



**Bank of Georgia 2005 Results Presentation** 

January 31, 2006

# The Georgian Economy At A Glance

In GEL mln, unless otherwise noted	2003A	2004A	2005E	2006F	2007F	CAGR 04-07
Demographic Parameters						
Population, thousand people, of which	4.55	4.54	4.56	4.58	4.60	0.5%
Economically active	2.11	2.11	2.13	2.14	2.16	0.7%
% of Total Population	46.5%	46.6%	46.7%	46.8%	46.9%	
Retired	0.99	1.03	0.99	0.99	0.99	-1.0%
% of Total Population	21.7%	22.7%	21.9%	21.8%	21.7%	
Under 15	1.45	1.39	1.43	1.45	1.46	1.6%
% of Total Population	31.8%	30.6%	31.5%	31.6%	31.7	
In GEL mln, unless otherwise noted	2003A	2004A	2005E	2006F	2007F	CAGR 04-07
Macroeconomic Parameters						
Nominal GDP	8,560	9,506	11,149	12,412	14,649	15.5%
Real GDP Growth, %	11.1	6.2	7.8	6.5	10.2	
GDP Per Capita (GEL)	1,883	2,096	2,446	2,710	3,182	14.9%
CPI, GEL, e-o-p, %	6.9	7.5	6.1	5.1	8.7	
GDP Deflator, y-o-y, %	3.2	5.9	5.5	4.5	7.1	
GEL/US\$, avg	2.14	1.91	1.81	1.79	1.80	-2.0%
GEL/US\$, e-o-p	2.05	1.83	1.79	1.78	1.79	-0.7%
Consolidated State Budget Revenues	1,320	2,282	2,507	3,029	3,807	18.6%
Consolidated State Budget Deficit	202	130	524	385	425	48.4%
As % of GDP	2.36%	1.37%	4.70%	3.10%	2.90%	

Source: State Statistics Department ; Galt & Taggart Securities' estimates

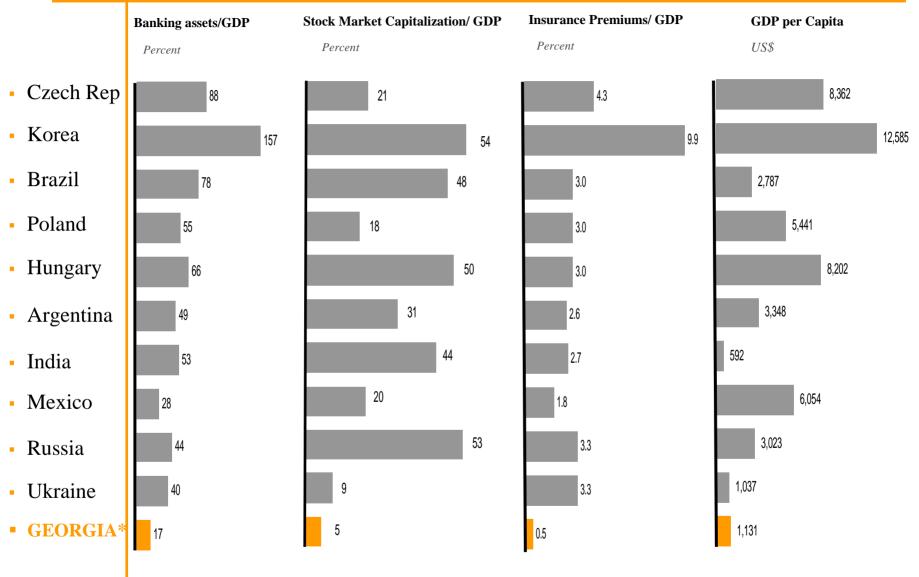


# The Georgian Economy cont'd

- High GDP growth
- Stable currency
- Strong fiscal performance
- Increasing consumer spending
- Increased productivity
- Unprecedented government spending on infrastructure
- Reasonable interest rate environment
- Increased foreign investor activity
- Progressive new tax code
- Massive deregulation and liberalization
- Reduced corruption
- Improving corporate governance practices



### STILL A LAGGARD AMONG EMERGING MARKETS, 2003



Note: Estimated real GPW to GDP in Russia was only about 1,7% in 2003; \* 2004 ; Source: Global Insight; Global Stock Market Factbook 2004; National Banks; McKinsey



### GEL/US\$ = 1.79 The Georgian Financial Services Sector At A Glance

### • 21 banking licenses, but sector consolidation in progress

	2005	Y-O-Y Growth	Top 5 Banks	Bank of Georgia
<b>Total Assets</b>	GEL 2,548 mln	50.2%	78.4%	17.8%
Loans	GEL 1,730 mln	79.3%	81.8%	18.2%
Deposits	GEL 1,538 mln	56.5%	78.1%	19.0%
Shareholders' Equity	GEL 479 mln	28.7%	68.1%	18.7%
Net Income	GEL 62 mln	124.7%	74.0%	20.7%

- Bank-owned insurance companies account for a 62% market share
  - Bank of Georgia has an approximately 22% market share (BCI/EuroPace)
- Bank-owned leasing companies account for 100% of the leasing assets
  - Bank of Georgia (GLC) has an approximately 30% market share
- Bank-owned broker-dealers account for more than 70% of trading volume on the GSE
  - Bank of Georgia (Galt & Taggart) has an approximately 35% market share
- 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> largest banks are foreign-controlled
  - Bank of Georgia (70% non-resident institutional investor ownership)
  - United Georgian Bank (51% owned by VneshtorgBank)
  - ProCredit Bank Georgia (majority controlled by the ProCredit network)



### **The Georgian Banking Sector – Significant Growth Potential**

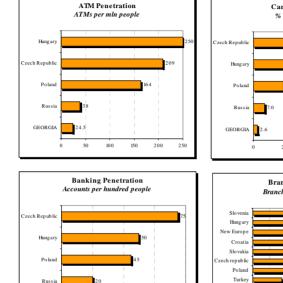
**Current Accounts** Transfers Cards/ATMs **Internet banking** 

**Basic products** 

# **Branch** banking **Credit products**

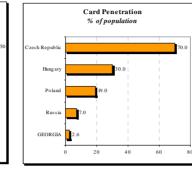
**Mortgages** Consumer loans Credit cards

Savings products/ **Deposit substitution** Asset management Pensions/Life insurance

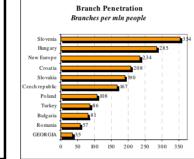


40

60



As consumer demand for financial services becomes more sophisticated



**Retail Financial** Assets **Total Retail GEL 1.854 mln Financial Assets Total Consumer GEL 108** Loan Stock Per **Capita** (including mortgages)

Intermediated

Cards in

circulation

Source: GFK, Pentor, McKinsey, Galt & Taggart Securities' estimates; Georgia 2005 1H data

	Georgia (2005E)	Georgia (2004)	CIS (2002)	Balkans (2002) C	EE (2002)	EU (2001)
Total Loans/GDP (%)	13.02%	9.85%	17%	14%	32%	172%
Total Deposits/GDP (%)	10.93%	10.03%	22%	25%	53%	186%
Banking Assets per capita (EUR)	169	151	628	695	4,336	64,535
Banking Assets/No. of Banks (EUR mln)	36.5	32.5	92	173	1,375	5,288
Source: ECB, EBRD, NBG, Galt & Taggart						
GEL/EUR as Dec 31 03	2.592					
GEL/EUR as Dec 31 04	2.485					
GEL/EUR as Dec 31 05	2.125					



