



საქართველოს ბანკი
BANK OF GEORGIA

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

JSC Bank of Georgia Q2 & 1H 2010 results overview

August 2010

Introduction to Bank of Georgia

The leading universal bank in Georgia

- ❏ No.1 by assets (35%), ⁽¹⁾ gross loans (33%), ⁽¹⁾ client deposits (30%) ⁽¹⁾ and equity (40%) ⁽¹⁾
- ❏ Leading retail banking, with top brand, best distribution network and broadest range of services of any bank in Georgia

	June	March	June
	2010	2010	2009
❏ Retail Accounts	953,000+	996,000+	935,000+
❏ Cards Outstanding	551,000+	570,000+	590,000+
❏ Branches	137	140	140
❏ ATMs	387	379	394

- ❏ Leading corporate bank with approximately 88,100+ legal entities and over 164,800+ current accounts
- ❏ Leading card-processing, leasing, insurance, wealth management and asset management services provider
- ❏ The only Georgian entity with credit ratings from all three global rating agencies
 - ❏ S&P: 'B/B' – at the sovereign ceiling
 - ❏ Fitch Ratings: 'B+/B'
 - ❏ Moody's: 'B3/NP (FC)' & 'Ba3/NP (LC)'
- ❏ Listed on the London Stock Exchange (GDRs) and Georgian Stock Exchange
 - ❏ Market Cap (LSE) US\$ 388 mln as of September 1 2010
 - ❏ Approximately 95% free float
- ❏ Issue of the first ever Eurobonds in Georgia
 - ❏ Bloomberg: BKGE0; 5 year, 9%, US\$200 mln
 - ❏ B/Ba2/B (composite B+)

Investment highlights

- ❏ Undisputed leader of Georgian financial services industry with market-leading retail and corporate banking franchise
- ❏ Strongly positioned to benefit from US\$4.5 bln international assistance package pledged to Georgia by international donors in the aftermath of Russia-Georgia conflict in August 2008
- ❏ Disciplined capital management, low leverage, conservative liquidity position, no exposure to sub-prime
- ❏ Sophisticated management team with Western banking & finance background
- ❏ Transparency and good governance, over 89% institutionally owned. Supervisory Board includes two large institutional shareholders and two independent directors

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



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BANK OF GEORGIA

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Q2 and 1H 2010 P&L results highlights

Millions unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)

	Q2 2010		Q1 2010		Growth ¹	Q2 2009		Growth ²
	GEL	US\$	GEL	US\$	Q-O-Q	GEL	US\$	Y-O-Y
	(Unaudited)		(Unaudited)			(Unaudited)		
Net Interest Income	51.7	28.0	45.3	25.9	14.2%	49.5	29.8	4.5%
Net Non-Interest Income	31.1	16.9	30.6	17.5	1.6%	31.1	18.8	-0.1%
Total Operating Income (Revenue) ²	82.8	44.9	75.9	43.4	9.1%	80.6	48.6	2.7%
Recurring Operating Costs	47.8	25.9	46.3	26.4	3.3%	46.3	27.9	3.2%
Normalized Net Operating Income ³	35.0	19.0	29.6	16.9	18.1%	34.3	20.7	2.1%
Net Non-Recurring Income (Costs)	1.9	1.0	(3.3)	(1.9)	NMF	(0.3)	(0.2)	NMF
Profit Before Provisions	36.8	20.0	26.4	15.1	39.8%	34.0	20.5	8.5%
Net Provision Expense	13.1	7.1	7.4	4.2	77.6%	40.7	24.5	-67.9%
Net Income/ (Loss)	19.5	10.6	16.8	9.6	16.3%	(4.3)	(2.6)	NMF

Millions unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)

	1H 2010		1H 2009		Growth ¹
	GEL	US\$	GEL	US\$	Y-O-Y
	(Unaudited)		(Unaudited)		
Net Interest Income	96.9	52.6	101.9	61.4	-4.9%
Net Non-Interest Income	61.7	33.5	60.4	36.4	2.2%
Total Operating Income (Revenue) ³	158.6	86.0	162.3	97.9	-2.2%
Recurring Operating Costs	94.1	51.0	91.0	54.9	3.4%
Normalized Net Operating Income ⁴	64.6	35.0	71.3	43.0	-9.4%
Net Non-Recurring Income (Costs)	(1.4)	(0.8)	(0.5)	(0.3)	NMF
Profit Before Provisions	63.2	34.3	70.8	42.7	-10.7%
Net Provision Expense	20.4	11.1	72.8	43.9	-71.9%
Net Income/ (Loss)	36.2	19.7	0.8	0.5	NMF
Tier I Capital Adequacy Ratio (BIS)	19.6%			23.4%	
Total Capital Adequacy Ratio (BIS)	32.5%			35.6%	
Tier I Capital Adequacy Ratio (NBG)	15.8%			17.8%	
Total Capital Adequacy Ratio (NBG)	14.5%			18.4%	

¹ Compared to Q1 2010, growth calculations based on GEL values.

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

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

⁴ Normalized for Net Non-Recurring Costs.

30 June 2010 Balance Sheet results highlights

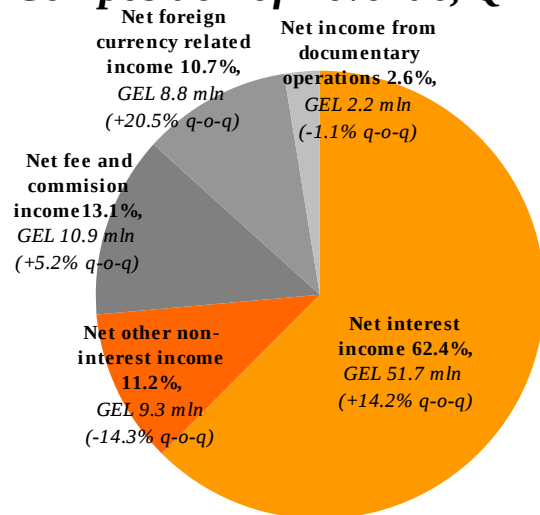
Millions, unless otherwise noted

Bank of Georgia (Consolidated, IFRS-Based)	Q2 2010		Q1 2010		Q2 2009	
	GEL	US\$	GEL	US\$	GEL	US\$
	(Unaudited)		(Unaudited)		(Unaudited)	
Net Loans	1,973.5	1,070.1	1,777.3	1,015.9	1,749.6	1,055.3
Total Assets	3,471.9	1,882.6	3,124.1	1,785.8	2,907.8	1,753.9
Total Deposits	1,747.9	947.8	1,472.7	841.8	1,066.4	643.2
Borrowed Funds	945.6	512.7	912.0	521.3	1,011.4	610.0
Total Liabilities	2,822.7	1,530.6	2,512.4	1,436.2	2,197.9	1,325.7
Shareholders' Equity	649.3	352.1	611.7	349.6	709.9	428.2
Book Value Per Share, GEL & US\$	20.73	11.24	19.53	11.17	22.70	13.69

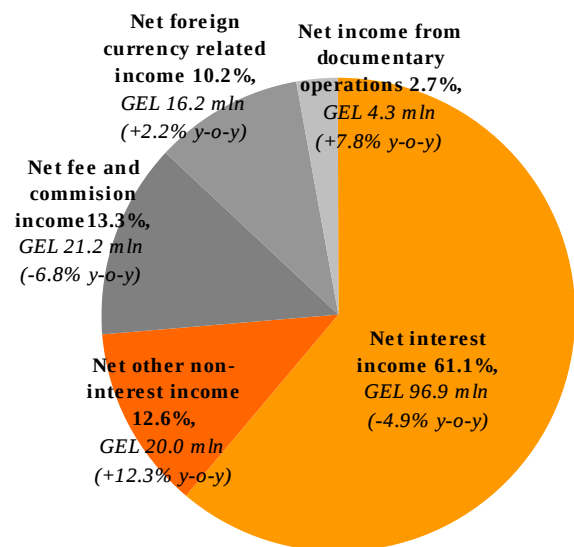
	Change	Change
	Q2 10/Q1 10	Q2 10/Q2 09
Net Loans	11.0%	12.8%
Total Assets	11.1%	19.4%
Total Deposits	18.7%	63.9%
Borrowed Funds	3.7%	-6.5%
Total Liabilities	12.3%	28.4%
Shareholders' Equity	6.1%	-8.5%
Book Value Per Share,	6.1%	-8.7%

Composition of revenue in Q2 and 1H 2010

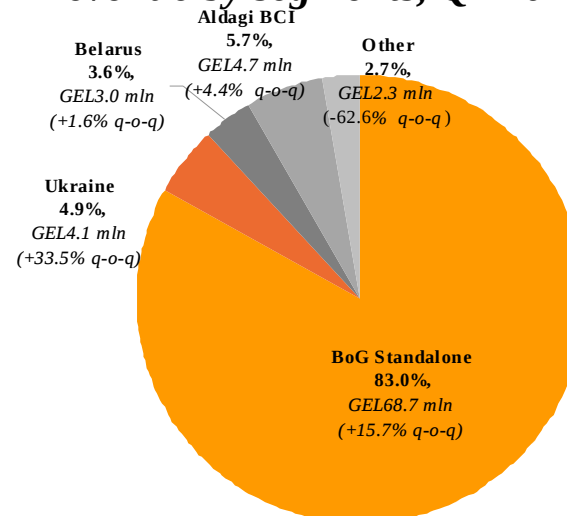
Composition of Revenue, Q2 2010



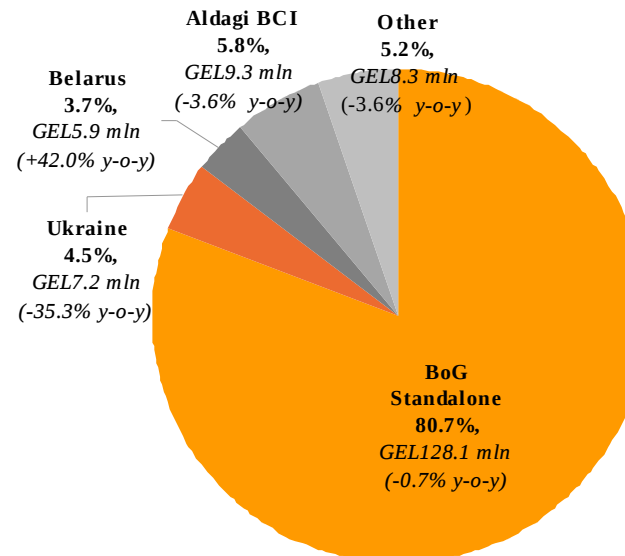
Composition of Revenue, 1H 2010



Revenue by segments, Q2 2010



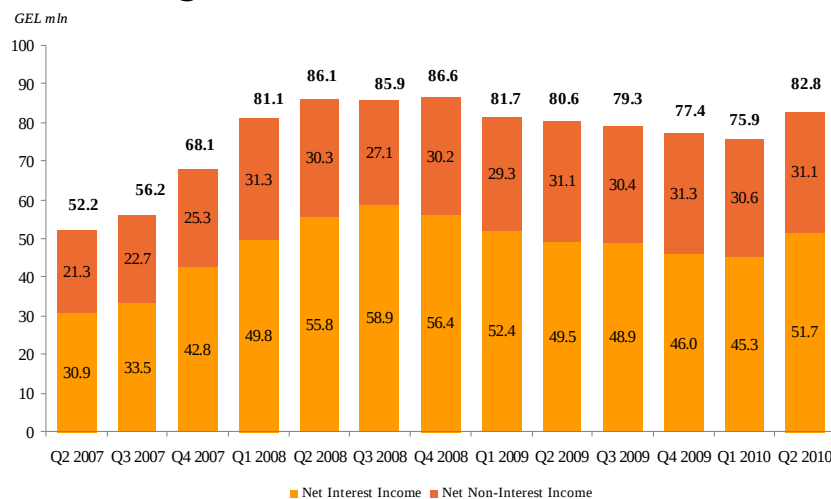
Revenue by segments, 1H 2010



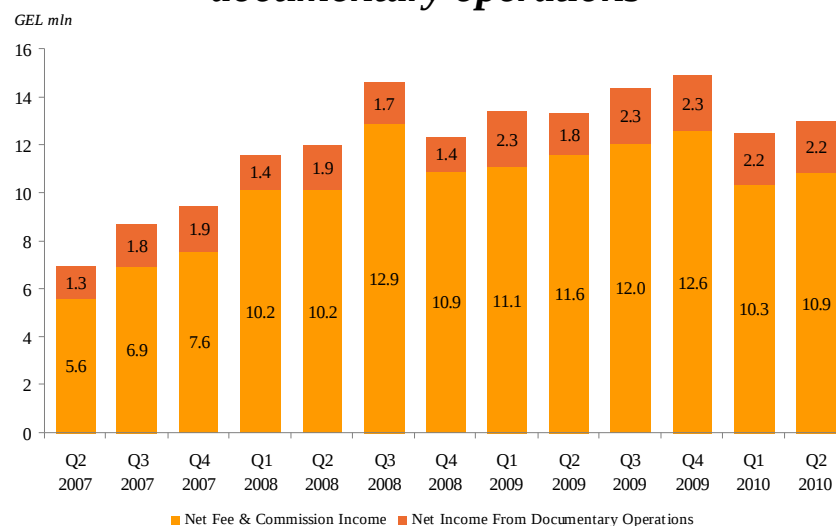
Total Revenue: GEL 82.8 million in Q2 2010 and GEL 158.6 in 1H 2010

Analysis of revenue

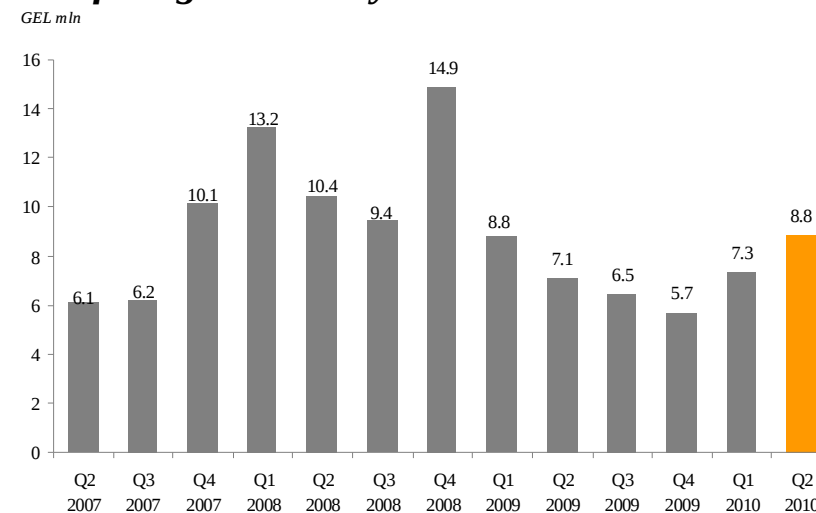
Revenue growth



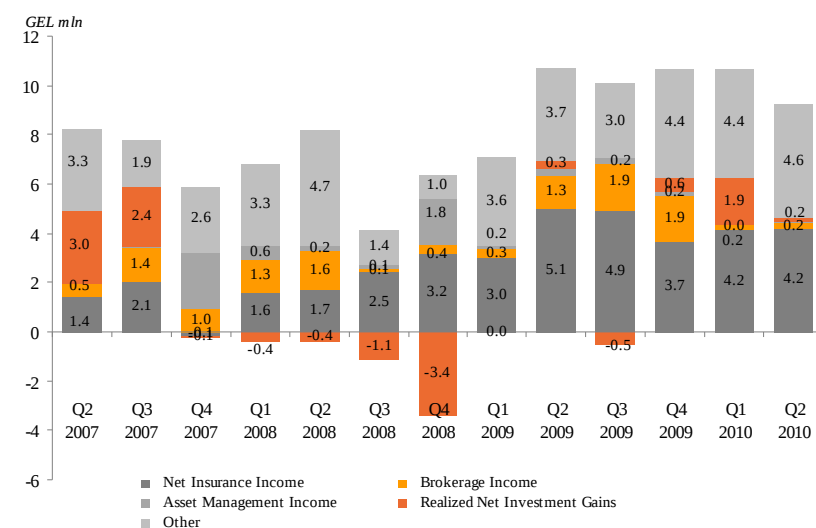
Net fee & commission income & Income from documentary operations



Net foreign currency related income

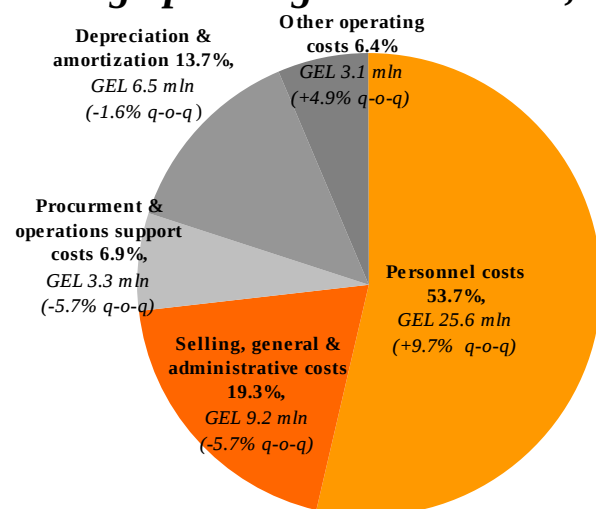


Other non-interest income

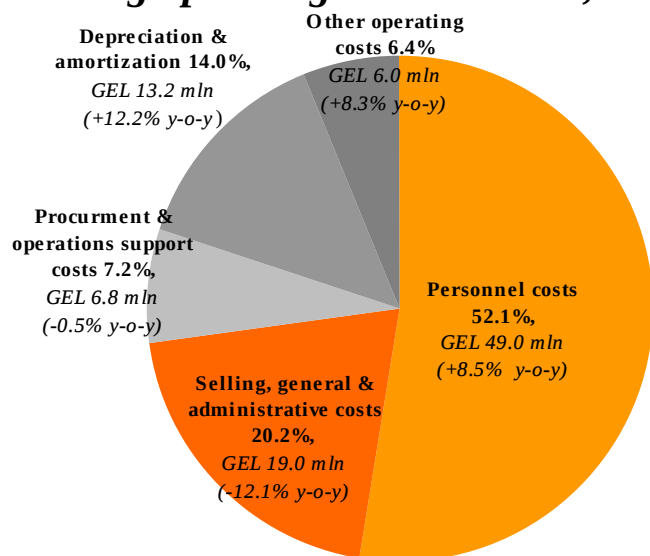


Analysis of recurring operating costs

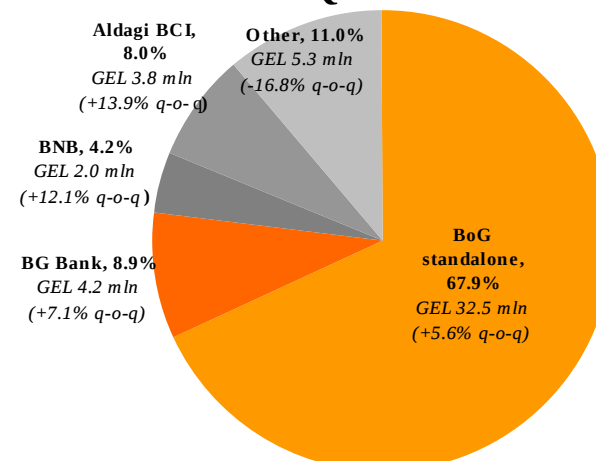
Recurring operating cost structure, Q2 2010



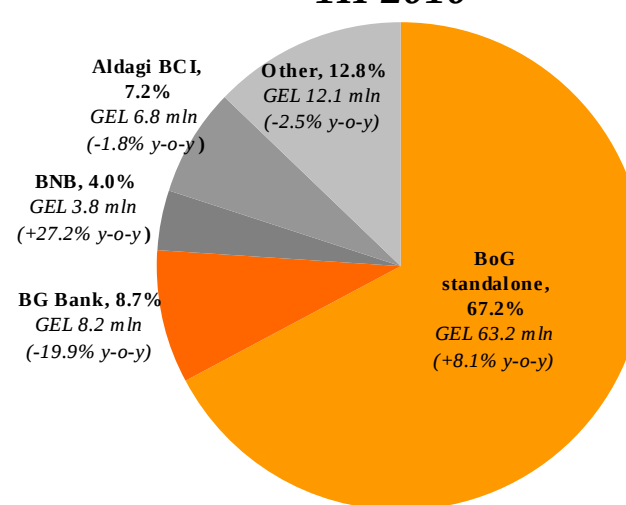
Recurring operating cost structure, 1H 2010



Recurring operating cost structure by segments, Q2 2010



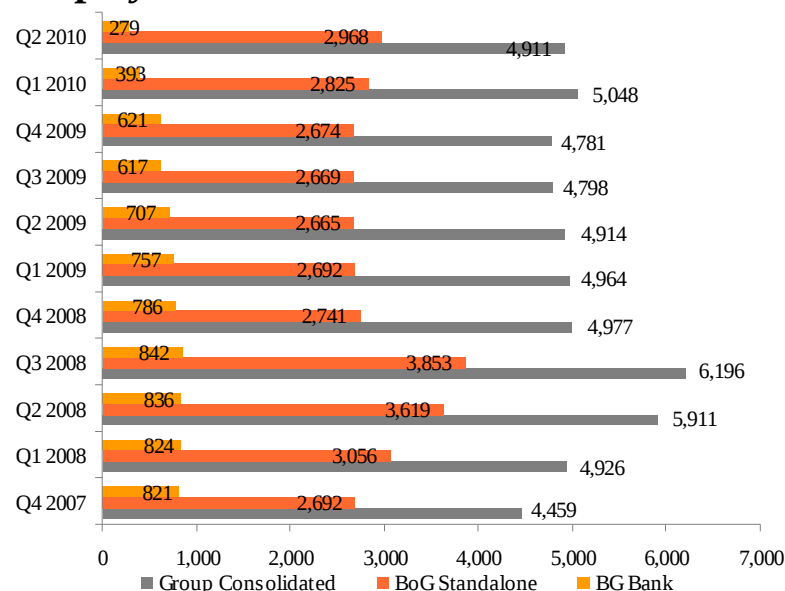
Recurring operating cost structure by segments, 1H 2010



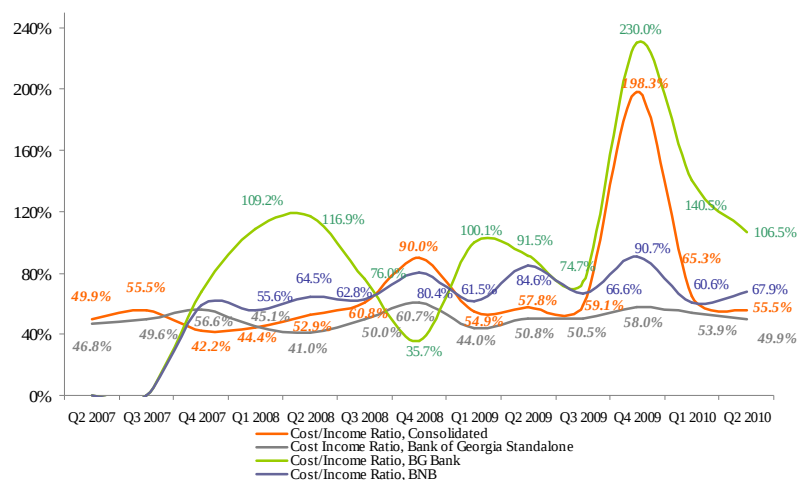
Total recurring operating costs: GEL 47.8 million in Q2 2010 (up 3.3% q-o-q), and GEL 94.1 million in 1H 2010 (up 3.4% y-o-y)

