



საქართველოს ბანკი
BANK OF GEORGIA

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

JSC Bank of Georgia Q3 2010 & YTD 2010 results overview

November 2010

Introduction to Bank of Georgia

The leading universal bank in Georgia

- ☑ No.1 by assets (34%), ⁽¹⁾ gross loans (34%), ⁽¹⁾ client deposits (30%) ⁽¹⁾ and equity (39%) ⁽¹⁾
- ☑ Leading retail banking, with top brand, best distribution network and broadest range of services of any bank in Georgia

	September 2010	June 2010	September 2009
☑ Retail Accounts	986,000+	953,000+	895,000+
☑ Cards Outstanding	565,000+	551,000+	569,000+
☑ Branches	137	137	140
☑ ATMs	388	387	380

- ☑ Leading corporate bank with approximately 90,500 legal entities and over 171,000 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: 'B3/NP (FC)' & 'Ba3/NP (LC)'
- ☑ Listed on the London Stock Exchange (GDRs) and Georgian Stock Exchange
 - ☑ Market Cap (LSE) US\$ 546 mln as of 8 November 2010
 - ☑ 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 five independent directors

⁽¹⁾ All data according to the NBG as of 30 September 2010



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Q3 and 9 months 2010 P&L results highlights

Millions unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)	Q3 2010		Q2 2010 ³		Growth ¹ Q-O-Q	Q3 2009		Growth ² Y-O-Y
	GEL	US\$	GEL	US\$		GEL	US\$	
	(Unaudited)		(Unaudited)		(Unaudited)			
Net Interest Income	56.5	31.3	51.7	28.0	9.4%	48.9	29.2	15.5%
Net Non-Interest Income	34.7	19.2	30.9	16.7	12.3%	30.4	18.1	14.1%
Total Operating Income (Revenue) ⁴	91.2	50.5	82.5	44.8	10.5%	79.3	47.3	15.0%
Recurring Operating Costs	51.0	28.2	47.8	25.9	6.7%	45.0	26.8	13.5%
Normalized Net Operating Income ⁵	40.1	22.2	34.7	18.8	15.6%	34.3	20.5	16.9%
Net Non-Recurring Income (Costs)	(1.6)	(0.9)	1.5	0.8	NMF	(1.9)	(1.1)	-13.6%
Profit Before Provisions	38.5	21.3	36.2	19.6	6.2%	32.4	19.3	18.7%
Net Provision Expense	14.2	7.9	12.6	6.8	12.8%	30.0	17.9	-52.6%
Net Income/ (Loss)	20.8	11.5	19.6	10.6	6.3%	2.6	1.6	NMF
EPS (basic)	0.66	0.37	0.63	0.34	6.3%	0.08	0.05	NMF
EPS (diluted)	0.60	0.33	0.56	0.31	6.3%	0.08	0.05	NMF

Millions unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)	9 months 2010		9 months 2009		Growth ² Y-O-Y
	GEL	US\$	GEL	US\$	
	(Unaudited)		(Unaudited)		
Net Interest Income	153.4	84.9	150.8	89.9	1.7%
Net Non-Interest Income	96.2	53.3	90.8	54.1	5.9%
Total Operating Income (Revenue) ⁴	249.6	138.2	241.6	144.1	3.3%
Recurring Operating Costs	145.1	80.3	135.9	81.1	6.7%
Normalized Net Operating Income ⁵	104.5	57.9	105.7	63.0	-1.1%
Net Non-Recurring Income (Costs)	(3.4)	(1.9)	(2.4)	(1.4)	40.9%
Profit Before Provisions	101.1	56.0	103.2	61.6	-2.1%
Net Provision Expense	34.2	18.9	102.8	61.3	-66.8%
Net Income/ (Loss)	57.2	31.7	3.4	2.0	NMF
EPS (basic)	1.83	1.01	0.11	0.06	NMF
EPS (diluted)	1.64	0.91	0.10	0.06	NMF

¹ Compared to Q2 2010, growth calculations based on GEL values.

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

³ Q2 2010 and 6 months 2010 Consolidated numbers have been Reviewed

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

⁵ Normalized for Net Non-Recurring Costs.

30 September 2010 Balance Sheet results highlights

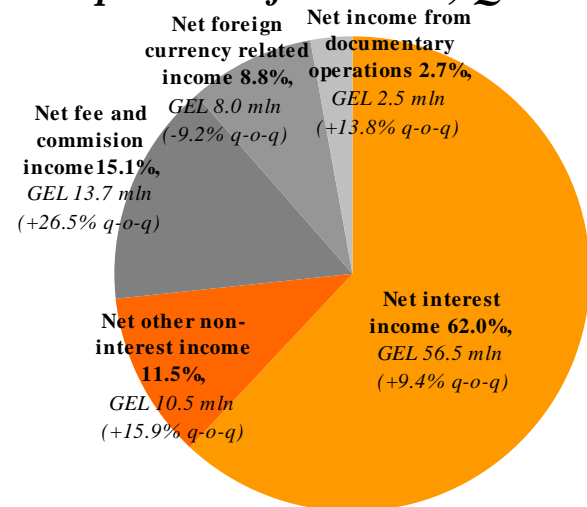
Millions, unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)	Q3 2010		Q2 2010		Q3 2009	
	GEL	US\$	GEL	US\$	GEL	US\$
	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Net Loans	2,061.4	1,141.1	1,982.5	1,075.0	1,659.3	989.4
Total Assets	3,615.6	2,001.5	3,423.6	1,856.4	2,980.2	1,777.0
Client Deposits	1,658.5	918.1	1,487.2	806.4	1,182.5	705.1
Borrowed Funds	881.5	488.0	945.6	512.7	918.6	547.7
Total Liabilities	2,936.0	1,625.4	2,773.8	1,504.1	2,261.6	1,348.5
Shareholders' Equity	679.6	376.2	649.8	352.3	718.5	428.4
Book Value Per Share, GEL & US\$	21.69	12.01	20.74	11.25	22.96	13.69
Tier I Capital Adequacy Ratio (BIS)	19.9%		20.3%			
Total Capital Adequacy Ratio (BIS)	32.6%		32.7%			
Tier I Capital Adequacy Ratio (NBG)	15.2%		15.8%			
Total Capital Adequacy Ratio (NBG)	15.7%		14.5%			

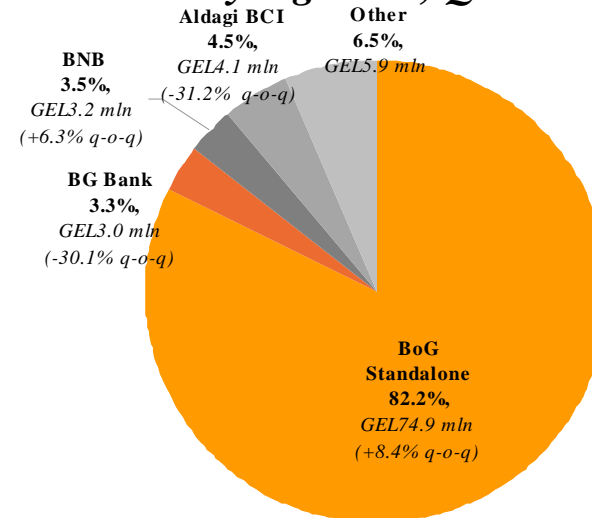
	Change	Change	Change
	Q-O-Q	YTD	Y-O-Y
Net Loans	4.0%	22.8%	24.2%
Total Assets	5.6%	24.1%	21.3%
Client Deposits	11.5%	30.3%	40.3%
Borrowed Funds	-6.8%	-3.5%	-4.0%
Total Liabilities	5.8%	26.8%	29.8%
Shareholders' Equity	4.6%	13.6%	-5.4%
Book Value Per Share,	4.6%	13.5%	-5.5%

Composition of revenue in Q3 and 9 months 2010

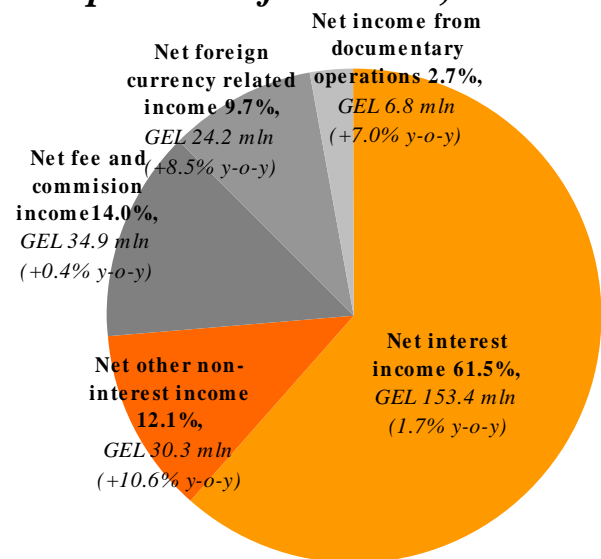
Composition of Revenue, Q3 2010



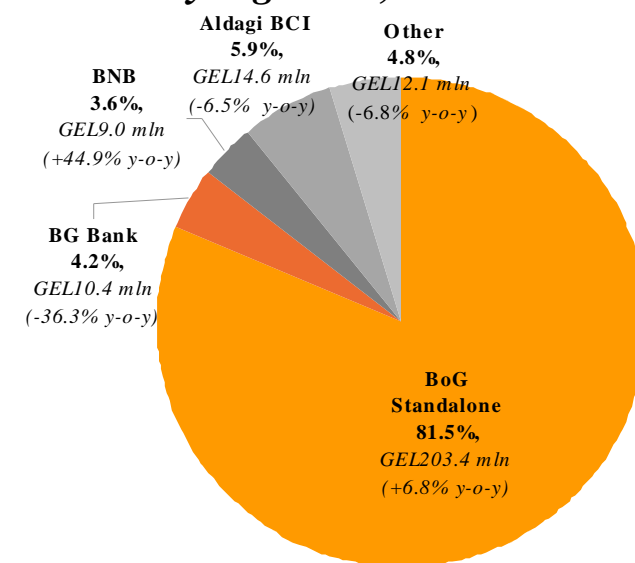
Revenue by segments, Q3 2010



Composition of Revenue, 9 months 2010



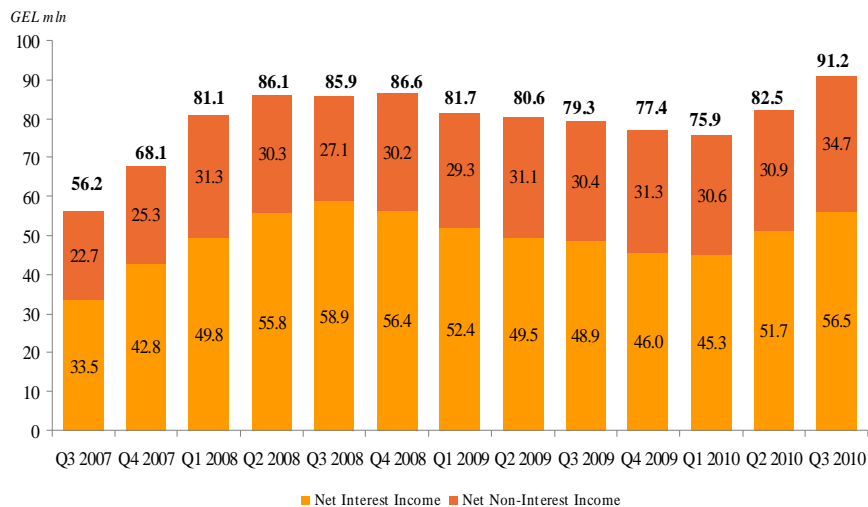
Revenue by segments, 9 months 2010



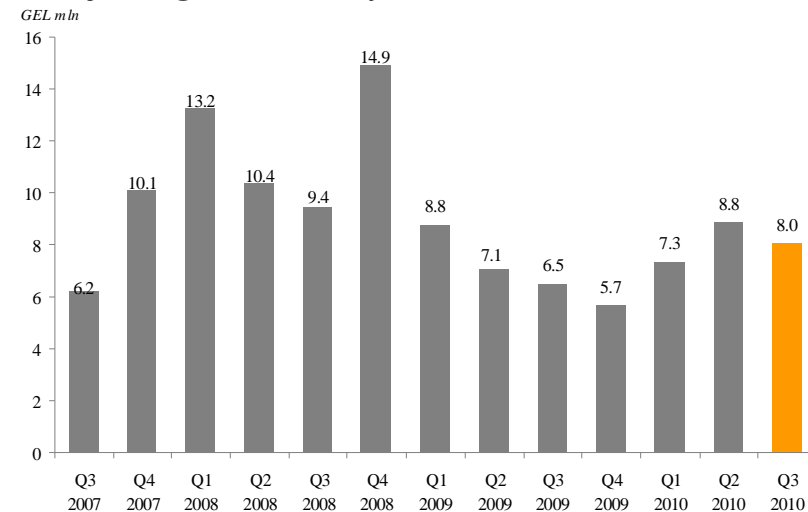
Total Revenue: GEL 91.2 million in Q3 2010 and GEL 249.6 in 9 months 2010

Analysis of revenue

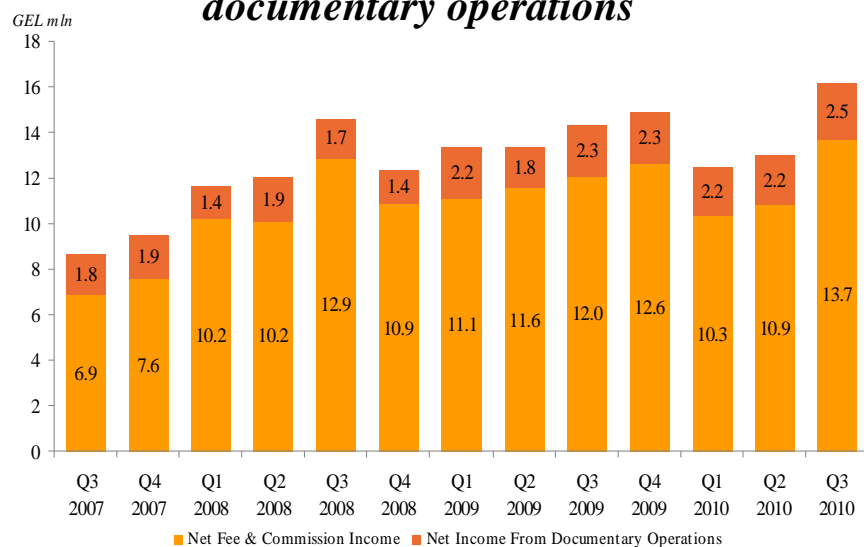
Revenue growth



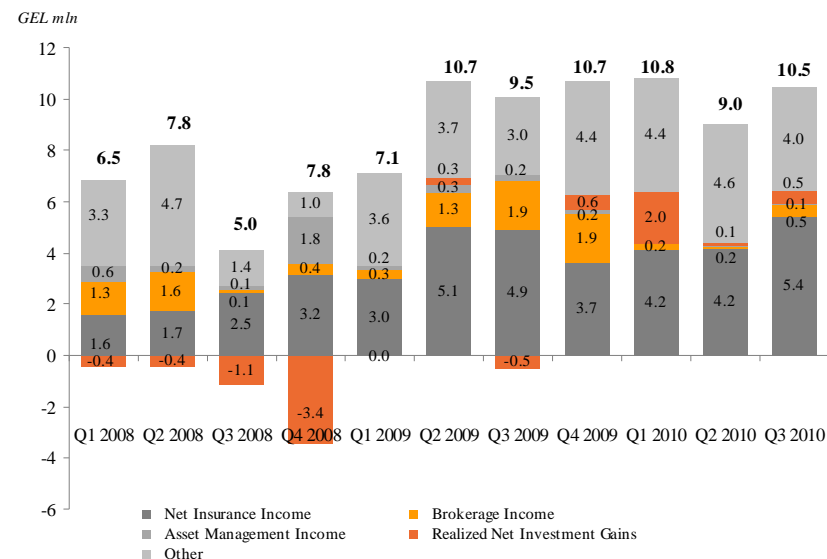
Net foreign currency related income



Net fee & commission income & Income from documentary operations

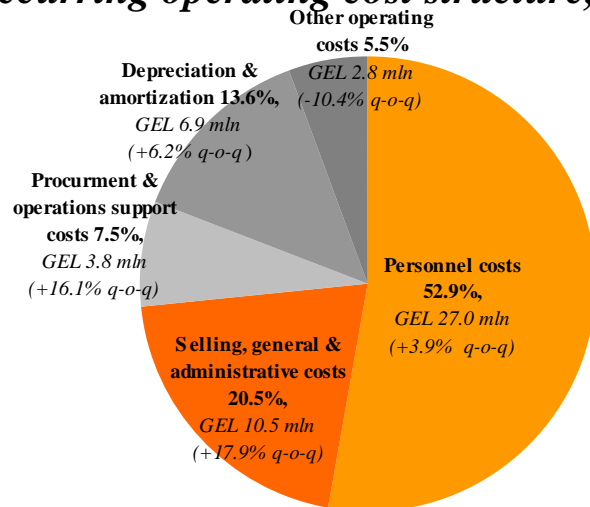


Other non-interest income

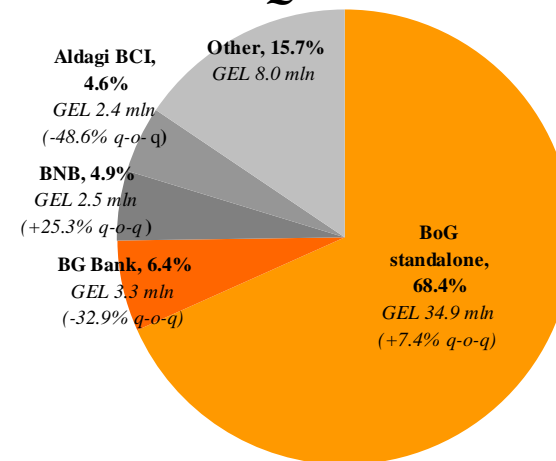


Analysis of recurring operating costs

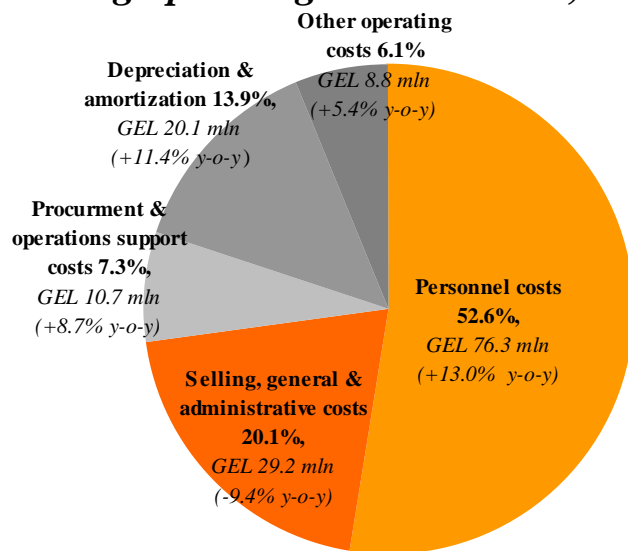
Recurring operating cost structure, Q3 2010



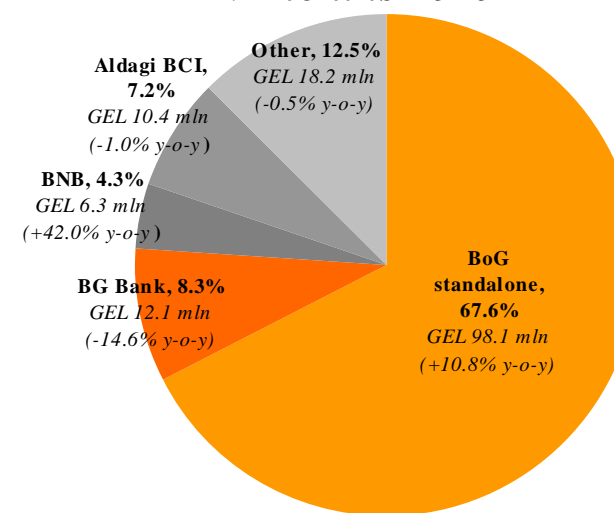
Recurring operating cost structure by segments, Q3 2010



Recurring operating cost structure, 9 months 2010



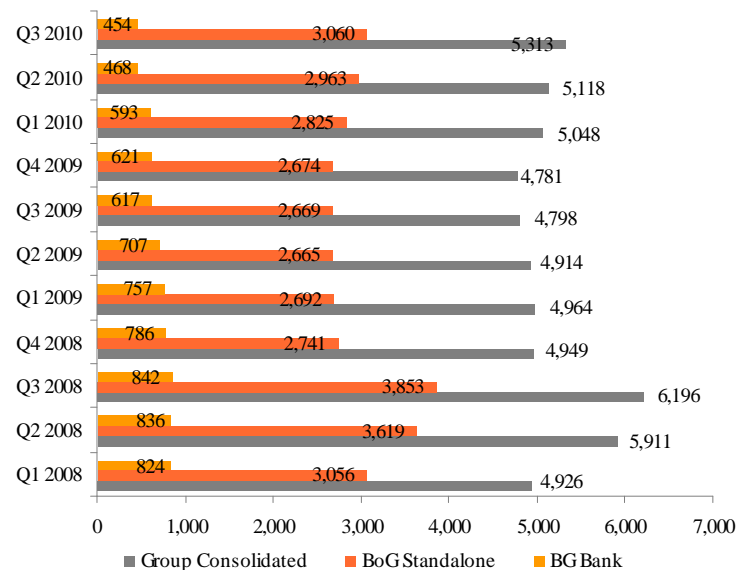
Recurring operating cost structure by segments, 9 months 2010



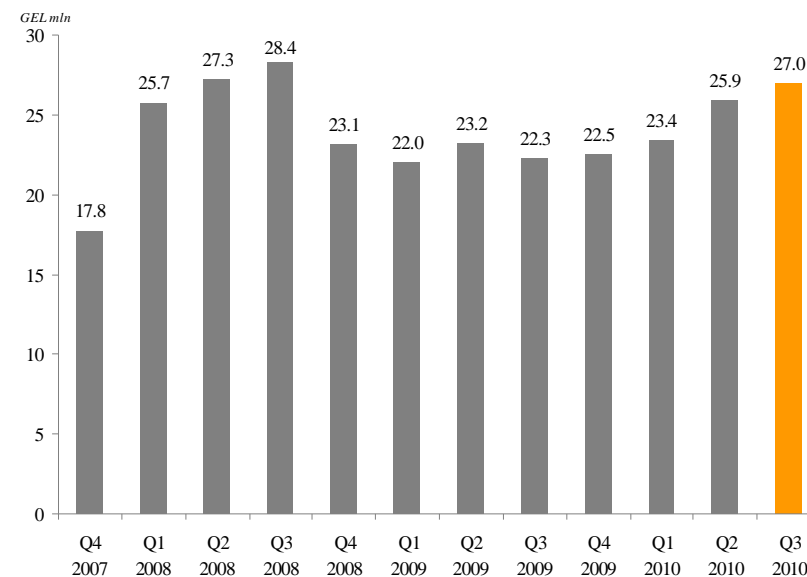
Total recurring operating costs: GEL 51.0 million in Q3 2010 (up 6.7% q-o-q), and GEL 145.1 million in 9 months 2010 (up 6.7% y-o-y)

Analysis of recurring operating costs cont'd

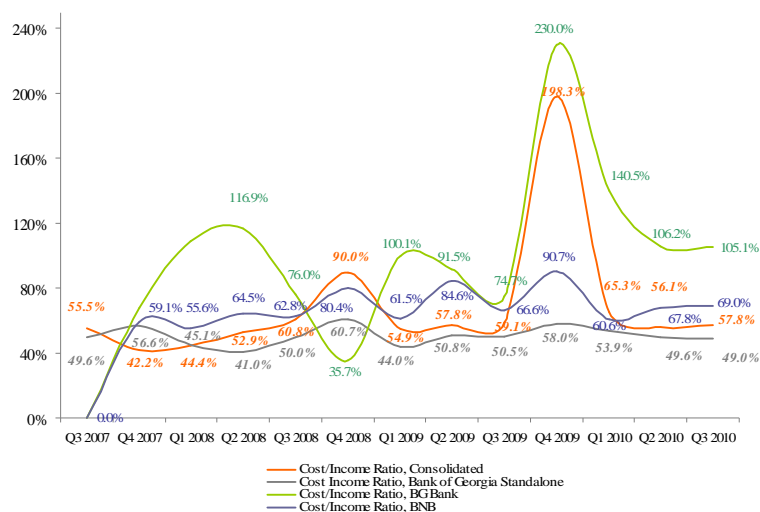
Employees



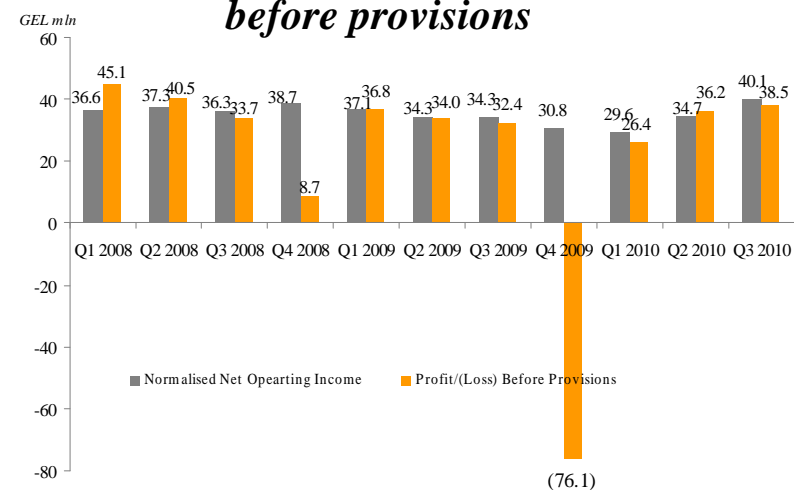
Personnel costs



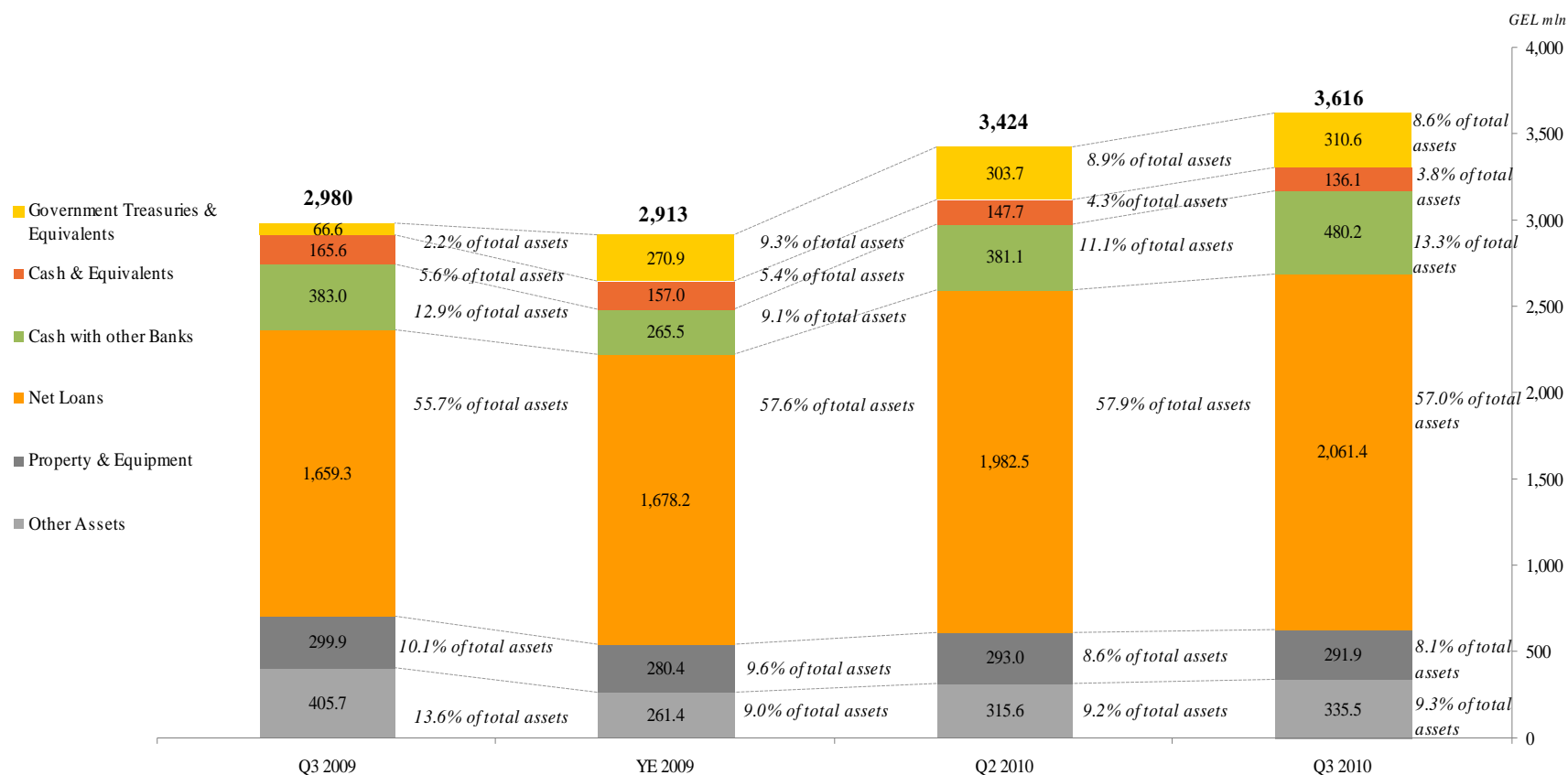
Cost/Income ratio



Normalized net operating income, Profit before provisions



Composition of assets as at 30 September 2010



GEL million	30-September-09	31-December-09	30-June-10	30-September-10
Other Fixed Income Instruments	67.2	-	-	-
Insurance Related Assets	45.6	26.7	34.4	33.6
Investments In Other Business Entities & Investment Property	75.5	89.2	104.8	119.3
Intangible Assets Owned Net	12.2	19.7	23.4	22.7
Goodwill	135.7	65.8	69.2	69.2
Tax Assets, Current And Deferred	12.9	23.5	24.9	26.0
Prepayments And Other Assets	56.6	36.6	58.9	64.7
Other Assets	405.7	261.4	315.6	335.5

