

Financing Georgia's Future



საქართველოს ბანკი
BANK OF GEORGIA

April 7, 2005

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.

Performance indicators are derived from our unaudited financial statements. We expect that audited 2004 financial statements will be made publicly available in May 2005. Such audited financial statements may or may not differ in certain material respects from the figures derived from our unaudited financial statements, contained herein.



Q4 2004 & YTD 2005 Performance Overview

April 7, 2005

Q1-Q3 2004: The Period Of Transition

Chronology of Key Events

Share price & liquidity

April

- Former CEO agrees to resign, the Board begins search for new CEO

- GEL 2.2 per share, P/BV 0.36 X

April

- Galt & Taggart retained as corporate broker, produces a strategic transformation plan

- Q1 trading volume GEL 66 K

- GEL 2.3 per share

July

- The bank buys out the shares of former CEO & Chairman at GEL 5.05 per share, both agree to resign from the Board

- Q2 trading volume GEL 695 K

- Institutional interest begins to pick up, Post-Communist Opportunities Fund becomes a shareholder

August/

- The Board reaches agreement with the incoming CEO, announces his appointment; other key members of the new team commence work

- GEL 3.8 per share

September

- Q3 trading volume GEL 8.5 mln



Q4 2004: Transactional Activity

Chronology of Key Events

Share price & liquidity

October

- The treasury shares bought from the former management sold at GEL 6.0 per share to three Firebird funds, Firebird offered a seat on the Board

- GEL 4.2 per share

October

- Acquisition of control in Georgian Card, the bank's card processing platform is announced, enabling the bank to upgrade the platform

- GEL 5.1 per share

November

- Acquisition of TUB, the ninth largest bank, for stock and cash announced, at the price not exceeding 1.24 x BV, increasing the bank's market share, enabling it to achieve effective control of Galt & Taggart and GLC, the second largest leasing company

- GEL 5.4 per share
- Institutional interest in the stock strengthens, East Capital and Ostinvestor clients buy in

November

- Acquisition of BCI, the third largest insurance company announced, giving the bank a meaningful presence in the insurance sector

- GEL 5.5 per share
- Q4 trading volume GEL12.2 mln
- Non-resident (primarily EU) individuals begin purchasing the stock



Q4 2004: The Turnaround Begins

- **Organizational Structure**
 - The group reorganized into five Strategic Business Units - Retail Banking (RB), Corporate & Investment Banking (CIB), BCI, Asset & Wealth Management (A&WM) and Corporate Center (CC) - reflecting the universal banking strategy
 - Several rounds of layoffs, reducing headcount by circa 5%, three unprofitable branches shut down, several others merged
 - The integrated client coverage model adopted in CIB, focusing on ten sectors of the economy
 - Key TUB staff integrated into the bank
- **The Loan Portfolio**
 - Credit process strengthened significantly
 - Loan workout and asset recovery capability upgraded, drawing on TUB staff
 - After a long, hard (and honest) look at the portfolio, GEL 16.1 mln of provision charges made in Q4, largely eliminating the legacy of dubious lending practices in the past
- **BCI integration commenced with both CIB and RB**
- **A&WM established, comprising the bank's nascent private banking business, Galt & Taggart's brokerage and asset management, and BCI's nascent pensions product**
- **Ambitious growth plans for RB laid out, calling for significant investments in the branch network modernization and IT platform upgrade to achieve multi-channel product delivery**
- **Detailed bottom-up performance plans prepared for each SBU, allowing for the greater performance bonus visibility and increased staff motivation**



Q4 2004 Financial & Operating Performance

- The provisioning charges of GEL 16.1 mln and restructuring and non-recurring costs of GEL 1.0 mln result in a GEL 9.2 mln loss for the year
- However, early signs of operational stabilization began to emerge at Bank of Georgia in Q4 2004:
 - Interest Income grew by 8.1% q-o-q to GEL 8.7 mln
 - Non-Interest Income grew by 1.0% q-o-q to GEL 4.4 mln
 - Consumer loans issuance volume grew by 43.0% q-o-q to GEL 2.6 mln, while the consumer loan portfolio grew by 15.1% q-o-q to GEL 5.6 mln at YE 04
 - 5,642 debit cards were issued in Q4 04, compared to 4,996 in Q3 04
 - Micro loans issuance volume grew by 11.0% q-o-q to GEL 8.5 mln, while micro loan portfolio grew by 16% q-o-q to GEL 20.0 mln at YE 04
 - **As a result, Operating Income grew 6.4% q-o-q to GEL 10.4 mln**
 - Cost containment and reduction was successful in Q4 04, as headcount decreased from 928 FTEs in October 04 to 882 FTEs at YE 04, Rental Costs decreased 10.7% q-o-q to GEL 0.43 mln and Security Costs decreased 2.6% q-o-q to GEL 0.28 mln
 - Recurring Operating Costs grew 5.5% q-o-q to GEL 5.7 mln
 - **As a result, Normalized Net Operating Income grew by 7.5% q-o-q to GEL 4.7 mln**
- In addition, the subsidiaries of the bank were profitable in 2004
 - TUB earned Net Income of GEL 1.9 mln, slightly ahead of expectations
 - BCI earned Net Income of GEL 0.61 million according to the Georgian GAAP (GEL 0.21 mln according to IFRS)
 - Galt & Taggart had a record year, earning Net Income of GEL 0.22 mln (Georgian GAAP) on Net Revenue of GEL 0.5 mln, a 45% net margin
 - Georgian Card earned Net Income of GEL 0.18 mln (Georgian GAAP)



Q4 2004 Bank of Georgia Proforma Financial Performance

| | Oct - 04 | Nov - 04 | Dec - 04 | Q4-03 | Q3-04 | Q4 - 04 | |
|---|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|-----------------|
| <i>Unaudited (IFRS) GEL, unless otherwise noted</i> | | | | | | Y-O-Y Growth | Q-O-Q Growth |
| GEL/US\$ Exchange Rate, e-o-p | 1.83 | 1.78 | 1.83 | 2.12 | 1.84 | 1.81 | |
| GEL/EUR Exchange Rate, e-o-p | 2.33 | 2.36 | 2.49 | 2.55 | 2.23 | 2.39 | |
| Operating Income | | | | | | | |
| Interest Income | 2,614,111 | 3,049,881 | 3,035,773 | 8,958,016 | 8,050,581 | 8,699,766 | -2.9% |
| Interest Expense | (883,346) | (896,928) | (864,673) | (2,103,028) | (2,484,359) | (2,644,947) | 25.8% |
| Net Interest Income | 1,730,765 | 2,152,954 | 2,171,100 | 6,854,988 | 5,566,222 | 6,054,819 | -11.7% |
| Commission Income | 954,363 | 966,373 | 1,010,071 | 2,751,757 | 2,914,828 | 2,930,807 | 6.5% |
| Commission Expenses | (196,806) | (186,458) | (237,617) | (566,420) | (512,089) | (620,881) | 9.6% |
| Net Commission Income | 757,557 | 779,915 | 772,454 | 2,185,338 | 2,402,739 | 2,309,926 | 5.7% |
| Income from Documentary Operations | 170,866 | 179,056 | 208,331 | 635,505 | 502,271 | 558,253 | -12.2% |
| Expense from Documentary Operations | (426) | (197) | (161,796) | (145,846) | (198,636) | (162,419) | 11.4% |
| Net Income From Documentary Operations | 170,440 | 178,859 | 46,535 | 489,659 | 303,635 | 395,834 | -19.2% |
| Other Non-Interest Income | 11,831 | 62,398 | 15,905 | 178,142 | 92,873 | 90,135 | -49.4% |
| Other Non-Interest Expenses | (7,172) | (3,073) | - | (8,172) | (34,491) | (10,245) | 25.4% |
| Net Other Non-Interest Income | 4,659 | 59,325 | 15,905 | 169,970 | 58,382 | 79,889 | -53.0% |
| FX Trading Income | 480,471 | 427,755 | 660,104 | 1,020,312 | 1,450,775 | 1,568,330 | 53.7% |
| Non-Interest Income | 1,413,127 | 1,445,854 | 1,494,999 | 3,865,279 | 4,215,530 | 4,353,979 | 12.6% |
| Total Operating Income | 3,143,892 | 3,598,807 | 3,666,099 | 10,720,267 | 9,781,752 | 10,408,798 | -2.9% |
| Recurring Operating Costs | | | | | | | |
| Personnel Costs | (915,060) | (912,884) | (937,444) | (1,988,745) | (2,576,930) | (2,765,388) | 39.1% |
| Selling, General & Administrative Expenses | (206,509) | (183,584) | (384,801) | (736,777) | (728,090) | (774,895) | 5.2% |
| Procurement & Operations Support Expenses | (170,836) | (130,403) | (231,319) | (580,020) | (506,302) | (532,558) | -8.2% |
| Depreciation | (239,484) | (232,042) | (241,204) | (631,201) | (668,373) | (712,731) | 12.9% |
| Other Operating Expenses | (262,664) | (269,461) | (277,341) | (799,790) | (806,866) | (809,466) | 1.2% |
| Various Tax Expenses | (9,273) | (70,358) | (50,766) | (352,397) | (139,225) | (130,398) | -63.0% |
| Total Recurring Operating Costs | (1,803,826) | (1,798,732) | (2,122,876) | (5,088,931) | (5,425,786) | (5,725,434) | 12.5% |
| Normalized Net Operating Income | 1,340,066 | 1,800,075 | 1,543,223 | 5,631,336 | 4,355,966 | 4,683,364 | -16.8% |
| Non-recurring costs | (58,634) | (184,137) | (336,501) | (737,069) | (259,167) | (579,272) | -21.4% |
| Profit (pre-bonus) Before Provisions | 1,281,432 | 1,615,938 | 1,206,722 | 4,894,267 | 4,096,799 | 4,104,092 | -16.1% |
| Provisions | (1,659,922) | (2,526,541) | (11,953,237) | (2,245,426) | (3,520,226) | (16,139,700) | 618.8% |
| Gains on asset sale & recovery | 2,683 | 290 | 287 | 35,590 | 6,536 | 3,260 | -90.8% |
| Pre-Bonus Result | (375,807) | (910,313) | (10,746,228) | 2,684,431 | 583,109 | (12,032,348) | -548.2% |
| Guaranteed Compensation Costs | - | - | - | - | - | - | - |
| Bonuses Paid or Accrued | (626,479) | (12,925) | (18,191) | (131,325) | (92,132) | (657,596) | 400.7% |
| Pre-Tax Income | (1,002,286) | (923,239) | (10,764,419) | 2,553,106 | 490,977 | (12,689,943) | -597.0% |
| Profit Tax | 0 | 231,156 | 332,940 | (434,981) | - | 564,096 | - |
| Net Income (Loss) | (1,002,286) | (692,083) | (10,431,479) | 2,118,125 | 490,977 | (12,125,847) | -672.5% |
| <i>TUB Net Income contribution (IFRS)</i> | <i>239,904</i> | <i>(96,084)</i> | <i>213,385</i> | <i>250,939</i> | <i>756,735</i> | <i>357,204</i> | <i>42.3%</i> |
| <i>BCI Net Income contribution (IFRS)</i> | <i>26,517</i> | <i>12,051</i> | <i>16,917</i> | <i>120,000</i> | <i>45,652</i> | <i>55,484</i> | <i>-100.0%</i> |
| <i>Galt & Taggart Net Income contribution (Georgian GAAP)</i> | <i>92,738</i> | <i>84,507</i> | <i>(10,449)</i> | <i>(27,126)</i> | <i>24,828</i> | <i>166,796</i> | <i>-714.9%</i> |
| Consolidated Net Income (Loss) | (643,127) | (691,609) | (10,211,626) | 2,461,938 | 1,318,192 | (11,546,363) | -569.0% |



Q4 2004 Bank of Georgia Operating Performance

| RATIOS | Oct - 04 | Nov - 04 | Dec - 04 | Q4-03 | Q3-04 | Q4 - 04 |
|---|----------|----------|----------|---------|---------|----------|
| Cost/Income * | | | | 48.7% | 56.4% | 61.3% |
| Personnel Cost/Total Operating Income** | | | | 25.0% | 27.3% | 33.6% |
| Personnel Cost/Total Normalized Cost | | | | 51.4% | 48.4% | 54.8% |
| Annualized Normalized Net Operating Income per Employee (GEL) | 17,328 | 23,378 | 18,858 | 26,500 | 19,001 | 21,096 |
| Annualized Pre-bonus Result per Employee (GEL) | (1,620) | (3,941) | (43,773) | 12,633 | 2,544 | (54,200) |
| Net Interest Margin*** | 9.6% | 11.8% | 12.1% | 17.6% | 12.7% | 11.4% |
| ROE (annualized) | NMF | NMF | NMF | 16.2% | 3.8% | NMF |
| ROA (annualized) | NMF | NMF | NMF | 3.7% | 0.7% | NMF |
| Average Net Loans/Average Total Borrowed Funds | 3.83 | 3.63 | 3.60 | 2.93 | 3.74 | 3.69 |
| Average Net Loans/Average Customer Deposits | 86.5% | 80.3% | 67.2% | 118.1% | 90.8% | 77.4% |
| Total Assets per Employee (GEL) | | | | 270,640 | 304,523 | 362,864 |
| Net Loans m-o-m growth | 4.2% | -4.3% | -5.2% | | | |
| Net Loans q-o-q growth | | | | 3.2% | 7.7% | -5.4% |
| Client Deposits m-o-m growth | 5.6% | 3.2% | 13.2% | | | |
| Client Deposits q-o-q growth | | | | 2.1% | 5.4% | 23.3% |
| Provisions/Total Loan Portfolio | 6.8% | 8.1% | 11.2% | 6.0% | 6.4% | 11.2% |
| Leverage (Average Total Liabilities/Average Equity) | 4.51 | 4.33 | 4.49 | 3.41 | 4.36 | 4.83 |

* (Total Recurring Operating Costs+ESOP Costs+Guaranteed Compensation Costs+Bonuses Paid or Accrued)/Total Operating Income

