

1.75	GEL/US\$ 31 March 2010
1.72	GEL/US\$ Q1 2010 average
1.67	GEL/US\$ 31 March 2009
1.67	GEL/US\$ Q1 2009 average
1.69	GEL/US\$ December 2009 period end
1.67	GEL/US\$ 2009 average
1.68	GEL/US\$ Q4 2009 average

JSC BANK OF GEORGIA REPORTS Q1 2010 RESULTS

<i>Millions, unless otherwise noted</i>	Q1 2010		Growth q-o-q ¹
Bank of Georgia (Consolidated, Unaudited, IFRS-based)	US\$	GEL	
Total Operating Income (Revenue)²	43.4	75.9	-1.9%
Recurring Operating Costs	26.4	46.3	-0.7%
Normalised Net Operating Income³	16.9	29.6	-3.7%
Net Non-Recurring Income / (Costs)	(1.9)	(3.3)	NMF
Profit/(Loss) before provisions	15.1	26.4	NMF
Net Provision Expenses	4.2	7.4	-75.7%
Net Income/(Loss)	9.6	16.8	NMF
Total Assets	1,785.8	3,124.1	7.2%
Net Loans	1,015.9	1,777.3	5.9%
Client Deposits	797.1	1,394.4	9.6%
Tier I Capital Adequacy Ratio (BIS)⁴		22.1%	
Total Capital Adequacy Ratio (BIS)⁵		32.3%	
Tier I Capital Adequacy Ratio (NBG)		17.7%	
Total Capital Adequacy Ratio (NBG)		15.9%	

Bank of Georgia (LSE: BGEO, GSE: GEB) (the “Bank”), Georgia’s leading bank, announced today its Q1 2010 consolidated results (IFRS-based, derived from management accounts), reporting a Q1 2009 Net Income of GEL 16.8 million.

Note: Q4 2009 results in this report reflect the adjustments per 2009 audited results.

¹ Compared to the respective period in 2009; growth calculations based on GEL values.

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

³ Normalised for Net Non-Recurring Costs.

⁴ BIS Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I.

⁵ BIS Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I

About Bank of Georgia

Bank of Georgia is the leading Georgian bank offering a broad range of corporate and investment banking, retail banking, wealth management and insurance services to its customers in Georgia, Ukraine and Belarus. Bank of Georgia is the largest bank in Georgia by assets, loans, deposits and equity, with 34.3% market share by total assets (all data according to the NBG as of 31 March 2010). The bank has 140 branches and approximately 1 million retail and more than 157,000 corporate current accounts.

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

Standard & Poor’s	‘B/B’
FitchRatings	‘B/B’
Moody’s	‘B3/NP’ (FC) & ‘Ba3/NP’ (LC)

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The financial information as of Q1 2009, Q4 2009, and Q1 2010 contained in this news report is unaudited and reflects the best estimates of management. The bank’s actual results may differ significantly from the amounts reflected herein as a result of various factors.

Q1 2010 highlights

- Consolidated gross loan portfolio grew 5.7% q-o-q to GEL 1,957.3 million, mostly driven by Bank of Georgia's standalone gross loan portfolio growth of 6.0% q-o-q
- Consolidated Client Deposits grew 9.6% q-o-q to GEL 1,394.4 million, driven by:
 - Wealth Management client Deposits grew 10.8% q-o-q to GEL 180.7 million, up 93.6% y-o-y
 - Retail Banking client Deposits grew 10.3% q-o-q to GEL 414.7 million, up 47.9% y-o-y
 - Corporate Banking client Deposits grew 11.7% q-o-q to GEL 656.1 million, up 8.4% y-o-y
 - BG Bank's client deposits declined 11.9% q-o-q to GEL 122.3 million, up 1.0% y-o-y
- Extended approximately GEL 356.7 million, up 98.4% y-o-y and down 18.8% q-o-q, in new loans to an estimated 15,830 clients (through credit cards, mortgages, consumer and other loans) and to small-and-medium sized companies and corporate clients
- The Balance Sheet growth in 2010 resulted in 1.4% market share gain by assets, 0.8% market share gain by gross loans, 1.5% market share gain by client deposits and 0.7% market share gain by shareholders' equity
- Consolidated Net Provision Expenses of GEL 7.4 million improved 75.7% q-o-q.
- In line with the ongoing downscaling, BG Bank, Ukraine, closed down nine outlets and reduced the headcount by 155 full-time employees, bringing down the total number of outlets and branches to nine and the total number of full-time employees to 237 as of 30 April 2010

“The Bank's Q1 2010 consolidated Net Income of GEL 16.8 million reflects the stabilized net provision expense of our banking operations and solid performance of Bank of Georgia on a standalone basis. Our Q1 results benefited from the growth of the corporate loan book and the continuous high inflow of deposits in Georgia and the improved results of the Bank's subsidiaries. Q1 2010 was a very strong quarter for our corporate business in Georgia as we saw the corporate gross loan book increase by 8.0% on a standalone and by 7.1% on a consolidated basis. The Bank's Operating Income continued to be impacted by the increase in interest expense as deposit growth outpaced the loan book growth for the third consecutive quarter and the aggressive deposit rate cuts undertaken by the Bank over the past few months in Georgia have not yet affected the interest expense in the Q1 2010.

Our insurance business posted another profitable quarter, contributing GEL 4.4 million to our Net Non-Interest Income, an increase of 19.1% compared to the same period last year. Our brokerage business further contributed GEL 2.4 million to the Bank's Net Non-Interest Income, an increase from GEL 1.0 million in Q1 2009”, commented *Giorgi Chiladze*, Deputy Chief Executive Officer, Finance.

Q1 2010 summary of the Bank's consolidated results

In Q1 2010 the Bank's Total Operating Income (Revenue) declined 1.9% q-o-q to GEL 75.9 million, (down 7.1% y-o-y). The q-o-q decline of the Revenue is largely a seasonal effect, due to the lower business activity in Georgia during the first quarter of the year compared to the fourth quarter as well as the decrease of Net Interest Income, as deposits grew at a higher rate than the loan book. Net Interest Income declined 1.7% q-o-q to GEL 45.3 million, down 13.7% y-o-y. The continuous deposit growth in Georgia drove Interest Expense up by 8.9% q-o-q to GEL 46.8 million, which more than offset the 3.4% q-o-q increase in Interest Income to GEL 92.0 million for the quarter. On a year-on-year basis, Interest Income declined by 9.6%, while Interest Expense declined by 5.3% in Q1 2010. Net Interest Margin (NIM) declined to 8.0% in Q1 2010 from 8.5% NIM in Q4 2009. The Bank's Net Non-Interest Income for the quarter grew 4.6% y-o-y, to GEL 30.6 million, driven by a 51.2% y-o-y increase of Net Other Non-Interest Income reflecting increased profitability of the Bank's insurance and brokerage operations. Net Non-Interest income declined by 2.2% compared to the previous quarter, a result of an 18.2% q-o-q decline of Net Fees and Commission Income, down 7.3% y-o-y. The Bank's Net Income from Documentary Operations amounted to GEL 2.2 million, down by 5.5% q-o-q and 2.7% y-o-y. Net Foreign Currency Related Income increased 29.5% q-o-q to GEL 7.3 million, a 16.4% decrease y-o-y. The q-o-q increase of Net Foreign Currency Related Income was due to particularly low FX income of BG Bank and BNB in Q4 2009. The 0.6% q-o-q growth of Net Other Non-Interest Income to GEL 10.8 million was predominantly driven by the rise of Net Insurance Income, which grew 13.6% q-o-q and 36.7% y-o-y to GEL 4.2 million in Q1 2010.

