

Financial markets in Georgia



Liberty Bank At A Glance

The Largest Retail Footprint & Client Base

	Jun'11	Mar '11	Mar '10	Sep '09	Banking Sector (Jun '11)
Retail Clients, mln	1.30	1.30	1.25	1.20	N/A
Payroll Clients	138k	134k	96k	77k	~600k
Cards, mln	1.6	1.5	1.2	1.2	3.4
Branches	193	195	180	170	n.a.
Mobile Branches	60	36	0	0	0
Mobile Tellers	1,057	1,282	1,367	1,360	0
ATMs	248	207	137	134	1,482
POS Terminals	837	821	491	503	10,400

Significant untapped lending potential:

- Net Loans/Total Assets 37.9%
- Retail loan penetration ratio less than 30%

Source: NBG, Company Data

Universal Banking Business Model

Corporate Banking

- LB Serving 58,000+ accounts of corporate and public sector entities
- LB Corporate/SME loans account for 25.1% of Net Loan Book
- LB Corporate Client Balances & Deposits account for 63.1% of Client Deposits
- LB Documentary Operations and Trade Finance

Wealth Management

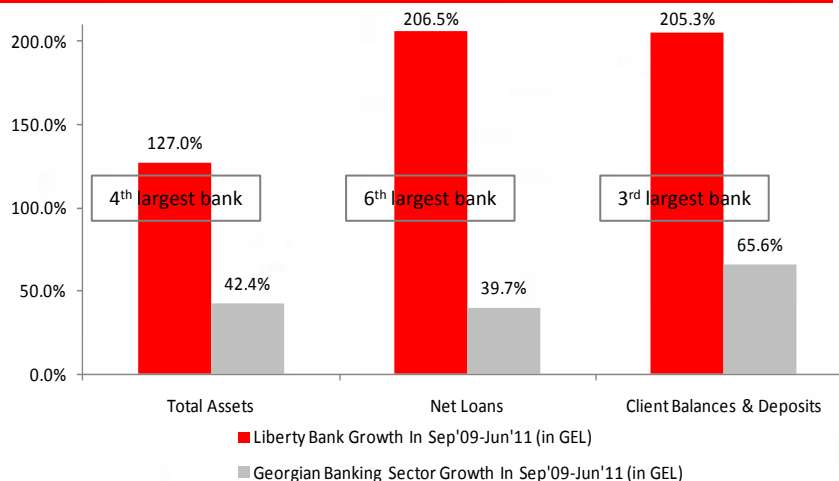
- LB 436 Private Banking clients as at 30 June 2011
- LB Private Banking Client Balances & Deposits 8.1% of Client Balances & Deposits

Liberty Securities

- LB A wholly-owned broker-dealer subsidiary
- LB GSE Trading Market Share 38.7% by value of shares traded for the full year 2010

Card Processing & Acquiring

A Turnaround In Progress



Since September 2009, Liberty Bank has been growing much faster than the banking sector

Source: NBG, Company Data

Reaching Institutional Maturity

- LB Listed on the Georgian Stock Exchange (Bloomberg: BANK GG)
- LB MCap US\$54.6 mln (31 August 2011)
- LB 16.4% institutionally owned
- LB Free float 28.4%, up from 6.6% in September 2009
- LB Unlisted GDRs administered by BNY Mellon (Reg S & 144A)
 - LB Bloomberg: 9818721Z (Reg S)
 - LB Bloomberg: 9818729Z (144A)
- LB Demonstrable commitment to building up the capital base and increasing the free float
- LB CAR (Basel I) improved to 13.6% in June 2011 from -7.4% in September 2009
- LB CEE pioneer of CoCos, GEL 18.6 mln 2YR contingent notes issued in October '10 (in more detail please refer to slide number 27)
- LB Fitch Ratings 'B/B' Stable, two notches below the sovereign ceiling (confirmed on September 7th, 2011)
- LB Low leverage
 - LB Net Loans/Total Deposits 48.5%
 - LB High Liquidity Ratio of 37.1%
- LB Experienced management team led by the most accomplished Georgian banker

September 2011

Liberty Bank At A Glance Cont'd

As at 30 June 2011

Shares Outstanding (bn)*	3.5
Shares AFS (mln)	95.7
Net Shares Outstanding (bn)**	3.4
Shares Owned By Liberty Capital (bn)	2.4
% Owned By Liberty Capital*	69.6%
Share price	GEL 0.027
MCap (GEL mln)**	90.9
MCap (US\$ mln)**	54.5
Free Float (including ESOP)**	28.4%
Free Float (GEL mln)**	25.8
% Of Free Float Traded In 2010	46.9%***
Exchange	GSE
Ticker Code	BANK
Bloomberg	BANK.GG
GDRs	Reg S & 144A
Common shares/GDRs	500:1
GDRs fully fungible?	Yes
Current GDR programme ceiling (% of shares outstanding)	30%
% of shares outstanding currently converted into GDRs	15.9%

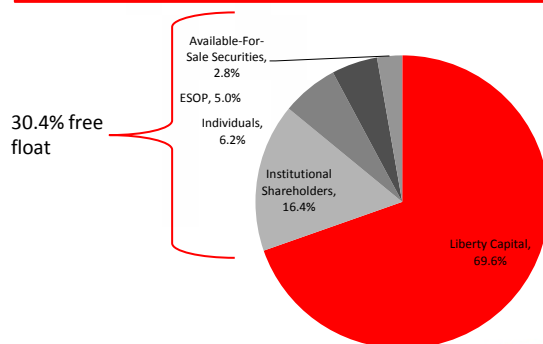
*Including shares available-for-sale

**Net of shares available-for-sale

***By parties other than Liberty Capital

GEL/US\$ Exchange Rate (e-o-p) of 1.6665 as at 30 June 2011

Liberty Bank Ownership Structure



Key Figures*

<i>GEL mln, unless otherwise noted *</i> <i>Consolidated</i>	Jun '11	Dec'10	Sep '10	Dec '09	Sep '09	YE 2008	YE 2007
Total Assets	635	531	466	321	281	318	283
Net Loans, of which	240	157	138	81	78	109	114
Retail Banking Loans	182	111	97	58	46	81	75
Corporate & Merchant Banking Loans	60	50	44	23	32	28	39
Private Banking Loans	7	4	4	0.7	0.4	N/A	N/A
Total Liabilities	583	496	432	312	263	303	222
Client Balances & Deposits, of which	475	357	333	203	202	199	204
Retail Client Balances & Deposits	137	126	120	77	80	114	107
Corporate Client Balances & Deposits	299	201	188	111	63	68	94
Private Banking Client Balances & Deposits	39	30	24	15	13	N/A	N/A
Shareholders' Equity	52	35	34	9	17	15	59

<i>GEL mln, unless otherwise noted *</i> <i>Consolidated</i>	Q2 '11	Q1 '11	Q4 '10	Q3 '10	Q2 '10	Q1 '10	2009	2008	2007
Revenue	20	17	18	17	16	12	41.2	55	49
Net Income/(Loss)	2.3	1.8	0.9	1.9	1.8	0.1	(5.4)	(46)	3
GEL/US\$ Exchange Rate, e-o-p	1.67	1.71	1.77	1.81	1.84	1.75	1.69	1.67	1.59

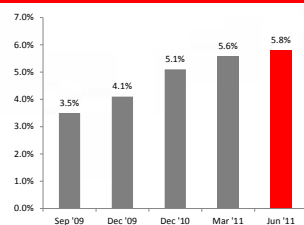
	Jun '11	Dec '10	Sep '10	Mar '10	Dec '09	Sep '09	YE 2008	YE 2007
Number of debit cards outstanding, mln	1.6	1.4	1.3	1.2	0.9	N/A	N/A	N/A
Number of ATMs	248	203	183	137	136	134	135	N/A
Number of POS terminals	837	726	598	491	510	503	548	N/A
Number of employees, of which	4,069	3,994	3,894	3,857	3,804	3,700	3,880	4,121
Full-time employees	2,431	2,083	1,993	1,946	1,890	1,790	1,907	2,162

*Not audited or reviewed (except for 2007, 2008, 2009 and 2010 figures), IFRS-based. Audited IFRS results may vary significantly from these preliminary figures

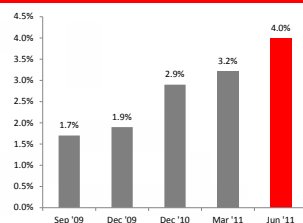
September 2011

Growing Much Faster Than The Banking Sector

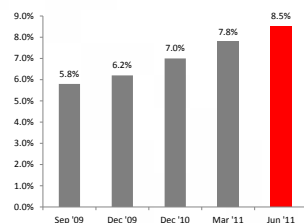
Market Share By Total Assets



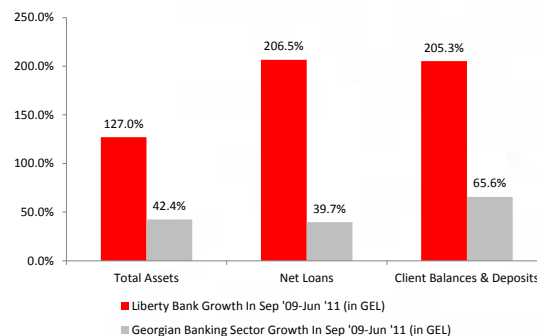
Market Share By Net Loans



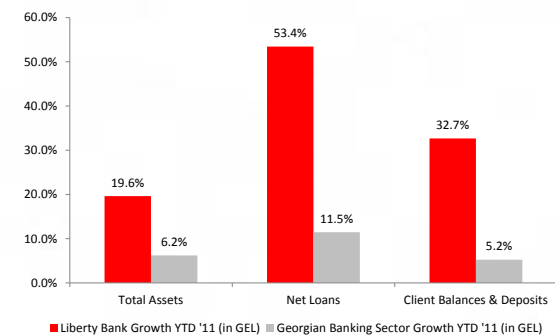
Market Share By Client Balances & Deposits



Liberty Bank Growth vs. Banking Sector, Sep '09-Jun '11



Liberty Bank Growth vs. Banking Sector, YTD 2011



Total Assets Growth

	YTD 2011	June '11-September '09
Liberty Bank (Consolidated)	19.6%	127.0%
The Georgian Banking Sector	6.2%	42.4%

YTD 2011

June '11-September '09

Net Loan Book Growth

	YTD 2011	June '11-September '09
Liberty Bank (Consolidated)	53.4%	206.5%
The Georgian Banking Sector	11.5%	39.7%

YTD 2011

June '11-September '09

Client Balances & Deposits Growth

	YTD 2011	June '11-September '09
Liberty Bank (Consolidated)	32.7%	205.3%
The Georgian Banking Sector	5.2%	65.6%

YTD 2011

June '11-September '09

	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Cumulative Since Sep '09
Number of loans disbursed by Liberty Bank	417,318	331,267	331,436	212,310	338,194	274,691	286,347	2,191,563
Volume of loans disbursed by Liberty Bank	172,247,809	105,464,306	109,223,566	98,961,244	95,100,463	72,336,865	64,168,740	717,502,993
Liberty Bank Market Share By Net Loans	4.0%	3.2%	2.9%	2.8%	2.7%	2.2%	1.9%	NMF

Key Accomplishments Q2 2011 and YTD 2011

LB Greater Size/Market Share

- LB** BANK is now the fourth largest bank in Georgia (by Total Assets), overtaking Bank Republic (Societe Generale Group) with the consolidated Total Assets reaching the highest-ever level of GEL 634.9 mln, up 7.2% q-o-q, 19.6% YTD and 47.7% y-o-y
- LB** BANK held a 5.8% market share by Total Assets as of 30 June 2011 (up from 5.1% at YE 2010)
- LB** Market share gains in Net Loans and Client Balances & Deposits in Q2 2011 reached 4.0% and 8.5% as of 30 June 2011, respectively

LB Improving Asset Composition

- LB** Gross Loans up 32.2% in Q2 2011 and up 45.1% YTD 2011 (through June 2011)
- LB** Net Loans up 35.3% in Q2 2011 and up 53.7% YTD 2011 (through June 2011)
- LB** Net Loans/Total Assets ratio increased to 37.8% as of 30 June 2011 as compared to 30.0% as of 31 March 2011 and 29.2% as of 30 June 2010
- LB** Significant untapped lending potential, given the moderate loan penetration rate among retail clients, Net Loans/Total Deposits ratio of 50.6% and Liquidity Ratio of 37.9%

LB Diversification of the Funding Sources

- LB** Client Deposits up 17.1% in Q2 2011 and up 32.7% YTD 2011 (through June 2011)
- LB** Term Deposits of individuals up 4.1% in Q2 2011 and up further 14.1% YTD 2011
- LB** Client Deposits/Total Liabilities at 84.5% as of 30 June 2011 vs. 78.9% as of 30 March 2011 vs. 80.5% as at YE 2010

LB Dramatically Better Capital Position

- LB** Q2 2011 consolidated Equity Book Value of GEL 51.9 mln, with all major legacy asset impairments being provisioned for throughout the year
- LB** BANK has successfully completed its capital increase by selling 525,083,660 treasury and newly issued ordinary shares to new institutional and retail investors for the aggregate consideration of GEL 13.1 mln paid in Q1 2011
- LB** BANK's BIS CAR reached 13.6% as of 30 June 2011, an improvement on CAR of 8.2% at YE 2010

LB Product & Channel Innovation

- LB** Patriot Deposit
- LB** Patriot Qomagi 2011 Deposit
- LB** Mzrunveli Deposit
- LB** Mortgage Loan
- LB** Installment Loan
- LB** Payroll Loan
- LB** ATM Overdraft
- LB** Smartivi

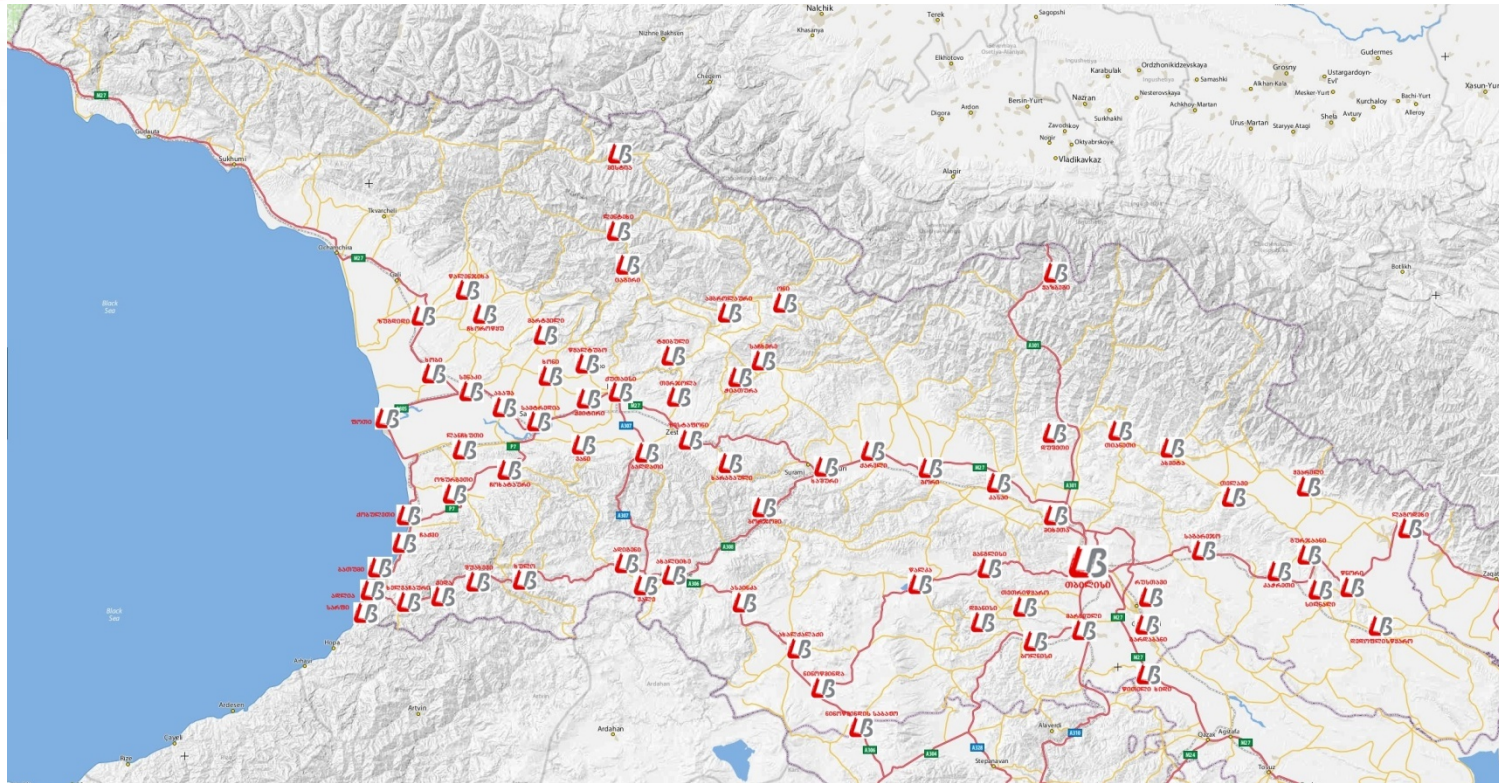
LB Improved share liquidity and transparency

