

Standard & Poor's: 'B+/B' Stable
Moody's: 'B3/NP' (FC) & 'Ba1/P-3' (LC); Stable
Fitch Ratings: 'B/B' Stable

LSE: BGEO
GSE: GEB
Berlin-Bremen Boerse: B7D1

Reuters: BGEO.L
Bloomberg: BGEO.LI

Bank of Georgia Q1 2007 Results Overview



საქართველოს ბანკი
BANK OF GEORGIA

July 2007

Introduction To Bank of Georgia

The leading universal bank in Georgia

Market Leader In All Six Business Lines

- Retail Banking
- Corporate & Investment Banking
- Insurance
- Wealth Management
- Asset Management
- Broker-Dealer

- ☑ No.1 by assets (circa 33.0%)⁽¹⁾, loans (circa 27.6%),⁽¹⁾ deposits (circa 24.8%)⁽¹⁾ and equity (circa 38.2%)⁽¹⁾
 - ☑ 5.1% Q1 '07 market share gain in total assets (+10.2 % in 2006)
 - ☑ 1.1% Q1 '07 market share gain in gross loans (+8.2 % in 2006)
 - ☑ 0.3% Q1 '07 market share gain in total deposits (+5.5 % in 2006)

- ☑ Leadership in **retail banking**, with

	May 31, 2007	April 30, 2007	March 31, 2007	YE 2006
☑ Retail Accounts	519,000+	500,000+	450,000+	425,000+
☑ Cards Issued	418,000+	380,000+	330,000+	285,000+
☑ Branches	103	103	103	100
☑ ATMs	166	150	146	124

- ☑ Top brand, best distribution network and broadest range of services of any bank in Georgia
- ☑ Leading **corporate and investment banking** franchise
 - ☑ More than 50,000 legal entities have opened accounts
 - ☑ Top broker-dealer with circa 90%⁽¹⁾ market share in equities trading in 2006
- ☑ Leading **card-processing, leasing, insurance, wealth management** and **asset management** services provider
- ☑ The only Georgian entity with credit ratings from all three global rating agencies
 - ☑ S&P: 'B+/B'; Stable – at the sovereign ceiling
 - ☑ Moody's: 'B3/NP (FC)' & 'Ba1/P-3 (LC)'; Stable
 - ☑ Fitch Ratings: 'B+/B'; Stable
- ☑ Listed on the London Stock Exchange (GDRs) and Georgian Stock Exchange
 - ☑ Market Cap (LSE) US\$996 mln as of 20 June 2007
 - ☑ Approximately 93% free float
 - ☑ 2006 share price performance 383%, YTD 2007 share performance 75%
- ☑ Issue of the first ever Eurobonds in Georgia
 - ☑ Bloomberg: BKGE0; 5 year, 9%, US\$200 mln
 - ☑ B+/Ba2/B (composite BB-)

Notes: (1) As of 31 March 2007; based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Investment Highlights

- ☑ A 'leveraged play' on Georgia's economic growth
- ☑ Diversified revenue streams and disciplined capital management
- ☑ Domestic universal banking strategy driving profitable growth
- ☑ Domestic sector consolidator and aspirations for regional expansion
- ☑ Sophisticated management team with Western banking & finance background and education
- ☑ Transparency and good governance, circa 85% institutionally owned, majority of the Board seats held by large shareholders and an independent director

Strategy

- ☑ Consolidate leading position in the domestic banking market
- ☑ Promote the future growth of the retail banking business
- ☑ Further diversify the business, including funding base and loan portfolio
- ☑ Continue improving risk management policies and procedures
- ☑ Actively pursue sensible regional expansion opportunities



Bank of Georgia Q1 2007 Results Overview

Q1 2007 Results Highlights

Millions, unless otherwise noted

Bank of Georgia (Consolidated, IFRS Based)

	Q1 2007		Q1 2006		Growth, Y-O-Y ¹
	GEL	US\$	GEL	US\$	
	<i>Unaudited</i>		<i>Unaudited</i>		
Net Interest Income	26.0	15.3	10.5	5.7	149.1%
Net Non-Interest Income	15.0	8.8	7.3	4.0	105.6%
Total Operating Income (Revenue) ²	41.1	24.2	17.8	9.7	131.2%
Recurring Operating Costs	16.5	9.7	9.5	5.2	73.8%
Normalized Net Operating Income ³	24.5	14.4	8.2	4.5	197.4%
Pre-Bonus Result	22.5	13.2	6.8	3.7	229.6%
Net Income	13.7	8.0	4.2	2.3	229.2%
Consolidated EPS (Basic), GEL & US\$ ⁴	0.54	0.32	1.62	0.95	
Consolidated EPS (Fully Diluted), GEL & US\$ ⁵	0.50	0.30	1.45	0.84	
ROAA ⁶ , annualised	3.8%		3.5%		
ROA, annualised	3.3%		2.2%		
ROAE ⁷ , annualised	14.4%		16.5%		
ROE, annualised	14.2%		7.1%		

**Increasing
Operating
Leverage**

**Despite Tier I
CAR of 34%**

¹ Compared to the same period in 2006; growth calculations based on GEL.

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

³ Normalized for the Net Non-Recurring Costs.

⁴ Basic EPS equals Net Income of the period divided by weighted average outstanding shares for the period.

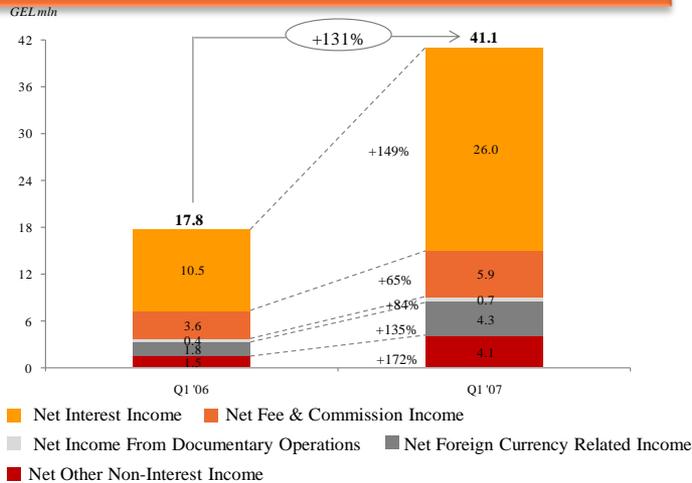
⁵ Fully Diluted EPS equals Net Income of the period divided by the number of outstanding ordinary shares as of the period end plus number of ordinary shares in contingent liabilities.

⁶ Return on Average Total Assets equals annualised Net Income for the period divided by the average Total Assets for the period.

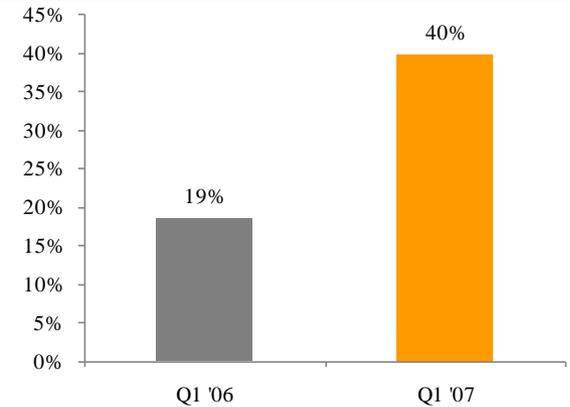
⁷ Return on Average Total Shareholders' Equity equals annualised Net Income for the period divided by the average Total Shareholders' Equity for the period.

Q1 2007 Performance

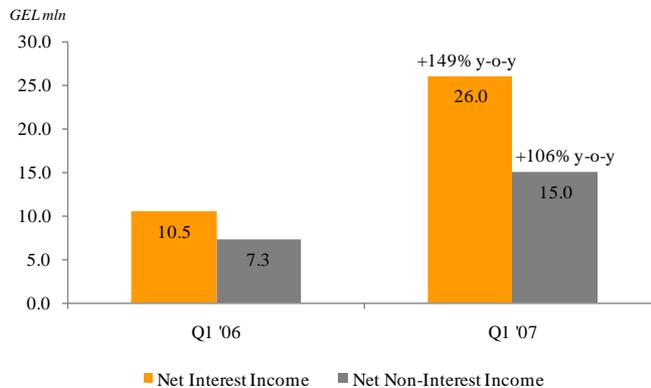
Composition of Revenue (GEL mln)



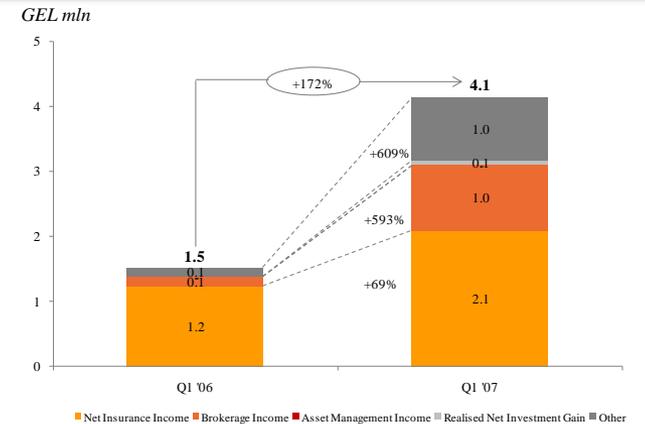
Revenue Market Share*



Net Interest Income vs. Net Non-Interest Income (GEL mln)



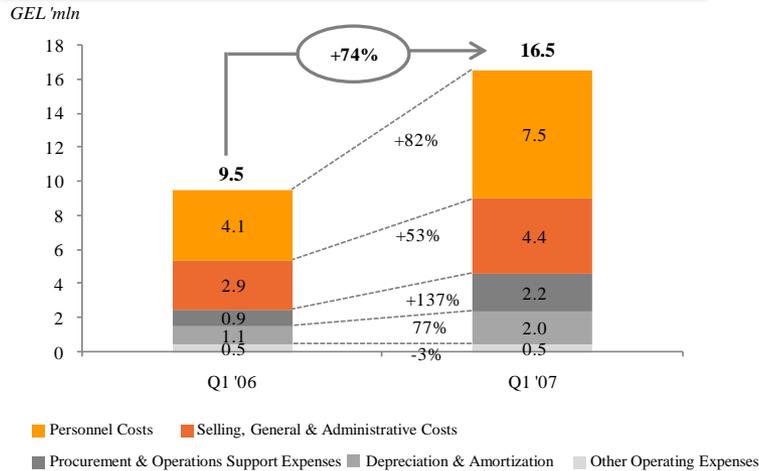
Net Other Non-Interest Income (GEL mln)



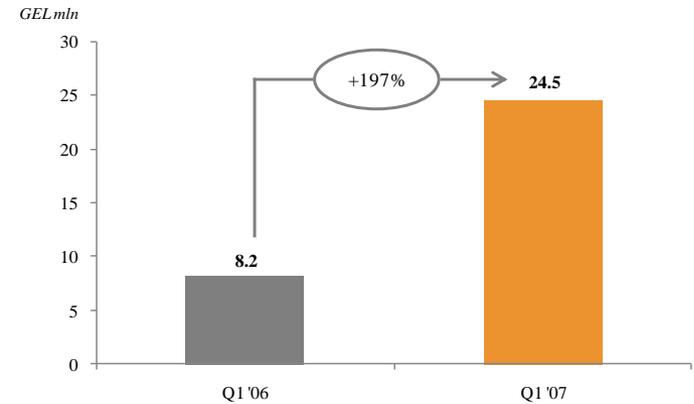
*Based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Q1 2007 Performance cont'd

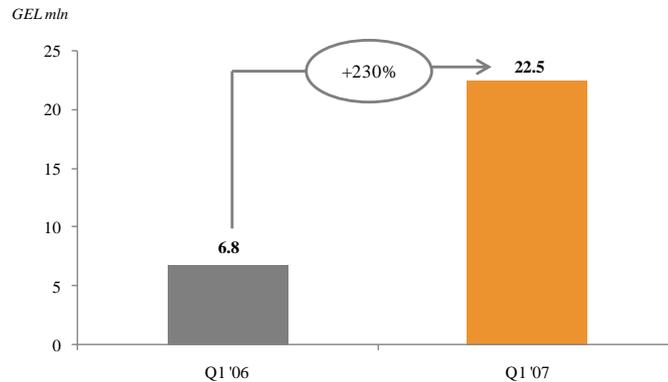
Operating Cost Structure



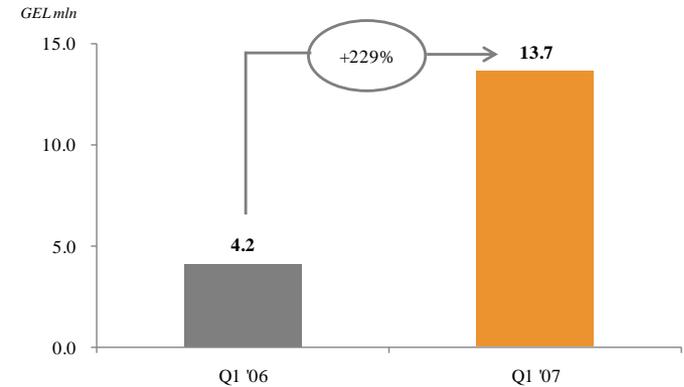
Normalized Net Operating Income



Pre-Bonus Result

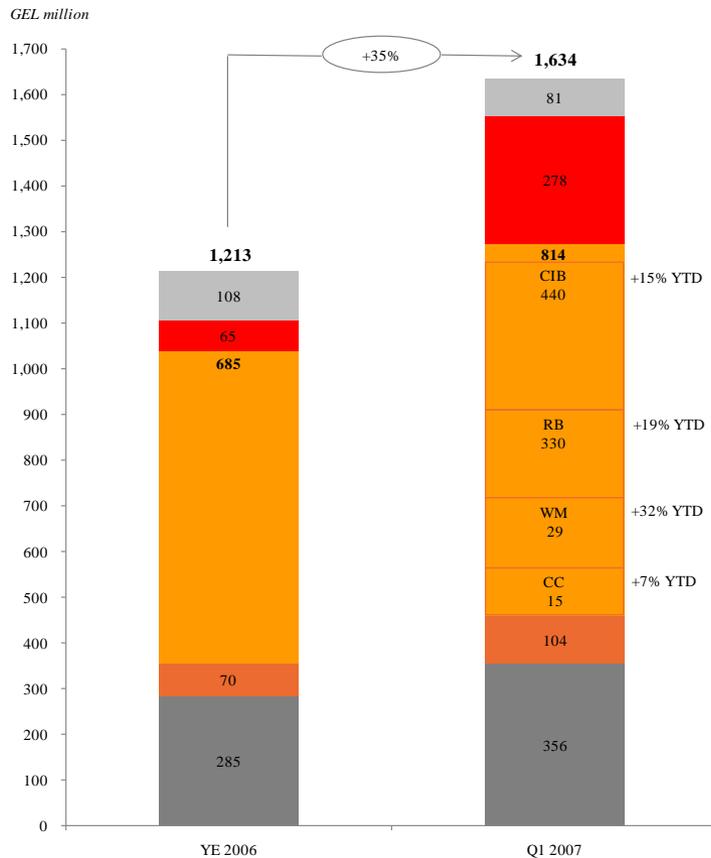


Net Income



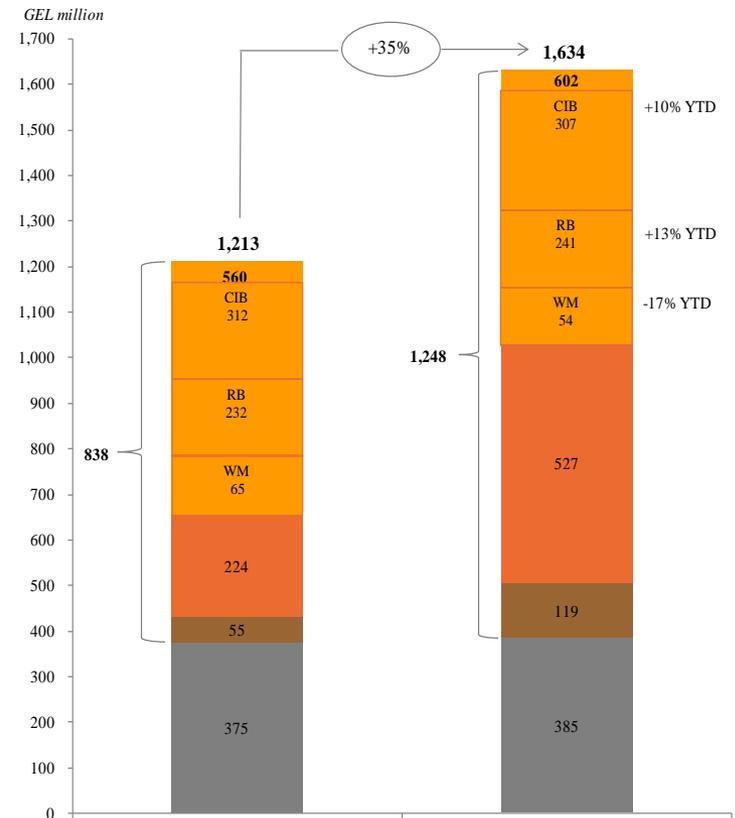
Composition of the Balance Sheet

Assets, +158% y-o-y



Cash & Equivalents
 Loans & Advances To Credit Institutions
 Loans To Clients, Net
 Property, Equipment & Intangible
 Other Assets

Liabilities & Shareholders' Equity



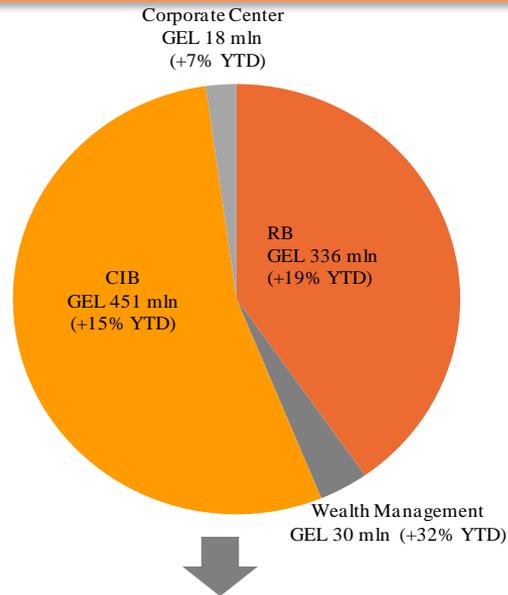
Client Deposits
 Borrowed Funds
 Other Liabilities
 Equity

Note: Segment growth calculations based on gross loan portfolio for each segments

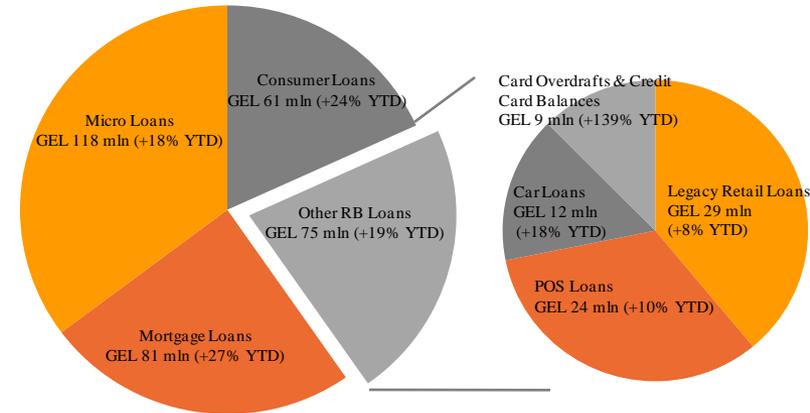
Diversified Loan Book...

