BANK OF GEORGIA
HOLDINGS PLC

Bank of Georgia Investor Presentation

July 2012

Contents

The leading bank in Georgia

- **Leading market position:** No. 1 bank in Georgia by assets (35.6%), loans (34.5%), client deposits (36.9%) and equity (35.4%)[1]
- **Underpenetrated market with stable growth perspectives:** Nominal GDP growth for 2004-2011 of 13.8% CAGR. IMF estimates 6.0% growth for 2012. Net loans/GDP grew from 9.2% to 29.5% over the period, still below regional average; Total deposits/GDP grew from 9.9% in 2004 to 27.9% in 2011
- **Strong brand name recognition and retail banking franchise:** Offers the broadest range of financial products to the retail market through a branch network of 164 branches and 431 ATMs to approximately one million customers as of March 2012
- **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:** First and still the only entity from Georgia to list on the London Stock Exchange since 2006 (in the form of GDRs since 2006 and premium listing since February 2012)

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

(US$ mln)[2]	Q1 2012	2011	2010	Change 2011/2010
Total Assets	2,704.9	2,793.6	2,258.8	23.7%
Loans to customers, net	1,634.8	1,566.7	1,334.5	17.4%
Customer funds[3]	1,581.5	1,637.9	1,142.9	43.3%
Shareholders' equity	571.4	486.6	391.1	24.4%
Revenue	70.4	264.2	195.5	35.1%
Profit[5]	24.0	90.4	46.6	93.8%
Liquid assets[4]/total liabilities	29.0%	34.7%	30.9%	
ROAA[5]	3.5%	3.5%	2.4%	
ROAE[5]	18.9%	20.6%	13.5%	
Tier I Capital Adequacy Ratio (BIS)[6]	23.2%	19.9%	17.5%	
Total Capital Adequacy Ratio (BIS)[6]	29.7%	28.5%	26.6%	
Leverage ratio	3.7x	4.7x	4.8x	

- **Experienced management with deep understanding of local market and a strong track record:**

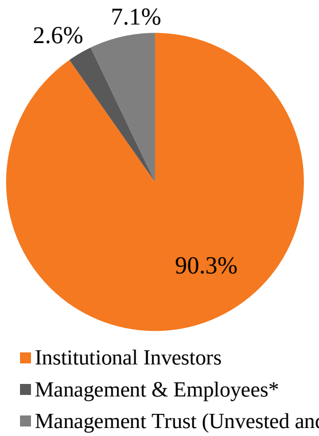
	2004	31 March 2012	Change
Market capitalisation (US$ mln)	45.2	595.5*	13.2x
Total assets (US$ mln)	199.0	2,704.9	13.6x
Market share by total assets	19%	36%	89%

**Market capitalisation for Bank of Georgia Holdings plc., the Bank's holding company, as of 4 July 2012*

[1] Market data based on standalone accounts as published by the National Bank of Georgia (NBG) as of 31 December 2011 www.nbg.gov.ge
[2] US$/GEL 1.66 as at 31 March 2012
[3] Amounts due to customers
[4] Liquid assets include cash and cash equivalents, cash placed with credit institutions and NBG CDs and Georgian government treasuries
[5] Profit for the period from continuing operations used for the calculation of ROAA and ROAE
[6] Capital Adequacy ratios as of 31 March 2012 include EBRD and IFC loan conversions and are presented on a consolidated basis

Shareholder structure and share price

- Bank of Georgia Holdings plc. (BGH) (LSE: BGEO) a UK-incorporated holding company of JSC Bank of Georgia. As of 31 March 2012, BGH's shareholder structure was as follows:



Selected Institutional Shareholders
East Capital
Firebird Management LLC
International Finance Corporation
European Bank for Reconstruction and Development
Prosperity Capital Management Limited
OP-Pohjola Group Central Cooperative
Artio International Equity Fund

- BGEO is included in FTSE 250 and FTSE All Share Index Funds as of 18 June 2012, as announced by FTSE on 6 June 2012

Share price performance

** Includes shares held by and share options allocated for the Bank's Supervisory and Management Board members and certain other employees of the Bank and its subsidiaries*

Leveraged play on the growing Georgian economy through an LSE premium listed company

With one third of the Georgian market by assets, loans and client deposits, Bank of Georgia is a uniquely placed growth bank in an underpenetrated, highly capitalised and profitable banking market that has been growing in terms of assets at 33% CAGR 2003-2011

Strategic business

Well established brand

Retail
- Largest retail franchise: 926,800+ retail clients, 164 branches, 431 ATMs, 703,000 cards outstanding as of 31 March 2012
- Market shares of c.37% by retail loans and c.32% by retail deposits as of year end 2011

Corporate
- Largest corporate bank with more than 8,900 corporate clients; 41% market share by corporate deposits as of year end 2011

Wealth Management (WM)
- WM client deposits 2009-2011 CAGR growth of 66.9%; Outstanding WM client deposits of GEL 454.2 mln at 31 December 2011
- International network in Israel and UK. Intention to open Representative Office Eastern Europe

Synergistic business

Growth opportunities to support strategic business

Insurance and Healthcare
- Strongly positioned to benefit from the growth of insurance and healthcare sectors through insurance subsidiary ABCI, one of the leading providers of life and non-life insurance in Georgia with c.33.4%* market share by gross premiums written
- Vertical integration with healthcare business to boost insurance business growth and its contribution to the Bank's income

Affordable Housing
- Stimulate mortgage lending and improve liquidity of the repossessed real estate assets through housing development; pilot project successfully completed

Non-core business

Intention to exit from the non-core business over time

BNB
- Belarus banking operation accounting for 2.2% total assets as of 31 December 2011
- The Bank owns 80%, the remainder owned by IFC/World Bank
- Assets of US$ 56.0 mln and equity of US$ 21.9 mln as of 31 December 2011
- Fully written off goodwill (GEL 23.4 mln)

Liberty Consumer
- The Bank's equity interest of 67%, or GEL 17.0 mln
- Legacy asset management investments in the Georgian consumer-driven businesses such as wine production, supermarket chain, etc.

**As of 30 September 2011 per NBG. Includes market share of newly acquired insurance company Imedi L International*

Strong profitability and excellent capital adequacy

ROE c.20%

- Revenue up 27.3% y-o-y to GEL 441.2 mln in 2011 and up 28.9% y-o-y to GEL 116.9 in Q1 2012
- Profit from continuing operations up 82.6% y-o-y to GEL 150.9 mln in 2011 and up 36.4% to GEL 39.7 mln in Q1 2012
- Other non-interest income surged 87.6% to GEL 108.9 mln in 2011, and amounted to GEL 32.2 mln in Q1 2012, up 136.3% y-o-y
- Operational efficiency/scale:
  - Cost to income ratio improved to 49.1% in Q1 2012 from 55.5% in Q1 2012
- Prudent risk management:
  - Cost of risk* of 1.0% in Q1 2012
- 2011 ROAE of 20.6%; compared to 2010 ROAE of 13.5% and ROAE of 18.9% in Q1 2012 compared to 22.8% in Q1 2011

TIER I c.20%

- Conservative National Bank of Georgia (NBG) regulation
  - Risk weighting of FX assets at 175%, Bank's leverage at 3.7x as of 31 March 2012
- Strong internal cash generation to support loan growth without compromising capital ratios
  - BIS Tier I of 23.2% and BIS Total Capital ratio of 29.7% as of 31 March 2012
  - NBG Tier I 15.2% and NBG Total Capital of 18.2% as of 31 March 12

Growth c.20%

- Strong growth across the board supported by synergistic business
- Loan book** growth of 21.0% to GEL 2,714 mln in Q1 2012 driven by Retail loan book growth of 26.3% and Corporate loan book growth of 20.3%
- Customer funds grew 26.6% in Q1 2012
  - Consumer driven franchise with robust sales force to increase cross selling with synergistic businesses
  - Increase in contribution from synergistic business in the group's profit

Dividends

- Declared an interim dividend of GEL 0.70/27p per share; payment date 2 July 2012
- Progressive dividend policy in place to increase capital management discipline during the growth phase
- Dividend of GEL 0.30/11p per share paid for 2010

** Impairment of interest earning assets of the period to average interest earning assets*
***Including finance lease receivables*

Robust corporate governance compliant with UK Corporate Governance Code

Supervisory Board of JSC Bank of Georgia

7 non-executive Supervisory Board members; 5 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*
- David Morrison, Vice Chairman of the Supervisory Board, Independent Director *experience: senior partner at Sullivan & Cromwell LLP prior to retirement*
- Ian Hague, Managing partner and co-founder of Firebird Management LLC, EM hedge fund manager, c. US$1.0 bn AUM
- Hanna Loikkanen, Representative of East Capital, Sweden-based asset manager focusing on Eastern Europe & China, EUR 3.4 AUM
- Allan Hirst, Chairman of the Audit Committee, Independent Director *experience: 25 years at Citibank, including CEO of Citibank, Russia; various senior capacities at Citibank*
- Kaha Kiknavelidze, Independent Director *currently managing partner of Rioni Capital, London based investment fund; experience: previously Executive Director of Oil and Gas research team for UBS*
- Al Breach, Chairman of the Remuneration Committee, Independent Director *experience: Head of Research, Strategist & Economist at UBS: Russia and CIS economist at Goldman Sachs*

Members of management boards of Bank of Georgia and major subsidiaries

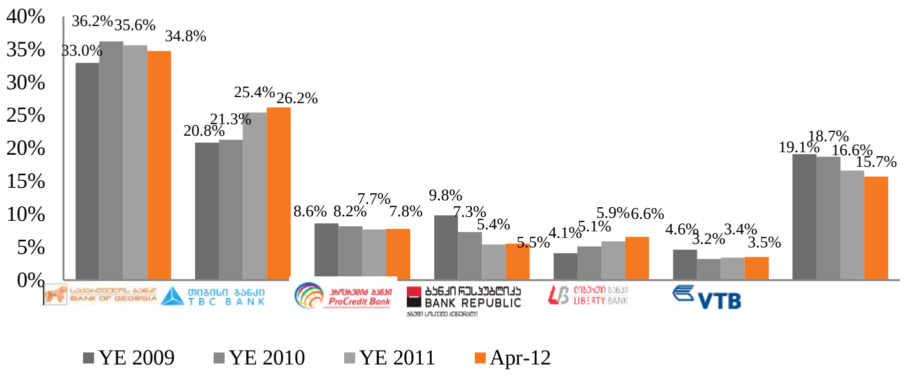
- Irakli Gilauri, CEO; *formerly EBRD banker; MS in banking from CASS Business School, London; BBS from University of Limerick, Ireland*
- Murtaz Kikoria, Group CFO; c.*20 years banking experience including as Senior Banker at EBRD and Head of Banking Supervision at the National Bank of Georgia.*
- Archil Gachechiladze, Deputy CEO, Corporate Banking; *formerly Deputy CEO of TBC Bank, Georgia; Lehman Brothers Private Equity, London; MBA from Cornell University*
- Mikheil Gomarteli, Deputy CEO, Retail Banking; *15 years work experience at BOG*
- Vasil Revishvili, Deputy CEO, Wealth Management; *previously Head of the Investment Risk Unit and Senior Investment Manager at Pictet Asset Management in London and Geneva; MS in Finance from London Business School*
- Sulkhan Gvalia, Deputy CEO, Chief Risk Officer; *c.20 years banking experience founder of TUB, Georgian bank acquired by BOG in 2004*
- Avto Namicheishvili, Deputy CEO, Group Legal Counsel; *previously partner at Begiashvili &Co, law firm in Georgia; LLM from CEU, Hungary*
- Nikoloz Gamkrelidze, CEO of Aldagi BCI; *previously CEO of JSC My Family Clinic; World Bank Health Development Project; Masters degree in International Health Management from Imperial College London, Tanaka Business School*
- Irakli Burdiladze, Deputy CEO, Affordable Housing; *previously CFO at GMT Group, Georgian real estate developer; Masters degree from Johns Hopkins University*

Senior Executive Compensation Policy applies to top nine executives and envisages guaranteed and discretionary awards of securities and <u>no cash bonuses</u> to be paid to such executives

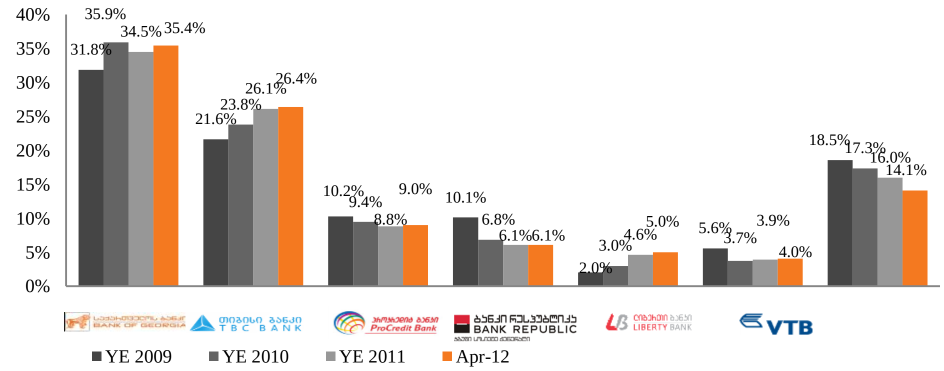
Irakli Gilauri (as Executive Director and CEO) and the Supervisory Board members (as Non-Executive Directors) also serve as directors of BGH.

Competitive landscape

Peer group's market share in total assets

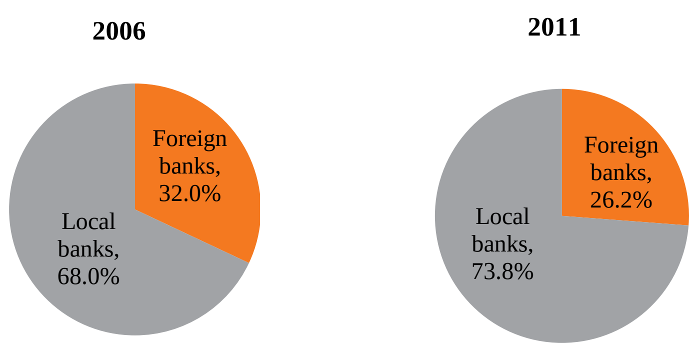


Peer group's market share in gross loans

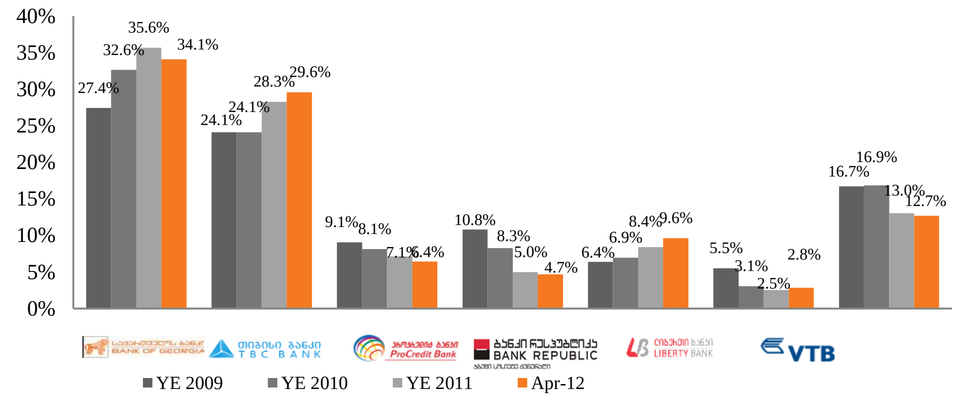


Foreign banks market share by assets

No state ownership of commercial banks since 1994



Peer group's market share in deposits



Note: all data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia
www.nbg.gov.ge

Contents

Country overview

- Area: 69,700 sq km
- Population (2011): 4.4 mln
- Life expectancy: 76 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)
- GDP 2011 (E): GEL 24.2 bn (US$14.4 bn)
- GDP real growth rate 2011 (E): 7.0%
- GDP real growth 2012 IMF estimate: 6.0%
- GDP CAGR ‘04-’11 (E): 13.8%
- GDP per capita 2011 (PPP): US$5,491
- Inflation rate (e-o-p) 2011: 2.00%
- External Public debt to GDP 2011: 29.0%
- Sovereign ratings:
  - **S&P** BB-/B/Stable/ *upgraded in November 2011*
  - **Moody’s** Ba3/NP/Stable
  - **Fitch** BB-/B+/Stable *upgraded in December 2011*

Sources: Ministry of Finance of Georgia, Geostat, IMF, Government of Georgia Presentation (Georgia.gov.ge)

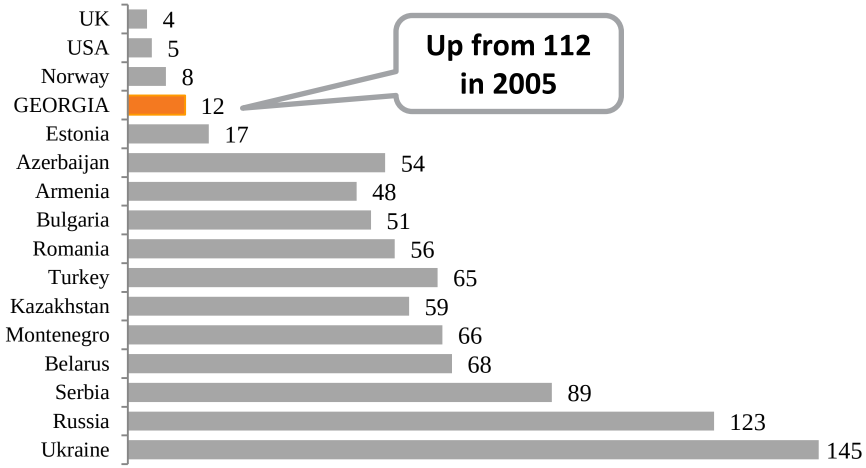
Georgia's key economic drivers

Liberal economic policy	Liberty Act, enshrined in the constitution and effective starting 2014 ensures a credible fiscal and monetary framework: – Government expenditure/GDP capped at 30% – Budget deficit/GDP capped at 3% – Government debt/GDP capped at 60%
Regional logistics and tourism hub	Proceeds from foreign tourism estimated at $937 mln in 2011, with 2.8 million visitors (42% increase y-o-y); number of foreign visitors grew by 39% in Q1 y-o-y Regional energy transit corridor with approx. 1.6% of world's oil production and diversified gas supply passing through the country
Strong FDI	Strong FDI inflows (US$981mln in 2011), diversified across different sectors Net remittances of US$1,168mln in 2011, 23% increase over previous year FDI averaged 10% of GDP in 2003-2011
Support from international community	Free Trade Agreements (Official Discussion in progress with the EU; 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 IFIs, the US and EU: US$2.5bn already disbursed out of the US$4.5bn Brussels pledge Diversified trade structure across countries and products
Cheap electricity	Net electricity exporter since 2007, net electricity importer for more than a decade before 2007; 2011 electricity export reached 1.5 TWH Only 18% of hydro power capacity utilized; 40 hydro power stations are being built/developed Black Sea Transmission Network project envisages construction of new 500kV/400kV line connecting to Turkey. Project commenced in 2009 and is expected to become operational in 2013. BSTN to significantly boost export potential to Turkey, up by 750MW from current capacity
Political environment stabilized	Healthy operating environment for business and low tax regime Parliamentary elections in 2012, presidential elections are scheduled for 2013 New constitution passed in May 2010 to enhance governing responsibility of Parliament and reduce the powers of the Presidency Continued economic relationship with Russia – Russia began issuing visas to Georgians in March 2009; Georgia abolishes visa requirements for Russians – Direct flights between the two countries resumed in January 2010 – WTO negotiations successfully completed; Georgia, a member of WTO since 2000, allows Russia's access to WTO