GEOR GIA

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GEL 745 mln

**Under 200,000** 

### The Georgian Banking Sector – Key Trends & Issues 2005 - 2007

- Increasing adoption of the universal banking business model, following the lead of Bank of Georgia
- Significant IT/infrastructure and marketing spend drives increasing retail banking penetration
- Increasing foreign investment in small banks
  - Salford/Standard Bank (December 2004)
  - TuranAlem/SilkRoad bank (March 2005)
  - Cascade Holdings/Emporiki Bank Georgia (January 2006)
- Increasing availability of non-deposit funding
  - Driven by the S&P sovereign B+ rating
  - IFIs: EBRD, IFC, DEG, OPIC, BSTDB
  - Syndicated loans (TBC Bank)
  - Domestic bonds (Bank of Georgia, ProCredit Bank Georgia)
  - CLNs/Eurobonds (expected Q4 2006/1H 2007)
- Significant sector-wide growth triggers expected (2006-2007)
  - Gradual relaxation of the tough NBG capital adequacy & liquidity ratios
  - Strengthened and improved bank supervision, strict AML/KYC regime improve confidence in the banking sector
  - Financial sector liberalization under way, dramatically facilitating non-residents' access to Georgian financial assets
  - Introduction of the deposit insurance scheme (potentially in 2007)



# **Bank of Georgia - Our Vision & Mission**

Our <u>vision</u> is to be recognized as the best financial services company in Georgia.

Our <u>mission</u> is to create long-term value and deliver by 2007 ROAE of 20%+ by building a relationship-driven, client-facing integrated financial services company based on the core values of excellence in execution, teamwork, integrity and trust.

Retail Banking	The largest Georgian retail bank, offering consumers the broadest range of services through multiple channels
Corporate & Investment Banking	A leader in corporate banking, bank of choice for inbound foreign corporates The undisputed leader in investment banking Integrated offering to large corporates through strong client coverage culture
Insurance	A leading player in the non-life sector, cross-selling insurance to corporates A leading life insurance and pensions provider
Asset & Wealth Management	A leading share of the domestic institutional business The undisputed domestic leader in wealth management, with niche appeal to sophisticated non-resident investors A player in private equity and venture capital



### **Bank of Georgia – An Integrated Business Model**



One Firm Strong management Shared expertise Cross-sell synergies Shared services & infrastructure Cost efficiency

	Bank of Geo	rgia Group		
BCI/EP	CIB	RB	A&WM	2005 Results
2/3	2	1	1	Market Position
N/A	GEL 182.0 mln	GEL 130.8 mln	AUM/Custody GEL 78.7 mln	Earning Assets
GEL 7.6 mln	N/A	N/A	GEL 12.0 mln	Total Assets
GEL 9.2 mln	GEL 25.1 mln	GEL 26.3 mln	GEL 2.0 mln	Revenue
N/A	GEL 19.2 mln	GEL 10.6 mln	N/A	NNOI
GEL 1.2 mln	GEL 14.7 mln	GEL 7.6 mln	GEL 0.7 mln	PBR
GEL 0.8 mln	GEL 8.0 mln	GEL 4.2 mln	GEL 0.5 mln	Net Income
5.9%	59.3%	31.1%	3.7%	Contribution to Group Net Incom



### **Bank of Georgia - Development Milestones**

			New Managen	nent Team Takes Ove	r
GEL 230.1 mln GEL 151.0 mln GEL 121.9 mln GEL 54.6 mln	GEL 279.2 mln GEL 171.7 mln GEL 177.4 mln GEL 48.6 mln	GEL 361.4 mln GEL 192.1 mln GEL 251.5 mln GEL 54.2 mln	GEL 365.1 mln GEL 240.0 mln GEL 245.5 mln GEL 59.9 mln	GEL 453.7 mln GEL 315.1 mln GEL 271.1 mln GEL 90.0 mln	Total Assets (e-o-p) Total Loan Book (e-o-p) Deposits (e-o-p) Equity (e-o-p)
		6	11	15	Number of Western-Traine Professionals
		TUB (US\$ 6.2 mln) BCI (US\$ 2.1 mln) Georgian Card (increased from 19% to 51%, US\$ 343 K)	Galt & Taggarrt (increased from 35% to 90%, US\$ 206K)	GLC (increased from 60% to 87.3%, US\$ 350 K) Europace, 100% acquisition by BoG and BCI (US\$ 1.4 mln)	Key Acquisitions
Retail Banking Corporate Banking Trade Finance Foreign Exchange	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking	Key Business Lines
BSTDB US\$ 4 mln DEG EUR 6.5 mln AKA Bank EUR 5 mln EBRD US\$ 11 mln IFC US\$ 8 mln			KfW US \$3.5 mln guarantee facility EBRD US\$ 10 mln	GEL 1.4 mln Bond Placement	Key International Lenders
EBRD (since 1998) DEG invests		Post-Communist Opportunities Fund, Firebird Avrora Fund, Firebird Republics Fund Firebird Global Master Fund invest	Ostinvestor clients invest The Firebird funds and East Capital Bering Fund increase their respective stakes	Two additional funds invest East Capital Holding increases its stake East Capital Bering Ukraine Fund invests Bank Austria Creditanstalt purchases a large block on behalf of institutional client and issues Call Warrants against BoG stock tradable on the Vienna Stock Exchange SEB Vilniaus Bankas purchases a large block on behalf of Finasta	Institutional Shareholders
2000-2003	Q1-Q3 2004	Q4 2004	1H 2005	2H 2005	



# Supportive Shareholders & Lenders

#### **BoG Shareholder Structure**

**Bank of Georgia Shareholding** 

31-Dec-05	Shares	%		
EBRD	1,729,757	11.7%		
Victor Gelovani	1,694,610	11.5%		
Bank Austria Creditanstalt (nominees)	1,499,993	10.2%		
Firebird Avrora Fund	1,267,614	8.6%		
Firebird Republics Fund	1,267,135	8.6%		
Galt & Taggart Securities (nominees)	1,113,931	7.6%		
East Capital Holding	846,864	5.7%		
East Capital Bering Fund	720,790	4.9%		
East Capital Bering Ukraine Fund	670,000	4.5%		
Firebird Global Master Fund	596,317	4.0%		
Lado Gurgenidze	361,243	2.5%		
SEB Vilniaus Bankas (nominees)	331,200	2.2%		
Sulkhan Gvalia	257,835	1.8%		
Tariel Gvalia	248,095	1.7%		
Subtotal	11,491,453	78.0%		
Free float	3,237,251	22.0%		
Total	14,728,704	100.0%		
Key Lenders				
🝈 European Bank	US\$ 13.2 mln			
for Reconstruction and Development	EUR 0.2			
	EUK 0.2	111111		
	US\$ 5.3 n	aln		
International Finance Corporation	03\$ 5.5 1	.1111		
	US\$ 3.2	mln		
Black Sea	US\$ 3.0	mln		
Development Bank				

#### Key Institutional Shareholders



- Bank Austria Creditanstalt **SEB VILNIAUS** 
  - Management currently owns approximately 623,080 shares and approximately 541,665 options/share grant entitlements
- New management share ownership plan has been introduced and 40 professionals equitized
- 40 non-resident individual shareholders
- Approximately 1,800 domestic retail shareholders