RB & WM
Account for 43%
of Gross Loans

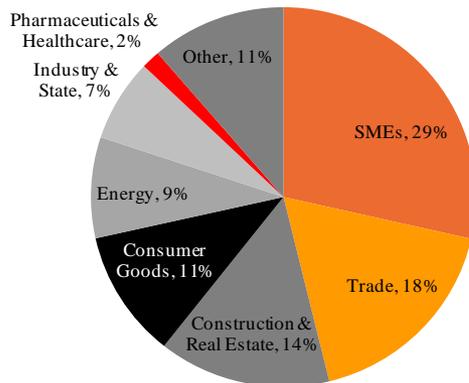
Gross Loans, Q1 2007 (+17% YTD & +119% y-o-y)



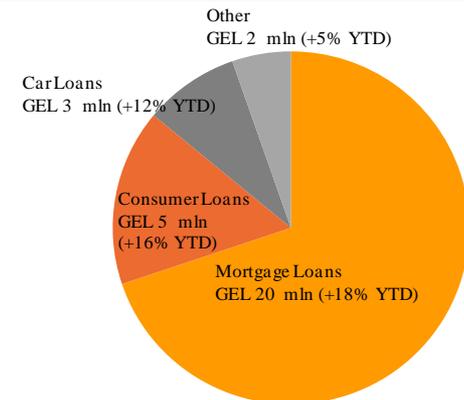
Gross RB Loans, Q1 2007 (+15% YTD & +135% y-o-y)



Gross CIB Loans, Q1 2007 (+15% YTD & +116% y-o-y)



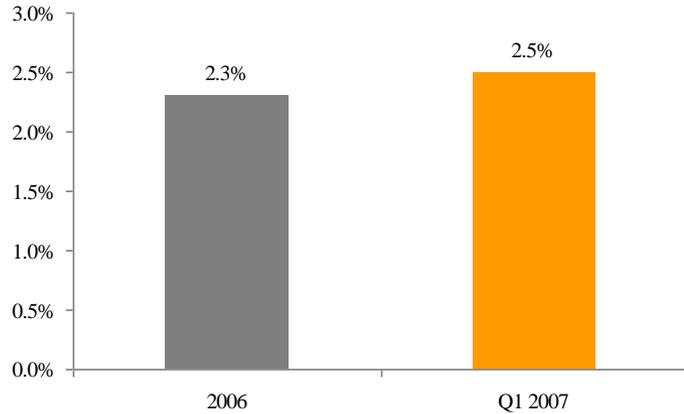
Gross WM Loans, Q1 2007 (+32% YTD & +126% y-o-y)



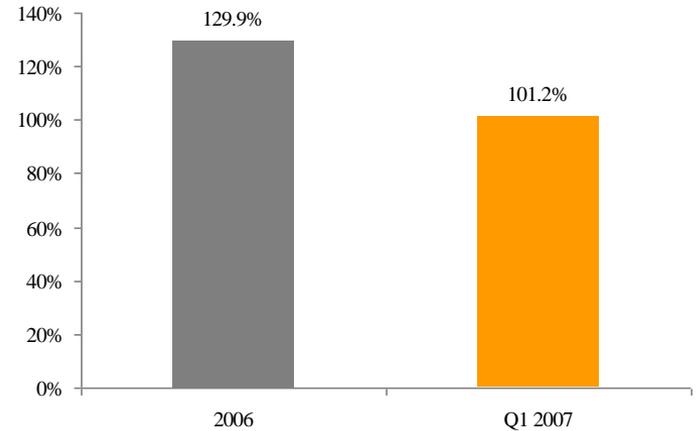
And Conservative Provisioning Policy

Loan Book
Collateralization
96.3% in Q1 2007

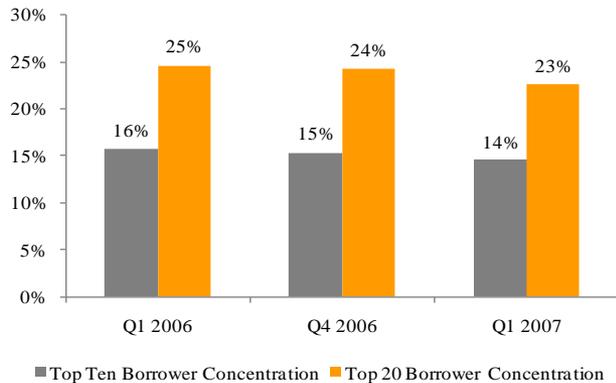
NPLs/Gross Loans To Clients



NPL Coverage Ratio

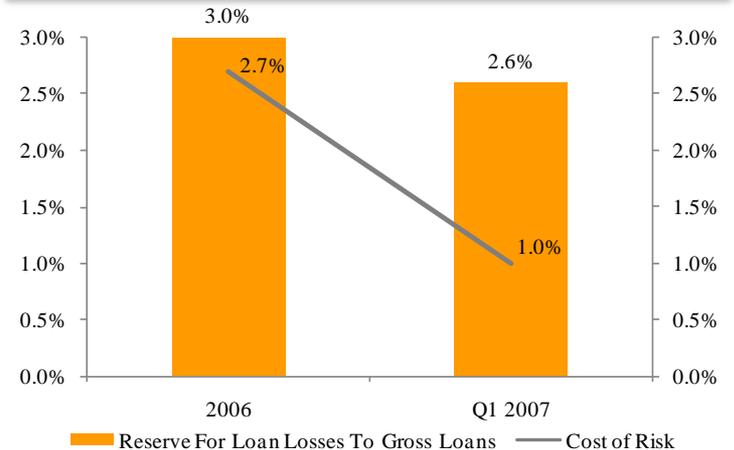


Top Ten & Top 20 Borrower Concentration



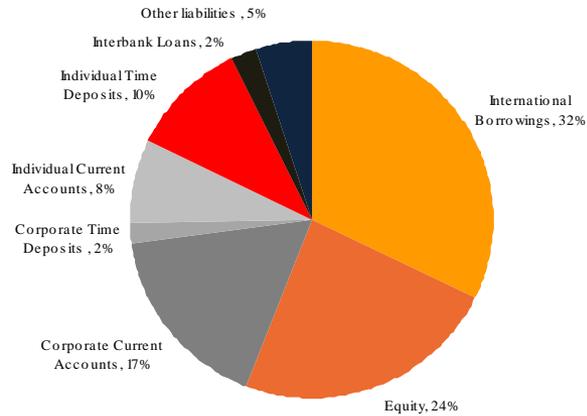
Note: NPLs include 90 days overdue loans

Reserve For Loan Losses To Gross Loans

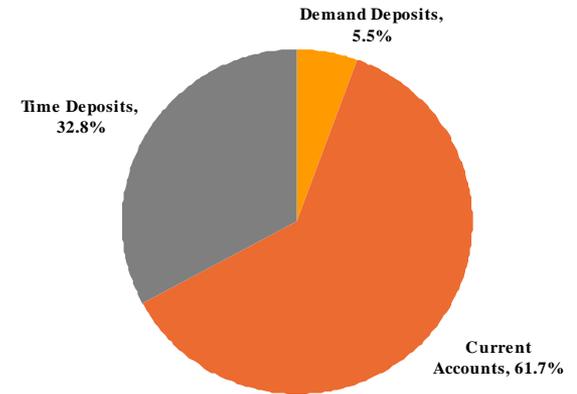


Diversified Funding Base

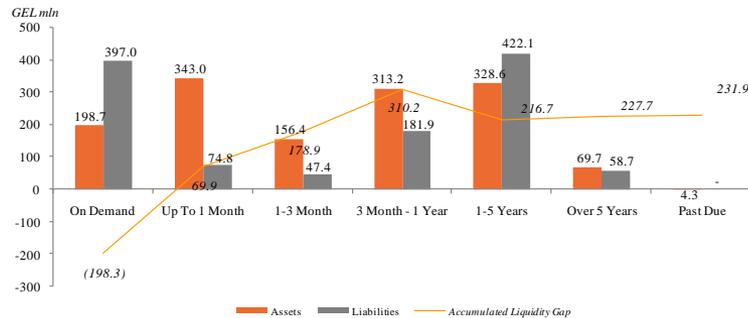
Funding Sources, Q1 2007



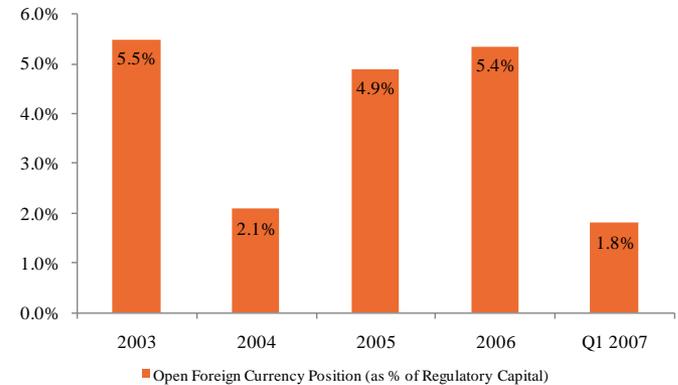
Deposits, Q1 2007



Liquidity Risk Management, Q1 2007



Currency Risk Management, Q1 2007



Business Overview

Bank of Georgia Q1 2007 Business Unit Results

(GEL, '000)	Total Operating Income (Revenue)			Pre-Bonus Result			Net Income		
	Q1 07	Y-O-Y Growth	Q1 06	Q1 07	Y-O-Y Growth	Q1 06	Q1 07	Y-O-Y Growth	Q1 06
CIB	13,734	122.7%	6,166	10,540	146.3%	4,280	7,471	178.1%	2,686
RB	18,783	149.2%	7,538	9,918	414.0%	1,929	7,027	567.9%	1,052
Insurance	2,187	62.2%	1,348	609	14.7%	531	401	15.8%	346
WM	825	256.1%	232	319	4070.8%	8	226	4623.6%	5
Corporate Centre	3,791	65.1%	2,297	405	NMF	(46)	(1,623)	NMF	(33)
<i>Subtotal</i>	<i>38,495</i>	<i>121.89%</i>	<i>17,349</i>	<i>21,472</i>	<i>220.76%</i>	<i>6,694</i>	<i>13,276</i>	<i>227.72%</i>	<i>4,051</i>
Galt & Taggart Securities	1,417	766.3%	164	812	662.1%	107	317	281.3%	83
AM	317	2789.6%	11	(127)	NMF	11	(156)	NMF	11
<i>Subtotal</i>	<i>2,559</i>	<i>46.73%</i>	<i>1,744</i>	<i>1,004</i>	<i>696.83%</i>	<i>126</i>	<i>387</i>	<i>290.91%</i>	<i>99</i>
Total	41,055	131.2%	17,756	22,475	229.6%	6,819	13,663	229.2%	4,151

(US\$, '000)	Total Operating Income (Revenue)			Pre-Bonus Result			Net Income		
	Q1 07	Y-O-Y Growth	Q1 06	Q1 07	Y-O-Y Growth	Q1 06	Q1 07	Y-O-Y Growth	Q1 06
CIB	8,079	139%	3,375	6,200	165%	2,342	4,395	199%	1,470
RB	11,049	168%	4,126	5,834	453%	1,056	4,134	618%	576
Insurance	1,286	74%	738	358	23%	291	236	25%	189
Corporate Centre	2,230	77%	1,257	238	NMF	(25)	(955)	NMF	(18)
<i>Subtotal</i>	<i>22,644</i>	<i>138%</i>	<i>9,496</i>	<i>12,631</i>	<i>245%</i>	<i>3,664</i>	<i>7,809</i>	<i>252.07%</i>	<i>2,217</i>
WM	485	282%	127	187	4185%	4	133	4758%	3
Galt & Taggart Securities	834	829%	90	478	716%	58	186	310%	45
AM	186	2997%	6	(75)	NMF	6	(92)	NMF	6
<i>Subtotal</i>	<i>1,505</i>	<i>576%</i>	<i>223</i>	<i>591</i>	<i>756%</i>	<i>69</i>	<i>228</i>	<i>320%</i>	<i>54</i>
Total	24,150	148%	9,719	13,221	254%	3,732	8,037	254%	2,271

Bank of Georgia Q1 2007 Business Unit Results cont'd

<i>(GEL, '000)</i>	Total Assets			Total Liabilities		
	31 March 2007	YTD Growth	YE 2006	31 March 2007	YTD Growth	YE 2006
CIB	693,108	29.55%	535,026	603,994	32.57%	455,616
RB	518,651	38.88%	373,462	450,539	71.27%	263,057
Insurance	46,454	20.95%	38,408	41,744	69.14%	24,680
Corporate Centre	257,159	21.07%	212,402	47,787	110.78%	22,671
<i>Subtotal</i>	<i>1,515,372</i>	<i>30.71%</i>	<i>1,159,298</i>	<i>1,144,064</i>	<i>49.35%</i>	<i>766,024</i>
WM	45,765	285.94%	11,858	73,552	27.19%	57,829
Galt & Taggart Securities	33,759	69.01%	19,975	13,161	98.16%	6,642
AM	38,629	74.04%	22,196	17,456	118.93%	7,973
<i>Subtotal</i>	<i>118,153</i>	<i>118.69%</i>	<i>54,029</i>	<i>104,169</i>	<i>43.79%</i>	<i>72,444</i>
Total	1,633,525	30.63%	1,213,326	1,248,233	48.79%	534,007

<i>(US\$, '000)</i>	Total Assets			Total Liabilities		
	31 March 2007	YTD Growth	YE 2006	31 March 2007	YTD Growth	YE 2006
CIB	407,711	30.60%	312,151	355,291	33.66%	265,820
RB	305,089	40.00%	217,889	265,023	72.68%	153,475
Insurance	27,326	21.90%	22,408	24,555	70.53%	14,399
Corporate Centre	151,270	22.10%	123,922	28,110	112.52%	13,227
<i>Subtotal</i>	<i>891,396</i>	<i>31.79%</i>	<i>676,370</i>	<i>672,979</i>	<i>50.58%</i>	<i>446,922</i>
WM	26,921	289.10%	6,918	43,266	28.24%	33,739
Galt & Taggart Securities	19,858	70.40%	11,654	7,742	99.80%	3,875
AM	22,723	75.50%	12,950	10,268	120.72%	4,652
<i>Subtotal</i>	<i>69,502</i>	<i>120.49%</i>	<i>31,522</i>	<i>61,276</i>	<i>44.98%</i>	<i>42,266</i>
Total	960,897	35.70%	707,891	734,255	50.10%	489,188

Business Unit Highlights

Corporate & Investment Banking (CIB)

- Won the tender to service the Georgian Oil and Gas Corporation (“GOGC”) on an exclusive basis for five years. GOGC, which represents the state in all oil and gas product sharing agreements and is a dominant player in gas transportation, is one of the top corporate clients in the country.
- Increased the number of corporate clients using the bank’s payroll services from 480 at the end of 2006 to over 540 by the end of Q1 2007. By 31 March 2007, the number of individual clients serviced through the corporate payroll programs administered by the bank increased from approximately 83,500 at the beginning of the year to over 100,000.
- More than 5,700 legal entities opened accounts at the bank in Q1 2007, bringing the total to 52,815.

Retail Banking (RB)

- Increased the number of retail current accounts from approximately 420,000 at the beginning of the year to approximately 450,000 by 31 March, 2007.
- Increased the number of branches (service centers) from 100 at the beginning of the year to 103 by 31 March 2007.
- The purchase of commercial space previously rented by two existing branches resulted in the implied cost savings of GEL 0.2 million per annum.
- Bought or leased premises for six new branches, which are currently being fitted out and are expected to be operational by YE 2007.
- Commenced the marketing of credit cards (primarily to existing clients, for now), resulting in over 6,000 credit cards outstanding by 31 March 2007.
- Increased the number of debit cards outstanding from approximately 285,000 at the beginning of the year to approximately 337,000 by the end of Q1 2007
- Continued to make gains in merchant acquiring as the installed POS terminal footprint grew to 497.
- Total number of cards in service by Georgian Card grew from 370,000 at the beginning of the year to 456,000 by 31 March 2007, while the number of transaction authorisations processed by Georgian Card grew 164% y-o-y to approximately 2.9 million (compared to approximately 1.1 million in Q1 2006).
- Continued investing in the electronic banking channels, as the number of ATMs grew to 146 by 31 March 2007 (up from 124 at the beginning of the year), number of mobile banking users reached 16,000, and number of registered Internet banking users grew 38.8% YTD to 51,870 (732.1% growth y-o-y).
- POS express consumer lending initiated by the bank in 2006 to complement the branch-based general-purpose consumer lending, resulted in the 545 express loan POS contracts signed (of which 358 outlets were served by 31 March 2007. POS express loan originations have reached GEL 12.8 million in Q1 2007, while POS express loans outstanding amounted to GEL 24.0 million at the end of Q1 2007.
- Launched in March 2007 a joint project with Nokia and Magti (the largest mobile phone operator in Georgia). The project involves selling 3G Nokia handsets on credit through Bank of Georgian’s point-of-sale express lending network, with Magti bundling in a certain amount of free 2G and 3G services.
- Stepped up mortgage loan originations to GEL 29.6 million in Q1 2007 (up 360.9% y-o-y) resulting in mortgage loans outstanding by 31 March 2007 of GEL 80.8 million, (up 26.8% YTD).
- Car loan originations of GEL 3.3 million resulted in car loans outstanding by 31 March 2007 of GEL 11.5 million, (up 17.6% YTD).

Business Unit Highlights cont'd

Insurance

-  Continued the integration of Aldagi, acquired by BCI in December 2006. The pro forma combined market share of Aldagi and BCI by Gross Premiums Written amounted in Q1 2007 to approximately 41%, unchanged from 2006.

Wealth Management (WM)

-  The number of Private Banking clients grew from 873 at the beginning of the year to 943 at the end of Q1 2007.
-  Private Banking mortgage loan originations of GEL 4.2 million (up 34.6% y-o-y) resulted in mortgage loans outstanding by 31 March 2007 of GEL 20.4 million, up 18.2% YTD.
-  Private Banking car loan originations of GEL 0.6 million resulted in car loans outstanding by 31 March 2007 of GEL 2.5 million, up 11.5% YTD.

Galt & Taggart Securities

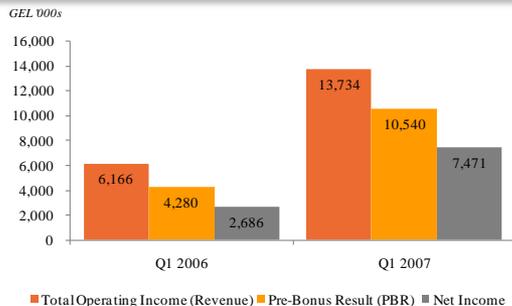
-  Sergiy Lesyk joined as the Kyiv-based Global Head of Equities.
-  Dmitry Kasatkin joined as the London-based Global Head of Investment Banking.
-  Assets Under Custody grew 45% YTD to GEL 492.6 million as of 31 March 2007.
-  Proprietary book grew 153% YTD to GEL 19.3 million by 31 March 2007.
-  Galt & Taggart Securities (Georgia) continued to hold the leading position by the equities trading volume in Georgia, with an approximately 90% market share.
-  Galt & Taggart Securities (Georgia) successfully handled a rights issue of Galt & Taggart Capital.

Asset Management (AM)

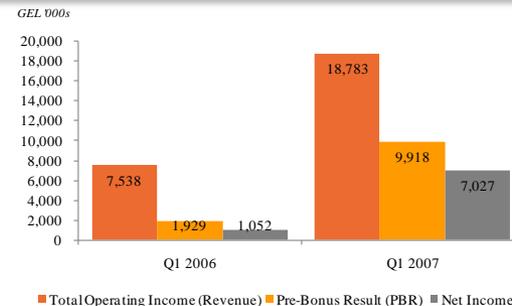
-  The market capitalization of Galt & Taggart Capital reached GEL 118 million, an increase of 120% YTD and an increase of 334% since the company was admitted to trading on the Georgian Stock Exchange in November 2006.
-  Galt & Taggart Capital made several real estate investments, invested in several startup businesses, and purchased a 32% equity interest in Teliani Valley, a leading Georgian winery.
-  Assets Under Management at the Aldagi BCI Pension Fund grew 218% y-o-y to GEL 0.7 million at the end of Q1 2007, while the number of Aldagi BCI Pension Fund members stood at 2,574 at the end of Q1 2007 up from 1,163 members in Q1 2006.

Bank of Georgia Q1 2007 Business Unit Results cont'd

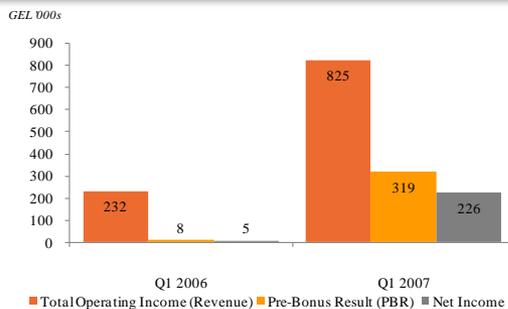
CIB Revenue, PBR & Net Income



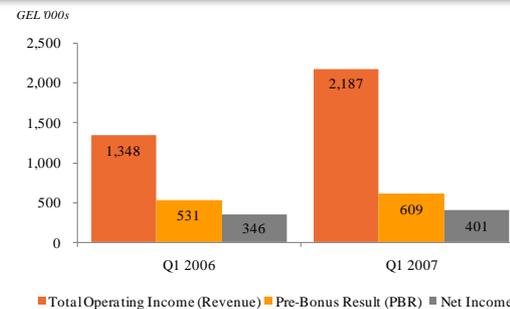
RB Revenue, PBR & Net Income



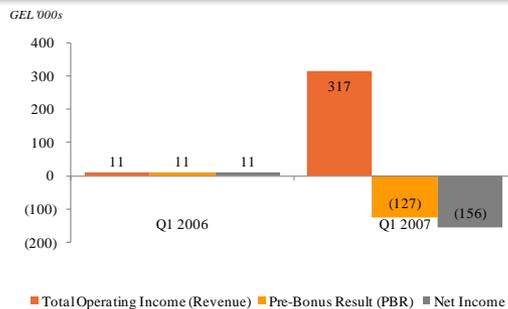
WM Revenue, PBR & Net Income



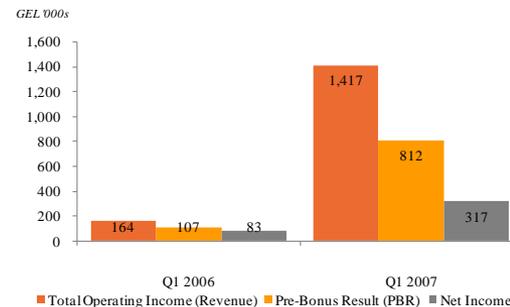
Insurance Revenue, PBR & Net Income



AM Revenue, PBR & Net Income



Galt & Taggart Securities Revenue, PBR & Net Income

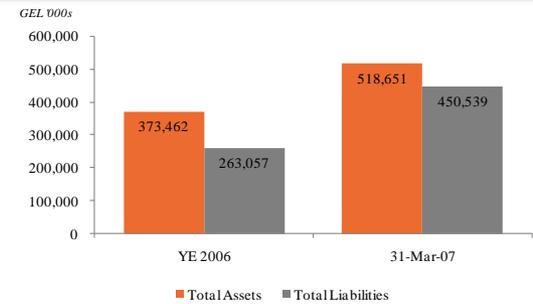


Bank of Georgia Q1 2007 Business Unit Results

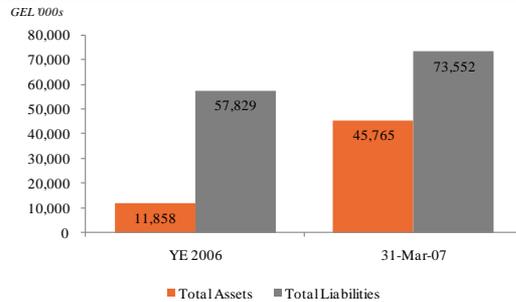
CIB Total Assets & Liabilities



RB Total Assets & Liabilities



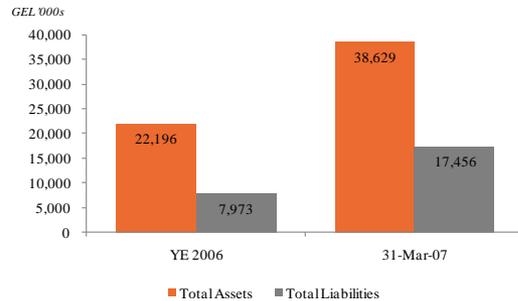
WM Total Assets & Liabilities



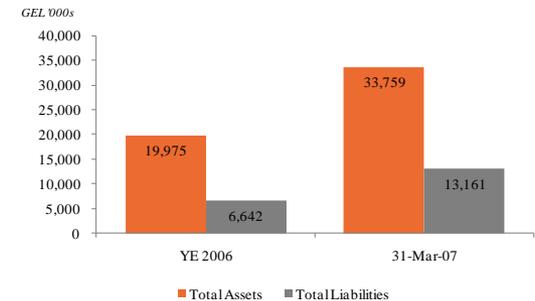
Insurance Total Assets & Liabilities



AM Total Assets & Liabilities



Galt & Taggart Securities Total Assets & Liabilities



Retail Banking – No. 1 Retail Bank In Georgia

New Retail Sub-brand



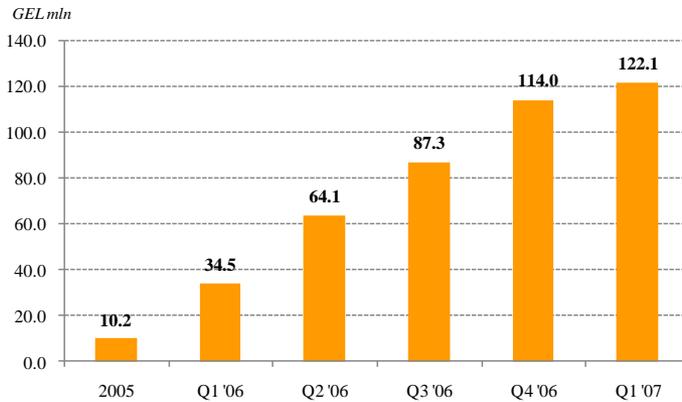
www.sb24.ge



www.kandidati.ge

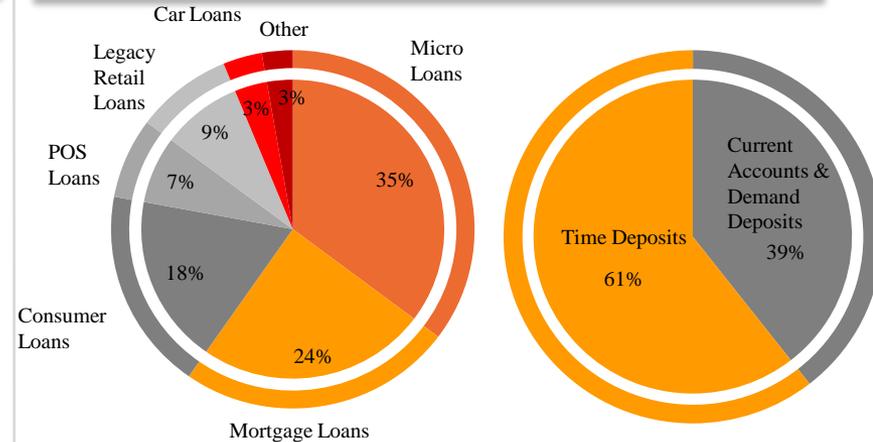


Retail Loans Originated



(1) Monthly average

RB Loan Portfolio & Client Deposits (March 31, 2007)



