

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

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

Reuters: BGEO.L
Bloomberg: BGEO.LI

Bank of Georgia Q3 2007 Results Overview



The **Banker**



Bank of the Year 2007
GEORGIA

The **Banker**



Bank of the Year 2006
Georgia



საქართველოს ბანკი
BANK OF GEORGIA

January 2008

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
- Securities

- ☞ No.1 by assets (circa 34.0%),⁽¹⁾ loans (circa 30.8%),⁽¹⁾ deposits (circa 31.4%)⁽¹⁾ and equity (circa 33.6%)⁽¹⁾
 - ☞ 6.0% YTD 2007 market share gain in total assets (+10.2 % in 2006)
 - ☞ 4.4% YTD 2007 market share gain in gross loans (+8.2 % in 2006)
 - ☞ 6.9% YTD 2007 market share gain in total deposits (+5.5 % in 2006)

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

	30 November 2007	30 September 2007	31 March 2007	YE 2006
☞ Retail Accounts	655,000+	595,000+	450,000+	425,000+
☞ Cards Outstanding	593,000+	520,000	340,000+	285,000+
☞ Branches	116	109	103	100
☞ ATMs	217	185	146	124

- ☞ Top brand, best distribution network and broadest range of services of any bank in Georgia
- ☞ Leading **corporate and investment banking** franchise
 - ☞ Approximately 64,000 legal entities have opened accounts
 - ☞ Top broker-dealer with circa 63% market share in equities trading by September 2007
- ☞ 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/NP (LC)'; Stable
 - ☞ Fitch Ratings: 'B+/B'; Stable
- ☞ Listed on the London Stock Exchange (GDRs) and Georgian Stock Exchange
 - ☞ Market Cap (LSE) US\$978mln as of 30 September 2007
 - ☞ Approximately 91% free float
 - ☞ 2006 share price performance 383%, 2007 share performance 31%
- ☞ 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 30 September 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 Q3 2007 Results Overview

Q3 2007 Results Highlights

Millions, unless otherwise noted

Bank of Georgia (Consolidated, IFRS Based)

	9 Months 2007		9 Months 2006		Growth, Y-O-Y ¹
	GEL	US\$	GEL	US\$	
	<i>Unaudited</i>		<i>Unaudited</i>		
Net Interest Income	90.4	54.5	42.0	24.2	115%
Net Non-Interest Income	59.0	35.6	30.4	17.5	94%
Total Operating Income (Revenue) ²	149.4	90.1	72.4	41.7	107%
Recurring Operating Costs	58.5	35.3	33.6	19.4	74%
Normalized Net Operating Income ³	90.8	54.8	38.8	22.3	134%
Pre-Bonus Result	82.8	50.0	28.6	16.5	190%
Net Income	49.9	30.1	17.3	10.0	188%
Consolidated EPS (Basic), GEL & US\$ ⁴	1.95	1.17	1.10	0.64	84%
Consolidated EPS (Fully Diluted), GEL & US\$ ⁵	1.83	1.10	0.95	0.55	102%
ROAA ⁶ , annualised	3.5%		3.2%		
ROA, annualised	2.8%		2.7%		
ROAE ⁷ , annualised	16.2%		20.5%		
ROE, annualised	14.3%		16.8%		
Net Loans	1,277.2	770.3	567.2	326.8	125%
Total Assets	2,403.3	1,449.9	856.7	493.6	181%
Total Deposits	1,134.7	683.8	483.9	278.8	134%
Total Liabilities	1,938.3	1,169.1	719.7	414.7	169%
Shareholders' Equity	465.0	280.5	137.0	79.0	239%
Book Value Per Share	17.12	10.33	8.19	4.72	109%

**Increasing
Operating
Leverage**

**Despite Tier I
CAR of 23.2%**

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

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

³ Normalized for Net Non-Recurring Costs.

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

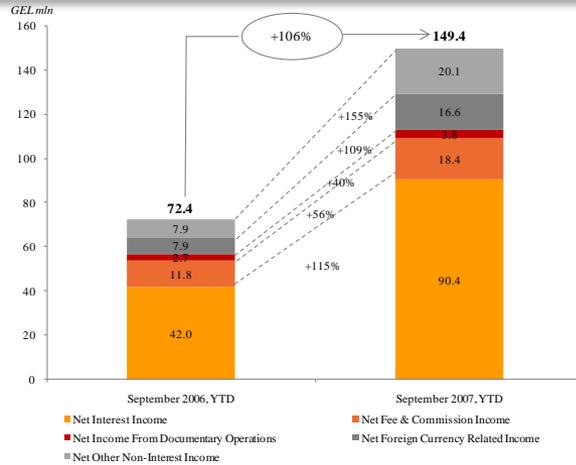
⁵ Fully Diluted EPS equals Net Income of the period divided by the number of outstanding ordinary shares as of the period end plus number of ordinary shares in contingent liabilities.

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

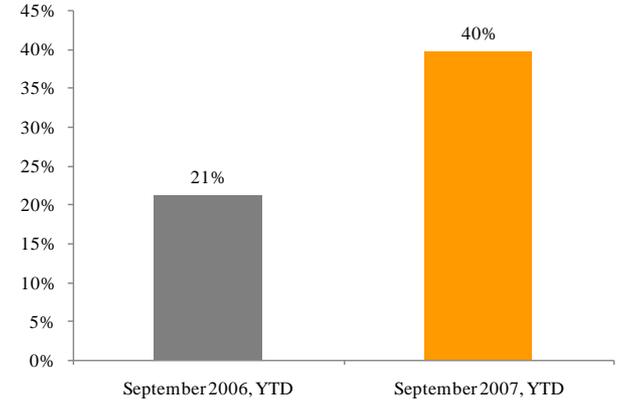
⁷ Return on Average Total Shareholders' Equity equals annualised Net Income for the period divided by the average Total Shareholders' Equity for the period.

Q3 2007 Performance

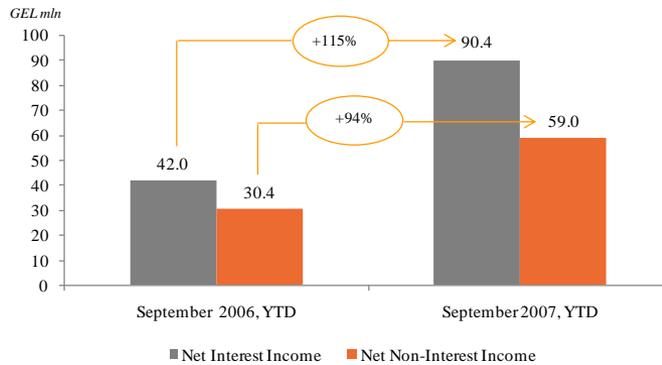
Composition of Revenue (GEL mln)



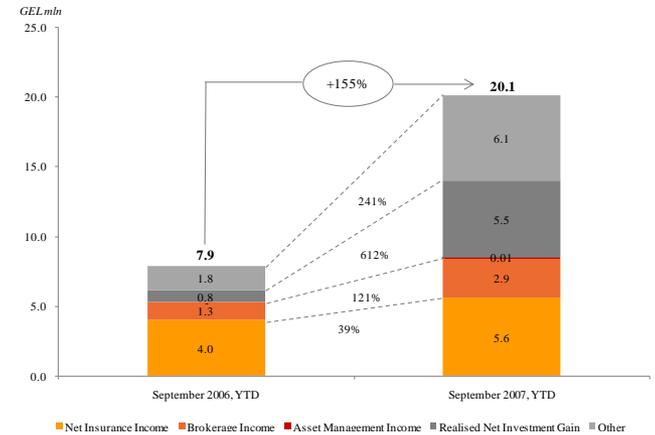
Revenue Market Share*



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



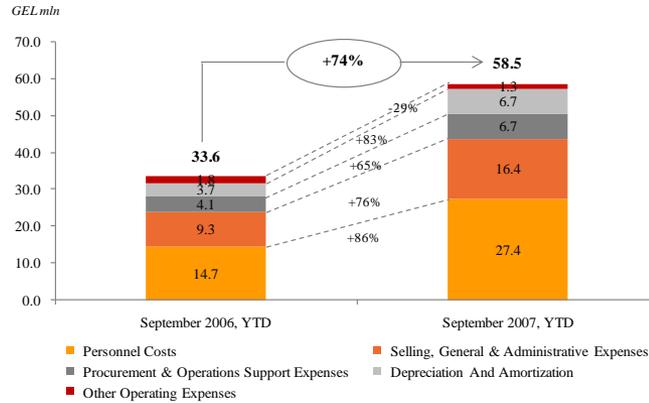
Net Other Non-Interest Income (GEL mln)



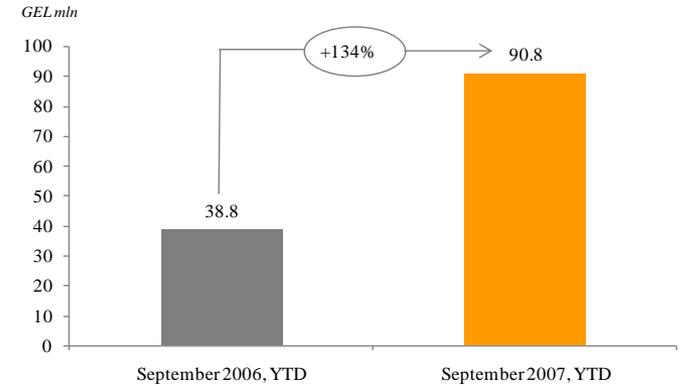
*Based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Q3 2007 Performance cont'd

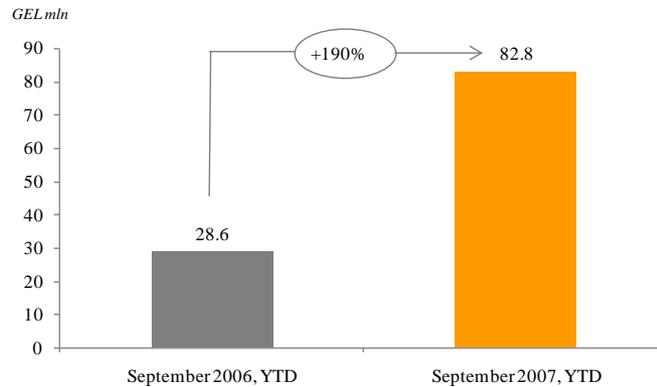
Operating Cost Structure



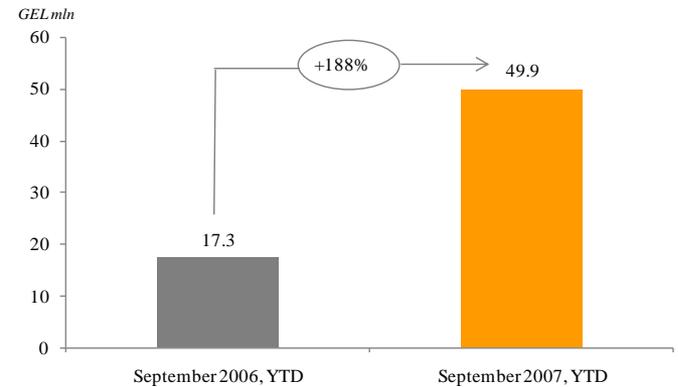
Normalised Net Operating Income



Pre-Bonus Result

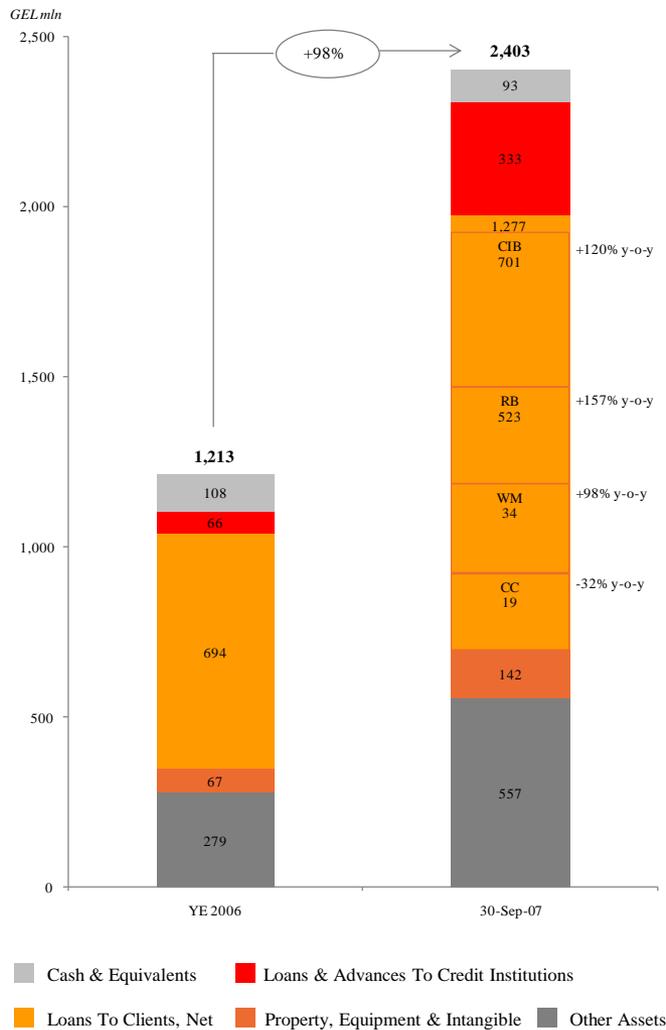


Net Income

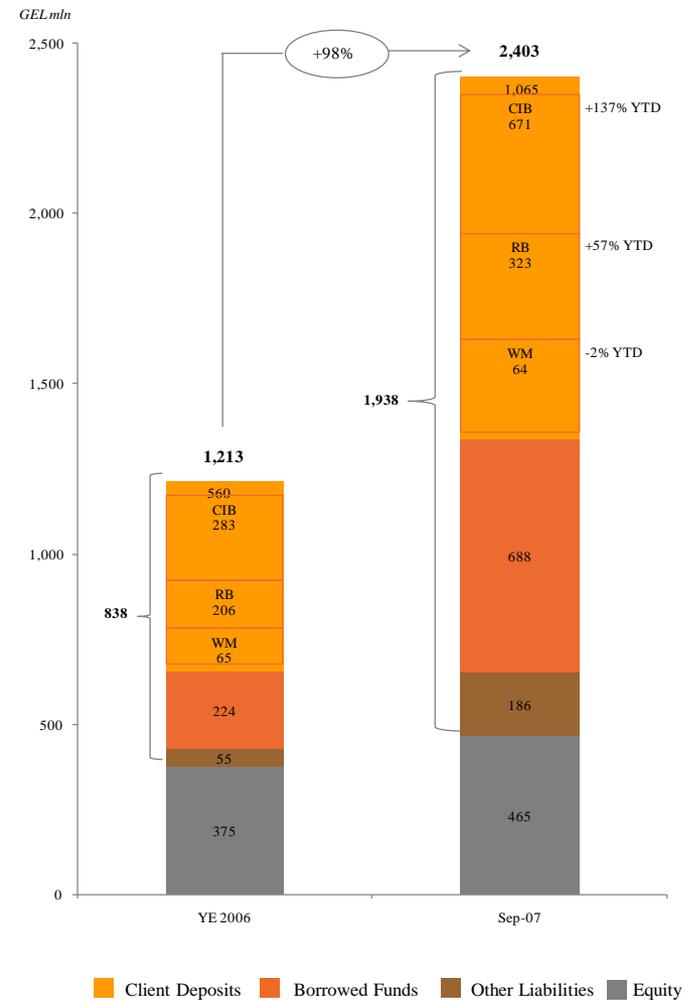


Composition of the Balance Sheet

Assets, +181% y-o-y (+98% YTD)



Liabilities & Shareholders' Equity

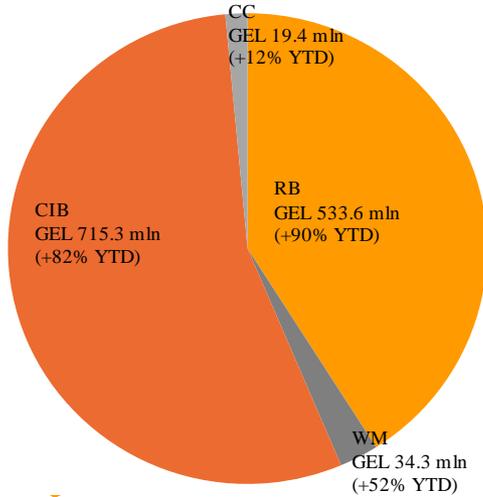


Diversified Loan Book...

RB & WM
Account for 44%
of Gross Loans

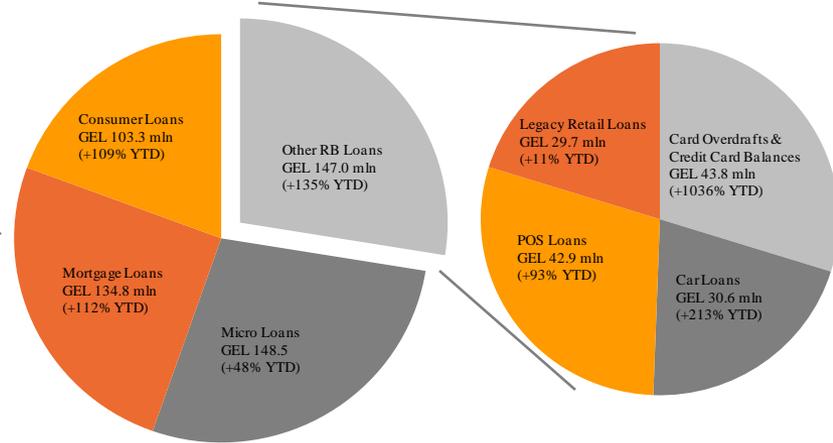
43% Market
Share in Retail
Loans as at 30
September 2007

Gross Loans, Q3 2007 (+82% YTD & +121% y-o-y)



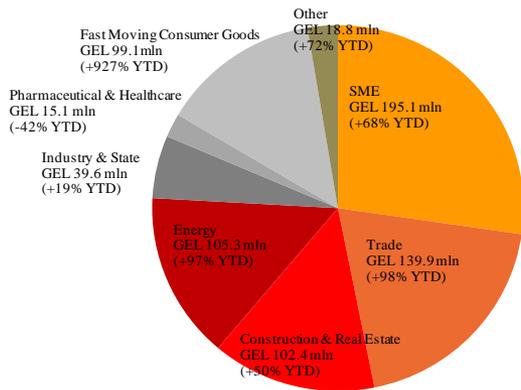
Total Gross Loans
GEL 1,302 mln

Gross RB Loans, Q3 2007 (+90% YTD & +145% y-o-y)



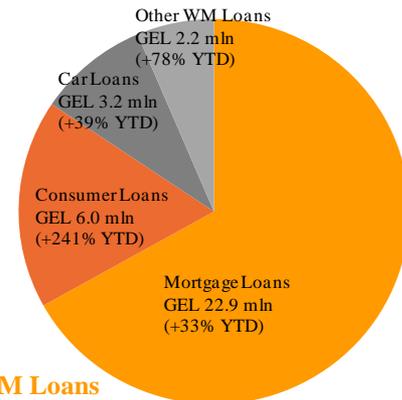
Total Gross RB Loans
GEL 533.6 mln

Gross CIB Loans, Q3 2007 (+82% YTD & +110% y-o-y)



Total Gross CIB Loans
GEL 715.3 mln

Gross WM Loans, Q3 2007 (+52% YTD & +89% y-o-y)

