

Q2 2005 Results & 1H 2005 Performance Overview



საქართველოს ბანკი
BANK OF GEORGIA



Best Bank in Georgia

August 1, 2005

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.



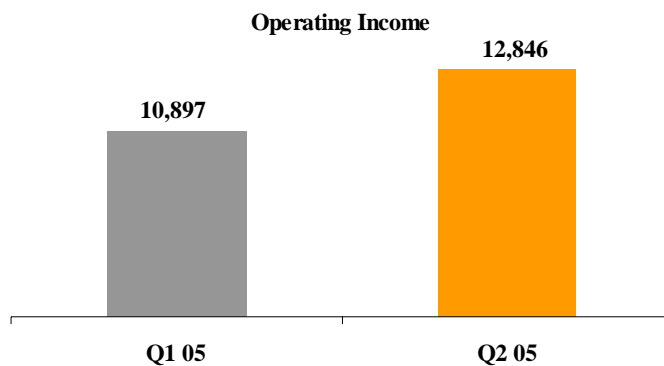
Q2 2005 & YTD 2005 Performance Overview



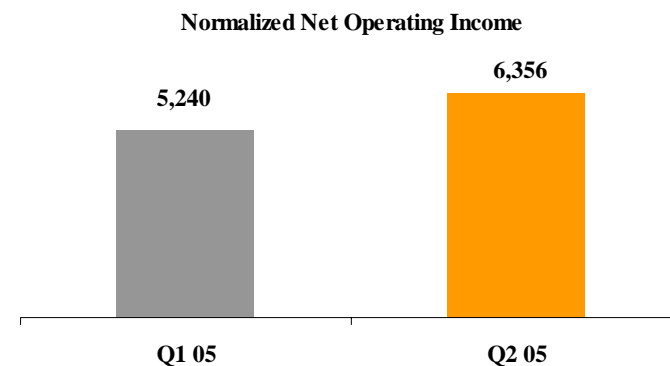
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Q2 2005 Results Overview

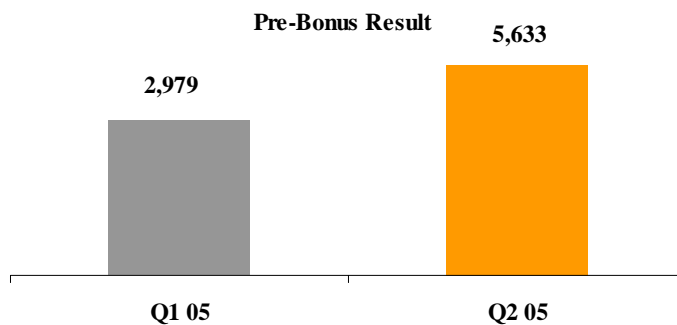
GEL '000



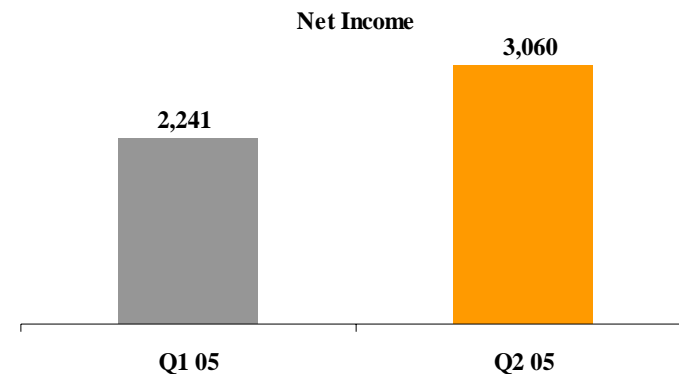
GEL '000



GEL '000



GEL '000



Note: January, February and March 2005 results include TUB on a combined basis



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Q2 2005 Results Overview Continued

GEL'000

unless otherwise noted

	Q2 2005	Q1 2005	Q2 2004*	Growth		1H 2005	1H 2004*	Growth
				Q-O-Q	Y-O-Y			Y-O-Y
Operating Income	12,846	10,897	9,172	17.9%	40.1%	23,743	21,390	11.0%
Net Interest Income	8,402	6,965	5,946	20.6%	41.3%	15,367	14,216	8.1%
Non-Interest Income	4,444	3,932	3,226	13.0%	37.8%	8,376	7,174	16.8%
Recurring Operating Costs	(6,490)	(5,657)	(5,959)	14.7%	8.9%	(12,147)	(12,646)	-3.9%
Normalized Net Operating Income	6,356	5,240	3,213	21.3%	97.8%	11,896	8,744	36.0%
Pre-Bonus Result	5,633	2,979	608	89.1%	826.5%	8,613	5,026	71.4%
Net Income	3,060	2,241	159	36.5%	1824.5%	5,301	3,299	60.7%
EPS (Basic, GEL)	0.27	0.20	0.02			0.46	0.33	
EPS (Diluted, GEL)	0.26	0.19	0.02			0.44	0.33	

US\$'000

unless otherwise noted

	Q2 2005	Q1 2005	Q2 2004*	Growth		1H 2005	1H 2004*	Growth
				Q-O-Q	Y-O-Y			Y-O-Y
GEL/USD period average	1.82	1.83	1.95			1.83	2.00	
Operating Income	7,041	5,960	4,708	18.1%	49.5%	13,000	10,685	21.7%
Net Interest Income	4,605	3,809	3,052	20.9%	50.9%	8,414	7,101	18.5%
Non-Interest Income	2,436	2,150	1,656	13.3%	47.1%	4,586	3,584	28.0%
Recurring Operating Costs	(3,557)	(3,094)	(3,059)	15.0%	16.3%	(6,651)	(6,317)	5.3%
Normalized Net Operating Income	3,484	2,866	1,649	21.6%	111.2%	6,513	4,368	49.1%
Pre-Bonus Result	3,087	1,629	312	89.5%	889.2%	4,716	2,511	87.8%
Net Income	1,677	1,226	82	36.8%	1954.9%	2,902	1,648	76.1%
EPS (Basic, US\$)	0.15	0.11	0.01			0.25	0.17	
EPS (Diluted, US\$)	0.14	0.10	0.01			0.24	0.17	

* 2004 data includes TUB



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Q2 2005 Key Performance Metrics

<i>GEL '000, unless otherwise noted</i>	Q2 2005	Q1 2005	Q2 2004	1 H 2005	1 H 2004
Net Interest Margin % (Net Interest Income/(Gross Loans to Banks + Customers + Treasuries))	13.2%	12.6%	14.1% **	13.0%	15.5% *
Headcount, FTEs	1,018	909	1,061 *		
Cost/Income Ratio, %	67.4%	65.3%	65.5% *	66.4%	65.5% *
Normalized Cost/Income Ratio, %	66.1%	58.7%	58.9% *	63.0%	64.3% *
Costs (excluding Non-Recurring Costs)/Assets, %	2.4%	2.1%	2.4% **	4.3%	4.8% *
Normalized Costs/Assets, %	2.3%	1.9%	2.1% **	4.1%	4.7% *
Capital Adequacy Ratio (Basel)	19.6%	23.2%	21.2% **		
ROAE, % (annualized)	18.0%	15.9%	1.1% **	17.1%	11.8% *
ROAA, % (annualized)	3.3%	2.6%	0.3% **	3.0%	2.6% *