Due to cost containment measures implemented by the Bank, Total Consolidated Recurring Operating Costs for the quarter decreased by 0.7 % q-o-q to GEL 46.3 million, (up 3.6% y-o-y), despite a 4.0% q-o-q increase in Personnel costs. Personnel Costs grew due to the increase in headcount. NNOI for the quarter declined 3.7% q-o-q to GEL 29.6 million and Normalized Cost/Income ratio (Costs exclude Net Non-Recurring Costs) increased to 61.0% in Q1 2010 from 58.8% in Q4 2009 due to the decline in Revenue during the quarter.

In Q1 2010 the Bank's Net Non-Recurring Costs of GEL 3.3 million were mainly related to the disposal of certain assets held by the Bank's non-core subsidiaries and the compensation expenses associated with the layoffs in BG Bank in March 2010.

The Bank's Net Provision Expense for the quarter was GEL 7.4 million compared to GEL 30.3 million in Q4 2009 and GEL 32.1 million in Q1 2009 and reflects the recovery trends of the Georgian economy. Cost of Risk for the quarter declined to 1.5% from 6.7% in Q4 2009, respectively. Sharp decline in Net Provision Expense is partly driven by the considerable increase in recoveries in Q1 2010.

On 31 March 2010 the Bank's Consolidated Total Assets stood at GEL 3.1 billion, up 7.2% from 31 December 2009 (down 2.0% from Q1 2009). Due to the increase in lending activity in Q1 2010, the gross loan book increased by 5.7% to GEL 2.0 billion as of the end of the first quarter.

In Q1 2010 Loan Loss Reserves amounted to GEL 180.0 million or 9.2% of consolidated gross loan book, largely flat compared to 9.4% in Q4 2009. Consolidated Net Loans increased by 5.9% q-o-q (down 7.0% y-o-y) to GEL 1,777.3 million. Consolidated NPLs of GEL 168.9 million grew by 20.7% q-o-q and represented 8.6% of the consolidated gross loans as of 31 March 2010, compared to 7.6% in Q4 2009. Increase in NPLs is mainly a backlog of credit card portfolio, which was restructured several times and was fully provisioned in 2009.

Due to the continued inflow of client deposits during the quarter, the Bank's Client Deposits reached GEL 1,394.4 million as of 31 March 2010, a 9.6% increase since Q4 2009 and 23.1% increase since 31 March 2009.

JSC Bank of Georgia (Standalone) Q1 2010 results

Bank of Georgia on a standalone basis reported Q1 2010 Net Income of GEL 12.8 million, as compared to Net Income of GEL 7.8 million in Q4 2009 and GEL 11.3 million in Q1 2009. The increase in Net Income for the quarter was a result of the decrease of Net Provision Expenses on both quarter-on-quarter and year-on-year basis and the decrease of Net Non-Recurring Costs on a quarter-on-quarter basis.

In Q1 2010 Total Operating Income amounted to GEL 59.4 million, down 4.7% q-o-q (down 10.9% y-o-y). Net Interest Income decreased 4.9% q-o-q to GEL 42.6 million due to 10.6% q-o-q growth of Interest Expense to GEL 44.9 million, a result of the increased cost associated with the deposit growth that more than offset 2.5% q-o-q growth of Interest Income to GEL 87.5 million. On a year-on-year basis, Net Interest Income declined by 15.4%, predominantly related to the increase in client deposits during the year. Net Non-Interest Income amounted to GEL 16.8 million, down 4.4% q-o-q and up 3.1% y-o-y. The q-o-q decrease of Net Non-Interest Income was mainly attributed to the 1.4% q-o-q decline of Net Fees and Commission Income to GEL 8.5 million, and a 4.4% decrease of the Net Foreign Currency Related Income to GEL 5.6 million. On a standalone basis, Bank of Georgia's Total Recurring Operating Costs decreased 8.6% q-o-q to GEL 30.8 million (up 6.9% y-o-y), mostly due to decrease in SG&A costs to GEL 6.1 million, down 23.8% q-o-q a result of the cost containment measures that have started to take effect in Q1 2010 and 0.8% q-o-q decrease of Personnel costs to GEL 15.5 million (up 5.3% y-o-y).

The Bank's Net Provision Expense on a standalone basis during the quarter stood at GEL 12.3 million, down from GEL 18.2 million in Q4 2009 and GEL 24.0 million in Q1 2009, reflecting the improving operating environment in the country. Net Provision Expense was attributed mostly to the Bank's Retail banking loans. The Net Provision Expense in Q1 2010 includes GEL 3.8 million charge for loans issued to the subsidiaries that are being reversed during the consolidation.

As of 31 March 2010 Bank of Georgia's Total Assets on a standalone basis stood at GEL 3.0 billion, up 6.7% q-o-q and up 4.0% y-o-y. Gross loans increased 6.0% q-o-q (down 0.8% y-o-y) to GEL 1.8 billion driven by 8.0% q-o-q increase of the corporate gross loan portfolio to GEL 951.0 million. NPLs stood at GEL 136.8 million and represented 7.4% of the total gross loan book, an increase from the same ratio of 6.4% in Q4 2009, when the NPLs amounted to GEL 111.3 million on a

standalone basis. Increase in NPLs is mainly a backlog of credit card portfolio, which was restructured several times and was fully provisioned in 2009.

In Q1 2010, the Bank's Client Deposits in Georgia stood at GEL 1,251.5 million as compared to GEL 1,126.8 million in Q4 2009 and GEL 979.0 million as of 31 March 2009. The growth of Client Deposits during the period was mostly driven by the increase of Wealth Management client deposits that reached GEL 180.7 million as of 31 March 2010, up 93.6% y-o-y and up 10.8% q-o-q. Retail Banking client deposits amounted to GEL 414.7 million, up 47.9% y-o-y and up 10.3% q-o-q. Corporate Banking client deposits stood at GEL 656.1 million, up 8.4% y-o-y and up 11.7% q-o-q.

As of 31 March 2010 Bank of Georgia on a standalone basis held market share of 34.3%, 32.7%, 29.9% and 39.3% by total assets, gross loans, client deposits and shareholders' equity, respectively in Georgia⁶. During the first quarter 2010, the Bank gained market shares of 1.4% by assets, 0.8% by gross loans, 1.5% by client deposits and 0.7% shareholders' equity compared to the previous quarter.

The business segment discussion set forth below is based on the management reporting basis. Business segment results of RB, CB and WM represent Bank of Georgia's standalone performance and do not include intercompany eliminations.

In 2010 the Bank introduced new model for standalone segment reporting. Under the new model, CB and RB business segments pay interest to WM business segment for part of the WM client deposits. The comparative numbers for Q1 2009 business segment reporting have been adjusted respectively.