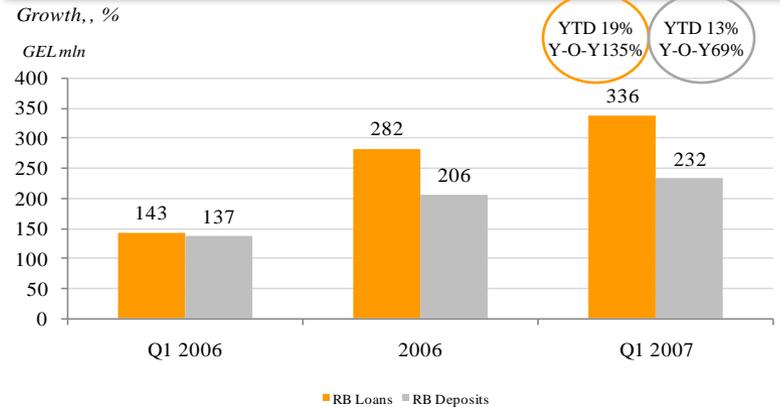
Total retail loans GEL 336 mln

Total retail deposits GEL 232 mln

Leadership in Consumer Lending

	31 March 2007	YE 2006
POS Contracts Signed	545	454
Exclusive	517	310
Outlets Operating	127	89
Outlets Served	358	251
Number of Consumer Loans Outstanding	88,183	65,596
Volume of Consumer Loans Outstanding (GEL mln)	92.1	71.7
Relationship With Car Dealers	25	21
Exclusive	10	10
Presence In Outlets	4	4
Credit Cards Outstanding	6,217	356

Retail Loan Portfolio & Client Deposits Growth⁽¹⁾



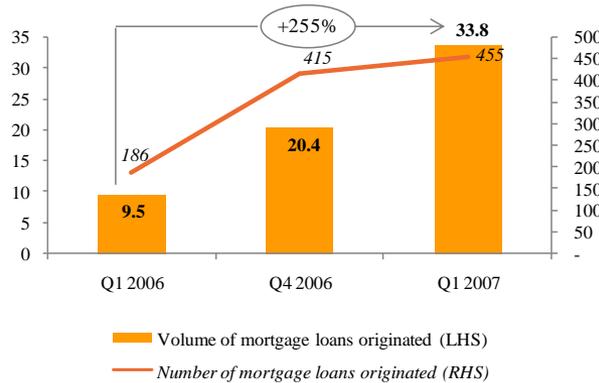
Notes:

(1) Deposits include current accounts, demand deposits and time deposits

RB & WM - Continuous Increase In Loan Origination Capacity

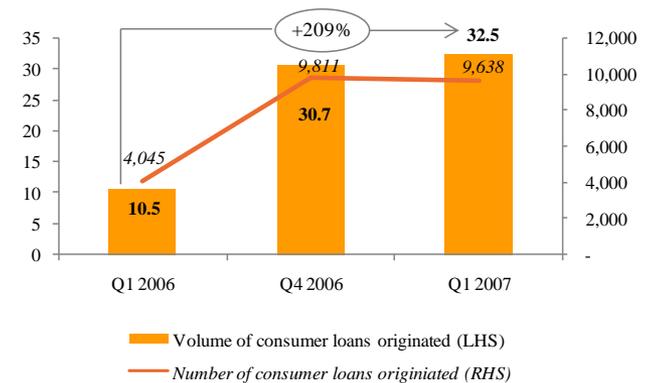
Mortgage Loans Originated

GEL mln



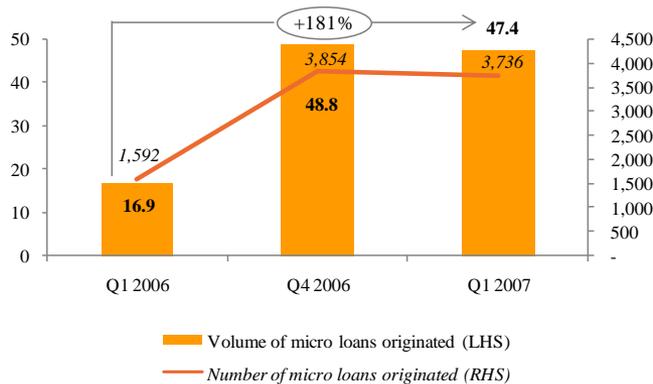
Consumer Loans Originated

GEL mln



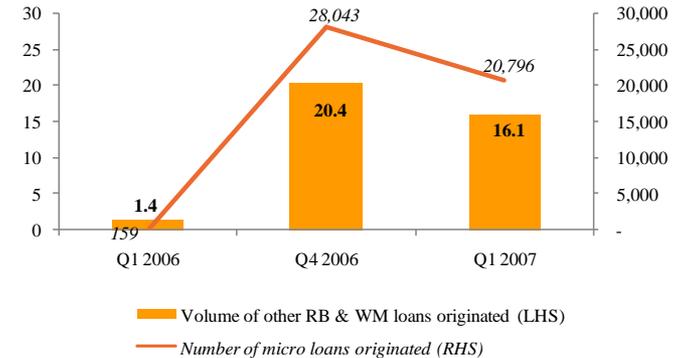
Micro Loans Originated

GEL mln



Other Retail And WM Loans Originated*

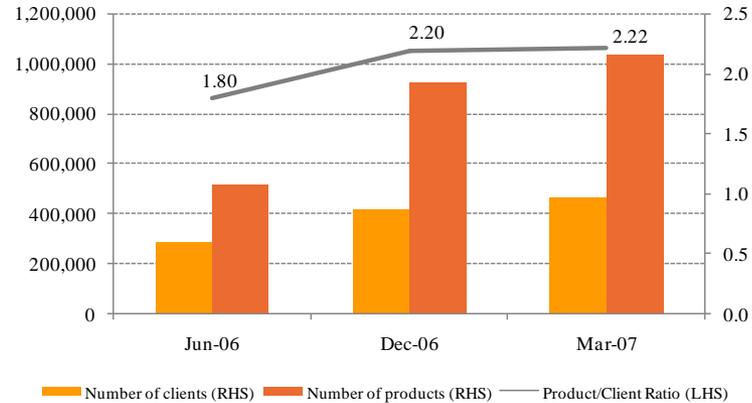
GEL mln



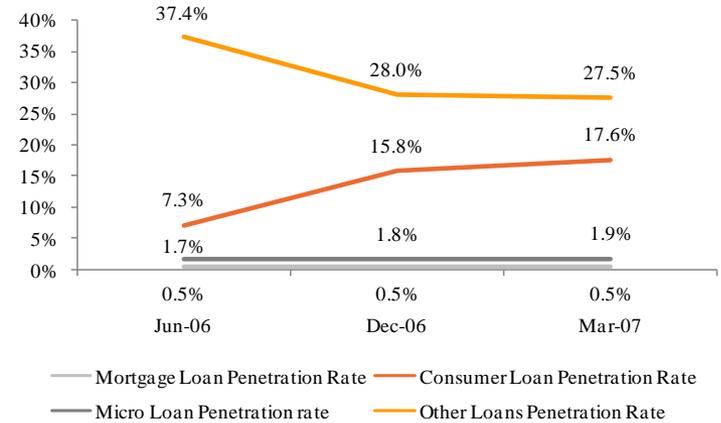
* Does not include Legacy Retail Loans and Card Overdrafts

RB Cross-Selling Gaining Momentum

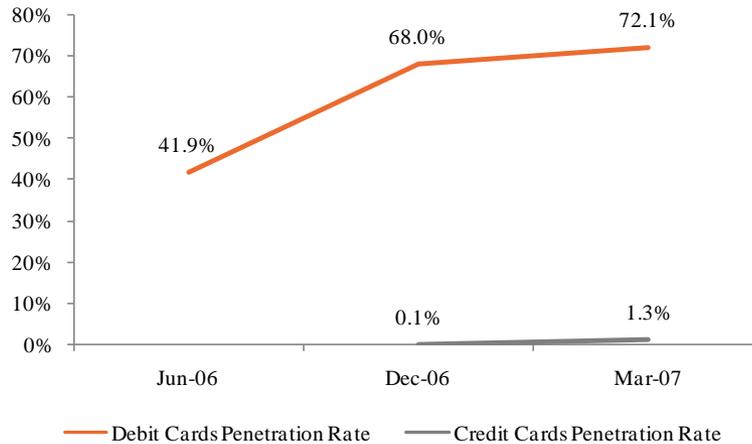
Product/Client Ratio



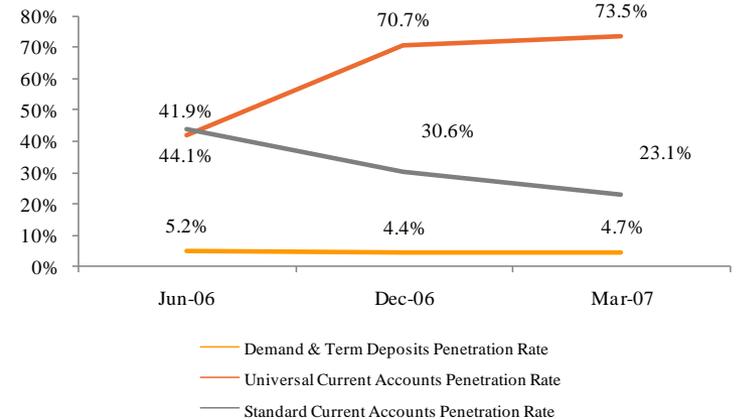
RB Loans Penetration Rate



Cards Penetration Rate



Current Accounts & Deposits Penetration Rate



Leadership In Card Processing



- 56% ownership of Georgian Card
- Migration to TietoEnator Transmaster in 2005
- Enhanced functionality and new product support

Client Banks



საქართველოს ბანკი
BANK OF GEORGIA



STANDARD BANK
სტანდარტ ბანკი

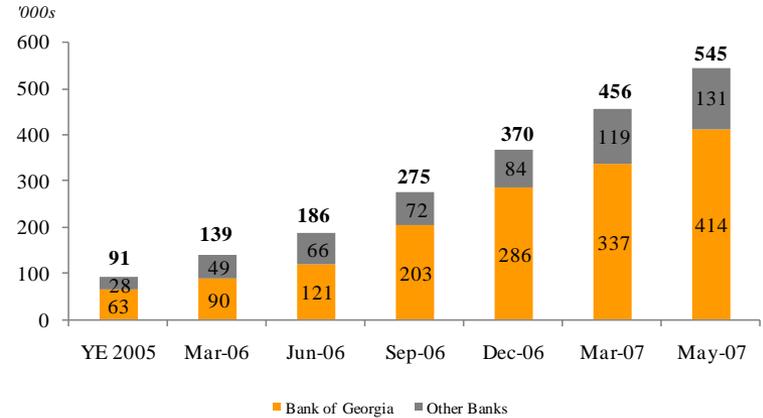


ბანკი რესპუბლიკა
BANK REPUBLIC
საქართველოს ბანკის დაფუძნებული

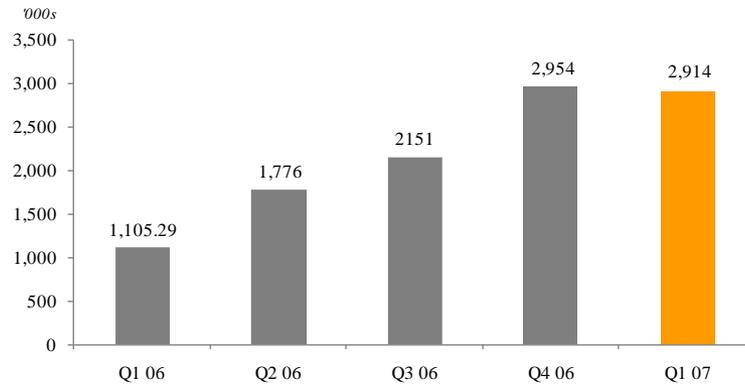


BankTuranAlem

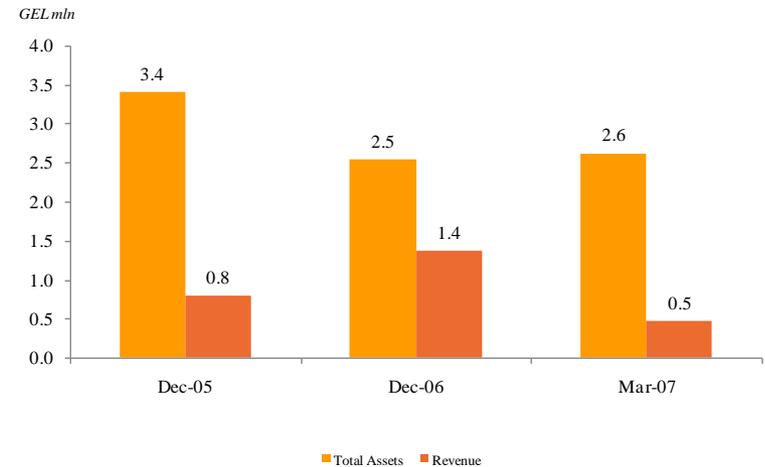
Number of Cards Serviced by Georgian Card



Transaction Authorizations By Georgian Card



Georgian Card's Revenue & Assets

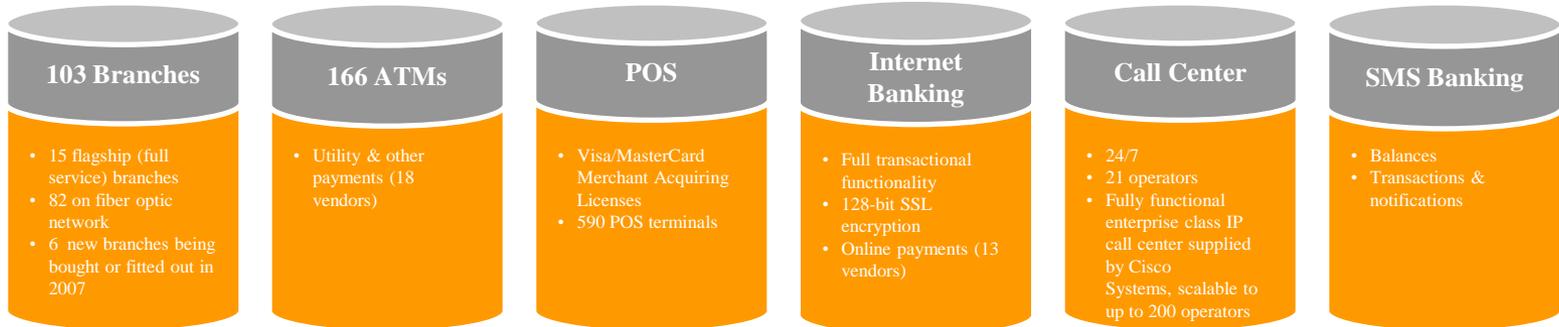


საქართველოს ბანკი
BANK OF GEORGIA

Superior Retail Footprint & Consumer Reach

2005/Ongoing
Investment Focus

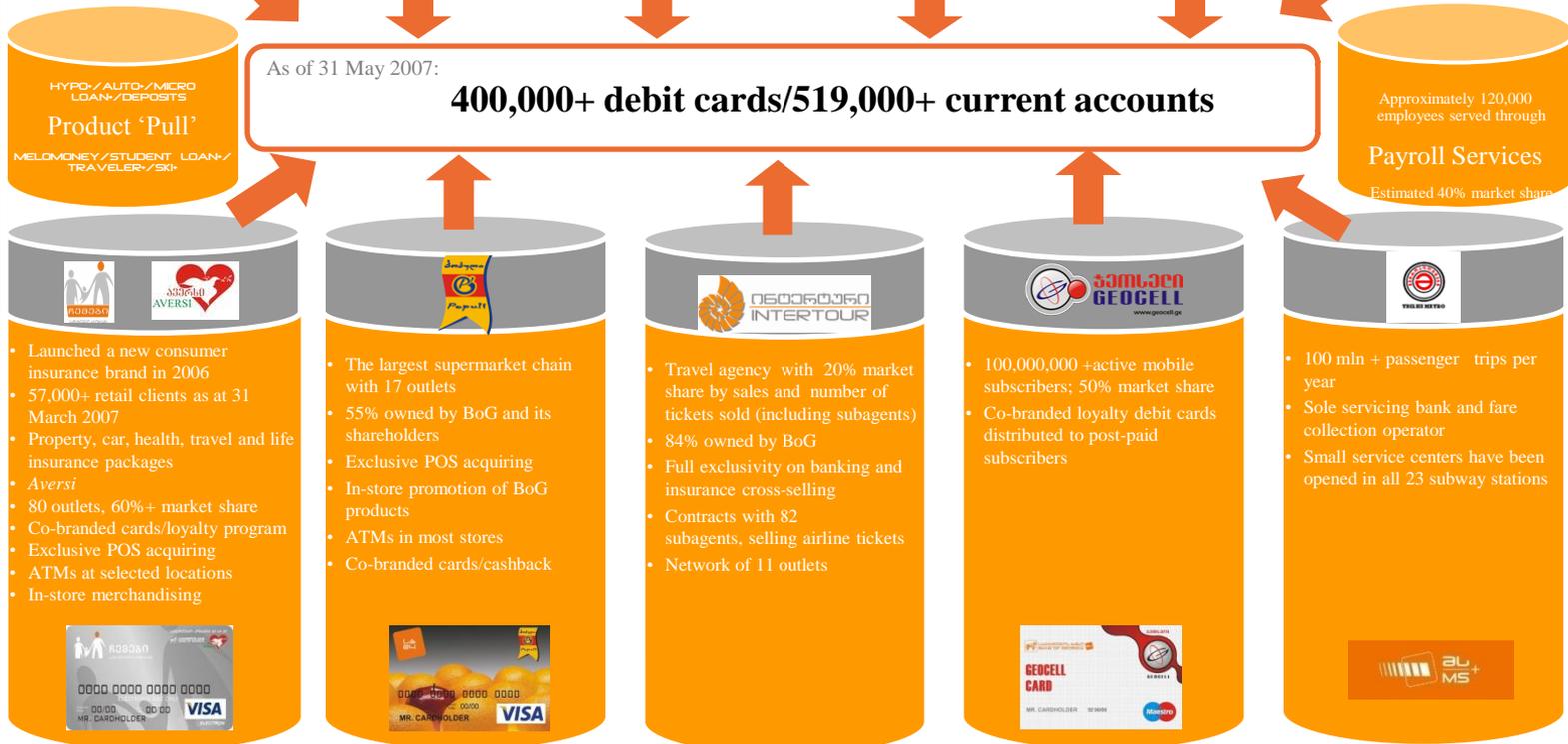
Service Delivery
Channels



As of 31 May 2007:
400,000+ debit cards/519,000+ current accounts

2006/2007
Investment Focus

Alternative
Customer
Acquisition
Channels



Extensive Distribution Network Of 103 Branches



As of April 31, 2007

Corporate & Investment Banking

Integrated client coverage in the following key sectors

- ☐ Construction & Real Estate
- ☐ Energy
- ☐ Fast Moving Consumer Goods
- ☐ Financial Institutions
- ☐ Foreign Organizations & Diplomatic Missions
- ☐ Pharmaceuticals & Healthcare
- ☐ Retail & Wholesale Trade
- ☐ State & Industry
- ☐ Telecommunications, Media & Technology
- ☐ Transport & Logistics
- ☐ SME

Overview

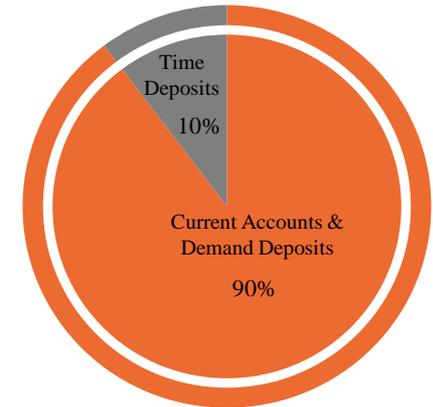
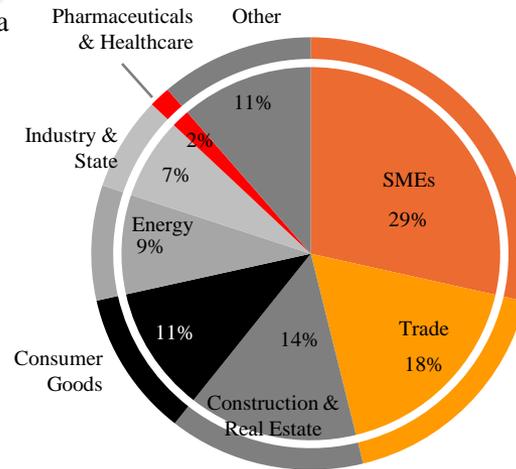
- ☐ No.1 corporate and investment bank in Georgia
- ☐ Circa 30% market share based on customer deposits⁽¹⁾
- ☐ Circa 27% market share based on corporate loans⁽¹⁾
- ☐ Integrated client coverage in key sectors
- ☐ 52,815 clients of which 3,088 served by dedicated relationship bankers
- ☐ High-profile clients include
 - ☐ Tbilisi Municipality
 - ☐ Millennium Challenge Georgia
 - ☐ Tbilisi Metro
 - ☐ Rompetrol
 - ☐ TAV Urban
 - ☐ Lukoil
 - ☐ Georgian Railway
 - ☐ Magti GSM
 - ☐ Geocell
 - ☐ Port of Poti
 - ☐ Port of Batumi
 - ☐ Iberia Refreshments (Pepsi Bottler),
 - ☐ Madneuli
 - ☐ Beeline
 - ☐ Saqamenti
 - ☐ GOGC
- ☐ Circa 50% market share in trade finance and documentary operations⁽²⁾
- ☐ Second largest leasing company in Georgia⁽²⁾ – Georgian Leasing Company (GLC)
- ☐ Galt & Taggart Securities – investment banking relationship platform for key corporate clients

