

Bank of Georgia announces multiple U.S. dollar and euro currency swaps with IFC

JSC Bank of Georgia (LSE: BGEO; GSE: GEB) (the “Bank”), Georgia’s leading bank, announced today that IFC, a member of the World Bank Group, will provide Bank of Georgia with multiple U.S. dollar and euro currency swaps over the next two years, enabling the bank to better manage its euro deposit base and provide a wider range of deposit products to customers thereby enhancing Georgia’s financial system.

This is IFC’s first deposit hedging project in Georgia, and it will fill an important market gap in the aftermath of the global financial crisis. The transaction will be implemented under IFC and Bank of Georgia’s existing International Swaps and Derivatives Association Master Agreement, the international legal documentation for the execution of risk management transactions, signed in May 2009. The agreement is part of IFC’s strategy aimed at introducing innovative products to its clients in Europe and Central Asia to enhance risk management capacity.

“This transaction gives Bank of Georgia a better tool for currency risk management and reduces the cost of hedging foreign exchange risk,” commented **Irakli Gilauri**, Bank of Georgia’s CEO. “It will enable us to hedge our foreign exchange risk for up to €30 million.”

Thomas Lubeck, IFC Regional Head, Caucasus, said, “We are glad to expand cooperation with our long-term partner, Bank of Georgia. This innovative tool will support the Bank, and it’s a perfect example of the high value-added services that we provide to our clients.”

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing capital for private enterprise, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled \$14.5 billion in fiscal 2009, helping channel capital into developing countries during the financial crisis. For more information, visit www.ifc.org

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 34.8% market share by total assets (all data according to the NBG as of 30 April 2010). The bank has 140 branches and over 996,000 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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