

1.66 GEL/US\$ September 2007 period end
1.69 GEL/US\$ 9 Month 2007 average
1.74 GEL/US\$ September 2006 period end
1.79 GEL/US\$ 9 Month 2006 average

JSC BANK OF GEORGIA ANNOUNCES CONSOLIDATED Q3 AND YEAR-TO-DATE 2007 RESULTS

Millions, unless otherwise noted

	Pro Forma Consolidated*		Q3 2007 Bank of Georgia Consolidated		Growth y-o-y ¹
	GEL	US\$	GEL	US\$	
Bank of Georgia (Consolidated, Unaudited, IFRS Based)					
Total Operating Income (Revenue) ²	62.5	38.1	56.2	33.9	105%
Recurring Operating Costs	26.6	16.2	21.6	13.0	62%
Normalized Net Operating Income ³	35.9	21.9	34.6	20.9	146%
Pre-Bonus Result	30.4	18.6	29.5	17.8	167%
Net Income	18.2	11.2	17.5	10.6	179%

Millions, unless otherwise noted

	Pro Forma Consolidated*		9 Months 2007 (YTD) Bank of Georgia Consolidated		Growth y-o-y ¹
	GEL	US\$	GEL	US\$	
Bank of Georgia (Consolidated, Unaudited, IFRS Based)					
Total Operating Income (Revenue) ²	171.0	103.1	149.4	90.1	107%
Recurring Operating Costs	70.8	42.7	58.5	35.3	74%
Normalised Net Operating Income ³	100.2	60.4	90.8	54.8	134%
Pre-Bonus Result	91.0	54.9	82.8	50.0	190%
Net Income	56.0	33.8	49.9	30.1	188%
Consolidated EPS (Basic), GEL & US\$ ⁴	2.18	1.32	1.95	1.17	84%
Consolidated EPS (Diluted), GEL & US\$ ⁵	2.05	1.24	1.83	1.10	102%
ROAA ⁶ %, annualised	3.4		3.5		
ROA ⁷ %, annualised	2.7		2.8		
ROAE ⁸ %, annualised	15.5		16.2		
ROE ⁹ %, annualised	14.0		14.3		

* Pro Forma Consolidated Statements include 9 months 2007 financial results of Ukrainian Bank for Restructuring and Development ("UBDP") on a pro forma basis.

¹ Compared to the same period in 2006; growth calculations based on GEL, except for EPS growth

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

³ Normalized for Net Non-Recurring Costs.

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

⁵ 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 Assets equals annualised Net Income for the period divided by the Total Assets at the end of the period

⁸ Return on Average Total Shareholders' Equity equals annualised Net Income for the period divided by the average Total Shareholders' Equity for the period.

⁹ Return on Equity equals annualised Net Income for the period divided by the Total Equity at the end of the period

About Bank of Georgia

Bank of Georgia, the leading universal Georgian bank with operations in Georgia and Ukraine, is the largest bank by assets, loans, deposits and equity in Georgia, with 34% market share by total assets (all data according to the NBG as of September 30 2007). The major component of the Galt & Taggart Index, the bank has 109 branches and over 595,000 retail and more than 60,000 corporate current accounts. The bank offers a full range of retail banking and corporate and investment banking services to its customers across Georgia. The bank also provides a wide range of corporate and retail insurance products through its wholly-owned subsidiary, Aldagi BCI, as well as asset & wealth management services.

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

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

For further information, please visit www.bog.ge/ir or contact:

Lado Gurgenidze

Chairman of the Supervisory Board
+995 32 444 103
lgurgenidze@bog.ge

Irakli Gilauri

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

Macca Ekizashvili

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

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

Bank of Georgia (LSE: BGEO, GSE: GEB), the leading Georgian universal bank, announced today its Q3 2007 and YTD 2007 consolidated results (IFRS based, derived from management accounts), reporting record quarterly Net Income of GEL 17.5 million in Q3 2007, (up 179.2% y-o-y) or US\$0.40 per share (Basic, up 80.7% y-o-y).

Net Income on the consolidated basis for the nine months reached GEL 49.9 million (up 188.2% y-o-y), or US\$1.17 per share (Basic, up 84.4 % y-o-y).

Q3 2007 Summary

Total Operating Income (Revenue) grew by 105.1% y-o-y to GEL 56.2 million in Q3 2007, a result of the 108.2% growth y-o-y of Net Interest Income to GEL 33.5 million and 100.8% growth y-o-y of Net Non-Interest Income to GEL 22.7 million. The slower growth rate of Recurring Operating Costs up 61.8% y-o-y to GEL 21.6 million resulted in a 146.3% growth of Net Normalised Operating Income (“NNOI”) to GEL 34.6 million. The bank’s Non-Recurring Costs amounted to GEL 2.0 million and have led to the Pre-Bonus Result (“PBR”) of GEL 29.5 million a 167.2% y-o-y.

In Q3 2007, Bank of Georgia continued the build-up of its capital and funding base by raising the total of US\$158.5 million in debt funding. This includes the debut syndicated loan of US\$123.5 million arranged by Citi and Asian Development Bank and US\$35 million subordinated loan, structured by Merrill Lynch. Bank of Georgia increased its issued capital from 25.3 million shares as of June 2007 to 27.2 million shares by 30 September 2007. The increase, approved by the General Meeting of Shareholders in June 2007, includes the conversion of the US\$25 million subordinated convertible loan provided by a fund affiliated with HBK Investments L.P., into 1,157,407 Bank of Georgia common shares and the 650,000 shares issued for the purpose of the bank Executive Equity Compensation Plan (“EECP”).