Notes:

- (1) As of March 2007, source: National Bank of Georgia
- (2) Management estimates based on the NBG data



Corporate Loan Portfolio & Client Deposits (March 31, 2007)



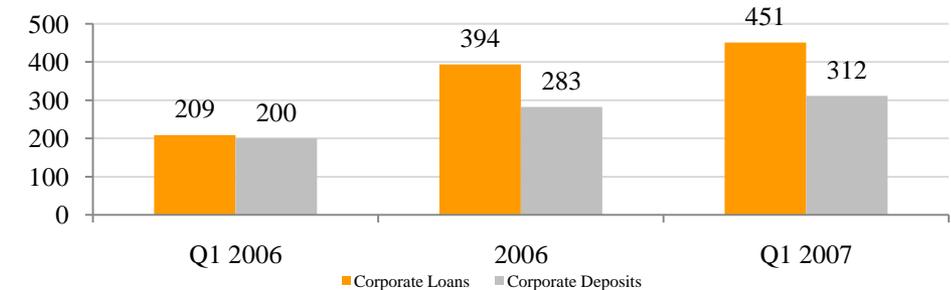
Total corporate loans **GEL 451 mln**

Total corporate deposits **GEL 312 mln**

Corporate Loan Portfolio & Client Deposits Growth⁽¹⁾

Growth, y-o-y, %

GEL mln



Notes:

- (1) Deposits include current accounts, demand deposits and time deposits

Aldagi & BCI (Insurance)

Size of the Georgian Insurance Market

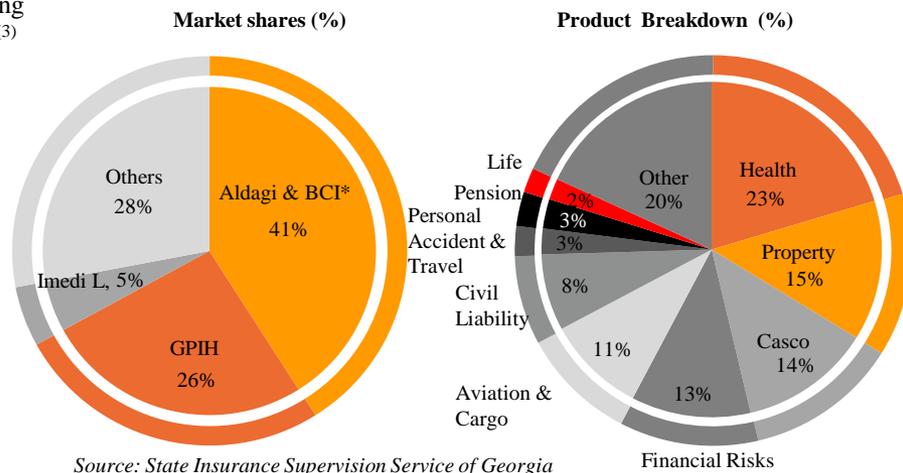
GEL mln	Q1'07	YE'06	YE'05
GPW	21.7	70	55
Claims Reimbursed	5.5	23	18

Overview

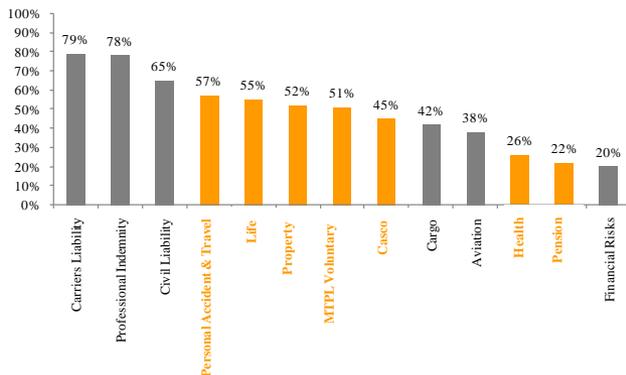
- Small insurance market (US\$41m GPW)⁽¹⁾⁽²⁾, but rapidly growing due to low insurance services penetration of circa 0.5% of GDP⁽³⁾
- Acquisition of BCI in November 2004 (GEL 3.9 mln)
- Acquisition of EuroPace in October 2005
- Acquisition of Aldagi in December 2006 (GEL13.2m)
- Launch of *Chemebi* brand in February 2006 as umbrella for five consumer product lines – motor, health, life, property and travel insurance
- Strict reinsurance policies with major reinsurers Hannover Re, Munich Re, AIG, Lloyds and SCOR

Notes:(1) Source: State Insurance Supervision Service of Georgia
 (2)Converted at GEL/US\$ 1.714
 (3) GDP 2006E

Georgian Insurance by GPW (Q1 2007)

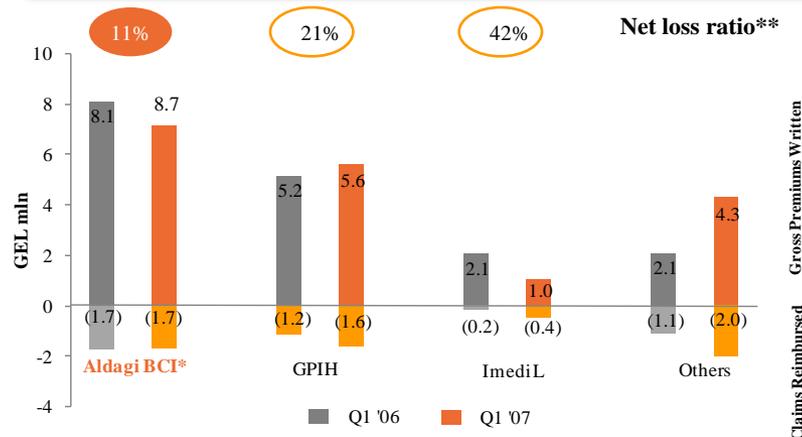


BCI & Aldagi ProForma Market Share by Product (Q1'07)*



Source: State Insurance Supervision Service of Georgia
 *Pro forma combined

Gross Premiums Written & Total Claims Reimbursed

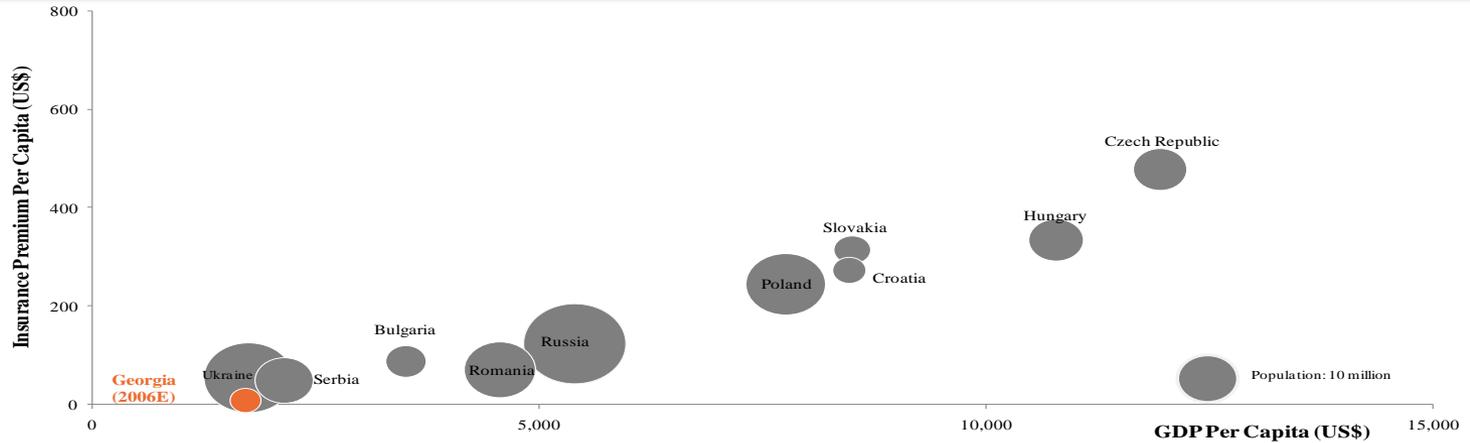


*Pro forma combined
 ** Net Loss Ratios equals Claims Reimbursed by Companies divided by Total Premiums Written



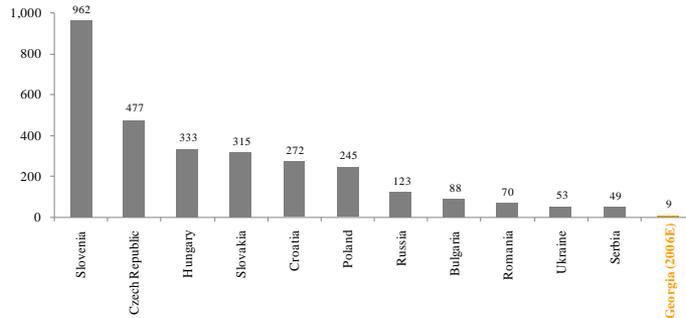
Georgian Insurance Market vs. EU & CEE/CIS

Insurance Premiums Per Capita vs. GDP Per Capita



Source: Swiss Re, Sigma No 5/2006, Georgian State Pension Supervision Agency, Galt & Taggart Securities' estimates

Insurance Density*, 2005



Source: Swiss Re, Sigma No 5/2006, Georgian State Pension Supervision Agency, Galt & Taggart Securities' estimates

*Gross Premiums Written Per Capita

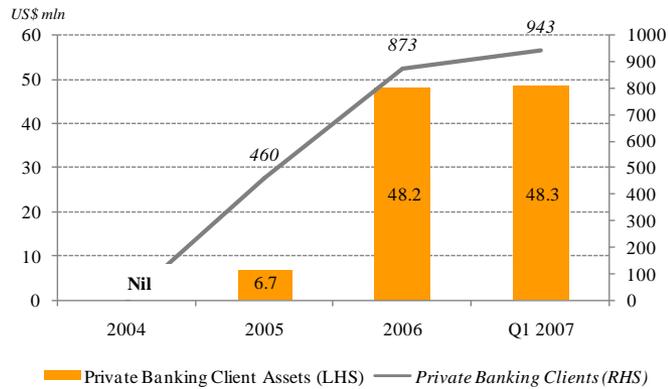
	GDP per Capita, PPP (2006E, US\$)	Penetration** (2005)	Density (2005, US\$)
Greece	23,500	2.2%	447
Czech Republic	21,600	4.0%	477
Hungary	17,300	3.1%	333
Poland	14,100	3.2%	245
Russia	12,100	2.3%	123
Bulgaria	10,400	2.5%	88
Turkey	8,900	1.6%	79
Ukraine	7,600	3.0%	53
Georgia (2006E)	3,800	0.5%	9

** Gross Premium Written As % of GDP

Source: Swiss Re, Sigma No 5/2006, Georgian State Pension Supervision Agency, Galt & Taggart Securities estimates, CIA World Factbook

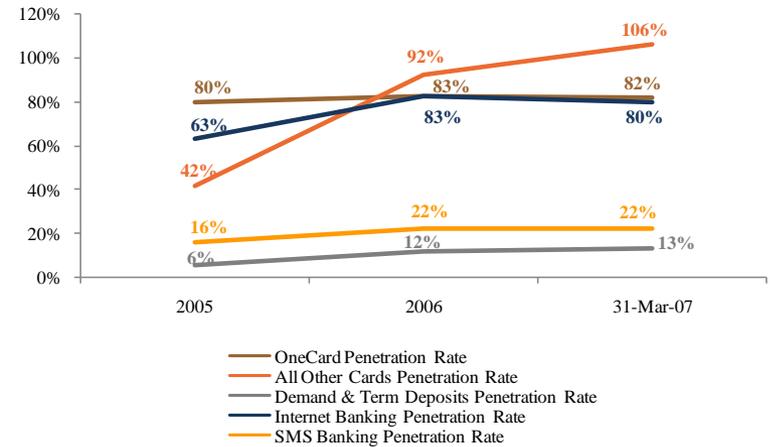
Wealth Management (WM) Performance Review

Private Banking Clients and Client Assets

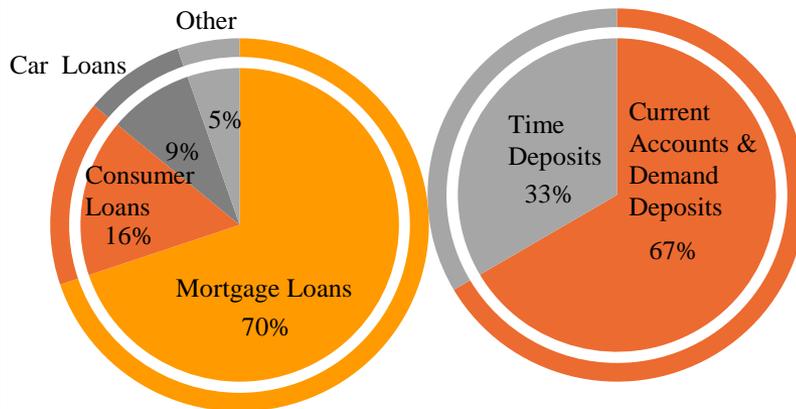


Notes: (1) Converted at exchange rates of GEL/US\$, 1.793 (2005), 1.714 (2006) and 1.700 (Q1 2007)
 (2) PB Client Assets include: Balances on OneCard Accounts, Credit Balances on Other Cards, Credit Balances On Regular Current Accounts, Demand & Time Deposits, Brokerage & Asset Management Accounts, Pensions

Private Banking Products Penetration



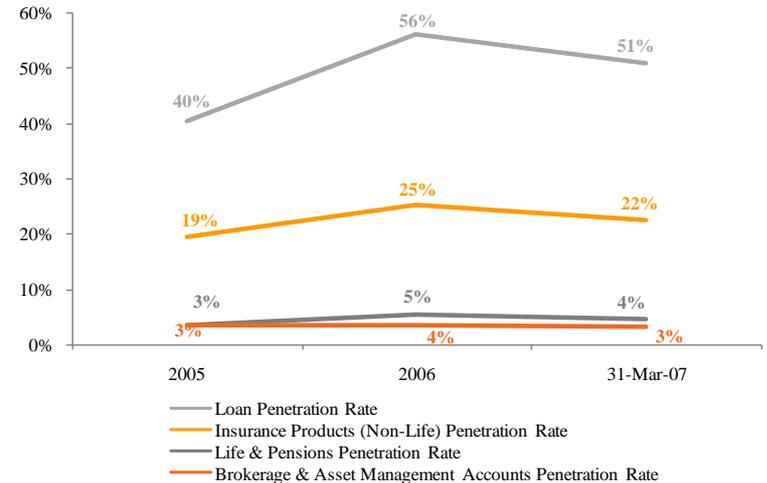
Private Banking Loans and Deposits (March 31, 2007)



Total PB loans GEL 30 mln

Total PB deposits GEL 54 mln

Private Banking Products Penetration

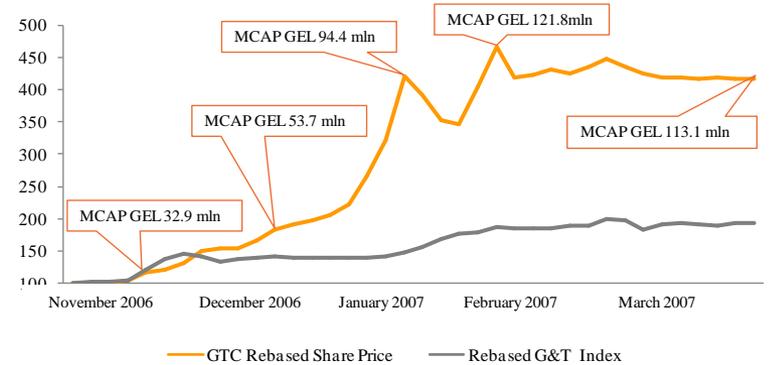


Asset Management Review

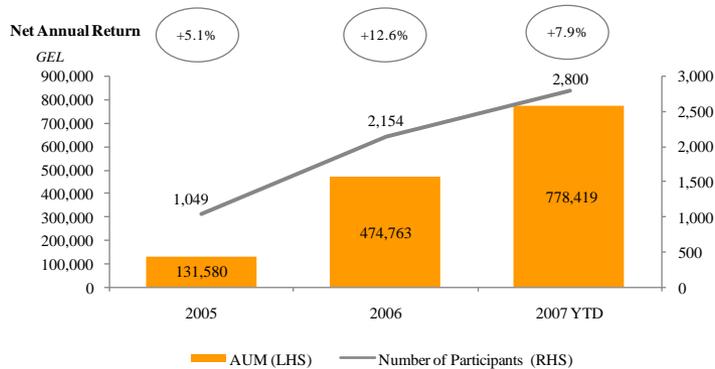
Asset Management Overview

- ☑ Galt & Taggart Capital (GSE: GTC)
- ☑ MCAP GEL 106 mln as of 30 May 2007
- ☑ Consumer goods, retail, business support services, TMT
- ☑ SB Real Estate
 - ☑ 10+ properties, mostly undeveloped
 - ☑ NAV >US\$15 mln
- ☑ Significant synergies with RB
- ☑ BCI Pension Fund
- ☑ Aspirations for
 - ☑ Retail asset management (manufacturing and open architecture distribution) in Georgia and Ukraine
 - ☑ Listed private equity focusing on the Caucasus/Caspian

GTC Share Price Performance & MCAP



BCI Pension Fund

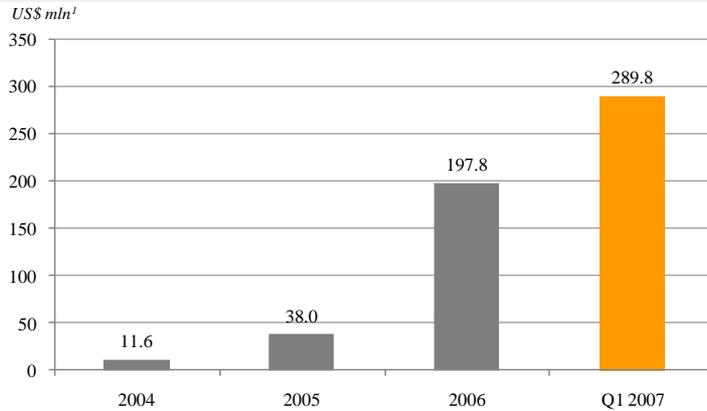


Selected Portfolio Companies



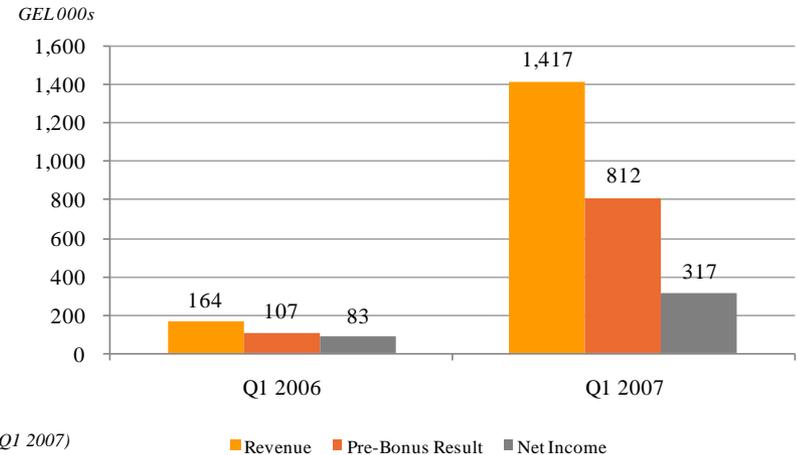
Galt & Taggart Securities

Client Assets Under Custody

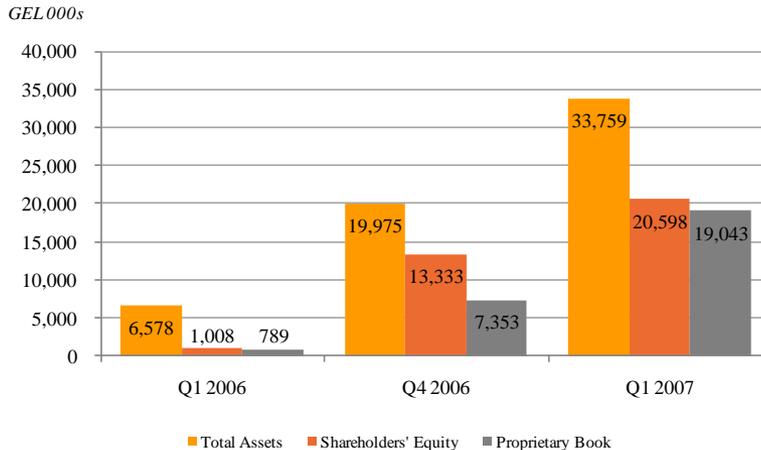


Note: (1) Converted at exchange rates of GEL/US\$ 1.825 (2004), 1.793 (2005), 1.714 (2006) and 1.700 (Q1 2007)

Revenue & Net Income



Total Assets, Proprietary Book & Equity



Galt & Taggart Securities Overview

- 🏠 Georgia & Ukraine, pan-CIS ambitions
- 🏠 Agency brokerage, research, sales & trading
- 🏠 M&A and Corporate Finance advisory
- 🏠 DCM, ECM and corporate broking
- 🏠 Registrar and custody services
- 🏠 10 FTEs in Georgia and 20 FTEs in Ukraine