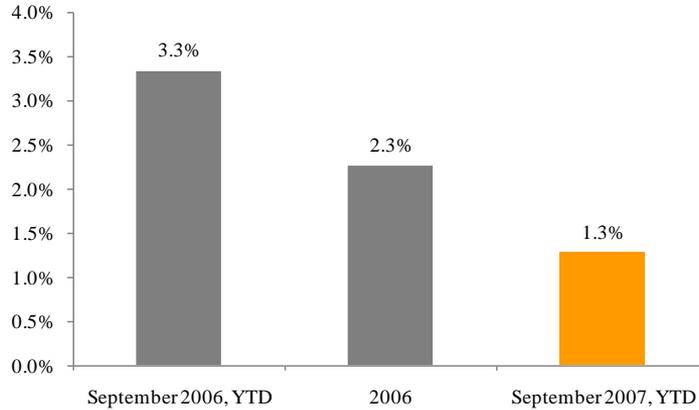


Total Gross WM Loans
GEL 34.3 mln

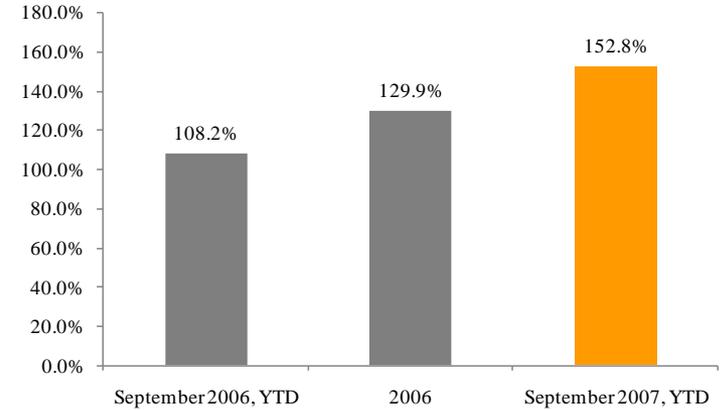
And Conservative Provisioning Policy

Loan Book
Collateralisation
90.1% in Q3 2007

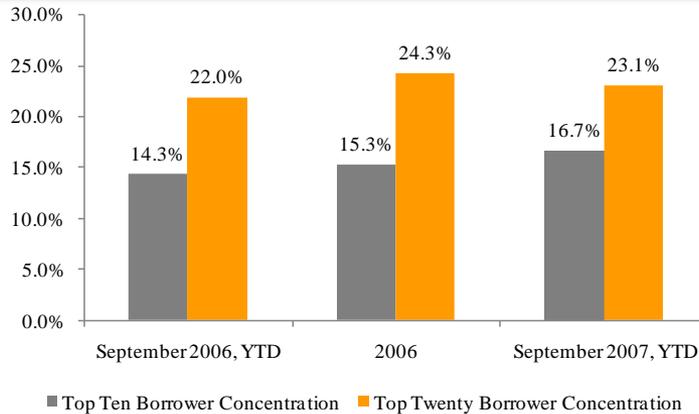
NPLs/Gross Loans To Clients



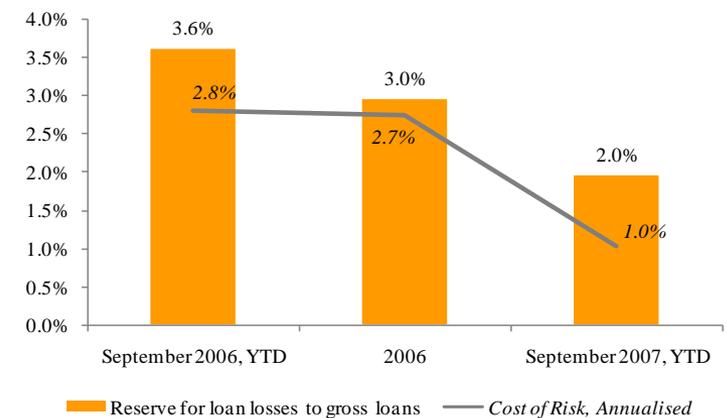
NPL Coverage Ratio



Top Ten & Top 20 Borrower Concentration



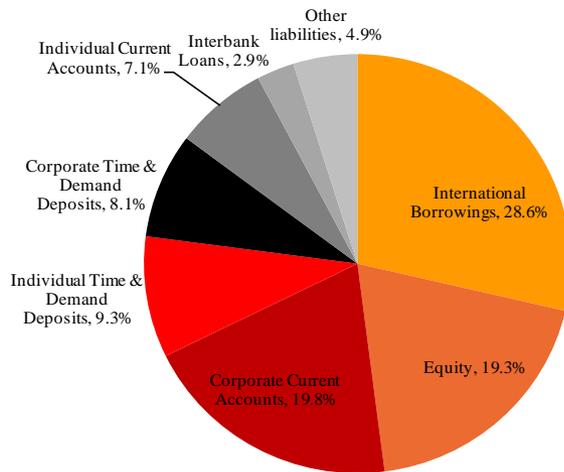
Reserve For Loan Losses To Gross Loans



Note: NPLs include 90 days overdue loans

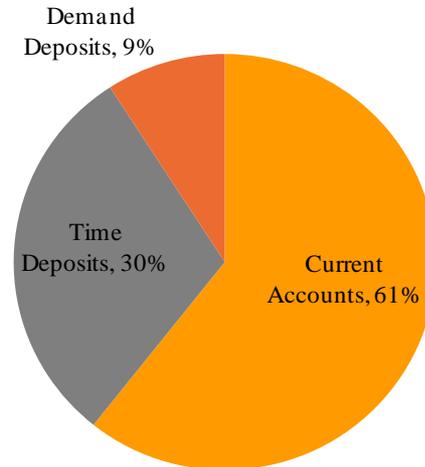
Diversified Funding Base

Funding Sources, Q3 2007



Total Liabilities GEL 1,938 mln
Total Equity GEL 465 mln

Client Deposits, Q3 2007 (+90% YTD & +128% y-o-y)

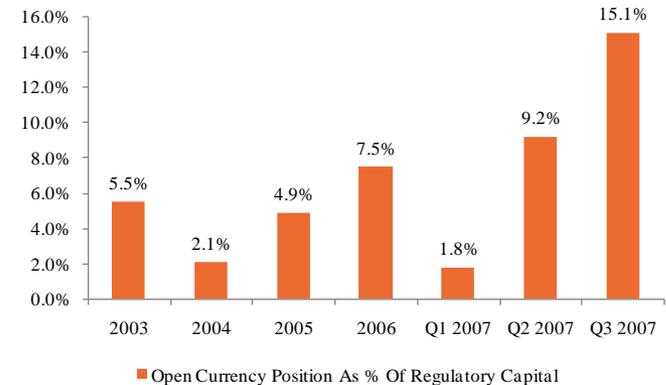


Total Client Deposits
GEL 1,065 mln

Liquidity Risk Management, Q3 2007



Currency Risk Management, Q3 2007



Note: Liquidity & Currency Risk Management calculations are based on the National Bank of Georgia requirements

Business Overview

Bank of Georgia Q3 2007 Business Unit Results

(GEL, '000)	Total Operating Income (Revenue)			Pre-Bonus Result			Net Income			
	9M '07	Y-O-Y Growth	9M '06	9M '07	Y-O-Y Growth	9M '06	9M 07	Y-O-Y Growth	9M 06	
<i>In 2007 non-banking Total Operating Income contribution of 18.2% vs. 9.0% in 2006</i>	CIB	49,057	80%	27,251	33,827	124%	15,126	22,058	136%	9,363
	RB	65,326	121%	29,621	31,982	268%	8,698	20,891	298%	5,250
	WM	3,476	115%	1,613	2,061	278%	545	1,361	304%	337
	Corporate Centre	4,381	-40%	7,337	-169	-105%	3,134	-4,863	-420%	1,519
	<i>Subtotal</i>	<i>122,240</i>	<i>86%</i>	<i>65,822</i>	<i>67,701</i>	<i>146%</i>	<i>27,503</i>	<i>38,447</i>	<i>140%</i>	<i>16,469</i>
<i>In 2007 non-banking Pre-Bonus contribution of 18.3% vs. 3.8% in 2006</i>	Galt & Taggart Securities	18,703	939%	1,800	15,117	980%	1,400	10,926	870%	1,126
	AM	2,403	425%	458	-1,258	43%	-878	-1,152	31%	-878
	Insurance	6,032	41%	4,275	1,260	125%	561	645	11%	582
	<i>Subtotal</i>	<i>27,138</i>	<i>1405%</i>	<i>6,533</i>	<i>15,119</i>	<i>1148%</i>	<i>1,083</i>	<i>10,419</i>	<i>912%</i>	<i>830</i>
<i>In 2007 non-banking Net Income contribution of 20.9% vs. 4.8% in 2006</i>	Total	149,379	107%	72,355	82,821	190%	28,588	49,868	188%	17,301
	Ukraine	21,585	NMF	N/A	8,130	NMF	N/A	6,097	NMF	N/A
	Total, Pro Forma, including Ukraine	170,964	NMF	NMF	90,950	NMF	NMF	55,965	NMF	NMF

(US\$ '000)	Total Operating Income (Revenue)			Pre-Bonus Result			Net Income			
	9M '07	Y-O-Y Growth	9M '06	9M '07	Y-O-Y Growth	9M '06	9M 07	Y-O-Y Growth	9M 06	
	CIB	29,522	89%	15,661	20,378	134%	8,693	13,288	147%	5,381
	RB	39,353	131%	17,024	19,266	285%	4,999	12,585	317%	3,017
	WM	2,094	126%	927	1,242	296%	313	820	323%	194
	Corporate Centre	2,639	-40%	4,420	-102	-105%	1,888	-2,930	-420%	915
	<i>Subtotal</i>	<i>73,639</i>	<i>95%</i>	<i>37,829</i>	<i>40,784</i>	<i>158%</i>	<i>15,806</i>	<i>23,763</i>	<i>151%</i>	<i>9,465</i>
	Galt & Taggart Securities	11,267	989%	1,034	9,107	1032%	805	6,582	917%	647
	AM	1,448	450%	263	-758	50%	-505	-694	38%	-505
	Insurance	3,634	48%	2,457	759	135%	322	389	16%	334
	<i>Subtotal</i>	<i>16,348</i>	<i>1487%</i>	<i>3,755</i>	<i>9,108</i>	<i>1217%</i>	<i>622</i>	<i>6,277</i>	<i>971%</i>	<i>447</i>
	Total	89,987	116%	41,583	49,892	204%	16,429	30,041	202%	9,942
	Ukraine	13,003	NMF	N/A	4,898	NMF	N/A	3,673	NMF	N/A
	Total, Pro Forma, including Ukraine	102,990	NMF	NMF	54,790	NMF	NMF	33,714	NMF	NMF

Bank of Georgia Q3 2007 Business Unit Results cont'd

In 2007 6.8% of Total Assets attributed to non-banking Assets vs. 4.6% in 2006

In 2007 4.4% of Total Liabilities attributed to non-banking liabilities vs. 2.3% in 2006

(GEL, '000)	Total Assets			Total Liabilities		
	9M '07Y-O-Y	Growth	9M '06	9M '07	Y-O-Y Growth	9M '06
CIB	1,235,060	168%	460,989	1,081,302	166%	407,160
RB	919,474	211%	295,583	628,656	141%	261,330
WM	70,084	185%	24,561	83,924	282%	21,963
Corporate Centre	15,112	-58%	35,767	60,136	366%	12,892
Subtotal	2,239,730	174%	816,809	1,853,927	164%	703,345
Galt & Taggart Securities	51,442	305%	12,704	14,230	265%	3,897
AM	57,822	451%	10,486	30,926	1747%	1,674
Insurance	54,339	228%	16,584	39,258	266%	10,735
Subtotal	163,603	984%	39,774	84,414	418%	16,306
Total	2,403,333	181%	856,674	1,938,341	169%	719,651
Ukraine	410,681	NMF	N/A	341,350	NMF	N/A
Total Pro Forma Including Ukraine	2,814,014	NMF	NMF	2,279,691	NMF	NMF

(GEL, '000)	Total Assets			Total Liabilities		
	9M '07Y-O-Y	Growth	9M '06	9M '07	Y-O-Y Growth	9M '06
CIB	744,012	181%	264,936	651,387	178%	234,000
RB	553,900	226%	169,875	378,654	152%	150,190
WM	42,219	199%	14,116	50,557	301%	12,622
Corporate Centre	9,104	-58%	21,546	36,227	366%	7,766
Subtotal	1,349,235	187%	469,430	1,116,823	176%	404,221
Galt & Taggart Securities	30,989	324%	7,301	8,572	283%	2,240
AM	34,833	478%	6,026	18,630	1836%	962
Insurance	32,734	243%	9,531	23,649	283%	6,170
Subtotal	98,556	1046%	22,289	50,852	2403%	9,371
Total	1,447,791	194%	492,341	1,167,675	182%	413,593
Ukraine	247,398	NMF	N/A	205,633	NMF	N/A
Total Pro Forma Including Ukraine	1,695,189	NMF	NMF	1,373,308	NMF	NMF

Business Unit Highlights

Corporate & Investment Banking (CIB)

- Major new corporate client acquisitions include the UAE-based Rakeen Development, Energo Pro, a leading energy distribution company in Georgia, and GPC, the country's third largest pharmacy chain.
- Increased the number of corporate clients using the bank's payroll services from 480 at the end of 2006 to over 675 by the end of September 2007. By 30 September 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 135,000.
- Approximately 16,000 legal entities opened accounts at the bank during the nine months in 2007, bringing the total to over 60,000.

Retail Banking (RB)

- Increased the number of retail current accounts from approximately 420,000 at the beginning of the year to more than 595,000 by 30 September, 2007.
- Increased the number of branches (service centers) from 100 at the beginning of the year to 109 by 30 September 2007.
- The purchase of commercial space previously rented by seven existing branches resulted in the implied cost savings of GEL 0.3 million per annum.
- Bought and leased premises for 34 new branches, 28 of which remain to be fitted out and are expected to be operational by Q2 2008.
- Stepped up the issuance of credit cards, as the number of credit cards issued reached 46,227 in Q3 2007, compared to approximately 17,000 issued in Q2 2007 and approximately 5,800 issued in Q1 2007. As of 30 September 2007, the number of credit cards outstanding amounted to approximately 69,224, up from 356 at the beginning of the year.
- Increased the issuance of debit cards, with over 229,000 debit cards issued during the nine months of 2007, compared to approximately 158,231 debit cards issued during the first nine months of 2006. The number of debit cards outstanding increased from approximately 285,000 at the beginning of the year to approximately 459,000 by the end of September 2007.
- Continued to make gains in merchant acquiring as the installed POS terminal footprint grew to 1,093.
- Total number of cards serviced by Georgian Card grew from 370,000 at the beginning of the year to 706,249 by 30 September 2007, while the number of transaction authorisations processed by Georgian Card during the nine months of 2007 grew 181.0% y-o-y to approximately 12.2 million.
- Continued investing in the electronic banking channels, as the number of ATMs grew to 185 by 30 September 2007 (up from 124 at the beginning of the year), number of mobile banking users reached 30,184, and number of registered Internet banking users grew 177.3% YTD to over 101,200.
- POS express consumer lending, commenced by the bank in 2006 to complement the branch-based general-purpose consumer lending, resulted in the 840 express loan POS contracts signed with merchants (of which 548 outlets were served by 30 September 2007). POS express loan originations have reached GEL 63.6 million during nine months of 2007 (up 387.9% y-o-y), while POS express loans outstanding amounted to GEL 42.9 million at the end of September 2007, up 308.1% y-o-y and up 93.4% YTD.
- Stepped up mortgage loan originations to GEL 103.8 million during the nine months of 2007 (up 203.1% y-o-y) resulting in mortgage loans outstanding by 30 September 2007 of GEL 134.8 million, up 150.3% y-o-y and up 111.8% YTD.
- Car loan originations of GEL 27.2 million (up 275.6% y-o-y) resulted in car loans outstanding by 30 September 2007 of GEL 30.6 million, up 259.0% y-o-y and up 213.2% YTD.

Business Unit Highlights cont'd

Insurance

-  Major new corporate client acquisitions include Airzena Georgian Airlines for aviation insurance and Energo Pro, for property insurance.

Wealth Management (WM)

-  The number of private banking clients grew from 873 at the beginning of the year to 1,187 at the end of September 2007.
-  Private banking mortgage loan originations of GEL 10.8 million (up 0.5% y-o-y) during nine months of 2007 resulted in mortgage loans outstanding of GEL 22.9 million as at 30 September 2007, up and 61.6% y-o-y and up 32.8% YTD.
-  Private Banking car loan originations of GEL 2.0 million, up 5.8% y-o-y during nine months of 2007 resulted in car loans outstanding of GEL 3.2 million as at 30 September 2007, up 104.3% y-o-y and up 39.0% YTD.
-  Deborah Fairlamb appointed as Kyiv-based group head of Wealth Management.

Galt & Taggart Securities

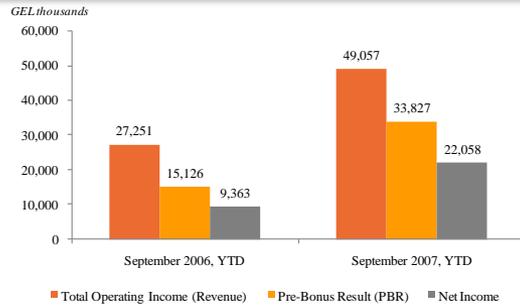
-  Assets Under Custody grew 36.3% y-o-y to GEL 313.2 million as at 30 September 2007.
-  Proprietary book grew 244.9% YTD to GEL 25.4 million as at 30 September 2007.
-  Continued to hold the leading position by the equities trading volume in Georgia, with an approximately 62% market share.
-  Fully staffed Galt & Taggart Securities Ukraine.

Asset Management (AM)

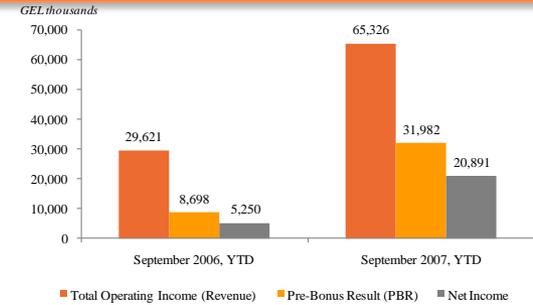
-  The market capitalisation of Galt & Taggart Capital reached GEL 82.9 million as at 30 September 2007, an increase of 54% YTD and an increase of 384% since the company was admitted to trading on the Georgian Stock Exchange in November 2006.
-  Galt & Taggart Capital acquired a 51% equity interest in Planeta Forte, the leading operator of 47 newspaper kiosks in Tbilisi, allowing the development of the cross-sell opportunities between the bank's Retail Banking operations as well as GTC portfolio companies.
-  Keren Shivta Capital management and BST, the Israel-based real estate investors signed an MOU pursuant to which they will invest US\$4.8 million in SB Real Estate. The proceeds will be invested in the development of the existing properties, as well as used for disciplined small-sized acquisitions.
-  Assets Under Management at the Aldagi BCI Pension Fund grew 186.1% y-o-y (up 71.8% YTD) to GEL 0.9 million at the end of 1H 2007, while the number of Aldagi BCI Pension Fund members stood at 3,440 at the end of September 2007, up from 1,560 members at the end of September 2006.

Bank of Georgia Q3 2007 Business Unit Results cont'd

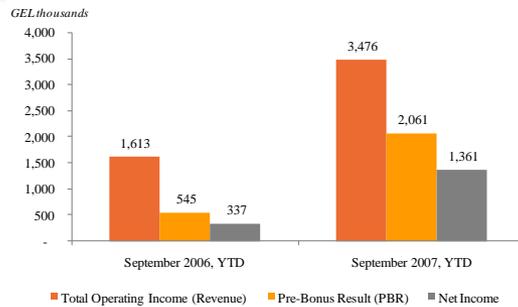
CIB Revenue, PBR & Net Income



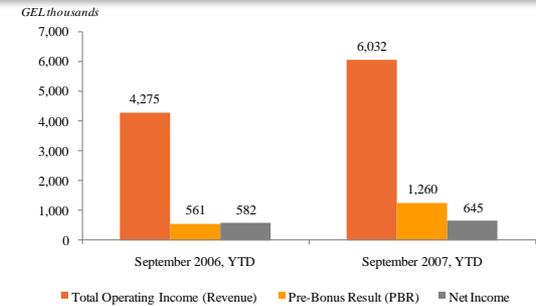
RB Revenue, PBR & Net Income



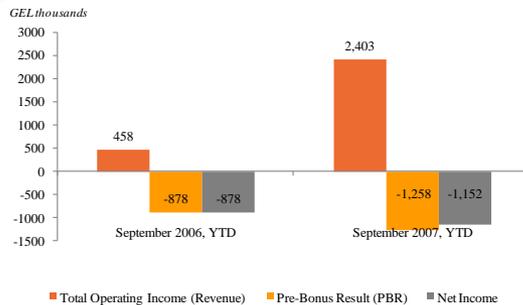
WM Revenue, PBR & Net Income



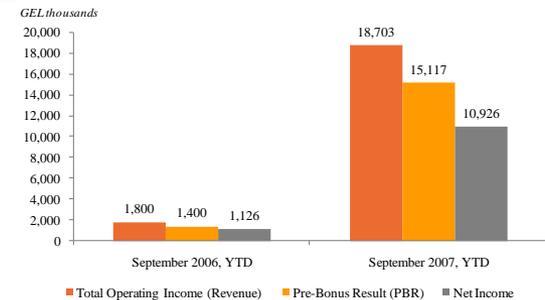
Insurance Revenue, PBR & Net Income



AM Revenue, PBR & Net Income



Galt & Taggart Securities Revenue, PBR & Net Income

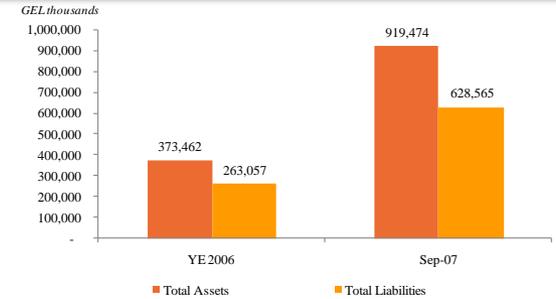


Bank of Georgia Q3 2007 Business Unit Results

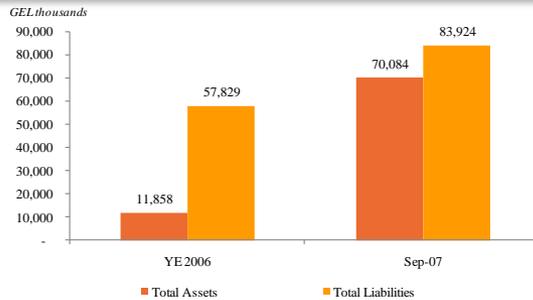
CIB Total Assets & Liabilities



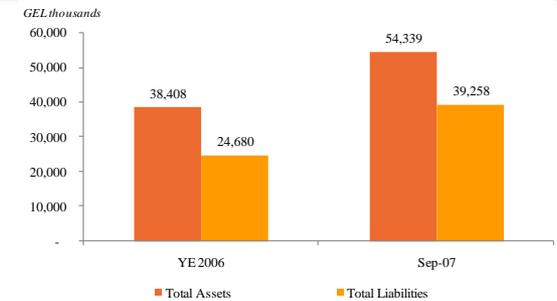
RB Total Assets & Liabilities



WM Total Assets & Liabilities



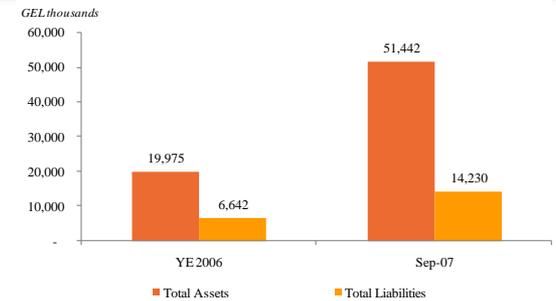
Insurance Total Assets & Liabilities



AM Total Assets & Liabilities



Galt & Taggart Securities Total Assets & Liabilities



Retail Banking – No. 1 Retail Bank In Georgia

New Retail Sub-brand



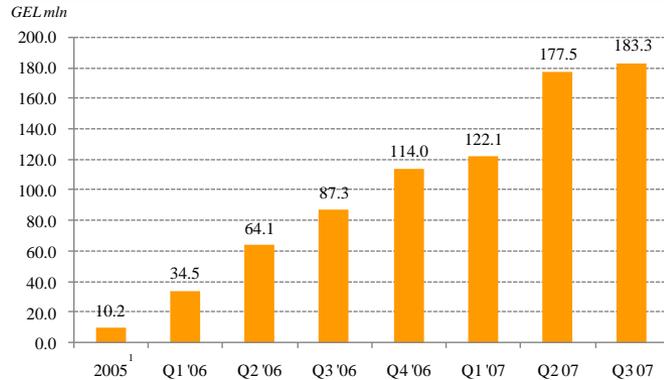
www.sb24.ge



www.kandidati.ge

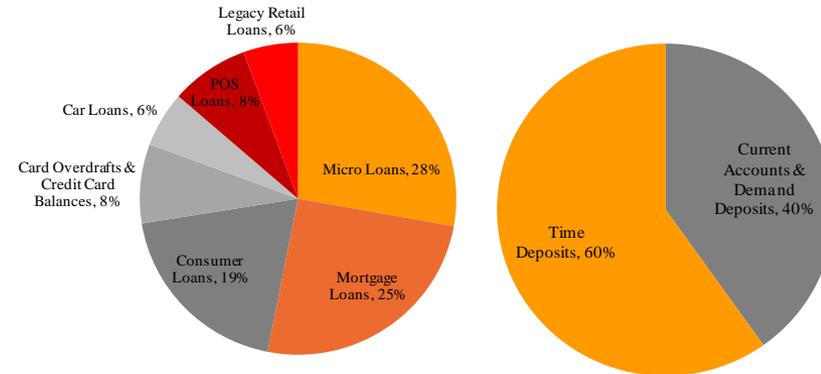


Retail Loans Originated



(1) Monthly average

RB Loan Portfolio & Client Deposits (30 September 2007)