* data includes TUB on a combined basis

** data does not include TUB



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Balance Sheet Highlights

<i>GEL '000, unless otherwise noted</i>	6/30/2005	3/31/2005* proforma	Growth Q-O-Q
Loan Portfolio	239,980	217,703	10.2%
Retail	90,871	73,344	23.9%
Provisions	(5,602)	(5,317)	5.4%
Net Retail Loans	85,269	68,027	25.3%
Corporate	142,083	133,475	6.4%
Provisions	(17,382)	(17,889)	-2.8%
Net Corporate Loans	124,701	115,586	7.9%
Banks	7,026	10,884	-35.5%
Provisions	(141)	(218)	-35.5%
Net Loans to Banks	6,885	10,667	-35.5%
Total Earning Assets	263,282	242,274	8.7%
Total Assets	365,084	338,773	7.8%
Deposits and Current Account Balances	245,536	228,382	7.5%
Retail	134,886	122,928	9.7%
Corporate	107,259	104,998	2.2%
Banks	3,391	456	643.9%
Borrowed Funds	45,798	42,869	6.8%
Total Liabilities	305,184	282,075	8.2%
Equity	59,900	56,698	5.6%
Total Liabilities and Equity	365,084	338,773	7.8%
Shares Outstanding ('000 shares)	11,465	11,408	
Book Value per Share	5.22	4.97	

* Includes TUB on a combined basis



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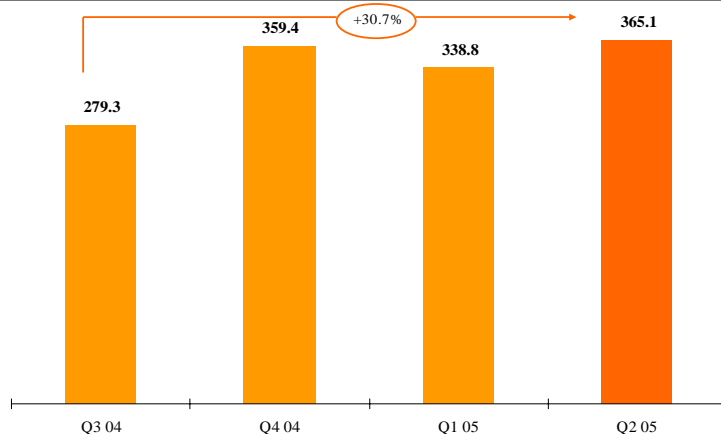
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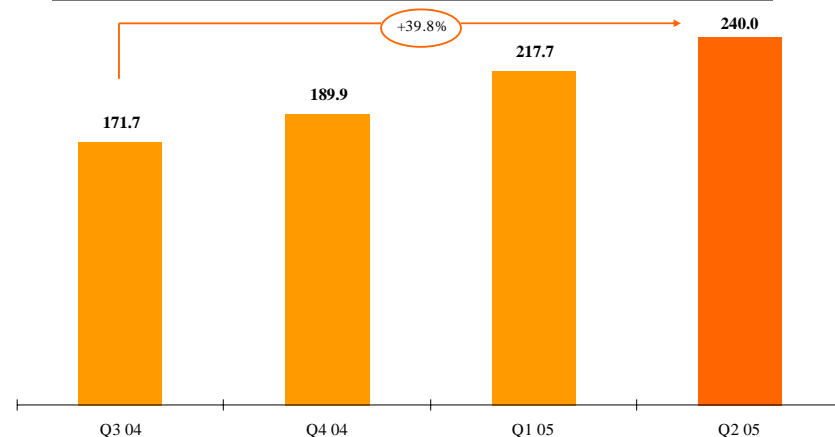
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Balance Sheet Highlights Cont'd

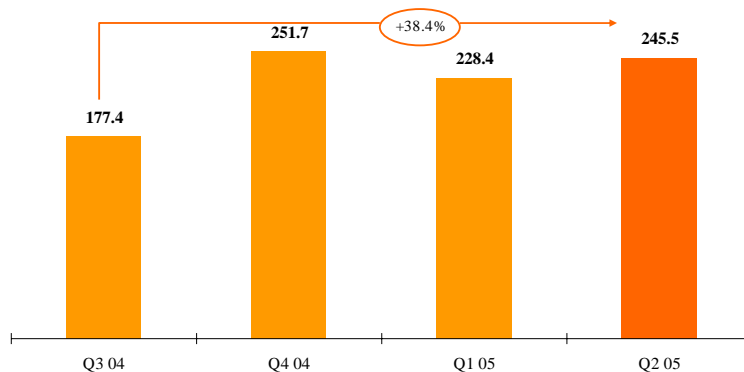
Total Assets (e-o-p, GEL mln)



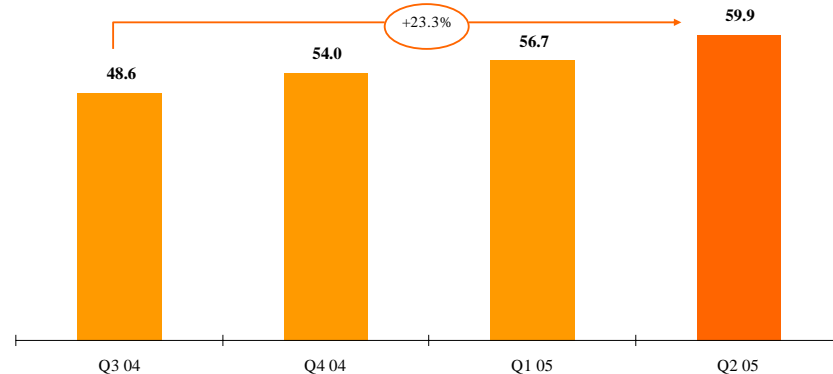
Loans (e-o-p, GEL mln)



Deposits (e-o-p, GEL mln)



Shareholders' Equity (e-o-p, GEL mln)



