

Ministerial Conference Financial Information: **Catalyst for Growth**

Discussion topic: Success Stories from the Region: Sound Financial Reporting Supporting Business Growth

Venue: Vienna, April 26-27, 2016

BGEO Group structure

Investors

Regular dividends

Capital Returns

Holding company of BANK OF GEORGIA

BGEO
GROUP

Banking Business



EXPRESS
BANK

SOLO



GALT & TAGGART
CREATING OPPORTUNITIES

ALDAGI



БЕЛАРУСКИ НАРОДНЫ БАНК
BELARUSKY NARODNY BANK

Retail
Banking

Corporate
Banking

Investment
Management

Aldagi
(P&C
Insurance)

BNB
(Bank in
Belarus)

Investment Business



GEORGIA
HEALTHCARE
GROUP



მ² რეალური ქონება
REAL ESTATE

GGU

Water utility and hydro



TELIANI VALLEY

GHG
(Healthcare)

M2
(Real
Estate)

GGU
(Utilities)

GRE
(Renewable
Energy)

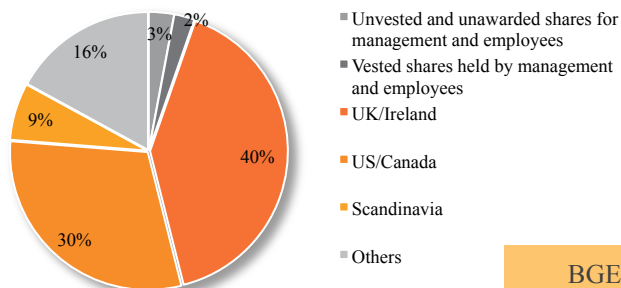
Teliani
Valley
(Wine &
Beer)

BGEO
Group

BGEO – Shareholder structure and share price

BGEO shareholder structure

As of 31 December 2015



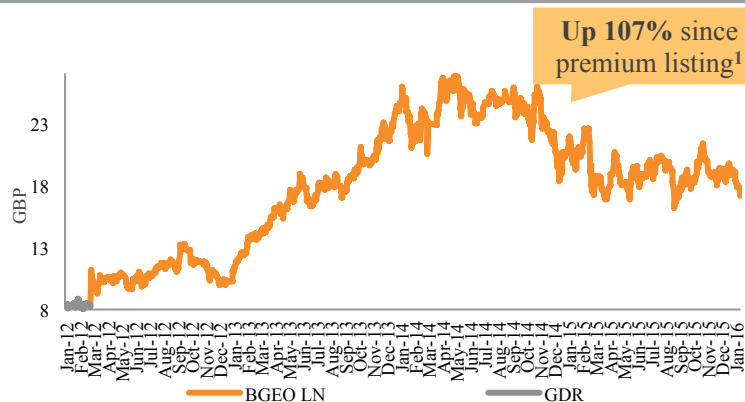
BGEO has been included in the
FTSE 250 and
FTSE All-share Index Funds
since 18 June 2012

BGEO top shareholders

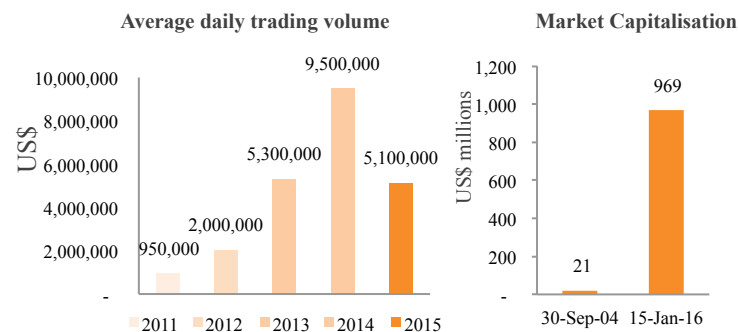
As of 31 December 2015

Rank	Shareholder name	Ownership %
1	Schroders Investment Management	10.30
2	Harding Loevner Management LP	9.09
3	Westwood International Advisors	4.05
4	Artemis Investment Management	3.57
5	Firebird Management LLC	3.04

