

1.66 GEL/US\$ 30 June 2009 period end
 1.66 GEL/US\$ 1H 2009 average
 1.66 GEL/US\$ Q2 2009 average
 1.67 GEL/US\$ 31 March 2009 period end
 1.67 GEL/US\$ Q1 2009 average
 1.66 GEL/US\$ 30 June 2008 period end
 1.50 GEL/US\$ 1H 2008 average
 1.44 GEL/US\$ Q2 2008 average

JSC BANK OF GEORGIA REPORTS Q2 2009 AND 1H 2009 RESULTS

Millions, unless otherwise noted	Q2 2009		Growth y-o-y ¹
	US\$	GEL	
Bank of Georgia (Consolidated, Unaudited, IFRS-based)			
Total Operating Income (Revenue)²	48.6	80.6	-6%
Recurring Operating Costs	27.9	46.3	-5%
Normalised Net Operating Income³ (NNOI)	20.7	34.2	-8%
Net Provision Expenses	24.5	40.7	466%
Net Income/(Loss)	(2.6)	(4.3)	NMF
	1H 2009		Growth y-o-y ¹
	US\$	GEL	
Bank of Georgia (Consolidated, Unaudited, IFRS-based)			
Total Operating Income (Revenue)²	97.9	162.3	-3%
Recurring Operating Costs	54.9	91.0	-3%
Normalised Net Operating Income³	43.0	71.3	-3%
Net Provision Expenses	43.9	72.8	397%
Net Income/(Loss)	0.5	0.8	-99%
Total Assets	1,753.9	2,907.8	-14%
Net Loans	1,055.3	1,749.6	-15%
Total Deposits	643.2	1,066.4	-30%
Tier I Capital Adequacy Ratio (BIS)⁴		23.9%	
Total Capital Adequacy Ratio (BIS)⁵		34.2%	
Tier I Capital Adequacy Ratio (NBG)		17.8%	
Total Capital Adequacy Ratio (NBG)		18.4%	

¹ Compared to the same period in 2008; growth calculations based on GEL values.

² Revenue includes Net Interest Income and Net Non-Interest Income.

³ Normalised for Net Non-Recurring Costs.

⁴ BIS Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I.

⁵ BIS Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I.

About Bank of Georgia

Bank of Georgia is the leading Georgian bank offering a broad range of corporate and investment banking, retail banking, wealth management and insurance services to its customers in Georgia, Ukraine and Belarus. Bank of Georgia is the largest bank in Georgia by assets, loans, deposits and equity, with 33.6% market share by total assets (all data according to the NBG as of 30 June 2009). The bank has 140 branches and over 880,000 retail and more than 146,000 corporate current accounts.

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

Standard & Poor's	'B/B'
FitchRatings	'B/B'
Moody's	'B3/NP' (FC) & 'Ba3/NP' (LC)

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

Nicholas Enukidze

Chairman of the Supervisory Board
 +995 32 444 858
nenukidze@bog.ge

Irakli Gilauri

CEO, Supervisory Board Member
 +995 32 444 109
igilauri@bog.ge

Macca Ekizashvili

Head of Investor Relations
 +995 32 444 256
ir@bog.ge

This news report is presented for general informational purposes only and should not be construed as an offer to sell or the solicitation of an offer to buy any securities. Certain statements in this news report are forward-looking statements and, as such, are based on the management's current expectations and are subject to uncertainty and changes in circumstances.

The financial information as of Q2 2008, 1H 2008, Q1 2009, Q2 2009 and 1H 2009 contained in this news report is unaudited and reflects the best estimates of management. The bank's actual results may differ significantly from the amounts reflected herein as a result of various factors.

Bank of Georgia (LSE: BGEO, GSE: GEB) (the “Bank”), Georgia’s leading bank, announced today its Q2 2009 and 1H 2009 consolidated results (IFRS-based, derived from management accounts), reporting a Q2 2009 Net Loss of GEL 4.3 million and 1H 2009 Net Income of GEL 0.8 million.

Q2 2009 Summary of the Bank’s Consolidated Results

In Q2 2009 the Bank’s performance continued to reflect challenging market conditions in the Bank’s principal markets and globally. Throughout Q2 the Bank maintained a conservative liquidity management policy reducing its loan book and increasing amount of liquid funds on its balance sheet. At the end of Q2 2009 the Bank’s liquidity ratio reached 38% (as compared to 20% required by the FSA) despite retiring all of US\$140 million Loan Passthrough Notes, which were callable in June 2009.

Reduction of the Bank’s loan portfolio in Q2 2009 was the principal reason for the decrease of the Bank’s total Operating Income (Revenue) by 6.4% y-o-y to GEL 80.6 million, (down 1.4% q-o-q⁶). Net Interest Income declined 11.4% y-o-y to GEL 49.5 million (down 5.7% q-o-q), and Net Non-Interest Income increased 2.8% y-o-y to GEL 31.1 million (up 6.3% q-o-q). The decline of Net Interest Income during the quarter was a result of a 7.2% q-o-q decrease of Interest Income, which reflects the contraction of the consolidated gross loan book of the Bank by GEL 142.2 million, or a decrease of 6.9% q-o-q. Net Interest Margin (NIM) for the quarter stood at 8.1%, a decrease of 0.66 % from Q1 2009 and a decrease of 0.98% y-o-y from Q2 2008. The decline of NIM was mainly due to the sharp increase in liquidity during the quarter. Net Fees and Commission Income decreased 7.2% y-o-y to GEL 9.4 million (up 5.8% q-o-q) and Net Income from Documentary Operations decreased 5.2% y-o-y to GEL 1.8 million, (down 20.7% q-o-q). Net Foreign Currency Related Income of GEL 7.1 million decreased by 32.1% y-o-y and by 19.5% q-o-q. The q-o-q decline was a result of the decreased FX income in Belarus and Ukraine due to lower FX volatility and regulatory restrictions on foreign currency transactions in Ukraine. Net Other Non-Interest Income increased 64.0% y-o-y to GEL 12.9 million, up 37.4% q-o-q due to the increased profitability during the quarter of the Bank’s insurance and brokerage subsidiaries. The Bank’s Insurance Income grew 191.1% y-o-y to GEL 5.1 million, up 66.1% q-o-q and Brokerage Income increased by 300.0% q-o-q to GEL 1.3 million (decreased by 14.0% y-o-y).

NNOI decreased 8.1% y-o-y to GEL 34.3 million, down 7.6% q-o-q, reflecting a 3.8% q-o-q increase of Total Consolidated Recurring Operating Costs for the quarter to GEL 46.3 million (down 5.2% y-o-y) in Q2 2009. Personnel Costs, the largest Recurring Cost item, declined 14.9% y-o-y due to headcount reduction in Q4 2008, but has increased 5.5% q-o-q to GEL 23.2 million. The Personnel Cost increase in Q2 2009 was mostly due to increased performance driven bonus accruals in insurance and brokerage subsidiaries. Recurring Operating Costs excluding Personnel Costs reached a total of GEL 23.1 million in Q2 2009, a 2.1% increase q-o-q. Normalized Cost/Income ratio (Costs exclude Net Non-Recurring Costs) increased to 57.5 % in Q2 2009 from 54.6% in Q1 2009 and 56.9% in Q2 2008.

Challenging economic environment in Georgia and Ukraine was the key reason for the increase in the Bank’s Net Provision Expense, which amounted to GEL 40.7 million for the quarter, up 26.9% q-o-q and 465.6% y-o-y. Net Provision Expense in Georgia amounted to GEL 29.6 million (up 23.2% q-o-q) and in Ukraine GEL 11.0 million (up 17.5% q-o-q).