** (Personnel Costs+ESOP Costs+Guaranteed Compensation Costs+Bonuses Paid or Accrued)/Total Operating Income

*** Net Interest Income/Interest Earning Assets



Q4 2004 Bank of Georgia Operating Performance

| <i>GEL, unless otherwise noted</i> | Q1 - 04 | Q2 - 04 | Q3 - 04 | Oct - 04 | Nov - 04 | Dec - 04 | Q4 - 04 | Q-O-Q Growth |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| US\$/GEL Exchange Rate, e-o-p | 2.01 | 1.92 | 1.89 | 1.83 | 1.78 | 1.83 | 1.83 | |
| EUR/GEL Exchange Rate, e-o-p | 2.45 | 2.33 | 2.27 | 2.33 | 2.36 | 2.49 | 2.49 | |
| Total Loan Portfolio, e-o-p | 153,441,573 | 157,339,132 | 171,480,711 | 180,505,775 | 174,170,072 | 169,006,111 | 169,006,111 | -1.4% |
| Loans to banks, e-o-p | 0 | 25,113 | 2,500,000 | 9,882,856 | 5,478,749 | 2,372,500 | 2,372,500 | -5.1% |
| Loans to clients, e-o-p | 153,441,573 | 157,314,019 | 168,980,711 | 170,622,919 | 168,691,323 | 166,633,611 | 166,633,611 | -1.4% |
| Volume of corporate loans, e-o-p | 101,111,498 | 103,381,713 | 109,932,634 | 109,065,861 | 107,373,403 | 103,333,705 | 103,333,705 | -6.0% |
| Number of corporate loans, e-o-p | 664 | 639 | 636 | 625 | 609 | 541 | 541 | -14.9% |
| Volume of corporate loans issued | 32,737,161 | 40,899,116 | 37,137,959 | 14,587,405 | 4,550,033 | 6,299,994 | 25,437,433 | -31.5% |
| Number of corporate loans issued | 140 | 216 | 156 | 71 | 36 | 47 | 154 | -1.3% |
| Volume of mortgage loans, e-o-p | 16,398,233 | 15,371,656 | 16,256,773 | 16,625,847 | 16,441,034 | 16,520,179 | 16,520,179 | 1.6% |
| Number of mortgage loans, e-o-p | 628 | 669 | 761 | 770 | 775 | 763 | 763 | 0.3% |
| Volume of mortgage loans issued | 1,810,348 | 5,130,661 | 3,010,847 | 206,444 | 534,000 | 464,750 | 1,205,194 | -60.0% |
| Number of mortgage loans issued | 51 | 98 | 144 | 20 | 21 | 28 | 69 | -52.1% |
| Volume of micro loans, e-o-p | 12,678,369 | 13,960,121 | 17,107,045 | 18,564,205 | 19,001,041 | 19,857,519 | 19,857,519 | 16.1% |
| Number of micro loans, e-o-p | 1,615 | 1,991 | 3,027 | 3,365 | 3,631 | 3,996 | 3,996 | 32.0% |
| Volume of micro loans issued | 5,079,471 | 5,936,770 | 7,688,433 | 2,984,734 | 2,786,054 | 2,761,560 | 8,532,348 | 11.0% |
| Number of micro loans issued | 488 | 788 | 1,331 | 444 | 452 | 545 | 1,441 | 8.3% |
| Volume of consumer loans, e-o-p | 4,759,894 | 5,195,660 | 4,835,107 | 5,364,626 | 5,014,047 | 5,563,956 | 5,563,956 | 15.1% |
| Number of consumer loans, e-o-p | 766 | 1,170 | 1,449 | 1,613 | 1,905 | 2,348 | 2,348 | 62.0% |
| Volume of consumer loans issued | 920,602 | 1,505,622 | 1,840,765 | 577,090 | 618,739 | 1,437,144 | 2,632,973 | 43.0% |
| Number of consumer loans issued | 214 | 493 | 562 | 276 | 361 | 625 | 1,262 | 124.6% |
| Overdrafts on plastic cards, e-o-p | 1,340,407 | 1,371,130 | 1,683,847 | 1,729,767 | 1,793,176 | 1,944,671 | 1,944,671 | 15.5% |
| Number of overdrafts on plastic cards, e-o-p | 1,884 | 2,748 | 3,034 | 3,167 | 3,419 | 3,349 | 3,349 | 10.4% |
| Number of plastic cards outstanding, e-o-p | 21,559 | 25,206 | 29,189 | 31,132 | 32,123 | 32,590 | 32,590 | 11.7% |
| Number of plastic cards issued | 5,905 | 5,690 | 5,323 | 2,429 | 1,603 | 2,733 | 6,765 | 27.1% |
| Volume of legacy retail loans, e-o-p | 17,153,172 | 18,033,740 | 19,165,305 | 19,272,613 | 19,068,622 | 19,413,581 | 19,413,581 | 1.3% |
| Number of legacy retail loans | 74,443 | 81,146 | 86,657 | 87,476 | 87,356 | 86,484 | 86,484 | -0.2% |
| Total Volume of Deposits, e-o-p | 142,627,840 | 168,255,949 | 177,431,420 | 182,251,515 | 189,748,825 | 215,450,394 | 215,450,394 | 21.4% |
| Interbank deposits, e-o-p | 1,118,235 | 476,518 | 634,029 | 488,747 | 636,751 | 732,076 | 732,076 | 15.5% |
| Client deposits, e-o-p | 141,509,605 | 167,779,431 | 176,797,391 | 181,762,768 | 189,112,074 | 214,718,318 | 214,718,318 | 21.4% |
| Individuals, e-o-p | 74,670,969 | 86,523,691 | 89,103,252 | 93,047,351 | 93,403,656 | 98,942,429 | 98,942,429 | 11.0% |
| Aggregate current (account) deposits, e-o-p | 13,510,493 | 23,262,266 | 20,073,290 | 21,266,261 | 20,714,271 | 22,007,113 | 22,007,113 | 9.6% |
| Aggregate demand deposits, e-o-p | 9,157,832 | 10,868,408 | 13,166,691 | 14,162,796 | 14,575,556 | 15,411,781 | 15,411,781 | 17.1% |
| Aggregate time deposits, e-o-p | 52,002,644 | 52,393,017 | 55,863,271 | 57,618,294 | 58,113,829 | 61,523,535 | 61,523,535 | 10.1% |
| Legal entities, e-o-p | 66,838,636 | 81,255,740 | 87,694,139 | 88,715,417 | 95,708,418 | 115,775,889 | 115,775,889 | 32.0% |
| Aggregate current (account) deposits, e-o-p | 51,933,837 | 57,150,022 | 61,551,043 | 64,262,468 | 79,298,960 | 97,811,310 | 97,811,310 | 58.9% |
| Aggregate demand deposits, e-o-p | 224,702 | 219,712 | 185,568 | 239,077 | 157,579 | 509,467 | 509,467 | 174.5% |
| Aggregate time deposits, e-o-p | 14,680,097 | 23,886,006 | 25,957,528 | 24,213,872 | 16,251,879 | 17,455,112 | 17,455,112 | -32.8% |
| Off-Balance Sheet Commitments, e-o-p | 26,681,948 | 30,117,411 | 27,594,249 | 19,224,753 | 28,753,864 | 32,879,652 | 32,879,652 | 19.2% |
| Volume of guarantee operations, e-o-p | 14,571,257 | 13,423,729 | 16,467,952 | 15,468,048 | 14,969,552 | 18,967,878 | 18,967,878 | 15.2% |
| Number of guarantee operations, e-o-p | 103 | 139 | 142 | 144 | 164 | 163 | 163 | 14.8% |
| Issued guarantees (Volume) | 1,714,227 | 5,046,195 | 6,015,089 | 3,110,931 | 1,110,579 | 526,020 | 9,486,530 | 57.7% |
| Issued guarantees (Number) | 33 | 85 | 61 | 29 | 38 | 51 | 118 | 93.4% |
| Volume of L/Cs, e-o-p | 12,110,691 | 16,693,682 | 11,126,297 | 3,756,705 | 13,784,312 | 13,911,774 | 13,911,774 | 25.0% |
| Number of L/Cs, e-o-p | 5 | 10 | 8 | 3 | 6 | 5 | 5 | -37.5% |
| Issued L/Cs (Volume) | 6,982,458 | 12,829,260 | 2,193,580 | 0 | 9,979,217 | 11466 | 9,990,683 | 355.5% |
| Issued L/Cs (Number) | 3 | 9 | 5 | 0 | 3 | 1 | 4 | -20.0% |



Q1 2005: Return To Profitability & Building The Foundation For Growth

CIB

- The integrated client coverage model is beginning to work, with several significant client wins in Q1 05

| Group Company | Client | Sector | Lending | Payroll Services | Commercial Banking | Service Outlet | Investment Banking | Health Insurance | Car /Cargo Insurance | Property Insurance | Personnel Accident | Vehicle Leasing | Equipment Leasing |
|---------------|---------------------|------------------------------|---------|------------------|--------------------|----------------|--------------------|------------------|----------------------|--------------------|--------------------|-----------------|-------------------|
| BoG | Client Confidential | Integrated Energy | • | | • | | | | | | | | |
| BoG/BCI | Client Confidential | Integrated Energy | • | | • | | | | • | | | | |
| BoG | Client Confidential | Transport & Logistics | | • | • | | | | | | | | |
| BoG | Client Confidential | Industry & State | | • | | | | | | | | | |
| BoG | Client Confidential | Industry & State | | • | | | | | | | | | |
| BoG | Client Confidential | Industry & State | | • | | | | | | | | | |
| BoG | Client Confidential | Industry & State | | • | | | | | | | | | |
| BoG | Client Confidential | Retail & Wholesale | • | | • | • | | | | | | | |
| BoG | Client Confidential | TMT | • | | • | | | | | | | | |
| BoG | Client Confidential | NGOs | | | • | | | | | | | | |
| BoG | Client Confidential | International Organizations | | | • | | | | | | | | |
| BoG | Client Confidential | NGOs | | • | • | | | | | | | | |
| BoG | Client Confidential | NGOs | | | • | | | | | | | | |
| BoG | Client Confidential | NGOs | | | • | | | | | | | | |
| BoG | Client Confidential | Pharmaceuticals & Healthcare | | | • | | | | | | | | |
| BoG | Client Confidential | Construction & Real Estate | | • | | • | | | | | | | |
| BoG | Client Confidential | Construction & Real Estate | | | • | | | | | | | | |
| BoG | Client Confidential | Transport & Logistics | | • | • | | | | | | | | |
| BCI | Client Confidential | Integrated Energy | | | | | | • | | | | | |
| BCI | Client Confidential | Industry & State | | | | | | • | | | | | |
| BCI | Client Confidential | Consumer Goods | | | | | | | • | | | | |
| BCI | Client Confidential | Integrated Energy | | | | | | | | | • | | |
| BCI | Client Confidential | Industry & State | | | | | | | • | | | | |
| BCI | Client Confidential | Consumer Goods | | | | | | | • | | | | |
| BCI | Client Confidential | International Organizations | | | | | | • | | | | | |
| BCI/GLC | Client Confidential | Consumer Goods | | | | | | | | • | | | • |
| BCI | Client Confidential | NGOs | | | | | | • | | | | | |
| GLC | Client Confidential | Retail & Wholesale | | | | | | | | | | | • |
| GLC | Client Confidential | Retail & Wholesale | | | | | | | | | | • | |
| GLC | Client Confidential | Retail & Wholesale | | | | | | | | | | | |
| GLC | Client Confidential | Construction & Real Estate | | | | | | | | | | | • |
| GLC | Client Confidential | Construction & Real Estate | | | | | | | | | | | • |
| GLC | Client Confidential | Retail & Wholesale | | | | | | | | | | | • |
| GLC | Client Confidential | Consumer Goods | | | | | | | | | | | • |
| GLC | Client Confidential | Consumer Goods | | | | | | | | | | | • |
| G&T | Client Confidential | Construction & Real Estate | | | | | | | • | | | | |



- New products, new branch network (WIP), new momentum
 - **Enhanced Current Accounts**, a new nine-digit account numbering system with multi-currency feature that brings convenience of modern multi-channel banking to individual and corporate clients
 - **Micro Loan+**, a product package designed for Small Businesses comprising a loan of up to US\$ 50,000, current account with a Visa Electron or Maestro debit card, overdrafts, consumer loans and credit cards upon building credit history, mobile and internet banking, standing order and insurance products
 - **Hypo+**, a flexible offset mortgage product package comprising a mortgage loan, current account with a Visa Electron or Maestro debit card with the average daily balance offsetting the outstanding mortgage amount, flexible borrowing within the pre-approved mortgage limit, mobile and internet banking, standing order and insurance products
 - We are redesigning the branch network to comprise the following types of branches:
 - Full Service Branches
 - Utility Payment Service Center
 - Cash payments; 24 hour zone with ATM, online terminal and service phone
 - Layout redesign to optimize customer traffic and operations; 24 hour zone with ATM, online terminal and service phone; RB lending officers and CIB SME account managers
 - Legacy Retail Loan Service Centers
 - Separated from full service branches to serve solely its focus segment
 - Service Centers
 - Located in shopping malls or on the premises of established retailers; emphasis on consumer lending, cards, SME banking; currently two such service centers are being established
 - Service Outlets
 - Enclosed in partners' premises; currently three such service outlets are being established – at AXIS, the real estate developer, SKY.GE, the travel agency, and the Tbilisi Airport
 - Georgian Card is being migrated to a new platform (TietoEnator's TransMaster), while the bank has signed a contract with Wincor-Nixdorf for delivery of 40 ATMs
 - Increasing number of consumer and micro loans issued on a month-on-month basis (number of consumer loans issued increased from 313 in Jan 05 to 693 in Mar 05; number of micro loans issued increased from 282 in Jan 05 to 469 in Mar 05; the number of mortgage loans issued increased from 10 in Jan 05 to the estimated 29 in March 05)
 - A Collections service established, with the former Head of Collections at Rusfinance in charge



BCI

- *Bancassurance* launched, with insurance products such as collateral & mortgage insurance, travel insurance and income protection being distributed through the bank branches
- Employee Health Insurance Program integrated with BoG's payroll service offering
- Private Banking client list reached 27 by YE 04 since its inception in November 04 and grew to 102 at the end of Q1 05
- Market-leading Private Banking service assembled around the competitive OneCard multi-currency account with high interest rate on average daily balances, with Lifestyle Management options being added
- Galt & Taggart's brokerage and asset management client list grew to 329 at the end of Q1 05
- Galt & Taggart's client assets grew from GEL 21.1 mln at YE 04 to the estimated GEL 21.9 mln at the end of March 05
- Defined Contribution Pension Scheme established and marketed to clients
- Head of A&WM recruited from Credit Suisse First Boston London office

A&WM



- **Credit Process, Loan Portfolio & Asset Recovery**
 - Greater efficiency of the multi-level Credit Committee, 223 Loan Applications were processed in Q1 05, compared to 186 in Q4 04
 - Loan loss provisioning returned to normal levels
 - Improvement in Loan Portfolio quality with Overdue Loans/Total Portfolio decreasing from 22.2% at YE 04 to 20.2% in Q1 05 (18.6% including TUB in Q1 05)
 - Assets recovered amounted to the estimated GEL 770,026 in Q1 05, an increase from GEL 21,945 at during 2004
- **Funding**
 - KfW Credit Guarantee Framework Agreement for US\$4.5 mln signed, enabling the bank to borrow at attractive rates from international banks; the funds are to be used for lending to SMEs
 - A US\$ 10 mln EBRD Participation Facility term sheet signed, definitive agreement expected to be signed in the nearest future. The facility will enable the bank to arrange loan facilities for key corporate clients beyond the limitations of the bank's single borrower exposure requirements and, since it has limited (50%) recourse to BoG, is a testament of the EBRD's confidence in the bank's credit process
 - Prospectus for the issuance of up to US\$3 mln of corporate bonds with the 50% principal guarantee by US AID filed with the Securities Commission, registration expected following the release of 2004 audited financial statements
- **TUB integration proceeding smoothly, with TUB's YTD pre-bonus result contribution estimated at GEL 0.76 mln (41.1 % of Goodwill)**



Top-down planning replaced by bottom-up approach

- 2005 Budget driven by detailed and highly granular operating assumptions, allowing better performance measurement and, thus, manageability
- For the first time ever, separate P&L budgets established for the SBUs
 - Modern, state-of-the-art approach
 - Improved delegation of responsibilities
 - Consistent with our philosophy of running a portfolio of businesses
 - Improved visibility of results-driven SBU bonus pools and personal bonuses for SBU managers
- The integrated business model driven home by comprehensive revenue and cost allocation
 - Cross-SBU dependencies and synergies emphasized through the allocation of all revenues and costs – negotiated and agreed with the SBU managements
 - Better understanding of the overhead costs involved in supporting each of the SBUs
- 360° evaluation reviews introduced as an important performance measurement tool



Q1 2005 Financial & Operating Performance

- Net Interest Income reached GEL 7.0 mln, a 7% increase y-o-y and 15% increase q-o-q
- Non-Interest Income grew by 21% y-o-y to GEL 3.9 mln. The 10% decline q-o-q was a result of a 5% decrease q-o-q (13% growth y-o-y) in Net Commission Income due to seasonal factors and a 22% decrease q-o-q (20% increase y-o-y) in FX Trading Income due to reduced exchange rate volatility in Q1 05, partly offset by strong growth in Income from Documentary Operations (70% y-o-y, 13% q-o-q) to GEL 447 K
- **Operating Income grew 12% y-o-y to GEL 10.9 mln (5% increase q-o-q)**
- Despite a q-o-q increase in personnel costs (caused by the merger with TUB and selective recruitment as the bank adopted a growth stance), Total Recurring Operating Costs increased by just 3% y-o-y (a 1% decline q-o-q), as SG&A, procurement and other operating costs declined q-o-q due to the bank's cost containment efforts
- **As a result, Normalized Net Operating Income grew by 23% y-o-y (12% growth q-o-q) to GEL 5.2 mln**
- **Pre-Bonus Profit Before Provisions amounted to GEL 4.5 mln, a 8% increase y-o-y and 10% increase q-o-q**
- As a result of the loan portfolio cleanup in Q4 04 and increased emphasis in asset recovery, net provisions returned to a normal level (GEL 1.5 mln) in Q1 05
- **Pre-Bonus Result of GEL 3.0 mln (compared with Pre-Bonus Loss of GEL 12.0 mln in Q4 04), down GEL 0.5 mln, or -14.7% y-o-y (in US\$ terms Pre-Bonus Result of US\$ 1.6 mln declined by 4.5% decline y-o-y)**
- **As the bank's turnaround gained momentum, BoG has returned to profitability, earning Net Income of GEL 2.2 mln in Q1 05**
- In addition, BCI and Galt & Taggart had profitable quarters, contributing GEL 167 K and GEL 21 K, respectively, to the group net income



