

1.59 GEL/US\$ 2007 period end  
1.67 GEL/US\$ 2007 average  
1.71 GEL/US\$ 2006 period end  
1.78 GEL/US\$ 2006 average

**JSC BANK OF GEORGIA ANNOUNCES CONSOLIDATED Q4 2007 AND FULL YEAR 2007 RESULTS**

Millions, unless otherwise noted

	Q4 2007		Growth y-o-y <sup>1</sup>
	US\$	GEL	
<b>Bank of Georgia Consolidated</b>			
<b>Bank of Georgia (Consolidated, Unaudited, IFRS Based)</b>			
<b>Total Operating Income (Revenue)<sup>2</sup></b>	<b>42.9</b>	<b>68.3</b>	<b>81%</b>
<b>Recurring Operating Costs</b>	<b>18.0</b>	<b>28.7</b>	<b>71%</b>
<b>Normalised Net Operating Income<sup>3</sup></b>	<b>24.9</b>	<b>39.6</b>	<b>88%</b>
<b>Pre-Bonus Result</b>	<b>22.9</b>	<b>36.4</b>	<b>110%</b>
<b>Net Income</b>	<b>16.1</b>	<b>25.5</b>	<b>170%</b>

Millions, unless otherwise noted

	2007 (YTD)		Growth y-o-y <sup>1</sup>
	US\$	GEL	
<b>Bank of Georgia Consolidated</b>			
<b>Bank of Georgia (Consolidated, Unaudited, IFRS Based)</b>			
<b>Total Operating Income (Revenue)<sup>2</sup></b>	<b>136.8</b>	<b>217.7</b>	<b>94%</b>
<b>Recurring Operating Costs</b>	<b>54.8</b>	<b>87.2</b>	<b>66%</b>
<b>Normalised Net Operating Income<sup>3</sup></b>	<b>82.0</b>	<b>130.4</b>	<b>119%</b>
<b>Pre-Bonus Result</b>	<b>74.9</b>	<b>119.2</b>	<b>160%</b>
<b>Net Income</b>	<b>47.4</b>	<b>75.4</b>	<b>182%</b>
<b>Consolidated EPS (Basic), GEL &amp; US\$<sup>4</sup></b>	<b>1.82</b>	<b>2.89</b>	<b>78%</b>
<b>Consolidated EPS (Fully Diluted), GEL &amp; US\$<sup>5</sup></b>	<b>1.74</b>	<b>2.77</b>	<b>181%</b>
<b>ROAA<sup>6</sup> %</b>		<b>3.8</b>	
<b>ROA <sup>7</sup> %</b>		<b>2.5</b>	
<b>ROAE<sup>8</sup> %</b>		<b>17.7</b>	
<b>ROE<sup>9</sup> %</b>		<b>13.5</b>	

<sup>1</sup> Compared to the same period in 2006; growth calculations based on GEL values

<sup>2</sup> Revenue includes Net Interest Income and Net Non-Interest Income.

<sup>3</sup> Normalised for Net Non-Recurring Costs.

<sup>4</sup> Basic EPS equals Net Income of the period divided by weighted average outstanding shares for the period.

<sup>5</sup> 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.

<sup>6</sup> Return on Average Total Assets equals Net Income for the period divided by the average Total Assets for the period.

<sup>7</sup> Return on Assets equals Net Income for the period divided by the Total Assets at the end of the period

<sup>8</sup> Return on Average Total Shareholders' Equity equals Net Income for the period divided by the average Total Shareholders' Equity for the period.

<sup>9</sup> Return on Equity equals Net Income for the period divided by the Total Equity at the end of the period

**About Bank of Georgia**

Bank of Georgia, the leading universal Georgian bank with operations in Georgia and Ukraine, is the largest bank by assets, loans, deposits and equity in Georgia, with 35.4% market share by total assets (all data according to the NBS as of December 31, 2007). The major component of the Galt & Taggart Index, the bank has 117 branches and over 705,000 retail and more than 64,000 corporate current accounts. The bank offers a full range of retail banking and corporate and investment banking services to its customers across Georgia. The bank also provides a wide range of corporate and retail insurance products through its wholly-owned subsidiary, Aldagi BCI, as well as asset & wealth management services.

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

Standard & Poor's	'B+/B'	Stable
Moody's	'B3/NP' (FC) & 'Ba1/NP' (LC)	Stable
FitchRatings	'B+/B'	Stable

For further information, please visit [www.bog.ge/ir](http://www.bog.ge/ir) or contact:

**Nicholas Enukidze**

Acting Chairman of the Supervisory Board  
+995 32 444 800  
nenukidze@bog.ge

**Irakli Gilauri**

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

**Macca Ekizashvili**

Head of Investor Relations  
+995 32 444 256  
ir@bog.ge

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The financial information as of 2007 and 2006 contained in this news report is unaudited and reflects the best estimates of management. The bank's actual results may differ significantly from the amounts reflected herein as a result of various factors.

Bank of Georgia (LSE: BGEO, GSE: GEB), the leading Georgian universal bank, announced today its Q4 2007 and full year 2007 consolidated results (IFRS based, derived from management accounts), reporting record quarterly Net Income of GEL 25.5 million in Q4 2007, (up 169.8% y-o-y) or US\$0.59 per share (Basic, up 106.8% y-o-y).

For the full year 2007, Net Income on the consolidated basis reached GEL 75.4 million (up 181.7% y-o-y), or US\$1.82 per share (Basic, up 78.4 % y-o-y).

### **Q4 2007 Summary**

Total Operating Income (Revenue) grew by 80.5% y-o-y to GEL 68.3 million in Q4 2007, a result of the 62.0% growth y-o-y of Net Interest Income to GEL 42.7 million and 123.0% growth y-o-y of Net Non-Interest Income to GEL 25.6 million. The slower growth rate of Recurring Operating Costs, up 70.7% y-o-y to GEL 28.7 million, was reflected in the decrease of Normalised Cost/Income ratio from 56.0% in Q4 2006 to 49.4% in Q4 2007. Net Normalised Operating Income (“NNOI”) was up 88.4% to GEL 39.6 million, while Pre-Bonus Result (“PBR”) grew by 110.3% to GEL 36.4 million for the quarter.

In Q4 2007, Bank of Georgia raised the total of US\$80 million in debt funding, which comprises of US\$15 million subordinated loan facility from a fund affiliated with HBK Capital Management and a US\$65 million senior loan facility arranged through Merrill Lynch.

In October 2007 Bank of Georgia completed the acquisition of 98.77% of the Ukrainian Bank of Development and Partnership (“UBDP”), a mid-sized Ukrainian Bank and its Q4 2007 Profit & Loss results have been consolidated in the Bank of Georgia Group’s (the “Bank”) Q4 2007 results. UBDP’s Q4 2007 results are presented as separate Strategic Business Unit (“SBU”) – Ukraine SBU (“Ukraine”) under segments results of the group.

In November 2007, Bank of Georgia announced changes in the Supervisory Board after Lado Gurgenzidze resigned as Chairman of the Supervisory Board to become Prime Minister of Georgia. Following Mr. Gurgenzidze’s resignation, Nicholas Enukidze, Vice Chairman of the Supervisory Board has been acting as Chairman of the Supervisory Board. Nicholas Enukidze is expected to be appointed Chairman of the Supervisory Board following the Extraordinary General Meeting of Shareholders to be held in February 2008.

