

Standard & Poor's: 'B/B'  
Fitch Ratings: 'B/B'  
Moody's: 'B3/NP' (FC) & 'Ba3/NP' (LC)

LSE: BGEO  
GSE: GEB  
Berlin-Bremen Boerse: B7D1

Reuters: BGEO.L  
Bloomberg: BGEO.LI

## Bank of Georgia Q1 2009 results overview



საქართველოს ბანკი  
BANK OF GEORGIA

May 2009

# Introduction to Bank of Georgia

## The leading universal bank in Georgia

- ☑ No.1 by assets (circa 34.3%),<sup>(1)</sup> loans (circa 32.2%),<sup>(1)</sup> deposits (circa 27.8%)<sup>(1)</sup> and equity (circa 40.8%)<sup>(1)</sup>
- ☑ Leading retail banking, with top brand, best distribution network and broadest range of services of any bank in Georgia

|                     | March<br>2009 | December<br>2008 | September<br>2008 | June<br>2008 | March<br>2008 |
|---------------------|---------------|------------------|-------------------|--------------|---------------|
| ☑ Retail Accounts   | 878,000+      | 866,000+         | 904,000+          | 880,000+     | 770,000+      |
| ☑ Cards Outstanding | 650,000+      | 639,000+         | 767,000+          | 847,000+     | 740,000+      |
| ☑ Branches          | 142           | 151              | 140               | 134          | 131           |
| ☑ ATMs              | 420           | 416              | 386               | 363          | 310           |

- ☑ Leading corporate bank with approximately 78,000 legal entities and over 140,000 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\$119 mln as of 14 May 2009
  - ☑ Approximately 95% free float
- ☑ Issue of the first ever Eurobonds in Georgia
  - ☑ Bloomberg: BKGEO; 5 year, 9%, US\$200 mln
  - ☑ B/Ba2/B (composite B+)

### Investment highlights

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

Note: (1) As of 31 March 2009; 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](http://www.nbg.gov.ge)



# *Bank of Georgia Q1 2009 results overview*

# Q1 2009 P&L results highlights

Millions, unless otherwise noted

| Bank of Georgia (Consolidated, IFRS Based)    | Q1 2009   |       | Q4 2008   |        | Q1 2008 |      | Growth, Growth,    |                    |
|---|-----------|-------|-----------|--------|---------|------|--------------------|--------------------|
|   | GEL       | US\$  | GEL       | US\$   | GEL     | US\$ | Y-O-Y <sup>1</sup> | Q-O-Q <sup>1</sup> |
|   | Unaudited |       | Unaudited |        |         |      |                    |                    |
| Net Interest Income                           | 55.4      | 33.1  | 56.4      | 33.8   | 49.8    | 33.7 | 11.2%              | -1.8%              |
| Net Non-Interest Income                       | 29.3      | 17.5  | 30.2      | 18.1   | 31.3    | 21.2 | -6.5%              | -3.0%              |
| Total Operating Income (Revenue) <sup>2</sup> | 84.6      | 50.7  | 86.6      | 51.9   | 81.1    | 54.9 | 4.4%               | -2.2%              |
| Recurring Operating Costs                     | 44.6      | 26.7  | 47.9      | 28.8   | 44.5    | 30.1 | 0.4%               | -6.9%              |
| Normalized Net Operating Income <sup>3</sup>  | 40.0      | 24.0  | 38.7      | 23.2   | 36.6    | 24.8 | 9.2%               | 3.5%               |
| Net Non-Recurring Costs                       | (0.2)     | (0.1) | (30.0)    | (18.0) | 8.5     | 5.7  | NMF                | -99.2%             |
| Net Provision Expense                         | 35.0      | 21.0  | 10.9      | 6.5    | 7.5     | 5.0  | 369.6%             | 221.6%             |
| Net Income/ (Loss)                            | 5.1       | 3.0   | (1.1)     | (0.7)  | 31.9    | 21.6 | -84.1%             | NMF                |
| Tier I Capital Adequacy Ratio (BIS)           | 22.2%     |       | 22.5%     |        | 25.2%   |      | -11.8%             |                    |
| Total Capital Adequacy Ratio (BIS)            | 31.7%     |       | 27.3%     |        | 25.8%   |      | 23.0%              |                    |
| Tier I Capital Adequacy Ratio (NBG)           | 16.4%     |       | 16.6%     |        | 18.3%   |      | -10.2%             |                    |
| Total Capital Adequacy Ratio (NBG)            | 17.4%     |       | 13.5%     |        | 16.3%   |      |                    |                    |

<sup>1</sup> Compared to the same period in 2008; growth calculations based on GEL values.

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

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

## March 2009 Balance Sheet results highlights

Millions, unless otherwise noted

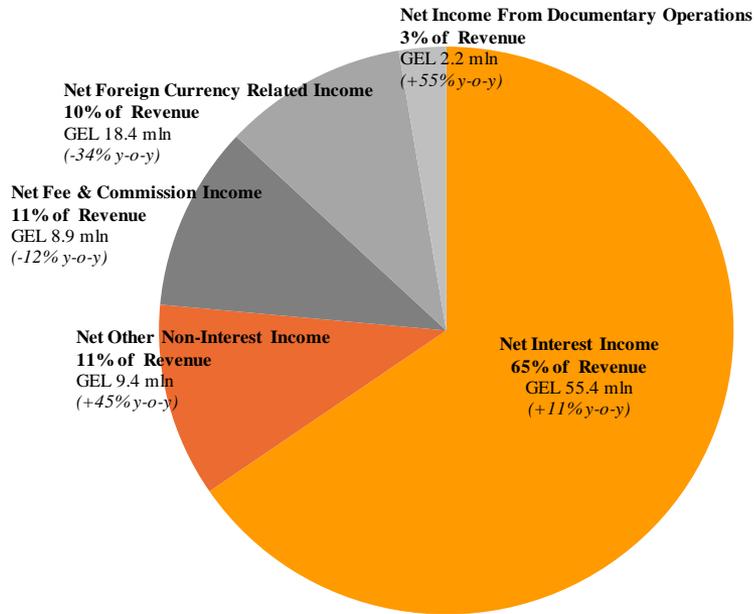
**Bank of Georgia (Consolidated, IFRS)**

|                                  | Q1 2009     |         | YE 2008   |         | Q1 2008     |         |
|----------------------------------|-------------|---------|-----------|---------|-------------|---------|
|                                  | GEL         | US\$    | GEL       | US\$    | GEL         | US\$    |
|                                  | (Unaudited) |         | (Audited) |         | (Unaudited) |         |
| Net Loans                        | 1,911.6     | 1,144.7 | 2,080.6   | 1,248.1 | 1,816.1     | 1,230.4 |
| Total Assets                     | 3,186.8     | 1,908.2 | 3,258.9   | 1,955.0 | 3,147.8     | 2,132.7 |
| Total Deposits                   | 1,185.9     | 710.1   | 1,272.1   | 763.1   | 1,369.8     | 928.0   |
| Borrowed Funds                   | 1,162.8     | 696.3   | 1,137.8   | 682.5   | 795.1       | 538.7   |
| Total Liabilities                | 2,474.9     | 1,482.0 | 2,540.1   | 1,523.7 | 2,401.1     | 1,626.7 |
| Shareholders' Equity             | 711.8       | 426.3   | 718.8     | 431.2   | 746.7       | 505.9   |
| Book Value Per Share, GEL & US\$ | 22.77       | 13.64   | 23.00     | 13.80   | 23.90       | 16.19   |

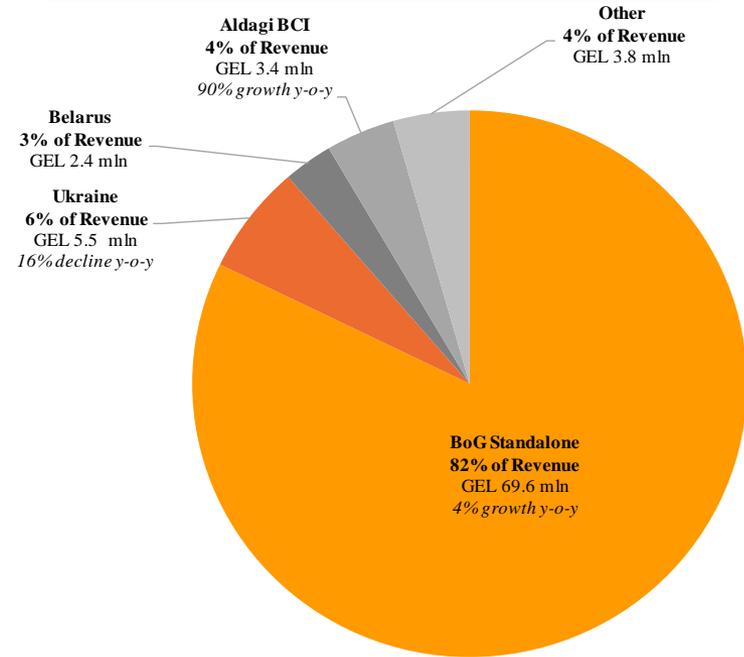
|                      | Growth, Y-O-Y | Growth, Q-O-Q |
|----------------------|---------------|---------------|
| Net Loans            | 5.3%          | -8.1%         |
| Total Assets         | 1.2%          | -2.2%         |
| Total Deposits       | -13.4%        | -6.8%         |
| Borrowed Funds       | 46.3%         | 2.2%          |
| Total Liabilities    | 3.1%          | -2.6%         |
| Shareholders' Equity | -4.7%         | -1.0%         |
| Book Value Per Share | -4.7%         | -0.2%         |

# Composition of revenue in Q4 2008

**Composition of Revenue, Q1 2009**



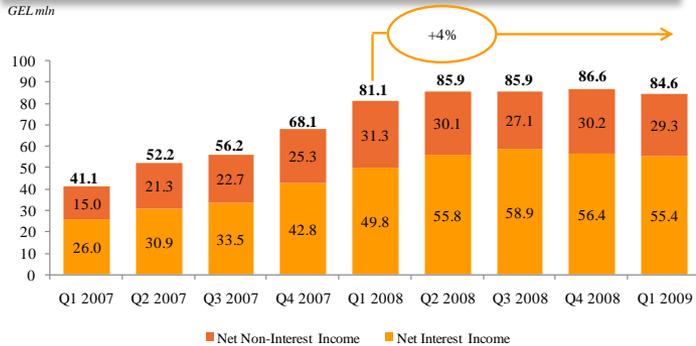
**Revenue by Segments, Q1 2009**



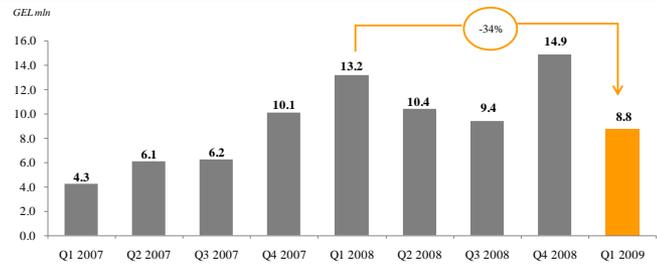
**Total Revenue: GEL 84.6 million (4% y-o-y growth, 2% q-o-q decline)**

# Analysis of revenue

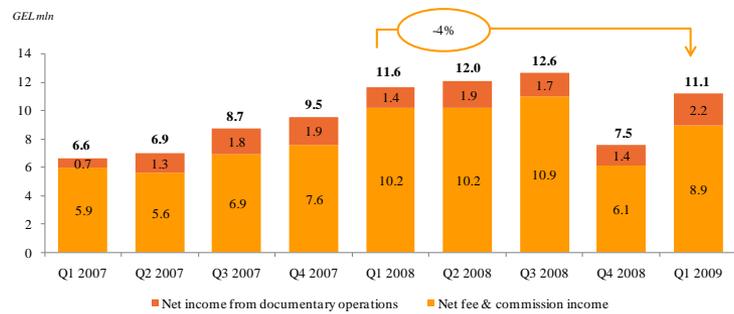
## Revenue growth



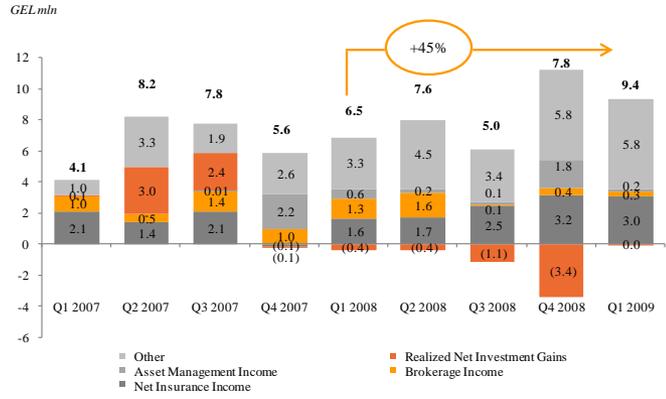
## Net foreign currency related income



## Net fee & commission income & income from documentary operations

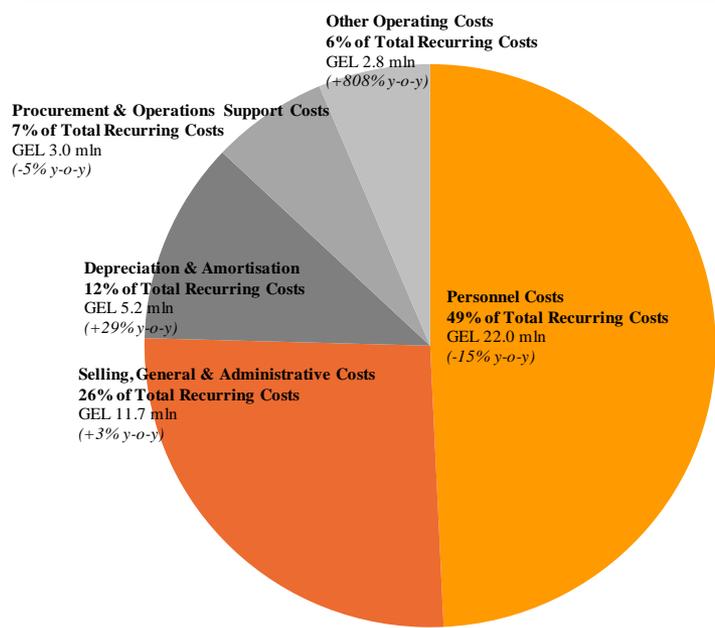


## Other non-interest income

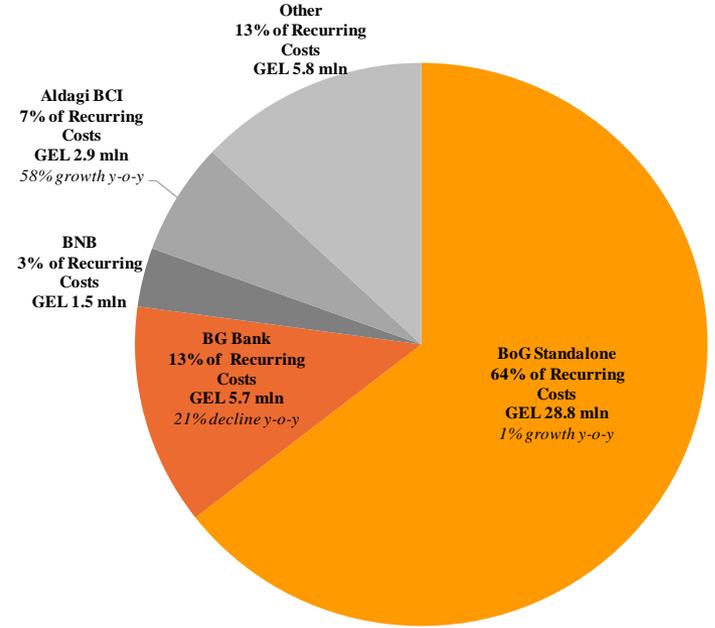


# Analysis of recurring operating costs

**Recurring operating cost structure, Q1 2009**



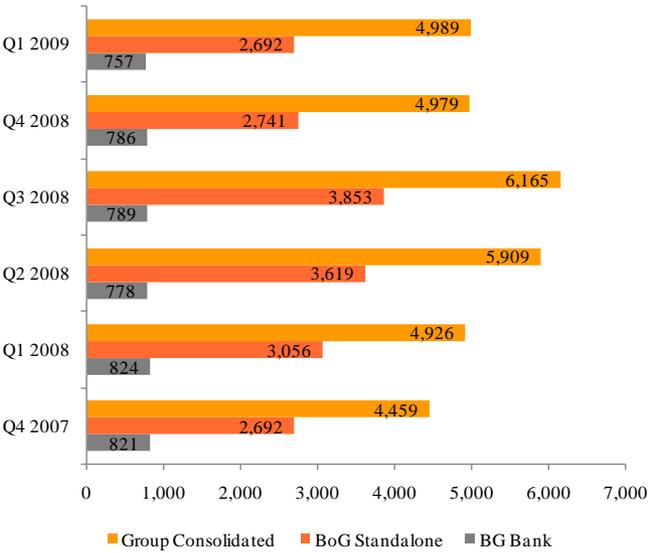
**Recurring operating cost structure by segments, Q1 2009**



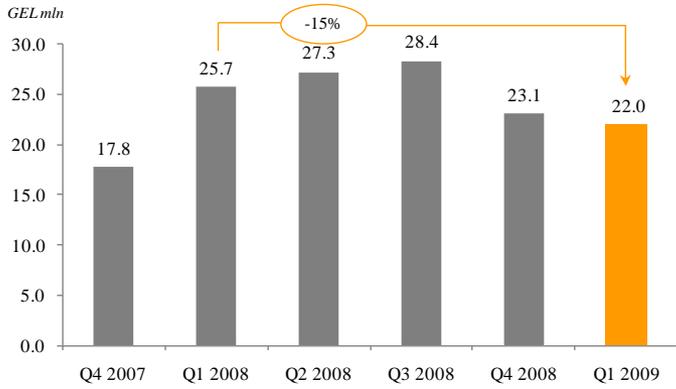
**Total recurring operating costs: GEL 44.7 million in Q1 2009 (0.4% growth y-o-y, 7% decline q-o-q)**

# Analysis of recurring operating costs cont'd

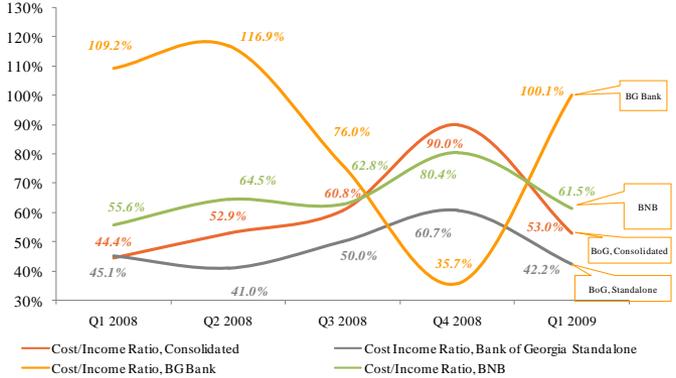
## Employees



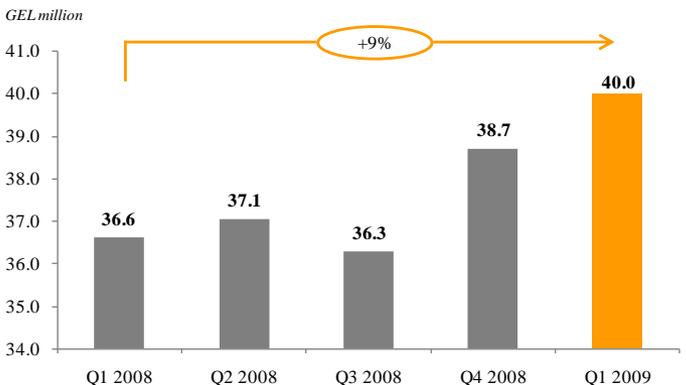
## Personnel costs



## Cost/Income ratio

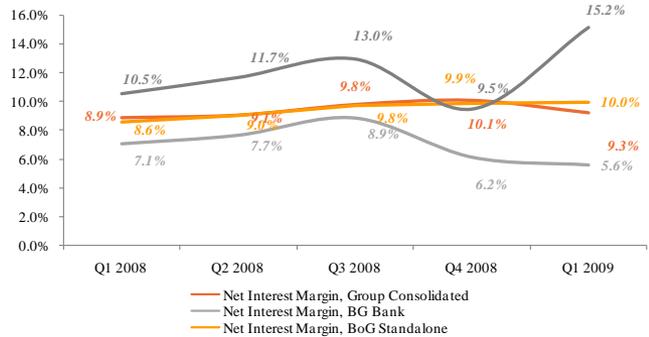


## Normalised net operating income



# NIM & loan yields

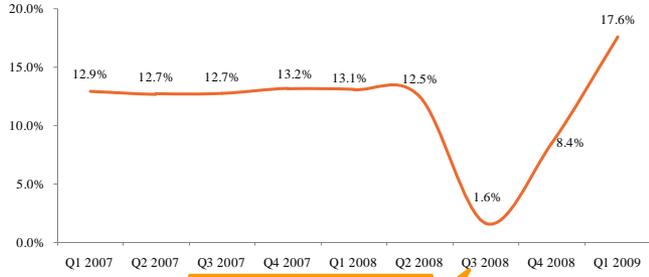
## Net Interest Margin (annualised)\*



## RB & WM loan yield (annualised)\*

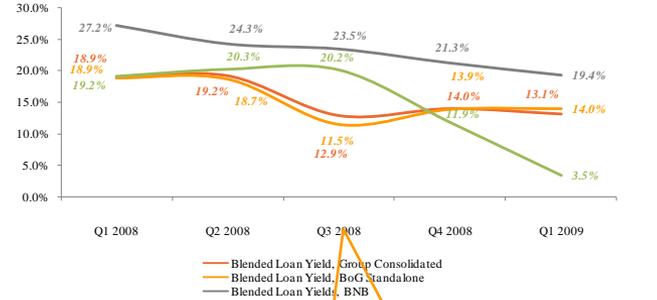


## CB loan yield (annualised)\*



Includes conflict related provisions in Q3 2008

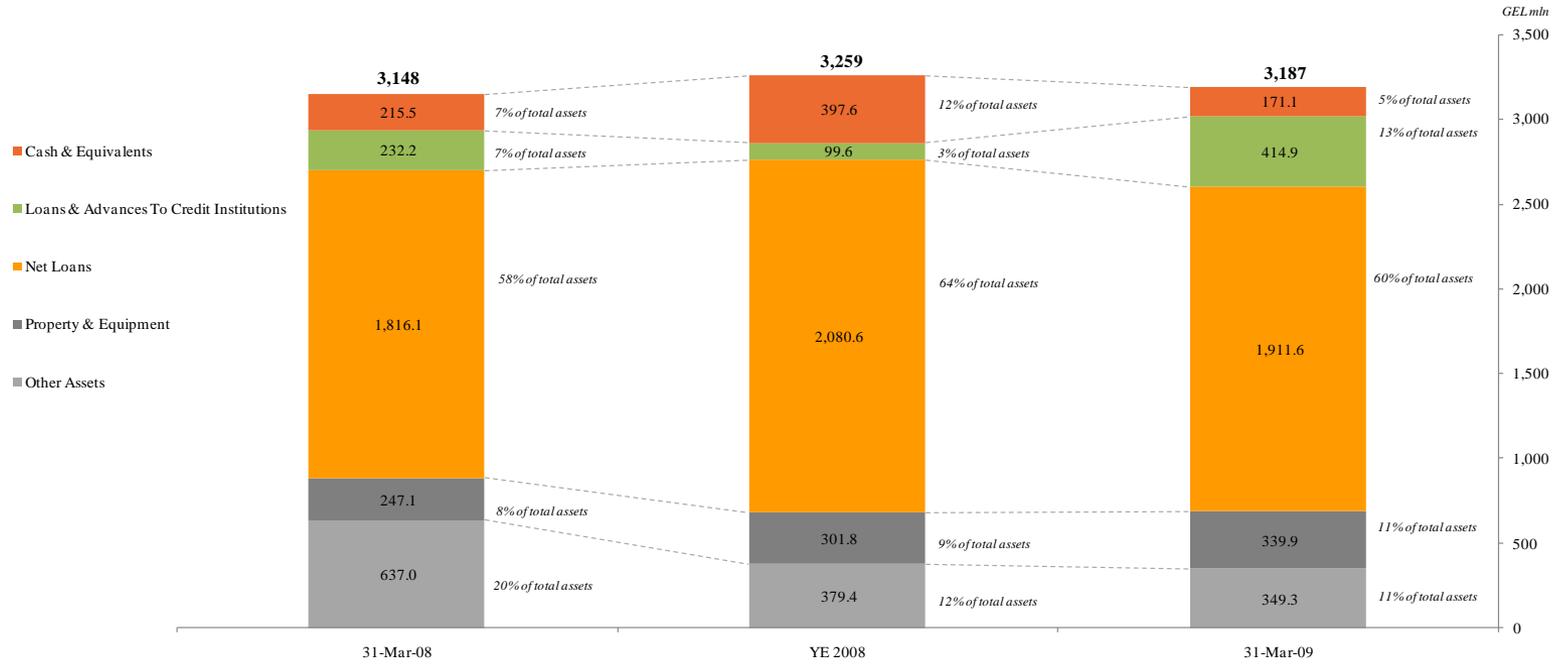
## Blended loan yield (annualised)\*



Includes conflict related provisions in Q3 2008

\* Based on consolidated data, including Corporate Center where all loan recoveries are allocated

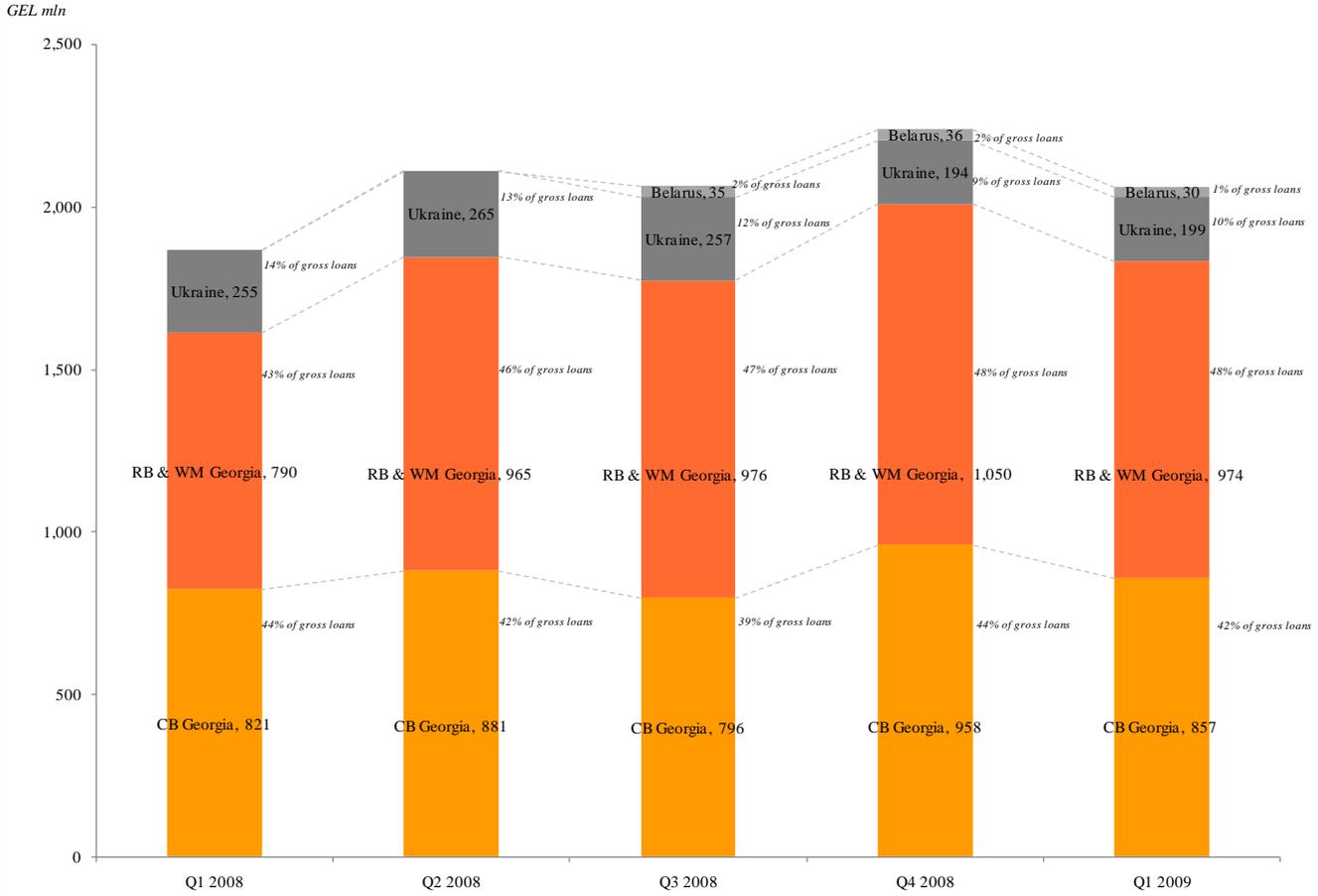
# Composition of assets as at 31 March 2009



| GEL million                             | 31-Mar-08    | YE 2008      | 31-Mar-09    |
|---|--------------|--------------|--------------|
| Available-For-Sale & Trading Securities | 51.4         | 33.7         | 40.5         |
| Treasuries And Equivalents              | 27.6         | 8.3          | -            |
| Other Fixed Income Instruments          | 281.2        | 14.6         | 38.4         |
| Insurance Related Assets                | 33.9         | 42.0         | 52.6         |
| Investments In Other Business Entities  | 67.3         | 64.0         | 36.5         |
| Intangible Assets Owned & Goodwill      | 116.6        | 152.6        | 146.7        |
| Tax Assets, Current And Deferred        | 3.5          | 12.8         | 6.7          |
| Prepayments And Other Assets            | 55.5         | 51.4         | 27.9         |
| <b>Other assets</b>                     | <b>637.0</b> | <b>379.4</b> | <b>349.3</b> |