Analysis of recurring operating costs cont'd

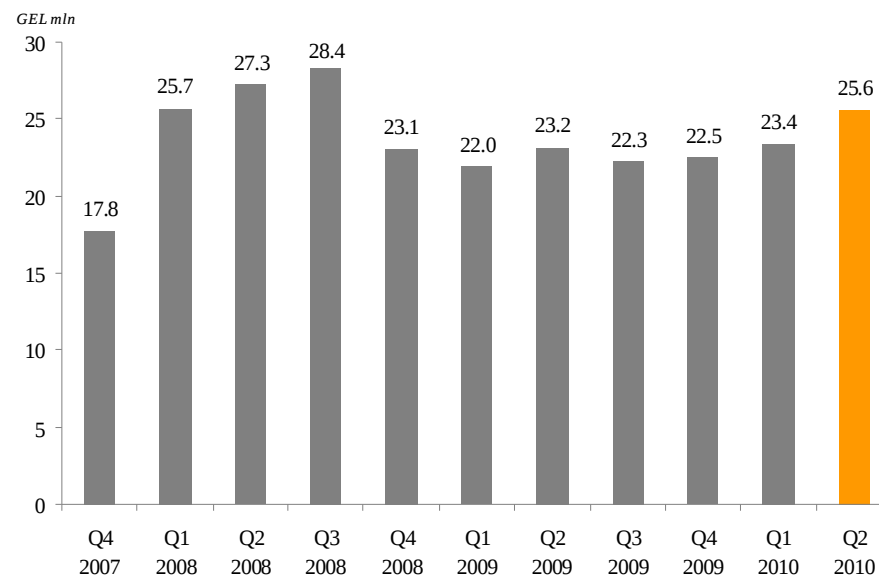
Employees



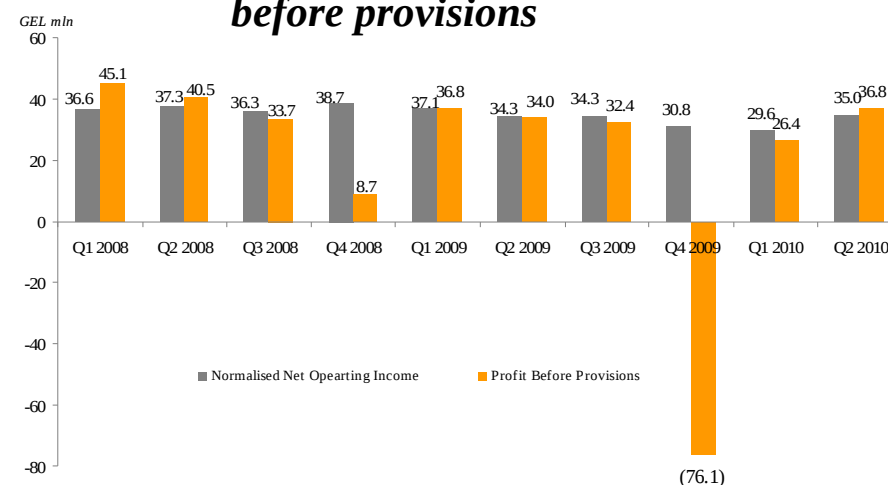
Cost/Income ratio



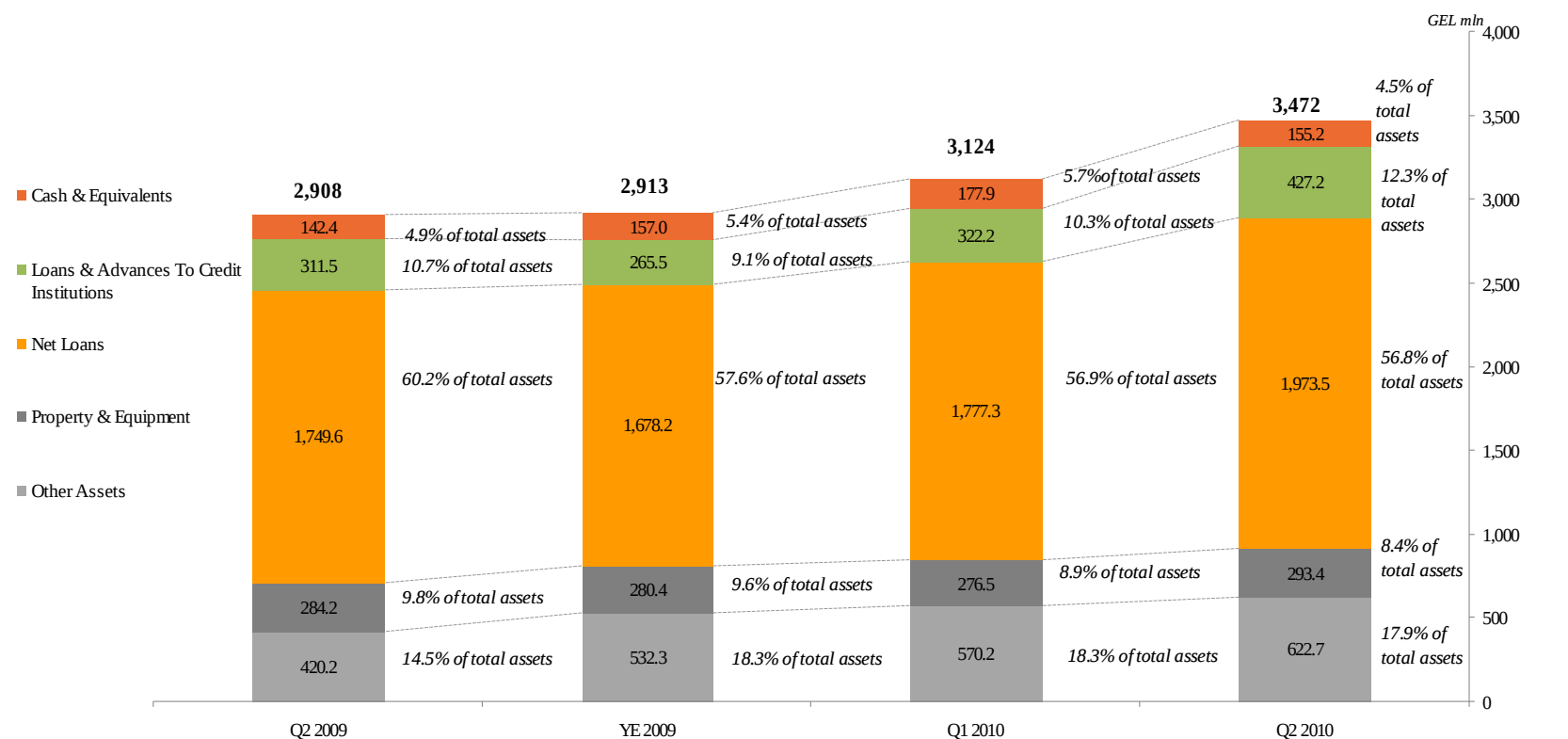
Personnel costs



Normalized net operating income, Profit before provisions



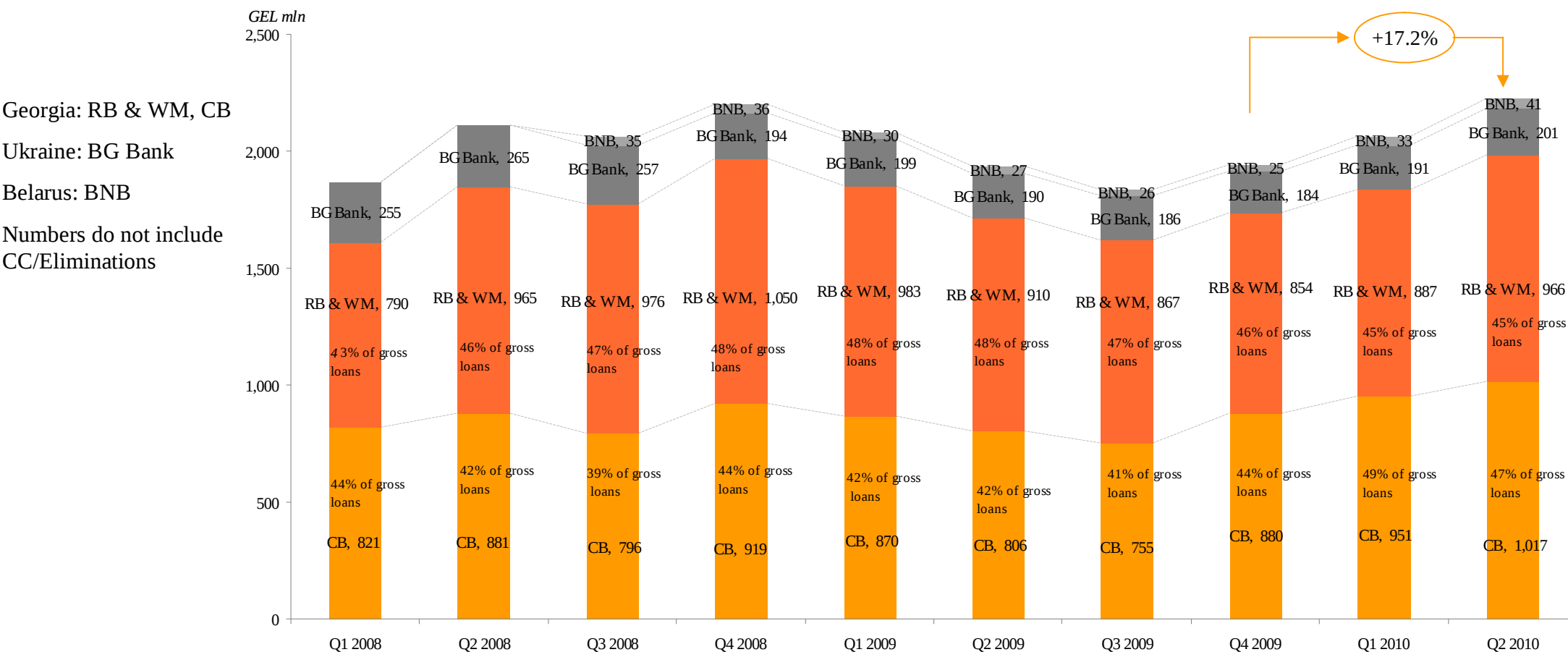
Composition of assets as at 30 June 2010



GEL million	30-June-09	31-Dec-09	31-March-10	30-June-10
Available-For-Sale & Trading Securities	28.4	21.7	17.8	16.8
Treasuries And Equivalents	-	249.2	249.2	287.8
Other Fixed Income Instruments	59.1	-	-	-
Insurance Related Assets	47.4	26.7	32.6	36.1
Investments In Other Business Entities & Investment Property	80.9	89.2	103.2	104.6
Intangible Assets Owned Net	11.9	19.7	22.2	23.4
Goodwill	135.3	65.8	68.8	69.2
Tax Assets, Current And Deferred	8.3	23.5	23.8	24.5
Prepayments And Other Assets	48.9	36.6	52.6	60.3
Other Assets	420.2	532.3	570.2	622.7

Note: Net loans include Net finance lease receivables

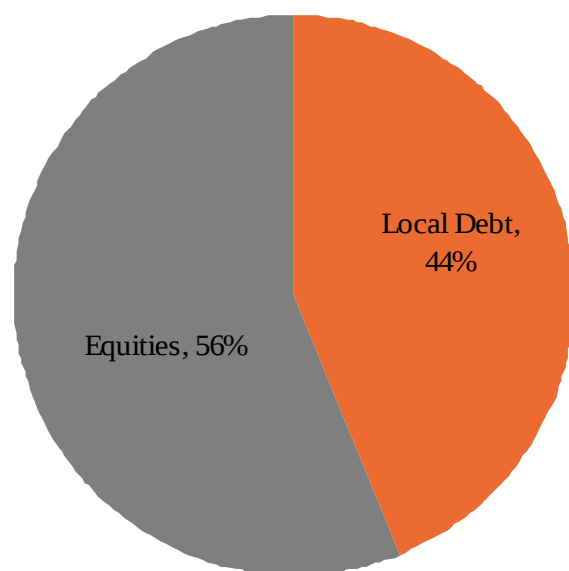
Composition of gross loan book as at 30 June 2010



Gross loan book Q2 2010: GEL 2,163.3 million

Securities portfolio as at 30 June 2010

*Breakdown of securities portfolio,
30 June 2010*

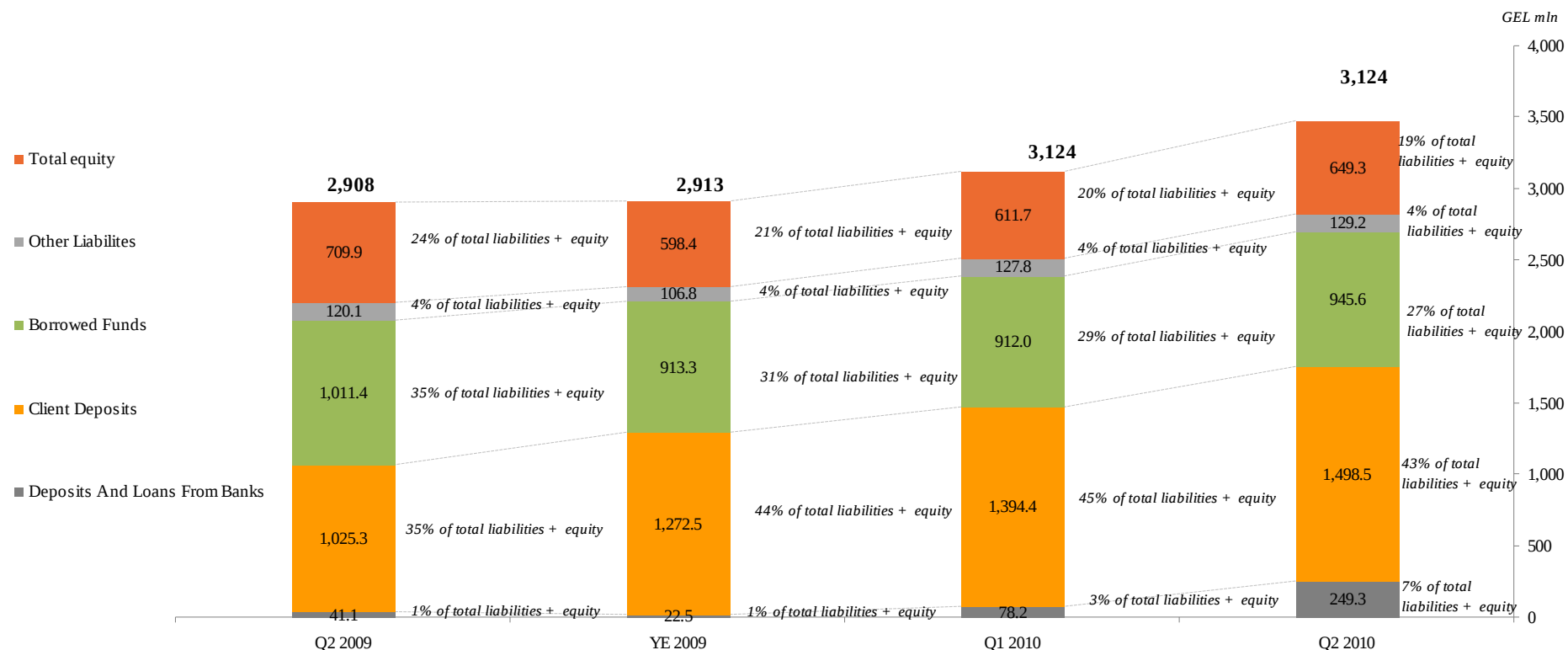


Total securities portfolio: GEL 16.8 million

Breakdown of securities investments

GEL '000s	Debt	Equity	Total
BG Capital	-	790	790
Aldagi BCI	-	4,418	4,418
Liberty Consumer	-	3,015	3,015
SBRE	-	1,145	1,145
BG Bank (Ukraine)	7,426	-	7,426
BNB (Belarus)	-	-	-
Other	-	-	-
Total	7,426	9,368	16,794

Liabilities breakdown as at 30 June 2010



	30-June-09	31-Dec-09	31-March-10	30-June-10
Issued Fixed Income Securities	0.2	0.7	-	3.7
Insurance Related Liabilities	59.7	34.2	42.7	44.9
Tax Liabilities, Current And Deferred	19.4	25.2	27.3	31.4
Accruals And Other Liabilities	40.9	46.6	57.8	49.2
Other liabilities	120.1	106.8	127.8	129.2

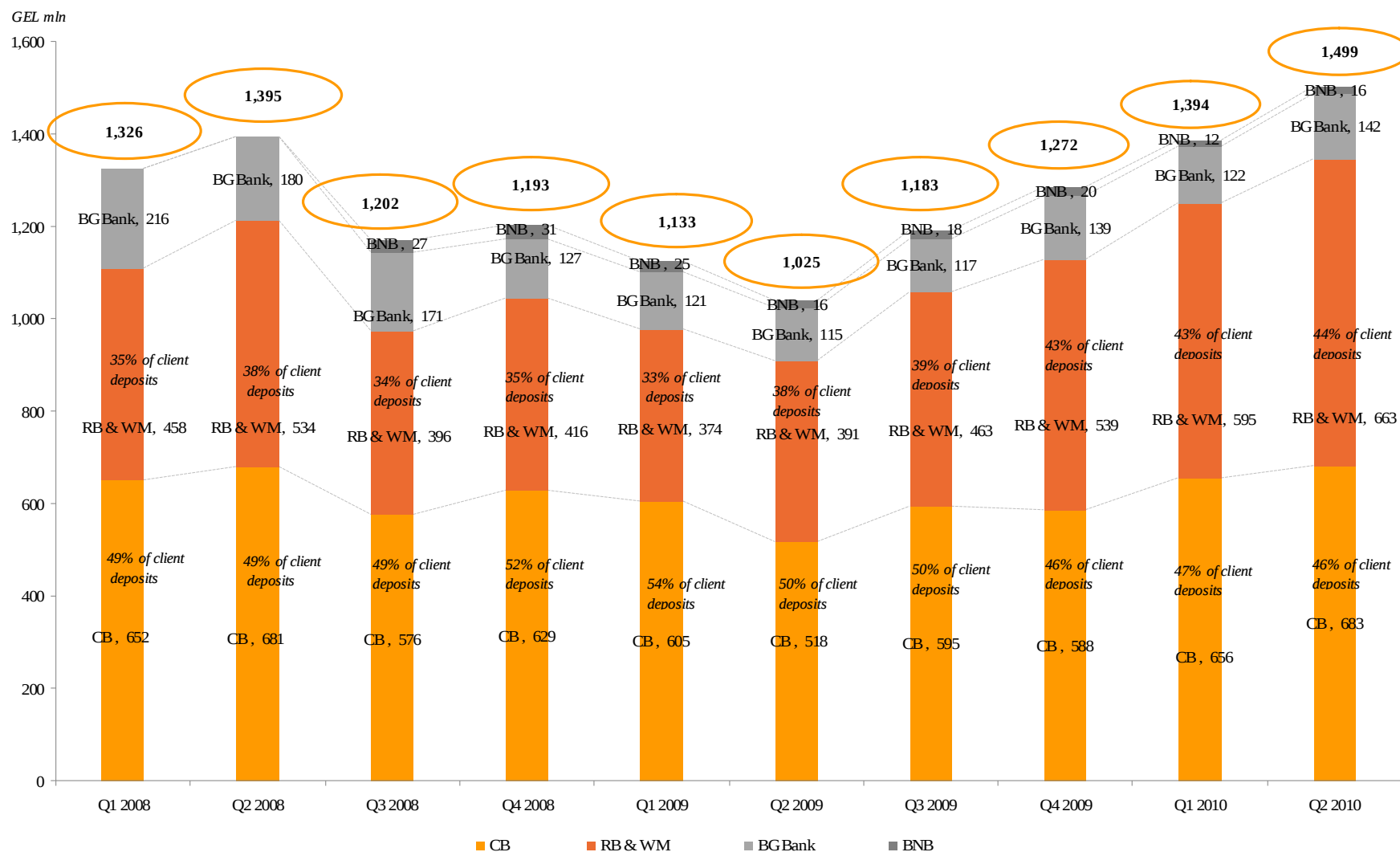
Total liabilities 30 June 2010: GEL 2,822.7 million

Client deposits breakdown

Georgia: RB & WM, CB

Ukraine: BG Bank

Belarus: BNB

Numbers do not include
CC/Eliminations

Client deposits Q2 2010: GEL 1,498.5 million

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



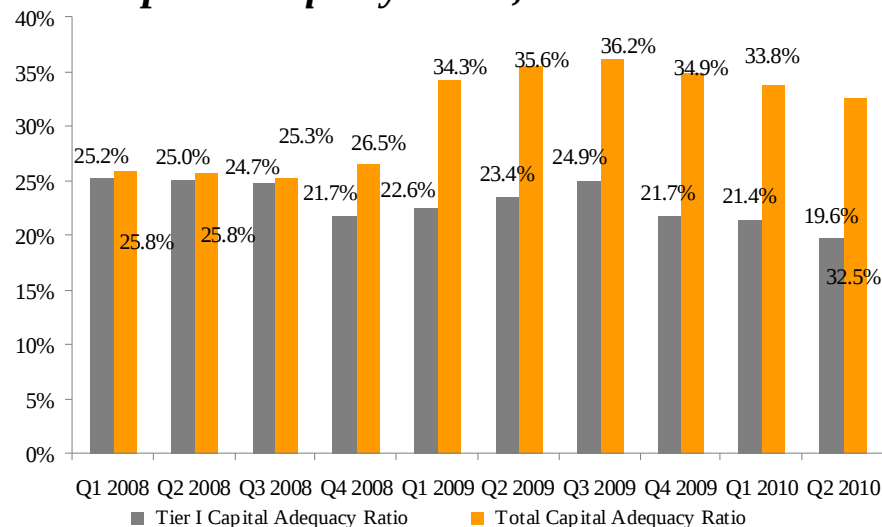
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Capital adequacy & wholesale funding

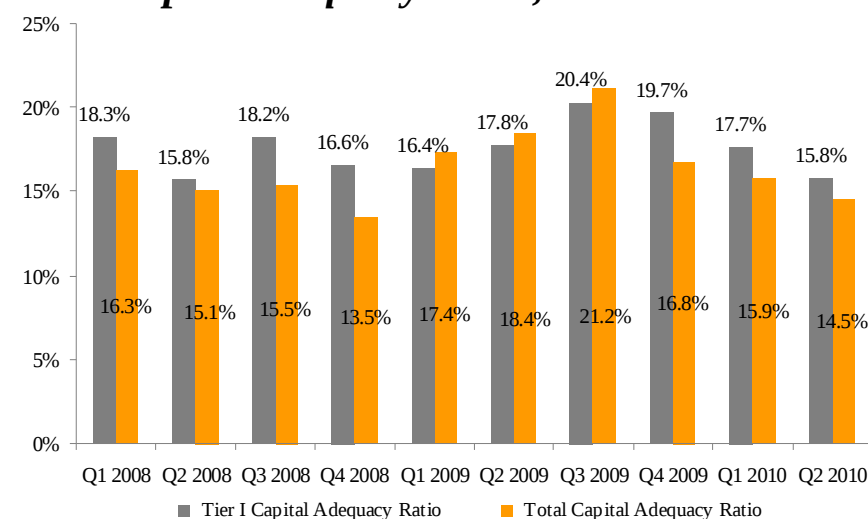
August 2010

Capital adequacy

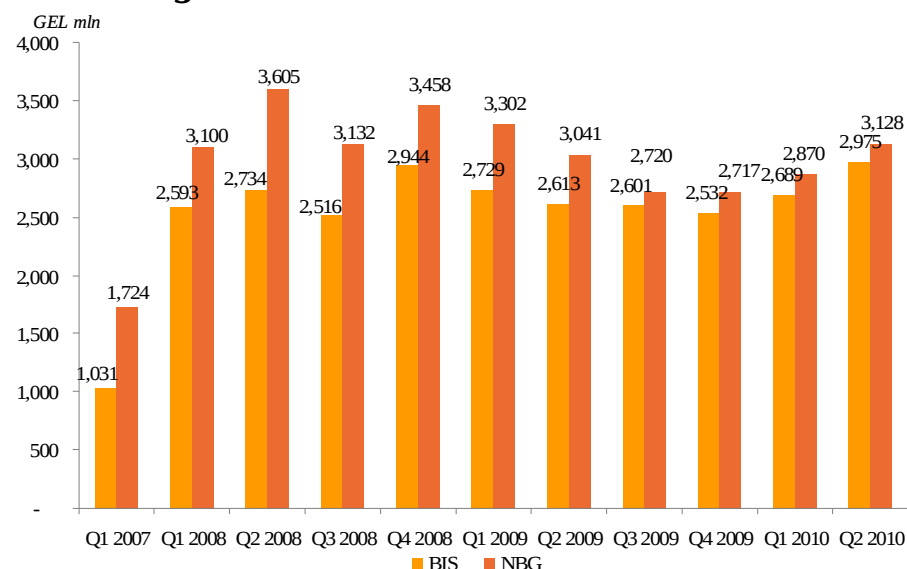
BIS capital adequacy ratios, BoG consolidated



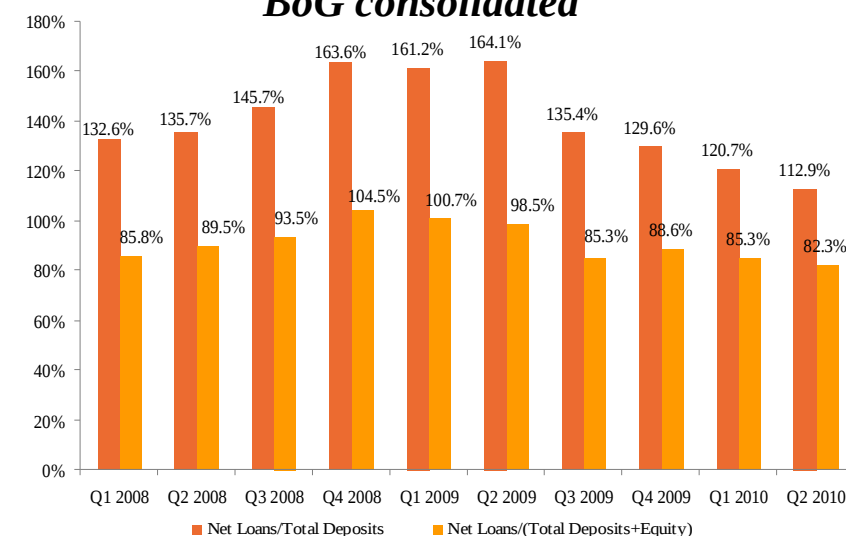
NBG capital adequacy ratios, BoG standalone



Risk-weighted assets BIS vs. NBG



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



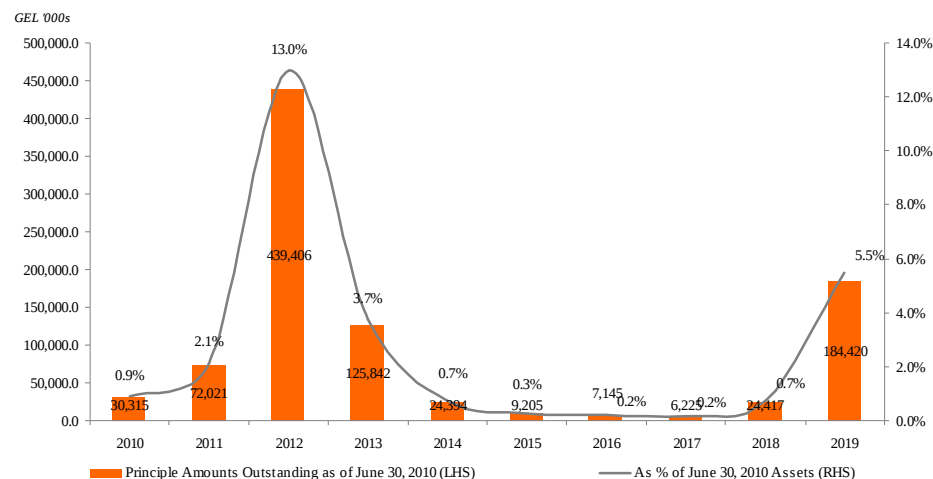
International borrowings

Selected international loans

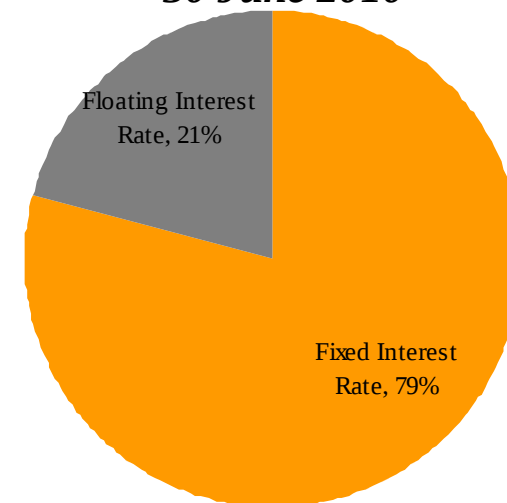
Key Lenders	Principle Amount Outstanding as of June 30, 2010	Maturity
Syndicated Loan arranged by Citi and ADB, 3rd Tranche	US\$ 8.3 million	2010
Eurobonds	US\$ 150.0 million	2012
Senior Term Loan from FMO	US\$ 9.1 million	2014
Senior Term Loan from WorldBusiness Capital	US\$ 6.2 million	2016
Subordinated Loan from HBK Investments (Call in 2012)	US\$ 15.0 million	2017
Subordinated Loan from Merrill Lynch (Call in 2012)	US\$ 35.0 million	2017
Senior Term Loan from WorldBusiness Capital (GLC)	US\$ 4.4 million	2017
Subordinated loan from FMO and DEG (Call in 2013)	US\$ 30.0 million	2018
Senior Loan from OPIC	US\$ 27.4 million	2018
Subordinated Loan from OPIC	US\$ 10.0 million	2018
Senior Term Loan from IFC	US\$ 50.0 million	2013
Senior Term Loan from EBRD	US\$ 50.0 million	2014
Subordinated Loan from IFC	US\$ 24.0 million	2019
Subordinated Loan from EBRD	US\$ 24.0 million	2019
Convertible Loan from IFC	US\$ 26.0 million	2019
Convertible Loan from EBRD	US\$ 26.0 million	2019
Other, USD denominated	US\$ 4.7 million	NMF
Other, EUR denominated	EUR 0.6 million	NMF
Total	US\$ 500.7 million	

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

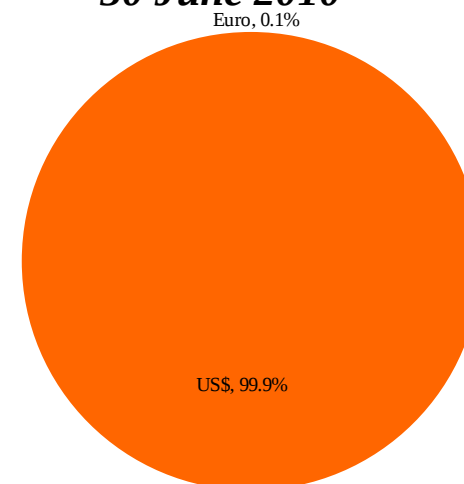
International borrowings repayment schedule



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



International borrowings by currencies, 30 June 2010





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Business overview

August 2010

Group structure



Note: Following the sale of GTAM, its asset management arm, BoG owns approximately 65% of Liberty Consumer, and 100% of SBRE. Both Liberty Consumer and SBRE are fully consolidated in BoG financials



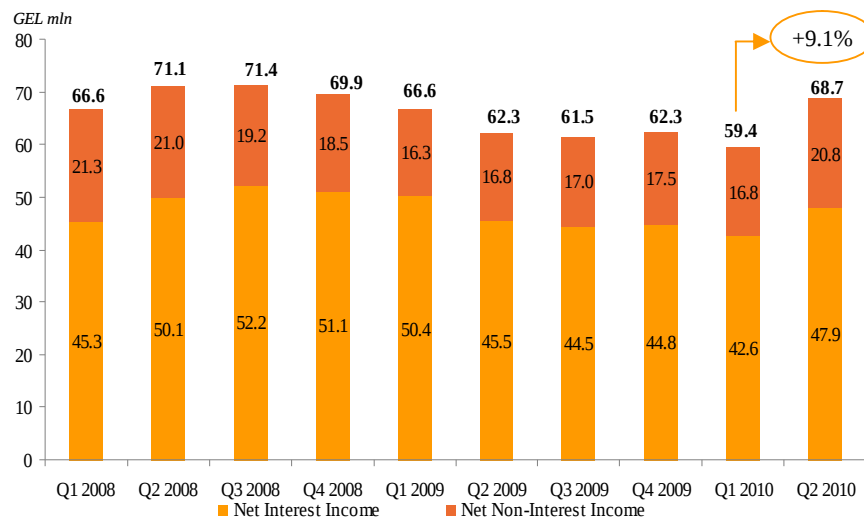
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BoG standalone results overview