### **Full Year 2007 Summary**

The Bank reported strong consolidated results with Net Income of GEL 75.4 million, up 181.7% y-o-y. Total Operating Income (Revenue) grew 94.3% y-o-y to GEL 217.7 million, as Net Interest Income (GEL 133.1 million) grew by 99.4% y-o-y while Net Non-Interest Income (GEL 84.6 million) lagged at an 86.9% growth rate y-o-y. Non-banking operations generated approximately 31.4% (or approximately GEL 26.6 million) of the Total Net Non-Interest Income, up 134.3% y-o-y. Total Recurring Operating Costs increased by 66.1% y-o-y, mostly a result of increased number of the personnel as the Bank continued to grow across its product lines and geographies. Total Operating Income (Revenue) growth accelerated from 76.6% in 2006 to 94.3% in 2007 resulting in Operating Leverage of 24.4% in 2007, up from 18.8% in 2006, reflecting the Bank’s improved efficiency. NNOI increased to GEL 130.4 million up 119.3% y-o-y. PBR grew 159.8% y-o-y to GEL 119.2 million.

The Bank’s consolidated Total Assets reached GEL 3.0 billion by 31 December 2007, up 145.7% y-o-y. Gross Loans reached GEL 1,721 million, a 140.7% increase y-o-y. UBDP accounted for approximately 11.7% (GEL 350.3 million) and 13.2% (GEL 226.4 million) of the Bank’s Total Assets and Total Gross Loans, respectively. In 2007, The Bank’s non-deposit funding base grew by GEL 612.5 million to GEL 836.0 million, of which GEL 113.6 million (3.8% of YE 2007 Total Assets) matures in 2008. Client Deposits (GEL 1,362 million as at 31 December 2007) increased by 143.4% y-o-y.

Bank of Georgia Group’s Total Assets and Gross Loans to Clients, excluding UBDP, grew 116.9% y-o-y to GEL 2,631 million and 109.1% y-o-y to GEL 1.5 billion, respectively. Corporate, retail and private banking Gross Loans To Clients of Bank of

Georgia grew by 105.1%, 128.7% and 96.3% y-o-y, respectively, to GEL 807.2 million, GEL 644.0 million and GEL 44.2 million, respectively. As of 31 December 2007, the combined share of Bank of Georgia (excluding UBDP) retail and private banking in Bank of Georgia's Gross Loans To Clients increased to 46.0% from 42.5% at the year end 2006. Bank of Georgia's Client Deposits, excluding UBDP, increased by 95.5% y-o-y, to GEL 1,094 million. The balance sheet growth of Bank of Georgia, excluding UBDP, during 2007 resulted in an approximately 7.0% market share gain by assets, approximately 6.1% market share gain by gross loans and approximately 6.8% market share gain by client deposits. As of 31 December 2007, Bank of Georgia held the market share of 35.4%, 32.7% and 31.4% by total assets, gross loans, and client deposits respectively.<sup>8</sup>

Total Shareholders' Equity grew by GEL 185.0 million in 2007 and amounted to GEL 559.8 million. The growth was mainly attributed to 2007 Net Income of GEL 75.4 million, equity issuance in connection with the conversion of US\$25 million subordinated convertible loan by a fund affiliated with HBK Investment L.P. and executive equity compensation and increase of revaluation & other reserve account by GEL 68.3 million, of which GEL 62.0 million is due to the revaluation of Bank of Georgia's fixed assets (real estate). As required by IFRS this revaluation was conducted in December 2007 and previous revaluation of fixed assets was performed in 2003.

The Bank's Consolidated ROAE increased to 17.7% from the consolidated ROAE of 16.5% in 2006. Consolidated ROAA grew to 3.8% during 2007, from 3.4% in 2006. The equity book value per share stood at GEL 20.62 (US\$12.96) as at 31 December 2007, up 38.6% y-o-y.

## **Strategic Business Unit and Business Unit Overview**

### **Corporate & Investment Banking (CIB)**

#### *Discussion Of Results*

Allocated Revenues grew 78.0% y-o-y to GEL 71.5 million, impacted by the growth of Net Interest Income and Net Non-Interest Income. Operating leverage of CIB has improved, as the growth rate of allocated Recurring Costs (up 70.9% y-o-y) lagged the growth rate of the allocated Revenues. PBR grew 79.9% y-o-y to GEL 42.9 million, contributing 36.0% to the consolidated PBR. Earnings grew 94.6% y-o-y to GEL 28.8 million, contributing 38.1% to the consolidated Net Income. Gross Loans grew 105.1% y-o-y to GEL 807.2 million, driven by the increased lending to corporate clients and growth of the SME loan book. Allocated Client Deposits grew 138.3% y-o-y to GEL 673.7 million, primarily due to the growth of time deposits and current account balances. Allocated Total CIB Assets amounted to GEL 1,422 million, up 165.8% y-o-y, while allocated Total CIB Liabilities reached GEL 1,138 million, up 149.7% y-o-y.

#### *Highlights*

- Major new corporate client acquisitions include 15 subsidiary companies of State Oil Company of Azerbaijan ("SOCAR"), Sheraton Metekhi Palace Hotel, Kaztransgaz (Tbilisi natural gas distribution company) and Wissol, a leading Georgian gasoline retail chain.
- Increased the number of corporate clients using the bank's payroll services from 480 at the end of 2006 to over 700 by the end of 2007. By 31 December 2007, the number of individual clients serviced through the corporate payroll programs administered by the bank increased from approximately 83,500 at the beginning of the year to over 150,000.
- More than 16,000 legal entities opened accounts at the bank during 2007, bringing the total to over 64,000.

<sup>8</sup> Market share data are derived from the information published by the National Bank of Georgia ([www.nbg.gov.ge](http://www.nbg.gov.ge)) and represent an aggregation of standalone financial information filed by Georgian banks.

## Retail Banking (RB)

### Discussion Of Results

Allocated Revenues grew 104.7% y-o-y to GEL 93.3 million, impacted by the growth of Net Interest Income and Net Non-Interest Income. Operating leverage of RB has improved, as the growth rate of allocated Recurring Costs (up 49.6% y-o-y, driven primarily by the branch and headcount expansion) lagged the growth rate of the allocated Revenues. PBR grew 154.8% y-o-y to GEL 40.3 million, contributing 33.8% to the consolidated PBR. Earnings grew 177.9% y-o-y to GEL 27.0 million, contributing 35.7% to the consolidated Net Income. Gross Loans grew 128.7% y-o-y to GEL 644.0 million, driven by the increased lending activity due to high demand from clients. Allocated Client Deposits grew 66.4% y-o-y to GEL 342.1 million, driven primarily by the growth of current account balances and time deposits. Allocated Total RB Assets amounted to GEL 1,125 million, up 201.3% y-o-y, while allocated Total RB Liabilities reached GEL 709.8 million, up 169.8% y-o-y.