9 Months 2007 Summary

The bank reported strong consolidated results with Net Income of GEL 49.9 million, up 188.2% y-o-y. Total Operating Income (Revenue) grew 106.5% y-o-y to GEL 149.4 million, as Net Interest Income (GEL 90.4 million grew by 115.4% y-o-y while Net Non-Interest Income (GEL 59.0 million) lagged slightly at a 94.1% growth rate y-o-y. Non-banking operations generated approximately 30.9% (or GEL 18.2 million) of the Total Net Non-Interest Income, up 175.8% y-o-y. Total Recurring Operating Costs increased by 74.3% y-o-y, reflecting the bank’s growth across the board and increased number of the personnel. The further improvement of the operating leverage resulted in the NNOI of GEL 90.8 million, up 134.3% y-o-y. PBR grew 189.7 % y-o-y to GEL 82.8 million.

The bank’s consolidated Total Assets reached GEL 2.4 billion by 30 September 2007, up 180.5% y-o-y and up 98.1% YTD. The bank’s corporate, retail and private banking Gross Loans To Clients grew by 110.4%, 144.5% and 88.7% y-o-y and 81.7%, 89.5%, and 52.3% YTD, respectively, to GEL 715.3 million, GEL 533.6 million and GEL 34.3 million, respectively, contributing to the 125.2% y-o-y growth of Net Loans To Clients to GEL 1.3 billion (up 84.0% YTD). As of 30 September 2007, the combined share of retail and private banking in Gross Loans To Clients increased to 43.6% from 42.5% at the year end 2006. The balance sheet growth during the nine months of 2007 resulted in an approximately 6.0% market share gain by assets, and approximately 4.4% market share gain by gross loans. As of 30 September 2007, Bank of Georgia held the market share of approximately 34.0% and 30.8% by total assets and, gross loans, respectively.⁸ The bank’s non-deposit funding base grew 231.7% y-o-y and 207.6% YTD to GEL 687.5 million as at 30 September 2007. Client Deposits (GEL 1,065 million as at 30 September 2007) increased by 127.6% y-o-y and 90.3% YTD. As a result, the bank’s market share by Total Deposits grew 6.9% to 31.4% as at 30 September 2007.

⁸ 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 filed by Georgian banks.

Consolidated ROAE of 16.2% decreased slightly compared to the consolidated ROAE of 16.5% as of 31 December 2006, while consolidated ROAA reached 3.5% during the nine months of 2007, compared to 3.4% in 2006. The equity book value per share stood at GEL 17.12 as at 30 September 2007, up 109.2% y-o-y and up 15.1% YTD.

Bank of Georgia also announced certain changes in the organizational structure, following the acquisition of the Ukrainian Bank of Development and Partnership (“UBDP”), a mid-sized Ukrainian Bank in Q3 2007. The consolidated results for Q3 2007 have been presented also on a pro forma basis, and UBDP standalone results have been shown in a separate Strategic Business Unit (“SBU”), the bank’s fifth, Ukraine SBU. The bank’s Wealth Management BU now includes Galt & Taggart Bank, formerly Cascade Bank, one of the smallest banks in Georgia acquired by Bank of Georgia in July 2007.

Strategic Business Unit and Business Unit Overview

Corporate & Investment Banking (CIB)

Discussion Of Results

Allocated Revenues grew 80.0% y-o-y to GEL 49.1 million, impacted by the growth of Net Interest Income and Net Non-Interest Income. Operating leverage of CIB has improved, as the growth rate of allocated Recurring Costs (37.1% y-o-y), lagged the growth rate of the allocated Revenues. PBR grew 123.6% y-o-y to GEL 33.8 million, contributing 40.8% to the consolidated PBR. Earnings grew 135.6% y-o-y to GEL 22.1 million, contributing 44.2% to the consolidated Net Income. Gross Loans grew 110.4% y-o-y and 81.7% YTD to GEL 715.3 million, driven by the increased lending to corporate clients and rapid growth of the SME loan book. Allocated Client Deposits grew 143.1% y-o-y and 137.3% YTD to GEL 670.8 million, primarily due to the growth of current account balances. Allocated Total CIB Assets amounted to GEL 1,235 million, up 167.9% y-o-y and up 130.8% YTD, while allocated Total CIB Liabilities reached GEL 1,081 million, up 165.6% y-o-y and up 137.3% YTD.

Highlights

- Major new corporate client acquisitions include the UAE-based Rakeen Development, Energo Pro, a leading energy distribution company in Georgia, and GPC, the country’s third largest pharmacy chain.
- Increased the number of corporate clients using the bank’s payroll services from 480 at the end of 2006 to over 675 by the end of September 2007. By 30 September 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 135,000.
- Approximately 16,000 legal entities opened accounts at the bank during the nine months in 2007, bringing the total to over 60,000.

Retail Banking (RB)

Discussion Of Results

Allocated Revenues grew 120.5% y-o-y to GEL 65.3 million, impacted by the growth of Net Interest Income and Net Non-Interest Income. Operating leverage of RB has improved, as the growth rate of allocated Recurring Costs (66.7% y-o-y, driven primarily by the branch and headcount expansion) lagged the growth rate of the allocated Revenues. PBR grew 267.7% y-o-y to GEL 32.0 million, contributing 38.6% to the consolidated PBR. Earnings grew 297.9% y-o-y to GEL 20.9 million, contributing 41.9% to the consolidated Net Income. Gross Loans grew 144.5% y-o-y and 89.5% YTD to GEL 533.6 million, driven by the increased lending activity due to high demand from customers. Allocated Client Deposits grew 82.3% y-o-y and 57.0% YTD to GEL 322.8 million, driven primarily by the growth of current account balances and time deposits. Allocated Total RB Assets amounted to GEL 919.5 million, up 211.1% y-o-y and up 146.2% YTD, while allocated Total RB Liabilities reached GEL 628.6 million, up 140.5% y-o-y and up 138.9% YTD.

