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FOR IMMEDIATE RELEASE

2 November 2006

BANK OF GEORGIA ANNOUNCES INTENTION TO LAUNCH INITIAL PUBLIC OFFERING

Tbilisi, Georgia – 2 November 2006 – Bank of Georgia (the “Bank”), a leading Georgian universal bank, today announced its intention to make an initial public offering (the “Offering”) of its ordinary shares in the form of Global Depositary Receipts (“GDRs”). The Offering is subject to approval by the National Bank of Georgia. Bank of Georgia and its depositary bank, The Bank of New York, have applied for such approval.

Bank of Georgia’s ordinary shares have been listed on the Georgian Stock Exchange (GSE, www.gse.ge) since 2001 under the symbol ‘GEB’. The Bank has applied for the admission of its GDRs to the official list of the United Kingdom Listing Authority (the “UKLA”) and to trading on the regulated market of the London Stock Exchange.

The Bank’s primary activities include retail banking and corporate and investment banking. In addition, the Bank provides insurance, asset and wealth management, card processing services, and engages in merchant banking activities. Bank of Georgia has ‘B+/B’ rating with a stable outlook from Standard & Poor’s; ‘B3/NP’ (FC) and ‘Baa3/P-3’ (LC) ratings with a stable outlook from Moody’s; and a ‘B-/B’ credit rating with a positive outlook from FitchRatings.

Lado Gurgенidze, Chairman of the Supervisory Board of the Bank of Georgia, commented: “In October 2004, the Bank of Georgia’s key shareholders and Supervisory Board appointed new management team with extensive international experience in corporate and investment banking. Our team has implemented a restructuring programme at the Bank, building a well balanced portfolio of retail and corporate clients and delivering significant growth and value for our shareholders. We have become an accepted borrower in the international markets and have successfully attracted institutional investors who currently represent the majority of our shareholder base. We see the IPO on the LSE as the next logical step in the evolution of our business. The Offering is intended to diversify our capital structure and funding resources, raise the profile of the Bank and its operations, and provide the funds required to expand our banking operations in Georgia and other markets.”

ING Bank N.V., London Branch has been appointed as Global Coordinator, Lead Manager and Sole Bookrunner of the Offering, Bank Austria Creditanstalt AG has been appointed as

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Co-Lead Manager of the Offering and JSC Galt & Taggart Securities, a wholly-owned investment banking subsidiary of the Bank, has been appointed as Selling Agent.

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

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Bank of Georgia, a leading universal Georgian bank, is the largest bank by total equity and the second largest bank by total assets in the country. The Bank has the second largest branch network in Georgia, with 92 branches and over 300,000 retail clients. 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, BCI, as well as asset & wealth management services. The Bank had total assets of GEL 715.6 million and total equity of GEL 106.9 million as at June 30 2006.

The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to US persons unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. No public offering of the securities will be made in the United States. Other selling restrictions may be applicable.