- LB** As a result of capital increase in 2011, the free float increased from 15.1% at YE 2010 to 28.4% as of 30 June 2011
- LB** Liberty Securities, BANK's wholly-owned broker-dealer subsidiary, placed 78.4% of the total number of shares with institutional and retail investors
- LB** The shares sold comprise 15.6% of BANK's total shares outstanding as of 30 June 2011
- LB** 94.3% of the total number of shares sold were purchased in the form of Global Depository Receipts (GDRs) available through the BANK's GDR programme set up with Bank of New York Mellon

September 2011

The Largest Branch Network & Retail Client Base In Georgia

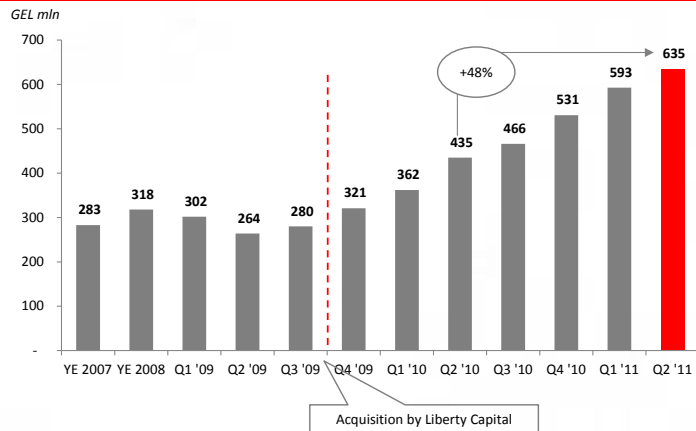
- LB** Over 800,000 pensioners as of 30 June 2011
- LB** Over 300,000 welfare payment recipients as of 30 June 2011
- LB** Approximately 138K payroll clients
- LB** Approximately 63K other retail clients accounts as of 30 June 2011
- LB** 193 branches
- LB** 60 mobile branches
- LB** 1,057 mobile tellers



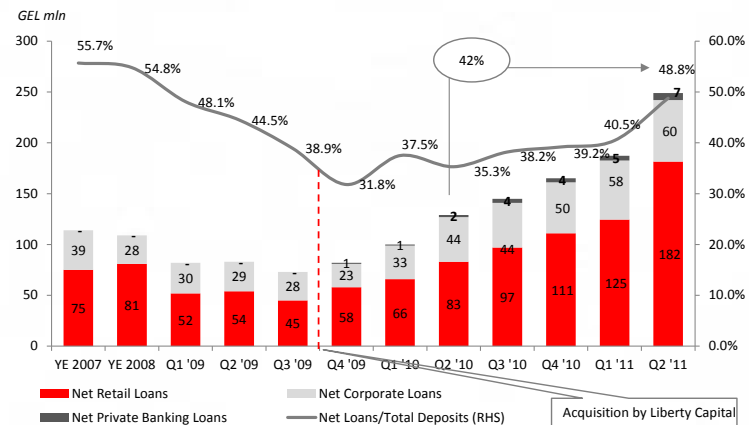
September 2011

Financial Highlights

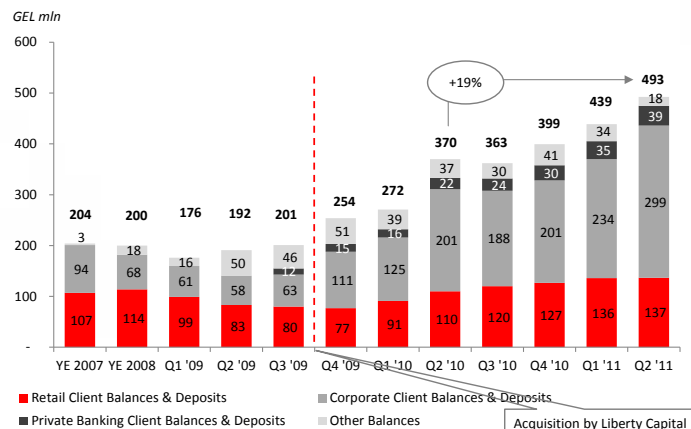
Total Assets



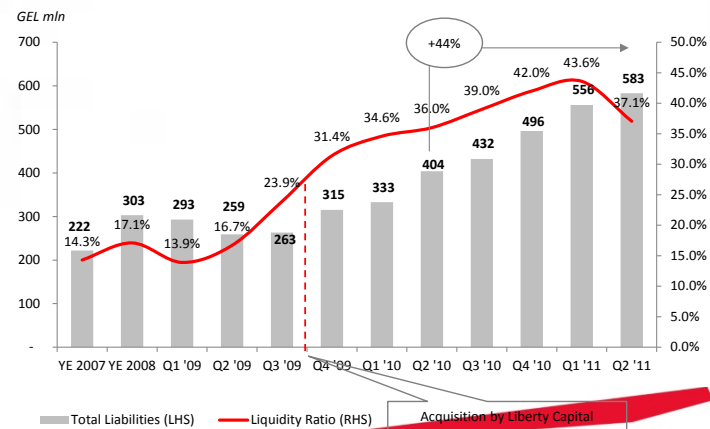
Net Loans



Total Balances & Deposits



Total Liabilities



*Short-term liquid assets divided by total assets (NBG)

September 2011

Note: Not audited or reviewed (except for 2007, 2008, 2009 and 2010 figures). IFRS-based, consolidated. Audited IFRS results may vary significantly from these preliminary figures

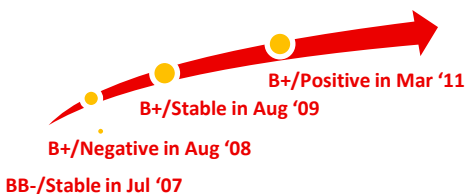
II Cbonds Russia & CIS Fixed Income Conference

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Georgian Economy & Banking Sector

Country Overview

Georgia is moving from negative to Positive outlook in the Fitch Ratings in 2011



Area:	69,700 sq km
Population (2009E):	4.4 mln
Life expectancy:	76 years
Official language:	Georgian
Literacy:	100%
Capital:	Tbilisi
Currency (code)	Lari (GEL)
GDP 2010 (E)	US\$11.7 bln
GDP real growth rate 2010 (E)	6.4%
GDP CAGR '03-'10 (E)	4.9%
GDP per capita 2010 (PPP)	US\$5,057
Inflation rate (e-o-p) 2010	11.2%
External debt to GDP 2010	33.6%



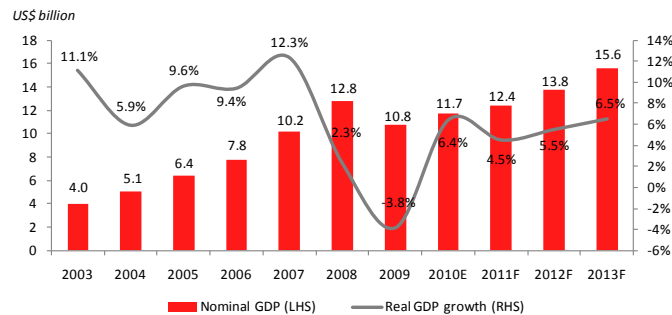
	2003	2010E
Nominal GDP (GEL mln)	8,564	20,791
GDP per capita (GEL)	1,972	4,646
Total budget revenues (GEL mln)	1,368	5,778

Source: Government of Georgia, company estimates

September 2011

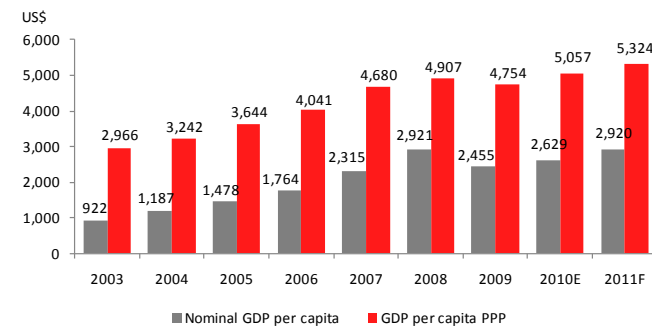
Georgian Economy At A Glance Cont'd

Gross Domestic Product (GDP)



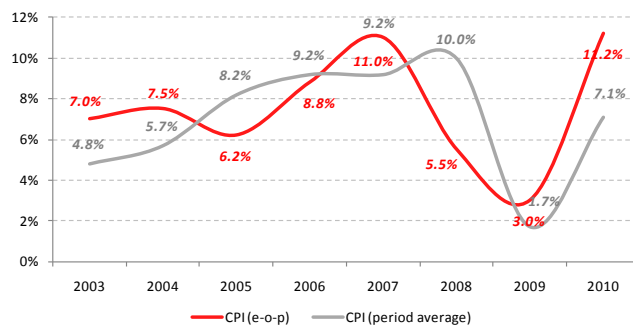
Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

GDP Per Capita



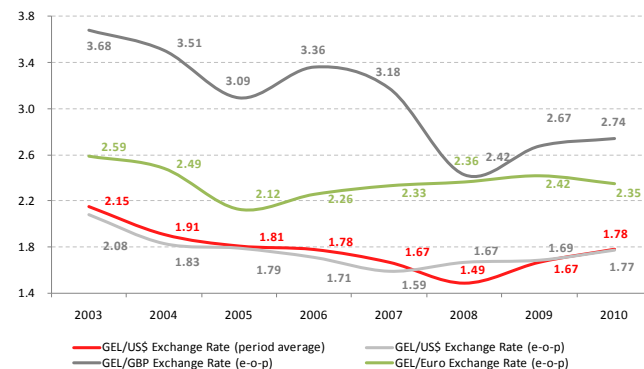
Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

Consumer Price Index



Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

Exchange Rate

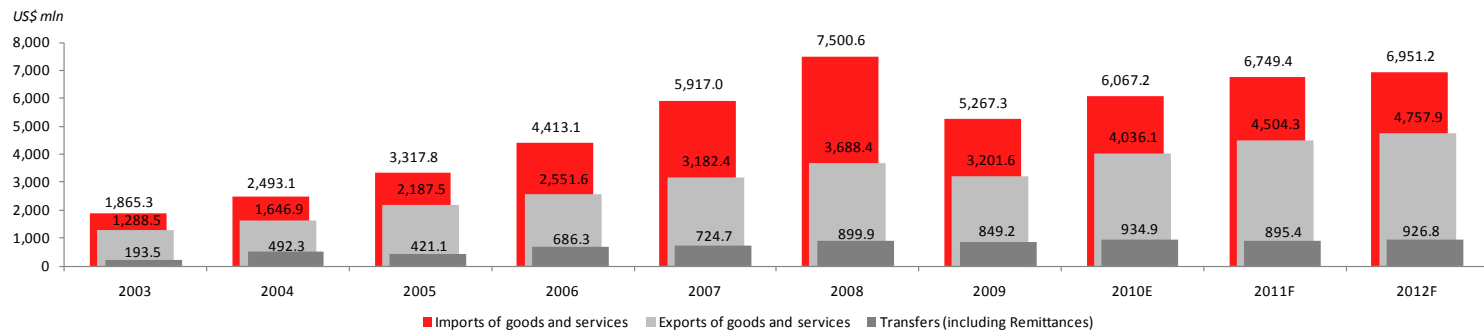


Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

September 2011

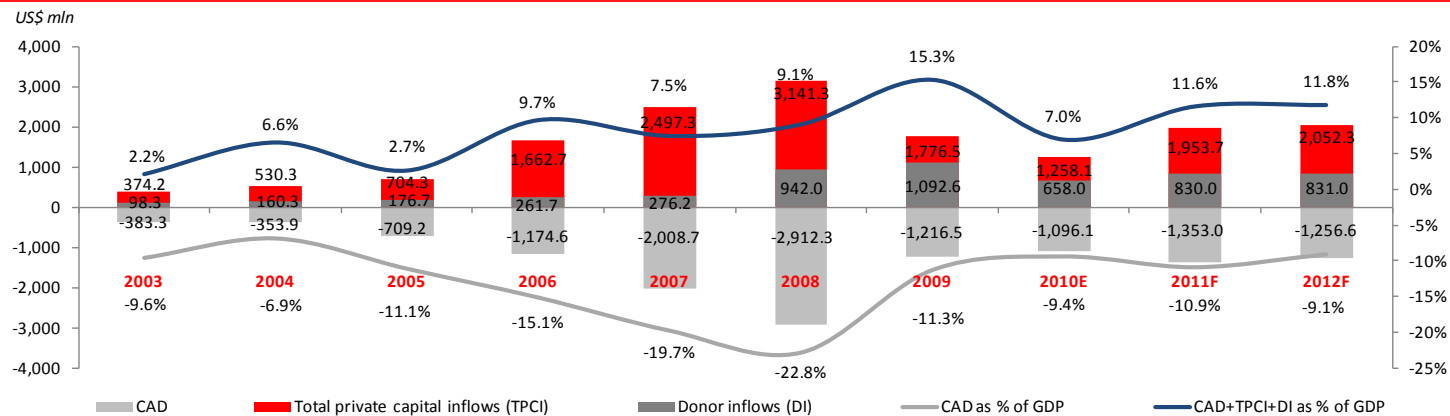
Current Account Deficit

Exports & Imports



Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

Current Account Deficit



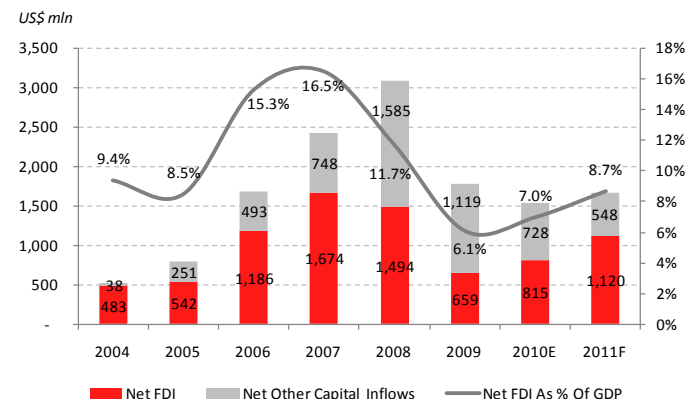
Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

September 2011

Net Cumulative FDI Breakdown By Origin (2004-2010)

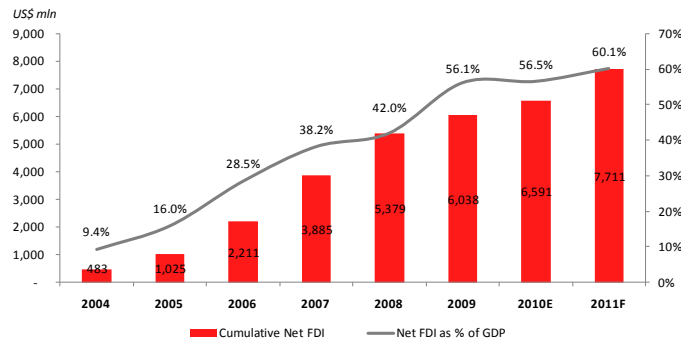
Country	US\$ million	Share in total
United Kingdom	783	11.3%
United Arab Emirates	641	9.2%
Netherlands	630	9.1%
United States	630	9.1%
Turkey	579	8.4%
Virgin Islands, British	477	6.9%
Azerbaijan	356	5.1%
Czech Republic	323	4.7%
Russia	293	4.2%
Cyprus	272	3.9%
Subtotal	4,982	71.9%
Other	1,947	28.1%
Total	6,930	100.0%