Highlights

- Increased the number of retail current accounts from approximately 420,000 at the beginning of the year to more than 595,000 by 30 September, 2007.
- Increased the number of branches (service centers) from 100 at the beginning of the year to 109 by 30 September 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 and leased premises for 34 new branches, 28 of which remain to be fitted out and are expected to be operational by Q2 2008.
- Stepped up the issuance of credit cards, as the number of credit cards issued reached approximately 46,227 in Q3 2007, compared to approximately 17,000 issued in Q2 2007 and approximately 5,800 issued in Q1 2007. As of 30 September 2007, the number of credit cards outstanding amounted to approximately 69,224, up from 356 at the beginning of the year.
- Increased the issuance of debit cards, with over 229,000 debit cards issued during the nine months of 2007, compared to approximately 158,231 debit cards issued during the first nine months of 2006. The number of debit cards outstanding increased from approximately 285,000 at the beginning of the year to approximately 459,000 by the end of September 2007.
- Continued to make gains in merchant acquiring as the installed POS terminal footprint grew to 1,093.
- Total number of cards serviced by Georgian Card grew from 370,000 at the beginning of the year to 706,249 by 30 September 2007, while the number of transaction authorisations processed by Georgian Card during the nine months of 2007 grew 181.0% y-o-y to approximately 12.2 million.
- Continued investing in the electronic banking channels, as the number of ATMs grew to 185 by 30 September 2007 (up from 124 at the beginning of the year), number of mobile banking users reached 30,184, and number of registered Internet banking users grew 177.3% YTD to over 101,200.
- POS express consumer lending, commenced by the bank in 2006 to complement the branch-based general-purpose consumer lending, resulted in the 840 express loan POS contracts signed with merchants (of which 548 outlets were served by 30 September 2007). POS express loan originations have reached GEL 63.6 million during nine months of 2007 (up 387.9% y-o-y), while POS express loans outstanding amounted to GEL 42.9 million at the end of September 2007, up 308.1% y-o-y and up 93.4% YTD.
- Stepped up mortgage loan originations to GEL 103.8 million during the nine months of 2007 (up 203.1% y-o-y) resulting in mortgage loans outstanding by 30 September 2007 of GEL 134.8 million, up 150.3% y-o-y and up 111.8% YTD.
- Car loan originations of GEL 27.2 million (up 275.6% y-o-y) resulted in car loans outstanding by 30 September 2007 of GEL 30.6 million, up 259.0% y-o-y and up 213.2% YTD.

Insurance*Discussion Of Results*

Revenues of Aldagi BCI, the bank's wholly-owned insurance subsidiary, grew 41.1% y-o-y on to GEL 6.0 million, impacted by the growth in both corporate and consumer lines of business, with Gross Premiums Written up 190.6% y-o-y to GEL 30.4 million. Operating Costs were GEL 4.5 million, up 20.3% y-o-y. PBR grew 124.7% y-o-y to GEL 1.3 million, while earnings grew 10.8% y-o-y to GEL 0.6 million during the nine months of 2007. Total Insurance Assets amounted to GEL 54.3 million, while Total Insurance Liabilities reached GEL 39.3 million as at 30 September 2007.

Highlights

- Major new corporate client acquisitions include Airzena Georgian Airlines for aviation insurance and Energo Pro, for property insurance.

Corporate Center (CC)

Significant decrease in the Allocated Revenues and Net Income of the Corporate Center is a result of a significant increase in the elimination adjustment in Q2 and Q3 2007, driven by the adjustments of securities trading gains of Galt & Taggart Securities, eliminated for the consolidation purposes as per IFRS requirements. Allocated Total CC Assets amounted to GEL 15.1 million, representing 0.6% of the consolidated Total Assets. Allocated Total CC Liabilities reached GEL 60.1 million, representing 3.1% of the consolidated Total Liabilities.

Wealth Management (WM)

Discussion Of Results

Allocated Revenues grew 115.4% y-o-y, impacted by the growth of Net Interest Income (driven primarily by the growth of the Private Banking loan book) to GEL 3.5 million during nine months of 2007. Allocated Recurring Costs of GEL 1.1 million grew 52.1% y-o-y. PBR grew 277.8% y-o-y to GEL 2.1 million, contributing 2.5% to the consolidated PBR. Earnings grew 303.3% y-o-y to GEL 1.3 million, contributing 2.7% to the consolidated Net Income. Gross Loans grew 88.7% y-o-y and 52.3% YTD to GEL 34.3 million, while Allocated Client Deposits increased by 326.5% y-o-y and decreased by 2.2% YTD to GEL 64.0 million. Allocated Total WM Assets amounted to GEL 70.1 million, up 185.3% y-o-y and 491.0% YTD, while allocated Total WM Liabilities reached GEL 83.9 million, up 282.1% y-o-y and 45.1% YTD.

Highlights

- The number of private banking clients grew from 873 at the beginning of the year to 1,187 at the end of September 2007.
- Private banking mortgage loan originations of GEL 10.8 million (up 0.5% y-o-y) during nine months of 2007 resulted in mortgage loans outstanding of GEL 22.9 million as at 30 September 2007, up and 61.6% y-o-y and up 32.8% YTD.
- Private Banking car loan originations of GEL 2.0 million, up 5.8% y-o-y during nine months of 2007 resulted in car loans outstanding of GEL 3.2 million as at 30 September 2007, up 104.3% y-o-y and up 39.0% YTD.
- Deborah Fairlamb appointed as Kyiv-based group head of Wealth Management.

Galt & Taggart Securities

Discussion Of Results

The growth of Revenues to GEL 18.7 million during the nine months of 2007 (up 939.1% y-o-y) was driven primarily by increases in commissions from brokerage and securities trading gains. Recurring Operating Costs increased 735.9% y-o-y to GEL 3.3 million, largely reflecting the rapid growth pace of the operations in Galt & Taggart Ukraine. The relatively high growth rate of the Recurring Operating Costs notwithstanding, PBR increased 979.5% y-o-y to GEL 15.1 million. Earnings grew 870.6% y-o-y, reaching GEL 10.9 million during nine months of 2007 and contributing 21.9% to the consolidated Net Income. Assets grew to GEL 51.4 million as at 30 September 2007, up 304.9% y-o-y and 157.5% YTD, mostly as a result of the dramatic growth of the proprietary book. Liabilities reached GEL 14.2 million by 30 September 2007, up 265.2% y-o-y and up 114.3% YTD.

