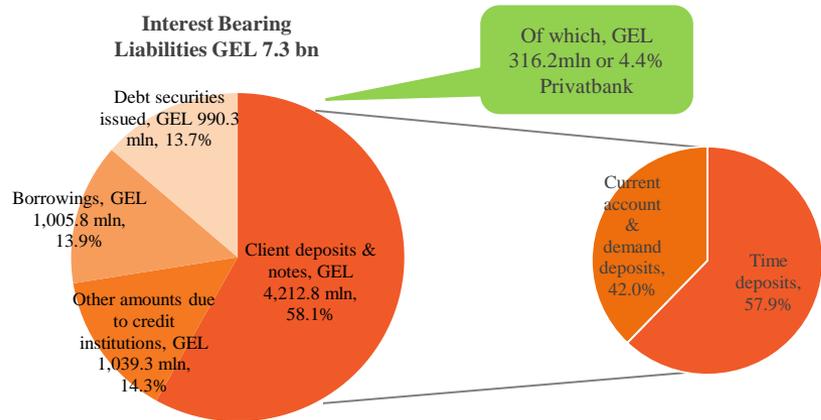
JSC Bank of Georgia standalone



Banking Business | Funding structure is well established

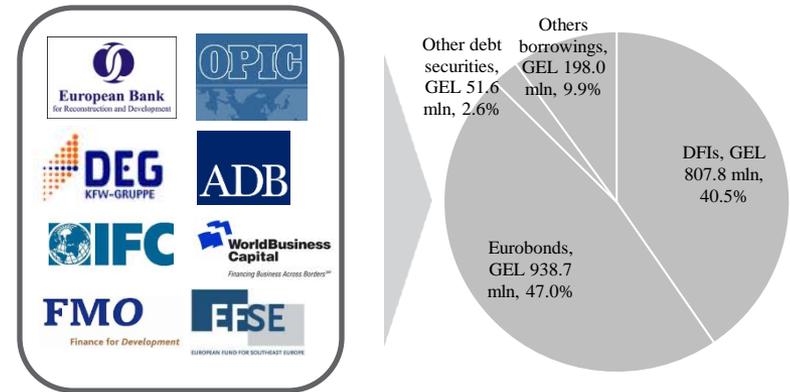
Interest Bearing Liability structure | 30 June 2015

Banking Business



Well diversified international borrowings | 2Q15

Banking Business



Borrowed funds maturity breakdown*

Banking Business



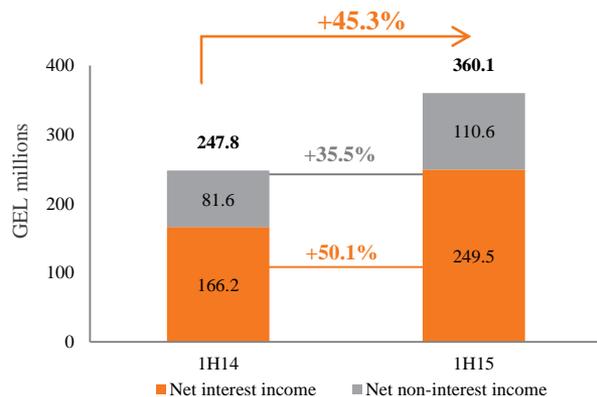
Interest bearing liabilities

- Banking Business has a well-balanced funding structure with 58.1% of interest bearing liabilities coming from client deposits and notes, 11.1% from Developmental Financial Institutions (DFIs) and 13.0% from Eurobonds, as of 30 June 2015
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, DEG, Asian Development Bank, etc.
- As of 30 June 2015, US\$31.6 million undrawn facilities from DFIs with four to eight year maturity

Banking Business | Strong revenue growth

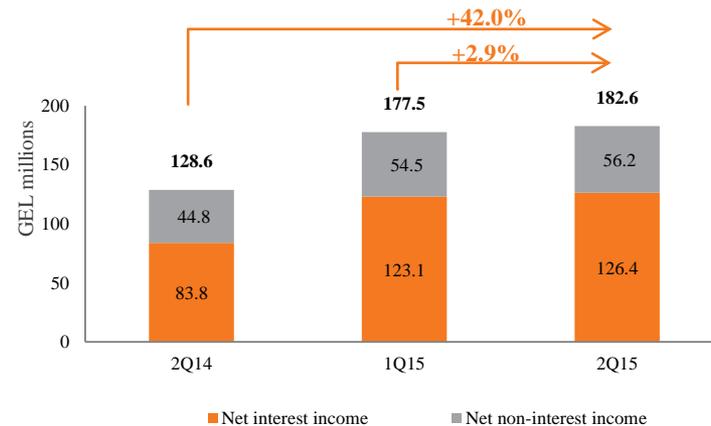
Revenue growth | *half-year*

Banking Business



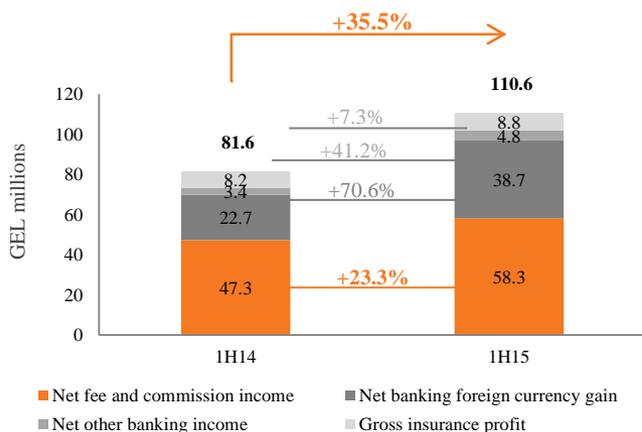
Revenue growth | *quarterly*

Banking Business



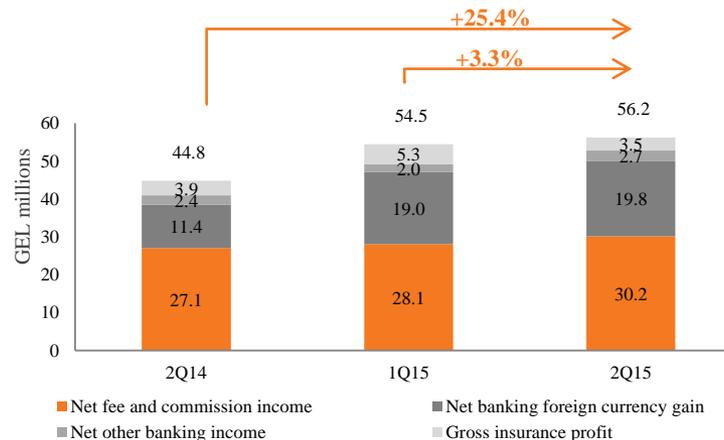
Net non-interest income | *half-year*

Banking Business



Net non-interest income | *quarterly*

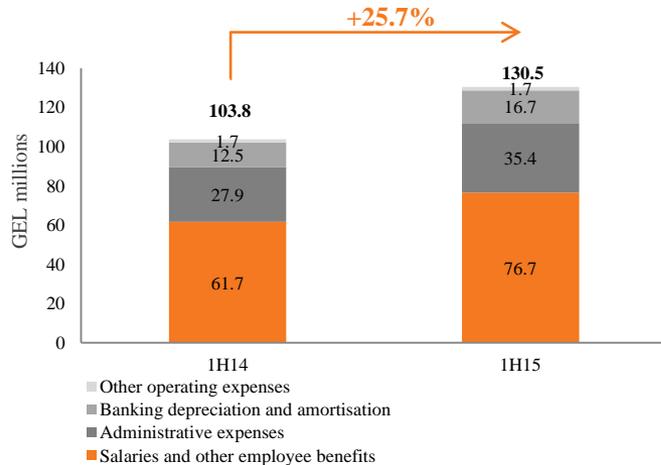
Banking Business



Banking Business | keeping a tight grip on costs

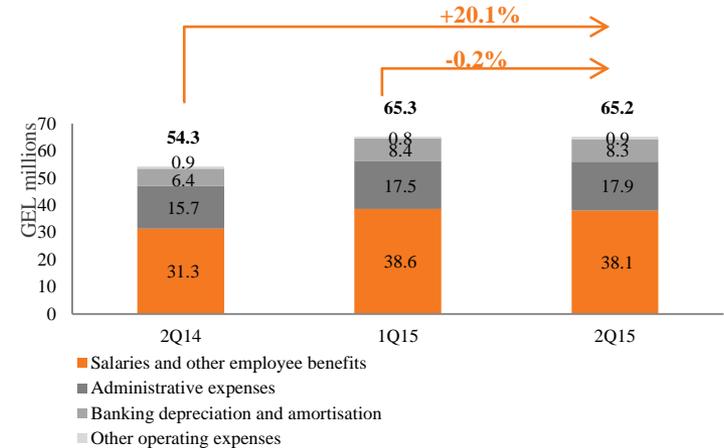
▶ Operating expenses | *half-year*

Banking Business



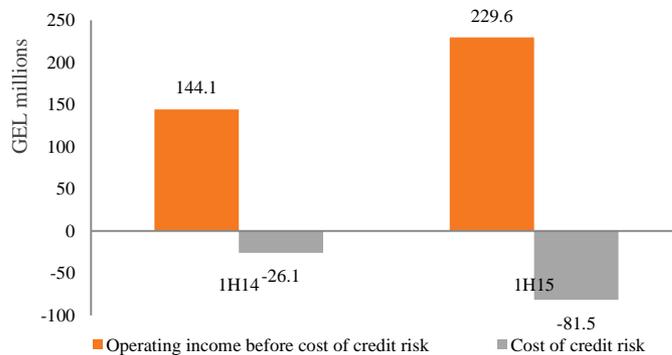
▶ Operating expenses | *quarterly*

Banking Business



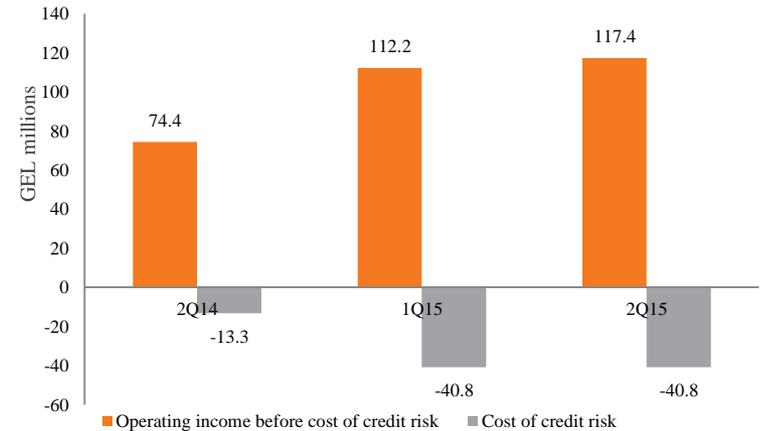
▶ Net non-recurring items & operating income before cost of credit | *half-year*