Note: Net loans include Net finance lease receivables

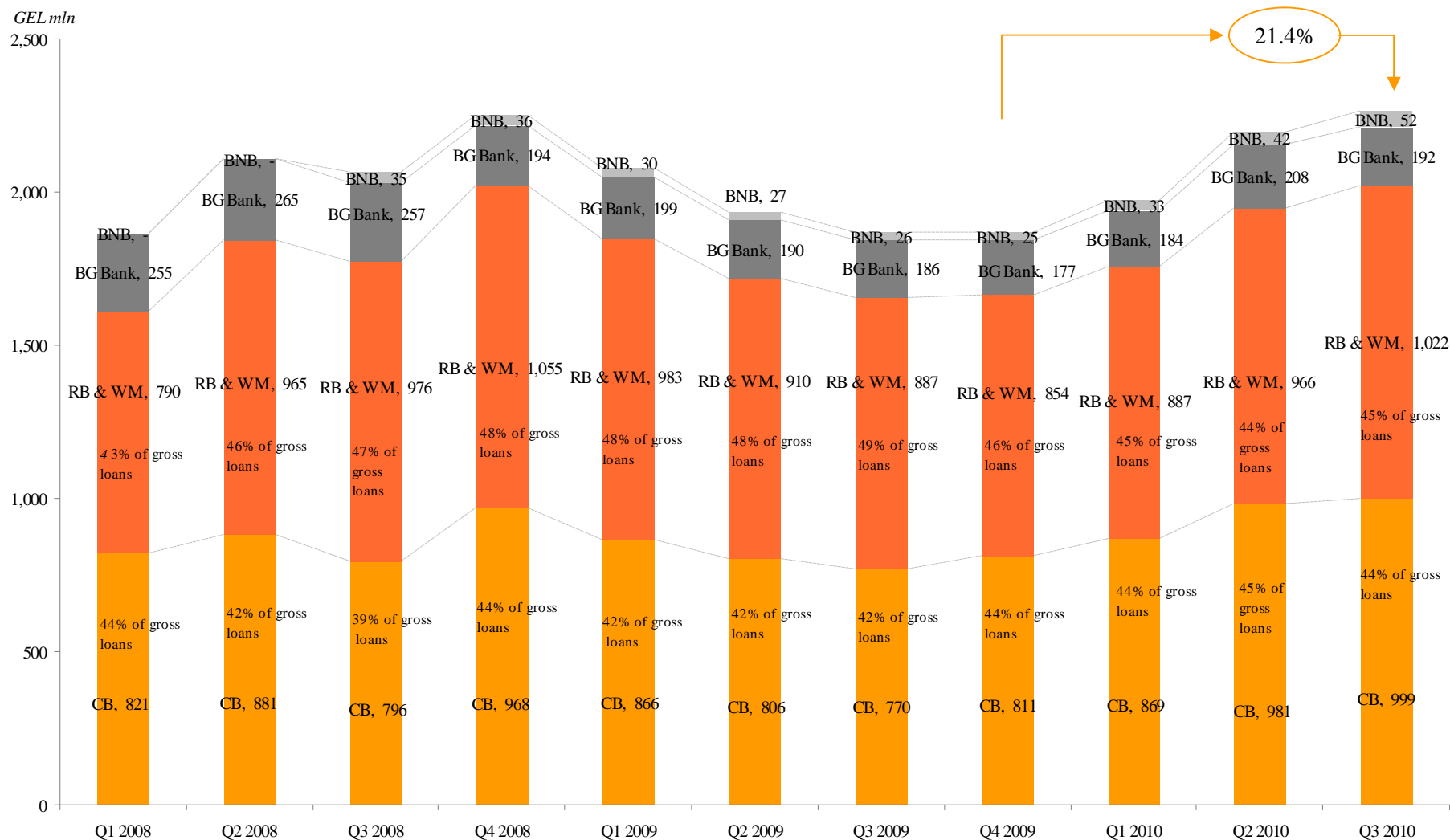
Composition of gross loan book as at 30 September 2010

Georgia: RB & WM, CB

Ukraine: BG Bank

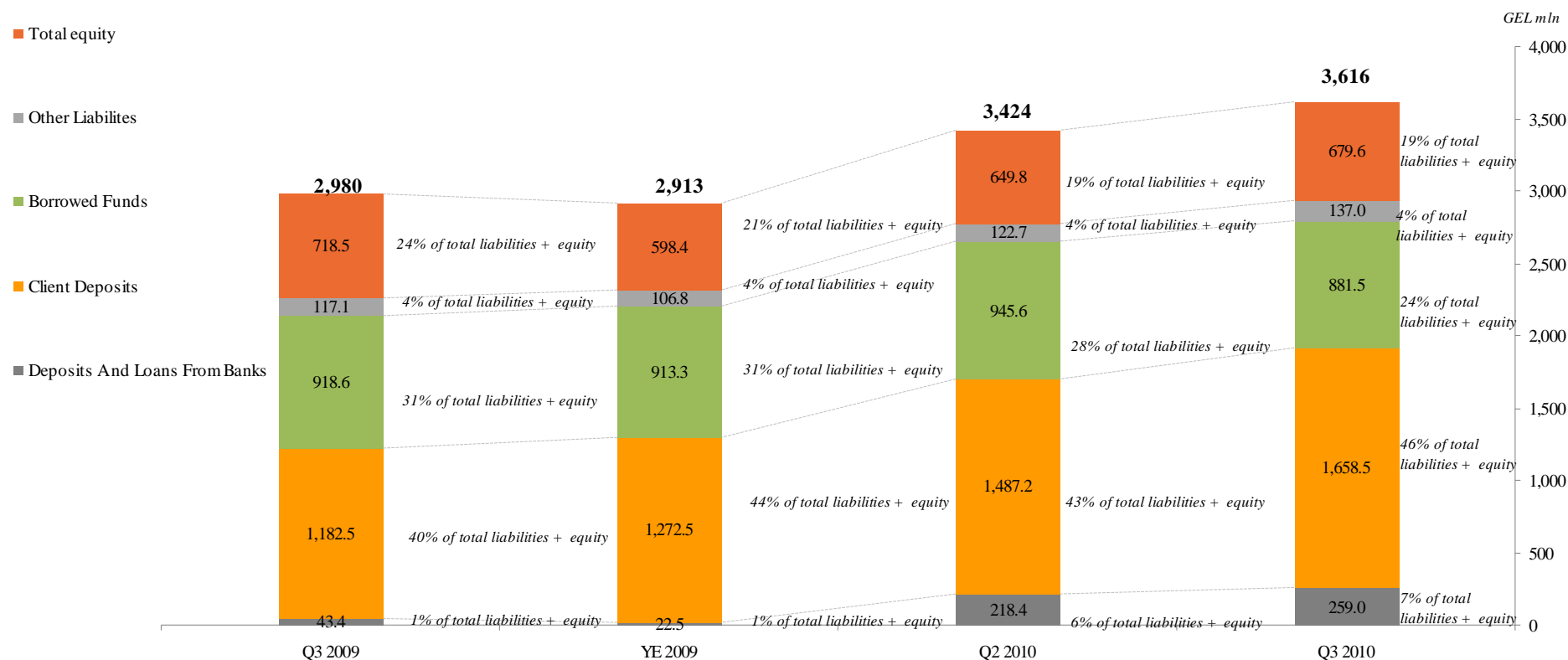
Belarus: BNB

Numbers do not include
CC/Eliminations



Gross loan book Q3 2010: GEL 2,247.3 million

Liabilities breakdown as at 30 September 2010



	30-September-09	31-December-09	30-June-10	30-September-10
Issued Fixed Income Securities	0.7	0.7	3.7	3.6
Insurance Related Liabilities	52.2	34.2	44.4	44.0
Tax Liabilities, Current And Deferred	22.8	25.2	31.8	35.4
Accruals And Other Liabilities	41.4	46.6	42.8	54.0
Other liabilities	117.1	106.8	122.7	137.0

Total liabilities 30 September 2010: GEL 2,936.0 million

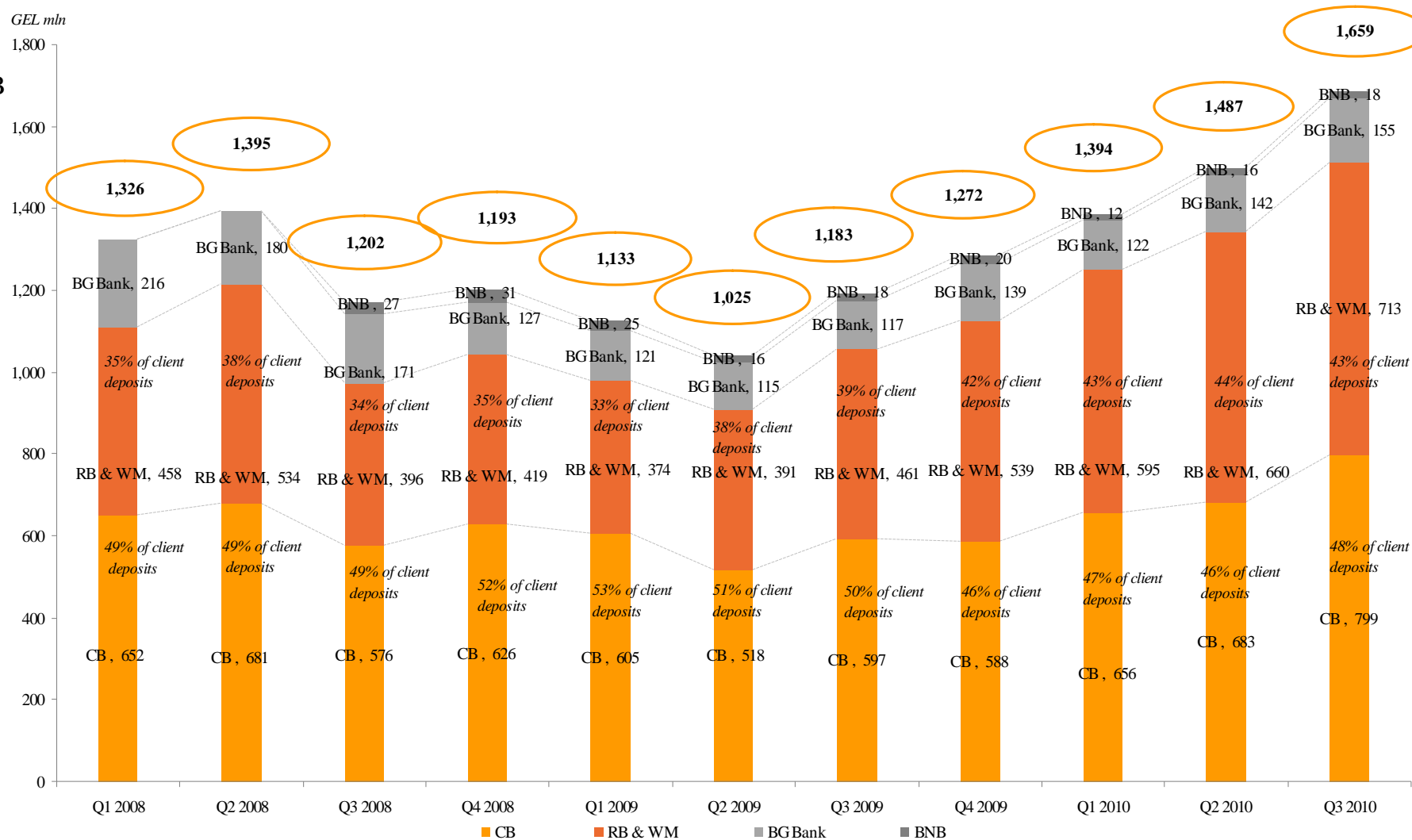
Client deposits breakdown

Georgia: RB & WM, CB

Ukraine: BG Bank

Belarus: BNB

Numbers do not include
CC/Eliminations



Client deposits Q3 2010: GEL 1,658.5 million

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



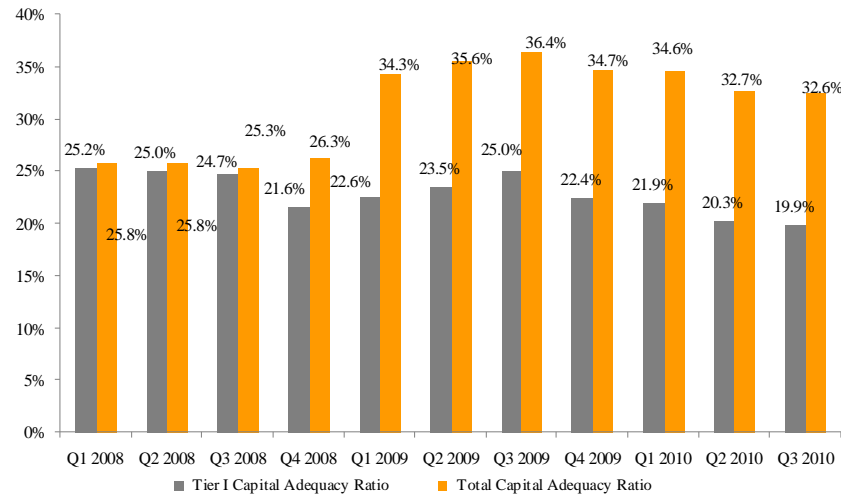
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Capital adequacy & wholesale funding

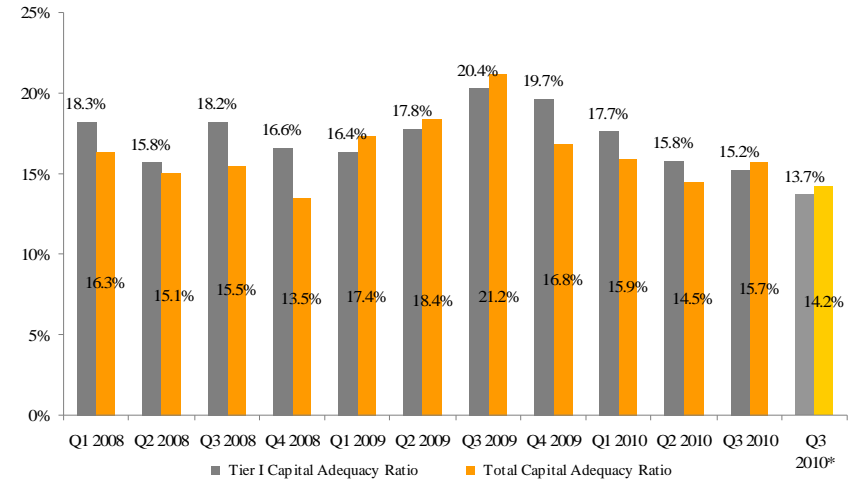
November 2010

Capital adequacy

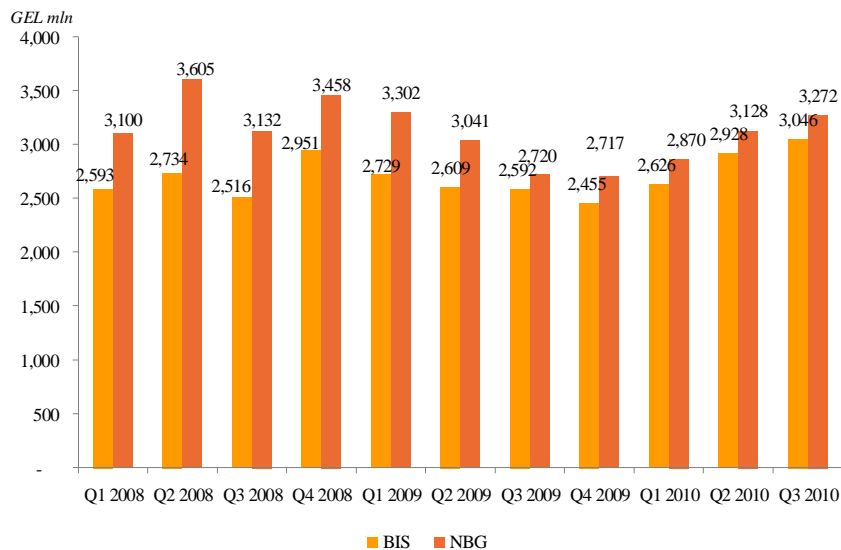
BIS capital adequacy ratios, BoG consolidated



NBG capital adequacy ratios, BoG standalone

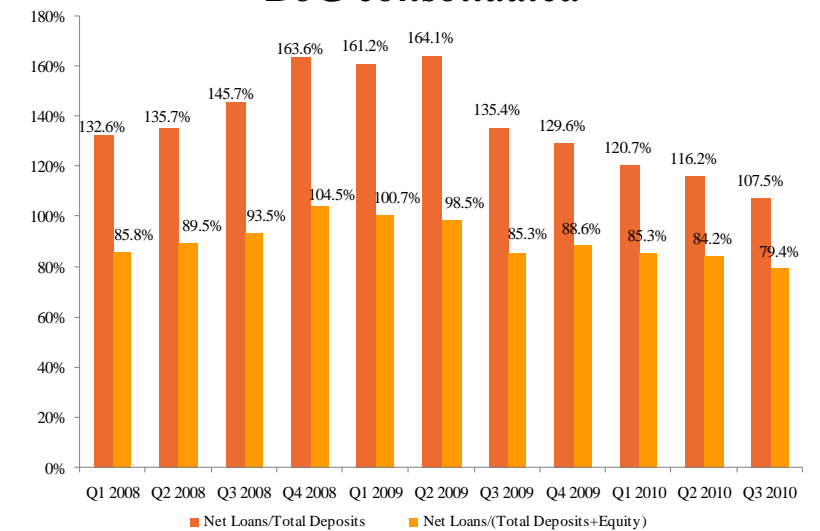


Risk-weighted assets BIS vs. NBG



* Pro-forma according to new regulations

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



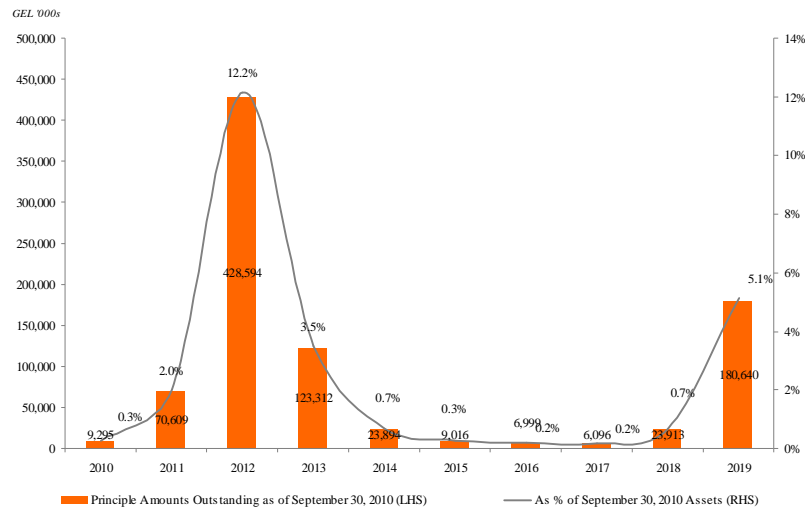
International borrowings

Selected international loans

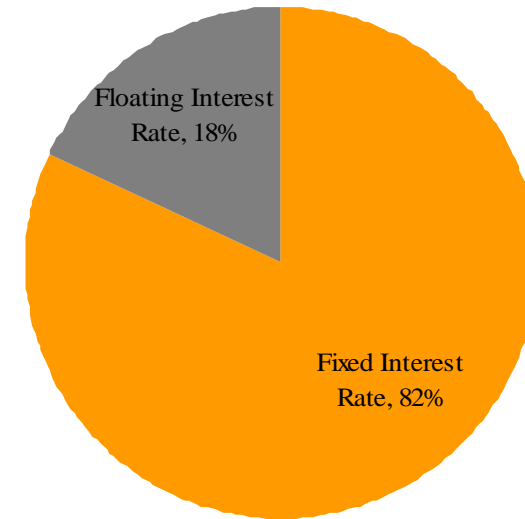
Key Lenders	Principle Amount Outstanding as of September 30, 2010	Maturity
Eurobonds	US\$ 149.0 million	2012
Senior Term Loan from FMO	US\$ 8.0 million	2014
Senior Term Loan from WorldBusiness Capital	US\$ 5.8 million	2016
Subordinated Loan from HBK Investments (Call in 2012)	US\$ 15.0 million	2017
Subordinated Loan from Merrill Lynch (Call in 2012)	US\$ 35.0 million	2017
Senior Term Loan from WorldBusiness Capital (GLC)	US\$ 4.2 million	2017
Subordinated loan from FMO and DEG (Call in 2013)	US\$ 30.0 million	2018
Senior Loan from OPIC	US\$ 26.6 million	2018
Subordinated Loan from OPIC	US\$ 10.0 million	2018
Senior Term Loan from IFC	US\$ 50.0 million	2013
Senior Term Loan from EBRD	US\$ 50.0 million	2014
Subordinated Loan from IFC	US\$ 24.0 million	2019
Subordinated Loan from EBRD	US\$ 24.0 million	2019
Convertible Loan from IFC	US\$ 26.0 million	2019
Convertible Loan from EBRD	US\$ 26.0 million	2019
Other, USD denominated	US\$ 4.5 million	NMF
Other, EUR denominated	EUR 0.3 million	NMF
Total	US\$ 488.5 million	

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

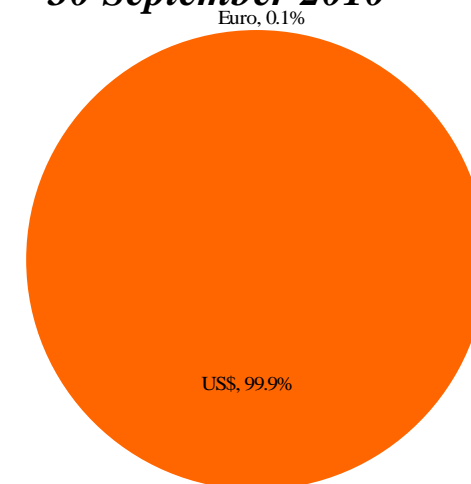
International borrowings repayment schedule



International borrowings - fixed vs. floating rates, 30 September 2010



International borrowings by currencies, 30 September 2010



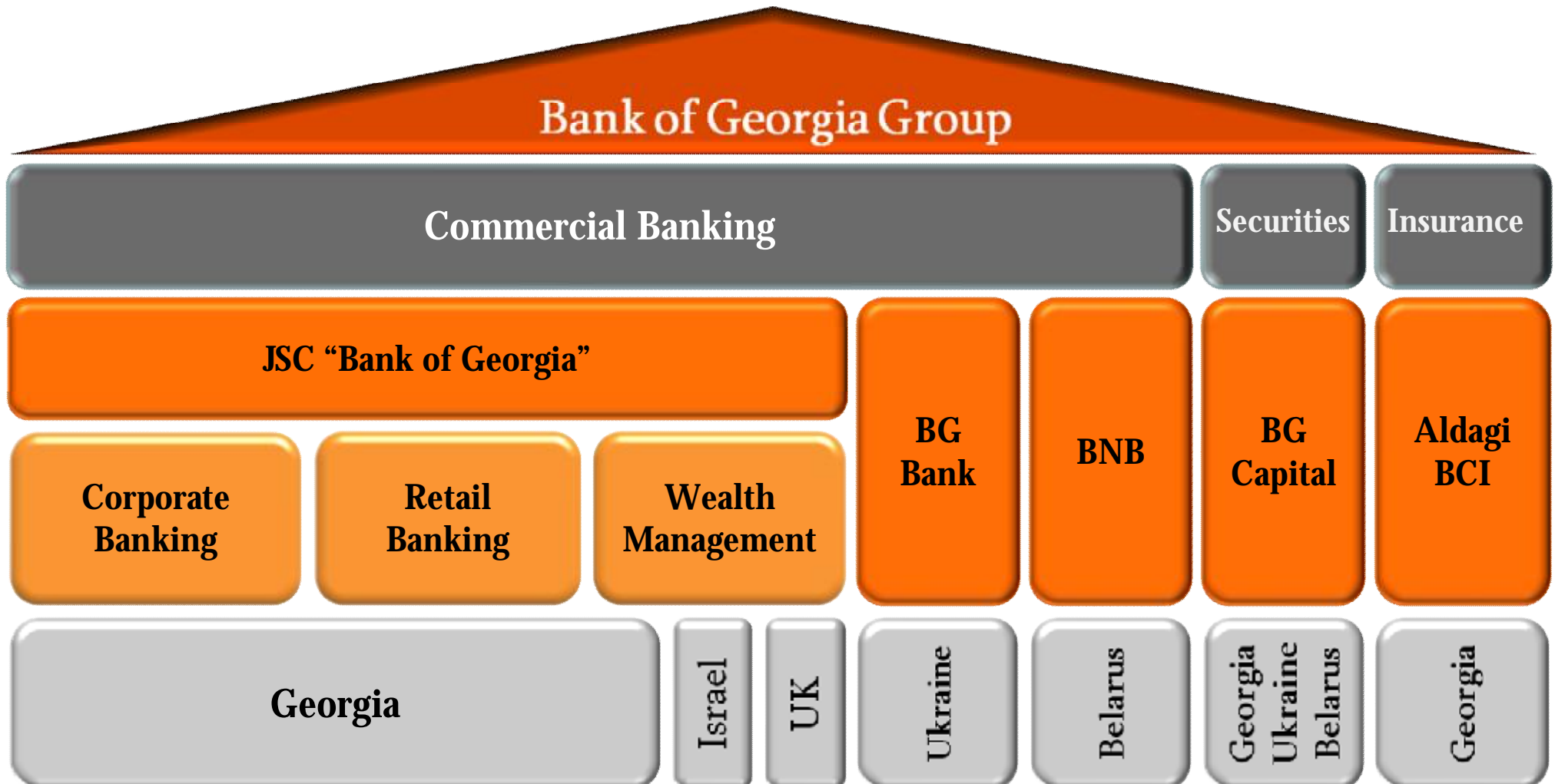


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Business overview

November 2010

Group structure





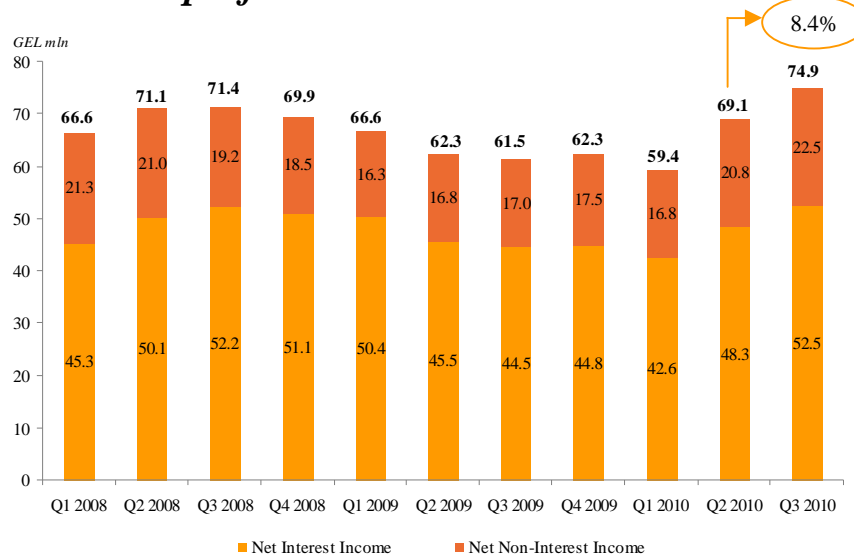
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BoG standalone results overview