### Highlights

- Launched a co-branded student card (Bali Card) with Magti, Georgia's leading Mobile Operator. Bali is Magti's sub-brand targeting the young population segment. Bali Card combines debit chip card and transport contactless application (a so called hybrid card), which can be used at Tbilisi Metro (subway) for transit passes.
- Acquired a 51% equity interest in JSC Nova Technology, which operates a network of approximately 1,000 POS and 200 self-service terminals offering a range of payment services, including, *inter alia*, mobile top-up and utility payments. Other services are expected to be added in the near future.
- Increased the number of retail current accounts from approximately 420,000 at the beginning of the year to more than 700,000 by 31 December 2007.
- Increased the number of branches (service centers) in Georgia from 100 at the beginning of the year to 117 by 31 December 2007.
- Purchased commercial space previously rented for seven existing branches, which resulted in cost savings of GEL 0.3 million per annum.
- Bought and leased premises for 34 new branches, which are expected to be fully renovated and operational by the end of 2008.
- Stepped up the issuance of credit cards, as the number of credit cards issued reached approximately 108,538 by the end of 2007 since the launch in Q4 2006. As of 31 December 2007, the number of credit cards outstanding amounted to 108,616, up from 356 at the beginning of the year.
- Increased the issuance of debit cards, with over 320,000 debit cards issued in 2007, compared to approximately 240,000 debit cards issued during 2006. The number of debit cards outstanding increased from approximately 285,000 at the beginning of the year to approximately 538,000 by the end of December 2007.
- Continued to make gains in merchant acquiring as the installed POS terminal footprint grew to 1,594 compared to 471 at year end 2006.
- Total number of cards serviced by Georgian Card grew from 370,000 at the beginning of the year to 876,263 by 31 December 2007, while the number of transaction authorisations processed by Georgian Card in 2007 grew 157.5% y-o-y to approximately 18.7 million. The volume of transactions processed grew to GEL 1,202 million, up 134.6% y-o-y.
- Continued investing in the electronic banking channels, as the number of ATMs grew to 250 by 31 December 2007 (up from 124 at the beginning of the year), number of mobile banking users reached 39,703, and number of registered Internet banking users grew 206.6% to over 114,612.
- POS express consumer lending, commenced by the bank in 2006 to complement its branch-based general-purpose consumer lending, resulted in the 969 express loan POS contracts signed with merchants (of which 640 outlets were served by 31 December 2007). POS express loan originations have reached GEL 106.6 million in 2007 (up 244.6% y-o-y), while POS express loans outstanding amounted to GEL 61.3 million at the end of December 2007, up 176.4% y-o-y.
- Increased mortgage loan originations to GEL 169.0 million in 2007 (up 227.8% y-o-y) resulting in mortgage loans outstanding by 31 December 2007 of GEL 180.7 million, up 183.8% y-o-y.

- Car loan originations of GEL 38.9 million (up 298.6% y-o-y) resulted in car loans outstanding by 31 December 2007 of GEL 37.1 million, up 279.6% y-o-y.

**Insurance***Discussion Of Results*

Gross Premiums Written of Aldagi BCI, the bank's wholly-owned insurance subsidiary, increased by 232.0% y-o-y to GEL 41.9 million. Net Premiums Earned grew 163.2% y-o-y to GEL 16.7 million. Revenues decreased by 0.2% y-o-y to GEL 5.9 million. PBR decreased by 4.3% y-o-y to GEL -0.4 million resulting in net loss of GEL 0.7 million in 2007. Net loss was mainly due to government's health care program for socially vulnerable citizens and school teachers through which Aldagi BCI acquired 84,000 clients. Total Insurance Assets amounted to GEL 63.5 million, while Total Insurance Liabilities reached GEL 45.3 million as at 31 December 2007.

*Highlights*

- Nikoloz Gamkrelidze appointed as Chief Executive Officer of Aldagi BCI (formerly the CEO of My Family Clinic, Aldagi BCI's wholly-owned subsidiary).
- Major new corporate client acquisitions include two mobile operators GeoCell and Mobitel (Beeline) and Batumi International Cargo Terminal for liability insurance.
- Opened an additional branch of My Family Clinic in Tbilisi.

**Wealth Management (WM)***Discussion Of Results*

Allocated Revenues grew 103.6% y-o-y, impacted by the growth of Net Interest Income (driven primarily by the growth of the Private Banking loan book) to GEL 5.1 million in 2007. Allocated Recurring Costs of GEL 1.8 million grew 76.4% y-o-y. PBR grew 163.8% y-o-y to GEL 2.8 million, contributing 2.4% to the consolidated PBR. Earnings grew 191.2% y-o-y to GEL 1.9 million, contributing 2.6% to the consolidated Net Income. Gross Loans grew 96.3% y-o-y to GEL 44.2 million, while Allocated Client Deposits increased by 6.7% y-o-y to GEL 69.8 million. Allocated Total WM Assets amounted to GEL 84.4 million, up 611.9% y-o-y, while allocated Total WM Liabilities reached GEL 94.9 million, up 64.0% y-o-y.

*Highlights*

- The number of Private Banking Clients grew from 873 at the beginning of the year to 1,291 at the end of December 2007.
- Private Banking mortgage loan originations of GEL 15.2 million (up 9.4% y-o-y) during 2007 resulted in mortgage loans outstanding of GEL 22.8 million as at 31 December 2007, up 32.1% y-o-y.
- Private Banking car loan originations of GEL 2.4 million, down by 15.5% y-o-y during 2007 resulted in car loans outstanding of GEL 3.0 million as at 31 December 2007, up 33.1% y-o-y.

**Galt & Taggart Securities***Discussion Of Results*

The growth of Revenues to GEL 20.9 million during 2007 (up 633.3% y-o-y) was driven primarily by increases in commissions from brokerage and securities trading gains. Recurring Operating Costs increased to GEL 5.0 million, largely reflecting the expansion of Galt & Taggart Ukraine operations. The relatively high growth rate of the Recurring Operating Costs notwithstanding,

PBR increased 619.0% y-o-y to GEL 15.8 million. Earnings grew 502.1% y-o-y, reaching GEL 10.6 million in 2007 and contributing 14.1% to the consolidated Net Income.

### *Highlights*

- Proprietary book grew 90.8% y-o-y to GEL 14.5 million as at 31 December 2007.
- Galt & Taggart Securities continued to hold the leading position in equities trading in Georgia, with an approximately 63% market share in terms of trading volume.
- Galt & Taggart Securities Georgia successfully introduced Teliani Valley, a leading Georgian winery, to the Georgian Stock Exchange (GSE: WINE) and acted as sole placement agent on a GEL 6 million capital increase for JSC Populi, the leading Georgian supermarket chain.
- In its first full year of operation, Galt & Taggart Securities Ukraine ranked #19 among broker-dealers with an approximately 1.2% market share by equities trading volume in Ukraine.
- Galt & Taggart Securities Ukraine increased its staff to 35 full time employees.
- Advised on five successful M&A transactions, including the acquisition of UBDP by Bank of Georgia.

### **Ukraine**

#### *Discussion Of Results*

UBDP's Revenue amounted to GEL 7.0 million in Q4 2007. PBR reached GEL 2.2 million, contributing 1.9% to the consolidated PBR of the Bank. Earnings equaled 1.7 million, contributing 2.2% to the consolidated Net Income. Gross Loans stood at GEL 226.4 million. Client Deposits amounted to GEL 267.8 million. Total UBDP Assets were GEL 350.3 million, while Total UBDP Liabilities reached GEL 283.4 million.

