

Financing Georgia's Future



საქართველოს ბანკი
BANK OF GEORGIA

CEO's Welcoming Remarks At The Cocktail Reception In The Honor Of FEAS

Tbilisi, May 17, 2005

Welcome



*Bank of Georgia is
Honored to
Welcome the
FEAS Members
in Celebrating of
the 5th Year
Anniversary of the
Georgian Stock
Exchange &
Georgian Central
Securities
Depository*



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Still Innovating, After 130 Years in Business

- § The first successful privatization in Georgia
- § The first stock exchange listing (2001)
- § The first bank to execute a universal banking strategy by inorganic growth through acquisitions
- § The first and most sophisticated information disclosure and Investor Relations program among Georgian companies
- § The first Georgian company to attract international portfolio investors through the local stock exchange (including for capital-raising purposes)
 - Post-Communist Opportunities Fund and East Capital accumulated their positions in the open market, with Galt & Taggart sourcing the shares
 - Three funds managed by Firebird Management LLC purchased the bank's treasury shares
- § The first Georgian bank to assemble a capable, “roadshowable” management team by blending local talent with repatriated Georgian professionals
- § **We hope other quality issuers will follow our lead and list on the GSE**
 - Shareholder base diversification
 - Capital-raising opportunities
 - Raising the company's profile in anticipation of an eventual trade sale
 - Gradual adjustment to operating as a public company in anticipation of an eventual foreign listing