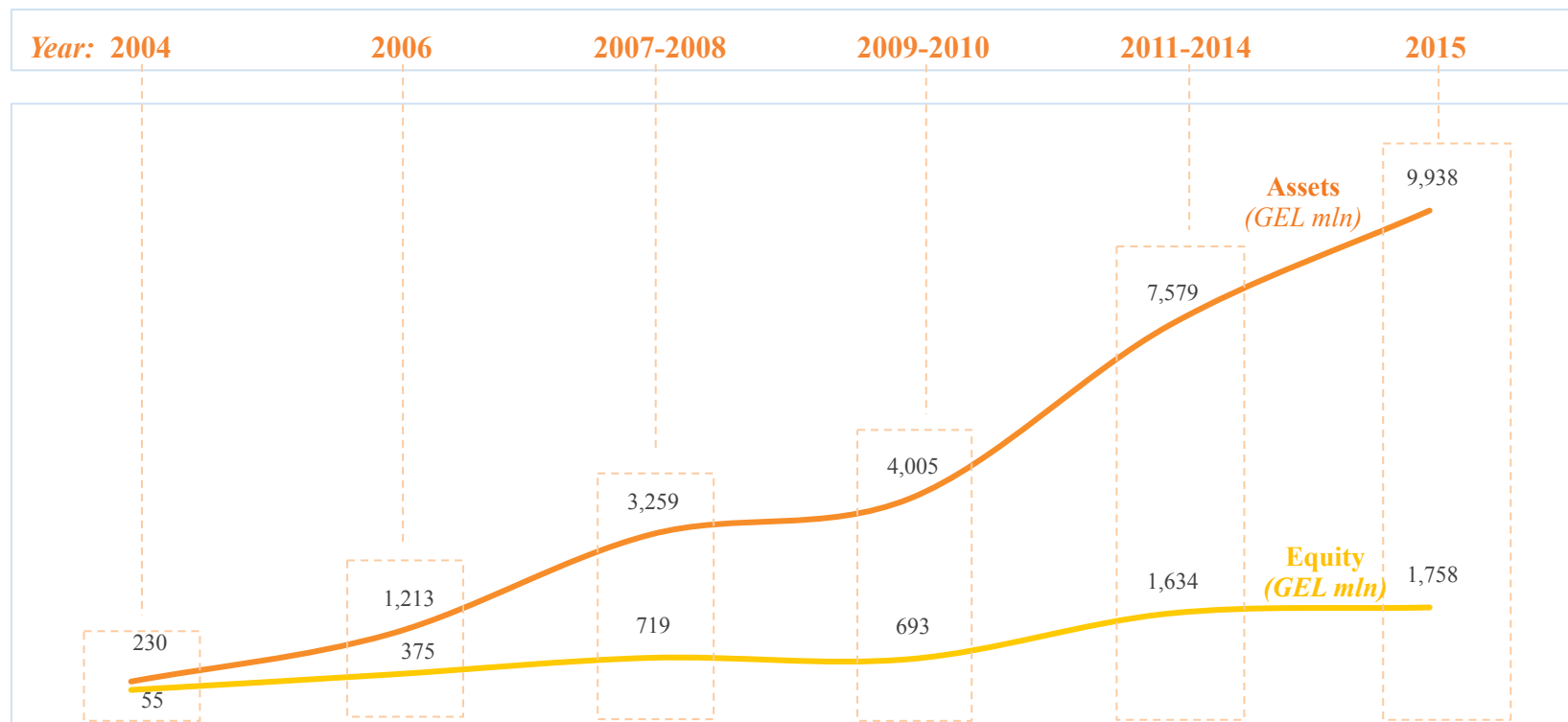
BGEO share price performance



X50 growth in market capitalisation



BGEO Group development roadmap

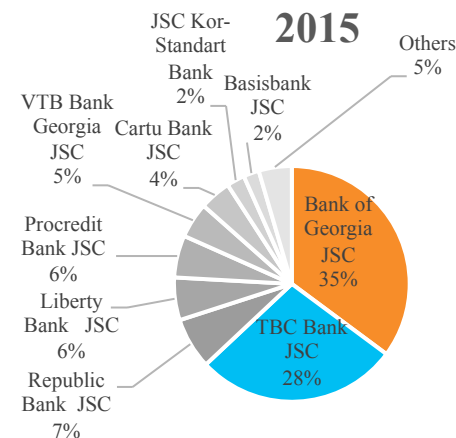
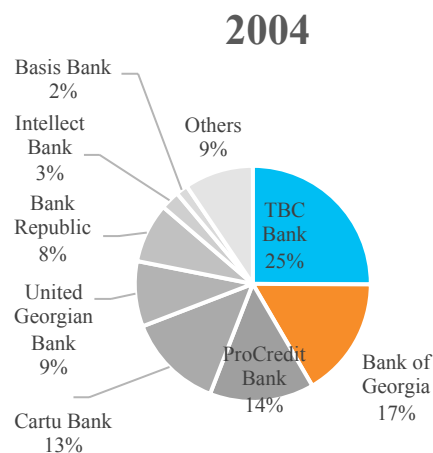