#### *Highlights*

- Transition Team commenced work, with Sulokhan Gvalia, Deputy CEO and Chief Risk Officer of Bank of Georgia, seconded to UBDP to spearhead the integration process.
- New hires include Giorgi Vakhtangishvili, Deputy CFO of Bank of Georgia responsible for Ukraine and based in Kiev, and Ognjen Nastic, Head of IT.
- On 31 December 2007 UBDP had 40 branches and service centers, over 15,000 retail clients and 804 full-time employees.
- Acquired real estate for two branches in Kharkiv *Oblast* and Ivano-Frankivs *Oblast*, purchase price for both real estates was approximately US\$1.6 million.

### **Asset Management**

Revenues grew to GEL 23.0 million during 2007. Recurring Operating Costs increased 177.7% y-o-y to GEL 5.0 million. PBR reached GEL 17.4 million. Earnings stood at GEL 14.8 million in 2007 and contributed 19.7% to the consolidated Net Income. Assets grew to GEL 78.6 million as at 31 December 2007, up 254.0% y-o-y. Liabilities reached GEL 33.5 million by 31 December 2007, up 320.4% y-o-y.

#### *Highlights*

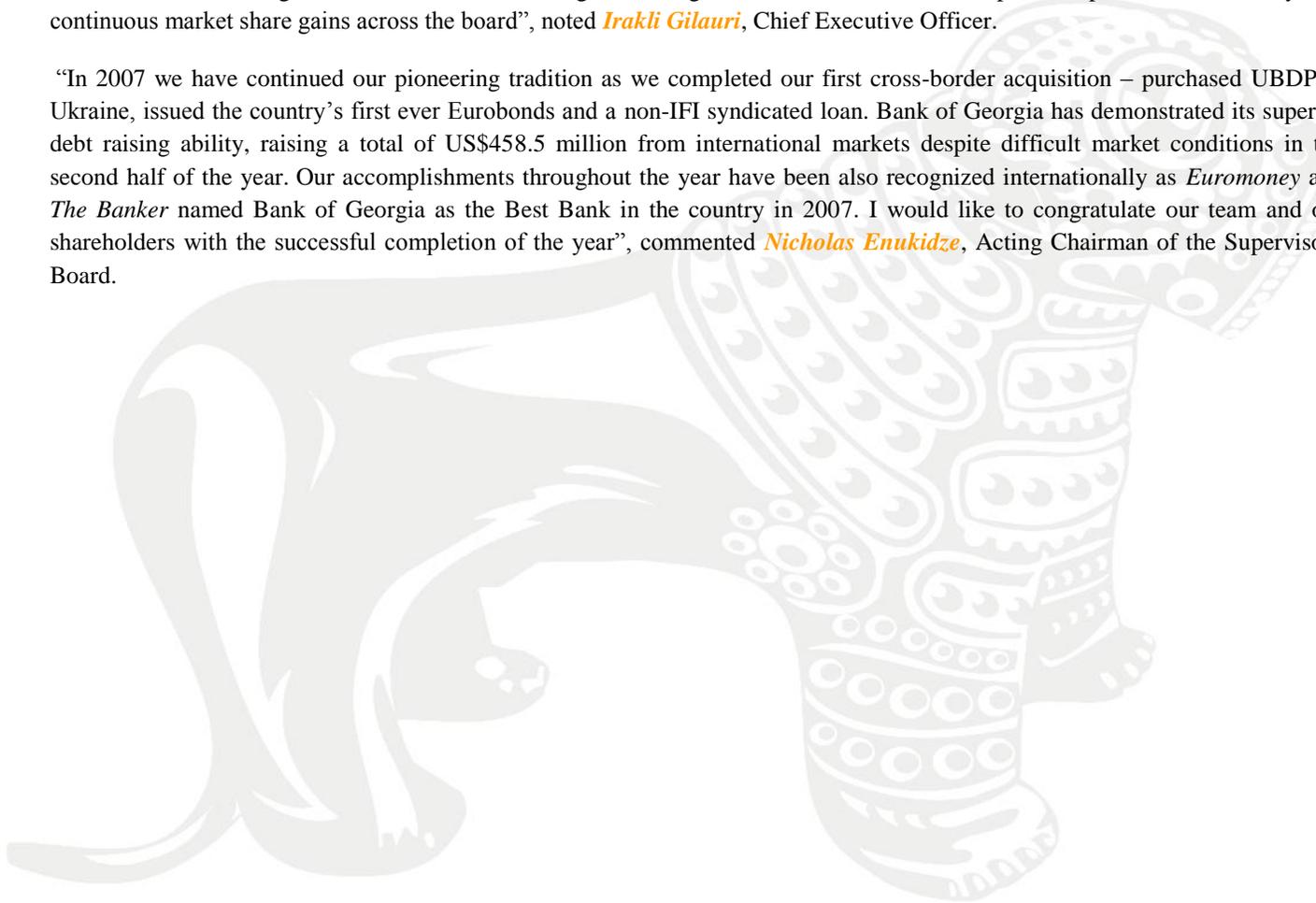
- Bidzina Bejuashvili, formerly a Vice President at JP Morgan responsible for the equity research coverage of an oil & gas sector in CEEMEA and LATAM, appointed as Chief Executive Officer of Galt & Taggart Asset Management ("GTAM").
- Launched Georgia's first ever Endowment Fund. GTAM will manage the funds raised by Bank of Georgia and International Charity Fund *Iavnana* for the benefit of the Fund.

- The market capitalisation of Galt & Taggart Capital reached GEL 78.6 million as at 31 December 2007, an increase of 46.4% y-o-y and an increase of 138.9% since the company was admitted to trading on the Georgian Stock Exchange in November 2006.
- Assets Under Management at the Aldagi BCI Pension Fund grew 142.4% y-o-y to GEL 1.2 million at the end of 2007, while the number of Aldagi BCI Pension Fund members stood at 3,820 at the end of December 2007, up from 2,154 members at the end of 2006.

### Comments

“I am very pleased with Bank of Georgia’s 2007 results. The Bank showed significant growth across almost all business lines. Non-banking revenue and net income has now become a significant portion of the Bank’s revenue and net income. Our relentless stride toward achieving excellence in retail banking is bearing fruit, as reflected in the improved operational efficiency and continuous market share gains across the board”, noted **Irakli Gilauri**, Chief Executive Officer.

“In 2007 we have continued our pioneering tradition as we completed our first cross-border acquisition – purchased UBDP in Ukraine, issued the country’s first ever Eurobonds and a non-IFI syndicated loan. Bank of Georgia has demonstrated its superior debt raising ability, raising a total of US\$458.5 million from international markets despite difficult market conditions in the second half of the year. Our accomplishments throughout the year have been also recognized internationally as *Euromoney* and *The Banker* named Bank of Georgia as the Best Bank in the country in 2007. I would like to congratulate our team and our shareholders with the successful completion of the year”, commented **Nicholas Enukidze**, Acting Chairman of the Supervisory Board.