Q1 2005: Bank of Georgia Proforma Consolidated Financial Performance

| | Jan - 05 | Feb - 05 | Mar-05 | Q1 - 04 | Q4 - 04 | Q1- 05 | | |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|-----------------|-----------------|
| <i>Unaudited (IFRS)</i> | | | | | | | Y-O-Y | Q-O-Q |
| <i>GEL, unless otherwise noted</i> | | | | BOG | BOG | | Growth | Growth |
| GEL/US\$ Exchange Rate, e-o-p | 1.82 | 1.83 | 1.83 | 2.05 | 1.81 | 1.83 | | |
| GEL/EUR Exchange Rate, e-o-p | 2.37 | 2.42 | 2.38 | 2.52 | 2.39 | 2.38 | | |
| Operating Income | | | | | | | | |
| Interest Income | 2,972,491 | 3,207,273 | 3,617,149 | 8,702,256 | 8,699,766 | 9,796,913 | 12.6% | 12.6% |
| Interest Expense | (977,611) | (872,149) | (981,890) | (2,195,457) | (2,644,947) | (2,831,650) | 29.0% | 7.1% |
| Net Interest Income | 1,994,880 | 2,335,124 | 2,635,259 | 6,506,800 | 6,054,819 | 6,965,263 | 7.0% | 15.0% |
| Commission Income | 810,451 | 871,515 | 973,804 | 2,357,208 | 2,930,807 | 2,655,770 | 12.7% | -9.4% |
| Commission Expenses | (142,235) | (114,022) | (196,431) | (404,469) | (620,881) | (452,688) | 11.9% | -27.1% |
| Net Commission Income | 668,216 | 757,493 | 777,373 | 1,952,739 | 2,309,926 | 2,203,081 | 12.8% | -4.6% |
| Income from Documentary Operations | 148,608 | 253,745 | 209,139 | 483,691 | 558,253 | 611,492 | 26.4% | 9.5% |
| Expense from Documentary Operations | (7,167) | (2,944) | (154,553) | (220,661) | (162,419) | (164,664) | -25.4% | 1.4% |
| Net Income From Documentary Operations | 141,442 | 250,801 | 54,586 | 263,029 | 395,834 | 446,828 | 69.9% | 12.9% |
| Other Non-Interest Income | 22,364 | 23,112 | 20,620 | 32,577 | 90,135 | 66,096 | 102.9% | -26.7% |
| Other Non-Interest Expenses | - | - | (16) | (5,876) | (10,245) | (16) | -99.7% | -99.8% |
| Net Other Non-Interest Income | 22,364 | 23,112 | 20,604 | 26,702 | 79,889 | 66,080 | 147.5% | -17.3% |
| FX Trading Income | 365,383 | 386,908 | 463,406 | 1,009,733 | 1,568,330 | 1,215,697 | 20.4% | -22.5% |
| Non-Interest Income | 1,197,404 | 1,418,314 | 1,315,969 | 3,252,204 | 4,353,979 | 3,931,687 | 20.9% | -9.7% |
| Total Operating Income | 3,192,284 | 3,753,438 | 3,951,228 | 9,759,003 | 10,408,798 | 10,896,950 | 11.7% | 4.7% |
| Recurring Operating Costs | | | | | | | | |
| Personnel Costs | (952,052) | (974,396) | (975,491) | (2,477,136) | (2,765,388) | (2,901,939) | 17.1% | 4.9% |
| Selling, General & Administrative Expenses | (169,444) | (192,242) | (367,132) | (862,582) | (774,895) | (728,818) | -15.5% | -5.9% |
| Procurement & Operations Support Expenses | (123,848) | (151,377) | (180,424) | (549,355) | (532,558) | (455,649) | -17.1% | -14.4% |
| Depreciation | (269,913) | (252,533) | (275,924) | (600,979) | (712,731) | (798,370) | 32.8% | 12.0% |
| Other Operating Expenses | (209,466) | (245,477) | (237,773) | (761,367) | (809,466) | (692,716) | -9.0% | -14.4% |
| Various Tax Expenses | (51,426) | (17,593) | (10,077) | (244,448) | (130,398) | (79,096) | -67.6% | -39.3% |
| Total Recurring Operating Costs | (1,776,149) | (1,833,618) | (2,046,820) | (5,495,867) | (5,725,434) | (5,656,587) | 2.9% | -1.2% |
| Normalized Net Operating Income | 1,416,135 | 1,919,820 | 1,904,408 | 4,263,136 | 4,683,364 | 5,240,363 | 22.9% | 11.9% |
| Non-recurring costs | (141,316) | (366,598) | (216,728) | (78,698) | (579,272) | (724,642) | 820.8% | 25.1% |
| Profit (pre-bonus) Before Provisions | 1,274,819 | 1,553,222 | 1,687,680 | 4,184,438 | 4,104,092 | 4,515,721 | 7.9% | 10.0% |
| Provisions | (836,429) | (651,015) | (818,970) | (693,381) | (16,139,700) | (2,306,414) | 232.6% | -85.7% |
| Gains on asset sale & recovery | 15,068 | 227,325 | 527,633 | 3,704 | 3,260 | 770,026 | 20689.0% | 23520.4% |
| Pre-Bonus Result | 453,458 | 1,129,532 | 1,396,343 | 3,494,761 | (12,032,348) | 2,979,333 | -14.7% | NMF |
| Guaranteed Compensation Costs | - | (42,000) | (21,000) | - | - | (63,000) | N/A | N/A |
| Bonuses Paid or Accrued | - | (8,566) | (666,594) | (612,942) | (657,596) | (675,160) | 10.2% | -2.7% |
| Pre-Tax Income | 453,458 | 1,078,966 | 708,749 | 2,881,818 | (12,689,943) | 2,241,173 | -22.2% | NMF |
| Profit Tax | - | - | - | (564,096) | 564,096 | - | | |
| Net Income (Loss) | 453,458 | 1,078,966 | 708,749 | 2,317,722 | (12,125,847) | 2,241,173 | -3.3% | NMF |
| <i>BCI Net Income contribution (IFRS)</i> | <i>39,213</i> | <i>11,380</i> | <i>116,744</i> | - | - | <i>167,337</i> | - | - |
| <i>Galt & Taggart Net Income contribution (Georgian GAAP)</i> | <i>8,556</i> | <i>13,605</i> | <i>(1,431)</i> | - | - | <i>20,730</i> | - | - |
| Consolidated Net Income (Loss) | 501,227 | 1,103,951 | 824,062 | - | - | 2,429,240 | - | - |



Q1 2005: Bank of Georgia Proforma Consolidated Financial Performance

| RATIOS | Jan - 05 | Feb - 05 | Mar-05 | BOG | BOG | Q1- 05 |
|---|----------|----------|--------|---------|----------|---------|
| | | | | Q1 - 04 | Q4 - 04 | |
| Cost/Income* | 63.1% | 56.3% | 58.0% | 62.6% | 61.3% | 58.9% |
| Personnel Cost/Total Operating Income ** | 37.3% | 33.4% | 30.8% | 31.7% | 33.6% | 33.0% |
| Personnel Cost/Total Normalized Cost | 67.0% | 67.5% | 59.5% | 50.6% | 54.8% | 63.6% |
| Annualized Normalized Net Operating Income per Employee (GEL) | 17,464 | 23,462 | 23,148 | 19,444 | 21,096 | 21,235 |
| Annualized Pre-bonus Result per Employee (GEL) | 6,272 | 13,702 | 16,722 | 15,940 | (54,200) | 11,819 |
| Net Interest Margin *** | 11.1% | 14.0% | 14.0% | 16.9% | 11.4% | 12.6% |
| ROE (annualized) | 10.1% | 26.3% | 15.6% | 16.7% | NMF | 16.6% |
| ROA (annualized) | 1.5% | 4.3% | 2.6% | 3.9% | NMF | 2.6% |
| Average Net Loans/Average Total Borrowed Funds | 3.57 | 3.58 | 4.53 | 2.99 | 3.69 | 3.61 |
| Average Net Loans/Average Customer Deposits | 77.5% | 85.7% | 85.2% | 113.8% | 77.4% | 83.3% |
| Total Assets per Employee (GEL) | | | | 279,361 | 364,110 | 341,456 |
| Net Loans m-o-m growth | 1.2% | 4.7% | 8.8% | | | |
| Client Deposits m-o-m growth | -12.3% | -5.4% | 9.4% | | | |
| Provisions/Total Loan Portfolio | 11.6% | 11.2% | 10.8% | 6.0% | 12.0% | 10.8% |
| Leverage (Average Total Liabilities/Average Equity) | 5.34 | 5.02 | 5.13 | 3.26 | 4.83 | 5.16 |

* (Total Recurring Operating Costs+ESOP Costs+Guaranteed Compensation Costs+Bonuses Paid or Accrued)/Total Operating Income

** (Personnel Costs+ESOP Costs+Guaranteed Compensation Costs+Bonuses Paid or Accrued)/Total Operating Income

*** Net Interest Income/Interest Earning Assets

Note: Jan 05, Feb 05 & Mar 05 figures have been adjusted for bonuses which were accrued in March



Q1 2005 Bank of Georgia Operating Performance

| GEL, unless otherwise noted | Bank of Georgia | | | | | Bank of Georgia + TUB | | | | |
|--|--------------------|--------------------|--------------------|--------------------|---------------|-----------------------|--------------------|--------------------|--------------------|---------------|
| | Jan - 05 | Feb - 05 | Mar-05 | Q1 - 05 | Q-O-Q Growth | Jan - 05 | Feb - 05 | Mar-05 | Q1 - 05 | Q-O-Q Growth |
| US\$/GEL Exchange Rate, e-o-p | 1.82 | 1.83 | 1.83 | 1.83 | | 1.82 | 1.83 | 1.82 | 1.83 | |
| EUR/GEL Exchange Rate, e-o-p | 2.42 | 2.42 | 2.38 | 2.38 | | 2.42 | 2.42 | 2.42 | 2.38 | |
| Total Loan Portfolio , e-o-p | 169,433,130 | 179,692,973 | 192,150,326 | 192,150,326 | 25.1% | 190,950,996 | 201,070,211 | 217,668,065 | 217,668,065 | 14.6% |
| Loans to banks, e-o-p | 4,594,191 | 5,806,700 | 9,884,200 | 9,884,200 | N/A | 4,594,170 | 4,977,700 | 10,884,200 | 10,884,200 | 358.8% |
| Loans to clients, e-o-p | 164,838,939 | 173,886,273 | 182,266,126 | 182,266,126 | 18.6% | 186,356,826 | 196,092,511 | 206,783,865 | 206,783,865 | 10.3% |
| Volume of corporate loans, e-o-p | 102,686,552 | 110,498,839 | 116,530,375 | 116,530,375 | 13.5% | 117,623,923 | 126,261,750 | 133,440,015 | 133,440,015 | 12.1% |
| Number of corporate loans, e-o-p | 505 | 507 | 528 | 528 | -22.0% | 787 | 810 | 825 | 825 | -3.7% |
| Volume of corporate loans issued | 5,258,592 | 7,398,129 | 13,130,341 | 25,787,062 | -21.2% | 6,382,511 | 9,146,329 | 14,327,465 | 29,856,305 | |
| Number of corporate loans issued | 29 | 41 | 56 | 126 | -10.0% | 40 | 76 | 64 | 180 | |
| Volume of mortgage loans, e-o-p | 15,331,511 | 15,997,915 | 16,472,846 | 16,472,846 | 9.9% | 15,918,161 | 16,502,817 | 17,031,435 | 17,031,435 | 6.5% |
| Number of mortgage loans, e-o-p | 749 | 754 | 768 | 768 | 24.9% | 787 | 790 | 804 | 804 | 1.9% |
| Volume of mortgage loans issued | 221,870 | 990,010 | 946,179 | 2,158,059 | 19.2% | 349,277 | 1,026,590 | 1,062,638 | 2,438,505 | |
| Number of mortgage loans issued | 9 | 23 | 25 | 57 | 11.8% | 10 | 24 | 29 | 63 | |
| Volume of micro loans, e-o-p | 19,254,056 | 19,542,452 | 20,548,459 | 20,548,459 | 62.1% | 23,302,157 | 23,811,982 | 25,158,819 | 25,158,819 | 6.1% |
| Number of micro loans, e-o-p | 4,053 | 4,071 | 4,192 | 4,192 | 159.6% | 4,615 | 4,636 | 4,755 | 4,755 | 4.3% |
| Volume of micro loans issued | 1,284,422 | 2,234,843 | 3,281,104 | 6,800,369 | 33.9% | 1,575,942 | 2,831,817 | 4,282,704 | 8,690,463 | |
| Number of micro loans issued | 258 | 353 | 409 | 1,020 | 109.0% | 282 | 406 | 469 | 1,157 | |
| Volume of consumer loans, e-o-p | 6,574,288 | 6,761,977 | 7,078,515 | 7,078,515 | 48.7% | 8,130,109 | 8,256,979 | 9,349,042 | 9,349,042 | 30.9% |
| Number of consumer loans, e-o-p | 2,518 | 2,814 | 3,215 | 3,215 | 319.7% | 3,107 | 3,404 | 3,860 | 3,860 | 197.8% |
| Volume of consumer loans issued | 759,978 | 1,002,301 | 1,130,553 | 2,892,832 | 214.2% | 893,097 | 1,152,288 | 1,635,183 | 3,680,568 | |
| Number of consumer loans issued | 253 | 440 | 605 | 1,298 | 506.5% | 313 | 491 | 693 | 1,497 | |
| Overdrafts on plastic cards, e-o-p | 1,884,636 | 1,907,501 | 2,094,163 | 2,094,163 | 56.2% | 2,168,255 | 1,979,292 | 2,154,323 | 2,154,323 | 5.7% |
| Number of overdrafts on plastic cards, e-o-p | 3,137 | 3,854 | 4,127 | 4,127 | 119.1% | 3,194 | 3,933 | 4,201 | 4,201 | 18.0% |
| Number of plastic cards outstanding, e-o-p | 34,209 | 35,737 | 41,151 | 41,151 | 26.3% | 34,665 | 36,202 | 41,631 | 41,631 | 26.0% |
| Number of plastic cards issued | 2,531 | 2,282 | 6,055 | 10,868 | 60.7% | 2,540 | 2,291 | 6,070 | 10,901 | |
| Volume of legacy retail loans, e-o-p | 19,107,896 | 19,177,589 | 19,541,768 | 19,541,768 | 13.9% | 19,214,221 | 19,279,691 | 19,650,231 | 19,650,231 | 0.7% |
| Number of legacy retail loans | 85,738 | 85,753 | 86,094 | 86,094 | 15.7% | 86,240 | 86,273 | 86,628 | 86,628 | -0.4% |
| Total Volume of Deposits, e-o-p | 188,443,081 | 176,506,695 | 187,792,776 | 187,792,776 | 31.7% | 221,625,881 | 209,682,123 | 228,381,838 | 228,381,838 | -9.3% |
| Interbank deposits, e-o-p | 1,377,551 | 1,214,048 | 403,262 | 403,262 | -63.9% | 1,455,418 | 1,353,956 | 403,262 | 403,262 | -49.0% |
| Client deposits, e-o-p | 187,065,530 | 175,292,647 | 187,389,514 | 187,389,514 | 32.4% | 220,170,463 | 208,328,167 | 227,978,576 | 227,978,576 | -9.1% |
| Individuals, e-o-p | 101,068,882 | 105,273,295 | 106,614,012 | 106,614,012 | 42.8% | 115,799,868 | 120,235,346 | 122,928,351 | 122,928,351 | 8.7% |
| Aggregate current (account) deposits, e-o-p | 22,903,757 | 25,074,171 | 23,162,335 | 23,162,335 | 71.4% | 26,886,529 | 28,734,967 | 28,090,501 | 28,090,501 | 9.7% |
| Aggregate demand deposits, e-o-p | 16,793,245 | 16,827,877 | 18,777,259 | 18,777,259 | 105.0% | 17,221,774 | 17,700,052 | 19,374,658 | 19,374,658 | 22.6% |
| Aggregate time deposits, e-o-p | 61,371,880 | 63,371,247 | 64,674,418 | 64,674,418 | 24.4% | 71,691,565 | 73,800,327 | 75,463,192 | 75,463,192 | 5.2% |
| Legal entities, e-o-p | 85,996,648 | 70,019,352 | 80,775,502 | 80,775,502 | 20.9% | 104,370,595 | 88,092,821 | 105,050,225 | 105,050,225 | -23.8% |
| Aggregate current (account) deposits, e-o-p | 66,209,486 | 56,923,308 | 73,418,664 | 73,418,664 | 41.4% | 78,914,032 | 71,964,996 | 94,189,592 | 94,189,592 | -18.2% |
| Aggregate demand deposits, e-o-p | 1,212,480 | 1,546,577 | 341,284 | 341,284 | 51.9% | 3,792,230 | 2,009,149 | 2,710,881 | 2,710,881 | 76.1% |
| Aggregate time deposits, e-o-p | 18,574,682 | 11,549,467 | 7,015,554 | 7,015,554 | -52.2% | 21,664,333 | 14,118,676 | 8,149,752 | 8,149,752 | -61.5% |
| Off-Balance Sheet Commitments, e-o-p | 32,363,834 | 21,315,856 | 24,955,802 | 24,955,802 | -6.5% | 32,724,704 | 21,676,726 | 25,663,865 | 25,663,865 | -23.1% |
| Volume of guarantee operations, e-o-p | 18,625,828 | 17,652,327 | 20,300,950 | 20,300,950 | 39.3% | 18,986,698 | 18,013,197 | 21,009,013 | 21,009,013 | 7.9% |
| Number of guarantee operations, e-o-p | 147 | 144 | 146 | 146 | 41.7% | 166 | 162 | 170 | 170 | -8.1% |
| Issued guarantees (Volume) | 1,341,250 | 1,080,780 | 4,697,244 | 7,119,274 | 315.3% | 1,398,988 | 1,156,584 | 5,127,658 | 7,683,230 | |
| Issued guarantees (Number) | 15 | 31 | 34 | 80 | 142.4% | 20 | 35 | 44 | 99 | |
| Volume of L/Cs, e-o-p | 13,738,006 | 3,663,529 | 4,654,852 | 4,654,852 | -61.6% | 13,738,006 | 3,663,529 | 4,654,852 | 4,654,852 | -66.5% |
| Number of L/Cs, e-o-p | 6 | 5 | 4 | 4 | -20.0% | 6 | 5 | 4 | 4 | -20.0% |
| Issued L/Cs (Volume) | 19,958 | 50,986 | 1,270,878 | 1,341,822 | -80.8% | 19,958 | 50,986 | 1,270,878 | 1,341,822 | |
| Issued L/Cs (Number) | 1 | 2 | 2 | 5 | 66.7% | 1 | 2 | 2 | 5 | |



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| Date | Press Release |
|---------------------|---|
| ·March 25, 2005 | · <i>Bank of Georgia Announces Launch of Hypo +, the First Ever Offset Mortgage in Georgia</i> |
| ·March 21, 2005 | · <i>Bank of Georgia and AXIS Announce Launch of a Groundbreaking Joint Project</i> |
| ·March 14, 2005 | · <i>Bank of Georgia Signs a Credit Guarantee Agreement with KFW</i> |
| ·March 10, 2005 | · <i>Bank of Georgia Announces the Launch of Micro loan+, A New Product Package Designed for Small Businesses</i> |
| ·March 7, 2005 | · <i>Bank of Georgia Announces the Launch of Enhances Current Accounts</i> · <i>Bank of Georgia Announces its February 2005 Results, Reports Monthly Net Income In Excess of GEL 1 Million</i> |
| ·March 3, 2005 | |
| ·February 13, 2005 | · <i>BoG Announces An Unsolicited Approach to Some of Its Core Shareholders, Intention to Explore Strategic Alternatives</i> |
| ·February 12, 2005 | · <i>Bank of Georgia Reports Return to Profitability, Announces the Adoption of an Ambitious Budget for 2005</i> |
| ·January 11, 2005 | · <i>BoG Announces Preliminary 2004 Results and Management Team Enhancements</i> |
| ·November 22, 2004 | · <i>BoG Announces the Acquisition of British-Caucasian Insurance Company</i> |
| ·November 2, 2004 | · <i>Georgia's First Corporate Bond Issue</i> |
| ·November 2, 2004 | · <i>BoG Announces Changes in Its Supervisory Board</i> |
| ·November 2, 2004 | · <i>BoG Announces the Sale of Treasury Shares to Firebird Republics Fund</i> |
| ·November 2, 2004 | · <i>BoG Announces the Acquisition of TUB</i> |
| ·November 2, 2004 | · <i>BoG Announces the Acquisition of Georgian Card</i> |
| ·October 28, 2004 | · <i>Bank of Georgia Announces Q3 2004 Results</i> |
| ·October 17, 2004 | · <i>BoG Announces the Sale of Treasury Shares to Firebird Global Fund</i> |
| ·October 12, 2004 | · <i>BoG Announces the Sale of Treasury Shares to Firebird Aurora Fund</i> |
| ·September 22, 2004 | · <i>BoG Announces CFO Appointment</i> |
| ·September 15, 2004 | · <i>BoG Announces CEO Appointment</i> |