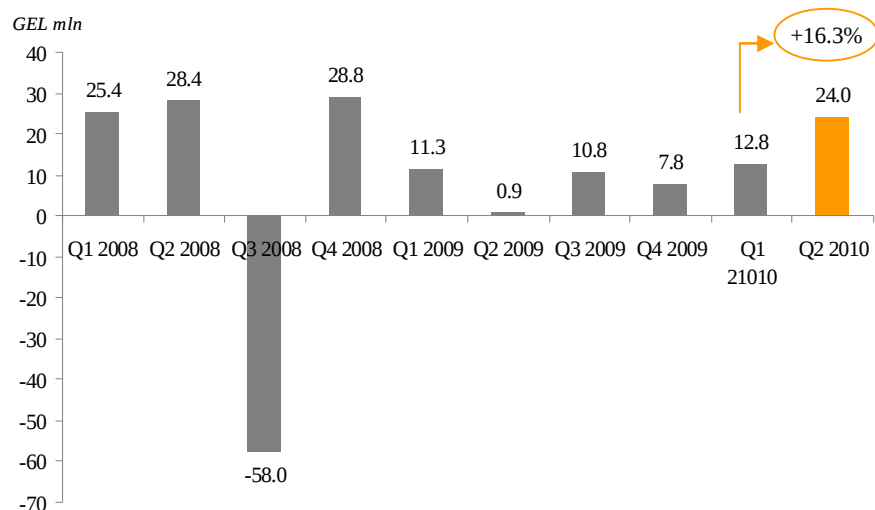
August 2010

BoG standalone performance

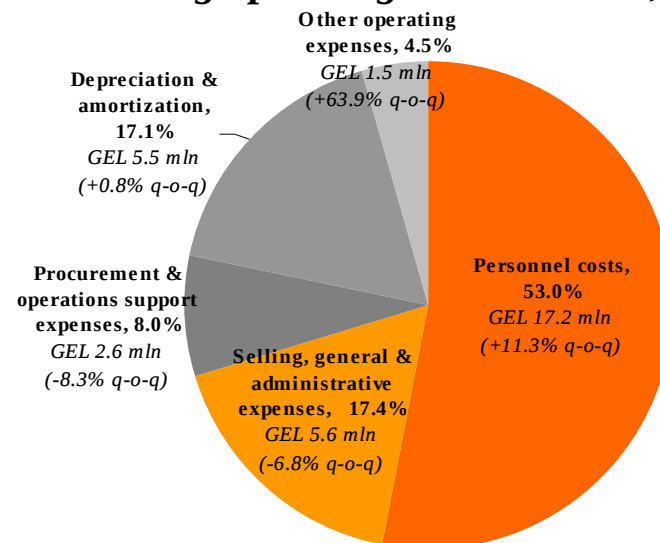
Revenue performance



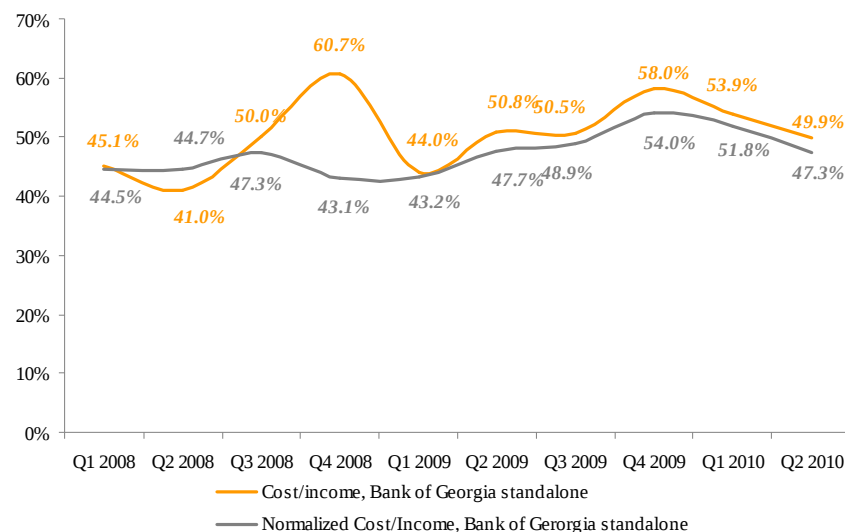
Net income



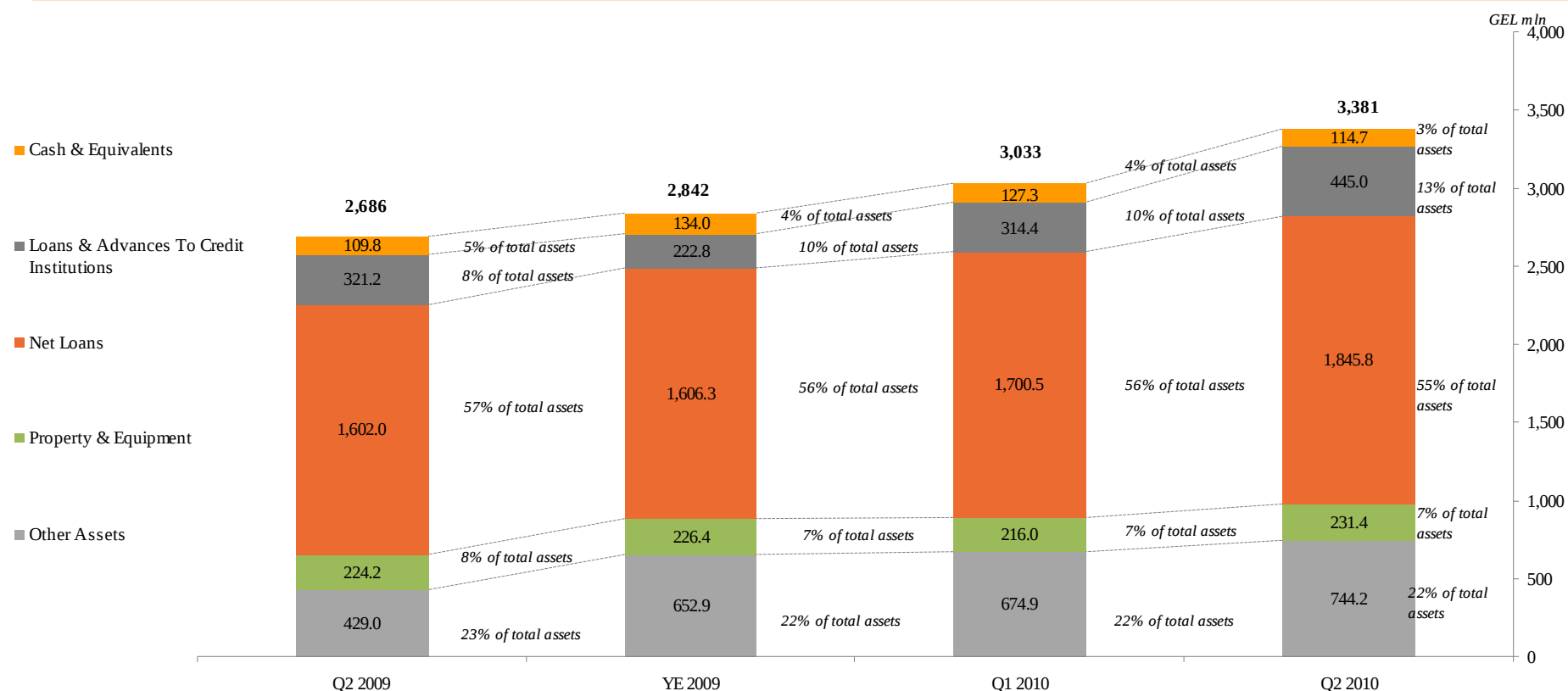
Recurring operating cost structure, Q2 2010



Cost/Income Ratio

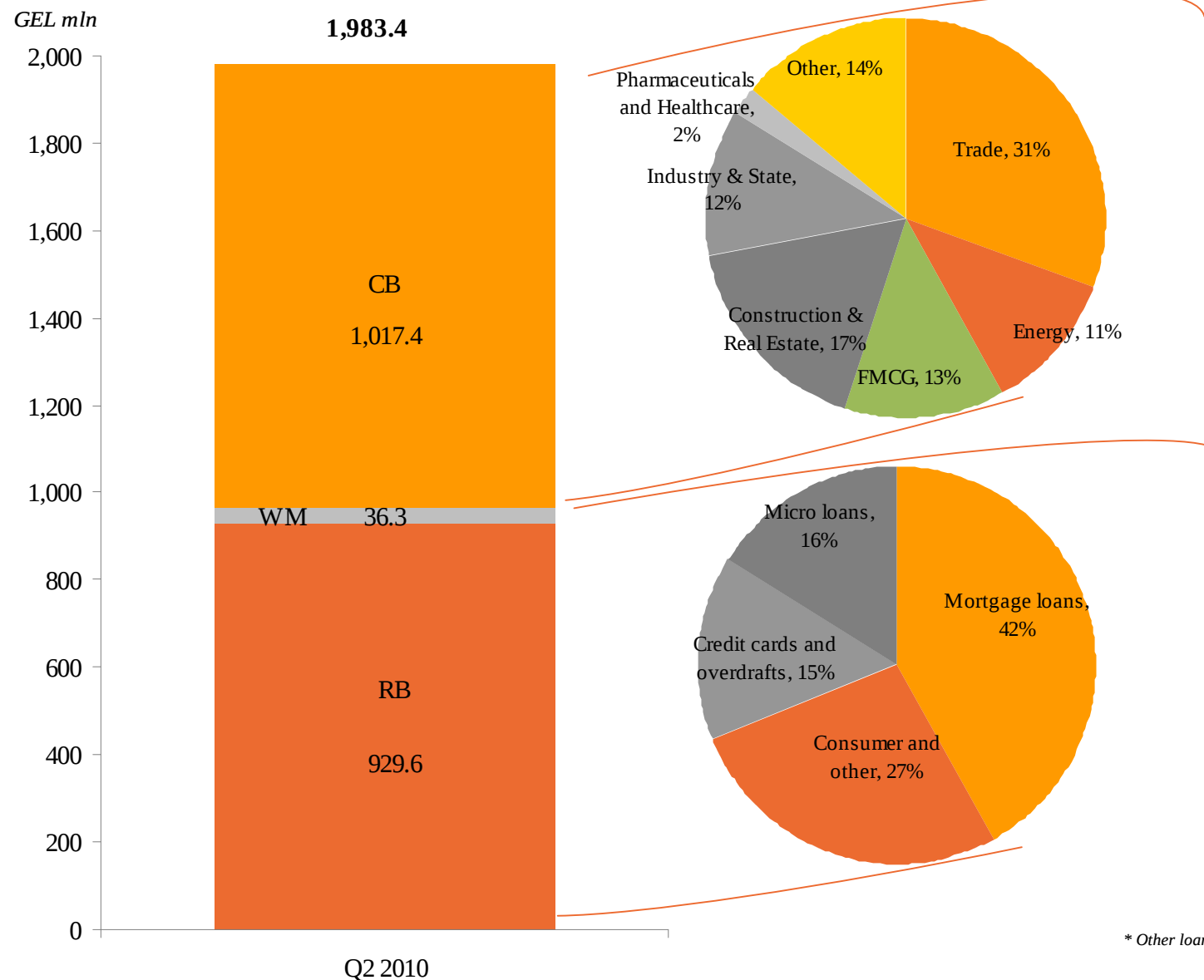


Composition of assets as at 30 June 2010



GEL million	Q2 09	YE 09	Q1 10	Q2 10
Treasuries And Equivalents	-	249.2	249.2	268.2
Other Fixed Income Instruments	57.3	-	-	-
Investments In Other Business Entities, Net and Investment Property	314.5	334.1	356.1	395.5
Intangible Assets Owned, Net	7.3	14.3	16.9	18.2
Goodwill	22.8	22.8	22.7	22.7
Tax Assets, Current And Deferred	-	6.6	6.1	6.1
Prepayments And Other Assets	27.2	25.8	23.9	33.4
Other assets	429.0	652.9	674.9	744.2

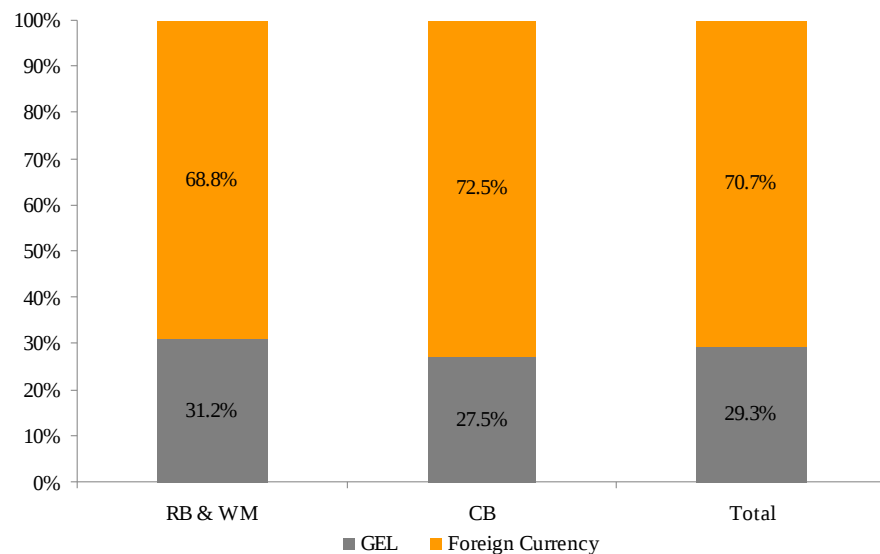
Analysis of the loan book



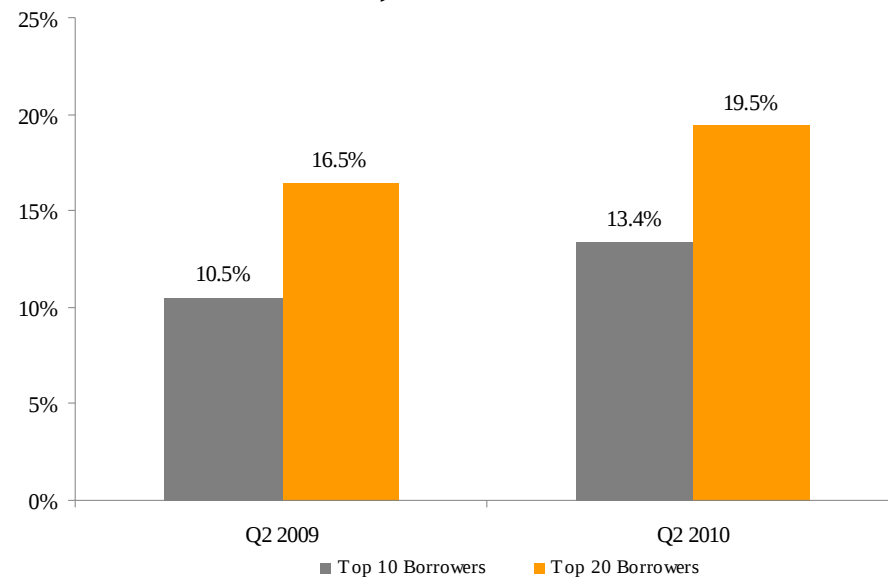
* Other loans include car, POS and legacy retail loans

Analysis of the loan book

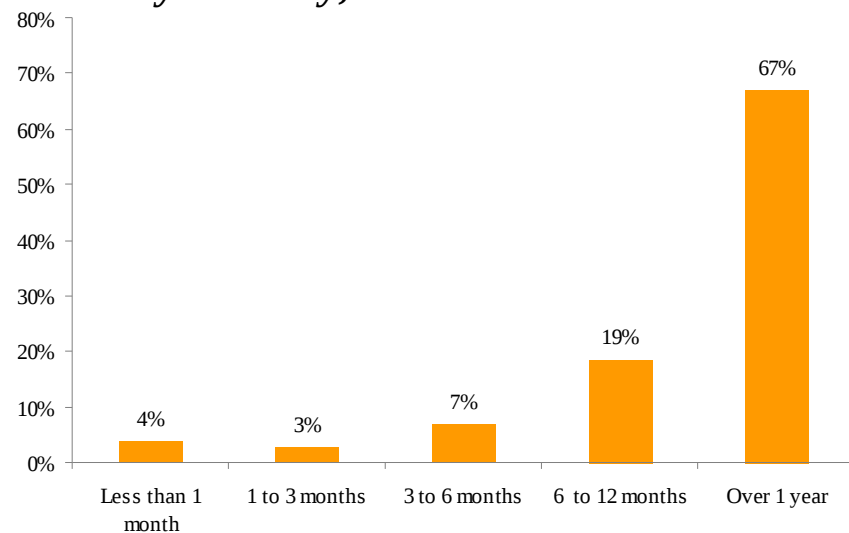
Loans by currency, 30 June 2010



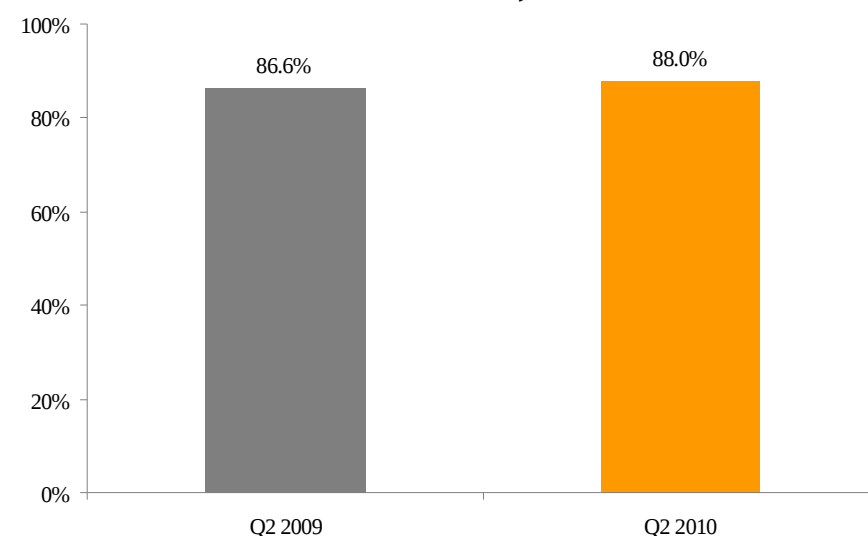
Loan concentration , 30 June 2010



Loans by maturity, 30 June 2010



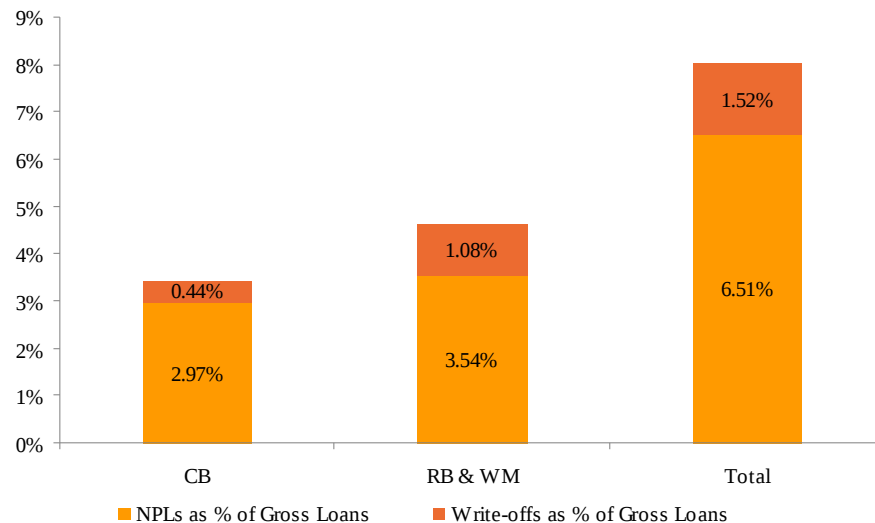
Loan book collateralization , 30 June 2010



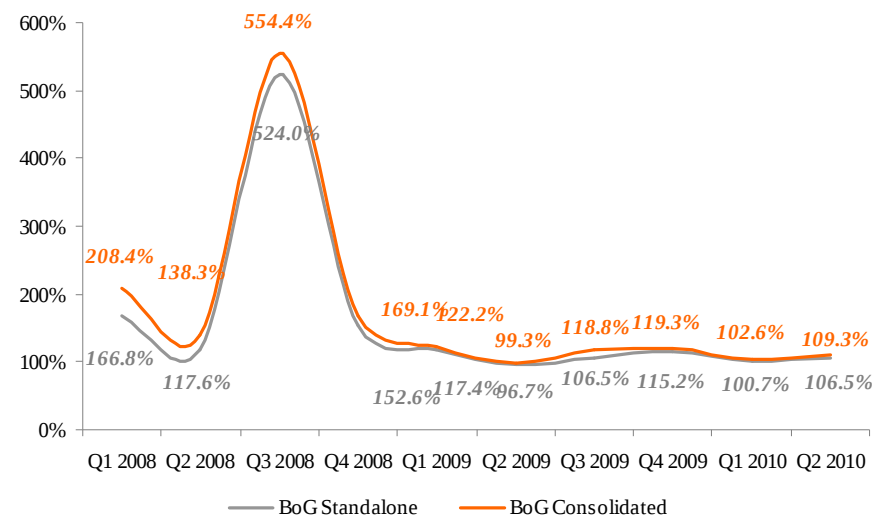
Provisioning

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

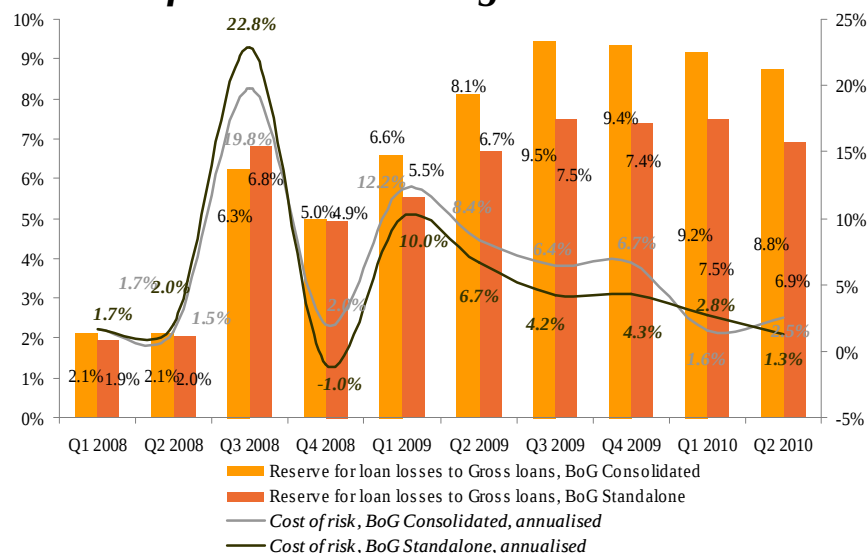
NPLs & write-offs, 30 June 2010



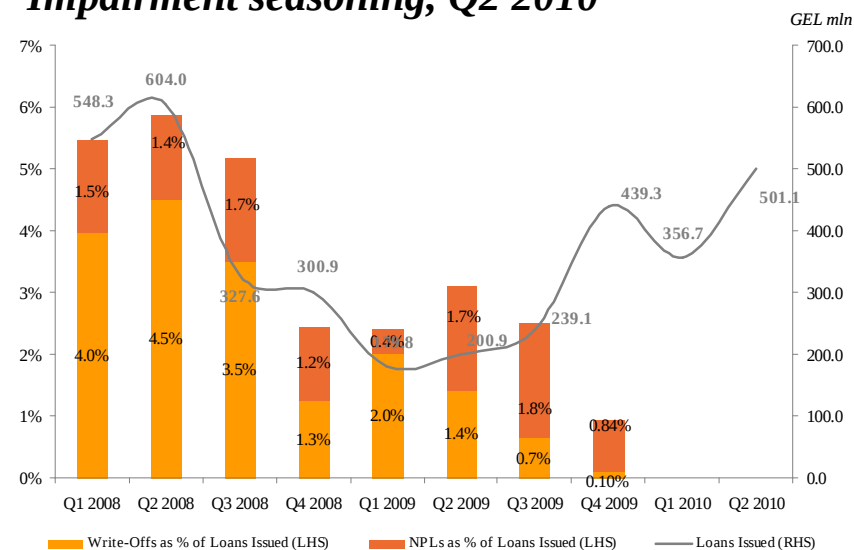
NPL coverage ratio



Reserve for loan losses to gross loans

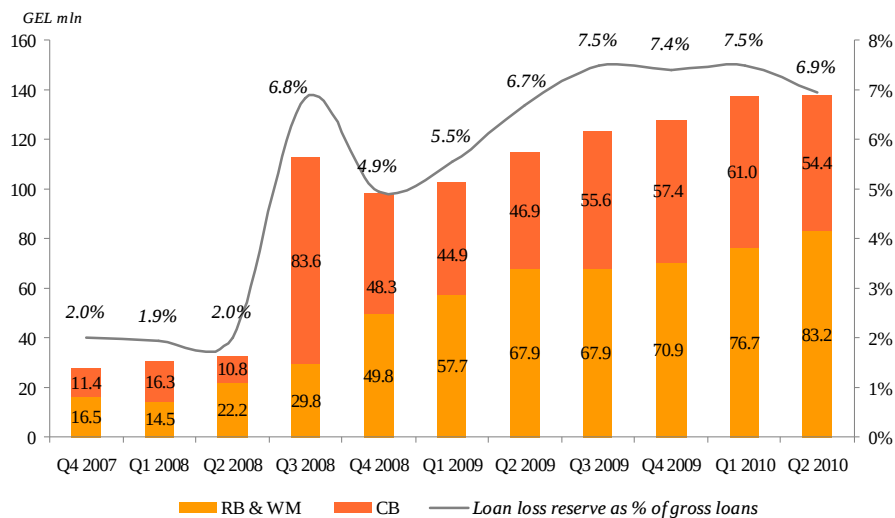


Impairment seasoning, Q2 2010

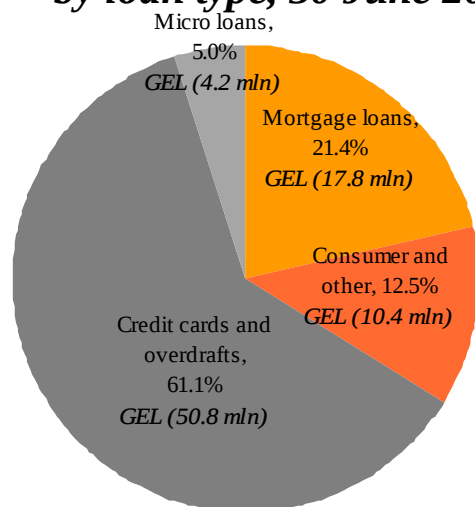


Provisioning cont'd – BoG standalone

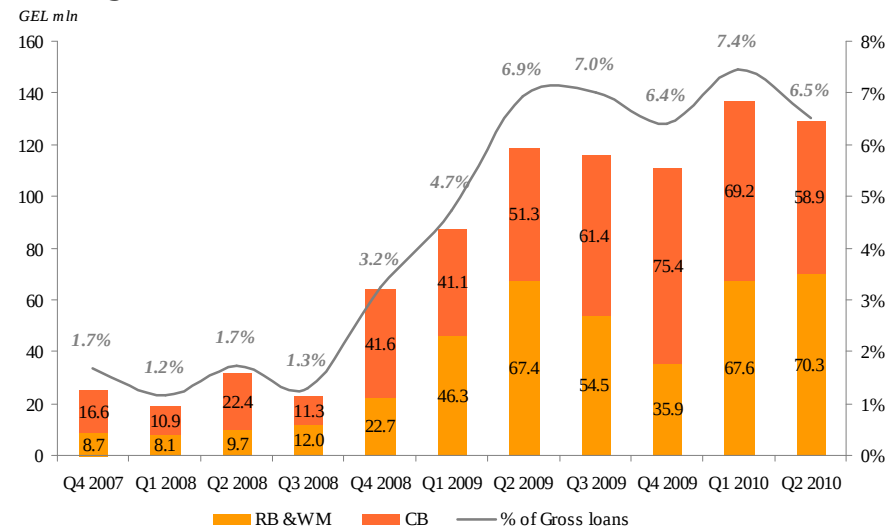
Loan loss reserve



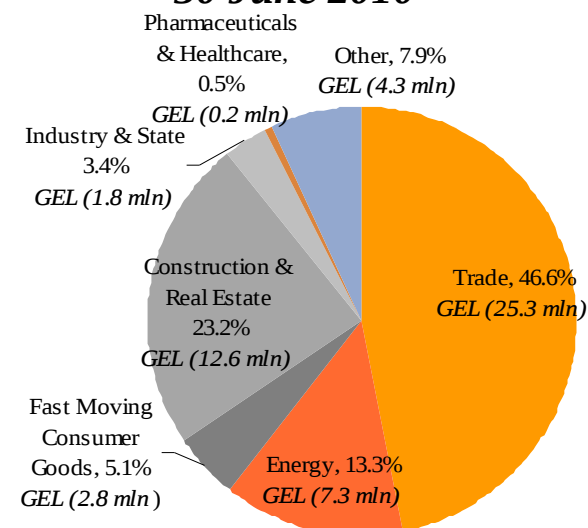
RB & WM loan loss reserve breakdown by loan type, 30 June 2010