Total retail loans GEL 534 mln

Total retail deposits GEL 323 mln

Leadership in Consumer Lending

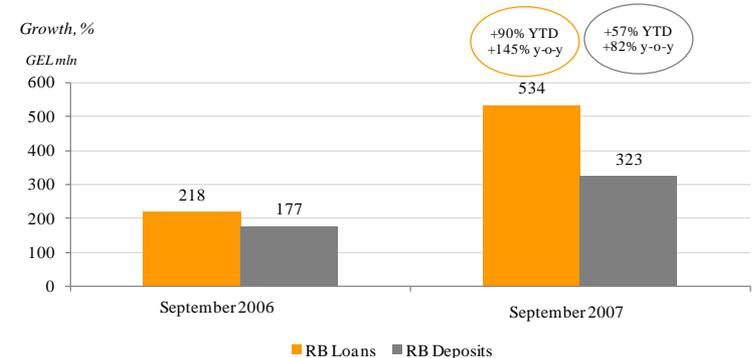
	30 September 2007	YE 2006
POS Contracts Signed	840	454
Exclusive	752	310
Outlets Operating	224	89
Outlets Served	548	251
Number of Consumer Loans Outstanding*	44,849	23,338
Volume of Consumer Loans Outstanding (GEL mln)*	103.3	49.5
Relationship With Car Dealers	27	21
Exclusive	10	10
Presence In Outlets	6	4
Credit Cards Outstanding	69,224	356

* Does not include WM Consumer Loans



www.bog.ge/ir

Retail Loan Portfolio & Client Deposits Growth⁽¹⁾

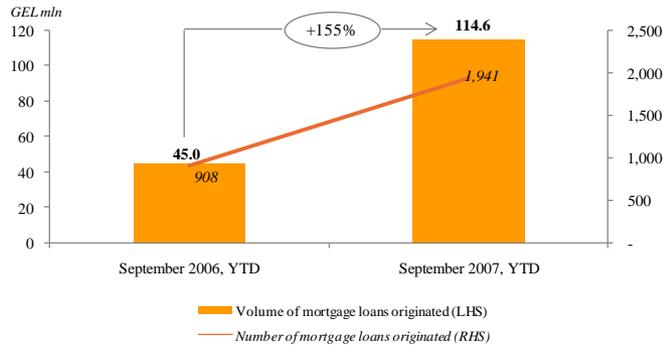


Notes:

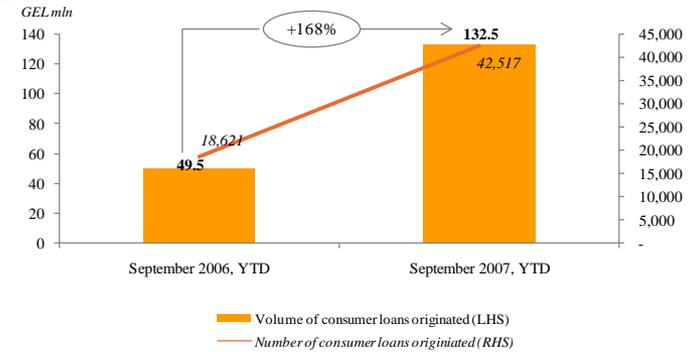
(1) Deposits include current accounts, demand deposits and time deposits

RB & WM - Continuous Increase In Loan Origination Capacity

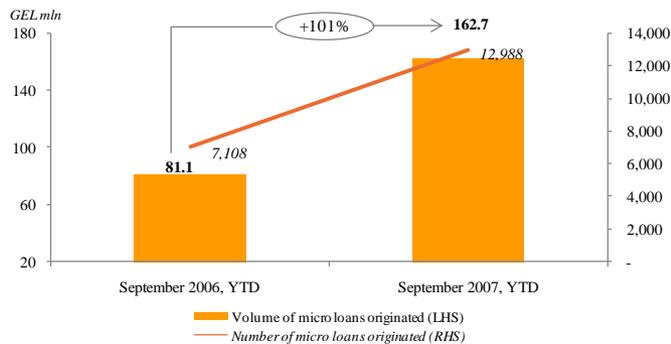
Mortgage Loans Originated



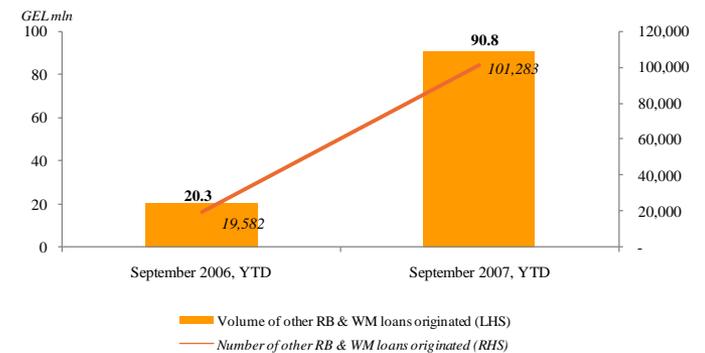
Consumer Loans Originated



Micro Loans Originated



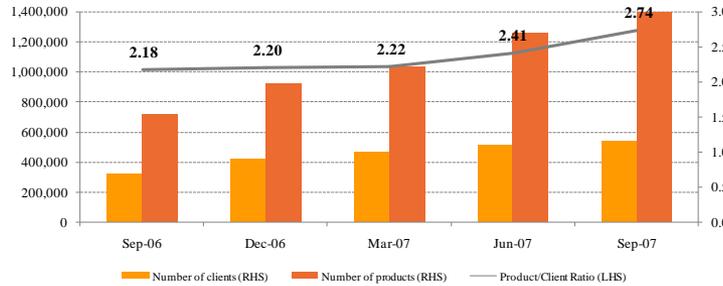
Other Retail And WM Loans Originated*



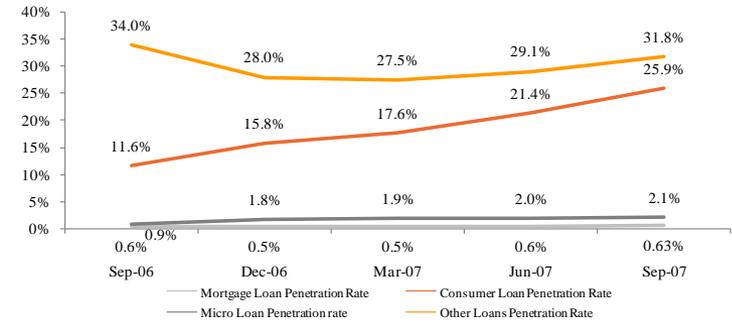
* Does not include Legacy Retail Loans and Card Overdrafts

RB Cross-Selling Gaining Momentum

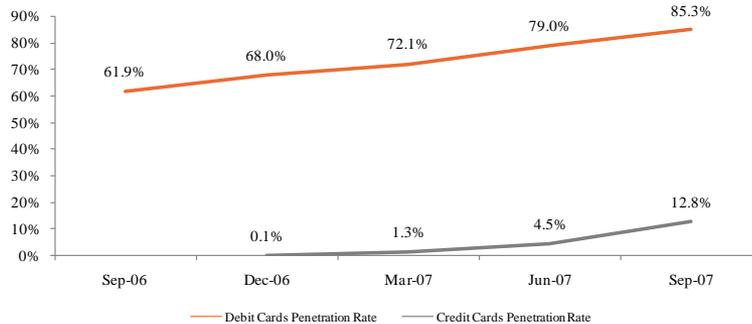
Product/Client Ratio



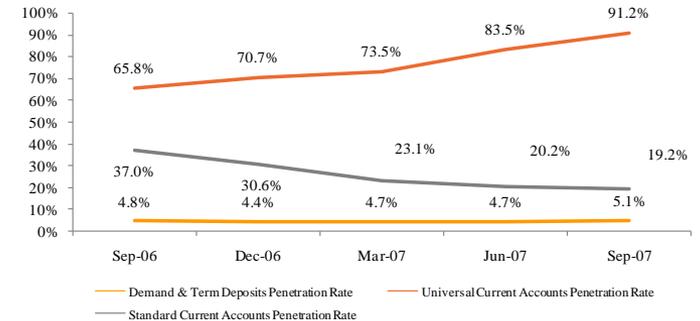
RB Loans Penetration Rate



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

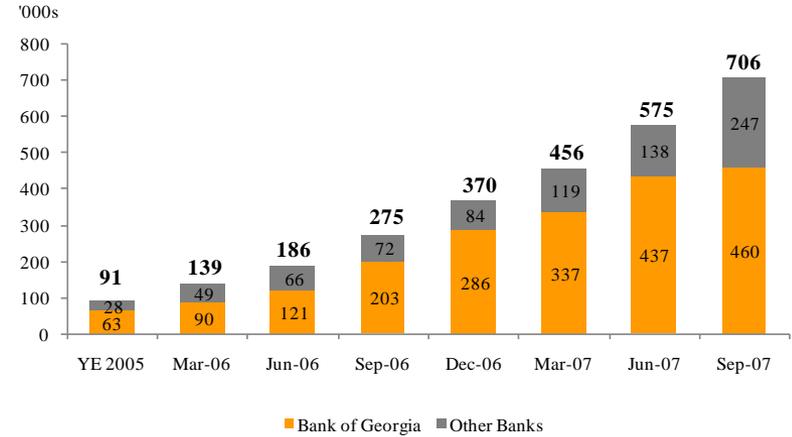


ბანკი რესპუბლიკა
BANK REPUBLIC
საქართველოს ბანკის დაფუძნებული

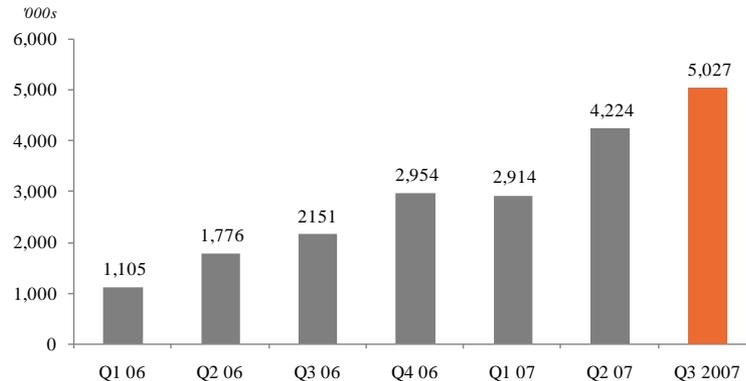


BankTuranAlem

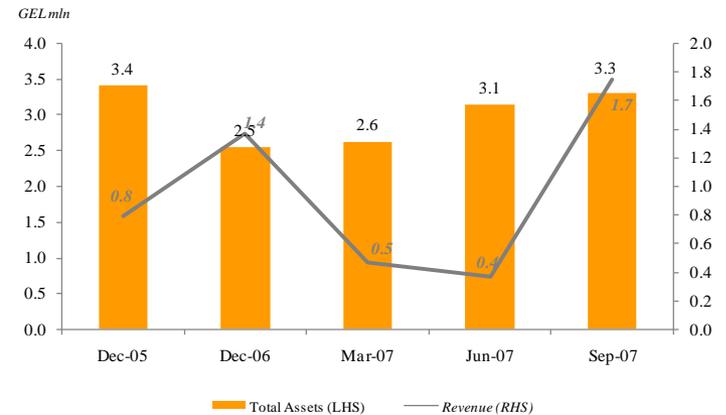
Number of Cards Serviced by Georgian Card



Transaction Authorisations By Georgian Card



Georgian Card's Revenue & Assets

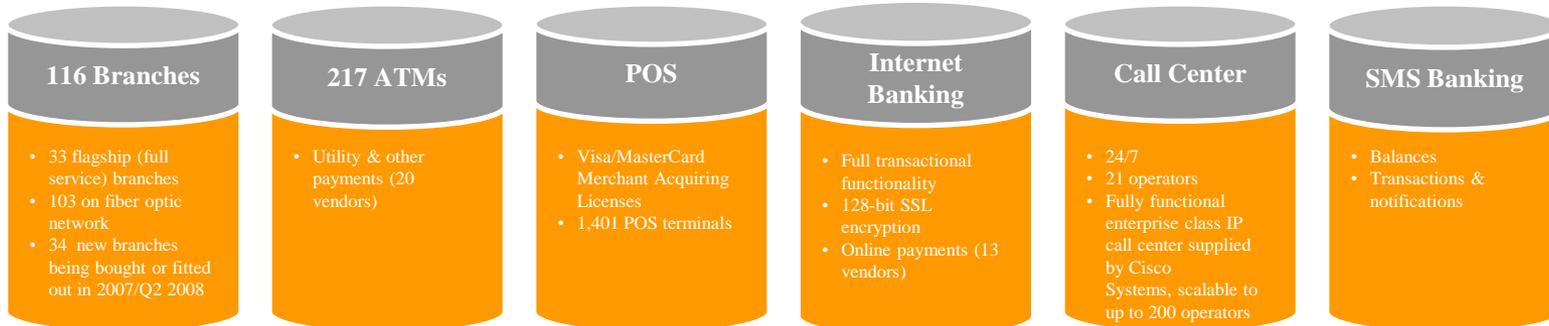


საქართველოს ბანკი
BANK OF GEORGIA

Superior Retail Footprint & Consumer Reach

2005/Ongoing
Investment Focus

Service Delivery
Channels



As of 30 November 2007:

502,000+ debit cards/655,000+ current accounts



2006/2007
Investment Focus

Alternative
Customer
Acquisition
Channels



Extensive Distribution Network Of 116 Branches



As of November 30, 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 35% market share based on customer deposits⁽¹⁾
- Circa 30% market share based on corporate loans⁽¹⁾
- Integrated client coverage in key sectors
- 60,000+ clients of which 4,221 served by dedicated relationship bankers
- High-profile clients include
 - Tbilisi Municipality
 - Millennium Challenge Georgia
 - Tbilisi Metro
 - Romp petrol
 - TAV Urban
 - Lukoil
 - Georgian Railway
 - Magti GSM
 - Geocell
 - Port of Poti
 - Port of Batumi
 - Iberia Refreshments (Pepsi Bottler),
 - Madneuli
 - Beeline
 - Saqementi (Heidelberg Cement Georgia)
 - GOGC
 - Coca-Cola Bottlers Georgia Group Companies
 - Rakeen Development
 - Energopro
- Circa 45% 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 June 2007, source: National Bank of Georgia

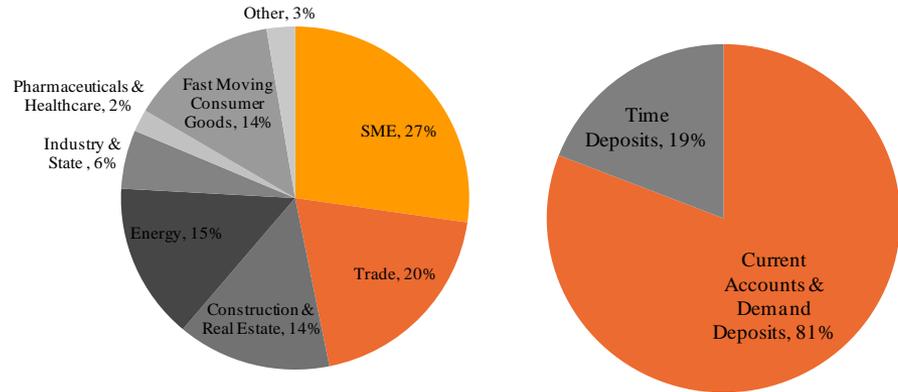
(2) Management estimates (based on the NBG data)



საქართველოს ბანკი
BANK OF GEORGIA

www.bog.ge/ir

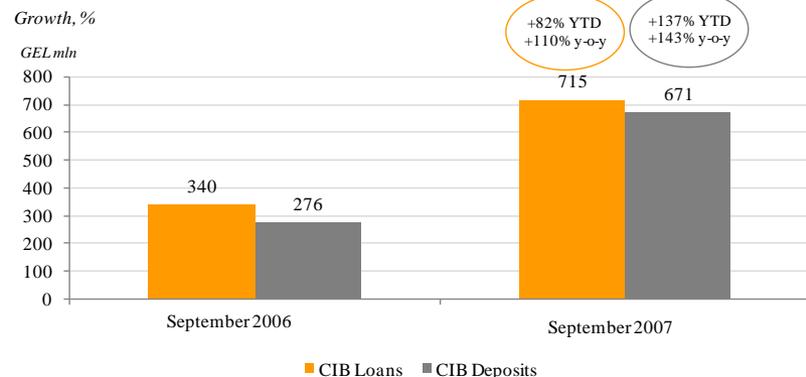
Corporate Loan Portfolio & Client Deposits (30 September 2007)



Total corporate loans **GEL 715 mln**

Total corporate deposits **GEL 671 mln**

Corporate Loan Portfolio & Client Deposits Growth⁽¹⁾



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

Aldagi BCI (Insurance)

Size of the Georgian Insurance Market

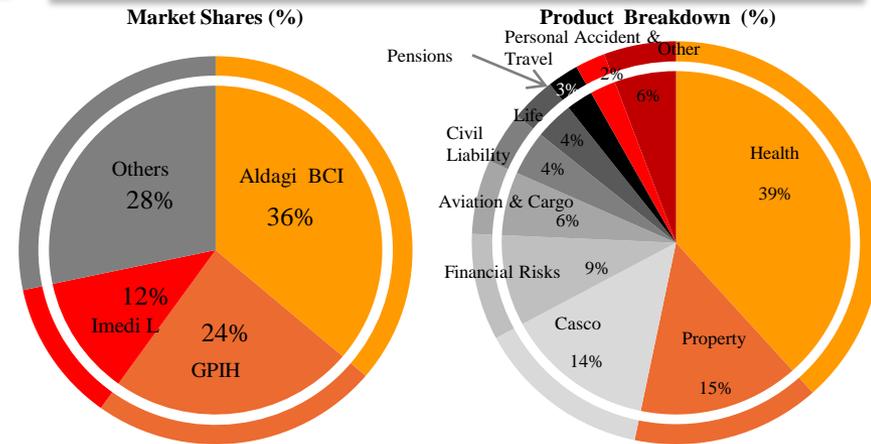
GEL mln	1H'07	YE'06	YE'05
GPW	48.7	70	55
Claims Reimbursed	12.6	23	18

Overview

- Small insurance market (US\$52 mln GPW in 9M '07)⁽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

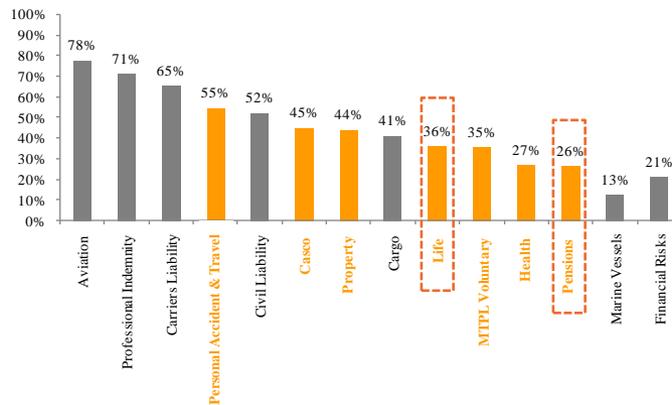
Notes:(1) Source: State Insurance Supervision Service of Georgia
 (2)Converted at GEL/US\$ 1.658
 (3) GDP 2007E