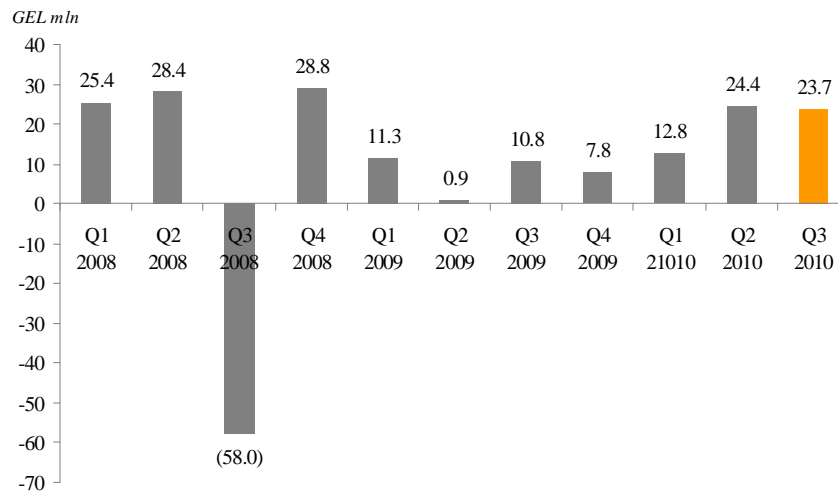
November 2010

BoG standalone performance

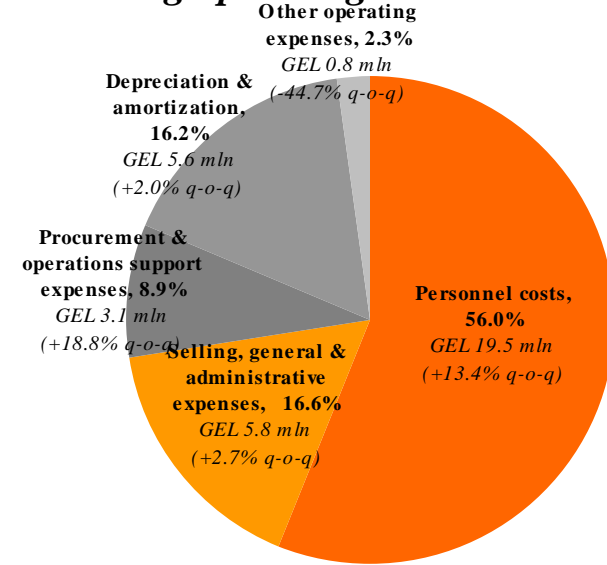
Revenue performance



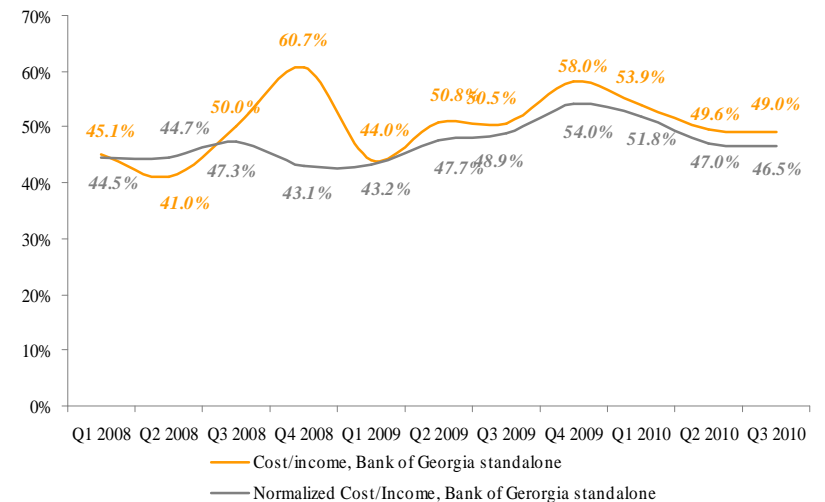
Net income



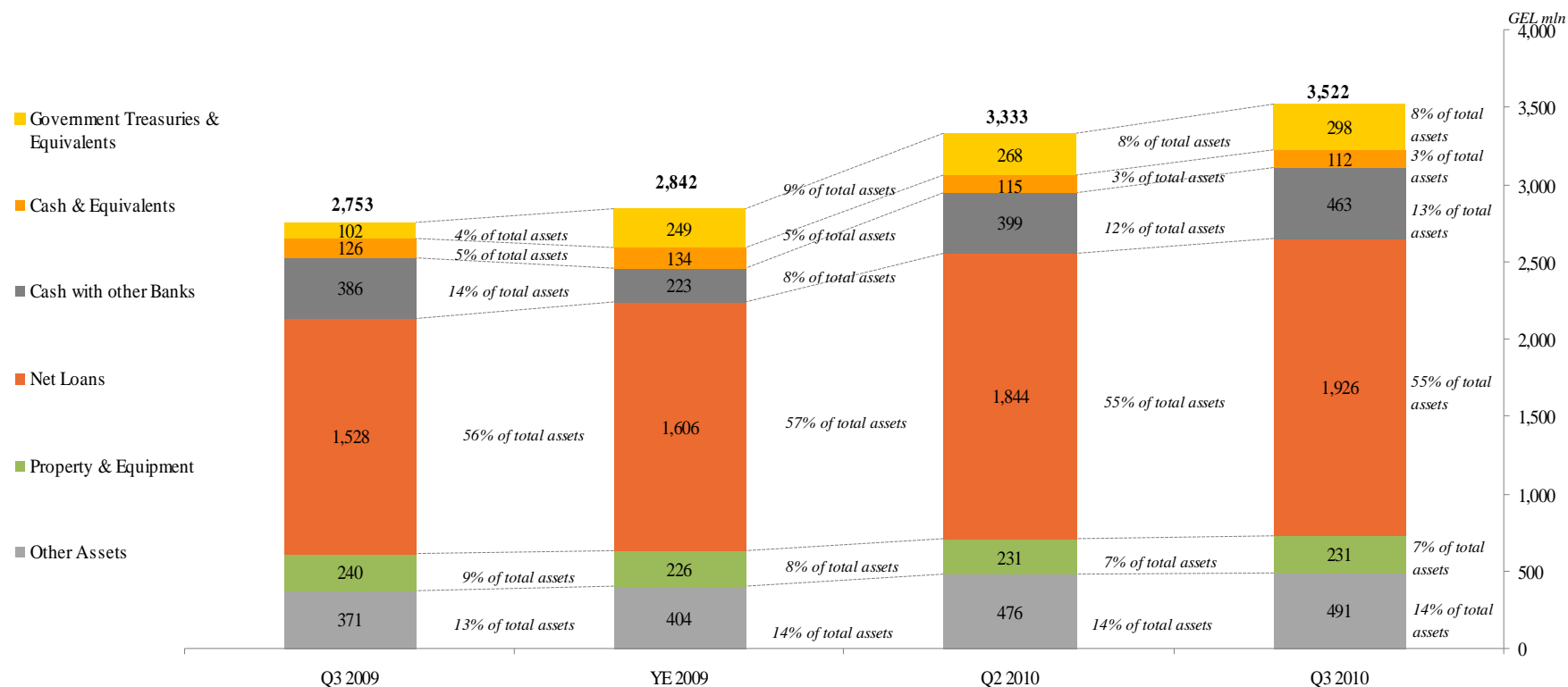
Recurring operating cost structure, Q3 2010



Cost/Income Ratio

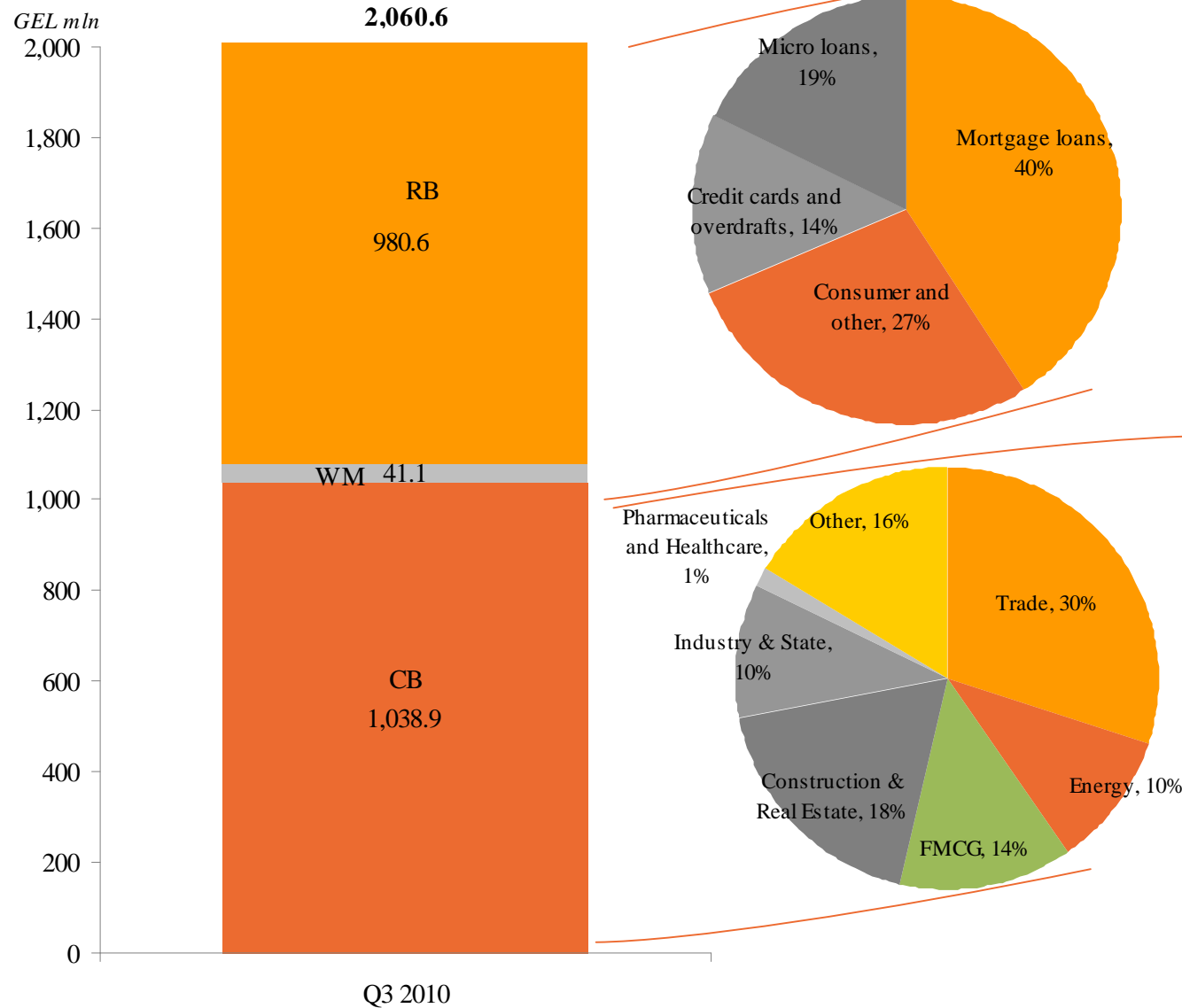


Composition of assets as at 30 September 2010



GEL million	Q3 09	YE 09	Q2 10	Q3 10
Investments In Other Business Entities, Net and Investment Property	304.4	334.1	395.5	409.9
Intangible Assets Owned, Net	6.5	14.3	18.2	17.7
Goodwill	23.2	22.8	22.7	22.7
Tax Assets, Current And Deferred	-	6.6	6.6	6.6
Prepayments And Other Assets	36.8	25.8	32.4	34.2
Other assets	371	404	476	491

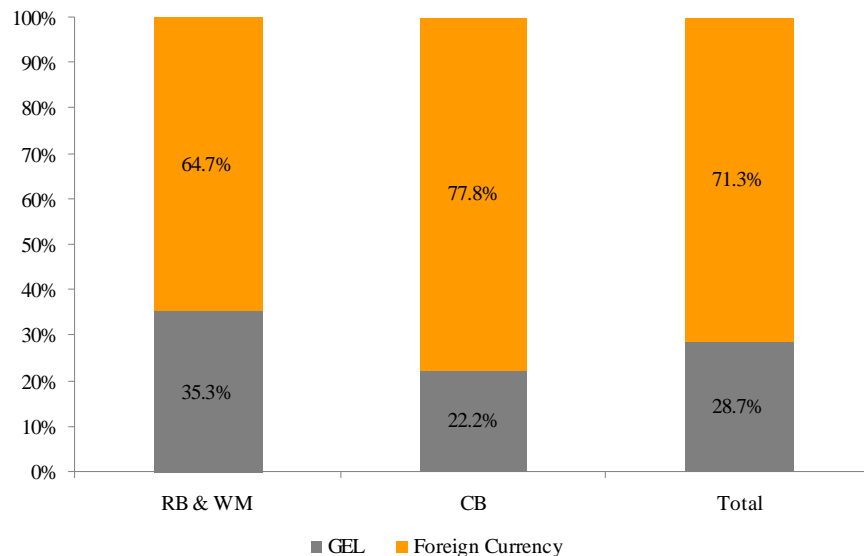
Analysis of the loan book



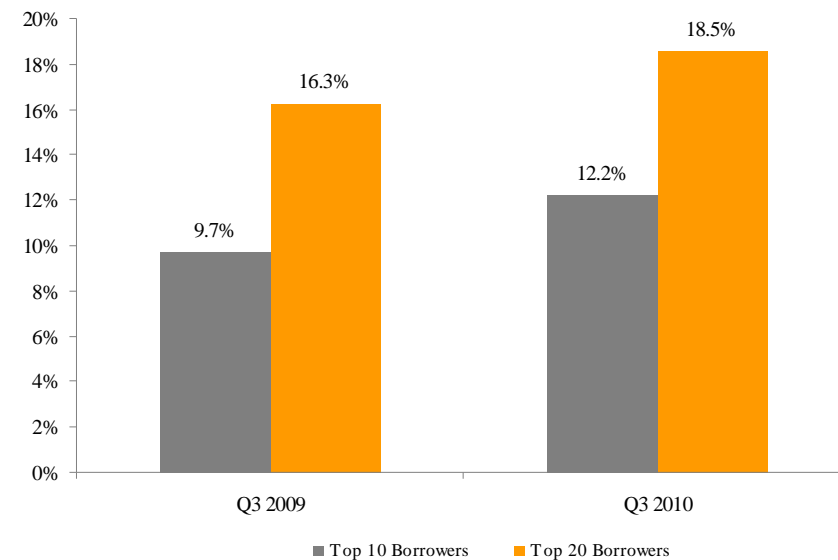
* Other loans include car, POS and legacy retail loans

Analysis of the loan book

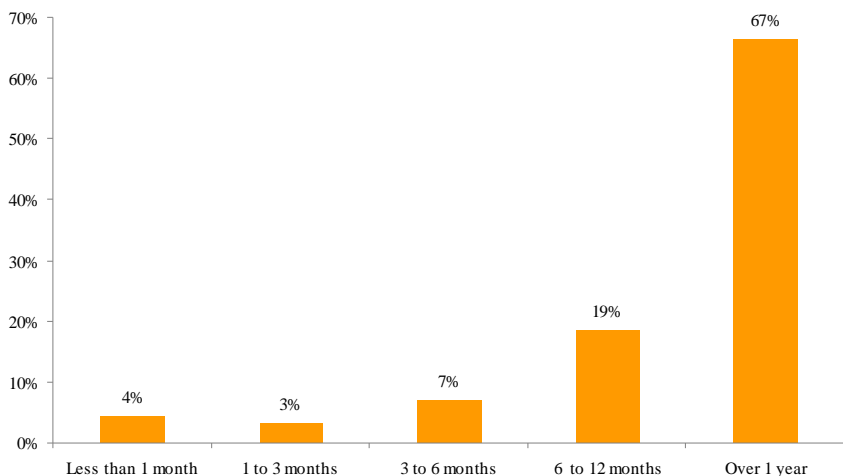
Loans by currency, 30 September 2010



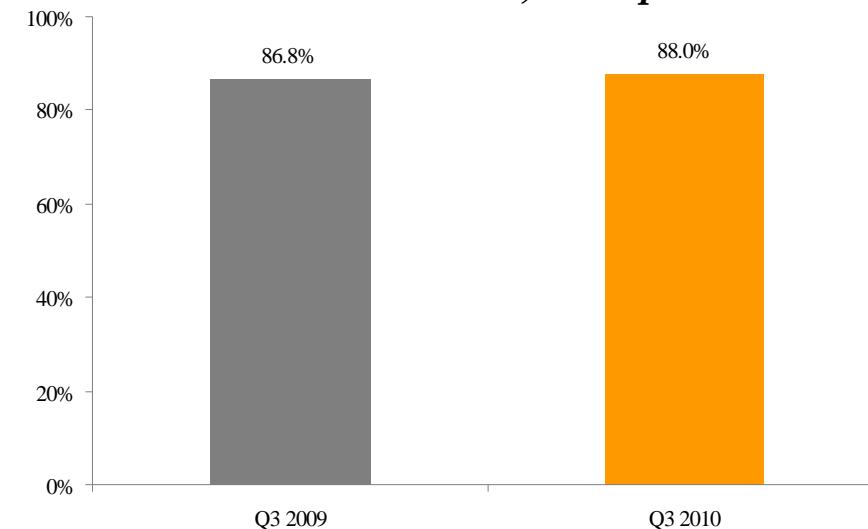
Loan concentration, 30 September 2010



Loans by maturity, 30 September 2010



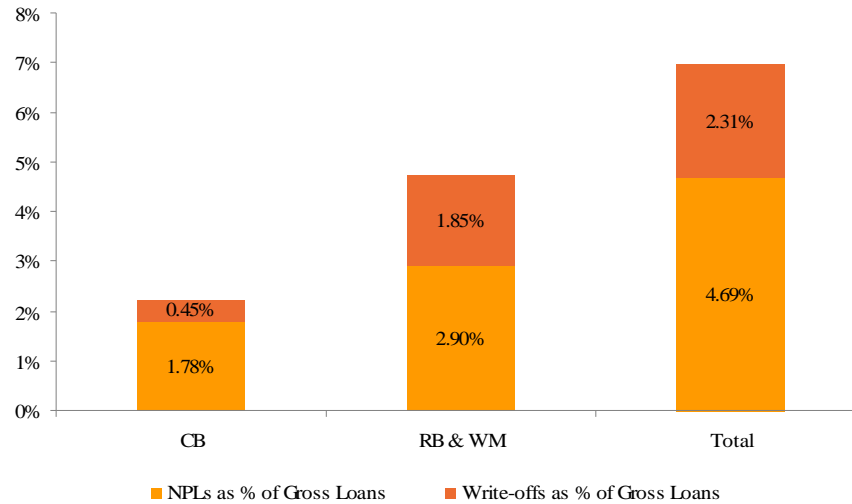
Loan book collateralization, 30 September 2010



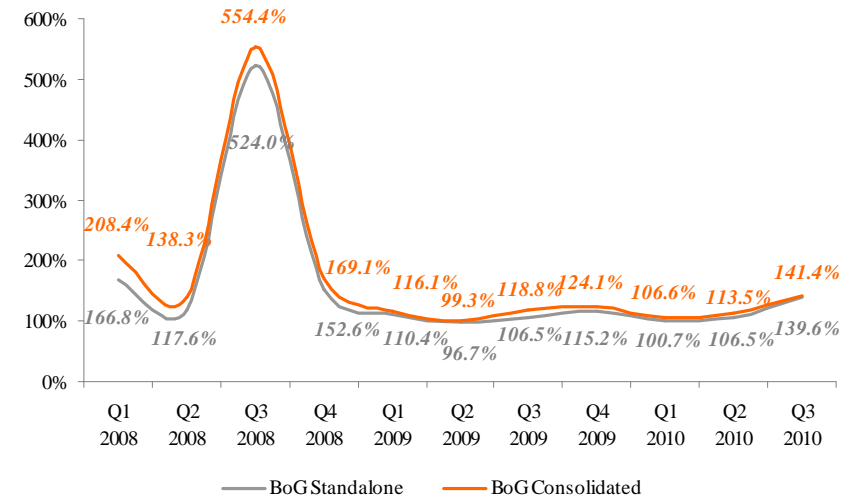
Provisioning

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

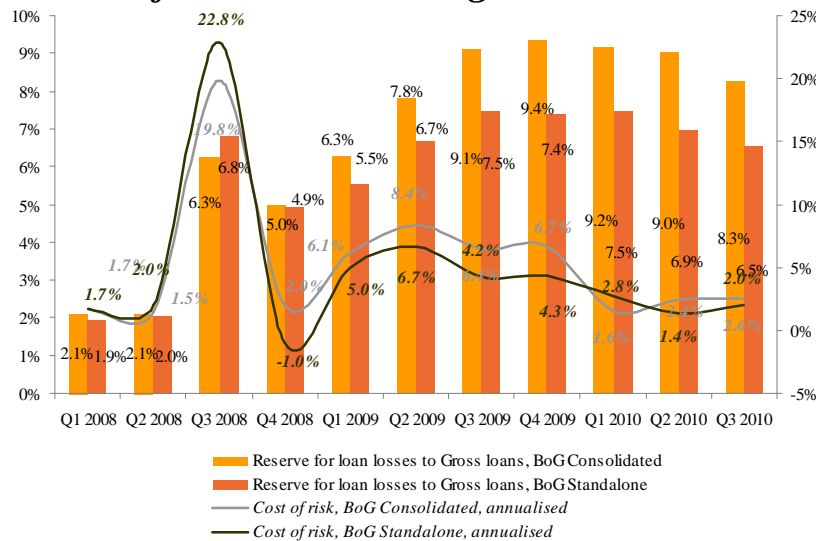
NPLs & write-offs, 30 September 2010



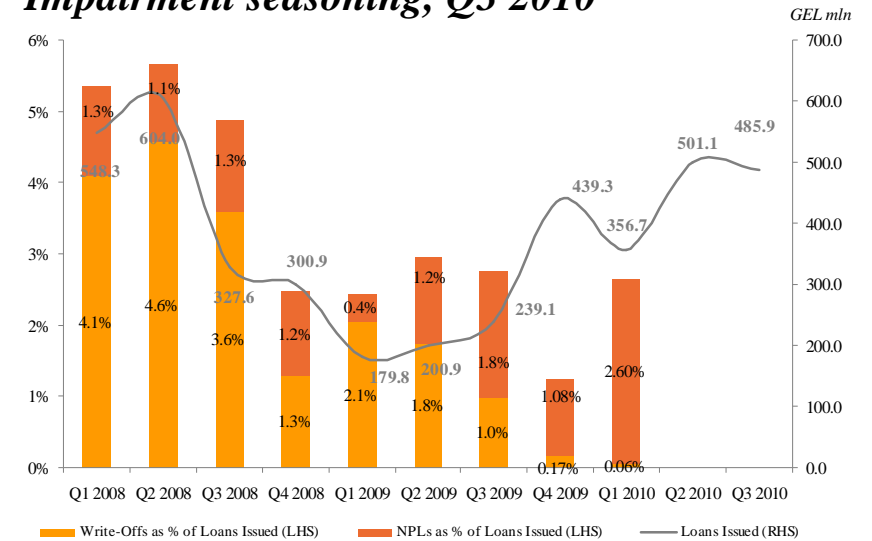
NPL coverage ratio



Reserve for loan losses to gross loans

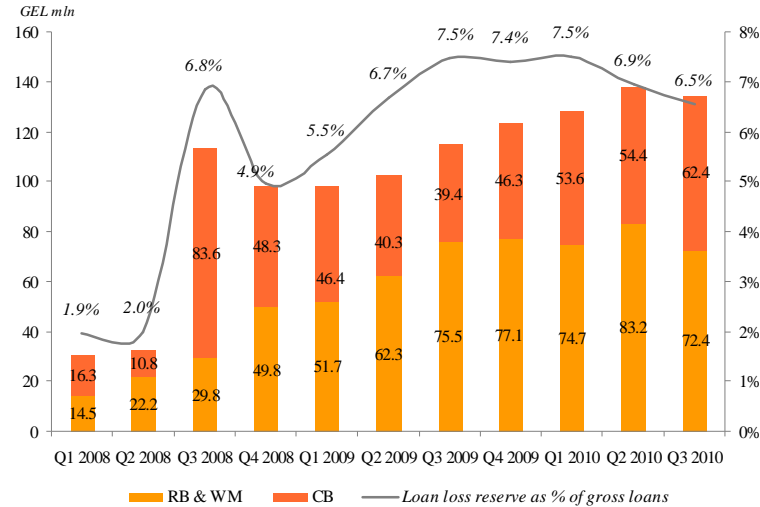


Impairment seasoning, Q3 2010

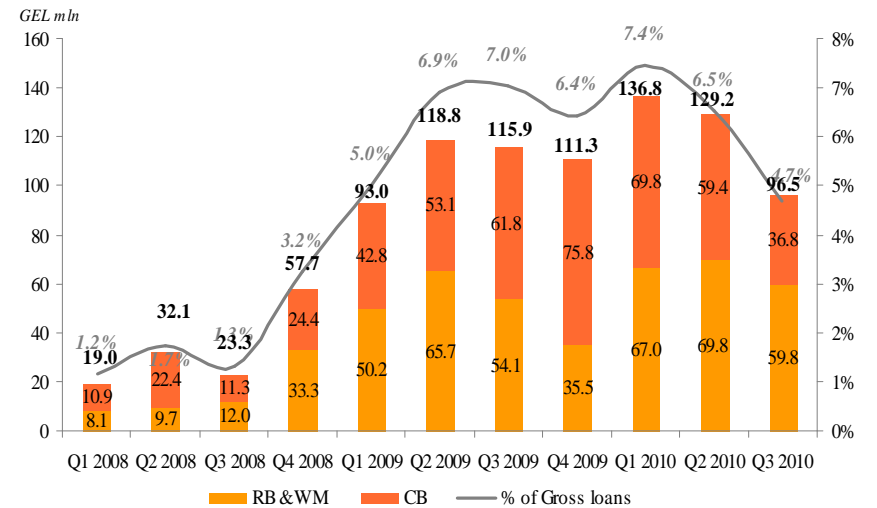


Provisioning cont'd – BoG standalone

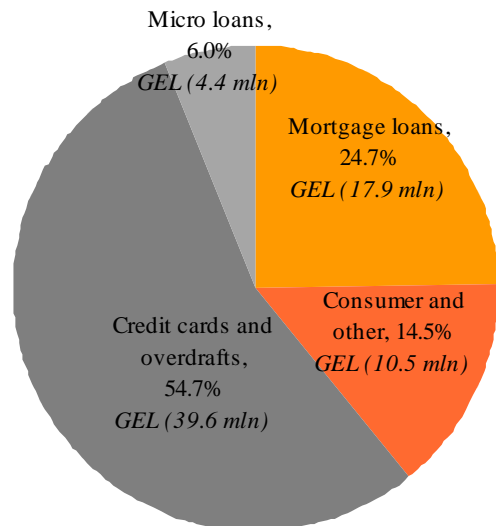
Loan loss reserve



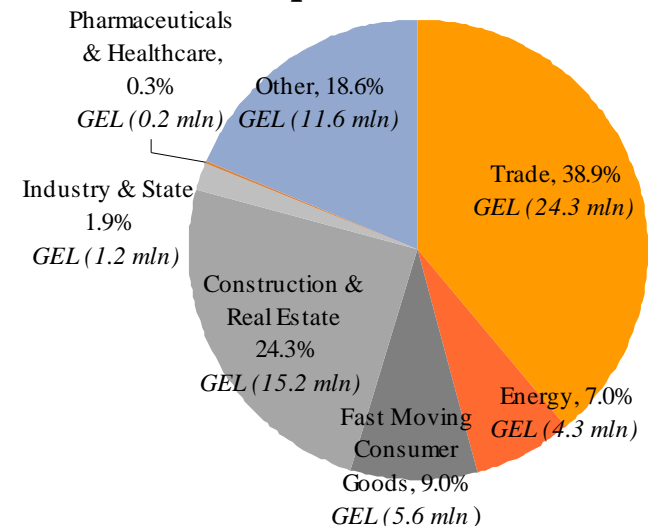
NPLs



RB & WM loan loss reserve breakdown by loan type, 30 September 2010



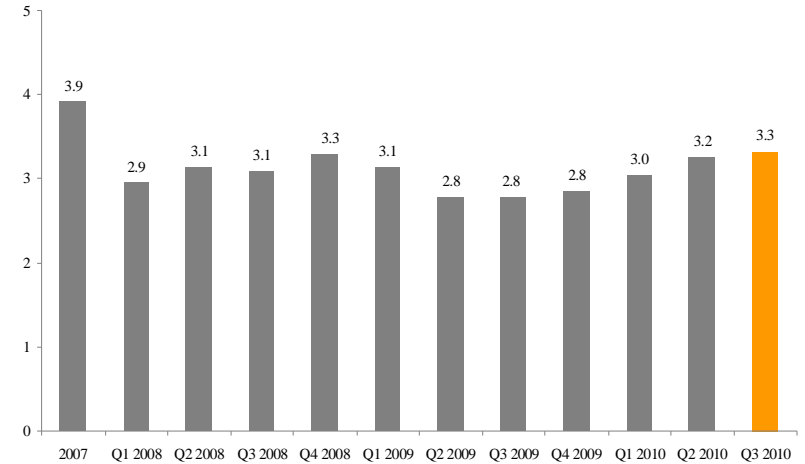
CB loan loss reserve breakdown by loan type, 30 September 2010