Banking Business



▶ Net non-recurring items & operating income before cost of credit | *quarterly*

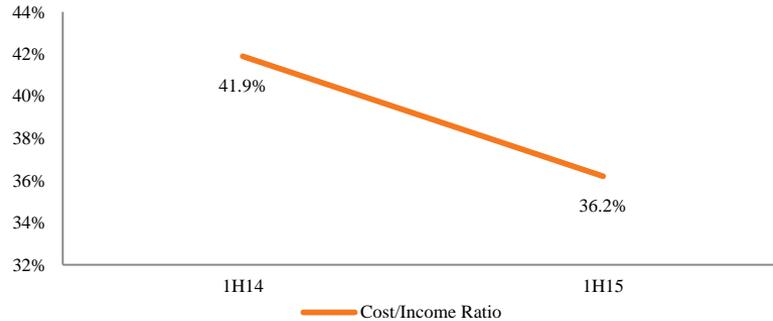
Banking Business



Banking Business | Focus on efficiency

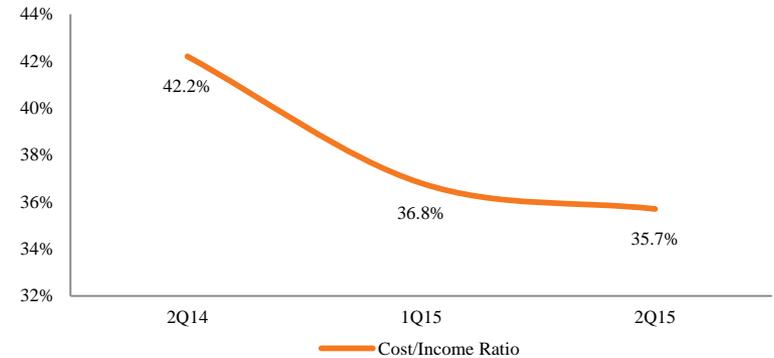
▶ Cost / Income ratio | *half-year*

Banking Business



▶ Cost / Income ratio | *quarterly*

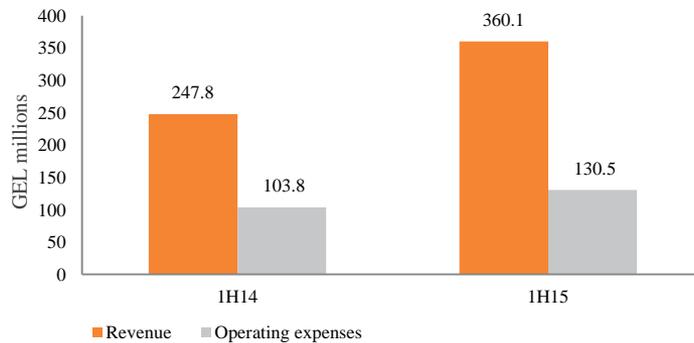
Banking Business



▶ Revenue and operating expenses | *half-year*

Banking Business

Operating Leverage +19.5% y-o-y

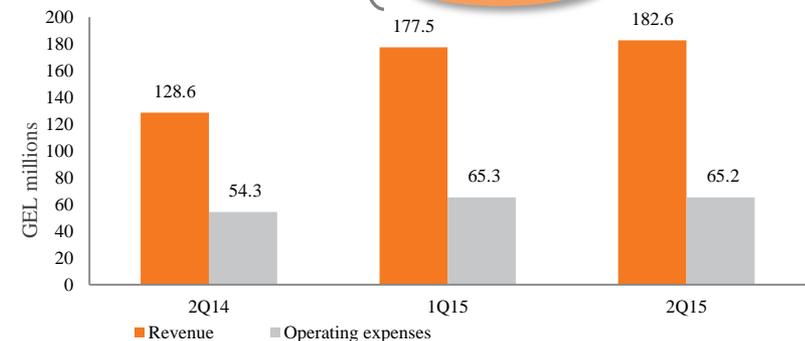


▶ Revenue and operating expenses | *quarterly*

Banking Business

Operating Leverage +2.9% q-o-q

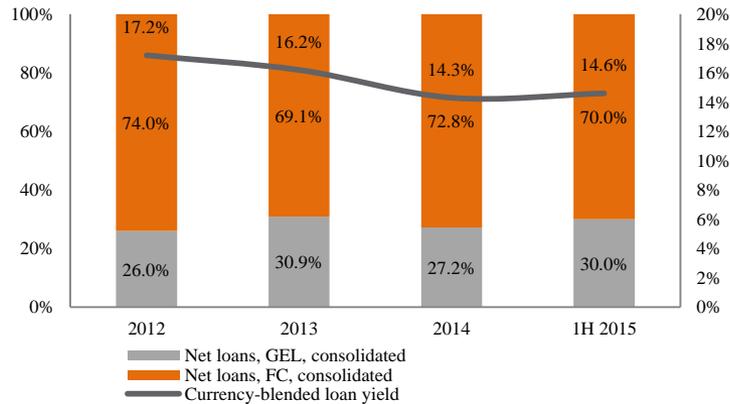
+21.7% y-o-y



Banking Business | growing income notwithstanding the pressure on yields

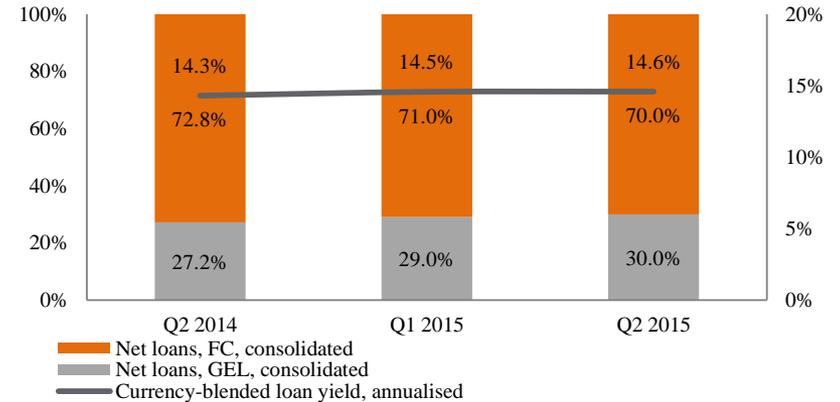
▶ Loan Yields | *annual*

Banking Business



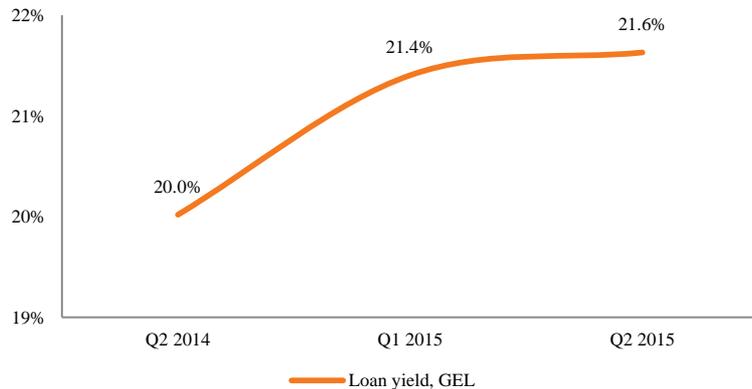
▶ Loan Yields | *quarterly*

Banking Business



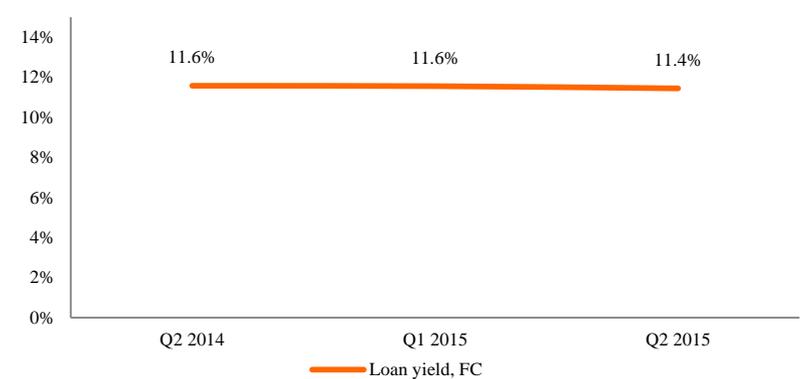
▶ Loan Yields, GEL | *quarterly*

Banking Business



▶ Loan Yields, foreign currency | *quarterly*

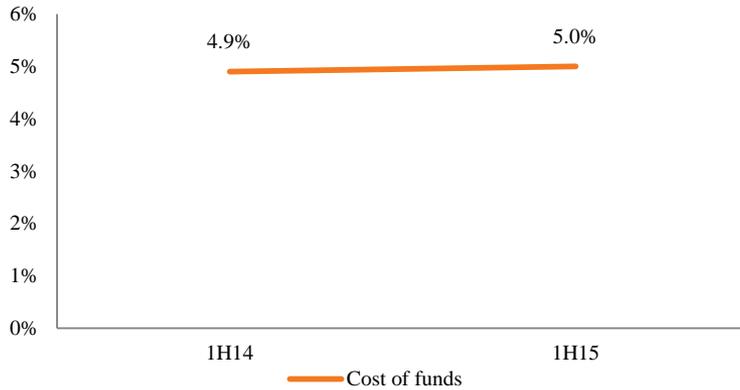
Banking Business



Banking Business | Stable Cost of Funding

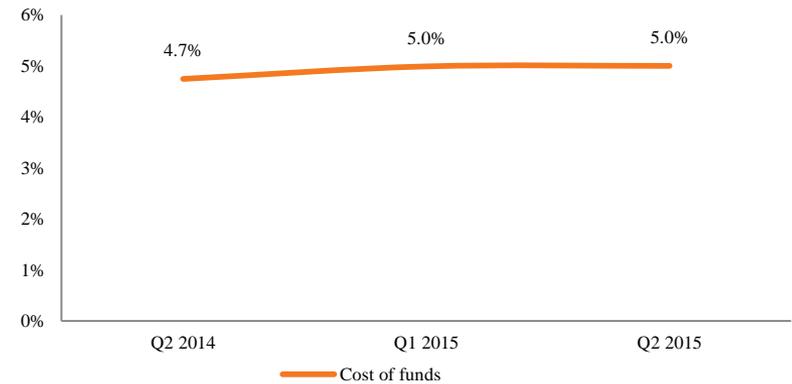
▶ Cost of Funds | *half-year*

Banking Business



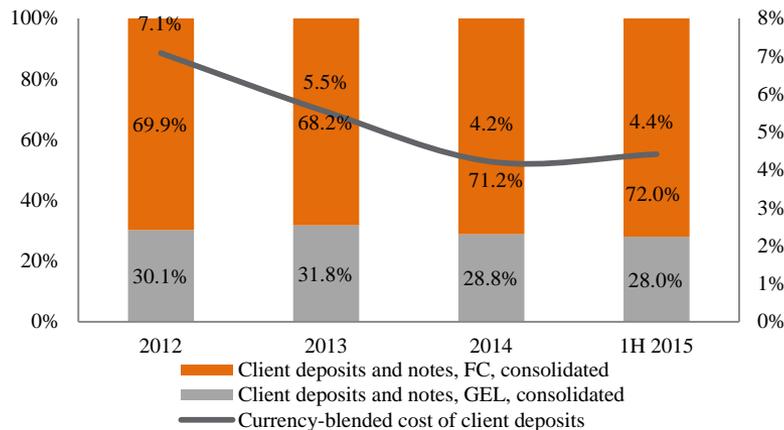
▶ Cost of Funds | *quarterly*

Banking Business



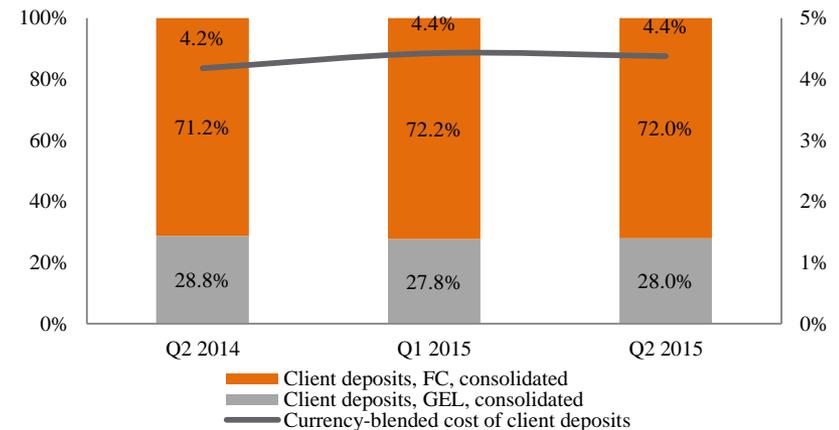
▶ Cost of Customer Funds | *annual*

Banking Business



▶ Cost of Customer Funds | *quarterly*

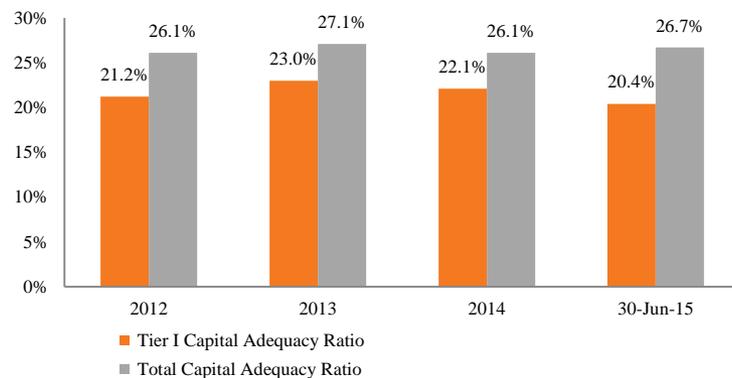
Banking Business



Banking Business | Excellent capital adequacy position

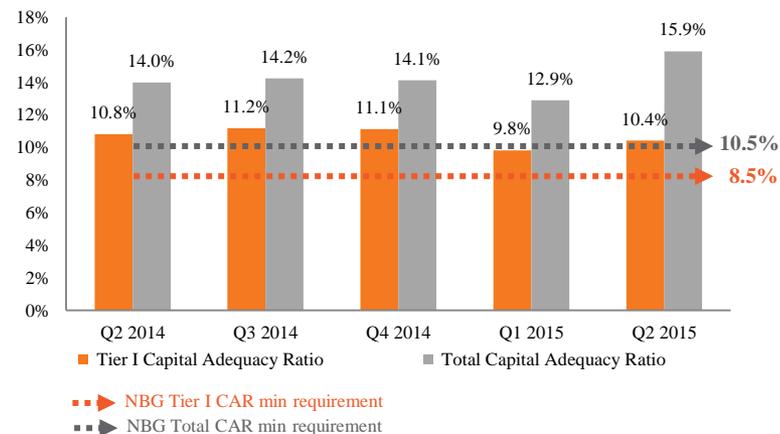
▶ Basel I capital adequacy ratios

JSC Bank of Georgia consolidated



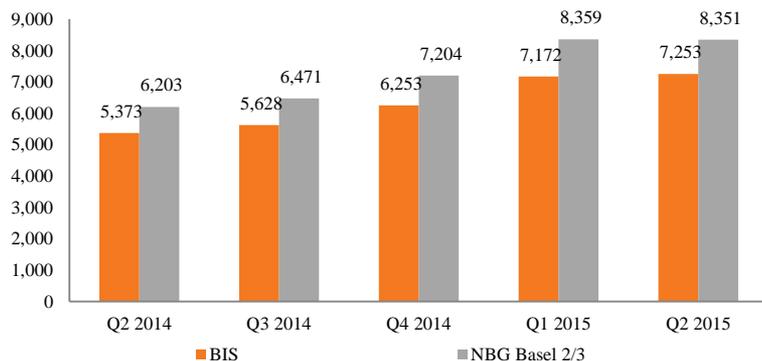
▶ NBG (Basel 2/3), capital adequacy ratios

JSC Bank of Georgia standalone



▶ Risk Weighted Assets Basel I vs NBG (Basel 2/3)

JSC Bank of Georgia consolidated (BIS I), standalone (BIS 2/3)



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

JSC Bank of Georgia standalone

GEL '000	30 Jun 2015*	Dec 2014	Sep 2014	Jun 2014	Mar 2014	Dec 2013
Tier I Capital (Core)	869.4	800.5	723.2	669.9	764.2	748.3
Tier 2 Capital (Supplementary)	458.7	217.1	198.7	197.9	190.1	189.8
Total Capital	1,328.1	1,017.6	921.9	867.8	954.3	938.1
Risk weighted assets	8,350.5	7,204.1	6,470.6	6,202.9	5,901.9	5,733.7
Tier 1 Capital ratio	10.4%	11.1%	11.2%	10.8%	12.9%	13.1%
Total Capital ratio	15.9%	14.1%	14.2%	14.0%	16.2%	16.4%

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Retail Banking (RB) | No. 1 retail bank in Georgia

Client data

RB standalone

Volumes are in GEL millions	30-Jun-15	% of clients	2014	2013	2012
Number of total Retail clients, of which:	1,933,360		1,451,777	1,245,048	1,054,248
Number of Solo clients ("Premium Banking")	9,244	0.5%	7,971	6,810	5,413
Consumer loans & other outstanding, volume	788.4		691.8	560.2	480.0
Consumer loans & other outstanding, number	645,499	33.4%	526,683	455,557	406,213
Mortgage loans outstanding, volume	732.0		600.9	441.4	388.7
Mortgage loans outstanding, number	12,295	0.6%	11,902	10,212	9,850
Micro & SME loans outstanding, volume	827.2		666.0	497.0	364.4
Micro & SME loans outstanding, number	17,854	0.9%	16,246	13,317	11,136
Credit cards and overdrafts outstanding, volume	338.5		135.0	142.4	146.4
Credit cards and overdrafts outstanding, number	458,806	23.7%	199,543	174,570	142,072
Credit cards outstanding, number, of which:	756,801	39.1%	116,615	117,913	107,261
American Express cards	109,132	5.6%	110,362	108,608	99,292

Includes c. 400k Privatbank clients

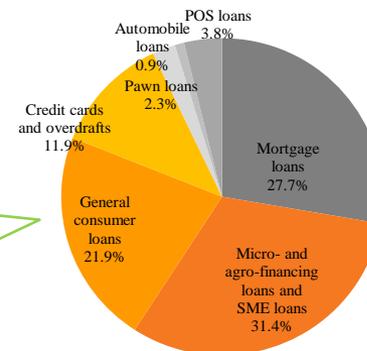
Portfolio breakdowns

RB standalone

Loans by products

Total: GEL 2.6 bn

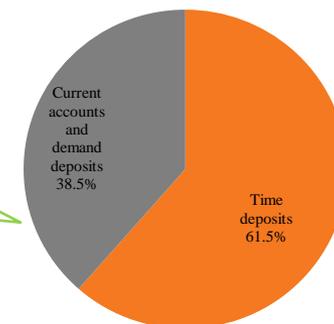
Includes Privatbank
GEL 245.6 mln loans,
predominantly consumer
loans and credit card
loans



Deposits by category

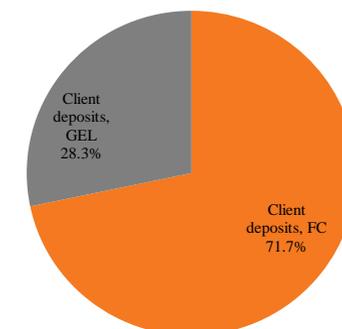
Total: GEL 1.7 bn

Includes Privatbank
GEL 266.8 mln deposits



Deposits by currency

Total: GEL 1.7 bn



RB loans

RB standalone

Loans growth:

- 35.6% growth ex-Privatbank
- 19.8% growth on constant currency basis, ex-Privatbank

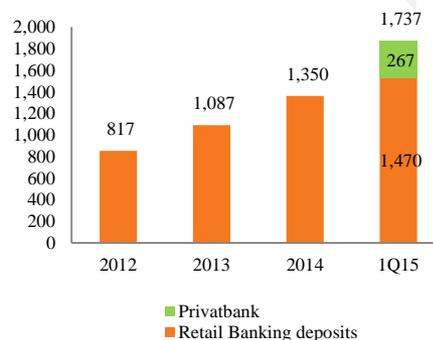


RB deposits

RB standalone

Deposits growth:

- 28.3% growth ex-Privatbank
- 9.0% growth on constant currency basis, ex-Privatbank



Retail Banking (RB) | Strong loan book growth

PL | Retail Banking

RB Consolidated

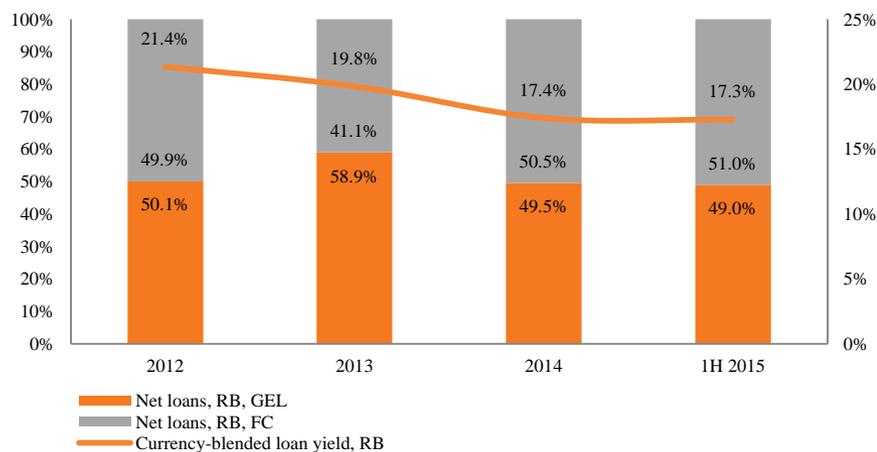
INCOME STATEMENT HIGHLIGHTS

GEL thousands, unless otherwise noted

	2Q15	2Q14	Change y-o-y	1Q15	Change q-o-q	1H15	1H14	Change y-o-y
Net banking interest income	79,269	51,742	53.2%	75,150	5.5%	154,420	100,945	53.0%
Net fee and commission income	18,406	14,021	31.3%	18,566	-0.9%	36,972	26,011	42.1%
Net banking foreign currency gain	4,305	4,207	2.3%	3,905	10.2%	8,210	8,240	-0.4%
Net other banking income	1,384	1,371	0.9%	963	43.7%	2,347	1,826	28.5%
Revenue	103,364	71,341	44.9%	98,584	4.8%	201,949	137,022	47.4%
Salaries and other employee benefits	(22,416)	(17,045)	31.5%	(23,596)	-5.0%	(46,012)	(33,493)	37.4%
Administrative expenses	(11,632)	(8,754)	32.9%	(12,240)	-5.0%	(23,872)	(17,102)	39.6%
Banking depreciation and amortisation	(6,818)	(4,847)	40.7%	(6,831)	-0.2%	(13,649)	(9,424)	44.8%
Other operating expenses	(496)	(411)	20.7%	(462)	7.4%	(959)	(739)	29.8%
Operating expenses	(41,362)	(31,057)	33.2%	(43,129)	-4.1%	(84,492)	(60,758)	39.1%
Operating income before cost of credit risk	62,002	40,284	53.9%	55,455	11.8%	117,457	76,264	54.0%
Cost of credit risk	(20,662)	(2,296)	NMF	(16,660)	24.0%	(37,322)	(372)	NMF
Net non-recurring items	(2,875)	(4,375)	-34.3%	(449)	NMF	(3,323)	(4,767)	-30.3%
Profit before income tax	38,465	33,613	14.4%	38,346	0.3%	76,812	71,125	8.0%
Income tax expense	(5,900)	(630)	NMF	(5,738)	2.8%	(11,639)	(6,258)	86.0%
Profit	32,565	32,983	-1.3%	32,608	-0.1%	65,173	64,867	0.5%

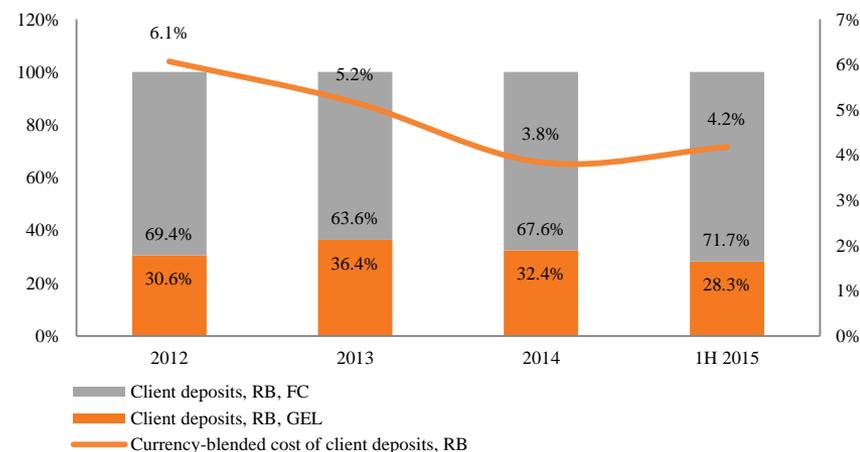
Loan Yields | Retail Banking

RB standalone



Deposit Costs | Retail Banking

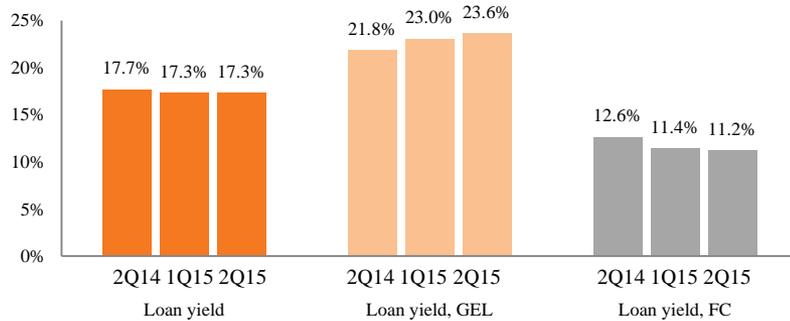
RB standalone



Retail Banking | Strong loan book growth

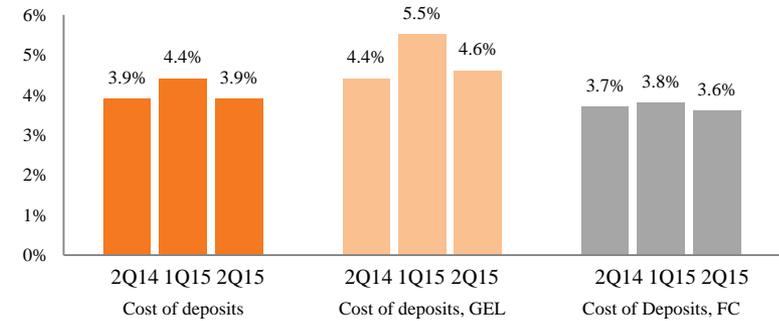
▶ RB Loan Yield | quarterly

RB standalone



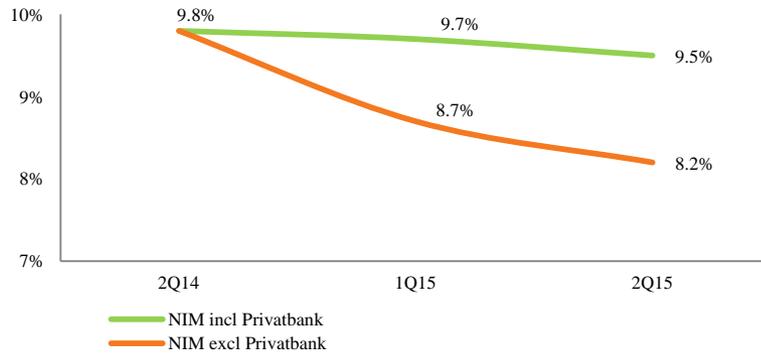
▶ RB Cost of Deposits | quarterly

RB standalone



▶ RB NIM | quarterly

RB standalone



Acquisition of Privatbank Georgia | a value creative transaction

Privatbank acquisition

- GEL92mln consideration for Privatbank constituted 4% of BoGH's market value at the time of acquisition
- Acquisition of a significant distribution network and retail customer base
- Accelerated BoG's retail banking growth, particularly in high margin card business
- Low assets per employee implies significant potential to increase utilization of the franchise
- Completed the full integration of Privatbank, in under five months compared to our initial integration estimate of 9-12 months
- We anticipate annualised pre-tax administrative and funding cost synergies to reach c.GEL 29mln – above our pre-announced GEL 25mln – as a result of GEL 18.5mln synergy in operating expenses compared to pre-announced GEL 15mln and GEL 10.5mln synergy in cost of funds, slightly above the pre-announced GEL 10mln

Privatbank 1H15 Highlights

- GEL 245.6mln of high yielding loan book and GEL 266.8mln client deposits, comprising 4.8% and 6.3% of our loan book and client deposits, respectively
- Privatbank contributed GEL 38.9mln or 10.8% to the Banking Business revenue
- GEL 31.8mln net interest income, which was driven by Privatbank's Loan Yield of 29.3% on the back of 6.5% Cost of Funding
- Net fee & commission income was GEL5.8mln, and mostly comprised of fees related to credit card transactions
- As a result NIM stood at 20.5%
- GEL 15.4mln to operating expenses. Privatbank brought in inefficiencies in 1Q15, which temporarily worsened efficiency ratios in 1Q15. However, successful integration and extensive cost-cutting measures reversed this trend in 2Q15, which resulted in Privatbank's Cost/Income ratio of 28.1% in 2Q15
- Privatbank's cost of credit risk was GEL 15.2mln in 1H15
- Privatbank posted GEL 6.1mln profit or 5.1% of total Banking Business profit
- Privatbank added circa 400,000 clients, 700,000 cards, 36 branches, 371ATMs and more than 1,000 POS terminals

Privatbank Financials

(GEL 'm)

Privatbank Income Statement Summary

	Q1 2015	Q2 2015	1H15
Net banking interest income	14,924	16,840	31,764
Net fee and commission income	3,072	2,683	5,755
Net banking foreign currency gain (loss)	900	627	1,527
Net other banking income	499	(668)	-169
Revenue	19,395	19,482	38,877
Operating expenses	9,888	5,474	15,362
Operating income before cost of credit risk	9,507	14,008	23,515
Cost of credit risk	8,165	5,556	13,721
Net operating income before non-recurring items	1,341	8,452	9,793
Net non-recurring items	-	2,621	2,621
Profit before income tax	1,341	5,831	7,172
Income tax (expense) benefit	201	875	1,076
Profit	1,140	4,956	6,096

Privatbank Balance Sheet Summary

	Q1 2015	Q2 2015
Liquid assets	204,462	147,392
Loans to customers and finance lease receivables	289,965	245,604
Other assets	22,249	23,181
Total assets	516,676	416,177
Client deposits and notes	371,454	266,779
Amounts due to credit institutions	48,809	49,438
Other liabilities	3,921	4,905
Total liabilities	424,185	321,121
Total equity	92,491	95,056
Total liabilities and equity	516,676	416,178

Privatbank Selected Ratios

	Q1 2015	Q2 2015	1H15
Loan Yield	29.0%	29.6%	29.3%
Cost of funds	7.5%	5.3%	6.5%
Cost of client deposits and notes	7.4%	5.8%	6.7%
NIM	17.8%	22.9%	20.5%
Cost of risk	10.0%	8.6%	9.3%
Cost / Income	51.0%	28.1%	39.5%
Operating leverage, Q-O-Q	-	45.1%	-

Corporate Banking (CB)

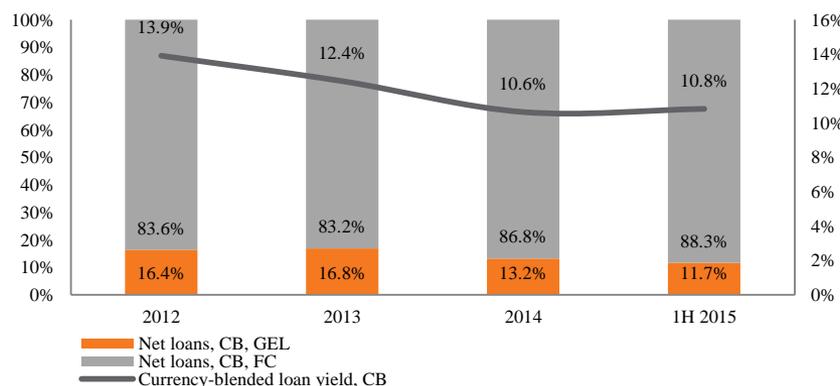
PL | Corporate Banking CB Consolidated

GEL thousands, unless otherwise noted

	2Q15	2Q14	Change y-o-y	1Q15	Change y-o-y	1H15	1H14	Change y-o-y
INCOME STATEMENT HIGHLIGHTS								
Net banking interest income	33,949	22,866	48.5%	35,418	-4.1%	69,368	47,487	46.1%
Net fee and commission income	8,316	6,292	32.2%	6,001	38.6%	14,317	12,014	19.2%
Net banking foreign currency gain	9,769	4,976	96.3%	7,835	24.7%	17,604	11,011	59.9%
Net other banking income	1,819	1,208	50.6%	1,070	70.0%	2,888	1,693	70.6%
Revenue	53,853	35,342	52.4%	50,324	7.0%	104,177	72,205	44.3%
Salaries and other employee benefits	(8,853)	(7,993)	10.8%	(8,488)	4.3%	(17,341)	(15,696)	10.5%
Administrative expenses	(3,773)	(3,390)	11.3%	(2,507)	50.5%	(6,280)	(5,761)	9.0%
Banking depreciation and amortisation	(957)	(964)	-0.7%	(990)	-3.3%	(1,947)	(1,889)	3.1%
Other operating expenses	(188)	(235)	-20.0%	(212)	-11.3%	(400)	(572)	-30.1%
Operating expenses	(13,771)	(12,582)	9.5%	(12,197)	12.9%	(25,968)	(23,918)	8.6%
Operating income before cost of credit risk	40,082	22,760	76.1%	38,127	5.1%	78,209	48,287	62.0%
Cost of credit risk	(14,146)	(10,195)	38.8%	(19,381)	-27.0%	(33,527)	(23,874)	40.4%
Net non-recurring items	(199)	(2,229)	-91.1%	(598)	-66.7%	(797)	(2,453)	-67.5%
Profit before income tax	25,737	10,336	149.0%	18,148	41.8%	43,885	21,960	99.8%
Income tax expense	(4,119)	(436)	NMF	(3,346)	23.1%	(7,465)	(2,353)	NMF
Profit	21,618	9,900	118.4%	14,802	46.0%	36,420	19,607	85.7%

