

JSC Bank of Georgia Announces That Lado Gurgenzidze Intends to Resign As Chairman Of The Supervisory Board In Light Of His Nomination As Prime Minister Of Georgia; Nicholas Enukidze, Vice Chairman, To Act As Chairman Following Mr. Gurgenzidze's Resignation

JSC Bank of Georgia (the “**Bank**”) hereby announces that Mr. Lado Gurgenzidze has today notified the Supervisory Board of Bank of Georgia of his intent to resign as a member and Chairman of the Supervisory Board of the Bank in light of his nomination to the position of Prime Minister of Georgia, subject to approval of the nomination by Parliament, which is expected to conduct the hearing next week. Mr. Gurgenzidze also intends to resign immediately upon the approval by Parliament from all other positions he holds with subsidiaries of the Bank and the Georgian Stock Exchange.

The Supervisory Board of the Bank congratulates Mr. Gurgenzidze on his nomination and will appoint Mr. Nicholas Enukidze, the current Vice Chairman of the Supervisory Board, to act as Chairman of the Supervisory Board of the Bank on an interim basis, once Mr. Gurgenzidze tenders his resignation upon the Parliamentary approval of his appointment as Prime Minister. The Bank further intends to convene an extraordinary meeting of its shareholders to elect a new member of the Supervisory Board of the Bank to replace Mr. Gurgenzidze.

Nicholas Enukidze, Vice Chairman of the Supervisory Board, said “the Supervisory Board would like to thank Lado for his leadership, vision and unwavering commitment to the shareholders, clients and employees of the Bank. As Chief Executive Officer and subsequently executive Chairman of the Supervisory Board, Lado has led the Bank in its transformation into a market-leading universal bank with strong capital base, diversified revenue streams and effective and efficient multi-channel delivery of our broad range of products in Georgia and Ukraine. On a personal note, having worked with Lado for over seven cumulative years at three different banks, I very much hope to be able to work with him again, should he ever decide to come back to the private sector”.

Irakli Gilauri, Chief Executive Officer, added “I intend to work closely with the Supervisory Board and our executive leadership to maintain the momentum of our businesses, enhance our formidable competitive advantages in Georgia and preserve the uncompromising, performance- and results-oriented corporate culture Lado has forged at the Bank. Lado will leave rather large shoes to fill, but I am confident the leadership of the Bank will rise to the occasion”.

Ian Hague, the longest-serving member of the Supervisory Board of the Bank and managing partner of Firebird Management LLC, commented “with the investment of Firebird funds in the bank practically coinciding with the arrival of Lado and Irakli Gilauri, I am delighted to have been a part of the amazing

About Bank of Georgia

Bank of Georgia, the leading universal Georgian bank with operations in Georgia and Ukraine, is the largest bank by assets, loans, deposits and equity in Georgia, with 34% market share by total assets (all data according to the NBG as of September 30 2007). The major component of the Galt & Taggart Index, the bank has 109 branches and over 595,000 retail and more than 60,000 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
FitchRatings	'B+/B'	Stable

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transformation the Bank has undergone since October 2004. I trust my fellow shareholders will join me in wishing Lado well and thanking him for the outstanding track record of delivering shareholder value during his three-year tenure, with the share price rising from GEL 3.6 (US\$1.95) on 15 September 2004, when Lado's appointment as Chief Executive Officer was announced, to GEL 56.0 (US\$34.5) as of the market close on the London Stock Exchange today".

Jyrki Talvitie, member of the Supervisory Board of the Bank and Senior Adviser to the East Capital Financial Institutions Explorer Fund, added "since the inception of our fund, I have had a chance to observe up close a significant number of financial institutions in the CIS, and am pleased to note that Bank of Georgia stands out in terms of focus on shareholder value, transparency, and quality of its investor relations effort. Lado and the first-rate team he has built should be commended on this".

Allan Hirst, member of the Supervisory Board of the Bank and Citigroup's former head of Russia, Poland and other Eastern European markets, concluded "since accepting the nomination to the Supervisory Board of the Bank in November 2006, I have enjoyed participating in three back-to-back groundbreaking transactions the Bank has executed, as the first-ever Georgian company to list its GDRs on the London Stock Exchange, first-ever Georgian entity to issue Eurobonds, and first-ever Georgian bank to make a significant acquisition abroad (the purchase of UBDP in Ukraine). I am confident that Lado's unexpected departure will not impede our plans regarding the further disciplined expansion in the neighbouring markets".

Lado Gurgenidze commented "I am privileged to have led the Bank over the last three years on its exciting journey – from a small obscure bank with assets and market cap of US\$199 million and US\$35 million, respectively, and stagnating or declining market share across its narrow product range in October 2004, to the unequivocal leader in Georgia with a powerful universal banking franchise and second home market in Ukraine and consolidated assets and market cap of US\$1,697 million and US\$952 million, respectively. Among our many accomplishments, the one I am proud of the most is the fact that we have been able to build a world-class team, comprising, among others, veterans of ABN Amro, Credit Suisse, Merrill Lynch, UBS, Royal Bank of Scotland, Goldman Sachs, Nomura, Raiffeisen, UniCredit, JP Morgan and other leading institutions. I am certain that our talented executive team, to be ably led by Nicholas Enukidze and Irakli Gilauri with support of the Supervisory Board following my intended departure, will march right on – in Georgia, Ukraine and selected neighbouring markets – with razor-sharp focus on the shareholder value creation. Nicholas and Irakli will split my responsibilities with respect to strategy, M&A and investor relations. Nicholas and the other members of the Galt & Taggart Securities' Executive Committee – Dmitry Kasatkin and Sergiy Lesyk - both seasoned investment bankers – will continue building our regional franchise. Irakli Gilauri will take over the oversight of the Wealth Management business, which is managed by Deborah Fairlamb out of Kyiv and will benefit tremendously from her years of experience. Finally, our latest high-caliber addition to the team, Bidzina Bejuashvili, who had long been a highly-respected sell-side research analyst at several international banks (most recently at JP Morgan in London) and joined last month as head of Galt & Taggart Asset Management, will take over, together with the team of young but highly talented portfolio managers comprising Eli Enoch, Giorgi Nadareishvili and Archil Mamatelashvili, my responsibilities for managing this business".