



Standard & Poor's: 'B/B'

Fitch Ratings: 'B/B'

Moody's: 'B3/NP' (FC) & 'Ba3/NP' (LC)

LSE: BGEO

GSE: GEB

Berlin-Bremen Boerse: B7D1

Reuters: BGEO.L

Bloomberg: BGEO.LI

Bank of Georgia Q4 2008 and full-year 2008 results overview



The Banker



Bank of the Year 2008
GEORGIA

The Banker



Bank of the Year 2007
GEORGIA

The Banker



Bank of the Year 2006
Georgia



საქართველოს ბანკი

BANK OF GEORGIA

March 2009

Introduction to Bank of Georgia

The leading universal bank in Georgia

- ☑ No.1 by assets (circa 32.8%),⁽¹⁾ loans (circa 32.5%),⁽¹⁾ deposits (circa 25.9%)⁽¹⁾ and equity (circa 40.3%)⁽¹⁾
- ☑ Leading retail banking, with top brand, best distribution network and broadest range of services of any bank in Georgia

	December 2008	September 2008	June 2008	March 2008	YE '07
☑ Retail Accounts	866,000+	904,000+	880,000+	770,000+	705,000+
☑ Cards Outstanding	639,000+	767,000+	847,000+	740,000+	640,000+
☑ Branches	151	140	134	131	117
☑ ATMs	416	386	363	310	250

- ☑ Leading corporate bank with approximately 75,000 legal entities and over 138,000 current accounts
- ☑ 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' – at the sovereign ceiling
 - ☑ Fitch Ratings: 'B/B'
 - ☑ Moody's: 'B3/NP (FC)' & 'Ba1/NP (LC)'
- ☑ Listed on the London Stock Exchange (GDRs) and Georgian Stock Exchange
 - ☑ Market Cap (LSE) US\$70 mln as of 23 February 2008
 - ☑ Approximately 95% free float
- ☑ Issue of the first ever Eurobonds in Georgia
 - ☑ Bloomberg: BKGEO; 5 year, 9%, US\$200 mln
 - ☑ B/Ba2/B (composite B+)

Investment highlights

- ☑ Undisputed leader of Georgian financial services industry with market-leading retail and corporate banking franchise
- ☑ Strongly positioned to benefit from US\$4.5 bln international assistance package pledged to Georgia by international donors in the aftermath of Russia-Georgia conflict in August 2008
- ☑ Disciplined capital management, low leverage, conservative liquidity position, no exposure to sub-prime
- ☑ Sophisticated management team with Western banking & finance background
- ☑ Transparency and good governance, over 89% institutionally owned. Supervisory Board includes two large institutional shareholders and two independent directors

Notes: (1) As of 31 January 2009; 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



Bank of Georgia Q4 2008 & full-year 2008 results overview

Q4 2008 P&L results highlights

Millions, unless otherwise noted

Bank of Georgia (Consolidated, IFRS Based)	Q4 2008		Q3 2008		Q4 2007		Growth, Growth,	
	GEL	US\$	GEL	US\$	GEL	US\$	Y-O-Y ¹	Q-O-Q ¹
	<i>Unaudited</i>		<i>Unaudited</i>					
Net Interest Income	54.2	32.5	58.9	41.9	42.8	26.9	26.7%	-7.8%
Net Non-Interest Income	33.5	20.1	27.1	19.3	25.3	15.9	32.7%	23.8%
Total Operating Income (Revenue) ²	87.7	52.6	85.9	61.1	68.1	42.8	28.9%	2.1%
Recurring Operating Costs	45.1	27.0	49.6	35.3	33.6	21.1	34.3%	-9.2%
Normalized Net Operating Income ³	42.7	25.6	36.3	25.8	34.5	21.7	23.6%	17.6%
Net Non-Recurring Costs	(30.0)	(18.0)	(2.6)	(1.9)	5.0	3.1	NMF	1051.7%
Net Provision Expense	15.0	9.0	103.2	73.4	8.2	5.1	83.2%	-85.5%
Net Income/ (Loss)	(0.5)	(0.3)	(59.0)	(42.0)	25.8	16.2	NMF	-99.1%
Tier I Capital Adequacy Ratio (BIS)	22.5%		24.7%		21.4%			
Total Capital Adequacy Ratio (BIS)	27.3%		25.3%		25.0%			
Tier I Capital Adequacy Ratio (NBG)	16.6%		18.2%		13.2%			
Total Capital Adequacy Ratio (NBG)	13.5%		15.5%		13.1%			
Tier 1 Capital Adequacy Ratio (NBG), as of 31 January 2009	15.8%							
Total Capital Adequacy Ratio (NBG), as of 31 January 2009	16.0%							

Net Non-Recurring Costs	Bank of Georgia Standalone	SBRE	Insurance	Other	Total
<i>GEL mln</i>					
Devaluation of Investment Property	5.1	13.1			18.2
Severance Payment	1.5		0.7		2.2
FX losses			2.1	1.8	3.9
Charity related to Conflict	1.6				1.6
Post Conflict PR and Ad. Campaign	2.2				2.2
Other	1.9				1.9
Total	12.3	13.1	2.8	1.8	30.0

Includes extraordinary provisions related to Russia-Georgia conflict in August 2008

¹ Compared to the same period in 2007; growth calculations based on GEL values.

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

³ Normalized for Net Non-Recurring Costs.

YTD 2008 P&L highlights

Millions, unless otherwise noted

Bank of Georgia (Consolidated, IFRS Based)	YTD 2008		YTD 2007		Growth,
	GEL	US\$	GEL	US\$	Y-O-Y ¹
	<i>Unaudited</i>		<i>Unaudited</i>		
Net Interest Income	218.7	131.2	130.2	81.8	67.9%
Net Non-Interest Income	122.0	73.2	89.2	56.1	36.7%
Total Operating Income (Revenue) ²	340.7	204.4	219.5	137.9	55.2%
Recurring Operating Costs	188.0	112.8	117.4	73.8	60.1%
Normalized Net Operating Income ³	152.6	91.6	102.0	64.1	49.6%
Net Provision Expense	132.8	79.7	17.0	10.7	679.1%
Net Income/(Loss)	0.7	0.4	75.6	47.5	-99.0%

Includes extraordinary provisions related to Russia-Georgia conflict in August 2008

¹ Compared to the same period in 2007; growth calculations based on GEL values

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.

December 2008 Balance Sheet results highlights

Millions, unless otherwise noted

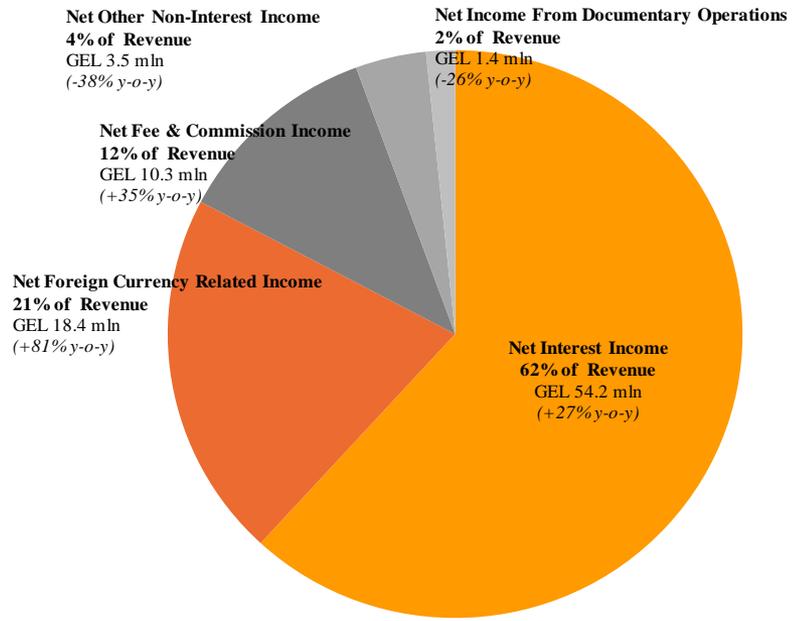
Bank of Georgia (Consolidated, IFRS)

	YE 2008		Q3 2008		YE 2007	
	GEL	US\$	GEL	US\$	GEL	US\$
	(Unaudited)		(Unaudited)		(Audited)	
Net Loans	2,083.7	1,249.9	1,930.6	1,374.1	1,722.4	1,082.2
Total Assets	3,294.6	1,976.4	3,154.3	2,245.0	2,953.6	1,855.7
Total Deposits	1,318.3	790.8	1,324.9	943.0	1,392.9	875.2
Borrowed Funds	1,125.1	674.9	947.8	674.6	864.3	543.1
Total Liabilities	2,581.7	1,548.7	2,414.9	1,718.8	2,395.6	1,505.2
Shareholders' Equity	712.9	427.7	739.3	526.2	558.0	350.6
Book Value Per Share, GEL & US\$	22.81	13.68	23.66	16.84	20.55	12.91

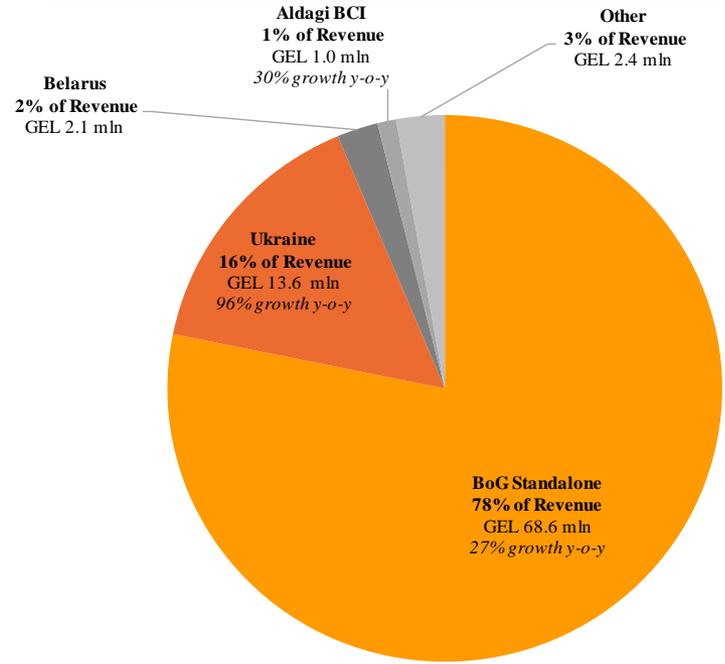
	Growth, Y-O-Y	Growth, Q-O-Q
Net Loans	21.0%	7.9%
Total Assets	11.5%	4.5%
Total Deposits	-5.4%	-0.5%
Borrowed Funds	30.2%	18.7%
Total Liabilities	7.8%	6.9%
Shareholders' Equity	27.8%	-3.6%
Book Value Per Share	11.0%	-3.6%

Composition of revenue in Q4 2008

Composition of Revenue, Q4 2008



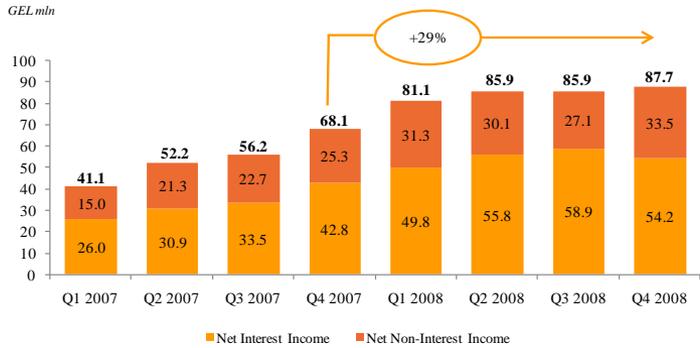
Revenue by Segments, Q4 2008



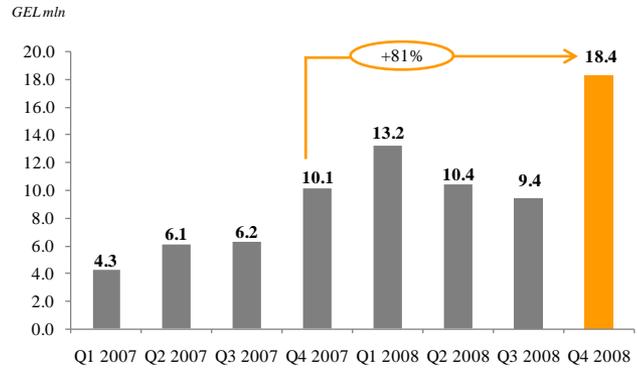
Total Revenue: GEL 87.7 million (29% y-o-y growth, 2% q-o-q growth)

Analysis of revenue

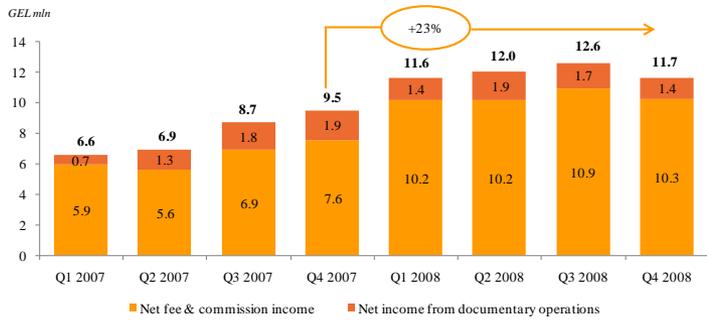
Revenue growth



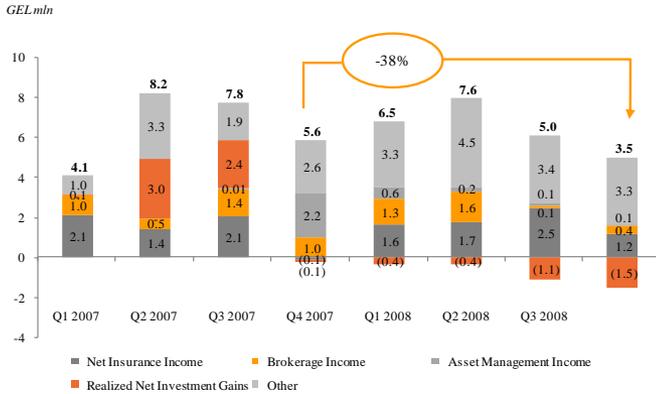
Net foreign currency related income



Net fee & commission income & income from documentary operations

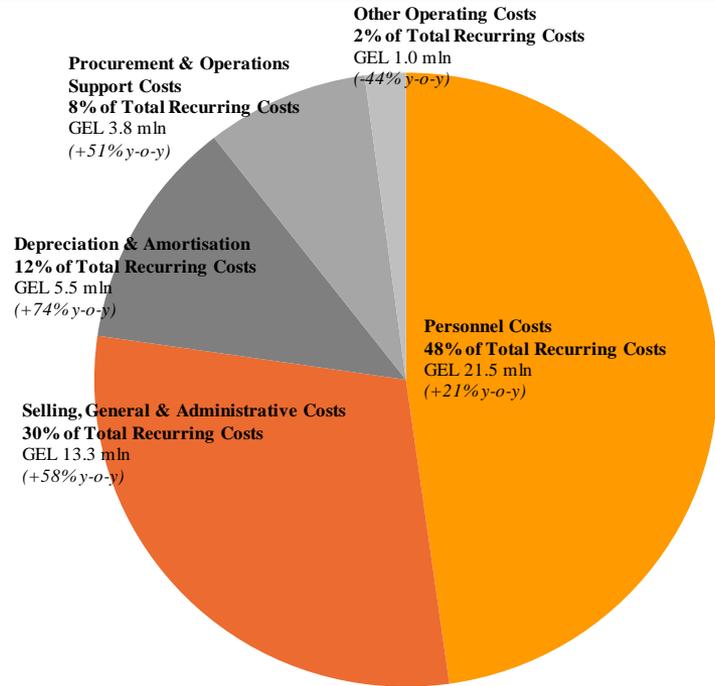


Other non-interest income

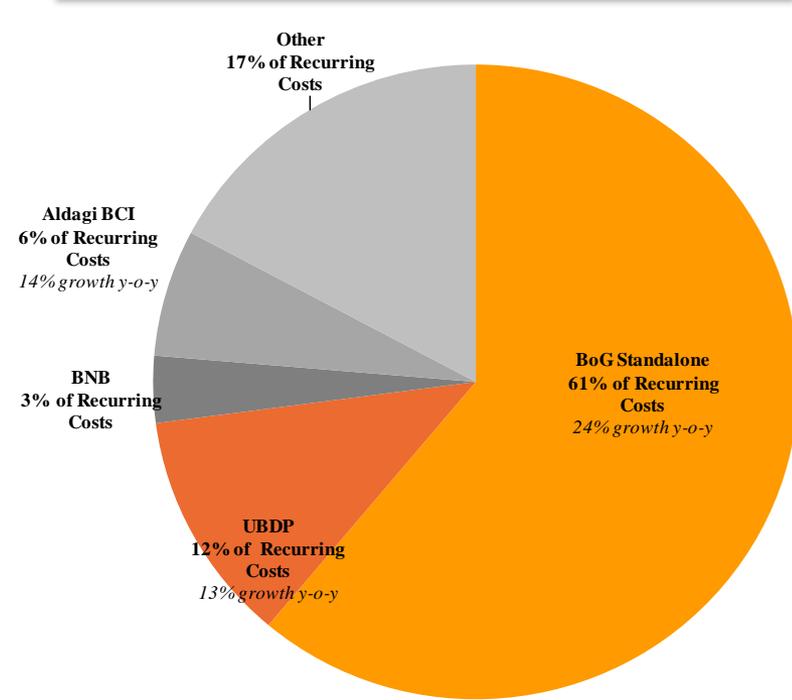


Analysis of recurring operating costs

Recurring operating cost structure, Q4 2008



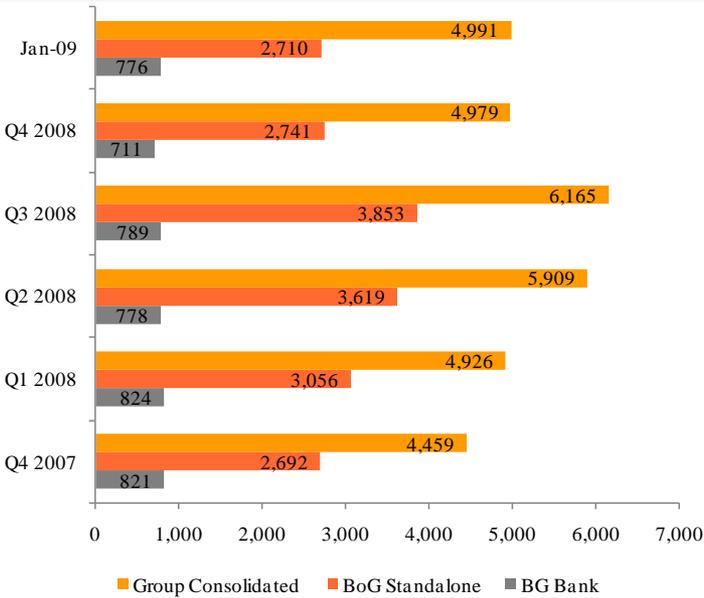
Recurring operating cost structure by segments, Q4 2008



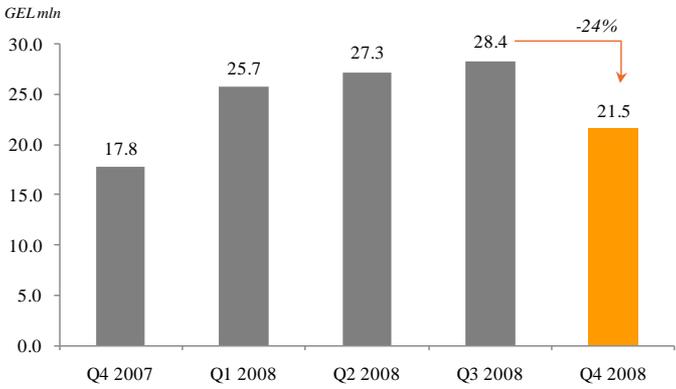
Total recurring operating costs: GEL 45.1 million in Q4 2008 (34% growth y-o-y, 9% decline q-o-q)

Analysis of recurring operating costs cont'd

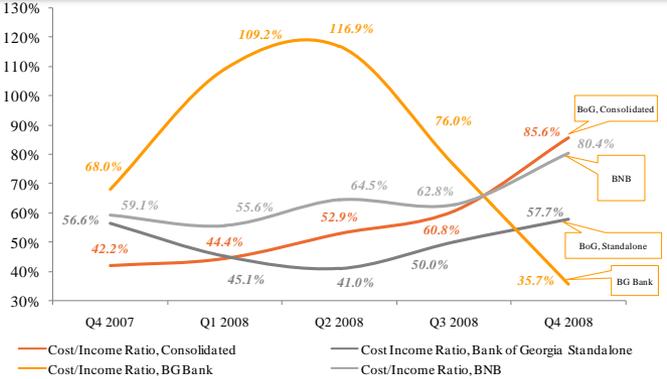
Employees



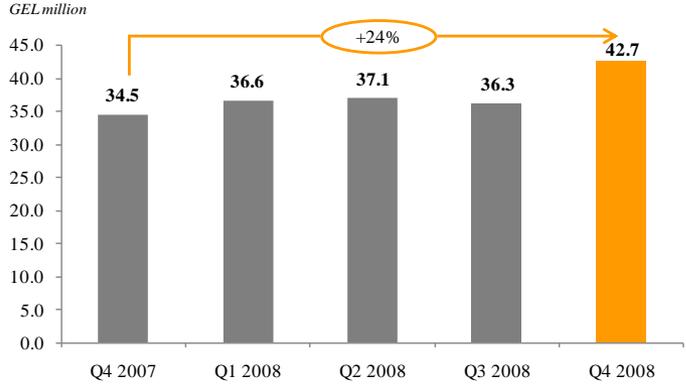
Personnel costs



Cost/Income ratio

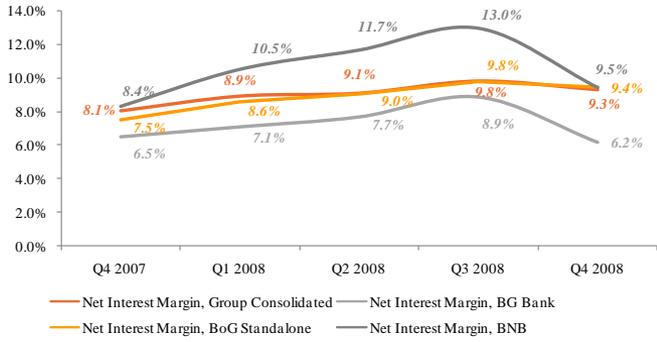


Normalised net operating income

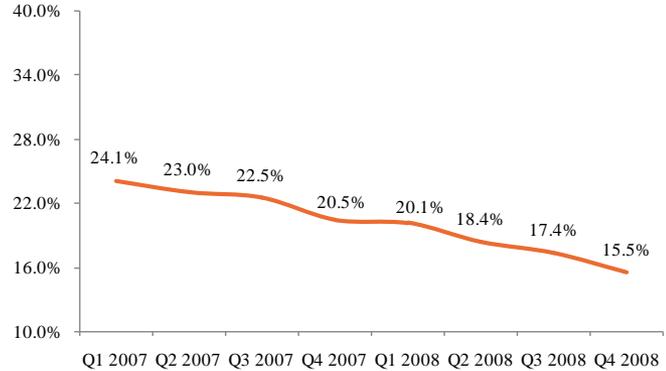


NIM & loan yields

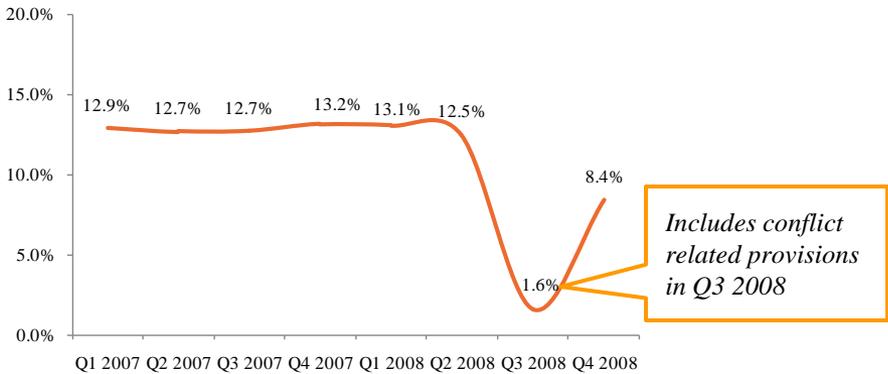
Net Interest Margin (annualised)*



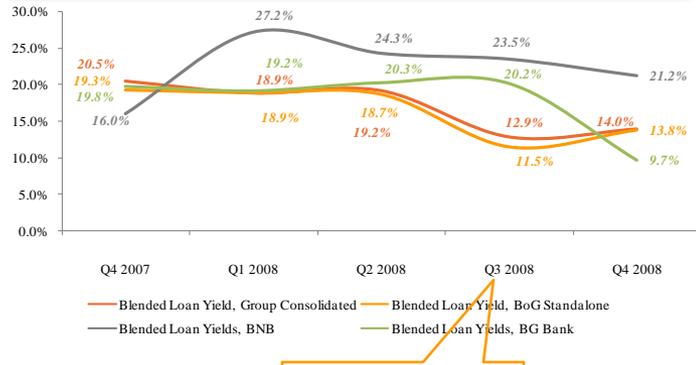
RB & WM loan yield (annualised)*



CB loan yield (annualised)*

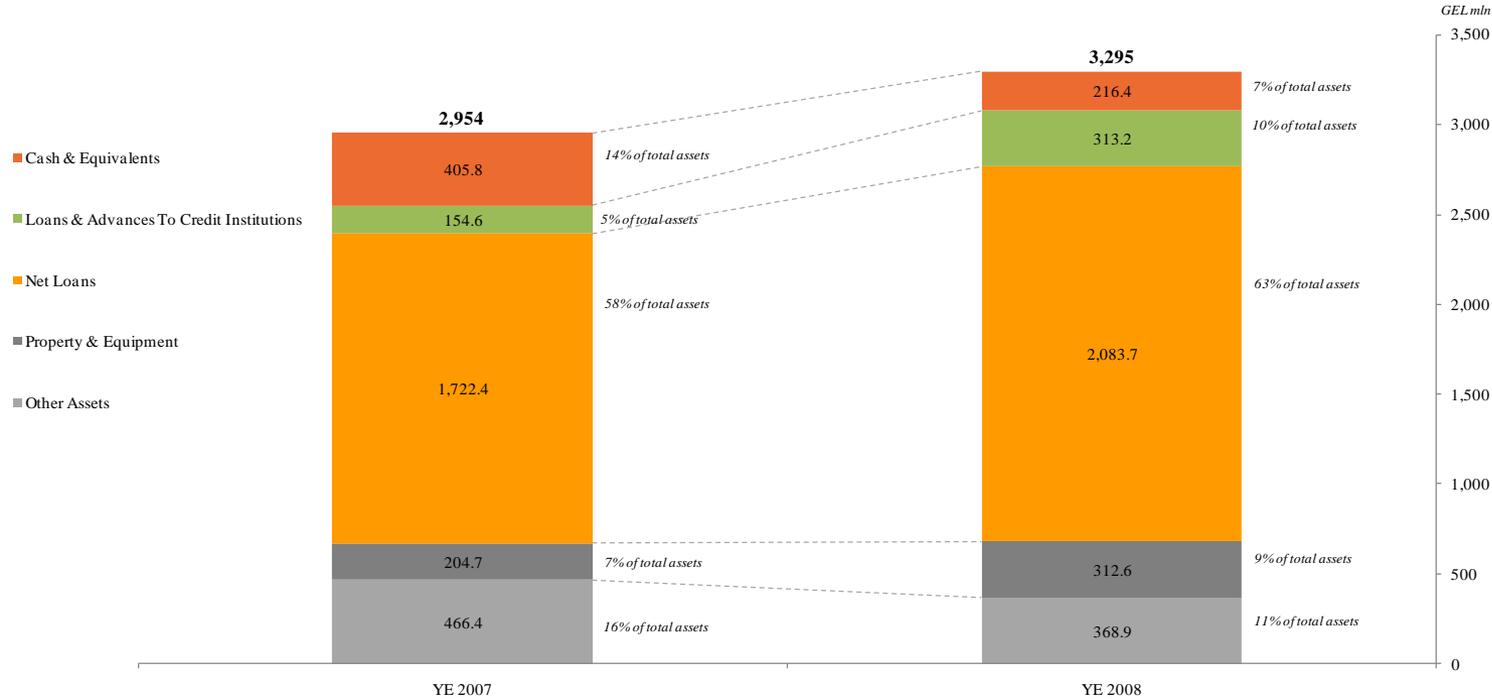


Blended loan yield (annualised)*



* Based on consolidated data, including Corporate Center where all loan recoveries are allocated

