

***JSC Bank of Georgia Announces its Intention to Participate in the Capital Increase of UBDP;
Changes in the Supervisory Board; Appointment of the CEO***

Bank of Georgia (LSE: BGEO GSE: GEB), the leading Georgian universal bank, announced today that the shareholders' meeting of UBDP, a Ukrainian bank owned by Bank of Georgia, held on 16 May 2008 has approved the increase of UBDP's capital from UAH 140 million to UAH 265 million through the issue of 125 million new shares at UAH 1 per share. Following the capital increase Bank of Georgia's ownership interest in UBDP will increase to 99.35%.

The shareholders' meeting held on 16 May 2008 also elected Messrs. Sul Khan Gvalia, Gennadii Matuzenko and Grigol Katamadze as members of UBDP's Supervisory Board and approved the appointment of Mr. Konstantyn Poloskov as new Chief Executive Officer (CEO) of UBDP.

Konstantyn Poloskov joined UBDP as CEO starting 3 June 2008. Prior to UBDP, Mr. Poloskov served as Deputy CEO of VAB Bank, a leading Ukrainian bank. Before VAB Bank, Mr. Poloskov held various senior positions at TAS-Kommerzbank and Bank Aval and at a number of international financial institutions.

Sul Khan Gvalia has served as Deputy CEO of Bank of Georgia since January 2005 and has been seconded to UBDP since October 2007 to lead the integration of UBDP with the Bank of Georgia group. Prior to joining Bank of Georgia, Sul Khan Gvalia served as Deputy CEO of TbilUniversalBank, a mid-sized Georgian bank he co-founded in 1995 and which was acquired by Bank of Georgia in 2004.

Gennadii Matuzenko served as Chief Executive Officer of UBDP from 2001 to April 2008. Prior to joining UBDP, Mr. Matuzenko held several senior positions with banks in Ukraine.

Grigol Katamadze has served as a Director of International Business Development of Bank of Georgia focusing on Ukraine since the beginning of 2008. Prior to this appointment Mr. Katamadze served for seven years as Georgia's Ambassador to Ukraine. Before this, he held various senior positions at the Ministry of Foreign Affairs, Ministry of Defense and Ministry of Interior of Georgia.

"This long-planned capital increase at UBDP will help strengthen UBDP's position on the Ukrainian market. Stronger capital base will enable UBDP to better meet the needs of its clients. On a separate note, I would like to welcome Konstantyn Poloskov to Bank of Georgia group. Konstantyn brings 15 years of banking experience and is a valuable addition to our senior management team. I look forward to working with Konstantyn and the new members of the Supervisory Board of UBDP", noted *Nicholas Enukidze*, Chairman of the Supervisory Board of Bank of Georgia.

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 33.7% market share by total assets (all data according to the NBG as of March 31, 2008). The major component of the Galt & Taggart Index, the bank has 131 branches and over 770,000 retail and more than 120,000 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
FitchRatings	'B+/B'	Stable
Moody's	'B3/NP' (FC) & 'Ba1/NP' (LC)	

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