Highlights

- Assets Under Custody grew 36.3% y-o-y to GEL 313.2 million as of 30 September 2007.
- Proprietary book grew 244.9% YTD to GEL 25.4 million as at 30 September 2007.
- Continued to hold the leading position by the equities trading volume in Georgia, with an approximately 62% market share.
- Fully staffed Galt & Taggart Securities Ukraine.

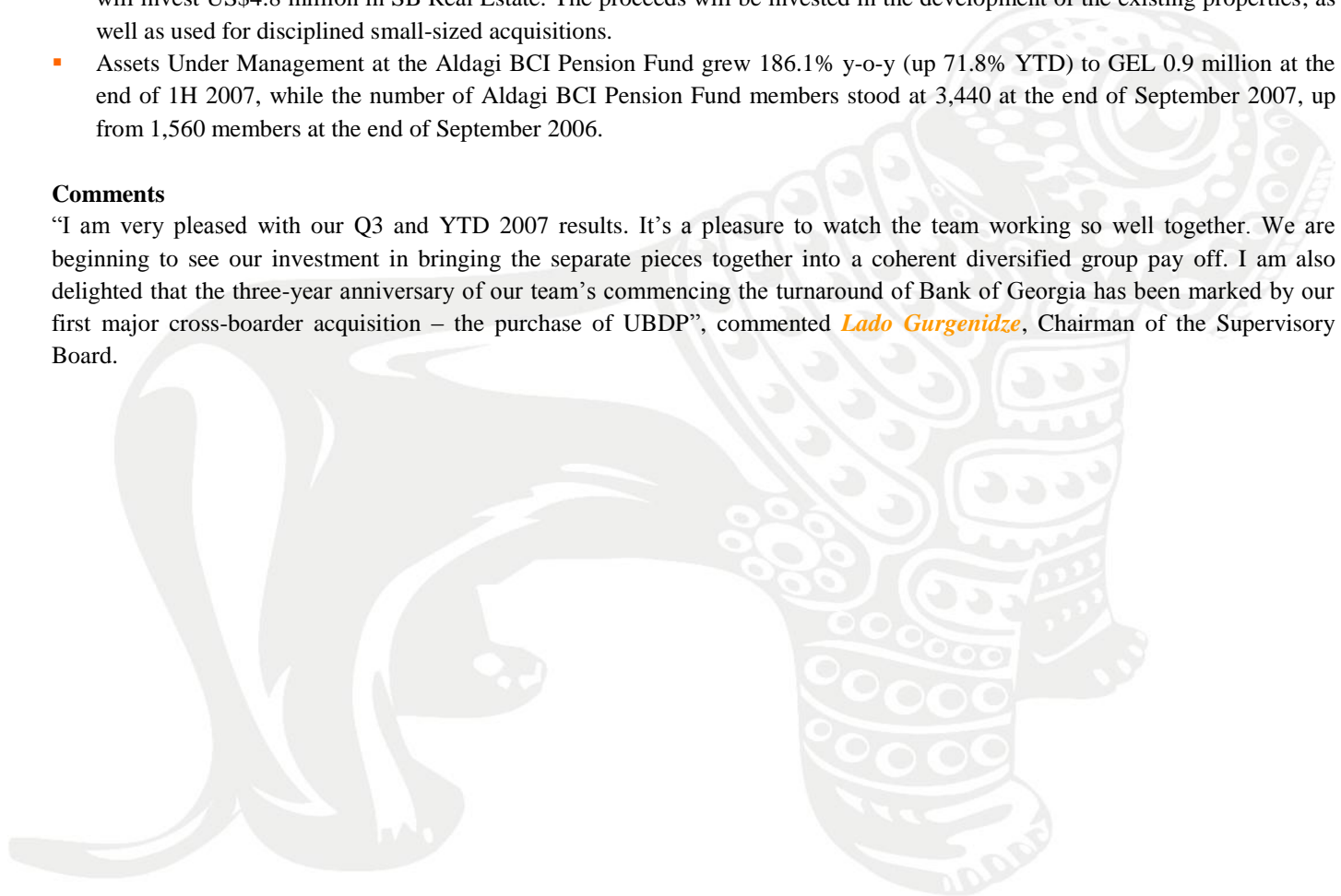
Asset Management

Highlights

- The market capitalization of Galt & Taggart Capital reached GEL 82.9 million as at 30 September 2007, an increase of 54% YTD and an increase of 384% since the company was admitted to trading on the Georgian Stock Exchange in November 2006.
- Galt & Taggart Capital acquired a 51% equity interest in Planeta Forte, the leading operator of 47 newspaper kiosks in Tbilisi, allowing the development of the cross-sell opportunities between the bank's Retail Banking operations as well as GTC portfolio companies.
- Keren Shivta Capital management and BST, the Israel-based real estate investors signed an MOU pursuant to which they will invest US\$4.8 million in SB Real Estate. The proceeds will be invested in the development of the existing properties, as well as used for disciplined small-sized acquisitions.
- Assets Under Management at the Aldagi BCI Pension Fund grew 186.1% y-o-y (up 71.8% YTD) to GEL 0.9 million at the end of 1H 2007, while the number of Aldagi BCI Pension Fund members stood at 3,440 at the end of September 2007, up from 1,560 members at the end of September 2006.

Comments

"I am very pleased with our Q3 and YTD 2007 results. It's a pleasure to watch the team working so well together. We are beginning to see our investment in bringing the separate pieces together into a coherent diversified group pay off. I am also delighted that the three-year anniversary of our team's commencing the turnaround of Bank of Georgia has been marked by our first major cross-boarder acquisition – the purchase of UBDP", commented **Lado Gurgenidze**, Chairman of the Supervisory Board.