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A Turnaround In Progress

April 7, 2005

Our Vision & Mission

Our vision is to be recognized as *the best financial services company in Georgia*

Our mission is to create long-term value and deliver by 2007 ROE 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*

Among the select leaders in corporate banking

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 for sophisticated non-resident investors

A player in private equity and venture capital



Achieving our mission: strategic & tactical objectives

Develop a diversified, stable and recurring earnings flow

Gradually increase the share of fees & commissions in total income

Target 2007 multiples
P/BV 2.0x
P/E 10.0x-12.0x



Enhance profitability

- Clean up the loan book (Q4 2004)
- Optimize headcount (Q4 2004)
- Better overhead & procurement cost control (Q4 2004)
- Streamline and optimize the branch network footprint (1H 2005)



Expand the core franchise

- Integrated CIB client coverage (Q4 2004) and enhanced SME coverage (1H 2005)
- Cards: Enhanced Current Accounts, payroll services, Georgian Card platform upgrade, ATM network expansion (1H 2005)
- Mortgage & consumer finance: Hypo+, developer and merchant alliances (1H 2005)



Participate in the banking sector consolidation

- Currently 21 licensed banks in the country
- We expect no more than 13 banks to remain by YE 2007

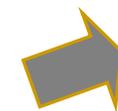


Leverage our brand and market position to build investment banking, asset management and insurance businesses

- Structured products: leasing (Q4 2004), Loan Participation Notes (1H 2005), syndications (2H 2005), project finance (2006)
- Private Banking (Q4 2004)
- Pensions & life insurance (Q2 2005)
- Merchant banking/private equity (2005/2006)

Supplement the funding of the bank's growth through deposits by disciplined capital management

- Maintain NBG Tier I capital ratio of 10%-12% through 2006
- KfW Credit Guarantee (Q1 2005)
- EBRD Participation Facility (1H 2005)
- US AID enhanced bonds (1H 2005)
- Common shares placements (2005)
- Subordinated debt (2005/2006)



Increase share price & liquidity

- Investor Relations (Q3 2004)
- Market-making in retail lots by Galt & Taggart (Q1 2005)
- Stable dividend payout ratio commensurate with growth stance



Create by YE 2007 (or sooner) conditions for successful exit via trade sale

- Book Value greater than GEL 85 mln (currently GEL 54.0 mln)
- Net Income greater than GEL 15 mln



Building an integrated business model

Benefits of the integrated business model

Strong management

Shared expertise

Cross-sell synergies

Shared services & infrastructure

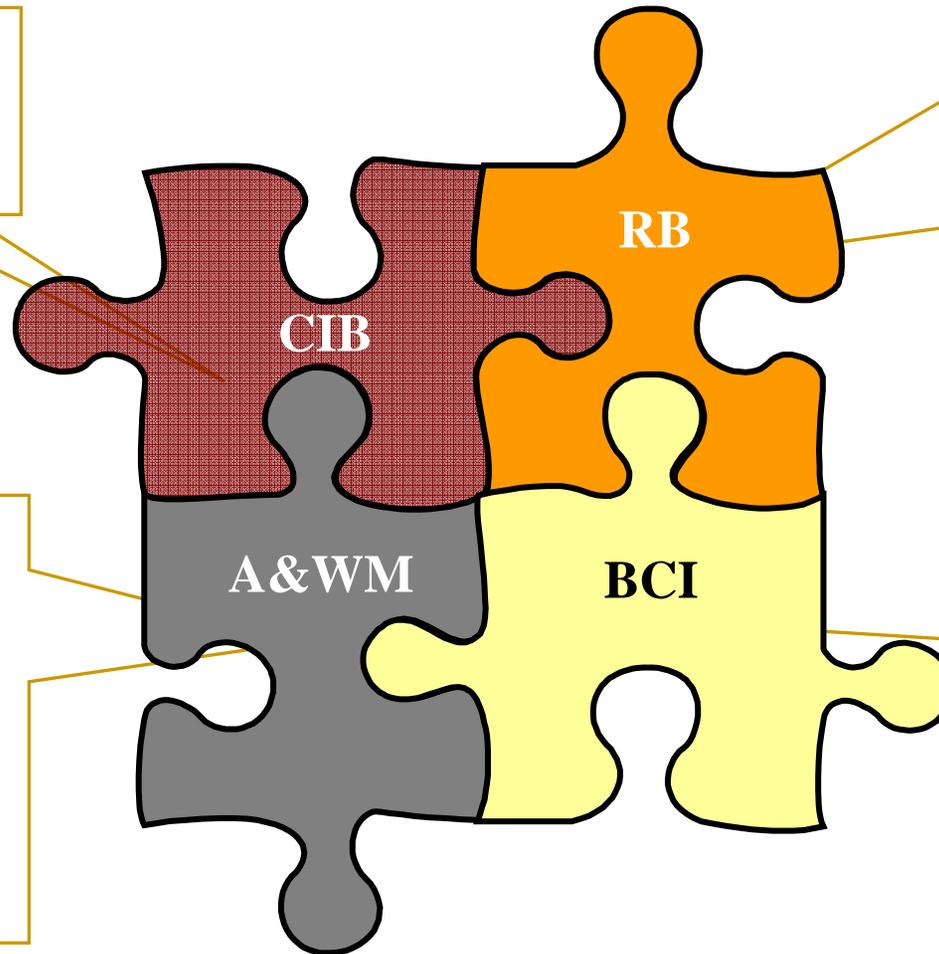
Cost efficiency

One firm

Integrated coverage of top 100 corporate clients

Cross-sell Private Banking to senior management of CIB clients

Cross-sell pensions & life insurance to employees of CIB clients



Benefit from derived demand for consumer & mortgage lending from the payroll services client base

Market BCI and A&WM retail products through branch network

Enrich the RB product packages (Microloan+, Hypo+, etc)

Cross-sell insurance to CIB clients

Through our integrated business model, we aim to become by 2007 a **benchmark of modern banking in the Caucasus:**

Proactive CRM + Sole point of access for all products = Highest customer satisfaction

Nationwide distribution + Usage of self-service channels + Robust back office = High cost efficiency



Bank of Georgia group at a glance

| <i>GEL mln, unless otherwise noted</i> | YE 2003 | Market Share '03 | YE 2004 | Market Share '04 | BoG + TUB | BoG + TUB | BoG + TUB |
|--|-----------|------------------|------------|------------------|------------|------------------|------------|
| | | | | | YE 2004 | Market Share '04 | Q1 05 |
| Assets | 230.12 | 17.2% | 322.22 | 19.0% | 359.38 | 21.2% | 337.01 |
| Loans (Gross) <i>of which*</i> | 148.60 | 19.4% | 166.63 | 18.5% | 187.50 | 18.7% | 206.78 |
| Retail Loans (Gross) | 60.93 | 23.8% | 62.04 | NA | 68.42 | NA | 73.34 |
| Corporate Loans (Gross) | 87.67 | 17.5% | 104.59 | NA | 119.08 | NA | 133.44 |
| Deposits | 126.17 | 17.2% | 189.75 | 19.5% | 250.94 | 25.8% | 228.38 |
| Risk Weighted Assets** | 312.42 | NA | 358.73 | NA | 406.29 | NA | 423.54 |
| Equity (Book Value) | 54.6 | 15.4% | 52.5 | 14.1% | 52.5 | 14.10% | 54.9 |
| Shares outstanding | 9,855,606 | NMF | 11,273,386 | NMF | 11,273,386 | NMF | 11,407,902 |
| Tier I Capital, % of RWA** | 11.8% | NMF | 15.1% | NMF | NMF | NMF | 10.7% |
| # of Accounts | 118,124 | NA | 254,825 | NA | 262,219 | NA | 272,314 |
| # of Cards | 17,474 | 35.0% | 32,590 | 40% | 33,030 | 40% | 41,631 |
| Branches & Service Centers | 50 | NMF | 50 | NMF | 54 | NMF | 54 |
| ATMs | 12 | NA | 16 | NA | 17 | NA | 18 |
| Employees | 878 | NMF | 888 | NMF | 987 | NMF | 987 |

* excluding interbank loans

** NBG methodology which is more conservative than Basel I

Galt & Taggart Securities

| | YE 2003 | YE 2004 | Q1 05 E |
|---|------------|------------|------------|
| Number of Clients | 134 | 286 | 319 |
| Assets Under Custody & Management (GEL) | 13,524,387 | 21,071,675 | 22,151,788 |
| Net Revenue (GEL) | 85,733 | 501,825 | 60,641 |
| Net Income (GEL) | (56,738) | 224,050 | 23,158 |
| G&T Market Share on the Georgian Stock Exchange | 2.0% | 41.7% | NA |

BCI

| <i>GEL, unless other noted</i> | YE 2003 | Market Share '03 | YE 2004 | Market Share '04 | Q 1 05 E |
|--------------------------------|---------|------------------|---------|------------------|----------|
| Gross Premiums Written | 4,532 | 12.2% | 6,380 | 14.0% | 1,939 |
| Claims Paid | 807 | 7.5% | 1,276 | 10.5% | 263 |
| Number of Employees | 30 | N/A | 44 | N/A | 54 |



Supportive shareholders & lenders

BoG Shareholder Structure

| 29-Mar-05 | Shares | % |
|---|-------------------|---------------|
| EBRD | 1,548,878 | 13.6% |
| Victor Gelovani | 1,471,675 | 12.9% |
| TUB Shareholders* | 1,316,153 | 11.5% |
| Galt & Taggart Securities (<i>mostly nominal ownership</i>) | 1,178,220 | 10.3% |
| Firebird Avrora Fund | 512,248 | 4.5% |
| Firebird Republics Fund | 512,248 | 4.5% |
| Firebird Global Fund | 341,500 | 3.0% |
| BCI | 101,627 | 0.9% |
| <i>Subtotal</i> | 6,982,549 | 61.2% |
| DEG | 1,250,000 | 11.0% |
| TBC Bank | 1,351,088 | 11.8% |
| Free Float | 1,824,265 | 16.0% |
| <i>Subtotal</i> | 4,425,353 | 38.8% |
| Shares Outstanding | 11,407,902 | 100.0% |

Institutional and Retail Shareholders

- Several foreign portfolio shareholders, among which are East Capital and Post-Communist Opportunities Fund
- More than 50 non-resident individuals
- Approximately 1,800 domestic retail shareholders

Core Shareholders

- Management currently owns approximately 465,000 shares and approximately 624,600 options
- New management share ownership plan has been introduced



Key Lenders

| | |
|--|--------------|
| | US\$ 7.4 mln |
| | EUR 0.2 mln |
| | US\$ 6.2 mln |
| | EUR 4.5 mln |
| | US\$ 0.6 mln |
| | EUR 0.7 mln |



Loan Portfolio Quality

| <i>GEL mln, unless otherwise noted</i> | Q4 03 | Q1 04 | Q2 04 | Q3 04 | Q4 04 | Q1 05 |
|--|-------|-------|-------|-------|-------|-------|
| Overdues* | 8.9 | 14.6 | 11.7 | 11.9 | 14.7 | 11.5 |
| NPL** | 9.6 | 9.9 | 9.9 | 12.7 | 22.7 | 25.5 |
| NPL/Total Loans | 6.4% | 6.4% | 6.3% | 7.5% | 13.6% | 11.8% |
| NPL coverage ratio (Provisions/NPL) | 94.2% | 94.1% | 87.5% | 86.7% | 90.0% | 91.6% |
| Provisions/Total Portfolio | 6.0% | 6.1% | 5.5% | 6.4% | 12% | 10.8% |

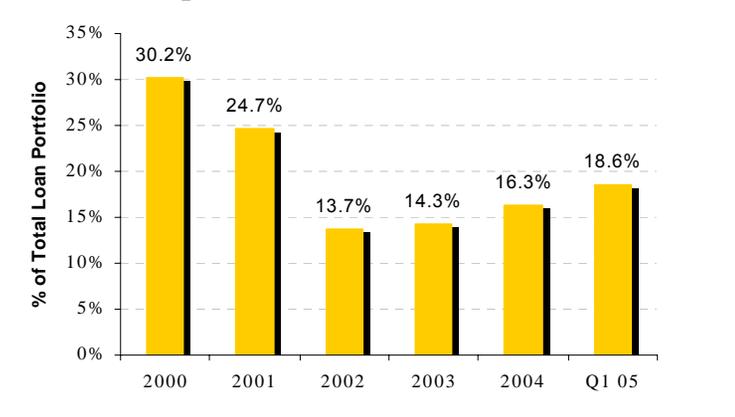
* Overdue more than 30 days but less than 90 days ** Overdue more than 90 days – Substandard, Doubtful and Loss

Loan Portfolio Risk by Loan Categories

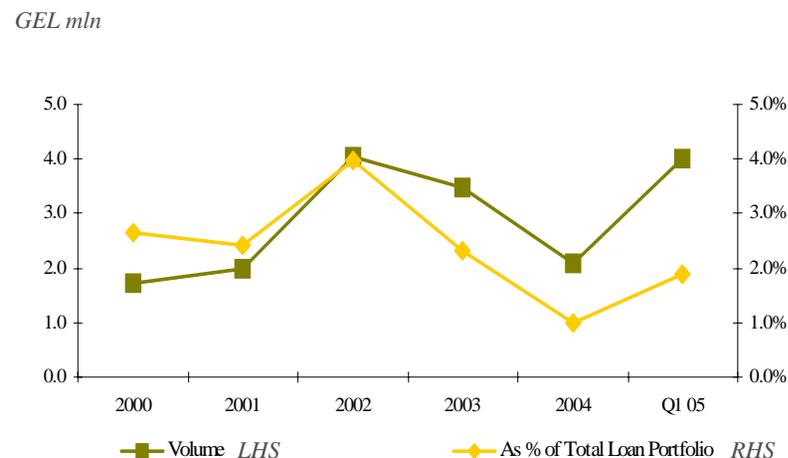
| <i>GEL mln, unless otherwise noted</i> | Dec-03 | Dec-03 | Dec-04 | Dec-04 | Mar-05* | Mar-05* |
|--|--------|--------|--------|--------|---------|---------|
| Standard (2% provision) | 131.4 | 88% | 131.6 | 78% | 176.2 | 81% |
| Watch (10% provision) | 8.9 | 6% | 14.7 | 9% | 14.8 | 7% |
| Substandard (30% provision) | 5.0 | 3% | 4.2 | 3% | 6.9 | 3% |
| Doubtful (50%-70% provision) | 1.2 | 1% | 8.2 | 5% | 5.9 | 3% |
| Loss (100% provision) | 3.4 | 2% | 10.3 | 6% | 12.8 | 6% |

* March 05 includes TUB

Top Ten Borrower Concentration



Insider Loans



RHS

April 7, 2005

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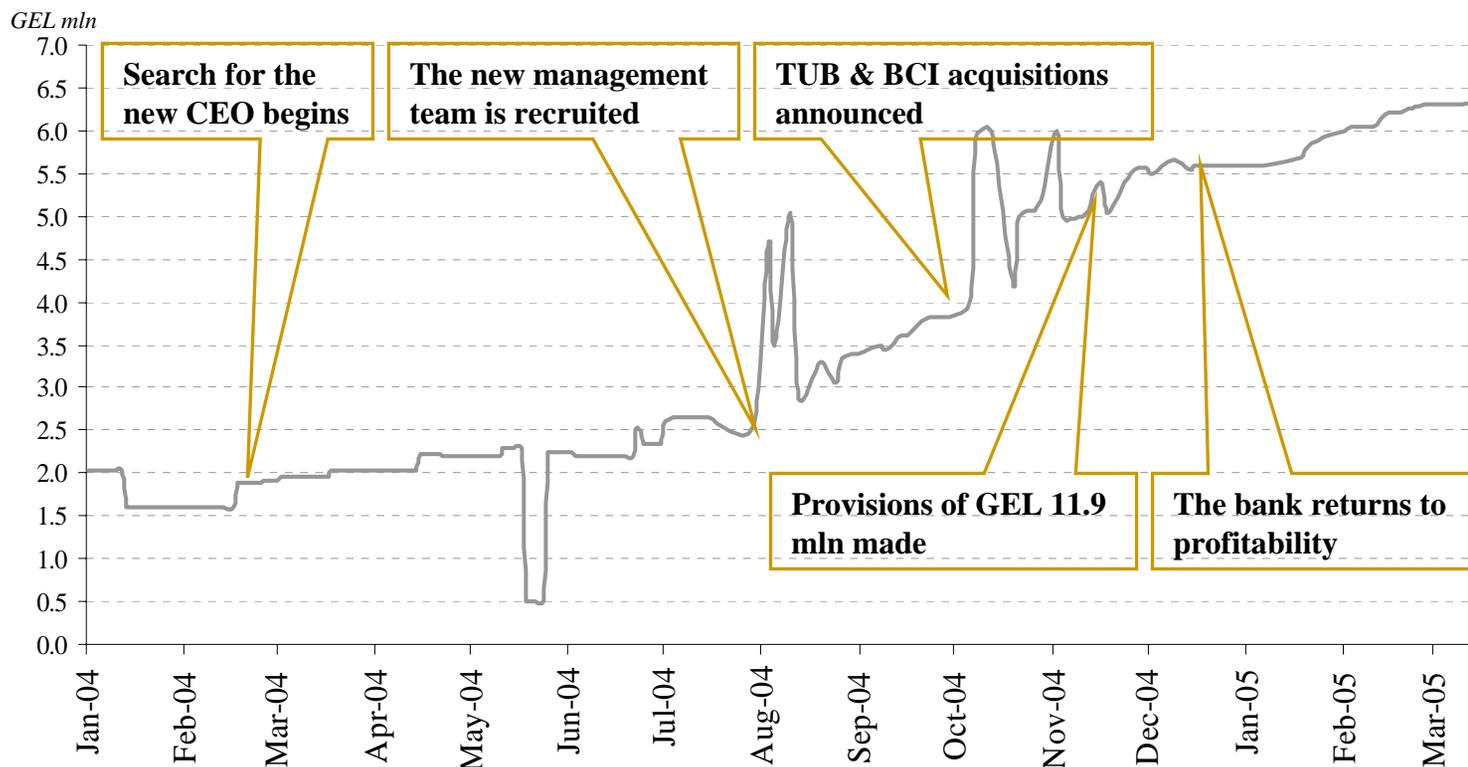


