

Proposed Demerger to Unlock Additional Long-Term Value for Shareholders

Investor Presentation

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On the 3rd of July, 2017 we announced our **intention to demerge** BGEO Group PLC (“BGEO Group”) into two entities

Proposed-demerger

1. London-listed banking business (Bank of Georgia Group PLC – “Bank of Georgia” or “Bank”)

Bank of Georgia will continue to be a fully-licensed and regulated, systemically important, universal banking business focused on Georgia with industry-leading characteristics

2. London-listed investment business (BGEO Investments PLC – “BGEO Investments”)

BGEO Investments will be the only professionally managed publicly listed Georgia-focused investment platform with over 10-year track record of successfully investing in growing companies in the Georgian economy

The implementation of the demerger is subject to shareholder approval and is expected to be completed in 1H 2018

Rationale

Clear play from investor and execution perspective

- Optionality for investors to make own choice when taking investment decisions:
 - Pure play banking story in Georgia
 - Diversified investment vehicle in Georgia
- Separate management teams with sharpened focus and more aligned incentives

More business opportunities as a result of more flexibility in strategy and execution, whilst avoiding the potential for conflicts of interest between the respective businesses

Regulatory clarity and flexibility – as a separate entity, BGEO Investments would not be subject to the banking regulatory regime thereby improving its ability and flexibility to allocate capital, take advantage of various investment opportunities and better execute its growth strategy

Both strategies remain largely unchanged

Bank of Georgia strategy is expected to remain largely unchanged:

- A return on average equity of over 20%
- Growth of retail banking customer lending of over 20%
- Maintaining a strong capital base and liquidity position
- An unchanged dividend policy, targeting a dividend payout in the 25-40% of earnings range

BGEO Investments will continue to pursue the same dividend and capital returns policy as the Investment Business of BGEO Group:

- Strive to capitalise on Georgia’s fast-growing economy, which provides opportunities in a number of underdeveloped sectors;
- Target a minimum IRR of 25%;
- Retain its current capital return policy, whereby BGEO Investments expects to buyback and cancel its shares and/or pay special dividends linked to exits from its investments; and
- Consider potential exits, starting with its already announced plan to IPO GGU in 2-3 years’ time

Both will maintain strong corporate governance standards

Bank of Georgia

Kaha Kiknavelidze as CEO will continue to lead Bank of Georgia and Neil Janin, currently the Non-Executive Chairman of BGEO Group, will become the Non-Executive Chairman of Bank of Georgia

BGEO Investments

The senior management team of BGEO Investments will be led by Irakli Gilauri as Chairman and CEO. The Board of BGEO Investments will maintain strong corporate governance standards and a talented team of high calibre independent directors

Full separation to unlock additional long-term value for shareholders

Bank of Georgia

More business:

- Enhanced flexibility and stronger focus on further expansion of corporate franchise, regaining corporate clients and de-concentrating portfolio
- Opportunity to gain access to BGEO Investments portfolio companies - potential estimated lending opportunity of GEL600mln

Higher efficiency:

- More efficient capital structure, financing and balance sheet
- Less regulatory scrutiny and disclosure requirements

BGEO Investments

- **Will be the only professionally managed publicly listed investment company** in Georgia benefiting from scarcity of competitors
- **Wider access to investment opportunities:** ability to establish more efficient and direct dialogue with Georgian corporates
- Opportunity to cooperate with leading Georgian banks which can be another channel of bringing new deals
- Enhanced flexibility to allocate capital and pursue growth strategy more effectively
- As a separate entity, BGEO Investments would not be subject to the banking regulatory regime thereby improving its ability and flexibility to allocate capital, take advantage of various investment opportunities and better execute its growth strategy

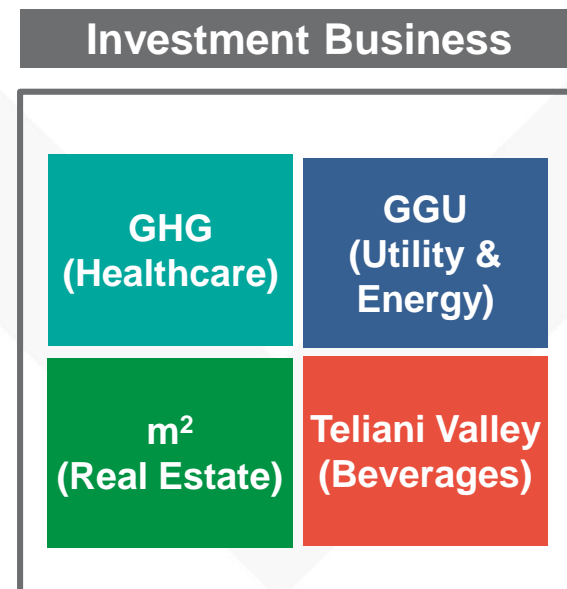
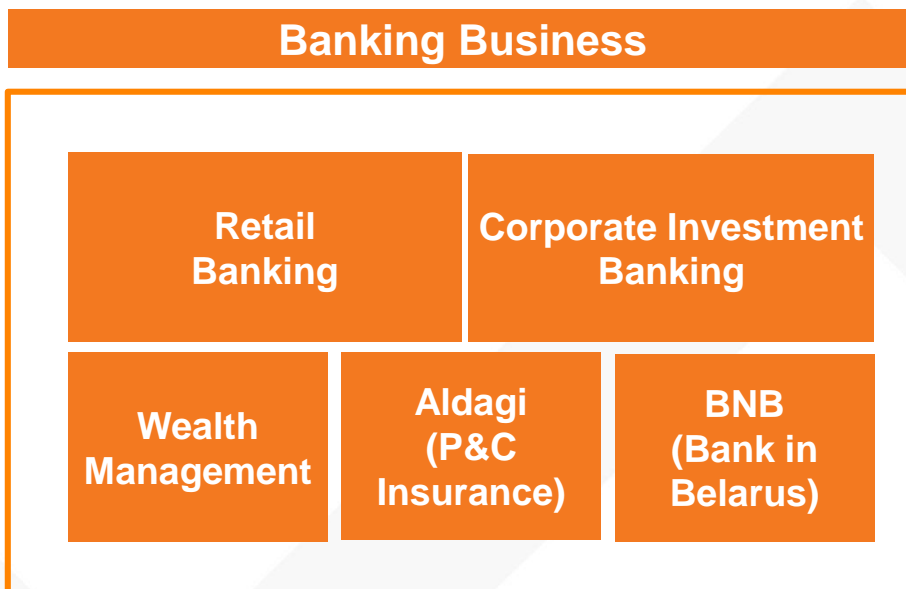
Overall