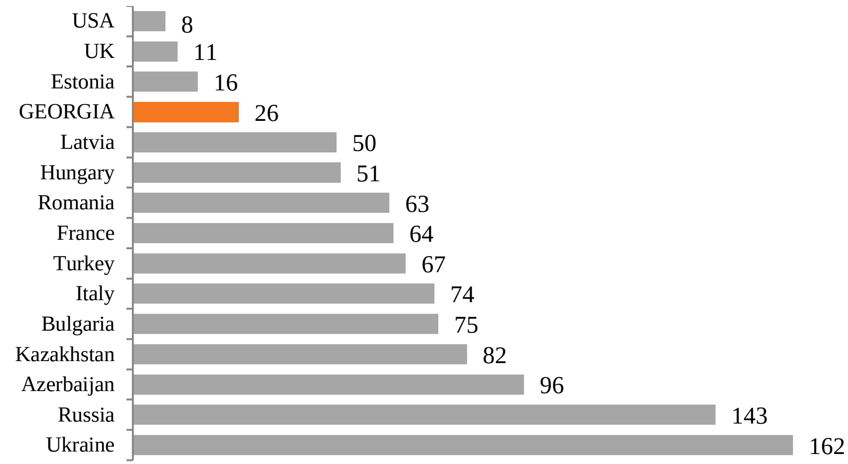
Sources: Geostat, IMF, National Bank of Georgia, Government of Georgia Presentation (Georgia.gov.ge)

Growth oriented reforms

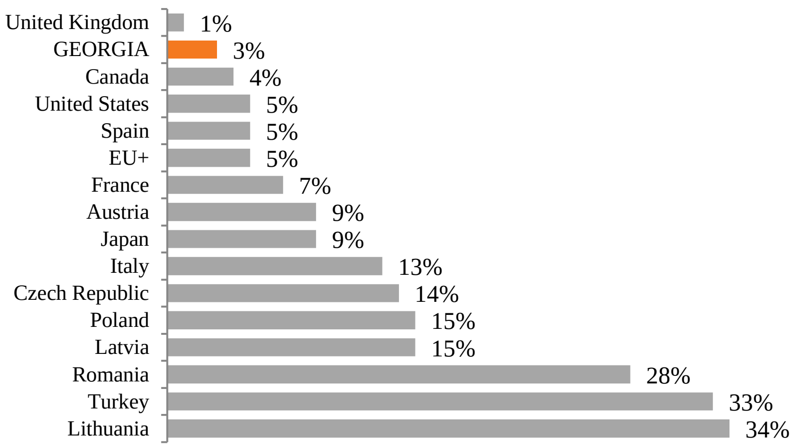
Ease of Doing Business, 2011 (WB-IFC Doing Business Report)



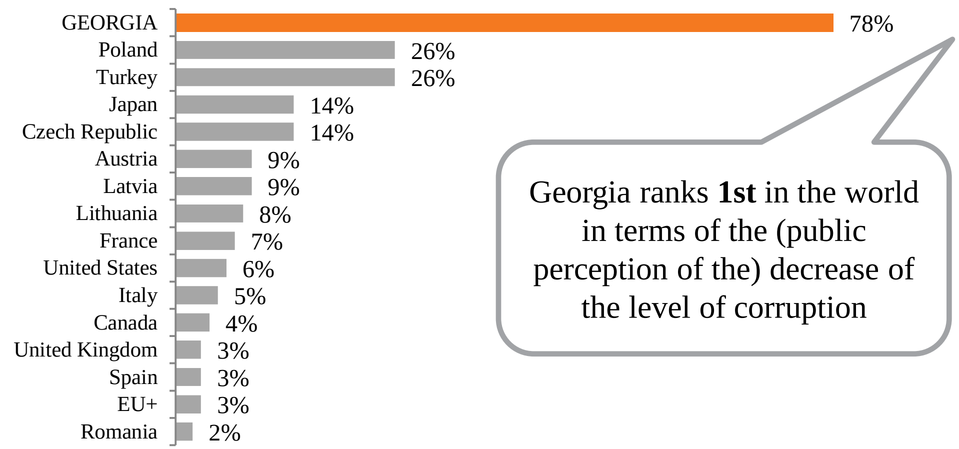
Economic Freedom Index, 2010 (Heritage Foundation)



TI 2010 Global Corruption Barometer: % admitting having paid a bribe within the last 12 months



TI 2010 Global Corruption Barometer: % of the surveyed claiming the corruption level has decreased

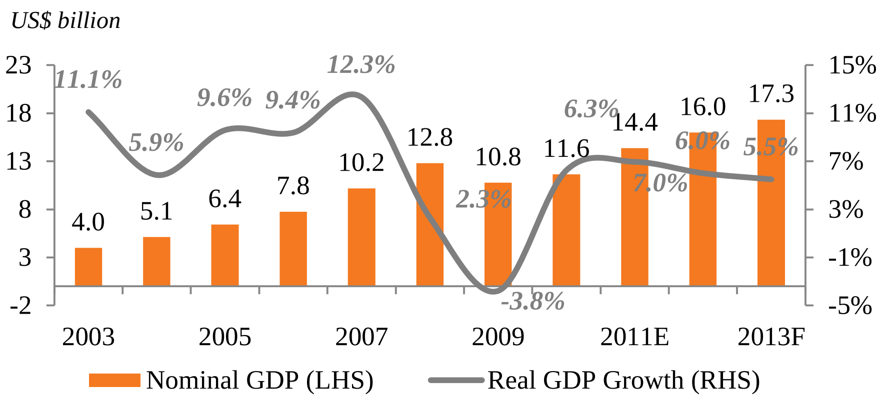


Sources: Transparency International, Heritage Foundation, World Bank

Positive economic outlook

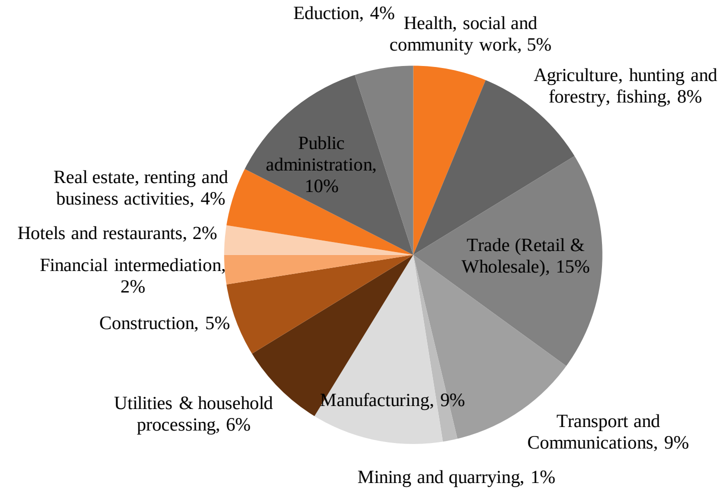
Gross domestic product

- GDP grew at 8.8% annual rate in Q4 2011
- In US$ terms, nominal GDP grew 23.5% y-o-y in 2011

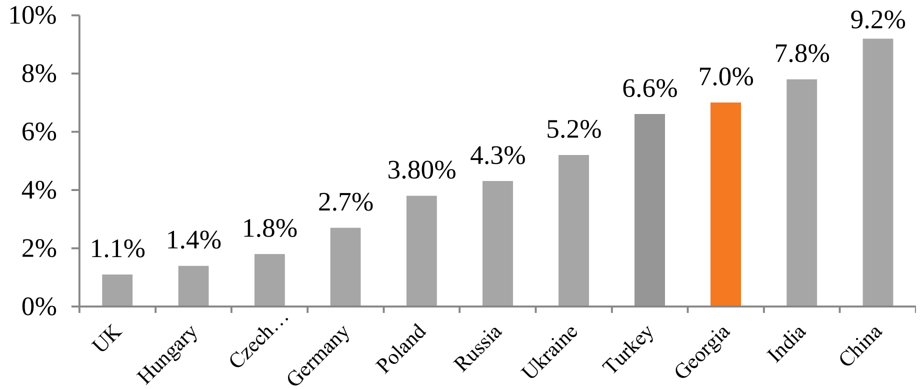


Sources: Geostat, IMF Projections

GDP composition, 31 December 2011



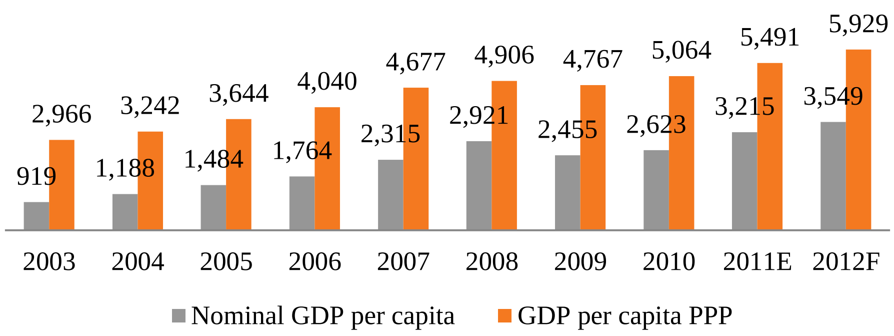
Real GDP growth in 2011



Sources: Central Intelligence Agency, Geostat

GDP per capita, US$

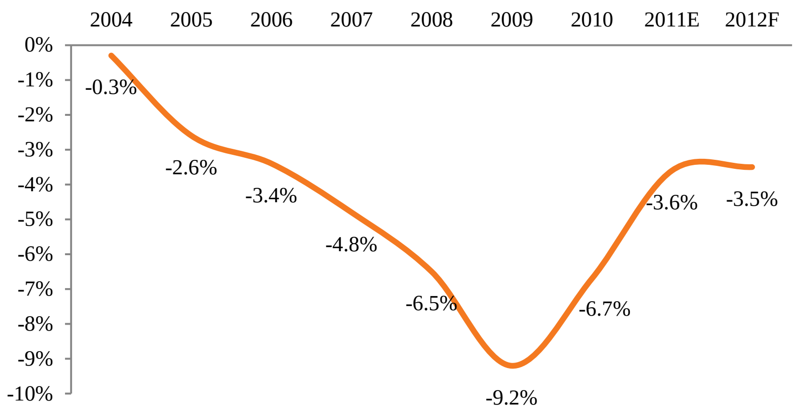
Source: National Bank of Georgia



Sources: Geostat, Ministry of Finance of Georgia, IMF

Demonstrated fiscal discipline and low public debt

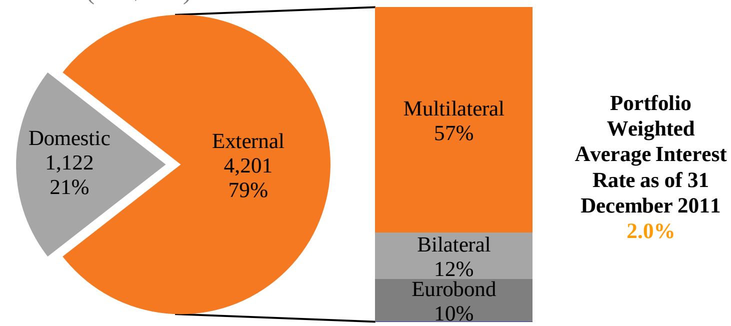
Fiscal deficit as % of GDP



Source: Ministry of Finance of Georgia

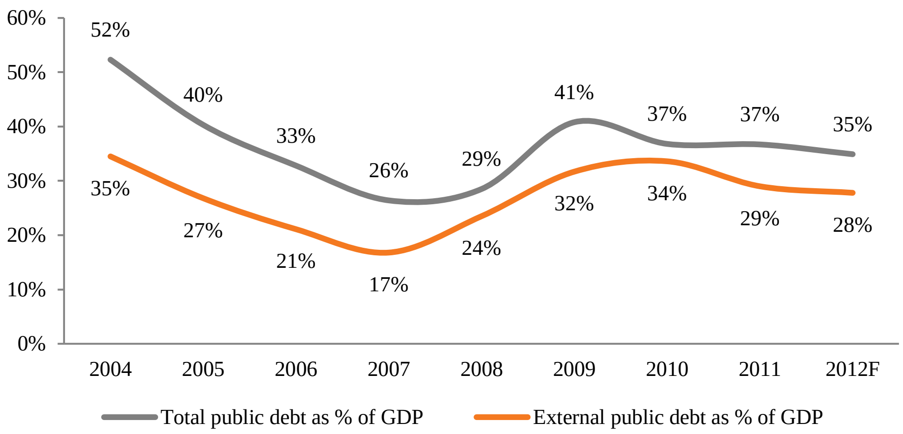
Breakdown of public debt

Affordable public debt stock and very low interest rate on external public debt (US$mln)



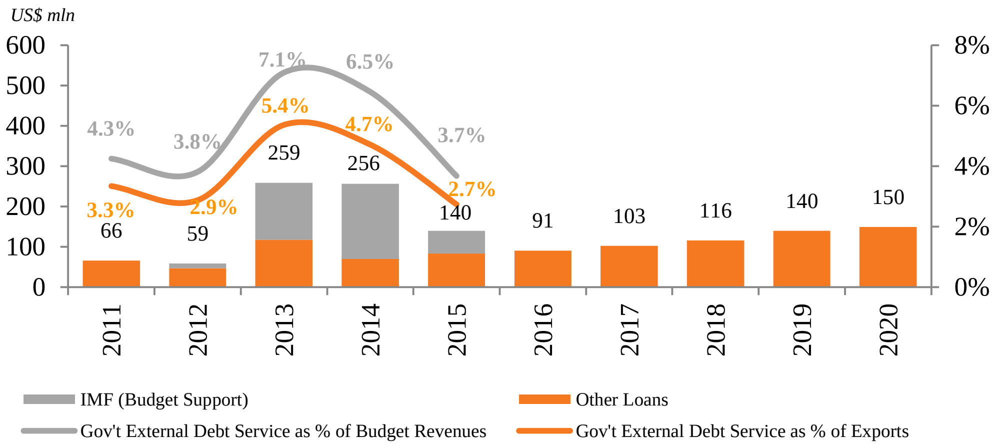
Source: Ministry of Finance of Georgia

Public debt as % of GDP



Sources: Ministry of Finance of Georgia, Geostat

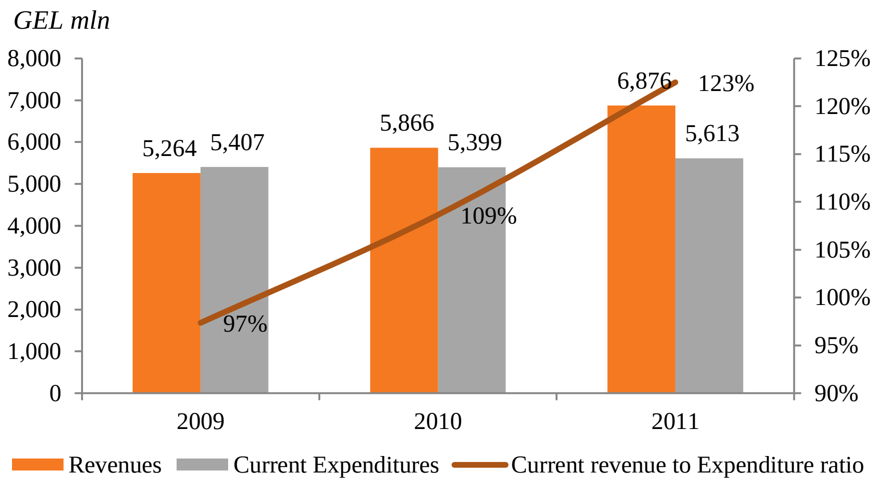
Government external debt service



Source: Ministry of Finance of Georgia

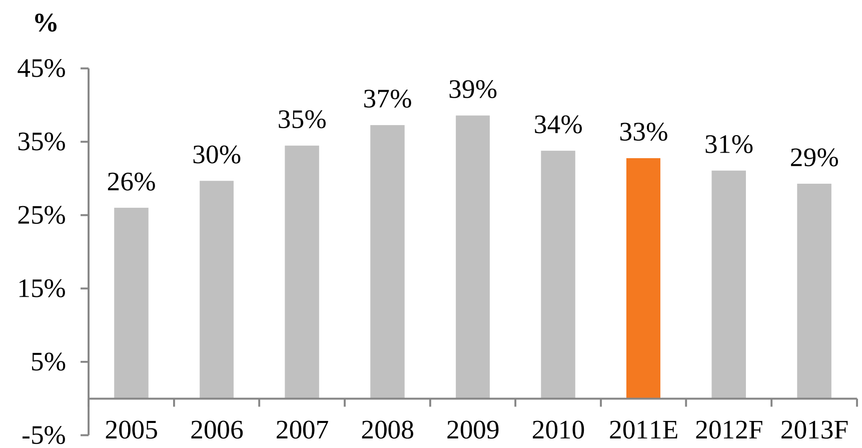
Revenues and expenditures dynamics

Revenues to expenditures



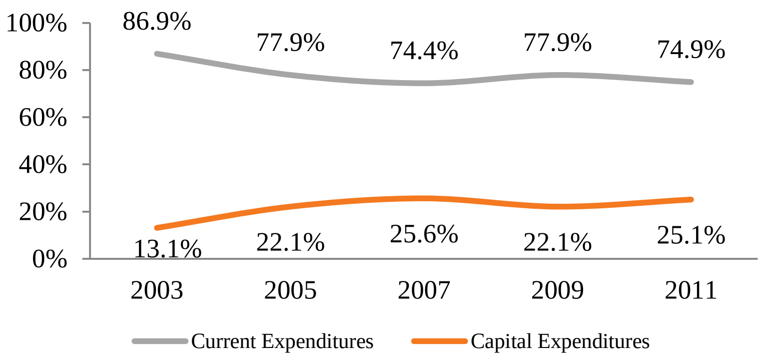
Source: Ministry of Finance

Expenditure as % of GDP



Sources: Ministry of Finance, NBG

Capital vs. current expenditures

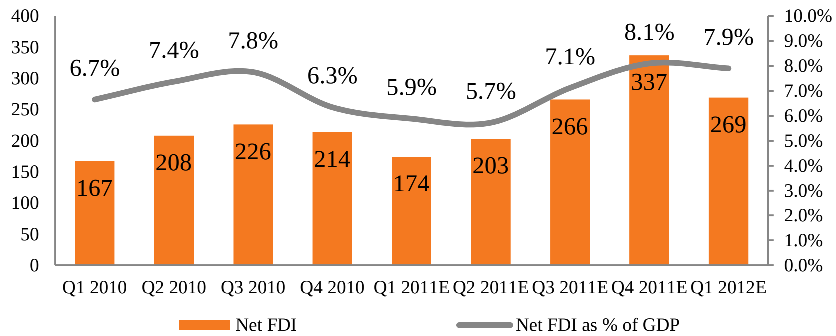


Source: Ministry of Finance

Four main sources of capital inflow

FDI inflows

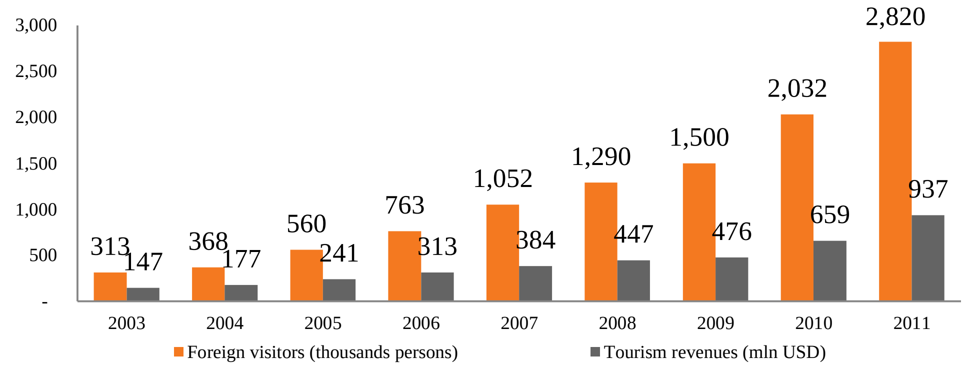
US$ mln 2010: US$815 mln 2011: US$981 mln Q1 2012: up 55% y-o-y



