

Standard & Poor's: 'B+/B' Stable
Moody's: 'B3/NP' (FC) & 'Ba1/P-3' (LC); Stable
Fitch Ratings: 'B+/B' Stable

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

Reuters: BGEO.L
Bloomberg: BGEO.LI

Bank of Georgia 1H 2007 Results Overview



საქართველოს ბანკი
BANK OF GEORGIA

October 2007

Introduction To Bank of Georgia

The leading universal bank in Georgia

Market Leader In All Six Business Lines

- Retail Banking
- Corporate & Investment Banking
- Insurance
- Wealth Management
- Asset Management
- Securities

- ☞ No.1 by assets (circa 34.0%),⁽¹⁾ loans (circa 30.8%),⁽¹⁾ deposits (circa 31.4%)⁽¹⁾ and equity (circa 33.6%)⁽¹⁾
 - ☞ 6.0% YTD 2007 market share gain in total assets (+10.2 % in 2006)
 - ☞ 4.4% YTD 2007 market share gain in gross loans (+8.2 % in 2006)
 - ☞ 6.9% YTD 2007 market share gain in total deposits (+5.5 % in 2006)

- ☞ Leadership in **retail banking**, with

	30 September 2007	31 March 2007	YE 2006
☞ Retail Accounts	595,000+	450,000+	425,000+
☞ Cards Issued	520,000	340,000+	285,000+
☞ Branches	109	103	100
☞ ATMs	185	146	124

- ☞ Top brand, best distribution network and broadest range of services of any bank in Georgia
- ☞ Leading **corporate and investment banking** franchise
 - ☞ More than 57,000 legal entities have opened accounts
 - ☞ Top broker-dealer with circa 62% market share in equities trading in 1H 2007
- ☞ 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'; Stable – at the sovereign ceiling
 - ☞ Moody's: 'B3/NP (FC)' & 'Ba1/P-3 (LC)'; Stable
 - ☞ Fitch Ratings: 'B+/B'; Stable
- ☞ Listed on the London Stock Exchange (GDRs) and Georgian Stock Exchange
 - ☞ Market Cap (LSE) US\$1,036 mln as of 31 July 2007
 - ☞ Approximately 91% free float
 - ☞ 2006 share price performance 383%, YTD 2007 share performance 49%
- ☞ Issue of the first ever Eurobonds in Georgia
 - ☞ Bloomberg: BKGE0; 5 year, 9%, US\$200 mln
 - ☞ B+/Ba2/B (composite BB-)

Notes: (1) As of 30 September 2007; 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

Investment Highlights

- ☞ A 'leveraged play' on Georgia's economic growth
- ☞ Diversified revenue streams and disciplined capital management
- ☞ Domestic universal banking strategy driving profitable growth
- ☞ Domestic sector consolidator and aspirations for regional expansion
- ☞ Sophisticated management team with Western banking & finance background and education
- ☞ Transparency and good governance, circa 85% institutionally owned, majority of the Board seats held by large shareholders and an independent director

Strategy

- ☞ Consolidate leading position in the domestic banking market
- ☞ Promote the future growth of the retail banking business
- ☞ Further diversify the business, including funding base and loan portfolio
- ☞ Continue improving risk management policies and procedures
- ☞ Actively pursue sensible regional expansion opportunities



Bank of Georgia 1H 2007 Results Overview

1H 2007 Results Highlights

Millions, unless otherwise noted

Bank of Georgia (Consolidated, IFRS Based)

	1H 2007		1H 2006		Growth, Y-O-Y ¹
	GEL	US\$	GEL	US\$	
	<i>Unaudited</i>		<i>Unaudited</i>		
Net Interest Income	56.9	34.1	25.9	14.6	120%
Net Non-Interest Income	36.3	21.7	19.1	10.8	90%
Total Operating Income (Revenue) ²	93.2	55.8	45.0	25.4	107%
Recurring Operating Costs	37.0	22.1	20.3	11.4	83%
Normalized Net Operating Income ³	56.2	33.7	24.7	13.9	128%
Pre-Bonus Result	53.4	32.0	17.6	9.9	204%
Net Income	32.4	19.4	11.0	6.2	193%
Consolidated EPS (Basic), GEL & US\$ ⁴	1.28	0.77	0.71	0.40	80%
Consolidated EPS (Fully Diluted), GEL & US\$ ⁵	1.19	0.71	0.69	0.39	72%
ROAA ⁶ , annualised	3.9%		3.5%		
ROA, annualised	3.4%		3.1%		
ROAE ⁷ , annualised	16.6%		22.0%		
ROE, annualised	16.0%		20.6%		
Net Loans	1,036	620.6	450.5	254.1	130%
Total Assets	1,918	1,149	715.5	403.6	168%
Total Deposits	882.5	528.6	458.2	258.4	93%
Total Liabilities	1,514	906.8	608.7	343.3	149%
Shareholders' Equity	404.0	242.0	106.8	60.3	278%
Book Value Per Share	15.97	9.57	6.90	3.89	131%

**Increasing
Operating
Leverage**

**Despite Tier I
CAR of 24.7%**

¹ Compared to the same period in 2006; growth calculations based on GEL.

² Revenue includes Net Interest Income and Net Non-Interest Income.

³ Normalized for the Net Non-Recurring Costs.

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

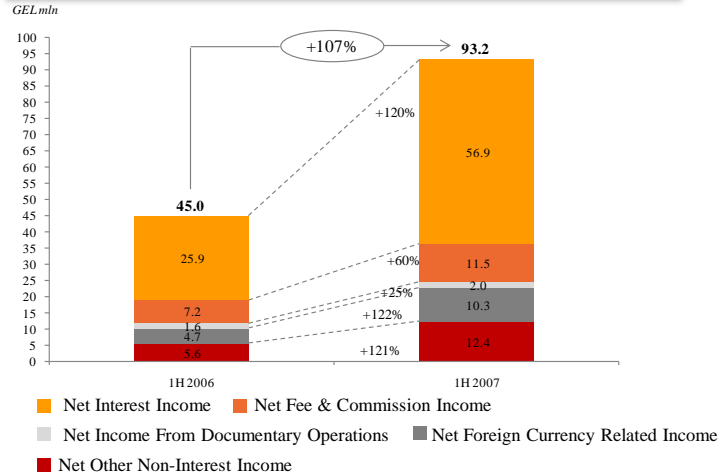
⁵ Fully Diluted EPS equals Net Income of the period divided by the number of outstanding ordinary shares as of the period end plus number of ordinary shares in contingent liabilities.

⁶ Return on Average Total Assets equals annualised Net Income for the period divided by the average Total Assets for the period.

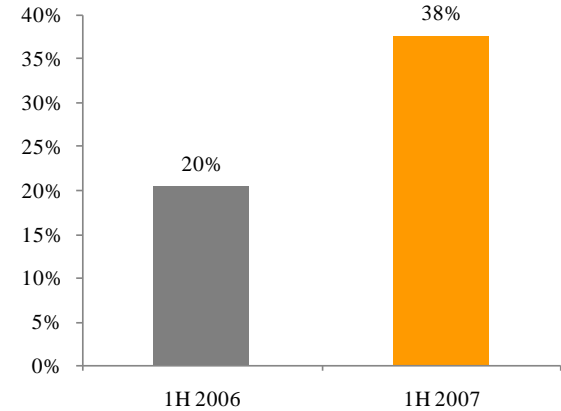
⁷ Return on Average Total Shareholders' Equity equals annualised Net Income for the period divided by the average Total Shareholders' Equity for the period.

1H 2007 Performance

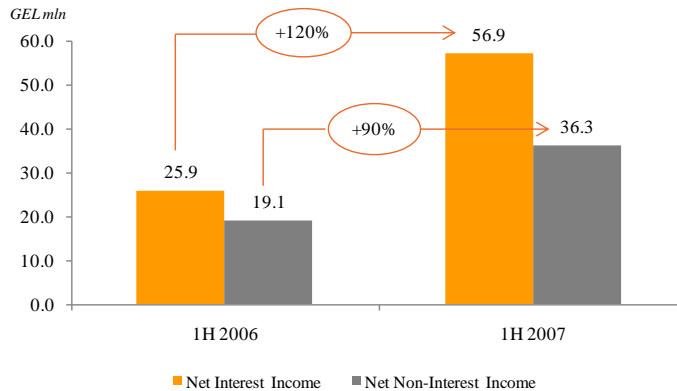
Composition of Revenue (GEL mln)



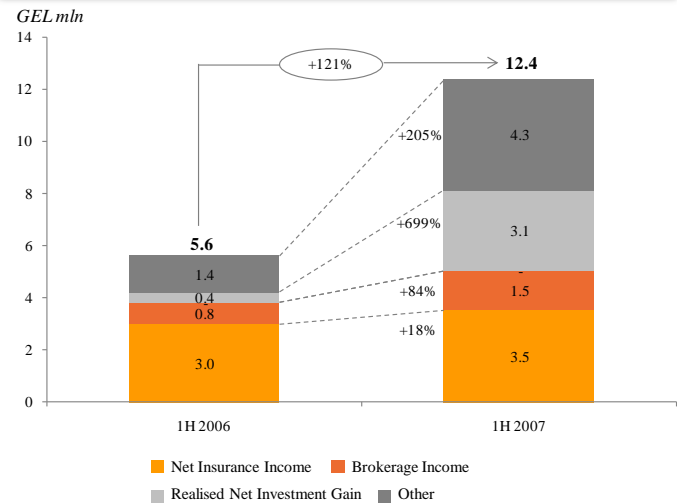
Revenue Market Share*



Net Interest Income vs. Net Non-Interest Income (GEL mln)



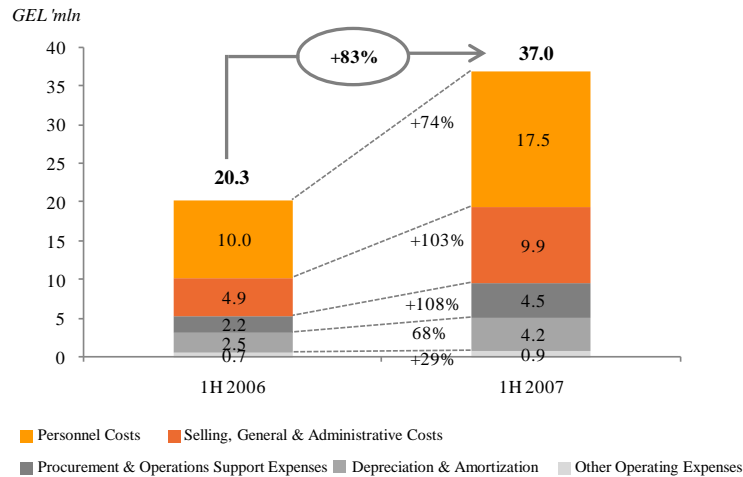
Net Other Non-Interest Income (GEL mln)



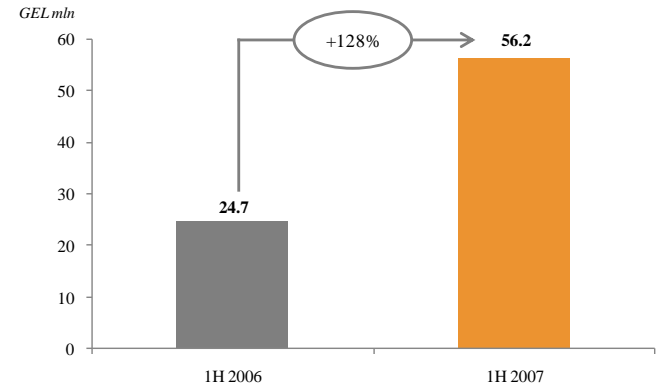
*Based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

1H 2007 Performance cont'd

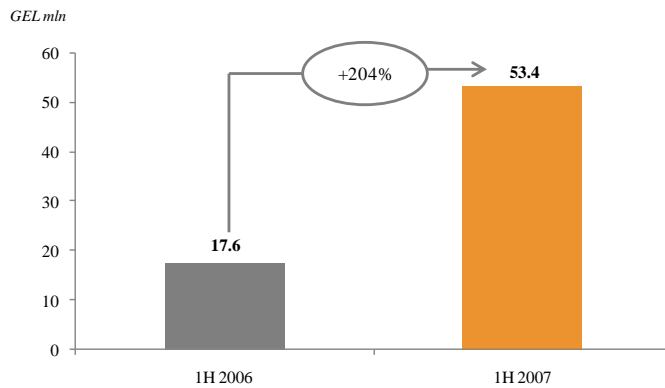
Operating Cost Structure



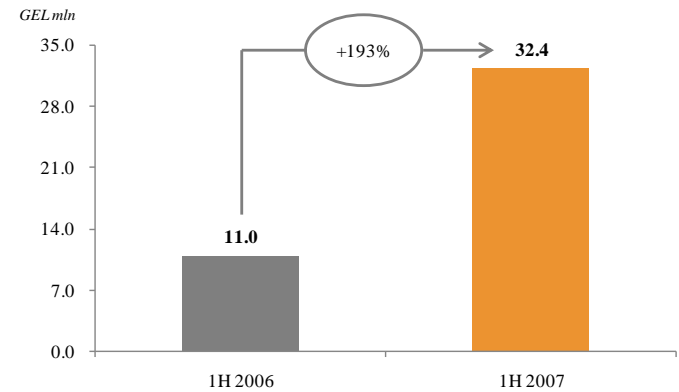
Normalised Net Operating Income



Pre-Bonus Result

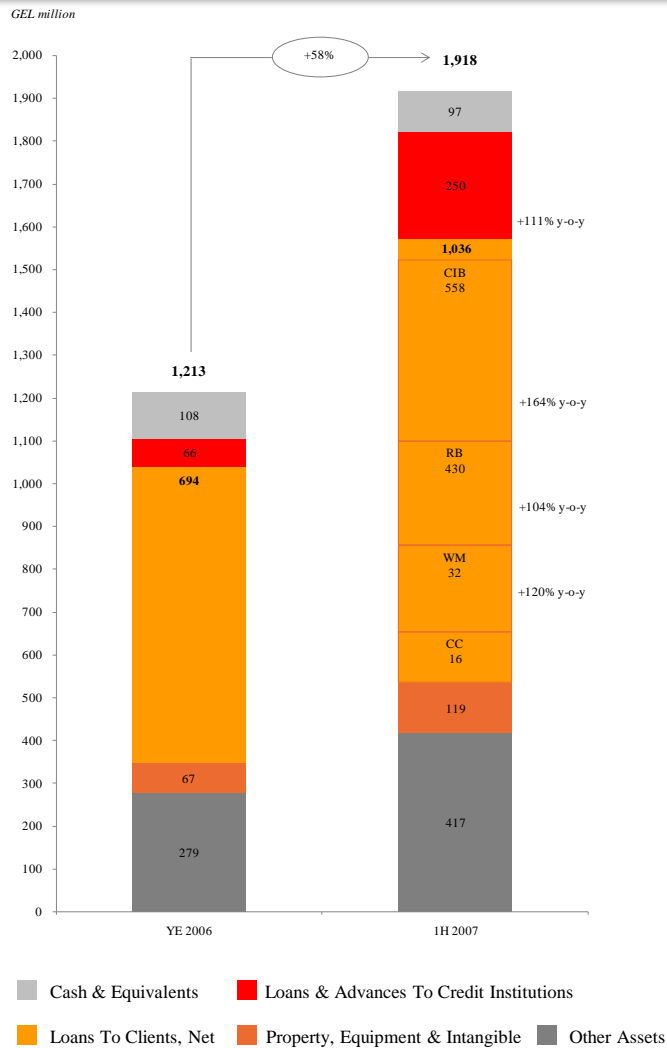


Net Income

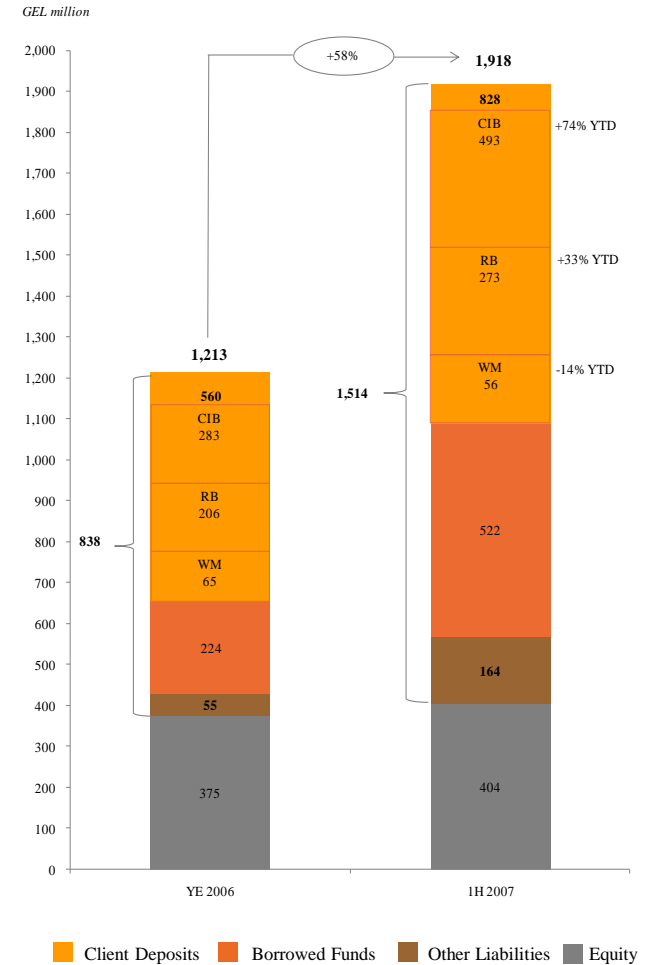


Composition of the Balance Sheet

Assets, +168% y-o-y (+58% YTD)



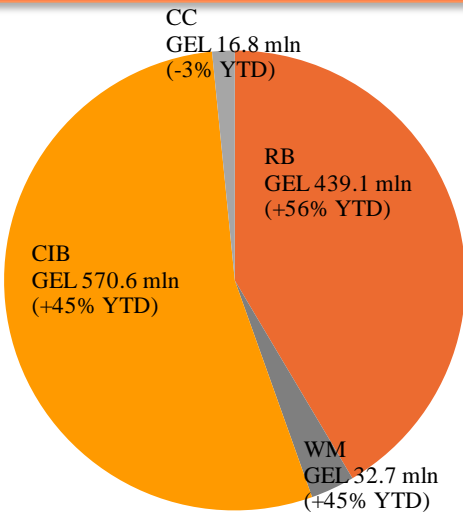
Liabilities & Shareholders' Equity



Diversified Loan Book...

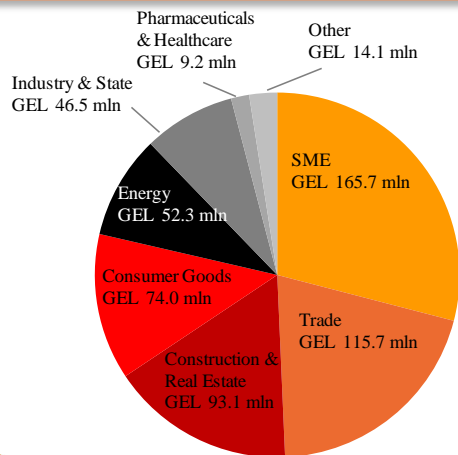
RB & WM
Account for 45%
of Gross Loans

Gross Loans, 1H 2007 (+48% YTD & +123% y-o-y)

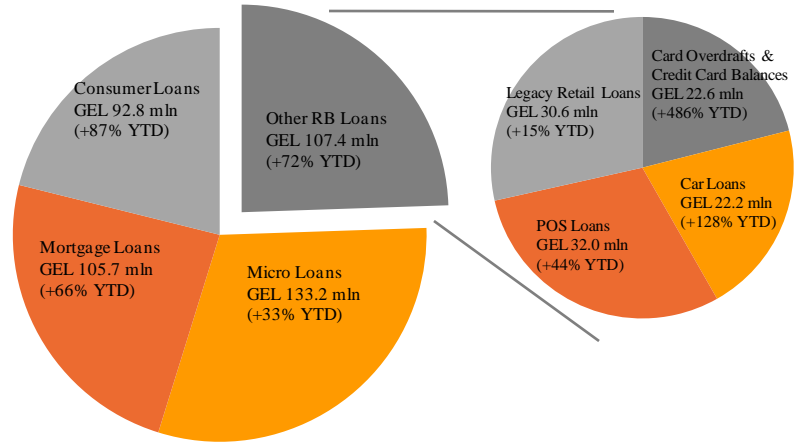


Total Gross Loans
GEL 1,059 mln

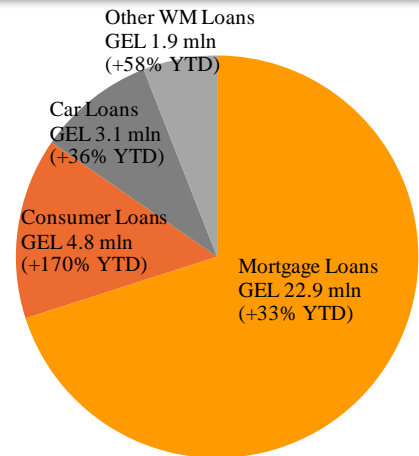
Gross CIB Loans, 1H 2007 (+45% YTD & +106% y-o-y)



Gross RB Loans, 1H 2007 (+56% YTD & +156% y-o-y)



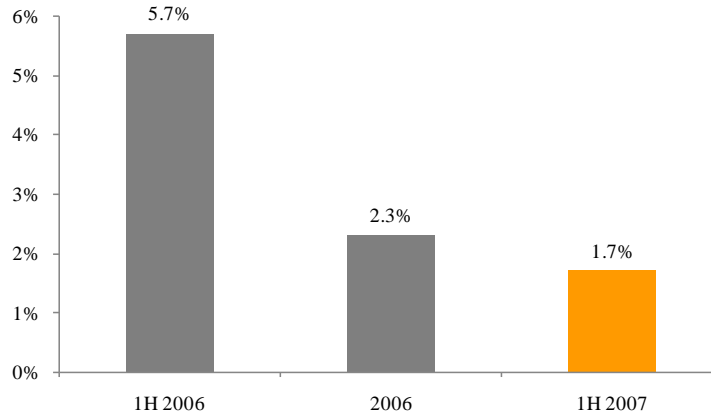
Gross WM Loans, 1H 2007 (+45% YTD & +93% y-o-y)