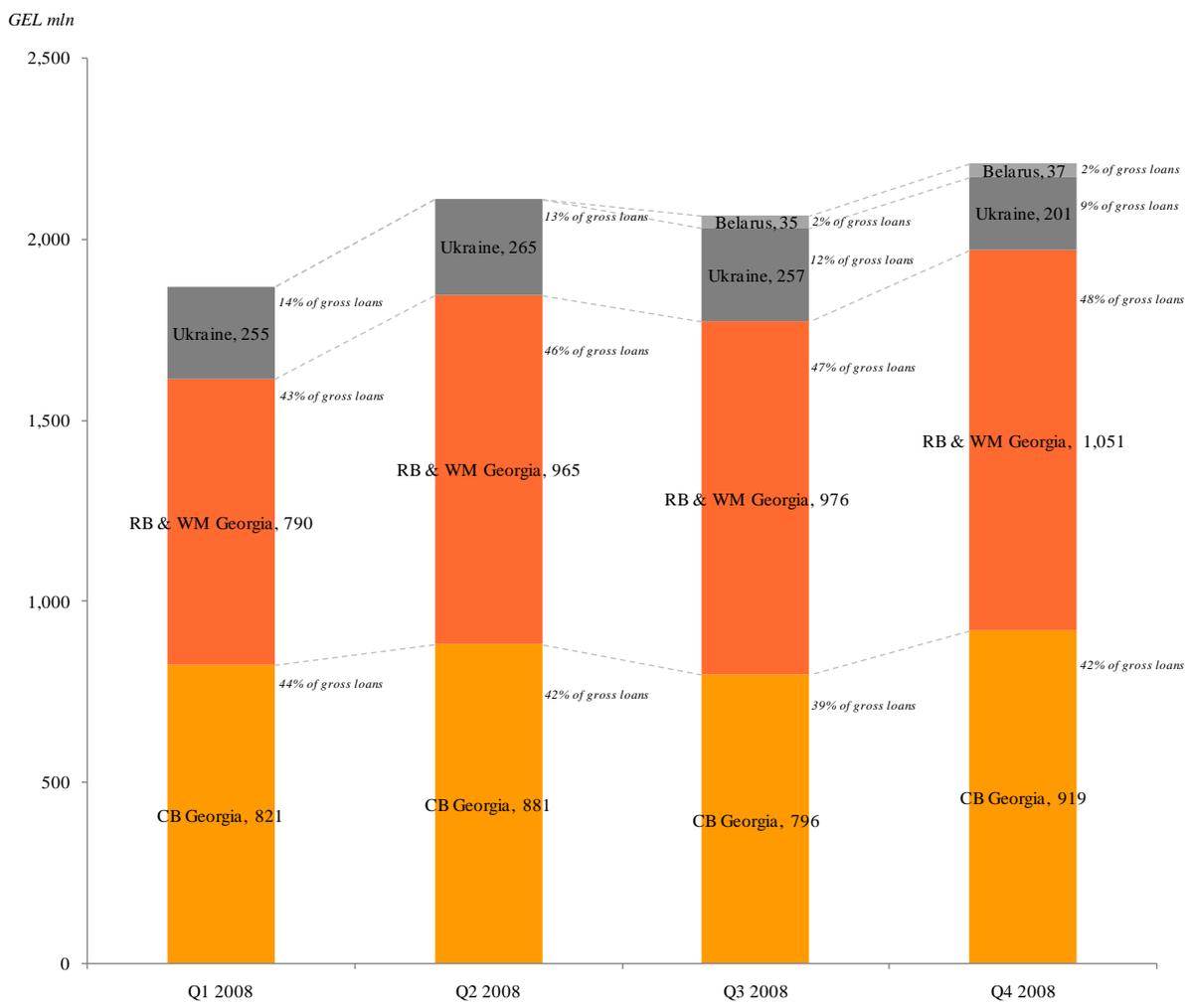
Composition of assets as at 31 December 2008



GEL million	YE 2007	YE 2008
Available-For-Sale & Trading Securities	48.7	39.8
Treasuries And Equivalents	40.1	8.3
Other Fixed Income Instruments	152.4	14.8
Investments In Other Business Entities & Investment Property	40.3	69.8
Intangible Assets Owned & Goodwill	116.0	144.1
Tax Assets, Current And Deferred	1.6	6.9
Prepayments And Other Assets	67.3	85.2
Other assets	466.4	368.9

Note: Net loans include net finance lease receivables

Composition of gross loan book as at 31 December 2008



RB & WM account for 53% and CB accounts for 46% of BoG standalone loan portfolio

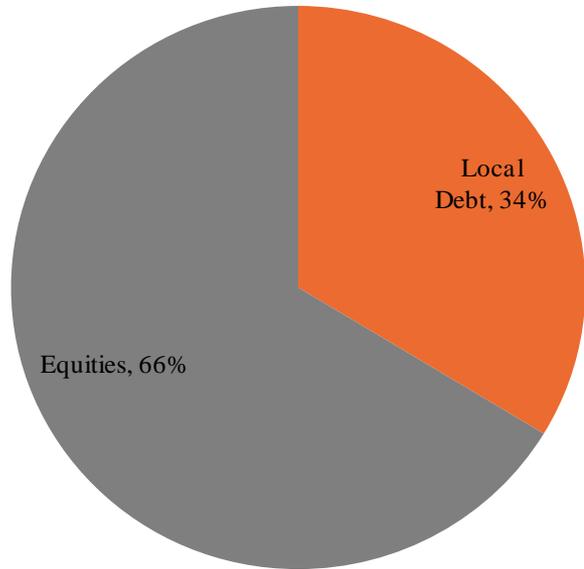
Gross loan book Q4 2008: GEL 2,199 million

Note: includes loans allocated to corporate center/eliminations



Securities portfolio as at 31 December 2008

Breakdown of securities portfolio, 31 December 2008



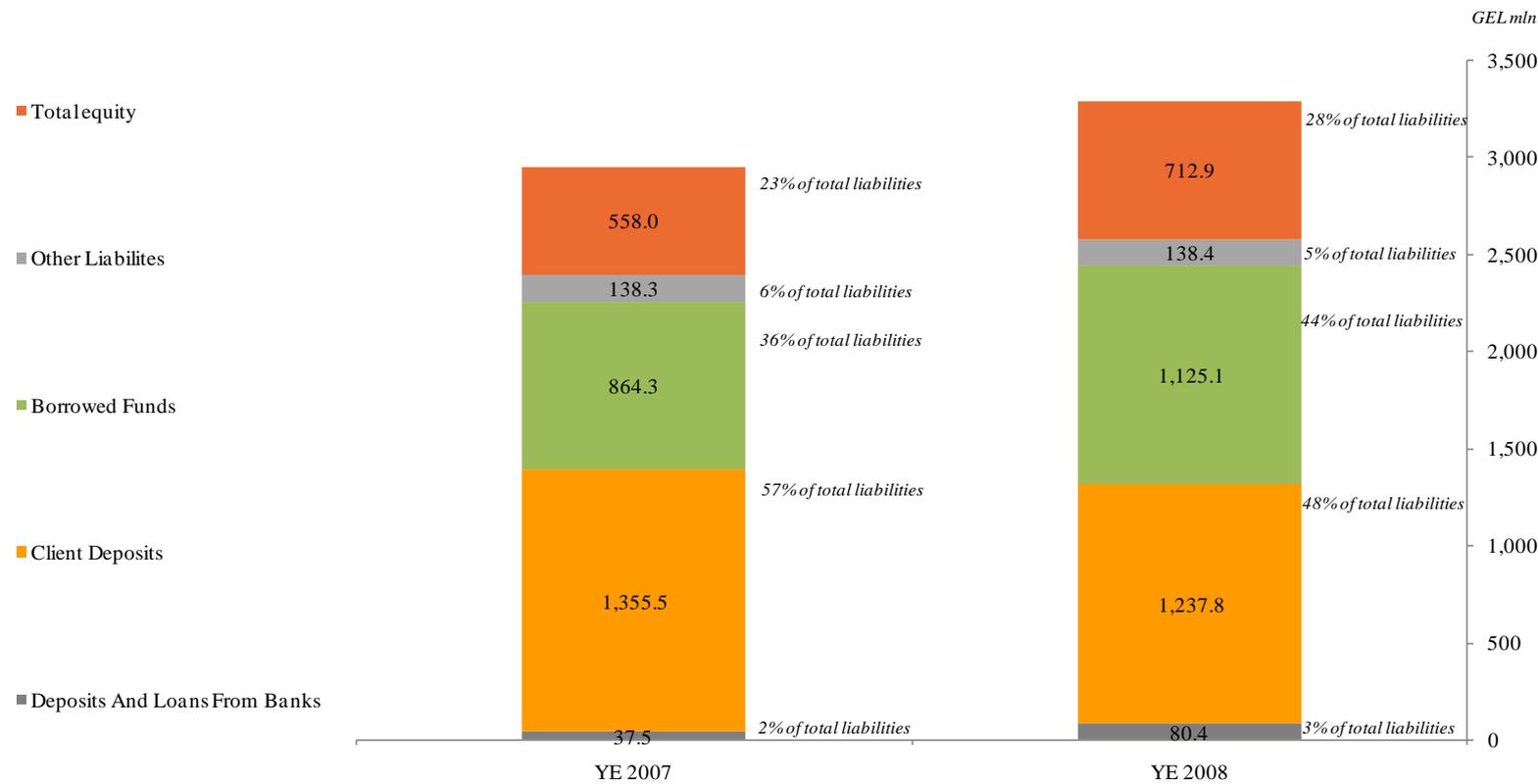
Total securities portfolio: GEL 40 million

Breakdown of securities investments

GEL 000's

	Exposure to		
	Sovereign	Equity	Total
GTS	-	124	124
LC/GTAM	-	21,301	21,301
Ukraine	13,393	-	13,393
Other	-	4,980	4,980
Total	13,393	26,405	39,798

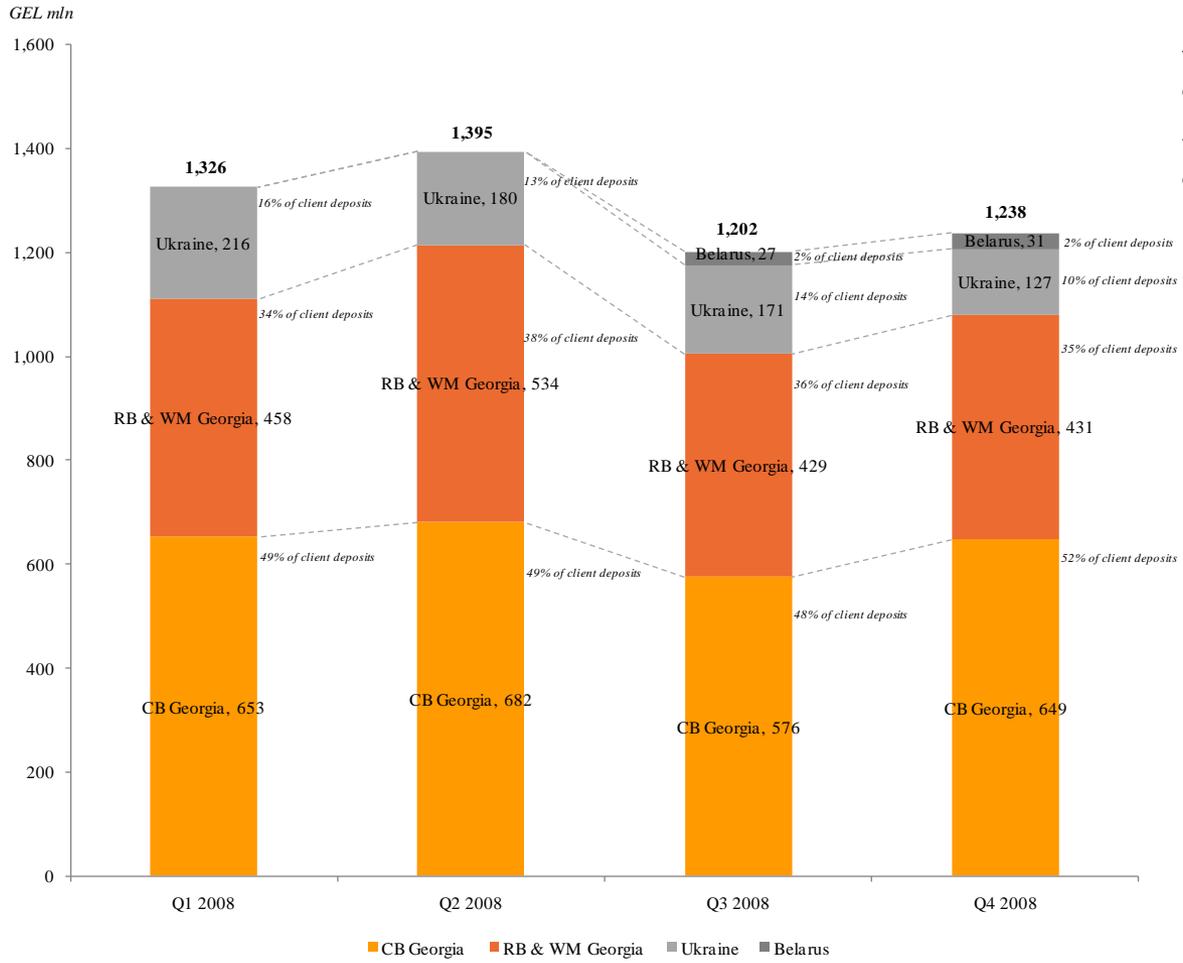
Liabilities breakdown as at 31 December 2008



	YE 2007	YE 2008
Issued Fixed Income Securities	5.0	0.0
Insurance Related Liabilities	39.2	60.8
Tax Liabilities, Current And Deferred	37.2	25.1
Accruals And Other Liabilities	56.9	52.5
Other liabilities	138.3	138.4

Total Liabilities 31 December 2008: GEL 2,582 million

Client deposits breakdown



RB & WM account for 40% and CB accounts for 60% of BoG standalone client deposits

Client deposits Q4 2008: GEL 1,238 million

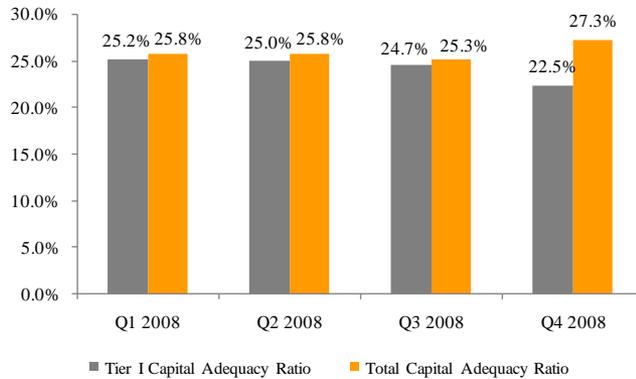
Note: RB & WM client deposits include deposits at Galt & Taggart Securities



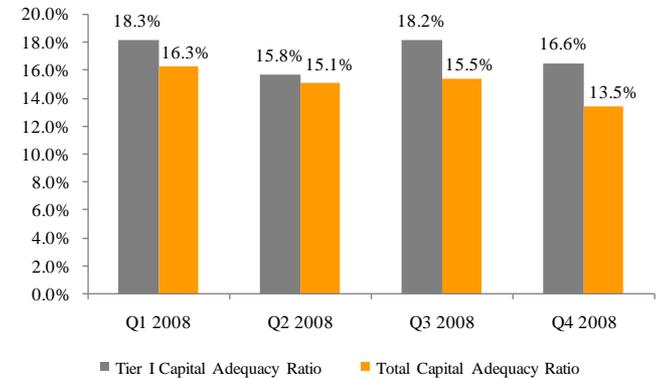
Capital adequacy & wholesale funding

Capital adequacy

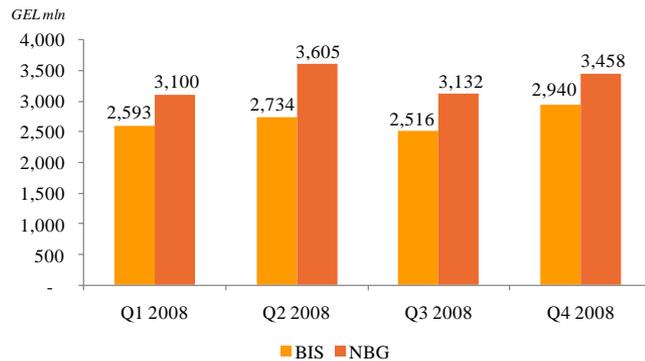
BIS capital adequacy ratios, BoG consolidated



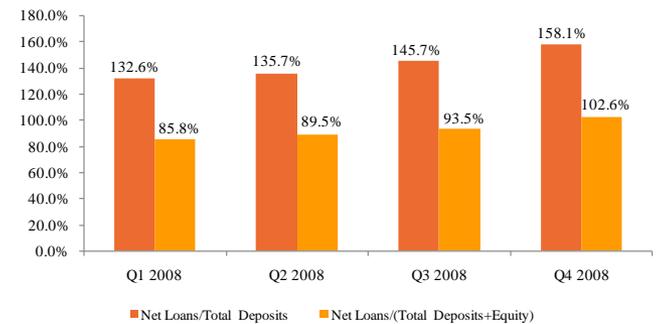
NBG capital adequacy ratios, BoG standalone



Risk-weighted assets BIS vs. NBG



Net loans/deposits & loans/(deposits+equity), BoG consolidated



International borrowings

An agreement for US\$ 200 million financing package, consisting of senior, subordinated and convertible subordinated loans, signed with IFC and EBRD on 30 December 2008.

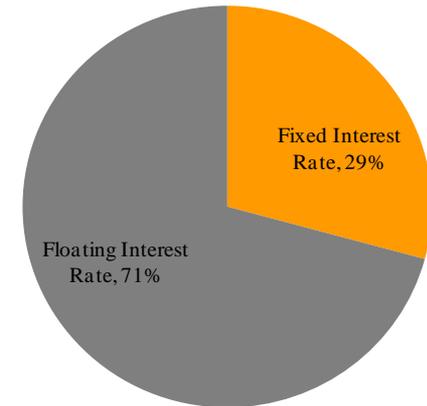
US\$150 mln was drawn down as of 27 February 2009

Selected international loans

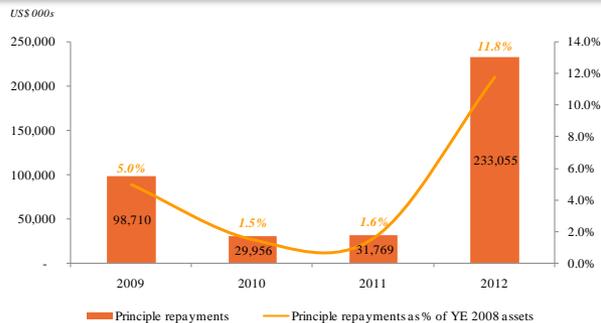
Key Lenders	Principle Amount Outstanding as of February 2009	Maturity
Senior Term Loan from Merrill Lynch	US\$ 65.0 million	2009
Syndicated Loan arranged by Citi and ADB, 2 nd Tranche	US\$43.5 million	2009
Loan Passthrough Notes (Put in 2009)	US\$ 113.0 million	2010
Syndicated Loan arranged by Citi and ADB, 3 rd Tranche	US\$25.0 million	2010
Eurobonds	US\$ 200 million	2012
Senior Term Loan from FMO	US\$ 12.5 million	2014
Senior Term Loan from WorldBusiness Capital	US\$ 7.8 million	2015
Subordinated Loan from Thames River Capital	US\$ 5.0 million	2016
Subordinated Loan from HBK Investments	US\$ 15.0 million	2017
Subordinated Loan from Merrill Lynch	US\$ 35.0 million	2017
Senior Term Loan from WorldBusiness Capital (GLC)	US\$ 5.2 million	2017
Subordinated loan from FMO and DEG	US\$ 30 million	2018
Senior Loan from OPIC	US\$ 29 million	2018
Subordinated Loan from OPIC	US\$ 10 million	2018
Total	US\$487.5	

Note: Depicts final maturity dates
Excluding credit lines as part of documentary business

International borrowings - fixed vs. floating rates, 31 December 2008

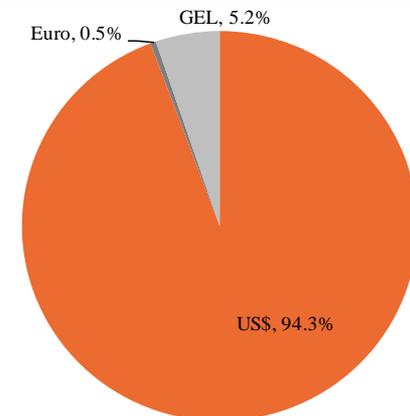


International borrowings repayment schedule



Note: As of 6 March 2009 includes IFC and EBRD financing package

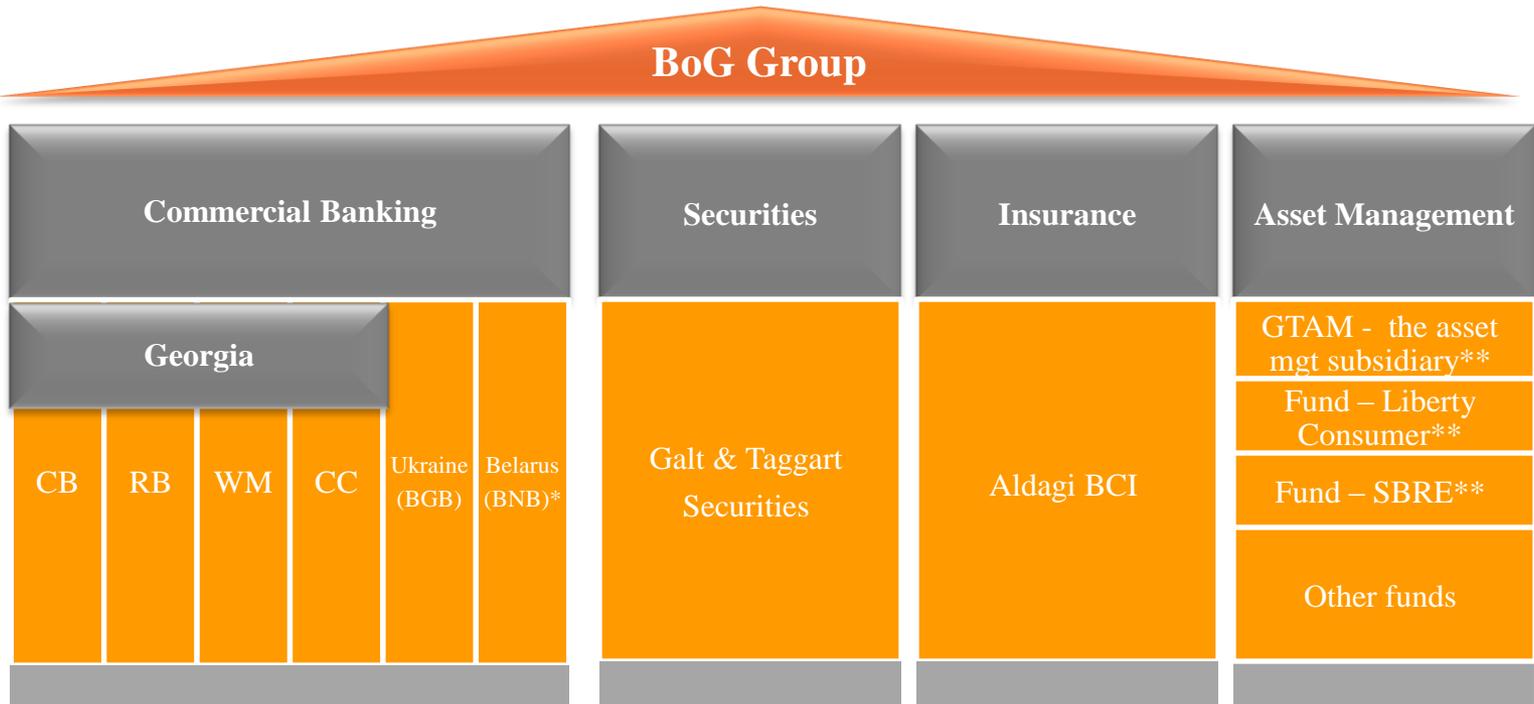
International borrowings by currencies, 31 December 2008



Business overview

Group structure: business lines

Reporting Lines



* Belarusky Narodny Bank acquired in June 2008

** BoG owns approximately 65% of Liberty Consumer (formerly called Galt & Taggart Capital), which in turn owns approximately 52% of SBRE. There fore both Liberty Consumer and SBRE are fully consolidated in BoG financials. BoG owns small minority stakes in other funds managed by GTAM

Bank of Georgia 2008 business unit results

31 December 2008 (GEL '000)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	97,723	180,644	5,793	35,568	4,192	485	3,539	7,457	5,273	340,674
Net Income/(Loss)	15,470	38,682	788	(10,015)	1,263	(7,520)	(918)	(4,986)	(32,016)	748
Total Assets	1,396,447	1,503,318	84,348	248,964	73,707	23,873	109,935	86,226	(232,193)	3,294,625
Total Liabilities	1,205,304	921,254	129,995	183,942	32,050	16,906	36,928	70,495	(15,158)	2,581,716

31 December 2007 (GEL '000)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	71,418	93,349	4,713	6,946	-	22,556	22,481	6,766	(8,777)	219,452
Net Income	30,441	28,976	1,938	1,627	-	12,034	12,686	(723)	(11,338)	75,642
Total Assets	1,479,181	1,111,388	75,481	356,756	-	50,141	75,146	61,963	(256,445)	2,953,611
Total Liabilities	1,215,841	748,236	96,446	286,766	-	18,596	31,791	44,385	(46,441)	2,395,620

Y-O-Y Growth	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	36.83%	93.51%	22.91%	412.06%	NMF	-97.85%	-84.26%	10.22%	-160.08%	55.24%
Net Income/(Loss)	-49.18%	33.50%	-59.33%	NMF	NMF	NMF	NMF	NMF	NMF	-99.01%
Total Assets	-5.59%	35.26%	11.75%	-30.21%	NMF	-52.39%	46.30%	39.16%	NMF	11.55%
Total Liabilities	-0.87%	23.12%	34.79%	-35.86%	NMF	-9.09%	16.16%	58.83%	NMF	7.77%

31 December 2008 (Share)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	28.69%	53.03%	1.70%	10.44%	1.23%	0.14%	1.04%	2.19%	1.55%	100.00%
Net Income/(Loss)	2067.73%	5170.40%	105.36%	-1338.63%	168.75%	-1005.20%	-122.73%	-666.38%	-4279.31%	100.00%
Total Assets	42.39%	45.63%	2.56%	7.56%	2.24%	0.72%	3.34%	2.62%	-7.05%	100.00%
Total Liabilities	46.69%	35.68%	5.04%	7.12%	1.24%	0.65%	1.43%	2.73%	-0.59%	100.00%

31 December 2007 (Share)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	32.54%	42.54%	2.15%	3.17%	0.00%	10.28%	10.24%	3.08%	-4.00%	100.00%
Net Income/(Loss)	40.24%	38.31%	2.56%	2.15%	0.00%	15.91%	16.77%	-0.96%	-14.99%	100.00%
Total Assets	50.08%	37.63%	2.56%	12.08%	0.00%	1.70%	2.54%	2.10%	-8.68%	100.00%
Total Liabilities	50.75%	31.23%	4.03%	11.97%	0.00%	0.78%	1.33%	1.85%	-1.94%	100.00%

Bank of Georgia Q4 2008 business unit results

Q4 2008 (GEL '000)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	26,118	48,514	1,421	13,605	2,105	1,807	(11,019)	956	4,237	87,744
Net Income/(Loss)	38,218	1,440	209	(10,696)	243	(821)	(12,073)	(4,625)	(12,442)	(547)

Q3 2008 (GEL '000)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	24,680	50,621	1,485	8,714	2,087	(1,934)	477	2,101	(2,316)	85,914
Net Income/(Loss)	(45,630)	11,488	(406)	721	1,020	(2,292)	(410)	(26)	(23,423)	(58,958)

Q4 2007 (GEL '000)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	22,361	28,023	1,237	6,946	-	3,852	20,078	734	(15,158)	68,073
Net Income/(Loss)	8,383	8,085	577	1,627	-	1,108	13,837	(1,369)	(6,475)	25,774

Y-O-Y Growth	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	16.80%	73.13%	14.84%	95.87%	NMF	-53.09%	NMF	30.21%	NMF	28.90%
Net Income/(Loss)	355.90%	-82.19%	-63.73%	NMF	NMF	NMF	NMF	237.93%	92.14%	NMF

Q-O-Q Growth	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	5.83%	-4.16%	-4.31%	56.12%	0.84%	NMF	NMF	-54.48%	NMF	2.13%
Net Income/(Loss)	NMF	-87.47%	NMF	NMF	-76.20%	-64.18%	2845.04%	17660.31%	-46.88%	-99.07%

Q4 2008 (Share)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	29.77%	55.29%	1.62%	15.51%	2.40%	2.06%	-12.56%	1.09%	4.83%	100.00%
Net Income	-6991.11%	-263.34%	-38.32%	1956.65%	-44.40%	150.20%	2208.38%	846.02%	2275.91%	100.00%