Georgian Insurance by GPW (30 September 2007)



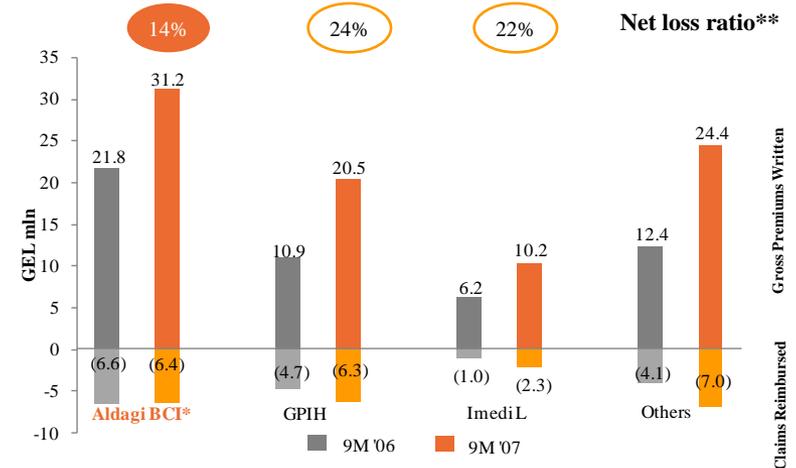
Source: State Insurance Supervision Service of Georgia

Aldagi BCI Market Share by Product (9M '07)



Source: State Insurance Supervision Service of Georgia

Gross Premiums Written & Total Claims Reimbursed



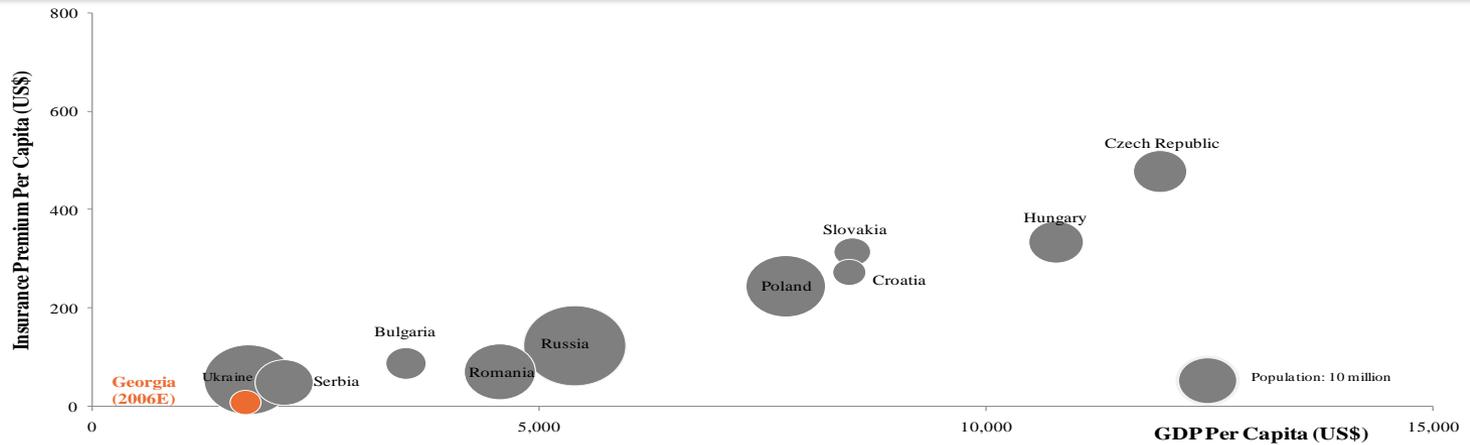
*Pro forma combined for 9M 2006

** Net Loss Ratio equals Claims Reimbursed by Companies divided by Total Premiums Written



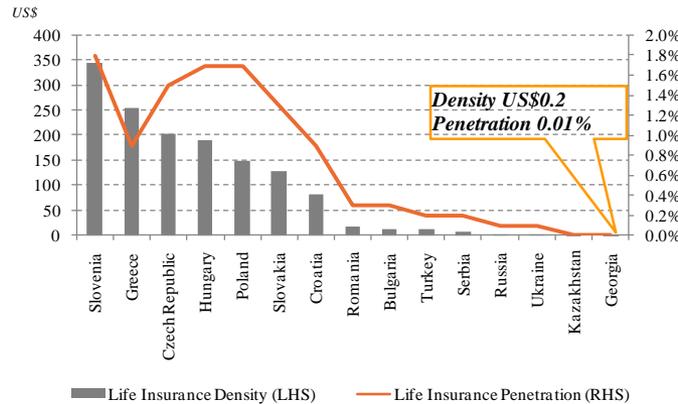
Georgian Insurance Market vs. EU & CEE/CIS

Insurance Premiums Per Capita vs. GDP Per Capita



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

Life Insurance Density* and Penetration**, 2006



Source: Swiss Re, Sigma No 4/2007, Georgian State Pension Supervision Agency

*Life Insurance Premium Written Per Capita

** Life Insurance Premiums as % of GDP

	GDP per Capita, PPP (2006E, US\$)	Penetration* (2006)	Density** (2006, US\$)
Greece	23,500	1.8%	489
Czech Republic	21,600	3.8%	520
Hungary	17,300	3.4%	376
Poland	14,100	3.5%	310
Russia	12,100	2.3%	151
Bulgaria	10,400	2.6%	101
Turkey	8,900	1.6%	89
Ukraine	7,600	2.8%	60
Georgia	3,800	0.5%	9

*Gross Premium Written As % of GDP

**Gross Premiums Written Per Capita

Source: Swiss Re, Sigma No 4/2007, Georgian State Pension Supervision Agency, Galt & Taggart Securities estimates, CIA World Factbook

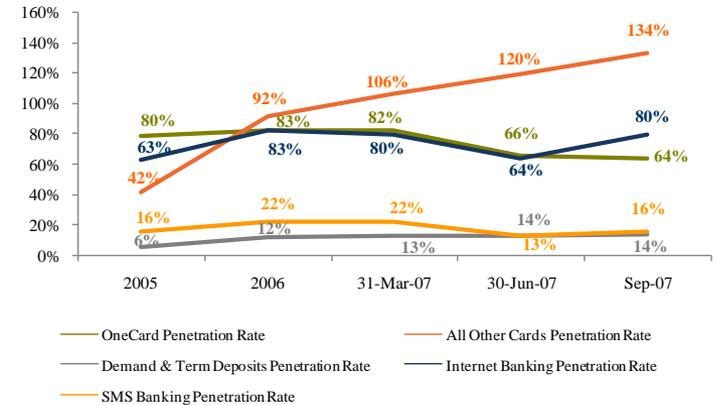
Wealth Management (WM) Performance Review

Private Banking Clients and Client Assets

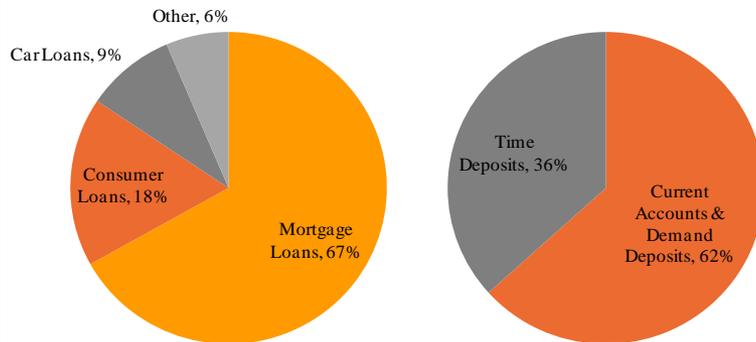


Notes: (1) Converted at exchange rates of GEL/US\$, 1.793 (2005), 1.714 (2006), 1.700 (Q1 2007) and 1.670 (Q2 2007), 1.66 (Q3 2007)
 (2) PB Client Assets include: Balances on OneCard Accounts, Credit Balances on Other Cards, Credit Balances On Regular Current Accounts, Demand & Time Deposits, Brokerage & Asset Management Accounts, Pensions

Private Banking Products Penetration



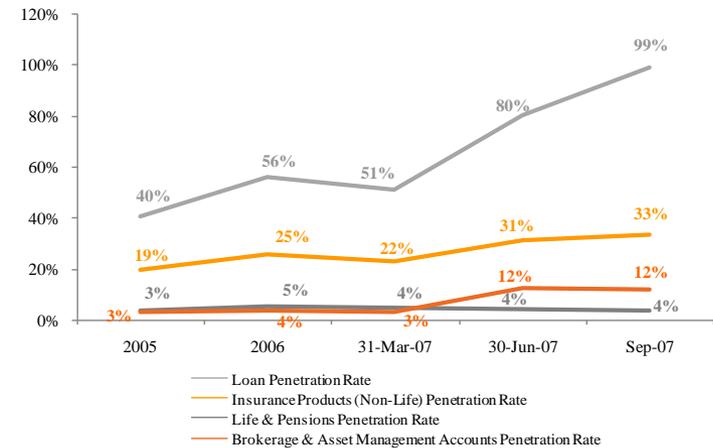
Private Banking Loans and Deposits (30 September 2007)



Total PB loans GEL 34 mln

Total PB deposits GEL 64 mln

Private Banking Products Penetration

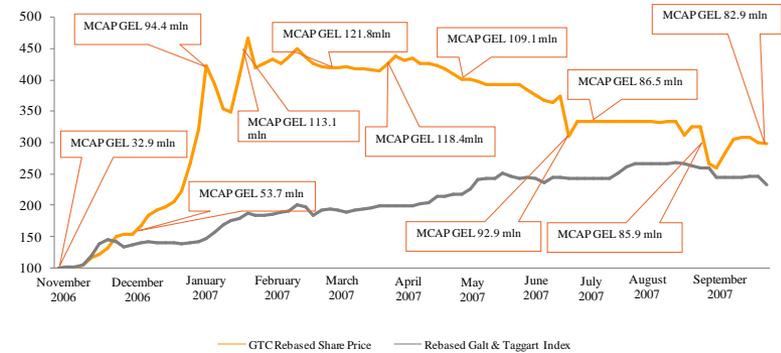


Asset Management Review

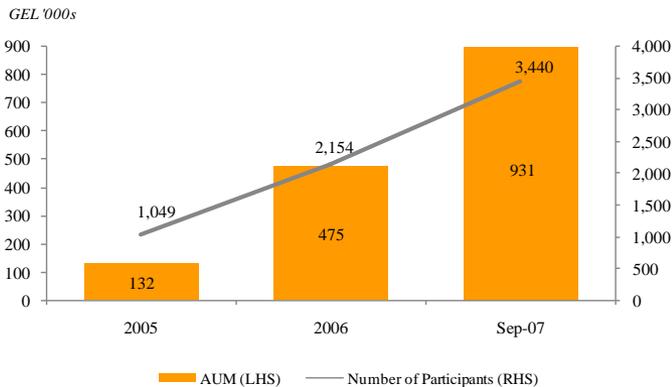
Asset Management Overview

- ☑ Galt & Taggart Capital (GSE: GTC)
- ☑ MCAP GEL 83 mln as of 30 September 2007
- ☑ Consumer goods, retail, business support services, TMT
- ☑ SB Real Estate
 - ☑ 15+ 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

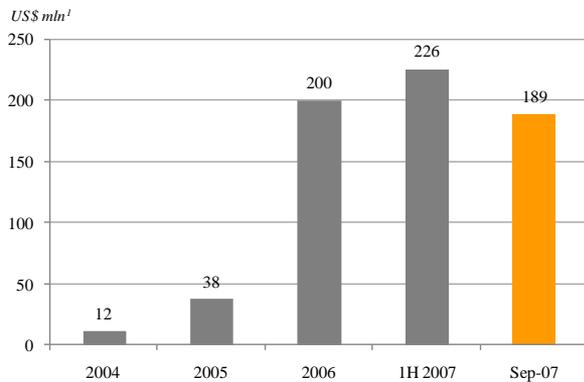


Selected Portfolio Companies



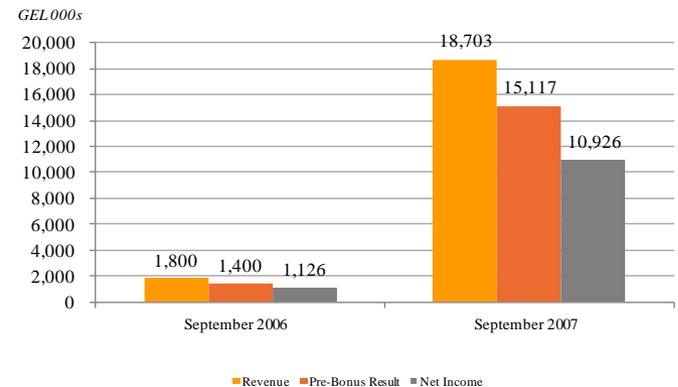
Galt & Taggart Securities

Client Assets Under Custody

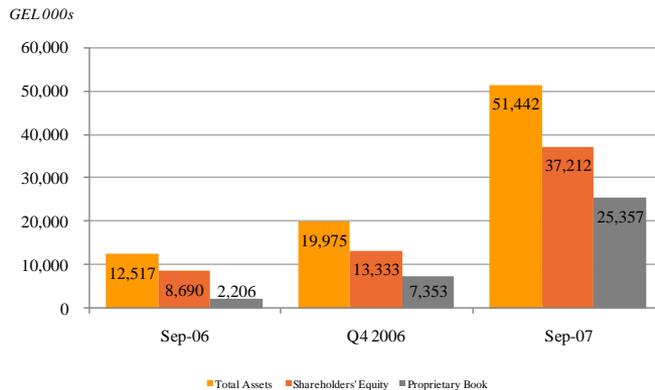


Note: (1) Converted at exchange rates of GEL/US\$ 1.825 (2004), 1.793 (2005), 1.714 (2006), 1.700 (Q1 2007), 1.670 (Q2 2007), 1.66 (Q3 2007)

Revenue, Pre-Bonus Result & 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
- 🏠 15 FTEs in Georgia and 28 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 სანაზღაურებო კომპანია
INSURANCE COMPANY

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



JSC Aldagi

Sole Adviser



ბანკი & მთავარი
GALT & TAGGART

December 2006

 სანაზღაურებო ბანკი
BANK OF GEORGIA

**Acquisition of assets
and liabilities of**



Sole Adviser



ბანკი & მთავარი
GALT & TAGGART

February 2006

 UNITED TELECOM of GEORGIA

GEL 2,570,052
Block Trade

Broker



ბანკი & მთავარი
GALT & TAGGART

December 2006

 UNITED TELECOM of GEORGIA

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

Coordinator & Market-maker



ბანკი & მთავარი
GALT & TAGGART

April 2006

 სანაზღაურებო 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 & მთავარი
GALT & TAGGART

November 2006

 ბანკი & მთავარი კაპიტალი
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 & მთავარი
GALT & TAGGART

November 2006

 სანაზღაურებო ბანკი
BANK OF GEORGIA

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



Sole Adviser



ბანკი & მთავარი
GALT & TAGGART

October 2006

 სანაზღაურებო ბანკი
BANK OF GEORGIA

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



Sole Adviser



ბანკი & მთავარი
GALT & TAGGART

August 2006

 პაპული
Papuli

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

**EAST CAPITAL
Ostinvestor**

Sole Placement Agent



ბანკი & მთავარი
GALT & TAGGART

May 2006

 პროკრედიტ ბანკი
ProCredit Bank

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

Sole Underwriter



ბანკი & მთავარი
GALT & TAGGART

December 2006

Contact

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Chief Executive Officer

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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	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 c. 85% 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 UBDP 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>30 September 2007</p> <p>US\$1,450 mln</p> <p>US\$770 mln</p> <p>US\$642 mln</p> <p>US\$280 mln</p> <p>US\$978 mln</p> <p>25+</p> <p>Merchant Banking Acquisitions</p> <p>98.8% of UBDP acquired</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 loan* US\$200 mln debut Regulation S 5-year unsecured Eurobond US\$123.5 mln syndicated loan arranged by Citi and ADB Merrill Lynch US\$35 mln subordinated loan HBK Investments US\$15 mln subordinated debt</p> <p>85%</p>	<p>1206%</p> <p>955%</p> <p>1026%</p> <p>977%</p> <p>4790%</p>
Institutional Ownership 28% 37% 50% 85% 85%						

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*

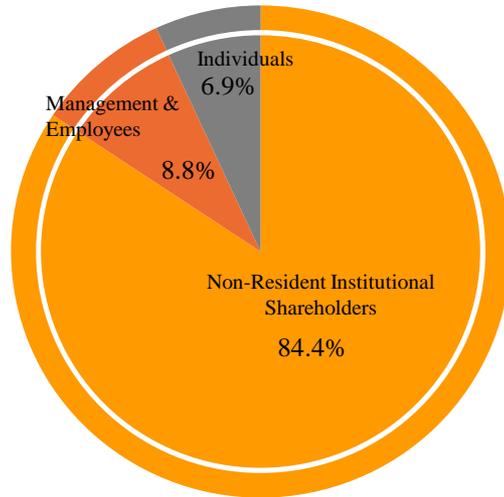
Our *mission* is to create long-term value by building a relationship-driven, client-facing integrated financial services company based on the core values of *excellence in execution, teamwork, integrity and trust*

	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 	<ul style="list-style-type: none"> ✓ 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 	<ul style="list-style-type: none"> ✓ 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 	<ul style="list-style-type: none"> ✓ Achieved ✓ Achieved

Bank of Georgia Price Performance

Ownership Structure & Share Price Performance

Ownership structure, September 2007



The second highest free float (91%) of all emerging EMEA banks

Broadly owned by over 100 institutional accounts
Highly dispersed ownership – no single fund owns more than 5.4% of the shares

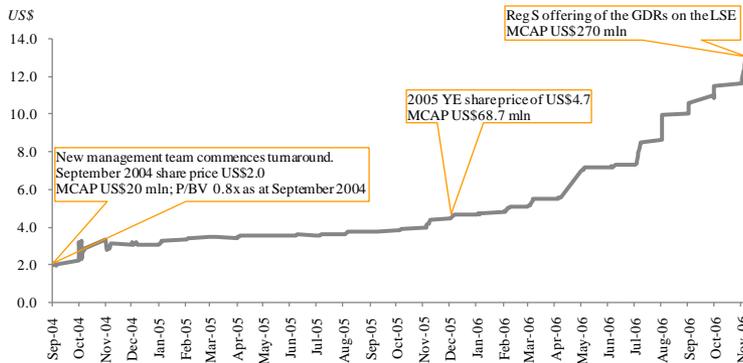
30-Sep-07	GDRs*	Local Shares	Total	%
Institutional Shareholders	17,217,597	5,688,425	22,906,022	84.4%
Individual Shareholders	-	1,866,727	1,866,727	6.9%
Management and Employees	1,499,500	881,850	2,381,350	8.8%
Fully Vested	67,583	856,169	923,752	3.4%
Awarded but unvested	403,550	25,681	429,231	1.6%
Employee Benefit Trust	1,028,367	-	1,028,367	3.8%
Total Shares Outstanding	18,717,097	8,437,002	27,154,099	100%
Adjusted for Galt & Taggart Securities' Proprietary Book ⁽¹⁾	(42,622)	(306,283)	(348,905)	-1.3%
Adjusted Total Shares Outstanding	18,759,719	8,743,285	26,805,194	

Dilution Projections			
EuroPace Hold Back	-	95,000	95,000
Diluted Shares	18,759,719	8,838,285	26,900,194
Galt & Taggart Securities' Proprietary Book	42,622	306,283	348,905
Fully Diluted Shares	18,802,341	9,144,568	27,249,099

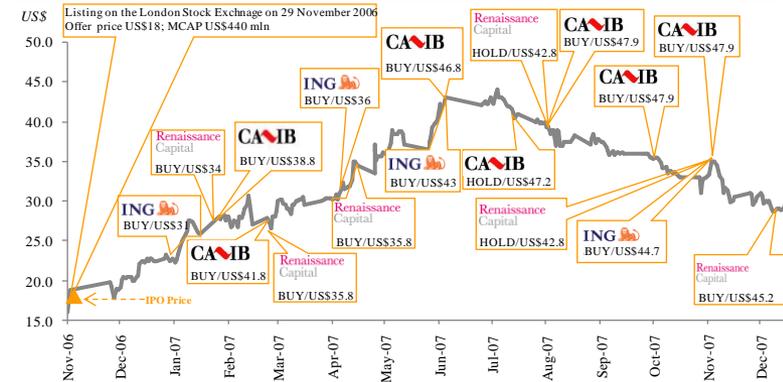
¹ Treated as treasury shares as per IFRS

* Bank of New York acts as depository 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 of Georgia Share Price Performance