Net Inflows



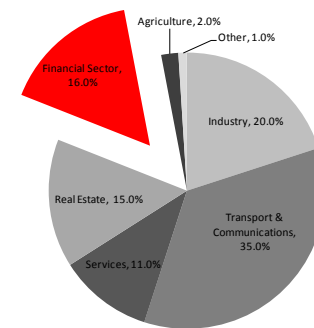
Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

Cumulative Net FDI



Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

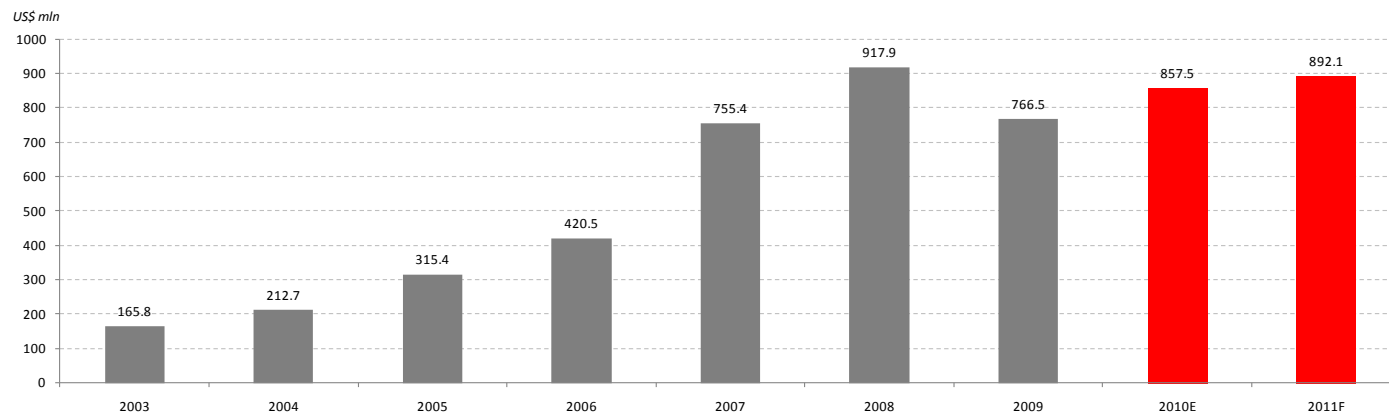
Net FDI Breakdown By Sectors (2010E)



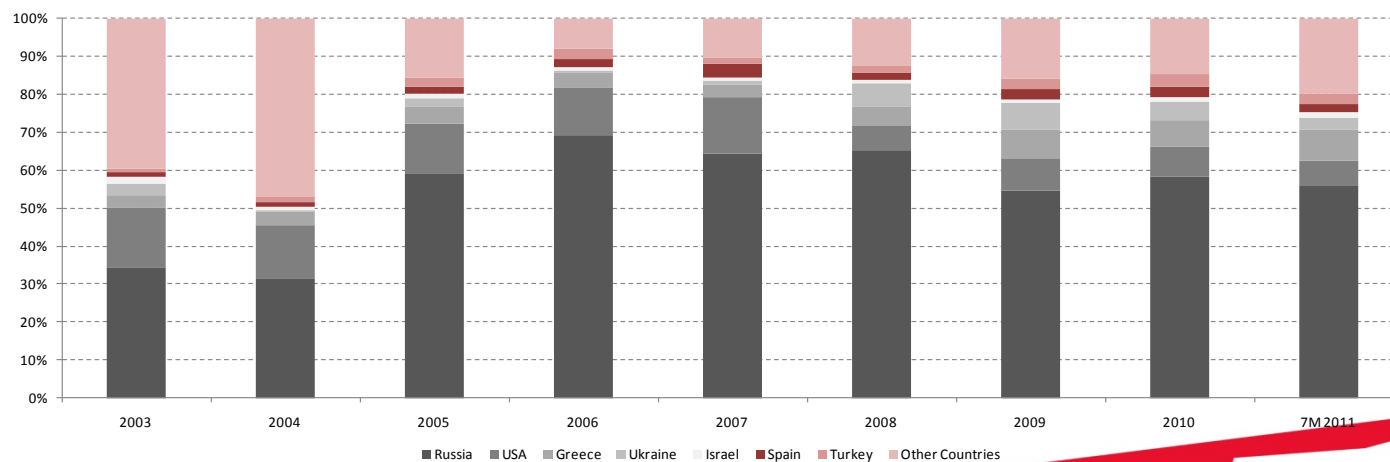
Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

Net Remittances

Net Remittances, 2003-2011F



Net Remittances By Countries, 2003-7M 2011

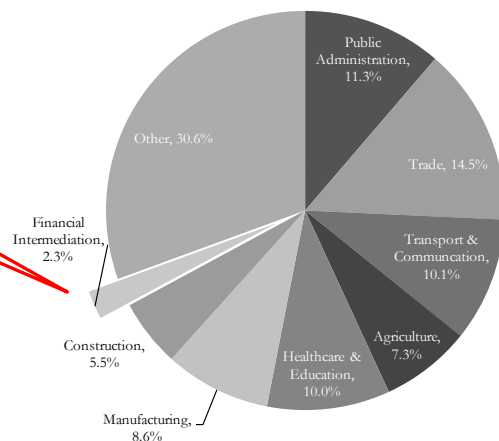


Source: National Bank of Georgia; Georgian Economy Overview; www.georgia.gov.ge; April 2011

September 2011

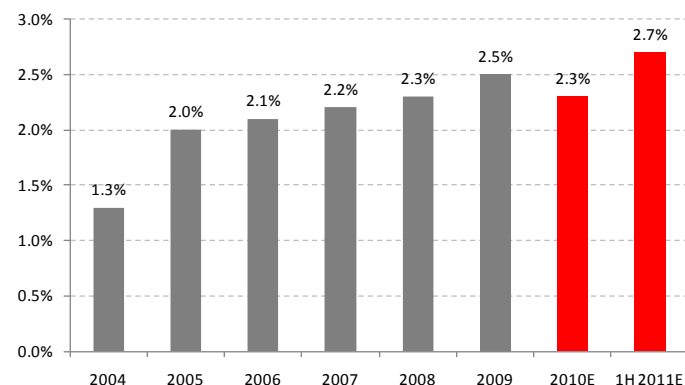
GDP Structure

Components of GDP, 2010E



Source: Department of Statistics of Georgia

Share of Financial Intermediation in GDP, 2004-1H 2011E



Source: Department of Statistics of Georgia

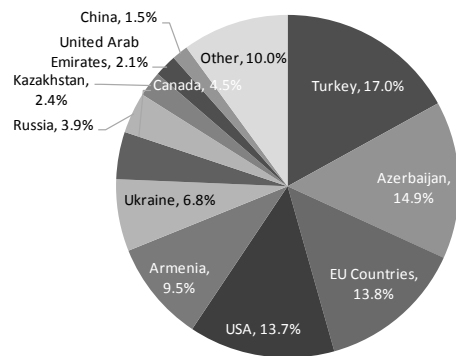
GEL millio, unless otherwise need	2010	As % of GDP	2009	As % of GDP	Change, y-o-y
Public Administration	2,343	11%	2,458	14%	-5%
Trade	3,006	14%	2,344	13%	28%
Transport & Communication	2,097	10%	1,746	10%	20%
Healthcare & Education	1,518	7%	1,457	8%	4%
Agriculture	2,069	10%	1,779	10%	16%
Manufacturing	1,782	9%	1,264	7%	41%
Construction	1,139	5%	1,004	6%	13%
Financial Intermediation	477	2%	453	3%	5%
Other	6,359	31%	5,481	30%	16%
Total	20,791	100%	17,986	100%	16%