COMMERZBANK

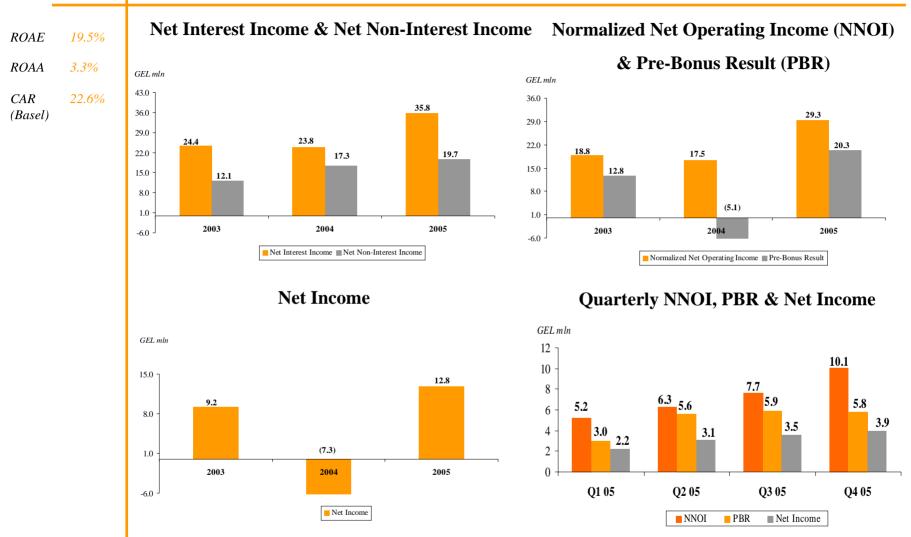
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EUR 1.0 mln

US\$ 3.8 mln

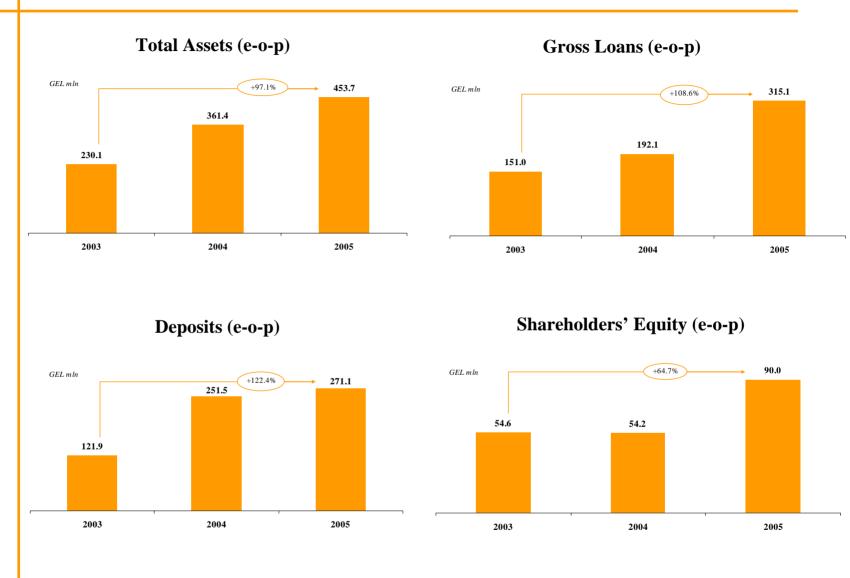
### 2005 Results Overview



Note: 2004 results include TUB on a combined basis

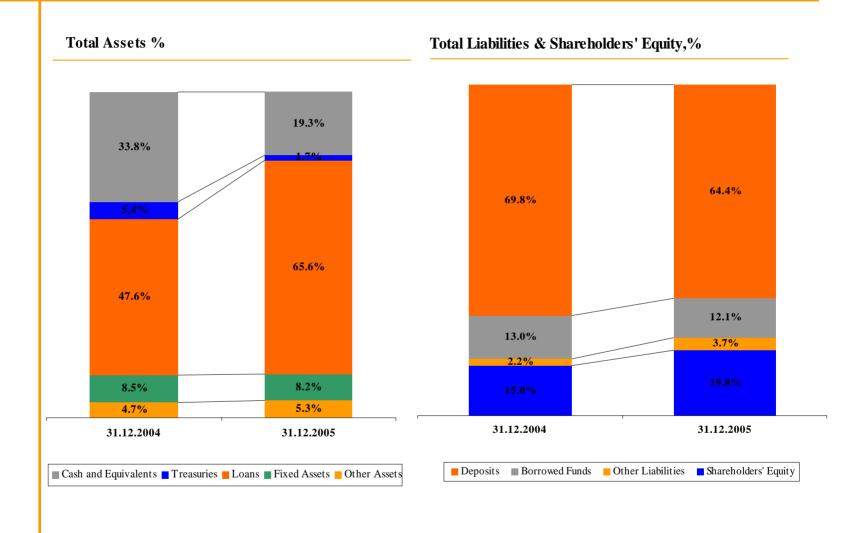


### **Balance Sheet Highlights**



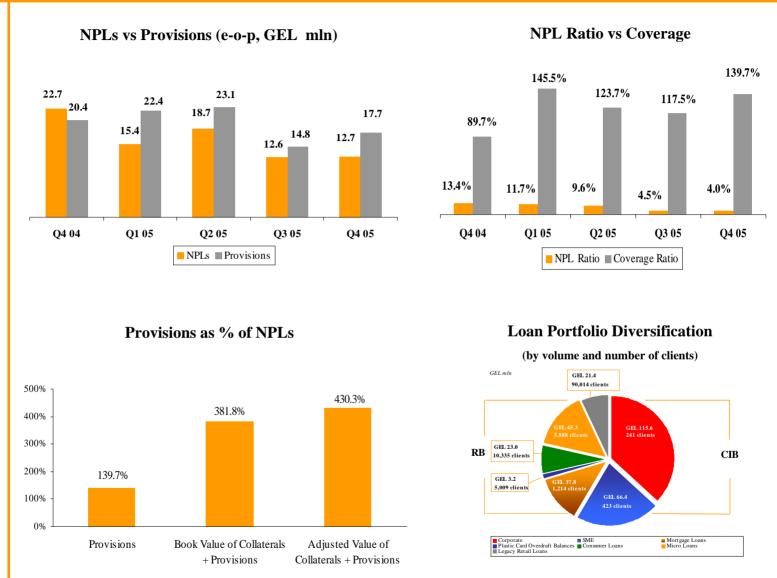


### **Changing Balance Sheet Composition Geared Towards Higher Profitability**





### **Diversified Loan Book And Conservative Provisioning Policy**



NPL=Overdue more than 90 days (except for 2004 and 2003); NPL Ratio = NPLs/Total Loans;

Coverage Ratio=Provisions/NPLs b)d)AMBONG BANK OF GEORGIA WWW.bog.ge/ir

### Improving Asset Quality While Expanding The Loan Book

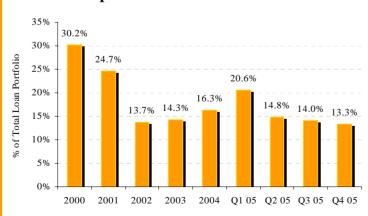
Asset Quality								
GEL mln, unless otherwise noted	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05
Overdues*	14.6	11.7	11.9	14.7	11.5	7.0	9.7	13.5
NPLs**	9.9	9.9	12.7	22.7	15.4	18.7	12.6	12.7
NPLs/Total Loans	6.4%	6.3%	7.5%	13.4%	7.9%	9.2%	4.5%	4.0%
NPL coverage ratio (Provisions/NPLs)	94.0%	87.2%	86.4%	89.7%	145.5%	123.7%	117.5%	139.7%
Provisions/Total Loans	6.1%	5.5%	6.4%	12.1%	11.7%	9.6%	5.3%	5.6%