SEGMENT RESULTS

	Change y-o-y	September - 2007, YTD	Share	September - 2006, YTD	Share
Total Operating Income (Revenue)					
Corporate & Investment Banking	80.02%	49,057	32.84%	27,251	37.66%
Retail Banking	120.54%	65,326	43.73%	29,621	40.94%
Wealth Management	115.44%	3,476	2.33%	1,613	2.23%
Galt & Taggart Securities	939.12%	18,703	12.52%	1,800	2.49%
Asset Management	424.46%	2,403	1.61%	458	0.63%
Insurance	41.09%	6,032	4.04%	4,275	5.91%
Corporate Center	-40.29%	4,381	2.93%	7337	10.14%
Total Operating Income (Revenue)	106.45%	149,379	100.00%	72,355	100.00%
Ukraine	NMF	21,585	12.63%	n.a.	NMF
Pro Forma Total Operating Income (Revenue)	NMF	170,964	NMF	n.a.	NMF

Total Recurring Operating Costs					
Corporate & Investment Banking	37.13%	8,144	13.91%	5,939	17.68%
Retail Banking	66.66%	28,040	47.90%	16,824	50.08%
Wealth Management	52.12%	1,103	1.88%	725	2.16%
Galt & Taggart Securities	735.91%	3,339	5.70%	399	1.19%
Asset Management	170.76%	3,617	6.18%	1336	3.98%
Insurance	20.26%	4,467	7.63%	3,714	11.06%
Corporate Center	111.29%	9,835	16.80%	4655	13.86%
Total Recurring Operating Costs	74.28%	58,545	100.00%	33,593	100.00%
Ukraine	NMF	12,220	17.27%	n.a.	NMF
Pro Forma Total Recurring Operating Costs	NMF	70,765	NMF	n.a.	NMF

Pre-Bonus Result					
Corporate & Investment Banking	123.64%	33,827	40.84%	15,126	86.12%
Retail Banking	267.68%	31,982	38.62%	8,698	49.53%
Wealth Management	277.83%	2,061	2.49%	545	3.11%
Galt & Taggart Securities	979.47%	15,117	18.25%	1,400	7.97%
Asset Management	43.32%	-1,258	-1.52%	-878	-5.00%
Insurance	124.66%	1,260	1.52%	561	3.19%
Corporate Center	NMF	-169	-0.20%	3134	17.85%
Pre-Bonus Result	189.71%	82,821	100.00%	28,588	100.00%
Ukraine	NMF	8,130	8.94%	n.a.	NMF
Pro Forma Pre-Bonus Result	NMF	90,951	NMF	n.a.	NMF

Net Income					
Corporate & Investment Banking	135.58%	22,058	44.23%	9,363	54.12%
Retail Banking	297.90%	20,891	41.89%	5,250	30.35%
Wealth Management	303.32%	1,361	2.73%	337	1.95%
Galt & Taggart Securities	870.58%	10,926	21.91%	1,126	6.51%
Asset Management	31.23%	-1,152	-2.31%	-878	-5.07%
Insurance	10.85%	645	1.29%	582	3.37%
Corporate Center	-420.07%	-4,863	-9.75%	1,519	8.78%
Net Income	188.24%	49,868	100.00%	17,301	100.00%
Ukraine	NMF	6,097	10.89%	n.a.	NMF
Pro Forma Net Income	NMF	55,965	NMF	n.a.	NMF

	Change y-o-y	Contribution	Share	Contribution	Share
Basic EPS Contribution					
Corporate & Investment Banking	42.82%	0.87	44.23%	0.61	54.12%
Retail Banking	141.22%	0.83	41.89%	0.34	30.35%
Wealth Management	144.50%	0.05	2.73%	0.02	1.95%
Galt & Taggart Securities	488.40%	0.43	21.91%	0.07	6.51%
Asset Management	-20.45%	-0.05	-2.31%	-0.06	-5.07%
Insurance	-32.80%	0.03	1.29%	0.04	3.37%
Corporate Center	-294.04%	-0.19	-9.75%	0.10	8.78%
Total	74.74%	1.98	100.00%	1.13	100.00%

SEGMENT RESULTS CONT'D

Total Assets	Change y-o-y	September - 2007, YTD	Share	September - 2006, YTD	Share
Corporate & Investment Banking	167.92%	1,235,060	51.39%	460,989	53.81%
Retail Banking	211.07%	919,474	38.26%	295,583	34.50%
Wealth Management	185.35%	70,084	2.92%	24,561	2.87%
Galt & Taggart Securities	304.93%	51,442	2.14%	12,704	1.48%
Asset Management	451.42%	57,822	2.41%	10,486	1.22%
Insurance	227.66%	54,339	2.26%	16,584	1.94%
Corporate Center	-57.75%	15,112	0.63%	35,767	4.18%
Total Assets	180.54%	2,403,333	100.00%	856,674	100.00%
Ukraine	NMF	410,681	14.59%	n.a.	NMF
Pro Forma Total Assets	NMF	2,814,014	NMF	n.a.	NMF

Loans to Clients, Gross

Corporate & Investment Banking	110.36%	715,338	54.91%	340,050	57.79%
Retail Banking	144.45%	533,644	40.96%	218,303	37.10%
Wealth Management	88.69%	34,316	2.63%	18,186	3.09%
Galt & Taggart Securities	NMF	-	0.00%	-	NMF
Asset Management	NMF	-	0.00%	-	NMF
Insurance	NMF	-	0.00%	-	NMF
Corporate Center	63.16%	19,412	1.49%	11,898	2.02%
Total Loans to Clients	121.38%	1,302,711	100.00%	588,437	100.00%
Ukraine	NMF	333,884	20.40%	n.a.	NMF
Pro Forma Loans to Clients	NMF	1,636,594	NMF	n.a.	NMF

Total Liabilities

Corporate & Investment Banking	165.57%	1,081,302	55.78%	407,160	56.58%
Retail Banking	140.53%	628,565	32.43%	261,330	36.31%
Wealth Management	282.12%	83,924	4.33%	21,963	3.05%
Galt & Taggart Securities	265.15%	14,230	0.73%	3,897	0.54%
Asset Management	1747.43%	30,926	1.60%	1,674	0.23%
Insurance	265.70%	39,258	2.03%	10,735	1.49%
Corporate Center	366.46%	60,136	3.10%	12,892	1.79%
Total Liabilities	169.34%	1,938,341	100.0%	719,651	100.00%
Ukraine	NMF	341,350	14.97%	n.a.	NMF
Pro Forma Total Liabilities		2,279,691	NMF	n.a.	