Retail Banking (RB)

<i>GEL millions, unless otherwise noted</i>	Q1 2010	Q1 2009	Change Y-O-Y
Total operating income revenue	32.8	44.0	-25.4%
Normalized Net Operating Income / (Loss)	12.7	24.1	-47.2%
Net income	2.3	(2.9)	NMF
Loans to clients gross	846.6	931.7	-9.1%
Net loans to clients	772.5	872.0	-11.4%
Client deposits	414.7	280.4	47.9%

Discussion of results

Allocated Revenues declined 25.4% y-o-y to GEL 32.8 million, due to the y-o-y decline of Net Interest Income by 31.3%, a result of the decreased loan portfolio and the increase in interest expense associated with the growth of RB time deposits and the 4.7% y-o-y decline of Net Non-Interest Income during the quarter. RB Recurring Operating Costs increased by 1.1% y-o-y. RB Net Provision Expense amounted to GEL 9.4 million, representing 76.7% of Net Provision Expense of Bank of Georgia on a standalone basis. RB Net Provision Expense in Q1 2010 declined by GEL 17.7 million, or 65.2%, compared to the same period last year reflecting the improved operating environment in Georgia. Net Income for Q1 2010 amounted to GEL 2.3 million, contributing 18.0% to the standalone Net Income and 13.8% to the consolidated Net Income. RB Gross Loans declined 9.1% y-o-y to GEL 846.6 million, as a result of decreased lending activity during 2009. RB Client Deposits grew 47.9% y-o-y to GEL 414.7million, driven primarily by the growth of time deposits.

Highlights

- § Issued 64,627 debit cards in Q1 2010 bringing the total debit cards outstanding to 487,057.
- § Issued 14,657 credit cards of which 6,400 American Express cards issued since the launch in November 2009. The total number of credit cards outstanding reached 83,580 as of 31 March 2010, up 8.1% q-o-q.
- § Outstanding number of RB clients reached 732,928 up 6.5 y-o-y%.
- § Acquired 410 clients in Solo business line, Bank of Georgia's mass affluent sub-brand.

⁶ Market share data are derived from the information published by the National Bank of Georgia (www.nbg.gov.ge) and represent an aggregation of standalone financial information (non-IFRS, based on National Bank of Georgia requirements) filed by Georgian banks.

- § Stepped up mortgage loan originations to GEL 25.8 million in Q1 2010 (up 170.2% y-o-y) resulting in mortgage loans outstanding by 31 March 2010 of GEL 355.8 million.
- § Car loan originations of GEL 2.8 million (down 13.7% y-o-y) resulted in car loans outstanding in the amount of GEL 53.9 million as of 31 March 2010.
- § Consumer loan originations of GEL 48.0 million (up 73.8% y-o-y) resulted in consumer loans outstanding in the amount of GEL 116.7 million as of 31 March 2010.
- § Micro loan originations of GEL 51.6 million (up 237.4% y-o-y) resulted in micro loans outstanding in the amount of GEL 120.7 million as of 31 March 2010.

Corporate Banking (CB)

<i>GEL millions, unless otherwise noted</i>	Q1 2010	Q1 2009	Change Y-O-Y
Total operating income revenue	25.3	21.8	15.8%
Normalized Net Operating Income / (Loss)	15.6	13.9	12.1%
Net income	8.1	15.1	-45.9%
Loans to clients gross	951.0	869.6	9.4%
Net loans to clients	890.0	829.3	7.3%
Client deposits	656.1	605.2	8.4%

Discussion of results

Allocated Revenues grew 15.8% y-o-y to GEL 25.3 million, impacted by the growth of Net Interest Income (up 16.3% y-o-y to GEL 18.0 million), driven by the growth of CB loan book and Net Non-Interest Income (up 14.8% y-o-y to GEL 7.3 million). CB Net Provision Expense amounted to GEL 5.4 million, representing 43.9% of Net Provision Expense of Bank of Georgia on a standalone basis. Net Income declined 45.9% y-o-y, contributing 63.6% to the Bank's standalone Net Income and 48.6% to the consolidated Net Income. Gross Loans grew 9.4% y-o-y to GEL 951.0 million, driven by the increased lending to corporate clients. Allocated Client Deposits grew 8.4% y-o-y to GEL 656.1 million, primarily due to the growth of current account balances.

Highlights

- § Major new corporate client acquisitions include Hotel Adjara (franchise holder of Holiday Inn) and United Georgian Telecom (incumbent fixed line telephone operator).
- § Branched out Small-and-medium-sized (SME) Unit under CB business segment with a view to enhance the Bank's penetration in Georgia's SME sector through the SME loan book growth. The restructuring and staff reorganization of the SME Unit completed in February 2010. As of 31 March 2010, the Bank's SME loans outstanding stood at GEL 59.7 million.
- § Increased the number of corporate clients using the bank's payroll services from 1,132 as of Q1 2009 to 1,475 in Q1 2010. By 31 March 2010, the number of individual clients serviced through the corporate payroll programs administered by the bank increased from approximately 161,400 as of 31 March 2009 to over 175,700 as of 31 March 2010.
- § More than 4,100 new corporate accounts opened at the Bank in Q1 2010, bringing the total to over 157,600.

Wealth Management (WM)

<i>GEL millions, unless otherwise noted</i>	Q1 2010	Q1 2009	Change Y-O-Y
Total operating income revenue	1.3	0.8	53.9%
Normalized Net Operating Income / (Loss)	0.3	(0.2)	NMF
Net income	2.4	(0.9)	NMF
Loans to clients gross	40.6	51.0	-20.4%
Net loans to clients	37.9	48.4	-21.7%
Client deposits	180.7	93.3	93.6%

Discussion of results

Allocated Revenues grew 53.9% y-o-y, impacted by the growth of Net Interest Income (up 76.6% to GEL 1.0 million). WM Net Non-Interest Income increased 5.1% y-o-y to GEL 279.9 thousand. WM Allocated Recurring Costs of GEL 1.0 million declined 1.3% y-o-y. WM Net Provision Reversal amounted to GEL 2.5 million. Net Income grew to GEL 2.4 million, contributing 18.5% to the standalone Net Income and 14.1% to the consolidated Net Income. Gross Loans declined by 20.4% y-o-y to GEL 40.6 million, while Allocated Client Deposits increased by 93.6% y-o-y to GEL 180.7 million.

Highlights

- § WM Assets under management reached GEL 205.6 million as of 31 March 2010, up from GEL 98.5 million as of 31 March 2009, or 108.6%.
- § The number of WM clients amounted to 1,421 clients, of which 454 were non-resident WM clients, up from 308 non-resident WM clients as of 31 March 2009.
- § WM mortgage loan originations of GEL 1.2 million (up 103.6% y-o-y) in Q1 2010 resulted in mortgage loans outstanding of GEL 29.4 million as at 31 March 2010, down 12.9% y-o-y.

BG Bank (Ukraine)

<i>GEL millions, unless otherwise noted</i>	Q1 2010	Q1 2009	Change Y-O-Y
Total operating income revenue	3.1	5.5	-44.0%
Normalized Net Operating Income / (Loss)	(0.9)	(0.2)	NMF
Net income	0.3	(7.3)	-103.4%
Loans to clients gross	184.1	198.8	-7.4%
Net loans to clients	131.9	167.2	-21.1%
Client deposits	122.3	121.0	1.0%

Discussion of results

In Q1 2010 BG Bank's Revenue amounted to GEL 3.1 million, down by 16.4% q-o-q and down 44.0% y-o-y. Recurring Costs stood at GEL 4.0 million, compared to GEL 4.2 million in Q4 2009 and down 30.0% y-o-y, a result of the cost-control measures that have been implemented by BG Bank in 2009. BG Bank's Net Provision Recovery for the quarter amounted to GEL 1.6 million as compared to Net Provision Expense of GEL 8.5 million in Q4 2009. In Q1 2010 BG Bank recorded Net Income of GEL 0.3 million, contributing 1.5% to the Consolidated Net Income.

