BANK OF GEORGIA HOLDINGS PLC

London, 20 March, 2012

JSC BANK OF GEORGIA Q4 2011 AND FULL YEAR 2011 RESULTS AND EXPECTED 2011 DIVIDENDS

Bank of Georgia Holdings plc. ("BGH") (LSE: BGEO LN), the holding company of JSC Bank of Georgia and its subsidiaries (the "Bank"), Georgia's leading bank, announced today the Bank's Q4 2011 and full-year 2011 consolidated results (IFRS based, derived from management accounts), reporting a Q4 2011 profit for the period from continuing operations of GEL 37.3 million and full-year 2011 profit for the period from continuing operations of GEL 150.9 million, or GEL 4.95 per share for the period on a continuing basis (US$2.96 per share).

An excellent business performance 2011

- **Strong profitability and further efficiency improvements**
    - Revenue increased by GEL 94.6 million, or 27.3% y-o-y, to GEL 441.2 million in 2011
    - Single digit growth in operating expenses; up 8.9% y-o-y to GEL 217.6 million in 2011
    - 2011 profit from continuing operations of GEL 150.9 million, up by GEL 68.3 million, or 82.6% y-o-y
    - Cost to Income ratio improved to 49.3% in 2011 from 57.6% in 2010
    - Earnings per share (basic) for the period on a continuing basis increased by 78.1% y-o-y to GEL 4.95 compared to GEL 2.78 in 2010
    - Return on Average Assets (ROAA) increased to 3.6% compared to 2.5% in 2010
    - Return on Average Equity (ROAE) increased to 20.4% compared to 13.5% in 2010

- **Prudent asset quality with further strengthening of the Bank's Balance Sheet**
    - Cost of risk decreased to 0.9% in 2011 from 2.1% in 2010. In absolute terms, cost of credit risk decreased by GEL 25.5 million, or 53.5% y-o-y to GEL 22.2 million in 2011
    - Non-performing loans reduced by 17.3% y-o-y to GEL 97.2 million in 2011 or 3.6% of total loan book
    - High loan loss reserve coverage of non-performing loans at 118.5 %
    - Net loan book on a standalone basis increased by 19.8% y-o-y, while client deposits on a standalone basis increased 41.2% y-o-y; in US$ terms, net loan book on a standalone basis increased 27.2% y-o-y, while client deposits grew 49.9% y-o-y
    - Excellent funding position as net loans to client deposits ratio improved significantly to 102.4% from 118.0% in 2010, reflecting continued strong deposit growth; Net Loans to Customer Funds declined to less than 96%
    - BIS Tier 1 capital adequacy ratio remained strong at 19.9% following the EBRD and IFC loan conversion in February 2012, the 31 December 2011 BIS Tier I capital adequacy ratio, on a pro-forma basis, would have been 22.1%
    - Book Value per Share increased by 17.4% to GEL 26.09 (US$15.62)

- **Reshaping business**
    - Strong focus on growing the Bank's strategic businesses in Georgia – Corporate Banking, Retail Banking and Wealth Management
    - Further progress in developing growth opportunities offered by the Bank's synergistic businesses: Insurance and Healthcare and Affordable Housing
    - Disposal of non-strategic businesses: disposal of BG Bank, Ukraine; closure of BG Capital, brokerage business in Ukraine
    - Full goodwill impairment in non-core Belarus business (BNB); the BNB goodwill impairment amounted to GEL 10.4 million in Q4 2011 and GEL 23.4 million for the full year 2011

"I am very pleased to report a strong set of results for 2011 reflecting an excellent performance in all of our core businesses. Revenue growth of 27.3% substantially exceeded expense growth of 8.9% which, when combined with significantly improved asset quality, led to a 74.8% increase in profit before income tax from the continuing operations. A prudent approach to growing our balance sheet has resulted in the Bank's 41.2% standalone client deposit growth significantly exceeding customer lending growth of 19.8% and reducing our Loan to Client Deposit ratio to close to one hundred percent. Net loans to Customer Funds declined even further to less than 96%. Profitability has continued to remain strong with a post-tax Return on Average Equity of 20.4% and Earnings per Share growing by 78.1% to GEL 4.95.

At the end of December 2011, the Bank's NBG Tier 1 capital ratio was 10.5% (BIS 19.9%), and as of 29 February 2012, this was further increased to approximately 15.3% (BIS 22.1% on a pro-forma basis) as a result of the inclusion of 2011 profit in the Tier I capital as of 1 January 2012 as per National Bank of Georgia requirement and previously announced conversion of the convertible loans in February 2012.

The Bank is well positioned to further improve its performance in 2012 and this, combined with both, Georgia's robust macroeconomic outlook and the Bank's strong momentum, profitability and capital ratios, has led the Board to review the Bank's dividend payment. As a result of the Bank's strong financial performance and condition, the BGH Board of Directors intend to recommend to the next Annual General Meeting of Shareholders of BGH, to be held in May/June 2012, annual dividends in the amount of GEL 0.70 per share payable in British Sterling at the then prevailing exchange rate. This proposed dividend payment is the continuation of the Bank's progressive dividend policy and represents a substantial increase from the GEL 0.30 per share paid for 2010 performance. As part of this progressive dividend policy, the Board of BGH will aim to continue to increase the GEL 0.70 annual dividend per share overtime.

In December 2011, Bank of Georgia Holdings plc., the UK-incorporated holding company of the Bank made a tender offer to Bank of Georgia shareholders. Following the successful completion of the tender offer, BGH was admitted to trading on the premium segment of the UKLA and to trading on the Main Market of the LSE on 28 February 2012. We are delighted with the very high level of participation and would like to thank our shareholders for their strong support for the move to the premium listing aimed at enhancing investor profile and broadening shareholder base." commented ***Irakli Gilauri***, Chief Executive Officer of Bank of Georgia Holdings plc. and JSC Bank of Georgia.

1.670 GEL/US$ 31 December 2011
1.773 GEL/US$ 31 December 2010
2.578 GEL/GBP 31 December 2011
2.739 GEL/GBP 31 December 2010

Financial Summary

Millions, unless otherwise noted	Full Year 2011			Full Year 2010	Growth y-o-y[1]
Bank of Georgia (Consolidated, Unaudited IFRS-based)	**US$**	**GBP**	**GEL**	**GEL**	
Revenue[2]	264.2	173.1	441.2	346.6	27.3%
Operating expenses[3]	130.3	84.4	217.6	199.8	8.9%
Operating income before cost of credit risk	133.9	86.7	223.6	146.9	52.2%
Cost of credit risk[4]	13.3	8.6	22.2	47.7	-53.5%
Net operating income	120.6	78.1	201.4	99.2	103.1%
Net non-operating expenses, including goodwill impairment	17.6	11.4	29.3	0.7	NMF
Profit for the period from continuing operations	90.4	58.5	150.9	82.7	82.6%
EPS (Basic)[4]	2.96	1.92	4.95	2.78	78.1%

Millions, unless otherwise noted	Q4 2011			Q4 2010	Growth y-o-y[1]
Bank of Georgia (Consolidated, Unaudited, IFRS-based)	**US$**	**GBP**	**GEL**	**GEL**	
Revenue[2]	71.3	46.2	119.1	95.6	24.6%
Operating expenses[3]	34.5	22.3	57.5	45.4	26.8%
Operating income before cost of credit risk	36.9	23.9	61.6	50.2	22.6%
Cost of credit risk[4]	5.3	3.4	8.8	17.4	-49.6%
Net operating income	31.6	20.5	52.8	32.8	60.8%
Net non-operating expenses, including goodwill impairment	5.8	3.8	9.7	0.2	NMF
Profit for the period from continuing operations	22.3	14.5	37.3	25.5	46.5%
EPS (Basic)	0.70	0.46	1.18	0.90	31.1%
Standalone Balance Sheet Summary					
Total assets	2,713.5	1,757.8	4,531.6	3,857.0	17.5%
Net loans[5]	1,578.1	1,022.3	2,635.4	2,200.0	19.8%
Customer funds[6]	1,632.6	1,057.6	2,726.4	1,824.6	49.4%
Consolidated Balance Sheet Summary					
Total assets	2,793.6	1,809.6	4,665.3	4,004.9	16.5%
Net loans[5]	1,566.7	1,014.9	2,616.4	2,366.1	10.6%
Customer funds[6]	1,637.9	1,061.0	2,735.2	2,026.3	35.0%
Tier I Capital Adequacy Ratio (BIS)[7]			19.9%	17.5%	
Total Capital Adequacy Ratio (BIS)[7]			28.5%	26.6%	
NBG Tier I Capital Adequacy Ratio[8]			10.5%	13.0%	
NBG Total Capital Adequacy Ratio[8]			16.2%	14.5%	
NBG Tier I Capital Adequacy Ratio as of 29 February 2011[9]			15.3%		
NBG Total Capital Adequacy Ratio as of 29 February 2011[9]			17.8%		

[1] Compared to the respective period in 2010; growth calculations based on GEL values
[2] Revenue includes net interest income, net fee and commission income, net insurance revenue and other operating non-Interest Income

[3] Operating Expenses equal other operating non-interest expenses
[4] Cost of credit risk includes impairment charge (reversal of impairment) on: loans to customers, finance lease receivables and other assets
[5] Net loans equal to net loans to customers and finance lease receivables
[6] Customer funds equal amounts due to customers
[7] BIS Tier I Capital Adequacy Ratio equals consolidated Tier I capital as of the period end divided by Total consolidated risk weighted assets as of the same date. BIS total capital equals total consolidated capital as of the period divided by total consolidated risk weighted assets. Both ratios calculated in accordance with the requirements of Basel Accord I
[8] NBG Tier I Capital and Total Capital Adequacy ratios calculated in accordance with the requirements of the National Bank of Georgia (NBG)
[9] Capital Adequacy Ratios as of 29 February 2012 reflect the inclusion of 2011 profit and the conversion of the EBRD and IFC convertible loans

Discussion of Results

Revenue

GEL millions, unless otherwise noted	**2011**	**2010**	**Change Y-O-Y**
Loans to customers	439.0	389.4	12.7%
Investment securities – AFS & HTM	37.7	19.8	90.6%
Amounts due from credit institutions	18.1	9.8	84.8%
Finance lease and receivables	6.6	4.2	57.9%
Interest income	**501.4**	**423.1**	**18.5%**
Amounts due to customers	167.3	115.0	45.5%
Amounts due to credit institutions	99.8	91.8	8.6%
Interest expense	**267.1**	**206.8**	**29.1%**
Net gains (losses) from derivative financial instruments	5.0	(7.8)	NMF
Interest expense adjusted for net gains (losses) from derivative financial instrument	**262.1**	**214.6**	**22.1%**
Net interest income	**239.3**	**208.5**	**14.8%**
Fee and commission income	93.5	74.3	26.0%
Fee and commission expense	18.2	10.8	67.9%
Net fee and commission income	**75.3**	**63.4**	**18.8%**
Net insurance premiums earned	46.4	44.6	4.1%
Net insurance claims incurred	28.7	27.9	2.7%
Net insurance revenue	**17.7**	**16.7**	**6.5%**
Other operating non-interest income	**108.9**	**58.0**	**87.6%**
Revenue	**441.2**	**346.6**	**27.3%**

The Bank's 2011 revenue increased to GEL 441.2 million, or 27.3% growth year-on-year, an increase driven by the 14.8% y-o-y growth of net interest income to GEL 239.3 million and 87.6% y-o-y increase in other operating non-interest income to GEL 108.9 million.