BoG standalone liabilities

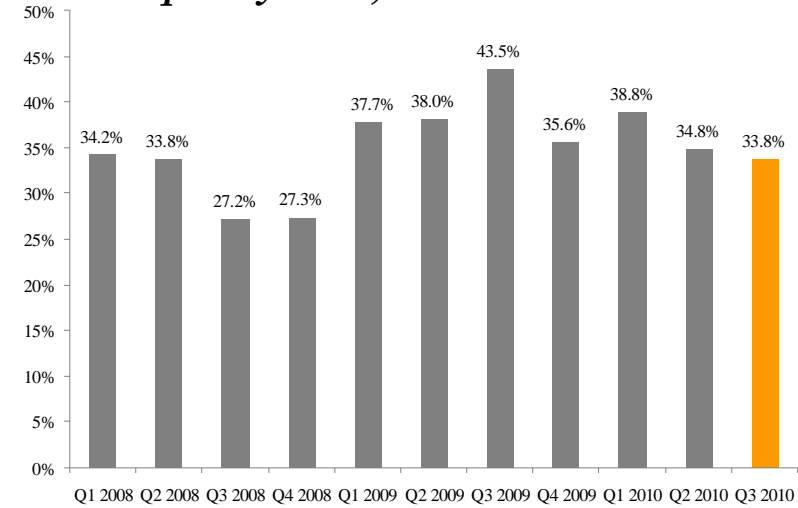


Leverage ratio, BoG standalone



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

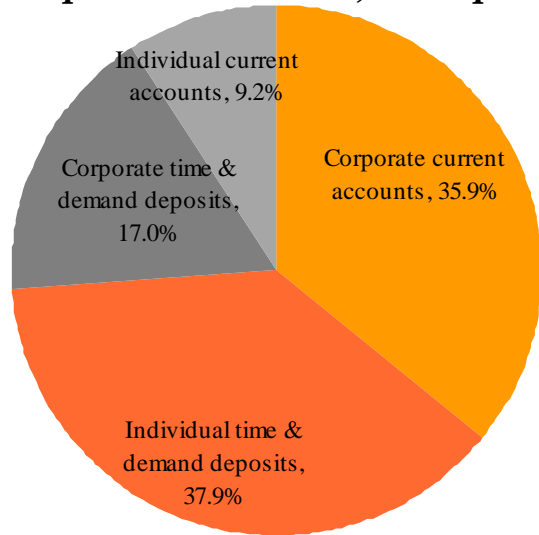
NBG Liquidity ratio, BoG standalone



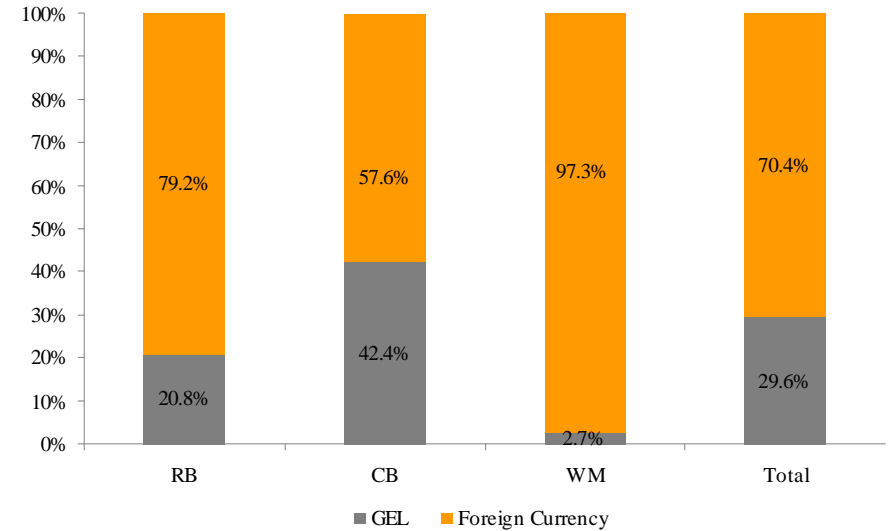
NBG Liquidity ratio is calculated by dividing liquid assets per NBG by Total liabilities per NBG

Analysis of deposits

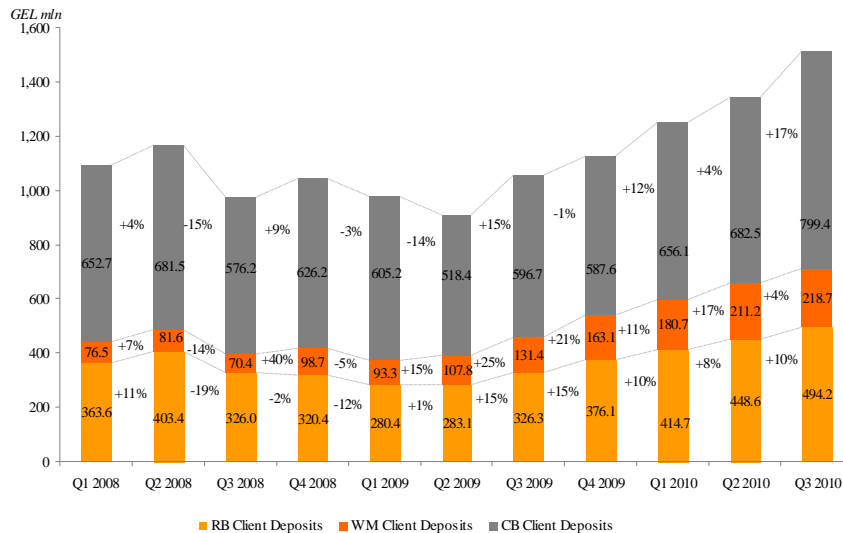
Client deposit breakdown, 30 September 2010



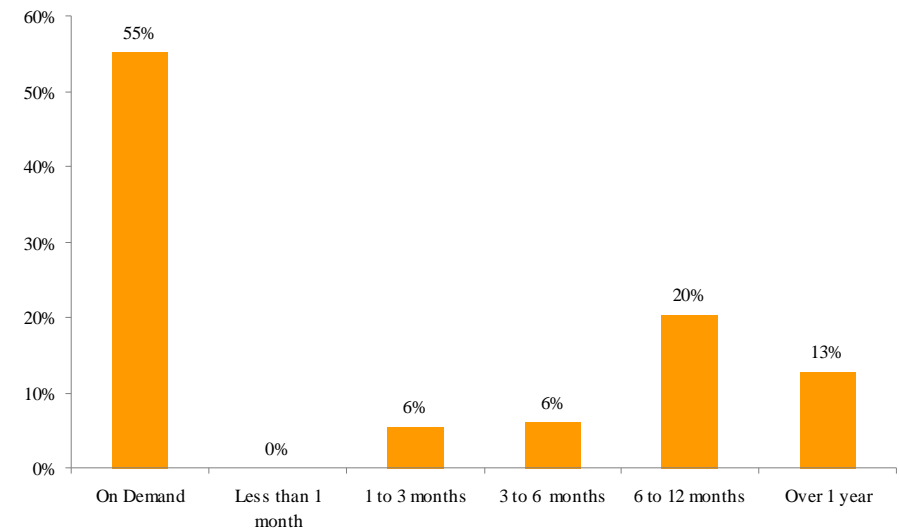
Client deposits by currency, 30 September 2010



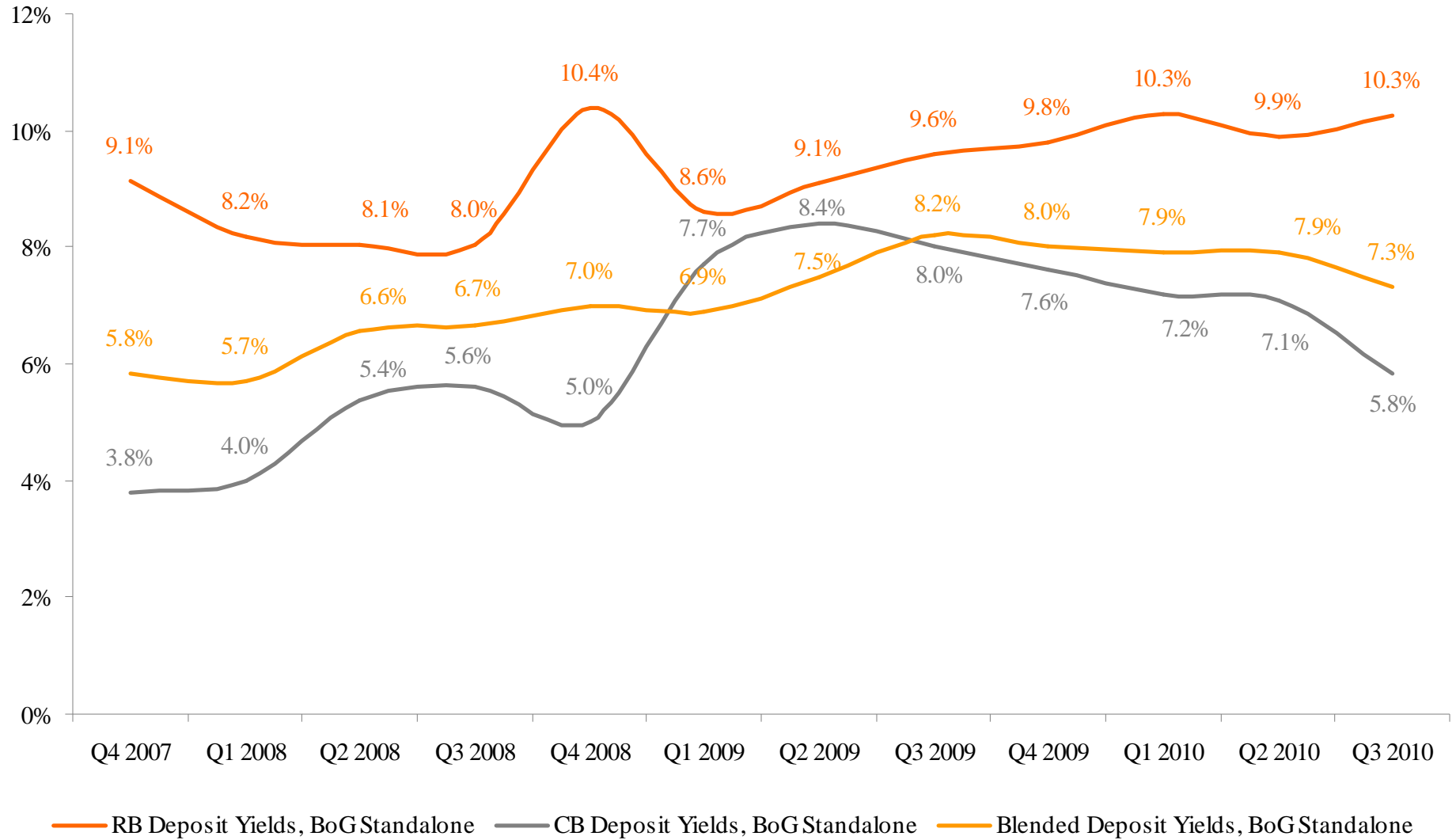
CB, RB & WM deposits, BoG standalone



Deposits by maturity, 30 September 2010

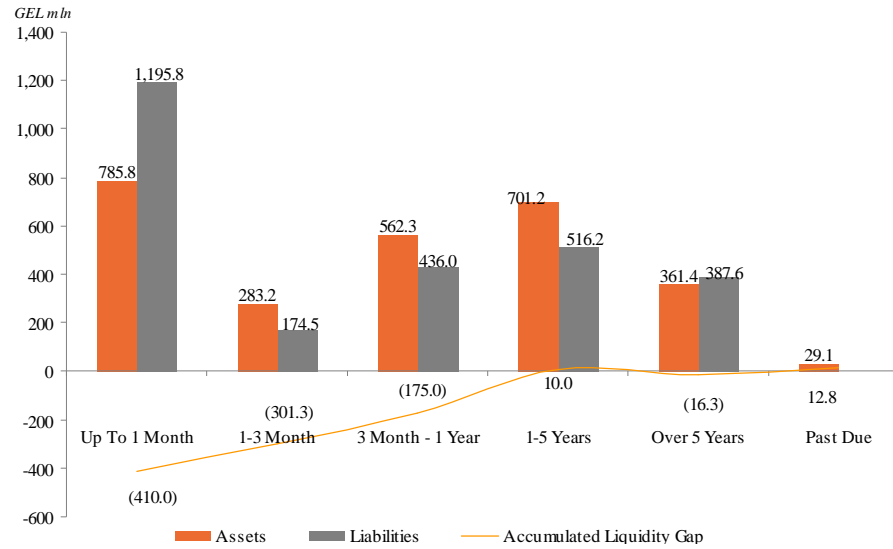


Deposit yields

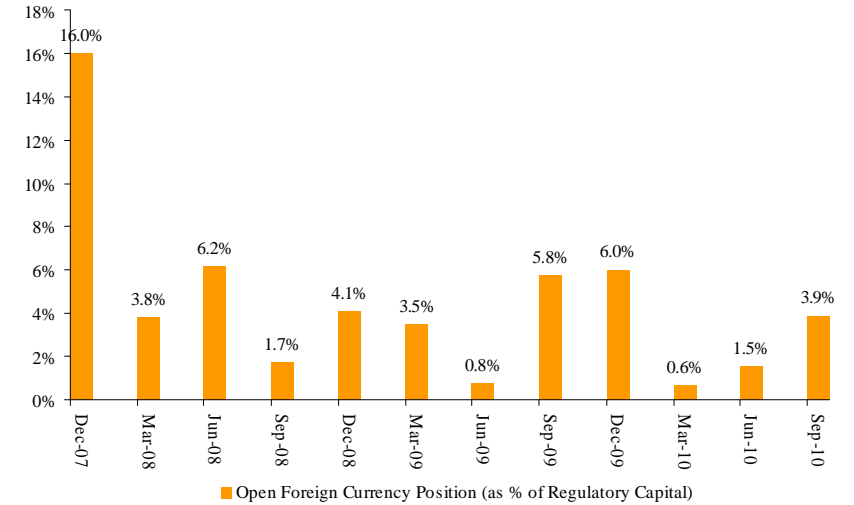


Risk management

Liquidity risk management, Q3 2010



Currency risk management



Corporate banking

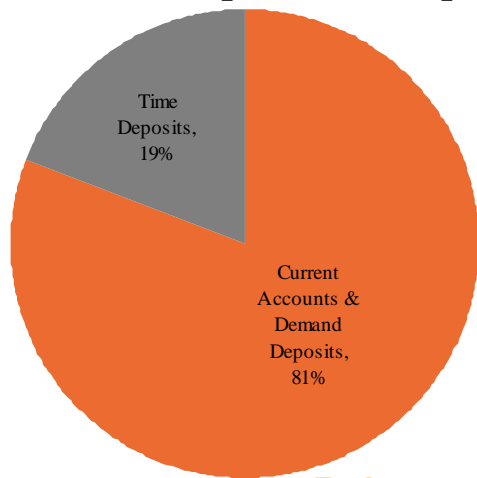
Integrated client coverage in the following key sectors

- 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 30.0% market share based on customer deposits⁽¹⁾
- Circa 29.6% market share based on corporate loans⁽²⁾
- Integrated client coverage in key sectors
- 90,508 clients of which 9,242 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 1,567 in Q2 2010 to 1,657 in Q3 2010
- More than 6,000 corporate accounts were opened at the bank in Q3 2010, bringing the total number of current accounts to 171,052

Corporate client deposits, 30 September 2010

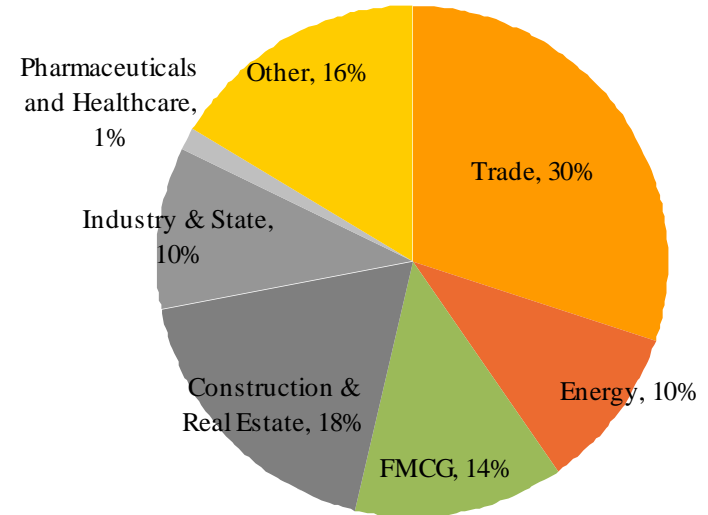


Total corporate deposits: GEL 799.4 mln

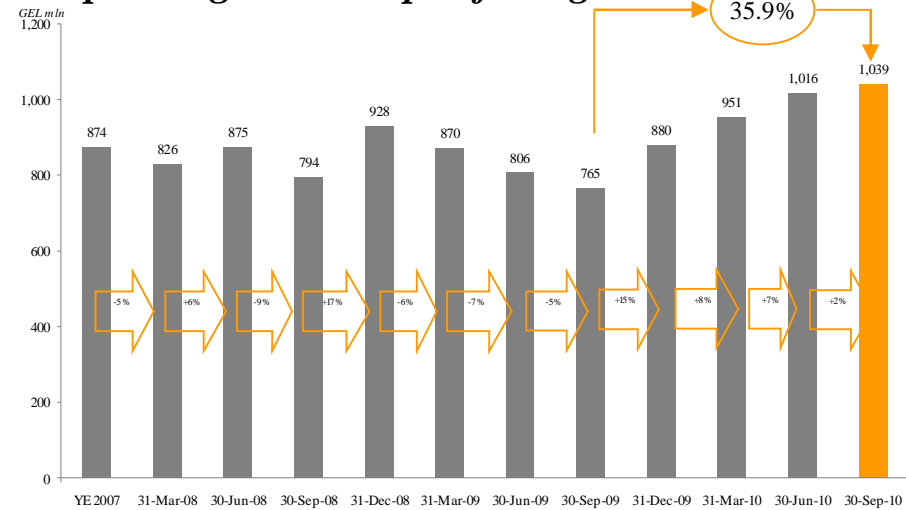
Notes:

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

Corporate loan portfolio, 30 September 2010

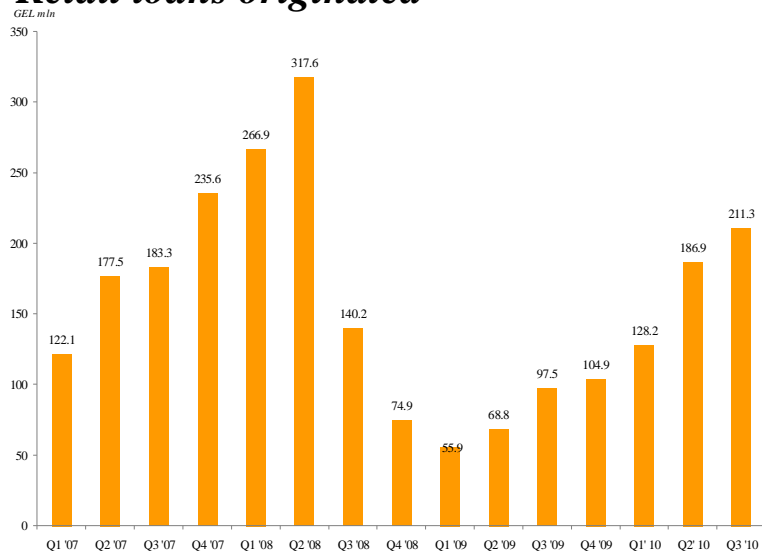


Corporate gross loan portfolio growth



Retail Banking – No. 1 retail bank in Georgia

Retail loans originated

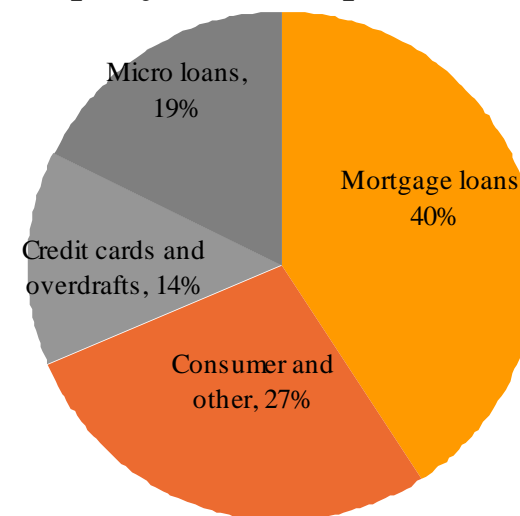


Leadership in consumer lending

Q3 2009 Q2 2010 Q3 2010

• Number of Retail Clients	701,441	714,484	729,578
§ Number of consumer loans outstanding	53,264	52,423	58,121
• Volume of consumer loans outstanding (GEL mln)	125.6	130.9	146.9
• Credit Cards Outstanding, of which	105,040	81,119	94,480
§ American Express cards	-	19,600	34,359
• Number of Solo clients outstanding, (premier banking)	-	1,043	1,608

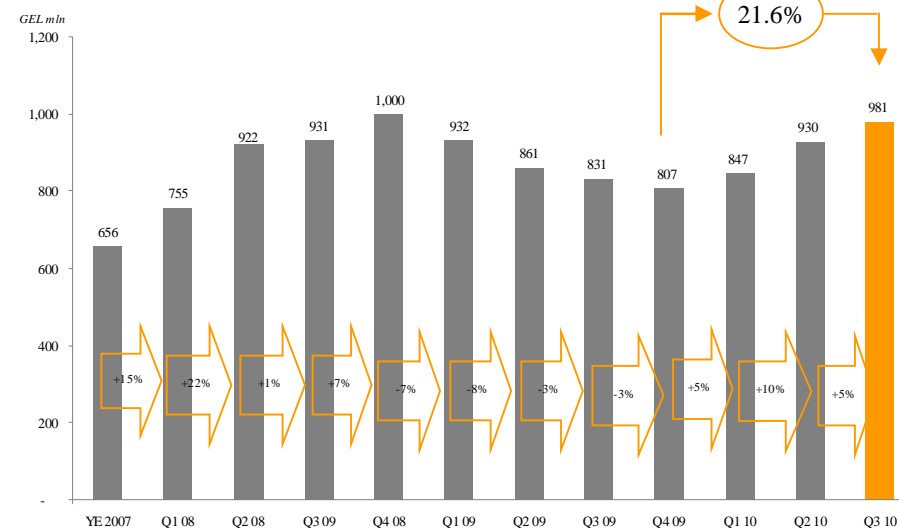
RB loan portfolio, 30 September 2010



Total retail loans: GEL 980.6 mln

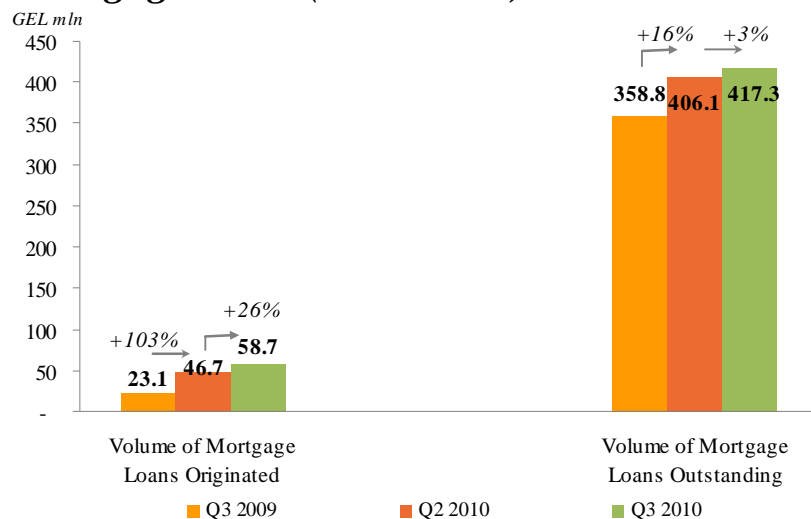
Note: does not include Ukraine & Belarus

Retail gross loan portfolio growth

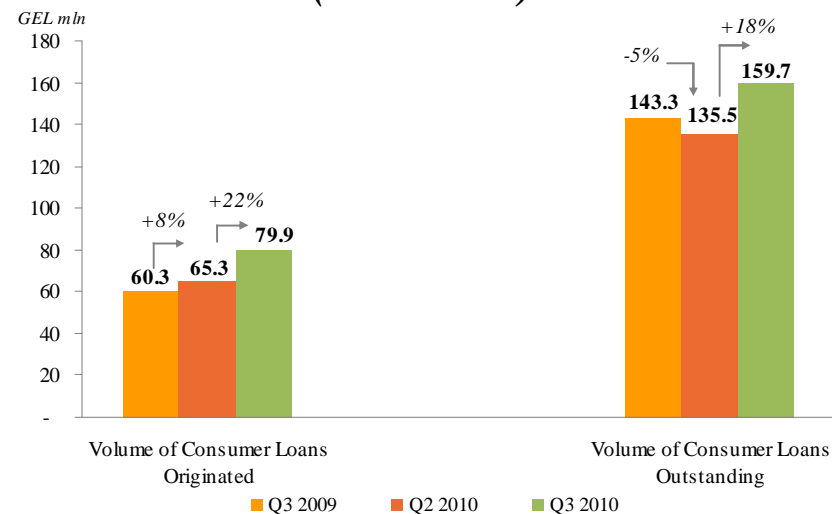


Loan origination

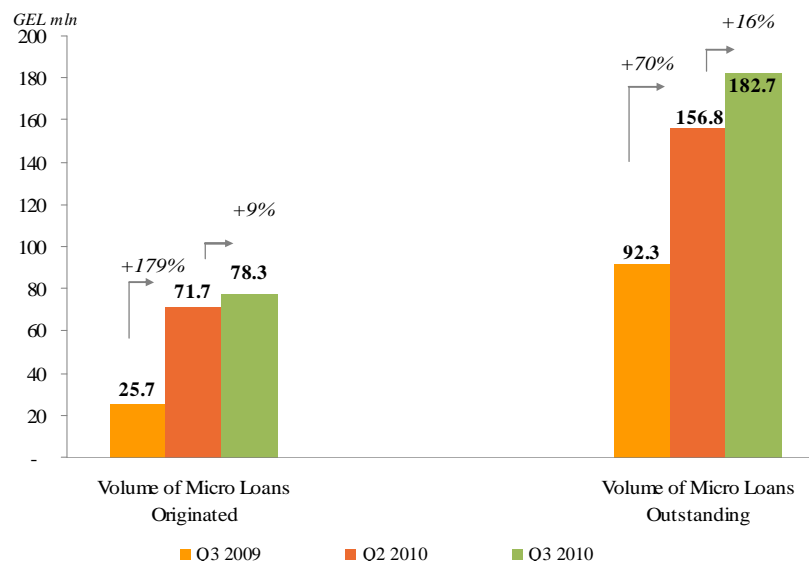
Mortgage loans (RB & WM)



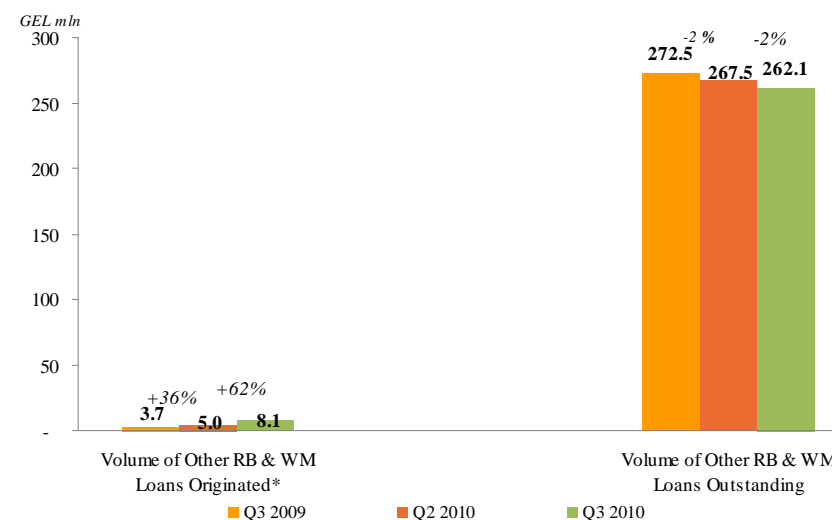
Consumer loans (RB & WM)