Sources: National Bank of Georgia, Ministry of Finance of Georgia

Number of tourists

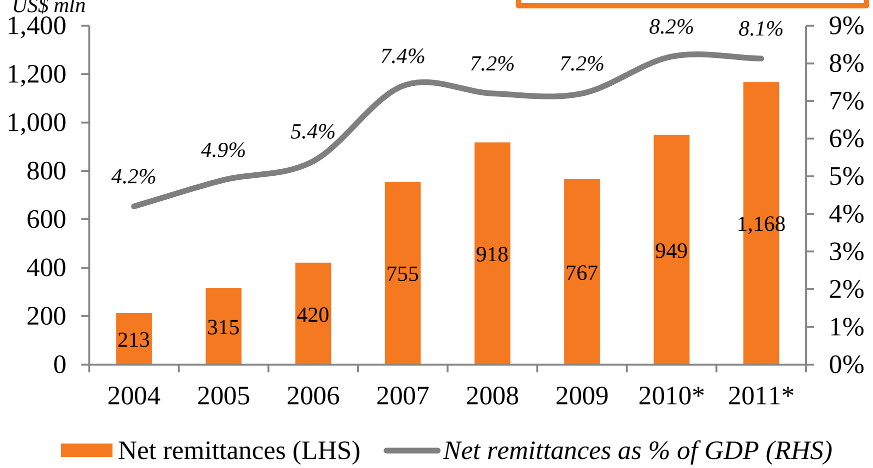
5M 2012 foreign visitors of 1,299,685 up by 48% y-o-y



Sources: Georgian National Tourism Agency, National Bank of Georgia

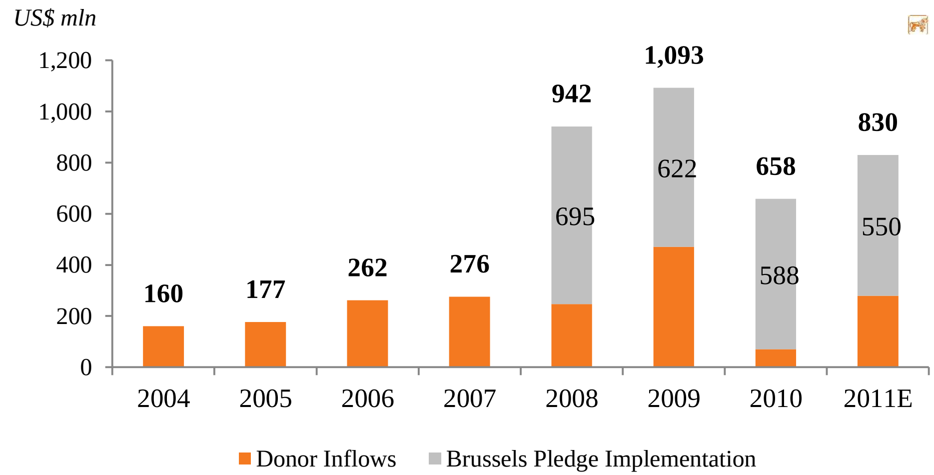
Net remittances

Q1 2012 net remittances of US$266 mln, up by 14% y-o-y



Source: National Bank of Georgia * including remittances through micro finance institutions

Donor inflows



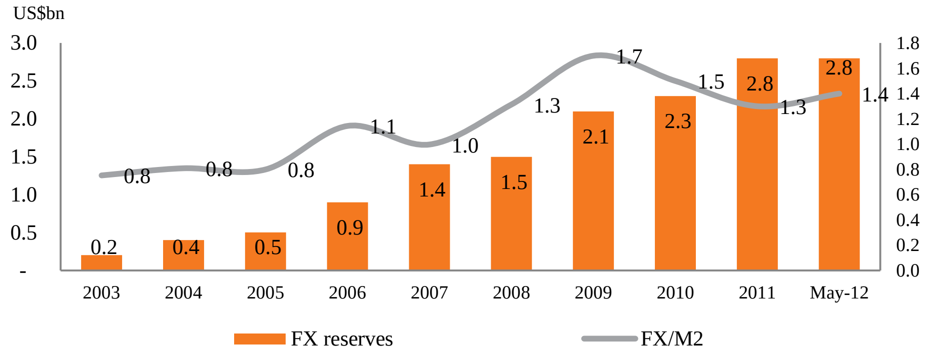
c.US$2.0 bn of the total US$4.5 bn pledged remains to be drawn down

Sources: Ministry of Finance, Bank of Georgia estimates

Controllable CAD and strong FDI & donor inflows

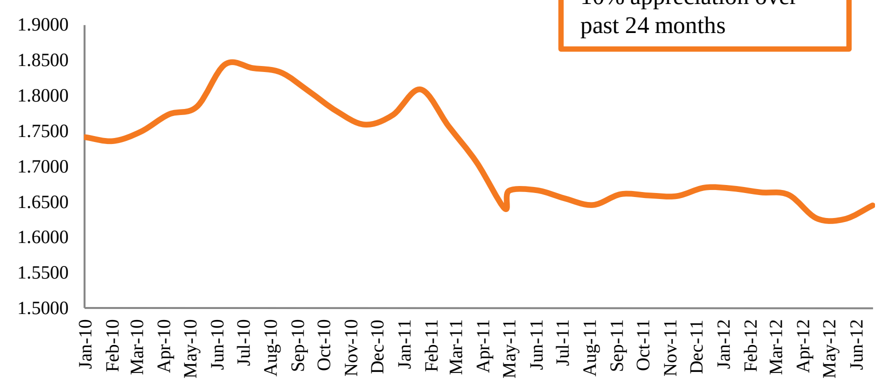
- High, but well capitalised CAD. Low domestic savings rate at 8.6% of GDP. Remittances and FDI cover CAD.

FX reserves



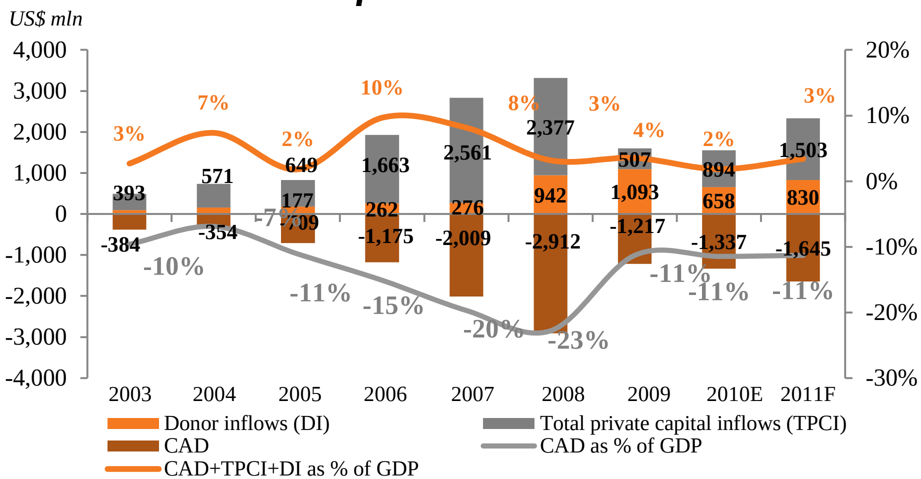
Source: National Bank of Georgia

FX rate (US$/GEL)



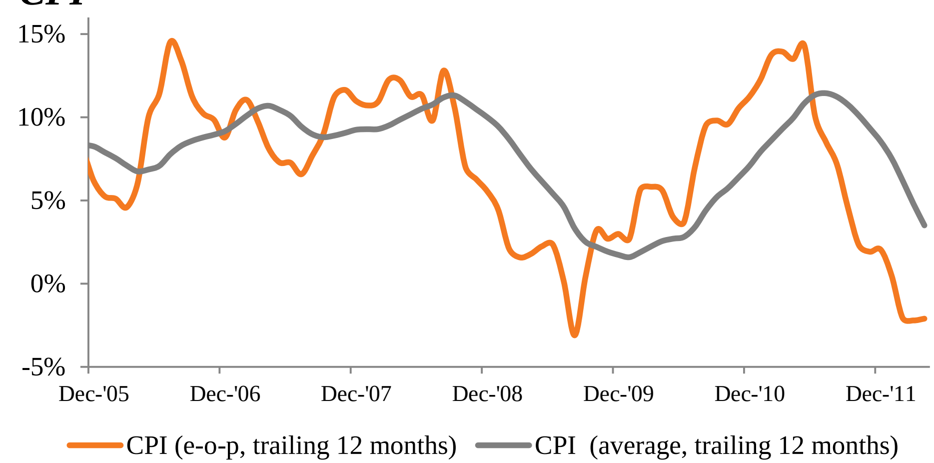
Source: National Bank of Georgia

Current account deficit



Source: NBG, Ministry of Finance, Bank of Georgia estimates

CPI



Source: National Bank of Georgia

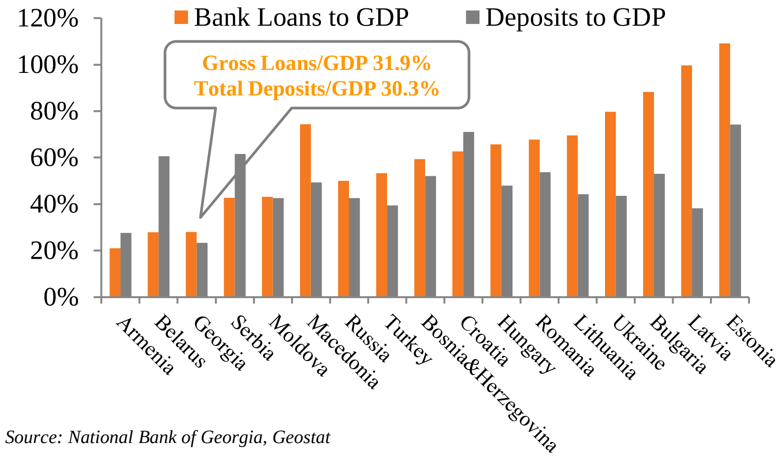
Growing and well capitalised banking sector

Summary

- **Prudent regulation ensuring financial stability**
  - Sector total capital ratio (NBG standards) –20%, Basel 26%
  - High level of liquidity requirements from NBG at 30% of liabilities, resulting in banking sector liquid assets to client deposits of 57%
- **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 1995
  - *Excess liquidity and excess capital* accumulated by the banking sector to help boost the financing of the economic growth
  - *Very low leverage* with retail loans c. 11.6% of GDP and total loans at c. 31.9% of GDP resulting in low number of defaults during the global crisis

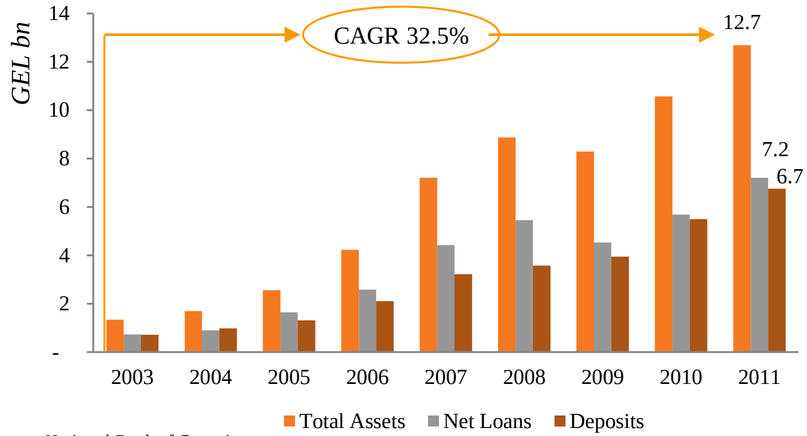
Source: National Bank of Georgia, Geostat

Bank debt and deposits to GDP as of YE2011



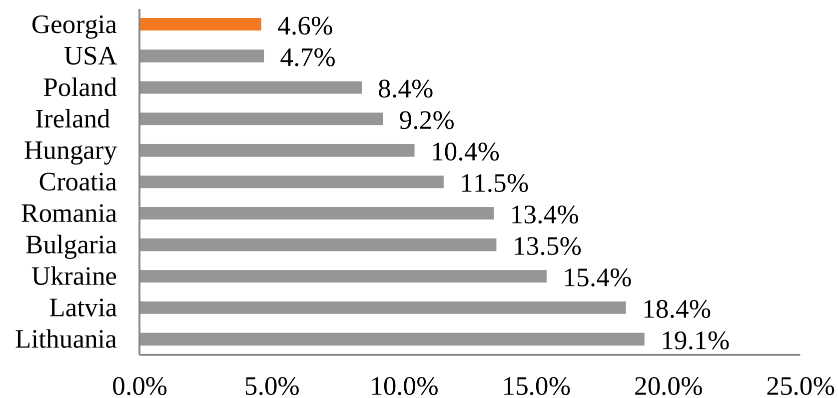
Source: National Bank of Georgia, Geostat

Banking sector assets, loans and deposits as YE2011



Source: National Bank of Georgia

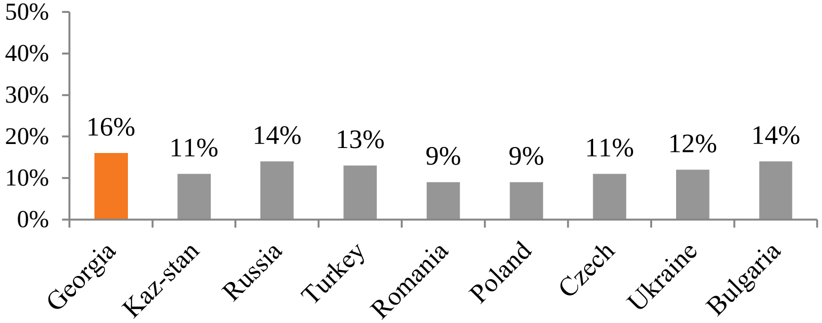
NPLs as % of total loans according to the IMF, lower than the banking sector NIM of c.7% as of YE2011



Source: National Bank of Georgia, IMF

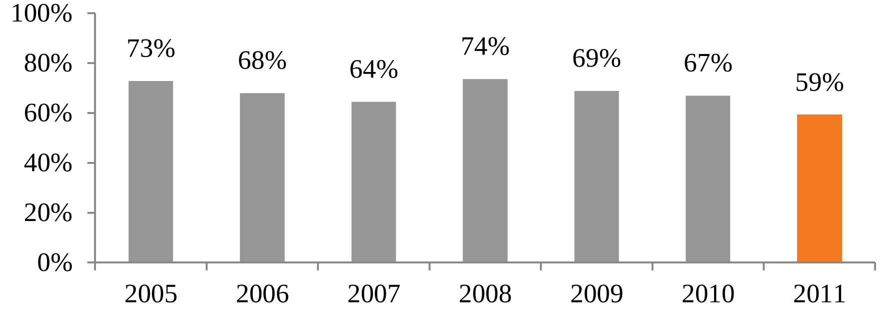
One of the highest level of capital and low debt level compared to other frontier markets

Equity /Assets



Source: National Bank of Georgia, Citi

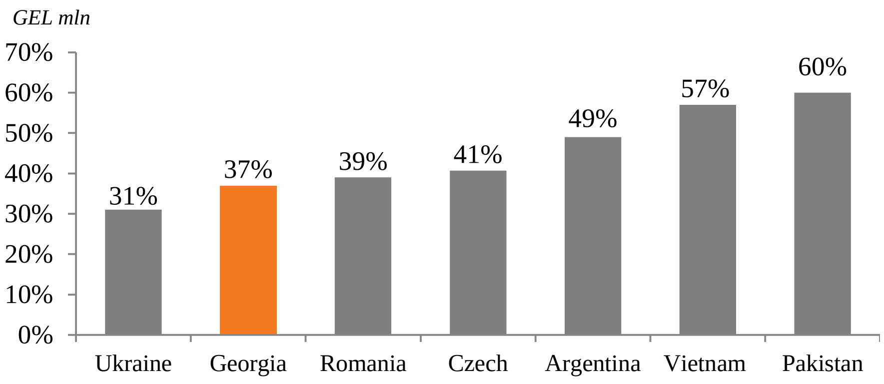
Dollarisation declining



Source: National Bank of Georgia,

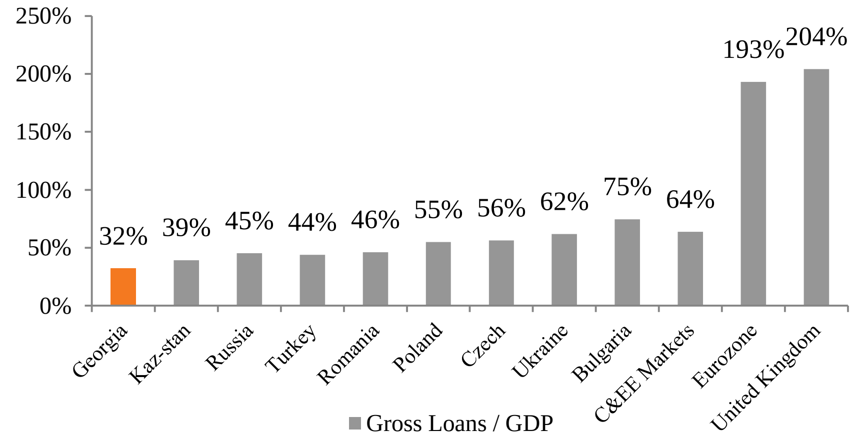
- Increasing comfort in saving in GEL

Public debt / GDP, frontier markets



Sources: Citi , National Bank of Georgia, CIA

Gross Loans / GDP



Sources: National Bank of Georgia, World Bank, Business Monitor

- Attractive growth potential

Contents

Q1 2012 P&L results highlights

GEL millions unless otherwise noted **Bank of Georgia (Consolidated, IFRS)**	**Q1 2012** *(Unaudited)*	**Q1 2011** *(Unaudited)*	***Change***	**2011** *(Audited)*	**2010** *(Audited)*	***Change***
Net interest income	61.2	56.9	*7.5%*	239.3	208.5	*14.8%*
Net fee and commission income	19.7	15.5	*27.3%*	75.3	63.4	*18.8%*
Net insurance revenue	3.8	4.7	*-18.7%*	17.7	16.7	*6.5%*
Other operating non-interest income	32.2	13.6	*136.3%*	108.9	58.0	*87.6%*
Revenue	**116.9**	**90.7**	***28.9%***	**441.2**	**346.6**	***27.3%***
Operating expenses	(57.3)	(50.3)	*13.9%*	(217.6)	(199.8)	*8.9%*
Operating income before cost of credit risk	**59.5**	**40.3**	***47.6%***	**223.6**	**146.9**	***52.2%***
Cost of credit risk	(7.4)	(5.4)	*36.4%*	(22.2)	(47.7)	*-53.5%*
Net operating income	**52.2**	**34.9**	***49.3%***	**201.4**	**99.2**	***103.1%***
Net non-operating expenses*	(4.4)	-	*NMF*	(29.3)	(0.7)	*NMF*
Profit for the period from continuing operations	39.7	29.1	*36.4%*	150.9	82.7	***82.6%***
Profit for the period	**39.8**	**16.9**	*135.9%*	**135.7**	**82.7**	***64.2%***
EPS, basic (GEL)**	1.23	0.97	*26.8%*	4.95	2.78	*78.1%*