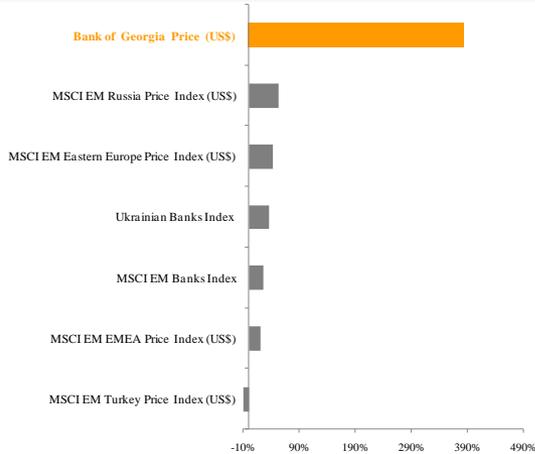


Bank of Georgia GDR Price Performance

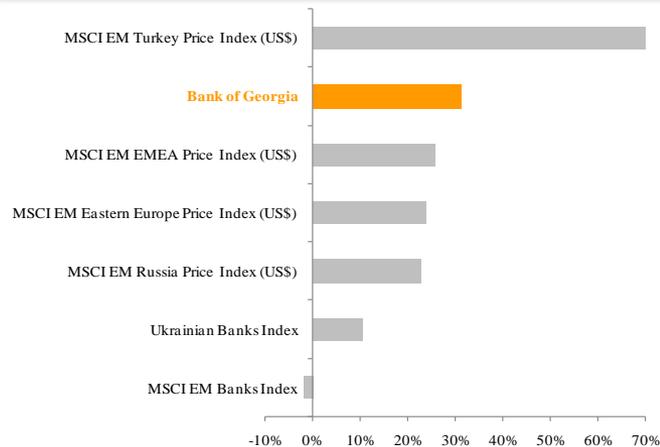


2006-2007 Price Performance

Bank of Georgia Price vs. Selected MSCI Indices, 2006



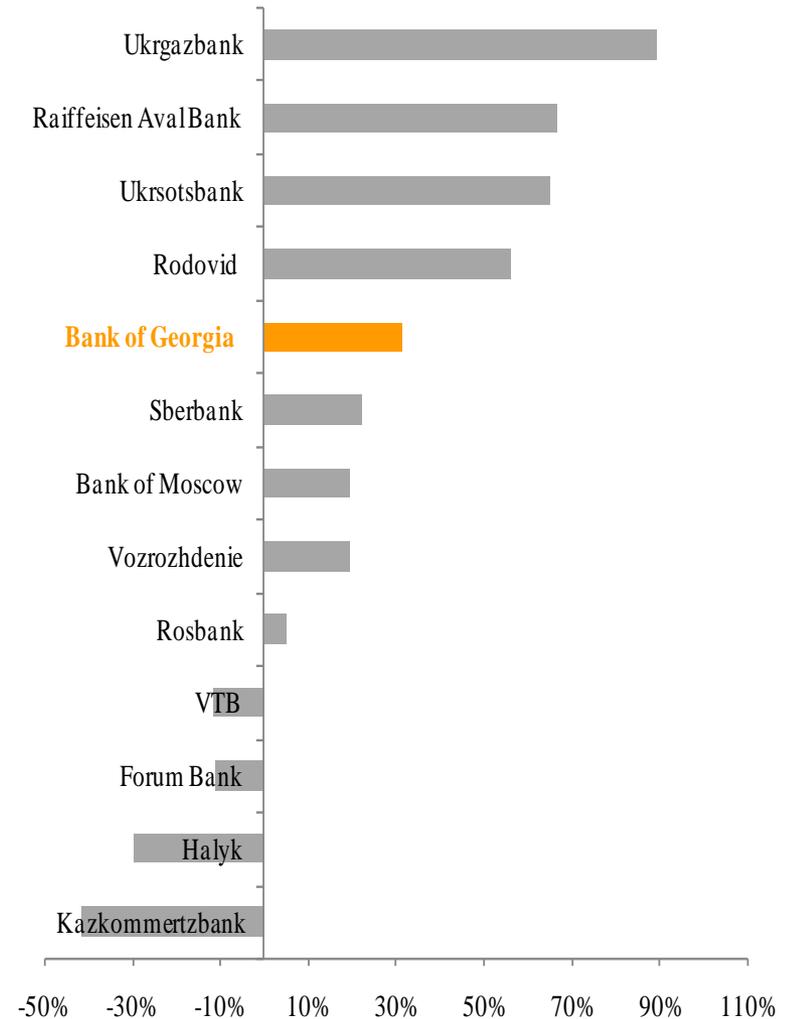
Bank of Georgia Price vs. Selected MSCI Indices, 2007



Source: Galt & Taggart Securities



Bank of Georgia Price vs. CIS Banks 2007 Price Performance



Source: Bloomberg

Analyst Coverage

Renaissance Capital

Analyst	Email	Recommendation	Date of Recommendation
David Nangle	Dnangle@rencap.com	BUY/US\$45.2	18 December 2007



Analyst	Email	Recommendation	Date of Recommendation
Andrzej Nowaczek	andrzej.nowaczek@uk.ing.com	BUY/US\$44.7	13 November 2007



Analyst	Email	Recommendation	Date of Recommendation
Milena Ivanova	ivanovam@ca-ib.com	BUY/US\$47.9	5 November 2007

Our Team



საქართველოს ბანკი
BANK OF GEORGIA

www.bog.ge/ir

Our Team

Supervisory Board

Nicholas Enukidze, 37, Acting Chairman
ABN AMRO, Concorde Capital, Global One
MBA, University of Maryland

Ian Hague, 46, Member
Firebird Management LLC, United Nations Secretariat
MA, Monterey Institute of International Studies

Allan Hirst, 58, Member
Citigroup
MBA, University of Texas

Jyrki Talvitie, 41, Member
UralSib, BNP Paribas, Bank of New York
MBA, London Business School; LLM, University of Helsinki



Group Management

Nicholas Enukidze, 37, Acting Chairman
ABN AMRO, Concorde Capital, Global One
MBA, University of Maryland

Irakli Gilauri, 31, Chief Executive Officer
EBRD
MSc, Cass Business School of City University

Macca Ekizashvili, 33, Head of Investor Relations
IFC
MBA, George Washington University

Thea Jokhadze, CFA, 31, Head of Debt Capital Markets (Group Head of Funding)
Pace Global Services, CMS Energy Corp
MA degree, Johns Hopkins University, School of Advanced International Studies

Gvantsa Shengelia, 37, Head of Compliance
Deutsche Bank, Morgan Stanley
MA Degree in Economic Geography, Tbilisi State University

Avto Namicheishvili, 33, Group General Counsel
Begiashvili & Co Limited
LLM, Central European University

David Vakhtangishvili, 29, Chief Financial Officer
Ernst & Young LLC
BBA, ESM-Tbilisi, 1st Level CPA, US

Alexander Oleshko, 31, Chief Information Officer
Private Bank, Premier Bank, Control Pay BV, Superweb
BA University of Dnepropetrovsk



Our Team Cont'd

Commercial Banking, Georgia

Irakli Gilauri, 31, Chief Executive Officer
EBRD
MSc, Cass Business School of City University

Ramaz Kukuladze, 35, Deputy Chief Executive Officer
BCI, AbsolutBank, TbilCreditBank
MA degree, Bank Academy of ESM Tbilisi, MBA degree from Instituto de Empresa expected in July 2008

Lekso Liparteliani, 33, Co-Head of Corporate & Investment Banking
Galt & Taggart Securities, State Department for Statistics of Georgia
PhD in Mathematics, Tbilisi State University

Gvantsa Shengelia, 37, Head of Compliance
Deutsche Bank, Morgan Stanley
MA Degree, Tbilisi State University

Constantin Tsereteli, 35, Co-Head of Retail Banking
Constanta Foundation, World Vision
MA Degree in Legal Studies, Tbilisi State University; MA Degree in Medieval Studies, Central European University; Diploma in Byzantine Studies, University of Oxford

Mikheil Gomarteli, 32, Co-Head of Retail Banking
Bank of Georgia
MA Degree in Economics, Tbilisi State University

Vasil Khodeli, 31, Co-Head of Corporate & Investment Banking
Bank of Georgia, TbilInterBank
MA Degree in Economics, Tbilisi State University

Deborah Fairlamb, 40, Group Head of Wealth Management
UBS, Merrill Lynch
BA in Literature, University of Delaware

Irakli Burdiladze, 33, Chief Operating Officer
GMT Group
MA Degree, Johns Hopkins University, School of Advanced International Studies

David Vakhtangishvili, 29, Chief Financial Officer
Ernst & Young LLC
BBA, ESM – Tbilisi, 1st Level CPA, US

Commercial Banking, Ukraine

Genady Matuzenko, 39, CEO, Chairman of the Management Board
Tax Administration, Blitz-Information Publishing Company, Bank Forum
BA Degree in Applied Economics, Kyiv National Shevchenko University

Igor Gordeev, 44, Deputy CEO
Oschadbank, Bank Forum, Legbank
BA in Banking Management, KROK Economics and Law University

Sulkhan Gvalia, 33, Deputy CEO & Chief Risk Officer
TbilUniversalBank
BA Degree, MA in Law, Tbilisi State University

Dmytro Perepolkin, 29, Chief Operating Officer
Concorde Capital, Five years in Consulting and Technology
MBA, California State University

Aleksey Teslenko, 27, Deputy CEO
Finance & Credit, Legbank
MA in Banking Management, Kyiv National Economic University

Giorgi Vakhtangishvili, Deputy CFO of Bank of Georgia responsible for Ukraine
BBA from ESM-Tbilisi
Ernst & Young LLC

Head of Coverage to join in February 2008

Galt & Taggart Asset Management

Bidzina Bejushvili, 37, Chief Executive Officer
JP Morgan Chase, UniCredit, RZB
MA Degree in Economics, Boston University

Eli Enoch, 34, CEO, Galt & Taggart Capital
Caucasus Financial Services, World Congress of Georgian Jews, TKTel
MBA, Tel Aviv University

Irakli Gogia, 25, Chief Financial Officer, Galt & Taggart Capital
Deloitte & Touche, Ernst & Young
BBA, ESM-Tbilisi

Giorgi Nadareishvili, 37, CEO, SB Real Estate
Klacken Corporation
BA Degree in International Relations, Institute of Foreign Languages,
Real Estate Sales Certificate, permitting to buy and sell real estate in New York State

Archil Mamatelashvili, 34, CEO, Caucasian Energy Fund
Energopro SA, Ministry of Energy of Georgia
MBA, Weatherhead School of Management of Case Western Reserve University/IMC Graduate School of Business

Investment Banking

Dmitry Kasatkin, 37, Chief Executive Officer
ABN AMRO, PriceWaterHouseCoopers
MBA, California State University

Tamar Metivishvili, 26, Chief Financial Officer
PriceWaterHouseCoopers, Ernst & Young Audit LLC
MBA, ESM – Tbilisi

Sergiy Lesyk, 35, Global Head of Equities
Millennium Capital, Nomura, PriceWaterHouseCoopers
MA Degree, Moscow State University

Giorgi Paresishvili, 34, Global Co-Head of Sales
Credit Suisse First Boston
MBA, University of Michigan (Ross) Business School

Lucas Romriell, 29, Head of Regional Development
Concorde Capital, UralSib
BA Degree in Russian Studies, University of Colorado

Alexander Lisnichenko, 31, Equity Sales
Kraft Foods, Nestle, Mondli Business Paper
MBA, Creighton University

Insurance

Nikoloz Gamkrelidze, 27, Chief Executive Officer
BCI Health Clinic, World Bank
MSc in Health Management, Imperial College, London

Katerina Lotuashvili, 32, Director, Retail Insurance
AON Limited, GPH
MSc in Insurance Risk Management, Cass Business School of City University

Kesenia Semiokhina, 33, Operations Department Director
GPH
LLM, Tbilisi State University



Ukraine Update

UBDP Update

Bank of Georgia Team Leading The Transition

- Sulkhan Gvalia** Spearheading integration of UBDP with Bank of Georgia group;
Deputy CEO of Bank of Georgia since January 2005;
One of the founders of TbilUniversalBank (“TUB”), acquired by Bank of Georgia in December 2004
Went through all aspects of integration of Bank of Georgia and TUB and Bank of Georgia and Intellectbank in February 2006.
- Dmytro Perepolkin** Led the acquisition of UBDP from Bank of Georgia side;
Spearheaded the establishment of Galt & Taggart Ukraine in 2006-2007;
Worked as a Senior Associate at Concorde Capital (Kyiv, Ukraine) prior to joining Galt & Taggart Ukraine
- Giorgi Vakhtangishvili** Deputy CFO of Bank of Georgia responsible for Ukraine. Joined from Ernst & Young LLC, Kyiv Office;
Spearheading of transformation of budgeting, management and IFRS reporting and audit functions of UBDP
- Ognjen Nastic** Head of IT Ukraine
Leads integration of IT systems
- Name Confidential** Group Head of Coverage to be based in Kyiv, to be announced in February 2008;
UK education, work experience at global universal bank in Moscow and London

Tasks of UBDP Team in 2007

- ☐ Comprehensive understanding of UBDP business processes
- ☐ Design and enhance organisation structure
- ☐ Start implementing CIB coverage model
- ☐ Establish close cooperation with Galt & Taggart
- ☐ Establish close cooperation with Bank of Georgia CIB team to service Georgia-Ukraine trade and investment flow
- ☐ Kick-off rebranding
- ☐ Aggressive hiring

UBDP IFRS, Unaudited, Income Statement

Period Ended	9 Months, 2007	
IFRS Based	US\$	GEL
<i>Thousands, unless otherwise noted</i>		(Unaudited)
Interest Income	19,913	33,015
Interest Expense	10,170	16,863
Net Interest Income	9,742	16,152
Fees & Commission Income	2,736	4,537
Fees & Commission Expense	437	724
Net Fees & Commission Income	2,300	3,813
Income From Documentary Operations	-	-
Expense On Documentary Operations	-	-
Net Income From Documentary Operations	-	-
Net Foreign Currency Related Income	648	1,074
Net Insurance Income	-	-
Brokerage Income	-	-
Asset Management Income	-	-
Realized Net Investment Gains (Losses)	-	-
Other	329	545
Net Other Non-Interest Income	329	545
Net Non-Interest Income	3,277	5,433
Total Operating Income (Revenue)	13,019	21,585
Recurring Operating Costs		
Personnel Costs	2,274	3,771
Selling, General & Administrative Expenses	1,379	2,286
Procurement & Operations Support Expenses	961	1,593
Depreciation And Amortization	477	791
Other Operating Expenses	2,279	3,779
Total Recurring Operating Costs	7,370	12,220
Normalized Net Operating Income (Loss)	5,649	9,366
Net Non-Recurring Income (Costs)	4	6
Profit Before Provisions And Bonuses	5,653	9,372
Provision For Loan Losses	583	966
Recovery Of Loans	-	-
Provisions For (Recovery Of) Other Assets	167	276
Net Provision Expense	749	1,242
Pre-Bonus Result	4,903	8,130
Guaranteed Compensation Expense	-	-
EECP Expenses	-	-
Cash Bonuses (Accrued)	-	-
Bonuses & Share-Based Compensation Expenses	-	-
Pre-Tax Income	4,903	8,130
Income Tax Expense (Benefit)	1,226	2,032
Net Income	3,678	6,097

UBDP IFRS, Unaudited Balance Sheet

	30-Sep-07	
	US\$	GEL
	(Unaudited)	
IFRS Based		
<i>Thousands, unless otherwise noted</i>		
Cash And Cash Equivalents	7,344	12,177
Loans And Advances To Credit Institutions	27,682	45,896
Mandatory Reserves With NBG	10,626	17,619
Other Accountns With NBG	-	-
Balances With And Loans To Other Banks	17,055	28,277
Available-For-Sale Securities	-	-
Treasuries And Equivalents	3,669	6,083
Other Fixed Income Instruments	6,886	11,418
Loans To Clients, Gross	201,377	333,884
Less: Reserve For Loan Losses	(4,874)	(8,080)
Net Loans To Clients	196,504	325,803
Investments In Other Business Entities, Net	-	-
Property And Equipment Owned, Net	2,268	3,760
Intangible Assets Owned, Net	-	-
Goodwill	-	-
Tax Assets, Current And Deferred	-	-
Prepayments And Other Assets	3,344	5,544
Total Assets	247,697	410,681
Client Deposits	158,900	263,455
Deposits And Loans From Banks	33,181	55,015
Borrowed Funds	2,097	3,477
Issued Fixed Income Securities	7,906	13,108
Insurance Related Liabilities	-	-
Tax Liabilities, Current And Deferred	3,270	5,421
Accruals And Other Liabilities	527	874
Total Liabilities	205,881	341,350
Share Capital - Ordinary Shares	27,810	46,109
Share Premium	-	-
Treasury Shares	-	-
Retained Earnings	9,563	15,855
Revaluation And Other Reserves	766	1,270
Net Income For The Period	3,678	6,097
Shareholders Equity Excluding Minority Interest	41,816	69,331
Minority Interest	-	-
Total Shareholders Equity	41,816	69,331
Total Liabilities And Shareholders Equity	247,697	410,681



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

Sep - 2007=1.66

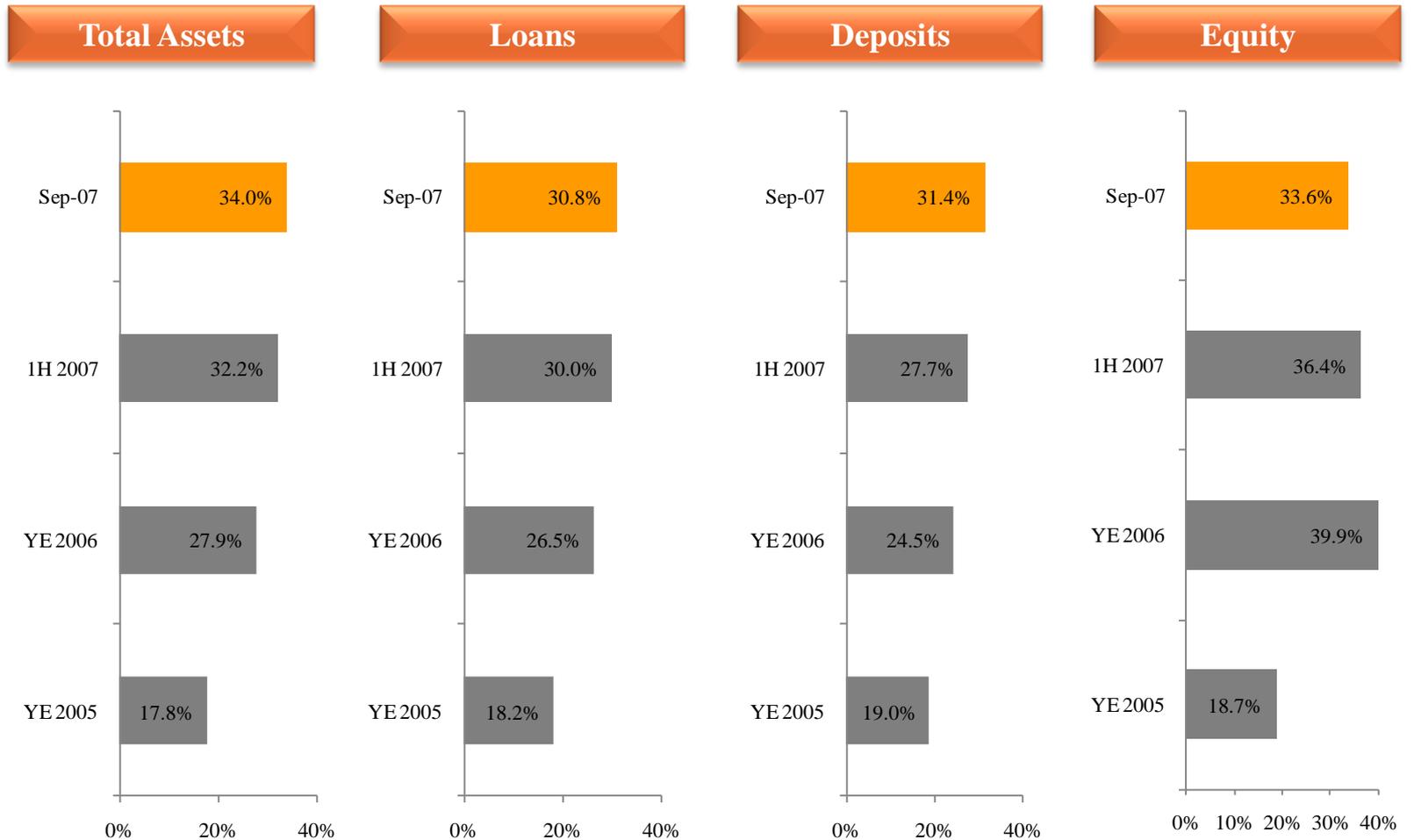
US\$ mln	YE 2005	YE 2006	Sep - 07	As % of GDP*	Growth		Market Share (YE 2006)		Market Share (September 2007)	
					2006 Y-O-Y	2007 YTD	Top 5 Banks	Bank of Georgia	Top 5 Banks	Bank of Georgia
Total Assets	1,421	2,467	4,025	30.8%	65.9%	57.9%	80.1%	27.9%	80.7%	34.0%
Gross Loans	965	1,565	2,492	19.5%	55.0%	54.1%	83.2%	26.5%	82.7%	30.8%
Deposits	858	1,359	2,050	17.0%	51.4%	46.0%	82.2%	24.5%	82.2%	31.4%
Equity	267	524	781	6.5%	87.4%	44.1%	78.3%	39.9%	74.0%	33.6%
Net Income	35	54	53	0.7%	50.5%	NMF	80.8%	23.6%	83.2%	39.7%

- ☞ 19 banks as at 3 October 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 capita US\$99 at 30 June 2007)