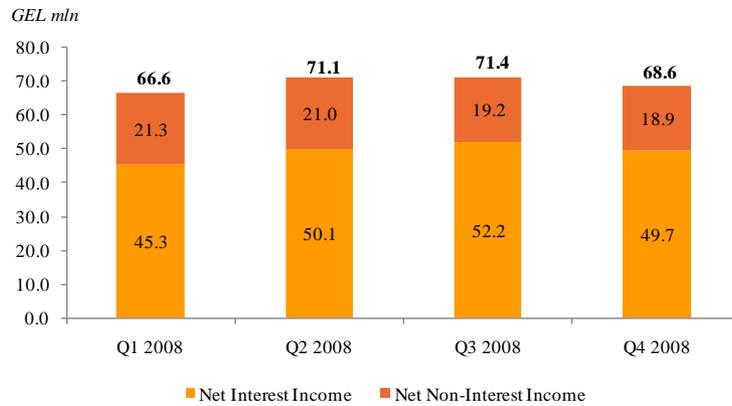
Q3 2008 (Share)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	28.73%	58.92%	1.73%	10.14%	2.43%	-2.25%	0.55%	2.45%	-2.70%	100.00%
Net Income/(Loss)	77.39%	-19.49%	0.69%	-1.22%	-1.73%	3.89%	0.70%	0.04%	39.73%	100.00%

Q4 2007 (Share)	CB	RB	WM	Ukraine	Belarus	GTS	AM Insurance	CC/Eliminations	Total	
Total Operating Income (Revenue)	32.85%	41.17%	1.82%	10.2%	0.00%	5.66%	29.49%	1.08%	-22.27%	100.00%
Net Income/(Loss)	32.53%	31.37%	2.24%	6.31%	0.00%	4.30%	53.69%	-5.31%	-25.12%	100.00%

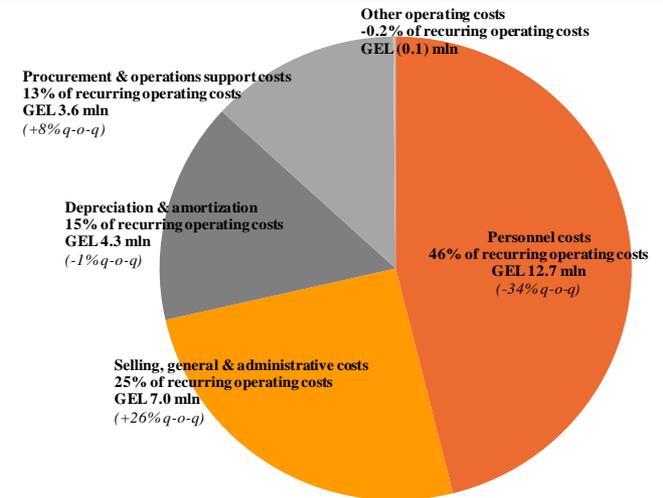
BoG standalone results overview

BoG standalone performance

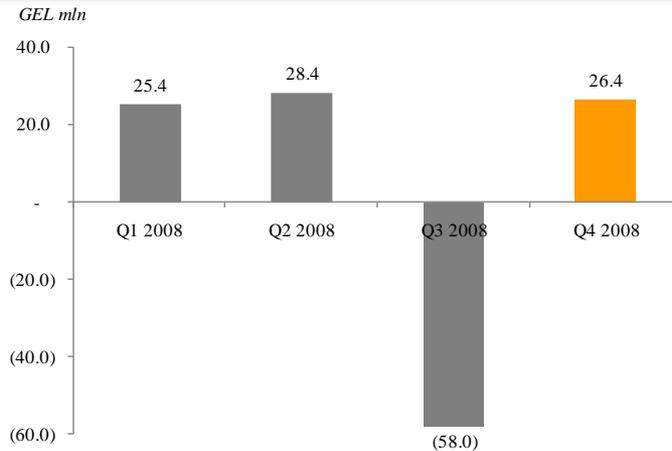
Revenue performance



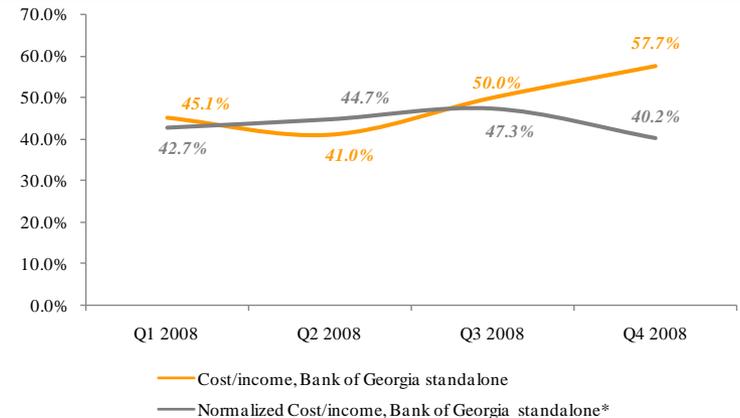
Recurring operating cost structure, Q4 2008



Net income

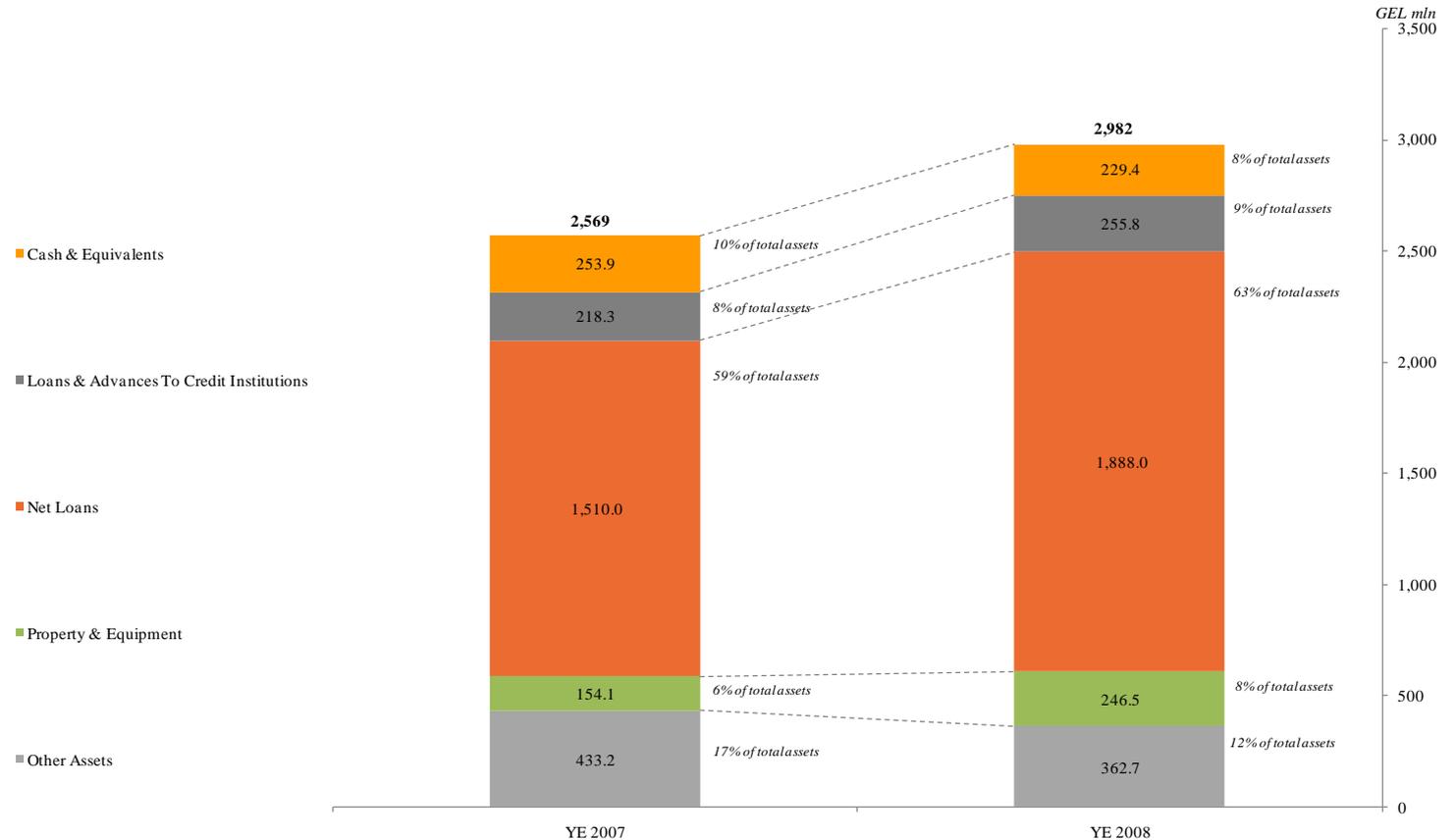


Cost/income ratio



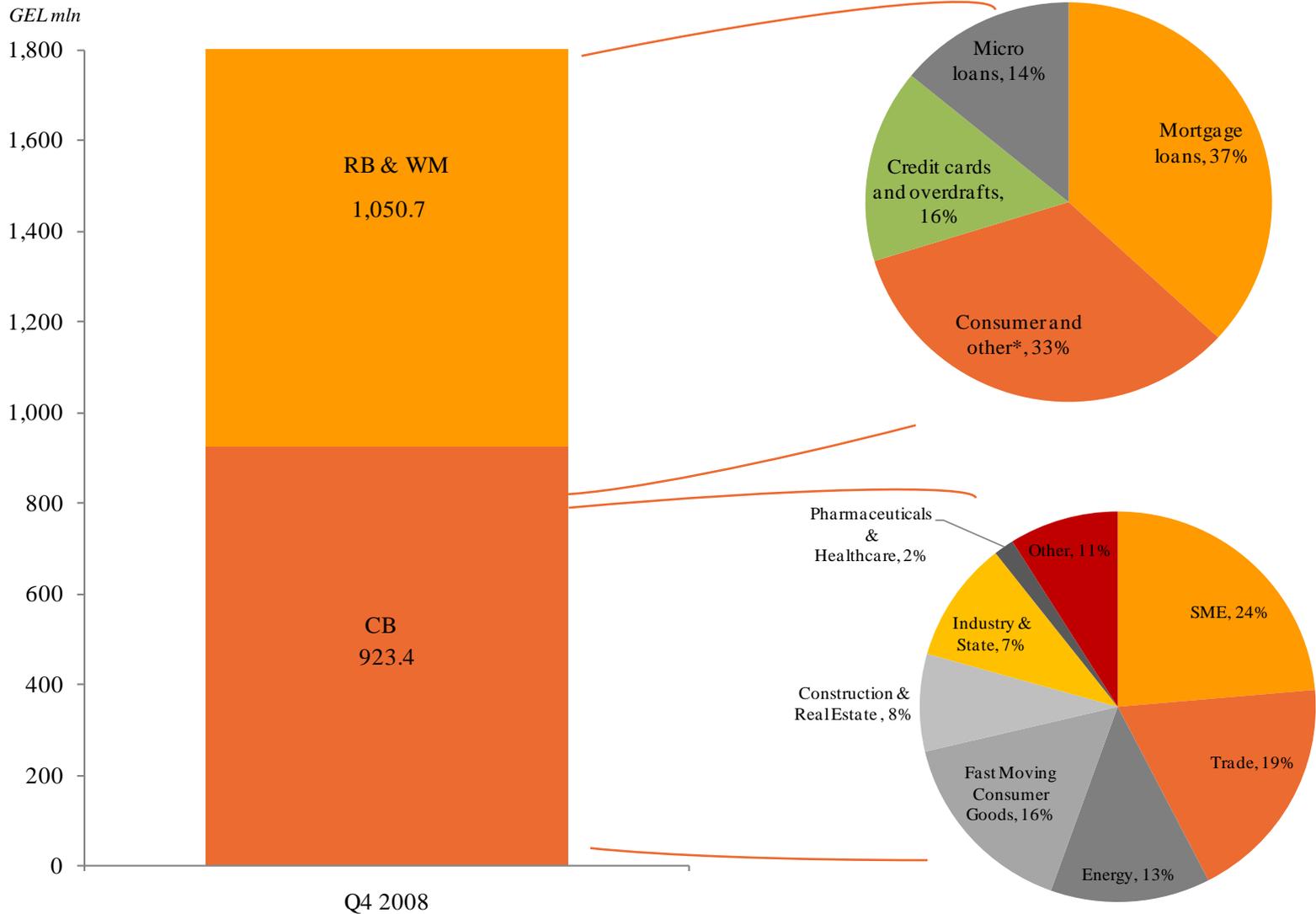
* Normalized for non-recurring costs

Composition of assets as at 31 December 2008



GEL Million	YE 2007	YE 2008
Treasuries And Equivalents	37.8	8.3
Other Fixed Income Instruments	152.4	14.8
Investments In Other Business Entities, Net	191.4	295.3
Intangible Assets Owned, Net	1.9	4.3
Goodwill	22.0	22.7
Tax Assets, Current And Deferred	-	-
Prepayments And Other Assets	27.7	17.3
Other assets	433.2	362.7

Analysis of the loan book



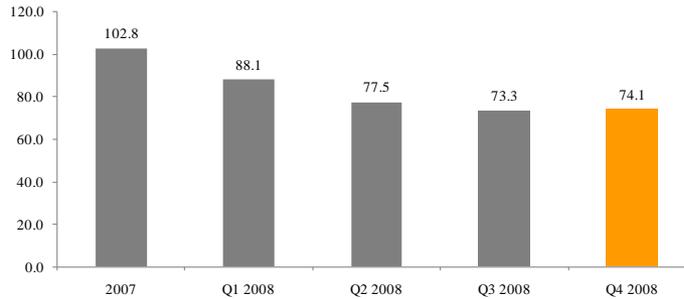
Note: does not include the loans allocated to corporate center

* Other loans include car, POS and legacy retail loans

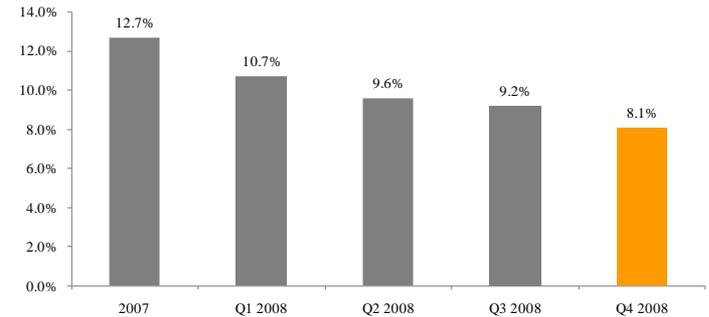
CB exposure to real estate

CB exposure to real estate

CB gross loans to construction and real estate sector, 31 December 2008



CB gross loans to construction and real estate sector as % of CB gross loans, 31 December 2008



Note: BoG standalone, does not include Ukraine and Belarus

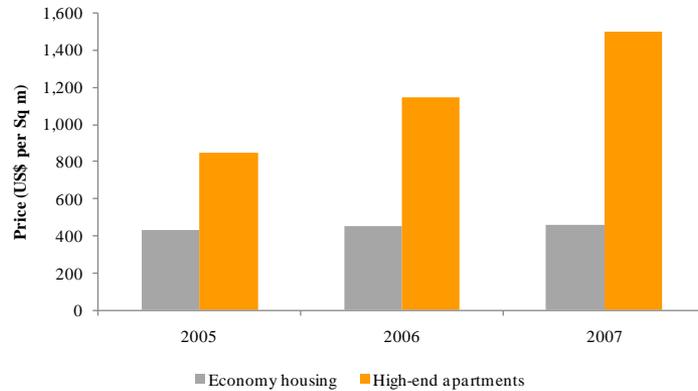
BoG standalone – mortgage portfolio (Georgia)

Date	Number of loans	Loan amount, GEL	Outstanding, GEL	Collateral value, GEL	Original loan to value	Outstanding mortgage to original value
2002	1	29,829	23,765	46,282	64.4%	51.3%
2003	4	134,333	20,307	222,189	60.5%	9.1%
2004	43	1,113,397	402,594	1,931,512	57.6%	20.8%
2005	268	12,854,083	8,270,183	21,309,865	60.3%	38.8%
2006	640	32,829,557	23,638,983	58,245,439	56.4%	40.6%
2007	2,289	145,967,215	124,381,364	317,805,610	45.9%	39.1%
Q1 2008	1,298	77,596,847	71,134,102	138,298,019	56.1%	51.4%
Q2 2008	1,843	107,037,093	99,487,289	203,459,628	52.6%	48.9%
Q3 2008	830	34,787,853	33,448,207	76,725,468	45.3%	43.6%
Q4 2008	694	18,873,057	18,391,423	44,493,799	42.4%	41.3%
Total	7,910	431,223,263	379,198,217	862,537,812	50.0%	44.0%

Note: mortgage loans outstanding include RB, WM and corporate center mortgage loans outstanding

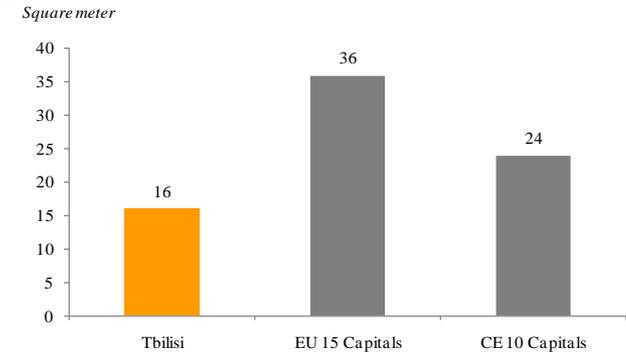
Tbilisi residential real estate market highlights

Tbilisi residential prices, 2007



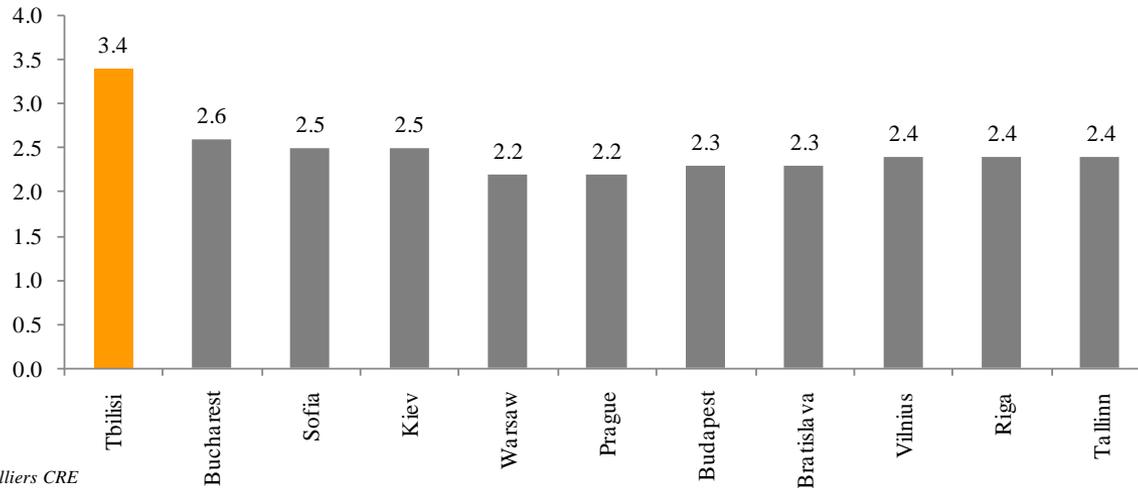
Source: Colliers CRE

Average living space per person, 2007



Source: Colliers CRE

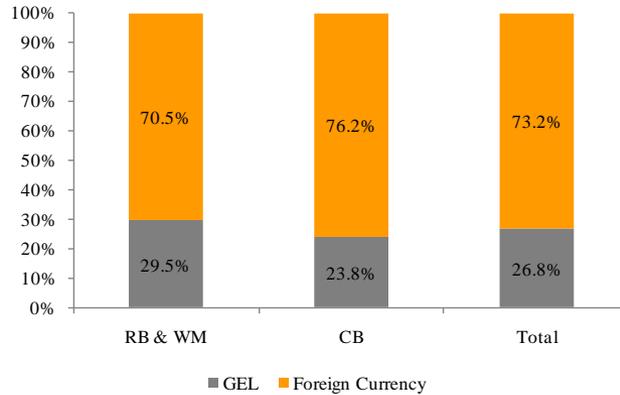
Average household size, 2007



Source: Colliers CRE

Analysis of the loan book

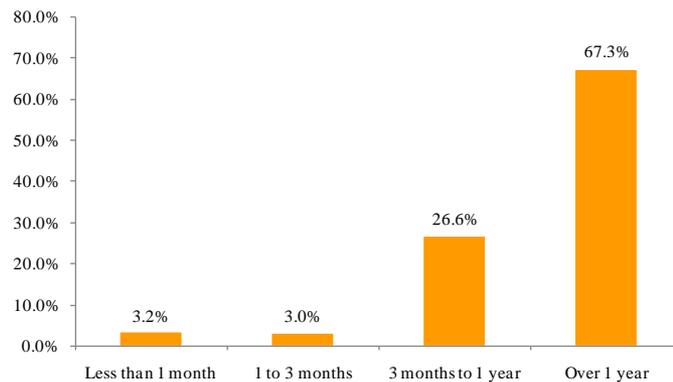
Loans by currency, 31 December 2008 (BoG standalone)



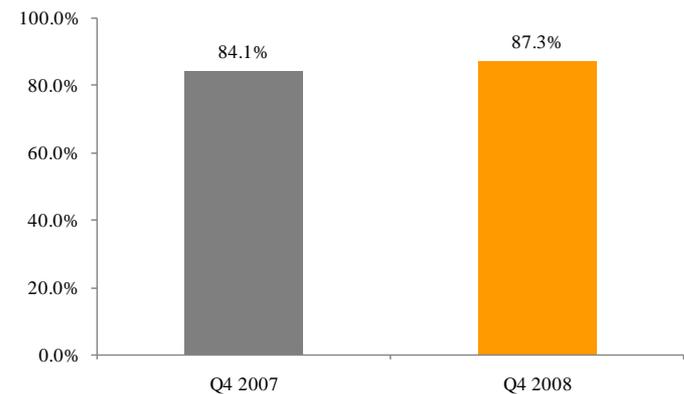
Loan concentration (BoG standalone)



Loans by maturity, 31 December 2008 (BoG standalone)

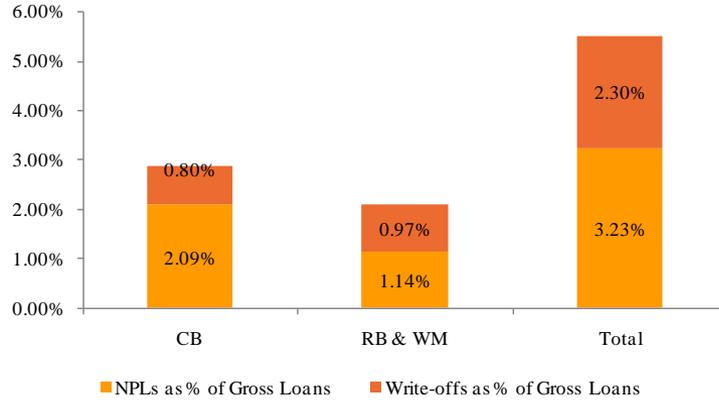


Loan Book collateralization (BoG standalone)

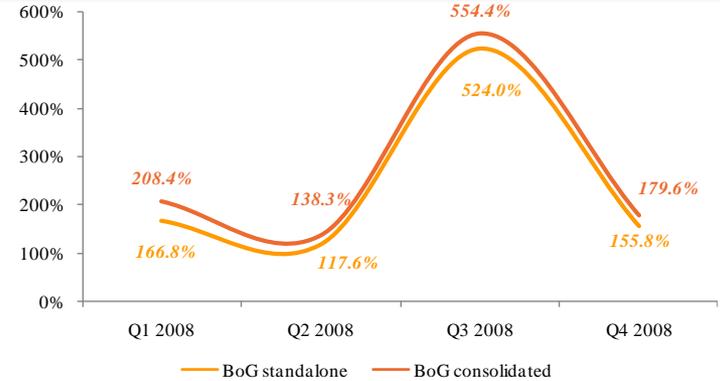


Provisioning policy

NPLs & write-offs, 31 December 2008 (BoG standalone)

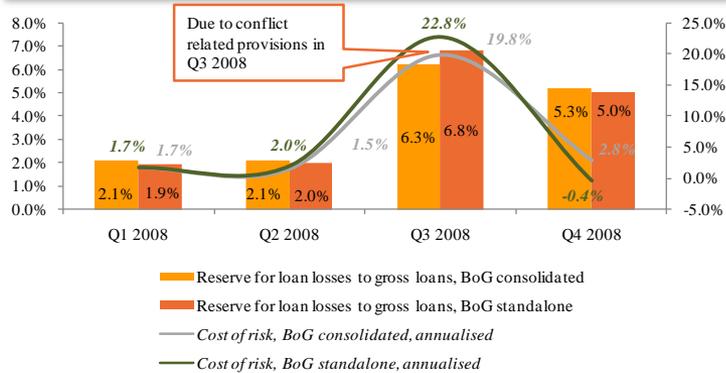


NPL coverage ratio, BoG standalone

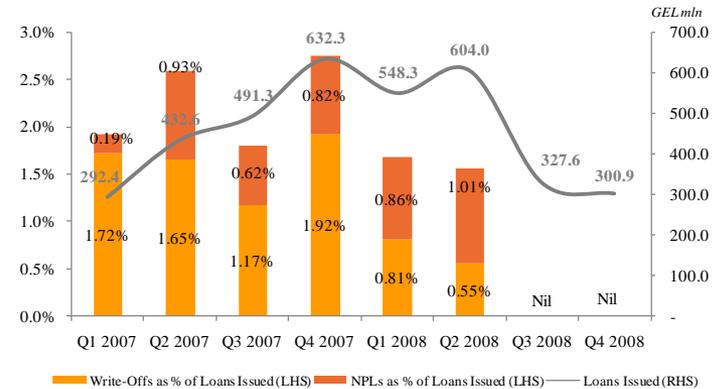


Note: NPLs include 90 days overdue loans including principal and/or interest payments

Reserve for loan losses to gross loans

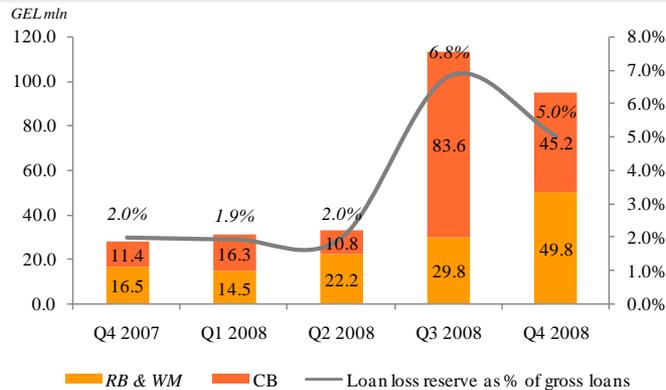


Impairment seasoning, Q4 2008

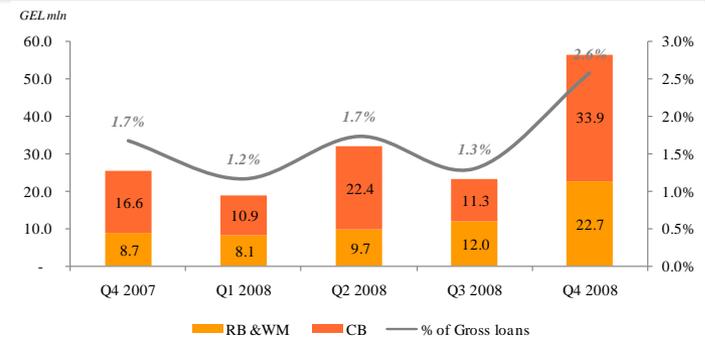


Provisioning policy cont'd – BoG standalone

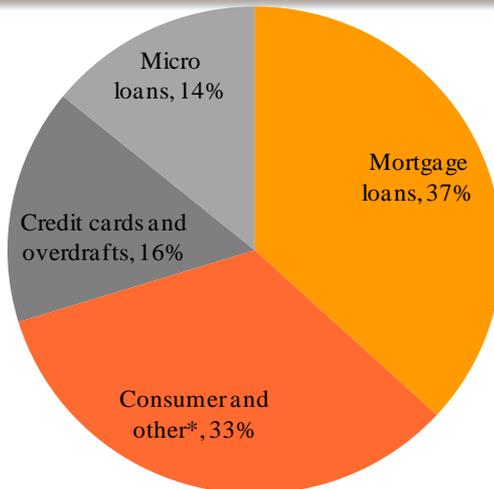
Loan loss reserve, 31 December 2008



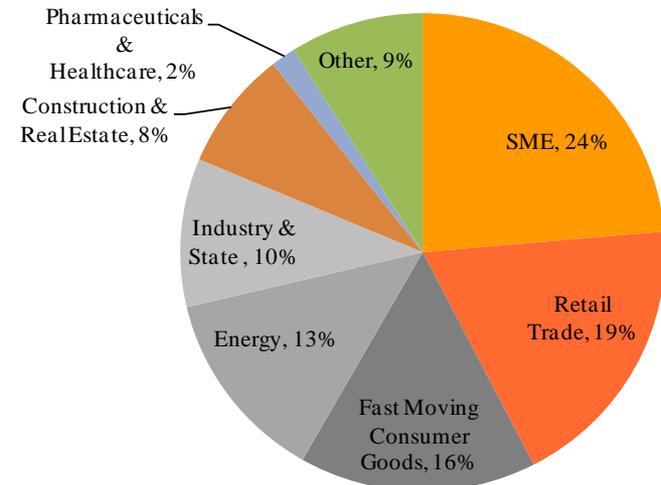
NPLs, 31 December 2008



RB & WM loan loss reserve breakdown by loan type, 31 December 2008



CB loan loss reserve breakdown by loan type, 31 December 2008



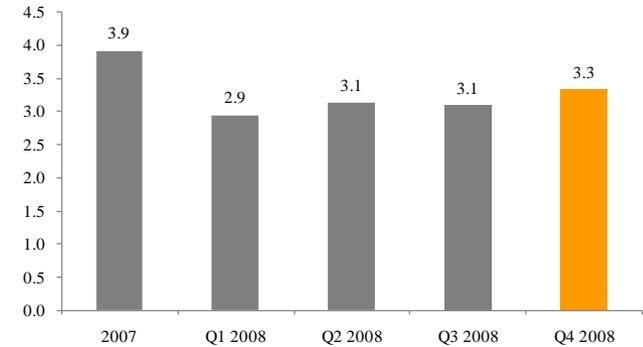
*Other loans include car, POS and legacy retail loans