Note: Net loans include net finance lease receivables

# Composition of gross loan book as at 31 March 2009



*RB & WM account for 53% and CB accounts for 46% of BoG standalone loan portfolio*

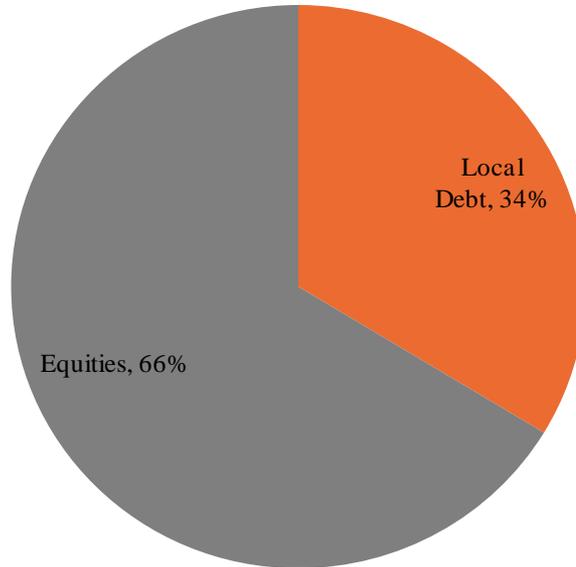
## Gross loan book Q1 2009: GEL 2,047 million

*Note: does not include loans allocated to corporate center/eliminations*



# Securities portfolio as at 31 March 2009

Breakdown of securities portfolio, 31 March 2009

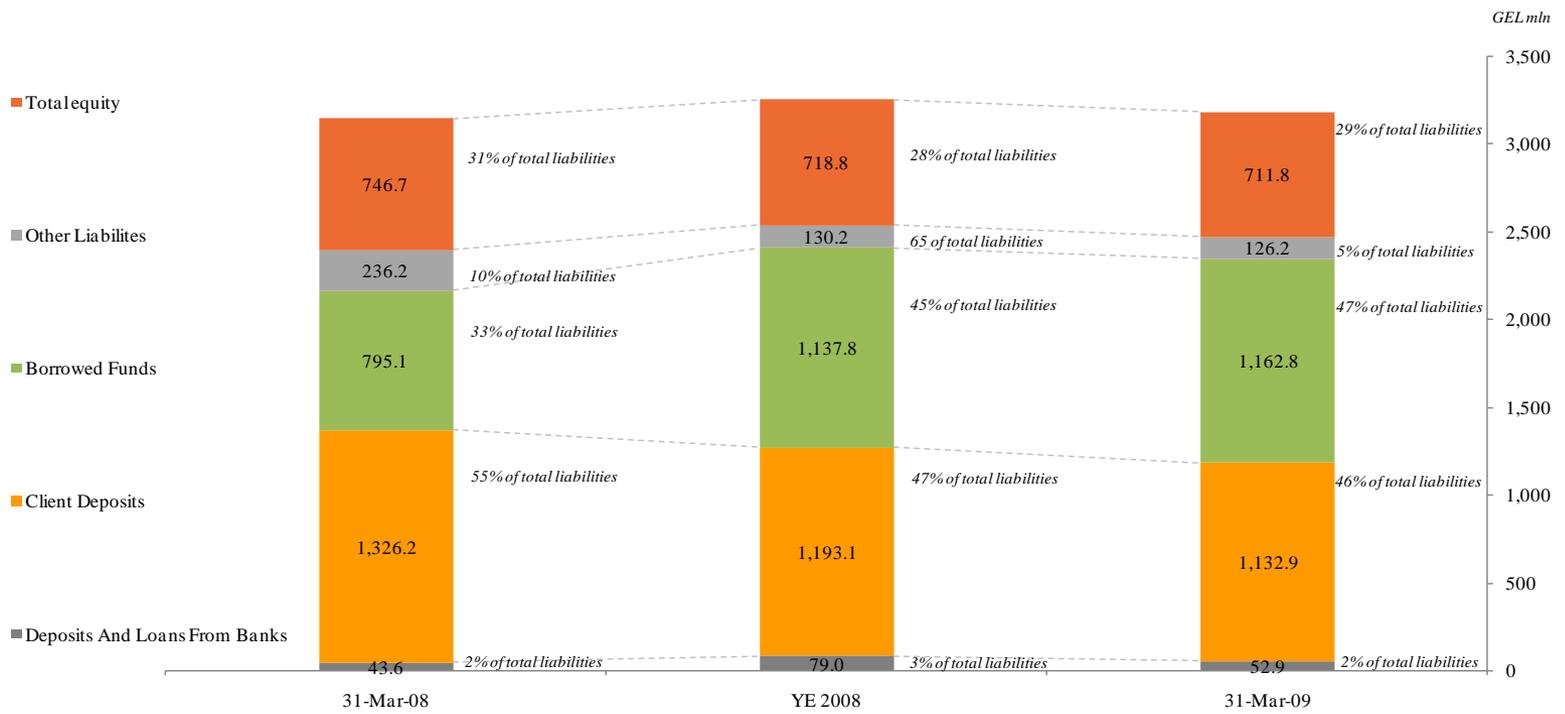


Total securities portfolio: GEL 41 million

Breakdown of securities investments

| GEL '000s                  | Debt          | Equity        | Total         |
|----------------------------|---------------|---------------|---------------|
| GTS                        | 0             | 1,364         | 1,364         |
| LC/GTAM (Asset Management) | 0             | 21,831        | 21,831        |
| BG Bank (Ukraine)          | 13,628        | 0             | 13,628        |
| BNB (Belarus)              | 0             | 0             | 0             |
| Other                      | 0             | 3,678         | 3,678         |
| <b>Total</b>               | <b>13,628</b> | <b>26,873</b> | <b>40,501</b> |

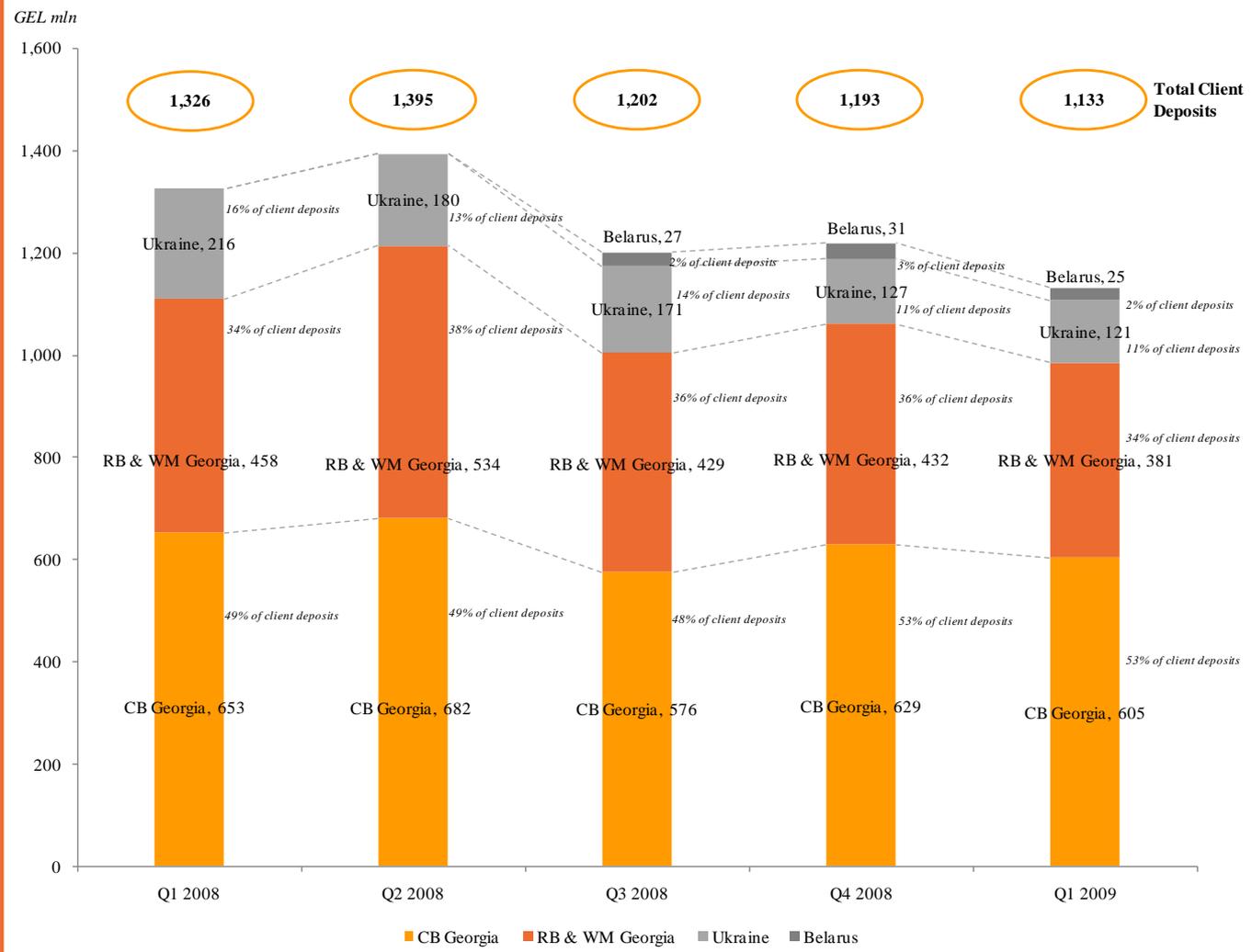
# Liabilities breakdown as at 31 March 2009



|                                       | 31-Mar-08    | YE 2008      | 31-Mar-09    |
|---------------------------------------|--------------|--------------|--------------|
| Issued Fixed Income Securities        | 13.5         | 0.0          | 0.1          |
| Insurance Related Liabilities         | 43.1         | 55.4         | 63.8         |
| Tax Liabilities, Current And Deferred | 27.1         | 24.4         | 19.0         |
| Accruals And Other Liabilities        | 152.5        | 50.4         | 43.3         |
| <b>Other liabilities</b>              | <b>236.2</b> | <b>130.2</b> | <b>126.2</b> |

**Total Liabilities 31 March 2009: GEL 2,475 million**

# Client deposits breakdown



**RB & WM account for 38% and CB accounts for 62% of BoG standalone client deposits**

## Client deposits Q1 2009: GEL 1,133 million

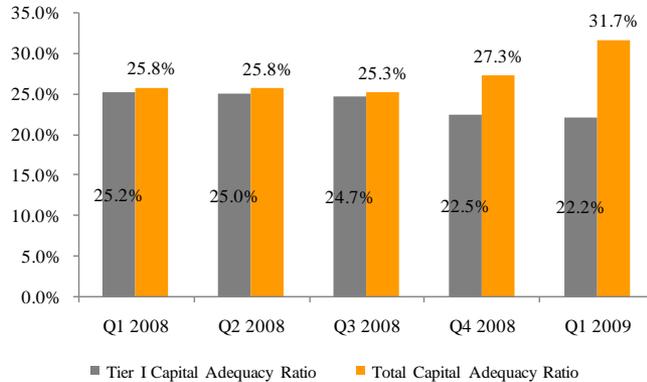
Note: RB & WM client deposits include deposits at Galt & Taggart Securities



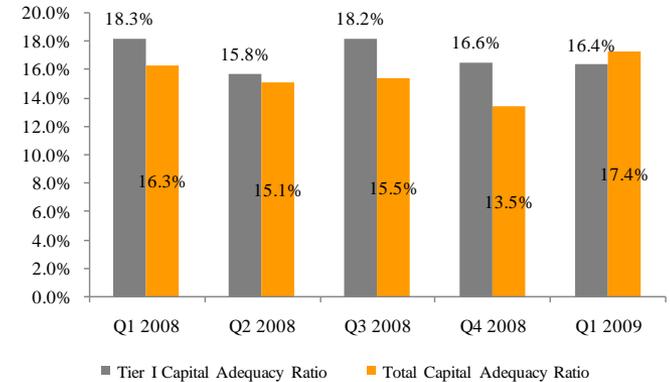
# *Capital adequacy & wholesale funding*

# Capital adequacy

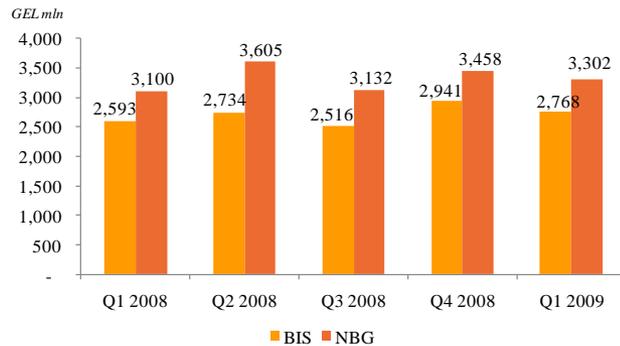
## BIS capital adequacy ratios, BoG consolidated



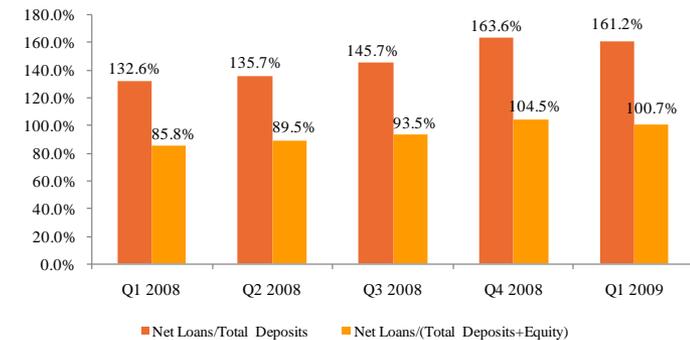
## NBG capital adequacy ratios, BoG standalone



## Risk-weighted assets BIS vs. NBG



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



# International borrowings

An agreement for US\$ 200 million financing package, consisting of senior, subordinated and convertible subordinated loans, signed with IFC and EBRD on 30 December 2008.

Total amount was drawn down as of 31 March 2009

## Selected international loans

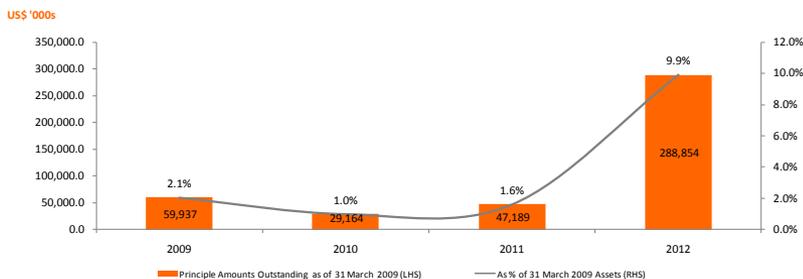
| Key Lenders   | Principle Amount Outstanding as at 31 March 2009 | Maturity |
|---|--|----------|
| Loan Passthrough Notes (Put in 2009)*                           | US\$ 83.0 million                                | 2010     |
| Syndicated Loan arranged by Citi and ADB, 3rd Tranche Eurobonds | US\$ 25.0 million                                | 2010     |
| Senior Term Loan from FMO                                       | US\$ 200.0 million                               | 2012     |
| Senior Term Loan from WorldBusiness Capital                     | US\$ 11.4 million                                | 2014     |
| Subordinated Loan from Thames River Capital                     | US\$ 7.5 million                                 | 2016     |
| Subordinated Loan from HBK Investments                          | US\$ 5.0 million                                 | 2016     |
| Subordinated Loan from Merrill Lynch                            | US\$ 15.0 million                                | 2017     |
| Senior Term Loan from Merrill Lynch                             | US\$ 35.0 million                                | 2017     |
| Senior Term Loan from WorldBusiness Capital (GLC)               | US\$ 7.5 million                                 | 2017     |
| Subordinated loan from FMO and DEG                              | US\$ 30.0 million                                | 2018     |
| Senior Loan from OPIC   | US\$ 29.0 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\$ 8.9 million                                 | NMF      |
| Other, EUR denominated  | EUR 1.8 million                                  | NMF      |
| <b>Total</b>  | <b>US\$ 669.7 million</b>                        |          |

\* US\$34 mln was repurchased in April 2009

Note: Depicts final maturity dates

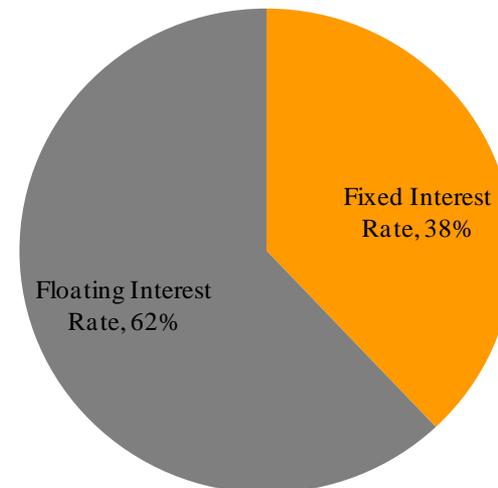
Excluding credit lines as part of documentary business

## International borrowings repayment schedule

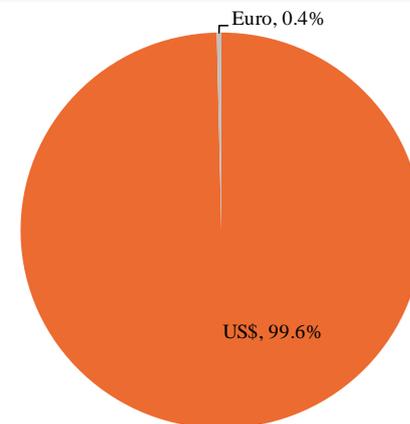


Note: As of 6 March 2009 includes IFC and EBRD financing package

## International borrowings - fixed vs. floating rates, 31 March 2009



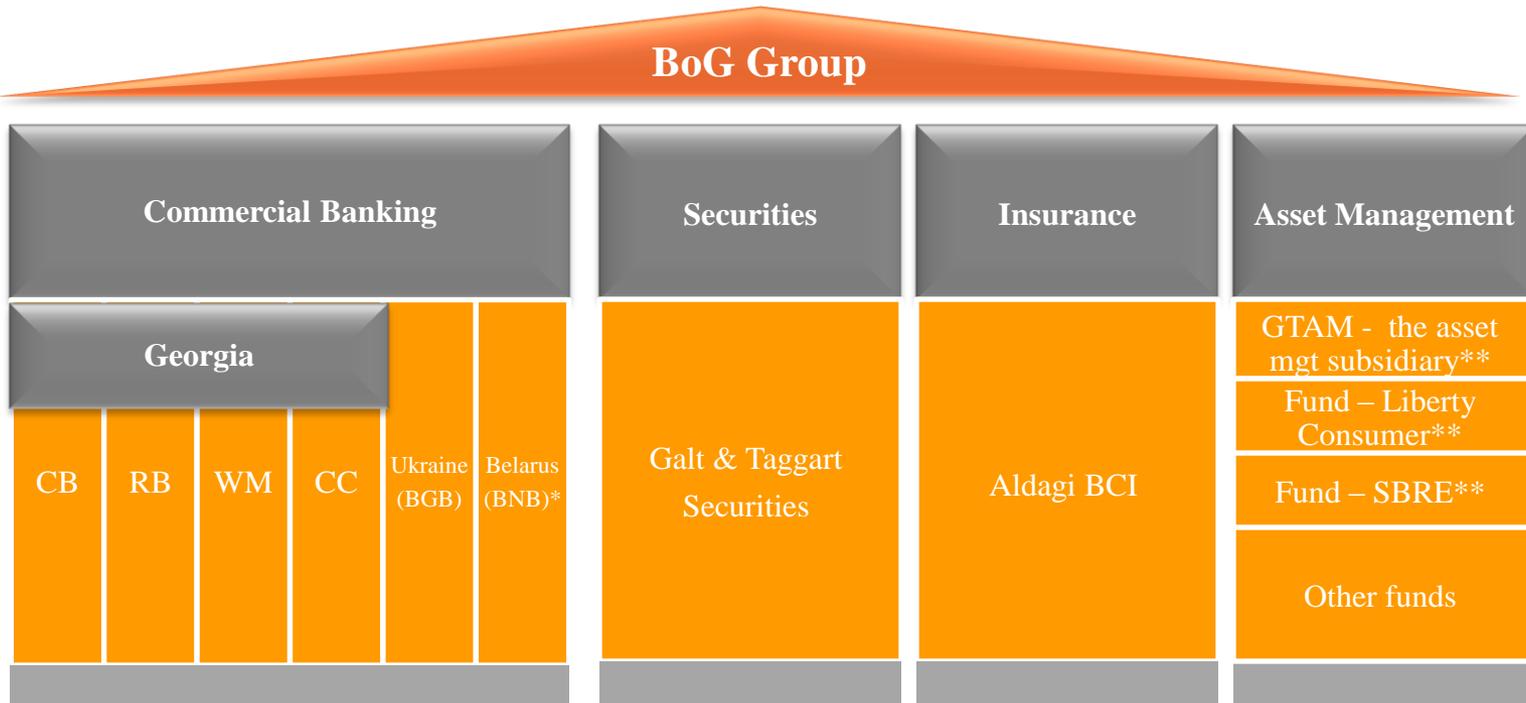
## International borrowings by currencies, 31 March 2009



# *Business overview*

# Group structure: business lines

Reporting Lines



\* Belarusky Narodny Bank acquired in June 2008

\*\* BoG owns approximately 65% of Liberty Consumer (formerly called Galt & Taggart Capital), which in turn owns approximately 52% of SBRE. There fore both Liberty Consumer and SBRE are fully consolidated in BoG financials. BoG owns small minority stakes in other funds managed by GTAM

# Bank of Georgia Q1 2009 business unit results

| Q1 2009 (GEL '000)               | CB     | RB     | WM    | Ukraine | Belarus | GTS   | AM      | Insurance | CC/Eliminations | Total         |
|----------------------------------|--------|--------|-------|---------|---------|-------|---------|-----------|-----------------|---------------|
| Total Operating Income (Revenue) | 28,985 | 46,820 | 1,225 | 5,471   | 2,431   | 1,239 | (483)   | 3,419     | (4,465)         | <b>84,643</b> |
| Net Income/(Loss)                | 23,271 | 5,345  | (30)  | (7,325) | 661     | 148   | (2,336) | 656       | (15,309)        | <b>5,080</b>  |

| Q4 2008 (GEL '000)               | CB     | RB     | WM    | Ukraine  | Belarus | GTS     | AM       | Insurance | CC/Eliminations | Total          |
|----------------------------------|--------|--------|-------|----------|---------|---------|----------|-----------|-----------------|----------------|
| Total Operating Income (Revenue) | 26,939 | 48,314 | 1,421 | 9,281    | 2,753   | (2,776) | (5,335)  | (76)      | 6,070           | <b>86,590</b>  |
| Net Income/(Loss)                | 40,815 | 3,457  | 233   | (10,721) | (208)   | (4,633) | (11,178) | (5,550)   | (13,335)        | <b>(1,121)</b> |

| Q1 2008 (GEL '000)               | CB     | RB     | WM    | Ukraine | Belarus | GTS     | AM     | Insurance | CC/Eliminations | Total         |
|----------------------------------|--------|--------|-------|---------|---------|---------|--------|-----------|-----------------|---------------|
| Total Operating Income (Revenue) | 24,085 | 37,727 | 1,641 | 6,503   | -       | 1,617   | 12,402 | 1,801     | (4,681)         | <b>81,094</b> |
| Net Income/(Loss)                | 10,498 | 12,936 | 670   | (697)   | -       | (1,854) | 8,147  | (371)     | 2,588           | <b>31,918</b> |

| Y-O-Y Growth                     | CB      | RB      | WM      | Ukraine | Belarus | GTS     | AM  | Insurance | CC/Eliminations | Total          |
|----------------------------------|---------|---------|---------|---------|---------|---------|-----|-----------|-----------------|----------------|
| Total Operating Income (Revenue) | 20.34%  | 24.10%  | -25.32% | -15.87% | NMF     | -23.39% | NMF | 89.84%    | -4.62%          | <b>4.38%</b>   |
| Net Income/(Loss)                | 121.67% | -58.68% | NMF     | 951.19% | NMF     | NMF     | NMF | NMF       | NMF             | <b>-84.08%</b> |

| Q-O-Q Growth                     | CB      | RB     | WM      | Ukraine | Belarus | GTS | AM      | Insurance | CC/Eliminations | Total         |
|----------------------------------|---------|--------|---------|---------|---------|-----|---------|-----------|-----------------|---------------|
| Total Operating Income (Revenue) | 7.60%   | -3.09% | -13.77% | -41.05% | -11.70% | NMF | -90.95% | NMF       | NMF             | <b>-2.25%</b> |
| Net Income/(Loss)                | -42.98% | 54.65% | NMF     | -31.67% | NMF     | NMF | -79.10% | NMF       | 14.80%          | <b>NMF</b>    |

| Q1 2009 (Share)                  | CB      | RB      | WM     | Ukraine  | Belarus | GTS   | AM      | Insurance | CC/Eliminations | Total          |
|----------------------------------|---------|---------|--------|----------|---------|-------|---------|-----------|-----------------|----------------|
| Total Operating Income (Revenue) | 34.24%  | 55.31%  | 1.45%  | 6.46%    | 2.87%   | 1.46% | -0.57%  | 4.04%     | -5.27%          | <b>100.00%</b> |
| Net Income                       | 458.08% | 105.22% | -0.59% | -144.20% | 13.01%  | 2.92% | -45.99% | 12.90%    | -301.35%        | <b>100.00%</b> |

| Q4 2008 (Share)                  | CB        | RB       | WM      | Ukraine | Belarus | GTS     | AM      | Insurance | CC/Eliminations | Total          |
|----------------------------------|-----------|----------|---------|---------|---------|---------|---------|-----------|-----------------|----------------|
| Total Operating Income (Revenue) | 31.11%    | 55.80%   | 1.64%   | 10.72%  | 3.18%   | -3.21%  | -6.16%  | -0.09%    | 7.01%           | <b>100.00%</b> |
| Net Income/(Loss)                | -3641.50% | -308.39% | -20.78% | 956.49% | 18.59%  | 413.38% | 997.30% | 495.15%   | 1189.75%        | <b>100.00%</b> |

| Q1 2008 (Share)                  | CB     | RB     | WM    | Ukraine | Belarus | GTS    | AM     | Insurance | CC/Eliminations | Total          |
|----------------------------------|--------|--------|-------|---------|---------|--------|--------|-----------|-----------------|----------------|
| Total Operating Income (Revenue) | 29.70% | 46.52% | 2.02% | 8.02%   | 0.00%   | 1.99%  | 15.29% | 2.22%     | -5.77%          | <b>100.00%</b> |
| Net Income/(Loss)                | 32.89% | 40.53% | 2.10% | -2.18%  | 0.00%   | -5.81% | 25.52% | -1.16%    | 8.11%           | <b>100.00%</b> |

# Bank of Georgia Q1 2009 business unit results

| 31 March 2009 (GEL '000) | CB        | RB        | WM      | Ukraine | Belarus | GTS    | AM      | Insurance | CC/Eliminations | Total            |
|--------------------------|-----------|-----------|---------|---------|---------|--------|---------|-----------|-----------------|------------------|
| Total Assets             | 1,375,064 | 1,465,198 | 81,229  | 244,813 | 60,066  | 18,545 | 103,948 | 89,443    | (251,547)       | <b>3,186,759</b> |
| Total Liabilities        | 1,171,657 | 886,855   | 126,776 | 183,727 | 26,527  | 12,348 | 32,661  | 74,759    | (40,398)        | <b>2,474,912</b> |

| 31 December 2008 (GEL '000) | CB        | RB        | WM      | Ukraine | Belarus | GTS    | AM      | Insurance | CC/Eliminations | Total            |
|-----------------------------|-----------|-----------|---------|---------|---------|--------|---------|-----------|-----------------|------------------|
| Total Assets                | 1,431,178 | 1,489,335 | 83,570  | 248,367 | 73,549  | 29,652 | 107,164 | 82,531    | (286,439)       | <b>3,258,907</b> |
| Total Liabilities           | 1,225,380 | 934,074   | 130,905 | 182,754 | 31,883  | 20,690 | 33,356  | 68,228    | (87,213)        | <b>2,540,057</b> |

| 31 March 2008 (GEL '000) | CB        | RB        | WM     | Ukraine | Belarus | GTS    | AM     | Insurance | CC/Eliminations | Total            |
|--------------------------|-----------|-----------|--------|---------|---------|--------|--------|-----------|-----------------|------------------|
| Total Assets             | 1,431,303 | 1,313,114 | 61,319 | 360,022 | -       | 82,549 | 94,303 | 64,901    | (259,715)       | <b>3,147,796</b> |
| Total Liabilities        | 1,078,595 | 751,719   | 94,261 | 291,663 | -       | 27,003 | 32,651 | 47,695    | 77,473          | <b>2,401,060</b> |

| Y-O-Y Growth      | CB     | RB     | WM     | Ukraine | Belarus | GTS     | AM     | Insurance | CC/Eliminations | Total        |
|-------------------|--------|--------|--------|---------|---------|---------|--------|-----------|-----------------|--------------|
| Total Assets      | -3.93% | 11.58% | 32.47% | -32.00% | NMF     | -77.53% | 10.23% | 37.81%    | -3.14%          | <b>1.24%</b> |
| Total Liabilities | 8.63%  | 17.98% | 34.49% | -37.01% | NMF     | -54.27% | 0.03%  | 56.74%    | NMF             | <b>3.08%</b> |

| Q-O-Q Growth      | CB     | RB     | WM     | Ukraine | Belarus | GTS     | AM     | Insurance | CC/Eliminations | Total         |
|-------------------|--------|--------|--------|---------|---------|---------|--------|-----------|-----------------|---------------|
| Total Assets      | -3.92% | -1.62% | -2.80% | -1.43%  | -18.33% | -37.46% | -3.00% | 8.38%     | -12.18%         | <b>-2.21%</b> |
| Total Liabilities | -4.38% | -5.06% | -3.15% | 0.53%   | -16.80% | -40.32% | -2.08% | 9.57%     | -53.68%         | <b>-2.56%</b> |

| 31 March 2009 (Share) | CB     | RB     | WM    | Ukraine | Belarus | GTS   | AM    | Insurance | CC/Eliminations | Total          |
|-----------------------|--------|--------|-------|---------|---------|-------|-------|-----------|-----------------|----------------|
| Total Assets          | 43.15% | 45.98% | 2.55% | 7.68%   | 1.88%   | 0.58% | 3.26% | 7.68%     | -7.89%          | <b>100.00%</b> |
| Total Liabilities     | 47.34% | 35.83% | 5.12% | 7.42%   | 1.07%   | 0.50% | 1.32% | 3.02%     | -1.63%          | <b>100.00%</b> |