BG Bank's Total Assets decreased by 3.6% q-o-q to GEL 190.7 million (down 22.1% y-o-y), due to the growth in loan loss reserves by GEL 20.6 million over 12 month period. In Q1 2010 gross loans to clients increased 4.1% q-o-q to GEL 184.1 million (down 7.4% y-o-y) and Loan Loss Reserves increased 1.8% q-o-q to GEL 52.2 million or 28.3% of BG Bank's gross loan book. As at 31 March 2010, BG Bank's NPLs stood at GEL 28.8 million, or 15.6% of BG Bank's gross loan book. The NPL coverage ratio stood at 181.1% as of 31 March 2010.

BG Bank's Client Deposits declined by 11.9% q-o-q to GEL 122.3 million, up 1.0% y-o-y. The quarter-on-quarter decline in Client Deposits was related to the closure of branches and outlets in Q1 2010. BG Bank's Total Liabilities stood at GEL 158.3 million in Q1 2010, down 13.9% y-o-y and down by 5.1% q-o-q.

Highlights

- § Stepped up the restructuring of BG Bank, reducing the headcount by 155 full-time employees (FTEs) employees bringing the total number of FTEs to 237 as of 30 April 2010
- § Closed down one outlet bringing the total to 17 outlets and branches as of the end of the quarter. In April 2010, BG Bank closed eight outlets across the country, resulting in a total of 9 outlets and branches as 30 April 2010.

Belaruskiy Narodniy Bank, Belarus (BNB)

<i>GEL millions, unless otherwise noted</i>	Q1 2010	Q1 2009	Change Y-O-Y
Total operating income revenue	2.9	2.4	20.0%
Normalized Net Operating Income / (Loss)	1.1	0.9	23.3%
Net income	0.5	0.7	-18.4%
Loans to clients gross	32.3	29.6	9.3%
Net loans to clients	31.0	28.4	9.3%
Client deposits	11.6	25.4	-54.5%

Discussion of results

In Q1 2010 BNB's Total Operating Income increased to GEL 2.9 million, up 35.7% q-o-q, impacted by the growth of Net Interest Income (up 131.1% y-o-y to GEL 2.3 million), a result of the growth of the BNB's loan book to GEL 32.3 million (up 32.4% q-o-q) in Q1 2010. BNB's Net Non-Interest Income decreased 57.0% y-o-y to GEL 618.0 thousand. BNB's Recurring Costs of GEL 1.8 million, declined by 10.4% q-o-q. BNB's Net Provision Expense for the quarter amounted to GEL 421.0 thousand as compared to GEL 1.3 million in Q4 2009. BNB posted Net Income of GEL 539.0 thousand as compared to Net Loss of GEL 914.7 thousand in Q4 2009 and Net Income of GEL 660.8 thousand in Q1 2009.

On 31 March 2010 BNB's Total Assets stood at GEL 79.9 million, up 33.1% y-o-y. Client Deposits amounted to GEL 11.6 million, down 43.5% q-o-q primarily due to the withdrawal of one deposit, which was part of the holdback at the time of the acquisition of BNB by the Bank. Total Liabilities of BNB stood at GEL 20.7 million, down 2.2% q-o-q.

Highlights

- § Changed the card processing system which will enable the bank to offer a wider range of products, improve level of service and improve efficiency.
- § Added one outlet in Minsk bringing the total number of outlets and branches to four as of 31 March 2010.
- § New appointments include Deputy CEO in charge of sales to corporate clients, Heads of Legal, Security, Treasury and IT departments.

Insurance

<i>GEL millions, unless otherwise noted</i>	Q1 2010	Q1 2009	Change Y-O-Y
Total operating income revenue	4.5	3.4	32.5%
Normalized Net Operating Income / (Loss)	1.6	0.5	190.0%
Net income	1.2	0.7	85.7%
Gross premiums written	19.0	22.5	-15.4%

Discussion of results

Standalone Revenues of Aldagi BCI, the Bank's wholly-owned insurance subsidiary, grew 32.5% y-o-y to GEL 4.5 million, up 48.1% q-o-q, impacted by the growth in both corporate and consumer lines of business, with standalone Gross Premiums Written down 15.4% y-o-y to GEL 19.0 million. Standalone Operating Costs were GEL 2.9 million, up 2.5% y-o-y reflecting the growth of the business and standalone Net Claims Incurred were GEL 7.2 million. Total Insurance Assets amounted to GEL 77.2 million, while Total Insurance Liabilities reached GEL 59.0 million as at 31 March 2010.

Highlights

- § Launched health claims software intended to further increase efficiency and improve client service.

§ Increased number of corporate clients from 1,492 as of Q1 2009 to 1,640 as of 31 March 2010. Number of retail clients exceeded 208,000 as of the end of the quarter.

BG Capital

Buoyant CIS capital markets helped BG Capital enjoy a strong quarter. BG Capital posted Revenue of GEL 2.9 million, that compares to GEL 1.2 million in Q1 2009 and GEL 0.4 million in Q4 2009. Recurring Operating Costs of BG Capital were down 15.3% q-o-q to GEL 2.0 million, up 62.3% y-o-y. Net Income for the quarter reached GEL 0.7 million, compared to the Net Income of GEL 0.1 million in Q1 2009 and Net Loss of GEL 3.9 million in Q4 2009. BG Capital's Total Assets amounted to GEL 69.1 million, up 15.6% q-o-q.

Q1 2010 saw BG Capital's Investment banking division expand its pipeline picking up several new clients. BG Cap also launched new corporate brokerage and market making services for Ukrainian and Georgian corporate as it expands its trading operations in both markets.

Comment:

"I am pleased that the strategic initiatives identified last year started to translate into the improving performance in the first quarter of 2010. The conservative risk management, maintenance of retail infrastructure and operations throughout the downturn in 2009, the intensified international wealth management activity, strengthened the management team and focus on core business lines have paved the way for the growth.

Bank of Georgia maintains strong balance sheet, superior retail, corporate and wealth management franchises and is well positioned to leverage on the growth of the Georgian economy. At the same time we are closely watching developments in Eurozone to assess potential impact on the Georgian economy" commented **Irakli Gilauri**, Chief Executive Officer.

STANDALONE Q1 2010 SEGMENT INCOME STATEMENT DATA

<i>GEL millions, unless otherwise noted</i>	CB		RB		WM		CC/ Eliminations		Total	
	Q1 '10	Q1'09	Q1 '10	Q1'09	Q1 '10	Q1'09	Q1 '10	Q1'09	Q1 '10	Q1'09
Interest Income	39.6	35.6	45.7	53.6	5.9	3.0	(3.7)	(1.2)	87.5	91.0
Interest Expense	21.5	20.1	22.2	19.3	4.9	2.4	(3.7)	(1.2)	44.9	40.6
Net Interest Income	18.0	15.5	23.6	34.3	1.0	0.6	-	-	42.6	50.4
Net Non-Interest Income	7.3	6.3	9.2	9.7	0.3	0.3	-	-	16.8	16.3
Total Operating Income (Revenue)	25.3	21.8	32.8	44.0	1.3	0.8	-	-	59.4	66.6
Total Recurring Operating Costs	9.7	7.9	20.1	19.9	1.0	1.0	-	-	30.8	28.8
Normalized Net Operating Income / (Loss)	15.6	13.9	12.7	24.1	0.3	(0.2)	-	-	28.6	37.8
Net Non-Recurring Income / (Costs)	(0.5)	(0.2)	(0.7)	(0.3)	-	-	-	-	(1.2)	(0.5)
Net Provision Expense/(Reversal)	5.4	(4.0)	9.4	27.1	(2.5)	0.9	-	-	12.3	24.0
Net Income / (Loss)	8.1	15.1	(2.3)	(2.9)	2.4	(0.9)	-	-	12.8	11.3