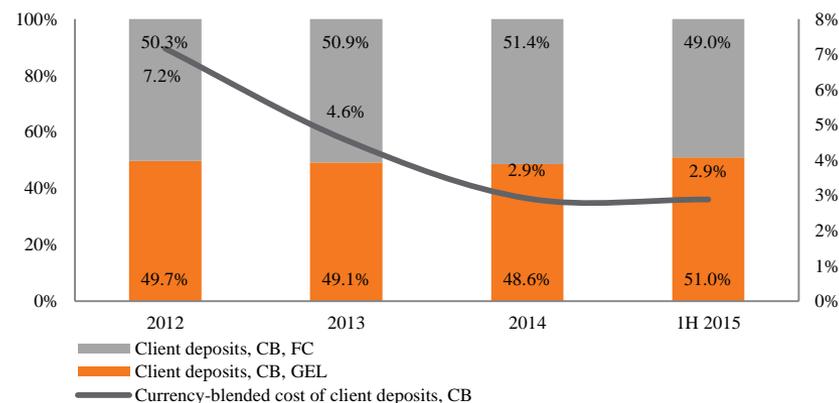
Loan Yields | Corporate Banking, standalone

CB standalone



Deposit Costs | Corporate Banking, standalone

CB standalone



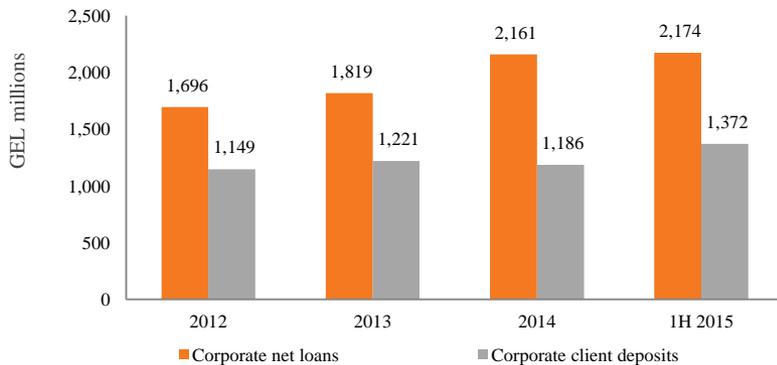
Corporate Banking (CB)

Highlights

- No.1 corporate bank in Georgia
- Integrated client coverage in key sectors
- c.5,000 clients served by dedicated relationship bankers

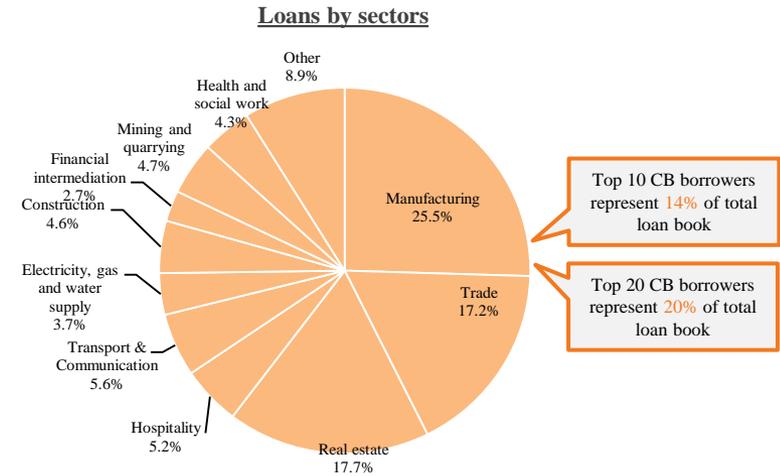
Loans & Deposits

CB standalone

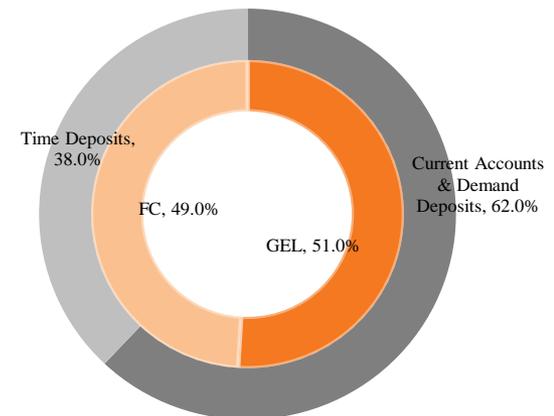


Portfolio breakdowns, 30 June 15

CB standalone



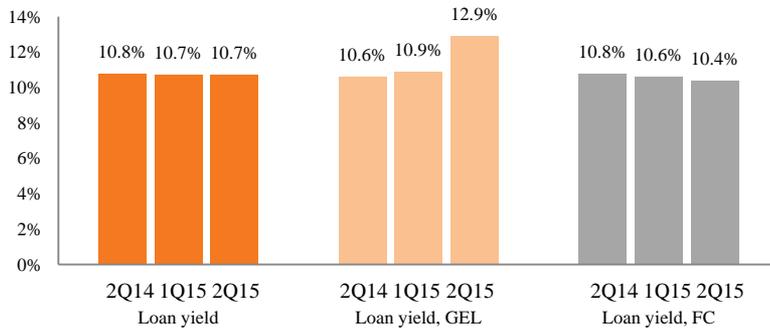
Deposits by category



Corporate Banking (CB)

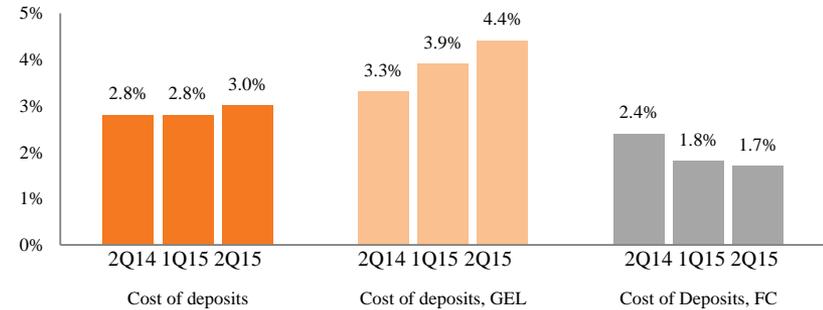
▶ CB Loan Yield | *quarterly*

CB standalone



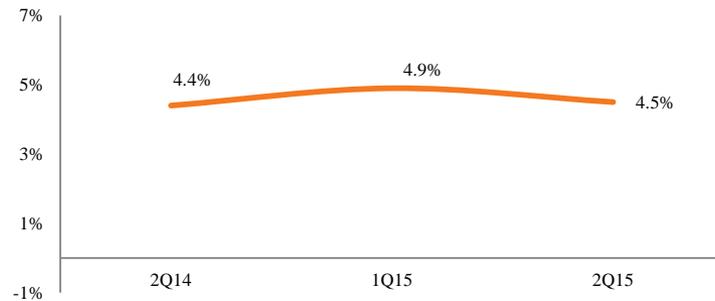
▶ CB Cost of Deposits | *quarterly*

CB standalone



▶ CB NIM | *quarterly*

CB standalone



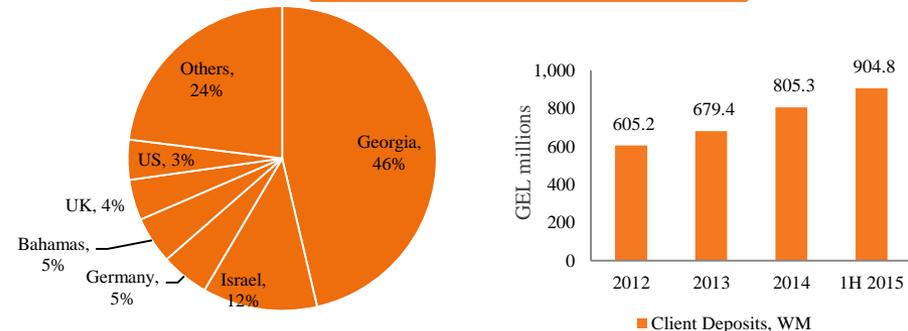
Investment Management | results overview

Highlights

- **Strong presence internationally** through representative offices in Israel (since 2008), the UK (2010), Hungary (2012) and Turkey (2013).
- **Preparing to launch funds:** Mezzanine, Renewable Energy and Caucasus Money Market
- **Successfully placed CDs** worth US\$8 million, EUR 8 million and GBP 5 million Euroclearable CDs. CDs issued to IM clients stood at GEL472.6 million.
- **Galt & Taggart hosted first investor conference** dedicated to the equity and bond market development in the region. The conference brought together 60 institutional investors and analysts and 200 one-on-one meetings were held with Georgian and Azeri companies

Client deposits | June 2015

AUM* of GEL 1,231.4 million
as of 30 June 2015
up 31.8% y-o-y



* Wealth Management client deposits, Galt & Taggart client assets, Aldagi Pension Fund and Wealth Management client assets at Bank of Georgia Custody

Galt & Taggart - Investment Bank

Logo	Deal Description	Value	Instrument	Role	Date
o2o	Acquisition of 49.45% share cap JSC POPUL by JSC Supermarket	USD 5 000 000	9.5% 1-Year Bonds	Broker	July 2012
m ²		USD 10 000 000	8.75% 3-Year Bonds	Sole Placement Agent	April 2014
m ²		USD 10 000 000	8.42% 1-Year Bonds	Sole Placement Agent	September 2014
IFC		GEL 30 000 000	8.924% 2-Year Bonds	Sole Placement Agent	June 2014
European B		GEL 25 000 000	Floating Rate 3-Year Note	Lead Arranger	February 2015
EVEK		USD 15 000 000	9.5% 2-Year Bonds	Lead Arranger	February 2015
EVEK		USD 20 000 000	9.5% 2-Year Bonds	Sole Placement Agent	May 2015

- Executed its first sizeable M&A deal in 2014 and received a success fee. IM segment's fee and commission income totalled GEL 8.8 million (GEL 1.2 million in 2013)
- Acted as lead arranger in 1H15 for bond offerings for
 - US\$15 mln bonds issued by Evex
 - GEL 25 mln floating notes issued by EBRD
 - GEL 30 mln bonds issued by IFC
 - US\$20 mln bonds issued by m²

Galt & Taggart - Research



Sector coverage

- Energy
- Tourism
- Agriculture
- Wine
- Commercial Real Estate

Macro coverage

- Georgia
- Azerbaijan

Fixed Income Coverage

- GOGC
- Georgian Railway

Georgia healthcare market & GHG market share evolvement

Hospitals

Ambulatories

Pharmaceuticals

GHG strategy

Maintain dominant market share in hospitals by capacity and revenue

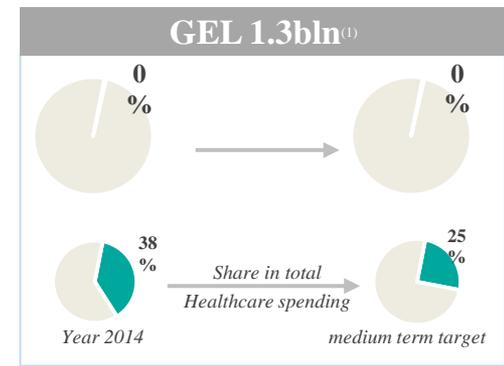
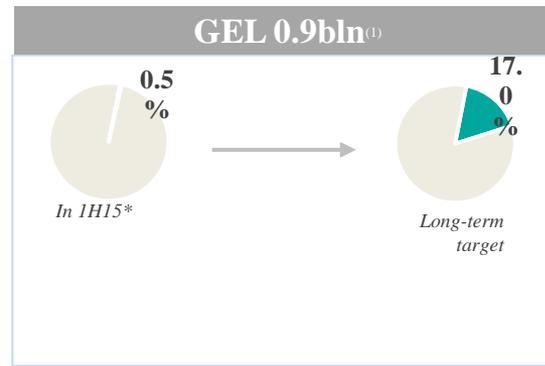
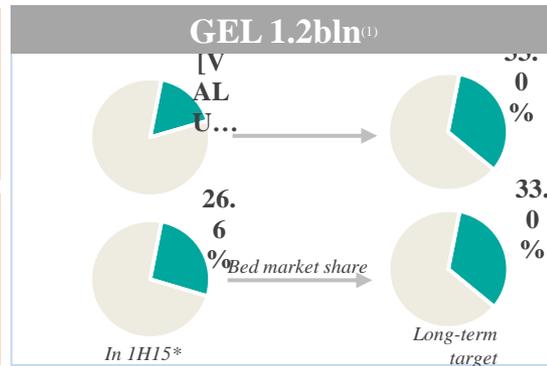
GHG Replicating hospital consolidation experience in outpatient segment, with a first mover advantage

Redistribution of funds expected from pharmaceuticals to ambulatory services

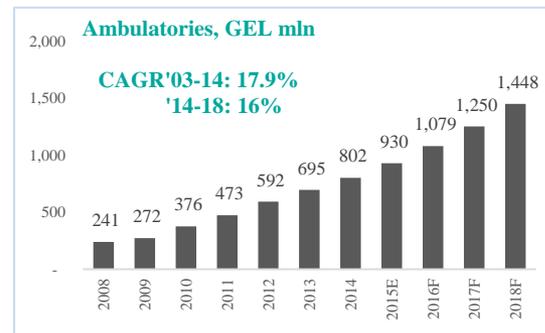
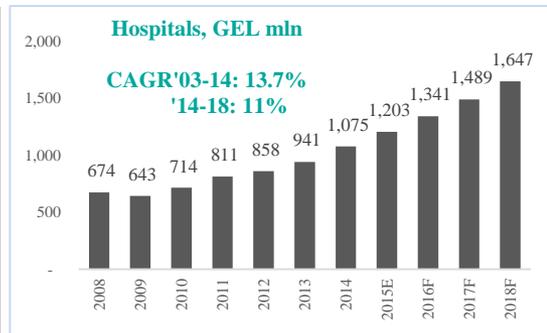
GHG Market shares

Revenue

Capacity



Market



Growth drivers

- Low utilisation (50-60%)
- Low equipment penetration
- Fragmented market
- System inefficiency (low nurse-to-doctor ratio)
- **GHG:** accelerated revenue market share growth on the back of well-invested asset base

- Low outpatient encounters
- Fragmented market
- New prescription policy
- **GHG:** replicating hospital cluster model and consolidation experience in ambulatory sector

- new prescription policy introduced in 2014
- ambulatory market consolidation
- Weakening of existing pharma-duopoly
- spending on pharma Georgia's 38% vs 16-17% in Europe; decreasing trend in comparable countries

(1) 2015E market value

GHG | Long-term, High-growth Story

2015-2018

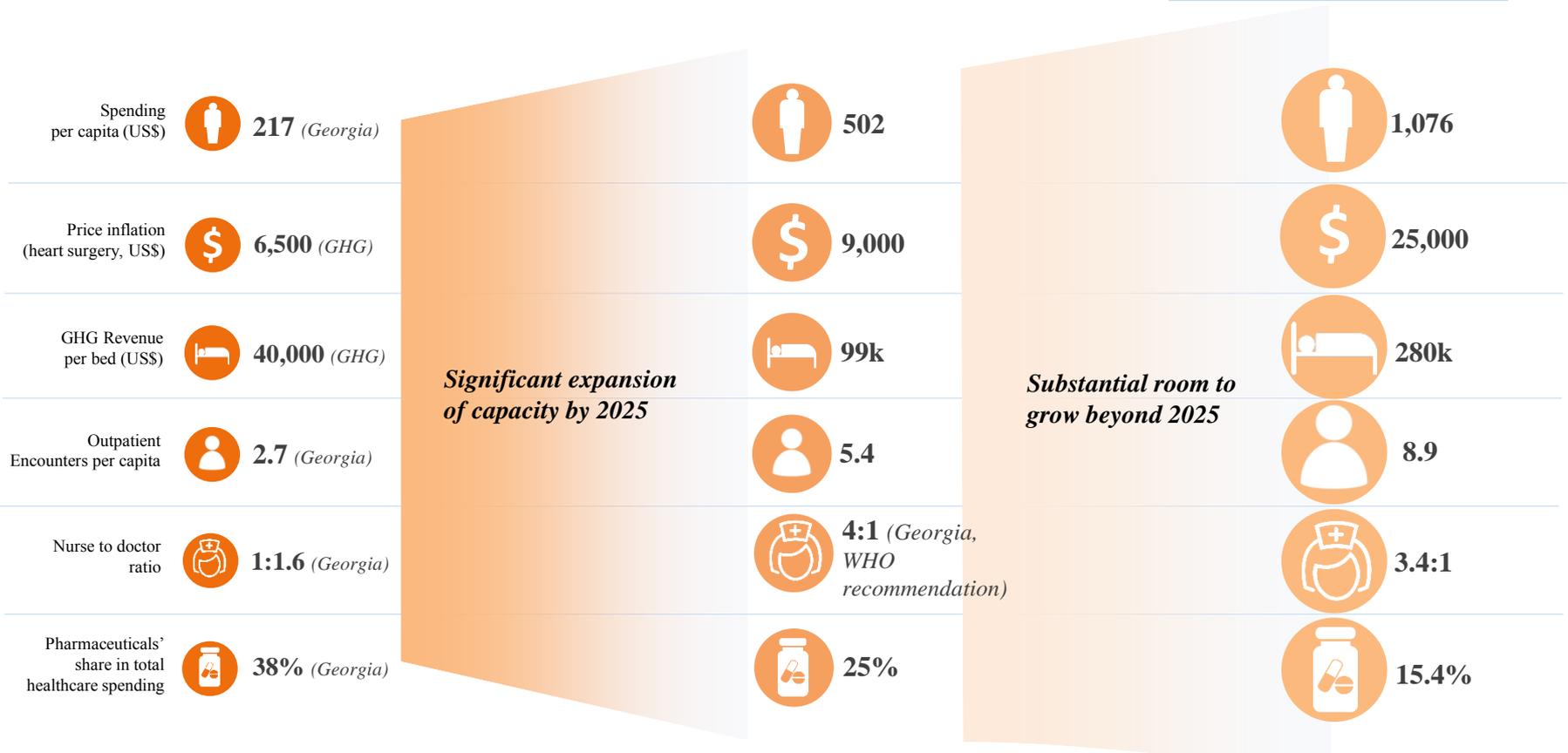
Medium-term Target
(5-10 Year Horizon)

Long-term Target
(Beyond 10 Year Horizon)

Georgia 2014 or most recent year⁽¹⁾

Georgia medium-term⁽¹⁾

EM 2014 or most recent year⁽²⁾



GHG | Maintain dominant market share in hospitals by capacity and revenue

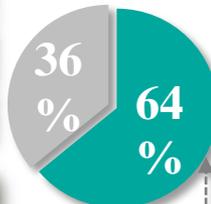
Hospital Competition

Key takeaways:⁽¹⁾

- GHG is more than four times larger than next largest competitor
- Highly fragmented with top 5 players having 40% market share and average number of beds per hospital at 45
- 84% of national bed capacity is privately owned
- 64% of beds are renovated in Georgia, compared to 86% of GHG's beds that are renovated

National bed capacity, % breakdown⁽¹⁾

Soviet-era legacy



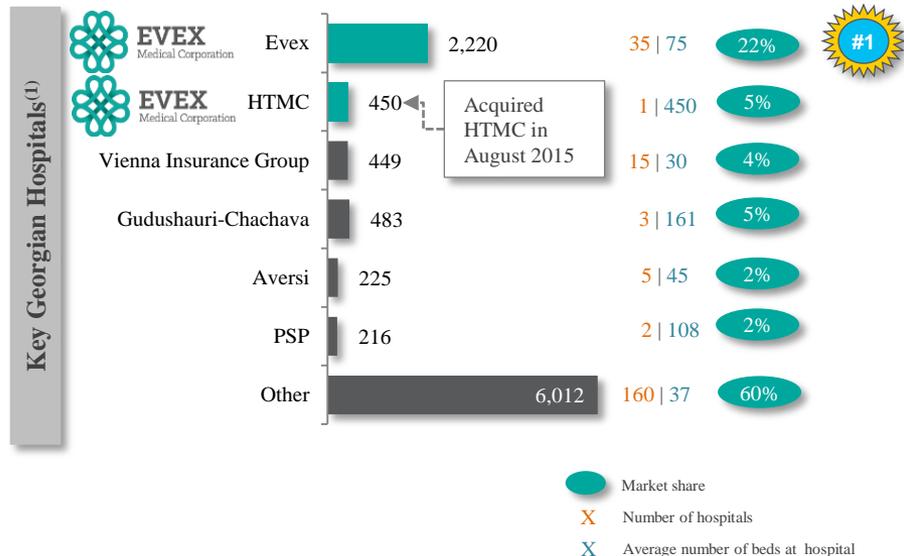
■ Renovated beds
■ Soviet-era beds

86% of GHG beds are renovated⁽²⁾

Renovated



National bed capacity (# of Beds, # of Hospitals)⁽¹⁾



Revenue market share growth drivers:

- **c.30% market share by capacity** to be achieved after renovation of Deka and Sunstone (additional c.500 beds) increasing presence in Tbilisi hospital market (from 24.0% to 30.2% by beds) that has 1.9x higher hospitalization rate vs Georgian average.
- Continuing to optimise service mix at recently acquired, less efficient hospitals (Avante, Traumatology, Sunstone, Deka, HTMC) by adding higher revenue generating services

GHG | Replicating hospital consolidation experience in outpatient segment

Ambulatory Competition

Key takeaways:

- GHG has less than 1% market share in ambulatories, targeting 17% (long-term)
- The rest of the market similarly fragmented, with no single player having more than 1% market share and comparable access to capital and management
- Potential to grow ambulatory revenue from Imedi L – out of GEL c.16mln Imedi L spending on ambulatories (2015E), only 34% is spent at GHG ambulatory clinics due to limited footprint in ambulatory segment