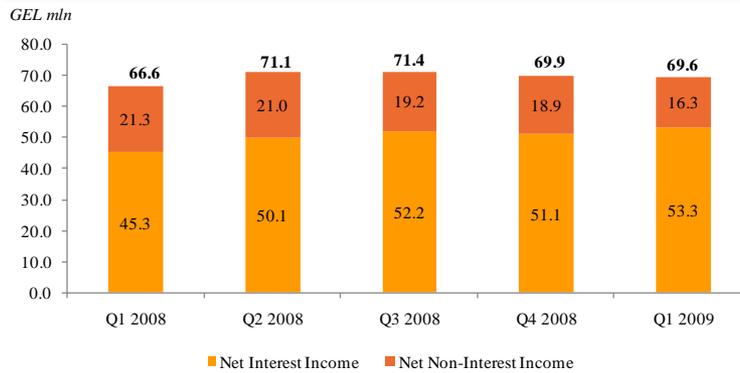
| 31 December 2008 (Share) | CB     | RB     | WM    | Ukraine | Belarus | GTS   | AM    | Insurance | CC/Eliminations | Total          |
|--------------------------|--------|--------|-------|---------|---------|-------|-------|-----------|-----------------|----------------|
| Total Assets             | 43.92% | 45.70% | 2.56% | 7.62%   | 2.26%   | 0.91% | 3.29% | 2.53%     | -8.79%          | <b>100.00%</b> |
| Total Liabilities        | 48.24% | 36.77% | 5.15% | 7.19%   | 1.26%   | 0.81% | 1.31% | 2.69%     | -3.43%          | <b>100.00%</b> |

| 31 March 2008 (Share) | CB     | RB     | WM    | Ukraine | Belarus | GTS   | AM    | Insurance | CC/Eliminations | Total          |
|-----------------------|--------|--------|-------|---------|---------|-------|-------|-----------|-----------------|----------------|
| Total Assets          | 45.47% | 41.72% | 1.95% | 11.44%  | 0.00%   | 2.62% | 3.00% | 2.06%     | -8.25%          | <b>100.00%</b> |
| Total Liabilities     | 44.92% | 31.31% | 3.93% | 12.15%  | 0.00%   | 1.12% | 1.36% | 1.99%     | 3.23%           | <b>100.00%</b> |

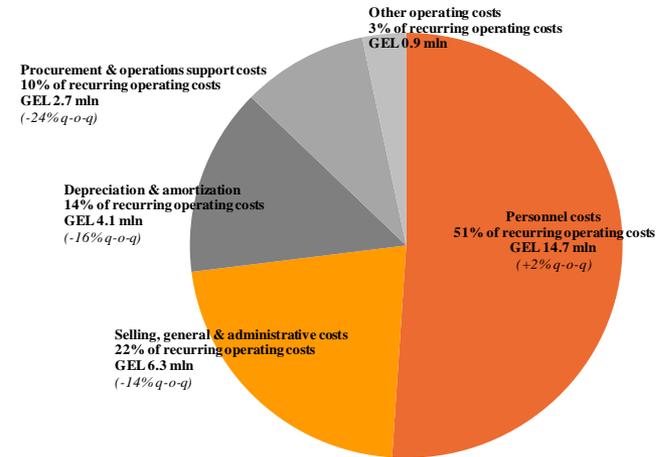
# *BoG standalone results overview*

# BoG standalone performance

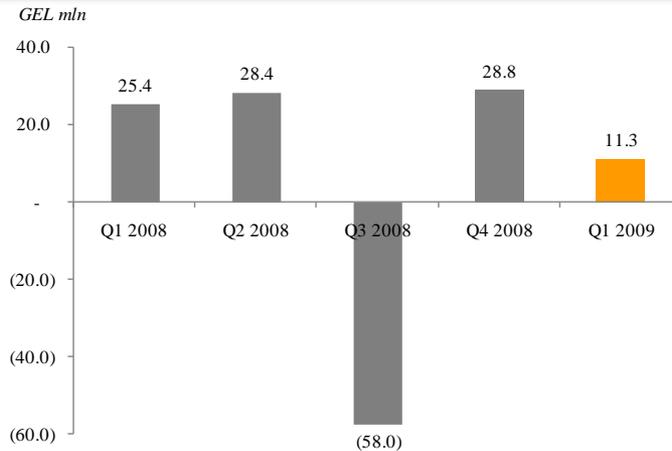
## Revenue performance



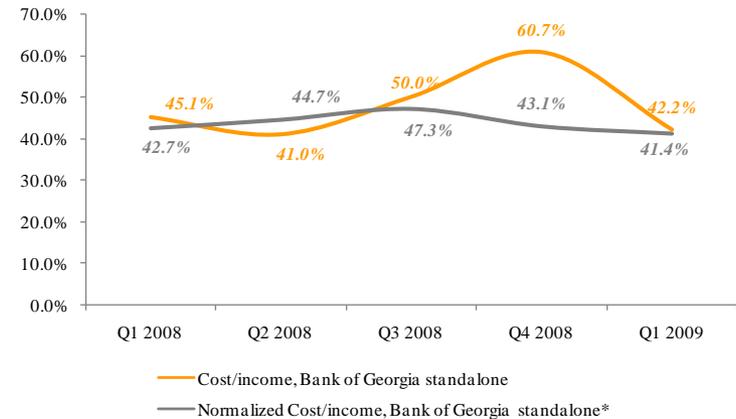
## Recurring operating cost structure, Q1 2009



## Net income



## Cost/income ratio



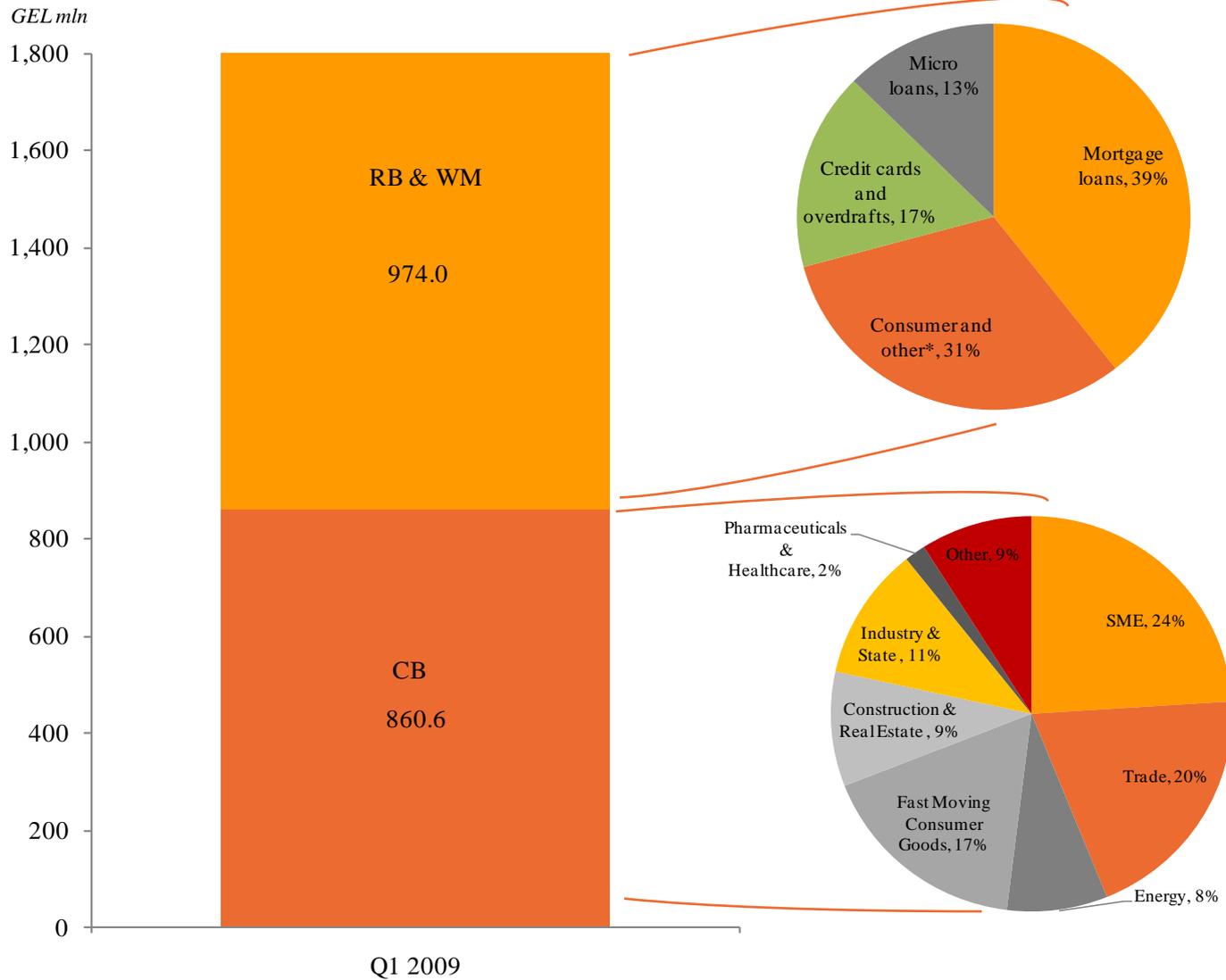
\* Normalized for non-recurring costs

# Composition of assets as at 31 March 2009



| GEL Million                                 | 31-Mar-08    | YE 2008      | 31-Mar-09    |
|---|--------------|--------------|--------------|
| Treasuries And Equivalents                  | 27.6         | 8.3          | 0.0          |
| Other Fixed Income Instruments              | 281.2        | 14.6         | 38.3         |
| Investments In Other Business Entities, Net | 217.7        | 295.3        | 314.5        |
| Intangible Assets Owned, Net                | 1.9          | 13.4         | 6.8          |
| Goodwill                                    | 22.0         | 22.8         | 22.8         |
| Tax Assets, Current And Deferred            | 2.1          | 6.6          | -            |
| Prepayments And Other Assets                | 29.5         | 30.8         | 15.4         |
| <b>Other assets</b>                         | <b>582.0</b> | <b>391.8</b> | <b>397.8</b> |

# Analysis of the loan book



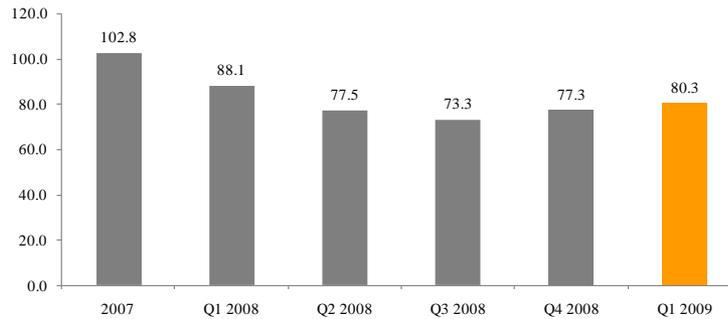
Note: does not include the loans allocated to corporate center

\* Other loans include car, POS and legacy retail loans

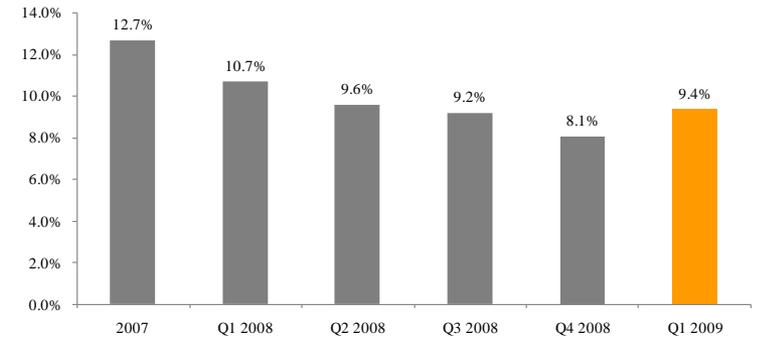
# CB exposure to real estate

## CB exposure to real estate

### CB gross loans to construction and real estate sector, 31 March 2009



### CB gross loans to construction and real estate sector as % of CB gross loans, 31 March 2009



*Note: BoG standalone, does not include Ukraine and Belarus*

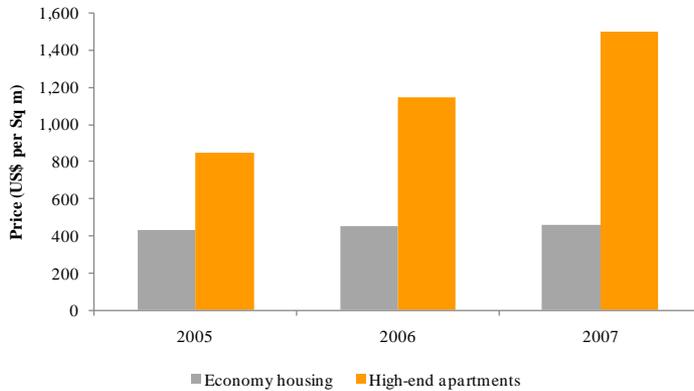
# BoG standalone – mortgage portfolio (Georgia)

| Date         | Number of loans | Loan amount, GEL   | Outstanding, GEL   | Collateral value, GEL | Original loan to value | Outstanding mortgage to original value |
|--------------|-----------------|--------------------|--------------------|-----------------------|------------------------|--|
| 2002         | 1               | 30,407             | 24,738             | 46,092                | 66.0%                  | 53.7%                                  |
| 2003         | 4               | 134,573            | 17,963             | 221,275               | 60.8%                  | 8.1%                                   |
| 2004         | 43              | 1,135,095          | 395,863            | 1,923,564             | 59.0%                  | 20.6%                                  |
| 2005         | 261             | 12,270,869         | 7,807,134          | 20,135,409            | 60.9%                  | 38.8%                                  |
| 2006         | 631             | 32,728,924         | 23,439,665         | 57,253,340            | 57.2%                  | 40.9%                                  |
| 2007         | 2,256           | 45,279,697         | 123,894,687        | 313,636,415           | 46.3%                  | 39.5%                                  |
| Q1 2008      | 1,287           | 76,911,818         | 71,264,561         | 137,382,810           | 56.0%                  | 51.9%                                  |
| Q2 2008      | 1,831           | 107,068,786        | 99,530,288         | 201,463,075           | 53.1%                  | 49.4%                                  |
| Q3 2008      | 825             | 35,275,615         | 33,774,309         | 76,091,302            | 46.4%                  | 44.4%                                  |
| Q4 2008      | 691             | 19,436,621         | 17,987,676         | 44,453,753            | 43.7%                  | 40.5%                                  |
| Q1 2009      | 231             | 8,889,768          | 8,342,325          | 19,852,978            | 44.8%                  | 42.0%                                  |
| <b>Total</b> | <b>8,061</b>    | <b>439,162,174</b> | <b>386,479,209</b> | <b>872,460,014</b>    | <b>50.3%</b>           | <b>44.3%</b>                           |

*Note: mortgage loans outstanding include RB, WM and corporate center mortgage loans outstanding*

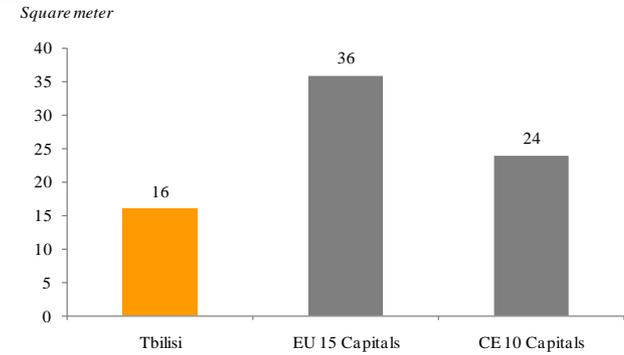
# Tbilisi residential real estate market highlights

**Tbilisi residential prices, 2007**



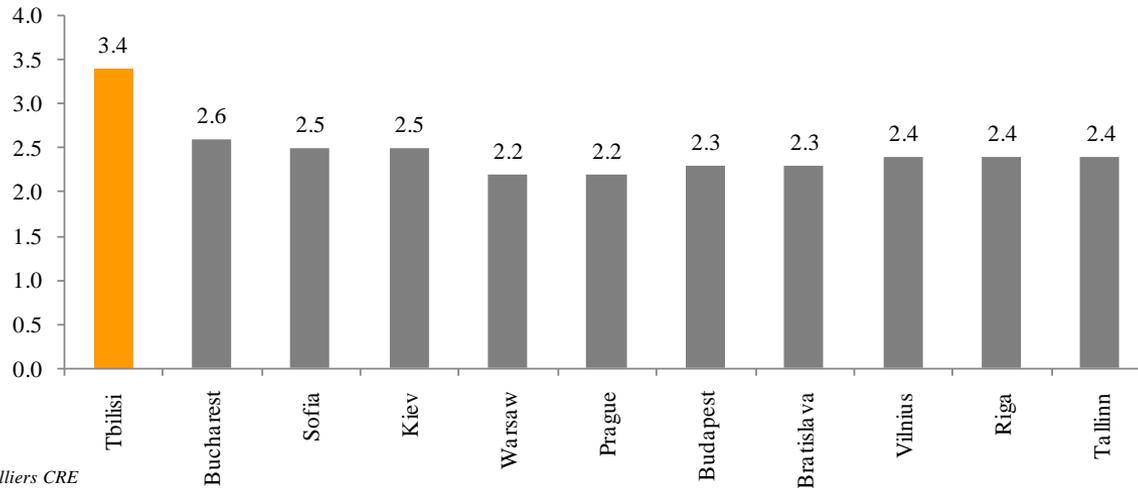
Source: Colliers CRE

**Average living space per person, 2007**



Source: Colliers CRE

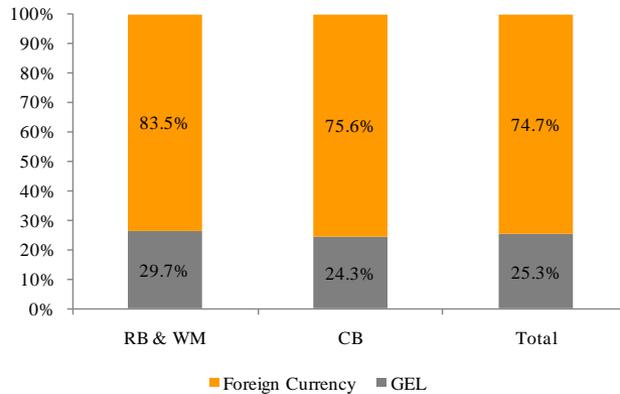
**Average household size, 2007**



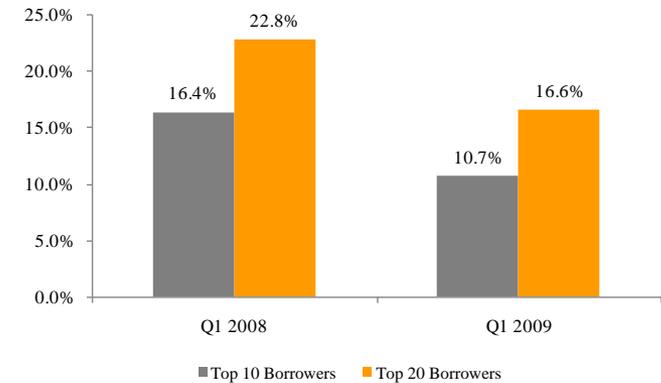
Source: Colliers CRE

# Analysis of the loan book

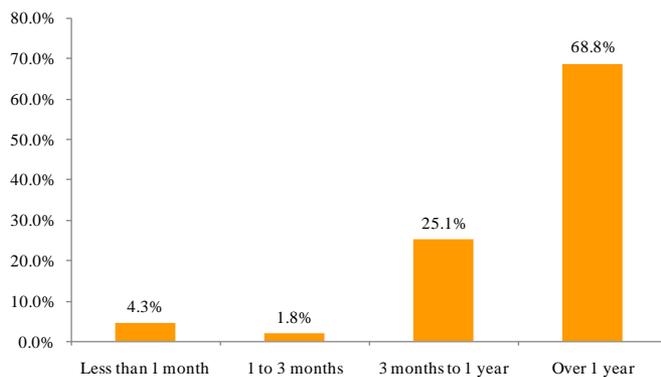
Loans by currency, 31 March 2009 (BoG standalone)



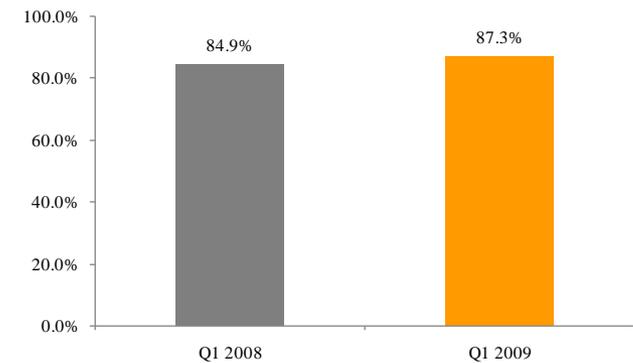
Loan concentration (BoG standalone)



Loans by maturity, 31 March 2009 (BoG standalone)

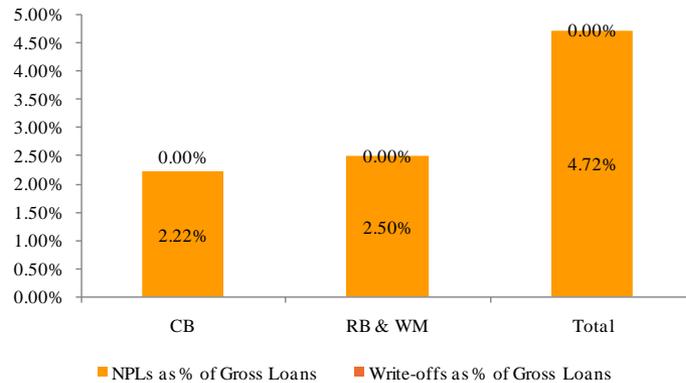


Loan Book collateralization (BoG standalone)

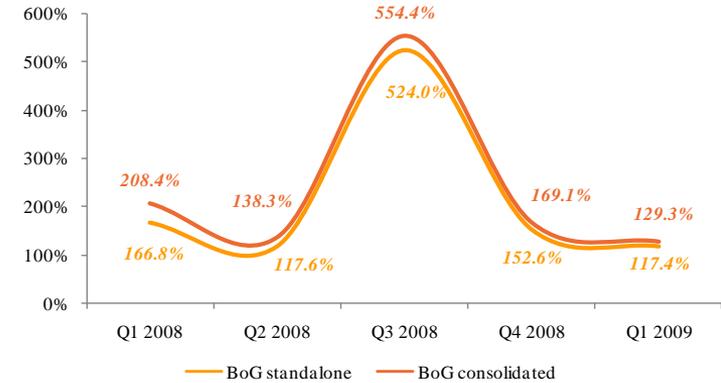


# Provisioning policy

## NPLs & write-offs, 31 March 2009 (BoG standalone)

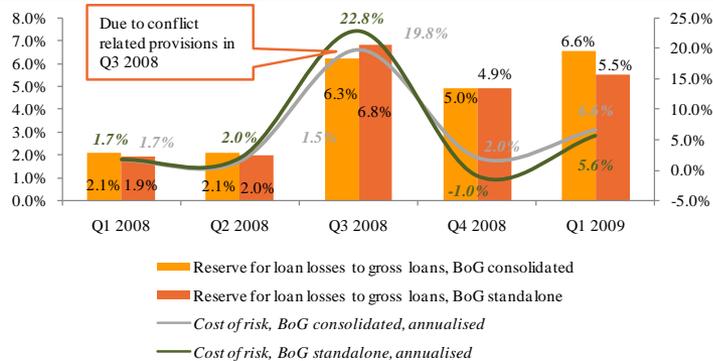


## NPL coverage ratio, BoG standalone

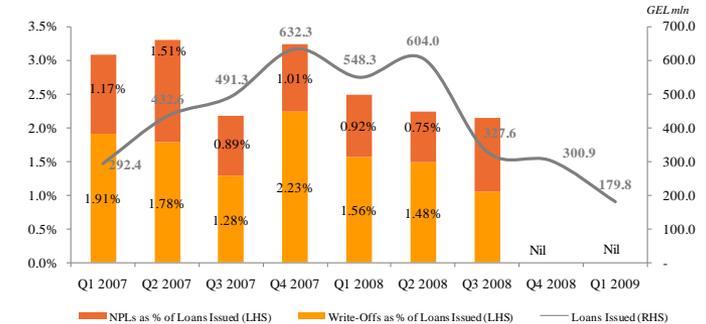


Note: NPLs include 90 days overdue loans including principal and/or interest payments

## Reserve for loan losses to gross loans

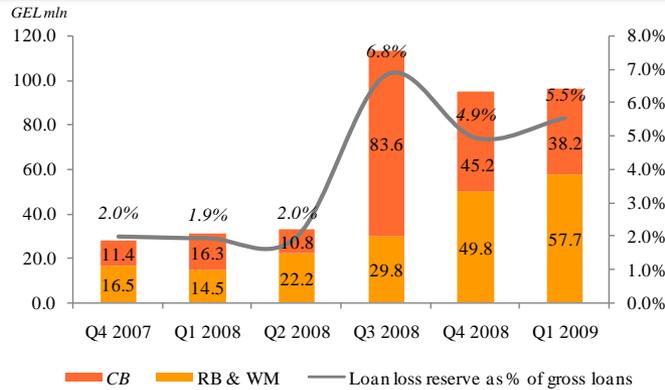


## Impairment seasoning, Q1 2009

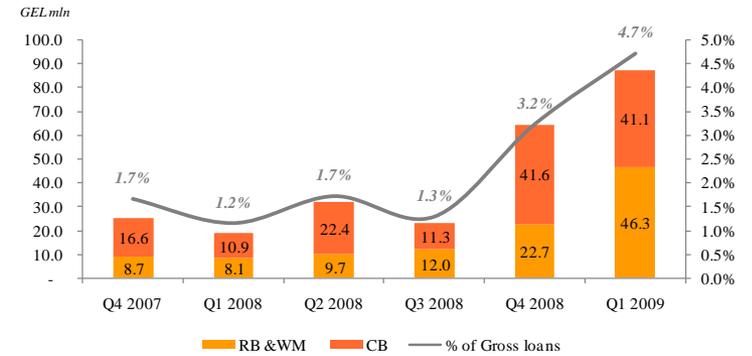


# Provisioning policy cont'd – BoG standalone

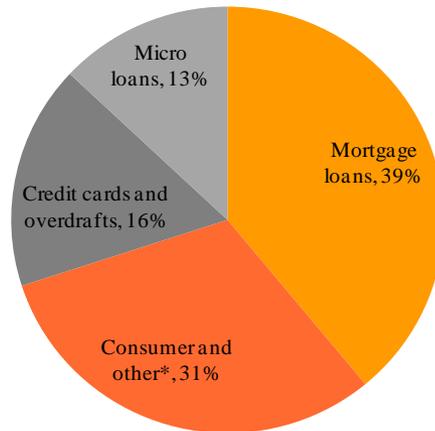
## Loan loss reserve, 31 March 2009



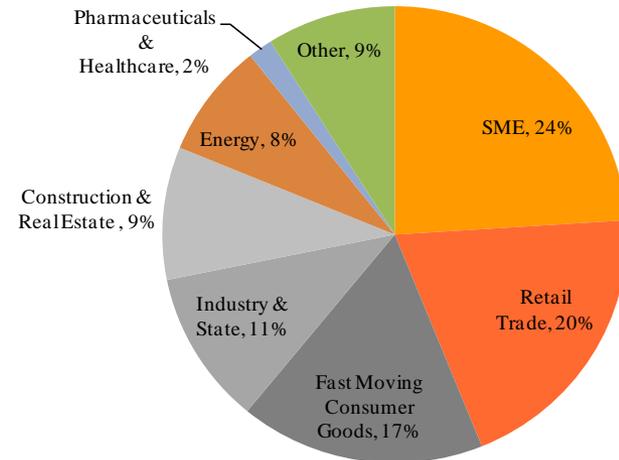
## NPLs, 31 March 2009



## RB & WM loan loss reserve breakdown by loan type, 31 March 2009



## CB loan loss reserve breakdown by loan type, 31 March 2009



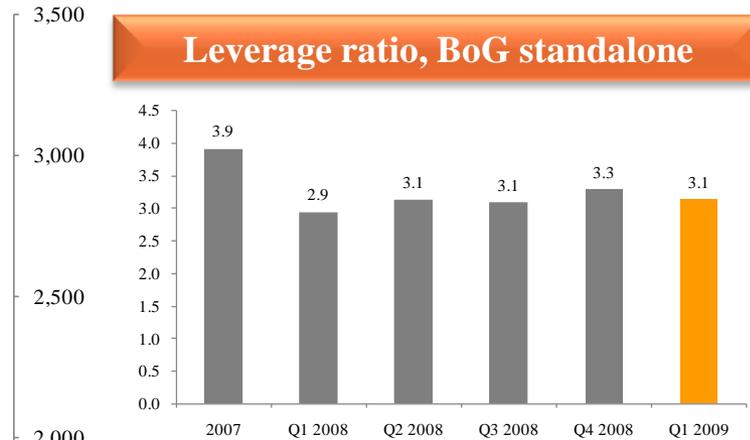
\*Other loans include car, POS and legacy retail loans

