

JSC Bank Of Georgia Announces Major New Wealth Management Initiatives

JSC Bank of Georgia (LSE:BGEO, GSE:GEB), the leading Georgian universal bank, announced today its intention to further develop its wealth management business, with a view to further consolidate its market-leading position in Georgia and enhance its appeal to non-resident clients.

Hitherto a business unit within Bank of Georgia, the existing wealth management business, comprising over 1,000 domestic and non-resident clients, will be gradually moved to a separate entity with a Georgian banking license, wholly-owned by Bank of Georgia. To this end, the bank has recently acquired, at the Price/Book Value ratio of 1.1x, a 100% equity interest in JSC Cascade Bank - Georgia, one of the smallest banks in Georgia with total assets and shareholders' equity totalling GEL 12.7 million and GEL 10.4 million, respectively, as at 30 June 2007. Bank of Georgia intends to change its name to Galt & Taggart Bank, in order to achieve consistent branding of its investment banking, asset management and wealth management businesses. The rebranding is expected to take place in October, concurrently with a redesign of the core domestic private banking offering, following which the majority of current private banking clients will be offered to upgrade to Galt & Taggart Bank. It is intended that Galt & Taggart Bank and Bank of Georgia operate in a highly synergistic manner, with Galt & Taggart Bank benefiting from full access to corporate, back office and branch network resources of Bank of Georgia. Zurab Maisuradze, current head of the wealth management business unit, will be appointed Chief Executive Officer of Galt & Taggart Bank.

In a move to significantly enhance its appeal to non-resident clients, Bank of Georgia announced today the appointment of Deborah Fairlamb as group head of wealth management. Ms Fairlamb's role will entail supervising and coordinating domestic wealth management business in Georgia and any other market in the region Bank of Georgia may enter, establishing relationships with selected providers in Europe to secure access to their products for distribution by Galt & Taggart Bank, and working closely with Bank of Georgia's asset management business to design and launch structured products of interest to the wealth management client base. In addition, Ms Fairlamb will spearhead business development efforts in order to expand the group's wealth management offering on a regional basis, including screening for selected investments in specialist providers outside Georgia.

Deborah Fairlamb brings ten years of experience in building and managing wealth management products and services for high net worth individuals. Ms. Fairlamb spent the last seven years with UBS, where she held a range of positions developing and marketing UBS's high net worth client platform in the United States. In 2000 – 2003 she served as Manager of Preferred Client Services, the high net worth client loyalty program of UBS Wealth Management U.S., developing programs and services to enhance the relationship

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 32% market share by total assets (all data according to the NBG as of 30 June 2007). The major component of the Galt & Taggart Index, the bank has 104 branches and over 500,000 retail and more than 50,000 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'	Stable
Moody's	'B3/NP' (FC) & 'Ba1/P-3' (LC)	Stable
Fitch Ratings	'B+/B'	Stable

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between affluent individuals and the firm. In 2004 she assumed the role of Director of High Net Worth Marketing and was responsible for marketing the firm's high net worth products and services in the United States. In 2005 she took on the role of Manager in the Sales Development Business Practices group, where she launched an on-going program to increase the effectiveness of the firm's financial advisors through a better understanding of their clients' wealth management needs. Ms Fairlamb started her career in financial services in 1997 with Merrill Lynch in their International Private Client Group, where she managed a global strategic initiative to expand the firm's international high net worth client base.

"I am truly excited about the opportunity to build on our pioneering success in wealth management in the Georgian market, and look forward to working closely with Ms Fairlamb to transform over time Galt & Taggart Bank into a wealth management platform addressing the needs of affluent and high net worth individuals in the region. There are early indications that the Galt & Taggart brand travels well, and we intend to continue to invest in the brand and realise synergies arising from the tight integration of investment banking, asset management and wealth management", commented **Lado Gurgendidze**, Chairman of Supervisory Board of Bank of Georgia.