## SEGMENT RESULTS

	Growth y-o-y	2007*	Share	2006	Share
<b>Total Operating Income (Revenue)</b>					
Corporate & Investment Banking	77.98%	71,519	32.86%	40,184	35.88%
Retail Banking	104.73%	93,255	42.84%	45,549	40.67%
Wealth Management	103.61%	5,128	2.36%	2,518	2.25%
Ukraine	NMF	6,981	3.21%	n.a.	NMF
Galt & Taggart Securities	633.28%	20,906	9.60%	2,851	2.55%
Asset Management	3316.15%	23,029	10.58%	674	0.60%
Insurance	-0.22%	5,855	2.69%	5,868	5.24%
Corporate Center/Eliminations	-162.63%	(8,993)	-4.13%	14,360	12.82%
<b>Total Operating Income (Revenue)</b>	<b>94.35%</b>	<b>217,679</b>	<b>100.00%</b>	<b>112,005</b>	<b>100.00%</b>

<b>Total Recurring Operating Costs</b>					
Corporate & Investment Banking	70.85%	15,500	17.77%	9,072	17.27%
Retail Banking	49.64%	36,680	42.05%	24,512	46.67%
Wealth Management	76.37%	1,842	2.11%	1,044	1.99%
Ukraine	NMF	4,785	5.48%	n.a.	NMF
Galt & Taggart Securities	658.89%	4,993	5.72%	658	1.25%
Asset Management	177.69%	5,005	5.74%	1,802	3.43%
Insurance	-3.06%	6,080	6.97%	6,272	11.94%
Corporate Center/Eliminations	34.85%	12,352	14.16%	9,160	17.44%
<b>Total Recurring Operating Costs</b>	<b>66.10%</b>	<b>87,235</b>	<b>100.00%</b>	<b>52,520</b>	<b>100.00%</b>

<b>Pre-Bonus Result</b>					
Corporate & Investment Banking	79.89%	42,875	35.96%	23,834	51.94%
Retail Banking	154.78%	40,268	33.78%	15,805	34.44%
Wealth Management	163.76%	2,810	2.36%	1,065	2.32%
Ukraine	NMF	2,209	1.85%	n.a.	NMF
Galt & Taggart Securities	618.99%	15,768	13.23%	2,193	4.78%
Asset Management	NMF	17,412	14.61%	(1,128)	-2.46%
Insurance	-4.26%	(386)	-0.32%	(403)	-0.88%
Corporate Center/Eliminations	NMF	(1,741)	-1.46%	4,523	9.86%
<b>Pre-Bonus Result</b>	<b>159.79%</b>	<b>119,215</b>	<b>100.00%</b>	<b>45,889</b>	<b>100.00%</b>

<b>Net Income</b>					
Corporate & Investment Banking	94.56%	28,763	38.14%	14,784	55.22%
Retail Banking	177.94%	26,951	35.74%	9,697	36.22%
Wealth Management	191.24%	1,930	2.56%	663	2.48%
Ukraine	NMF	1,656	2.20%	n.a.	NMF
Galt & Taggart Securities	502.12%	10,598	14.05%	1,760	6.57%
Asset Management	NMF	14,829	19.66%	(1,133)	-4.23%
Insurance	13.83%	(714)	-0.95%	(627)	-2.34%
Corporate Center/Eliminations	NMF	(8,598)	-11.40%	1,628	6.08%
<b>Net Income</b>	<b>181.70%</b>	<b>75,416</b>	<b>100.00%</b>	<b>26,772</b>	<b>100.00%</b>

<b>Basic EPS Contribution</b>					
Corporate & Investment Banking	Growth y-o-y	Contribution	Share	Contribution	Share
Corporate & Investment Banking	23.24%	1.10	38.14%	0.90	55.22%
Retail Banking	76.06%	1.03	35.74%	0.59	36.22%
Wealth Management	84.49%	0.07	2.56%	0.04	2.48%
Ukraine	NMF	0.06	2.20%	n.a.	NMF
Galt & Taggart Securities	281.41%	0.41	14.05%	0.11	6.57%
Asset Management	NMF	0.57	19.66%	(0.07)	-4.23%
Insurance	-27.90%	(0.03)	-0.95%	(0.04)	-2.34%
Corporate Center/Eliminations	NMF	(0.33)	-11.40%	0.10	6.08%
<b>Total</b>	<b>78.44%</b>	<b>2.89</b>	<b>100.00%</b>	<b>1.62</b>	<b>100.00%</b>

\* Q4 2007 results for Ukraine

## SEGMENT RESULTS CONT'D

Total Assets	Growth y-o-y	YE 2007	Share	YE 2006	Share
Corporate & Investment Banking	165.76%	1,421,870	47.69%	535,026	44.10%
Retail Banking	201.28%	1,125,152	37.74%	373,462	30.78%
Wealth Management	611.95%	84,422	2.83%	11,858	0.98%
Ukraine	NMF	350,250	11.75%	n.a.	NMF
Galt & Taggart Securities	211.32%	62,184	2.09%	19,975	1.65%
Asset Management	254.03%	78,580	2.64%	22,196	1.83%
Insurance	65.45%	63,545	2.13%	38,408	3.17%
Corporate Center/Eliminations	NMF	(204,639)	-6.86%	212,402	17.51%
<b>Total Assets</b>	<b>145.72%</b>	<b>2,981,364</b>	<b>100.00%</b>	<b>1,213,326</b>	<b>100.00%</b>

## Loans to Clients, Gross

Corporate & Investment Banking	105.08%	807,168	46.89%	393,596	55.04%
Retail Banking	128.70%	644,045	37.42%	281,612	39.38%
Wealth Management	96.25%	44,214	2.57%	22,529	3.15%
Ukraine	NMF	226,393	13.15%	n.a.	NMF
Galt & Taggart Securities	NMF	-	0.00%	-	NMF
Asset Management	NMF	-	0.00%	-	NMF
Insurance	NMF	-	0.00%	-	NMF
Corporate Center/Eliminations	NMF	(578)	-0.03%	17,324	2.42%
<b>Total Loans to Clients</b>	<b>140.71%</b>	<b>1,721,242</b>	<b>100.00%</b>	<b>715,061</b>	<b>100.00%</b>

## Total Liabilities

Corporate & Investment Banking	149.74%	1,137,858	46.99%	455,616	54.34%
Retail Banking	169.83%	709,797	29.31%	263,057	31.37%
Wealth Management	64.05%	94,867	3.92%	57,829	6.90%
Ukraine	NMF	283,457	11.71%	n.a.	NMF
Galt & Taggart Securities	328.96%	28,490	1.18%	6,642	0.79%
Asset Management	320.38%	33,519	1.38%	7,973	0.95%
Insurance	83.65%	45,324	1.87%	24,680	2.94%
Corporate Center/Eliminations	289.07%	88,206	3.64%	22,671	2.70%
<b>Total Liabilities</b>	<b>188.80%</b>	<b>2,421,518</b>	<b>100.00%</b>	<b>838,468</b>	<b>100.00%</b>

## Client Deposits

Corporate & Investment Banking	138.31%	673,686	49.46%	282,688	50.51%
Retail Banking	66.35%	342,118	25.12%	205,662	36.75%
Wealth Management	6.72%	69,833	5.13%	65,436	11.69%
Ukraine	NMF	267,758	19.66%	n.a.	NMF
Galt & Taggart Securities	47.26%	8,630	0.63%	5,860	1.05%
Asset Management	NMF	-	0.00%	-	0.00%
Insurance	NMF	-	0.00%	-	0.00%
Corporate Center/Eliminations	NMF	-	0.00%	-	0.00%
<b>Total Client Deposits</b>	<b>143.37%</b>	<b>1,362,025</b>	<b>100.00%</b>	<b>559,646</b>	<b>100.00%</b>