# BoG standalone liabilities

GEL mln

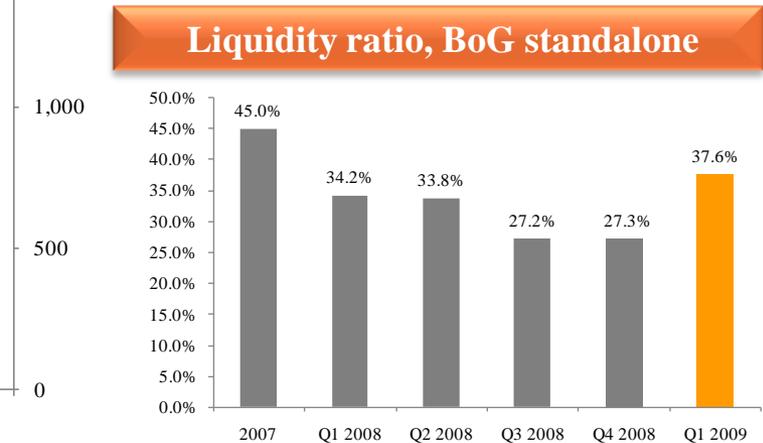


## Leverage ratio, BoG standalone



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

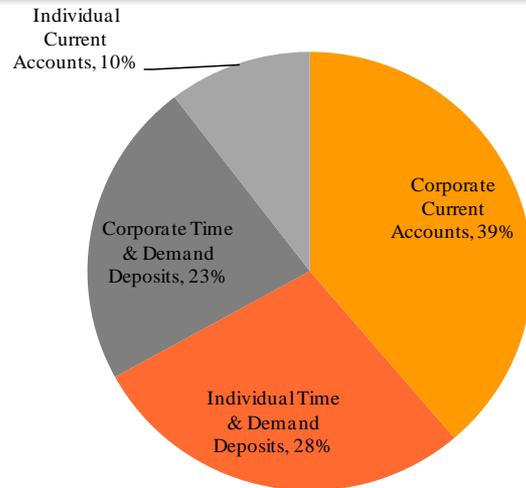
## Liquidity ratio, BoG standalone



Liquidity ratio is calculated by dividing liquid assets by Total Liabilities

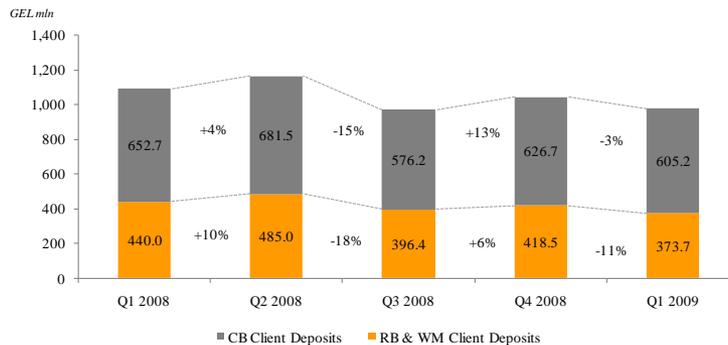
# Analysis of deposits

## Client deposit breakdown, 31 March 2009

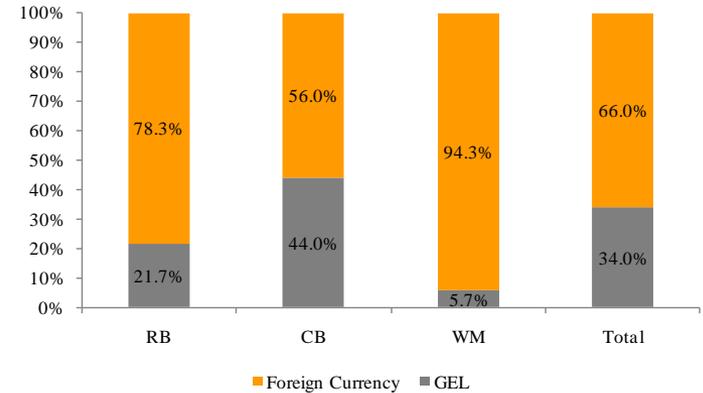


**Total Deposits: GEL 1,008 million (-10% y-o-y)**

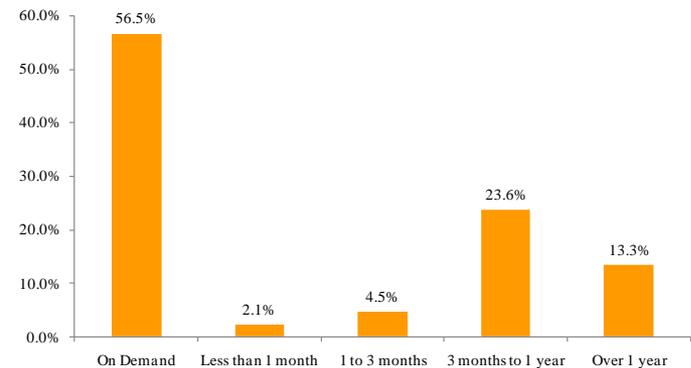
## CB, RB & WM deposits, BoG standalone



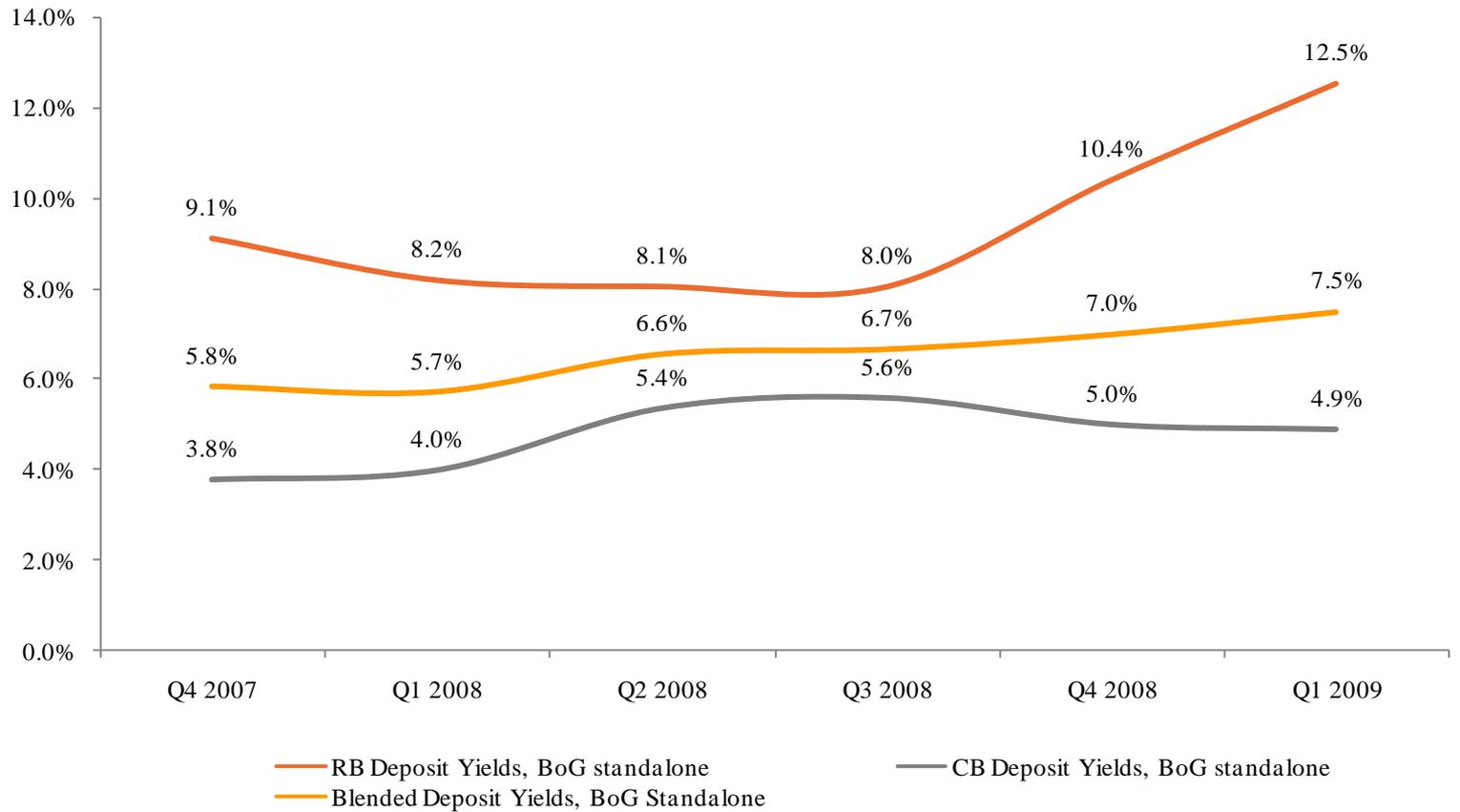
## Client deposits by currency, 31 March 2009, BoG standalone



## Deposits by maturity, 31 March 2009, BoG standalone

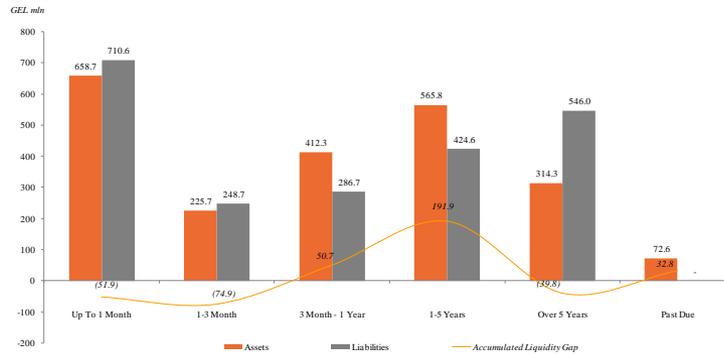


# Deposit yields

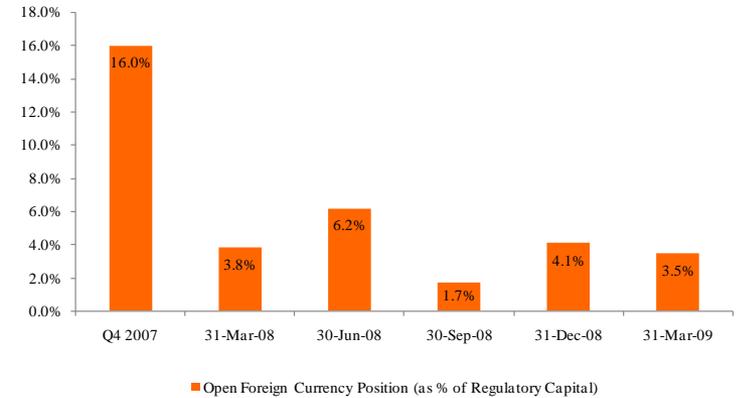


# Risk management

## Liquidity risk management, Q1 2009



## Currency risk management, Q1 2009



Notes: Liquidity & Currency Risk Management calculations are based on the National Bank of Georgia requirements

# Corporate banking

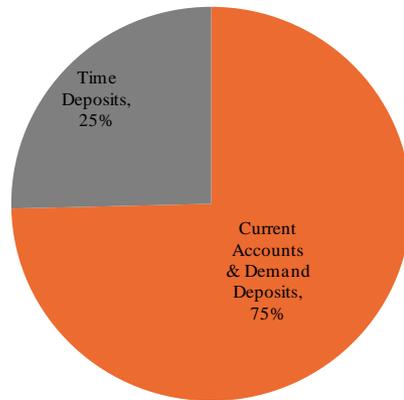
## Integrated client coverage in the following key sectors

- ☞ 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 38% market share based on customer deposits<sup>(1)</sup>
- ☞ Circa 27% market share based on corporate loans<sup>(2)</sup>
- ☞ Integrated client coverage in key sectors
- ☞ 78,000+ clients of which 9,567 served by dedicated relationship bankers
- ☞ Circa 45% market share in trade finance and documentary operations<sup>(2)</sup>
- ☞ Second largest leasing company in Georgia<sup>(2)</sup> – Georgian Leasing Company (GLC)
- ☞ Increased the number of corporate clients using the Bank's payroll services from approximately 1,035 at 31 December 2008 to 1,132 by 31 March 2009
- ☞ Approximately 2,469 legal entities opened accounts at the bank in Q1 2009, bringing the total number of current accounts to approximately 140,000

## Corporate client deposits (31 March 2009)



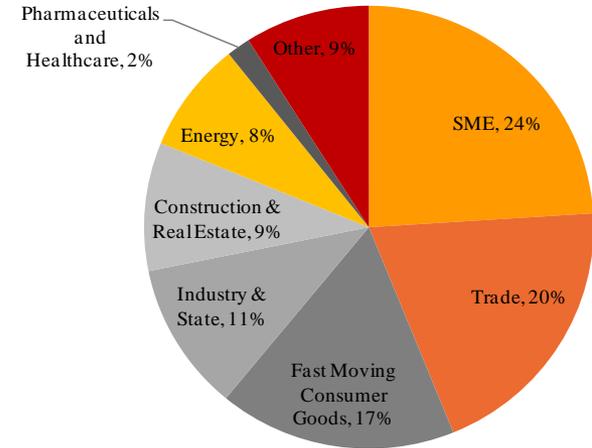
**Total corporate deposits: GEL 605 mln**

Notes:

- (1) As of December 2008, source: National Bank of Georgia, does not include interbank deposits
- (2) Management estimates (based on the NBG data)

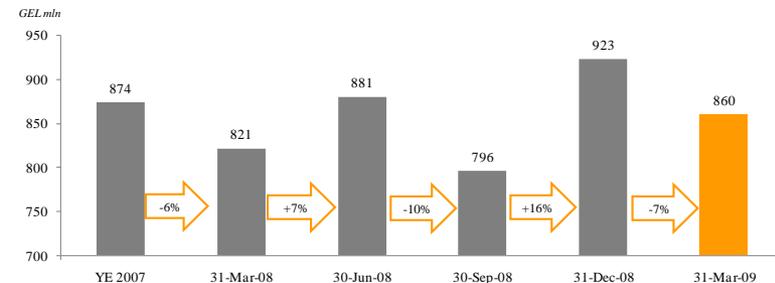


## Corporate loan portfolio (31 March 2009)



**Total corporate loans: GEL 860 mln**

## Corporate gross loan portfolio growth

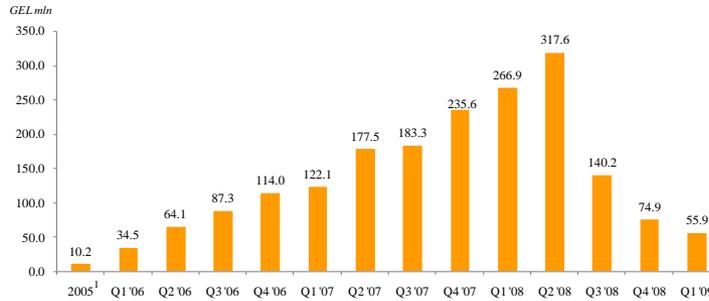


Note: does not include Ukraine & Belarus

# Retail Banking – No. 1 retail bank in Georgia

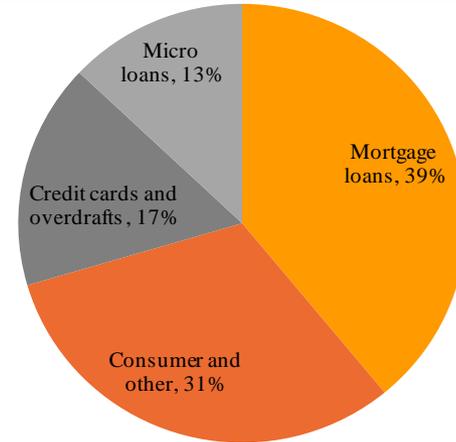


## Retail loans originated



(1) Monthly average

## RB loan portfolio (31 March 2009)



Total retail loans: GEL 974 mln

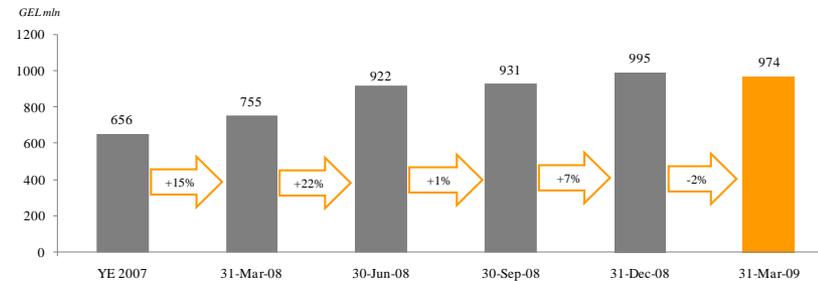
Note: does not include Ukraine & Belarus

## Leadership in consumer lending

|   | YE 2007 | YE 2008 | Q1 2009 |
|---|---------|---------|---------|
| POS Contracts Signed                            | 969     | -       | -       |
| Exclusive                                       | 870     | -       | -       |
| Outlets Operating                               | 278     | -       | -       |
| Outlets Served                                  | 640     | -       | -       |
| Number of Consumer Loans Outstanding*           | 50,120  | 67,252  | 61,593  |
| Volume of Consumer Loans Outstanding (GEL mln)* | 119.6   | 178.9   | 144.2   |
| Relationship With Car Dealers                   | 30      | 33      | 35      |
| Exclusive                                       | 12      | 12      | 6       |
| Presence In Outlets                             | 8       | 11      | 14      |
| Credit Cards Outstanding                        | 108,616 | 164,938 | 141,417 |

\* data does not include WM Consumer Loans

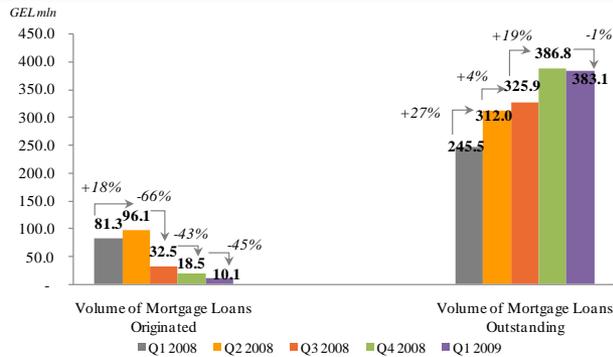
## Retail gross loan portfolio growth



Note: does not include Ukraine & Belarus

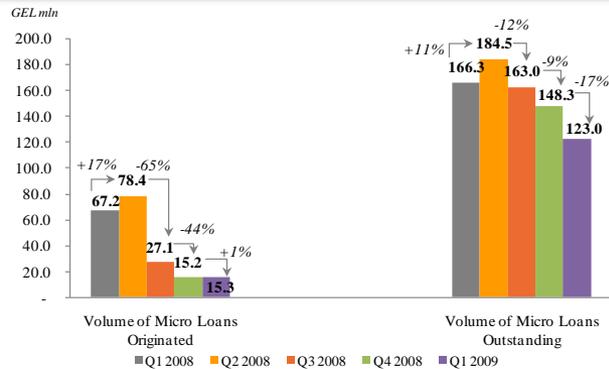
# Loan origination

## Mortgage loans



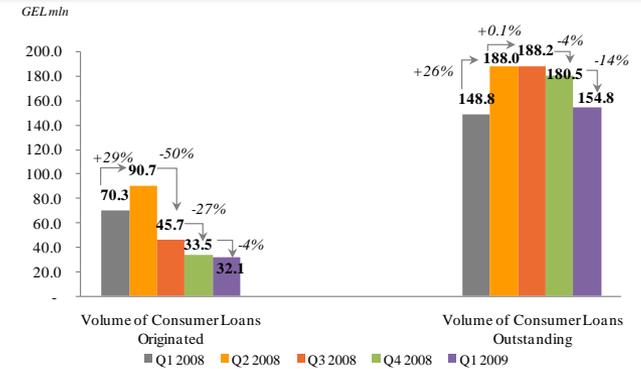
Note: does not include Ukraine & Belarus

## Micro loans



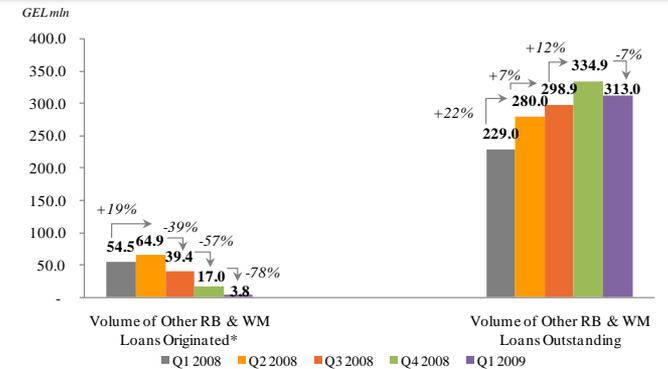
Note: does not include Ukraine & Belarus

## Consumer loans



Note: does not include Ukraine & Belarus

## Other RB & WM loans

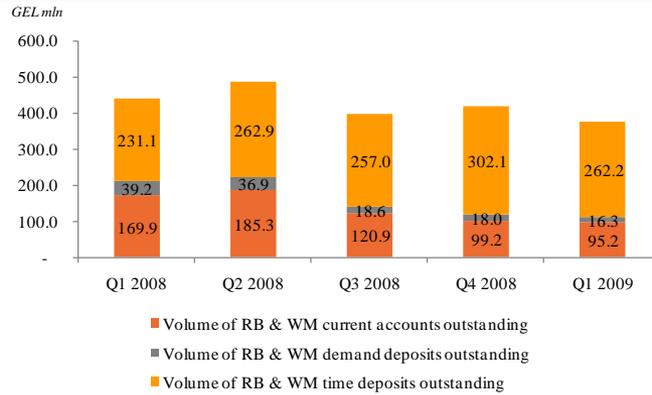


\* Other RB & WM Retail Loans Originated include POS and car loans originated

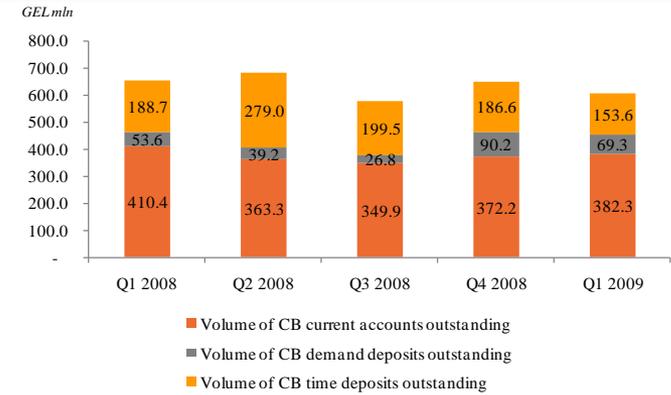
Note: does not include Ukraine & Belarus

# Deposit origination

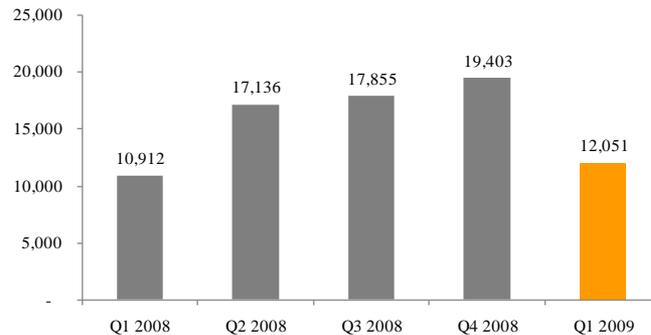
## Volume of deposits outstanding (RB & WM)



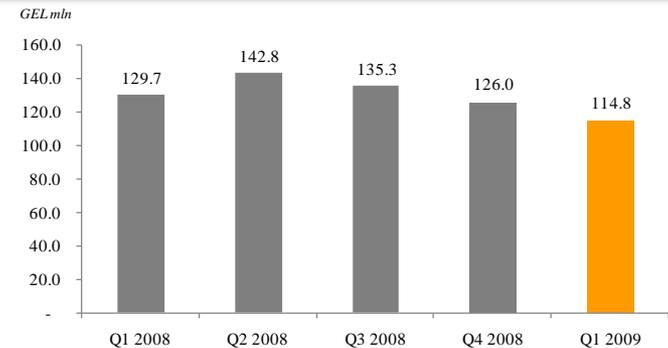
## Volume of deposits outstanding (CB)



## Number of RB & WM time deposits issued

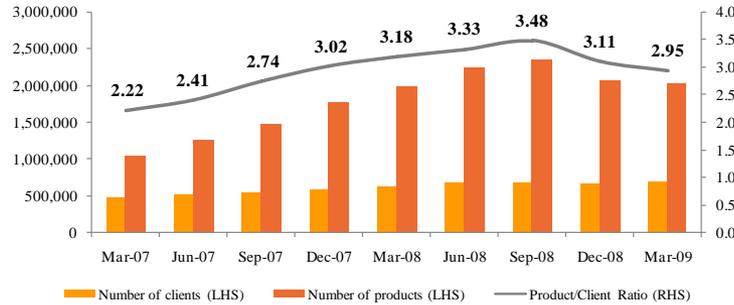


## Volume of RB & WM time deposits issued

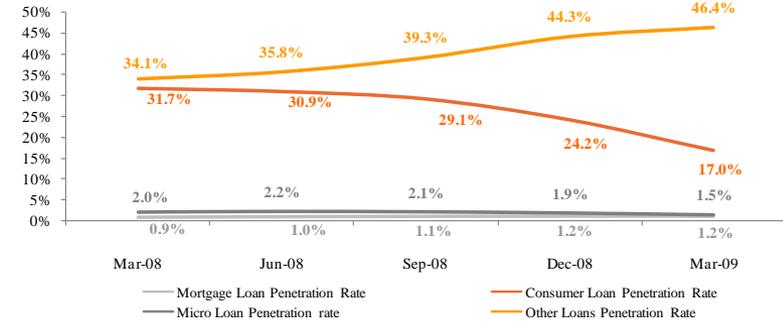


# RB cross-selling

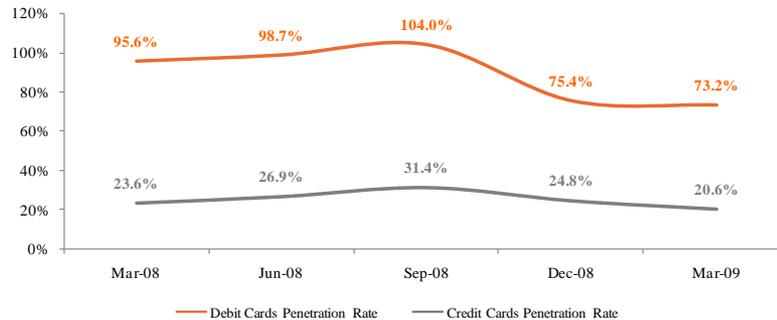
## Product/client ratio



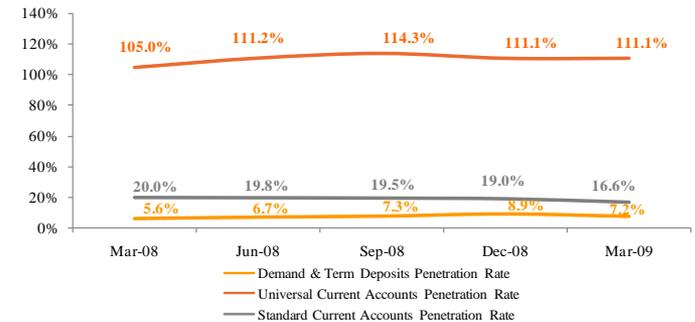
## RB loans penetration rate\*



## Cards penetration rate\*



## Current accounts & deposits penetration rate\*



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

# Card processing

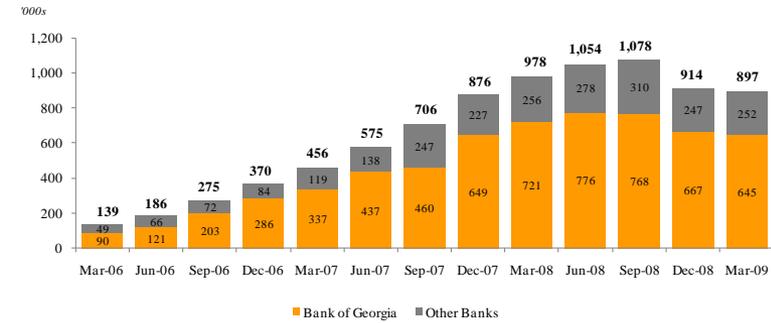


- 56% ownership of Georgian Card
- Migration to TietoEnator Transmaster in 2005
- Enhanced functionality and new product support

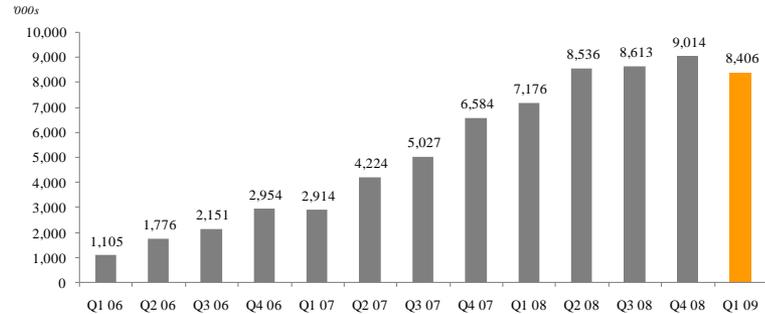
## Client banks



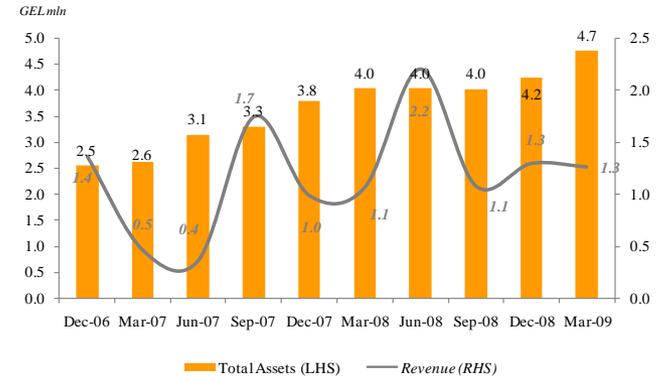
## Number of cards serviced by Georgian Card



