

EUROMONEY 2005
Awards for
excellence

This is to certify that
Bank of Georgia

has won the award for
Best Bank

Georgia


Chris Harwood, Editor



საქართველოს ბანკი
BANK OF GEORGIA

Bank of Georgia 2005 Results Presentation

January 31, 2006

The Georgian Economy At A Glance

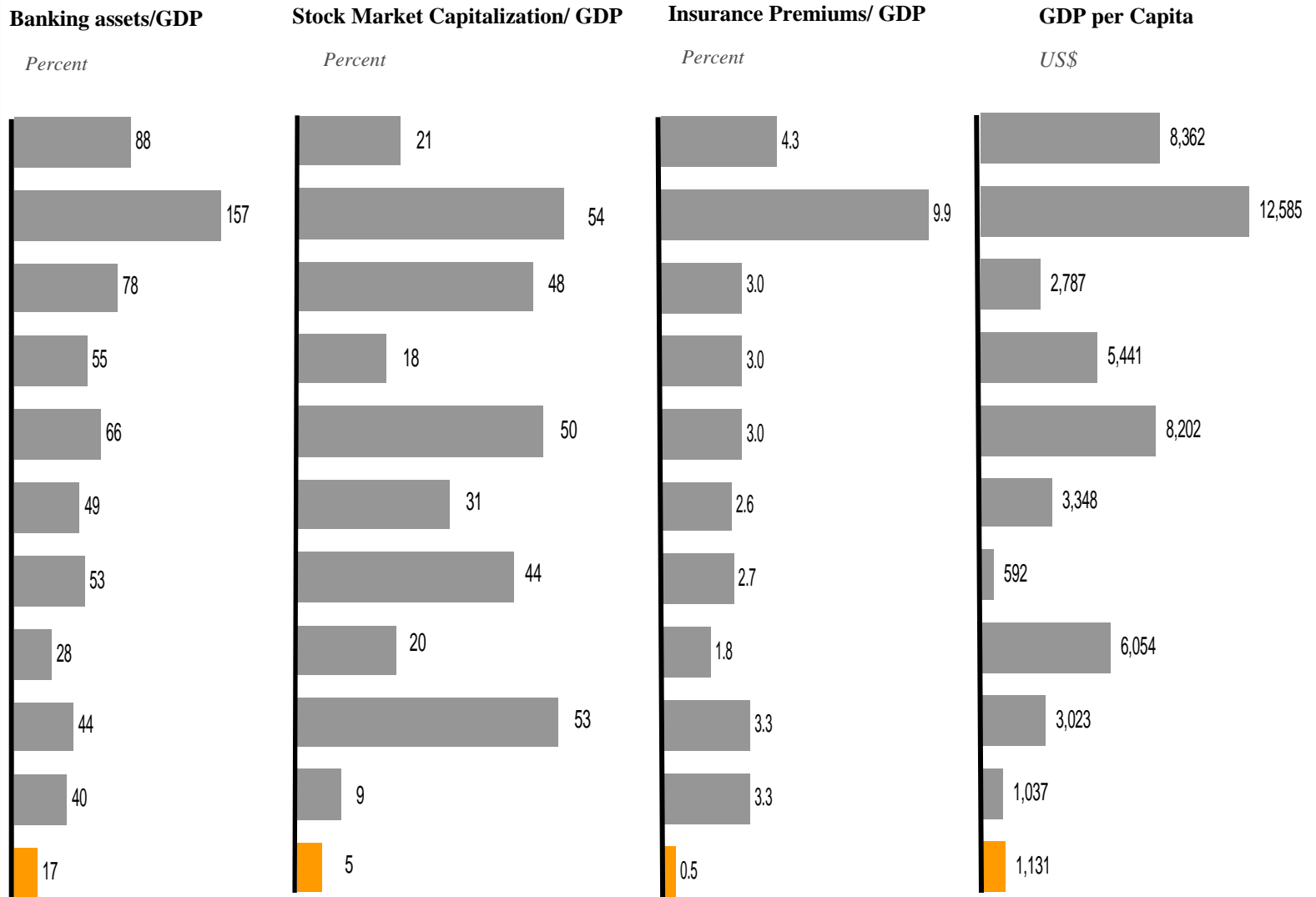
<i>In GEL mln, unless otherwise noted</i>	2003A	2004A	2005E	2006F	2007F	CAGR 04-07
Demographic Parameters						
Population, thousand people, of which	4.55	4.54	4.56	4.58	4.60	0.5%
Economically active	2.11	2.11	2.13	2.14	2.16	0.7%
% of Total Population	46.5%	46.6%	46.7%	46.8%	46.9%	
Retired	0.99	1.03	0.99	0.99	0.99	-1.0%
% of Total Population	21.7%	22.7%	21.9%	21.8%	21.7%	
Under 15	1.45	1.39	1.43	1.45	1.46	1.6%
% of Total Population	31.8%	30.6%	31.5%	31.6%	31.7	
<i>In GEL mln, unless otherwise noted</i>	2003A	2004A	2005E	2006F	2007F	CAGR 04-07
Macroeconomic Parameters						
Nominal GDP	8,560	9,506	11,149	12,412	14,649	15.5%
Real GDP Growth, %	11.1	6.2	7.8	6.5	10.2	
GDP Per Capita (GEL)	1,883	2,096	2,446	2,710	3,182	14.9%
CPI, GEL, e-o-p, %	6.9	7.5	6.1	5.1	8.7	
GDP Deflator, y-o-y, %	3.2	5.9	5.5	4.5	7.1	
GEL/US\$, avg	2.14	1.91	1.81	1.79	1.80	-2.0%
GEL/US\$, e-o-p	2.05	1.83	1.79	1.78	1.79	-0.7%
Consolidated State Budget Revenues	1,320	2,282	2,507	3,029	3,807	18.6%
Consolidated State Budget Deficit	202	130	524	385	425	48.4%
<i>As % of GDP</i>	2.36%	1.37%	4.70%	3.10%	2.90%	

Source: State Statistics Department ; Galt & Taggart Securities' estimates

The Georgian Economy cont'd

- High GDP growth
- Stable currency
- Strong fiscal performance
- Increasing consumer spending
- Increased productivity
- Unprecedented government spending on infrastructure
- Reasonable interest rate environment
- Increased foreign investor activity
- Progressive new tax code
- Massive deregulation and liberalization
- Reduced corruption
- Improving corporate governance practices

STILL A LAGGARD AMONG EMERGING MARKETS, 2003



Note: Estimated real GPW to GDP in Russia was only about 1,7% in 2003; * 2004 ;
Source: Global Insight; Global Stock Market Factbook 2004; National Banks; McKinsey

The Georgian Financial Services Sector At A Glance

- 21 banking licenses, but sector consolidation in progress

	2005	Y-O-Y Growth	Top 5 Banks	Bank of Georgia
Total Assets	GEL 2,548 mln	50.2%	78.4%	17.8%
Loans	GEL 1,730 mln	79.3%	81.8%	18.2%
Deposits	GEL 1,538 mln	56.5%	78.1%	19.0%
Shareholders' Equity	GEL 479 mln	28.7%	68.1%	18.7%
Net Income	GEL 62 mln	124.7%	74.0%	20.7%

- Bank-owned insurance companies account for a 62% market share
 - Bank of Georgia has an approximately 22% market share (BCI/EuroPace)
- Bank-owned leasing companies account for 100% of the leasing assets
 - Bank of Georgia (GLC) has an approximately 30% market share
- Bank-owned broker-dealers account for more than 70% of trading volume on the GSE
 - Bank of Georgia (Galt & Taggart) has an approximately 35% market share
- 2nd, 3rd and 4th largest banks are foreign-controlled
 - Bank of Georgia (70% non-resident institutional investor ownership)
 - United Georgian Bank (51% owned by VneshtorgBank)
 - ProCredit Bank Georgia (majority controlled by the ProCredit network)

