

1.77 GEL/US\$ 31 December 2010
1.81 GEL/US\$ Q3 2010
1.84 GEL/US\$ Q2 2010
1.69 GEL/US\$ 31 December 2009

JSC BANK OF GEORGIA REPORTS Q4 2010 AND FULL YEAR 2010 RESULTS

Millions, unless otherwise noted

Bank of Georgia (Consolidated, Unaudited, IFRS-based)

	Q4 2010		Growth q-o-q ¹
	US\$	GEL	
Total Operating Income (Revenue) ³	53.6	95.1	5.2%
Recurring Operating Costs	29.3	52.0	3.4%
Normalised Net Operating Income ⁴	24.3	43.1	7.4%
Net Non-Recurring Income / (Costs)	(0.8)	(1.4)	-16.8%
Profit/(Loss) before provisions	23.5	41.7	8.4%
Net Provision Expenses	6.1	10.8	-24.1%
Net Income/(Loss)	14.5	25.7	23.4%
	YTD 2010		Growth y-o-y ²
	US\$	GEL	
Total Operating Income (Revenue) ³	194.0	343.9	7.8%
Recurring Operating Costs	110.7	196.3	7.5%
Normalised Net Operating Income ⁴	83.3	147.6	8.2%
Net Non-Recurring Income / (Costs)	(2.7)	(4.8)	-95.6%
Profit/(Loss) before provisions	80.6	142.8	NMF
Net Provision Expenses	25.4	44.9	-66.2%
Net Income/(Loss)	46.7	82.9	NMF
Total Assets	2,312.1	4,098.9	40.7%
Net Loans	1,336.2	2,368.7	41.1%
Client Deposits	1,134.5	2,011.2	58.1%
Tier I Capital Adequacy Ratio (BIS) ⁵		18.2%	
Total Capital Adequacy Ratio (BIS) ⁶		29.0%	
Tier I Capital Adequacy Ratio (NBG)		13.0%	
Total Capital Adequacy Ratio (NBG)		14.5%	

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

² Compared to the respective period in 2009

³ Revenue includes Net Interest Income and Net Non-Interest Income.

⁴ Normalized for Net Non-Recurring Income/(Costs).

⁵ BIS Tier I Capital Adequacy Ratio equals Consolidated Tier I Capital as of the period end divided by Total Consolidated Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I.

⁶ BIS Total Capital Adequacy Ratio equals Total Consolidated Capital as of the period end divided by Total Consolidated Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I

About Bank of Georgia

Bank of Georgia is the leading Georgian bank offering a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients in Georgia, Ukraine and Belarus. Bank of Georgia is the largest bank in Georgia by assets, loans, deposits and equity, with 36.2% market share by total assets (all data according to the NBG as of 31 December 2010). The bank has 142 branches and more than one million retail and corporate current accounts.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor's	'B/B'
FitchRatings	'B+/B'
Moody's	'B1/NP' (FC) & 'Ba3/NP' (LC)

For further information, please visit www.bog.ge/ir or contact:

Irakli Gilauri

Chief Executive Officer
+995 32 444 109
igilauri@bog.ge

Giorgi Chiladze

Deputy CEO, Finance
+995 32 444 249
gchiladze@bog.ge

Macca Ekizashvili

Head of Investor Relations
+44 (0) 203 178 4052
ir@bog.ge

This news report is presented for general informational purposes only and should not be construed as an offer to sell or the solicitation of an offer to buy any securities. Certain statements in this news report are forward-looking statements and, as such, are based on the management's current expectations and are subject to uncertainty and changes in circumstances.

The financial information as of Q4 2009, Q3 2010, Q4 2010 and full year 2010 contained in this news report is unaudited, derived from IFRS-based management reports and reflects the best estimates of management. Q3 2010 Consolidated numbers have been reviewed. The Bank's actual results may differ from the amounts reflected herein as a result of various factors

Bank of Georgia (LSE: BGEO, GSE: GEB) (the “Bank”), Georgia’s leading bank, announced today its Q4 2010 and full year (or YTD) 2010 consolidated results (IFRS based, derived from management accounts), reporting a Q4 2010 Net Income of GEL 25.7 million, or 0.82 per share and full year 2010 Net Income of GEL 82.9 million, or 2.65 per share.

Q4 2010 and full year 2010 highlights

- The Balance Sheet growth in 2010 resulted in the market share gain of 3.2% by assets, 4.1% by loans and 3.9% by client deposits. As of 31 December 2010, Bank of Georgia held market shares of 36.2% by total assets, 35.9% by total loans, and 32.2% by total client deposits in Georgia.
- Q4 2010 consolidated Return on Average Equity Excluding Minority Interest (“ROAE (EMI)”) grew to 16.2% from the consolidated ROAE (EMI), of 13.0% in Q3 2010, while EPS (Earnings per Share) grew to GEL 0.82 (US\$ 0.46) in Q4 2010 from GEL 0.66 (US\$ 0.37) EPS in Q3 2010.
- Q4 2010 Normalized Net Operating Income (NNOI) grew 7.4% q-o-q to GEL 43.1 million, up 40.1% y-o-y, while Consolidated Profit Before Provisions increased 8.4% q-o-q to GEL 41.7 million, compared to the Loss Before Provisions of GEL 76.1 million in Q4 2009.
- Q4 2010 standalone Profit Before Provisions grew 71.6% y-o-y to GEL 44.9 million, up 17.4% q-o-q.
- Full year Net Cash Flow from operating activities before changes in operating assets and liabilities on a standalone basis increased 65.6% y-o-y to GEL 220.5 million in 2010
- Q4 2010 consolidated normalized operating leverage grew to 11.4% on a y-o-y basis; Standalone operating leverage increased to 31.1% on a y-o-y basis during the same period.
- Consolidated Cost/Income ratio on a normalized basis declined to 54.7% in Q4 2010, down from 55.6% in Q3 2010 and 60.2% in Q4 2009; Standalone Cost/Income ratio declined to 44.0% in Q4 2010, down from 49.0% in Q3 2010 and 58.0% in Q4 2009
- Consolidated Loan Book quality improved as consolidated NPLs declined from GEL 131.5 million in Q3 2010 to GEL 117.6 million in Q4 2010. Consolidated NPL coverage ratio stood at 151.0% in Q4 2010 compared to 141.4% in Q3 2010
- Consolidated Net Loan Book increased by 14.9% q-o-q to GEL 2,368.7 million, up 41.1% y-o-y, driven by:
 - Corporate Banking (CB) Net Loan Book growth of 21.9% q-o-q to GEL 1,190.7 million, up 44.0% y-o-y;
 - Retail Banking (RB) and Wealth Management (WM) Net Loan Book growth of 4.0% q-o-q to GEL 1,063.1 million, up 24.4% y-o-y;
- Consolidated Client Deposits grew 21.3% q-o-q to GEL 2,011.2 million and up 58.1% y-o-y, driven by:
 - Corporate Banking (CB) Client Deposits 25.8% q-o-q increase to GEL 1,006.0 million and up 71.2% y-o-y;
 - Retail Banking (RB) Client Deposits 9.4% q-o-q increase to GEL 540.9 million and up 43.8% y-o-y;
 - Wealth Management (WM) Client Deposits 19.6% q-o-q increase to GEL 261.6 million and up 60.4% y-o-y.
- Extended approximately GEL 908.6 million in Q4 2010 on a standalone basis, (up 106.8% y-o-y and up 87.0% q-o-q), in new loans to an estimated 44,887 clients (through credit cards, mortgages, consumer and other loans) and to small-and-medium sized companies and corporate clients
- Net Loans to Client Deposits Ratio declined to 117.8% in Q4 2010, on a consolidated basis from 124.3% in Q3 2010 and 131.9% in Q4 2009

“Strong performance during the quarter and for the year ended 31 December 2010 reflect the robust loan growth, the increased efficiency and improved asset quality that translated into the consolidated ROAE (EMI) of 16.2% in Q4 2010, an increase from the same ratio of 13.0% in Q3 2010 and the growth of consolidated EPS to GEL 0.82, up 23.3% q-o-q. The healthy revenue growth combined with cost containment measures resulted in the decline of consolidated Cost / Income Ratio normalized for the non-recurring items to 54.7% in Q4 2010 from 55.6% in Q3 2010, as the Bank kept its Recurring Cost growth in single digits for the full year. On a standalone basis Cost/Income Ratio dropped to 44.0% from 49.0% in Q3 2010. The Bank also benefited from the improved asset quality, lowering the cost of risk to 1.8% annual rate for the quarter.

On the balance sheet side, deposit growth accelerated in Q4 as client deposit growth of 21.3% q-o-q outpaced 13.3% growth of the gross loan book during the quarter. As a result, Interest Expense grew faster (6.3% q-o-q) than Interest Income (3.6% q-o-q), predominantly an effect of increased liquidity in the fourth quarter 2010 that drove the Q4 2010 NIM down to 7.8% from 8.2% in Q3 2010. Net Interest Income still increased by 1.1% q-o-q. The 0.5% decrease of Loan Yield Excluding Provisions to 19.5% during the quarter was mostly a result of the solid growth of the Bank’s net corporate loan book in Georgia, which at 21.9% q-o-q

growth outpaced the 7.0% growth of higher yielding retail net loan book. The strong growth of the deposit base in 2010 brought the Bank's Net Loans to Client Deposits ratio to 117.8%, down from 131.9% in 2009", commented *Giorgi Chiladze*, Deputy Chief Executive Officer, Finance.

Q4 2010 summary of the Bank's consolidated results

In Q4 2010, the Bank's Total Operating Income (Revenue) increased 5.2% q-o-q to GEL 95.1 million, (up 22.9% y-o-y). Net Interest Income grew to GEL 57.1 million, up 1.1% q-o-q and up 24.0% y-o-y. On a quarterly basis, Interest Expense growth of 6.3% q-o-q outpaced the 3.6% q-o-q growth of Interest Income, due to the 21.3% q-o-q Client Deposit growth as compared to 14.9% q-o-q growth of the consolidated Net Loan Book, which in turn, resulted in the decline of Q4 2010 NIM to 7.8% from the NIM of 8.2% in Q3 2010. On a year-on-year basis, Interest Income in Q4 2010 grew by 28.5% compared to 33.3% y-o-y growth of Interest Expense, as the Bank's consolidated Client Deposits y-o-y growth of 58.1% outpaced the 41.1% y-o-y growth of the Bank's consolidated Net Loan Book during the year. In Q4 2010, the Bank generated Net Non-Interest Income of GEL 38.0 million, up 12.0% q-o-q and up 21.3% compared to Q4 2009. The quarterly growth of Net Non-Interest Income in Q4 2010 was driven by the 3.0% q-o-q increase of Net Fee and Commission Income to GEL 14.1 million (up 12.1% y-o-y), 33.1% q-o-q growth of Net Income from Documentary Operations to GEL 3.3 million (up 41.6% y-o-y) and 17.5% q-o-q growth of Net Foreign Currency Related Income to GEL 9.4 million (up 66.5% y-o-y). Net Other Non-Interest Income increased by 14.8% q-o-q, predominantly driven by the increase in Brokerage Income to GEL 1.3 million, up 169.9% q-o-q.