Source: Department of Statistics of Georgia

September 2011

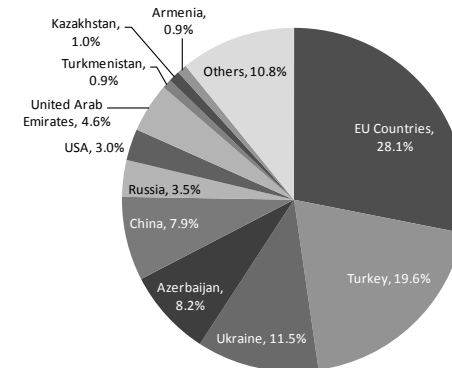
Foreign Trade Structure

Export By Country, Q2 2011



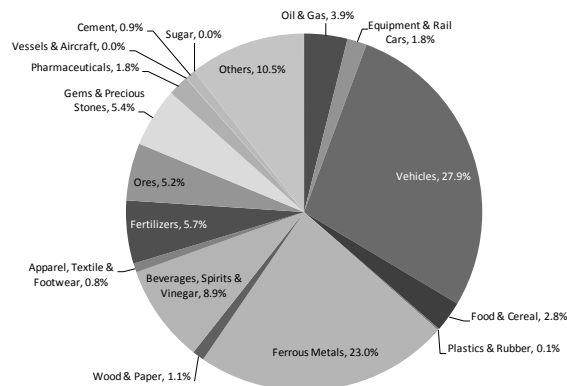
Source: The National Bank of Georgia

Import By Country, Q2 2011



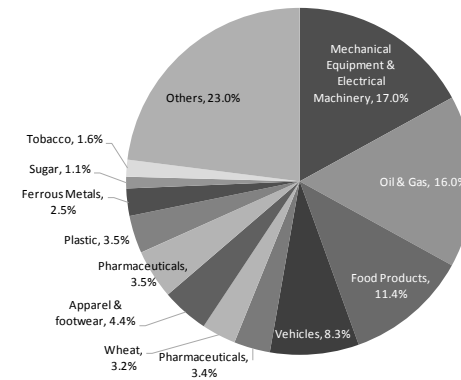
Source: The National Bank of Georgia

Export By Product, Q2 2011



Source: The National Bank of Georgia

Import By Product, Q2 2011

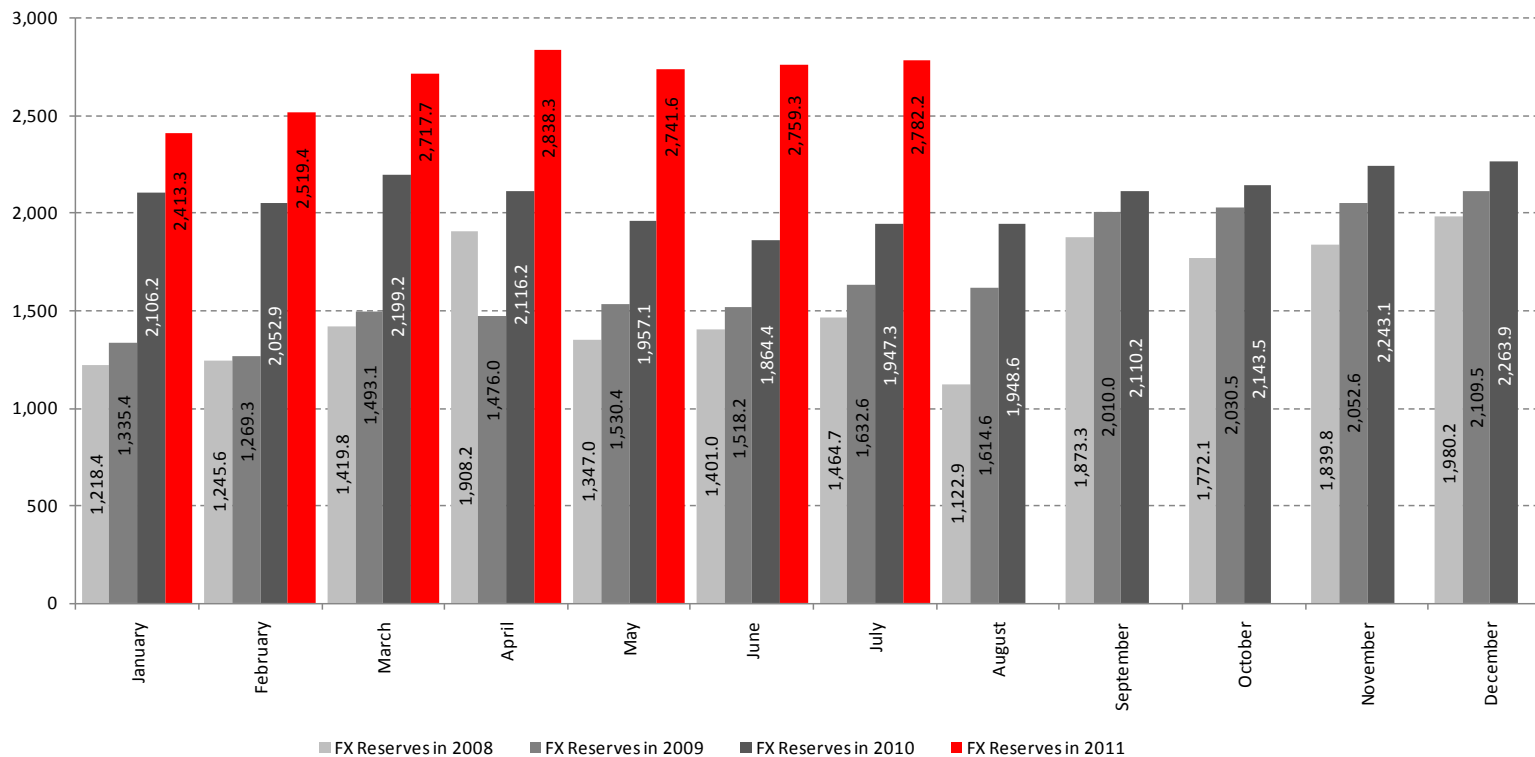


Source: The National Bank of Georgia

September 2011

Central Bank Gross Reserves

US\$ mln

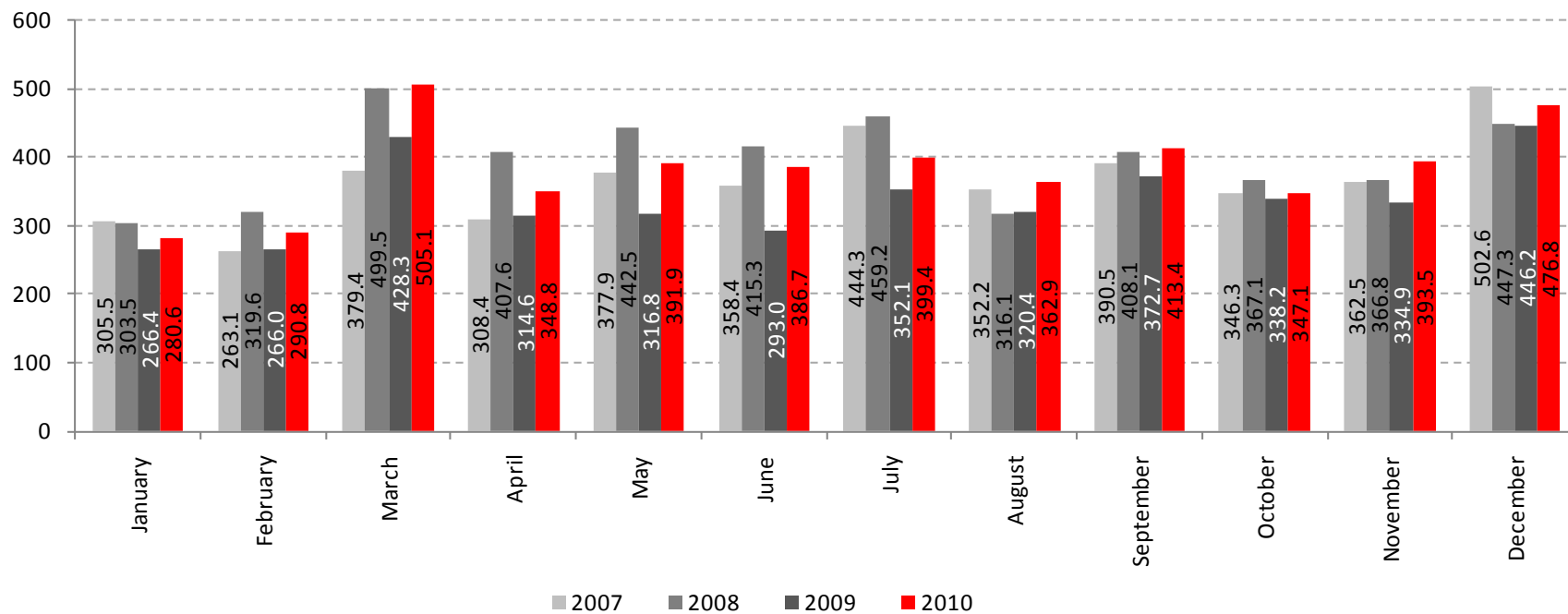


Source: The National Bank of Georgia

September 2011

Fiscal Revenue Performance

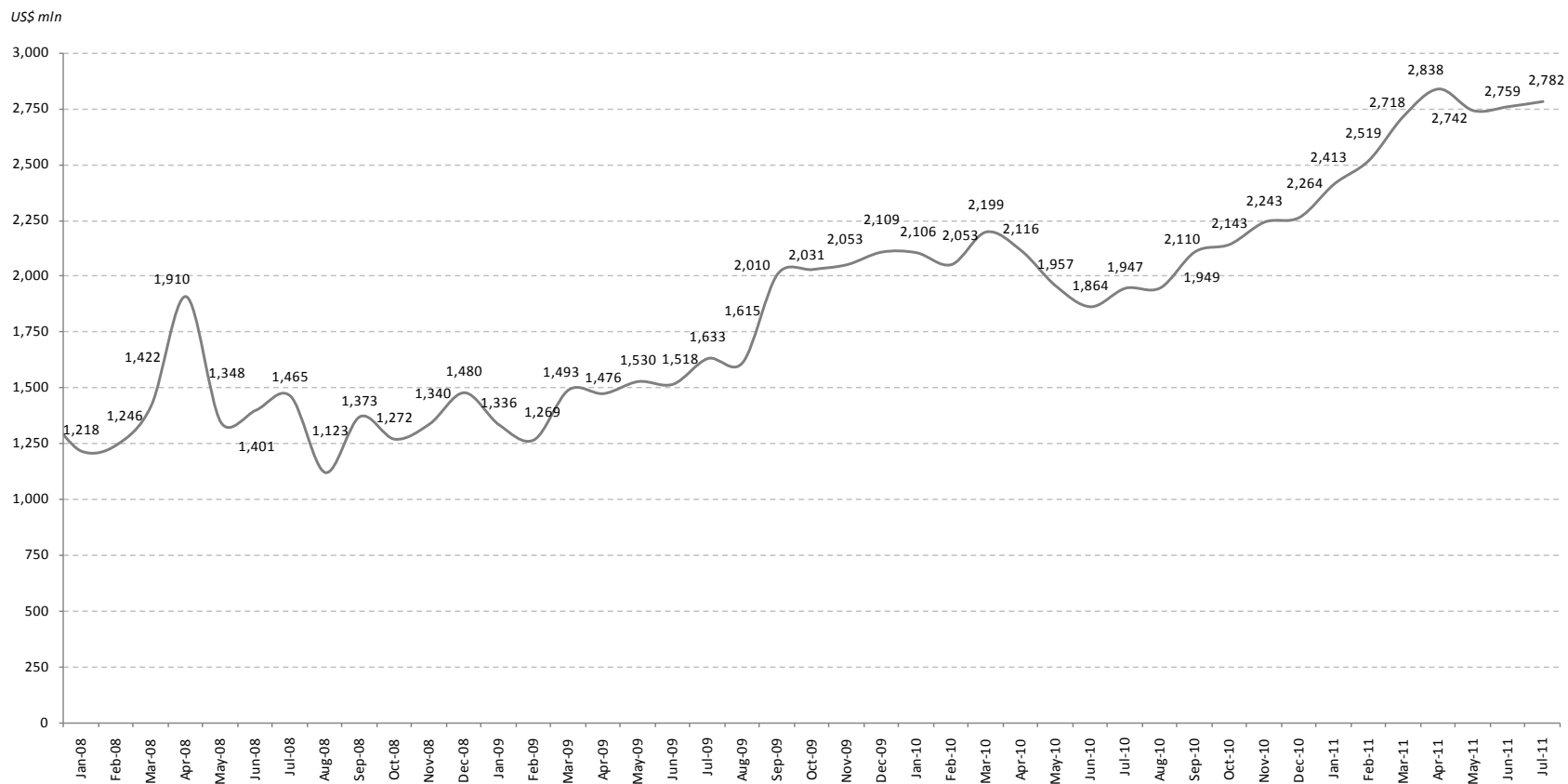
GEL mln



Source: Ministry of Finance of Georgia

September 2011

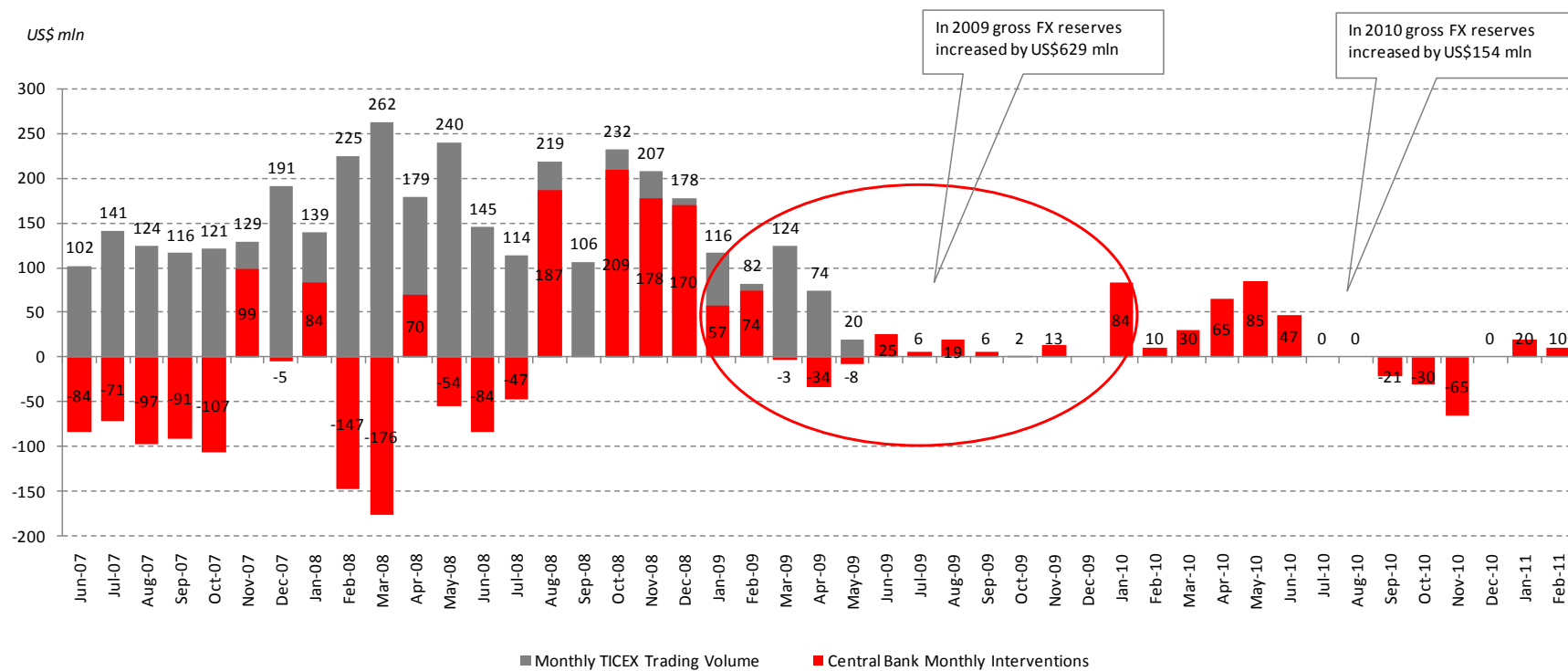
Central Bank Gross FX Reserves



Source: The National Bank of Georgia

September 2011
















Central Bank Involvement in FX Market



Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011

September 2011

Fundamental Policies of The Georgian Government

-  The rule of law & property rights
-  Minimal state fiscal footprint
 -  Few, low and flat taxes
 -  Minimal social security burden
-  Sound money
 -  Inflation targeting, single-digit inflation
 -  No currency or capital controls
-  Free trade, few and low customs tariffs and hardly any non-tariff barriers
-  Flexible labour market, with minimal state interference in employer-employee relations
-  Limited government
 -  Deep de-regulation
 -  Dramatically minimized and simplified licensing
 -  Aggressive privatisation
-  Means-tested, focused state assistance to the poor
-  Lean and efficient civil service sector – providing value for taxpayers' money





























































The Georgian Banking Sector - The Long and Winding Road

<i>In GEL mln unless otherwise noted</i>	1H 2011	YE 2010	YE 2009	YE 2008	YE 2007	YE 2006	YE 2005	YE 2004
Total Assets	11,220	10,564	8,293	8,866	7,208	4,228	2,548	1,699
Total Assets/GDP	n.a.	51%	46%	47%	42%	31%	22%	17%
Gross Loans	6,901	6,261	5,185	5,993	4,589	2,681	1,730	965
Mortgage Loans Outstanding	n.a.	2,867	2,784	2,540	1,994	961	n.a.	n.a.
Consumer Loans Outstanding	n.a.	827	656	753	1,135	527	296	180
Net Loans	6,325	5,674	4,525	5,455	4,425	2,586	1,645	900
Total Deposits	6,332	5,818	4,174	3,845	3,511	2,328	1,538	983
Retail Client Balances & Deposits	2,812	2,641	2,104	1,859	1,549	1,109	718	493
Shareholders' Equity	1,835	1,788	1,517	1,517	1,471	898	479	373
Net Interest Income	328	586	544	572	390	245	161	113
Operating Profit	220	345	276	391	266	163	112	71
Net Income/(Loss)	119	156	-65	-216	109	93	62	27
ROA, %	2.21%	1.67%	-0.80%	-2.60%	1.90%	2.80%	3.10%	2.40%
ROE, %	13.35%	9.60%	-4.30%	-12.40%	9.60%	15.30%	14.90%	10.00%
Loans/Assets, %	62%	59%	63%	66%	64%	63%	68%	57%
Loans/Total Deposits, %	109%	108%	124%	155%	131%	115%	113%	98%
Total Deposits/Liabilities, %	67%	66%	61%	52%	61%	70%	74%	74%
Number of Debit Cards Outstanding	2,861,545	2,582,820	3,488,835	3,006,749	1,885,119	1,138,384	n.a.	< 100,000
Number of Credit Cards Outstanding	537,865	474,630	470,484	549,328	161,352	7,632	0	0
Number of ATMs	1,482	1,501	1,339	1,344	864	n.a.	n.a.	< 150
Number of POS Terminals	10,400	9,398	7,494	7,623	5,255	n.a.	n.a.	< 750

*Note: Non-IFRS, based on the National Bank of Georgia standalone accounts
Source: National Bank of Georgia, company estimates*

Georgian Banking Sector Cont'd

Market Shares of Top Ten Banks as at 30 June 2011

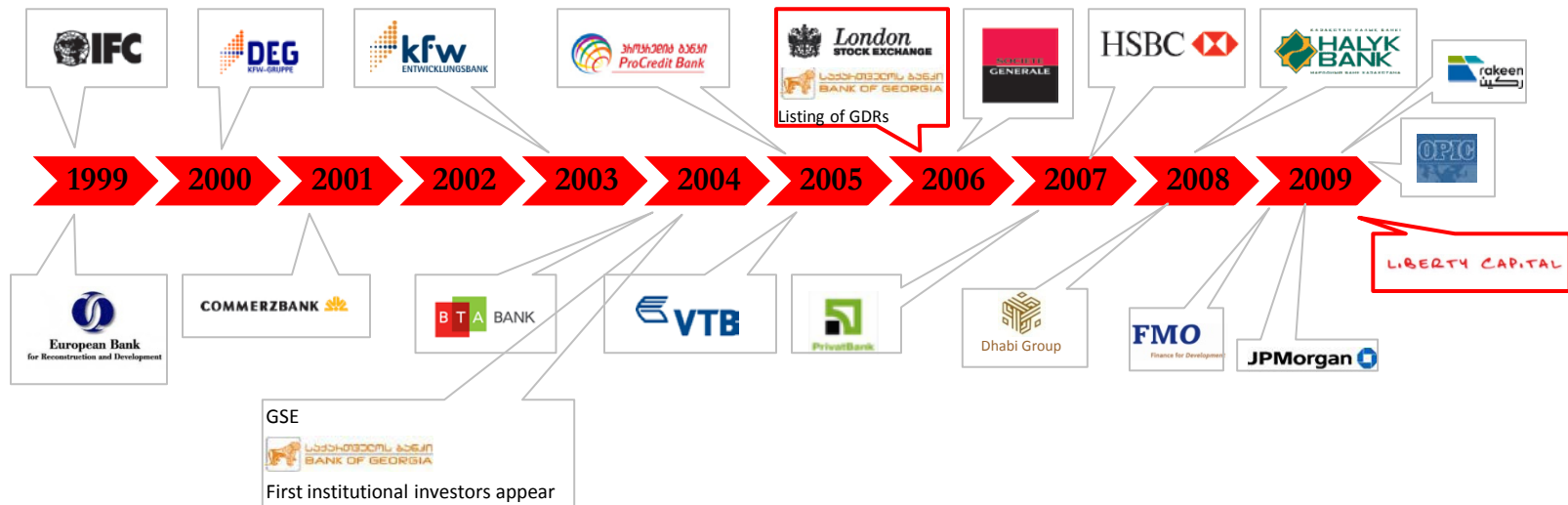
Rank	Total Assets		Net Loan Portfolio		Total Deposits		Client Balances & Deposits of Individuals		Client Balances & Deposits of Legal Entities		Shareholders' Equity							
1		საბანკო-საბანკო BANK OF GEORGIA	36.1%		საბანკო-საბანკო BANK OF GEORGIA	36.3%		საბანკო-საბანკო BANK OF GEORGIA	34.3%		ტიპიკი ბანკი TBC BANK	33.1%		საბანკო-საბანკო BANK OF GEORGIA	39.0%		საბანკო-საბანკო BANK OF GEORGIA	36.0%
2		ტიპიკი ბანკი TBC BANK	23.5%		ტიპიკი ბანკი TBC BANK	25.3%		ტიპიკი ბანკი TBC BANK	27.1%		საბანკო-საბანკო BANK OF GEORGIA	30.0%		ტიპიკი ბანკი TBC BANK	22.4%		ტიპიკი ბანკი TBC BANK	21.4%
3		პროკრედიტ ბანკი ProCredit Bank	7.3%		პროკრედიტ ბანკი ProCredit Bank	8.7%		ლიბერტი ბანკი LIBERTY BANK	7.9%		პროკრედიტ ბანკი ProCredit Bank	11.8%		ლიბერტი ბანკი LIBERTY BANK	10.8%		კარტუ ბანკი CARTU BANK	7.9%
4		ლიბერტი ბანკი LIBERTY BANK	5.8%		კარტუ ბანკი CARTU BANK	6.0%		პროკრედიტ ბანკი ProCredit Bank	7.1%		ბანკი რესპუბლიკა BANK REPUBLIC	8.1%		ბანკი რესპუბლიკა BANK REPUBLIC	4.9%		პროკრედიტ ბანკი ProCredit Bank	6.0%
5		ბანკი რესპუბლიკა BANK REPUBLIC	5.8%		ბანკი რესპუბლიკა BANK REPUBLIC	5.9%		ბანკი რესპუბლიკა BANK REPUBLIC	7.4%		ლიბერტი ბანკი LIBERTY BANK	6.1%		პროკრედიტ ბანკი ProCredit Bank	4.0%		ბანკი რესპუბლიკა BANK REPUBLIC	4.9%
6		კარტუ ბანკი CARTU BANK	4.6%		ლიბერტი ბანკი LIBERTY BANK	4.0%		კორ სტანდარდ ბანკი KOR STANDARD BANK	3.8%		ვთბ ბანკი VTB	2.5%		ვთბ ბანკი VTB	3.5%		ვთბ ბანკი VTB	3.8%
7		ვთბ ბანკი VTB	3.3%		ვთბ ბანკი VTB	3.4%		ვთბ ბანკი VTB	2.9%		კორ სტანდარდ ბანკი KOR STANDARD BANK	2.4%		კორ სტანდარდ ბანკი KOR STANDARD BANK	3.3%		კორ სტანდარდ ბანკი KOR STANDARD BANK	3.7%
8		კორ სტანდარდ ბანკი KOR STANDARD BANK	2.8%		პრივატ ბანკი PrivatBank	2.5%		პრივატ ბანკი PrivatBank	2.9%		პრივატ ბანკი PrivatBank	1.4%		კარტუ ბანკი CARTU BANK	1.8%		ლიბერტი ბანკი LIBERTY BANK	3.3%
9		პრივატ ბანკი PrivatBank	2.9%		კორ სტანდარდ ბანკი KOR STANDARD BANK	2.2%		კარტუ ბანკი CARTU BANK	1.8%		კარტუ ბანკი CARTU BANK	1.3%		პრივატ ბანკი PrivatBank	1.0%		პრივატ ბანკი PrivatBank	2.0%
10		ბტა ბანკი BTA BANK	1.0%		ბტა ბანკი BTA BANK	0.8%		ბტა ბანკი BTA BANK	0.4%		ბტა ბანკი BTA BANK	0.3%		ბტა ბანკი BTA BANK	0.4%		ბტა ბანკი BTA BANK	1.8%
Subtotal		93.1%	Subtotal		95.1%	Subtotal		95.6%	Subtotal		97.0%	Subtotal		91.1%	Subtotal		90.8%	
Other Banks		6.9%	Other Banks		4.9%	Other Banks		4.4%	Other Banks		3.0%	Other Banks		8.9%	Other Banks		9.2%	