Investment Case

- A “leveraged play” on Georgia’s economic growth
- Winning strategy for medium-term profitable growth
- Banking sector consolidator
- 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
- Management team enhancement largely completed
- Evolving corporate culture
- Cost efficiencies are being realized
- Transparency and good governance
- Emphasis on investor relations and retail-lot liquidity
- **Zealous focus on creating attractive exit opportunities by 2007 (or sooner)**
- The only investable banking stock in Georgia (and the Caucasus)



Share Price Performance



| | Share Price (GEL) | Shares Outstanding (mln) | MCAP (GEL mln) |
|------------|----------------------|--------------------------------|-------------------|
| Jan 01 '04 | 2.03 | 9.9 | 20.0 |
| Dec 31 '04 | 5.60 | 11.3 | 63.1 |
| Mar 31 '05 | 6.38 | 11.4 | 72.8 |

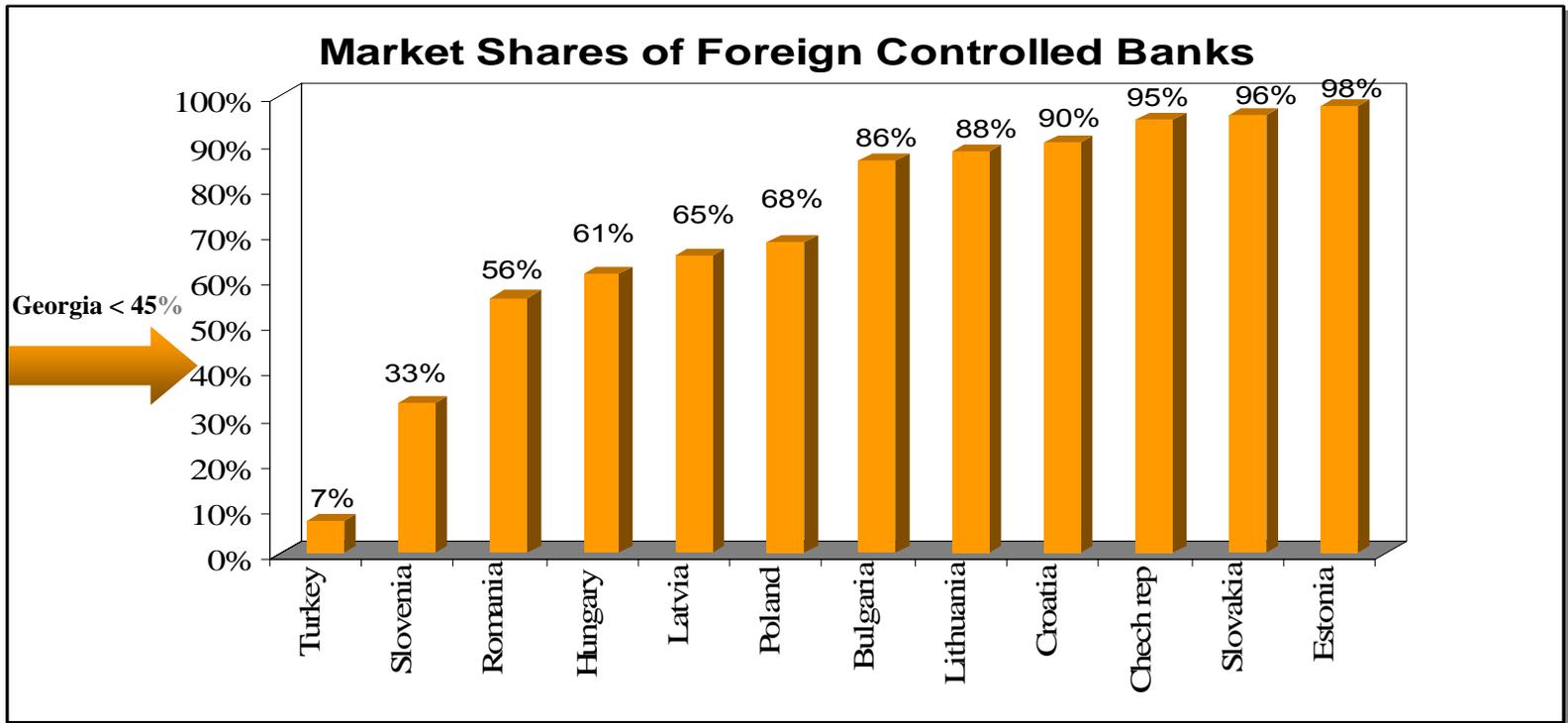
2004 Share Price Performance 175%

2005 YTD Share Price Performance 14%



Ample exit opportunities

Potential buyers



Source: UCI, Bank of Georgia estimates



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Financing Georgia's Future

April 7, 2005

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The Georgian Financial Services Sector

April 7, 2005

The Georgian economy

| <i>In GEL '000, unless otherwise noted</i> | 2002A | 2003A | 2004A | 2005F | 2006F | 2007F | CAGR 04-07 |
|--|-----------|-----------|-----------|------------|------------|------------|------------|
| Demographic Parameters | | | | | | | |
| Population, thousand people, of which | 4,586 | 4,546 | 4,535 | 4,558 | 4,581 | 4,604 | 0.5% |
| Economically active | 2,175 | 2,112 | 2,114 | 2,126 | 2,144 | 2,158 | 0.7% |
| % of Total population | 47.4% | 46.5% | 46.6% | 46.7% | 46.8% | 46.9% | |
| Retired | 1,065 | 986 | 1,031 | 998 | 999 | 999 | -1.0% |
| % of Total population | 23.2% | 21.7% | 22.7% | 21.9% | 21.8% | 21.7% | |
| Under 15 | 1,347 | 1,447 | 1,389 | 1,434 | 1,446 | 1,458 | 1.6% |
| % of Total population | 29.4% | 31.8% | 30.6% | 31.5% | 31.6% | 31.7% | |
| Household size, people per household | 3.76 | 3.73 | 3.78 | 3.76 | 3.72 | 3.72 | -0.6% |
| Number of households, thousands, of which | 1,219 | 1,220 | 1,200 | 1,212 | 1,231 | 1,239 | 1.1% |
| SMEs | 21,000 | 24,000 | 30,000 | 37,000 | 45,000 | 60,000 | 26.0% |
| Macroeconomic Parameters | | | | | | | |
| Nominal GDP (GEL) | 7,459,422 | 8,560,119 | 9,800,033 | 11,149,713 | 12,411,677 | 14,649,108 | 14.3% |
| Real GDP Growth, % | 5.5 | 11.1 | 8.4 | 7.8 | 6.5 | 10.2 | 6.4% |
| GDP per capita (GEL) | 1,626 | 1,883 | 2,161 | 2,446 | 2,710 | 3,182 | 13.8% |
| CPI, GEL, e-o-p, % | 5.4 | 6.9 | 7.5 | 6.1 | 5.1 | 8.7 | 4.9% |
| GDP Deflator, y-o-y, % | 6.4 | 3.2 | 5.9 | 5.5 | 4.5 | 7.1 | 6.4% |
| GEL/US\$, avg | 2.19 | 2.15 | 1.86 | 1.93 | 1.99 | 2.01 | 2.7% |
| GEL/US\$, e-o-p | 2.09 | 2.08 | 1.81 | 1.87 | 1.92 | 1.95 | 2.6% |
| Consolidated State Budget Revenues | 1,157,011 | 1,320,251 | 2,282,269 | 2,507,315 | 3,029,085 | 3,807,406 | 18.6% |
| Consolidated State Budget Deficit | 244,745 | 201,814 | 129,972 | 524,037 | 384,762 | 424,824 | 48.4% |
| <i>As % of GDP</i> | 3.28% | 2.36% | 1.33% | 4.70% | 3.10% | 2.90% | |

Source: Statistics Department; Galt & Taggart Securities' estimates

- High GDP growth
- Stable currency
- Strong fiscal performance



The Georgian banking sector

| <i>In GEL '000, unless otherwise noted</i> | 2002A | 2003A | 2004A | 2005F | 2006F | 2007F | CAGR 04-07 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| Banking Sector | | | | | | | |
| Number of Banks | 27 | 25 | 21 | 18 | 15 | 13 | -14.8% |
| Banking Sector Assets | 1,116,474 | 1,336,396 | 1,696,859 | 2,252,242 | 3,040,861 | 4,072,452 | 33.9% |
| As % of GDP | 15.0% | 15.6% | 17.3% | 20.2% | 24.5% | 27.8% | |
| Per capita, GEL | 243 | 294 | 374 | 494 | 664 | 885 | 33.2% |
| Per Banking Sector employee | 222.3 | 251.6 | 256.9 | 348.4 | 481.0 | 649.3 | 36.2% |
| Loans Outstanding (gross) | 629,486 | 785,923 | 964,918 | 1,509,002 | 2,098,194 | 3,054,339 | 46.8% |
| As % of Banking Sector Assets | 56.4% | 58.8% | 56.9% | 67.0% | 69.0% | 75.0% | |
| As % of GDP | 8.4% | 9.2% | 9.8% | 13.5% | 16.9% | 20.9% | |
| Mortgage Loan Stock Outstanding, e-o-p | 57,481 | 72,153 | 95,329 | 179,571 | 275,388 | 440,436 | 66.6% |
| As % of Loans Outstanding | 9.1% | 9.2% | 9.9% | 11.9% | 13.1% | 14.4% | |
| As % of GDP | 0.77% | 0.84% | 0.97% | 1.61% | 2.22% | 3.01% | |
| Per capita, GEL | 12.5 | 15.9 | 21.0 | 39.4 | 60.1 | 95.7 | 65.7% |
| Per household, GEL | 47.2 | 59.1 | 79.4 | 148.1 | 223.6 | 355.4 | 64.8% |
| Non-mortgage Consumer Loan Stock Outstanding, e-o-p | 147,808 | 140,061 | 179,940 | 333,489 | 511,435 | 817,952 | 65.7% |
| As % of Loans Outstanding | 23.5% | 17.8% | 18.6% | 22.1% | 24.4% | 26.8% | |
| Per capita, GEL | 32.2 | 30.8 | 39.7 | 73.2 | 111.7 | 177.7 | 64.8% |
| Total Consumer Loan Stock, e-o-p | 205,289 | 212,214 | 275,269 | 513,061 | 786,823 | 1,258,388 | 66.0% |
| As % of Loans Outstanding | 32.6% | 27.0% | 28.5% | 34.0% | 37.5% | 41.2% | |
| As % of GDP | 2.8% | 2.5% | 2.8% | 4.6% | 6.3% | 8.6% | |
| Per capita, GEL | 44.8 | 46.7 | 60.7 | 112.6 | 171.8 | 273.3 | 65.1% |
| Total Non-Consumer Loan Stock Outstanding, e-o-p | 424,197 | 573,709 | 689,649 | 995,941 | 1,311,371 | 1,795,951 | 37.6% |
| As % of Loans Outstanding | 67% | 73% | 71% | 66% | 63% | 59% | |
| As % of GDP | 5.7% | 6.7% | 7.0% | 8.9% | 10.6% | 12.3% | |
| Total Deposits, e-o-p | 609,130 | 734,366 | 982,969 | 1,396,390 | 1,946,151 | 2,728,543 | 40.5% |
| As % of Total Banking Assets | 55% | 55% | 58% | 62% | 64% | 67% | |
| As % of GDP | 8.2% | 8.6% | 10.0% | 12.5% | 15.7% | 18.6% | |
| Consumer Deposits, e-o-p | 267,690 | 395,668 | 545,548 | 809,906 | 1,148,229 | 1,615,297 | 43.6% |
| As % of Total Deposits | 44% | 54% | 56% | 58% | 59% | 59% | |
| As % of GDP | 3.6% | 4.6% | 5.6% | 7.3% | 9.3% | 11.0% | |
| Per capita, GEL | 58.4 | 87.0 | 120.3 | 177.7 | 250.7 | 350.9 | 42.9% |

| Key ratios | 2002A | 2003A | 2004A | 2005F | 2006F | 2007F | CAGR 04-07 |
|--|--------|--------|-------|--------|--------|--------|------------|
| ROE | 14.8% | 14.8% | 7.6% | 10.1% | 10.5% | 15.9% | |
| ROA | 4.4% | 4.0% | 1.8% | 2.0% | 1.7% | 2.2% | |
| Equity/Assets | 28% | 26% | 22% | 18% | 15% | 13% | |
| Leverage (avg Assets/avg Equity) | 3.41 | 3.66 | 4.18 | 5.05 | 6.16 | 7.31 | |
| Net Interest Margin (Net Interest Income/ avg Assets) | 9.3% | 9.5% | 7.4% | 6.3% | 5.7% | 5.5% | |
| Net Interest Margin (Net Interest Income/avg Interest Bearing Assets) | 16.9% | 16.6% | 13.1% | 10.4% | 8.6% | 7.9% | |
| Spread (Lending Rate - Borrowing Rate) | 12.2% | 11.9% | 9.6% | 7.7% | 6.1% | 5.6% | |
| Cost/Income Ratio (Total Operating Cost/(Net Interest Income+Non Interest Income)) | 60.8% | 61.8% | 69.6% | 64.5% | 67.5% | 65.9% | |
| Personnel Expense as % of Operating Costs | 36.9% | 34.9% | 34.6% | 45.0% | 50.0% | 52.0% | |
| Loans/Assets | 56.4% | 58.8% | 56.9% | 67.0% | 69.0% | 75.0% | |
| Loans/Deposits | 103.3% | 107.0% | 98.2% | 108.1% | 107.8% | 111.9% | |
| Deposits/Liabilities | 76.1% | 74.7% | 74.2% | 75.8% | 75.1% | 76.9% | |

Source: National Bank of Georgia; Galt & Taggart Securities' estimates



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The Georgian banking sector

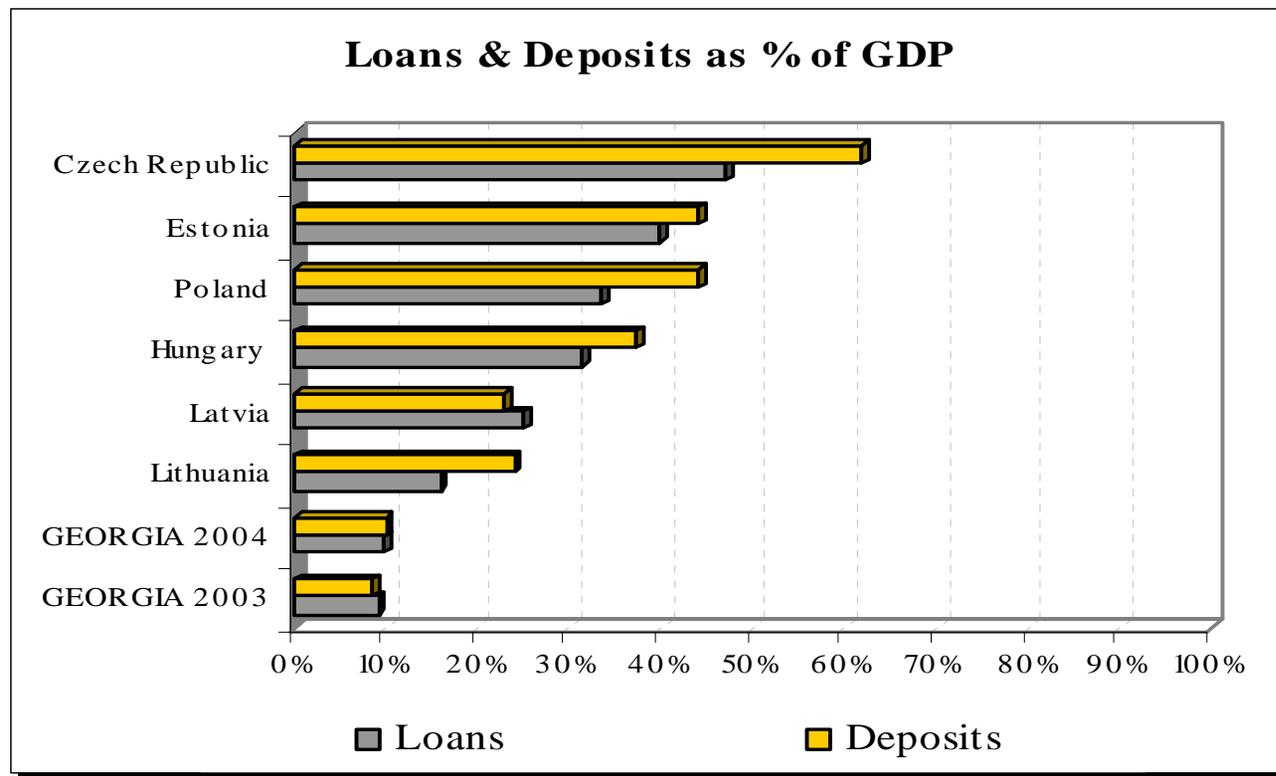
Georgia is one of the most underbanked markets in Emerging Europe...