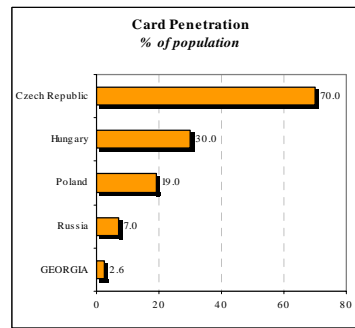
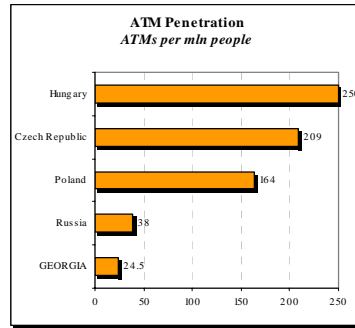
The Georgian Banking Sector – Significant Growth Potential

As consumer demand for financial services becomes more sophisticated

2004/2005

Basic products

Current Accounts
Transfers
Cards/ATMs
Internet banking
Branch banking



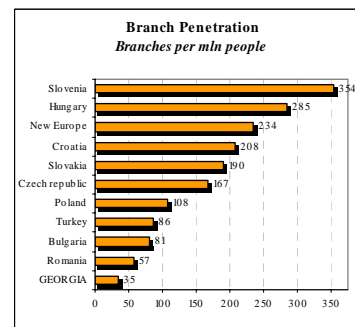
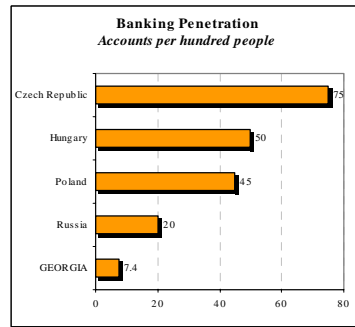
Intermediated
Retail Financial
Assets

GEL 745 mln

2005/2006

Credit products

Mortgages
Consumer loans
Credit cards



Total Retail
Financial Assets

GEL 1,854 mln

Total Consumer
Loan Stock Per
Capita (including
mortgages)

GEL 108

2007/2008

Savings products/ Deposit substitution

Asset management
Pensions/Life insurance

Cards in
circulation

Under 200,000

Source: GFK, Pentor, McKinsey, Galt & Taggart Securities' estimates;
Georgia 2005 1H data

	Georgia (2005E)	Georgia (2004)	CIS (2002)	Balkans (2002)	CEE (2002)	EU (2001)
Total Loans/GDP (%)	13.02%	9.85%	17%	14%	32%	172%
Total Deposits/GDP (%)	10.93%	10.03%	22%	25%	53%	186%
Banking Assets per capita (EUR)	169	151	628	695	4,336	64,535
Banking Assets/No. of Banks (EUR mln)	36.5	32.5	92	173	1,375	5,288

Source: ECB, EBRD, NBS, Galt & Taggart

GEL/EUR as Dec 31 03	2.592
GEL/EUR as Dec 31 04	2.485
GEL/EUR as Dec 31 05	2.125

- **Increasing adoption of the universal banking business model, following the lead of **Bank of Georgia****
- **Significant IT/infrastructure and marketing spend drives increasing retail banking penetration**
- **Increasing foreign investment in small banks**
 - Salford/Standard Bank (December 2004)
 - TuranAlem/SilkRoad bank (March 2005)
 - Cascade Holdings/Emporiki Bank Georgia (January 2006)
- **Increasing availability of non-deposit funding**
 - Driven by the S&P sovereign B+ rating
 - IFIs: EBRD, IFC, DEG, OPIC, BSTDB
 - Syndicated loans (TBC Bank)
 - Domestic bonds (**Bank of Georgia**, ProCredit Bank Georgia)
 - CLNs/Eurobonds (expected Q4 2006/1H 2007)
- **Significant sector-wide growth triggers expected (2006-2007)**
 - Gradual relaxation of the tough NBG capital adequacy & liquidity ratios
 - Strengthened and improved bank supervision, strict AML/KYC regime improve confidence in the banking sector
 - Financial sector liberalization under way, dramatically facilitating non-residents' access to Georgian financial assets
 - Introduction of the deposit insurance scheme (potentially in 2007)

Bank of Georgia - Our Vision & Mission

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

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

Retail Banking

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

Corporate & Investment Banking

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

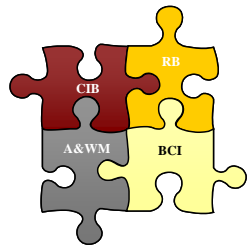
Insurance

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

Asset & Wealth Management

A leading share of the domestic institutional business
The undisputed domestic leader in wealth management, with niche appeal to sophisticated non-resident investors
A player in private equity and venture capital

Bank of Georgia – An Integrated Business Model



Bank of Georgia Group

	BCI/EP	CIB	RB	A&WM	2005 Results
	2/3	2	1	1	Market Position
	N/A	GEL 182.0 mln	GEL 130.8 mln	AUM/Custody GEL 78.7 mln	Earning Assets
	GEL 7.6 mln	N/A	N/A	GEL 12.0 mln	Total Assets
	GEL 9.2 mln	GEL 25.1 mln	GEL 26.3 mln	GEL 2.0 mln	Revenue
	N/A	GEL 19.2 mln	GEL 10.6 mln	N/A	NNOI
	GEL 1.2 mln	GEL 14.7 mln	GEL 7.6 mln	GEL 0.7 mln	PBR
	GEL 0.8 mln	GEL 8.0 mln	GEL 4.2 mln	GEL 0.5 mln	Net Income
	5.9%	59.3%	31.1%	3.7%	Contribution to Group Net Income

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

Bank of Georgia - Development Milestones

New Management Team Takes Over

GEL 230.1 mln GEL 151.0 mln GEL 121.9 mln GEL 54.6 mln	GEL 279.2 mln GEL 171.7 mln GEL 177.4 mln GEL 48.6 mln	GEL 361.4 mln GEL 192.1 mln GEL 251.5 mln GEL 54.2 mln	GEL 365.1 mln GEL 240.0 mln GEL 245.5 mln GEL 59.9 mln	GEL 453.7 mln GEL 315.1 mln GEL 271.1 mln GEL 90.0 mln	Total Assets (e-o-p) Total Loan Book (e-o-p) Deposits (e-o-p) Equity (e-o-p)
		6	11	15	Number of Western-Trained Professionals
		TUB (US\$ 6.2 mln) BCI (US\$ 2.1 mln) Georgian Card (increased from 19% to 51%, US\$ 343 K)	Galt & Taggarri (increased from 35% to 90%, US\$ 206K)	GLC (increased from 60% to 87.3%, US\$ 350 K) Europace, 100% acquisition by BoG and BCI (US\$ 1.4 mln)	Key Acquisitions
Retail Banking Corporate Banking Trade Finance Foreign Exchange	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions	Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking	Key Business Lines
BSTDB US\$ 4 mln DEG EUR 6.5 mln AKA Bank EUR 5 mln EBRD US\$ 11 mln IFC US\$ 8 mln			KfW US \$3.5 mln guarantee facility EBRD US\$ 10 mln	GEL 1.4 mln Bond Placement	Key International Lenders
EBRD (since 1998) DEG invests		Post-Communist Opportunities Fund, Firebird Avropa Fund, Firebird Republics Fund Firebird Global Master Fund invest	Ostinvestor clients invest The Firebird funds and East Capital Bering Fund increase their respective stakes	Two additional funds invest East Capital Holding increases its stake East Capital Bering Ukraine Fund invests Bank Austria Creditanstalt purchases a large block on behalf of institutional client and issues Call Warrants against BoG stock tradable on the Vienna Stock Exchange SEB Vilnius Bankas purchases a large block on behalf of Finasta	Institutional Shareholders
2000-2003	Q1-Q3 2004	Q4 2004	1H 2005	2H 2005	