Competition

Clinic facade



Reception / registration



Doctor's office



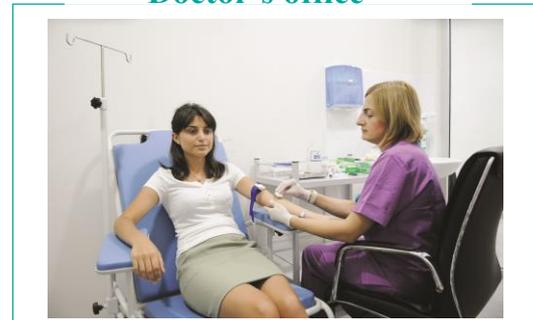
Clinic facade



Reception / registration



Doctor's office



GHG ambulatory clinics

GHG | segment overview



Key Segments	Evex			Imedi L
	Referral and Specialty Hospitals	Community Hospitals	Ambulatory Clinics	Medical Insurance
Key Services	General and specialty hospitals offering outpatient and inpatient services in Tbilisi and major regional cities	Basic outpatient and inpatient services in regional towns and municipalities	Outpatient diagnostic and treatment services in Tbilisi and major regional cities	Range of private insurance products purchased by individuals and employers
Market Size	GEL 1.2bln (2015E)			GEL 0.14bln (2015E)
Market Share	14.0% by revenues 22.1% by beds (2,220), which grew to 26.6% following HTMC acquisition in August 2015 (450 beds) and is expected to grow to c.30.0% as a result of renovation of recently acquired hospital facilities (additional c.500 beds);			0.5%
Selected Operating Data (1H 2015)	<p>16 hospitals* 2,209 beds⁽¹⁾</p>	<p>19 hospitals 461 beds</p>	<p>6 clinics 220,000+ outpatients treated</p>	<p>250,000 insured</p>
Financials (1H 2015)	Revenue <p>GEL 75.4mln 2012-1H15 CAGR 73%</p>	<p>GEL 8.7mln 2012-1H15 CAGR 14%</p>	<p>GEL 2.5mln 2012-1H15 CAGR 9%</p>	<p>GEL 26.4mln 2012-1H15 CAGR 15%</p>
	EBITDA <p>GEL 19.4mln 2012-1H15 CAGR 75%</p> <p>EBITDA Margin⁽²⁾: 25.3%</p>	<p>GEL 2.2mln 2012-1H15 CAGR 24%</p> <p>EBITDA Margin⁽²⁾: 24.5%</p>	<p>GEL 0.8mln 2012-1H15 CAGR 35%</p> <p>EBITDA Margin⁽²⁾: 31.0%</p>	<p>GEL 1.2mln 2012-1H15 CAGR -20%</p> <p>EBITDA Margin⁽²⁾: 4.7%</p>

Note: EBITDA margins are based on gross of intercompany eliminations revenue numbers

m² Real Estate | Leading real estate development company (1/2)

Outstanding Track Record

- Core business activities: the company develops, sells and manages residential apartments

2 Completed Projects

- Total sales US\$56.7mln
- Number of apartments: 645
- Total Project Cost: US\$48.6mln
- Total net income: US\$7mln
- Land value materialized: US\$6.3mln

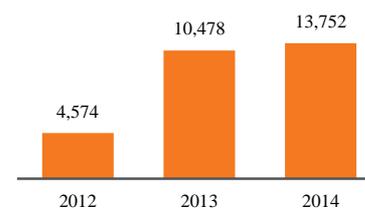
4 On-going Projects

- Total sales US\$58.9mln, yet to be recognised as revenue
- Number of apartments: 1,024
- Total Project Cost: US\$65.2mln
- Total expected net income: US\$14mln
- Land value to be materialized: US\$10mln

Fast Growing Company

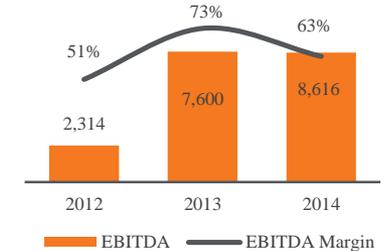
Revenue Dynamics

(GEL' thousand)



EBITDA Dynamics

(GEL' thousand)



Note: m² Affordable Housing Business figures only

Value Creation

Project Initiation

- 2010-2012 - BoG made a cash investment of GEL 5.0m (US\$3m) with an idea to develop problem land plots seized after 2008 into an opportunity

Testing the market and potential for value creation

- 2012-2014 – After successful completion of two projects and four ongoing projects, M2 has become a leading real estate company with significant potential for growth

Value Creation

- The Group generates an IRR of more than 40%. Leveraging on M2's successful track record of completed projects

Total sales of US\$115.8mln since 2011

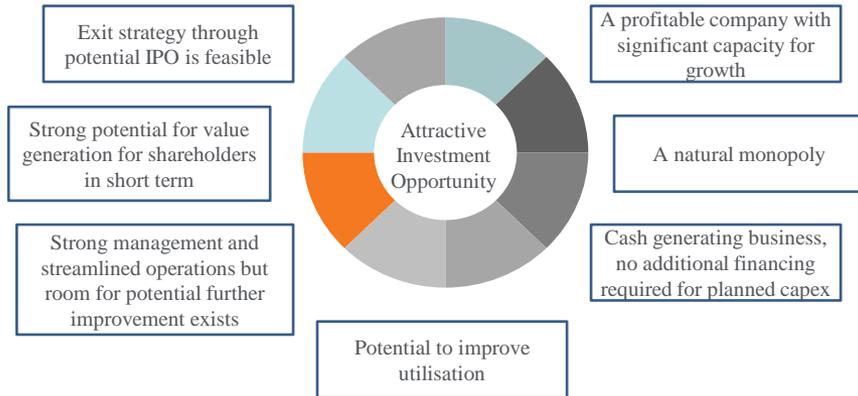
*Of which, US\$58.9mln yet to be recognised as revenue**



Significant potential of the project from sales of US\$29,000 price apartments with current IRR of c. 31%

Acquisition of a minority interest in GGU | *an Attractive Investment Opportunity*

Transaction Rationale



Transaction Overview

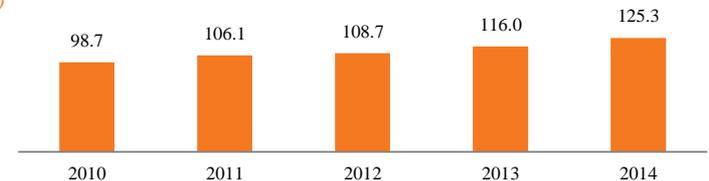
- Transaction to be structured in several steps
 - Acquisition of 25% shareholding for GEL48.7m (US\$26m)
 - Option to acquire an additional 24.9% within 10 months for GEL48.7m (US\$26m), plus 20% per annum accrued on the call option consideration over the period from closing date to exercise date less any dividends distributed through the call option period
 - Total consideration of c.GEL97m (US\$52m)⁽¹⁾ represents c. 1.3% of BoGH's assets and 4.5% of its market capitalisation⁽²⁾
- Attractive valuation with GGU valued at EV / EBITDA 2014E deal multiple of 4.7x, while industry peers are trading at 8.5x average EV / EBITDA 2014E multiple⁽³⁾
- BoGH provided a US\$25mn loan to GGU with proceeds to be paid as dividend to the selling shareholders
- The transaction is earnings accretive
- Commercial terms have been agreed, transaction will be subject to certain conditions

Company Overview

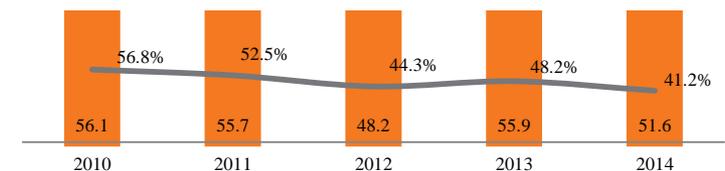
- Georgian Global Utilities Ltd. ("GGU") is a privately owned company that supplies water and provides wastewater services to 1.4 million people (approximately 1/3 of Georgia's total population) in Tbilisi, Mtskheta and Rustavi and operates hydropower electricity generation facilities
- Sales to corporates represented c.70% of water revenue
- GGU owns and operates 3 hydropower generation facilities with a total capacity of 143MW
- Most of the milestones committed to the authorities during the privatization have already been achieved with one project remaining before 2018
- No additional equity financing is required for planned Capex program

Selected Financials

Revenue Dynamics⁽⁴⁾ (GEL 'm)



EBITDA Dynamics⁽⁴⁾ (GEL 'm)



Contents

Bank of Georgia Holdings PLC | Overview

Results Discussion | Bank of Georgia Holdings PLC

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Georgian Macro Overview

Appendices

Georgia at a glance

General Facts

- Area: 69,700 sq km
- Population (2012): 4.5 mln
- Life expectancy: 77 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)

Economy

- Nominal GDP (Geostat) 2014: GEL 29.2 bn (US\$16.5 bn)
- Real GDP growth rate 2011: 7.2%, 2012: 6.2%, 2013: 3.3% 2014P:4.7%, 1H15: 2.6%
- Real GDP average 10 yr growth rate: 5.8%
- GDP per capita 2014E (PPP) per IMF: US\$7,653
- Inflation rate (e-o-p) 2014: 2.0%
- External public debt to GDP 2014: 26.8%

- Sovereign ratings:
 - S&P BB-/B/Stable, affirmed in November 2014
 - Moody's Ba3/NP/Positive, affirmed August 2014
 - Fitch BB-/B/Stable, affirmed in April 2015



Georgia's key economic drivers

Liberal economic policy

- **Outstanding progress in governance and business reforms, eliminating corruption, strengthening public finances, and streamlining tax and customs procedures. These economic and structural improvements have been institutionalized.**
- 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%
- Productivity gains accounted for 66% of the average 5.6% growth over 1999-2012, according to the World Bank
- Business friendly environment and low tax regime

Regional logistics and tourism hub

- **A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west, with a total population of 900mn.**
- Proceeds from foreign tourism at US\$1,787mln in 2014, up 3.9% y-o-y; 5.5mln visitors in 2014, up 2% y-o-y; 3.9mln visitors in 8M15, up 5.9% y-o-y
- Regional energy transit corridor; c.20% of state budget is spent on infrastructure development

Strong FDI

- **An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth.**
- FDI diversified across sectors (2014: US\$1,758mln 2013: US\$942mln, 2012: US\$912mln, 2011: US\$1,117mln); FDI averaged 10% of GDP in 2005-2014
- FDI up 4.8% y-o-y in 1H15 to US\$530.0mln
- Net remittances of US\$1,262.6mln in 2014, 19.5% CAGR'04-14, US\$454.2mln in 1H15

Support from international community

- **Georgia and the EU signed an Association Agreement in June 2014.** The deal includes a DCFTA, which is the major vehicle for Georgia's economic integration with the EU, a common customs zone of c.500mn customers and a US\$ 18.5tn economy, spurring exports and enhancing the diversification and competitiveness of Georgian products.
- 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
- Diversified trade structure across countries and products

Cheap electricity

- **Georgia is a net electricity exporter, while it imports natural gas mainly from Azerbaijan**
- Only 20% of hydropower capacity utilized; 88 hydropower plants are in various stages of construction or development
- Significantly boosted transmission capacity in recent years, having rehabilitated a 500kV line to Azerbaijan and built a 500/400 kV line to Turkey. Another 500 kV line to Armenia is under construction and Georgia's transmission capacity to Russia is expected to rise 1.7x to 1,480 MW by 2016 after a new 500 kV line becomes operational

Political environment stabilised

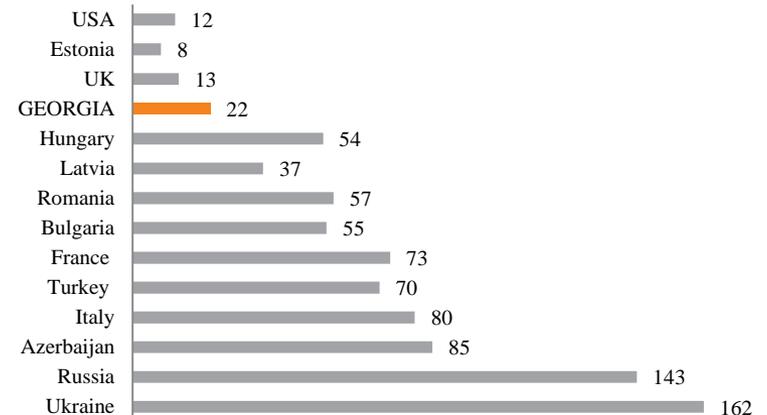
- **Maintaining healthy economic growth is a priority (GDP growth: 6.3% 2003-14, 8.9% CAGR 2014-25F by IMF, 5.0% real annual long-term, IMF)**
- Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU
- New constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency
- Continued economic relationship with Russia, although economic dependence is relatively low
 - Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians
 - 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 7M15, Russia and Ukraine together accounted for 9.2% of Georgia's exports and 13.2% of imports; just 4.1% of cumulative FDI over 2004-2014

Growth oriented reforms

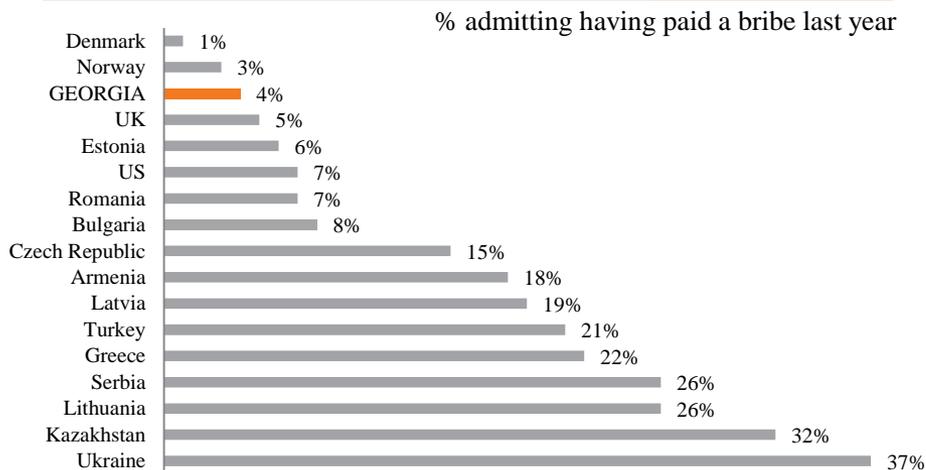
Ease of Doing Business | 2015 (WB-IFC Doing Business Report)



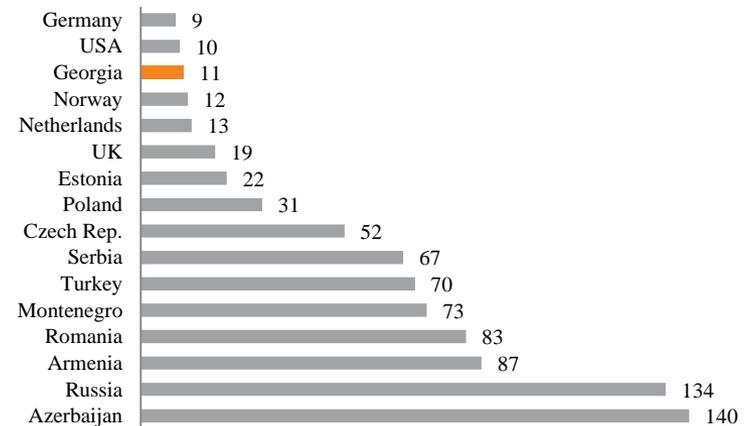
Economic Freedom Index | 2015 (Heritage Foundation)



Global Corruption Barometer | TI 2013

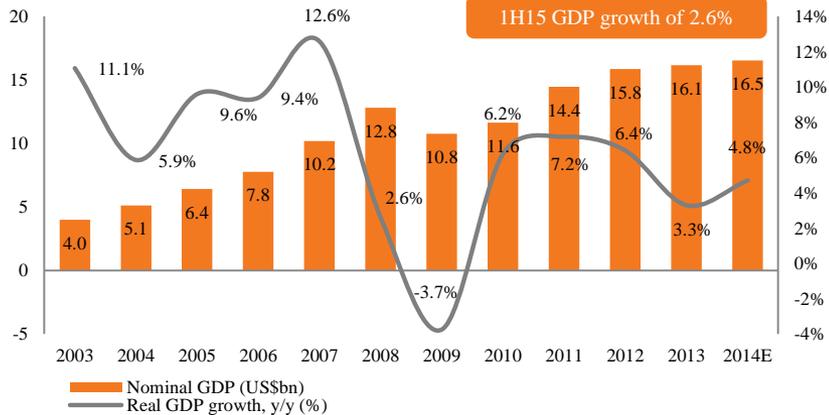


Business Bribery Risk, 2014 | Trace International



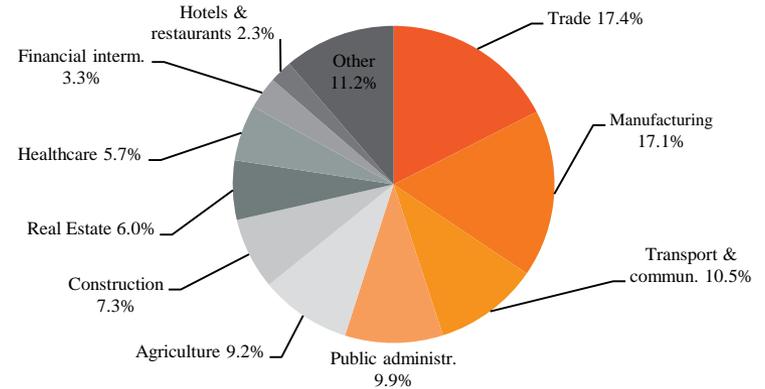
Diversified resilient economy

Gross domestic product



Source: Geostat, Galt & Taggart Research (nominal GDP estimate)

GDP composition, FY 2014



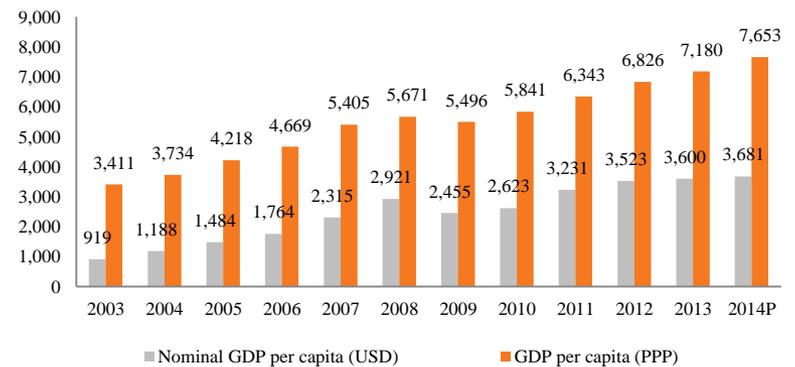
Source: Geostat

Comparative real GDP growth rates, % (2004-2014)



Sources: IMF, Geostat

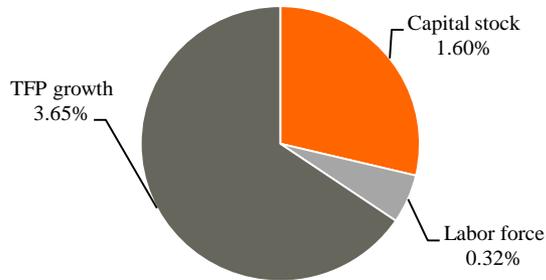
GDP per capita



Sources: IMF

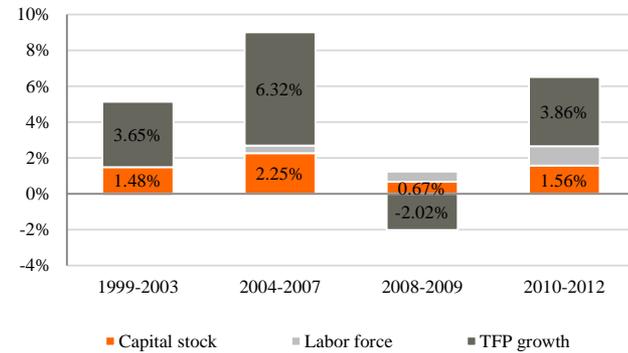
Productivity gains have been the main engine of growth since 2004

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



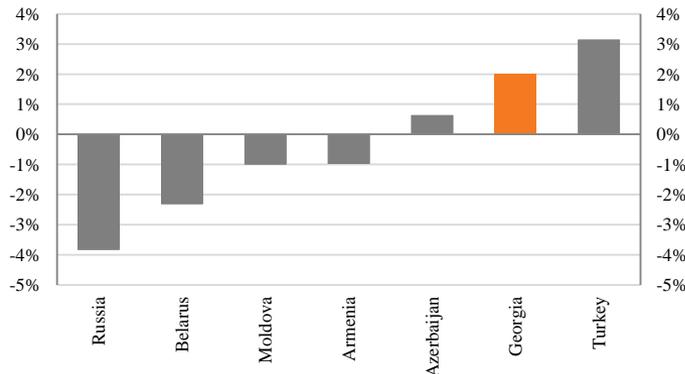
Source: Georgia Rising (2013), WB

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



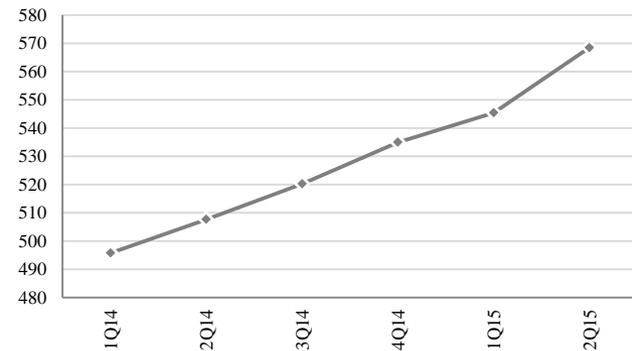
Source: Georgia Rising (2013), WB

Real GDP growth projection, 2015



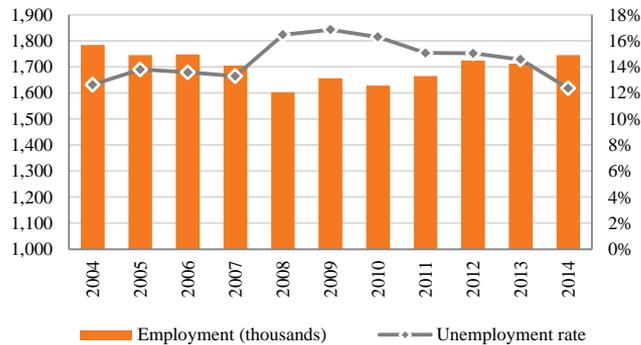
Sources: IMF

Employed persons in business sector, thousands



Further job creation is achievable

Georgia's unemployment rate fell 2.2ppts y/y to 12.4% in 2014



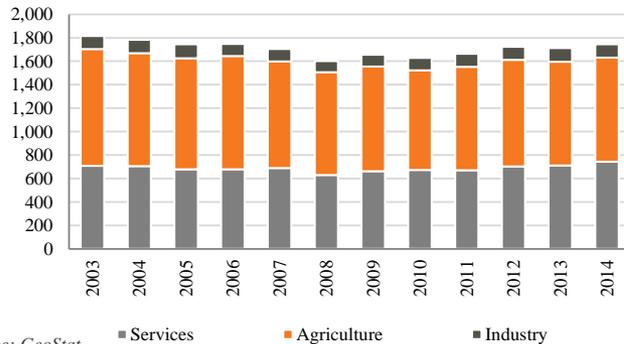
Sources: Geostat

Average monthly wages and income per household



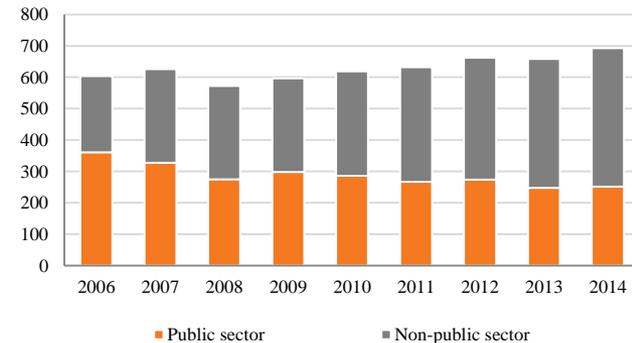
Sources: Geostat

Agriculture remains the largest employer, although the share of services in total employment has increased