In 2011, the Bank's interest income growth of 18.5% y-o-y to GEL 501.4 million was primarily attributable to the increase in the Bank's standalone net loans to customers and finance lease receivables (net loan book), which grew by GEL 435.4 million, or 19.8% y-o-y to GEL 2,635.4 million. The growth of the average outstanding amounts of interest earning investment securities resulted in the 90.6% y-o-y, or GEL 17.9 million increase in interest income from investment securities to GEL 37.7 million, while the increases in average volumes of inter-bank deposits prompted the increase in interest income from amounts due from credit institutions from GEL 9.8 million in 2010 to GEL 18.1 million in 2011.

The Bank's interest income growth more than offset the interest expense growth, which, adjusted for net gains (losses) from interest rate swap contracts was up by GEL 47.5 million, or 22.1% y-o-y, to GEL 262.1 million. The interest expense growth in 2011 was attributed to the strong deposit inflow during the year, and especially in the fourth quarter 2011, as standalone customer funds (client deposits and promissory notes issued) reached GEL 2,726.4, up 49.4% y-o-y. The currency-blended loan yields of the Bank were 18.3% and 17.3% in 2010 and 2011, respectively, while currency-blended customer deposit yields comprised 7.5% and 8.0% during the same periods, respectively. In 2011, the increase in deposit yields was attributed to the growth of the share of the higher yielding GEL denominated client deposits in total client deposits for the period from 28.9% at the end of 2010 to 40.8% at the end of 2011.

As a result of the foregoing, the Bank's net interest income increased by 14.8% y-o-y, to GEL 239.3 million in 2011. Correspondingly, the 2011 Net Interest Margin (NIM) was 7.1% compared to 8.0% in 2010. The change in margin was primarily attributable to the increased liquidity, growth of interest-bearing liabilities, the increase of the share of GEL denominated client deposits in the total client deposits and the decline in the loan yields, mainly on corporate banking loans, to 14.4% in 2011 from 16.2% in 2010, when the rates on loans remained high following the increase of rates in 2009 as a result of the crisis.

GEL millions, unless otherwise noted	2011	2010	Change Y-O-Y
Net interest income	239.3	208.5	14.8%
Net Interest Margin	**7.1%**	**8.0%**	**-12.0%**
Average interest earning assets*	3,382.8	2,595.5	30.3%
Average interest bearing liabilities*	3,292.7	2,606.6	26.3%

**monthly averages are used for calculation of average interest earning assets and average interest bearing liabilities*

The increase in overall business activity in Georgia in 2011 was predominantly driven by the growth of the non-interest revenue items (including net foreign currency gains from the Belarusian Ruble (BYR) hedge), accounting for 45.8% of the revenue in 2011 compared to 39.8% in 2010.

Net fee and commission income grew 18.8% y-o-y to GEL 75.3 million, reflecting the overall improvement of the economic environment in Georgia and increased foreign trade turnover of Georgian businesses. Reflecting the continued growth of the insurance business and improvements in claims management net insurance revenue grew 6.5% y-o-y to GEL 17.7 million in 2011.

GEL millions, unless otherwise noted	2011	2010	Change Y-O-Y
Fee and commission income	93.5	74.3	26.0%
Fee and commission expense	18.2	10.8	67.9%
Net fee and commission income	**75.3**	**63.4**	**18.8%**
Net insurance premiums earned	46.4	44.6	4.1%
Net insurance claims incurred	28.7	27.9	2.7%
Net insurance revenue	**17.7**	**16.7**	**6.5%**

The Bank's other operating non-interest income excluding the foreign currency gains from the BYR hedge, increased by 44.3% y-o-y to GEL 83.8 million in 2011, a result of the 52.1% y-o-y growth of net gains from foreign currencies to GEL 51.3 million, reflecting the increase in volumes of foreign currency conversions by the Bank during the period and 32.5% y-o-y increase in other operating income to GEL 29.1 million. The other operating income growth was predominantly driven by the increase in healthcare revenues as part of the Bank's insurance business and by the increase in revenues generated by the Bank's non-core subsidiaries. The net effect of GEL 25.1 million related to the BYR hedge resulted in the increase of other operating non-interest income to GEL 108.9 million in 2011.

GEL millions, unless otherwise noted	2011	2010	Change Y-O-Y
Net gains from trading securities and investment securities available-for-sale	1.4	2.0	-31.1%
Net gains from foreign currencies	51.3	33.7	52.1%
Net gains from revaluation of investment property	2.0	0.4	NMF
Other operating income	29.1	21.9	32.5%
Other operating non-interest income	**83.8**	**58.0**	**44.3%**
Net gains from foreign currencies, BYR hedge	25.1	-	NMF
Other operating non-interest income adjusted for foreign currency gains from the BYR hedge	**108.9**	**58.0**	**87.6%**

Fourth quarter 2011 comparison with fourth quarter 2010 and third quarter 2011

GEL millions, unless otherwise noted	Q4 2011	Q3 2011	Q4 2010	Change Q-O-Q	Change Y-0-Y
Interest income	133.4	128.7	116.1	3.6%	14.9%
Interest expense	73.2	68.0	61.1	7.8%	19.9%
Net losses (gains) from derivative financial instruments	(0.1)	2.6	1.5	NMF	NMF
Interest expense adjusted for net (losses) gains from derivative financial instruments	**73.3**	**65.4**	**59.6**	**12.2%**	**23.1%**
Net interest income	**60.1**	**63.3**	**56.0**	**-5.2%**	**6.3%**

Net fee and commission income	**22.1**	**19.3**	**19.0**	**14.7%**	**16.4%**
Net insurance revenue	**3.6**	**5.1**	**4.2**	**-29.3%**	**-14.9%**
Other operating non-interest income	**33.3**	**18.6**	**15.9**	**79.7%**	**109.9%**
Revenue	**119.1**	**106.3**	**95.6**	**12.1%**	**24.6%**

On a year-on-year basis, Q4 2011 revenue growth of 24.6% y-o-y to GEL 119.1 million was largely driven by the growth of net interest income and other operating non-interest income during the quarter. Q4 2011 net interest income of GEL 60.1 million grew 6.3% y-o-y, as interest income growth of 14.9% y-o-y more than offset the 23.1% y-o-y growth of interest expense to GEL 73.3 million (adjusted for the impact of changes in the fair value of interest rate swap contracts). The Bank's other operating non-interest income of GEL 33.3 million in Q4 2011 grew 109.9% y-o-y reflecting the gains from foreign currencies, partially related to the gains from the BYR hedge, which amounted to GEL 4.8 million in Q4 2011. The increase in revenue from the healthcare business also contributed to the growth. On a quarterly basis, the 5.2% q-o-q decline in net interest income was due to the 12.2% q-o-q growth of the interest expense (adjusted for net gains or losses from the change in fair value of interest rate swap contracts) that compares to 3.6% q-o-q growth of interest income, reflecting a 17.7% q-o-q increase in customer funds that outpaced the 2.2% q-o-q increase in net loan book in Q4 2011. The healthy growth of non-interest items, such as net fee and commission income (up 14.7% q-o-q to GEL 22.1 million) and other operating non-interest income (up 79.7% to GEL 33.3 million) strongly contributed to the Q4 2011 revenue growth of 12.1% compared to the prior quarter.

Net operating income, cost of credit risk, profit for the period

GEL millions, unless otherwise noted	**2011**	**2010**	**Change Y-O-Y**
Salaries and other employee benefits	119.1	104.6	13.9%
General and administrative expenses	61.9	61.0	1.5%
Depreciation and amortization	27.3	28.0	-2.5%
Other operating expenses	9.3	6.3	49.1%
Other operating non-interest expenses	**217.6**	**199.8**	**8.9%**
Operating income before cost of credit risk	**223.6**	**146.9**	**52.2%**
Cost of credit risk	22.2	47.7	-53.5%
Net operating income	201.4	99.2	**103.1%**
Impairment of goodwill, property and equipment	23.4	0.4	NMF
Net other non-operating expenses	5.9	0.3	NMF
Net non-operating expenses	**29.3**	**0.7**	**NMF**
Profit before income tax expense from continuing operations	**172.1**	**98.4**	**74.8%**
Income tax expense	21.1	15.8	33.9%
Profit for the period from continuing operations	**150.9**	**82.7**	**82.6%**
Net loss from discontinued operations	15.2	-	NMF
Net profit for the period	**135.7**	**82.7**	**64.2%**

In 2011, the Bank's other operating non-interest expenses increased by GEL 17.9 million, or 8.9% y-o-y, to GEL 217.6 million. The increase was primarily due to 13.9% y-o-y increase in salaries and other employee benefits as the Bank's headcount and the bonus pool increased to reflect the growth of the Bank's business during 2011. General and administrative expenses for the year grew moderately by 1.5% y-o-y to GEL 61.9 million, reflecting the cost efficiency measures undertaken by the Bank and the effect of disposal of BG Bank in the beginning of 2011. As a result, the Cost to Income ratio of the Bank improved to 49.3% in 2011 from 57.6% in 2010.

As a result of the foregoing factors, the Bank's operating income before cost of credit risk increased by GEL 76.7 million, or 52.2% y-o-y, to GEL 223.6 million in 2011.

Cost of credit risk decreased by GEL 25.5 million, or 53.5% y-o-y, to GEL 22.2 million in 2011, a result of improvements in the economy generally reflected in the improvement of the Bank's loan portfolio quality, and the disposal of BG Bank in the beginning of 2011. Allowance for loan impairment was GEL 115.1 million or 4.2% of total gross loans as of 31 December 2011, compared to 6.9% as of same date previous year.

The Bank's non-performing loans (NPLs) amounted to GEL 97.2 million as of 31 December 2011 compared to GEL 117.6 million as of 31 December 2010, down by 17.3% y-o-y. The Bank's NPLs to total gross loans ratio improved to 3.6% in 2011 from 4.6% as of 31 December 2010.

In 2011 net operating income amounted to GEL 201.4 million, up 103.1% y-o-y. The Bank's net non-operating expense for the period amounted to GEL 29.3 million, consisting of GEL 23.4 million goodwill associated with the BNB, Belarus, and GEL 5.9 million of net other non-operating expenses incurred from the buy-back of Eurobonds by the Bank and expenses incurred for the purposes of the Tender Offer, announced by the Bank's holding company, BGH in December 2011 that was successfully completed in February 2012. 2011 profit before income tax expense from continuing operations of GEL 172.1 million was up by 74.8% y-o-y. The 2011 income tax expense reached GEL 21.1 million and the Bank's 2011 profit for the period from continuing operations stood at GEL 150.9 million, up by GEL 68.3 million, or 82.6% y-o-y.

The 2011 impairment of goodwill charge of GEL 23.4 million fully comprised BNB goodwill impairment. As a result, the goodwill associated with BNB has been fully written-off as of 31 December 2011.