STANDALONE Q1 2010 SEGMENT BALANCE SHEET DATA

<i>GEL millions, unless otherwise noted</i>	CB		RB		WM		CC/ Eliminations		Total	
	Q1 '10	Q1'09	Q1 '10	Q1'09	Q1 '10	Q1'09	Q1 '10	Q1'09	Q1 '10	Q1'09
Loans To Clients, Gross	951.0	869.6	846.6	931.7	40.6	51.0	-	-	1,838.2	1,852.3
Loans To Clients, Net	890.0	829.3	772.5	872.0	37.9	48.4	-	-	1,700.5	1,749.7
Client Deposits	656.1	605.2	414.7	280.4	180.7	93.3	-	-	1,251.5	979.0
Total Shareholders Equity	195.3	188.7	189.7	193.5	10.9	9.7	356.1	314.5	751.9	706.4
Total Liabilities And Shareholders Equity	1,334.1	1,271.3	1,151.4	1,227.6	191.5	103.0	356.1	314.5	3,033.1	2,916.5

CONSOLIDATED Q1 2010 INCOME STATEMENT DATA

Period ended	Q1 2010		Q4 2009		Q1 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
<i>000s Unless otherwise noted</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>			
Interest Income	52,605	92,027	52,794	89,000	60,978	101,833	3.4%	-9.6%
Interest Expense	26,739	46,777	25,478	42,951	29,586	49,409	8.9%	-5.3%
Net Interest Income	25,866	45,250	27,316	46,049	31,391	52,423	-1.7%	-13.7%
Fees & Commission Income	7,554	13,215	9,249	15,592	8,156	13,620	-15.2%	-3.0%
Fees & Commission Expense	1,656	2,897	1,765	2,976	1,489	2,486	-2.7%	16.5%
Net Fees & Commission Income	5,898	10,318	7,484	12,616	6,667	11,134	-18.2%	-7.3%
Income From Documentary Operations	1,519	2,657	1,683	2,837	1,614	2,695	-6.3%	-1.4%
Expense On Documentary Operations	274	480	317	534	274	457	-10.1%	5.1%
Net Income From Documentary Operations	1,244	2,177	1,366	2,303	1,340	2,238	-5.5%	-2.7%
Net Foreign Currency Related Income	4,196	7,340	3,362	5,667	5,256	8,778	29.5%	-16.4%
Net Insurance Income / (Loss)	2,377	4,159	2,172	3,661	1,821	3,042	13.6%	36.7%
Brokerage And Investments Banking Income	924	1,617	1,126	1,898	202	337	-14.8%	379.3%
Asset Management Income	24	42	94	158	97	162	-73.4%	-74.0%
Net Investment Gains / (Losses)	325	569	347	585	(2)	(3)	-2.7%	NMF
Other	2,517	4,404	2,625	4,425	2,156	3,601	-0.5%	22.3%
Net Other Non-Interest Income	6,168	10,791	6,363	10,727	4,275	7,139	0.6%	51.2%
Net Non-Interest Income	17,507	30,626	18,575	31,313	17,538	29,289	-2.2%	4.6%
Total Operating Income (Revenue)	43,373	75,876	45,890	77,362	48,930	81,713	-1.9%	-7.1%
Personnel Costs	13,365	23,381	13,336	22,481	13,165	21,985	4.0%	6.4%
Selling, General & Administrative Expenses	5,604	9,803	6,211	10,471	6,999	11,688	-6.4%	-16.1%
Procurement & Operations Support Expenses	2,005	3,507	2,261	3,811	1,771	2,957	-8.0%	18.6%
Depreciation And Amortization	3,802	6,651	4,100	6,911	3,105	5,185	-3.8%	28.3%
Other Operating Expenses	1,667	2,917	1,732	2,920	1,694	2,830	-0.1%	3.1%
Total Recurring Operating Costs	26,443	46,259	27,639	46,594	26,734	44,645	-0.7%	3.6%
Normalized Net Operating Income / (Loss)	16,930	29,617	18,251	30,768	22,196	37,067	-3.7%	-20.1%
Net Non-Recurring Income / (Costs)	(1,867)	(3,266)	(63,379)	(106,844)	(137)	(228)	-96.9%	NMF
Profit / (Loss) Before Provisions	15,063	26,351	(45,128)	(76,076)	22,059	36,839	NMF	-28.5%
Net Provision Expense	4,207	7,360	17,990	30,327	19,198	32,061	-75.7%	-77.0%
Pre-Tax Income / (Loss)	10,856	18,991	(63,117)	(106,403)	2,861	4,778	NMF	297.5%
Income Tax Expense / (Benefit)	1,278	2,236	(2,439)	(4,112)	(181)	(302)	NMF	-840.2%
Net Income / (Loss)	9,578	16,755	(60,678)	(102,291)	3,042	5,080	NMF	229.8%

Note: Q4 2009 results in this report reflect the adjustments per 2009 audited results.

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7494 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6858 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2009

⁴ Change calculations based on GEL values

CONSOLIDATED Q1 2010 BALANCE SHEET DATA

Period ended Consolidated, IFRS based 000s Unless otherwise noted	Q1 2010		YE 2009		Q1 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
	<i>(Unaudited)</i>				<i>(Unaudited)</i>			
Cash And Cash Equivalents	101,688	177,893	93,126	156,992	102,477	171,136	13.3%	3.9%
Loans And Advances To Credit Institutions	184,193	322,227	157,502	265,517	248,418	414,857	21.4%	-22.3%
Mandatory Reserves With NBG / NBU / NBRB	25,485	44,583	24,790	41,791	29,350	49,014	6.7%	-9.0%
Other Accounts With NBG / NBU / NBRB	9,447	16,527	26,151	44,085	43,249	72,226	-62.5%	-77.1%
Balances With And Loans To Other Banks	149,261	261,117	106,561	179,641	175,818	293,617	45.4%	-11.1%
Investment Securities: Available-For-Sale & Trading	10,146	17,750	12,870	21,697	24,252	40,501	-18.2%	-56.2%
Treasuries And Equivalents	142,451	249,203	147,821	249,196	22,954	38,333	0.0%	550.1%
Other Fixed Income Instruments	-	-	-	-	13	22	-	-100.0%
Loans To Clients, Gross	1,118,824	1,957,270	1,098,503	1,851,857	1,225,658	2,046,850	5.7%	-4.4%
Less: Reserve For Loan Losses	(102,880)	(179,979)	(102,996)	(173,630)	(80,985)	(135,245)	3.7%	33.1%
Loans To Clients, Net	1,015,943	1,777,291	995,508	1,678,227	1,144,673	1,911,604	5.9%	-7.0%
Insurance Related Assets	18,641	32,610	15,827	26,681	31,506	52,615	22.2%	-38.0%
Investments In Other Business Entities, Net	59,006	103,225	52,883	89,150	21,875	36,531	15.8%	182.6%
Property And Equipment Owned, Net	158,054	276,499	166,352	280,437	203,532	339,898	-1.4%	-18.7%
Intangible Assets Owned, Net	12,662	22,151	11,667	19,669	6,839	11,421	12.6%	93.9%
Goodwill	39,344	68,828	39,016	65,773	80,992	135,257	4.6%	-49.1%
Tax Assets, Current And Deferred	13,616	23,820	13,930	23,484	4,003	6,685	1.4%	256.3%
Prepayments And Other Assets	30,063	52,592	21,714	36,606	16,705	27,898	43.7%	88.5%
Total Assets	1,785,806	3,124,089	1,728,217	2,913,429	1,908,238	3,186,758	7.2%	-2.0%
Client Deposits	797,096	1,394,439	754,817	1,272,470	678,402	1,132,931	9.6%	23.1%
Deposits And Loans From Banks	44,725	78,242	13,325	22,463	31,702	52,942	248.3%	47.8%
Borrowed Funds	521,304	911,970	541,775	913,324	696,288	1,162,801	-0.1%	-21.6%
Issued Fixed Income Securities	-	-	392	660	81	136	-100.0%	-100.0%
Insurance Related Liabilities	24,415	42,712	20,314	34,246	38,207	63,806	24.7%	-33.1%
Tax Liabilities, Current And Deferred	15,602	27,295	14,969	25,235	11,348	18,951	8.2%	44.0%
Accruals And Other Liabilities	33,015	57,757	27,651	46,614	25,955	43,345	23.9%	33.2%
Total Liabilities	1,436,158	2,512,415	1,373,242	2,315,012	1,481,983	2,474,911	8.5%	1.5%
Share Capital - Ordinary Shares	17,901	31,316	18,570	31,306	18,719	31,261	0.0%	0.2%
Share Premium	274,190	479,668	284,007	478,779	274,512	458,435	0.2%	4.6%
Treasury Shares	(913)	(1,597)	(995)	(1,677)	(1,199)	(2,002)	-4.8%	-20.2%
Retained Earnings	27,095	47,400	81,583	137,533	72,529	121,123	-65.5%	-60.9%
Revaluation And Other Reserves	11,874	20,773	14,466	24,387	27,890	46,577	-14.8%	-55.4%
Net Income For The Period	9,578	16,755	(58,671)	(98,908)	3,042	5,080	-116.9%	229.8%
Shareholders Equity Excluding Minority Interest	339,725	594,315	338,961	571,420	395,493	660,474	4.0%	-10.0%
Minority Interest	9,923	17,359	16,014	26,997	30,762	51,373	-35.7%	-66.2%
Total Shareholders Equity	349,648	611,674	354,975	598,417	426,255	711,847	2.2%	-14.1%
Total Liabilities And Shareholders Equity	1,785,806	3,124,089	1,728,217	2,913,429	1,908,238	3,186,758	7.2%	-2.0%