Total Consolidated Recurring Operating Costs for the quarter increased by 3.4% q-o-q to GEL 52.0 million, (up 11.5% y-o-y), the growth mostly attributed to the subsidiaries of Bank of Georgia. Personnel Costs grew 1.8% q-o-q to GEL 27.5 million, representing 28.9% of the Bank's Revenue, down from 29.8% in Q3 2010. Bank of Georgia's standalone Recurring Operating Costs' contribution to the Consolidated Total Recurring Operating Costs decreased from 69.4% in Q3 2010 to 67.5% in Q4 2010. The increased operating leverage during the quarter resulted in the 7.4% q-o-q increase of NNOI to GEL 43.1 million (up 40.1% y-o-y), translating into the improved Normalized Cost/Income ratio, which stood at 54.7% in Q4 2010 compared to the Normalized Cost/Income ratio of 55.6% in Q3 2010 and 57.9% in Q2 2010.

Reflecting continued improvement of credit quality in Georgia, the Bank's Consolidated Net Provision Expense for the quarter declined to GEL 10.8 million, down from Net Provision Expense of GEL 14.2 million and GEL 12.6 million in Q3 2010 and Q2 2010, respectively. Consolidated Cost of Risk for the quarter stood at 1.8% a decrease from 2.6% in Q3 2010.

On 31 December 2010, the Bank's Consolidated Total Assets reached GEL 4,098.9 million, up 13.4% from 30 September and up 40.7% from 31 December 2009, driven by 14.9% q-o-q growth of the consolidated Net Loans to GEL 2,368.7 million, up 41.1% y-o-y. In Q4 2010 Loan Loss Reserves of GEL 177.5 million declined to 7.0% of consolidated gross loan book from 8.3% in Q3 2010. Consolidated NPLs of GEL 117.6 million improved considerably by 10.6% q-o-q, representing 4.6% of the consolidated gross loan book as of 31 December 2010, down from the same ratio of 5.9% in Q3 2010. The consolidated NPL Coverage ratio for the quarter stood at 151.0%, reflecting the conservative approach to provisioning maintained by the Bank during 2010.

Client Deposits grew by GEL 352.7 million during the quarter, resulting in the 21.3% q-o-q growth of the Bank's Total Client Deposits to GEL 2,011.0 million as of 31 December 2010, a 58.1% increase from 31 December 2009. As of 31 December 2010, the Bank's consolidated Net Loans to Client Deposits ratio declined to 117.8%, down from 124.3% in Q3 2010 and 131.9% as of 31 December 2009.

The Bank's consolidated Book Value per Share on 31 December 2010 stood at GEL 22.10 (US\$ 12.46), compared to GEL 21.69 (US\$ 12.01) as at 30 September 2010 and GEL 19.12 (US\$ 11.34) as of 31 December 2009.

Full year 2010 summary of the Bank's consolidated results

The Bank reported the full year 2010 Net Income of GEL 82.9 million. In 2010, the Bank's Total Operating Income (Revenue) increased 7.8% y-o-y to GEL 343.9 million, attributable to 6.9% y-o-y increase in Net Interest Income to GEL 210.5 million and 9.2% y-o-y increase in Net Non-Interest Income of GEL 133.4 million. In 2010, Net Foreign Currency Related Income increased by 20.3% y-o-y to GEL 33.7 million, predominantly due to increased business activity in Georgia during the year. The Bank's Net Fees and Commission Income increased 3.5% y-o-y to GEL 49.1 million, while Net Income from Documentary Operations grew by 16.3% y-o-y to GEL 10.0 million. Full year 2010 Net Other Non-Interest Income increased 6.7% y-o-y to GEL 40.7

million, with the Bank's insurance subsidiary contributing the full year 2010 Net Insurance Income of GEL 17.2 million, up 3.4% y-o-y.

In 2010 Consolidated Recurring Operating Costs increased 7.5% y-o-y to GEL 196.3 million, driven by the 15.3% y-o-y increase in Personnel Costs to GEL 103.8 million, a result of the increase of personnel from 4,781 at year-end 2009 to GEL 5,610 at the year-end 2010 and administrative costs associated with the growth of business across the board during 2010. Recurring Operating Costs/Average Total Assets ratio improved from 7.1% in 2009 to 5.8% in 2010, while Total Employee Compensation Expenses / Average Total Assets ratio of 3.1% at the year end 2010 was an improvement from the same ratio of 3.5% prior year. NNOI in 2010 reached GEL 147.6 million, up by 8.2% y-o-y.

In 2010, Bank's Net Provision Expense dropped to GEL 44.9 million from GEL 133.1 million in 2009, in line with the improvements in asset quality and Georgia's economic recovery during the year. The Bank had Net Provision Expense of GEL 38.3 million in Georgia and GEL 5.2 million in Ukraine. The Bank reported Net Income of GEL 82.9 million in 2010 compared to the Net Loss of GEL 98.9 million in 2009.

JSC Bank of Georgia (standalone) results

Bank of Georgia on a standalone basis reported Q4 2010 Net Income of GEL 30.0 million, (up 26.7% q-o-q), which compares to the standalone Net Income of GEL 7.8 million in Q4 2009.

In Q4 2010, Total Operating Income (Revenue) on a standalone basis grew by 6.9% q-o-q to GEL 80.1 million, (up 28.5% y-o-y), driven by 4.4% q-o-q increase of Net Interest Income to GEL 54.8 million, (up 22.4% y-o-y) and 12.5% q-o-q growth of Net Non-Interest Income to GEL 25.3 million, (up 44.1% y-o-y). The growth of the Bank's standalone Revenue items is the result of the increase of the Bank's loan book on both quarterly and full year basis, while increased lending and overall business activity translated into the 3.1% q-o-q growth of Net Fees and Commission Income to GEL 11.8 million, (up 36.3% y-o-y) and 34.0% q-o-q increase in Net Income from Documentary Operations to GEL 3.2 million, (up 44.3% y-o-y). In Q4 2010 the Bank's Net Foreign Currency Related Income on a standalone basis grew 19.3% q-o-q to GEL 9.7 million, up 5.1% y-o-y.

Bank of Georgia's standalone Q4 2010 NNOI grew to GEL 45.0 million, an increase of 12.4% on a quarterly and 57.1% on a yearly basis, a result of improved operational efficiency and cost containment measures implemented by the Bank. In Q4 2010, Total Recurring Operating Costs increased by 0.5% q-o-q to GEL 35.1 million (up 4.2% y-o-y), as the Bank's standalone Personnel Costs declined by 3.8% q-o-q, predominately due to the decrease in bonus related expenses resulting in the decrease of Personnel Cost/Income ratio to 23.5% in Q4 2010 from the same ratio of 26.1% in Q3 2010. As a result, Bank of Georgia achieved standalone positive operating leverage of 10.9% on a consecutive q-o-q basis and 31.1% on a y-o-y basis. Bank of Georgia's standalone Cost/Income ratio decreased to 44.0% in Q4 2010 from 49.0% in Q3 2010 and from 58.0% in Q4 2009. Due to the combination of Loan Book growth and increased efficiency, Profit Before Provisions grew by 71.6% y-o-y to GEL 44.9 million, up 17.4% q-o-q. The Bank's Net Provision Expense on a standalone basis decreased from GEL 9.9 million in Q3 2010 to GEL 9.5 million in Q4 2010.

On a full year basis, Bank of Georgia reported strong standalone results with a record Net Income of GEL 91.0 million, which almost tripled compared to the standalone Net Income of GEL 30.8 million in 2009. Revenue grew 12.2% y-o-y to GEL 283.5 million, driven by 7.1% y-o-y increase of Net Interest Income and 26.2% increase of Net Non-Interest Income, and more than offset the 9.0% y-o-y growth of Recurring Operating Costs to GEL 133.2 million, in line with the increased lending and expansion of business activity during the year. As a result of improved operating leverage, NNOI grew 15.2% y-o-y to GEL 150.3 million. Net Non-Recurring Costs of GEL 5.1 million remained largely flat compared to previous year. Net Provision Expense in 2010 amounted to GEL 38.3 million, compared to GEL 89.6 million Net Provision Expense in 2009, reflecting the improved credit quality on the back of improved economic environment in Georgia.

As of 31 December 2010, Bank of Georgia's Total Assets on a standalone basis reached GEL 3.9 billion, up 12.1% q-o-q, up 38.9% y-o-y. Bank of Georgia's standalone Net Loan Book increased 14.4% q-o-q (up 37.1% y-o-y) to GEL 2,205.6 million driven by 21.9% q-o-q increase of the Corporate Net Loan Book to GEL 1,190.7 million up 44.0% y-o-y and 7.0% q-o-q growth of Retail Net Loan Book to GEL 974.3 million, (up 32.2% y-o-y). Standalone NPLs stood at GEL 81.2 million and represented

3.5% of the total gross loan book, a decrease from the same ratio of 4.7% in Q3 2010, when the NPLs amounted to GEL 96.5 million on a standalone basis.

As of the year-end 2010, the Bank's Client Deposits in Georgia amounted to GEL 1,808.5 million, representing an increase of GEL 296.1 million, or 19.6% during Q4 2010, up GEL 681.7 million, or 60.5% y-o-y. The growth of Client Deposits was primarily driven by the Corporate Client Deposits, up 25.8% q-o-q and 71.2% y-o-y, while Retail and Wealth Management Deposits grew 9.4% q-o-q and 43.8% y-o-y and 19.6% q-o-q and 60.4% y-o-y, respectively.

As of 31 December 2010 Bank of Georgia on a standalone basis held its record high market share of 36.2%, 35.9%, and 32.2% by total assets, gross loans, and client deposits, respectively in Georgia. Since the year-end 2009, the Bank gained market shares of 3.2% by assets, 4.1% by gross loans and 3.9% by client deposits⁷.