\*Overdue more than 30 days but less than 90 days \*\* Overdue more than 90 days in 2005

#### Loan Portfolio Risk by Loan Categories

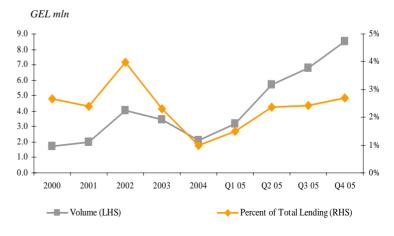
GEL mln, unless otherwise noted	Dec-04	Dec-04	Mar-05*	Mar-05*	Jun-05	Jun-05	Sep-05	Sep-05	Dec-05	Dec-05
Standard (2% provision)	131.6	78%	176.2	81%	202.6	84.4%	252.5	90.2%	281.9	89.5%
Watch (10% provision)	14.7	9%	14.8	7%	11.3	4.7%	11.8	4.2%	13.2	4.2%
Substandard (30% provision)	4.2	3%	6.9	3%	8.2	3.4%	8.5	3.0%	9.0	2.8%
Doubtful (50%-70% provision)	8.2	5%	5.9	3%	6.1	2.6%	2.3	0.8%	6.1	2.0%
Loss (100% provision)	10.3	6%	12.8	6%	11.8	4.9%	4.9	1.7%	4.9	1.6%
Total	169.0	100%	216.6	100%	240.0	100%	279.9	100%	315.1	100%

\* March 05 includes TUB



#### **Top Ten Borrower Concentration**







# **Retail Banking Overview**

**RB** Loans GEL mln 140 120 100 80 130.8 60 40 68.4 46.9 20 0 12.31.2003 12.31.2004 12.31.2005

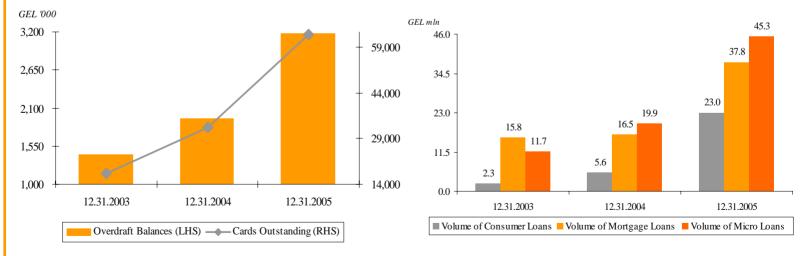
#### **RB** Client Funds

Over 150,000 current accounts at YE 2005

GEL mln 180 154.5 160 140 113.1 120 95.6 100 80 71.7 60 34.4 40 15.8 20 25.6 24.5 0 12.31.2004 12.31.2005 Current Account Balances Demand Deposits Time Deposits

**Plastic Cards** 

Consumer, Mortgage & Micro Loans



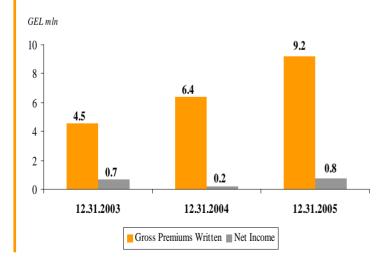


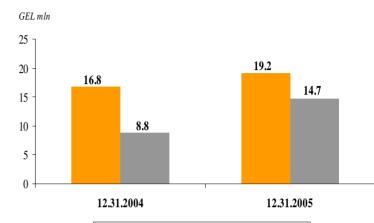
## **Overview Of Other SBUs**

**CIB Loan Portfolio** 

GEL mln 210 160 119.1 10 60 10 12.31.2004 12.31.2005 Corporate Loan Portfolio, LHS — % of Total Loan Portfolio, RHS

#### BCI

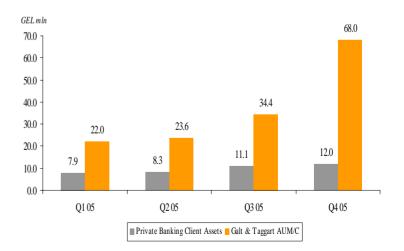




#### **CIB NNOI & PBR**

PB Clients & Galt & Taggart AUM/C

Net Normalized Operating Income Pre Bonus Result





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80%

70%

60%

50%

40%

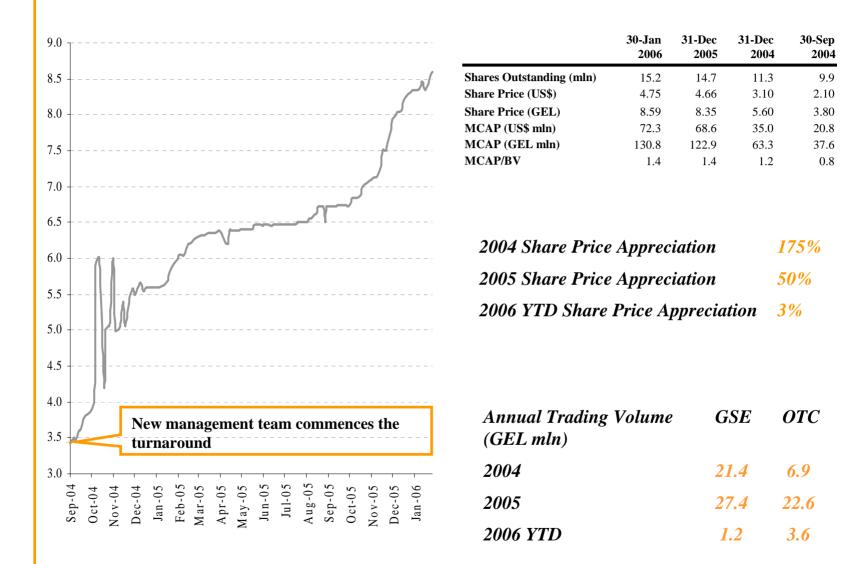
30%

# 2005 – Leadership In Innovation

- The first Georgian bank to adopt a CIB integrated client coverage model
- The first Georgian bank to introduce packaged Retail Banking products
- The first Georgian bank to introduce *bancassurance*
- The first Georgian bank to launch Private Banking
- The first successful live migration to a new card processing platform in Georgia
- The first LBO transaction in Georgia
- The first cross-border M&A transaction advisory by a Georgian investment bank
- The first corporate bond issue in Georgia
- The first structured equity transaction in Georgia
- The first research coverage of a Georgian company by a nonresident brokerage house



# **Share Price Performance**





### **Investment Case**

- A "leveraged play" on Georgia's economic growth
- Winning strategy for medium-term profitable growth
- Financial sector consolidator: five acquisitions in the last 18 months
- Solid historical performance due to core franchise strength
- Diversified revenue streams being built through product innovation in the context of an integrated business model
- Disciplined capital management
- Sophisticated management team and strong staff, comprising more than 15 individuals with Western banking & finance background and education
- Results-oriented corporate culture stressing teamwork, initiative and accountability
- Cost efficiencies are being realized
- Transparency and good governance
- Emphasis on investor relations, retail-lot liquidity and international stock exchange listing
- Zealous focus on creating attractive exit opportunities by 2007
- The only investable banking stock in Georgia (and the Caucasus)



# **Ample Exit Opportunities**

Selected Potential Buyers





# **Contact Information**

Lado Gurgenidze Chief Executive Officer + 995 32 444 103 lgurgenidze@bog.ge

Irakli Gilauri Chief Financial Officer + 995 32 444 109 igilauri@bog.ge

Macca Ekizashvili

Head of Investor Relations

+ 995 99 900 108

ir@bog.ge



### **Caution Regarding Forward-Looking Statements**

This presentation contains statements that constitute "forward-looking statements", including, but not limited to, statements relating to the implementation of strategic initiatives and other statements relating to our business development and financial performance.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, (1) general market, macroeconomic, governmental, legislative and regulatory trends, (2) movements in local and international currency exchange rates, interest rates and securities markets, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) management changes and changes to our group structure and (7) other key factors that we have indicated could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports, including those filed with the NSCG.