** Includes impairment of property and intangible assets*
*** EPS calculated using profit for the period from continuing operations attributable to shareholders*

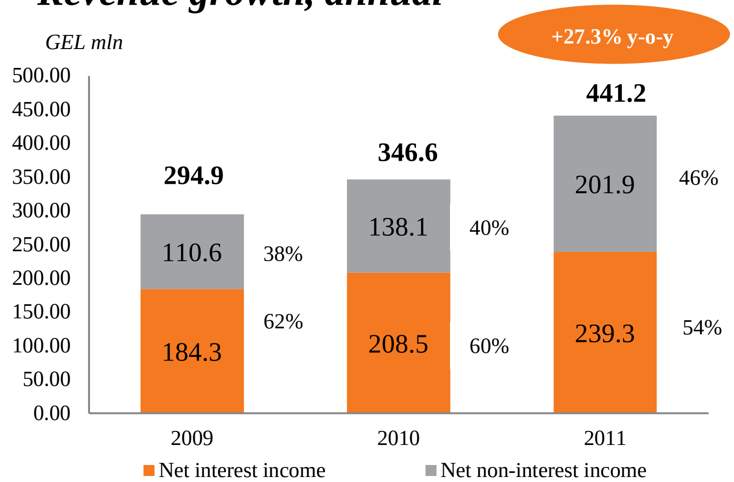
Balance Sheet results highlights

GEL millions unless otherwise noted **Bank of Georgia (Consolidated, IFRS)**	**31 March 2012** *(Unaudited)*	**31 March 2011** *(Unaudited)*	***Change Q1'12/Q1'11***	**31 December 2011** *(Audited)*	***Change Q1'12/Q4'11***	**30 September 2011** *(Unaudited)*	***Change Q4'11/Q3'11***
Net loans to customers*	2,713.8	2,241.9	*21.0%*	2,616.4	*3.7%*	2,560.7	*2.2%*
Total assets	**4,490.2**	**4,049.2**	***10.9%***	**4,665.3**	***-3.8%***	**4,359.4**	***7.0%***
Liquid assets	1,027.6	1,190.6	*-13.7%*	1,337.8	*-23.2%*	1,146.4	*16.7%*
Liquid assets as percent of total assets	22.9%	29.4%	*-22.1%*	28.7%	*-20.2%*	26.3%	*9.1%*
Liquid assets as percent of total liabilities	29.0%	36.0%	*-19.4%*	34.7%	*-16.4%*	32.0%	*8.6%*
Customer funds, of which	2,625.2	2,073.4	*26.6%*	2,735.2	*-4.0%*	2,322.9	*17.7%*
Client deposits	*2,442.0*	*1,976.9*	*23.5%*	*2,554.1*	*-4.4%*	*2,161.1*	*18.2%*
Promissory notes	*183.2*	*96.5*	*89.8%*	*181.1*	*1.2%*	*161.8*	*11.9%*
Amounts due to credit institutions, of which	753.8	1,102.1	*-31.5%*	921.2	*-18.2%*	1,099.7	*-16.2%*
Borrowed funds, of which	*671.8*	*965.8*	*-30.4%*	*863.0*	*-22.2%*	*799.5*	*7.9%*
Borrowings from IFIs	*577.1*	*614.7*	*-6.1%*	*639.9*	*-9.8%*	*620.3*	*3.2%*
Total liabilities	**3,541.6**	**3,311.7**	***6.9%***	**3,852.7**	***-8.1%***	**3,583.7**	***7.5%***
Total equity	**948.5**	**737.6**	***28.6%***	**812.6**	***16.7%***	**775.7**	***4.8%***
Book value per share (GEL)	26.78	23.69		26.09		25.19	
BIS Tier I Capital Adequacy Ratio, Consolidated	23.2%	18.0%		19.9%		17.9%	
BIS Total Capital Adequacy Ratio, Consolidated	29.7%	28.8%		28.5%		26.1%	
NBG Tier I Capital Adequacy Ratio	15.2%	12.7%		10.5%		10.8%	
NBG Total Capital Adequacy Ratio	18.2%	15.6%		16.2%		15.0%	

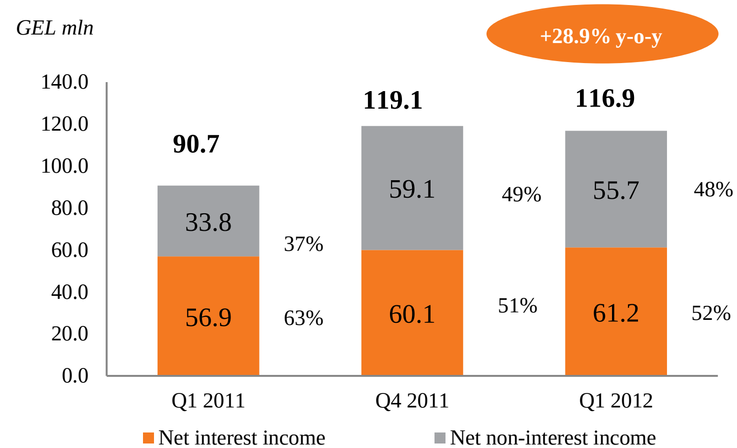
** includes net finance lease receivables*

Strong revenue growth

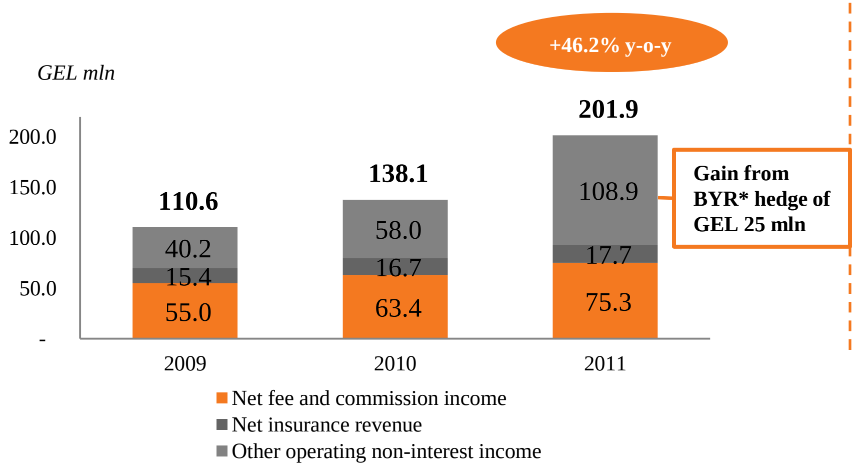
Revenue growth, annual



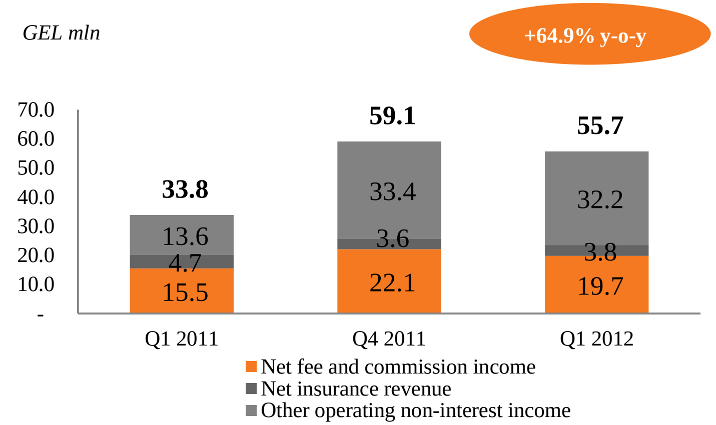
Revenue growth, quarterly



Net non-interest income, annual



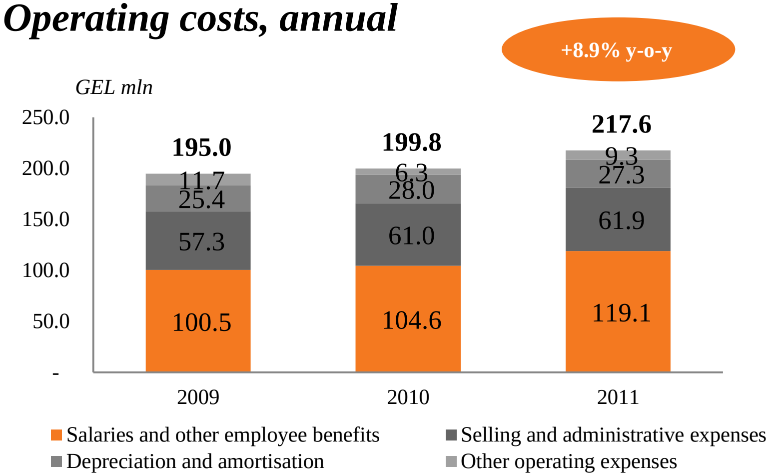
Net non-interest income, quarterly



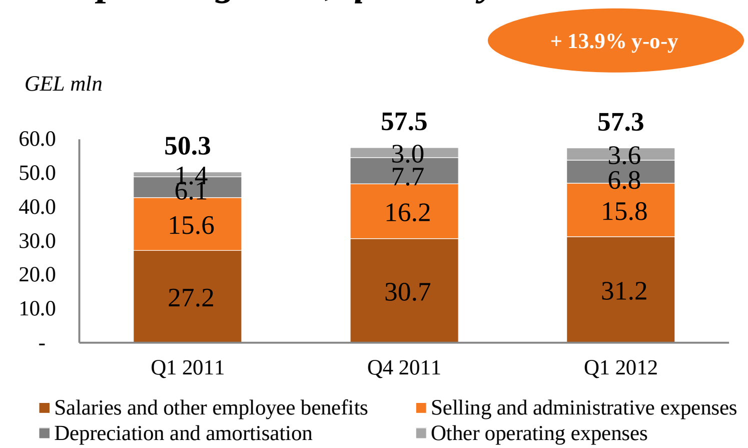
*Belarusian Rouble

Strengthening operating leverage as operating costs grow at half the rate of revenue

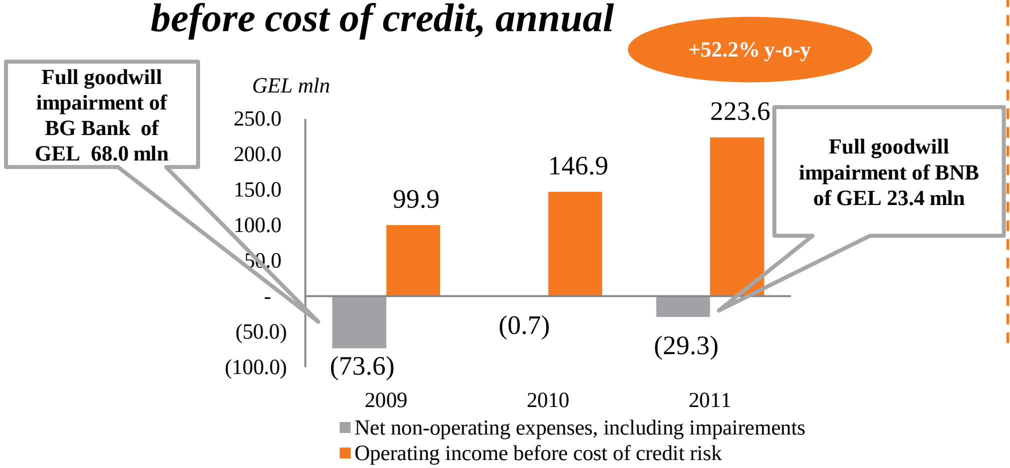
Operating costs, annual



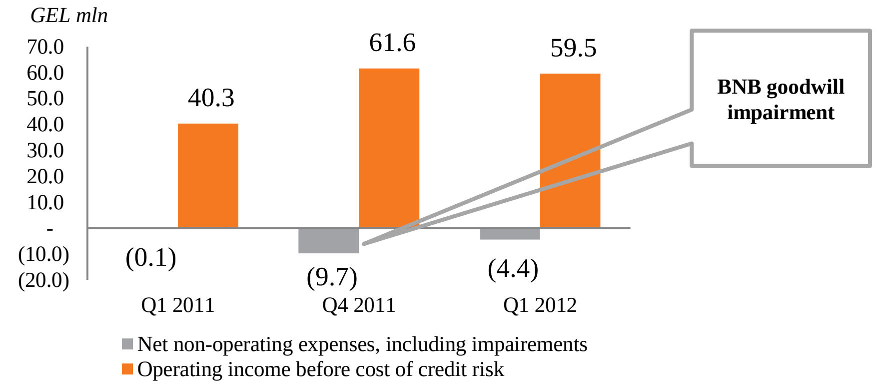
Operating costs, quarterly



Net non-operating expenses, operating income before cost of credit, annual

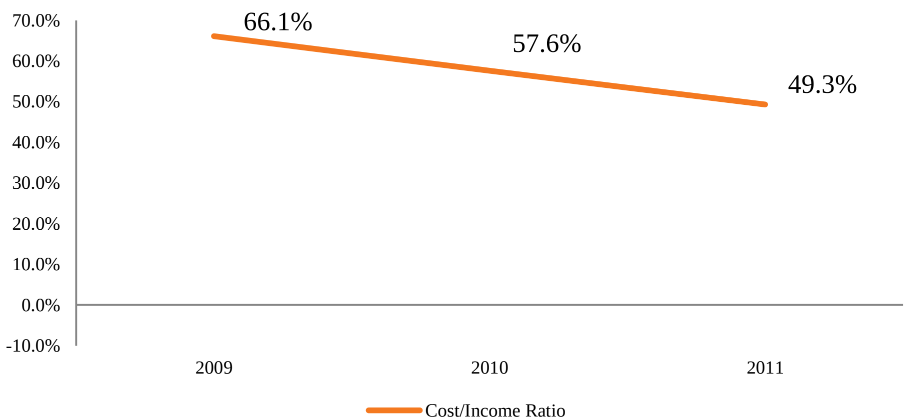


Net non-operating expenses, operating income before cost of credit, quarterly

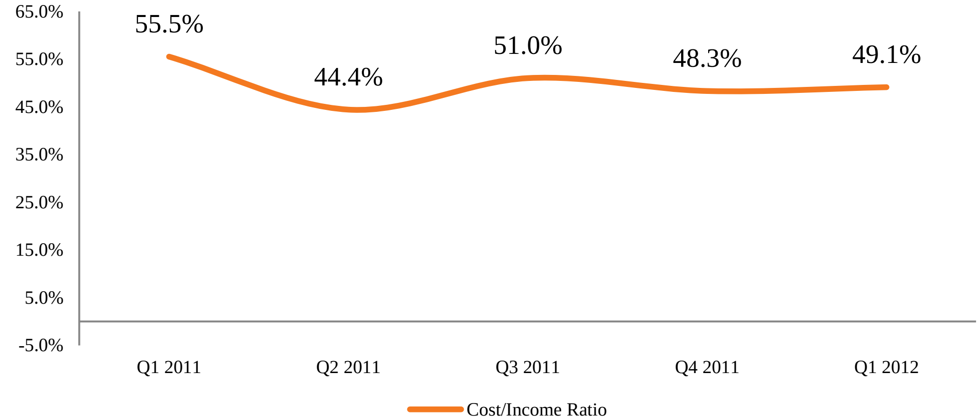


Improving efficiency

Cost / Income ratio, annual



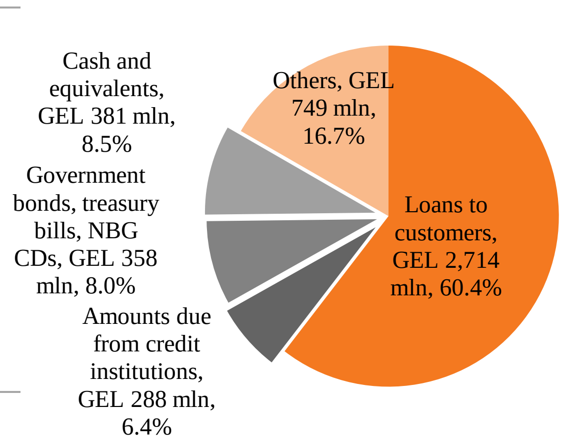
Cost / Income ratio, quarterly



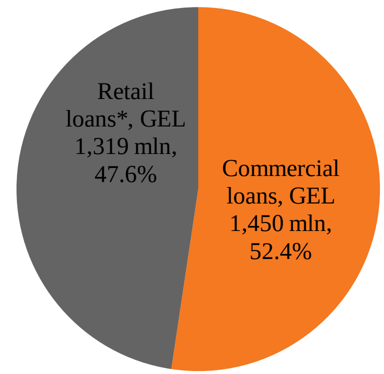
Diversified asset structure

Total asset structure, 31 March 2012

Liquid assets GEL 1,027.6 mln, 22.9% of total assets and 29.0% of total liabilites

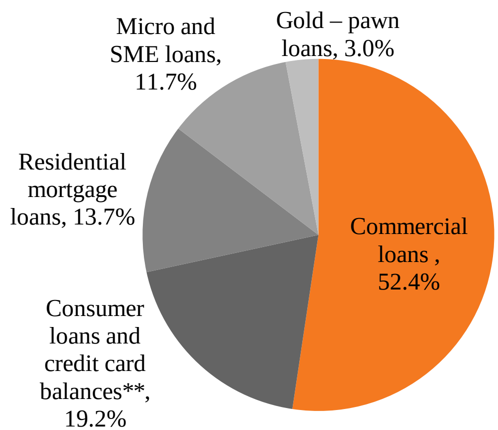


Gross loans breakdown, 31 March 2012



Note: Retail loans include Wealth Management loans of GEL 44.8 mln and BNB loans of GEL 56.7 mln