The business segment discussion set forth below is derived from IFRS-based management reports. Business segment results of RB, CB and WM represent Bank of Georgia's standalone performance and do not include intercompany eliminations.

In 2010 the Bank introduced new model for standalone segment reporting. The comparative numbers for Q4 2009 business segment reporting have been adjusted respectively.

Retail Banking (RB)

<i>GEL millions, unless otherwise noted</i>	Q4 2010	Q3 2010	Q4 2009	Change Q-O-Q	Change Y-O-Y
Total operating income (Revenue)	46.8	42.0	38.7	11.5%	21.0%
Total recurring operating costs	22.9	23.0	22.2	-0.5%	3.0%
Net income / (Loss)	16.0	12.9	9.0	24.3%	78.1%
Loans to clients, gross	1,023.3	980.6	806.7	4.4%	26.9%
Loans to clients, net	974.3	911.0	737.1	7.0%	32.2%
Client deposits	540.9	494.2	376.1	9.4%	43.8%

Discussion of results

In Q4 2010, RB Revenues increased 11.5% q-o-q (up 21.0% y-o-y) to GEL 46.8 million, driven predominantly by the 15.7% q-o-q and 15.0% y-o-y growth of RB Net Interest Income increased to GEL 33.9 million. RB Interest Income growth rate of 9.5% q-o-q to GEL 59.9 million outpaced the 2.3% q-o-q growth rate of RB Interest Expense to GEL 25.9 million as result of the increase of RB Loan Book during the year and the effect of the deposit rate cuts in 2010. On a quarterly basis, RB Interest Income increased despite Christmas promotion campaigns by competitors entailing interest rate cuts on retail loans. RB Loan Yield Excluding Provisions grew from 22.6% in Q3 2010 to 23.4% in Q4 2010. RB Net Non-Interest Income during the quarter increased by 1.9% q-o-q (up 40.2% y-o-y) to GEL 12.9 million, mostly driven by 2.1% q-o-q increase of RB Net Fee and Commission Income to GEL 9.8 million (up 37.3% y-o-y). The year-on-year growth was a result of the successful diversification of fee income sources in 2010. RB Recurring Operating Costs decreased by 0.5% q-o-q to GEL 22.9 million (up 3.0% y-o-y), following the decrease in RB personnel costs due to decline in bonuses, translating into a positive operating leverage for the quarter. RB Net Provision Expense in Q4 2010 amounted to GEL 4.8 million, compared to the Net Provision Expense of GEL 2.7 million in Q3 2010. RB Net Income for Q4 2010 amounted to GEL 16.0 million, contributing 53.2% to the standalone Net Income.

On a full year basis, RB posted Net Income of GEL 32.9 million, an increase from GEL 3.9 million in 2009 mostly attributed to the decline in Net Provision Expense to GEL 29.6 in 2010 from GEL 70.1 million in 2009, reflecting the improved credit quality. Despite the RB Revenue growth for past three consecutive quarters in 2010, the full year 2010 RB Revenues of GEL 158.8 million fell short by 1.0% of RB Revenues in 2009, due to 7.0% lower 2010 Net Interest Income (GEL 113.2 million) compared to the prior year. RB Net Non-Interest Income grew 18.0% y-o-y to GEL 45.6 million, driven by 25.4% y-o-y growth of Net Fee and Commission income to GEL 35.2 million and 9.0% y-o-y growth of Net Other Non-Interest Income to GEL 1.1 million. Full year 2010 RB Recurring Operating Costs grew by 5.3% y-o-y to GEL 87.1 million, leading to the 8.2% y-o-y decrease of RB Profit Before Provisions to GEL 68.4 million.

RB Net Loans increased 7.0% q-o-q to GEL 974.3 million (up 32.2% y-o-y), as a result of the growth in the retail lending activity during 2010. RB Client Deposits grew 9.4% q-o-q and 43.8% y-o-y to GEL 540.9 million, driven primarily by the growth of time deposits.

Highlights

- Issued 76,249 debit cards, up 72.0% q-o-q, in Q4 2010 bringing the total debit cards outstanding to 496,240, up 5.4% q-o-q.
- Issued 32,619 credit cards of which 24,950 American Express cards in Q4 2010. A total of 58,711 American Express cards were issued since the launch in November 2009. The total number of credit cards outstanding amounted to 106,809 as of 31 December 2010.
- Increased number of branches from 137 in Q3 2010 to 142 and number of ATMs from 388 to 405 in Q4 2010.
- Became an exclusive partner for Diners Club acquiring business in Georgia.
- Outstanding number of RB clients reached 739,522, up 1.4% q-o-q up 1.0% y-o-y.
- Acquired 501 new clients in Solo business line, mass affluent sub-brand, in 2010, of which 176 new clients joined in Q4 2010. As of 31 December, the number of Solo clients reached 2,303. Introduced Premium Deposit for Solo Clients.
- Launched, for the first time in Georgia, SMS Loans, available for the payroll clients through ATMs followed by the approval by the SMS. As of 31 December 2010, number of SMS loans issued amounted to 3,881 and aggregate SMS loans outstanding reached GEL 5.9 million.
- Re-entered Point of Sales (POS) market; As of 31 December 2010, 99 desks at 177 contracted merchants. POS loans outstanding reached GEL 6.5 million.
- Introduced Car Trade-in (Auto Loans) and Test drive (for the first time in Georgia) that led Car loan originations growth 33.3% q-o-q to GEL 9.2 million resulting in Car loans outstanding in the amount of GEL 49.8 million as of 31 December 2010, down 11.9% y-o-y.
- RB Loan Yield Excluding Provisions amounted to 23.4% in Q4 2010 (22.6% in Q3 2010) and RB Deposit Yield amounted to 9.5% in Q4 2010 (10.3% in Q3 2010).
- Consumer loan originations of GEL 72.6 million (up 4.1% q-o-q and up 84.6% y-o-y) resulted in consumer loans outstanding in the amount of GEL 162.6 million as of 31 December 2010, up 42.6% y-o-y.
- Micro loan originations of GEL 102.9 million (up 31.5% q-o-q and up 157.4% y-o-y) resulted in micro loans outstanding in the amount of GEL 238.4 million as of 31 December 2010, up 141.1% y-o-y.

Corporate Banking (CB)

<i>GEL millions, unless otherwise noted</i>	Q4 2010	Q3 2010	Q4 2009	Change Q-O-Q	Change Y-O-Y
Total operating income (Revenue)	32.5	31.5	23.0	3.2%	41.5%
Total recurring operating costs	10.8	10.7	10.2	1.1%	5.7%
Net income	14.5	10.9	0.1	33.4%	NMF
Loans to clients, gross	1,259.8	1,038.9	880.2	21.3%	43.1%
Loans to clients, net	1,190.7	976.5	826.6	21.9%	44.0%
Client deposits	1,006.0	799.4	587.6	25.8%	71.2%

Discussion of results

CB Revenues increased 3.2% q-o-q to GEL 32.5 million (up 41.5% y-o-y), driven by the 28.1% q-o-q increase of Net Non Interest Income to GEL 12.2 million (up 51.2% y-o-y), a result of the 34.0% q-o-q growth of Income from Documentary Operations to GEL 3.2 million (up 44.3% y-o-y) and increase of CB Net Foreign Currency Related Income to GEL 6.9 million up 31.3% q-o-q (up 68.6% y-o-y). CB Net Fee and Commission Income increased 12.1% to GEL 1.8 million (up 31.4% y-o-y), reflecting the growth of CB loan book. CB Net Interest Income declined by 7.5% q-o-q (up 36.3% y-o-y), driven by the 8.5% q-o-q growth CB Interest Expense (up 28.3% y-o-y) which more than offset 0.7% q-o-q increase of CB Interest Income (up 31.7% y-o-y). The 1.1% q-o-q increase of CB Recurring Operating Costs to GEL 10.8 million (up 5.7% y-o-y), resulted in a positive operating leverage for the quarter. CB Net Provision Expense for the quarter amounted to GEL 4.8 million, a decline compared to GEL 7.2 million Net Provision Expense in Q3 2010. CB Net Income for Q4 2010 amounted to GEL 14.5 million, contributing 48.4% to the standalone Net Income for the quarter.

On a full year basis, CB Revenues increased 35.8% y-o-y to GEL 120.5 million, driven predominantly by the 34.3% y-o-y increase in CB Net Interest Income to GEL 82.0 million and 57.5% y-o-y growth of Net Foreign Currency Related Income to GEL 21.4 million. CB Net Income from Documentary Operations increased 14.7% y-o-y to GEL 9.8 million and Net Fee and Commission Income grew 33.0% y-o-y to GEL 6.0 million during the year. In 2010, CB Recurring Operating Costs grew by 18.6% y-o-y to GEL 41.5 million, resulting in a 51.6% y-o-y increase of CB Profit Before Provisions. The full year 2010 Net Provision Expense for CB reached GEL 11.3 million as compared to GEL 15.9 million in 2009.

CB gross loans increased 21.3% q-o-q to GEL 1,259.8 million (up 43.1% y-o-y), while CB Client Deposits grew 71.2% y-o-y to GEL 1,006.0 million, up 25.8% q-o-q.

Highlights

- Major new client acquisitions include Azot Fertilizer Plant, one of the largest companies in Georgia, EnergoPro, one of the largest electricity distribution companies in Georgia; Bridge Building Co., major subcontractor of Georgian Railways which is implementing Tbilisi railway bypass project of US\$250 million.
- CB Loan Yield Excluding Provision amounted to 16.2% in Q4 2010 (17.6% in Q3 2010) and CB Deposit Yield amounted to 6.2% in Q4 2010 (5.8% in Q3 2010).
- Increased the number of corporate clients using the Bank's payroll services from 1,657 as of Q3 2010 to 1,737 in Q4 2010. As of 31 December 2010, the number of individual clients serviced through the corporate payroll programs administered by the Bank amounted to approximately 174,000.
- More than 8,300 new corporate accounts opened at the Bank in Q4 2010, bringing the total to over 179,400.