Placement of
12,495,519 shares
&
Introduction to the
Georgian Stock
Exchange

Sole Placement Agent



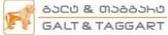
May 2007



GEL 1,800,000

Rights Issue

Sole Placement Agent



March 2007

Selected Transactions 2006

BCI სანაზღვრო კომპანია
INSURANCE COMPANY

GEL 13,200,000
Acquisition of a 100%
equity interest in



JSC Aldagi

Sole Adviser



ბანკი & მენეჯმენტი
GALT & TAGGART

December 2006

 სანაზღვრო ბანკი
BANK OF GEORGIA

**Acquisition of assets
and liabilities of**



Sole Adviser



ბანკი & მენეჯმენტი
GALT & TAGGART

February 2006

 UNITED TELECOM of GEORGIA

GEL 2,570,052
Block Trade

Broker



ბანკი & მენეჯმენტი
GALT & TAGGART

December 2006

 UNITED TELECOM of GEORGIA

**Admission to trading on
the Georgian Stock
Exchange**

Coordinator & Market-maker



ბანკი & მენეჯმენტი
GALT & TAGGART

April 2006

 სანაზღვრო ბანკი
BANK OF GEORGIA

US\$159,843,723
Initial Public Offering
on the
London Stock Exchange

8,880,207 shares in the form of
Global Depository Receipts

Selling Agent



ბანკი & მენეჯმენტი
GALT & TAGGART

November 2006

 ბანკი & მენეჯმენტი
GALT & TAGGART CAPITAL

GEL 6,155,625
Placement of 10,259,375
Shares & Admission to
trading on the Georgian
Stock Exchange

Sole Placement Agent



ბანკი & მენეჯმენტი
GALT & TAGGART

November 2006

 სანაზღვრო ბანკი
BANK OF GEORGIA

US\$25,000,000
Subordinated
Convertible Loan
Facility From



Sole Adviser



ბანკი & მენეჯმენტი
GALT & TAGGART

October 2006

 სანაზღვრო ბანკი
BANK OF GEORGIA

US\$5,000,000
10-year Subordinated
Loan Facility from



Sole Adviser



ბანკი & მენეჯმენტი
GALT & TAGGART

August 2006

 პაპული
Papuli

GEL 2,046,328
Placement of 25%
of share capital to

**EAST CAPITAL
Ostinvestor**

Sole Placement Agent



ბანკი & მენეჯმენტი
GALT & TAGGART

May 2006

 პროკრედიტ ბანკი
ProCredit Bank

GEL 5,000,000
Private placement of
15% one-year zero
coupon bonds

Sole Underwriter



ბანკი & მენეჯმენტი
GALT & TAGGART

December 2006

Contact

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Board*

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Irakli Gilauri

Chief Executive Officer

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Macca Ekizashvili

Head of Investor Relations

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ir@bog.ge

Appendices



Bank of Georgia Overview

Bank of Georgia Development Milestones

Development Period	2000-3Q 2004	4Q2004	2005	2006	2007 YTD	Growth Since YE 2003
<i>New Management Team Takes Over</i>						
<p> The bank has tripled in size under new management</p> <p> Unique management team composition for a CIS bank</p> <p> Stellar acquisition and integration track record</p> <p> Increasingly diversified revenue stream</p> <p> An established borrower in international markets</p> <p> Unprecedented level of institutional interest. Institutional ownership >80% unique for a CIS bank</p>	<p>IFRS Consolidated ⁽¹⁾ FY 2003</p> <p>Total Assets (e-o-p) US\$111 mln</p> <p>Loan Book (e-o-p) US\$73 mln</p> <p>Client Deposits (e-o-p) US\$57 mln</p> <p>Equity (e-o-p) US\$26 mln</p> <p>MCAP (e-o-p) US\$20 mln</p> <p>Number of Western-Trained Professionals 0</p> <p>Key Acquisitions</p> <p>Key Business Lines</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking</p> <p>Key Lenders</p> <p>BSTDB DEG AKA Bank EBRD IFC</p>	<p>FY 2004</p> <p>US\$199 mln</p> <p>US\$104 mln</p> <p>US\$138 mln</p> <p>US\$30 mln</p> <p>US\$35 mln</p> <p>6</p> <p>TUB BCI Georgian Card</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance</p> <p>KiW US\$3.5 mln guarantee facility EBRD US\$10 mln facility GEL 2.0 mln bond placement Commerzbank US\$ 3.8 mln</p> <p>37%</p>	<p>FY 2005</p> <p>US\$257 mln</p> <p>US\$175 mln</p> <p>US\$151 mln</p> <p>US\$51 mln</p> <p>US\$69 mln</p> <p>15</p> <p>Galt & Taggart GLC Europace</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions</p> <p>50%</p>	<p>FY 2006</p> <p>US\$725 mln</p> <p>US\$433 mln</p> <p>US\$338 mln</p> <p>US\$216 mln</p> <p>US\$567mln</p> <p>20+</p> <p>IntellectBank, acquisition of assets & liabilities Merchant banking acquisitions Galt & Taggart Ukraine established 9.9% of a Ukrainian bank acquired Aldagi</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking POS Consumer Loans Merchant Banking</p> <p>World Business Capital US\$10 mln loan with OPIC guarantee Citigroup US\$25 mln unsecured term loan Thames River Capital US\$5 mln subordinated loan Merrill Lynch US\$25 mln convertible subordinated loan HBK Investments US\$25 mln convertible subordinated loan</p> <p>85%</p>	<p>31 March 2007</p> <p>US\$961 mln</p> <p>US\$491 mln</p> <p>US\$354 mln</p> <p>US\$227 mln</p> <p>US\$745 mln</p> <p>20+</p> <p>Merchant Banking Acquisitions</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking POS Consumer Loans Merchant Banking Asset Management</p> <p>FMO US\$12.5 mln seven year loan* US\$200 mln debut Regulation S 5-year unsecured Eurobond</p> <p>85%</p>	<p>766%</p> <p>573%</p> <p>521%</p> <p>773%</p> <p>3625%</p>

Notes: (1) Converted at exchange rates of GEL/US\$ of 2.075 (2003), 1.825 (2004), 1.793 (2005) and 1.714 (2006)

(2) Growth rates calculated using amounts in US\$

* Signed in December 2006, disbursed in January 2007



Bank Of Georgia – Our Vision & Mission

One Firm

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

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

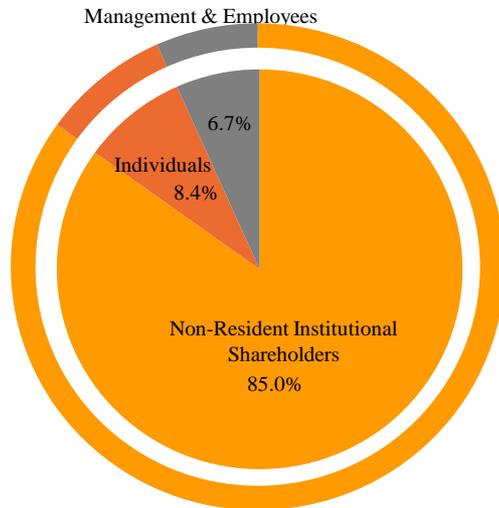
Our *mission* is to create long-term value by building a relationship-driven, client-facing integrated financial services company based on the core values of *excellence in execution, teamwork, integrity and trust*

	Objectives set in October 2004	Status YE 2006
Retail Banking	<ul style="list-style-type: none"> ▪ The largest Georgian retail bank, offering consumers the broadest range of services through multiple channels 	✓ Achieved
Corporate & Investment Banking	<ul style="list-style-type: none"> ▪ A leader in corporate banking, bank of choice for inbound foreign corporates ▪ The undisputed leader in investment banking ▪ Integrated offering to large corporates through strong client coverage culture 	✓ Achieved ✓ Achieved ✓ Achieved
Insurance	<ul style="list-style-type: none"> ▪ A leading player in the non-life sector, cross-selling insurance to corporates ▪ A leading life insurance and pensions provider 	✓ Achieved ✓ Achieved
Asset & Wealth Management	<ul style="list-style-type: none"> ▪ The undisputed domestic leader in wealth management, with niche appeal to sophisticated non-resident investors ▪ A leading player in domestic private equity and venture capital 	✓ Achieved ✓ Achieved

Bank of Georgia Price Performance

Ownership Structure & Share Price Performance

Ownership structure, Q1 2007



31-Mar-07	GDRs*	Call Warrants**	Local Shares	Total	%
Institutional Shareholders	11,481,836	3,500,000	6,464,539	21,446,375	85.0%
Individual Shareholders	-	-	2,114,877	2,114,877	8.4%
Management and Employees	850,000	-	833,357	1,683,357	6.7%
Fully Vested	68,667	-	782,843	851,510	3.4%
Awarded but unvested	137,333	-	50,514	187,847	0.7%
Employee Benefit Trust	644,000	-	-	644,000	2.6%
Total Shares Outstanding	12,331,836	3,500,000	9,412,773	25,244,609	100%
Adjusted for Galt & Taggart Securities' Proprietary Book ⁽¹⁾	-	-	(343,887)	(343,887)	-1.4%
Adjusted Total Shares Outstanding	12,331,836	3,500,000	9,068,886	24,900,722	

Dilution Projections				
Conversion of the HBK Investments subordinated loan ⁽²⁾	-	-	1,157,407	1,157,407
Guaranteed share compensation ⁽³⁾	-	-	83,335	83,335
EuroPace Hold Back	-	-	95,000	95,000
Employee Benefit Trust ⁽⁴⁾	650,000	-	-	650,000
Diluted Shares	12,981,836	3,500,000	10,404,628	26,886,464
Galt & Taggart Securities' Proprietary Book	-	-	343,887	343,887
Fully Diluted Shares	12,981,836	3,500,000	10,748,515	27,230,351

¹ Treated as treasury shares as per IFRS

² May convert at any time through 29 September 2008

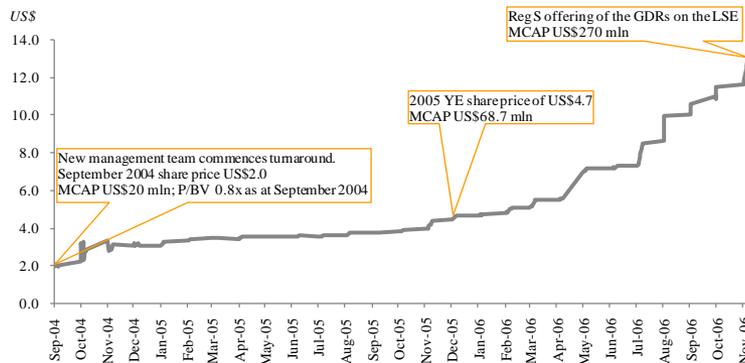
³ To be issued in nine monthly installments of 13,889 shares through September 2007

⁴ To be authorized and issued at the next AGM

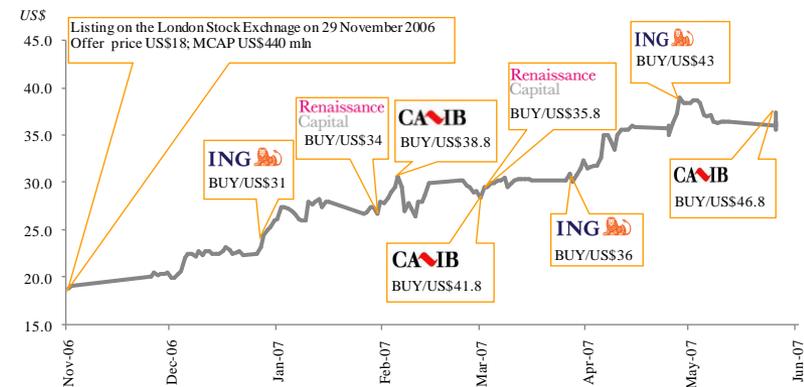
* Bank of New York acts as depositary bank of the Bank of Georgia GDR holders following the initial public offering of the bank's shares in the form of GDRs on the London Stock Exchange in late November and early December 2006

** Bank Austria Creditanstalt holds shares on behalf of call warrants on Bank of Georgia's shares, which are listed on Vienna Stock Exchange

Bank of Georgia Share Price Performance

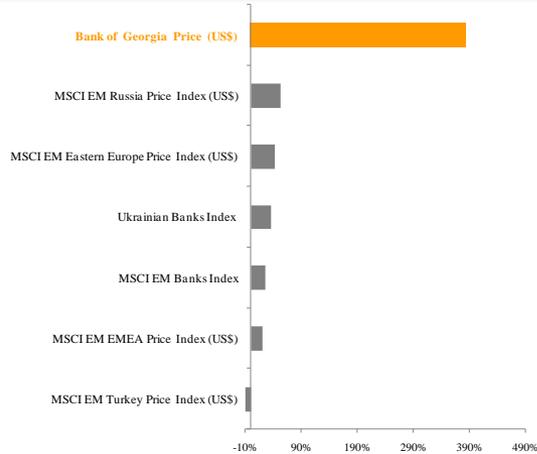


Bank of Georgia GDR Price Performance

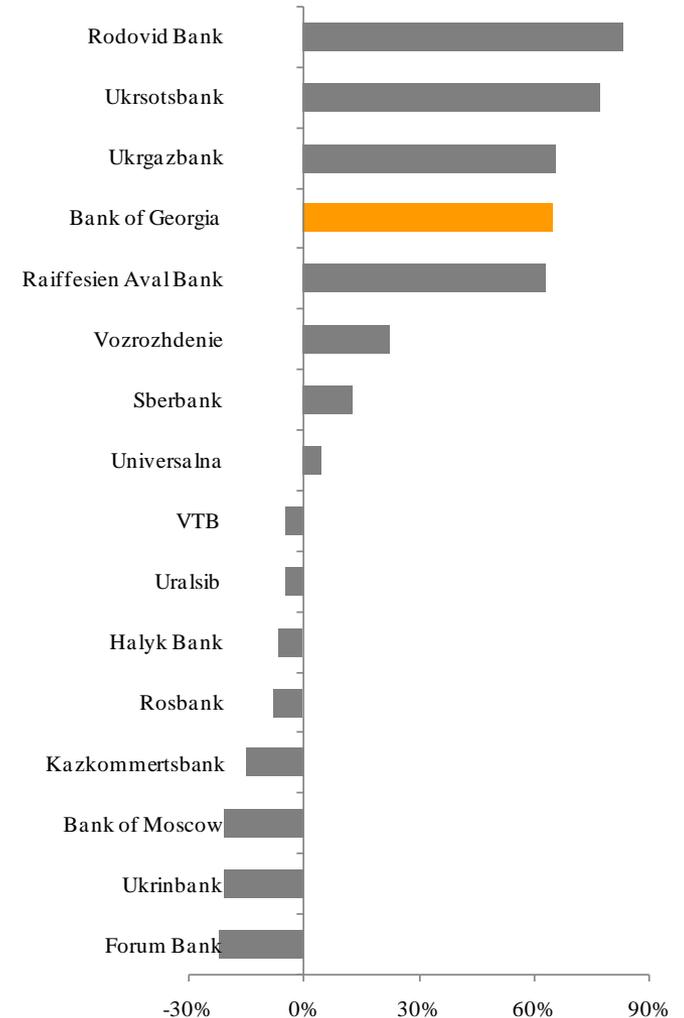


2006-2007YTD Price Performance

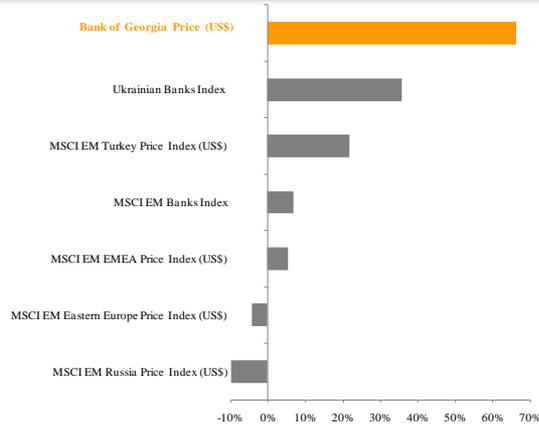
Bank of Georgia Price vs. Selected MSCI Indices, 2006



Bank of Georgia Price vs. CIS Banks YTD Price Performance



Bank of Georgia Price vs. Selected MSCI Indices, 2007YTD



Source: Galt & Taggart Securities

Source: Galt & Taggart Securities

Analyst Coverage



Analyst	Email	Recommendation	Date of Recommendation
Milena Ivanova	ivanovam@ca-ib.com	BUY/US\$46.8	18 June 2007



Analyst	Email	Recommendation	Date of Recommendation
Andrzej Nowaczek	andrzej.nowaczek@uk.ing.com	BUY/US\$43.0	1 June 2007



Analyst	Email	Recommendation	Date of Recommendation
David Nangle	Dnangle@rencap.com	BUY/US\$35.8	7 March 2007

Georgian Banking Sector – Key Trends 2006/2007

Georgian Banking Sector – Key Trends 2006/2007

GEL/US\$

Period End
YE 2005= 1.79
YE 2006= 1.71
Q1 2007=1.70

(US\$m)	YE 2005	YE 2006	As % of GDP*	Q1 2007	Growth		Market Share (YE 2006)		Market Share (Q1 2007)	
					2006 Y-O-Y	Q1 2007 YTD	Top 5 Banks	Bank of Georgia	Top 5 Banks	Bank of Georgia
Total Assets	1,421	2,467	30.8%	2,756	65.9%	10.8%	80.1%	27.9%	79.7%	33.0%
Gross Loans	965	1,565	19.5%	1,763	55.0%	11.8%	83.2%	26.5%	83.0%	27.6%
Deposits	858	1,359	17.0%	1,412	51.4%	3.1%	82.2%	24.5%	83.1%	24.8%
Shareholders' Equity	267	524	6.5%	564	87.4%	6.7%	78.3%	39.9%	75.4%	38.2%
Net Income	35	54	0.7%	15	50.5%	NMF	80.8%	23.6%	79.6%	26.7%

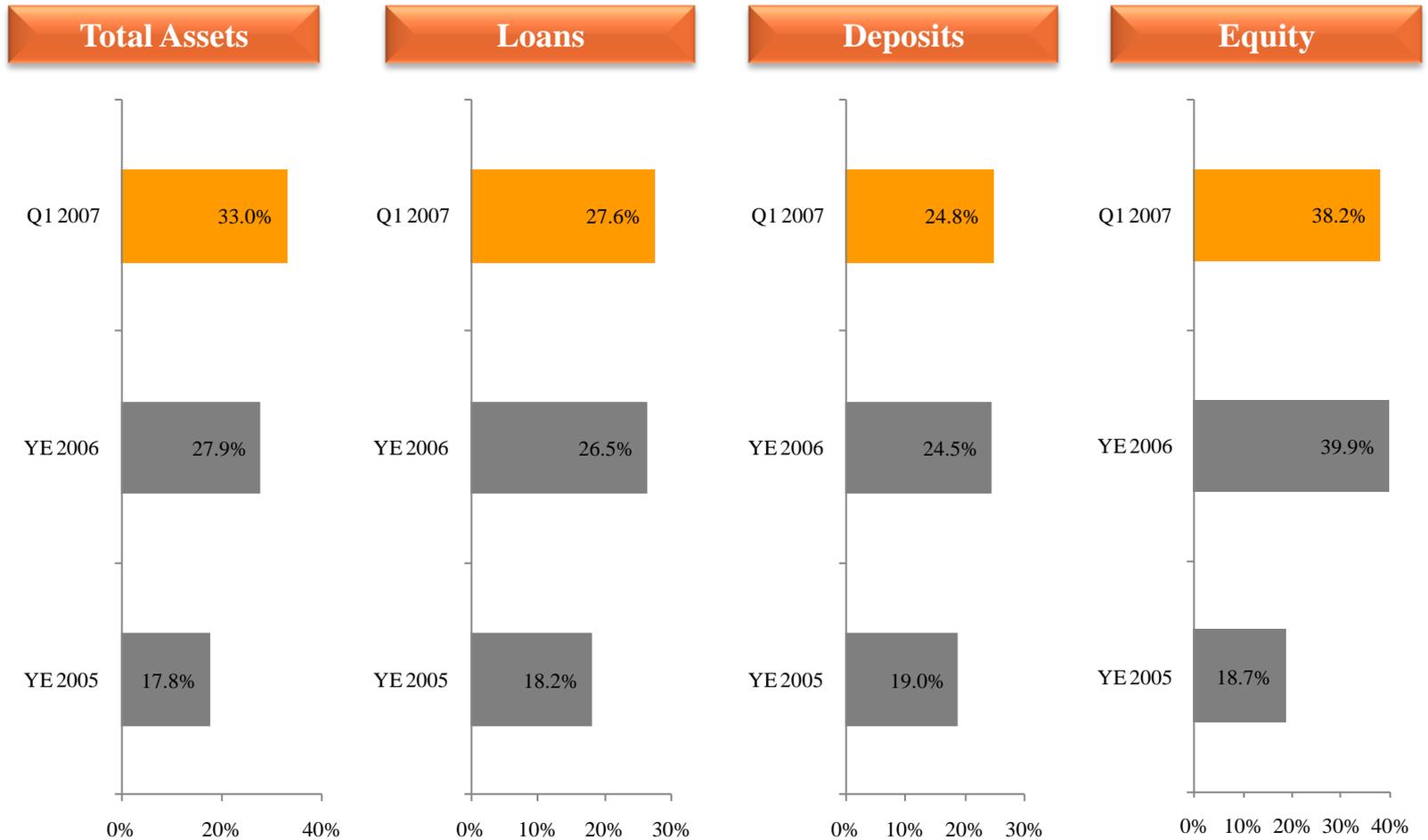
- ☐ 18 banks as at 31 March 2007
 - ☐ Minimum capital requirement GEL 12 mln and growing
 - ☐ Consolidation underway
 - ☐ No state ownership since 1995
 - ☐ Very open to foreign ownership
 - ☐ All leading banks have meaningful foreign capital participation
 - ☐ Significant IT/infrastructure and marketing spend drives increasing retail banking penetration
 - ☐ Increasing adoption of the universal banking business model, following the lead of **Bank of Georgia**
 - ☐ Increasing availability of non-deposit funding key to sustained growth
 - ☐ Four top banks are rated
 - ☐ Domestic bonds, Eurobonds, CLNs, unsecured term loans, syndicated loans, subordinated debt
 - ☐ A small structural funding gap exists
 - ☐ Real estate boom competes for consumer savings
 - ☐ The economy and consumers significantly underlent (all-in consumer debt per capital US\$68 at YE 2006)

Note: All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

* 2006 Total Assets/2006 GDP, 2006 Gross Loans/2006 GDP, 2006 Deposits/2006 GDP, 2006 Equity/2006 GDP, 2006 Net Income/2006 GDP