We are under no obligation (and expressly disclaim any such obligations to) update or alter our forward-looking statements whether as a result of new information, future events, or otherwise.



# Unaudited 2005 Financial Statements



### **Income Statement**

	Ү-О-Ү	Unaudited	Audited	Audited
JSC Bank of Georgia Standalone, IFRS	Growth	12/31/2005	12/31/2004	12/31/2003
GEL, unless otherwise noted				
Operating Income				
Interest Income	44.2%	48,664,733	33,757,694	32,298,796
Interest Expense	29.9%	12,882,305	9,919,060	7,880,255
Net Interest Income	50.1%	35,782,428	23,838,634	24,418,541
Commission Income	18.5%	13,035,903	11,002,843	9,398,030
Commission Expenses	17.8%	2,105,997	1,787,312	3,022,039
Net Commission Income	18.6%	10,929,905	9,215,531	6,375,991
Income from Documentary Operations	27.1%	2,807,882	2,209,396	2,159,701
Expense from Documentary Operations	7.7%	803,965	746,689	545,816
Net Income From Documentary Operations	37.0%	2,003,918	1,462,707	1,613,885
Other Non-Interest Income	-91.6%	183,522	2,193,304	235,762
Other Non-Interest Expenses	-99.5%	1,780	391,474	23,471
Net Other Non-Interest Income	-89.9%	181,742	1,801,830	212,291
FX Trading Income	34.9%	6,542,241	4,848,068	3,868,124
Net Non-Interest Income	13.4%	19,657,806	17,328,136	12,070,291
Total Operating Income	34.7%	55,440,233	41,166,770	36,488,833
Recurring Operating Costs				
Personnel Costs	10.0%	12,442,922	11,313,359	7,848,031
Selling, General & Administrative Expenses	20.3%	4,714,949	3,920,334	3,169,058
Procurement & Operations Support Expenses	-3.0%	1,989,900	2,050,793	1,428,956
Depreciation	33.8%	3,491,954	2,609,282	2,230,987
Other Operating Expenses	-2.2%	2,925,812	2,991,103	2,113,851
Various Tax Expenses	-24.0%	597,126	785,494	908,348
Total Recurring Operating Costs	10.5%	26,162,663	23,670,364	17,699,230
Normalized Net Operating Income	67.3%	29,277,571	17,496,405	18,789,603
Non-recurring costs	21.6%	1,962,044	1,613,052	1,073,227
Profit (pre-bonus) Before Provisions	72.0%	27,315,526	15,883,353	17,716,376
Provisions	-59.9%	8,861,148	22,118,260	5,258,312
Gains on asset sale & recovery	3635.4%	1,840,501	49,272	340,122
Pre-Bonus Result	NMF	20,294,879	-6,185,634	12,798,186
Guaranteed Compensation Expenses	NMF	232,000	-	-
Bonuses	208.6%	6,000,001	1,944,016	1,213,174
Pre-Tax Income	NMF	14,062,878	-8,129,650	11,585,011
Profit Tax	65.3%	1,289,194	780,117	2,431,357
Net Income	NMF	12,773,685	-7,349,533	9,153,654



### **Balance Sheet**

JSC Bank of Georgia Standalone, IFRS GEL, unless otherwise noted	Y-O-Y Growth	Unaudited 12/31/2005	Audited 12/31/2004	Audited 12/31/2003
Cash	-30.5%	24,907,867	35,849,634	15,924,546
Balances with NBG	-16.2%	33,249,739	39,665,998	24,786,617
Cash Balances with Banks	-37.2%	29,314,610	46,700,386	17,823,156
Treasuries	-60.4%	7,700,513	19,455,949	1,683,201
Other fixed income instruments	NMF	1,791,329	0	0
Net Loans	72.9%	297,379,751	171,958,234	140,539,186
Accrued Interest and Dividends	21.3%	3,373,236	2,781,047	2,450,541
Net Investments	70.8%	9,221,425	5,399,517	1,048,287
Fixed Assets	20.6%	37,068,704	30,727,445	22,807,269
Other assets	11.8%	7,736,814	6,922,934	3,059,924
Goodwill	1.3%	1,917,416	1,892,010	-
TOTAL ASSETS	25.5%	453,661,404	361,353,155	230,122,727
Deposits	15.8%	292,167,823	252,280,910	122,668,093
Interbank deposits	2563.4%	21,062,794	790,817	763,668
Client deposits	7.8%	271,105,029	251,490,093	121,904,425
Borrowed Funds	16.8%	54,702,186	46,828,912	48,940,983
Payable Interest and Dividends	199.3%	9,188,107	3,069,630	2,320,631
Other Liabilities	51.6%	7,590,854	5,007,842	1,551,595
TOTAL LIABILITIES	18.4%	363,648,971	307,187,294	175,481,302
Ordinary Shares	30.7%	14,728,704	11,273,386	9,855,606
Retained Earnings and Revaluation Reserves	24.2%	62,510,045	50,347,143	35,631,581
Net Income for the Year	NMF	12,773,684	-7,454,668	9,154,238
SHAREHOLDERS' EQUITY	66.2%	90,012,434	54,165,861	54,641,425
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	25.5%	453,661,404	361,353,155	230,122,727
Shares Outstanding		14,728,704	11,273,386	9,855,606



### Key Ratios

RATIOS			
JSC Bank of Georgia Standalone			
ROAE, %	19.5%	NMF	16.8%
ROAA, %	3.3%	NMF	4.0%
Net Interest Margin, %	13.2%	11.4	17.6
(Net Interest Income/Average Interest bearing assets)			
Interest Spread, %	8.6%	7.9%	10.8%
Cost/Income Ratio (normalized)	58.43%	62.2%	51.8%
Personnel Costs/Total Income,%	33.7%	32.2%	24.8%
Net Income/Total Operating Income, %	23.0%	NMF	25.1%
Capital Adequacy Ratio (Tier I + Tier II, Basel),%	22.6%	22.2%	27.5%
Net Loans/Total Assets, %	65.6%	47.6%	61.1%
Net Loans/Total Liabilities,%	81.8%	56.0%	80.1%
Net Loans/Client Deposits, %	109.7%	68.4%	115.3%
Total Deposits/Total Liabilities, %	80.3%	82.1%	69.9%
Time Deposits/Total Deposits, %	45.2%	37.5%	48.6%
Demand Deposits/Total Deposits, %	12.9%	6.3%	6.2%
Current Account Balances/Total Deposits, %	41.8%	56.2%	45.2%
Provisions/Gross Loans,%	5.6%	12.1%	6.0%
NPLs/Gross Loans, %*	4.0%	13.4%	12.3%
Provisions/NPLs, %	139.7%	89.7%	48.8%
Leverage (total Liabilities/Equity)	4.0%	5.7%	3.2%
Book Value per Share	6.11	4.80	5.54
Share Price**	8.35	5.60	2.03