Source: GeoStat
Note: services include construction

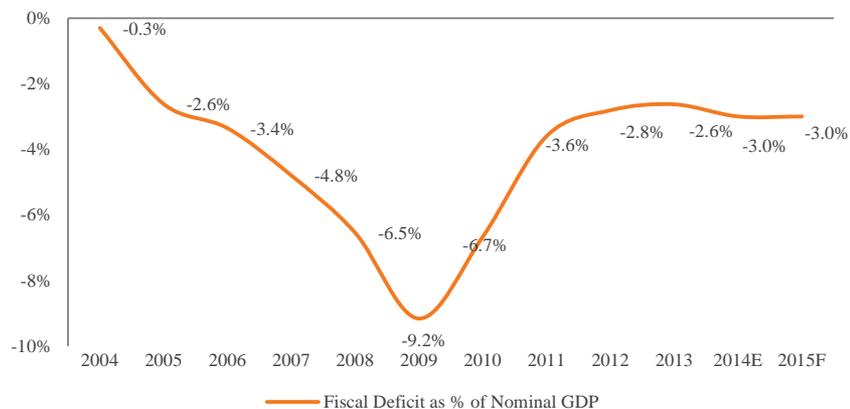
Hired workers account for about 39.7% in total employment



Sources: Geostat

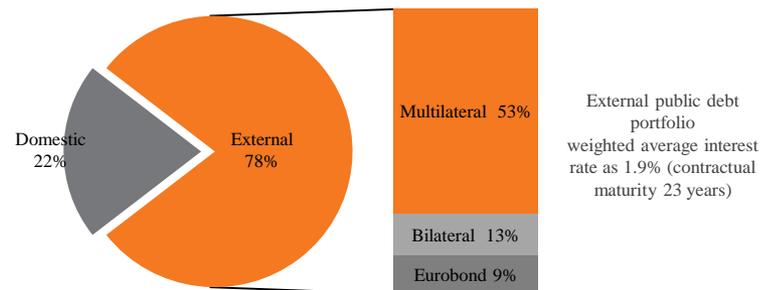
Demonstrated fiscal discipline and low public debt

Fiscal deficit as % of GDP



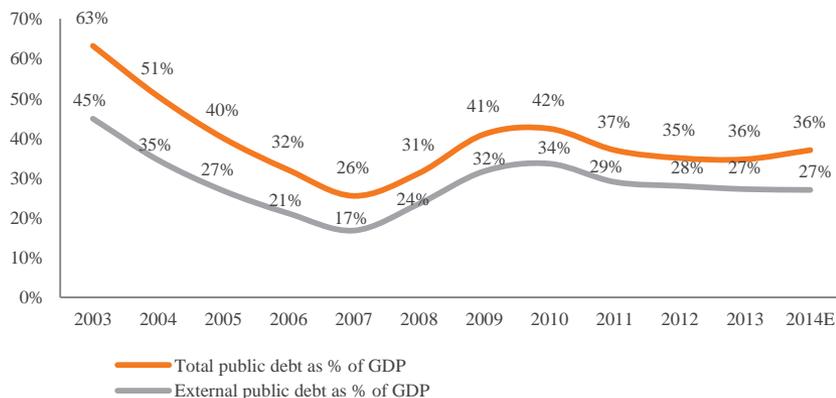
Source: Ministry of Finance of Georgia, Galt & Taggart Research (2014 and 2014 estimates)

Breakdown of public debt



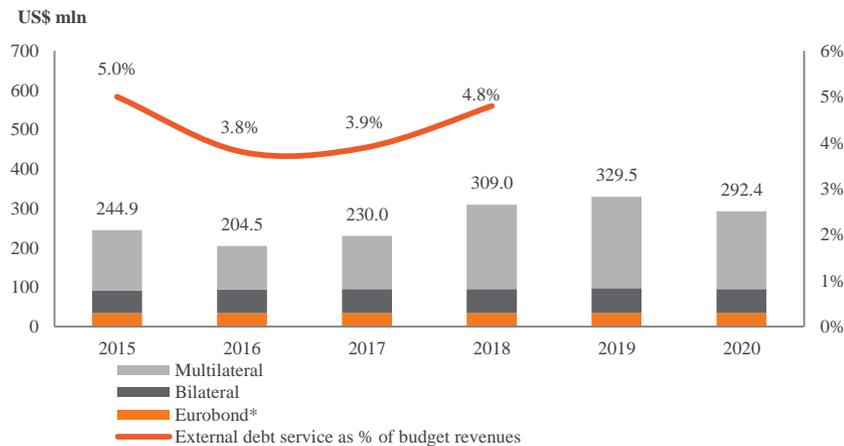
Source: Ministry of Finance of Georgia, as of end of 2014

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

Government external debt service

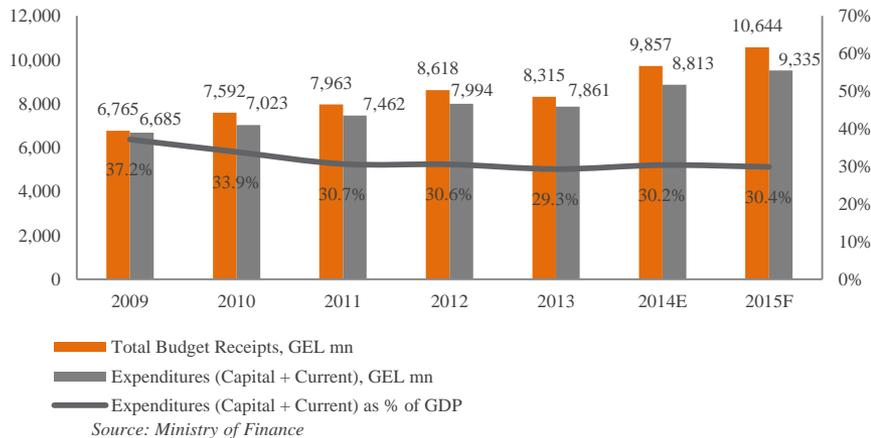


*Coupon payments only, Eurobonds mature in 2021

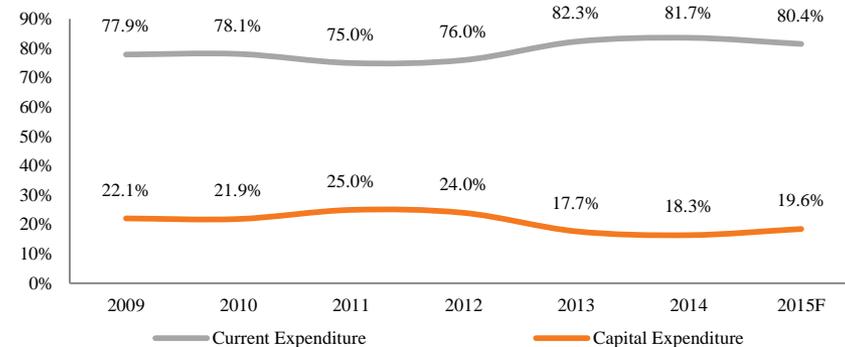
Source: Ministry of Finance of Georgia, IMF

Investing in infrastructure and spending low on social

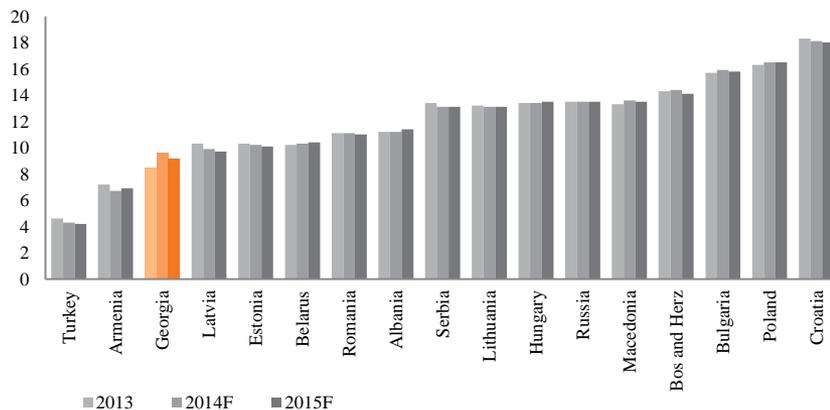
Revenues and expenditures



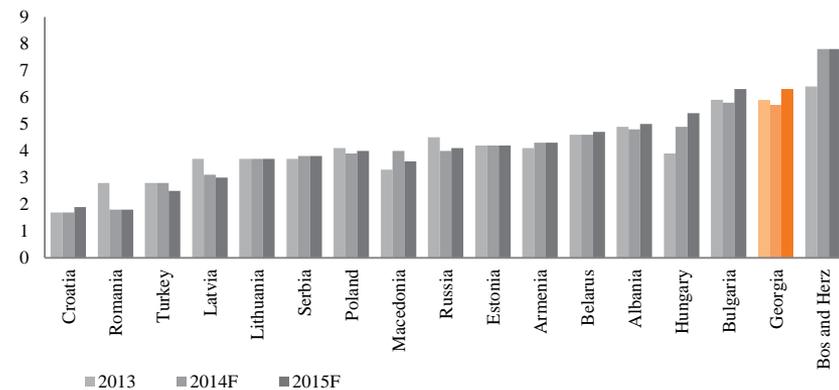
Current and capital expenditure



Government social expenditure as % of GDP

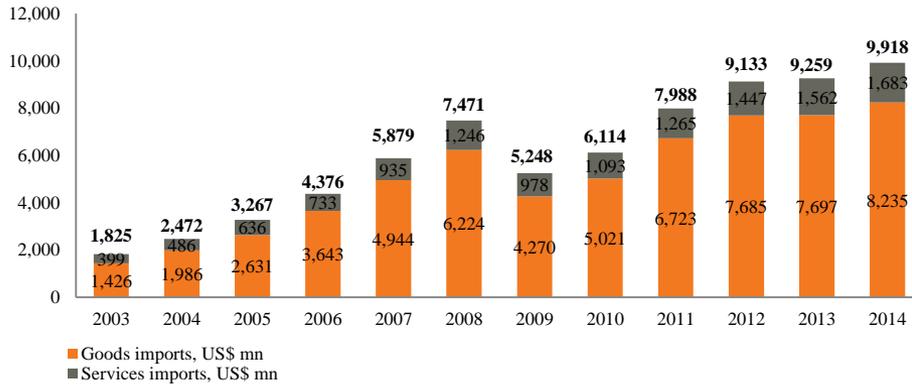


Government capital expenditure as % of GDP



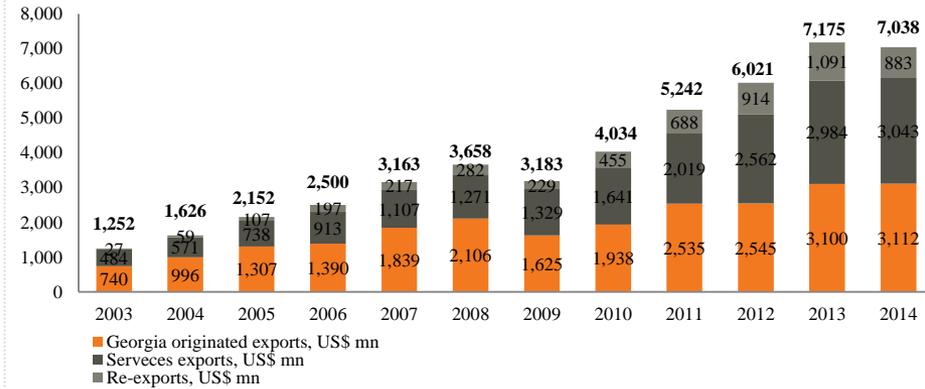
Diversified foreign trade

Import of goods and services



Note: Foreign trade data for goods imports and exports are adjusted to BOP statistics
Source: Geostat, NBG, Galt & Taggart Research

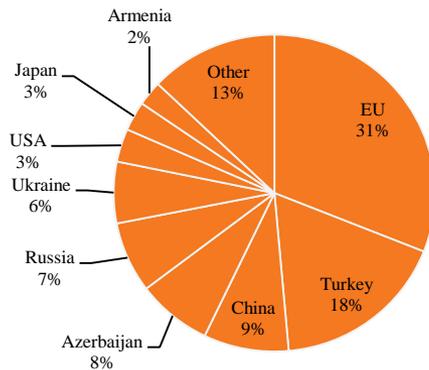
Export of goods and services



Note: Foreign trade data for goods imports and exports are adjusted to BOP statistics
Source: Geostat, NBG, Galt & Taggart Research

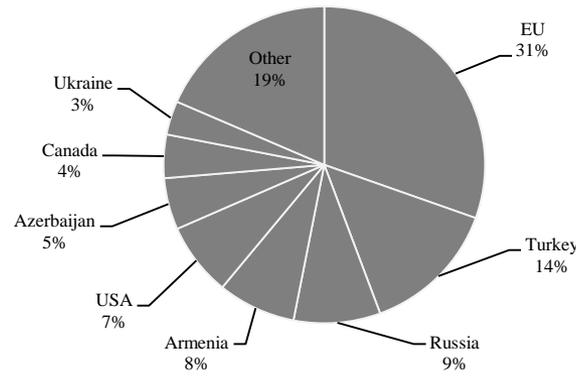
Imports, 1H15

Excluding re-exports



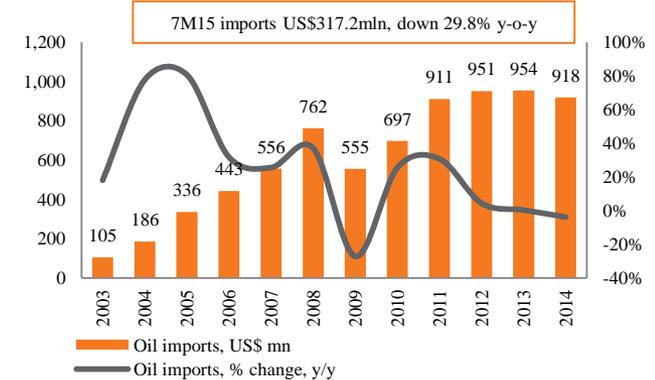
Exports, 1H15

Originating from Georgia



Sources: Geostat, Galt & Taggart Research

Oil imports



Sources: GeoStat

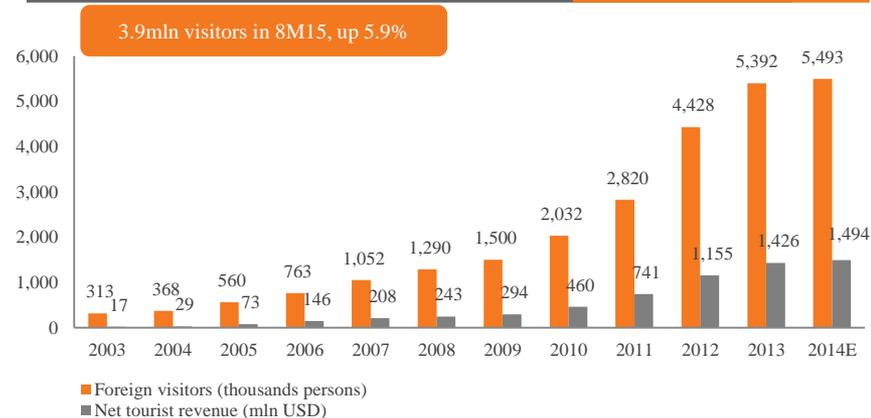
Diversified sources of capital inflow

FDI inflows



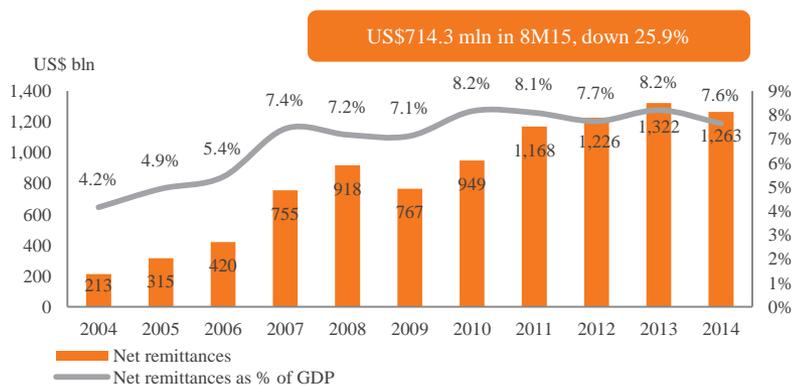
Sources: Geostat

Number of tourists



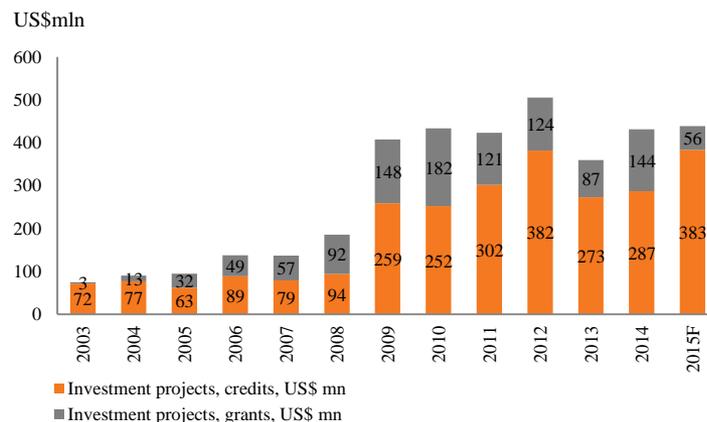
Sources: Georgian National Tourism Agency, National Bank of Georgia, Galt & Taggart estimates

Net remittances



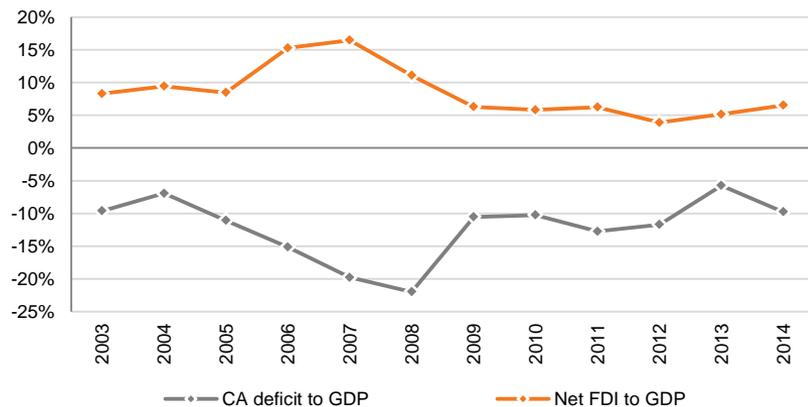
Source: National Bank of Georgia, Galt & Taggart Research (2014 GDP estimate)

Public donor funding



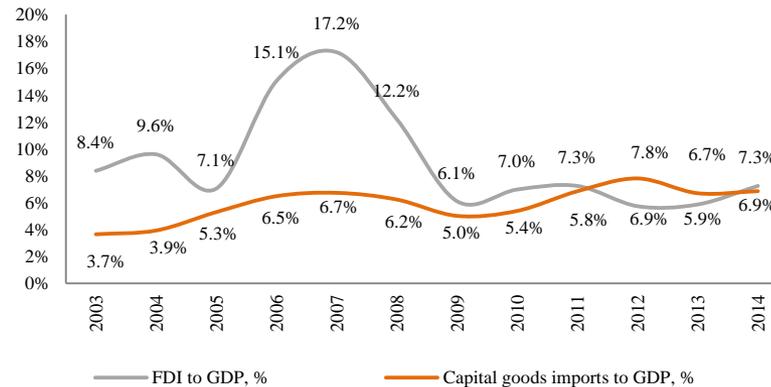
Current account deficit supported by FDI

