

Bank of Georgia confirms discussions on a proposed funding transaction with the International Finance Corporation and other potential lenders

In connection with the Summary of Proposed Investment published by International Finance Corporation (“IFC”) on its web site (http://www.ifc.org/ifcext/eca.nsf/Content/Georgia_InvestmentProjects) on 17 October 2008, JSC Bank of Georgia (LSE: BGEO; GSE: GEB), confirms that it is in discussions with IFC and other potential lenders on a potential funding transaction, including up to US\$100 million to be provided by IFC and up to US\$100 million from other potential lenders. The funding package under discussion includes senior, subordinated, and convertible subordinated loan facilities. The part of the funding package of up to \$100 million to be provided by IFC is subject to approval by IFC’s Board of Directors.

About Bank of Georgia

Bank of Georgia, the leading universal Georgian bank with operations in Georgia, Ukraine and Belarus is the largest bank by assets, loans, deposits and equity in Georgia, with 33% market share by total assets (all data according to the NBG as of 31 August, 2008). The bank has 142 branches and over 880,000 retail and more than 128,000 corporate current accounts. 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, Aldagi BCI, as well as asset & wealth management services.

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) & ‘Ba1/NP’ (LC)

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