Supportive Shareholders & Lenders

BoG Shareholder Structure

Bank of Georgia Shareholding

31-Dec-05	Shares	%
EBRD	1,729,757	11.7%
Victor Gelovani	1,694,610	11.5%
Bank Austria Creditanstalt (nominees)	1,499,993	10.2%
Firebird Avrora Fund	1,267,614	8.6%
Firebird Republics Fund	1,267,135	8.6%
Galt & Taggart Securities (nominees)	1,113,931	7.6%
East Capital Holding	846,864	5.7%
East Capital Bering Fund	720,790	4.9%
East Capital Bering Ukraine Fund	670,000	4.5%
Firebird Global Master Fund	596,317	4.0%
Lado Gurgendize	361,243	2.5%
SEB Vilnius Bankas (nominees)	331,200	2.2%
Sulkhan Gvalia	257,835	1.8%
Tariel Gvalia	248,095	1.7%
Subtotal	11,491,453	78.0%
Free float	3,237,251	22.0%
Total	14,728,704	100.0%

Key Lenders



US\$ 13.2 mln

EUR 0.2 mln



US\$ 5.3 mln



US\$ 3.2 mln



US\$ 3.0 mln



EUR 1.0 mln



US\$ 3.8 mln



Key Institutional Shareholders



Custodians/Nominees

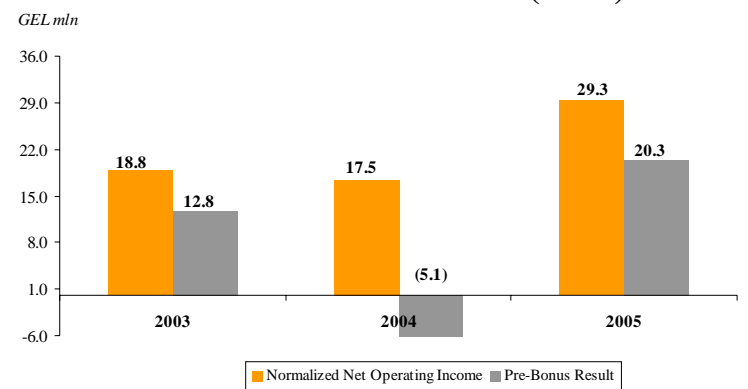
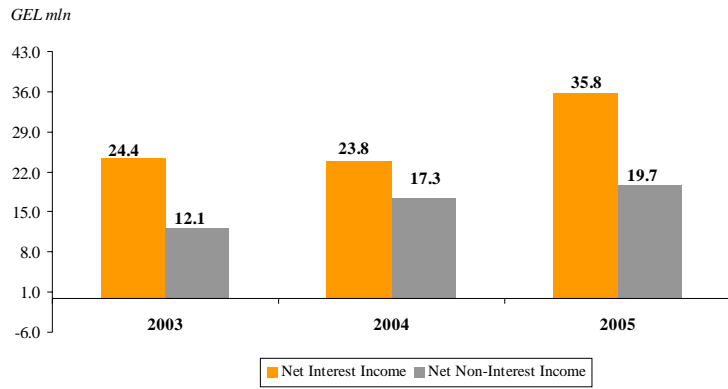


- Management currently owns approximately 623,080 shares and approximately 541,665 options/share grant entitlements
- New management share ownership plan has been introduced and 40 professionals equitized
- 40 non-resident individual shareholders
- Approximately 1,800 domestic retail shareholders

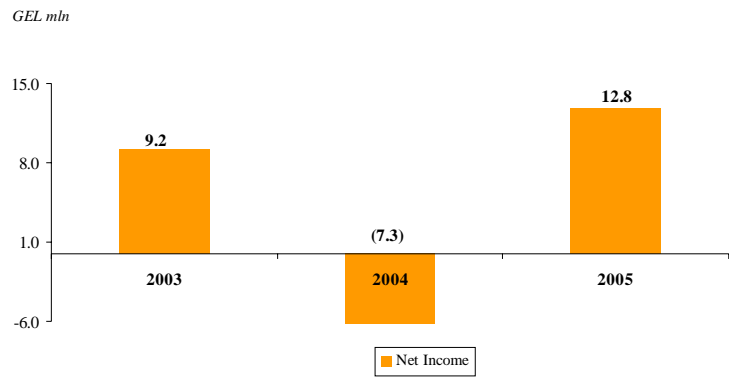
2005 Results Overview

ROAE 19.5%
 ROAA 3.3%
 CAR (Basel) 22.6%

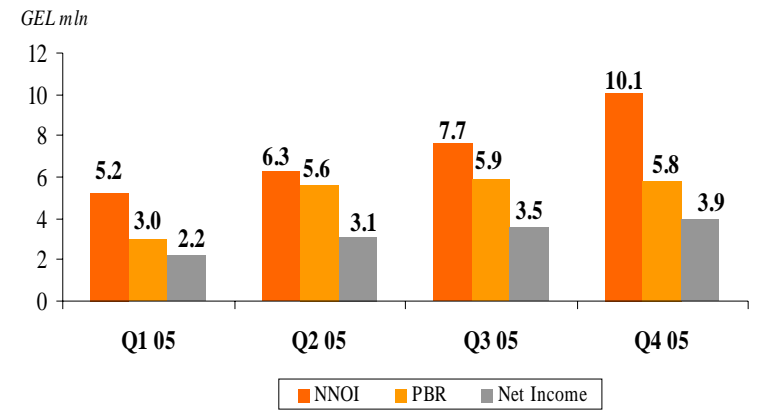
Net Interest Income & Net Non-Interest Income Normalized Net Operating Income (NNOI) & Pre-Bonus Result (PBR)



Net Income



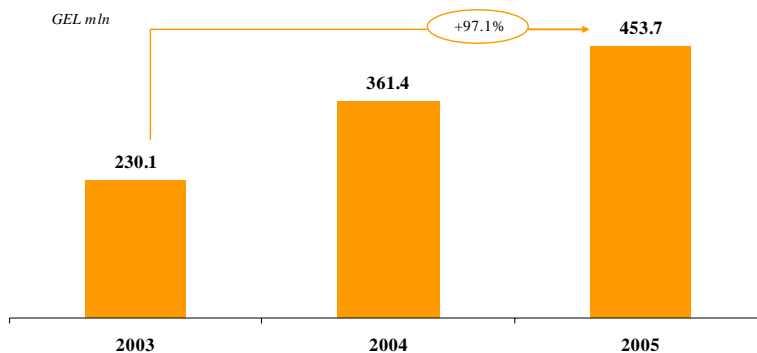
Quarterly NNOI, PBR & Net Income



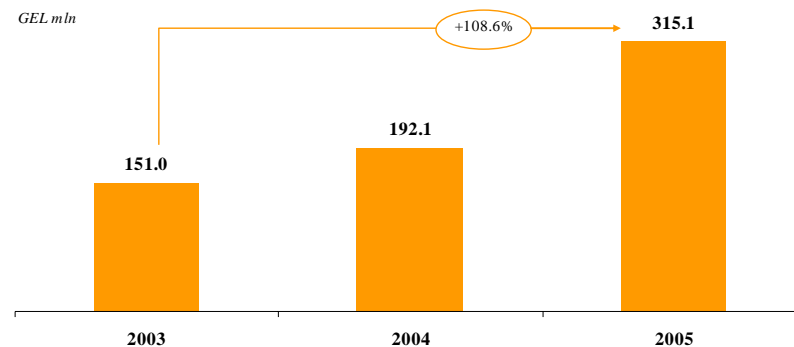
Note: 2004 results include TUB on a combined basis