BoG standalone liabilities

GEL mln

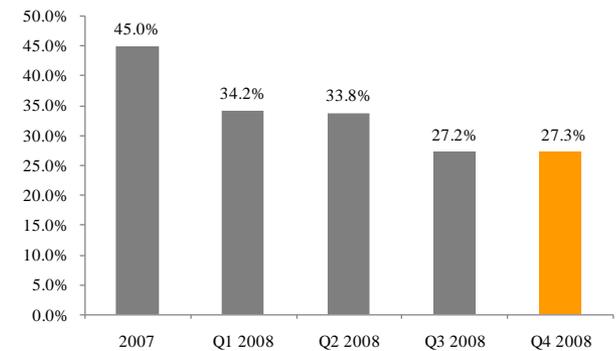


Leverage ratio, BoG standalone



Leverage (Times) equals Total Liabilities as of the period end divided by Total Equity as of the same date

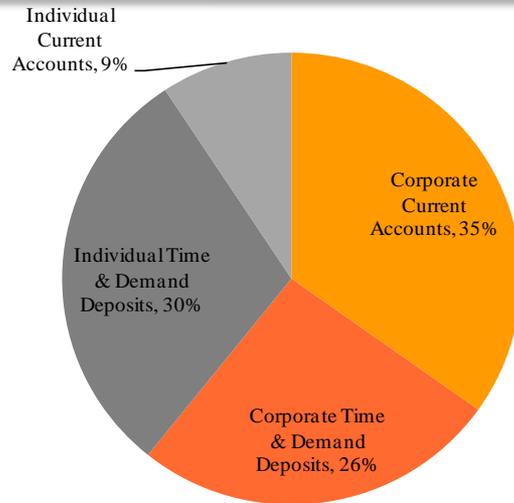
Liquidity ratio, BoG standalone



Liquidity ratio is calculated by dividing liquid assets by Total Liabilities

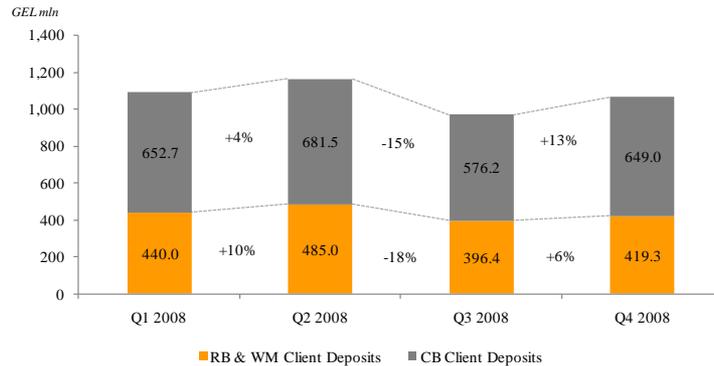
Analysis of deposits

Client deposit breakdown, 31 December 2008

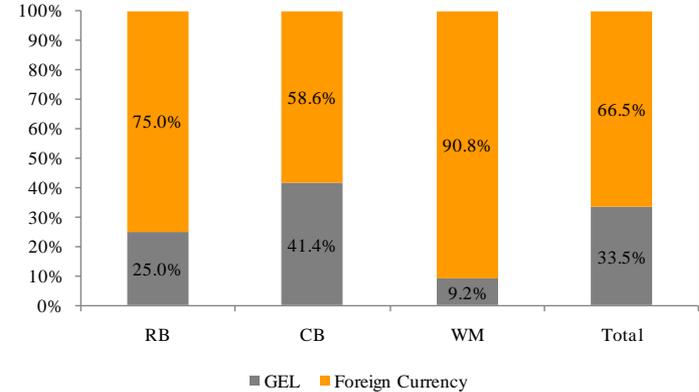


Total Deposits: GEL 1,068 million (-4% y-o-y)

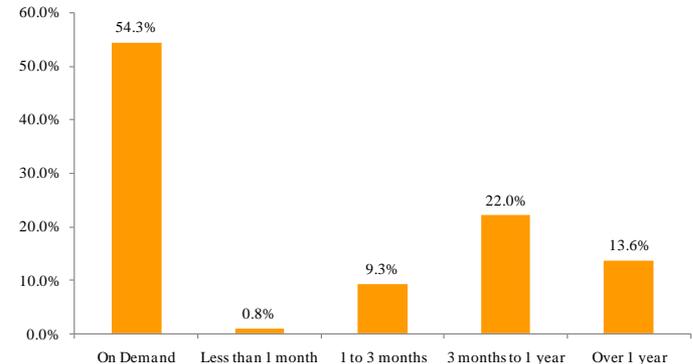
CB, RB & WM deposits, BoG standalone



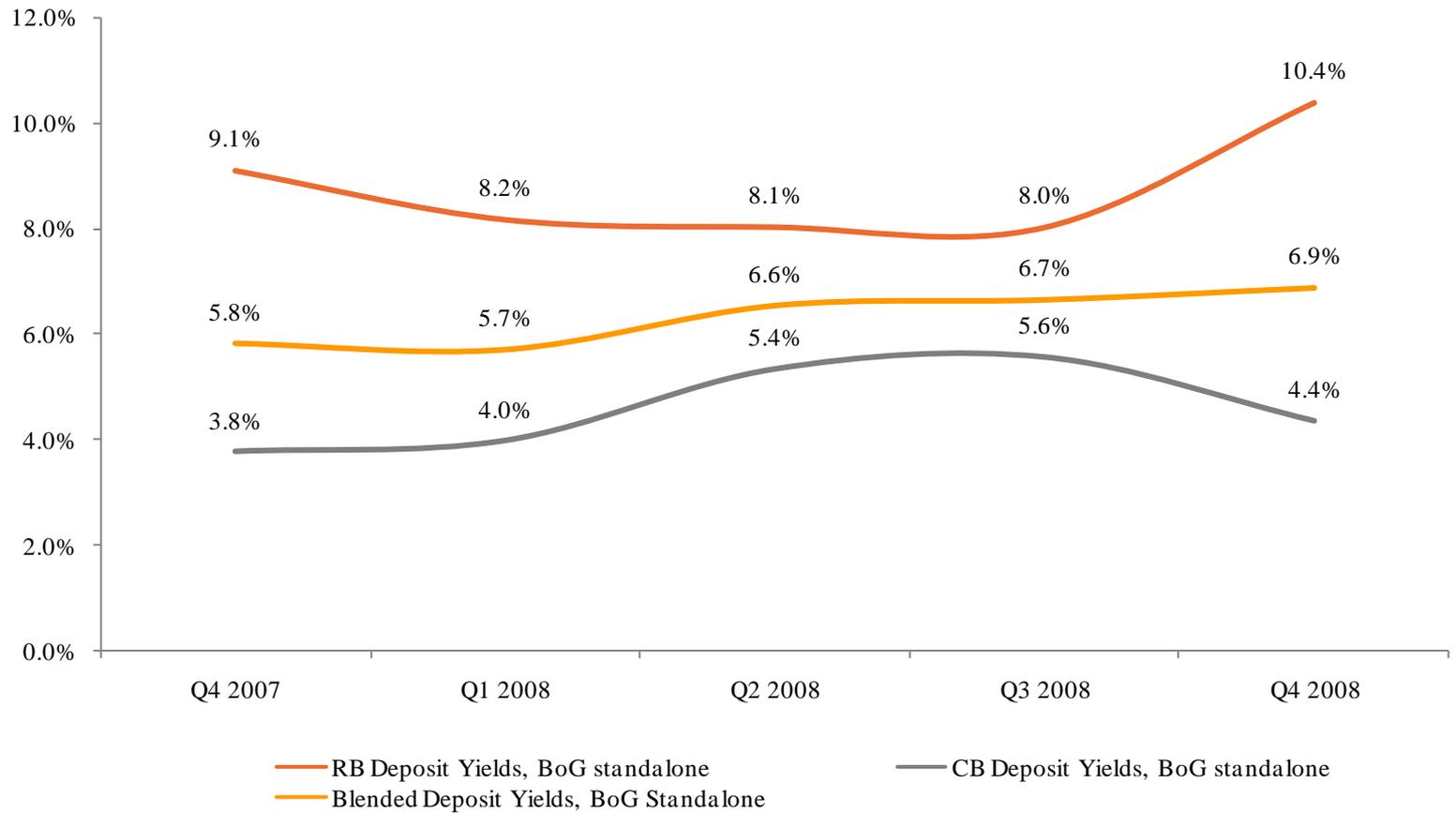
Client deposits by currency, 31 September 2008, BoG standalone



Deposits by maturity, 31 December 2008, BoG standalone



Deposit yields

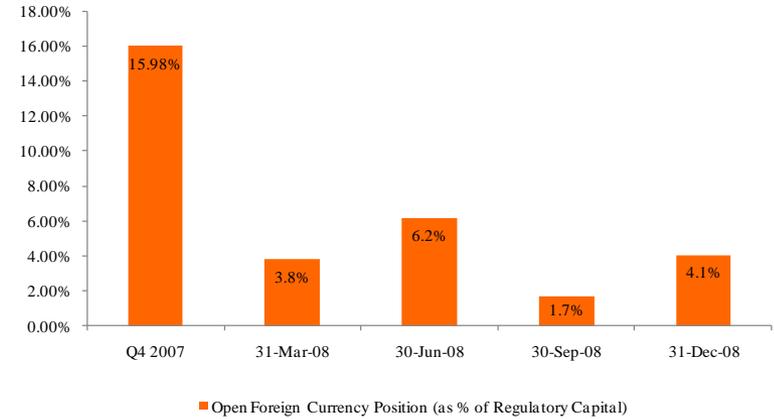


Risk management

Liquidity risk management, Q4 2008



Currency risk management, Q4 2008



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

Corporate banking

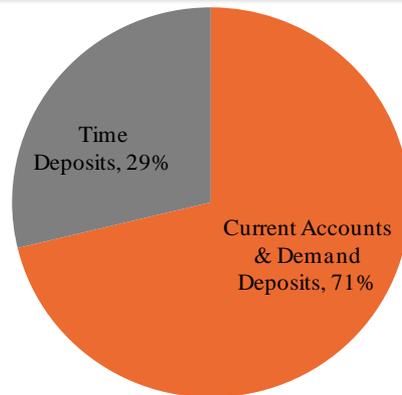
Integrated client coverage in the following key sectors

- 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 bank in Georgia
- Circa 38% market share based on customer deposits⁽¹⁾
- Circa 27% market share based on corporate loans⁽²⁾
- Integrated client coverage in key sectors
- 75,000+ clients of which 9,395 served by dedicated relationship bankers
- Circa 45% market share in trade finance and documentary operations⁽²⁾
- Second largest leasing company in Georgia⁽²⁾ – Georgian Leasing Company (GLC)
- Increased the number of corporate clients using the Bank's payroll services from approximately 700 at the end of 2007 to over 1,035 by 31 December 2008
- Approximately 1,535 legal entities opened accounts at the bank in Q4 2008, bringing the total number of current accounts to approximately 138,000

Corporate client deposits (31 December 2008)



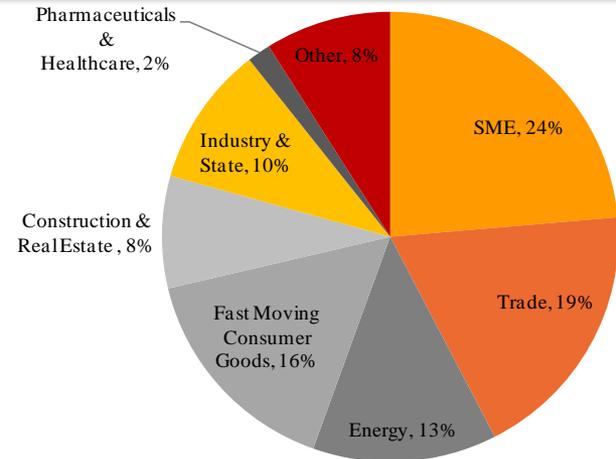
Total corporate deposits: GEL 649 mln

Notes:

- (1) As of December 2008, source: National Bank of Georgia, does not include interbank deposits
- (2) Management estimates (based on the NBG data)

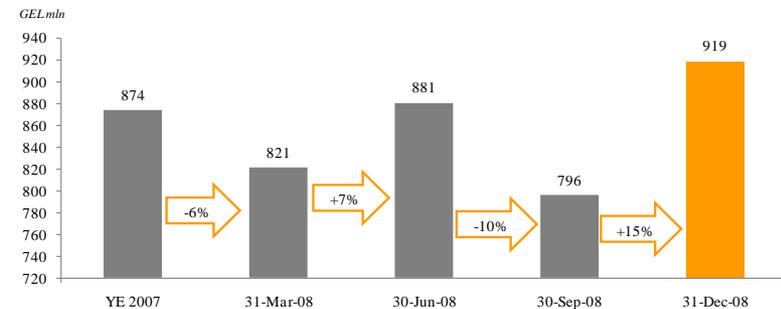


Corporate loan portfolio (31 December 2008)



Total corporate loans: GEL 919 mln

Corporate gross loan portfolio growth

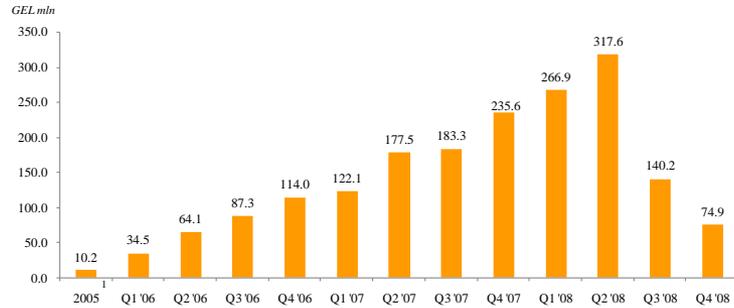


Note: does not include Ukraine & Belarus

Retail Banking – No. 1 retail bank in Georgia

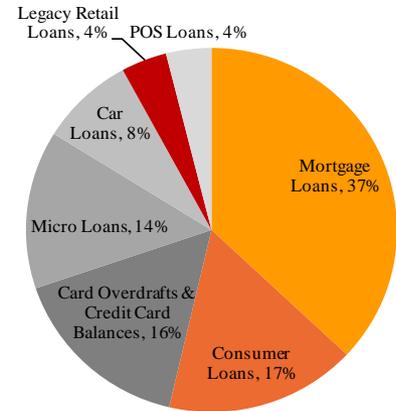


Retail loans originated



(1) Monthly average

RB loan portfolio (31 December 2008)



Total retail loans: GEL 995 mln

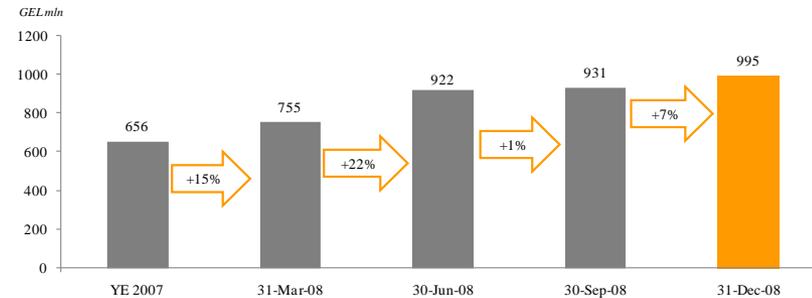
Note: does not include Ukraine & Belarus

Leadership in consumer lending

	YE 2006	YE 2007	YE 2008
POS Contracts Signed	454	969	-
Exclusive	310	870	-
Outlets Operating	89	278	-
Outlets Served	251	640	-
Number of Consumer Loans Outstanding*	23,338	50,120	67,252
Volume of Consumer Loans Outstanding (GEL mln)*	49.5	119.6	178.9
Relationship With Car Dealers	21	30	33
Exclusive	10	12	12
Presence In Outlets	4	8	11
Credit Cards Outstanding	356	108,616	164,938

* data does not includes WM Consumer Loans

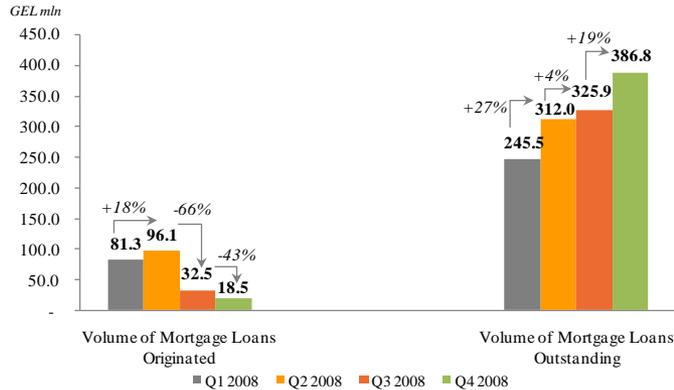
Retail gross loan portfolio growth



Note: does not include Ukraine & Belarus

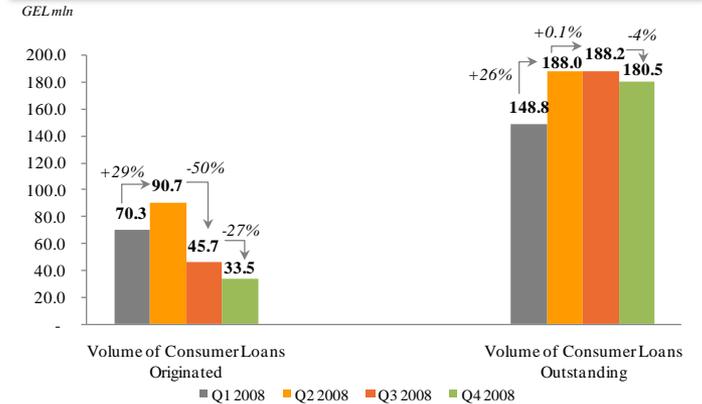
Loan origination

Mortgage loans



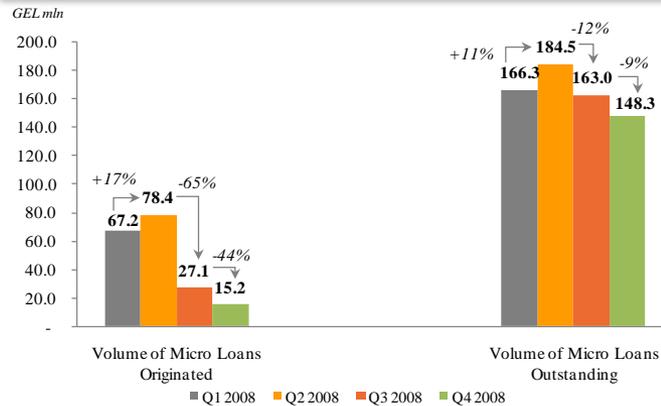
Note: does not include Ukraine & Belarus

Consumer loans



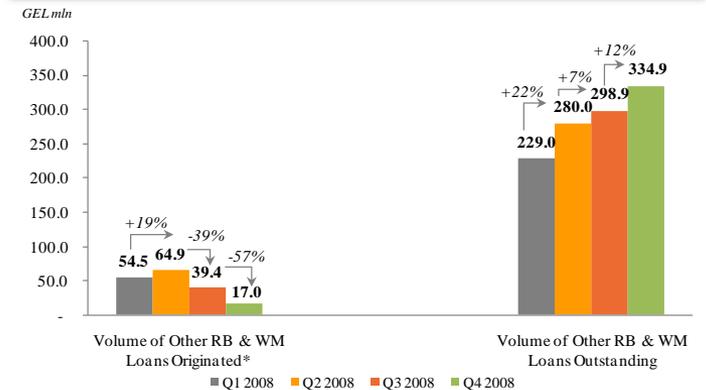
Note: does not include Ukraine & Belarus

Micro loans



Note: does not include Ukraine & Belarus

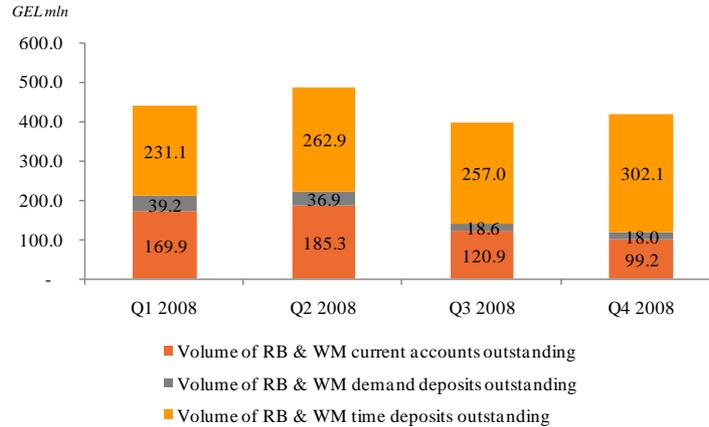
Other RB & WM loans



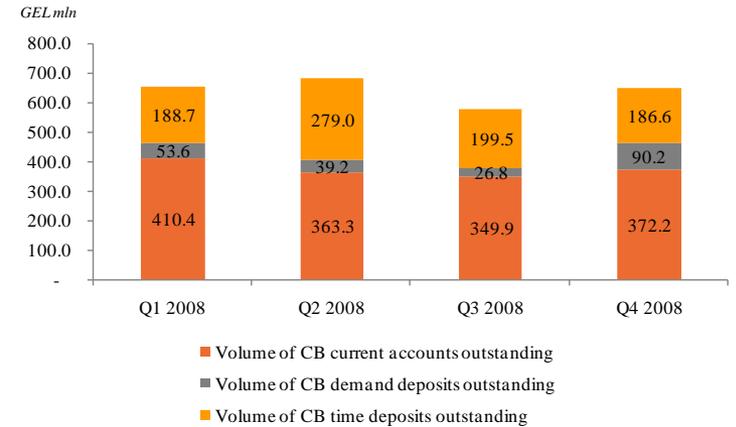
* Other RB & WM Retail Loans Originated include POS and car loans originated
Note: does not include Ukraine & Belarus

Deposit origination

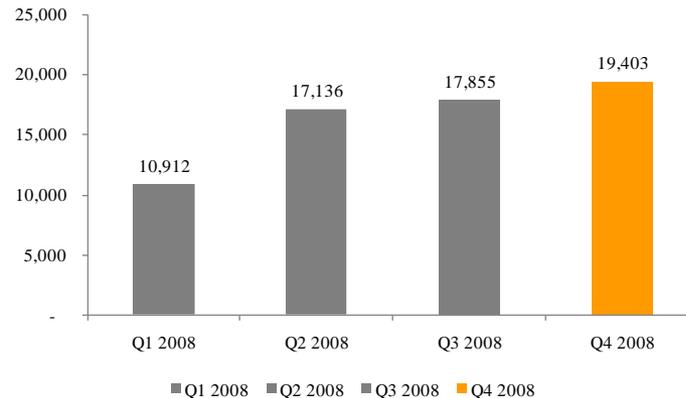
Volume of deposits outstanding (RB & WM)



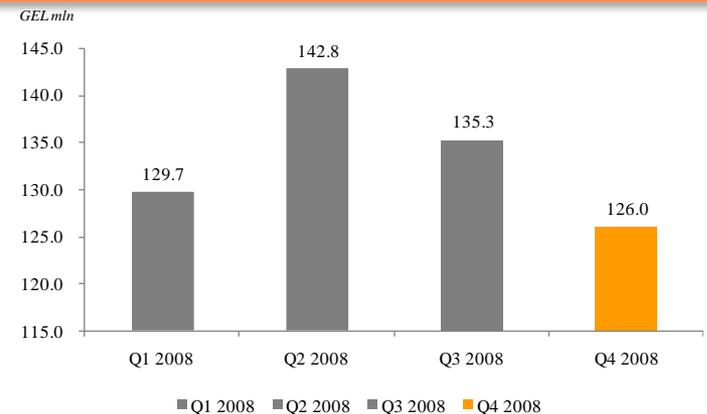
Volume of deposits outstanding (CB)



Number of RB & WM time deposits issued

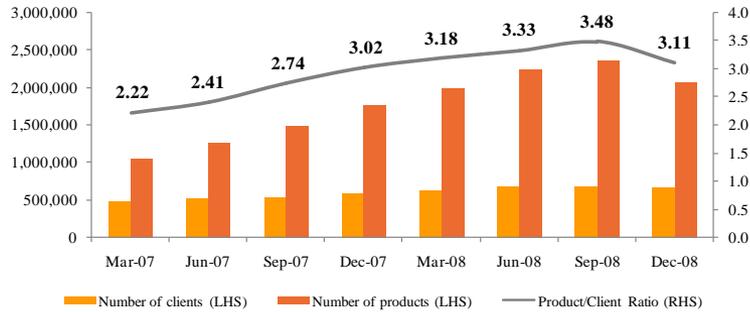


Volume of RB & WM time deposits issued

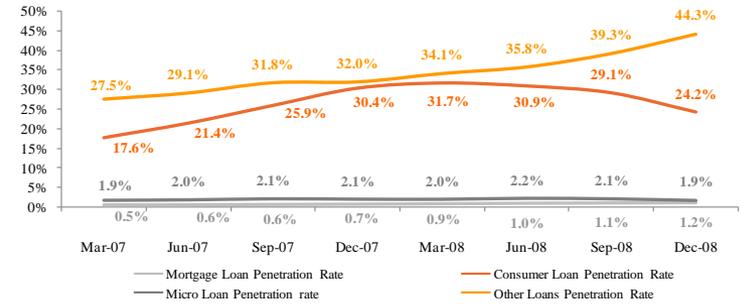


RB cross-selling

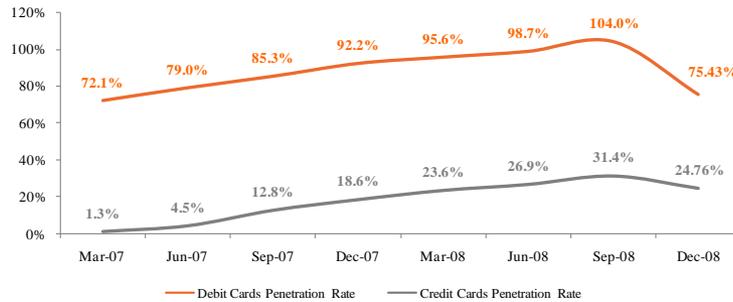
Product/client ratio



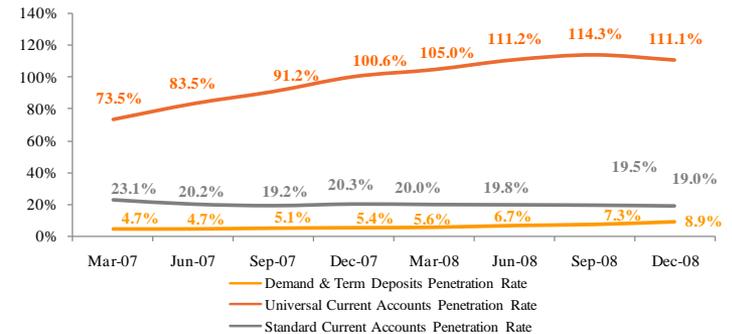
RB loans penetration rate*



Cards penetration rate*



Current accounts & deposits penetration rate*



* Calculated as percentage of Bank of Georgia clients for the period

Card processing

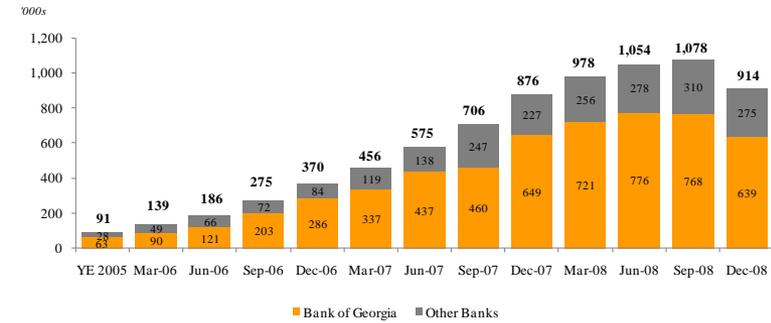


- 56% ownership of Georgian Card
- Migration to TietoEnator Transmaster in 2005
- Enhanced functionality and new product support

