



საქართველოს ბანკი
BANK OF GEORGIA

GROWTH AT THE RIGHT PRICE
LSE: BGEO / GSE:GEB

JSC Bank of Georgia Q4 2010 & Full Year 2010 results overview

February 2011

Introduction to Bank of Georgia

The leading universal bank in Georgia

☞ No.1 by assets (36%), ⁽¹⁾ gross loans (36%), ⁽¹⁾ client deposits (32%) ⁽¹⁾ and equity 40%
(1)

☞ Leading retail banking, with top brand, best distribution network and broadest range of services of any bank in Georgia

	December 2010	September 2010	December 2009
☞ Retail Accounts	984,000+	986,000+	999,000+
☞ Cards Outstanding	603,000+	565,000+	537,000+
☞ Branches	142	137	141
☞ ATMs	405	388	382

☞ Leading corporate bank with approximately 93,500 legal entities and over 179,400 current accounts

☞ Leading insurance, card-processing, leasing, trade finance, wealth management and asset management services provider

☞ The only Georgian entity with credit ratings from all three global rating agencies

☞ S&P: 'B/B'

☞ Fitch Ratings: 'B+/B' – at the sovereign ceiling

☞ Moody's: 'B1/NP (FC)' & 'Ba3/NP (LC)'

☞ Listed on the London Stock Exchange (GDRs) and Georgian Stock Exchange

☞ Market Cap (LSE) US\$ 636 mln as of 17 February 2011

☞ Approximately 95% free float

☞ Issue of the first ever Eurobonds in Georgia

☞ Bloomberg: BKGE0; 5 year, 9%, US\$200 mln

☞ S&P: B; Moody's: Ba3; Fitch: B+; (composite B+)

⁽¹⁾ All data according to the NBG as of 31 December 2010

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 five independent directors



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Q4 and YTD 2010 P&L results highlights

Millions unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)	Q4 2010		Q3 2010 ¹		Growth ² Q-O-Q	Q4 2009		Growth ³ Y-O-Y
	GEL (Unaudited)	US\$	GEL (Unaudited)	US\$		GEL (Unaudited)	US\$	
Net Interest Income	57.1	32.2	56.5	31.3	1.1%	46.0	27.3	24.0%
Net Non-Interest Income	38.0	21.4	33.9	18.8	12.0%	31.3	18.6	21.3%
Total Operating Income (Revenue) ⁴	95.1	53.6	90.4	50.0	5.2%	77.4	45.9	22.9%
Recurring Operating Costs	52.0	29.3	50.3	27.8	3.4%	46.6	27.6	11.5%
Normalized Net Operating Income ⁵	43.1	24.3	40.1	22.2	7.4%	30.8	18.3	40.1%
Net Non-Recurring Income (Costs)	(1.4)	(0.8)	(1.6)	(0.9)	-16.8%	(106.8)	(63.4)	-98.7%
Profit Before Provisions	41.7	23.5	38.5	21.3	8.4%	(76.1)	(45.1)	NMF
Net Provision Expense	10.8	6.1	14.2	7.9	-24.1%	30.3	18.0	-64.4%
Net Income/ (Loss)	25.7	14.5	20.8	11.5	23.4%	(102.3)	(60.7)	NMF
EPS (basic)	0.82	0.46	0.66	0.37	23.3%	(3.27)	(1.94)	NMF
EPS (diluted)	0.74	0.42	0.60	0.33	23.3%	(2.94)	(1.74)	NMF

Millions unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)	YTD 2010		YTD 2009		Growth ³ Y-O-Y
	GEL (Unaudited)	US\$	GEL	US\$	
Net Interest Income	210.5	118.7	196.8	116.8	6.9%
Net Non-Interest Income	133.4	75.2	122.1	72.4	9.2%
Total Operating Income (Revenue) ⁴	343.9	194.0	319.0	189.2	7.8%
Recurring Operating Costs	196.3	110.7	182.5	108.3	7.5%
Normalized Net Operating Income ⁵	147.6	83.3	136.4	80.9	8.2%
Net Non-Recurring Income (Costs)	(4.8)	(2.7)	(109.3)	(64.8)	-95.6%
Profit Before Provisions	142.8	80.6	27.2	16.1	NMF
Net Provision Expense	44.9	25.4	133.1	78.9	-66.2%
Net Income/ (Loss)	82.9	46.7	(98.9)	(58.7)	NMF
EPS (basic)	2.65	1.49	(3.16)	(1.88)	NMF
EPS (diluted)	2.38	1.34	(2.85)	(1.69)	NMF

¹ Q3 2010 Consolidated numbers have been Reviewed

² Compared to Q3 2010, growth calculations based on GEL values.

³ Compared to the same period in 2009; growth calculations based on GEL values.

⁴ Revenue includes Net Interest Income and Net Non-Interest Income.

⁵ Normalized for Net Non-Recurring Costs.

31 December 2010 Balance Sheet results highlights

Millions, unless otherwise noted

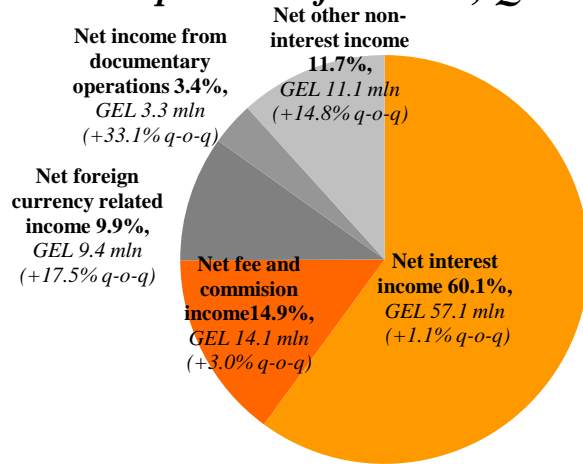
Bank of Georgia (Consolidated, IFRS-Based)	Q4 2010		Q3 2010		Q4 2009	
	GEL	US\$	GEL	US\$	GEL	US\$
	<i>(Unaudited)</i>		<i>(Unaudited)</i>			
Net Loans	2,368.7	1,336.2	2,061.4	1,141.1	1,678.2	995.5
Total Assets	4,098.9	2,312.1	3,615.6	2,001.5	2,913.4	1,728.2
Client Deposits	2,011.2	1,134.5	1,658.5	918.1	1,272.5	754.8
Borrowed Funds	1,012.3	571.0	881.5	488.0	913.3	541.8
Total Liabilities	3,406.3	1,921.4	2,936.0	1,625.4	2,315.0	1,373.2
Shareholders' Equity	692.7	390.7	679.6	376.2	598.4	355.0
Book Value Per Share, GEL & US\$	22.10	12.46	21.69	12.01	19.12	11.34
Tier I Capital Adequacy Ratio (BIS)	18.2%		19.9%		22.4%	
Total Capital Adequacy Ratio (BIS)	29.0%		32.5%		34.7%	
Tier I Capital Adequacy Ratio (NBG)	13.0%		15.2%		19.7%	
Total Capital Adequacy Ratio (NBG)	14.5%		15.7%		16.8%	
				Change		Change
				Q-O-Q¹		Y-O-Y²
Net Loans				14.9%		41.1%
Total Assets				13.4%		40.7%
Client Deposits				21.3%		58.1%
Borrowed Funds				14.8%		10.8%
Total Liabilities				16.0%		47.1%
Shareholders' Equity				1.9%		15.7%
Book Value Per Share,				1.9%		15.6%

¹ Compared to Q3 2010 growth calculations based on GEL values.

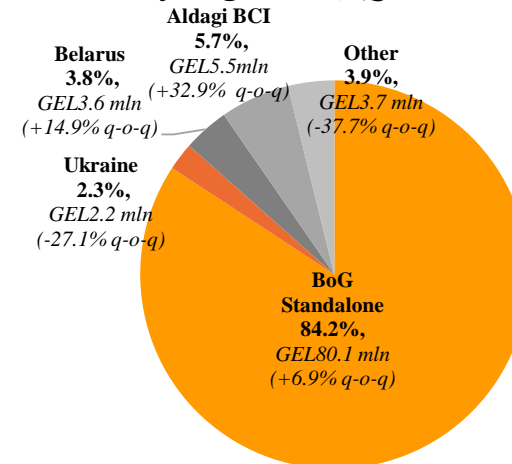
² Compared to the same period in 2009; growth calculations based on GEL values.

Composition of revenue in Q4 and full year 2010

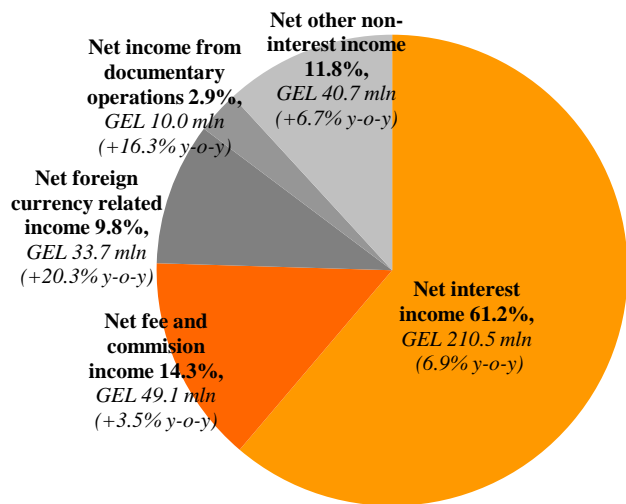
Composition of revenue, Q4 2010



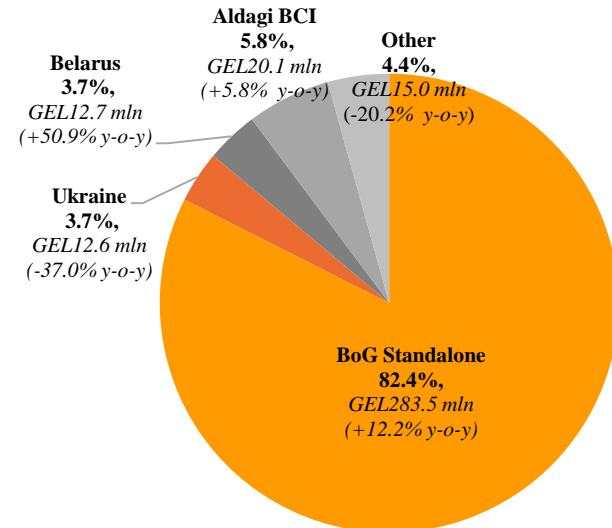
Revenue by segments, Q4 2010



Composition of revenue, Full Year 2010



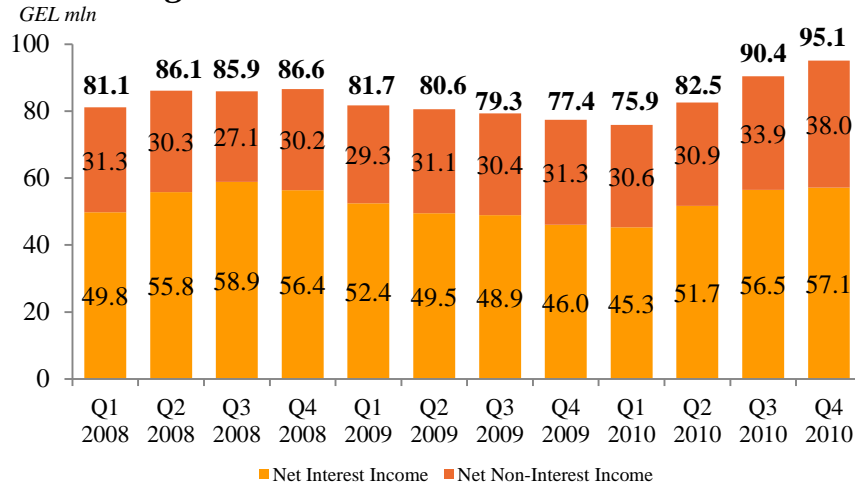
Revenue by segments, Full Year 2010



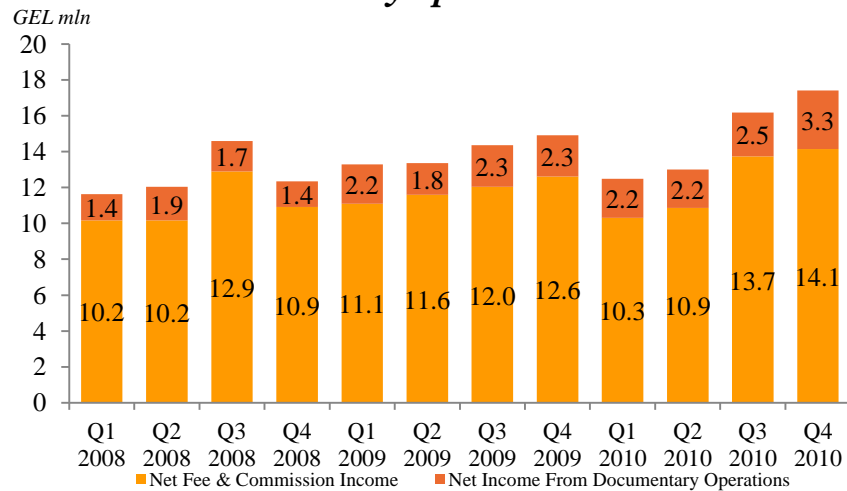
Total Revenue: GEL 95.1 million in Q4 2010 and GEL 343.9 in 2010

Analysis of revenue

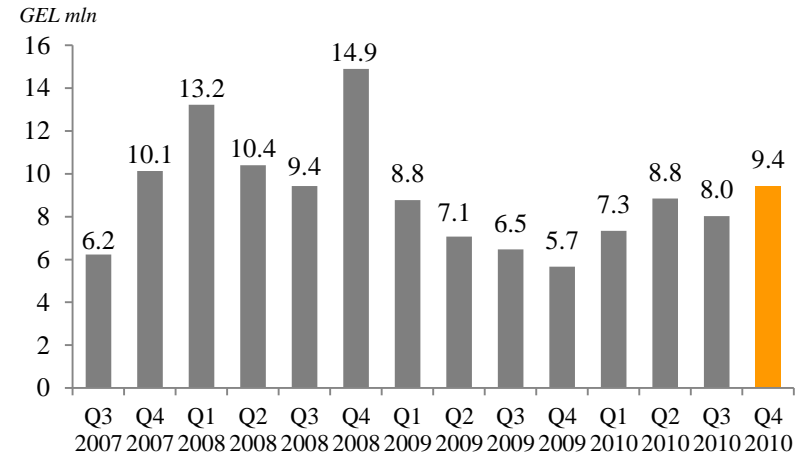
Revenue growth



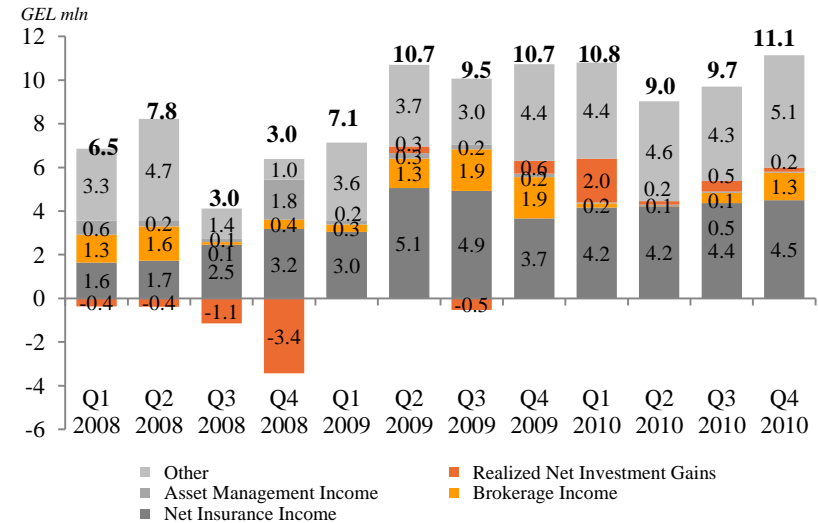
Net fee & commission income & Income from documentary operations



Net foreign currency related income

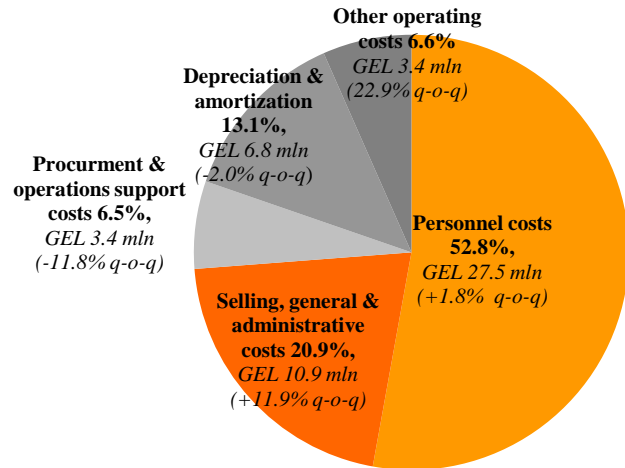


Other non-interest income

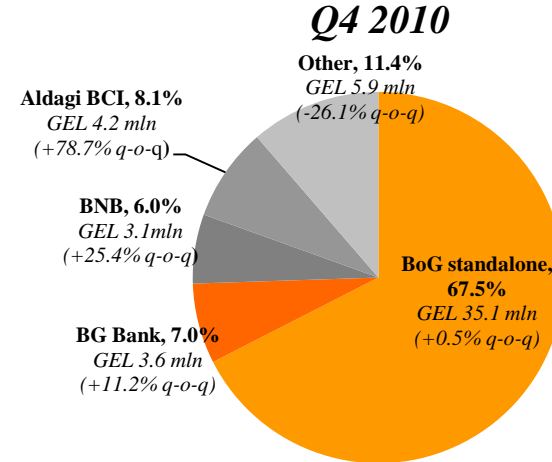


Composition of recurring operating costs in Q4 and full year 2010

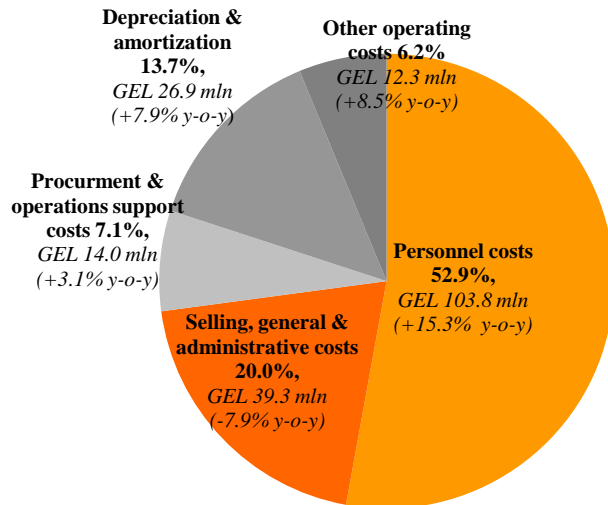
Recurring operating cost structure, Q4 2010



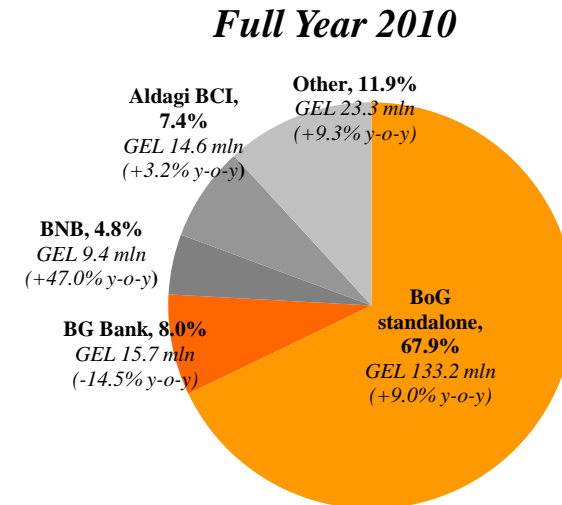
Recurring operating cost structure by segments, Q4 2010



Recurring operating cost structure, Full Year 2010



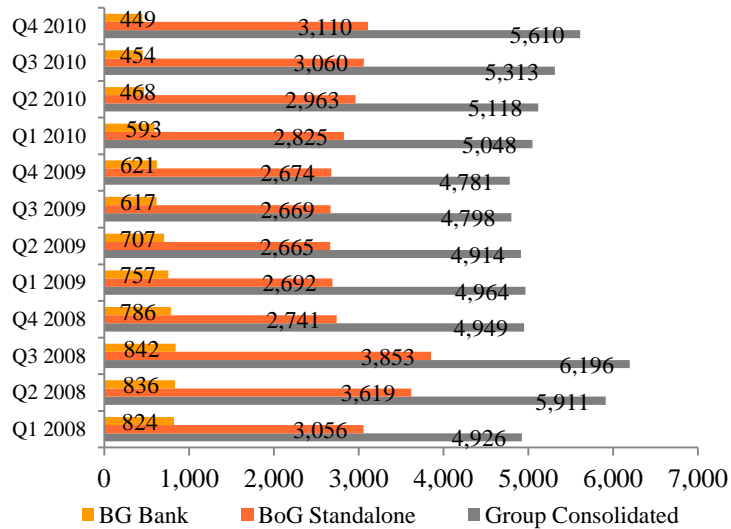
Recurring operating cost structure by segments, Full Year 2010



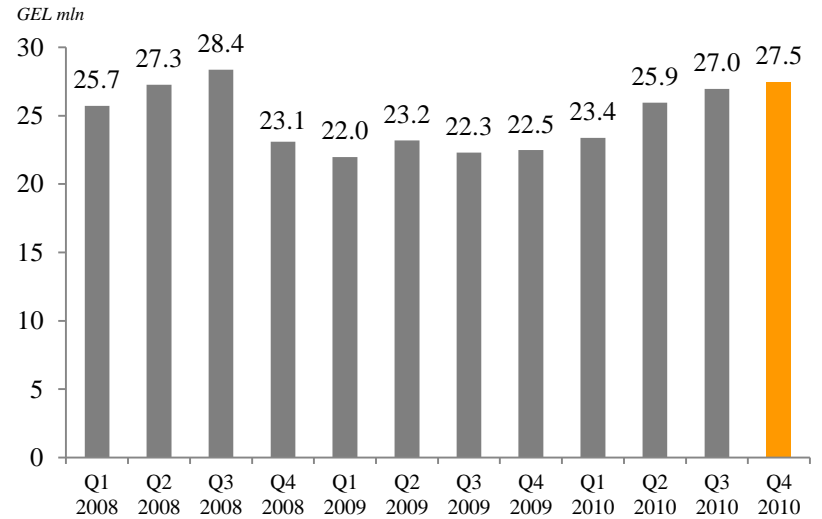
Total recurring operating costs: GEL 52.0 million in Q4 2010 (up 3.4% q-o-q), and GEL 196.3 million in 2010 (up 7.5% y-o-y)