Balance Sheet Highlights

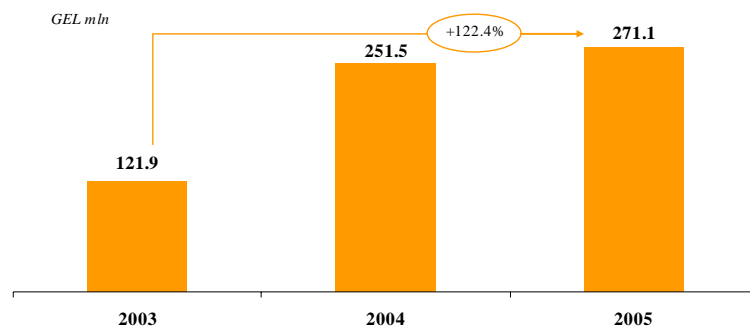
Total Assets (e-o-p)



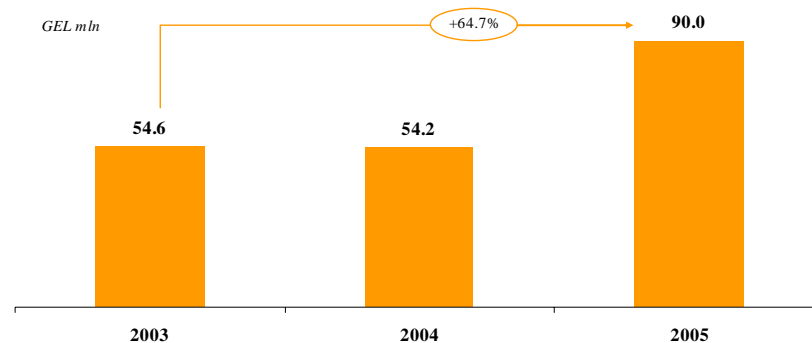
Gross Loans (e-o-p)



Deposits (e-o-p)

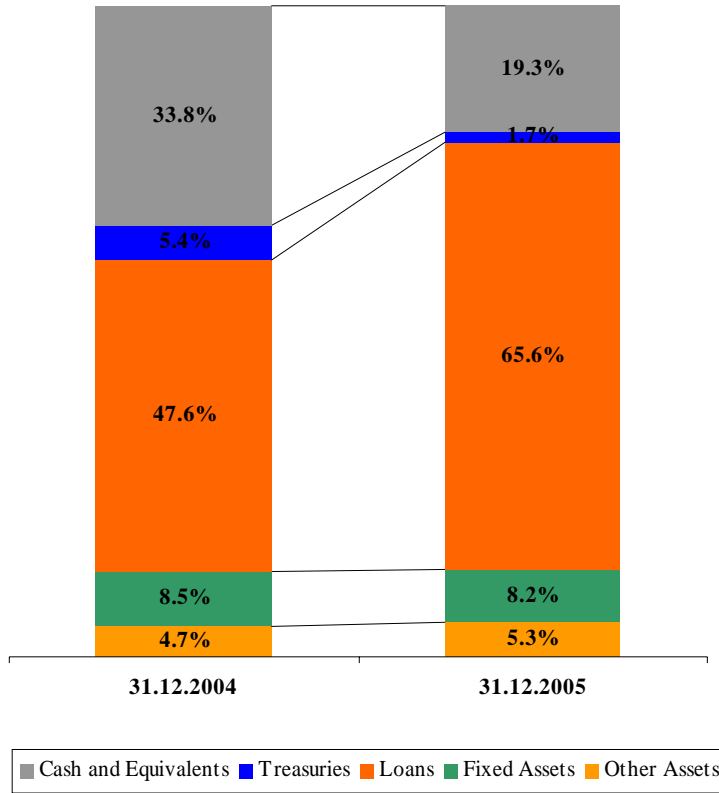


Shareholders' Equity (e-o-p)

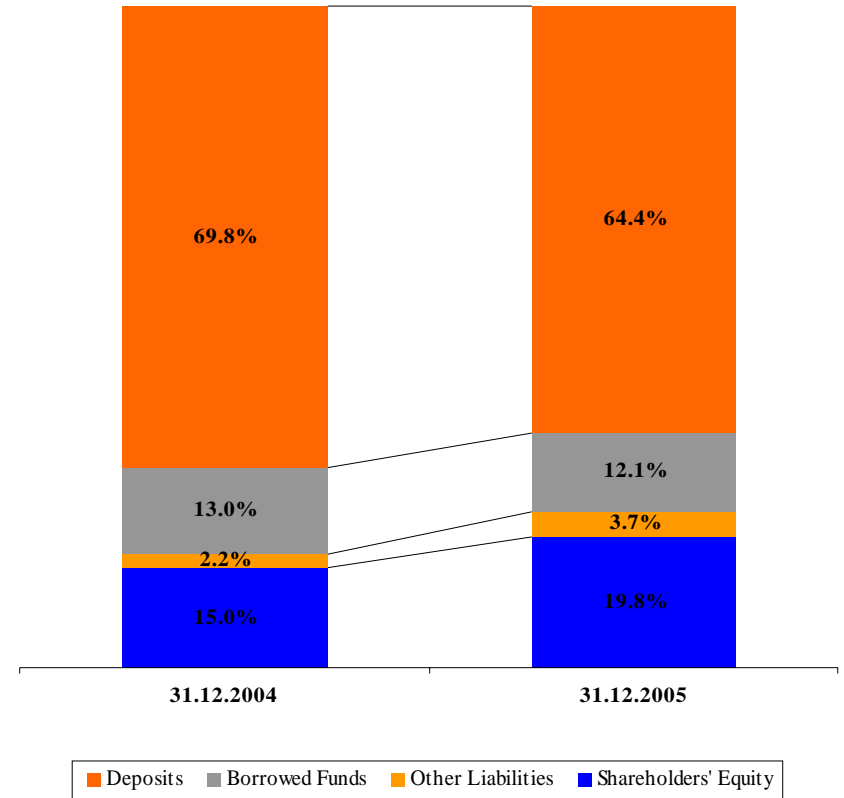


Changing Balance Sheet Composition Geared Towards Higher Profitability

Total Assets %

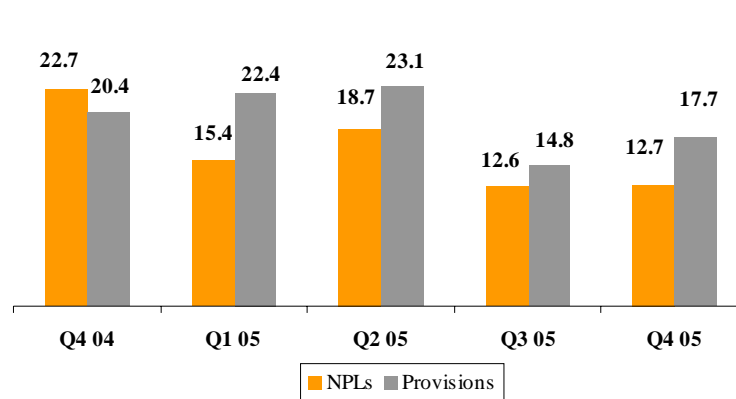


Total Liabilities & Shareholders' Equity, %

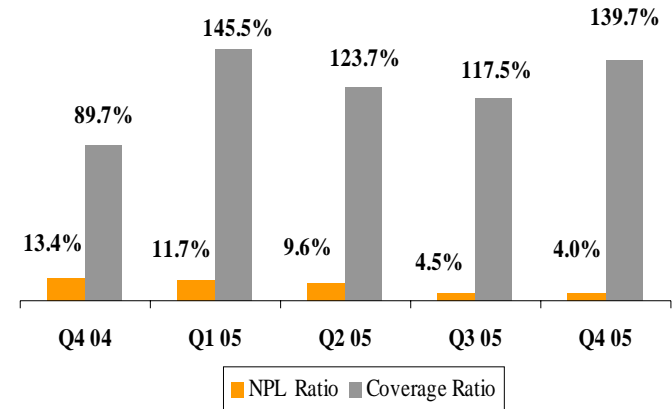


Diversified Loan Book And Conservative Provisioning Policy

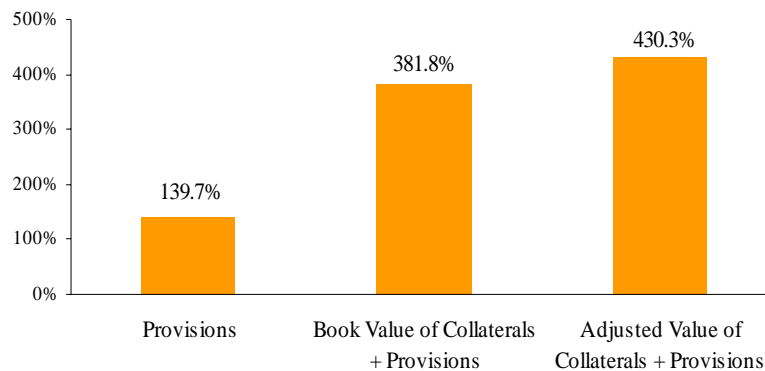
NPLs vs Provisions (e-o-p, GEL mln)