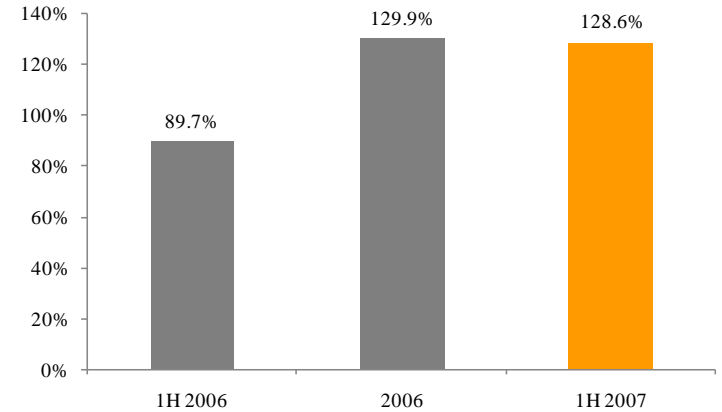
And Conservative Provisioning Policy

Loan Book
Collateralization
93.3% in 1H 2007

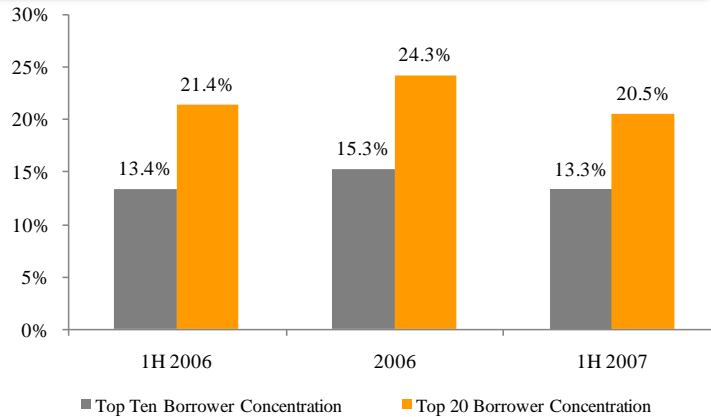
NPLs/Gross Loans To Clients



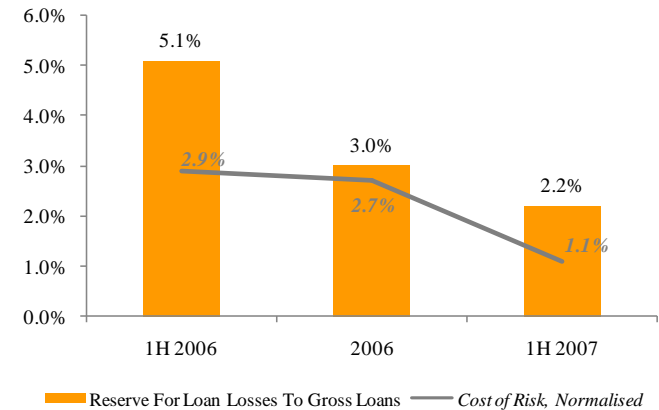
NPL Coverage Ratio



Top Ten & Top 20 Borrower Concentration



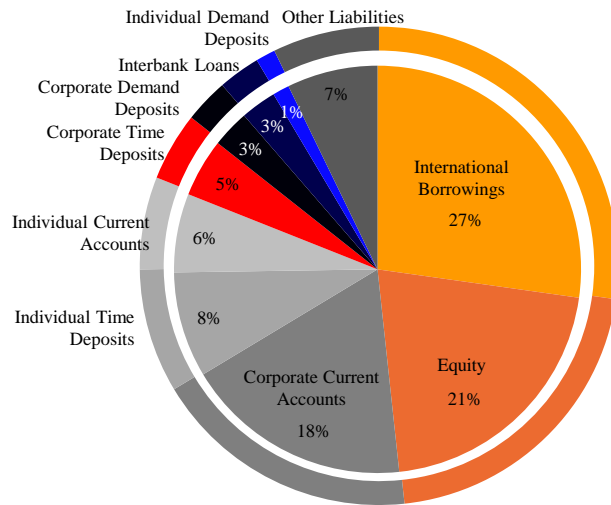
Reserve For Loan Losses To Gross Loans



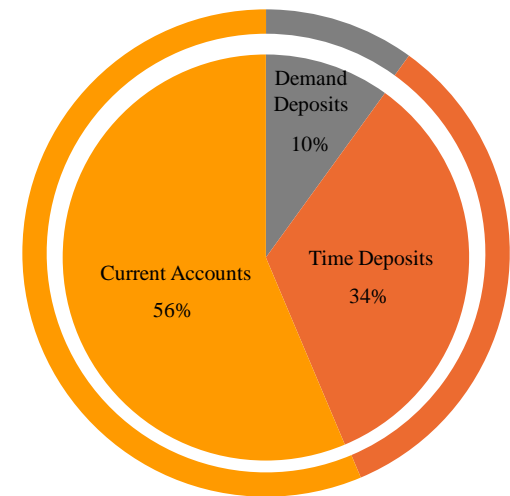
Note: NPLs include 90 days overdue loans

Diversified Funding Base

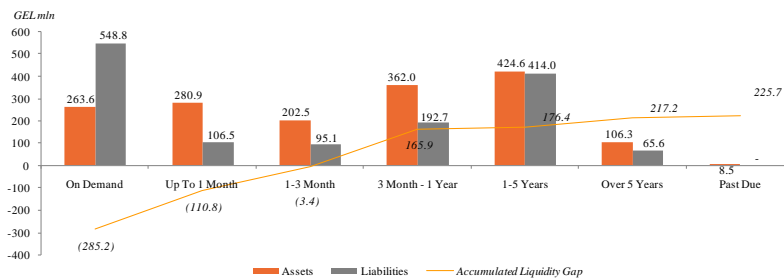
Funding Sources, 1H 2007



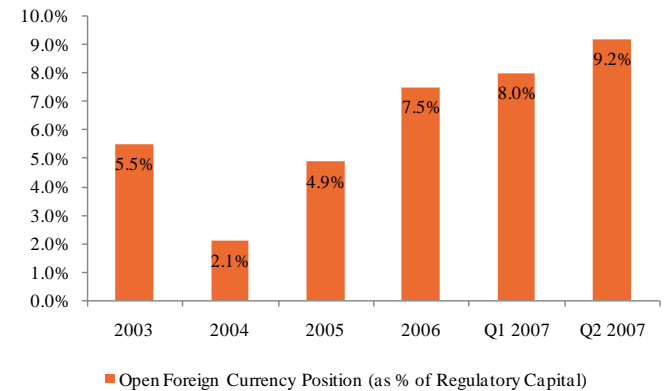
Deposits, 1H 2007 (+48% YTD & +86% y-o-y)



Liquidity Risk Management, 1H 2007



Currency Risk Management, 1H 2007



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

Business Overview

Bank of Georgia 1H 2007 Business Unit Results

(GEL, '000)	Total Operating Income (Revenue)			Pre-Bonus Result			Net Income		
	1H 07	Y-O-Y Growth	1H 06	1H 07	Y-O-Y Growth	1H 06	1H 07	Y-O-Y Growth	1H 06
CIB	31,512	102%	15,621	22,776	181%	8,110	15,337	133%	6,569
RB	42,143	163%	16,046	21,850	441%	4,042	14,749	361%	3,197
WM	2,137	145%	872	1,280	1301%	91	864	1065%	74
Corporate Centre	(516)	NMF	8,025	(4,049)	NMF	3,489	(6,679)	NMF	(246)
<i>Subtotal</i>	<i>75,275</i>	<i>86%</i>	<i>40,565</i>	<i>41,857</i>	<i>166%</i>	<i>15,732</i>	<i>24,271</i>	<i>153%</i>	<i>9,594</i>
Galt & Taggart Securities	11,850	845%	1,253	10,512	990%	964	7,713	906%	767
AM	1,718	NMF	0	(374)	NMF	0	(393)	NMF	0
Insurance	4,364	38%	3,155	1,372	58%	867	762	14%	668
<i>Subtotal</i>	<i>17,932</i>	<i>307%</i>	<i>4,409</i>	<i>11,510</i>	<i>528%</i>	<i>1,832</i>	<i>8,082</i>	<i>463%</i>	<i>1,434</i>
Total	93,207	107%	44,973	53,366	204%	17,563	32,352	193%	11,028

(US\$, '000)	Total Operating Income (Revenue)			Pre-Bonus Result			Net Income		
	1H 07	Y-O-Y Growth	1H 06	1H 07	Y-O-Y Growth	1H 06	1H 07	Y-O-Y Growth	1H 06
CIB	18,875	114%	8,811	13,642	198%	4,574	9,187	148%	3,705
RB	25,243	179%	9,050	13,088	474%	2,280	8,834	390%	1,803
WM	1,280	160%	492	767	1388%	52	517	1138%	42
Corporate Centre	(309)	NMF	4,526	(2,426)	NMF	1,968	(4,001)	NMF	(139)
<i>Subtotal</i>	<i>45,088</i>	<i>97%</i>	<i>22,879</i>	<i>25,071</i>	<i>183%</i>	<i>8,873</i>	<i>14,538</i>	<i>169%</i>	<i>5,411</i>
Galt & Taggart Securities	7,098	904%	707	6,296	1058%	544	4,620	968%	432
AM	1,029	NMF	0	(224)	NMF	0	(235)	NMF	0
Insurance	2,614	47%	1,780	822	68%	489	456	21%	376
<i>Subtotal</i>	<i>10,741</i>	<i>332%</i>	<i>2,486</i>	<i>6,894</i>	<i>567%</i>	<i>1,033</i>	<i>4,841</i>	<i>498%</i>	<i>809</i>
Total	55,829	120%	25,366	31,965	223%	9,906	19,379	212%	6,220

Bank of Georgia 1H 2007 Business Unit Results cont'd

(GEL, '000)	Total Assets			Total Liabilities		
	30 June 2007	YTD Growth	YE 2006	30 June 2007	YTD Growth	YE 2006
CIB	968,859	81%	535,026	786,613	73%	455,616
RB	740,564	98%	373,462	498,748	90%	263,057
WM	55,125	364%	11,858	73,233	27%	57,829
Corporate Centre	3,135	-99%	212,402	65,810	190%	22,671
<i>Subtotal</i>	<i>1,767,683</i>	<i>52%</i>	<i>1,132,748</i>	<i>1,424,404</i>	<i>82%</i>	<i>799,173</i>
Galt & Taggart Securities	52,722	164%	19,975	20,342	206%	6,642
AM	53,239	140%	22,196	28,734	260%	7,973
Insurance	44,189	15%	38,408	40,346	63%	24,680
<i>Subtotal</i>	<i>150,150</i>	<i>411%</i>	<i>80,578</i>	<i>89,422</i>	<i>69%</i>	<i>39,295</i>
Total	1,917,833	58%	1,213,326	1,513,826	81%	838,468

(US\$, '000)	Total Assets			Total Liabilities		
	30 June 2007	YTD Growth	YE 2006	30 June 2007	YTD Growth	YE 2006
CIB	580,329	86%	312,242	471,167	77%	265,898
RB	443,584	104%	217,953	298,741	95%	153,520
WM	33,019	377%	6,920	43,865	30%	33,749
Corporate Centre	1,878	-98%	123,958	39,419	198%	13,231
<i>Subtotal</i>	<i>1,058,810</i>	<i>56%</i>	<i>661,073</i>	<i>853,192</i>	<i>86%</i>	<i>466,398</i>
Galt & Taggart Securities	31,580	171%	11,657	12,184	214%	3,876
AM	31,889	146%	12,953	17,211	270%	4,653
Insurance	26,468	18%	22,415	24,167	68%	14,403
<i>Subtotal</i>	<i>89,937</i>	<i>411%</i>	<i>47,025</i>	<i>53,562</i>	<i>73%</i>	<i>22,933</i>
Total	1,148,747	62%	708,098	906,754	85%	489,331

Business Unit Highlights

Corporate & Investment Banking (CIB)


- Major new corporate client acquisitions include Heidelberg Cement Georgia and Coca-Cola Bottlers Georgia Group Companies.
- Increased the number of corporate clients using the bank's payroll services from 480 at the end of 2006 to over 621 by the end of 1H 2007. By 30 June 2007, the number of individual clients serviced through the corporate payroll programs administered by the bank increased from approximately 83,500 at the beginning of the year to over 120,000.
- More than 10,000 legal entities opened accounts at the bank in 1H 2007, bringing the total to over 57,000.

Retail Banking (RB)




- Increased the number of retail current accounts from approximately 420,000 at the beginning of the year to more than 530,000 by 30 June, 2007.
- Increased the number of branches (service centers) from 100 at the beginning of the year to 105 by 30 June 2007.
- The purchase of commercial space previously rented by seven existing branches resulted in the implied cost savings of GEL 0.3 million per annum.
- Bought or leased premises for 24 new branches, which are currently being fitted out and are expected to be operational by YE 2007 and in Q2 2008.
- Stepped up the issuance of credit cards, as the number of credit cards issued reached approximately 17,000 in Q2 2007, compared to approximately 5,800 credit cards issued in Q1 2007. As of 30 June 2007, the number of credit cards outstanding amounted to approximately 23,000 up from nil same period last year and approximately 6,000 as at 31 March 2007.
- More than doubled the issuance of debit cards with over 160,000 debit cards issued in 1H 2007 as compared to approximately 69,000 debit cards, issued in 1H 2006. The number of debit cards outstanding increased from approximately 285,000 at the beginning of the year to approximately 408,000 by the end of 1H 2007.
- Continued to make gains in merchant acquiring as the installed POS terminal footprint grew to 616.
- Total number of cards serviced by Georgian Card grew from 370,000 at the beginning of the year to 575,000 by 30 June 2007, while the number of transaction authorisations processed by Georgian Card in 1H 2007 grew 164% y-o-y to approximately 7.2 million (compared to approximately 2.9 million in 1H 2006).
- Continued investing in the electronic banking channels, as the number of ATMs grew to 166 by 30 June 2007 (up from 124 at the beginning of the year), number of mobile banking users reached 18,808, and number of registered Internet banking users grew 55.0% YTD to over 56,500.
- POS express consumer lending, commenced by the bank in 2006 to complement the branch-based general-purpose consumer lending, resulted in the 734 express loan POS contracts signed with merchants (of which 454 outlets were served by 30 June 2007). POS express loan originations have reached GEL34.8 million in 1H 2007 (up 960.4% y-o-y), while POS express loans outstanding amounted to GEL 32.0 million at the end of 1H 2007, up 966.2% y-o-y and up 44.1% YTD.
- Stepped up mortgage loan originations to GEL 64.0 million in 1H 2007 (up 235.6% y-o-y) resulting in mortgage loans outstanding by 30 June 2007 of GEL 105.7 million, up 136.1% y-o-y and up 66.1% YTD.
- Car loan originations of GEL 16.0 million (up 263.0% y-o-y) resulted in car loans outstanding by 30 June 2007 of GEL 22.2 million, up 235.4% y-o-y and up 127.9% YTD.

Business Unit Highlights cont'd







Insurance

-  Completed the merger of BCI and Aldagi on 22 June 2007. Combined market share of Aldagi and BCI by Gross Premiums Written amounted in 1H 2007 to approximately 36%.





Wealth Management (WM)

-  The number of private banking clients grew from 873 at the beginning of the year to 943 at the end of 1H 2007.
-  Private banking mortgage loan originations of GEL 7.3 million (up 7.3% y-o-y) in 1H 2007 resulted in mortgage loans outstanding of GEL 22.9 million as at 30 June 2007, up and 110.5% y-o-y and up 32.7% YTD.
-  Private Banking car loan originations of GEL 1.4 million in 1H 2007 resulted in car loans outstanding of GEL 3.1 million as at 30 June 2007, up 133.6% y-o-y and up 36.2% YTD.

Galt & Taggart Securities

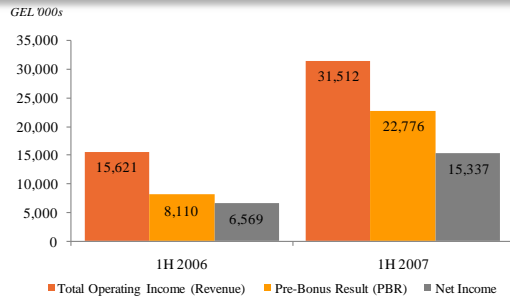
-  Assets Under Custody grew 162.7% y-o-y and 11.1% YTD to GEL 377.0 million as of 30 June 2007.
-  Proprietary book grew 1946.9% YTD to GEL 29.4 million as at 30 June 2007.
-  Continued to hold the leading position by the equities trading volume in Georgia, with an approximately 62% market share.
-  Successfully introduced Teliani Valley, Georgia's leading winery, to the Georgian Stock Exchange (GSE: WINE).
-  Acted as sole placement agent on a GEL 6 million capital increase of JSC Populi, the leading Georgian supermarket chain.
-  Launched a fully-fledged Ukrainian research platform in April 2007, with six analysts covering various sectors.

Asset Management (AM)

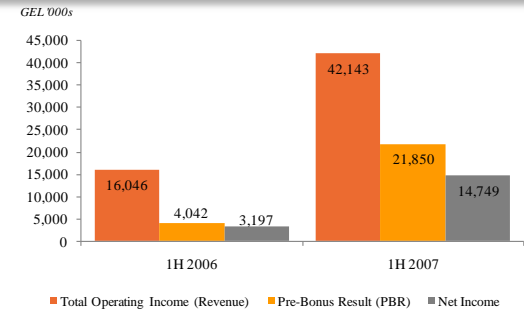
-  The market capitalization of Galt & Taggart Capital reached GEL 92.9 million as at 30 June 2007, an increase of 73.7% YTD and an increase of 182.4% since the company was admitted to trading on the Georgian Stock Exchange in November 2006.
-  Galt & Taggart Capital participated in the capital increase of JSC Populi to fund the rapid expansion of its retail footprint and purchased a 25.0% equity interest in Teliani Valley.
-  SB Real Estate made several real estate investments in Tbilisi and on the Black Sea coast.
-  Assets Under Management at the Aldagi BCI Pension Fund grew 217.6% y-o-y (up 61.1% YTD) to GEL 0.9 million at the end of 1H 2007, while the number of Aldagi BCI Pension Fund members stood at 3,004 at the end of 1H 2007, up from 1,285 members at the end of 1H 2006.

Bank of Georgia 1H 2007 Business Unit Results cont'd

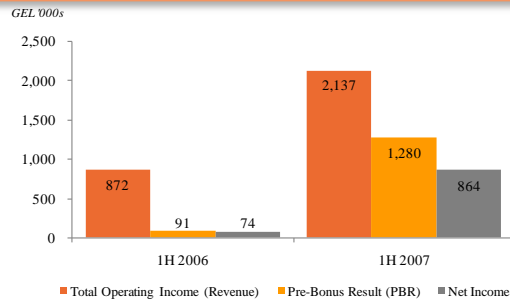
CIB Revenue, PBR & Net Income



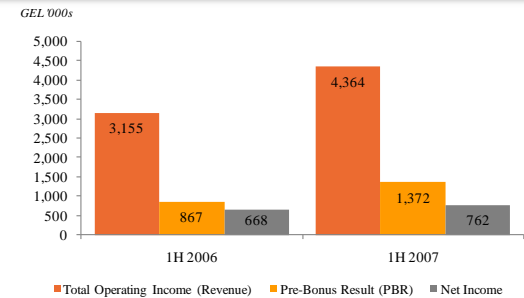
RB Revenue, PBR & Net Income



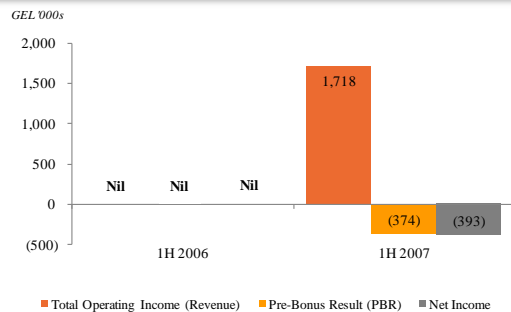
WM Revenue, PBR & Net Income



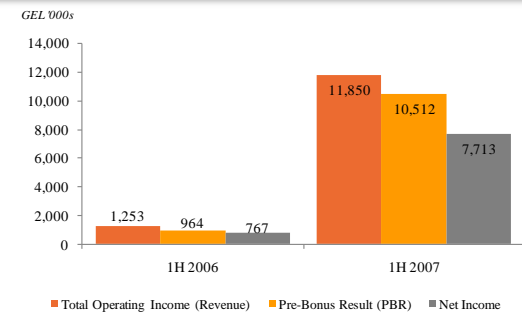
Insurance Revenue, PBR & Net Income



AM Revenue, PBR & Net Income

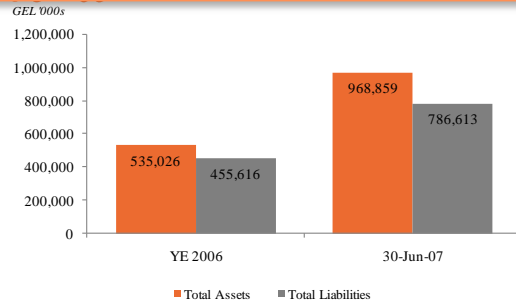


Galt & Taggart Securities Revenue, PBR & Net Income

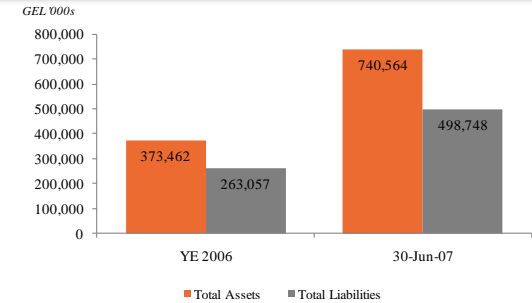


Bank of Georgia 1H 2007 Business Unit Results

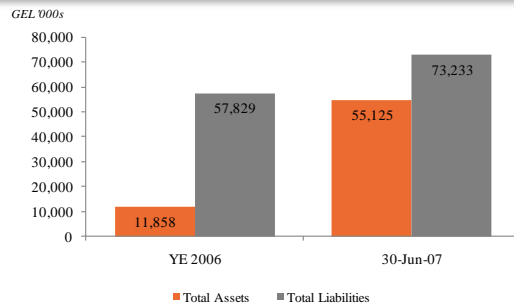
CIB Total Assets & Liabilities



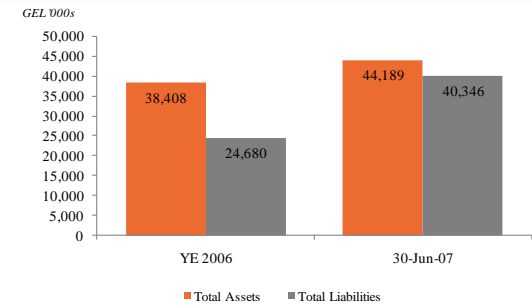
RB Total Assets & Liabilities



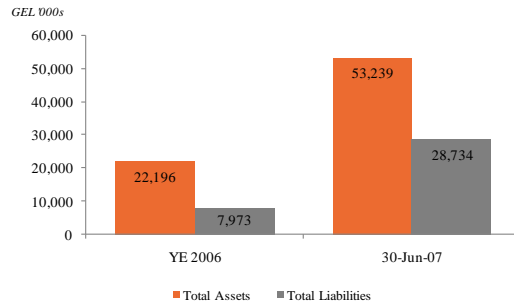
WM Total Assets & Liabilities



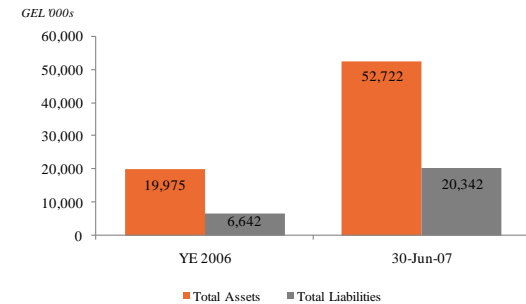
Insurance Total Assets & Liabilities



AM Total Assets & Liabilities



Galt & Taggart Securities Total Assets & Liabilities



Retail Banking – No. 1 Retail Bank In Georgia

New Retail Sub-brand



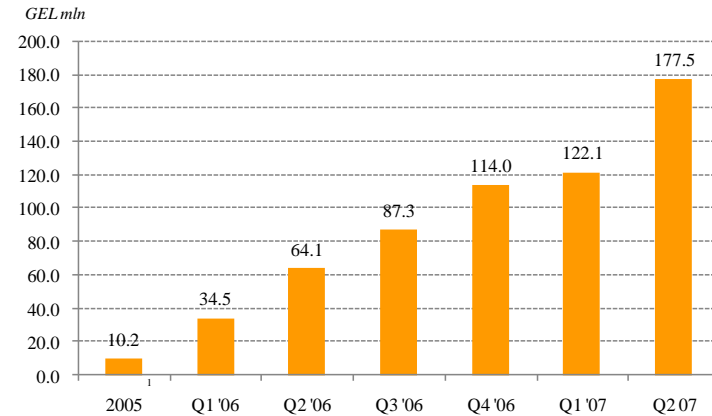
www.sb24.ge



www.kandidati.ge

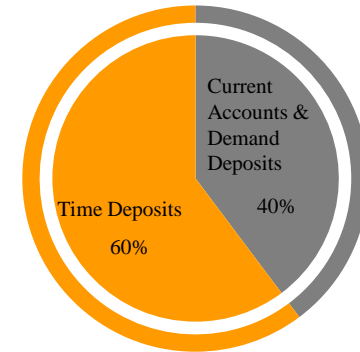
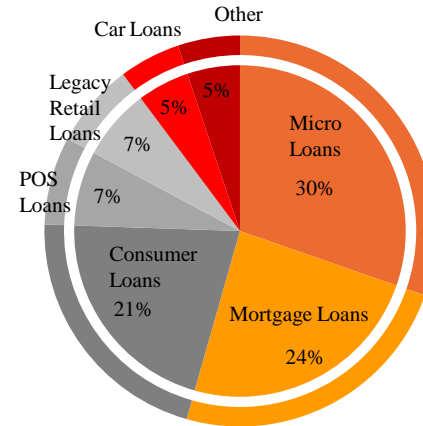