1H 2009 Summary of the Bank’s Consolidated Results

In 1H 2009 the Bank’s Total Operating Income (Revenue) decreased 2.8% y-o-y to GEL 162.3 million, due to 3.5% y-o-y decrease in Net Interest Income to GEL 101.9 million and 1.6% y-o-y decrease in Net Non-Interest Income to GEL 60.4 million. The decline of Net Interest Income reflects the decrease of the consolidated gross loan book from GEL 2,107 million at the end of Q2 2008 to GEL 1,905 million in Q2 2009, a result of the conservative approach to liquidity management adopted by the Bank following the armed conflict between Georgia and Russia in August 2008 (the “Conflict”), the global financial crisis that negatively affected the economies of Georgia and Ukraine and political tensions in April and May in 2009 in Georgia. In 1H 2009, Net Foreign Currency Related Income declined by 33.0% y-o-y to GEL 15.8 million. The Bank’s Net Fees and Commission Income decreased 9.8% y-o-y to GEL 18.3 million, while Net Income from Documentary Operations grew by 20.9% y-o-y to GEL 4.0 million. Net Other Non-Interest Income reached GEL 22.2 million, up 57.4% y-o-y, mostly driven by the 139.9% growth of Net Insurance Income to GEL 8.1 million. Total Recurring Operating Costs decreased by

⁶ q-o-q compares Q2 2009 results with Q1 2009 results.

2.5% y-o-y to GEL 91.0 million, mostly due to a 14.7% y-o-y decline of Personnel Cost, a result of the cost optimization measures, including headcount reduction across the board, implemented by the Bank at the end of 2008.

The effect of the Conflict and the challenging economic environment in the Bank's target markets prompted Net Provision Expense of GEL 72.8 million booked by the Bank in 1H 2009, as compared to the Net Provision Expense of GEL 14.6 million for 1H 2008. The Bank had Net Provision Expense of GEL 20.4 million in Ukraine and GEL 53.6 million in Georgia.

The Bank reported the Net Income of GEL 0.8 million for 1H 2009. On 30 June 2009, the Bank's Consolidated Total Assets stood at GEL 2.9 billion, down 8.8% from 31 March 2009, 10.8% from 31 December 2008 and 14.5% from Q2 2008. The Bank's Net Loans decreased by 8.5% q-o-q (down 15.2% y-o-y) to GEL 1,750 million, reflecting the tightening of the Bank's lending policy in light of challenging economic environment in its target markets and the Bank's conservative approach to liquidity.

In Q2 2009 loan loss reserves amounted to GEL 155.1 million or 8.1% of consolidated gross loan book, up from 6.6% in Q1 2009. NPLs increased to GEL 148.8 million (up from GEL 104.6 million in Q1 2009), representing 7.8% of the consolidated gross loans as at 30 June 2009, up from 5.1% in Q1 2009.

During 2009 both Georgia and Ukraine witnessed a system-wide decline in banking deposits. The Bank's Client Deposits decreased from GEL 1,193 million on 31 December 2008 to GEL 1,025 million on 30 June 2009. Since year-end 2008 client deposits in Georgia decreased from GEL 1,045 million to GEL 909.3 million and in Ukraine from GEL 127.4 million to GEL 114.8 million. As of 31 August 2009, Client Deposits reached GEL 1,030 million in Georgia and GEL 113.3 million in Ukraine.

In the first half of 2009, the Bank redeemed a total of US\$260.1 million of wholesale debt financing. This included the repayment of the US\$65 million loan facility and US\$43.5 million syndicated loan granted in December 2007 and August 2007, respectively, as well as the settlement of an aggregate amount of US\$140 million of loan passthrough notes issued in June and July of 2008.

The Bank's consolidated Book Value per Share on 30 June 2009 stood at GEL 22.7, compared to GEL 22.8 as at 31 March 2009 and GEL 23.0 as of 31 December 2008.

In Q2 2009 the Bank's Tier I Capital Adequacy Ratio was 23.9% and Total Capital Adequacy Ratio was 34.2% by BIS standards.

JSC Bank of Georgia (Standalone)

Bank of Georgia's banking operations in Georgia, which are provided through JSC Bank of Georgia, reported Q2 2009 standalone Net Income of GEL 0.9 million, as compared to Net Income of GEL 11.3 in Q1 2009. The decline in profitability compared to the previous quarter was mostly caused by increased provisions and lower Interest Income following the decrease of the Bank's loan book in Georgia in 1H 2009.

In Q2 2009 Total Operating Income amounted to GEL 62.3 million, down 6.5% q-o-q and 12.4% y-o-y. Net Interest Income stood at GEL 45.5 million, down 9.7% q-o-q and down 9.2% y-o-y. Net Non-Interest Income amounted to GEL 16.8 million, up 3.3% q-o-q and down 20.0% y-o-y. The q-o-q increase of Net Non-Interest Income was mainly attributed to the 2.9% q-o-q growth of Net Fees and Commission Income to GEL 8.2 million. Net Income from Documentary Operations decreased 20.6% q-o-q to GEL 1.8 million. On a standalone basis, Bank of Georgia's standalone Total Recurring Operating Costs increased 3.1% q-o-q to GEL 29.7 million, down 6.5% y-o-y. The y-o-y decline of Total Recurring Costs was driven predominantly by 13.3% decline of Personnel Costs, which amounted to GEL 14.8 million in Q2 2009. The Bank's Net Provision Expense on a standalone basis during the quarter reached GEL 29.6 million, attributed predominantly to the Bank's retail banking and wealth management loans.

Bank of Georgia's 1H 2009 Total Operating Income on a standalone basis stood at GEL 128.9 million down 6.4% y-o-y, following a 0.5% y-o-y growth of Net Interest Income to GEL 95.9 million, and 21.8% y-o-y decline of Net Non-Interest Income to GEL 33.1 million. The decline of Net Non-Interest Income was mostly due to 41.1% y-o-y decline of Foreign

Currency Related Income to GEL 12.0 million. The Total Recurring Cost of the Bank's Georgian operations declined by 2.8% y-o-y, driven by a 14.5% reduction of personnel costs on a y-o-y basis. Net Provision Expense in 1H 2009 reached GEL 53.6 million, resulting in 1H 2009 standalone Net Income of GEL 12.2 million.

As of 30 June 2009 Bank of Georgia's Total Assets on a standalone basis stood at GEL 2.7 billion, down 7.9% q-o-q and 9.5% y-o-y. Net Loans declined 8.4% q-o-q to GEL 1.6 billion, down by 11.7% y-o-y, as a result of the Bank's conservative lending policy. Reserve for loan losses at the end of Q2 2009 was up 11.9% q-o-q reaching GEL 114.8 million, with reserve on RB and WM loan losses representing 59.1% of total Reserve for Loan Losses on a standalone basis, up from 56.3% in Q1 2009 and 50.8% in Q4 2008. NPLs for the quarter stood at GEL 118.7 million, and represented 6.9% of the total gross loan book, an increase from the same ratio of 4.7% in Q1 2009. The growth of the Bank of Georgia's standalone NPLs was driven by the growth of non-performing RB and WM loan from GEL 46.3 million in Q1 2009 to GEL 67.4 million in Q2 2009 and growth of non-performing CB loans from GEL 41.1 million in Q1 2009 to GEL 51.3 million in Q2 2009.

Breakdown of the Standalone Total Gross Loans, currency, loan loss reserves and NPLs by Business Units

<i>GEL million</i>	<i>GEL</i>	<i>Foreign Currency</i>	<i>Gross Loans</i>	<i>LL Reserves</i>	<i>Net Loan Book</i>	<i>NPLs</i>
RB + WM	219.3	675.5	894.9	(67.9)	827.0	67.4
CB	178.2	617.4	795.6	(36.4)	759.3	51.3
Corporate Centre (mainly CB loans)	4.7	21.7	26.3	(10.5)	15.8	-
Total	402.2	1,314.6	1,716.8	(114.8)	1,602.0	118.7

In Q2 2009, the Bank's client deposits in Georgia stood at GEL 909.3 million as compared to GEL 979.0 million in Q1 2009 and GEL 1,045 million on 31 December 2008. The deposit growth trend, which started mid-May 2009 continued through the end of August 2009, when Client Deposits reached GEL 1,030 million.