Wealth Management (WM)

<i>GEL millions, unless otherwise noted</i>	Q4 2010	Q3 2010	Q4 2009	Change Q-O-Q	Change Y-O-Y
Total operating income (Revenue)	0.7	1.4	0.6	-49.1%	15.5%
Total recurring operating costs	1.4	1.2	1.2	15.5%	14.0%
Net income / (Loss)	(0.5)	(0.1)	(1.2)	NMF	-59.9%
Loans to clients, gross	39.8	41.1	47.6	-3.2%	-16.4%
Loans to clients, net	37.6	38.4	42.5	-2.2%	-11.6%
Client deposits	261.6	218.7	163.1	19.6%	60.4%

Discussion of results

WM Client Deposits continued to grow reaching GEL 261.1 million, up 19.6% q-o-q and up 60.4 y-o-y, while WM Net Loan Book decreased 2.2% q-o-q to GEL 37.6 million. WM Client Deposits from non-resident clients continued to grow during the quarter, reaching GEL 170.7 million by the year end 2010, (up 26.2% q-o-q). Client Deposits from non-resident clients accounted for 65.3% and 61.9% of Total WM Client Deposits as of 31 December 2010 and 30 September 2010, respectively.

Insurance

<i>GEL millions, unless otherwise noted</i>	Q4 2010	Q3 2010	Q4 2009	Change Q-O-Q	Change Y-O-Y
Total operating income (Revenue)	5.5	4.2	4.9	32.3%	13.4%
Total recurring operating costs	4.2	2.5	3.7	69.2%	13.5%
Net income	1.8	1.3	(0.3)	32.5%	NMF
Gross premiums written	11.5	15.0	7.4	-22.9%	55.9%

Discussion of results

Standalone Revenue of Aldagi BCI (ABCI), the Bank's wholly-owned insurance subsidiary, increased by 32.3% q-o-q to GEL 5.5 million, up 13.4% y-o-y, with standalone Gross Premiums Written down 22.9% q-o-q to GEL 11.5 million. Standalone Operating Costs of GEL 4.2 million were up 13.5% y-o-y and up 69.2% q-o-q, with quarterly growth attributable to lower Operating Costs in Q3 2010 due to reclassifications between Other Operating Income and Other Operating Expenses. ABCI's Combined Ratio, decreased from 86.1% in Q3 2010 to 85.4% in Q4 2010. ABCI's Q4 2010 Net Income of GEL 1.8 million was a 32.5% increase q-o-q and compares to the Net Loss of GEL 0.3 million in Q4 2009.

Full year standalone Revenue of GEL 20.3 million and full year Gross Premiums Written of GEL 62.3 million remained largely flat compared to prior year. ABCI's 2010 standalone Net Income of GEL 5.0 million was a 35.1% increase from the 2009 standalone Net Income of GEL 3.7 million. On a full year basis, Combined Ratio decreased from 89.2% in 2009 to 87.4% in 2010. Total Assets amounted to GEL 83.8 million, while Total Liabilities reached GEL 61.8 million as at 31 December 2010.

Highlights

- Opened service center for handling claims and completed the reorganization of claims handling operations
- Purchased Kutaisi regional clinic, one of the leading health service providers in Western Georgia

Belaruskiy Narodniy Bank, Belarus (BNB)

<i>GEL millions, unless otherwise noted</i>	Q4 2010	Q3 2010	Q4 2009	Change Q-O-Q	Change Y-O-Y
Total operating income (Revenue)	3.6	3.2	2.2	14.9%	68.4%
Total recurring operating costs	3.1	2.5	2.0	25.4%	57.9%
Net income	0.5	0.8	(0.9)	-29.5%	NMF
Loans to clients gross	76.8	51.7	24.4	48.6%	214.5%
Loans to clients, net	75.6	50.4	23.5	50.2%	221.4%
Client deposits	29.6	18.4	20.4	61.2%	44.8%

Discussion of results

In Q4 2010 BNB's Total Operating Income increased to GEL 3.6 million, up 14.9% q-o-q, mostly driven by the 14.9% q-o-q growth of Net Interest Income to GEL 2.5 million (up 60.0% y-o-y) and the 14.8% q-o-q increase in Net Non-Interest Income to GEL 1.1 million (up 91.3% y-o-y) a result of the 42.2% q-o-q growth of Net Fee and Commissions Income to GEL 540 thousand (up 21.8% y-o-y) and growth in Net Income From Documentary Operations to GEL 40 thousand, up 55.1% q-o-q. BNB's Interest Income increased by 25.9% q-o-q to GEL 3.1 million and Interest Expense increased by 128.2% to GEL 0.5 million. In Q4 2010, BNB's Recurring Costs increased 25.4% q-o-q to GEL 3.1 million as the bank positions itself for growth. BNB's Net Provision Reversal for the quarter amounted to GEL 200 thousand as compared to the Net Provision Expense of GEL 32 thousand in Q3 2010. BNB posted Net Income of GEL 540 thousand as compared to Net Income of GEL 766 thousand in Q3 2010 and Net Loss of GEL 914 thousand in Q4 2009.

In Q4 2010 BNB's Gross Loans increased by 48.6% q-o-q to GEL 76.8 million, up 214.5% y-o-y. On 31 December 2010, Total Assets stood at GEL 126.5 million, up 8.9% q-o-q and up 58.1% y-o-y. Client Deposits amounted to GEL 29.6 million, up 61.2% q-o-q, an increase of 44.8% y-o-y. Total Liabilities of BNB stood at GEL 65.1 million, up 19.7% q-o-q up 207.3% y-o-y.

Highlights

- Increased the number of corporate clients by 24.1% y-o-y to 1,457 as of 31 December 2010.
- Increased the number of corporate clients using the BNB's payroll services by 92.0% y-o-y to 211 as of 31 December 2010.
- Launched Call Center in November 2010.
- Opened a new branch on central square in Minsk and revamped one existing branch according to the new brand standard.

BG Capital

In Q4 2009 BG Capital posted Revenue of GEL -0.7 million, that compares to GEL 1.1 million in Q4 2009. Recurring Operating Costs of BG Capital were down 16.8% q-o-q to GEL 1.6 million, down 32.6% y-o-y. Net Loss for the quarter reached GEL 2.3 million, compared to the Net Loss of GEL 2.4 million in Q3 2010 and Net Loss of GEL 1.6 million in Q4 2009.

BG Capital enjoyed a rebound in brokerage activity as international investors increased activity in the region during Q4. The brokerage also maintained its leadership position in investment banking in the region by successfully completing the first ever

IPO of a Ukrainian coal mine, through its placement of Sadovaya Group on the Warsaw Stock Exchange. Over the quarter BG Capital also completed a local bond issue, signed a number of new corporate brokerage contracts and significantly expanded its pipeline, as the investment banking division continues to expand its operations

Comment:

“Bank of Georgia grew at much faster pace than banking sector in Georgia due to its strong franchise and solid balance sheet. In Georgia we have achieved 37.1% growth in loans and 60.5% growth in client deposits, which translated into 4.1% market share gain in loans and 3.9% market share gain in client deposits, bringing our market shares at all time record high level of 35.9% in Loans and 32.2% in deposits.

We also achieved positive operating leverage (both consolidated and standalone) for the third consecutive quarter, which serves as a continued evidence that we are successfully implementing our strategy of growth at the right price with strong emphasis on efficiency. Q4 2010 standalone Operating Leverage stood at 31.1% on a year-on-year basis, which improved efficiency both on consolidated and standalone basis, bringing standalone cost income ratio to 44.0% in Q4 2010, translating into the consolidated 16.2% ROAE (EMI) in Q4 2010.

Having successfully executed our strategy for the year, we beat the 2010 Net Income target of GEL 72.3 million announced in November 2009 by 14.7%, posting 2010 Net Income of GEL 82.9 million. Additionally, I am pleased to note that Aldagi BCI, the Bank’s key wholly-owned subsidiary also performed well, delivering strong quarterly and full year results and increasing its contribution to the Bank’s Net Income for the quarter and for the full year.

The expected real GDP growth in 2010 is at 6.5%, and in 2011 we expect the continued growth as we are observing improving economic environment in Georgia. Bank of Georgia is well positioned to capture this growth and to achieve its target of 20% Return on Average Equity in coming years,” commented *Irakli Gilauri*, Chief Executive Officer.

STANDALONE Q4 2010 SEGMENT INCOME STATEMENT DATA

<i>GEL millions, unless otherwise noted</i>	CB		RB		WM		CC/ Eliminations		Total	
	Q4 '10	Q4 '09	Q4 '10	Q4 '09	Q4 '10	Q4 '09	Q4 '10	Q4 '09	Q4 '10	Q4 '09
Interest Income	45.6	34.6	59.9	49.0	7.0	4.7	(5.7)	(2.9)	106.8	85.3
Interest Expense	25.3	19.7	25.9	19.5	6.5	4.3	(5.7)	(2.9)	52.0	40.6
Net Interest Income	20.3	14.9	33.9	29.5	0.5	0.4	(0.0)	0.0	54.8	44.8
Net Non-Interest Income	12.2	8.1	12.9	9.2	0.2	0.3	-	-	25.3	17.5
Total Operating Income (Revenue)	32.5	23.0	46.8	38.7	0.7	0.6	-	-	80.1	62.3
Total Recurring Operating Costs	10.8	10.2	22.9	22.2	1.4	1.2	-	-	35.1	33.7
Normalized Net Operating Income / (Loss)	21.7	12.8	23.9	16.5	(0.7)	(0.6)	-	-	45.0	28.7
Net Non-Recurring Income / (Costs)	0.2	0.8	(0.3)	(3.2)	(0.0)	(0.1)	-	-	(0.2)	(2.5)
Net Provision Expense / (Reversal)	4.8	14.8	4.8	2.8	(0.1)	0.7	-	-	9.5	18.2
Net Income / (Loss)	14.5	0.1	16.0	9.0	(0.5)	(1.2)	-	-	30.0	7.8