## Book Value Per Share

Book Value Per Share	Growth y-o-y	Contribution	Share	Contribution	Share
Corporate & Investment Banking	28.27%	10.46	50.73%	8.15	54.82%
Retail Banking	169.60%	15.30	74.19%	5.67	38.14%
Wealth Management	NMF	(0.38)	-1.87%	0.43	2.92%
Ukraine	NMF	2.46	11.93%	n.a.	NMF
Galt & Taggart Securities	124.79%	1.24	6.02%	0.55	3.71%
Asset Management	183.30%	1.66	8.05%	0.59	3.94%
Insurance	315.09%	0.67	3.25%	0.16	1.09%
Corporate Center/Eliminations	1469.92%	(10.78)	-52.31%	(0.69)	-4.62%
<b>Book Value Per Share</b>	<b>38.61%</b>	<b>20.62</b>	<b>100.00%</b>	<b>14.87</b>	<b>100.00%</b>

INCOME STATEMENT DATA

Period Ended	Q4 2007		Q4 2006		Growth <sup>3</sup> Y-O-Y	2007		2006		Growth <sup>3</sup> Y-O-Y
	US\$ <sup>1</sup>	GEL	US\$ <sup>2</sup>	GEL		US\$ <sup>1</sup>	GEL	US\$ <sup>2</sup>	GEL	
<i>000s, unless otherwise noted</i>										
	(Unaudited)		(Unaudited)			(Unaudited)		(Unaudited)		
Interest Income	53,119	84,545	22,231	38,094	121.9%	156,913	249,742	58,518	100,271	149.1%
Interest Expense	26,312	41,878	6,857	11,749	256.4%	73,309	116,678	19,579	33,549	247.8%
<b>Net Interest Income</b>	<b>26,807</b>	<b>42,667</b>	<b>15,374</b>	<b>26,344</b>	<b>62.0%</b>	<b>83,604</b>	<b>133,064</b>	<b>38,939</b>	<b>66,722</b>	<b>99.4%</b>
Fee & Commission Income	7,472	11,892	3,119	5,345	122.5%	21,038	33,484	12,096	20,727	61.5%
Fee & Commission Expense	2,789	4,438	283	485	815.2%	4,776	7,601	1,282	2,196	246.1%
<b>Net Fee &amp; Commission Income</b>	<b>4,683</b>	<b>7,453</b>	<b>2,836</b>	<b>4,860</b>	<b>53.4%</b>	<b>16,262</b>	<b>25,883</b>	<b>10,815</b>	<b>18,531</b>	<b>39.7%</b>
Income From Documentary Operations	1,545	2,459	667	1,142	115.3%	4,894	7,789	2,751	4,714	65.2%
Expense On Documentary Operations	236	375	214	366	2.3%	1,180	1,878	733	1,257	49.4%
<b>Net Income From Documentary Operations</b>	<b>1,310</b>	<b>2,084</b>	<b>453</b>	<b>776</b>	<b>168.7%</b>	<b>3,714</b>	<b>5,911</b>	<b>2,017</b>	<b>3,457</b>	<b>71.0%</b>
<b>Net Foreign Currency Related Income</b>	<b>6,052</b>	<b>9,632</b>	<b>2,361</b>	<b>4,046</b>	<b>138.1%</b>	<b>16,468</b>	<b>26,211</b>	<b>6,968</b>	<b>11,939</b>	<b>119.5%</b>
Net Insurance Income	36	58	504	864	-93.3%	3,558	5,662	2,678	4,589	23.4%
Brokerage Income	460	732	544	932	-21.4%	2,267	3,609	1,574	2,698	33.8%
Asset Management Income	1,530	2,435	n.a.	n.a.	n.a.	1,539	2,450	n.a.	n.a.	n.a.
Realised Net Investment Gains (Losses)	73	116	n.a.	n.a.	n.a.	3,533	5,622	n.a.	n.a.	n.a.
Other	1,962	3,123	11	18	17068.3%	5,822	9,267	2,375	4,069	127.7%
<b>Net Other Non-Interest Income</b>	<b>4,061</b>	<b>6,464</b>	<b>1,059</b>	<b>1,814</b>	<b>256.3%</b>	<b>16,719</b>	<b>26,610</b>	<b>6,627</b>	<b>11,356</b>	<b>134.3%</b>
<b>Net Non-Interest Income</b>	<b>16,106</b>	<b>25,634</b>	<b>6,709</b>	<b>11,496</b>	<b>123.0%</b>	<b>53,163</b>	<b>84,615</b>	<b>26,427</b>	<b>45,283</b>	<b>86.9%</b>
<b>Total Operating Income (Revenue)</b>	<b>42,913</b>	<b>68,300</b>	<b>22,083</b>	<b>37,840</b>	<b>80.5%</b>	<b>136,768</b>	<b>217,679</b>	<b>65,366</b>	<b>112,005</b>	<b>94.3%</b>
Personnel Costs	7,854	12,501	4,139	7,093	76.2%	25,089	39,932	13,032	22,330	78.8%
Selling, General & Administrative Costs	5,068	8,066	2,665	4,567	76.6%	15,367	24,458	8,951	15,337	59.5%
Procurement & Operations Support Expenses	1,564	2,490	1,424	2,440	2.0%	5,800	9,231	3,100	5,312	73.8%
Depreciation & Amortization	1,964	3,126	1,200	2,057	52.0%	6,180	9,836	3,436	5,887	67.1%
Other Operating Expenses	1,575	2,507	381	654	283.6%	2,374	3,779	2,132	3,654	3.4%
<b>Total Recurring Operating Costs</b>	<b>18,026</b>	<b>28,690</b>	<b>9,811</b>	<b>16,810</b>	<b>70.7%</b>	<b>54,810</b>	<b>87,235</b>	<b>30,651</b>	<b>52,520</b>	<b>66.1%</b>
<b>Normalised Net Operating Income</b>	<b>24,887</b>	<b>39,610</b>	<b>12,273</b>	<b>21,029</b>	<b>88.4%</b>	<b>81,958</b>	<b>130,444</b>	<b>34,715</b>	<b>59,485</b>	<b>119.3%</b>
Net Non-Recurring Income (Costs)	3,109	4,949	-	-	NMF <sup>4</sup>	3,023	4,811	-	-	NMF <sup>4</sup>
<b>Profit Before Provisions &amp; Bonuses</b>	<b>27,996</b>	<b>44,559</b>	<b>12,273</b>	<b>21,029</b>	<b>111.9%</b>	<b>84,980</b>	<b>135,255</b>	<b>34,715</b>	<b>59,485</b>	<b>127.4%</b>
<b>Net Provision Expense</b>	<b>5,131</b>	<b>8,166</b>	<b>2,171</b>	<b>3,720</b>	<b>119.5%</b>	<b>10,078</b>	<b>16,040</b>	<b>7,934</b>	<b>13,596</b>	<b>18.0%</b>
<b>Pre-Bonus Result</b>	<b>22,866</b>	<b>36,393</b>	<b>10,102</b>	<b>17,309</b>	<b>110.3%</b>	<b>74,902</b>	<b>119,215</b>	<b>26,781</b>	<b>45,889</b>	<b>159.8%</b>
Bonuses & Share Based Compensation Expenses	3,173	5,050	2,550	4,369	15.6%	16,019	25,496	6,412	10,987	132.1%
<b>Pre-Tax Income</b>	<b>19,693</b>	<b>31,343</b>	<b>7,552</b>	<b>12,940</b>	<b>142.2%</b>	<b>58,883</b>	<b>93,719</b>	<b>20,369</b>	<b>34,903</b>	<b>168.5%</b>
Income Tax Expenses	3,641	5,795	2,025	3,469	67.0%	11,499	18,303	4,745	8,131	125.1%
<b>Net Income</b>	<b>16,052</b>	<b>25,549</b>	<b>5,527</b>	<b>9,470</b>	<b>169.8%</b>	<b>47,384</b>	<b>75,416</b>	<b>15,624</b>	<b>26,772</b>	<b>181.7%</b>
Weighted Average Shares Outstanding (000s)							26,057		16,506	
Fully Diluted Number of Shares Period End (000s)							27,250		27,229	
EPS (Basic)						1.82	2.89	0.95	1.62	78.44%
EPS (Fully Diluted)						1.74	2.77	0.57	0.98	181.49%