Micro loans (RB & WM)

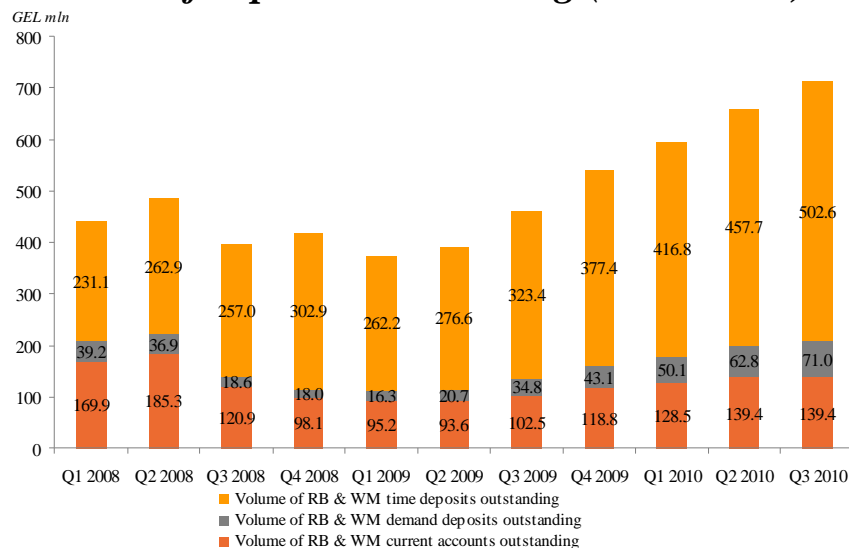


Other RB & WM loans

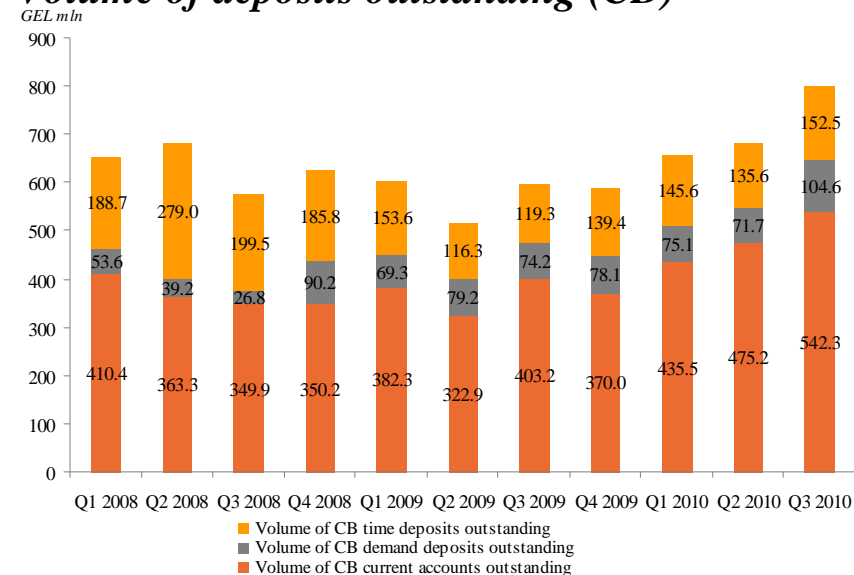


Deposit origination

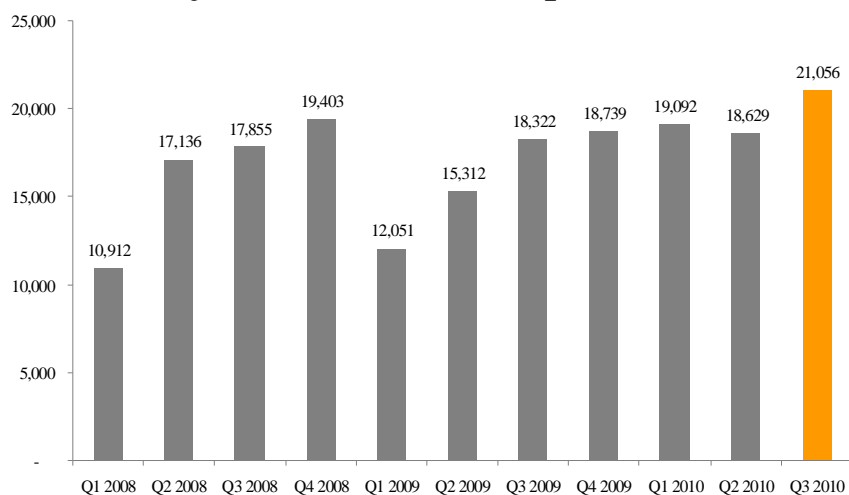
Volume of deposits outstanding (RB & WM)



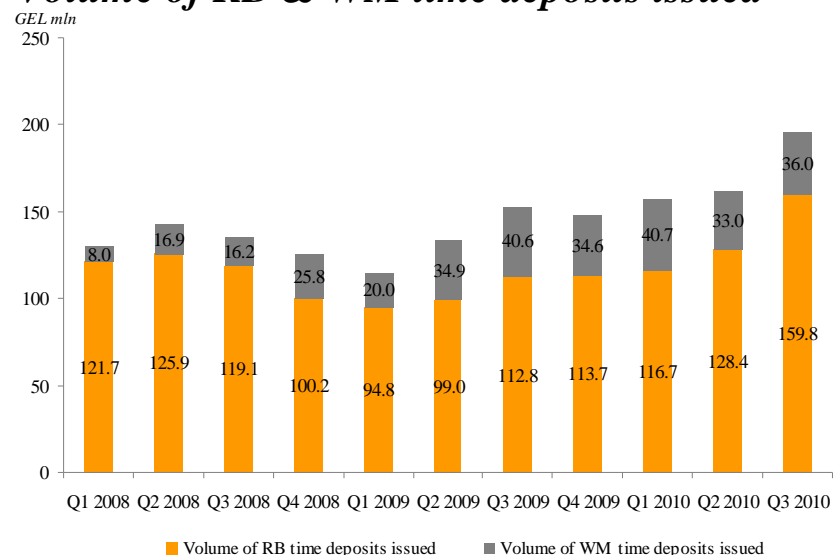
Volume of deposits outstanding (CB)



Number of RB & WM time deposits issued

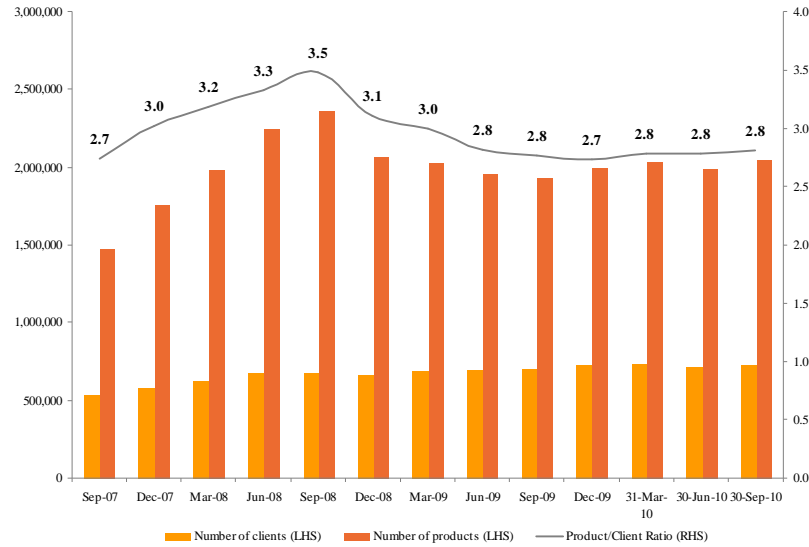


Volume of RB & WM time deposits issued

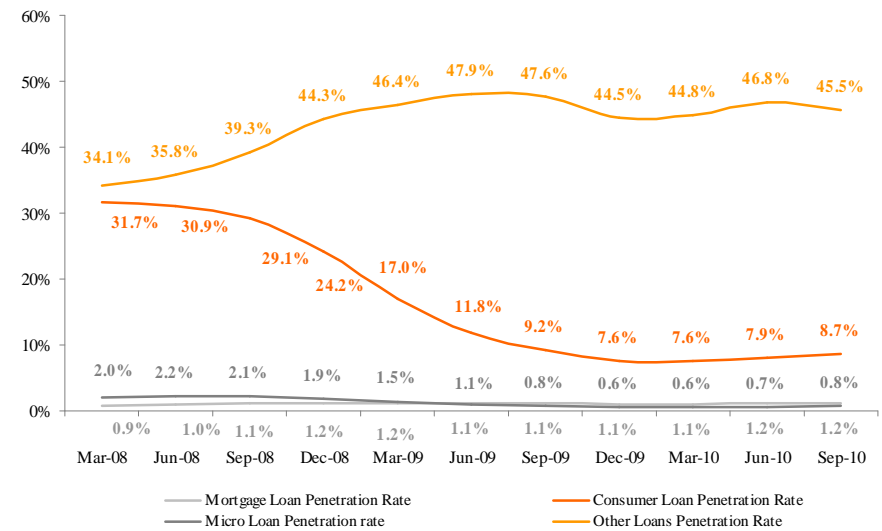


RB cross-selling

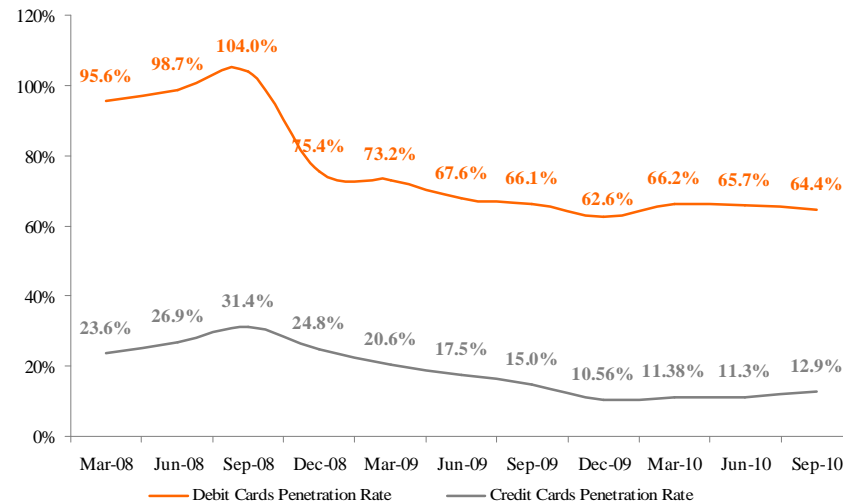
Product/client ratio



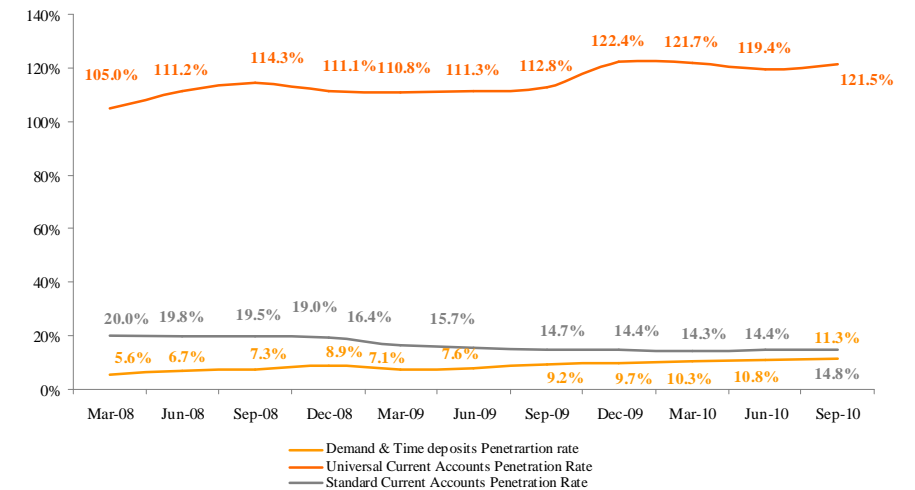
RB loans penetration rate*



Cards penetration rate*



Current accounts & deposits penetration rate*



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

Card processing

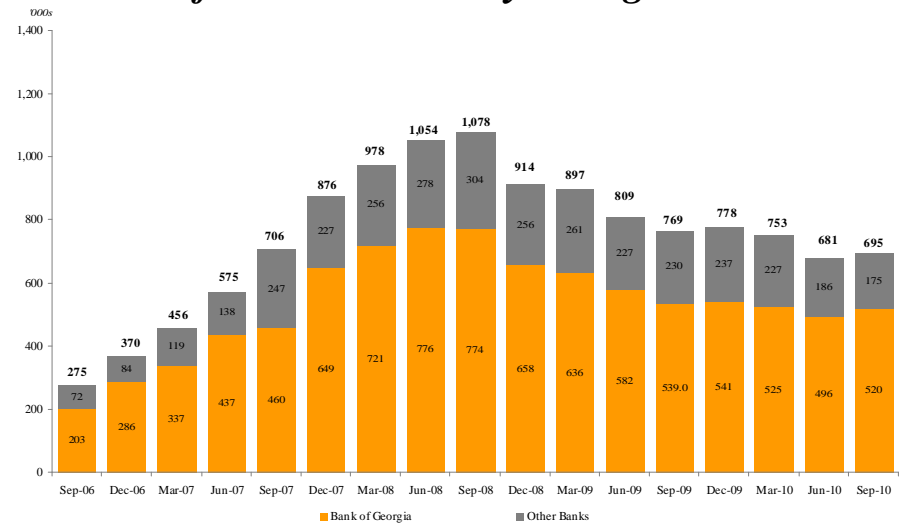


- 56% ownership of Georgian Card

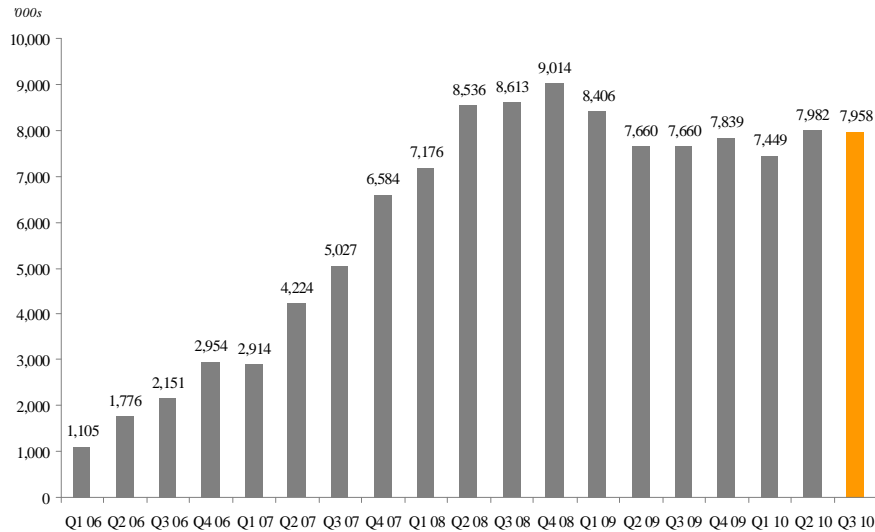
Client banks



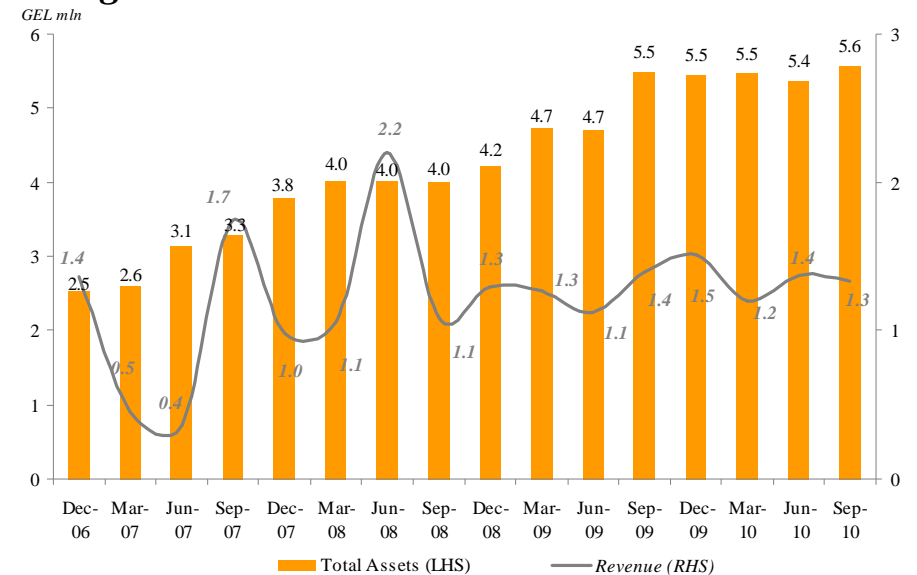
Number of cards serviced by Georgian Card



Transaction authorizations by Georgian Card

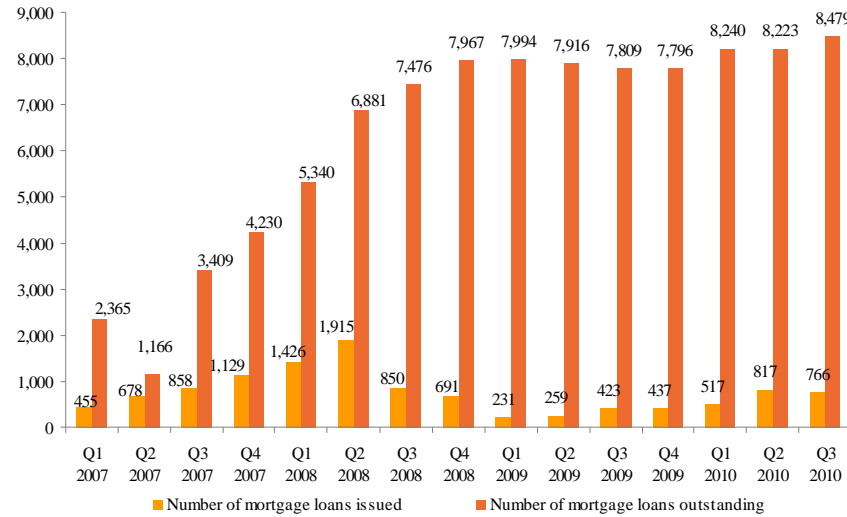


Georgian Card's revenue & assets







Analysis of mortgage portfolio

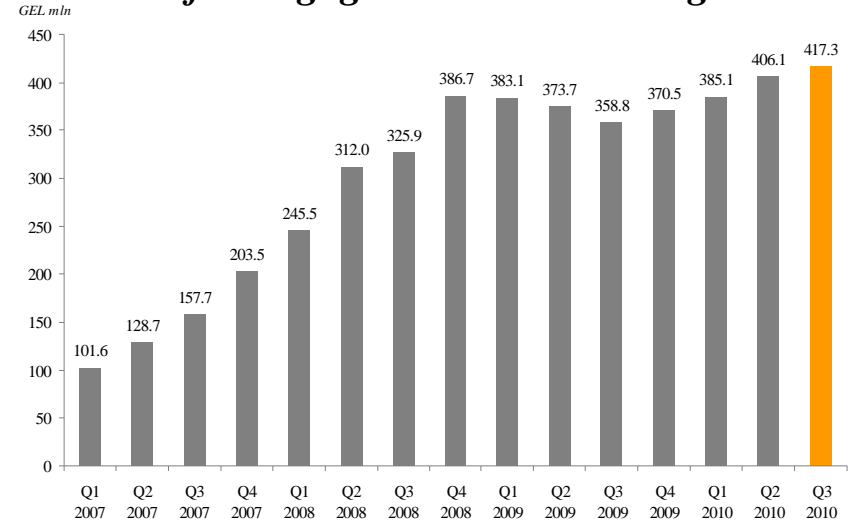
Number of mortgage loans issued & outstanding



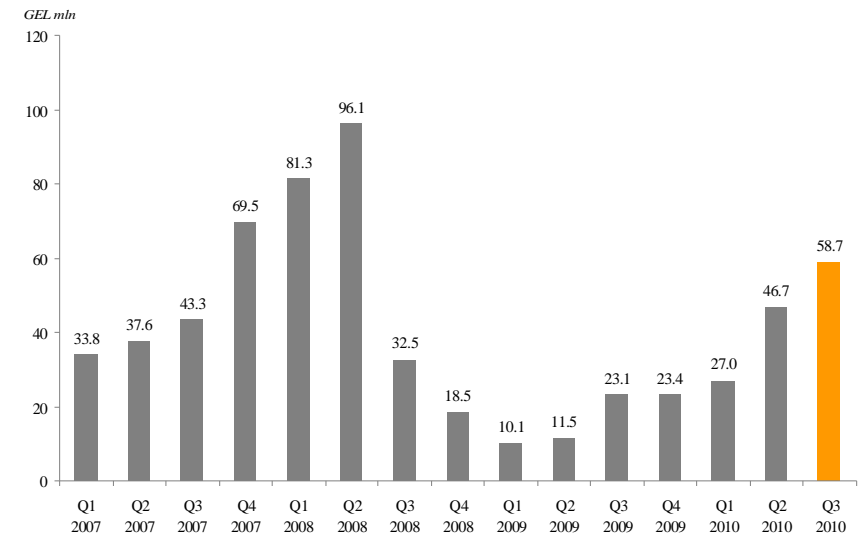
Typical mortgage terms

-  Rate: 14%
-  Tenor: Normally 10 years
-  Currency: US\$
-  LTV: Normally 75-85%

Volume of mortgage loans outstanding

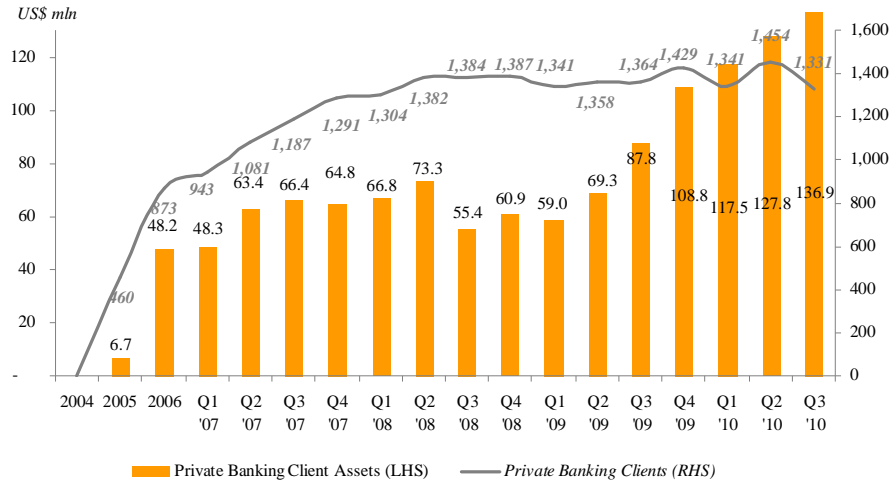


Volume of mortgage loans issued



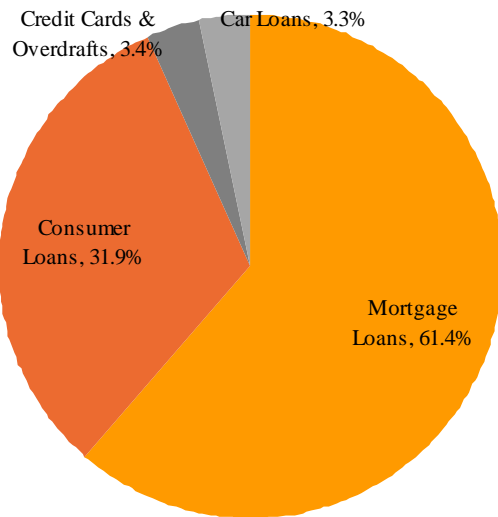
Management (WM) performance review

WM clients and client assets

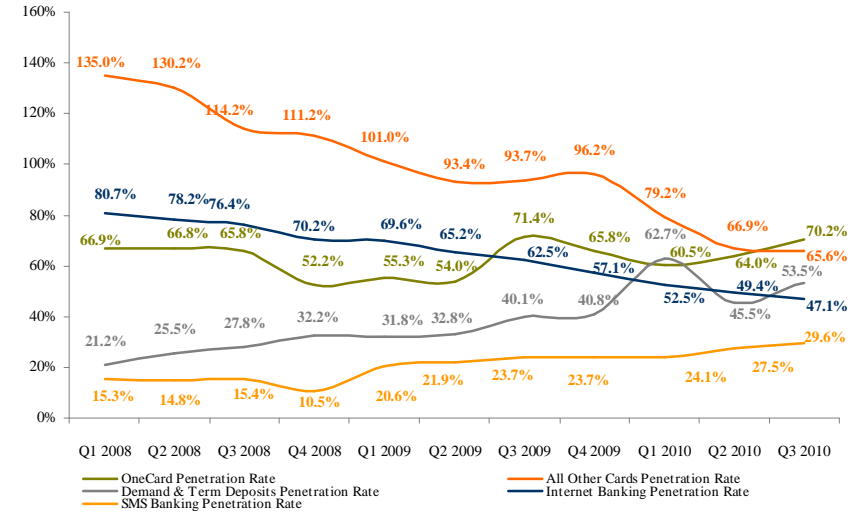


Notes: (1) Converted at exchange rates of GEL/US\$, 1.793(2005),1.714(2006), 1.70 (Q1 2007), 1.67 (Q2 2007), 1.66 (Q3 2007), 1.59 (Q4 2007), 1.48 (Q1 2008), 1.42 (Q2 2008), 1.41 (Q3 2008), 1.67 (Q4 2008), 1.67 (Q1 2009), 1.67 (Q2 2009), 1.68 (Q3 2009), 1.69 (Q4 2009), 1.75 (Q1 2010), 1.84 (Q2 2010) 1.81 (Q3 2010) (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