Analysis of recurring operating costs

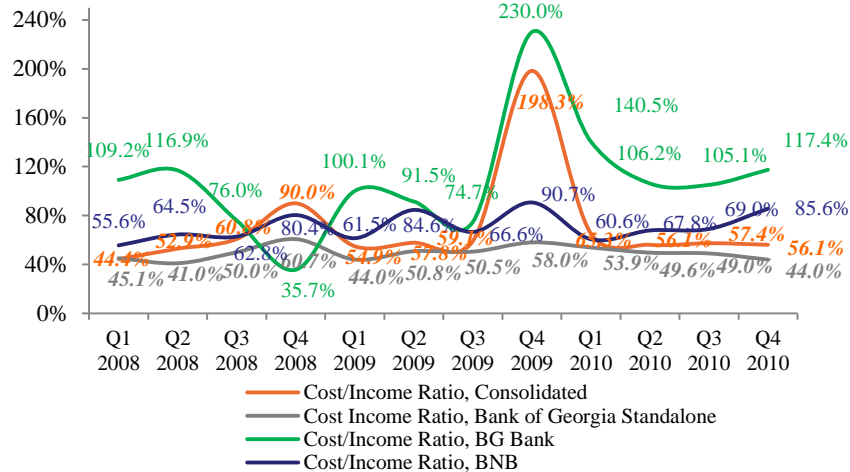
Employees



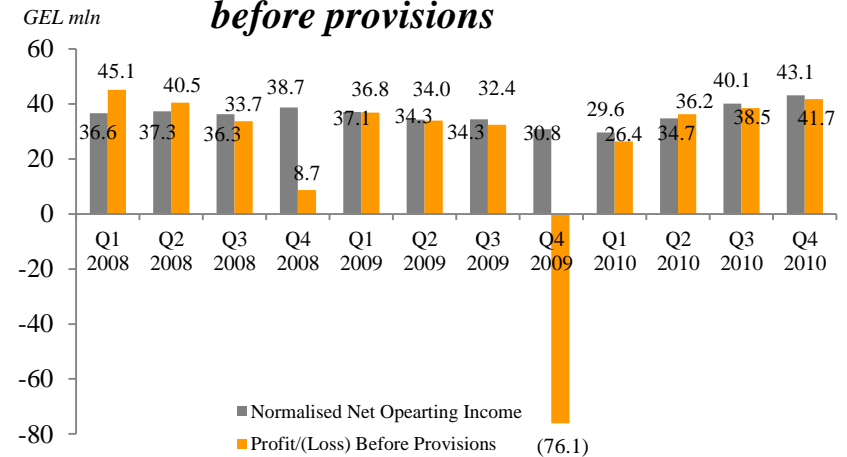
Personnel costs



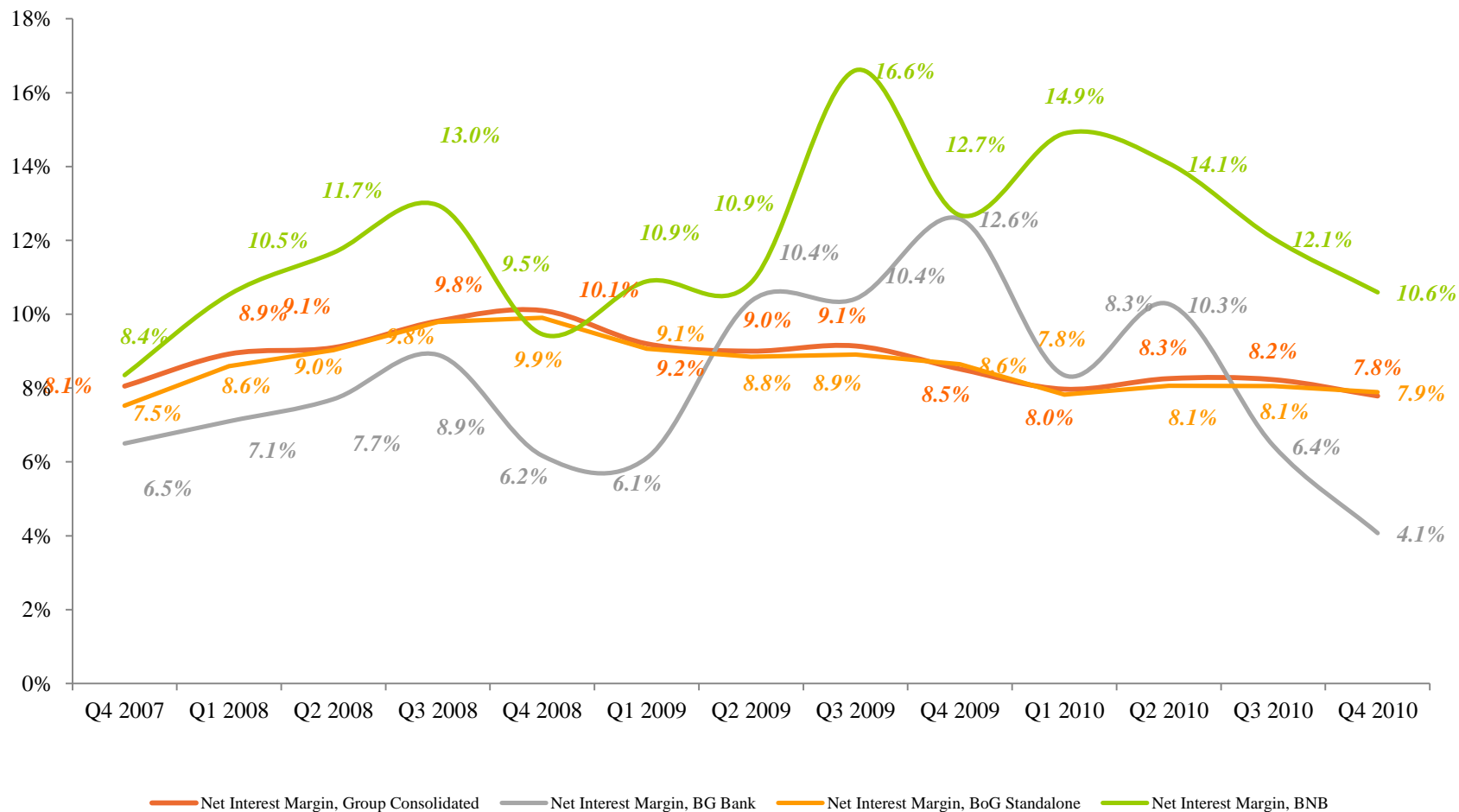
Cost/Income ratio



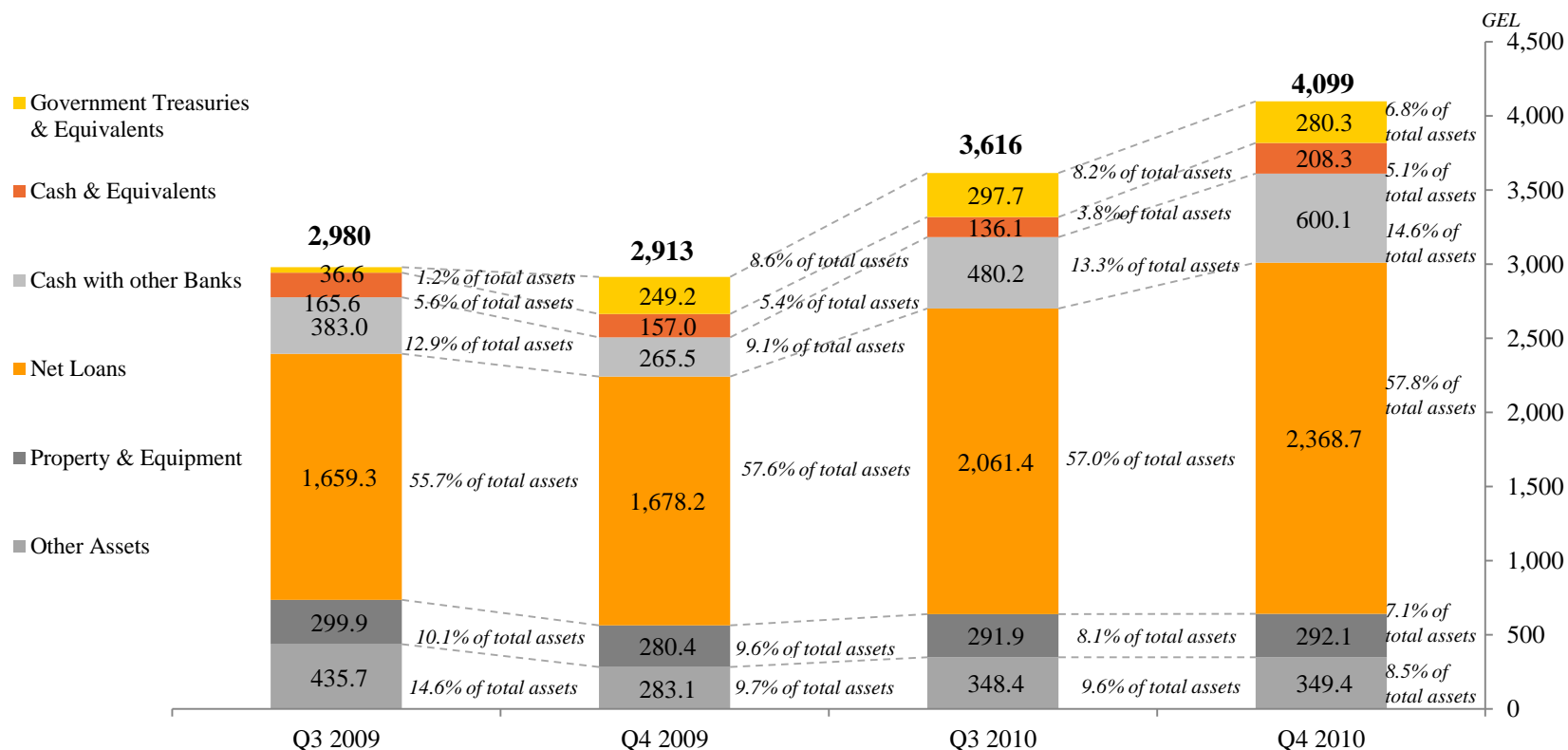
Normalized net operating income, Profit before provisions



Net interest margin



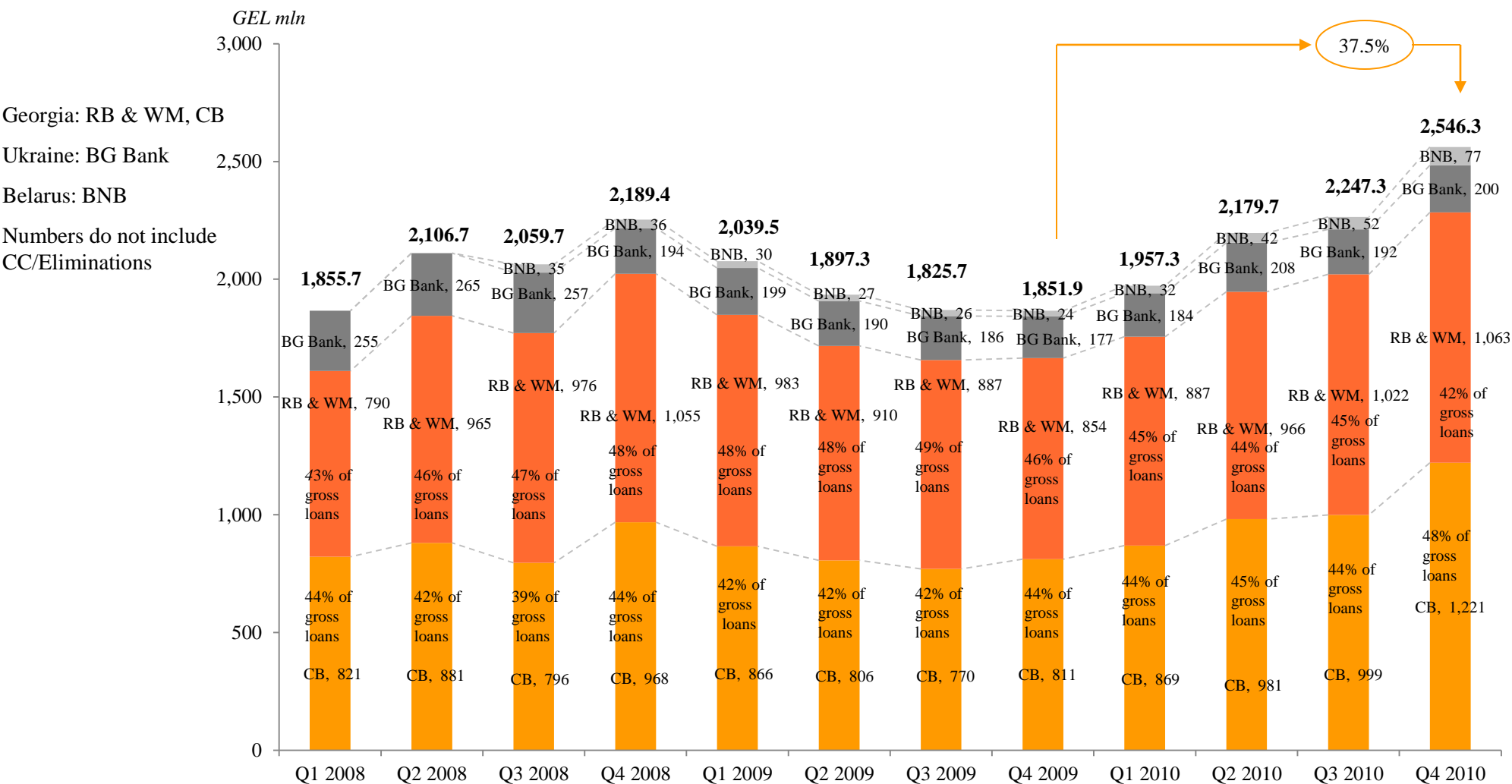
Composition of assets



GEL million	30-September-09	31-December-09	30-September-10	31-December-10
Available for sale Trading Securities	30.0	21.7	12.9	15.8
Other Fixed Income Instruments	67.2	-	-	-
Insurance Related Assets	45.6	26.7	33.6	28.7
Investments In Other Business Entities & Investment Property	75.5	89.2	119.3	120.7
Intangible Assets Owned Net	12.2	19.7	22.7	22.2
Goodwill	135.7	65.8	69.2	69.2
Tax Assets, Current And Deferred	12.9	23.5	26.0	25.4
Prepayments And Other Assets	56.6	36.6	64.7	67.5
Total	435.7	283.1	348.4	349.4

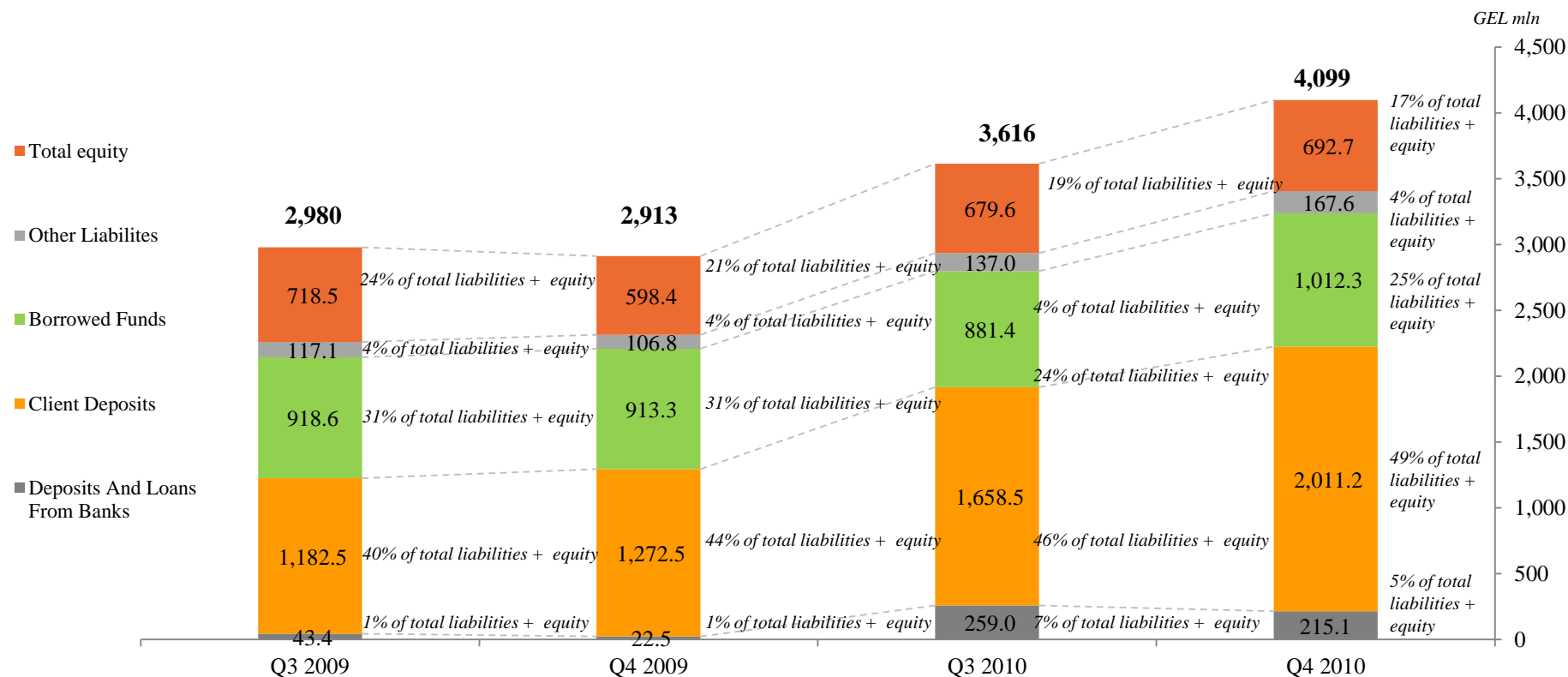
Note: Net loans include Net finance lease receivables

Gross loan book breakdown



Gross loan book Q4 2010: GEL 2,546 million

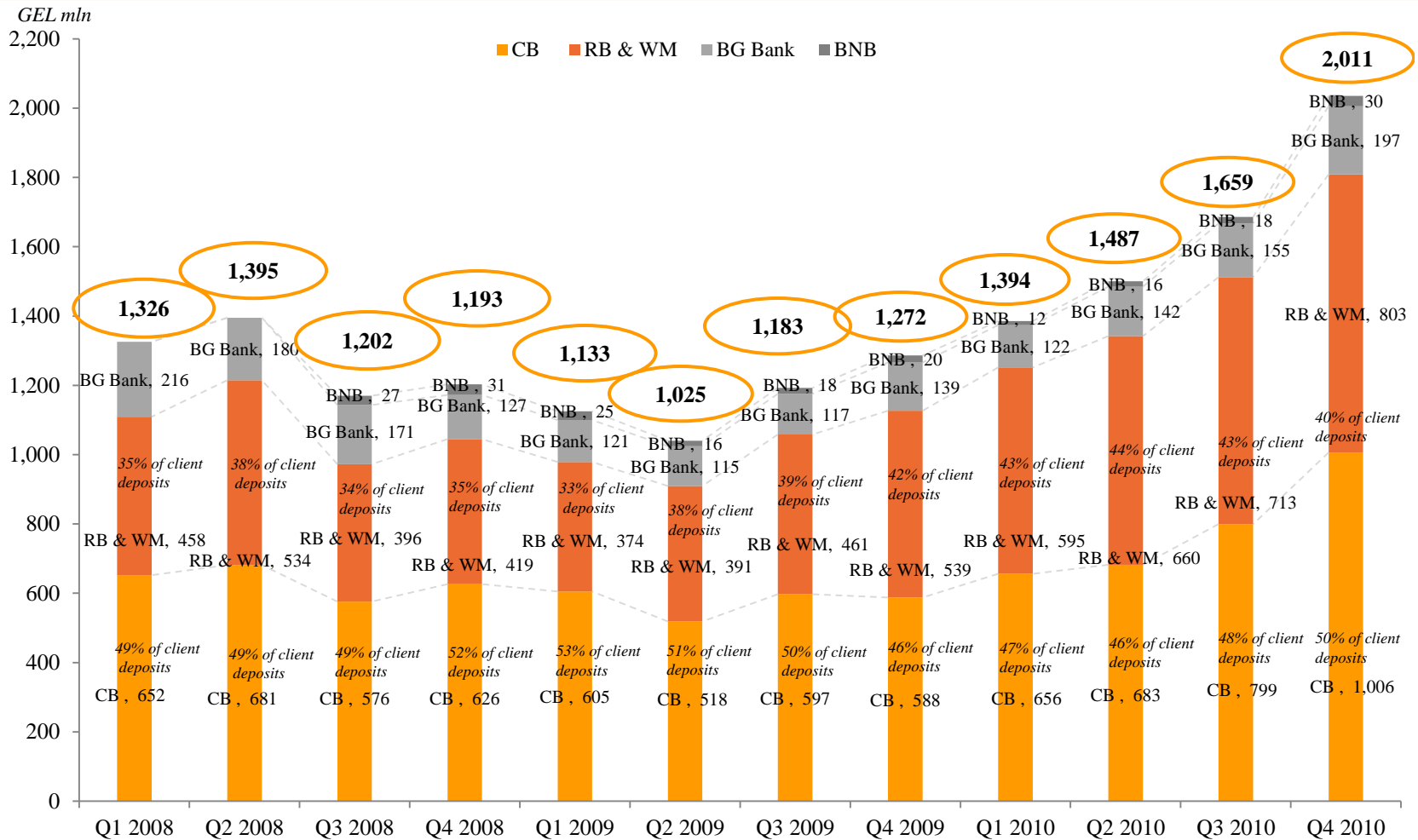
Liabilities breakdown



	30-September-09	31-December-09	30-September-10	31-December-10
Issued Fixed Income Securities	0.7	0.7	3.6	21.3
Insurance Related Liabilities	52.2	34.2	44.0	37.1
Tax Liabilities, Current And Deferred	22.8	25.2	35.4	40.8
Accruals And Other Liabilities	41.4	46.6	54.0	68.4
Other liabilities	117.1	106.8	137.0	167.6

Total liabilities 31 December 2010: GEL 3,406 million

Client deposits breakdown



Georgia: RB & WM, CB
 Ukraine: BG Bank
 Belarus: BNB
 Numbers do not include
 CC/Eliminations

Client deposits Q4 2010: GEL 2,011 million

Note: RB & WM client deposits include deposits at BG Capital



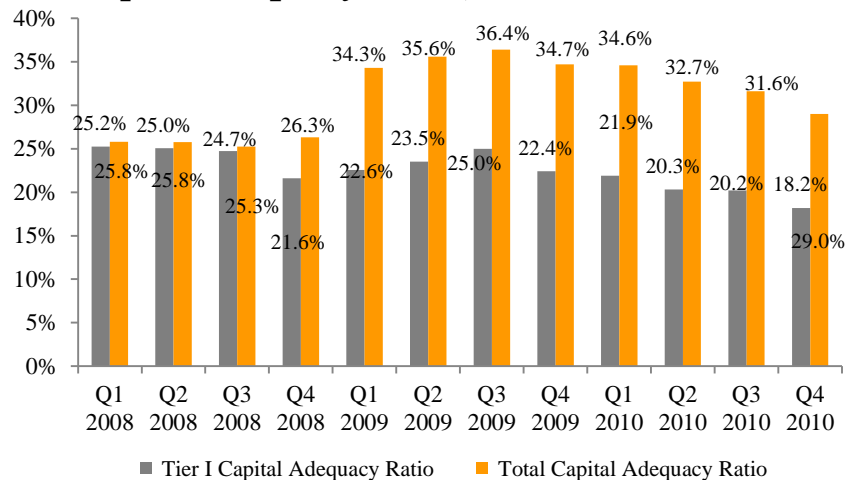
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Capital adequacy & wholesale funding

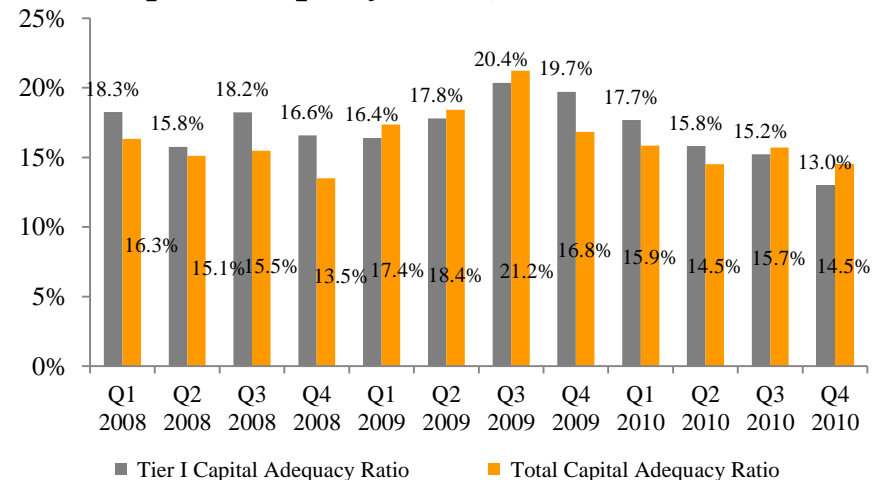
February 2011

Capital adequacy

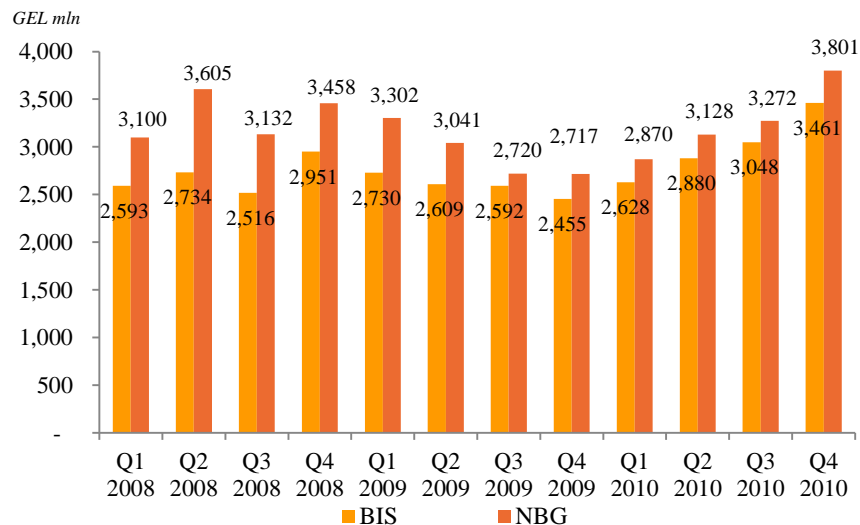
BIS capital adequacy ratios, BoG consolidated



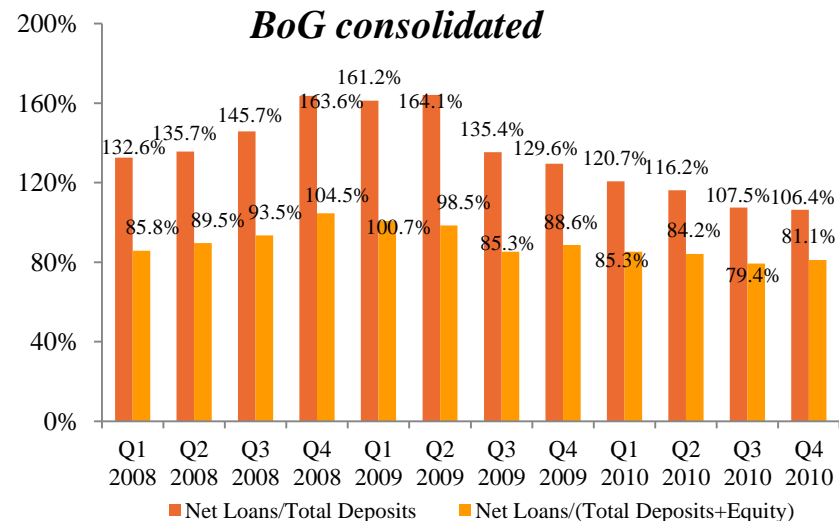
NBG capital adequacy ratios, BoG standalone



Risk-weighted assets BIS vs. NBG



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



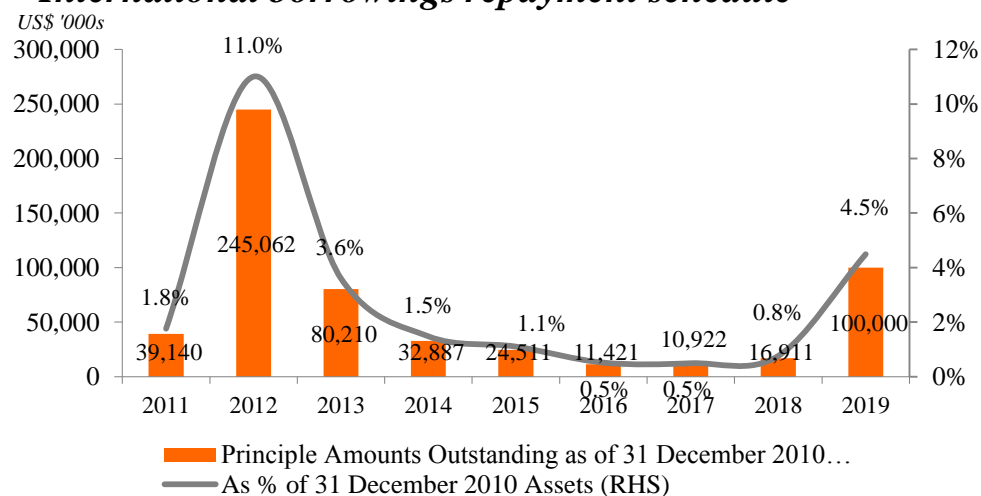
International borrowings

Selected international loans

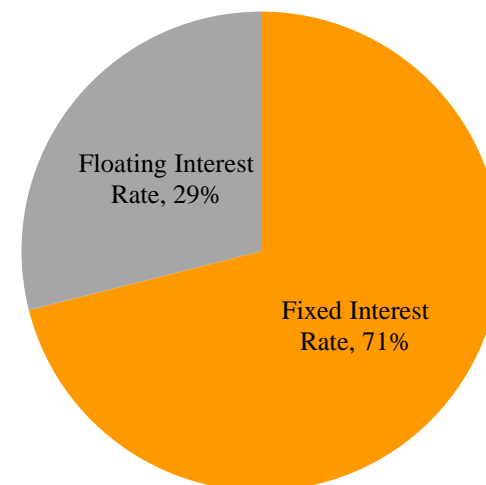
Key Lenders	Principle Amount Outstanding as of 31 December 2010	Maturity	mil US\$
Eurobonds	US\$ 147.7 million	2012	147.7
Senior Term Loan from FMO	US\$ 8.0 million	2014	8.0
Senior Term Loan from WorldBusiness Capital	US\$ 5.6 million	2016	5.6
Subordinated Loan from HBK Investments (Call in 2012)	US\$ 15.0 million	2017	15.0
Subordinated Loan from Merrill Lynch (Call in 2012)	US\$ 35.0 million	2017	35.0
Senior Term Loan from WorldBusiness Capital (GLC)	US\$ 4.1 million	2017	4.1
Subordinated loan from FMO and DEG (Call in 2013)	US\$ 30.0 million	2018	30.0
Senior Loan from OPIC	US\$ 25.8 million	2018	25.8
Subordinated Loan from OPIC	US\$ 10.0 million	2018	10.0
Senior Term Loan from IFC	US\$ 50.0 million	2013	50.0
Senior Term Loan from EBRD	US\$ 50.0 million	2014	50.0
Subordinated Loan from IFC	US\$ 24.0 million	2019	24.0
Subordinated Loan from EBRD	US\$ 24.0 million	2019	24.0
Convertible Loan from IFC	US\$ 26.0 million	2019	26.0
Convertible Loan from EBRD	US\$ 26.0 million	2019	26.0
Other, USD denominated	US\$ 4.5 million	NMF	0.5
Other, EUR denominated	EUR 0.3 million	NMF	0.3
Senior Term Loan from ADB	US\$ 25 million	2018	25.0
Senior Term Loan from EFSE	US\$ 34 million	2018	34.0
Senior Term Loan from EBRD	US\$ 20 million	2015	20.0
Total	US\$ 561.0 million		561.0