Source: National Bank of Georgia

September 2011

Georgian Banking Sector Cont'd

Timeline Of Foreign Investments



- LB** Entirely privately owned since 1995
- LB** No restrictions on foreign ownership of banks
- LB** Well capitalised with average BIS capital adequacy ratio of 17% as of December 2010

Source: Georgian Economy Overview; www.georgia.gov.ge; April 2011






September 2011








Georgian Financial Market At A Glance

Fixed-Income Securities Available at Georgian Market Currently






Bank of Georgia Eurobond

-  BK GEO
-  Issue Date – Feb-07
-  Maturity Date – Feb-12
-  Coupon Rate – 9.00%
-  1st Coupon Date – Aug-07






Sovereign Eurobond 2013

-  GEORG
-  Issue Date – Jul-08
-  Maturity Date – Jul-13
-  Coupon Rate – 7.50%
-  1st Coupon Date – Oct-08






Contingent Capital Participation Notes (CCPN)




-  Issuer – JSC Liberty Bank
-  Issue Date – Oct-10
-  Initial Maturity Date – Oct-12
-  Aggregate Principal Amount – Up to GEL 23,800,000
-  Initial Interest Rate – 15%

Georgian Railway Eurobond

-  GRAIL
-  Issue Date – Jul-10
-  Maturity Date – Jul-15
-  Coupon Rate – 9.875%
-  1st Coupon Date – Jan-11

Sovereign Eurobond 2021

-  GEORG
-  Issue Date – Apr-11
-  Maturity Date – Apr-21
-  Coupon Rate – 6.875%
-  1st Coupon Date – Oct-11

-  3-6 Month Certificates of Deposits Issued by National Bank of Georgia
-  T-Bills
-  2-5 Year Treasury Notes

Outstanding Bonds – Main Characteristics

Name	Duration	Maturity Date	Currency	Coupon Rate	Coupon Payments	YTM*	Ratings		
							S&P	Fitch	Composite
JSC Bank of Georgia	5 years	2-Aug-12	USD	9.00%	6 months	6.486%	B	B+	B+
Republic of Georgia	5 years	15-Apr-2013	USD	7.50%	6 months	4.236%	B+	B+	B+
Republic of Georgia	5 years	12-Apr-2021	USD	6.875%	6 months	6.392%	B+	B+	B+
Georgian Railway	5 years	22-Jul-2015	USD	9.875%	6 months	7.172%	B+	B+	B+

* As of 5 September 2011

Contingent Capital Participation Notes (CCPN)

- LB Instrument - Contingent Capital Participation Notes
- LB Issuer – JSC Liberty Bank
- LB Issue Date – 22 October 2010
- LB Aggregate Principal Amount – Up to GEL 23,800,000
- LB Nominal Value – GEL 0.01
- LB Issue Price – 100 per cent. of the Nominal Value
- LB Settlement Currency – The Georgian Lari (GEL)
- LB Status – unsecured/unsubordinated
- LB Issuer's Rating – 'B/B Stable' (Fitch Ratings)
- LB CCPN's Rating - unrated
- LB Initial Interest Rate – 15%, paid quarterly
- LB Initial Maturity Date – 23 October 2012
- LB Redemption Amount at Maturity – 100 per cent.. of the Nominal Value, except if:
 - LB The Issuer's Tier I Capital is less than eight per cent. (8%) of the Issuer's Risk Weighted Assets (the "RWA") as of 30 September 2012, then the CCPNs shall be automatically converted, on the Initial Maturity Date, into newly issued ordinary shares of the Issuer at the applicable Conversion Price
 - LB The Issuer's Tier I Capital is equal to or higher than eight per cent. (8%) of the Issuer's RWA as of 30 September 2012, but the Issuer's Total Capital is less than 12 per cent. (12%) of the Issuer's RWA as of 30 September 2012, then the CCPNs shall become subordinated to all other unsubordinated indebtedness and monetary obligations of the Issuer, the maturity of the CCPNs shall be automatically extended for five years from the Initial Maturity Date, ending on 23 October 2017 (the "Extended Maturity Date"), and the interest rate shall be reset and equal the Initial Interest Rate plus 200 basis points (the "Modified Interest Rate")
- LB Conversion Price - at the CCPN holder's sole discretion:
 - LB Market Based Conversion Price - Ninety per cent. (90%) of the volume-weighted average closing price of the ordinary shares of the Issuer on the GSE during September 2012
 - LB Base Conversion Price - the greater of the Issuer's consolidated IFRS-based Equity Book Value per ordinary share as at 30 June 2012 and GEL 0.0176 per share

Future Plans

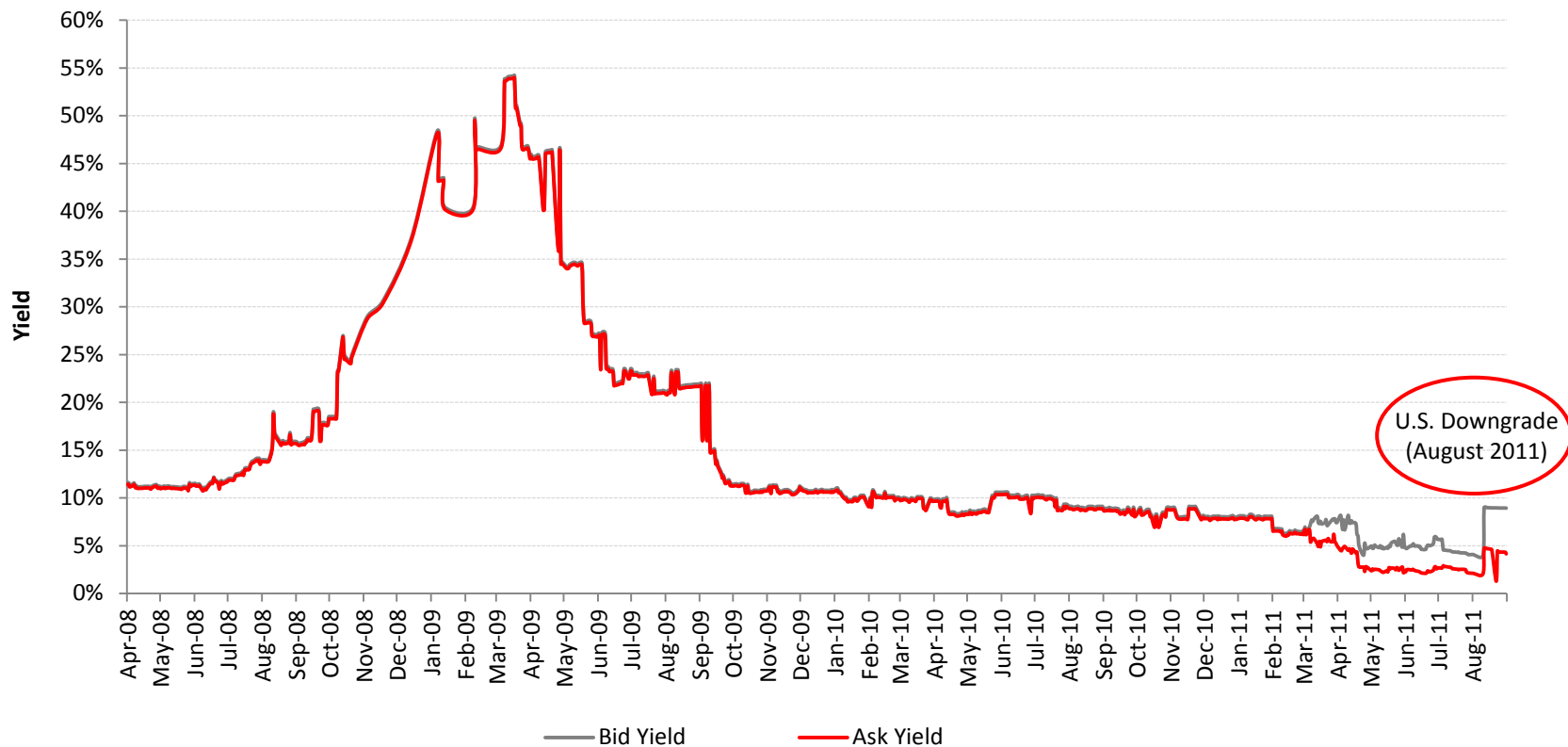
 US\$, EUR

 Relatively small appetite

 Maturity (TBD)