Gross loan portfolio structure, 31 March 2012



Concentration of top 10 borrowers

- As of 31 March 2012, concentration of gross loans granted by the Group to ten largest third party borrowers comprised GEL 397.1 million (US$239.2 million)*** accounting for 14% of gross loan portfolio of the Group (31 December 2011: 15% and 31 December 2010: 15%)
- Single borrower exposure did not exceed 2.4% of total loans as of 31 December 2011
- Major borrowers of the Group were private companies and individuals

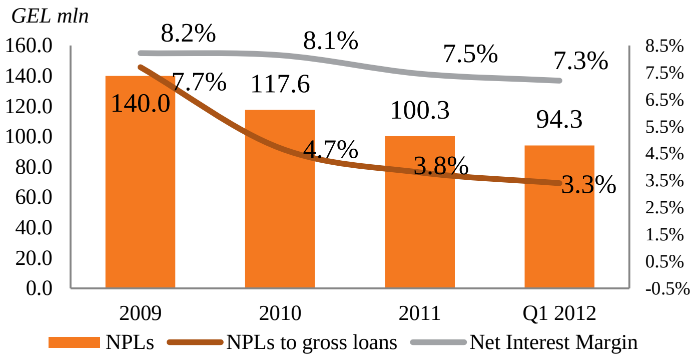
** Retail loans include consumer loans, mortgage loans, micro and SME loans, auto loans and credit card balances*

*** Credit card balances of GEL 135.8 million included, 4.9% of total loan book*

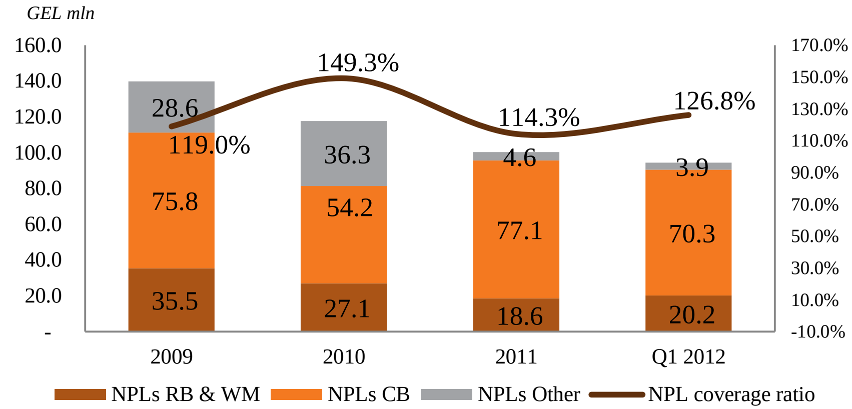
**** US$/GEL 1.66 as of 31 March 2012*

Loan portfolio quality improving

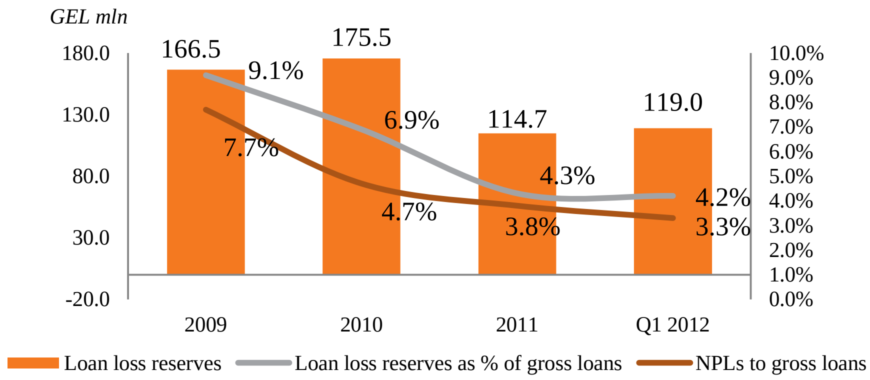
Consolidated NPLs



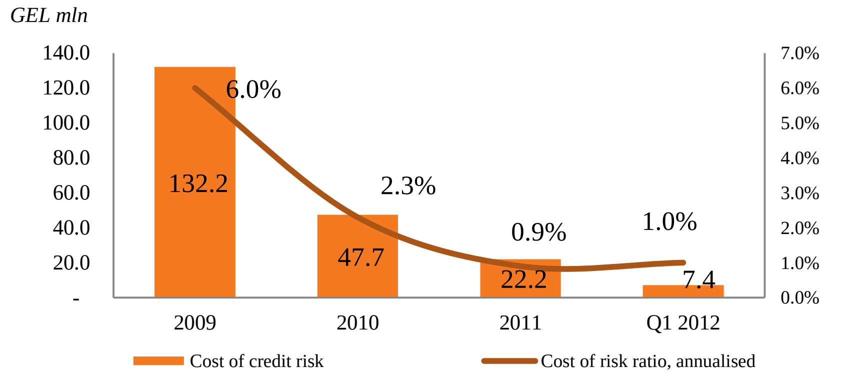
Consolidated NPL composition & coverage ratio



Consolidated loan loss reserve, NPLs to gross loans



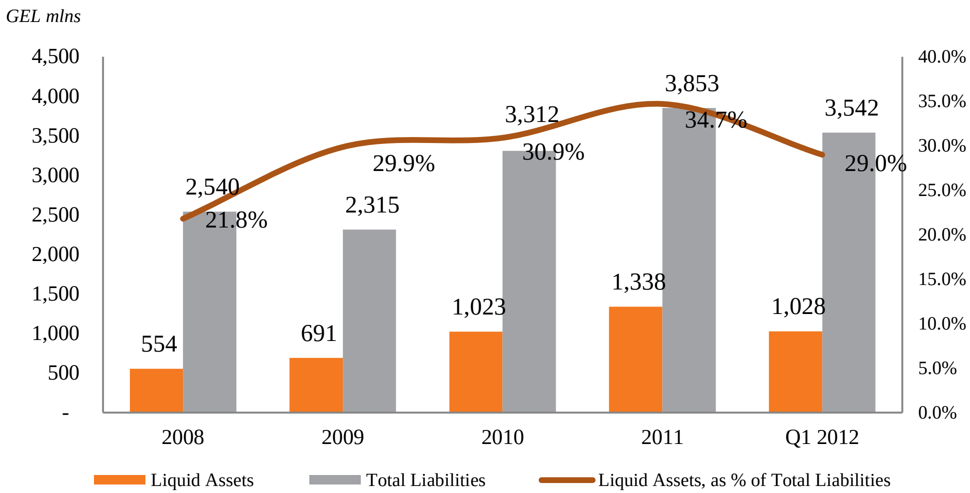
Consolidated cost of credit risk & cost of risk ratio



* Other NPLs include BNB and BG Bank

Strong liquidity

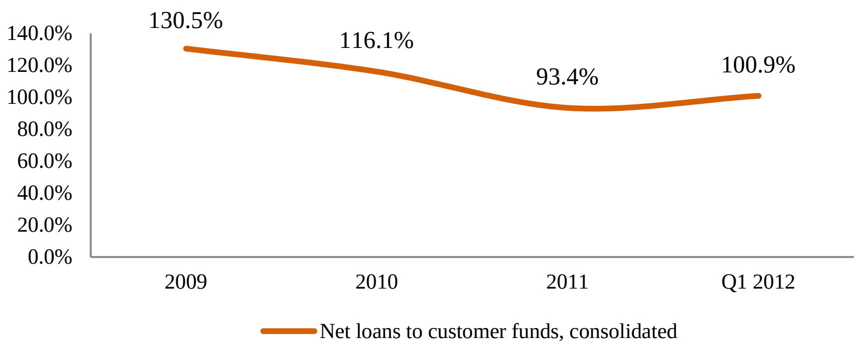
Liquid assets to total liabilities



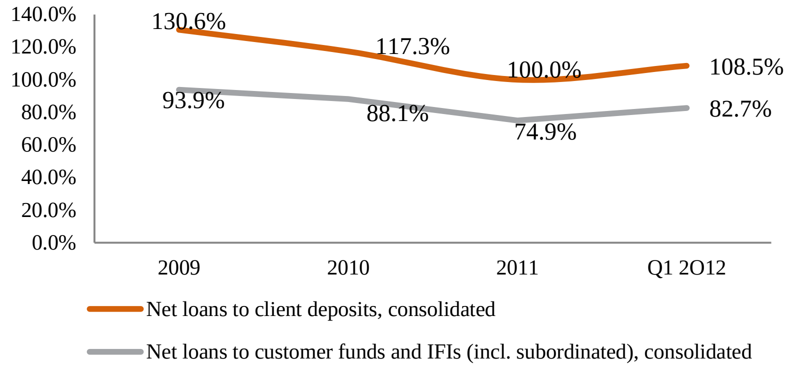
NBG liquidity ratio

Bank Standalone, GEL mln	**31-Mar-12**	**31-Dec-11**	**31-Dec-10**
NBG Liquidity Ratio			
Liquid Assets (NBG)	1,041	1,392	939
Liabilities (NBG)	3,041	3,448	2,492
Liquid Assets / Liabilities ≥ 30%	34.2%	40.4%	37.7%
Excess liquidity	128	358	191

Net loans to customer funds



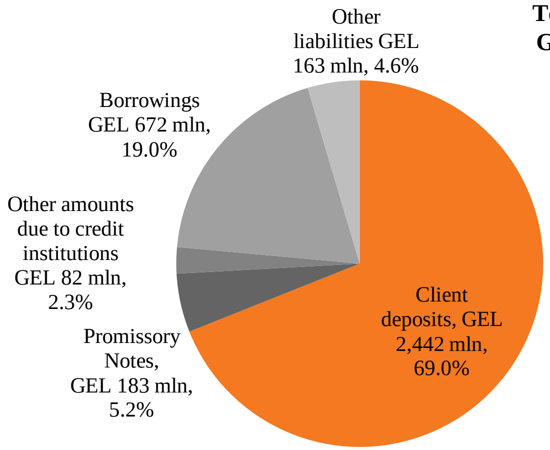
Net loans to client deposits and net loans to customer funds & IFIs



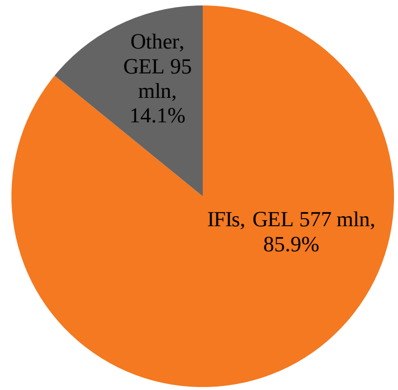
Funding structure is well-balanced

Liability structure

Total Liabilities GEL 3,542 mln



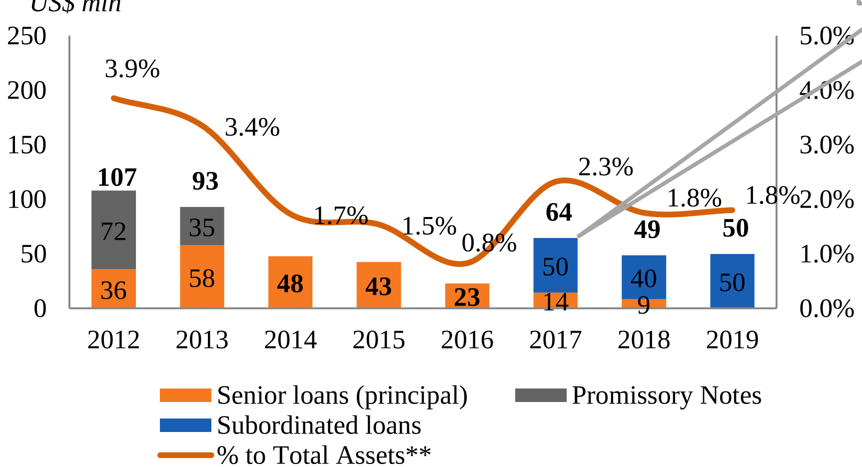
Well diversified international borrowings



Borrowed funds maturity breakdown

Subordinated loans callable in August 2012

US$ mln



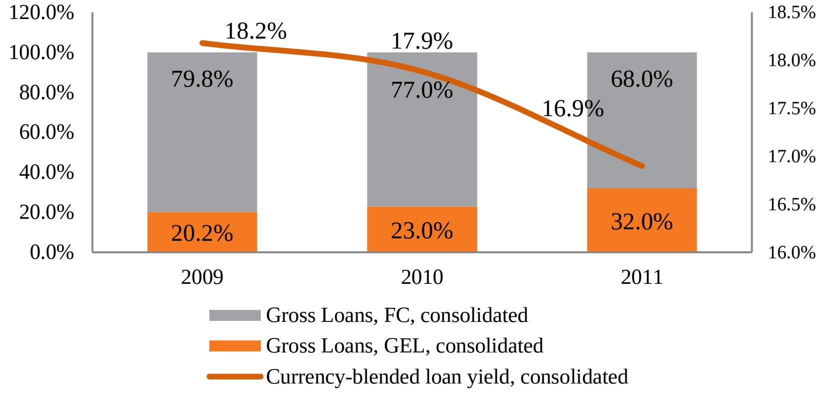
** Converted at US$/GEL exchange rate of 1.66 as of 31 March 2012*
*** Total Assets as of 31 March 2012*

Amounts due to credit institutions

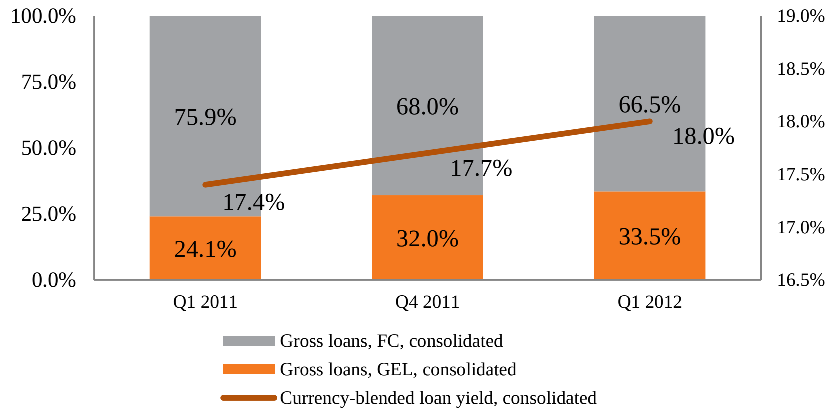
- The Bank has a well-balanced funding structure with 74% of total liabilities coming from customer funds and 16% from International Financial Institutions (IFIs) as of 31 March 2012
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as IFIs, such as EBRD, IFC, DEG, Asian Development Bank, etc.
- As of 31 December 2011, US$62.5 mln undrawn facilities from IFIs with five to six year maturities

Yield dynamics

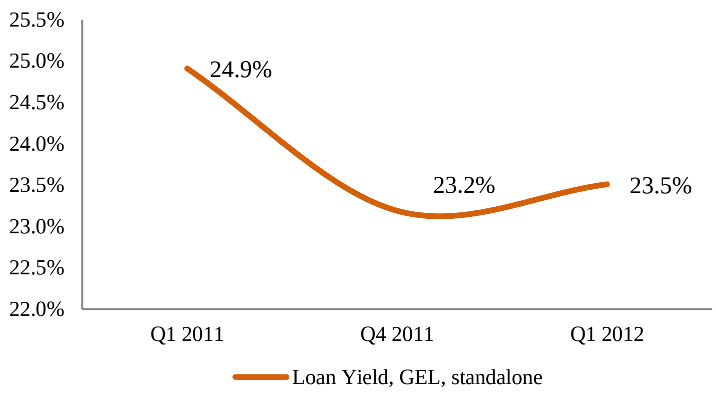
Loan yields, annual



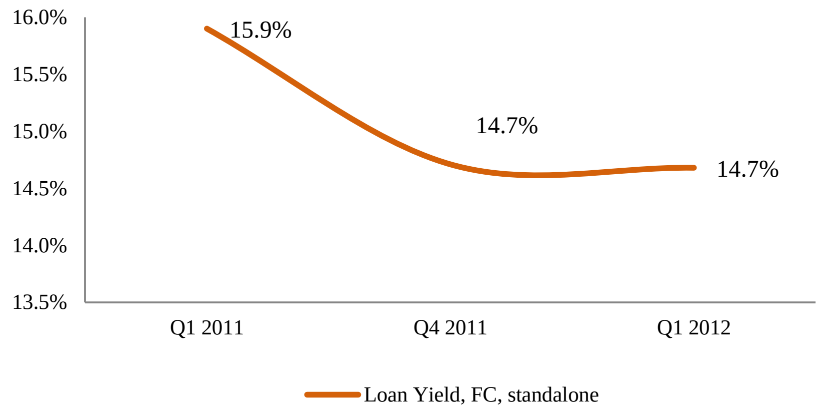
Loan yields, quarterly



Loan yields, GEL, quarterly



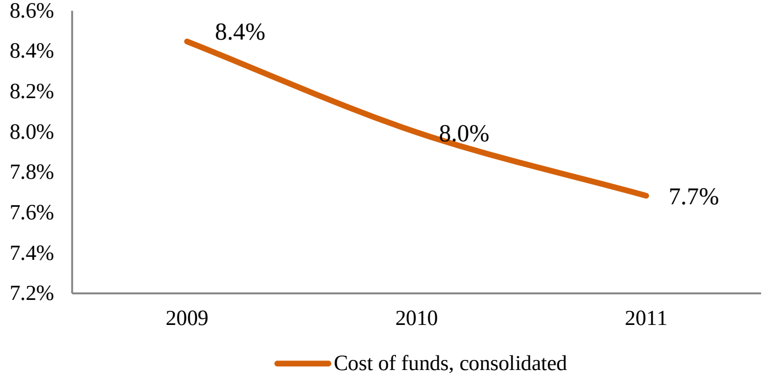
Loan yields, foreign currency, quarterly