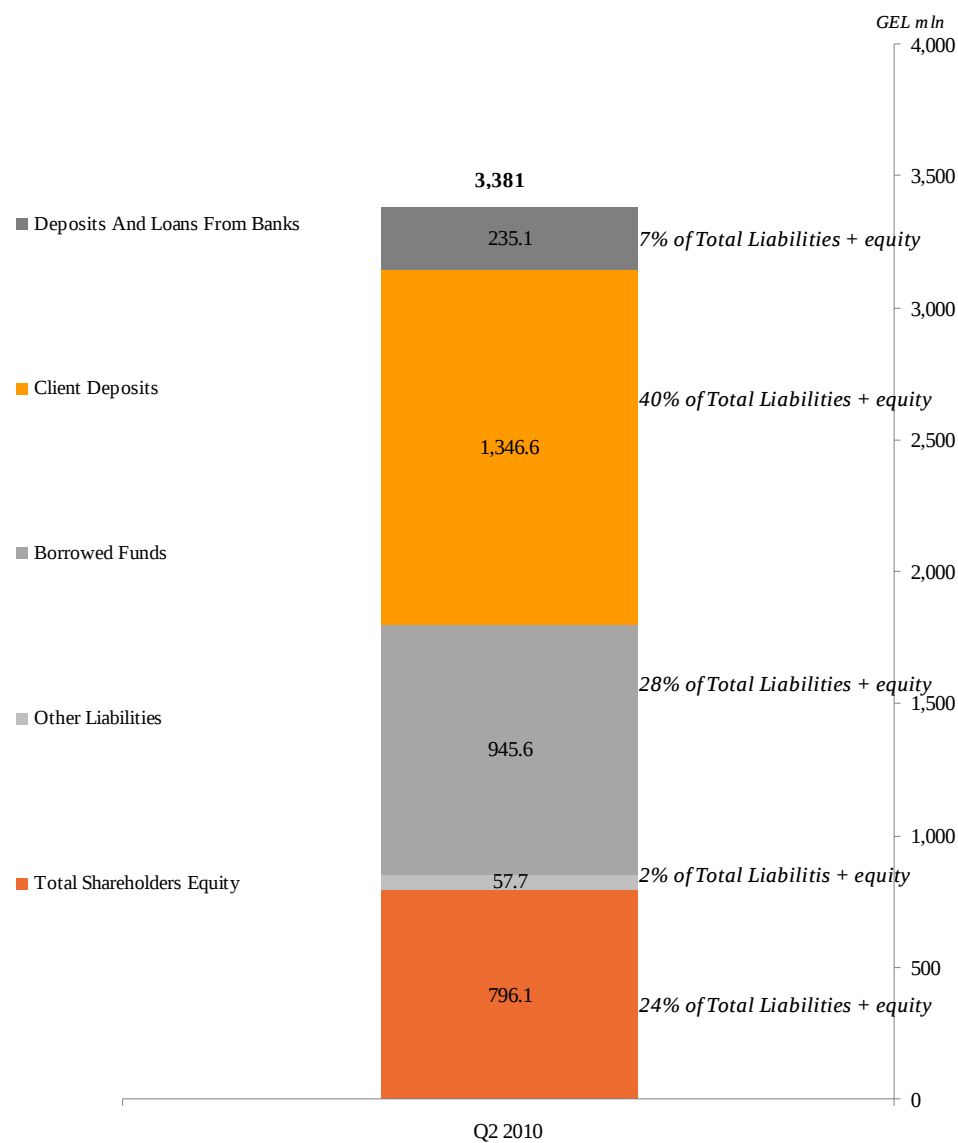
NPLs



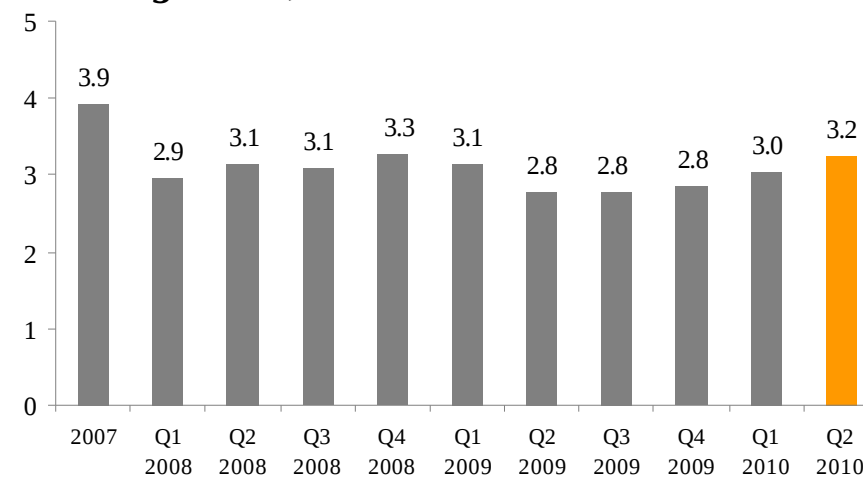
CB loan loss reserve breakdown by loan type, 30 June 2010



BoG standalone liabilities

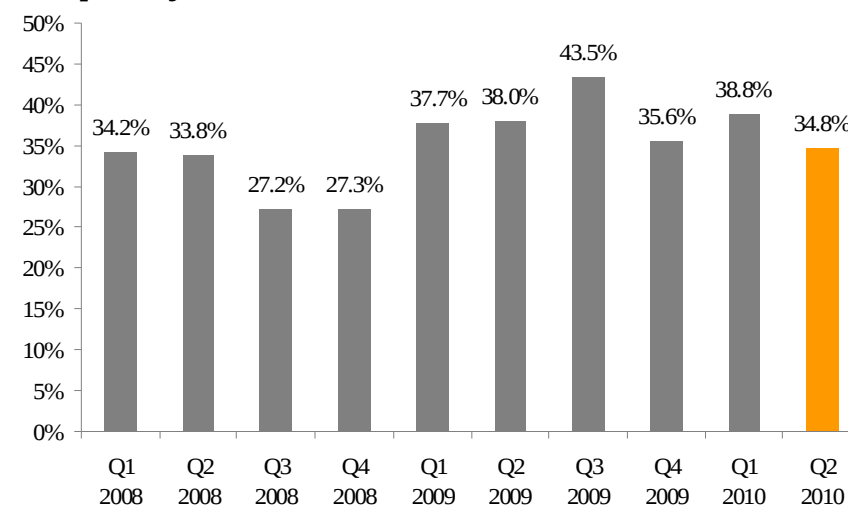


Leverage ratio, BoG standalone



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

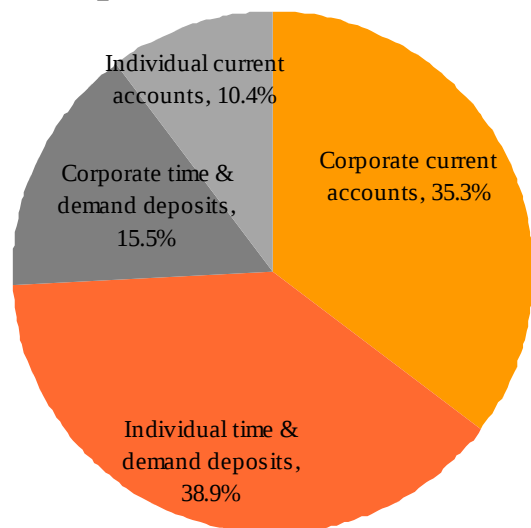
Liquidity ratio, BoG standalone



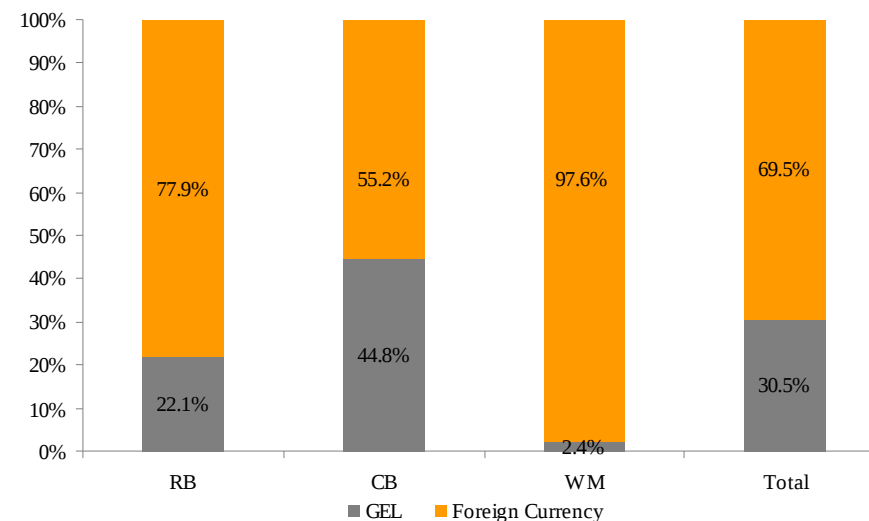
Liquidity ratio is calculated by dividing liquid assets by Total liabilities

Analysis of deposits

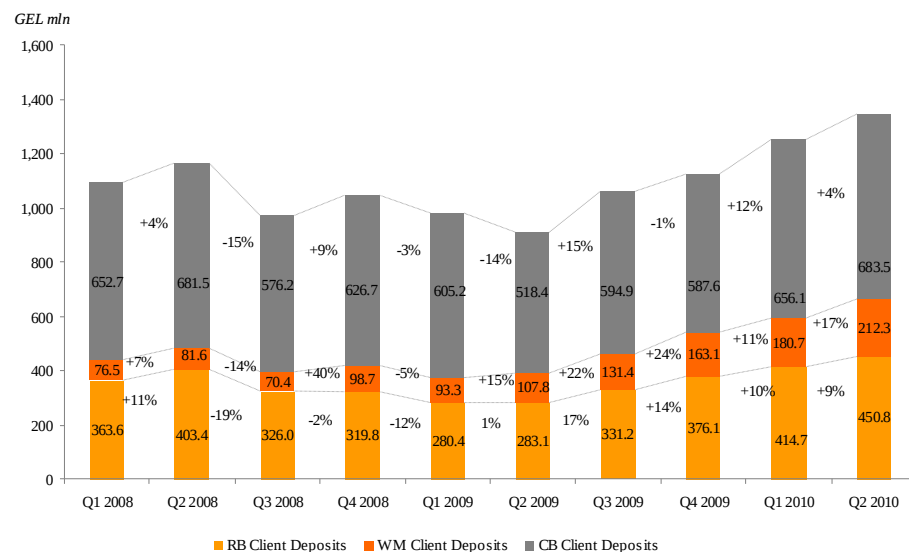
Client deposit breakdown, 30 June 2010



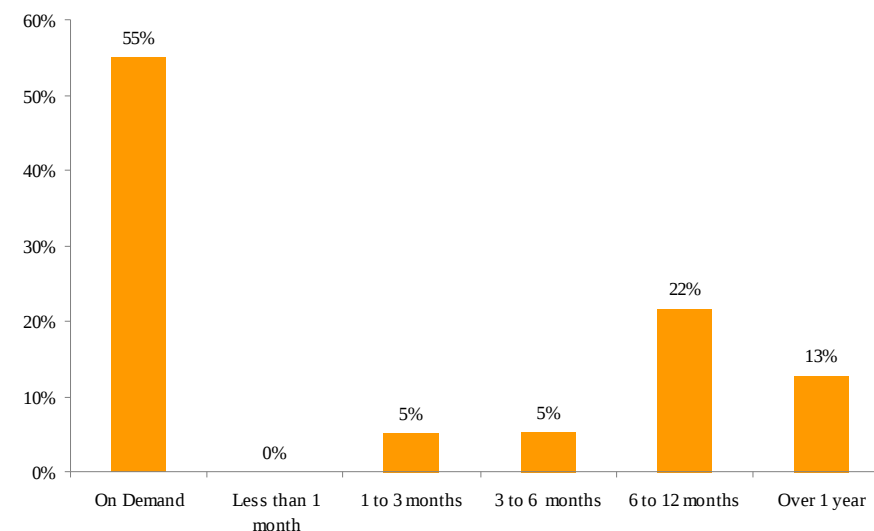
Client deposits by currency, 30 June 2010



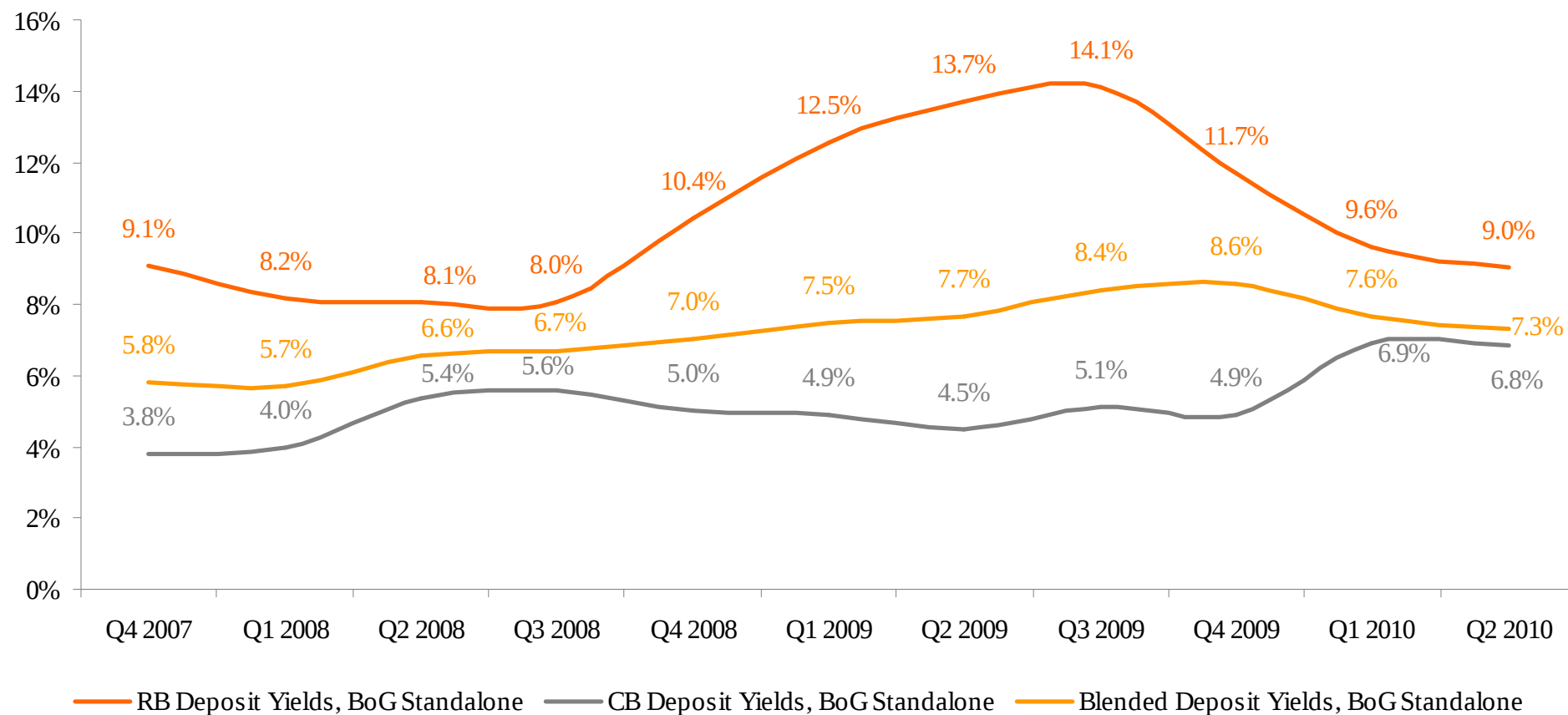
CB, RB & WM deposits, BoG standalone



Deposits by maturity, 30 June 2010

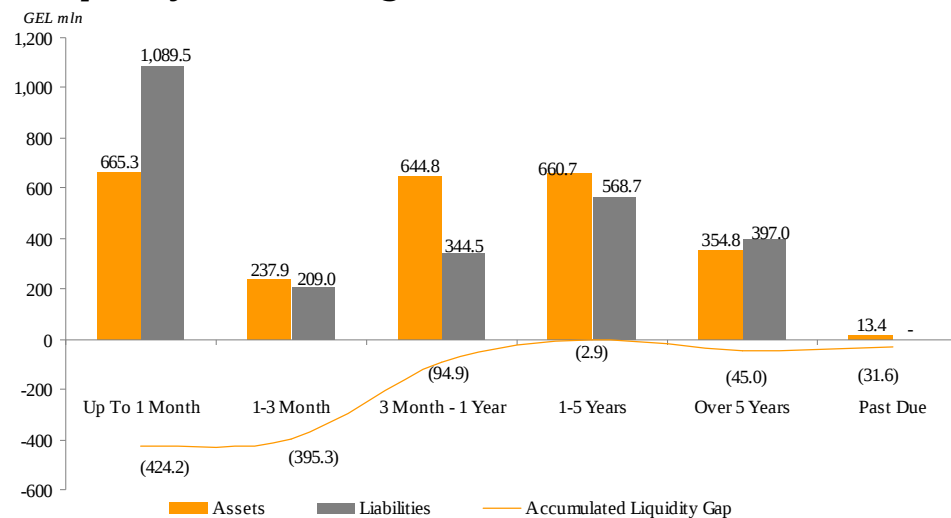


Deposit yields

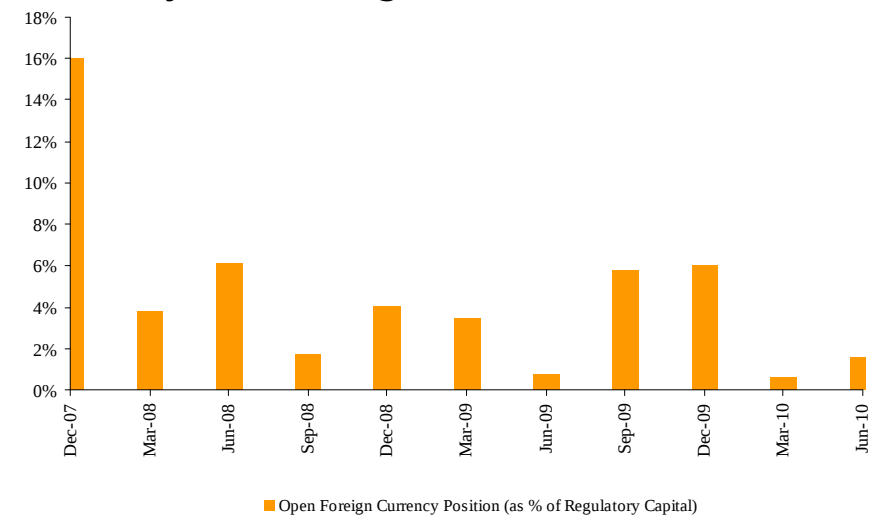


Risk management

Liquidity risk management, Q2 2010



Currency risk management



Corporate banking

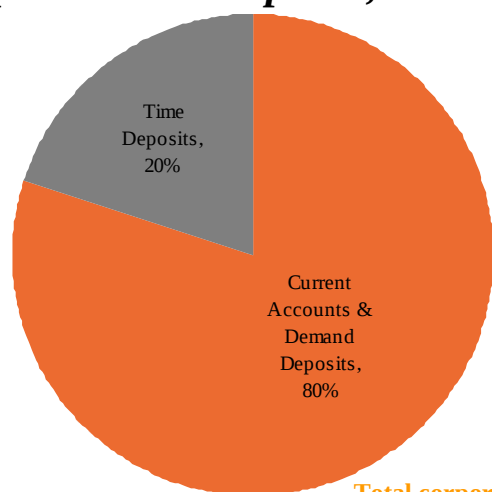
Integrated client coverage in the following key sectors

- Construction & Real Estate
- Energy
- Fast Moving Consumer Goods
- Financial Institutions
- Foreign Organizations & Diplomatic Missions
- Pharmaceuticals & Healthcare
- Retail & Wholesale Trade
- State & Industry
- Telecommunications, Media & Technology
- Transport & Logistics
- SME

Overview

- No.1 corporate bank in Georgia
- Circa 37.9% market share based on customer deposits⁽¹⁾
- Circa 29.6% market share based on corporate loans⁽²⁾
- Integrated client coverage in key sectors
- 88,000+ clients of which 9,330 served by dedicated relationship bankers
- Circa 47% market share in trade finance and documentary operations⁽²⁾
- Second largest leasing company in Georgia⁽²⁾ – Georgian Leasing Company (GLC)
- Increased the number of corporate clients using the Bank's payroll services from 1,475 in Q1 2010 to 1,567 in Q2 2010
- Approximately 5,000 corporate accounts were opened at the bank in Q2 2010, bringing the total number of current accounts to 164,818

Corporate client deposits, 30 June 2010



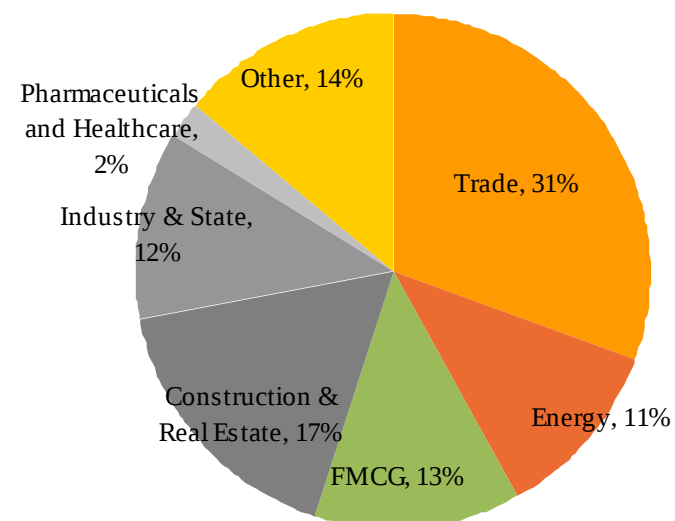
Notes:

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

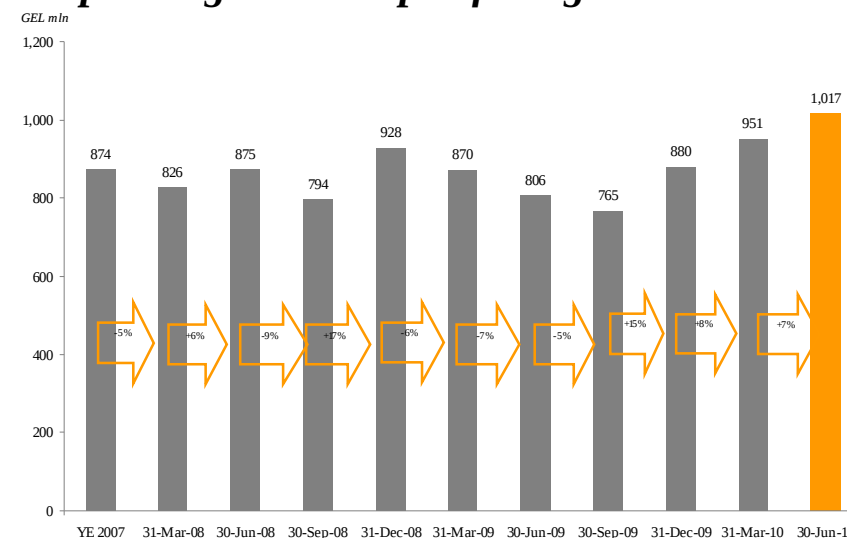
(2) Management estimates (based on the NBG data)

Total corporate deposits: GEL 683.5 mln

Corporate loan portfolio, 30 June 2010

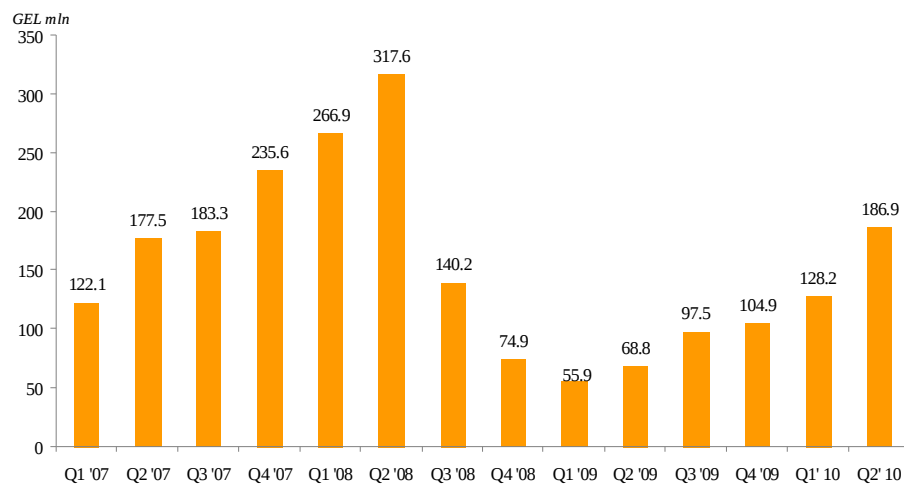


Corporate gross loan portfolio growth



Retail Banking – No. 1 retail bank in Georgia

Retail loans originated

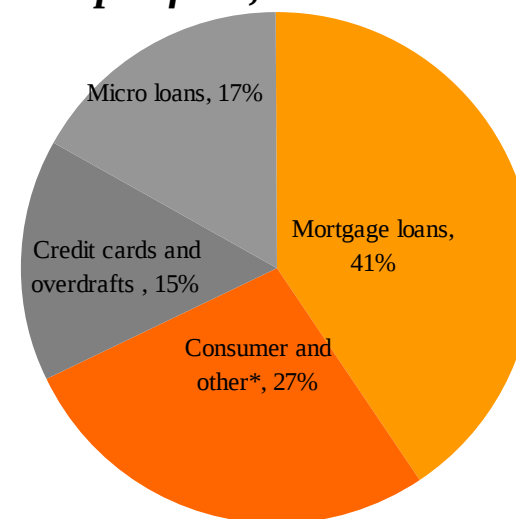


Leadership in consumer lending

Q2 2009 Q1 2010 Q2 2010

Number of consumer loans outstanding	56,462	50,335	52,423
• Volume of consumer loans outstanding (GEL mln)	130.1	116.7	130.9
• Credit Cards Outstanding, of which	97,308	78,361	74,510
\$ American Express cards	0	6,400	19,603
• Number of Solo clients outstanding, (premier banking)	0	490	1,043

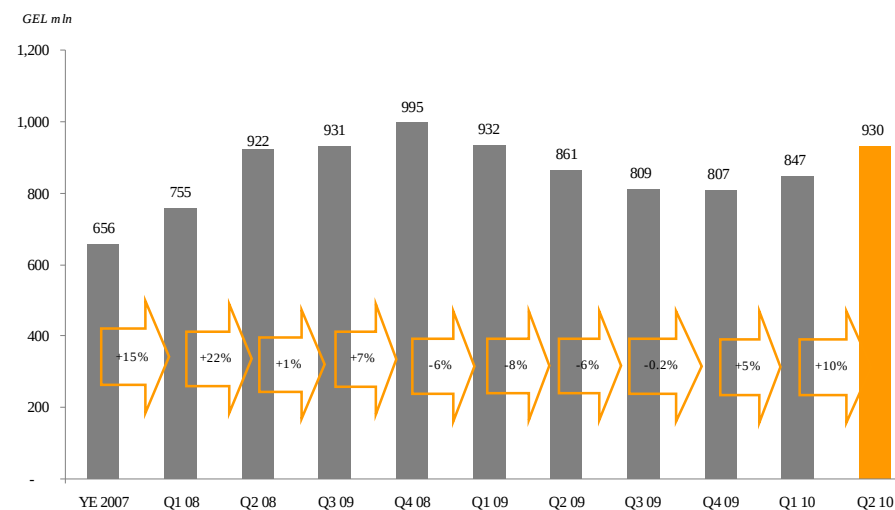
RB loan portfolio, 30 June 2010



Total retail loans: GEL 929.6 mln

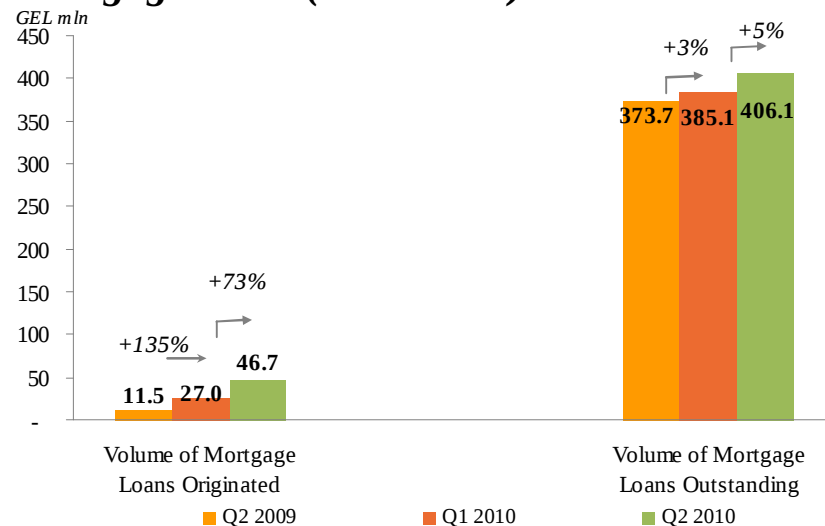
Note: does not include Ukraine & Belarus