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

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

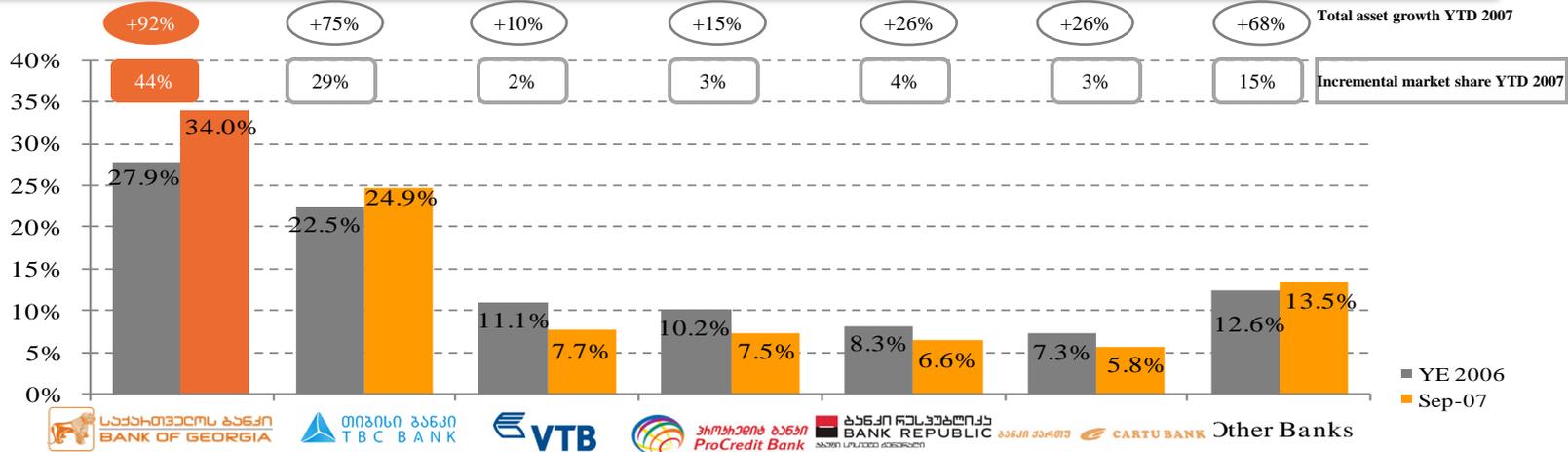
Bank of Georgia Market Share Evolution



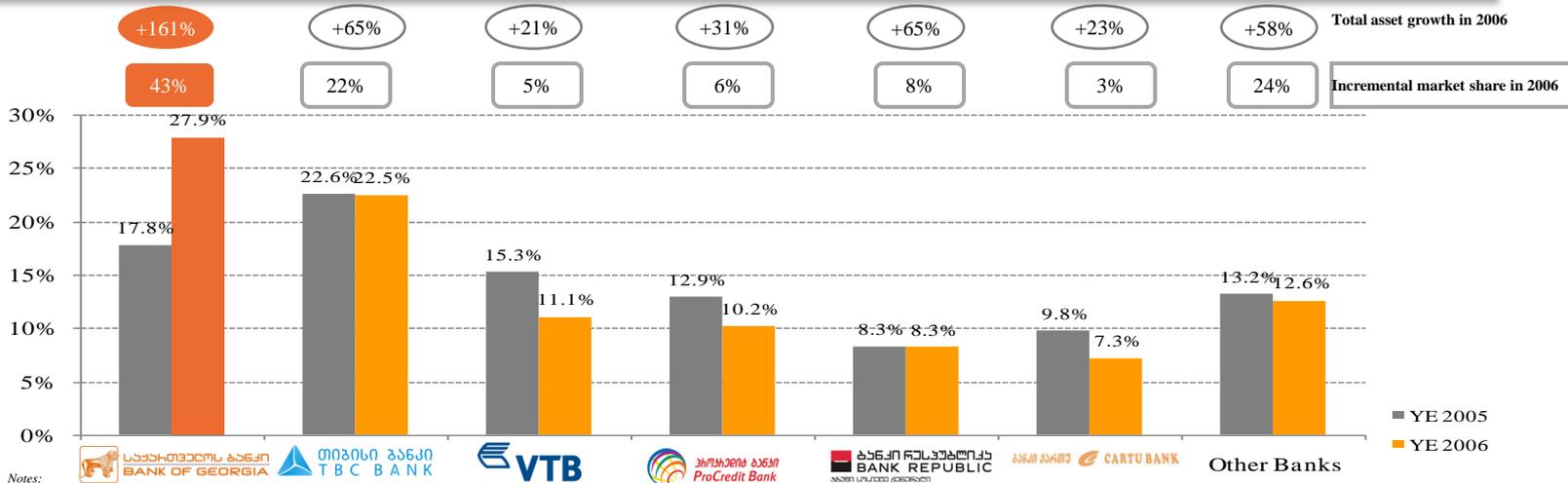
Note: All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Peer Group's Market Share In Total Assets

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



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

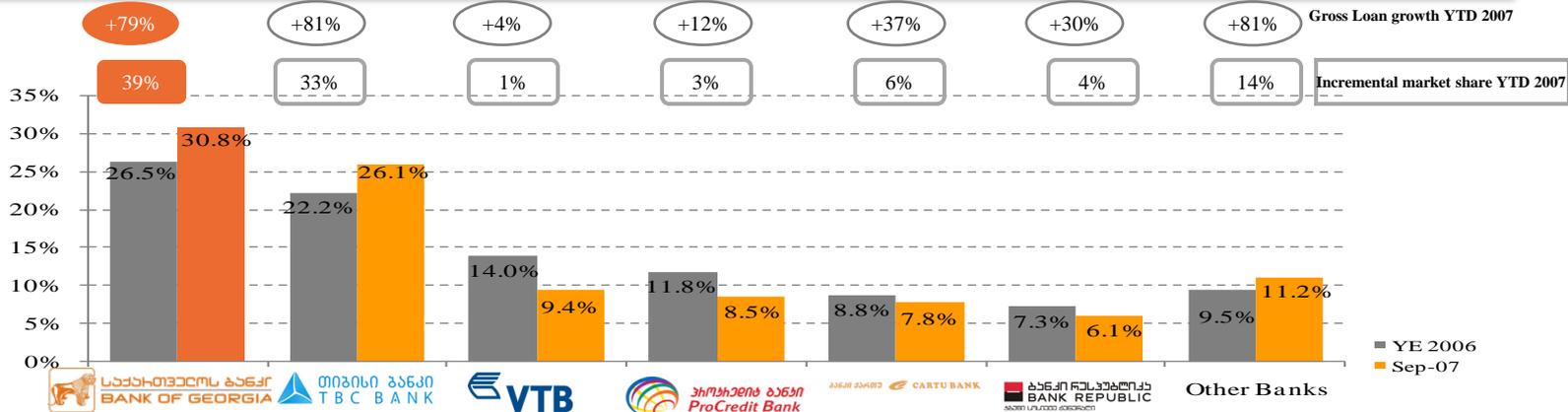


Notes:
 (1) All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge
 (2) Change in peer group total assets calculations based on GEL values

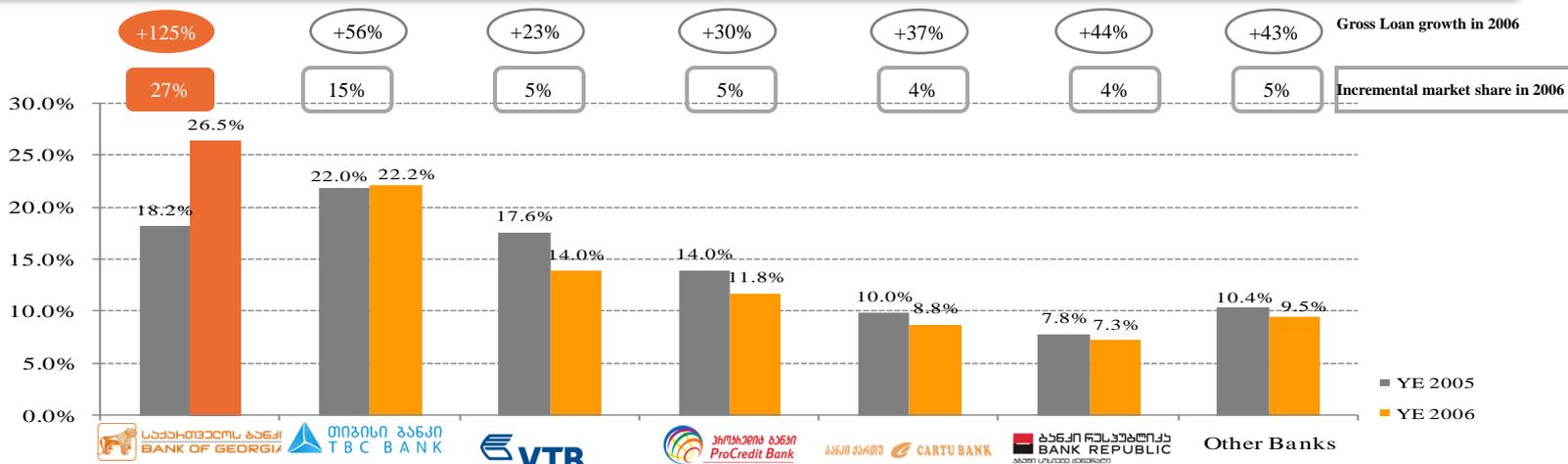
GEL/US\$
 Period End
 YE 2005= 1.79
 YE 2006 = 1.71
 Sep - 2007=1.66

Peer Group's Market Share In Gross Loans

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



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



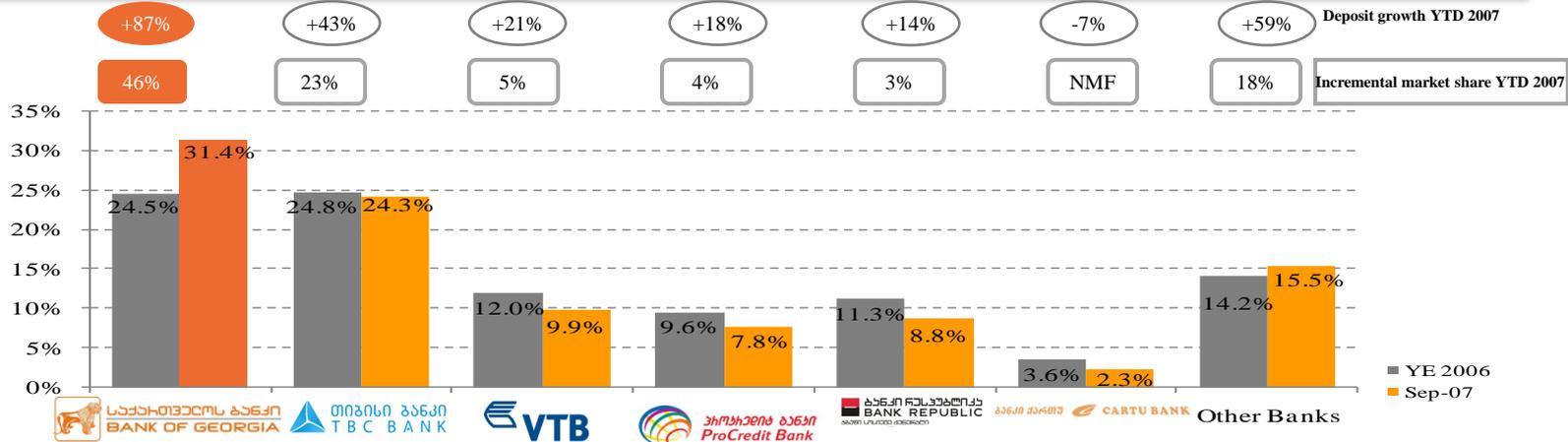
Notes:

(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

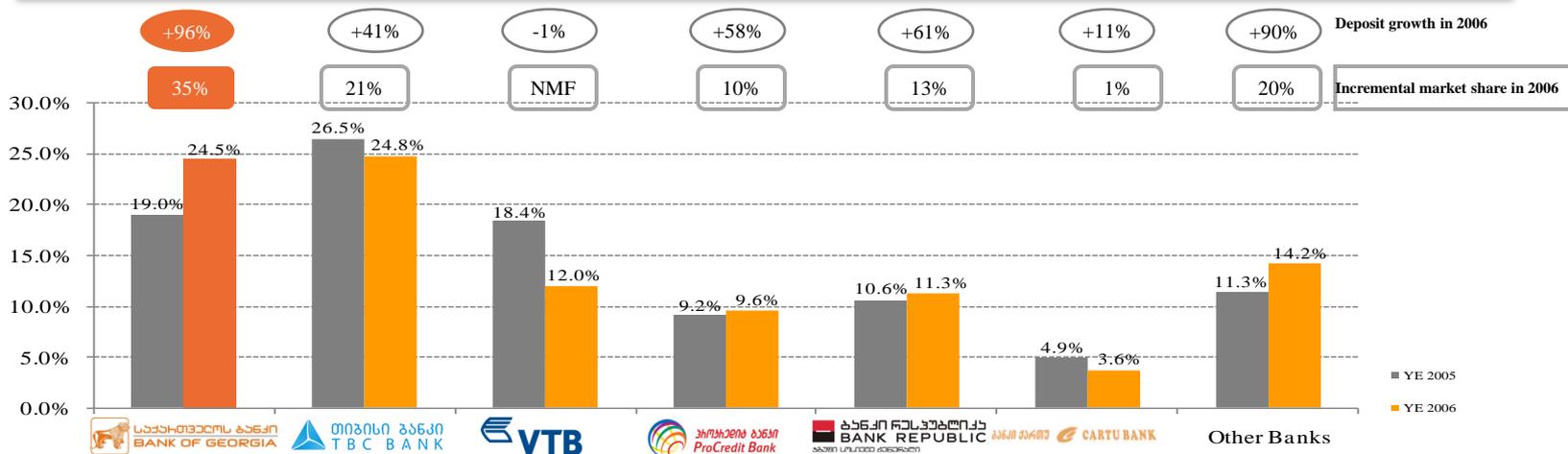
(2) Change in peer group total assets calculations based on GEL values

Peer Group's Market Share In Gross Loans

Peer Group's market shares in Deposits, September 2007



Peer Group's market shares in Deposits, 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

GEL/US\$

Period End

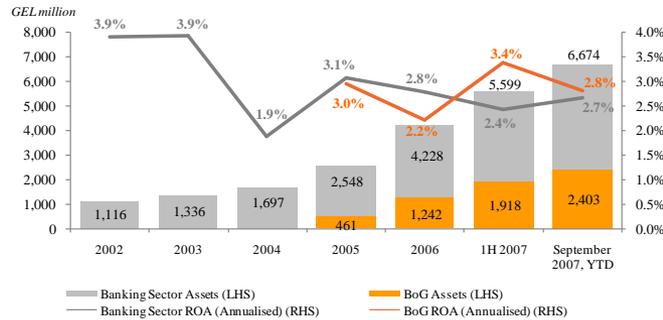
YE 2005= 1.79

YE 2006 = 1.71

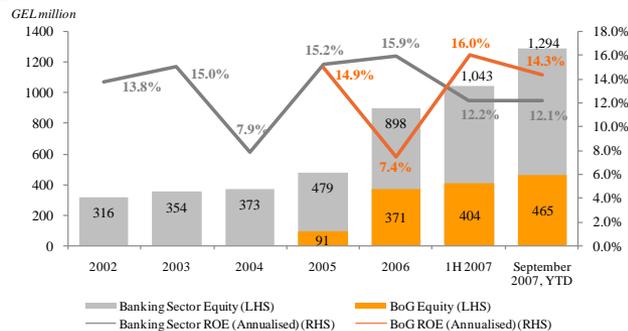
Sep - 2007=1.66

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 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 86 mln (0.5% of GDP) in 9M 2007
- ❏ YOY growth rate of 26%
 - ❏ Health insurance growing rapidly
 - ❏ No mandatory insurance growth drivers
 - ❏ No salary schemes
- ❏ Bank-owned insurance companies account for 73%+ of GPW
- ❏ Top three insurance companies account for 71%+ of GPW
- ❏ **Aldagi BCI**, wholly-owned by BoG, has market share of approximately 36%

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%

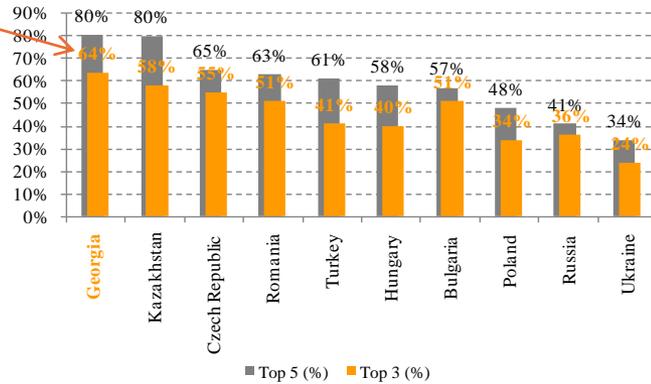
Broker-Dealers

- ❏ 2007 equities trading volume US\$109mln
- ❏ 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 63% of the equities trading volume during nine months of 2007

Market Potential And High Degree Of Concentration

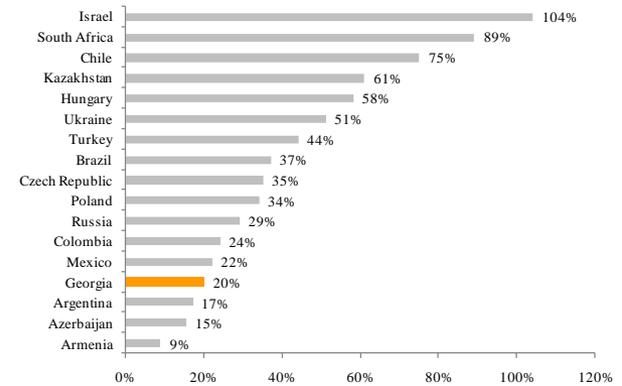
The highest degree of market concentration in CEE benefits large, entrenched domestic players

Market Shares of Top 5 & Top 3 Banks by Assets (2006)



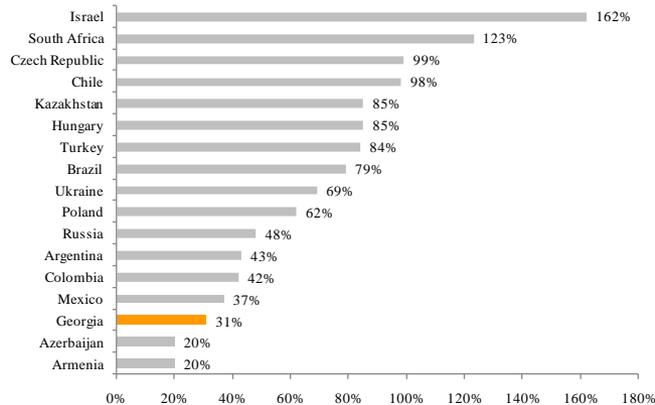
Note: data for Georgia as at 30 June 2007
Sources: National Bank of Georgia, CA IB

Gross Loans to GDP (% , 2006)



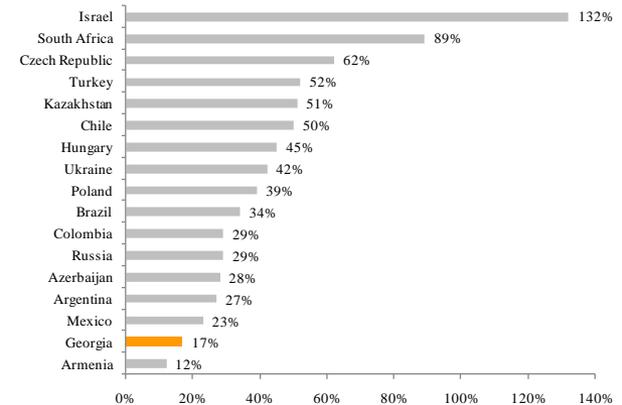
Source: National Bank of Georgia, National Bank of Ukraine, data from Deutsche Bank

Banking Assets to GDP (% , 2006)



Source: National Bank of Georgia, National Bank of Ukraine, Deutsche Bank

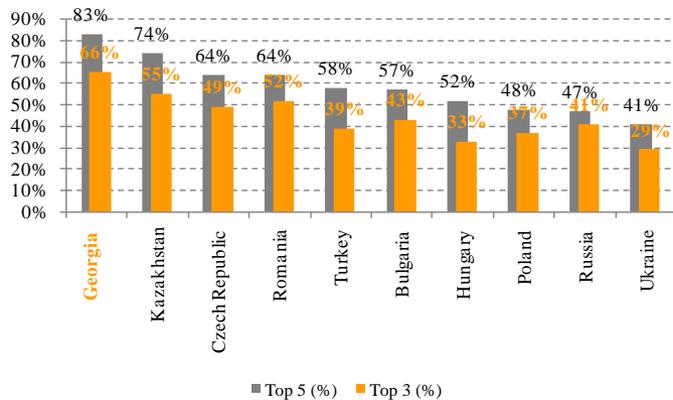
Deposits to GDP (% , 2006)



Source: National Bank of Georgia, National Bank of Ukraine, Deutsche Bank

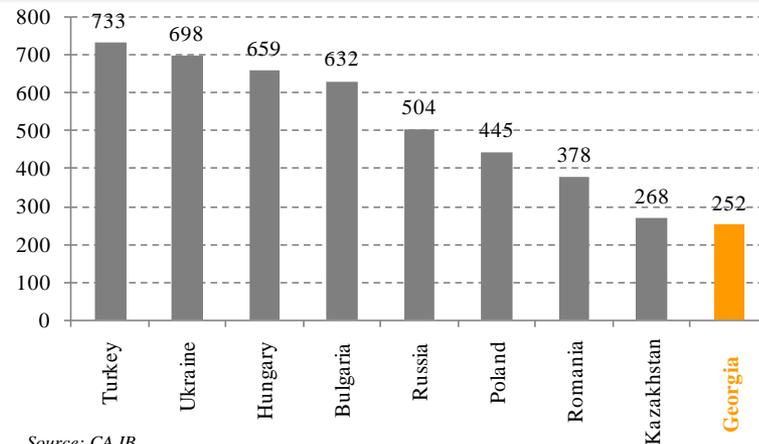
Georgian Banking Sector vs. Peer Countries