STANDALONE 2010 SEGMENT INCOME STATEMENT DATA

<i>GEL millions, unless otherwise noted</i>	CB		RB		WM		CC/ Eliminations		Total	
	YTD '10	YTD '09	YTD '10	YTD '09	YTD '10	YTD '09	YTD '10	YTD '09	YTD '10	YTD '09
Interest Income	175.4	139.3	209.9	199.4	25.3	15.1	(19.1)	(7.3)	391.5	346.5
Interest Expense	93.4	78.2	96.7	77.6	22.3	12.8	(19.1)	(7.3)	193.2	161.4
Net Interest Income	82.0	61.1	113.2	121.7	3.1	2.3	-	-	198.3	185.2
Net Non-Interest Income	38.5	27.7	45.6	38.6	1.2	1.3	-	-	85.3	67.6
Total Operating Income (Revenue)	120.5	88.8	158.8	160.4	4.2	3.6	-	-	283.5	252.8
Total Recurring Operating Costs	41.5	35.0	87.1	82.8	4.5	4.5	-	-	133.2	122.2
Normalized Net Operating Income / (Loss)	79.0	53.8	71.6	77.6	(0.3)	(0.9)	-	-	150.3	130.5
Net Non-Recurring Income / (Costs)	(1.5)	(2.6)	(3.3)	(3.2)	(0.4)	(0.2)	-	-	(5.1)	(6.0)
Net Provision Expense / (Reversal)	11.3	15.9	29.6	70.1	(2.6)	3.6	-	-	38.3	89.6
Net Income / (Loss)	56.4	31.1	32.9	3.9	1.6	(4.1)	-	-	91.0	30.8

STANDALONE Q4 2010 SEGMENT BALANCE SHEET DATA

<i>GEL millions, unless otherwise noted</i>	CB		RB		WM		CC/ Eliminations		Total	
	Q4 '10	Q4 '09	Q4 '10	Q4 '09	Q4 '10	Q4 '09	Q4 '10	Q4 '09	Q4 '10	Q4 '09
Loans To Clients, Gross	1,259.8	880.2	1,023.3	806.7	39.8	47.6	-	-	2,322.9	1,734.5
Loans To Clients, Net	1,190.7	826.6	974.3	737.1	37.6	42.5	-	-	2,202.6	1,606.3
Total Assets	1,768.9	1,171.7	1,796.8	1,288.0	43.8	48.6	338.2	334.1	3,947.7	2,842.4
Client Deposits	1,006.0	587.6	540.9	376.1	261.6	163.1	-	-	1,808.5	1,126.8
Total Liabilities	1,607.5	990.5	1,241.9	949.8	261.6	163.1	-	-	3,111.1	2,103.4
Total Shareholders Equity	283.4	210.6	209.4	186.6	5.7	7.7	338.2	334.1	836.6	739.0
Total Liabilities And Shareholders' Equity	1,890.9	1,201.1	1,451.3	1,136.4	267.3	170.7	338.2	334.1	3,947.7	2,842.4

CONSOLIDATED Q4 2010 INCOME STATEMENT

Period ended	Q4 2010		Q3 2010		Q4 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
<i>Consolidated, IFRS - based</i>								
<i>000s Unless otherwise noted</i>								
	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>			
Interest Income	64,513	114,369	61,095	110,362	52,794	89,000	3.6%	28.5%
Interest Expense	32,305	57,270	29,821	53,869	25,478	42,951	6.3%	33.3%
Net Interest Income	32,208	57,099	31,274	56,493	27,316	46,049	1.1%	24.0%
Fees & Commission Income	9,833	17,432	8,752	15,809	9,249	15,592	10.3%	11.8%
Fees & Commission Expense	1,854	3,287	1,149	2,075	1,765	2,976	58.4%	10.5%
Net Fees & Commission Income	7,979	14,145	7,603	13,734	7,484	12,616	3.0%	12.1%
Income From Documentary Operations	1,930	3,421	1,628	2,940	1,683	2,837	16.4%	20.6%
Expense On Documentary Operations	90	159	271	490	317	534	-67.6%	-70.2%
Net Income From Documentary Operations	1,840	3,262	1,356	2,450	1,366	2,303	33.1%	41.6%
Net Foreign Currency Related Income	5,323	9,436	4,445	8,030	3,362	5,667	17.5%	66.5%
Net Insurance Income / (Loss)	2,535	4,494	2,421	4,373	2,172	3,661	2.8%	22.8%
Brokerage And Investments Banking Income	714	1,266	260	469	1,126	1,898	169.9%	-33.3%
Asset Management Income	27	47	30	55	94	158	-14.5%	-70.3%
Net Investment Gains / (Losses)	102	181	266	480	347	585	-62.3%	-69.1%
Other	2,901	5,143	2,393	4,323	2,625	4,425	19.0%	16.2%
Net Other Non-Interest Income	6,279	11,131	5,370	9,700	6,363	10,727	14.8%	3.8%
Net Non-Interest Income	21,420	37,974	18,774	33,914	18,575	31,313	12.0%	21.3%
Total Operating Income (Revenue)	53,629	95,073	50,048	90,407	45,890	77,362	5.2%	22.9%
Personnel Costs	15,492	27,465	14,930	26,969	13,336	22,481	1.8%	22.2%
Selling, General & Administrative Expenses	6,138	10,881	5,381	9,720	6,211	10,471	11.9%	3.9%
Procurement & Operations Support Expenses	1,909	3,384	2,124	3,837	2,261	3,811	-11.8%	-11.2%
Depreciation And Amortization	3,841	6,809	3,845	6,945	4,100	6,911	-2.0%	-1.5%
Other Operating Expenses	1,936	3,432	1,546	2,792	1,732	2,920	22.9%	17.5%
Total Recurring Operating Costs	29,316	51,971	27,825	50,263	27,639	46,594	3.4%	11.5%
Normalized Net Operating Income / (Loss)	24,313	43,102	22,223	40,144	18,251	30,768	7.4%	40.1%
Net Non-Recurring Income / (Costs)	(773)	(1,371)	(912)	(1,647)	(63,379)	(106,844)	-16.8%	-98.7%
Profit / (Loss) Before Provisions	23,540	41,731	21,311	38,497	(45,128)	(76,076)	8.4%	NMF
Net Provision Expense	6,084	10,785	7,864	14,206	17,990	30,327	-24.1%	-64.4%
Pre-Tax Income / (Loss)	17,456	30,946	13,447	24,291	(63,117)	(106,403)	27.4%	NMF
Income Tax Expense / (Benefit)	2,959	5,246	1,915	3,460	(2,439)	(4,112)	51.6%	NMF
Net Income / (Loss)	14,497	25,700	11,532	20,831	(60,678)	(102,291)	23.4%	NMF

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.806 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2010

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

⁴ Change calculations based on GEL values

CONSOLIDATED 2010 INCOME STATEMENT

Period ended	YTD 2010		YTD 2009		Change ³ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	
Consolidated, IFRS based					
<i>000s Unless otherwise noted</i>	<i>(Unaudited)</i>				
Interest Income	239,212	424,075	224,871	379,087	11.9%
Interest Expense	120,476	213,580	108,103	182,240	17.2%
Net Interest Income	118,736	210,495	116,768	196,847	6.9%
Fees & Commission Income	33,979	60,238	34,637	58,391	3.2%
Fees & Commission Expense	6,308	11,182	6,526	11,002	1.6%
Net Fees & Commission Income	27,671	49,056	28,111	47,389	3.5%
Income From Documentary Operations	6,572	11,650	6,352	10,708	8.8%
Expense On Documentary Operations	908	1,609	1,229	2,072	-22.3%
Net Income From Documentary Operations	5,664	10,041	5,123	8,636	16.3%
Net Foreign Currency Related Income	18,982	33,652	16,597	27,980	20.3%
Net Insurance Income / (Loss)	9,728	17,245	9,893	16,678	3.4%
Brokerage And Investments Banking Income	1,112	1,972	3,257	5,491	-64.1%
Asset Management Income	111	197	466	786	-74.9%
Net Investment Gains / (Losses)	1,575	2,792	215	362	NMF
Other	10,406	18,447	8,776	14,795	24.7%
Net Other Non-Interest Income	22,932	40,653	22,608	38,112	6.7%
Net Non-Interest Income	75,249	133,402	72,439	122,117	9.2%
Total Operating Income (Revenue)	193,985	343,897	189,206	318,964	7.8%
Personnel Costs	58,529	103,760	53,372	89,974	15.3%
Selling, General & Administrative Expenses	22,166	39,296	25,308	42,664	-7.9%
Procurement & Operations Support Expenses	7,916	14,034	8,074	13,611	3.1%
Depreciation And Amortization	15,200	26,947	14,819	24,982	7.9%
Other Operating Expenses	6,914	12,257	6,698	11,292	8.5%
Total Recurring Operating Costs	110,725	196,294	108,271	182,523	7.5%
Normalized Net Operating Income / (Loss)	83,260	147,603	80,935	136,441	8.2%
Net Non-Recurring Income / (Costs)	(2,700)	(4,786)	(64,817)	(109,268)	-95.6%
Profit / (Loss) Before Provisions	80,560	142,817	16,119	27,173	NMF
Net Provision Expense	25,353	44,946	78,941	133,079	-66.2%
Pre-Tax Income / (Loss)	55,207	97,871	(62,822)	(105,906)	NMF
Income Tax Expense / (Benefit)	8,458	14,995	(4,151)	(6,998)	NMF
Net Income / (Loss)	46,749	82,876	(58,671)	(98,908)	NMF

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Change calculations based on GEL values