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

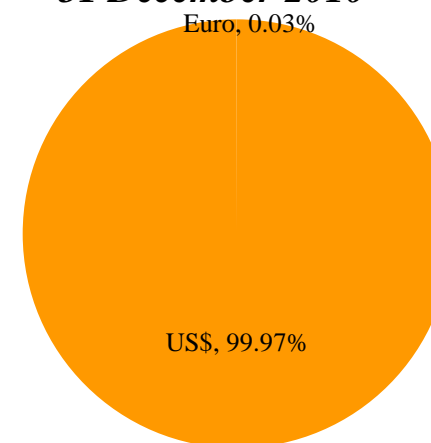
International borrowings repayment schedule



International borrowings - fixed vs. floating rates, 31 December 2010



International borrowings by currencies, 31 December 2010



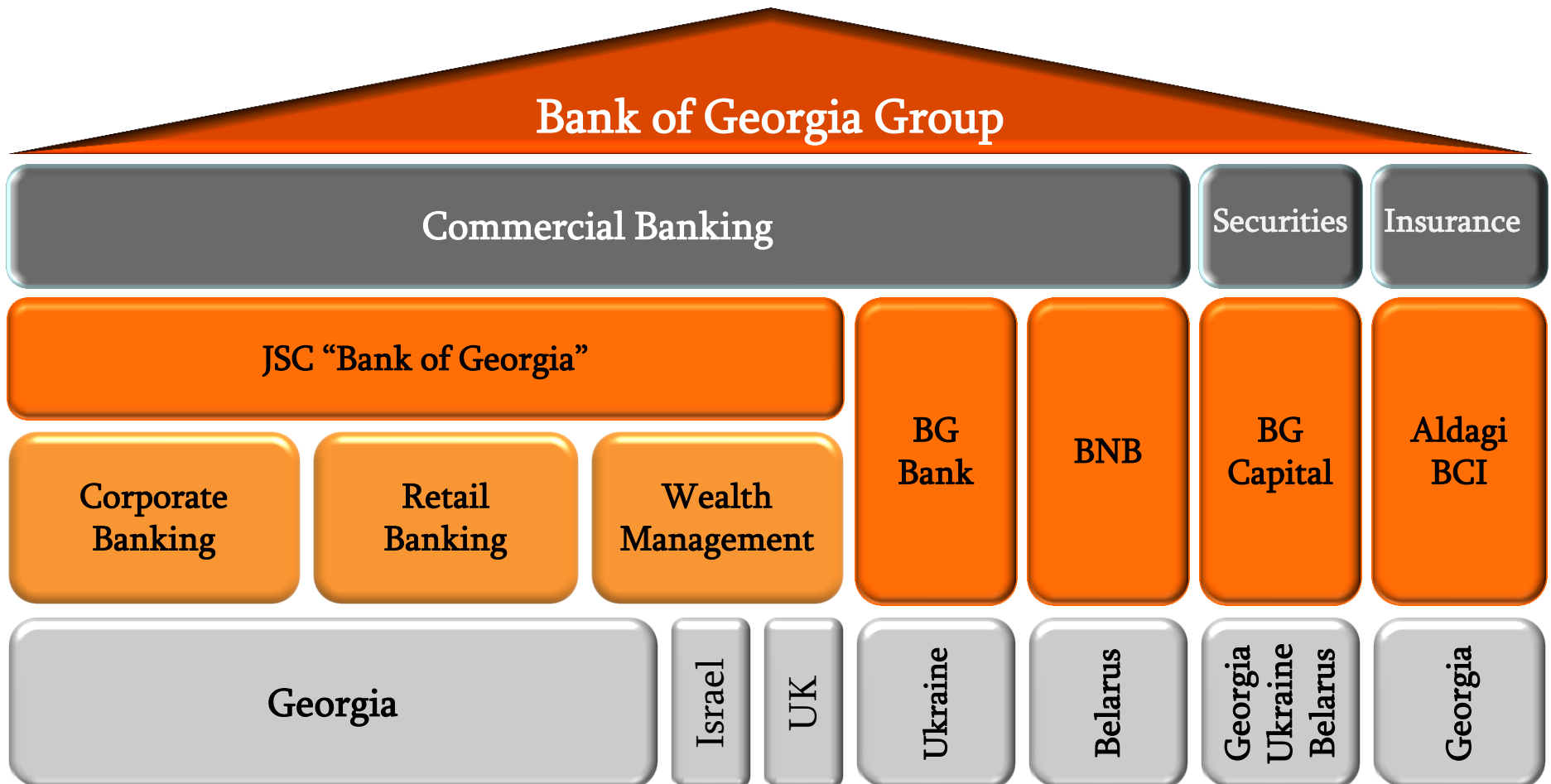


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Business overview

February 2011

Group structure





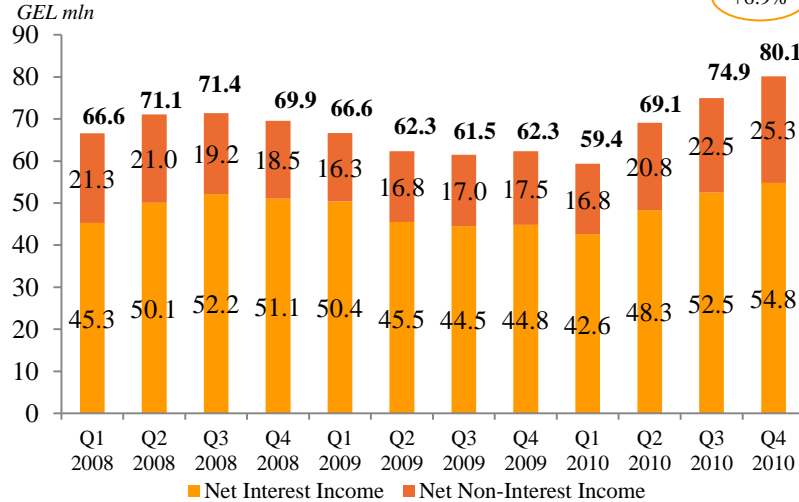
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BoG standalone results overview

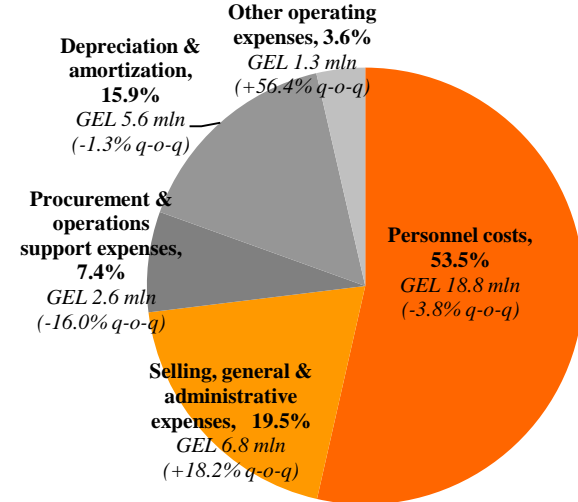
February 2011

BoG standalone performance

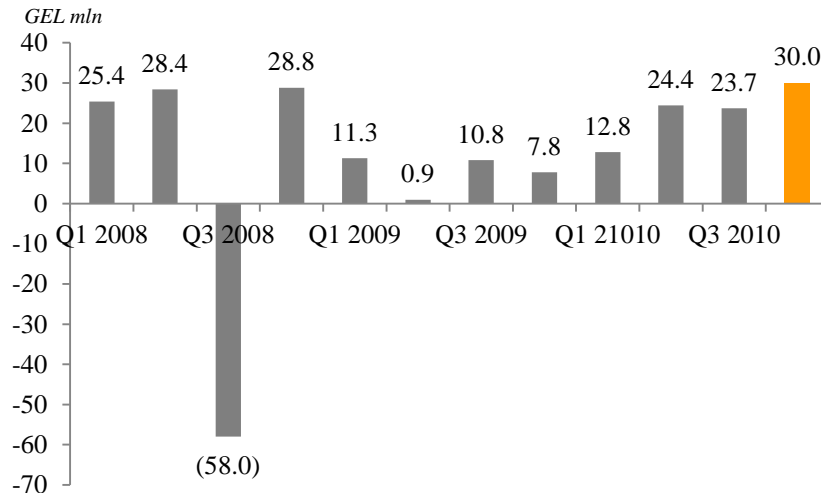
Revenue performance



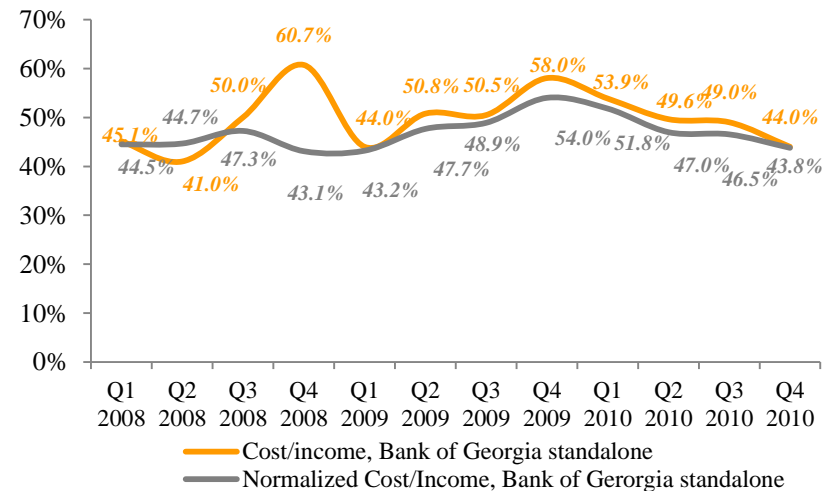
Recurring operating cost structure, Q4 2010



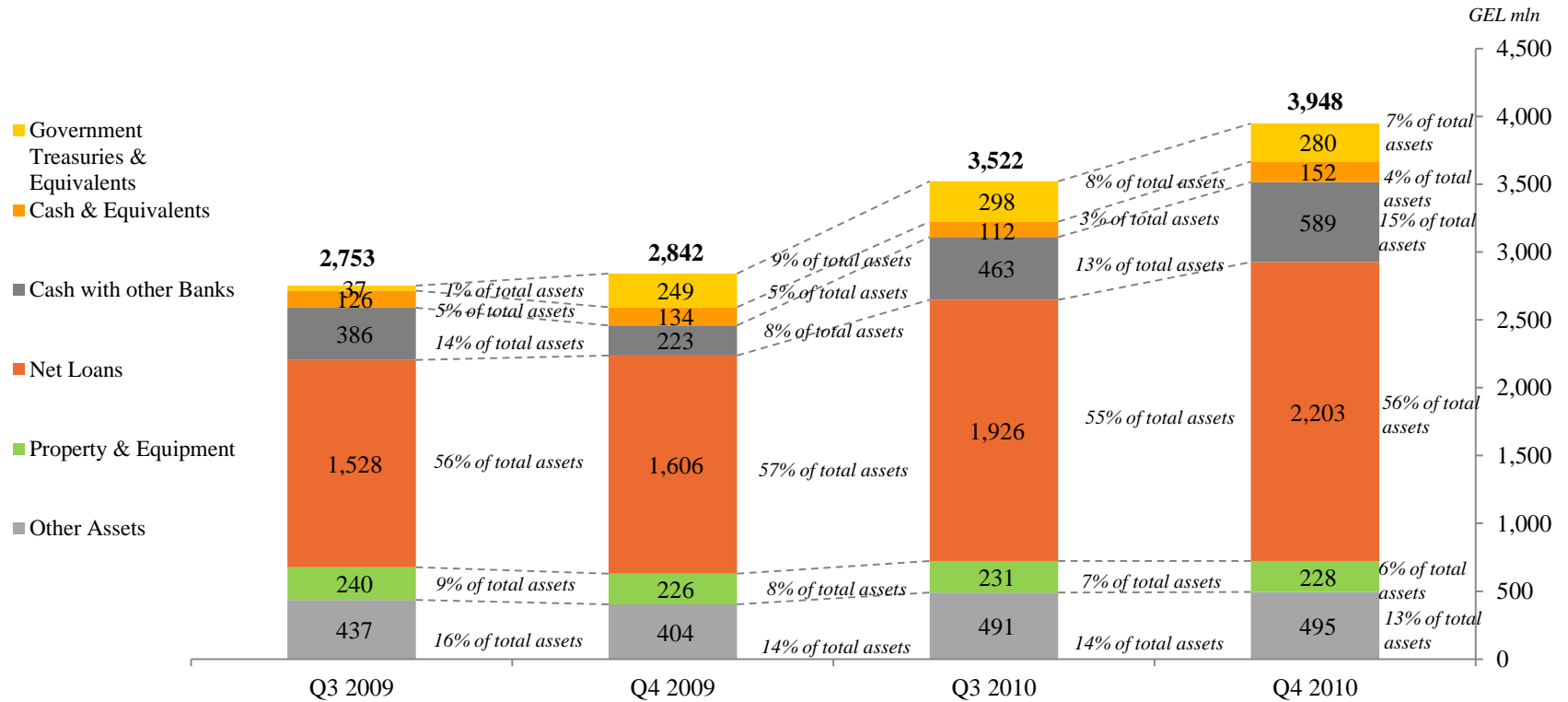
Net income



Cost/Income Ratio

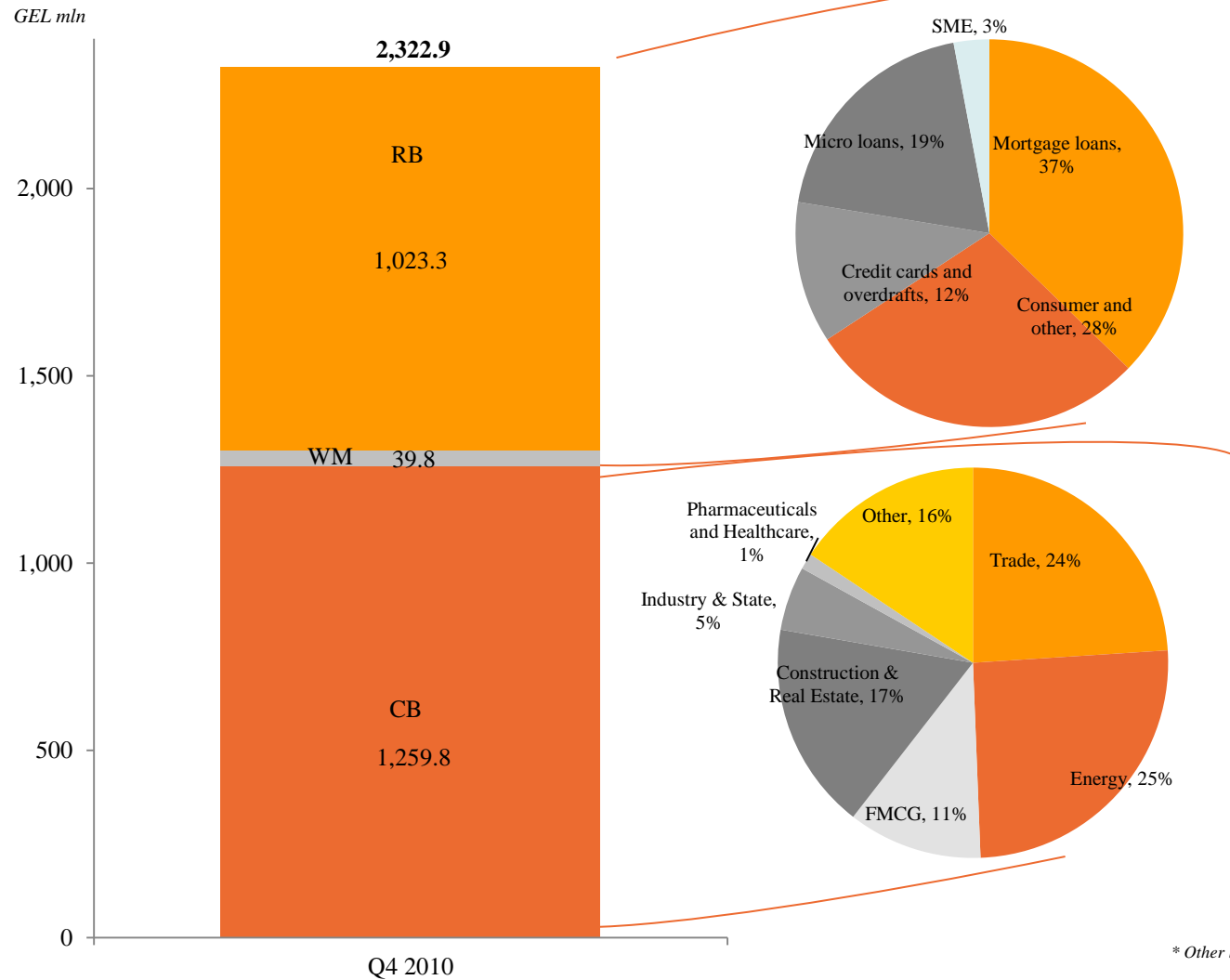


Composition of assets



GEL Million	Q3 2009	Q4 2009	Q3 2010	Q4 2010
Other Fixed Income Instruments	66	-	-	-
Investments In Other Business Entities & Investment Property	304	334	410	417
Intangible Assets Owned, Net	7	14	18	17
Goodwill	23	23	23	23
Tax Assets, Current And Deferred	-	7	7	7
Prepayments And Other Assets	37	26	34	31
Other assets	437	404	491	495

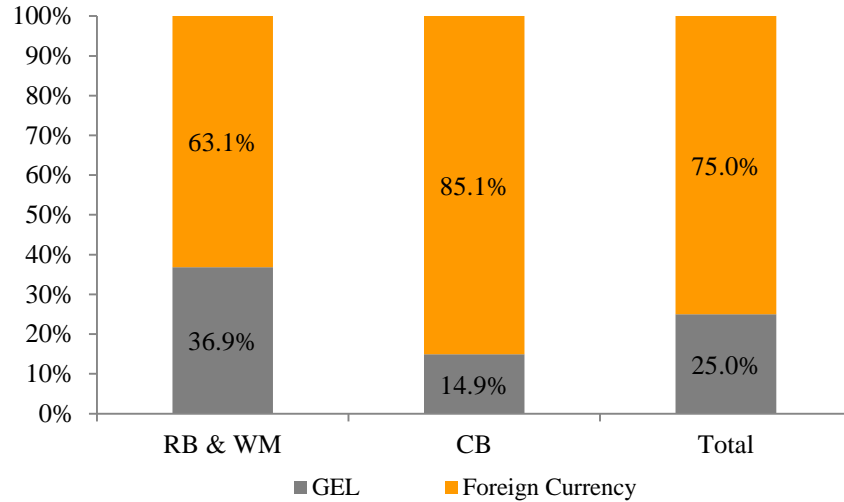
Loan book composition



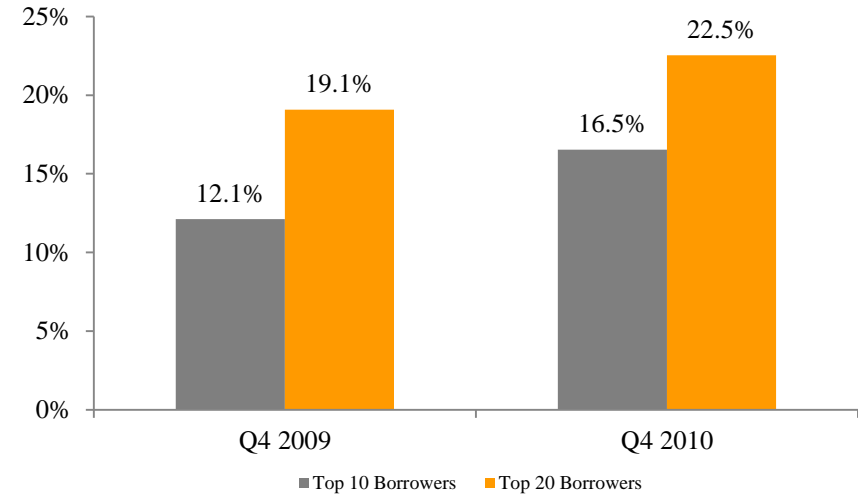
* Other loans include car, POS and legacy retail loans

Analysis of the loan book

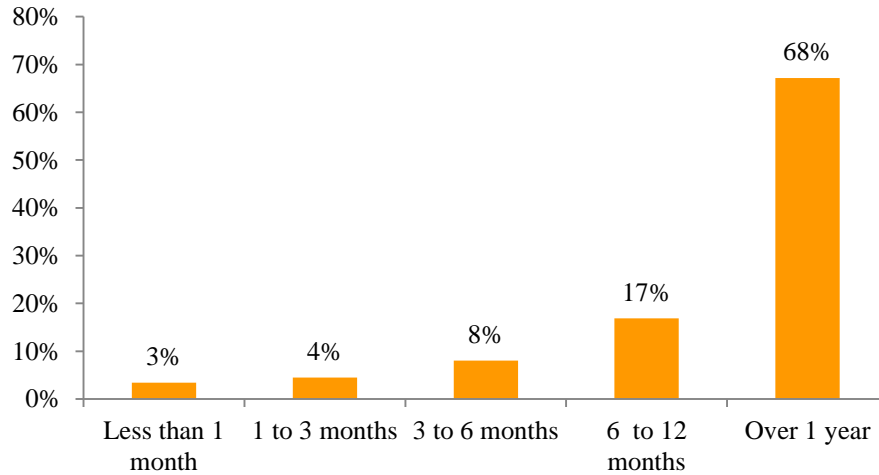
Loans by currency, 31 December 2010



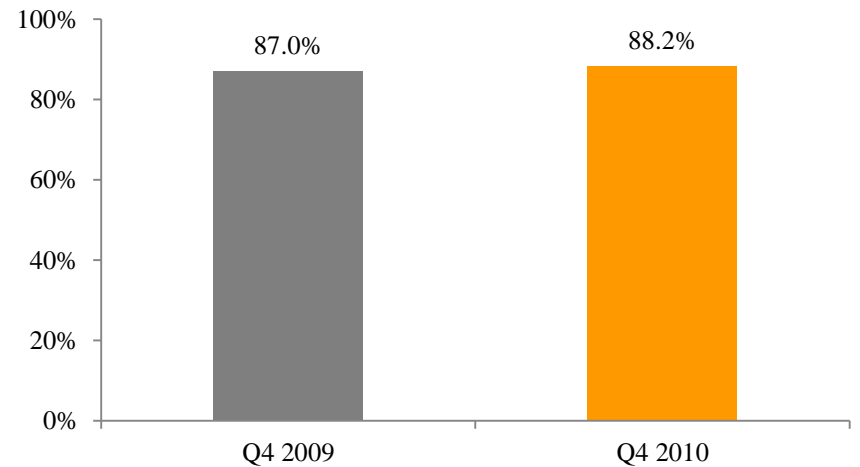
Loan concentration



Loans by maturity, 31 December 2010



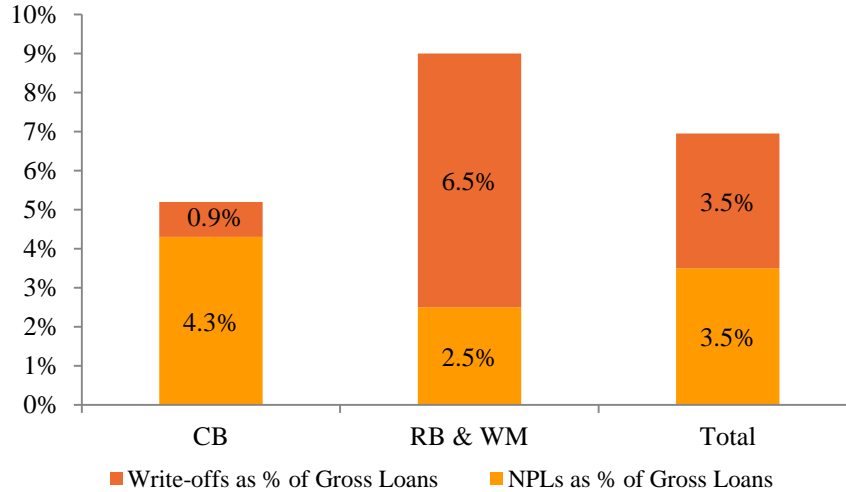
Loan book collateralization



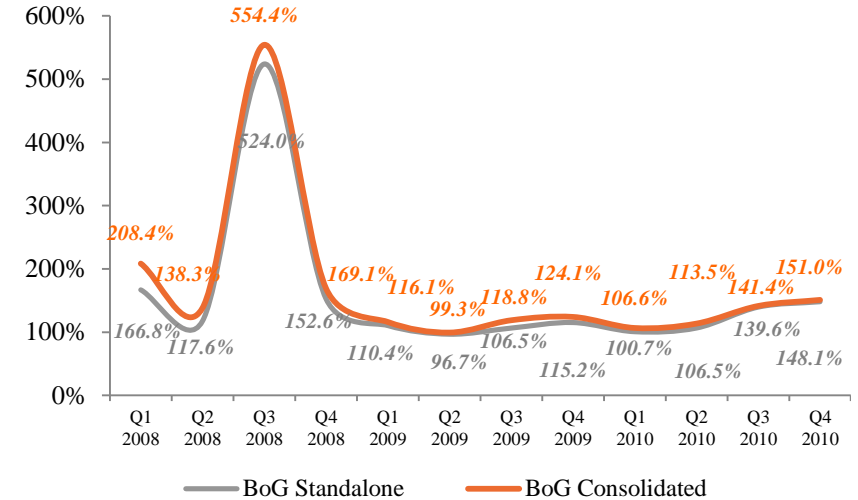
Provisioning

NPLs include 90 days overdue loans, including principal amount and interest payments

