

London, 11 September 2012

### *Bank of Georgia hosts Investor Day in Tbilisi*

Bank of Georgia Holdings plc (BGH) is today hosting an Investor Day for analysts and investors in Tbilisi, Georgia.

As part of the presentation the Bank will update investors on its medium term strategic goals which are summarised below:

- The Bank will continue to focus on the rapidly growing Georgian market
- Our '3x20' strategy will continue to be targeted over the medium term to deliver
  - A return on average equity of 20%
  - Customer lending and deposit growth of 20% per annum
  - A Tier 1 capital ratio of 20%
- The Bank will maintain a progressive dividend policy, aiming to further increase its dividend per share over time
- Over the medium term, the net interest margin is expected to be in the 7-7.5% range
- Positive operating leverage is expected to be maintained over the next 2-3 years, reducing the cost/income ratio to close to 40%
- The loan-to-deposit ratio is expected to be maintained in the 100-110% range over the next 2-3 years
- The Bank will continue to enhance its already prudent risk management practice
- The Non-Performing Lending coverage ratio is expected to be in the 90-100% range within one year
- The Bank's cost of risk is expected to remain in the 0.8-1.2% range
- The Bank expects to achieve further capital flexibility from its Insurance and Healthcare, and Affordable Housing businesses:
  - In Insurance and Healthcare; to target a return on average equity of 25%+, and net profit of GEL16 million in 2012, and GEL24 million in 2013 (2011:GEL 6.5 million). The Bank will consider an Initial Public Offering of Aldagi BCI, its Insurance and Healthcare subsidiary, in 2-3 years time.
  - In Affordable Housing; to target an internal rate of return of 30%+, aiming to cash out and discontinue this business in 2015, following a targeted capital formation of US\$25 million from 2012-2015.

A full set of the presentation slides can be viewed on the BGH website at:

<http://www.bogh.co.uk/en/274>

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#### **About Bank of Georgia**

Bank of Georgia Holdings plc is a UK-incorporated holding company of Bank of Georgia. Bank of Georgia is the leading Georgian bank, based on total assets (with a 35.7% market share), total loans (with a 35.9% market share) and client deposits (with a 36.0% market share) as of 30 June 2012, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients.

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](http://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