| | Georgia (2004) | Georgia (2003) | CIS (2002) | Balkans (2002) | CEE (2002) | EU (2001) |
|---------------------------------------|----------------|----------------|------------|----------------|------------|-----------|
| Total Loans/GDP (%) | 9.85% | 9.18% | 17% | 14% | 32% | 172% |
| Total Deposits/GDP (%) | 10.03% | 8.58% | 22% | 25% | 53% | 186% |
| Banking Assets per capita (EUR) | 151 | 113 | 628 | 695 | 4,336 | 64,535 |
| Banking Assets/No. of Banks (EUR mln) | 32.5 | 20.6 | 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



2001 data unless otherwise noted

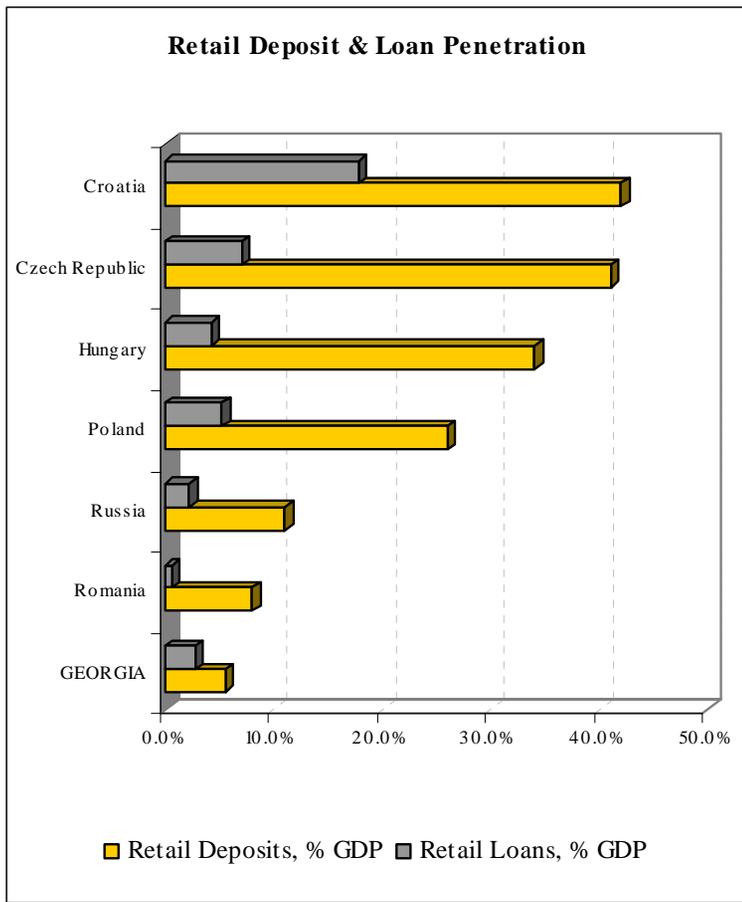
Source: UBM, Galt & Taggart Securities



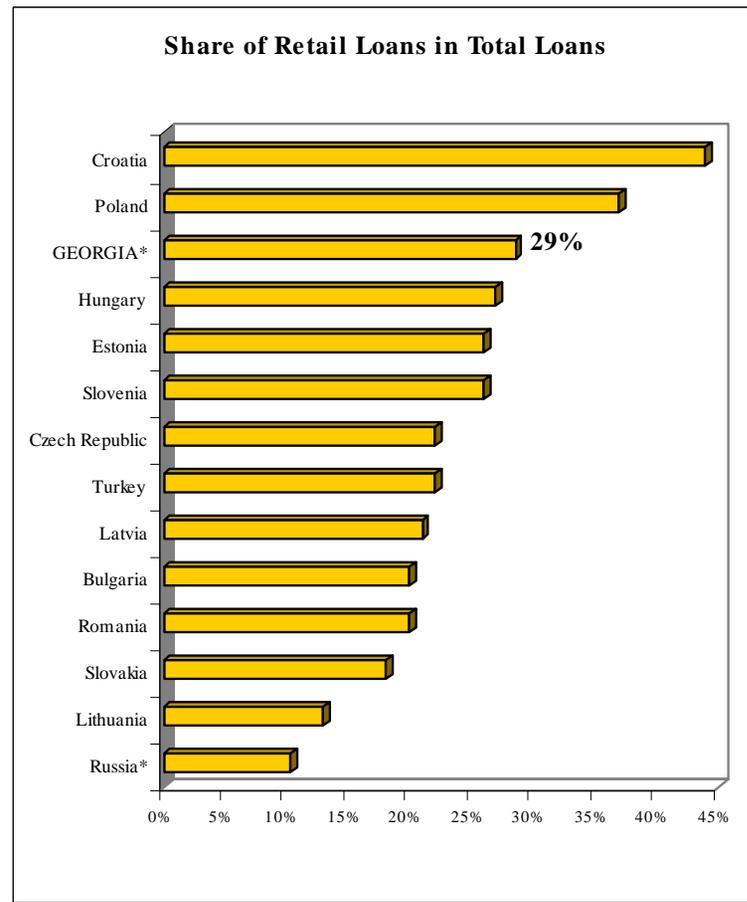
Retail banking

Retail deposit base is small, although retail lending comprises a relatively high share of the overall loan portfolio (thanks to low-end lombard loans)

Retail banking in the modern sense of the word is dramatically underdeveloped and, as such, poised for rapid growth...



Source: Alfa Bank, Russian Standard Bank, Galt & Taggart Securities



Source: UCI, RSB, Galt & Taggart Securities



Retail banking

...as consumer demand for financial services becomes more sophisticated

2004/2005

Basic products

- Account
- Transfers
- Cards/ATMs
- Internet banking
- Branch banking

2005/2006

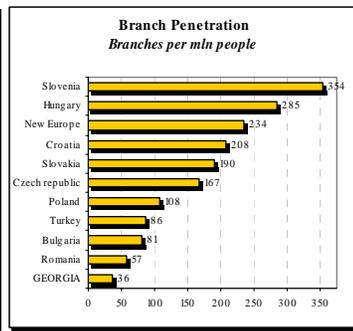
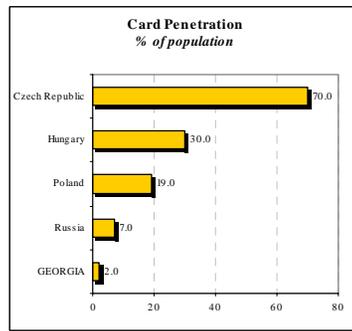
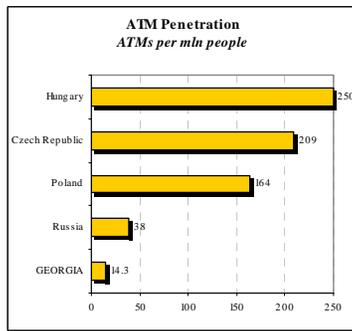
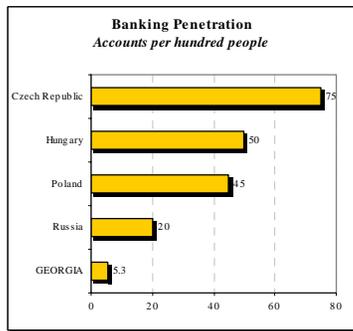
Credit products

- Mortgages
- Consumer loans
- Credit cards

2007/2008

Savings products/ Deposit substitution

- Asset management
- Pensions/Life insurance



Source: GFK, Pentor, McKinsey, Galt & Taggart Securities' estimates; Georgia 2004's data

YE 2004

Mortgage loan stock outstanding GEL 95.3 mln

Number of mortgages 3.2 thousand

Consumer loan stock outstanding GEL 275 mln

Consumer loan stock per capita GEL 61

Number of debit cards in circulation 77 thousand vs. 1 million mobile subscribers

Number of credit cards in circulation 11.4 thousand

As % of total cards in circulation 13%

| | Georgia | | Russia | Romania | Bulgaria | Turkey | Hungary | Poland | Czech Rep |
|---|---------|-------|--------|---------|----------|--------|---------|--------|-----------|
| % of Total retail financial assets | GEL mln | | | | | | | | |
| Cash | 887 | 60.9% | 67% | NA | NA | NA | 14% | 11% | 13% |
| % of Intermediated retail financial assets | | | | | | | | | |
| Consumer Bank Deposits | 546 | 95.7% | 85% | 97% | 92% | 88% | 58% | 75% | 78% |
| Securities & Mutual Funds | 22 | 3.8% | 6% | 1% | 0% | 10% | 26% | 10% | 10% |
| Pension Funds & Life Insurance | 3 | 0.1% | 9% | 2% | 5% | 1% | 16% | 15% | 11% |
| Subtotal Intermediated retail financial assets | 570 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Total retail financial assets

1,457

Source: McKinsey, EFIC, NBG, GSE, Galt & Taggart Securities' estimates



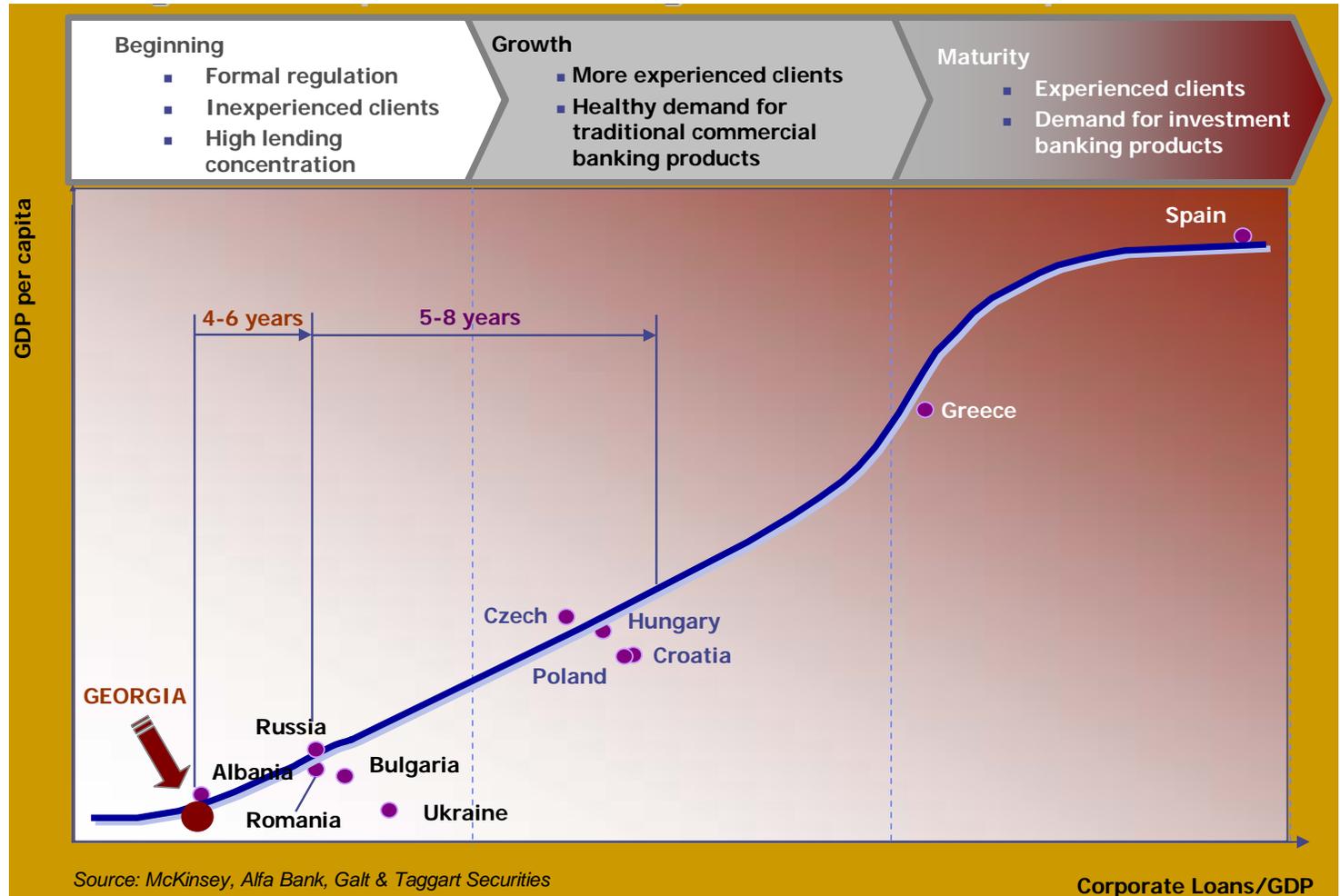
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Financing Georgia's Future

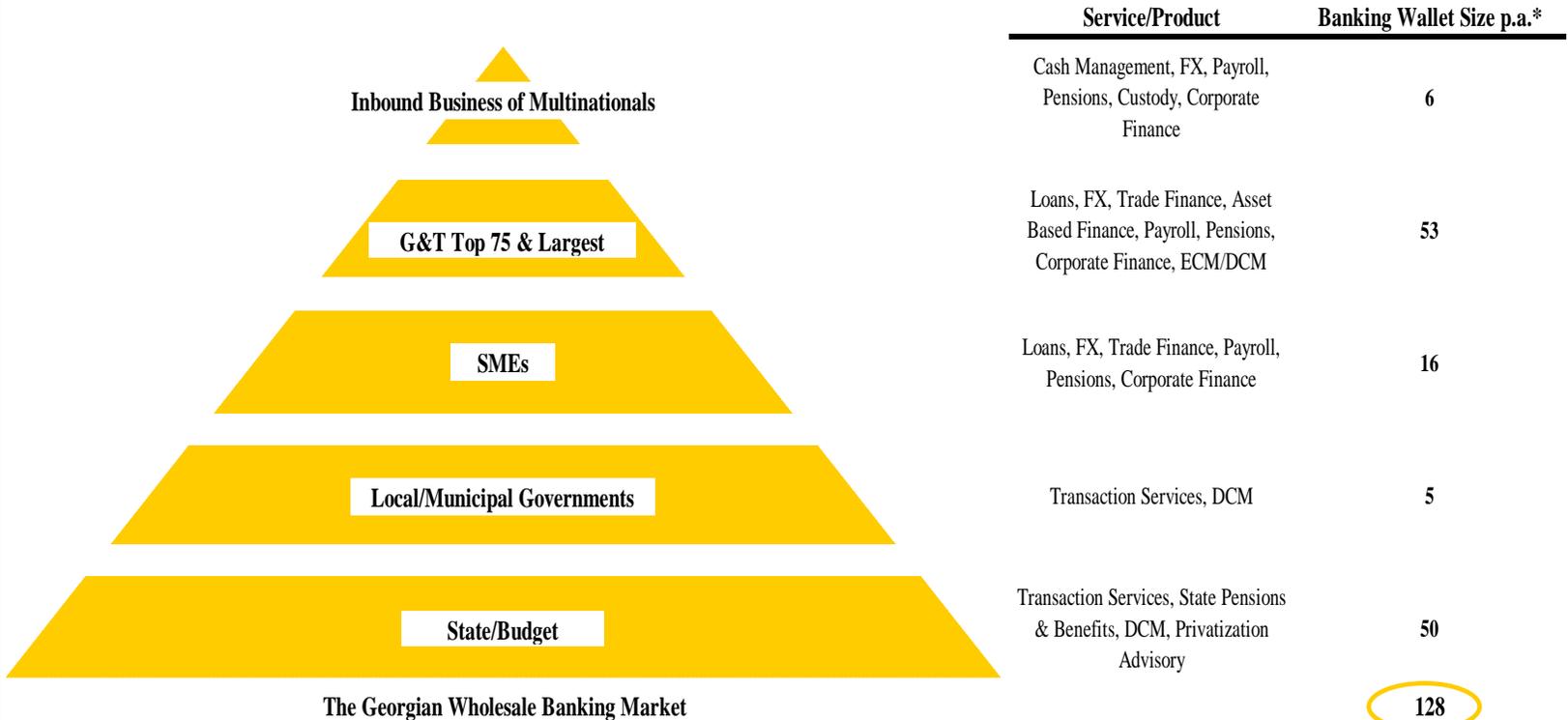
April 7, 2005

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Corporate banking: the beginning of evolution cycle