Client Deposits

Corporate & Investment Banking	143.14%	670,781	62.97%	275,879	58.95%
Retail Banking	82.26%	322,798	30.31%	177,107	37.84%
Wealth Management	326.46%	63,998	6.01%	15,007	3.21%
Galt & Taggart Securities	NMF	7,581	0.71%	-	0.00%
Asset Management	NMF	-	0.00%	-	0.00%
Insurance	NMF	-	0.00%	-	0.00%
Corporate Center	NMF	-	0.00%	-	0.00%
Total Client Deposits	127.60%	1,065,158	100.0%	467,993	100.00%
Ukraine	NMF	263,455	19.83%	n.a.	NMF
Pro Forma Client Deposits	NMF	1,328,614	NMF	n.a.	NMF

Book Value Per Share

Book Value Per Share	Change y-o-y	Contribution	Share	Contribution	Share
Corporate & Investment Banking	71.42%	5.67	33.07%	3.30	39.28%
Retail Banking	409.69%	10.72	62.56%	2.10	25.00%
Wealth Management	-419.70%	-0.51	-2.98%	0.16	1.90%
Galt & Taggart Securities	153.57%	1.37	8.00%	0.54	6.43%
Asset Management	83.17%	0.99	5.78%	0.54	6.43%
Insurance	54.74%	0.56	3.24%	0.36	4.27%
Corporate Center	-218.12%	-1.66	-9.68%	1.40	16.69%
Book Value Per Share	103.66%	17.13	100.0%	8.41	100.00%

INCOME STATEMENT DATA

Period Ended Consolidated, IFRS Based 000s, unless otherwise noted	9 Months, 2007		9 Months, 2007		9 Months, 2006		Change ³ Y-O-Y
	US\$ (Pro Forma Consolidated)	GEL	US\$ ¹ (Unaudited)	GEL	US\$ ² (Unaudited)	GEL	
Interest Income	119,549	198,213	99,637	165,198	36,766	63,807	158.90%
Interest Expense	55,285	91,663	45,115	74,800	12,586	21,843	242.44%
Net Interest Income	64,264	106,550	54,522	90,398	24,180	41,964	115.42%
Fee & Commission Income	15,759	26,129	13,023	21,592	8,072	14,010	54.12%
Fee & Commission Expense	2,344	3,886	1,908	3,163	1,253	2,175	45.44%
Net Fee & Commission Income	13,415	22,242	11,115	18,429	6,819	11,835	55.72%
Income From Documentary Operations	3,215	5,330	3,215	5,330	2,085	3,618	47.34%
Expense On Documentary Operations	907	1,503	907	1,503	513	890	68.84%
Net Income From Documentary Operations	2,308	3,827	2,308	3,827	1,572	2,727	40.32%
Net Foreign Currency Related Income	10,647	17,653	9,999	16,579	4,566	7,924	109.24%
Net Insurance Income	3,380	5,605	3,380	5,605	2,319	4,025	39.25%
Brokerage Income	1,735	2,877	1,735	2,877	752	1,304	120.54%
Asset Management Income	9	14	9	14	-	-	NMF ⁴
Realised Net Investment Gains (Losses)	3,321	5,506	3,321	5,506	446	774	611.73%
Other	4,035	6,689	3,706	6,144	1,039	1,803	240.73%
Net Other Non-Interest Income	12,480	20,691	12,151	20,146	4,555	7,906	154.82%
Net Non-Interest Income	38,850	64,414	35,574	58,981	17,512	30,392	94.07%
Total Operating Income (Revenue)	103,115	170,964	90,096	149,379	41,691	72,355	106.45%
Personnel Costs	18,819	31,201	16,545	27,431	8,490	14,735	86.16%
Selling, General & Administrative Costs	11,265	18,678	9,886	16,392	5,375	9,329	75.71%
Procurement & Operations Support Expenses	5,026	8,334	4,065	6,741	2,350	4,078	65.29%
Depreciation & Amortization	4,524	7,501	4,047	6,710	2,116	3,672	82.73%
Other Operating Expenses	3,046	5,051	767	1,272	1,025	1,779	-28.51%
Total Recurring Operating Costs	42,681	70,765	35,311	58,545	19,356	33,593	74.28%
Normalized Net Operating Income	60,434	100,199	54,785	90,834	22,335	38,763	134.33%
Net Non-Recurring Income (Costs)	(79)	(132)	(83)	(138)	(184)	(320)	NMF ⁴
Profit Before Provisions & Bonuses	60,354	100,068	54,702	90,696	22,151	38,443	135.92%
Provisions For Loan Losses	8,343	13,833	7,761	12,867	6,552	11,371	13.16%
Recovery Of Loans	2,842	4,711	2,842	4,711	407	706	567.81%
Provisions For (Recovery Of) Other Assets	(3)	(5)	-170	(281)	-467	(810)	-65.27%
Net Provision Expense	5,498	9,116	4,749	7,874	5,679	9,855	-20.10%
Pre-Bonus Result	54,856	90,951	49,953	82,821	16,472	28,588	189.71%
Bonuses & Share Based Compensation Expenses	12,332	20,446	12,332	20,446	3,818	6,626	208.58%
Pre-Tax Income	42,524	70,505	37,621	62,376	12,654	21,962	184.02%
Income Tax Expenses	8,770	14,540	7,544	12,508	2,686	4,661	168.36%
Net Income	33,755	55,965	30,077	49,868	9,969	17,301	188.24%
Weighted Average Shares Outstanding (000s)				25,638		15,672	
Diluted Number of Shares Period End (000s)				27,249		18,282	
EPS (Basic)			1.17	1.95	0.64	1.10	76.20%
EPS (Diluted)			1.10	1.83	0.55	0.95	93.38%