CONSOLIDATED Q4 2010 BALANCE SHEET

Period ended	Q4 2010		Q3 2010		Q4 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
<i>Consolidated, IFRS based</i>								
<i>000s Unless otherwise noted</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>			
Cash And Cash Equivalents	117,489	208,285	75,317	136,052	93,126	156,992	53.1%	32.7%
Loans And Advances To Credit Institutions	338,492	600,078	265,813	480,165	157,502	265,517	25.0%	126.0%
Mandatory Reserves With NBG / NBU / NBRB	50,980	90,378	47,986	86,682	24,790	41,791	4.3%	116.3%
Other Accountns With NBG / NBU / NBRB	45,513	80,686	41,881	75,654	26,151	44,085	6.7%	83.0%
Balances With And Loans To Other Banks	241,998	429,014	175,946	317,829	106,561	179,641	35.0%	138.8%
Investment Securities: AFS & Trading Securities	8,899	15,776	7,124	12,869	12,870	21,697	22.6%	-27.3%
Investment Securities: HTM, Treasuries And Equivalents	158,116	280,308	164,803	297,701	147,821	249,196	-5.8%	12.5%
Loans To Clients, Gross	1,436,293	2,546,261	1,244,095	2,247,333	1,098,503	1,851,857	13.3%	37.5%
Less: Reserve For Loan Losses	(100,140)	(177,529)	(102,953)	(185,974)	(102,996)	(173,630)	-4.5%	2.2%
Loans To Clients, Net	1,336,153	2,368,732	1,141,142	2,061,359	995,508	1,678,227	14.9%	41.1%
Insurance Related Assets	16,174	28,674	18,620	33,635	15,827	26,681	-14.7%	7.5%
Investment Property	64,022	113,498	62,801	113,443	47,164	79,509	0.0%	42.7%
Investments In Other Business Entities, Net	4,083	7,238	3,237	5,847	5,719	9,641	23.8%	-24.9%
Property And Equipment Owned, Net	164,763	292,092	161,602	291,918	166,352	280,437	0.1%	4.2%
Intangible Assets Owned, Net	12,521	22,197	12,568	22,703	11,667	19,669	-2.2%	12.9%
Goodwill	39,030	69,192	38,282	69,152	39,016	65,773	0.1%	5.2%
Tax Assets, Current And Deferred	14,313	25,374	14,418	26,044	13,930	23,484	-2.6%	8.0%
Prepayments And Other Assets	38,071	67,493	35,823	64,711	21,714	36,606	4.3%	84.4%
Total Assets	2,312,126	4,098,937	2,001,549	3,615,599	1,728,217	2,913,429	13.4%	40.7%
Client Deposits	1,134,499	2,011,240	918,132	1,658,513	754,817	1,272,470	21.3%	58.1%
Deposits And Loans From Banks	121,361	215,148	143,396	259,030	13,325	22,463	-16.9%	NMF
Borrowed Funds	571,019	1,012,302	487,990	881,506	541,775	913,324	14.8%	10.8%
Issued Fixed Income Securities	12,027	21,321	2,002	3,616	392	660	NMF	NMF
Insurance Related Liabilities	20,918	37,083	24,341	43,970	20,314	34,246	-15.7%	8.3%
Tax Liabilities, Current And Deferred	23,007	40,787	19,582	35,373	14,969	25,235	15.3%	61.6%
Accruals And Other Liabilities	38,583	68,400	29,908	54,025	27,651	46,614	26.6%	46.7%
Total Liabilities	1,921,413	3,406,281	1,625,350	2,936,033	1,373,242	2,315,012	16.0%	47.1%
Share Capital - Ordinary Shares	17,681	31,345	17,346	31,333	18,570	31,306	0.0%	0.1%
Share Premium	269,231	477,293	263,210	475,463	284,007	478,779	0.4%	-0.3%
Treasury Shares	(850)	(1,507)	(877)	(1,585)	(995)	(1,677)	-4.9%	-10.1%
Revaluation And Other Reserves	20,109	35,649	25,536	46,129	14,466	24,387	-22.7%	46.2%
Retained Earnings	21,559	38,219	23,376	42,227	81,583	137,533	-9.5%	-72.2%
Net Income / (Loss) For The Period	46,749	82,876	31,652	57,176	(58,671)	(98,908)	44.9%	NMF
Shareholders' Equity Excluding Minority Interest	374,478	663,875	360,243	650,743	338,961	571,420	2.0%	16.2%
Minority Interest	16,235	28,781	15,956	28,823	16,014	26,997	-0.1%	6.6%
Total Shareholders' Equity	390,713	692,656	376,199	679,566	354,975	598,417	1.9%	15.7%
Total Liabilities And Shareholders Equity	2,312,126	4,098,937	2,001,549	3,615,599	1,728,217	2,913,429	13.4%	40.7%

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.806 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2010

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

⁴ Change calculations based on GEL values

STANDALONE Q4 2010 INCOME STATEMENT

Period ended Standalone, IFRS-based 000s Unless otherwise noted	Q4 2010		Q3 2010		Q4 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>			
Interest Income	60,254	106,819	56,030	101,212	50,626	85,346	5.5%	25.2%
Interest Expense	29,335	52,006	26,973	48,724	24,059	40,559	6.7%	28.2%
Net Interest Income	30,919	54,813	29,057	52,489	26,567	44,786	4.4%	22.4%
Fees & Commission Income	8,803	15,606	8,065	14,569	6,832	11,517	7.1%	35.5%
Fees & Commission Expense	2,174	3,855	1,757	3,174	1,717	2,895	21.5%	33.2%
Net Fees & Commission Income	6,629	11,752	6,308	11,395	5,115	8,622	3.1%	36.3%
Income From Documentary Operations	1,900	3,369	1,595	2,882	1,639	2,763	16.9%	21.9%
Expense On Documentary Operations	86	153	267	482	317	534	-68.2%	-71.4%
Net Income From Documentary Operations	1,814	3,216	1,329	2,401	1,322	2,229	34.0%	44.3%
Net Foreign Currency Related Income	5,482	9,718	4,510	8,148	3,492	5,886	19.3%	65.1%
Net Other Non-Interest Income	335	593	286	517	476	802	14.8%	-26.0%
Net Non-Interest Income	14,259	25,278	12,434	22,460	10,404	17,540	12.5%	44.1%
Total Operating Income (Revenue)	45,178	80,091	41,491	74,949	36,971	62,326	6.9%	28.5%
Personnel Costs	10,594	18,782	10,810	19,527	9,255	15,602	-3.8%	20.4%
Selling, General & Administrative Expenses	3,863	6,848	3,207	5,794	4,712	7,943	18.2%	-13.8%
Procurement & Operations Support Expenses	1,471	2,607	1,719	3,105	1,695	2,858	-16.0%	-8.8%
Depreciation And Amortization	3,144	5,574	3,127	5,649	3,665	6,178	-1.3%	-9.8%
Other Operating Expenses	712	1,263	447	808	643	1,084	56.4%	16.5%
Total Recurring Operating Costs	19,784	35,074	19,310	34,882	19,970	33,665	0.5%	4.2%
Normalized Net Operating Income / (Loss)	25,394	45,018	22,180	40,067	17,001	28,661	12.4%	57.1%
Net Non-Recurring Income / (Costs)	(91)	(161)	(1,026)	(1,854)	(1,492)	(2,515)	-91.3%	-93.6%
Profit / (Loss) Before Provisions	25,303	44,856	21,154	38,213	15,510	26,146	17.4%	71.6%
Net Provision Expense	5,386	9,549	5,457	9,858	10,825	18,249	-3.1%	-47.7%
Pre-Tax Income / (Loss)	19,916	35,307	15,697	28,355	4,685	7,897	24.5%	NMF
Income Tax Expense / (Benefit)	2,987	5,296	2,581	4,662	50	83	13.6%	NMF
Net Income / (Loss)	16,929	30,011	13,116	23,693	4,635	7,814	26.7%	NMF

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.806 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2010

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

⁴ Change calculations based on GEL values

STANDALONE 2010 INCOME STATEMENT

Period ended	YTD 2010		YTD 2009		Change ³ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	
Standalone, IFRS-based					
<i>000s Unless otherwise noted</i>	<i>(Unaudited)</i>				
Interest Income	220,814	391,459	205,563	346,537	13.0%
Interest Expense	108,983	193,206	95,721	161,367	19.7%
Net Interest Income	111,830	198,253	109,841	185,171	7.1%
Fees & Commission Income	30,648	54,333	25,239	42,548	27.7%
Fees & Commission Expense	7,135	12,649	5,706	9,620	31.5%
Net Fees & Commission Income	23,514	41,685	19,533	32,928	26.6%
Income From Documentary Operations	6,436	11,411	6,305	10,629	7.3%
Expense On Documentary Operations	899	1,594	1,228	2,070	-23.0%
Net Income From Documentary Operations	5,537	9,816	5,077	8,559	14.7%
Net Foreign Currency Related Income	17,670	31,325	14,153	23,860	31.3%
Net Other Non-Interest Income	1,384	2,454	1,333	2,246	9.2%
Net Non-Interest Income	48,104	85,279	40,096	67,593	26.2%
Total Operating Income (Revenue)	159,935	283,532	149,937	252,764	12.2%
Personnel Costs	40,052	71,003	35,497	59,841	18.7%
Selling, General & Administrative Expenses	13,727	24,334	15,840	26,703	-8.9%
Procurement & Operations Support Expenses	6,304	11,176	6,332	10,675	4.7%
Depreciation And Amortization	12,556	22,259	12,290	20,719	7.4%
Other Operating Expenses	2,496	4,425	2,541	4,283	3.3%
Total Recurring Operating Costs	75,134	133,197	72,500	122,221	9.0%
Normalized Net Operating Income / (Loss)	84,801	150,336	77,437	130,543	15.2%
Net Non-Recurring Income / (Costs)	(2,863)	(5,075)	(3,541)	(5,969)	-15.0%
Profit / (Loss) Before Provisions	81,938	145,260	73,896	124,574	16.6%
Net Provision Expense	21,579	38,256	53,144	89,590	-57.3%
Pre-Tax Income / (Loss)	60,359	107,005	20,752	34,984	NMF
Income Tax Expense / (Benefit)	9,054	16,051	2,460	4,146	NMF
Net Income / (Loss)	51,305	90,954	18,292	30,837	194.9%

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Change calculations based on GEL values