Clear play

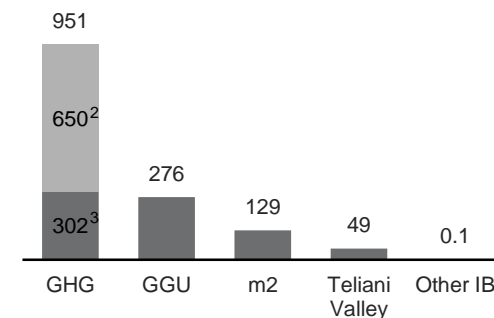
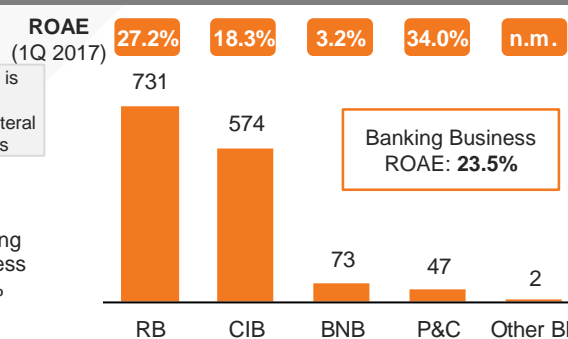
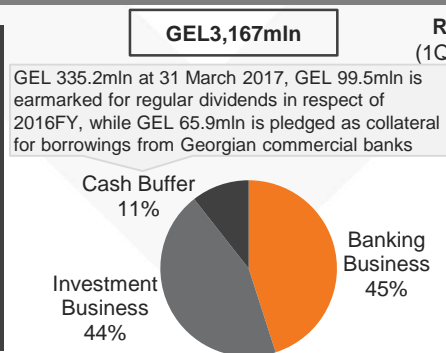
- Two leaders in their respective sectors which are strongly positioned to pursue significant growth opportunities coming from rapidly growing Georgian economy
- Independent and more focused management teams with management rewards more directly aligned with business and stock market performance
- Separate and more focused companies with clearer strategy and separate market valuations
- Optionality for investors to make own choice when taking investment decisions:
 - Pure play banking story in Georgia
 - Diversified investment vehicle in Georgia
- Potential for cost of equity decrease



BGEO Group



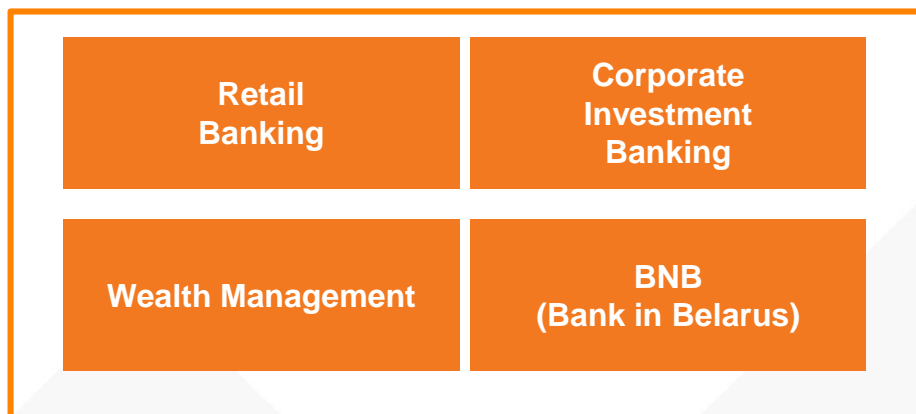
Capital Allocation¹ (1Q 2017, GELmIn)



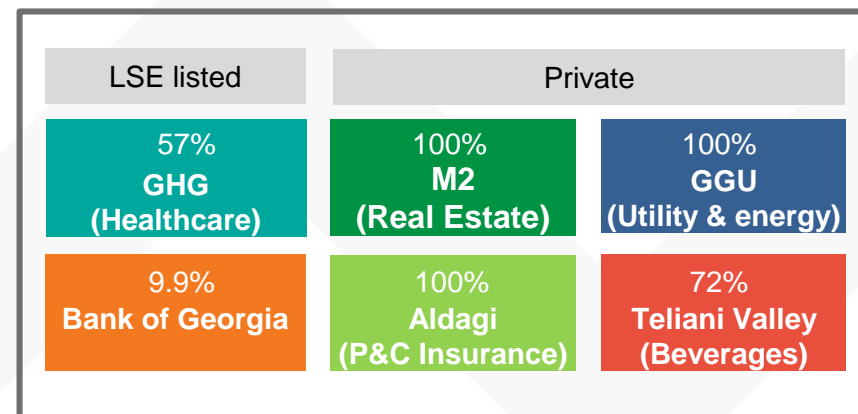
1. Comprises the sum of the following items: a book value of equity attributable to shareholders of BGEO Group of GEL 2,208.9mIn, GEL 649.8mIn market value adjustment to GHG's equity book value and long term borrowing of GEL 308.1mIn.
 2. Market value of BGEO Group's equity interests in GHG as of 5 May 2017.
 3. Book value of GHG's Equity attributable to shareholders of the BGEO Group.