Bank of Georgia Eurobond Yield

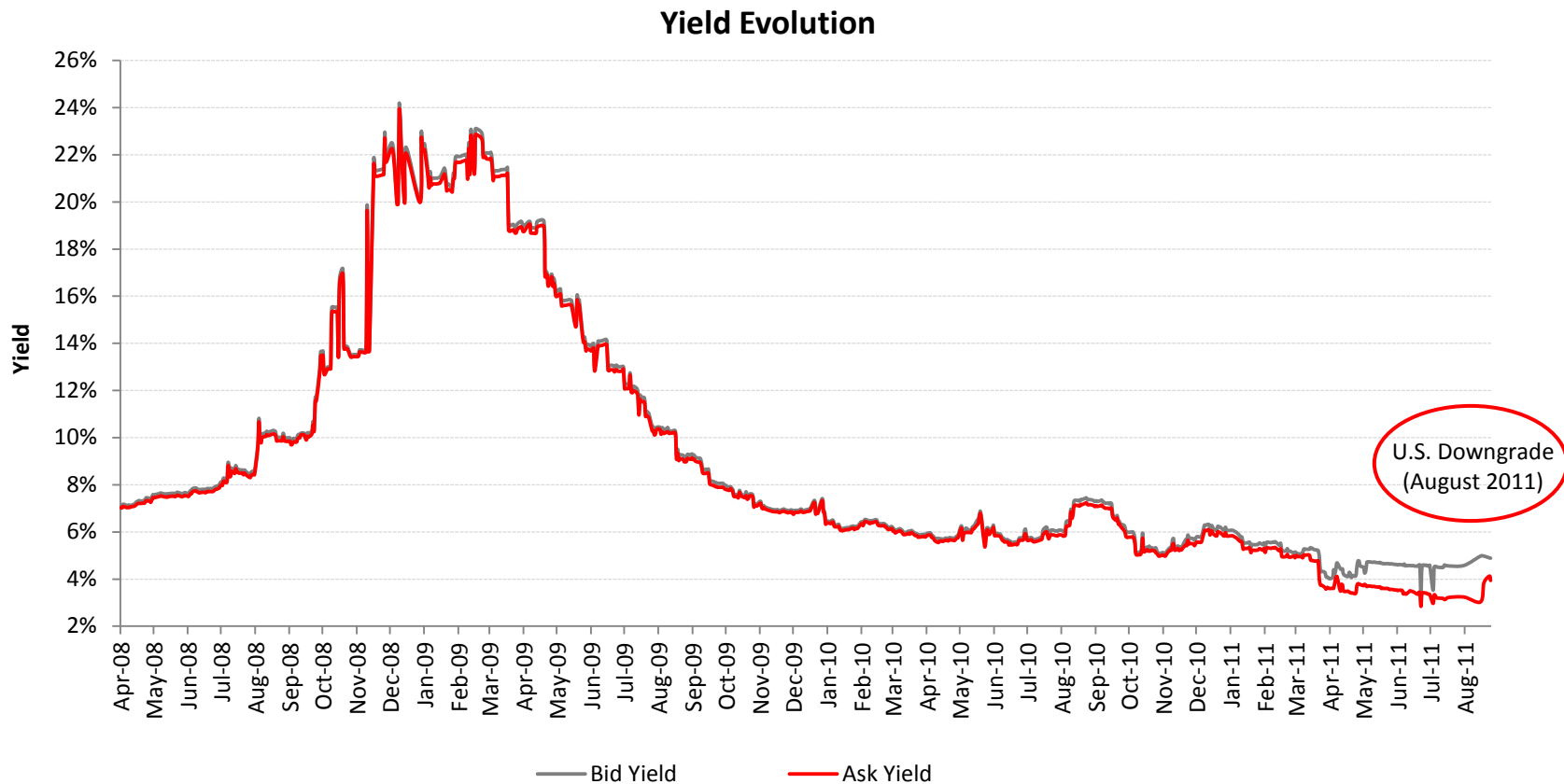
Yield Evolution



Source: Bloomberg

September 2011

Sovereign 2013 Eurobond Yield

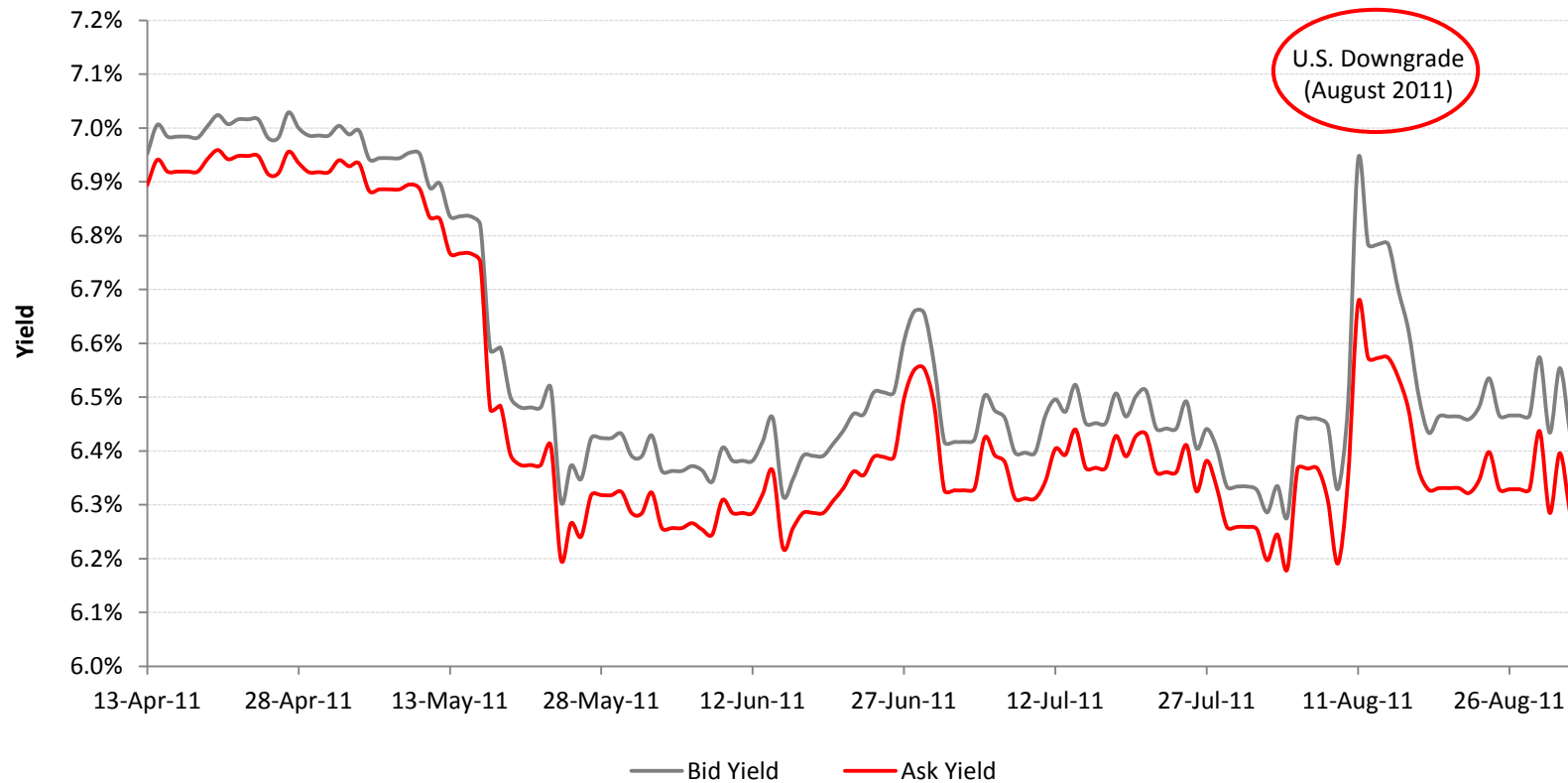


Source: Bloomberg

September 2011

Sovereign 2021 Eurobond Yield

Yield Evolution

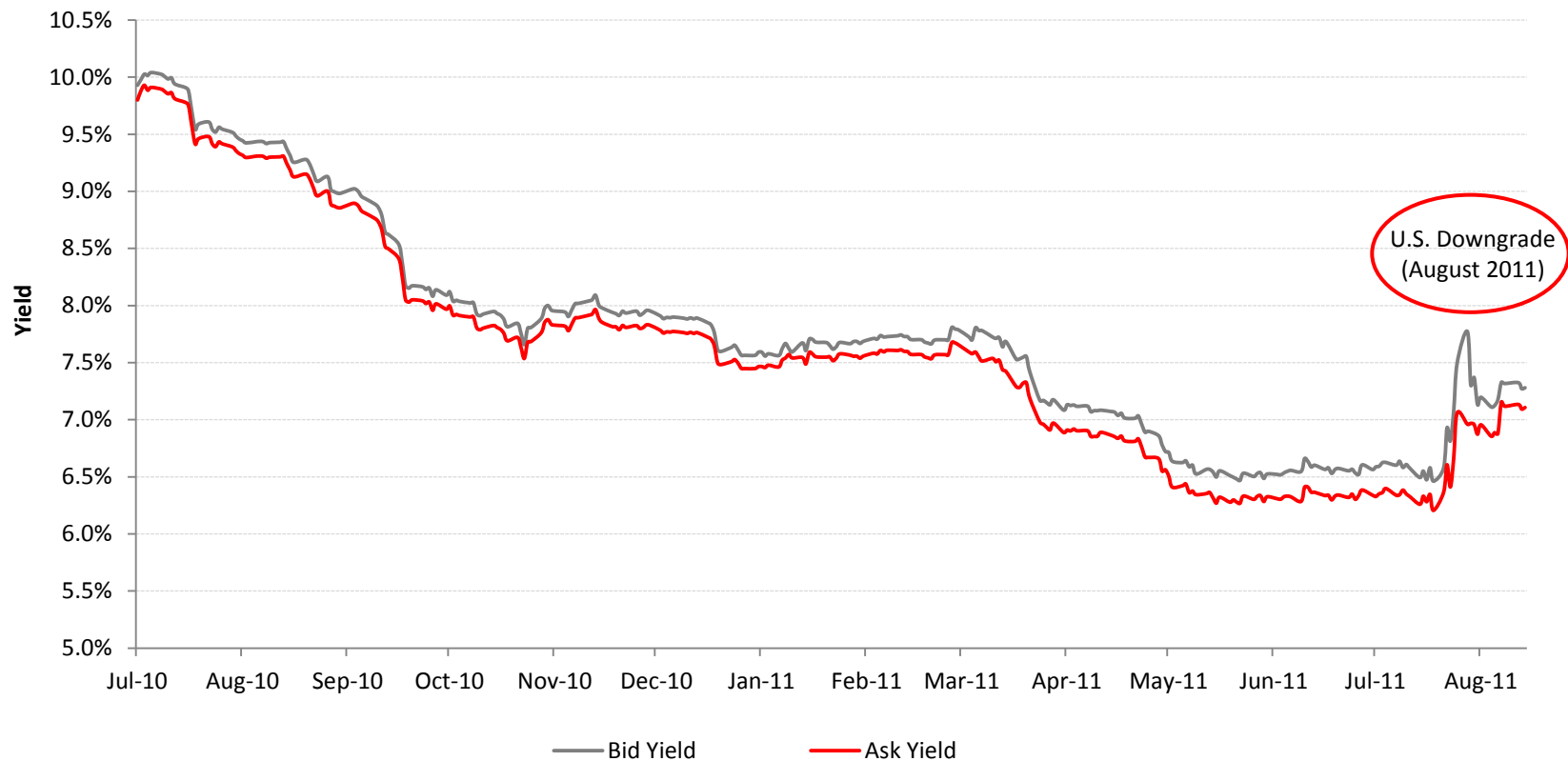


Source: Bloomberg

September 2011

Georgian Railway Eurobond Yield

Yield Evolution

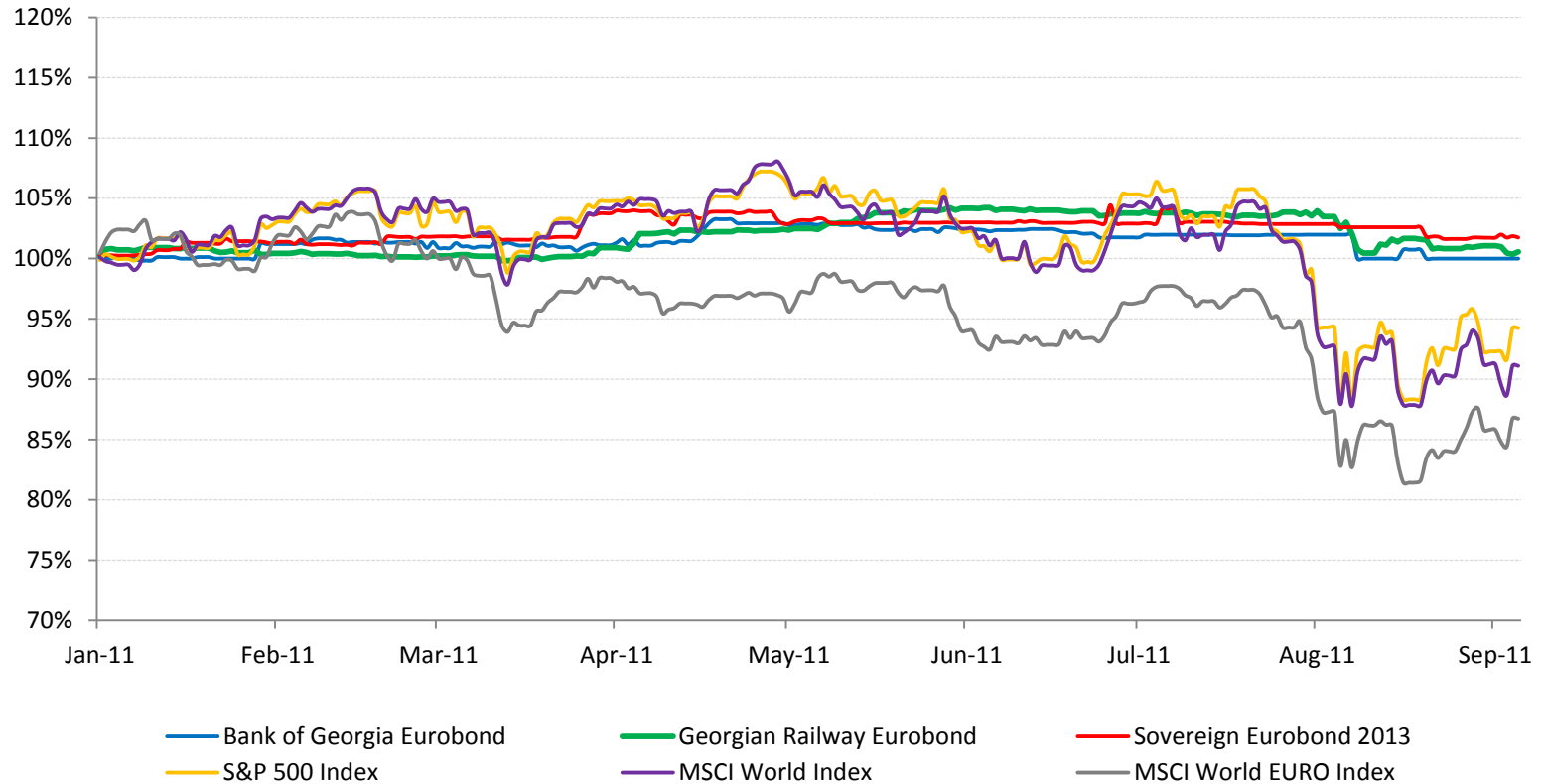


Source: Bloomberg

September 2011

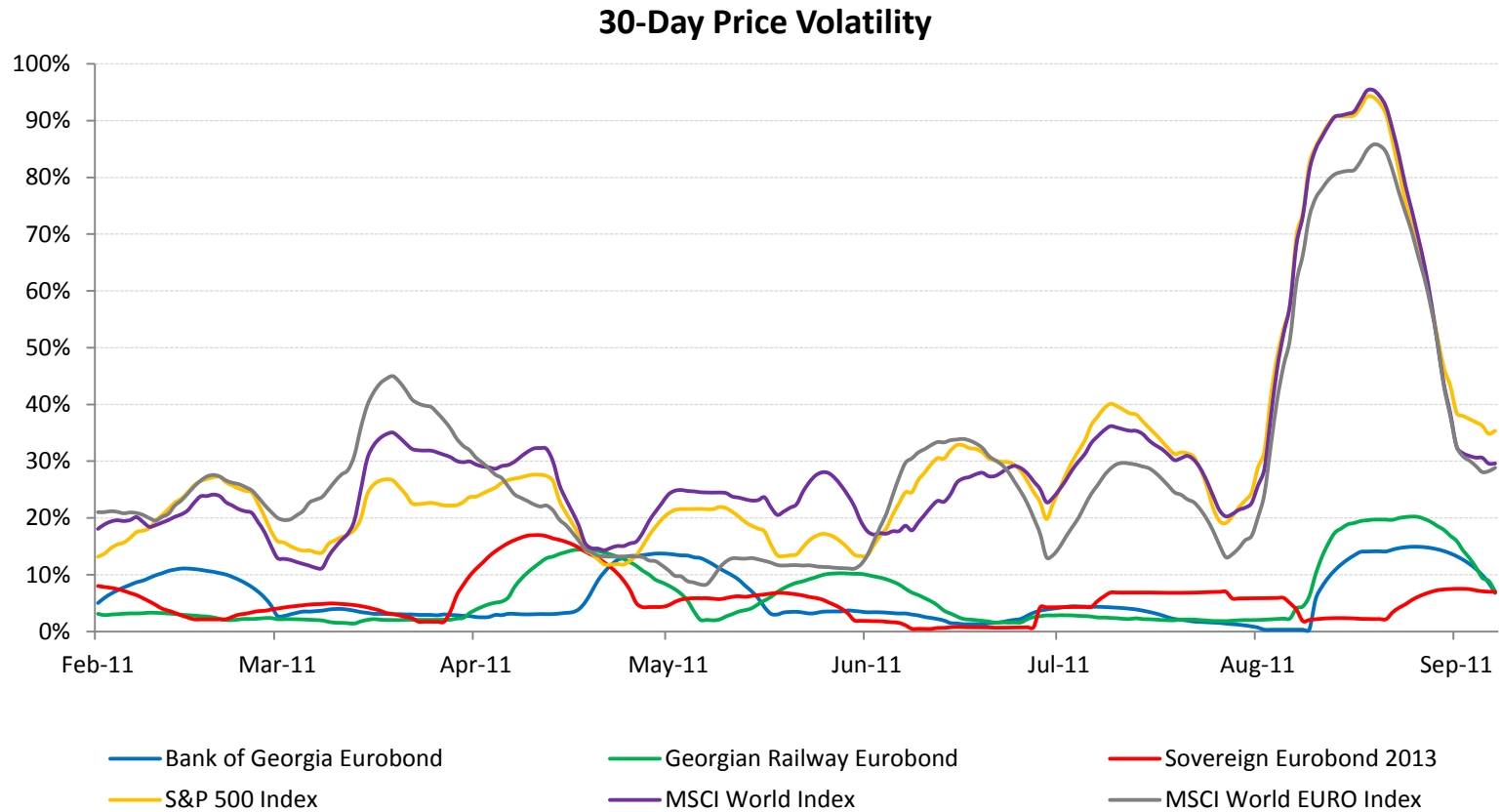
Price Performance

Price Performance



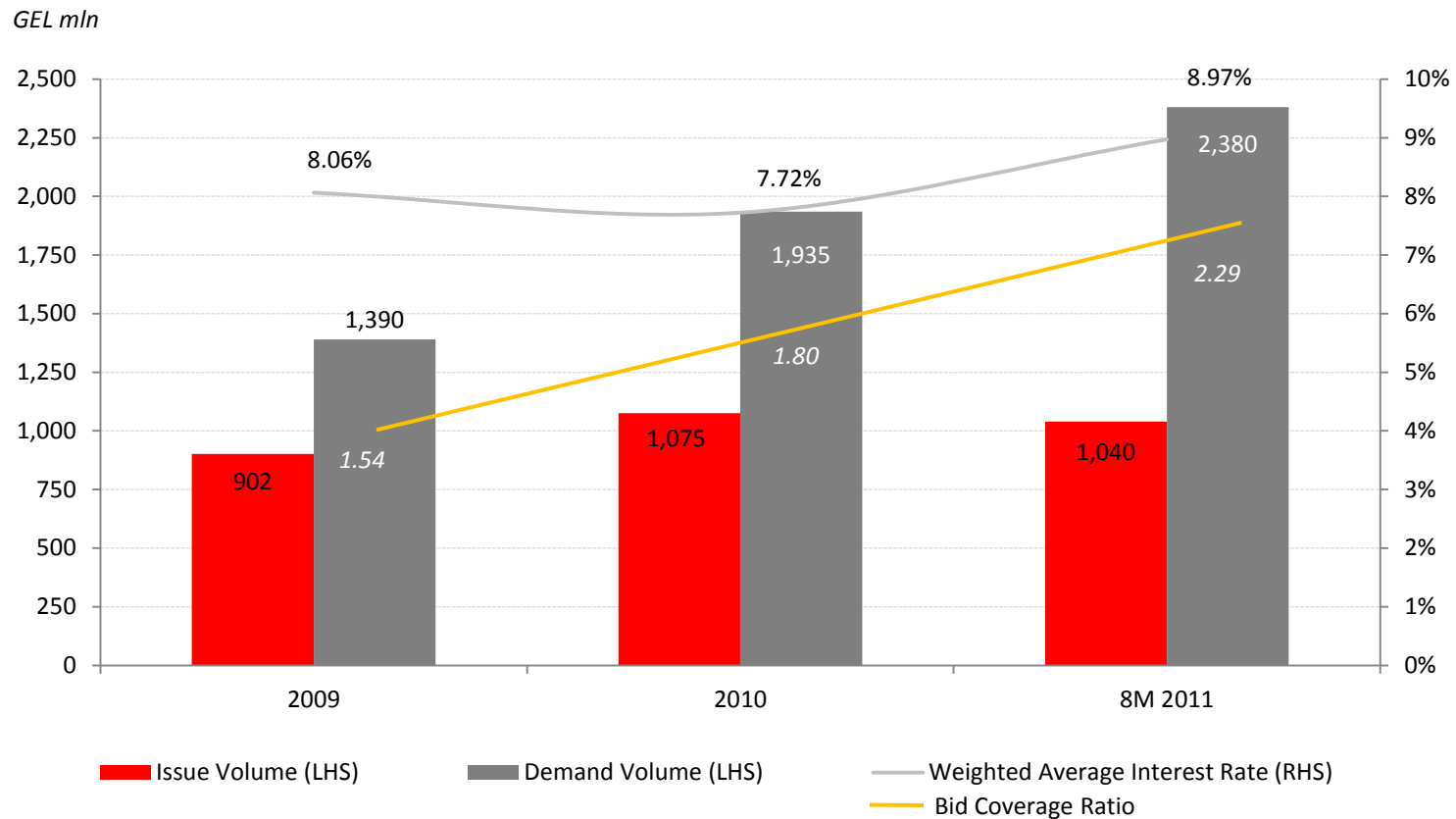
September 2011

30-Day Price Volatility



September 2011