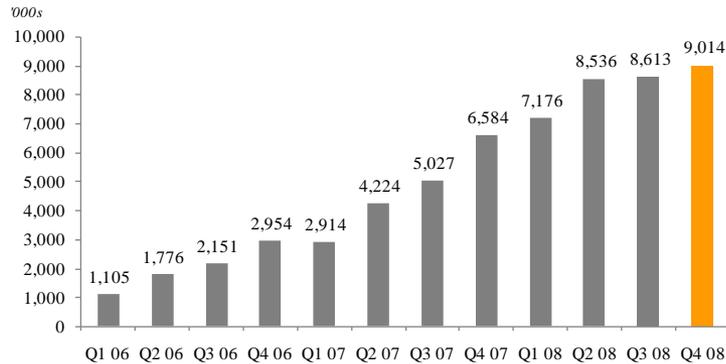
Client banks



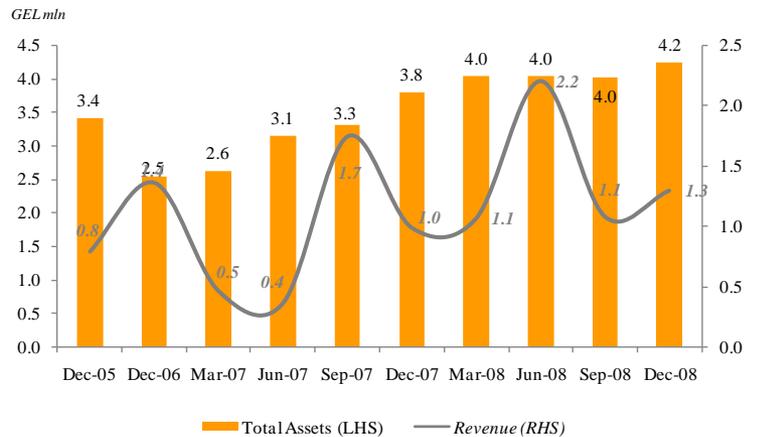
Number of cards serviced by Georgian Card



Transaction authorisations by Georgian Card

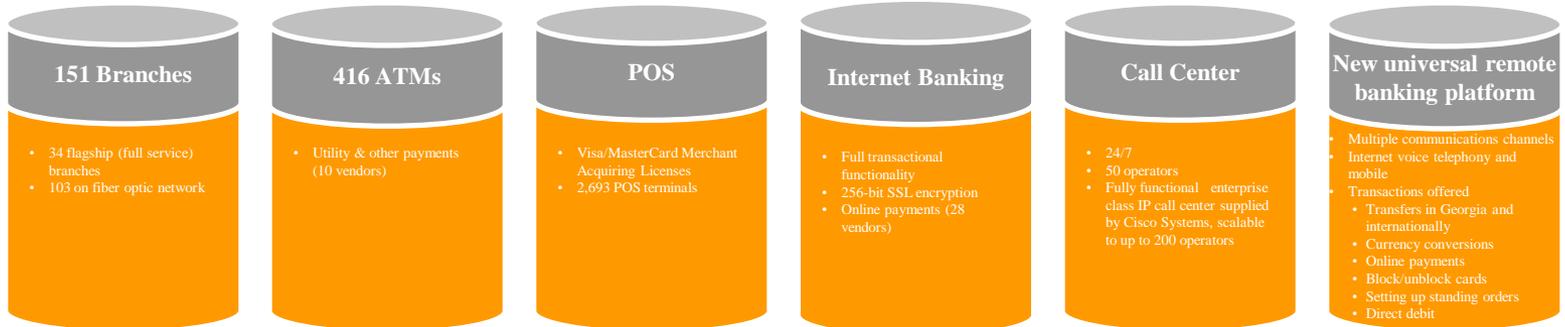


Georgian Card's revenue & assets



Superior retail footprint & consumer reach

Service delivery channels



As of 31 December 2008:
502,000+ debit cards/866,000+ current accounts

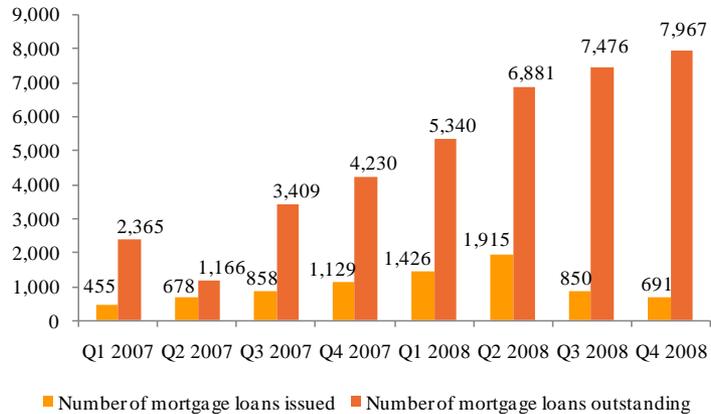


Alternative customer acquisition channels

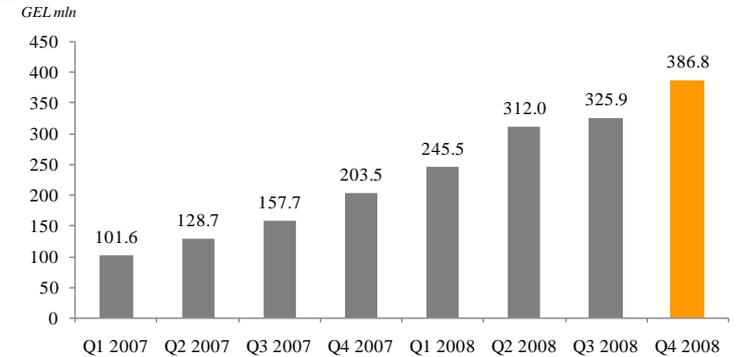


Analysis of mortgage portfolio

Number of mortgage loans issued & outstanding



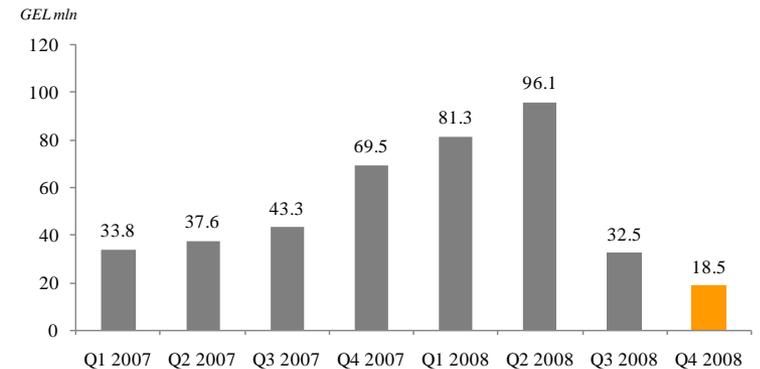
Volume of mortgage loans outstanding



Typical mortgage terms

- 🏠 Rate: 16% - 18%
- 🏠 Tenor: 10-25 years
- 🏠 Currency: US\$
- 🏠 LTV: Normally 70% - 80%

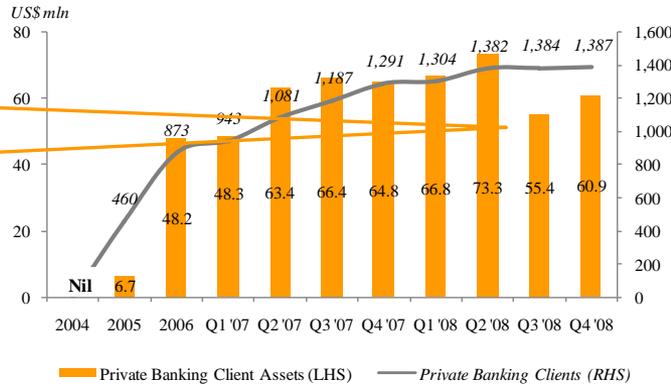
Volume of mortgage loans issued



Wealth Management (WM) performance review

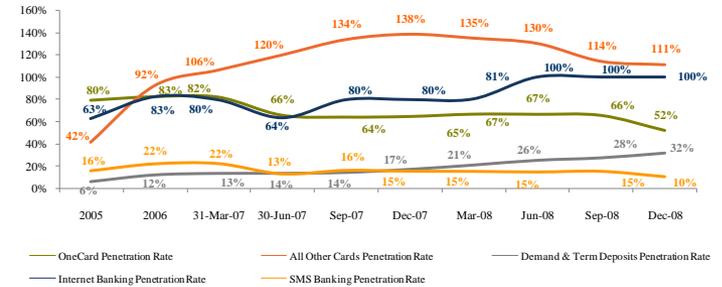
Client deposit outflow during and in the aftermath of the conflict

WM clients and client assets

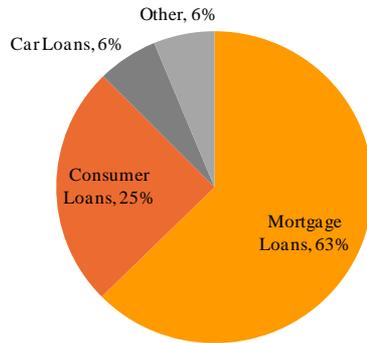


Notes: (1) Converted at exchange rates of GEL/US\$, 1.793 (2005), 1.714 (2006), 1.700 (Q1 2007), 1.670 (Q2 2007), 1.66 (Q3 2007), 1.59 (Q4 2007), 1.48 (Q1 2008), 1.42 (Q2 2008), 1.41 (Q3 2008) and 1.67 (Q4 2008)
 (2) PB Client Assets include: Balances on OneCard Accounts, Credit Balances on Other Cards, Credit Balances On Regular Current Accounts, Demand & Time Deposits, Brokerage & Asset Management Accounts, Pensions

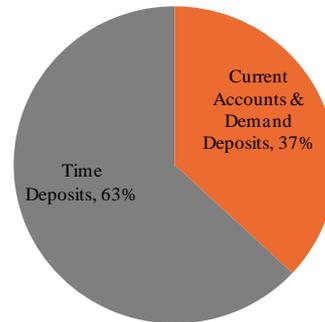
WM products penetration



WM loans and deposits (31 December 2008)

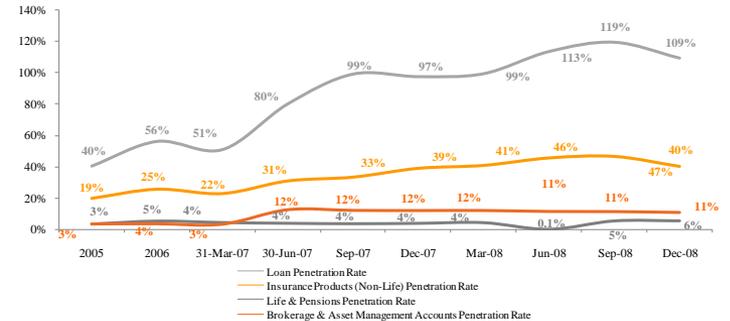


Total PB loans: GEL 56 mln



Total PB deposits: GEL 98 mln

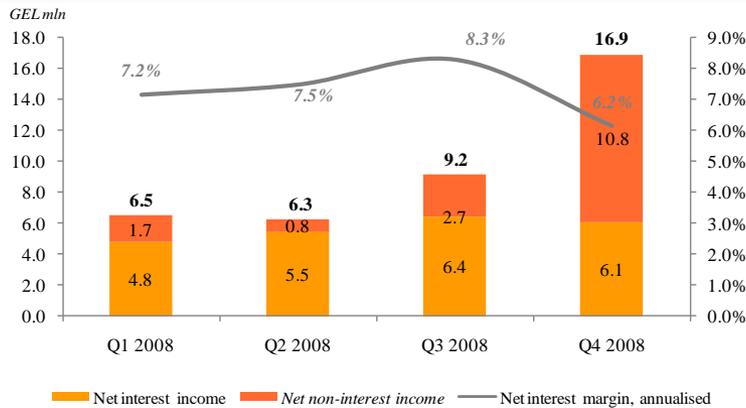
WM products penetration cont'd



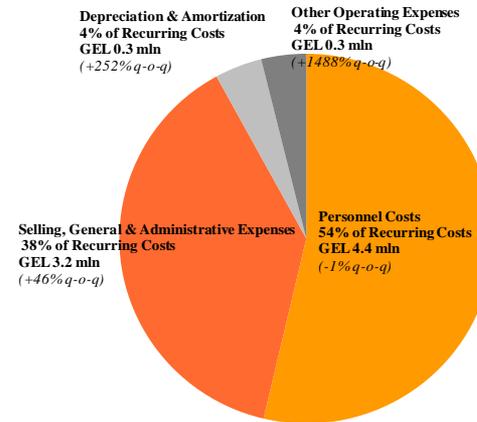
BG Bank (Ukraine) standalone results overview

BG Bank performance

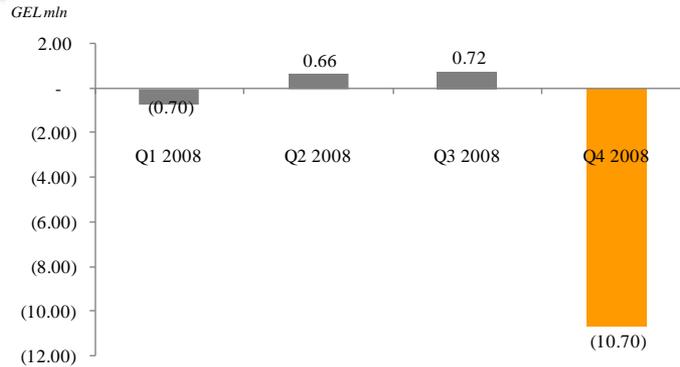
Revenue growth



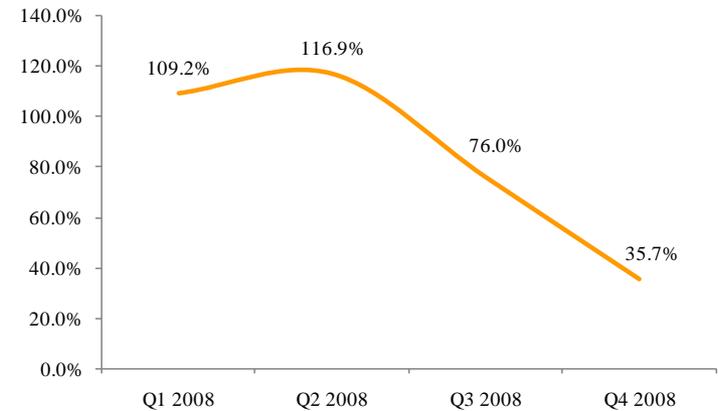
Recurring operating cost structure, Q4 2008



Net income

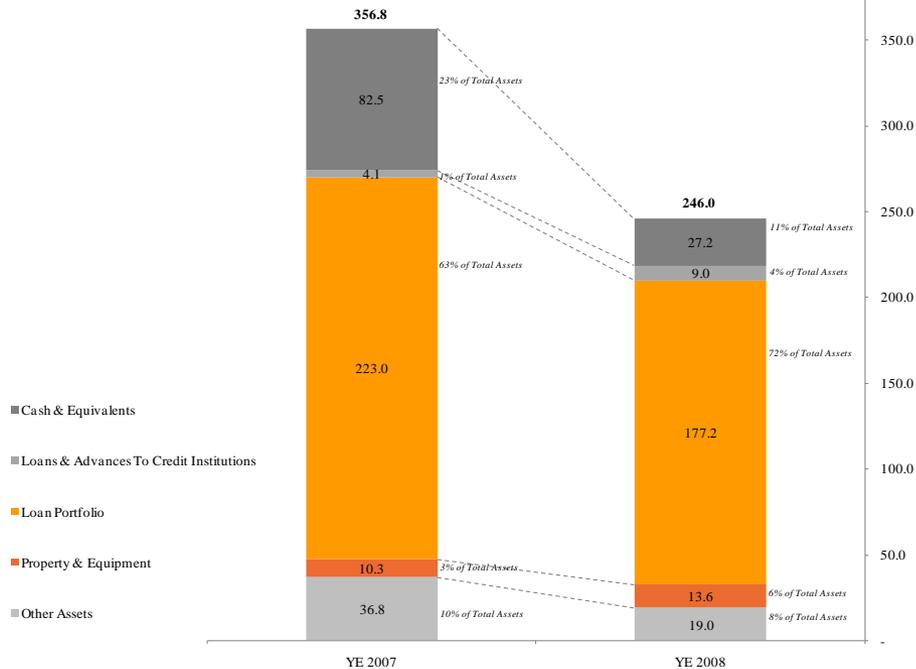


Cost/income ratio



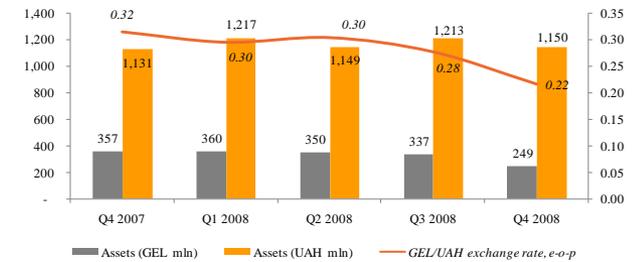
BG Bank assets as at 31 December 2008

GEL mln

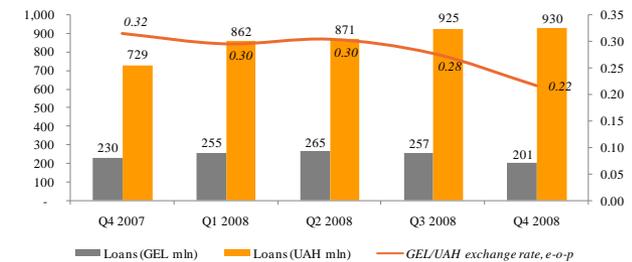


GEL million	YE 2007	YE 2008
Available-For-Sale Securities	35.6	13.4
Intangible Assets Owned, Net	0.8	0.6
Tax Assets, Current And Deferred	-	0.9
Prepayments And Other Assets	0.4	4.0
Other assets	36.8	19.0

Asset growth



Gross loan book growth

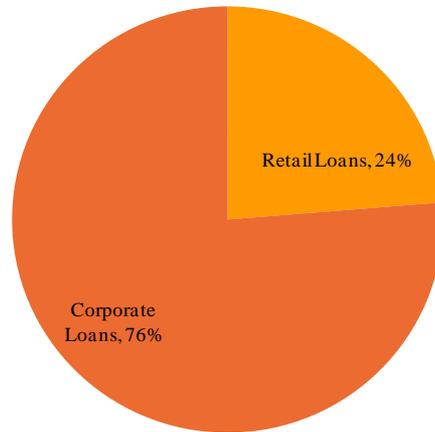


Low leverage (at 2.9x)

No int'l loan
refinancing in 2008/09

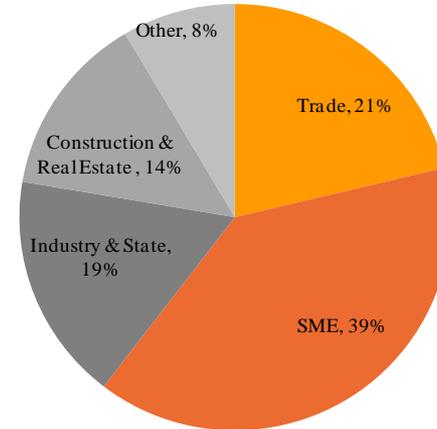
BG Bank loan portfolio

Loan portfolio breakdown, 31 December 2008



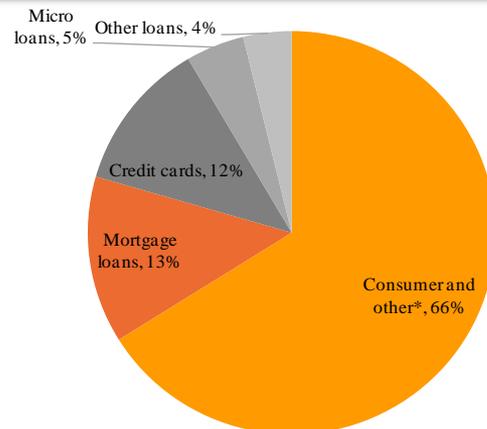
Gross loans: GEL 201 million

Corporate loan portfolio breakdown, 31 December 2008



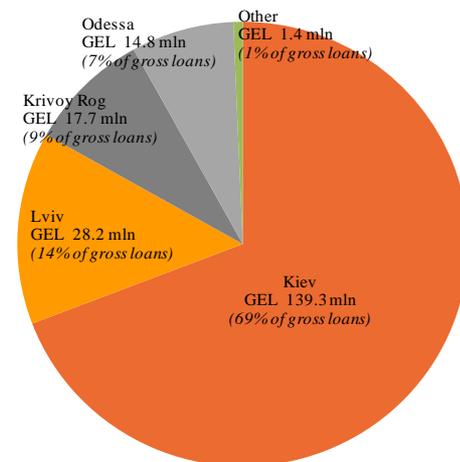
Gross corporate loans: GEL 154 million

Retail loan portfolio breakdown, 31 December 2008



Gross retail loans: GEL 48 mln

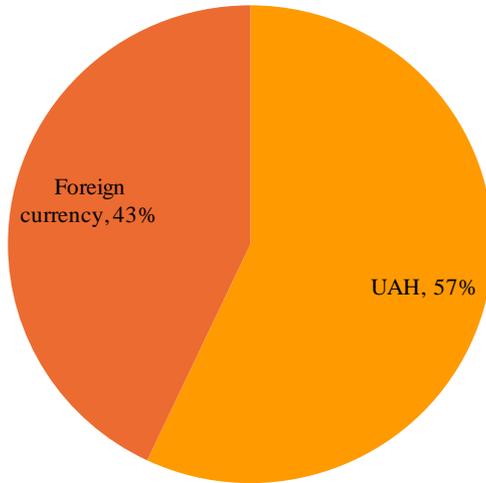
Loans by geographic region



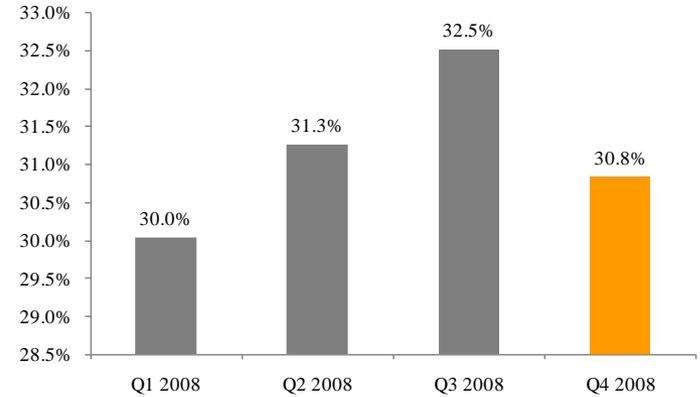
Limited exposure to real estate in both retail and corporate segments

BG Bank analysis of the loan book

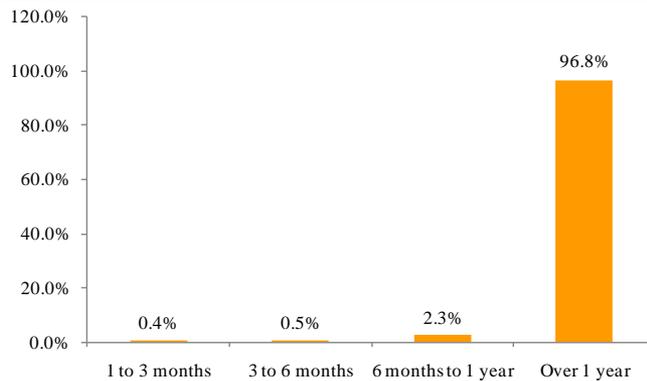
Loans by currency, 31 December 2008



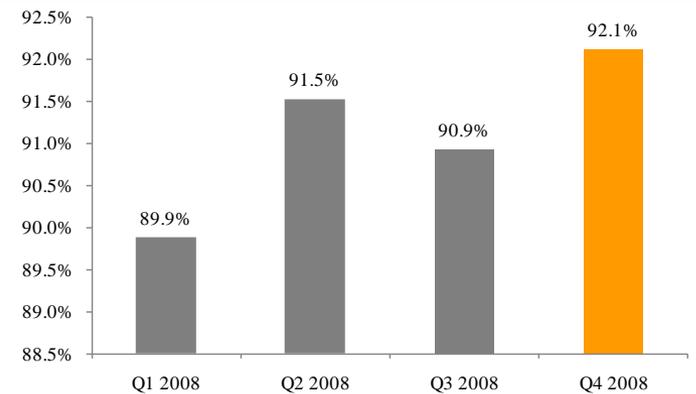
Top ten borrower concentration



Loans by maturity, 31 December 2008

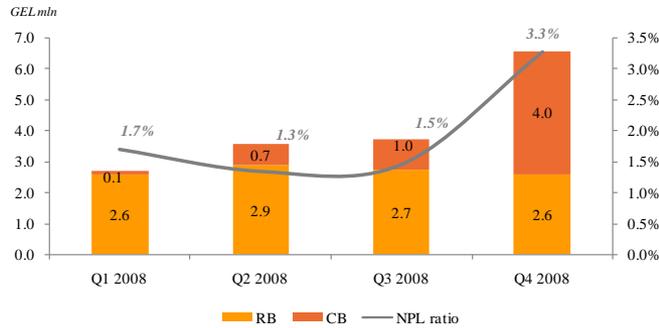


Loan book collateralization

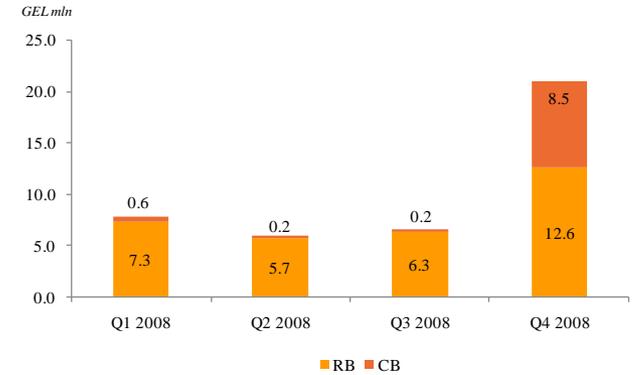


BG Bank provisioning policy

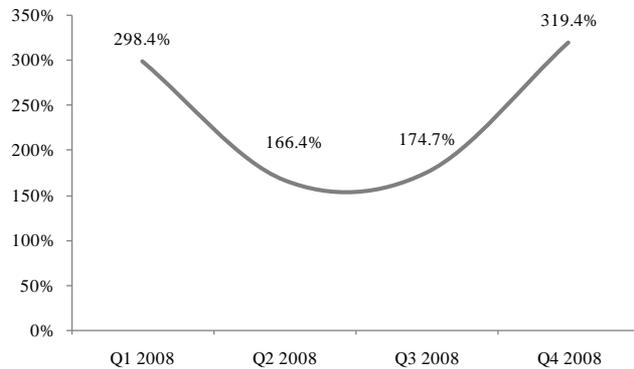
NPLs



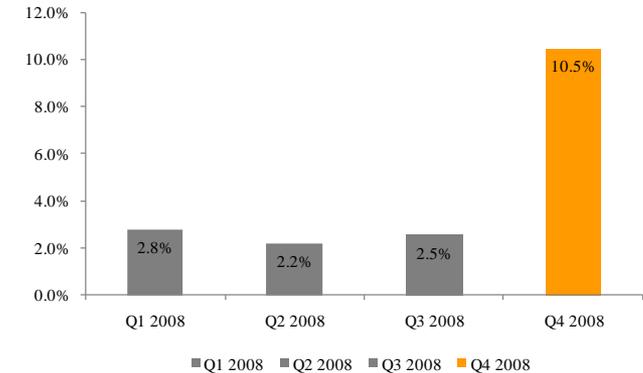
Loan loss reserve



NPL coverage ratio

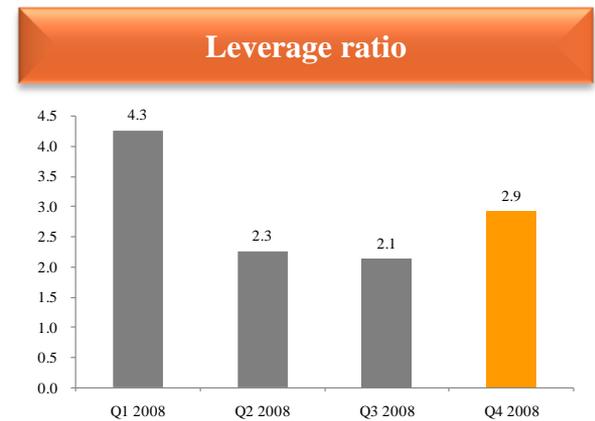
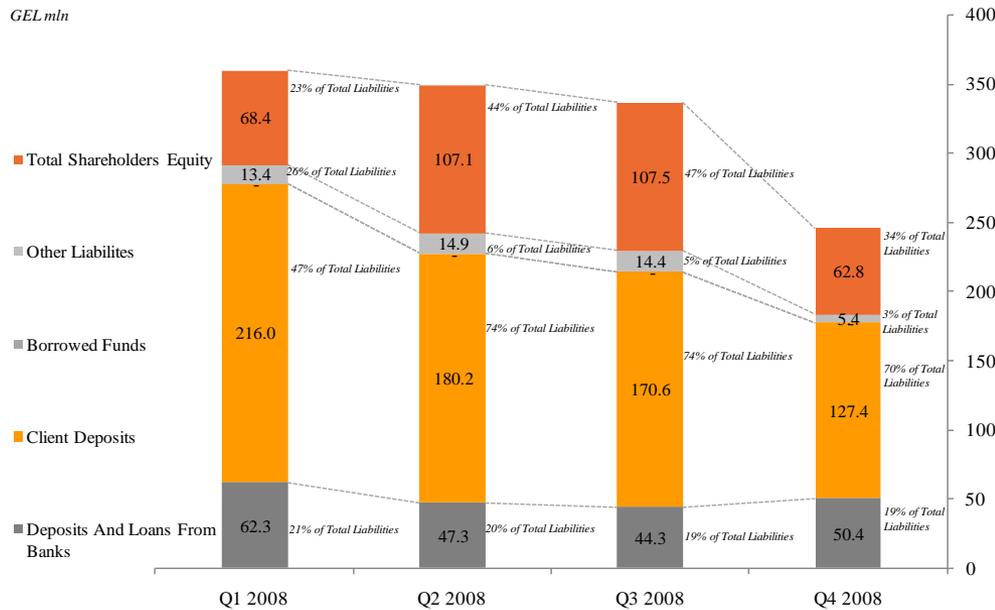