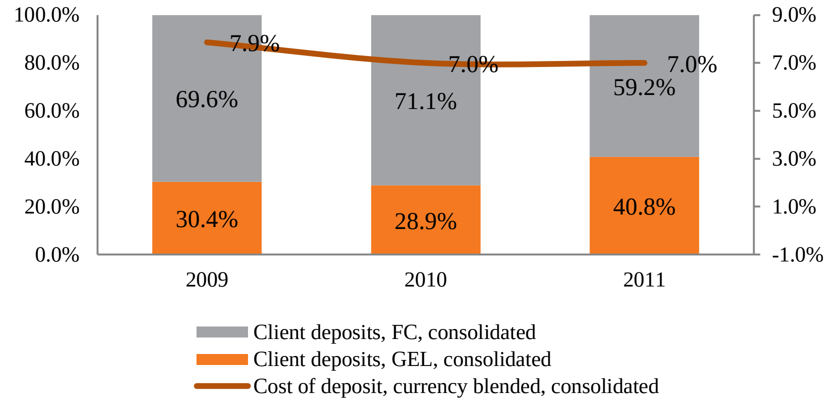
Loan yields excluding provisions

Cost of funds and loans to deposits

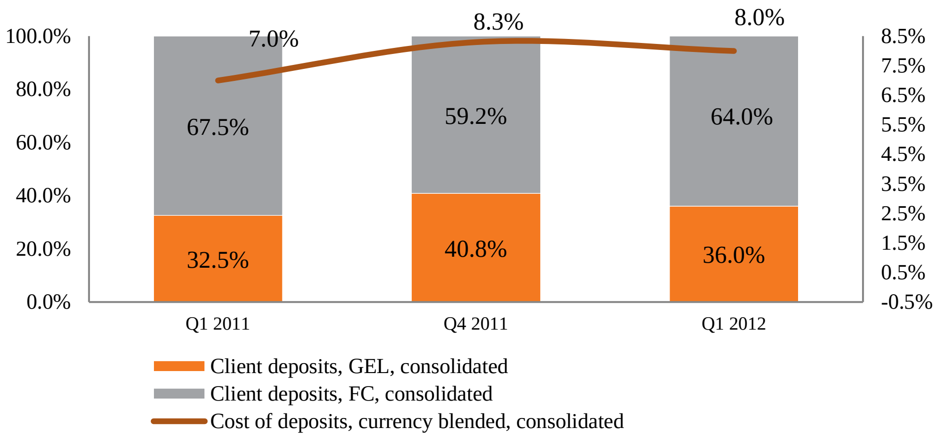
Cost of funds, annual



Cost of deposits, annual



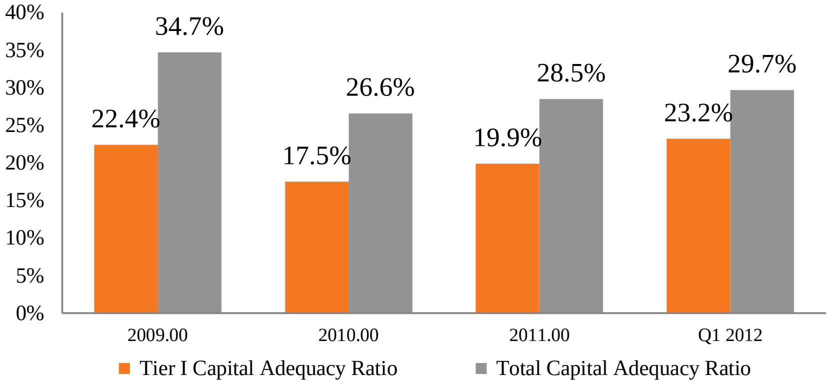
Cost of deposits, quarterly



Excellent capital adequacy position

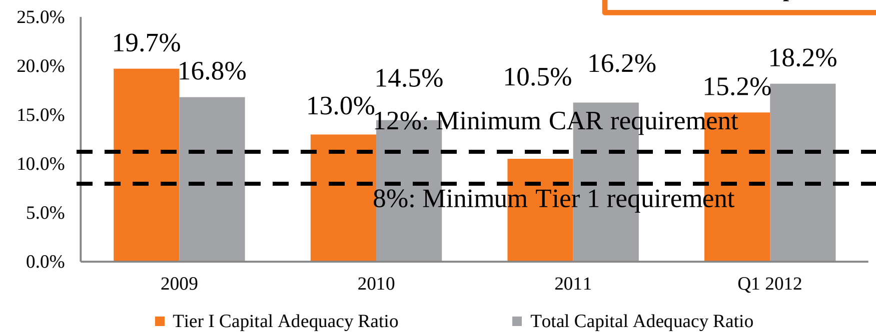
BIS capital adequacy ratios, Consolidated

- *Risk weighting of FX* denominated loans at 175% according to the National Bank of Georgia standards
- NBG requires that *investments in subsidiaries* of more than 50% to be deducted from Total Capital

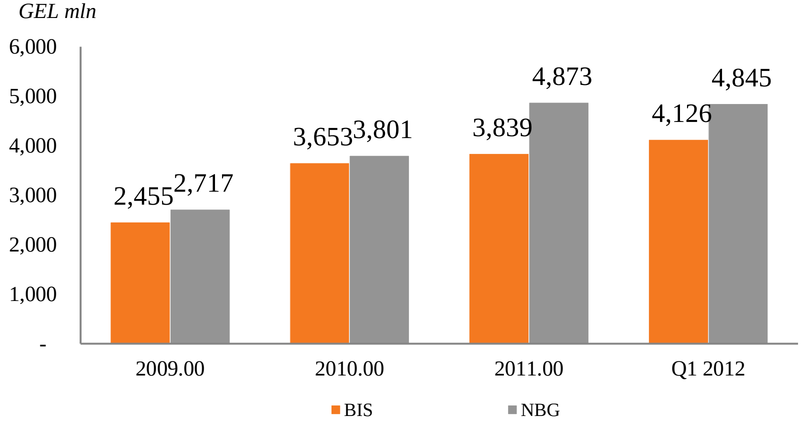


NBG capital adequacy ratios, Standalone

Tier I Ratio grew due to the conversion of EBRD & IFC loans of US$50 mln in February 2012 and inclusion of 2011 profit



Risk-weighted assets BIS vs. NBG



NBG Tier I Capital and Total Capital

GEL mln	Q1 2012	YE 2011	*Change*
Tier I Capital (Core)	738.5	512.2	*44.2%*
Tier 2 Capital (Supplementary)	333.7	463.8	*-28.1%*
Less: Deductions	(191.3)	(184.3)	*3.8%*
Total Capital	**880.9**	**791.7**	***11.3%***
Risk weighted assets	**4,845.2**	**4,872.9**	***-0.6%***
Tier 1 Capital ratio	**15.2%**	**10.5%**	***45.0%***
Total Capital ratio	**18.2%**	**16.2%**	***11.9%***

Contents

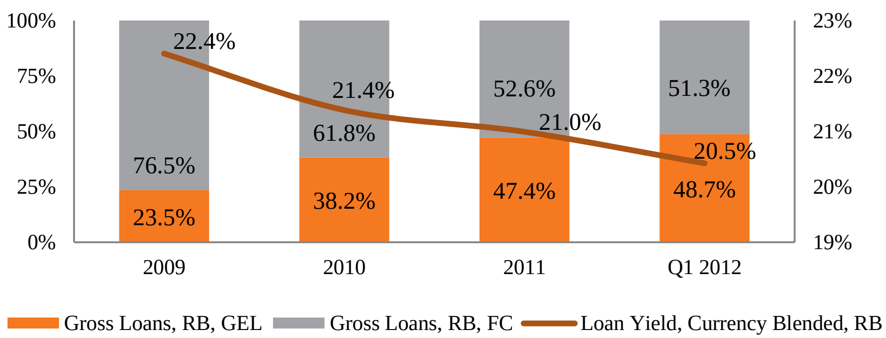
Retail Banking (RB): Strong growth of revenue, loans and deposits, deposit rate cuts

Retail Banking (RB)

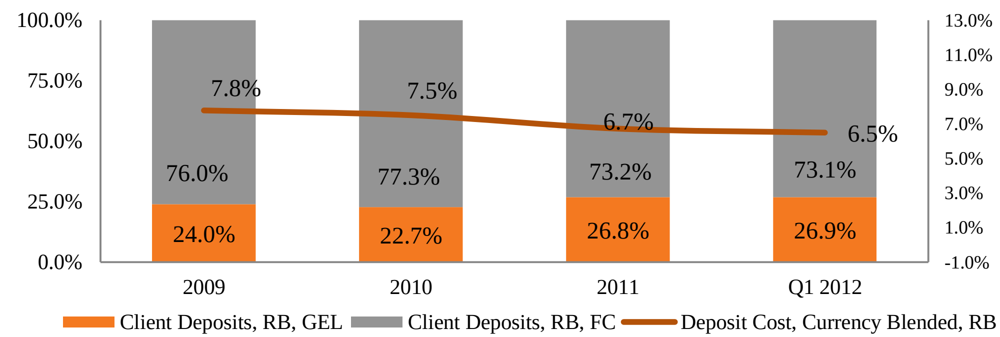
GEL millions, unless otherwise noted

Period end	Q1 2012	Q1 2011	% Change	2011	2010	% Change
Net interest income	39.0	31.4	*24.2%*	141.5	116.4	*21.6%*
Net fees and commission income	11.7	9.7	*20.6%*	49.8	42.1	*18.1%*
Net gains from foreign currencies	3.0	2.0	*50.0%*	12.2	9.2	*32.6%*
Other operating non-interest income	1.0	0.6	*66.7%*	6.0	1.2	*NMF*
Operating income from other segments	0.3	0.3	-	1.6	0.5	*NMF*
Revenue	**54.9**	**44.1**	***24.5%***	**211.0**	**169.4**	***24.6%***
Other operating non-interest expenses	26.4	24.3	*8.6%*	109.4	97.9	*11.7%*
Operating income before cost of credit risk	**28.5**	**19.8**	***43.9%***	**101.7**	**71.6**	***42.1%***
Cost of credit risk	4.7	-4.4	*NMF*	(3.1)	29.1	*NMF*
Profit for the period from continuing operations	**22.1**	**23.0**	***-3.9%***	**110.4**	**40.0**	***NMF***
Cost/Income	*48.1%*	*55.1%*		*51.8%*	*57.8%*	

Retail Banking loan yields

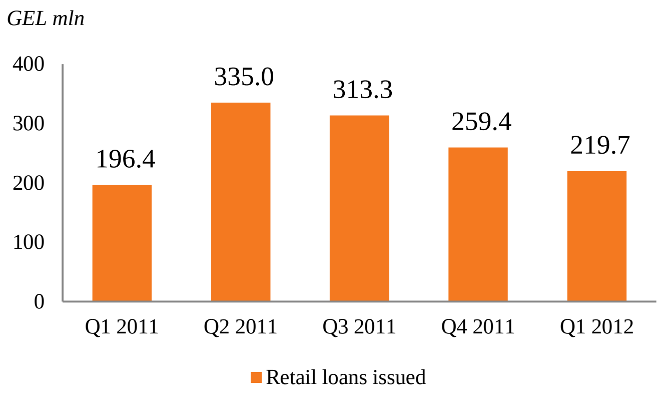


Retail Banking deposit costs



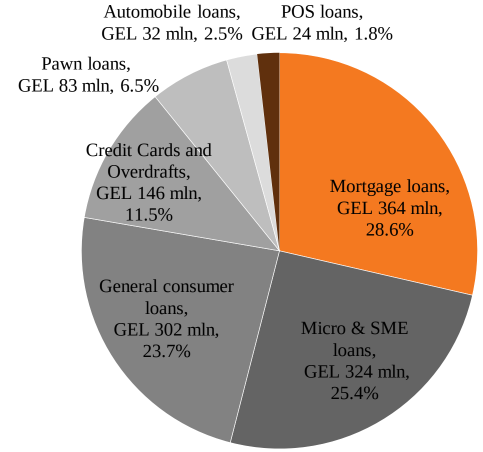
Retail Banking (RB) – No. 1 retail bank in Georgia

Retail Bank loans originated



Retail Bank gross loan portfolio, 31 March 2012

Total retail gross loans: GEL 1,274 mln



Note: does not include Wealth Management loans of GEL 44.8 mln and BNB loans of GEL56.7 mln

Volumes are in GEL millions	**Q1 2012**	***% of clients***	**2011**	**2010**	**2009**
Number of total Retail clients, of which:	926,813	-	888,794	823,859	806,473
Number of Solo clients ("Premier Banking")	4,041	-	3,728	2,303	87
Consumer loans & other outstanding, volume	435.8	-	428.2	285.4	234.8
Consumer loans & other outstanding, number	385,913	*41.6%*	342,652	265,212	241,199
Mortgage loans outstanding, volume	363.9	-	375.0	370.6	341.1
Mortgage loans outstanding, number	9,072	*1.0%*	9,162	8,434	7,900
Micro & SME loans outstanding, volume	323.6	-	318.5	238.3	98.9
Micro & SME loans outstanding, number	10,065		9,861	8,360	5,879
Credit cards and overdrafts outstanding, volume	147.1	-	143.3	124.3	131.9
Credit cards and overdrafts outstanding, number	135,298	*6.9%*	131,119	121,444	139,742
Credit cards outstanding, number, of which:	135,750	*14.6%*	127,820	106,809	77,330
American Express cards	105,973	*11.4%*	97,100	55,200	2,000

Retail gross loans and deposits growth

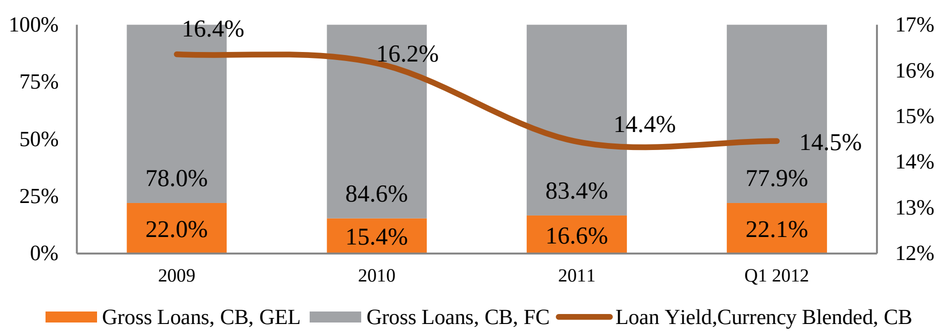
Corporate Banking (CB): *Improved efficiency and profitability*

Corporate Banking (CB)

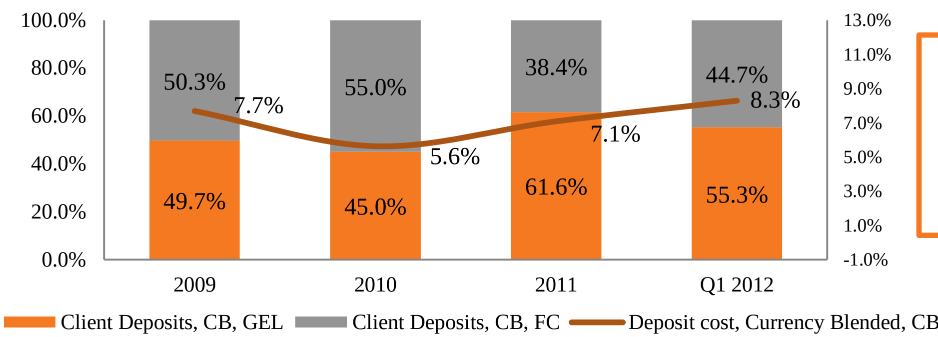
GEL millions, unless otherwise noted

Period end	Q1 2012	Q1 2011	*Change*	2011	2010	*Change*
Net interest income	17.8	20.7	*-14.0%*	72.8	74.8	*-2.6%*
Net fees and commission income	7.1	4.6	*54.3%*	20.3	16.6	*22.5%*
Net gains from foreign currencies	8.4	4.8	*75.0%*	29.0	21.4	*35.7%*
Other operating non-interest income	1.2	0.6	*100.0%*	6.6	(2.1)	*NMF*
Operating income from other segments	2.8	2.1	*33.3%*	6.6	12.5	*-46.8%*
Revenue	**37.2**	**32.8**	***13.4%***	**135.4**	**123.1**	***10.0%***
Other operating non-interest expenses	11.2	11.9	*-5.9%*	54.7	43.8	*24.9%*
Operating income before cost of credit risk	**26.0**	**20.9**	***24.4%***	**80.8**	**79.3**	***1.8%***
Cost of credit risk	1.3	9.2	*-85.9%*	25.6	12.8	*99.8%*
Profit for the period from continuing operations	**21.2**	**10.0**	***112.0%***	**60.1**	**68.7**	***-12.6%***
Cost / Income	*30.1%*	*36.3%*		*40.4%*	*35.6%*	

Corporate Banking loan yields



Corporate Banking deposit costs



Deposit rate cuts not yet reflected in the Q1 CB cost of deposits

Corporate Banking (CB): Strong growth of the diversified CB loan book

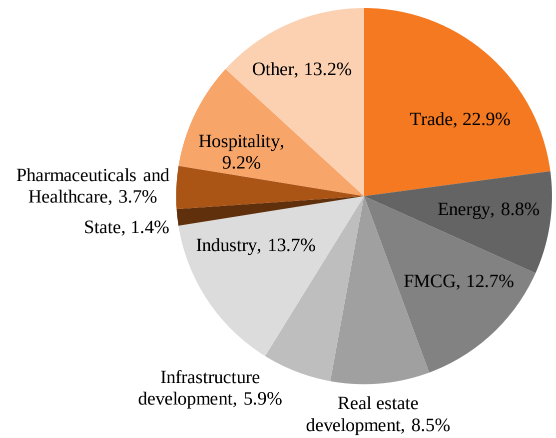
Integrated client coverage in the following key sectors

- Trade
- Energy
- Fast Moving Consumer Goods (FMCG)
- Real Estate
- Infrastructure
- Industry
- Pharmaceuticals & healthcare
- State
- Hospitality

Highlights

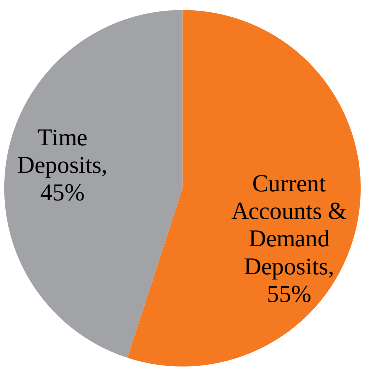
- No.1 corporate bank in Georgia
- Circa 41.4% market share based on customer deposits[1]
- Integrated client coverage in key sectors
- More than 8,900 clients served by dedicated relationship bankers
- Increased number of corporate clients using the Bank's payroll services from 1,737 in 2010 to 2,603 in Q1 2012
- Gearing up for launching macro and sector research covering Caucasus region by the brokerage subsidiary

Corporate loan portfolio (standalone), 31 March 2012

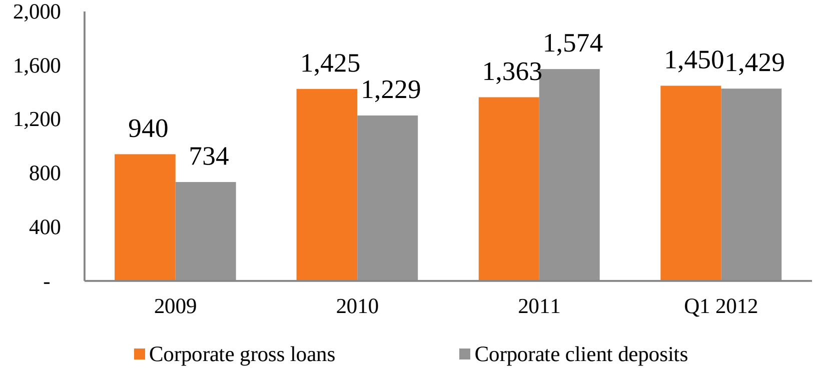


Corporate client deposits, 31 March 2012

Total corporate deposits: GEL 1,429 mln



Corporate gross loan and deposit growth



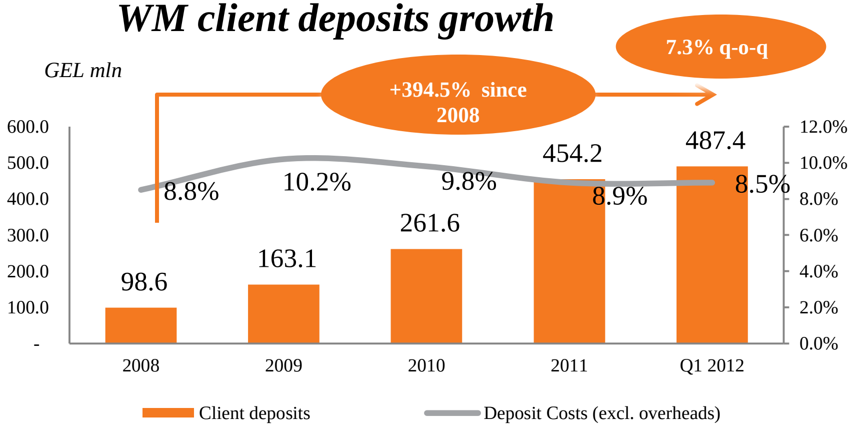
[1] source: National Bank of Georgia, does not include interbank deposits

