BANK OF GEORGIA

Tbilisi, 30 April 2008

JSC Bank of Georgia Announces Audited Consolidated Financial Results for the Year Ended 31 December 2007

JSC Bank of Georgia (LSE: BGEO GSE: GEB), the leading Georgian universal bank, announced today audited consolidated financial results of JSC Bank of Georgia and its Subsidiaries (" Bank of Georgia" or the "Bank") for the year ended 31 December 2007. The results have been prepared in accordance with International Financial Reporting Standards.

In 2007 Bank of Georgia's Revenue increased to GEL 235.8 million up 110.5% compared to GEL 112.0 million in 2006. Net Income reached GEL 75.6 million up 182.5% from GEL 26.8 million in 2006. Basic earnings per share, grew 82.4% to GEL 2.96 per share, (US$ 1.85), compared to GEL 1.62 (US$ 0.85) in 2006. The return on average equity was 16.2%, up from 11.5% in 2006.

Overview of the Financial Results

Total Net Operating Income (Revenue) (1) of GEL 235.8 million was an increase of 110.5%, up from the prior year. Strong performance of all revenue items contributed to the revenue growth.

Net Interest Income rose by 95.2% from the prior year to GEL 130.2 million primarily due to the loan portfolio growth of 144.7%, partially offset by a 234.1% increase in the interest expense, attributable mostly to the increase of non-deposit funding (mainly due to Eurobonds and Syndicated Loan), which grew by 365.3% and the rise in deposits (Amounts due to Customers), which grew by 142.2% compared to 2006.

Interest Income grew by 141.6% to GEL 242.3 million in 2007. The increase in Interest Income was attributable primarily to the 120.0% increase in interest income on loan book to GEL 203.8 million, which was due to the 144.7% growth of net loan book to GEL 1,676 million in 2007.

Net Interest Margin (2) ("NIM"), which stood at a healthy 8.6% in 2007, decreased by 180 basis points from the NIM in 2006. The major contributors to the decrease of the NIM in 2007, was high liquidity maintained during the year, with average liquidity ratio at 47.5% in 2007 compared to 30.9% in 2006, and the negative carry resulting from wholesale funding attracted during 2007. In 2007, the NIM was strongly supported by an increase in the proportion of higher yielding consumer loans in the Bank's loan book.

Net Fees and Commission Income rose by 69.1% to GEL 41.8 million, driven by the increases of sales of fee generating products and services, an increase in the number of retail customer accounts and an the overall increase in the volume of banking operations due to general economic growth in Georgia.

(1)Revenue is calculated as the sum of Net Interest Income before Impairment of Interest Earning Assets, Net Fee & Commission Income and Other Non-Interest Income less Net Insurance Claims Incurred
(2) For the calculation of Net Interest Margin annual average numbers are used

About Bank of Georgia
Bank of Georgia, a leading universal Georgian bank with operations in Georgia and Ukraine, is the largest bank by assets, loans, deposits and equity in Georgia, with 35% market share by total assets (all data according to the NBG as of 31 December 2007). The major component of the Galt & Taggart Index, the bank has 127 branches and over 740,000 retail and more than 65,000 corporate current accounts. The bank offers a full range of retail banking, corporate and investment banking and asset & wealth management services. The bank also provides a wide range of corporate and retail insurance products through its wholly-owned subsidiary Aldagi BCI.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor's	'B+/B'	Stable
Moody's	'B3/NP' (FC) & 'Ba1/NP' (LC)	Stable
Fitch Ratings	'B/B'	Stable

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The increase in Bank of Georgia's Other Non-Interest Income was due to the increases in realized gains from trading (GEL 2.9 million in 2007), available-for-sale investment securities (GEL 2.5 million), net gain from revaluation of investment property (GEL 16.4 million in 2007), and gains less losses from foreign currencies (a 123.7% increase to GEL 26.7 million, due to the increase of client base. Net Insurance Income comprises of Net Premiums Earned less Net Claims Incurred. Net Insurance Income increased by 23.2% to GEL 5.5 million, driven by the organic growth as well as due to an increase in net insurance premiums earned as a result of the completion of merger with Aldagi in July 2007, following the acquisition of Aldagi by BCI in December 2006.