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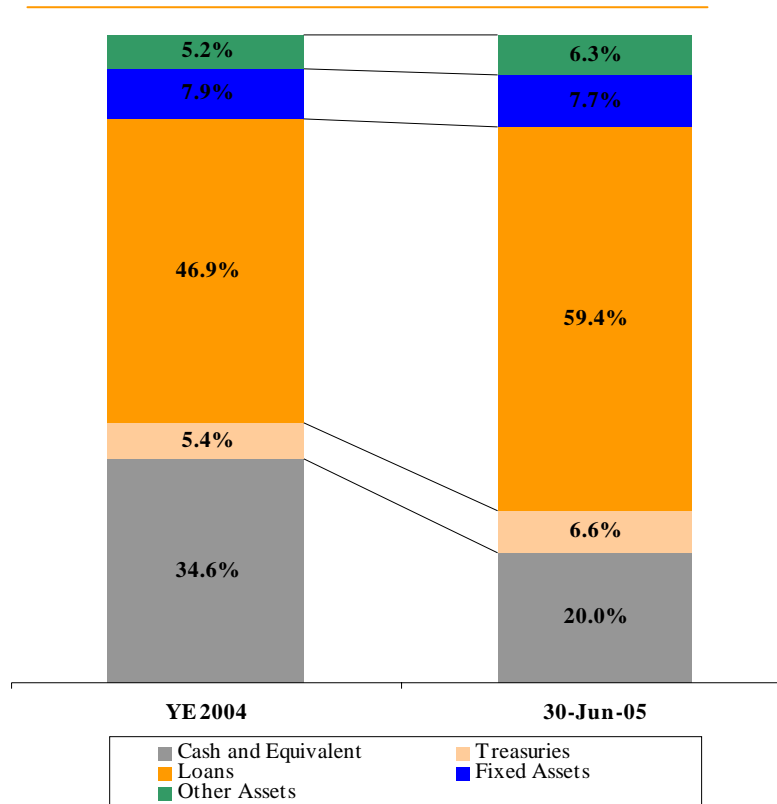
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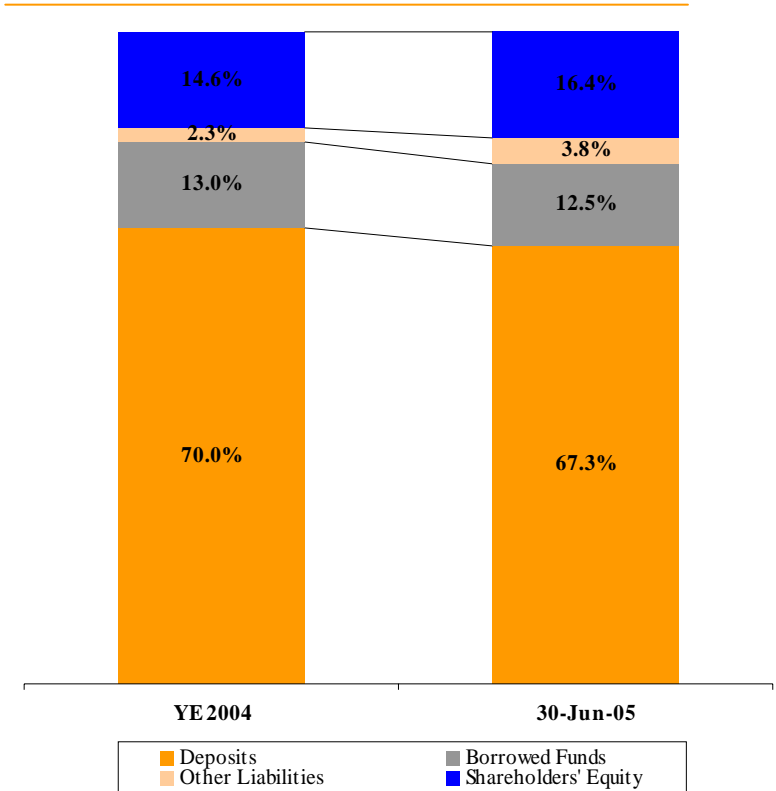
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Changing Balance Sheet Composition Geared Towards Higher Profitability

Total Assets, %



Total Liabilities and Shareholders' Equity, %



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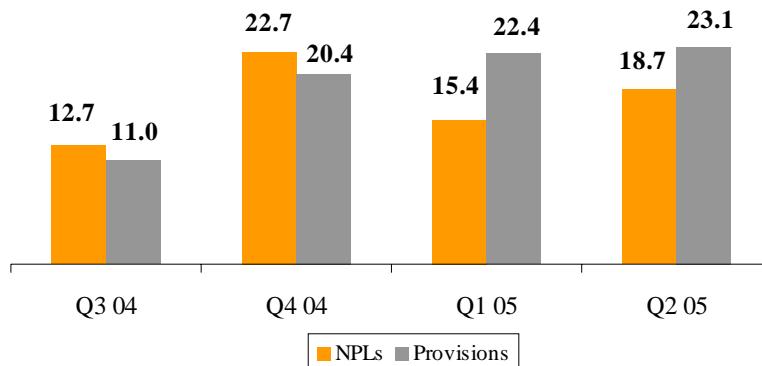
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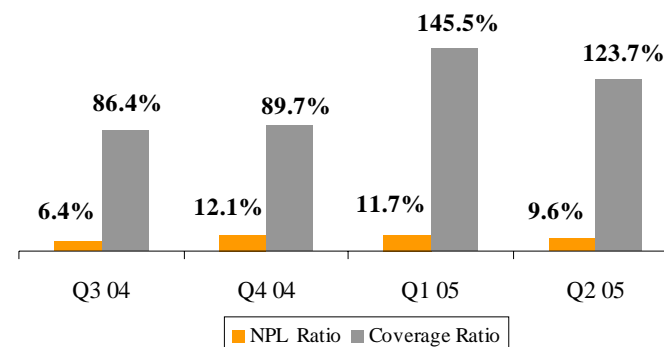
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Diversified Loan Book And Conservative Provisioning Policy

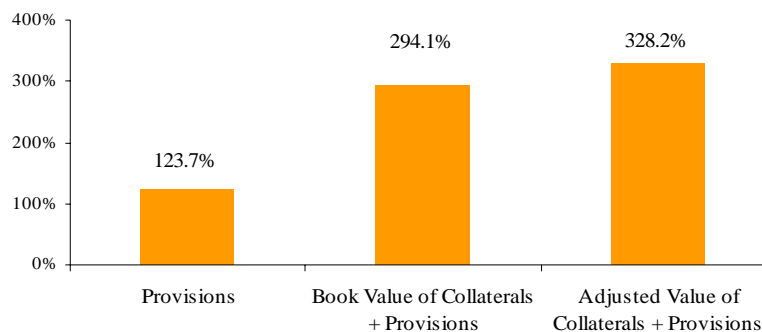
NPLs vs Provisions (e-o-p, GEL mln)



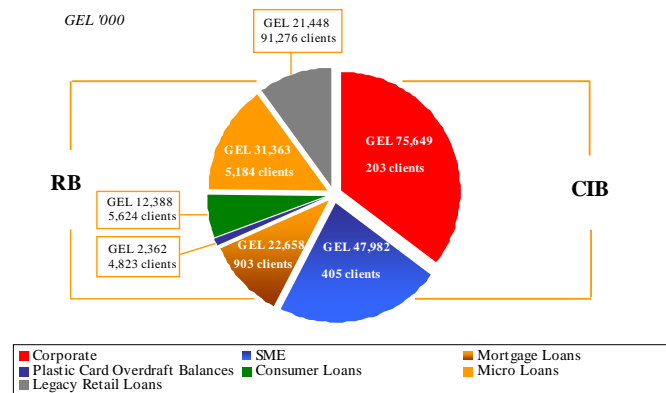
NPL Ratio vs Coverage Ratio



Provisions as % of NPLs



Loan Portfolio Diversification (by volume and number of clients)