Bank of Georgia



BGEO Investments



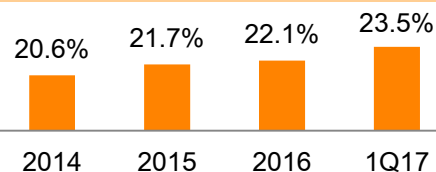
- Creation of two distinct London-listed entities
- Strong management team: Kaha Kiknavelidze as CEO will continue to lead Bank of Georgia and Irakli Gilauri as Chairman and CEO to lead BGEO Investments
- Both entities will maintain strong corporate governance standards
- Aldagi to become part of BGEO Investments PLC to develop its business independently
- BGEO Investments to hold 9.9% shares in Bank of Georgia

Successful track record of delivering strong results

Banking Business

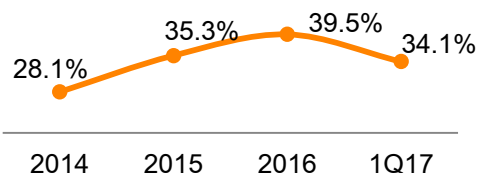
1

**ROAE
20%+**



2

**Retail loan
book growth
20%+**



Investment Business

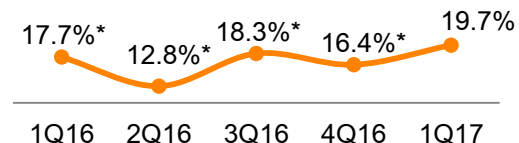
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**Min. IRR
of 20%**

**121% IRR from GHG IPO
77% IRR from m² Real Estate
projects**

4

**Profit
up to 20%**



Dividends

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

- **Capital Return:** Aiming for at least **3 capital returns** within 5 years (2015-2019 period)
- Aiming for Capital Return to represent at least 50% of regular dividend paid from banking business within 2015-2019 period

Solid Capital Return Track Record



Regular Dividends

GEL 333.7mIn cash dividend paid since 2010 resulting in **DPS CAGR'10-16 of 43.3%** and **payout ratio above 30%** over past 5 years



Capital Return

GEL 113.0mIn share buy-backs since 2015. Recent transactions include

- US\$20mIn buy-back in November 2016
- US\$6mIn in 2017YTD



Share Buyback & Cancellation

- Existing **US\$50mIn** share buy back program to be implemented over 2 years is in place with no changes
- In 2017YTD, repurchased US\$ 3.77mIn

NO CHANGE

TWO strategic targets

1

ROAE

Target: 20%+
1Q17: 23.5%

2

**Retail Banking
Growth**

Target: 20%+
1Q17: 34.1%

**Dividend Policy
to Remain the
Same**

**Target: 25-40%
payout ratio**
2016: 32%

FIVE strategic priorities for next 3-years

1

INCREASE PRODUCT TO CLIENT RATIO
from 1.7 in 2015 to 3.0

- CLIENT-CENTRIC MODEL
- EXPRESS
- DIGITAL BANKING

2

GROW SOLO & SME

3

DECONCENTRATE CIB

4

GROW FEE INCOME

5

REGIONAL PRIVATE BANKING HUB

Opportunities in corporate sector in Georgia

Big opportunities with small capital commitments

Scarcity of available investment funds in Georgia

Access to capital is limited in a small frontier economy like Georgia on capital markets or institutional investors

Opportunities to add value through better management

BGEO Investments is best positioned to create value

✓ **Leading investment platform with in-depth country knowledge**

✓ **Strong management skills with proven track record**

✓ **Access to capital**

✓ **Strong corporate governance**

We are a Georgia focused investment platform targeting minimum IRR of 25%



- **Highly disciplined approach** to unlock value through opportunistic investments – buying cheap and selling at a profit
- Majority ownership or minority with clear path to majority

- **Clear exit paths** through IPO or trade sale in 5-10 years

- Share buybacks to be considered in case of discount to NAV
- Exit linked cash dividends to be considered in large exit cases
- GHG and Bank of Georgia shares could be used as an investment currency
- The following items to be considered as part of investment decision making process:
 - Buyback option
 - Valuation of Bank of Georgia, GHG as well as other Georgian listed companies
 - Sell down choice between Bank of Georgia and GHG shares

- Hands-on management approach to the non-public companies at early stage of their development
- Mentoring/coaching approach for management of more mature / larger companies
- Board participation (if needed) in publicly held companies