Breakdown of Standalone Total Deposits by currency

<i>GEL million</i>	30-Jun-09			31-Mar-09			31-Dec-08		
	<i>GEL</i>	<i>Foreign Currency</i>	<i>Total</i>	<i>GEL</i>	<i>Foreign Currency</i>	<i>Total</i>	<i>GEL</i>	<i>Foreign Currency</i>	<i>Total</i>
RB + WM	67.0	323.3	390.2	66.2	307.6	373.7	89.1	329.4	418.5
CB	271.8	247.2	519.0	266.3	339.0	605.2	245.8	380.8	626.7
Total	338.8	570.5	909.3	332.5	646.6	979.0	335.0	710.2	1,045.2

As of 31 July 2009 Bank of Georgia on a standalone basis held market share of 33.7 %, 31.5%, 29.2 %, 39.6% and 34.7% by total assets, gross loans, client deposits, shareholders' equity and regulatory capital, respectively in Georgia⁷.

Capital Adequacy, Liquidity and Leverage

As of 30 June 2009, the Bank's Tier I Capital Adequacy Ratio was 17.8% and Total Capital Adequacy Ratio was 18.4% according to the Georgian FSA standards. According to the requirement of the Georgian FSA Tier I Capital Adequacy Ratio should be no less than 8% and Total Capital Adequacy Ratio no less than 12%.

The Bank's NBG Liquidity Ratio (standalone) remained flat at 37.6% on 30 June 2009, well above the NBG requirement of 20%.

The Bank's standalone leverage ratio (Total Liabilities to Shareholders Equity) stood at 2.8x as of 30 June 2009, down from 3.1x on 31 March 2009.

BG Bank (Ukraine)

In Q2 2009 BG Bank's Revenue increased to GEL 5.6 million, up 2.0% q-o-q and down 17.3% y-o-y. Recurring Costs declined 19.0% q-o-q to GEL 4.6 million, down 35.4% y-o-y. BG Bank's Net Provision Expense for the quarter amounted to GEL 11.0 million as compared to GEL 9.4 million in Q1 2009 and GEL 23.3 million booked in Q4 2008. In Q2 2009 BG

⁷ Market share data are derived from the information published by the National Bank of Georgia (www.nbg.gov.ge) and represent an aggregation of standalone financial information (non-IFRS, based on National Bank of Georgia requirements) filed by Georgian banks.

Bank recorded Net Loss of GEL 10.8 million as compared to Net Loss of GEL 7.3 million in Q1 2009 and Net Loss of GEL 10.7 million in Q4 2008.

In 1H 2009 BG Bank's Revenue decreased to GEL 11.1 million, down 16.6% y-o-y. Recurring Costs stood at GEL 10.2 million, down 28.2% y-o-y. BG Bank's Net Provision Charge for 1H 2009 reached GEL 20.4 million as compared to GEL 0.9 million recovery of provision charge in 1H 2008. In 1H 2009 BG Bank recorded Net Loss of GEL 18.1 million as compared to Net Loss of GEL 40 thousand in 1H 2008.

BG Bank's Total Assets decreased by 43.0% y-o-y to GEL 205.5 million (down 16.1% q-o-q), due to the decline in BG Bank's loan book as a result of conservative lending policy and increased provisioning. In Q2 2009 gross Loans to Clients decreased 28.3% y-o-y to GEL 190.4 million (down 4.2% q-o-q) and loan loss reserves increased 23.4% q-o-q to GEL 39.0 million or 20.5% of BG Bank's Gross Loan Book. 57.3% of BG Bank's gross loans is issued in Hryvna and the remaining loans are issued in foreign currency. As at 30 June 2009, BG Bank's NPLs stood at GEL 27.7 million, or 14.6% of BG Bank's Gross Loan book. The NPL coverage ratio stood at 140.9% as of 30 June 2009.

Breakdown of the BG Bank's Total Gross Loans, currency, loan loss reserves and NPLs by Business Units

<i>GEL millions</i>	<i>UAH</i>	<i>Foreign Currency</i>	Gross Loan Book	LL Reserves	Net Loan Book	NPLs
RB	7.3	29.8	37.1	(12.8)	24.2	5.6
CB	101.8	51.5	153.3	(26.2)	127.1	22.1
Total	109.1	81.3	190.3	(39.0)	151.3	27.7

BG Bank's Client Deposits dropped 5.1% q-o-q to GEL 114.8 million following the expiry of the NBU restriction on early withdrawal of time deposits. BG Bank's Total Liabilities stood at GEL 156.9 million in Q2 2009, down 46.3% y-o-y and 14.6% q-o-q. BG Bank has no international wholesale funding obligations and its leverage stood at a healthy 3.2x as of 30 June 2009.

Breakdown of BG Bank's Total Deposits by currency

<i>GEL million</i>	30-Jun-09			31-Mar-09			31-Dec-08		
	<i>UAH</i>	<i>Foreign Currency</i>	Total	<i>UAH</i>	<i>Foreign Currency</i>	Total	<i>UAH</i>	<i>Foreign Currency</i>	Total
RB	27.3	49.8	77.1	27.1	47.0	74.1	26.7	52.0	81.7
CB	34.0	3.7	37.7	42.2	4.8	47.0	36.2	9.5	45.7
Total	61.3	53.5	114.8	69.3	51.8	121.1	65.9	61.5	127.4

As of 30 June 2009, BG Bank's regulatory position remained strong. National Bank of Ukraine (NBU) Capital Adequacy Ratio of BG Bank stood at 24.5% well above 8% required by NBU. In Q2 2009 Current and Short-Term Liquidity Ratios of BG Bank stood at 53% and 41%, respectively, higher than the NBU requirement of 40% and 20%, respectively

Belaruskiy Narodniy Bank, Belarus (BNB)

In Q2 2009 BNB's Total Operating Income decreased to GEL 1.7 million, down 29.6% q-o-q, mostly due to decreased FX related income in Belarus during the quarter. In Q1 2009, BNB reported extraordinary FX related income due to one-off 20% devaluation of BYR. BNB's Recurring Costs stood at GEL 1.5 million, down 3.2% q-o-q, resulting in a Net Income of GEL 197 thousand as compared to Net Income of GEL 0.7 million in Q1 2009 and Net Loss of GEL 0.2 million in Q4 2008.

In 1H 2009 BNB's Total Operating Income reached GEL 4.1 million, while Total Recurring Operating Costs stood at GEL 3.0 million. NNOI equaled GEL 1.2 million for 1H 2009. BNB reported Net Income of GEL 0.9 million for 1H 2009.

On 30 June 2009 BNB's Total Assets stood at GEL 51.9 million, down 13.6% q-o-q and Gross Loans to Clients equaled GEL 27.4 million, down 7.5% q-o-q. Client Deposits amounted to GEL 16.2 million, down 36.1% q-o-q, primarily caused by the withdrawal of one deposit in the amount of US\$3.75 million, which was part of the holdback at the time of the acquisition of

BNB by the Bank. The second part of the holdback, subject to the holdback provision, in the amount of US\$3.75 million may be withdrawn in Q2 2010. Total Liabilities stood at GEL 19.1 million, down 27.9% q-o-q.