NPL=Overdue more than 90 days; NPL Ratio = NPLs/Total Loans; Coverage Ratio=Provisions/NPLs



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Improving Asset Quality While Expanding The Loan Book

<i>GEL mln, unless otherwise noted</i>	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05	Q2 05
Overdues*	14.6	11.7	11.9	14.7	11.5	7.0
NPLs**	9.9	9.9	12.7	22.7	15.4	18.7
NPLs/Total Loans	6.4%	6.3%	7.5%	13.6%	7.9%	9.2%
NPL coverage ratio (Provisions/NPLs)	94.0%	87.2%	86.4%	89.7%	145.5%	123.7%
Provisions/Total Loans	6.1%	5.5%	6.4%	12.1%	11.7%	9.6%

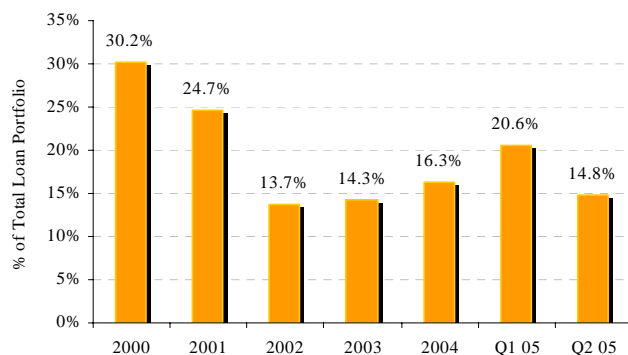
*Overdue more than 30 days but less than 90 days ** Overdue more than 90 days

Loan Portfolio Risk by Loan Categories

<i>GEL mln, unless otherwise noted</i>	Dec-04	Dec-04	Mar-05*	Mar-05*	Apr-05	Apr-05	May-05	May-05	Jun-05	Jun-05
Standard (2% provision)	131.6	78%	176.2	81%	191.6	83.1%	185.0	82.4%	202.6	84.4%
Watch (10% provision)	14.7	9%	14.8	7%	13.5	5.8%	14.7	6.6%	11.3	4.7%
Substandard (30% provision)	4.2	3%	6.9	3%	5.6	2.4%	6.6	3.0%	8.2	3.4%
Doubtful (50%-70% provision)	8.2	5%	5.9	3%	7.4	3.2%	7.1	3.2%	6.1	2.6%
Loss (100% provision)	10.3	6%	12.8	6%	12.5	5.4%	11.2	5.0%	11.8	4.9%
Total	169.0	100%	216.6	100%	230.6	100%	224.7	100%	240.0	100%

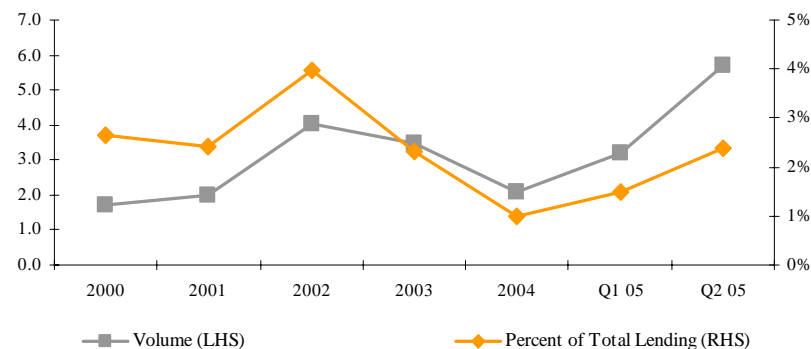
* March 05 includes TUB

Top Ten Borrower Concentration



Insider Loans

GEL mln



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1H 2005 Consolidated Group Performance

	BOG	BOG Group	
<i>GEL, unless otherwise noted</i>		consolidated	
	Jun-05	Jun-05	Difference
GEL/US\$ Exchange Rate, average	1.83	1.83	
GEL/EUR Exchange Rate, average	2.35	2.35	
Operating Income			
Interest Income	21,060,144	21,060,389	245
Interest Expense	(5,692,854)	(5,662,984)	29,870
Net Interest Income	15,367,290	15,397,404	30,114
Commission Income	5,647,960	5,976,757	328,797
Commission Expenses	(991,897)	(1,007,664)	(15,767)
Net Commission Income	4,656,063	4,969,092	313,029
Income from Documentary Operations	1,223,289	1,223,289	-
Expense from Documentary Operations	(329,625)	(329,625)	-
Net Income From Documentary Operations	893,664	893,664	-
Other Non-interest Income	122,970	3,135,552	3,012,581
Other Non-interest Expenses	-	(1,320,030)	(1,320,030)
Net Other Non-Interest Income	122,970	1,815,522	1,692,551
FX Trading Income	2,703,222	2,656,952	(46,270)
Non-interest Income	8,375,920	10,335,230	1,959,310
Total Operating Income	23,743,210	25,732,634	1,989,424
Recurring Operating Costs			
Personnel Cost (excluding bonus)	(5,943,694)	(6,636,053)	(692,359)
Health Insurance & Pension Costs	(39,905)	(39,905)	-
Consulting, TA & Development Costs	(135,355)	(145,673)	(10,318)
Marketing, PR & Advertising	(525,533)	(534,097)	(8,564)
Depreciation	(1,611,811)	(1,758,406)	(146,595)
Other operating expenses	(3,909,790)	(4,424,830)	(515,040)
Total Recurring Operating Costs	(12,166,088)	(13,538,963)	(1,372,875)
Normalized Net Operating Income	11,577,122	12,193,671	616,549
Non-recurring costs	(873,453)	(952,242)	(78,789)
Profit (pre-bonus) Before Provisions	10,703,669	11,241,429	537,760
Provisions	(3,111,022)	(3,348,467)	(237,445)
Gains on asset sale & recovery	1,020,035	1,020,035	-
Pre-Bonus Result	8,612,682	8,912,997	300,315
Guaranteed Compensation Expenses	(118,000)	(118,000)	-
ESOP Expenses	-	-	-
Bonus	(2,618,980)	(2,621,023)	(2,043)
Pre-Tax Income	5,875,702	6,173,974	298,272
Profit Tax	(574,259)	(680,932)	(106,673)
Net Income	5,301,443	5,493,042	191,599
Minority interest	-	63,263	63,263
Consolidated net income	5,301,443	5,556,305	254,862