Retail gross loan portfolio growth

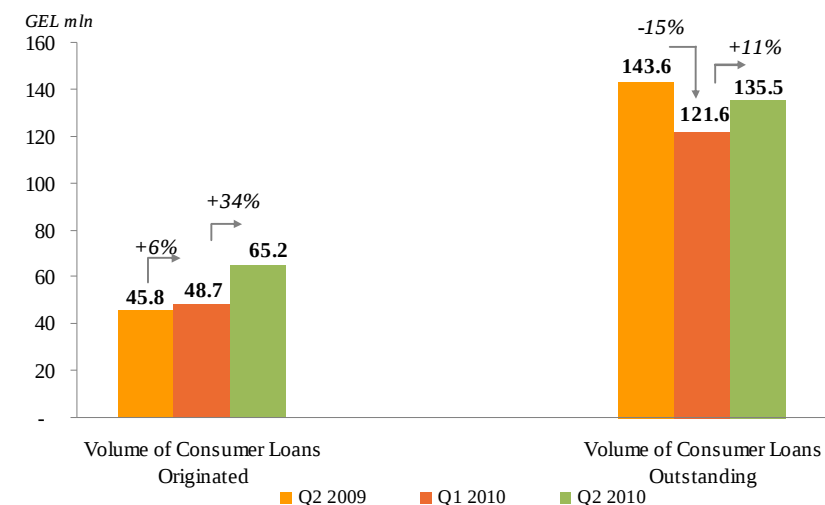


Loan origination

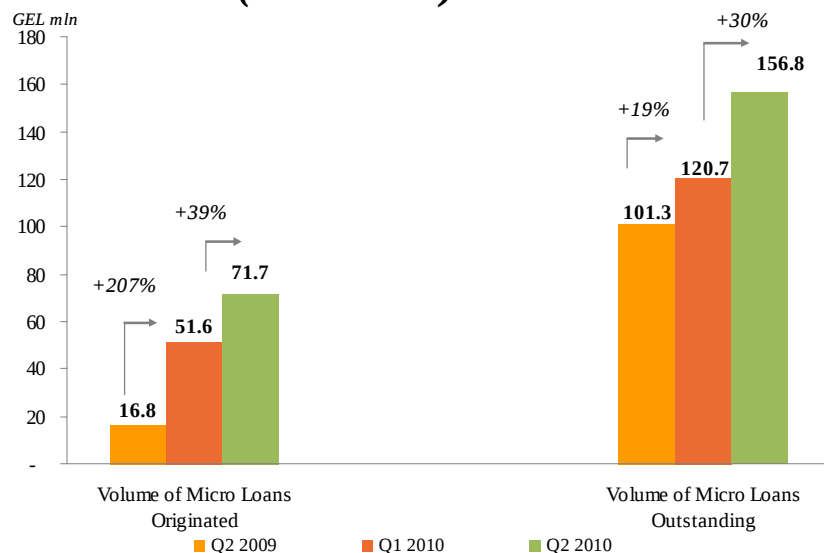
Mortgage loans (RB & WM)



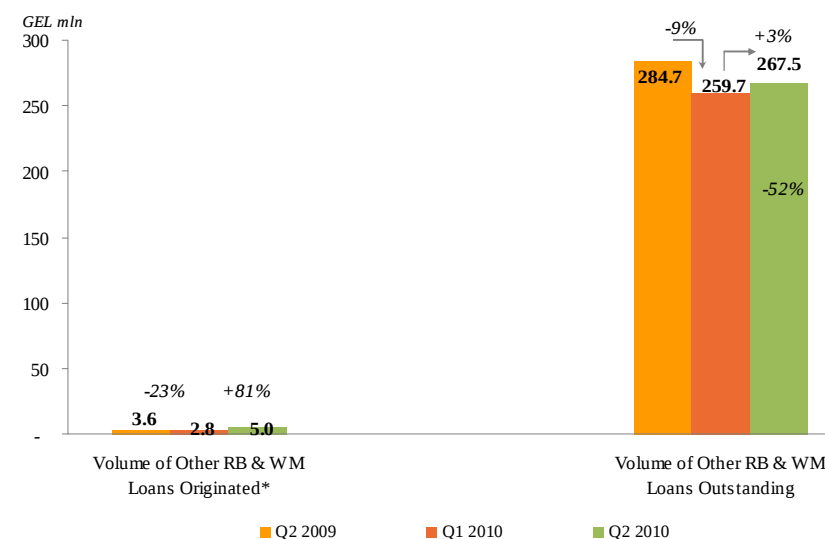
Consumer loans (RB & WM)



Micro loans (RB & WM)

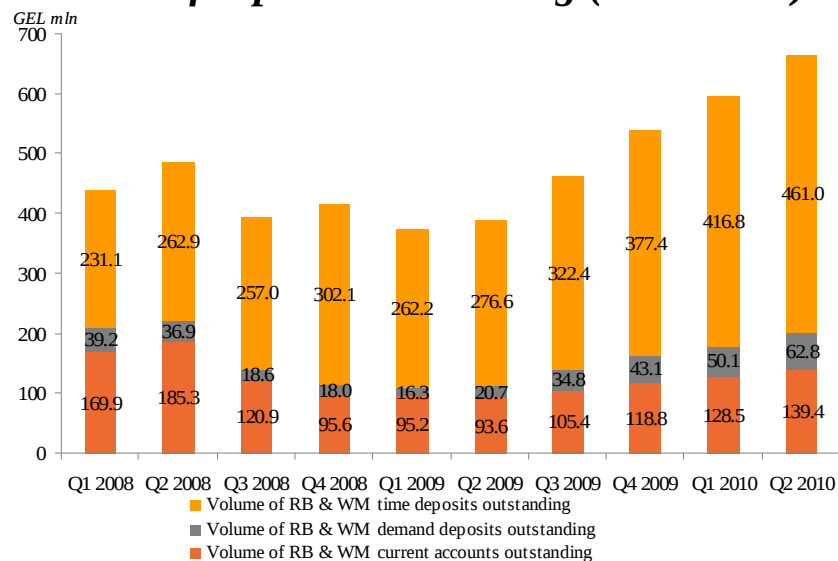


Other RB & WM loans

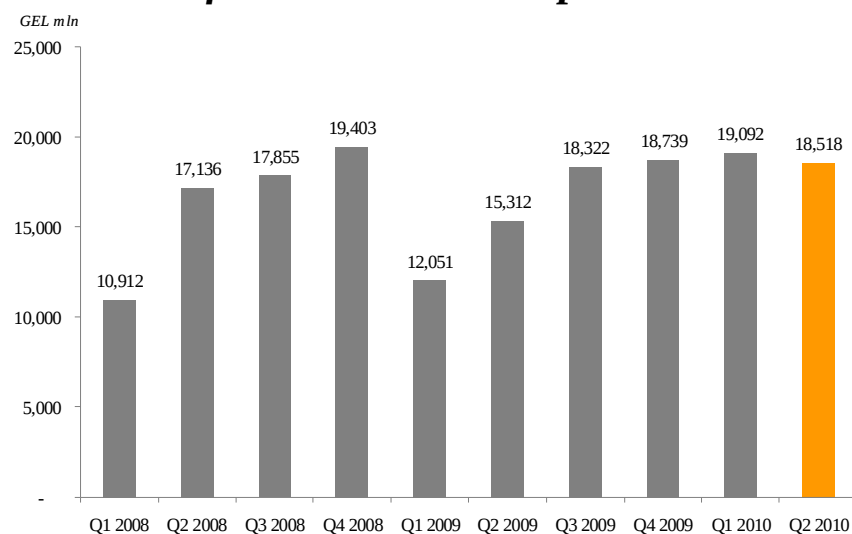


Deposit origination

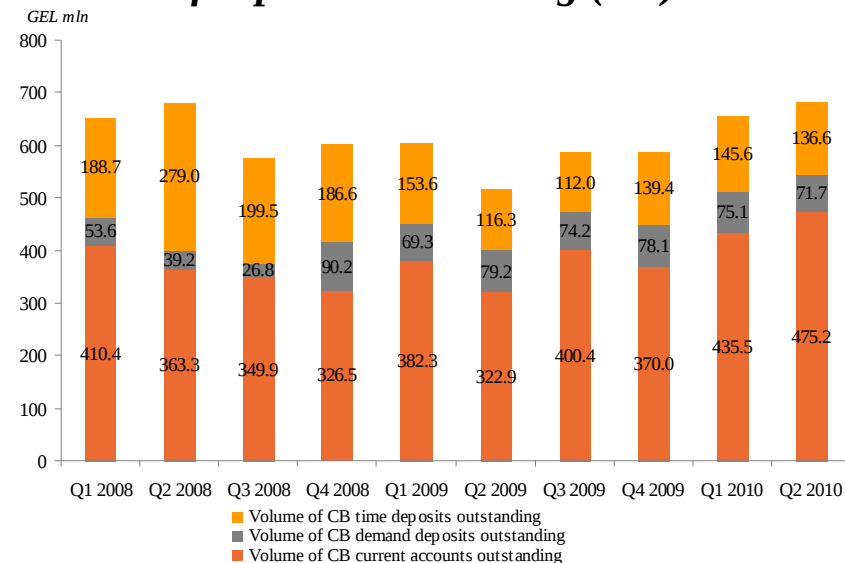
Volume of deposits outstanding (RB & WM)



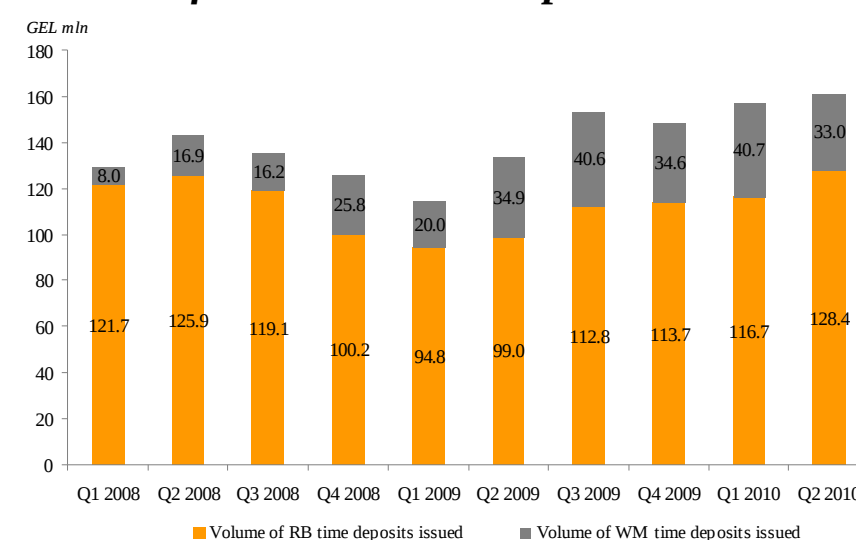
Number of RB & WM time deposits issued



Volume of deposits outstanding (CB)

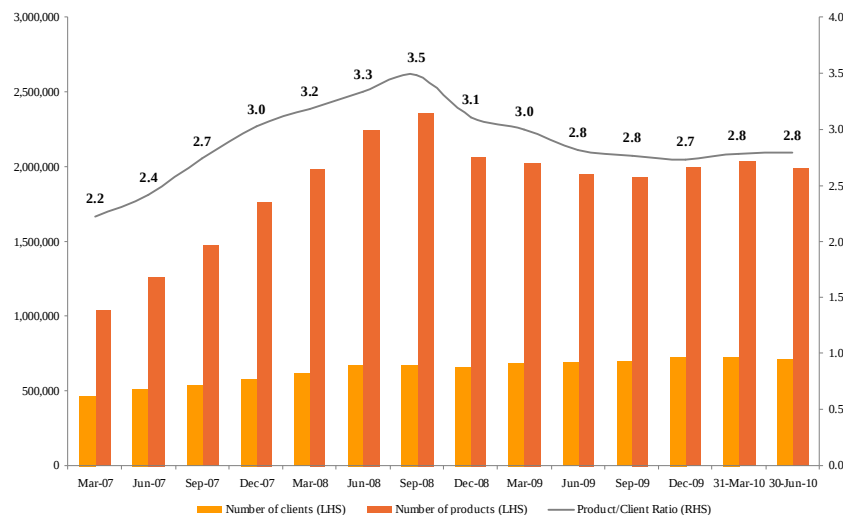


Volume of RB & WM time deposits issued

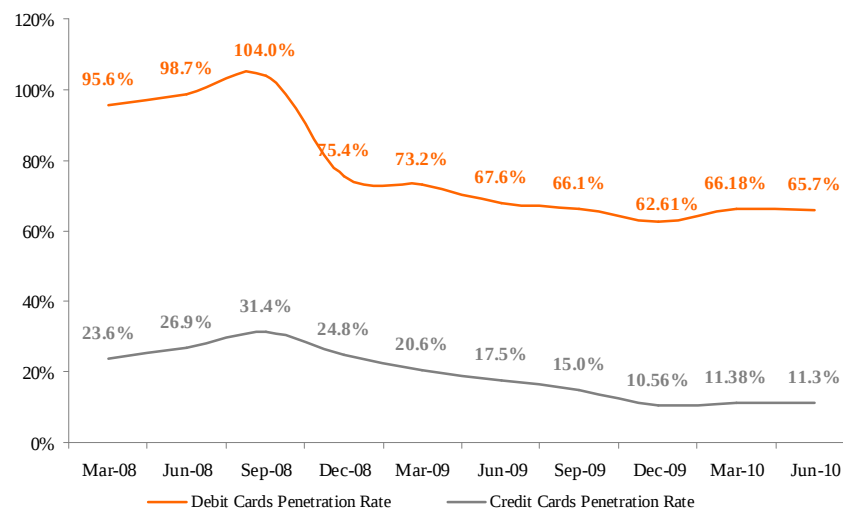


RB cross-selling

Product/client ratio

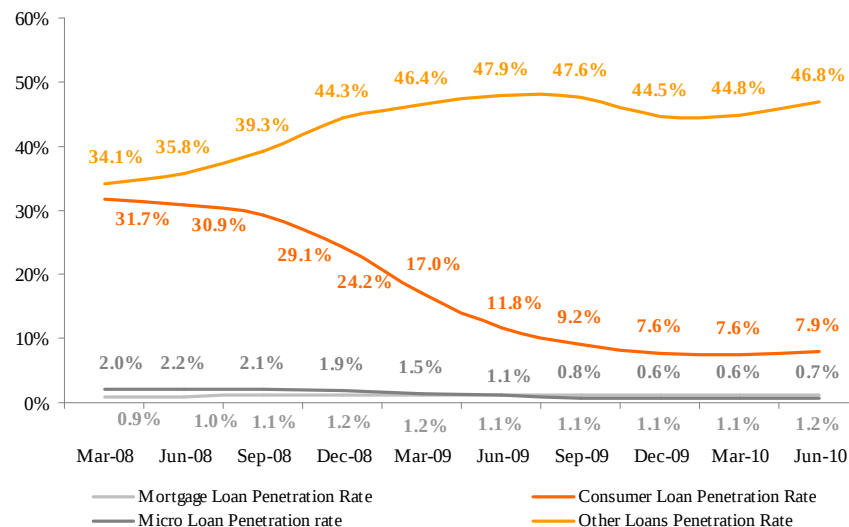


Cards penetration rate*

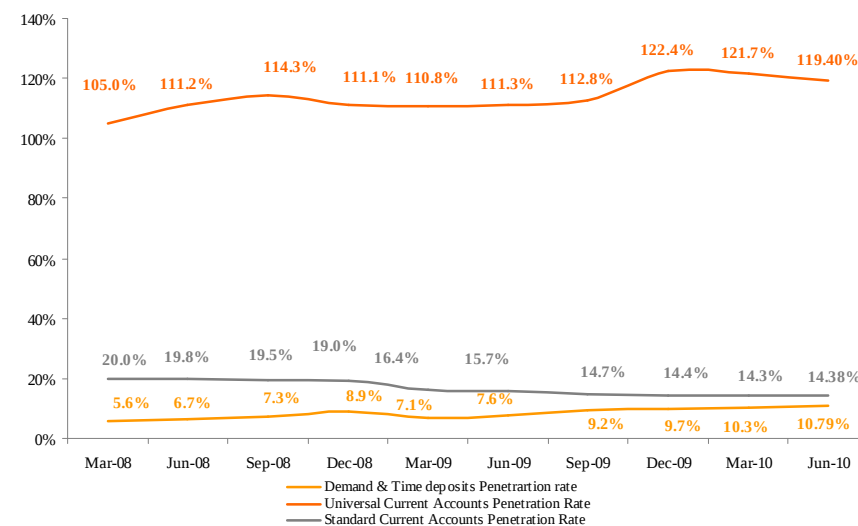


* Calculated as percentage of Bank of Georgia clients for the period

RB loans penetration rate*



Current accounts & deposits penetration rate*



Card processing

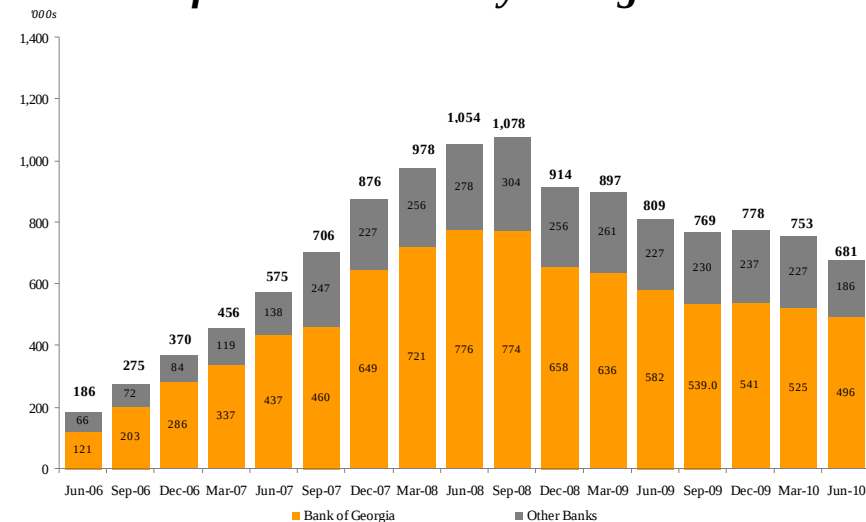


- 56% ownership of Georgian Card

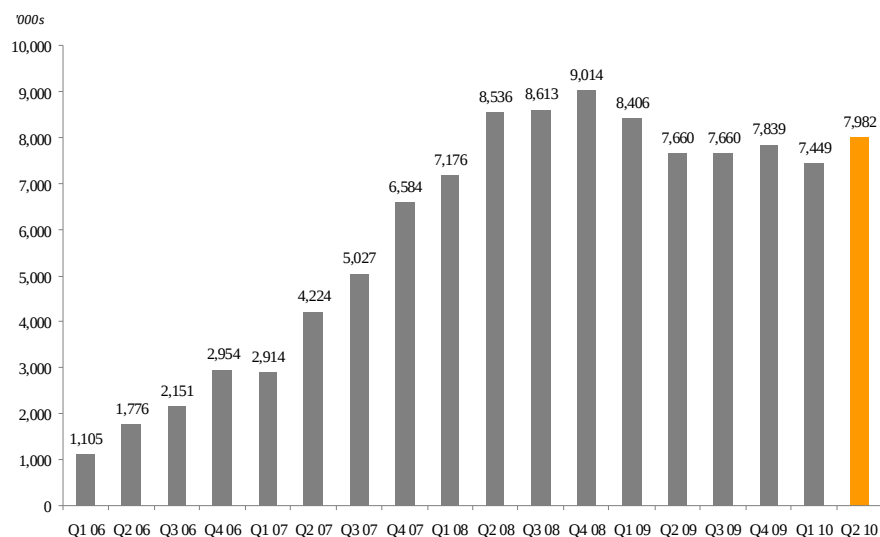
Client banks



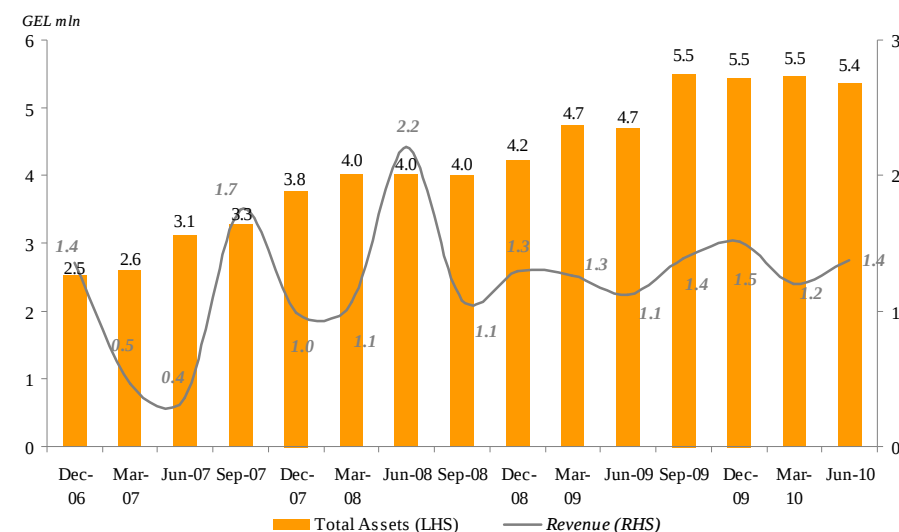
Number of cards serviced by Georgian Card



Transaction authorizations by Georgian Card

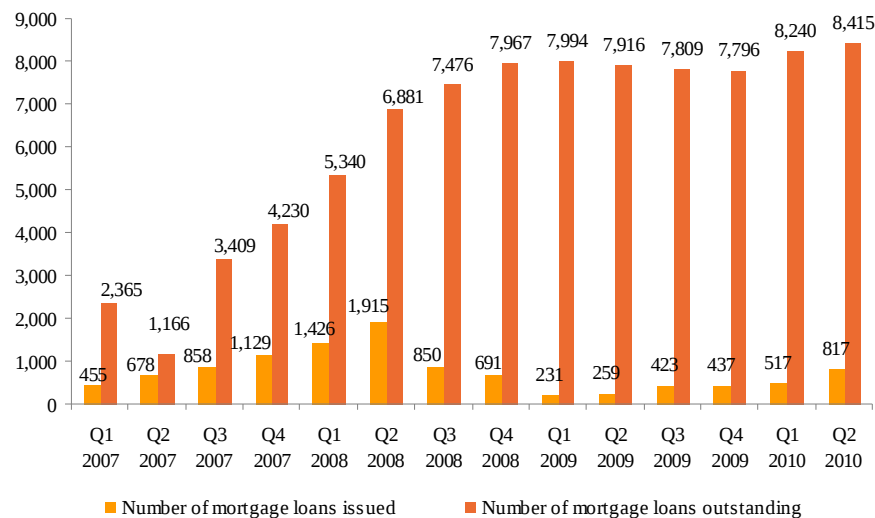


Georgian Card's revenue & assets



Analysis of mortgage portfolio

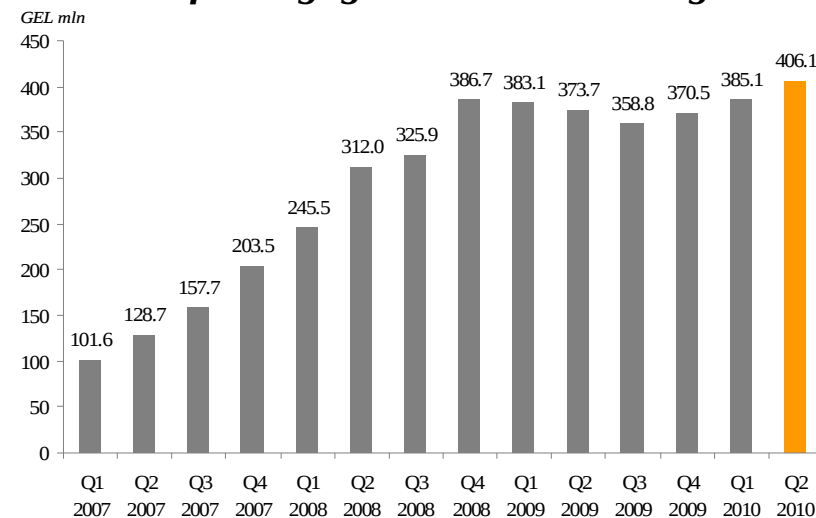
Number of mortgage loans issued & outstanding



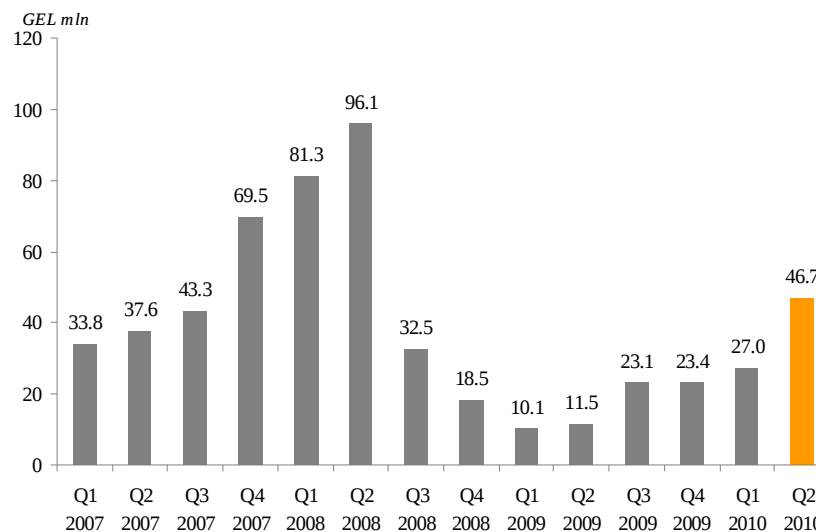
Typical mortgage terms

- 🏠 Rate: 14.0% - 19.0%
- 🏠 Tenor: Normally 10 years
- 🏠 Currency: US\$
- 🏠 LTV: Normally 70-90%

Volume of mortgage loans outstanding

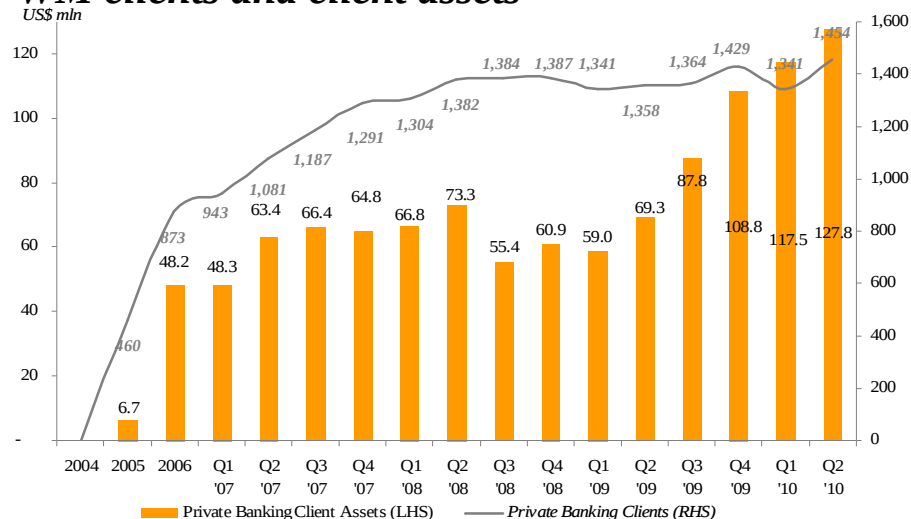


Volume of mortgage loans issued



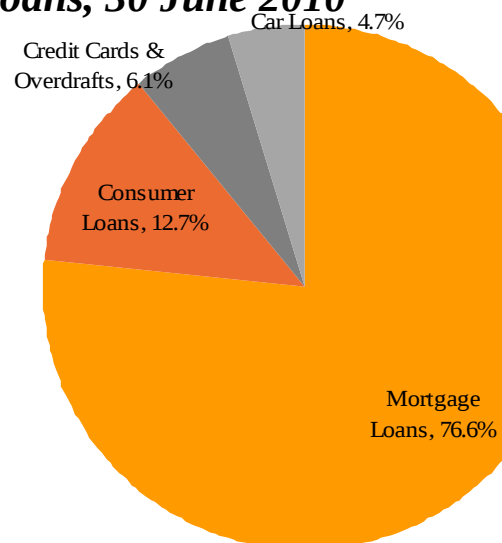
Management (WM) performance review

WM clients and client assets

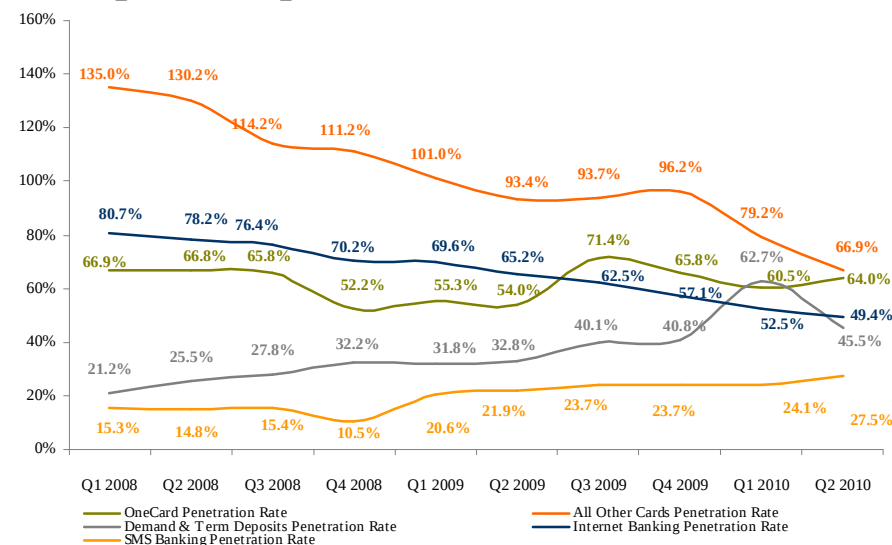


Notes: (1) Converted at exchange rates of GEL/US\$, 1.793(2005), 1.714(2006), 1.70 (Q1 2007), 1.67 (Q2 2007), 1.66 (Q3 2007), 1.59 (Q4 2007), 1.48 (Q1 2008), 1.42 (Q2 2008), 1.41 (Q3 2008), 1.67 (Q4 2008), 1.67 (Q1 2009) and 1.67 (Q2 2009) Q3 2009 (1.68) Q4 2009 (1.69) Q1 2010 (1.75) Q2 2010 (1.84)
 (2) PB Client Assets include: Balances on OneCard Accounts, Credit Balances on Other Cards, Credit Balances on Regular Current Accounts, Demand & Time Deposits, Brokerage & Asset Management Accounts, Pensions

