

JSC Bank of Georgia announces the buyout of minority stake and capital increase in BNB

JSC Bank of Georgia (LSE: BGEO) (the “Bank”), Georgia’s leading universal bank announced today that it has completed the buyout of the minority stake in Belarusky Narodny Bank (“BNB”), its banking subsidiary in the Republic of Belarus, increasing the Bank’s equity interest in BNB from 70% to 99.96%. The buyout of minority stake was priced at 1.3 times BV of BNB as of 30 September 2009.

In addition, the Bank announced today the increase of BNB’s capital by approximately EUR 10.43 million as a result of the closed share subscription approved by the Extraordinary Meeting of Shareholders of BNB. The new share issuance is in line with the increase of the minimum regulatory capital requirement set by the National Bank of the Republic of Belarus, effective 1 January 2010.

As a result of the above-mentioned transactions, the Bank effectively controls 99.98% of BNB’s shares outstanding.

“The increase of the Bank’s equity interest in BNB reconfirms our commitment to our Belarus operations and provides additional flexibility in attracting institutional equity investor(s) seeking exposure to the promising economy of the Republic of Belarus,” commented **Irakli Gilauri**, Chief Executive Officer.

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 33.6% market share by total assets (all data according to the NBG as of 31 October 2009). The bank has 140 branches and over 880,000 retail and more than 146,000 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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