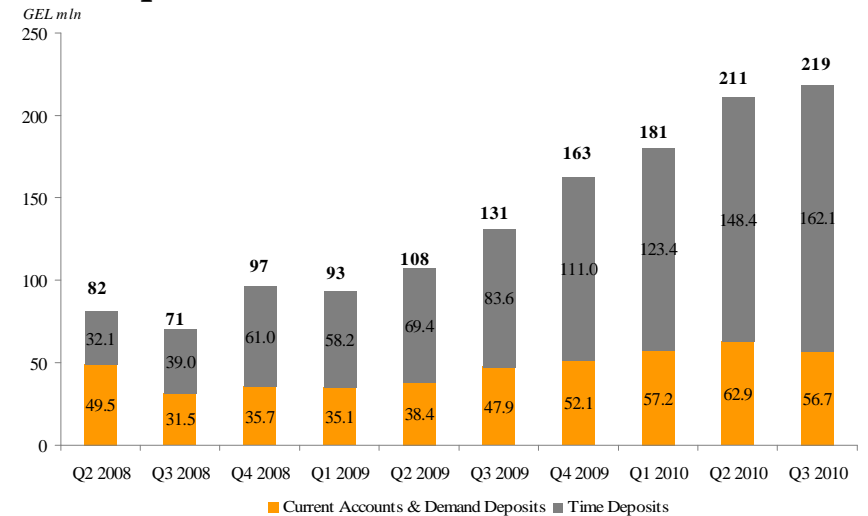
WM loans, 30 September 2010



WM products penetration



WM deposits





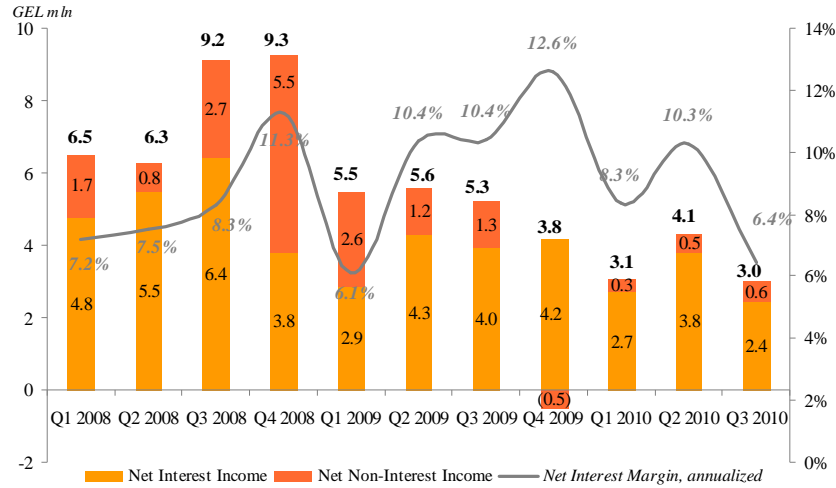
საქართველოს ბანკი
BANK OF GEORGIA

BG Bank (Ukraine) standalone results overview

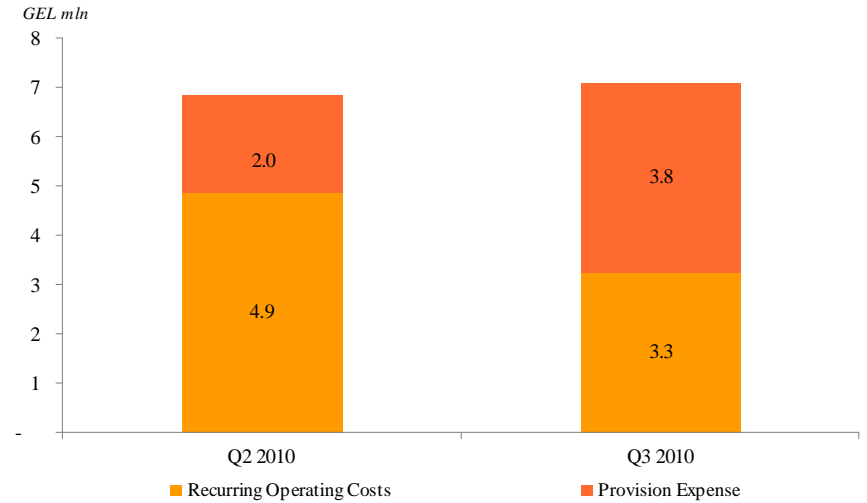
November 2010

BG Bank performance

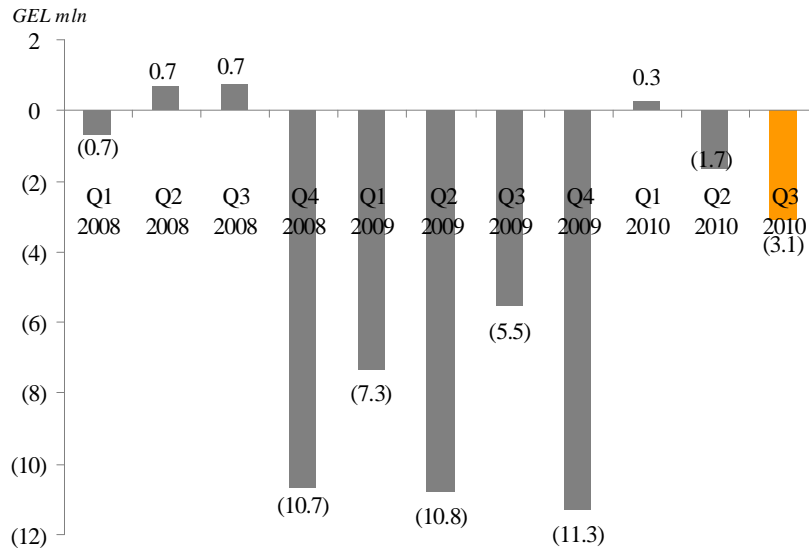
Revenue growth



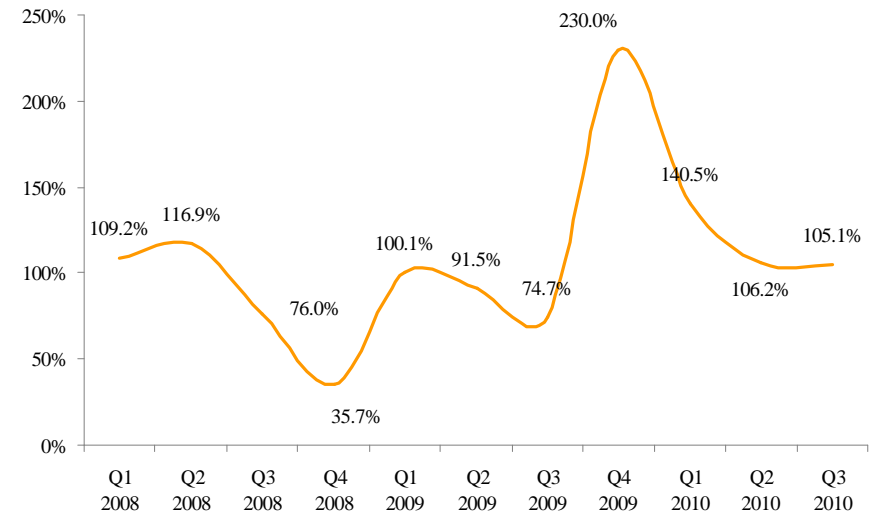
Costs, Q3 2010



Net income

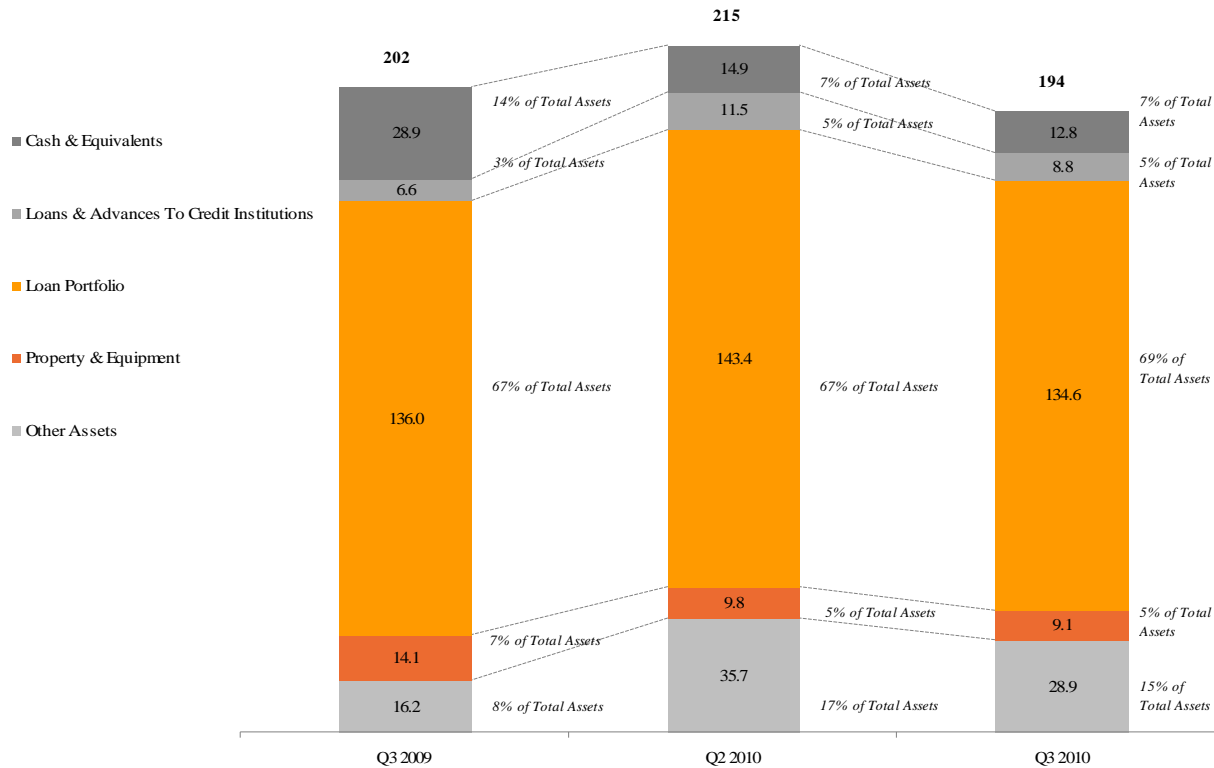


Cost/Income Ratio



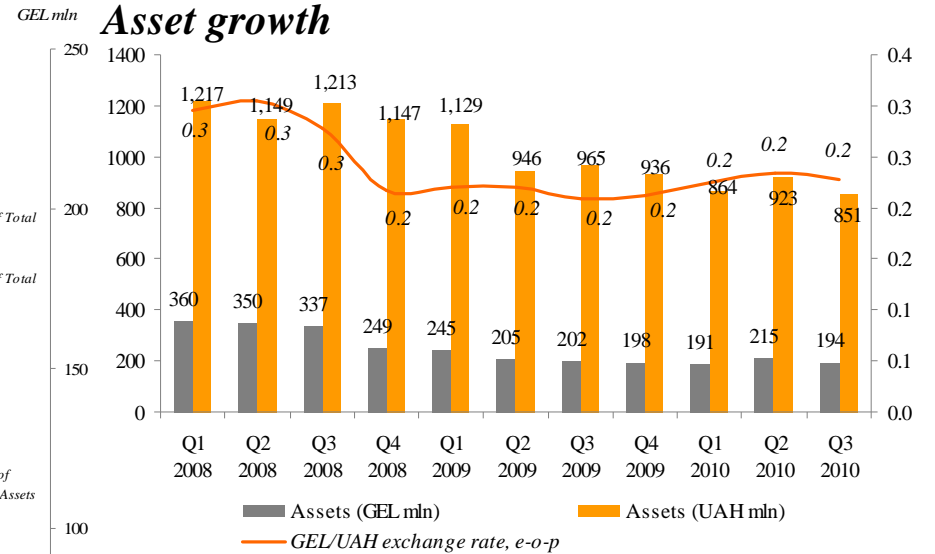
BG Bank assets as at 30 September 2010

No international loan

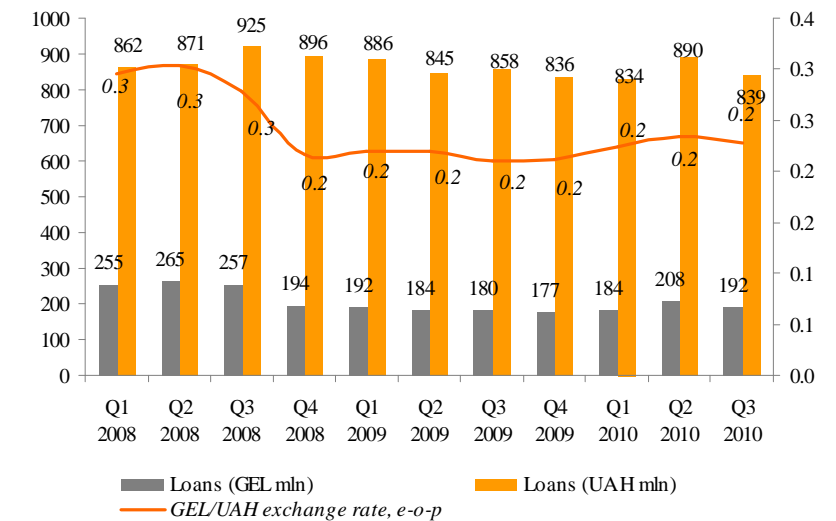


GEL million	Q3 2009	Q2 2010	Q3 2010
Available-For-Sale Securities	6.1	7.4	-
Investment Property	-	15.7	15.4
Intangible Assets Owned, Net	0.8	0.9	0.8
Tax Assets, Current And Deferred	8.2	11.2	11.8
Prepayments And Other Assets	1.1	0.5	1.0
Other assets	16.2	35.7	28.9

Asset growth

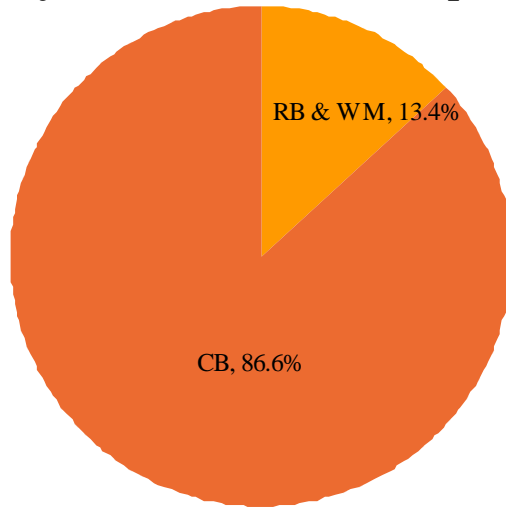


Gross loan book growth



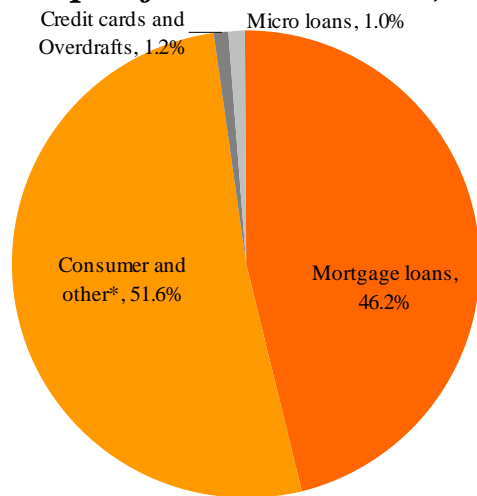
BG Bank loan portfolio

Loan portfolio breakdown, 30 September 2010



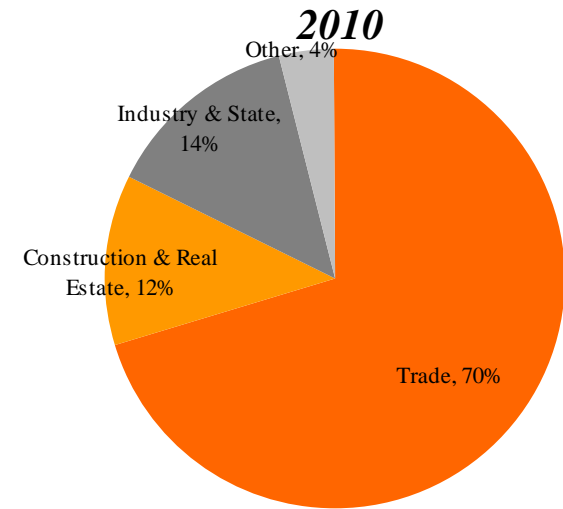
Gross loans: GEL 191.6 million

Retail loan portfolio breakdown, 30 September 2010



Total retail loans: GEL 25.7 million

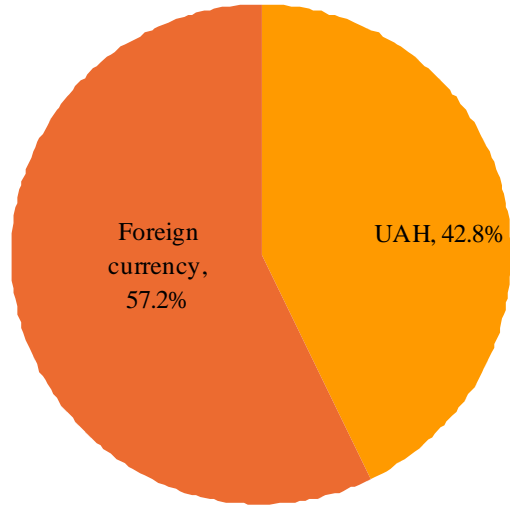
Corporate loan portfolio breakdown, 30 September 2010



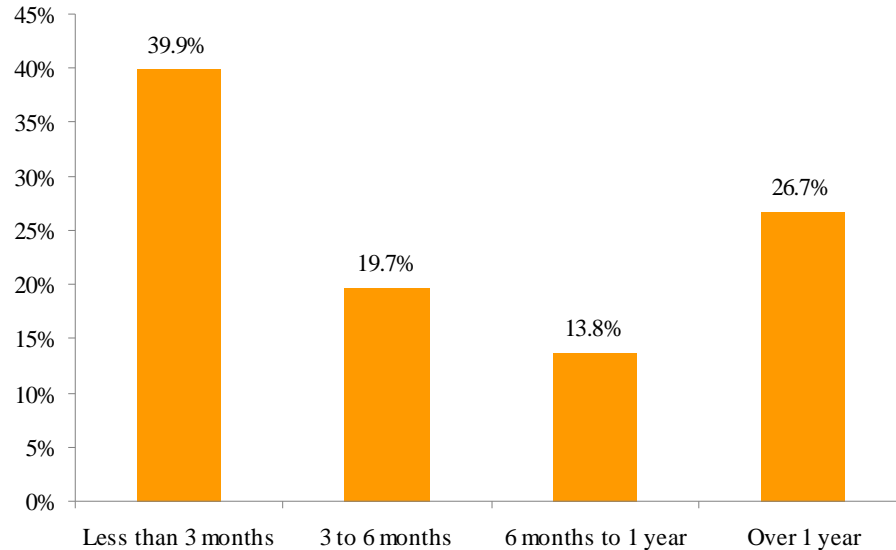
Gross corporate loans: GEL 165.9 million

BG Bank analysis of the loan book

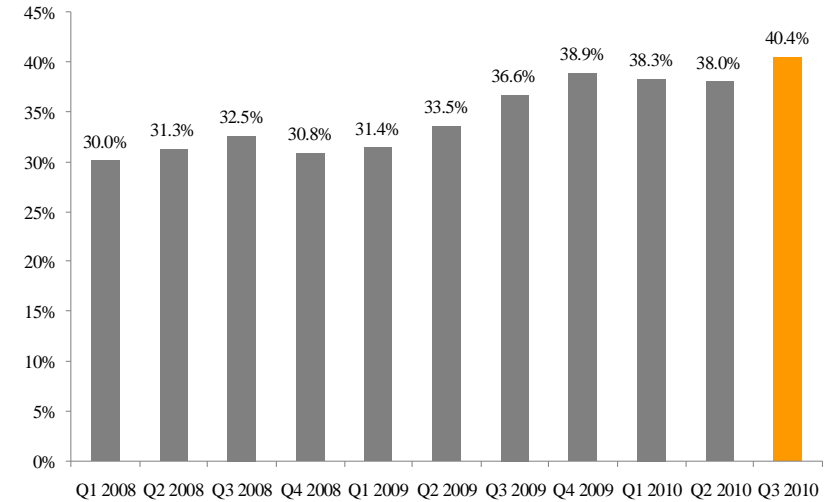
Loans by currency, 30 September 2010



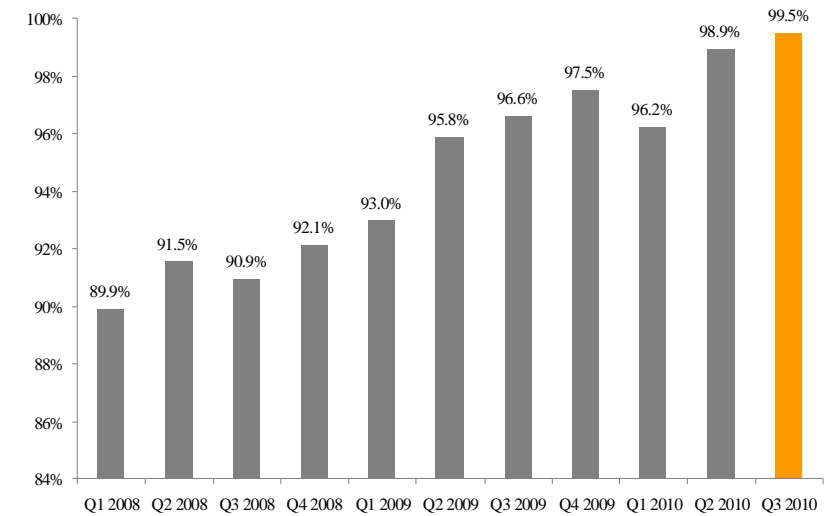
Loans by maturity, 30 September 2010



Top ten borrower concentration

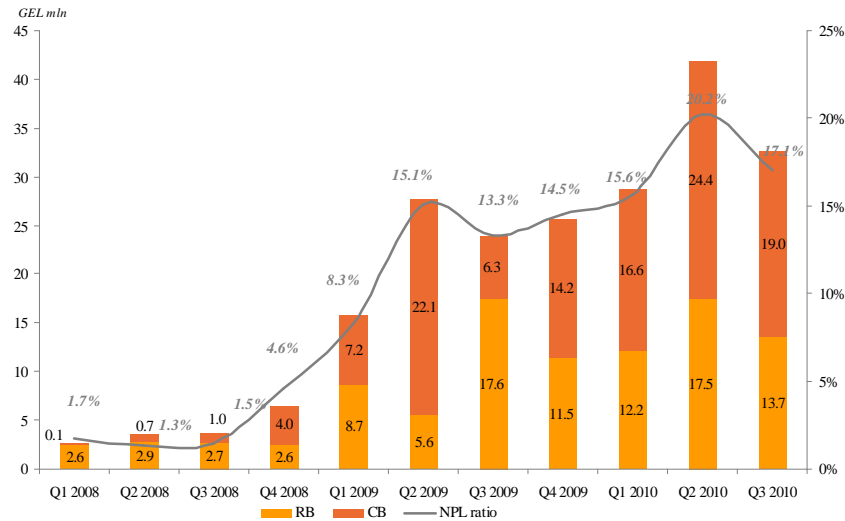


Loan book collateralization

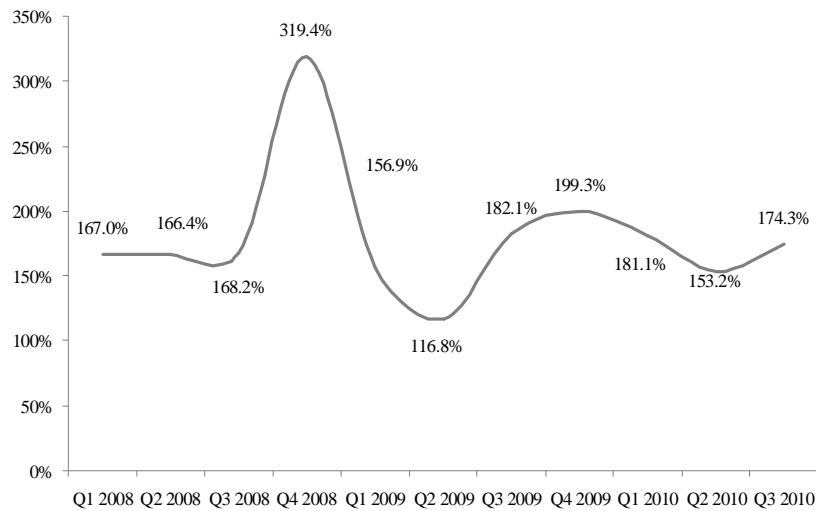


BG Bank provisioning policy

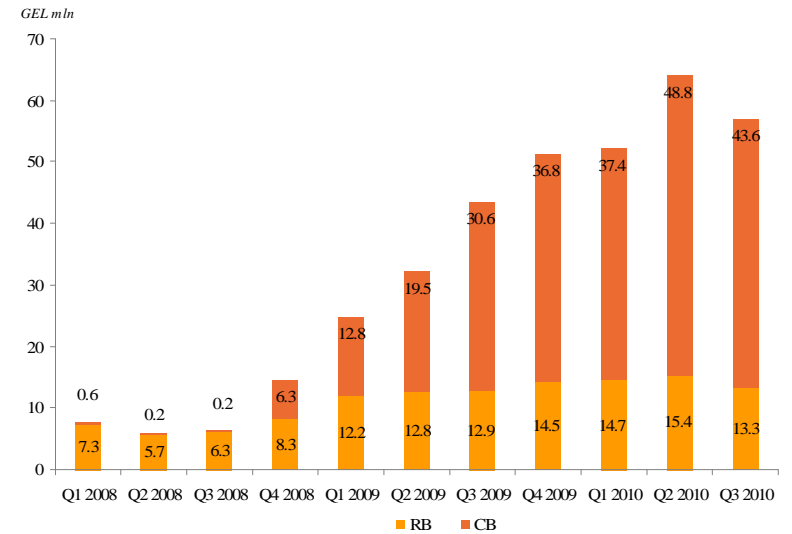
NPLs



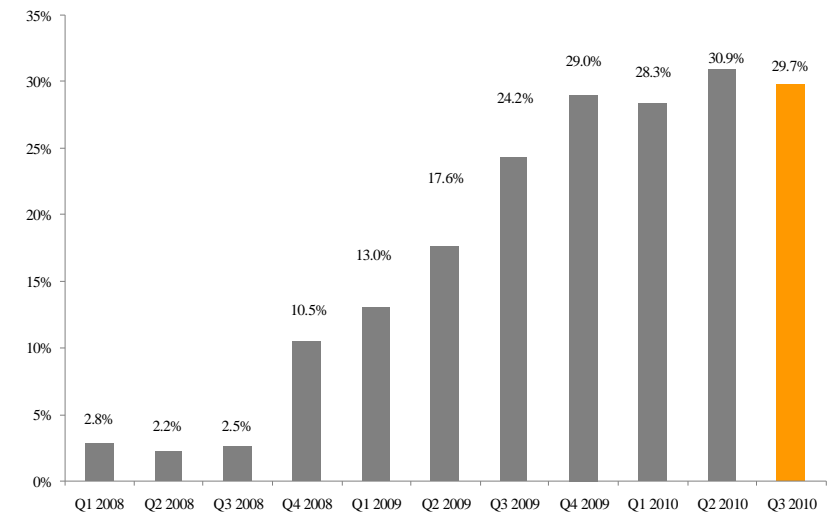
NPL coverage ratio



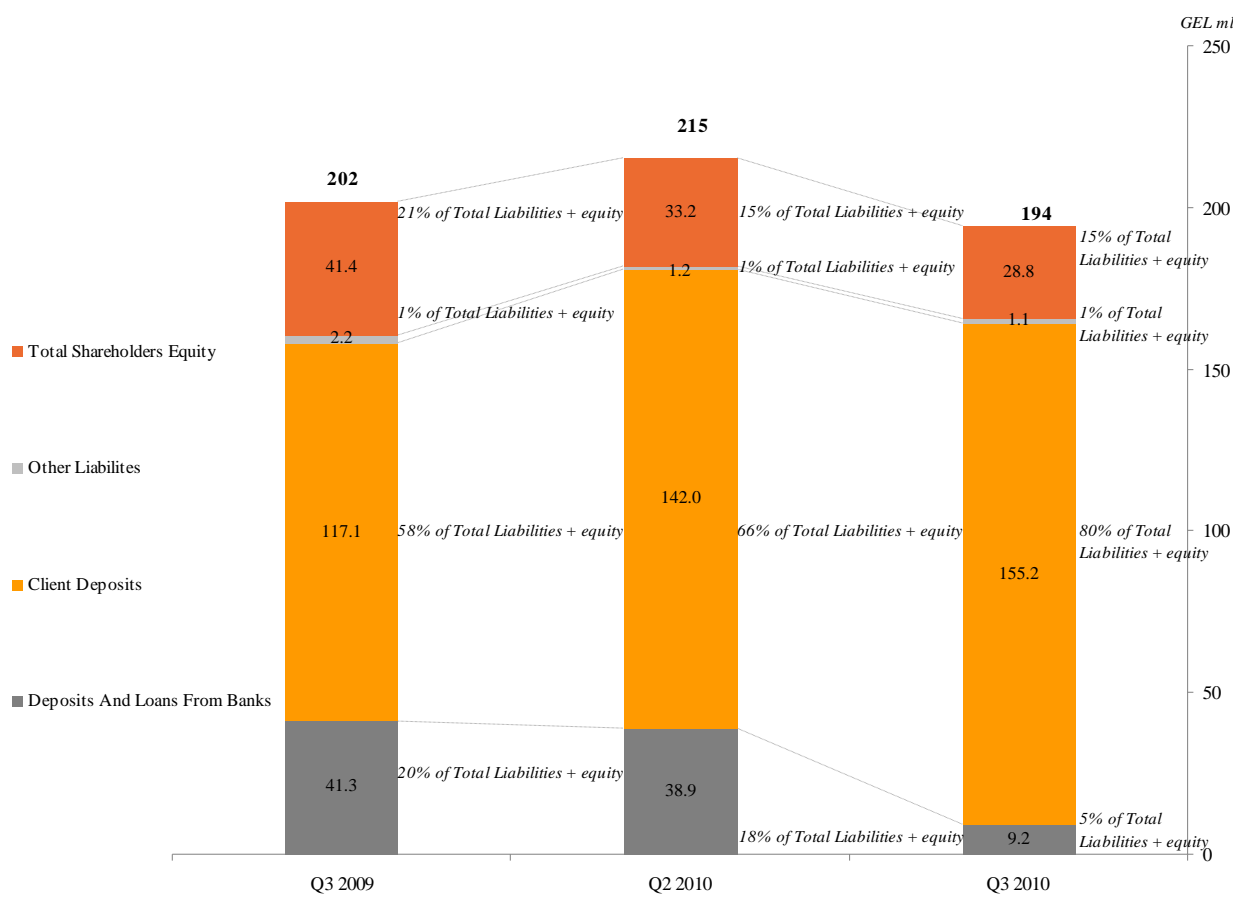
Loan loss reserve



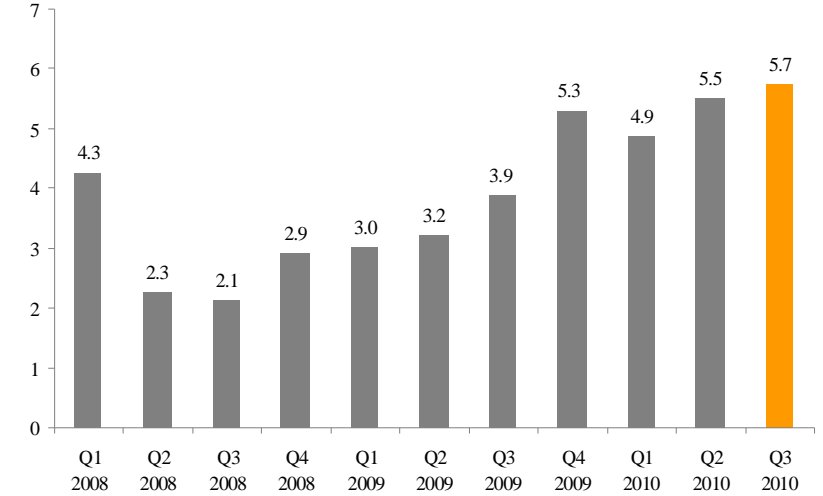
Reserve for loan losses to gross loans



BG Bank standalone liabilities breakdown



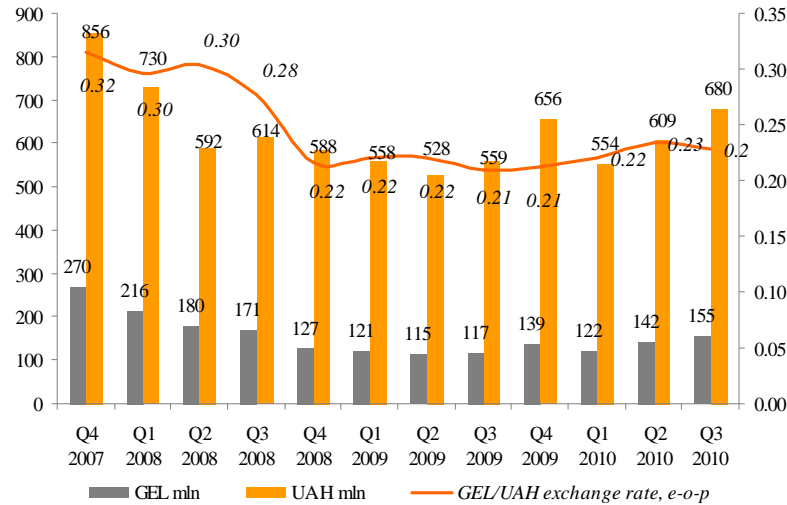
Leverage ratio



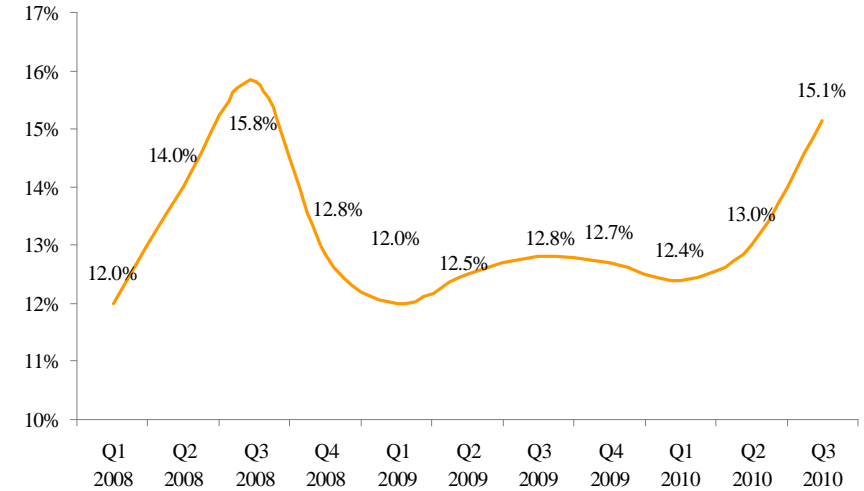
	Q3 2009	Q2 2010	Q3 2010
Issued Fixed Income Securities	0.7	-	-
Accruals And Other Liabilities	1.5	1.2	1.1
Other liabilities	2.2	1.2	1.1