<sup>1</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.5916 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2007

<sup>2</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.7135 per US\$1.00, such rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia as at 31 December 2006

<sup>3</sup> Growth calculations based on GEL values

<sup>4</sup> Not meaningful

## BALANCE SHEET DATA

Consolidated, IFRS Based 000s, unless otherwise noted	31-Dec-07		Growth <sup>2</sup> Y-O-Y	31-Dec-06	
	US\$ <sup>1</sup> (Unaudited)	GEL		US\$ <sup>3</sup> (Unaudited)	GEL
Cash & Cash Equivalents	118,401	188,446	74.8%	62,918	107,809
Loans & Advances To Credit Institutions	260,590	414,756	531.2%	38,349	65,711
Mandatory Reserve With NBG	54,148	86,182	40.2%	35,869	61,461
Other Accounts With NBG	56,199	89,446	37777.4%	138	236
Balances With & Loans To Other Banks	150,244	239,128	5858.8%	2,342	4,013
Available-For-Sale Securities	5,833	9,285	67.8%	3,230	5,534
Treasuries & Equivalents	50,111	79,757	-57.4%	109,276	187,244
Other Fixed Income Instruments	95,652	152,240	3397.4%	2,540	4,353
Gross Loans To Clients	1,081,454	1,721,242	140.7%	417,310	715,061
Less: Reserve For Loan Losses	(23,574)	(37,521)	77.6%	(12,330)	(21,128)
Net Loans To Clients	1,057,880	1,683,721	142.6%	404,980	693,933
Investments In Other Business Entities, Net	27,077	43,096	3421.8%	714	1,224
Property & Equipment Owned, Net	127,005	202,142	202.5%	39,001	66,828
Intangible Assets Owned, Net	2,370	3,772	19.7%	1,838	3,150
Goodwill	72,001	114,597	184.5%	23,507	40,279
Tax Assets - Current & Deferred	3,769	5,998	NMF <sup>4</sup>	-	-
Prepayments & Other Assets	52,496	83,553	124.2%	21,745	37,261
<b>Total Assets</b>	<b>1,873,186</b>	<b>2,981,363</b>	<b>145.7%</b>	<b>708,098</b>	<b>1,213,326</b>
Client Deposits	855,758	1,362,025	143.4%	326,610	559,646
Deposits & Loans From Banks	19,290	30,701	3448.6%	505	865
Borrowed Funds	525,248	835,984	274.0%	130,444	223,516
Insurance Related Liabilities	25,968	41,330	436.8%	4,493	7,699
Issued Fixed Income Securities	3,137	4,993	365.3%	626	1,073
Tax Liabilities - Current & Deferred	19,221	30,593	275.9%	4,749	8,138
Accruals & Other Liabilities	72,815	115,892	208.8%	21,903	37,531
<b>Total Liabilities</b>	<b>1,521,436</b>	<b>2,421,518</b>	<b>188.8%</b>	<b>489,331</b>	<b>838,468</b>
Ordinary Shares	17,061	27,155	7.7%	14,708	25,202
Share Premium	196,051	312,035	12.5%	161,914	277,440
Treasury Shares	(1,122)	(1,786)	77.9%	(586)	(1,004)
Retained Earnings	39,836	63,403	71.5%	21,578	36,974
Revaluation & Other Reserves	46,211	73,549	1299.1%	3,068	5,257
Net Income For The Period	47,384	75,416	181.7%	15,624	26,772
<b>Shareholders' Equity Excluding Minority Interest</b>	<b>345,421</b>	<b>549,772</b>	<b>48.3%</b>	<b>216,306</b>	<b>370,641</b>
Minority Interest	6,329	10,073	138.9%	2,461	4,217
<b>Total Shareholders' Equity</b>	<b>351,750</b>	<b>559,845</b>	<b>49.3%</b>	<b>218,767</b>	<b>374,858</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,873,186</b>	<b>2,981,363</b>	<b>145.7%</b>	<b>708,098</b>	<b>1,213,326</b>
Shares Outstanding		27,154,918			25,202,009
Book Value Per Share	12.96	20.62	38.61%	8.68	14.87

<sup>1</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.5916 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 2007

<sup>2</sup> Growth calculations based on GEL values

<sup>3</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7135 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 2006