Fourth quarter 2011 comparison with fourth quarter 2010 and third quarter 2011

GEL millions, unless otherwise noted	Q4 2011	Q3 2011	Q4 2010	Change Q-O-Q	Change Y-0-Y
Other operating non-interest expenses	57.5	54.1	45.4	6.3%	26.8%
Operating income before cost of credit risk	**61.6**	**52.1**	**50.2**	**18.2%**	**22.6%**
Cost of credit risk	8.8	5.2	17.4	69.8%	-49.6%
Net operating income	**52.8**	**47.0**	**32.8**	**12.5%**	**60.8%**
Net non operating expenses	9.7	0.9	0.2	NMF	NMF
Income tax expense	5.8	8.4	7.1	-31.2%	-19.2%
Net profit from continuing operations	**37.3**	**37.6**	**25.5**	**-0.8%**	**46.5%**
Net loss from discontinued operations	3.0	-	-	NMF	NMF
Net profit for the period	**34.4**	**37.6**	**25.5**	**-8.7%**	**34.9%**

The Bank's Q4 2011 net operating income grew 12.5% q-o-q, as the revenue growth rate of 12.1% q-o-q during the quarter outpaced the expense growth rate of 6.3% q-o-q during the same period. Profit for the period from continuing operations of GEL 37.3 million, declined by 0.8% q-o-q impacted by the GEL 3.6 million increase in the Bank's cost of credit risk to GEL 8.8 million. The increase in cost of credit risk during the quarter is largely due to the GEL 1.7 million q-o-q increase in impairment of receivables of ABCI, as a result of change in IFRS disclosure requirements, effective 2011. The increase in cost of credit risk is also attributed to the growth of loan impairment charge of BNB by GEL 2.1 million q-o-q in Q4 2011.

Net non-operating expense of GEL 9.7 million in Q4 2011 includes GEL 10.4 million impairment of BNB goodwill, which more than offset GEL 4.8 million foreign currency gain from the BYR hedge. The Bank's net loss from discontinued operations in Q4 2011 amounted to GEL 3.0 million, comprised of the impairment of amounts receivable from the sale of BG Bank in February 2011. Net outstanding carrying value of the receivable as of 31 December 2011 after the impairment comprises GEL 3.7 million. As a result of the foregoing, the Q4 2011 net profit for the period declined 8.7% q-o-q to GEL 34.4 million.

On a year-on-year basis, the Bank's net operating income growth of 60.8% y-o-y was a result of the 22.6% y-o-y growth of operating income before cost of credit risk to GEL 61.6 million and the improvement of the cost of credit risk by 49.6% y-o-y. Net profit for the period of GEL 34.4 million was up by 34.9% compared to the same period previous year.

Balance Sheet highlights

As of 31 December 2011, the Bank had total assets of GEL 4,665.3 million, a 7.0% increase compared to 30 September 2011 and 16.4% increase compared to 31 December 2010. Net loan book on a standalone basis grew by GEL 435.4 million, or 19.8% y-o-y, to GEL 2,635.4 million. The growth of total assets during 2011 was also attributed to the increase in the amounts due from credit institutions, mainly consisting of cash placed on the overnight deposits with banks that grew by GEL 173.1 million, or 148.6% y-o-y to GEL 289.5 million. The Bank's investment securities available-for-sale, consisted of the NBG CDs and Georgian Government treasury bills and bonds, increased by 42.3% y-o-y to GEL 419.6 million as of the year-end 2011. Loans denominated in US$ (or other foreign currency) accounted for 74.0% of the Bank's net loan book as of 31 December 2011, compared to 77.1% as of 31 December 2010.

The strong deposit inflow during 2011 enabled the Bank to further enhance its general funding and liquidity position. Customer funds on a standalone basis stood at GEL 2,726.4 million, up 17.5% q-o-q and up 49.4% y-o-y, the growth driven by client deposits growth of 18.0% q-o-q and 41.2% y-o-y. In addition to client deposits, customer funds include promissory notes, which reached GEL 181.1 million as of 31 December 2011. The healthy deposit growth allowed the Bank decrease its reliance on more expensive wholesale funding as amounts due to credit institutions declined from GEL 1,138.9 million at the end of 2010 to GEL 921.2 million at the end of 2011. As a result, customer funds represented 71.0% of total liabilities as of 31 December 2011, an improvement from 61.2% as of the YE 2010. By the end of 2011, the Bank's Net Loan to Client Deposit ratio improved to 102.4% reflecting the continuous deposit inflow during the year. Client deposits denominated in US$ (or other foreign currency) accounted for 59.2% of the Bank's client deposits as of 31 December 2011, compared to 71.1% as of 31 December 2010. The Bank continues to maintain a strong liquidity position, considerably in excess of the conservative regulatory requirements. The liquidity ratio, as per the NBG requirement, stood at 37.8% against the required minimum of 30%, while liquid assets accounted to 28.7% of total assets and 34.8% of total liabilities as of the end of 2011. As of 31 December 2011, the Bank had total liabilities of GEL 3,852.7 million, up 7.5% q-o-q and up 16.3% y-o-y.

Liquidity and Funding position

GEL millions, unless otherwise noted	**2011**	**2010**	**Change Y-O-Y**
Amounts due to credit institutions, of which	921.2	1,138.9	-19.1%
Wholesale funding	863.0	1,003.9	-14.0%
Customer funds, of which	2,735.2	2,026.3	35.0%
Client deposits	2,554.1	2,004.7	27.4%
Promissory notes	181.1	21.6	NMF
Net Loans / Customer Funds	95.7%	116.8%	-18.1%
Net Loans / Client Deposits	102.4%	118.0%	-13.2%
Liquid assets	1,326.3	1,011.7	31.1%
Liquid assets as percent of total assets	28.4%	25.3%	12.5%
Liquid assets as percent of total liabilities	34.8%	30.9%	12.3%

As of 31 December 2011, the Bank had shareholders' equity of GEL 775.7 million, compared to shareholders' equity of GEL 663.3 million as of 31 December 2010. The growth was mostly attributed to the increase of the Bank's net profit for the period from GEL 82.7 million in 2010 to GEL 135.7 million in 2011. In October 2011, the Bank issued 1.5 million ordinary shares for the purpose of the Senior Executive Compensation Plan. The Bank's Book Value per share on 31 December 2011 stood at GEL 26.09 (US$15.62) compared to GEL 22.23 (US$12.54) as of 31 December 2010.

Strategic Businesses Segment Result Discussion

Segment result discussion presented for the Banks Retail Banking, Corporate Banking and Wealth Management operations on a standalone basis for the Bank's corporate banking, retail banking and wealth management operations in Georgia and the results exclude the inter-company eliminations.

Retail Banking (RB)

GEL millions, unless otherwise noted

Period end	**2011**	**2010**	**Change**
Net interest income	141.5	116.4	21.6%
Net fees and commission income	49.8	42.1	18.3%
Net gains from foreign currencies	12.2	9.2	32.6%
Other operating non-interest income	6.0	1.2	NMF
Operating income from other segments	1.6	0.5	NMF
Revenue	211.0	169.4	24.6%
Other operating non-interest expenses	109.4	97.9	11.7%
Operating income before cost of credit risk	101.7	71.6	42.0%
Cost of credit risk	(3.1)	29.1	NMF
Profit for the period from continuing operations	110.4	40.0	NMF
Net loans, standalone	1,221.4	969.5	26.0%
Total assets	2,164.2	1,746.2	23.9%

Client deposits, standalone	707.1	535.3	32.1%
Total liabilities	1,268.0	1,176.9	7.7%

Retail Banking provides consumer loans, mortgage loans, overdrafts, credit card facilities and other credit facilities as well as funds transfer and settlement services and handling customer deposits for both individuals and legal entities, encompassing the mass affluent segment, retail mass markets, SME and micro businesses.

In 2011 Retail Banking Revenue grew 24.6% y-o-y to GEL 211.0 million, the growth driven by a 21.6% increase in net interest income to GEL 141.5 million reflecting the strong growth of retail net loan book by GEL 251.9 million , or 26.0% y-o-y, to GEL 1,221.4 million as of 31 December 2011. Net fees and commission income increased 18.1% y-o-y to GEL 49.8 million, while net gains from foreign currencies amounted to GEL 12.2 million, up 32.6% y-o-y.

In 2011, deposits from retail clients increased by GEL 171.8 million, or 32.1% y-o-y, to GEL 707.1 million as of 31 December 2011.

Highlights

- Completed the Bank's brand restyling with new corporate-endorsed brand architecture that unites the group's banking sub-brands and the non-banking business under one umbrella.
- Launched new-look corporate website, redesigned to reflect the Bank's brand restyling.
- Launched Express Banking - small-format service points in December 2011. Transactional banking at Express branches to free flagship branches for higher value-added services and products. As of 31 December 2011 nine Express branches operational in key locations in Tbilisi.
- Issued 263,143 debit cards in 2011 bringing the total debit cards outstanding to 535,385, up 7.9% y-o-y.
- Issued 61,980 credit cards of which 48,382 were American Express cards in 2011. A total of 105,132 American Express cards have been issued since the launch in November 2009. The total number of credit cards outstanding amounted to 127,820, up 19.7% since December 2010. In June 2011, Bank of Georgia announced a winner of an American Express Global Network Services Marketing Award in the category of Outstanding Loyalty and Engagement Program for its membership Rewards Campaign.
- Signed merchant and ATM acquiring agreement with Diners Club International in April 2011. Bank of Georgia became an exclusive partner for Diners Club International acquiring business in Georgia and an ATM processer for Diners Club International and Discover card transactions.
- Outstanding number of Retail Banking clients reached 888,794 up 7.9% y-o-y.
- Acquired 1,726 new clients in Solo business line, the Bank's mass affluent sub-brand, in 2011. As of 31 December 2011, the number of Solo clients reached 3,728.
- Increased Point of Sales (POS) footprint: As of 31 December 2011, 179 desks at 369 contracted merchants, up from 99 desks and 177 merchant at the end of 2010. POS loans outstanding amounted to GEL 24.7 million, up from GEL 6.5 million at the end of 2010.
- POS terminals outstanding reach 2,828, up 21.4% y-o-y. The volume of transactions through the Banks' POS terminals grew 97.5% y-o-y to GEL 246.6 million, while number of POS transactions increased from 1.5 million to 3.0 million in 2011.

- RB Loan Yield Excluding Provisions amounted to 21.0% in 2011 (21.4% in 2010) and RB Deposit Yield amounted to 6.7% in 2011 (7.5% in 2010).
- Consumer loan originations of GEL 425.3million (up 66.9% y-o-y) resulted in consumer loans outstanding in the amount of GEL 288.2 million as of 31 December 2011, up 77.6% y-o-y.
- Micro and SME loan originations of GEL 449.0 million (up 47.5% y-o-y) resulted in micro and SME loans outstanding in the amount of GEL 318.5 million as of 31 December 2011, up 33.7% y-o-y.
- Mortgage loans originations of GEL 168.1 million (up 3.8% y-o-y) resulted in mortgage loans outstanding in the amount of GEL 375.0 million as of 31 December 2011, up 1.2% y-o-y.

Corporate Banking (CB)

GEL millions, unless otherwise noted

Period end	2011	2010	Change
Net interest income	72.8	74.8	-2.7%
Net fees and commission income	20.3	16.6	22.3%
Net gains from foreign currencies	29.0	21.4	35.5%
Other operating non-interest income	6.6	(2.1)	NMF
Operating income from other segments	6.6	12.5	-47.2%
Revenue	135.4	123.1	10.0%
Other operating non-interest expenses	54.7	43.8	24.9%
Operating income before cost of credit risk	80.8	79.3	1.9%
Cost of credit risk	25.6	12.8	100.0%
Profit for the period from continuing operations	60.1	68.7	-12.5%
Net loans, standalone	1,378.1	1,192.8	15.5%
Total assets	2,215.7	1,745.4	26.9%
Client deposits, standalone	1,384.0	1,006.0	37.6%
Total liabilities	1,996.0	1,552.4	28.6%

Corporate Banking business in Georgia comprises of loans and other credit facilities to the country's large corporate clients as well as other legal entities, excluding SME and micro businesses. The services include fund transfers and settlements services, currency conversion operations, trade finance service, currency conversion operations, trade finance services and documentary operations as well as handling savings and term deposits for corporate and institutional customers. Corporate banking business also includes finance lease facility provided by the Bank's leasing operations (Georgian Leasing Company).