Retail Loans Originated



(1) Monthly average

RB Loan Portfolio & Client Deposits (June 30, 2007)



Total retail loans GEL 439 mln

Total retail deposits GEL 273 mln

Leadership in Consumer Lending

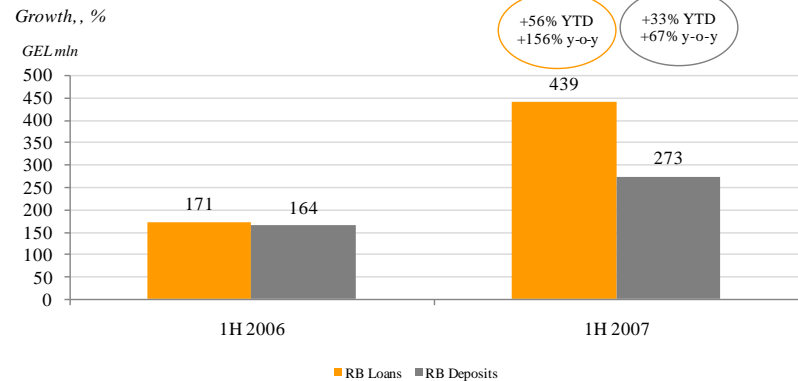
	30 June 2007	YE 2006
POS Contracts Signed	734	454
Exclusive	665	310
Outlets Operating	169	89
Outlets Served	454	251
Number of Consumer Loans Outstanding*	39,418	23,338
Volume of Consumer Loans Outstanding (GEL mln)*	92.8	49.5
Relationship With Car Dealers	25	21
Exclusive	10	10
Presence In Outlets	4	4
Credit Cards Outstanding	23,038	356

* Does not include WM Consumer Loans



www.bog.ge/ir

Retail Loan Portfolio & Client Deposits Growth⁽¹⁾

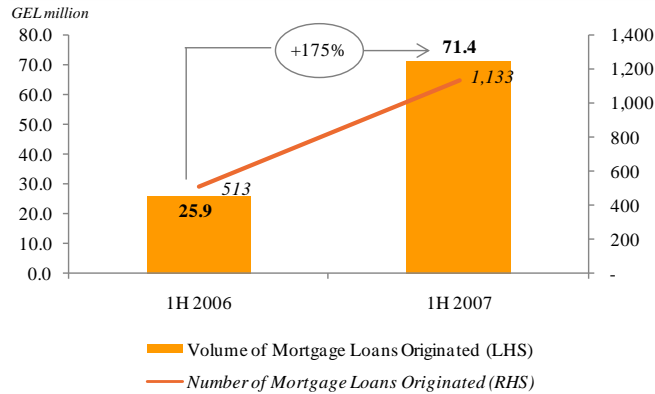


Notes:

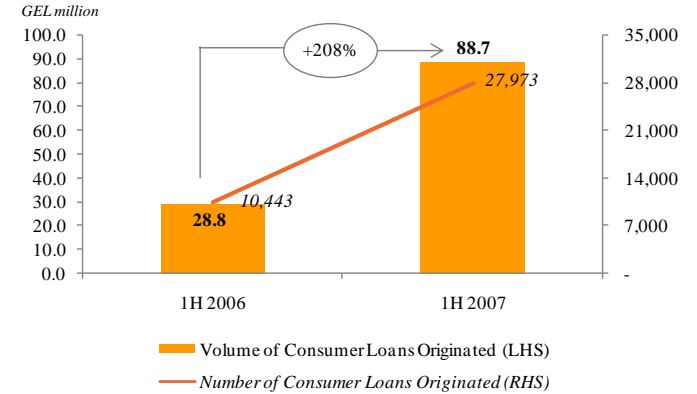
(1) Deposits include current accounts, demand deposits and time deposits

RB & WM - Continuous Increase In Loan Origination Capacity

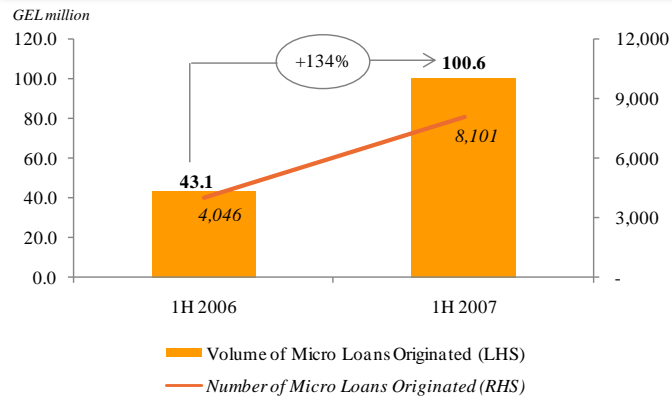
Mortgage Loans Originated



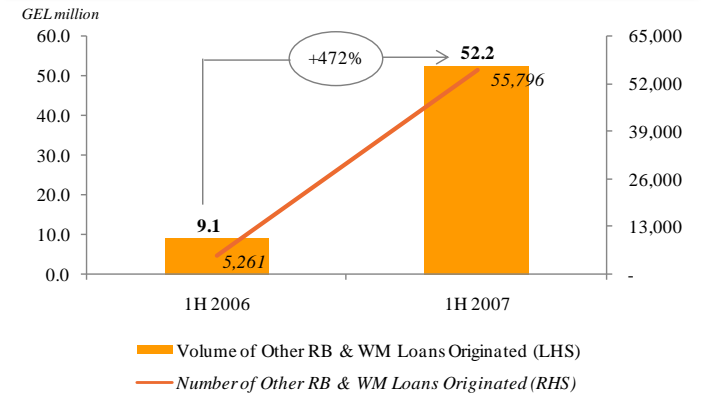
Consumer Loans Originated



Micro Loans Originated



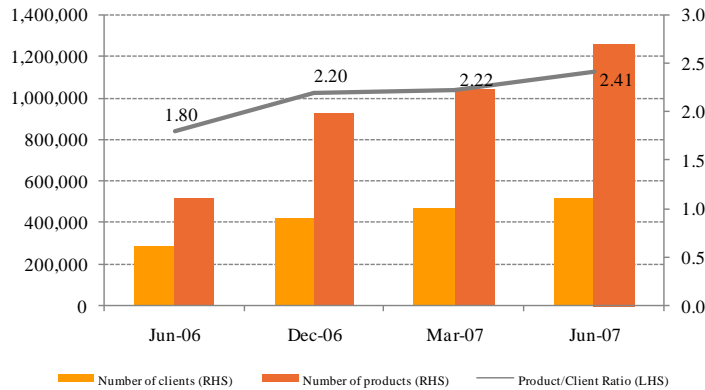
Other Retail And WM Loans Originated*



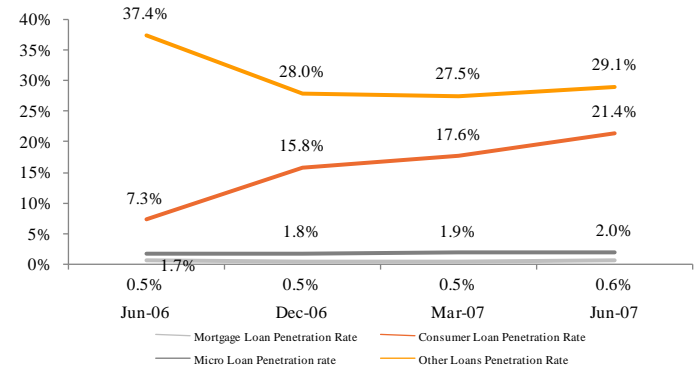
* Does not include Legacy Retail Loans and Card Overdrafts

RB Cross-Selling Gaining Momentum

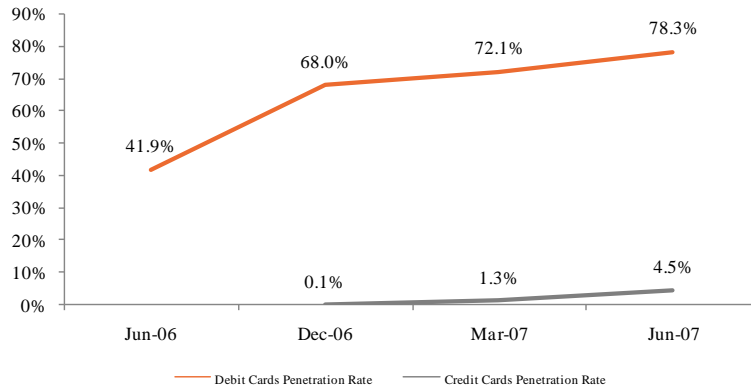
Product/Client Ratio



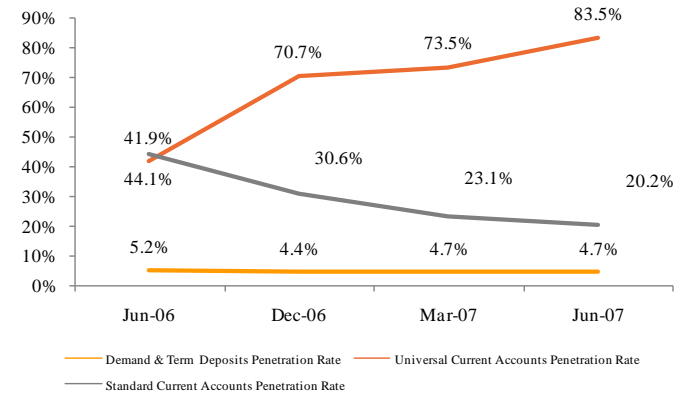
RB Loans Penetration Rate



Cards Penetration Rate



Current Accounts & Deposits Penetration Rate



Leadership In Card Processing



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

Client Banks



საქართველოს ბანკი
BANK OF GEORGIA



STANDARD BANK
სტანდარტ ბანკი

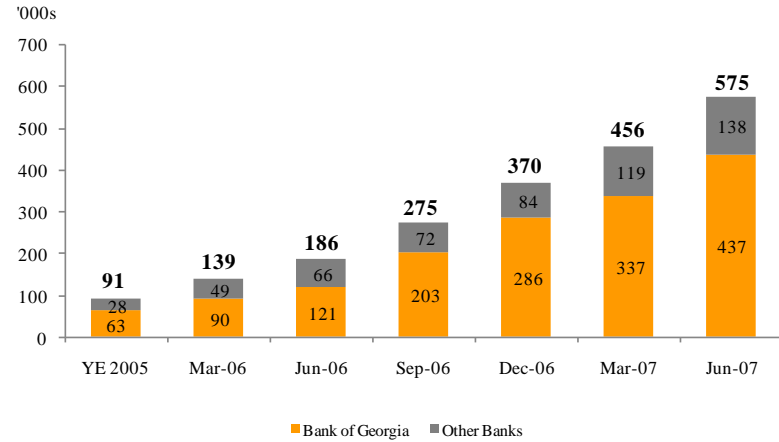


ბანკი რესპუბლიკა
BANK REPUBLIC
საქართველოს ბანკის დაფუძნებული

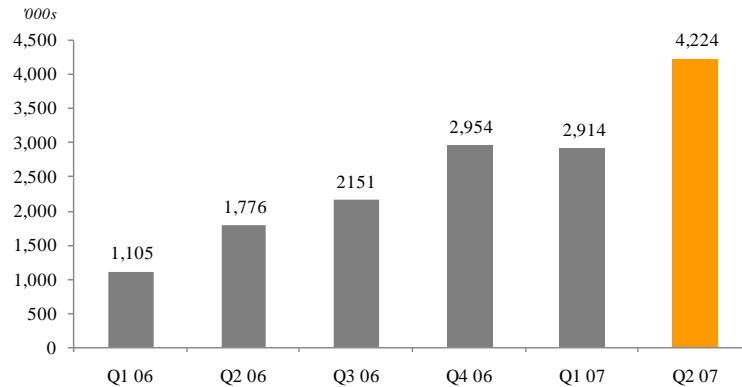


BankTuranAlem

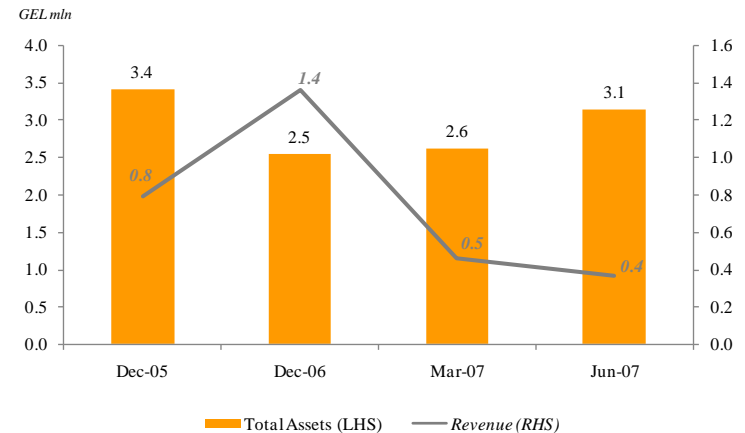
Number of Cards Serviced by Georgian Card



Transaction Authorizations By Georgian Card



Georgian Card's Revenue & Assets

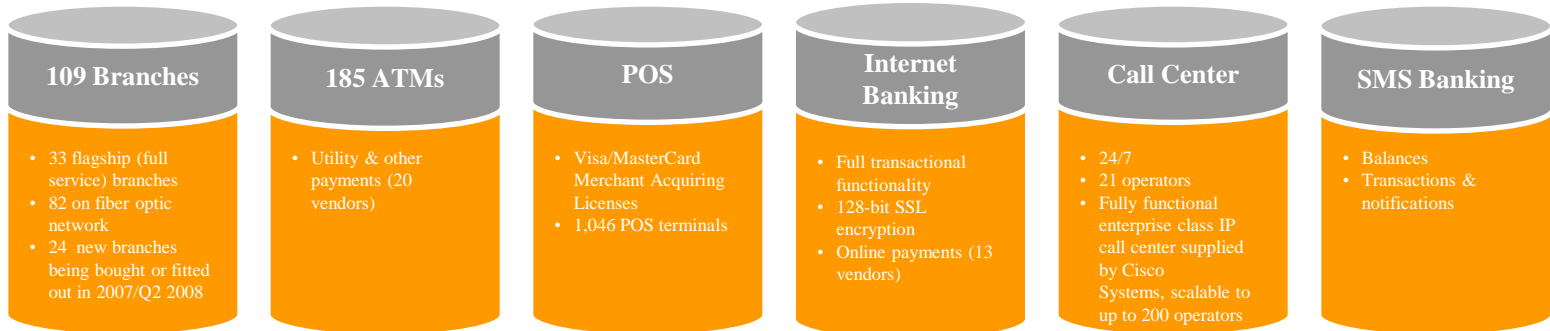


საქართველოს ბანკი
BANK OF GEORGIA

Superior Retail Footprint & Consumer Reach

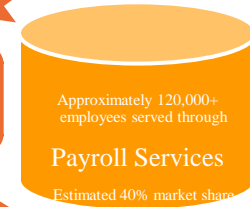
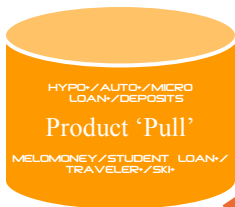
2005/Ongoing
Investment Focus

Service Delivery
Channels



As of 30 September 2007:

459,000+ debit cards/595,000+ current accounts



2006/2007
Investment Focus

Alternative
Customer
Acquisition
Channels



Extensive Distribution Network Of 105 Branches



As of June 30, 2007

Corporate & Investment 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 and investment bank in Georgia
- Circa 35% market share based on customer deposits⁽¹⁾
- Circa 30% market share based on corporate loans⁽¹⁾
- Integrated client coverage in key sectors
- 57,000+ clients of which 3,848 served by dedicated relationship bankers
- High-profile clients include
 - Tbilisi Municipality
 - Millennium Challenge Georgia
 - Tbilisi Metro
 - Romp petrol
 - TAV Urban
 - Lukoil
 - Georgian Railway
 - Magti GSM
 - Geocell
 - Port of Poti
 - Port of Batumi
 - Iberia Refreshments (Pepsi Bottler),
 - Madneuli
 - Beeline
 - Saqcementi (Heidelberg Cement Georgia)
 - GOGC
 - Coca-Cola Bottlers Georgia Group Companies
- Circa 50% market share in trade finance and documentary operations⁽²⁾
- Second largest leasing company in Georgia⁽²⁾ – Georgian Leasing Company (GLC)
- Galt & Taggart Securities – investment banking relationship platform for key corporate clients

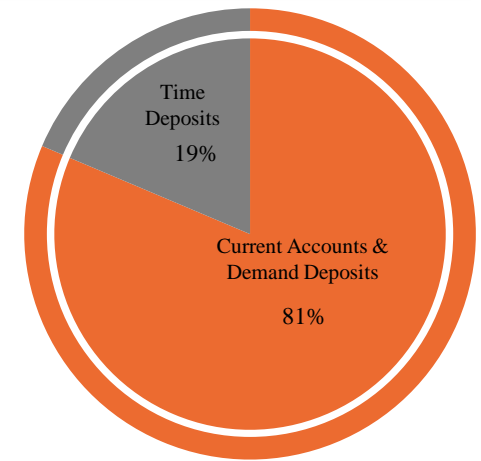
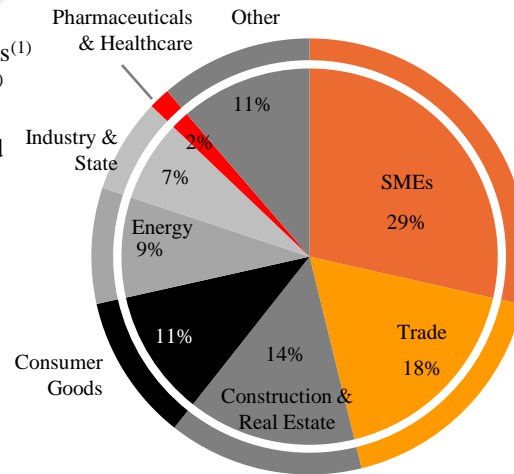
Notes:

(1) As of June 2007, source: National Bank of Georgia

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



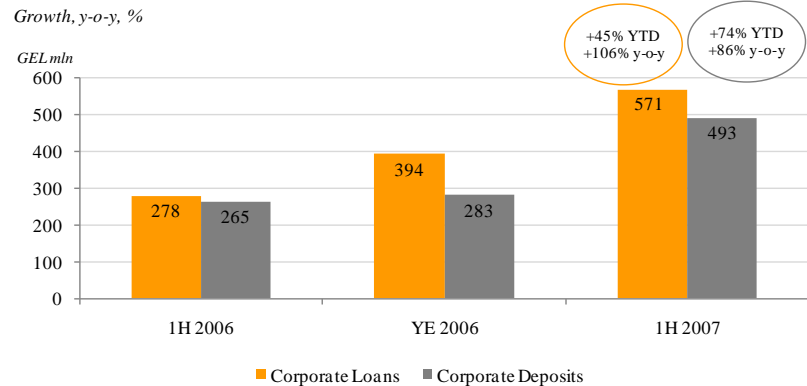
Corporate Loan Portfolio & Client Deposits (June 30, 2007)



Total corporate loans **GEL 571 mln**

Total corporate deposits **GEL 493 mln**

Corporate Loan Portfolio & Client Deposits Growth⁽¹⁾



Note: (1) Client Deposits include current accounts, demand deposits and time deposits

Aldagi BCI (Insurance)