Breakdown of the BNB's Total Gross Loans, currency, loan loss reserves and NPLs by Business Units

<i>GEL million</i>	<i>BYR</i>	<i>Foreign Currency</i>	Gross Loan Book	LL Reserves	Net Loan Book	NPLs
RB	0.5	2.3	2.8	(0.2)	2.6	0.1
CB	11.5	13.1	24.6	(1.0)	23.6	2.2
Total	12.0	15.4	27.3	(1.2)	26.2	2.3

Breakdown of BNB's Total Deposits by currency

<i>GEL million</i>	30-Jun-09			31-Mar-09			31-Dec-08		
	<i>BYR</i>	<i>Foreign Currency</i>	Total	<i>BYR</i>	<i>Foreign Currency</i>	Total	<i>BYR</i>	<i>Foreign Currency</i>	Total
RB	0.2	3.7	4.0	0.2	4.2	4.4	0.3	4.0	4.3
CB	3.7	8.6	12.3	4.2	16.8	21.0	9.1	17.3	26.4
Total	3.9	12.3	16.2	4.4	21.0	25.4	9.4	21.3	30.7

Total Capital Adequacy stood at solid 55.4%, while Tier I Capital Adequacy Ratio amounted to 28.7%. National Bank of Belarus requires Total Capital Adequacy ratio of 8% and Tier I Capital Adequacy Ratio of 4%. As of 1 January 2010, capital requirement by the National Bank of Belarus will increase from the current EUR 10 million to EUR 25 million.

Galt & Taggart Securities (GTS)

In Q2 2009 GTS completed rationalizing of its operations achieving closer integration of its teams in Georgia, Ukraine and Belarus. GTS's Revenue for the quarter amounted to GEL 1.5 million and Net Income to GEL 0.8 million. GTS's Revenue for 1H 2009 was GEL 2.8 million and Net Income was GEL 0.9 million.

Asset Management (AM)

As part of the effort to restructure the Bank's position in the Asset Management segment, the Bank is in the process of sale of its equity interest in GTAM to minority shareholder of GTAM. The sale is expected to be completed in the middle of September 2009.

Insurance

Aldagi BCI, the Bank's wholly-owned insurance subsidiary, reported Q2 2009 Net Income of GEL 1.6 million (as compared to Net Income of GEL 656 thousand in Q1 2009 and Net Income of GEL 36 thousand in Q2 2008). The successful clean-up of Aldagi BCI's health insurance portfolio and introduction of new tariffs translated into 34.6% y-o-y growth of Q2 2009 Net Premiums Earned to GEL 12.8 million (up 109.8% q-o-q). Revenue grew by 34.0% y-o-y to GEL 3.9 million in Q2 2009. The notable improvement of Aldagi BCI's cost control and efficiency and better claims management resulted in the 23.5% y-o-y decrease of Operating Costs to GEL 2.3 million. In 1H 2009 Aldagi BCI's Gross Premiums Written grew 26.6% y-o-y to GEL 37.7 million. Net Premiums Earned increased 40.2% y-o-y, reaching GEL 24.5 million. Revenue for 1H 2009 equaled GEL 7.8 million, up 45.3% y-o-y.

In light of Aldagi BCI's increased operating efficiency and improved financial performance, the Bank has temporarily suspended its search for a strategic partner for Aldagi BCI announced previously. The Bank's objective now is to complete the rationalization of Aldagi BCI's business and further improve company's financial performance. The Bank will again review its position in respect of Aldagi BCI in 2010.

STANDALONE Q2 2009 INCOME STATEMENT DATA

Period Ended	Q2 2009		Q1 2009 ¹		Growth ⁴ Q-O-Q	Q2 2008		Growth Y-O-Y
	US\$ ²	GEL	US\$ ³	GEL		US\$ ⁵	GEL	
Standalone, IFRS Based	(Unaudited)		(Unaudited)			(Unaudited)		
<i>000s, unless otherwise noted</i>								
Interest Income	51,621	85,582	56,235	90,982	-5.94%	64,331	91,222	-6.18%
Interest Expense	24,179	40,087	24,323	40,620	-1.31%	29,007	41,131	-2.54%
Net Interest Income	27,441	45,495	31,912	50,363	-9.66%	35,325	50,090	-9.17%
Fee & Commission Income	6,298	10,442	6,126	10,231	2.06%	8,576	12,161	-14.14%
Fee & Commission Expense	1,334	2,212	1,336	2,231	-0.87%	1,411	2,001	10.54%
Net Fee & Commission Income	4,964	8,230	4,790	8,000	2.88%	7,165	10,160	-19.00%
Income From Documentary Operations	1,433	2,376	1,612	2,692	-11.74%	1,615	2,290	3.76%
Expense On Documentary Operations	363	601	273	456	31.93%	294	417	44.12%
Net Income From Documentary Operations	1,071	1,775	1,339	2,237	-20.63%	1,321	1,873	-5.22%
Net Foreign Currency Related Income	3,856	6,392	3,343	5,583	14.50%	6,460	9,161	-30.22%
Net Other Non-Interest Income	244	404	270	450	-10.36%	(135)	(191)	NMF
Net Non-Interest Income	10,134	16,801	9,742	16,270	3.27%	14,812	21,003	-20.01%
Total Operating Income (Revenue)	37,576	62,297	41,654	66,632	-6.51%	50,136	71,093	-12.37%
Personnel Costs	8,949	14,836	8,800	14,695	0.96%	12,064	17,106	-13.27%
Selling, General & Administrative Costs	3,603	5,974	3,788	6,325	-5.56%	4,355	6,175	-3.26%
Procurement & Operations Support Expenses	1,551	2,571	1,631	2,725	-5.62%	2,286	3,242	-20.68%
Depreciation & Amortization	3,154	5,229	2,454	4,097	27.62%	2,741	3,886	34.55%
Other Operating Expenses	652	1,082	566	945	14.50%	951	1,348	-19.76%
Total Recurring Operating Costs	17,909	29,692	17,238	28,787	3.14%	22,396	31,758	-6.50%
Normalized Net Operating Income	19,666	32,605	24,417	37,845	-13.85%	27,740	39,336	-17.11%
Net Non-Recurring Income (Costs)	(1,169)	(1,938)	322	538	NMF	1,840	2,609	-215.52%
Profit Before Provisions	18,497	30,666	24,095	37,307	-17.80%	29,580	41,945	-26.89%
Net Provision Expense	17,852	29,598	16,146	24,032	23.16%	6,032	8,553	246.05%
Pre-Tax Income	645	1,069	7,949	13,275	-91.95%	23,548	33,392	-96.80%
Income Tax Expenses/(Benefit)	97	160	1,192	1,991	-91.95%	3,532	5,009	-96.80%
Net Income	548	908	6,757	11,284	-91.95%	20,016	28,383	-96.80%

¹ Q1 2009 results reflect the downward restatement of both Interest Income and Net Provision Expense by GEL 2.9 million; Net Income for the period hasn't been revised.