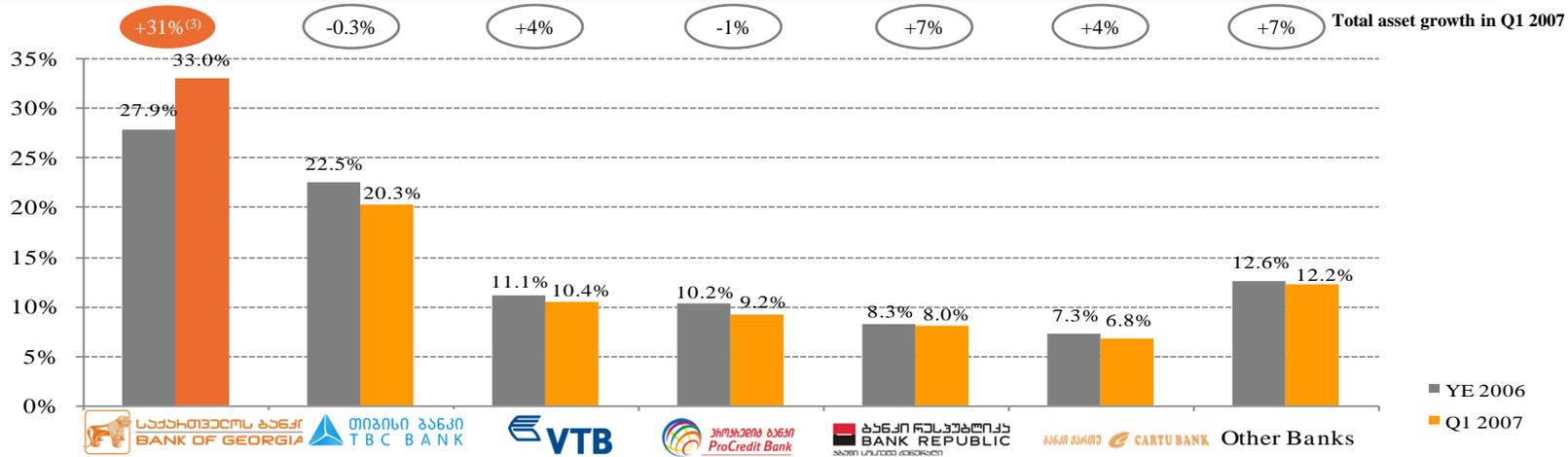
Bank of Georgia Market Share Evolution



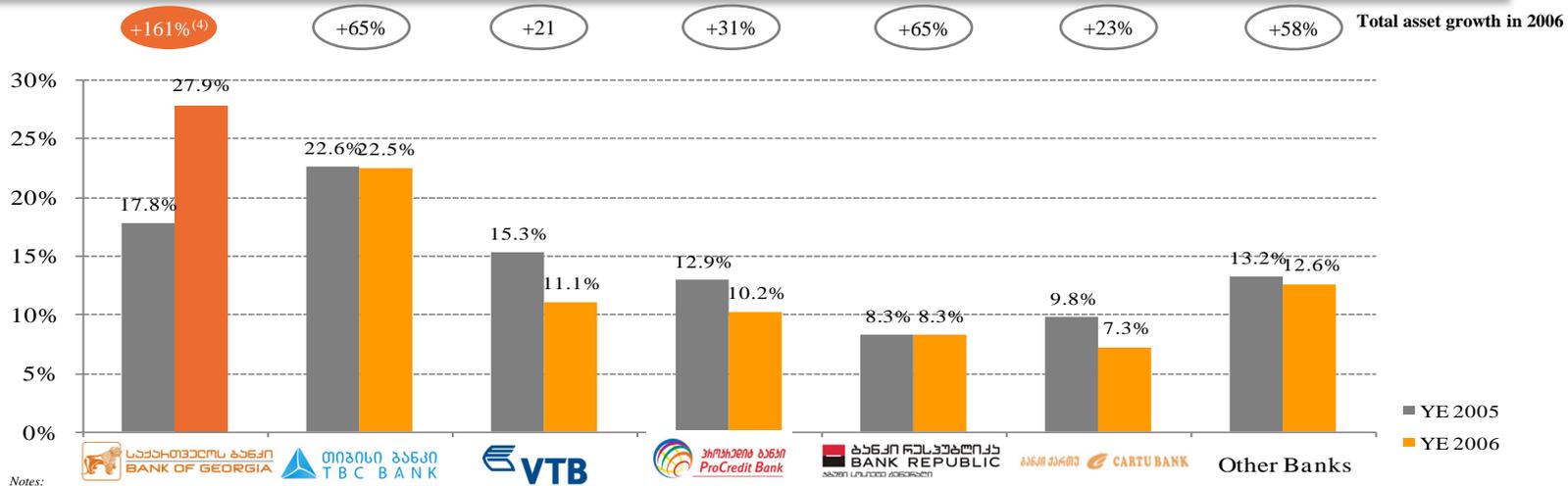
Note: All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Peer Group's Market Share In Total Assets

Peer Group's market shares in Total Assets, Q1 2007



Peer Group's market shares in Total Assets, YE 2006



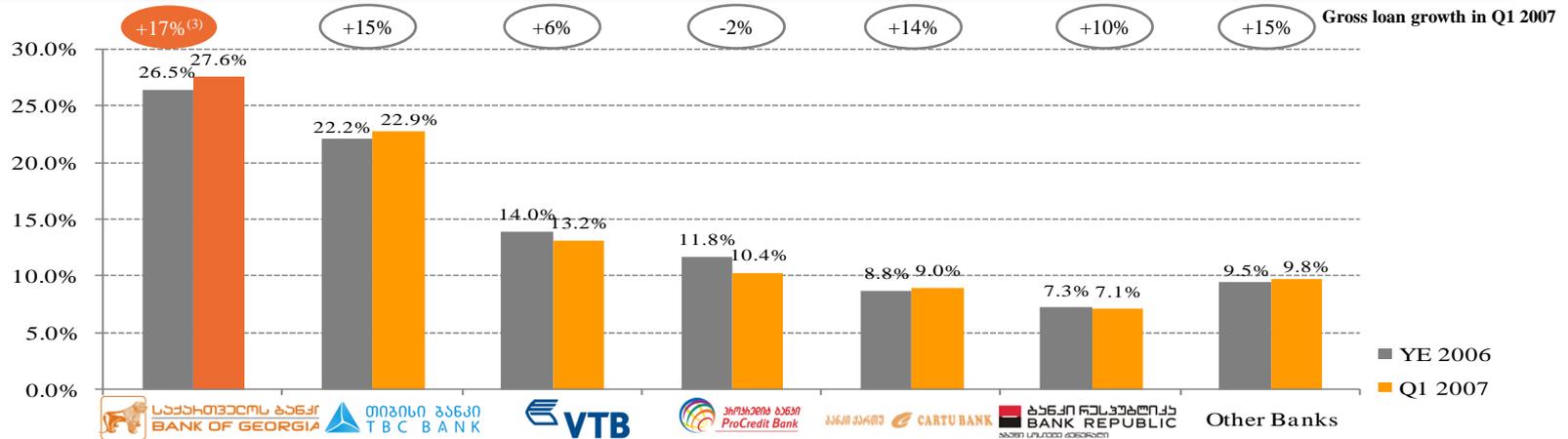
Notes:

- (1) All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge
- (2) Change in peer group total assets calculations based on GEL values
- (3) Consolidated year-to-date growth of 34.6% total assets
- (4) Consolidated y-o-y growth of 162.2% in total assets

GEL/US\$
Period End
YE 2005= 1.79
YE 2006 = 1.71
Q1 2007=1.70

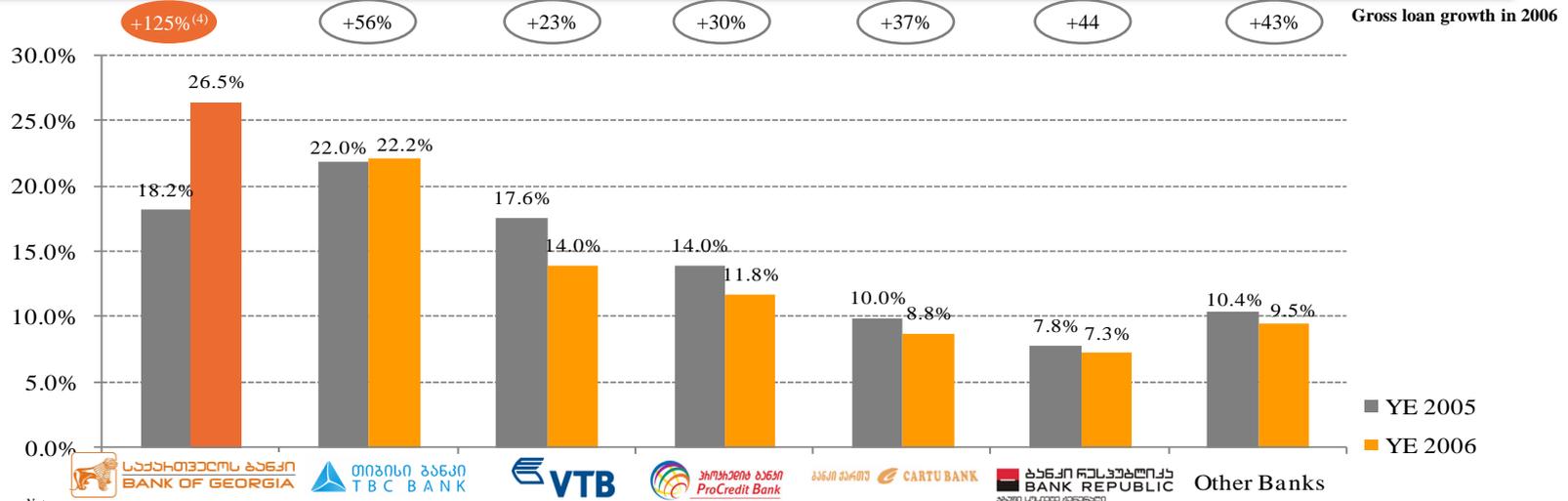
Peer Group's Market Share In Gross Loans

Peer Group's market shares in Gross Loans, Q1 2007



GEL/US\$
 Period End
 YE 2005= 1.79
 YE 2006 = 1.71
 Q1 2007=1.70

Peer Group's market shares in Gross Loans, YE 2006

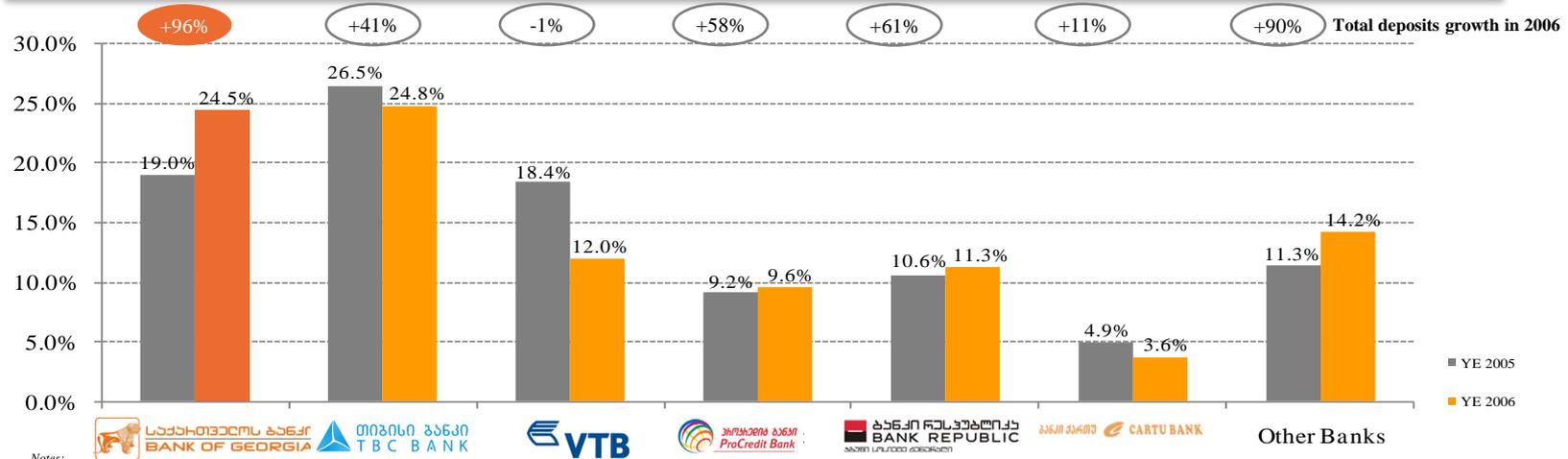
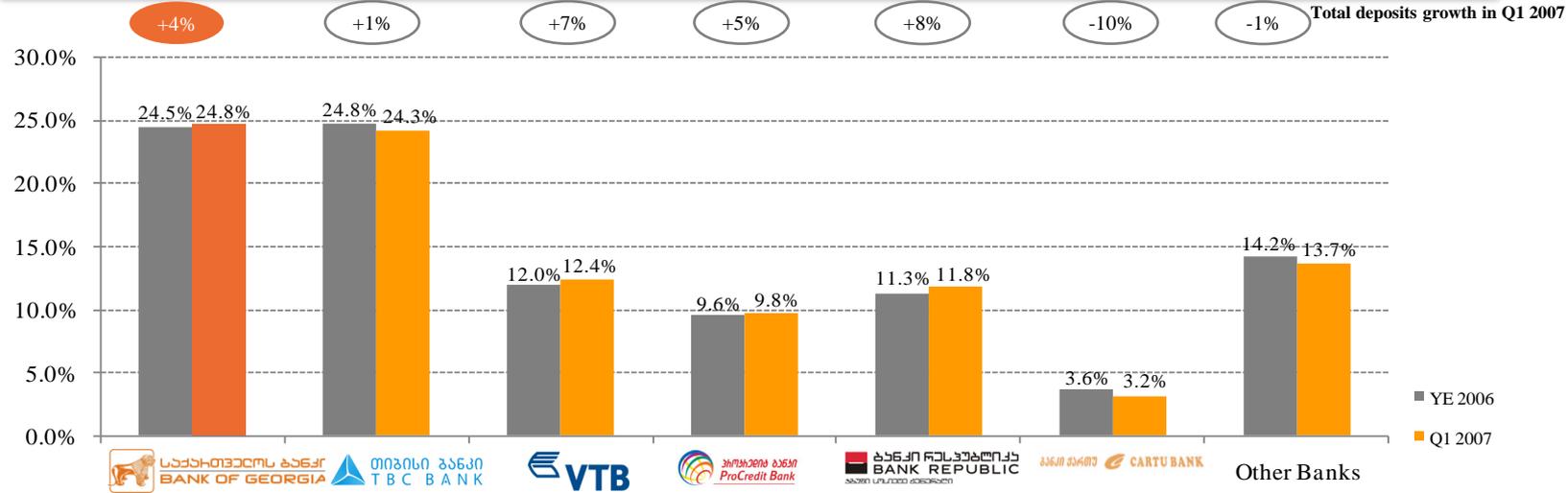


Notes:

- (1) All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge
- (2) Change in peer group gross loans calculations based on GEL values
- (3) Consolidated year-to-date growth of 16.8% gross loans
- (4) Consolidated y-o-y growth of 130.3% in gross loans

Peer Group's Market Share In Total Deposits

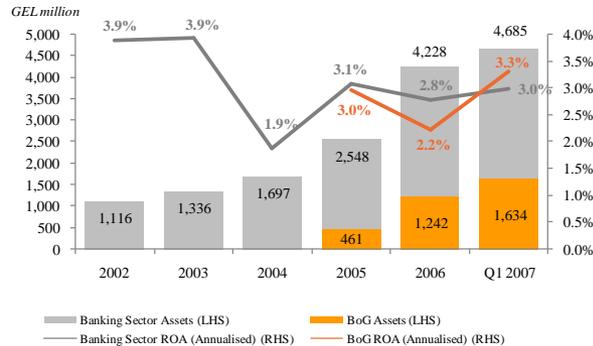
Peer Group's market shares in Total Deposits, Q1 2007



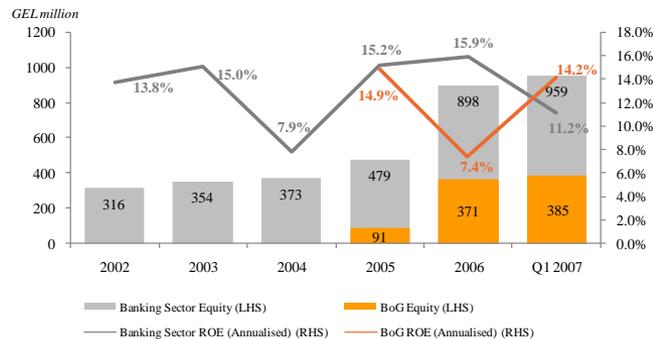
Notes:
 (1) All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge
 (2) Change in peer group gross loans calculations based on GEL values

The Georgian Financial Services Sector – Overview cont'd

Banking Sector Assets & ROA



Banking Sector Equity & ROE



- ❏ Tough regulatory regime with pronounced safety bias suppresses sector ROE
- ❏ CAR and prudential Liquidity requirements much higher than BIS
- ❏ Mandatory reserves 13% on FX and 4% on GEL liabilities

- ❏ All other segments of the financial services sector small and dominated by banks, very open to foreign ownership

Insurance

- ❏ GPW of GEL 70 mln (0.5% of GDP) in 2006
- ❏ YOY growth rate of 26%
 - ❏ Health insurance growing rapidly
 - ❏ No mandatory insurance growth drivers
 - ❏ No salary schemes

- ❏ Bank-owned insurance companies account for 75%+ of GPW

- ❏ Top three insurance companies account for 70%+ of GPW

- ❏ **Aldagi BCI**, wholly-owned by BoG, has market share of approximately 41%

Leasing

- ❏ Small, non-bank funding constrained
- ❏ Two bank-owned companies dominate the market
- ❏ **Georgian Leasing Company**, wholly-owned by BoG, has market share of approximately 25%

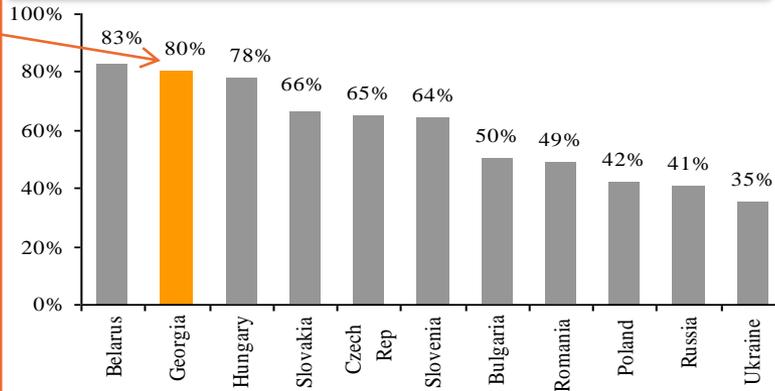
Broker-Dealers

- ❏ 2006 equities trading volume US\$99 mln, up 184% YOY
- ❏ Negligible local-currency fixed income issuance volumes
- ❏ Institutional investors increasingly active in the market, drive the volume
- ❏ **Galt & Taggart Securities**, wholly-owned by BoG, accounted for 90% of the equities trading volume in 2006

Market Potential And High Degree Of Concentration

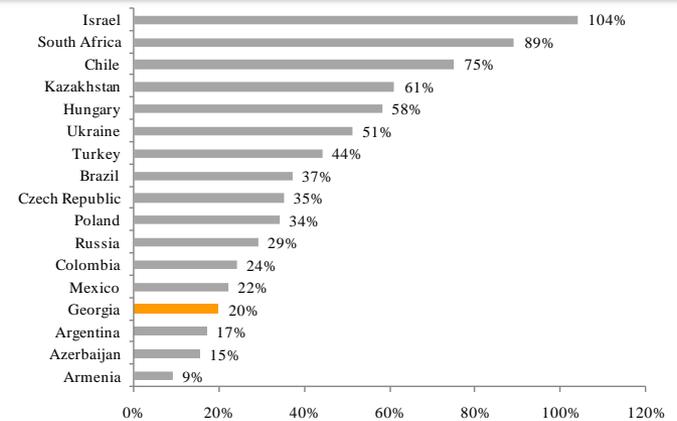
The second highest degree of market concentration in CEE benefits large, entrenched domestic players

Market Shares of Top 5 Banks by Assets



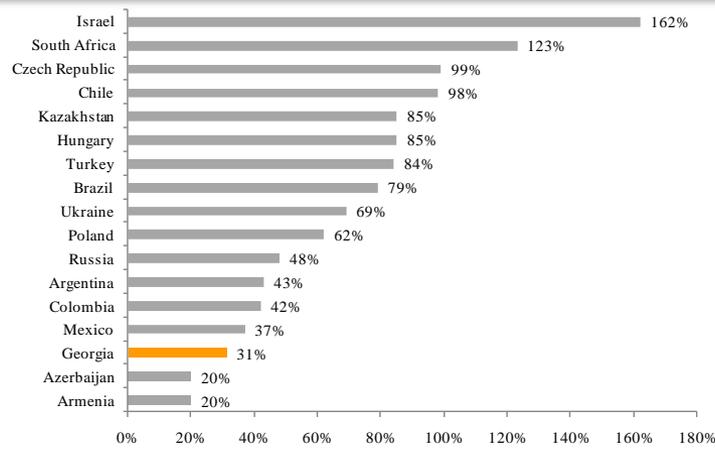
Sources: Georgia data from the NBG as of 31 December 2006, other countries data from JP Morgan, RZB

Gross Loans to GDP (% , 2006E)



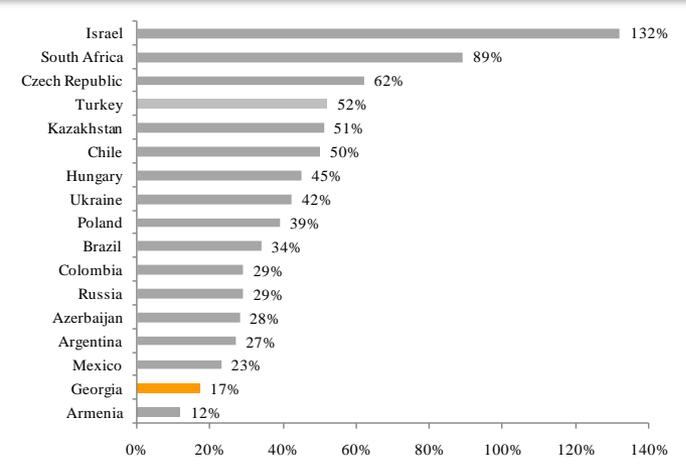
Note: 2006 actual Azerbaijan and Armenia
Source: Georgia banking sector data from the NBG as of 31 December 2006, GDP Galt & Taggart Securities estimate; other countries data from Deutsche Bank

Banking Assets to GDP (% , 2006E)



Note: 2006 actual data Azerbaijan and Armenia
Source: Georgia data from the NBG as of 31 December 2006, GDP Galt & Taggart Securities estimate; other countries data from Deutsche Bank