## Transaction authorisations by Georgian Card

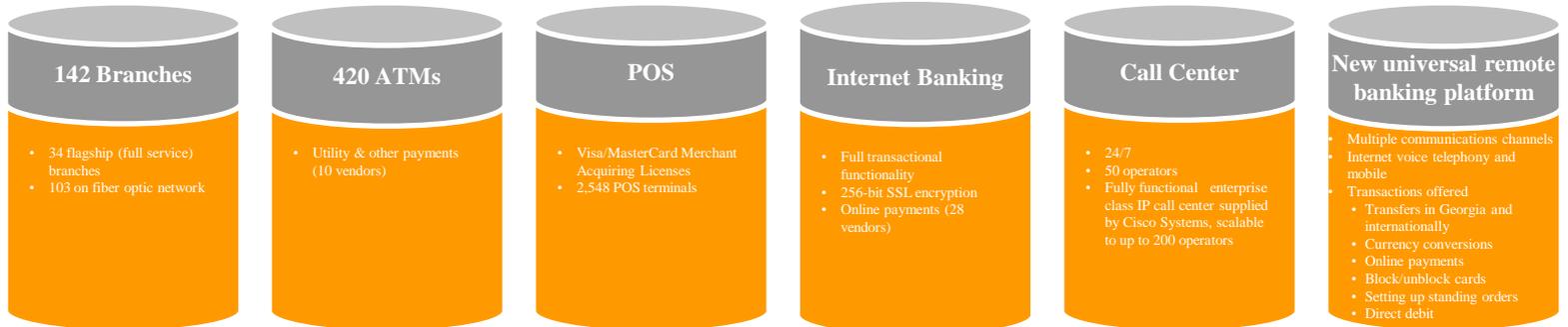


## Georgian Card's revenue & assets



# Superior retail footprint & consumer reach

## Service delivery channels



As of 31 March 2009:  
**503,000+ debit cards/878,000+ current accounts**



## Alternative customer acquisition channels

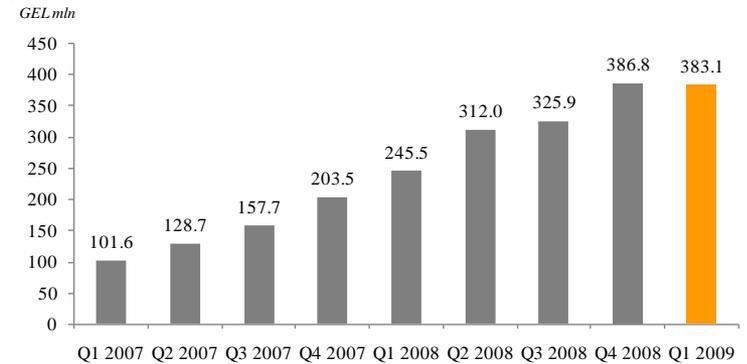


# Analysis of mortgage portfolio

## Number of mortgage loans issued & outstanding



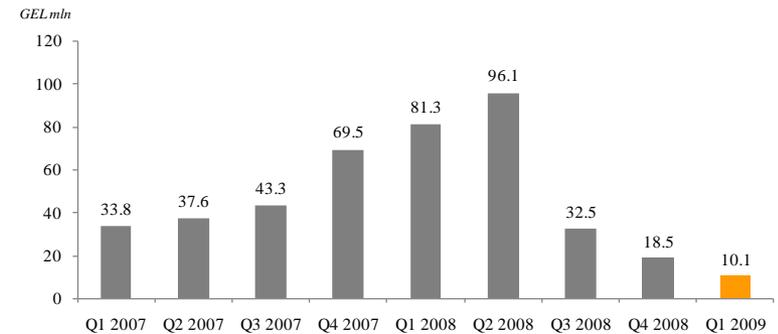
## Volume of mortgage loans outstanding



## Typical mortgage terms

-  Rate: 16% - 18%
-  Tenor: 10-25 years
-  Currency: US\$
-  LTV: Normally 50%

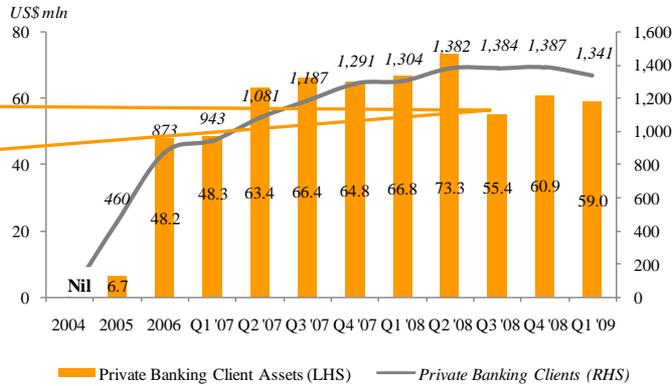
## Volume of mortgage loans issued



# Wealth Management (WM) performance review

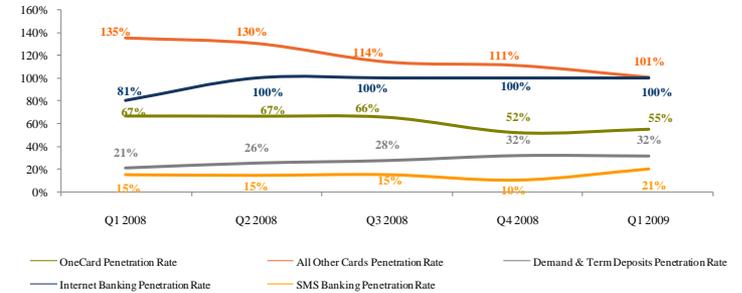
Client deposit outflow during and in the aftermath of the conflict

## WM clients and client assets

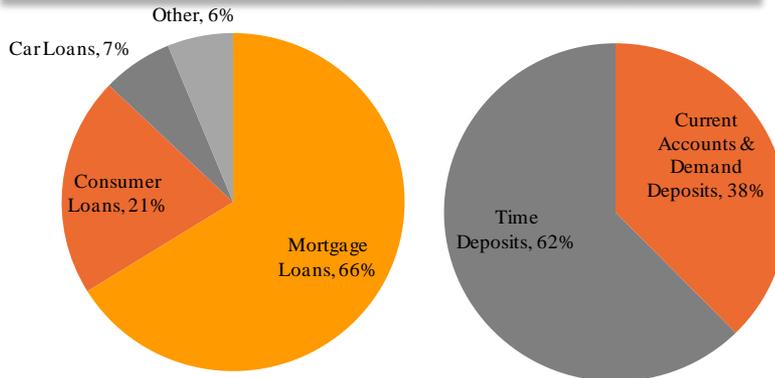


Notes: (1) Converted at exchange rates of GEL/US\$. 1.793 (2005), 1.714 (2006), 1.700 (Q1 2007), 1.670 (Q2 2007), 1.66 (Q3 2007), 1.59 (Q4 2007), 1.48 (Q1 2008), 1.42 (Q2 2008), 1.41 (Q3 2008), 1.67 (Q4 2008) and 1.67 (Q1 2009)  
 (2) PB Client Assets include: Balances on OneCard Accounts, Credit Balances on Other Cards, Credit Balances On Regular Current Accounts, Demand & Time Deposits, Brokerage & Asset Management Accounts, Pensions

## WM products penetration



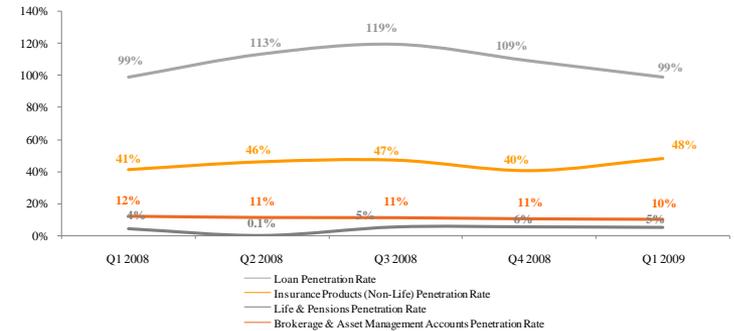
## WM loans and deposits (31 March 2009)



Total PB loans: GEL 51 mln

Total PB deposits: GEL 93 mln

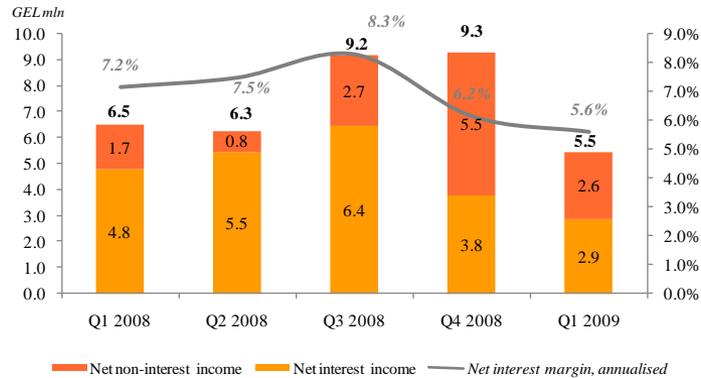
## WM products penetration cont'd



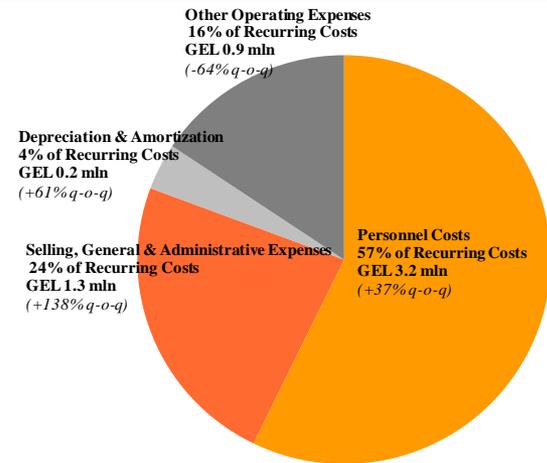
# *BG Bank (Ukraine) standalone results overview*

# BG Bank performance

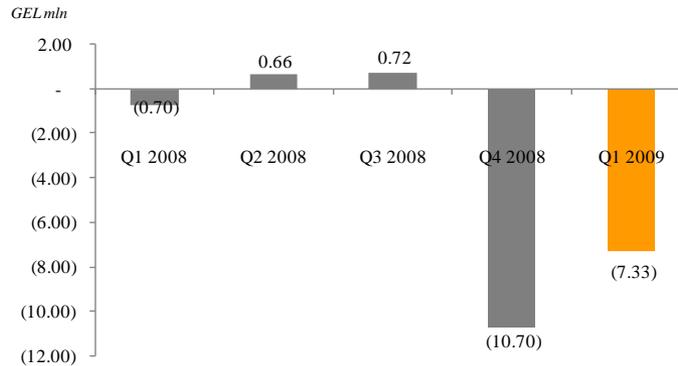
## Revenue growth



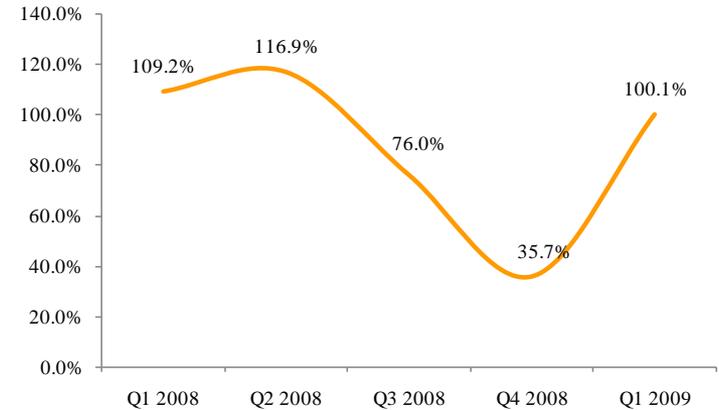
## Recurring operating cost structure, Q1 2009



## Net income

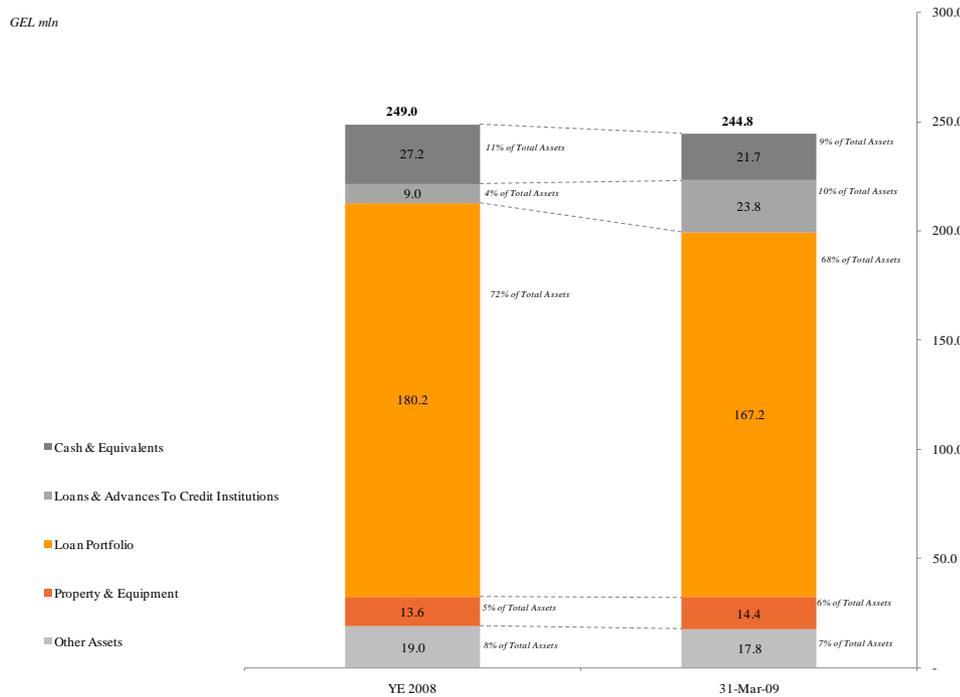


## Cost/income ratio



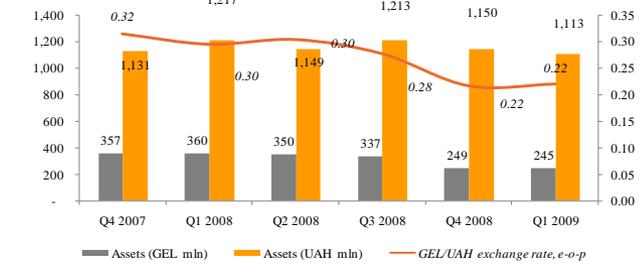
# BG Bank assets as at 31 March 2009

GEL mln

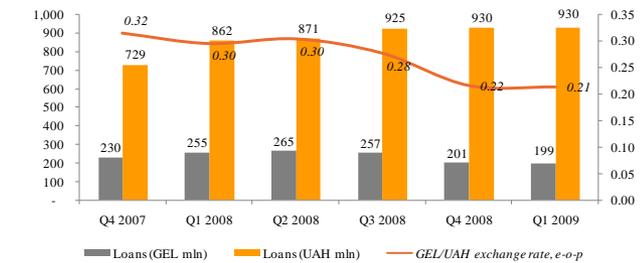


| GEL million                      | YE 2008     | 31-Mar-09   |
|----------------------------------|-------------|-------------|
| Available-For-Sale Securities    | 13.4        | 13.6        |
| Intangible Assets Owned, Net     | 0.6         | 0.4         |
| Tax Assets, Current And Deferred | 0.9         | 2.3         |
| Prepayments And Other Assets     | 4.1         | 1.4         |
| <b>Other assets</b>              | <b>19.0</b> | <b>17.7</b> |

## Asset growth

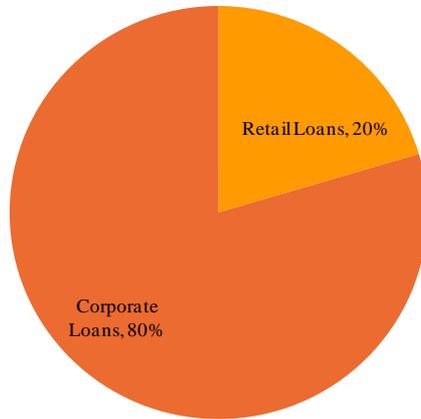


## Gross loan book growth



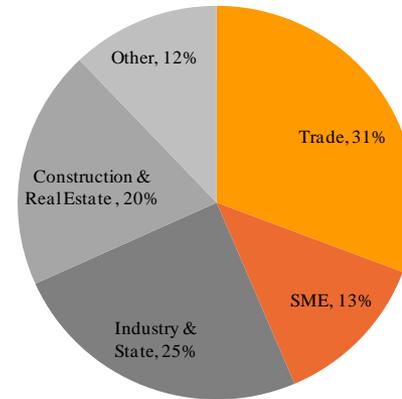
# BG Bank loan portfolio

Loan portfolio breakdown, 31 March 2009



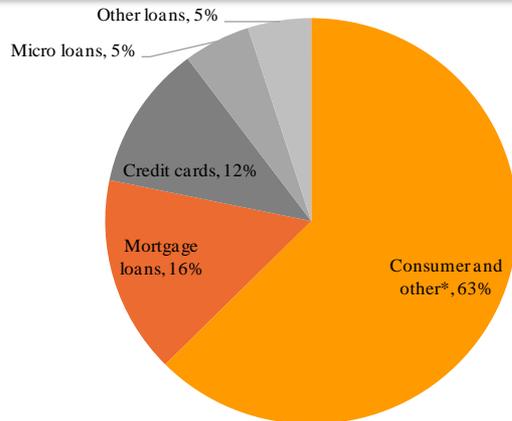
Gross loans: GEL 199 million

Corporate loan portfolio breakdown, 31 March 2009



Gross corporate loans: GEL 158 million

Retail loan portfolio breakdown, 31 March 2009

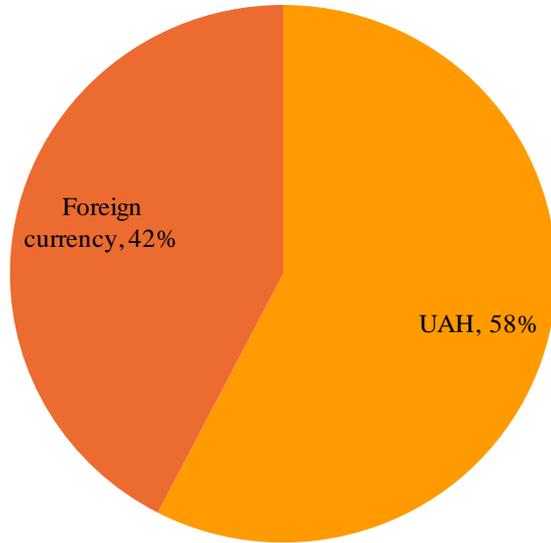


Gross retail loans: GEL 41 mln

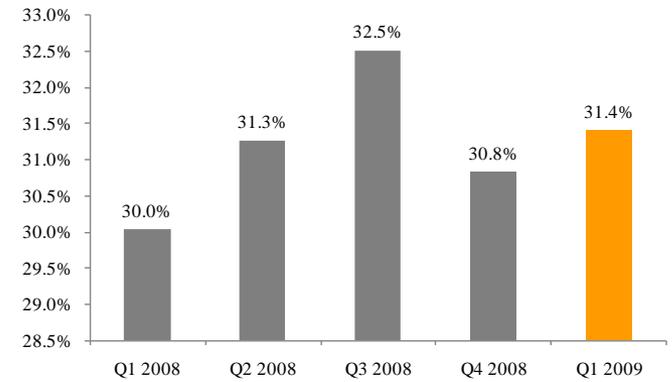
Limited exposure to real estate in both retail and corporate segments

# BG Bank analysis of the loan book

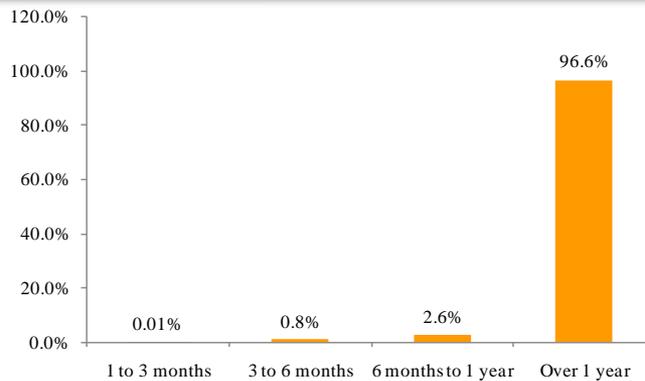
Loans by currency, 31 March 2009



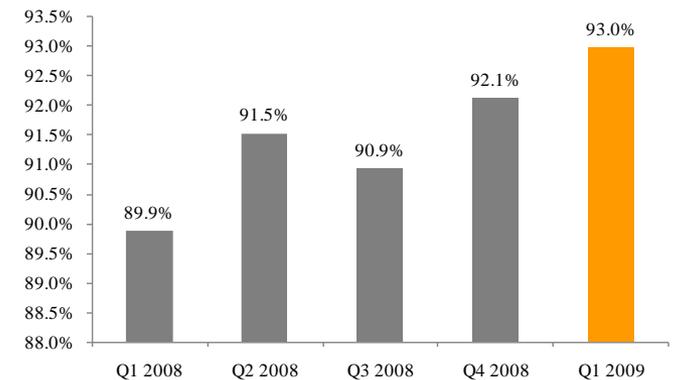
Top ten borrower concentration



Loans by maturity, 31 March 2009

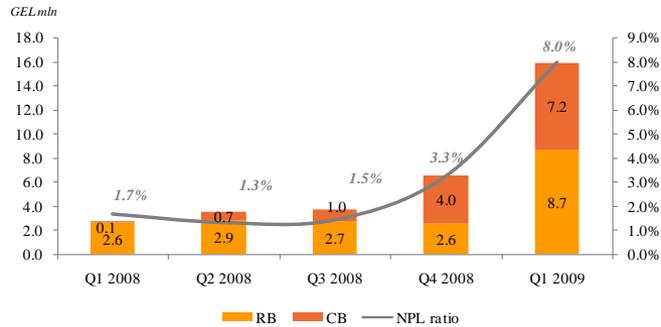


Loan book collateralization

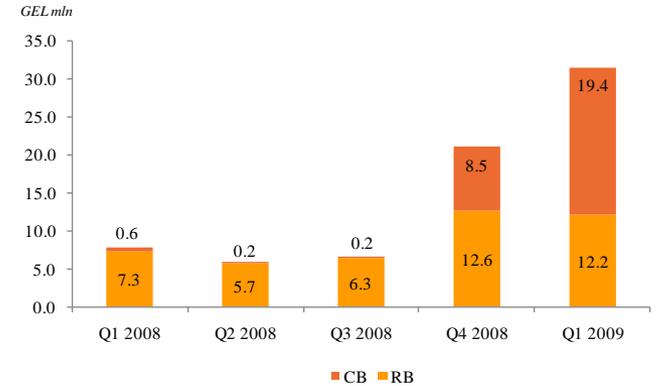


# BG Bank provisioning policy

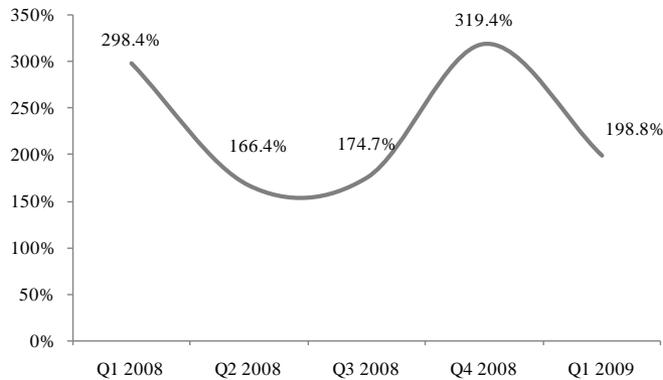
## NPLs



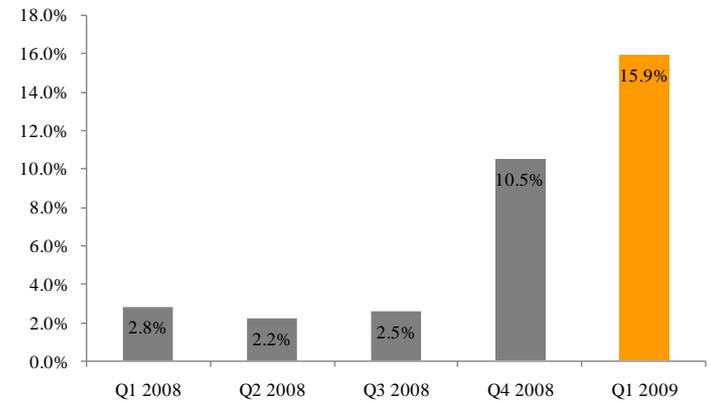
## Loan loss reserve



## NPL coverage ratio

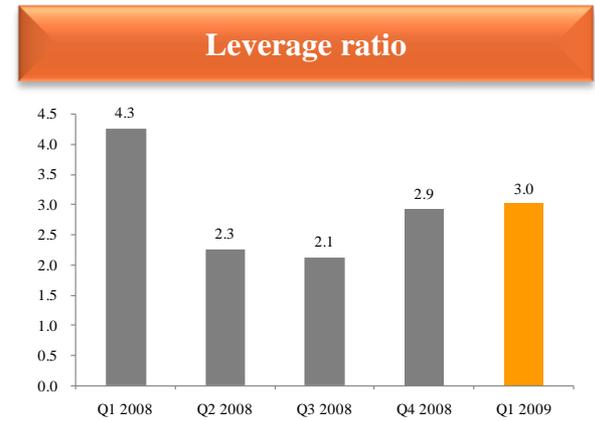
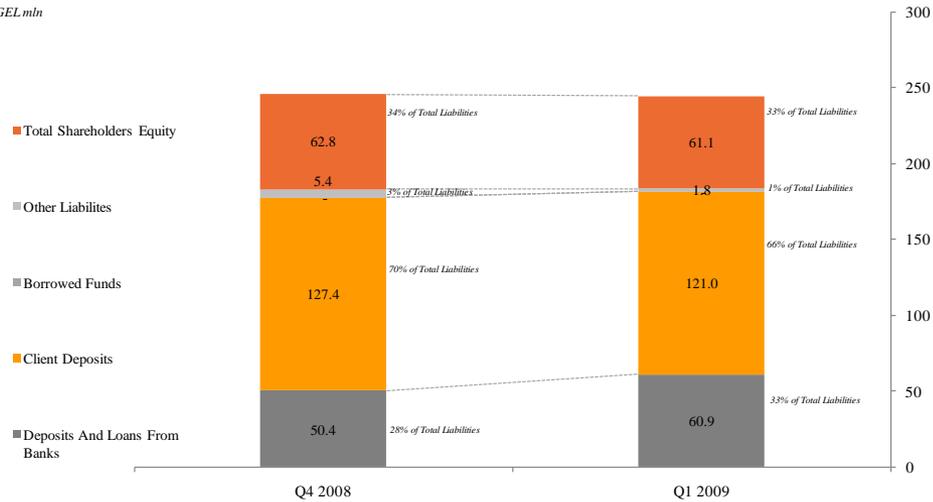


## Reserve for loan losses to gross loans



# BG Bank standalone liabilities breakdown

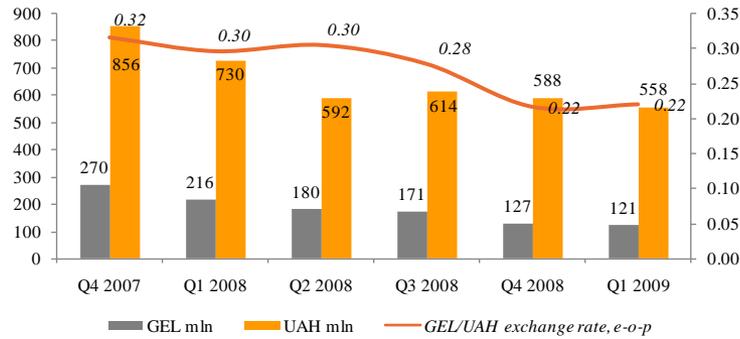
GEL mln



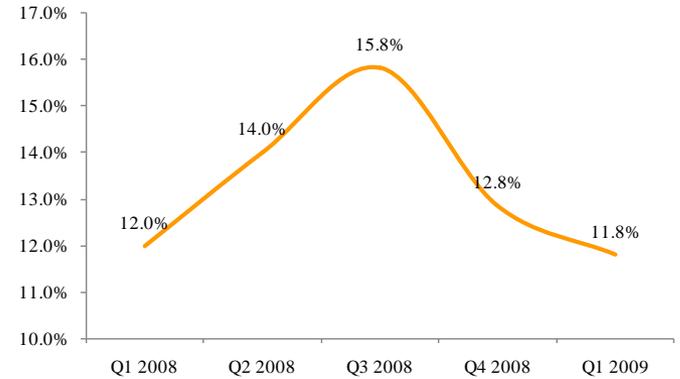
|                                       | Q4 2008    | Q1 2009    |
|---------------------------------------|------------|------------|
| Issued Fixed Income Securities        | 0.0        | 0.1        |
| Tax Liabilities, Current And Deferred | 0.2        | -          |
| Accruals And Other Liabilities        | 5.3        | 1.6        |
| <b>Other liabilities</b>              | <b>5.4</b> | <b>1.8</b> |