Current account deficit and FDI



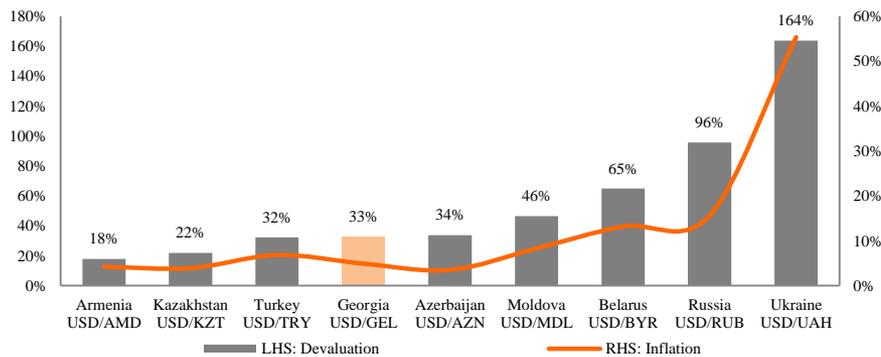
Sources: Geostat, NBG, Galt & Taggart

FDI and capital goods import



Sources: Geostat, NBG, Galt & Taggart

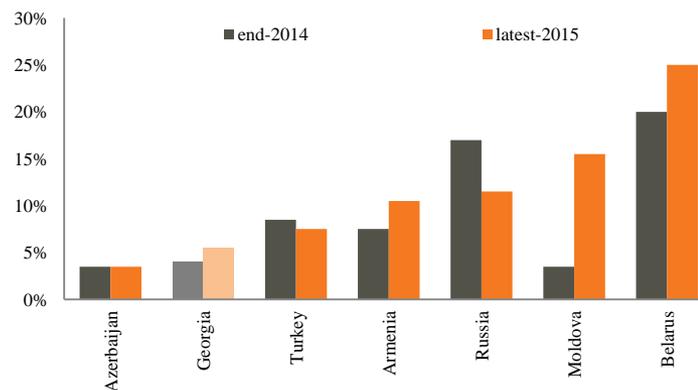
Currency devaluation by countries*



*from 1 January 2014 to 7 August 2015

Source: <http://www.tradingeconomics.com/country-list/inflation-rate>

Monetary policy rates



Source: Central banks

Floating exchange rate policy and stronger market fundamentals

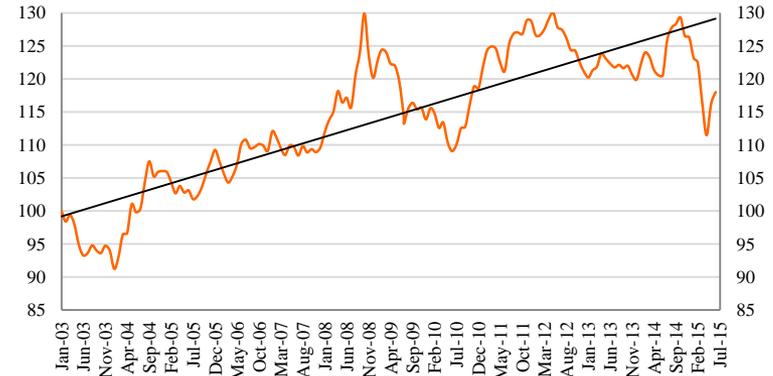
FX reserves



Source: National Bank of Georgia

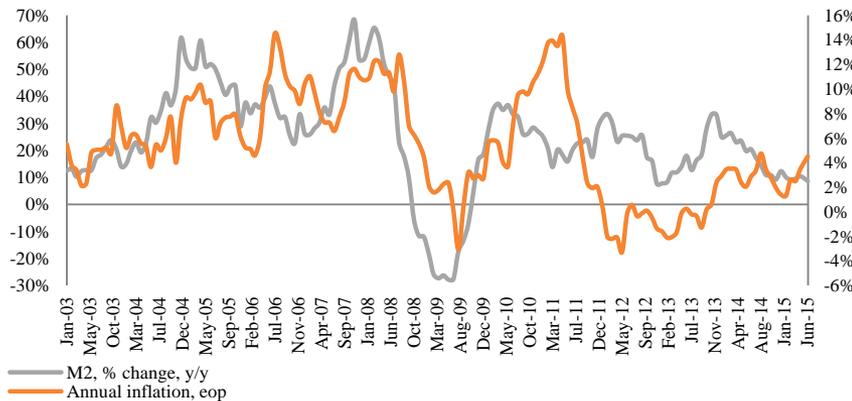
Sources: NBG

REER



Sources: NBG

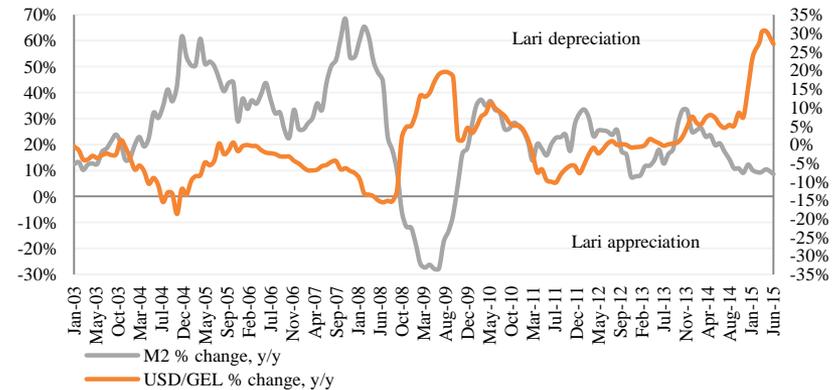
M2 and annual inflation



Source: MOF

* Preliminary data for January 2015

M2 and GEL/USD



Source: MOF

* Preliminary data for January 2015

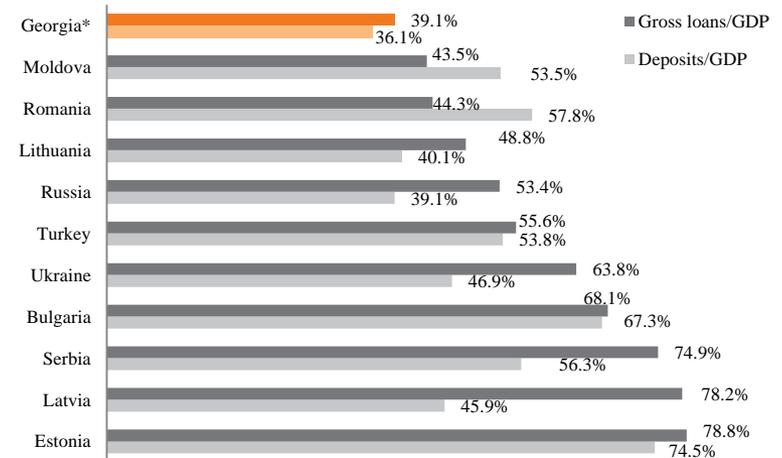
Growing and well capitalised banking sector

Summary

- Prudent regulation ensuring financial stability**
 - Sector total capital ratio (NBG standards) –17% in 2013
 - High level of liquidity requirements from NBG at 30% of liabilities, resulting in banking sector liquid assets to client deposits of 53% as of 31 Dec 2014
- Resilient banking sector**
 - Demonstrated strong resilience towards both domestic and external shocks *without single bank going bankrupt*
 - No nationalization* of the banks and no government ownership since 1994
 - Very low leverage* with retail loans 18.0% of GDP and total loans at 39.1% of GDP as at 31 December 2013 resulting in low number of defaults during the global crisis

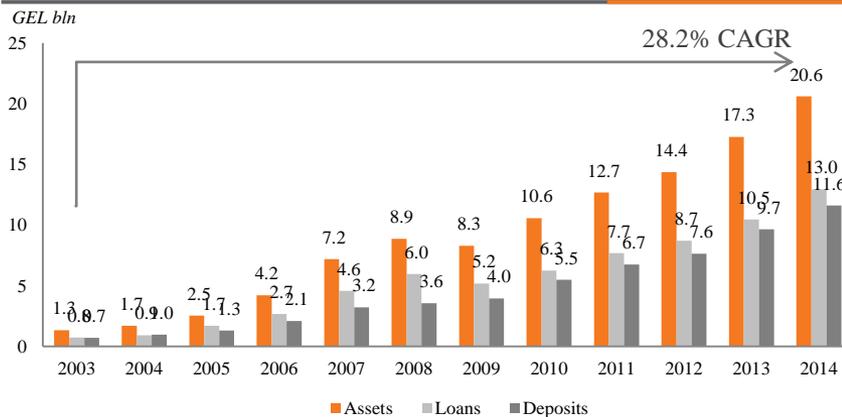
Source: National Bank of Georgia, Geostat

Banking Sector loans and deposits YE 2013

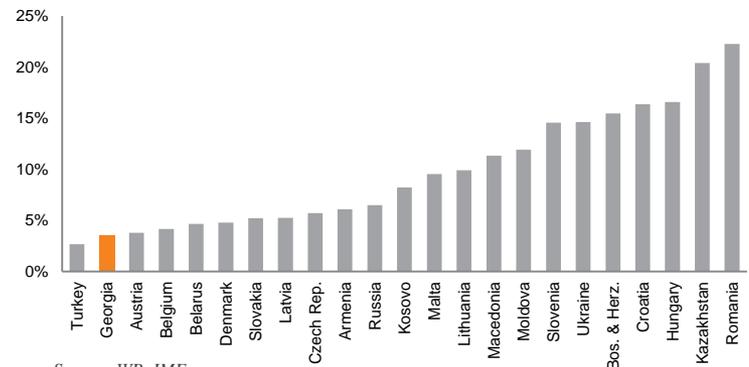


Source: NBG, Central Banks

Banking sector assets, loans and deposits



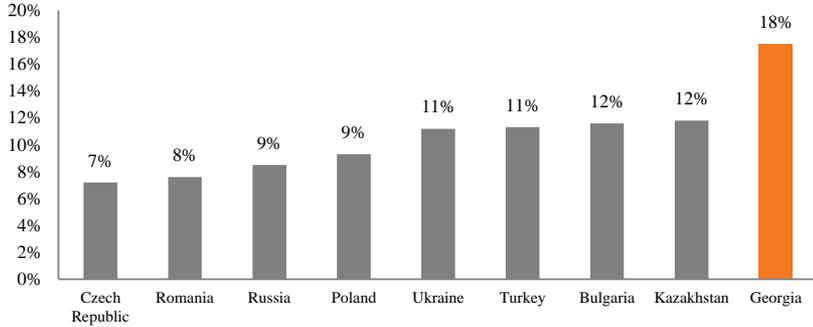
NPLs, 2014



Source: WB, IMF

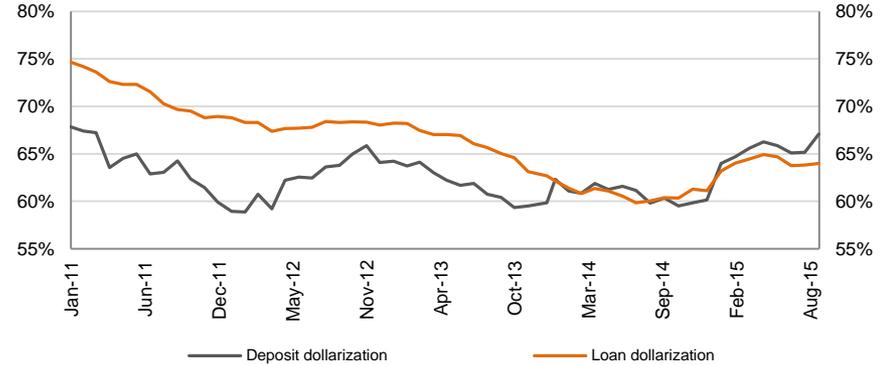
One of the highest level of capital and low debt level compared to other frontier markets

▶ Bank Capital to Assets, YE 2014



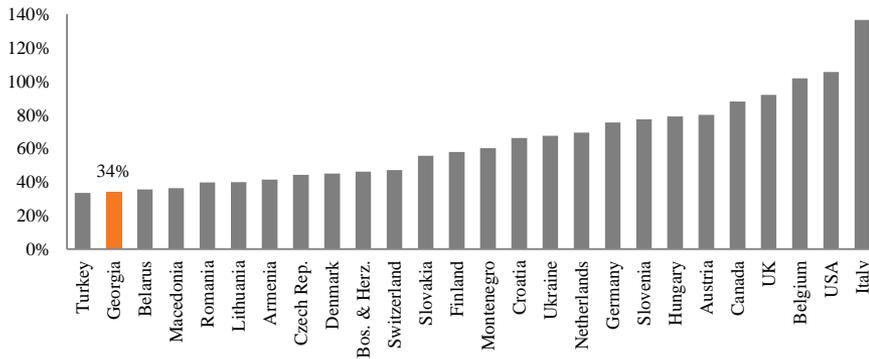
Sources: IMF

▶ Dollarisation



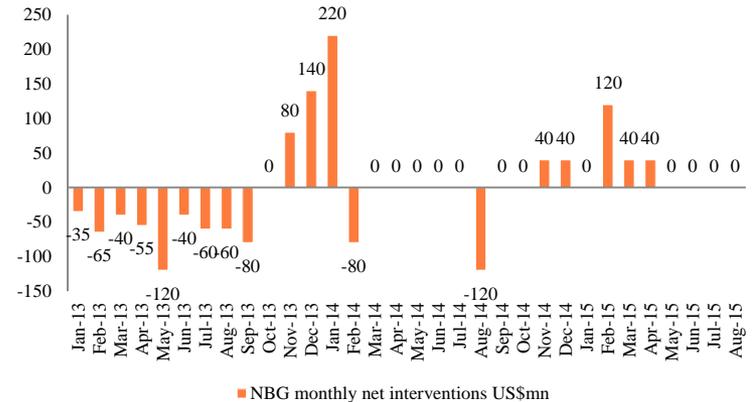
Sources: National bank of Georgia

▶ Government debt / GDP, YE 2014



Sources: IMF, Ministry of Finance

▶ NBG FX interventions



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- Privatbank acquisition
- Solo Banking
- Healthcare comps
- Financial Statements

Analyst coverage | Bank of Georgia Holdings PLC

Consensus Target Price: GBP 23.4



GBP 20.00

GBP 20:00



GBP 24.00

GBP 25.40



GBP 27.35

GBP 23:00



GBP 22.66

GBP 26.00

PEEL HUNT



GBP 25.60

GBP 18.70



GBP 22.40

GBP 25.17

Jefferies

How Express works

▶ 97 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

▶ 2,284 Express Pay Terminals



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

928,999 Express Cards for Transport payments



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



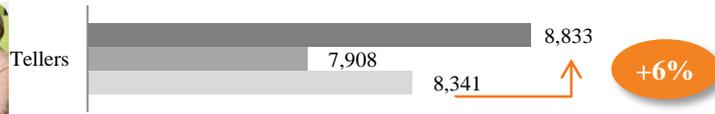
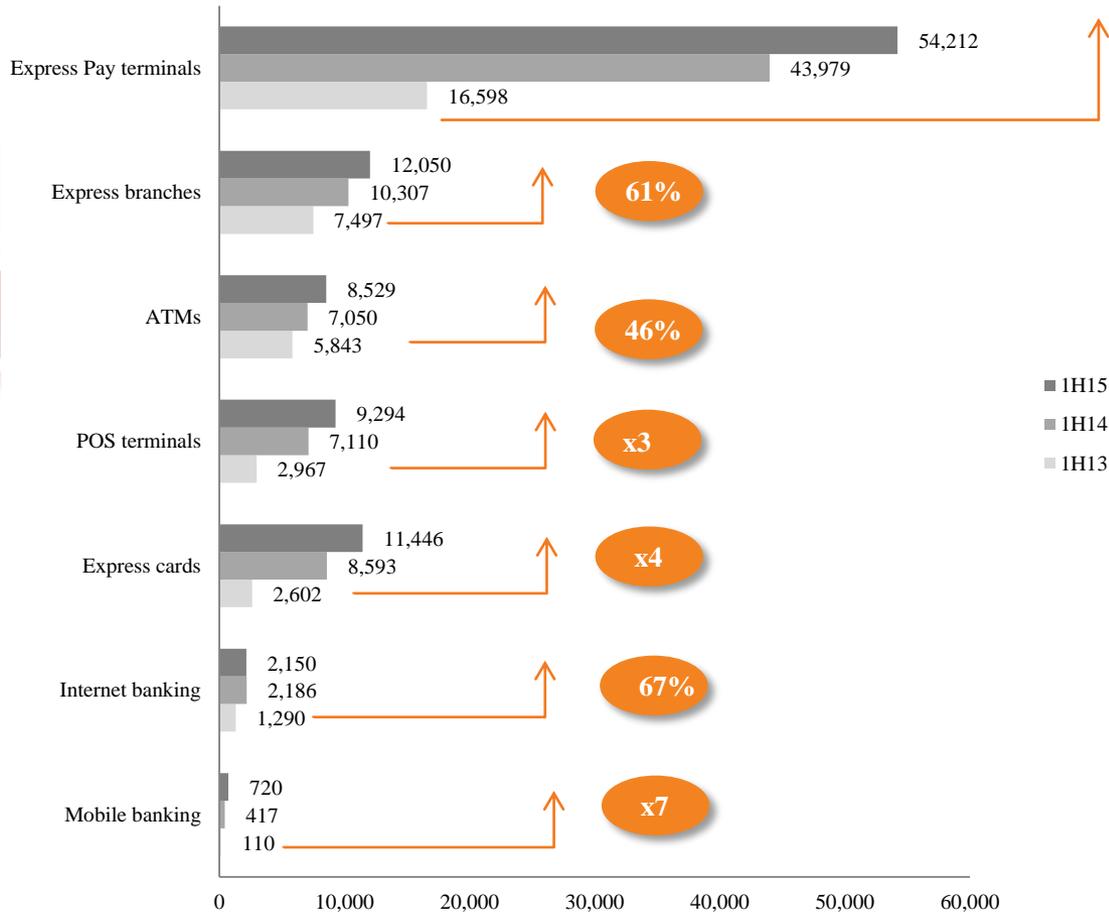
7,668 POS Terminals at 3,418 Merchants



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

Express Banking | Capturing Emerging Mass Market Customers

No. of transitions '000s

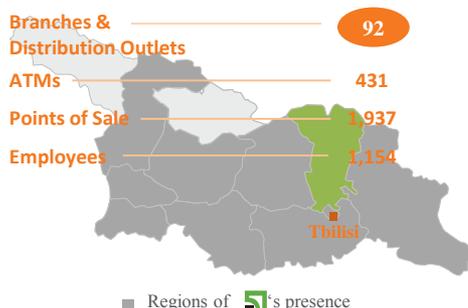


Acquisition of Privatbank Georgia | a value creative transaction

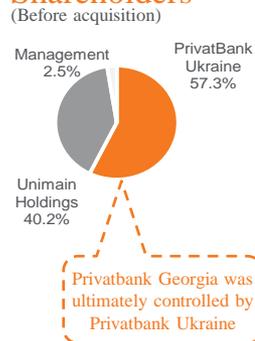
Company Overview

- At the date of transaction, Privatbank Georgia was the 9th largest bank in Georgia by total assets with a focus on retail banking
- Retail loans represented 85% of the loan book, credit cards account for 69% of loans⁽¹⁾
- Countrywide distribution network with 92 branches, 431 ATMs and 1,937 POS terminals
- Over 1,100 employees
- Privatbank Georgia had a 2.8% market share in Georgia by total assets, 4.9% by retail loans and 3.0% by customer deposits⁽²⁾
- Operated captive insurance and leasing franchise
- Privatbank Georgia was a subsidiary of PJSC Commercial Bank Privatbank (“Privatbank Ukraine”), ultimately owned by Igor Kolomoisky and Gennady Bogolyubov

Geographical Footprint



Shareholders



Strong Transaction Rationale

The acquisition of Privatbank is expected to be earnings accretive on a run rate basis before the end of year one

- Strong Strategic Fit**
 - Privatbank Georgia operated in an Express branch model; loans to individuals represented 85% of its total loan book
 - The transaction fits BoG’s strategy to further grow its Express business. BoG had c.560,000 Express clients by the time of this transaction.
- Market Share Enhancement**
 - Transaction increased BoG’s market share in loans to individuals by 4.9% and in deposits from individuals by 2.6%⁽²⁾
- Distribution Network Enhancement**
 - Privatbank Georgia operated a large distribution network of 92 branches across the country, which was 42% of BoG’s distribution network as at 31 December 2014
 - Strengthened BoG’s Express branch distribution network
 - Strong payment platform (431 ATMs and 1,937 POS)
- Synergistic Transaction**
 - Significant cost and funding synergy potential:
 - BoGH’s Cost of Funding of 4.9%⁽⁴⁾ vs 8.1%⁽⁴⁾ for Privatbank implies estimated annualized pre-tax funding synergies of approximately GEL10m realizable within 9-12 months
 - Substantial cost synergies estimated pre-tax of at least GEL15m on an annual basis and realizable within 9-12 months expected from back office and distribution network optimisation initiatives
 - Up to GEL3m of integration costs
 - Significant potential to increase utilization of Privatbank franchise (e.g. assets per employee of Privatbank Georgia is GEL436k vs. GEL2,016k⁽⁵⁾ of BoGH)
 - Opportunity to cross-sell BoG banking products to customers of Privatbank Georgia, which has limited portfolio of banking products due to strategic focus on credit cards

Transaction Overview

- c.GEL92m (US\$49.6m) cash consideration for 100% of Privatbank (1.11x P/BV⁽⁴⁾)
- Definitive agreements have been signed and the deal is closed. 70% of the consideration has already been paid, 20% will be paid upon successful migration of Privatbank data and records to BoG systems and the remaining 10% will be paid on the first anniversary of the closing (January 2016), subject to representations and warranties / holdback provisions.
- Pro forma capital position of BoG broadly unchanged (NBG Tier 1 ratio slightly declines to 11.0% from 11.2%)

Source: Company.

(1) Based on 2013 IFRS consolidated financial statements.

(2) Market data based on standalone accounts as published by the National Bank of Georgia (“NBG”) as of 31 December 2014.

(3) Calculated excluding any branch optimization initiatives. (4) IFRS as per BoG estimates derived by applying auditor IFRS transformations for 2013 numbers to 9M 2014 data.

(5) BoG number of employees are taken for the calculation of BoGH assets per employee.