Note: Q4 2009 results in this report reflect the adjustments per 2009 audited results

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7494 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6858 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2009

⁴ Change calculations based on GEL values

STANDALONE Q1 2010 INCOME STATEMENT DATA

Period ended Consolidated, IFRS based <i>000s Unless otherwise noted</i>	Q1 2010		Q4 2009		Q1 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>			
Interest Income	49,997	87,465	50,626	85,346	54,480	90,982	2.5%	-3.9%
Interest expense	25,642	44,859	24,059	40,559	24,323	40,620	10.6%	10.4%
Net interest income	24,355	42,607	26,567	44,786	30,157	50,363	-4.9%	-15.4%
Fee & commission income	6,349	11,106	6,832	11,517	6,126	10,231	-3.6%	8.6%
Fee & commission expenses	1,491	2,608	1,717	2,895	1,336	2,231	-9.9%	16.9%
Net fee & commission income	4,858	8,498	5,115	8,622	4,790	8,000	-1.4%	6.2%
Income from documentary operations	1,472	2,576	1,639	2,763	1,612	2,692	-6.8%	-4.3%
Expense on documentary operations	274	480	317	534	273	456	-10.1%	5.3%
Net income from documentary operations	1,198	2,096	1,322	2,229	1,339	2,237	-6.0%	-6.3%
Net income from FX & translation operations	3,215	5,624	3,492	5,886	3,343	5,583	-4.4%	0.7%
Net other non-interest income	314	549	476	802	270	450	-31.6%	21.8%
Net non-interest income	9,584	16,766	10,404	17,540	9,742	16,270	-4.4%	3.1%
Total operating income (revenue)	33,939	59,373	36,971	62,326	39,900	66,632	-4.7%	-10.9%
Personnel costs	8,847	15,476	9,255	15,602	8,800	14,695	-0.8%	5.3%
Selling, general & administrative expense	3,459	6,051	4,712	7,943	3,788	6,325	-23.8%	-4.3%
Procurement & operations support expenses	1,629	2,849	1,695	2,858	1,631	2,725	-0.3%	4.6%
Depreciation and amortization	3,141	5,495	3,665	6,178	2,454	4,097	-11.0%	34.1%
Other operating expenses	510	892	643	1,084	566	945	-17.7%	-5.6%
Recurring operating costs	17,586	30,764	19,970	33,665	17,238	28,787	-8.6%	6.9%
Normalized net operating income	16,354	28,609	17,001	28,661	22,662	37,845	-0.2%	-24.4%
Net non-recurring income / (costs)	(697)	(1,220)	(1,492)	(2,515)	(322)	(538)	-51.5%	127.0%
Profit / (loss) before provisions	15,656	27,389	15,510	26,146	22,340	37,307	4.8%	-26.6%
Net provision expense	7,036	12,309	10,825	18,249	14,391	24,032	-32.6%	-48.8%
Pre-tax income / (loss)	8,620	15,080	4,685	7,897	7,949	13,275	91.0%	13.6%
Income tax expense / (benefit)	1,293	2,262	50	83	1,192	1,991	NMF	13.6%
Net income / (loss)	7,327	12,818	4,635	7,814	6,757	11,284	64.0%	13.6%

Note: Q4 2009 results in this report reflect the adjustments per 2009 audited results

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² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6858 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 December 2009

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2009

⁴ Change calculations based on GEL values

STANDALONE Q1 2010 BALANCE SHEET DATA

Period ended Consolidated, IFRS based 000s Unless otherwise noted	Q1 2010		Q4 2009		Q1 2009		Change ⁴ Q-O-Q	Change ⁴ Y-O-Y
	US\$ ¹	GEL	US\$ ²	GEL	US\$ ³	GEL		
	(Unaudited)		(Unaudited)		(Unaudited)			
Cash	72,796	127,350	79,477	133,983	67,042	111,960	-5.0%	13.7%
Balances with NBG	32,103	56,161	34,441	58,060	60,883	101,675	-3.3%	-44.8%
Balances With And Loans To Other Banks	147,639	258,280	97,746	164,780	194,001	323,981	56.7%	-20.3%
Treasuries And Equivalents	142,451	249,203	147,820	249,196	22,954	38,333	0.0%	550.1%
Other Fixed Income Instruments	-	-	-	-	-	-	-	-
Loans To Clients, Gross	1,050,756	1,838,192	1,028,881	1,734,488	1,109,171	1,852,315	6.0%	-0.8%
Reserve For Loan Losses	(78,727)	(137,725)	(76,069)	(128,238)	(61,464)	(102,645)	7.4%	34.2%
Loans To Clients, Net	972,029	1,700,468	952,812	1,606,251	1,047,707	1,749,670	5.9%	-2.8%
Insurance Related Assets	-	-	-	-	-	-	-	-
Investments In Other Business Entities, Net	203,563	356,114	198,207	334,137	188,328	314,507	6.6%	13.2%
Property And Equipment Owned, Net	123,457	215,976	134,327	226,448	138,605	231,471	-4.6%	-6.7%
Intangible Assets Owned, Net	9,653	16,887	8,502	14,332	4,076	6,807	17.8%	148.1%
Goodwill	13,003	22,748	13,499	22,756	13,642	22,783	0.0%	-0.2%
Tax Assets, Current And Deferred	3,485	6,097	3,928	6,622	-	-	-7.9%	-
Prepayments And Other Assets	13,636	23,856	15,327	25,838	9,140	15,263	-7.7%	56.3%
Total Assets	1,733,817	3,033,139	1,686,085	2,842,403	1,746,378	2,916,451	6.7%	4.0%
Deposits And Loans From Banks	33,702	58,958	7,367	12,419	17,573	29,348	374.7%	100.9%
Client Deposits	715,416	1,251,549	668,392	1,126,775	586,214	978,977	11.1%	27.8%
Borrowed Funds	521,304	911,970	541,775	913,324	696,288	1,162,801	-0.1%	-21.6%
Tax Liabilities, Current And Deferred	14,651	25,631	14,188	23,918	9,682	16,169	7.2%	58.5%
Accruals And Other Liabilities	18,949	33,150	16,018	27,003	13,644	22,785	22.8%	45.5%
Total Liabilities	1,304,023	2,281,258	1,247,740	2,103,440	1,323,402	2,210,081	8.5%	3.2%
Share Capital - Ordinary Shares	17,901	31,316	18,570	31,306	18,719	31,261	0.0%	0.2%
Share Premium	273,609	478,651	283,879	478,563	279,874	467,390	0.0%	2.4%
Treasury Shares	(817)	(1,430)	(848)	(1,429)	(699)	(1,167)	0.1%	22.6%
Retained Earnings	109,885	192,232	90,038	151,786	82,834	138,332	26.6%	39.0%
Revaluation And Other Reserves	21,890	38,294	28,413	47,899	35,491	59,269	-20.1%	-35.4%
Net Income / (Loss) For The Period	7,327	12,818	18,292	30,837	6,757	11,284	-58.4%	13.6%
Total Shareholders Equity	429,794	751,881	438,346	738,963	422,976	706,370	1.7%	6.4%
Total Liabilities And Shareholders Equity	1,733,817	3,033,139	1,686,085	2,842,403	1,746,378	2,916,451	6.7%	4.0%