Year 2004: Enter Retail Banking

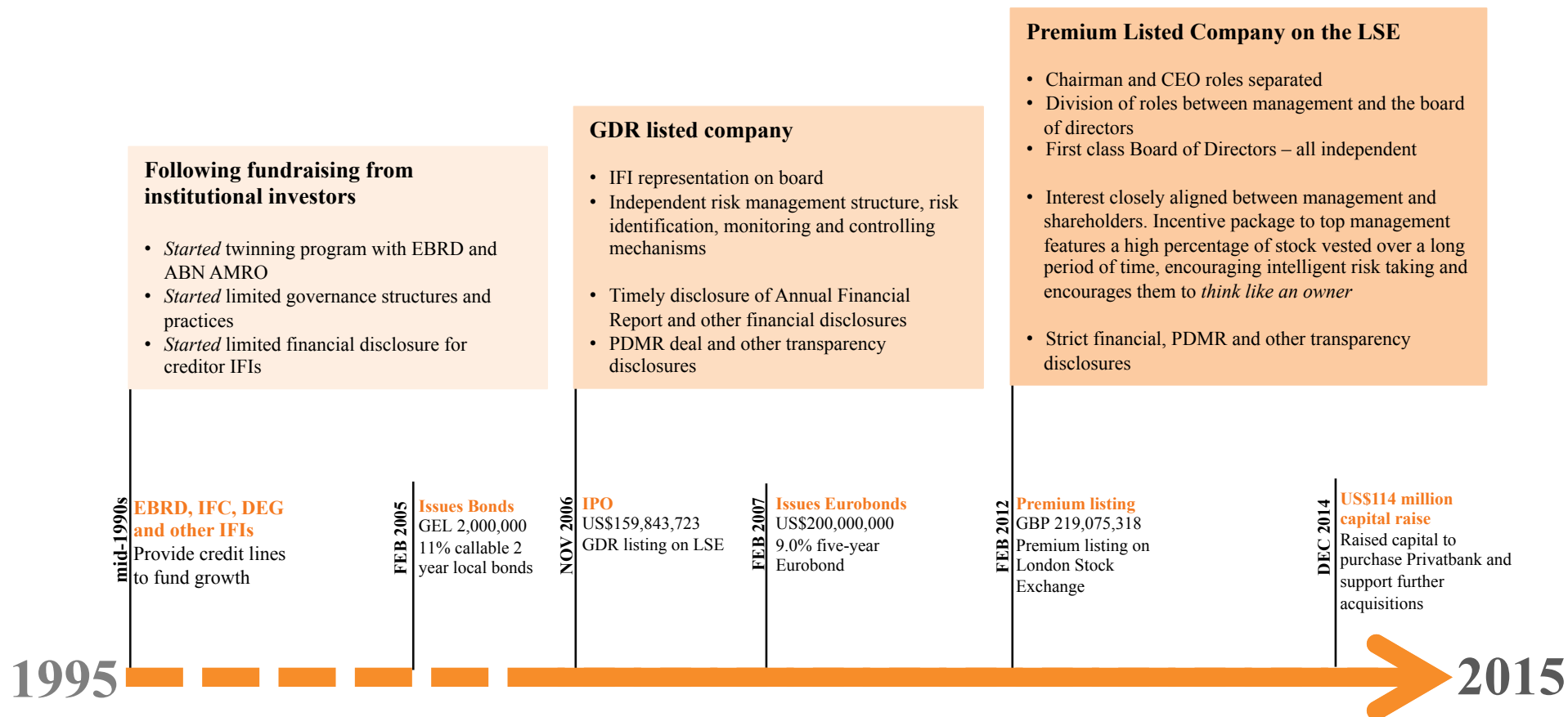
Retail banking not-existent in Georgia

- # of cards was **100k in 2004** (*8mln in 2015*)
- Loans to GDP **9% in 2004** (*50% in 2015*)
- Banks are primarily catering to corporate clients

Banking competition (Loans)



Good governance is key to success



Our governance philosophy

1. Independent board

- a. *The Board is comprised of nine Directors, eight of whom are Independent Non-Executive Directors*
- b. *Board committees: Audit Committee, Risk Committee, Nomination Committee, Remuneration Committee*

2. Separate roles of Chairman and CEO

3. Natural alignment of interest between shareholders and management

- a. *We award long-term vesting shares (up to five years) to management and make compensation in shares a large proportion of total annual compensation (e.g. 85-90%)*

4. The BGEO board is composed of an array of highly competent individuals with complementary skill sets needed to run our businesses

Georgia case: Role of IFIs

- **Supporting implementation of best practice legal and regulatory framework**
- **Supporting strong and independent regulator, thus introducing reporting, accounting, financial transparency and Audit standards**
- **Direct lending and TA: establishing good corporate governance standards in target commercial banks, helping them to form best practice Risk Management, audit, reporting functions**

Disclaimer

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

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