Reserve for loan losses to gross loans



BG Bank standalone liabilities breakdown

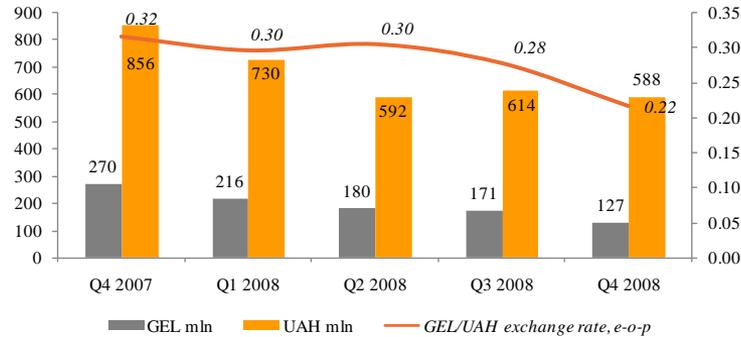
GEL mln



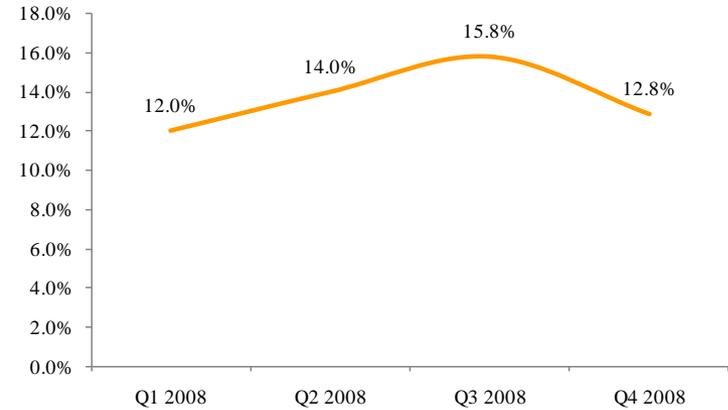
	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Issued Fixed Income Securities	5.7	4.7	4.7	0.0
Tax Liabilities, Current And Deferred	5.2	4.8	4.7	0.2
Accruals And Other Liabilities	2.5	5.4	5.0	5.3
Other liabilities	13.4	14.9	14.4	5.4

BG Bank client deposits

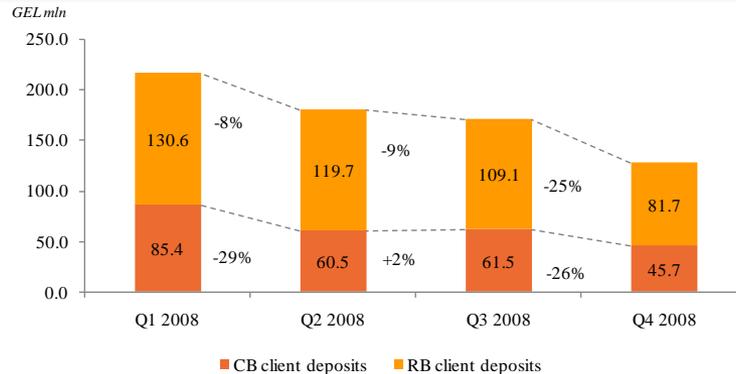
Client deposits



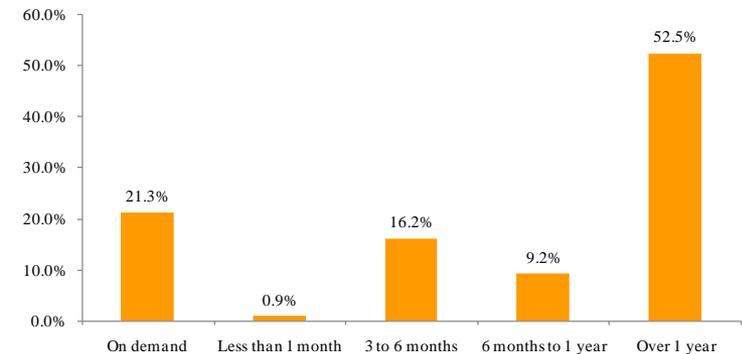
Deposit yields



CB & RB client deposits

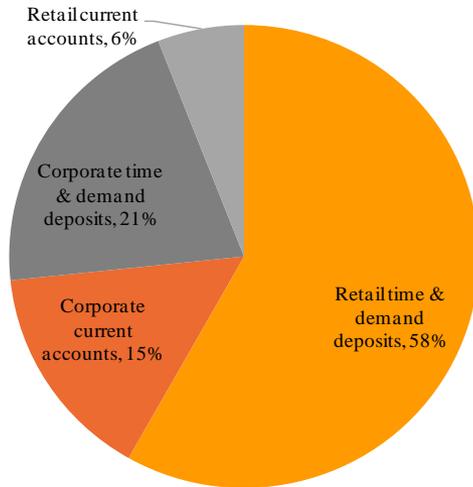


Deposits by maturity, 31 December 2008



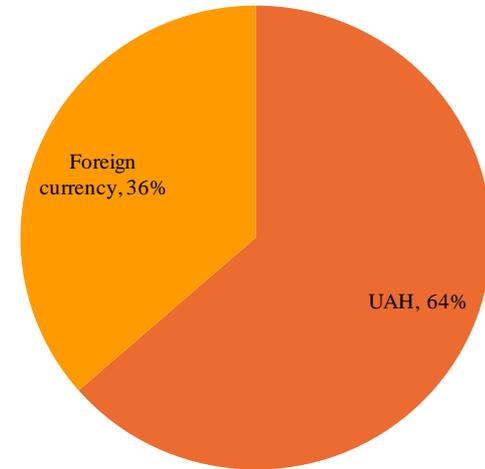
BG Bank analysis of deposits

Client deposits breakdown, 31 December 2008



Client deposits: GEL 127 mln

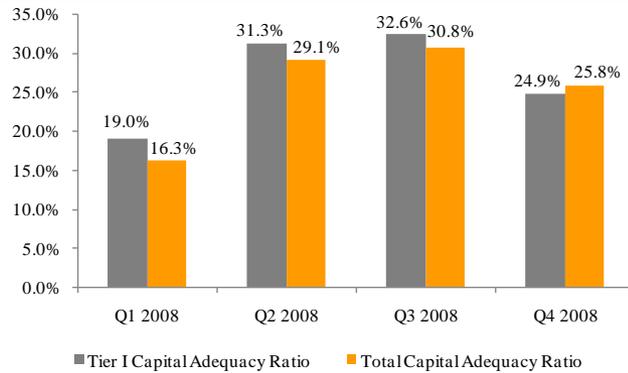
Client deposits by currency, 31 December 2008



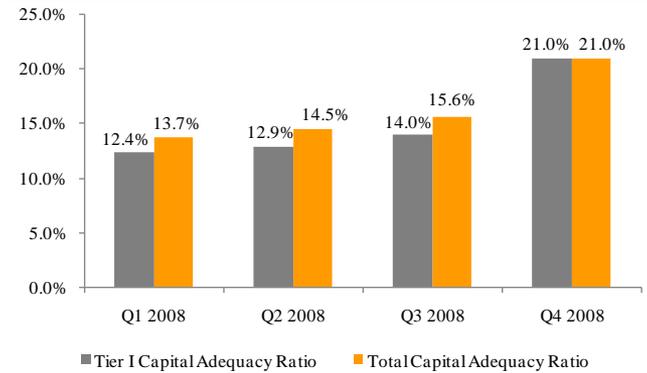
Client deposits: GEL 127 mln

BG Bank capital adequacy

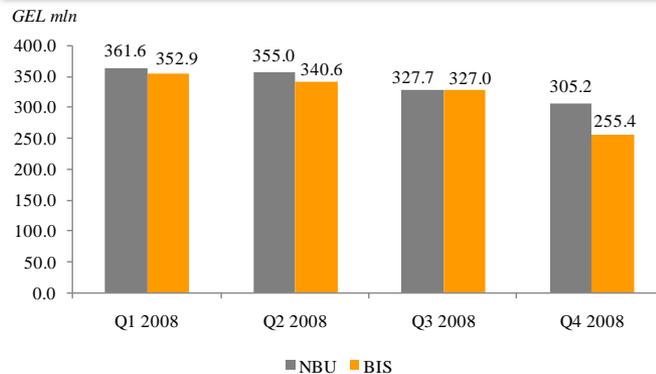
BIS capital adequacy ratios



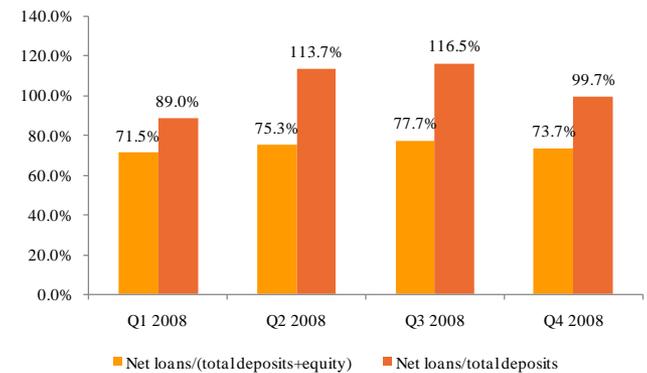
NBU capital adequacy ratios



Risk-weighted assets BIS vs. NBU



Net loans/deposits & Loans/(deposits+equity)



Belarusky Narodny Bank (Belarus)

BNB balance sheet as at 31 December 2008

Thousands, unless otherwise noted	Dec-08 (Unaudited)		Sep-08 (Unaudited)		Growth Q-O-Q
	GEL	US\$	GEL	US\$	
Cash And Cash Equivalents	5,178	3,106	4,863	3,461	6.5%
Loans And Advances To Credit Institutions	12,554	7,531	10,003	7,120	25.5%
Mandatory Reserves With NBRB	1,147	688	1,460	1,039	-21.4%
Other Accountns With NBRB	-	-	-	-	NMF
Balances With And Loans To Other Banks	11,407	6,843	8,543	6,080	33.5%
Available-For-Sale Securities	-	-	-	-	NMF
Treasuries And Equivalents	-	-	-	-	NMF
Other Fixed Income Instruments	-	-	-	-	NMF
Loans To Clients, Gross	36,566	21,935	34,681	24,684	5.4%
Less: Reserve For Loan Losses	(1,283)	(770)	(628)	(447)	104.5%
Net Loans To Clients	35,282	21,165	34,053	24,237	3.6%
Investments In Other Business Entities, Net	(0.1)	(0)	-	-	NMF
Property And Equipment Owned, Net	19,369	11,619	16,904	12,032	14.6%
Intangible Assets Owned, Net	116	69	34	24	238.0%
Goodwill	-	-	-	-	NMF
Tax Assets, Current And Deferred	-	-	-	-	NMF
Prepayments And Other Assets	1,208	724	862	613	40.2%
Total Assets	73,707	44,215	66,719	47,487	10.5%
Client Deposits	30,721	18,429	26,558	18,903	15.7%
Deposits And Loans From Banks	693	416	2,754	1,960	-74.8%
Borrowed Funds	-	-	-	-	NMF
Issued Fixed Income Securities	-	-	-	-	NMF
Insurance Related Liabilities	-	-	-	-	NMF
Tax Liabilities, Current And Deferred	151	90	173	123	-12.9%
Accruals And Other Liabilities	485	291	249	178	94.6%
Total Liabilities	32,050	19,226	29,735	21,164	7.8%
Share Capital - Ordinary Shares	33,144	19,882	29,204	20,786	13.5%
Share Premium	-	-	-	-	NMF
Treasury Shares	-	-	-	-	NMF
Retained Earnings	(6,952)	(4,170)	(6,137)	(4,368)	13.3%
Revaluation And Other Reserves	12,841	7,703	12,897	9,179	-0.4%
Net Income For The Period	2,623	1,574	1,020	726	157.2%
Shareholders Equity Excluding Minority Interest	41,657	24,989	36,984	26,323	12.6%
Minority Interest	-	-	-	-	NMF
Total Shareholders Equity	41,657	24,989	36,984	26,323	12.6%
Total Liabilities And Shareholders Equity	73,707	44,216	66,719	47,487	10.5%

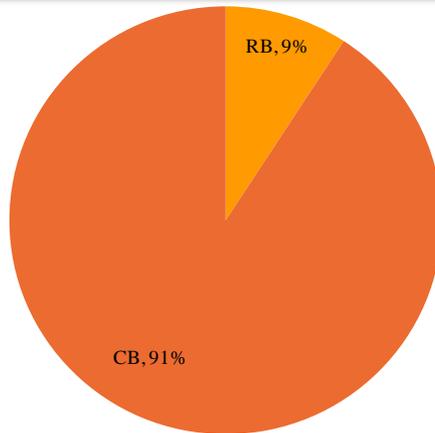
BNB Q4 2008 P&L

Thousands, unless otherwise noted

	Q4 2008		Q3 2008		Growth
	GEL	US\$	GEL	US\$	Q-O-Q
	<i>(Unaudited)</i>		<i>(Unaudited)</i>		
Interest Income	1,883	1,129	1,697	1,208	10.9%
Interest Expense	640	384	470	334	36.3%
Net Interest Income	1,242	745	1,228	874	1.2%
Fees & Commission Income	437	262	367	261	18.9%
Fees & Commission Expense	62	37	50	36	22.9%
Net Fees & Commission Income	375	225	317	226	18.3%
Income From Documentary Operations	-	-	-	-	NMF
Expense On Documentary Operations	-	-	-	-	NMF
Net Income From Documentary Operations	-	-	-	-	NMF
Net Foreign Currency Related Income	579	348	543	386	6.8%
Net Insurance Income (Loss)	-	-	-	-	NMF
Brokerage And Investments Banking Income	-	-	-	-	NMF
Asset Management Income	-	-	-	-	NMF
Net Investment Gains (Loss)	-	-	-	-	NMF
Other	26	16	-	-	NMF
Net Other Non-Interest Income	26	16	-	-	NMF
Net Non-Interest Income	981	588	860	612	14.1%
Total Recurring Income (Revenue)	2,223	1,333	2,087	1,486	6.5%
Personnel Costs	625	375	660	470	-5.3%
Selling, General & Administrative Expenses	106	64	141	100	-24.7%
Procurement & Operations Support Expenses	130	78	198	141	-34.3%
Depreciation And Amortization	141	84	140	100	0.2%
Other Operating Expenses	275	165	176	125	56.4%
Total Recurring Operating Costs	1,276	766	1,315	936	-2.9%
Normalized Net Operating Income (Loss)	947	568	773	550	22.5%
Net Non-Recurring Income (Costs)	9	6	9	7	1.0%
Profit Before Provisions	956	573	782	556	22.3%
Net Provision Expense	(30)	(18)	(340)	(242)	-91.2%
Pre-Tax Income	986	591	1,122	798	-12.1%
Income Tax Expense / (Benefit)	312	187	102	72	206.5%
Net Income	674	404	1,020	726	-33.9%

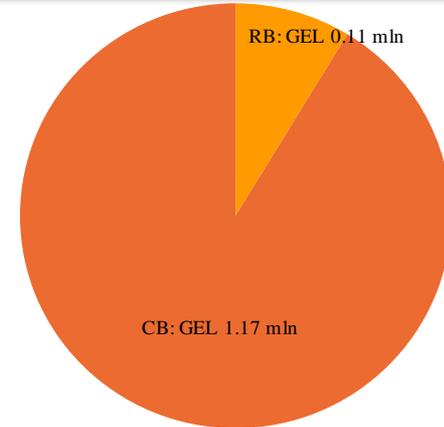
BNB loan portfolio as at 31 December 2008

Loan Portfolio Breakdown, 31 December 2008



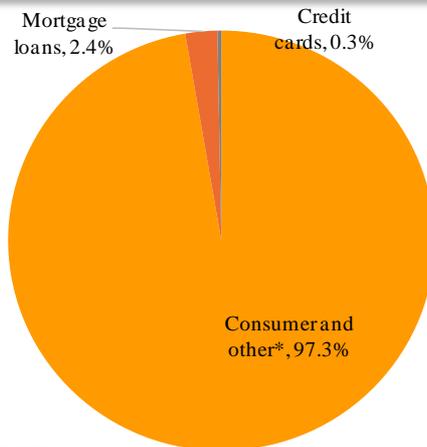
Gross loans: GEL 37 mln

Loan loss reserve, 31 December 2008



Loan loss reserve: GEL 1.3 mln

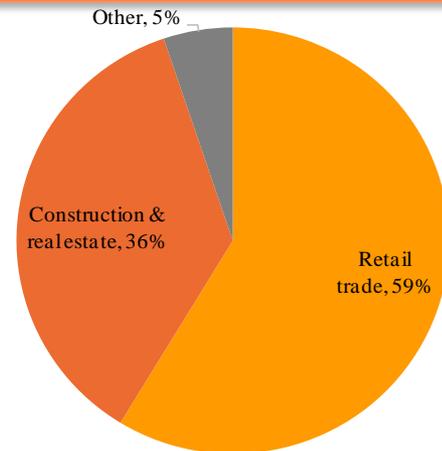
RB Loan Portfolio Breakdown, 31 December 2008



RB loans: GEL 3 mln

* Other loans include car, POS and legacy retail loans

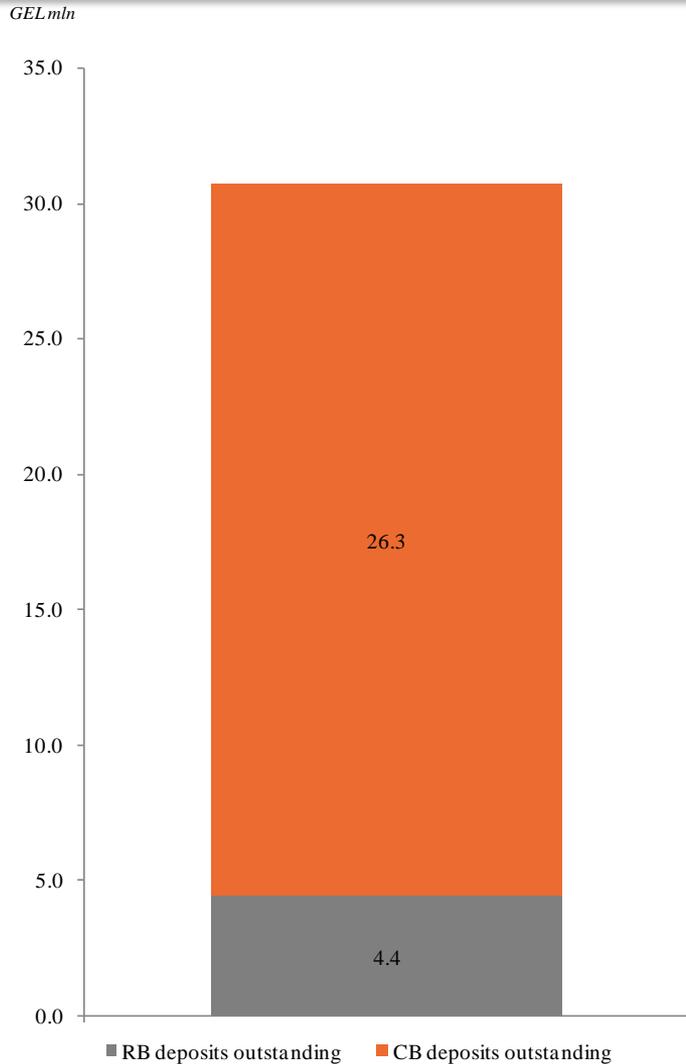
CB Loan Portfolio Breakdown, 31 December 2008



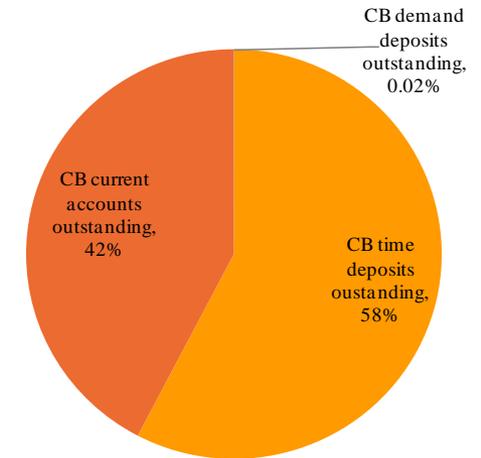
CB loans: GEL 33 mln

BNB client deposits as at 31 December 2008

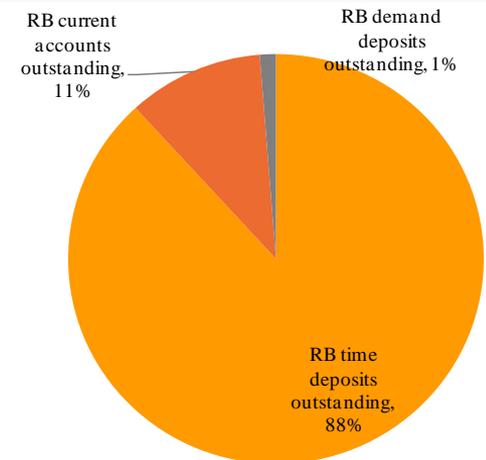
Client deposits breakdown, 31 December 2008



CB client deposits breakdown, 31 December 2008



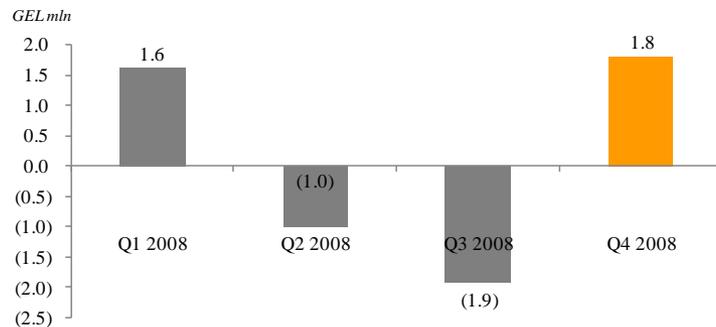
RB client deposits breakdown, 31 December 2008



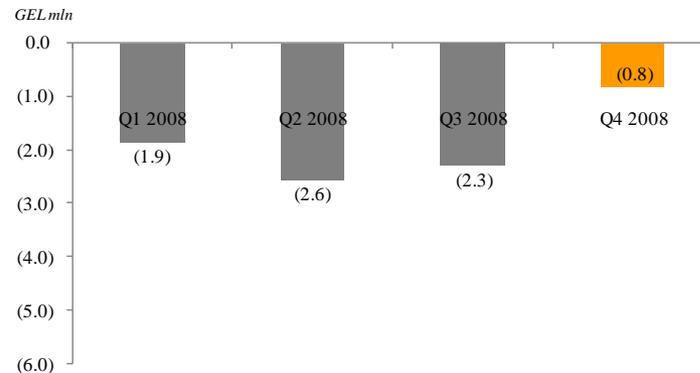
Galt & Taggart securities

Galt & Taggart Securities

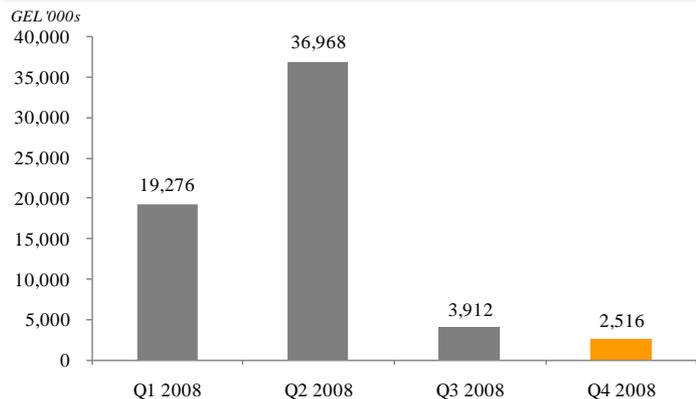
Revenue



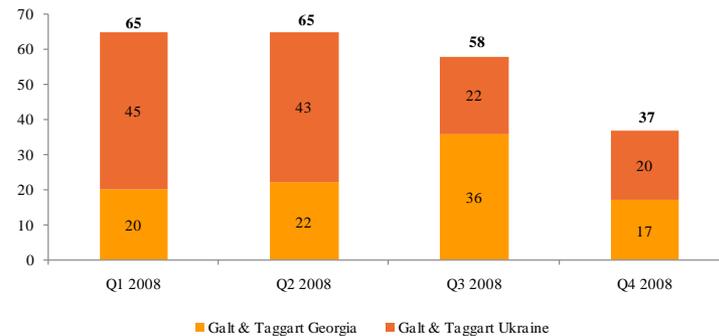
Net income/(loss)



Proprietary book

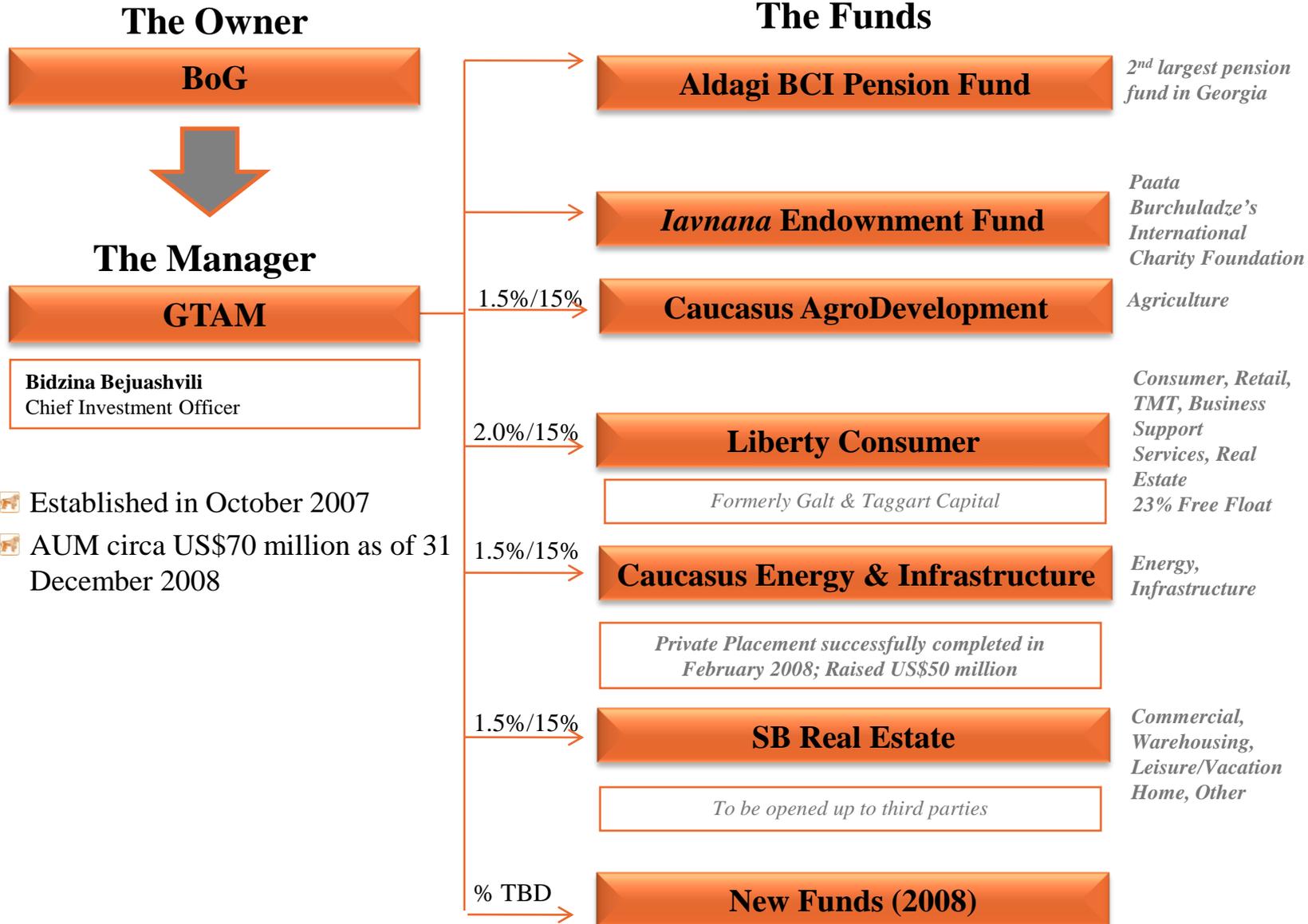


Headcount



Asset management

Asset Management review



Asset Management review cont'd

Liberty Consumer*

- MCAP: circa US\$18 million as at 31 December 2008
- GSE: GTC
- Investments include consumer, retail, TMT, business support services & real estate sectors