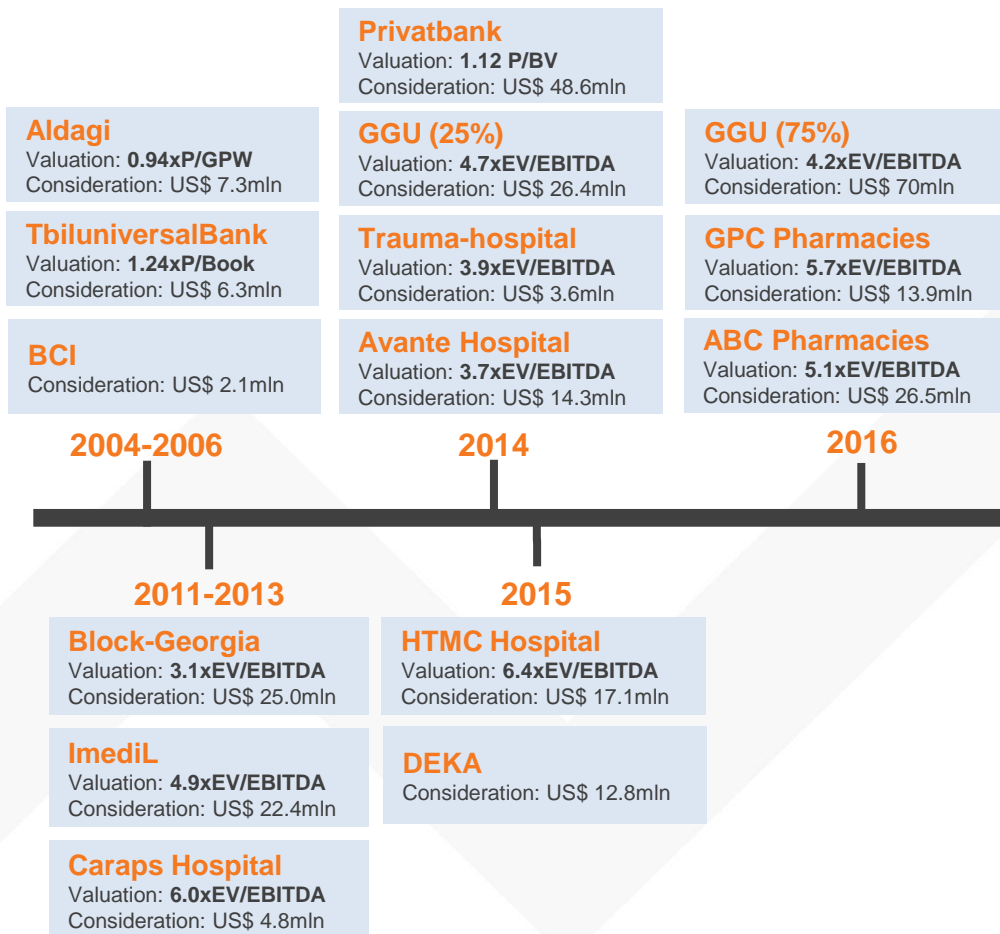
Appendices

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Track record of acquisitions

We make opportunistic and disciplined acquisitions

(Selected acquisitions)



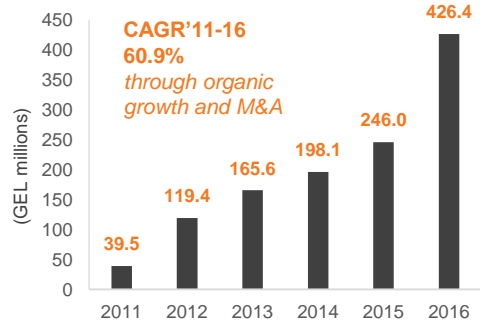
Key takeaways

- We have been opportunistic and disciplined when investing, by buying cheaply and in small ticket sizes
- For us buying assets cheaply is the first and most important postulate in our investment strategy
 - When considering an acquisition, we look at multiples of listed peers in the same sector and apply at least a 40% discount
- Georgia is a small frontier economy and access to capital is limited. It is difficult to find liquidity for any single asset worth more than US\$10 million, given that owners of assets are often asset rich but cash poor
 - Georgia's GDP has grown on average 12% in nominal terms over the past 10 years and local businesses have been reinvesting over that time to stay competitive
- By investing in small ticket sizes we will be far away from betting the house
- Only when and if we get comfortable with the sector, we would allow ourselves to increase the ticket size of the investment, like we did in case of GHG and GGU
- Our dividend policy has been the natural self-discipline mechanism for our investment decisions

