

### ***Fitch Ratings Changes Bank of Georgia's Outlook To Positive***

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today that Fitch Ratings changed the bank's Outlook from Stable to Positive. At the same time, the agency has affirmed the bank's ratings at Issuer Default 'B-' (B minus), Short-term 'B', Individual 'D' and Support '5'.

According to Fitch Ratings, the change in outlook reflects the gradually improving operating environment and the bank's expanding franchise and scale and improving funding profile. The Positive Outlook also reflects the sound asset quality and profitability achieved under the new management team.

"We are delighted that Fitch Ratings changed Bank of Georgia's Outlook to Positive and pleased that the current trends in respect to the operating environment and the bank's financial profile could result in an upgrade, according to Fitch Ratings", commented **Lado Gurgendze**, Chairman of the Supervisory Board.

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#### **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 (through its newly launched *Chenebi* retail brand). As at July 30, 2006, the bank had GEL 758.3 million in assets and GEL 121.1 million in equity. In 1H 2006, the bank earned net income of GEL 9.4 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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