Size of the Georgian Insurance Market

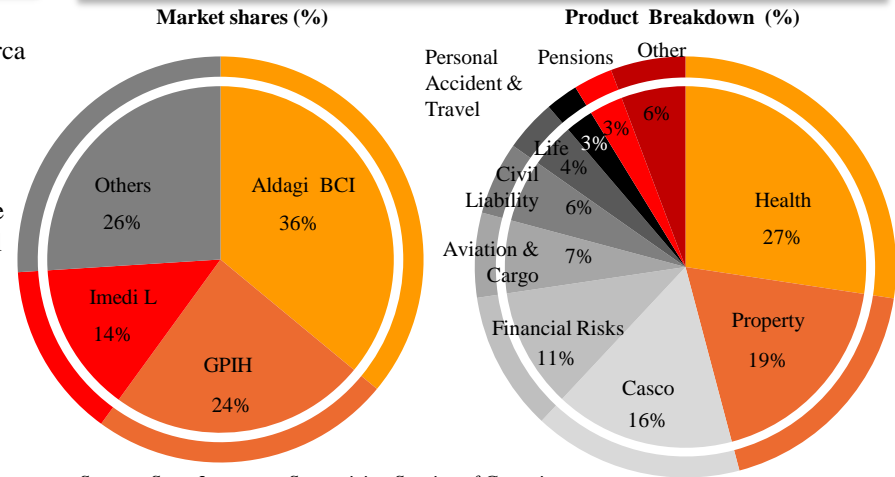
GEL mln	1H'07	YE'06	YE'05
GPW	48.7	70	55
Claims Reimbursed	12.6	23	18

Overview

- Small insurance market (US\$41 mln GPW in 2006)⁽¹⁾⁽²⁾, but rapidly growing due to low insurance services penetration of circa 0.5% of GDP⁽³⁾
- Acquisition of BCI in November 2004 (GEL 3.9 mln)
- Acquisition of EuroPace in October 2005
- Acquisition of Aldagi in December 2006 (GEL13.2m)
- Launch of *Chemebi* brand in February 2006 as umbrella for five consumer product lines – motor, health, life, property and travel insurance
- Strict reinsurance policies with major reinsurers Hannover Re, Munich Re, AIG, Lloyds and SCOR

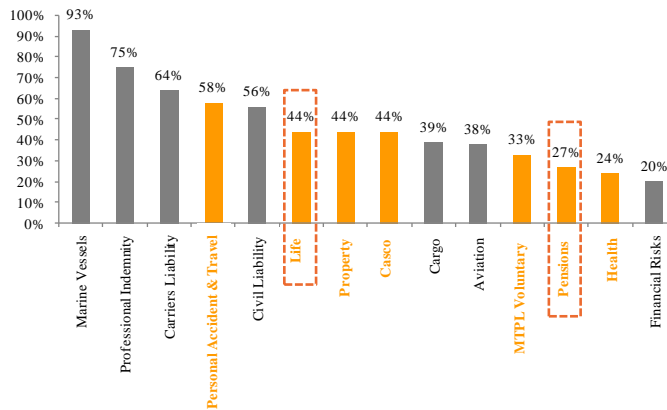
Notes:(1) Source: State Insurance Supervision Service of Georgia
 (2)Converted at GEL/US\$ 1.714
 (3) GDP 2006E

Georgian Insurance by GPW (1H 2007)



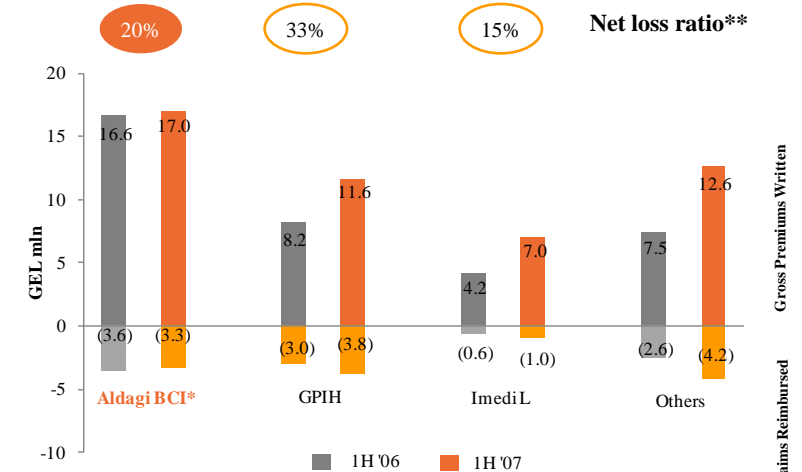
Source: State Insurance Supervision Service of Georgia

Aldagi BCI ProForma Market Share by Product (1H'07)



Source: State Insurance Supervision Service of Georgia

Gross Premiums Written & Total Claims Reimbursed



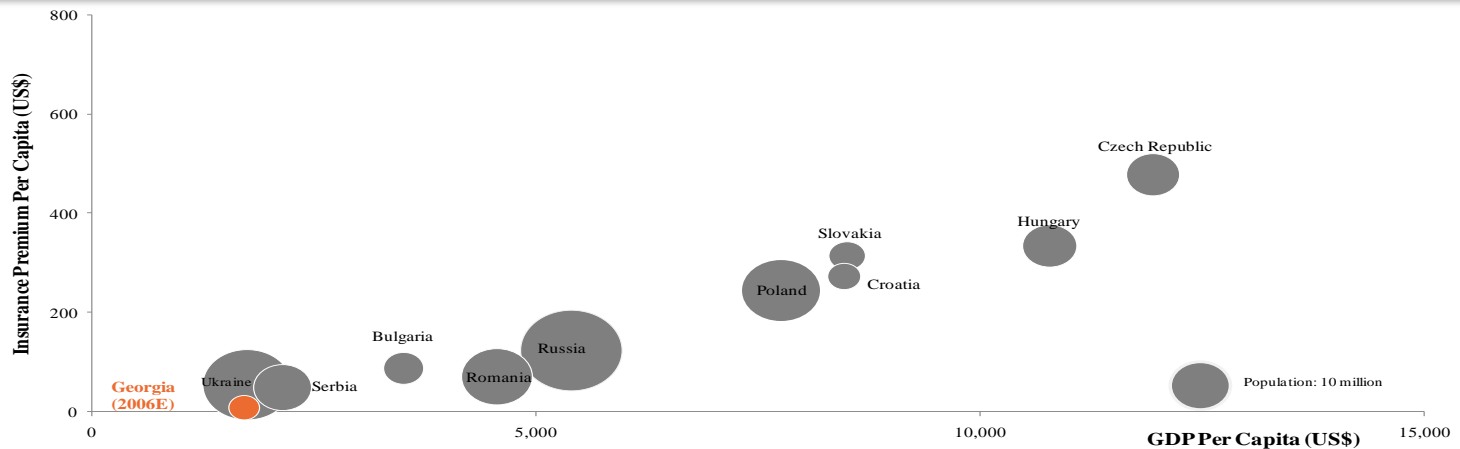
*Pro forma combined for 1H 2006

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



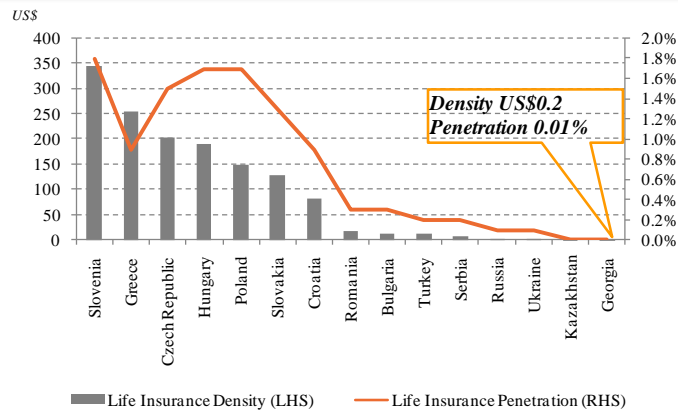
Georgian Insurance Market vs. EU & CEE/CIS

Insurance Premiums Per Capita vs. GDP Per Capita



Source: Swiss Re, Sigma No 5/2006, Georgian State Pension Supervision Agency, Galt & Taggart Securities' estimates

Life Insurance Density* and Penetration**, 2006



Source: Swiss Re, Sigma No 4/2007, Georgian State Pension Supervision Agency

*Life Insurance Premium Written Per Capita

** Life Insurance Premiums as % of GDP

	GDP per Capita, PPP (2006E, US\$)	Penetration* (2006)	Density** (2006, US\$)
Greece	23,500	1.8%	489
Czech Republic	21,600	3.8%	520
Hungary	17,300	3.4%	376
Poland	14,100	3.5%	310
Russia	12,100	2.3%	151
Bulgaria	10,400	2.6%	101
Turkey	8,900	1.6%	89
Ukraine	7,600	2.8%	60
Georgia	3,800	0.5%	9

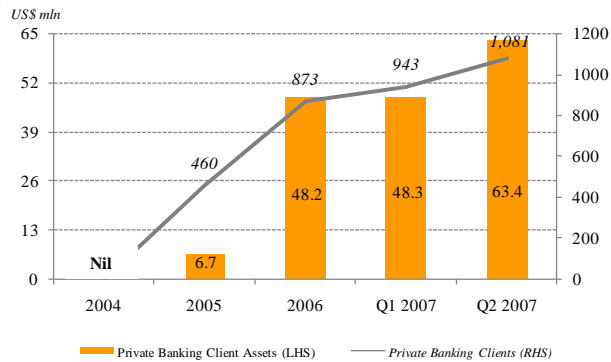
*Gross Premium Written As % of GDP

**Gross Premiums Written Per Capita

Source: Swiss Re, Sigma No 4/2007, Georgian State Pension Supervision Agency, Galt & Taggart Securities estimates, CIA World Factbook

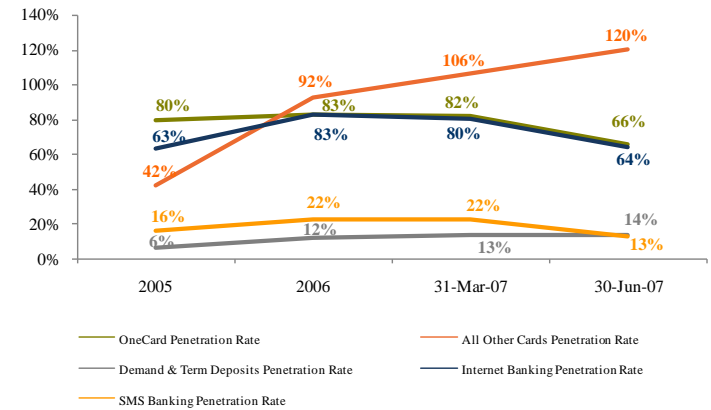
Wealth Management (WM) Performance Review

Private Banking Clients and Client Assets

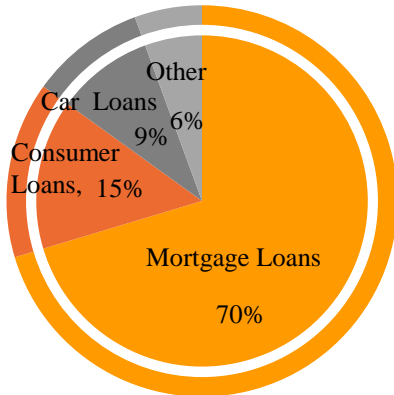


Notes: (1) Converted at exchange rates of GEL/US\$, 1.793 (2005), 1.714 (2006), 1.700 (Q1 2007) and 1.670 (Q2 2007)
 (2) PB Client Assets include: Balances on OneCard Accounts, Credit Balances on Other Cards, Credit Balances On Regular Current Accounts, Demand & Time Deposits, Brokerage & Asset Management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

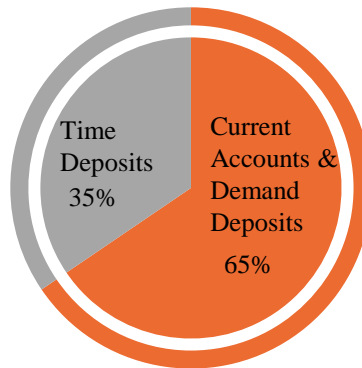
Private Banking Products Penetration



Private Banking Loans and Deposits (June 30, 2007)

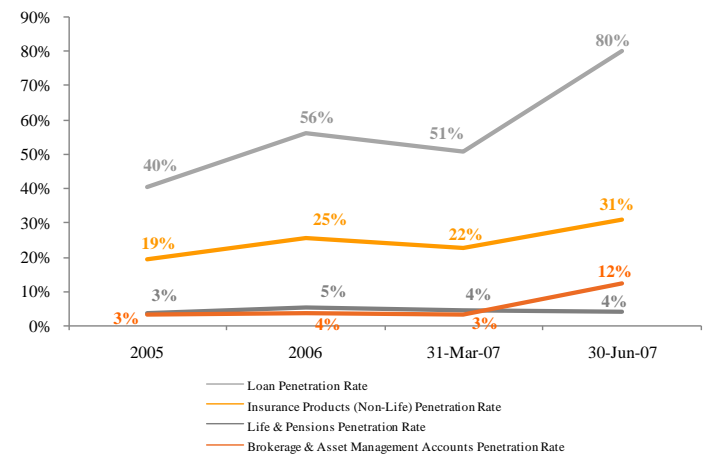


Total PB loans GEL 33 mln



Total PB deposits GEL 56 mln

Private Banking Products Penetration

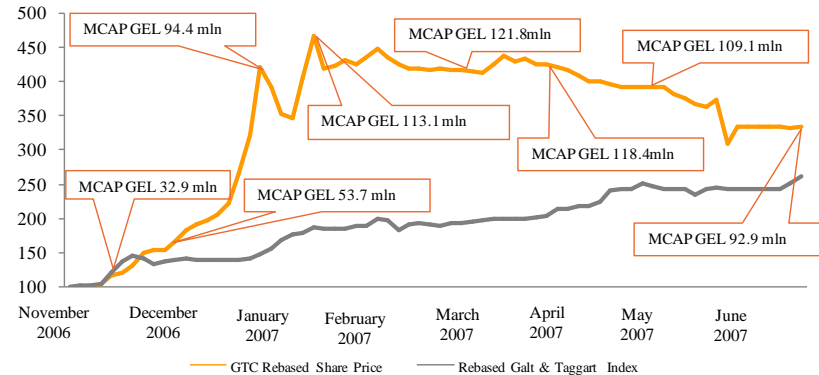


Asset Management Review

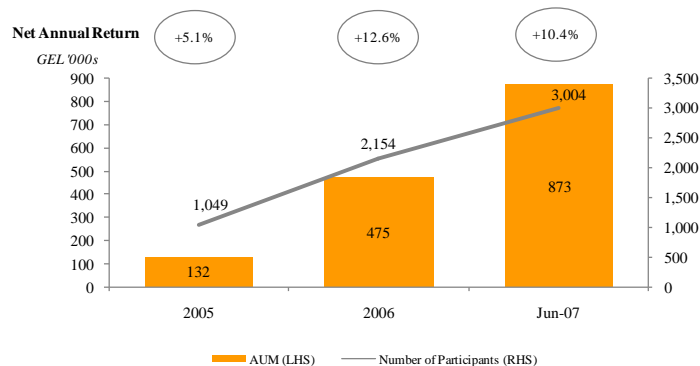
Asset Management Overview

- ☑ Galt & Taggart Capital (GSE: GTC)
- ☑ MCAP GEL 93 mln as of 30 June 2007
- ☑ Consumer goods, retail, business support services, TMT
- ☑ SB Real Estate
 - ☑ 10+ properties, mostly undeveloped
 - ☑ NAV >US\$15 mln
- ☑ Significant synergies with RB
- ☑ BCI Pension Fund
- ☑ Aspirations for
 - ☑ Retail asset management (manufacturing and open architecture distribution) in Georgia and Ukraine
 - ☑ Listed private equity focusing on the Caucasus/Caspian

GTC Share Price Performance & MCAP



BCI Pension Fund

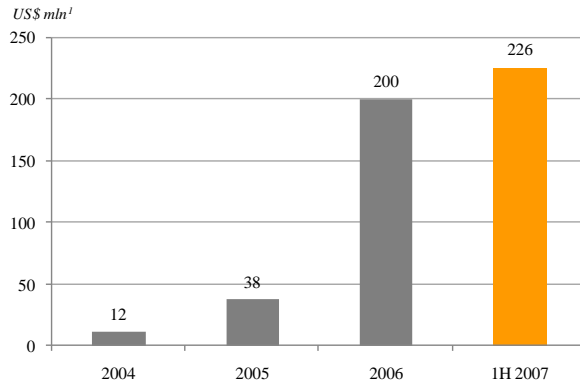


Selected Portfolio Companies



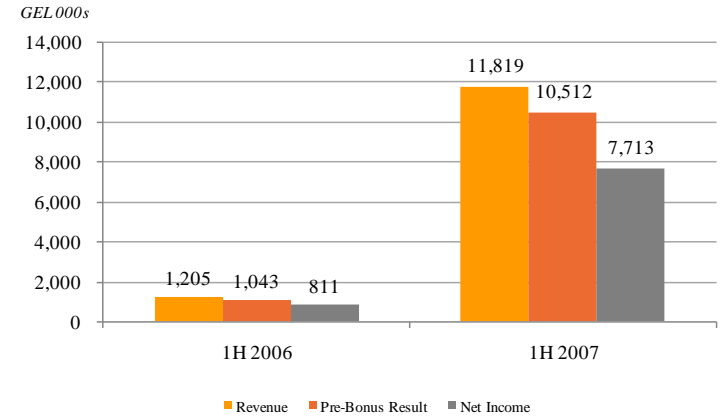
Galt & Taggart Securities

Client Assets Under Custody

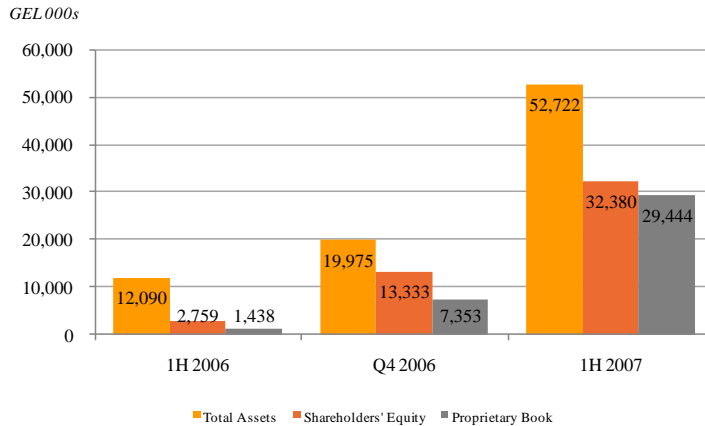


Note: (1) Converted at exchange rates of GEL/US\$ 1.825 (2004), 1.793 (2005), 1.714 (2006), 1.700 (Q1 2007) and 1.670 (Q2 2007)

Revenue, Pre-Bonus Result & Net Income



Total Assets, Proprietary Book & Equity



Galt & Taggart Securities Overview

- 🏠 Georgia & Ukraine, pan-CIS ambitions
- 🏠 Agency brokerage, research, sales & trading
- 🏠 M&A and Corporate Finance advisory
- 🏠 DCM, ECM and corporate broking
- 🏠 Registrar and custody services
- 🏠 13 FTEs in Georgia and 24 FTEs in Ukraine



Placement of
12,495,519 shares
&
Introduction to the
Georgian Stock
Exchange

Sole Placement Agent



May 2007



GEL 1,800,000

Rights Issue

Sole Placement Agent



March 2007

Selected Transactions 2006

BCI სანაზღაურებო კომპანია
INSURANCE COMPANY

GEL 13,200,000
Acquisition of a 100%
equity interest in




JSC Aldagi

Sole Adviser




ბანკი & მენეჯმენტი
GALT & TAGGART

December 2006


 სანაწიფო ბანკი
BANK OF GEORGIA

**Acquisition of assets
and liabilities of**




INTELLECTBANK

Sole Adviser




ბანკი & მენეჯმენტი
GALT & TAGGART

February 2006

 UNITED TELECOM of GEORGIA


GEL 2,570,052
Block Trade

Broker




ბანკი & მენეჯმენტი
GALT & TAGGART

December 2006

 UNITED TELECOM of GEORGIA

**Admission to trading on
the Georgian Stock
Exchange**

Coordinator & Market-maker



ბანკი & მენეჯმენტი
GALT & TAGGART

April 2006

 სანაწიფო ბანკი
BANK OF GEORGIA

US\$159,843,723
Initial Public Offering
on the
London Stock Exchange


8,880,207 shares in the form of
Global Depository Receipts

Selling Agent




ბანკი & მენეჯმენტი
GALT & TAGGART

November 2006

 ბანკი & მენეჯმენტი
GALT & TAGGART CAPITAL


GEL 6,155,625
Placement of 10,259,375
Shares & Admission to
trading on the Georgian
Stock Exchange

Sole Placement Agent

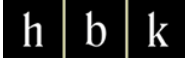


ბანკი & მენეჯმენტი
GALT & TAGGART


November 2006

 სანაწიფო ბანკი
BANK OF GEORGIA

US\$25,000,000
Subordinated
Convertible Loan
Facility From



Sole Adviser



ბანკი & მენეჯმენტი
GALT & TAGGART

October 2006

 სანაწიფო ბანკი
BANK OF GEORGIA

US\$5,000,000
10-year Subordinated
Loan Facility from



THAMES RIVER CAPITAL
PERFORMANCE FOCUSED ASSET MANAGEMENT

Sole Adviser



ბანკი & მენეჯმენტი
GALT & TAGGART

August 2006

 პაპული
Papuli

GEL 2,046,328
Placement of 25%
of share capital to

**EAST CAPITAL
Ostinvestor**

Sole Placement Agent



ბანკი & მენეჯმენტი
GALT & TAGGART

May 2006

 პროკრედიტ ბანკი
ProCredit Bank

GEL 5,000,000
Private placement of
15% one-year zero
coupon bonds

Sole Underwriter



ბანკი & მენეჯმენტი
GALT & TAGGART

December 2006

Contact

Lado Gurgенidze

Chairman of the Supervisory Board

+995 32 444 103

lgurgенidze@bog.ge

Nick Enukidze

Vice- Chairman of the Supervisory Board

+ 995 32 444 800

nicholas.enukidze@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 Overview

Bank of Georgia Development Milestones

Development Period	2000-3Q 2004	4Q2004	2005	2006	2007 YTD	Growth Since YE 2003
New Management Team Takes Over						
<p>The bank has tripled in size under new management</p> <p>Unique management team composition for a CIS bank</p> <p>Stellar acquisition and integration track record</p> <p>Increasingly diversified revenue stream</p> <p>An established borrower in international markets</p> <p>Unprecedented level of institutional interest. Institutional ownership >80% unique for a CIS bank</p>	<p>IFRS Consolidated ⁽¹⁾ FY 2003</p> <p>Total Assets (e-o-p) US\$111 mln</p> <p>Loan Book (e-o-p) US\$73 mln</p> <p>Client Deposits (e-o-p) US\$57 mln</p> <p>Equity (e-o-p) US\$26 mln</p> <p>MCAP (e-o-p) US\$20 mln</p> <p>Number of Western-Trained Professionals 0</p> <p>Key Acquisitions</p> <p>Key Business Lines</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking</p> <p>Key Lenders</p> <p>BSTDB DEG AKA Bank EBRD IFC</p>	<p>FY 2004</p> <p>US\$199 mln</p> <p>US\$104 mln</p> <p>US\$138 mln</p> <p>US\$30 mln</p> <p>US\$35 mln</p> <p>6</p> <p>TUB BCI Georgian Card</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance</p> <p>KiW US\$3.5 mln guarantee facility EBRD US\$10 mln facility GEL 2.0 mln bond placement Commerzbank US\$ 3.8 mln</p> <p>37%</p>	<p>FY 2005</p> <p>US\$257 mln</p> <p>US\$175 mln</p> <p>US\$151 mln</p> <p>US\$51 mln</p> <p>US\$69 mln</p> <p>15</p> <p>Galt & Taggart GLC Europace</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions</p> <p>50%</p>	<p>FY 2006</p> <p>US\$725 mln</p> <p>US\$433 mln</p> <p>US\$338 mln</p> <p>US\$216 mln</p> <p>US\$567mln</p> <p>20+</p> <p>IntellectBank, acquisition of assets & liabilities Merchant banking acquisitions Galt & Taggart Ukraine established 9.9% of a Ukrainian bank acquired Aldagi</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking POS Consumer Loans Merchant Banking</p> <p>World Business Capital US\$10 mln loan with OPIC guarantee Citigroup US\$25 mln unsecured term loan Thames River Capital US\$5 mln subordinated loan Merrill Lynch US\$25 mln convertible subordinated loan HBK Investments US\$25 mln convertible subordinated loan</p> <p>85%</p>	<p>30 June 2007</p> <p>US\$1,149 mln</p> <p>US\$634 mln</p> <p>US\$496 mln</p> <p>US\$242 mln</p> <p>US\$1,088 mln</p> <p>25+</p> <p>Merchant Banking Acquisitions</p> <p>Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking POS Consumer Loans Merchant Banking Asset Management</p> <p>FMO US\$12.5 mln seven year loan* US\$200 mln debut Regulation S 5-year unsecured Eurobond</p> <p>85%</p>	<p>935%</p> <p>769%</p> <p>770%</p> <p>831%</p> <p>5340%</p>