Solo | a fundamentally different approach to premium banking

Through the recently launched Solo, we target to **attract new clients** (currently only c.8,000) to significantly **increase market share** in **premium banking** from c.13%

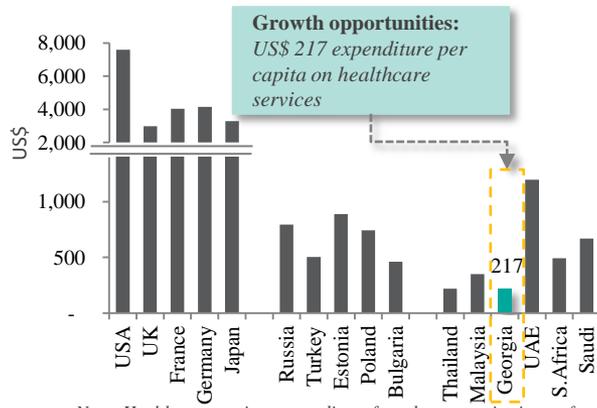
SOLO Lounges



New clients attracted per banker ratio was three-times higher for Solo Lifestyle, compared to regular Solo for the same period last year

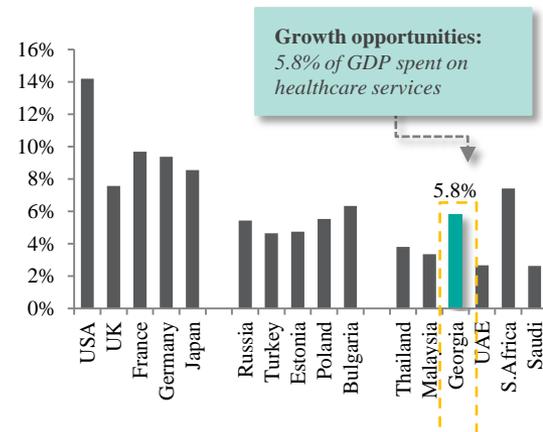
Low expenditure on healthcare services

Per capita expenditure on healthcare services, current US\$⁽¹⁾



Note: Healthcare services expenditure for other countries is pro-forma, based on assumption that pharmaceuticals is 17% of total spending

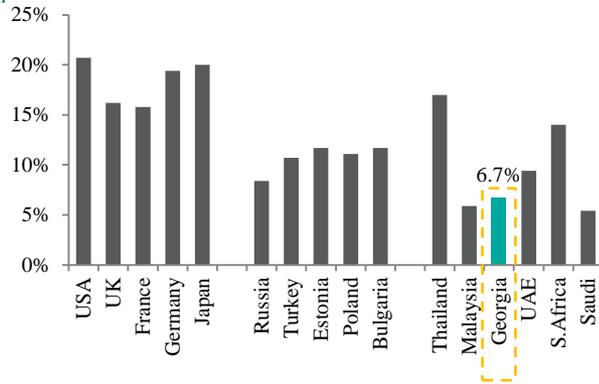
Expenditure on healthcare services % of GDP⁽¹⁾



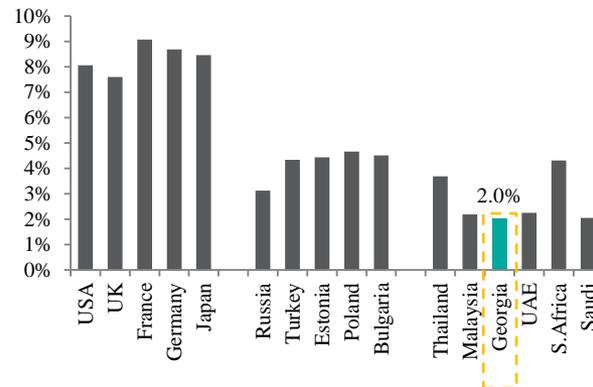
GHG | LONG-TERM HIGH-GROWTH PROSPECTS / Comps (2/4)

Government spending on healthcare is only 6.7% of state budget and 2% of GDP

General government expenditure on health as % of total government expenditure ⁽¹⁾

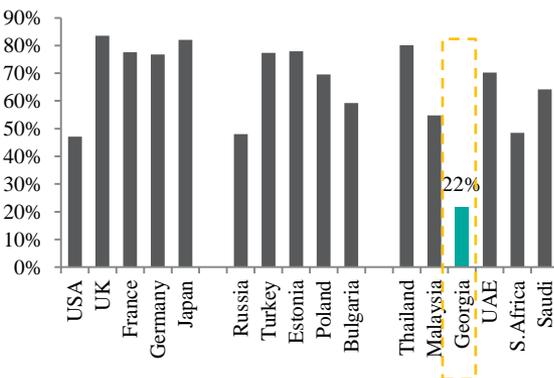


Government expenditure on health as % of GDP ⁽¹⁾



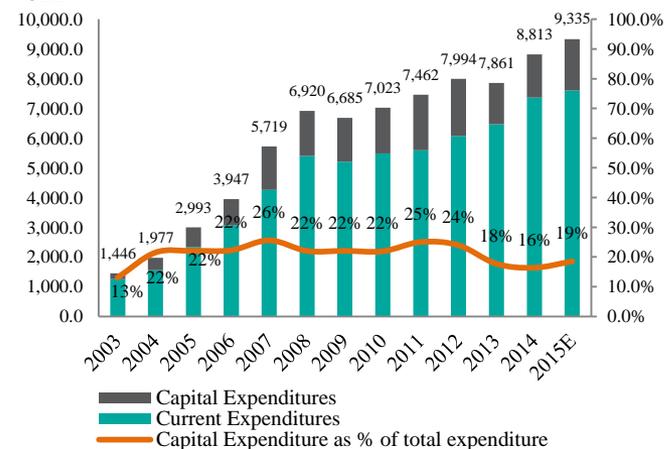
Government finances only c.20% of total healthcare costs

General government expenditure on health as % of total expenditure on health ⁽¹⁾



With c.20% of government tax revenues spent on capex

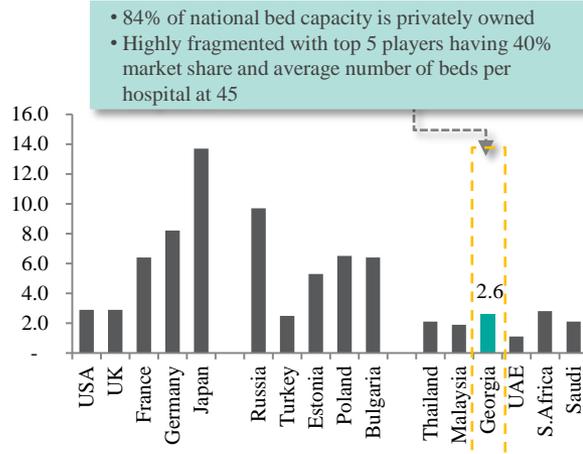
Total government budget, breakdown by operating and capital expenditures ⁽²⁾ GELm



GHG | LONG-TERM HIGH-GROWTH PROSPECTS / Comps (3/4)

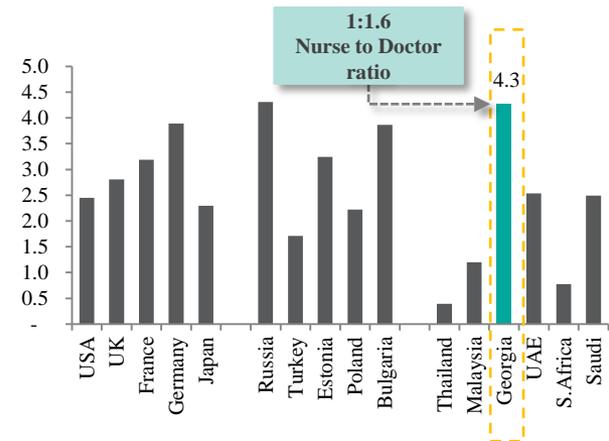
Capacity-wise Georgia stands alongside US, UK and Turkey

Beds per 1,000 people⁽¹⁾



Physician overcapacity yet to be addressed

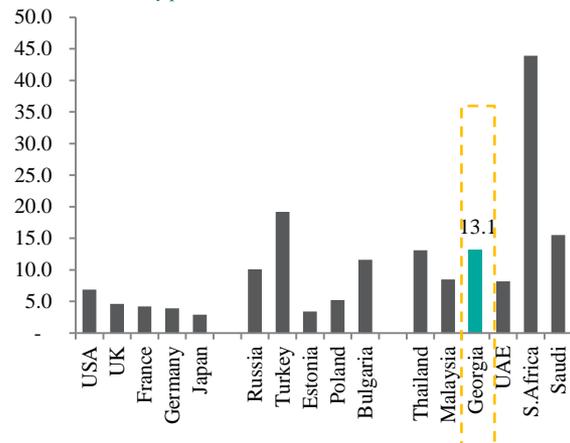
Number of physicians per 1,000 people⁽¹⁾



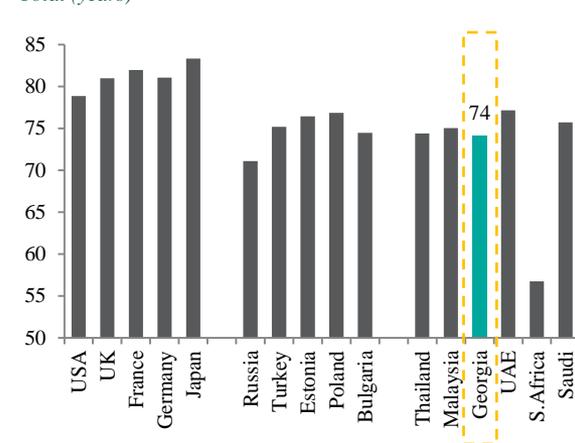
With significant room for improvement in terms of service mix and quality, as indicated by:
under 5 mortality rate...

... and life expectancy at birth

Under 5 mortality per 1,000 live births⁽¹⁾



Total (years)⁽¹⁾



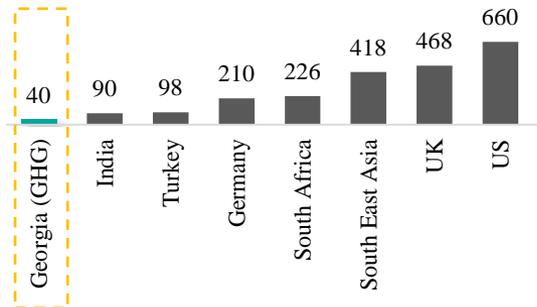
GHG | LONG-TERM HIGH-GROWTH PROSPECTS / Comps (4/4)

Rooms for growth – low price and low utilisation base currently

GHG owns the capacity for revenue market share growth (HTMC & Deka P&L to be consolidated starting 3Q15; Deka and Sunstone to be renovated in 2016-17)

Low revenue per bed

Average revenue per bed, US\$ thousand



10x price gap with developed EM benchmarks

Price gap

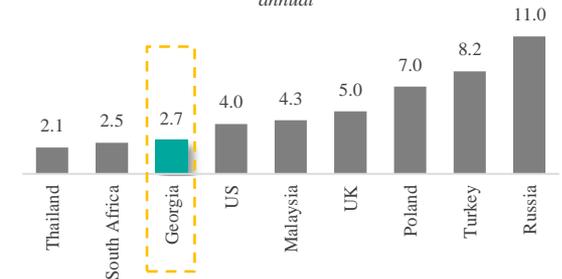
Prices, US\$ thousands

	Heart surgery	Liver transplant	Knee replacement
USA	100,000	300,000	48,000
UK	40,000	200,000	8,000
Turkey	45,625	86,700	17,500
Thailand	15,000	75,000	8,000
Singapore	15,000	140,000	25,000
India	5,000	45,000	6,000
Georgia	6,500	45,000	1,100

Imedi L outpatient encounters increased to 3.9 in 2015** up from 2.2 in 2012

Low outpatient encounters

Outpatient encounter per capita, annual



* pro-forma 1H15 result, based on Frost & Sullivan annual 2015 forecast
 ** annualized YTD May-2015 result

Income Statement | Quarterly

INCOME STATEMENT QUARTERLY	Bank of Georgia Holdings PLC					Banking Business					Investment Business					Eliminations		
	Q2 2015	Q2 2014	Change Y-O-Y	Q1 2015	Change Q-O-Q	Q2 2015	Q2 2014	Change Y-O-Y	Q1 2015	Change Q-O-Q	Q2 2015	Q2 2014	Change Y-O-Y	Q1 2015	Change Q-O-Q	Q2 2015	Q2 2014	Q1 2015
Banking interest income	211,869	141,483	49.7%	199,698	6.1%	215,313	143,025	50.5%	202,353	6.4%	-	-	-	-	-	(3,444)	(1,542)	(2,655)
Banking interest expense	(89,080)	(58,970)	51.1%	(78,709)	13.2%	(88,910)	(59,246)	50.1%	(79,295)	12.1%	-	-	-	-	-	(170)	276	586
Net banking interest income	122,789	82,513	48.8%	120,989	1.5%	126,403	83,779	50.9%	123,058	2.7%	-	-	-	-	-	(3,614)	(1,266)	(2,069)
Fee and commission income	38,944	34,729	12.1%	35,991	8.2%	40,160	35,581	12.9%	37,343	7.5%	-	-	-	-	-	(1,216)	(852)	(1,352)
Fee and commission expense	(9,823)	(8,501)	15.6%	(9,137)	7.5%	(9,988)	(8,501)	17.5%	(9,253)	7.9%	-	-	-	-	-	165	-	116
Net fee and commission income	29,121	26,228	11.0%	26,854	8.4%	30,172	27,080	11.4%	28,090	7.4%	-	-	-	-	-	(1,051)	(852)	(1,236)
Net banking foreign currency gain	19,765	11,395	73.5%	18,962	4.2%	19,765	11,395	73.5%	18,962	4.2%	-	-	-	-	-	-	-	-
Net other banking income	2,481	2,241	10.7%	1,790	38.6%	2,810	2,433	15.5%	2,095	34.1%	-	-	-	-	-	(329)	(192)	(305)
Net insurance premiums earned	22,566	25,228	-10.6%	21,709	3.9%	9,777	6,856	42.6%	9,242	5.8%	13,244	18,778	-29.5%	12,890	2.7%	(455)	(406)	(423)
Net insurance claims incurred	(16,749)	(18,876)	-11.3%	(14,135)	18.5%	(6,304)	(2,925)	115.5%	(3,936)	60.2%	(10,445)	(15,951)	-34.5%	(10,199)	2.4%	-	-	-
Gross insurance profit	5,817	6,352	-8.4%	7,574	-23.2%	3,473	3,931	-11.7%	5,306	-34.5%	2,799	2,827	-1.0%	2,691	4.0%	(455)	(406)	(423)
Healthcare revenue	41,217	29,843	38.1%	40,017	3.0%	-	-	-	-	-	41,217	29,843	38.1%	40,017	3.0%	-	-	-
Cost of healthcare services	(23,118)	(16,216)	42.6%	(23,140)	-0.1%	-	-	-	-	-	(23,118)	(16,216)	42.6%	(23,140)	-0.1%	-	-	-
Gross healthcare profit	18,099	13,627	32.8%	16,877	7.2%	-	-	-	-	-	18,099	13,627	32.8%	16,877	7.2%	-	-	-
Real estate revenue	1,716	11,133	-84.6%	4,074	-57.9%	-	-	-	-	-	1,716	11,133	-84.6%	4,074	-57.9%	-	-	-
Cost of real estate	(1,757)	(7,657)	-77.1%	(2,865)	-38.7%	-	-	-	-	-	(1,757)	(7,657)	-77.1%	(2,865)	-38.7%	-	-	-
Gross real estate profit	(41)	3,476	NMF	1,209	NMF	-	-	-	-	-	(41)	3,476	NMF	1,209	NMF	-	-	-
Gross other investment profit	4,734	3,498	35.3%	1,398	NMF	-	-	-	-	-	4,709	3,437	37.0%	1,543	NMF	25	61	(145)
Revenue	202,765	149,330	35.8%	195,653	3.6%	182,623	128,618	42.0%	177,511	2.9%	25,566	23,367	9.4%	22,320	14.5%	(5,424)	(2,655)	(4,178)
Salaries and other employee benefits	(45,044)	(37,462)	20.2%	(45,742)	-1.5%	(38,066)	(31,347)	21.4%	(38,606)	-1.4%	(7,460)	(6,282)	18.8%	(7,531)	-0.9%	482	167	395
Administrative expenses	(22,102)	(19,235)	14.9%	(21,056)	5.0%	(17,899)	(15,746)	13.7%	(17,506)	2.2%	(4,498)	(3,967)	13.4%	(4,028)	11.7%	295	478	478
Banking depreciation and amortisation	(8,338)	(6,364)	31.0%	(8,373)	-0.4%	(8,338)	(6,364)	31.0%	(8,373)	-0.4%	-	-	-	-	-	-	-	-
Other operating expenses	(1,364)	(887)	53.8%	(887)	53.8%	(941)	(803)	17.2%	(792)	18.8%	(423)	(84)	NMF	(95)	NMF	-	-	-
Operating expenses	(76,848)	(63,948)	20.2%	(76,058)	1.0%	(65,244)	(54,260)	20.2%	(65,272)	-0.1%	(12,381)	(10,333)	19.8%	(11,654)	6.2%	777	645	873
Operating income before cost of credit risk / EBITDA	125,917	85,382	47.5%	119,595	5.3%	117,379	74,358	57.9%	112,234	4.6%	13,185	13,034	1.2%	10,666	23.6%	(4,647)	(2,010)	(3,305)
Profit from associates	1,979	-	-	(1,310)	NMF	-	-	-	-	-	1,979	-	-	(1,310)	NMF	-	-	-
Depreciation and amortization of investment business	(2,579)	(2,256)	14.3%	(2,688)	-4.1%	-	-	-	-	-	(2,579)	(2,256)	14.3%	(2,688)	-4.1%	-	-	-
Net foreign currency gain from investment business	2,689	(1,433)	NMF	3,690	-27.1%	-	-	-	-	-	2,689	(1,433)	NMF	3,690	-27.1%	-	-	-
Interest income from investment business	622	(71)	NMF	617	0.8%	-	-	-	-	-	844	195	NMF	818	3.2%	(222)	(266)	(201)
Interest expense from investment business	(2,632)	(1,718)	53.2%	(2,463)	6.9%	-	-	-	-	-	(7,501)	(3,994)	87.8%	(5,969)	25.7%	4,869	2,276	3,506
Operating income before cost of credit risk	125,996	79,904	57.7%	117,441	7.3%	117,379	74,358	57.9%	112,234	4.6%	8,617	5,546	55.4%	5,207	65.5%	-	-	-
Impairment charge on loans to customers	(35,105)	(7,816)	NMF	(38,928)	-9.8%	(35,105)	(7,816)	NMF	(38,928)	-9.8%	-	-	-	-	-	-	-	-
Impairment charge on finance lease receivables	(1,779)	(387)	NMF	(119)	NMF	(1,779)	(387)	NMF	(119)	NMF	-	-	-	-	-	-	-	-
Impairment charge on other assets and provisions	(4,983)	(5,643)	-11.7%	(2,794)	78.3%	(3,880)	(5,076)	-23.6%	(1,724)	125.1%	(1,103)	(567)	94.5%	(1,070)	3.1%	-	-	-
Cost of credit risk	(41,867)	(13,846)	NMF	(41,841)	0.1%	(40,764)	(13,279)	NMF	(40,771)	0.0%	(1,103)	(567)	94.5%	(1,070)	3.1%	-	-	-
Net operating income before non-recurring items	84,129	66,058	27.4%	75,600	11.3%	76,615	61,079	25.4%	71,463	7.2%	7,514	4,979	50.9%	4,137	81.6%	-	-	-
Net non-recurring items	(413)	(7,078)	-94.2%	(2,447)	-83.1%	(3,409)	(7,951)	-57.1%	(2,167)	57.3%	2,996	873	NMF	(280)	NMF	-	-	-
Profit before income tax	83,716	58,980	41.9%	73,153	14.4%	73,206	53,128	37.8%	69,296	5.6%	10,510	5,852	79.6%	3,857	172.5%	-	-	-
Income tax expense	(11,686)	(663)	NMF	(10,814)	8.1%	(11,753)	489	NMF	(10,486)	12.1%	67	(1,152)	NMF	(328)	NMF	-	-	-
Profit	72,030	58,317	23.5%	62,339	15.5%	61,453	53,617	14.6%	58,810	4.5%	10,577	4,700	125.0%	3,529	199.7%	-	-	-
<i>Attributable to:</i>																		
– shareholders of the Group	70,601	56,421	25.1%	62,640	12.7%	60,963	52,702	15.7%	58,247	4.7%	9,638	3,719	159.2%	4,393	119.4%	-	-	-
– non-controlling interests	1,429	1,896	-24.6%	(301)	NMF	490	915	-46.4%	563	-13.0%	939	981	-4.3%	(864)	NMF	-	-	-
Earnings per share (basic)	1.84	1.64	12.2%	1.63	12.9%													