BG Bank client deposits

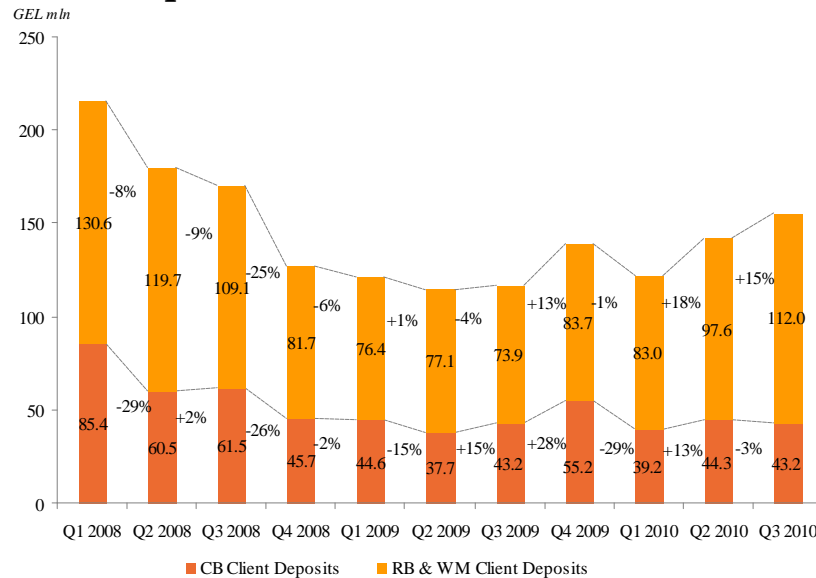
Client deposits, by currencies



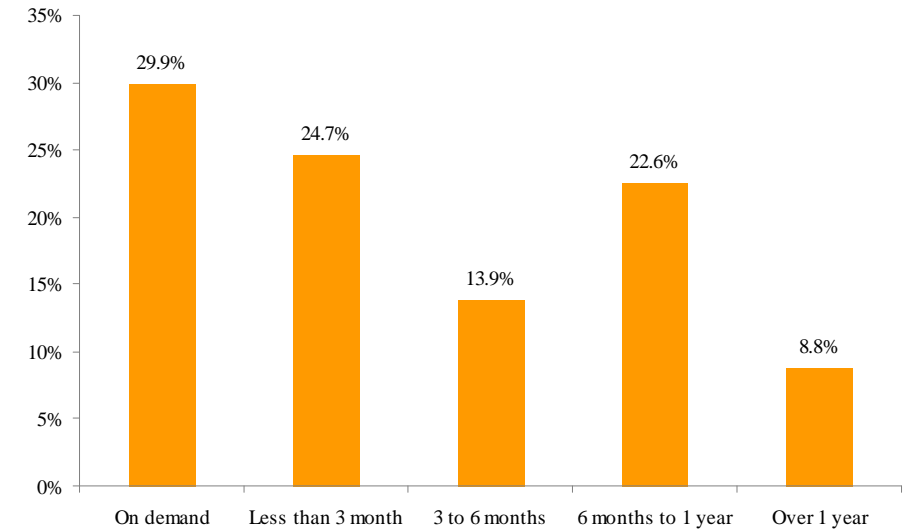
Deposit yields



Client deposits

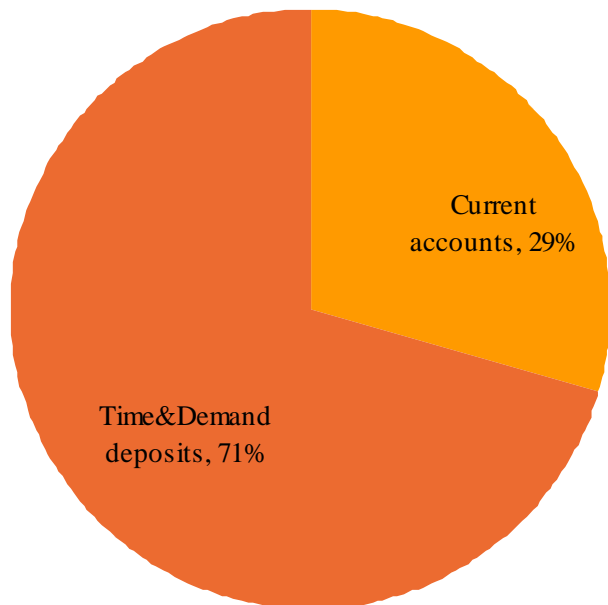


Deposits by maturity, Q3 2010

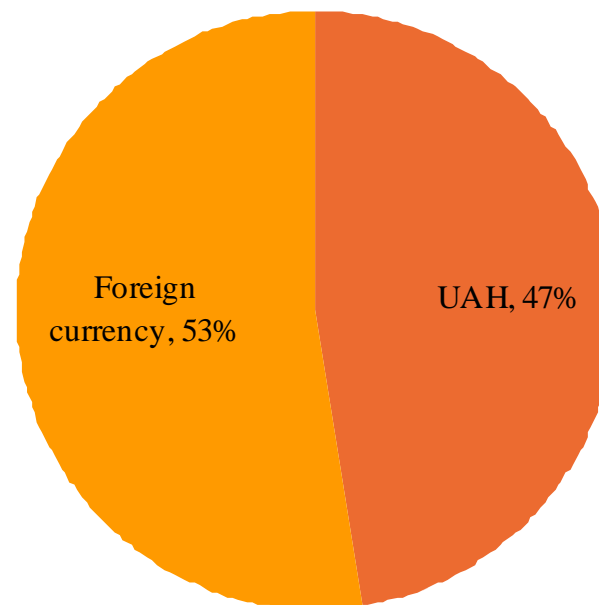


BG Bank analysis of deposits

Client deposits breakdown, Q3 2010



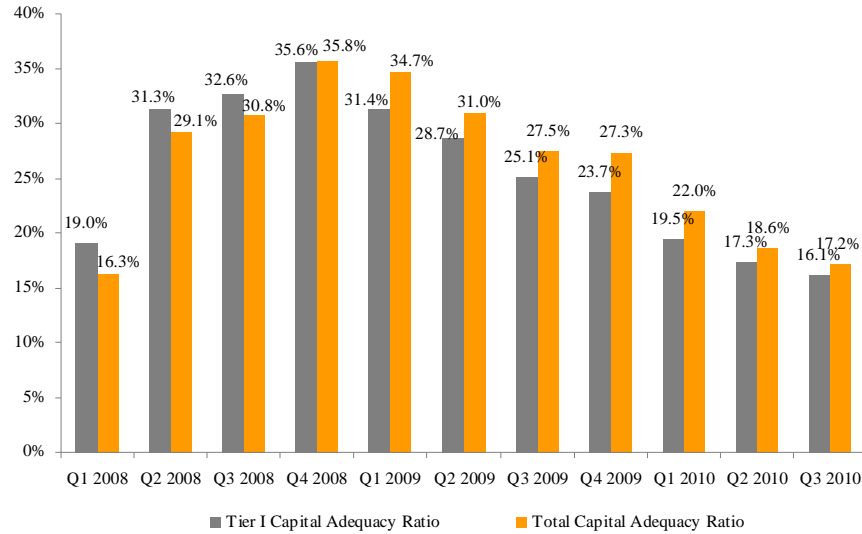
Client deposits by currency, Q3 2010



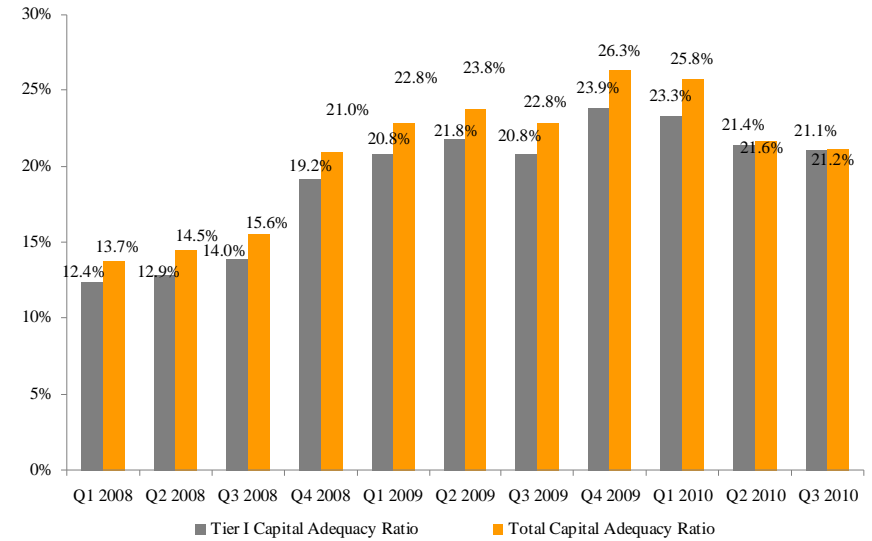
Client deposits: GEL 155.2 mln

BG Bank capital adequacy

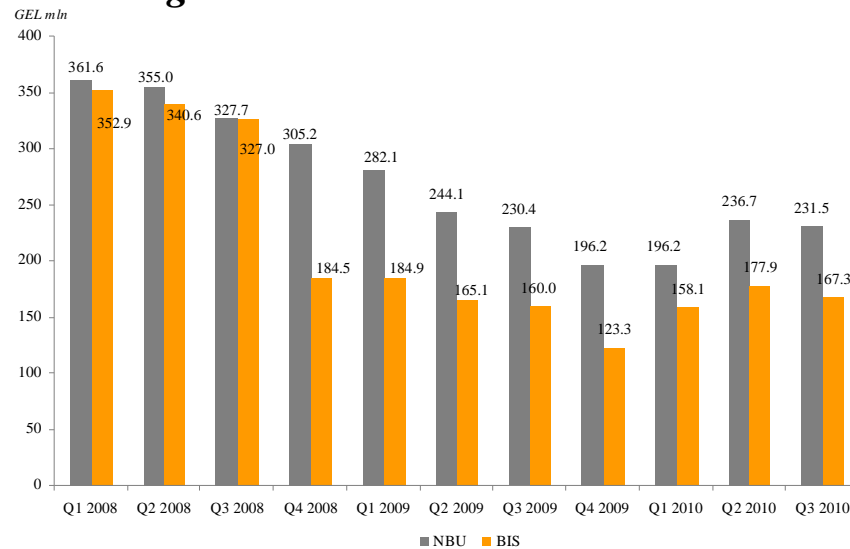
BIS capital adequacy ratios



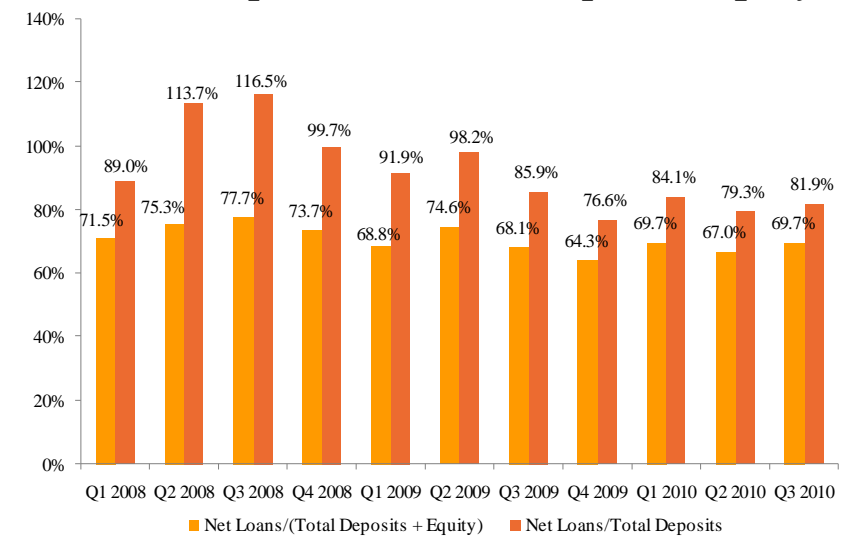
NBU capital adequacy ratios



Risk-weighted assets BIS vs. NBU



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





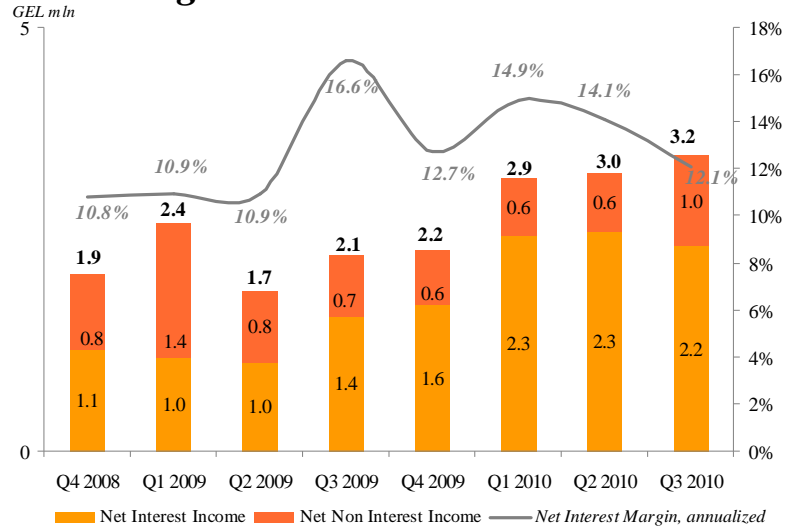
საქართველოს ბანკი
BANK OF GEORGIA

Belarusky Narodny Bank (Belarus)

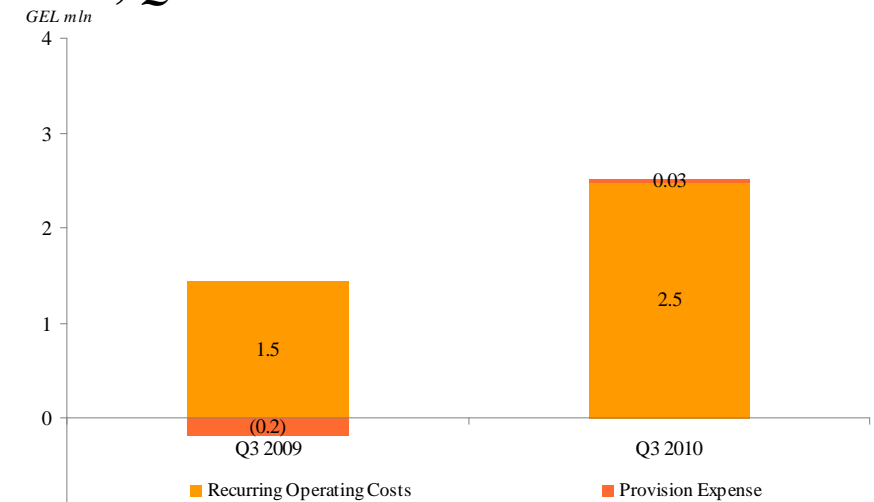
November 2010

BNB Bank performance

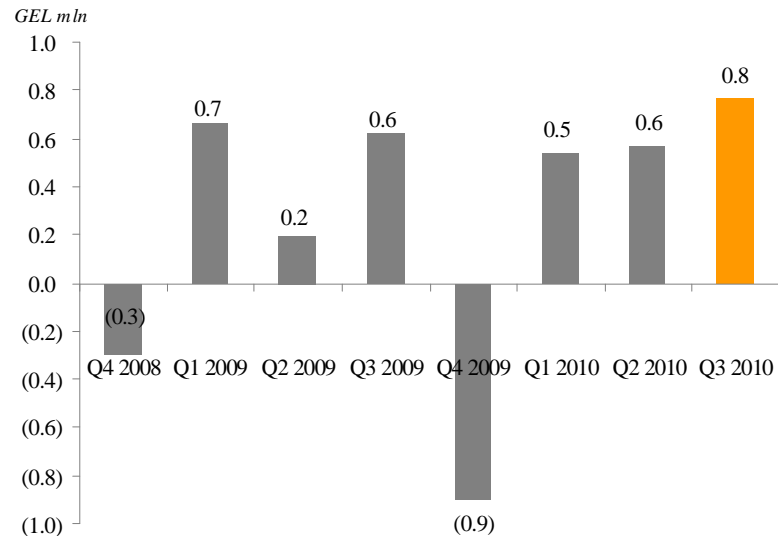
Revenue growth



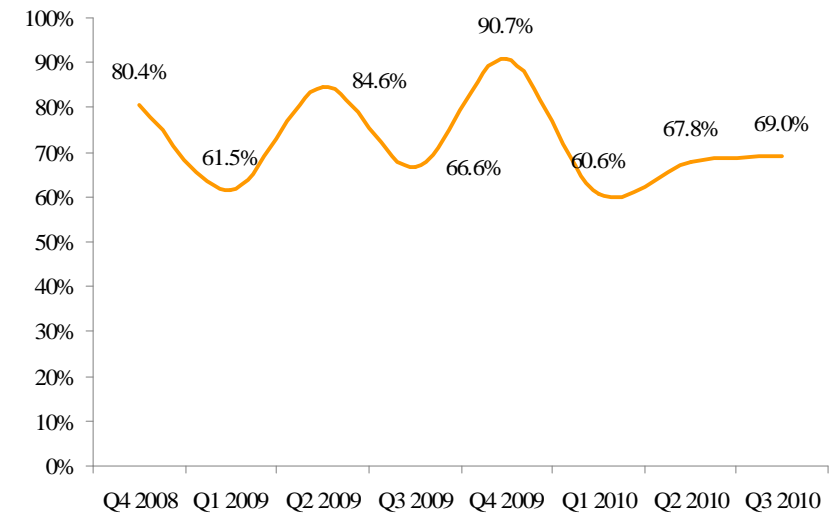
Costs, Q3 2010



Net income

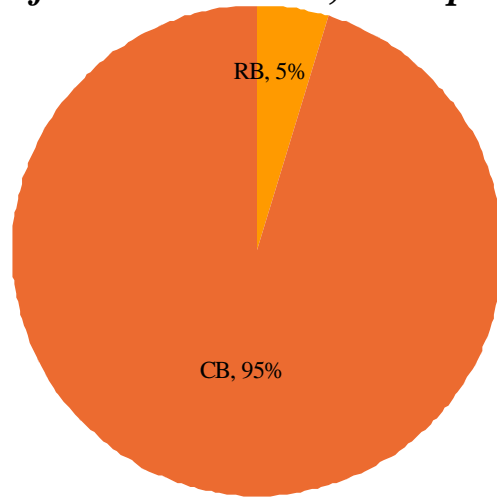


Cost/Income Ratio

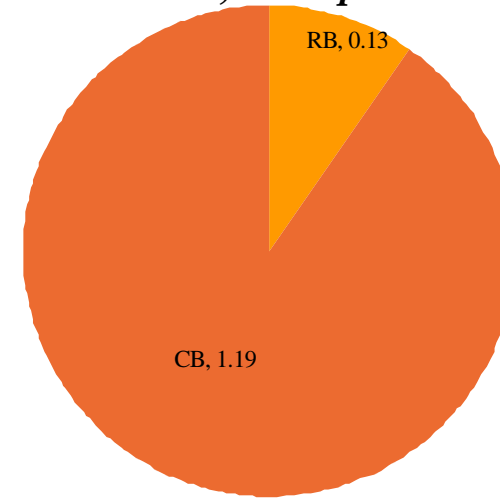


BNB loan portfolio as at 30 September 2010

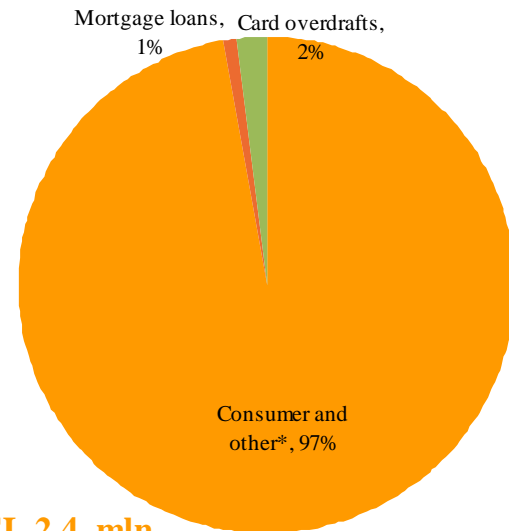
Loan Portfolio Breakdown, 30 September 2010



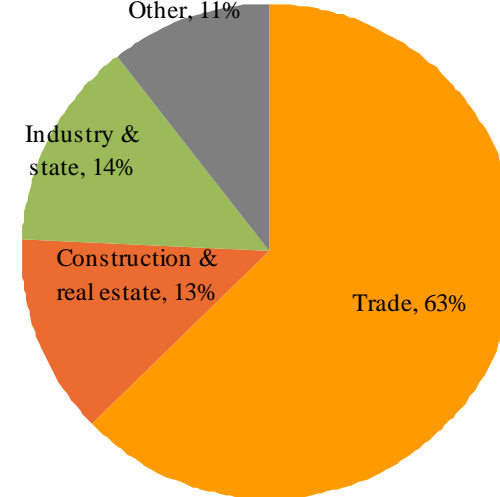
Loan loss reserve, 30 September 2010



Gross loans: GEL 51.7 mln
RB Loan Portfolio Breakdown, 30 September 2010



Loan loss reserve: GEL 1.3 mln
CB Loan Portfolio Breakdown, 30 September 2010



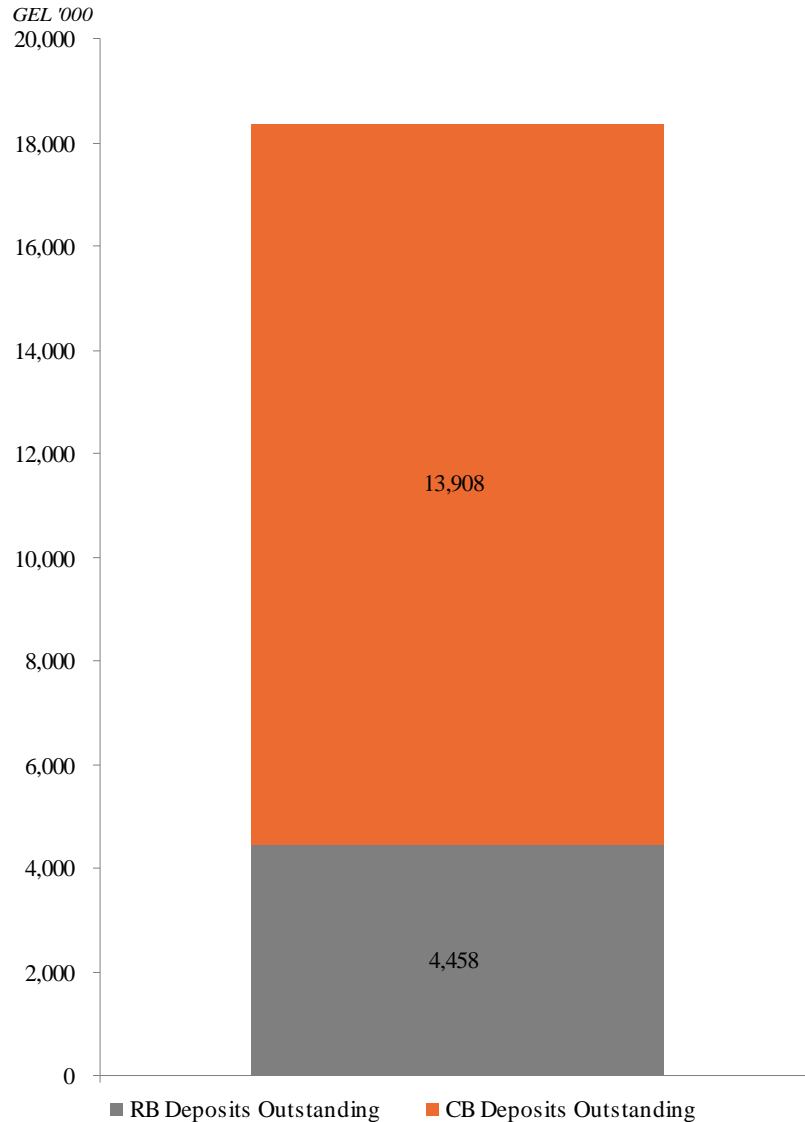
RB loans: GEL 2.4 mln

* Other loans include car, POS and legacy retail loans

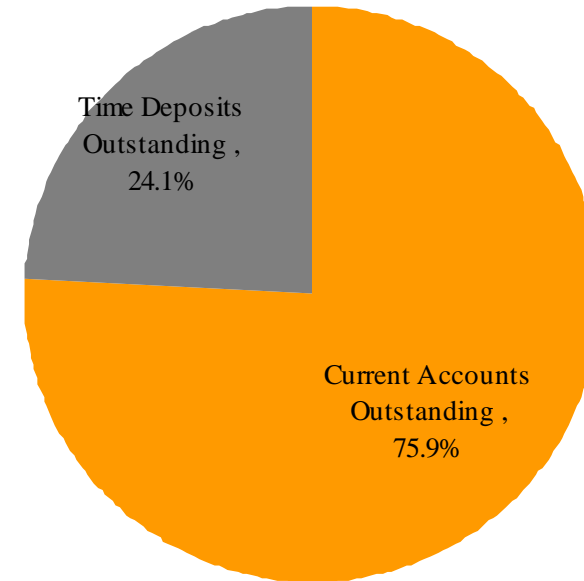
CB loans: GEL 49.3 mln

BNB client deposits as at 30 September 2010

Client deposits breakdown



Client deposits breakdown





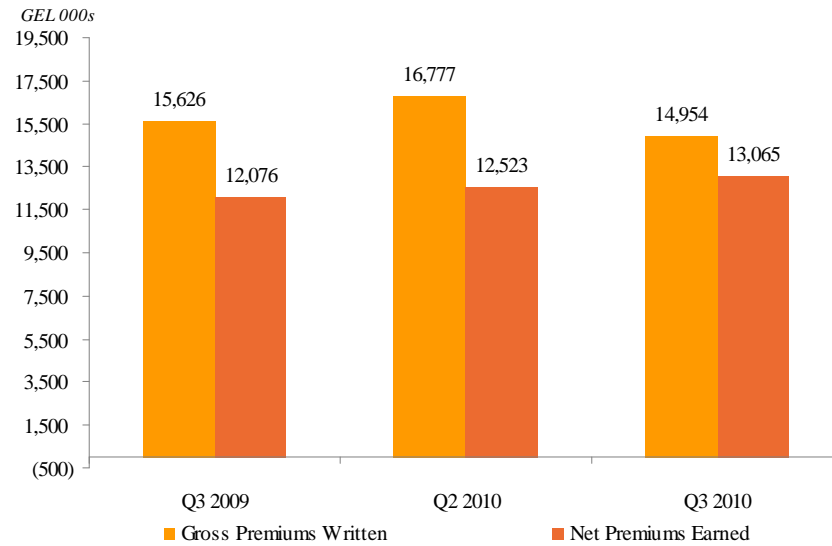
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Insurance