\* NPLs includes loans classified as Substandard, Doubtful and Loss

\*\* GSE closing price on the last trading day of the year



### **2005 Consolidated Group Performance**

Age of the set o		BOG Standalone	BOG Group		BOG Standalone	BOG Group
Chb         Score         Score <ths< td=""><td>CFI unlars athennise noted</td><td>Dec-05</td><td>Dec-05</td><td>GEL, unless otherwise noted</td><td>Dec-05</td><td>Dec-05</td></ths<>	CFI unlars athennise noted	Dec-05	Dec-05	GEL, unless otherwise noted	Dec-05	Dec-05
Insert Store:         43,6473         44/249         Compode acom         427296         427296           Interes Expres         (128,734)         (128,715)         Regumer fraid         2574,64         42076,84           Nal Insert Stores         (139,053)         (127,175)         Regumer fraid         250,054         430,052           Contains Expres         (130,059)         (127,175)         In mersider hals         153,90,80         141,023           Contains Expres         (130,059)         (127,157)         In mersider hals         153,90,80         143,023           In contains Expres         (130,050)         (130,050)         (130,050)         123,000         123,000           Not Contain         (130,050)         (130,050)         (130,050)         123,000         124,000	GEL, uness otherwise noted			Cash	24,907,867	24,911,081
Inters (pars)         (12,872,89)         (12,872,89)         Regime yrind         (22,97,89)         (22,98,94)         (23,98,94)         (23,98,94)         (23,98,94)         (23,98,94)         (23,98,94)         (23,99,94)         (23,99,94)         (24,92,92)         (23,99,94)         (24,92,92)         (23,92,94)	1 0			Balances with NBG		, ,
Number of Data Strategy         Stynkyst         Cach Balance with Bank         99.144.00         99.144.00         99.144.00         99.144.00         99.144.00         99.144.00         99.144.00         99.144.00         199.040				1		
Interaction         Interaction <thinteraction< th=""> <thinteraction< th=""></thinteraction<></thinteraction<>						
Control (1) (2003)         (1) (2004)         Increasion truck         (1) (2003)         (1) (2003)           Commissin Express         (2) (2) (2) (2) (2) (2) (2) (2) (2) (2)	Net Interest Income	35,782,429	35,920,814			
Cultures         L200970         L200370         Treasmic         7700533         \$8400.01           MC Cultures         1000750         L200570         Constraint         1001370         \$6009         10009         \$6009         \$6009         \$6009         \$6009         \$6009         \$6009         \$6009         \$20000	Commission Income	13,035,903	13,776,047			
MC demission         100.8000         000.8000         000.8000         000.8000         100.8000         100.8000           boome fon Docametry Operations         808.9541         0.803.5941         Lanes to Clines basis         32.0000         32.0000           boome fon Docametry Operations         808.9541         0.803.894         Lanes to Clines basis         32.075.83         39.696.511           Out Non-direct boome         181.741         7.563.175         Provisions for Loan Lanes         92.795.731         59.44.702.83           Out Non-direct Boome         181.741         47.056.0         Provisions         57.075.00         17.075.00	Commission Expenses	(2,105,997)	(2,737,557)			
hone momenta (Spensins)         2.07.82         Cross (switch)         315/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         313/07.854         320/000           Not non-From Decomentary Operations         2.003/03         Provisions for Lonan Less:         016/08.853         017/07.853         309/05.851           Othe Non-intered Express	Net Commission	10,929,906	11,038,490			
Exercise for Demaning Querions         00039(4)         00039(4)         Lows is Bask         2330000         2330000           Net Insome Form Demaning Querions         24043918         24043918         Lows is Bask         2330000         2330000           Net Insome Form Demaning Querions         1312778-334         Class 157         Provisions for Lan Lows         11078-33737         00167 Non-interes Express         130741         4474374           Other Non-interes Income         181741         44743744         Grass Interesting         3572758         24727383           PT Training Income         554231         6485183         Provisions         2775194         2775194           Non-Interest Income         1945786         2341207         Net restorations         2775194         2775194           Non-Interest Income         1945786         23401207         Provisions         277540         277540           Non-Interest Income         1945786         1234314         Octos Provisions         277540         277540           Non-Interest Income         1945786         124435         Provisions         16448         233726         233726           Non-Interest Income         194596         0733749         Provisions         164418         2354726           Nonding	Income from Documentary Operations	2 807 882	2.807.882			
Net iscuse Prou Decensity Operations         2005/01	, i					
Other Mon-Interest Income         111,141         7,55,175         Proteins of Lon Loses:         (17,05,375)         Point Strate         (17,05,375)         Point Strate	1 51					
Outer Non-interest Income         10.1.41         (	••					
Outs Advances Legislics         1.0.89,237         Advanced Leners and Dividuals         3.372.26         7.457.13           IV Trading Income         158,174         4.471.516         Gross nomences         9.91.13         4.171.70           IV Trading Income         5.52.241         6.583.83         Provisions         0.279.099         0.279.099           Non-Interes Income         19.657.06         2.369.003         2.271.518         2.271.518         2.271.518           Forming Organing Cons         10.610.09         Gross Property and equipment, Ford & Intangible Asset         3.5377.356         3.848.579           Personic Octs         Property and equipment, Ford & Intangible Asset         3.5377.356         3.848.579           Headh Instruce & Prosion         (16.0657)         Property and equipment, Ford & Intangible Asset         3.5377.356         3.848.579           Headh Instruce & Prosion         (16.0657)         Property and equipment, Ford & Intangible Asset         7.583.44         4.040.502.58           Londing TA & Dochyment Cots         (11.688)         (23.556)         Provision         (05.68.99         9.89.59.11           Londing TA & Dochyment Cots         (13.68.97.99         (3.44.957.98         Property and equipment, Ford & Intangible Asset         7.58.34         4.040.60.59         1.05.102.52         1.05.102.52		181,741				
Mode (Mathematical Lockine)         18,14         4,17,400         (Feb (A) (Fe	•	-		Accrued Interest and Dividends		
Non-Interest Income         19,57,86         2,40,127         Nutrostionis         12,125         3,855,003           Total Operating Income         55,40,255         59,52,201         Provisions         (108,502)         (277,500)         2,775,000         4,985,903         4,995,903         4,985,903         4,985,903         4,995,903         4,995,903         4,985,903         4,995,903         4,995,903 </td <td>Net Other Non-Interest Income</td> <td>181,741</td> <td>4,0/3,616</td> <td>Gross Investments</td> <td></td> <td></td>	Net Other Non-Interest Income	181,741	4,0/3,616	Gross Investments		
Instrument         Total Operating frome         275,000         275,000         275,000         275,000         275,000         (1083,602)<	FX Trading Income	6,542,241	6,485,183	Provisions	(279,699)	(279,699)
Total Operating Inome         55,440,25         59,22021         Gross progray owned         2775,000         2775,000           Resurcing Operating Cosis         Net property owned         1601,088         1601,088         1601,088           Personan Cos (accluding brons)         (122,200)         (14345,587)         Personan Cos (accluding brons)         1601,088         1503,082,704         4401,082,083           Health Instance & Persona Costs         (1148,04)         (223,06)         Personan Cost (accluding brons)         1601,083,082,00         1603,083,083,00         1603,083,083,00         1603,083,014         1603,083,014         1603,083,014         1603,083,014         1603,083,014         1603,083,014         1603,083,014         1603,083,014         1603,083,014         1603,083,013,01         1603,013,01         1603,013,01,013,01         1603,013,01,013,01         1603,013,01,013,01         1603,013,01,013,01         1603,013,01,013,01,01,01,01,01,01,01,01,01,01,01,01,01,	Non-Interest Income	19,657,806	23,601,207	Net Investments	9,221,425	3,895,003