Notes: (1) Converted at exchange rates of GEL/US\$ of 2.075 (2003), 1.825 (2004), 1.793 (2005) and 1.714 (2006)

(2) Growth rates calculated using amounts in US\$

* Signed in December 2006, disbursed in January 2007



Bank Of Georgia – Our Vision & Mission

One Firm

- Strong management
- Shared expertise
- Cross-sell synergies
- Shared services & infrastructure
- Cost efficiency

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

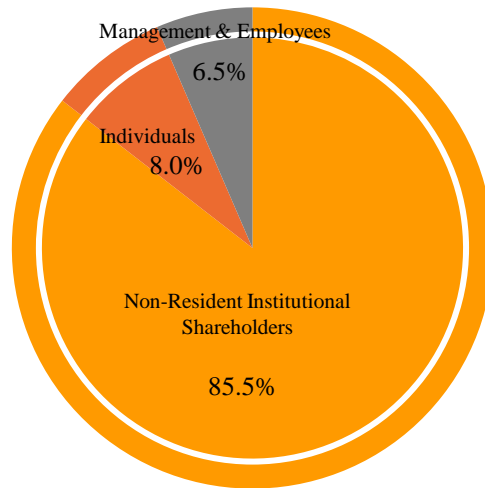
Our *mission* is to create long-term value by building a relationship-driven, client-facing integrated financial services company based on the core values of *excellence in execution, teamwork, integrity and trust*

	Objectives set in October 2004	Status YE 2006
Retail Banking	<ul style="list-style-type: none"> ▪ The largest Georgian retail bank, offering consumers the broadest range of services through multiple channels 	✓ Achieved
Corporate & Investment Banking	<ul style="list-style-type: none"> ▪ A leader in corporate banking, bank of choice for inbound foreign corporates ▪ The undisputed leader in investment banking ▪ Integrated offering to large corporates through strong client coverage culture 	<ul style="list-style-type: none"> ✓ Achieved ✓ Achieved ✓ Achieved
Insurance	<ul style="list-style-type: none"> ▪ A leading player in the non-life sector, cross-selling insurance to corporates ▪ A leading life insurance and pensions provider 	<ul style="list-style-type: none"> ✓ Achieved ✓ Achieved
Asset & Wealth Management	<ul style="list-style-type: none"> ▪ The undisputed domestic leader in wealth management, with niche appeal to sophisticated non-resident investors ▪ A leading player in domestic private equity and venture capital 	<ul style="list-style-type: none"> ✓ Achieved ✓ Achieved

Bank of Georgia Price Performance

Ownership Structure & Share Price Performance

Ownership structure, 1H 2007



30-Jun-07	GDRs*	Local Shares	Total	%
Institutional Shareholders	15,890,158	5,744,295	21,634,453	85.5%
Individual Shareholders	-	2,027,311	2,027,311	8.0%
Management and Employees	850,000	792,323	1,642,323	6.5%
Fully Vested	68,083	766,586	834,669	3.3%
Awarded but unvested	403,550	25,737	429,287	1.7%
Employee Benefit Trust	378,367	-	378,367	1.5%
Total Shares Outstanding	16,740,158	8,563,929	25,304,087	100%
Adjusted for Galt & Taggart Securities' Proprietary Book ⁽¹⁾	(99,884)	(310,886)	(410,770)	-1.7%
Adjusted Total Shares Outstanding	16,640,274	8,253,043	24,893,317	

Dilution Projections			
Conversion of the HBK Investments subordinated loan ⁽²⁾	-	1,157,407	1,157,407
Guaranteed share compensation ⁽³⁾	-	41,668	41,668
EuroPace Hold Back	-	95,000	95,000
Employee Benefit Trust	650,000	-	650,000
Diluted Shares	17,290,274	9,547,118	26,837,392
Galt & Taggart Securities' Proprietary Book	99,884	310,886	410,770
Fully Diluted Shares	17,390,158	9,858,004	27,248,162

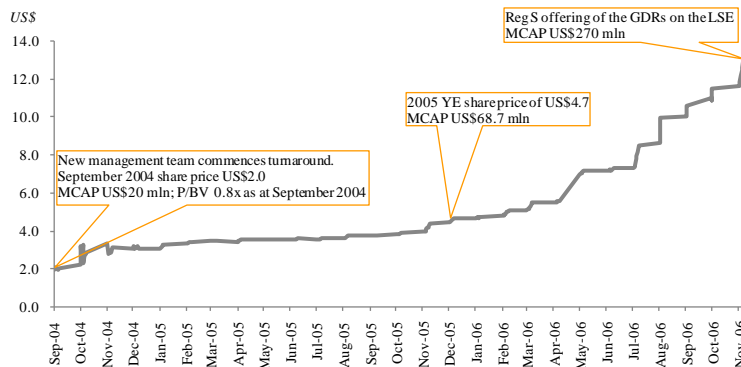
¹ Treated as treasury shares as per IFRS

² May convert at any time through 29 September 2008

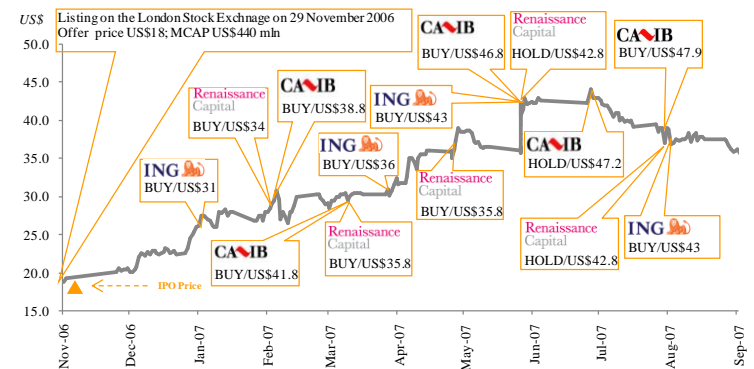
³ To be issued in nine monthly installments of 13,889 shares through September 2007

* Bank of New York acts as depositary bank of the Bank of Georgia GDR holders following the initial public offering of the bank's shares in the form of GDRs on the London Stock Exchange in late November and early December 2006

Bank of Georgia Share Price Performance

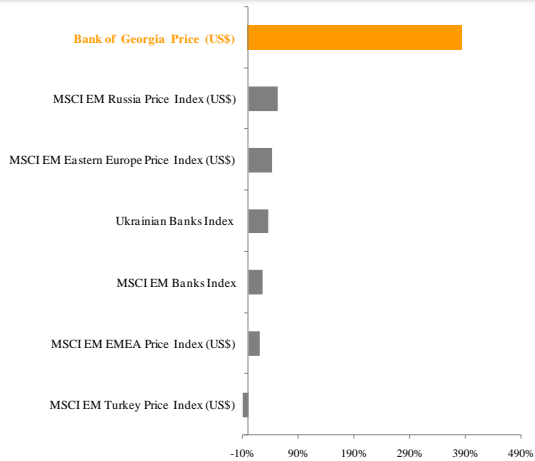


Bank of Georgia GDR Price Performance

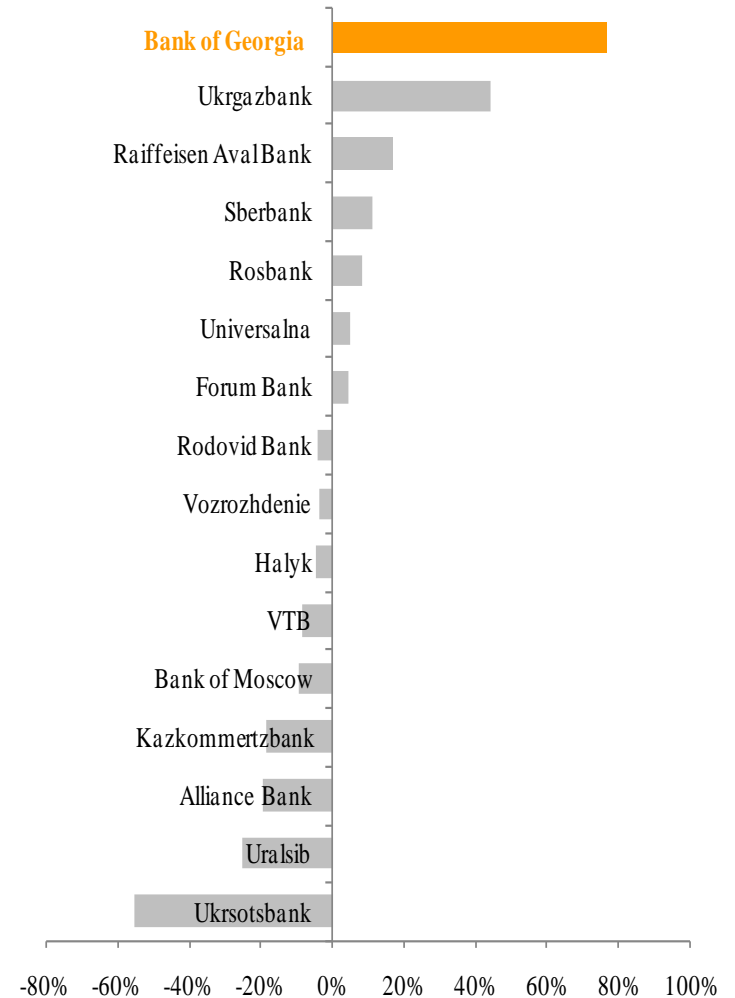


2006-2007YTD Price Performance

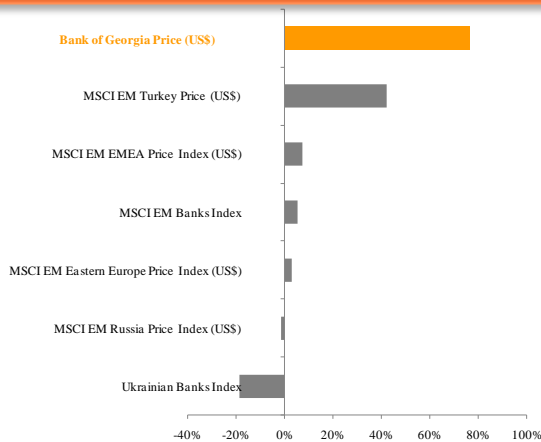
Bank of Georgia Price vs. Selected MSCI Indices, 2006



Bank of Georgia Price vs. CIS Banks YTD Price Performance



Bank of Georgia Price vs. Selected MSCI Indices, 2007YTD



Source: Galt & Taggart Securities



www.bog.ge/ir

Source: Galt & Taggart Securities

Analyst Coverage



Analyst	Email	Recommendation	Date of Recommendation
Milena Ivanova	ivanovam@ca-ib.com	BUY/US\$47.9	22 August 2007



Analyst	Email	Recommendation	Date of Recommendation
Andrzej Nowaczek	andrzej.nowaczek@uk.ing.com	BUY/US\$43.0	14 August 2007



Analyst	Email	Recommendation	Date of Recommendation
David Nangle	Dnangle@rencap.com	HOLD/US\$42.8	10 August 2007

Georgian Banking Sector – Key Trends 2006/2007

Georgian Banking Sector – Key Trends 2006/2007

GEL/US\$

Period End
 YE 2005= 1.79
 YE 2006= 1.71
 Q1 2007=1.70

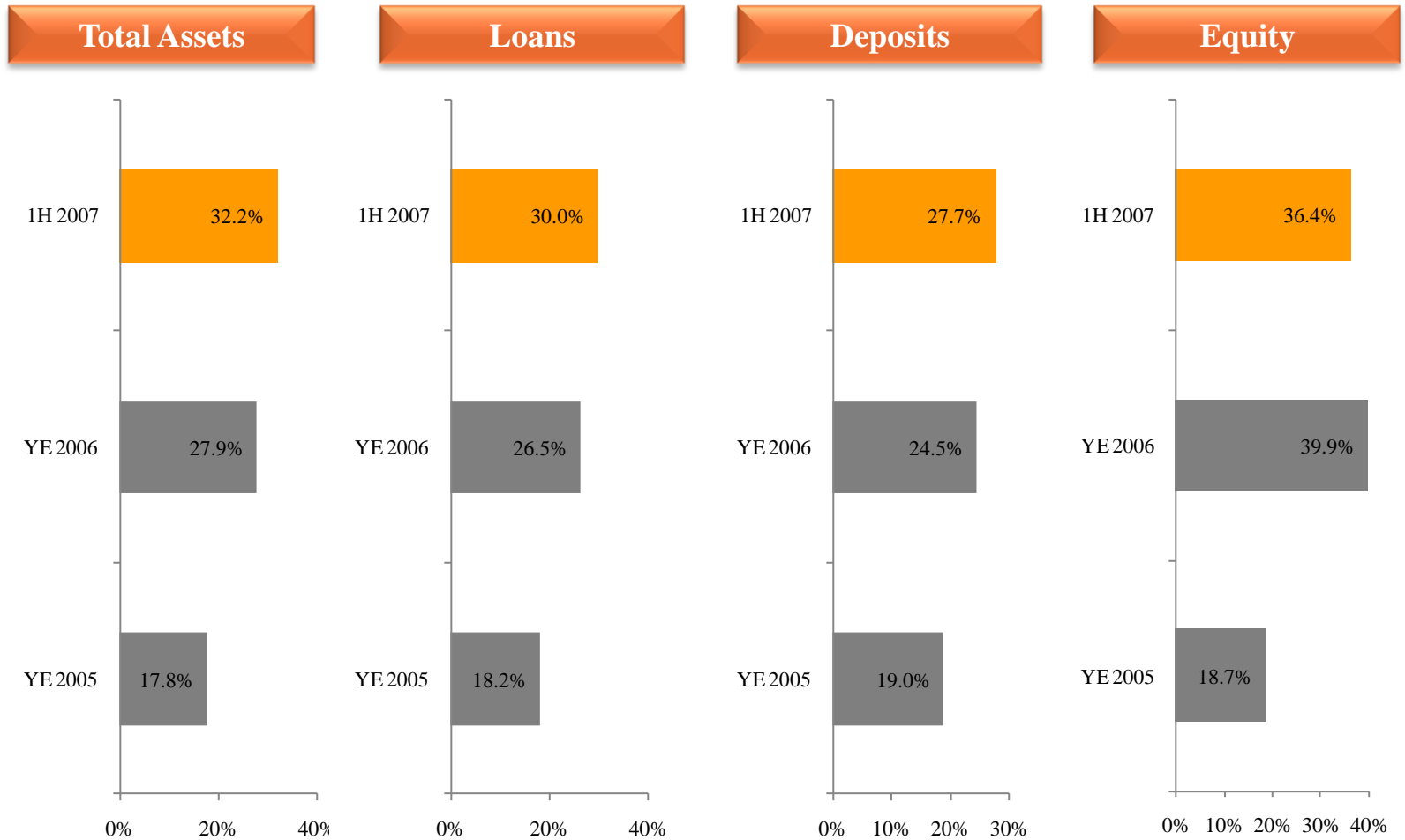
US\$ mln	YE 2005	YE 2006	1H 2007	As % of GDP*	Growth			Market Share (YE 2006)		Market Share (1H 2007)	
					2006 Y-O-Y	1H 2007 YTD	Top 5 Banks	Bank of Georgia	Top 5 Banks	Bank of Georgia	
Total Assets	1,421	2,467	3,354	30.8%	65.9%	32.4%	80.1%	27.9%	80.4%	32.2%	
Gross Loans	965	1,565	2,094	19.5%	55.0%	30.4%	83.2%	26.5%	82.9%	30.0%	
Deposits	858	1,359	1,778	17.0%	51.4%	27.5%	82.2%	24.5%	81.5%	27.7%	
Equity	267	524	625	6.5%	87.4%	16.1%	78.3%	39.9%	74.1%	36.4%	
Net Income	35	54	36	0.7%	50.5%	NMF	80.8%	23.6%	76.1%	35.5%	

- ☞ 18 banks as at 30 June 2007
 - ☞ Minimum capital requirement GEL 12 mln and growing
 - ☞ Consolidation underway
- ☞ 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**
- ☞ Increasing availability of non-deposit funding key to sustained growth
 - ☞ Four top banks are rated
 - ☞ Domestic bonds, Eurobonds, CLNs, unsecured term loans, syndicated loans, subordinated debt
 - ☞ A small structural funding gap exists
 - ☞ Real estate boom competes for consumer savings
 - ☞ The economy and consumers significantly underlent (all-in consumer debt per capita US\$68 at YE 2006)

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

* YE 2006 Total Assets/2006 GDP, YE 2006 Gross Loans/2006 GDP, YE 2006 Deposits/2006 GDP, YE 2006 Deposits/2006 GDP, YE 2006 Equity/2006 GDP, YE 2006 Net Income/2006 GDP

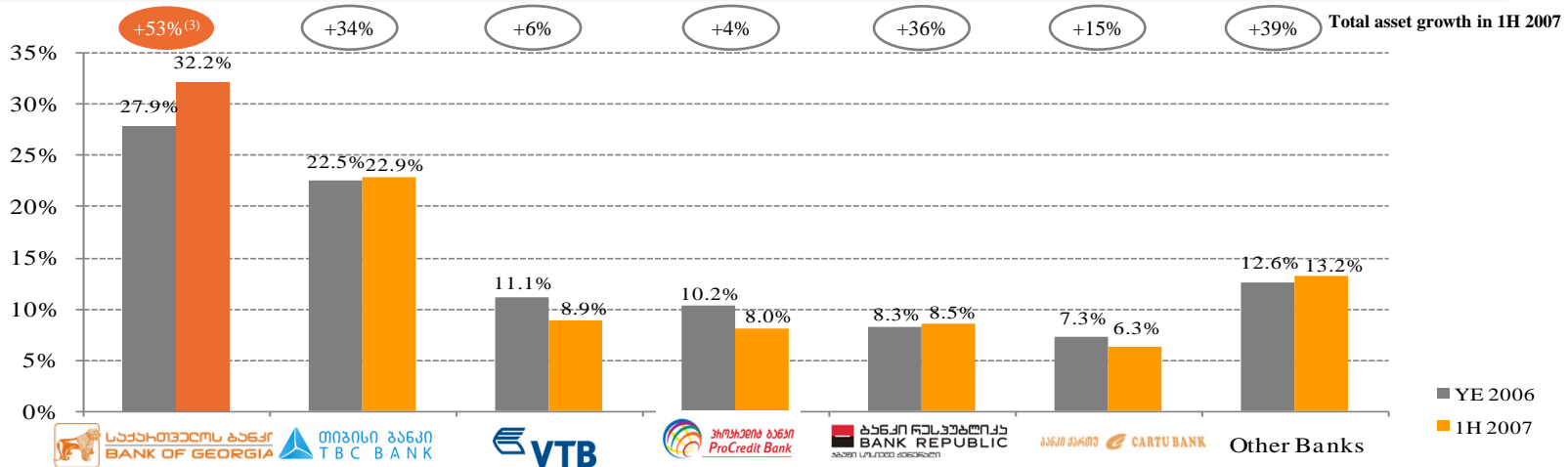
Bank of Georgia Market Share Evolution



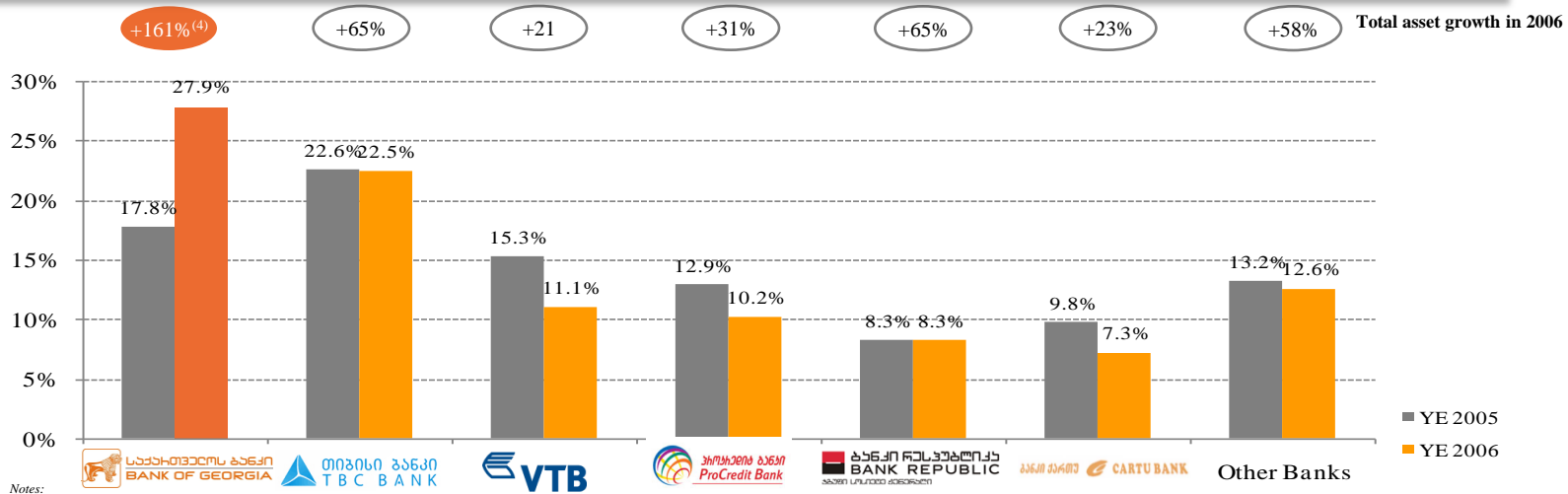
Note: All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge

Peer Group's Market Share In Total Assets

Peer Group's market shares in Total Assets, 1H 2007



Peer Group's market shares in Total Assets, YE 2006



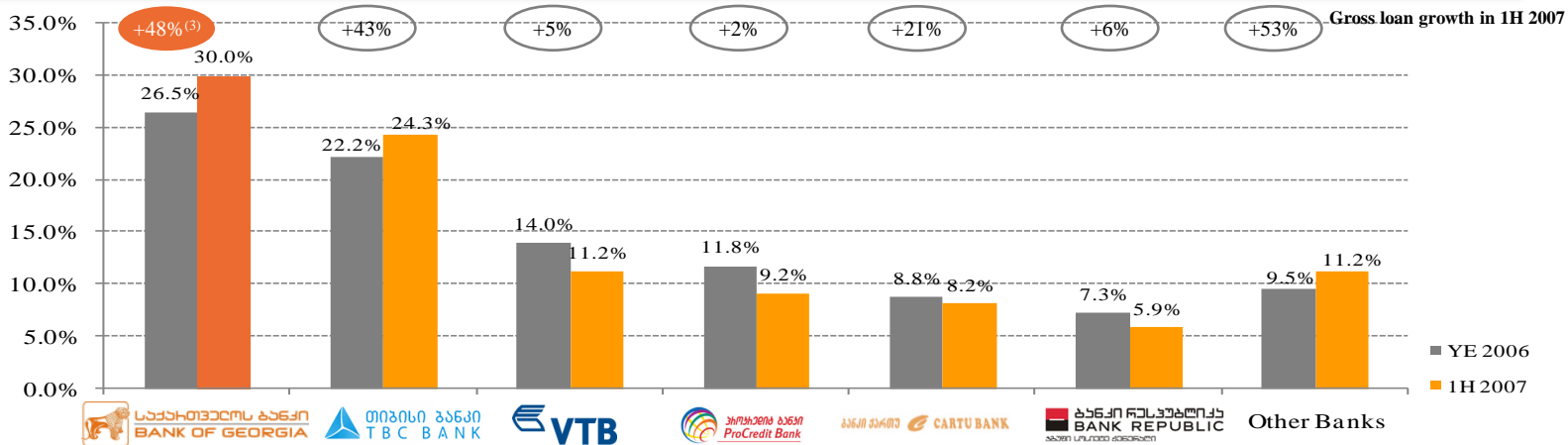
Notes:

- (1) 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
- (2) Change in peer group total assets calculations based on GEL values
- (3) Consolidated year-to-date growth of 58.1% total assets
- (4) Consolidated y-o-y growth of 168.0% in total assets

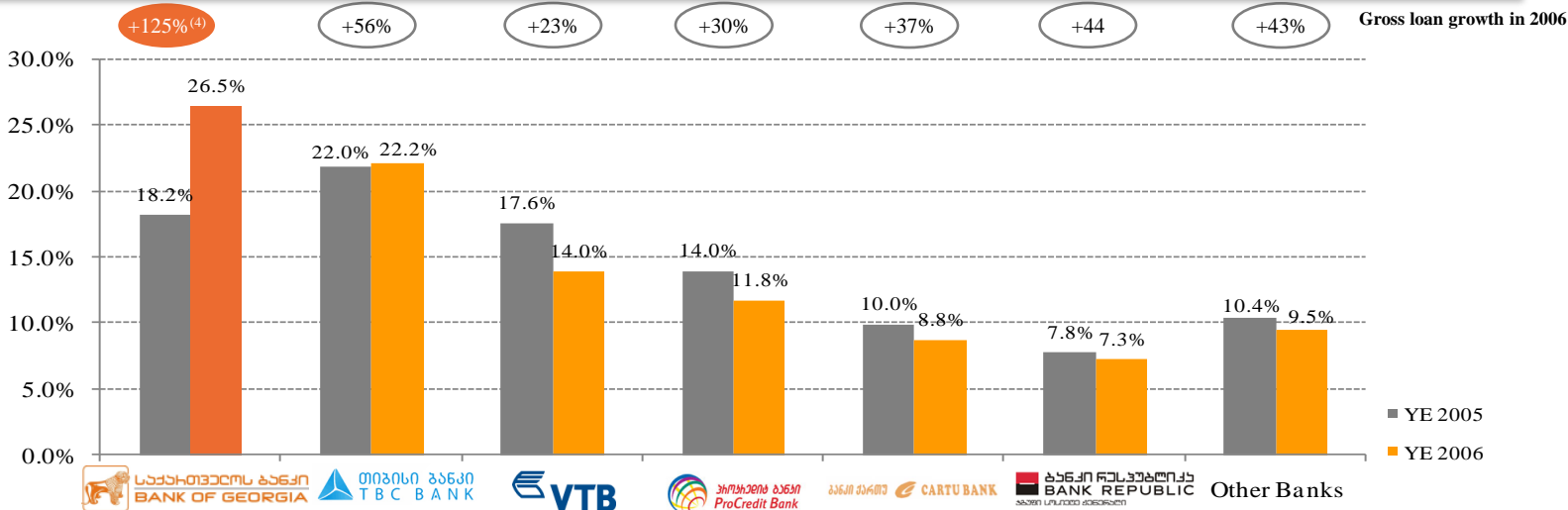
GEL/US\$
Period End
YE 2005= 1.79
YE 2006 = 1.71
1H 2007=1.67

Peer Group's Market Share In Gross Loans

Peer Group's market shares in Gross Loans, 1H 2007



Peer Group's market shares in Gross Loans, YE 2006



Notes:

- (1) 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
- (2) Change in peer group gross loans calculations based on GEL values
- (3) Consolidated year-to-date growth of 48.1% gross loans
- (4) Consolidated y-o-y growth of 123.1% in gross loans

Peer Group's Market Share In Total Deposits

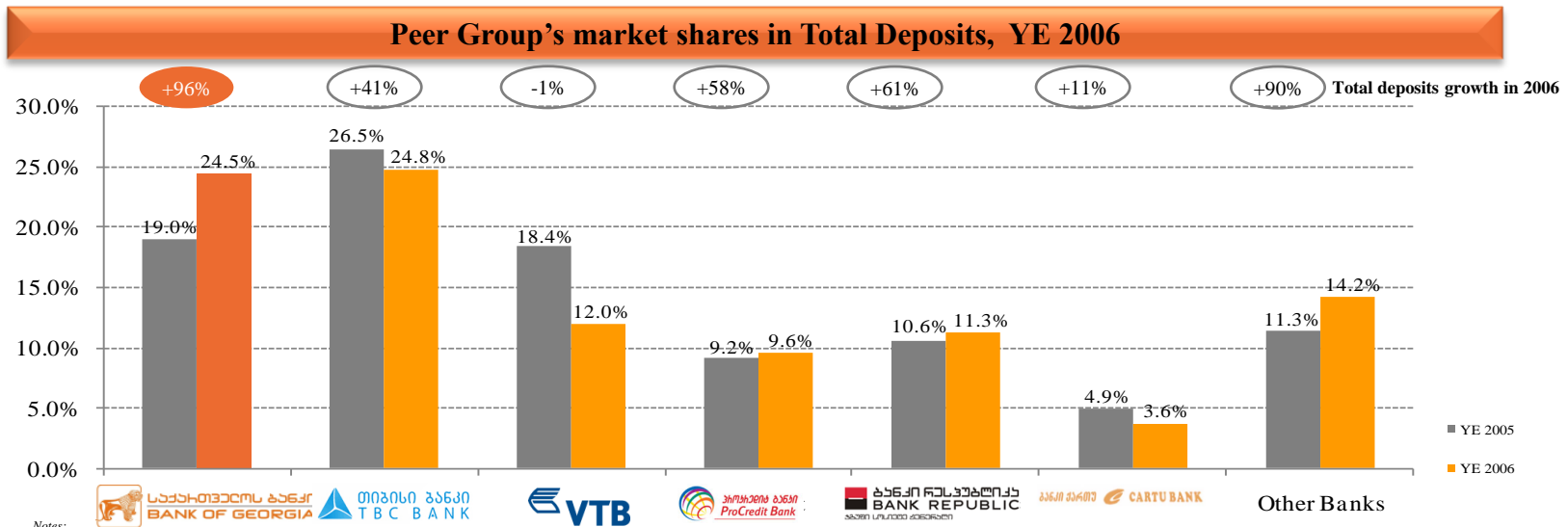
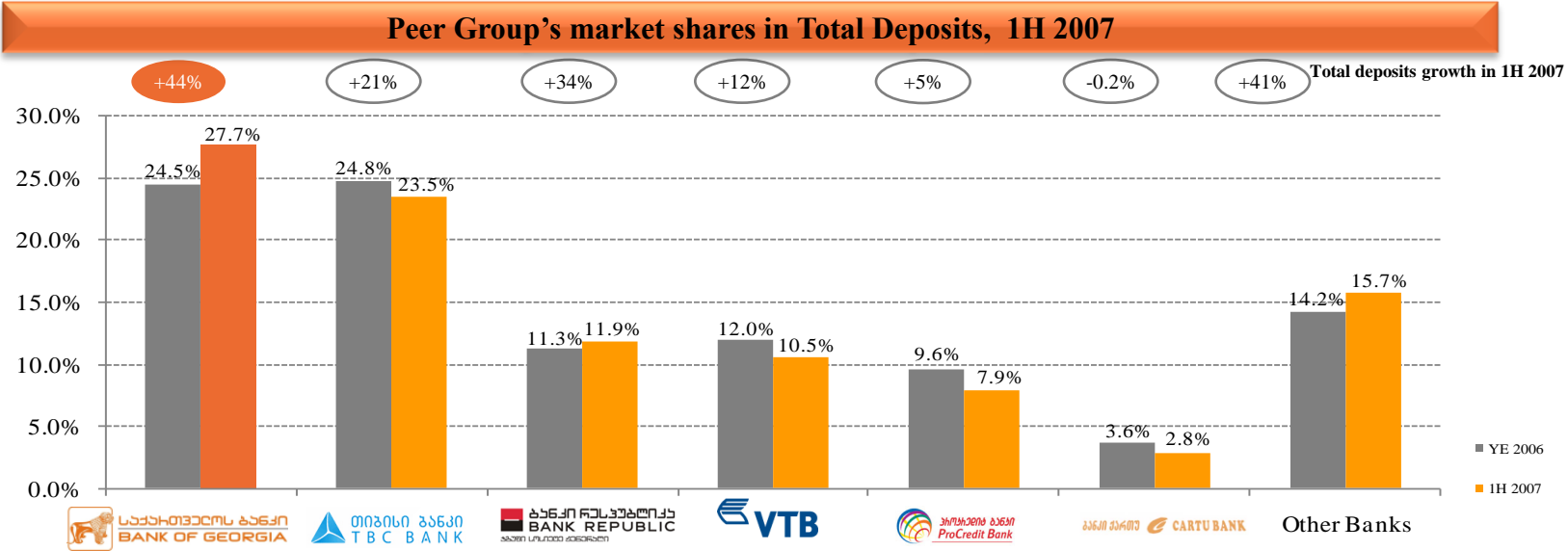
GEL/US\$

Period End

YE 2005= 1.79

YE 2006 = 1.71

1H 2007=1.67

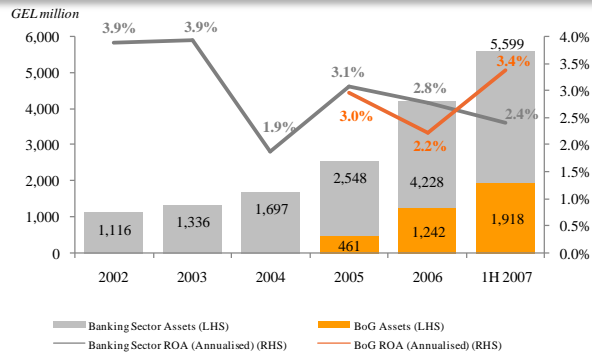


Notes:

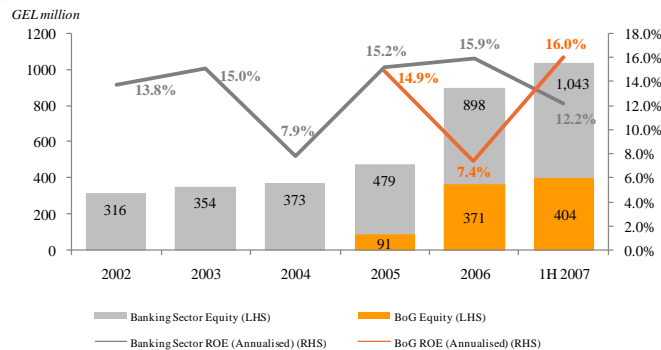
- (1) All data based on standalone accounts as reported to the National Bank of Georgia and as published by the National Bank of Georgia www.nbg.gov.ge
- (2) Change in peer group gross loans calculations based on GEL values

The Georgian Financial Services Sector – Overview cont'd

Banking Sector Assets & ROA



Banking Sector Equity & ROE



- ❏ Tough regulatory regime with pronounced safety bias suppresses sector ROE
 - ❏ CAR and prudential Liquidity requirements much higher than BIS
 - ❏ Mandatory reserves 13% on FX and 4% on GEL liabilities

- ❏ All other segments of the financial services sector small and dominated by banks, very open to foreign ownership

Insurance

- ❏ GPW of GEL 70 mln (0.5% of GDP) in 2006
- ❏ YOY growth rate of 26%
 - ❏ Health insurance growing rapidly
 - ❏ No mandatory insurance growth drivers
 - ❏ No salary schemes
- ❏ Bank-owned insurance companies account for 75%+ of GPW
- ❏ Top three insurance companies account for 70%+ of GPW
- ❏ **Aldagi BCI**, wholly-owned by BoG, has market share of approximately 36%

Leasing

- ❏ Small, non-bank funding constrained
- ❏ Two bank-owned companies dominate the market
- ❏ **Georgian Leasing Company**, wholly-owned by BoG, has market share of approximately 25%

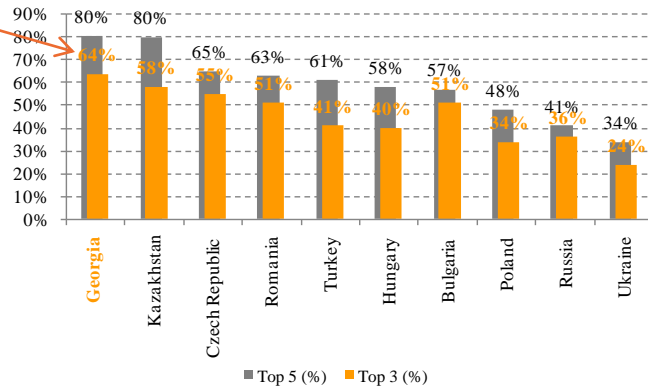
Broker-Dealers

- ❏ 2006 equities trading volume US\$99 mln, up 184% YOY
- ❏ Negligible local-currency fixed income issuance volumes
- ❏ Institutional investors increasingly active in the market, drive the volume
- ❏ **Galt & Taggart Securities**, wholly-owned by BoG, accounted for 62% of the equities trading volume in 1H 2007

Market Potential And High Degree Of Concentration

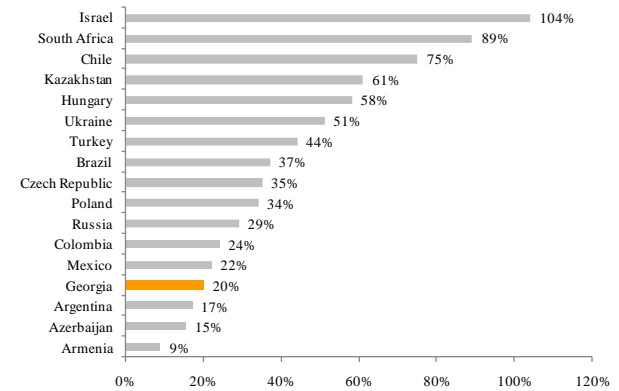
The highest degree of market concentration in CEE benefits large, entrenched domestic players

Market Shares of Top 5 & Top 3 Banks by Assets (2006)



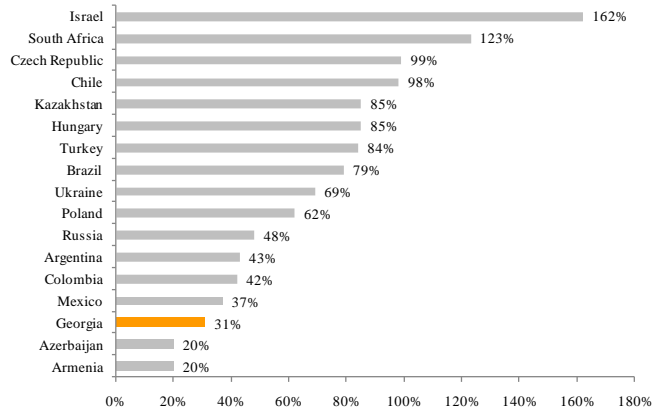
Note: data for Georgia as at 30 June 2007
Sources: National Bank of Georgia, CA IB

Gross Loans to GDP (% , 2006)



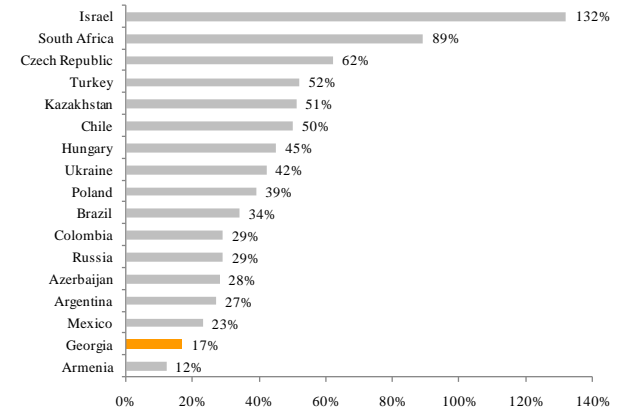
Source: National Bank of Georgia, National Bank of Ukraine, data from Deutsche Bank

Banking Assets to GDP (% , 2006)



Source: National Bank of Georgia, National Bank of Ukraine, Deutsche Bank

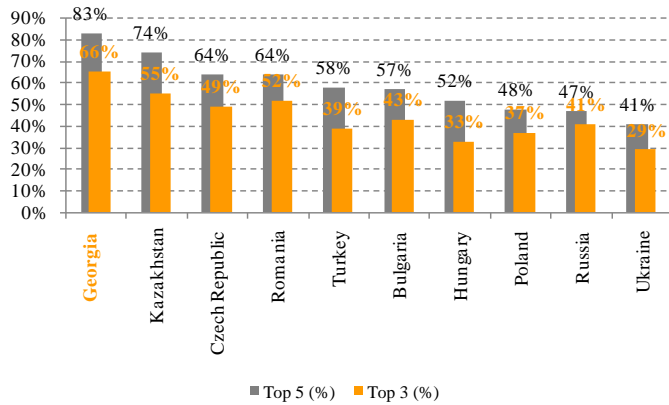
Deposits to GDP (% , 2006)



Source: National Bank of Georgia, National Bank of Ukraine, Deutsche Bank

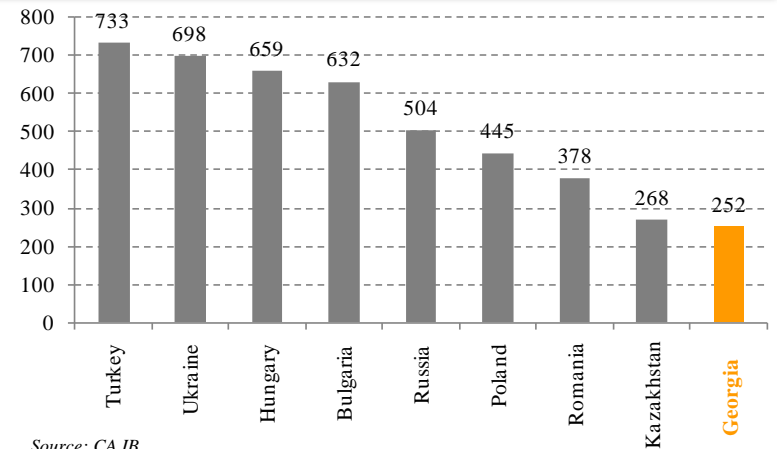
Georgian Banking Sector vs. Peer Countries

Market Shares of Top 5 & Top 3 Banks by Loans (2006)



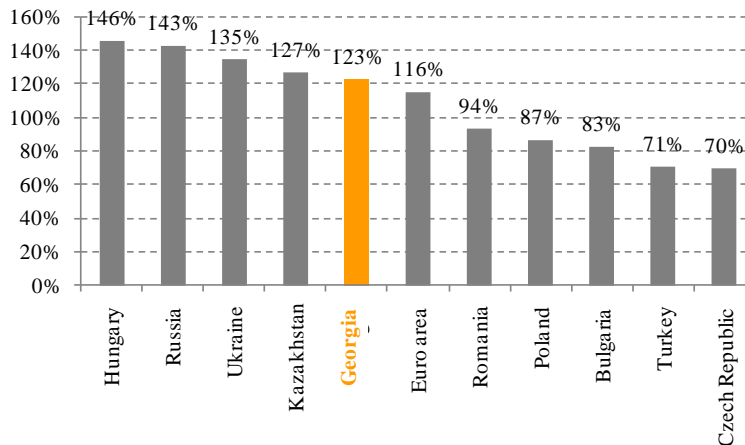
Note: data for Georgia as at 30 June 2007
Sources: National Bank of Georgia, CA IB

Debit Cards Per Thousands Of People (2006)



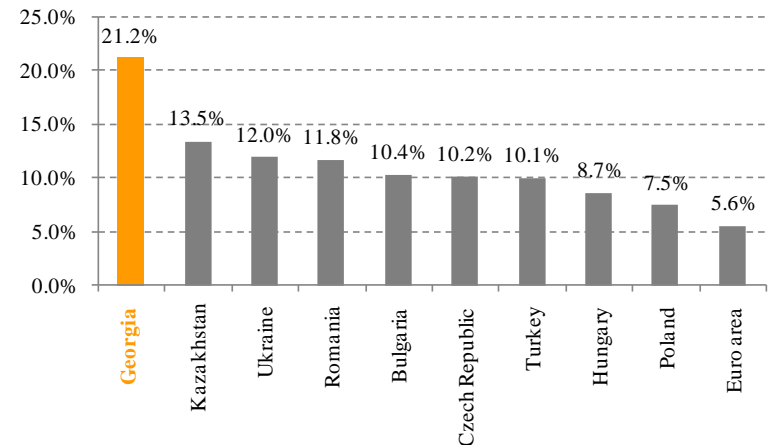
Source: CA IB

Loans/Deposits (2006)