Certificate Of Deposits By The National Bank Of Georgia

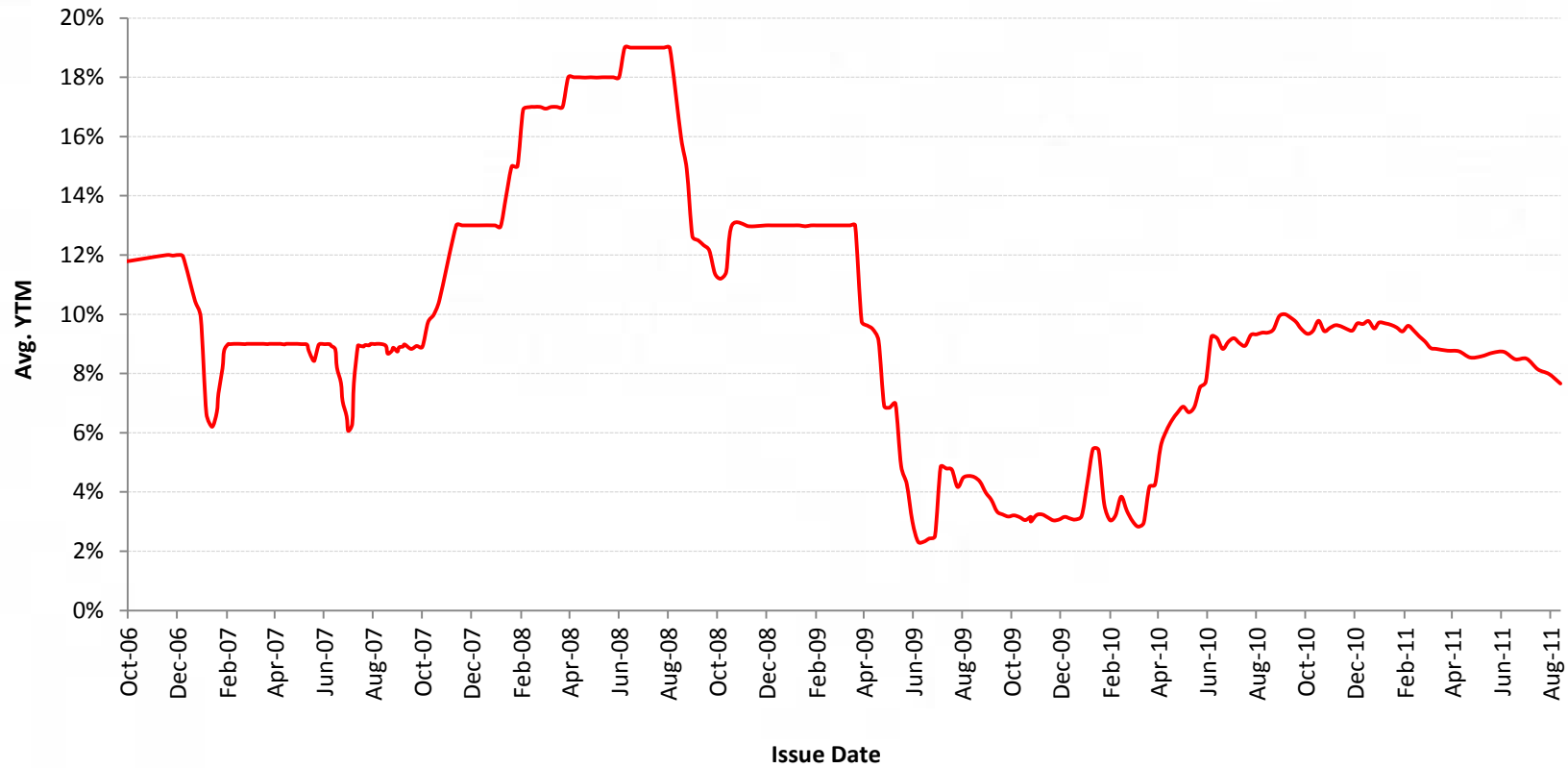


Bid Coverage Ratio steadily increasing from 1.54 in 2009 to 2.29 in 2011

Source: The National Bank of Georgia

September 2011

3-Month CD Yield Evolution

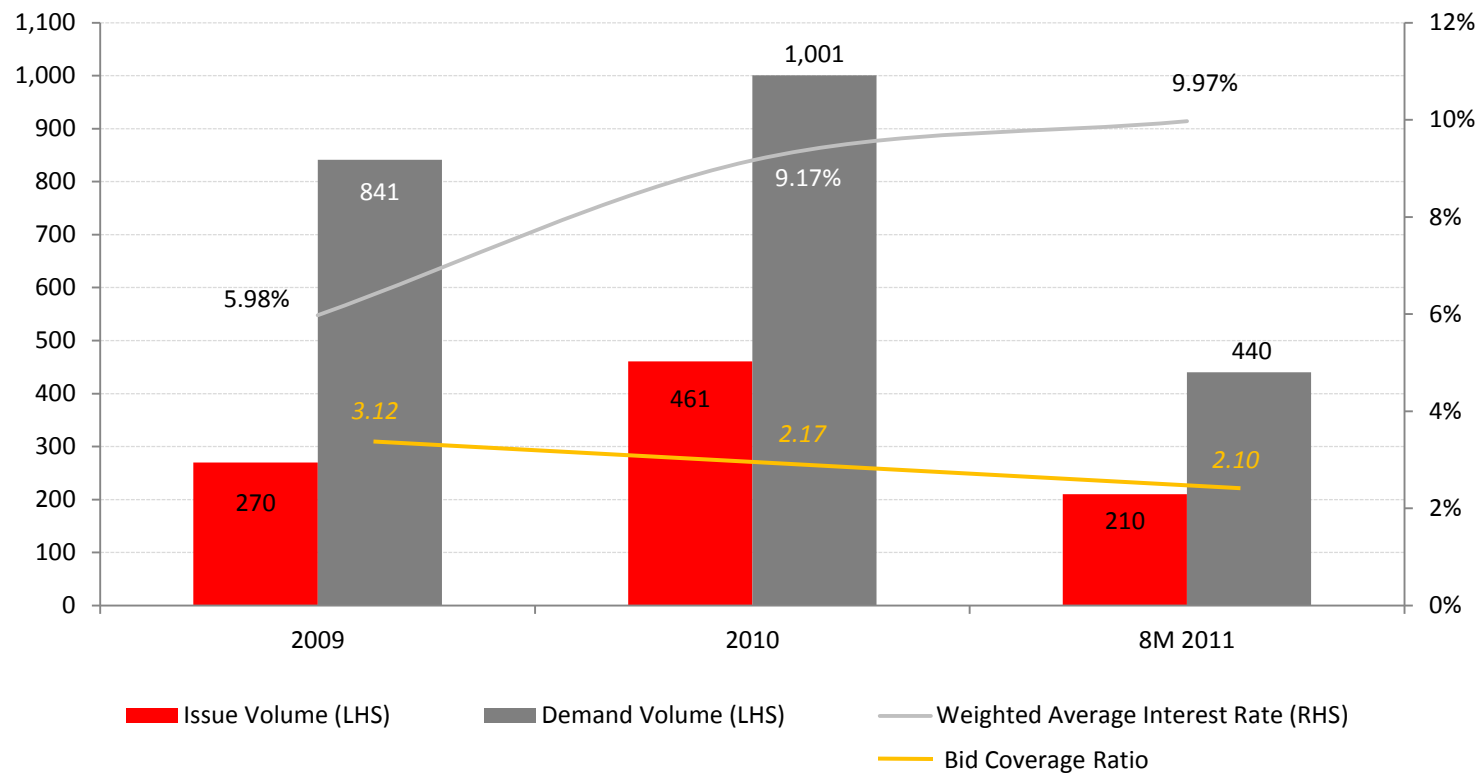


Source: The National Bank of Georgia

September 2011

Treasury Bills

GEL mln



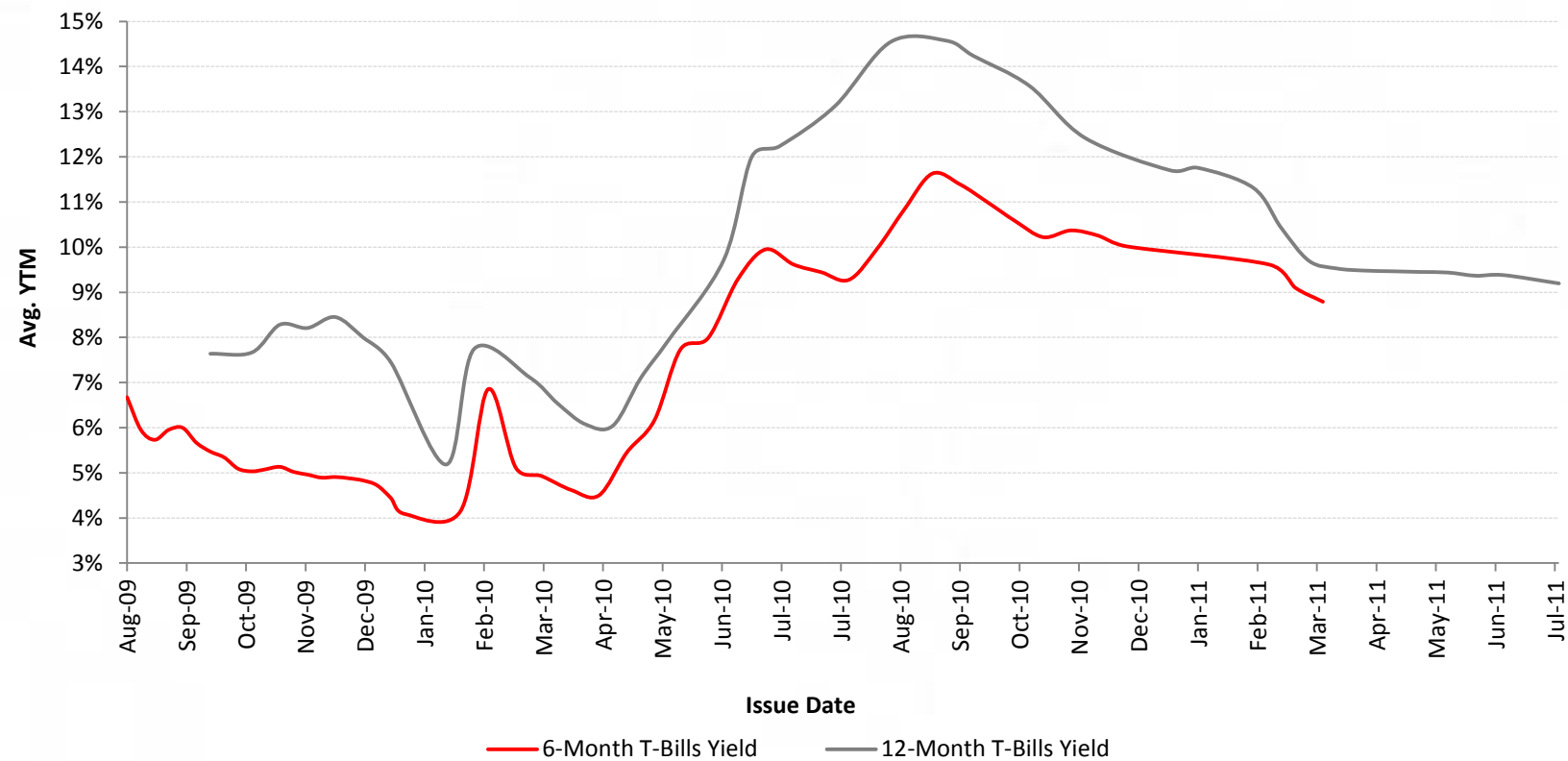
Bid Coverage Ratio stays at above 2.0 level in 2011

Source: The National Bank of Georgia

September 2011

6-Month vs. 12-Month T-Bill Yield Evolution

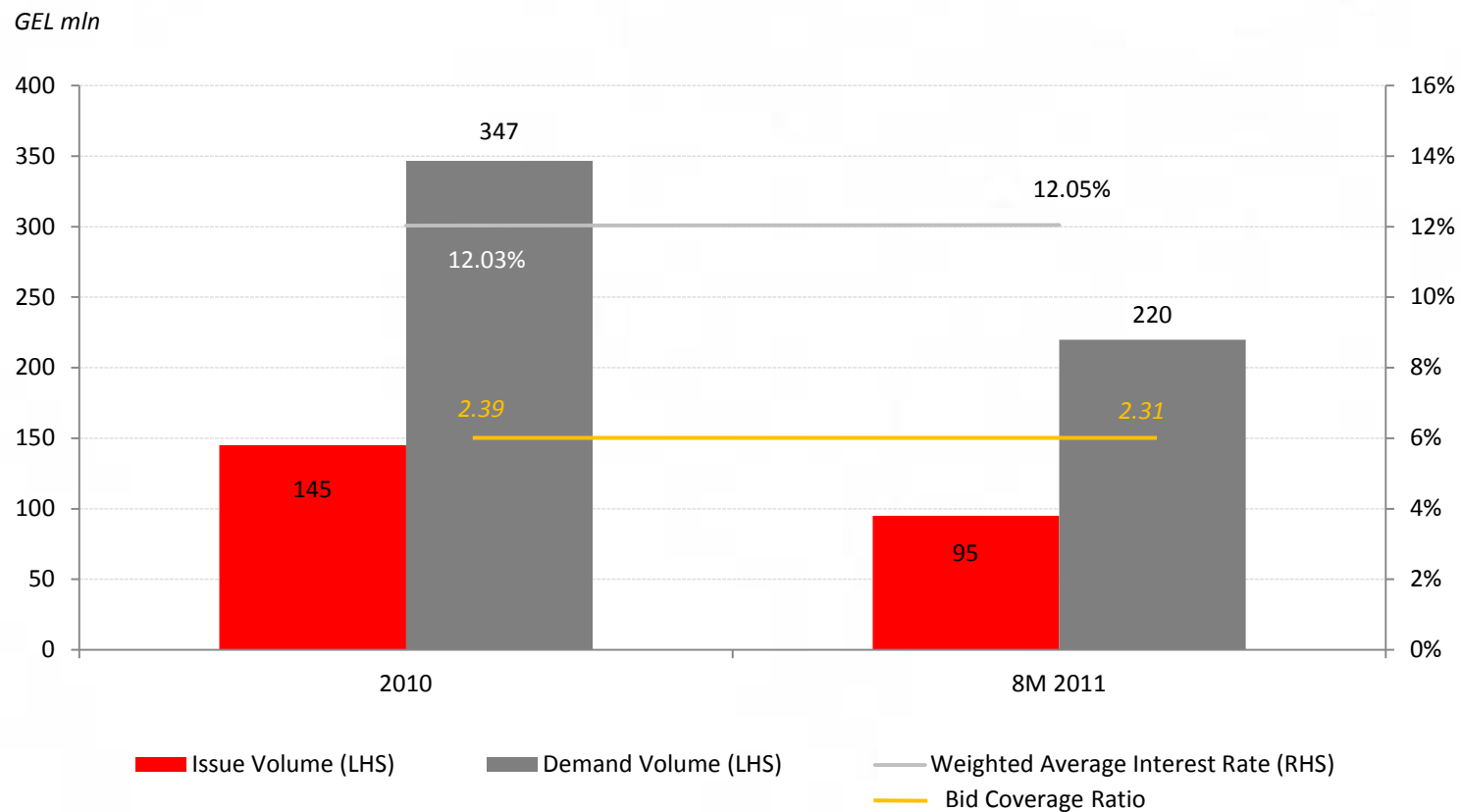
6-Month vs. 12-Month T-Bill Yield Evolution