Interving Operating Costs         Interving Operating Operati				Gross property owned	2,775,040	2,775,040
Personal Catchiding bonus         (12,422,00)         (14,845,587)         Frod Asets         35,377,366         38,488,700           Heah Insurance & Penson Costs         (160,67)         Property and equipment, Fixed & Intangible Asets         37,088,704         44,159,228           Consulting TA & Development Costs         (311,648)         (323,966)         Provisions         (05,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (055,698)         (056,098)	Total Operating Income	33,440,233	37,344,041	Provisions	(1,083,602)	(1,083,602)
Personal Code (Excluding Toms)         (12,422,015)         (12,422,015)         Property and equipment, Fixed & Intangible Assets         37,068,704         40,159,228           Health Issunce & Persona Costs         (311,648)         (323,966)         Provisions         (75,548)         (85,548)         (85,548)         (85,548)         (85,548)         (85,557,538)         Provisions         (85,61,44)         (12,51,526)         (85,61,44)         (12,51,526)         (13,61,52)         <	Recurring Operating Costs					
Health Insurance & Pension Costs         (100,657)         Gross Outer assets         77,882,312         (31,117,72)           Consuling, TA & Development Oxsts         (31,16,48)         (32,396)         Provisions         (95,698)         (95,589)           Depreciation         (3,91,954)         (3,753,894)         Good Over assets         (7,756,814)         (12,251,826)           Depreciation         (3,91,954)         (3,753,894)         Good Over assets         (7,756,814)         (46,050,659)           Total Recurring Openting copeness         (8,76,448)         (8,557,010)         Total Assets         453,661,444         460,620,659           Total Recurring Openting Costs         (25,162,666)         (28,490,054)         Deposits         21,105,209         288,017,971           Nor-recurring costs         (1962,044)         (2,040,831)         Client deposits         21,005,294         20,807,971           Profit (pre-bouns) Before Provisions         27,315,525         29,001,136         -Deposits of larghtirk deposits         21,005,294         21,862,952         11,972,714         1154,772,714           Profit (pre-bouns) Before Provisions         27,315,525         29,001,136         -Deposits of larghtirk duals         154,702,146         16,652,285         11,373,714         154,772,744         154,727,744         154,727,744 <td>Personnel Cost (excluding bonus)</td> <td>(12.422.903)</td> <td>(14.845.587)</td> <td></td> <td></td> <td></td>	Personnel Cost (excluding bonus)	(12.422.903)	(14.845.587)			
Consuling, TA & Development Costs         (311,648)         (323,966)         Perosistons         (352,512)         (357,574)           Markeiing, PK & Advertsing         (999,066)         (999,979)         Net Other Assets         7,756,814         (12251,826)           Depreciation         (3491,954)         (3,755,894)         Goodwill         1.917,146         6,4359.92           Other openting expenses         (8,764,148)         (8557,001)         Total Assets         523,661,443         643,059.92           Normalized Net Operating Costs         (26,162,666)         (28,490,054)         Deposits         221,07,233         289,073,971           Normalized Net Operating Income         29,277,569         31,041,967         Interhank deposits         21,106,209         20,861,1443           Norsecuring costs         (196,044)         (2,040,81)         Other provisios of Individual's         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,472,744         154,672,663         116,652,285         113,789,783           Profit type-bonnes Selve revery         1,840,501         Residents         702,500         6,584,505         12,785,866         12,785,866			(1 (0 (0 (0 (0 ()))))			
Marketing, P. & Advertising         (999,05)         (999,95)         (999,95)         (901,95)         (902,95)         (9			(323,966)			
Depreciation         (3,49),954         (3,753,894)         (Ref Orint Access)         (1,974,14)         (1,974,14)         (6,438,952)           Other operating expenses         (8,776,448)         (8,857,000)         Total Assets         453,661,404         460,620,659           Total Recurring Operating Costs         (2,64,62,666)         (28,480,954)         Deposits         292,167,823         289,073,971           Norrecurring costs         (1,962,044)         (2,040,831)         Interbank deposits         21,062,794         20,801,448           Norrecurring costs         (1,962,044)         (2,040,831)         Client deposits         21,062,794         26,801,444           Profit (pre-bouns) Before Provisions         27,315,525         29,001,136         - Deposits of Individuals         154,472,744         154,472,744           Provisions         (8,861,148)         (9,372,406)         Borrowed Funds         37,024,500         7,037,048           Gains on aset sile & recovery         (8,861,148)         (9,372,406)         Residents         7,024,500         7,037,048           Pre-Bouns Result         20,294,879         21,469,231         Payable Interest and Dividends         9,183,66         9,947,007         9,119,36,66           Guaranteed Compensation Expenses         (22,000)         (23,2000)	<b>0</b>					
Oher operating expenses         (8,776,448)         (8,557,010)         Oddwill         (1,71,740)	e .					, ,
Total Recurring Operating Costs         (26,102,666)         (28,480,054)         Deposits         (20,001,607)         (40,002,002)           Normalized Net Operating Income         29,21,67,823         289,073,971         (20,01,807)         (20,01,803)         (20,01,803)         (20,01,803)	•					
Deposits						
Nn-recurring costs         (1.962,044)         (2.040,831)         Client depoints         271,105,009         262,212,527           Profit (pre-bonus) Before Provisions         27,315,525         29,001,136         - Deposits of Individuals         154,472,744         154,472,744         154,472,744           Profit (pre-bonus) Before Provisions         (8,861,148)         (9,372,406)         Borowed Funds         36,861,083         36,840,855           Gains on asset sale & recovery         1,840,501         1,840,501         Residents         7,024,500         7,037,048           Pre-Bonus Result         20,294,879         21,469,231         Payable Interest and Dividends         9,188,107         9,119,356,666           Guaranteed Compensation Expenses         (232,000)         (232,000)         Other Liabilities         363,648,971         368,556,089           Bonus         (6,000,001)         (6,198,148)         Ordinary Shares         14,728,704         14,728,704           Pre-Tax Income         14,962,978         15,039,083         Prefered Shares         .	<b>.</b> .			1		, ,
Interfact (a)         (b)         - Deposits of Individuals         154,472,744         154,472,744           Profit (pre-bonus) Before Provisions         27,315,525         29,001,136         - Deposits of Individuals         116,632,285         113,739,783           Provisions         (8,861,148)         (9,372,406)         Borrowed Funds         54,702,186         55,584,055           Gains on asset sale & recovery         1,840,501         1,840,501         Residents         7,024,500         7,037,048           Pre-Bonus Result         20,294,879         21,469,231         Payable Interest and Dividends         9,188,107         9,19,366           Guaranteed Compensation Expenses         (232,000)         (232,000)         Other Liabilities         7,590,854         13,758,696           ESOP Expenses         Total Liabilities         7,690,854         13,758,704         1,499,717           Bonus         (6,000,001)         (6,198,148)         Ordinary Shares         1,499,717         60,827           Net Income         12,773,684         15,439,852         Prefered Shares         .         .         .           Minority Interest         12,773,684         13,432,552         Retained Earnings and Revaluation Reserves         6,2510,045         6,2510,045         6,2510,045         6,2510,045				•		