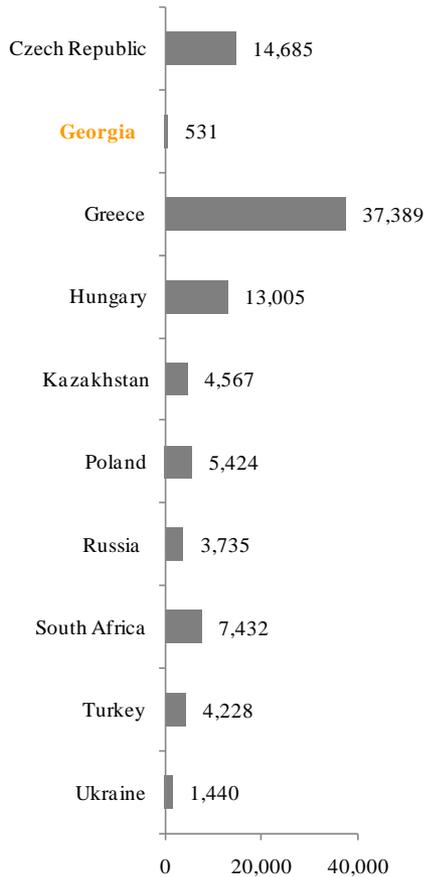
Deposits to GDP (% , 2006E)



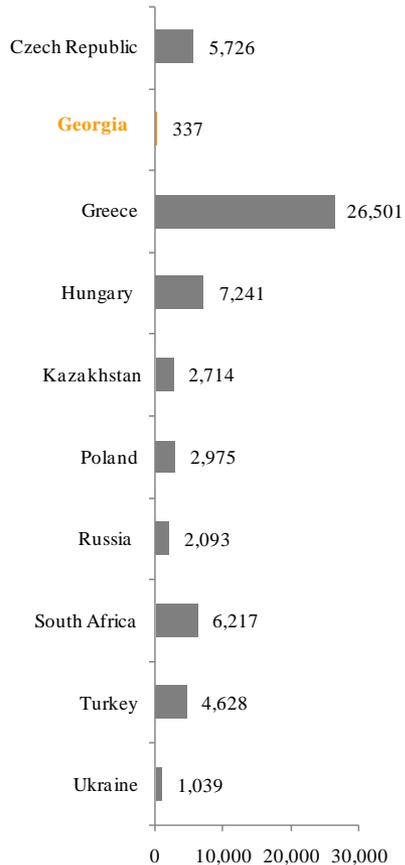
Note: 2006 actual data for Azerbaijan and Armenia
Source: Georgian banking sector data from the NBG as of 31 December 2006, GDP Galt & Taggart Securities estimate; other countries data from Deutsche Bank

The Georgian Banking Sector In The Regional Context

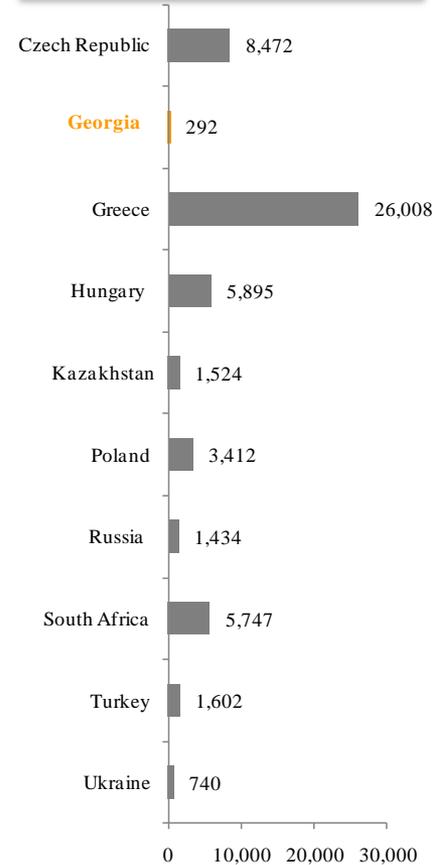
**Banking Assets Per Capita
YE 2006E (US\$)**



**Gross Loans Per Capita
YE 2006E (US\$)**



**Deposits Per Capita
YE 2006E (US\$)**



Source: Galt & Taggart Securities

The Georgian Economy

The Georgian Economy

- ⌘ High GDP growth
- ⌘ Stable currency
- ⌘ Strong fiscal performance
- ⌘ **Low level of dependence on a single source of energy supply**
- ⌘ Increasing consumer spending with very low levels of consumer indebtedness
- ⌘ Significant government spending on infrastructure, driving productivity growth
- ⌘ Reasonable interest rate environment
- ⌘ No currency or capital controls since the mid-1990s
- ⌘ No state ownership of banks since mid-1990s
- ⌘ New simplified tax code, with reduced payroll tax and VAT, and flat 12% personal income tax
- ⌘ The majority of customs duties abolished, simplified new customs code, GSP + regime with EU and Turkey
- ⌘ Extensive deregulation and liberalization
- ⌘ Large-scale privatisation nearly complete
- ⌘ Significantly reduced corruption
- ⌘ Improving corporate governance practices
- ⌘ Increased foreign investor activity (2006 FDI 14% of GDP)
- ⌘ **Ahead of most CIS economies in the 2005 EBRD Transition Indicators, third lowest level of 'corruption'**
- ⌘ **Named number one reformer by World Bank (Doing Business 2006), 37th position worldwide (up from 122nd a year ago)**
- ⌘ **Well ahead of its CIS peers in the Heritage Foundation 2006 Index of Economic Freedom (35th position worldwide)**

Increasing
recognition of
Georgia's
successful
economic growth



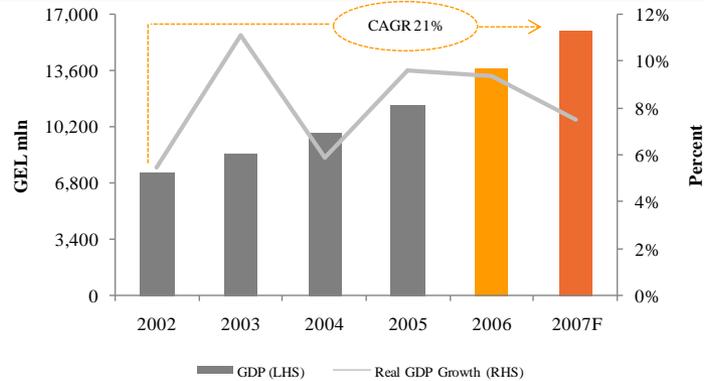
The Georgian Economy At A Glance

	2003	2004	2005	2006
Economic Activity				
Nominal GDP (US\$ mln)	3,995	5,166	6,401	7,778
Nominal GDP (GEL mln)	8,582	9,846	11,629	13,784
Real GDP Growth (y-o-y; %)	11.1	5.9	9.3	9.4
GDP per Capita (US\$)	877	1,139	1,416	1,763
Population (e-o-p; mln)	4.6	4.5	4.5	4.4
Unemployment (%)	11.5	12.6	13.8	12.5
Implied average GEL/US\$ rate	2.15	1.92	1.81	1.71
Inflation				
CPI (year-end; %)	7.0	7.5	6.2	8.8
CPI (average; %)	4.8	5.7	8.2	9.2
GDP Deflator (y-o-y; %)	3.3	8.1	8.1	8.5
External Balances				
Total Exports (FOB; US\$ mln)	1,273	1,631	2,168	2,552
Total Imports (CIF; US\$ mln)	1,856	2,491	3,312	4,410
Trade Balance (US\$, mln)	(636)	(916)	(1,214)	(2,019)
Balance of Services (US\$, mln)	53	56	70	162
Current Transfers (US\$, mln)	181	414	359	521
Income (US\$, mln)	31	98	91	175
Current Account Balance (US\$, mln)	(371)	(348)	(693)	(1,162)
<i>As % of GDP</i>	<i>9.3</i>	<i>6.7</i>	<i>10.8</i>	<i>14.9</i>
Capital Account Balance (US\$ mln)	378	524	790	1,532
Net FDI (US\$ mln)	336	490	539	1,044
<i>As % of GDP</i>	<i>8.4</i>	<i>9.5</i>	<i>8.4</i>	<i>13.4</i>
Gross FX Reserves (including Gold and SDRs; US\$ mln)	192	384	475	931
Import Cover (Gross FX Reserves as Days of Imports)	38	56	52	77
Fiscal Balance and Debt Indicators				
State Budget Revenues (GEL mln)	956	1,773	2,608	3,773
State Budget Expenditures (GEL mln)	1,119	1,924	2,617	3,821
Budget Balance (GEL; mln)	(163)	(151)	(9)	(48)
<i>as % of GDP</i>	<i>(1.9)</i>	<i>(1.5)</i>	<i>(0.1)</i>	<i>(0.3)</i>
Consolidated Budget Revenues (GEL mln)	1,320	2,282	3,257	4,430
Consolidated Budget Expenditures (GEL mln)	1,522	2,412	3,281	4,464
Budget Balance (GEL; mln)	(202)	(130)	(24)	(34)
<i>as % of GDP</i>	<i>(2.4)</i>	<i>(1.3)</i>	<i>(0.2)</i>	<i>(0.2)</i>
Foreign Debt (US\$ mln)	1,754	1,762	1,651	1,604
<i>Foreign Debt (% of GDP)</i>	<i>43.9</i>	<i>34.1</i>	<i>25.8</i>	<i>20.6</i>
Revenues as % of GDP	11.1%	18.0%	22.4%	27.4%
Exchange Rate				
GEL:USD (e-o-p)	2.08	1.83	1.79	1.70
GEL/US\$ (period average)	2.15	1.92	1.81	1.71

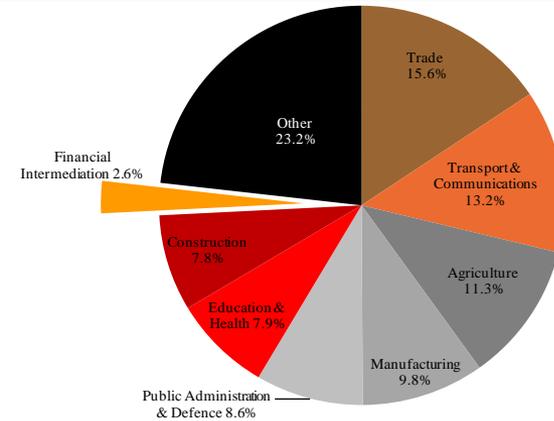
Source: Galt & Taggart Securities' estimates and projections, Ministry of Economic Development, Ministry of Finance, State Statistics Department, the National Bank of Georgia

The Georgian Economy cont'd

Gross Domestic Product



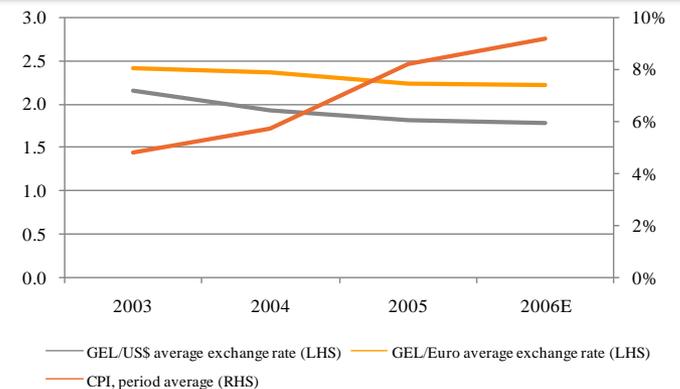
Components of GDP, 2006



2006

Sector	Contribution to Growth, %	Growth Y-O-Y	Share in GDP
Trade	3.1	19.7%	15.6%
Manufacturing	2.2	22.4%	9.8%
Transport	1.4	15.1%	9.2%
Financial Intermediation	1.1	40.4%	2.6%
Construction	0.8	9.9%	7.8%
Communications	0.5	11.9%	4.0%
Electricity, Gas & Water Supply	0.4	14.2%	3.1%
Restaurant & Hotel Services	0.3	11.7%	2.5%
Gross Domestic Product Growth	...	9.5%	...

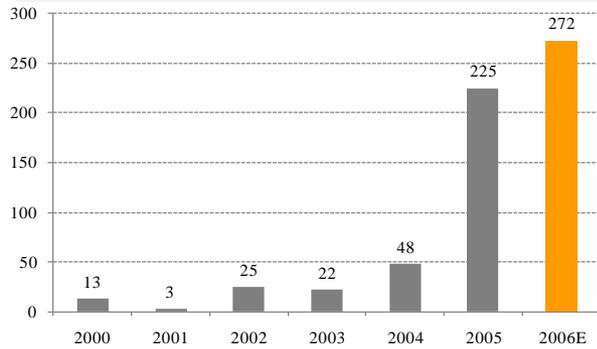
GEL/US\$ Exchange Rate & CPI



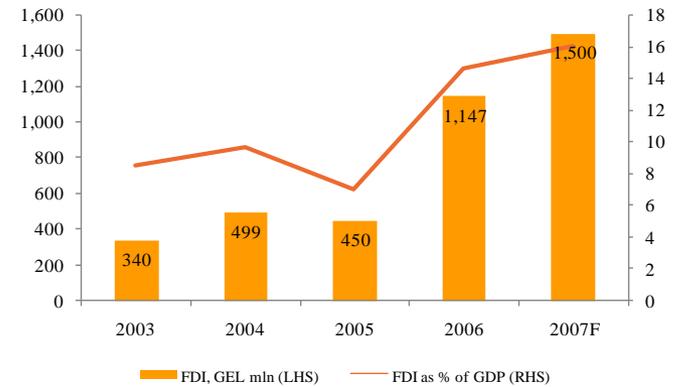
Source: International Monetary Fund, Ministry of Economic Development, State Statistics Department, the National Bank of Georgia

The Georgian Economy cont'd

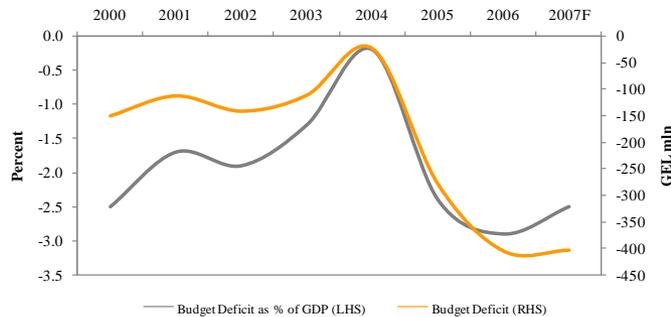
Privatization, 2000-2006E



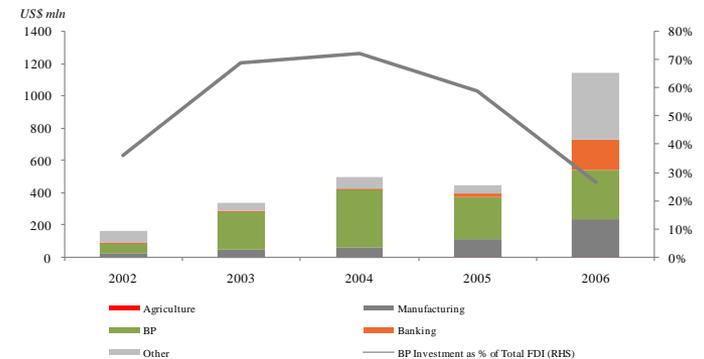
FDI, 2000-2007F



Budget Deficit, 2000-2007



FDI Breakdown, 2000-2006

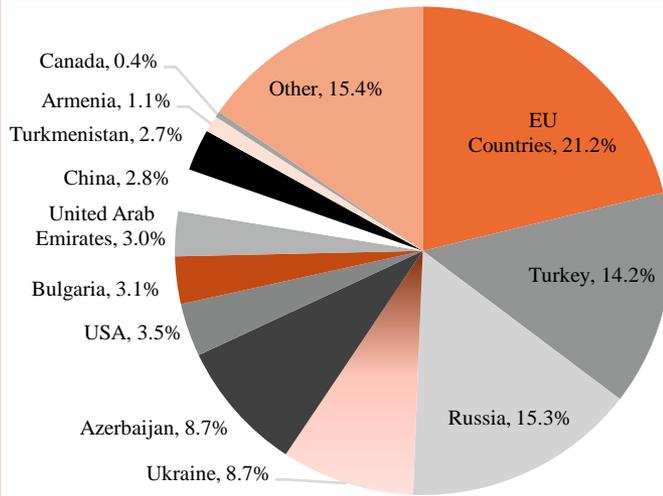


Source: IMF, Georgian National Investment Agency, the National Bank of Georgia, Galt & Taggart Securities' estimates

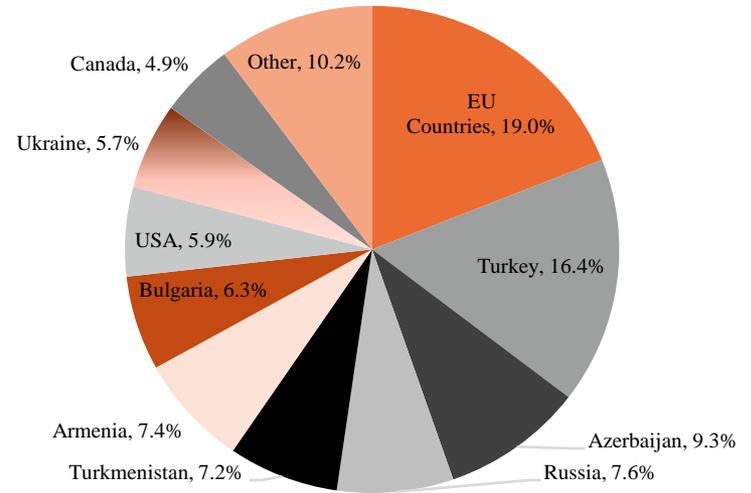
Trade Structure

- ✦ WTO member since 2001
- ✦ No quantitative restrictions on trade
- ✦ Simplified customs regime since August 2006, new customs code becomes effective in January 2007
- ✦ One of the two beneficiaries of the EU GSP+ Scheme in the CIS since 2006, granting duty-free export for 7,200 various products
- ✦ As of January 2006 Georgia obtained GSP+ status with Turkey

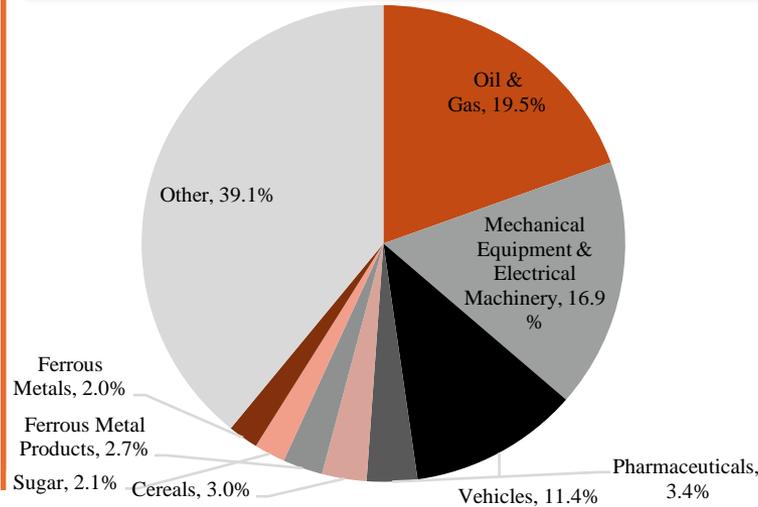
Import Structure by Country, 2006



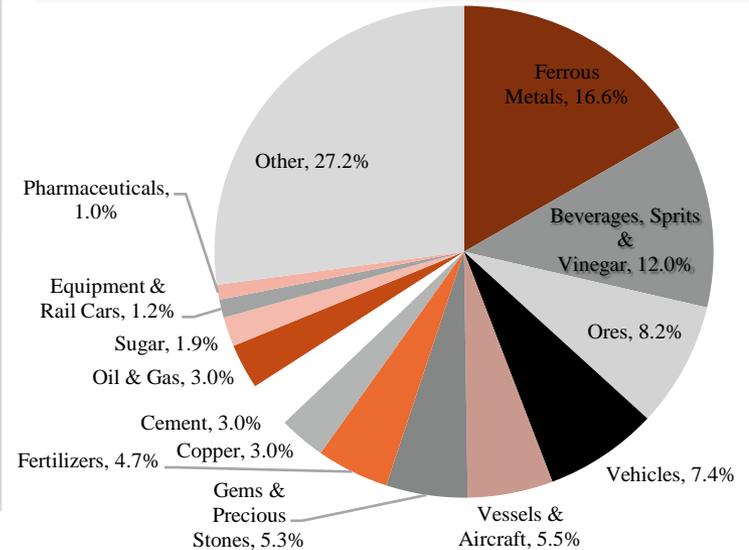
Export Structure by Country, 2006



Import Structure by Product, 2006



Export Structure by Product, 2006



Key Drivers Of Economic Growth

Export-led growth with sufficient diversity

- ✦ **Agricultural product** exports of estimated US\$136m in 2006 (US\$143m in 2005)
- ✦ **Ferroalloy** exports of US\$305m in 2005 and estimated US\$337m in 2006
- ✦ **Aircraft, rail car, vessels and vehicles** exports of US\$186m in 2005 and estimated US\$241m in 2006
- ✦ **Fertilizers** exports of US\$61m in 2005 and estimated US\$81m in 2006
- ✦ **Machinery** exports of US\$64m in 2005 and estimated US\$129m in 2006
- ✦ **Oil and gas pipelines**
 - ✦ **Russia-Georgia-Armenia gas pipeline** – 5.8 bcm/year
 - ✦ **Shah-Deniz (BTE) gas pipeline** - 6.6 bcm/year
 - ✦ **Iran-Azerbaijan-Georgia (IAG) gas pipeline** – 3.5 bcm/year
 - ✦ **Baku-Supsa oil pipeline** – 5.75 mt/year
 - ✦ **Baku-Tbilisi-Ceyhan (BTC) oil pipeline** - 50 mt/year
- ✦ **Batumi and Poti** ports processed in 2005 7.5m tons of cargo and up to 14.0m tons of crude oil 2005
- ✦ **Kulevi** oil terminal operational in September 2007
- ✦ Georgian Railway processed 22.7 mln tons of cargo in 2006
- ✦ The construction of **Baku-Akhalkalaki-Kars** railroad to commence in 2007
- ✦ **Tbilisi** and **Batumi** international airports renovated in 2006-2007
- ✦ **Dubai Ports World** negotiating the establishment of a free economic zone near Poti

Rapidly increasing domestic consumption

- ✦ High consumer confidence
- ✦ Consumer spending in 2005 - US\$3.2bn
- ✦ Total estimated pent-up housing demand of up to US\$1.6bn
 - ✦ Estimated average household size of 3.7, far higher than in most CEE/CIS peers
 - ✦ New construction has not caught up with the cumulative deterioration of the Soviet-built housing stock
 - ✦ Less than 10,000 households have mortgages
- ✦ Consumer debt per capita stood at US\$68 as of 31 December 2006
- ✦ Organized retail trade (supermarkets, hypermarkets, consumer electronics & white goods, etc) account for a low share of total
 - ✦ Accelerating growth of new store openings as consumers' purchasing habits evolve
 - ✦ Estimated US\$1.7bn (26% of GDP) investment in fixed assets in 2005