	BOG	BOG Group
<i>GEL, unless otherwise noted</i>		consolidated
	Jun-05	Jun-05
GEL/US\$ Exchange Rate, e-o-p	1.81	1.81
GEL/EUR Exchange Rate, e-o-p	2.20	2.20
Cash	32,751,370	32,751,832
Balances with NBG	31,717,074	31,717,074
Correspondent account	7,998,395	7,998,395
Regulatory fund	23,718,679	23,718,679
Cash Balances with Banks	8,530,242	9,277,302
In resident banks	788	747,847
In nonresident banks	8,529,455	8,529,455
Treasuries	23,939,090	24,126,711
Other fixed income instruments	-	2,399,791
Gross Loans, of which	239,979,609	238,802,085
Loans to Banks	7,025,526	7,025,526
Loans to Clients	232,954,082	231,776,558
Provisions for Loan Losses	(23,124,368)	(23,124,368)
Net Loans	216,855,241	215,677,717
Accrued Interest and Dividends	2,375,818	2,345,907
Gross Investments	8,085,149	814,993
Provisions	(103,375)	(103,375)
Net Investments	7,981,774	711,618
Gross property owned	3,119,350	3,119,350
Provisions	(1,101,459)	(1,101,459)
Net property owned	2,017,891	2,017,891
Fixed Assets	28,206,628	30,244,331
Fixed & Intangible Assets	30,224,520	32,262,223
Gross Other assets	8,838,011	12,356,555
Provisions	(46,625)	(46,625)
Net Other Assets	8,791,386	12,309,930
Goodwill	1,917,416	4,493,364
Total Assets	365,083,932	368,073,470
Deposits	245,535,516	242,611,043
Interbank deposits	3,390,843	3,390,843
Client deposits	242,144,673	239,220,200
Borrowed Funds	45,797,659	46,634,248
Residents	8,042,570	8,042,570
Nonresidents	37,755,089	38,591,678
Payable Interest and Dividends	6,120,871	6,103,595
Other Liabilities	7,729,519	11,081,704
Total Liabilities	305,183,565	306,430,590
Minority Interest	-	1,677,768
Ordinary Shares	11,465,214	11,465,214
Preferred Shares	-	-
Treasury shares	-	(61,557)
Retained Earnings and Revaluation Reserves	43,133,710	43,005,150
Net Profit	5,301,443	5,556,305
Shareholders' Equity	59,900,367	59,965,112
Total Liabilities and Shareholders Equity	365,083,932	368,073,470



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Strategic Business Unit Overview

Bank of Georgia Group				
BCI	CIB	RB	A&WM	
3/4	2	1/2	1	Market Position
N/A	GEL 121.3 mln	GEL 90.2 mln	AUM/C GEL 23.4 mln	Earning Assets
GEL 6.3 mln	N/A	N/A	GEL 0.9 mln	Total Assets
GEL 3.1 mln	GEL 10.2 mln	GEL 11.2 mln	GEL 0.2 mln	Revenue
N/A	GEL 7.5 mln	GEL 3.8 mln	GEL 0.06 mln	NNOI
GEL 0.4 mln	GEL 6.3 mln	GEL 3.1 mln	GEL 0.07 mln	PBR
GEL 0.4 mln	GEL 3.5 mln	GEL 1.6 mln	GEL 0.06 mln	Net Income
7.1%	62.9%	28.8%	1.2%	Contribution to Group Net Income
Including GLC		Including Georgian Card		



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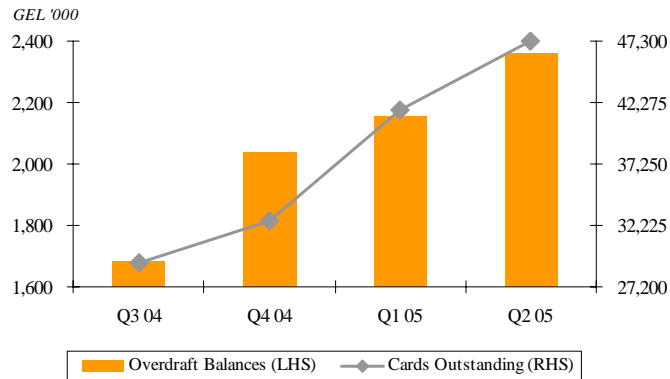
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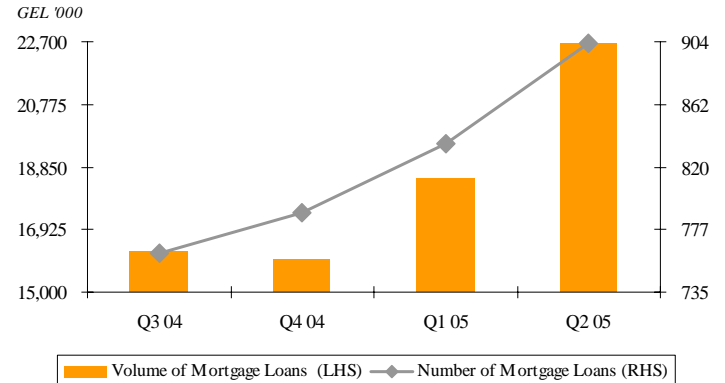
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Retail Banking Overview

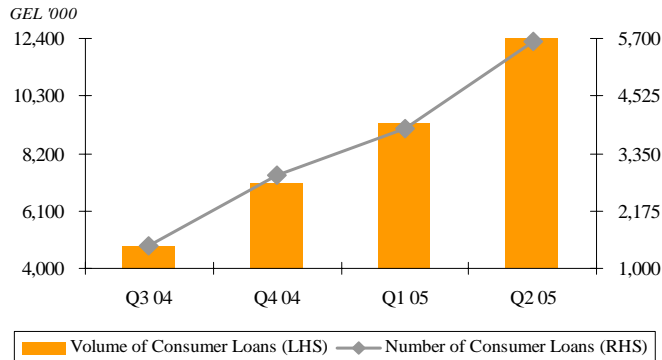
Plastic Cards



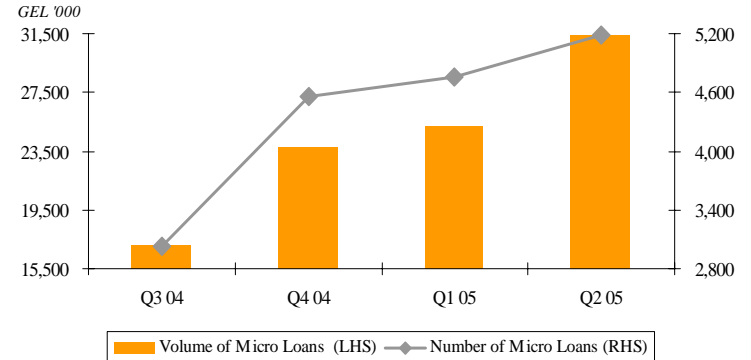
Mortgage Loans



Consumer Loans



Micro Loans



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Retail Banking: Aggressive Product Innovation