Wealth Management (WM) results overview

Wealth Management (WM)
GEL millions, unless otherwise noted

	Q1 2012	Q1 2011	Change	2011	2010	Change
Net interest income	2.9	1.7	*70.6%*	5.9	3.1	*92.6%*
Net fees and commission income	0.1	0.1	-	0.7	0.5	*30.7%*
Net gains from foreign currencies	0.2	0.1	*100.0%*	0.7	0.6	*10.0%*
Other operating non-interest income	-	-	*NMF*	0.1	(0.1)	*NMF*
Revenue	**3.2**	**1.9**	*68.4%*	**7.4**	**4.1**	*80.5%*
Other operating non-interest expenses	0.9	1.0	*-10.0%*	4.1	4.6	*-10.8%*
Operating income before cost of credit risk	**2.3**	**0.9**	***155.6%***	**3.2**	**(0.5)**	***NMF***
Profit for the period from continuing operations	**2.3**	**1.0**	***130.0%***	**3.6**	**2.0**	***80.0%***
Cost / Income	*28.1%*	52.6%		*55.4%*	*122.0%*	
Loan yield	*11.4%*	*12.7%*		*12.7%*	*16%*	

WM client deposits growth



Overhead costs associated with WM international business

Highlights

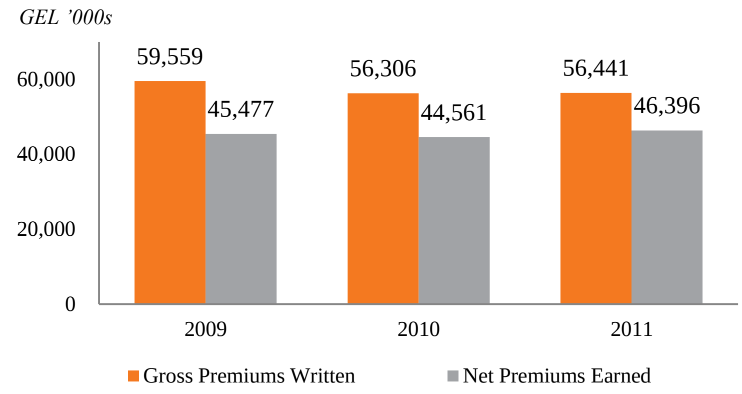
- Strengthening presence internationally through representative offices in Israel (since 2008) and the UK (2010). Intention to open representative office in Eastern Europe in 2012
- Preparing to launch local currency fixed income fund initially focusing on Caucasus region to allow investors access to fixed income instruments of these frontier markets that offer attractive risk return profile.

Insurance and Healthcare (ABCI)

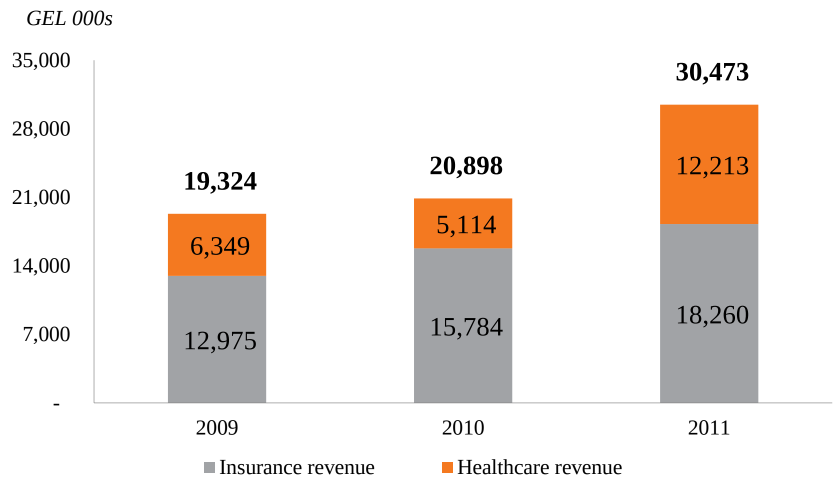
Gross premiums written breakdown

GPW Summary by Products (GEL '000)	2011	2010	2009
Health and Life Government	12,750	16,110	21,142
Health and Life Non-Government	17,480	15,298	13,503
Motor	13,684	12,486	12,315
Property	5,651	5,993	6,593
Liability insurance	3,004	2,140	2,440
Other	3,872	4,279	3,566
Total GPW	**56,441**	**56,306**	**59,559**

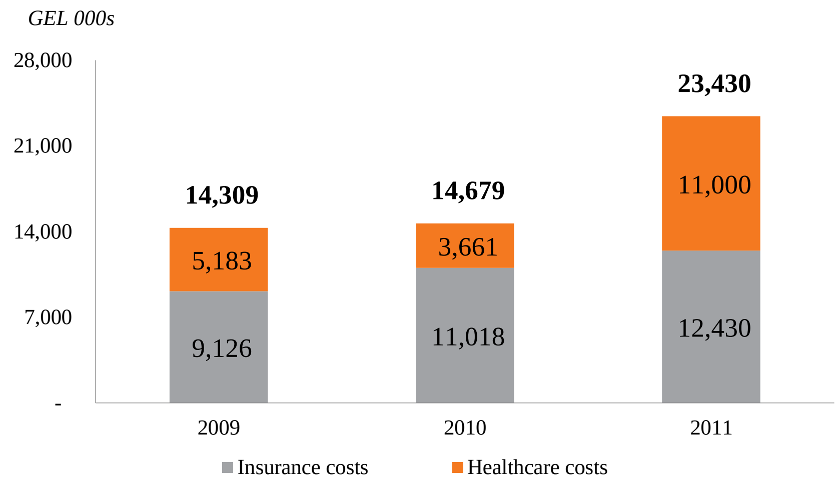
Gross premiums written & Net premiums earned



Aldagi BCI Revenue by segments

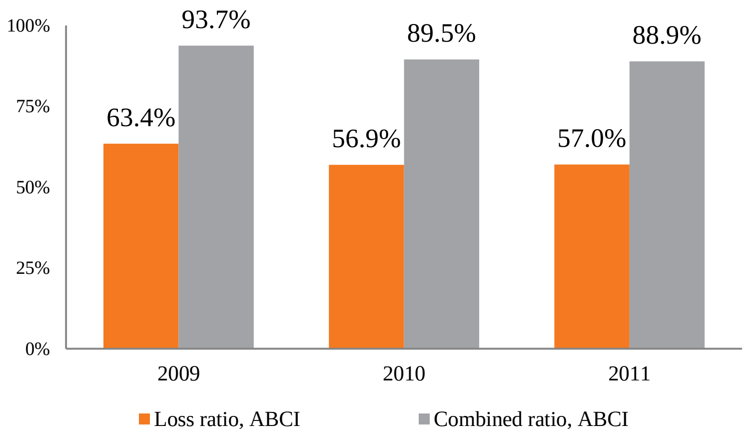


Aldagi BCI Costs by segments

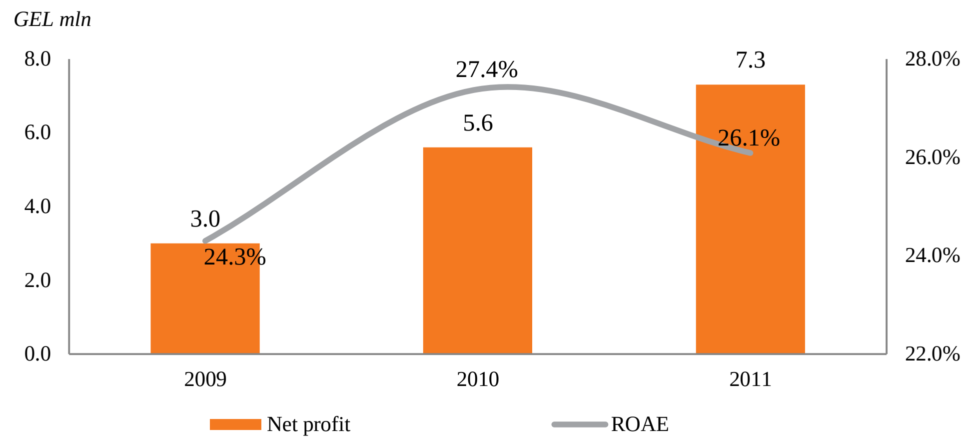


Insurance and Healthcare (ABCI), cont'd

Loss ratio & combined ratio*



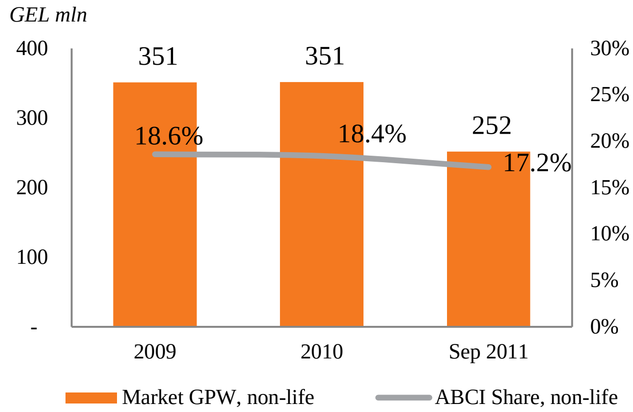
ABCI Profits & ROAE



* *The sum of incurred losses and expenses divided by earned premium*

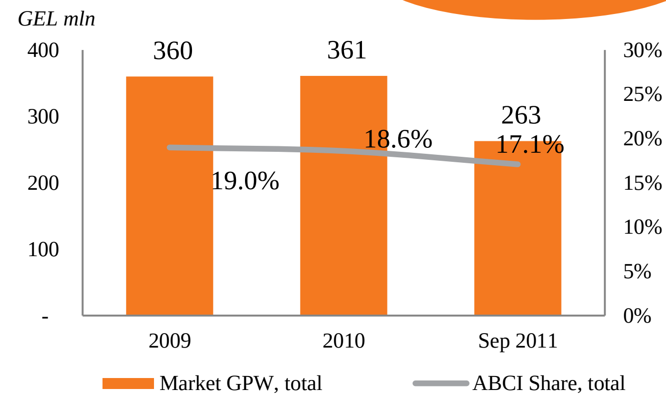
ABCI market share & market Gross Premiums Written

ABCI share in non-life insurance market

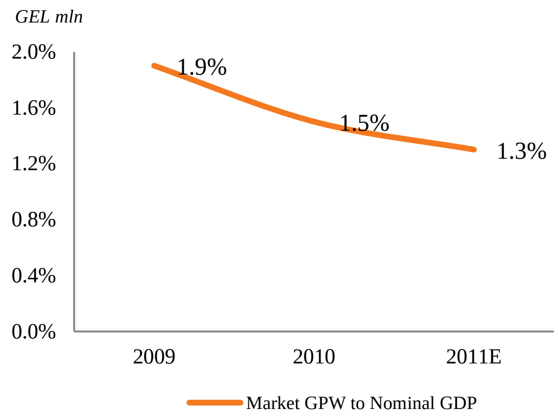


ABCI share in total market (life & non-life)

33.4% market share with Imedi L



Market GPW to Nominal GDP



Imedi L acquisition

- In May 2012 Aldagi BCI acquired 85% equity interest in Imedi L International, the third largest insurance company in Georgia
- Total gross assets of Imedi L comprised GEL 68.0 million as of 31 December 2011, with estimated net assets of GEL 8.0 million as of 31 March 2012, translating into the valuation of one time net asset value
- The Bank injected GEL 32.5 million into Aldagi BCI to ensure Imedi L has sufficient capital and liquidity to meet its existing hospital construction obligations

Contents

Appendix I: Analyst coverage

Analyst coverage of Bank of Georgia Holdings plc

Analyst	Email	Target price
Simon Nellis	simon.nellis@citi.com	GBP13.2

Analyst	Email	Target price
Mikhail Shlemov	mikhail.shlemov@vtbcapital.com	US$21.80

Analyst	Email	Target price
Mike Trippitt	Mike.Trippitt@orielsecurities.com	1700p

Analyst	Email	Target price
Milena Ivanova-Venturini	MIvanovaVenturini@rencap.com	GBP 12.30

Analyst	Email	Target price
Bruce Packard	brucepackard@seymourpierce.com	1500 p

Analyst	Email	Target price
Renat Syzdykov	res@visocap.com	US$ 20.82

Analyst	Email	Target price
Andrzej Nowaczek	andrzej.nowaczek@uk.ing.com	GBP12.8

Analyst	Email	Target price
Olena Zuikova	olz@concorde.com.ua	GBP14.69

Appendix II: Aldagi BCI's acquisition of Imedi L

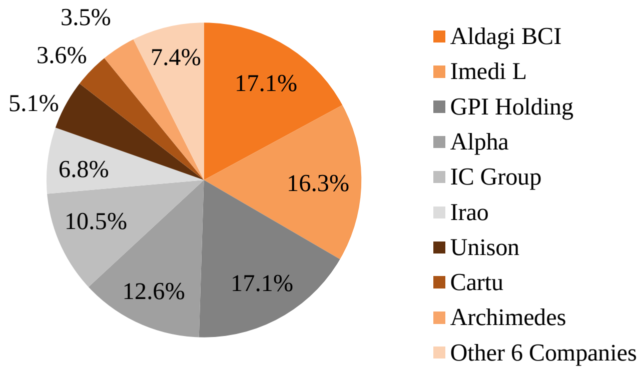
Aldagi BCI's acquisition of Imedi L – Strategic rationale

- Immediate doubling of Aldagi BCI's share (by gross premiums written) of the Georgian insurance market
- Substantial increase in the number of retail clients, from 200,000 to 420,000
- Significant net synergies
- Enlargement of Aldagi BCI's healthcare business in both western and eastern Georgia
- Further revenue and cost synergies available in the Healthcare business
- Aldagi BCI has an excellent track record in integrating Insurance and Healthcare companies in Georgia

Market Shares

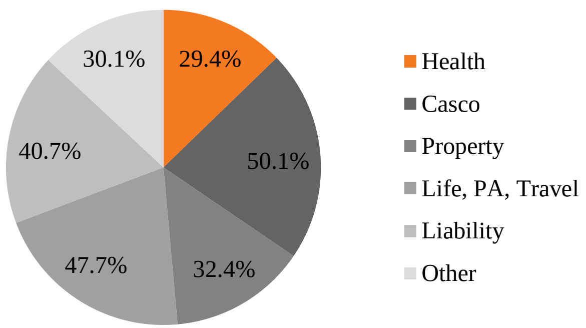
- Aldagi BCI and Imedi L will hold 33.4% market share in terms of Gross Premiums Written (GPW) and estimated 36% market share in terms of gross revenue
- The closest competitor, Vienna Insurance Group of companies (GPI Holding and Irao) will hold 23.9% market share

Market Shares by GPW, 9m 2011



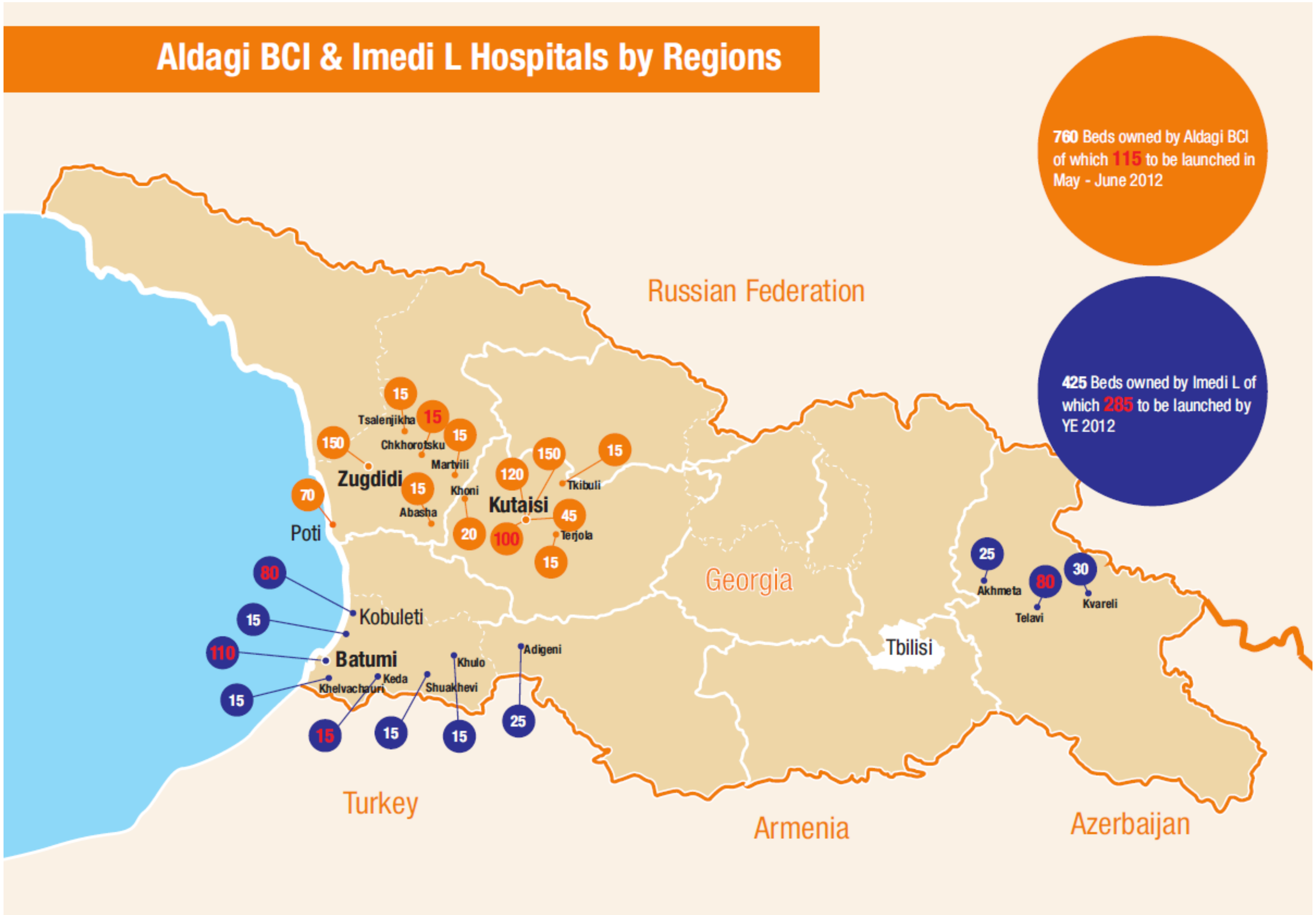
Source: National Bank of Georgia

Aldagi BCI and Imedi L – Market Shares by Products, 9m 2011



Source: National Bank of Georgia, Company Data

Aldagi BCI and Imedi L Geographical Presence



Appendix III: Bank of Georgia regional local currency fixed income fund

Fund Characteristics

Fund Objective and Characteristics

- The objective of the fund is to achieve attractive returns through short duration high yielding bonds, deposits and other short term fixed income instruments
- The portfolio will consist of 10 to 30 different instruments from Regional Issuers
- Fund Type: Cayman Fund
- Annualised Target Return: 8%
- Target Volatility: 5% (ex ante)
- Currency: Fund will be denominated in USD; investments will be done in both Local Currency and USD instruments

Country Coverage

- First Phase: Armenia, Azerbaijan, Georgia

Instruments (Short to Medium Term Fixed Income)

- Bank Instruments: Call and Term Deposits; Certificates of Deposit / Promissory Notes
- Sovereign Instruments: T-Bills and Treasury Bonds, Sovereign & Quazi-Sovereign Eurobonds
- Corporate Issuers: Corporate Eurobonds, Local Corporate Bonds, Privately Placed Bonds

Investment Philosophy and Rationale

Investment Philosophy

- We believe that due to relative “isolation” from global markets, fixed income instruments of some frontier markets offer very attractive risk/return profile.
- We know the region and closely follow political, economic and social developments in the countries the fund is focussing on.
- We realise that the countries represented in the portfolio are of higher political and economic risk, but we believe that by focussing exclusively on “non-payment” probability and downside risks on local currency, offers investors high returns with moderate levels of volatility.
- We believe that due to many factors (including liquidity, “dollarisation” effect and government incentives) Local Currency markets are not fully efficient, therefore returns could be predicted.