¹ Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.6580 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 September 2007

² Converted to U.S. dollars for convenience using a period-end exchange rate of GEL 1.7355 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 September 2006

³ Growth calculations based on GEL values

⁴ Not meaningful

BALANCE SHEET DATA

Consolidated, IFRS Based 000s, unless otherwise noted	30-Sep-07		30-Sep-07		Growth ² Y-O-Y	30-Sep-06	
	US\$ ¹	GEL	US\$ ¹	GEL		US\$ ³	GEL
	(Pro Forma Consolidated)		(Unaudited)			(Unaudited)	
Cash & Cash Equivalents	63,624	105,489	56,280	93,312	128.06%	23,576	40,916
Loans & Advances To Credit Institutions	228,686	379,161	201,004	333,265	153.01%	75,898	131,721
Mandatory Reserve With NBG	56,174	93,136	45,548	75,518	54.50%	28,165	48,880
Other Accounts With NBG	55,064	91,296	55,064	91,296	951.96%	5,001	8,679
Balances With & Loans To Other Banks	117,448	194,729	100,393	166,452	124.44%	42,733	74,163
Available-For-Sale Securities	6,211	10,298	6,211	10,298	74.46%	3,401	5,903
Treasuries & Equivalents	39,104	64,834	35,435	58,751	NMF ⁴	295	512
Other Fixed Income Instruments	151,159	250,621	144,272	239,203	NMF ⁴	-	-
Gross Loans To Clients	987,089	1,636,594	785,712	1,302,711	121.38%	339,059	588,437
Less: Reserve For Loan Losses	-20,275	(33,615)	(15,401)	(25,535)	20.00%	(12,261)	(21,280)
Net Loans To Clients	966,815	1,602,979	770,311	1,277,176	125.19%	326,798	567,157
Investments In Other Business Entities, Net	87,899	145,736	87,899	145,736	21395.06%	391	678
Property & Equipment Owned, Net	86,309	143,101	84,042	139,341	164.78%	30,322	52,624
Intangible Assets Owned, Net	1,768	2,932	1,768	2,932	81.43%	931	1,616
Goodwill	26,149	43,355	26,149	43,355	81.14%	13,791	23,935
Tax Assets - Current & Deferred	2,026	3,360	2,026	3,360	NMF ⁴	-	-
Prepayments & Other Assets	37,484	62,149	34,141	56,605	79.07%	18,214	31,611
Total Assets	1,697,235	2,814,015	1,449,538	2,403,334	180.54%	493,618	856,673
Client Deposits	801,335	1,328,614	642,436	1,065,158	127.60%	269,659	467,993
Deposits & Loans From Banks	74,530	123,570	41,348	68,556	330.20%	9,182	15,936
Borrowed Funds	416,764	690,995	414,667	687,518	231.71%	119,428	207,267
Insurance Related Liabilities	19,856	32,922	19,856	32,922	712.27%	2,335	4,053
Issued Fixed Income Securities	7,906	13,108	-	-	NMF ⁴	650	1,128
Tax Liabilities - Current & Deferred	15,630	25,914	12,360	20,493	428.02%	2,236	3,881
Accruals & Other Liabilities	38,943	64,568	38,416	63,694	228.44%	11,175	19,393
Total Liabilities	1,374,965	2,279,691	1,169,084	1,938,341	169.34%	414,666	719,651
Ordinary Shares	44,188	73,263	16,378	27,154	62.23%	9,644	16,738
Share Premium	183,117	303,607	183,117	303,607	407.15%	34,495	59,866
Treasury Shares	(1,074)	(1,781)	(1,074)	(1,781)	787.55%	-116	(201)
Retained Earnings	47,309	78,438	37,746	62,583	71.71%	21,000	36,446
Revaluation & Other Reserves	11,335	18,794	10,570	17,525	NMF ⁴	3,215	5,580
Net Income For The Period	33,755	55,965	30,077	49,868	188.24%	9,969	17,301
Shareholders' Equity Excluding Minority Interest	318,629	528,287	276,813	458,956	238.14%	78,207	135,729
Minority Interest	3,641	6,037	3,641	6,037	366.73%	745	1,293
Total Shareholders' Equity	322,270	534,324	280,454	464,993	239.36%	78,952	137,022
Total Liabilities & Shareholders' Equity	1,697,235	2,814,015	1,449,538	2,403,334	180.54%	493,618	856,673
Shares Outstanding				27,154,099			16,737,634
Book Value Per Share			10.33	17.12	109.18%	4.72	8.19

¹ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.6580 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 September 2007

² Compared to the same period in 2006; growth calculations based on GEL values

³ Converted to U.S. dollars for the convenience using a period-end exchange rate of GEL 1.7335 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 September 2006