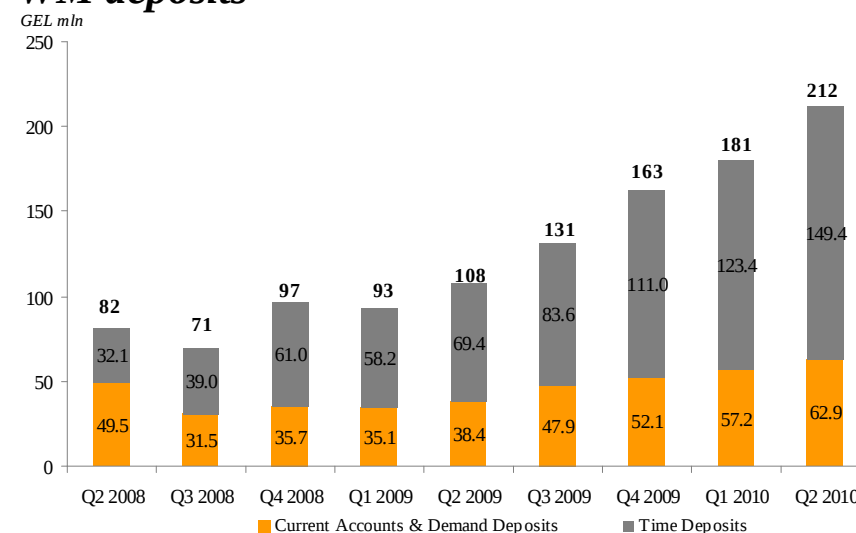
WM loans, 30 June 2010



WM products penetration



WM deposits





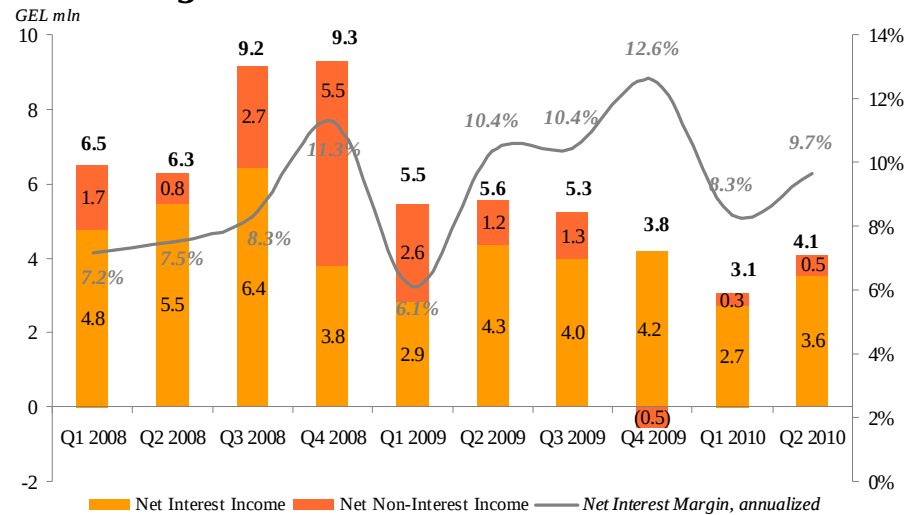
საქართველოს ბანკი
BANK OF GEORGIA

BG Bank (Ukraine) standalone results overview

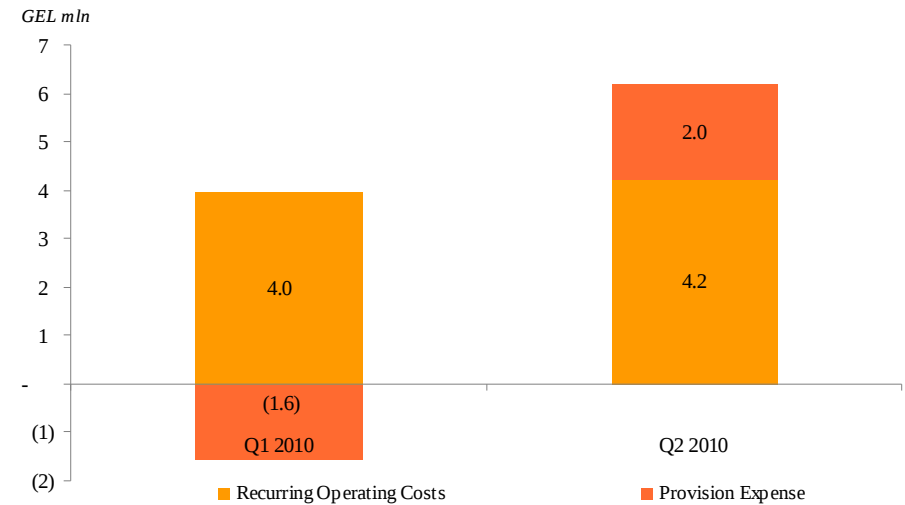
August 2010

BG Bank performance

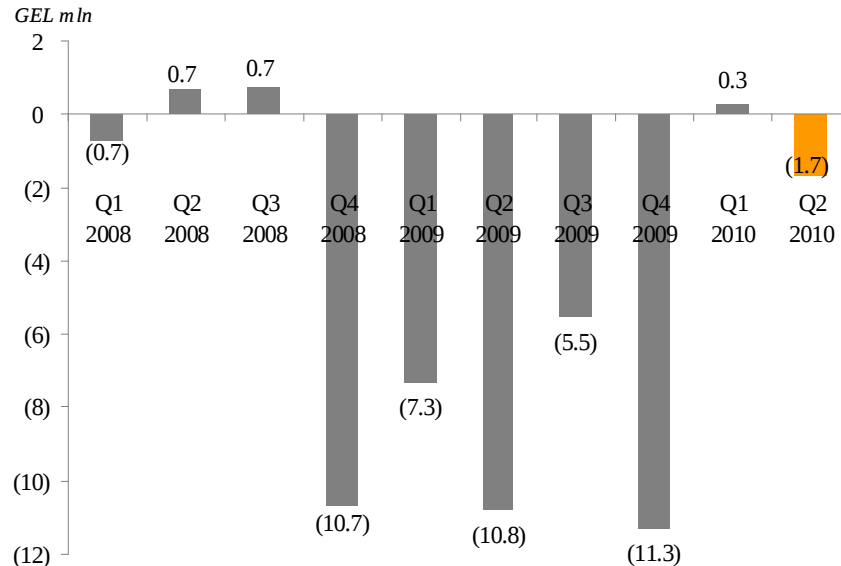
Revenue growth



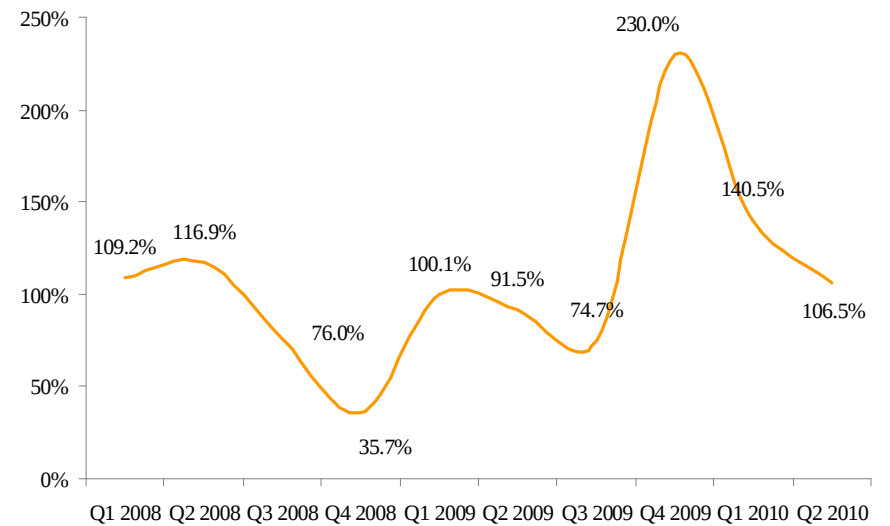
Recurring operating cost structure, Q2 2010



Net income

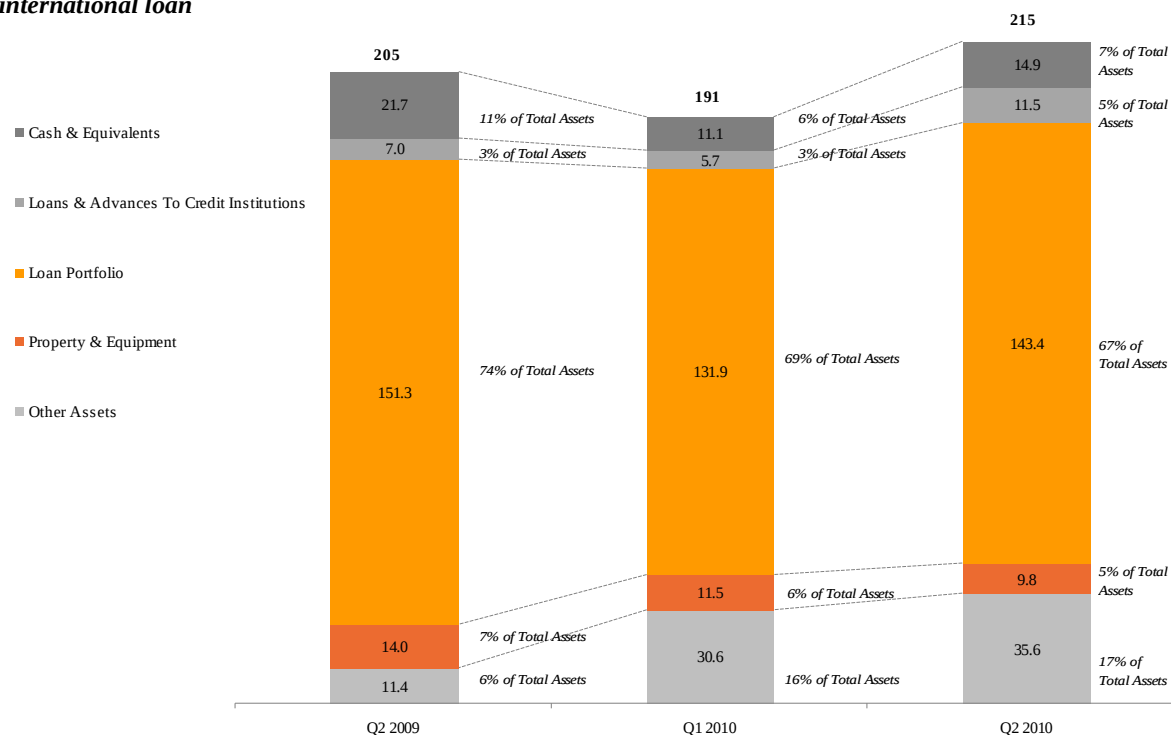


Cost/Income Ratio



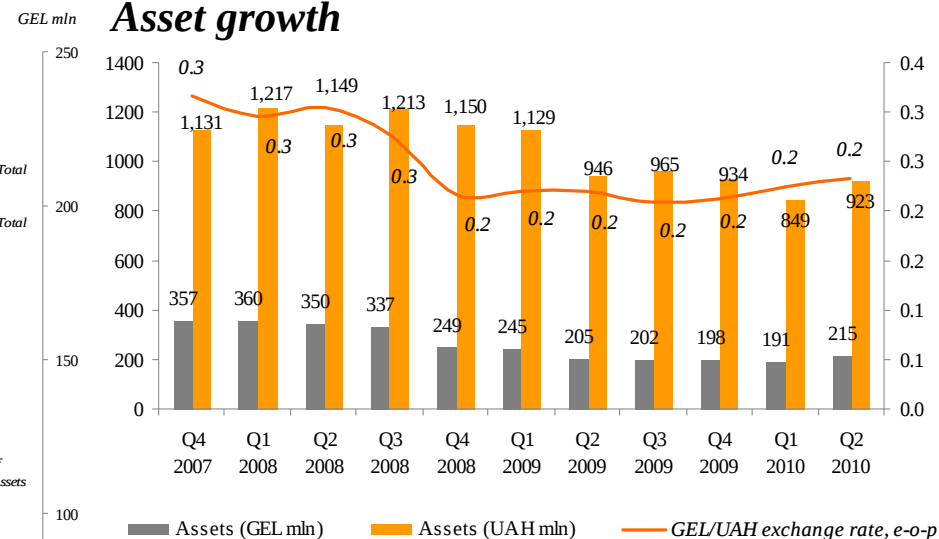
BG Bank assets as at 30 June 2010

No international loan

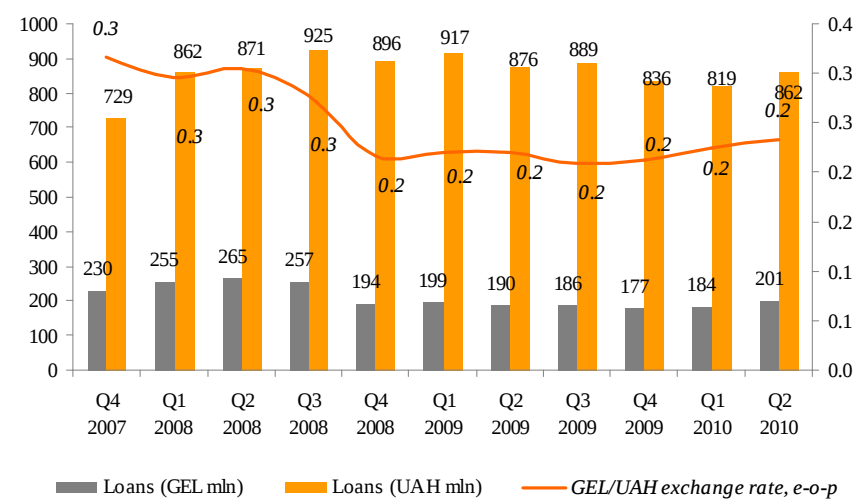


GEL million	Q2 2009	Q1 2010	Q2 2010
Available-For-Sale Securities	5.9	6.4	7.4
Investments In Other Business Entities, Net	0.0	12.2	15.6
Intangible Assets Owned, Net	0.6	0.9	0.9
Tax Assets, Current And Deferred	2.8	10.1	11.2
Prepayments And Other Assets	2.1	0.9	0.5
Other assets	11.4	30.6	35.6

Asset growth

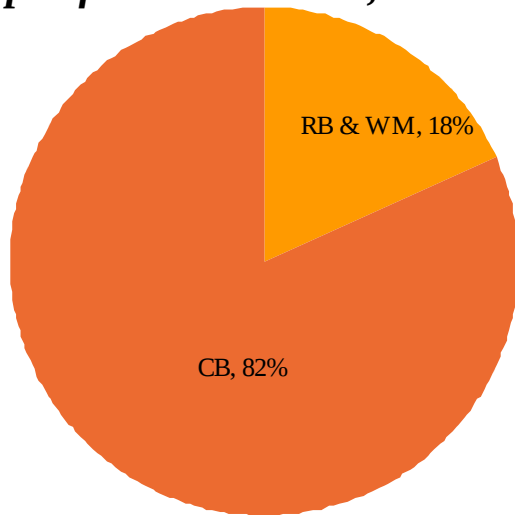


Gross loan book growth



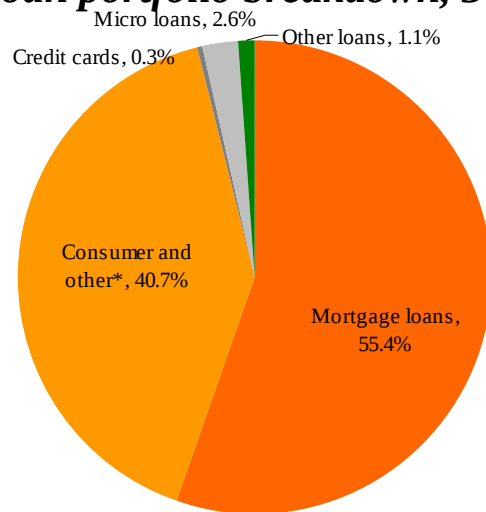
BG Bank loan portfolio

Loan portfolio breakdown, 30 June 2010



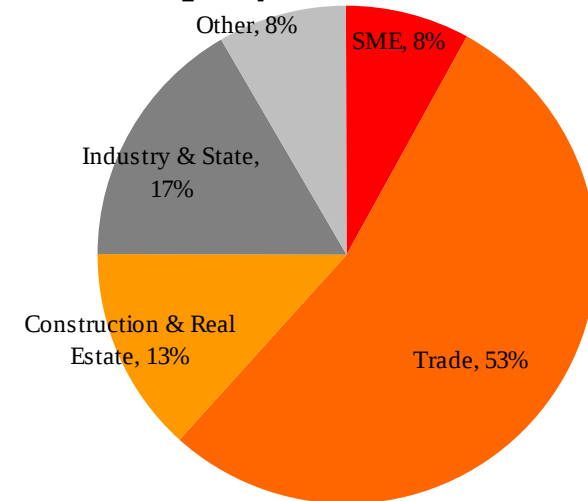
Gross loans: GEL 201 million

Retail loan portfolio breakdown, 30 June 2010



Total retail loans: GEL 37 million

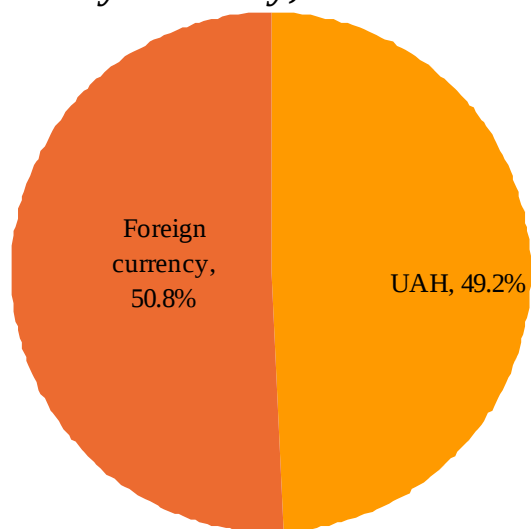
Corporate loan portfolio breakdown, 30 June 2010