	New product	Date launched	Volume Sold, 1H 05	Notes
Mortgages	Hypo+	March 31, 2005	GEL 10.3 mln	GEL 6.4 mln sold in July 05
Car Loans	Auto+	May 15, 2005	GEL 0.5 mln	GEL 0.3 mln sold in July 05
Consumer Loans		2003	GEL 10.7 mln	GEL 3.3 mln sold in July 05
Micro Loans	MicroLoan+ (<i>Legacy Micro Loans retained in product lineup</i>)	March 10, 2005	GEL 24.4 mln (<i>MicroLoan+ & Legacy</i>)	GEL 6.4 mln sold in July 05 (<i>MicroLoan+ & Legacy</i>)
Niche Products	MeloMoney Traveler+ Student Loan+	July 7, 2005 July 10, 2005	N.A.	To be launched in August 05
Plastic Cards	OneCard (<i>for Private banking clients</i>) ArtCards	2004		To be launched in September 05
Current Accounts	Enhanced Current Accounts	March 7, 2005	N.A.	
Deposits	Deposit+			To be launched in September 05



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July 2005 Highlights

- Georgian Card has migrated to the new platform
- 40 new ATMs are being rolled out, amounting to the largest ATM network in Georgia
- Several new niche retail products designed/launched in July
- Private & Expat Banking (www.privatebanking.ge) launched
- Cisco call center software installed
- BCI opened a branch in Batumi
- Nominated by Euromoney The Best Bank in Georgia
- Metropol initiated research coverage of the stock
- Profit & Loss Statement Highlights:
 - Net Interest Income GEL 3.0 mln
 - Net Non-Interest Income GEL 1.8 mln (the highest monthly result YTD)
 - Total Operating Income GEL 4.8 mln (the highest monthly result YTD)
 - Normalized Net Operating Income GEL 2.6 mln (the highest monthly result YTD)
 - Pre-Bonus Result GEL 2.0 mln (the highest monthly result YTD)
 - Net Income GEL 1.2 mln (the highest monthly result YTD)
- Balance Sheet Highlights
 - Net Loans GEL 234 mln (up 8% m-o-m)
 - Total Assets GEL 387 mln (up 6% m-o-m)
 - Deposits GEL 260 mln (up 6% m-o-m)
 - Shareholders' Equity GEL 61 mln (up 2% m-o-m)
 - Book Value per share GEL 5.33 (up from GEL 5.22 at the end of June 05)



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A Turnaround In Progress



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Development Milestones

New Management Team Takes Over

GEL 230.1 mln GEL 151.0 mln GEL 121.4 mln GEL 54.6 mln	GEL 279.2 mln GEL 171.7 mln GEL 177.4 mln GEL 48.6 mln	GEL 359.4 mln GEL 189.9 mln GEL 251.7 mln GEL 54.0 mln	GEL 338.8 mln GEL 217.7 mln GEL 228.4 mln GEL 56.7 mln	GEL 365.1 mln GEL 240.0 mln GEL 245.5 mln GEL 59.9 mln		Total Assets (e-o-p) Total Loan Book (e-o-p) Deposits (e-o-p) Equity (e-o-p)
		6	9	11	12	Number of Western-trained Professionals
		TUB (GEL 11.3 mln) BCI (GEL 3.9 mln) Georgian Card (increased from 19% to 51%, GEL 625 K)	Galt & Taggart (increased from 35% to 90%, GEL 377 K)		GLC (increased from 60% to 87.3%, GEL 628 K)	Key Acquisitions
Retail Banking Corporate Banking Trade Finance Foreign Exchange	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking	Key Business Lines
BSTDB US\$ 3 mln BSTDB II US\$ 1 mln DEG EUR 1.5 mln DEG-Hypo EUR 2 mln DEG III EUR 3 mln AKA Bank EUR 5 mln EBRD US\$ 4 mln EBRD US\$ 7 mln IFC US\$ 3 mln IFC US\$ 5 mln			KfW US 4.5 mln guarantee facility	EBRD US\$ 10 mln		International Lenders
EBRD (since 1998) DEG invests		Post-Communist Opportunities Fund invests	Firebird Avrora Fund, Firebird Republics Fund, Firebird Global Master Fund, East Capital, Ostinvestor clients invest		Firebird funds increase their respective stakes Two additional institutional funds invest	Institutional Shareholders



2000-2003 Q1-Q3 2004
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Q4 2004 Q1 2005 Q2 2005 Q3 2005 YTD
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Our Vision & Mission

Our vision is to be recognized as *the best financial services company in Georgia*

Our mission is to create long-term value and deliver by 2007 ROE of 20%+ by building a relationship-driven, client-facing integrated financial services company based on the core values of *excellence in execution, teamwork, integrity and trust*.

Retail Banking

The largest Georgian retail bank, offering consumers the broadest range of services through multiple channels

Corporate & Investment Banking

Among the select leaders in corporate banking

The undisputed leader in investment banking

Integrated offering to large corporates through strong client coverage culture

Insurance

A leading player in the non-life sector, cross-selling insurance to corporates

A leading life insurance and pensions provider

Asset & Wealth Management

A leading share of the domestic institutional business

The undisputed domestic leader in wealth management, with niche appeal to sophisticated non-resident investors

A player in private equity and venture capital



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Achieving Our Mission: Tactical Objectives

Develop a diversified, stable and recurring earnings flow



Enhance profitability

- Clean up the loan book (Q4 2004)
- Optimize headcount (Q4 2004)
- Better overhead & procurement cost control (Q4 2004)
- Streamline and optimize the branch network footprint (Q4 2005)

Expand the core franchise



- Integrated CIB client coverage (Q4 2004) and enhanced SME coverage (Q4 2005)
- Cards: Enhanced Current Accounts, payroll services, Georgian Card platform upgrade, ATM network expansion (Q3 2005)
- Mortgage & consumer finance: Hypo+, Auto +, developer and merchant alliances (1H 2005)

Gradually increase the share of fees & commissions in total income



Participate in the banking sector consolidation

- Currently 21 licensed banks in the country
- We expect no more than 13 banks to remain by YE 2007

Leverage our brand and market position to build investment banking, asset management and insurance businesses



- Structured products: leasing (Q4 2004), Loan Participation Notes (2H 2005), syndications (2H 2005), project finance (2006)
- Private Banking (Q4 2004)
- Pensions & life insurance (Q2 2005)
- Merchant banking/private equity (2005/2006)

Supplement the funding of the bank's growth through deposits by disciplined capital management

- Maintain NBG Tier I capital ratio of 10%-12% through 2006
- KfW Credit Guarantee (Q1 2005)
- EBRD Participation Facility (1H 2005)
- Debut bond issue (Q3 2005)
- Equity capital increase (2005)
- Subordinated debt (2005/2006)

*Target 2007 multiples
P/BV 2.0x
P/E 10.0x-12.0x*



Increase share price & liquidity

- Investor Relations (Q3 2004)
- Stable dividend payout ratio commensurate with growth stance (2005)
- International listing (2006)