The growth of Corporate Banking revenue in 2011 was driven by non-interest income growth during the year. Net fees and commission income grew 22.3% y-o-y to GEL 20.3 million, while net gains from foreign currencies rose to GEL 29.0 million, or 35.5% y-o-y, reflecting the increase in volumes of foreign currency conversions by the Bank's corporate clients. The 2.7% y-o-y decline of net interest income of corporate banking was predominantly attributable to the additional carrying cost of the strong deposit inflows on the Bank's corporate client accounts, which rose by 37.6% y-o-y, or by GEL 378.0 million, to GEL 1,384.0 million as of 31 December 2011 on a standalone basis. Corporate Banking standalone net loans increased by GEL 185.3 million, or 15.5% y-o-y, to GEL 1,378.1 million during the period. Impairment charge on interest earning corporate banking assets increased to GEL 25.6 million in 2011 from GEL 12.8 million in 2010.

Highlights

- CB Loan Yield Excluding Provisions amounted to 14.4% in 2011 (16.2% in 2010) and CB Deposit Yield amounted to 7.1% in 2011 (5.6% in 2010). In 2011, the increase in deposit yields was attributed to the growth of the share of the higher yielding GEL denominated CB client deposits in total CB client deposits for the period from 22.2% at the end of 2010 to 32.9% at the end of 2011.

- Increased the number of corporate clients using the Bank's payroll services from 1,737 as of 31 December 2010 to 2,387 as of 31 December 2011. As of 31 December 2011, the number of individual clients serviced through the corporate payroll programs administered by the Bank amounted to 177,321.
- Number of corporate banking accounts opened increased from 1,842 in 2010 to 5,192 corporate banking accounts opened in 2011.

Wealth Management (WM)

GEL millions, unless otherwise noted

Period end	2011	2010	Change
Net interest income	5.9	3.1	90.3%
Net fees and commission income	0.7	0.5	40.0%
Net gains from foreign currencies	0.7	0.6	16.7%
Other operating non-interest income	0.1	(0.1)	NMF
Revenue	7.4	4.1	80.5%
Other operating non-interest expenses	4.1	4.6	-10.9%
Operating income before cost of credit risk	3.2	(0.5)	NMF
Profit for the period from continuing operations	3.6	2.0	80.0%
Net loans, standalone	35.8	37.6	-4.8%
Total assets	37.6	43.1	-12.8%
Client deposits, standalone	451.5	261.6	72.6%
Total liabilities	451.5	261.6	72.6%

The Bank's Wealth Management business provides private banking services to resident and non-resident clients by ensuring an individual approach and exclusivity in providing banking services such as holding the clients' savings and term deposits, fund transfers, currency exchange and settlement operations. In addition, wealth management involves providing wealth and asset management services to its clients through a wide range investment opportunities and specifically designed investment products.

In 2011, Wealth Management revenue grew by 80.5% y-o-y to GEL 7.4 million, a result of the 90.3% growth of the net interest income to GEL 5.9 million, 40.0% y-o-y growth in net fees and commission income to GEL 0.7 million and 16.7% y-o-y growth of net gains from foreign currencies to GEL 0.7 million. Profit for the period from continuing operations of the Wealth Management business grew 80.0% y-o-y to GEL 3.6 million. Client deposits of Wealth Management business grew by GEL 189.9 million, or 72.6% y-o-y, to GEL 451.5 million.

Corporate Center

Corporate center provides back office services to all segments of the Bank and investments in subsidiaries.

Highlights

- Moved to new Headquarters to meet the growing needs of the Bank's business and provide professional facilities to the Bank's clients and employees. Approximately 600 employees of the Bank, including back-office staff previously spread across 12 offices rented by the Bank, have relocated to the new HQ.
- Signed a sub-custodian agreement with State Street Bank and Trust Company/ becoming the only bank in Georgia that has an account at Euroclear Bank and the only Bank to offer sub-custody services to global custodians in Georgia.
- Standard & Poor's and Fitch Ratings raised their respective long-term ratings ratings on Bank of Georgia to 'BB-', noting Bank's business position, capitalization, liquidity, profitability and strong corporate governance and management teams as the drivers for the rating upgrades.
- Wholesale funding in 2011 declined 14.0% y-o-y to GEL 863.0 million, with long-term IFI (International Financial Institutions, including EBRD, IFC, DEG among others) accounted for 80.7% of wholesale funding as of 31 December 2011. The Bank completed the full repayment, upon maturity, of Eurobonds totalling GEL 92.6 million (US$ 55.5 million) on 8 February 2012 and the conversion of the EBRD and IFC convertible loans with the nominal values totalling GEL 80.8 million (US$ 49.9 million) in February 2012.
- Has entered into ISDA (International Swaps and Derivatives Association) agreements with Commerzbank in 2011 and Merrill Lynch in 2012 in addition to ISDA agreement signed with IFC in 2009. ISDA enables the Bank to enter into interest rate swaps in order to hedge its US$ interest rate risk on the Bank's long-term borrowings.
- Signed a five-year Agricultural Finance Facility Agreement with EBRD a synthetic Georgian lari loan denominated in US dollars in the amount of US$14.5 million and a six year US$40.0 million loan facility agreement with FMO and DEG to support the growth of the Bank's SME portfolio.

Insurance and Healthcare (ABCI)

	2011			2010			Change		
GEL millions, unless otherwise noted	Insurance	Healthcare	Insurance and Healthcare	Insurance	Healthcare	Insurance and Healthcare	Insurance	Healthcare	Insurance and Healthcare
Gross premiums written	**56.4**	**-**	**56.4**	**56.3**	**-**	**56.3**	**0.2%**	**NMF**	**0.2%**
Net insurance revenue	17.7	-	17.7	16.7	-	16.7	6.0%	NMF	6.0%
Net interest income	1.3	0.3	1.6	0.7	-	0.7	85.7%	NMF	128.6%
Net (losses) gains from foreign currencies	(0.8)	-	(0.8)	0.4	(0.1)	0.3	NMF	-100.0%	NMF
Other operating non-interest income	1.3	10.7	12.0	0.3	2.6	2.9	NMF	NMF	NMF
Operating income from other segments	(1.4)	1.3	(0.1)	(2.2)	2.6	0.4	-36.4%	-50.0%	NMF
Revenue	**18.3**	**12.2**	**30.5**	**15.8**	**5.1**	**20.9**	**15.8%**	**139.2%**	**45.9%**
Other operating non-interest expenses	12.4	11.0	23.4	11.0	3.7	14.7	12.7%	197.3%	59.2%
Operating income before cost of credit risk	5.7	1.3	7.0	4.7	1.5	6.2	21.3%	-13.3%	12.9%

ABCI, the Bank's wholly-owned subsidiary provides life and non-life insurance and healthcare products and services in Georgia. A leader in the Georgian life and non-life insurance markets, based on a market share of 19.5% of the life and 16.8% of the non-life insurance markets (based on gross premiums written), ABCI cross-sells its insurance products with the Bank's retail and corporate banking products. ABCI's healthcare business consists of My Family Clinic, Georgia's leading healthcare provider, operating a chain of healthcare centers in Georgia, in line with the Bank's strategy of vertically integrating its insurance and healthcare businesses.

In 2011, insurance and healthcare revenue grew 45.9% y-o-y to GEL 30.5 million reflecting the 6.0% y-o-y growth of net insurance revenue to GEL 17.7 million and the growth of other operating non-interest income from GEL 2.9 million in 2010 to GEL 12.0 million in 2011. The net insurance revenue growth was attributed to the 0.2% y-o-y growth of gross premiums written to GEL 56.4 million and the improvements in the claims management by ABCI. The increase of other operating non-interest income was predominantly attributed to the non-interest income generated by the healthcare business, which reached GEL 10.7 million in 2011 up from GEL 2.6 million healthcare revenue generated in 2010. Operating income before cost of credit risk grew 12.9% y-o-y to GEL 7.0 million in 2011.

Highlights

- Acquired assets and liabilities of JSC Insurance Company Partner, the twelfth largest insurance company in Georgia. The non-cash transaction involved ABCI acquiring total assets in the amount of GEL 5.3 million and liabilities accounted for GEL 5.7 million. As of 30 June 2011, ABCI had a market share of 16.8% of the non-life market in Georgia based on gross premiums written and JSC Insurance Company Partner had 1.3%.

In line with the Bank's strategy of integrating its insurance and healthcare operations, following developments are highlighted below:

- ABCI secured 8.25 years Export Credit Facility in the amount of US$11.9 million from ING Bank N.V. the Netherlands. The facility will be used for the restoration of healthcare facilities in the country to enable My Family Clinic, ABCI's subsidiary and one of the leading health care providers in Georgia, to develop hospitals with aggregate bed count of 160 beds in Western Georgia. Four new healthcare facilities comprising a total of approximately 60 bed became operational by the end of 2011.
- In December 2011, My Family Clinic had merged with the healthcare business of the Block Georgia group of companies. As a result of the transaction, ABCI retained the controlling equity interest of 51% in My Family Clinic, while Block Georgia group of companies holds the remaining 49%. Following the merger, My Family Clinic became the largest healthcare provider in the country with 21 hospitals and healthcare centers and 3,500 employees.

Affordable Housing

The Affordable Housing business consists of the Bank's wholly-owned subsidiary SBRE, which holds investment properties repossessed by the Bank from defaulted borrowers. With the aim to improve liquidity of these repossessed real estate assets and stimulate the Bank's mortgage lending business capitalizing on the market opportunity in the affordable housing segment in Georgia, the Bank develops, sells and/or leases such real estate assets through SBRE. SBRE outsources the construction and architecture works and focuses on project managements and sales of apartments and mortgages through its well-established branch network and sales force, thus representing a synergistic business for the Bank's mortgage business.

Highlights

- The pilot project of building and selling small-format apartments largely completed under the original completion timetable, the full completion is expected in Q2 2012. 92 apartments from the total of 132- apartment building have been pre-sold as of 5 March 2012.
- Secured US$20 million funding, SBRE's first internationally raised debt, from FMO for the development of a new housing project of circa 525 apartments to be launched in Q2 2012.

Non-Core Businesses

The Bank's non-core businesses that accounted for 2.9% of total assets and 13.8% of total revenue in 2011, comprise BNB, Belarus banking operation and Liberty Consumer, a Georgia focused investment company in which the Bank holds a 65% stake. In order for the Bank to focus on its strategic businesses, the Bank announced its intention to exit from its non-core operations.

To this end, in February 2011, the Bank sold 80% equity interest in BG Bank, its subsidiary in Ukraine. The Bank's 2011 consolidated results include results of operation of BG Bank for one month ended 31 January 2011. Net loss from discontinued operations related to the disposal of BG Bank amounted to GEL 15.2 million in 2011.