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2009

³ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 March 2009

⁴ Growth calculations based on GEL values

⁵ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4180 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2008

STANDALONE 1H 2009 INCOME STATEMENT DATA

Period Ended	1H 2009		1H 2008		Growth ³ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	
<i>Standalone, IFRS Based</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>		
<i>000s, unless otherwise noted</i>					
Interest Income	106,499	176,564	121,343	172,065	2.61%
Interest Expense	48,680	80,706	54,062	76,661	5.28%
Net Interest Income	57,819	95,858	67,281	95,404	0.48%
Fee & Commission Income	12,469	20,673	15,954	22,623	-8.62%
Fee & Commission Expense	2,680	4,443	2,349	3,330	33.41%
Net Fee & Commission Income	9,790	16,230	13,606	19,293	-15.88%
Income From Documentary Operations	3,057	5,068	2,988	4,237	19.62%
Expense On Documentary Operations	637	1,057	647	917	15.21%
Net Income From Documentary Operations	2,420	4,012	2,341	3,320	20.84%
Net Foreign Currency Related Income	7,223	11,975	14,340	20,334	-41.11%
Net Other Non-Interest Income	515	854	-462	(655)	NMF
Net Non-Interest Income	19,948	33,071	29,825	42,292	-21.80%
Total Operating Income (Revenue)	77,766	128,929	97,106	137,696	-6.37%
Personnel Costs	17,812	29,531	24,371	34,558	-14.54%
Selling, General & Administrative Costs	7,418	12,299	7,652	10,850	13.35%
Procurement & Operations Support Expenses	3,194	5,296	4,475	6,346	-16.54%
Depreciation & Amortization	5,625	9,326	4,914	6,967	33.86%
Other Operating Expenses	1,222	2,026	1,023	1,450	39.74%
Total Recurring Operating Costs	35,273	58,479	42,434	60,171	-2.81%
Normalized Net Operating Income	42,493	70,450	54,672	77,525	-9.13%
Net Non-Recurring Income (Costs)	(1,493)	(2,476)	682	966	NMF
Profit Before Provisions	41,000	67,974	55,354	78,491	-13.40%
Net Provision Expense	32,348	53,630	10,753	15,248	251.71%
Pre-Tax Income	8,652	14,344	44,600	63,243	-77.32%
Income Tax Expenses/(Benefit)	1,298	2,152	6,690	9,486	-77.32%
Net Income	7,354	12,192	37,910	53,757	-77.32%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2009

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4180 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2008

³ Growth calculations based on GEL values

STANDALONE Q2 2009 BALANCE SHEET DATA

Standalone, IFRS Based <i>000s, unless otherwise noted</i>	30-Jun-09		31-Mar-09		30-Jun-08		Growth ⁴ Y-O-Y	Growth ⁴ Q-O-Q
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
	(Unaudited)		(Unaudited)		(Unaudited)			
Cash & Cash Equivalents	66,203	109,758	67,042	111,960	73,777	104,615	4.92%	-1.97%
Loans & Advances To Credit Institutions	193,733	321,190	254,884	425,656	255,299	362,014	-11.28%	-24.54%
Mandatory Reserve With NBG	16,708	27,701	17,634	29,449	58,663	83,184	-66.70%	-5.94%
Other Accounts With NBG	78,692	130,464	43,249	72,226	65,179	92,424	41.16%	80.63%
Balances With & Loans To Other Banks	98,333	163,026	194,001	323,981	131,457	186,406	-12.54%	-49.68%
Available-For-Sale & Trading Securities	-	-	-	-	-	-	NMF	NMF
Treasuries & Equivalents	-	-	-	-	12,689	17,993	NMF	NMF
Other Fixed Income Instruments	34,537	57,259	22,954	38,333	61,860	87,717	-34.72%	49.37%
Gross Loans To Clients	1,035,549	1,716,837	1,109,171	1,852,315	1,306,475	1,852,581	-7.33%	-7.31%
Less: Reserve For Loan Losses	(69,257)	(114,821)	(61,464)	(102,645)	(26,620)	(37,747)	204.19%	11.86%
Net Loans To Clients	966,292	1,602,016	1,047,707	1,749,670	1,279,855	1,814,834	-11.73%	-8.44%
Insurance Related Assets	-	-	-	-	-	-	NMF	NMF
Investments In Other Business Entities, Net	189,709	314,518	188,328	314,507	221,599	314,228	0.09%	0.00%
Property & Equipment Owned, Net	135,255	224,240	138,605	231,471	152,171	215,779	3.92%	-3.12%
Intangible Assets Owned, Net	4,379	7,260	4,076	6,807	2,638	3,741	94.10%	6.65%
Goodwill	13,742	22,783	13,642	22,783	15,968	22,643	0.62%	0.00%
Tax Assets - Current & Deferred	-	-	-	-	-	-	NMF	NMF
Prepayments & Other Assets	16,379	27,155	9,140	15,263	16,844	23,885	13.69%	77.91%
Total Assets	1,620,230	2,686,180	1,746,378	2,916,451	2,092,699	2,967,447	-9.48%	-7.90%
Client Deposits	548,436	909,252	586,214	978,977	822,684	1,166,566	-22.06%	-7.12%
Deposits & Loans From Banks	9,811	16,265	17,573	29,348	58,267	82,623	-80.31%	-44.58%
Borrowed Funds	609,036	1,009,720	696,288	1,162,801	637,266	903,644	11.74%	-13.16%
Issued Fixed Income Securities	-	-	-	-	-	-	NMF	NMF
Insurance Related Liabilities	-	-	-	-	-	-	NMF	NMF
Tax Liabilities - Current & Deferred	10,274	17,033	9,682	16,169	19,743	27,995	-39.16%	5.34%
Accruals & Other Liabilities	14,246	23,620	13,644	22,786	48,392	68,620	-65.58%	3.65%
Total Liabilities	1,191,802	1,975,888	1,323,402	2,210,081	1,586,352	2,249,447	-12.16%	-10.60%
Ordinary Shares	18,862	31,272	18,719	31,261	22,036	31,248	0.08%	0.03%
Share Premium	283,702	470,349	279,874	467,390	325,295	461,268	1.97%	0.63%
Treasury Shares	(677)	(1,123)	(699)	(1,167)	(1,036)	(1,469)	-23.58%	-3.75%
Retained Earnings	83,438	138,332	82,834	138,332	82,927	117,590	17.64%	0.00%
Revaluation & Other Reserves	35,750	59,269	35,491	59,269	39,215	55,607	6.59%	0.00%
Net Income (Loss) For The Period	7,354	12,192	6,757	11,284	37,910	53,757	-77.32%	8.05%
Shareholders' Equity Excluding Minority Interest	428,428	710,291	422,976	706,370	506,347	718,000	-1.07%	0.56%
Minority Interest	-	-	-	-	-	-	NMF	NMF
Total Shareholders' Equity	428,428	710,291	422,976	706,370	506,347	718,000	-1.07%	0.56%
Total Liabilities & Shareholders' Equity	1,620,230	2,686,180	1,746,378	2,916,451	2,092,699	2,967,447	-9.48%	-7.90%

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 June 2009

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2009

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.4180 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 June 2008

⁴ Growth calculations based on GEL values

BG BANK (UKRAINE) 1H 2009 INCOME STATEMENT DATA

Period Ended	1H 2009		1H 2008		Growth ³ Y-O-Y
	US\$ ¹	GEL	US\$ ¹	GEL	
<i>Standalone, IFRS Based</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>		
<i>000s, unless otherwise noted</i>					
Interest Income	12,215	20,251	17,585	24,936	-18.79%
Interest Expense	7,873	13,053	10,027	14,218	-8.19%
Net Interest Income	4,342	7,198	7,559	10,718	-32.84%
Fee & Commission Income	1,145	1,899	1,133	1,607	18.17%
Fee & Commission Expense	257	426	395	560	-23.86%
Net Fee & Commission Income	888	1,473	738	1,047	40.66%
Income From Documentary Operations	-	-	-	-	NMF
Expense On Documentary Operations	-	-	-	-	NMF
Net Income From Documentary Operations	-	-	-	-	NMF
Net Foreign Currency Related Income	1,436	2,381	1,046	1,484	60.49%
Net Other Non-Interest Income	-	-	-	-	NMF
Net Non-Interest Income	2,324	3,854	1,785	2,530	52.29%
Total Operating Income (Revenue)	6,666	11,052	9,343	13,248	-16.58%
Personnel Costs	3,904	6,472	6,262	8,879	-27.11%
Selling, General & Administrative Costs	1,079	1,788	3,476	4,929	-63.72%
Procurement & Operations Support Expenses	653	1,082	-	-	NMF
Depreciation & Amortization	294	487	299	424	14.89%
Other Operating Expenses	249	412	24	34	1108.04%
Total Recurring Operating Costs	6,177	10,241	10,061	14,266	-28.21%
Normalized Net Operating Income	489	811	(718)	(1,017)	NMF
Net Non-Recurring Income (Costs)	(206)	(342)	74	104	NMF
Profit Before Provisions	283	469	(644)	(913)	NMF
Net Provision Expense	12,309	20,407	(606)	(859)	NMF
Pre-Tax Income	(12,026)	(19,938)	(38)	(54)	
Income Tax Expenses/(Benefit)	(1,099)	(1,823)	(10)	(15)	
Net Income	(10,927)	(18,116)	(28)	(40)	