STANDALONE Q4 2010 BALANCE SHEET

Period ended	Q4 2010		Q3 2010		Q4 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
Standalone, IFRS-based								
<i>000s Unless otherwise noted</i>								
		(Unaudited)		(Unaudited)		(Unaudited)		
Cash And Cash Equivalents	86,021	152,499	62,116	112,205	79,477	133,983	35.9%	13.8%
Loans And Advances To Credit Institutions	332,320	589,137	256,555	463,440	132,187	222,841	27.1%	164.4%
Mandatory Reserves With NBG / NBU / NBRB	48,886	86,665	45,983	83,064	21,071	35,521	4.3%	144.0%
Other Accountns With NBG / NBU / NBRB	30,997	54,951	17,771	32,102	13,370	22,539	71.2%	143.8%
Balances With And Loans To Other Banks	252,437	447,520	192,801	348,275	97,746	164,780	28.5%	171.6%
Investment Securities: HTM, Treasuries And Equivalents	158,116	280,308	164,803	297,701	147,820	249,196	-5.8%	12.5%
Loans To Clients, Gross	1,310,295	2,322,891	1,140,736	2,060,626	1,028,881	1,734,488	12.7%	33.9%
Less: Reserve For Loan Losses	-67,869	(120,318)	-74,626	(134,804)	-76,069	(128,238)	-10.7%	-6.2%
Loans To Clients, Net	1,242,426	2,202,572	1,066,110	1,925,822	952,812	1,606,251	14.4%	37.1%
Investment Property	44,717	79,274	42,743	77,210	15,667	26,412	2.7%	200.1%
Investments In Other Business Entities, Net	190,750	338,161	184,194	332,728	182,540	307,725	1.6%	9.9%
Property And Equipment Owned, Net	128,598	227,978	128,124	231,444	134,327	226,448	-1.5%	0.7%
Intangible Assets Owned, Net	9,613	17,043	9,784	17,673	8,502	14,332	-3.6%	18.9%
Goodwill	12,832	22,748	12,593	22,748	13,499	22,756	0.0%	0.0%
Tax Assets, Current And Deferred	3,721	6,597	3,652	6,597	3,928	6,622	0.0%	-0.4%
Prepayments And Other Assets	17,685	31,352	18,944	34,221	15,327	25,838	-8.4%	21.3%
Total Assets	2,226,799	3,947,669	1,949,618	3,521,790	1,686,086	2,842,403	12.1%	38.9%
Client Deposits	1,020,133	1,808,491	837,240	1,512,390	668,392	1,126,775	19.6%	60.5%
Deposits And Loans From Banks	112,339	199,155	135,490	244,749	7,367	12,419	-18.6%	NMF
Borrowed Funds	566,069	1,003,527	487,991	881,506	541,775	913,324	13.8%	9.9%
Issued Fixed Income Securities	12,027	21,321	2,002	3,616	-	-	NMF	NMF
Tax Liabilities, Current And Deferred	22,185	39,329	18,869	34,085	14,188	23,918	15.4%	64.4%
Accruals And Other Liabilities	22,144	39,256	16,450	29,715	16,018	27,003	32.1%	45.4%
Total Liabilities	1,754,896	3,111,079	1,498,041	2,706,061	1,247,740	2,103,440	15.0%	47.9%
Share Capital - Ordinary Shares	17,681	31,345	17,346	31,333	18,570	31,306	0.0%	0.1%
Share Premium	268,876	476,664	263,592	476,153	283,879	478,563	0.1%	-0.4%
Treasury Shares	(776)	(1,375)	(778)	(1,406)	(848)	(1,429)	-2.2%	-3.8%
Revaluation And Other Reserves	31,427	55,715	36,580	66,079	28,413	47,899	-15.7%	16.3%
Retained Earnings	103,389	183,288	101,100	182,627	90,038	151,786	0.4%	20.8%
Net Income / (Loss) For The Period	51,305	90,954	33,737	60,943	18,292	30,837	49.2%	194.9%
Shareholders' Equity	471,903	836,590	451,577	815,729	438,346	738,963	2.6%	13.2%
Total Liabilities And Shareholders Equity	2,226,799	3,947,669	1,949,618	3,521,790	1,686,086	2,842,403	12.1%	38.9%

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.806 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 September 2010

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

⁴ Change calculations based on GEL values

STANDALONE 2010 CASH FLOW STATEMENT

Period ended	YTD 2010		YTD 2009	
	US\$ ¹	GEL	US\$ ²	GEL
Standalone, IFRS-based				
<i>000s Unless otherwise noted</i>				
Interest received	219,413	388,976	198,405	334,471
Interest paid	(102,144)	(181,081)	(108,772)	(183,367)
Fees and commissions received	37,525	66,524	32,702	55,129
Fees and commissions paid	(7,784)	(13,799)	(6,811)	(11,482)
Other operating income received	39,515	70,052	25,999	43,829
Salaries and benefits paid	(38,816)	(68,813)	(35,167)	(59,285)
Selling and administrative expenses	(21,794)	(38,636)	(25,854)	(43,585)
Other operating expenses	(1,550)	(2,747)	(1,526)	(2,573)
Cash flows from operating activities before changes in operating assets and liabilities	124,366	220,476	78,976	133,137

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

BG BANK (UKRAINE) Q4 2010 INCOME STATEMENT

Period ended	Q4 2010		Q4 2009		Change ³ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	
Standalone, IFRS-based <i>000s Unless otherwise noted</i>		(Unaudited)		(Unaudited)	
Interest Income	3,602	6,386	2,802	4,724	35.2%
Interest Expense	2,810	4,981	296	499	NMF
Net Interest Income	792	1,405	2,506	4,225	-66.8%
Fees & Commission Income	302	536	(265)	(447)	NMF
Fees & Commission Expense	100	177	(381)	(643)	NMF
Net Fees & Commission Income	202	358	116	195	83.4%
Income From Documentary Operations	3	6	44	74	-92.5%
Expense On Documentary Operations	-	-	-	-	-
Net Income From Documentary Operations	3	6	44	74	-92.5%
Net Foreign Currency Related Income	239	424	(492)	(829)	NMF
Net Other Non-Interest Income	1	1	-	-	NMF
Net Non-Interest Income	445	788	(332)	(559)	NMF
Total Operating Income (Revenue)	1,237	2,193	2,175	3,666	-40.2%
Personnel Costs	1,326	2,352	1,561	2,632	-10.7%
Selling, General & Administrative Expenses	293	519	287	484	7.3%
Procurement & Operations Support Expenses	181	322	369	622	-48.3%
Depreciation And Amortization	118	210	129	217	-3.2%
Other Operating Expenses	132	234	164	276	-15.4%
Total Recurring Operating Costs	2,051	3,636	2,510	4,231	-14.1%
Normalized Net Operating Income / (Loss)	(814)	(1,443)	(335)	(565)	NMF
Net Non-Recurring Income / (Costs)	599	1,062	(2,492)	(4,201)	NMF
Profit / (Loss) Before Provisions	(215)	(381)	(2,827)	(4,766)	NMF
Net Provision Expense	570	1,010	4,882	8,230	-87.7%
Pre-Tax Income / (Loss)	(785)	(1,391)	(7,710)	(12,997)	NMF
Income Tax Expense / (Benefit)	(251)	(445)	(983)	(1,658)	NMF
Net Income / (Loss)	(534)	(946)	(6,726)	(11,339)	NMF

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Change calculations based on GEL values

BG BANK (UKRAINE) 2010 INCOME STATEMENT

Period ended	YTD 2010		YTD 2009		Change ³
	US\$ ¹	GEL	US\$ ²	GEL	Y-O-Y
<i>000s Unless otherwise noted</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>		
Interest Income	16,644	29,507	19,732	33,264	-11.3%
Interest Expense	10,809	19,162	10,599	17,867	7.2%
Net Interest Income	5,836	10,346	9,133	15,396	-32.8%
Fees & Commission Income	1,072	1,900	1,987	3,349	-43.3%
Fees & Commission Expense	342	606	289	487	24.3%
Net Fees & Commission Income	730	1,294	1,698	2,862	-54.8%
Income From Documentary Operations	74	131	44	74	77.2%
Expense On Documentary Operations	-	-	-	-	-
Net Income From Documentary Operations	74	131	44	74	77.0%
Net Foreign Currency Related Income	436	773	971	1,637	-52.8%
Net Other Non-Interest Income	16	29	-	-	NMF
Net Non-Interest Income	1,256	2,227	2,713	4,573	-51.3%
Total Operating Income (Revenue)	7,092	12,573	11,846	19,969	-37.0%
Personnel Costs	5,565	9,865	6,934	11,689	-15.6%
Selling, General & Administrative Expenses	1,350	2,392	1,779	2,999	-20.2%
Procurement & Operations Support Expenses	885	1,568	1,121	1,889	-17.0%
Depreciation And Amortization	467	829	593	1,001	-17.2%
Other Operating Expenses	613	1,087	489	825	31.8%
Total Recurring Operating Costs	8,880	15,742	10,916	18,403	-14.5%
Normalized Net Operating Income / (Loss)	(1,788)	(3,169)	929	1,567	NMF
Net Non-Recurring Income / (Costs)	636	1,127	(2,692)	(4,537)	NMF
Profit / (Loss) Before Provisions	(1,152)	(2,042)	(1,762)	(2,971)	-31.3%
Net Provision Expense	2,945	5,221	24,646	41,548	-87.4%
Pre-Tax Income / (Loss)	(4,097)	(7,264)	(26,408)	(44,519)	NMF
Income Tax Expense / (Benefit)	(1,003)	(1,778)	(5,658)	(9,538)	NMF
Net Income / (Loss)	(3,094)	(5,486)	(20,750)	(34,981)	NMF

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Change calculations based on GEL values

BNB (BELARUS) Q4 2010 INCOME STATEMENT

Period ended Standalone, IFRS-based 000s Unless otherwise noted	Q4 2010		Q4 2009		Change ³ Y-O-Y
	US\$ ¹ (Unaudited)	GEL	US\$ ² (Unaudited)	GEL	
Interest Income	1,721	3,051	1,206	2,033	50.1%
Interest Expense	302	536	273	460	16.5%
Net Interest Income	1,419	2,515	933	1,572	60.0%
Fees & Commission Income	388	688	318	536	28.5%
Fees & Commission Expense	83	148	55	92	60.9%
Net Fees & Commission Income	305	540	263	444	21.8%
Income From Documentary Operations	26	47	0	0	NMF
Expense On Documentary Operations	4	6	1	1	NMF
Net Income From Documentary Operations	23	40	(0)	(1)	NMF
Net Foreign Currency Related Income	285	505	32	54	NMF
Net Other Non-Interest Income	13	24	49	83	-71.3%
Net Non-Interest Income	626	1,110	344	580	91.3%
Total Operating Income (Revenue)	2,045	3,625	1,277	2,152	68.4%
Personnel Costs	894	1,585	557	940	68.7%
Selling, General & Administrative Expenses	338	600	187	316	89.9%
Procurement & Operations Support Expenses	257	455	196	331	37.7%
Depreciation And Amortization	116	205	69	117	75.3%
Other Operating Expenses	162	287	166	280	2.3%
Total Recurring Operating Costs	1,767	3,132	1,176	1,983	57.9%
Normalized Net Operating Income / (Loss)	278	493	100	169	191.9%
Net Non-Recurring Income / (Costs)	16	29	18	31	-7.3%
Profit / (Loss) Before Provisions	294	522	118	200	161.1%
Net Provision Expense	(113)	(200)	759	1,280	NMF
Pre-Tax Income / (Loss)	407	721	(641)	(1,080)	NMF
Income Tax Expense / (Benefit)	102	181	(99)	(167)	NMF
Net Income / (Loss)	305	540	(542)	(914)	NMF

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Change calculations based on GEL values