Corporate banking: sizing the market 2005-2006



Source: Galt & Taggart Securities

*GEL mln, aggregate per segment



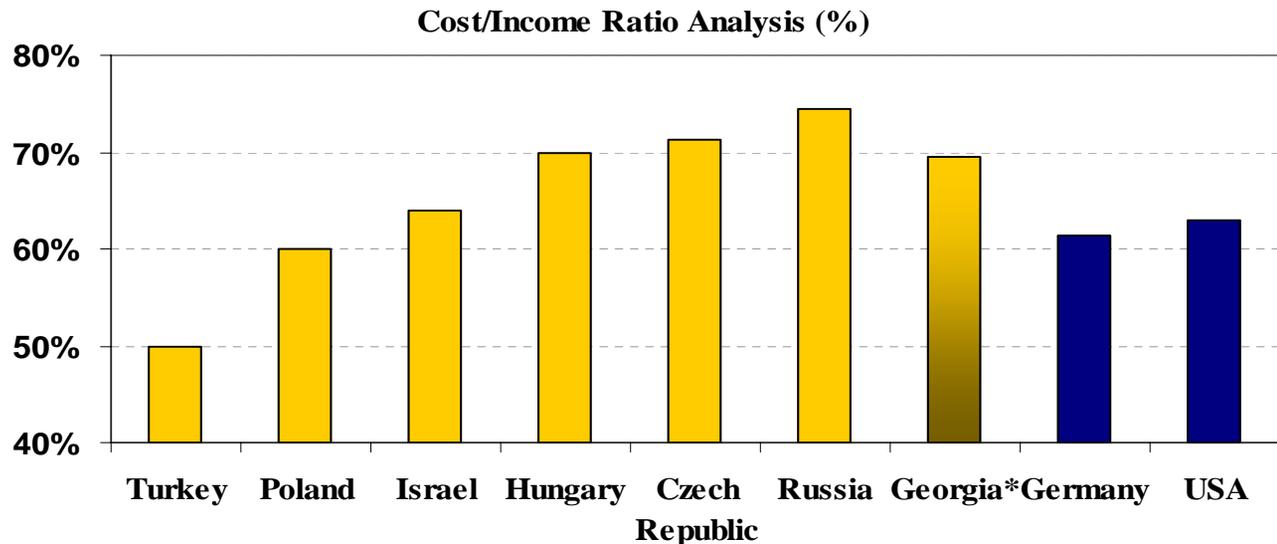
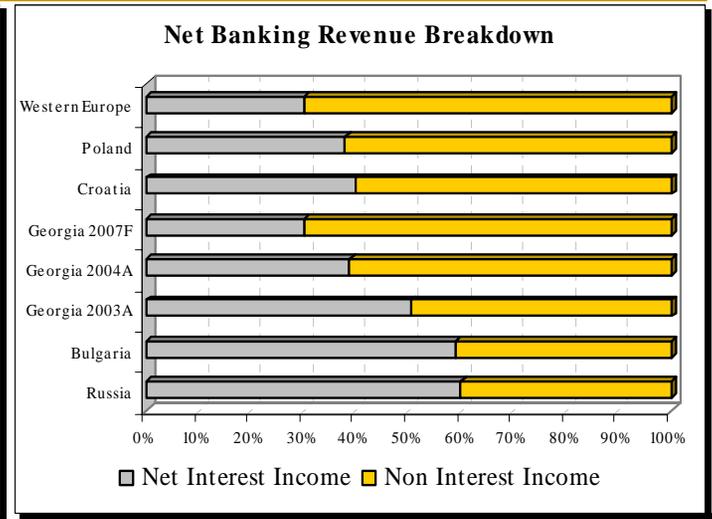
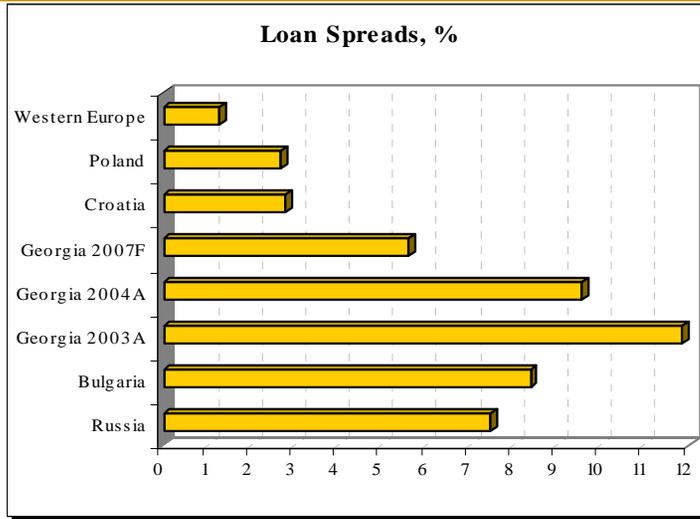
Preparing for an era of decreasing yields

As the spreads continue to decline, while the Lari remains strong

The banking sector's priority is to maintain and expand sustainable base for earnings growth by:

Building a diversified stream of revenues with emphasis on fees and commissions

Cost reduction and containment by optimizing headcount and branch network and investing in scalable IT platforms

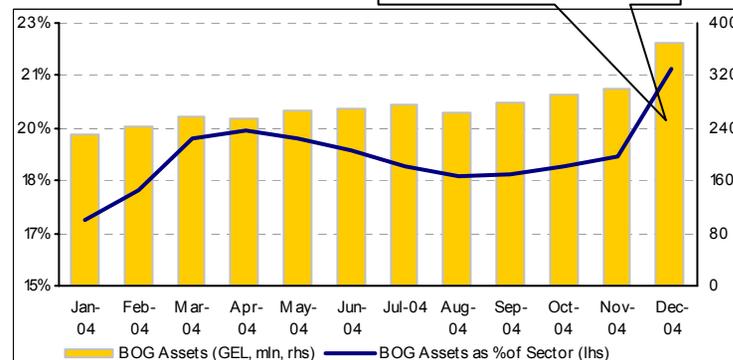
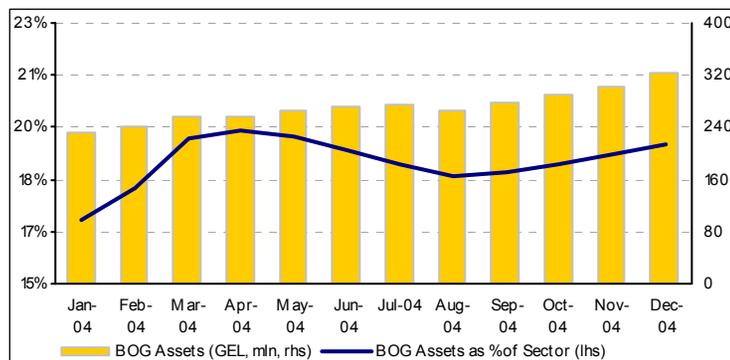


Source: GFK, Pentor, McKinsey, Galt & Taggart Securities' estimates
* 2004 data



Banking Assets

Bank of Georgia Assets (GSE: GEB)



Structure of banking sector assets

| December 31, 2004 | | | | | | | | | | | | |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--|
| Sector | TBC | UGB | PCB | Cartu | BOG | REP | TUB | BAS | INT | BOG+TUB | | |
| Cash and CA | 30.8% | 32.3% | 33.6% | 21.8% | 20.2% | 34.0% | 28.6% | 31.8% | 42.7% | 32.3% | 33.7% | |
| Debt securities | 3.9% | 0.7% | 1.5% | 1.2% | 11.5% | 3.6% | 5.5% | 16.8% | 0.8% | 0.4% | 5.3% | |
| Net loans | 53.1% | 57.1% | 48.9% | 69.4% | 57.7% | 46.1% | 57.1% | 42.9% | 49.3% | 48.8% | 45.7% | |
| Fixed assets | 7.2% | 5.2% | 9.9% | 5.0% | 8.2% | 8.5% | 4.3% | 6.6% | 5.8% | 5.5% | 8.2% | |
| Other assets | 5.1% | 4.7% | 6.1% | 2.7% | 2.4% | 7.8% | 4.6% | 1.9% | 1.4% | 13.0% | 7.1% | |
| Total Assets | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| December 31, 2003 | | | | | | | | | | | | |
| Sector | TBC | UGB | PCB | Cartu | BOG | REP | TUB | BAS | INT | BOG+TUB | | |
| Cash and CA | 29.1% | 32.2% | 30.9% | 18.5% | 25.9% | 24.3% | 22.8% | 26.1% | 42.8% | 27.7% | 24.5% | |
| Debt securities | 3.1% | 2.6% | 4.3% | 0.0% | 2.2% | 0.7% | 15.6% | 3.4% | 10.5% | 0.0% | 1.0% | |
| Net loans | 54.7% | 56.9% | 49.0% | 75.0% | 52.4% | 61.2% | 51.3% | 59.6% | 38.3% | 55.5% | 61.0% | |
| Fixed assets | 8.0% | 4.1% | 11.1% | 4.4% | 14.7% | 9.9% | 5.5% | 8.4% | 6.1% | 6.6% | 9.7% | |
| Other assets | 5.0% | 4.2% | 4.7% | 2.1% | 4.8% | 3.9% | 4.7% | 2.5% | 2.2% | 10.3% | 3.7% | |
| Total Assets | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| Change y-o-y | | | | | | | | | | | | |
| Sector | TBC | UGB | PCB | Cartu | BOG | REP | TUB | BAS | INT | BOG+TUB | | |
| Cash and CA | 1.6% | 0.1% | 2.8% | 3.2% | -5.8% | 9.7% | 5.8% | 5.6% | -0.1% | 4.6% | 9.2% | |
| Debt securities | 0.8% | -1.9% | -2.8% | 1.2% | 9.4% | 2.9% | -10.2% | 13.4% | -9.7% | 0.4% | 4.2% | |
| Net loans | -1.7% | 0.2% | -0.1% | -5.7% | 5.3% | -15.1% | 5.8% | -16.7% | 11.0% | -6.7% | -15.3% | |
| Fixed assets | -0.8% | 1.1% | -1.2% | 0.6% | -6.5% | -1.4% | -1.2% | -1.8% | -0.3% | -1.1% | -1.5% | |
| Other assets | 0.1% | 0.6% | 1.4% | 0.6% | -2.4% | 3.9% | -0.1% | -0.6% | -0.9% | 2.8% | 3.3% | |
| Total Assets | 27.0% | 49.9% | -2.8% | 45.2% | 75.4% | 40.1% | 62.9% | 63.0% | 44.0% | 9.3% | 42.6% | |

Legend keys

| | |
|-------|----------------------|
| BAS | Basis Bank |
| BOG | Bank of Georgia |
| Cartu | Cartu Bank |
| INT | Intellect Bank |
| PCB | ProCredit Bank |
| REP | Bank Republic |
| TBC | TBC Bank |
| TUB | TbilUniversalBank |
| UGB | United Georgian Bank |

Source: National Bank of Georgia



Loan Portfolio

Loan Portfolio Growth

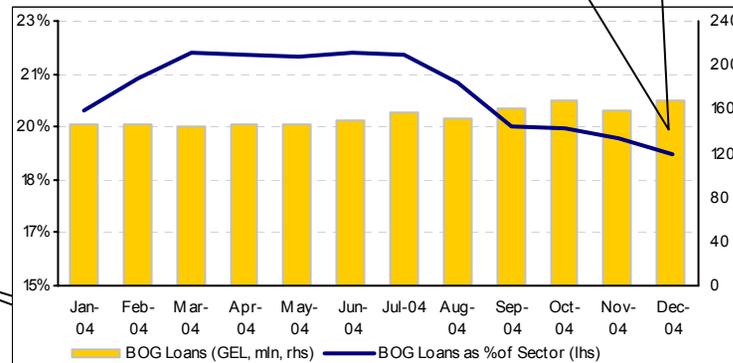
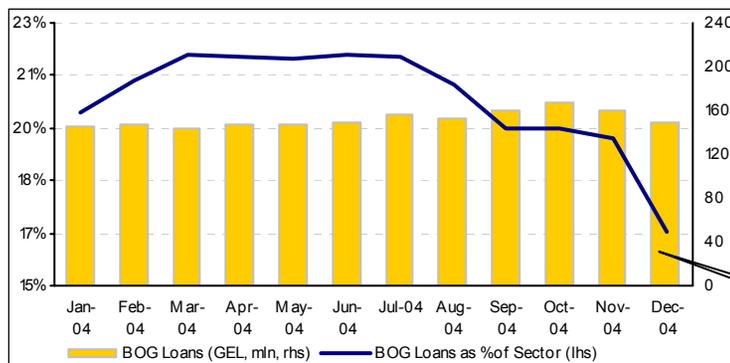
| <i>In GEL '000, unless otherwise noted</i> | Dec-03 | Dec-04 | Change y-o-y | | As % of sector portfolio | | |
|--|----------------|----------------|----------------|--------------|--------------------------|---------------|--------------|
| | | | Nominal | % | Dec-03 | Dec-04 | Change y-o-y |
| Sector | 731,432 | 900,216 | 168,783 | 23.1% | 100.0% | 100.0% | 0.0% |
| Bank of Georgia | 140,817 | 148,633 | 7,816 | 5.6% | 19.3% | 16.5% | -2.7% |
| BOG+TUB | 157,826 | 168,595 | 10,769 | 6.8% | 21.6% | 18.7% | -2.8% |
| Bank Republic | 40,627 | 73,636 | 33,009 | 81.2% | 5.6% | 8.2% | 2.6% |
| Basis Bank | 7,948 | 14,742 | 6,795 | 85.5% | 1.1% | 1.6% | 0.6% |
| Cartu Bank | 61,831 | 119,339 | 57,508 | 93.0% | 8.5% | 13.3% | 4.8% |
| Intellect Bank | 24,502 | 23,554 | -947 | -3.9% | 3.3% | 2.6% | -0.7% |
| ProCredit Bank | 95,962 | 128,826 | 32,864 | 34.2% | 13.1% | 14.3% | 1.2% |
| TBC Bank | 150,204 | 225,717 | 75,513 | 50.3% | 20.5% | 25.1% | 4.5% |
| TbilUniversalBank | 17,010 | 19,962 | 2,952 | 17.4% | 2.3% | 2.2% | -0.1% |
| United Georgian Bank | 83,147 | 80,583 | -2,564 | -3.1% | 11.4% | 9.0% | -2.4% |

Source: National Bank of Georgia



Loan portfolios cont'd

Bank of Georgia's Net Loan Portfolio Performance



Loan Portfolio Profitability

| | Dec-03 | Dec-04 | Change y-o-y |
|----------------------|--------------|--------------|--------------|
| Sector | 19.1% | 17.2% | -1.9% |
| Bank of Georgia | 22.3% | 19.5% | -2.8% |
| BOG+TUB | 22.3% | 19.6% | -2.7% |
| Bank Republic | 24.8% | 22.5% | -2.3% |
| Basis Bank | 20.0% | 18.7% | -1.3% |
| Cartu Bank | 10.9% | 11.7% | 0.8% |
| Intellect Bank | 18.0% | 12.3% | -5.6% |
| ProCredit Bank | 23.1% | 20.5% | -2.6% |
| TBC Bank | 21.0% | 18.1% | -2.8% |
| TbilUniversalBank | 22.1% | 20.2% | -1.9% |
| United Georgian Bank | 16.8% | 12.2% | -4.6% |

GEL 11.9 million provisioned and written off during portfolio cleanup

Source: National Bank of Georgia

Financing Georgia's Future

April 7, 2005

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Deposit base

Client Deposits Growth

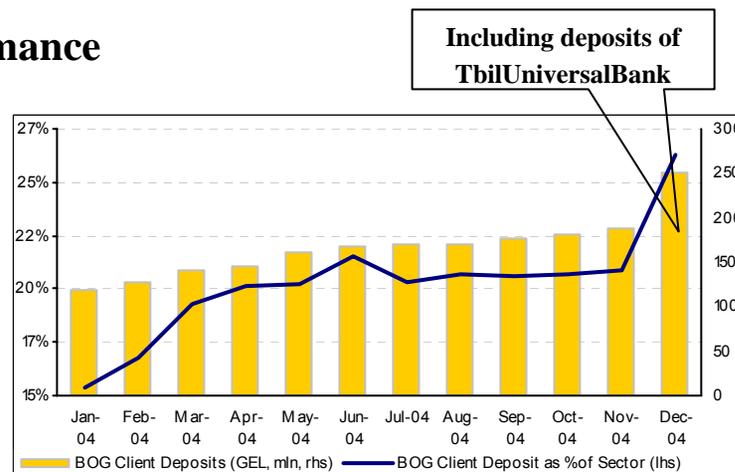
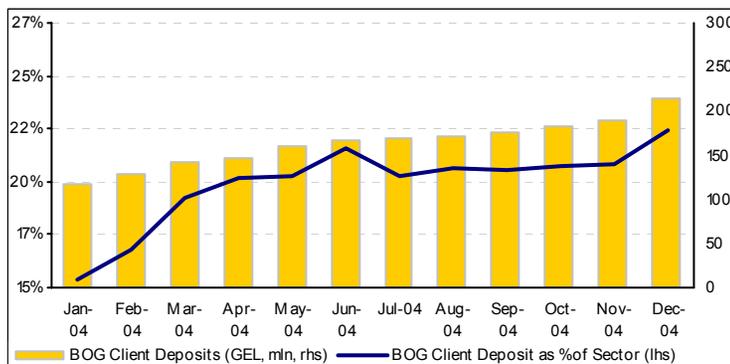
| <i>In GEL '000, unless otherwise noted</i> | Dec-03 | Dec-04 | Change y-o-y | | As % of sector deposits | | |
|--|----------------|----------------|----------------|--------------|-------------------------|---------------|--------------|
| | | | Nominal | % | Dec-03 | Dec-04 | Change y-o-y |
| Sector | 717,346 | 971,264 | 253,918 | 35.4% | 100.0% | 100.0% | 0.0% |
| Bank of Georgia | 119,731 | 214,718 | 94,988 | 79.3% | 16.7% | 22.1% | 5.4% |
| BOG+TUB | 138,052 | 250,938 | 112,887 | 81.8% | 19.2% | 25.8% | 6.6% |
| Bank Republic | 44,670 | 97,636 | 52,966 | 118.6% | 6.2% | 10.1% | 3.8% |
| Basis Bank | 11,578 | 19,984 | 8,406 | 72.6% | 1.6% | 2.1% | 0.4% |
| Cartu Bank | 53,536 | 67,324 | 13,788 | 25.8% | 7.5% | 6.9% | -0.5% |
| Intellect Bank | 27,292 | 34,285 | 6,993 | 25.6% | 3.8% | 3.5% | -0.3% |
| ProCredit Bank | 36,485 | 61,481 | 24,995 | 68.5% | 5.1% | 6.3% | 1.2% |
| TBC Bank | 189,765 | 282,256 | 92,491 | 48.7% | 26.5% | 29.1% | 2.6% |
| TbilUniversalBank | 18,321 | 36,220 | 17,899 | 97.7% | 2.6% | 3.7% | 1.2% |
| United Georgian Bank | 97,072 | 98,937 | 1,865 | 1.9% | 13.5% | 10.2% | -3.3% |