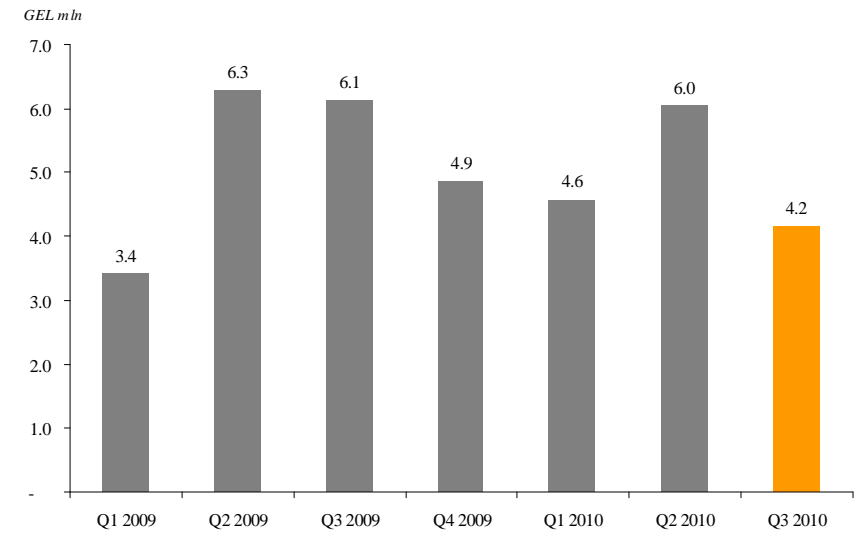
November 2010

Aldagi BCI

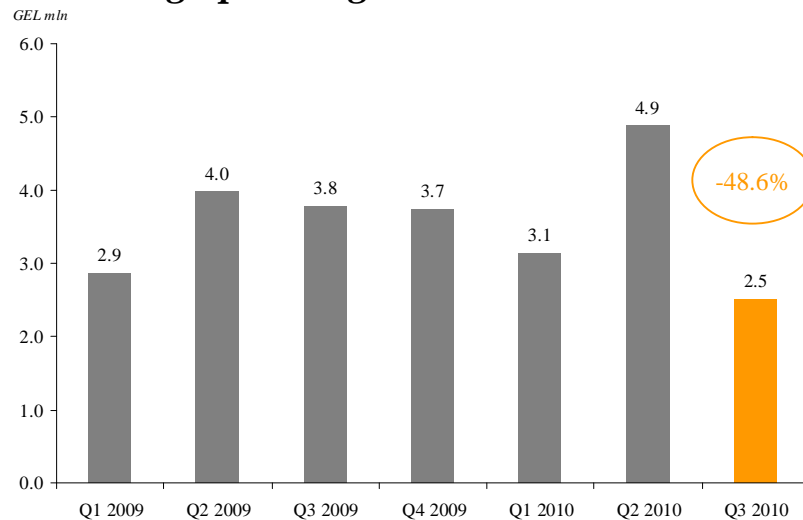
Gross premiums written/Net premiums earned



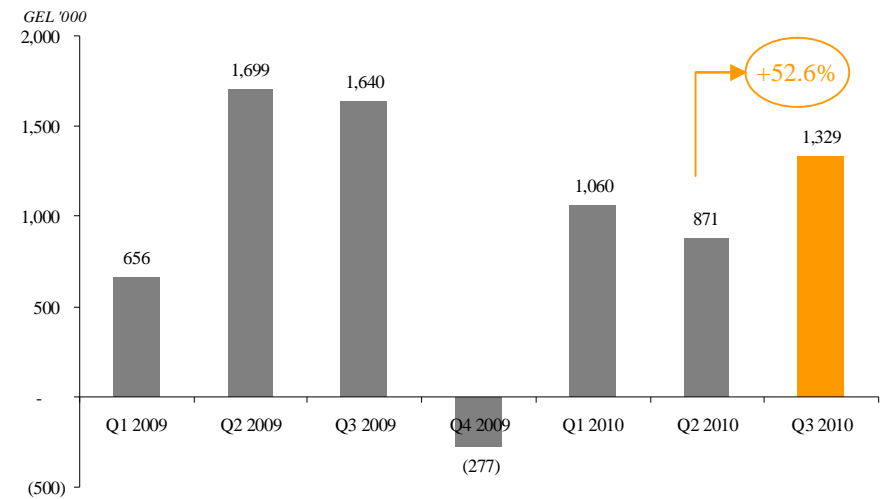
Revenue



Recurring operating costs



Net Income/Loss





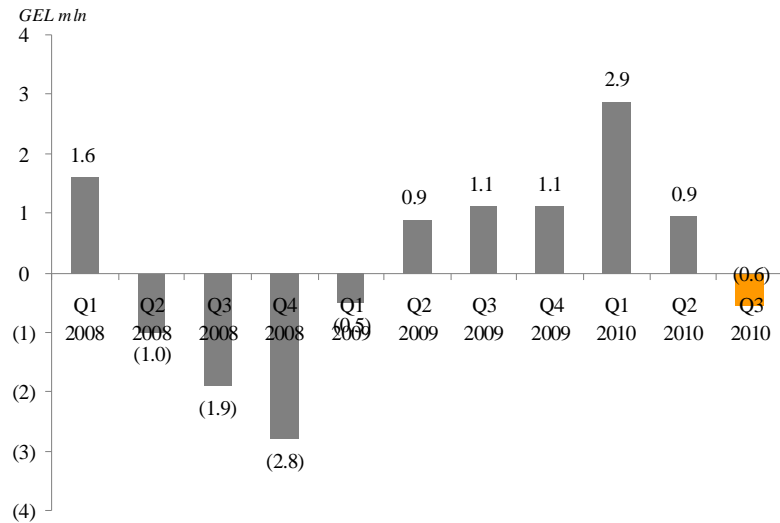
საქართველოს ბანკი
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BG Capital

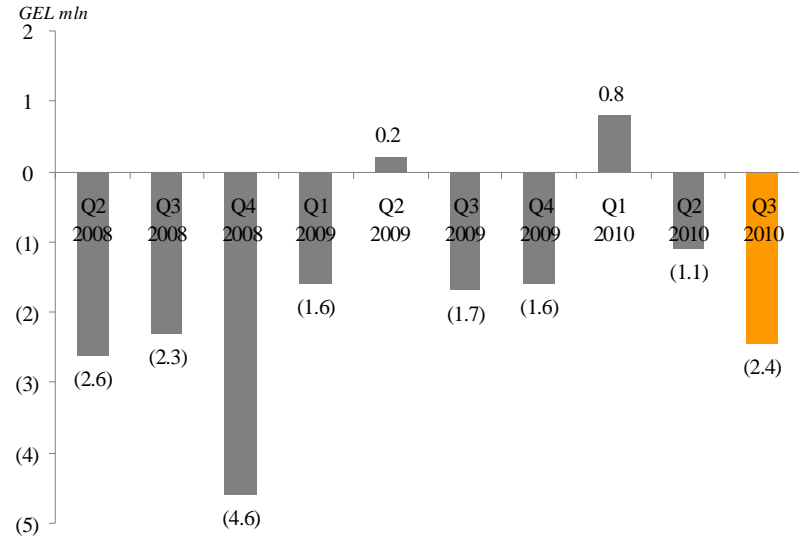
November 2010

BG Capital

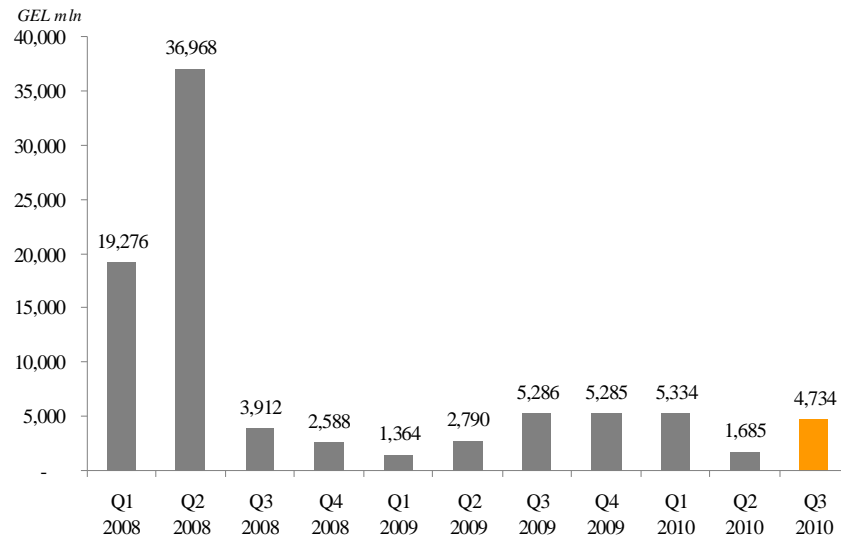
Revenue



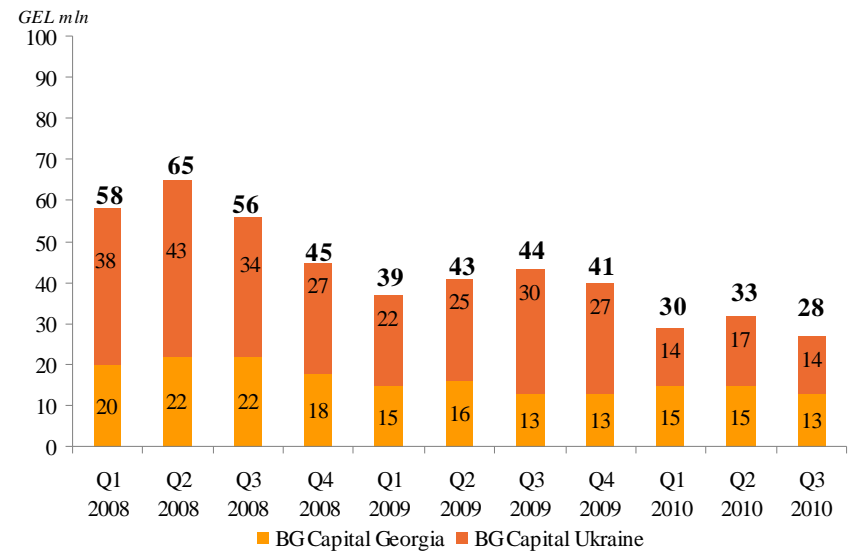
Net income/(loss)



Proprietary book



Headcount



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Appendices

November 2010



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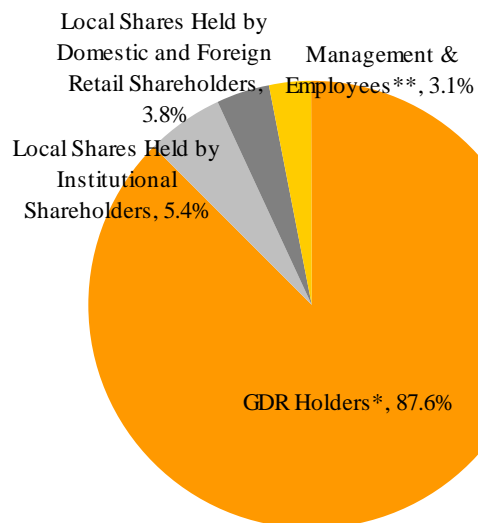
Bank of Georgia shareholder structure & management

November 2010

Ownership structure

Ownership structure, 30 September 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
Jyrki Talvitie*	Member, East Capital
Kaha Kiknavelidze	Independent member
Allan J. Hirst	Independent member
Al Breach	Independent member

* Expected to be replaced by Hanna Loikkanen by the EGM to be held on 22 November 2010

Name	Number	%
GDR Holders*	27,457,490	87.6%
Local Shares Held by Institutional Shareholders	1,704,866	5.4%
Local Shares Held by Domestic and Foreign Retail Sh	1,199,141	3.8%
Management & Employees**	971,756	3.1%
Total Shares Outstanding	31,333,253	100.0%
Adjusted for BG Capital's Proprietary Book ⁽¹⁾	(4,734)	
Adjusted Total Shares Outstanding	31,328,519	

⁽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 2007- Q3 2010

November 2010

Georgian banking sector – key trends 2008/June 2010

GEL/US\$

Period End

YE 2006= 1.71

YE 2007=1.59

YE 2008=1.67

Q1 2009=1.67

Q2 2009=1.66

Q3 2009= 1.68

YE 2009= 1.69

Q1 2010= 1.75

Q2 2010= 1.84

Q3 2010= 1.81

GEL mln				As % of GDP*	Growth		Q3 2010 YTD	Market Share (YE 2008)		Market Share (YE 2009)		Market Share Q3 2010	
	YE 2008	YE 2009	Q3 2010		2008 Y-O-Y	2009 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	9,869	55.0%	23.0%	-6.5%	19.0%	79.26%	32.89%	78.1%	33.0%	78.0%	34.2%
Gross Loans	5,993	5,185	5,844	32.6%	30.6%	-13.5%	12.7%	81.78%	32.87%	81.4%	31.8%	82.6%	34.1%
Deposits	3,845	4,174	5,378	30.0%	9.5%	8.6%	28.8%	75.00%	28.76%	77.70%	27.4%	79.9%	29.4%
Equity	1,517	1,517	1,697	9.5%	3.1%	0.0%	11.8%	75.69%	40.03%	79.60%	38.6%	77.5%	39.2%
Net Income/(Loss)	(216)	(65.3)	58.0	0.3%	NMF	NMF	NMF	NMF	NMF	NMF	37.3%	NMF	NMF

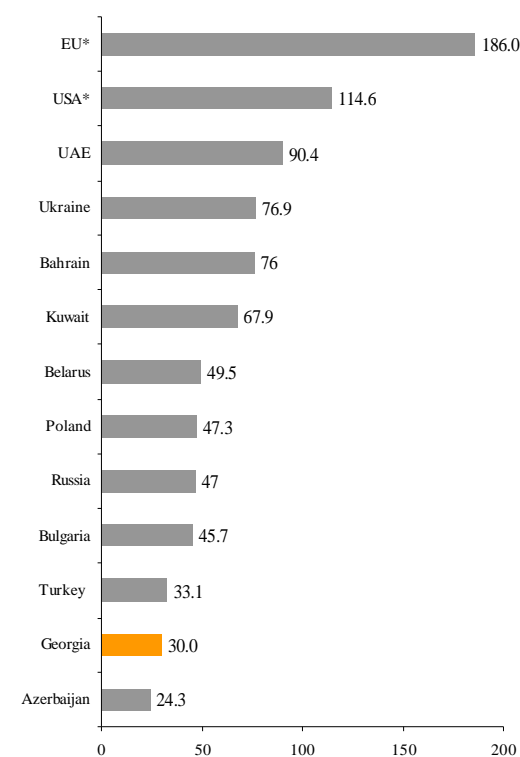
Ensuring solvency and stability of the banks

- High BIS Capital Adequacy Ratio: Banking Sector Average – 21%, Bank of Georgia – 32.6%
- High level of liquidity requirements from NBG at 20% of Liabilities, Bank of Georgia 33.8%
- Low Leverage in the banking sector: Banking Sector Average – 4.2x, Bank of Georgia – 4.3x

Resilient Banking Sector

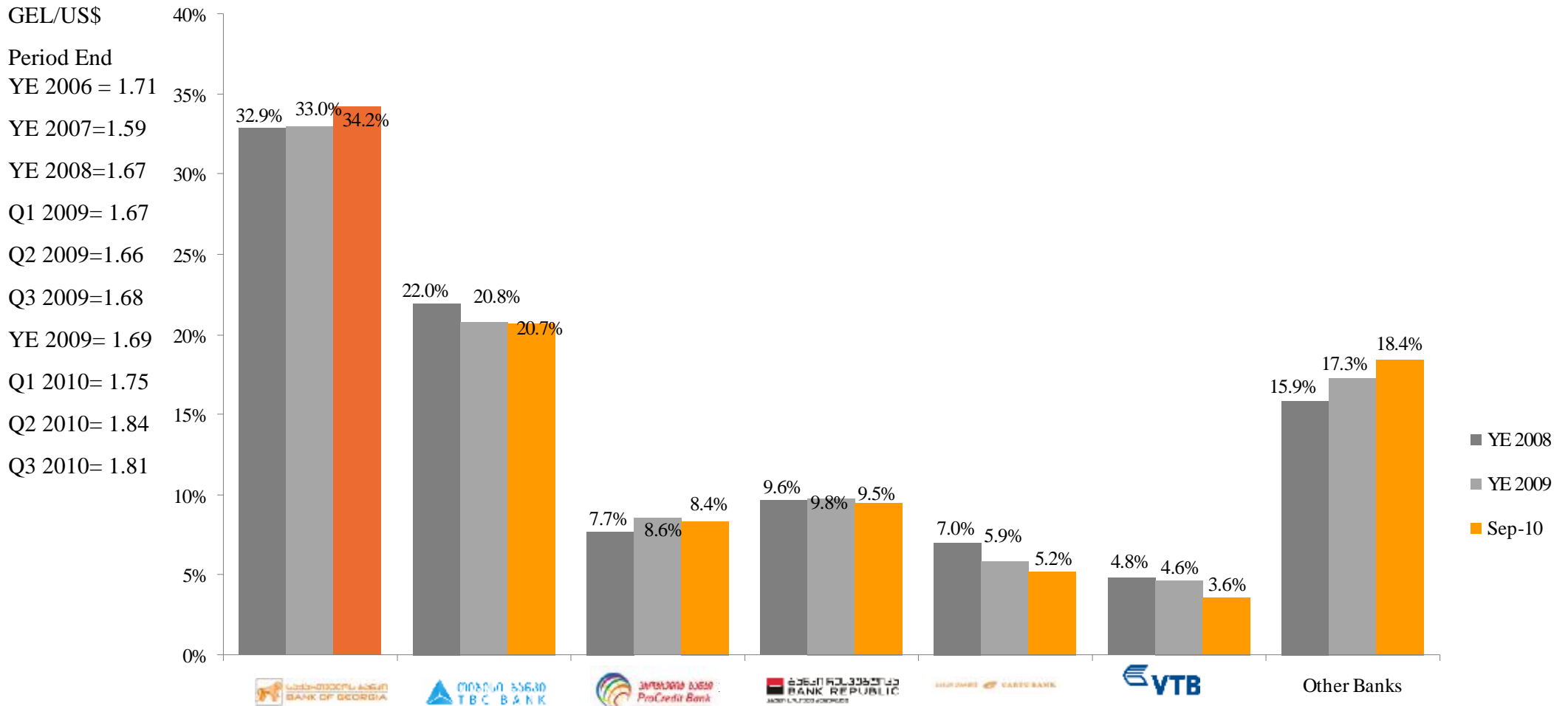
- Demonstrated strong resilience towards domestic challenges during the August 2008 conflict as well as towards external shocks of global financial turmoil without single bank going bankrupt
- No nationalization of the banks have occurred, no government bail-out plans have been required, no Government 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%)

Bank debt to GDP



* 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

GEL/US\$

Period End
YE 2006 = 1.71

YE 2007 = 1.59

YE 2008 = 1.67

Q1 2009 = 1.67

Q2 2009 = 1.66

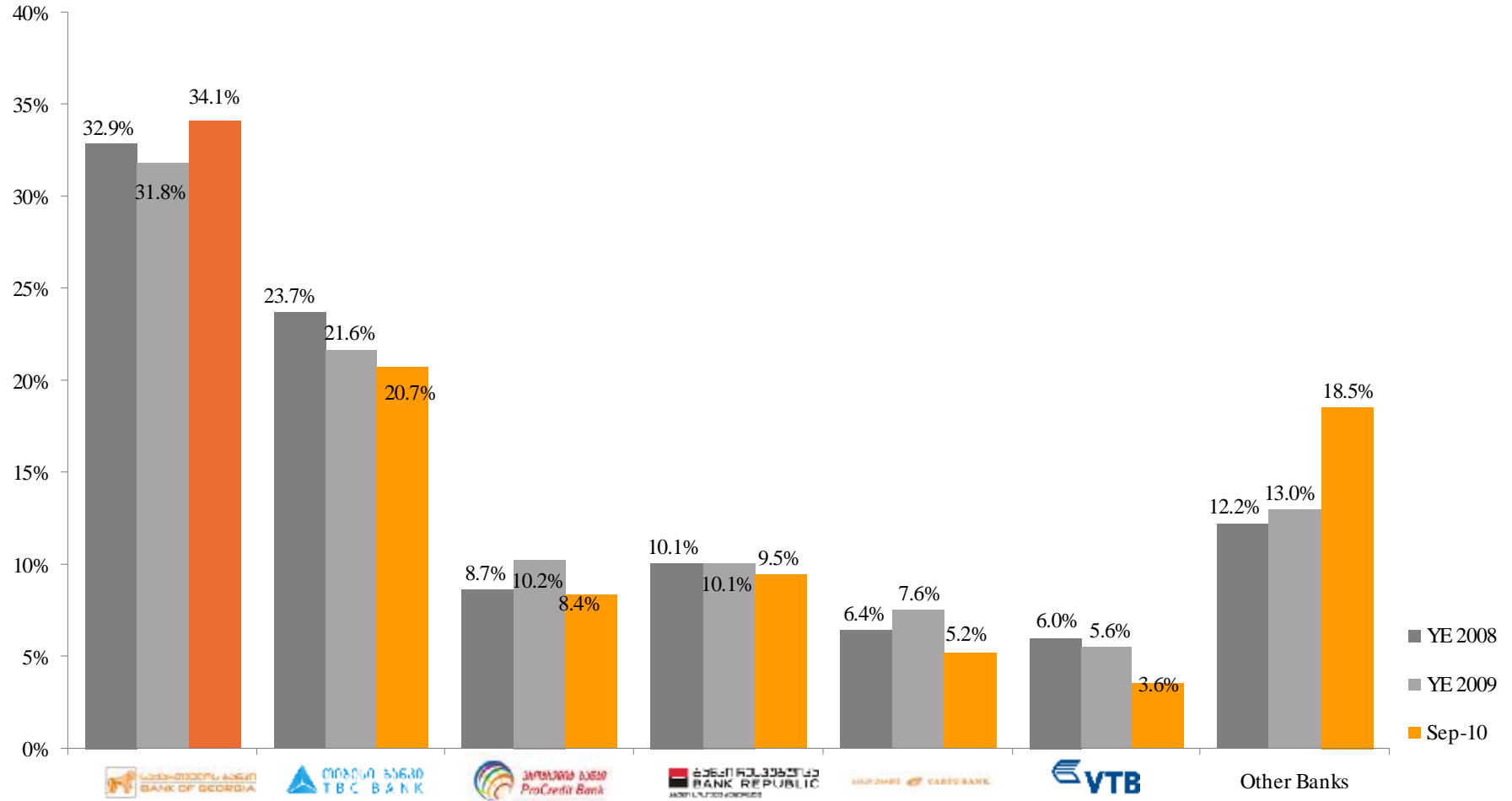
Q3 2009 = 1.68

YE 2009 = 1.69

Q1 2010 = 1.75

Q2 2010 = 1.84

Q3 2010 = 1.81



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

Q1 2009 = 1.67

Q2 2009 = 1.66

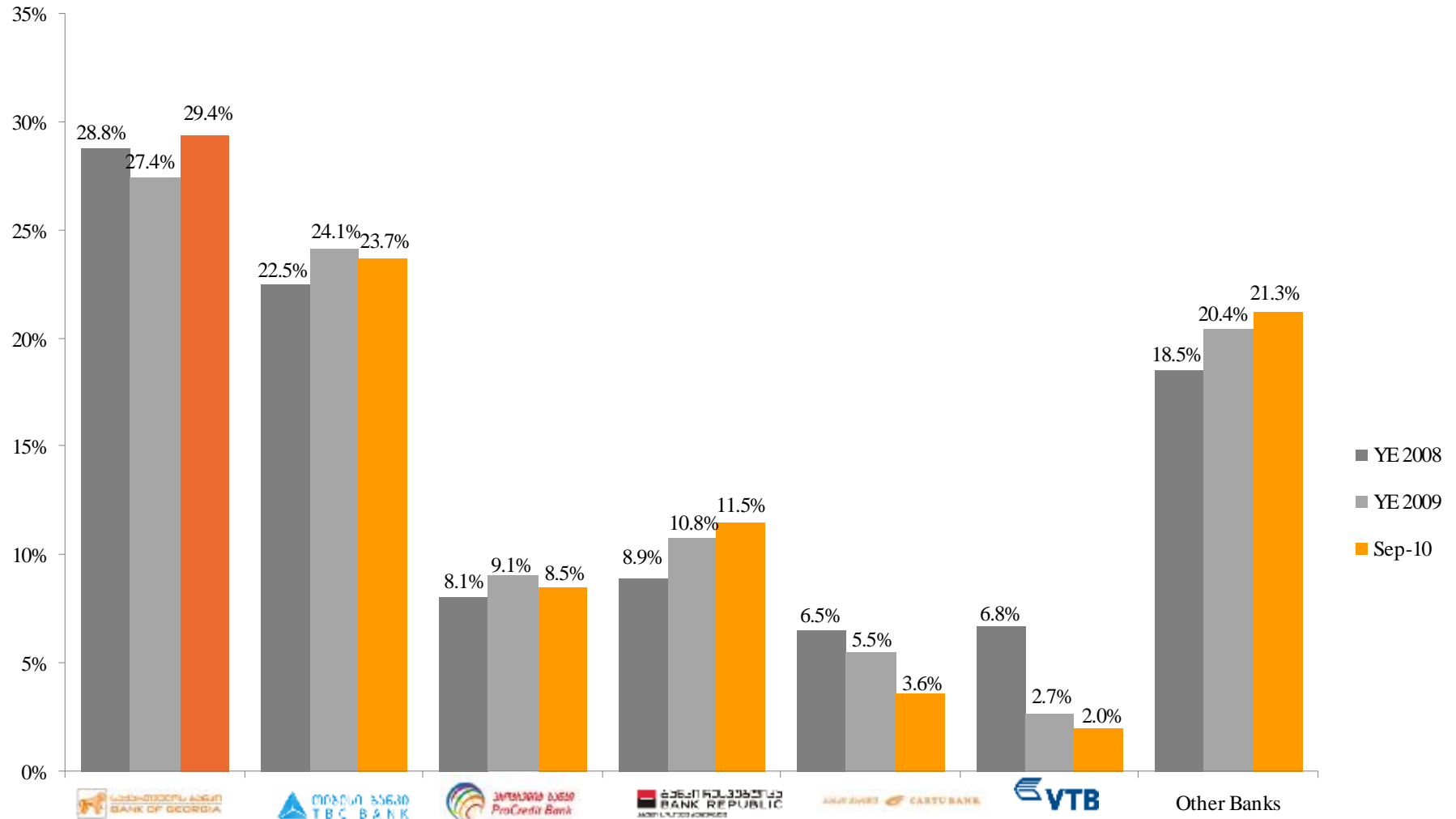
Q3 2009 = 1.68

YE 2009 = 1.69

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Q2 2010 = 1.84

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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.