

JSC Bank of Georgia Announces The Sale of 400,000 Newly Issued Shares To Institutional Investors

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today that it has successfully completed its second capital raising this year by selling 400,000 newly issued shares. The share issue, which has been placed at GEL 22.5 with six institutional investors and was not marketed widely, was significantly oversubscribed.

“We continue to build our capital base in line with the bank’s growth. I would like to thank all the funds who have subscribed to the share issue, and am pleased to welcome as our shareholders two highly experienced institutions focusing on Russia and the CIS. We continue to be committed to broadening our shareholder base at this pivotal stage of the bank’s development”, commented **Lado Gurgnidze**, Chairman of the Supervisory Board.

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank. 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 services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, offers a wide range of corporate and retail insurance products, and the bank and its subsidiaries offer asset and wealth management services. As at September 30, 2006, the bank had GEL 849.6 million in assets and GEL135.7 million in equity. In 1H 2006, the bank earned consolidated net income of GEL11.0 million. The bank has a B-/B with Positive outlook from FitchRatings, B3/NP (FC), Baa3/P-3 (LC) ratings with Stable outlook from Moody’s and B+/B with Stable outlook from Standard & Poor’s.

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The financial information as of and for the nine months ended 30 September 2006 is unaudited and reflects the best estimates of management. The Bank’s actual results may differ significantly from the amounts reflected herein as a result of various factors. The Bank’s results for an interim period are not necessarily indicative of what its results will be for the full year.