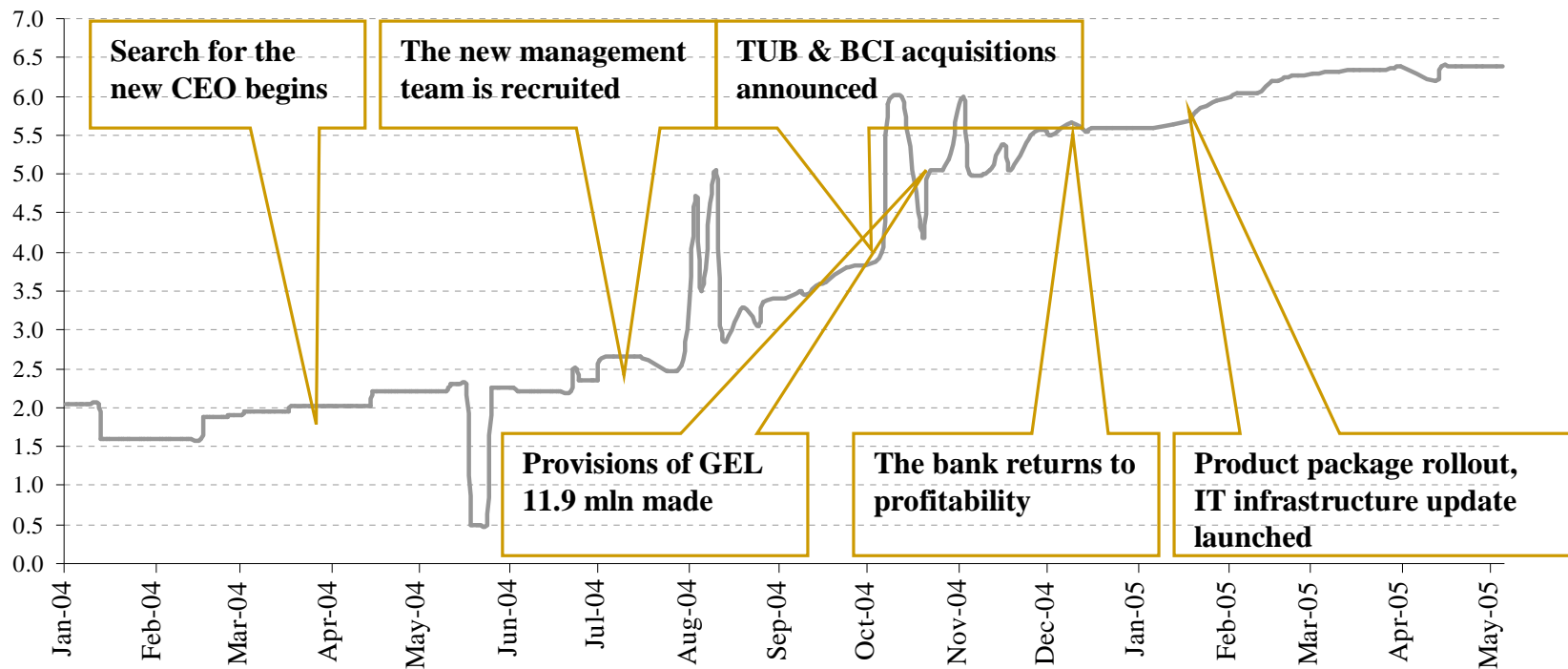


Investment Case

- § A “leveraged play” on Georgia’s economic growth
- § Winning strategy for medium-term profitable growth
- § Banking sector consolidator
- § Solid historical performance due to core franchise strength
- § Diversified revenue streams being built through product innovation in the context of an integrated business model
- § Disciplined capital management
- § Management team enhancement largely completed
- § Evolving corporate culture
- § Cost efficiencies are being realized
- § Transparency and good governance
- § Emphasis on investor relations and retail-lot liquidity
- § **The only investable banking stock in Georgia (and the Caucasus)**
- § **Actively considering a foreign listing (e.g. London AIM) to further enhance liquidity**
- § **Zealous focus on creating attractive exit opportunities by 2007 (or sooner)**



Share Price Performance



	Share Price (GEL)	Shares Outstanding (mln)	MCAP (GEL mln)
Jan 01 '04	2.03	9.9	20.0
Dec 31 '04	5.60	11.3	63.1
May 16 '05	6.4	11.4	73.0

2004 Share Price Performance 175%

2005 YTD Share Price Performance 14%

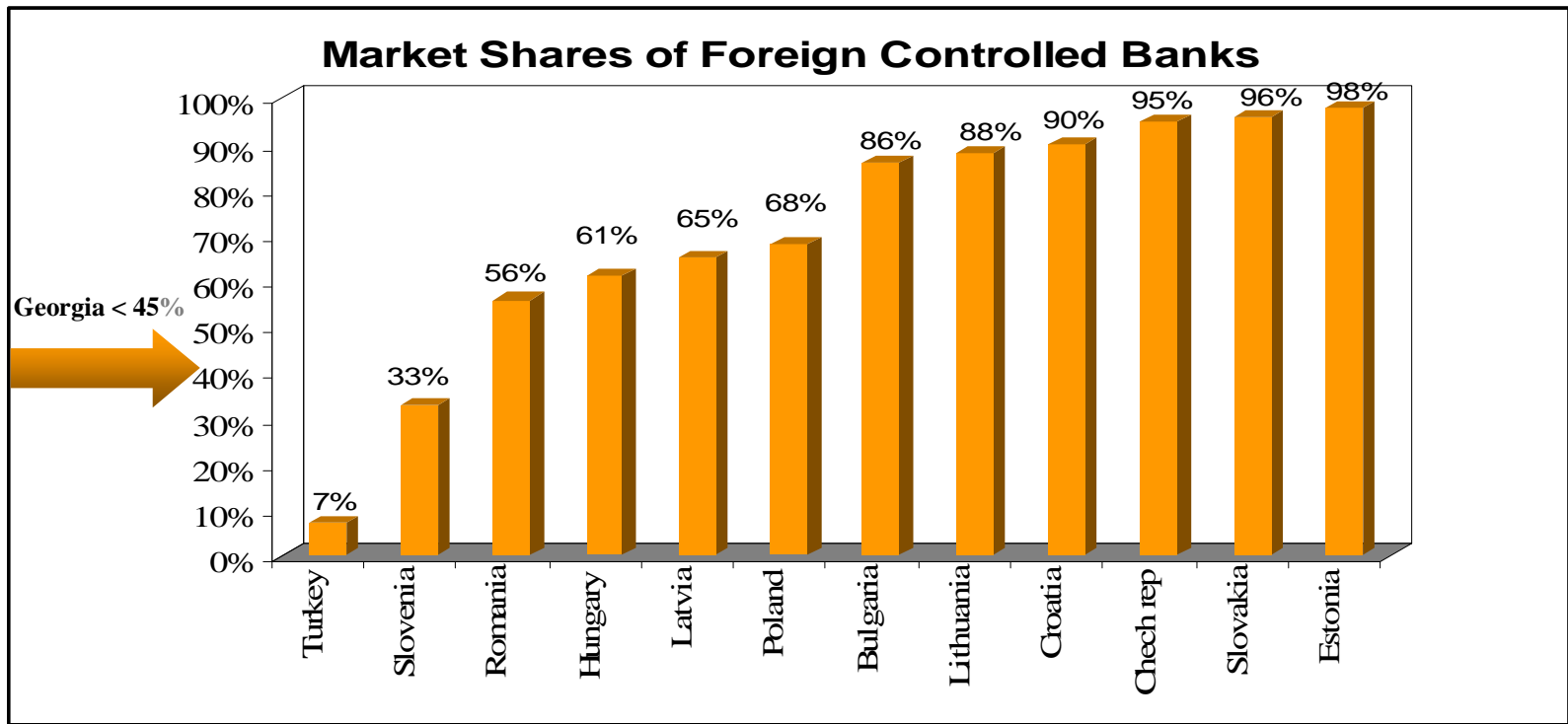
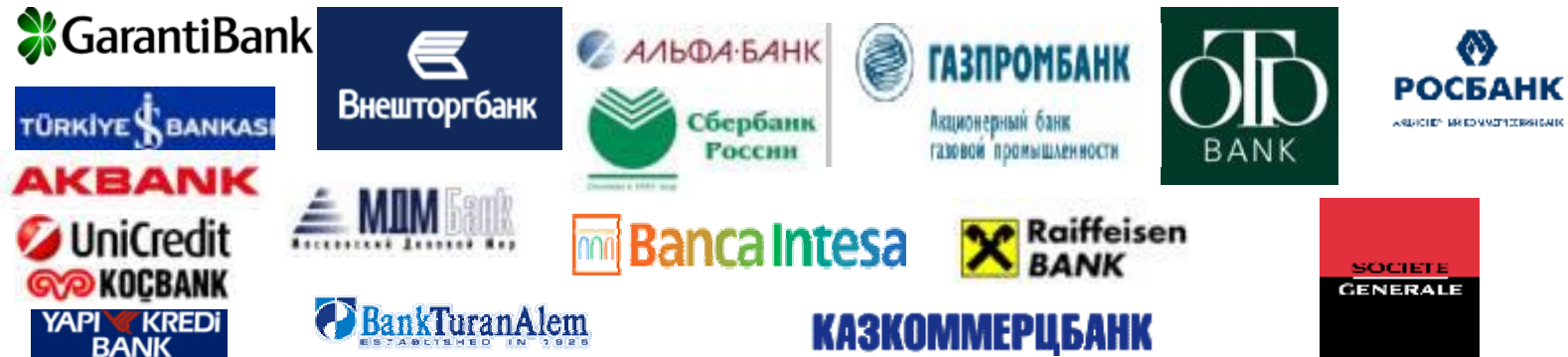
2004 Share Trading Volume GEL 21.2 mln