In December 2011, the Bank initiated proceedings and has subsequently completed the closure of BG Capital, Ukraine, the Ukrainian operations of its brokerage subsidiary BG Capital.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor's	'BB-/B'
FitchRatings	'BB-/B'
Moody's	'B1/NP' (FC) & 'Ba3/NP' (LC)

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

Irakli Gilauri
Chief Executive Officer
+995 322 444 109
igilauri@bog.ge

Macca Ekizashvili
Head of Investor Relations
+995 322 444 256
ir@bog.ge

CONSOLIDATED QUARTERLY INCOME STATEMENT

GEL thousands, unless otherwise noted	Q4 2011	Q4 2010 *unaudited*	Q3 2011	Change Y-O-Y	Change Q-O-Q
Loans to customers	115,816	104,668	111,707	10.7%	3.7%
Investment securities – AFS & HTM	9,782	6,563	9,567	49.0%	2.2%
Amounts due from credit institutions	4,718	3,908	5,716	20.7%	-17.5%
Finance lease receivables	3,099	942	1,744	229.0%	77.7%
Interest income	**133,415**	**116,081**	**128,734**	**14.9%**	**3.6%**
Amounts due to customers	(49,719)	(32,586)	(41,947)	52.6%	18.5%
Amounts due to credit institutions	(23,536)	(28,521)	(26,012)	-17.5%	-9.5%
Interest expense	**(73,255)**	**(61,107)**	**(67,959)**	**19.9%**	**7.8%**
Net interest income before net (losses) gains from derivative financial instruments	**60,160**	**54,974**	**60,775**	**9.4%**	**-1.0%**
Net (losses) gains from derivative financial instruments	(92)	1,541	2,584	NMF	NMF
Net interest income	**60,068**	**56,515**	**63,359**	**6.3%**	**-5.2%**
Fee and commission income	26,188	20,252	23,717	29.3%	10.4%
Fee and commission expense	(4,086)	(1,264)	(4,452)	223.3%	-8.2%
Net fee and commission income	**22,102**	**18,988**	**19,265**	**16.4%**	**14.7%**
Net insurance premiums earned	11,515	10,938	11,758	5.3%	-2.1%
Net insurance claims incurred	(7,937)	(6,736)	(6,694)	17.8%	18.6%
Net insurance revenue	**3,578**	**4,202**	**5,064**	**-14.9%**	**-29.3%**
Net gains (losses) from trading securities and investment securities available-for-sale	850	(558)	(200)	NMF	NMF
Net gains (losses) from revaluation of investment property	1,984	(2,732)	-	NMF	NMF
Net gains (losses) from foreign currencies:					
– dealing	11,992	8,759	12,590	36.9%	-4.7%
– translation differences	8,899	(1,088)	(451)	NMF	NMF
Other operating income	9,654	11,523	6,636	-16.2%	45.5%
Other operating non-interest income	**33,379**	**15,904**	**18,575**	**109.9%**	**79.7%**
Revenue	**119,127**	**95,609**	**106,263**	**24.6%**	**12.1%**
Salaries and other employee benefits	(30,662)	(24,875)	(30,727)	23.3%	-0.2%
General and administrative expenses	(16,169)	(13,411)	(15,191)	20.6%	6.4%
Depreciation and amortization	(7,735)	(7,841)	(6,578)	-1.4%	17.6%
Other operating expenses	(2,972)	753	(1,651)	NMF	80.0%
Other operating non-interest expenses	**(57,538)**	**(45,374)**	**(54,147)**	**26.8%**	**6.3%**
Operating income before cost of credit risk	**61,589**	**50,235**	**52,116**	**22.6%**	**18.2%**
Impairment charge on loans to customers	6,194	15,877	5,691	-61.0%	8.8%
Impairment charge (reversal) of impairment on finance lease receivables	195	(5,246)	(49)	NMF	NMF
Impairment charge (reversal) on other assets and provisions	2,380	6,765	(477)	-64.8%	NMF
Cost of credit risk	**8,769**	**17,396**	**5,165**	**-49.6%**	**69.8%**
Net operating income	**52,820**	**32,839**	**46,951**	**60.8%**	**12.5%**
Share of (loss) gain of associates	(283)	255	47	NMF	NMF
Impairment of goodwill, property and equipment	(10,394)	(435.0)	-	NMF	NMF
Other non-operating income	8,072	-	-	NMF	NMF
Other non-operating expense	(7,103)	(21)	(974)	NMF	NMF
Net non-operating expenses	**(9,708)**	**(201)**	**(927)**	**NMF**	**NMF**
Profit before income tax expense from continuing operations	**43,112**	**32,638**	**46,024**	**32.1%**	**-6.3%**
Income tax expense	5,789	7,165	8,410	-19.2%	-31.2%
Profit for the period from continuing operations	**37,323**	**25,473**	**37,614**	**46.5%**	**-0.8%**
Net loss from discontinued operations	2,972	-	-	NMF	NMF
Net profit for the period	**34,351**	**25,473**	**37,614**	**34.9%**	**-8.7%**
Attributable to:					
– shareholders of the Bank	31,971	27,075	36,915	18.1%	-13.4%
– non-controlling interests	2,380	(1,602)	699	NMF	240.5%

CONSOLIDATED INCOME STATEMENT

GEL thousands, unless otherwise noted	**2011** *unaudited*	**2010**	**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%**
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

CONSOLIDATED BALANCE SHEET

GEL thousands, unless otherwise noted	2011	2010	Change Y-O-Y
Assets	***unaudited***		
Cash and cash equivalents	628,731	611,584	2.8%
Amounts due from credit institutions	289,530	116,469	148.6%
Investment securities – AFS & HTM	419,576	294,961	42.2%
Loans to customers and finance lease receivables	2,616,361	2,366,116	10.6%
Investments in associates	3,014	5,633	-46.5%
Investment properties	101,686	113,496	-10.4%
Property and equipment	348,110	285,852	21.8%
Goodwill	46,195	69,212	-33.3%
Other intangible assets	21,222	22,390	-5.2%
Current income tax assets	8,487	2,247	277.7%
Deferred income tax assets	14,852	18,178	-18.3%
Prepayments	29,929	23,364	28.1%
Other assets	137,568	75,420	82.4%
Total assets	**4,665,261**	**4,004,922**	**16.5%**
Liabilities			
Amounts due to customers (Customer funds), of which	2,735,222	2,026,308	35.0%
Client deposits	*2,554,084*	*2,004,698*	*27.4%*
Promissory notes	*181,138*	*21,610*	*NMF*
Amounts due to credit institutions	921,172	1,138,927	-19.1%
Current income tax liabilities	1,174	4,251	-72.4%
Deferred income tax liabilities	36,242	30,901	17.3%
Provisions	386	4,407	-91.2%
Other liabilities	158,462	106,787	48.4%
Total liabilities	**3,852,658**	**3,311,581**	**16.3%**
Equity			
Share capital	32,878	31,345	4.9%
Additional paid-in capital	473,732	477,285	-0.7%
Treasury shares	(3,146)	(1,510)	108.3%
Other reserves	14,478	26,816	-46.0%
Retained earnings	254,588	130,314	99.3%
Total equity attributable to shareholders of the Bank	**772,530**	**664,250**	**16.3%**
Non-controlling interests	40,073	29,091	37.8%
Total equity	**812,603**	**693,341**	**17.2%**
Total liabilities and equity	**4,665,261**	**4,004,922**	**16.5%**

STANDALONE QUARTERLY INCOME STATEMENT OF JSC BANK OF GEORGIA

GEL thousands, unless otherwise noted	**Q4 2011**	**Q4 2010** *unaudited*	**Q3 2011**	**Change Y-O-Y**	**Change Q-O-Q**
Loans to customers	115,359	98,065	111,346	17.6%	3.6%
Investment securities – AFS & HTM	9,787	6,500	9,572	50.6%	2.2%
Amounts due from credit institutions	3,592	1,965	3,999	82.8%	-10.2%
Interest income	**128,738**	**106,530**	**124,917**	**20.8%**	**3.1%**
Amounts due to customers	(47,029)	(26,832)	(41,493)	75.3%	13.3%
Amounts due to credit institutions	(22,673)	(26,244)	(25,068)	-13.6%	-9.6%
Interest expense	**(69,702)**	**(53,076)**	**(66,561)**	**31.3%**	**4.7%**
Net interest income before net (losses) gains from derivative financial instruments	**59,036**	**53,454**	**58,356**	**10.4%**	**1.2%**
Net (losses) gains from derivative financial instruments	(92)	1,090	2,584	NMF	NMF
Net interest income	**58,944**	**54,544**	**60,940**	**8.1%**	**-3.3%**
Fee and commission income	23,688	18,975	21,718	24.8%	9.1%
Fee and commission expense	(5,148)	(3,449)	(4,641)	49.3%	10.9%
Net fee and commission income	**18,540**	**15,526**	**17,077**	**19.4%**	**8.6%**
Net gains from trading securities and investment securities available-for-sale	841	118	29	NMF	NMF
Net gains from revaluation of investment property	312	357	-	-12.6%	-
Net gains (losses) from foreign currencies:					
– dealing	12,398	8,705	9,624	42.4%	28.8%
– translation differences	5,322	(640)	2,298	NMF	131.6%
Other operating income	598	803	1,012	-25.5%	-40.9%
Other operating non-interest income	**19,471**	**9,343**	**12,963**	**108.4%**	**50.2%**
Revenue	**96,955**	**79,413**	**90,980**	**22.1%**	**6.6%**
Salaries and other employee benefits	(22,952)	(15,127)	(20,963)	51.7%	9.5%
General and administrative expenses	(11,255)	(11,328)	(12,412)	-0.6%	-9.3%
Depreciation and amortization	(5,546)	(6,341)	(5,411)	-12.5%	2.5%
Other operating expenses	(1,218)	1,414	(1,085)	NMF	12.3%
Other operating non-interest expenses	**(40,971)**	**(31,382)**	**(39,871)**	**30.6%**	**2.8%**
Operating income before cost of credit risk	**55,984**	**48,031**	**51,109**	**16.6%**	**9.5%**
Impairment charge on loans to customers	6,474	7,018	8,106	-7.8%	-20.1%
Impairment charge (reversal) on other assets and provisions	291	2,532	(18)	-88.5%	NMF
Cost of credit risk	**6,765**	**9,550**	**8,088**	**-29.2%**	**-16.4%**
Net operating income	**49,219**	**38,481**	**43,021**	**27.9%**	**14.4%**
Impairment of property and equipment	-	(435)	-	-100.0%	NMF
Other non-operating expense	(6,728)	(21)	(974)	NMF	NMF
Net non-operating expenses	**(6,728)**	**(456)**	**(974)**	**NMF**	**NMF**
Profit before income tax expense from continuing operations	**42,491**	**38,025**	**42,047**	**11.7%**	**1.1%**
Income tax expense	5,338	6,463	6,592	-17.4%	-19.0%
Profit for the period from continuing operations	**37,153**	**31,562**	**35,455**	**17.7%**	**4.8%**
Net loss from discontinued operations	2,972	-	-	NMF	NMF
Net profit for the period	**34,181**	**31,562**	**35,455**	**8.3%**	**-3.6%**