Source: National Bank of Georgia



Deposit base cont'd

Bank of Georgia's Client Deposits Performance



Client Deposits Interest Blended

| | Dec-03 | Dec-04 | Change y-o-y |
|----------------------|-------------|-------------|--------------|
| Sector | 4.5% | 3.3% | -1.2% |
| Bank of Georgia | 4.8% | 4.3% | -0.6% |
| BOG+TUB | 4.9% | 4.3% | -0.7% |
| Bank Republic | 4.9% | 4.2% | -0.6% |
| Basis Bank | 3.9% | 3.7% | -0.2% |
| Cartu Bank | 2.4% | 2.0% | -0.4% |
| Intellect Bank | 8.9% | 5.6% | -3.2% |
| ProCredit Bank | 3.9% | 3.7% | -0.2% |
| TBC Bank | 5.3% | 3.9% | -1.4% |
| TbilUniversalBank | 5.8% | 4.3% | -1.4% |
| United Georgian Bank | 5.2% | 4.1% | -1.1% |

Source: National Bank of Georgia



Interest Income vs. Net Interest Income

Interest Income

| In GEL '000, unless otherwise noted | 2003 | 2004 | Change y-o-y | |
|-------------------------------------|----------------|----------------|---------------|--------------|
| | | | Nominal | % |
| Sector | 158,002 | 155,337 | -2,665 | -1.7% |
| Bank of Georgia | 32,299 | 33,816 | 1,517 | 4.7% |
| BOG+TUB | 35,986 | 38,706 | 2,720 | 7.6% |
| Bank Republic | 13,418 | 15,150 | 1,732 | 12.9% |
| Basis Bank | 1,960 | 2,369 | 409 | 20.9% |
| Cartu Bank | 7,038 | 8,634 | 1,597 | 22.7% |
| Intellect Bank | 5,758 | 3,397 | -2,361 | -41.0% |
| ProCredit Bank | 19,960 | 23,165 | 3,205 | 16.1% |
| TBC Bank | 33,343 | 36,746 | 3,402 | 10.2% |
| TbilUniversalBank | 3,687 | 4,890 | 1,203 | 32.6% |
| United Georgian Bank | 16,572 | 13,821 | -2,750 | -16.6% |

Net Interest Income

| In GEL '000, unless otherwise noted | 2003 | 2004 | Change y-o-y | |
|-------------------------------------|----------------|----------------|---------------|--------------|
| | | | Nominal | % |
| Sector | 116,022 | 112,259 | -3,762 | -3.2% |
| Bank of Georgia | 24,247 | 23,897 | -350 | -1.4% |
| BOG+TUB | 26,905 | 27,488 | 583 | 2.2% |
| Bank Republic | 10,279 | 11,918 | 1,640 | 16.0% |
| Basis Bank | 1,564 | 1,702 | 138 | 8.8% |
| Cartu Bank | 5,443 | 6,170 | 727 | 13.4% |
| Intellect Bank | 2,804 | 1,560 | -1,243 | -44.3% |
| ProCredit Bank | 15,568 | 17,517 | 1,950 | 12.5% |
| TBC Bank | 22,369 | 25,670 | 3,302 | 14.8% |
| TbilUniversalBank | 2,658 | 3,592 | 933 | 35.1% |
| United Georgian Bank | 10,240 | 8,141 | -2,099 | -20.5% |

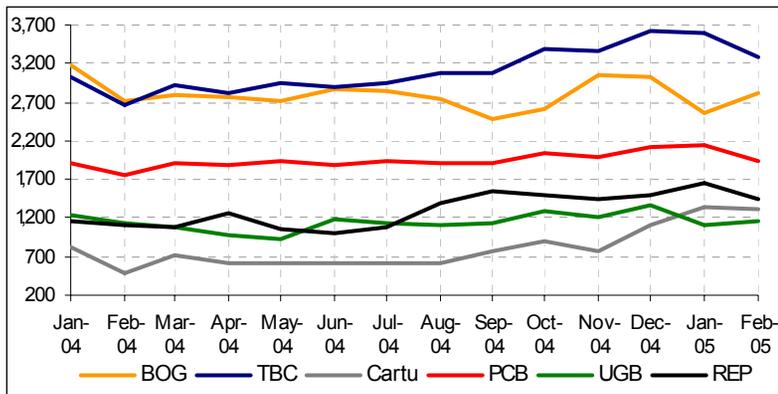
Source: National Bank of Georgia



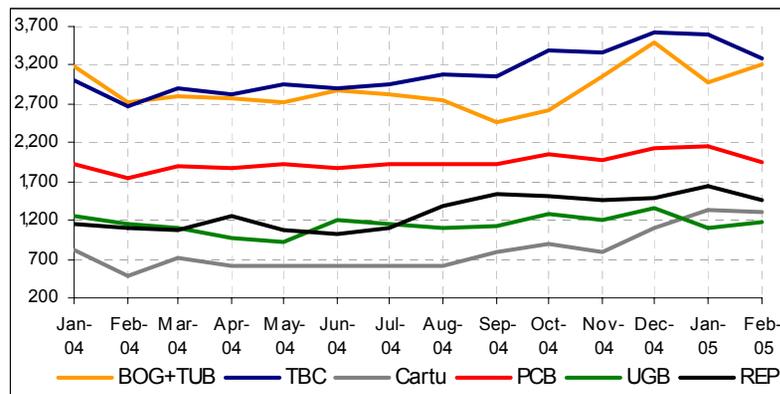
Interest Income vs. Net Interest Income' cont'd

Interest Income

GEL '000

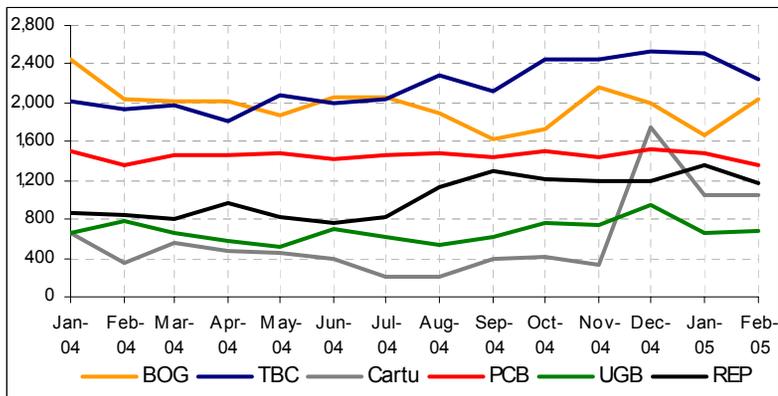


GEL '000

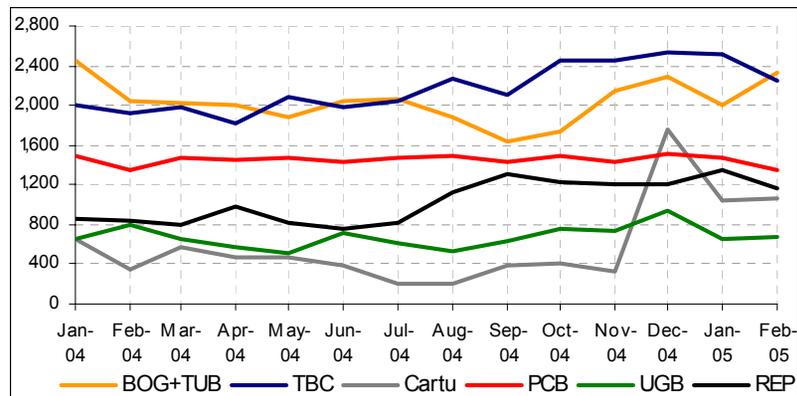


Net Interest Income

GEL '000



GEL '000



Source: National Bank of Georgia



The Georgian insurance sector

Very low insurance penetration and density rates

| <i>In GEL '000, unless otherwise noted</i> | 2000A | 2001A | 2002A | 2003A | 2004A | 2005F | 2006F | 2007F | CAGR 04-07 |
|--|--------|--------|--------|--------|--------|--------|--------|---------|------------|
| Number of insurance Companies | 17 | 22 | 27 | 25 | 14 | 10 | 8 | 7 | -21% |
| Gross premium income | 18,088 | 25,392 | 25,305 | 38,417 | 45,459 | 76,731 | 91,747 | 122,683 | 39% |
| Gross premium income as % of GDP | 0.30% | 0.38% | 0.34% | 0.45% | 0.46% | 0.69% | 0.74% | 0.84% | |
| Gross premium income per capita, GEL | 3.9 | 5.5 | 5.5 | 8.4 | 10.0 | 16.8 | 20.0 | 26.6 | 39% |
| Reinsurance share | 8,051 | 10,379 | 11,471 | 19,697 | 19,581 | 34,529 | 45,873 | 67,966 | 51% |
| As % of Gross premium | 45% | 41% | 45% | 51% | 43% | 45% | 50% | 55% | |
| Premiums (Net of reinsurance) | 10,037 | 15,013 | 13,834 | 18,720 | 25,878 | 42,202 | 45,873 | 54,717 | 28% |
| As % of Gross premium | 55% | 59% | 55% | 49% | 57% | 55% | 50% | 45% | |
| Claims paid (gross) | 3,436 | 8,269 | 9,234 | 12,601 | 12,126 | 22,429 | 26,636 | 33,386 | 40% |
| Claims paid by reinsurer | 1,221 | 2,323 | 3,423 | 4,688 | 3,538 | 7,850 | 10,122 | 13,020 | 54% |
| Claims paid by domestic companies | 2,215 | 5,946 | 5,810 | 7,912 | 8,588 | 14,579 | 16,514 | 20,365 | 33% |
| As % of Total Claims | 64% | 72% | 63% | 63% | 71% | 65% | 62% | 61% | |
| Net (of reinsurance and claims) premiums | 7,822 | 9,067 | 8,023 | 10,808 | 17,291 | 27,623 | 29,359 | 34,351 | 26% |
| As % of Gross premium | 43% | 36% | 32% | 28% | 38% | 36% | 32% | 28% | |

Source: Insurance State Supervision Service of Georgia; State Galt & Taggart Securities' estimates

Breakdown of Insurance Premiums Collected

| <i>%, unless otherwise noted</i> | Life | Motor | Fire & Property | Health | Accident | Liability | Transport | Other |
|----------------------------------|------|-------|-----------------|--------|----------|-----------|-----------|-------|
| Georgia, 2004, GEL mln | 0.3 | 3.1 | 15.4 | 8.7 | 1.7 | 4.7 | 9.3 | 2.3 |
| Georgia, 2004, % | 0.6 | 6.9 | 33.8 | 19.2 | 3.7 | 10.4 | 20.5 | 5.1 |
| Georgia, 2003, GEL mln | 0.2 | 3.2 | 12.7 | 6.8 | 1.1 | 6.1 | 6.5 | 1.9 |
| Georgia, 2003, % | 0.6 | 8.3 | 33.0 | 17.8 | 2.9 | 15.8 | 16.8 | 4.9 |
| Russia, 2001 | 2 | 15 | 40 | 29 | 3 | 7 | 2 | 2 |
| Poland & Czech Republic, 2001 | 38 | 39 | 10 | 1 | 3 | 3 | 1 | 3 |
| Western Europe, 1990 | 43 | 20 | 13 | 6 | 6 | 4 | 3 | 4 |
| Western Europe, 2001 | 61 | 14 | 8 | 5 | 5 | 3 | 1 | 3 |

Source: McKinsey; Insurance State Supervision Service of Georgia



Life insurance is particularly underdeveloped

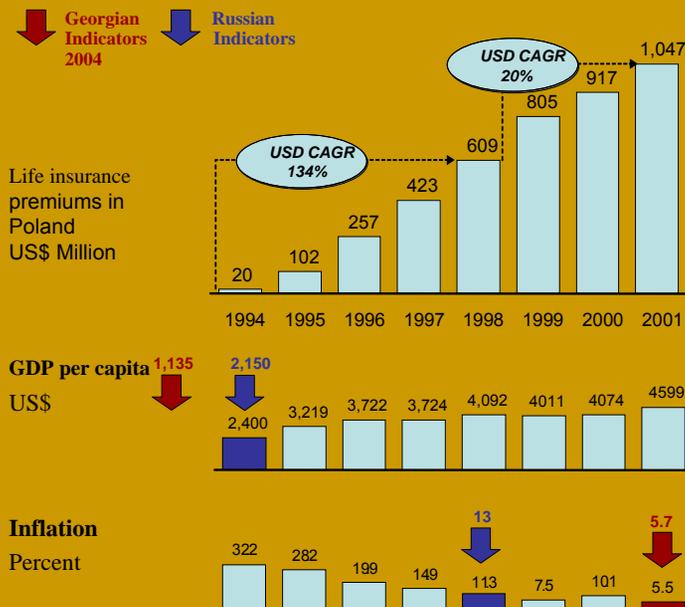
The Georgian insurance sector

Breakdown of insurance premiums by types of insurance

| In GEL '000 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------|--------|--------|--------|--------|--------|
| Property | 2,534 | 4,481 | 5,736 | 9,666 | 11,682 |
| Medical | 3,011 | 6,325 | 4,198 | 6,842 | 8,707 |
| Obligatory Fire | 3,987 | 4,314 | 2,785 | 2,993 | 3,701 |
| Compulsory MTPL | 3,747 | 2,731 | 2,425 | 2,241 | 1,633 |
| Civil Liability | 576 | 1,276 | 2,373 | 4,339 | 3,072 |
| Land Vehicles | 768 | 1,090 | 1,885 | 3,870 | 6,722 |
| Accidents and Sicknesses | 1,109 | 881 | 1,107 | 1,109 | 1,669 |
| Carriers Liability | 465 | 836 | 930 | 1,405 | 1,208 |
| Cargo | 562 | 810 | 913 | 1,266 | 1,155 |
| Voluntary MTPL | 547 | 694 | 803 | 947 | 1,490 |
| Financial Risks | 240 | 562 | 678 | 1,050 | 1,336 |
| Aviation | 390 | 959 | 486 | 1,178 | 1,110 |
| Pension Insurance | 0 | 3 | 440 | 821 | 982 |
| Life | 122 | 233 | 271 | 213 | 255 |
| Professional Liability | 0 | 195 | 250 | 319 | 425 |
| Vessels | 31 | 0 | 25 | 158 | 310 |
| Total | 18,088 | 25,391 | 25,305 | 38,416 | 45,457 |
| Non Life | 17,966 | 25,155 | 24,594 | 37,383 | 44,220 |
| Life and Pension | 122 | 237 | 711 | 1,034 | 1,237 |

Source: Insurance State Supervision Service of Georgia

COMPARISON OF GEORGIAN AND RUSSIAN MACROECONOMIC CONDITIONS TO THE LEVELS WHEN LIFE INSURANCE BEGAN TO TAKE OFF IN POLAND



The Georgian insurance sector

- The sector is highly concentrated, with four companies accounting for almost 72% of the market

| | Insurance Premium Brekdown in 2004 | | | | | Market Shares in 2004 | | | | |
|--------------------------|------------------------------------|---------------|---------------|---------------|---------------|-----------------------|--------------|--------------|--------------|--------------|
| | Aldagi | Imedi L | GPIH | BCI | Others | Aldagi | Imedi L | GPIH | BCI | Others |
| Property | 8.1% | 61.8% | 20.0% | 38.3% | 11.9% | 7.7% | 48.6% | 10.7% | 19.9% | 13.1% |
| Medical | 9.1% | 13.5% | 20.4% | 2.5% | 39.1% | 11.6% | 14.2% | 14.6% | 1.7% | 57.8% |
| Obligatory Fire | 8.3% | 3.7% | 5.1% | 7.3% | 13.1% | 24.7% | 9.2% | 8.5% | 12.1% | 45.5% |
| Compulsory MTPL | 0.2% | 0.3% | 2.8% | 9.8% | 6.4% | 1.3% | 1.4% | 10.7% | 36.4% | 50.1% |
| Civil Liability | 6.3% | 5.4% | 23.0% | 2.8% | 2.1% | 22.8% | 16.1% | 46.7% | 5.6% | 8.9% |
| Land Vehicles | 38.9% | 2.4% | 10.8% | 13.1% | 5.7% | 64.0% | 3.3% | 10.0% | 11.9% | 10.8% |
| Accidents and Sicknesses | 8.3% | 4.2% | 1.5% | 2.1% | 1.1% | 54.9% | 23.3% | 5.8% | 7.5% | 8.6% |
| Carriers Liability | 0.3% | 5.8% | 1.6% | 5.5% | 1.6% | 3.1% | 44.3% | 8.1% | 27.6% | 16.8% |
| Cargo | 2.9% | 0.7% | 1.8% | 6.2% | 2.2% | 27.8% | 5.2% | 9.6% | 32.4% | 25.0% |
| Voluntary MTPL | 10.2% | 1.0% | 0.5% | 2.3% | 0.7% | 76.2% | 6.1% | 2.2% | 9.6% | 5.9% |
| Financial Risks | 1.8% | 0.2% | 0.5% | 4.9% | 6.1% | 14.9% | 1.3% | 2.1% | 22.4% | 59.3% |
| Aviation | 5.1% | 0.6% | 1.6% | 2.8% | 1.7% | 51.3% | 5.1% | 9.3% | 15.2% | 19.2% |
| Pension Insurance | 0.0% | 0.0% | 6.0% | 0.0% | 4.7% | 0.0% | 0.0% | 37.8% | 0.0% | 62.2% |
| Life | 0.4% | 0.0% | 0.5% | 0.4% | 1.2% | 17.0% | 0.3% | 11.0% | 9.6% | 62.0% |
| Professional Liability | 0.0% | 0.3% | 0.0% | 1.4% | 2.5% | 0.0% | 5.9% | 0.0% | 19.8% | 74.4% |
| Vessels | 0.0% | 0.2% | 4.0% | 0.7% | 0.0% | 0.0% | 6.1% | 79.5% | 14.4% | 0.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 24.4% | 20.2% | 13.7% | 13.4% | 28.3% |

Source: Insurance State Supervision Service of Georgia