2005 YTD Share Trading Volume GEL 2.2 mln



Ample exit opportunities

Potential buyers



Source: UCI, Bank of Georgia estimates



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Active Player In The Domestic Financial Markets

- § The leading GEL/US\$ market-maker
- § Galt & Taggart, a wholly-owned subsidiary, the sole full-service investment banking firm in the country since its inception in 2000
 - 100+ satisfied domestic and international (institutional & retail) brokerage clients
 - Bilingual, international-standard research
 - Active salestrading, sourcing difficult-to-find stocks and arranger of block trades
 - The only corporate finance team active in the market
 - Currently pioneering the corporate fixed income issuance market
 - The leading asset management franchise in the country, with GEL 21 mln of client assets under management or custody (the largest competitor has less than GEL 2 mln under management)
- § Launched a pension scheme, open to employer participation and individuals
- § The country's first ESOP in the process of being created
- § New employee bonus compensation system just introduced, with the deferred portion of employee bonuses invested in the bank's shares and fixed-income instruments



Announcing the launch of BoG employee pension plan

- § We have just launched a defined contribution pension plan for the employees of our group, effective May 2005
- § All group employees on full-time contracts are eligible (circa 900 people)
- § Generous matching contributions from the bank:
 - The bank matches 1-to-1 the first 1% of the salary invested in the pension plan by the employee
 - The bank further matches, on a 1-to-5 basis, each 1% of the salary invested in the pension plan by the employee, subject to the matching limit equal to 1% of the employee salary
 - The bank's annual cost of contributions is expected to be in the GEL 100,000-GEL 200,000 range
- § While the deferred bonuses for senior and mid-level employees will be invested in the bank's shares and fixed income instruments, the employee pension plan cannot, according to Georgian law, have any exposure to the employer
- § We have built a sophisticated portfolio allocation model, with pre-defined weights assigned to each permitted domestic and foreign (fixed income instruments and a pre-defined list of high-yielding blue-chip stocks) asset class, allowing for sufficient portfolio diversification
- § The pension plan will be managed and administered by BCI, while Galt & Taggart will serve as broker and sub-advisor on portfolio management
- § A new buy-side player is thus created in the Georgian capital markets, while BCI gains valuable experience as it offers pension plan services to Georgia's leading employers



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Caution regarding forward-looking statements

This presentation contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives and other statements relating to our business development and financial performance.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, (1) general market, macroeconomic, governmental, legislative and regulatory trends, (2) movements in local and international currency exchange rates, interest rates and securities markets, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) management changes and changes to our group structure and (7) other key factors that we have indicated could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports, including those filed with the NSCG.

We are under no obligation (and expressly disclaim any such obligations to) update or alter our forward-looking statements whether as a result of new information, future events, or otherwise.

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