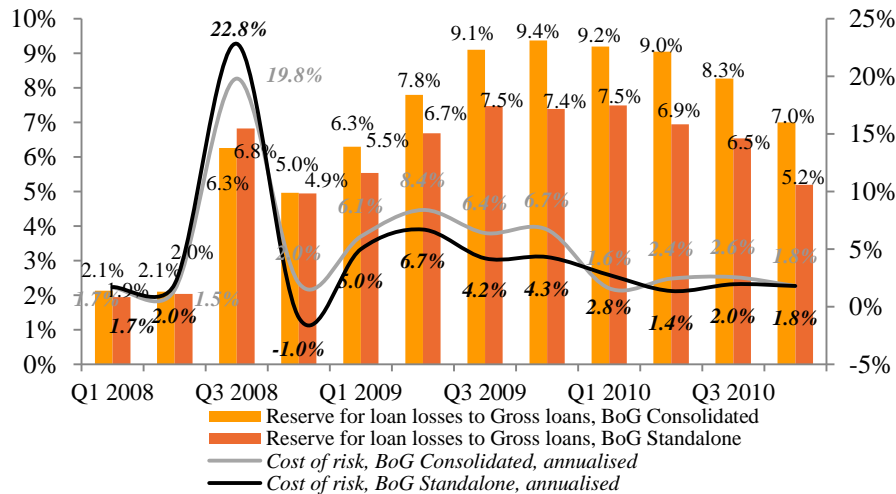
NPLs & write-offs, 31 December 2010



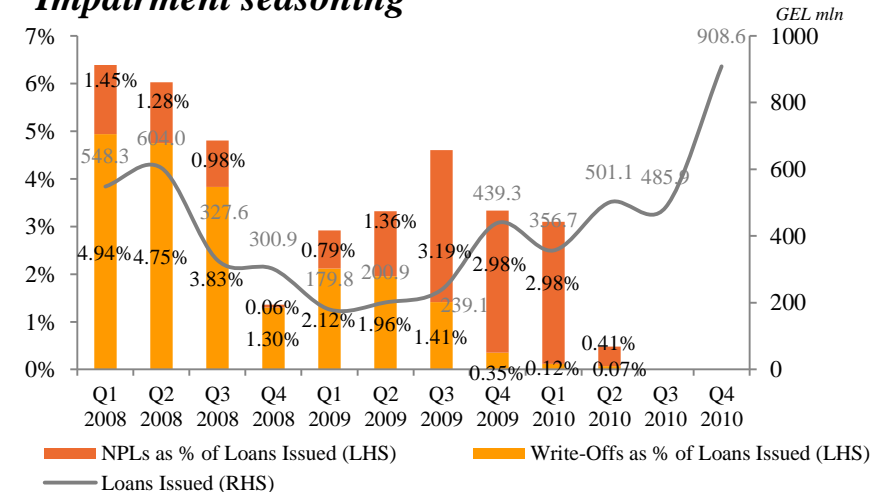
NPL coverage ratio



Reserve for loan losses to gross loans

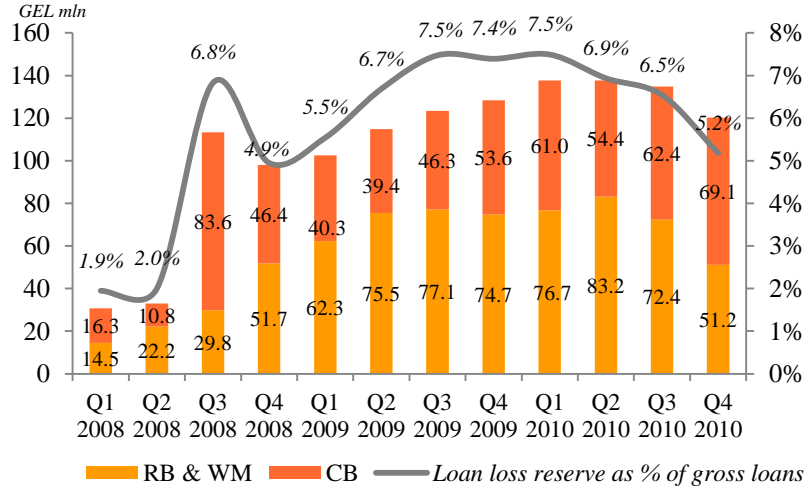


Impairment seasoning

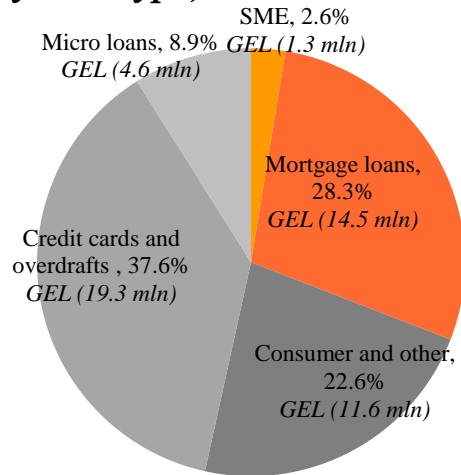


Provisioning cont'd – BoG standalone

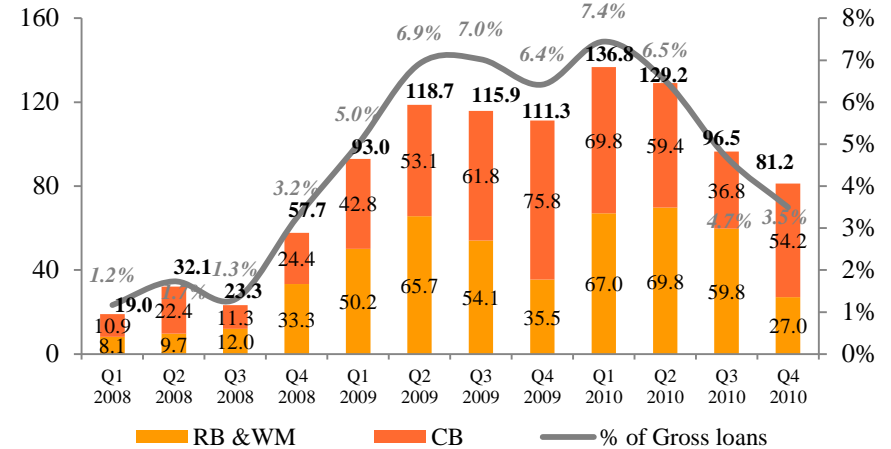
Loan loss reserve



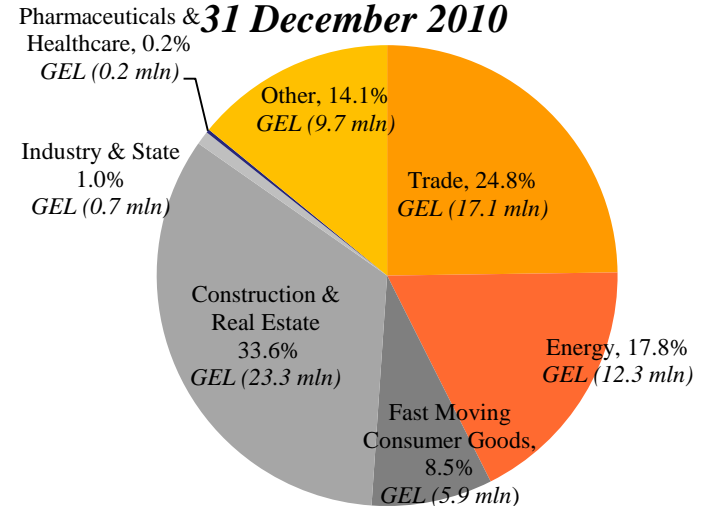
RB & WM loan loss reserve breakdown by loan type, 31 December 2010



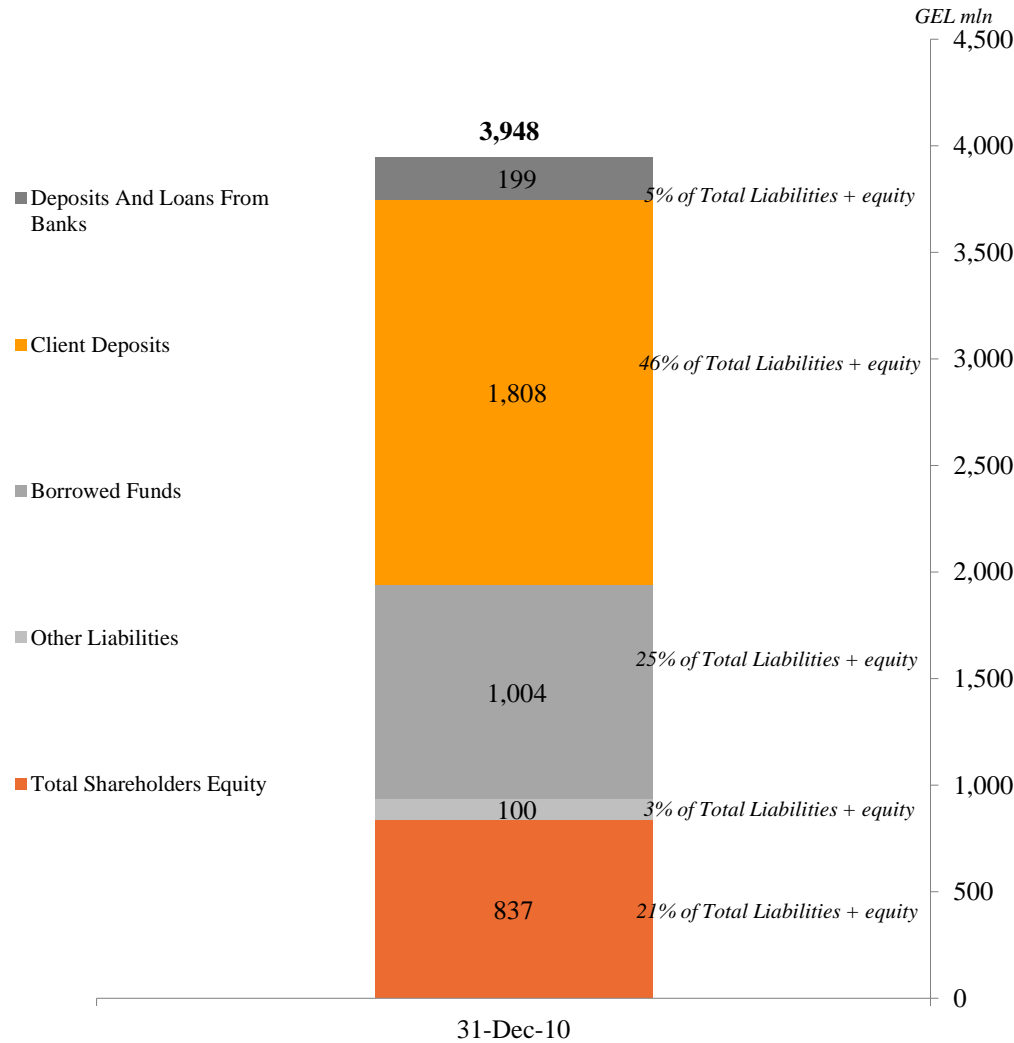
NPLs



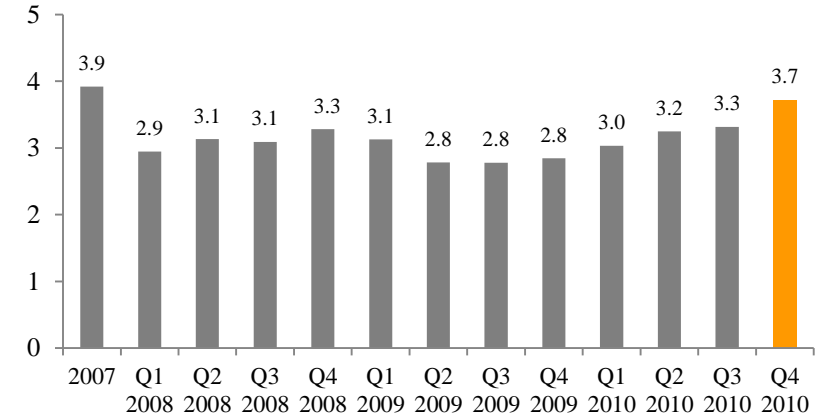
CB loan loss reserve breakdown by loan type, 31 December 2010



BoG standalone liabilities

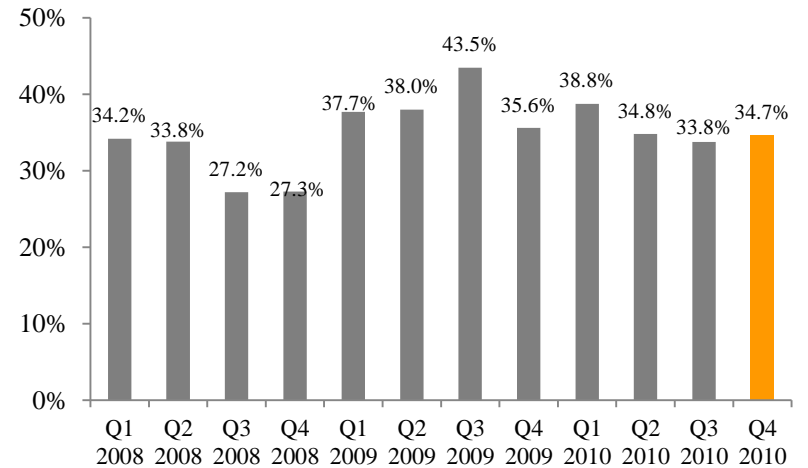


Leverage ratio, BoG standalone



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

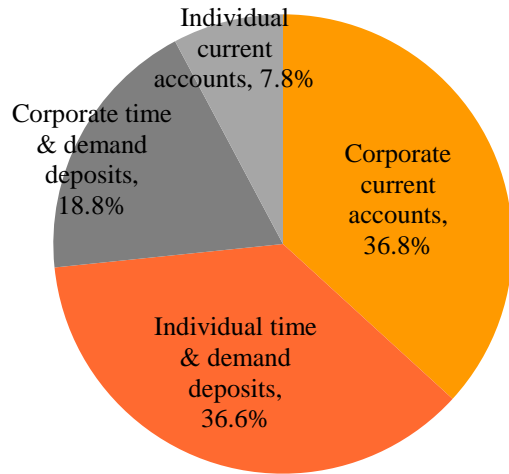
NBG Liquidity ratio, BoG standalone



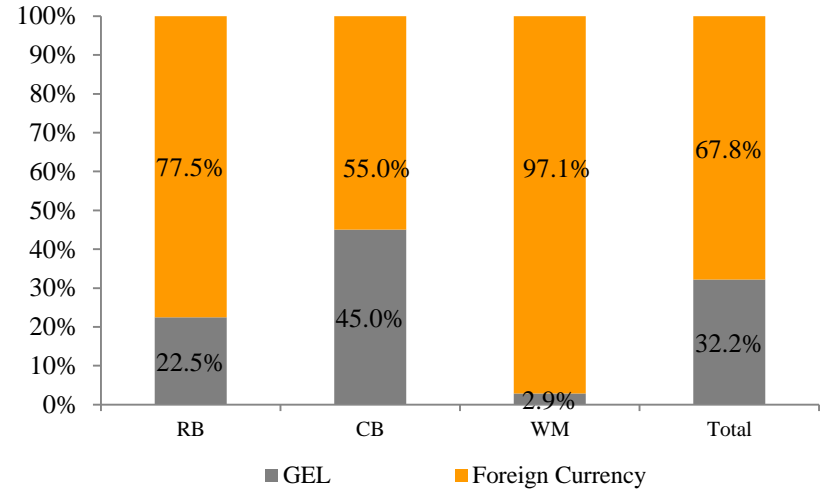
NBG Liquidity ratio is calculated by dividing liquid assets per NBG by Total liabilities per NBG

Analysis of deposits

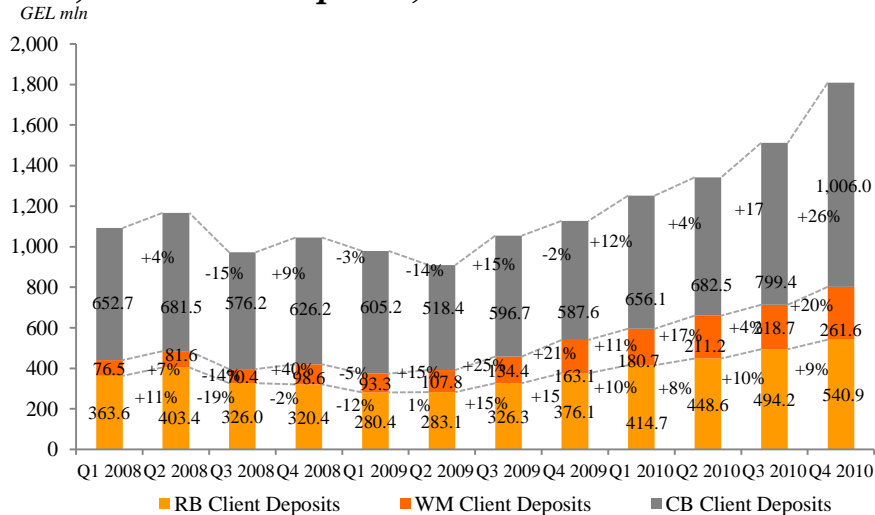
Client deposit breakdown, 31 December 2010



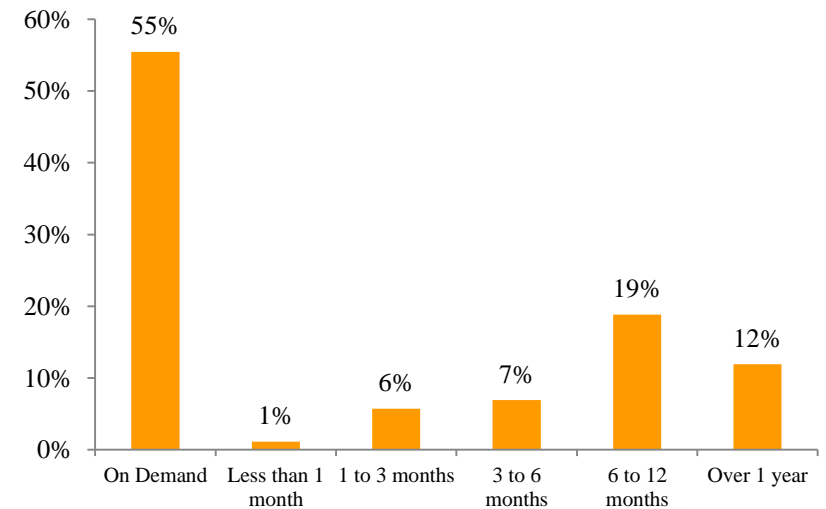
Client deposits by currency, 31 December 2010



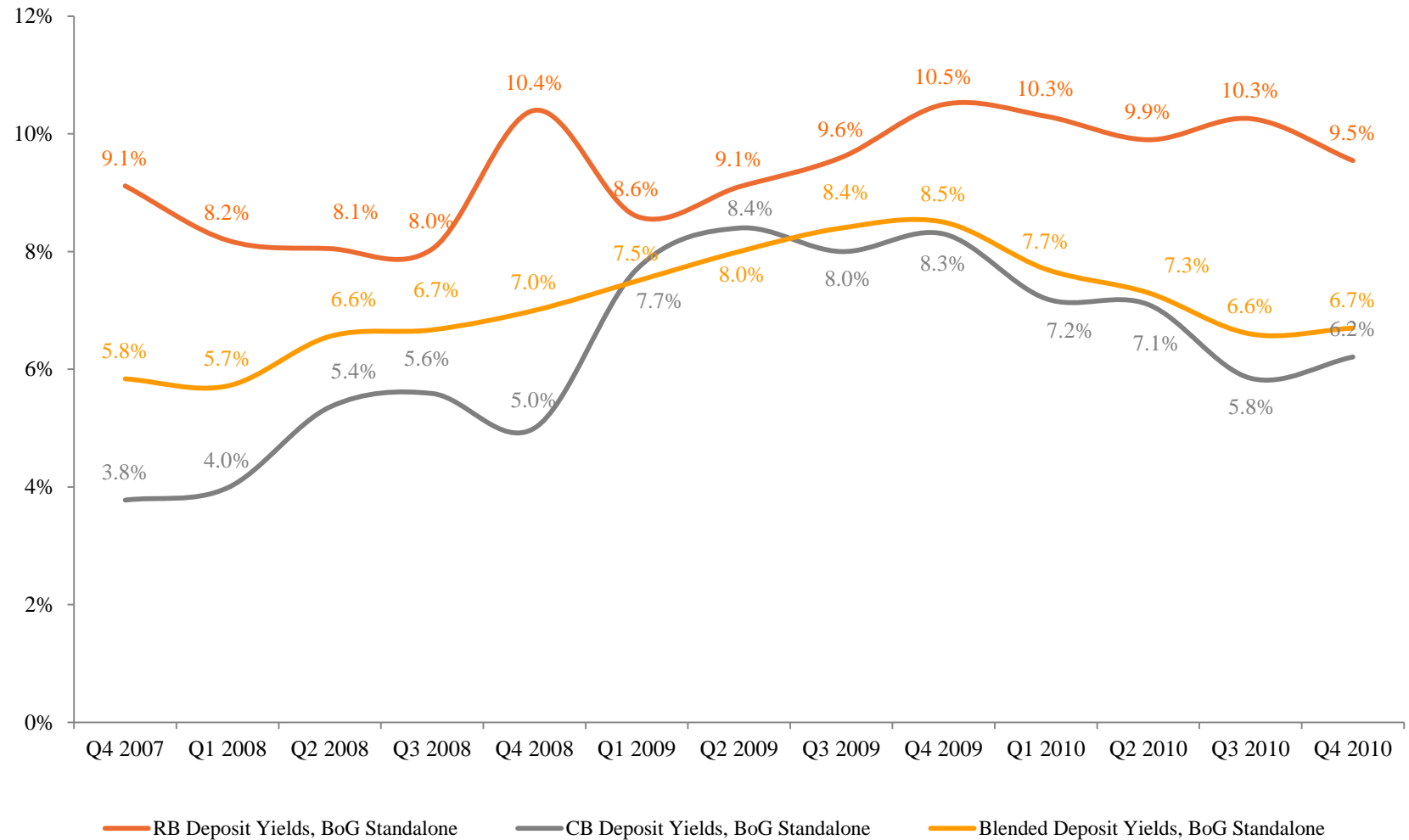
CB, RB & WM deposits, BoG standalone



Deposits by maturity, 31 December 2010

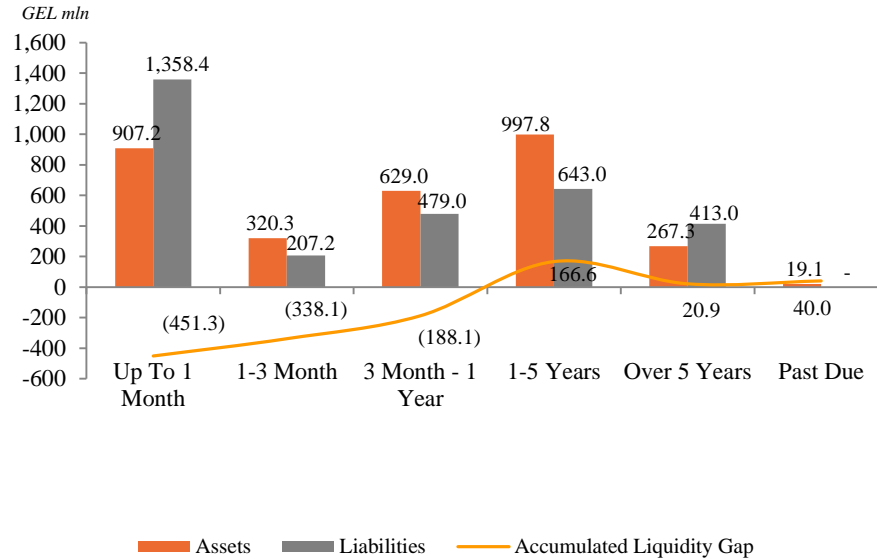


Deposit yields

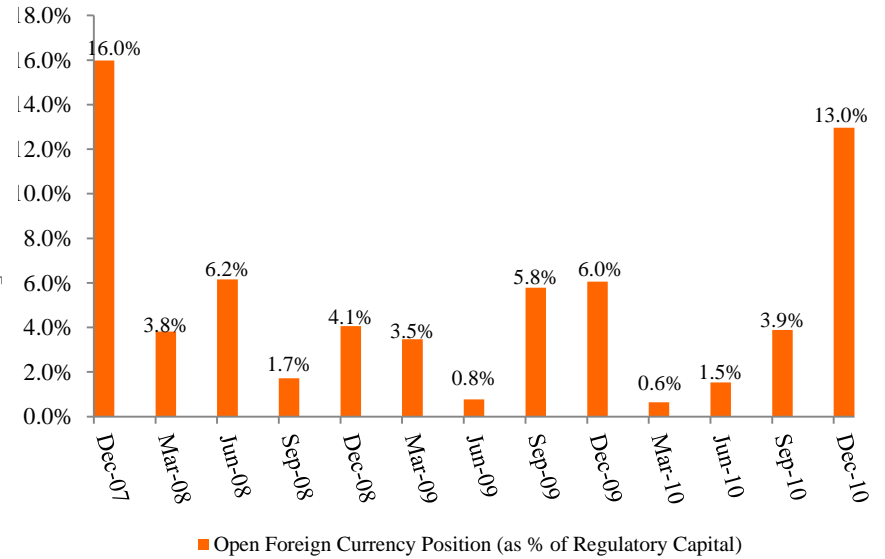


Risk management

Liquidity risk management, 31 December 2010



Currency risk management, 31 December 2010



Corporate banking

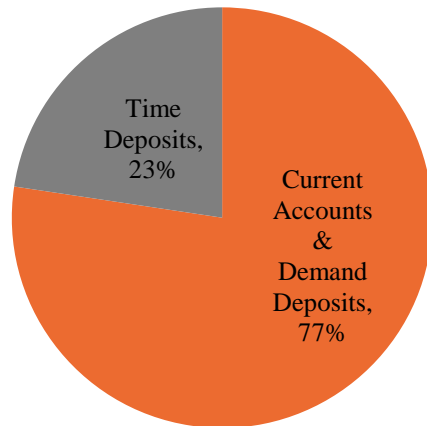
Integrated client coverage in the following key sectors

- 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 36% market share based on customer deposits⁽¹⁾
- Circa 29.6% market share based on corporate loans⁽²⁾
- Integrated client coverage in key sectors
- 93,507 clients of which 9,171 served by dedicated relationship bankers
- Circa 47% 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 1,657 in Q3 2010 to 1,737 in Q4 2010
- More than 8,300 corporate accounts were opened at the bank in Q4 2010, bringing the total number of current accounts to 179,411