NPL Ratio vs Coverage

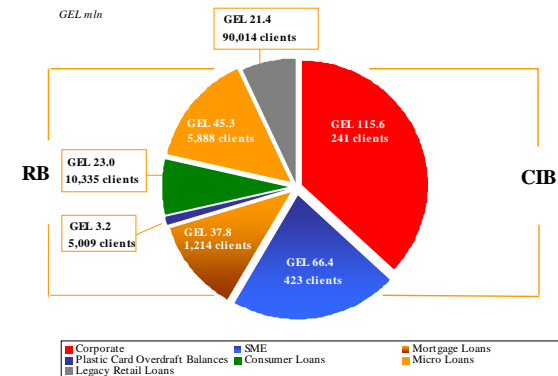


Provisions as % of NPLs



Loan Portfolio Diversification

(by volume and number of clients)



NPL=Overdue more than 90 days (except for 2004 and 2003); NPL Ratio = NPLs/Total Loans;

Coverage Ratio=Provisions/NPLs

Improving Asset Quality While Expanding The Loan Book

Asset Quality

<i>GEL mln, unless otherwise noted</i>	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05
Overdues*	14.6	11.7	11.9	14.7	11.5	7.0	9.7	13.5
NPLs**	9.9	9.9	12.7	22.7	15.4	18.7	12.6	12.7
NPLs/Total Loans	6.4%	6.3%	7.5%	13.4%	7.9%	9.2%	4.5%	4.0%
NPL coverage ratio (Provisions/NPLs)	94.0%	87.2%	86.4%	89.7%	145.5%	123.7%	117.5%	139.7%
Provisions/Total Loans	6.1%	5.5%	6.4%	12.1%	11.7%	9.6%	5.3%	5.6%

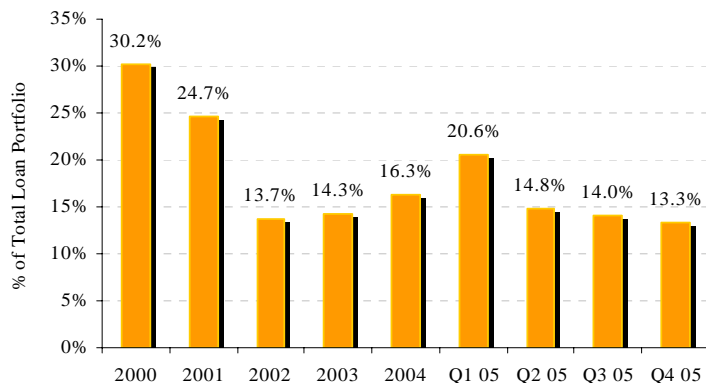
*Overdue more than 30 days but less than 90 days ** Overdue more than 90 days in 2005

Loan Portfolio Risk by Loan Categories

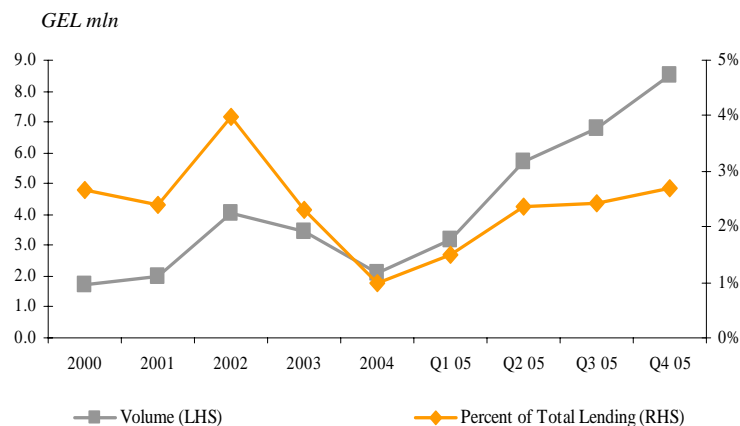
<i>GEL mln, unless otherwise noted</i>	Dec-04	Dec-04	Mar-05*	Mar-05*	Jun-05	Jun-05	Sep-05	Sep-05	Dec-05	Dec-05
Standard (2% provision)	131.6	78%	176.2	81%	202.6	84.4%	252.5	90.2%	281.9	89.5%
Watch (10% provision)	14.7	9%	14.8	7%	11.3	4.7%	11.8	4.2%	13.2	4.2%
Substandard (30% provision)	4.2	3%	6.9	3%	8.2	3.4%	8.5	3.0%	9.0	2.8%
Doubtful (50%-70% provision)	8.2	5%	5.9	3%	6.1	2.6%	2.3	0.8%	6.1	2.0%
Loss (100% provision)	10.3	6%	12.8	6%	11.8	4.9%	4.9	1.7%	4.9	1.6%
Total	169.0	100%	216.6	100%	240.0	100%	279.9	100%	315.1	100%