Note: Q4 2009 results in this report reflect the adjustments per 2009 audited results

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³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2009

⁴ Change calculations based on GEL values

BNB (BELARUS) Q1 2010 INCOME STATEMENT DATA

Period ended	Q1 2010		Q1 2009		Change ³
	US\$ ¹	GEL	US\$ ²	GEL	
Consolidated, IFRS based					Y-O-Y
<i>000s Unless otherwise noted</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>		
Interest Income	1,487	2,602	971	1,621	60.5%
Interest Expense	173	302	375	626	-51.7%
Net Interest Income	1,315	2,300	596	995	131.1%
Fees & Commission Income	164	287	204	341	-15.9%
Fees & Commission Expense	32	56	30	50	12.4%
Net Fees & Commission Income	132	231	175	291	-20.7%
Income From Documentary Operations	1	1	2	3	-63.7%
Expense On Documentary Operations	-	-	1	1	-100.0%
Net Income From Documentary Operations	1	1	1	2	-38.7%
Net Foreign Currency Related Income	209	366	703	1,175	-68.8%
Net Other Non-Interest Income	11	20	(19)	(32)	-163.0%
Net Non-Interest Income	353	618	860	1,436	-57.0%
Total Operating Income (Revenue)	1,668	2,918	1,456	2,431	20.0%
Personnel Costs	581	1,016	455	760	33.7%
Selling, General & Administrative Expenses	109	191	95	159	20.2%
Procurement & Operations Support Expenses	146	255	139	233	9.6%
Depreciation And Amortization	73	127	99	166	-23.5%
Other Operating Expenses	107	188	113	188	-0.2%
Total Recurring Operating Costs	1,016	1,777	902	1,506	18.0%
Normalized Net Operating Income / (Loss)	652	1,141	554	925	23.3%
Net Non-Recurring Income / (Costs)	5	8	6	10	-19.2%
Profit / (Loss) Before Provisions	657	1,149	560	935	22.9%
Net Provision Expense	241	421	17	29	NMF
Pre-Tax Income / (Loss)	416	728	543	906	-19.7%
Income Tax Expense / (Benefit)	108	189	147	245	-23.0%
Net Income / (Loss)	308	539	396	661	-18.4%

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7494 per US\$1.00, such exchange rate being the official Georgian Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2010

² Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6700 per US\$1.00, such exchange rate being the official Georgia Lari to U.S. dollar period-end exchange rate as reported by the National Bank of Georgia on 31 March 2009

³ Change calculations based on GEL values

KEY RATIOS

Profitability Ratios	Q1 2010	Q4 2009	Q1 2009
ROAA ¹ , Annualised	2.2%	-13.6%	0.6%
ROAE ² , Annualised	11.1%	-59.5%	2.9%
Interest Income To Average Interest Earning Assets ³ , Annualized	16.2%	16.4%	17.5%
Cost Of Funds ⁴ , Annualised	8.1%	7.8%	8.2%
Net Spread ⁵	8.1%	8.6%	9.3%
Net Interest Margin ⁶ , Annualised	8.0%	8.5%	9.3%
Net Interest Margin Normalized ⁷ , Annualised	8.0%	8.5%	9.3%
Loan Yield ⁸ , Annualised	17.7%	12.9%	13.1%
Interest Expense To Interest Income	50.8%	48.2%	47.2%
Net Non-Interest Income To Average Total Assets, Annualized	4.1%	3.8%	3.6%
Net Non-Interest Income To Revenue ⁹	40.4%	38.4%	34.6%
Net Fee And Commission Income To Average Interest Earning Assets ¹⁰ , Annualized	1.8%	2.3%	1.5%
Net Fee And Commission Income To Revenue	13.6%	16.9%	10.5%
Operating Leverage ¹¹	-17.5%	-107.3%	-20.2%
Total Operating Income (Revenue) To Total Assets, Annualized	9.7%	10.3%	10.6%
Recurring Earning Power ¹² , Annualised	3.5%	-10.1%	5.4%
Net Income To Revenue	22.1%	-136.8%	6.0%
Efficiency Ratios			
Operating Cost To Average Total Assets ¹³ , Annualized	6.1%	5.9%	5.0%
Cost To Average Total Assets ¹⁴ , Annualized	6.6%	20.1%	5.5%
Cost / Income ¹⁵	65.3%	201.8%	53.0%
Cost / Income, Normalized ¹⁶	61.0%	58.8%	52.7%
Cost / Income, Bank of Georgia, Stand-Alone ¹⁷	53.9%	58.0%	42.2%
Cost / Income, Bank of Georgia, Stand-Alone, Normalized	51.8%	54.0%	41.4%
Cash Cost / Income	52.2%	49.6%	46.9%
Total Employee Compensation Expense To Revenue ¹⁸	30.8%	30.1%	26.0%
Total Employee Compensation Expense To Cost	47.2%	14.9%	49.0%
Total Employee Compensation Expense To Average Total Assets, Annualized	3.1%	3.0%	2.7%
Liquidity Ratios			
Net Loans To Total Assets ¹⁹	56.9%	57.6%	60.0%
Average Net Loans To Average Total Assets	57.2%	54.4%	61.6%
Interest Earning Assets To Total Assets	75.2%	75.3%	74.2%
Average Interest Earning Assets To Average Total Assets	75.2%	72.0%	73.8%
Liquid Assets To Total Assets ²⁰	23.1%	22.4%	19.3%
Liquid Assets To Total Short-Term Liabilities, NBG Stand-Alone	38.7%	35.6%	37.6%
Liquid Assets To Total Liabilities, IFRS Consolidated	30.5%	30.0%	26.9%
Net Loans To Client Deposits	127.5%	131.9%	168.7%
Average Net Loans To Average Client Deposits	129.6%	131.5%	168.5%
Net Loans To Total Deposits ²¹	120.7%	129.6%	161.2%
Net Loans To (Total Deposits + Equity)	85.3%	88.6%	100.7%
Net Loans To Total Liabilities	70.7%	72.5%	77.2%
Total Deposits To Total Liabilities	58.6%	55.9%	47.9%
Client Deposits To Total Deposits	94.7%	98.3%	95.5%
Client Deposits To Total Liabilities	55.5%	55.0%	45.8%
Current Account Balances To Client Deposits	40.4%	38.4%	42.1%
Demand Deposits To Client Deposits	9.0%	9.5%	7.6%
Time Deposits To Client Deposits	50.6%	52.1%	50.3%
Total Deposits To Total Assets	47.1%	44.4%	37.2%
Client Deposits To Total Assets	44.6%	43.7%	35.6%
Client Deposits To Total Equity (Times) ²²	228.0%	212.6%	1.59
Due From Banks / Due To Banks ²³	411.8%	1182.0%	783.6%
Total Equity To Net Loans	34.4%	35.7%	37.2%
Leverage (Times) ²⁴	4.1	3.9	3.5