Corporate client deposits, 31 December 2010

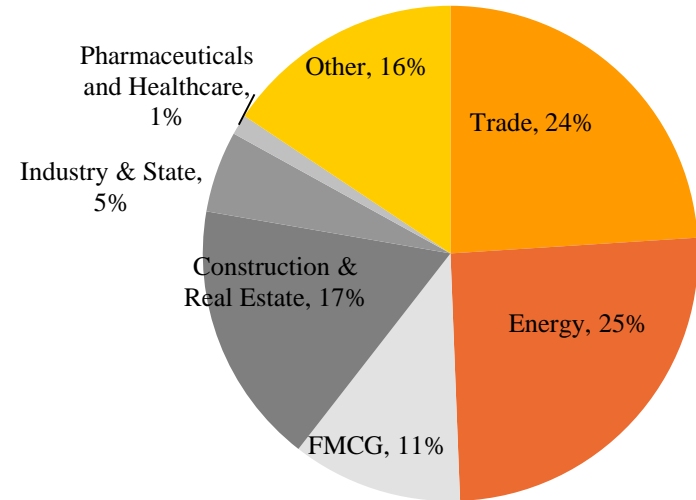


Notes: **Total corporate deposits: GEL 1,006 mln**

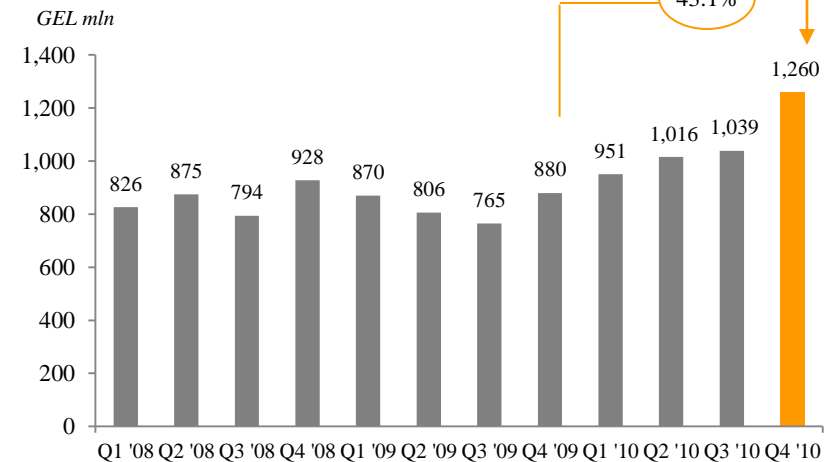
(1) source: National Bank of Georgia, does not include interbank deposits

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

Corporate loan portfolio, 31 December 2010

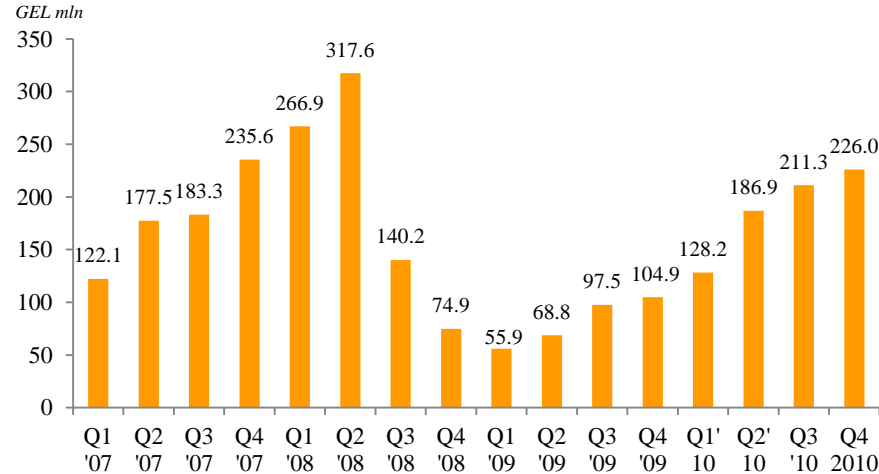


Corporate gross loan portfolio growth

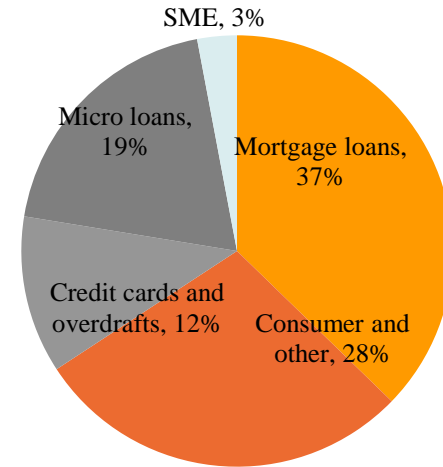


Retail Banking – No. 1 retail bank in Georgia

Retail loans originated



RB loan portfolio, 31 December 2010



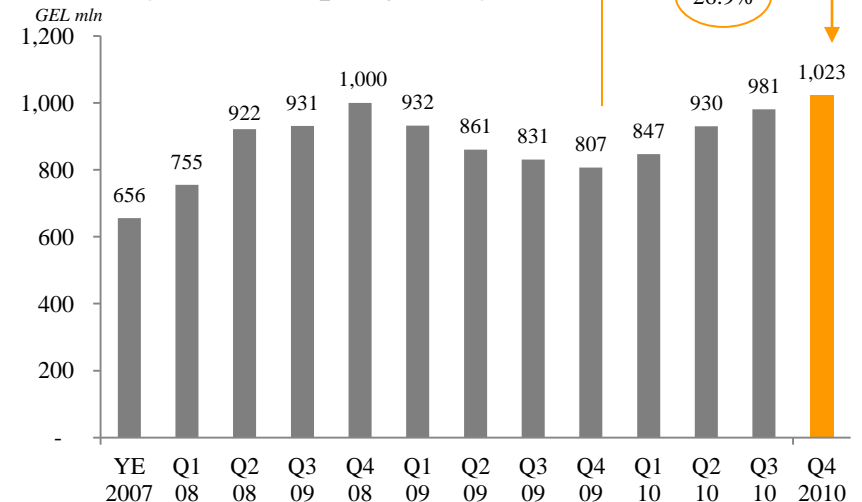
Leadership in consumer lending

Q4 2009 Q3 2010 Q4 2010

• Number of Retail Clients	732,241	729,578	739,522
▪ Number of consumer loans outstanding	49,608	58,121	67,243
• Volume of consumer loans outstanding (GEL mln)	114	147	163
• Credit Cards Outstanding, of which	77,330	94,480	106,809
▪ American Express cards	2,070	32,726	58,711
• Number of Solo clients outstanding, (premier banking)	87	1,608	2,303

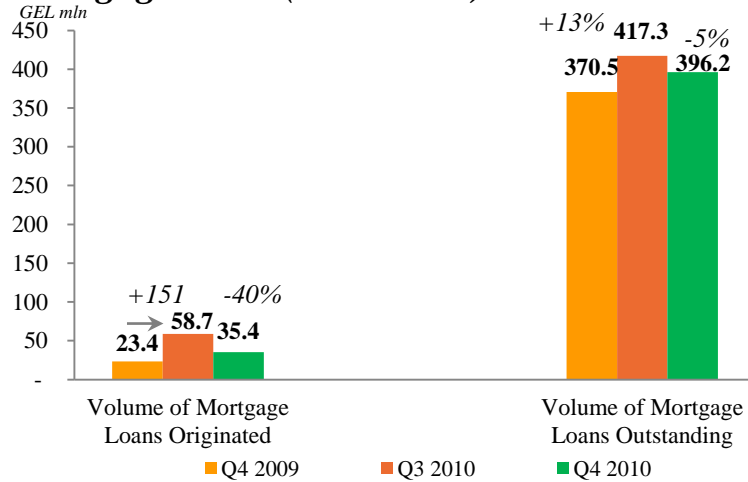
Total retail loans: GEL 1,023.3 mln *Note: does not include Ukraine & Belarus*

Retail gross loan portfolio growth

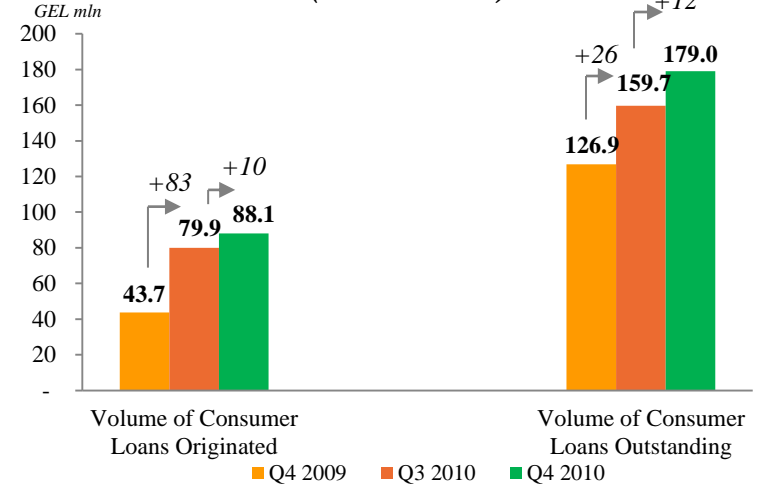


Retail loan book analysis

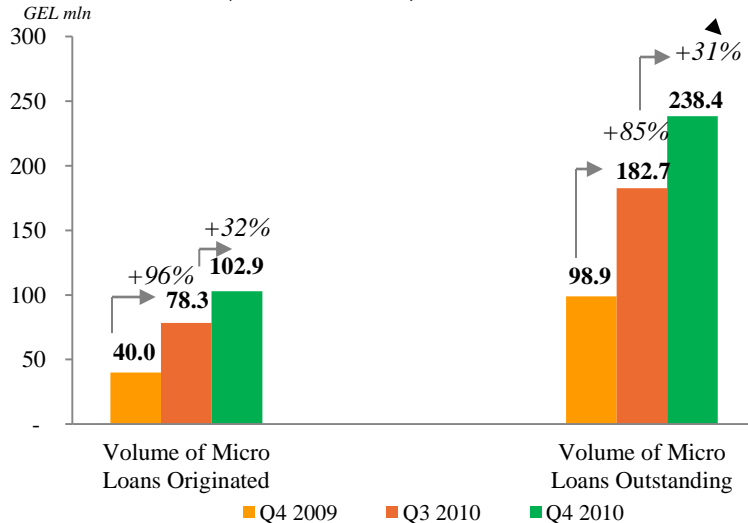
Mortgage loans (RB & WM)



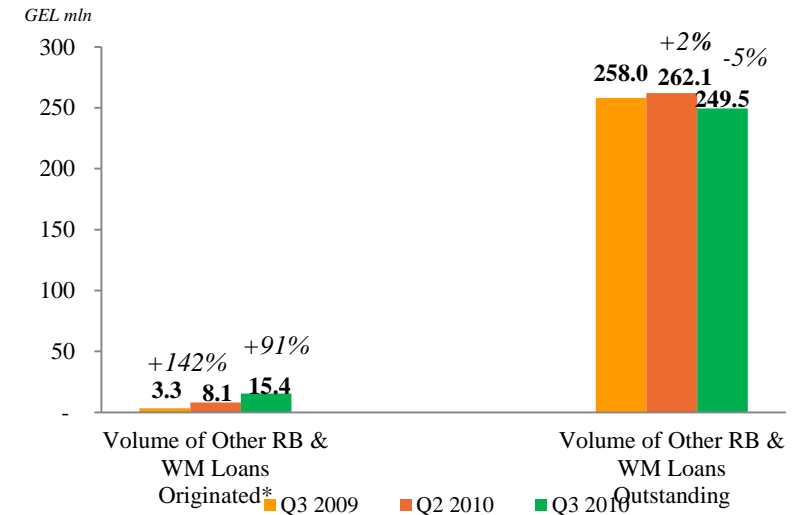
Consumer loans (RB & WM)



Micro loans (RB & WM)

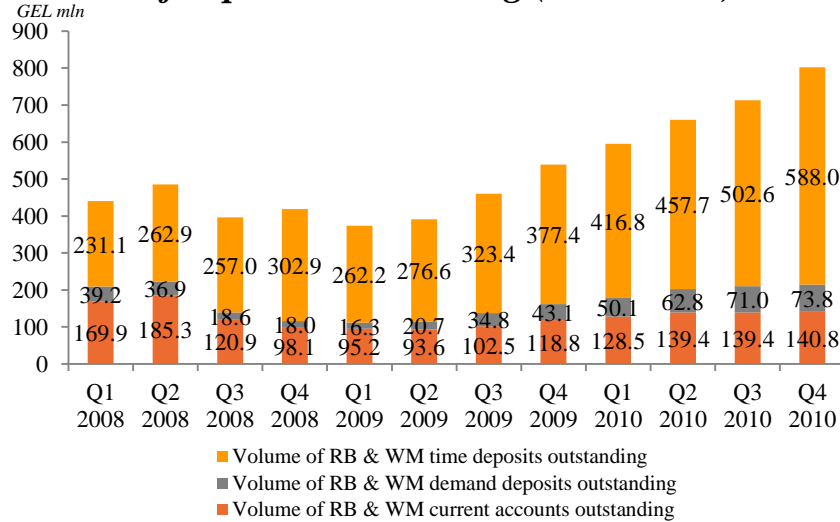


Other RB & WM loans

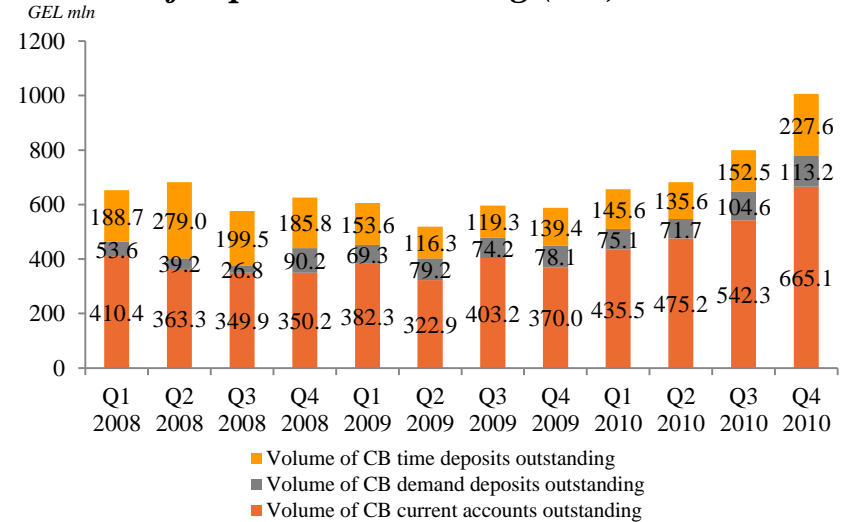


Deposit analysis

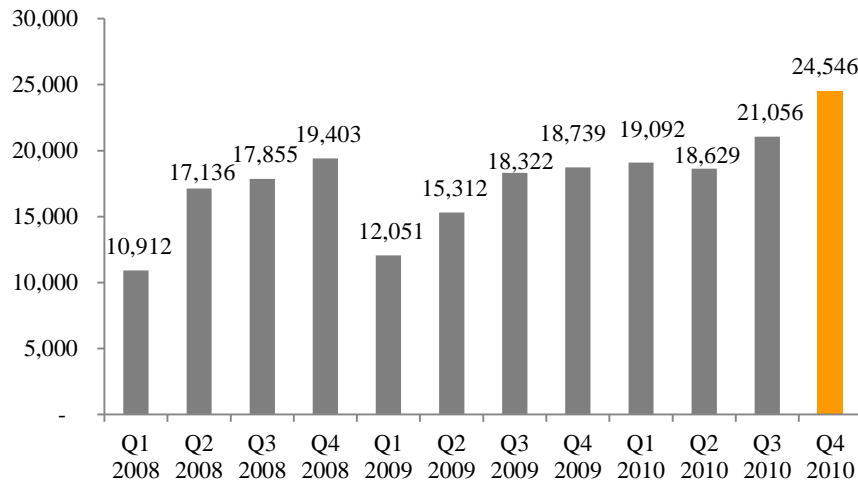
Volume of deposits outstanding (RB & WM)



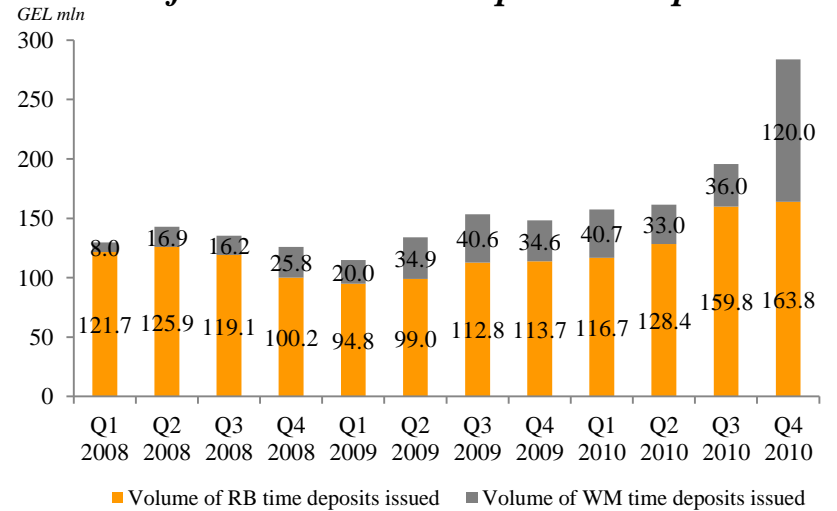
Volume of deposits outstanding (CB)



Number of RB & WM time deposits accepted

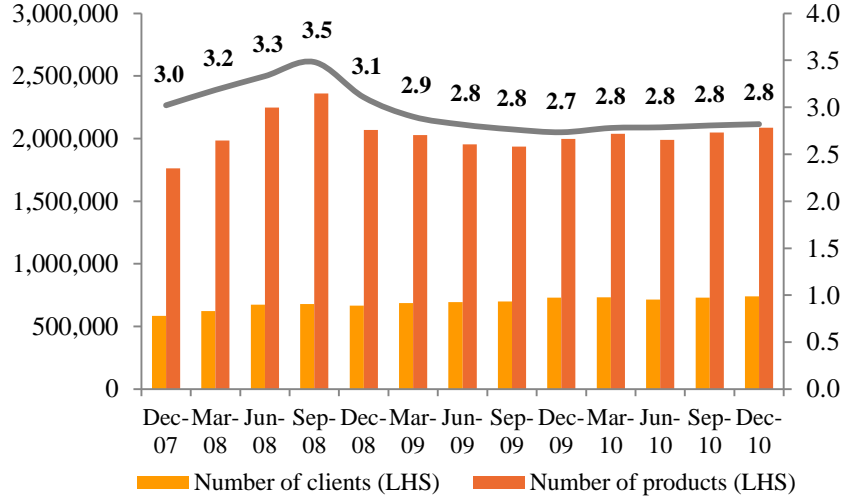


Volume of RB & WM time deposits accepted

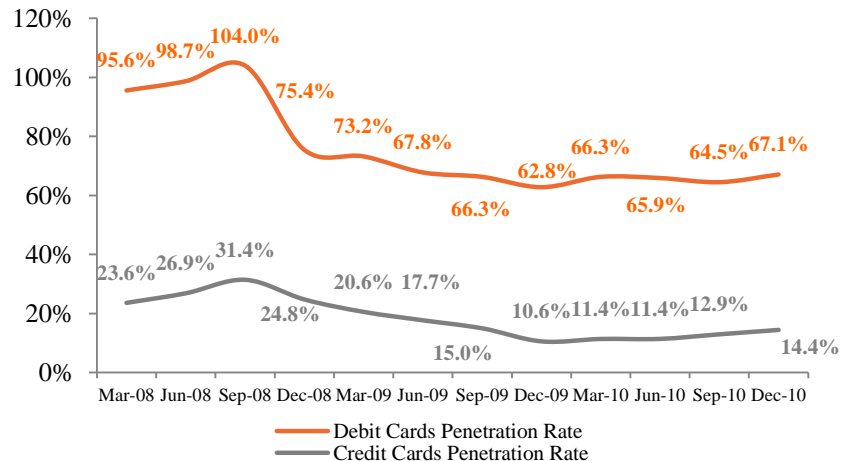


RB cross-selling

Product/client ratio

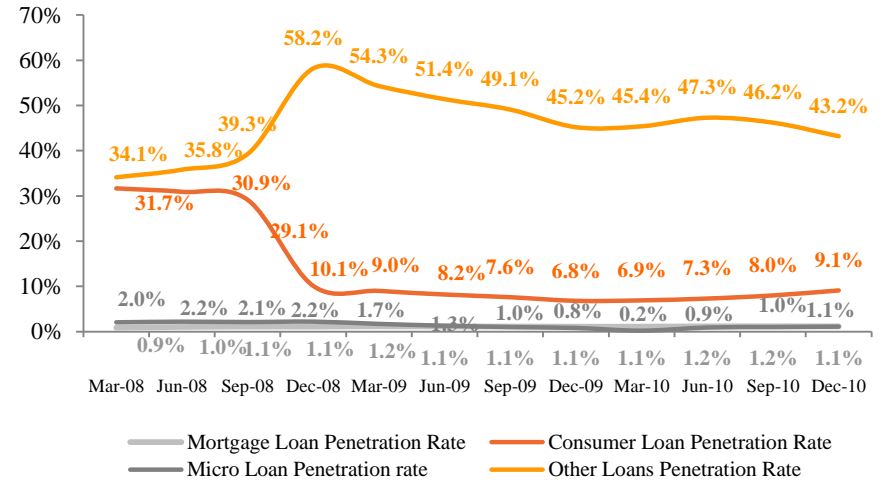


Cards penetration rate*

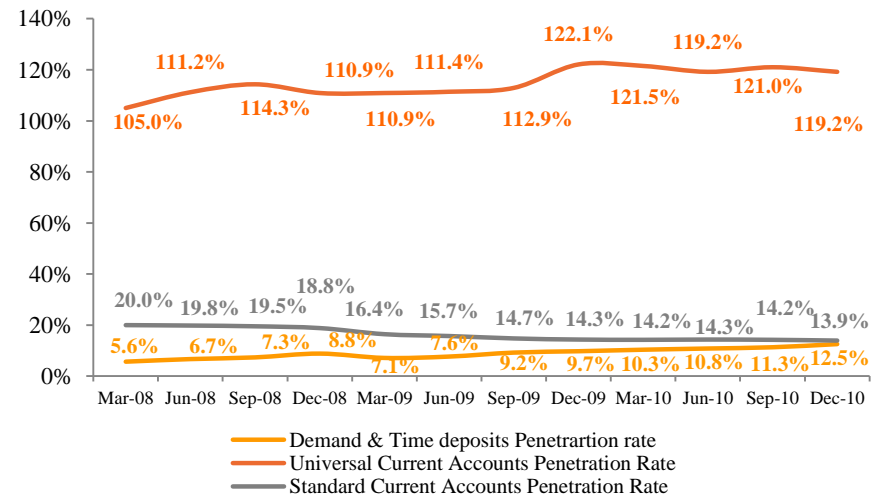


* Calculated as percentage of Bank of Georgia clients for the period

RB loans penetration rate*



Current accounts & deposits penetration rate*



Card processing

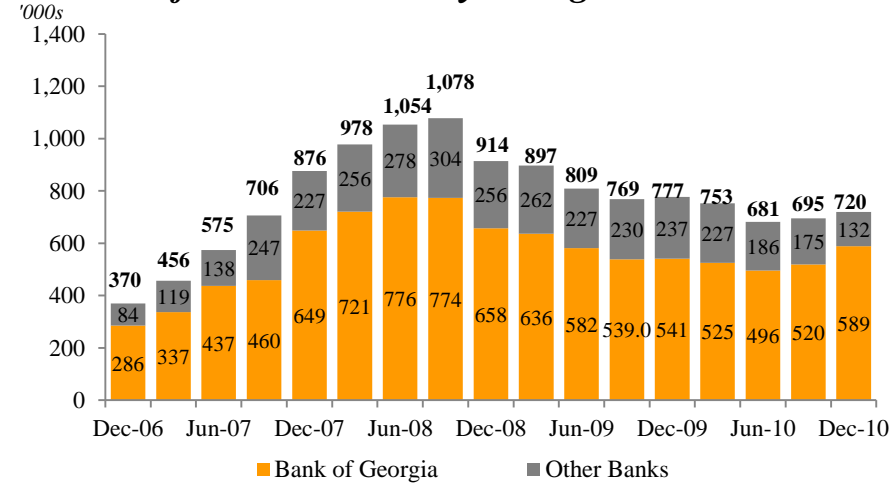


- 56% ownership of Georgian Card

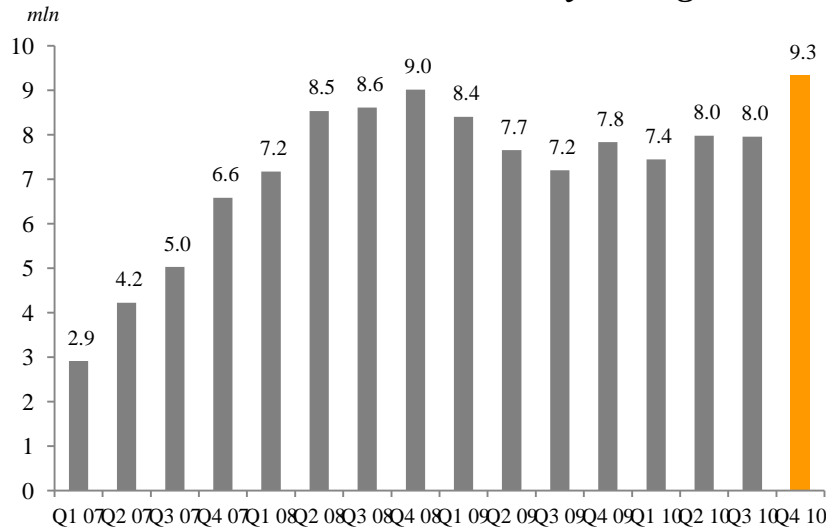
Client banks



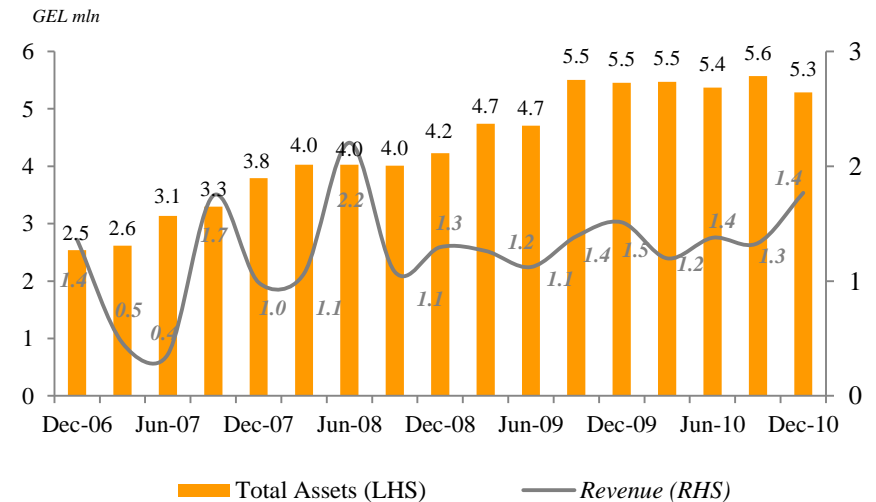
Number of cards serviced by Georgian Card