Investment Rationale

We believe that the following factors result in attractive risk/return ratios of fixed income instruments issued by/in covered countries:

- Fiscal & Monetary policies are relatively liberal and support growth, primary task of monetary authorities being growth and employment, as well as stability of local currency, rather than inflation (therefore, it is acceptable to observe double digit inflation).
- Due to a limited access to Global capital markets local banks compensate high inflation (both in LC and FX terms) by maintaining high deposit rates.
- State Realises importance of foreign capital (and expertise) inflow to develop and diversify economy with usual “side effect” of currency not depreciating in line with inflation.
- Governments understand social & economic consequences of bank defaults and, as a rule, broker the deals to sell troubled banks.

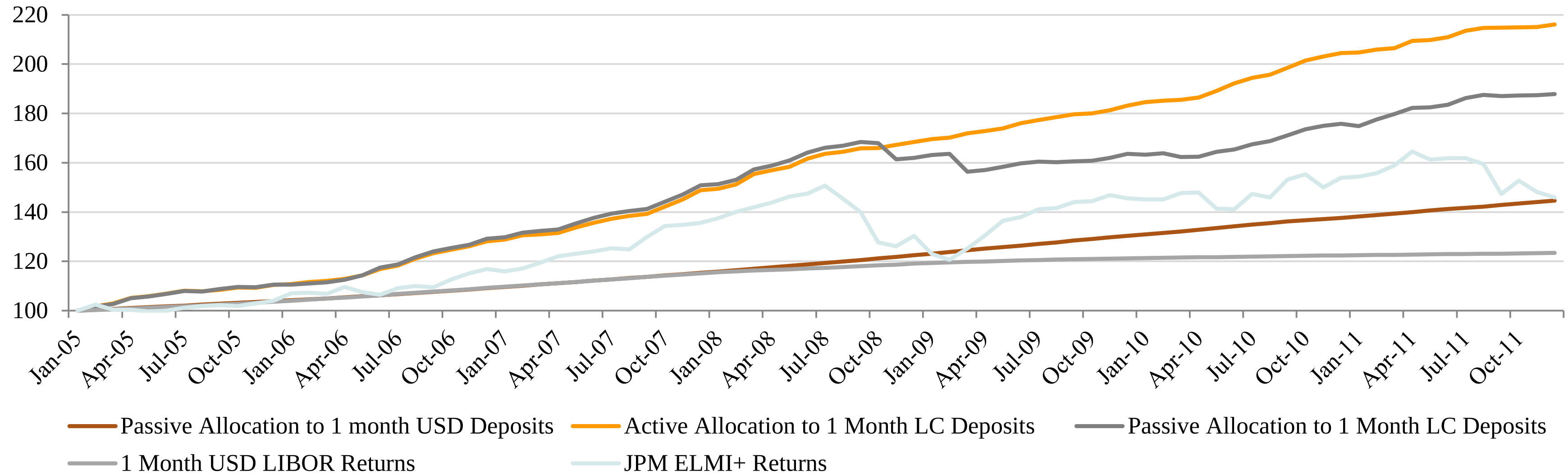
Investment Process - Top Down Approach

	Return Factors	Risk Factors
Country	<u>Short Term Yield Change Factors</u> • CPI History • Access to Capital (Market Cap to GDP, Savings to GDP)	<u>Ability/Willingness to Pay</u> • Reserves to M2 and months of imports • Government Debt Level & Debt Service Burden • “Cost of Default” (FDIs to GDP)
Currency	<u>Return Factors</u> • Autocorrelation (Momentum) • Balance of Goods & Services • Foreign Direct Investments	<u>Stability (Volatility)</u> • Trade Turnover to GDP • Access to Capital • “Dollarisation” Effect
Issuer & Instrument	<u>Return Factors</u> • Balance Sheet • Yield Curve Shape • [Observed for instrument]	<u>Default Probability and Liquidity</u> • Capital and Profitability, Debt to EBITDA • Implicit Govt. Backing & Systemic Importance of Issuer • Transparency of Business and Accounting • Possibility to Roll Over at Maturity

Sources of “Alpha”

- Country and currency level allocation exploiting short-term inefficiencies in the markets;
- Value added from Local Currency returns prediction (both “quantitative” and “qualitative”)
- Strong bargaining power on instruments pricing (e.g. deposit rates)

Simplified Modelling of Portfolio Returns*



	Annualised Return	Volatility
12mo LIBOR	3.05%	-
JP Morgan ELMI+ Index Returns	5.61%	8.63%
Passive Allocation to LC 1mo deposits	9.54%	3.76%
Passive Allocation to USD 1mo deposits	5.48%	-
Active (Model) Allocation to LC 1mo deposits	11.79%	2.22%

- For the sake of simplification (and avoidance of "knowledge of hindsight" effect) equally weighted basket of 1 month local currency deposits is analysed
- In-House model correctly predicts shocks to Local Currency returns
- Even passive investment in LC deposits gives a very attractive risk/return profile
- Hypothetical Portfolio strongly outperforms JP Morgan ELMI+** (Emerging Markets Local Currency Money Market Instruments) Index with lower levels of volatility

** For calculation purposes we used average LC Deposit rates over the last 11 years for relevant countries, returns converted into USD (Source: WB Development Indicators)*
*** ELMI+ tracks total returns for local-currency-denominated money market instruments in 24 emerging markets countries (Source: JP Morgan)*

Appendix IV: Financial Statements

Q1 2012 - Income Statement

GEL thousands, unless otherwise noted and except for per share values	**Q1 2012**	**Q1 2011**	**Change % Y-O-Y**	**Q4 2011**	**Change % Q-O-Q**
			(Unaudited)		
Loans to customers	118,425	105,012	12.8%	115,816	2.3%
Investment securities: available-for-sale	9,824	8,840	11.1%	9,782	0.4%
Amounts due from credit institutions	4,212	2,872	46.7%	4,718	-10.7%
Finance lease receivables	2,012	797	152.4%	3,099	-35.1%
Interest income	**134,473**	**117,521**	**14.4%**	**133,415**	**0.8%**
Amounts due to customers	(53,834)	(35,809)	50.3%	(49,719)	8.3%
Amounts due to credit institutions	(18,709)	(25,335)	-26.2%	(23,536)	-20.5%
Interest expense	**(72,543)**	**(61,144)**	**18.6%**	**(73,255)**	**-1.0%**
Net interest income before net (losses) gains from derivative financial instruments	**61,930**	**56,377**	**9.8%**	**60,160**	**2.9%**
Net (losses) gains from derivative financial instruments	(768)	516	NMF	(92)	NMF
Net interest income	**61,162**	**56,893**	**7.5%**	**60,068**	**1.8%**
Fee and commission income	24,122	19,853	21.5%	26,188	-7.9%
Fee and commission expense	(4,406)	(4,361)	1.0%	(4,086)	7.8%
Net fee and commission income	**19,716**	**15,492**	**27.3%**	**22,102**	**-10.8%**
Net insurance premiums earned	12,487	11,573	7.9%	11,515	8.4%
Net insurance claims incurred	(8,699)	(6,914)	25.8%	(7,937)	9.6%
Net insurance revenue	**3,788**	**4,659**	**-18.7%**	**3,578**	**5.9%**
Net gains from trading securities and investment securities	796	121	NMF	850	-6.4%
Net gains from revaluation of investment property	-	-	NMF	1,984	-100.0%
Net gains from foreign currencies, of which:	14,359	7,432	93.2%	20,891	-31.3%
– dealing	9,844	8,298	18.6%	11,992	-17.9%
– translation differences	4,515	(866)	NMF	8,899	-49.3%
Other operating income	17,034	6,067	180.8%	9,654	76.4%
Other operating non-interest income	**32,189**	**13,620**	**136.3%**	**33,379**	**-3.6%**
Revenue	**116,855**	**90,664**	**28.9%**	**119,127**	**-1.9%**

Q1 2012 Income Statement cont'd

	Q1 2012	Q1 2011	Change % Y-O-Y	Q4 2011	Change % Q-O-Q
Salaries and other employee benefits	(31,220)	(27,217)	14.7%	(30,662)	1.8%
Selling and administrative expenses	(15,764)	(15,557)	1.3%	(16,169)	-2.5%
Depreciation and amortization	(6,764)	(6,109)	10.7%	(7,735)	-12.6%
Other operating expenses	(3,580)	(1,443)	148.1%	(2,972)	20.5%
Other operating non-interest expenses	**(57,328)**	**(50,326)**	**13.9%**	**(57,538)**	**-0.4%**
Operating income before cost of credit risk	**59,527**	**40,338**	**47.6%**	**61,589**	**-3.3%**
Impairment charge on loans to customers	6,859	3,942	74.0%	6,194	10.7%
Impairment charge on finance lease receivables	110	76	44.7%	195	-43.6%
Impairment charge on other assets and provisions	411	1,393	-70.5%	2,380	-82.7%
Cost of credit risk	**7,380**	**5,411**	**36.4%**	**8,769**	**-15.8%**
Net operating income	**52,147**	**34,927**	**49.3%**	**52,820**	**-1.3%**
Net non-operating expense	**(4,400)**	**(59)**	**NMF**	**(9,707)**	**-54.7%**
Profit before income tax expense from continuing operations	**47,747**	**34,868**	**36.9%**	**43,113**	**10.7%**
Income tax expense	8,043	5,770	39.4%	5,789	38.9%
Profit for the period from continuing operations	**39,704**	**29,098**	**36.4%**	**37,324**	**6.4%**
Net gain (loss) from discontinued operations	54	(12,247)	NMF	(2,972)	NMF
Profit for the period	39,758	16,851	135.9%	34,352	15.7%
Attributable to:					
– shareholders of the Bank	39,143	17,111	128.8%	31,972	22.4%
– non-controlling interests	615	(260)	NMF	2,380	-74.2%
Earnings per share (basic)	**1.23**	**0.97**	**26.8%**	**1.18**	**4.2%**
Earnings per share (diluted)	**1.19**	**0.93**	**28.0%**	**1.12**	**6.2%**

2011 Income Statement

GEL thousands, unless otherwise noted	2011	2010 *unaudited*	Change Y-O-Y
Loans to customers	438,989	389,402	12.7%
Investment securities – AFS & HTM	37,701	19,785	90.6%
Amounts due from credit institutions	18,103	9,795	84.8%
Finance lease receivables	6,565	4,159	57.9%
Interest income	**501,358**	**423,141**	**18.5%**
Amounts due to customers	(167,294)	(114,968)	45.5%
Amounts due to credit institutions	(99,763)	(91,829)	8.6%
Interest expense	**(267,057)**	**(206,797)**	**29.1%**
Net interest income before net gains (losses) from derivative financial instruments	234,301	216,344	8.3%
Net gains (losses) from derivative financial instruments	4,984	(7,826)	NMF
Net interest income	**239,285**	**208,518**	**14.8%**
Fee and commission income	93,541	74,265	26.0%
Fee and commission expense	(18,204)	(10,845)	67.9%
Net fee and commission income	75,337	63,420	18.8%
Net insurance premiums earned	46,396	44,561	4.1%
Net insurance claims incurred	(28,658)	(27,898)	2.7%
Net insurance revenue	**17,738**	**16,663**	**6.5%**
Net gains from trading securities and investment securities available-for-sale	1,382	2,006	-31.1%
Net gains from revaluation of investment property	1,984	350	NMF
Net gains from foreign currencies:			
– dealing	45,694	33,651	35.8%
– translation differences	30,747	98	NMF
Other operating income	29,052	21,927	32.5%
Other operating non-interest income	**108,859**	**58,032**	**87.6%**
Revenue	**441,219**	**346,633**	**27.3%**

2011 Income Statement – cont'd

	2011	2010	Change Y-O-Y
Salaries and other employee benefits	(119,111)	(104,551)	13.9%
General and administrative expenses	(61,942)	(61,000)	1.5%
Depreciation and amortization	(27,254)	(27,963)	-2.5%
Other operating expenses	(9,324)	(6,253)	49.1%
Other operating non-interest expenses	**(217,631)**	**(199,767)**	**8.9%**
Operating income before cost of credit risk	**223,588**	**146,866**	**52.2%**
Impairment charge on loans to customers	23,216	49,886	-53.5%
Impairment charge (reversal) of impairment on finance lease receivables	317	(5,775)	NMF
Impairment (reversal) charge on other assets and provisions	(1,337)	3,587	NMF
Cost of credit risk	**22,196**	**47,698**	**-53.5%**
Net operating income	**201,392**	**99,168**	**103.1%**
Share of (loss) gain of associates	(487)	255	NMF
Impairment of goodwill, property and equipment	(23,394)	(435)	NMF
Other non-operating income	8,072	271	NMF
Other non-operating expense	(13,529)	(816)	NMF
Net non-operating expenses	**(29,338)**	**(725)**	**NMF**
Profit before income tax expense from continuing operations	**172,054**	**98,443**	**74.8%**
Income tax expense	21,125	15,776	33.9%
Profit for the period from continuing operations	**150,929**	**82,667**	**82.6%**
Net loss from discontinued operations	15,219	-	NMF
Net profit for the period	**135,710**	**82,667**	**64.2%**
Attributable to:			
– shareholders of the Bank	132,531	83,640	58.5%
– non-controlling interests	3,179	(973)	NMF

Q1 2012 – Balance Sheet

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

Q1 2012 - Key Ratios

KEY RATIOS AND SELECTED OPERATING DATA	Q1 2012	Q1 2011	Q4 2011
Profitability			
ROAA, Annualised[1]	3.5%	2.9%	3.4%
ROAE, Annualised[2]	18.9%	22.8%	18.3%
Net Interest Margin, Annualised[3]	7.3%	7.0%	6.8%
Loan Yield, Annualised[4]	18.0%	17.4%	17.7%
Cost of Funds, Annualised[5]	8.3%	7.6%	8.5%
Cost of Deposits, Annualised	8.0%	7.0%	8.3%
Cost of Borrowed Funds, Annualised	9.2%	8.5%	9.2%
Operating Leverage, Y-O-Y[6]	15.0%	17.9%	-2.2%
Efficiency			
Cost / Income[7]	49.1%	55.5%	48.3%
Liquidity			
NBG Liquidity Ratio[8]	36.0%	44.5%	37.8%
Liquid Assets To Total Liabilities[9]	29.0%	36.0%	34.8%
Net Loans To Customer Funds	103.4%	108.1%	95.7%
Leverage (Times)[10]	3.7	4.5	4.7
Asset Quality:			
NPLs (in GEL thousands)	94,344	90,303	97,191
NPLs To Gross Loans To Clients	3.3%	3.8%	3.6%
NPL Coverage Ratio[11]	126.8%	132.2%	118.5%
Cost of Risk, Annualised[12]	1.0%	0.7%	1.0%
Capital Adequacy:			
BIS Tier I Capital Adequacy Ratio, Consolidated[13]	23.2%	18.0%	19.9%
BIS Total Capital Adequacy Ratio, Consolidated[14]	29.7%	28.8%	28.5%
NBG Tier I Capital Adequacy Ratio[15]	15.2%	12.7%	10.5%
NBG Total Capital Adequacy Ratio[16]	18.2%	15.6%	16.2%

Q1 2012 - Key Ratios cont'd

	Q1 2012	Q1 2011	Q4 2011
Per Share Values:			
Basic EPS (GEL)[17]	1.23	0.97	1.18
Diluted EPS (GEL)	1.19	0.93	1.12
Book Value Per Share (GEL), Basic[18]	26.78	23.69	26.09
Book Value Per Share (GEL), Diluted	24.75	20.36	23.15
Ordinary Shares Outstanding - Weighted Average, Basic[19]	31,776,406	30,264,755	29,734,272
Ordinary Shares Outstanding - Weighted Average, Diluted[20]	33,858,565	33,739,369	33,369,272
Ordinary Shares Outstanding - Period End, Basic	35,909,383	31,353,349	32,877,547
Treasury Shares Outstanding - Period End	(2,724,582)	(1,413,000)	(3,146,140)
Selected Operating Data:			
Full Time Employees, Group, Of Which:	7,393	5,313	7,301
- Full Time Employees, BOG Stand-Alone	3,401	3,206	3,364
- Full Time Employees, Aldagi BCI Insurance	323	308	338
- Full Time Employees, Aldagi BCI Healthcare	2,740	729	2,573
- Full Time Employees, BNB	271	281	260
- Full Time Employees, Other	658	789	766
Total Assets Per FTE, BOG Stand-Alone (in GEL thousands)	1,303	1,227	1,347
Number Of Active Branches, Of Which:	164	143	158
- Flagship Branches	34	34	34
- Standard Branches	94	85	91
- Express Branches (including Metro)	36	24	33
Number Of ATMs	431	408	426
Number Of Cards Outstanding, Of Which:	703,959	614,990	663,205
- Debit cards	568,209	509,636	535,385
- Credit cards	135,750	105,354	127,820
Number Of POS Terminals	2,940	2,404	2,828

Q1 2012 - Key Ratios cont'd

NOTES TO KEY RATIOS

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

Forward Looking Statements

The forward-looking statements contained in this presentation are based upon the current beliefs and expectations of JSC Bank of Georgia's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JSC Bank of Georgia's actual results to differ materially from those described in this presentation can be found in JSC Bank of Georgia's Annual Report for the year ended 31 December 2011 which has been filed with the UK's Financial Services Authority and is available on Bank of Georgia's website www.bankofgeorgia.ge/ir and on the London Stock Exchange website (www.londonstockexchange.com). JSC Bank of Georgia does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of this presentation