Create by YE 2007 (or sooner) conditions for successful exit via trade sale

- Book Value greater than GEL 85 mln (currently GEL 61.2 mln)
- Net Income greater than GEL 15 mln



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Building An Integrated Business Model

Benefits of the integrated business model

Strong management

Shared expertise

Cross-sell synergies

Shared services & infrastructure

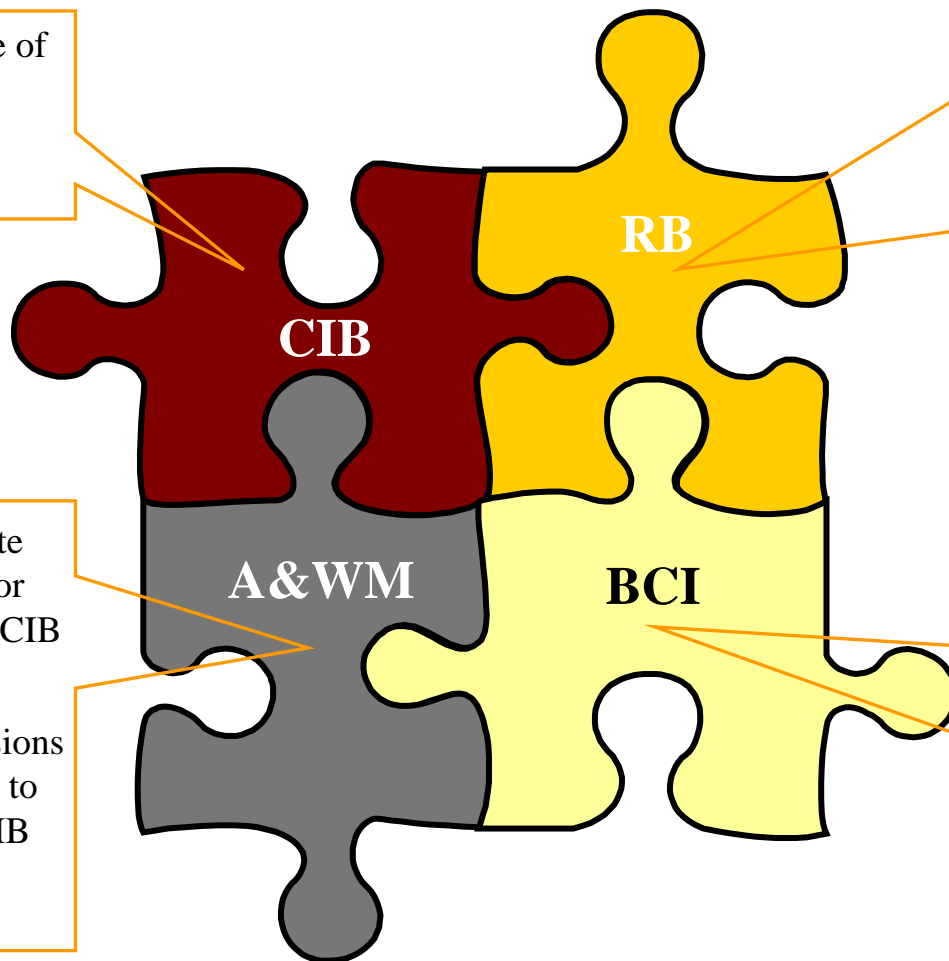
Cost efficiency

One firm

Integrated coverage of top 100 corporate clients

Cross-sell Private Banking to senior management of CIB clients

Cross-sell pensions & life insurance to employees of CIB clients



Benefit from derived demand for consumer & mortgage lending from the payroll services client base

Market BCI and A&WM retail products through branch network

Enrich the RB product packages (Auto+, Hypo+, etc)

Cross-sell insurance to CIB clients

*Through our integrated business model, we aim to become by 2007 a **benchmark of modern banking** in the Caucasus:*

Proactive CRM + Sole point of access for all products= Highest customer satisfaction

Nationwide distribution + Usage of self-service channels + Robust back office = High cost efficiency



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Supportive Shareholders & Lenders

BoG Shareholder Structure

July/22/2005	Shares	%
EBRD	1,548,878	13.5%
Victor Gelovani	1,471,675	12.8%
Former TUB & BCI Shareholders	902,110	7.9%
Galt & Taggart Securities (nominees)	1,665,356	14.5%
Firebird Avrova Fund	1,026,261	9.0%
Firebird Republics Fund	1,025,873	8.9%
Firebird Global Fund	341,500	3.0%
Lado Gurgenedze	144,000	1.3%
Sulkhan Gvalia	257,835	2.2%
<i>Subtotal</i>	8,383,488	73.1%
DEG	1,250,000	10.9%
Free Float	1,831,726	16.0%
<i>Subtotal</i>	3,081,726	26.9%
Shares Outstanding	11,465,214	100.0%

Institutional and Retail Shareholders

- Several foreign portfolio shareholders, among which, in addition to the Firebird Funds, are East Capital Bering Fund, Post-Communist Opportunities Fund, Diamond Age Capital Advisors and others.
- More than 50 non-resident individuals
- Approximately 1,800 domestic retail shareholders



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Core Shareholders

- Management currently owns approximately 465,000 shares and approximately 624,600 options
- New management share ownership plan has been introduced and 32 professionals equitized