Note: Q4 2009 results in this report reflect the adjustments per 2009 audited results

KEY RATIOS CONT'D

Asset Quality	Q1 2010	Q4 2009	Q1 2009
NPLs (in GEL) ²⁵	168,892	139,954	104,587
NPLs To Gross Loans To Clients ²⁶	8.6%	7.6%	5.1%
Cost of Risk ²⁷ , Annualized	1.5%	6.7%	6.6%
Cost of Risk Normalized ²⁸ , Annualized	1.5%	7.0%	6.6%
Reserve For Loan Losses To Gross Loans To Clients ²⁹	9.5%	9.4%	6.6%
NPL Coverage Ratio ³⁰	110.9%	124.1%	129.3%
Equity To Average Net Loans To Clients	35.4%	36.6%	35.6%
Capital Adequacy:			
Equity To Total Assets	19.6%	20.5%	22.3%
BIS Tier I Capital Adequacy Ratio, consolidated ³¹	22.1%	22.4%	22.2%
BIS Total Capital Adequacy Ratio, consolidated ³²	32.3%	33.8%	31.7%
NBG Tier I Capital Adequacy Ratio ³³	17.7%	19.7%	16.4%
NBG Total Capital Adequacy Ratio ³⁴	15.9%	16.8%	17.4%
Per Share Values:			
Basic EPS (GEL) ³⁵	0.54	(3.27)	0.16
Basic EPS (US\$)	\$0.31	(\$1.94)	\$0.10
Fully Diluted EPS (GEL) ³⁶	0.48	(2.94)	0.14
Fully Diluted EPS (US\$)	\$0.28	(\$1.74)	\$0.09
Book Value Per Share (GEL) ³⁷	19.53	19.12	22.77
Book Value Per Share (US\$)	\$11.17	\$11.34	\$13.64
Change y-o-y	-14.2%	-16.9%	-4.7%
Ordinary Shares Outstanding - Weighted Average, Basic	31,312,554	31,298,343	31,260,888
Ordinary Shares Outstanding - Period End	31,315,960	31,306,071	31,260,888
Ordinary Shares Outstanding - Fully Diluted	34,790,574	34,780,685	35,074,482
Selected Operating Data:			
Full Time Employees (FTE)	4,932	4,781	4,989
FTEs, Bank of Georgia Stand-Alone	2,818	2,667	2,692
Total Assets Per FTE ³⁸ (GEL Thousands)	633	609	639
Total Assets Per FTE, Bank of Georgia Stand-Alone (GEL Thousands)	1,109	1,092	1,184
Number Of Active Branches	140	141	142
Number Of ATMs	379	382	420
Number Of Cards (Thousands)	571	537	645
Number Of POS Terminals	2,067	1,958	2,548

Note: Q4 2009 results in this report reflect the adjustments per 2009 audited results

NOTES TO KEY RATIOS

- 1 Return On Average Total Assets (ROAA) equals Net Income of the period divided by quarterly Average Total Assets for the same period;
- 2 Return On Average Total Equity (ROAE) equals Net Income of the period divided by quarterly Average Total Equity for the same period;
- 3 Average Interest Earning Assets are calculated on a quarterly basis; Interest Earning Assets include: Loans And Advances To Credit Institutions, Treasuries And Equivalents, Other Fixed Income Instruments and Net Loans to Clients;
- 4 Cost Of Funds equals Interest Expense of the period divided by quarterly Average Interest Bearing Liabilities; Interest Bearing Liabilities Include: Client Deposits, Deposits And Loans From Banks, Borrowed Funds and Issued Fixed Income Securities;
- 5 Net Spread equals Interest Income To Average Interest Earning Assets less Cost Of Funds;
- 6 Net Interest Margin equals Net Interest Income of the period divided by quarterly Average Interest Earning Assets of the same period;
- 7 Net Interest Margin Normalized equals Net Interest Income of the period, less interest income generated by non-performing loans through the date of their write-off, divided by quarterly Average Interest Earning Assets of the same period;
- 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 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 and Net Non-Recurring Costs (Income);
- 15 Cost/Income Ratio equals Costs of the period divided by Total Operating Income (Revenue);
- 16 Cost/Income Normalized equals Total Recurring Operating cost (excludes net non-recurring costs) divided by total operating income.
- 17 Cost/ Income, Bank of Georgia, standalone, equals non-consolidated Total Costs of the bank of the period divided by non-consolidated Revenue of the bank of the same period;
- 18 Total Employee Compensation Expense includes Personnel Costs;
- 19 Net Loans equal Net Loans To Clients;
- 20 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;
- 21 Total Deposits include Client Deposits and Deposits And Loans from Banks;
- 22 Total Equity equals Total Shareholders' Equity;
- 23 Due From Banks/ Due To Banks equals Loans And Advances To Credit Institutions divided by Deposits And Loans From Banks;
- 24 Leverage (Times) equals Total Liabilities as of the period end divided by Total Equity as of the same date;
- 25 NPLs (in GEL) equals consolidated total gross non-performing loans as of the period end; non-performing loans are loans that have debts in arrears for more than 90 calendar days;
- 26 Gross Loans equals Gross Loans To Clients;
- 27 Cost Of Risk equals Net Provision For Loan Losses of the period, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans To Clients over the same period;
- 28 Cost Of Risk Normalized equals Net Provision For Loan Losses of the period, less provisions for the interest income generated by non-performing loans through the date of their write-off, plus provisions for (less recovery of) other assets, divided by quarterly average Gross Loans To Clients over the same period;
- 29 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;
- 30 NPL Coverage Ratio equals Reserve For Loan losses as of the period end divided by NPLs as of the same date;
- 31 BIS Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I;
- 32 BIS Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of Basel Accord I;
- 33 NBG Tier I Capital Adequacy Ratio equals Tier I Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements the National Bank of Georgia;
- 34 NBG Total Capital Adequacy Ratio equals Total Capital as of the period end divided by Total Risk Weighted Assets as of the same date, both calculated in accordance with the requirements of the National Bank of Georgia;
- 35 Basic EPS equals Net Income of the period divided by the weighted average number of outstanding ordinary shares over the same period;
- 36 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;
- 37 Book Value Per Share equals Equity as of the period end, plus Treasury Shares, divided by the total number of Outstanding Ordinary shares as of the same date
- 38 Equals total consolidated assets divided by total number of full-time employees