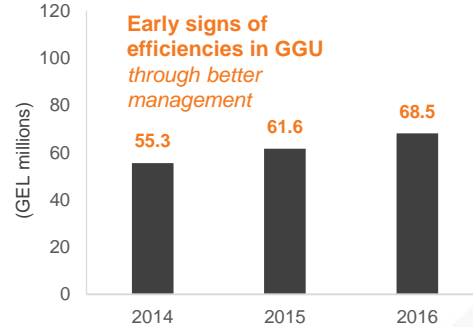
Track record of growth

Getting our hands dirty and growing our businesses

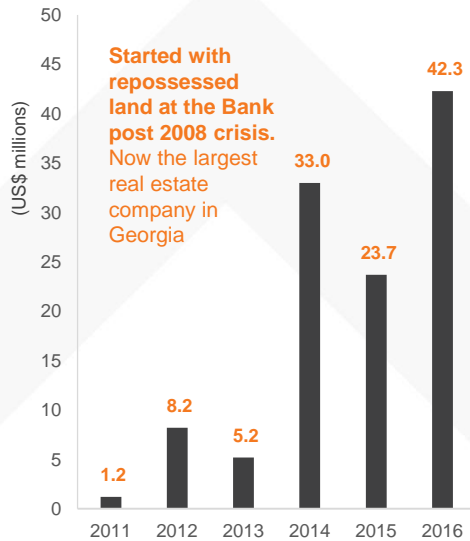
GHG Revenue



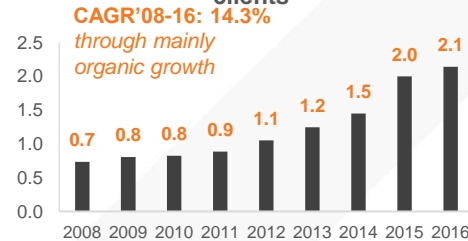
GGU EBITDA



m2 Revenue



Bank of Georgia number of retail clients



Banking Business Profit



Key takeaways

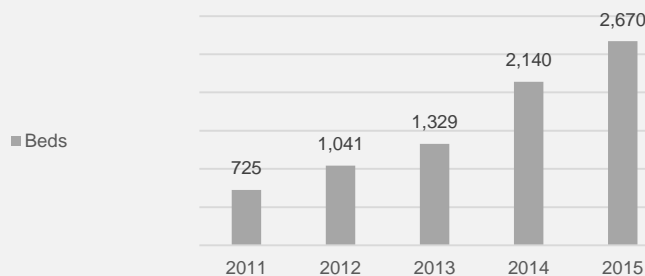
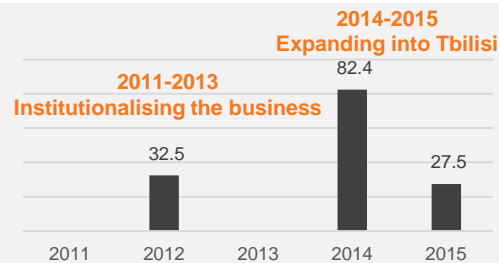
- **We strongly believe that any investee company and/or sector in which we invest in should be large and scalable**
 - Our sweet spot is 30% market share in any given sector – enough scale to be efficient and competitive, while not being overly dominant to attract the attention of regulators
- We like large, but fragmented, sectors to have an opportunity to consolidate them – like we are doing in the healthcare sector. We also like natural monopolies like GGU
- Achieving superior economies of scale in a small frontier economy is an essential part of success. We believe it actually significantly diminishes the risk of failure
- **Getting things done is the single most important task for our executives. No matter how great our strategy is, we strongly believe that execution is the key**

GHG roadmap - creating single largest healthcare player

Investment and growth

Decision to invest

Decision to accelerate growth

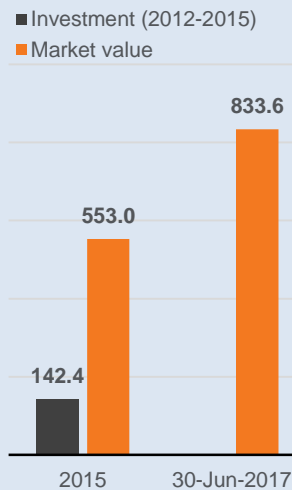


Value creation

IPO (GHG:LN)



BGEO Group owns 64%
BGEO Group owns 57%

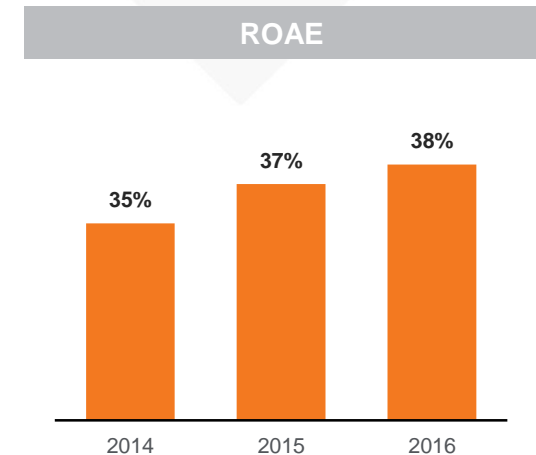
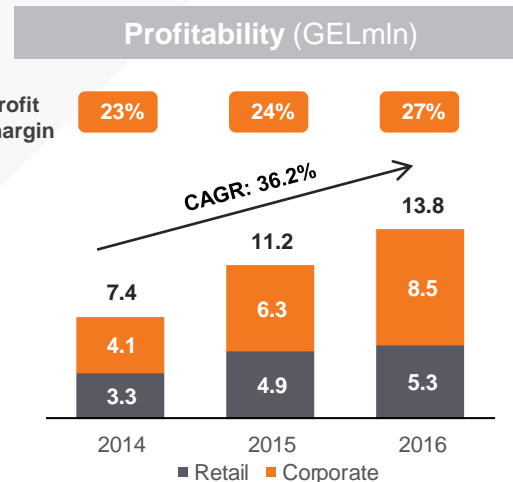
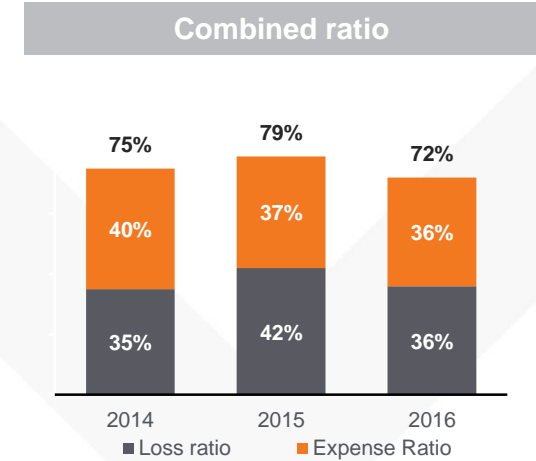
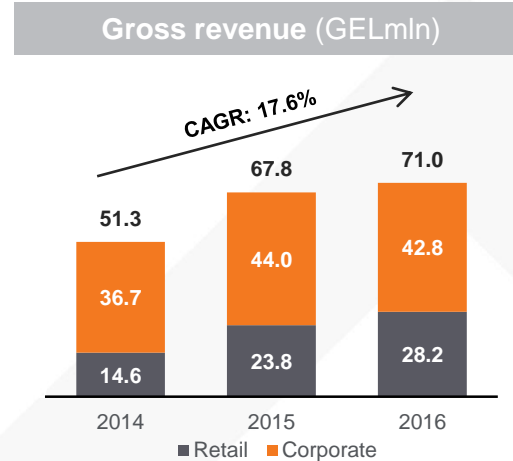