EAST CAPITAL



Key Lenders



US\$ 17.4 mln

EUR 0.2 mln



US\$ 6.2 mln



EUR 4.5 mln



US\$ 0.6 mln



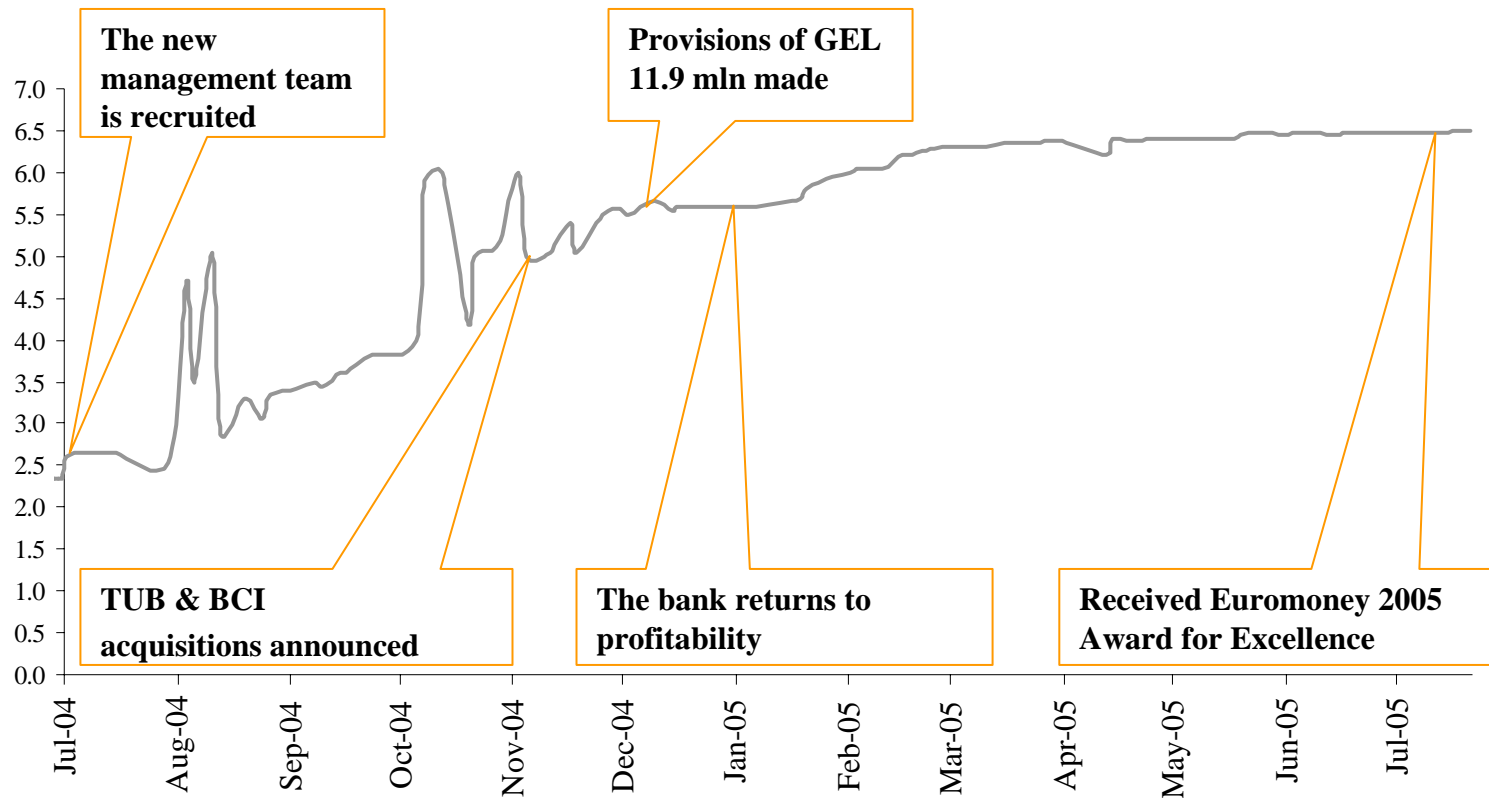
EUR 0.7 mln

Investment Case

- A “leveraged play” on Georgia’s economic growth
- Winning strategy for medium-term profitable growth
- Banking sector consolidator
- Solid historical performance due to core franchise strength
- Diversified revenue streams being built through product innovation in the context of an integrated business model
- Disciplined capital management
- Sophisticated management team, comprising more than 10 individuals with Western banking & finance background and education
- Evolving corporate culture
- Cost efficiencies are being realized
- Transparency and good governance
- Emphasis on investor relations, retail-lot liquidity and international stock exchange listing
- Zealous focus on creating attractive exit opportunities by 2007 (or sooner)
- The only investable banking stock in Georgia (and the Caucasus)



Share Price Performance



	Share Price (GEL)	Shares Outstanding (mln)	MCAP GEL mln
Jan 01 '04	2.03	9.9	20.1
Dec 31 '04	5.60	11.3	63.3
July 22 '05	6.50	11.5	74.5

2004 Share Price Performance 175%

2005 YTD Share Price Performance 16%



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Ample Exit Opportunities

Selected
Potential
Buyers

GarantiBank

TÜRKİYE İŞ BANKASI

AKBANK

KOÇBANK

YAPI KREDİ BANK

Внешторгбанк

МДМ Банк

АЛЬФА-БАНК

КАЗКОММЕРЦБАНК

Сбербанк России

ГАЗПРОМБАНК

Акционерный банк
газовой промышленности

РОСБАНК

Banca Intesa

Raiffeisen BANK

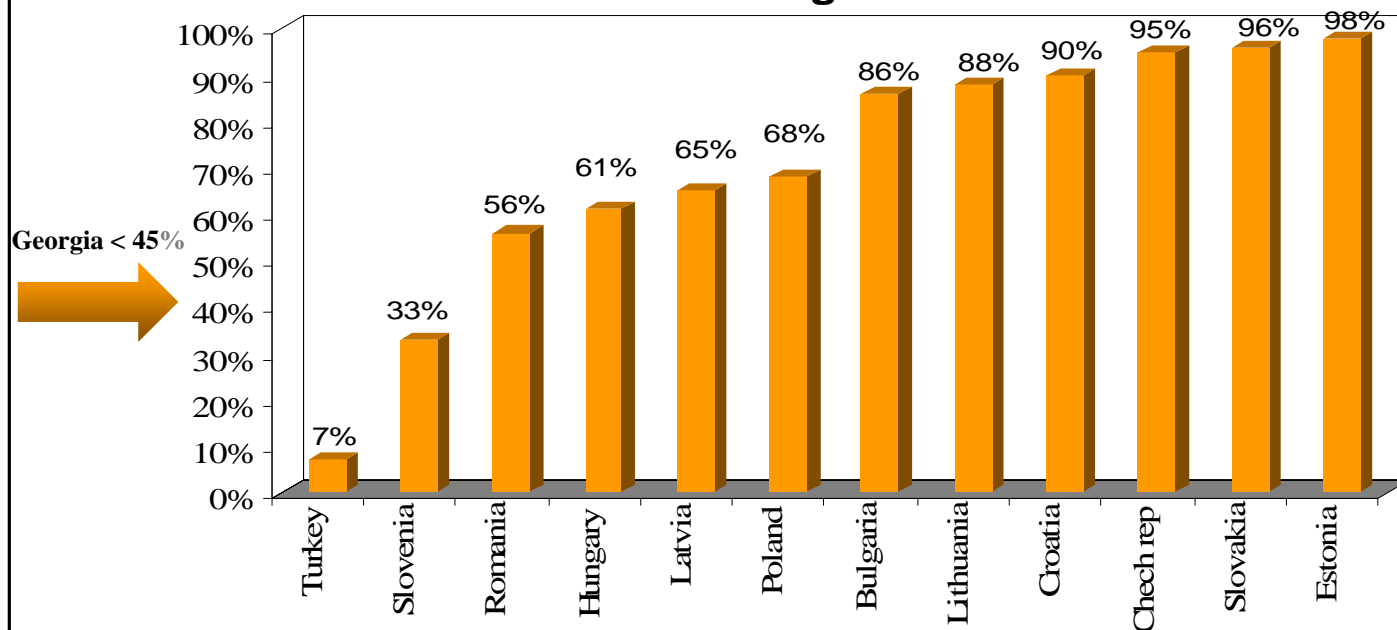
UniCredit

BankTuranAlem

OTB BANK

SOCIETE GENERALE

Market Shares of Foreign Controlled Banks



Source: UCI, Bank of Georgia estimates



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