Source: CA IB

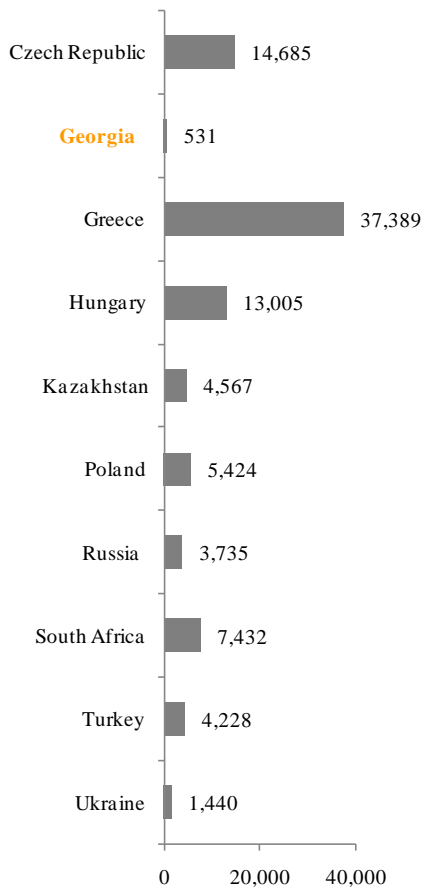
Banking Sector Equity As % Of Balance Sheet (2006)



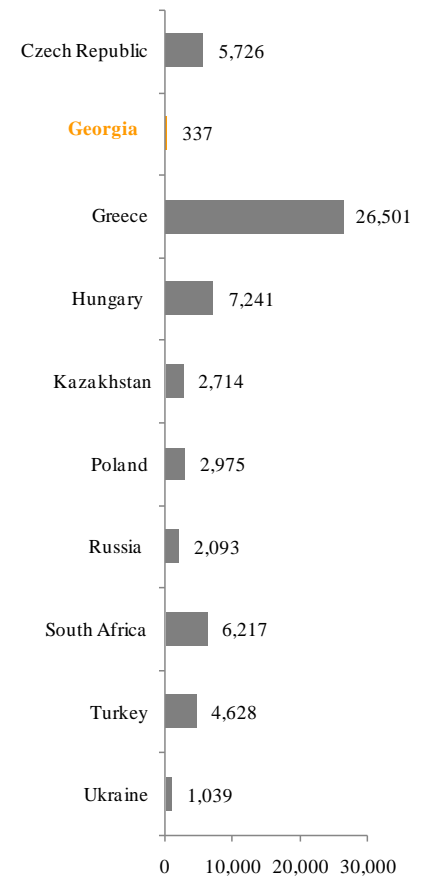
Source: CA IB

The Georgian Banking Sector In The Regional Context

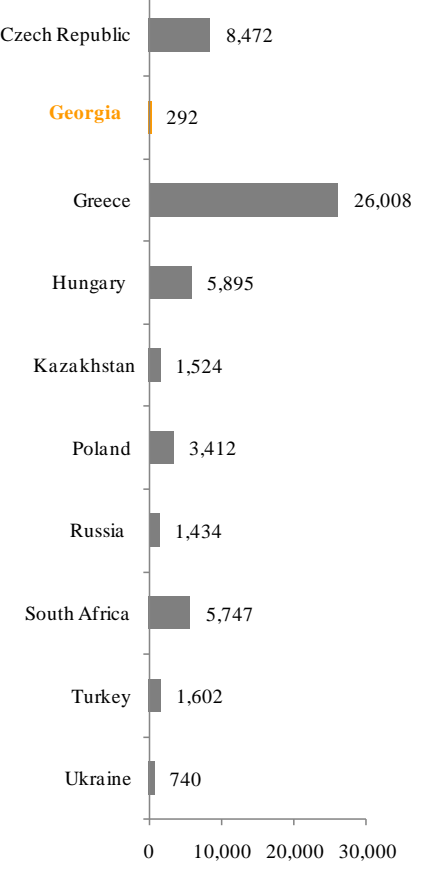
**Banking Assets Per Capita
YE 2006E (US\$)**



**Gross Loans Per Capita
YE 2006E (US\$)**



**Deposits Per Capita
YE 2006E (US\$)**



Source: Galt & Taggart Securities

The Georgian Economy

The Georgian Economy – Key Numbers

0%	Import tariff on almost all goods
#1	Reformer in the world in 2006 (according to World Bank)
4.4	Million people, plus approximately another 1 mln living and working abroad
6%	Remittances as % of GDP
8.8%	YOY CPI in 2006
9.4%	Real GDP growth in 2006
9.4%	Stock market capitalisation as % of GDP, but only 3.5% net of Bank of Georgia
12%	Flat personal income tax
13.4%	Net FDI as % of GDP in 2006
15%	Corporate income tax effective 1 January 2008 (reduced from 20%)
18th	Global Rank in the 2008 Ease of Doing Business Survey by World Bank
19.9%	Nominal appreciation of the Lari against US\$ since 1 Jan 2004
31%	Banking sector assets as % of GDP at YE 2006
35th	Global Rank in 2007 in the Heritage Foundation Economic Freedom Index
50+	Institutional investors with local brokerage and custody accounts (at least 45 of them with Galt & Taggart)
US\$68	All-in consumer debt per capita at YE 2006
US\$111	Average wage in 2006, similar to Russia in 2000 and Kazakhstan in 2001
80%+	Share of top five banks by assets
US\$233	Million assets of institutional and private investors under custody at the Bank of Georgia group
295%	Increase in budget revenues since 2003
1250%	Bank of Georgia share price appreciation since October 2004
US\$2,000	Approximate GDP per capita 2007F ; US\$3,891 on a PPP-adjusted basis
7,200	Categories of goods Georgia can export duty- and tariff-free to EU & Turkey under the GSP+ regime

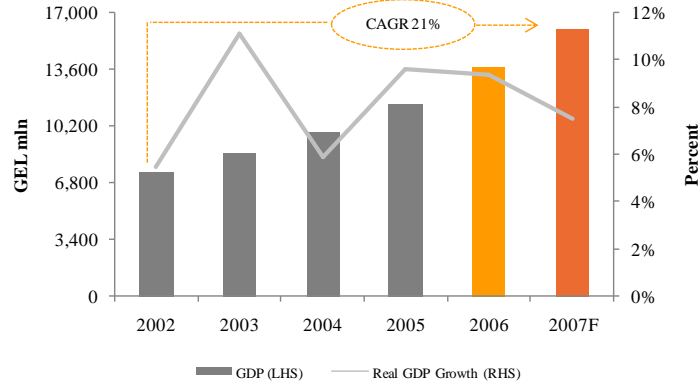
The Georgian Economy At A Glance

	2003	2004	2005	2006
Economic Activity				
Nominal GDP (US\$ mln)	3,995	5,166	6,401	7,778
Nominal GDP (GEL mln)	8,582	9,846	11,629	13,784
Real GDP Growth (y-o-y; %)	11.1	5.9	9.3	9.4
GDP per Capita (US\$)	877	1,139	1,416	1,763
Population (e-o-p; mln)	4.6	4.5	4.5	4.4
Unemployment (%)	11.5	12.6	13.8	12.5
Implied average GEL/US\$ rate	2.15	1.92	1.81	1.71
Inflation				
CPI (year-end; %)	7.0	7.5	6.2	8.8
CPI (average; %)	4.8	5.7	8.2	9.2
GDP Deflator (y-o-y; %)	3.3	8.1	8.1	8.5
External Balances				
Total Exports (FOB; US\$ mln)	1,273	1,631	2,168	2,552
Total Imports (CIF; US\$ mln)	1,856	2,491	3,312	4,410
Trade Balance (US\$, mln)	(636)	(916)	(1,214)	(2,019)
Balance of Services (US\$, mln)	53	56	70	162
Current Transfers (US\$, mln)	181	414	359	521
Income (US\$, mln)	31	98	91	175
Current Account Balance (US\$, mln)	(371)	(348)	(693)	(1,162)
<i>As % of GDP</i>	<i>9.3</i>	<i>6.7</i>	<i>10.8</i>	<i>14.9</i>
Capital Account Balance (US\$ mln)	378	524	790	1,532
Net FDI (US\$ mln)	336	490	539	1,044
<i>As % of GDP</i>	<i>8.4</i>	<i>9.5</i>	<i>8.4</i>	<i>13.4</i>
Gross FX Reserves (including Gold and SDRs; US\$ mln)	192	384	475	931
Import Cover (Gross FX Reserves as Days of Imports)	38	56	52	77
Fiscal Balance and Debt Indicators				
State Budget Revenues (GEL mln)	956	1,773	2,608	3,773
State Budget Expenditures (GEL mln)	1,119	1,924	2,617	3,821
Budget Balance (GEL; mln)	(163)	(151)	(9)	(48)
<i>as % of GDP</i>	<i>(1.9)</i>	<i>(1.5)</i>	<i>(0.1)</i>	<i>(0.3)</i>
Consolidated Budget Revenues (GEL mln)	1,320	2,282	3,257	4,430
Consolidated Budget Expenditures (GEL mln)	1,522	2,412	3,281	4,464
Budget Balance (GEL; mln)	(202)	(130)	(24)	(34)
<i>as % of GDP</i>	<i>(2.4)</i>	<i>(1.3)</i>	<i>(0.2)</i>	<i>(0.2)</i>
Foreign Debt (US\$ mln)	1,754	1,762	1,651	1,604
<i>Foreign Debt (% of GDP)</i>	<i>43.9</i>	<i>34.1</i>	<i>25.8</i>	<i>20.6</i>
Revenues as % of GDP	11.1%	18.0%	22.4%	27.4%
Exchange Rate				
GEL:USD (e-o-p)	2.08	1.83	1.79	1.71
GEL/US\$ (period average)	2.15	1.92	1.81	1.78

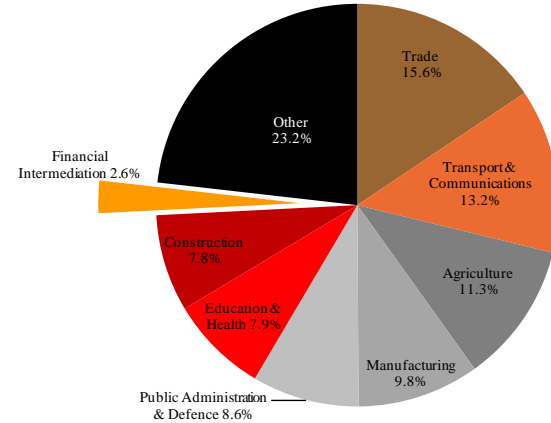
Source: Galt & Taggart Securities' estimates and projections, Ministry of Economic Development, Ministry of Finance, State Statistics Department, the National Bank of Georgia

The Georgian Economy cont'd

Gross Domestic Product



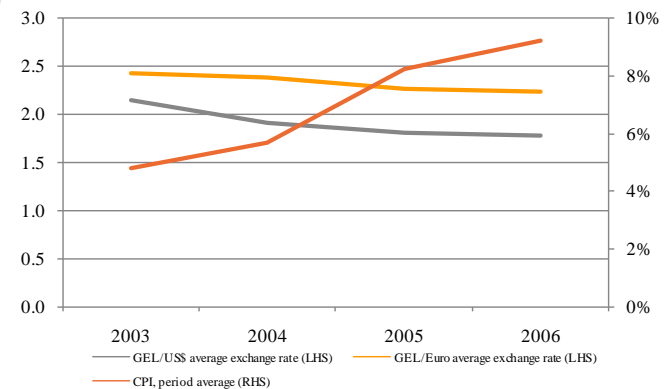
Components of GDP, 2006



2006

Sector	Contribution to Growth, %	Growth Y-O-Y	Share in GDP
Trade	3.1	19.7%	15.6%
Manufacturing	2.2	22.4%	9.8%
Transport	1.4	15.1%	9.2%
Financial Intermediation	1.1	40.4%	2.6%
Construction	0.8	9.9%	7.8%
Communications	0.5	11.9%	4.0%
Electricity, Gas & Water Supply	0.4	14.2%	3.1%
Restaurant & Hotel Services	0.3	11.7%	2.5%
Gross Domestic Product Growth	...	9.5%	...

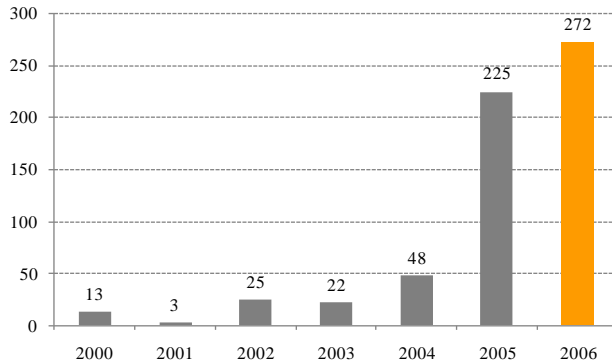
GEL/US\$ Exchange Rate & CPI



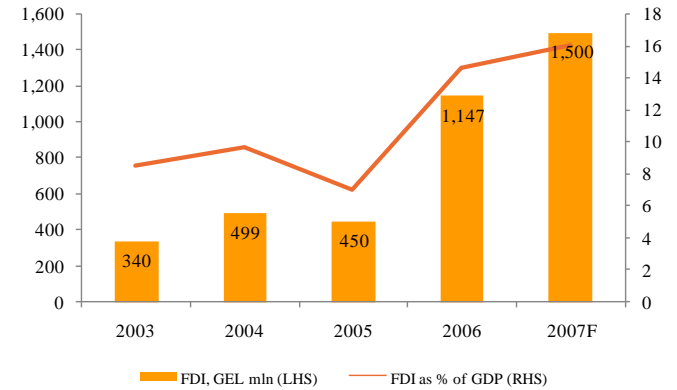
Source: International Monetary Fund, Ministry of Economic Development, State Statistics Department, the National Bank of Georgia

The Georgian Economy cont'd

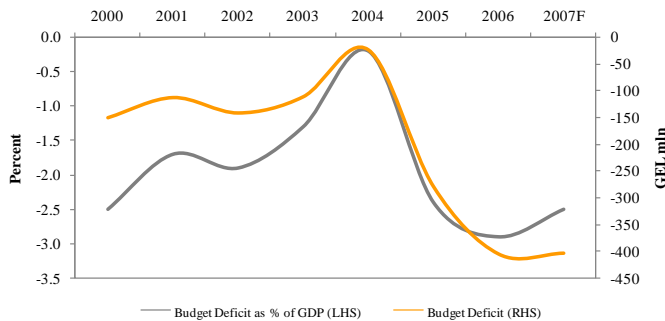
Privatization, 2000-2006



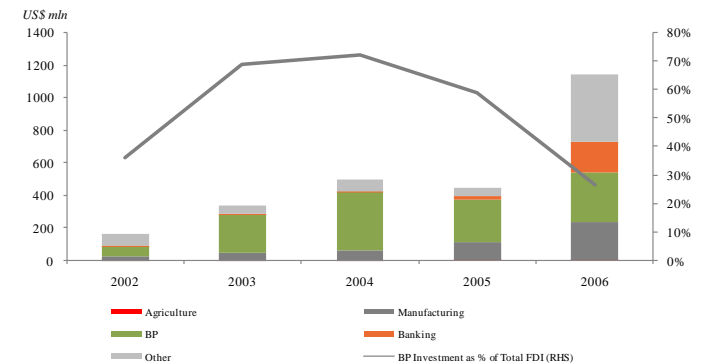
FDI, 2000-2007F



Budget Deficit, 2000-2007



FDI Breakdown, 2000-2006

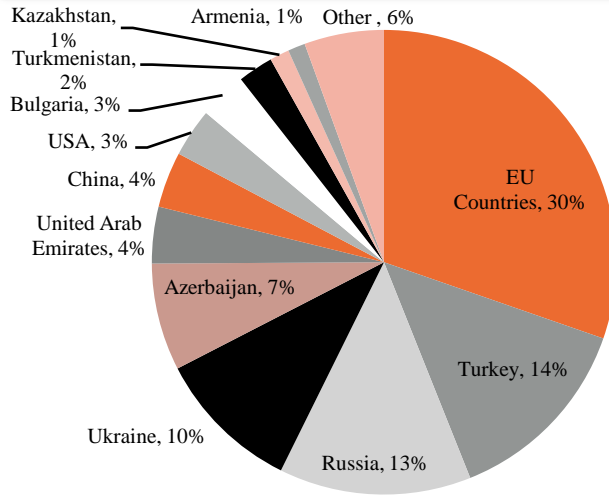


Source: IMF, Georgian National Investment Agency, the National Bank of Georgia, Galt & Taggart Securities' estimates

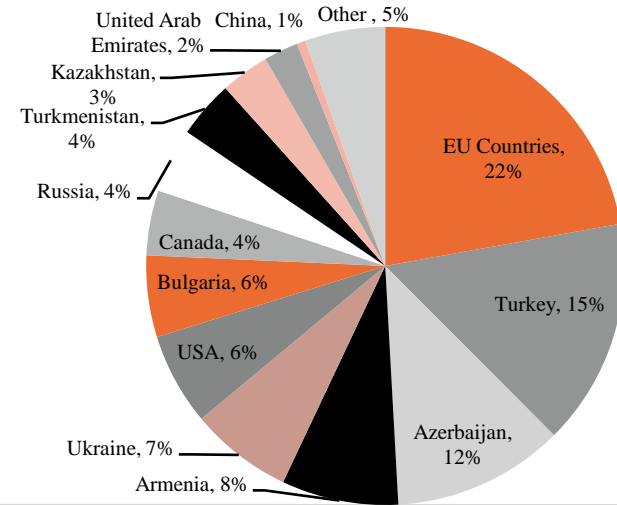
Trade Structure

- ✦ WTO member since 2001
- ✦ No quantitative restrictions on trade
- ✦ Simplified customs regime since August 2006, new customs code becomes effective in January 2007
- ✦ One of the two beneficiaries of the EU GSP+ Scheme in the CIS since 2006, granting duty-free export for 7,200 various products
- ✦ As of January 2006 Georgia obtained GSP+ status with Turkey

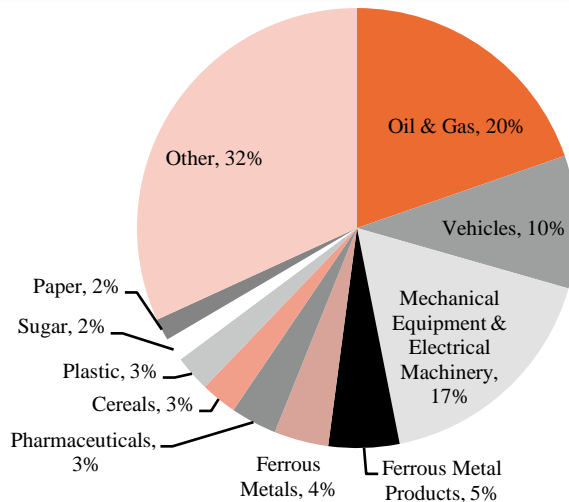
Import Structure by Country, 1H 2007



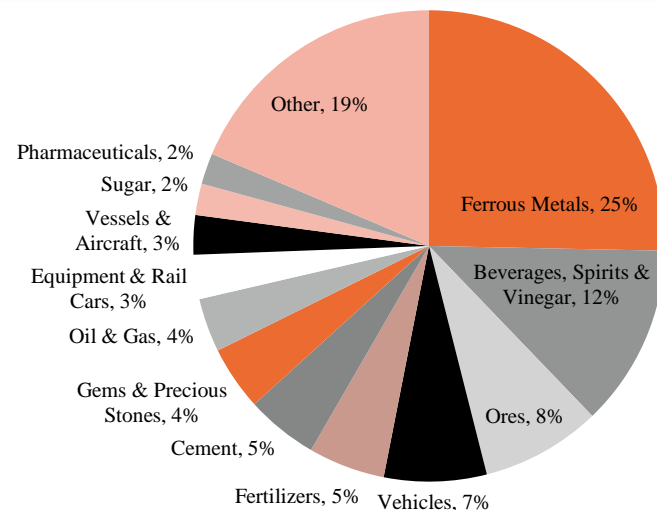
Export Structure by Country, 1H 2007



Import Structure by Product, 1H 2007



Export Structure by Product, 1H 2007



Key Drivers Of Economic Growth

Export-led growth with sufficient diversity

- ✦ **Agricultural product** exports of estimated US\$136m in 2006 (US\$143m in 2005)
- ✦ **Ferroalloy** exports of US\$305m in 2005 and estimated US\$337m in 2006
- ✦ **Aircraft, rail car, vessels and vehicles** exports of US\$186m in 2005 and estimated US\$241m in 2006
- ✦ **Fertilizers** exports of US\$61m in 2005 and estimated US\$81m in 2006
- ✦ **Machinery** exports of US\$64m in 2005 and estimated US\$129m in 2006
- ✦ **Oil and gas pipelines**
 - ✦ **Russia-Georgia-Armenia gas pipeline** – 5.8 bcm/year
 - ✦ **Shah-Deniz (BTE) gas pipeline** - 6.6 bcm/year
 - ✦ **Iran-Azerbaijan-Georgia (IAG) gas pipeline** – 3.5 bcm/year
 - ✦ **Baku-Supsa oil pipeline** – 5.75 mt/year
 - ✦ **Baku-Tbilisi-Ceyhan (BTC) oil pipeline** - 50 mt/year
- ✦ **Batumi and Poti** ports processed in 2005 7.5m tons of cargo and up to 14.0m tons of crude oil 2005
- ✦ **Kulevi** oil terminal operational in September 2007
- ✦ Georgian Railway processed 22.7 mln tons of cargo in 2006
- ✦ The construction of **Baku-Akhalkalaki-Kars** railroad to commence in 2007
- ✦ **Tbilisi** and **Batumi** international airports renovated in 2006-2007
- ✦ **Dubai Ports World** negotiating the establishment of a free economic zone near Poti

Rapidly increasing domestic consumption

- ✦ High consumer confidence
- ✦ Consumer spending in 2005 - US\$3.2bn
- ✦ Total estimated pent-up housing demand of up to US\$1.6bn
 - ✦ Estimated average household size of 3.7, far higher than in most CEE/CIS peers
 - ✦ New construction has not caught up with the cumulative deterioration of the Soviet-built housing stock
 - ✦ Less than 10,000 households have mortgages
- ✦ Consumer debt per capita stood at US\$68 as of 31 December 2006
- ✦ Organized retail trade (supermarkets, hypermarkets, consumer electronics & white goods, etc) account for a low share of total
 - ✦ Accelerating growth of new store openings as consumers' purchasing habits evolve
 - ✦ Estimated US\$1.7bn (26% of GDP) investment in fixed assets in 2005