# BG Bank client deposits

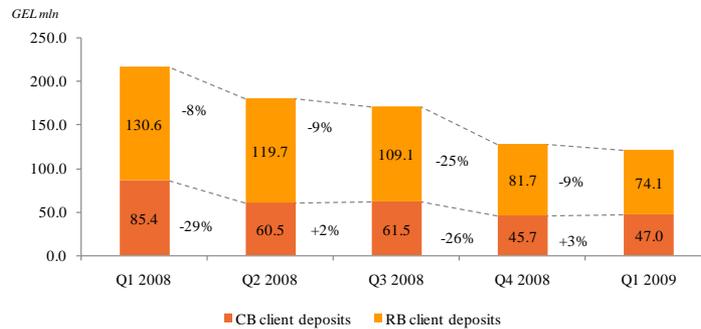
## Client deposits



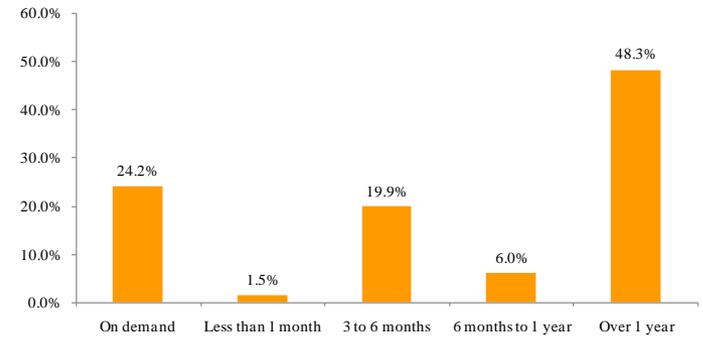
## Deposit yields



## CB & RB client deposits

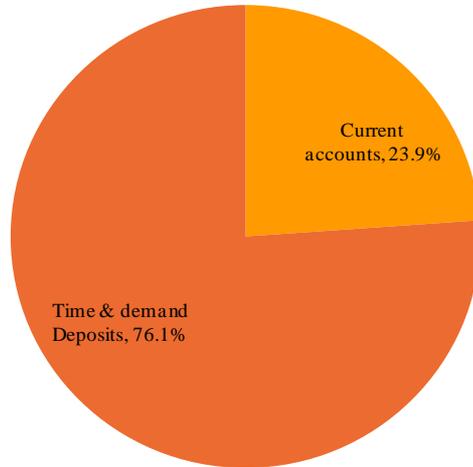


## Deposits by maturity, 31 March 2009



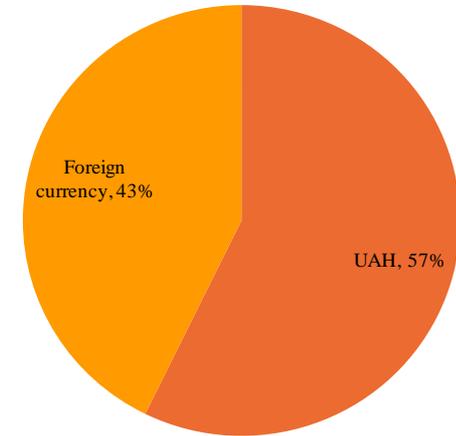
# BG Bank analysis of deposits

Client deposits breakdown, 31 March 2009



Client deposits: GEL 121 mln

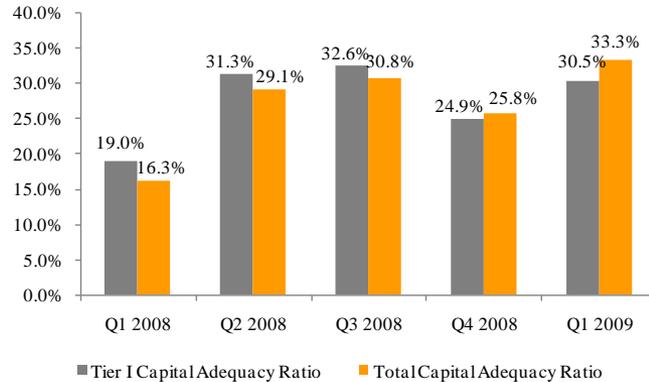
Client deposits by currency, 31 March 2009



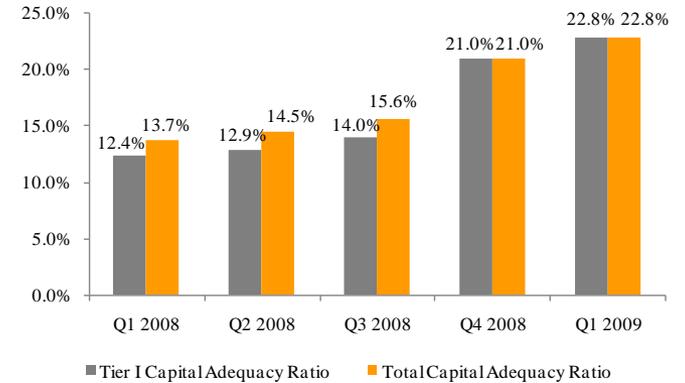
Client deposits: GEL 121 mln

# BG Bank capital adequacy

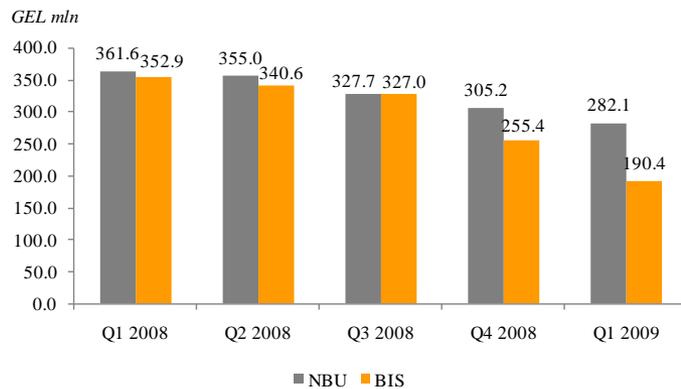
## BIS capital adequacy ratios



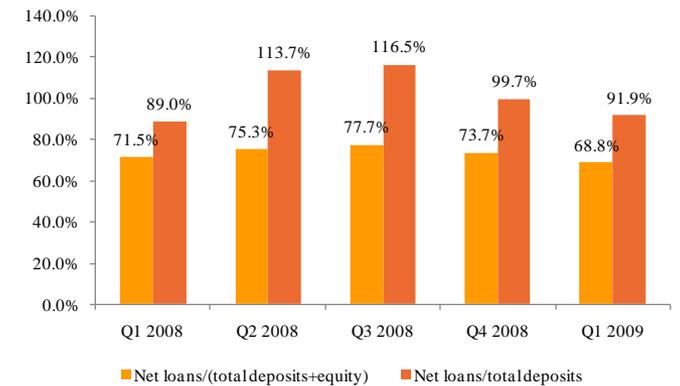
## NBU capital adequacy ratios



## Risk-weighted assets BIS vs. NBU



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



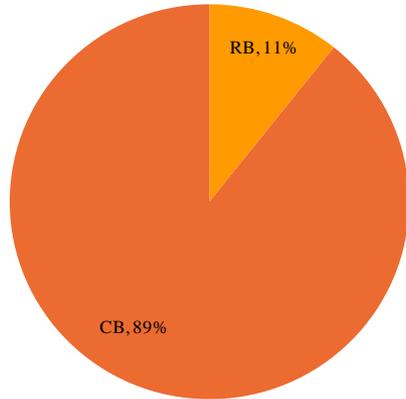
# *Belarusky Narodny Bank (Belarus)*

# BNB Q1 2009 P&L

| <i>Thousands, unless otherwise noted</i>      | Q1 2009      |              | Q4 2008            |              | Growth<br>Q-O-Q |
|---|--------------|--------------|--------------------|--------------|-----------------|
|   | GEL          | US\$         | GEL                | US\$         |                 |
|   |              |              | <i>(Unaudited)</i> |              |                 |
| Interest Income                               | 1,621        | 971          | 1,880              | 1,128        | -54.7%          |
| Interest Expense                              | 626          | 375          | 775                | 465          | -49.8%          |
| <b>Net Interest Income</b>                    | <b>995</b>   | <b>596</b>   | <b>1,105</b>       | <b>663</b>   | <b>-57.3%</b>   |
| Fees & Commission Income                      | 341          | 204          | 580                | 348          | -64.0%          |
| Fees & Commission Expense                     | 50           | 30           | 84                 | 50           | -63.0%          |
| <b>Net Fees &amp; Commission Income</b>       | <b>291</b>   | <b>174</b>   | <b>496</b>         | <b>298</b>   | <b>-64.1%</b>   |
| Income From Documentary Operations            | 3            | 2            | -                  | -            | NMF             |
| Expense On Documentary Operations             | 1            | 1            | -                  | -            | NMF             |
| <b>Net Income From Documentary Operations</b> | <b>2</b>     | <b>1</b>     | <b>-</b>           | <b>-</b>     | <b>NMF</b>      |
| <b>Net Foreign Currency Related Income</b>    | <b>1,175</b> | <b>704</b>   | <b>986</b>         | <b>591</b>   | <b>-23.2%</b>   |
| Net Insurance Income (Loss)                   | -            | -            | -                  | -            | NMF             |
| Brokerage And Investments Banking Income      | -            | -            | -                  | -            | NMF             |
| Asset Management Income                       | -            | -            | -                  | -            | NMF             |
| Net Investment Gains (Loss)                   | -            | -            | 105                | 63           | NMF             |
| Other   | (32)         | (19)         | 62                 | 37           | -151.3%         |
| <b>Net Other Non-Interest Income</b>          | <b>(32)</b>  | <b>(19)</b>  | <b>167</b>         | <b>100</b>   | <b>-119.0%</b>  |
| <b>Net Non-Interest Income</b>                | <b>1,436</b> | <b>860</b>   | <b>1,649</b>       | <b>989</b>   | <b>-42.8%</b>   |
| <b>Total Recurring Income (Revenue)</b>       | <b>2,431</b> | <b>1,456</b> | <b>2,754</b>       | <b>1,652</b> | <b>-49.8%</b>   |
| Personnel Costs                               | 760          | 455          | 792                | 475          | -47.7%          |
| Selling, General & Administrative Expenses    | 159          | 95           | 535                | 321          | -81.8%          |
| Procurement & Operations Support Expenses     | 233          | 139          | -                  | -            | NMF             |
| Depreciation And Amortization                 | 166          | 99           | 320                | 192          | -63.9%          |
| Other Operating Expenses                      | 188          | 113          | 125                | 75           | -37.3%          |
| <b>Total Recurring Operating Costs</b>        | <b>1,506</b> | <b>902</b>   | <b>1,772</b>       | <b>1,063</b> | <b>-51.2%</b>   |
| <b>Normalized Net Operating Income (Loss)</b> | <b>925</b>   | <b>554</b>   | <b>982</b>         | <b>589</b>   | <b>-47.3%</b>   |
| Net Non-Recurring Income (Costs)              | 10           | 6            | (9)                | (5)          | #DIV/0!         |
| <b>Profit Before Provisions</b>               | <b>935</b>   | <b>560</b>   | <b>985</b>         | <b>584</b>   | <b>-46.7%</b>   |
| Net Provision Expense                         | 29           | 17           | 645                | 591          | -95.5%          |
| <b>Pre-Tax Income</b>                         | <b>906</b>   | <b>543</b>   | <b>(12)</b>        | <b>(7)</b>   | <b>-18.3%</b>   |
| Income Tax Expense / (Benefit)                | 245          | 147          | 196                | 118          | -17.7%          |
| <b>Net Income</b>                             | <b>661</b>   | <b>396</b>   | <b>(208)</b>       | <b>(125)</b> | <b>-18.6%</b>   |

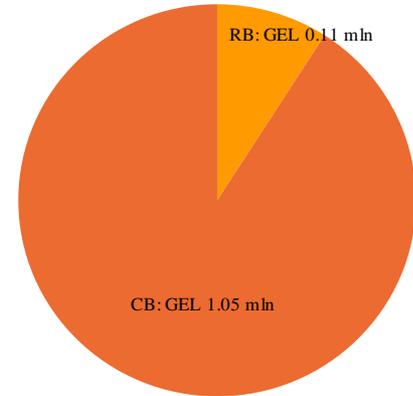
# BNB loan portfolio as at 31 March 2009

Loan Portfolio Breakdown, 31 March 2009



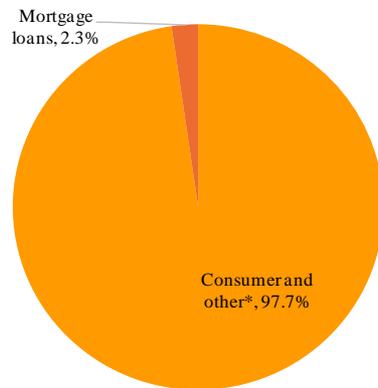
Gross loans: GEL 30 mln

Loan loss reserve, 31 March 2009



Loan loss reserve: GEL 1.2 mln

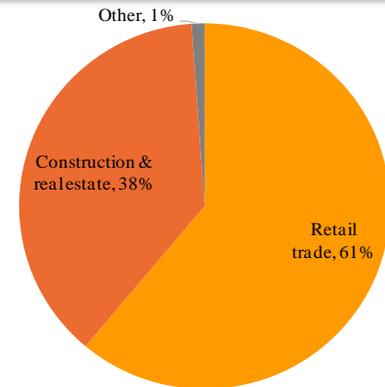
RB Loan Portfolio Breakdown, 31 March 2009



RB loans: GEL 3 mln

\* Other loans include car, POS and legacy retail loans

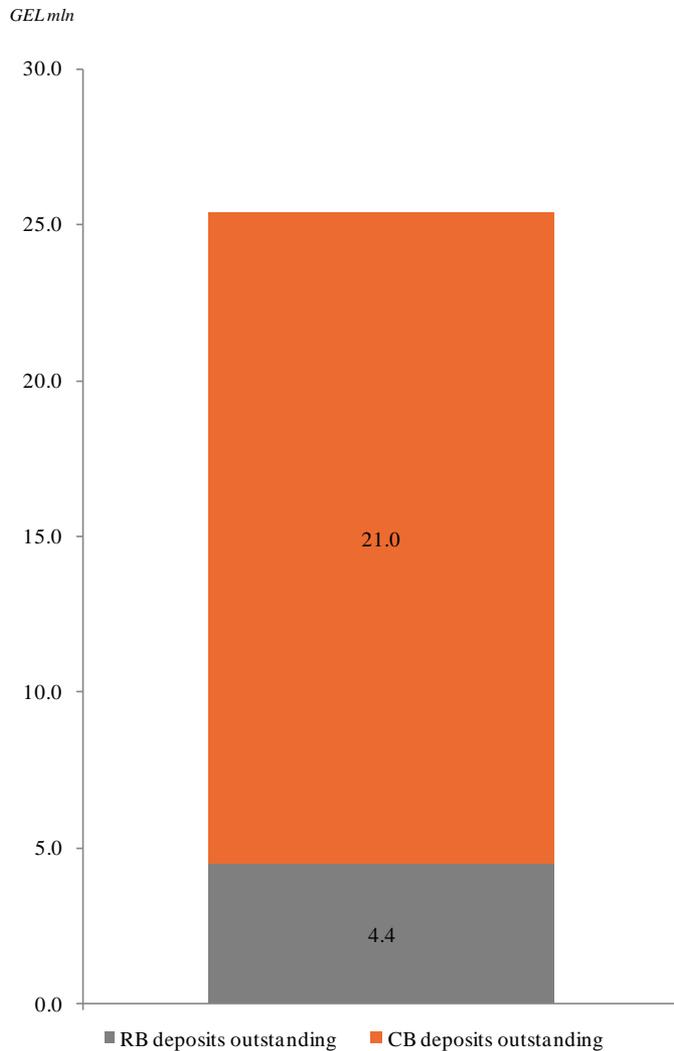
CB Loan Portfolio Breakdown, 31 March 2009



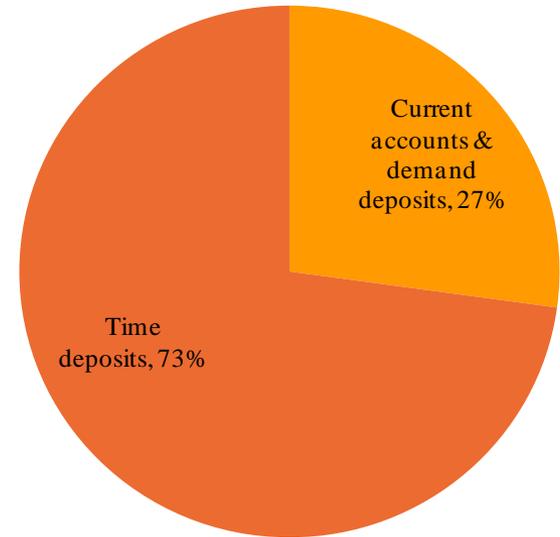
CB loans: GEL 25 mln

# BNB client deposits as at 31 March 2009

Client deposits breakdown, 31 March 2009



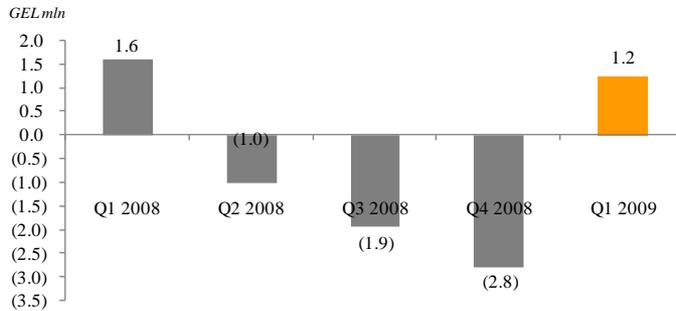
BNB client deposits breakdown, 31 March 2009



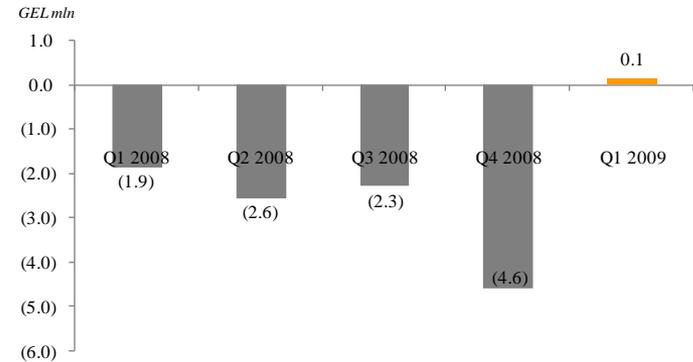
# *Galt & Taggart securities*

# Galt & Taggart Securities

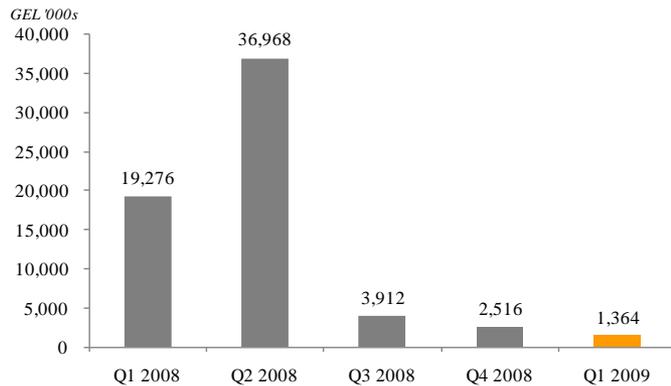
## Revenue



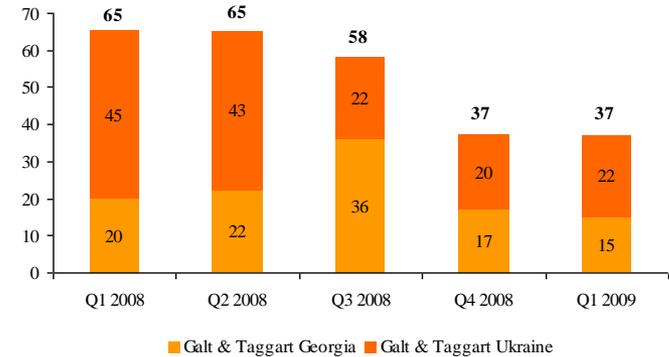
## Net income/(loss)



## Proprietary book

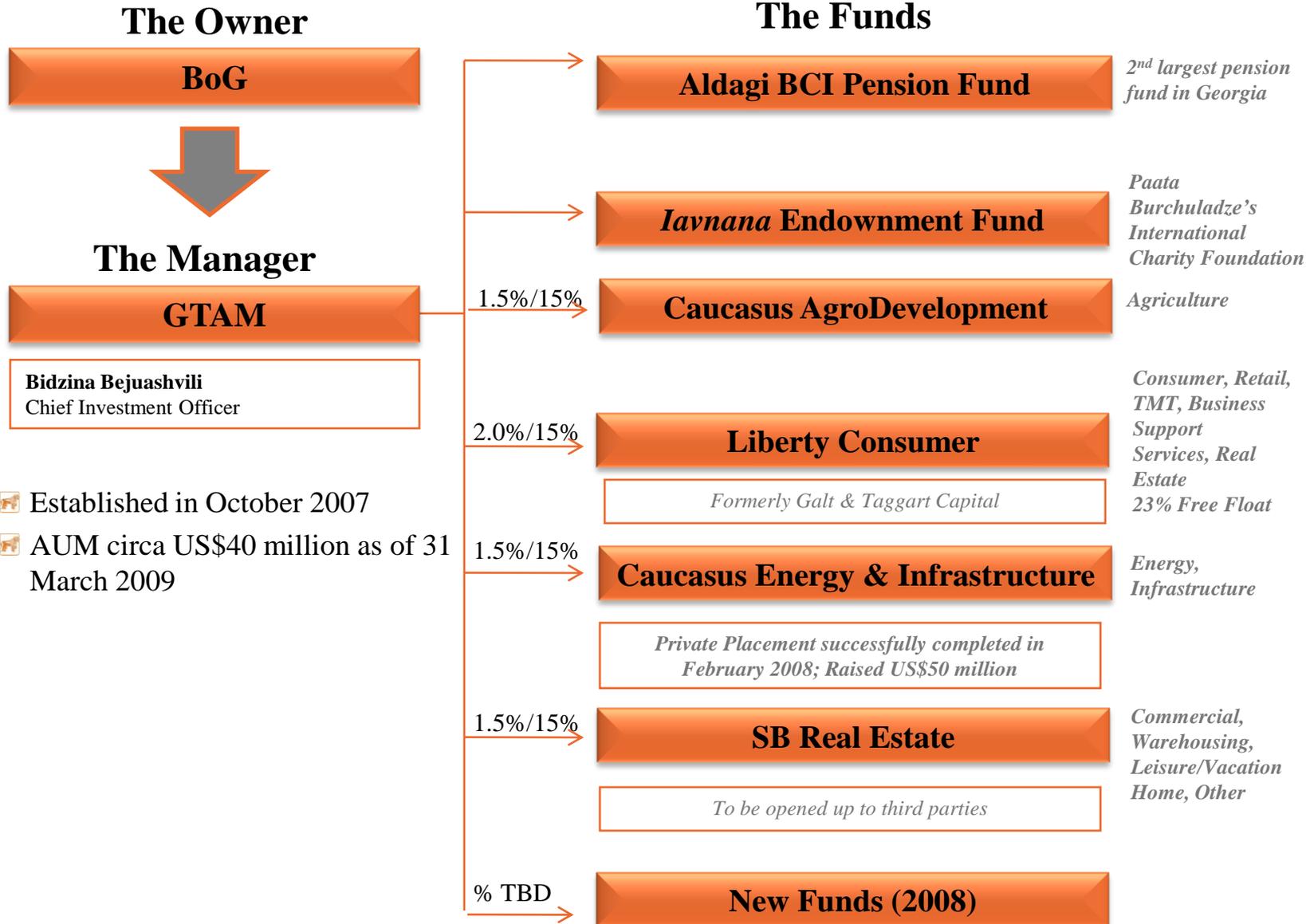


## Headcount



# *Asset management*

# Asset Management review



# Asset Management review cont'd

## Liberty Consumer\*

- MCAP: circa US\$11 million as at 31 March 2009
- GSE: GTC
- Investments include consumer, retail, TMT, business support services & real estate sectors

\* Formerly Galt & Taggart Capital

## Caucasus Energy & Infrastructure (CEI)

- MCAP: circa US\$23 million as at 31 March 2009
- GSE: NRGY
- Successfully completed its first private placement in February 2008, raising US\$50 million
- Aims at investing in small and medium-sized hydro plants in Georgia, as well as infrastructure projects in the region

## Aldagi BCI Pension Fund

- NAV: circa US\$ 1 million as at 31 March 2009
- Second largest Pension Fund in Georgia

## SB Real Estate (SBRE)

- NAV: circa US\$22 million as at 31 December 2008
- 14 properties in the portfolio

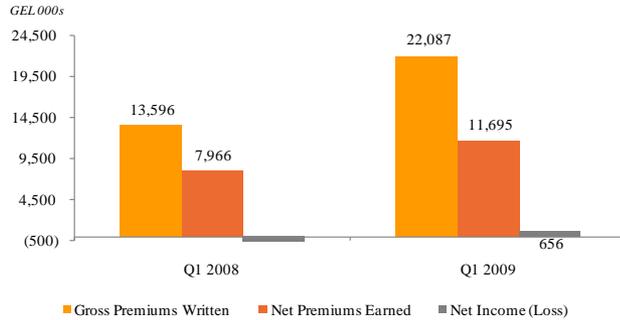
# *Insurance*

# Aldagi BCI (Insurance)

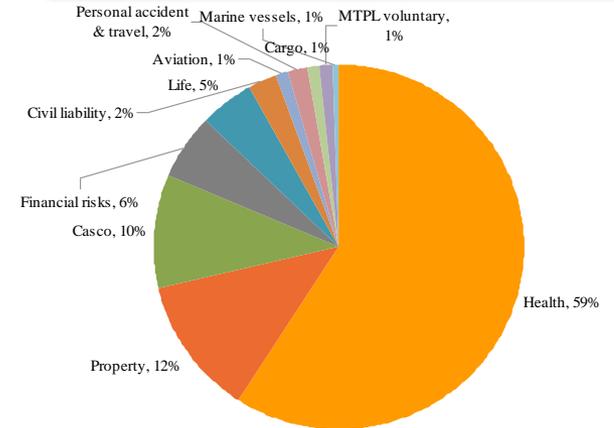
## Size of the Georgian Insurance Market

| GEL mln           | YE'08 | YE'07 | YE'06 |
|-------------------|-------|-------|-------|
| GPW               | 215   | 119   | 70    |
| Claims Reimbursed | 69    | 40    | 23    |

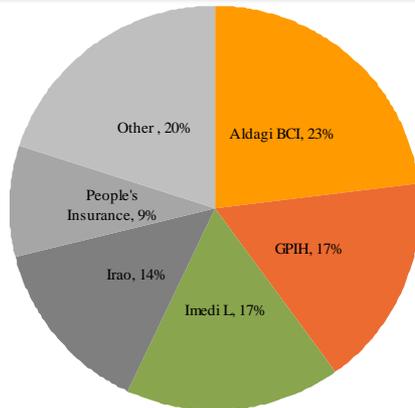
## Aldagi BCI GPW, net premiums earned & net income/(loss)



## Georgian insurance market product breakdown (Q4 2008)

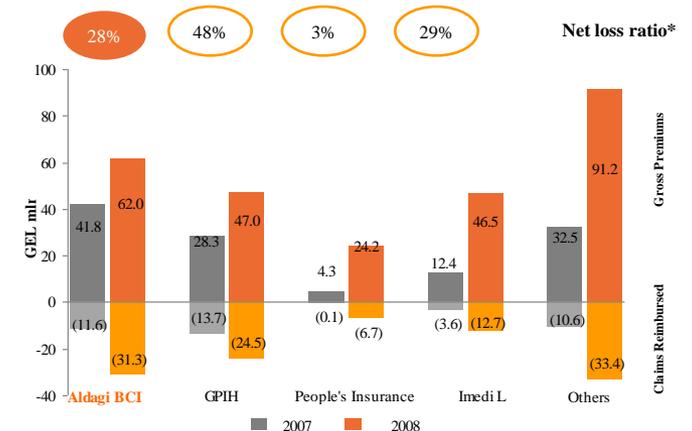


## Aldagi BCI market share by GPW (31 December 2008)



Source: State Insurance Supervision Service of Georgia

## Gross premiums written & total claims reimbursed



\* Net Loss Ratio equals Claims Reimbursed by Companies divided by Total Premiums Written

# Contact

## **Nick Enukidze**

*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*

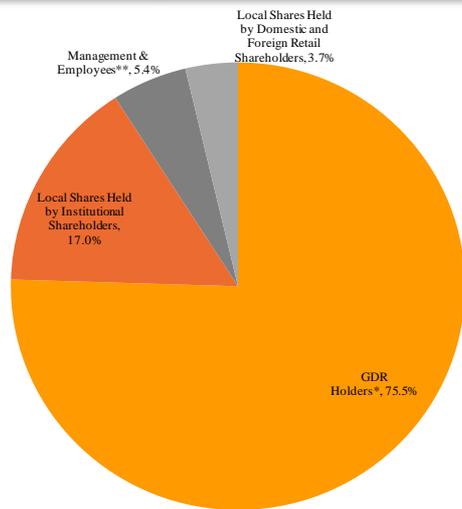
# *Appendices*

*Bank of Georgia shareholder structure, management & price performance*

# Ownership structure & share price performance

Broadly owned by  
over 100  
institutional  
accounts

## Ownership structure, March 2009



| 31-Mar-09   | Total         | %             |
|---|---------------|---------------|
| GDR Holders*  | 23,596        | 75.5%         |
| Local Shares Held by Institutional Shareholders                         | 4,826         | 15.4%         |
| Management & Employees**  | 1,673         | 5.4%          |
| Local Shares Held by Domestic and Foreign Retail Shareholders           | 1,166         | 3.7%          |
| <b>Total Shares Outstanding</b>   | <b>31,261</b> | <b>100.0%</b> |
| Adjusted for Galt & Taggart Securities' Proprietary Book <sup>(1)</sup> | (835)         |               |
| <b>Adjusted Total Shares Outstanding</b>                                | <b>30,426</b> |               |