Source: The National Bank of Georgia

September 2011

2-Year T-Notes



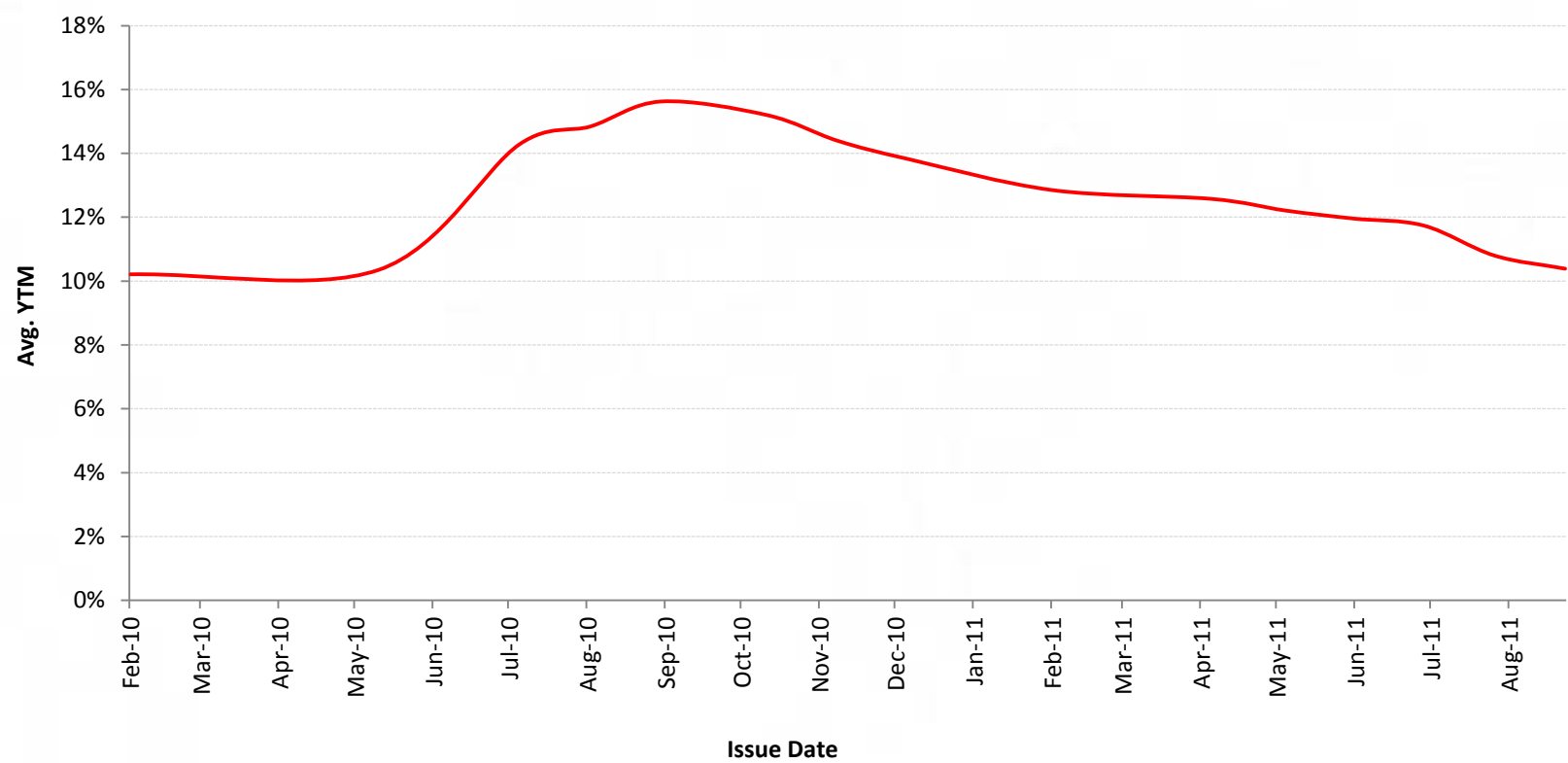
Bid Coverage Ratio stays at above 2.0 level in 2011

Source: The National Bank of Georgia

September 2011

2-Year T-Note Yield Evolution

2-Year T-Note Yield Evolution

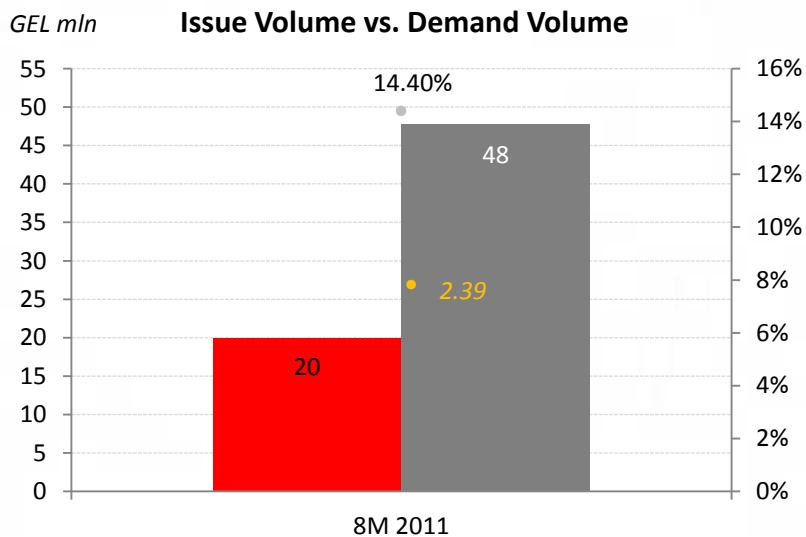


Source: The National Bank of Georgia

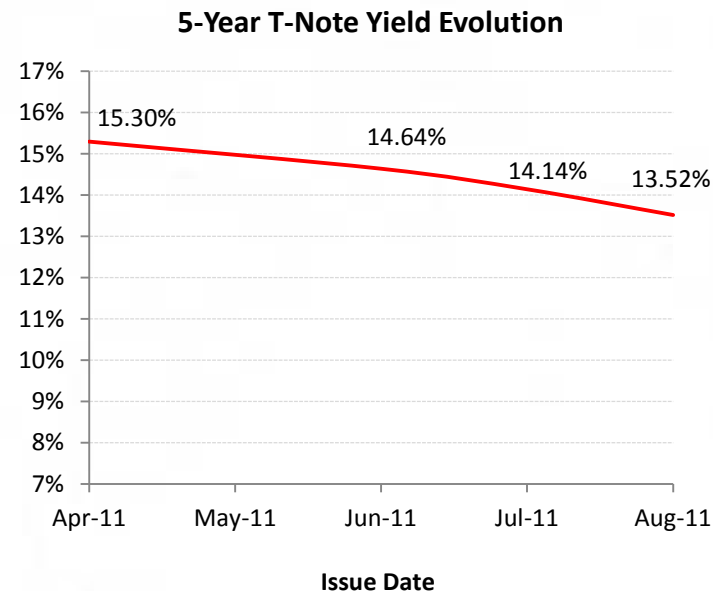
September 2011



5-Year T-Notes



- Issue Volume (LHS)
- Demand Volume (LHS)
- Weighted Average Interest Rate (RHS)
- Bid Coverage Ratio

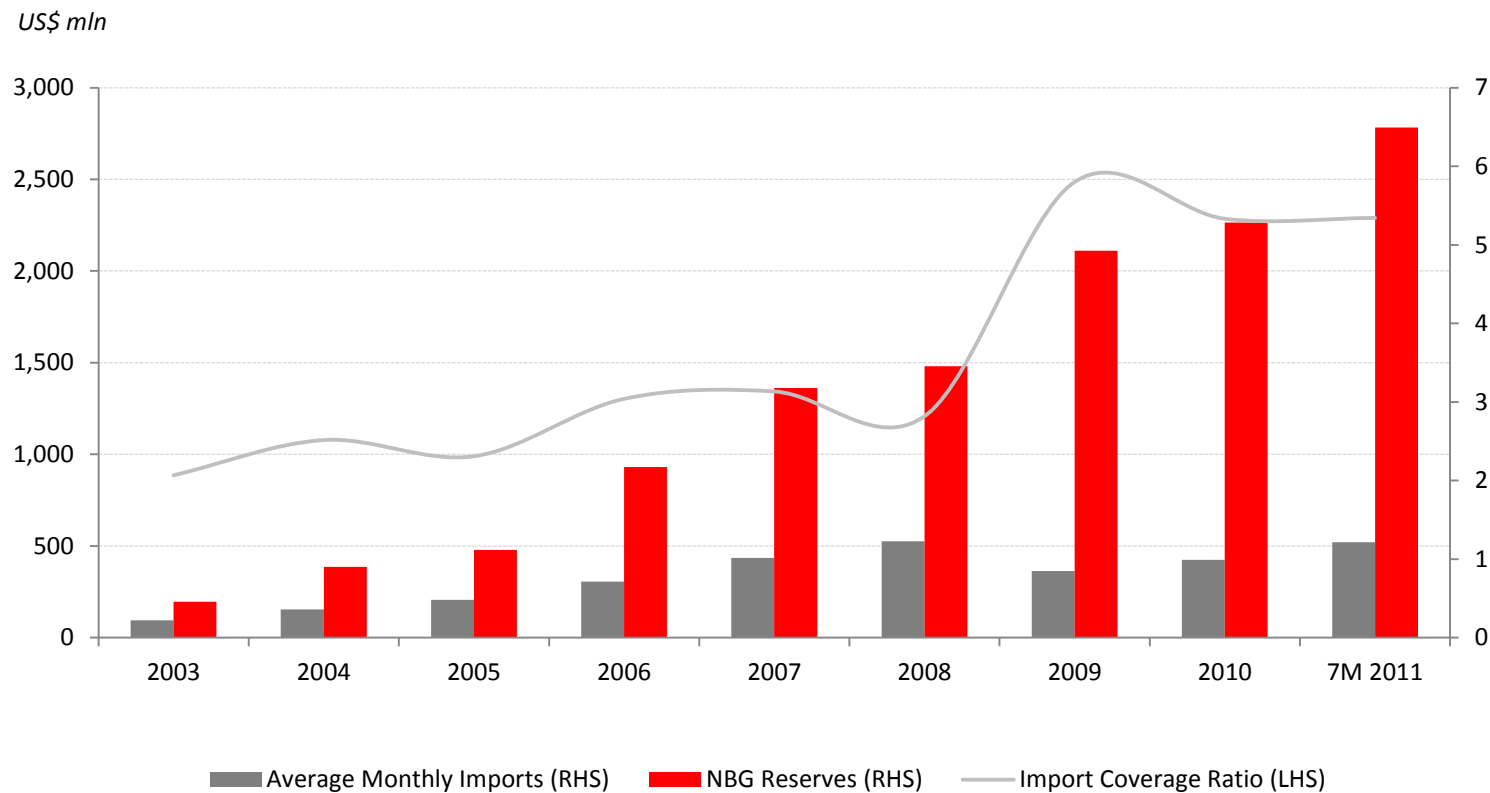


Bid Coverage Ratio equals 2.39 in 2011

Source: The National Bank of Georgia

September 2011

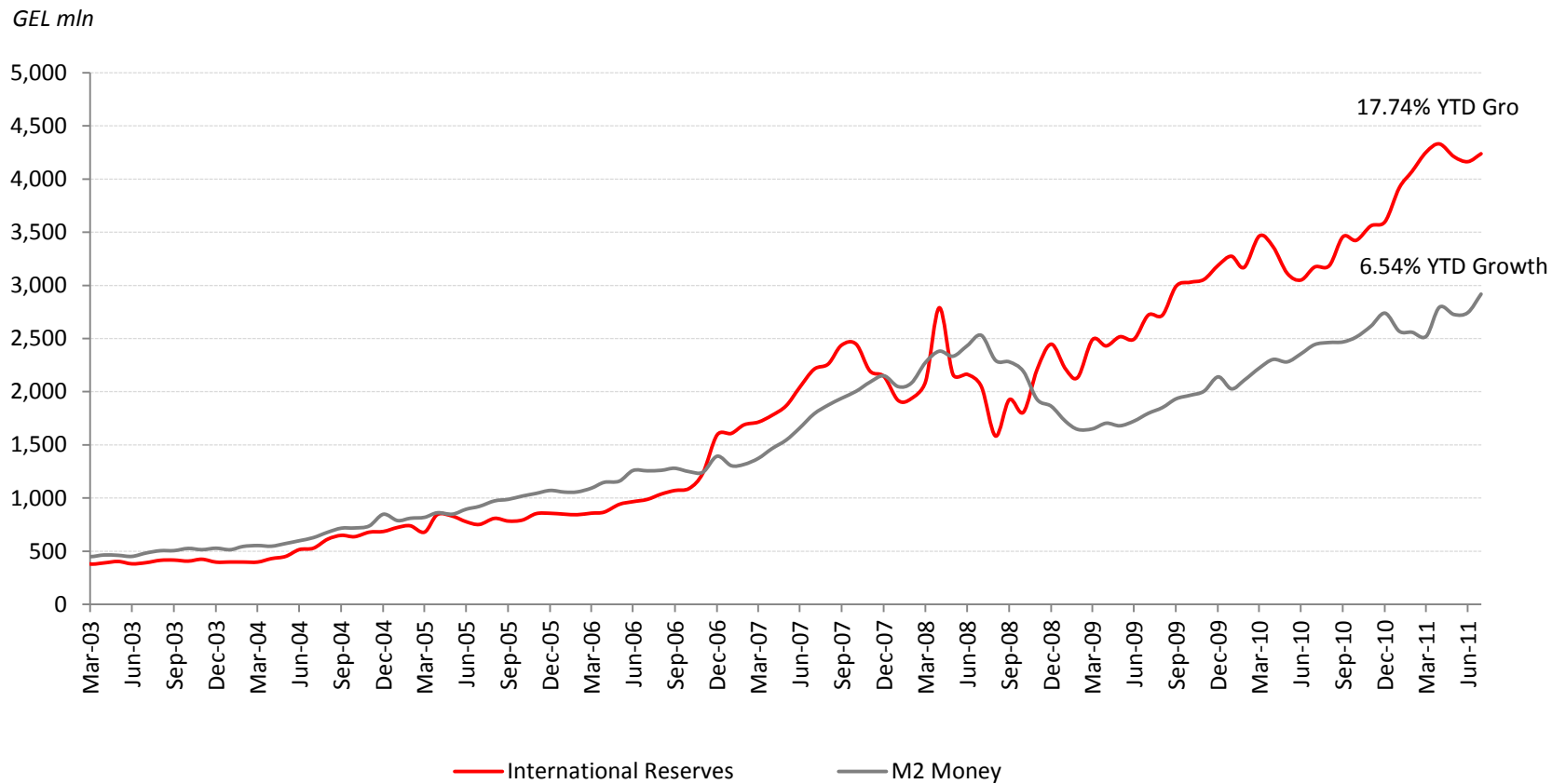
Import Coverage Ratio



Source: The National Bank of Georgia

September 2011

M2 Money vs. International Reserves



Source: The National Bank of Georgia

September 2011

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