Market Shares of Top 5 & Top 3 Banks by Loans (2006)



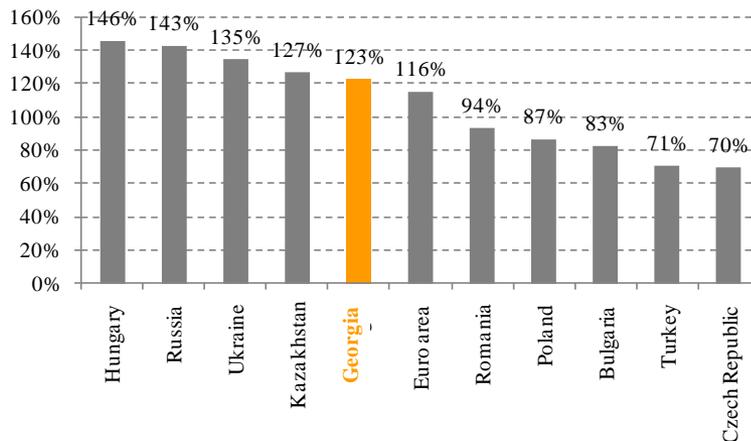
Note: data for Georgia as at 30 June 2007
Sources: National Bank of Georgia, CA IB

Debit Cards Per Thousands Of People (2006)



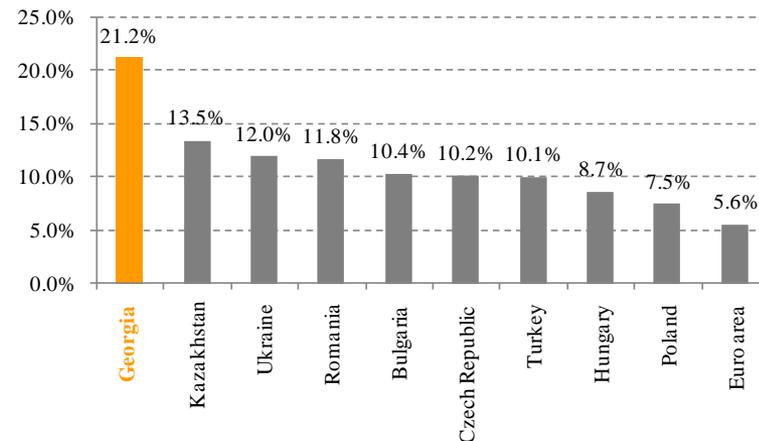
Source: CA IB

Loans/Deposits (2006)



Source: CA IB

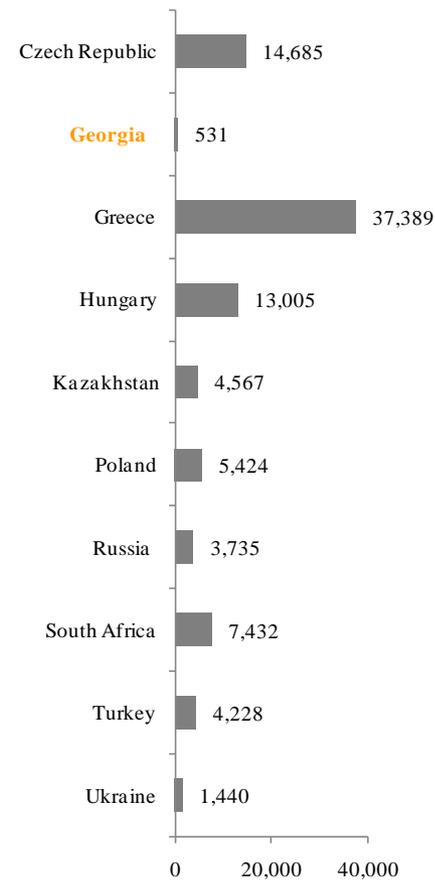
Banking Sector Equity As % Of Balance Sheet (2006)



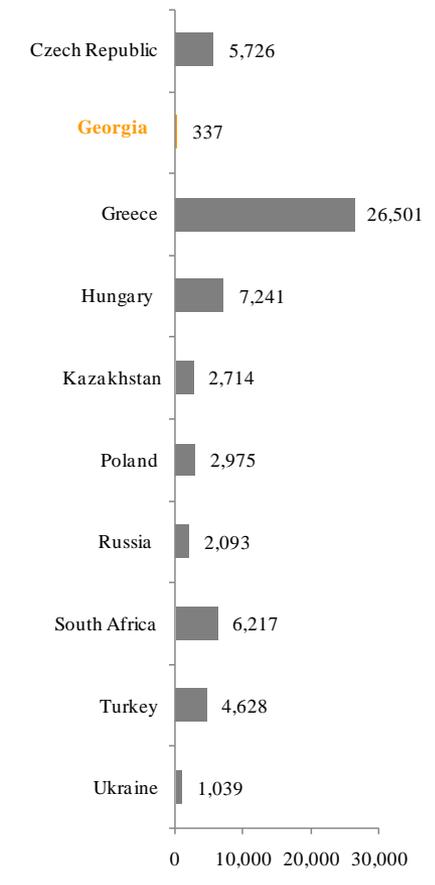
Source: CA IB

The Georgian Banking Sector In The Regional Context

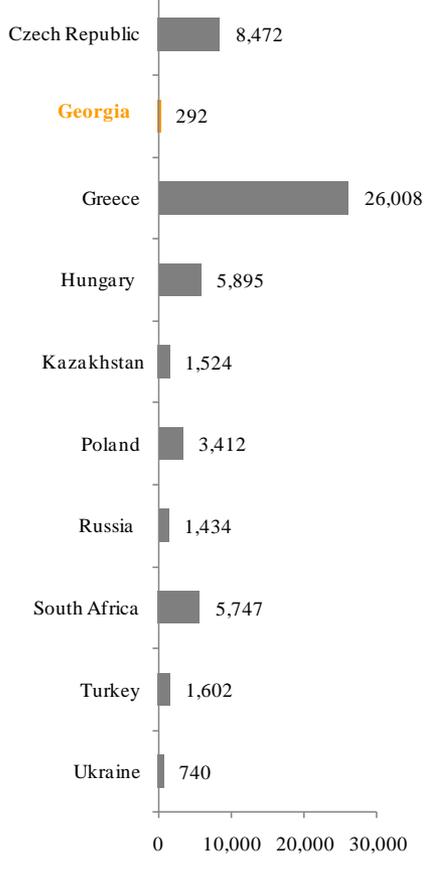
**Banking Assets Per Capita
YE 2006E (US\$)**



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



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



Source: Galt & Taggart Securities

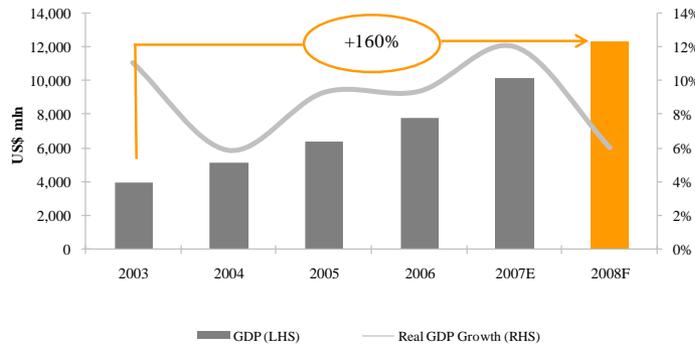
The Georgian Economy

The Georgian Economy – Key Numbers

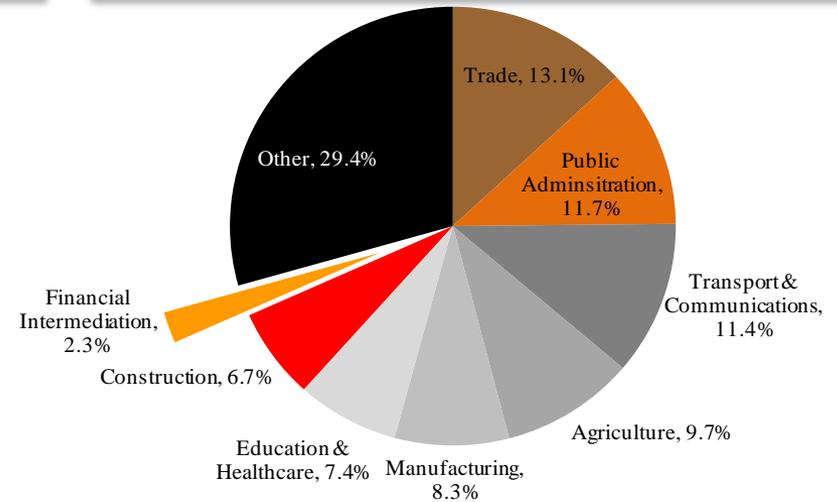
0%	Import tariff on almost all goods
0	Score in difficulty of the hiring index in the 2008 Survey of Doing Business
0	Score in difficulty of the firing index in the 2008 Survey of Doing Business
0.71	Energy consumption per unit of GDP (TOE/US\$) estimated for 2006 - one of the lowest in the region
#1	Reformer in the world in 2006 (according to World Bank)
1.2	Million visitors estimated for 2007 compared to 983,114 in 2006, 560,021 in 2005, 368,312 in 2004 and 313,442 in 2003
2	Number of IPOs on the GSE in 2006-2007 with three more in the pipeline
4.4	Million people, plus approximately another 1 mln living and working abroad
7%	Remittances as % of GDP estimated in 2007
8.8%	YOY CPI in 2006
9.4%	Stock market capitalisation as % of GDP, but only 3.5% net of Bank of Georgia
12%	Real GDP growth estimated in 2007
12%	Flat personal income tax
13.8%	Net FDI as % of GDP estimated in 2007
15%	Corporate income tax effective 1 January 2008 (reduced from 20%)
18 th	Global Rank in the 2008 Ease of Doing Business Survey by World Bank
19.9%	Nominal appreciation of the Lari against US\$ since 1 Jan 2004
31%	Banking sector assets as % of GDP at YE 2006
35 th	Global Rank in 2007 in the Heritage Foundation Economic Freedom Index
50+	Institutional investors with local brokerage and custody accounts (at least 45 of them with Galt & Taggart)
80%+	Share of top five banks by assets
US\$111	Average wage in 2006, similar to Russia in 2000 and Kazakhstan in 2001
US\$123	All-in consumer debt per capita at 30 September 2007
229%	Increase in budget revenues since 2003
US\$233	Million assets of institutional and private investors under custody at the Bank of Georgia group
922%	Bank of Georgia share price appreciation since October 2004
US\$2,200	Approximate GDP per capita 2007E (similar to Russia in 2001 and Kazakhstan in 2003); US\$3,891 on a PPP-adjusted basis
7,200	Categories of goods Georgia can export duty- and tariff-free to EU & Turkey under the GSP+ regime

The Georgian Economy cont'd

Gross Domestic Product



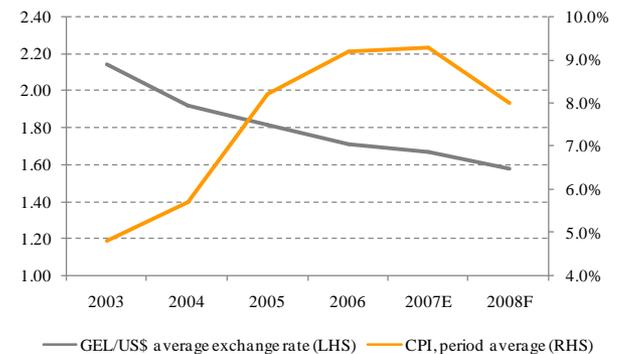
Components of GDP, 9M 2007



Composition of GDP, 9M 2007

	Contribution To Growth	Growth, Y-O-Y	Share in GDP
Public Administration	58.6%	81.1%	8.3%
Trade	24.8%	20.5%	13.1%
Transport & Communications	16.6%	15.1%	11.7%
Manufacturing	13.5%	17.2%	9.7%
Construction	12.9%	20.8%	6.7%
Education & Healthcare	11.6%	16.4%	7.4%
Financial Intermediation	6.9%	36.8%	2.3%
Agriculture	1.7%	1.6%	11.4%

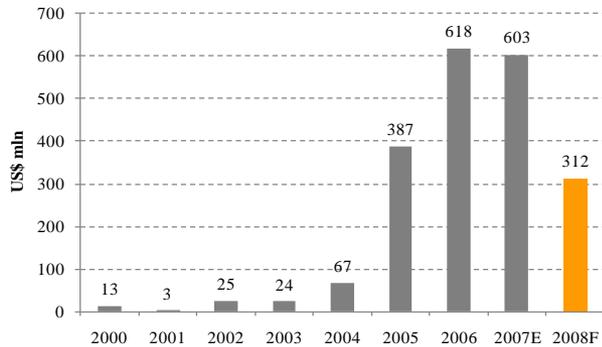
GEL/US\$ Exchange Rate & CPI



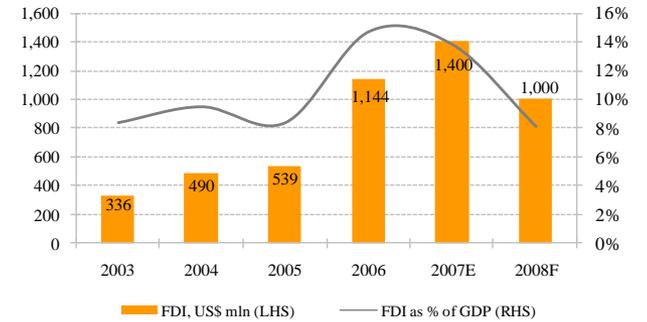
Source: Ministry of Economic Development, State Statistics Department, the National Bank of Georgia

The Georgian Economy cont'd

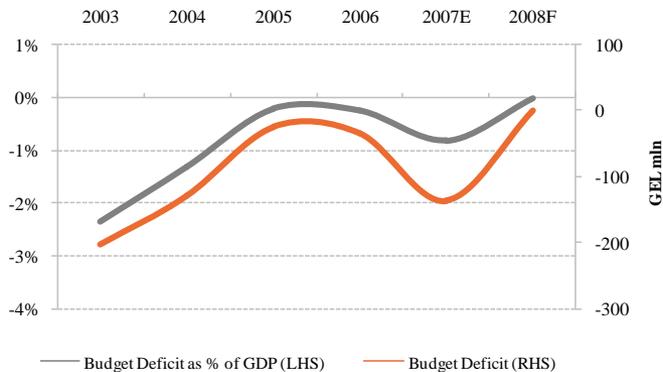
Privatization, 2000-2008F



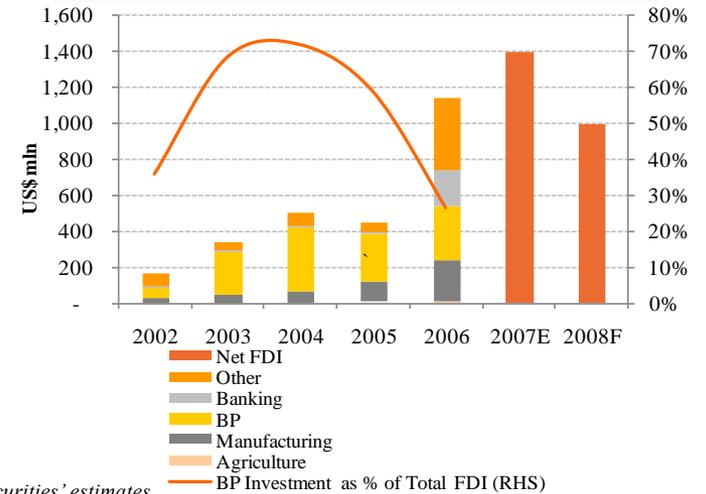
FDI, 2003-2008F



Budget Deficit, 2000-2008F



FDI Breakdown, 2002-2008F

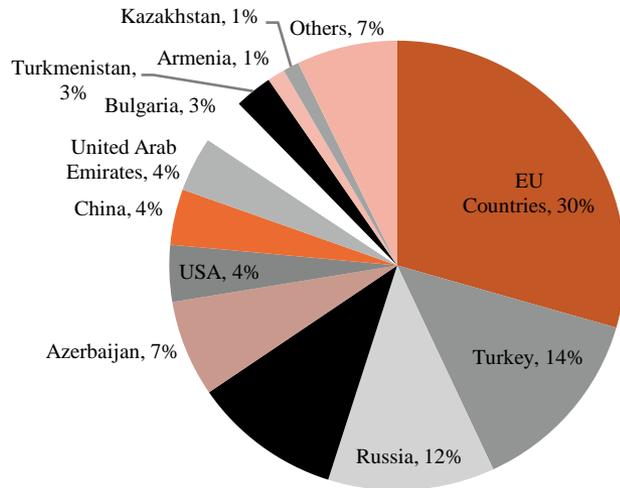


Source: IMF, Georgian National Investment Agency, the National Bank of Georgia, Galt & Taggart Securities' estimates

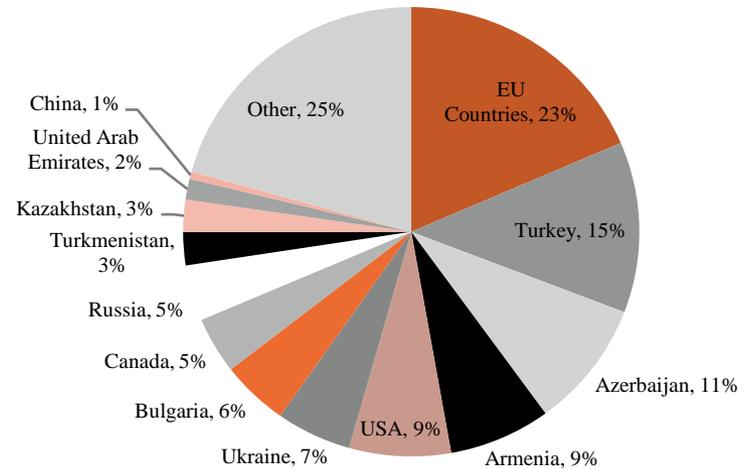
Trade Structure

- ✦ 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 November 2007 Georgia has entered into a free trade agreement with Turkey

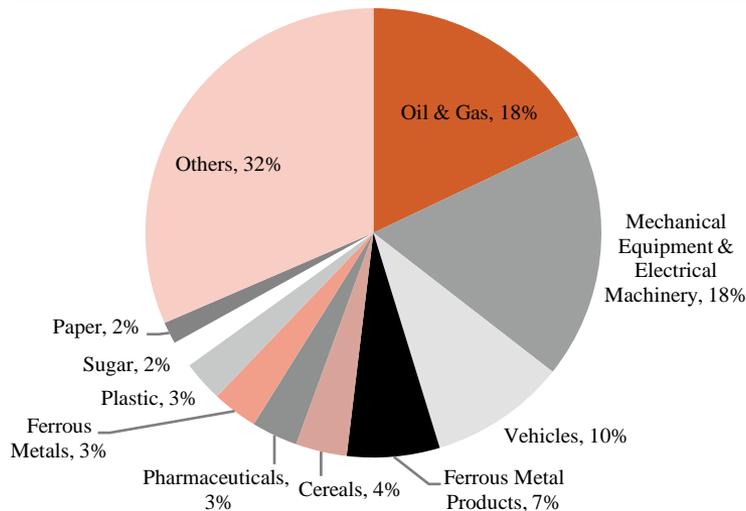
Import Structure by Country, 9M 2007



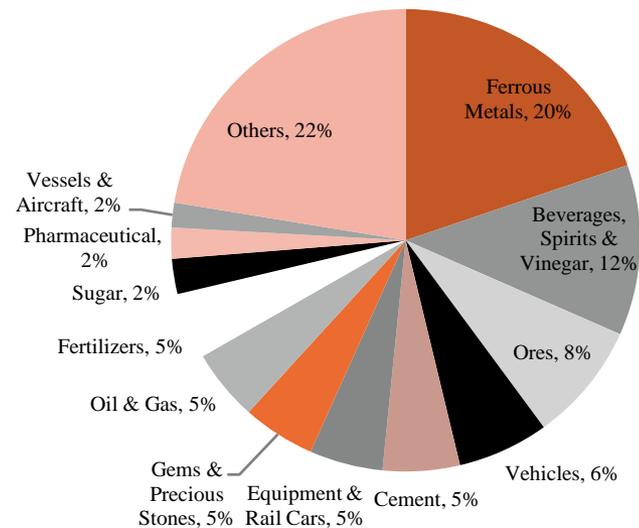
Export Structure by Country, 9M 2007



Import Structure by Product, 9M 2007



Export Structure by Product, 9M 2007



Key Drivers Of Economic Growth

Export-led growth with sufficient diversity

- + Agricultural product exports of US\$255 mln in 2006 and estimated at US\$273 mln in 2007
- + Ferrous alloy exports of US\$464 mln in 2006 and estimated US\$635 mln in 2007
- + Aircraft, rail car, vessels and machinery exports of US\$233 mln in 2006 and estimated US\$179 mln in 2007
- + Fertilizers exports of US\$78mln in 2006 and estimated US\$94 mln in 2007
- + Machinery exports of US\$125 mln in 2006 and estimated US\$107 mln in 2007
- + Oil and gas pipelines:
 - + Russia-Georgia-Armenia gas pipeline - 5.8 bcm/year
 - + Shah-Deniz gas pipeline (BTE) - 6.6 bcm/year
 - + The 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 7.5 mln tons of cargo and up to 14.0 mln tons of crude oil in 2005
- + Kulevi oil terminal to be operational in early 2008
- + Georgian Railway processed 22.7 mln tons of cargo in 2006
- + The construction of sBaku-Akhalkalaki-Kars railroad has commenced in 2007
- + Tbilisi and Batumi international airports renovated in 2006-2007
- + Following the adoption of the free zone legislation the tender regarding the establishment of such zone on the territory adjacent to the Poti Port is conducted