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2009

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4180 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2008

³ Growth calculations based on GEL values

BNB (BELARUS) 1H 2009 INCOME STATEMENT DATA

Period Ended Standalone, IFRS Based 000s, unless otherwise noted	1H 2009	
	US\$ ¹ (Unaudited)	GEL
Interest Income	1,839	3,049
Interest Expense	666	1,104
Net Interest Income	1,174	1,946
Fee & Commission Income	447	741
Fee & Commission Expense	65	107
Net Fee & Commission Income	383	634
Income From Documentary Operations	2	3
Expense On Documentary Operations	1	1
Net Income From Documentary Operations	1	2
Net Foreign Currency Related Income	880	1,459
Net Other Non-Interest Income	62	102
Net Non-Interest Income	1,326	2,198
Total Operating Income (Revenue)	2,499	4,143
Personnel Costs	922	1,528
Selling, General & Administrative Costs	190	314
Procurement & Operations Support Expenses	282	467
Depreciation & Amortization	183	304
Other Operating Expenses	211	349
Total Recurring Operating Costs	1,787	2,963
Normalized Net Operating Income	712	1,180
Net Non-Recurring Income (Costs)	12	19
Profit Before Provisions	723	1,199
Net Provision Expense	1	1
Pre-Tax Income	723	1,198
Income Tax Expenses/(Benefit)	205	340
Net Income	517	858

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2009

CONSOLIDATED Q2 2009 INCOME STATEMENT DATA

Period Ended	Q2 2009		Q1 2009 ¹		Q2 2008		Growth ⁵ Y-O-Y	Growth ⁵ Q-O-Q
	US\$ ²	GEL	US\$ ³	GEL	US\$ ⁴	GEL		
<i>Consolidated, IFRS Based 000s, unless otherwise noted</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>			
Interest Income	57,028	94,547	60,978	101,833	73,481	104,196	-9.26%	-7.15%
Interest Expense	27,201	45,097	29,586	49,409	34,106	48,362	-6.75%	-8.73%
Net Interest Income	29,827	49,451	31,391	52,423	39,375	55,834	-11.43%	-5.67%
Fee & Commission Income	7,189	11,918	6,823	11,395	8,787	12,460	-4.34%	4.59%
Fee & Commission Expense	1,502	2,490	1,489	2,486	1,619	2,296	8.43%	0.17%
Net Fee & Commission Income	5,687	9,428	5,335	8,909	7,167	10,163	-7.23%	5.83%
Income From Documentary Operations	1,434	2,377	1,614	2,695	1,615	2,290	3.80%	-11.80%
Expense On Documentary Operations	363	601	274	457	294	417	44.16%	31.64%
Net Income From Documentary Operations	1,071	1,776	1,340	2,238	1,321	1,873	-5.19%	-20.66%
Net Foreign Currency Related Income	4,261	7,064	5,256	8,778	7,338	10,405	-32.11%	-19.53%
Net Insurance Income	3,047	5,052	1,821	3,042	1,224	1,736	191.05%	66.09%
Brokerage Income	813	1,348	202	337	1,104	1,566	-77.80%	3.05%
Asset Management Income	155	256	97	162	174	246	4.04%	58.41%
Realized Net Investment Gains (Losses)	185	306	(2)	(3)	(265)	(375)	NMF	NMF
Other	3,560	5,902	3,489	5,826	3,295	4,672	26.31%	1.30%
Net Other Non-Interest Income	7,759	12,864	5,607	9,364	5,533	7,845	63.97%	37.38%
Net Non-Interest Income	18,778	31,132	17,539	29,289	21,359	30,287	2.79%	6.29%
Total Operating Income (Revenue)	48,605	80,582	48,930	81,713	60,734	86,121	-6.43%	-1.38%
Personnel Costs	13,990	23,193	13,164	21,985	19,224	27,260	-14.92%	5.50%
Selling, General & Administrative Costs	6,017	9,976	6,999	11,688	8,463	12,001	-16.87%	-14.65%
Procurement & Operations Support Expenses	2,345	3,888	1,771	2,957	2,286	3,242	19.92%	31.47%
Depreciation & Amortization	3,967	6,576	3,105	5,185	3,289	4,664	40.99%	26.83%
Other Operating Expenses	1,623	2,691	1,694	2,830	1,195	1,695	58.82%	-4.89%
Total Recurring Operating Costs	27,941	46,324	26,733	44,645	34,458	48,861	-5.19%	3.76%
Normalized Net Operating Income	20,664	34,258	22,196	37,068	26,276	37,260	-8.06%	-7.58%
Net Non-Recurring Income (Costs)	(175)	(290)	(137)	(228)	2,252	3,194	-109.07%	26.77%
Profit Before Provisions	20,489	33,969	22,060	36,839	28,529	40,454	-0.29%	-7.79%
Net Provision Expense	24,543	40,690	19,198	32,061	5,073	7,194	465.62%	26.91%
Pre-Tax Income	(4,054)	(6,721)	2,861	4,778	23,455	33,260	NMF	NMF
Income Tax Expenses/(Benefit)	(1,445)	(2,395)	(181)	(302)	3,473	4,924	NMF	692.93%
Net Income	(2,610)	(4,326)	3,042	5,080	19,983	28,335	NMF	NMF

¹ Q1 2009 results reflect the downward restatement of both Interest Income and Net Provision Expense by GEL 2.9 million; Net Income for the period hasn't been revised

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2009

³ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 March 2009

⁴ Growth calculations based on GEL values

⁵ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4180 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2008

CONSOLIDATED 1H 2009 INCOME STATEMENT DATA

Period Ended Consolidated, IFRS Based 000s, unless otherwise noted	1H 2009		1H 2008		Growth Y-O-Y
	US\$ ¹ (Unaudited)	GEL	US\$ ² (Unaudited)	GEL	
Interest Income	118,451	196,380	138,770	196,777	-0.20%
Interest Expense	57,003	94,506	64,300	91,177	3.65%
Net Interest Income	61,448	101,874	74,471	105,599	-3.53%
Fee & Commission Income	14,062	23,313	17,088	24,230	-3.79%
Fee & Commission Expense	3,001	4,976	2,744	3,890	27.91%
Net Fee & Commission Income	11,060	18,337	14,344	20,340	-9.85%
Income From Documentary Operations	3,059	5,072	2,988	4,237	19.71%
Expense On Documentary Operations	638	1,058	647	917	15.35%
Net Income From Documentary Operations	2,421	4,014	2,341	3,320	20.91%
Net Foreign Currency Related Income	9,555	15,842	16,665	23,631	-32.96%
Net Insurance Income	4,882	8,094	2,379	3,373	139.94%
Brokerage Income	1,016	1,685	2,003	2,841	-75.89%
Asset Management Income	252	418	629	892	-53.16%
Realized Net Investment Gains (Losses)	185	303	(528)	(748)	NMF
Other	7,074	11,728	5,477	7,767	51.00%
Net Other Non-Interest Income	13,407	22,228	9,961	14,125	57.36%
Net Non-Interest Income	36,444	60,421	43,312	61,416	-1.62%
Total Operating Income (Revenue)	97,892	162,295	117,782	167,016	-2.83%
Personnel Costs	27,250	45,178	37,369	52,989	-14.74%
Selling, General & Administrative Costs	13,067	21,664	16,435	23,305	-7.04%
Procurement & Operations Support Expenses	4,129	6,845	4,475	6,346	7.87%
Depreciation & Amortization	7,094	11,761	6,131	8,694	35.28%
Other Operating Expenses	3,330	5,521	1,415	2,006	175.21%
Total Recurring Operating Costs	54,870	90,969	65,825	93,339	-2.54%
Normalized Net Operating Income	43,022	71,326	51,958	73,676	-3.19%
Net Non-Recurring Income (Costs)	(312)	(518)	8,365	11,862	-104.37%
Profit Before Provisions	42,709	70,808	60,323	85,538	-17.22%
Net Provision Expense	43,881	72,751	10,328	14,645	396.77%
Pre-Tax Income	(1,172)	(1,943)	49,995	70,893	NMF
Income Tax Expenses/(Benefit)	(1,627)	(2,697)	7,504	10,640	NMF
Net Income	455	754	42,491	60,253	-98.75%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 June 2009