STANDALONE INCOME STATEMENT OF JSC BANK OF GEORGIA

GEL thousands, unless otherwise noted	2011	2010	Change Y-O-Y
	unaudited		
Loans to customers	434,429	366,298	18.6%
Investment securities – AFS & HTM	37,652	18,927	98.9%
Amounts due from credit institutions	13,776	5,646	144.0%
Interest income	**485,857**	**390,871**	**24.3%**
Amounts due to customers	(161,840)	(96,976)	66.9%
Amounts due to credit institutions	(96,584)	(89,707)	7.7%
Interest expense	**(258,424)**	**(186,683)**	**38.4%**
Net interest income before net gains (losses) from derivative financial instruments	**227,433**	**204,188**	**11.4%**
Net gains (losses) from derivative financial instruments	4,984	(8,080)	NMF
Net interest income	**232,417**	**196,108**	**18.5%**
Fee and commission income	83,378	66,524	25.3%
Fee and commission expense	(18,195)	(13,799)	31.9%
Net fee and commission income	**65,183**	**52,725**	**23.6%**
Net gains from trading securities and investment securities available-for-sale	889	129	NMF
Net gains from revaluation of investment property	312	1,083	-71.2%
Net gains (losses) from foreign currencies:			
– dealing	39,874	31,624	26.1%
– translation differences	23,767	(299)	NMF
Other operating income	4,601	3,204	43.6%
Other operating non-interest income	**69,443**	**35,741**	**94.3%**
Revenue	**367,043**	**284,574**	**29.0%**
Salaries and other employee benefits	(86,942)	(70,597)	23.2%
General and administrative expenses	(46,789)	(40,669)	15.0%
Depreciation and amortization	(21,702)	(23,026)	-5.8%
Other operating expenses	(3,265)	(2,312)	41.2%
Other operating non-interest expenses	**(158,698)**	**(136,604)**	**16.2%**
Operating income before cost of credit risk	**208,345**	**147,970**	**40.8%**
Impairment charge on loans to customers	22,313	39,070	-42.9%
Impairment reversal on other assets and provisions	(3,827)	(814)	NMF
Cost of credit risk	**18,486**	**38,256**	**-51.7%**
Net operating income	**189,859**	**109,714**	**73.0%**
Impairment of property and equipment	-	(435)	-100.0%
Other non-operating income	-	271	-100.0%
Other non-operating expense	(13,154)	(816)	NMF
Net non-operating expenses	**(13,154)**	**(980)**	**NMF**
Profit before income tax expense from continuing operations	**176,705**	**108,734**	**62.5%**
Income tax expense	17,823	16,069	10.9%
Profit for the period from continuing operations	**158,882**	**92,665**	**71.5%**
Net loss from discontinued operations	15,219	-	NMF
Net profit for the period	**143,663**	**92,665**	**55.0%**

STANDALONE BALANCE SHEET OF JSC BANK OF GEORGIA

GEL thousands, unless otherwise noted	2011	2010	Change Y-O-Y
Assets	***unaudited***		
Cash and cash equivalents	608,217	558,922	8.8%
Amounts due from credit institutions	281,114	102,913	173.2%
Investment securities – AFS & HTM	412,043	281,420	46.4%
Loans to customers and finance lease receivables	2,635,364	2,199,958	19.8%
Investments in associates	171,042	337,875	-49.4%
Investment properties	72,855	79,274	-8.1%
Property and equipment	237,398	223,647	6.1%
Goodwill	22,748	22,748	0.0%
Other intangible assets	18,464	17,043	8.3%
Current income tax assets	6,696	-	NMF
Prepayments	17,855	16,561	7.8%
Other assets	47,758	16,664	186.6%
Total assets	**4,531,554**	**3,857,025**	**17.5%**
Liabilities			
Amounts due to customers (Customer funds), of which:	2,726,435	1,824,560	49.4%
Client deposits	*2,545,297*	*1,802,950*	*41.2%*
Promissory notes	*181,138*	*21,610*	*NMF*
Amounts due to credit institutions	884,098	1,114,558	-20.7%
Current income tax liabilities	-	4,166	-100.0%
Deferred income tax liabilities	31,255	28,708	8.9%
Provisions	386	4,407	-91.2%
Other liabilities	54,836	44,099	24.3%
Total liabilities	**3,697,010**	**3,020,498**	**22.4%**
Equity			
Share capital	32,878	31,345	4.9%
Additional paid-in capital	470,506	476,664	-1.3%
Treasury shares	(3,146)	(1,375)	128.8%
Other reserves	41,350	52,631	-21.4%
Retained earnings	292,956	277,262	5.7%
Total equity	**834,544**	**836,527**	**-0.2%**
Total liabilities and equity	**4,531,554**	**3,857,025**	**17.5%**

CONSOLIDATED INCOME STATEMENT in US$ and GBP

Thousands, unless otherwise noted	US$			GBP		
			unaudited			
	2011	**2010**	**Change Y-O-Y**	**2011**	**2010**	**Change Y-O-Y**
Loans to customers	$262,868	$ 219,629	19.70%	£170,283	£142,169	19.80%
Investment securities – AFS & HTM	$ 22,575	$ 11,159	102.30%	£ 14,624	£7,223	102.50%
Amounts due from credit institutions	$ 10,840	$ 5,525	96.20%	£7,022	£3,576	96.40%
Finance lease receivables	$3,931	$ 2,346	67.60%	£2,547	£1,518	67.80%
Interest income	**$ 300,214**	**$238,659**	**25.80%**	**£194,476**	**£154,486**	**25.90%**
Amounts due to customers	$ (100,176)	$(64,844)	54.50%	-£ 64,893	-£ 41,974	54.60%
Amounts due to credit institutions	$ (59,738)	$(51,793)	15.30%	-£ 38,698	-£ 33,526	15.40%
Interest expense	**$ (159,914)**	**$ (116,637)**	**37.10%**	**-£103,591**	**-£ 75,500**	**37.20%**
Net interest income before net gains (losses) from derivative financial instruments	**$140,300**	**$ 122,022**	**15.00%**	**£ 90,885**	**£ 78,986**	**15.10%**
Net gains (losses) from derivative financial instruments	$2,984	$ (4,414)	NMF	£1,933	-£2,857	NMF
Net interest income	**$143,284**	**$ 117,608**	**21.80%**	**£ 92,818**	**£ 76,129**	**21.90%**
Fee and commission income	$ 56,013	$ 41,887	33.70%	£ 36,284	£ 27,114	33.80%
Fee and commission expense	$ (10,901)	$ (6,117)	78.20%	-£7,061	-£3,959	78.40%
Net fee and commission income	**$ 45,112**	**$ 35,770**	**26.10%**	**£ 29,223**	**£ 23,155**	**26.20%**
Net insurance premiums earned	$ 27,782	$ 25,133	10.50%	£ 17,997	£ 16,269	10.60%
Net insurance claims incurred	$ (17,160)	$(15,735)	9.10%	-£ 11,116	-£ 10,185	9.10%
Net insurance revenue	**$ 10,622**	**$ 9,398**	**13.00%**	**£6,881**	**£6,084**	**13.10%**
Net gains from trading securities and investment securities	$ 828	$ 1,131	-26.80%	£ 536	£ 732	-26.80%
Net gains from revaluation of investment property	$1,188	$ 197	NMF	£ 770	£ 128	NMF
Net gains from foreign currencies:						
– dealing	$ 27,362	$ 18,980	44.20%	£ 17,725	£ 12,286	44.30%
– translation differences	$ 18,411	$55	NMF	£ 11,927	£ 36	NMF
Other operating income	$ 17,396	$ 12,367	40.70%	£ 11,269	£8,005	40.80%
Other operating non-interest income	**$ 65,185**	**$ 32,730**	**99.20%**	**£ 42,227**	**£ 21,187**	**99.30%**
Revenue	**$264,203**	**$ 195,506**	**35.10%**	**£171,149**	**£126,555**	**35.20%**
Salaries and other employee benefits	$ (71,324)	$(58,968)	21.00%	-£ 46,203	-£ 38,171	21.00%
General and administrative expenses	$ (37,091)	$(34,405)	7.80%	-£ 24,027	-£ 22,271	7.90%
Depreciation and amortization	$ (16,320)	$(15,772)	3.50%	-£ 10,572	-£ 10,209	3.60%
Other operating expenses	$ (5,583)	$ (3,527)	58.30%	-£3,617	-£2,283	58.40%
Other operating non-interest expenses	**$ (130,318)**	**$ (112,672)**	**15.70%**	**-£ 84,419**	**-£ 72,934**	**15.70%**
Operating income before cost of credit risk	**$133,885**	**$ 82,834**	**61.60%**	**£ 86,730**	**£ 53,621**	**61.70%**
Impairment charge on loans to customers	$ 13,902	$ 28,136	-50.60%	£9,005	£ 18,213	-50.60%
Impairment charge (reversal) of impairment on finance lease	$ 190	$ (3,257)	NMF	£ 123	-£2,108	NMF
(Impairment reversal) charge on other assets and provisions	$ (801)	$ 2,023	NMF	-£ 519	£1,310	NMF
Cost of credit risk	**$ 13,291**	**$ 26,902**	**-50.60%**	**£8,609**	**£ 17,415**	**-50.60%**
Net operating income	**$120,594**	**$ 55,932**	**115.60%**	**£ 78,121**	**£ 36,206**	**115.80%**
Share of (loss) gain of associates	$ (292)	$ 144	NMF	-£ 189	£ 93	NMF
Impairment of goodwill, property and equipment	$ (14,008)	$ (245)	NMF	-£9,074	-£ 159	NMF
Other non-operating income	$4,834	$ 153	NMF	£3,131	£ 99	NMF
Other non-operating expense	$ (8,101)	$ (460)	NMF	-£5,248	-£ 298	NMF
Net non-operating expenses	**$ (17,567)**	**$ (408)**	**NMF**	**-£ 11,380**	**-£ 265**	**NMF**
Profit before income tax expense from continuing	**$103,027**	**$ 55,524**	**85.60%**	**£ 66,741**	**£ 35,941**	**85.70%**
Income tax expense	$ 12,650	$ 8,898	42.20%	£8,194	£5,760	42.30%
Profit for the period from continuing operations	**$ 90,377**	**$ 46,626**	**93.80%**	**£ 58,547**	**£ 30,181**	**94.00%**
Net loss from discontinued operations	$9,113	$ -	NMF	£5,903	£ -	NMF
Net profit for the period	**$ 81,264**	**$ 46,626**	**74.30%**	**£ 52,644**	**£ 30,181**	**74.40%**
Attributable to:						
– shareholders of the Bank	$ 79,360	$ 47,174	68.20%	£ 51,408	£ 30,537	68.30%
– non-controlling interests	$1,904	$ (548)	NMF	£1,236	-£ 356	NMF

Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.670 per US$1.00 and GEL 1.773 per US$1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

Converted to GBP for the convenience using a period-end exchange rate of GEL 2.578 per GBP 1.00 and GEL 2.739 per GBP 1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