* Formerly Galt & Taggart Capital

Caucasus Energy & Infrastructure (CEI)

- MCAP: circa US\$23 million as at 31 December 2008
- GSE: NRGY
- Successfully completed its first private placement in February 2008, raising US\$50 million
- Aims at investing in small and medium-sized hydro plants in Georgia, as well as infrastructure projects in the region

Aldagi BCI Pension Fund

- NAV: circa US\$ 1 million as at 31 December 2008
- Second largest Pension Fund in Georgia

SB Real Estate (SBRE)

- NAV: circa US\$22 million as at 31 December 2008
- 14 properties in the portfolio

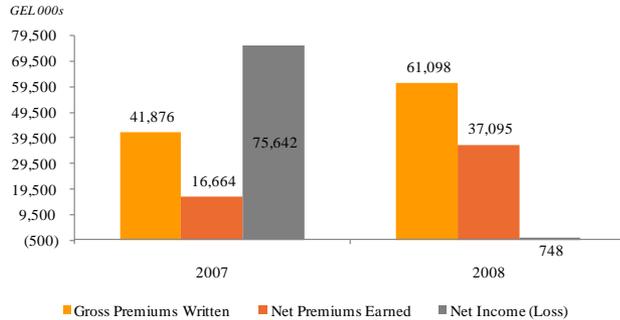
Insurance

Aldagi BCI (Insurance)

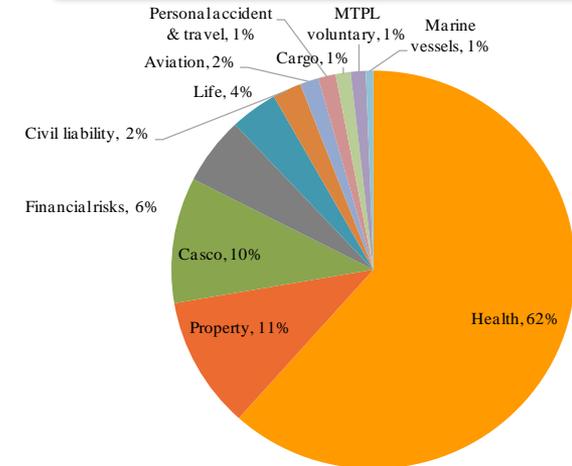
Size of the Georgian Insurance Market

GEL mln	YE'08	YE'07	YE'06
GPW	215	119	70
Claims Reimbursed	69	40	23

Aldagi BCI GPW, net premiums earned & net income/(loss)

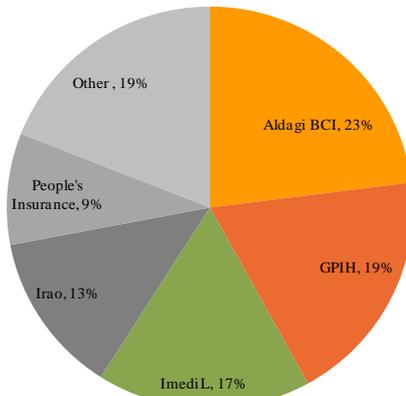


Georgian insurance market product breakdown (Q3 2008)



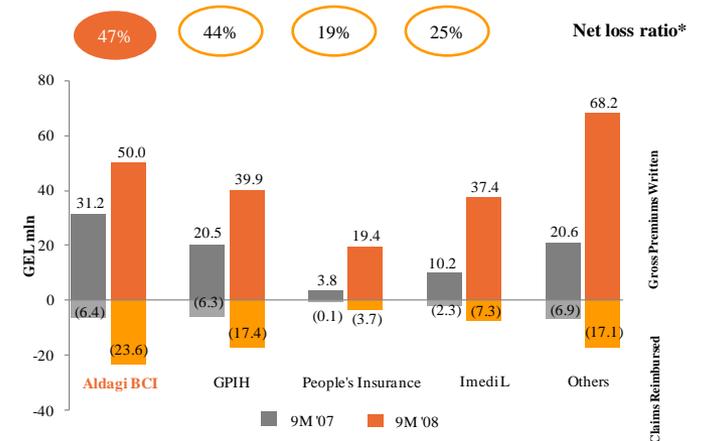
Source: State Insurance Supervision Service of Georgia

Aldagi BCI market share by GPW (30 September 2008)



Source: State Insurance Supervision Service of Georgia

Gross premiums written & total claims reimbursed



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

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Chief Executive Officer

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Macca Ekizashvili

Head of Investor Relations

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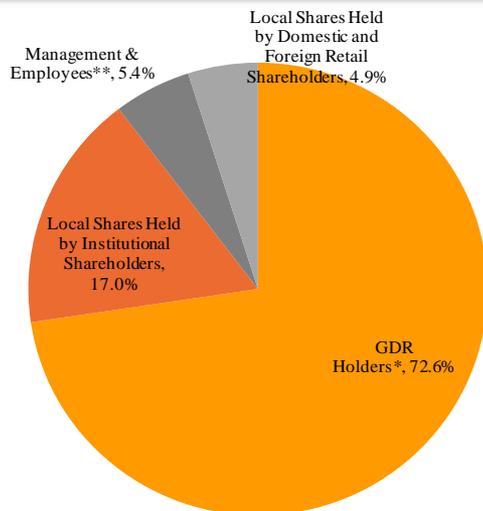
Appendices

Bank of Georgia shareholder structure, management & price performance

Ownership structure & share price performance

Broadly owned by over 100 institutional accounts

Ownership structure, December 2008



31-Dec-08	Total	%
GDR Holders*	22,705	72.6%
Local Shares Held by Institutional Shareholders	5,308	17.0%
Management & Employees**	1,700	5.4%
Local Shares Held by Domestic and Foreign Retail Shareholders	1,539	4.9%
Total Shares Outstanding	31,253	100.0%
Adjusted for Galt & Taggart Securities' Proprietary Book ⁽¹⁾	(864)	
Adjusted Total Shares Outstanding	30,389	

⁽¹⁾ Treated as treasury shares as per IFRS

*through BNY Nominees Limited

** includes GDRs held by Employee Benefit Trust

Note: certain shareholder data is based on management's estimates

Supervisory board

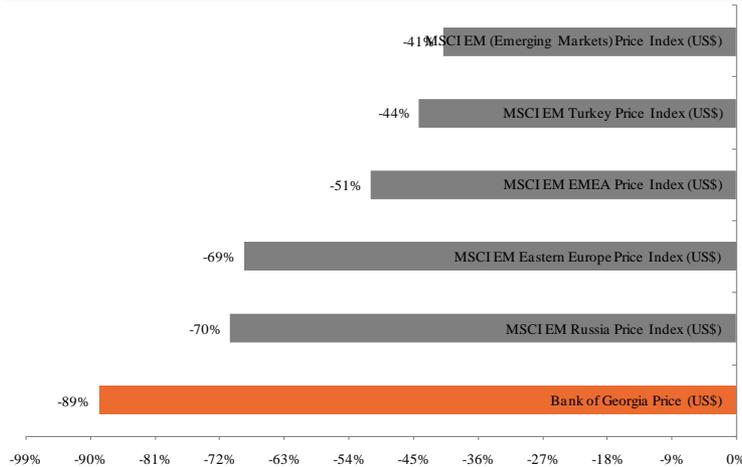
Nicholas Enukidze	Chairman of the supervisory board
Allan Hirst	Vice chairman of the supervisory board, independent member
Ian Hague	Member, Firebird Management LLC
Jyrki Talvitie	Member, East Capital
Kaha Kiknavelidze	Independent member

Management board

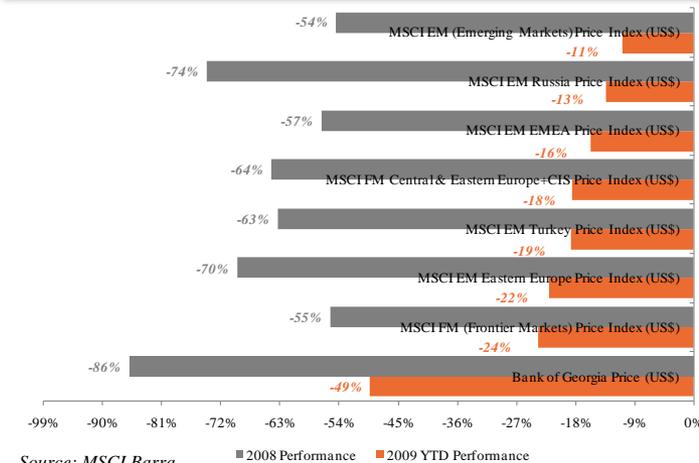
Irakli Gilauri	Chief executive officer
Sulkhan Gvalia	Deputy chief executive officer
George Chiladze	Chief financial officer
Murtaz Kikoria	Deputy chief executive officer
Avto Namicheishvili	Deputy chief executive officer
Ramaz Kukuladze	Deputy chief executive officer
Irakli Burdiladze	Chief operating officer
Konstantin Poloskov	Chief executive officer, BG Bank

2006 - YTD 2009 price performance

Bank of Georgia price vs. selected MSCI indices, November 2006 –YTD 2009



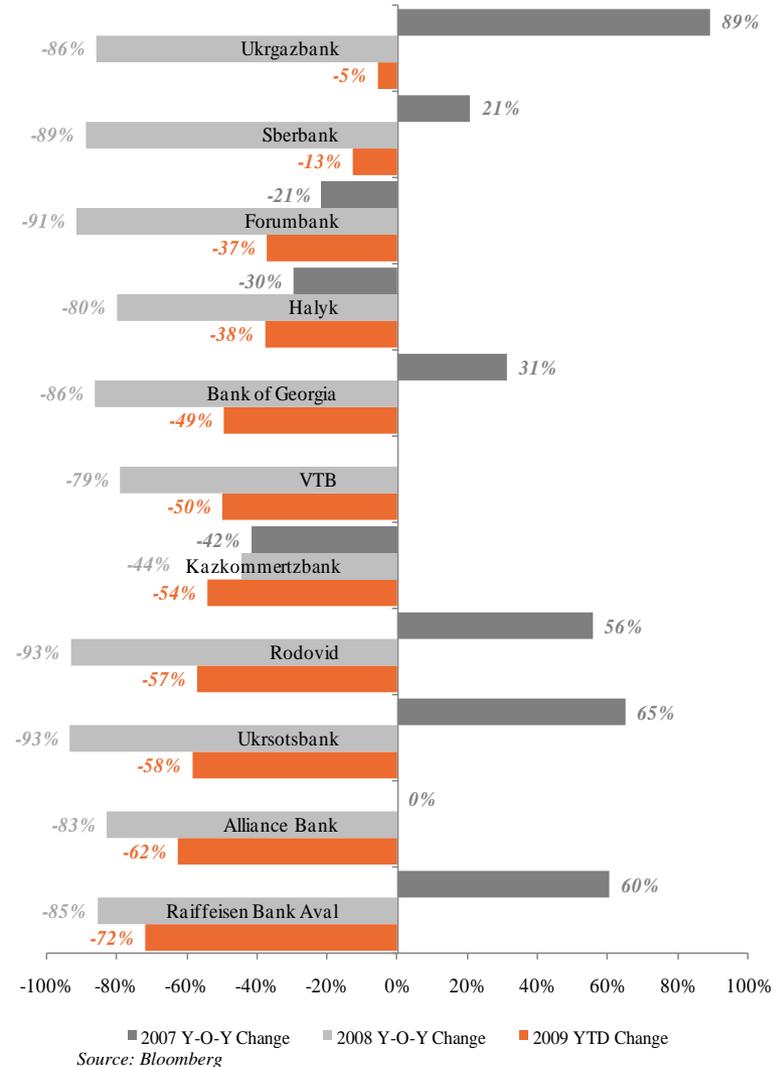
Bank of Georgia price vs. selected MSCI indices, 2008 – YTD 2009



Source: MSCI Barra



Bank of Georgia price vs. CIS banks 2007, 2008 & YTD 2009 price performance



Source: Bloomberg

Analyst coverage



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Georgian banking sector – key trends 2006-2008

Georgian banking sector – key trends 2006/2008

GEL/US\$

Period End

YE 2006= 1.71

YE 2007=1.59

YE 2008=1.67

GEL mln	Growth							Market Share (YE 2006)		Market Share (YE 2007)		Market Share (YE 2008)		
	YE 2006	YE 2007	YE 2008	As % of		2006 Y-O-Y	2007 Y-O-Y	2008 Y-O-Y	Top 5	Bank of	Top 5	Bank of	Top 5	Bank of
				Banks	Georgia				Banks	Georgia	Banks	Georgia		
Total Assets	4,217	7,208	8,866	46.49%	GDP*	65.90%	70.90%	23.00%	80.10%	27.90%	80.00%	35.20%	79.26%	32.89%
Gross Loans	2,676	4,589	5,993	31.42%		55.00%	71.50%	30.59%	83.20%	26.50%	81.70%	32.70%	81.78%	32.87%
Deposits	2,327	3,511	3,845	20.16%		51.40%	50.90%	9.51%	82.20%	24.50%	81.40%	31.40%	75.00%	28.76%
Equity	889	1,471	1,517	7.96%		87.40%	65.50%	3.14%	78.30%	39.90%	73.30%	33.80%	75.69%	40.03%
Net Income/(Loss)	93	109	(216)	NMF		50.50%	17.50%	NMF	80.80%	23.60%	NMF	41.90%	NMF	NMF

- ☐ 20 banks as at 31 December 2008
 - ☐ Minimum capital requirement GEL 12 mln and growing
 - ☐ Since 1 January 2007 local presence established by HSBC, Halyk, Privat, JSC Kor Bank
- ☐ 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\$163 at 31 December 2008)

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 2007 Total Assets/2007 GDP, YE 2007 Gross Loans/2007 GDP, YE 2007 Deposits/2007 GDP, YE 2007 Equity/2007 GDP, 2007 Net Income/2007 GDP

Peer group's market share in total assets

Peer Group's market shares in total assets, YE 2008

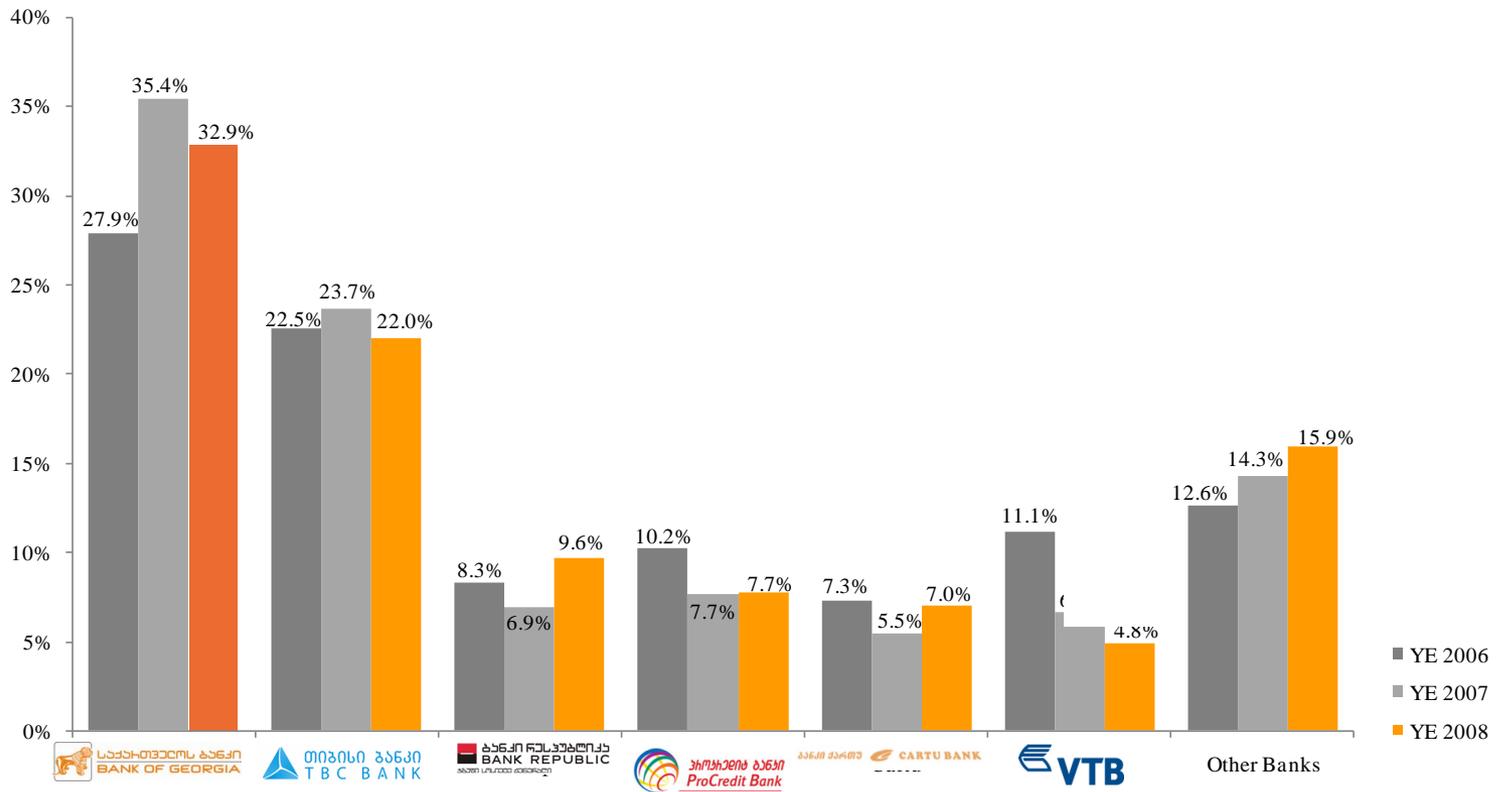
GEL/US\$

Period End

YE 2006 = 1.71

YE 2007 = 1.59

YE 2008 = 1.67



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 gross loans

Peer Group's market shares in gross loans, YE 2008

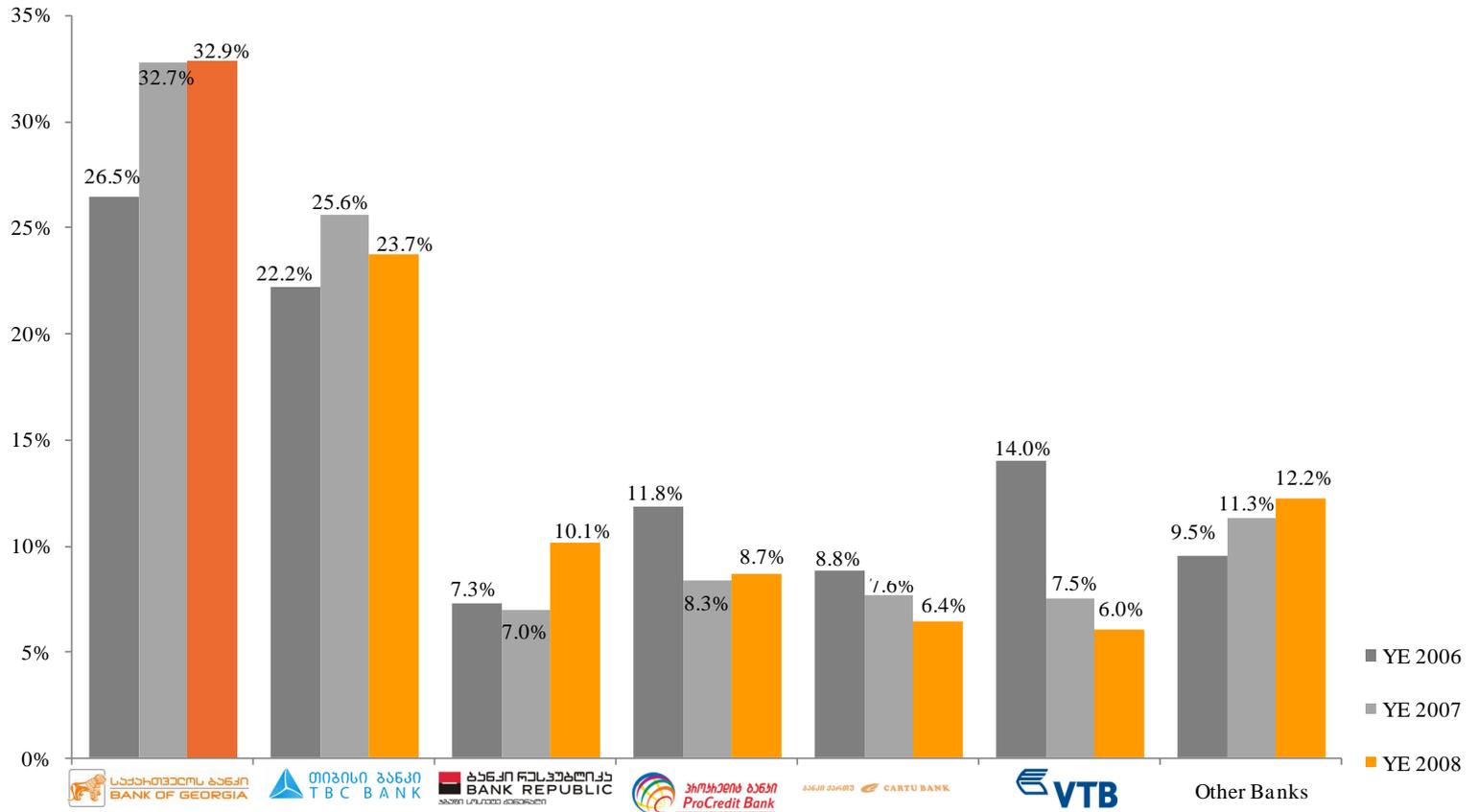
GEL/US\$

Period End

YE 2006 = 1.71

YE 2007=1.59

YE 2008=1.67



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 deposits

GEL/US\$

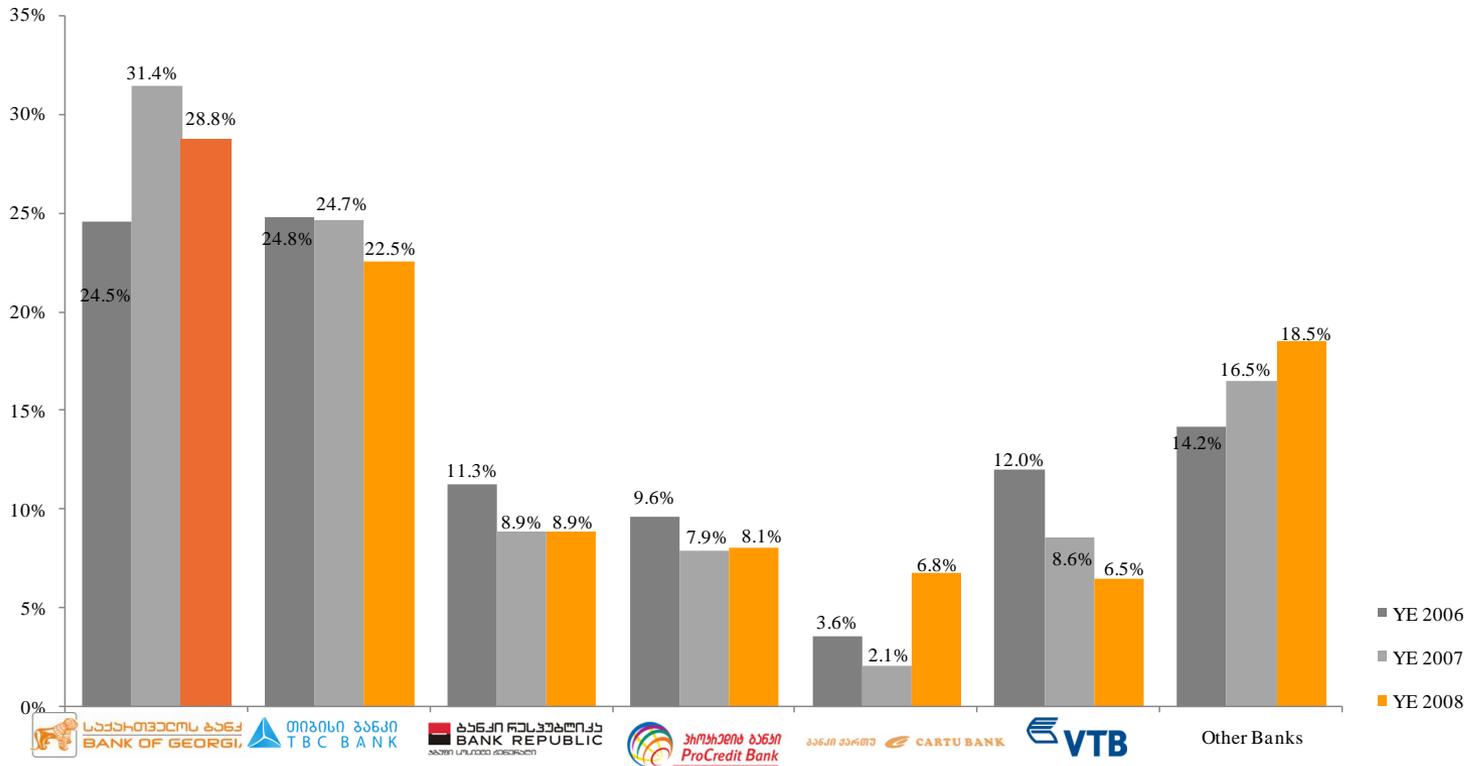
Period End

YE 2006 = 1.71

YE 2007=1.59

YE 2008=1.67

Peer Group's market shares in deposits, YE 2008

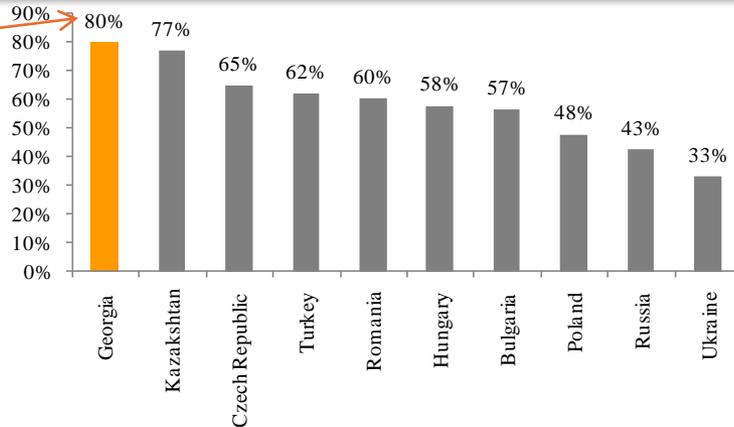


Note: all data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Market potential and high degree of concentration

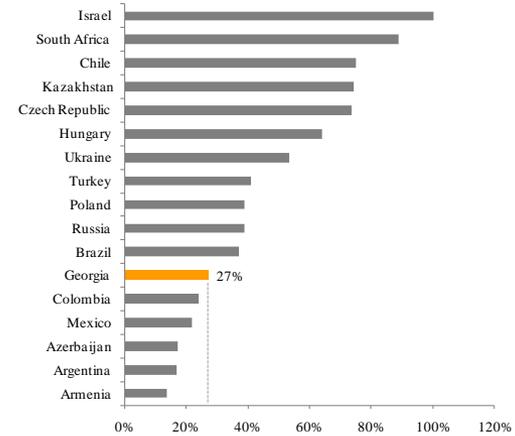
The highest degree of market concentration in CEE benefits large, entrenched domestic players

Market shares of top 5 banks by assets (2007)



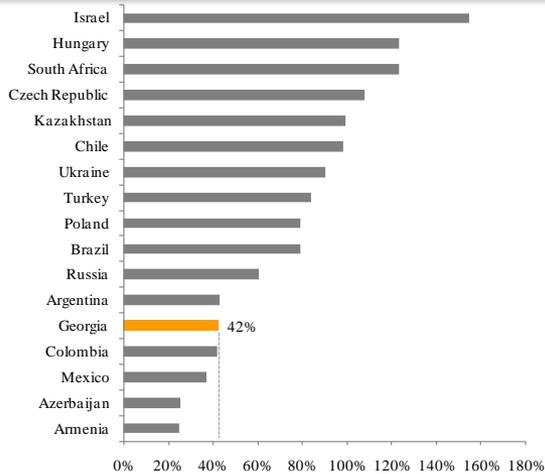
Note: 2006 data for Czech Republic, Hungary and Poland
Sources: National Bank of Georgia, CA IB