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 March 2009

CONSOLIDATED Q2 2009 BALANCE SHEET DATA

Consolidated, IFRS Based <i>000s, unless otherwise noted</i>	30-Jun-09		31-Mar-09		30-Jun-08		Growth ⁵	Growth ⁵
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL	Y-O-Y	Q-O-Q
	(Unaudited)		(Unaudited)		(Unaudited)			
Cash & Cash Equivalents	85,886	142,390	102,477	171,136	110,336	156,457	-9.0%	-16.80%
Loans & Advances To Credit Institutions	187,879	311,484	248,418	414,857	271,852	385,487	-19.2%	-24.92%
Mandatory Reserve With NBG	20,473	33,943	29,350	49,014	66,263	93,962	-63.9%	-30.75%
Other Accounts With NBG	78,692	130,464	43,249	72,226	65,179	92,424	41.2%	80.63%
Balances With & Loans To Other Banks	88,713	147,077	175,818	293,617	140,410	199,102	-26.1%	-49.91%
Available-For-Sale & Trading Securities	17,128	28,396	24,252	40,501	58,357	82,750	-65.7%	NMF
Treasuries & Equivalents	-	-	-	-	12,689	17,993	NMF	NMF
Other Fixed Income Instruments	35,651	59,105	22,967	38,355	61,860	87,717	-32.6%	54.10%
Gross Loans To Clients	1,148,849	1,904,676	1,225,658	2,046,850	1,485,715	2,106,744	-9.6%	-6.95%
Less: Reserve For Loan Losses	(93,535)	(155,072)	(80,985)	(135,245)	(31,289)	(44,368)	249.5%	14.66%
Net Loans To Clients	1,055,313	1,749,604	1,144,673	1,911,604	1,454,426	2,062,376	-15.2%	-8.47%
Insurance Related Assets	28,569	47,365	31,506	52,615	14,072	19,954	137.4%	NMF
Investments In Other Business Entities, Net	48,787	80,884	21,875	36,531	103,516	146,786	-44.9%	121.41%
Property & Equipment Owned, Net	171,397	284,159	203,532	339,898	183,888	260,752	9.0%	-16.40%
Intangible Assets Owned, Net	7,195	11,928	6,839	11,421	5,618	7,967	49.7%	4.44%
Goodwill	81,604	135,291	80,992	135,257	78,842	111,798	21.0%	0.03%
Tax Assets - Current & Deferred	4,996	8,283	4,003	6,685	752	1,066	NMF	NMF
Prepayments & Other Assets	29,515	48,933	16,705	27,898	42,034	59,604	-17.9%	75.40%
Total Assets	1,753,919	2,907,822	1,908,239	3,186,759	2,398,242	3,400,708	-14.5%	-8.75%
Client Deposits	618,424	1,025,285	678,402	1,132,931	984,045	1,395,376	-26.5%	-9.50%
Deposits & Loans From Banks	24,805	41,124	31,702	52,942	88,125	124,962	-67.1%	-22.32%
Borrowed Funds	610,037	1,011,380	696,288	1,162,801	637,266	903,644	11.9%	-13.02%
Issued Fixed Income Securities	119	198	81	136	3,333	4,726	NMF	NMF
Insurance Related Liabilities	35,987	59,663	38,207	63,806	33,950	48,141	23.9%	NMF
Tax Liabilities - Current & Deferred	11,679	19,362	11,348	18,951	27,390	38,840	-50.1%	2.17%
Accruals & Other Liabilities	24,676	40,910	25,955	43,345	71,911	101,971	-59.9%	-5.62%
Total Liabilities	1,325,727	2,197,922	1,481,983	2,474,911	1,846,021	2,617,659	-16.0%	-11.19%
Ordinary Shares	18,862	31,272	18,719	31,261	22,036	31,248	0.1%	0.04%
Share Premium	277,125	459,446	274,512	458,435	319,040	452,399	1.6%	0.22%
Treasury Shares	(1,081)	(1,793)	(1,199)	(2,002)	(882)	(1,251)	43.3%	-10.43%
Retained Earnings	73,081	121,161	72,529	121,123	96,017	136,152	-11.0%	0.03%
Revaluation & Other Reserves	28,653	47,504	27,890	46,577	43,619	61,852	-23.2%	1.99%
Net Income (Loss) For The Period	454	753	3,042	5,080	42,491	60,253	-98.7%	-85.18%
Shareholders' Equity Excluding Minority Interest	397,095	658,343	395,494	660,474	522,322	740,653	-11.1%	-0.32%
Minority Interest	31,098	51,557	30,762	51,373	29,899	42,396	21.6%	NMF
Total Shareholders' Equity	428,192	709,900	426,256	711,847	552,221	783,049	-9.3%	-0.27%
Total Liabilities & Shareholders' Equity	1,753,919	2,907,822	1,908,239	3,186,759	2,398,242	3,400,708	-14.5%	-8.75%

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6579 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 June 2009

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.67 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2009

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.4180 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 June 2008