Profit (pre-bonus) Before Provisions         27,315,525         29,001,136         . Deposits of Legal Entities         116,632,285         113,739,783           Provisions         (8,86,1,148)         (9,372,406)         Borrowed Funds         54,702,186         56,584,055           Gains on asset sale & recovery         1.840,501         Residents         7,024,500         7,037,048           Pre-Bonus Result         20,294,879         21,469,231         Payable Interest and Dividends         9,188,107         9,188,107         9,137,58,696           Guaranteed Compensation Expenses         (232,000)         (232,000)         Other Liabilities         363,648,971         368,556,089           ESOP Expenses         -         Total Liabilities         14,728,704         14,728,704           Pre-Tax Income         14,062,878         15,039,063         Prefered Shares         -         -           Profit Tax         (1,289,194)         (1,606,552)         Treasury Shares         -         -         (80,827)           Note Income         12,773,684         13,432,532         Retained Earnings and Revaluation Reserves         62,510,045         62,510,045         62,510,045           Minority Interest         -         144,939         Net Income for the year         12,773,684         13,577,471	Non-recurring costs	(1,962,044)	(2,040,831)	•		
Provisions         (8,86,1148)         (9,372,406)         Borrowd Funds         54,702,186         56,584,055           Gains on asset sale & recovery         1,840,501         1,840,501         Residents         7,024,500         7,037,048           Pre-Bonus Result         20,294,879         21,469,231         Payable Interest and Dividends         9,188,107         9,119,366           Guaranteed Compensation Expenses         (232,000)         (232,000)         Other Liabilities         7,500,854         13,758,696           ESOP Expenses	Profit (pre-bonus) Before Provisions	27,315,525	29,001,136			
Gains on asset sale & recovery         1,840,501         1,840,501         Residents         7,024,500         7,037,048           Pre-Bouns Result         20,294,879         21,469,231         Nonresidents         47,677,686         49,547,007           Guaranteed Compensation Expenses         20,294,879         21,469,231         Payable Interest and Dividends         9,188,107         9,119,366           Guaranteed Compensation Expenses         232,000         Other Liabilities         7,590,854         13,378,8696           ESOP Expenses         Total Liabilities         363,648,971         3688,536,089           Bonus         (6,000,001)         (6,198,148)         Ordinary Shares         14,728,704         14,728,704           Pre-Tax Income         14,062,878         15,039,083         Preferred Shares              Profit Tax         (1,289,194)         (1,606,552)         Treasury Shares                Minority interest                   Minority interest <th< th=""> </th<>	Provisions	(8.861.148)	(9.372.406)			
Joint Soft Safe & February         1,600,001         1,600,001         Nonresidents         47,677,686         49,547,007         9,119,366         49,547,007         9,119,366         49,547,007         9,119,366         9,119,366         9,119,366         9,119,366         363,648,971         363,648,971         368,536,089         374,714         374,714         374,714         374,714         374,714         374,714         374,714         374,714         374,714         374,714         374,714         374,734         374,734         374,734         374,735,393						
Guaranteed Compensation Expenses         (232,000)         (232,000)         Other Liabilities         5,108,107         5,108,107         5,108,007	•			Nonresidents		
Total Liabilities         363,648,971         368,536,089           ESOP Expenses         Minority Interest         1,349,177           Bonus         (6,000,001)         (6,198,148)         Ordinary Shares         14,728,704         14,728,704           Pre-Tax Income         14,062,878         15,039,083         Preferred Shares         68,8271         368,8271           Profit Tax         (1,289,194)         (1,606,552)         Treasury Shares         (80,827)           Net Income         12,773,684         13,432,532         Retained Earnings and Revaluation Reserves         62,510,045         62,510,045           Minority interest         144,939         Net Income for the year         12,773,684         13,577,471           Out Nubleic         1207,064         1277,074         Shareholders Equity         90,012,434         90,735,393	Pre-Bonus Result	20,294,879	21,469,231	Payable Interest and Dividends	9,188,107	9,119,366
ESOP Expenses         Minority Interest         1,349,177           Bonus         (6,000,001)         (6,198,148)         Ordinary Shares         14,728,704         14,728,704           Pre-Tax Income         14,062,878         15,039,083         Preferred Shares         (80,827)           Profit Tax         (1,289,194)         (1,606,552)         Treasury Shares         (80,827)           Net Income         12,773,684         13,432,532         Retained Earnings and Revaluation Reserves         62,510,045         62,510,045           Minority interest         144,939         Net Income for the year         12,773,684         13,577,471           Government         12,772,674         12,772,774         Shareholders Equity         90,012,434         90,735,393	Guaranteed Compensation Expenses	(232,000)	(232,000)	Other Liabilities	7,590,854	13,758,696
Bonus         (6,00,00)         (6,198,148)         Minority Interest         1,349,177           Pre-Tax Income         14,062,878         15,039,083         Ordinary Shares         14,728,704         14,728,704           Profit Tax         (1,289,194)         (1,606,552)         Preferred Shares         (80,827)           Net Income         12,773,684         13,432,532         Retained Earnings and Revaluation Reserves         62,510,045         62,510,045           Minority interest         144,939         Net Income         12,773,684         13,377,471	ESOP Expenses	<u>-</u>	-	Total Liabilities	363,648,971	368,536,089
Pre-Tax Income         14,062,878         15,039,083         Prefered Shares         14,728,704         14,728,704           Profit Tax         (1,289,194)         (1,606,552)         Treasury Shares         (80,827)           Net Income         12,773,684         13,432,532         Retained Earnings and Revaluation Reserves         62,510,045         62,510,045           Minority interest         144,939         Net Income for the year         12,773,684         13,577,471           Shareholders Equity         90,012,434         90,735,393		(6,000,001)	(6,198,148)	Minority Interest		, ,
Profit Tax         (1,28,194)         (1,606,552)         Treasury Shares         (80,827)           Net Income         12,773,684         13,432,532         Retained Earnings and Revaluation Reserves         62,510,45         62,510,045           Minority interest         14,939         Net Income for the year         12,773,684         13,577,471           Shareholders Equity         90,012,434         90,735,393	Dro Tox Incomo			•	14,728,704	14,728,704
Net Income         12,773,684         13,432,532         Retained Earnings and Revaluation Reserves         62,510,045         62,510,045           Minority interest         144,939         Net Income for the year         12,773,684         13,577,471           Complexity interest         144,939         Net Income for the year         12,773,684         13,577,471           Complexity interest         12,773,684         12,773,684         13,577,471         90,012,434         90,735,393			, ,		-	-
Minority interest         144,939         Net Income for the year         12,773,684         13,577,471           Shareholders Equity         90,012,434         90,735,393         90,735,393         90,735,393				2		
Shareholders Equity 90,012,434 90,735,393		14,//3,004		6		
() I'I ( IN ( ) 10 FR1 ( II )	Minority interest	-	144,939			
Community of the state of the s	Consolidated Net income	12.773.684	13.577.471			, ,
	Consolitative ret intoint	12,113,004	10,011,111	Lotal Liabilities and Shareholders Equity	453,661,404	460,620,659