Key takeaways

- In order for our strategy to work we need to be disciplined in unlocking the value of companies in which we invest and manage
- Taking companies public is our preferred option for exit, as it is our intention to give our shareholders an opportunity to participate

Attractive opportunity with strong growth potential building on solid business, talented leadership team and market fundamentals

- Aldagi provides a wide range of P&C insurance services including Motor, Property, Life and Agro
- The Company is a leading player in the Georgian P&C insurance market, with a market share of **35%** by revenue in 2016¹
- Covers more than **700,000** insured customers
- Aldagi has a limited dependence on Bank of Georgia with only **~15%** of revenue coming through the bank
- Most profitable insurance company in the market:
 - Aldagi generated **74%** of insurance industry profit in 2016¹
 - Loss ratio of **36%** vs. 42% in the market
- Employs **293** full time employees



Source: Company internal reporting, Insurance State Supervision Service Agency of Georgia. Aldagi's 2014 and 2015 financial results are normalized for performance of one non-recurring derivative contract. 2014 financial results are normalised and include the results for first 7 months of the year prior to the Company's reorganization and 5 months post the reorganisation.
 1. As per Insurance State Supervision Service Agency of Georgia.

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



Kaha Kiknavelidze, CEO of Bank of Georgia

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



Ramaz Kukuladze, Deputy CEO, SOLO and MSME Banking

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



Levan Kulijanishvili, Deputy CEO, CFO

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



George Chiladze, Deputy CEO, Chief Risk Officer

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



Mikheil Gomarteli, Deputy CEO, Emerging and Mass Retail Banking.

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



Tornike Gogichaishvili, Deputy CEO, Chief Operating Officer

With the Group since 2006. Joined as a CEO of our insurance business. Prior to his current position, was Director of operations' department, previously serving as Head of International Banking, coordinating the activities of the Group's Ukraine and Belarus subsidiaries. Holds executive MBA from Said Business School, Oxford.



David Tsiklauri, Deputy CEO, Corporate Investment Banking

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



Alexander Katsman, Deputy CEO, HRM and Branding

With the Group since 2010. Sasha joined the Bank after graduating from the Berlin School of Creative Leadership EMBA Programme to transform conventional marketing communication and PR into a brand value creating branding department. Sasha led the development of a new brand platform with the eminent slogan Feel the Future and is now on another journey of transformation involving HR and brand management.

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

BGEO Investments



Irakli Gilauri, Chairman & CEO

With the Group since 2004. Formerly an EBRD (European Bank for Reconstruction and Development) banker, joined the Bank as CFO. Over the last decade, Irakli's leadership has been instrumental in creating major players in a number of Georgian industries, including banking, healthcare, utilities and energy, real estate, insurance and wine. Holds an MS in banking from CASS Business School.



Avto Namicheishvili, Group Legal Counsel

With the Group since 2007. Joined as a General Counsel at the Bank, and has since played a key role in all of the Group's equity and debt raises on the capital markets, and over 25 mergers and acquisitions. Prior, was a Partner at a leading Georgian law firm. Holds LLM in international business law from Central European University, Hungary.



Ekaterina Shavgulidze, CFO

With the Group since 2011. Joined as a CEO of healthcare services business. Most recently Eka played a key role in the GHG IPO as a Group Head of IR. Prior, she was an Associate Finance Director at AstraZeneca, UK. Holds an MBA from Wharton Business School.

Georgia
Healthcare
Group



Nikoloz Gamkrelidze, CEO, Georgia Healthcare Group

With the Group since 2005. Our healthcare business story starts with Nick, who started it in 2006, and has successfully led it through outstanding growth and most recently the IPO on the London Stock Exchange. Holds an MA in international healthcare management from the Tanaka Business School of Imperial College London.

Georgia
Global
Utilities



Archil Gachechiladze, CEO, Georgia Global Utilities

With the Group since 2009. Joined as a Deputy CEO in charge of corporate banking. He launched the Bank's industry and macro research, brokerage, and advisory businesses, as well as leading our investments in GGU and launched Hydro Investments. Prior, he was an Associate at Lehman Brothers Private Equity in London, and worked at Salford Equity Partners, EBRD, KPMG, Barents, and the World Bank. Holds MBA with distinction from Cornell University and is CFA charterholder

m2 Real
Estate



Irakli Burdiladze, CEO, m2 Real Estate

With the Group since 2006. Joined as a CFO at the Bank. Before taking leadership of our real estate business in 2010, he also served as the COO of the Bank. Prior, was a CFO at a leading real estate developer and operator in Georgia. Holds a graduate degree in International Economics and International Relations from the Johns Hopkins University School of Advanced International Studies.

Teliani
Valley



Shota Kobelia, CEO of Teliani Valley

With the Group since 2009. Having previously worked at Pernod Ricard in the USA and Eastern Europe, joined Teliani to build up Ukrainian distribution. In 2010, became CEO for Teliani Valley and developed it from a small and loss-making winery into a major beverage group with own distribution channels on the main markets. Holds MS in Sales & Marketing from Bordeaux Business School.

Aldagi



Giorgi Baratashvili, CEO of Aldagi

With the Group since 2004. Joined as the Head of Corporate Clients Division of Aldagi. Before taking the leadership of our P&C insurance business in 2014, he served as Deputy CEO of Aldagi in charge of strategic management for corporate sales and corporate account management. Holds the Master Diploma in International Law.