BNB (BELARUS) 2010 INCOME STATEMENT

Period ended	YTD 2010		YTD 2009		Change ³ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	
<i>000s Unless otherwise noted</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Interest Income	5,991	10,621	4,187	7,059	50.5%
Interest Expense	719	1,274	1,247	2,102	-39.4%
Net Interest Income	5,272	9,347	2,940	4,957	88.6%
Fees & Commission Income	1,101	1,951	1,037	1,748	11.6%
Fees & Commission Expense	228	405	155	262	54.6%
Net Fees & Commission Income	872	1,546	881	1,486	4.1%
Income From Documentary Operations	61	108	2	4	NMF
Expense On Documentary Operations	8	14	1	2	NMF
Net Income From Documentary Operations	53	93	1	2	NMF
Net Foreign Currency Related Income	893	1,582	1,061	1,789	-11.6%
Net Other Non-Interest Income	56	99	96	161	-38.7%
Net Non-Interest Income	1,873	3,321	2,039	3,438	-3.4%
Total Operating Income (Revenue)	7,146	12,668	4,980	8,395	50.9%
Personnel Costs	2,918	5,173	1,902	3,206	61.4%
Selling, General & Administrative Expenses	775	1,375	487	821	67.5%
Procurement & Operations Support Expenses	728	1,290	621	1,047	23.2%
Depreciation And Amortization	367	651	297	501	29.9%
Other Operating Expenses	514	912	488	822	10.9%
Total Recurring Operating Costs	5,303	9,401	3,795	6,397	47.0%
Normalized Net Operating Income / (Loss)	1,843	3,267	1,185	1,998	63.5%
Net Non-Recurring Income / (Costs)	189	336	61	102	NMF
Profit / (Loss) Before Provisions	2,032	3,603	1,246	2,100	71.6%
Net Provision Expense	276	489	657	1,108	-55.8%
Pre-Tax Income / (Loss)	1,756	3,113	588	992	NMF
Income Tax Expense / (Benefit)	393	697	256	431	61.7%
Net Income / (Loss)	1,363	2,416	333	561	NMF

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.773 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.686 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Change calculations based on GEL values

KEY RATIOS

Ratios presented on a consolidated basis, unless otherwise noted

	Q4 2010	Q3 2010	Q4 2009
Profitability Ratios			
ROAA ¹ , Annualized	2.7%	2.4%	-13.6%
ROAE ² , Annualized	15.0%	12.5%	-59.5%
ROAE ² Excluding Minority Interest(s), Annualized	16.2%	13.0%	-60.0%
ROA, Annualized	2.5%	2.3%	-14.0%
ROE, Annualized	14.8%	12.3%	-68.4%
ROE Excluding Minority Interests, Annualized	16.0%	12.8%	-67.5%
Interest Income / Average Int. Earning Assets Excl. Cash, Annualized ³	18.8%	19.3%	19.6%
Interest Income / Average Int. Earning Assets Incl. Cash, Annualized ³	15.6%	16.1%	16.5%
Cost Of Funds ⁴ , Annualized	7.8%	7.9%	7.8%
Net Spread Excl. Cash, Annualized ⁵	11.0%	11.4%	11.8%
Net Spread Incl. Cash, Annualized ⁵	7.8%	8.2%	8.6%
Net Interest Margin ⁶ , Annualised	7.8%	8.2%	8.5%
Loan Yield Excl. Provisions ⁷ , Annualised	19.5%	20.0%	19.7%
Loan Yield Incl. Provisions ⁷ , Annualised	17.6%	17.4%	13.0%
Deposit Yield, Annualised	7.2%	7.3%	8.7%
Interest Expense To Interest Income	50.1%	48.8%	48.3%
Net Non-Interest Income To Average Total Assets, Annualised	4.1%	3.8%	4.2%
Net Non-Interest Income To Revenue ⁸	39.9%	37.5%	40.5%
Net Fee And Commission Income To Average Interest Earning Assets ⁹ , Annualised	1.9%	2.0%	2.3%
Net Fee And Commission Income To Revenue	14.9%	15.2%	16.3%
Operating Leverage, Y-O-Y ¹⁰	88.1%	3.2%	-107.6%
Operating Leverage, Y-O-Y, Normalized ¹⁰	11.4%	2.2%	-
Operating Leverage, Consecutive Q-O-Q ¹⁰	2.4%	-2.6%	-229.8%
Operating Leverage, Consecutive Q-O-Q, Normalized ¹⁰	1.8%	4.4%	-6.1%
Standalone Operating Leverage, Y-O-Y	31.1%	3.6%	N/A
Standalone Operating Leverage, Y-O-Y, Normalized	24.3%	5.9%	N/A
Standalone Operating Leverage, Consecutive Q-O-Q	10.9%	1.4%	-15.2%
Standalone Operating Leverage, Consecutive, Q-O-Q, Normalized	6.3%	1.0%	-10.6%
Total Operating Income (Revenue) To Total Assets, Annualised	9.3%	10.0%	10.6%
Recurring Earning Power ¹¹ , Annualised	4.5%	4.4%	-10.1%
Net Income To Revenue	27.0%	23.0%	-132.2%
Efficiency Ratios			
Operating Cost To Average Total Assets ¹² , Annualised	5.5%	5.7%	6.2%
Cost To Average Total Assets ¹³ , Annualised	5.7%	5.9%	20.4%
Cost / Income ¹⁴	56.1%	57.4%	198.3%
Cost / Income, Normalized ¹⁵	54.7%	55.6%	60.2%
Cash Cost / Income	40.7%	41.5%	45.3%
Standalone Cost/Income	44.0%	49.0%	58.0%
Standalone Cost/Income, Normalized	43.8%	46.5%	54.0%
Standalone Cash Cost/Income	29.8%	31.2%	37.3%
Total Employee Compensation Expense To Revenue ¹⁶	28.9%	29.8%	29.1%
Total Employee Compensation Expense To Cost	51.5%	52.0%	14.7%
Total Employee Compensation Expense To Average Total Assets, Annualised	2.9%	3.0%	3.0%
Liquidity Ratios			
Net Loans To Total Assets ¹⁷	57.8%	57.0%	57.6%
Average Net Loans To Average Total Assets	57.8%	57.1%	54.4%
Interest Earning Assets To Total Assets	79.3%	78.5%	75.3%

Average Interest Earning Assets To Average Total Assets	78.3%	77.6%	72.0%
Liquid Assets To Total Assets ¹⁸	26.9%	25.6%	23.8%
Liquid Assets To Total Short-Term Liabilities, NBG Stand-Alone	34.7%	33.8%	35.6%
Liquid Assets To Total Liabilities, IFRS Consolidated	32.4%	31.6%	30.0%
Net Loans To Client Deposits	117.8%	124.3%	131.9%
Average Net Loans To Average Client Deposits	122.8%	128.2%	131.5%
Net Loans To Total Deposits ¹⁹	106.4%	107.5%	129.6%
Net Loans To (Total Deposits + Equity)	81.1%	79.4%	88.6%
Net Loans To Total Liabilities	69.5%	70.2%	72.5%
Total Deposits To Total Liabilities	65.4%	65.3%	55.9%
Client Deposits To Total Deposits	90.3%	86.5%	98.3%
Client Deposits To Total Liabilities	59.0%	56.5%	55.0%
Current Account Balances To Client Deposits	42.1%	43.0%	40.7%
Demand Deposits To Client Deposits	9.3%	10.6%	9.5%
Time Deposits To Client Deposits	48.6%	46.4%	49.7%
Total Deposits To Total Assets	54.3%	53.0%	44.4%
Client Deposits To Total Assets	49.1%	45.9%	43.7%
Client Deposits To Total Equity (Times) ²⁰	2.90	2.44	2.13
Due From Banks / Due To Banks ²¹	278.9%	185.4%	NMF
Total Equity To Net Loans	29.2%	33.0%	35.7%
Leverage (Times) ²²	4.9	4.3	3.9

Asset Quality

NPLs (in GEL) ²³	117,580	131,506	139,954
NPLs To Gross Loans To Clients ²⁴	4.6%	5.9%	7.6%
NPL Coverage Ratio ²⁵	151.0%	141.4%	124.1%
Cost of Risk ²⁶ , Annualized	1.8%	2.6%	6.7%
Reserve For Loan Losses To Gross Loans To Clients ²⁷	7.0%	8.3%	9.4%
% Of Loans To Clients Collateralized	91.2%	91.6%	92.1%
Equity To Average Net Loans To Clients	35.6%	36.4%	40.3%

Capital Adequacy:

Equity To Total Assets	16.9%	18.8%	20.5%
BIS Tier I Capital Adequacy Ratio, Consolidated ²⁸	18.2%	19.9%	22.3%
BIS Total Capital Adequacy Ratio, Consolidated ²⁹	29.0%	32.5%	34.6%
BIS Tier I Capital Adequacy Ratio, Stand-alone ²⁸	22.9%	24.7%	27.6%
BIS Total Capital Adequacy Ratio, Stand-alone ²⁹	28.4%	31.2%	33.6%
NBG Tier I Capital Adequacy Ratio ³⁰	13.0%	15.2%	19.7%
NBG Total Capital Adequacy Ratio ³¹	14.5%	15.7%	16.8%

Per Share Values:

Basic EPS (GEL) ³²	0.82	0.66	(3.27)
Basic EPS (US\$)	\$0.46	\$0.37	(\$1.94)
Fully Diluted EPS (GEL) ³³	0.74	0.60	(2.94)
Fully Diluted EPS (US\$)	\$0.42	\$0.33	(\$1.74)
Book Value Per Share (GEL) ³⁴	22.10	21.69	19.12
Book Value Per Share (US\$)	\$12.46	\$12.01	\$11.34
Ordinary Shares Outstanding - Weighted Average, Basic	31,344,860	31,333,253	31,302,331
Ordinary Shares Outstanding - Period End	31,344,860	31,333,253	31,306,071
Ordinary Shares Outstanding - Fully Diluted	34,819,474	34,807,867	34,776,945

Selected Operating Data:

Full Time Employees, Group	5,610	5,313	4,781
Full Time Employees, BOG Stand-Alone	3,110	3,060	2,674

Total Assets Per FTE ³⁵	730.65	680.52	609.38
Total Assets Per FTE, BOG Stand-Alone	1,269.35	1,150.91	1,062.98
Number Of Active Branches	142	137	141
Number Of ATMs	405	388	382
Number Of Cards Outstanding	603,049	565,393	537,039
Number Of POS Terminals	2,330	2,280	1,958

NOTES TO KEY RATIOS

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