Cars transaction authorizations by Georgian Card

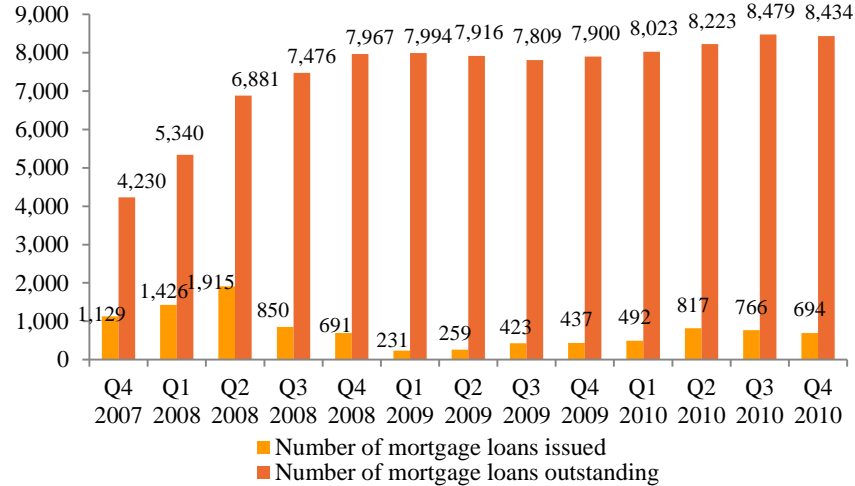


Georgian Card's revenue & assets



Analysis of mortgage portfolio

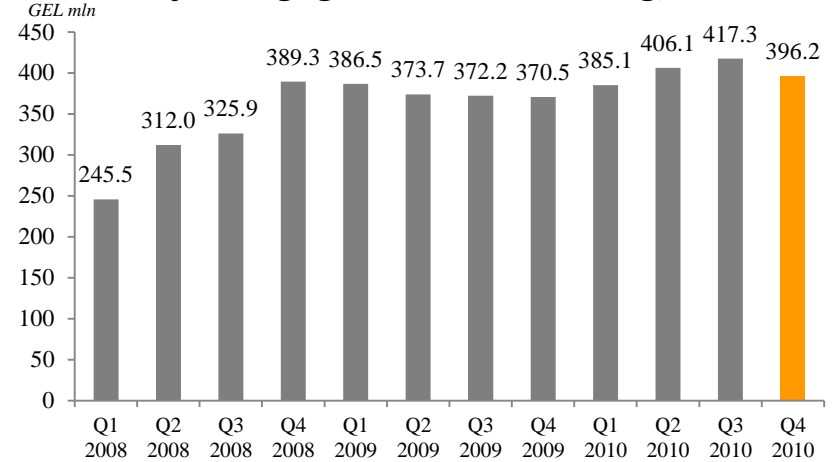
Number of mortgage loans issued & outstanding



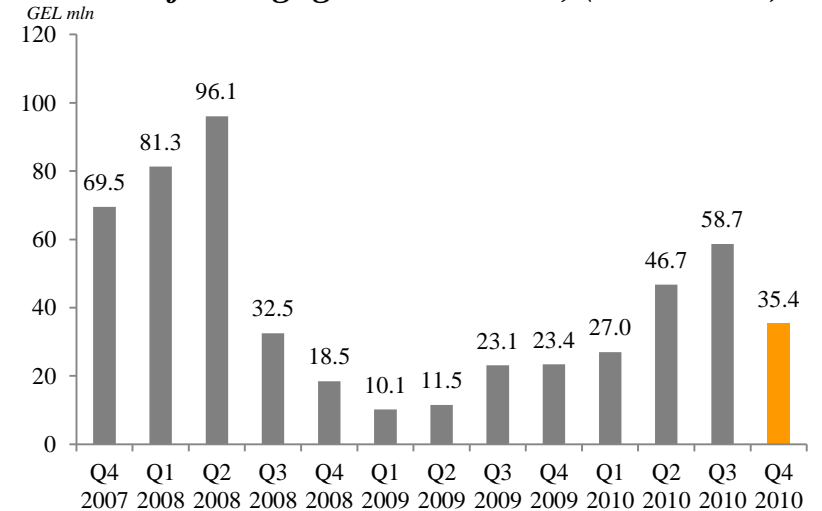
Typical mortgage terms

- 🏠 Rate: 13% - 15%
- 🏠 Tenor: Normally 6-120 months
- 🏠 Currency: US\$
- 🏠 LTV: Normally 75% - 90%

Volume of mortgage loans outstanding, (RB & WM)

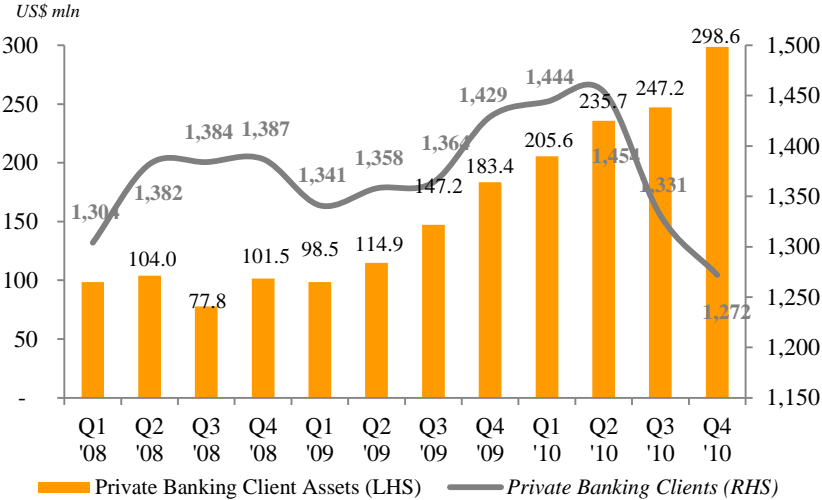


Volume of mortgage loans issued, (RB & WM)



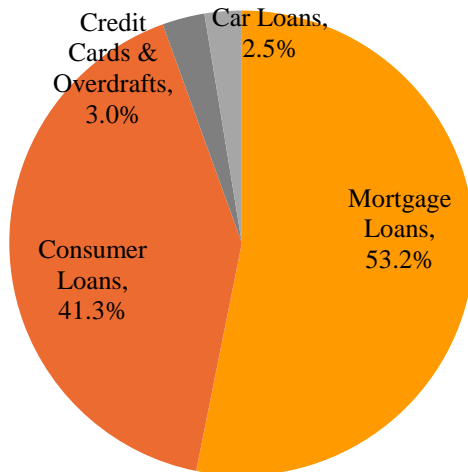
Wealth Management (WM) performance review

WM clients and client assets

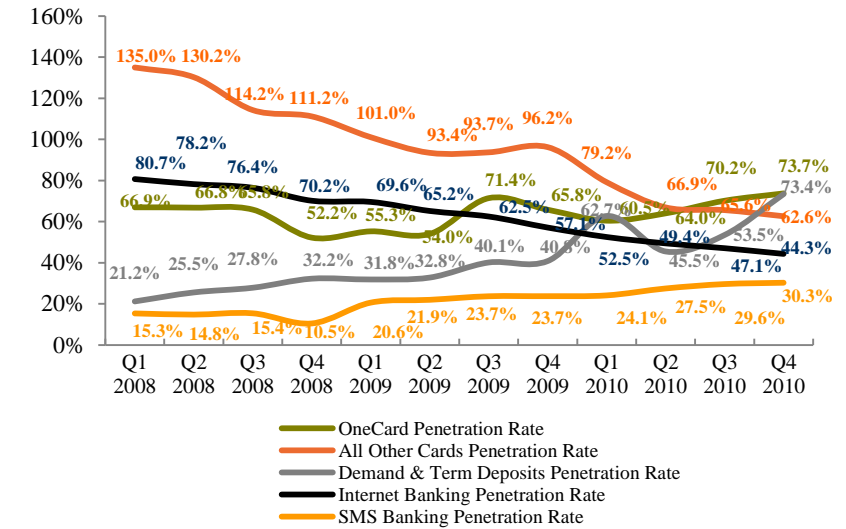


Notes: WM Client Assets include: Balances on OneCard Accounts, Credit Balances on Other Cards, Credit Balances on Regular Current Accounts, Demand & Time Deposits, Brokerage & Asset Management Accounts, Pensions

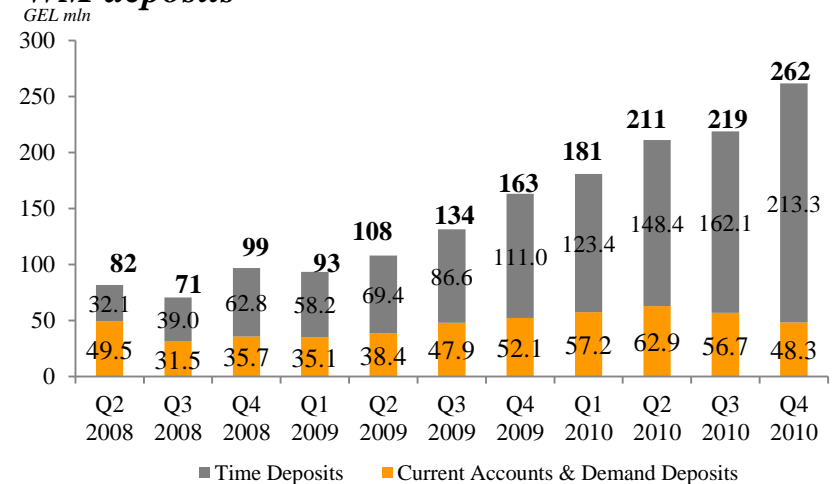
WM loans, 31 December 2010



WM products penetration



WM deposits





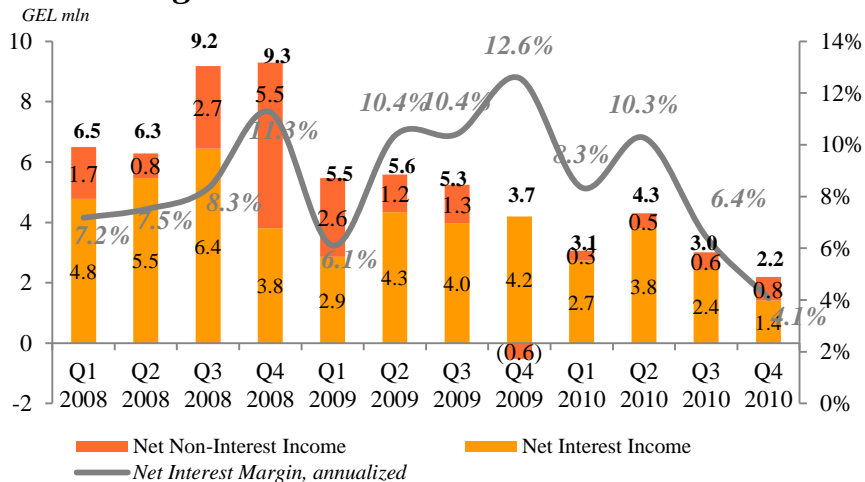
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BANK OF GEORGIA

BG Bank (Ukraine) standalone results overview

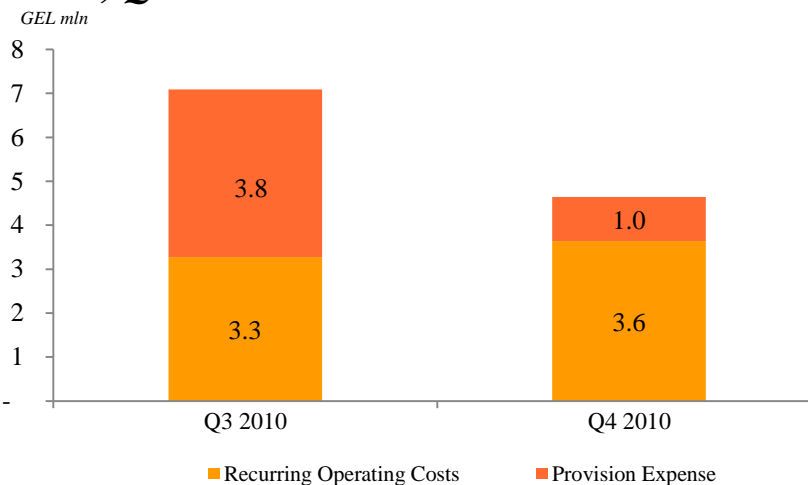
February 2011

BG Bank performance

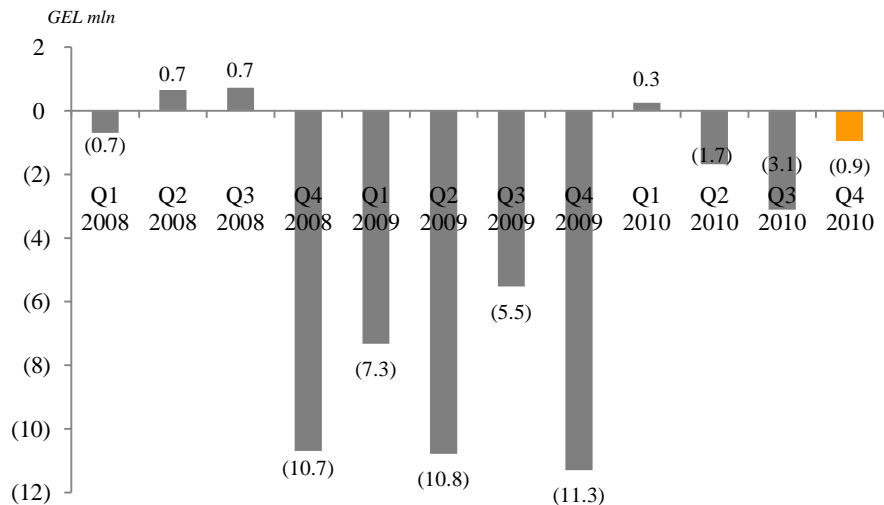
Revenue growth



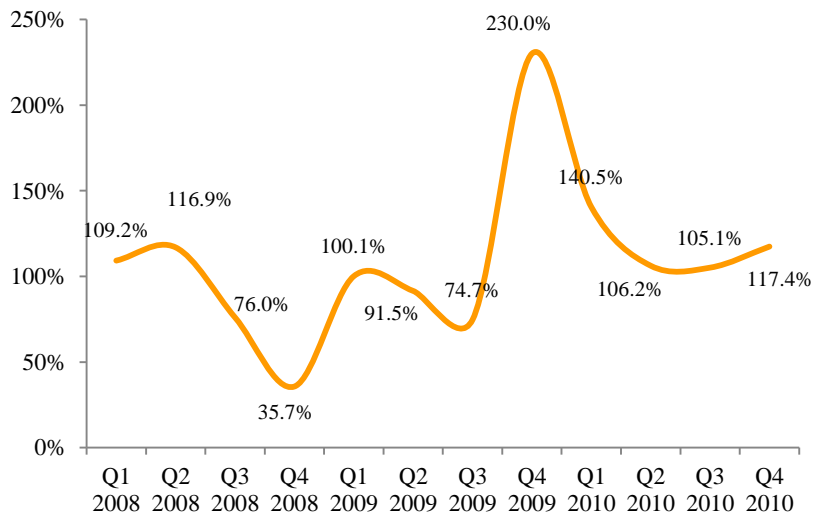
Costs, Q4 2010



Net income

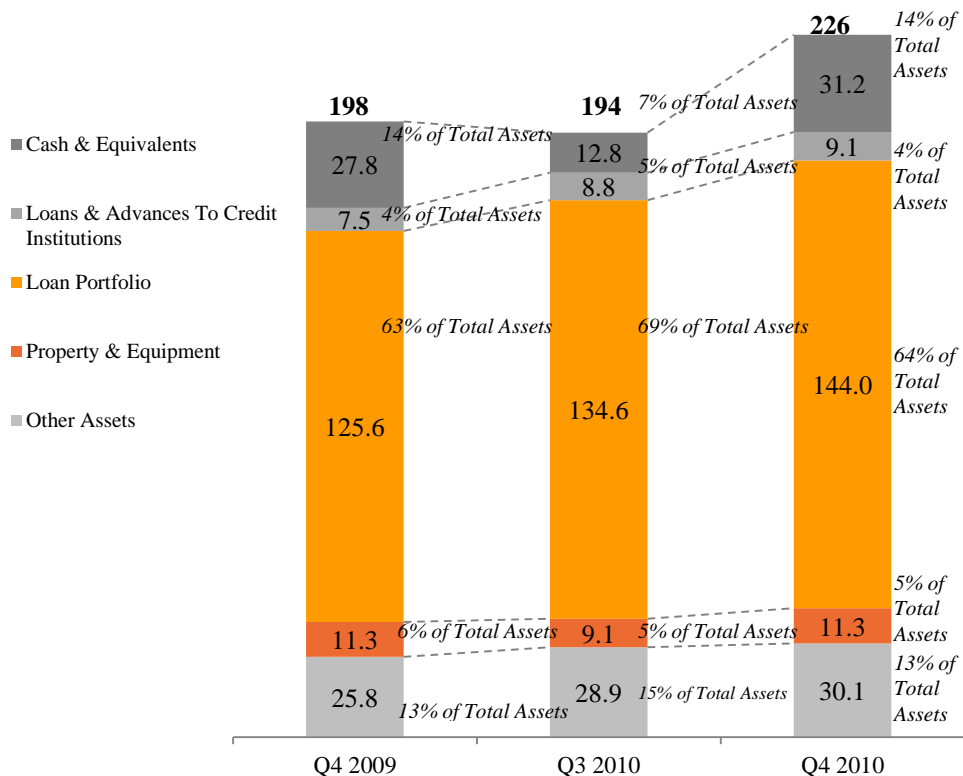


Cost/Income Ratio

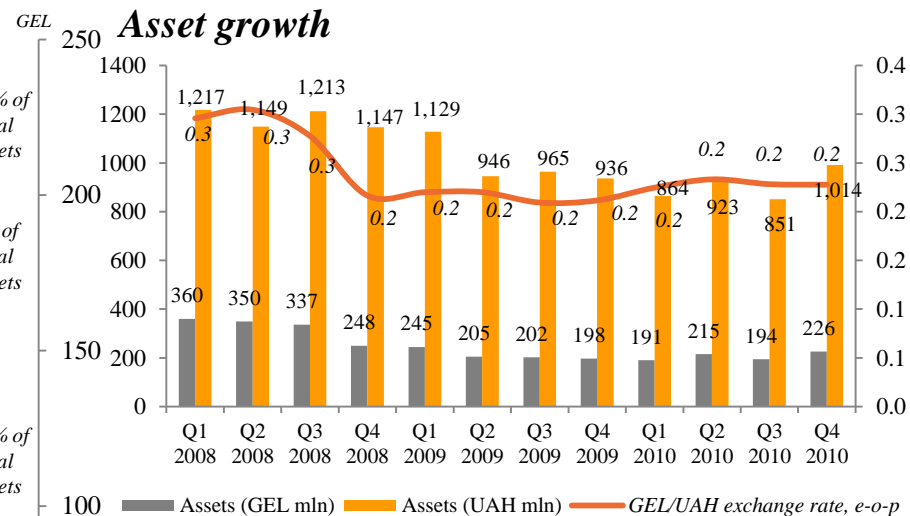


BG Bank assets

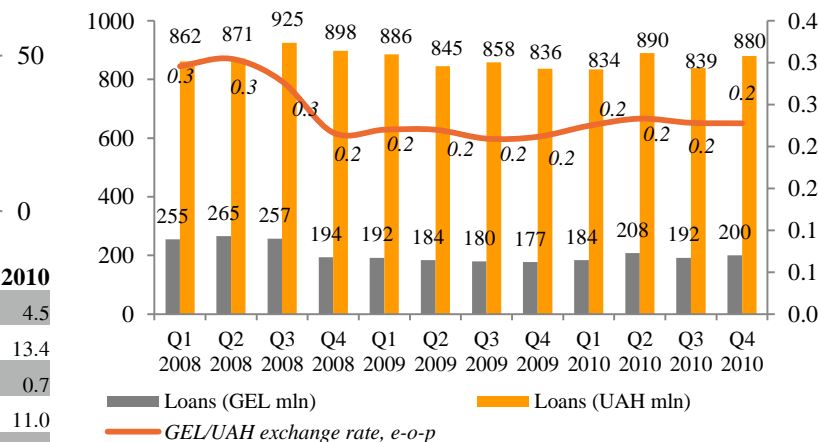
No international loan



GEL million	Q4 2009	Q3 2010	Q4 2010
Available-For-Sale Securities	6.2	-	4.5
Investment Property	7.3	15.4	13.4
Intangible Assets Owned, Net	1.0	0.8	0.7
Tax Assets, Current And Deferred	10.1	11.8	11.0
Prepayments And Other Assets	1.2	1.0	0.6
Other assets	25.8	28.9	30.1

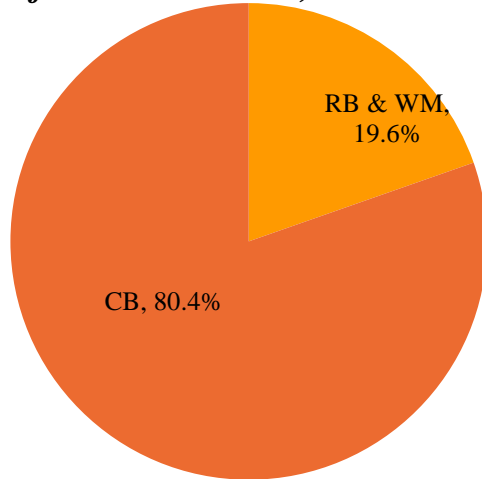


Gross loan book growth



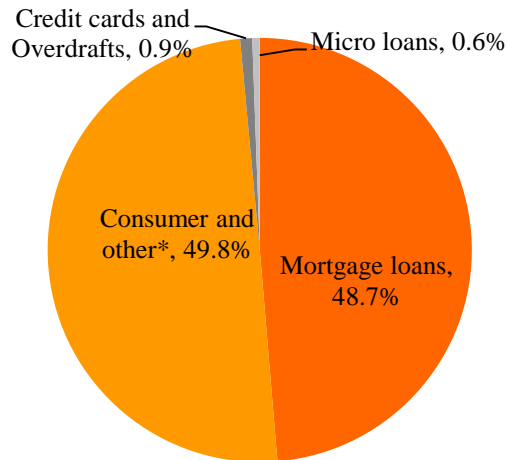
BG Bank loan portfolio

Loan portfolio breakdown, 31 December 2010



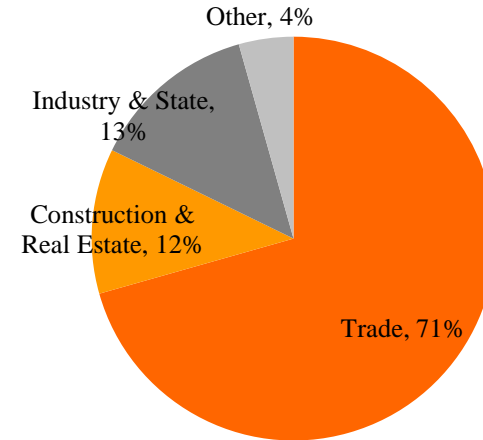
Gross loans: GEL 200.4 million

Retail loan portfolio breakdown, 31 December 2010



Total retail loans: GEL 37.1 million

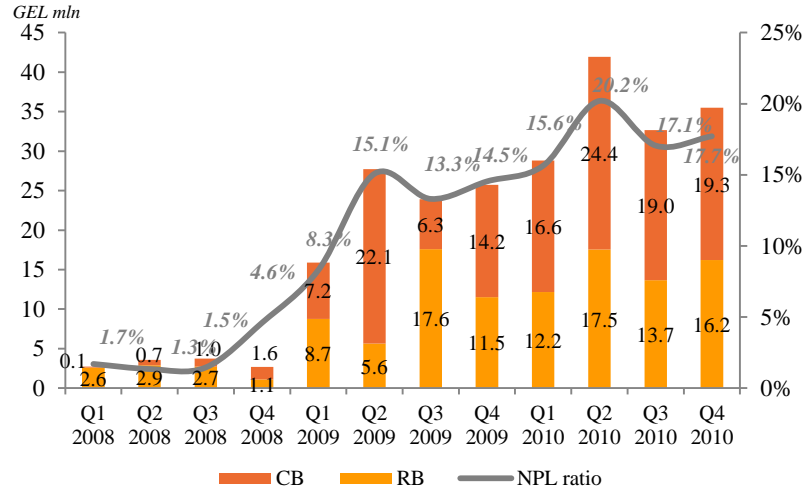
Corporate loan portfolio breakdown, 31 December 2010



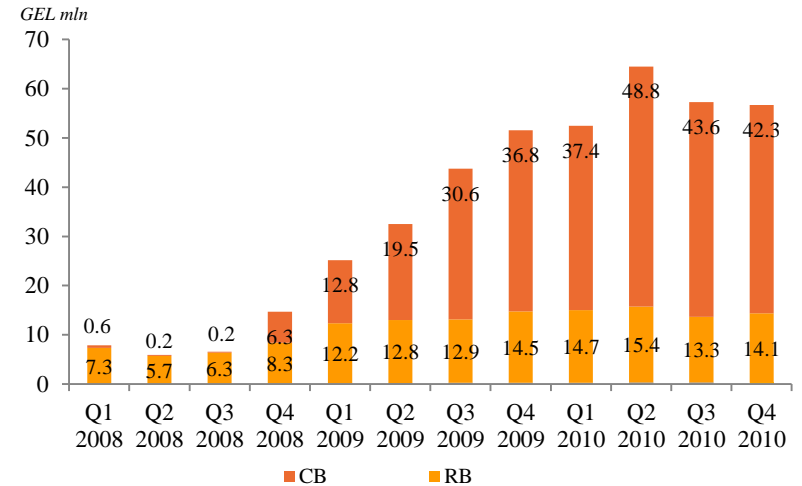
Gross corporate loans: GEL 161.0 million