Economic Growth is Supported by

- ✦ Net FDI as of 31 December 2006 was US\$1.1 bln
- ✦ Increased international borrowing by corporates estimated at US\$260m in 2006
- ✦ Net Remittances in 2006 were US\$618mln (US\$488 mln in 2005)
- ✦ Increasing consumer spending
- ✦ Sustained government spending
- ✦ Further development of the transport & logistics infrastructure

Source: Ministry of Economic Development, Ministry of Finance, State Statistics Department

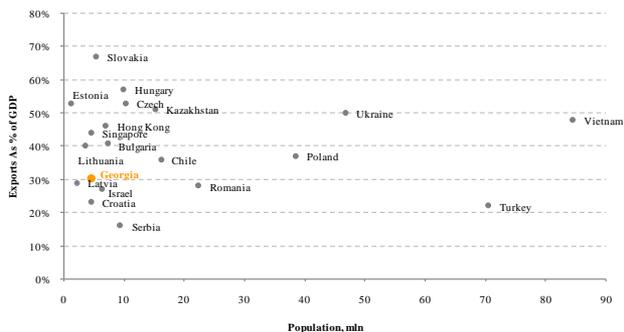
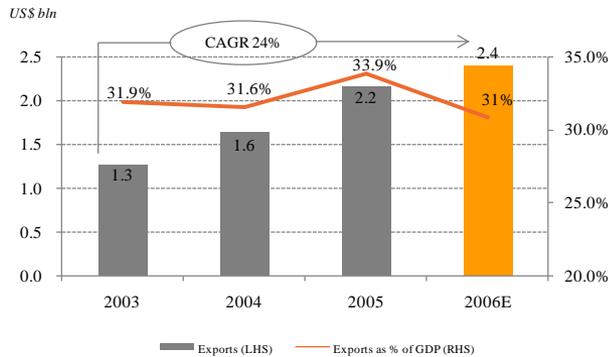
The Georgian Economy – Key Risks & Challenges

⚡ Key risks

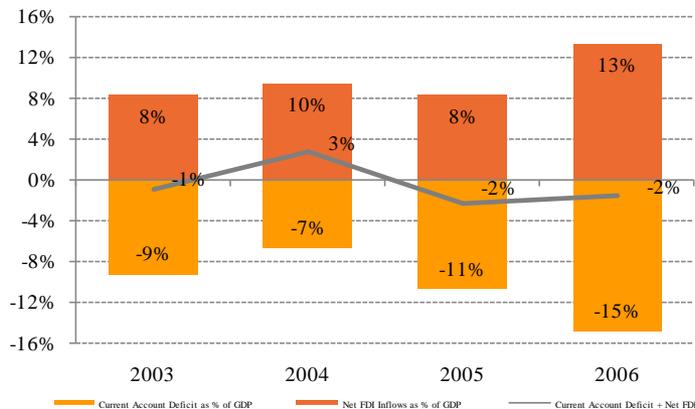
- ⚡ **Complacency and hubris** – so much has been accomplished in such a short period; sustained reform drive is key
- ⚡ **Overheating** – tight monetary policy and fiscal discipline are key to steering the economy through the current high growth phase

⚡ Key challenges

- ⚡ **Expansion of the export base**, especially in manufacturing and food processing



⚡ FDI inflows sustained at the current very high level, including into export-driven industries



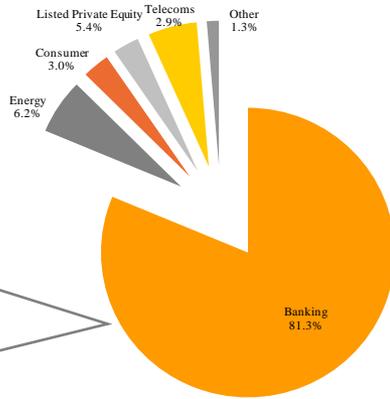
Source: Galt & Taggart Securities' estimates and projections, State Statistics Department, the National Bank of Georgia, ING, December 2006

Note: Exports as % of GDP data for Georgia is as of December 2006, for Czech Republic, Poland, Russia, Romania and Turkey as of 2005, other countries' data as of 2004

Equity Market Structures – GTI vs. MSCI Index Composition

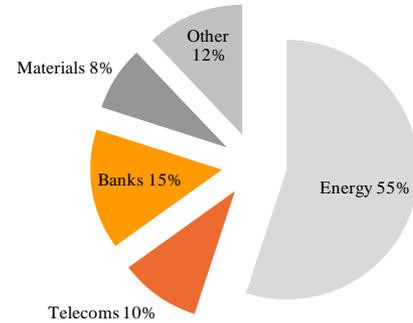
Banking is the only investable sector in Georgia, with Consumer Goods (including export-driven) expected to gain ground in 2007-2008

Galt & Taggart Index – Sector Split



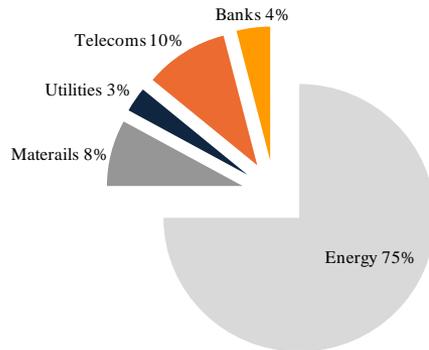
Source: Galt & Taggart Securities, March 2007

MSCI Emerging Europe - Sector Split



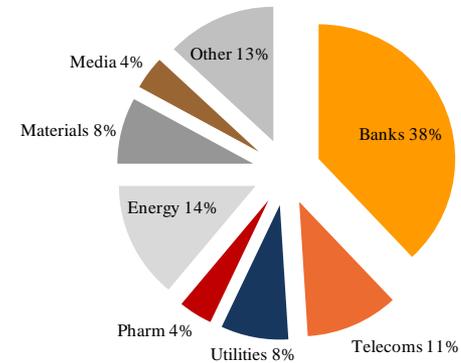
Source: ING, December 2006

MSCI Russia – Sector Split



Source: ING, December 2006

MSCI Emerging Europe Ex-Russia - Sector Split



Source: ING, December 2006

Bank of Georgia Q1 2007 Financials

Income Statement Data

Period Ended Consolidated, IFRS Based 000s, unless otherwise noted	Q1 2007		Q1 2006		Change ³ Y-O-Y
	US\$ ¹ (Unaudited)	GEL	US\$ ² (Unaudited)	GEL	
Interest Income	25,326	43,054	8,623	5,754	173.3%
Interest Expense	10,005	17,008	2,900	5,298	221.0%
Net Interest Income	15,321	26,046	5,723	10,456	149.1%
Fee & Commission Income	3,776	6,419	2,219	4,053	58.3%
Fee & Commission Expense	290	493	253	462	6.6%
Net Fee & Commission Income	3,486	5,926	1,966	3,591	65.0%
Income From Documentary Operations	689	1,171	343	627	86.8%
Expense On Documentary Operations	294	500	143	262	91.0%
Net Income From Documentary Operations	395	671	200	365	83.8%
Net Foreign Currency Related Income	2,515	4,276	998	1,823	134.6%
Net Insurance Income	1,229	2,089	678	1,239	68.6%
Brokerage Income	594	1,010	80	146	593.1%
Asset Management Income	-	-	-	-	NMF ⁴
Realised Net Investment Gains	42	71	-	-	NMF
Other	569	967	75	136	608.7%
Net Other Non-Interest Income	2,434	4,137	832	1,521	172.0%
Net Non-Interest Income	8,829	15,010	3,996	7,300	105.6%
Total Operating Income (Revenue)	24,150	41,055	9,719	17,756	131.2%
Personnel Costs	4,427	7,525	2,261	4,131	82.2%
Selling, General & Administrative Costs	2,594	4,409	1,577	2,881	53.0%
Procurement & Operations Support Expenses	1,276	2,170	501	916	136.9%
Depreciation & Amortization	1,156	1,965	606	1,108	77.4%
Other Operating Expenses	269	457	259	473	-3.5%
Total Recurring Operating Costs	9,721	16,526	5,205	9,509	73.8%
Normalized Net Operating Income	14,429	24,529	4,514	8,247	197.4%
Net Non-Recurring Income (Costs)	(21)	(36)	22	40	-189.5%
Profit Before Provisions & Bonuses	14,408	24,493	4,536	8,287	195.6%
Provisions For Loan Losses	1,279	2,174	851	1,555	39.8%
Recovery Of Loans	719	1,223	123	224	445.1%
Provisions For (Recovery Of) Other Assets	627	1,066	75	138	673.3%
Net Provision Expense	1,186	2,017	804	1,468	37.4%
Pre-Bonus Result	13,222	22,477	3,732	6,819	229.6%
Bonuses & Share Based Compensation Expenses	3,160	5,371	1,049	1,916	180.3%
Pre-Tax Income	10,062	17,105	2,684	4,903	248.9%
Income Tax Expenses	2,024	3,441	412	752	357.6%
Net Income	8,038	13,664	2,272	4,151	229.2%
Weighted Average Shares Outstanding (000s)		25,217		15,118	
Fully Diluted Number of Shares Period End (000s)		27,230		15,851	
EPS (Basic)	0.32	0.54	0.15	0.27	97.3%
EPS (Fully Diluted)	0.30	0.50	0.14	0.26	91.6%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.70 per US1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by National Bank of Georgia as at 31 March 2007.

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.83 per US1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by National Bank of Georgia as at 31 March 2006.

³ Growth calculations based on GEL values.

⁴ Not Meaningful

Balance Sheet Data

Consolidated, IFRS Based 000s, unless otherwise noted	March 31, 2007		Growth ² YTD	December 31, 2006		Growth ⁴ Y-O-Y	March 31, 2006	
	US\$ ¹	GEL		US\$ ³	GEL		US\$ ⁵	GEL
	(Unaudited)						(Unaudited)	
Cash & Cash Equivalents	47,871	81,381	-24.5%	62,917	107,809	71.5%	25,976	47,458
Loans & Advances To Credit Institutions	163,647	278,199	323.4%	38,349	65,711	170.4%	56,309	102,876
Mandatory Reserve With NBG	35,067	59,614	-3.0%	35,869	61,461	73.8%	18,778	34,308
Other Accounts With NBG	7,914	13,454	5600.9%	138	236	169.4%	2,734	4,995
Balances With & Loans To Other Banks	120,666	205,132	5010.4%	2,343	4,014	222.7%	34,797	63,573
Available-For-Sale Securities	308	523	NMF	3,230	5,534	-56.0%	651	1,189
Treasuries & Equivalents	27,552	46,838	-75.0%	109,279	187,244	1087.4%	2,159	3,945
Other Fixed Income Instruments	115,156	195,766	4397.3%	2,540	4,353	17793.5%	599	1,094
Gross Loans To Clients	491,376	835,339	16.8%	417,247	714,953	118.6%	209,140	382,099
Less: Reserve For Loan Losses	(12,533)	(21,307)	1.4%	(12,267)	(21,020)	1.9%	(11,445)	(20,910)
Net Loans To Clients	478,843	814,033	17.3%	404,980	693,933	125.4%	197,695	361,189
Investments In Other Business Entities, Net	13,116	22,297	1721.7%	714	1,224	1586.7%	724	1,322
Property & Equipment Owned, Net	59,547	101,230	51.5%	39,001	66,828	154.8%	21,744	39,726
Intangible Assets Owned, Net	1,747	2,970	-5.7%	1,838	3,150	40.1%	1,160	2,119
Goodwill	24,573	41,773	3.7%	23,507	40,279	49.8%	15,261	27,881
Tax Assets - Current & Deferred	108	183	NMF	-	-	-79.2%	481	878
Prepayments & Other Assets	28,431	48,333	29.7%	21,746	37,261	10.2%	24,005	43,856
Total Assets	960,898	1,633,526	34.6%	708,098	1,213,326	157.8%	346,762	633,534
Client Deposits	354,235	602,199	7.6%	326,610	559,646	69.2%	194,765	355,835
Deposits & Loans From Banks	20,959	35,631	4019.1%	505	865	338.3%	4,449	8,129
Borrowed Funds	310,265	527,451	136.0%	130,444	223,516	306.2%	71,079	129,862
Insurance Related Liabilities	11,591	19,705	1736.5%	4,493	7,699	-33.2%	2,111	3,856
Issued Fixed Income Securities	671	1,141	-85.2%	626	1,073	411.0%	934	1,707
Tax Liabilities - Current & Deferred	6,399	10,878	33.7%	4,749	8,138	994.6%	544	994
Accruals & Other Liabilities	30,135	51,230	36.5%	21,903	37,531	52.4%	18,404	33,624
Total Liabilities	734,225	1,248,234	48.9%	489,331	838,468	133.7%	292,286	534,007
Ordinary Shares	14,850	25,245	0.2%	14,708	25,202	63.2%	8,464	15,465
Share Premium	152,081	258,538	-6.8%	161,914	277,440	581.5%	20,763	37,934
Treasury Shares	(681)	(1,158)	15.4%	(586)	(1,004)	NMF	-	-
Retained Earnings	35,869	60,977	64.9%	21,578	36,974	74.5%	19,124	34,939
Revaluation & Other Reserves	13,407	22,791	333.5%	3,068	5,257	308.5%	3,054	5,580
Net Income For The Period	8,037	13,664	-49.0%	15,624	26,772	229.2%	2,272	4,151
Shareholders' Equity Excluding Minority Interest	223,562	380,055	2.5%	216,306	370,641	287.5%	53,677	98,068
Minority Interest	3,081	5,237	24.2%	2,461	4,217	259.0%	799	1,459
Total Shareholders' Equity	226,643	385,292	2.8%	218,767	374,858	287.1%	54,476	99,527
Total Liabilities & Shareholders' Equity	961,056	1,633,526	34.6%	708,098	1,213,326	157.8%	346,762	633,534
Shares Outstanding		25,244,609			25,202,009			15,464,558
Book Value Per Share	8.99	15.29	2.6%	8.68	14.87	137.1%	3.52	6.44

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.70 per US1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by National Bank of Georgia as at 31 March 2007.

² Compared to 31 December 2006; growth calculations based on GEL values.

³ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.7135 per US1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by National Bank of Georgia as at 31 December 2006.

⁴ Compared to the same period in 2006; growth calculations based on GEL values.

⁵ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.83 per US1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by National Bank of Georgia as at 31 March 2006.



Key Ratios

	Q1 2007	2006
Profitability Ratios		
ROAA ¹ Annualised for Q1	3.8%	3.4%
ROAE ² Annualised for Q1	14.4%	16.5%
Interest Income To Average Interest Earning Assets ³ Annualised for Q1	15.1%	16.7%
Cost Of Funds ⁴ Annualised for Q1	7.0%	5.8%
Net Spread ⁵	8.1%	10.9%
Net Interest Margin ⁶ Annualised for Q1	9.1%	11.1%
Net Interest Margin, Normalised, ⁷ Annualised for Q1	9.1%	10.6%
Loan Yield ⁸	21.2%	17.4%
Interest Expense To Interest Income	39.5%	33.5%
Net Non-Interest Income To Average Total Assets Annualised for Q1	4.2%	5.8%
Net Non-Interest Income To Revenue ⁹	36.6%	40.4%
Net Fee And Commission Income To Average Interest Earning Assets ¹⁰	2.1%	3.5%
Net Fee And Commission Income To Revenue	14.4%	19.0%
Total Operating Income (Revenue)/Total Assets Annualised for Q1	10.1%	9.2%
Operating Leverage ¹¹	38.6	18.8%
Recurring Earning Power ¹² Annualised for Q1	6.9%	7.7%
Net Income To Revenue	33.3%	23.9%
Efficiency Ratios		
Operating Cost To Average Total Assets ¹³ Annualised for Q1	4.6%	6.6%
Cost To Average Total Assets ¹⁴ Annualised for Q1	6.2%	8.2%
Cost / Income ¹⁵	53.4%	56.7%
Cost /Income Normalised ¹⁶	53.3%	55.9%
Cost / Income, Bank of Georgia, Standalone ¹⁷	50.1%	51.2%
Cash Cost/Income ¹⁸	48.6%	51.4%
Total Employee Compensation Expense To Revenue ¹⁹	31.4%	29.7%
Total Employee Compensation Expense To Cost	58.8%	52.5%
Total Employee Compensation Expense To Average Total Assets Annualised for Q1	3.6%	4.3%

Note: All annualised numbers presented throughout have been annualized by dividing Income Statement component by the number of months in the period multiplied by twelve.

Key Ratios cont'd

	Q1 2007	2006
Liquidity Ratios		
Net Loans To Total Assets ²⁰	49.8%	57.2%
Average Net Loans To Average Total Assets	53.0%	61.3%
Interest Earning Assets To Total Assets	81.7%	78.4%
Average Interest Earning Assets To Average Total Assets	80.3%	77.3%
Liquid Assets To Total Assets ²¹	33.2%	25.0%
Net Loans To Client Deposits	135.2%	124.0%
Average Net Loans To Average Client Deposits	129.8%	113.4%
Net Loans To Total Deposits ²²	127.7%	123.8%
Net Loans To Total Liabilities	65.2%	82.8%
Total Deposits To Total Liabilities	51.1%	66.8%
Client Deposits To Total Deposits	94.4%	99.8%
Client Deposits To Total Liabilities	48.2%	66.7%
Current Account Balances To Client Deposits	61.0%	54.4%
Demand Deposits To Client Deposits	5.5%	6.4%
Time Deposits To Client Deposits	33.5%	39.2%
Total Deposits To Total Assets	39.0%	46.2%
Client Deposits To Total Assets	36.9%	46.1%
Client Deposits To Total Equity (times) ²³	1.56	1.49
Due From Banks / Due To Banks ²⁴	781%	7597%
Total Equity To Net Loans	47.3%	54.0%
Leverage (times) ²⁵	3.2	2.2
Asset Quality		
NPLs (in GEL) ²⁶	21,059	16,266
NPLs to Gross Loans ²⁷	2.5%	2.3%
Cost of Risk ²⁸	1.0%	2.7%
Cost of Risk Normalised ²⁹	1.0%	2.2%
Reserve for Loan Losses to Gross Loans ³⁰	2.6%	3.0%
NPL Coverage ratio ³¹	101.2%	129.9%
Equity to average net loans to clients	51.1%	78.8%

Note: All annualised numbers presented throughout have been annualized by dividing Income Statement component by the number of months in the period multiplied by twelve.

Key Ratios cont'd

	Q1 2007	2006
Capital Adequacy:		
Equity To Total Assets	23.6%	30.9%
BIS Tier I Capital Adequacy Ratio ³²	34.1%	44.9%
BIS Total Capital Adequacy Ratio ³³	34.8%	41.9%
NBG Tier I Capital Adequacy Ratio ³⁴	19.2%	23.2%
NBG Total Capital Adequacy Ratio ³⁵	22.5%	28.5%
Per Share Values:		
Basic EPS (GEL) ³⁶	0.54	1.62
Basic EPS (US\$)	\$0.32	\$0.89
Fully Diluted EPS (GEL) ³⁷	0.50	0.98
Fully Diluted EPS (US\$)	\$0.30	\$0.54
Book Value Per Share (GEL) ³⁸	15.26	14.87
Book Value Per Share (US\$)	\$8.98	\$8.14
Change y-o-y	137%	139%
Ordinary Shares Outstanding - Weighted Average	25,216,510	16,505,701
Ordinary Shares Outstanding - Period End	25,244,609	25,202,009
Ordinary Shares Outstanding - Fully Diluted	27,230,351	27,229,418
Selected Operating Data:		
Full Time Employees (FTE)	2,558	2,226
FTEs, Bank of Georgia Standalone	1,933	1,601
Total assets per FTE (GEL Thousands)	639	558
Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands)	845	776
Branches	103	100
ATMs	146	124
Plastic Cards (Thousands)	344	286
POS Terminals	497	471

Note: All annualized numbers presented throughout have been annualized by dividing Income Statement component by the number of months in the period multiplied by twelve.

Ratio Definitions

Ratio Definitions

- 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 Net Interest Margin Normalised equals Net Interest Income of the period, less provisions for the interest income generated by non-performing loans through the date of their write-offs, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans To Clients over the same period.
- 8 Loan Yield equals Interest Income, less Net Provision Expense divided by quarterly Average Gross Loans To Clients;
- 9 Revenue equals Total Operating Income;
- 10 Net Fee And Commission Income includes Net Income From Documentary Operations of the period;
- 11 Operating Leverage equals percentage change in Revenue less percentage change in Total Costs;
- 12 Recurring Earning Power equals Profit Before Provisions and Bonuses of the period divided by average Total Assets of the same period;
- 13 Operating Cost equals Total Recurring Operating Costs;
- 14 Cost includes Total Recurring Operating Costs, Net Non-Recurring Costs (Income) and Bonuses & Share Based Compensation Expenses;
- 15 Cost/Income Ratio equals Costs of the period divided by Total Operating Income (Revenue);
- 16 Cost/Income Normalised equals Recurring Operating Costs plus Bonuses & Share Based Compensation Expenses divided by Total Operating Income (Revenue) for the same period.
- 17 Cost/Income, Bank of Georgia, standalone, equals to non-consolidated Total Costs of the bank of the period divided by non-consolidated Revenue of the bank of the same period;
- 18 Cash Cost equals Cost minus Depreciation & Amortisation;
- 19 Total Employee Compensation Expense includes Personnel Costs and Bonuses & Share-Based Compensation Expenses;
- 20 Net Loans equal Net Loans To Clients;
- 21 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;
- 22 Total Deposits include Client Deposits and Deposits And Loans from Banks;
- 23 Total Equity equals Total Shareholders' Equity;
- 24 Due From Banks/Due To Banks equals Loans And Advances To Credit Institutions divided by Deposits And Loans From Banks;
- 25 Leverage (Times) equals Total Liabilities as of the period end divided by Total Equity as of the same date;
- 26 NPLs (in GEL) equals 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;
- 27 Gross Loans equals Gross Loans To Clients;
- 28 Cost Of Risk equals Net Provision For Loan Losses of the period, less recovery of other assets, divided by quarterly average Gross Loans To Clients over the same period;
- 29 Cost of Risk Normalised equals Net Provision For Loan Losses of the period, less provisions for the interest income generated by non-performing loans through the date of their write-off, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans to Clients over the same period.
- 30 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;
- 31 NPL Coverage Ratio equals Reserve For Loan losses as of the period end divided by NPLs as of the same date;
- 32 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 Capital Accord I;
- 33 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 Capital Accord I;
- 34 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 ;
- 35 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 ;
- 36 Basic EPS equals Net Income of the period divided by the weighted average number of outstanding Ordinary Shares over the same period;
- 37 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;
- 38 Book Value Per Share equals Total Equity plus Treasury Shares, divided by the total number of outstanding Ordinary Shares.

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.