Rapidly increasing domestic consumption

- + High consumer confidence
- + Increase in disposable income
 - + Consumer spending is estimated at US\$5.4 bn in 2006
- + Total estimated pent-up housing demand of up to US\$1.6 bn
 - + Estimated average household size of 3.7, far higher than in most CEE/CIS peers
 - + Significant increase in the number of younger households
 - + New construction has not caught up with the cumulative deterioration of the Soviet-built housing stock
 - + Approximately 12,000 households (or 1% of total) have mortgages
- + Very low consumer indebtedness.
 - + Consumer debt per capita stood at US\$123 as of 30 September 2007
- + Optimistic expectations about jobs and income
- + Organised retail trade (supermarkets, hypermarkets, consumer electronics & white goods, etc) account for a low share of total
 - + Accelerating growth of new store openings as consumers' habits evolve
 - + Estimated US\$2.4 bn (31% of GDP) investment in fixed assets in 2006

Economic Growth is Supported by

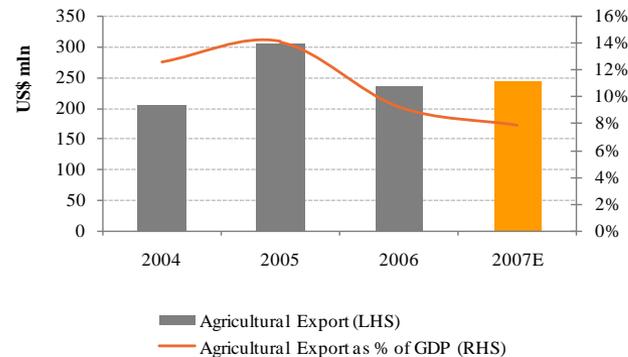
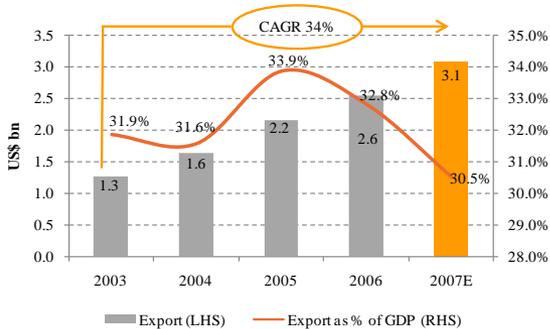
- + Investor optimism - Net FDI in 2006 was US\$ 1.1bn and has been estimated at US\$1.4 bn in 2007
- + Increased international borrowing by corporates and the banking sector, estimated at US\$260 mln in 2006 and US\$654 mln as at 30 September 2007
- + Net remittances in 2006 were US\$618 mln (US\$488 mln in 2005) and estimated at US\$750 mln in 2007
- + Increasing consumer spending
- + Sustained government spending and reasonable fiscal policy
- + Low taxes and transparent and simple tax code
- + Further development of the transport & logistics infrastructure
- + Rampant entrepreneurial activity

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

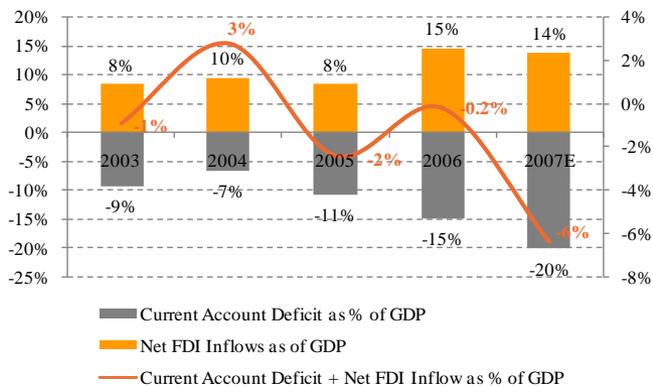
The Georgian Economy – Challenges

⚡ Key challenges

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



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



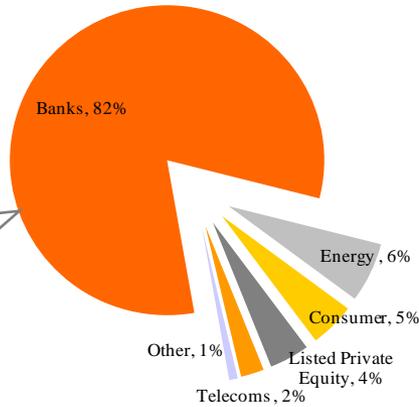
Source: Galt & Taggart Securities' estimates and projections, State Statistics Department, the National Bank of Georgia, ING, December 2006

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

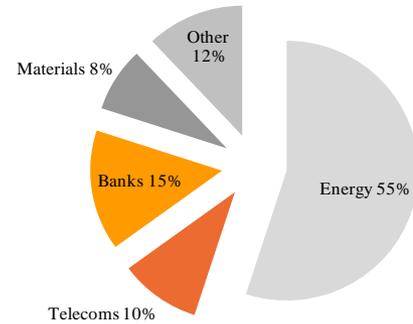
Banking is the only investable sector in Georgia, with Consumer Goods (including export-driven) expected to gain ground in 2007-2008

Galt & Taggart Index – Sector Split



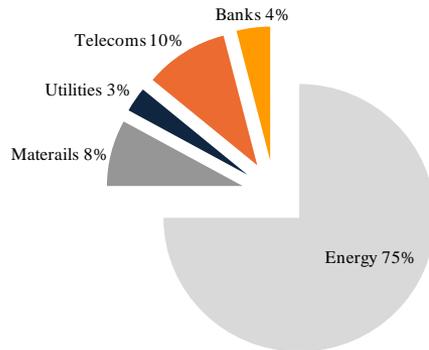
Source: Galt & Taggart Securities, September 2007

MSCI Emerging Europe - Sector Split



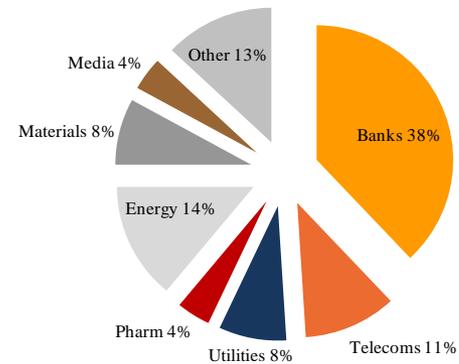
Source: ING, December 2006

MSCI Russia – Sector Split



Source: ING, December 2006

MSCI Emerging Europe Ex-Russia - Sector Split



Source: ING, December 2006

Bank of Georgia 9 Months 2007 Financials

Income Statement Data

Period Ended Consolidated, IFRS Based <i>000s, unless otherwise noted</i>	9 Months, 2007		9 Months, 2007		9 Months, 2006		Change ³ Y-O-Y
	US\$ (Pro Forma Consolidated)	GEL	US\$ ¹ (Unaudited)	GEL	US\$ ² (Unaudited)	GEL	
Interest Income	119,549	198,213	99,637	165,198	36,766	63,807	158.90%
Interest Expense	55,285	91,663	45,115	74,800	12,586	21,843	242.44%
Net Interest Income	64,264	106,550	54,522	90,398	24,180	41,964	115.42%
Fee & Commission Income	15,759	26,129	13,023	21,592	8,072	14,010	54.12%
Fee & Commission Expense	2,344	3,886	1,908	3,163	1,253	2,175	45.44%
Net Fee & Commission Income	13,415	22,242	11,115	18,429	6,819	11,835	55.72%
Income From Documentary Operations	3,215	5,330	3,215	5,330	2,085	3,618	47.34%
Expense On Documentary Operations	907	1,503	907	1,503	513	890	68.84%
Net Income From Documentary Operations	2,308	3,827	2,308	3,827	1,572	2,727	40.32%
Net Foreign Currency Related Income	10,647	17,653	9,999	16,579	4,566	7,924	109.24%
Net Insurance Income	3,380	5,605	3,380	5,605	2,319	4,025	39.25%
Brokerage Income	1,735	2,877	1,735	2,877	752	1,304	120.54%
Asset Management Income	9	14	9	14	-	-	NMF ⁴
Realised Net Investment Gains (Losses)	3,321	5,506	3,321	5,506	446	774	611.73%
Other	4,035	6,689	3,706	6,144	1,039	1,803	240.73%
Net Other Non-Interest Income	12,480	20,691	12,151	20,146	4,555	7,906	154.82%
Net Non-Interest Income	38,850	64,414	35,574	58,981	17,512	30,392	94.07%
Total Operating Income (Revenue)	103,115	170,964	90,096	149,379	41,691	72,355	106.45%
Personnel Costs	18,819	31,201	16,545	27,431	8,490	14,735	86.16%
Selling, General & Administrative Costs	11,265	18,678	9,886	16,392	5,375	9,329	75.71%
Procurement & Operations Support Expenses	5,026	8,334	4,065	6,741	2,350	4,078	65.29%
Depreciation & Amortization	4,524	7,501	4,047	6,710	2,116	3,672	82.73%
Other Operating Expenses	3,046	5,051	767	1,272	1,025	1,779	-28.51%
Total Recurring Operating Costs	42,681	70,765	35,311	58,545	19,356	33,593	74.28%
Normalized Net Operating Income	60,434	100,199	54,785	90,834	22,335	38,763	134.33%
Net Non-Recurring Income (Costs)	(79)	(132)	(83)	(138)	(184)	(320)	NMF ⁴
Profit Before Provisions & Bonuses	60,354	100,068	54,702	90,696	22,151	38,443	135.92%
Provisions For Loan Losses	8,343	13,833	7,761	12,867	6,552	11,371	13.16%
Recovery Of Loans	2,842	4,711	2,842	4,711	407	706	567.81%
Provisions For (Recovery Of) Other Assets	(3)	(5)	-170	(281)	-467	(810)	-65.27%
Net Provision Expense	5,498	9,116	4,749	7,874	5,679	9,855	-20.10%
Pre-Bonus Result	54,856	90,951	49,953	82,821	16,472	28,588	189.71%
Bonuses & Share Based Compensation Expenses	12,332	20,446	12,332	20,446	3,818	6,626	208.58%
Pre-Tax Income	42,524	70,505	37,621	62,376	12,654	21,962	184.02%
Income Tax Expenses	8,770	14,540	7,544	12,508	2,686	4,661	168.36%
Net Income	33,755	55,965	30,077	49,868	9,969	17,301	188.24%
Weighted Average Shares Outstanding (000s)				25,638		15,672	
Diluted Number of Shares Period End (000s)				27,249		18,282	
EPS (Basic)			1.17	1.95	0.64	1.10	76.20%
EPS (Diluted)			1.10	1.83	0.55	0.95	93.38%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6580 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 September 2007

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.7355 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 30 September 2006

³ Growth calculations based on GEL values

⁴ Not meaningful

Balance Sheet Data

Consolidated, IFRS Based 000s, unless otherwise noted	30-Sep-07		30-Sep-07		Growth ² Y-O-Y	30-Sep-06	
	US\$ ¹ (Pro Forma Consolidated)	GEL	US\$ ¹ (Unaudited)	GEL		US\$ ³ (Unaudited)	GEL
Cash & Cash Equivalents	63,624	105,489	56,280	93,312	128.06%	23,576	40,916
Loans & Advances To Credit Institutions	228,686	379,161	201,004	333,265	153.01%	75,898	131,721
Mandatory Reserve With NBG	56,174	93,136	45,548	75,518	54.50%	28,165	48,880
Other Accounts With NBG	55,064	91,296	55,064	91,296	951.96%	5,001	8,679
Balances With & Loans To Other Banks	117,448	194,729	100,393	166,452	124.44%	42,733	74,163
Available-For-Sale Securities	6,211	10,298	6,211	10,298	74.46%	3,401	5,903
Treasuries & Equivalents	39,104	64,834	35,435	58,751	NMF ⁴	295	512
Other Fixed Income Instruments	151,159	250,621	144,272	239,203	NMF ⁴	-	-
Gross Loans To Clients	987,089	1,636,594	785,712	1,302,711	121.38%	339,059	588,437
Less: Reserve For Loan Losses	-20,275	(33,615)	(15,401)	(25,535)	20.00%	(12,261)	(21,280)
Net Loans To Clients	966,815	1,602,979	770,311	1,277,176	125.19%	326,798	567,157
Investments In Other Business Entities, Net	87,899	145,736	87,899	145,736	21395.06%	391	678
Property & Equipment Owned, Net	86,309	143,101	84,042	139,341	164.78%	30,322	52,624
Intangible Assets Owned, Net	1,768	2,932	1,768	2,932	81.43%	931	1,616
Goodwill	26,149	43,355	26,149	43,355	81.14%	13,791	23,935
Tax Assets - Current & Deferred	2,026	3,360	2,026	3,360	NMF ⁴	-	-
Prepayments & Other Assets	37,484	62,149	34,141	56,605	79.07%	18,214	31,611
Total Assets	1,697,235	2,814,015	1,449,538	2,403,334	180.54%	493,618	856,673
Client Deposits	801,335	1,328,614	642,436	1,065,158	127.60%	269,659	467,993
Deposits & Loans From Banks	74,530	123,570	41,348	68,556	330.20%	9,182	15,936
Borrowed Funds	416,764	690,995	414,667	687,518	231.71%	119,428	207,267
Insurance Related Liabilities	19,856	32,922	19,856	32,922	712.27%	2,335	4,053
Issued Fixed Income Securities	7,906	13,108	-	-	NMF ⁴	650	1,128
Tax Liabilities - Current & Deferred	15,630	25,914	12,360	20,493	428.02%	2,236	3,881
Accruals & Other Liabilities	38,943	64,568	38,416	63,694	228.44%	11,175	19,393
Total Liabilities	1,374,965	2,279,691	1,169,084	1,938,341	169.34%	414,666	719,651
Ordinary Shares	44,188	73,263	16,378	27,154	62.23%	9,644	16,738
Share Premium	183,117	303,607	183,117	303,607	407.15%	34,495	59,866
Treasury Shares	(1,074)	(1,781)	(1,074)	(1,781)	787.55%	-116	(201)
Retained Earnings	47,309	78,438	37,746	62,583	71.71%	21,000	36,446
Revaluation & Other Reserves	11,335	18,794	10,570	17,525	NMF ⁴	3,215	5,580
Net Income For The Period	33,755	55,965	30,077	49,868	188.24%	9,969	17,301
Shareholders' Equity Excluding Minority Interest	318,629	528,287	276,813	458,956	238.14%	78,207	135,729
Minority Interest	3,641	6,037	3,641	6,037	366.73%	745	1,293
Total Shareholders' Equity	322,270	534,324	280,454	464,993	239.36%	78,952	137,022
Total Liabilities & Shareholders' Equity	1,697,235	2,814,015	1,449,538	2,403,334	180.54%	493,618	856,673

¹ Shares Outstanding for the convenience using a period-end exchange rate of GEL 1.6580 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2007 16,737,634

² Compared to the same period in 2006; growth calculations based on GEL values

³ Book Value Per Share

⁴ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7335 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2006 8.19



Key Ratios

	September 2007, YTD	2006	September 2006, YTD
Profitability Ratios			
ROAA, ¹ Annualised	3.5%	3.4%	3.2%
ROA, Annualised.....	2.8%	2.2%	2.7%
ROAE, ² Annualised	16.2%	16.5%	20.5%
ROE, Annualised.....	14.3%	7.1%	16.8%
Interest Income To Average Interest Earning Assets, ³ Annualised	14.4%	16.7%	15.2%
Cost Of Funds, ⁴ Annualised	7.3%	5.8%	5.1%
Net Spread ⁵	7.1%	10.9%	10.1%
Net Interest Margin ⁶ Annualised	7.9%	11.1%	10.0%
Net Interest Margin, Normalised, ⁷ Annualised	7.9%	10.6%	9.5%
Loan Yield ⁸	20.6%	17.4%	15.4%
Interest Expense To Interest Income.....	45.3%	33.5%	34.2%
Net Non-Interest Income To Average Total Assets, Annualised	4.2%	5.8%	5.7%
Net Non-Interest Income To Revenue ⁹	39.5%	40.4%	42.0%
Net Fee And Commission Income To Average Interest Earning Assets, ¹⁰ Annualised	1.6%	3.1%	2.8%
Net Fee And Commission Income To Revenue.....	12.3%	16.5%	16.4%
Operating Leverage ¹¹	11.3%	18.8%	NMF
Total Operating Income (Revenue)/Total Assets, Annualised.....	8.3%	9.2%	11.3%
Recurring Earning Power ¹² Annualised	6.4%	7.7%	7.2%
Net Income To Revenue.....	33.4%	23.9%	23.9%
Efficiency Ratios			
Operating Cost To Average Total Assets, ¹³ Annualised	4.1%	6.8%	6.3%
Cost To Average Total Assets ¹⁴ Annualised.....	5.6%	8.2%	7.6%
Cost / Income ¹⁵	53.0%	56.7%	56.0%
Cost /Income Normalised ¹⁶	52.9%	55.9%	55.6%
Cost / Income, Bank of Georgia, Standalone ¹⁸	48.8%	51.2%	52.5%
Cash Cost/Income ¹⁷	48.5%	51.4%	51.0%
Total Employee Compensation Expense To Revenue ¹⁹	32.1%	29.7%	29.5%
Total Employee Compensation Expense To Cost.....	60.5%	52.5%	52.7%
Total Employee Compensation Expense To Average Total Assets, Annualised	3.4%	4.3%	4.0%

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

Key Ratios cont'd

	September 2007, YTD	2006	September 2006, YTD
Liquidity Ratios			
Net Loans To Total Assets ²⁰	53.1%	57.2%	66.2%
Average Net Loans To Average Total Assets.....	52.6%	61.3%	62.0%
Interest Earning Assets To Total Assets.....	79.4%	78.4%	81.6%
Average Interest Earning Assets To Average Total Assets.....	81.1%	77.3%	78.2%
Liquid Assets To Total Assets ²¹	30.6%	25.0%	20.9%
Net Loans To Client Deposits.....	119.9%	124.0%	121.2%
Average Net Loans To Average Client Deposits.....	125.4%	113.4%	106.8%
Net Loans To Total Deposits ²²	112.7%	123.8%	117.2%
Net Loans To Total Liabilities.....	65.9%	82.8%	78.8%
Total Deposits To Total Liabilities.....	58.5%	66.8%	67.2%
Client Deposits To Total Deposits.....	94.0%	99.8%	96.7%
Client Deposits To Total Liabilities.....	55.0%	66.7%	65.0%
Current Account Balances To Client Deposits.....	57.2%	54.4%	55.7%
Demand Deposits To Client Deposits.....	9.6%	6.4%	3.9%
Time Deposits To Client Deposits.....	33.1%	39.2%	40.4%
Total Deposits To Total Assets.....	47.2%	46.2%	56.5%
Client Deposits To Total Assets.....	44.3%	46.1%	54.6%
Client Deposits To Total Equity (times) ²³	2.29	1.49	3.42
Due From Banks / Due To Banks ²⁴	486%	7597%	827%
Leverage (times) ²⁵	4.17	2.20	5.25
Asset Quality			
NPLs (in GEL) ²⁶	16,711	16,266	19,671
NPLs to Gross Loans ²⁷	1.3%	2.3%	3.3%
Cost of Risk, Annualised ²⁸	1.0%	2.7%	2.8%
Cost of Risk, Normalised, Annualised ²⁹	1.0%	2.2%	2.2%
Reserves for Loan Losses to Gross Loans ³⁰	2.0%	3.0%	3.6%
NPL Coverage ratio ³¹	152.8%	129.9%	108.2%
Equity to Average Net Loans to Clients.....	46.8%	78.8%	30.9%
Total Equity To Net Loans.....	36.4%	54.0%	24.2%
Capital Adequacy:			
Equity To Total Assets.....	19.3%	30.9%	16.0%
BIS Tier I Capital Adequacy Ratio ³²	23.2%	44.9%	18.0%
BIS Total Capital Adequacy Ratio ³³	23.3%	41.8%	19.3%
NBG Tier I Capital Adequacy Ratio ³⁴	14.0%	23.2%	8.0%
NBG Total Capital Adequacy Ratio ³⁵	16.9%	28.5%	12.8%

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

Key Ratios cont'd

	September 2007, YTD	2006	September 2006, YTD
Per Share Values:			
Basic EPS (GEL) ³⁶	1.95	1.62	1.10
Basic EPS (US\$).....	1.17	\$0.89	0.64
Diluted EPS (GEL) ³⁷	1.83	0.98	0.95
Diluted EPS (US\$).....	1.10	\$0.54	0.55
Book Value Per Share (GEL) ³⁸	17.12	14.87	8.19
Book Value Per Share (US\$).....	10.33	\$8.14	4.72
Ordinary Shares Outstanding - Weighted Average, Basic.....	25,637,740	16,505,701	15,672,016
Ordinary Shares Outstanding - Period End.....	27,154,099	25,202,009	16,737,634
Ordinary Shares Outstanding – Diluted.....	27,249,100	27,229,418	18,281,710
Selected Operating Data:			
Full Time Employees (FTE).....	3,992	2,226	1,956
FTEs, Bank of Georgia Standalone.....	2,388	1,601	1,479
Total Assets per FTE (GEL Thousands).....	602	558	438
Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands).....	1,006	776	579
Branches.....	109	100	92
ATMs.....	185	124	91
Plastic Cards (Thousands).....	529	286	203
POS Terminals.....	1,093	471	328

Note: All annualised numbers presented throughout have been annualised 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 Cash Cost equals Cost minus Depreciation & Amortisation;
- 18 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;
- 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 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.