<sup>(1)</sup> Treated as treasury shares as per IFRS

\*through BNY Nominees Limited

\*\* includes GDRs held by Employee Benefit Trust

Note: certain shareholder data is based on management's estimates

## Supervisory board

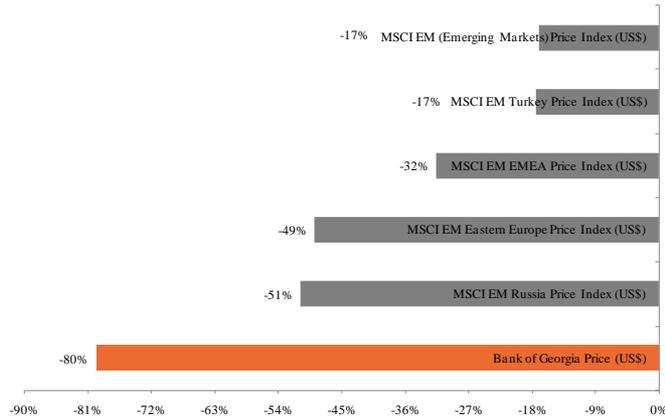
|                   |  |
|-------------------|--|
| Nicholas Enukidze | Chairman of the supervisory board                          |
| Allan Hirst       | Vice chairman of the supervisory board, independent member |
| Ian Hague         | Member, Firebird Management LLC                            |
| Jyrki Talvitie    | Member, East Capital                                       |
| Kaha Kiknavelidze | Independent member   |

## Management board

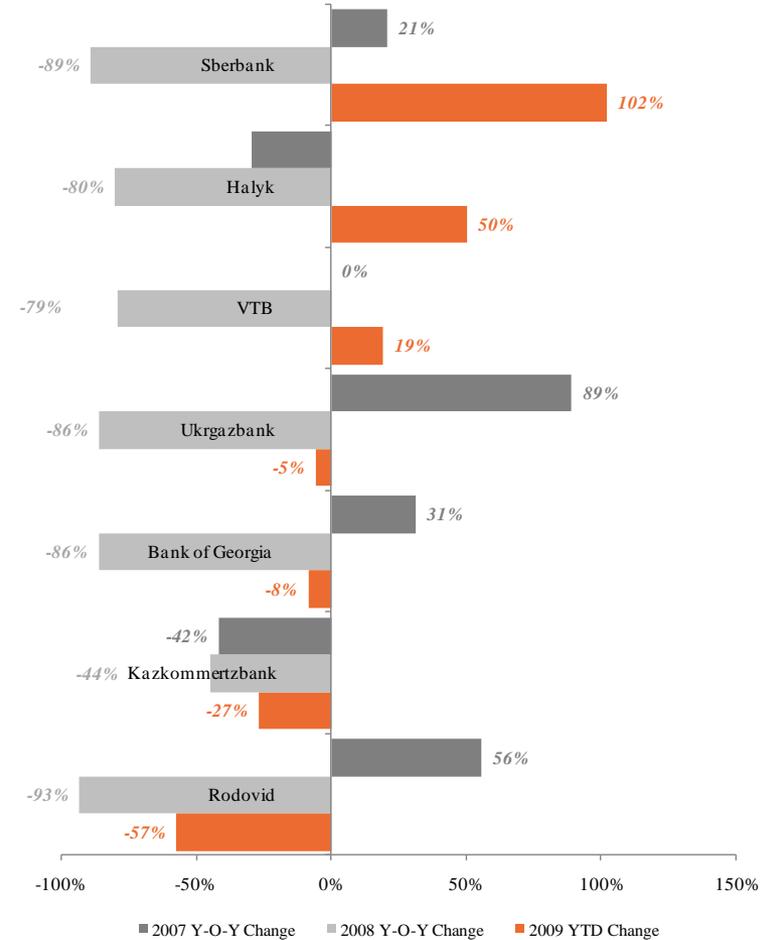
|                     |                                  |
|---------------------|----------------------------------|
| Irakli Gilauri      | Chief executive officer          |
| Sulkhan Gvalia      | Deputy chief executive officer   |
| George Chiladze     | Chief financial officer          |
| Murtaz Kikoria      | Deputy chief executive officer   |
| Mikheil Gomarteli   | Deputy chief executive officer   |
| Avto Namicheishvili | Deputy chief executive officer   |
| Ramaz Kukuladze     | Deputy chief executive officer   |
| Irakli Burdiladze   | Chief operating officer          |
| Konstantin Poloskov | Chief executive officer, BG Bank |

# 2006 - YTD 2009 price performance

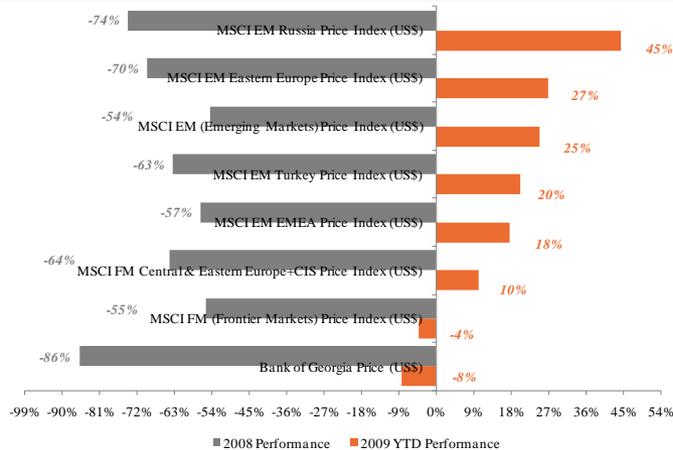
Bank of Georgia price vs. selected MSCI indices, November 2006 – YTD 2009



Bank of Georgia price vs. CIS banks 2007, 2008 & YTD 2009 price performance



Bank of Georgia price vs. selected MSCI indices, 2008 – YTD 2009



Source: MSCI Barra



Source: Bloomberg

# Analyst coverage

---



## Analyst

## Email

---

Andrzej Nowaczek

andrzej.nowaczek@uk.ing.com



## Analyst

## Email

---

David Nangle

Dnangle@rencap.com



## Analyst

## Email

---

Radena Georgieva

Radena.Georgieva@caib.unicreditgroup.eu

## *Georgian banking sector – key trends 2006-2009*

# Georgian banking sector – key trends 2006/2009

GEL/US\$

Period End

YE 2006= 1.71

YE 2007=1.59

YE 2008=1.67

Q1 2009=1.67

| GEL mln           | Growth  |         |        |              |            |            |             | Market Share (YE 2007) |                 | Market Share (YE 2008) |                 | Market Share (Q1 2009) |                 |
|-------------------|---------|---------|--------|--------------|------------|------------|-------------|------------------------|-----------------|------------------------|-----------------|------------------------|-----------------|
|                   | YE 2007 | YE 2008 | Q1 '09 | As % of GDP* | 2007 Y-O-Y | 2008 Y-O-Y | Q1 '09, YTD | Top 5 Banks            | Bank of Georgia | Top 5 Banks            | Bank of Georgia | Top 5 Banks            | Bank of Georgia |
| Total Assets      | 7,208   | 8,866   | 8,241  | 43.21%       | 70.90%     | 23.00%     | -7.05%      | 80.00%                 | 35.20%          | 79.26%                 | 32.89%          | 78.75%                 | 34.30%          |
| Gross Loans       | 4,589   | 5,993   | 5,661  | 29.69%       | 71.50%     | 30.59%     | -5.54%      | 81.70%                 | 32.70%          | 81.78%                 | 32.87%          | 82.34%                 | 32.21%          |
| Deposits          | 3,511   | 3,845   | 3,424  | 17.95%       | 50.90%     | 9.51%      | -10.95%     | 81.40%                 | 31.40%          | 75.00%                 | 28.76%          | 77.45%                 | 27.83%          |
| Equity            | 1,471   | 1,517   | 1,496  | 7.84%        | 65.50%     | 3.14%      | -1.41%      | 73.30%                 | 33.80%          | 75.69%                 | 40.03%          | 77.54%                 | 40.77%          |
| Net Income/(Loss) | 109     | (216)   | (29)   | NMF          | 17.50%     | NMF        | NMF         | NMF                    | 41.90%          | NMF                    | NMF             | NMF                    | NMF             |

- ☐ 20 banks as at 31 December 2008
  - ☐ Minimum capital requirement GEL 12 mln and growing
  - ☐ Since 1 January 2007 local presence established by HSBC, Halyk, Privat, JSC Kor Bank
  - ☐ No state ownership since 1995
  - ☐ Very open to foreign ownership
    - ☐ All leading banks have meaningful foreign capital participation
  - ☐ Significant IT/infrastructure and marketing spend drives increasing retail banking penetration
  - ☐ Increasing adoption of the universal banking business model, following the lead of **Bank of Georgia**
  - ☐ The economy and consumers significantly underlent (all-in consumer debt per capita US\$163 at 31 December 2008)

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](http://www.nbg.gov.ge)

\* Q1 2009 Total Assets/2008 GDP, Q1 2009 Gross Loans/2008 GDP, Q1 2009 Deposits/2008 GDP, Q1 2009 Equity/2008 GDP

# Peer group's market share in total assets

Peer Group's market shares in total assets, Q1 2009

GEL/US\$

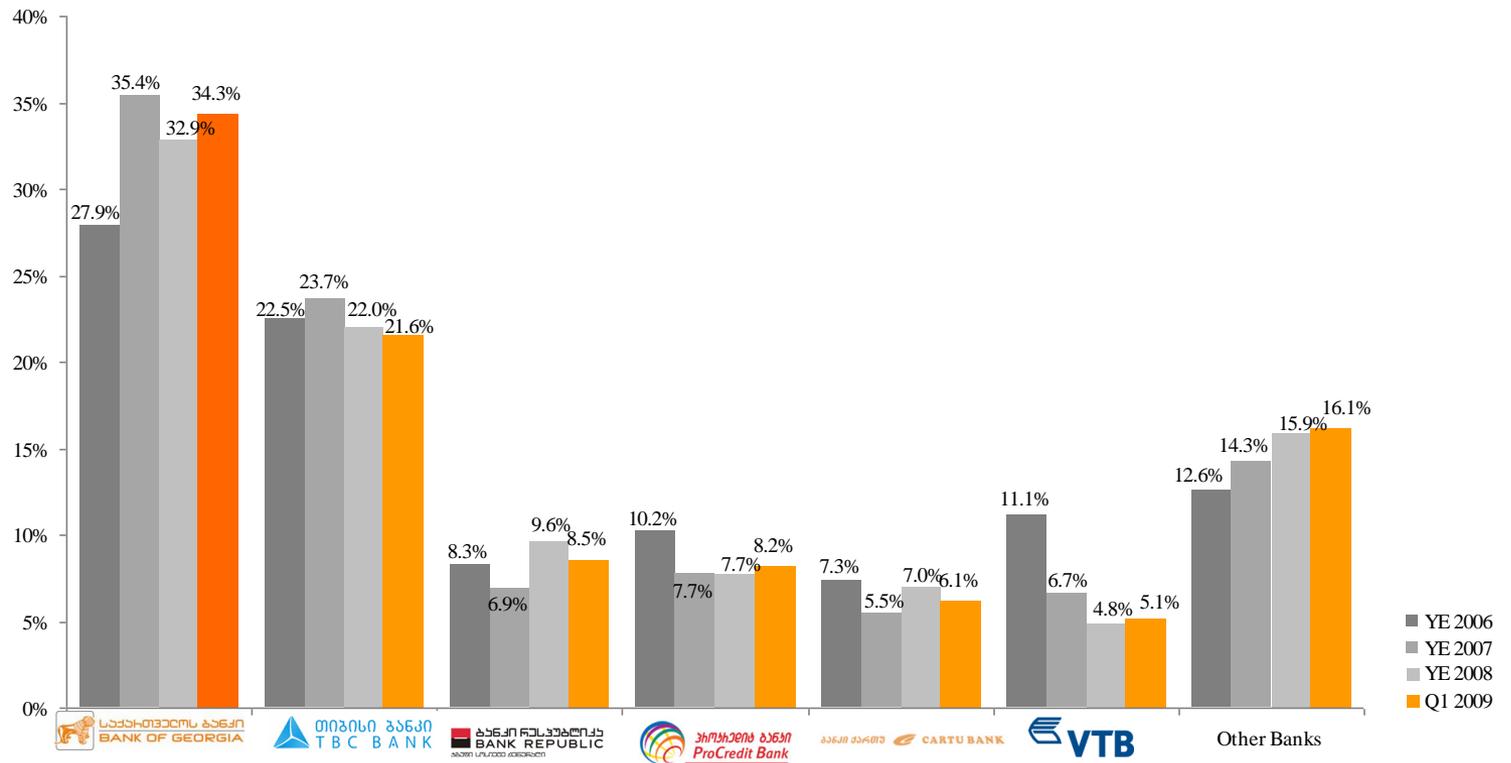
Period End

YE 2006 = 1.71

YE 2007 = 1.59

YE 2008 = 1.67

Q1 2009 = 1.67



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](http://www.nbg.gov.ge)

# Peer group's market share in gross loans

Peer Group's market shares in gross loans, Q1 2009

GEL/US\$

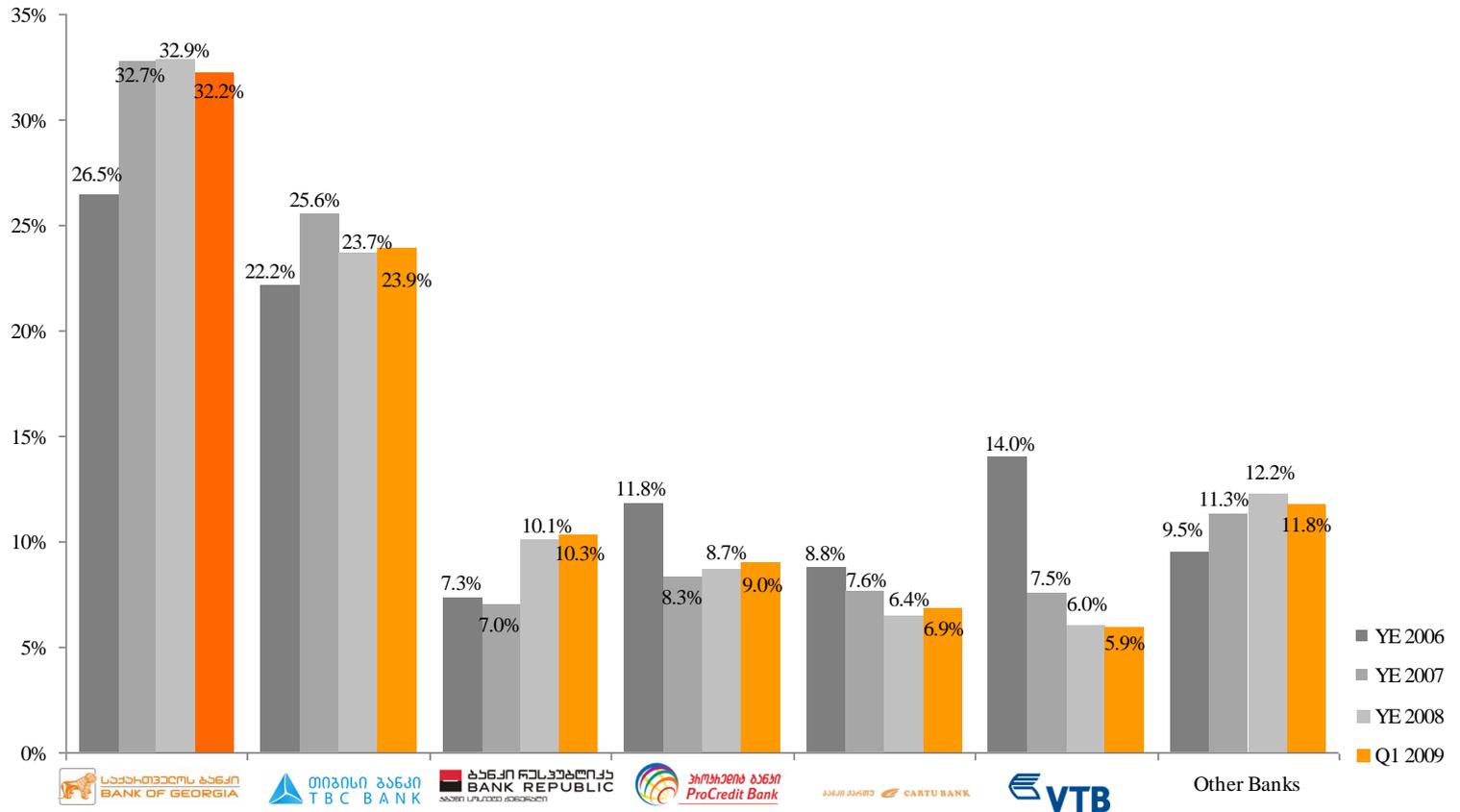
Period End

YE 2006 = 1.71

YE 2007 = 1.59

YE 2008 = 1.67

Q1 2009 = 1.67



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](http://www.nbg.gov.ge)

# Peer group's market share in deposits

GEL/US\$

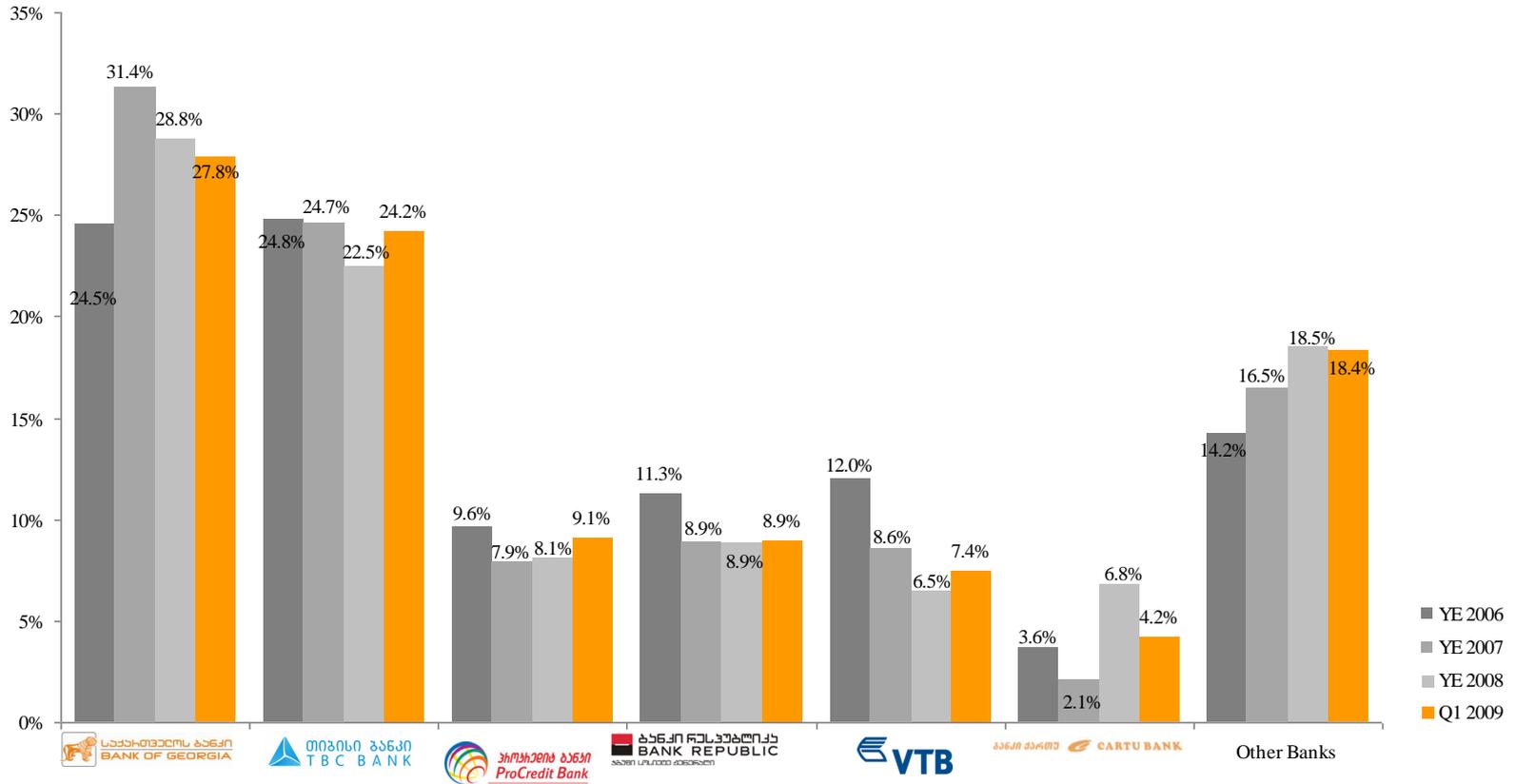
Period End

YE 2006 = 1.71

YE 2007=1.59

YE 2008=1.67

Peer Group's market shares in deposits, Q1 2009



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](http://www.nbg.gov.ge)

# *Bank of Georgia Q1 2009 financials*

# Standalone Income Statement data – Q1 2009

| Period Ended                                  | Q1 2009           |               | Q4 2008           |                | Growth <sup>3</sup> | Q1 2008           |               | Growth        |
|---|-------------------|---------------|-------------------|----------------|---------------------|-------------------|---------------|---------------|
| Standalone, IFRS Based                        | US\$ <sup>1</sup> | GEL           | US\$ <sup>2</sup> | GEL            | Q-O-Q               | US\$ <sup>4</sup> | GEL           | Y-O-Y         |
| <i>000s, unless otherwise noted</i>           | (Unaudited)       |               | (Unaudited)       |                |                     | (Unaudited)       |               |               |
| Interest Income                               | 56,235            | 93,913        | 55,928            | 93,232         | 0.7%                | 54,772            | 80,843        | 16.2%         |
| Interest Expense                              | 24,323            | 40,620        | 25,300            | 42,175         | -3.7%               | 24,071            | 35,529        | 14.3%         |
| <b>Net Interest Income</b>                    | <b>31,912</b>     | <b>53,293</b> | <b>30,629</b>     | <b>51,058</b>  | <b>4.4%</b>         | <b>30,700</b>     | <b>45,314</b> | <b>17.6%</b>  |
| Fee & Commission Income                       | 6,126             | 10,231        | 6,883             | 11,474         | -10.8%              | 7,088             | 10,462        | -2.2%         |
| Fee & Commission Expense                      | 1,336             | 2,231         | 1,368             | 2,281          | -2.2%               | 901               | 1,329         | 67.8%         |
| <b>Net Fee &amp; Commission Income</b>        | <b>4,790</b>      | <b>8,000</b>  | <b>5,515</b>      | <b>9,193</b>   | <b>-13.0%</b>       | <b>6,187</b>      | <b>9,133</b>  | <b>-12.4%</b> |
| Income From Documentary Operations            | 1,612             | 2,692         | 1,323             | 2,205          | 22.1%               | 1,319             | 1,947         | 38.3%         |
| Expense On Documentary Operations             | 273               | 456           | 470               | 783            | -41.8%              | 339               | 500           | -8.9%         |
| <b>Net Income From Documentary Operations</b> | <b>1,339</b>      | <b>2,237</b>  | <b>853</b>        | <b>1,421</b>   | <b>57.4%</b>        | <b>980</b>        | <b>1,447</b>  | <b>54.6%</b>  |
| <b>Net Foreign Currency Related Income</b>    | <b>3,343</b>      | <b>5,583</b>  | <b>4,552</b>      | <b>7,588</b>   | <b>-26.4%</b>       | <b>7,570</b>      | <b>11,173</b> | <b>-50.0%</b> |
| <b>Net Other Non-Interest Income</b>          | <b>270</b>        | <b>450</b>    | <b>402</b>        | <b>670</b>     | <b>-32.8%</b>       | <b>(314)</b>      | <b>(464)</b>  | <b>NMF</b>    |
| <b>Net Non-Interest Income</b>                | <b>9,742</b>      | <b>16,270</b> | <b>11,321</b>     | <b>18,873</b>  | <b>-13.8%</b>       | <b>14,423</b>     | <b>21,289</b> | <b>-23.6%</b> |
| <b>Total Operating Income (Revenue)</b>       | <b>41,654</b>     | <b>69,563</b> | <b>41,950</b>     | <b>69,931</b>  | <b>-0.5%</b>        | <b>45,124</b>     | <b>66,602</b> | <b>4.4%</b>   |
| Personnel Costs                               | 8,800             | 14,695        | 8,628             | 14,383         | 2.2%                | 11,823            | 17,451        | -15.8%        |
| Selling, General & Administrative Costs       | 3,788             | 6,325         | 4,411             | 7,353          | -14.0%              | 3,167             | 4,675         | 35.3%         |
| Procurement & Operations Support Expenses     | 1,631             | 2,725         | 2,158             | 3,598          | -24.3%              | 2,103             | 3,104         | -12.2%        |
| Depreciation & Amortization                   | 2,454             | 4,097         | 2,913             | 4,856          | -15.6%              | 2,088             | 3,081         | 33.0%         |
| Other Operating Expenses                      | 566               | 945           | (27)              | (46)           | NMF                 | 69                | 102           | 825.5%        |
| <b>Total Recurring Operating Costs</b>        | <b>17,238</b>     | <b>28,787</b> | <b>18,083</b>     | <b>30,144</b>  | <b>-4.5%</b>        | <b>19,250</b>     | <b>28,413</b> | <b>1.3%</b>   |
| <b>Normalized Net Operating Income</b>        | <b>24,417</b>     | <b>40,776</b> | <b>23,867</b>     | <b>39,786</b>  | <b>2.5%</b>         | <b>25,873</b>     | <b>38,189</b> | <b>6.8%</b>   |
| Net Non-Recurring Income (Costs)              | 322               | 538           | 7,398             | 12,332         | -95.6%              | 1,113             | 1,642         | -67.3%        |
| <b>Profit Before Provisions</b>               | <b>24,095</b>     | <b>40,238</b> | <b>16,469</b>     | <b>27,454</b>  | <b>46.6%</b>        | <b>24,761</b>     | <b>36,547</b> | <b>10.1%</b>  |
| <b>Net Provision Expense</b>                  | <b>16,146</b>     | <b>26,963</b> | <b>(2,691)</b>    | <b>(4,487)</b> | <b>NMF</b>          | <b>4,536</b>      | <b>6,695</b>  | <b>302.7%</b> |
| <b>Pre-Tax Income</b>                         | <b>7,949</b>      | <b>13,275</b> | <b>19,161</b>     | <b>31,941</b>  | <b>-58.4%</b>       | <b>20,225</b>     | <b>29,851</b> | <b>-55.5%</b> |
| Income Tax Expenses/(Benefit)                 | 1,192             | 1,991         | 1,873             | 3,123          | -36.2%              | 3,034             | 4,478         | -55.5%        |
| <b>Net Income</b>                             | <b>6,757</b>      | <b>11,284</b> | <b>17,287</b>     | <b>28,818</b>  | <b>-60.8%</b>       | <b>17,191</b>     | <b>25,374</b> | <b>-55.5%</b> |

<sup>1</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6700 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 March 2009

<sup>2</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6670 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 2008

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

<sup>4</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4760 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 March 2008

