

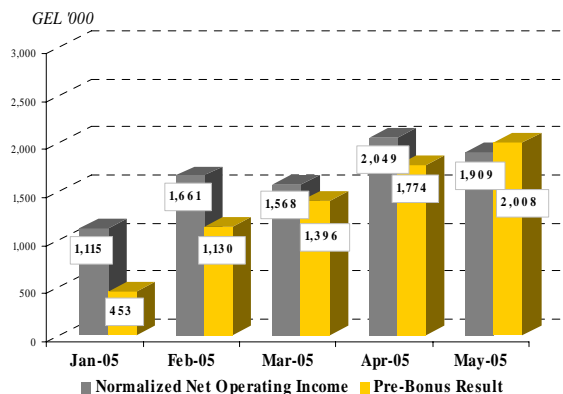
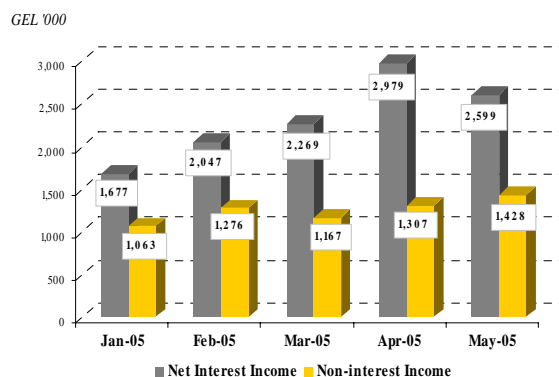
JSC Bank of Georgia Announces Its May 2005 Results

- Total Operating Income of GEL 4.0 million, down GEL 0.3 million, or 6.0 % from April '05 (up 8% y-o-y)
- Normalized Net Operating Income (NNOI) of GEL 1.9 million, down GEL 0.1 million, or 6.2 % from April '05 (up 24% y-o-y)
- Pre-Bonus Result (PBR) of GEL 2.0 million, up GEL 0.2 million, or 13.2% from April '05 (up 22% y-o-y)
- Net Income of GEL 0.9 million, down GEL 0.1 million, or 11.9 % from April '05 (up 9% y-o-y)

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, reported today Net Income of GEL 0.9 million for May 2005, and YTD Net Income of GEL 4.2 million, up 8.6% y-o-y.

NNOI, according to the preliminary unaudited financial statements, reached GEL 1.9 million, a 6% decrease m-o-m. The decrease was mostly attributed to the written off interest during the month, which despite a 5% increase in ordinary interest income resulted in a 13% decrease m-o-m in Net Interest Income of GEL 2.6 mln in May 2005. The decrease in Net Interest Income was partially offset by a 9% increase m-o-m in Non-Interest Income which reached GEL 1.4 mln during May 05, and was mostly driven by increased m-o-m income from Documentary Operations and Fee and Commission Income.

“We are satisfied with the bank’s progress in implementing cost reduction measures, with Recurring Operating Costs declining in May 6% m-o-m and 10% y-o-y. Non-Recurring Income, coupled with the successful asset recovery, have resulted in this year’s highest monthly PBR of GEL 2.0, up 13% m-o-m”, commented **Irakli Gilauri**, Chief Financial Officer of Bank of Georgia.



NOTE: 2004 data includes Bank of Georgia and TbilUniversalBank on a combined basis.

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank, with an approximately 20.0 % market share in loans and 22.2 % market share in client deposits. The bank markets and distributes a wide spectrum of retail products through its extensive branch network, and offers a full range of commercial banking and investment banking (through its affiliate, Galt & Taggart Securities) services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, has an approximately 12% market share. As at May 31, 2005, the bank had GEL 356.0 million in assets.

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