⁴ Not meaningful

KEY RATIOS

	September 2007, YTD	2006	September 2006, YTD
Profitability Ratios			
ROAA, ¹ Annualised	3.5%	3.4%	3.2%
ROA, Annualised.....	2.8%	2.2%	2.7%
ROAE, ² Annualised	16.2%	16.5%	20.5%
ROE, Annualised.....	14.3%	7.1%	16.8%
Interest Income To Average Interest Earning Assets, ³ Annualised	14.4%	16.7%	15.2%
Cost Of Funds, ⁴ Annualised	7.3%	5.8%	5.1%
Net Spread ⁵	7.1%	10.9%	10.1%
Net Interest Margin ⁶ Annualised	7.9%	11.1%	10.0%
Net Interest Margin, Normalised, ⁷ Annualised	7.9%	10.6%	9.5%
Loan Yield ⁸	20.6%	17.4%	15.4%
Interest Expense To Interest Income.....	45.3%	33.5%	34.2%
Net Non-Interest Income To Average Total Assets, Annualised	4.2%	5.8%	5.7%
Net Non-Interest Income To Revenue ⁹	39.5%	40.4%	42.0%
Net Fee And Commission Income To Average Interest Earning Assets, ¹⁰ Annualised	1.6%	3.1%	2.8%
Net Fee And Commission Income To Revenue.....	12.3%	16.5%	16.4%
Operating Leverage ¹¹	11.3%	18.8%	NMF
Total Operating Income (Revenue)/Total Assets, Annualised.....	8.3%	9.2%	11.3%
Recurring Earning Power ¹² Annualised	6.4%	7.7%	7.2%
Net Income To Revenue.....	33.4%	23.9%	23.9%
Efficiency Ratios			
Operating Cost To Average Total Assets, ¹³ Annualised	4.1%	6.8%	6.3%
Cost To Average Total Assets ¹⁴ Annualised.....	5.6%	8.2%	7.6%
Cost / Income ¹⁵	53.0%	56.7%	56.0%
Cost /Income Normalised ¹⁶	52.9%	55.9%	55.6%
Cost / Income, Bank of Georgia, Standalone ¹⁸	48.8%	51.2%	52.5%
Cash Cost/Income ¹⁷	48.5%	51.4%	51.0%
Total Employee Compensation Expense To Revenue ¹⁹	32.1%	29.7%	29.5%
Total Employee Compensation Expense To Cost.....	60.5%	52.5%	52.7%
Total Employee Compensation Expense To Average Total Assets, Annualised	3.4%	4.3%	4.0%
Liquidity Ratios			
Net Loans To Total Assets ²⁰	53.1%	57.2%	66.2%
Average Net Loans To Average Total Assets.....	52.6%	61.3%	62.0%
Interest Earning Assets To Total Assets.....	79.4%	78.4%	81.6%
Average Interest Earning Assets To Average Total Assets.....	81.1%	77.3%	78.2%
Liquid Assets To Total Assets ²¹	30.6%	25.0%	20.9%
Net Loans To Client Deposits.....	119.9%	124.0%	121.2%
Average Net Loans To Average Client Deposits.....	125.4%	113.4%	106.8%
Net Loans To Total Deposits ²²	112.7%	123.8%	117.2%
Net Loans To Total Liabilities.....	65.9%	82.8%	78.8%
Total Deposits To Total Liabilities.....	58.5%	66.8%	67.2%
Client Deposits To Total Deposits.....	94.0%	99.8%	96.7%
Client Deposits To Total Liabilities.....	55.0%	66.7%	65.0%
Current Account Balances To Client Deposits.....	57.2%	54.4%	55.7%
Demand Deposits To Client Deposits.....	9.6%	6.4%	3.9%
Time Deposits To Client Deposits.....	33.1%	39.2%	40.4%
Total Deposits To Total Assets.....	47.2%	46.2%	56.5%
Client Deposits To Total Assets.....	44.3%	46.1%	54.6%
Client Deposits To Total Equity (times) ²³	2.29	1.49	3.42
Due From Banks / Due To Banks ²⁴	486%	7597%	827%
Leverage (times) ²⁵	4.17	2.20	5.25

KEY RATIOS CONT'D

	September 2007, YTD	2006	September 2006, YTD
Asset Quality			
NPLs (in GEL) ²⁶	16,711	16,266	19,671
NPLs to Gross Loans ²⁷	1.3%	2.3%	3.3%
Cost of Risk, Annualised ²⁸	1.0%	2.7%	2.8%
Cost of Risk, Normalised, Annualised ²⁹	1.0%	2.2%	2.2%
Reserves for Loan Losses to Gross Loans ³⁰	2.0%	3.0%	3.6%
NPL Coverage ratio ³¹	152.8%	129.9%	108.2%
Equity to Average Net Loans to Clients.....	46.8%	78.8%	30.9%
Total Equity To Net Loans.....	36.4%	54.0%	24.2%
Capital Adequacy:			
Equity To Total Assets.....	19.3%	30.9%	16.0%
BIS Tier I Capital Adequacy Ratio ³²	23.2%	44.9%	18.0%
BIS Total Capital Adequacy Ratio ³³	23.3%	41.8%	19.3%
NBG Tier I Capital Adequacy Ratio ³⁴	14.0%	23.2%	8.0%
NBG Total Capital Adequacy Ratio ³⁵	16.9%	28.5%	12.8%
Per Share Values:			
Basic EPS (GEL) ³⁶	1.95	1.62	1.10
Basic EPS (US\$).....	1.17	\$0.89	0.64
Diluted EPS (GEL) ³⁷	1.83	0.98	0.95
Diluted EPS (US\$).....	1.10	\$0.54	0.55
Book Value Per Share (GEL) ³⁸	17.12	14.87	8.19
Book Value Per Share (US\$).....	10.33	\$8.14	4.72
Ordinary Shares Outstanding - Weighted Average, Basic.....	25,637,740	16,505,701	15,672,016
Ordinary Shares Outstanding - Period End.....	27,154,099	25,202,009	16,737,634
Ordinary Shares Outstanding - Diluted.....	27,249,100	27,229,418	18,281,710
Selected Operating Data:			
Full Time Employees (FTE).....	3,992	2,226	1,956
FTEs, Bank of Georgia Standalone.....	2,388	1,601	1,479
Total Assets per FTE (GEL Thousands).....	602	558	438
Total Assets per FTE, Bank of Georgia Standalone (GEL Thousands).....	1,006	776	579
Branches.....	109	100	92
ATMs.....	185	124	91
Plastic Cards (Thousands).....	529	286	203
POS Terminals.....	1,093	471	328

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

NOTES TO KEY RATIOS

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