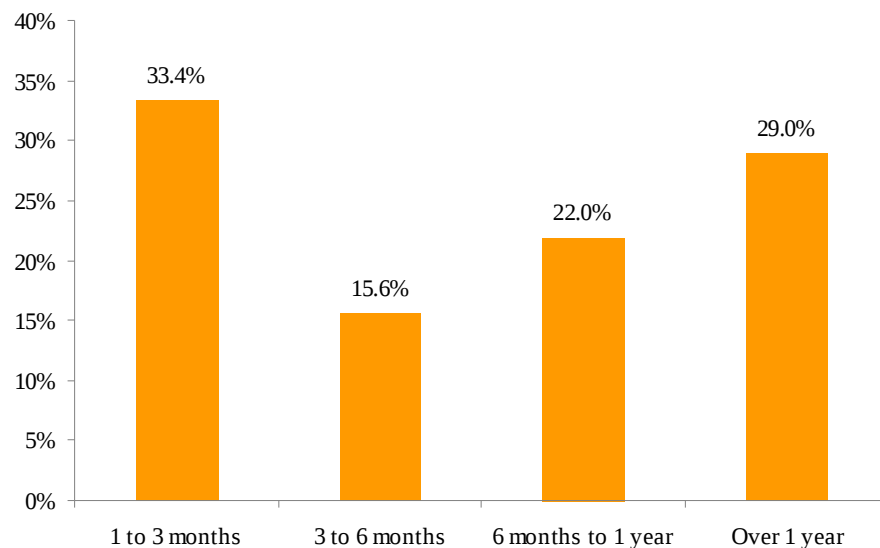
Gross corporate loans: GEL 164 million

BG Bank analysis of the loan book

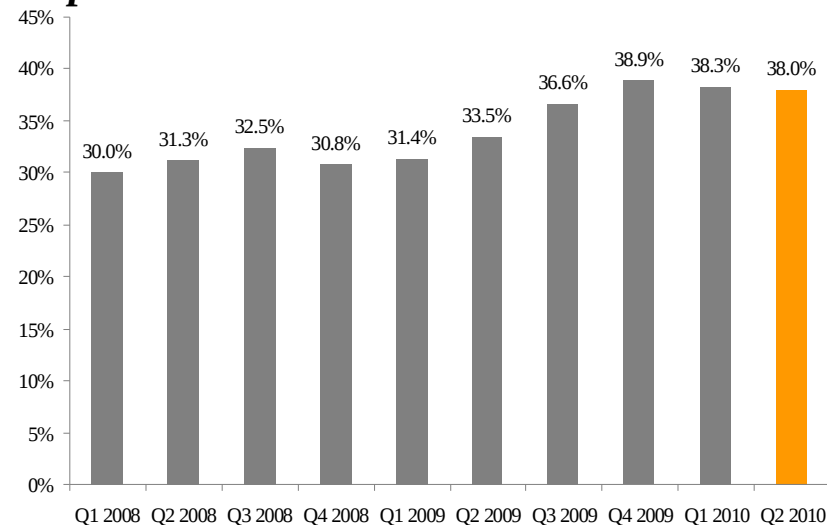
Loans by currency, 30 June 2010



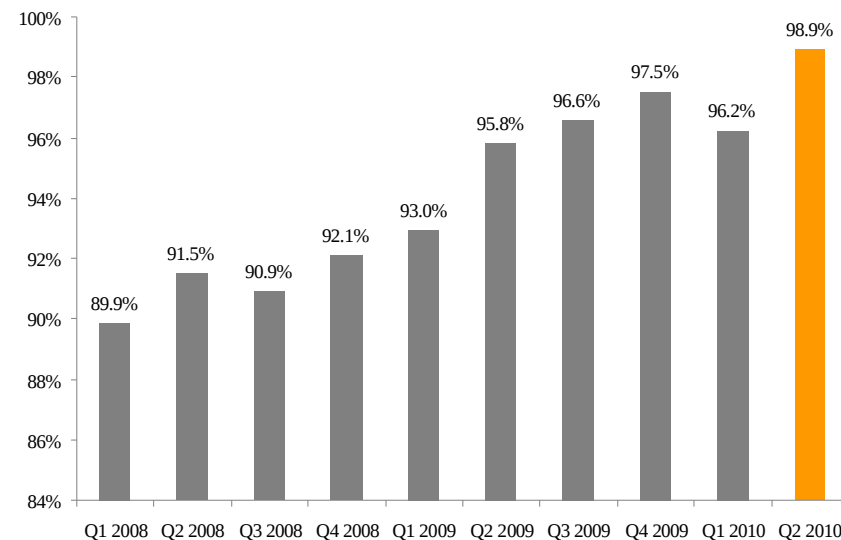
Loans by maturity, 30 June 2010



Top ten borrower concentration

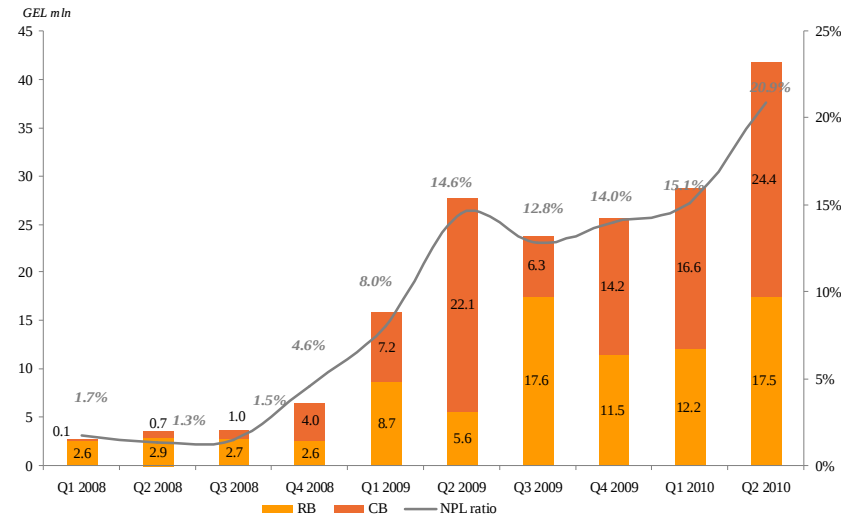


Loan book collateralization

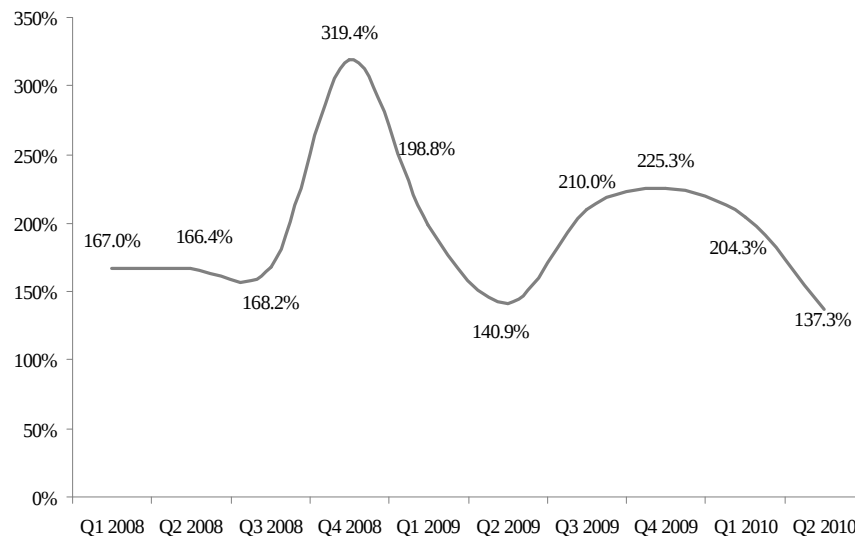


BG Bank provisioning policy

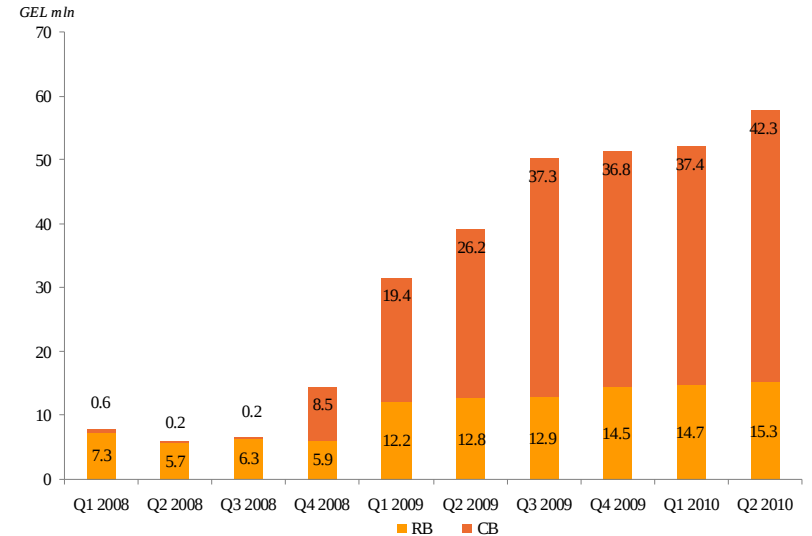
NPLs



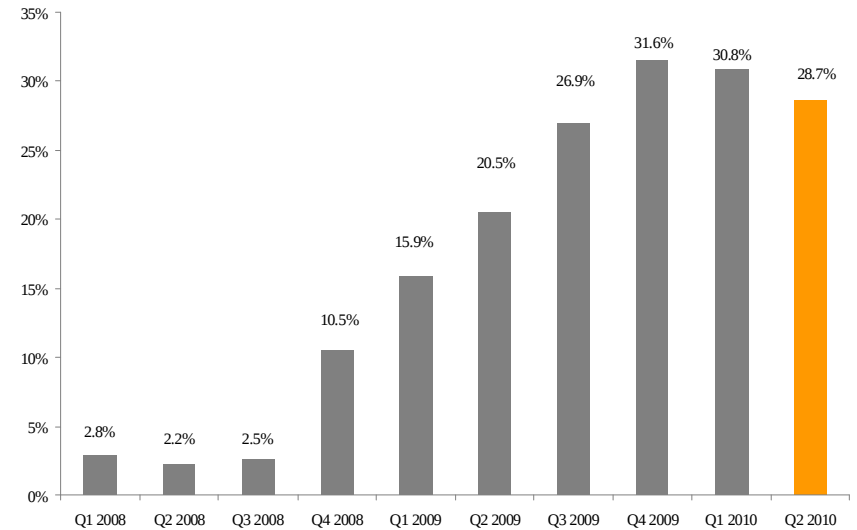
NPL coverage ratio



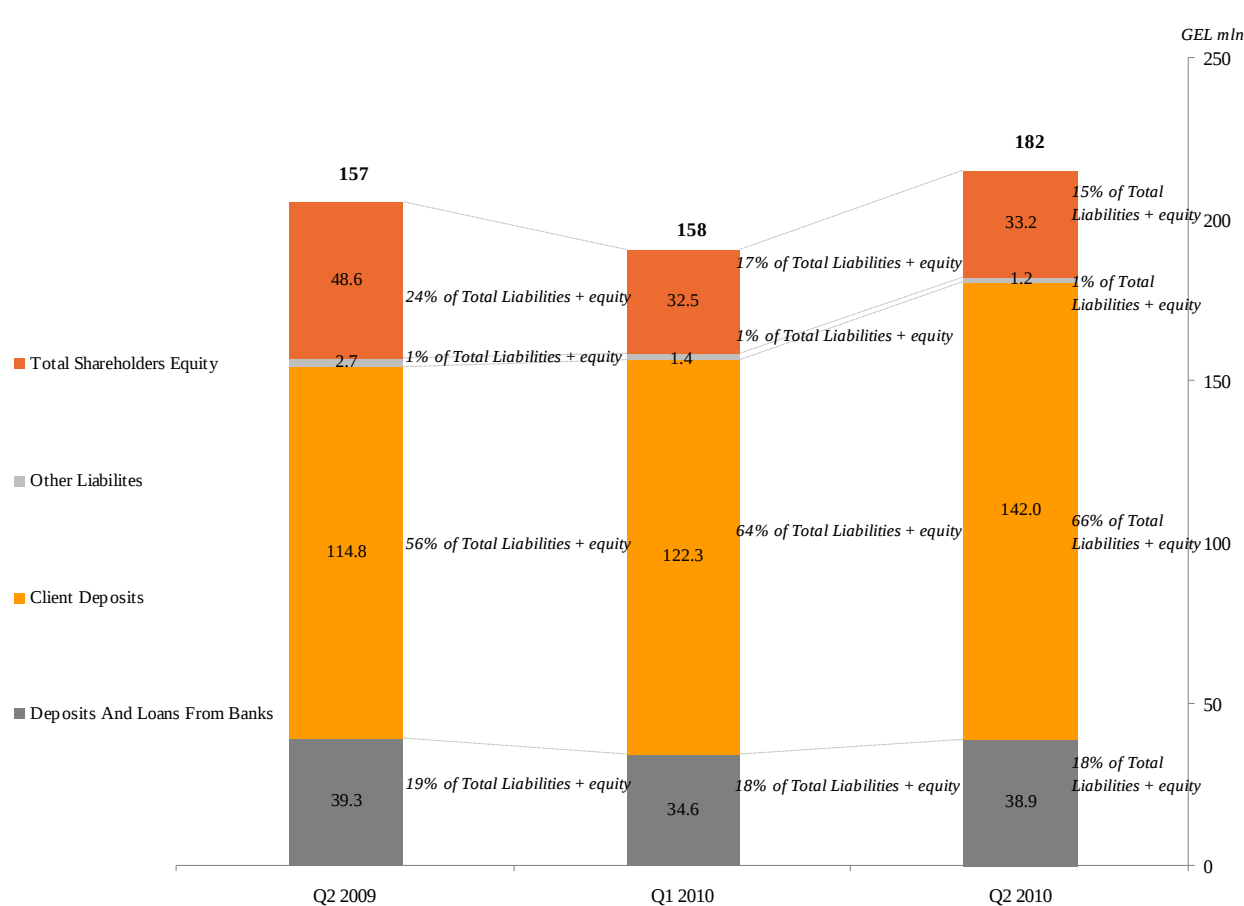
Loan loss reserve



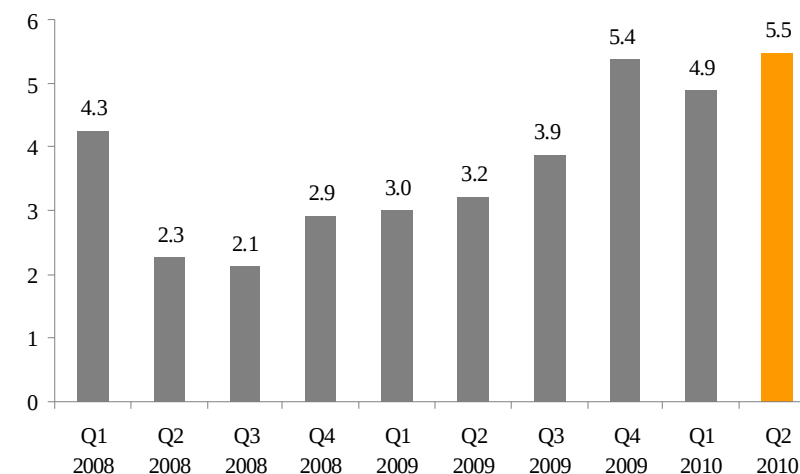
Reserve for loan losses to gross loans



BG Bank standalone liabilities breakdown



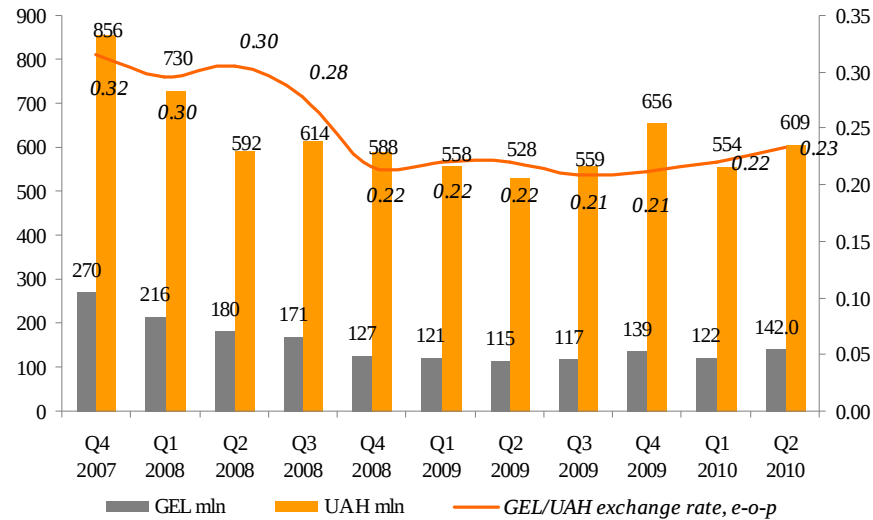
Leverage ratio



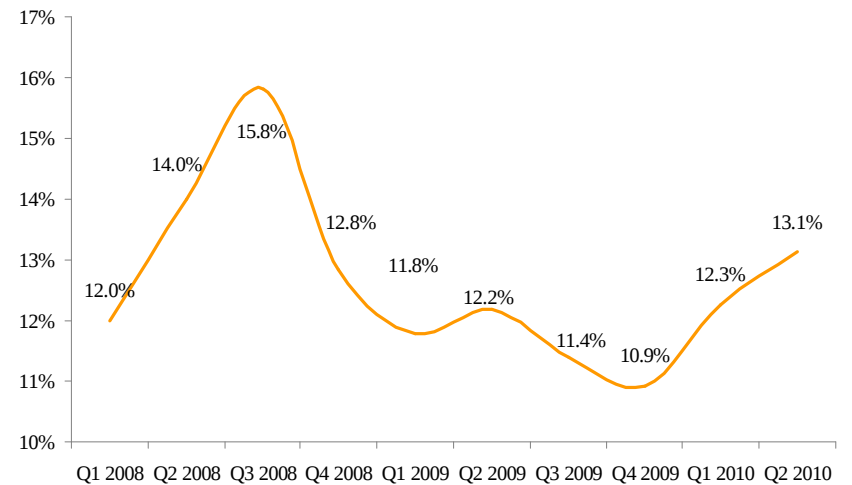
	Q2 2009	Q1 2010	Q2 2010
Issued Fixed Income Securities	0.2	0.0	0.0
Accruals And Other Liabilities	2.5	1.4	1.2
Other liabilities	2.7	1.4	1.2

BG Bank client deposits

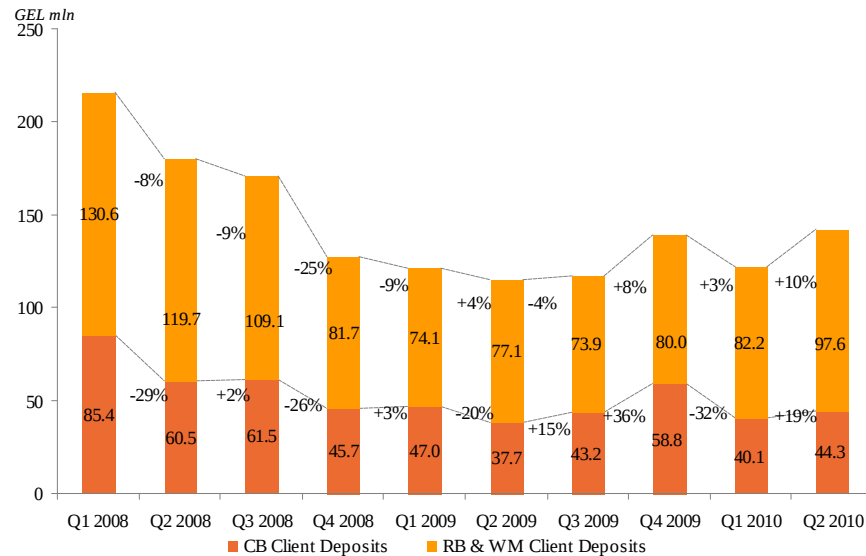
Client deposits, by currencies



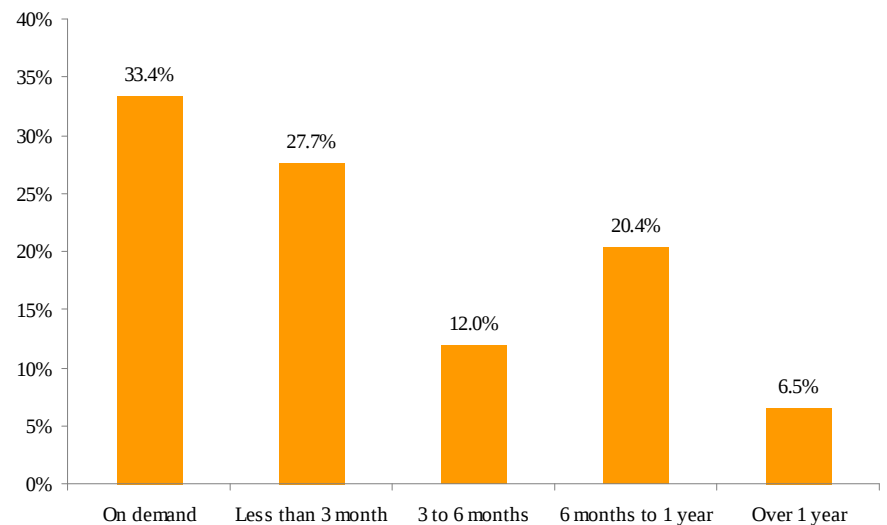
Deposit yields



Client deposits

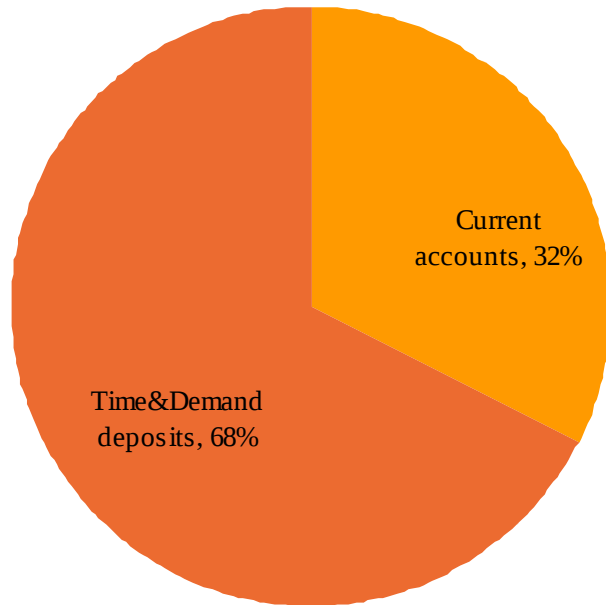


Deposits by maturity, Q2 2010

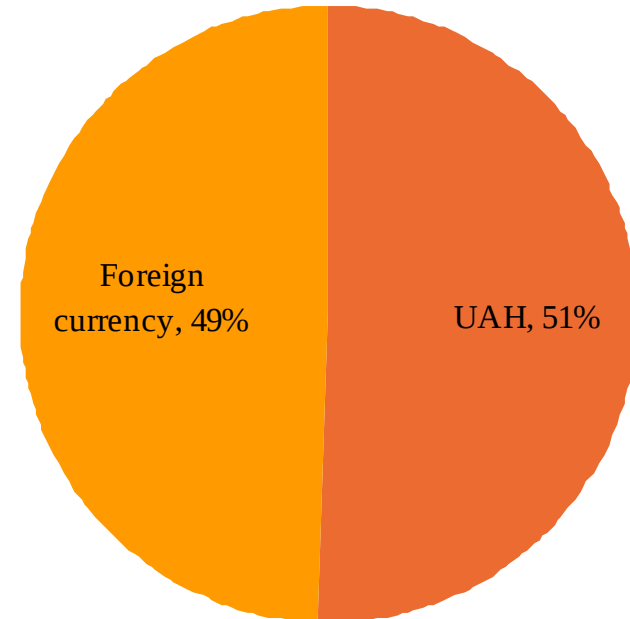


BG Bank analysis of deposits

Client deposits breakdown, Q2 2010



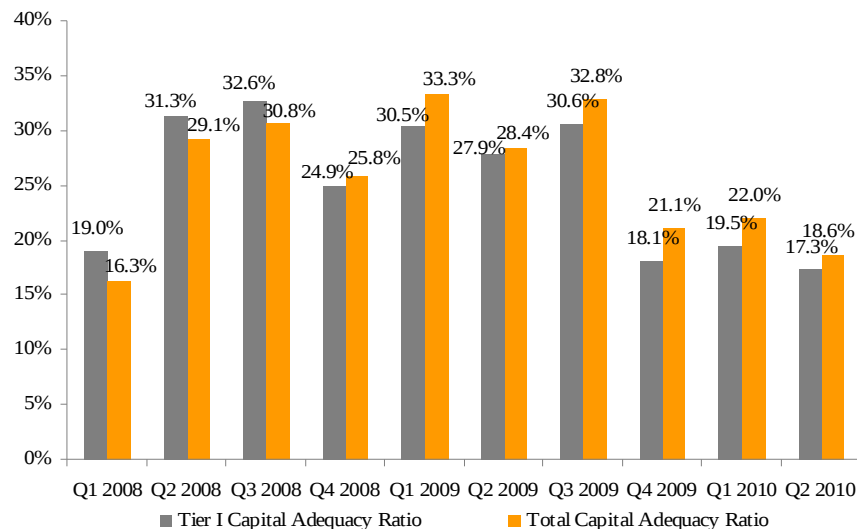
Client deposits by currency, Q2 2010



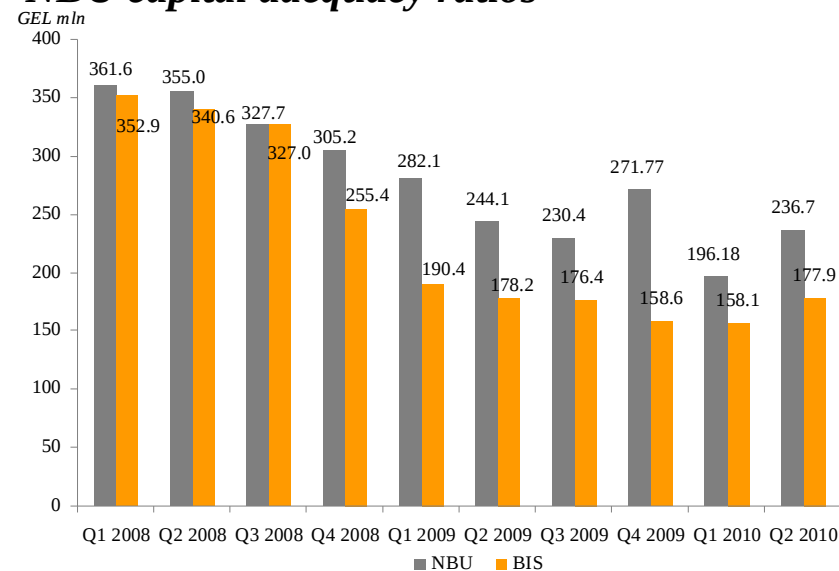
Client deposits: GEL 142 mln

BG Bank capital adequacy

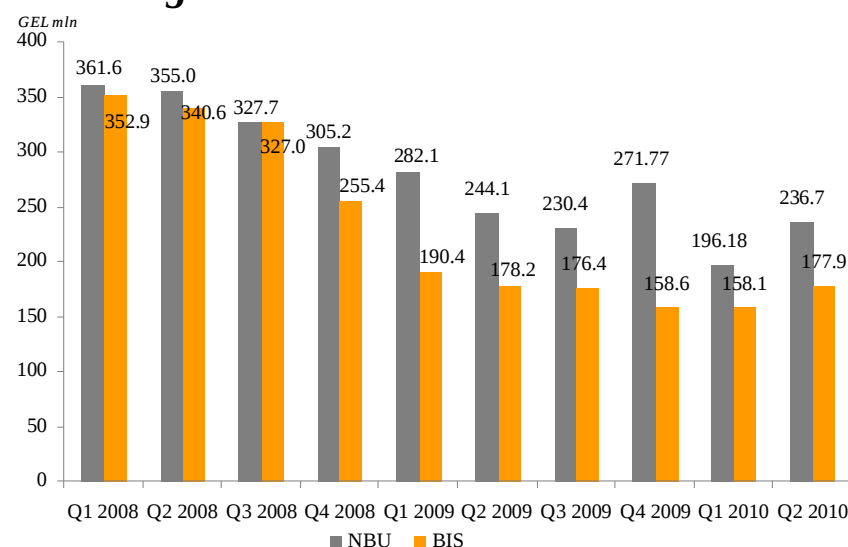
BIS capital adequacy ratios



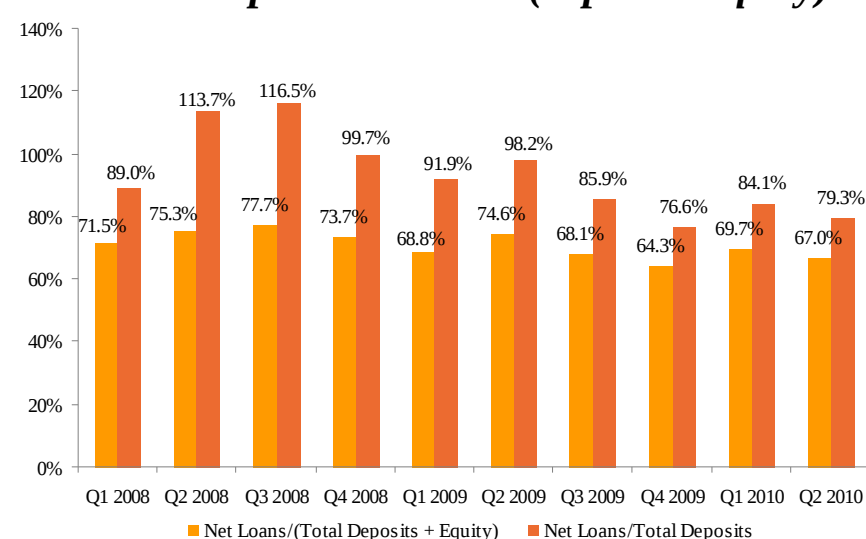
NBU capital adequacy ratios



Risk-weighted assets BIS vs. NBU



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





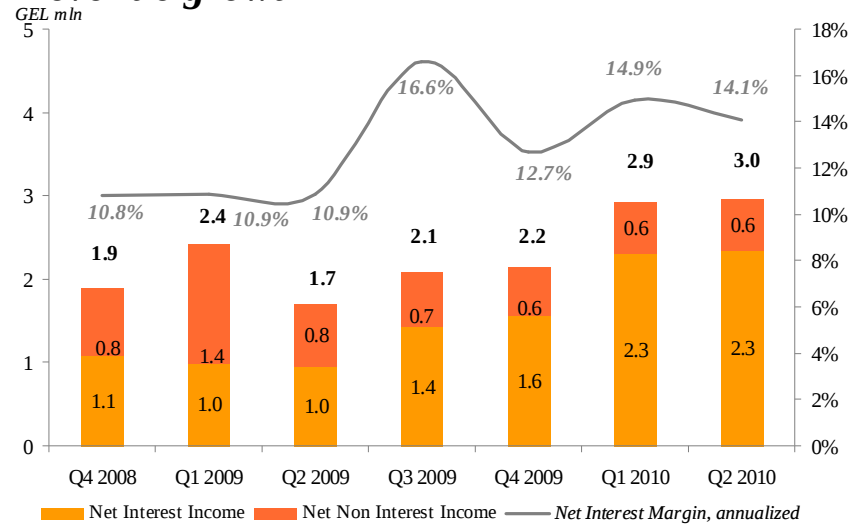
საქართველოს ბანკი
BANK OF GEORGIA

Belarusky Narodny Bank (Belarus)

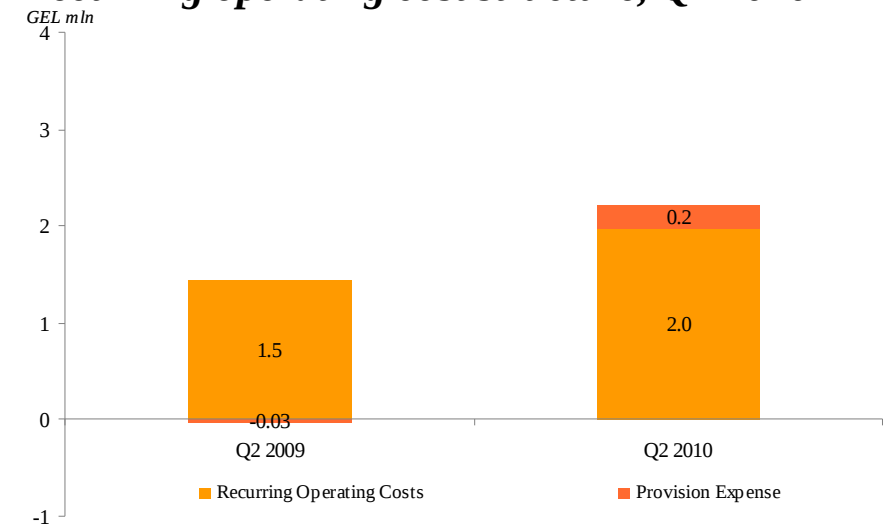
August 2010

BNB Bank performance

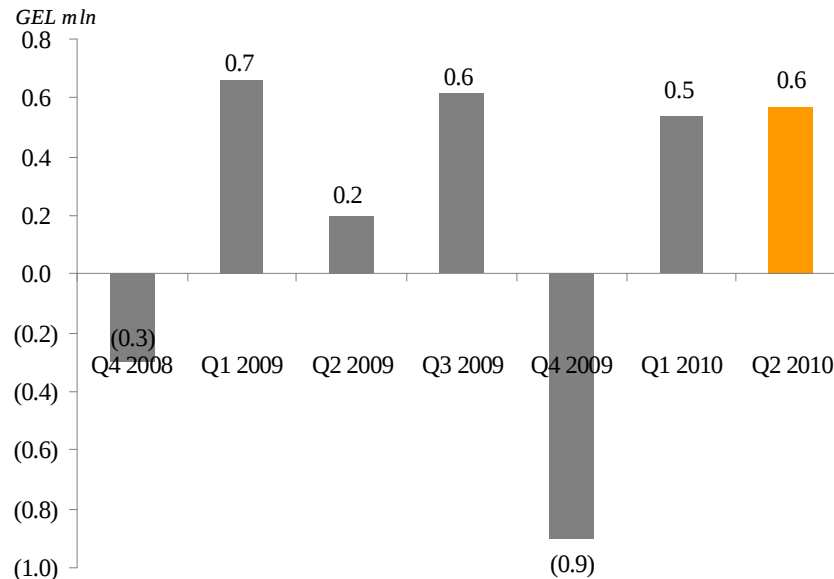
Revenue growth



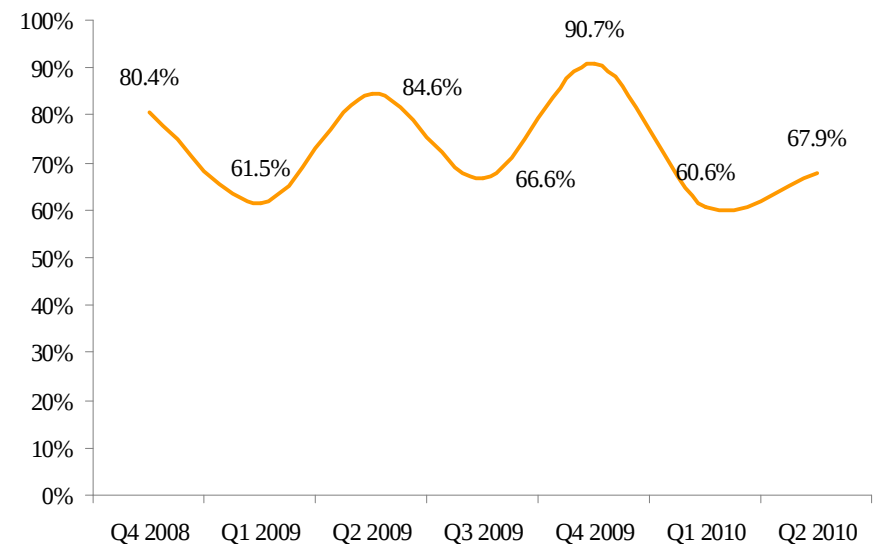
Recurring operating cost structure, Q2 2010



Net income

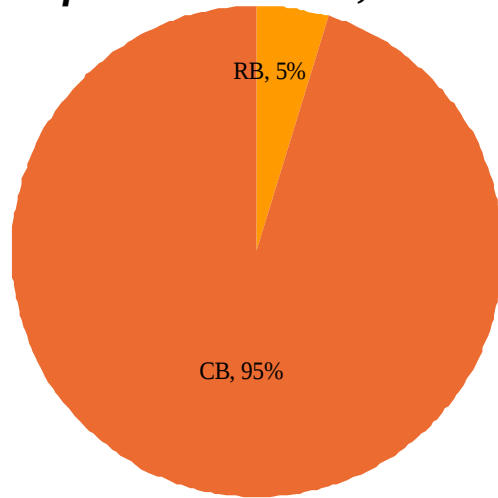


Cost/Income Ratio

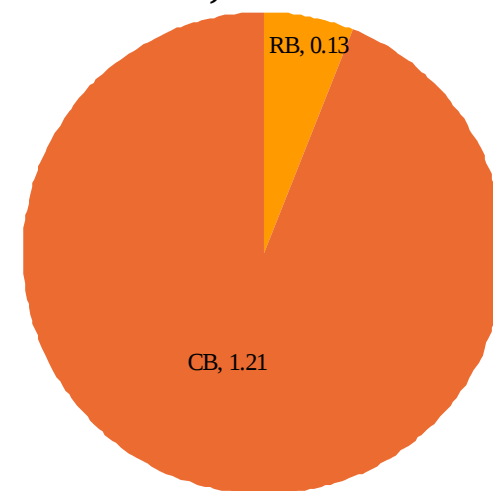


BNB loan portfolio as at 30 June 2010

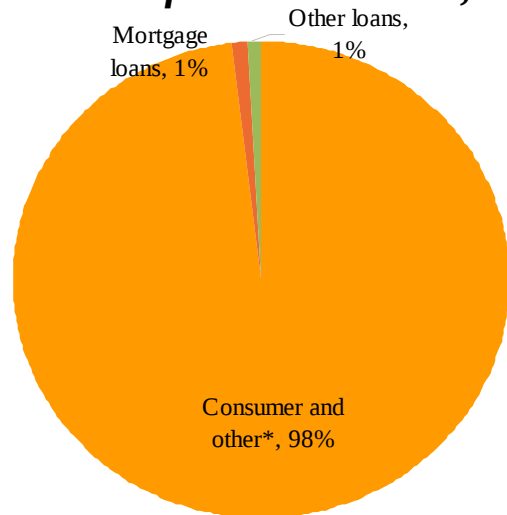
Loan Portfolio Breakdown, 30 June 2010



Loan loss reserve, 30 June 2010



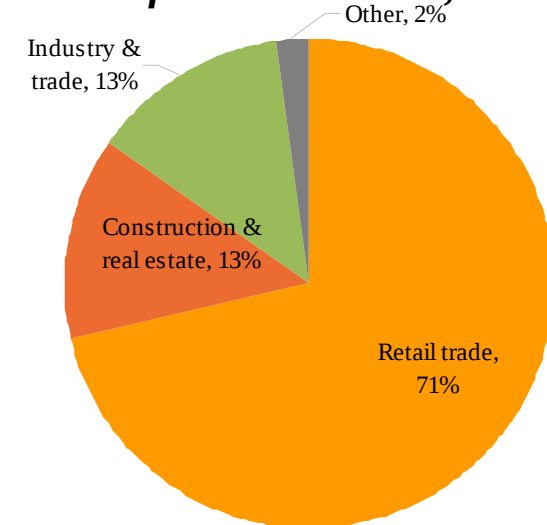
Gross loans: GEL 41.1 mln
RB Loan Portfolio Breakdown, 30 June 2010