# Standalone Balance Sheet data – March 2009

| Standalone, IFRS Based<br>000s, unless otherwise noted  | 31-Mar-09                        |                  | 31-Dec-08                        |                  | 31-Mar-08                        |                  | Growth <sup>4</sup><br>Y-O-Y | Growth <sup>4</sup><br>Q-O-Q |
|---|----------------------------------|------------------|----------------------------------|------------------|----------------------------------|------------------|------------------------------|------------------------------|
|   | US\$ <sup>1</sup><br>(Unaudited) | GEL              | US\$ <sup>2</sup><br>(Unaudited) | GEL              | US\$ <sup>2</sup><br>(Unaudited) | GEL              |                              |                              |
| Cash & Cash Equivalents                                 | 67,042                           | 111,960          | 93,298                           | 155,528          | 78,449                           | 115,791          | -3.3%                        | -28.0%                       |
| Loans & Advances To Credit Institutions                 | 254,884                          | 425,656          | 193,831                          | 323,117          | 171,531                          | 253,179          | 68.1%                        | 31.7%                        |
| Mandatory Reserve With NBG                              | 17,634                           | 29,449           | 18,539                           | 30,904           | 57,211                           | 84,443           | -65.1%                       | -4.7%                        |
| Other Accounts With NBG                                 | 43,249                           | 72,226           | 25,791                           | 42,993           | 34,463                           | 50,868           | 42.0%                        | 68.0%                        |
| Balances With & Loans To Other Banks                    | 194,001                          | 323,981          | 149,501                          | 249,219          | 79,857                           | 117,869          | 174.9%                       | 30.0%                        |
| Available-For-Sale & Trading Securities                 | -                                | -                | -                                | -                | -                                | -                | NMF                          | NMF                          |
| Treasuries & Equivalents                                | -                                | -                | 4,963                            | 8,274            | 18,726                           | 27,639           | NMF                          | -100.0%                      |
| Other Fixed Income Instruments                          | 22,954                           | 38,333           | 8,741                            | 14,571           | 190,534                          | 281,229          | -86.4%                       | 163.1%                       |
| Gross Loans To Clients                                  | 1,109,171                        | 1,852,315        | 1,189,616                        | 1,983,090        | 1,101,759                        | 1,626,196        | 13.9%                        | -6.6%                        |
| Less: Reserve For Loan Losses                           | (61,464)                         | (102,645)        | (58,868)                         | (98,133)         | (21,466)                         | (31,684)         | 224.0%                       | 4.6%                         |
| Net Loans To Clients                                    | 1,047,707                        | 1,749,670        | 1,130,748                        | 1,884,957        | 1,080,293                        | 1,594,512        | 9.7%                         | -7.2%                        |
| Insurance Related Assets                                | -                                | -                | -                                | -                | -                                | -                | NMF                          | NMF                          |
| Investments In Other Business Entities, Net             | 188,328                          | 314,507          | 177,138                          | 295,290          | 147,461                          | 217,653          | 44.5%                        | 6.5%                         |
| Property & Equipment Owned, Net                         | 138,605                          | 231,471          | 139,239                          | 232,112          | 137,670                          | 203,201          | 13.9%                        | -0.3%                        |
| Intangible Assets Owned, Net                            | 4,076                            | 6,807            | 8,034                            | 13,393           | 1,279                            | 1,888            | 260.5%                       | -49.2%                       |
| Goodwill  | 13,642                           | 22,783           | 13,646                           | 22,748           | 14,935                           | 22,044           | 3.4%                         | 0.2%                         |
| Tax Assets - Current & Deferred                         | -                                | -                | 3,974                            | 6,624            | 1,414                            | 2,086            | NMF                          | NMF                          |
| Prepayments & Other Assets                              | 9,140                            | 15,263           | 18,463                           | 30,778           | 19,990                           | 29,505           | -48.3%                       | -50.4%                       |
| <b>Total Assets</b>                                     | <b>1,746,378</b>                 | <b>2,916,451</b> | <b>1,792,077</b>                 | <b>2,987,392</b> | <b>1,862,282</b>                 | <b>2,748,729</b> | <b>6.1%</b>                  | <b>-2.4%</b>                 |
| Client Deposits   | 586,214                          | 978,977          | 626,992                          | 1,045,195        | 740,320                          | 1,092,712        | -10.4%                       | -6.3%                        |
| Deposits & Loans From Banks                             | 17,573                           | 29,348           | 35,854                           | 59,768           | 15,041                           | 22,201           | 32.2%                        | -50.9%                       |
| Borrowed Funds  | 696,288                          | 1,162,801        | 682,525                          | 1,137,770        | 538,668                          | 795,074          | 46.3%                        | 2.2%                         |
| Issued Fixed Income Securities                          | -                                | -                | -                                | -                | 5,304                            | 7,828            | NMF                          | NMF                          |
| Insurance Related Liabilities                           | -                                | -                | -                                | -                | -                                | -                | NMF                          | NMF                          |
| Tax Liabilities - Current & Deferred                    | 9,682                            | 16,169           | 12,064                           | 20,110           | 11,199                           | 16,530           | -2.2%                        | -19.6%                       |
| Accruals & Other Liabilities                            | 13,644                           | 22,786           | 16,289                           | 27,153           | 79,904                           | 117,938          | -80.7%                       | -16.1%                       |
| <b>Total Liabilities</b>                                | <b>1,323,402</b>                 | <b>2,210,082</b> | <b>1,373,723</b>                 | <b>2,289,996</b> | <b>1,390,436</b>                 | <b>2,052,283</b> | <b>7.7%</b>                  | <b>-3.5%</b>                 |
| Ordinary Shares   | 18,719                           | 31,261           | 18,748                           | 31,253           | 21,168                           | 31,244           | 0.1%                         | 0.0%                         |
| Share Premium   | 279,874                          | 467,390          | 281,746                          | 469,670          | 310,271                          | 457,960          | 2.1%                         | -0.5%                        |
| Treasury Shares   | (699)                            | (1,167)          | (676)                            | (1,128)          | (1,033)                          | (1,525)          | -23.5%                       | 3.5%                         |
| Retained Earnings                                       | 82,834                           | 138,332          | 75,752                           | 126,279          | 84,563                           | 124,816          | 10.8%                        | 9.5%                         |
| Revaluation & Other Reserves                            | 35,491                           | 59,269           | 28,013                           | 46,698           | 39,686                           | 58,577           | 1.2%                         | 26.9%                        |
| Net Income (Loss) For The Period                        | 6,757                            | 11,284           | 14,771                           | 24,624           | 17,191                           | 25,374           | -55.5%                       | -54.2%                       |
| <b>Shareholders' Equity Excluding Minority Interest</b> | <b>422,976</b>                   | <b>706,370</b>   | <b>418,354</b>                   | <b>697,396</b>   | <b>471,847</b>                   | <b>696,446</b>   | <b>1.4%</b>                  | <b>1.3%</b>                  |
| Minority Interest                                       | -                                | -                | -                                | -                | -                                | -                | NMF                          | NMF                          |
| <b>Total Shareholders' Equity</b>                       | <b>422,976</b>                   | <b>706,370</b>   | <b>418,354</b>                   | <b>697,396</b>   | <b>471,847</b>                   | <b>696,446</b>   | <b>1.4%</b>                  | <b>1.3%</b>                  |
| <b>Total Liabilities &amp; Shareholders' Equity</b>     | <b>1,746,378</b>                 | <b>2,916,451</b> | <b>1,792,077</b>                 | <b>2,987,392</b> | <b>1,862,282</b>                 | <b>2,748,729</b> | <b>6.1%</b>                  | <b>-2.4%</b>                 |

<sup>1</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 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 March 2009

<sup>2</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6670 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 2008

<sup>3</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.4760 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 March 2008

<sup>4</sup> Growth calculations based on GEL values

# Consolidated Income Statement data – Q1 2009

| Period Ended<br>Consolidated, IFRS Based<br>000s, unless otherwise noted | Q1 2009                          |               | Q4 2008                          |                | Growth <sup>3</sup><br>Q-O-Q | Q1 2008                          |               | Growth<br>Y-O-Y |
|--|----------------------------------|---------------|----------------------------------|----------------|------------------------------|----------------------------------|---------------|-----------------|
|  | US\$ <sup>1</sup><br>(Unaudited) | GEL           | US\$ <sup>2</sup><br>(Unaudited) | GEL            |                              | US\$ <sup>4</sup><br>(Unaudited) | GEL           |                 |
| Interest Income  | 62,733                           | 104,763       | 59,258                           | 98,784         | 6.05%                        | 62,724                           | 92,580        | 13.16%          |
| Interest Expense   | 29,586                           | 49,409        | 25,433                           | 42,396         | 16.54%                       | 29,007                           | 42,815        | 15.40%          |
| <b>Net Interest Income</b>   | <b>33,146</b>                    | <b>55,354</b> | <b>33,826</b>                    | <b>56,388</b>  | <b>-1.83%</b>                | <b>33,716</b>                    | <b>49,765</b> | <b>11.23%</b>   |
| Fee & Commission Income  | 6,823                            | 11,395        | 6,747                            | 11,247         | 1.31%                        | 7,975                            | 11,771        | -3.19%          |
| Fee & Commission Expense   | 1,489                            | 2,486         | 3,104                            | 5,175          | -51.96%                      | 1,080                            | 1,594         | 55.96%          |
| <b>Net Fee &amp; Commission Income</b>                                   | <b>5,335</b>                     | <b>8,909</b>  | <b>3,643</b>                     | <b>6,072</b>   | <b>46.71%</b>                | <b>6,895</b>                     | <b>10,177</b> | <b>-12.46%</b>  |
| Income From Documentary Operations                                       | 1,614                            | 2,695         | 1,323                            | 2,205          | 22.24%                       | 1,319                            | 1,947         | 38.42%          |
| Expense On Documentary Operations  | 274                              | 457           | 470                              | 784            | -41.73%                      | 339                              | 500           | -8.67%          |
| <b>Net Income From Documentary Operations</b>                            | <b>1,340</b>                     | <b>2,238</b>  | <b>852</b>                       | <b>1,421</b>   | <b>57.53%</b>                | <b>980</b>                       | <b>1,447</b>  | <b>54.69%</b>   |
| <b>Net Foreign Currency Related Income</b>                               | <b>5,256</b>                     | <b>8,778</b>  | <b>8,938</b>                     | <b>14,900</b>  | <b>-41.09%</b>               | <b>8,961</b>                     | <b>13,226</b> | <b>-33.63%</b>  |
| Net Insurance Income   | 1,821                            | 3,042         | 1,910                            | 3,184          | -4.48%                       | 1,109                            | 1,638         | 85.76%          |
| Brokerage Income   | 202                              | 337           | 254                              | 423            | -20.32%                      | 864                              | 1,275         | -73.53%         |
| Asset Management Income  | 97                               | 162           | 1,093                            | 1,822          | -91.12%                      | 438                              | 646           | -74.96%         |
| Realized Net Investment Gains (Losses)                                   | (2)                              | (3)           | (2,059)                          | (3,432)        | -99.91%                      | (253)                            | (373)         | -99.21%         |
| Other  | 3,489                            | 5,826         | 3,486                            | 5,811          | 0.26%                        | 2,232                            | 3,294         | 76.85%          |
| <b>Net Other Non-Interest Income</b>                                     | <b>5,607</b>                     | <b>9,364</b>  | <b>4,684</b>                     | <b>7,808</b>   | <b>19.92%</b>                | <b>4,390</b>                     | <b>6,480</b>  | <b>44.51%</b>   |
| <b>Net Non-Interest Income</b>   | <b>17,539</b>                    | <b>29,289</b> | <b>18,117</b>                    | <b>30,202</b>  | <b>-3.02%</b>                | <b>21,226</b>                    | <b>31,329</b> | <b>-6.51%</b>   |
| <b>Total Operating Income (Revenue)</b>                                  | <b>50,685</b>                    | <b>84,643</b> | <b>51,943</b>                    | <b>86,590</b>  | <b>-2.25%</b>                | <b>54,942</b>                    | <b>81,094</b> | <b>4.38%</b>    |
| Personnel Costs  | 13,165                           | 21,985        | 13,832                           | 23,057         | -4.65%                       | 17,432                           | 25,730        | -14.55%         |
| Selling, General & Administrative Costs                                  | 6,999                            | 11,688        | 6,387                            | 10,648         | 9.77%                        | 7,659                            | 11,304        | 3.40%           |
| Procurement & Operations Support Expenses                                | 1,771                            | 2,957         | 2,040                            | 3,401          | -13.04%                      | 2,103                            | 3,104         | -4.72%          |
| Depreciation & Amortization  | 3,105                            | 5,185         | 3,827                            | 6,380          | -18.74%                      | 2,730                            | 4,029         | 28.68%          |
| Other Operating Expenses   | 1,694                            | 2,830         | 2,670                            | 4,450          | -36.41%                      | 211                              | 312           | 808.25%         |
| <b>Total Recurring Operating Costs</b>                                   | <b>26,734</b>                    | <b>44,645</b> | <b>28,756</b>                    | <b>47,936</b>  | <b>-6.87%</b>                | <b>30,134</b>                    | <b>44,478</b> | <b>0.38%</b>    |
| <b>Normalized Net Operating Income</b>                                   | <b>23,951</b>                    | <b>39,998</b> | <b>23,187</b>                    | <b>38,654</b>  | <b>3.48%</b>                 | <b>24,808</b>                    | <b>36,616</b> | <b>9.24%</b>    |
| Net Non-Recurring Income (Costs)   | (137)                            | (228)         | (17,984)                         | (29,980)       | -99.24%                      | 5,737                            | 8,468         | -102.70%        |
| <b>Profit Before Provisions</b>  | <b>23,814</b>                    | <b>39,770</b> | <b>5,203</b>                     | <b>8,674</b>   | <b>358.51%</b>               | <b>30,545</b>                    | <b>45,085</b> | <b>-11.79%</b>  |
| <b>Net Provision Expense</b>   | <b>20,953</b>                    | <b>34,992</b> | <b>6,528</b>                     | <b>10,882</b>  | <b>221.57%</b>               | <b>5,048</b>                     | <b>7,451</b>  | <b>369.63%</b>  |
| <b>Pre-Tax Income</b>  | <b>2,861</b>                     | <b>4,778</b>  | <b>(1,324)</b>                   | <b>(2,208)</b> | <b>NMF</b>                   | <b>25,497</b>                    | <b>37,634</b> | <b>-87.30%</b>  |
| Income Tax Expenses/(Benefit)  | (181)                            | (302)         | (652)                            | (1,087)        | -72.21%                      | 3,873                            | 5,716         | NMF             |
| <b>Net Income</b>  | <b>3,042</b>                     | <b>5,080</b>  | <b>(672)</b>                     | <b>(1,121)</b> | <b>NMF</b>                   | <b>21,624</b>                    | <b>31,918</b> | <b>-84.08%</b>  |

<sup>1</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6700 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 March 2009

<sup>2</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6670 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 2008

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

<sup>4</sup> Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.4760 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 March 2008

# Consolidated Balance Sheet data – March 2009

| Consolidated, IFRS Based<br>000s, unless otherwise noted | 31-Mar-09                        |                  | 31-Dec-08                      |                  | Growth, q-o-q | 31-Mar-08                        |                  | Growth <sup>3</sup><br>Y-O-Y |
|--|----------------------------------|------------------|--------------------------------|------------------|---------------|----------------------------------|------------------|------------------------------|
|  | US\$ <sup>1</sup><br>(Unaudited) | GEL              | US\$ <sup>2</sup><br>(Audited) | GEL              |               | US\$ <sup>2</sup><br>(Unaudited) | GEL              |                              |
| Cash & Cash Equivalents                                  | 102,477                          | 171,136          | 238,507                        | 397,591          | -56.96%       | 146,001                          | 215,497          | -20.59%                      |
| Loans & Advances To Credit Institutions                  | 248,418                          | 414,857          | 59,768                         | 99,633           | 316.39%       | 157,305                          | 232,182          | 78.68%                       |
| Mandatory Reserve With NBG/NBU/NBRB                      | 29,350                           | 49,014           | 23,787                         | 39,653           | 23.61%        | 59,344                           | 87,591           | -44.04%                      |
| Other Accounts With NBG/NBU/NBRB                         | 43,249                           | 72,226           | 25,791                         | 42,993           | 68.00%        | 34,463.11                        | 50,868           | 41.99%                       |
| Balances With & Loans To Other Banks                     | 175,818                          | 293,617          | 10,190                         | 16,987           | 1628.48%      | 63,498                           | 93,723           | 213.28%                      |
| Available-For-Sale & Trading Securities                  | 24,252                           | 40,501           | 20,238                         | 33,737           | 20.05%        | 34,830                           | 51,409           | -21.22%                      |
| Treasuries & Equivalents                                 | -                                | -                | 4,963                          | 8,274            | -100.00%      | 18,726                           | 27,639           | NMF                          |
| Other Fixed Income Instruments                           | 22,967                           | 38,355           | 8,741                          | 14,571           | 163.23%       | 190,534                          | 281,229          | -86.36%                      |
| Gross Loans To Clients                                   | 1,225,658                        | 2,046,850        | 1,313,372                      | 2,189,391        | -6.51%        | 1,257,235                        | 1,855,678        | 10.30%                       |
| Less: Reserve For Loan Losses                            | (80,985)                         | (135,245)        | (65,245)                       | (108,764)        | 24.35%        | (26,818)                         | (39,584)         | 241.67%                      |
| Net Loans To Clients                                     | 1,144,673                        | 1,911,604        | 1,248,127                      | 2,080,627        | -8.12%        | 1,230,416                        | 1,816,094        | 5.26%                        |
| Insurance Related Assets                                 | 31,506                           | 52,615           | 25,189                         | 41,990           | 25.30%        | 22,955                           | 33,882           | 55.29%                       |
| Investments In Other Business Entities, Net              | 21,875                           | 36,531           | 38,398                         | 64,009           | -42.93%       | 45,623                           | 67,339           | -45.75%                      |
| Property & Equipment Owned, Net                          | 203,532                          | 339,898          | 181,034                        | 301,784          | 12.63%        | 167,416                          | 247,107          | 37.55%                       |
| Intangible Assets Owned, Net                             | 6,839                            | 11,421           | 10,930                         | 18,220           | -37.31%       | 4,220                            | 6,229            | 83.36%                       |
| Goodwill   | 80,992                           | 135,257          | 80,527                         | 134,238          | 0.76%         | 74,679                           | 110,227          | 22.71%                       |
| Tax Assets - Current & Deferred                          | 4,003                            | 6,685            | 7,670                          | 12,786           | -47.72%       | 2,371                            | 3,499            | 91.03%                       |
| Prepayments & Other Assets                               | 16,705                           | 27,898           | 30,862                         | 51,447           | -45.77%       | 37,577                           | 55,464           | -49.70%                      |
| <b>Total Assets</b>                                      | <b>1,908,238</b>                 | <b>3,186,758</b> | <b>1,954,953</b>               | <b>3,258,907</b> | <b>-2.21%</b> | <b>2,132,654</b>                 | <b>3,147,797</b> | <b>1.24%</b>                 |
| Client Deposits  | 678,402                          | 1,132,931        | 715,731                        | 1,193,124        | -5.05%        | 898,493                          | 1,326,175        | -14.57%                      |
| Deposits & Loans From Banks                              | 31,702                           | 52,942           | 47,362                         | 78,952           | -32.94%       | 29,541                           | 43,602           | 21.42%                       |
| Borrowed Funds   | 696,288                          | 1,162,801        | 682,525                        | 1,137,770        | 2.20%         | 538,668                          | 795,074          | 46.25%                       |
| Issued Fixed Income Securities                           | 81                               | 136              | -                              | -                | NMF           | 9,173                            | 13,540           | -99.00%                      |
| Insurance Related Liabilities                            | 38,207                           | 63,806           | 33,237                         | 55,406           | 15.16%        | 29,221                           | 43,130           | 47.94%                       |
| Tax Liabilities - Current & Deferred                     | 11,348                           | 18,951           | 14,633                         | 24,394           | -22.31%       | 18,357                           | 27,095           | -30.06%                      |
| Accruals & Other Liabilities                             | 25,955                           | 43,345           | 30,241                         | 50,412           | -14.02%       | 103,282                          | 152,445          | -71.57%                      |
| <b>Total Liabilities</b>                                 | <b>1,481,983</b>                 | <b>2,474,911</b> | <b>1,523,730</b>               | <b>2,540,058</b> | <b>-2.56%</b> | <b>1,626,735</b>                 | <b>2,401,062</b> | <b>3.08%</b>                 |
| Ordinary Shares  | 18,719                           | 31,261           | 18,748                         | 31,253           | 0.03%         | 21,168                           | 31,244           | 0.05%                        |
| Share Premium  | 274,512                          | 458,435          | 281,183                        | 468,732          | -2.20%        | 302,975                          | 447,191          | 2.51%                        |
| Treasury Shares  | (1,199)                          | (2,002)          | (1,211)                        | (2,018)          | -0.81%        | (1,250)                          | (1,846)          | 8.46%                        |
| Retained Earnings  | 72,529                           | 121,123          | 82,540                         | 137,594          | -11.97%       | 97,705                           | 144,213          | -16.01%                      |
| Revaluation & Other Reserves                             | 27,890                           | 46,577           | 15,717                         | 26,201           | 77.77%        | 42,537                           | 62,784           | -25.81%                      |
| Net Income (Loss) For The Period                         | 3,042                            | 5,080            | 104                            | 174              | 2819.65%      | 21,624                           | 31,918           | -84.08%                      |
| <b>Shareholders' Equity Excluding Minority Interest</b>  | <b>395,494</b>                   | <b>660,474</b>   | <b>397,082</b>                 | <b>661,936</b>   | <b>-0.22%</b> | <b>484,759</b>                   | <b>715,505</b>   | <b>-7.69%</b>                |
| Minority Interest  | 30,762                           | 51,373           | 34,141                         | 56,913           | -9.73%        | 21,159                           | 31,230           | 64.50%                       |
| <b>Total Shareholders' Equity</b>                        | <b>426,256</b>                   | <b>711,847</b>   | <b>431,223</b>                 | <b>718,849</b>   | <b>-0.97%</b> | <b>505,918</b>                   | <b>746,735</b>   | <b>-4.67%</b>                |
| <b>Total Liabilities &amp; Shareholders' Equity</b>      | <b>1,908,239</b>                 | <b>3,186,759</b> | <b>1,954,953</b>               | <b>3,258,907</b> | <b>-2.21%</b> | <b>2,132,654</b>                 | <b>3,147,796</b> | <b>1.24%</b>                 |

<sup>1</sup>

<sup>1</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 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 March 2009

<sup>2</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6670 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 2008

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

<sup>4</sup> Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.4760 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 March 2008



# Key ratios

|  | Q1 2009 | Q1 2008 |
|--|---------|---------|
| <b>Profitability Ratios</b>  |         |         |
| ROAA <sup>1</sup> , Annualised   | 0.63%   | 4.18%   |
| ROA  | 0.64%   | 4.06%   |
| ROAE <sup>2</sup> , Annualised   | 2.85%   | 19.57%  |
| ROE  | 2.85%   | 17.10%  |
| Interest Income To Average Interest Earning Assets <sup>3</sup> , Annualised               | 17.52%  | 16.60%  |
| Cost Of Funds <sup>4</sup> , Annualised  | 8.25%   | 7.71%   |
| Net Spread <sup>5</sup>  | 9.27%   | 8.89%   |
| Net Interest Margin <sup>6</sup> , Annualised  | 9.26%   | 8.92%   |
| Net Interest Margin Normalized <sup>35</sup> , Annualised                                  | 9.26%   | 8.92%   |
| Loan Yield <sup>7</sup> , Annualised   | 13.15%  | 18.88%  |
| Interest Expense To Interest Income  | 47.16%  | 46.25%  |
| Net Non-Interest Income To Average Total Assets, Annualised                                | 3.62%   | 4.11%   |
| Net Non-Interest Income To Revenue <sup>8</sup>  | 34.60%  | 38.63%  |
| Net Fee And Commission Income To Average Interest Earning Assets <sup>9</sup> , Annualised | 1.49%   | 1.82%   |
| Net Fee And Commission Income To Revenue   | 10.53%  | 12.55%  |
| Operating Leverage <sup>10</sup>   | -20.24% | 33.36%  |
| Total Operating Income (Revenue) To Total Assets, Annualised                               | 10.62%  | 10.30%  |
| Recurring Earning Power <sup>11</sup> , Annualised   | 4.91%   | 7.05%   |
| Net Income To Revenue  | 6.00%   | 39.36%  |
| <b>Efficiency Ratios</b>   |         |         |
| Operating Cost To Average Total Assets <sup>12</sup> , Annualised                          | 5.51%   | 4.69%   |
| Cost To Average Total Assets <sup>13</sup> , Annualised                                    | 5.54%   | 4.72%   |
| Cost / Income <sup>14</sup>  | 53.01%  | 44.40%  |
| Cost / Income, Normalized <sup>37</sup>  | 52.74%  | 54.85%  |
| Cost / Income, Bank of Georgia, Standalone <sup>15</sup>                                   | 42.16%  | 45.13%  |
| Cost/Income, Normalized, Bank of Georgia, Standalone                                       | 41.38%  | 44.46%  |
| Cash Cost / Income   | 46.89%  | 39.44%  |
| Total Employee Compensation Expense To Revenue <sup>16</sup>                               | 25.97%  | 31.73%  |
| Total Employee Compensation Expense To Cost  | 48.99%  | 71.45%  |
| Total Employee Compensation Expense To Average Total Assets, Annualised                    | 2.71%   | 3.37%   |
| <b>Liquidity Ratios</b>  |         |         |
| Net Loans To Total Assets <sup>17</sup>  | 59.99%  | 57.69%  |
| Average Net Loans To Average Total Assets  | 61.64%  | 57.99%  |
| Interest Earning Assets To Total Assets  | 74.21%  | 74.88%  |
| Average Interest Earning Assets To Average Total Assets                                    | 73.82%  | 73.13%  |
| Liquid Assets To Total Assets <sup>18</sup>  | 19.32%  | 22.88%  |
| Liquid Assets To Total Liabilities, NBG Stand-Alone  | 37.63%  | 34.19%  |
| Liquid Assets To Total Liabilities, IFRS Consolidated                                      | 26.86%  | 33.65%  |
| Net Loans To Client Deposits   | 168.73% | 136.94% |
| Average Net Loans To Average Client Deposits   | 168.52% | 131.95% |
| Net Loans To Total Deposits <sup>19</sup>  | 161.20% | 132.58% |
| Net Loans To (Total Deposits + Equity)   | 100.73% | 85.81%  |
| Net Loans To Total Liabilities   | 77.24%  | 75.64%  |
| Total Deposits To Total Liabilities  | 47.92%  | 57.05%  |
| Client Deposits To Total Deposits  | 95.54%  | 96.82%  |
| Client Deposits To Total Liabilities   | 45.78%  | 55.23%  |
| Current Account Balances To Client Deposits  | 42.15%  | 43.75%  |
| Demand Deposits To Client Deposits   | 7.56%   | 6.99%   |
| Time Deposits To Client Deposits   | 50.29%  | 49.26%  |
| Total Deposits To Total Assets   | 37.21%  | 43.52%  |
| Client Deposits To Total Assets  | 35.55%  | 42.13%  |
| Client Deposits To Total Equity (Times) <sup>20</sup>                                      | 1.59    | 1.78    |
| Due From Banks / Due To Banks <sup>21</sup>  | 783.61% | 532.50% |
| Total Equity To Net Loans  | 37.24%  | 41.12%  |
| Leverage (Times) <sup>22</sup>   | 3.48    | 3.22    |

# Key ratios cont'd

|  | Q1 2009    | Q1 2008    |
|--|------------|------------|
| <b>Asset Quality</b>   |            |            |
| NPLs (in GEL) <sup>23</sup>                                      | 104,587    | 18,992     |
| NPLs To Gross Loans To Clients <sup>24</sup>                     | 5.11%      | 1.02%      |
| Cost of Risk <sup>25</sup> , Annualized                          | 6.59%      | 1.65%      |
| Cost of Risk Normalized <sup>26</sup> , Annualized               | 6.59%      | 1.65%      |
| Reserve For Loan Losses To Gross Loans To Clients <sup>26</sup>  | 6.61%      | 2.13%      |
| NPL Coverage Ratio <sup>27</sup>                                 | 129.31%    | 208.42%    |
| Equity To Average Net Loans To Clients                           | 35.63%     | 42.21%     |
| <b>Capital Adequacy</b>  |            |            |
| Equity To Total Assets   | 22.34%     | 23.72%     |
| BIS Tier I Capital Adequacy Ratio, consolidated <sup>28</sup>    | 22.25%     | 25.24%     |
| BIS Total Capital Adequacy Ratio, consolidated <sup>29</sup>     | 31.75%     | 25.81%     |
| NBG Tier I Capital Adequacy Ratio <sup>30</sup>                  | 16.40%     | 18.26%     |
| NBG Total Capital Adequacy Ratio <sup>31</sup>                   | 17.37%     | 16.33%     |
| <b>Per Share Values</b>  |            |            |
| Basic EPS (GEL) <sup>32</sup>                                    | 0.16       | 1.09       |
| Basic EPS (US\$)   | 0.10       | 0.74       |
| Fully Diluted EPS (GEL) <sup>33</sup>                            | 0.14       | 1.02       |
| Fully Diluted EPS (US\$)   | 0.09       | 0.69       |
| Book Value Per Share (GEL) <sup>34</sup>                         | 22.77      | 23.90      |
| Book Value Per Share (US\$)                                      | 13.64      | 16.19      |
| Ordinary Shares Outstanding - Weighted Average, Basic            | 31,260,888 | 29,237,387 |
| Ordinary Shares Outstanding - Period End                         | 31,260,888 | 31,244,092 |
| Ordinary Shares Outstanding - Fully Diluted                      | 35,074,482 | 31,244,092 |
| <b>Selected Operating Data</b>                                   |            |            |
| Full Time Employees (FTEs)                                       | 4,989      | 4,926      |
| FTEs, Bank of Georgia Standalone                                 | 2,692      | 3,056      |
| Total assets per FTE <sup>23</sup> (GEL Thousands)               | 639        | 639        |
| Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands) | 1,184      | 1,030      |
| Number Of Active Branches  | 142        | 131        |
| Number Of ATMs   | 420        | 310        |
| Number Of Cards (Thousands)                                      | 645        | 743        |
| Number Of POS Terminals  | 2,548      | 2,063      |

# *Ratio definitions*

# Ratio definitions

- 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 Loan Yield equals Interest Income, less Net Provision Expense, divided by quarterly Average Gross Loans To Clients;
- 8 Revenue equals Total Operating Income;
- 9 Net Fee And Commission Income includes Net Income From Documentary Operations of the period ;
- 10 Operating Leverage equals percentage change in Revenue less percentage change in Total Costs;
- 11 Recurring Earning Power equals Profit Before Provisions of the period divided by average Total Assets of the same period;
- 12 Operating Cost equals Total Recurring Operating Costs;
- 13 Cost includes Total Recurring Operating Costs and Net Non-Recurring Costs (Income);
- 14 Cost/Income Ratio equals Costs of the period divided by Total Operating Income (Revenue);
- 15 Cost/ Income, standalone, equals non-consolidated Total Costs of the bank of the period divided by non-consolidated Revenue of the bank of the same period;
- 16 Total Employee Compensation Expense includes Personnel Costs;
- 17 Net Loans equal Net Loans To Clients;
- 18 Liquid Assets include: Cash And Cash Equivalents, Other Accounts With NBG, Balances With And Loans To Other Banks, Treasuries And Equivalents and Other Fixed Income Securities as of the period end and are divided by Total Assets as of the same date;
- 19 Total Deposits include Client Deposits and Deposits And Loans from Banks;
- 20 Total Equity equals Total Shareholders' Equity;
- 21 Due From Banks/ Due To Banks equals Loans And Advances To Credit Institutions divided by Deposits And Loans From Banks;
- 22 Leverage (Times) equals Total Liabilities as of the period end divided by Total Equity as of the same date;
- 23 NPLs (in GEL) equals consolidated total gross non-performing loans as of the period end; non-performing loans are loans that have debts in arrears for more than 90 calendar days;
- 24 Gross Loans equals Gross Loans To Clients;
- 25 Cost Of Risk equals Net Provision For Loan Losses of the period, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans To Clients over the same period;
- 26 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;
- 27 NPL Coverage Ratio equals Reserve For Loan losses as of the period end divided by NPLs as of the same date;
- 28 BIS Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I;
- 29 BIS Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I;
- 30 NBG Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements the National ;
- 31 NBG Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of the National ;
- 32 Basic EPS equals Net Income of the period divided by the weighted average number of outstanding ordinary shares over the same period;
- 33 Fully Diluted EPS equals net income of the period divided by the number of outstanding ordinary shares as of the period end plus number of ordinary shares in contingent liabilities;
- 34 Book Value Per Share equals Equity as of the period end, plus Treasury Shares, divided by the total number of Outstanding Ordinary shares as of the same date.
- 35 Net Interest Margin Normalized equals Net Interest Income of the period, less interest income generated by non-performing loans through the date of their write-off, divided by quarterly Average Interest Earning Assets of the same period;
- 36 Cost Of Risk Normalized 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;
- 37 Cost / Income Normalized equals Recurring Operating Costs divided by Total Operating Income (Revenue) for the same period

## *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.