Other Operating Income comprising gross brokerage fees generated by Galt & Taggart Securities and fee income from the Bank's leasing and card processing operations, which increased by 134.6% from GEL 4.2 million in 2006 to GEL 9.9 million in 2007.

In 2007, Bank of Georgia's expenses increased by 103.2% to GEL 128.7 million. The increase was driven by the growth of headcount due to the expansion of the Bank's footprint, higher Salaries and Other Benefits expense, as well as administering investments across the business segments and acquisitions.

Depreciation increased by 67.5% to GEL 9.9 million, mostly due to the purchase of properties and completion of new branches.

Cost [(3)] / Income ratio declined and amounted to 54.6% as compared to 56.5% in 2006.

Tax charge for the year amounted to GEL 14.1 million, a 73.0% increase from prior year. The increase was due to the increase in the pre-tax income.

The increase in Loan Impairment Charge from GEL 13.8 million in 2006 to GEL 17.4 million in 2007 was due to the increase in the size of Bank's average gross loan portfolio. Due to the improved credit quality, cost of risk decreased from 2.7% in 2006 to 1.4% in 2007. As a result, Loan Impairment Charge grew at a slower rate than gross loans.

Balance Sheet Highlights

As of 31 December 2007, Bank of Georgia had **Total Assets** of GEL 2,954 million, as compared to Total Assets of GEL 1,213 million in 2006, an increase of 143.4%. The increase was mainly attributable to the net loan book (Loans to Customers) growth which stood at GEL 1,676 million, an increase of GEL 990.8 million, or 144.7% from the previous year.

Cash and cash equivalents, which accounted for 13.7% of Total Assets, grew by 275.6% to GEL 405.8 million in 2007. The growth was mostly a result of high liquidity maintained during the year. Average liquidity ratio, based on the NBG standards, amounted to 47.5% in 2007 as compared to 30% requirement by the NBG.

In 2007, gross loan book increased by 141.6% to GEL 1,705.6 million compared to GEL 705.9 million in 2006. The growth in 2007 was driven by the increases in consumer and residential mortgage lending, which grew, compared to 2006 to GEL 331.1 million, or 260.3% and to GEL 236.4 million, or 187.2%, respectively. As of 31 December 2007, net loan book stood at GEL 1,675.7 million, up by 144.7% compared to the prior year.

Bank of Georgia maintained a well diversified loan book across various sectors of the economy. By the end of 2007, ten largest borrowers accounted for 13% of the total gross loan book, a decrease from 15% in 2006.

The largest liability item, Amounts due to Customers, or deposits, grew by 142.2% to GEL 1,355.5 million in 2007 compared to GEL 559.7 million in 2006.

[(3)] Expenses (Costs) comprise of Other Non-Interest Expense less Net Insurance Claims Incurred

The increase in deposits was driven by 211.6% and 104.1% increase in time deposits and current accounts, respectively. As of 31 December 2007, Time deposits grew to GEL 618.4 million compared to GEL 198.5 million in 2006, while current account balances grew to GEL 737.1 million compared to GEL 361.2 million in 2006.

Private companies accounted for 48.9% of the deposits, increasing to GEL 662.8 million or 216.7% in 2007. Individual deposits of GEL 583.0 million, grew 113.0% compared to 2006 and represented 43.0% of deposits. Deposits of state and budget organization in the amount of GEL 109.7 million, or a 43.0% increase from 2006, continued to hold the smallest portion with 8.1% of deposits.

As of 31 December 2007, ten largest customers accounted for 22.3% (or GEL 302.2 million), of the deposits.

In 2007, Amounts due to Credit Institutions, increased by GEL 677.4 million or 301.9 % from the prior year and amounted to GEL 901.8 million as of 31 December 2007.

In January 2007, Bank of Georgia drew down US$12.5 million from the US$12.5 million Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO") 7-year loan facility entered into by Bank of Georgia in December 2006.

In January 2007, Bank of Georgia drew down US$5.0 million from European Bank for Reconstruction and Development ("EBRD") loan and participation facilities entered into by Bank of Georgia in 2005. Of this amount, US$1.8 million was a loan to Bank of Georgia and US$3.2 million was EBRD's participation in the form of a deposit with Bank of Georgia to be utilised directly by the sub-borrower.