BG Bank provisioning policy

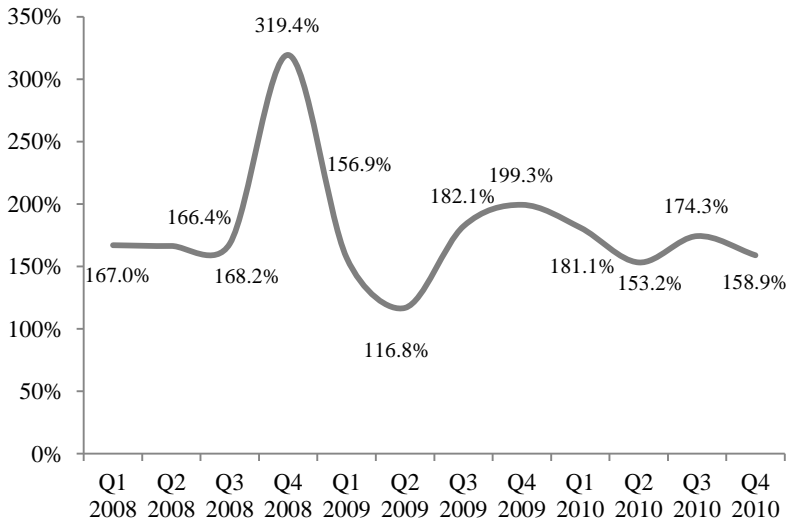
NPLs



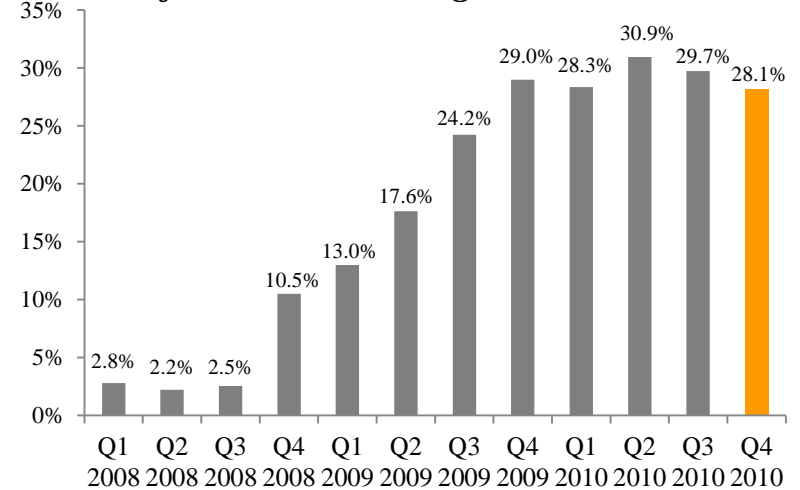
Loan loss reserve



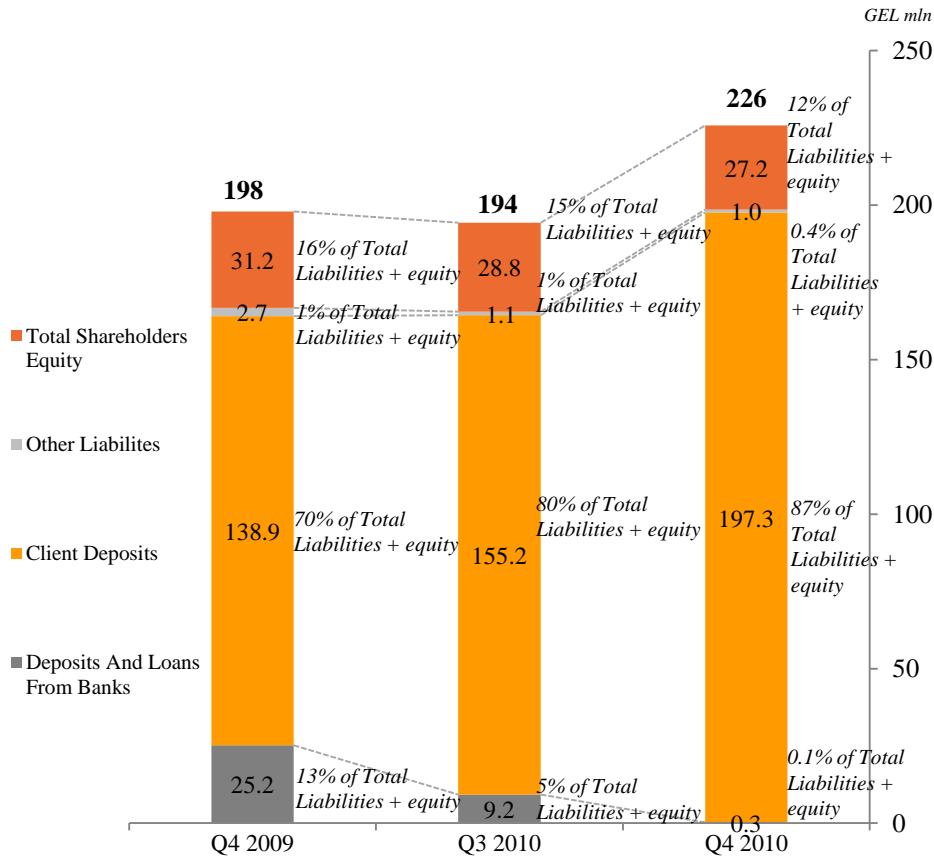
NPL coverage ratio



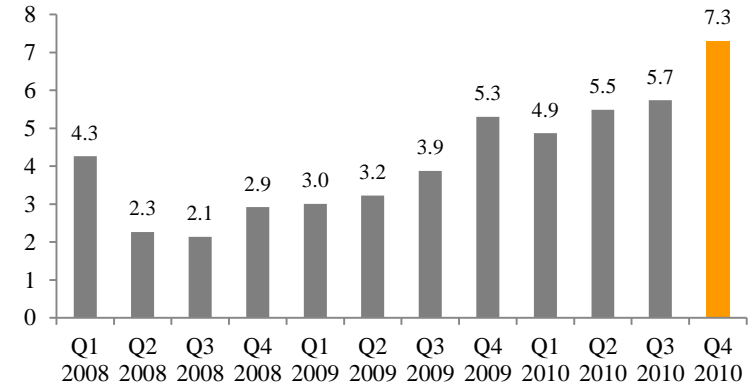
Reserve for loan losses to gross loans



BG Bank standalone liabilities breakdown



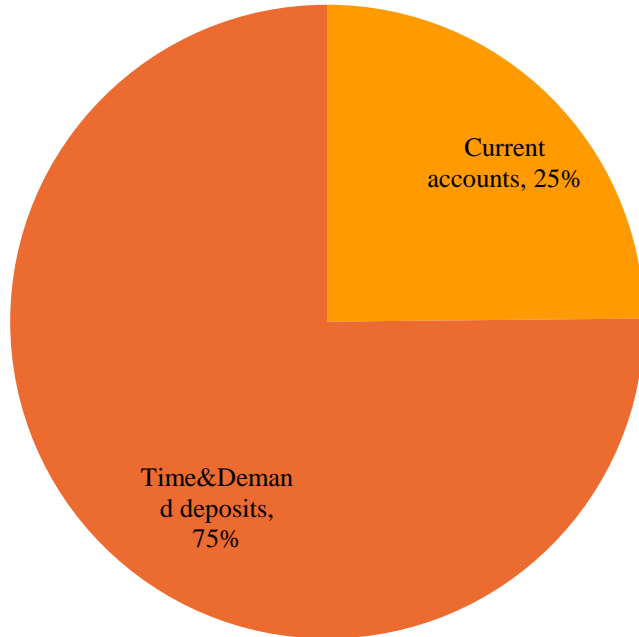
Leverage ratio



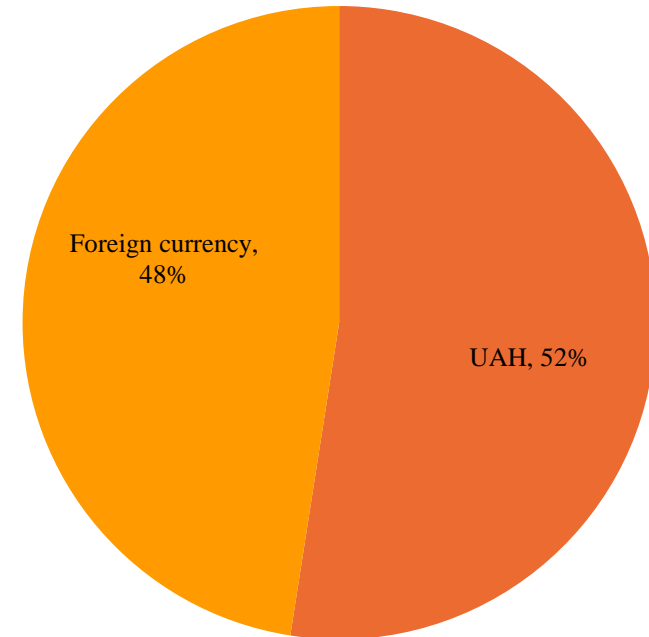
	Q4 2009	Q3 2010	Q4 2010
Issued Fixed Income Securities	0.7	0.0	0.0
Accruals And Other Liabilities	2.0	1.1	1.0
Other liabilities	2.7	1.1	1.0

BG Bank analysis of deposits

Client deposits breakdown, Q4 2010



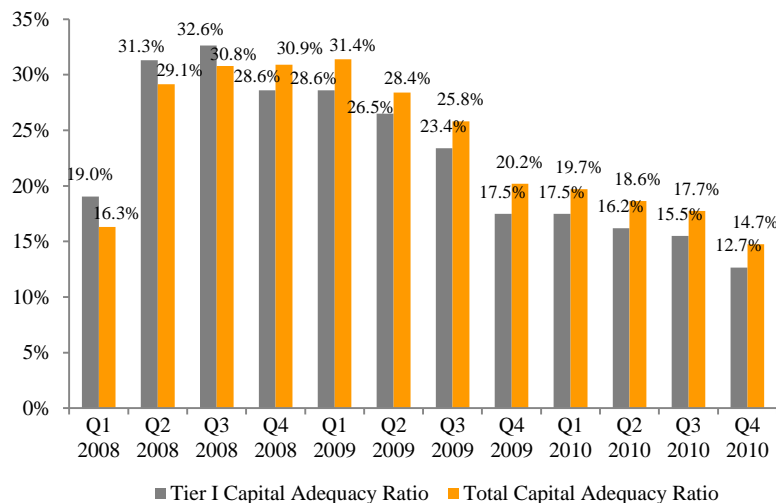
Client deposits by currency, Q4 2010



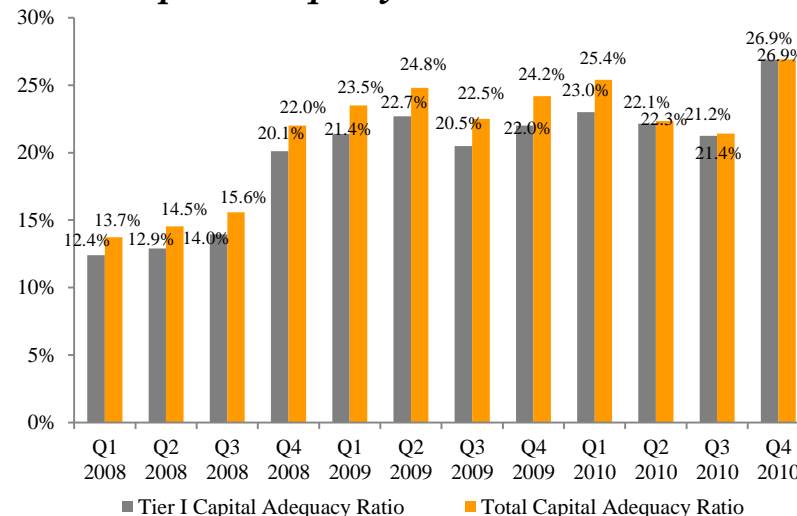
Client deposits: GEL 197.3 mln

BG Bank capital adequacy

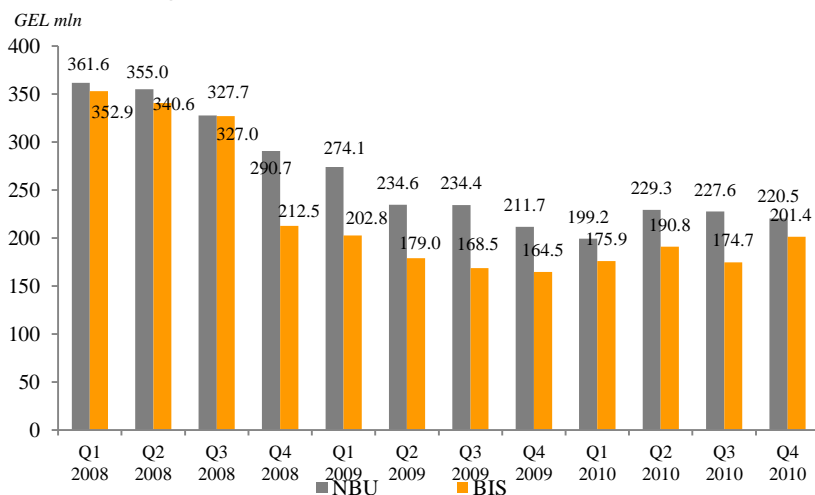
BIS capital adequacy ratios



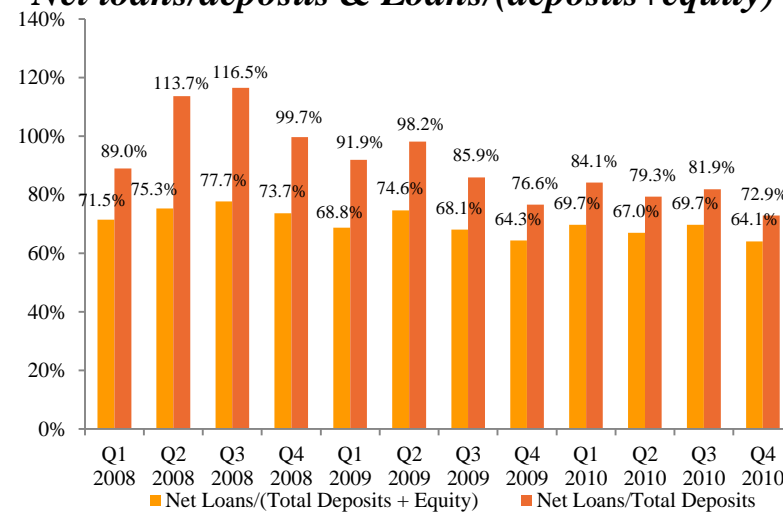
NBU capital adequacy ratios



Risk-weighted assets BIS vs. NBU



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





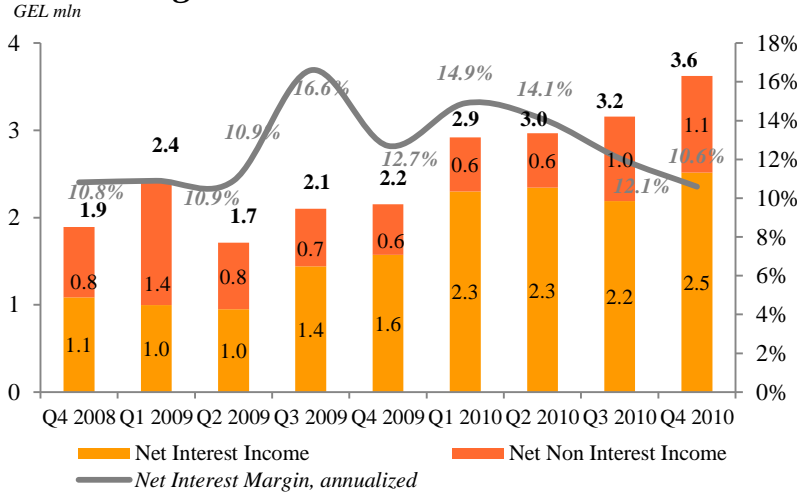
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BANK OF GEORGIA

Belarusky Narodny Bank (BNB), Belarus

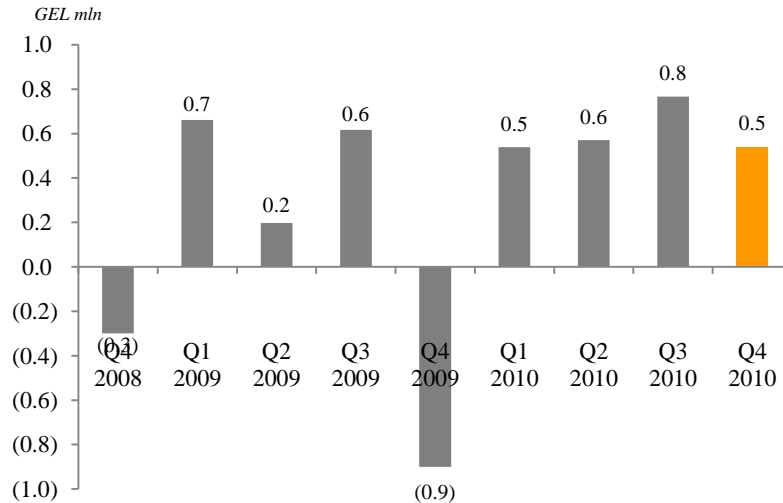
February 2011

BNB performance

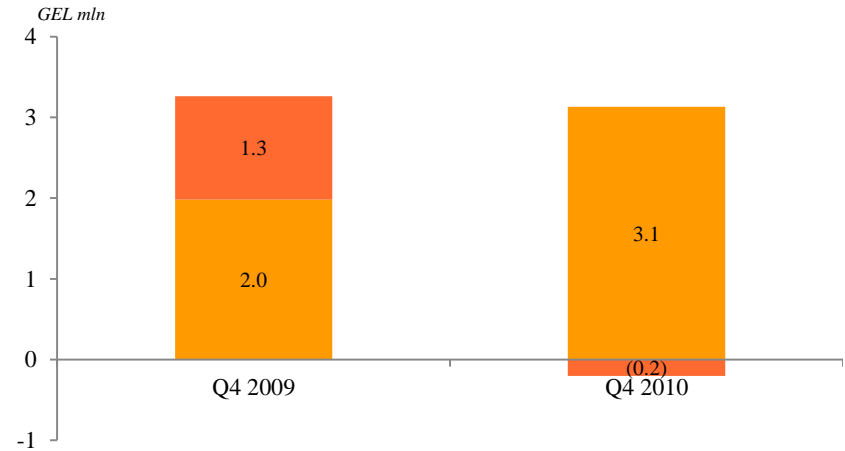
Revenue growth



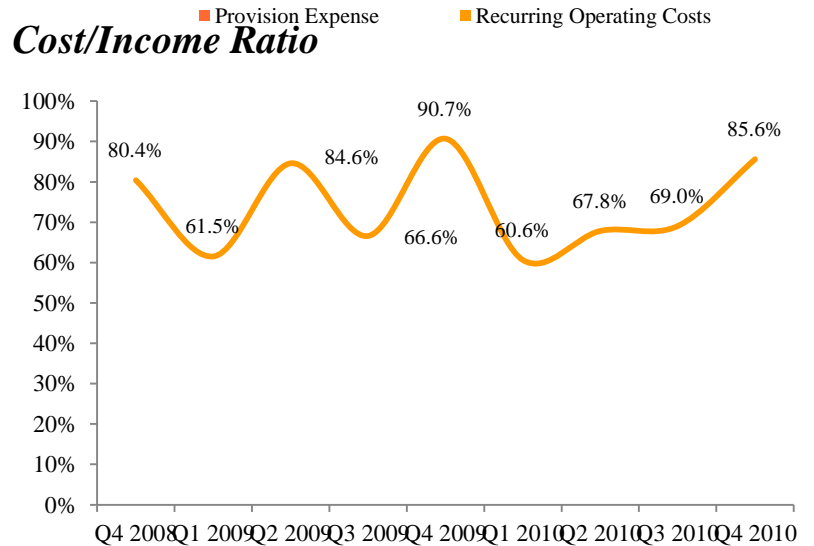
Net income



Costs

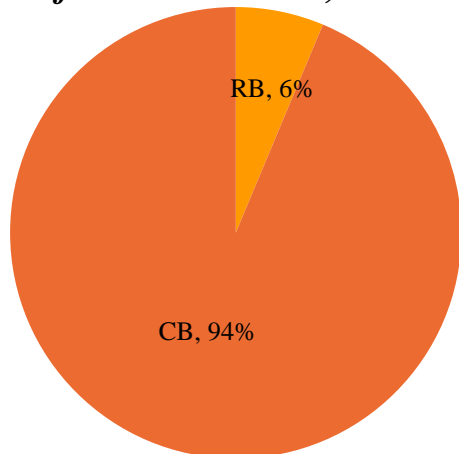


Cost/Income Ratio

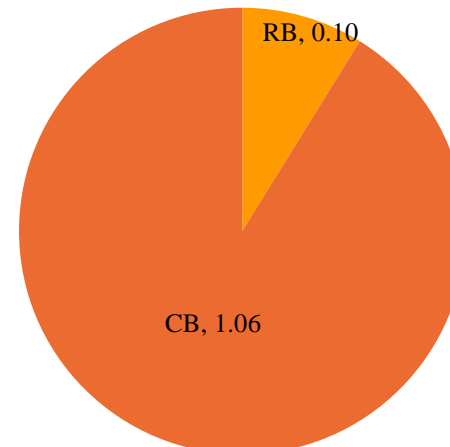


BNB loan portfolio as at 31 December 2010

Loan portfolio breakdown, 31 December 2010

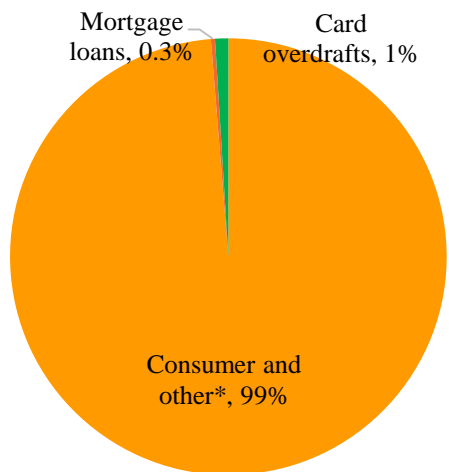


Loan loss reserve, 31 December 2010



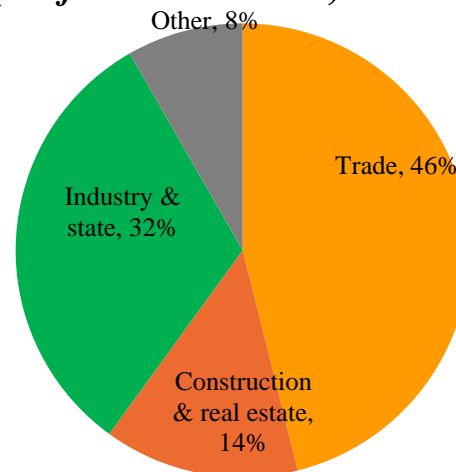
Gross loans: GEL 76.8 mln

RB loan portfolio breakdown, 31 December 2010



Loan loss reserve: GEL 1.2 mln

CB loan portfolio breakdown, 31 December 2010



RB loans: GEL 4.8 mln

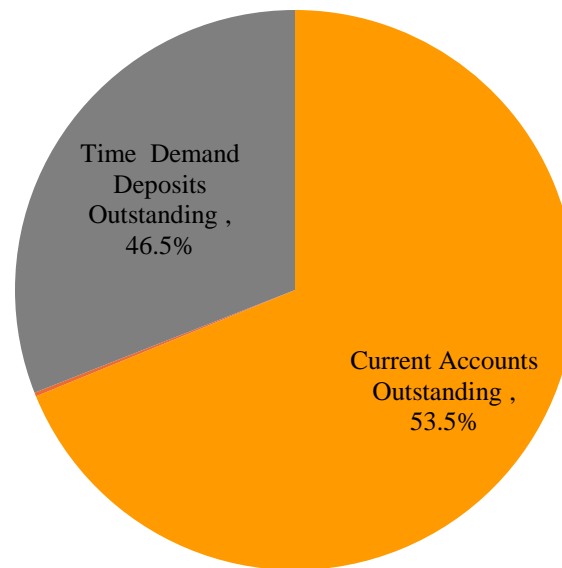
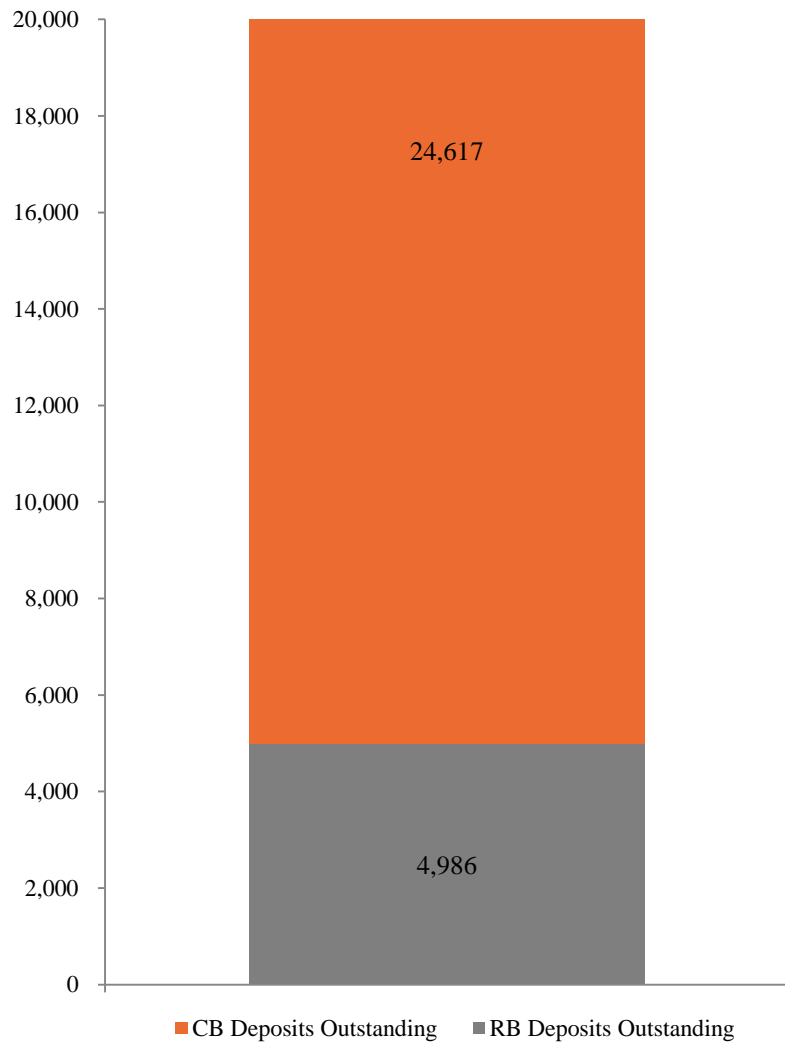
* Other loans include car, POS and legacy retail loans