RB loans: GEL 1.9 mln

* Other loans include car, POS and legacy retail loans

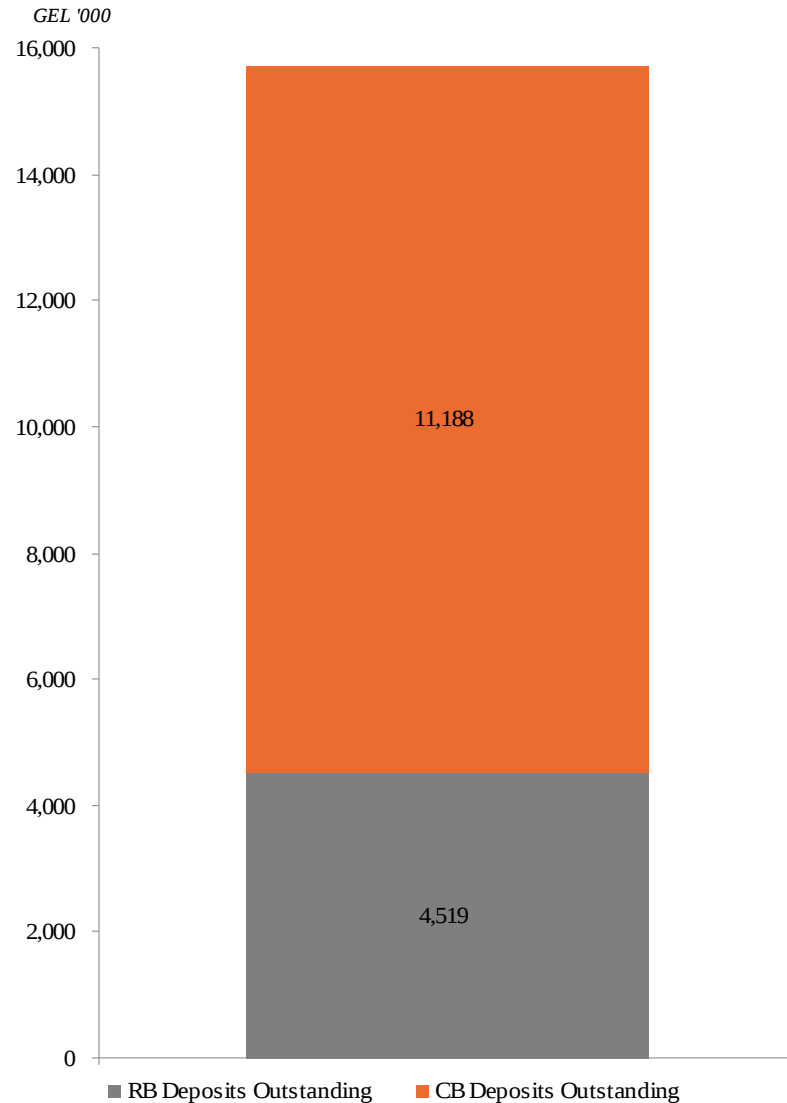
Loan loss reserve: GEL 1.3 mln
CB Loan Portfolio Breakdown, 30 June 2010



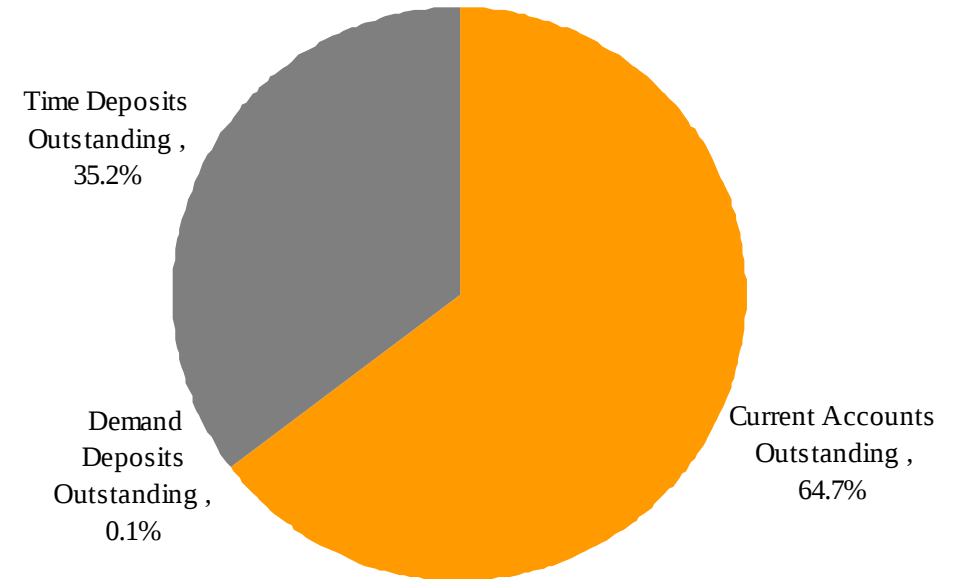
CB loans: GEL 39.1 mln

BNB client deposits as at 30 June 2010

Client deposits breakdown



Client deposits breakdown





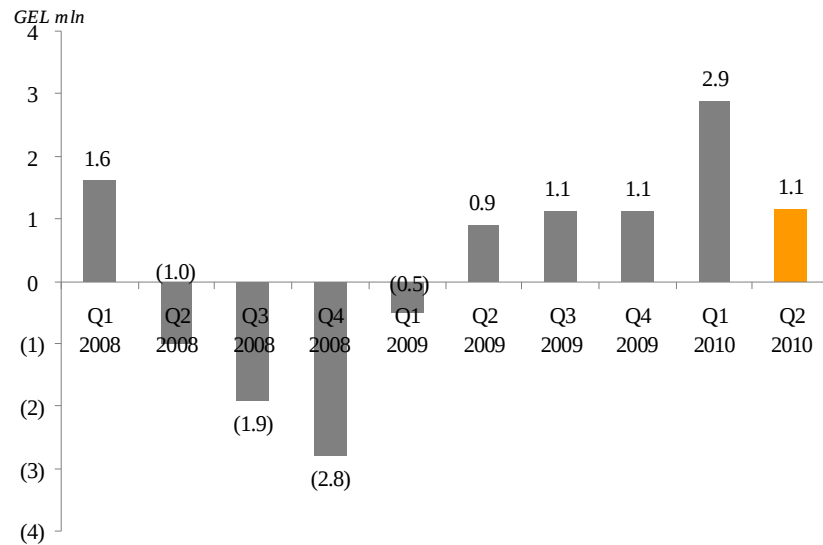
საქართველოს ბანკი
BANK OF GEORGIA

BG Capital

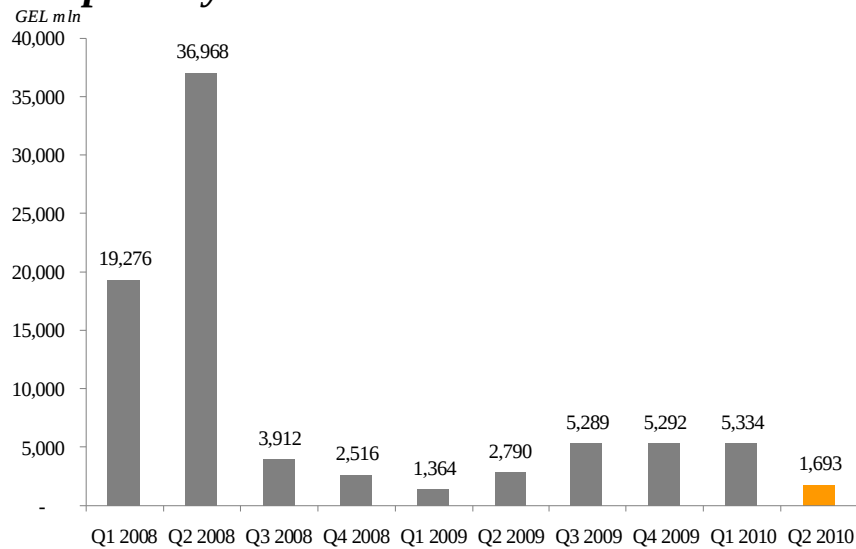
August 2010

BG Capital

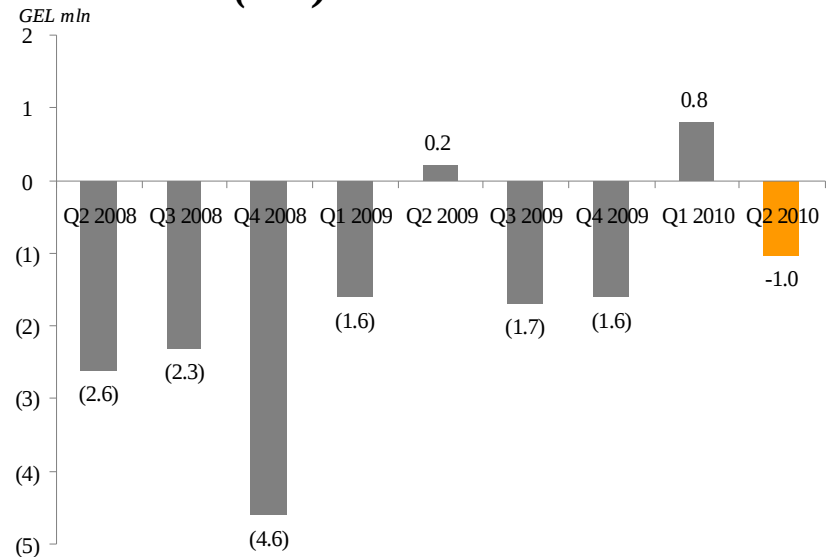
Revenue



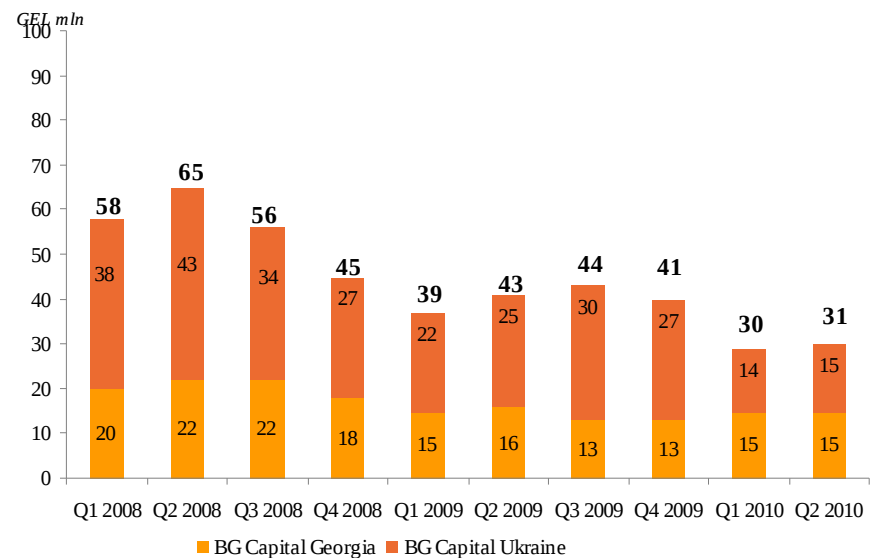
Proprietary book



Net income/(loss)



Headcount



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BANK OF GEORGIA

Appendices

August 2010



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BANK OF GEORGIA

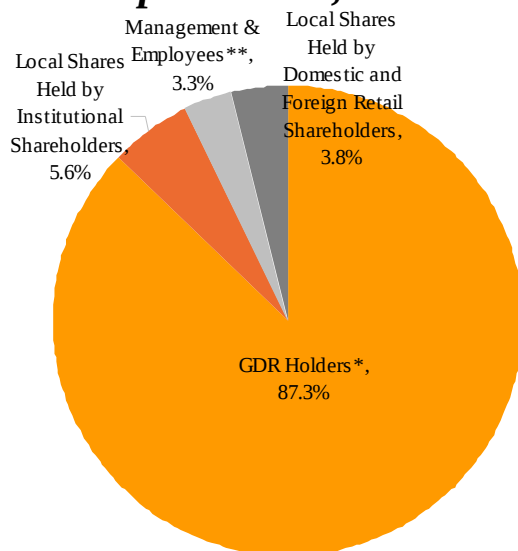
Bank of Georgia shareholder structure & management

August 2010

Ownership structure

Ownership structure, 30 June 2009

**Broadly owned by
over 100
institutional
accounts**



Name	Number	%
GDR Holders*	27,332,559	87.3%
Local Shares Held by Institutional Shareholders	1,751,343	5.6%
Management & Employees**	1,047,488	3.3%
Local Shares Held by Domestic and Foreign Retail Shareholders	1,193,076	3.8%
Total Shares Outstanding	31,324,466	100.0%

Adjusted for BG Capital's Proprietary Book (1)	(1,693)
Adjusted Total Shares Outstanding	31,322,773

(1) Treated as treasury shares as per IFRS

*through BNY Nominees Limited

** includes GDRs held as part of EECF

Supervisory board

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

Management board

Irakli Gilauri	Chief Executive Officer (CEO)
Sulkhan Gvalia	Deputy CEO, Chief Risk officer
George Chiladze	Deputy CEO, Finance
Irakli Burdiladze	Deputy CEO
Mikheil Gomarteli	Deputy CEO, Retail Banking
Avto Namicheishvili	Deputy CEO, Legal
Archil Gachechiladze	Deputy CEO, Corporate banking
Nikoloz Shurgaia	Deputy CEO, International Banking

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BANK OF GEORGIA

Georgian banking sector – key trends 2006- Q2 2010

August 2010

Georgian banking sector – key trends 2008/June 2010

GEL/US\$

Period End

YE 2006= 1.71

YE 2007=1.59

YE 2008=1.67

Q1 2009=1.67

Q2 2009=1.66

Q3 2009= 1.68

YE 2009= 1.69

Q1 2010= 1.75

Q2 2010= 1.84

GEL mln	YE 2008	YE 2009	Q2 2010	As % of GDP*	2008 Y-O-Y	Growth 2009 Y-O-Y	Q2 2010 YTD	Market Share (YE 2008)		Market Share (YE 2009)		Market Share Q2 2010	
								Top 5 Banks	Bank of Georgia	Top 5 Banks	Bank of Georgia	Top 5 Banks	Bank of Georgia
Total Assets	8,866	8,293	9,215	51.34%	23.00%	-6.5%	11.1%	79.26%	32.89%	78.1%	33.0%	78.6%	35.1%
Gross Loans	5,993	5,185	5,735	31.95%	30.59%	-13.5%	10.6%	81.78%	32.87%	81.4%	31.8%	81.9%	33.0%
Deposits	3,845	4,174	4,692	26.14%	9.51%	8.6%	12.4%	75.00%	28.76%	77.70%	27.4%	81.0%	29.9%
Equity	1,517	1,517	1,576	8.78%	3.14%	0.0%	3.9%	75.69%	40.03%	79.60%	38.6%	78.5%	39.6%
Net Income/(Loss)	(216)	(65.3)	37.3	0.2%	NMF	NMF	NMF	NMF	NMF	NMF	37.3%	NMF	NMF

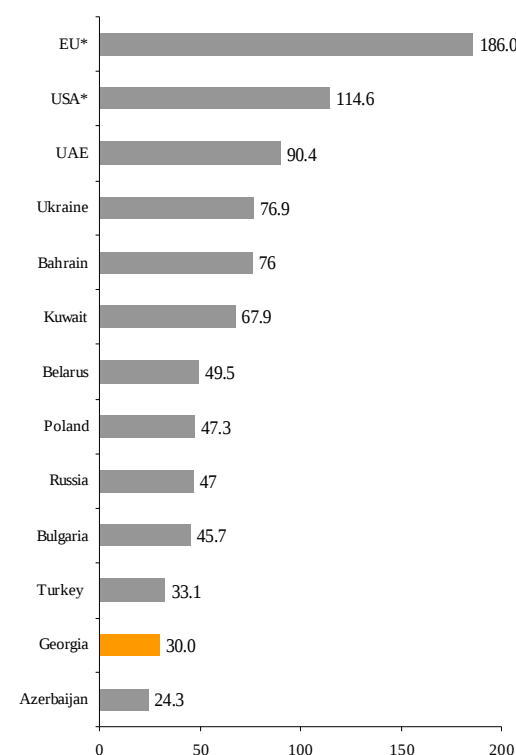
Ensuring solvency and stability of the banks

- High BIS Capital Adequacy Ratio: Banking Sector Average – 21%, Bank of Georgia – 32%
- High level of liquidity requirements from NBG at 20% of Liabilities, Bank of Georgia 38.7%
- Low Leverage in the banking sector: Banking Sector Average – 4.2x, Bank of Georgia – 3.0x

Resilient Banking Sector

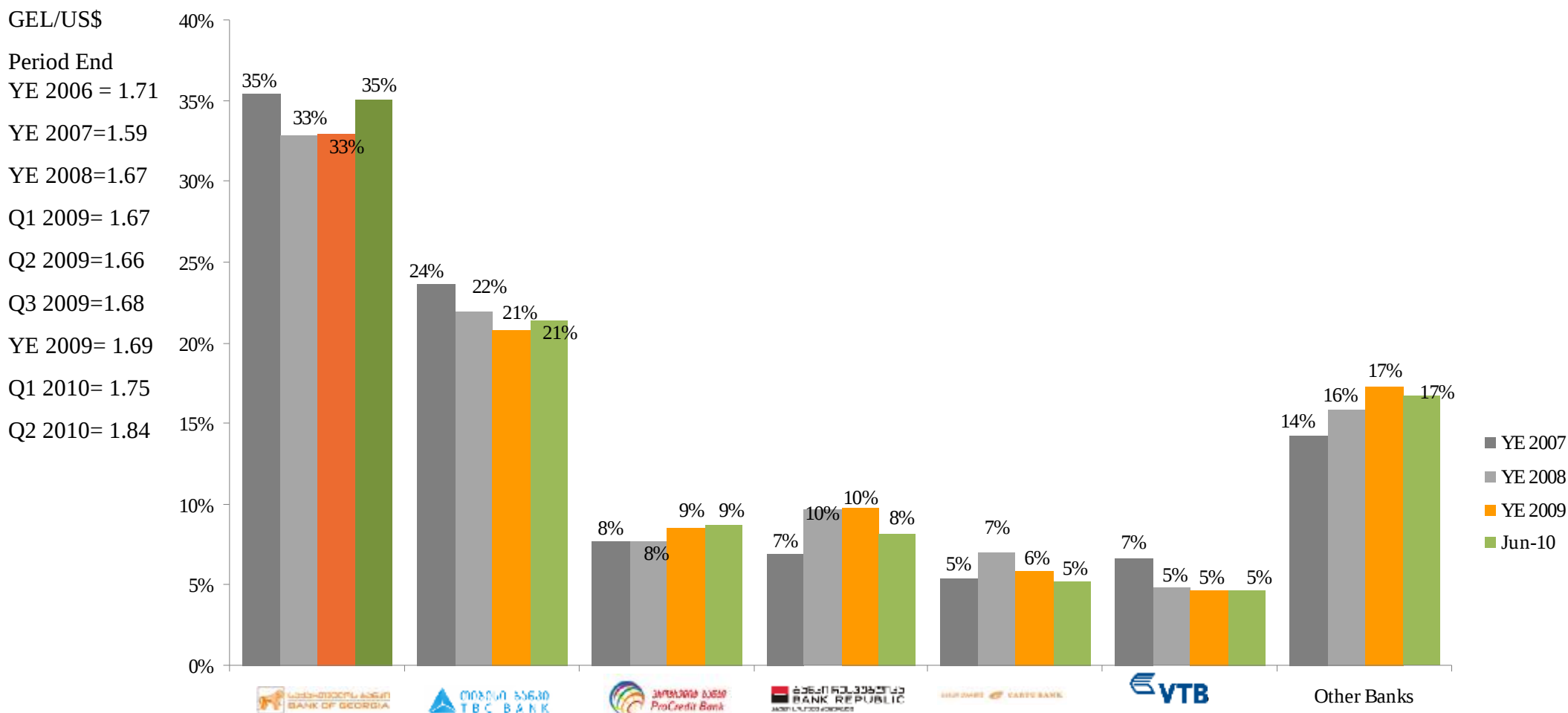
- Demonstrated strong resilience towards domestic challenges during the August 2008 conflict as well as towards external shocks of global financial turmoil without single bank going bankrupt
- No nationalization of the banks have occurred, no government bail-out plans have been required, no Government ownership since 1995
- Excess liquidity and excess capital that has been accumulated by the banking sector to enable boosting the financing of the economic growth
- Very low leverage of population, with Bank Loans to GDP ratio of c. 30% resulted in contained number of defaults during the global crisis (Average Loan Loss Provisions by BoG standalone as of end Q2'10 at c. 7.4%)

Bank debt to GDP



* As % of YE 2009 GDP

Peer group's market share in total assets



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

Peer group's market share in gross loans

GEL/US\$

Period End

YE 2006 = 1.71

YE 2007=1.59

YE 2008=1.67

Q1 2009= 1.67

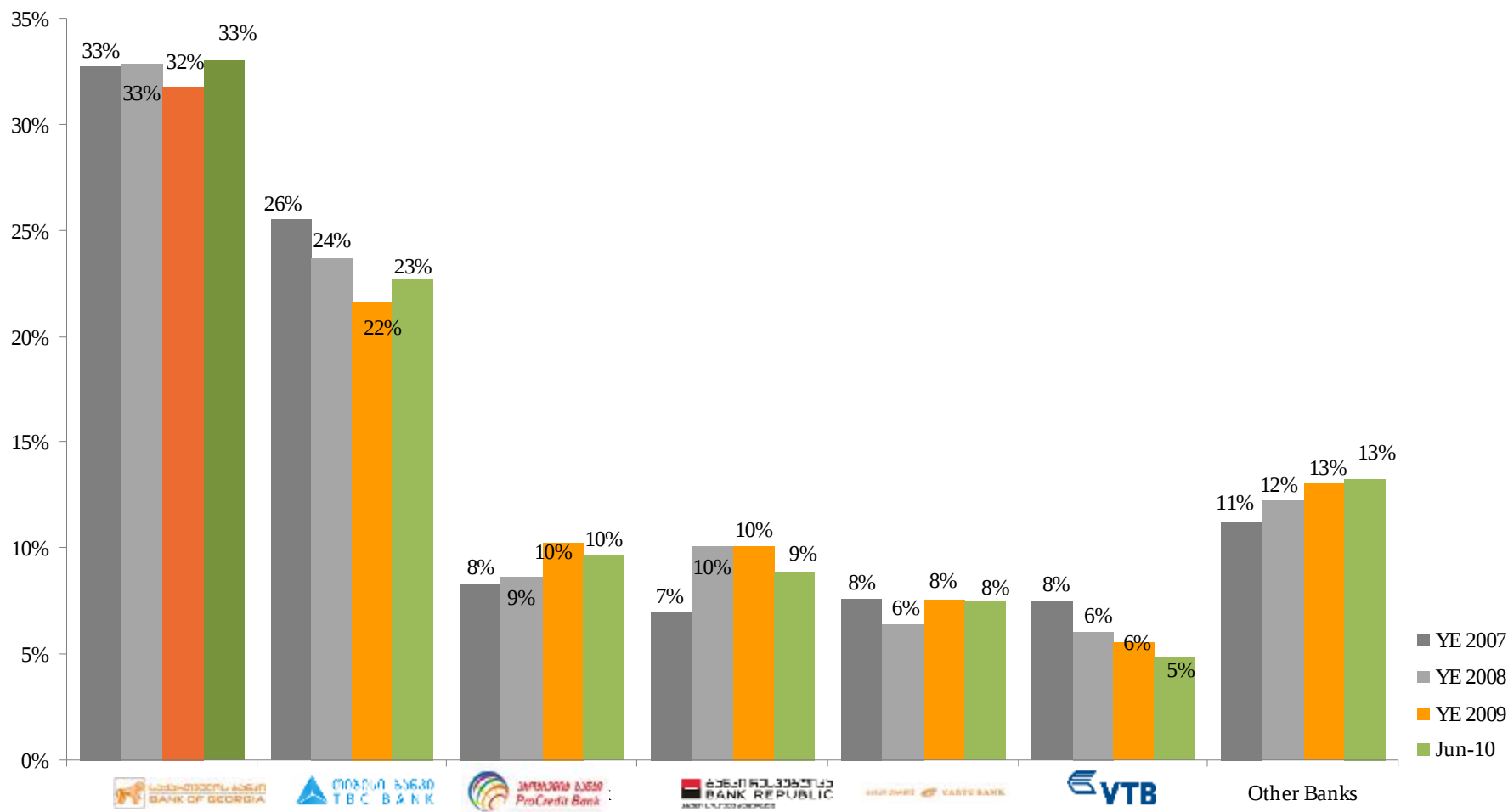
Q2 2009=1.66

Q3 2009=1.68

YE 2009= 1.69

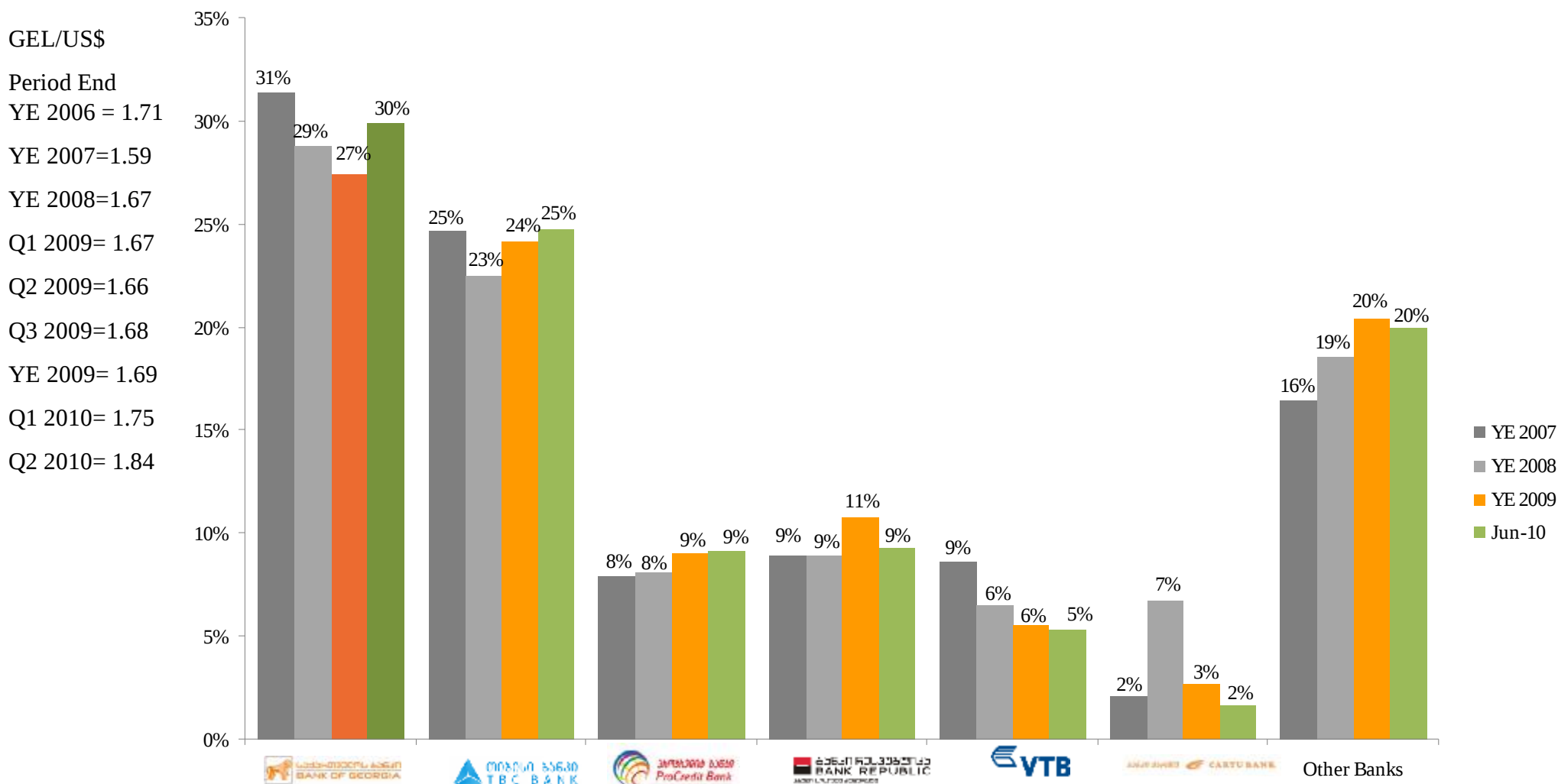
Q1 2010= 1.75

Q2 2010= 1.84



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

Peer group's market share in deposits



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

Caution Regarding Forward-Looking Statements

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

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

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

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