⁴ Growth calculations based on GEL values

KEY RATIOS

	1H 2009	1H 2008
Profitability Ratios		
ROAA ¹ , Annualised	0.1%	3.8%
ROA	0.1%	3.5%
ROAE ² , Annualised	0.8%	17.3%
ROE	0.9%	15.4%
Interest Income To Average Interest Earning Assets ³ , Annualised	17.6%	16.3%
Cost Of Funds ⁴ , Annualised	8.5%	8.0%
Net Spread ⁵	9.1%	8.3%
Net Interest Margin ⁶ , Annualised	9.1%	8.8%
Loan Yield ⁷ , Annualised	12.3%	19.2%
Interest Expense To Interest Income	48.1%	46.3%
Net Non-Interest Income To Average Total Assets, Annualised	3.9%	3.9%
Net Non-Interest Income To Revenue ⁸	37.2%	36.8%
Net Fee And Commission Income To Average Interest Earning Assets ⁹ , Annualised	1.6%	1.7%
Net Fee And Commission Income To Revenue	11.3%	12.2%
Operating Leverage ¹⁰	-15.1%	9.3%
Total Operating Income (Revenue) To Total Assets, Annualised	11.2%	9.8%
Recurring Earning Power ¹¹ , Annualised	4.6%	6.4%
Net Income To Revenue	0.5%	36.1%
Efficiency Ratios		
Operating Cost To Average Total Assets ¹² , Annualised	5.9%	4.9%
Cost To Average Total Assets ¹³ , Annualised	6.0%	5.1%
Cost / Income	56.4%	48.8%
Cost / Income, Normalized ¹⁴	56.1%	55.9%
Cost / Income, Bank of Georgia, Standalone ¹⁵	43.4%	43.0%
Cost/Income, Normalized, Bank of Georgia, Standalone	45.4%	43.7%
Cash Cost / Income	49.1%	43.6%
Total Employee Compensation Expense To Revenue ¹⁶	27.8%	31.7%
Total Employee Compensation Expense To Cost	49.4%	65.0%
Total Employee Compensation Expense To Average Total Assets, Annualised	3.0%	3.3%
Liquidity Ratios		
Net Loans To Total Assets ¹⁷	60.2%	60.7%
Average Net Loans To Average Total Assets	60.9%	58.4%
Interest Earning Assets To Total Assets	72.9%	75.1%
Average Interest Earning Assets To Average Total Assets	73.1%	75.9%
Liquid Assets To Total Assets ¹⁸	17.5%	18.7%
Liquid Assets To Total Liabilities, NBG Stand-Alone	37.6%	33.8%
Liquid Assets To Total Liabilities, IFRS Consolidated	24.6%	27.9%
Net Loans To Client Deposits	170.6%	147.8%
Average Net Loans To Average Client Deposits	173.3%	136.2%
Net Loans To Total Deposits ¹⁹	164.1%	135.7%
Net Loans To (Total Deposits + Equity)	98.5%	89.5%
Net Loans To Total Liabilities	79.6%	78.8%
Total Deposits To Total Liabilities	48.5%	58.1%
Client Deposits To Total Deposits	96.1%	91.8%
Client Deposits To Total Liabilities	46.6%	53.3%
Current Account Balances To Client Deposits	40.6%	39.3%
Demand Deposits To Client Deposits	9.7%	5.5%
Time Deposits To Client Deposits	49.6%	55.2%
Total Deposits To Total Assets	36.7%	44.7%
Client Deposits To Total Assets	35.3%	41.0%
Client Deposits To Total Equity (Times) ²⁰	1.4	1.8
Due From Banks / Due To Banks ²¹	757.4%	308.5%
Total Equity To Net Loans	40.6%	38.0%
Leverage (Times) ²²	3.1	3.3

KEY RATIOS CONT'D

	1H 2009	1H 2008
Asset Quality		
NPLs (in GEL) ²³	148,767	32,086
NPLs To Gross Loans To Clients ²⁴	7.8%	1.5%
Cost of Risk ²⁵ , Annualized	7.3%	1.6%
Cost of Risk Normalized ³⁶ , Annualized	7.3%	1.6%
Reserve For Loan Losses To Gross Loans To Clients ²⁶	8.1%	2.1%
NPL Coverage Ratio ²⁷	104.2%	138.3%
Equity To Average Net Loans To Clients	38.1%	42.2%
Capital Adequacy		
Equity To Total Assets	24.4%	23.0%
BIS Tier I Capital Adequacy Ratio, consolidated ²⁸	23.9%	25.1%
BIS Total Capital Adequacy Ratio, consolidated ²⁹	34.2%	25.8%
NBG Tier I Capital Adequacy Ratio ³⁰	17.8%	15.8%
NBG Total Capital Adequacy Ratio ³¹	18.4%	15.1%
Per Share Values		
Basic EPS (GEL) ³²	0.02	2.00
Basic EPS (US\$)	0.01	1.41
Fully Diluted EPS (GEL) ³³	0.02	1.93
Fully Diluted EPS (US\$)	0.01	1.36
Book Value Per Share (GEL) ³⁴	22.70	25.06
Book Value Per Share (US\$)	13.69	17.67
Ordinary Shares Outstanding - Weighted Average, Basic	31,263,045	30,105,610
Ordinary Shares Outstanding - Period End	31,271,525	31,247,511
Ordinary Shares Outstanding - Fully Diluted	34,746,139	31,247,511
Selected Operating Data		
Full Time Employees (FTEs)	4,914	5,909
FTEs, Bank of Georgia Standalone	2,660	3,619
Total assets per FTE ²⁵ (GEL Thousands)	595	576
Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands)	1,093	940
Number Of Active Branches	140	134
Number Of ATMs	394	363
Number Of Cards (Thousands)	593	847
Number Of POS Terminals	1,861	2,452

NOTES TO KEY RATIOS

- 1 Return On Average Total Assets (ROAA) equals Net Income of the period divided by quarterly Average Total Assets for the same period;
- 2 Return On Average Total Equity (ROAE) equals Net Income of the period divided by quarterly Average Total Equity for the same period;
- 3 Average Interest Earning Assets are calculated on a quarterly basis; Interest Earning Assets include: Loans And Advances To Credit Institutions, Treasuries And Equivalents, Other Fixed Income Instruments and Net Loans to Clients;
- 4 Cost Of Funds equals Interest Expense of the period divided by quarterly Average Interest Bearing Liabilities; Interest Bearing Liabilities Include: Client Deposits, Deposits And Loans From Banks, Borrowed Funds and Issued Fixed Income Securities;
- 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 divided by quarterly Average Interest Earning Assets of the same period;
- 7 Loan Yield equals Interest Income, less Net Provision Expense, divided by quarterly Average Gross Loans To Clients;
- 8 Revenue equals Total Operating Income;
- 9 Net Fee And Commission Income includes Net Income From Documentary Operations of the period ;
- 10 Operating Leverage equals percentage change in Revenue less percentage change in Total Costs;
- 11 Recurring Earning Power equals Profit Before Provisions of the period divided by average Total Assets of the same period;
- 12 Operating Cost equals Total Recurring Operating Costs;
- 13 Cost includes Total Recurring Operating Costs and Net Non-Recurring Costs (Income);
- 14 Cost/Income Ratio equals Costs of the period divided by Total Operating Income (Revenue);
- 15 Cost/ Income, Bank of Georgia, standalone, equals non-consolidated Total Costs of the bank of the period divided by non-consolidated Revenue of the bank of the same period;
- 16 Total Employee Compensation Expense includes Personnel Costs;
- 17 Net Loans equal Net Loans To Clients;
- 18 Liquid Assets include: Cash And Cash Equivalents, Other Accounts With NBG, Balances With And Loans To Other Banks, Treasuries And Equivalents and Other Fixed Income Securities as of the period end and are divided by Total Assets as of the same date;
- 19 Total Deposits include Client Deposits and Deposits And Loans from Banks;
- 20 Total Equity equals Total Shareholders' Equity;
- 21 Due From Banks/ Due To Banks equals Loans And Advances To Credit Institutions divided by Deposits And Loans From Banks;
- 22 Leverage (Times) equals Total Liabilities as of the period end divided by Total Equity as of the same date;
- 23 NPLs (in GEL) equals consolidated total gross non-performing loans as of the period end; non-performing loans are loans that have debts in arrears for more than 90 calendar days;
- 24 Gross Loans equals Gross Loans To Clients;
- 25 Cost Of Risk equals Net Provision For Loan Losses of the period, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans To Clients over the same period;
- 26 Reserve For Loan Losses To Gross Loans To Clients equals reserve for loan losses as of the period end divided by gross loans to clients as of the same date;
- 27 NPL Coverage Ratio equals Reserve For Loan losses as of the period end divided by NPLs as of the same date;
- 28 BIS Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I;
- 29 BIS Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I;
- 30 NBG Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements the National Bank of Georgia;
- 31 NBG Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of the National Bank of Georgia;
- 32 Basic EPS equals Net Income of the period divided by the weighted average number of outstanding ordinary shares over the same period;
- 33 Fully Diluted EPS equals net income of the period divided by the number of outstanding ordinary shares as of the period end plus number of ordinary shares in contingent liabilities;
- 34 Book Value Per Share equals Equity as of the period end, plus Treasury Shares, divided by the total number of Outstanding Ordinary shares as of the same date.