Economic Growth is Supported by

- ✦ Net FDI as of 31 December 2006 was US\$1.1 bln
- ✦ Increased international borrowing by corporates estimated at US\$260m in 2006
- ✦ Net Remittances in 2006 were US\$618mln (US\$488 mln in 2005)
- ✦ Increasing consumer spending
- ✦ Sustained government spending
- ✦ Further development of the transport & logistics infrastructure

Source: Ministry of Economic Development, Ministry of Finance, State Statistics Department

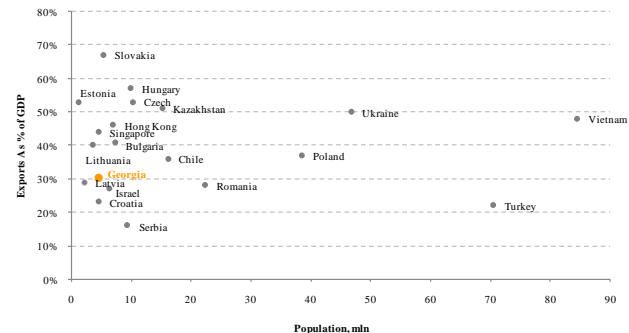
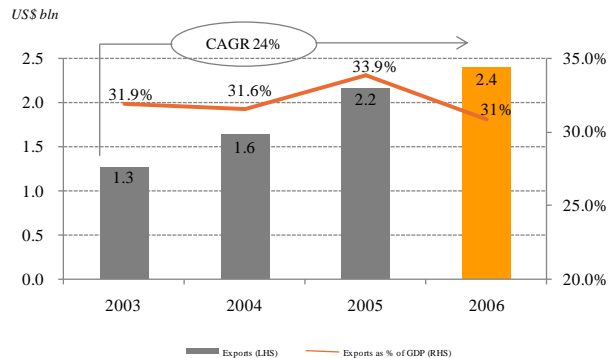
The Georgian Economy – Key Risks & Challenges

⚡ Key risks

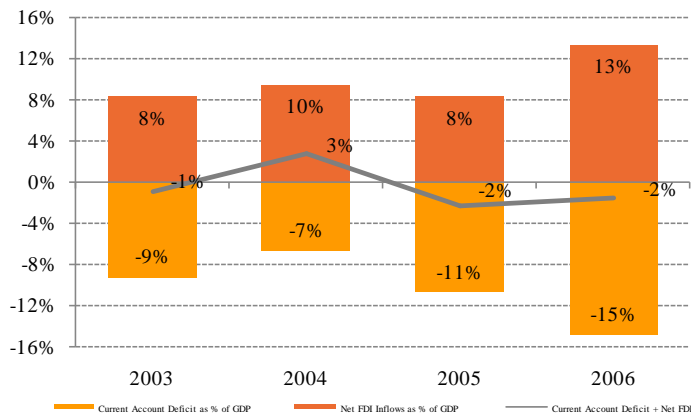
- ⚡ **Complacency and hubris** – so much has been accomplished in such a short period; sustained reform drive is key
- ⚡ **Overheating** – tight monetary policy and fiscal discipline are key to steering the economy through the current high growth phase

⚡ Key challenges

- ⚡ **Expansion of the export base**, especially in manufacturing and food processing



⚡ FDI inflows sustained at the current very high level, including into export-driven industries



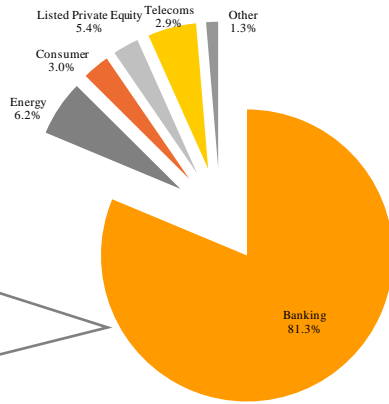
Source: Galt & Taggart Securities' estimates and projections, State Statistics Department, the National Bank of Georgia, ING, December 2006

Note: Exports as % of GDP data for Georgia is as of December 2006, for Czech Republic, Poland, Russia, Romania and Turkey as of 2005, other countries' data as of 2004

Equity Market Structures – GTI vs. MSCI Index Composition

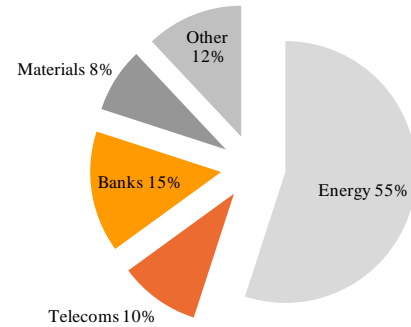
Banking is the only investable sector in Georgia, with Consumer Goods (including export-driven) expected to gain ground in 2007-2008

Galt & Taggart Index – Sector Split



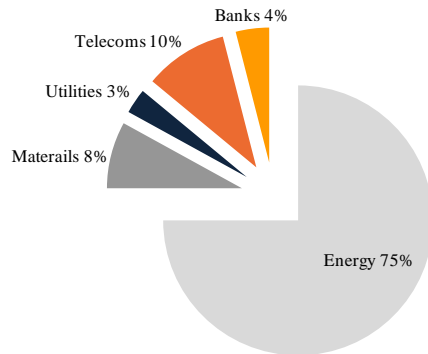
Source: Galt & Taggart Securities, March 2007

MSCI Emerging Europe - Sector Split



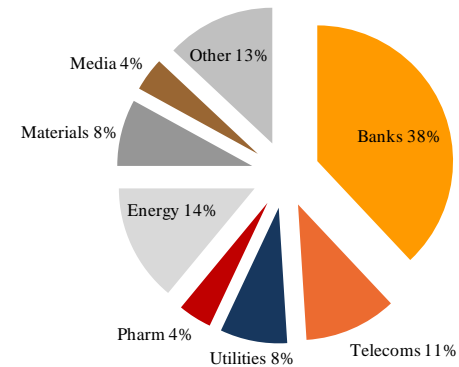
Source: ING, December 2006

MSCI Russia – Sector Split



Source: ING, December 2006

MSCI Emerging Europe Ex-Russia - Sector Split



Source: ING, December 2006

Bank of Georgia 1H 2007 Financials

Income Statement Data

Period Ended	1H 2007		1H 2006		Change ³
Consolidated, IFRS Based <i>000s, unless otherwise noted</i>	US\$ ¹	GEL	US\$ ²	GEL	Y-O-Y
	(Unaudited)		(Unaudited)		
Interest Income	59,377	99,130	21,655	38,393	158.2%
Interest Expense	25,267	42,183	7,049	12,498	237.5%
Net Interest Income	34,110	56,946	14,605	25,895	119.9%
Fee & Commission Income	7,834	13,079	4,675	8,288	57.8%
Fee & Commission Expense	932	1,555	612	1,085	43.4%
Net Fee & Commission Income	6,903	11,524	4,063	7,204	60.0%
Income From Documentary Operations	1,807	3,016	1,237	2,194	37.5%
Expense On Documentary Operations	601	1,003	327	580	72.9%
Net Income From Documentary Operations	1,206	2,013	910	1,613	24.8%
Net Foreign Currency Related Income	6,197	10,346	2,626	4,656	122.2%
Net Insurance Income	2,110	3,523	1,689	2,995	17.6%
Brokerage Income	911	1,521	467	828	83.8%
Asset Management Income	-	-	-	-	NMF ⁴
Realised Net Investment Gains (Losses)	1,840	3,072	217	384	699.4%
Other	2,552	4,261	788	1,398	204.8%
Net Other Non-Interest Income	7,414	12,377	3,161	5,605	120.8%
Net Non-Interest Income	21,719	36,261	10,760	19,078	90.1%
Total Operating Income (Revenue)	55,829	93,207	25,366	44,973	107.3%
Personnel Costs	10,460	17,462	5,656	10,028	74.1%
Selling, General & Administrative Costs	5,934	9,906	2,749	4,873	103.3%
Procurement & Operations Support Expenses	2,693	4,496	1,216	2,157	108.5%
Depreciation & Amortization	2,540	4,241	1,427	2,530	67.6%
Other Operating Expenses	518	866	378	670	29.3%
Total Recurring Operating Costs	22,145	36,970	11,425	20,257	82.5%
Normalized Net Operating Income	33,685	56,237	13,940	24,716	127.5%
Net Non-Recurring Income (Costs)	1,157	1,932	-690	(1,223)	NMF ⁴
Profit Before Provisions & Bonuses	34,842	58,169	13,251	23,493	147.6%
Provisions For Loan Losses	4,409	7,360	4,162	7,380	-0.3%
Recovery Of Loans	1,462	2,442	166	295	728.6%
Provisions For (Recovery Of) Other Assets	(69)	(116)	(652)	(1,155)	-90.0%
Net Provision Expense	2,877	4,803	3,345	5,930	-19.0%
Pre-Bonus Result	31,965	53,366	9,906	17,563	203.9%
Bonuses & Share Based Compensation Expenses	7,736	12,915	1,875	3,324	288.5%
Pre-Tax Income	24,230	40,452	8,031	14,239	184.1%
Income Tax Expenses	4,851	8,099	1,811	3,211	152.2%
Net Income	19,379	32,352	6,220	11,028	193.4%
Weighted Average Shares Outstanding (000s)		25,258		15,499	
Diluted Number of Shares Period End (000s)		27,248		15,925	
EPS (Basic)	0.77	1.28	0.40	0.71	80.0%
EPS (Diluted)	0.71	1.19	0.39	0.69	71.5%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6695 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 30 June 2007

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.7730 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 30 June 2006

³ Growth calculations based on GEL values

⁴ Not meaningful

Balance Sheet Data

Consolidated, IFRS Based 000s, unless otherwise noted	30-Jun-07	GEL	Growth ² YTD	31-Dec-06	GEL	Growth ⁴ Y-O-Y	30-Jun-06	GEL
	US\$ ¹ (Unaudited)			US\$ ³ (Audited)			US\$ ⁵ (Unaudited)	
Cash & Cash Equivalents	58,055	96,922	-10.1%	62,917	107,809	5.3%	51,897	92,014
Loans & Advances To Credit Institutions	149,545	249,666	279.9%	38,349	65,711	289.8%	36,126	64,052
Mandatory Reserve With NBG	39,254	65,534	6.6%	35,869	61,461	66.2%	22,238	39,428
Other Accounts With NBG	46,072	76,918	32492.4%	138	236	377.8%	9,080	16,098
Balances With & Loans To Other Banks	64,219	107,214	2571.0%	2,343	4,014	1157.5%	4,809	8,526
Available-For-Sale Securities	4,244	7,085	28.0%	3,230	5,534	210.3%	1,288	2,283
Treasuries & Equivalents	34,288	57,244	-69.4%	109,276	187,244	NMF ⁶	-	-
Other Fixed Income Instruments	140,610	234,748	5292.8%	2,540	4,353	NMF ⁶	-	-
Gross Loans To Clients	634,440	1,059,197	48.1%	417,310	715,061	123.1%	267,739	474,701
Less: Reserve For Loan Losses	(13,878)	(23,170)	9.7%	(12,330)	(21,128)	-4.2%	(13,635)	(24,174)
Net Loans To Clients	620,561	1,036,027	49.3%	404,980	693,933	130.0%	254,104	450,527
Investments In Other Business Entities, Net	14,255	23,799	1844.4%	714	1,224	2484.0%	519	921
Property & Equipment Owned, Net	71,093	118,690	77.6%	39,001	66,828	144.7%	27,360	48,510
Intangible Assets Owned, Net	1,779	2,970	-5.7%	1,838	3,150	63.5%	1,024	1,816
Goodwill	25,880	43,206	7.3%	23,507	40,279	84.4%	13,218	23,436
Tax Assets - Current & Deferred	1,273	2,125	NMF ⁶	-	-	587.7%	174	309
Prepayments & Other Assets	27,165	45,350	21.7%	21,746	37,261	43.2%	17,860	31,666
Total Assets	1,148,747	1,917,832	58.1%	708,098	1,213,326	168.0%	403,572	715,534
Client Deposits	495,945	827,981	47.9%	326,610	559,646	86.1%	250,924	444,889
Deposits & Loans From Banks	32,650	54,510	6201.7%	505	865	308.9%	7,518	13,330
Borrowed Funds	312,803	522,225	133.6%	130,444	223,516	317.9%	70,490	124,978
Insurance Related Liabilities	15,261	25,478	230.9%	4,493	7,699	356.4%	3,148	5,582
Issued Fixed Income Securities	790	1,319	22.9%	626	1,073	-1.0%	752	1,333
Tax Liabilities - Current & Deferred	7,837	13,084	60.8%	4,749	8,138	363.2%	1,593	2,825
Accruals & Other Liabilities	41,466	69,228	84.5%	21,903	37,531	339.4%	8,886	15,754
Total Liabilities	906,754	1,513,825	80.5%	489,331	838,468	148.7%	343,311	608,691
Ordinary Shares	15,157	25,304	0.4%	14,708	25,202	63.4%	8,735	15,488
Share Premium	149,460	249,523	-10.1%	161,914	277,440	567.5%	21,085	37,383
Treasury Shares	(732)	(1,222)	21.7%	(586)	(1,004)	688.4%	(87)	(155)
Retained Earnings	37,541	62,675	69.5%	21,578	36,974	49.2%	23,699	42,019
Revaluation & Other Reserves	17,120	28,582	443.7%	3,068	5,257	NMF ⁶	-	-
Net Income For The Period	19,378	32,352	20.8%	15,624	26,772	193.4%	6,220	11,028
Shareholders' Equity Excluding Minority Interest	237,924	397,214	7.2%	216,306	370,641	275.6%	59,652	105,763
Minority Interest	4,069	6,793	61.1%	2,461	4,217	529.0%	609	1,080
Total Shareholders' Equity	241,993	404,007	7.8%	218,767	374,858	278.1%	60,261	106,843
Total Liabilities & Shareholders' Equity	1,148,747	1,917,832	58.1%	708,098	1,213,326	168.0%	403,572	715,534
Shares Outstanding		25,304,087			25,202,009			15,537,891
Book Value Per Share	9.57	15.97	7.4%	8.68	14.87	131.4%	3.89	6.90

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6695 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 30 June 2007

² Compared to 31 December 2006; growth calculations based on GEL values

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7135 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2006

⁴ Compared to the same period in 2006; growth calculations based on GEL values

⁵ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7730 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 30 June 2006

⁶ Not meaningful

Key Ratios

	1H 2007	2006	1H 2006
Profitability Ratios			
ROAA, ¹ Annualised for 1H	3.9%	3.4%	3.5%
ROA, Annualised for 1H	3.4%	2.2%	3.1%
ROAE, ² Annualised for 1H	16.6%	16.5%	22.0%
ROE, Annualised for 1H	16.0%	7.1%	20.6%
Interest Income To Average Interest Earning Assets, ³ Annualised for 1H.....	14.6%	16.7%	15.6%
Cost Of Funds, ⁴ Annualised for 1H.....	7.2%	5.8%	4.9%
Net Spread ⁵	7.5%	10.9%	10.7%
Net Interest Margin ⁶ Annualised for 1H	8.4%	11.1%	10.5%
Net Interest Margin, Normalised, ⁷ Annualised for 1H	8.4%	10.6%	9.4%
Loan Yield ⁸	21.0%	17.4%	15.9%
Interest Expense To Interest Income.....	42.6%	33.5%	32.6%
Net Non-Interest Income To Average Total Assets, Annualised for 1H.....	4.4%	5.8%	6.0%
Net Non-Interest Income To Revenue ⁹	38.9%	40.4%	42.4%
Net Fee And Commission Income To Average Interest Earning Assets, ¹⁰ Annualised for 1H.....	1.7%	3.1%	2.9%
Net Fee And Commission Income To Revenue.....	12.4%	16.5%	16.0%
Operating Leverage ¹¹	13.9%	18.8%	NMF
Total Operating Income (Revenue)/Total Assets, Annualised for 1H.....	9.7%	9.2%	12.6%
Recurring Earning Power, ¹² Annualised for 1H.....	7.0%	7.7%	7.4%
Net Income To Revenue.....	34.7%	23.9%	24.5%
Efficiency Ratios			
Operating Cost To Average Total Assets, ¹³ Annualised for 1H.....	4.5%	6.8%	6.3%
Cost To Average Total Assets, ¹⁴ Annualised for 1H.....	5.8%	8.2%	7.8%
Cost / Income ¹⁵	51.4%	56.7%	55.2%
Cost /Income Normalised ¹⁶	53.5%	55.9%	52.4%
Cash Cost/Income ¹⁷	46.9%	51.4%	49.5%
Cost / Income, Bank of Georgia, Standalone ¹⁸	48.3%	51.2%	52.2%
Total Employee Compensation Expense To Revenue ¹⁹	32.6%	29.7%	29.7%
Total Employee Compensation Expense To Cost.....	63.3%	52.5%	53.8%
Total Employee Compensation Expense To Average Total Assets, Annualised for 1H.....	3.7%	4.3%	4.2%

Note: All annualised numbers presented throughout have been annualised by dividing Income Statement component by the number of months in the period multiplied by twelve.

Key Ratios cont'd

	1H 2007	2006	1H 2006
Liquidity Ratios			
Net Loans To Total Assets ²⁰	54.0%	57.2%	63.0%
Average Net Loans To Average Total Assets.....	52.7%	61.3%	60.5%
Interest Earning Assets To Total Assets.....	82.3%	78.4%	75.9%
Average Interest Earning Assets To Average Total Assets.....	81.6%	77.3%	77.2%
Liquid Assets To Total Assets ²¹	30.2%	25.0%	16.6%
Net Loans To Client Deposits.....	125.1%	124.0%	101.3%
Average Net Loans To Average Client Deposits.....	129.7%	113.4%	101.0%
Net Loans To Total Deposits ²²	117.4%	123.8%	98.3%
Net Loans To Total Liabilities.....	68.4%	82.8%	74.0%
Total Deposits To Total Liabilities.....	58.3%	66.8%	75.3%
Client Deposits To Total Deposits.....	93.8%	99.8%	97.1%
Client Deposits To Total Liabilities.....	54.7%	66.7%	73.1%
Current Account Balances To Client Deposits.....	56.4%	54.4%	56.8%
Demand Deposits To Client Deposits.....	10.0%	6.4%	6.6%
Time Deposits To Client Deposits.....	33.7%	39.2%	36.6%
Total Deposits To Total Assets.....	46.0%	46.2%	64.0%
Client Deposits To Total Assets.....	43.2%	46.1%	62.2%
Client Deposits To Total Equity (times) ²³	2.05	1.49	4.16
Due From Banks / Due To Banks ²⁴	458%	7597%	481%
Leverage (times) ²⁵	3.7	2.2	5.7
Asset Quality			
NPLs (in GEL) ²⁶	18,012	16,266	26,957
NPLs to Gross Loans ²⁷	1.7%	2.3%	5.7%
Cost of Risk ²⁸	1.1%	2.7%	2.9%
Cost of Risk, Normalised ²⁹	1.1%	2.2%	2.4%
Reserves for Loan Losses to Gross Loans ³⁰	2.2%	3.0%	5.1%
NPL Coverage ratio ³¹	128.6%	129.9%	89.7%
Equity to average net loans to clients.....	46.1%	78.8%	27.7%
Total Equity To Net Loans.....	39.0%	54.0%	23.7%

Note: All annualised numbers presented throughout have been annualised by dividing Income Statement component by the number of months in the period multiplied by twelve.

Key Ratios cont'd

	1H 2007	2006	1H 2006
Capital Adequacy:			
Equity To Total Assets.....	21.1%	30.9%	14.9%
BIS Tier I Capital Adequacy Ratio ³²	24.7%	44.9%	16.1%
BIS Total Capital Adequacy Ratio ³³	24.5%	41.8%	19.0%
NBG Tier I Capital Adequacy Ratio ³⁴	15.8%	23.2%	8.9%
NBG Total Capital Adequacy Ratio ³⁵	19.2%	28.5%	9.1%
Per Share Values:			
Basic EPS (GEL) ³⁶	1.28	1.62	0.71
Basic EPS (US\$).....	\$0.77	\$0.89	\$0.40
Diluted EPS (GEL) ³⁷	1.19	0.98	0.69
Diluted EPS (US\$).....	\$0.71	\$0.54	\$0.39
Book Value Per Share (GEL) ³⁸	15.97	14.87	6.90
Book Value Per Share (US\$).....	\$9.56	\$8.14	\$3.89
Ordinary Shares Outstanding - Weighted Average, Basic.....	25,258,491	16,505,701	15,499,175
Ordinary Shares Outstanding - Period End.....	25,304,087	25,202,009	15,537,891
Ordinary Shares Outstanding – Diluted.....	27,248,162	27,229,418	15,924,560
Selected Operating Data:			
Full Time Employees (FTE).....	2,796	2,226	1,557
FTEs, Bank of Georgia Standalone.....	2,103	1,601	1,326
Total Assets per FTE (GEL Thousands).....	686	558	460
Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands).....	912	776	540
Branches.....	105	100	72
ATMs.....	166	124	51
Plastic Cards (Thousands).....	432	286	121
POS Terminals.....	616	471	237

Note: All annualised numbers presented throughout have been annualised by dividing Income Statement component by the number of months in the period multiplied by twelve.

Key Ratios cont'd

	1H 2007	2006	1H 2006
Per Share Values:			
Basic EPS (GEL) ³⁶	1.28	1.62	0.72
Basic EPS (US\$)	\$0.77	\$0.89	\$0.41
Fully Diluted EPS (GEL) ³⁷	1.19	0.98	0.69
Fully Diluted EPS (US\$).....	\$0.71	\$0.54	\$0.39
Book Value Per Share (GEL) ³⁸	15.97	14.87	6.90
Book Value Per Share (US\$)	\$9.56	\$8.14	\$3.89
Ordinary Shares Outstanding - Weighted Average, Basic.....	25,258,491	16,505,701	15,339,059
Ordinary Shares Outstanding - Period End.....	25,304,087	25,202,009	15,537,891
Ordinary Shares Outstanding - Fully Diluted	27,248,162	27,229,418	15,924,560
Selected Operating Data:			
Full Time Employees (FTE).....	2,796	2,226	1,557
FTEs, Bank of Georgia Standalone.....	2,103	1,601	1,326
Total assets per FTE (GEL Thousands)	686	558	460
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Plastic Cards (Thousands).....	432	286	121
POS Terminals.....	616	471	237

Note: All annualised numbers presented throughout have been annualised by dividing Income Statement component by the number of months in the period multiplied by twelve.

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

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.