Quarterly P&L

	BGEO Consolidated					Banking Business					Investment Business				
	1Q17	1Q16	Change y-o-y	4Q16	Change q-o-q	1Q17	1Q16	Change y-o-y	4Q16	Change q-o-q	1Q17	1Q16	Change y-o-y	4Q16	Change q-o-q
<i>GEL thousands unless otherwise noted</i>															
Net banking interest income	160,666	128,852	24.7%	155,403	3.4%	161,647	130,219	24.1%	158,371	2.1%	-	-	-	-	-
Net fee and commission income	29,885	27,814	7.4%	35,325	-15.4%	30,135	28,015	7.6%	36,645	-17.8%	-	-	-	-	-
Net banking foreign currency gain	19,274	17,390	10.8%	28,516	-32.4%	19,274	17,390	10.8%	28,516	-32.4%	-	-	-	-	-
Net other banking income	3,006	2,867	4.8%	2,199	36.7%	3,095	3,168	-2.3%	2,506	23.5%	-	-	-	-	-
Gross insurance profit	10,223	6,416	59.3%	9,171	11.5%	7,210	5,343	34.9%	6,445	11.9%	3,937	1,723	128.5%	3,557	10.7%
Gross healthcare and pharmacy profit	52,342	26,291	99.1%	42,221	24.0%	-	-	-	-	-	52,342	26,291	99.1%	42,221	24.0%
Gross utility and energy profit	17,444	-	-	21,600	-19.2%	-	-	-	-	-	17,527	-	-	21,671	-19.1%
Gross real estate profit	2,701	5,978	-54.8%	1,339	101.7%	-	-	-	-	-	3,010	5,978	-49.6%	2,033	48.1%
Gross other investment profit	3,993	3,606	10.7%	9,697	-58.8%	-	-	-	-	-	3,981	3,675	8.3%	9,391	-57.6%
Revenue	299,534	219,214	36.6%	305,471	-1.9%	221,361	184,135	20.2%	232,483	-4.8%	80,797	37,667	114.5%	78,873	2.4%
Operating expenses	(120,974)	(83,242)	45.3%	(117,358)	3.1%	(79,996)	(69,863)	14.5%	(87,069)	-8.1%	(42,392)	(14,410)	194.2%	(32,163)	31.8%
Operating income before cost of credit risk / EBITDA	178,560	135,972	31.3%	188,113	-5.1%	141,365	114,272	24.2%	145,414	-2.4%	38,405	23,257	65.1%	46,710	-17.8%
Profit from associates	514	1,866	-72.5%	254	102.4%	514	-	NMF	-	NMF	-	1,866	-100.0%	254	-100.0%
Depreciation and amortization of investment business	(11,236)	(4,910)	128.8%	(9,615)	16.9%	-	-	-	-	-	(11,236)	(4,910)	128.8%	(9,615)	16.9%
Net foreign currency loss from investment business	6,955	(766)	NMF	(6,065)	NMF	-	-	-	-	-	6,955	(766)	NMF	(6,065)	NMF
Interest income from investment business	1,420	956	48.5%	1,551	-8.4%	-	-	-	-	-	2,298	964	138.4%	540	NMF
Interest expense from investment business	(10,309)	(1,382)	NMF	(8,673)	18.9%	-	-	-	-	-	(12,397)	(2,947)	NMF	(11,673)	6.2%
Operating income before cost of credit risk	165,904	131,736	25.9%	165,565	0.2%	141,879	114,272	24.2%	145,414	-2.4%	24,025	17,464	37.6%	20,151	19.2%
Cost of credit risk	(49,245)	(36,143)	36.3%	(69,967)	-29.6%	(48,262)	(35,012)	37.8%	(70,873)	-31.9%	(983)	(1,131)	-13.1%	906	NMF
Net non-recurring items	(3,371)	1,366	NMF	698	NMF	(1,695)	(1,419)	19.5%	(1,056)	60.5%	(1,676)	2,785	NMF	1,754	NMF
Profit before income tax expense	113,288	96,959	16.8%	96,296	17.6%	91,922	77,841	18.1%	73,485	25.1%	21,366	19,118	11.8%	22,811	-6.3%
Income tax (expense) benefit	(5,115)	(9,912)	-48.4%	(7,553)	-32.3%	(5,045)	(8,178)	-38.3%	1,830	NMF	(70)	(1,734)	-96.0%	(9,383)	-99.3%
Profit	108,173	87,047	24.3%	88,743	21.9%	86,877	69,663	24.7%	75,315	15.4%	21,296	17,384	22.5%	13,428	58.6%
Earnings per share (basic)	2.64	2.10	25.7%	2.29	15.3%	2.27	1.78	27.4%	1.99	13.9%	0.37	0.32	16.3%	0.30	24.7%
Earnings per share (diluted)	2.55	2.10	21.4%	2.21	15.4%	2.19	1.78	23.0%	1.92	14.0%	0.36	0.32	12.3%	0.29	24.8%

Source: Company internal reporting

* Note: Banking Business and Investment Business financials do not include interbusiness eliminations.