<sup>4</sup> Not meaningful

## KEY RATIOS

	2007	2006
<b>Profitability Ratios</b>		
ROAA, <sup>1</sup> .....	3.8%	3.4%
ROA, .....	2.5%	2.2%
ROAE, <sup>2</sup> .....	17.7%	16.5%
ROE, .....	13.5%	7.1%
Interest Income To Average Interest Earning Assets, <sup>3</sup> .....	15.4%	16.7%
Cost Of Funds, <sup>4</sup> .....	8.0%	5.8%
Net Spread <sup>5</sup> .....	7.4%	10.9%
Net Interest Margin <sup>6</sup> .....	8.2%	11.1%
Net Interest Margin, Normalised, <sup>7</sup> .....	8.2%	10.6%
Loan Yield <sup>8</sup> .....	21.3%	17.4%
Interest Expense To Interest Income.....	46.7%	33.5%
Net Non-Interest Income To Average Total Assets, .....	4.2%	5.8%
Net Non-Interest Income To Revenue <sup>9</sup> .....	38.9%	40.4%
Net Fee And Commission Income To Average Interest Earning Assets, <sup>10</sup> .....	1.6%	3.1%
Net Fee And Commission Income To Revenue.....	11.9%	16.5%
Operating Leverage <sup>11</sup> .....	24.4%	18.8%
Total Operating Income (Revenue)/Total Assets, .....	7.3%	9.2%
Recurring Earning Power <sup>12</sup> .....	6.7%	7.7%
Net Income To Revenue.....	34.6%	23.9%
<b>Efficiency Ratios</b>		
Operating Cost To Average Total Assets, <sup>13</sup> .....	4.3%	6.8%
Cost To Average Total Assets <sup>14</sup> .....	5.4%	8.2%
Cost / Income <sup>15</sup> .....	49.6%	56.7%
Cost /Income Normalised <sup>16</sup> .....	51.8%	56.7%
Cost / Income, Bank of Georgia, Standalone <sup>18</sup> .....	51.1%	51.2%
Cash Cost/Income <sup>17</sup> .....	45.1%	51.4%
Total Employee Compensation Expense To Revenue <sup>19</sup> .....	30.1%	29.7%
Total Employee Compensation Expense To Cost.....	60.6%	52.5%
Total Employee Compensation Expense To Average Total Assets, .....	3.3%	4.3%
<b>Liquidity Ratios</b>		
Net Loans To Total Assets <sup>20</sup> .....	56.5%	57.2%
Average Net Loans To Average Total Assets.....	53.2%	61.3%
Interest Earning Assets To Total Assets.....	78.2%	78.4%
Average Interest Earning Assets To Average Total Assets.....	80.9%	77.3%
Liquid Assets To Total Assets <sup>21</sup> .....	25.4%	25.0%
Net Loans To Client Deposits.....	123.6%	124.0%
Average Net Loans To Average Client Deposits.....	125.1%	113.4%
Net Loans To Total Deposits <sup>22</sup> .....	120.9%	123.8%
Net Loans To Total Liabilities.....	69.5%	82.8%
Total Deposits To Total Liabilities.....	57.5%	66.8%
Client Deposits To Total Deposits.....	97.8%	99.8%
Client Deposits To Total Liabilities.....	56.2%	66.7%
Current Account Balances To Client Deposits.....	42.1%	54.4%
Demand Deposits To Client Deposits.....	6.7%	6.4%
Time Deposits To Client Deposits.....	51.1%	39.2%
Total Deposits To Total Assets.....	46.7%	46.2%
Client Deposits To Total Assets.....	45.7%	46.1%
Client Deposits To Total Equity (times) <sup>23</sup> .....	2.43	1.49
Due From Banks / Due To Banks <sup>24</sup> .....	1351%	7597%
Leverage (times) <sup>25</sup> .....	4.3	2.2

## KEY RATIOS CONT'D

	2007	2006
<b>Asset Quality</b>		
NPLs (in GEL) <sup>26</sup> .....	25,325	16,266
NPLs to Gross Loans <sup>27</sup> .....	1.5%	2.3%
Cost of Risk, Annualised <sup>28</sup> .....	1.5%	2.7%
Cost of Risk, Normalised <sup>29</sup> .....	1.5%	2.2%
Reserves for Loan Losses to Gross Loans <sup>30</sup> .....	2.2%	3.0%
NPL Coverage ratio <sup>31</sup> .....	148.2%	129.9%
Equity to Average Net Loans to Clients.....	52.3%	78.8%
Total Equity To Net Loans.....	33.3%	54.0%
<b>Capital Adequacy:</b>		
Equity To Total Assets.....	18.8%	30.9%
BIS Tier I Capital Adequacy Ratio <sup>32</sup> .....	21.4%	44.9%
BIS Total Capital Adequacy Ratio <sup>33</sup> .....	20.8%	41.8%
NBG Tier I Capital Adequacy Ratio <sup>34</sup> .....	13.2%	23.2%
NBG Total Capital Adequacy Ratio <sup>35</sup> .....	13.1%	28.5%
<b>Per Share Values:</b>		
Basic EPS (GEL) <sup>36</sup> .....	2.89	1.62
Basic EPS (US\$).....	1.82	0.95
Fully Diluted EPS (GEL) <sup>37</sup> .....	2.77	0.98
Fully Diluted EPS (US\$).....	1.74	0.57
Book Value Per Share (GEL) <sup>38</sup> .....	20.62	14.87
Book Value Per Share (US\$).....	12.96	8.68
Ordinary Shares Outstanding - Weighted Average, Basic.....	26,057,022	16,505,701
Ordinary Shares Outstanding - Period End.....	27,154,918	25,202,009
Ordinary Shares Outstanding – Fully Diluted.....	27,249,918	27,229,418
<b>Selected Operating Data:</b>		
Full Time Employees (FTE).....	4,459	2,226
FTEs, Bank of Georgia Standalone.....	2,692	1,601
Total Assets per FTE (GEL Thousands).....	669	558
Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands).....	1,107	776
Branches.....	117	100
ATMs.....	250	124
Plastic Cards (Thousands).....	647	286
POS Terminals.....	1,594	471

## 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;
- 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 Net Interest Margin Normalised equals Net Interest Income of the period, less provisions for the interest income generated by non-performing loans through the date of their write-offs, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans To Clients over the same period.
- 8 Loan Yield equals Interest Income, less Net Provision Expense divided by quarterly Average Gross Loans To Clients;
- 9 Revenue equals Total Operating Income;
- 10 Net Fee And Commission Income includes Net Income From Documentary Operations of the period;
- 11 Operating Leverage equals percentage change in Revenue less percentage change in Total Costs;
- 12 Recurring Earning Power equals Profit Before Provisions and Bonuses of the period divided by average Total Assets of the same period;
- 13 Operating Cost equals Total Recurring Operating Costs;
- 14 Cost includes Total Recurring Operating Costs, Net Non-Recurring Costs (Income) and Bonuses & Share Based Compensation Expenses;
- 15 Cost/Income Ratio equals Costs of the period divided by Total Operating Income (Revenue);
- 16 Cost/Income Normalised equals Recurring Operating Costs plus Bonuses & Share Based Compensation Expenses divided by Total Operating Income (Revenue) for the same period.
- 17 Cash Cost equals Cost minus Depreciation & Amortisation;
- 18 Cost/Income, Bank of Georgia, standalone, equals to non-consolidated Total Costs of the bank of the period divided by non-consolidated Revenue of the bank of the same period;
- 19 Total Employee Compensation Expense includes Personnel Costs and Bonuses & Share-Based Compensation Expenses;
- 20 Net Loans equal Net Loans To Clients;
- 21 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;
- 22 Total Deposits include Client Deposits and Deposits And Loans from Banks;
- 23 Total Equity equals Total Shareholders' Equity;
- 24 Due From Banks/Due To Banks equals Loans And Advances To Credit Institutions divided by Deposits And Loans From Banks;
- 25 Leverage (Times) equals Total Liabilities as of the period end divided by Total Equity as of the same date;
- 26 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.
- 27 Gross Loans equals Gross Loans To Clients;
- 28 Cost Of Risk equals Net Provision For Loan Losses of the period, less recovery of other assets, divided by quarterly average Gross Loans To Clients over the same period;
- 29 Cost of Risk Normalised equals Net Provision For Loan Losses of the period, less provisions for the interest income generated by non-performing loans through the date of their write-off, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans to Clients over the same period.
- 30 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;
- 31 NPL Coverage Ratio equals Reserve For Loan losses as of the period end divided by NPLs as of the same date;
- 32 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 Capital Accord I;
- 33 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 Capital Accord I;
- 34 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;
- 35 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;
- 36 Basic EPS equals Net Income of the period divided by the weighted average number of outstanding Ordinary Shares over the same period;
- 37 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;
- 38 Book Value Per Share equals Total Equity plus Treasury Shares, divided by the total number of outstanding Ordinary Shares.