Income Statement | Half-year

INCOME STATEMENT HALF YEAR GEL thousands	Bank of Georgia Holdings PLC			Banking Business			Investment Business			Eliminations	
	Jun-15	Jun-14	Change Y-O-Y	Jun-15	Jun-14	Change Y-O-Y	Jun-15	Jun-14	Change Y-O-Y	Jun-15	Jun-14
Banking interest income	411,567	283,913	45.0%	417,666	287,011	45.5%	-	-	-	(6,099)	(3,098)
Banking interest expense	(167,789)	(120,465)	39.3%	(168,205)	(120,780)	39.3%	-	-	-	416	315
Net banking interest income	243,778	163,448	49.1%	249,461	166,231	50.1%	-	-	-	(5,683)	(2,783)
Fee and commission income	74,935	62,815	19.3%	77,503	64,045	21.0%	-	-	-	(2,568)	(1,230)
Fee and commission expense	(18,960)	(16,753)	13.2%	(19,241)	(16,753)	14.9%	-	-	-	281	-
Net fee and commission income	55,975	46,062	21.5%	58,262	47,292	23.2%	-	-	-	(2,287)	(1,230)
Net banking foreign currency gain	38,727	22,700	70.6%	38,727	22,700	70.6%	-	-	-	-	-
Net other banking income	4,272	3,107	37.5%	4,906	3,420	43.5%	-	-	-	(634)	(313)
Net insurance premiums earned	44,275	54,618	-18.9%	19,019	13,034	45.9%	26,134	42,443	-38.4%	(878)	(859)
Net insurance claims incurred	(30,884)	(38,560)	-19.9%	(10,242)	(4,844)	111.4%	(20,642)	(33,716)	-38.8%	-	-
Gross insurance profit	13,391	16,058	-16.6%	8,777	8,190	7.2%	5,492	8,727	-37.1%	(878)	(859)
Healthcare revenue	81,234	52,591	54.5%	-	-	-	81,234	52,591	54.5%	-	-
Cost of healthcare services	(46,259)	(29,653)	56.0%	-	-	-	(46,259)	(29,653)	56.0%	-	-
Gross healthcare profit	34,975	22,938	52.5%	-	-	-	34,975	22,938	52.5%	-	-
Real estate revenue	5,790	33,044	-82.5%	-	-	-	5,790	33,124	-82.5%	-	(80)
Cost of real estate	(4,622)	(23,465)	-80.3%	-	-	-	(4,622)	(23,465)	-80.3%	-	-
Gross real estate profit	1,168	9,579	-87.8%	-	-	-	1,168	9,659	-87.9%	-	(80)
Gross other investment profit	6,133	5,861	4.6%	-	-	-	6,253	5,741	8.9%	(120)	120
Revenue	398,419	289,753	37.5%	360,133	247,833	45.3%	47,888	47,065	1.7%	(9,602)	(5,145)
Salaries and other employee benefits	(90,786)	(73,146)	24.1%	(76,672)	(61,681)	24.3%	(14,991)	(12,084)	24.1%	877	619
Administrative expenses	(43,158)	(34,773)	24.1%	(35,404)	(27,947)	26.7%	(8,527)	(7,514)	13.5%	773	688
Banking depreciation and amortisation	(16,711)	(12,523)	33.4%	(16,711)	(12,523)	33.4%	-	-	-	-	-
Other operating expenses	(2,253)	(1,761)	27.9%	(1,733)	(1,624)	6.7%	(520)	(137)	NMF	-	-
Operating expenses	(152,908)	(122,203)	25.1%	(130,520)	(103,775)	25.8%	(24,038)	(19,735)	21.8%	1,650	1,307
Operating income before cost of credit risk / EBITDA	245,511	167,550	46.5%	229,613	144,058	59.4%	23,850	27,330	-12.7%	(7,952)	(3,838)
Profit from associates	668	-	-	-	-	-	668	-	-	-	-
Depreciation and amortization of investment business	(5,266)	(4,485)	17.4%	-	-	-	(5,266)	(4,485)	17.4%	-	-
Net foreign currency gain from investment business	6,379	(1,849)	NMF	-	-	-	6,379	(1,849)	NMF	-	-
Interest income from investment business	1,239	732	69.3%	-	-	-	1,662	980	69.6%	(423)	(248)
Interest expense from investment business	(5,094)	(3,749)	35.9%	-	-	-	(13,469)	(7,835)	71.9%	8,375	4,086
Operating income before cost of credit risk	243,437	158,199	53.9%	229,613	144,058	59.4%	13,824	14,141	-2.2%	-	-
Impairment charge on loans to customers	(74,033)	(16,927)	NMF	(74,033)	(16,927)	NMF	-	-	-	-	-
Impairment charge on finance lease receivables	(1,899)	(358)	NMF	(1,899)	(358)	NMF	-	-	-	-	-
Impairment charge on other assets and provisions	(7,776)	(9,878)	-21.3%	(5,604)	(8,795)	-36.3%	(2,172)	(1,083)	100.6%	-	-
Cost of credit risk	(83,708)	(27,163)	NMF	(81,536)	(26,080)	NMF	(2,172)	(1,083)	100.6%	-	-
Net operating income before non-recurring items	159,729	131,036	21.9%	148,077	117,978	25.5%	11,652	13,058	-10.8%	-	-
Net non-recurring items	(2,860)	(8,197)	-65.1%	(5,575)	(9,601)	-41.9%	2,715	1,404	93.4%	-	-
Profit before income tax	156,869	122,839	27.7%	142,502	108,377	31.5%	14,367	14,462	-0.7%	-	-
Income tax expense	(22,500)	(10,857)	107.2%	(22,238)	(8,484)	162.1%	(262)	(2,373)	-89.0%	-	-
Profit	134,369	111,982	20.0%	120,264	99,893	20.4%	14,105	12,089	16.7%	-	-
Attributable to:											
- shareholders of the Group	133,241	108,347	23.0%	119,211	98,102	21.5%	14,030	10,245	36.9%	-	-
- non-controlling interests	1,128	3,635	-69.0%	1,053	1,791	-41.2%	75	1,844	-95.9%	-	-
Earnings per share (basic)	3.47	3.15	10.2%								

Balance Sheet | 30 June 2015

Balance Sheet	Bank of Georgia Holdings PLC					Banking Business					Investment Business					Eliminations		
	Jun-15	Jun-14	Change	Mar-15	Change	Jun-15	Jun-14	Change	Mar-15	Change	Jun-15	Jun-14	Change	Mar-15	Change	Jun-15	Jun-14	Mar-15
			Y-O-Y		Q-O-Q			Y-O-Y		Q-O-Q			Y-O-Y		Q-O-Q			
Cash and cash equivalents	1,261,805	903,734	39.6%	1,000,713	26.1%	1,252,758	895,287	39.9%	997,547	25.6%	107,511	73,488	46.3%	110,578	-2.8%	(98,464)	(65,041)	(107,412)
Amounts due from credit institutions	583,888	363,468	60.6%	545,714	7.0%	575,534	353,559	62.8%	523,663	9.9%	18,844	17,964	4.9%	87,478	-78.5%	(10,490)	(8,055)	(65,427)
Investment securities	895,840	569,937	57.2%	880,799	1.7%	898,457	568,784	58.0%	881,098	2.0%	1,153	1,153	0.0%	1,153	0.0%	(3,770)	-	(1,452)
Loans to customers and finance lease receivables	5,052,752	3,650,791	38.4%	5,156,386	-2.0%	5,142,221	3,714,213	38.4%	5,248,559	-2.0%	-	-	-	-	-	(89,469)	(63,422)	(92,173)
Accounts receivable and other loans	77,866	60,677	28.3%	73,315	6.2%	15,474	9,622	60.8%	13,063	18.5%	70,343	51,903	35.5%	64,947	8.3%	(7,951)	(848)	(4,695)
Insurance premiums receivable	58,142	52,043	11.7%	58,816	-1.1%	26,519	14,728	80.1%	22,337	18.7%	32,023	37,436	-14.5%	37,205	-13.9%	(400)	(121)	(726)
Prepayments	52,145	28,188	85.0%	42,748	22.0%	30,779	18,417	67.1%	24,969	23.3%	21,366	9,771	118.7%	17,779	20.2%	-	-	-
Inventories	131,534	90,489	45.4%	113,322	16.1%	10,379	6,689	55.2%	7,697	34.8%	121,155	83,800	44.6%	105,625	14.7%	-	-	-
Investment property	221,506	152,292	45.4%	194,623	13.8%	143,873	127,374	13.0%	128,376	12.1%	77,633	24,918	211.6%	66,247	17.2%	-	-	-
Property and equipment	669,153	534,289	25.2%	618,474	8.2%	338,858	293,626	15.4%	334,516	1.3%	330,295	240,663	37.2%	283,958	16.3%	-	-	-
Goodwill	60,056	48,721	23.3%	51,745	16.1%	48,092	38,538	24.8%	39,781	20.9%	11,964	10,183	17.5%	11,964	0.0%	-	-	-
Intangible assets	36,894	28,490	29.5%	33,443	10.3%	33,260	26,596	25.1%	31,761	4.7%	3,634	1,894	91.9%	1,682	116.1%	-	-	-
Income tax assets	29,080	32,204	-9.7%	24,943	16.6%	21,686	24,835	-12.7%	17,602	23.2%	7,394	7,369	0.3%	7,341	0.7%	-	-	-
Other assets	244,398	152,360	60.4%	235,012	4.0%	174,820	140,452	24.5%	176,982	-1.2%	80,058	12,784	526.2%	68,096	17.6%	(10,480)	(876)	(10,066)
Total assets	9,375,059	6,667,683	40.6%	9,030,053	3.8%	8,712,710	6,232,720	39.8%	8,447,951	3.1%	883,373	573,326	54.1%	864,053	2.2%	(221,024)	(138,363)	(281,951)
Client deposits and notes	4,104,417	3,074,710	33.5%	4,099,029	0.1%	4,212,822	3,148,729	33.8%	4,271,854	-1.4%	-	-	-	-	-	(108,405)	(74,019)	(172,825)
Amounts due to credit institutions	2,139,517	1,240,128	72.5%	1,780,636	20.2%	2,045,093	1,145,875	78.5%	1,694,668	20.7%	189,124	156,753	20.7%	181,773	4.0%	(94,700)	(62,500)	(95,805)
Debt securities issued	1,063,123	786,432	35.2%	1,026,689	3.5%	990,257	760,144	30.3%	962,587	2.9%	79,894	26,690	199.3%	66,964	19.3%	(7,028)	(402)	(2,862)
Accruals and deferred income	132,832	83,784	58.5%	124,344	6.8%	14,369	9,917	44.9%	20,949	-31.4%	118,463	73,867	60.4%	103,395	14.6%	-	-	-
Insurance contracts liabilities	73,001	60,537	20.6%	70,156	4.1%	42,910	25,890	65.7%	34,685	23.7%	30,091	34,647	-13.1%	35,471	-15.2%	-	-	-
Income tax liabilities	111,387	92,617	20.3%	96,761	15.1%	87,392	77,942	12.1%	79,343	10.1%	23,995	14,675	63.5%	17,418	37.8%	-	-	-
Other liabilities	94,839	72,599	30.6%	132,290	-28.3%	71,126	44,634	59.4%	99,677	-28.6%	34,604	29,407	17.7%	43,072	-19.7%	(10,891)	(1,442)	(10,459)
Total liabilities	7,719,116	5,410,807	42.7%	7,329,905	5.3%	7,463,969	5,213,131	43.2%	7,163,763	4.2%	476,171	336,039	41.7%	448,093	6.3%	(221,024)	(138,363)	(281,951)
Share capital	1,154	1,081	6.8%	1,154	0.0%	1,154	1,081	6.8%	1,154	0.0%	-	-	-	-	-	-	-	-
Additional paid-in capital	243,482	33,409	628.8%	252,568	-3.6%	32,277	30,635	5.4%	94,886	-66.0%	211,205	2,774	7513.7%	157,682	33.9%	-	-	-
Treasury shares	(36)	(46)	-21.7%	(34)	5.9%	(36)	(46)	-21.7%	(34)	5.9%	-	-	-	-	-	-	-	-
Other reserves	(61,509)	(82,317)	-25.3%	(30,568)	101.2%	(51,917)	(72,614)	-28.5%	(20,977)	147.5%	(9,592)	(9,703)	-1.1%	(9,591)	0.0%	-	-	-
Retained earnings	1,413,870	1,249,580	13.1%	1,420,513	-0.5%	1,247,508	1,042,804	19.6%	1,189,365	4.9%	166,362	206,776	-19.5%	231,148	-28.0%	-	-	-
Total equity attributable to shareholders of the Group	1,596,961	1,201,707	32.9%	1,643,633	-2.8%	1,228,986	1,001,860	22.7%	1,264,394	-2.8%	367,975	199,847	84.1%	379,239	-3.0%	-	-	-
Non-controlling interests	58,982	55,169	6.9%	56,515	4.4%	19,755	17,729	11.4%	19,794	-0.2%	39,227	37,440	4.8%	36,721	6.8%	-	-	-
Total equity	1,655,943	1,256,876	31.8%	1,700,148	-2.6%	1,248,741	1,019,589	22.5%	1,284,188	-2.8%	407,202	237,287	71.6%	415,960	-2.1%	-	-	-
Total liabilities and equity	9,375,059	6,667,683	40.6%	9,030,053	3.8%	8,712,710	6,232,720	39.8%	8,447,951	3.1%	883,373	573,326	54.1%	864,053	2.2%	(221,024)	(138,363)	(281,951)
Book value per share	41.74	34.95	19.4%	42.71	-2.3%													

Healthcare business income statement

<i>GEL thousands, unless otherwise noted</i>	<u>Healthcare Services</u>			<u>Medical Insurance</u>			<u>Eliminations</u>		<u>Total</u>		
	1H15	1H14	Change, Y-o-Y	1H15	1H14	Change, Y-o-Y	1H15	1H14	1H15	1H14	Change, Y-o-Y
Revenue	85,258	65,728	29.7%	26,355	42,539	-38.0%	4,188	13,402	107,425	94,865	13.2%
COGS, insurance claims expense	48,167	38,610	24.8%	21,872	37,637	-41.9%	4,024	13,291	66,015	62,956	4.9%
Direct salary	31,022	25,047	23.9%	-	-	-	1,800	5,714	29,222	19,333	51.2%
Materials, including medicines and medical disposables	12,379	7,804	58.6%	-	-	-	718	1,780	11,661	6,023	93.6%
Direct healthcare provider expenses	1,032	2,362	-56.3%	-	-	-	60	539	972	1,823	-46.7%
Utilities and other expenses	3,734	3,397	9.9%	-	-	-	217	775	3,518	2,622	34.1%
Medical insurance claims expense	-	-	-	21,872	37,637	-41.9%	1,229	4,483	20,642	33,154	-37.7%
Gross profit	37,090	27,118	36.8%	4,483	4,902	-8.5%	163	111	41,410	31,909	29.8%
Salaries and other employee benefits	10,578	7,320	44.5%	2,082	2,692	-22.6%	163	111	12,497	9,901	26.2%
General and Administrative expenses	3,790	2,961	28.0%	1,232	1,251	-1.6%	-	-	5,022	4,212	19.2%
Impairment Charge	1,737	833	108.5%	204	262	-22.1%	-	-	1,941	1,095	77.3%
Other operating income	1,120	(602)	-	51	86	-40.9%	-	-	1,171	(517)	-
EBITDA	22,106	15,402	43.5%	1,015	782	29.8%	-	-	23,121	16,184	42.9%
Depreciation	(4,550)	(3,397)	33.9%	(289)	(310)	-6.7%	-	-	(4,839)	(3,707)	30.5%
Net interest income (expense)	(10,049)	(6,157)	63.2%	(34)	295	-	-	-	(10,083)	(5,862)	72.0%
(Losses) gains on currency exchange	4,880	(2,017)	-	569	234	143.0%	-	-	5,449	(1,783)	-
Net non-recurring items	(402)	1,333	-	-	-	-	-	-	(402)	1,333	-
Profit before income tax	11,985	5,165	132.1%	1,261	1,001	26.0%	-	-	13,246	6,166	114.8%
Income tax expense	(79)	(465)	-83.0%	(185)	(230)	-19.7%	-	-	(264)	(695)	-62.0%
Profit	11,906	4,699	153.3%	1,077	771	39.6%	-	-	12,982	5,471	137.3%
<i>Attributable to:</i>											
- shareholders of the Company	10,444	3,706	181.8%	1,077	771	39.6%	-	-	11,520	4,478	157.3%
- minority interest	1,462	993	47.2%	-	-	-	-	-	1,462	993	-

Key ratios and operating data

Banking Business Key ratios,

	Including Privatbank 2Q15	Excluding Privatbank 2Q15	Including Privatbank 2Q14	Excluding Privatbank 1Q15	Including Privatbank 1H15	Excluding Privatbank 1H15	1H14
Profitability							
ROAA, Annualised	2.9%	2.7%	3.5%	3.0%	2.9%	2.9%	3.3%
ROAE, Annualised	19.3%	17.8%	21.0%	19.2%	19.3%	18.3%	19.3%
Net Interest Margin, Annualised	7.6%	6.9%	7.4%	7.8%	7.8%	7.1%	7.5%
Loan Yield, Annualised	14.6%	13.7%	14.3%	14.5%	14.6%	13.7%	14.5%
Liquid assets yield, Annualised	3.1%	3.1%	2.3%	3.2%	3.2%	3.2%	2.3%
Cost of Funds, Annualised	5.0%	4.9%	4.7%	5.0%	5.0%	4.9%	4.9%
Cost of Client Deposits and Notes, annualised	4.4%	4.3%	4.2%	4.4%	4.4%	4.2%	4.4%
Cost of Amounts Due to Credit Institutions, annualised	5.3%	5.2%	4.7%	5.2%	5.3%	5.2%	4.8%
Cost of Debt Securities Issued	7.2%	7.2%	7.2%	7.1%	7.2%	7.2%	7.2%
Operating Leverage, Y-O-Y	21.7%	16.7%	-6.3%	17.1%	19.5%	18.7%	-3.2%
Operating Leverage, Q-O-Q	2.9%	-4.7%	-1.7%	5.0%	36.2%	35.8%	41.9%
Efficiency							
Cost / Income	35.7%	36.6%	42.2%	36.8%	35.1%	34.1%	38.1%
Liquidity							
NBG Liquidity Ratio	35.1%	34.1%	38.1%	34.7%	35.1%	34.1%	38.1%
Liquid Assets To Total Liabilities	36.5%	36.1%	34.9%	33.5%	36.5%	36.1%	34.9%
Net Loans To Client Deposits and Notes	122.1%	124.1%	118.0%	122.9%	122.1%	124.1%	118.0%
Net Loans To Client Deposits and Notes + DFIs	102.4%	103.0%	100.0%	105.2%	102.4%	103.0%	100.0%
Leverage (Times)	6.0	5.7	5.1	5.6	6.0	5.7	5.1
Asset Quality:							
NPLs (in GEL)	219,230	208,321	145,590	187,129	219,230	208,321	145,590
NPLs To Gross Loans To Clients	4.1%	4.1%	3.8%	3.5%	4.1%	4.1%	3.8%
NPL Coverage Ratio	82.2%	75.9%	73.8%	74.2%	82.2%	75.9%	73.8%
NPL Coverage Ratio, Adjusted for discounted value of collateral	115.1%	110.6%	116.1%	118.0%	115.1%	110.6%	116.1%
Cost of Risk, Annualised	2.7%	2.4%	0.9%	3.1%	2.9%	2.5%	0.9%
Capital Adequacy:							
BIS Tier I Capital Adequacy Ratio, Consolidated	20.4%	20.9%	22.5%	19.9%	20.4%	20.9%	22.5%
BIS Total Capital Adequacy Ratio, Consolidated	26.7%	27.4%	26.3%	23.9%	26.7%	27.4%	26.3%
New NBG (Basel II) Tier I Capital Adequacy Ratio	10.4%	9.9%	10.8%	9.8%	10.4%	9.9%	10.8%
New NBG (Basel II) Total Capital Adequacy Ratio	15.9%	15.7%	14.0%	12.9%	15.9%	15.7%	14.0%
Old NBG Tier I Capital Adequacy Ratio	13.9%	14.5%	14.8%	14.2%	13.9%	14.5%	14.8%
Old NBG Total Capital Adequacy Ratio	15.8%	15.2%	13.8%	12.9%	15.8%	15.2%	13.8%

Group Employee Data

	2Q15	2Q14	1Q15
Full Time Employees, Group, Of Which:	14,583	12,267	14,737
- Full Time Employees, BOG Standalone	4,368	3,629	3,799
- Full Time Employees, GHG	8,496	7,343	8,177
- Full Time Employees, m2	58	47	57
- Full Time Employees, Aldagi	253	202	262
- Full Time Employees, BNB	505	439	480
- Full Time Employees, Other	903	607	1,962

Includes Privatbank

Selected Operating Data:

	2Q15	2Q14	1Q15
Total Assets Per FTE, BOG Standalone	1,995	1,717	2,277
Number Of Active Branches, Of Which:	246	206	219
- Flagship Branches	35	34	34
- Standard Branches	114	100	101
- Express Branches (including Metro)	97	72	84
Number Of ATMs	685	510	554
Number Of Cards Outstanding, Of Which:	1,964,374	1,075,134	1,204,662
- Debit cards	1,207,573	957,386	1,088,878
- Credit cards	756,801	117,748	115,784
Number Of POS Terminals	7,668	5,689	6,537

Shares outstanding

	30-Jun-15	31-Mar-15	30-Jun-14
Ordinary shares outstanding	38,257,793	34,387,198	38,479,900
Treasury shares outstanding	1,242,527	1,522,185	1,020,420

Risk Weighted Assets breakdown

GEL millions	Risk Weighted Assets			Change	
	30-Jun-15	31-Mar-15	30-Jun-14	Y-O-Y, %	Q-O-Q, %
Credit risk weighting	5,930,369	5,517,105	4,312,270	37.5%	7.5%
FX induced credit risk (market risk)	1,795,351	1,810,010	1,315,910	36.4%	-0.8%
Operational risk weighting	624,825	624,825	574,717	8.7%	0.0%
Total RWA under NBG Basel 2/3	8,350,545	7,951,940	6,202,897	34.6%	5.0%

Notes to Key Ratios

- 1 Return on average total assets (ROAA) equals Profit for the period divided by monthly average total assets for the same period;
- 2 Return on average total equity (ROAE) equals Profit for the period attributable to shareholders of the Group divided by monthly average equity attributable to shareholders of the Group for the same period;
- 3 Net Interest Margin equals Net Banking Interest Income of the period divided by monthly Average Interest Earning Assets Excluding Cash for the same period; Interest Earning Assets Excluding Cash comprise: Amounts Due From Credit Institutions, Investment Securities (but excluding corporate shares) and net Loans To Customers And Finance Lease Receivables;
- 4 Loan Yield equals Banking Interest Income From Loans To Customers And Finance Lease Receivables divided by monthly Average Gross Loans To Customers And Finance Lease Receivables;
- 5 Cost of Funds equals banking interest expense of the period divided by monthly average interest bearing liabilities; interest bearing liabilities include: amounts due to credit institutions, client deposits and notes and debt securities issued;
- 6 Operating Leverage equals percentage change in revenue less percentage change in operating expenses;
- 7 Cost / Income Ratio equals operating expenses divided by revenue;
- 8 Daily average liquid assets (as defined by NBG) during the month divided by daily average liabilities (as defined by NBG) during the month;
- 9 Liquid assets include: cash and cash equivalents, amounts due from credit institutions and investment securities;
- 10 Leverage (Times) equals total liabilities divided by total equity;
- 11 NPL Coverage Ratio equals allowance for impairment of loans and finance lease receivables divided by NPLs;
- 12 NPL Coverage Ratio adjusted for discounted value of collateral equals allowance for impairment of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for impairment)
- 13 Cost of Risk equals impairment charge for loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period;
- 14 BIS Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements of Basel Accord I;
- 15 BIS Total Capital Adequacy ratio equals total capital divided by total risk weighted assets, both calculated in accordance with the requirements of Basel Accord I;
- 16 New NBG (Basel 2/3) Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements the National Bank of Georgia instructions;
- 17 New NBG (Basel 2/3) Total Capital Adequacy ratio equals total capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- 18 Old NBG Tier I Capital Adequacy ratio equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the requirements the National Bank of Georgia instructions;
- 19 Old NBG Total Capital Adequacy ratio equals total capital divided by total risk weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;

Bank of Georgia Holdings PLC | Company Information

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

Stock Listing

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Ticker: "BGEO.LN"

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Share price information

BGH shareholders can access both the latest and historical prices via our website, www.bogh.co.uk