Balance Sheet

GEL thousands unless otherwise noted	BGEO Consolidated					Banking Business					Investment Business				
	Mar-17	Mar-16	Change y-o-y	Dec-16	Change q-o-q	Mar-17	Mar-16	Change y-o-y	Dec-16	Change q-o-q	Mar-17	Mar-16	Change y-o-y	Dec-16	Change q-o-q
Liquid assets	3,606,926	2,948,699	22.3%	3,914,596	-7.9%	3,404,237	2,876,357	18.4%	3,712,489	-8.3%	503,589	337,602	49.2%	554,192	-9.1%
Cash and cash equivalents	1,285,483	1,359,219	-5.4%	1,573,610	-18.3%	1,198,457	1,330,094	-9.9%	1,482,106	-19.1%	353,485	288,512	22.5%	397,620	-11.1%
Amounts due from credit institutions	1,090,111	764,435	42.6%	1,054,983	3.3%	973,787	720,442	35.2%	943,091	3.3%	146,798	47,936	206.2%	153,497	-4.4%
Investment securities	1,231,332	825,045	49.2%	1,286,003	-4.3%	1,231,993	825,821	49.2%	1,287,292	-4.3%	3,306	1,154	186.5%	3,075	7.5%
Loans to customers and finance lease receivables	6,408,711	5,359,718	19.6%	6,648,482	-3.6%	6,470,771	5,394,565	19.9%	6,681,672	-3.2%	-	-	-	-	-
Property and equipment	1,388,938	835,651	66.2%	1,323,870	4.9%	342,495	333,243	2.8%	339,442	0.9%	1,046,443	502,408	108.3%	984,428	6.3%
Total assets	12,606,524	10,077,589	25.1%	12,989,453	-2.9%	10,678,758	9,030,055	18.3%	11,248,226	-5.1%	2,297,291	1,353,961	69.7%	2,194,926	4.7%
Client deposits and notes	5,294,462	4,698,558	12.7%	5,382,698	-1.6%	5,591,720	4,962,432	12.7%	5,730,419	-2.4%	-	-	-	-	-
Amounts due to credit institutions	3,133,422	1,719,920	82.2%	3,470,091	-9.7%	2,662,909	1,630,299	63.3%	3,067,651	-13.2%	532,573	124,468	327.9%	435,630	22.3%
Borrowings from DFI	1,376,864	960,575	43.3%	1,403,120	-1.9%	1,143,408	926,210	23.5%	1,281,798	-10.8%	233,456	34,366	579.3%	121,323	92.4%
Short-term loans from NBG	1,005,404	368,000	173.2%	1,085,640	-7.4%	1,005,404	368,000	173.2%	1,085,640	-7.4%	-	-	-	-	-
Loans and deposits from commercial banks	751,154	391,345	91.9%	981,331	-23.5%	514,097	336,089	53.0%	700,213	-26.6%	299,117	90,102	232.0%	314,307	-4.8%
Debt securities issued	1,157,082	1,033,758	11.9%	1,255,643	-7.8%	827,024	957,474	-13.6%	858,037	-3.6%	338,292	81,116	317.0%	407,242	-16.9%
Total liabilities	10,153,771	7,926,740	28.1%	10,566,035	-3.9%	9,243,177	7,751,805	19.2%	9,819,375	-5.9%	1,280,119	481,362	165.9%	1,200,359	6.6%
Total equity	2,452,753	2,150,849	14.0%	2,423,418	1.2%	1,435,581	1,278,250	12.3%	1,428,851	0.5%	1,017,172	872,599	16.6%	994,567	2.3%

Insurance (Aldagi)

INCOME STATEMENT, HIGHLIGHTS*GEL thousands, unless otherwise stated*

	1Q17	1Q16	Change y-o-y	4Q16	Change q-o-q
Net banking interest income	767	725	5.8%	761	0.8%
Net fee and commission income	99	100	-1.0%	128	-22.7%
Net banking foreign currency gain	(425)	(47)	NMF	809	NMF
Net other banking income	223	131	70.2%	495	-54.9%
Gross insurance profit	7,122	5,665	25.7%	6,477	10.0%
Revenue	7,786	6,574	18.4%	8,670	-10.2%
Operating expenses	(3,157)	(2,767)	14.1%	(3,641)	-13.3%
Operating income before cost of credit risk and non-recurring items	4,629	3,807	21.6%	5,029	-8.0%
Cost of credit risk	(242)	(173)	39.9%	(265)	-8.7%
Profit before income tax	4,387	3,634	20.7%	4,764	-7.9%
Income tax (expense) benefit	(637)	(545)	16.9%	(953)	-33.2%
Profit	3,750	3,089	21.4%	3,811	-1.6%

BALANCE SHEET, HIGHLIGHTS*GEL thousands, unless otherwise stated*

	Mar-17	Mar-16	Change y-o-y	Dec-16	Change q-o-q
Cash and cash equivalents	6,143	4,003	53.5%	4,349	41.3%
Amounts due from credit institutions	27,450	22,457	22.2%	24,928	10.1%
Investment securities	2,562	2,927	-12.5%	3,389	-24.4%
Insurance premiums receivable	23,575	17,407	35.4%	24,713	-4.6%
Reinsurance assets	14,998	10,994	36.4%	13,161	14.0%
Prepayments	1,112	759	46.5%	892	24.7%
Property and equipment	9,106	8,531	6.7%	9,139	-0.4%
Goodwill	16,139	16,139	0.0%	16,139	0.0%
Other assets	21,792	19,233	13.3%	21,739	0.2%
Total assets	122,877	102,450	19.9%	118,449	3.7%
Accruals and deferred income	4,197	3,431	22.3%	3,506	19.7%
Insurance contracts liabilities	43,607	34,630	25.9%	41,542	5.0%
Other insurance liabilities	8,224	7,661	7.3%	8,235	-0.1%
Income tax liabilities	653	101	NMF	1,335	-51.1%
Other liabilities	19,520	17,269	13.0%	20,923	-6.7%
Total liabilities	76,201	63,092	20.8%	75,541	0.9%
Total equity attributable to shareholders of the Group	46,676	39,358	18.6%	42,908	8.8%
Total liabilities and equity	122,877	102,450	19.9%	118,449	3.7%