CB loans: GEL 71.9 mln

BNB client deposits as at 31 December 2010

Client deposits breakdown

GEL '000





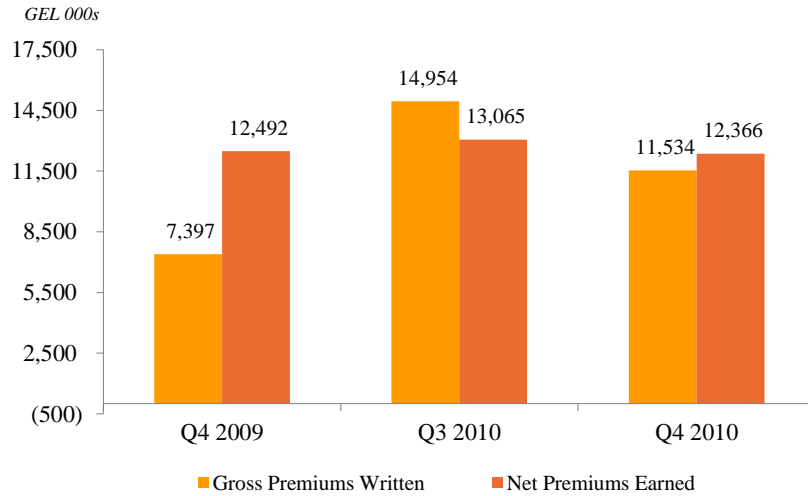
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BANK OF GEORGIA

Insurance

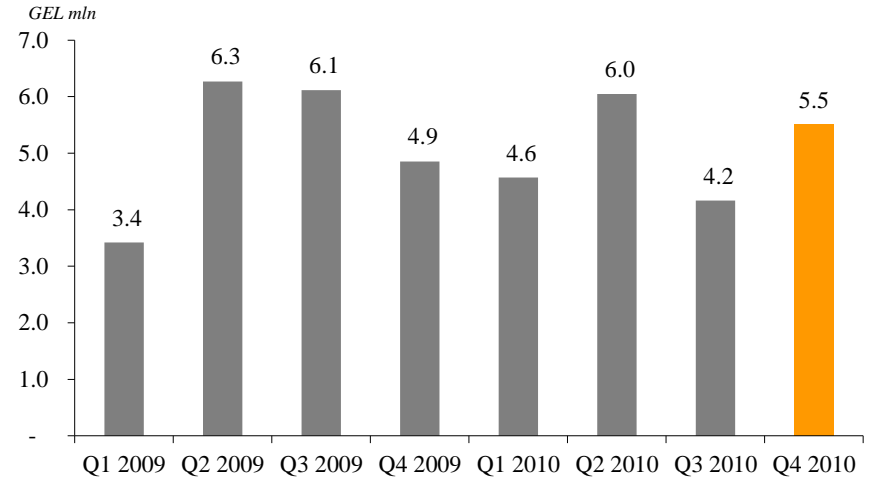
February 2011

Aldagi BCI

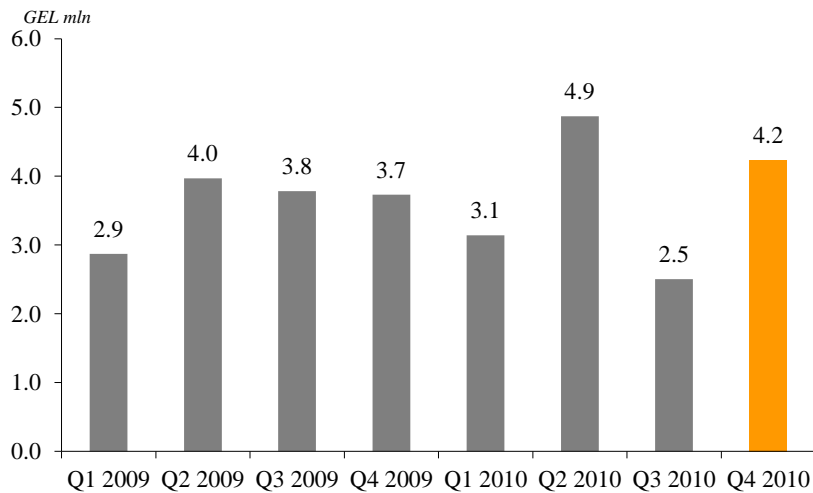
Gross premiums written/Net premiums earned



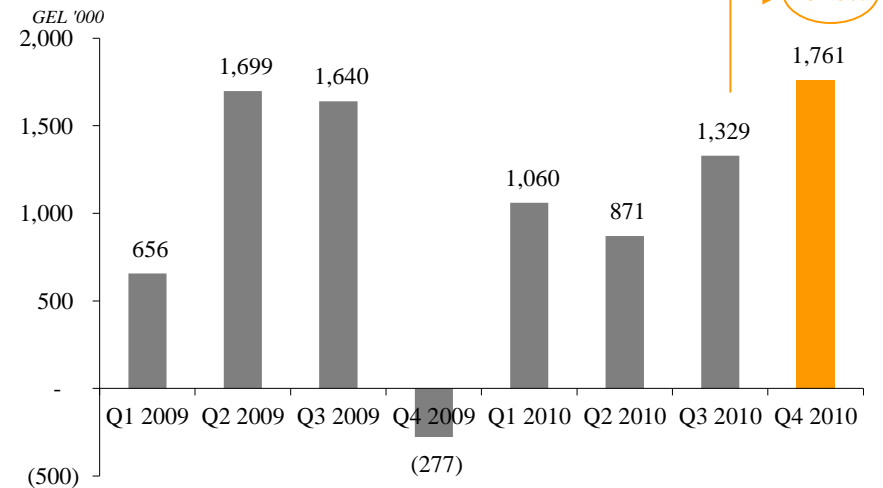
Revenue



Recurring operating costs



Net Income/Loss





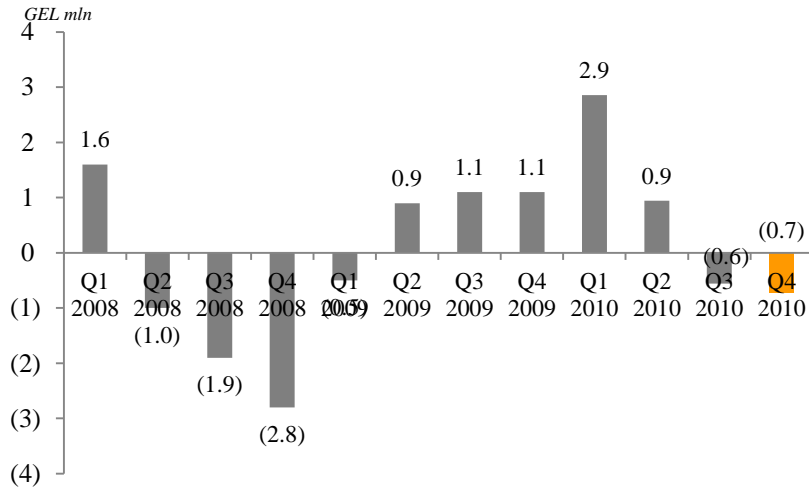
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BG Capital

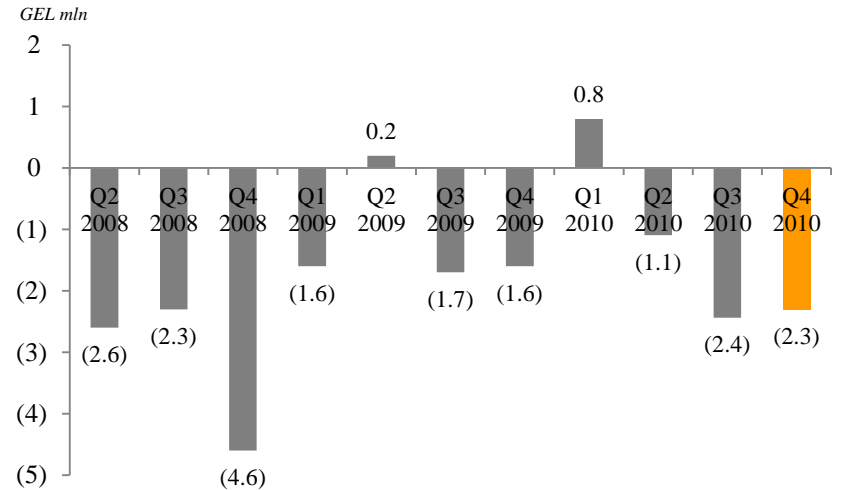
February 2011

BG Capital

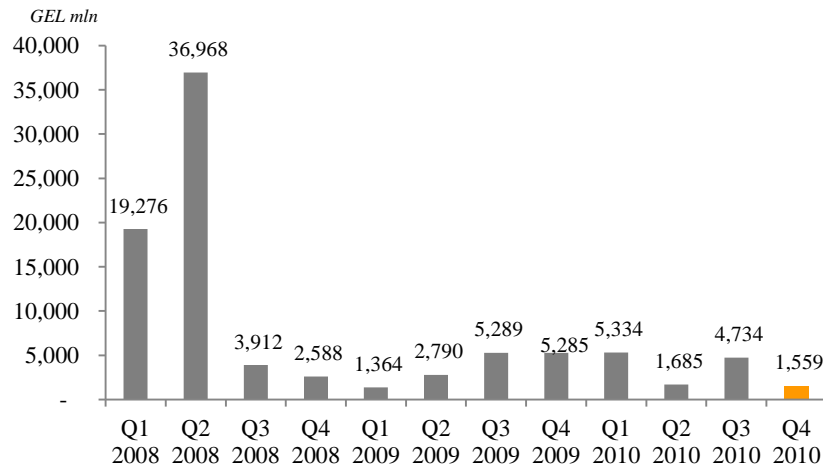
Revenue



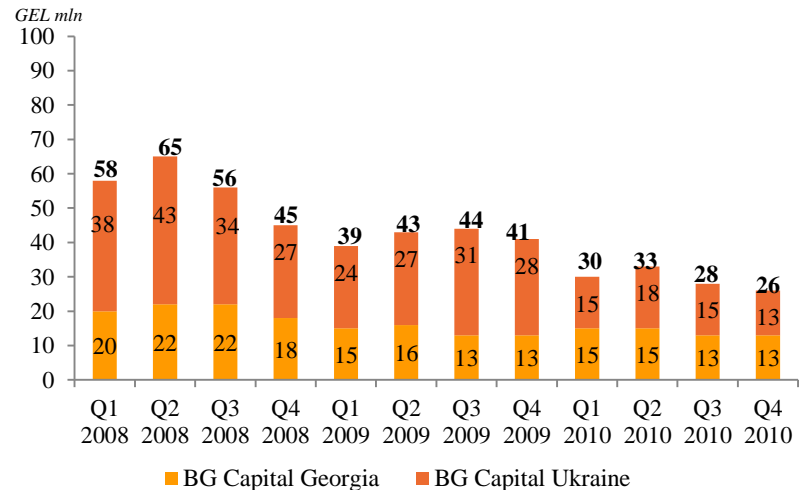
Net income/(loss)



Proprietary book



Headcount



Contact

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Appendices

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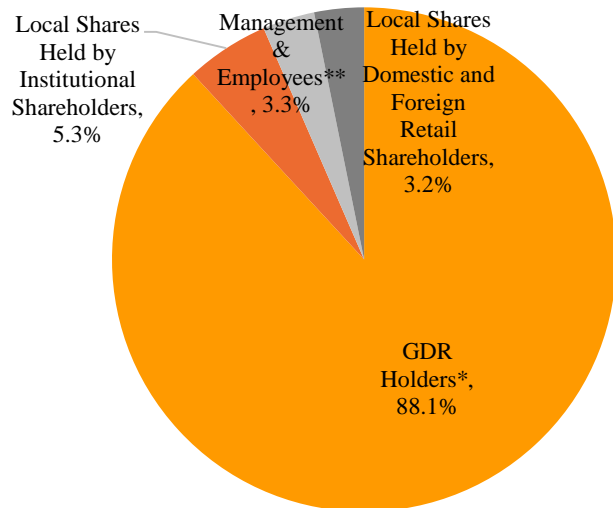
Bank of Georgia shareholder structure & management

February 2011

Ownership structure

Ownership structure, 31 December 2010

Broadly owned by over 100 institutional accounts



Supervisory board

Neil Janin	Chairman of the Supervisory Board
David Morrison	Vice Chairman of the Supervisory Board, independent member
Ian Hague	Member, Firebird Management LLC
Hanna Loikkanen	Member, East Capital
Kaha Kiknavelidze	Independent member
Allan J. Hirst	Independent member
Al Breach	Independent member

31-Dec-11	Number	%
GDR Holders*	27,627,777	88.1%
Local Shares Held by Institutional Shareholders	1,670,990	5.3%
Management & Employees**	1,047,488	3.3%
Local Shares Held by Domestic and Foreign Retail Shareholders	998,605	3.2%
Total Shares Outstanding	31,344,860	100%
Adjusted for BG Capital's Proprietary Book (1)	(1,693)	
Adjusted Total Shares Outstanding	31,322,773	

(1) Treated as treasury shares as per IFRS

*through BNY Nominees Limited

** includes GDRs held as part of EECF

Management board

Irakli Gilauri	Chief Executive Officer (CEO)
Sulkhan Gvalia	Deputy CEO, Chief Risk Officer
George Chiladze	Deputy CEO, Finance
Irakli Burdiladze	Deputy CEO
Mikheil Gomarteli	Deputy CEO, Retail Banking
Avto Namicheishvili	Deputy CEO, Legal
Archil Gachechiladze	Deputy CEO, Corporate banking
Nikoloz Shurgaia	Deputy CEO, International Banking
Murtaz Kikoria	Deputy CEO
Vasil Revishvili	Head of Wealth Management

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Georgian banking sector – key trends 2008- 2010

February 2011





Georgian banking sector – key trends 2008/June 2010

GEL mln	YE 2008	YE 2009	YE 2010	As % of GDP*	2008 Y-O-Y	Growth		Market Share (YE 2008)		Market Share (YE 2009)		Market Share Q4 2010	
						2009 Y-O-Y	2010 Y-O-Y	Top 5 Banks	Bank of Georgia	Top 5 Banks	Bank of Georgia	Top 5 Banks	Bank of Georgia
Total Assets	8,866	8,293	10,564	55.0%	23.0%	-6.5%	27.4%	79.26%	32.89%	78.1%	33.0%	78.1%	36.2%
Gross Loans	5,993	5,185	6,261	32.6%	30.6%	-13.5%	20.7%	81.78%	32.87%	81.4%	31.8%	82.8%	35.9%
Deposits	3,845	4,174	5,818	30.0%	9.5%	8.6%	39.4%	75.00%	28.76%	77.70%	27.4%	80.1%	32.6%
Equity	1,517	1,517	1,788	9.5%	3.1%	0.0%	17.8%	75.69%	40.03%	79.60%	38.6%	78.8%	40.5%
Net Income/(Loss)	(216)	(65.3)	156.3	0.3%	NMF	NMF	NMF	NMF	NMF	NMF	37.3%	NMF	85.6%

Ensuring solvency and stability of the banks

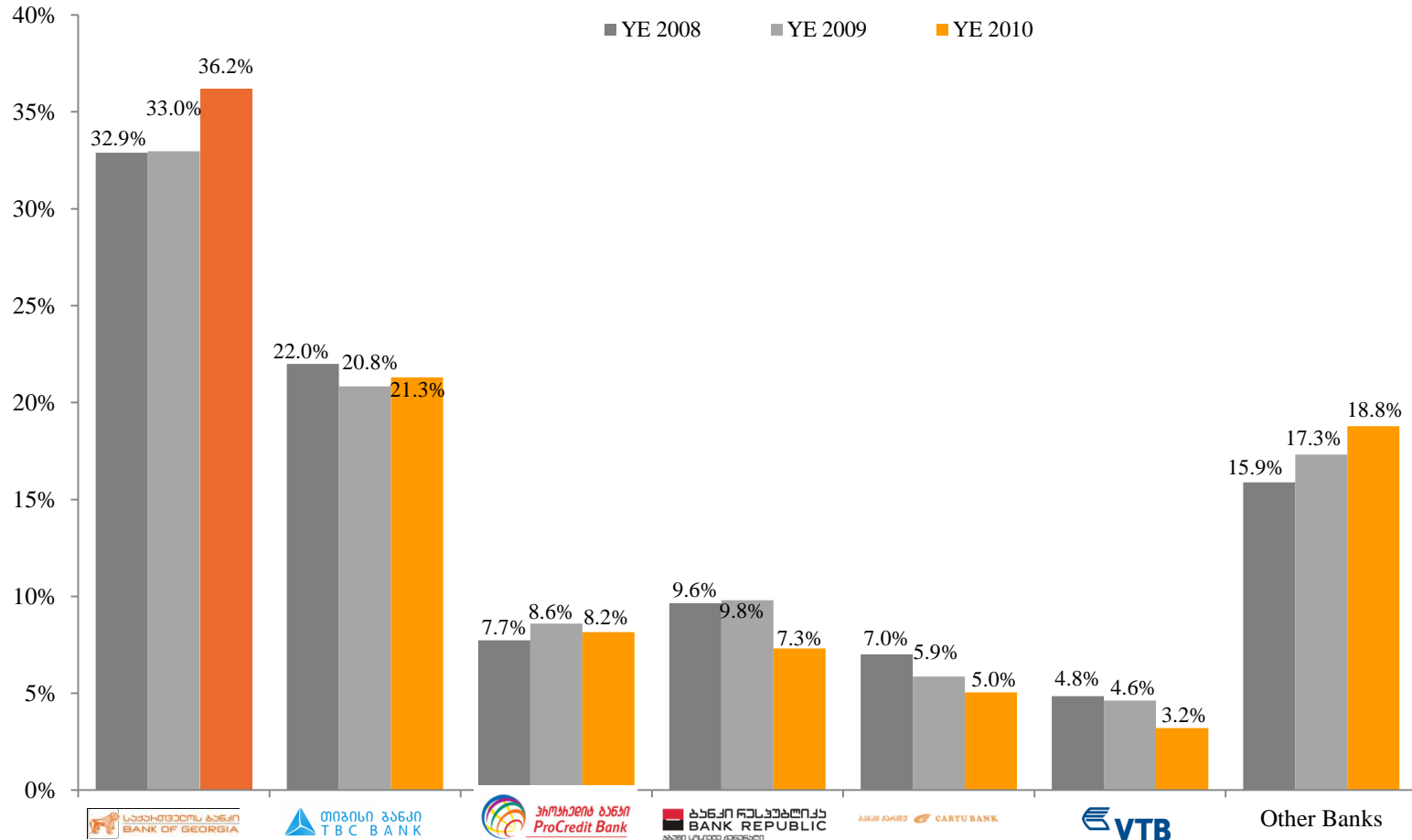
-  High BIS Capital Adequacy Ratio: Banking Sector Average – 21%, **Bank of Georgia –28.4%**
-  High level of liquidity requirements from NBG at 20% of Liabilities, **Bank of Georgia 34.7%**
-  Low Leverage in the banking sector: Banking Sector Average – 4.2x, **Bank of Georgia –4.9x**

Resilient Banking Sector

-  Demonstrated strong resilience towards domestic challenges during the August 2008 conflict as well as towards external shocks of global financial turmoil without single bank going bankrupt
-  No nationalization of the banks have occurred, no government bail-out plans have been required, no Government ownership since 1995
-  Excess liquidity and excess capital that has been accumulated by the banking sector to enable boosting the financing of the economic growth
-  Very low leverage of population, with Bank Loans to GDP ratio of c. 30% resulted in contained number of defaults during the global crisis (Average Loan Loss Provisions by BoG standalone as of end Q3'10 at c. 6.5%)

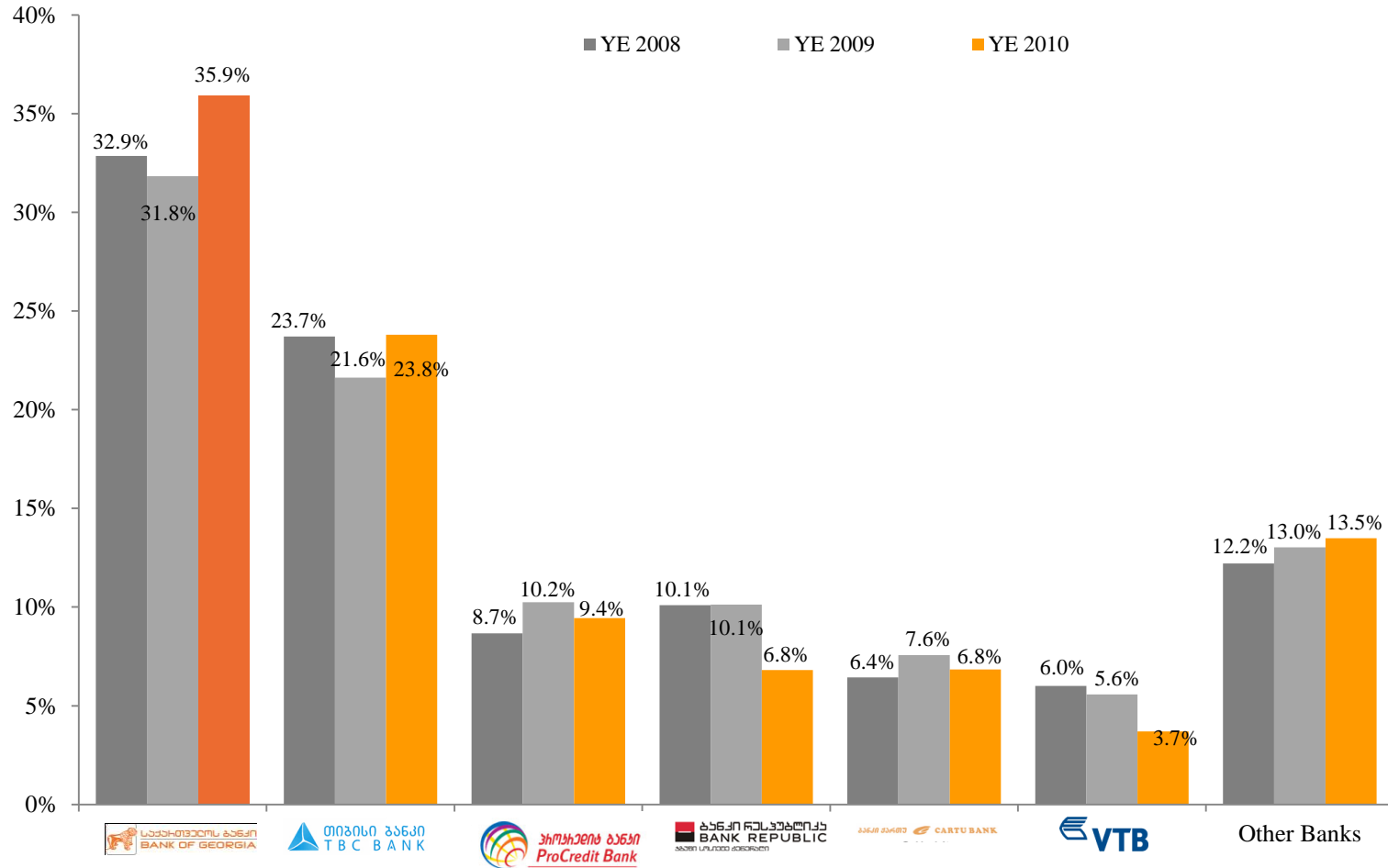
*As % of YE 2009 GDP

Peer group's market share in total assets



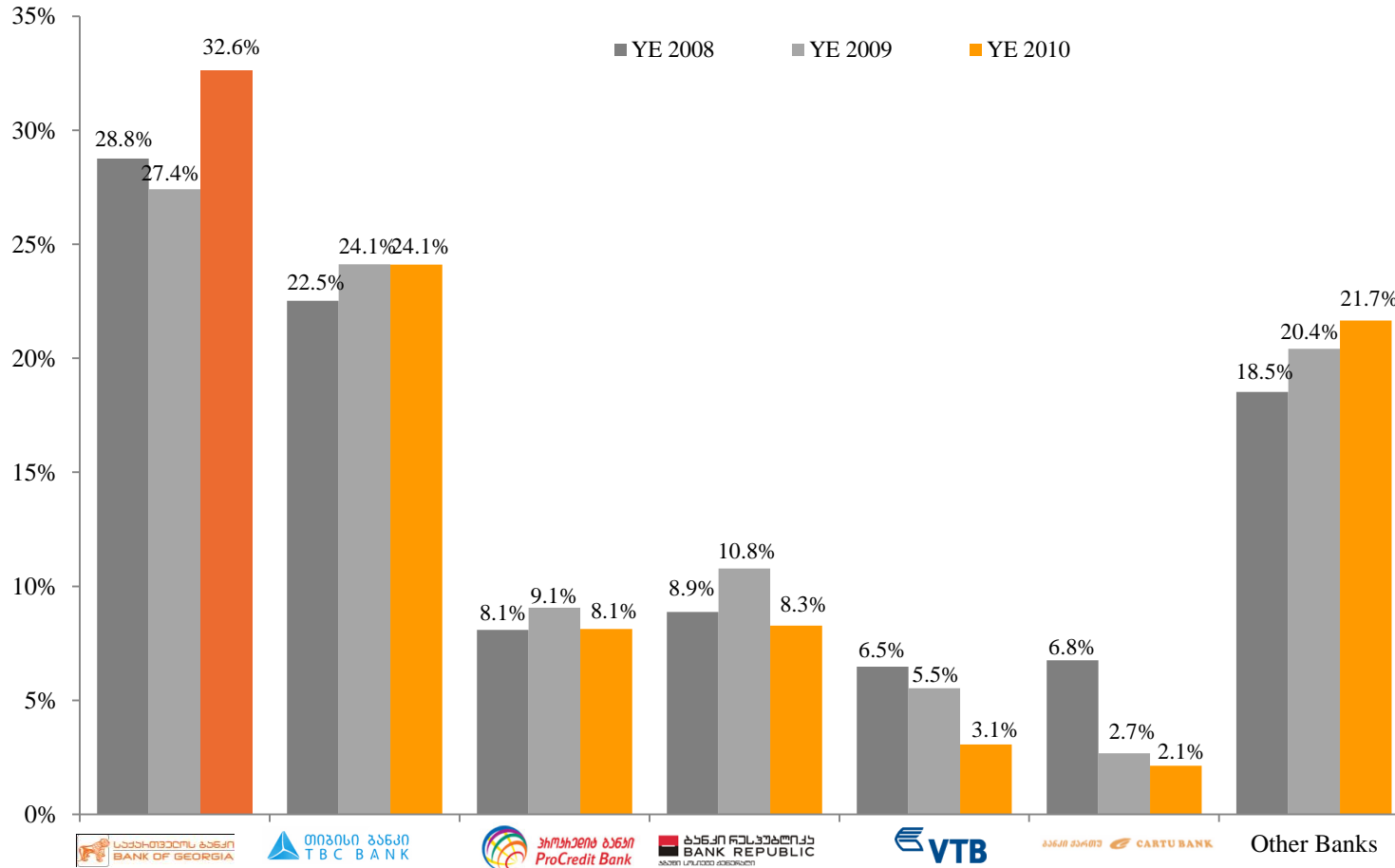
Note: all data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Peer group's market share in gross loans



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



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

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.