* March 05 includes TUB

Top Ten Borrower Concentration

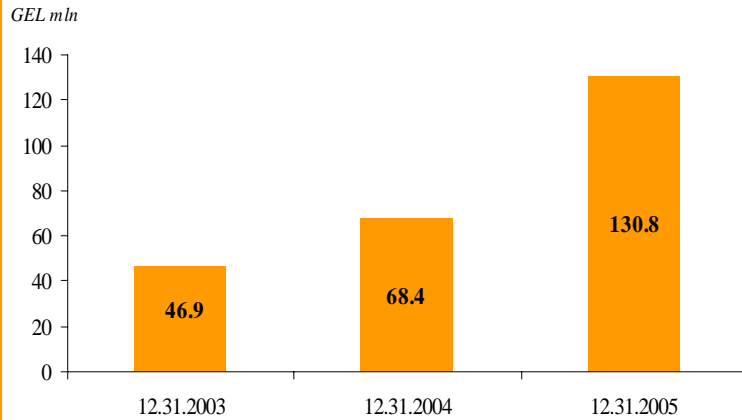


Insider Loans



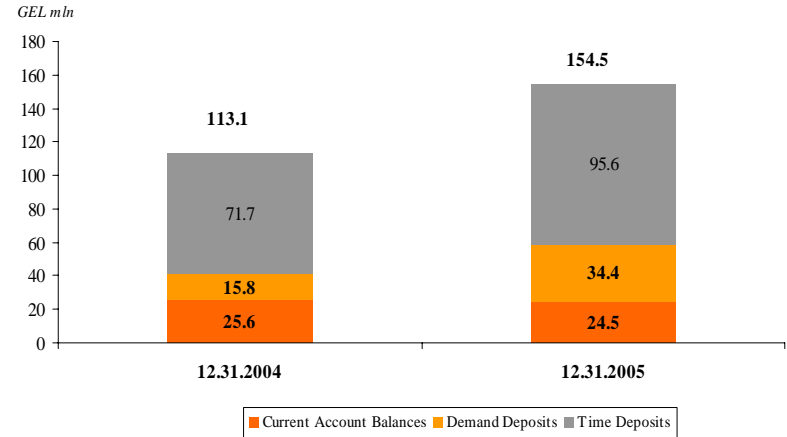
Retail Banking Overview

RB Loans

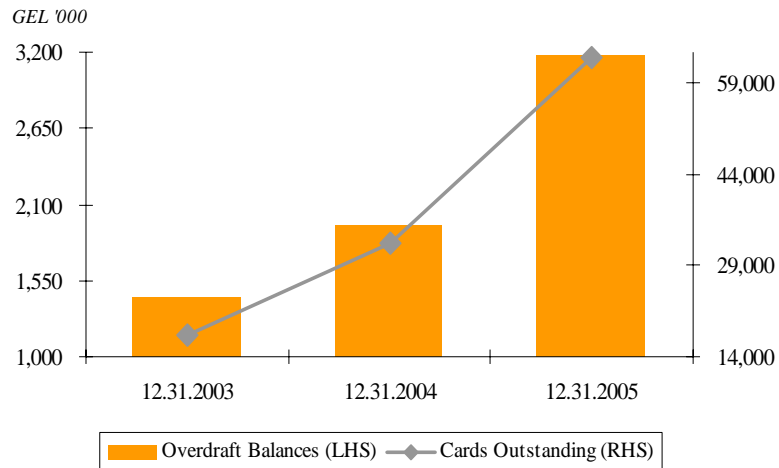


RB Client Funds

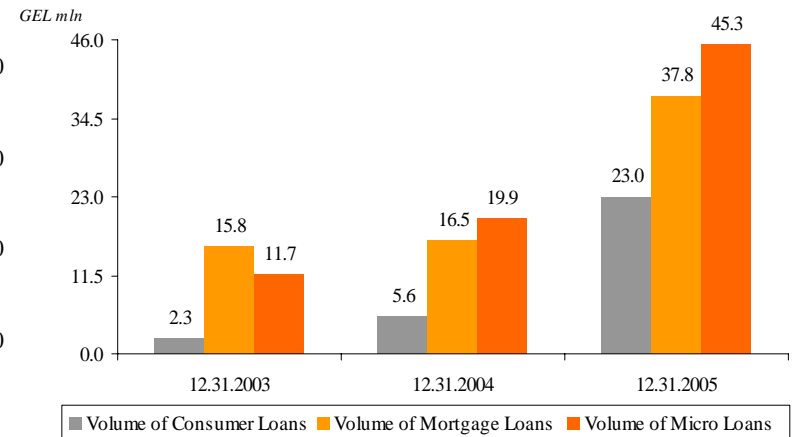
Over 150,000 current accounts at YE 2005