Gross loans to GDP (% , 2007E)



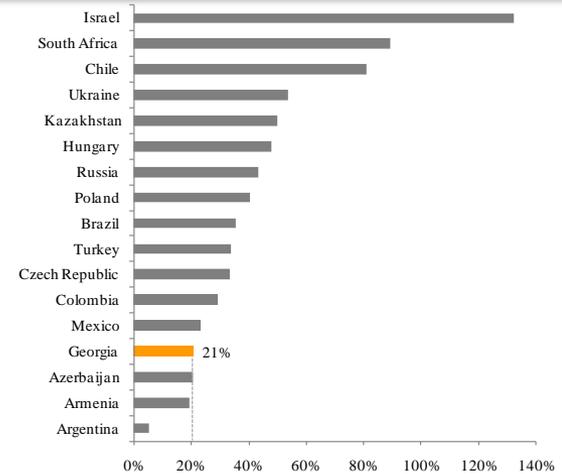
Note: data for South Africa, Chile, Brazil, Argentina, Colombia and Mexico is as of YE 2006
Source: National Bank of Georgia, National Bank of Ukraine, data from Deutsche Bank

Banking assets to GDP (% , 2007E)



Note: data for South Africa, Chile, Turkey, Brazil, Argentina, Colombia and Mexico is as of YE 2006
Source: National Bank of Georgia, National Bank of Ukraine, Deutsche Bank

Deposits to GDP (% , 2007E)



Note: data for South Africa, Chile, Brazil, Argentina, Colombia and Mexico is as of YE 2006
Source: National Bank of Georgia, National Bank of Ukraine, Deutsche Bank

Bank of Georgia Q4 2008 & full-year 2008 financials

Standalone Income Statement data –full-year 2008

Period Ended	2008		2007		Growth ³ Y-O-Y
	US\$ ¹	GEL	US\$ ²		
Standalone, IFRS Based					
<i>000s, unless otherwise noted</i>					
Interest Income	215,813	359,761	146,392	232,997	54.4%
Interest Expense	97,462	162,469	67,139	106,858	52.0%
Net Interest Income	118,352	197,292	79,253	126,138	56.4%
Fee & Commission Income	26,672	44,462	20,192	32,138	38.3%
Fee & Commission Expense	4,440	7,402	3,070	4,887	51.5%
Net Fee & Commission Income	22,231	37,060	17,122	27,251	36.0%
Income From Documentary Operations	5,206	8,679	4,894	7,789	11.4%
Expense On Documentary Operations	1,349	2,249	1,282	2,040	10.2%
Net Income From Documentary Operations	3,858	6,431	3,612	5,749	11.8%
Net Foreign Currency Related Income	21,725	36,215	15,628	24,874	45.6%
Net Other Non-Interest Income	402	669	252	401	67.0%
Net Non-Interest Income	48,215	80,375	36,614	58,275	37.9%
Total Operating Income (Revenue)	166,567	277,667	115,867	184,413	50.6%
Personnel Costs	39,908	66,527	32,606	51,895	28.2%
Selling, General & Administrative Costs	14,044	23,412	9,106	14,492	61.5%
Procurement & Operations Support Expenses	7,973	13,291	5,815	9,255	43.6%
Depreciation & Amortization	9,303	15,507	5,199	8,274	87.4%
Other Operating Expenses	1,623	2,706	1,152	1,833	47.6%
Total Recurring Operating Costs	72,851	121,442	53,877	85,750	41.6%
Normalized Net Operating Income	93,716	156,225	61,990	98,663	58.3%
Net Non-Recurring Income (Costs)	(7,815)	(13,028)	(6,607)	(10,515)	23.9%
Profit Before Provisions	85,901	143,198	55,383	88,148	62.5%
Net Provision Expense/(Benefit)	70,202	117,026	10,046	15,990	631.9%
Pre-Tax Income	15,700	26,171	45,337	72,158	-63.7%
Income Tax Expense (Benefit)	2,355	3,926	6,451	10,268	-61.8%
Net Income	13,345	22,245	38,885	61,890	-64.1%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6670 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2008

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.5916 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2007

³Growth calculations based on GEL values

Standalone Income Statement data –Q4 2008

Period Ended	Q4 2008		Q3 2008		Growth ³	Q4 2007		Growth
Standalone, IFRS Based	US\$ ¹	GEL	US\$ ²	GEL	Q-O-Q	US\$ ⁴	GEL	Y-O-Y
<i>000s, unless otherwise noted</i>	(Unaudited)		(Unaudited)			(Unaudited)		
Interest Income	56,238	93,748	66,867	93,948	-0.2%	44,442	70,735	32.5%
Interest Expense	26,404	44,015	29,746	41,793	5.3%	22,646	36,043	22.1%
Net Interest Income	29,834	49,733	37,121	52,155	-4.6%	21,797	34,691	43.4%
Fee & Commission Income	6,883	11,474	7,377	10,364	10.7%	6,629	10,551	8.7%
Fee & Commission Expense	1,368	2,281	1,275	1,791	27.3%	1,118	1,780	28.2%
Net Fee & Commission Income	5,515	9,193	6,102	8,573	7.2%	5,511	8,771	4.8%
Income From Documentary Operations	1,323	2,205	1,592	2,237	-1.5%	1,545	2,459	-10.3%
Expense On Documentary Operations	470	783	390	548	43.0%	337	537	46.0%
Net Income From Documentary Operations	853	1,421	1,202	1,689	-15.9%	1,208	1,923	-26.1%
Net Foreign Currency Related Income	4,552	7,588	5,903	8,293	-8.5%	5,360	8,532	-11.1%
Net Other Non-Interest Income	402	669	466	655	2.2%	145	230	190.8%
Net Non-Interest Income	11,321	18,872	13,673	19,211	-1.8%	12,224	19,456	-3.0%
Total Operating Income (Revenue)	41,155	68,605	50,794	71,366	-3.9%	34,020	54,147	26.7%
Personnel Costs	7,641	12,737	13,688	19,232	-33.8%	7,439	11,840	7.6%
Selling, General & Administrative Costs	4,206	7,011	3,950	5,550	26.3%	2,826	4,497	55.9%
Procurement & Operations Support Expenses	2,158	3,598	2,382	3,347	7.5%	1,580	2,514	43.1%
Depreciation & Amortization	2,549	4,249	3,054	4,291	-1.0%	1,614	2,570	65.4%
Other Operating Expenses	(27)	(46)	926	1,301	-103.5%	502	799	-105.7%
Total Recurring Operating Costs	16,527	27,550	24,001	33,721	-18.3%	13,961	22,220	24.0%
Normalized Net Operating Income	24,628	41,055	26,794	37,645	9.1%	20,059	31,927	28.6%
Net Non-Recurring Income (Costs)	(7,213)	(12,024)	(1,403)	(1,971)	510.2%	(6,608)	(10,517)	14.3%
Profit Before Provisions	17,416	29,032	25,391	35,675	-18.6%	13,451	21,409	35.6%
Net Provision Expense	(1,244)	(2,074)	73,916	103,852	-102.0%	5,280	8,403	-124.7%
Pre-Tax Income	18,659	31,105	(48,525)	(68,177)	NMF	8,172	13,006	139.2%
Income Tax Expenses/(Benefit)	2,799	4,666	(7,279)	(10,227)	NMF	(982)	(1,562)	-398.7%
Net Income	15,861	26,440	(41,246)	(57,951)	NMF	9,153	14,568	81.5%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6670 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2008

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4050 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 2008

³ Growth calculations based on GEL values

⁴ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.5916 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2007

Standalone Balance Sheet data – December 2008

Standalone, IFRS Based 000s, unless otherwise noted	31-Dec-08		30-Sep-08		31-Dec-07		Growth ⁴ Y-O-Y	Growth ⁴ Q-O-Q
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
	(Unaudited)		(Unaudited)		(Unaudited)			
Cash & Cash Equivalents	93,298	155,528	85,013	119,444	58,856	93,675	66.0%	30.2%
Loans & Advances To Credit Institutions	197,804	329,739	198,939	279,510	201,338	378,532	2.9%	18.0%
Mandatory Reserve With NBG	18,539	30,904	11,043	15,515	51,569	82,077	-62.3%	99.2%
Other Accounts With NBG	25,791	42,993	107,474	151,002	49,100	78,148	-45.0%	-71.5%
Balances With & Loans To Other Banks	153,474	255,842	80,422	112,994	100,669	160,225	59.7%	126.4%
Available-For-Sale & Trading Securities	-	-	-	-	-	-	NMF	NMF
Treasuries & Equivalents	4,963	8,274	12,852	18,057	23,729	37,768	-78.1%	-54.2%
Other Fixed Income Instruments	8,893	14,825	11,713	16,457	95,756	152,405	-90.3%	-9.9%
Gross Loans To Clients	1,192,652	1,988,151	1,270,888	1,785,598	967,180	1,539,364	29.2%	11.3%
Less: Reserve For Loan Losses	(60,100)	(100,187)	(86,801)	(121,956)	(18,473)	(29,402)	240.8%	-17.8%
Net Loans To Clients	1,132,552	1,887,963	1,184,087	1,663,642	948,707	1,509,962	25.0%	13.5%
Investments In Other Business Entities, Net	177,138	295,290	224,347	315,207	120,261	191,408	54.3%	-6.3%
Property & Equipment Owned, Net	147,884	246,523	161,339	226,681	96,836	154,124	60.0%	8.8%
Intangible Assets Owned, Net	2,577	4,295	2,821	3,964	1,208	1,922	123.4%	8.4%
Goodwill	13,604	22,678	16,116	22,643	13,850	22,044	2.9%	0.2%
Tax Assets - Current & Deferred	-	-	-	-	-	-	NMF	NMF
Prepayments & Other Assets	10,351	17,255	36,128	50,760	17,377	27,657	-37.6%	-66.0%
Total Assets	1,789,065	2,982,372	1,933,355	2,716,364	1,577,918	2,569,495	18.8%	9.8%
Client Deposits	640,862	1,068,318	692,225	972,576	697,804	1,110,624	-3.8%	9.8%
Deposits & Loans From Banks	35,854	59,768	64,350	90,411	15,975	25,426	135.1%	-33.9%
Borrowed Funds	674,906	1,125,069	674,592	947,801	543,066	864,344	30.2%	18.7%
Issued Fixed Income Securities	-	-	-	-	-	-	NMF	NMF
Insurance Related Liabilities	-	-	-	-	-	-	NMF	NMF
Tax Liabilities - Current & Deferred	10,350	17,254	11,274	15,840	14,215	22,624	-23.7%	8.9%
Accruals & Other Liabilities	14,015	23,363	18,375	25,817	18,322	29,161	-19.9%	-9.5%
Total Liabilities	1,375,987	2,293,771	1,460,815	2,052,445	1,289,382	2,052,180	11.8%	11.8%
Ordinary Shares	18,748	31,253	22,242	31,250	17,061	27,155	15.1%	0.0%
Share Premium	280,098	466,924	330,844	464,836	197,455	314,269	48.6%	0.4%
Treasury Shares	(700)	(1,167)	(834)	(1,171)	(958)	(1,525)	-23.5%	-0.4%
Retained Earnings	79,121	131,894	83,872	117,841	39,536	62,926	109.6%	11.9%
Revaluation & Other Reserves	22,467	37,452	39,400	55,357	33,049	52,600	-28.8%	-32.3%
Net Income (Loss) For The Period	13,345	22,245	(2,985)	(4,194)	38,885	61,890	-64.1%	-630.4%
Shareholders' Equity Excluding Minority Interest	413,078	688,601	472,540	663,919	325,028	517,315	33.1%	3.7%
Minority Interest	-	-	-	-	-	-	NMF	NMF
Total Shareholders' Equity	413,078	688,601	472,540	663,919	325,028	517,315	33.1%	3.7%
Total Liabilities & Shareholders' Equity	1,789,065	2,982,372	1,933,355	2,716,364	1,614,410	2,569,495	16.1%	9.8%

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6770 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2008

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.4050 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 2008

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.5916 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2007

⁴ Growth calculations based on GEL values

Consolidated Income Statement data – full-year 2008

Period Ended	2008		2007		Growth ³ Y-O-Y
	US\$ ¹	GEL	US\$ ²		
Consolidated, IFRS Based					
<i>000s, unless otherwise noted</i>		(Unaudited)		(Audited)	
Interest Income	246,965	411,690	152,239	242,304	69.91%
Interest Expense	115,780	193,006	70,423	112,085	72.20%
Net Interest Income	131,184	218,684	81,816	130,219	67.94%
Fee & Commission Income	30,125	50,218	25,489	40,569	23.78%
Fee & Commission Expense	5,207	8,679	2,871	4,570	89.92%
Net Fee & Commission Income	24,918	41,538	22,618	35,999	15.39%
Income From Documentary Operations	5,206	8,679	4,894	7,789	11.43%
Expense On Documentary Operations	1,349	2,249	1,282	2,040	10.23%
Net Income From Documentary Operations	3,858	6,431	3,612	5,749	11.86%
Net Foreign Currency Related Income	30,847	51,422	16,782	26,710	92.52%
Net Insurance Income	4,200	7,001	3,432	5,462	28.18%
Brokerage Income	2,027	3,379	2,423	3,857	-12.38%
Asset Management Income	666	1,111	1,422	2,263	-50.92%
Realized Net Investment Gains (Losses)	(2,052)	(3,421)	3,400	5,412	-163.21%
Other	8,715	14,528	2,377	3,782	284.10%
Net Other Non-Interest Income	13,557	22,599	13,053	20,776	8.77%
Net Non-Interest Income	73,179	121,989	56,065	89,234	36.71%
Total Operating Income (Revenue)	204,363	340,674	137,881	219,452	55.24%
Personnel Costs	61,725	102,895	47,524	75,639	36.03%
Selling, General & Administrative Costs	28,402	47,346	9,933	15,809	199.50%
Procurement & Operations Support Expenses	8,215	13,694	5,815	9,255	47.95%
Depreciation & Amortization	11,776	19,631	6,197	9,863	99.04%
Other Operating Expenses	2,684	4,475	4,320	6,876	-34.92%
Total Recurring Operating Costs	112,802	188,041	73,789	117,443	60.11%
Normalized Net Operating Income	91,561	152,633	64,093	102,010	49.63%
Net Non-Recurring Income (Costs)	(12,447)	(20,749)	2,982	4,746	-537.21%
Profit Before Provisions	79,115	131,884	67,074	106,755	23.54%
Net Provision Expense/(Benefit)	79,653	132,782	10,708	17,043	679.08%
Pre-Tax Income	(538)	(898)	56,366	89,712	-101.00%
Income Tax Expense (Benefit)	(987)	(1,646)	8,840	14,070	-111.70%
Net Income	449	748	47,526	75,642	-99.01%
Weighted Average Number of Shares Outstanding (000s)		30,932		26,057	18.71%
Fully Diluted Number of Shares Period End (000s)		31,253		27,250	14.69%
EPS (Basic)	0.01	0.02	1.82	2.90	-99.17%
EPS (Fully Diluted)	0.01	0.02	1.74	2.78	-99.14%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6670 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2008

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.5916 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2007

³ Growth calculations based on GEL values

Consolidated Income Statement data – Q4 2008

Period Ended	Q4 2008		Q3 2008		Growth ³	Q4 2007		Growth
Consolidated, IFRS Based	US\$ ¹	GEL	US\$ ²	GEL	Q-O-Q	US\$ ⁴	GEL	Y-O-Y
<i>000s, unless otherwise noted</i>	(Unaudited)		(Unaudited)			(Unaudited)		
Interest Income	63,908	106,535	77,138	108,379	-1.70%	52,844	84,106	26.67%
Interest Expense	31,375	52,302	35,250	49,527	5.60%	25,939	41,285	26.68%
Net Interest Income	32,533	54,233	41,888	58,852	-7.85%	26,904	42,821	26.65%
Fee & Commission Income	7,693	12,824	9,369	13,164	-2.58%	7,525	11,977	7.07%
Fee & Commission Expense	1,541	2,569	1,580	2,220	15.72%	2,769	4,407	-41.71%
Net Fee & Commission Income	6,152	10,255	7,789	10,944	-6.30%	4,756	7,570	35.47%
Income From Documentary Operations	1,323	2,205	1,592	2,237	-1.45%	1,545	2,459	-10.33%
Expense On Documentary Operations	470	783	390	548	42.96%	337	537	45.97%
Net Income From Documentary Operations	853	1,421	1,202	1,689	-15.86%	1,208	1,922	-26.05%
Net Foreign Currency Related Income	11,010	18,354	6,716	9,437	94.50%	6,365	10,131	81.17%
Net Insurance Income	701	1,168	1,750	2,459	-52.49%	(90)	(143)	-918.56%
Brokerage Income	254	424	82	115	268.92%	616	980	-56.77%
Asset Management Income	42	71	105	148	-52.31%	1,413	2,249	-96.86%
Realized Net Investment Gains (Losses)	(917)	(1,529)	(814)	(1,144)	33.68%	(59)	(95)	1517.15%
Other	2,008	3,347	2,430	3,414	-1.95%	1,658	2,638	26.87%
Net Other Non-Interest Income	2,088	3,481	3,553	4,992	-30.27%	3,537	5,630	-38.17%
Net Non-Interest Income	20,103	33,511	19,261	27,062	23.83%	15,866	25,253	32.70%
Total Operating Income (Revenue)	52,636	87,744	61,149	85,914	2.13%	42,770	68,073	28.90%
Personnel Costs	12,917	21,533	20,194	28,372	-24.10%	11,160	17,763	21.23%
Selling, General & Administrative Costs	7,981	13,304	7,642	10,738	23.90%	5,288	8,417	58.06%
Procurement & Operations Support Expenses	2,281	3,803	2,523	3,545	7.29%	1,580	2,515	51.23%
Depreciation & Amortization	3,287	5,479	3,885	5,458	0.39%	1,981	3,153	73.81%
Other Operating Expenses	573	955	1,077	1,514	-36.91%	1,071	1,705	-43.97%
Total Recurring Operating Costs	27,040	45,075	35,321	49,627	-9.17%	21,080	33,551	34.35%
Normalized Net Operating Income	25,597	42,669	25,827	36,287	17.59%	21,690	34,522	23.60%
Net Non-Recurring Income (Costs)	(18,000)	(30,006)	(1,854)	(2,605)	1051.71%	3,131	4,984	-702.09%
Profit Before Provisions	7,597	12,664	23,973	33,682	-62.40%	24,821	39,506	-67.94%
Net Provision Expense	8,977	14,965	73,432	103,171	-80.67%	5,133	8,169	83.20%
Pre-Tax Income	(1,381)	(2,301)	(49,459)	(69,489)	-89.53%	19,689	31,337	-107.34%
Income Tax Expenses/(Benefit)	(1,053)	(1,755)	(7,496)	(10,531)	-73.40%	3,495	5,562	-131.55%
Net Income	(328)	(547)	(41,963)	(58,958)	-92.41%	16,194	25,774	-102.12%
Weighted Average Number of Shares Outstanding (000s)		31,253		31,250	0.01%		27,154	15.09%
Fully Diluted Number of Shares Period End (000s)		31,253		31,250	0.01%		27,250	14.69%
EPS (Basic)	(0.01)	(0.02)	(1.34)	(1.89)	-92.41%	0.60	0.95	-101.84%
EPS (Fully Diluted)	(0.01)	(0.02)	(1.34)	(1.89)	-92.41%	0.59	0.95	-101.85%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6670 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2008

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4050 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 2008

³ Growth calculations based on GEL values

⁴ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.5916 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2007

Consolidated Balance Sheet data

Consolidated, IFRS Based 000s, unless otherwise noted	31-Dec-08		31-Dec-07		Growth ³ Y-O-Y
	US\$ ¹ (Unaudited)	GEL	US\$ ² (Audited)	GEL	
Cash & Cash Equivalents	129,786	216,354	254,945	405,770	-46.68%
Loans & Advances To Credit Institutions	187,888	313,209	97,109	154,559	102.65%
Mandatory Reserve With NBG/NBU/NBRB	23,787	39,653	51,569	82,077	-51.69%
Other Accounts With NBG/NBU/NBRB	25,791	42,993	-	-	NMF ⁴
Balances With & Loans To Other Banks	138,310	230,563	45,541	72,483	218.09%
Available-For-Sale & Trading Securities	23,874	39,798	30,617	48,729	-18.33%
Treasuries & Equivalents	4,963	8,274	25,169	40,060	-79.35%
Other Fixed Income Instruments	8,893	14,825	95,756	152,405	-90.27%
Gross Loans To Clients	1,319,211	2,199,124	1,105,364	1,759,297	25.00%
Less: Reserve For Loan Losses	(69,266)	(115,467)	(23,211)	(36,943)	212.56%
Net Loans To Clients	1,249,945	2,083,658	1,082,153	1,722,355	20.98%
Investments In Other Business Entities, Net	41,847	69,759	25,304	40,273	73.21%
Property & Equipment Owned, Net	187,549	312,643	128,586	204,657	52.76%
Intangible Assets Owned, Net	5,580	9,302	3,717	5,915	57.25%
Goodwill	80,843	134,765	69,158	110,072	22.43%
Tax Assets - Current & Deferred	4,130	6,884	979	1,557	342.01%
Prepayments & Other Assets	51,080	85,151	42,258	67,258	26.60%
Total Assets	1,976,379	3,294,623	1,855,750	2,953,611	11.55%
Client Deposits	742,561	1,237,849	851,644	1,355,476	-8.68%
Deposits & Loans From Banks	48,240	80,416	23,530	37,451	114.73%
Borrowed Funds	674,906	1,125,069	543,066	864,344	30.16%
Issued Fixed Income Securities	3	5	3,137	4,993	-99.91%
Insurance Related Liabilities	36,448	60,759	24,646	39,226	54.89%
Tax Liabilities - Current & Deferred	15,065	25,113	23,379	37,209	-32.51%
Accruals & Other Liabilities	31,497	52,506	35,764	56,921	-7.76%
Total Liabilities	1,548,720	2,581,716	1,505,165	2,395,620	7.77%
Ordinary Shares	18,748	31,253	17,061	27,155	15.09%
Share Premium	271,078	451,888	198,175	315,415	43.27%
Treasury Shares	(1,218)	(2,030)	(1,091)	(1,737)	16.90%
Retained Earnings	86,731	144,580	40,122	63,858	126.41%
Revaluation & Other Reserves	19,932	33,227	42,318	67,354	-50.67%
Net Income (Loss) For The Period	449	748	47,526	75,642	-99.01%
Shareholders' Equity Excluding Minority Interest	395,720	659,665	344,111	547,687	20.45%
Minority Interest	31,939	53,242	6,474	10,304	416.73%
Total Shareholders' Equity	427,659	712,907	350,585	557,990	27.76%
Total Liabilities & Shareholders' Equity	1,976,378	3,294,622	1,855,750	2,953,611	11.55%
Shares Outstanding		31,253		27,155	15.09%
Preferred Shares				20,55	10.40%

¹ Converted to US dollars for convenience using a period-end exchange rate of GEL 1.6770 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate reported by the National Bank of Georgia on 31 December 2008

² Converted to US dollars for convenience using a period-end exchange rate of GEL 1.5916 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate reported by the National Bank of Georgia on 31 December 2007

³ Growth calculations based on GEL values

⁴ Not meaningful



Key ratios

	Full Year 2008	Full Year 2007
Profitability Ratios		
ROAA ¹ , Annualised	0.02%	2.39%
ROA	0.02%	2.56%
ROAE ² , Annualised	0.11%	17.74%
ROE	0.10%	13.56%
Interest Income To Average Interest Earning Assets ³ , Annualised	17.68%	15.16%
Cost Of Funds ⁴ , Annualised	8.33%	7.63%
Net Spread ⁵	9.35%	7.54%
Net Interest Margin ⁶ , Annualised	9.39%	8.15%
Net Interest Margin Normalized ^{6S} , Annualised	9.39%	8.15%
Loan Yield ⁷ , Annualised	13.97%	20.50%
Interest Expense To Interest Income	46.88%	46.26%
Net Non-Interest Income To Average Total Assets, Annualised	3.82%	4.45%
Net Non-Interest Income To Revenue ⁸	35.81%	40.66%
Net Fee And Commission Income To Average Interest Earning Assets ⁹ , Annualised	1.78%	2.25%
Net Fee And Commission Income To Revenue	12.19%	16.40%
Operating Leverage ¹⁰	-30.03%	63.76%
Total Operating Income (Revenue) To Total Assets, Annualised	10.34%	7.43%
Recurring Earning Power ¹¹ , Annualised	4.13%	5.32%
Net Income To Revenue	0.22%	34.47%
Efficiency Ratios		
Operating Cost To Average Total Assets ¹² , Annualised	5.89%	5.85%
Cost To Average Total Assets ¹³ , Annualised	6.54%	5.62%
Cost / Income ¹⁴	61.29%	51.35%
Cost / Income, Normalized ³⁷	55.20%	53.52%
Cost / Income, Bank of Georgia, Standalone ¹⁵	48.43%	52.20%
Cost/Income, Normalized, Bank of Georgia, Standalone	43.74%	46.50%
Cash Cost / Income	55.52%	46.86%
Total Employee Compensation Expense To Revenue ¹⁶	30.20%	34.47%
Total Employee Compensation Expense To Cost	49.28%	67.12%
Total Employee Compensation Expense To Average Total Assets, Annualised	3.23%	3.77%
Liquidity Ratios		
Net Loans To Total Assets ¹⁷	63.24%	58.31%
Average Net Loans To Average Total Assets	60.28%	53.53%
Interest Earning Assets To Total Assets	73.45%	70.06%
Average Interest Earning Assets To Average Total Assets	73.00%	79.63%
Liquid Assets To Total Assets ¹⁸	16.78%	24.36%
Liquid Assets To Total Liabilities, NBG Stand-Alone	27.26%	44.96%
Liquid Assets To Total Liabilities, IFRS Consolidated	22.95%	33.46%
Net Loans To Client Deposits	168.33%	127.07%
Average Net Loans To Average Client Deposits	147.54%	125.73%
Net Loans To Total Deposits ¹⁹	158.06%	123.65%
Net Loans To (Total Deposits + Equity)	102.58%	88.28%
Net Loans To Total Liabilities	80.71%	71.90%
Total Deposits To Total Liabilities	51.06%	58.14%
Client Deposits To Total Deposits	93.90%	97.31%
Client Deposits To Total Liabilities	47.95%	56.58%
Current Account Balances To Client Deposits	38.08%	42.35%
Demand Deposits To Client Deposits	8.74%	6.76%
Time Deposits To Client Deposits	53.18%	50.89%
Total Deposits To Total Assets	40.01%	47.16%
Client Deposits To Total Assets	37.57%	45.89%
Client Deposits To Total Equity (Times) ²⁰	1.74	2.43
Due From Banks / Due To Banks ²¹	389.49%	412.70%
Total Equity To Net Loans	34.21%	32.40%
Leverage (Times) ²²	3.62	4.29

Key ratios cont'd

	Full Year 2008	Full Year 2007
Asset Quality		
NPLs (in GEL) ²³	64,306	25,325
NPLs To Gross Loans To Clients ²⁴	2.92%	1.44%
Cost of Risk ²⁵ , Annualized	6.65%	1.55%
Cost of Risk Normalized ²⁶ , Annualized	6.65%	1.55%
Reserve For Loan Losses To Gross Loans To Clients ²⁶	5.25%	2.10%
NPL Coverage Ratio ²⁷	179.56%	145.87%
Equity To Average Net Loans To Clients	37.07%	51.95%
Capital Adequacy		
Equity To Total Assets	21.64%	18.89%
BIS Tier I Capital Adequacy Ratio, consolidated ²⁸	22.47%	21.35%
BIS Total Capital Adequacy Ratio, consolidated ²⁹	27.31%	24.97%
NBG Tier I Capital Adequacy Ratio ³⁰	16.57%	13.19%
NBG Total Capital Adequacy Ratio ³¹	13.49%	13.07%
Per Share Values		
Basic EPS (GEL) ³²	0.02	2.90
Basic EPS (US\$)	0.01	1.82
Fully Diluted EPS (GEL) ³³	0.02	2.78
Fully Diluted EPS (US\$)	0.01	1.74
Book Value Per Share (GEL) ³⁴	22.81	20.55
Book Value Per Share (US\$)	13.68	12.91
Ordinary Shares Outstanding - Weighted Average, Basic	30,931,549	26,057,022
Ordinary Shares Outstanding - Period End	31,252,553	27,154,918
Ordinary Shares Outstanding - Fully Diluted	31,252,553	27,249,918
Selected Operating Data		
Full Time Employees (FTEs)	4,979	4,459
FTEs, Bank of Georgia Standalone	2,741	2,692
Total assets per FTE ²³ (GEL Thousands)	662	669
Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands)	1,202	1,107
Number Of Active Branches	151	117
Number Of ATMs	416	250
Number Of Cards (Thousands)	667	647
Number Of POS Terminals	2,693	1,594

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

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.