In February 2007 Bank of Georgia issued a US$200 million debut five-year Eurobond. The Eurobond was issued at par and carries a 9% per annum coupon rate paid semi-annually.

In July 2007 Bank of Georgia's wholly-owned subsidiary, Georgian Leasing Company, raised US$7.5 million, ten-year loan facility from WorldBusiness Capital.

In August 2007 Bank of Georgia issued a US$35 million, ten-year subordinated loan facility through Merrill Lynch.

In August 2007 Bank of Georgia issued a US$123.5 million debut syndicated loan arranged by Asian Development Bank and Citi in three tranches with 12-month, 18-month and 3-year maturities.

In October 2007 US$15 million, ten-year subordinated loan facility from Semper Augustus B.V., a fund affiliated with HBK Capital Investment.

In August 2007 a fund affiliated with HBK Investments L.P. converted US$25 million subordinated convertible loan into 1,157,407 Bank of Georgia common shares. The conversion price per share equaled GEL 35.95.

Equity

As of 31 December 2007, authorized share capital comprised of 32,835,619 common shares, of which 27,154,918 were issued and fully paid compared to 25,202,009 common shares issued and fully paid as of 31 December 2006.

The common share issuance during 2007 related to a) the transfer of 650,000 common shares in the form of GDRs to Abacus Corporate Trustee Limited under Bank's Executive Employee Compensation Plan ("EECP"); b) the conversion of a loan facility from HBK Semper Augustus into 1,157,401 common shares, and c) compensation of Supervisory Board members and top management in the amount of 145,502 common shares.

Regulatory Capital and Capital Adequacy (BIS)

Bank of Georgia maintained a well-capitalized position, based on Tier 1 and Tier 2 capital ratios (BIS) as of 31 December 2007 and 31 December 2006.

Total Capital was GEL 409.8 million at 31 December 2007, compared with GEL 386.6 million in 2006, an increase of GEL 23.2 million. The moderate growth of Total Capital in 2007 was due to deductions mainly attributed to the investment in the Ukrainian bank.

Risk-weighted assets increased by 131.2% to GEL 1,859 million in 2007 from GEL 804.1 in 2006, which was mostly driven by the loan book growth.

National Bank of Georgia ("NBG") requires capital adequacy calculation based on the NBG methodology, which is done on a standalone basis. Based on the NBG calculation method, Tier I and Total Capital ratios as at 31 December 2007 were at 13.2%, and 13.1%, respectively, and above statutory minimum of 8% for Tier I and 12 % for Total Capital. In 2006, Tier I and Total Capital amounted to 23.2% and 28.5%, respectively.

Events since the end of 2007

On 10 January 2008 the Bank obtained a USD 65 million senior loan facility arranged, structured and provided by Merrill Lynch International. The term of the facility is 13 months and can be extended to 24 and 36 months by mutual consent.

On 13 February 2008 the Bank sold four million new ordinary shares in the form of GDRs at a price of USD 25 per GDR (the "Offer Price"). The offering raised gross proceeds of USD 100 million. The offering represents approximately 14.7% of the issued share capital before the offering. The Offer Price is equal to 1.6% discount to the prevailing closing market price on the date of the offering. ING Bank acted as Sole Book runner, Unicredit Group was the Joint Lead Manager and Galt and Taggart Securities, the Bank's brokerage subsidiary, acted as Selling Agent, of the offering.

On 23 January 2008 the shareholders' extraordinary general meeting (EGM) of the Bank acknowledged the resignation of Mr. Lado Gurgenidze, Chairman of the Supervisory Board and approved the nomination of Mr. Kakha Kiknavelidze as a member of the Supervisory Board. Subsequently, Nicholas Enukidze, Vice Chairman of the Supervisory Board since November 2006 and Acting Chairman since November 2007, has been elected by the Supervisory Board as a Chairman of the Supervisory Board of Bank of Georgia.

Full version of the audited consolidated financial statements of JSC Bank of Georgia and its subsidiaries for the year ended December 31, 2007, as well as the Annual Report for the same period are available at: www. bog.ge/ir