Plastic Cards

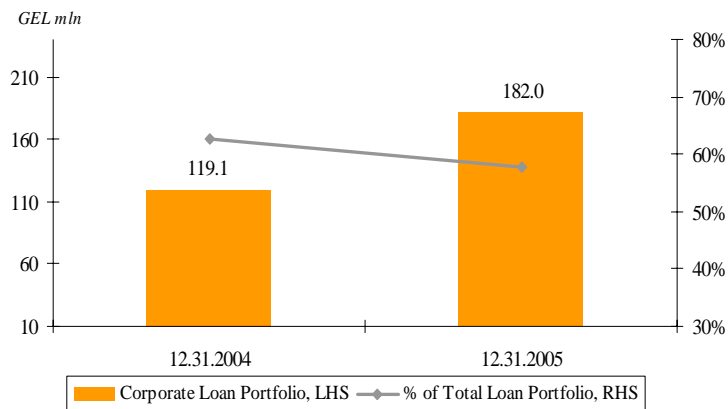


Consumer, Mortgage & Micro Loans

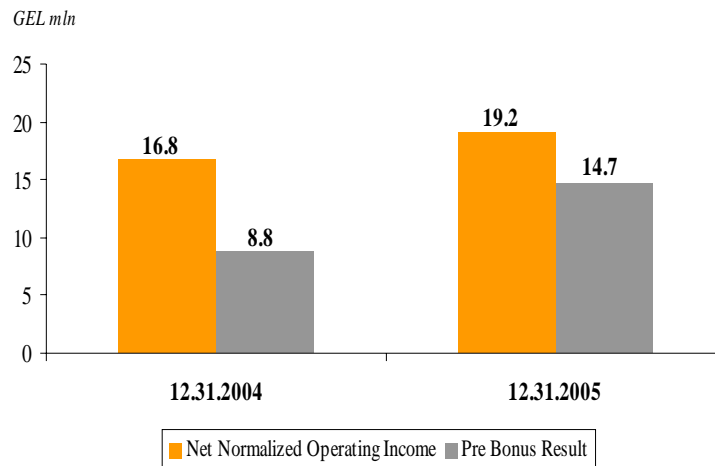


Overview Of Other SBUs

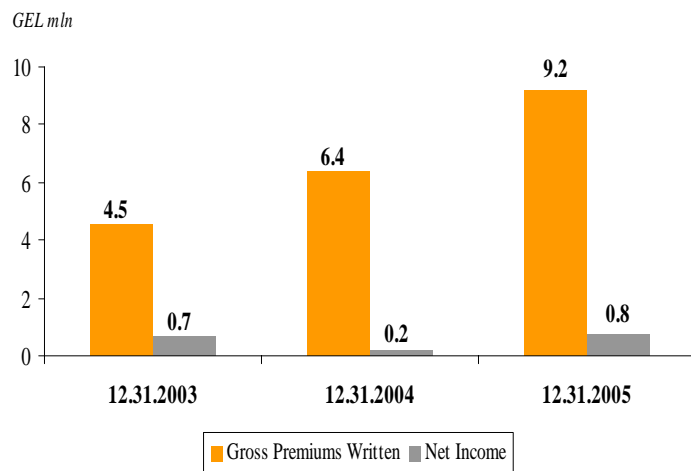
CIB Loan Portfolio



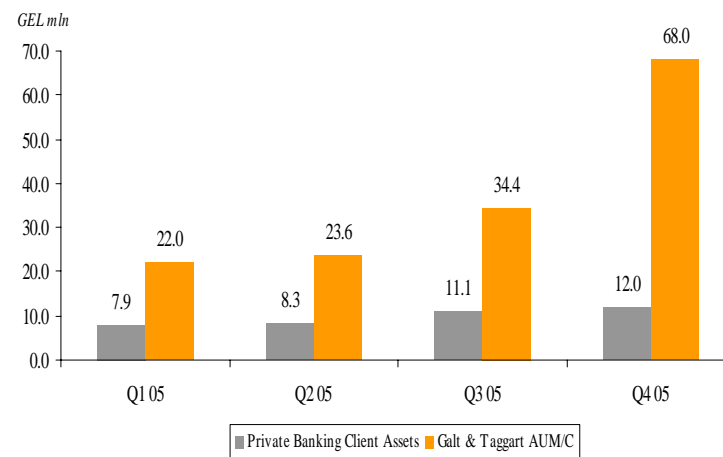
CIB NNOI & PBR



BCI



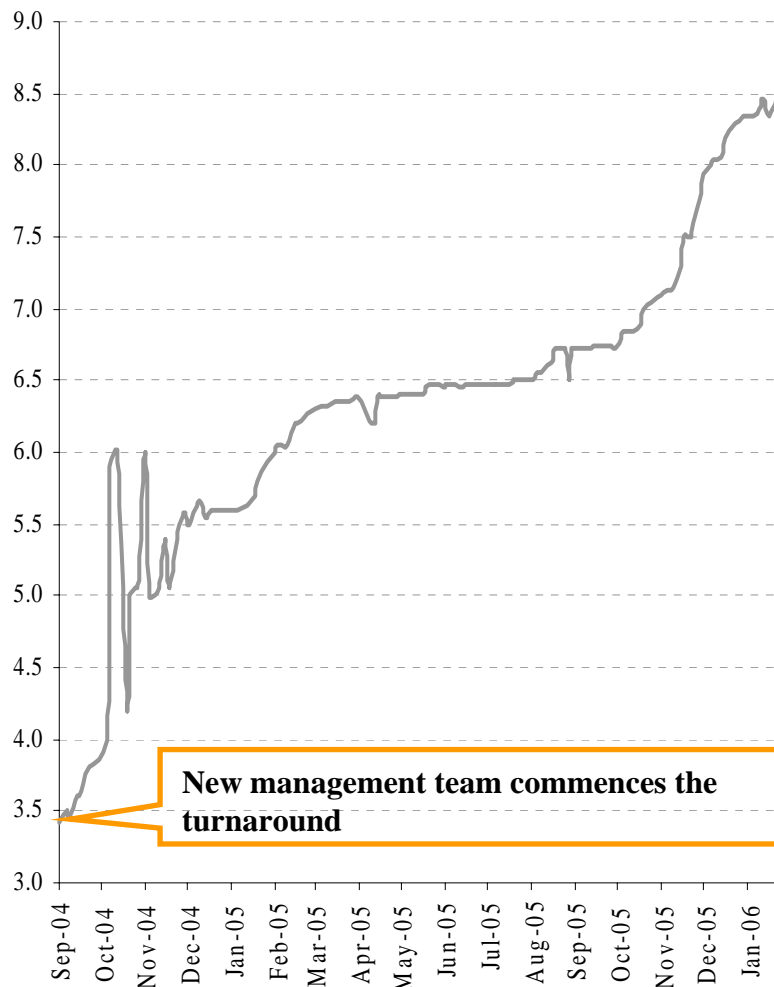
PB Clients & Galt & Taggart AUM/C



2005 – Leadership In Innovation

- The first Georgian bank to adopt a CIB integrated client coverage model
- The first Georgian bank to introduce packaged Retail Banking products
- The first Georgian bank to introduce *bancassurance*
- The first Georgian bank to launch Private Banking
- The first successful live migration to a new card processing platform in Georgia
- The first LBO transaction in Georgia
- The first cross-border M&A transaction advisory by a Georgian investment bank
- The first corporate bond issue in Georgia
- The first structured equity transaction in Georgia
- The first research coverage of a Georgian company by a non-resident brokerage house

Share Price Performance



	30-Jan 2006	31-Dec 2005	31-Dec 2004	30-Sep 2004
Shares Outstanding (mln)	15.2	14.7	11.3	9.9
Share Price (US\$)	4.75	4.66	3.10	2.10
Share Price (GEL)	8.59	8.35	5.60	3.80
MCAP (US\$ mln)	72.3	68.6	35.0	20.8
MCAP (GEL mln)	130.8	122.9	63.3	37.6
MCAP/BV	1.4	1.4	1.2	0.8

2004 Share Price Appreciation **175%**

2005 Share Price Appreciation **50%**

2006 YTD Share Price Appreciation **3%**

Annual Trading Volume (GEL mln)

	GSE	OTC
2004	21.4	6.9
2005	27.4	22.6
2006 YTD	1.2	3.6

2004 **21.4** **6.9**

2005 **27.4** **22.6**

2006 YTD **1.2** **3.6**

Investment Case

- A “leveraged play” on Georgia’s economic growth
- Winning strategy for medium-term profitable growth
- Financial sector consolidator: five acquisitions in the last 18 months
- Solid historical performance due to core franchise strength
- Diversified revenue streams being built through product innovation in the context of an integrated business model
- Disciplined capital management
- Sophisticated management team and strong staff, comprising more than 15 individuals with Western banking & finance background and education
- Results-oriented corporate culture stressing teamwork, initiative and accountability
- Cost efficiencies are being realized
- Transparency and good governance
- Emphasis on investor relations, retail-lot liquidity and international stock exchange listing
- Zealous focus on creating attractive exit opportunities by 2007
- **The only investable banking stock in Georgia (and the Caucasus)**

Ample Exit Opportunities

*Selected
Potential
Buyers*



КАЗКОММЕРЦБАНК



AKBANK



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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.

Unaudited 2005 Financial Statements

Income Statement

<i>JSC Bank of Georgia Standalone, IFRS</i> <i>GEL, unless otherwise noted</i>	Y-O-Y Growth	Unaudited 12/31/2005	Audited 12/31/2004	Audited 12/31/2003
Operating Income				
Interest Income	44.2%	48,664,733	33,757,694	32,298,796
Interest Expense	29.9%	12,882,305	9,919,060	7,880,255
Net Interest Income	50.1%	35,782,428	23,838,634	24,418,541
Commission Income	18.5%	13,035,903	11,002,843	9,398,030
Commission Expenses	17.8%	2,105,997	1,787,312	3,022,039
Net Commission Income	18.6%	10,929,905	9,215,531	6,375,991
Income from Documentary Operations	27.1%	2,807,882	2,209,396	2,159,701
Expense from Documentary Operations	7.7%	803,965	746,689	545,816
Net Income From Documentary Operations	37.0%	2,003,918	1,462,707	1,613,885
Other Non-Interest Income	-91.6%	183,522	2,193,304	235,762
Other Non-Interest Expenses	-99.5%	1,780	391,474	23,471
Net Other Non-Interest Income	-89.9%	181,742	1,801,830	212,291
FX Trading Income	34.9%	6,542,241	4,848,068	3,868,124
Net Non-Interest Income	13.4%	19,657,806	17,328,136	12,070,291
Total Operating Income	34.7%	55,440,233	41,166,770	36,488,833
Recurring Operating Costs				
Personnel Costs	10.0%	12,442,922	11,313,359	7,848,031
Selling, General & Administrative Expenses	20.3%	4,714,949	3,920,334	3,169,058
Procurement & Operations Support Expenses	-3.0%	1,989,900	2,050,793	1,428,956
Depreciation	33.8%	3,491,954	2,609,282	2,230,987
Other Operating Expenses	-2.2%	2,925,812	2,991,103	2,113,851
Various Tax Expenses	-24.0%	597,126	785,494	908,348
Total Recurring Operating Costs	10.5%	26,162,663	23,670,364	17,699,230
Normalized Net Operating Income	67.3%	29,277,571	17,496,405	18,789,603
Non-recurring costs	21.6%	1,962,044	1,613,052	1,073,227
Profit (pre-bonus) Before Provisions	72.0%	27,315,526	15,883,353	17,716,376
Provisions	-59.9%	8,861,148	22,118,260	5,258,312
Gains on asset sale & recovery	3635.4%	1,840,501	49,272	340,122
Pre-Bonus Result	NMF	20,294,879	-6,185,634	12,798,186
Guaranteed Compensation Expenses	NMF	232,000	-	-
Bonuses	208.6%	6,000,001	1,944,016	1,213,174
Pre-Tax Income	NMF	14,062,878	-8,129,650	11,585,011
Profit Tax	65.3%	1,289,194	780,117	2,431,357
Net Income	NMF	12,773,685	-7,349,533	9,153,654