CONSOLIDATED BALANCE SHEET in US$ and GBP

Thousands, unless otherwise noted	US$			GBP		
			unaudited			
	2011	**2010**	**Change Y-O-Y**	**2011**	**2010**	**Change Y-O-Y**
Assets						
Cash and cash equivalents	$ 376,486	$ 344,943	9.1%	£243,883	£ 223,287	9.2%
Amounts due from credit institutions	$ 173,371	$ 65,690	163.9%	£112,308	£ 42,522	164.1%
Investment securities – AFS & HTM	$ 251,243	$ 166,363	51.0%	£162,753	£ 107,689	51.1%
Loans to customers and finance lease receivable	$ 1,566,683	$ 1,334,527	17.4%	£ 1,014,880	£ 863,861	17.5%
Investments in associates	$ 1,805	$ 3,177	-43.2%	£1,169	£ 2,057	-43.2%
Investment properties	$ 60,890	$ 64,014	-4.9%	£ 39,444	£ 41,437	-4.8%
Property and equipment	$ 208,449	$ 161,225	29.3%	£135,031	£ 104,364	29.4%
Goodwill	$ 27,662	$ 39,037	-29.1%	£ 17,919	£ 25,269	-29.1%
Other intangible assets	$ 12,708	$ 12,628	0.6%	£8,232	£ 8,175	0.7%
Current income tax assets	$ 5,082	$ 1,267	NMF	£3,292	£ 820	NMF
Deferred income tax assets	$ 8,893	$ 10,253	-13.3%	£5,761	£ 6,637	-13.2%
Prepayments	$ 17,922	$ 13,178	36.0%	£ 11,609	£ 8,530	36.1%
Other assets	$ 82,376	$ 42,538	93.7%	£ 53,362	£ 27,536	93.8%
Total assets	**$ 2,793,570**	**$ 2,258,840**	**23.7%**	**£ 1,809,643**	**£1,462,184**	**23.8%**
Liabilities						
Amounts due to customers, of which	$ 1,637,858	$ 1,142,869	43.3%	£ 1,060,986	£ 739,799	43.4%
Client deposits	*$ 1,529,392*	*$ 1,130,681*	*35.3%*	*£990,723*	*£ 731,909*	*35.4%*
Promissory notes	*$108,466*	*$ 12,188*	NMF	*£ 70,263*	*£ 7,890*	NMF
Amounts due to credit institutions	$ 551,600	$ 642,373	-14.1%	£357,320	£ 415,819	-14.1%
Current income tax liabilities	$703	$ 2,398	-70.7%	£ 455	£ 1,552	-70.7%
Deferred income tax liabilities	$ 21,702	$ 17,429	24.5%	£ 14,058	£ 11,282	24.6%
Provisions	$231	$ 2,486	-90.7%	£ 150	£ 1,609	-90.7%
Other liabilities	$ 94,888	$ 60,230	57.5%	£ 61,467	£ 38,987	57.7%
Total liabilities	**$ 2,306,982**	**$ 1,867,785**	**23.5%**	**£ 1,494,436**	**£1,209,048**	**23.6%**
Equity						
Share capital	$ 19,687	$ 17,679	11.4%	£ 12,753	£ 11,444	11.4%
Additional paid-in capital	$ 283,672	$ 269,196	5.4%	£183,760	£ 174,255	5.5%
Treasury shares	$ (1,884)	$ (852)	121.1%	-£1,220	-£ 551	121.4%
Other reserves	$ 8,669	$ 15,125	-42.7%	£5,616	£ 9,790	-42.6%
Retained earnings	$ 152,448	$ 73,499	107.4%	£ 98,754	£ 47,577	107.6%
Total equity attributable to shareholders of the Bank	**$ 462,592**	**$ 374,647**	**23.5%**	**£299,663**	**£ 242,515**	**23.6%**
Non-controlling interests	$ 23,996	$ 16,408	46.2%	£ 15,544	£ 10,621	46.4%
Total equity	**$ 486,588**	**$ 391,055**	**24.4%**	**£315,207**	**£ 253,136**	**24.5%**
Total liabilities and equity	**$ 2,793,570**	**$ 2,258,840**	**23.7%**	**£ 1,809,643**	**£1,462,184**	**23.8%**

Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.670 per US$1.00 and GEL 1.773 per US$1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

Converted to GBP for the convenience using a period-end exchange rate of GEL 2.578 per GBP 1.00 and GEL 2.739 per GBP 1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

STANDALONE INCOME STATEMENT OF JSC BANK OF GEORGIA in US$ and GBP

Thousands, unless otherwise noted	US$		*unaudited*	GBP		
	2011	**2010**	**Change Y-O-Y**	**2011**	**2010**	**Change Y-O-Y**
Loans to customers	$ 260,137	$ 206,598	25.9%	£168,514	£133,734	26.0%
Investment securities – AFS & HTM	$ 22,546	$ 10,675	111.2%	£ 14,605	£6,910	111.4%
Amounts due from credit institutions	$ 8,249	$ 3,184	159.1%	£5,344	£2,061	159.3%
Interest income	**$ 290,932**	**$ 220,457**	**32.0%**	**£188,463**	**£142,705**	**32.1%**
Amounts due to customers	$(96,910)	$(54,696)	77.2%	-£ 62,777	-£ 35,406	77.3%
Amounts due to credit institutions	$(57,835)	$(50,596)	14.3%	-£ 37,465	-£ 32,752	14.4%
Interest expense	**$ (154,745)**	**$ (105,292)**	**47.0%**	**-£100,242**	**-£ 68,158**	**47.1%**
Net interest income before net gains (losses) from derivative financial instruments	**$ 136,187**	**$ 115,165**	**18.3%**	**£ 88,221**	**£ 74,547**	**18.3%**
Net gains (losses) from derivative financial instruments	$ 2,984	$ (4,557)	NMF	£1,933	-£2,950	NMF
Net interest income	**$ 139,171**	**$ 110,608**	**25.8%**	**£ 90,154**	**£ 71,597**	**25.9%**
Fee and commission income	$ 49,927	$ 37,521	33.1%	£ 32,342	£ 24,288	33.2%
Fee and commission expense	$(10,895)	$ (7,783)	40.0%	-£7,058	-£5,038	40.1%
Net fee and commission income	**$ 39,032**	**$ 29,738**	**31.3%**	**£ 25,284**	**£ 19,250**	**31.3%**
Net gains from trading securities and investment securities	$ 532	$73	NMF	£ 345	£ 47	NMF
Net gains from revaluation of investment property	$ 187	$ 611	-69.4%	£ 121	£ 395	-69.4%
Net gains from foreign currencies:						
– dealing	$ 23,877	$ 17,836	33.9%	£ 15,467	£ 11,546	34.0%
– translation differences	$ 14,232	$ (169)	NMF	£9,219	-£ 109	NMF
Other operating income	$ 2,755	$ 1,807	52.5%	£1,785	£1,170	52.6%
Other operating non-interest income	**$ 41,583**	**$ 20,158**	**106.3%**	**£ 26,937**	**£ 13,049**	**106.4%**
Revenue	**$ 219,786**	**$ 160,504**	**36.9%**	**£142,375**	**£103,896**	**37.0%**
Salaries and other employee benefits	$(52,061)	$(39,818)	30.7%	-£ 33,725	-£ 25,775	30.8%
General and administrative expenses	$(28,017)	$(22,938)	22.1%	-£ 18,149	-£ 14,848	22.2%
Depreciation and amortization	$(12,995)	$(12,987)	0.1%	-£8,418	-£8,407	0.1%
Other operating expenses	$ (1,955)	$ (1,304)	49.9%	-£1,266	-£ 844	50.0%
Other operating non-interest expenses	**$(95,028)**	**$(77,047)**	**23.3%**	**-£ 61,558**	**-£ 49,874**	**23.4%**
Operating income before cost of credit risk	**$ 124,758**	**$ 83,457**	**49.5%**	**£ 80,817**	**£ 54,022**	**49.6%**
Impairment charge on loans to customers	$ 13,361	$ 22,036	-39.4%	£8,655	£ 14,264	-39.3%
(Impairment reversal) charge on other assets and provisions	$ (2,292)	$ (459)	NMF	-£1,484	-£ 297	NMF
Cost of credit risk	**$ 11,069**	**$ 21,577**	**-48.7%**	**£7,171**	**£ 13,967**	**-48.7%**
Net operating income	**$ 113,689**	**$ 61,880**	**83.7%**	**£ 73,646**	**£ 40,055**	**83.9%**
Impairment of property and equipment	$ -	$ (245)	-100.0%	£ -	-£ 159	-100.0%
Other non-operating income	$ -	$ 153	-100.0%	£ -	£ 99	-100.0%
Other non-operating expense	$ (7,877)	$ (460)	NMF	-£5,102	-£ 298	NMF
Net non-operating expenses	**$ (7,877)**	**$ (552)**	**NMF**	**-£5,102**	**-£ 358**	**NMF**
Profit before income tax expense from continuing	**$ 105,812**	**$ 61,328**	**72.5%**	**£ 68,544**	**£ 39,697**	**72.7%**
Income tax expense	$ 10,672	$ 9,063	17.8%	£6,913	£5,867	17.8%
Profit for the period from continuing operations	**$ 95,140**	**$ 52,265**	**82.0%**	**£ 61,631**	**£ 33,830**	**82.2%**
Net loss from discontinued operations	$ 9,113	$ -	NMF	£5,903	£ -	NMF
Net profit for the period	**$ 86,027**	**$ 52,265**	**64.6%**	**£ 55,728**	**£ 33,830**	**64.7%**

Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.670 per US$1.00 and GEL 1.773 per US$1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

Converted to GBP for the convenience using a period-end exchange rate of GEL 2.578 per GBP 1.00 and GEL 2.739 per GBP 1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

STANDALONE BALANCE SHEET OF JSC BANK OF GEORGIA in US$ and GBP

Thousands, unless otherwise noted	**US$**			**GBP**		
			unaudited			
	2011	**2010**	**Change Y-O-Y**	**2011**	**2010**	**Change Y-O-Y**
Assets						
Cash and cash equivalents	$ 364,202	$ 315,241	15.5%	£235,926	£ 204,061	15.6%
Amounts due from credit institutions	$ 168,332	$ 58,045	190.0%	£109,043	£ 37,573	190.2%
Investment securities – AFS & HTM	$ 246,732	$ 158,725	55.4%	£159,830	£ 102,746	55.6%
Loans to customers and finance lease receivable	$ 1,578,062	$ 1,240,811	27.2%	£ 1,022,251	£ 803,198	27.3%
Investments in associates	$ 102,420	$ 190,567	-46.3%	£ 66,347	£ 123,357	-46.2%
Investment properties	$ 43,626	$ 44,712	-2.4%	£ 28,260	£ 28,943	-2.4%
Property and equipment	$ 142,154	$ 126,140	12.7%	£ 92,086	£ 81,653	12.8%
Goodwill	$ 13,622	$ 12,830	6.2%	£8,824	£ 8,305	6.2%
Other intangible assets	$ 11,056	$ 9,613	15.0%	£7,162	£ 6,222	15.1%
Current income tax assets	$ 4,010	$ -	NMF	£2,597	£ -	NMF
Prepayments	$ 10,692	$ 9,341	14.5%	£6,926	£ 6,046	14.6%
Other assets	$ 28,598	$ 9,399	204.3%	£ 18,525	£ 6,084	204.5%
Total assets	**$ 2,713,506**	**$ 2,175,424**	**24.7%**	**£ 1,757,777**	**£1,408,188**	**24.8%**
Liabilities						
Amounts due to customers, of which	$ 1,632,596	$ 1,029,080	58.6%	£ 1,057,578	£ 666,141	58.8%
Client deposits	*$ 1,524,130*	*$ 1,016,892*	*49.9%*	*£987,315*	*£ 658,251*	*50.0%*
Promissory notes	*$108,466*	*$ 12,188*	*NMF*	*£ 70,263*	*£ 7,890*	*NMF*
Amounts due to credit institutions	$ 529,400	$ 628,628	-15.8%	£342,939	£ 406,922	-15.7%
Current income tax liabilities	$ -	$ 2,350	-100.0%	£ -	£ 1,521	-100.0%
Deferred income tax liabilities	$ 18,716	$ 16,192	15.6%	£ 12,124	£ 10,481	15.7%
Provisions	$231	$ 2,486	-90.7%	£ 150	£ 1,609	-90.7%
Other liabilities	$ 32,837	$ 24,874	32.0%	£ 21,268	£ 16,102	32.1%
Total liabilities	**$ 2,213,780**	**$ 1,703,610**	**29.9%**	**£ 1,434,059**	**£1,102,776**	**30.0%**
Equity						
Share capital	$ 19,687	$ 17,679	11.4%	£ 12,753	£ 11,444	11.4%
Additional paid-in capital	$ 281,740	$ 268,846	4.8%	£182,508	£ 174,028	4.9%
Treasury shares	$ (1,884)	$ (776)	142.8%	-£1,220	-£ 502	143.0%
Other reserves	$ 24,760	$ 29,685	-16.6%	£ 16,040	£ 19,215	-16.5%
Retained earnings	$ 175,423	$ 156,380	12.2%	£113,637	£ 101,227	12.3%
Total equity	**$ 499,726**	**$ 471,814**	**5.9%**	**£323,718**	**£ 305,412**	**6.0%**
Total liabilities and equity	**$ 2,713,506**	**$ 2,175,424**	**24.7%**	**£ 1,757,777**	**£1,408,188**	**24.8%**

Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.670 per US$1.00 and GEL 1.773 per US$1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

Converted to GBP for the convenience using a period-end exchange rate of GEL 2.578 per GBP 1.00 and GEL 2.739 per GBP 1.00, such exchange rates being the official Georgian Lari to U.S. dollar period-end exchange rates as reported by the National Bank of Georgia on 31 December 2011 and 31 December 2010.

KEY RATIOS

Bank of Georgia Consolidated

Ratios presented on a consolidated basis, unless otherwise noted

Profitability Ratios	**2011**	**2010**
ROAA [1]	3.6%	2.5%
ROAE[2]	20.4%	13.5%
Interest Income To Average Int. Earning Assets Excl. Cash [3]	18.1%	19.2%
Interest Income To Average Int. Earning Assets Incl. Cash [3]	14.8%	16.3%
Cost of Funds [4]	8.0%	8.2%
Cost of Funds (excluding gains (losses) from interest rate derivatives)	8.1%	7.9%
Net Spread Excl. Cash [5]	10.0%	11.3%
Net Spread Incl. Cash [5]	6.7%	8.4%
Net Interest Margin [6]	7.1%	8.0%
Net Interest Margin (excluding gains (losses) from interest rate derivatives)	6.9%	8.3%
Loan Yield Excl. Provisions[7]	17.3%	18.3%
Loan Yield Incl. Provisions[7]	16.4%	16.0%
Deposit Yield	8.0%	7.5%
Interest Expense To Interest Income	53.3%	48.9%
Net Non-Interest Income To Average Total Assets [8]	4.8%	4.1%
Net Non-Interest Income To Revenue	45.8%	39.8%
Net Fee And Commission Income To Average Interest Earning Assets [9]	1.8%	1.9%
Net Fee And Commission Income To Revenue	17.1%	18.3%
Operating Leverage, Y-O-Y [10]	18.3%	15.1%
Operating Leverage, Y-O-Y, Normalized [10]	12.7%	22.6%
Total Operating Income (Revenue) To Total Assets	9.5%	8.7%
Recurring Earning Power [11]	5.3%	4.3%
Net Income To Revenue	34.2%	23.8%

Efficiency Ratios		
Operating Cost To Average Total Assets [12]	5.2%	5.9%
Cost / Income [13]	49.3%	57.6%
Cash Cost / Income	36.6%	43.7%
Personnel Cost To Revenue [14]	27.0%	30.2%
Personnel Cost To Operating Cost	54.7%	52.3%
Personnel Cost To Average Total Assets	2.8%	3.1%

Liquidity Ratios		
Net Loans To Total Assets [15]	56.1%	59.1%
Average Net Loans To Average Total Assets	57.5%	57.5%
Interest Earning Assets To Total Assets	80.7%	79.1%
Average Interest Earning Assets To Average Total Assets	80.7%	76.8%
Liquid Assets To Total Assets [16]	28.4%	25.3%
Liquid Assets To Total Short-Term Liabilities, NBG Stand-Alone	37.8%	34.7%
Liquid Assets To Total Liabilities, IFRS Consolidated	34.8%	30.9%
Net Loans To Client Deposits	102.4%	118.0%
Net Loans to Customer Funds	95.7%	116.8%
Average Net Loans To Average Client Deposits	114.8%	127.2%
Net Loans To Total Deposits [17]	100.2%	110.2%
Net Loans To (Total Deposits + Total Equity)	76.4%	83.3%
Net Loans To Total Liabilities	67.9%	71.4%
Total Deposits To Total Liabilities	67.8%	64.8%
Client Deposits To Total Deposits	97.8%	93.4%
Client Deposits To Total Liabilities	66.3%	60.5%
Total Deposits To Total Assets	56.0%	53.6%
Client Deposits To Total Assets	54.7%	50.1%
Client Deposits To Total Equity (Times)	3.14	2.89
Due From Banks / Due To Banks [18]	1298.4%	419.5%

Total Equity To Net Loans	31.1%	29.3%
Leverage (Times) [19]	4.7	4.8
Asset Quality		
NPLs (in GEL thousands) [20]	97,191	117,580
NPLs To Gross Loans [21]	3.6%	4.6%
NPL Coverage Ratio [22]	118.5%	149.8%
Cost of Risk [23]	0.9%	2.1%
Reserve For Loan Losses To Gross Loans [24]	4.2%	6.9%
% Of Loans To Clients Collateralized	87.0%	91.8%
Equity To Average Net Loans To Clients	33.8%	35.7%
Capital Adequacy:		
Equity To Total Assets	17.4%	17.3%
BIS Tier I Capital Adequacy Ratio, Consolidated [25]	19.9%	17.5%
BIS Total Capital Adequacy Ratio, Consolidated [26]	28.5%	26.6%
NBG Tier I Capital Adequacy Ratio [27]	10.5%	13.0%
NBG Total Capital Adequacy Ratio [28]	16.2%	14.5%
Per Share Values:		
Basic EPS (GEL) [29]	4.44	2.78
Basic EPS (US$)	$2.66	$1.57
Basic EPS (GEL), from continuing operations	4.95	2.78
Basic EPS (US$), from continuing operations	$2.96	$1.57
Book Value Per Share (GEL)[30]	26.09	22.23
Book Value Per Share (US$)	$15.62	$12.54
Ordinary Shares Outstanding – Weighted Average, Basic[31]	29,866,366	30,037,041
Ordinary Shares Outstanding – Period End	32,877,547	31,344,860
Ordinary Shares Outstanding – Diluted [32]	33,501,366	33,511,655
Selected Operating Data:		
Full Time Employees, Group, Of Which:	7,301	5,610
- Full Time Employees, BOG Stand-Alone	*3,364*	*3,110*
- Full Time Employees, Aldagi BCI	*2,911*	*1,046*
- Full Time Employees, BNB	*260*	*255*
- Full Time Employees, Other	*766*	*1,199*
Total Assets Per FTE, BOG Stand-Alone (in GEL thousands) [33]	1,347	1,240
Number Of Active Branches, Of Which:	158	142
- Number Of Flagship Branches	*34*	*34*
- Metro Branches	*24*	*24*
Express Branches	*9*	*-*
- All Other Branches	*91*	*84*
Number Of ATMs	426	405
Number Of Cards Outstanding	663,205	603,049
Number Of POS Terminals	2,828	2,330

NOTES TO KEY RATIOS

1 Return On Average Total Assets (ROAA) equals Net 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 Net 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 Average Interest Earning Assets are calculated on a monthly basis; Interest Earning Assets Including Cash include: Amounts Due From Credit Institutions, Investment Securities Held-To-Maturity, Investments Securities Available-For-Sale (but excluding equity instruments – shares, etc.) and Loans To Customers And Finance Lease Receivables; Interest Earning Assets Excluding Cash include all of the above except Amounts Due From Credit Institutions;
4 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 Owed To Credit Institutions and Amounts Owed To Customers;
5 Net Spread equals Interest Income To Average Interest Earning Assets less Cost Of Funds;
6 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;
7 Loan Yield Including Provisions equals Interest Income From Loans To Customers And Finance Lease Receivables, less Impairment Charge for Loans To Customers And Finance Lease Receivables, divided by monthly Average Gross Loans To Customers And Finance Lease Receivables; Loan Yield Excluding Provisions equals Interest Income From Loans To Customers And Finance Lease Receivables divided by monthly Average Gross Loans To Customers And Finance Lease Receivables;
8 Net Non-Interest Income includes: Net Fee And Commission Income, Net Insurance Revenues and Other Operating Non-Interest Income (excluding Net Gains or Losses From Derivative Financial Instruments);
9 Net Fee And Commission Income also includes net commission income from documentary operations (such as income from guarantees and letters of credit);
10 Operating Leverage equals percentage change in Revenue less percentage change in Other Operating Non-Interest Expenses;
11 Recurring Earning Power equals Operating Income Before Cost of Credit Risk for the period divided by monthly average Total Assets of the same period;
12 Operating Cost equals Other Operating Non-Interest Expenses;
13 Cost / Income Ratio equals Operating Cost divided by Revenue;
14 Personnel Cost equals Salaries And Other Employee Benefits;
15 Net Loans equal Net Loans To Customers And Finance Lease Receivables;
16 Liquid Assets include: Cash And Cash Equivalents, Amounts Due From Credit Institutions, Investment Securities Held-To-Maturity and Investment Securities Available-For-Sale (but excluding equity instruments – shares, etc);
17 Total Deposits include Client Deposits and Corresponding Accounts, Times Deposits and Inter-Bank Loans from other banks;
18 Due From Banks equals Cash And Cash Equivalents plus Amounts Due From Credit Institutions (but excluding Cash On Hand); Due To Banks equals Corresponding Accounts, Times Deposits and Inter-Bank Loans from other banks;
19 Leverage (Times) equals Total Liabilities divided by Total Equity;
20 NPLs (in GEL) equals total gross non-performing loans as of the period end; non-performing loans are loans that either have debts in arrears for more than 90 calendar days or, based on the reasonable opinion of the Bank’s management, are qualified to be non-performing due to other factors (e.g. restructuring due to the borrower’s inability to meet payment obligations);
21 Gross Loans equals Gross Loans To Customers And Finance Lease Receivables;
22 NPL Coverage Ratio equals Allowance For Impairment Of Loans And Finance Lease Receivables divided by NPLs;
23 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;
24 Reserve For Loan Losses To Gross Loans equals Allowance For Impairment Of Loans And Finance Lease Receivables divided by Gross Loans And Finance Lease Receivables;
25 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;
26 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;
27 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;
28 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;
29 Basic EPS equals Net Profit for the period attributable to shareholders’ of the Bank divided by the weighted average number of outstanding ordinary shares over the same period;
30 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 less number of Treasury Shares at period end;
31 Weighted average number of ordinary shares equal average of daily outstanding number of shares less daily number of treasury shares;
32 Diluted number of ordinary shares equals weighted average number of ordinary shares plus dilutive number of shares known to the management as of the period end;
33 Equals stand-alone Total Assets of the Bank divided by total number of full-time employees of the Bank.