Balance Sheet

JSC Bank of Georgia Standalone, IFRS

GEL, unless otherwise noted

	Y-O-Y Growth	Unaudited 12/31/2005	Audited 12/31/2004	Audited 12/31/2003
Cash	-30.5%	24,907,867	35,849,634	15,924,546
Balances with NBG	-16.2%	33,249,739	39,665,998	24,786,617
Cash Balances with Banks	-37.2%	29,314,610	46,700,386	17,823,156
Treasuries	-60.4%	7,700,513	19,455,949	1,683,201
Other fixed income instruments	NMF	1,791,329	0	0
Net Loans	72.9%	297,379,751	171,958,234	140,539,186
Accrued Interest and Dividends	21.3%	3,373,236	2,781,047	2,450,541
Net Investments	70.8%	9,221,425	5,399,517	1,048,287
Fixed Assets	20.6%	37,068,704	30,727,445	22,807,269
Other assets	11.8%	7,736,814	6,922,934	3,059,924
Goodwill	1.3%	1,917,416	1,892,010	-
TOTAL ASSETS	25.5%	453,661,404	361,353,155	230,122,727
Deposits	15.8%	292,167,823	252,280,910	122,668,093
Interbank deposits	2563.4%	21,062,794	790,817	763,668
Client deposits	7.8%	271,105,029	251,490,093	121,904,425
Borrowed Funds	16.8%	54,702,186	46,828,912	48,940,983
Payable Interest and Dividends	199.3%	9,188,107	3,069,630	2,320,631
Other Liabilities	51.6%	7,590,854	5,007,842	1,551,595
TOTAL LIABILITIES	18.4%	363,648,971	307,187,294	175,481,302
Ordinary Shares	30.7%	14,728,704	11,273,386	9,855,606
Retained Earnings and Revaluation Reserves	24.2%	62,510,045	50,347,143	35,631,581
Net Income for the Year	NMF	12,773,684	-7,454,668	9,154,238
SHAREHOLDERS' EQUITY	66.2%	90,012,434	54,165,861	54,641,425
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	25.5%	453,661,404	361,353,155	230,122,727
<i>Shares Outstanding</i>		<i>14,728,704</i>	<i>11,273,386</i>	<i>9,855,606</i>

Key Ratios

RATIOS

JSC Bank of Georgia Standalone

ROAE, %	19.5%	NMF	16.8%
ROAA, %	3.3%	NMF	4.0%
Net Interest Margin, % (Net Interest Income/Average Interest bearing assets)	13.2%	11.4	17.6
Interest Spread, %	8.6%	7.9%	10.8%
Cost/Income Ratio (normalized)	58.43%	62.2%	51.8%
Personnel Costs/Total Income,%	33.7%	32.2%	24.8%
Net Income/Total Operating Income, %	23.0%	NMF	25.1%
Capital Adequacy Ratio (Tier I + Tier II, Basel),%	22.6%	22.2%	27.5%
Net Loans/Total Assets, %	65.6%	47.6%	61.1%
Net Loans/Total Liabilities,%	81.8%	56.0%	80.1%
Net Loans/Client Deposits, %	109.7%	68.4%	115.3%
Total Deposits/Total Liabilities, %	80.3%	82.1%	69.9%
Time Deposits/Total Deposits, %	45.2%	37.5%	48.6%
Demand Deposits/Total Deposits, %	12.9%	6.3%	6.2%
Current Account Balances/Total Deposits, %	41.8%	56.2%	45.2%
Provisions/Gross Loans,%	5.6%	12.1%	6.0%
NPLs/Gross Loans, %*	4.0%	13.4%	12.3%
Provisions/NPLs, %	139.7%	89.7%	48.8%
Leverage (total Liabilities/Equity)	4.0%	5.7%	3.2%
Book Value per Share	6.11	4.80	5.54
Share Price**	8.35	5.60	2.03

* NPLs includes loans classified as Substandard, Doubtful and Loss

** GSE closing price on the last trading day of the year

2005 Consolidated Group Performance

	BOG Standalone	BOG Group		BOG Standalone	BOG Group
	Dec-05	Dec-05		Dec-05	Dec-05
<i>GEL, unless otherwise noted</i>			<i>GEL, unless otherwise noted</i>		
Operating Income			Cash	24,907,867	24,911,081
Interest Income	48,664,733	48,747,939	Balances with NBG	33,249,739	33,249,739
Interest Expense	(12,882,304)	(12,827,125)	Correspondent account	4,272,796	4,272,796
Net Interest Income	35,782,429	35,920,814	Regulatory fund	28,976,943	28,976,943
Commission Income	13,035,903	13,776,047	Cash Balances with Banks	29,314,610	30,105,322
Commission Expenses	(2,105,997)	(2,737,557)	In resident banks	15,323,750	16,092,952
Net Commission	10,929,906	11,038,490	In nonresident banks	13,990,860	14,012,370
Income from Documentary Operations	2,807,882	2,807,882	Treasuries	7,700,513	8,303,031
Expense from Documentary Operations	(803,964)	(803,964)	Other fixed income instruments	1,791,329	6,299,527
Net Income From Documentary Operations	2,003,918	2,003,918	Gross Loans, of which	315,078,584	311,905,611
Other Non-Interest Income	181,741	7,563,175	Loans to Banks	2,300,000	2,300,000
Other Non-Interest Expenses	-	(3,489,559)	Loans to Clients	312,778,584	309,605,611
Net Other Non-Interest Income	181,741	4,073,616	Provisions for Loan Losses	(17,698,833)	(17,635,373)
FX Trading Income	6,542,241	6,485,183	Net Loans	297,379,751	294,270,238
Non-Interest Income	19,657,806	23,601,207	Accrued Interest and Dividends	3,373,236	745,713
Total Operating Income	55,440,235	59,522,021	Gross Investments	9,501,124	4,174,702
Recurring Operating Costs			Provisions	(279,699)	(279,699)
Personnel Cost (excluding bonus)	(12,422,903)	(14,845,587)	Net Investments	9,221,425	3,895,003
Health Insurance & Pension Costs	(160,657)	-	Gross property owned	2,775,040	2,775,040
Consulting, TA & Development Costs	(311,648)	(323,966)	Provisions	(1,083,602)	(1,083,602)
Marketing, PR & Advertising	(999,056)	(999,597)	Net property owned	1,691,438	1,691,438
Depreciation	(3,491,954)	(3,753,894)	Fixed Assets	35,377,266	38,458,790
Other operating expenses	(8,776,448)	(8,557,010)	Property and equipment, Fixed & Intangible Assets	37,068,704	40,150,228
Total Recurring Operating Costs	(26,162,666)	(28,480,054)	Gross Other assets	7,832,312	13,117,721
Normalized Net Operating Income	29,277,569	31,041,967	Provisions	(95,498)	(865,894)
Non-recurring costs	(1,962,044)	(2,040,831)	Net Other Assets	7,736,814	12,251,826
Profit (pre-bonus) Before Provisions	27,315,525	29,001,136	Goodwill	1,917,416	6,438,952
Provisions	(8,861,148)	(9,372,406)	Total Assets	453,661,404	460,620,659
Gains on asset sale & recovery	1,840,501	1,840,501	Deposits	292,167,823	289,073,971
Pre-Bonus Result	20,294,879	21,469,231	Interbank deposits	21,062,794	20,861,444
Guaranteed Compensation Expenses	(232,000)	(232,000)	Client deposits	271,105,029	268,212,527
ESOP Expenses	-	-	- Deposits of Individuals	154,472,744	154,472,744
Bonus	(6,000,001)	(6,198,148)	- Deposits of Legal Entities	116,632,285	113,739,783
Pre-Tax Income	14,062,878	15,039,083	Borrowed Funds	54,702,186	56,584,055
Profit Tax	(1,289,194)	(1,606,552)	Residents	7,024,500	7,037,048
Net Income	12,773,684	13,432,532	Nonresidents	47,677,686	49,547,007
Minority interest	-	144,939	Payable Interest and Dividends	9,188,107	9,119,366
Consolidated Net income	12,773,684	13,577,471	Other Liabilities	7,590,854	13,758,696
			Total Liabilities	363,648,971	368,536,089
			Minority Interest		1,349,177
			Ordinary Shares	14,728,704	14,728,704
			Preferred Shares	-	-
			Treasury Shares	-	(80,827)
			Retained Earnings and Revaluation Reserves	62,510,045	62,510,045
			Net Income for the year	12,773,684	13,577,471
			Shareholders Equity	90,012,434	90,735,393
			Total Liabilities and Shareholders Equity	453,661,404	460,620,659